UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 86th CONGRESS
FIRST SESSION

VOLUME 105—PART 4

MARCH 17, 1959, TO APRIL 10, 1959

(PAGES 4343 TO 5718)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1959

J
11
.R
v.105
pt. 1

DEPOSITED BY THE
UNITED STATES OF AMERICA

Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 86th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 17, 1959

The House met at 12 o'clock noon.

The Reverend Father Patrick J. Nagle, Sacred Heart Church, Washington, D.C., offered the following prayer:

In an age such as ours, so agitated, so afflicted, so affrighted, it seems right, just and meet that we humbly beg St. Patrick, on this his Feast Day, to intercede for us with our Lord and Saviour, Jesus Christ, for peace of heart, mind, and soul.

St. Patrick lived in a time a little like our own—a time when Attila, the Scourge of God, threatened to destroy the then known Western World. Perhaps it was because of Attila that St. Patrick prayed as we can also:

"Christ with me;
Christ before me, Christ behind me;
Christ beneath me, Christ above me;
Christ on my right, Christ on my left;
Christ on the fort; Christ in the chariot's seat;
Christ in the poop.
Christ in the heart of every man who thinks of me;
Christ in every eye that sees me;
Christ in every ear that hears me."

This was the final prayer, so to speak, of the man who challenged a great culture, and brought to a nation that has never been entirely conquered the Christian religion, all alone by God's holy grace.

Through the intercession of St. Patrick, and all the saints, as well as all good God-fearing people, may God grant us peace in this, our troubled times. This great grace we ask: In the name of the Father, and the Son, and the Holy Spirit. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 1776. An act to amend the act of June 28, 1958, entitled "An act to provide for a National Outdoor Recreation Resources Review Commission, and for other purposes."

CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 16]

Alford	Gallagher	Polk
Barden	Gathings	Porter
Barrett	Glenn	Powell
Bowles	Granahan	Prokop
Brademas	Griffiths	Reece, Tenn.
Byrne, Pa.	Hall	Rivers, Alaska
Carter	Hardy	Rivers, S.C.
Chelf	Healey	Rostenkowski
Clark	Holifield	Roush
Curtin	King, Utah	Simpson, Pa.
Delaney	Lafore	Spence
Derwinski	McGinley	Taylor
Diggs	Macdonald	Thompson, La.
Dorn, N.Y.	Martin	Thompson, N.J.
Durham	Miller, N.Y.	Toll
Feighan	Moeller	Weaver
Forand	Nix	Willis
Frazier	Philbin	

The SPEAKER. Three hundred and seventy-seven Members have answered to their names. A quorum is present.

By unanimous consent further proceedings under the call were dispensed with.

The SPEAKER. The Chair recognizes the gentleman from New Jersey [Mr. CAHILL] for 1 minute.

ST. PATRICK'S DAY

Mr. CAHILL. Mr. Speaker, today all of America celebrates St. Patrick's Day. From Key West to Point Barrow, from Point Loma to West Quoddy Head, a tinge of green colors our land. It can be seen in Chinatown and Harlem, Dallas and New Orleans, Denver and St. Paul, as well as in Philadelphia, Boston, and New York. For today, all Americans, regardless of origin or creed, pay their friendly respects to the Irish by wearing the emerald green.

This friendship and respect for the Irish results from a recognition of the great contribution of Irish Americans to the American way of life. These accomplishments are dramatically demonstrated by the number of Irish names on the roster of this honorable House—illustrating the affection, confidence, and trust of the people of America in the sons of Erin.

As in Government, so we find the Irish well represented in every chapter of the story of America. From the beginning of our country the Irish have played an important role in every war—they gave Washington the Pennsylvania line, Pershing the Fighting 69th. They walked with both Grant and Lee, rode the tanks with Patton, sailed with Barry, Dewey, and Halsey, and flew with Rickenbacker and Arnold.

In music they gave us Victor Herbert and George M. Cohan; in sports, Gene Tunney, Connie Mack, and Ron Delaney; in business, Collier, Cudahy, and O'Sullivan; in the religious life, Spellman, Cushing, and O'Hara.

Besides using their muscle and sinew to build our roads, bridges, and tunnels, they supplied the imagination, skill, and courage that brought America from the Atlantic to the Pacific.

The immigrants of the eighties who came seeking freedom and opportunity, with their only possessions in the form of flaming faith, eternal hope, and unconquerable courage, fathered the lawmakers, scientists, poets, and teachers of the 20th century. The love of God and country, brought from the Ould Sod, has grown stronger in the fertile soil of a free America, and today the Irish lead the way against any atheistic philosophy by whatever name it trades, which seeks to destroy man's faith and freedom.

Yes, gentlemen, it is good for all of us to celebrate St. Patrick's Day, for in noting the accomplishments of the Irish, we are reminded of the true greatness of America, still the land of opportunity, and truly the "land of the free and the home of the brave."

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs may sit during general debate in the House today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BLESSINGS UPON IRELAND AND THE IRISH

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, Ireland and Israel, and their people, are as close together in fate and faith and fortitude as they are in the alphabet.

Each of the two countries, small geographically and in population, and weak

in all the elements of political and military power, at least through most of the world's history, has exercised a tremendous effect on the world at large through the power of heroic faith and stalwart endurance. Each country, too, has scattered through the world its sons and daughters, who with varied genius, have taught and led and built and charmed the world. The Harp of David and the Harp of Tara are not so far apart. The Roman Patricius and Hebrew Michael are as close akin as Pat and Mike.

As I have said on each St. Patrick's day since I arrived here, the difference is only in spelling. The Sons of Erin and the Sons of Aaron are brothers, God's children working His will.

On this great day, I know that freedom-loving people all over the world, and particularly in America, are turning with warm hearts and glowing eyes toward the dear land of Ireland, and her children everywhere. With Ireland, and with the worldwide Irish, we pay honor today to that courageous and devoted man, St. Patrick, Apostle and Bishop of Ireland. May his followers be animated forever by his spirit of fierce anger against all injustices and oppression, of personal humility joined with stubborn insistance upon the right and the truth, and of unselfish, wide-spreading love. In this blessing, bestowed upon the Irish, all the world will be likewise blessed.

It is, indeed, good to note that today people of all faiths and origins join together in words of tribute and prayer.

ST. PATRICK'S DAY

Mr. BECKER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include an editorial on St. Patrick's Day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, today, St. Patrick's Day, is recognized and celebrated by people of good will everywhere. All the things that I might say in recognition of the Patron Saint of the Irish is embodied in an editorial in the Irish Echo and I am, for that purpose, inserting it in this RECORD for all to read:

ST. PATRICK'S DAY A TRIBUTE FOR SAINT'S GIFT TO IRELAND

It is difficult to realize what Ireland and the Irish would do without a St. Patrick's Day commemoration which has come to mean so much to their spiritual and temporal prestige. The racial and national significance of Ireland has for several hundred years depended to an exceedingly large extent on the religious truths which St. Patrick brought to its people and propagated among them. It was the adherence of the Irish to the Gospel verities which St. Patrick preached that caused their enemy to inflict his fiercest persecutions on them from the Tudor to the Hanoverian dynasties. In spite of all the enemy's machinations, however, to wipe out the religion which their National Apostle had spread among them, the Irish people clung with unflinching zeal to it. Every generation in Ireland has regarded it as its faith bequeathed by its fathers. That is one principal reason why St. Patrick's Day is so intensely and honestly honored by the Irish at home and abroad. It recalls to them other times and other men valiantly upholding the precious treasures of faith and fatherland.

The dissemination throughout the world of the fundamental truths of life by Irish evangelists, which they garnered from St. Patrick's missionary labors among their native kindred, is the underlying reason why St. Patrick's Day is so universally observed. There is hardly any part of the world where the day is not celebrated in some form or other. Surely an extraordinary recognition of the Patron Saint of Ireland. And in those parts of the world where the Irish exile is very predominant among the inhabitants the atmosphere of Ireland is injected into the celebration, as in New York, for instance.

"Now they come with fife and drum,
And their banners raised for Ireland,
The young, the old, the brave, the bold
All who have love for their emerald sireland."

To apply the words of the psalmist to the 17th of March, we who are of the Irish race may truthfully say: "This is a day that the Lord hath made, let us rejoice and be glad therein."

With all our hearts, with all the fervor of our devotion to the principles of faith which St. Patrick enunciated, let us, on his anniversary day, praise him as he deserves to be praised.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, it is fitting and proper that we pause on this memorable day, St. Patrick's Day, to pay deserved tribute to the Patron Saint of Ireland, one who symbolizes all that is good and noble in the minds and lives of all persons, without regard to race, color, or creed.

May I make the observation at this time that if we had more of the missionary and crusading spirit of St. Patrick in the minds of men and women who want to be free under their own laws, we would be in a much better position than we are, affirmatively fighting evil as Patrick did in his day by fighting for God's justice and righteousness.

St. Patrick is linked so much to us, as Americans, and we hold dear this beloved Patron Saint of Ireland who has contributed so much to the institution and preservation, as well as the faith, patriotism, the courage, and the song and laughter of America.

But I think it is important for us to remember always how St. Patrick, in all the fervor of his deep and fiery faith, stood for an affectionate tolerance, rather than for bigotry, in spreading Christianity through pagan Ireland. He, who defied the Druids and the High King on Tara by kindling his Easter fire on the great hill of Slane over against Tara, at a time when the mystic Druid law, enforced by all the power of the pagan state, forbade the kindling of any fire—this bold missionary bishop, eloquent preacher, and daring strategist was the same man who adapted the rule of the Catholic Church in Ireland to local customs and traditions; diplomatically approached tribes through their chiefs and sages, and worked diligently to maintain and cherish all that was not anti-Christian in the traditional customs and beliefs of the Irish people. For the strength of St. Patrick, like the strength of Ireland and America today, was the strength of all-embracing charity; a recognition of the right of people to live in accordance with the dictates of their own consciences, and a sensitive respect for each man's attachment to the heritage he has received from his parents.

In his post as Bishop, St. Patrick would stand before any king or chief as an equal; as philosopher and theologian, he would contend with superior ability with the learned Druids; as poet, his extant composition, known as "The Deer's Cry," proves that he could compete on equal terms with any bard. But his personal humility, and his memory of his youth, drew him closest to the lowest of the low among the Irish, the slaves and peasant sheepherders. Facing them, he could speak feelingly from experience of days and nights, months and years, spent in abject destitution as captive and slave, clad in rags and bits of skins, hungry and shivering as he sought some rocky shelter from the rains, and from the wintry winds, on the hills where he was sent to pasture the sheep. No pride of place or power ever colors even a word or a phrase of the autobiography the Saint has left us under the name of his "Confession," and one of the most eloquent outcries of wrath and sorrow and moral feeling to be found in any literature is his "Letter to Coroticus," which springs directly out of his strong fellow feeling for people treated as he had been treated in his youth. For when he was a lad of 16, Patrick had been seized by pirates in a raid on his home and carried off to be sold into slavery among the pagans on the coast of Ireland. Now, years afterward, when a nominally Christian chief in Britain makes a similar bloody raid on his Christian Irish flock, the good shepherd Patrick is doubly outraged; indignant as he recalls the sufferings he himself had suffered as a captive, and his parents and neighbors in the terror and destruction of that long-ago raid, and still more indignant as he thinks of the goodness of these helpless people, snatched from his charge, and of the fact that their attacker and oppressor, Coroticus, is supposed to be of one faith and Christian family with them. That Patrick is thinking with particular bitterness of his own youth appears in the fact that he reproaches Coroticus for bringing shame upon him, as his compatriot.

The facts of St. Patrick's life are well enough known, however scholars may argue about the dates and geographic localities. In the fourth and fifth centuries, chronology was not considered so important as it is nowadays, and though St. Patrick was careful to give the locations of many happenings of his life, including his birth, the subsequent changing of place names have quite obscured the geography of the matter. We know with all definiteness the character of the man, and the scope of his achievement, as well as many details of his career that are recounted in his confession. We

know that St. Patrick loved, deeply, and from the days of his youthful captivity, the land and people of Ireland.

St. Patrick, laying claim to no deep learning, was able to defeat the learned in argument by common sense, by quick wit, by moral fervor, and, as he said, by the grace of God. Great himself in many qualities, he never lost sight of the fact that he was the bearer of a message that was greater than himself, or than any man. It is to the everlasting credit of the Irish people that they sensed this quality in him, this selfless devotion, and that they responded eagerly and in phenomenal numbers to the magnetism of his love of God, and his love for them. They saw and recognized Christ in the qualities of this man, His servant, and were drawn to share his loving service of Christ. But St. Patrick belongs to the world, not to the Irish alone—to the worldwide Catholic Church, and more, to all who share the Christian heritage and tradition, as well as to all, in any faith, who believe in and look upon the service of God and the love of man as the chief paths of virtue open to humanity. His is a name to be invoked, not in any national or racial or sectarian pride, but in humble appeal to what is best in the nature of all men.

GENERAL LEAVE TO EXTEND REMARKS

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members who desire to do so, without establishing a precedent, may have permission to extend their remarks at this point in the RECORD on the subject of St. Patrick.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ADDONIZIO. Mr. Speaker, the current visit of the President of Ireland to this country is an honor particularly heartfelt by all Americans on this St. Patrick's Day. The American people are ever-willing to greet the representatives of Ireland on friendly terms, for of all nations, Ireland and the United States are linked in an unbreakable emotional tie. And of all times to honor this relationship, St. Patrick's Day is obviously the most appropriate.

The destinies of Ireland and the United States are linked in many respects, but especially in their mutual emphasis on democratic and spiritual qualities. Among all the peoples on earth, the Americans and the Irish stand out for their jealously protected political and religious traditions. Both at one time politically weak, Americans and Irishmen, through an intense display of moral fiber, proved capable of challenging the oppression of political tyranny and of obtaining, through popular insistance, a status of national independence. The same element of national greatness that distinguishes Americans in the eyes of the civilized world also distinguishes the Irish. We stand united at destiny's threshold—may the tie that binds us never be severed.

In a world in which so little emotional unity exists, it is encouraging to witness such an intercontintental relationship as this. What is its basis? The answer is vital, because the continued prosperity of the human race hinges thereon.

I propose the possibility—more than that: the probability—that the Irish and Americans nations coexist on such friendly terms as the result of their mutually devout respect for spiritual values. It is significant, I think, that St. Patrick, the patron saint of Ireland, is honored in this land to the extent that he is. Americans know of his history, and honor his name with no less reverence than the people of his own land. The reason is self-evident, for the story of St. Patrick is inspirational. Carried into Ireland as a slave while only in his teens, this saintly man reacted in a most remarkable manner. Instead of rancor for his slavemaster and the land of his captivity, St. Patrick, through conversion to Christian idealism, came to hold but one hope: the spread of Christianity to Ireland. To this end he devoted himself throughout his life, and with a success seldom witnessed on this earth, previously or since.

The task was not easy, for nothing is so difficult as bringing a new faith to a people. No fewer than 12 times were St. Patrick and his companions seized by the pagan enemy, and carried off as captives. On one occasion in particular, St. Patrick was loaded with chains and his death decreed. It is on account of these hardships which he endured for the faith that he is honored as a martyr. But from all his trials and sufferings St. Patrick was liberated by a benign providence and ultimately lived to see all of Ireland lit up with the brightest rays of divine faith, making the land famous for its seats of piety and learning.

Americans, with their own highly-revered spiritual traditions, honor the name of this man—this Irish saint—with a sense of understandable humility. His story is symbolic of Christian good works and good will. So long as we in this country and the people of Ireland continue to revere such traditions, our international unity is assured.

All Americans are honored to have the President of Ireland observe the great day in our midst. It is our hope that he will enjoy his stay here and will feel as welcomed as do Americans of all races and creeds when they visit his lovely country.

Mr. RODINO. Mr. Speaker, we all know that the United States owes a debt of gratitude to the Irish who have, since colonial days, worked to build the Nation and fought to preserve it. St. Patrick's Day is the annual occasion on which it is fitting for every American to give expression, in the name of St. Patrick, bishop and apostle and patron of Ireland, to this gratitude and to the affection the Irish have earned from us all. The thought of the Irish in America brings to mind the songs of Thomas Moore and George M. Cohan, the lyric voice of John McCormick as preserved to us in records, the comic tales and witticisms that the Irish typically make at their own expense. The Irish laughter and the Irish courage go together, and it is characteristic of the Irish to laugh in the face of danger. In the Revolutionary War, when the ranks of the Continental Armies were swelled by an extraordinary number of bearers of Irish names, the Irish won for themselves a reputation for their splendid fighting qualities. In the Civil War, the Irish poured out their blood on many a famous field, some fighting for the Union, some for the Confederacy. Even when Irish met Irish, their rival green flags waving proudly over them, there was no relaxation, but rather an intensification of their dash and ferocity. Every war since then has added to the glory of the Irish as fighters for America. Every list of fighting men, of officers, of men awarded promotions for skill and excellence or decorations for extraordinary heroism, has been musical with Irish names. When the United States had been in World War II but a little more than a year, for example, the Legislative Reference Service, being asked to compile a list of Navy and War Department citations and awards for bravery to persons whose names suggested Irish ancestry, came up at once with a list of 22 names. The Navy Department, it developed, had awarded these honors to men of Irish names:

Distinguished Service Medal: Capt. Robert B. Carney, U.S. Navy.

Silver Star Medal: Comdr. Francis J. Firth, U.S. Navy—Firth seems an Anglo-Saxon name, but two people of that name are in the Dublin telephone directory today; 2d Lt. Donald C. McGee, Air Corps; Edmund E. McGuire, chief fire controlman, U.S. Navy; Joseph O'Savage, boatswain's mate, 2d class, U.S. Naval Reserve.

Navy Cross: Lt. Wilmer E. Gallaher, U.S. Navy; Lt. (j.g.) John R. McCarthy, U.S. Naval Reserve; Lt. Cmdr. Clarence W. McClusky, Jr., U.S. Navy; Ensign Frank Woodrow O'Flaherty, U.S. Naval Reserve; Lt. (j.g.) Daniel Crysdale Sheedy, U.S. Naval Reserve.

Air Medal: Lt. (j.g.) William T. O'Dowd, U.S. Naval Reserve.

The War Department had awarded these:

Silver Star: Homer D. McGettigan, technician grade IV, Infantry; Cleo Quinn, corporal, Corps of Engineers; Sgt. George Ryan, Jr.

Distinguished Flying Cross: George F. Callahan, first lieutenant, Air Corps; Wilbert H. Grogan, sergeant, Air Corps; John D. Sullivan, Air Corps.

Air Medal: Sgt. Jack F. Delaney; James S. Doherty, sergeant, Air Corps; Robert L. Morrissey, lieutenant colonel, Air Corps; Capt. Carey L. O'Bryan, and Frederick D. O'Riley, Jr., first lieutenant, Air Corps.

All the awards listed were granted within a 6-month period, and eight of them within the month of March 1943 alone. And the list was prepared on March 12, 1943. Can you imagine what it would be like to sit through a reading of the Irish names in a calendar of awards since that time. We know the list is rich and resounding with names like Murphy and Kelly and Flannigan and O'Rourke, Loughlin and Driscoll and Shea. Heroism is a virtue for which there can be no reward but recognition and emulation. Let us recognize the brave record left by these Irish defenders of our Nation, and strive to emulate it.

Mr. RABAUT. Mr. Speaker, now is the time for all good men to come to the praise of St. Patrick. Disregarding party, creed, and race, let us do honor today to the great good man who spent his life in brave and energetic service to God, and in loving care for the barbarian people who had been his enslavers and oppressors. For though the precise date and place of St. Patrick's birth is not known, we do know that in his 16th year he was taken captive in a piratical raid, carried off from his homeland, and sold into slavery in Ireland. There he was made to work as a herdboy for 6 years or more, living in the most miserable conditions, ill-fed, suffering from the winter cold, against which he was protected only by such scraps of clothing and inadequate shelter as he could find. Making his escape, he worked his passage to Gaul, and then, after much wandering, was able to make his way home. But he could not forget the poverty, the ignorance, the heathenism of the people among whom he had lived as a slave. He therefore returned to Gaul, enrolled in a seminary, and prepared himself to go among them again as priest and missionary. Ordained, and commissioned by Pope Celestine I, as missionary to the heathens of Ireland, he was about to set out when word was received that Palladius, first bishop of Ireland, had died. Patrick was then consecrated bishop of Ireland, and proceeded to undertake his mighty task, armed with full authority to act on his own initiative. This gave scope to St. Patrick's daring, energy, diplomatic adroitness, and warmhearted affection for the people. With the dramatic suddenness of the Easter beacon-fire he lighted on the hill of Slane, opposite Tara, in defiance of the edict of king and druids, the fire of faith kindled by St. Patrick's preaching and example lighted up the whole of Ireland with a glow of faith that has lasted in full strength into our own time, 15 centuries later. The world is the better that the Irish people, taught by St. Patrick, have imitated his example and followed his precepts. All honor to St. Patrick, therefore, and to his children, on his festal day.

Mr. DONOHUE. Mr. Speaker, it is a great pleasure to join with my colleagues today in remembrance and testimony of the Christian work of St. Patrick among the Irish people in devotion to the Lord and the glories of Ireland, herself.

The Christian work and triumph of St. Patrick among the Irish people has been already explained and expressed here much better than I could hope to reveal it and I will not burden you with repititous recital. Rather, I would dwell, in these days of world danger and insecurity, on the strength of the Irish character as developed from the faith implanted in them and nourished by the teaching and example of their renowned patron saint.

That faith, and the five great loves of the Irish people emanating from it could, by imitation, well sustain us and the free world in these times of barbarous Communist challenge.

The first great love of the Irish is their intense love of country and the hardship, suffering, and sacrifices they are willing to make in fulfillment of that love is legendary in the world's history.

The second great love of the Irish is their love for religion, for the things of the soul and the spirit. In these times, of exaggerated commercial materialism and unhappy demonstration of suffocating selfish self-interest our imitation of the Irish devotion to the things of the spirit, as against the material, could be the sustaining strength necessary to survival against an ungodly enemy.

The third great love of the Irish is their love of learning. In our continuing struggle with Communist advances on all fronts, and particularly in the field of technical science, we would be well advised indeed to imitate this special love of the Irish.

The fourth great love of the Irish is that of political freedom. Thank the good Lord, with the Irish descendants among us along with all our other good American people from every corner of the globe, we are still intensely devoted to and united in our determination, under God, to fight to the end to preserve that freedom for ourselves and the free world.

The fifth great love of the Irish people is that of poetry and song, and that is why, to them, the harp is the symbol of all the fine things the human heart aspires to. In these days of uncertainty, unhappy outlook, discouraging burdens, and even wise fear, it would add to our spirit, if, fortified with knowledge we are pursuing God's cause, we firmly resolve to endure every required sacrifice, with the song of heaven in our hearts and a toast on our lips to the persevering faith of the Irish.

In imitating the great loves of the Irish we can pray that the good St. Patrick will intervene for us with the good Lord and ask Him to bless our American destiny with success and triumph over every evil force.

Mr. KOWALSKI. Mr. Speaker, St. Patrick is loved and admired the world over, but most of all, I think, by three nations: Ireland, whose apostle and patron saint he is; America, where his fame and glory have been growing since Revolutionary times; and Poland, where his stalwart faith and courage, his lifelong warfare on behalf of the enslaved and oppressed, seem to cry out for love and admiration and emulation. Some seem to think we do not know much about St. Patrick, just because we do not know the precise time and place of his birth, and are a little less than sure of the date of his death. But time and place, chronology and geography, are not the prime essentials of a man. What we need to know of St. Patrick is precisely what we do know, with the ringing clarity of a trumpet call. For we have from St. Patrick what is sadly lacking in the vast majority of the saints, his own words of exhortation and remonstrance, words in which his character appears plainly and even the tone of his voice seems to come through, and even an account of his life in his own words. Back in the fourth and fifth centuries, when St. Patrick lived and wrote, time seems to have meant less to people than it does today, and the only date we can be anything like sure of is the date of his death, March 17, 493—and some historians give dates as much as 30 years off from that. But we do know the facts of his life, as narrated in his autobiography, and his humility and piety, courage and vigor, as they appear in the manner of his narration.

The world knows well, and will never forget, that Patrick, seized by pirates and sold into slavery at the age of 16, served a heathen Irish master as herdsman for 6 years, escaped to the Continent, and, after long wanderings, returned to his home. May the world never forget, too, how the divine call came to Patrick, at home and in safety, to plunge himself again into the discomforts and dangers of pagan Ireland, and to save those very people who had been his masters. Whether at Auxerre or under St. Martin at Tours, he studied for the priesthood, was ordained, and sent as a missionary to Ireland, in accordance with his call and desire. With his burning love for God, and his self-sacrificing devotion to the people of Ireland, he threw himself heart and soul into the task of bringing his beloved people to the foot of the cross of Christ. In this task, he succeeded so completely that today, in the eyes of the world, the patriotism of Ireland, and the catholicity of Ireland, are alike personified and typified in the well-beloved figure of St. Patrick.

Mr. PUCINSKI. Mr. Speaker, the world today pays tribute and homage to the patron saint of Ireland, St. Patrick. While St. Patrick was a son of Ireland, people of good will of all ethnic backgrounds join in paying tribute to the great son of God. Even though my own heritage finds its roots in my grandparents who migrated from Poland, I join in paying tribute today to St. Patrick, and I wish to call the attention of the House to the striking parallel between the struggle for freedom by the Irish and the similar struggle for freedom by my own ancestors, the Poles.

This day honors St. Patrick, the patron saint of Ireland, on the anniversary of his death, March 17, 493. St. Patrick's Day has long been celebrated by Christian and freedom-loving people, not only in Ireland but throughout the world. Since the early history of the United States, Americans have commemorated the ascension of this great servant of God from his calling here on earth.

The life and accomplishments of St. Patrick exemplify the great human struggle to surmount oppression which stands in the way of advancing the work of God. As a youth St. Patrick was captured, sold as a slave, and held in bondage for 6 years. After escaping he entered a monastery and began to prepare himself for his divinely inspired mission. During his life of preaching, teaching, building churches, organizing parishes, and performing miracles, he was taken prisoner 12 times and was once loaded with chains and condemned to die.

In our time when much of the Christian world is enslaved by Communist totalitarianism, the Christians of the free world help to keep alive the hopes

of their oppressed brethren within the Soviet bloc for the restoration of religious liberty and national independence. On hallowed days such as this, when free nations are especially thankful for their liberties and subjugated people are denied their rights to human dignity, we are profoundly impressed by the parallel struggle of the now independent Irish nation and downtrodden nations like Poland for religious freedom and national independence.

Both the Irish and the Poles are rightfully proud of their ancestry. Neither would be worthy of their heritage if they were not. Every people should preserve those memories which are peculiar to them and commemorate those events which have molded their heritage. It is as right for us to emulate our historic virtues as it is for us to criticize and overcome the mistakes of the past.

Both Poland and Ireland are among the greatest daughters of the Catholic Church. Under British domination, the Irish people suffered the supression of their rights to freedom of worship. In Poland the persecution of the church has been carried out by the Communists since 1945, with the intent of eventually uprooting all religious faiths and institutions.

Both Ireland and Poland have long and invincible traditions of greatness, which cannot be extirpated by foreign conquest. The union of the Polish and Irish minds with Christianity has yielded marvelous fruits. Poland by the end of the Middle Ages, was a large kingdom, forming an integral part of Western Christendom and contributing to the common cultural and religious life of Europe. Ireland, already a rich culture at St. Patrick's birth, became an island of Christian saints and scholars. Christianity inspired both the Irish and the Poles with a collective dynamism, a great national purpose, and an inspired sense of destiny.

Ireland endured exploitation for centuries before her fight for national independence triumphed in 1922. Poland has several times undergone and is now suffering the hardships of being ruled by alien despotism.

When Henry VIII withdrew from the Church of Rome, a program was inaugurated to confiscate the estates of the Irish noblemen. As this campaign was pursued more vigorously, Englishmen who loaned money to the Crown to defray the expenses of subjugating the Irish were repaid with grants of landholdings in Ireland. In 1649 Oliver Cromwell invaded Ireland with a large army that was followed by a horde of fortune seekers. The oppressive domination of Ireland by the English landlords, known as the plantation system, became solidly entrenched. Thereafter her people were ruthlessly exploited, starved, and decimated.

Virtually all of Ireland was Catholic at this time. Catholics were not permitted to own land or to hold seats in Parliament. The Irish Parliament could not consider any legislation without the approval of the British Privy Council. There emerged an organization whose membership was comprised primarily of the descendants of those who followed Cromwell, and this group was fostered and protected by the British rulers.

Throughout the period of British rule, the Irish people clung to their forbidden language, stoutly resisted political domination and economic oppression, and remained loyal to their Catholic faith, against whatever repression their masters might devise. The deeply symbolical Easter Rebellion of 1916, the brutal methods used to crush it, and the execution of its leaders aroused in Ireland a national spirit of revolt which had been dormant but never dead since the time of the great O'Neill. Ultimately, the cause of freedom and independence was victorious in Ireland.

Poland was divided among Russia, Prussia, and Austria between 1772 and 1795. From 1795 until 1918, the Polish state disappeared from the map of Europe, but the Polish Nation, like the sons of Eire, remained alive and vigorous. The Poles never accepted the dismemberment of their country and took every opportunity to fight for the restoration of their national independence. Inside Poland there were insurrections in 1831 and 1863, both of which were suppressed with savage reprisals. Many Poles took refuge in exile during the time when Poland was yoked by foreign rule. After 123 years of enormous effort and sacrifice, Poland was restored as an independent country in 1918.

In 1939 Poland was again partitioned, this time by its totalitarian neighbors, Nazi Germany and Soviet Russia. After the German offensive was launched against the Soviet Union, all of Poland was occupied by the Nazis, who methodically proceeded to liquidate a large part of the population by massacres, starvation, and extermination in concentration camps. Five million Poles, including three million Jews perished. At the end of the war, there were 1½ million orphans in Poland.

Like Ireland, Poland was forced to fight for its independence. To combat the Nazi reign of terror during the World War II occupation, the Poles organized a powerful underground state with secret courts, a secret administrative apparatus, a secret press, secret schools, and a brave partisan army which grew to considerable strength and conducted guerilla warfare against the Nazi oppressors. Then, toward the end of the Second World War, the Soviet Union drove the German armies from Poland and then aborted the restoration of freedom and national independence for Poland by installing in power a stooge government of Polish Communists loyal to Moscow.

Now Poland is shackled by the Red chains of Communist tyranny. But neither the brave and fearless people of Poland nor the conscience of the free world will rest until the bonds of slavery are broken. The Polish people have risen before. They will rise to freedom again.

Today we honor the saint who escaped from slavery and, armed only with the love of God, returned to his former masters and conquered them. We honor, too, all people who have maintained their national faith under alien control. May all oppressed nations now enslaved by foreign dictatorships soon breathe the free air that blows over the Republic of Ireland.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the calendar.

APPOINTMENT OF ROBERT WESLEY COLGLAZIER, JR.

The Clerk called the bill (H.R. 3412) to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, the President, by and with the advice and consent of the Senate, may appoint in the regular grade of brigadier general in the Regular Army, Robert Wesley Colglazier, Junior, as a member of the Army Reserve presently serving on active duty in the grade of major general.

(b) The person appointed under subsection (a) shall, while on the active list, be charged against the authorized strength of the Regular Army in general officers on the active list.

(c) The person appointed under subsection (a) may not be retired, other than for physical disability, before he becomes sixty years of age.

(d) The Secretary of the Army may retire the person appointed under subsection (a) after he becomes sixty years of age. The person appointed under subsection (a) may be retired, upon his request, after he becomes sixty years of age.

(e) If the person appointed under subsection (a) is retired under subsection (d) with less than twenty years active service as a commissioned officer, he is entitled to retired pay computed under formula numbered 3, section 1401 of title 10, United States Code. However, if the person appointed under subsection (a) is retired after he has twenty years of active service as a commissioned officer, as defined by section 3926 of title 10, United States Code, he is entitled to retired pay computed under formula C, section 3991 of title 10, United States Code.

(f) For the purpose of determining the rank and eligibility for promotion of the person appointed under subsection (a), his name shall be placed at the foot of the permanent recommended list for promotion to the grade of brigadier general in the Regular Army existing on the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF PHILIP FERDINAND LINDEMAN

The Clerk called the bill (H.R. 3413) to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)

notwithstanding any other provision of law, the President, by and with the advice and consent of the Senate, may appoint in the regular grade of colonel in the Regular Army, Philip Ferdinand Lindeman, a member of the Army Reserve presently serving on active duty in the grade of major general.

(b) The person appointed under subsection (a) shall, while on the active list, be charged against the authorized strength of the Regular Army in colonels on the active list.

(c) The person appointed under subsection (a) may not be retired, other than for physical disability, before he has at least twenty years of active service as a commissioned officer as defined by section 3926 of title 10, United States Code.

(d) The Secretary of the Army may retire the person appointed under subsection (a) after he becomes sixty years of age.

(e) If the person appointed under subsection (a) is retired under subsection (d), he is entitled to retired pay computed under formula C, section 3991 of title 10, United States Code.

(f) Upon appointment, the name of the person appointed under subsection (a) shall be placed on the Army promotion list existing on the date of his appointment at the foot of the list of colonels of the Regular Army.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELBA HAVERSTICK CASH

The Clerk called the bill (H.R. 1434) for the relief of Mrs. Elba Haverstick Cash.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

MRS. SUE PYLE

The Clerk called the bill (H.R. 1457) for the relief of Mrs. Sue Pyle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise apropriated, the sum of $10,000 to Mrs. Sue Pyle, of Miami, Florida, in full settlement of all claims against the United States. Such sum represents compensation for the death of her son, Ray Sweeton Pyle, who was killed as the result of an accident involving United States soldiers from Camp Forrest, Tennessee, on maneuvers near the home of the said Ray Sweeton Pyle, on June 22, 1943: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CESAR GARCIA

The Clerk called the bill (H.R. 1531) for the relief of Cesar Garcia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States is hereby authorized and directed to credit the account of Cesar Garcia, of Wilmington, Calif., in the sum of $751. Such sum represents the balance allegedly due the United States for overpayment of compensation paid him as a prisoner of war for the period of August 6, 1942, to January 10, 1945.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORG GAHN AND MARGARETE GAHN

The Clerk called the bill (H.R. 1546) for the relief of Georg Gahn and Margarete Gahn.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

FRANCIS M. HAISCHER

The Clerk called the bill (H.R. 1600) for the relief of Francis M. Haischer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Francis M. Haischer, of Albany, New York, of the sum of $2,037.72. Such sum represents an overpayment of retired pay which was paid by the Department of the Navy which he received in good faith.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS A. HOWE

The Clerk called the bill (H.R. 1601) for the relief of Thomas A. Howe.

Mr. VAN PELT. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

HARRY F. LINDALL

The Clerk called the bill (H.R. 1605) for the relief of Harry F. Lindall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harry F. Lindall, Port Orchard, Washington, the sum of $2,273. Payment of such sum shall be in full settlement of all claims of the said Harry F. Lindall against the United States for reimbursement for medical, hospital, and other expenses incurred and paid by him in connection with the treatment of a recurring fungus infection of his hands and feet, beginning in May 1946, which necessitated his disability retirement under the Civil Service Retirement Act of May 29, 1930, from the civilian service of the Department of the Navy (Puget Sound Naval Shipyard, Bremerton, Washington): *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLIN FRED RUNDLETT

The Clerk called the bill (H.R. 1611) for the relief of Olin Fred Rundlett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20 of the Federal Employees' Compensation Act are hereby waived in favor of Olin Fred Rundlett, 1725 Mercer Avenue, Northwest, Roanoke, Va.; and his claim for compensation for the loss of sight of both of his eyes alleged to have begun while he was working as a draftsman at Frankford Arsenal, Philadelphia, Pa., in 1918, shall be acted upon under the remaining provisions of such act in the same manner as if such claim had been timely filed, if such claim is filed within 60 days after the date of the enactment of this act: *Provided,* That no benefits shall accrue by reason of the enactment of this act for any period prior to its enactment, except in the case of such medical or hospitalization expenditures which may be deemed reimbursable.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEAN E. FOSMOE

The Clerk called the bill (H.R. 1632) for the relief of Dean E. Fosmoe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 621 of the National Service Life Insurance Act of 1940, as amended (54 Stat. 1008, as amended), relating to the period within which applications may be made for insurance by individuals after separation from the service, Dean E. Fosmoe, of 893 Fisher Road, Grosse Point, Michigan (insurance number RS17647405) is hereby authorized to make application to the Veterans' Administration for insurance under the National Service Life Insurance Act of 1940, as amended: *Provided,* That the application must be made within one hundred and twenty days of the enactment of this Act. The Administrator of Veterans' Affairs shall require two monthly premiums and submission of evidence satis-

factory to the Administrator of Veterans' Affairs showing the said Dean E. Fosmoe to be in good health.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVELYN ALBI

The Clerk called the bill (H.R. 1653) for the relief of Evelyn Albi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Evelyn Albi, of 711 Elizabeth Street, Denver, Colorado, the sum of $500. The payment of such sum shall be in full settlement of all claims of said Evelyn Albi against the Government of the United States, in connection with the $500 departure bond posted by the said Evelyn Albi on behalf of Elvira Bartolin on November 17, 1952: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OATHER S. HALL

The Clerk called the bill (H.R. 1718) for the relief of Oather S. Hall.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Oather S. Hall, Clarkville, Arkansas, is hereby relieved of all liability to pay to the United States the sum of $1,270.45 and any interest accrued thereon. Such sum represents the unpaid balance of a loan secured by a Farmers' Home Administration mortgage (dated February 20, 1951) which, through the negligence of the clerk of the local circuit court, was never signed by the borrower. The borrower subsequently sold the livestock, which constituted security under the mortgage, and left the United States; and the said Oather S. Hall has been held financially liable for such sum because the mortgage was executed by the Farmers' Home Administration in Johnson County, Arkansas, while he was serving as Farmers' Home Administration county supervisor for that county.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN C. MATLON

The Clerk called the bill (H.R. 1736) for the relief of John C. Matlon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John C. Matlon, of Forest Lake, Minnesota, the sum of $731.99. The payment of such sum shall be in full settlement of all claims of the said John C. Matlon against the United States for reimbursement of expenses incurred in the travel of his wife and two sons and the transportation of his household and personal effects from Augusta, Georgia, to Saint Paul, Minnesota, in September 1955. Payment of this claim has been denied by the Department of the Army on the ground that such expenses were incurred for personal reasons although the said John C. Matlon would have been entitled to such travel and transportation allowances at the time of his separation from active duty on January 31, 1956: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 7, strike the words "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. MOSES GLIKOWSKY

The Clerk called the bill (H.R. 1766) for the relief of Mr. and Mrs. Moses Glikowsky.

Mr. VAN PELT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

ESTATE OF RICHARD ANTHONY NUNES, JR.

The Clerk called the bill (H.R. 2044) for the relief of the estate of Richard Anthony Nunes, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Richard Anthony Nunes, Junior, deceased, the sum of $10,000. Such sum is in full settlement of all claims against the United States, on account of the death of Richard Anthony Nunes, Junior, on August 3, 1946, as the result of the explosion of a dud left by the United States Army at Nanakuli, Oahu, Territory of Hawaii: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NISSIM S. TAWIL AND FAMILY

The Clerk called the bill (H.R. 2050) for the relief of Nissim S. Tawil, Esther Tawil (nee Goldman), Solomn Tawil, Isaac Tawil, Kathy Tawil, Jacqueline Tawil, and Sarina Goldman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Nissim S. Tawil, of Brooklyn, New York, is relieved of all liability and responsibility to the United States based upon departure bond numbered 231,307, issued April 8, 1949; and that Esther Tawil (nee Goldman), his wife, is relieved of all liability and responsibility to the United States based upon departure bond numbered 229,618, issued October 1, 1948; and that Solomn Tawil, his son, is relieved of all liability and responsibility to the United States based upon departure bond numbered 231,308, issued April 8, 1949; and that Kathy Tawil, his daughter, is relieved of all liability and responsibility to the United States based upon departure bond numbered 229,621, issued October 1, 1948; and that Jacqueline Tawil, his daughter, is relieved of all liability and responsibility to the United States based upon departure bond numbered 229,620, issued October 1, 1948; and that Sarina Goldman, his daughter by adoption, is relieved of all liability and responsibility to the United States based upon departure bond numbered 231,309, issued October 1, 1948; and that Isaac Tawil, his son, is relieved of all liability and responsibility to the United States based upon departure bond numbered 229,619, issued October 1, 1948; and that each of said bonds is canceled as of the date of its execution.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR J. DETTMERS, JR.

The Clerk called the bill (H.R. 2065) for the relief of Arthur J. Dettmers, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,776.03 to Arthur J. Dettmers, Junior, of 5208 Baltimore Avenue, Green Acres, Maryland, in full settlement of all claims against the United States. Such sum represents compensation for personal injuries and all expenses incident thereto sustained as the result of an accident involving the crash of a United States Army airplane at Olmsted Field, Middletown, Pennsylvania, on August 14, 1944: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFONSO GIANGRANDE

The Clerk called the bill (H.R. 2104) for the relief of Alfonso Giangrande.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfonso Giangrande, Brooklyn, New York, the sum of $500. The payment of such sum shall be in full settlement of all claims of Alfonso Giangrande against the United States for reimbursement of the amount of a departure bond which was executed by him and posted on September 27, 1949, in connection with the admission of the alien, Mrs. Anna Valenti Aiese, to the United States. Such bond was declared breached when Mrs. Anna Valenti Aiese failed to depart from the United States on December 27, 1949, even though she subsequently became a lawfully admitted permanent resident of the United States: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. TYRA FENNER TYNES

The Clerk called the bill (H.R. 2279) for the relief of Mrs. Tyra Fenner Tynes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Mrs. Tyra Fenner Tynes, New Orleans, Louisiana, and her claim for compensation for the death of her husband, Tyra Fenner Tynes, a former civilian employee of the Corps of Engineers, United States Army, who died in the Canal Zone on September 23, 1942, shall be acted upon under the remaining provisions of such Act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within six months after the date of enactment of this Act. No benefits shall accrue by reason of the enactment of this Act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADELE M. PARKER

The Clerk called the bill (H.R. 2280) for the relief of Adele M. Parker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Adele M. Parker, of Springfield, Massachusetts, the sum of $5,000 as a gratuity for the death of her son, George J. MacDonald, Junior, United States Naval Reserve, who died on February 4, 1944, while on active duty: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS MAME E. HOWELL

The Clerk called the bill (H.R. 2586) for the relief of Miss Mame E. Howell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the designation on April 2, 1940, by Lucy Howell Netherton, deceased former employee of the Veterans' Administration, of Miss Mame E. Howell, Louisville, Kentucky, as the sole beneficiary entitled to payment of the amount of $4,954.85 in the civil service retirement and disability fund to the credit of the said Lucy Howell Netherton, shall be held and considered to be, and at all times on and after April 2, 1940, to have been, in full force and effect.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM C. HUTTO

The Clerk called the bill (H.R. 2602) for the relief of William C. Hutto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of Veterans' Affairs is authorized and directed to pay to William C. Hutto, Atlanta, Georgia (Veterans' Administration claim numbered C-19062031) out of current appropriations for the payment of compensation, an amount equal to the amount of disability compensation which would have been paid to him on account of the loss of his right ring finger, if he had filed application for such compensation with the Veterans' Administration on February 11, 1933, for the period beginning on February 11, 1933, and ending on the effective date of the award of disability compensation made to him on account of such disability: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 11, strike out "February 11, 1933", and insert in lieu thereof "April 1, 1946".

Page 1, line 11, strike out "February".

Page 2, line 1, strike out "11, 1933", and insert in lieu thereof "April 1, 1946, through August 3, 1955".

Page 2, line 4, strike out "in excess of 10 per centum thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN R. COOK

The Clerk called the bill (H.R. 2668) for the relief of John R. Cook.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John R. Cook, Alameda, California, the sum of $1,000. The payment of such sum shall be in full settlement of all claims of John R. Cook against the United States on account of expenses incurred by him in successfully defending himself against a criminal prosecution brought by the United States, based on acts alleged to have been committed by him in the performance of his duties as an employee of the Post Office Department. Such prosecution was dismissed on February 21, 1956, and the Post Office Department has since determined that he should not have been removed from his position with the Department and has reinstated him with back pay for the period of his suspension: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 6, strike out the words "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EBER BROS. WINE & LIQUOR CORP.

The Clerk called the bill (H.R. 2717) for the relief of Eber Bros. Wine & Liquor Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any statute of limitations, including the limitations of section 322(b) of the Internal Revenue Code of 1939, the Eber Brothers Wine and Liquor Corporation of Rochester, New York, shall be permitted to file its claims under section 322 of the In-

ternal Revenue Code of 1939 for the refund of overpayments of income taxes for fiscal years 1947 and 1948 which resulted from the fact that profit from the sale of certain warehouse receipts was treated as ordinary income when, subsequently, it was established that such income should have been accorded capital-gains treatment under the law; and if those claims are found to be meritorious, authority is hereby provided for the payment of such refunds.

SEC. 2. The United States shall not be liable for any interest on any portion of any such claim for any period prior to the date on which such claim is filed with the Secretary of the Treasury or his delegate pursuant to this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DORMAN WILLIAM WHITTOM

The Clerk called the bill (H.R. 2846) for the relief of Dorman William Whittom.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of the War Claims Fund, to Dorman William Whittom, Anacortes, Washington, the amount certified to him under section 2 of this Act. The payment of such sum shall be in full settlement of all claims of Dorman William Whittom against the United States for detention benefits under section 5(a) through 5(e) of the War Claims Act of 1948, as amended by the War Claims Act Amendments of 1954: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. The Foreign Claims Settlement Commission shall promptly determine and certify to the Secretary of the Treasury the amount which would have been payable to Dorman William Whittom as detention benefits under section 5(a) through 5(e) of the War Claims Act of 1948, as amended by the War Claims Act Amendments of 1954, if Dorman William Whittom had filed a claim therefor within the period prescribed by law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH E. MILLER

The Clerk called the bill (H.R. 2954) for the relief of Joseph E. Miller.

Mr. VAN PELT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MRS. DOROTHY (HYMAN) MONK

The Clerk called the bill (H.R. 3093) for the relief of Mrs. Dorothy (Hyman) Monk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Dorothy (Hyman) Monk, McLean, Virginia, is relieved of liability to repay to the United States the sum of $1,190. Such sum represents the amount of the class E allotments which were erroneously paid to her by the United States for the period beginning August 1, 1942, and ending May 31, 1945, both dates inclusive, incident to the military service of Herbert Hyman (Army serial number 31003722). In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. JOHN T. MALLOY

The Clerk called the bill (H.R. 3104) for the relief of Col. John T. Malloy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Colonel John T. Malloy, O–18576, United States Army, the sum of $1,347.59, in full satisfaction of all claims against the United States for reimbursement of expenses incurred by him in connection with the payment of ocean freight transportation on his private automobile from San Francisco, California, to Java and return. The Army orders issued incident to these shipments authorized the transport of one privately owned automobile by Army transport subject to availability of space, and, inasmuch as no Army transport service to Java existed and the Department of the Army had no discretion to ship the automobile by other means, and it was found after Colonel Malloy's arrival in Java on or about January 29, 1949, that the automobile was necessary to the establishment of a new military liaison office and the performance of his duty as assistant military attaché, Batavia, Netherlands East Indies, shipment of his automobile by commercial transport was arranged on or about May 13, 1949, at a cost of $634.47, and also at the time of his return on or about March 18, 1950, at a cost of $713.12, as Army transport service to Java had not been established: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RACHEL NETHERY

The Clerk called the bill (H.R. 3111) for the relief of Rachel Nethery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Rachel Nethery, Seattle, Washington, and her claim for compensation benefits arising out of the death of her daughter, Maud L. Nethery, who was fatally injured on March 29, 1919, while employed at the United States Navy Yard, Puget Sound, Washington, shall be acted upon under the remaining provisions of such Act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within the six-month period which commences on the date of enactment of this Act. No benefits shall accrue by reason of the enactment of this Act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLARE M. ASH

The Clerk called the bill (H.R. 3240) for the relief of Mrs. Clare M. Ash.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WILLIAM S. SCOTT

The Clerk called the bill (H.R. 3249) for the relief of William S. Scott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Act entitled "An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (5 U.S.C. 765–769) are hereby waived in favor of William S. Scott for compensation for disability caused by an injury allegedly sustained by him in November 1937 while an employee of the Internal Revenue Service of the Treasury Department at the Custom House, Bowling Green, New York City, New York, and his claim is authorized and directed to be considered and acted upon under the remaining provisions of such Act, as amended, if he files such claim with the Bureau of Employees' Compensation, not later than six months after the date of enactment of this Act: *Provided,* That no benefits shall accrue by reason of the enactment of this Act for any period prior to the date of its enactment, except in the case of such medical or hospitalization expenditures which may be deemed reimbursable.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARTHA NICOMETI

The Clerk called the bill (H.R. 3252) for the relief of Mrs. Martha Nicometi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the

Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Martha Nicometi, Akron, New York, the sum of $500. The payment of such sum shall be in full settlement of all claims of the said Mrs. Martha Nicometi against the United States in connection with a $500 departure bond which she posted on behalf of Anna Francesca Masiello (nee Terabassi) on November 16, 1953, and which was declared breached (with consequent loss of the collateral posted with the bond) as a result of the failure of the said Anna Francesca Masiello (nee Terabassi) to depart from the United States as directed by May 23, 1954: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS FORMAN SCREVAN, ET AL.

The Clerk called the bill (H.R. 3254) for the relief of Thomas Forman Screven, Julia Screven Daniels, and May Bond Screven Rhodes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, in equal shares, out of any money in the Treasury not otherwise appropriated, to Thomas Forman Screven, Julia Screven Daniels, and May Bond Screven Rhodes, the total sum of $8,975. The payment of such sum shall be in full settlement of all claims of each of such persons against the United States for the reasonable value, as of October 1, 1943, of block numbered C–37, Pine Gardens Subdivision, Brewton Hill Plantation, Hulin Ward, in Savannah, Georgia, which property was taken by the United States in condemnation proceedings (Civil Action Numbered 204, Savannah division) begun June 11, 1942, the final order in which was entered October 1, 1943, without actual notice of such proceedings being given to any of such persons: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM H. PEARLMUTTER

The Clerk called the bill (H.R. 3406) for the relief of William H. Pearlmutter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That William H. Pearlmutter, of Brookline, Massachusetts, be, and he is hereby, relieved of all liability to pay to the United States the sum of $606.43. Such sum represents a penalty assessed in connection with an admission tax for the period October 1950 through May 1951 collected by the Tributary Theatre of Boston, Incorporated, and not paid into the United States Treasury.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LEONARD O. ERICKSON

The Clerk called the bill (H.R. 3410) for the relief of Mrs. Leonard O. Erickson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Leonard O. Erickson shall be deemed to have elected under section 3(b) of the Uniformed Services Contingency Option Act of 1953 to provide the annuity specified in paragraph (1) of section 4(a) of such Act to his wife. Notwithstanding his expressed intention to do so, the said Leonard O. Erickson was prevented by physical disability from exercising the right of election granted him by section 3(b) of such Act during his life.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AARON GREEN, JR.

The Clerk called the bill (H.R. 3522) for the relief of Aaron Green, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Aaron Green, Jr., of 24 Wakullah Street, Roxbury, Mass., is hereby relieved of all liability to repay to the United States the sum of $1,045 representing the total of allotment payments made to his wife, Mrs. Sarah E. Green, in the period from April 1, 1942, through October 31, 1945, inclusive, which have been ruled to have been overpayments because only two deductions were made from his Army pay in accordance with the authorization he executed directing that the proper deductions be made from his pay in order that a class E allotment would be paid to his wife.

Mr. LANE. Mr. Speaker, I offer an amendment which I send to the Clerk's desk.

The Clerk read the amendment, as follows:

Page 1, line 3, after "Junior" insert "and Sarah E. Green, his wife".

Page 1, line 4, strike out "is" and insert "are".

Page 1, line 5, strike "$1,045" and insert "$1,030".

Page 1, line 6, strike "his" and insert "the".

Page 1, line 11, strike "his pay" and insert "the pay of the said Aaron Green, Jr".

Page 1, line 13, after "wife" add the following sentence "In the audit and settlement of the accounts of any certifying or disbursing officer of the United States full credit shall be given for the amount for which liability is relieved by this act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ALBERTA S. ROZANSKI

The Clerk called the bill (H.R. 3797) for the relief of Mrs. Alberta S. Rozanski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the national service life insurance (FV1217165, V1241985) granted in the amount of $10,000 to the late Doctor Frank S. Rozanski, effective January 26, 1951, shall be held and considered to have been in full force and effect at the time of his death on March 5, 1951, and the Administrator of Veterans' Affairs is authorized and directed to pay such insurance to Mrs. Alberta S. Rozanski, widow of the said Doctor Frank S. Rozanski and designated beneficiary of such insurance.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL NELSON

The Clerk called the bill (H.R. 3798) for the relief of Paul Nelson.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

DR. GORDON D. HOOPLE, ET AL.

The Clerk called the bill (H.R. 3825) for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WINTFORD JESSE THOMPSON

The Clerk called the bill (H.R. 4142) for the relief of Wintford Jesse Thompson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wintford Jesse Thompson, Chief Aviation Electronics Technician, United States Navy, the sum of $222.62. The payment of such sum shall be in full settlement of all claims of the said Wintford Jesse Thompson against the United States for reimbursement of the cost to him of registration fees, books, and equipment paid by him from his own funds on account of courses taken by him from the University of Tennessee, Division of University Extension, Memphis Center, between the fall quarter, 1954, and the spring term, 1956. Reimbursement of such sum to the said Wintford Jesse Thompson has been denied by

the Veterans' Administration on the ground that his failure to continuously pursue the training program he had initiated in 1950 under Public Law 346, Seventy-eighth Congress, because of being transferred overseas by the United States Navy in 1952, was not for a condition which normally would cause interruption by any student: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 10, strike out "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL ABRAHAM ET AL.

The Clerk called the bill (H.R. 4314) for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson are respectively relieved of all liability to the United States in the amounts of $1,181.81, $1,135.47, $1,197.13, $1,144.13, $1,169.55 and $1,156.11. Such sums represent the amounts by which they received pay in excess of that authorized by law during the period from February 20, 1955, to August 31, 1957, while they were employed as civilian firefighters at the Hampton Roads Army Terminal, Norfolk, Virginia. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each person named in the first section, an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the claim of the United States for refund of the amount specified in the first section: *Provided*, That no part of the amount appropriated in this Act for the payment or any one claim in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 14, strike out "for the payment or any one claim in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM R. AND ALICE M. REARDON

The Clerk called the bill (H.R. 4893) for the relief of William R. and Alice M. Reardon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William R. and Alice M. Reardon the sum of $904.07, such sum being the difference between $958, the price they actually paid the United States for the forty-three and fourteen one-hundredths acres of land described in section 2 of this Act, and $53.93, the price at which they could have purchased such land under the provisions of the Act entitled "An Act to authorize the Secretary of the Interior to issue patents for certain lands in Wisconsin bordering upon inland lakes or rivers", approved August 24, 1954 (43 U.S.C. 1221–1223), had they been able to defer such purchases until the date of enactment of such Act, as was the case with other landowners in the same locality.

SEC. 2. The land referred to in the first section of this Act is more particularly described as follows: "Lot 8 in section 8, township 39 north, range 18 east, located in Florence County, Wisconsin, being 43 14/100 acres of land on the shore of Lake Emily in said county".

SEC. 3. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. BETTY L. FONK

The Clerk called the bill (H.R. 4964) for the relief of Mrs. Betty L. Fonk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Mrs. Betty L. Fonk, of Bloomington, Indiana, in full settlement of all claims against the United States. Such sum represents compensation for personal injuries, and all expenses incident thereto sustained as the result of an accident involving a United States Army vehicle in Frankfurt-am-Main, Germany, on June 22, 1955: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

With the following committee amendment:

Page 1, line 5, strike out "$10,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

D. A. WHITAKER AND OTHERS

The Clerk called the bill (H.R. 4318) for the relief of D. A. Whitaker and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations or lapse of time, jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claims of D. A. Whitaker, Route 1, Pulaski, Virginia; Marvin D. Worrell, Route 3, Hillsville, Virginia; Kenneth Frost, 109 Alleghany Street, Christiansburg, Virginia; Robert R. Beard, 200 Round Hill Drive, Christiansburg, Virginia; Warren C. Reed, Box 506, Christiansburg, Virginia; A. E. Hall, Route 1, Dublin, Virginia; Clarence L. Knepper, 10 Pulaski Avenue, Fairlawn, Radford, Virginia; Paul K. Bird, 1034 Carson Street, Radford, Virginia; Glendy Quesenberry, Route 2, Box 48, Dublin, Virginia; Charles D. Worrell, Route 1, Woodlawn, Virginia; Jessie H. Smith, Route 2, Radford, Virginia; James C. Hutton, Senior, 2 Jackson Avenue, Fairlawn, Radford, Virginia; E. Ray Liddle, Route 3, Box 62, Galax, Virginia; Lester L. Maupin, 29 Ridge Road, Fairlawn, Radford, Virginia; Marlin E. Campbell, 9 Dudley Ferry Road, Radford, Virginia; James E. Trammell, 17 Brandon Road, Route 2, Radford, Virginia;

K. L. Munsey, 514 Roanoke Street, Christiansburg, Virginia; Alexander Wirt, Route 1, Box 43, Cambria, Virginia; C. E. Hutchins, Station A, Box 181, Radford, Virginia; Charles Walker, Box 895, Pearisburg, Virginia; R. M. Shelburne, Route 1, Christiansburg, Virginia; L. C. Anderson, 12 Jackson Avenue, Radford, Virginia; E. A. Melton, Hillsville, Virginia; Robert Altizer, Christiansburg, Virginia; Eugene H. Wheeler, 706 South Main, Blacksburg, Virginia; R. E. Martin, 6 South Driver, Radford, Virginia; W. A. Miller, 1035 Carson Street, Radford, Virginia; G. P. Hatcher, 32 Dudley Ferry Road, Radford, Virginia; Harold E. Semones, 300 Clement Street, Radford, Virginia; Forrest F. Farley, 812 Twelfth Street, Radford, Virginia;

Cordie McCoy, Radford, Virginia; Harry E. Strupe, Route 2, Radford, Virginia; William G. Moore, Box 114, Parrott, Virginia; Charles W. Fortner, Pulaski, Virginia; Glen D. Tolbert, Floyd, Virginia; Roy A. Brumfield, Route 2, Cambria, Virginia; Clyde C. Bruce, Box 117, Belspring, Virginia; Olas Jennings, Box 714, Dublin, Virginia; Leo S. Stanger, Route 1, Cambria, Virginia; David W. Hearn, Dublin, Virginia; Roy V. Crawford, Box 605, Blacksburg, Virginia; Irving N. Akers, Rural Retreat, Virginia; Booker C. Linkous, Radford, Virginia;

Pete H. McKee, Christiansburg, Virginia; Paul Whitaker, 1003 Ninth Street, Radford, Virginia; O. S. Hunt, 614 Clement Street, Radford, Virginia; Grover Page, Parrott, Virginia; B. P. Thompson, 46 State Street, Radford, Virginia; Edward W. Farmer, Mounted Route, Enola, Pennsylvania; Grover A. Teel, Christiansburg, Virginia; Clarence E. Henley, 953 Clark Street, Pulaski, Virginia; Hoy H. Hopkins, 1005 Lyle Street, Radford, Virginia; Irvin S. Howard, 300 Lee Street, Blacksburg,

Virginia; Carl C. Blair, 16 Ridge Road, Fairlawn, Radford, Virginia;

Kester L. Akers, Progress Street, Blacksburg, Virginia; James E. Brunner, Route 1, Box 23, Riner, Virginia; Jimmie A. Bishop, Peterstown, West Virginia; Garland C. Blackburn, 10 East Brandon Road, Fairlawn, Radford, Virginia; Everett H. Graves, 1006 Fifth Street, Radford, Virginia; William R. Hall, Route 1, Blacksburg, Virginia; Joseph K. Harless, Peterstown, West Virginia; Charles B. Moye, Box 444, Grove Street, Cambria, Virginia; Wythe C. Morris, Box 56, Max Meadows, Virginia; William P. Morris, Box 113, Max Meadows, Virginia; Herbert M. Phillips, Vicker, Virginia; George K. Poe, 407 Valley Street, Pulaski, Virginia; Robert A. Reid, Box 701, Blacksburg, Virginia; James L. Tate, Route 2, Radford, Virginia;

Moir C. Weeks, A5, Glenmary Apartments, Salem, Virginia; Willard Wood, Route 2, Box 2, Copper Hill, Virginia; J. Hampton Witt, Peterstown, West Virginia; Richard L. Cupp, Blacksburg, Virginia; Charles D. Payne, Box 103, Houston Street, Blacksburg, Virginia; James E. Conner, 1009 Fifth Street, Radford, Virginia; Thomas P. Webster, 205 Adams Street, Radford, Virginia; Wilmer B. Abbott, New Castle, Virginia; Horace H. Colley, 14 Spring Avenue, Radford, Virginia; Robert E. Freeman, 508 Wadsworth Street, Radford, Virginia; Kenneth W. Johnson, McCoy, Virginia; Daniel P. Jett, 1015 Downer Street, Radford, Virginia; Clinton C. Jett, Hillsville, Virginia; Delton R. Jett, Hillsville, Virginia; John M. Hall, Mashburn Avenue, Pulaski, Virginia;

James P. Bowden, 85 Peppers Ferry Road, Fairlawn, Radford, Virginia; Everett L. Graham, Route 1, Christiansburg, Virginia; Lewis H. Harrison, Dublin Road, Pulaski, Virginia; Garland K. Bane, 304 Radford Road, Radford, Virginia; Horace M. Farmer, Hillsville, Virginia; Theodore R. Craft, New Castle, Virginia (deceased); Charles E. Dudley, Route 2, Cambria, Virginia (deceased); Walter T. Fowler, 505 Sixth Street, Radford, Virginia; Grover C. Agee, Highview Terrace, Christiansburg, Virginia; Norman N. Goad, Route 1, Cambria, Virginia; W. Orville Hamlin, 508 North Main Street, Blacksburg, Virginia; Barger M. Shutt, address unknown;

John D. Lawhorne, Warrenton, Florida; Joseph E. Everly, Richmond Quartermaster Depot, United States Army, Richmond, Virginia; Elmer Bruner, address unknown; James C. Colley, Saltville, Virginia; Richard W. Long, 71 Polk Street, Monroe Terrace, Radford, Virginia; Kenneth J. Turner, Eddie Park, Christiansburg, Virginia; James W. Shumate, Route 1, Dublin, Virginia; Junius C. Tate, address unknown; Frank F. Bass (deceased); W. W. Worrell, Hillsville, Virginia; Paul J. Reynolds, Route 1, Blacksburg, Virginia; Harrison Gregory, Pulaski, Virginia (deceased); Buford H. Woodyard, Trinkle Avenue, Dublin, Virginia; Leslie Martin, Junior, Fox, Virginia; James E. Conner, 1009 Fifth Street, Radford, Virginia; and Andrew A. Hawkins, 3 Lee-Hy Court, Christiansburg, Virginia, for basic and overtime compensation and shift differential pay as governed by the provisions of the Federal Employees Pay Act of 1945, as amended (U.S.C., title 5, sec. 84 and secs. 901 through 958), for services performed since 1945 by them at the Radford Arsenal, Radford, Virginia: *Provided*, That actions on such claims shall be brought within one year from the date that this Act becomes effective.

With the following committee amendments:

Page 3, line 13, insert "Wesly D. Chumbly, Route 1, Box 51, Shawville, Virginia;".

Page 3, line 15, insert "Robert C. Willis, 108 Lee Avenue Northeast, Roanoke, Virginia;".

The committee amendments were agreed to.

Mr. LANE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANE: Page 5, line 22, after the name "Virginia", insert "Joseph E. Everly, Richmond, Virginia;".

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN MEMBERS OF THE ARMED FORCES OF THE UNITED STATES OR THEIR SURVIVORS WHO WERE CAPTURED AND HELD AS PRISONERS OF WAR IN THE KOREAN HOSTILITIES

The Clerk called the bill (H.R. 4121) for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the expiration of the period prescribed by Public Law 615, Eighty-third Congress (68 Stat. 759) for the settlement of claims authorized under subsection (e) of section 6 of the War Claims Act of 1948, as amended, the Foreign Claims Settlement Commission of the United States is authorized and directed to determine the validity and amount of each of the claims, filed by or in behalf of the following former members of the Armed Forces of the United States, or by any eligible survivor of any such individual who may be deceased, which claims are presently docketed and numbered as follows:

Claim No.	Claimant	Amount involved
K-256,993	Ackerman, Mrs. Lucille, as legal guardian for the use and benefit of Karl D. Ackerman, minor child of Jack M. Ackerman, deceased.	$252.50
K-257,364	Newman, Henry, sole surviving parent of Jack D. Newman, deceased.	172.50
K-257,406	Morrisey, Maurice C., and Vera L., surviving parents of Richard W. Morrisey, deceased (in equal shares).	2.50
K-257,627	Reese, William T., and Edna, surviving parents of Richard T. Reese, deceased (in equal shares).	147.50
K-257,628	Tinsley, Mrs. Mabel C., surviving mother of George M. Tinsley, deceased.	2,600.00
K-257,629	Thompson, Jackie Ray	2,495.00

Any award made by the Foreign Claims Settlement Commission of the United States with respect to any such claim shall be certified to the Secretary of the Treasury for payment, in accordance with applicable provisions of the War Claims Act of 1948, as amended, out of any money in the Treasury of the United States not otherwise appropriated.

SEC. 2. There is hereby authorized to be appropriated such sums as may be necessary for the payment of any award or awards that may be certified by the Foreign Claims Settlement Commission of the United States pursuant to this Act, including amounts required by such Commission and the Secretary of the Treasury for the payment of their respective administrative expenses in connection therewith.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PATRICK W. GOWAN AND OTHERS

The Clerk called the bill (H.R. 3960) for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James J. Blaes, and William L. Perkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy is authorized and directed to pay, out of current appropriations available for the payment of severance pay, to Patrick W. Gowan, who was discharged from the United States Navy on June 30, 1957, and to David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins, who were discharged from the United States Navy on June 30, 1958, respectively, an amount equal to the difference between (a) the amount of severance pay which would have been paid to each such person upon his discharge from the United States Navy if the computation of such severance pay had been based upon his actual commissioned service in the United States Navy, and (b) the amount of severance pay actually paid to him.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGINIA E. SPEER

The Clerk called the bill (H.R. 3939) for the relief of Virginia E. Speer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Virginia E. Speer, 1876 Allendale Avenue, Cass Lake, Pontiac, Michigan, is relieved of all liability to repay to the United States the sum of $200, which was erroneously paid to her as mustering-out pay upon her discharge from the United States Air Force in 1955.

SEC. 2. The Comptroller General of the United States, or his designee, shall relieve any disbursing or certifying officer, including any special disbursing agent, of the United States from accountability or responsibility for the erroneous payment described in section 1 of this Act, and shall allow credits in the settlement of the accounts of such officers or agents for any amounts for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH E. GALLANT

The Clerk called the bill (H.R. 2286) for the relief of Joseph E. Gallant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $25,000 to Joseph E. Gallant, of Mexico, Maine, in full settlement

of all claims against the United States. Such sum represents compensation for personal injuries sustained as a result of an accident involving a United States Army jeep in Bremen, Germany, on September 9, 1948: *Provided*, That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OTIS PARKS, W. B. DUNBAR, AND J. C. DICKEY

The Clerk called the bill (H.R. 2063) for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to pay, out of money heretofore made available for the eradication of the disease vesicular exanthema in swine, to Otis Parks, of Crockett, Texas, the sum of $483, to W. B. Dunbar, of Groveton, Texas, the sum of $315.50, and to J. C. Dickey, of Groveton, Texas, the sum of $48.56. Such sums represent amounts heretofore paid said persons by the State of Texas. The payment of such sums shall be in full settlement of all claims of the named persons arising out of the destruction of swine in July 1953, because of the infection and exposure of these swine to the contagious disease, vesicular exanthema. Such swine were destroyed by order of the Department of Agriculture of the State of Texas, cooperating with the United States Department of Agriculture, under an agreement whereby such losses were to be indemnified on the basis of 50 per centum by the State and 50 per centum by the United States: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH B. KANE, JR.

The Clerk called the bill (H.R. 1631) for the relief of Joseph B. Kane, Jr.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LOGAN DUFF

The Clerk called the bill (H.R. 1462) for the relief of Logan Duff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 212 of the Act of June 30, 1932 (5 U.S.C. 59a), is waived for the period beginning February 16, 1946, and ending May 23, 1954, both dates inclusive, insofar as it applied to First Lieutenant Logan Duff, retired (Army serial number O109736), and he is relieved of liability to repay to the United States the sum of $6,677.08, which was erroneously paid to him as retired pay and as civilian salary during such period while he was employed by the officers' open mess, Fort Benning, Georgia. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for all amounts for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

T. V. CASHEN

The Clerk called the bill (H.R. 1411) for the relief of T. V. Cashen.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to T. V. Cashen, Jacksonville, Fla., the sum of $433.66. Payment of such sum shall be in full settlement of all claims of the said T. V. Cashen against the United States for compensation for services rendered by him in good faith in the period beginning July 16, 1957, the date of the expiration (without his knowledge at the time) of his former appointment as United States commissioner and ending August 2, 1957, the date of his reappointment as United States commissioner by nunc pro tunc order of the United States District Court, Southern District of Florida, Jacksonville Division. Compensation for such services was not allowed or paid by the United States for the reason that the said T. V. Cashen was acting only in a de facto capacity as United States commissioner during such period: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 11 strike out "commissioner", and insert "Commissioner."

Page 2, line 2, strike out "commissioner," and insert "Commissioner."

Page 2, line 9, strike out "In excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JIM B. HILL

The Clerk called the bill (H.R. 1471) for the relief of Jim B. Hill.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jim B. Hill, of Bakersfield, California, the sum of $12,500. The payment of this sum shall be in full settlement of all his claims against the United States for expenses, losses, and damages incurred in moving his business enterprise as a result of the acquisition of land by the Government at Edwards Air Force Base, California, on or about July 20, 1953: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$12,500" and insert "$22,500."

Page 2, line 1, strike the words "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLIVER O. NEWSOME

The Clerk called the bill (H.R. 1691) for the relief of Oliver O. Newsome.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Oliver O. Newsome, of San Bernardino, California, is hereby relieved of liability to the United States in the amount of $1,782.58 received by him, in good faith and upon assurances given him by responsible administrative officials that his employment was proper, as compensation for services rendered by him as a supply inspector, San Bernardino Air Materiel Area, San Bernardino, California, during the period February 1, 1956, through July 31, 1956, inclusive, such employment having been unlawful by virtue of his status as an Air Force warrant officer retired for length of service. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Oliver O. Newsome, an amount equal to the aggregate of the amounts paid by him or withheld from sums otherwise due him, in complete or partial satisfaction of the claim of the United States for refund of the amount for which Oliver O. Newsome is relieved of liability to repay under the first section of this Act: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to

the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 14, strike out "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. JOHN M. BRIZZARD

The Clerk called the bill (H.R. 1739) for the relief of Lt. Col. John M. Brizzard.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and he is hereby, authorized and directed to relieve Lieutenant Colonel John M. Brizzard, Signal Corps, of all liability to refund to the United States the sum of $380. Such sum represents stations quarters per diem paid him for the period December 22, 1949, to June 29, 1950, while he was stationed at Fort Richardson, Alaska.

SEC. 2. The Secretary of the Treasury be and he is hereby authorized and directed to pay out of any money in the Treasury not otherwise appropriated any aggregate amount paid or withheld from him.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GORDON E. MARTIN

The Clerk called the bill (H.R. 1744) for the relief of Gordon E. Martin.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Gordon E. Martin, San Diego, California, is hereby relieved of liability to pay to the United States the sum of $235.44, representing the amount paid by the United States for temporary storage of his household effects for the periods April 8, 1952, to October 7, 1952, and April 7, 1953, to October 7, 1953. The said Gordon E. Martin could have avoided such liability by having such household effects shipped, at a cost to the United States in excess of $1,500, to his new duty stations at the time of his changes of permanent duty stations during his active service with the United States Navy in 1952 and 1953. In the audit and settlement of the accounts of any certifying or disbursing officer, full credit shall be given for all amounts for which the said Gordon E. Martin is relieved of liability by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MAXINE L. COWAN HARRISON

The Clerk called the bill (H.R. 1749) for the relief of Mrs. Maxine L. Cowan Harrison.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be and he is hereby authorized and directed to relieve Mrs. Maxine L. Cowan Harrison from all liability to refund to the United States the sum of $350 as social security payments which was erroneously paid her as the survivor of Lamar Flint Harrison, a United States naval aviator who was killed when his airplane crashed into the ocean off of Coronado, California, on October 7, 1955, for her two minor children.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. PAUL M. TEDDER

The Clerk called the bill (H.R. 2099) to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Paul M. Tedder, Gainesville, Florida, the sum of $15,000, in recognition of the scientific contributions of her husband, the late Paul M. Tedder, in the field of electronic ordnance while he was employed as a research engineer by the University of Florida. Such contributions were highly significant to the successful prosecution of World War II by the United States and, although he was directly employed by the United States, the inventive and creative abilities of the late Paul M. Tedder were utilized by the United States for a thirteen-year period through contracts with the University of Florida and, successively, the National Defense Research Committee, the National Bureau of Standards, and the Diamond Ordnance Fuze Laboratories. During such period the late Paul M. Tedder conceived many ideas and inventions of major importance to the proximity fuze design art which have resulted in savings to the United States of many millions of dollars and for which he received no compensation other than his salary from the University of Florida: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 2, after the word "was", insert "not."

Page 2, line 5, after the word "contracts", strike out "with" and insert "between."

Page 2, lines 14 and 15, strike out "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MILO G. AND PATRICIA WINGARD

The Clerk called the bill (H.R. 2281) to provide for the payment of relocation expenses to Milo G. and Patricia Wingard.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Milo G. and Patricia Wingard of Longmeadow, Massachusetts, an amount not more than $1,106 in full settlement of their claim against the United States for expenses, losses, and damages incurred in moving as a result of the acquisition of their land by the United States at Cape Canaveral Auxiliary Air Force Base, Florida. The exact amount to be paid under this Act shall be determined by the Secretary of the Air Force in the manner set forth in section 401(b) of the Act of July 14, 1952 (66 Stat. 624): *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GERTRUDE E. SHETLER

The Clerk called the bill (H.R. 2289) for the relief of Mrs. Gertrude E. Shetler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Gertrude E. Shetler, of Columbus, Ohio, is hereby relieved of all liability to refund the amount of $3,057.55 to the United States. Such sum represents the difference between the retirement pay of a lieutenant colonel and a colonel, United States Army, erroneously paid to her late husband, Lieutenant Colonel John S. Shetler (serial number O139215), from October 1, 1949, to February 28, 1957, both dates inclusive, minus the amount which was applied against this overpayment at the time of his death. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELLIS TIMBER CO.

The Clerk called the bill (H.R. 2294) for the relief of the Ellis Timber Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the claim of the Ellis Timber Company on account of losses sustained in recovering salvage timber purchased from the Bureau of Land Management, Department of the Interior, pursuant to contract No. 14–11–001(14)–268, dated August 20, 1957, and to allow in full and final settlement of the claim the sum of not to exceed $9,593.70. There is hereby appropriated the sum of $9,593.70 for payment of said claim.

SEC. 2. That the Ellis Timber Company is hereby relieved of all liability to pay to the United States the sum of $2,118 which is due and payable pursuant to contract No. 14–11–001(14)–268 as the unpaid balance for salvage timber purchased under said contract.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STERILON CORP.

The Clerk called the bill (H.R. 2295) for the relief of the Sterilon Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the claim of the Sterilon Corporation on account of certain expenses incurred by the corporation incident to a bid which it submitted in response to invitation No. MPA–30–287–md–56–368, issued on November 30, 1955, by the Armed Services Medical Procurement Agency, 84 Sands Street, Brooklyn 1, New York, covering the purchase, by that agency, of a quantity of culture petri dishes and to allow in full and final settlement of the claim the sum of not to exceed $3,593.75. There is hereby appropriated the sum of $3,593.75 for the payment of the said claim.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMERICAN HYDROTHERM CORP.

The Clerk called the bill (H.R. 2603) for the relief of the American Hydrotherm Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be and is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,617.37 to the American Hydrotherm Corporation of Long Island City, New York, in full settlement of all claims against the United States. Such sum represents expenses incurred by the said company in connection with Air Force contract bids numbered 21 (602)–296 and 297, dated on or about July 8, 1957, and subsequently canceled by communication from the Air Force dated July 12, 1957.

With the following committee amendments:

Page 1, line 5, strike out "$2,617.37" and insert "$1,910.13."

Page 1, line 12, strike out the period and insert ": *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOIS K. ALEXANDER

The Clerk called the bill (H.R. 2949) for the relief of Lois K. Alexander.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lois K. Alexander of New York, New York, be relieved of all liability to repay to the United States the sum of $105.95, representing reimbursement of actual transportation costs incurred by Lois K. Alexander in transporting her household effects from Washington, District of Columbia, to New York City as a result of her being transferred by the Housing and Home Finance Agency from Washington, District of Columbia, to a new duty station in New York City.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. JAMES A. BEPLAT

The Clerk called the bill (H.R. 2950) for the relief of Lt. Col. James A. Beplat.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of money in the Treasury not otherwise appropriated, to Lieutenant Colonel James A. Beplat, O43694, United States Army, the sum of $2,953.07, in full settlement of all claims against the United States for the loss sustained by the said Lieutenant Colonel James A. Beplat as the result of damage to and destruction of his personal property in the warehouse of the Guardian Moving and Storage Co., 6603 Pulaski Highway, Baltimore, Maryland, by a flood that occurred on August 13, 1955: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HILARY W. JENKINS, JR.

The Clerk called the bill (H.R. 3095) for the relief of Hilary W. Jenkins, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Hilary W. Jenkins, Junior, Falls Church, Virginia, is hereby relieved of liability to pay to the United States the sum of $627.42. Such sum represents the amount of indebtedness of the said Hilary W. Jenkins, Junior, to the United States resulting from the nondeduction, without fault on his part, of certain amounts of his voluntary allotments and statutory contribution, as a soldier in the Army of the United States, during the period from October 1, 1942, to September 30, 1945, both dates inclusive. In the audit and settlement of the accounts of any certifying or disbursing officer, full credit shall be given for the amount for which liability is relieved by this Act.

Mr. LANE. Mr. Speaker, I offer two amendments.

The Clerk read, as follows:

Amendments offered by Mr. LANE: Part 1, line 3, strike the word "is" and insert "Mrs. Lillian Hawes, Mrs. Mable L. Jenkins, and Mrs. Minnie N. Graham are."

Page 1, line 11, strike the period following the word "inclusive" and insert "and paid to the other persons named in this Act."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPENSATION TO CERTAIN CLAIMANTS FOR THE TAKING OF PRIVATE FISHERY RIGHTS IN PEARL HARBOR, HAWAII

The Clerk called the bill (H.R. 3248) to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, Territory of Hawaii.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated the sum of $8,234.28 to the clerk of the United States District Court for the District of Hawaii, for deposit in the registry of the court to satisfy any and all awards and judgments of the United States District Court for the District of Hawaii in Civil Numbered 292, United States of America against J. Lawrence P. Robinson, et al.: *Provided,* That payment shall not be made by said court to any claimant until he has consented to the dismissal with prejudice of all pending litigation wherein the right to compensation for the taking of such fishery rights and of any interest therein or part thereof has been or is claimed or asserted against the United States in a manner satisfactory to the Attorney General, has conveyed to the United States any and all right, title, or interests in said fisheries, and has released all claims to damages or compensation against the United States with respect to alleged rights in said fisheries; and has consented to the entry of a final order of judgment of condemnation in the condemnation proceedings instituted by the United States and pending in the United States District Court for Hawaii for the condemnation of claimant's rights in said fisheries: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof

shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this bill, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. FRED E. DUEKER

The Clerk called the bill (H.R. 3243) for the relief of Col. Fred E. Dueker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Colonel Fred E. Dueker (Army serial number O32051) is hereby relieved of all liability to repay to the United States the sum of $561.48 which was originally paid to him as reimbursement of amounts expended by him for essential basic utilities such as electricity, water, and fuel for heat during the period beginning October 1, 1949, and ending on March 12, 1951, both dates inclusive, while he was serving as a member of the United States military mission with the Imperial Iranian Gendarmerie, Teheran, Iran. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for any amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Colonel Fred E. Dueker, an amount equal to the aggregate of the amounts paid by him or withheld from sums otherwise due him, in complete or partial satisfaction of the claim of the United States specified in the first section: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 11, strike out "in excess of 10 per centum thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERTA REITBERGER

The Clerk called the bill (H.R. 1400) for the relief of Berta Reitberger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 212(a)(9) of the Immigration and Nationality Act, Berta Reitberger may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That, in the administration of the Immigration and Nationality Act, Berta Reitberger, the fiancée of Eugenio Marquez, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided,* That the administrative authorities find that the said Berta Reitberger is coming to the United States with a bona fide intention of being married to the said Eugenio Marquez and that she is found otherwise admissible under the immigration laws, except that the provision of section 212(a)(9) of the said Act shall be inapplicable in her case: *Provided further,* That the exemption provided for in this Act shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Berta Reitberger, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Berta Reitberger, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Berta Reitberger as of the date of the payment by her of the required visa fee."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MATHILDE RINGOL

The Clerk called the bill (H.R. 1453) for the relief of Mrs. Mathilde Ringol.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(4) of the Immigration and Nationality Act, Mrs. Mathilde Ringol may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That, unless she is entitled to care under the Dependents' Medical Care Act, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of that Act.

With the following committee amendment:

On page 1, beginning on line 7, strike out the proviso, and substitute in lieu thereof the following: *"Provided,* That, unless the beneficiary is entitled to care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTER MARY DAMION, ET AL.

The Clerk called the bill (H.R. 1535) for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi), shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DIMITRIOS KONDOLEON

The Clerk called the bill (H.R. 1727) for the relief of Dimitrios Kondoleon (also known as James Kondolous).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Dimitrios Kondoleon, also known as James Kondolous) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH LUCIE LEON

The Clerk called the bill (H.R. 2589) for the relief of Elizabeth Lucie Leon (also known as Lucie Noel).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Elizabeth Lucie Leon (also known as

Lucie Noel) shall be held and considered to have been lawfully admitted to the United States for permanent residence on January 2, 1951, upon payment of the required visa fee, and shall be permitted to file a petition for naturalization notwithstanding the provisions of section 316(a)(1) and (2) and section 316(b) of that Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MUKHTAR MOHAMMED

The Clerk called the bill (H.R. 3816) for the relief of Mukhtar Mohammed.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mukhtar Mohammed shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSE SANTIAGO SAVEDRA CALZA

The Clerk called the bill (H.R. 3817) for the relief of Jose Santiago Savedra Calza.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

STIRLEY LOUIS BERUTICH

The Clerk called the bill (H.R. 4445) for the relief of Stirley Louis Berutich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Stirley Louis Berutich may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendment:

Page 1, line 5, after the word "be" insert "issued a visa and."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that the remainder of the Private Calendar be dispensed with at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

FEDERAL AID FOR PUBLIC AIRPORTS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, for many years, the familiar railroad station was as necessary to a city as its post office. Along the coasts and up the larger rivers the steamship landings were the terminals through which human beings and commerce flowed, coming and going.

Today hardly a month goes by that we do not see one of these railroad stations being boarded up like a building that has died. At the steamship piers we look in vain for the traffic of yesterday.

Then we hear the hum of activity over our heads, and looking up we see the planes in the sky, rising from and descending to some place beyond our vision miles away.

These are the public airports, the new terminals for long-distance transportation.

Bustling with activity and stretching out to accommodate the increasing use of their facilities and their services.

Much to our surprise we learn that the growing volume of private plane traffic leads all others in the use of civil airports.

A recent report of the Civil Aeronautics Administration covering the 196 civil airports in the United States at which FAA traffic control towers are located reveals the following record of operations:

Commercial airlines	27.7
Military	21.1
General aviation	51.2

Even before we consider the needs of the great commercial air carriers, we must make allowance for the eye-opening requirements of general aviation.

Today business enterprises own and operate more than 26,000 aircraft, which now range from single-engine aircraft to DC–3's, turboprop Viscounts and F–27's, which will soon be supplemented by jet aircraft.

The general aviation fleet, including these business aircraft, exceeds 65,000 planes, and according to a recent Government forecast will grow to 89,000 by 1965 and to 107,000 by 1970.

This underscores the Federal Government's obligation to provide additional funds for airport development, because the maximum flow of airplane traffic is becoming essential to the economies of many communities.

To expect that the States and the localities should provide for this expansion in facilities is unrealistic. As the Federal Government takes the lion's share of all available revenues, it must assume major responsibility for the development of public airports that are indispensable to interstate commerce and national defense.

The President's Commission on Intergovernmental Relations, in June 1955, recommended that the Federal-aid airport program be continued, stating that:

> Furthermore, the device of Federal grants-in-aid facilitates central control of airport design, thus contributing to the safety of civil aviation. In addition, the National Government enjoys free landing rights for military aircraft on airports federally assisted. Occasionally this arrangement makes it unnecessary to build additional military airfields.

The President's rejection of a Federal-aid program last year, has set back our airport expansion program. As the Federal Airport Act is due to expire on June 30 of this year, and as airport commissions cannot proceed with expansion plans until they see what we do, it is urgent to provide means and encouragement for them without further delay.

More passengers now are transported in interstate and foreign air commerce than by railroads and transatlantic steamships.

Before this massive fact we cannot defer action.

The strain on present airport facilities is increasing steadily, and cannot be eased in any way other than by Federal assistance in the expansion of airports to accommodate passenger and air-freight volume with maximum safety.

Because H.R. 1011, "Amendments to Federal Airport Act," is adequate in meeting the requirements of public airports as we anticipate these requirements, I believe that it merits the approval of Congress.

Improved runway and taxi facilities must be provided for the new jet planes and the larger planes that are coming into use.

Only modern and improved airports can serve this need.

ST. PATRICK'S DAY

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was not objection.

Mr. BOLAND. Mr. Speaker, although St. Patrick's day falls just short of being included in the official spring season, it makes no difference: the day of the saint brings its own spring. There will be green in every Irish heart today south of the Ulster border, and in many a heart north of it. No color ever more fittingly symbolized the outward beauty of a land beautiful beyond most lands and lovely beyond compare to her sons and daughters. The term "Emerald Isle," endeared to the Irish through centuries, recalls a thousand sights and sounds woven into the warp and woof of the Irish background: the green valleys; the little shamrock which tradition tells us was employed by St. Patrick to expound the doctrine he had arrived to

preach; the very green of the northern seas even—all record and recall the glowing verdure of "the holy isle, the isle of the saints."

Today, on both sides of the Atlantic there will be drums beating, bands playing, joyous groups marching in honor of the beloved patron Saint of Ireland—their one, incomparable Patrick, under whose benign auspices they have at last passed through centuries of poverty and suffering and through whose gracious intercession, they like to believe, they have at last obtained freedom, and dignity, and peace.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain preferential reports.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING REORGANIZATION PLAN NO. 2 TO EXCLUDE REA

Mr. DENTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DENTON. Mr. Speaker, I introduce, for appropriate reference, a bill to amend Reorganization Plan No. 2 of 1953, so that hereafter section 1 of the plan will no longer apply to the Rural Electrification Administration. The bill also specifies that the approval or denial of REA loans will be the sole responsibility of the REA Administrator, regardless of the provisions of any other law.

The bill provides for the transfer to the Administrator of the REA all functions which were transferred from the Administrator to the Secretary of Agriculture under Reorganization Plan No. 2 or any other reorganization plan or law.

Many will recall that legislation for this same purpose was introduced in the 85th Congress. Hearings were held, and although no formal action was taken, the hearings established the need for such legislation if the rural electrification program is to be administered as Congress intended it to be.

The making of loans is supposed to be the main duty of the REA Administrator. Loans are supposed to be made if they meet REA's standards of feasibility and if they come within the law. The making of loans should be entirely divorced from political considerations. However, we have seen that under Reorganization Plan No. 2 of 1953, the Secretary of Agriculture has been able to usurp the power of the REA Administrator and bring politics into an area that Congress intended to be entirely free from political influence and consideration. When the REA was set up, Congress specified that the REA Administrator would be appointed for a term of 10 years. He must be confirmed by the U.S. Senate. In throwing what should be a cloak of political immunity about him, Congress thought that he would not be tempted to let political philosophies influence his decisions on loan applications.

Using this philosophy as a yardstick, the REA program has been a great success. It has enabled the United States to bring the benefits of modern technology to agriculture and thereby develop our great agricultural economy. Today, more than 95 percent of our rural homes and institutions have been electrified, and no other Government program that has contributed so much to the public welfare can match the fine repayment record of the REA borrowers.

Under the present Secretary of Agriculture, the effectiveness of this great program has been greatly diminished. The REA Administrator's status has changed from that of an impartial and largely autonomous public servant to that of a hired hand of the Secretary of Agriculture. The power to judge an important loan application on its merits has been taken from him. Instead, he has been ordered to clear loans of more than $500,000 with a political appointee of the Secretary of Agriculture who checks to see whether the loans fit the political philosophy of the Administration. Such a policy is a dangerous one no matter what party is in power.

I believe that it is in the public interest to restore the full loan-making authority of the REA Administrator. I am joined in this belief by thousands of members of the National Rural Electric Cooperative Association and by many of my colleagues.

In Indiana we have firsthand knowledge of how the public interest has been set aside in this area. In 1956 the Indiana REA proposed to build a public powerplant at Petersburg, Ind., because the commercial utilities were charging an unreasonable rate for electricity that they purchased and also the State public service commission had ruled that wholesale power purchased by the co-ops from a commercial supplier to serve loads in excess of 250 kilowatts was to be charged for at a much higher rate than the energy the co-ops purchased to serve smaller loads.

In addition to the fact that this ruling would make it uneconomical for the REA to serve large industrial and commercial loads, it would have established a fatal precedent. If the commission could set 250 kilowatts as a demarcation point in a wholesale schedule, it could just as easily—and might—cut that down to 75 kilowatts or less.

Indiana rural electric cooperatives under a State law passed in 1935 have the exclusive right to service all loads within their territories. The following year, 1957, the PSC eliminated the discriminatory provision from the previous Commission's order. However, it left intact a 4.8 percent average increase in the cost of wholesale energy sold to the co-ops. The failure of the Commission to remove this rate increase has made the need for the 18 distribution cooperatives to generate and transmit their own power in Indiana more imperative. In May 1957, Hoosier Cooperative Energy applied to the REA for the $42 million loan to construct a 198,000-kilowatt steam generating station on the White River near Petersburg, in the heart of Indiana's coalfields. The loan would also cover the cost of building 868 miles of 69,000 volt and 154,000 volt transmission lines to serve the substations of nine rural electric cooperatives in southern Indiana.

The estimated savings will exceed 17½ million in power costs over the 35-year life of the loan. More than 43,800 families will share in the savings through lower wholesale energy costs for their cooperatives. Soon after the announcement was made of this loan application, the Indiana Public Service Commission, armed with letters of protest from Indiana's commercial utilities, were sent to Washington by Gov. Harold W. Handley. At the time that the commissioners met with Secretary Benson, REA Administrator David Hamil expressed his irritation at such pressure and pointed out that the REA Administrator by Congress is given responsibility for REA loans and that the application would be reviewed and processed in exact accordance with the letter and spirit of the law. Subsequently, the controversy became hot enough to reach the White House, where a special meeting presided over by Sherman Adams was held.

As an outgrowth of this meeting, steps to restrict Hamil's authority and to injure the rural electric cooperatives were taken. Two administration bills were introduced in Congress to raise the REA interest rates and the Secretary of Agriculture ordered that all REA loan applications for more than $500,000 must be reviewed by the Director of the Agricultural Credit Service prior to approval.

I am sure that similar abuses concerning the REA can be cited by some of my colleagues in support of remedial legislation, such as I have proposed.

Should my bill, or similar legislation be enacted into law, I am hopeful that the Indiana REA will be able to construct this public powerplant at Petersburg, Ind., and thereby provide cheaper power and bring about greater employment, both through this plant, and in the coalfields of Indiana, which will supply the coal to the plant. In addition, construction of this plant would bring other industries into the district, such as an aluminum plant, which was proposed at the time the Indiana REA applied for a loan to build the Petersburg plant.

WINNING ESSAY IN NATIONAL HISTORY CONTEST

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an essay.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I wish to include a timely and appropriate article for today—March 17, 1959—that consists of a very interesting essay that rated second

prizewinner in the national history contest recently conducted by the Ancient Order of Hibernians.

Jeremiah J. Riordan, Irish by birth and a citizen of the good old United States for ever so many years, one of the oldest but most reliable and outstanding members of division 11, Essex County, Ancient Order of Hibernians, of Peabody, Mass., was the author of this beautiful composition, and of course the logical choice as one of the fortunate contestants winning second honors.

We, who have the honor of being members of the Ancient Order of Hibernians, are of course mighty proud of our fellowman, and today—the day that has been set aside to pay homage and tribute to our patron saint, St. Patrick—we extend to Mr. Riordan the "top of the mornin'" on a job well done.

MY PLAN TO END PARTITION IN IRELAND

(By Jeremiah Riordan)

When I went to school in Ireland I attended the national school system of education, at that time under British rule. The teachers had to be very careful that any Irish history would not be imparted to the pupils. There was no word of the great struggle that was going on to free Ireland from bondage, no word of the Irish patriots who had sacrified their lives in order to burst the galling chains that had kept their native land in slavery during the past 700 years, no word about John Mitchell's "Jail Journal," where he told of his life in British prisons and in convict slavery in Australia and in Van Demons land because he loved Ireland. No word of Robert Emmett who sacrificed his young life because he tried to remove that chain which bound his people to a life of slavery. Those two patriots, together with Wolf Tone and scores of others who gave their lives that Ireland might be free were protestants, that England did not boast about, because they were Irish patriots who had given their lives for their native land. Neither were we told of O'Donovan Ross, one of the heros of 1867 who, when in a British prison was made to partake of his prison fare while his hands were tied behind his back. We were told nothing of the heroes of old, Owen Rual O'Neill and Rory O'Moor, etc. We were never told of the Manchester martyrs or of "bloody Balfors" battering ram, when our homes were razed to the ground. No we were never told of anything that would help to preserve the spirit of Irish nationality in our young minds. They tried to bring us up as nice good, obedient English children by having included in our school books all about the Battle of the Baltic, and General Nelson with his blind eye. We were taught the history of the Battle of Waterloo, but not the story of the Battle of Fontenoy, where the English Army was routed by the Irish Brigade, who fought under the banner of the French Republic. But it was instilled in our minds that there were 32 counties in Ireland. Yes, our geography book told us Ireland was divided into four provinces, Ulster on the north, Munster on the south, Leinster on the east, and Connaught on the west. There were 9 counties in Ulster, 6 counties in Munster, 5 in Connaught, and 12 counties in Leinster and our geography book also said that the area of Ireland was 32,000 square miles.

That was Ireland from time immemorial. Thirty-two counties, men, women, and children living in peace, 4½ million of God-fearing people, until David Lloyd George, then Prime Minister of England, saw fit to draw a line of partition through Ulster, cutting off 6 counties from Ireland 37 years ago. Yes, that event occurred in the year 1921. In 1916, Padrig Pearse signed the declaration of independence of the Irish Republic. He and his cosigners were quickly put to death. The Irish Republican Army kept up the fight and fought a guerrilla warfare, harassing the English Army until David Lloyd George in 1921 called for a truce partly because the sympathy of the renowned nations of the world were with the downtrodden and oppressed Ireland and partly because his army was receiving too many setbacks. Three lorry (trucks) loads of his men were wiped out one Sunday afternoon at Kilmiachel, in West Cork by the West Cork Brigade, commanded by Tom Barry. After that disaster to David Lloyd George's forces, he, David Lloyd George, sent an ultimatum to the commander of the English forces in Ireland to surround Tom Barry and the West Cork Brigade (about 100 men) and capture them dead or alive. They were preparing to do so but before they were fully organized, Barry and his 100 men met them at Crossbarry, a village near Bandon, County Cork. The first truckload of English black and tans (auxiliary soldiers) was seen approaching, at 6 o'clock in the morning. Barry had his men placed in various advantageous positions and in less time than it takes to tell it, that contingent was wiped out and the truck set on fire. Guns and ammunition were used to replenish the dwindling supply of Barry's men. The next truckload came on and in due time was taken care of as before, and in that way up to 4 o'clock in the afternoon the fight went on until Barry and his men, tired and hungry, marched away through fields and hills and byroads to get billeted for the night in some friendly farmhouse and to forage or beg some food from some friendly neighbors as they were nearly 24 hours without food or drink as the Irish Republic Army had no canteen kitchen to feed the fighting men. "Such soldiers, such men," were the words of Barry himself as he woke up during the night and looked upon his sleeping comrades lying exhausted in a bundle of straw spread on the floor of a laborer's cottage 20 miles away from Crossbarry. No wonder David Lloyd George called for a truce. It was agreed that Ireland should send three plenipotentiaries to London to meet with the Prime Minister and discuss toward a settlement of the Irish question. David Lloyd George with the cunning of his Welsh ancestry met the Irish delegation and cleverly maneuvered them, placed them in separated quarters, interviewed them one at a time and placed his proposition before them with the ultimatum that six counties be cut off from Ulster. "Accept this or face a terrible war" were his words on that first meeting. He never let them consult each other as to the proceedings but kept them apart under lock and key night after night and day after day told lies and used every stratagem he was aware of until he got one of them to sign under threat of a terrible war from the air, from the land and from the sea. After one had signed, the remainder followed suit. They came back to Ireland and shamefacedly presented their treaty. It was accepted by the majority of the Irish people because they were tired of fighting. Tired as fighting men, going for days without food. But the more patriotic, and the more enthusiastic refused to accept the terms of the treaty and a terrible and bloody civil war followed, where brother took up arms against brother and father fought in battle array against his son. In some parts of Ireland the civil war was more deadly than the war of the "black and tans," all because of Lloyd George's gerrymandering. A great many people imagine the partition takes out Ulster from the rest of Ireland. But no, there are nine counties in Ulster. Lloyd George only wanted six for his scheme in gerrymandering. Just enough to keep a few orangemen planters under the British Government, who live in an area which is roughly within a 30-mile radius of the city of Belfast.

Now as I said in the start of this narrative, my plan to end partition is this:

1. Those six countries behind the line of partition are in Ulster. Draw the line so as to include the nine counties of Ulster behind the "iron curtain."

2. Let there be a plebiscite of the nine counties to show whether the whole of Ulster want to live under British rule or join in with the other 23 counties of Ireland under the rule of Dail Erin, the government of the Irish Republic.

3. As there is a sort of guerrilla warfare going on today between some remnants of the IRA and the northern government, lives have been lost on both sides and costly buildings have been damaged. It should be the business of the United Nations to secure peace. It should be considered a worldly affair, as well as Palestine, as well as the Suez Canal, as well as Algeria and Tunis and as well as Korea where the United States spent money of an untold amount and sacrificed many lives, some of them Irishmen by birth and some by extraction.

4. An appeal should be sent to our Senators and Congressmen to support Representative FOGARTY of Rhode Island in his effort to bring the question of the partition of Ireland to the attention of the U.S. Government.

5. An appeal should be sent to English societies right in the heart of Britain to prevail on their government to settle the partition by peaceful means. The average Englishman is a lover of liberty and is happy that the inhabitants of the 26 counties are now enjoying that liberty, which they gained at so great a sacrifice.

6. Finally in all our appeals to the United Nations, to the Senators and Congressmen of the United States, to any societies contacted, we should stress upon the fact that it is only fair that the following historic places should be restored to the Government of Ireland:

a. Armagh, primatial see and ecclesiastical center since the time of St. Patrick.

b. Downpatrick, the burial place of St. Patrick, St. Bridget, and St. Columbcille.

c. Beileek, where in 1258 Brien O'Neill was chosen King of Ireland.

d. Grey Abbey, where Rev. Mr. Porter, Presbyterian minister, was hanged for his part in the 1798 insurrection.

e. Dungannon, Thomas Clarke, signer of the declaration in 1916, was born in Dungannon.

While partition exists in Ireland, the Irish nation can never hope for national progress or national integrity in the true sense of the word. Partition has a demoralizing effect on the Irish people and is an eyesore which must necessarily be removed. Sectarian differences and the attendant evils of existing conditions in a divided Ireland, are of course the motives of the English and the boundary line of demarcation which breeds bigotry, intolerance and dissension since its very existence is repugnant to any red-blooded Irishman. It is only 37 years since the boundary line came into existence. Ulster, the land of the O'Neills and the O'Donnells, the land of Cuchalain and the Knights of the Red Branch, was never anything but Irish until English monarchs and despoilers deliberately sought to make settlement there of a gang of planters, alien in faith, in speech and in culture to the people of Ireland, and according to those same shoneens, such plantation constitutes legal ownership and entitles the descendants of the planters to carve the land upon which their forebears were but foreign parasites and set up a separate government opposed to the rest of the Irish people.

A BILL TO EXPAND RESEARCH AND DEVELOPMENT IN FORESTRY

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill which is designed to expand our present program of research in forestry and forest products, and for other purposes. This bill is declaratory of the present policy of the Congress to promote the efficient production, marketing, and utilization of the products of the forest. For the attainment of this policy, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research in the development, conservation, and management of forests and the production, marketing, and utilization of forest products in their broadest aspects.

To implement this congressional policy the Secretary of Agriculture by terms of this bill is authorized to cooperate and enter into contracts with colleges, schools, and universities and with other public and private organizations and individuals. Any contracts or agreements made pursuant to this authority shall contain requirements making the results of research and investigation available to the public through dedication, assignment to the Government, or such other means as the Secretary may determine. In entering into such contracts or in making cooperative arrangements the Secretary may arrange for the utilization of graduate students in the research performed under such contracts or agreements and shall take such measures as he deems appropriate to stimulate interest by graduate students in the development and application of all phases of forestry and forest products utilization research.

In carrying out the intent and spirit of this bill, the Secretary shall emphasize to the extent practicable special and early attention to the development of new uses and products for low-value timber, wood residues, and other products, in the improvement and more efficient production, harvesting, processing, marketing, and use of timber, lumber, and other wood products, and the development of new and improved scientific and technical methods and equipment for the development, conservation, and management of forests and for producing, marketing, and utilizing forest products. The emphasis on expanded forestry research programs is well placed. Forestry is not a short-time proposition. Where this Nation stands in timber supply at the end of the century depends largely on actions taken during the next two decades. Rapid acceleration of recent encouraging forestry trends is vital if the timber resources of the Nation are to be reasonably abundant 50 years hence. Because of the magnitude of potential demand, and the difficulty of extending more intensive forestry to the millions of small holdings, time is important. The potential of the land is adequate. Our challenge is to make better use of it soon.

My study reveals that the greatest need for research in forestry not now being met is for basic or fundamental work. Progress in the solution of the many problems facing our forestry today depends on constantly increasing knowledge obtained by research and experience. I am happy to report that a very considerable amount of research, especially applied research, is now being done by the Federal and State Governments, and by private and industrial interests. However, because the pressures exerted on these organizations for immediate results having direct practical application in the management of forest properties are in the harvesting and utilization of the timber crop, they can be expected to do little research of a really basic nature. If this sorely needed basic research is done, it will have to be performed by educational institutions, especially private colleges and universities, and the more forward-looking private interests, through outright grants, fellowships, and particularly research assistanceships.

It is reassuring to note that for the first time in many years, our forests are growing more wood than we are using. Annual wood growth is increasing at an accelerated rate. Our commercial forest area is expanding. The practice of good forestry on private forest lands—farm, industrial, and other—is spreading rapidly. Some of the most intensive forest management is on the lands of wood-using industries and other private owners.

These facts, bright as they are, do not necessarily mean we shall have more wood than we can use in the years ahead. Our population is growing; our consumption of wood is increasing. Industry and Government estimates indicate we will use wood in an increasing rate in the years to come. To keep forest growths ahead of our timber needs is our forestry job today. Many of us fail to realize the significant role our forests play in our economy from day to day. Like so many things, we have taken our great forest resources for granted. In my own State of Missouri, the forests have always played an important part in the economy of Missouri. The half of the population living in cities is not as acutely aware of their dependence on timber crops as are those living on farms and in small communities, but they nonetheless are affected by the condition and productivity of the forests and forest industries. A recent survey published by the U.S. Department of Commerce shows that 3 out of every 100 persons employed in the industries, trades, and businesses of Missouri were employed in industries directly dependent on timber for their raw material. Add to that figure the dependents of those so employed, and the relation of the forests to the State's welfare becomes apparent. These statistics when multiplied by 48 give us a better understanding of the importance of our forests to our overall economy.

Fundamental research is essential in determining the basic facts and principles upon which forest management and the utilization of forest products depend. Research of this type is basically of general application and as such is a matter for public participation. Federal forest research has placed greater emphasis on forest inventory, forest protection, the economic aspects of forest management, and the utilization of forest products. This should be done through a reorientation program and not through increased appropriations. State and private agencies should be encouraged to expand their programs of forest research. Better coordination to avoid competition and duplication between Federal, State, and private agencies should be effected through the establishment of a national forest research advisory council representative of private, State, and Federal organizations interested in forest research. The results of research investigations and studies of forest management and utilization should be readily available and currently disseminated to all public and private forest agencies, and the forest industries and landowners. The bill which I have introduced today is a step in the right direction. To provide for the needs of the future we must plan and think in terms of the needs of the future. This can only be accomplished by a properly programed plan for the future.

Starting almost from scratch at the beginning of this century, American forestry has made remarkable advances in the past 50 years. What men of vision half a century ago saw in the years ahead fell far short of what actually came to pass. They failed to fully foresee the astounding developments that have taken place in science, agriculture, and industry. They could not know that a half century would bring two world wars. All of these things made their impact on the forests and on the course of forestry. Forestry, then, should go steadily forward. Its potentialities for contributing to national prosperity, security, and progress are very great. Fifty years from now, as today, the strength of the Nation will lie in its people and in its resources.

A bill to authorize an increased program of research in forestry and forest products, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby declared to be the policy of the Congress to further promote the efficient production, marketing, and utilization of products of the forest. For the attainment of this policy, the Secretary of Agriculture is authorized and directed to conduct and to stimulate research into the development, conservation, and management of forests and the production, marketing, and utilization of forest products in their broadest aspects.

SEC. 2. In carrying out this Act, the Secretary is authorized to cooperate and enter into contracts with colleges, schools, and universities and with other public and private organizations and individuals. In accordance with such regulations as he deems necessary, contracts and agreements made under the authority of this Act may be made for work to continue not more than four years from the date of any such contract; may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); may provide for the making of advance, progress, or other payments without regard to the provisions of section 3648 of the

Revised Statutes, as amended (31 U.S.C. 529), and any appropriations obligated by such contract or agreement shall remain available as may be necessary for the payment of obligations under such contracts and agreements. Any contracts or agreements made pursuant to this authority shall contain requirements making the results of research and investigation available to the public through dedication, assignment to the Government, or such other means as the Secretary may determine.

SEC. 3. In entering into such contracts or in making cooperative arrangements hereunder, the Secretary may arrange for the utilization of graduate students in the research performed under such contracts or agreements and shall take such measures as he deems appropriate to stimulate interest by graduate students in the development and application of all phases of forestry and forest products utilization research.

SEC. 4. In carrying out this Act, the Secretary shall emphasize to the extent practicable special and early attention to the development of new uses and products for low-value timber, wood residues, and other products, and the improvement and more efficient production, harvesting, processing, marketing, and use of timber, lumber, and other wood products, and the development of new and improved scientific and technical methods and equipment for the development, conservation, and management of forests and for producing, marketing, and utilizing forest products.

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. The authority provided in this Act shall be in addition to and not in substitution for existing authority now vested in the Secretary of Agriculture.

URBAN RENEWAL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. ALGER] is recognized for 60 minutes.

Mr. ALGER. Mr. Speaker, today my subject is urban renewal, about which I have some basic criticism, particularly when Federal money is involved.

I want to make it plain I am for urban renewal. I do not know anyone who is against urban renewal, the improvement of homes and neighborhoods, the removal of blight, slum clearance, and the rest. Surely, everybody is for urban renewal. Most cities throughout the Nation have these problems, the aging of property. Many cities are now engaged in slum clearance and rehabilitation through local private and public initiative, without Federal aid. The lessons to be learned from these programs and those with Federal aid too, are the programs from which I draw my material today. We should benefit from our experiences. Whether we use Federal funds or not, there are lessons to be gained, and I shall pass on to you those I have learned. Dallas, for example, has just started a local program.

Since Congress acts as the city council for Washington, D.C., all of us are in effect city councilmen, studying and solving the problems of Washington.

Formerly, I was a realtor, land developer, and builder, so I am speaking on this subject from the inside, in a sense, because while I did not participate in Federal urban renewal I know something about real estate and this subject matter, and I have studied urban renewal almost as a hobby. So right or wrong, I am giving my conclusions from the viewpoint of intensive study, and I bring this material to you today in an attempt perhaps to make some constructive suggestions.

As a Congressman, I should say that when we take an oath to uphold the Constitution, we could use two yardsticks to evaluate legislation: First, Is this bill a function of the Federal Government, and second, Can we afford it?

Further I am even more interested in this matter of local projects with Federal money, because of an attack leveled against me and the 5th District of Texas. This occasion was the only other time I have imposed on you in 5 years with a special order, at that earlier time the arguments of the gentleman from California concerning Dallas' use of Federal funds were laid to rest. You will find that in the CONGRESSIONAL RECORD, volume 104, part 1, page 1380.

I propose to talk about urban renewal in these five parts:

First. The Federal and State urban renewal laws.

Second. Eminent domain—of the right and use.

Third. The relocation problem—of people affected by urban renewal.

Fourth. Cost and time factors.

Fifth. A constructive plan—how to do it locally.

First, as to the law. I have a part of it here with me. I am sure some of you have seen the pamphlets put out on this, and they are here for your perusal.

The mechanics under the Federal law are:

First. The Federal Urban Renewal Administration, bypassing the appropriations process of Congress, lends money—currently at 3½ percent interest—to a local authority authorized to accept Federal aid to make preliminary studies—section 102d, Federal law.

Second. The URA similarly lends additional money for detailed planning of a project.

Third. The URA lends large sums, to acquire by condemnation under power of eminent domain, and otherwise, land and buildings now belonging to private citizens and use for their homes and businesses.

Fourth. The local authority generally demolishes and clears all the structures from the project area.

Fifth. The cleared land is then offered for sale, generally at tremendous loss, for reuse by other private citizens for sites for their businesses and homes.

Sixth. The loss—the difference between what the cleared land will bring when resold, and the cost of acquisition, demolition, preparation for reuse, plus all project overhead—is made up by the taxpayers. One-third of the loss is paid by taxpayers in their local taxes, as a so-called local grant-in-aid—section 104, Federal law. The other two-thirds is paid by taxpayers in their Federal taxes.

As to State law I shall only mention Texas as an example, because each State has its own implementing laws. The Texas Urban Renewal Law is an act which will enable Texas communities to participate under the Federal Urban Renewal Law, and in our case it became effective in 1957.

Next, as to eminent domain—of the right and use. The private ownership of property is a basic right to be jealously guarded as we do our personal freedom. We are most aware of this when we are confronted by the power of eminent domain, by which law, property can be condemned and taken. Basic protection is given individuals by the Fifth Amendment to the Constitution which says:

> No person shall be * * * deprived of * * * property * * *, without due process of law—
>
> And (2)—
>
> nor shall private property be taken for public use, without just compensation.

The Constitution thus assures protection of individuals and minorities from majority rule.

The Supreme Court upset this protection in 1954, in the case of Berman against Parker—in reinterpreting the traditional application of eminent domain.

In this case in a district court, the owner of a department store challenged the validity of the act which gives the local redevelopment authority the right to condemn property which is not substandard or slum property merely because the property is part of an overall redevelopment plan.

The Supreme Court then upheld this right to take property because in its concept of public welfare—now get this: Speaking of public welfare they said:

> We do not sit to determine whether a particular housing project is or is not desirable. The concept of the public welfare is broad and inclusive. See *Day-Brite Lighting, Inc.* v. *Missouri*, 342 U.S. 421, 424. The values it represents are spiritual as well as physical, esthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well-balanced as well as carefully patrolled. In the present case, the Congress and its authorized agencies have made determinations that take into account a wide variety of values. It is not for us to reappraise them.

Mr. Speaker, I say losing your property under eminent domain because of someone else's judgment of a spiritual or esthetic value is unconstitutional and wrong. I say it is quite contrary to the fifth amendment.

Further this decision means that the courts, generally the final repositories of the people's rights against arbitrary action of the legislature, are not available to you when your property is taken and destroyed for redevelopment purposes. The remedy is in the legislature which may impose whatever restrictions on redevelopment authorities it may deem necessary. So the Supreme Court seems to switch the historic roles of the legislature and judiciary as we have criticized them in the past by their own language in ruling on this matter of eminent domain.

I am sure many of you would be interested in reading the entire Supreme Court's opinion, which I shall not take the time to read at this time.

The district court, whose decision the Supreme Court reversed, said this:

We are of the opinion that the Congress, in legislating for the District of Columbia, has no power to authorize the seizure by eminent domain of property for the sole purpose of redeveloping the area according to its, or its agents', judgment of what a well-developed, well-balanced neighborhood would be. This amounts to a claim on the part of the authorities for unreviewable power to seize and sell whole sections of the city.

That was the district court, whose decision was reversed by the Supreme Court. Here is the more complete decision:

Third, we have the problem of the area which is not a slum but which is out-of-date, called by the Government blighted or deteriorated.

We are of opinion that the Congress, in legislating for the District of Columbia, has no power to authorize the seizure by eminent domain of property for the sole purpose of redeveloping the area according to its, or its agents', judgment of what a well-developed, well-balanced neighborhood would be; lest this sentence be misconstrued out of context, we repeat our hypothetical assumption for the purposes of this first phase of section III of our opinion that no slum exists on the hypothetical property or in the area and that the seizure is not for a public use.

* * * * *

The Government says that it has determined that project area B in the case at bar is an appropriate area for redevelopment, that slums exist in that area, and that therefore it may seize the title to all the land in the area and, having replanned it, sell it to private persons for the building of row houses, apartment houses, commercial establishments, etc. In essence the claim is that if slums exist the Government may seize, redevelop, and sell all the property in any area it may select as appropriate, so long as the area includes the slum area. This amounts to a claim on the part of the authorities for unreviewable power to seize and sell whole sections of the city.

It covers about 15 square city blocks. It lies within a census tract in which slum conditions are said to exist, and it contains properties upon which slum conditions are said to exist. Its western boundary is an irregular line which runs around lots, encompasses some establishments along a street and excludes others on the same side of the same street, moves from east to west as it runs north. It excludes certain properties, and under it certain other properties would be sold back to the present owners or be retained by them. The key to the plan, apart from slum clearance, is the opinion of the Government authorities that residential neighborhoods should be "well-balanced" and that the area should contain housing for all income groups. * * *

No acute housing shortage is to be met. In fact the plan provides for no more residents than presently occupy the area. No pressing economic condition, apart from the slums, is sought to be dealt with by this plan. No purpose of housing for the needy—low-rent housing—is the motivation. No rearrangement of streets is contemplated or provided. The streets throughout project area B are exactly the same as are the streets in all parts of the District of Columbia, lettered streets running east and west and numbered streets running north and south, in continuous lines across the entire District. The plan provides that certain streets shall be widened somewhat and that an expressway and a greenway shall be built. The only restrictions as to future use are the requirements as to the type of houses to be built (row, apartment, etc.) and as to the percentage of rentals for the low-income group.

In sum the purpose of the plan, in addition to the elimination of slum conditions, is to create a pleasant neighborhood, in which people in well-balanced proportions as to income may live. The Government is to determine what conditions are pleasant, what constitutes the "most appropriate" pattern of land use, what is a good balance of income groups for a neighborhood, how many poor people, how many moderately well-to-do people, how many families of two, how many of four, etc., should be provided for in this neighborhood, and what the proper development of a community should be.

Of course the plan as pictured in the prospectus is attractive. In all probability it would enhance the beauty and the livability of the area. If undertaken by private persons the project would be most laudable. It would be difficult to think of a village, town or city in the United States which a group of artists, architects and builders could not improve vastly if they could tear down the whole community and rebuild the whole of it. But as yet the courts have not come to call such pleasant accomplishments a public purpose which validates Government seizure of private property. The claim of Government power for such purposes runs squarely into the right of the individual to own property and to use it as he pleases. Absent impingement upon rights of others, and absent public use of compelling public necessity for the property, the individual's right is superior to all rights of the Government and is impregnable to the efforts of Government to seize it. That the individual is in a low-income group or in a high-income group or falls in the middle of the groups is wholly immaterial. One man's land cannot be seized by the Government and sold to another man merely in order that the purchaser may build upon it a better house or a house which better meets the Government's idea of what is appropriate or well-designed.

We hold that Congress did not in the Redevelopment Act confer power to seize property beyond the reasonable necessities of slum clearance and prevention, the word "slum" meaning conditions injurious to the public health, safety, morals, and welfare.

This was the decision reversed by the Supreme Court in its redefinition of public welfare.

A congressional committee then commented about the inequities and injustices involved. Here is an excerpt from a report of the Subcommittee on Government Procurement, Disposal, and Loan Activities, to the Select Committee on Small Business, 84th Congress, 1st session, House report No. 1588, entitled "Washington Square Southeast Slum Clearance Project":

Despite our holding in this matter under the Housing Act of 1949, as amended, we cannot and do not approve the obvious inequities and injustices involved. Our sympathies lie with the small businessmen upon whom the greatest amount of inequities fall and with the tenants of dwellings who will be compelled to vacate what may be termed better-than-average homes.

Such changes in the law which would neither restrict local agencies in their development plans nor unreasonably harm those people who must feel the greatest impact of such projects must be submitted to and passed upon by the House Banking and Currency Committee which has jurisdiction over that legislation. That phase of such legislation is distinctly not within the jurisdiction of this committee. * * *

It is the unanimous opinion of this committee that the Washington Square Southeast slum clearance project is valid under title I of Public Law 171, 81st Congress. It is apparent, however, from the extensive hearing conducted by this committee that, although this project cannot be invalidated in this instance, certain changes must be made in the existing law to prevent the recurrence of such inequities to small-business concerns.

Obviously there were misgivings even then about the inequities of urban renewal and eminent domain.

Among the considerable thoughtful comments generated by the Supreme Court decision is this editorial by the Urban Land Institute:

HOW HIGH IS UP?—THE SCOPE OF LEGISLATIVE DETERMINATION

One of the most far-reaching legal decisions affecting the field of urban planning and development was rendered by the U.S. Supreme Court on November 22, when it unanimously upheld the constitutionality of the District of Columbia Redevelopment Act in the case of *Berman* v. *Parker*.

The significance of the decision lies not only in its position on the case in question and redevelopment generally, but on the extent to which the Court went in broadening the concept of the police power and of eminent domain. In certain respects this decision is as important as was the Euclid, Ohio, decision in 1926, which established the constitutionality of zoning.

The case itself revolved around the right of the District of Columbia Redevelopment Land Agency to condemn a small department store in a duly established redevelopment project area for reuse by private enterprise, although the store itself was not slum housing but commercial, was not a health hazard, and, according to the plaintiffs, could not be taken merely to develop a better balanced, more attractive community.

Portions of the Court's opinion are worth quoting here at length for, as the writers see it, they go far beyond the question of redevelopment and cut across all of the powers of States and cities in such matters as zoning, subdivision regulation, and municipal esthetics.

SUPREME COURT SPEAKS

Said the Court about the police power: "An attempt to define its reach or trace its outer limits is fruitless, for each case must turn on its own facts. The definition is essentially the product of legislative determinations addressed to the purposes of government, purposes neither abstractly nor historically capable of complete definition. Subject to specific constitutional limitations, when the legislature has spoken, the public interest has been declared in terms well-nigh conclusive. In such cases the legislature, not the judiciary, is the main guardian of the public needs to be served by social legislation, whether it be Congress legislating concerning the District of Columbia or the States legislating concerning local affairs. This principle admits of no exception merely because the power of eminent domain is involved. The role of the judiciary in determining whether that power is being exercised for a public purpose is an extremely narrow one."

The scope of public welfare was also enlarged when the Court said:

"The values it represents are spiritual as well as physical, aesthetic as well as monetary. It is within the power of the legislature to determine that the community should be beautiful as well as healthy, spacious as well as clean, well-balanced as well as carefully patrolled. * * * If those who govern the District of Columbia decide that the Nation's Capital should be beautiful as well as sanitary, there is nothing in the fifth amendment that stands in the way."

On the question of the public taking of land for private development as a public purpose, appears the statement that:

"Here one of the means chosen is the use of private enterprise for redevelopment of the area. Appellants argue that this makes the project a taking from one businessman for the benefit of another businessman. But the means of executing the project are for Congress and Congress alone to determine, once the public purpose has been established. The public end may be as well or better served through an agency of private enterprise than through a department of government. * * * We cannot say that public ownership is the sole method of promoting the public purposes of community redevelopment projects. What we have said also disposes of any contention concerning the fact that certain property owners in the area may be permitted to repurchase their properties for redevelopment in harmony with the overall plan."

The Court also disposes of the right to take properties within a redevelopment area which are not slum or blighted by saying:

"Property may of course be taken for this redevelopment which, standing by itself, is innocuous and unoffending."

Two items, and two only, control the constitutionality of the police power and eminent domain according to the decision:

"(1) 'No person shall * * * be deprived of * * * property, without due process of law; (2) nor shall private property be taken for public use, without just compensation.' "

We believe the conclusions of the Court represent a distinct advance in outlining the scope of public authority which can be directed toward making and keeping our communities better places in which to live and work. But we cannot help wondering how far it is leading us away from the traditional American concepts of individual rights. Some exploration seems in order.

The Richmond News Leader had this to say on February 4, 1956:

A HARD LOOK AT REDEVELOPMENT

Delegate Delamater Davis, of Norfolk, is on exactly the right track when he urges that a thorough study be made of Virginia's laws dealing with the condemnation of private property.

"Private property is losing its importance," he said, and indeed it is. Before the deliberate onslaught of socialist forces that are more concerned with vague public benefits than with solid personal responsibilities, old guarantees of property ownership have lost their vitality.

Mr. Davis is especially concerned with the condemnation of private property for slum clearance purposes when the property is later sold to private owners for development. In brief, he is concerned with what the Federal Housing Act terms "urban redevelopment," and a great many persons share his concern. This mischievous program has made a mockery of the fifth amendment, and left all property ownership subject to the whims of the social planners.

The Founding Fathers nailed into the Constitution a flat provision that no person shall be deprived of his property without due process of law, and so there would be no misunderstanding of the phrase, or so they thought, they added this: "Nor shall private property be taken for public use without just compensation."

For more than 100 years, that language seemed sufficiently clear: Public use meant precisely that—something used by the public, and Government's awesome power of eminent domain was employed to acquire land for public streets and public buildings, for schoolhouses, parks, sewerlines and the like.

Where the power of eminent domain was exercised otherwise, it was by public service corporations, whose rates are subject to public control.

But as in the case of the States and their public school systems, the Supreme Court in November 1954 found it could not let a mere Constitution stand in the path of what it viewed as social progress. The Court could not wait for the States to amend the Constitution. It amended the fifth amendment itself, to make it read, in effect:

"Provided, however, That 'public use' shall be construed to mean whatever a legislative body conceives to be 'public benefit.'

With that decision, involving an urban redevelopment project in the District of Columbia, private property rights went down the drain. "The concept of public welfare is broad and inclusive," said Mr. Justice Douglas blandly. He cast a cool eye at the little department store involved in the litigation, and agreed that it violated no laws of public health or public safety. But "if those who govern the District of Columbia decide that the Nation's capital should be beautiful as well as sanitary, there is nothing in the fifth amendment that stands in the way." So they ran the bulldozers through Frank's Department Store at 712 Fourth Street SW.

The object in the Washington case, as the Court itself summarized it, was to take one businessman's property and sell it to another businessman. The land was not to be used by the public; it was to be sold for commercial redevelopment. But Frank's Department Store, by the Court's condemnation, was not "well-balanced."

This same travesty upon the Constitution is in prospect in the Carver redevelopment project here in Richmond; it is involved in an even larger redevelopment scheme in Norfolk. Whole blocks of generally blighted property are to be swept bare by the bulldozer state. And if in the middle of it all there stands a clean and decent home, well-kept, proudly maintained, and the owner does not want to sell? Then to hell with the owner, and seize his house anyway. Who says a man's home is his castle? There is nothing in the fifth amendment that stands in the way.

If the study proposed by Mr. Davis can suggest ways and means for preserving plain constitutional rights here in Virginia, it will be a most worthwhile investigation. Our own Virginia Constitution declares that citizens of this sovereign State "cannot be deprived of, or damaged in, their property for public uses without their own consent." It is high time that we recurred to this fundamental principle of a free society, and restored individual rights to the high pedestal they once occupied.

Very significant are the decisions of the Supreme Courts of Florida and Georgia, both of which declared "eminent domain" in urban renewal to be unconstitutional according to their respective State constitutions. Here are these decisions, in part:

MEMORANDUM ON FLORIDA SUPREME COURT CASE ON THE USE OF POWER OF EMINENT DOMAIN FOR REDEVELOPMENT

The court ruled that the power of eminent domain to take private real estate and resell or lease it to private business was unconstitutional under the Florida Constitution. The notes on the case follow:

"ADAMS *v.* HOUSING AUTHORITY OF CITY OF DAYTONA BEACH ET AL.—SUPREME COURT OF FLORIDA EN BANC.—AUGUST 12, 1952—REHEARING DENIED OCTOBER 21, 1952

"Taxpayer's suit against city and city's housing authority to restrain defendants from acquiring by purchase or eminent domain certain real estate for redevelopment and reseale or lease to private enterprises, and to adjudicate the constitutionality of a statute authorizing such procedure. The Circuit Court, Volusia County, H. B. Frederick, J., granted decree for defendants and plaintiff appealed. The Supreme Court, Mathews, J., held that acquisition of real estate for such disposition was not for public use or purpose, and that the statute authorizing such procedure was unconstitutional.

"Reversed with directions.

"Terrell, J., dissented.

"1. Eminent domain: Power of eminent domain, authorizing sovereign to take property for public use or purpose when just compensation is made therefor, is clearly distinct from police power, whereunder Government may destroy or regulate use of property in order to promote health, morals and safety of a community, without making compensation for the impairment of use of property or decrease in value resulting therefrom.

"2. Eminent domain: A city has sufficient police power, under general laws relating to cities and towns, to remove or abate a blighted area without resorting to power of eminent domain. * * *

"3. Eminent domain: Under power of eminent domain, city could condemn houses which are unsafe, unsanitary, or breeding grounds for disease, and leave the real estate for owners to redevelop or use within limits of a zoning ordinance.

"4. Eminent domain * * * municipal corporations: Where plan of city housing authority called for sale or lease of redeveloped land to private individuals, associations, or corporations, for private commercial and industrial purposes, acquisition of title to blighted residential area to be so redeveloped was not primarily for public use or purpose, and housing authority was precluded from acquiring title by eminent domain or purchase.

"5. Eminent domain: The question of whether constitutional provisions against taking of private property for private use have been violated is ultimately for the courts.

"6. Eminent domain: Incidental benefits accruing to the public from the establishment of some private enterprise are not sufficient to make establishment of such enterprise a public purpose justifying employment of power of eminent domain.

"7. Eminent domain: When the taking of private property is for a public use or purpose, courts will not review the determination of the necessity for such taking, in the absence of fraud, bad faith, or gross abuse of discretion.

"8. Constitutional law * * * eminent domain * * * municipal corporations: Statute empowering city housing authority to acquire by purchase or eminent domain realty in blighted areas and make it available under certain conditions for redevelopment by private enterprise or by public agencies, denied right of citizen to acquire, possess and protect property, authorized taking of private property for private use, authorized expenditure of public funds for private purpose and authorized apropriations of public funds for private gain and profit, in violation of Florida Constitution."

Further quotations and data from the decision itself follow:

"On its face it is a 'redevelopment' plan and a mere inspection of the plan shows it to be a real estate promotion."

The plan prohibits residential use in the project area. Seventy residential structures containing 75 dwelling units and 5 nonresidential structures were to be acquired. It was asserted that "the majority of the structures are in such a dilapidated condition that they are dangerous to the occupants and not worth the consideration of being rehabilitated."

Property was to be used for industrial railroad siding, retail uses, parking areas, wholesale and restricted industry including warehousing, furniture and sheet metal shops,

bottling works, cold storage and laundry plants.

All occupants in the area were Negroes. The housing authority stated that 52 of the families were eligible for public housing and that new public housing under construction would be available for all those in the lower income bracket that wanted to apply.

"It is inconceivable that any one would seriously contend that the acquisition of real estate for the declared purposes set forth in the proposed Redevelopment Plan is for a public use or purpose. No one has ever heard of any corporation, association or individual going into any of the above mentioned businesses except for profit or gain. If the municipalities can be vested with any such power or authority, they can take over the entire field of private enterprise without limit so long as they can find a blighted area containing sufficient real estate. * * *

"Incidental benefits accruing to the public from the establishment of some private enterprise is not sufficient to make the establishment of such enterprise a public purpose. In the Article on Eminent Domain, 18 Am. Jur., Sec. 45, p. 675, the author states: * * * 'Every legitimate business, to a greater or less extent, indirectly benefits the public by benefiting the people who constitute the State, but that fact does not make such enterprises public businesses.'"

(NOTE.—References have been deleted. Source: Southern Reporter, November 6, 1952 (60 So. 2d 663)).

And the Georgia decision, an excerpt:

Insofar as the redevelopment plan here in question is concerned, it affirmatively appears that there is now ample housing for the people to be displaced and not one dwelling house will be erected. It follows, the object here sought is not to provide more housing for people of low income or for anyone else, and is not to relieve a housing shortage of any kind. The object is to clear away slum or blighted areas and then to have the property redeveloped by private individuals for private purposes in such manner as the city and housing authority determine to be best.

The power of eminent domain is to be exercised to accomplish this result. The property is to be sold to people who could have no interest in acquiring the property other than as a means to make money. If the property of one individual can be taken from another for this purpose, where does the power of eminent domain stop?

Article 14, section 2, paragraph 1 of the Constitution of Georgia Code section annotated, 2-2501, provides: "The exercise of the right of eminent domain shall never be abridged, nor so construed as to prevent the General Assembly from taking property and franchises, and subjecting them to public use." It follows, the exercise of the power of eminent domain provided and sought to be applied here, if sustained must be for a 'public use.' The property here in question is admittedly to be used to provide industrial sites for private use and private gain. "Public use" means just what it says and means that the power of eminent domain can never be exercised to acquire property to be used by private individuals solely for private use and private gain.

While Georgia modified its constitution later, the basic reasoning of the Georgia's Supreme Court decision was not altogether set aside.

Another example which illustrates the inequities of eminent domain's use is found in the Washington renewal agency where they took property from one private business, as I understand this case, a warehouse I believe it was belonging to Standard Oil, and transferred it to another private businessman, an auto parts dealer. Although constitutionally private property cannot be taken for public use without just compensation, here a private business was taken from a private businessman and transferred to another private businessman. The major damage, therefore, is the taking of private property for private use, which is unconstitutional, as I see it, no matter how you slice it.

Relocation housing is the next subject and is a part of urban renewal; the housing of those displaced by slum clearance. Relocation housing is a basic requirement of the urban renewal law. The seven part workable plan requested by the HHFA as a prerequisite for Federal aid embraces these objectives:

First. Adequate local housing, health, and safety codes and ordinances, effectively enforced.

Second. A comprehensive plan for community development.

Third. Analysis of blighted neighborhoods to determine treatment needed.

Fourth. Effective administrative organization to carry out the improvement program.

Fifth. Ability to meet financial requirements.

Sixth. Rehousing families displaced by urban renewal and other governmental activities.

Seventh. Citizen participation and support for local renewal objectives.

Part 6 clearly is an integral part of urban renewal.

There are two basic types of housing available: First, private construction through FHA insured mortgages; second, public housing, existing or new units, constructed with Federal money. The FHA help—section 220—is specifically designed for help whenever urban renewal is involved or whenever any Government action results in displacing families.

Public housing, the other alternative, may be used to relocate families either in existing or in new housing units. The housing law of 1949 established urban renewal as title I and public housing as title III. In practice the two are closely linked as the congressional hearings show, almost by definition.

In fact, there is a remarkable connection between urban renewal and more new public housing units. The following list shows some urban renewal projects by location and date and the new public housing units which were contracted for shortly thereafter:

Public housing units under annual contributions contracts, in process but not completed, in selected cities with slum clearance and urban renewal programs under title I of the Housing Act of 1949 as amended by title III of the Housing Act of 1954

City	Slum clearance project approval dates	Capital grants reservations	Number of public housing units	Dates annual contributions contracts signed	City	Slum clearance project approval dates	Capital grants reservations	Number of public housing units	Dates annual contributions contracts signed
Putnam, Conn	February 1956	$1,687,912	124	July 1956.	Auburn, Ala	December 1954	$27,255	50	June 1955.
Lawrence, Mass	March 1956	1,718,691	137	January 1958.	Birmingham, Ala	March 1956	3,158,941	1,250	July 1956.
Somerville, Mass	March 1954	1,023,164	42	April 1955.	Cullman, Ala	March 1955	175,179	60	Do.
Portsmouth, N.H	January 1955	995,299	124	July 1956.	Decatur, Ala	February 1957	278,113	200	June 1957.
North Tarrytown, N.Y	April 1956	433,033	130	June 1955.	Demopolis, Ala	January 1956	121,810	100	May 1956.
Syracuse, N.Y	May 1956	395,233	318	July 1956.	Elba, Ala	June 1955	141,729	34	July 1956.
Wilmington, Del	March 1954	2,000,719	400	June 1955.	Huntsville, Ala	July 1956	1,149,158	539	June 1957.
Asbury Park, N.J	June 1957	446,000	113	November 1957.	Sheffield, Ala	October 1956	197,554	150	Do.
Edison, N.J	January 1956	710,000	60	July 1956.	Augusta, Ga	November 1955	1,115,291	525	July 1956.
Hoboken, N.J	February 1956	2,085,959	416	September 1957.	Bainbridge, Ga	August 1955	248,372	36	Do.
Jersey City, N.J	do	9,789,268	712	June 1956.	Cartersville, Ga	September 1956	228,000	60	March 1958.
Morristown, N.J	July 1954	799,372	56	June 1955.	Columbus, Ga	August 1955	1,781,023	242	June 1956.
New Brunswick, N.J	do	1,039,498	246	Do.	Douglas, Ga	November 1955	1,056,640	50	July 1956.
Passaic, N.J	March 1955	888,866	204	July 1956.	Lawrenceville, Ga	August 1956	53,600	40	May 1957.
Paterson, N.J	March 1956	2,461,149	500	Do.	Savannah, Ga	October 1955	4,752,000	337	July 1956.
Princeton, N.J	August 1955	520,000	50	Do.	Waynesboro, Ga	July 1955	113,218	50	Do.
Beaver Falls, Pa	July 1956	359,646	44	Do.	Paris, Ky	December 1955	128,903	26	Do.
Darby, Pa	November 1955	385,895	36	July 1956	Dyersburg, Tenn	December 1955	14,914	155	January 1958.
Harrisburg, Pa	May 1956	2,656,024	660	Do.	Franklin, Tenn	April 1956	260,000	78	July 1956
McKeesport, Pa	December 1954	1,236,105	300	Do.	Gallatin, Tenn	May 1956	221,815	60	June 1956.
Sharon, Pa	May 1957	490,865	50	November 1957.	Johnson City, Tenn	January 1955	724,377	100	July 1956.
Danville, Va	March 1955	3,621,516	124	June 1956.	Lebanon, Tenn	December 1955	525,733	120	February 1958.
Richmond, Va	March 1956	1,657,668	894	May 1956.	Manchester, Tenn	January 1956	52,950	40	July 1956.
South Norfolk, Va	July 1954	841,457	100	July 1956.					

Source: "HHFA Urban Renewal Project Directory," June 30, 1957, HHFA Public Housing Administration, "Development Progress Directory," Mar. 31, 1958.

That this may be more than coincidental is documented by the Chattanooga case. The mayor was given assurance from insurance, banking, and real estate leaders that private enterprise stood ready to supply the necessary housing. Yet the field man of the HHFA stated that they first must file an application for 1,000 public housing units before they could qualify for urban renewal funds. See page 1002 congressional hearings, House Appropriations Committee, Housing bill 1958. This has been variously called the "entering wedge" of the "shoehorn," the "black-

jack," or "the trap" whereby urban renewal is used as the entree for public housing.

Well, we do not want public housing as an urban renewal blackjack operation. Other Members have done a fine job on this floor, including the gentleman from Texas [Mr. FISHER] in times past telling us about some of the dangers of public housing. So have many other Members on both sides of the aisle who have discussed the problems. These are the lessons learned from over a half million units. It is no longer a future speculation.

The inherent weaknesses in public housing are threefold as I see it; they are sociological, economic, and political. I have some documentation which I will mention. Here, for example, is a quotation from Judge Francis J. McCabe of Rhode Island who says:

[From the Providence (R.I.) Journal, Mar. 20, 1954]

DELINQUENTS MAKE SLUMS, AND NOT THE REVERSE, JUDGE MCCABE DECLARES

"Slums don't make delinquency. Delinquent people make slums," Judge Francis J. McCabe, of the Rhode Island Juvenile Court said yesterday.

Public housing projects don't wipe out juvenile and adult delinquency by eliminating slums, he said. Delinquents are more plentiful in the projects, he said, because they move into the projects from scattered areas and thereby become more concentrated.

Judge McCabe said housing projects were all right for temporary homes, but for permanent dwellings, they are "undignified monstrosities" and look like prison "cell tiers."

Here are some of the findings of a Senate committee:

JUVENILE DELINQUENCY—INTERIM REPORT OF THE COMMITTEE ON THE JUDICIARY, U.S. SENATE, 83D CONGRESS, 2D SESSION

Juvenile delinquency in public housing areas: The public housing areas of Boston were also described as centers of much juvenile delinquency. There are at present 38 housing projects within the city, varying from small 5-house developments with 10 families to a project housing 1,149 families and having a population of 4,500 residents. There are under construction in Boston four other housing developments and one in the planning stage. When the entire program is completed at the end of 1954 it is expected that the population of the 15,000 units will approximate 60,000 people.

A recent breakdown of the operation of the Boston Housing Authority showed that public housing served 12,110 families with a population of over 50,000 persons. A little over one-half of that population, 26,000, were under 21 years of age. In 1,197 of these families there was no father in the home.

Vandalism in housing projects is costing the housing authority $40,000 per year, of which $35,000 represents glass breakage alone.

The housing project areas have been the site of many juvenile gangs and gang activities, as well as crimes committed by juveniles. One of the most vicious of these crimes occurred in the Heath Street housing project in October 1953. A juvenile of 16 year of age stabbed to death another boy 17 years of age. This housing project is in the Roxbury section and has been the scene of much juvenile gang activity. Many members of the juvenile gangs have been known to carry knives, zip guns, and other weapons and to stage drinking parties at which numbers of them become intoxicated.

Another comment comes from the Newark Star-Ledger of August 29, 1956:

CITY HOUSING SPAWNS GANGS

(By John McDowell)

The gentleman shall remain anonymous. His job is selling—and collecting. His route covers a little city of nearly 1,000 families in a Newark public housing project. And publicity, of the delinquency variety, is something he can do without.

But the story he told one day led to one of the most shocking phases of the Star-Ledger's grassroots study of the juvenile delinquency problem in Newark.

"I started out one evening to do some collecting in the project," the routeman recalled.

"I got in an elevator and two teen-age girls got in at the same time; they couldn't have been more than 15 or 16. We started up, and one of the girls casually extended me an invitation—for a price; and her companion chimed in with her bid.

"We've got an apartment we can go to—there's nothing to worry about," one of the girls told me," the routeman said.

"I tried to laugh it off—and I got out at the first stop and got out of the project. I don't want any part of that kind of trouble."

It was a difficult story to believe. But, in ensuing days, 10 different families living in various units of the development, made similar reports to the Star-Ledger.

Several persons reported that older women in the development were recruiting teen-age girls for prostitution, and making their apartments available to them.

One of the tenants reported that the manager of the development had evicted one of the women who had made little effort to conceal her illicit operations.

The Star-Ledger reported its findings to the management of the project.

The manager admitted the city's housing projects have prostitution problems, but said he had heard no reports of young girls being involved.

"Our trouble has always been mainly with women in the project, not girls," he said "We keep a close watch for such activities, and if we find evidence of prostitution we evict the person involved."

The manager admitted it was disturbing to have such a report come from families in different buildings within the project.

"If teen-age girls are being recruited by older women, it certainly is a serious matter," he said. "But, to date, we have received no such complaints in this office, and we can't take action unless we have something definitely to go on. If tenants bring these reports to us, and give us leads on the parties involved, you can be assured action will be taken."

The Star-Ledger also transmitted the reports of a teen-age vice ring to a Newark police official. The reaction was the same.

"If these people will turn over definite leads to us, a thorough investigation will be made," the police official said. "We can't go into a housing project without something definite to work on."

Although this was the only recurring report received by the Star-Ledger of organized teen-age vice in city housing projects, one of the most frequent complaints voiced by tenants concerned youthful promiscuity.

"Too many parents in this project let their kids run wild, and at all hours of the night," one housewife said.

"I've been married 10 years, but some of the things I've seen going on between the older boys and girls in this project—and the language they use—makes me blush."

Another young housewife, with two small children, said:

"Some of the teenagers here don't seem to have any sense of morality. They carry on right in broad daylight—in the halls, in the elevators, on the roof, and even in the courtyards. And at night, you never know what you're going to see. They act just like animals."

It is difficult to assess the validity of such reports without living in a project and being close to conditions day after day for an extended period of time.

The Star-Ledger spent several days and a number of night-time hours in various Newark housing projects during its delinquency study. Except for instances of rowdyism and outbursts of youthful gutter profanity, the developments during the day seemed as orderly as could be expected in small cities of several thousand persons.

During the night hours, however, the Star-Ledger observed in several projects increasing activity by teenagers. Few adults were out after dark, and almost no women. But, as late as midnight, groups of teenagers—boys and girls—were in the courtyards and lingering in the halls.

There was a buildup of rowdyism and noise, and heavy petting sessions seemed to be a popular pastime. At one project, police—apparently summoned by a disgruntled tenant—arrived to break up a group of teenagers who had been singing and shouting in a courtyard long after the curfew hour.

The youths vanished into the buildings with the arrival of police, but after the officers left, they reassembled and the uproar was renewed.

Housing Authority officials insist there is no serious delinquency problem in the city's projects. But the repeated complaints voiced to the Star-Ledger by tenants—plus the off-the-record concern expressed by staff members of several projects—indicate otherwise.

And a shakeup by the Housing Authority this summer of managers of various projects seemingly would indicate that all is not serene behind the scenes.

Several of the projects have definite gang problems—particularly the Reverend Hayes Homes in the heart of the Mohawks' territory.

"It's so bad here, with these kids running wild, that a decent person is afraid to go in the halls at night," a mother in the Hayes Homes said.

"You can't send your child to the store on an errand," another mother said. "The gang is always robbing children, and if you say anything you get nothing but abuse and threats."

The Otto Kretchmer Homes on Dayton Street is another teen-age trouble spot.

A major gang war was narrowly averted at that project in July.

The trouble started over two teen-age girls living in the project. The girls got in a fight over boy friends—and the boy friend of the girl who lost the fight decided to avenge her defeat.

The following afternoon he brought his gang—two carloads of teen-agers armed with knives, chains, broken bottles and clubs—into the project. Teen-agers living in the project, unprepared for the invasion, took to cover. But a challenge for a war was issued, and accepted.

Police, however, were alerted and were waiting the next day when a force of some 50 outside teen-agers, armed for battle, arrived on the scene.

And a shakedown of the Kretchmer Homes showed the project teen-agers were fully prepared. A large-sized arsenal of spiked clubs, knives, pipes and chains was uncovered. And, on the rooftops of project buildings, police found stockpiles of paper sack bombs filled with gravel, milk bottles and bricks.

"Eight teen-agers were arrested in that incident," the project manager told the Star-Ledger. "But, as far as we have been able to learn, juvenile court has taken no action against them."

Since that time, incidentally, two regular police officers have been assigned to patrol the Kretchmer Homes at night and there

have been no further breakouts of gang violence.

Even in the projects where there are no major gang problems, tenants time after time reported to the Star-Ledger that teenage defiance, vandalism, rowdyism, violence, and drinking are increasing.

In project after project, the Star-Ledger found signs of vandalism. Many halls and stairways were darkened—light bulbs smashed by youths; broken windows, mutilated mailboxes and emergency firehoses missing.

Even housing authority officials admit the firehose problem is serious. Brass fittings are repeatedly stolen, and in other cases the hoses have been used to flood hallways.

In some instances, tenants reported that teen-agers threaten them with violence when they take their complaints to police.

One angry husband reported: "Night after night, a gang assembled outside our building and raised hell for hours, shouting, fighting, cursing, singing. I'd ask them to go away and they'd just get worse. Finally, I called the police one night. The police came, and the kids disappeared. But when the police left, the kids came out again, swinging car chains and shouting for me to come down and fight them."

A housewife said: "I was down in the courtyard one afternoon and a gang of boys began spitting at me and calling me vile names. I told my husband about it, and he went out to talk to them. They pulled knives and threatened him."

A mother said: "This is a terrible place to bring up children. You can't leave them out to play alone—and they see so many bad things, you wonder how they can grow up decently."

A father said: "A night watchman in this project reported a boy to police. The boy was arrested for car theft, and a few nights later a gang of teen-agers beat up the watchman."

A housing project employee said: "The situation is getting worse all the time. It's about time somebody did something to bring these kids under control. When you see them carry on, with no sense of responsibility and only contempt for authority, you can't help wondering what kind of parents they're going to make for our next generation."

In addition to the sociological problems that it entailed in public housing, let me go on to the economic significance and talk to you very quickly about four aspects of the Federal public housing subsidies. All of this should strike home to those of you who are vitally interested in fiscal responsibility, balanced budget, and the prevention of inflation.

There are one known and three hidden subsidies taxpayers pay on Federal public housing:

A. The known one: Outright Federal subsidy annual contributions to pay somebody else's rent. The difference between total cost and the rent paid by tenants, a large amount.

B. The three hidden ones:

First. Local tax losses due to exemption from school, personal, real property, and other local taxes—estimated by Public Housing Administration at one-half of the Federal subsidy.

Second. Federal income taxes lost on Federal public housing tax-exempt bonds held by wealthy investors.

Third. The Federal administrative cost of the Public Housing Administration. No telling how much this is.

As to the tax-exempt bonds every annual contribution (subsidy) contract commits you—the taxpayers—to pay subsidies for 40 years. The local public housing bonds which are issued to finance these projects are the only Government obligations which are both federally tax-exempt and federally guaranteed as to principal and interest.

Here is what the Chairman of the Federal Reserve Board told a U.S. Senate committee:

One important new factor in the market which is very disturbing to us at the Federal Reserve is the tax-exempt bonds which are being issued to finance public housing. Not only do such issues absorb some of the funds that would otherwise supply a market for Government bonds or for mortgages generated by new private construction, but they afford an opportunity for wealthy individuals and corporations to reduce legally their income tax payments in a period when it is essential that tax revenues be as large as possible.

Both Democrats and Republicans in Congress threw up their hands in horror at a similar financing proposal for highway construction. Incredible, but true.

Next, the political aspects: Again I am hurrying on. Here I have a statement from Mr. Kimbrew, housing manager of the Edison Court in Miami, who said to all tenants of Edison Court, "Tomorrow is voting day. Either we win or lose some public housing in Miami. If you appreciate what public housing did for you, then go to the polls tomorrow, Tuesday the 27th, and vote "Yes."

This was sent to everybody who lived in the project. He said, "Every tenant is expected to vote 'Yes' tomorrow." He is very forthright.

SPECIAL BULLETIN

EDISON COURTS MANAGEMENT OFFICE,
June 26, 1950.

To all tenants of Edison Courts:

Tomorrow, June 27 is voting day. Tomorrow we either win or lose more public housing in Miami. If you appreciate what public housing did for you (and is still doing) when you needed housing so badly, then go to the polls tomorrow, Tuesday, the 27th, and vote "Yes."

Every tenant in this project will be expected to vote "Yes" tomorrow. The polls are open from 7 a.m. to 7 p.m., located in Edison High School Auditorium, Northwest 2d Avenue and 61st Street.

If you need transportation contact our office.

V. M. KIMBREW,
Housing Manager.

POLITICAL DANGERS AND OPPORTUNITIES FOR CORRUPTION INHERENT IN PUBLIC HOUSING

Here is a statement by Langdon W. Post, former chairman of the New York City Housing Authority, later regional director for the San Francisco region of the Federal Public Housing Authority, and nationally known proponent of public housing:

Another danger signal flashes from the political implications and opportunities inherent in a vast public housing program. It is obvious that housing is now in politics, and must of necessity be so if we are to house decently the poor of our cities. Until 1938, there was no money to be made in public housing and little political preferment to be gained by its espousal. Now the picture is different; a large housing program benefits not only the slum dwellers but business in general. If the average businessman sometimes shows a lack of intelligence and foresight, he always has his sense of opportunism developed to a high degree.

In a housing program there are land to be bought, houses to be built, and tenants to be selected. Each step holds great possibilities for the politician and the businessman. The real estate operator has land to sell. The banks have bad mortgages which they are anxious to have rescued. The architect has plans for sale. There are building contracts to be awarded. The inhabitants of the slums are tumbling over themselves to get into the developments, which means that there will not only be the usual jobs for those in control to give out, but apartments as well.

This last plum is a new brand of political fruit which has enormous possibilities for exploitation. Imagine the golden opportunities latent in a $500 million housing program in New York City. Commissions, profits, fees, jobs, and finally, apartments for at least 200,000 voters. It is a bonanza beyond the wildest dreams of the most optimistic politician.

The fear of possible political exploitation is almost the only justified one which I have heard the opponents of public housing express. I confess that it has made me hesitate at times, and my 4-year experience with the New York City Housing Authority, in which time we built apartments for about 5,000 voters, has not served to allay my fears.

This is from a gentleman who believes in public housing.

Another one: "Public Housing in Politics." This is an article by Mr. Abrams, of New York. Here is what he said:

BILL TO SEIZE CONTROL OF CITY HOUSING PROJECTS ATTACKED

(By Charles Abrams)

The bill to make State Housing Commissioner Herman T. Stichman censor of the city's housing projects is the latest of many attempts to seize control of the $700 million N.Y.C. Housing Authority. The bill, drawn in Stichman's office, would compel housing authorities to submit every project to Stichman's scrutiny. This would include both Federal and city-aided undertakings in which the State has played no part.

The bill, introduced by two Queens legislators, is partly the offshoot of the ugly fight to keep public housing out of Queens, where a few key members of the Washington anti-public housing lobby have joined a clique of troublemakers in fanning up race hatred among Queens homeowners. The owners have been told that the public housing projects lower realty values and that selection of some Negroes in the projects would lead to a Negro inundation of the whole borough. Though the claims have been proven false wherever mixed public housing has been set up, the myth persists and the sinister propaganda machine rolls mercilessly on.

Stichman's aim seems to be entirely political. GOP control of the housing authority's operations would be a political coup. The N.Y.C. Housing Authority looms as the big plum in the political orchard and the politician who dominates the housing authority controls the city's political destiny.

Within a few years the families in housing projects will be nearly 10 percent of the city's total, and the investment of the authority will exceed $2 billion with all this means in construction contracts, patronage and other rewards for the worthy.

Selection of sites enables carving out blocks where hostile voters are numerous and then retenanting the projects with those who vote right, while tenant relocation on vacant areas could change a whole neighborhood's political complexion overnight.

Under proper procedures the city's independent planning commission is supposed to lay down a general plan indicating sites for housing.

But this is not what has been happening. Opposition by Queens Borough President Burke has forced the authority to avoid Queens and select occupied sites in slums with all it means in hardship to the occupants that are displaced.

Recently a small committee headed by Robert Moses was appointed to pick sites suitable to all the powers that be. Planning Chairman Robert F. Wagner, Jr., was belatedly made a member.

Amid the scramble for control of site selection, now comes the Republican housing commissioner demanding that he and he alone be made housing arbiter. This would put control of the forthcoming billion dollar federally aided as well as the $300 million city-aided projects in Stichman's hands and make him czar of every housing authority in the State.

Under his fantastic proposal, five agencies representing all three levels of government would have to approve every plan and every change in plan with all that it means in slowing up progress and redtape. Stichman's delays in the past have caused projects to be held up for months, and administrative costs on his State-aided undertakings have been said to be more than three times that of city-aided and twice that of federally aided undertakings.

Both the planning commission and the housing authorities of the State were set up with safeguards against political meddling. But efforts by politicians to move into housing have begun.

The Stichman bill would now collapse its independence with a simple blow. The bill should not only be defeated, it should highlight the fact that the people of the city will be ever vigilant in opposing any effort by any political clique, whatever its earmarkings, to make the underprivileged the plaything of politicians.

This gentleman who has been for public housing does see the danger politically, and says so.

That is enough on public housing from the standpoint of economic, sociological, and political dangers, although there is much, much more. Now, who has turned down public housing.

I have here a list of cities. I would like to go over them in detail, but I will pick out a few very quickly: Shreveport, La.; Rockford, Ill.; Natchez, Miss.; High Point, N.C.; and there are others here, South Haven, Mich. These people have considered public housing and voted it down for sound reasons.

Shreveport, La., property owners decided on local effort for slum clearance and housing:

[From the Shreveport (La.) Times, Aug. 14, 1957]

PUBLIC HOUSING IN BOTTOMS VOTED DOWN—DEFEATED BY 315 BALLOTS

Public housing in the Bottoms was rejected by Shreveport voters by a narrow margin yesterday.

The vote was 9,948 in favor and 9,633 against, according to unofficial, but complete returns.

Mayor James C. Gardner, in conceding defeat of the city-sponsored low-rent housing project for Negroes, said he would accept the mandate of the people.

"We did the best that we could, but got beat," Gardner said.

"The people of Shreveport," he said, "have indicated that they do not desire slum clearance in the Bottoms. We accept that decision and will be guided accordingly in our actions."

One result of the defeat, Gardner said earlier, will be repayment of $42,500 in advance planning money to the Public Housing Administration.

OPPONENTS

Major opponents of the Federal housing project were the Shreveport Property Owners Association and the junior chamber of commerce.

Floyd R. Hodges, president of the SPOA, said, "The people of Shreveport are to be congratulated on having set an example for the entire country in rejecting Federal control and retaining the fundamental principles of home rule."

Robert Stacy, Jr., president of the Jaycees, said in New York last night the Jaycees will "ask Shreveporters to unite in efforts to rid our city of all its slum areas wherever they exist, through the action of local citizens and enforcement of our local health, sanitation, and housing laws, and we renew our support of such citywide slum clearance."

N. B. Carstarphen, Caddo Parish Democratic executive committee chairman, said yesterday's election was one of the most trouble free ever conducted here.

"We had only one small complaint," said Carstarphen. "Even with the comparatively heavy turnout, we had no delays at the polls."

Although only 315 votes spelled defeat for the project, it was rejected in 33 precincts in the city, leaving only 10, including 2 Negro precincts, voting for it.

The Negro precincts were overwhelmingly in favor of the project, voting 644 to 44 in one and 434 to 24 in the other. The Negro total was 1,078 to 68.

The South Highlands section, with four boxes, was the only one to vote in favor of the project. Including precincts 21, 22, 25, and 26, the total vote there was 1,164 in favor and 1,129 against.

Queensborough fairgrounds, Cedar Grove, and Broadmoor all tallied against the proposal. The biggest gap of the three was in Queensborough fairgrounds where six boxes voted it down 1,433 to 1,049 against.

The six boxes in Broadmoor downed the measure by a narrow margin—only 20 votes—with 1,687 against and 1,667 for. Cedar Grove registered 549 votes against the project and 401 for it.

NEGRO BOXES

The precincts in which the measure carried were the two Negro boxes, 39 and 40; the courthouse, precinct 5; Broadmoor Junior High, precinct 12; Arthur Circle School, precinct 11; No. 9 fire station, precinct 23; Nelson's Garage, precinct 26; Municipal Auditorium, precinct 29; Allendale School, precinct 30; and Caddo Heights School, precinct 36.

Cost of the proposed project which would have eliminated 20 acres of the 60 acres of slums in the Bottoms was placed at $3,767-665 by the PHA.

The property owners in the Bottoms signed pledges that they would correct slum conditions in the area within 1 year from the date the housing project was abandoned.

The city council is scheduled to mark the official death knell of the 250-unit public housing project at 10 a.m. Thursday in a special session when official returns will be tabulated.

Defeat of the project came as a surprise in many quarters. But some observers noted the heavy campaigning in the latter days of the battle by both sides, particularly the property owners association.

City officials were none too confident early yesterday when it became apparent many voters had become confused over contradictory statements being issued by both sides.

One of the most effective weapons used by the SPOA in influencing defeat of the project was the cry poponents were planning to build $15,000 apartments for residents in the Bottoms.

And here is another one from one of the aldermen of Natchez, Miss. They want no part of a "direct dole."

[From the Natchez (Miss.) Democrat, Feb. 13, 1957]

ALDERMEN KILL HOUSING PROJECT 8-TO-4 VOTE—STREET PAVING AND JAIL IMPROVEMENT BONDS SOLD—WOULD ABOLISH HOUSING COMMISSION

The mayor and board of aldermen last night killed the proposal to construct a 200-unit public housing project in Natchez, voting eight to four against adopting any of the resolutions submitted by the Natchez Public Housing Authority which would have authorized the project.

The aldermen later in the meeting voted unanimously to instruct the city attorney to draft a resolution rescinding the previous action of the aldermen in authorizing the creating of the Natchez Housing Authority.

The action killing the public housing project proposed for Natchez followed the introduction of three resolutions by Clyde Mullins, secretary for the housing authority. These resolutions provided for application for authorization for 200 units; for application for a temporary loan of $40,000 and for adopting of an amended cooperation agreement."

The amended cooperation agreement as proposed by the housing authority provided for a minimum of 200 housing units; location of the project on slum sites and removal of substantially an equal number of slum or substandard houses as there would be new units; and changes in zoning in the city in instances where the city governing authorities deem it advisable and necessary.

Before a vote was called on the resolutions, Mayor Watkins opened the matter for remarks from persons in the audience who were favorable or unfavorable to the housing project.

Several spoke against the housing project and several for. Among those speaking for the project were members of the Natchez Better Business League who were in attendance.

At the close of the discussion each resolution was offered on motion of Alderman W. R. Chisum and seconded by Alderman Leroy Cobb.

The vote on each of the resolutions showed Aldermen Chisum, Cobb, William Freeze, and Ollie Hall voting for the resolutions and Alderman Randall Ferguson, William H. Parker, A. V. Davis, Jr., Hayden Kaiser, Tom Radigan, Robert Montgomery, Joe Sam Moritz, and O. C. Montgomery voting against.

Alderman Parker stated that he did not approve the Public Housing Act as passed and did not believe that it would be for the greatest benefit to the people of Natchez. He suggested that necessary action to clear slums be taken on a local level.

Alderman Davis pointed out that he was opposed to the project as a direct dole and not being for the best interests of Natchez and its citizens.

Alderman Radigan declared that with 1337 vacant houses and apartments in Natchez there was no need for an additional 200.

Alderman Bob Montgomery stated that he felt that such a project as the public housing would destroy the private initiative and incentive of citizens to make and earn a living and run their own homes and thus was opposed to it.

Alderman Hall said he favored the project because he felt that it was for the best interets of the city to do so.

Alderman O. C. Montgomery stated that he felt that the city of Natchez was big enough to straighten out its own slum problems without having to go to Washington to get it done.

Alderman Ferguson, members of the special investigating committee on housing, stated that he felt that now that the housing project was rejected that the city should come

forward with some sound and substantial program for clearing slums in the city.

He further stated that the Natchez Housing Authority had done an outstanding job and deserved the commendation and thanks of the mayor and board of aldermen.

He offered a motion urging the mayor to address a letter to all members of the housing authority expressing the appreciation of the aldermen for their untiring work and efforts.

High Point, N.C., thinks public housing will do more harm than good, and that it is not sound to line up at the Federal feed trough.

[From the High Point (N.C.) Enterprise, Feb. 16, 1950]

FEDERAL HOUSING

Does High Point need any new grocery stores, drugstores, or clothing stores? Should medical and dental care be made available to all High Point citizens at whatever they are able to pay for it? How many High Pointers would like to see a new bank or two enter the local field? Do we need a new newspaper or a new radio station? A new hotel? New and diversified industries?

Almost every High Pointer would answer "Yes" to one or more of those questions.

But that does not mean that the average High Pointer wants the Federal Government to come into town to operate tax-free stores, banks, medical centers, newspapers, radio stations, hotel, and industries.

The admission of the need does not mean that we want the need met through socialism.

We are in complete agreement with the High Point Housing Authority that High Point needs more residential units to replace substandard units. We also understand the feeling that as long as others are getting help—if anything that fosters socialism can be so termed—High Point might just as well line up at the trough. But that is a feeling, not a sound deduction.

Socialism is socialism—whether it is extreme socialism as goes by the name of communism in Russia, Fabian socialism such as the Labor Party brought to England, or gradual and well-disguised socialism which is being put over in the United States under the labels "New Deal" and "Fair Deal."

And socialism, which never has helped for long to solve the problems of the little man who helps put it over, is the greatest danger of democratic capitalism, out of which grew America's unequal standard of living.

There are strong arguments for the proposal that High Point seek Federal money with which to build 200 low-rent housing units. J. D. Cox, D. A. Dowdy, Dr. C. S. Grayson, S. D. Clapp, Charles F. Carroll, and Bunn Hackney are able men who have given generously of their time and talents to the housing authority. There is not a man in the group who has any affection for socialism. We doubt that there is a man in the group who would suggest Federal housing in preference to privately financed housing. Probably their position is that a Federal project is the quickest way to meet the needs most everyone will admit.

But quick cure nostrums are of very doubtful value, as none know better than Dr. Grayson and Druggist Dowdy. We wonder if either have analyzed the Federal medicine, being dispensed by Truman and company, with regard to its ultimate effect upon the body politic.

Maybe they have, maybe they have good arguments for Federal housing that we don't know. Likewise, maybe the opponents of the present-day trend of the Federal Government have arguments which the members of the housing authority have not considered carefully.

As we understand it, the formal application for Federal housing aid must be approved by the city council. Would it not, therefore, be a good idea for the council to arrange a referendum on the subject before the application is actually filed? And for public discussions to be had. We feel certain that High Point's two radio stations and weekly newspaper, like this paper, would be glad to see that the full facts and best arguments on both sides were presented to the public. And we doubt that the cost would amount to anything as the referendum could be held in connection with the May primaries.

There may be better reasons for the Federal Government to enter into the housing business than there are for the Federal Government to compete on a tax-free basis with those who run stores, practice law or medicine, and manufacture furniture and hosiery. But so far we have never heard them.

Quick cures are usually the products of quacks with a flare for promotion. It is our belief that Federal housing is just exactly that—and in the long run will do a hundred times more harm than good. Maybe we are in the minority. Maybe the trend toward socialism has taken complete hold of the majority. Maybe the democratic capitalism upon which this country was built is doomed. Political developments of the next decade will give the answer. But in the meantime, why not find out how the people of High Point like this immediate proposal?

Rockford, Ill., rejected Federal housing saying, "We won't take the Federal money just because it's there—somebody else can have the money and the headaches."

[From the Rockford (Ill.) Morning Star, Jan. 4, 1950]

CITY REJECTS U.S. HOUSING PLAN, 14 TO 4—400-UNIT PROPOSAL NOW IS DEAD

Rockford City Council voted 14 to 4 Tuesday night against joining the Winnebago Housing Authority in seeking Federal funds for construction of 400 low-rent housing units in the city.

Pressure from the Rockford Real Estate Board and the Rockford Chamber of Commerce was credited by Al O. Hougan, housing authority secretary, for the defeat. "This kills it," he said. Without city cooperation, the authority cannot ask for the Federal aid.

Rockford is one of the few cities in the country to reject participation in the 810,000-dwelling-unit program authorized by the 1949 Federal Housing Act. A number of Illinois communities already have obtained funds for preliminary planning under the act.

SOUGHT FEDERAL FUNDS

The housing committee report on which the council voted was submitted by Alderman Milton Lundstrom, housing committee chairman. It called for cooperation with the housing authority in seeking preliminary funds for conducting a survey of housing needs in the city and planning for the housing project. The city later would be asked to enter into a more detailed cooperative agreement.

Voting against the report were Aldermen C. Henry Bodin, Thomas H. McDonnell, Charles E. Garlock, Jr., William J. Burns, Fred G. Camlin, Clyde F. Weingartner, John Cason, Peter P. Cicero, Harold E. Peterson, Benjamin Schleicher, Gustaf A. Johnson, Clarence J. McCue, Alga Reece and Thorsten Thorstenson.

Voting for the report were Aldermen Eric J. Anderson, Lundstrom, Francis A. Bartel and Oscar E. Hallberg. Alderman Marion Haste was absent.

CITES NEED HERE

In support of the report, Lundstrom declared that the low-rent housing should be constructed for the aged and blind. "I sincerely believe that we can use more low-income group housing," he said.

Alderman Cason stated that no location for the proposed project had been announced and that he would not vote for it until this was done. At a housing committee meeting recently held to discuss the proposal, Cason declared that he was against locating it in his ward.

"They want our acquiescence for construction of more nontaxtable property in the city," Alderman Clyde Weingartner said. He argued that public housing costs more to construct than does privately financed housing.

Aldermen Peterson and McDonnell argued that persons who now advocate enlisting Federal aid for low-rent housing had previously fought against city cooperation for the construction of at least 446 privately financed units in the past.

"What is the Federal Government going to do with the other housing projects it already has in Rockford?" Alderman Johnson asked. Only the Blackhawk Court project, which is controlled by the local housing authority, is a low-rent project. Higher rents are charged for the approximately 600-home units in other governmental housing projects in and around the city.

An attempt by Lundstrom to have Hougan explain the city's obligation in approving the initial step and to answer the question whether the city could back out after a housing survey was made were ignored by the council.

[From the Rockford (Ill.) Morning Star, Dec. 29, 1949]

HOUSING HANDOUT

There is no good purpose in our spending city money and asking the Federal Government to spend Federal money for subsidy housing if there is no pressing demand for such Federal housing. Here is one field in which this city should not bid for money merely because money is being passed around; for the end result of putting that gift money into subsidized housing may not be good for the town. The less in-lieu-of-taxes shelter that we have here, and the more fair-payment-of-taxes housing that we have, the better for everybody.

It has been proposed that we bid for 400 Federal housing units to be erected within the city limits of Rockford. If our bid were heeded, we would have 400 more units on which no property tax is paid, but on which a maximum payment of 10 percent of gross rental would be paid in lieu of taxes. This in-lieu payment does not pretend to match up what the ordinary citizen, owning or buying his home, has to pay in taxes. So the ordinary citizen has to pay for services which are laid down for a privileged group of renters who get less-than-cost rents.

There are two questions to ask: Is this subsidy housing needed? Is it wanted?

Alderman Weingartner quotes the county housing director as saying that there are only 22 eligible applicants for this type of housing now on record. And there are 100 families living in subsidized quarters at less-than-cost rent which are not entitled to live there because their earnings are too high. Well, applications ought to provide some kind of yardstick as to whether there is need of subsidy housing.

Is this type of Federal housing wanted? The application list throws some light on this question. For if it seemed desirable to get less-than-cost shelter through the generosity of the Federal Government, one would assume that the line of applicants would be several blocks long. But we find, instead, that independent-minded home-seekers are striving for the independence of their own homes. The hunger for one's own roof is so great that they go out and build their own homes on the edge of town; they don't want to live under Federal mentorship.

And don't tell any of these people who build their own homes that they are creating substandard housing, unless you want a fight on your hands. These householders are in the finest American tradition.

Well, if we don't need and we don't want, the only excuse that can be given for bidding for housing-subsidy money is that somebody else is going to get it if we don't. Somebody else will get the headaches, too.

South Haven, Mich., commented on the great expense of public housing to the local community in tax loss and the cost of free city services for the public housing units:

[From the Monroe (Mich.) Evening News, Apr. 6, 1950]

NOT COST A CENT

In our opinion the city commission rescued the city from a welfare involvement of great expense and dubious entanglements last Monday night. The vote was emphatic—6 to 1—in rejecting a proposed contract with the Federal housing bureau which would have launched the project.

One of the interesting aspects of the commission's brush with this project has been the persistency of Federal agents in trying to sell it to the community. The effort was so intense and of such character as to invite sober thought on the part of citizens as to what Washington is up to these days.

We have heard much in the past as to the good and bad of dollar matching funds set up by Federal enterprises. The Federal Treasury being farther away from the scrutiny of the taxpayer than his local or State treasury it has been easier for enterprisers with both good and bad schemes to work at that end.

Now apparently out of Washington we have certain dollar matching schemes with something new added, namely a sales force employed from tax funds to actually promote the sale of certain projects to communities.

What was shocking and amazing in the hearing of the project before the city commission Monday night was the case of one of three Federal men who attended the meeting and remained on their feet throughout the hearing to talk for the project whenever occasion offered. This one Federal man went so far as to tell the commission and the audience just before the commission voted that if the community would accept and go ahead with the project it would "not cost the community a cent."

In the contract which he was asking the commission to pass was a requirement that the community hold the project tax free for 40 years. Printed Federal literature explaining such a project says: "It is expected that the contributions made by communities through full tax exemption less in lieu payments will average about 50 percent of the actual Federal contributions over the life of the project."

In the contract which he was asking the commission to pass were requirements binding the city to certain other things the costs of which obviously are not computable, including a provision that for every new dwelling unit established under the project the city must acquire, tear down, or close, or secure the compulsory improvements of, an existing dwelling.

If we wanted to be as glib and as loose as the Federal salesman we might promote a project along his line without Federal money. Just ask the city commission to issue notice to the people that the next 130 homes built in Monroe will be held tax free for 40 years; that all utilities and improvements will be brought to selected lots free; that no assessments of any kind will be made against the property for 40 years.

Then wait to see how long it would take to get 130 new homes; how quickly workers now hesitant about home building would jump to it; how readily loan agencies or individuals would advance money to build tax free homes; how happily thrifty people would quick get up not only a tax free house for themselves but an extra one for rent.

However, we couldn't say as the Federal salesman did, that such tax exemption wouldn't cost the city a cent.

[From the South Haven (Mich.) Daily Tribune, May 1, 1950]

SPECIAL ASSISTANT TO PHA DIRECTOR TO SPEAK

James H. Inglis, special assistant to the Director of the Public Housing Administration, will speak in Central Auditorium, Tuesday at 7:30 p.m. He will speak on public housing.

The meeting is sponsored by the Central Labor Union and is brought to South Haven in the interest of better understanding of the public housing project now under consideration by the people of this community.

The program will consist of a talk by Inglis, a short movie entitled "The City," comments by architects currently engaged in building public housing projects and a question and answer period.

The public is invited. Admission is free.

And so on it goes with these and other cities.

There are still other dangers inherent in public housing that have been pointed out by other Members. The Comptroller of New York pointed out that New York was losing $30 million tax revenues per year because of tax-free public housing in the following article on the cost of public housing.

[From Barron's Weekly, June 18, 1956]

CASTLES IN THE AIR—THE COST OF PUBLIC HOUSING FAR EXCEEDS ITS VALUE

In an eloquent inaugural address nearly 20 years ago, the late Franklin D. Roosevelt was moved to declaim: "I see one-third of the Nation ill-housed, ill-clad, and ill-nourished." Since that time, for one reason and another, the United States has come a long way. Today, as even the most rabid Fair Dealer probably would concede, hunger stalks the land no more. In fact, to judge by the huge and mounting surpluses of farm products, as well as the sudden burgeoning of firms such as Slim Zelle and Slenderella, plenty has become the weightier problem. As to clothing, the plaid cummerbund and the flat hat admittedly leave considerable room for argument. Yet on other than sartorial grounds, it scarcely can be claimed that this country now is anything but handsomely garbed.

With respect to housing, however, the depression-born shibboleth somehow still has power to sway the minds of men. For every year, as regularly as the budding of the cherry blossoms, Congress with fine bipartisanship passes legislation designed to improve and increase the domestic stock of shelter. On the whole, through a generous use of Federal mortgage guarantees and similar devices, such laws have aimed at encouraging private housing and home finance. While some quarters—this publication not least—frequently have criticized the means employed, few would quarrel with the ends. But Washington has not stopped there. Instead, for two decades it also has supported a program of so-called public housing, under which the Government has thrust itself directly into the business of providing homes for its citizens. During the heydey of F.D.R., perhaps, some excuse might have been found for a scheme of this kind. Today it represents merely an old-fashioned experiment in socialism, which, in terms of neither economic nor human values, is worth its growing cost to the community.

Public housing on a large scale, though popular in Europe since the turn of the century, gained scant ground in the United States until 1937. In that year Congress approved an act "for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and stimulation of business activity, to create a U.S. Housing Authority and for other purposes." USHA (now the Public Housing Administration) was empowered, first, to aid in financing the construction of low-rent projects. It also was given the right to make annual subsidy payments to their operators, the local public housing authorities. On this basic plan, amended several times thereafter, the program has grown to its present enormous size. Since 1937 some 415,000 units, quartering over 1,500,000 people, have been completed and another 20,000 are being built. To date, furthermore, the full faith and credit of the United States has been placed behind several billions of public housing obligations. In addition, subsidy payments by the Treasury to such projects (which are also exempt from municipal taxation) now are running to $100 million per year.

By any yardstick, these are substantial sums. Under the terms of legislation now pending on Capitol Hill, moreover, they are slated to grow considerably. The House Banking Committee, for example, last week authorized 50,000 new public housing units during each of the next 3 years, as well as an additional 10,000 for the exclusive use of elderly people. Meanwhile, the Senate, traditionally more openhanded in such matters, already has passed a bill which, in part, calls for 150,000 units per year (including 15,000 for the oldsters). The administration, to be sure, which has recommended a more limited measure, has attacked both bills. However, curiously enough, official fire has been directed solely at the size of the public housing program, rather than at its practices or principles.

Yet it is precisely in these areas that the issue should be joined. For a growing mass of evidence suggests that public housing, on several counts, ought to be condemned. To begin with, despite the original purpose of the law, it has provided anything but low-cost shelter. Public projects frequently have proved not a whit cheaper to build or operate than their private counterparts. What's more, those whose rent has been subsidized are not, as might be supposed, at the bottom of the economic ladder. Instead, the privileged tenants actually fall within an income bracket, under $4,000, which contains no fewer than 14 million taxpayers, with a combined annual tax bill of over $2 billion. Nor does public housing necessarily clear slums. The fact is that for the most part, and at the present time, by the way, it has been possible, by building on vacant land, to push one program and ignore the other.

Public housing, it thus appears, has become a fraud on the Nation's taxpayers. To this longstanding charge can be added a new one, it also constitutes a growing financial menace to the very communities which it is supposed to benefit. This ironic circumstance was underscored the other day by the comptroller of the city of New York, which can boast more subsidized dwellings than any other U.S. metropolis. The perturbed official pointed out that owing to the tax-exempt status of such property, the city at present is losing more than $30 million per year in badly needed revenues. Furthermore, when projects now on the drawing board or under construction are completed, the drain will grow still worse. Accordingly, the comptroller urged the city fathers, before launching any new projects of this kind, to look long and carefully to the state of the municipal purse.

Such sound advice should be heeded no less in Washington than in New York. For

the truth is that Federal aid in this realm has gone far beyond the bounds of prudence and good husbandry. The need for shelter, as some lawmakers are wont to observe, may be virtually limitless; the resources of the U.S. Treasury, to say nothing of city hall, most certainly are not. Clearly, then, those who are drawing up ambitious and costly blueprints for subsidized housing should review their handiwork. Castles in the air, even if publicly owned, make a poor place in which to live.

Another indication of the mishandling and mismanagement of the program is to be seen in the number of executive directors of public housing authorities now in prison: Houston, Galveston, Los Angeles, Contra Costa County, Calif.

May I point out to you the fact that the Communist constitution, article 6, states that the "bulk of dwelling houses are state property." Now, that is the Communist constitution which, of course, we have followed to the degree that we have public housing. That is what that article of their constitution states.

Public housing obviously is the Government in business. I am one who believes that the less Government participation in business that we have the better off we are.

What about the cost to the taxpayer of urban renewal? It is almost beyond the imagination to comprehend. Not only are old buildings all over the country becoming older, but brandnew buildings sometimes have built-in weaknesses that are going to make them unsafe before too great a time. Inspection, repair, and rehabilitation are always needed. The cost is so fantastic I do not believe we can possibly conceive it. If we are going to take care of people effectively through Federal programs such as these the cost will be prohibitive.

With all levels of government demanding heavier and heavier collection and expenditure of taxpayers' money to meet greater and greater public requirements, obviously the urban renewal cost is going to be beyond what we can afford at this time. The Treasury right now is not broke, it is a quarter of a trillion dollars less than nothing. It is a tricky job in fiscal management just to pay current operating expenses of government. Only the borrowing power of Government makes possible the continuation of the deadly overspending spree. Federal bills are to be paid from future revenue, gambling on the continued high income of taxpayers. Simultaneously Congress adds to the Federal spending to help the financially drained taxpayers from whom the money is taken. Any sign of local financial trouble is the signal for more Federal spending with little thought that the aid distributed must first be taken from the same people in taxes. So the burden increases.

With the defenses of the Nation demanding so much of our public outlay it is unconscionable to spend money in this way. The cost of urban renewal at this time approaches $3.5 billion and it will cost many billions more. The administrative expenses are running yearly somewhere around $6 million. The total cost of the outstanding tax exempt bonds is fantastic. I have the figures here as of March 1957, which shows that the cost on $2.2 billion in bonds in that 40-year period will amount to $7.7 billion. It goes up terrifically because of the rate of interest over a period of 40 years. We have added much since 1957, too.

The Federal grant contribution to urban renewal is two-thirds of the write-down or loss; that is, the difference between the resale or reuse price and the expenses of acquisition, demolition, and clearing. This is being picked up by the taxpayers, one-third as locally and two-thirds as Federal taxpayers.

Heavy Federal taxation makes it difficult for the local communities to raise money for their purposes. So the grants in aid become more attractive to localities. Grants mean more taxation for the individual. The Federal tax load is thus heavier; therefore, the locality has trouble raising money locally. So localities and States go to Uncle Sam for grants and around, around we go.

This is just a start so far as the heavy local expenses are concerned. In addition to the cost of renewing these properties, you have other local costs, since the local authorities provide garbage disposal, schools, streets, pavements, utilities, police protection, and other facilities, all for free. Earlier I mentioned the New York City local tax loss of $30 million annually and so it is proportionately in other cities.

If I said nothing else to make you realize how prohibitive the cost is, let me mention this. A gentleman in the other body sponsoring one of these bills at the present time has pointed out as cited in the Congressional Digest that of 1,233 cities only 223 are getting urban renewal. We are spending money hand over fist, but what would it cost to take care of the other 900 cities?

The fiscal danger can be shown by the fact that if communities sought all the Federal money available under existing law, there wouldn't be enough to go around, not with printing presses running ceaselessly. The competitive inducement to States and communities to seek and bid for this money postpones realistic appraisal of the facts, and heightens the potential danger of complete socialism.

The write-down or shrinkage of value which occasions the Federal loan and grant is subject to serious question in itself. Why the excessive drop in value when raw land, strategically located, is cleared and ready for use. Generally, the availability for a higher use should enhance the land values sufficiently to offset the cost. At the least, an appreciable write-down suggests some question of judgment on the part of the urban renewal authority's setting a reuse value not in conformity with the highest and best use of the land. Misuse of land is always reflected in lower value.

Another financial danger is the windfall, the heavy profit which might be made by individuals in the private development after purchase of the land. Profit in free enterprise is one thing but profit off the taxpayer is another. Existing cases show the inequities already occurring. Would it not be possible under this law to buy up older areas, as older downtown sections, sell them under eminent domain valuations with the possibility of tidy profit, then buy them back from the urban renewal authority at a written down price, to redevelop and make a handsome profit? Yes, it would.

The time factor of Federal urban renewal is another drawback. Even if we overlook the unconstitutional, financial, and Government administration aspects, there would be the same old story of redtape and delay. In Washington it took 7 years to get an urban renewal project under way. Admittedly, this may be longer than some but the pattern is there.

There is a way to do this job and do it locally. The proof can be found in a number of other cities that are doing urban renewal work right now without Federal aid. I can talk knowledgeably because Dallas was the first city to do so in our Little Mexico project. This rehabilitation is a matter of local pride that goes with the idea of "Let's clean up, paint up our own neighborhood." This can be done all over the country.

Here is an interesting little booklet, called "Blueprint for Neighborhood Conservation," put out by one National Association of Real Estate Boards, Realtors. It could be called the Tale of Seven Cities, perhaps. These cities have done the job of urban renewal without Federal aid. And I want to read you the honor roll of these cities because lessons can be learned from all of them. They are New Orleans, Los Angeles, Charlotte, N.C., Chicago, Cincinnati, Newark, and Kansas City.

Take Charlotte, N.C., for example. As of today 12,000 residences have been rehabilitated—10,000 bathrooms were added. Two thousand buildings could not be saved and were demolished, at the owner's expense. Meanwhile the city did its part by paving 65 miles of streets adding street lights and providing playgrounds, parks, and other needed improvements. Two thousand families were relocated in privately owned homes, rehabilitated or new. Two thousand new private housing units were built—all of this without Federal aid. Note also the financial impact with increased revenue to the city. There are expenses but urban renewal also generates revenue.

The New Orleans story is much the same, so is the Los Angeles story and the others—each without Federal aid. In fact, the cases where there was no Federal aid involved suggest that the other areas getting Federal aid could have done it on their own.

The case of Memphis, Tenn., is another example of the local people—bankers, insurance men, builders, realtors, and citizens doing the job—without Federal aid, and without eminent domain. The power of eminent domain, the taking of private property, does not necessarily have to be used in urban renewal, where owners are given a chance to participate. True, they must be told to clean up, sell, or have the city clean it up at the owners' expense. The result is greatly increased property value so the owner can hardly object. Even in cases where property does not conform to the zoning requirements, the

owner can be given a chance to abate the nonconformance through remodeling or removal of the building, still retaining the land ownership. The property is not taken away without his having a chance to participate.

The comprehensive program for neighborhood conservation is a blueprint for every city and no Federal money for urban renewal needed. Here it is:

COMPREHENSIVE PROGRAM

First. Establish realistic city ordinances specifying health, safety and sanitary standards for housing. Rehabilitate the substandard housing, at the expense of the property owners, through firm enforcement of these ordinances.

Second. Demolish those slum structures which are unfit for rehabilitation, at the expense of property owners, again through firm enforcement of city ordinances.

Third. Establish systematic public improvements to schools, streets, parks, sewers and to such municipal services as refuse collection, traffic and other facilities.

Fourth. Establish more livable, attractive and convenient neighborhood environment by replanning, rezoning and replatting cleared and long vacant sites and by closing or widening streets.

Fifth. Acquire and remove structures and uses of land which might delay, obstruct or hinder carrying out the program.

Sixth. Attract investment in new construction, as well as in rehabilitation and modernization, by the application of specific Federal income tax incentives.

Seventh. Elicit the cooperation of local financing institutions to secure credit facilities for property owners participation in the conservation program. Most banks and lending institutions can offer loans or monthly payment plans or credit may be secured under the FHA section 220 mortgage insurance program and the FHA title I program for insurance of home repair loans.

Eighth. Improve credit facilities for your city through Federal insurance of municipal neighborhood conservation bonds on the basis of an insurance premium, so that these bonds will be readily marketable at favorable interest rates.

In Gadsden, Ala., it is my understanding that no right of eminent domain was used in redeveloping a run-down area. Neither did this city have a proper housing code or proper enforcement—compared to Dallas. City teams talked to owners about rehabilitation. When the owners refused to clean up the slum-like property, the city teams went directly to the property tenants. Each tenant was asked if he wanted a new home in a nearby residential development to be built with FHA financing under section 221. When most tenants signed up the realtors, builders, mortgage men and bankers went to work. A lovely new development was completed. The tenants moved into the new homes. The old shacks were left vacant. The owners then agreed to cooperate.

In all these cases there is no politics as such as far as whether it was Republican or Democrat. These people decided they would do the job locally, and they did the job. There is the same story in each of them. The locality provided the streets and the utilities, and they expected the owners of the property to tear down or improve their properties, and out of all this there was considerable enhanced value of property. And, a week ago, I can tell you with some pride, the city of Dallas, after studying this a year, finally put their weight behind a 600-acre development without any Federal money, and I hope they stand fast to their guns.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Ohio.

Mr. BOW. The gentleman has made a great contribution here today. It has been quite apparent that he has been rushing over a prepared statement to the Members of the House, but much of the material, he says, is available. I am hoping that the gentleman, when he extends his remarks, will see that these matters which he has made reference to are included. I think the matter he is referring to is of great value, and it would save many of us a great deal of research trying to pick up these things if you put them in the RECORD. I hope the gentleman will include much of the material which he has passed over.

Mr. ALGER. I thank the gentleman and his expression of interest in it will be reason enough, and I will put more of this material in than I had planned.

Let me simply point out that this urban renewal is a local problem. There is a local solution to it. There is no end to the Federal solution. Take New York. They pay 20 percent in taxes that they cannot possibly get back. So, we see New York and other States fighting competitively to try to get back as much as possible of the Federal money. Now, we cannot compete with each other in this way for the taxpayer's dollars. I realize some have expressed an ideological difference to what I contend, but I point out some of these things in the hope that such contenders will slow down a little bit.

The need for private enterprise and local initiative has been rediscovered by the residents of Gary, Ind., who have offered for sale Duneland Village, a complete public housing development of 165 units. Upon the sale of public housing these advantages would accrue: First, revenue from the sale would be realized; second, stop further Federal subsidy using the taxpayers' money; third, the property would start to pay its full share of local taxes; fourth, the morale of occupants would be greatly boosted, no longer ashamed over others helping to pay the rent; fifth, and no political worry over being evicted if their salary is increased.

Section 406 of the Housing Act of 1954 permits a resolution or ordinance by the city council or a referendum by the citizens to call for the liquidation of a project. The city would then negotiate with the Federal Government and the project will be sold by the public housing authority to the highest bidder after public advertisement. The bonds supporting the project would be repaid and any receipts above the indebtedness would be paid to the city and Federal Treasuries.

Urban renewal is a local problem, concerning local property and local property owners. The local citizens, as property owners and taxpayers, also foot the bill in every instance. "That government is best that is closest to the people" is no empty axiom. Our mayor and city council backed by local judgment can better solve our local problem than the distant Federal Government. Further, Federal aid weakens local government, costs more to do the same job, and violates the individual and States rights guaranteed by the Constitution.

I believe the acceptance of Federal money for purely local projects to be wrong. So I oppose this use of Federal money.

As I see it, the truth is, the job will be done locally. It is just a question of recognizing responsibility and properly labeling what must be done, and then doing it. This will require responsible property owners—and responsibility accompanies ownership—it will require a courageous mayor and city council; it will require an understanding and willing citizenry.

Now we have housing bills before us. Let us compare the Democrat and administration bills. Here are portions of the Senate report:

MINORITY VIEWS—A BUDGET-BUSTING BILL

This is a budget-busting bill. The spending authorizations it grants will increase the deficit in the current fiscal year and will result in increased budget expenditures in every year for the next 45 years. The total new authorized budget expenditure impact of the bill is $5.8 billion. This contrasts with new authorized budget expenditures of $1.66 billion in the housing bills proposed by the administration. The following tabulation gives a breakdown of the amounts in the two alternate proposals:

Authorized budget expenditures

[In millions]

Program	This bill	Administration bills
Public housing grants	[1] $3,700.0	0
Urban renewal grants	[2] 1,500.0	[2] $1,450
College housing loans	400.0	200
Elderly housing loans	100.0	0
Cooperative housing mortgages	75.0	0
Hospital grants	15.0	0
Urban planning grants	10.0	10
Farm housing research grants	.1	0
Total	5,800.1	1,660

[1] Estimated contract amounts under 40-year annual contribution contracts with credit given for reducing contract amounts by excess receipts at fiscal 1958 rate. Gross contract amounts, $4,484,000,000.

[2] 3-year program.

[3] 6-year program. Excludes $100,000,000 Presidential contingent reserve.

Of the $5.8 billion of new authorized budget expenditures in the committee bill, only $575 million would be on a recoverable basis, i.e., in the form of loans and mortgage purchases. In other words, in the committee bill over $5.2 billion is in the form of outright grants. Under the administration proposals $200 million would be in form of loans and $1.46 billion in the form of grants.

Look at the comparative costs. While I may disagree with urban renewal in the Republican bill, yet of the two, if I am for a balanced budget, there is only one answer.

This year, fiscal 1959, the result of the last Congress' spending, is now running a $13 billion deficit. Yet look at the increased expenditure sponsored by the Democrat leadership of both House and Senate.

[In millions]

Program	Authorized budget expenditures	
	Bill last year upon which House voted	Present committee bill
Public housing	[1] $195.0	[2] $3,700.0
Urban renewal	[3] 400.0	[4] 1,500.0
College housing	300.0	400.0
College classrooms	125.0	0
Elderly housing	50.0	100.0
Federal National Mortgage Association	[5] 0	75.0
Hospital construction	15.0	15.0
Urban planning	0	10.0
Farm housing research	.3	.1
VA direct loans	100.0	[6] 0
Total	1,185.3	5,800.1

[1] Estimated contract amounts under 40-year annual contribution contracts with credit given for reducing contract amounts by excess receipts at fiscal 1958 rate. Gross contract amounts, $236,000,000.

[2] Estimated contract amounts under 40-year annual contribution contracts with credit given for reducing contract amounts by excess receipts at fiscal 1958 rate. Gross contract amounts, $4,480,000,000.

[3] 1-year program.

[4] 3-year program.

[5] $250,000,000 authorization contingent upon direction of the President not included in this tabulation.

[6] Separate bill has already passed the House, this Congress, providing $300,000,000 for these loans.

The difference between the two bills in the urban renewal authorization is set forth in clear-cut fashion. In the bill last year a 1-year $400 million authorization was provided—total, $400 million. In the bill this year a 3-year authorization at the rate of $500 million per year is provided—total, $1.5 billion. This difference between the two bills is readily apparent.

In the case of the tricky language of the public housing authorizations, dollar budget impacts are not given and indeed even the number of new units authorized is completely masked. Translated in terms of effect, what the public housing authorization in the bill last year did was to authorize new contracts for 10,000 additional public housing units. What the public housing authorization in the bill this year does is to authorize new contracts for an estimated 190,000 additional public housing units. Common sense, of course, dictates that if one bill provides for 19 times more units than the other bill there will be a 19 times difference in capital costs assuming the same average cost per unit. Since the capital costs of the units are financed over a 40-year period and the payment of principal and interest on such financing is covered by Federal annual assistance contracts, it is obvious there are vast differences in the total amount of authorized budget expenditures between the two bills. The respective amounts involved for public housing are estimated and set forth in the preceding table.

At a time of grave national defense situation there is no excuse for such increased spending for welfare programs, even if such programs were good ones. The comparison of the housing bills shows which political party is trying to cut down and return to a balanced budget and maintain a sound dollar. Any other course now is dangerous and irresponsible.

The demands in the Democrat housing bill for 70,000 additional public housing units in the next 2 years is "welfare statism pure and simple." In this day of record home construction and with 585,000 public housing units already occupied or authorized, what emergency demands that we impose this additional load on the taxpayers who are trying to finance an arms race and at the same time pay for their own homes.

Impelled by the genuinely humanitarian instincts common to all Americans you might ask if these units are not necessary to shelter the poor and needy who are unable to afford any minimal housing if privately financed. Well, after searching through these bills you may well ask the same question all over again, for nothing in these proposals solves the problem of these people. Instead, we are now asked to do away altogether with congressional restraints aimed at reserving public housing for our neediest citizens. Now we're being asked to march willy-nilly into the welfare statist's dream world of publicly financed quarters of the middle income group.

There are a couple of other things about the current Democrat housing bill. The bill that is to be considered before this House very shortly offers a 5-year retroactive community windfall for reimbursement of earlier expenditures. For 5 years previous the community cost in urban renewal can be secured. We do not have enough money to do that, but money apparently to some, is not so consequential. Also it is proposed that the income-rent ratio should be changed, which further complicates the situation. At present people living in public housing can live there only so long as they are below the maximum pay, and if they exceed this they have to move. In the bill before us, the people can stay in public housing even though their pay goes up and exceeds the allowable. This is toward public housing for the middle income. All in all, the people who need the housing the most in many cases are not getting it.

Mr. Speaker, let me conclude by saying this:

First. To those who believe in constitutional government, in eminent domain—that private property can be taken for public use for just compensation—let me point out that now private property can be taken through eminent domain for private use property, your home, your place of business, thought by generations of Americans to be constitutionally protected against Government seizure, except for a necessary public use, no longer enjoys any such immunity.

Second. To Supreme Court critics let me point out that this Supreme Court has redefined eminent domain so that private property can be taken for spiritual and esthetic reasons as a redevelopment board may decree, or for reasons of well-balanced planning.

Third. To those interested in small business, let me point out that the two-thirds shrinkage value Federal expenditure holds the greatest possibility for windfall profit at John Doe taxpayer's expense that big businessmen have ever been extended. The small businessman cannot so benefit. He just pays.

Fourth. To those who favor constitutional appropriation of public moneys let me point out that urban renewal sets up procedures for direct Federal expenditures bypassing Congress.

And, fifth. To those who criticize public housing for whatever reasons, let me point out that public housing is, by definition, part and parcel of the relocation problem, so decreed by the Urban Renewal Administration.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I am glad to yield.

Mr. CURTIS of Missouri. Mr. Speaker, I should like to ask one question. Is the gentleman interested in providing cheap, adequate healthy housing for our people?

Mr. ALGER. Yes; most assuredly.

Mr. CURTIS of Missouri. And the gentleman is interested that the people have proper housing?

Mr. ALGER. Absolutely.

Mr. CURTIS of Missouri. As I understand it, the gentleman's argument is that the Federal Government method of trying to attain that goal is not the most efficacious; that a better method exists by going through local communities and private enterprise?

Mr. ALGER. That is correct. And I have figures here to show the cost of public housing is considerably more than that of private housing, and I would be glad to include that for the benefit of those who are interested.

Mr. CURTIS of Missouri. The reason I made those remarks is that those who are great advocates of public housing programs at the Federal level always try to win the argument before they even start by saying that if you are not for public housing therefore you are not interested in providing cheap, adequate healthy housing for our people.

Listening to the gentleman's remarks I was tempted to ask that question, because I know the gentleman well and I know of his deep interest in the welfare of the people of his own community and the people of our Nation. I know the business he has been in, and I know of his interest in trying to get more cheap, adequate housing for our people.

That is not the issue. I hope that many of the public housing advocates will read the material that the gentleman has been presenting to us. Incidentally, I want to join the gentleman from Ohio [Mr. Bow] in requesting that the gentleman put in the RECORD all of this data to which he has referred, for this reason. For years now we have had the public housing question before the Congress. Our committees, I regret to say—in this instance the Committee on Banking and Currency of the House and the similar committee in the other body, to whom public housing matters are referred—have not made an objective appraisal of this program.

Listening to what the gentleman presented, there was more meat, more material for coming to some conclusion on this matter than in all the hearings that I have read on public housing put out by the Committees on Banking and Currency of the two Houses in recent years. Therefore I trust the gentleman will put in all of the material he has.

And finally, I would like to say this: I want to commend the gentleman for making a very thorough study. It obviously has taken him many hours and many days. It is this kind of study that is of benefit to the entire House regardless or what one's views may be on this subject. The material the gentleman has presented to us has been objectively thought out. He has his own conclusions, of course, but this objective information should be of value to all of us in trying to reach a sane conclusion on this problem of, How do we get more cheap, adequate, healthy housing for our people? I commend the gentleman and in behalf of the entire Congress I thank him from the bottom of my heart for doing this work.

Mr. ALGER. I thank the gentleman for those very kind remarks. I have worked on this a year. I would be the first to admit that any of us could be wrong, and if wrong am consistently wrong, yet I have studied this thing backward and forward and I am interested in least expensive way of getting the houses built. For that reason I will put in the RECORD at this time a study made by the Library of Congress for a number of Congressmen 2 years ago, which some of you may have, entitled "Adverse effects of the expanding activities of the National Government on the private economy and the Federal system, the case for free enterprise and local self-government." I will put in this comparative study, a very interesting one, right under our nose here in Washington, between some buildings built on Alabama Avenue, Southeast, and some privately built properties on Minnesota Avenue, Southeast, as to their cost, Federal versus private, as to their condition, architect's fees, and other things. I shall include this additional material.

THE COST OF PUBLIC HOUSING PER HOUSING UNIT

Under the Housing Act of 1949, as amended, the cost of building and equipping dwelling units cannot exceed $1,750 per room, excluding the cost of land and nondwelling facilities. An extra $750 per room is allowed in some of the higher-cost areas.

The Housing Act of 1956 permits an extra $500 per room for dwellings designed for elderly families.

Thus, the full cost for standard dwelling unit rooms can be as high as $2,500 each; dwellings for elderly families may cost as much as $3,000 per room, if built in a high-cost area. The size of the units varies within each project. The average is two bedrooms, but a few have as many as four or five bedrooms.

A publication of the Foundation for Economic Education, Inc., makes the following statement with regard to the hidden costs involved in building public housing.

"Not all of the high cost of low-rent Government housing is revealed by a direct comparison of construction costs for public versus private housing projects. The public housing calls for continuing subsidy, not only by way of Federally collected tax funds, but also by way of the added burden of local taxes on property owners of the community in which the partially tax-exempt housing project is located.

"Some citizens of Los Angeles recently took the trouble to look into the total costs which might be involved in a proposed 10,000-unit public housing program in their community. The cost of construction was to have been $11,000 per unit. Their conclusion was that the taxpayers would be much better off * * * to build 10,000 houses costing $11,000 each and give them away than to build and subsidize the 10,000-unit public housing program." [1]

Members of the real estate and building materials industries contend that public housing is not only costly in terms of the cost to the taxpayer of the subsidy, but that the original construction costs are higher than they would be if the projects were privately sponsored. To support this contention, the National Association of Real Estate Boards makes the following comparison of private and public housing costs based upon projects located in Washington, D.C.: [2]

	Frederick Douglass (Government)	Greenway (private)
Location	200 Alabama Ave. SE.	Minnesota Ave. and A St. SE.
Year constructed	1941.	1941.
Per room cost	$1,120.	$849.
Number of units built	313.	796.
Architect's fees	$61,000.	$10,000.
Type of construction	Concrete block and frame.	Fireproof high-grade brick.
Type of heating	Coal-burning stove in living room.	Central heat: coal.
Period to be paid out	60 years.	25 years.
Rent for 2-bedroom apartment	$40.50.	$60 per month.
Federal subsidy	Yes.	No.
Local tax exemption	Yes.	No.
Tenant pays for utilities	About $5 per month average for coal.	Nothing.
Condition in 1948	Deteriorating rapidly.	Excellent.

How does the cost compare with private housing? At hearings before the House and Senate Committees on the District of Columbia, held in 1944, testimony was presented by the National Capital Housing Authority as to the costs of building some of the projects under its jurisdiction. Representatives of the Federation of Citizens Associations of the District of Columbia; the Washington Taxpayers' Association, the Home Builders Association and others presented cost data in rebuttal which indicated that the National Capital Housing Authority costs were from 26 to 41 percent higher than construction costs on similar projects erected by private builders. Some of the comparative costs follow:

PUBLIC

Fort Dupont Dwellings located on Ridge Road near Minnesota Avenue SE., were built in 1940 by the Alley Dwelling Authority and cost $4,724 per unit, including land.

Frederick Douglass Dwellings for colored occupancy were completed in 1941 by the Alley Dwelling Authority. They are of permanent frame construction with part masonry, have individual space-heating units, no tile baths, or basements and cost $4,511 per unit, including land.

Parkside Dwellings for colored occupancy located on Kenilworth Avenue NE., were built by the National Capital Housing Authority and completed in 1943. They have individual space heating units, no tile baths or basements and cost $5,376 per unit, including land.

Bennings Road Houses were built by the National Capital Housing Authority. These are demountable war houses completed in 1943 with individual space heating unit, no basements or tile baths and cost $5,072 per unit. This is construction cost only.[3]

PRIVATE

Greenway, Minnesota Avenue and East Capitol Street SE., completed by Cafritz Construction Co. in 1941. It has tile baths and hallways, Strand steel and concrete floors, washing machines and laundry room in each building, recreation rooms, playgrounds, etc. It cost $2,778 per unit, including land.

Suburban Gardens for colored, Deanwood NE., was completed by A. Lloyd Goode Construction Co. in 1942. It has tile baths and central heating plant and cost $3,949 per unit, including land, etc.

Four family flats built by Davey & Murphy in 1943 in the 3200 block of East Capitol Street. They have tile baths, weatherstripped windows and basements, and cost $3,335 per unit, including land, etc.

Homes on East Pine Drive, Md., built by Standard Properties and sold in 1943. Four-room houses sold for $3,775; four and a half rooms $4,300 and $4,350 on lots that cost $550 each. They cost from $813 to $963 a room and if two rooms are finished in the attic, the cost would drop to about $609 per room. These figures include the builder's profit.[4]

The Christopher Columbus Homes, New Jersey's largest low-rent housing project was completed in July 1955, at a cost of $20,800,000. This project includes a health clinic, library, hobby shops, and an auditorium with a motion picture projection room. It serves 1,556 families through 96 one-bedroom apartments, 960 two-bedroom apartments, 384 three-bedroom apartments, 96 with four bedrooms, and 20 five-bedroom units. The average cost per unit in this project was $13,367.60.[5]

The June 25, 1954, St. Louis Post-Dispatch reported on the building of the Joseph Darst public housing project in St. Louis. It reported that developmental costs would be $9,353,772, with a cost of $14,173 per dwelling unit.

According to a May 1950 report of the National Association of Real Estate Boards, Greenhills projects completed in Cincinnati, Ohio, in the early part of 1938, consisted of 676 urban units and 60 rural units. The average cost per dwelling unit was $16,030. The overall cost including shopping facilities, administration building, etc., was $11,800,000. According to the BLS reports, the average construction costs of all dwelling units started in 1939, was $3,783.[6]

In 1948, in a statement before the House Committee on Banking and Currency, Thomas S. Holden, president of the F. W. Dodge Corp., made the following comments:

"Experience shows that the one effective means of steadily reducing production costs

[1] Poirot, Paul L. Public housing. The Foundation for Economic Education, Inc., Irvington-on-Hudson, New York. 1954, page 26.

[2] These are no longer in existence.

[2] National Association of Real Estate Boards. Realtors' Washington Committee. Socialized public housing background and history. Washington, 1950, p. 5.

[4] Hearings before the House Subcommittee on the Judiciary of the Committee on the District of Columbia on several bills dealing with the elimination of alley dwellings. (78th Cong., 2d sess., 1944.)

[5] Newark Sunday News, July 31, 1955, sec. IV, p. S 10.

[6] This is based upon the total of 406 dwelling units started in 1938, at a total construction cost of $1,583.9 million, as taken from data compiled by U.S. Bureau of the Census in "Historical Statistics of the United States 1789–1945."

is the operation of free competitive enterprise. The only cost factor in housing with which the Government can deal directly and effectively is financing cost. This it has done by creating and operating the financing services of the Federal Home Loan Bank System and the Federal Housing Administration. Government can also render appropriate research and information services of signal assistance to private enterprise in cost reduction.

"When it comes to direct intervention in housing production, Government can inflate costs, can conceal costs, can pass excessive costs on to the taxpayers; it cannot reduce costs.

"According to a recent report of the U.S. Bureau of Labor Statistics, the average construction of new privately financed nonfarm dwelling units started in the United States in the first 9 months of 1948 was $7,640, whereas the average publicly financed unit cost was $9,350. The difference may reflect generally higher standards in the publicly financed units.

"Cost limits imposed in this bill—Housing Act of 1949—for subsidized housing units could permit expenditures as high as $9,500 for a 3½ unit, including land costs. Currently, the Housing and Home Finance Agency is spearheading a drive for production by private homebuilders of economy houses, to be sold with lots at $6,000 to $8,000.

"Published figures on costs of public housing projects never include the overhead administrative costs of the Public Housing Administration in Washington, of its many regional and field offices, or of the local public housing authorities. Such administrative costs are very high. Senator HARRY F. BYRD, of Virginia, has estimated that the average overhead cost of administering Federal grants-in-aid is 15 percent. Many programs cost more."[7]

The Public Housing Administration reported average development costs of $10,475 per unit on 1949 act projects as of June 30, 1953, an average per unit cost of $10,648 as of the end of 1954; and a national average total development cost of $11,083 as of June 30, 1955. The ninth annual report of the Housing and Home Finance Agency stated that the total development cost for the average unit of 4.9 rooms during 1955 was $10,615.

Some units can cost as much as $15,000 per unit. Under the Housing Act of 1956, at a maximum per room cost of $1,750, only a 7½-room unit would cost as high as $15,750, not including the cost of the land. This seven and one-half-room unit would represent a kitchen, bathroom, living room, and five bedrooms. Very few units this size are found in the projects, but in a high-cost area a 6-room unit could conceivably cost $15,000 (e.g., top per room costs of $2,500 times 6 rooms equals $15,000). Since eligibility is based upon family units and family size, public housing projects contain several three- and four-bedroom units (six- and seven-room units).

The National Association of Homebuilders believes that all units cost at least $15,000 each based upon the following calculations under the Housing Act of 1949.

1. Room costs as high as $2,500 each are permitted. This would be $15,000 for a 6-room unit, not including land, etc.

2. Thus the unit cost, with land and nondwelling facilities, might run as high as $16,000 to $17,000.

3. The law does not specify that the maximum Federal contribution shall be $31.69 [debt service] per unit per month. This is an HHFA estimate. Actually, this is an average calculated by dividing the total authorized Federal subsidy ($12,320,000,000) by the total number of units authorized (810,000). [1949 act.] This equals $15,210 subsidy per unit over 40 years. Divided by 12 months this equals $31.69. But——

4. Section 10 (b) and (c) of the public housing law provide [that] the legal maximum for Federal contributions on an annual basis of 4½ percent of the development cost (including land and everything). Thus, 4½ percent of $16,500 (as an example of a cost permitted under the law), is $742.50 Federal subsidy per year, or $61.87 per month per unit. For 29 years this would be $21,532, or for 40 years it would be $29,700.

5. Furthermore, the PHA need not authorize the full 810,000 units if they find the costs are such that higher subsidies are needed. There is nothing to compel PHA to so build that the average of $15,210 subsidy or any other amount will be maintained. The $12 billion plus can be spread over fewer units if needed. (They can always go back to Congress for more money—and will.)[8]

The dollars-and-cents costs of the Government's operations in housing can never be measured precisely, but the data shown above indicate that the Government cannot operate as efficiently as private industry.

Mr. LINDSAY. Will the gentleman yield?

Mr. ALGER. I yield to the gentleman from New York.

Mr. LINDSAY. I should like to compliment and congratulate the gentleman from Texas on the large amount of research and the intelligent and careful analysis he has made, from one point of view, of the problem of urban renewal. I, in many ways, disagree with the gentleman from Texas; nevertheless, I still compliment him on the valuable piece of work he has done and the contribution he has made to the study of this subject, which to me is as important as any subject presently before the Congress.

Let me just pose one problem, which I am sure the gentleman will recognize faces many of us who come from urban centers. My district is in Manhattan. I can assure the gentleman that over the past 16 or so years the State of New York has had responsible government. I am happy to say it is now back in Republican hands after a short interlude. The State of New York has strained itself to the utmost on the matter of housing for our citizens in crowded urban centers. I am also glad the gentleman pointed out that the contribution taxwise made by the State of New York is substantial and significant—that is to say, the taxes which New York has contributed to Uncle Sam and which have not been turned back to the citizens of New York in equal measure, are substantial.

One of the biggest problems we have is the flight to the suburbs of our young families, our young talent, and our best brains. In fact, we are close to becoming bankrupt in Manhattan of young people with children. They leave because they cannot afford decent housing in which to live. The responsibility for community affairs that ought to be assumed by young people with energy and time, who are leaders in their various localities within the city, is not being assumed because of the forced flight to the suburbs. Consequently these responsibilities are being seriously neglected. It is the belief of many that unless something is done to reverse and stop this trend you will see a great center such as Manhattan slowly becoming so bankrupt of talent that it will become nothing more than a business-office community, which to my way of thinking is a slow way to destroy a city. A city needs flesh and blood as well as paving and stonework.

Now it would have been impossible in Manhattan and the city of New York to have done anything to ease this situation—and it would now be far worse—had it not been for Federal urban renewal. Again I point out that the State of New York has more than contributed its share of taxes to Uncle Sam and has also strained itself to do whatever possible by way of local housing subsidies to ease the housing problem in its urban centers. But, without a Federal urban renewal program, I submit, cities such as New York and particularly communities such as Manhattan will be in the most dire straits. The number of title I projects, for example, that are now located in the island of Manhattan has saved any number of young families that otherwise would have been driven out to the suburbs.

Mr. ALGER. I am sure we appreciate that. I know we share the gentleman's problem which is one that is facing all of us that we must solve. I cannot help but reflect that the problem you present in reference to the brains and ability from New York is probably what has taken away the very brain power that was needed to do urban renewal locally. I might further observe that the comptroller general in New York observed very unhappily that the present tax losses yearly are over $30 million from tax-free properties now going into just public housing. So this is adding a burden on you. We are not going to resolve this problem, I am sure, in these few brief moments on this St. Patrick's Day, but certainly I want the gentleman to know I am just as interested as he is in urban renewal. I started out by saying I am for it all the way. But, I must take issue with the gentleman, if I may do so respectfully, by saying we of Dallas have found in our way, while we are not so big a city as New York, of course, that we can do urban renewal locally with local initiative and local brain power and local money and not with Federal money that brings with it more problems than Federal aid solves.

Mr. LINDSAY. I thank the gentleman for his remarks.

Mr. IRWIN. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield.

Mr. IRWIN. I would like to come to the defense of my friend over here because he is one of the intelligent people who has stayed in New York and he is a brave fellow, doing a grand job. He does very well for his party and I am one who is benefiting by those people who are being driven out. There are fine and intelligent people coming out to Fairfield County in Connecticut. I believe, too, that this is one of the metropolitan areas of the United States that are in trouble. They need the kind of

[7] House Committee on Banking and Currency. Hearings on Housing Act of 1949, p. 458. (81st Cong., 1st sess.)

[8] National Association of Home Builders, American home ownership versus public housing. Washington, The Association. [1951] p. 22.

help that the housing bill provides. It is essential, I think, that we who come from metropolitan areas not only recognize it but feel it is a problem that grows day by day and the whole Nation has to address itself to it. These different regional interests, of course, have to resolve this and we have to ask patience of each other. We in the northeastern part of the country saw the mandatory restrictions on oil go through the other day. It is not something that is good for us and I personally object to it, but there is nothing we can do about it.

Mr. ALGER. I will say to the gentleman that urban renewal is a problem which is not peculiar to any one area or to any one city. The very reason I took the floor today is the fact that I am identifying my city and our problems with the cities and problems of our other colleagues who have kindred problems, and there will be a solution for each of them, I think, which applies to the other even with our differences. All I have tried to point out is that the long round trip of money from the locality up to the Federal Government and back to the locality, with the consequent loss and shrinkage en route and the loss of initiative and the local get-up-and-go, is not the way to solve this problem, as I see it, based on these facts. These cities all over the country who have weighed the use of Federal money and not getting Federal money have decided that the lessons and the experiences of those who have used Federal money is reason enough for them not to ask Federal aid, because even though they do not get that money back, and they are paying for it, they would rather not have the money than to have the problems that go with it.

I simply want to comment further to the gentleman that I have been appalled the few number of years I have been in Congress over the fact that when we see a need in Congress, and all of us are sincerely dedicated to providing for a need after we recognize it, that we immediately rush in to say the answer is in the Federal Government. I simply say the answer is inside each man and as men collect in groups at the government level closest to the people, we can solve many of the welfare problems. Certainly in our home areas where we know our problems we can solve their problem better than a distant Federal Government taking our money in taxes.

Can we get more money from the Federal Government? Absolutely not. The money is coming from us. The money the Government gives us is from our own pockets. Uncle Sam has nothing. In order to give us money back, he has to take it from us. How in the name of heaven can anyone offer you more money when it is your own money? How is it possible to think that you can get more money from the other man? You cannot get back relatively more than you have to give to the other man. You cannot win, as I see it.

Mr. IRWIN. But you cannot win that game. I do think that this is true of every element, that we would be better off if we had an open economy on oil, but because of the reasons you present, a company has bowed to other forces.

Mr. ALGER. Some of us, even from the oil areas try to solve these problems on a basis of fact. Today I just waded through a bunch of factual material that made a lot of sense to me. It is not Republican. It is not Democratic. It is plain old American tradition. It is not regional. It is not Texas. I quoted from all over the country, from California to New York and from Michigan to Florida. Urban renewal is a pressing problem which I think we in Congress have an opportunity to try to solve. It is not through the dishing out of money which we do not have when we are operating at a deficit that we will solve our problems. I would say that when the budget is unbalanced it is no time to pour out more money. I would even be against certain good programs during deficit periods.

Mr. MOORHEAD. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield.

Mr. MOORHEAD. My city is the city of Pittsburgh and it has been in the forefront of urban renewal. As a matter of fact, we had 10 urban redevelopment projects either completed or now in progress. Out of those 10, 6 were done completely with local funds. No Federal aid whatsoever. However, the local community, all the political leaders and city leaders now say they cannot carry on these projects which are so essential to the continued expansion and economic welfare of the city unless we have Federal contributions.

Mr. ALGER. Why is that? Is it lack of money?

Mr. MOORHEAD. It is lack of money.

Mr. ALGER. Uncle Sam does not have the money. He is broke. The money has got to come from you. That is my point.

Mr. MOORHEAD. If we can revise the entire tax structure, it is possible we could do it on the local basis.

Mr. ALGER. I would like to compliment the gentleman on his statement of what Pittsburgh has done on its own. I point out the money is not available federally. Perhaps you are hurrying along too fast, expanding urban renewal too fast because of your expecting to get the money from the distant wealthy Uncle Sam. Whereas, if you still had the problem locally without Federal aid you would plan more carefully, possibly more slowly—I am only speculating that local people know best what they can do with their own means, but if some outside source is offering the promise of money, you may hurry along if you are bidding for that money and there is only a limited amount of it, overlooking your own better judgment.

Mr. MOORHEAD. The gentleman must remember the community puts up half of the money. Even that hits the big cities.

Mr. ALGER. Yes, but what holds the local community back more is the loss of tax revenue. Take Pittsburgh, for example. Does the gentleman know what the tax revenue loss will be because of the urban renewal and housing that goes with it that is now tax exempt? This is income loss to Pittsburgh.

Mr. MOORHEAD. The first redevelopment project we undertook, after the land was cleared and the new buildings were put up, the taxing bodies received $800,000 more from those buildings than they did from the blighted areas.

Mr. ALGER. This is true, no doubt, since the property was enhanced, but does the gentleman know how much the city has to pay out for such matters as the paving of streets, sewerage, water, garbage collection, police protection, schools, and all those other things the people get free in public housing?

Mr. MOORHEAD. I do not know what the figures are.

Mr. ALGER. This will surprise the gentleman when he learns these figures. You get started on these problems, find the cost is more than was expected, and find you have to get more from Washington.

Mr. MOORHEAD. We do find in Pittsburgh and we are convinced that urban renewal is the only way we can get our city cleaned up, but we do find that when we clear out slum areas that approximately one-half of the people living there have income levels so low that they cannot be housed in private housing.

Mr. ALGER. I would contest that with the gentleman. I believe we have figures that show that it can be done cheaper under private enterprise with FHA insurance under titles 221 and 222 than it can be done with public housing. I will just have to contest that with the gentleman. I think he has failed to grasp some of the logic I have tried to set out as to the economic burden that we are passing on to the future. There are two questions that present themselves: First, how much of this is the role of the Federal Government; and, second, how much can we afford?

I say in all sincerity that I am sure the city of Pittsburgh will find when all factors are taken into consideration that public housing turns out to be more costly than private housing.

Mr. MOORHEAD. I want to commend the gentleman from Texas on his excellent analysis and study of the problem. He has made a contribution which I consider to be most important in this matter of urban renewal.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield.

Mr. RHODES of Arizona. I want to commend the gentleman from Texas for bringing this problem to the forefront of the minds of Members of the House. His presentation of the subject has been very illuminating. I certainly agree with the gentleman when it comes to this one very important point, and that is that the Federal Government is not a well without a bottom as far as money is concerned. Perhaps as far as money is concerned it is, but as far as the purchasing power of money is concerned it certainly is not such a well. People seem to feel that when they need money all they have to do is to ask Washington for it, that the Federal Government has money, and you can get part of it. This is true only

when we speak of dollars and cents, but too many people fail to realize that every time the Federal Government puts out more dollars than it takes in it involves a cheapening of the dollar, it involves inflation which shrinks purchasing power, which must be used every time the Federal Government gets into something. It takes the purchasing power out of the hip pockets of every citizen of your district and my district without those people realizing it until the money is gone, until the dollar which they put into social security, the dollar they put into savings, the dollar they put into bonds is worth less than half what it was when they put it in.

To me this is a thing which all of us must remember when we consider urban renewal and the other programs. They are wonderful programs, but every time we go in debt to finance these programs we shrink the value of the dollar.

One question the gentleman has asked since I have been on the floor is, "Can we afford it?" This is a question I think should become a great deal more popular in the House and the Senate: Can we afford it, not in dollars, but can we afford it in the purchasing power of money? That is the question we must ask ourselves often.

Mr. ALGER. I thank the gentleman, and I heartily agree.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from New York.

Mr. BECKER. I want to commend the gentleman from Texas and also join with him in his exposition of this problem. I think he has done a splendid job.

I was extremely interested in the colloquy between the gentleman from Texas and the gentleman from Pennsylvania, [Mr. MOORHEAD]. At one point of the gentleman's remarks the gentleman from Texas asked the gentleman from Pennsylvania why they were slowing down in their work. The gentleman from Pennsylvania said it was due to lack of money so they were going to Washington.

There are only two ways to get money, one is for the Government to print more money, and the second is to get it from taxes. Consequently, if you get it from revenue coming to the Federal Government, then it has got to come from the people in the form of taxes and when it is derived from taxes it comes from the pockets of the people. In my State of New York we realize that at the present time out of every dollar taken from us in the way of taxes all we get back is 25 cents for projects in our State. Certainly New York State needs as much as any other State.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. ALGER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain data.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

A NEW LOOK AT OUR DEBT MANAGEMENT POLICIES

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 40 minutes.

Mr. REUSS. Mr. Speaker, the debate up to this time has ranged very interestingly over the national budget, national expenditures and the problem of inflation. I would like to address myself to a problem which is essentially enmeshed with all those matters.

We are facing a crisis in the management of our public debt. It will not do to ignore the problem. On the contrary, Congress, as the guardian of the national credit, has the duty to discuss and debate the question of debt management. For only from discussion and debate can come sounder policies—policies which can safeguard the full faith and credit of the United States.

It is imperative that we inquire into the impasse to which we have been brought—the excessive increase in interest cost which does not seem justified by the present scale of business activity, the plunge in the capital values of outstanding Treasury bonds, and the increasing inability to attract funds except with very short-dated securities. Even if we found that paying still higher rates of interest would enable us to sell more long-term bonds, we should have to consider the effect of such action both on the already lagging pace of the recovery, and on the Federal budget. The interest cost for fiscal 1960 is now estimated to be $8 billion. This is the largest single nondefense item in the budget. It represents an increase of 20 percent over the fiscal 1959 budget item. An average rise of as little as one-half of 1 percent in a total debt of $285 billion would result in boosting interest charges by an additional $1.5 billion.

THE DEBT-MANAGEMENT CRISIS

What is the nature of the crisis in debt management?

Last June the Treasury issued a 2⅝-percent, 6-year bond, to refund a maturing issue. Subscriptions outran all anticipations, and more than $7 billion of the securities were issued. Within a few days after the date of issue, it became apparent that a large part of the purchases were of a speculative nature. The market became so disorderly that the Treasury bought back some $600 million of the issue. The Federal Reserve stepped in to buy another $1.2 billion before near-panic conditions could be corrected. Between this episode and the relatively small January issue, only short-term securities could be marketed. It appears now that the situation is even worse—the Treasury is having trouble refunding debt, not with long-term debt, but even with attractively priced, short-term securities.

This past month, in February, $15 billion in short-term debt came due. In exchange, the holders were offered a choice of either a 3¾-percent, 1-year certificate, or a 4-percent, 3-year note, priced at par. These rates were higher than the going market rate of interest for outstanding securities of comparable maturity. Instead of snapping up the Treasury's generous offer, however, owners of $2.1 billion of the $9.2 billion held outside the Federal Reserve System demanded cash rather than the exchange. Therefore, the Treasury had to make another trip to the market to obtain $1.5 billion in 7-month bills.

This, in short, is the debt-management crisis. The outlook is grave. A large volume of refunding must still be handled this year, in addition to the weekly rollover of about $2 billion in Treasury bills. According to the weekly rollover of about $2 billion in Treasury bills. According to the Treasury's statement to the Joint Economic Committee on February 5, the entire deficit for the fiscal year 1959 has been financed, but funds will have to be found for a heavy temporary deficit in the July–December portion of fiscal 1960. The major refunding remaining amounts to $4.5 billion in May, $13.5 billion in August, and $9 billion in November.

The present debt management practices of our Government collide squarely with three fundamental principles: First, that the debt to the maximum extent should be held by real savers, not by the commercial banks; second, that it should not be excessively in short-term obligation; and third, that debt management should be coordinated with the Government's monetary and fiscal policies.

The reason for the first principle is that a large bank-held national debt stockpiles an inflationary credit potential that may prove impervious to restrictive monetary policies if and when they become necessary.

The reason for the second principle is that an excessive proportion of short-term obligations keeps the Treasury in the nervous position of having to resort to the money market almost constantly.

The reason for the third principle is that the Employment Act of 1946 requires all policies, including debt management, to take into account the national goals of maximum employment, production, and purchasing power.

THE ADMINISTRATION RECOGNIZES THESE GOALS, BUT VIOLATES THEM

Let it not be said, Mr. Speaker, that the administration is pursuing its wrong course in ignorance of its wrongness. The goals of debt management which it set up itself when it took office were diametrically opposed to the course now pursued.

On February 2, 1953, the President said in his state of the Union message:

> It is clear that too great a part of the national debt becomes due in too short a time. The Department of the Treasury will undertake, indeed, has undertaken, at suitable times a program of extending part of the debt over longer periods and gradually placing greater amounts in the hands of longer term investors.

In answer to criticism for paying too high an interest rate on bonds issued in April 1953, Secretary of the Treasury Humphrey said:

> The new issue of 30-year 3¼ percent bonds is one step in a program of extending part of the debt over longer periods and gradually placing greater amounts in the hands of longer term investors announced by Presi-

dent Eisenhower in his state of the Union message.

The concentration of short-term debt in the banks by the previous administration was one of the causes of inflation in the cost of living which has cost the American people billions of dollars. A gradual placing of more securities in the hands of nonbank investors is a necessary step for economic stability.

Former Under Secretary of the Treasury Burgess stated the philosophy of the administration's debt management program to the National Association of Mutual Savings Banks, meeting in Washington, D.C., on May 12, 1953:

When the Treasury meets a deficit by borrowing from the banks, it is inflationary—creates more money—tends to raise the cost of living.

Bank borrowing may be cheap in terms of interest cost to the Treasury. But it is exceedingly expensive for the country as a whole, as all Americans who have been hurt by inflationary prices in the past decade should know.

The reasons are simple but deserve spelling out.

When the Treasury sells short-term securities to banks the money supply is increased by the amount of the borrowing. There is more money—but there is no increase in the things people can buy for their own use. Borrowing outside of banks, on the other hand, reaches genuine savings. Money which might have gone into other investment outlets goes instead into governments. The Treasury competes for available loan funds rather than creating new money.

This avoids inflation—it keeps the price of food, clothing, and shelter from going up.

These simple principles constitute the bases for the program of the Treasury Department for financing the public debt. It was the violation of these principles by the previous administration which was one of the major causes of inflation in the cost of living, which cut the buying power of the dollar in half since just before World War II.

THE INCREASE IN COMMERCIAL BANK HOLDINGS

The administration was extremely critical of the share of the Federal debt held by the commercial banks when it came into office. Its declared objective was to place more of the debt among the nonbanking purchasers and, particularly, among individuals and the savings institutions.

The record is one of confessed failure. Mr. Charles J. Gable, Jr., of the Treasury Department, conceded to the Joint Economic Committee on February 5.

First. From December 1952 to December 1958 none of the savings of individuals, on a net basis, either directly or indirectly through savings institutions, went into purchases of Federal debt.

Second. In these 6 years the major savings institutions reduced their holdings of Government securities from $27.5 billion to $26 billion at a time when the assets of these institutions grew by approximately $100 billion.

Moreover, the commercial banks now hold a somewhat larger proportion of the total debt, outside of the Government trust accounts and the Federal Reserve System, than they did at the end of 1952. If there is a continuation of the present trend, there is every reason to believe that as the share of individuals and the savings institutions continues to decline, the amount financed through the commercial banks will increase. This was stated by Secretary of the Treasury Anderson in a speech to the American Bankers Association convention in Chicago on September 23, 1958:

A matter of considerably greater concern is the sharp drop in the Government security holdings of nonbank financial institutions. * * *

When the great institutional holders of the Nation's savings do not buy Treasury securities, the Treasury must turn to the commercial banks.

From Mr. Gable's testimony and a study of Treasury economics, a number of very disturbing conclusions can be drawn about debt management during 1958:

First. In 1958 the Treasury had to raise $19 billion in new money—$8 billion to finance the deficit, and $11 billion to pay off former investors who demanded cash for maturing and redeemable securities. Refinancing, therefore, constituted a much bigger burden than the deficit itself.

Second. Individuals and institutional savers—insurance companies, mutual savings banks, savings and loan associations, and pension funds—not only did not increase their holdings of Federal debt, but reduced them by almost $2 billion during the year.

Third. The entire Federal deficit of $8 billion was actually financed by the commercial banks. Their holdings of U.S. Government securities increased exactly $8 billion—from $58 billion in December 1957, to $66 billion at the end of December 1958.

Fourth. These bank holdings might well have been even larger were it not for increased purchases by the Federal Reserve System of $2 billion, and increased purchases in the last 6 months of 1958 of bills and other short-dated maturities by nonfinancial corporations.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I will be very glad to.

Mr. CURTIS of Missouri. I am happy that the gentleman is discussing this very important subject. I think you properly pointed out three basic principles. What you are, in fact, saying is that in spite of adherence and a desire to attain these three basic principles, our situation is such that the economics do not permit it, and the proof lies just in the figures that the gentleman has stated, that instead of increasing holding in E-bonds, for example, in the hands of private investors other than the Federal Reserve System, in spite of all the efforts made to sell those, we have not been able to do it.

Mr. REUSS. That is precisely what I am saying. I thank the gentleman for clarifying it, and I hope the gentleman, in his deep interest in the subject, will be able to stay for a few minutes despite the fact that it is St. Patrick's Day. Later on I am going to address myself, in what I hope will be a constructive spirit, to some of the things that I believe we ought to be thinking about if we are to get out of this dilemma. At this point, however, all I am saying is that the Treasury recognizes, as do responsible people everywhere, that one most excellent practice of debt management is to stay to the greatest possible extent away from the commercial banks. But unfortunately we are not able to do that now.

Mr. CURTIS of Missouri. The gentleman, I am sure, is trying to keep it on that plane. As I listened to the gentleman, he said that the observance of these principles has been more in the breach.

Mr. REUSS. The gentleman has agreed with me.

Mr. CURTIS of Missouri. No. What I meant was whether that was the result of the failure to do everything the Treasury could to follow the principle but that other factors outside of the power of government had entered in, and I am willing to discuss that later. I just did not want the gentleman to beg the question.

Mr. REUSS. We will come to this later, but meanwhile I am delighted that so far the gentleman is with me in the points I have made, which are, first, that it is good common sense and good political economy to keep the national debt to the largest possible extent out of the hands of the commercial banks because of the obviously inflationary potential; secondly, that the Treasury, in pouring increased amounts of national debt into the hands of the commercial banks, has, quite properly, a bad conscience about it; it knows it is not doing what it would like to do. And, thirdly, that it behooves the gentleman from Missouri, myself, and all others to address themselves to this problem and see how we can help the Government dig itself out of the hole.

Mr. CURTIS of Missouri. And see what the economic factors underlying the situation are, yes.

Mr. REUSS. I thank the gentleman for his contribution, and I hope that he will be able to stay.

I move on then to the second principle of sound debt management which I referred to, and that is the goal of increasing the average maturity of debt. There, again, the obvious point of wanting a longer maturity is so that the Treasury does not have to resort to the money market every few months, or, sometimes, every few days.

THE DECLINE IN THE DEBT'S LENGTH

What has happened since 1953 to the goal of increasing the average maturity of the debt?

In December 1951, the average length of the marketable, interest-bearing debt was 6 years and 7 months. The relatively short-term financing for the Korean war reduced this average to 5 years and 8 months by the end of 1952. This was the heritage which the administration deplored and vowed to change. The sad truth of the matter is that the average length has now declined to only 4 years and 9 months. Moreover, there is every indication that this figure will continue to decline.

During the last months of 1954 and early 1955, the Treasury was able to issue enough long-term securities to raise the average length temporarily to 6 years and 1 month. From March 1955 to January 1958, however, there was a steady reduction in this figure to a low of 4 years and 7 months.

In 1958, 72 percent of the financing and refinancing was in the form of

short-term debt—under 4 years to maturity. The under 1-year debt now averages about $78 to $80 billion out of a total marketable debt of about $179 billion. This compares with an under 1-year maturity figure of $58 billion out of a total marketable debt of $149 billion at the end of December 1952.

Moreover, Mr. Gable of the Treasury warned the Joint Economic Committee in his testimony on February 5 that, if no effort is made in the coming year to exchange maturing issues with debt having maturities longer than a year, the under 1-year debt will climb to $84 billion by the end of the year. If this practice were continued in 1960, 1961, and 1962—and there were no increases in the total debt—the under 1-year category would comprise 75 percent of the marketable debt outstanding by the end of 1962.

Let us look, then, at the third canon of sound debt management, that to the maximum possible extent it should be enmeshed with other economic policies, monetary policy, fiscal policy, the policies which our Government uses to achieve the triune aims of the Employment Act of 1946.

THE INCONSISTENCIES BETWEEN DEBT MANAGEMENT AND OTHER ADMINISTRATION POLICIES

The administration also believed that debt management policy could and should complement monetary and fiscal policies. Thus, it stated in November 1954, to the Subcommittee on Economic Stabilization of the Joint Economic Committee:

> Monetary policy during the late months of 1953 and during 1954 has stressed active ease in the money market. The Treasury, therefore, has refrained in the past year and a half from issuing long-term securities. It has purposely done its financing so as not to compete for or reduce the long-term money available for private capital investment or for State and local highway, school, and other construction projects. This policy has contributed appreciably to maintaining a high level of economic activity during the last year or so. (Joint Economic Committee, Subcommittee on Economic Stabilization, replies by the Treasury Department to questions on monetary policy and debt management, November 1954, p. 2.)

But this 1954 statement of principle has quite consistently been honored in the breach.

In the boom of 1955–57, long-term Government financing should have been in order so as to discourage too much resort to long-term financing for inflationary business expansion. But except for a $2.7 billion issue early in 1955, the Treasury was unable to do any long-term financing during the entire 2-year period.

Chairman Martin of the Federal Reserve expressed his dissatisfaction to the Senate Banking and Currency Committee in these words:

> I think we should have had more support from a larger budget surplus and from other restraining factors in the economy, including the management of the public debt. (U.S. Senate, hearing before Subcommittee of the Committee on Banking and Currency on Federal Reserve monetary policies, Feb. 19, 1958, p. 9.)

In the 1957–58 recession, a coordinated debt management policy would have called for emphasis on short-term securities. Yet from October 1957 to February 1958, the Treasury sold $8 billion of long-terms, ranging in maturity from 6 to 32 years.

Currently the administration is very vocally pursuing a policy of monetary restriction. Yet the Treasury once again is out of step with the rest of the team. Last month's financing showed a renewed reliance on short-term Federal debt.

At the hearings of the Joint Economic Committee on February 5, Secretary Anderson was asked whether the Treasury would join in the President's anti-inflation program by issuing long-term securities. He replied:

> I can answer that by saying we will issue long-term securities whenever we think we can market them at a reasonable price. Now, there is a classical theory that you put out long-term securities in times of prosperity and that you put out short-term securities in times of recession. My own experience has been that no classical theory is ever wholly operative and that you put out long-term securities when you can. This is a problem that we are concerned about, as to whether or not part of the debt can be extended.

Now, Mr. Speaker, many of us, including the majority of the Joint Economic Committee, think that the administration is wrong in its current tight money policy at a time of almost 5 million unemployed, and with one-quarter of our resources unused. So it may be suggested that we should not object too much to a debt management policy which rides off in the opposite direction from the administration's current monetary policy. But there is little to praise in a debt management policy which by the criteria of its own makers is dead wrong. Moreover, the kind of credit ease which is needed now is by a relaxation of one or more of the traditional Federal Reserve tools—rediscount rate, reserve requirements, or open market policy. To achieve credit ease by creating a large short-term debt, and by selling it largely to the commercial banks, is to ease credit in the worst possible way—one that makes the economy more unresponsive than ever to a restrictive monetary policy that might be necessary in the future.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Texas.

Mr. WRIGHT. I want to congratulate the gentleman on a very excellent statement and, may I say, a scholarly treatment of this difficult and complicated subject. I wonder if the gentleman has figures which highlight the average cost which annually is being borne by the American taxpayer in interest payments on the national debt as the result of the hard money policy which has been fostered by the administration.

Mr. REUSS. Yes. I think in order to keep this colloquy unloaded, I should simply give the differences in the figures and we will leave it to our later discussion to develop the causes. But the fact is that in 1946, with a national debt of $269 billion, the carrying charges were $4.7 billion. Today, with a national debt of somewhat more, but not very much more, $285 billion, the carrying charges are estimated in this year's budget to be $8 billion, or almost twice the carrying charges on a comparable debt some years ago.

You can take the figures throughout the years and make a somewhat similar comparison. For instance, in this year's budget the greatest single increase by far over last year's budget is in the carrying charges on the national debt. I believe it is something in excess of 20 percent over the carrying charges last year. This is not to assign blame for it. It is simply to report the fact that the carrying charges on a national debt of a fairly comparable size have unconscionably risen.

Mr. WRIGHT. It was not my intention, let me say at this point, to hurry the gentleman into a premature discussion of a phase of the matter that he hopes to undertake, prior to the time when he wishes to discuss it. I think I may say in passing that there are other things which could be discussed in connection with that particular phase of this overall subject matter. I presume the gentleman is coming to that matter in time.

Mr. REUSS. Yes, I do intend to come to it. At that point, incidentally, and quite apart from the point the gentleman is making now, I intended to refer to the very penetrating speech the gentleman from Texas [Mr. WRIGHT] made on this floor several weeks ago on this matter of debt management.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. CURTIS of Missouri. May I make the observation that I thought the gentleman would point out that in 1951 there was a great change.

Mr. REUSS. Yes; I intend to come to that and discuss it rather fully.

Mr. CURTIS of Missouri. I am glad to have the gentleman do that, but I think in fairness we could let the gentleman from Texas know the real reason why the carrying charges on the debt have changed was that there was a pegged market before 1951, and after 1951 a change was brought about. It was a matter of politics, and it was a Democratic administration. The change was made because that was not working out, and they shifted and brought about an Open Market Committee, and therefore brought out the real cost of the Federal rate of interest. I think when the gentleman compares the interest rate he should point out that we were paying for it in an entirely different way than what is actually put down in interest rates.

Mr. REUSS. I think both the gentleman from Texas and I were trying to be fair. For that reason, when I gave the comparison I said, let the figures speak for themselves. I will come in a moment to this question of what happened in 1951. Let me say that I think what happened in 1951 is one of the things we have to take a good, cold, clear look at right now. I know that I speak for the gentleman from Texas [Mr. WRIGHT] as well as for myself when I say that this

clear look has to be taken without regard to party considerations. Throughout my discussions this afternoon, I am going to let the chips fall where they may. If they bruise Democrats as well as Republicans, so be it.

Mr. CURTIS of Missouri. That is why I wanted to bring that point out. In weighing this, you just cannot weigh the figures, you have to weigh the economic impact and why the methods that were pursued before 1951 were changed in 1951.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. BOW. The gentleman has referred to the increased cost of carrying the debt. I wonder if the gentleman would care to comment on the policy of lending money to various groups at less cost in interest than the Treasury is now paying for money that they are borrowing. I have particularly in mind the fact that the REA borrows money at 2 percent and the Government is now paying considerably more than that. Would the gentleman consider that as wise debt management, which he is now discussing?

Mr. REUSS. I will try to answer the gentleman very briefly. I think I should confine my discussion to the question of debt management this afternoon and not to get into side discussions, however interesting, of our various national expenditures policies. In foreign aid, for instance, we give aid by grants. We give aid by hard currency, and world bank loans. We give aid by a kind of relaxed loan. With our various domestic groups there are many, many subsidies, some outright by grant, and some by economic interest loans, and some by a loan at less than the going rate of interest. I think what we have to consider here is that our total national expenditure, by grant or loan or whatever, has to be determined on its merits. All I am concerned with this afternoon is the question, having created a national debt now on the order of $285 billion, how we most sensibly can manage it.

Mr. BOW. If I may ask the gentleman one brief question, and I do not intend to get into an argument with the gentleman about this, but it seems to me for proper debt management we would do well if we were to establish the policy we had in many instances of making loans at the cost of the money to the Treasury of the United States.

Mr. REUSS. Well, yes, of course, debt management would be easier if we had no national expenditures, and if we dissolved the Army and the Navy and the Air Force and we had no expenses. Then we presumably could use more tax revenues to pay off the national debt. But, I think the question we should concentrate on is the question of how, given a national debt such as the whopper that we have, do we make the best of it?

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I will yield briefly to the gentleman from Ohio; then I must go on, because I want to cover some further points, and then I will surely yield quite freely.

Mr. HAYS. I just wanted to point out in relation to the REA that before the days of the high interest boys, we were still charging the REA 2 percent and making a profit on it because the Federal Government was borrowing money at less than 2 percent and we did make a sizable and substantial profit on REA loans until the high interest rate people took over downtown.

WHAT IS THE REASON FOR THE TREASURY'S TROUBLES?

Mr. REUSS. So our debt management policies disregard each of the three principles that have been considered as worthy guides. And the end of our troubles is not in sight.

Let us now inquire into possible causes of the Treasury's predicament. Why don't long-term investors seem to want to buy Treasury securities?

ARE THE TREASURY'S TROUBLES CAUSED BY INVESTORS' FEAR OF INFLATION?

The notion that the fear of inflation is preventing people from buying fixed income securities—including Treasury bonds—is often expressed. Thus, for example, Chairman Martin of the Federal Reserve stated to the Joint Economic Committee on February 6:

> Investors cannot be induced to purchase fixed income securities if they fear a steady erosion of the purchasing power of the dollar.

The administration's own unceasing contention that the dangers of monetary inflation are an imminent threat has done much to rouse fears of inflation among the public generally. It has without doubt been an important factor in shifting much private investment toward equities. But fear of inflation during 1956–57 did not prevent purchases of nearly $23 billion in mortgage debt and of $18 billion in corporate long-term debt. Corporations raised three times as much money through bond issues as through issues of both common and preferred stock.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. CURTIS of Missouri. An element in all of those loans was the prepayment condition. A mortgage is for 6 or 7 years. The prepayment makes a great deal of difference in the type of investment.

Mr. REUSS. The fact is the investors were not so panicked by inflation but they did come in and buy corporate bonds and municipal bonds and residential and industrial mortgages, with or without prepayment clauses, and apparently without much fear of inflation.

The great bulk of the small- and medium-income savers of the country continue to put their savings into savings accounts, insurance policies, or pension and retirement funds—not into the purchase of equities, as is implied by Mr. Martin's statement. A continuous increase in consumer prices during 1956 and 1957 did not prevent individuals from increasing their savings and loan deposits by $10 billion, mutual savings bank deposits by $3.5 billion, and life insurance company reserves by $8.5 billion.

Furthermore, most of the funds taken in by the various savings institutions cannot by law be invested in other than fixed-income securities. Their lack of preference for Government bonds must be explained in some other way—it cannot be said that this group is speculating in the stock market. They have simply shifted on a massive scale to investment in other types of debt. Life insurance companies, for example, have reduced their investments in governments by more than $3 billion from the end of 1952 to today, but have increased their holdings of corporate bonds by more than $13.5 billion, and of mortgages by $15 billion. Savings and loan associations bought $2 billion more U.S. Government obligations of all types, but increased investments in mortgages by more than $26 billion.

The volume of municipal bonds outstanding has increased from $16 billion in 1945 to $60 billion today.

So it is at best dubious how far the fear of inflation has frightened investors away from Treasury issues.

ARE THE TREASURY'S TROUBLES DUE TO A NEED TO MARKET A VASTLY INCREASED NATIONAL DEBT?

It is axiomatic that the larger the debt which must be financed, the greater the management burden upon the Treasury. At the end of 1957, the Federal debt totaled $275 billion, and the recession deficit added $8 billion more, creating a debt of $283 billion by the end of 1958. Is this increase in debt the fundamental cause of the Treasury's difficulties? Had the deficit not occurred, would there be no debt management problem?

An examination of the 5 years preceding 1958 shows otherwise. From 1952 to 1957, the debt rose from $267.4 billion to $275 billion, an increase of $7.6 billion, but the principal nonbank savers—the savings institutions and individuals—increased their debt holdings by only half a billion dollars. Commercial banks and nonfinancial corporations reduced their holdings by $7.7 billion, as a result of their greatly increased investments in business expansion. While the State and local governments added to their net purchases of Federal debt by about $6 billion, this was not enough to offset the reductions by other classes of purchasers.

How then was the debt increase financed?

It was not a miracle of debt management, but the rapid, automatic growth in the Government trust funds which absorbed the additions to the debt and obscured the latent crisis. These funds, created by the accumulations of social security and unemployment compensation taxes over and above the amounts paid out, made available over $9 billion—enough to take care of the debt increase and to permit net redemptions of debt held outside the Government accounts by $1.7 billion.

With the huge assistance of the trust fund resources, and, therefore, with a smaller debt in 1957 than in 1952 to finance in the market, the Treasury has consistently since 1952 encountered the same kind of difficulties that it meets today. The existence of budget surpluses in both 1956 and 1957 made no difference. No long-term bonds could

be sold, and the bulk of the financing was in maturities of less than 2 years. And these were not held in high esteem, as pointed out by Moody's Bond Survey in a recent issue:

> The majority of marketable Treasuries (other than bills) offered between the fall of 1955 and September, 1957, were selling below their issue prices as soon as their issue dates. This behavior occurred despite the existence of budgetary balances in both fiscal 1956 and 1957.

The point I make is simply this: that every problem of debt management now confronting us would still have confronted us had the national debt remained at an absolutely level rate in the last 5 years. So we must seek elsewhere for the basic cause of our difficulties.

If neither inflationary fears, nor recent deficits, seem to be the primary cause of the Treasury's inability to attract investors, what is the cause? There remains for examination the fluctuations in the price of Governments as a possible explanation.

From the advent of a large national debt during World War II until 1951, the Federal Reserve supported the Government bond market at close to par. During all this time, while the national debt rose from a 1936–40 average of $43 billion, to $269 billion in June 1946, and $255 billion in June 1951, the national debt was manageable.

Prior to 1951 the national debt, since it became a large national debt during the days of World War II, had been, as the economists say, a manageable national debt; that is to say, the interest charged was tolerable. The figures I gave in response to the question by the gentleman from Texas [Mr. WRIGHT] were that they were on the order of $4.7 billion a year for the national debt in 1946, compared to around $8 billion today for a national debt that in terms of dollars is not much more than it was in 1946.

The percentages, up until 1951, held in short-term obligations and held by commercial banks, while they were not completely satisfactory, were much more satisfactory than the similar percentages today. Then in 1951 came the Treasury-Federal Reserve accord, under which the Federal Reserve no longer concerned itself with supporting bonds and Government securities, except in instances where conditions became disorderly.

The extent of the fluctuations since 1951 can be gaged by just a couple of examples:

A 2½-percent bond, issued at par in November 1945 and subject to first call in December 1967, is today worth only $853.75, a loss of $146.25. A 3¼-percent bond issued in May 1953 and subject to first call in June 1978, is today worth $890.63, a loss of $109.37. A 3-percent bond, issued in February 1955, due in February 1995, is now priced at $855.75, a loss of $144.25. The 2⅝-percent 6-year bond issued last June is now worth $926.88, a decline in value of $73.12 in less than 8 months.

This trend in capital values is, of course, not limited to the most recent period. A 2½-percent 7-year bond issued in February 1954, sold at a low of $936.25, on July 22, 1957. The 3¼-percent bond mentioned above sold at $923.75 on October 18, 1957, while the 3-percent 40-year bond was worth only $868.75 on June 21, 1957.

These wide fluctuations were not supposed to happen under the theory of the proponents of present debt management policies. It was asserted that investors would be reluctant to take capital losses in Government securities that were down in price; and this resistance to selling would minimize the downward trend. But the facts have not supported this theory. Both the commercial banks and savings institutions reduced their holdings of Government debt on a substantial scale during 1955–57, because profitable alternative investment opportunities abounded. Insurance companies in this period reduced their Government holdings almost $2.5 billion, and the commercial banks $3 billion, despite widespread capital losses.

It seems highly probable that these excessive fluctuations have helped to scare investors away from Government securities in recent years. During the period prior to the accord, when Government securities were supported, fluctuations were minimal, and enough investors preferred Government securities to corporate bonds and mortgages, municipal bonds, and common stocks. The national debt was manageable. But since 1951, fixed-income investors have seemed to prefer other securities. Municipals, though they fluctuate, are tax-exempt. Corporate bonds and mortgages, though they fluctuate too, yield a higher interest rate.

CAN HIGHER INTEREST RATES MAKE DEBT MANAGEMENT EASIER?

If the fluctuations in the price of Governments have tended to turn investors away from them, why not make Governments more attractive by hiking the interest rate? Unfortunately, for the Government to do this is to chase its own nose. The Government, of course, can set higher interest rates on its own issues, both directly and by control of interest rates through general monetary policy. But these tend to be immediately reflected in higher interest rates on corporate bonds and mortgages. So investors' resistance to Governments remains uncured.

Indeed, a policy of successive hikes in interest rates on Government securities is likely not merely to leave Governments in the same relatively unattractive position as compared with corporate bonds and mortgages. Because of investors' sensitivity, it may actually heighten the disfavor accorded Government securities. This is so because investors know the ability of the Treasury to write its own ticket on interest rates, something other borrowers cannot do. If the Treasury, therefore, seems to be embarked upon a course of steadily increasing the interest rate on Government bonds, investors decide to forego a current issue and to wait for something better. After the announcement of the disappointing refunding operation last month, a bond house which specializes in the handling of Government securities commented:

> Actually, the Treasury was fortunate to be able to name rates no higher than 3¾ percent and 4 percent * * * the market's action [in selling outstanding maturities after the January financing] told the Treasury rather pointedly that if it offered a 5- to 12-year bond—it would have to pay through the nose, a 4¼-percent coupon would have been required without real assurance that any worthwhile amount of bonds would be taken on those terms. (Market letter of Aubrey G. Lanston & Co., Inc., Feb. 2, 1959.)

Interest rates for Government securities are now bumping the 40-year-old 4¼ percent statutory ceiling on over-5-year Government issues. President Eisenhower, at a recent press conference, said that he would ask Congress to raise the 4¼ percent interest ceiling if it became necessary. But it becomes increasingly clear that Congress should consider the entire debt-management problem, of which the interest-rate ceiling is merely a part.

DEBT-MANAGEMENT POLICIES NOT WORKING

From what I have said, it is clear that our debt-management policies are not working. Instead of reducing the interest cost of the national debt, we have almost doubled it in recent years. Instead of lengthening the average maturity of the debt, we have shortened it. Instead of achieving a well-spaced regularity of chosen types of financing, we are in the market at frequent, irregular, and unexpected intervals. Instead of refinancing the debt increasingly with nonbanking, long-term savers as recovery proceeds, we continue to reissue bills to the commercial banks.

Then, complaining of the "inflationary tinder" lying around, the administration raises the rediscount rate, which not only impedes recovery from the recession, but aggravates the debt-management problem itself.

It is high time that our best thought be given to debt management. The administration should be doing it. But Congress, as the guardian of the currency, should do its share. Fortunately, the Joint Economic Committee has just embarked on a year-long study of economic growth and stability. As we have seen, every economic objective of the Federal Government—maximum employment, production, and purchasing power—is deeply affected by debt management. The Joint Economic Committee study can perform a great public service by focusing attention on some basic questions:

SOME QUESTIONS THAT NEED ASKING

First. Are our financial institutions—savings banks, pension funds, insurance companies, savings and loan associations—so constituted as to provide the best possible market for Government securities?

Second. To what extent do fears of inflation hurt the Federal securities market, and how can we set these fears to rest if they exist?

Third. How do Federal tax policies affect debt management?

Fourth. What can Congress do, by fiscal policy, to set up an orderly system of debt retirement? While we have seen

that the Treasury would have its debt problems even had there been no deficits in recent years, we surely need a long-term program of debt retirement. On this question, the recent floor speech of the gentleman from Texas [Mr. WRIGHT] has offered some provocative guidelines.

Fifth. Has the 1951 accord been harmfully misapplied? It was conceived in a period of full employment and demand inflation. Its sponsors sincerely believed that uncritical support of the Government bond market at par would create reserves that could add to inflation. Although this is quite true, the accord could still be inapplicable to the situation today, when open market purchases of the debt by the Federal Reserve would serve the dual purpose of easing credit conditions and helping in debt management.

We should not return to a rigid system of supporting U.S. securities at par. But what is wrong with redefining the accord so that the Federal Reserve would be encouraged to support governments as much as it could without creating inflationary credit conditions?

In other words, when monetary ease is indicated, let the Federal Reserve support the market for governments; and before ceasing its support, let it first exhaust such other anti-inflation monetary weapons as raising reserve requirements. Would not such a redefined accord, with its promise of some stability of capital values for Government securities, tend to give them that little bit of extra attractiveness needed to interest investors?

Above all, Mr. Speaker, our objective must be to restore the confidence of our investors in Government securities. We believe in the future of our country. It should be within our abilities to encourage our citizens to invest in that future.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I have a great deal of sympathy for the remarks the gentleman has made and I would like to express sympathy for the plight of the present and preceding administrations. We had an economic stabilization program that was put together during the war years, which was largely dismantled following the war, and monetary policy was the only power left to the administration in its effort to in some way or other keep the economy in balance and defeat inflation. I am pleased to have the gentleman suggest that in the study, which I am sure he will be instrumental in making, they will reexamine other alternatives. It strikes me that we should ask the Treasury to reconsider the level of the interest rate at which it operates and ask the Federal Reserve to reconsider, as I think we should, the role which it will play in making for an orderly market for Federal securities. We should then also consider, and I would like the gentleman's reaction to these suggestions, what powers we will give the Treasury and, more particularly, the Federal Reserve to compensate for the restriction on the power of debt management. I have in mind not only raising the reserve requirements, as has been suggested, but giving the Federal Reserve power and asking that they use that power for selective use of credit. It occurs to me that the high interest rate discourages investment in industry and encourages the consumer use of credit and frankly feeds inflation without increasing our productivity. Therefore, I would like to raise the question whether this study should not also reexamine these two points and possibly reexamine whether we might not maintain, even in peacetime, some kind of standby wage and price controls to permit publicity to be applied to them.

Mr. REUSS. I thank the gentleman from Colorado for his thoughtful contribution, and I thoroughly agree with him that we have been putting an unfair load on monetary policy in this country. We have been sending a boy to do a man's work, and the job has proved too great for it. And, the incidental by-products, the harmful effects on small business, on the farmer, on State and local governments, have been very pronounced. I would certainly agree with the gentleman that the Joint Economic Committee study should look into such adjuncts to monetary policy as control over consumer credit. I should think, too, that we ought to take a good hard look at whether the Federal Reserve's powers should not be extended over the so-called financial intermediaries. It is one of the ironies that the Federal Reserve actually controls, by its monetary mechanism, just a small part of the credit-creating mechanism of our society. I think, too, that we ought to take a look at the credit-creating agencies of the Federal Government, the Federal National Mortgage Association, the Federal Housing Administration, the Veterans' Administration, and many other credit-creating agencies of the Federal Government. And finally, there certainly needs to be a hard look taken at the question of administered prices, sometimes associated with wage increases, which in certain pace-setting industries, such as steel and automobiles, have done things to our price system which old Adam Smith never envisioned. And, I am glad to see that the Council of Economic Advisers have just in the last few weeks come to the conclusion that some of us have been reaching for a long time: that what we are faced with was not the classic demand inflation of too many dollars chasing too few goods, but was another sort of an animal, and that the sooner we focus an informed critical public opinion on these matters, the better.

Mr. JOHNSON of Colorado. Did I understand his inquiry would also extend to a redefinition of the accord, perhaps as a matter of law? I have in mind the testimony I have taken just informally from bankers in my own district that the upsetting of the bond market a few years ago, or the action of the Treasury and the Federal Reserve, in looking the other way because of the rapid change in interest rate, has profoundly shaken the country, and that a searching review would reduce the accord to a resolution which the Congress might approve in broad principle.

Mr. REUSS. Yes; I certainly think if the Treasury bond market has halitosis, that we ought to discover the cause of it, and I hope we do it. And, as I say, let the chips fall where they may.

Mr. CURTIS of Missouri. Mr. Speaker, if the gentleman will yield further, I want to commend the gentleman from Colorado for his contribution and suggestions for this study. I think they are good. There is one thing that is an overtone to what the gentleman from Colorado is saying, and I will put it in my own words, which he perhaps would not care for as much. It seems very important that we review and learn by experience why the Federal Reserve accord of 1951 came about.

Mr. REUSS. As I said, if I may interrupt the gentleman, the motivation for the 1951 accord was laudable. While I was not around here then, from where I sat I thought it was a good thing. I thought that the unreasoning policy of supporting the bond market at par was carrying things too far. However, what I have been suggesting is that maybe we have gone too far in the other extreme, and that somehow or other we have to add a little sweeetener to the Federal bond market. I have been suggesting that maybe that sweetener is not to jack up the interest rates even more—they are too high now; maybe the solution is not to make them tax exempt—we have enough problems with tax exemptions now; but to see whether a little genial support at times, when it is consistent with sound monetary, credit, and fiscal policies, would not be just the sweetener needed. I am sure that the gentleman, while we are not coming to conclusions today, would not disagree with the need for such an inquiry.

Mr. CURTIS of Missouri. No, I agree. I like the way the gentleman now puts it. But the part that I am driving at is this. When people, like the gentleman from Texas, come up and compare, as the gentleman himself did in his preliminary remarks, the interest rates that we were paying during this period when we had these rigid supports at par, with the situation when we shifted over into the 1951 accord, completely ignoring the economic damage that the previous system was doing, that brought about this 1951 accord——

Mr. REUSS. If I may interrupt the gentleman, we do not completely ignore it. I have said three or four times that it served a useful purpose then. The question is whether we need pay this price now for adherence to what may be an outworn dogma.

Mr. CURTIS of Missouri. The gentleman and I are agreed on that, I will say. But the point that I am trying to make is this. But this loose talk continues—I regard it as loose talk—of comparing the interest charges and payments of the era when we were supporting the bond market at par, and we did have a low interest rate, with the higher interest rate we have today, and throwing in these other factors which the gentleman does throw in, but which too often in the speeches on the floor of the House and around the country are ignored—that is all I am dwelling on right now. I

do commend the gentleman for approaching the subject in this fashion, and the only reason I am emphasizing the need for the study, why we did go to the 1951 accord, is to discount that kind of what I regard as loose talk.

I do myself think that we should be reviewing this 1951 accord to see whether in it we might find some area for alleviating the problem.

The second point I should like to make is to reemphasize what I said in the beginning. I think the Treasury Department does adhere to these basic rules of how we should handle our Federal debt. The trouble is not that they do not want to do it. The trouble is that we are facing up more to economic reality. One good thing about the 1951 accord is that at least we are getting some economic factors out into the open, so that we may see that there is something wrong here which will lead us possibly to studies such as the gentleman suggests, and to the real solutions that underlie our economic structure, where I think the real solutions do lie, because the real solutions are not in monetary policy. Monetary policy can only assist, I think the gentleman will agree.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield to me for a comment?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I am sometimes fond of quoting a stanza from a poem by James Russell Lowell, which goes:

> New occasions teach new duties;
> Time makes ancient good uncouth;
> They must upward still, and onward,
> Who would keep abreast of Truth.

I am pleased to note that the Joint Economic Committee is now trying to get abreast of truth.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Speaker, I want to compliment the gentleman for bringing this very important subject to the floor of the House. I should like to ask the gentleman one or two questions. The first one is this. Suppose we took the gentleman's suggestion and the Federal Reserve once again started, sporadically at least, supporting the price of Government bonds. Presumably the price of those bonds generally would go up. What effect would this have on the economy?

I recognize the effect it would have on the present state of mind of the bankers. Probably it would reduce the intake of aspirin and Alka Seltzer, and such things as that which has resulted from the price of these bonds going down. But what effect would it have on the economy?

Mr. REUSS. Let me say to the gentleman first that I have not proposed this as a settled conclusion. I propose it as something which I hope will be the subject of thoughtful inquiry.

Mr. RHODES of Arizona. I understand that.

Mr. REUSS. Further, I am delighted when measures I suggest offer peace and calm to the bankers. But that was not its primary purpose. I was thinking of the larger economic question.

The question is, What would a program of moderate support for the Government security market by the Federal Reserve do, not going back to the pre-1951 levels, but supporting when you can? I think immediately that would be very constructive, if the gentleman agrees with me on the basic economic position of this country, which he probably does not. I think that at a time of 5 million unemployed and one-quarter of our resources unused we should relax our present tight money policy. A very expeditious way of relaxing it would be for the Federal Reserve once more to resume the purchase of Government obligations, including long-term obligations. This would serve the purpose of supplying needed credit, and it would also vastly facilitate the problem of debt management.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, at the request of Mr. RHODES of Arizona, Mr. REUSS was permitted to proceed for 5 additional minutes.)

Mr. REUSS. I thank the gentleman. I shall proceed as quickly as I can.

It would, as I said, also facilitate the Treasury's job of debt management. We would get toward an inflationary position when and only when a large number of the unemployed would be put back to work and a large percentage of the unemployed resources had its wheels turning once again. When that happened, or began to get close to happening, I should like to see the Federal Reserve tighten the reserve requirement, and thus make general credit more difficult to obtain, and finally cease or ease up its program of bond support, at such a time, but not before such a time, as there was no slack left in the economy. In other words, it seems to me almost perverse for the Treasury and the Federal Reserve to add to the lack of recovery in the country, the continuance of the recession, though I grant them the best will in the world, and by so doing enormously to complicate their own debt management problem. The things interact on each other and produce a situation where we have to go to the money market time and again, each time at a higher interest rate, and each time with more delicate results as far as the floating debt is concerned.

Mr. RHODES of Arizona. When the gentleman mentioned the 5 million unemployed, that is where he left me, because I do not see what the price of bonds has to do with the 5 million unemployed unless the gentleman follows the thesis, as he apparently does, that we should always be in a position of inflation.

Mr. REUSS. The price of bonds, if I may answer that question at this point, has to do with the 5 million unemployed in just this way: One of the incidents of the Treasury's present difficulties is the high interest rate of Government bonds and the difficulties of marketing them. It therefore has to go increasingly to the banks, something which we all admit is just what should not be done, because, in the administration's own phrase, all this "inflationary tinder" is lying around waiting for a spark to drop on it. So it feels it necessary to tighten the screws even more on Federal Reserve monetary policy in general, as was done just a week ago Friday when the rediscount rate was raised by another half a point. The only point of doing that is to keep business from borrowing and expanding, and as a calculated risk, as a necessary consequence of these noble anti-inflationary acts, men who otherwise would get jobs in an expanding business do not get jobs.

Let me be clear, I am not accusing the administration of being mean-spirited or doing these things because they do not want to help men get jobs. Of course, they do. I am saying that their economics is wrong and that they ought to take a new look at it; and in a constructive spirit, I would like to help them.

Mr. RHODES of Arizona. In other words, the gentleman has gone clear around Robin Hood's barn and now we are finally getting down to the point. The reason the gentleman suggests that the Federal Reserve should support Government bonds is to increase the Federal Reserve supply of Government bonds so that it again may issue more money which, of course, it can do, and which is inflationary.

Mr. REUSS. No, no.

Mr. RHODES of Arizona. If I may proceed just a minute, please. This in lieu of a frontal attack on the Federal Reserve for having increased its discount rates. In other words, the thing which the gentleman is trying to do is to follow a policy for which he feels very strongly and very sincerely. This policy would have us in a continuing state of inflation in this country, on the basis that this is prerequisite to prosperity. Am I wrong about that?

Mr. REUSS. I did not say that, and I do not think the gentleman can point to anything that I have said as evidence of that. What I have said is that the Government bond market is in a serious pickle. One of the things which I think will help make Government bonds more attractive to investors is some modest program of support. We can have a modest program of support without getting into any inflationary difficulties. If and when we do get close to getting into inflationary difficulties, this modest bond support program should end. The mere fact that a program is helping our national debt to become manageable, and has the incidental effect of making our economy work and putting unemployed men back to work, and making the bankers happy, does not in my opinion constitute a reason for not adopting it.

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, for 75 percent of the gentleman's talk I was completely in accord with him. When he talked about the principles of debt management, he was absolutely correct. When he talked about the desirability of debt management and that we should, if we could, comply with these things, he was absolutely correct. Where I left the gentleman was when he answered my question as to what effect this would have on the economy. Right there I think we got into the very basic difference which I suspect is the difference between the gentleman from Wisconsin and me, probably for much longer than either of us would care to remember. The gentleman appears to be advocating a policy which he must agree is inflationary. I think it could be inflationary to a dangerous degree.

Anyway, I want to compliment the gentleman on bringing this to the floor. I certainly think he is absolutely sincere and that his reasons for speaking as he does are, in his opinion very good reasons. Certainly, I have a great amount of respect for the gentleman and for his intellectual attainments.

Mr. REUSS. I thank the gentleman.

In conclusion I would just say this. There is obviously a difference between the gentleman's views and my own views, but I do not think or concede for one moment that the difference has anything to do with the depth of sincerity of our respective opposition to inflation. I would not advocate one measure this afternoon which I thought in any way would cause a cyclical rise in the general level of prices which is inflation, and I do not believe a new look at some of our debt management policies is necessarily instinct with the kind of danger and the amount of danger that the gentleman from Arizona seems to think it is.

The SPEAKER pro tempore. The time of the gentleman from Arizona has expired.

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ULLMAN. Mr. Speaker, I want to commend the gentleman for one of the most penetrating analyses of the problem that is at the very heart of the economic dilemma confronting this Nation today. I certainly recommend the gentleman's statement to all Members of the House and to all others to whom it may be made available.

Mr. REUSS. I thank the gentleman.

IS IT A QUESTION OF TIRED MILK OR ACTIVE MONOPOLISTS?

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. JOHNSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I did not realize until I picked up my Saturday Washington Post that the dairy products of our wonderful Wisconsin farms are being advertised on radio and television as tired milk. I quote, in part, the ad which has been given on our local radio and television stations.

You, the milk consumer, should consider how much you have to lose if present District of Columbia milk regulations are relaxed, thereby allowing certain dairies to import tired old milk from Wisconsin and other areas—even halfway across the continent. If these dairies have their way, the entire Washington area can become a dumping ground for milk that has been bounced and bumped a thousand miles or more, surplus milk of minimum standards. Why should you be asked to accept this kind of tired old milk instead of the world's highest quality milk that you now buy?

This is but another attempt to prejudice the housewife with misleading statements against a high quality product. As everyone should know, with today's modern dairying techniques and with rapid transportation, it is possible to ship milk or any other perishable food product across the United States without affecting its quality. All I can suggest is that the local milk monopolists, who have been sponsoring those ads, get themselves some Geritol as this is supposed to increase the iron in the blood. Then they would not have to design special milk sanitation rules to protect themselves from the high-quality milk that family-type Midwestern farmers could deliver to the Nation's capital for less money than the local monopoly charges.

I am wondering how many of the dairy establishments now serving the Washington, D.C., market are really family-type farms, and how many of these dairy establishments are owned by bankers, businessmen, and financiers, who hire high-salaried managers to operate them. Back in Wisconsin, these kinds of farms are called "hobby farms."

To quote an old saying, there are two kinds of farmers—the farmer and the agriculturist. The farmer makes his money on the farm and spends it in the city. The agriculturist makes his money in the city and spends it on the farm.

I know what the reaction of the owners of Wisconsin's Holsteins, Guernseys, and Jerseys will be when they hear that their top-quality milk is being called "tired" in Washington. These family-type farmers know their grade A milk meets the standards of the U.S. Milk Code and, with today's modern transportation, would be anything but tired even after the thousand-mile trip from Wisconsin to Washington.

Under leave to extend my remarks, I would like to insert the Washington Post's editorial in the RECORD:

Moo

"I never saw a purple cow,
I never hope to see one;
But I can tell you anyhow
I'd rather see than be one!"
—*Gelett Burgess.*

We have never seen a purple cow either, but after reading about all the tender care that is given cows today we can't help wondering whether Mr. Burgess would change his mind if he were still alive. As anyone who has been following the current District milk controversy knows, cows not only get washed more often than a baby nowadays; they also live in idyllic fashion.

No longer does a cow spend her days scrounging for grass in a rocky pasture and her nights sleeping fitfully in the cramped stall of a drafty barn. Now there are loafing sheds and milking parlors which by law must be spacious, antiseptically clean, and well lighted. There are even automatic feeders, although we understand that cows still must chew their own cuds. The solicitude for high bovine standards is truly touching, particularly in the effort to extend District-type regulations to Maryland. We wonder, however, what those picture-postcard Wisconsin Holsteins would say if they knew that the product of their labors was being called "tired old milk" by the representatives of their Maryland and Virginia sisters.

It is always reassuring, of course, to be reminded of how much progress man has made in his dealings with animals. In fact, we don't think we have been so conscious of cows since the good old days a decade ago when Congress was able to find time to discuss the relationship between cows and daylight saving time in the District.

LEGISLATIVE PROGRAM

Mrs. SULLIVAN. Mr. Speaker, at the request of the majority leader, the distinguished gentleman from Massachusetts [Mr. MCCORMACK], I would like to announce the program for tomorrow. First, I should like to call to your attention that there will be a joint meeting to hear the President of Ireland at 12:30 p.m. Following the conclusion of the joint meeting, the gentleman from Massachusetts [Mr. MCCORMACK] plans to bring up the bill, H.R. 1011, Federal aid to airports. Two hours of debate are provided for on that bill. If time permits, two other bills will be considered. There is the bill, H.R. 5132, a bill relating to the retention of reserve officers and then the bill, H.R. 2575, a bill authorizing an appropriation of $500,000 for the pan-American games in Chicago. If these two bills are not reached on tomorrow, they will go over until Friday of this week, after which the House will consider the bill, H.R. 3366, a bill relating to the loan of certain naval vessels to Italy and Turkey.

House Joint Resolution 257, a bill from the Interstate and Foreign Commerce Committee relating to a meeting of the International Radio Consultative Committee.

Of course there is the Treasury, Post Office appropriation bill for 1960, which will be considered on Thursday.

If there are any other bills to be programed this week, the majority leader will give ample notice.

THE COLUMBIA RIVER

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, "Sphaerotilus" sounds like the name of a disease. And that is what it is—a disease

that afflicts rivers rather than humans. Like many diseases, it is caused by bacteria. One of the principal rivers of the Nation, the Columbia, suffers from this disease, and its effects are felt by many of the people who depend upon the river.

Sphaerotilus is a slimy, filamentous growth which occurs when a certain type of bacteria feeds upon nutrients which are plentiful in the wastes of some industries, particularly pulp and paper manufacturing. It grows as chains or filaments of bacteria surrounded by a sheath. The filaments are encased in gelatinous capsular material. Colonies of the filaments develop into either tufts or plumes. These may be an inch or more in diameter and several inches long. They break away from their points of growth at times, float downstream, and wrap around and adhere tenaciously to any small object they may encounter.

To the casual reader this may not seem momentous, but to fishermen who depend upon the Columbia River for their livelihood, Sphaerotilus has been a source of increasing economic loss. Large clumps of slime, floating freely in the river, catch on fishermen's nets, clog and sink them, making the nets inoperative. The fishermen must then haul in the "goop"-laden nets, hang them on racks, and by repeated hosing, picking and drying, attempt to make them usable again. A particularly infuriating aspect of the slimes is their rapid deterioration effect on these extremely expensive nets.

Sports fishermen, too, are affected by Columbia River pollution. Their lines become covered with Sphaerotilus, making them almost impossible to reel in. Fishing lines become brittle and break when a salmon or a steelhead is hooked. In addition, the finish on boats is eaten away, necessiating frequent repainting. Sometimes the waterlines in outboard motors get plugged up from river goop and the motors are damaged. Often sportsmen get their hands, clothes and the insides of their boats covered with the dirty, evil-smelling slime and other forms of pollution from the river.

A spokesman for one of the industries, after having heard vociferous protests from commercial and sports fishermen against the slime-causing pollution from pulp and paper mills, made the following remarks:

> We have been informed that some gillnetters have, during limited periods and in a few locations, incurred increased operating expenses as a result of such formations. Like other users of the waters of the Columbia, the gillnetters should expect to experience some inconvenience and expense in accomodating their use to competing uses.

This provides small solace to the fisherman who is picking slime from his costly nets for several hours that could otherwise have been used for fishing.

Many diseases can be cured, and Sphaerotilus is one of them. Industries which discharge the materials causing the disease can and should clean up their waste prior to its entry into the stream, instead of urging people to accept it as inevitable.

In the final analysis, the inert acceptance of this pollution will mean a continuing increase in its magnitude and the end of the salmon industry, as we know it, with its concomitant losses to fishermen, packers, middlemen, and retailers not to mention those of us who like to eat this delicious fish. This has already happened on our east coast. We should not permit it to occur in the Northwest.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. THOMPSON of Louisiana (at the request of Mr. BROOKS of Louisiana), for today, March 16 through March 26, inclusive, on account of active duty, Air Force Reserves.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BAILEY, to cancel the special order he had for today, and to address the House for 30 minutes on Monday next.

Mr. JOHNSON of Colorado, on Monday next, for 60 minutes.

Mrs. DWYER, for 10 minutes, on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BAILEY and include a letter from Mr. TEAGUE, of the Veterans' Affairs Committee.

Mrs. WEIS (at the request of Mr. HALLECK) and to include extraneous matter.

Mr. COFFIN (at the request of Mrs. SULLIVAN) and include extraneous matter.

Mr. ABBITT (at the request of Mrs. SULLIVAN) and include extraneous matter.

Mr. BOYKIN (at the request of Mrs. SULLIVAN) and include extraneous matter.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1776. An act to amend the act of June 28, 1958, to provide for a National Outdoor Recreation Resources Review Commission, and for other purposes.

ADJOURNMENT

Mrs. SULLIVAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 18, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

726. A letter from the Assistant Secretary of Agriculture, transmitting a report on the 1958 soil bank conservation reserve program, pursuant to Public Law 540, 84th Congress; to the Committee on Agriculture.

727. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Treasury Department for "Salaries and expenses, Office of the Secretary," for the fiscal year 1959, has been apportioned on a basis indicating a need for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

728. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the Eighth Annual Report of the Federal Civil Defense Administration for the fiscal year 1958, pursuant to Public Law 920, 81st Congress; to the Committee on Armed Services.

729. A letter from the Chief, Bureau of Yards and Docks, Department of the Navy, transmitting the semiannual report pertaining to military construction contracts awarded on other than a competitive basis to the lowest responsible bidder covering the period July 1 through December 31, 1958, pursuant to Public Law 85-685; to the Committee on Armed Services.

730. A letter from the Comptroller General of the United States, transmitting a report on the review of the administration of a contract between the Department of the Army, Office of the Surgeon General, the Illinois State Medical Society, Monmouth, Ill., and the Illinois Medical Service, Chicago, Ill., negotiated pursuant to the authority provided in the Dependents' Medical Care Act, approved June 7, 1956 (37 U.S.C. 401); to the Committee on Government Operations.

731. A letter from the Administrator, Housing and Home Finance Agency, transmitting the annual report for the calendar year 1958 with respect to tort claims paid within the Housing and Home Finance Agency by the Office of the Administrator, pursuant to Public Law 601, 79th Congress; to the Committee on the Judiciary.

732. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation entitled "A bill to change the designation of Child Health Day from May 1 to the first Monday in October of each year"; to the Committee on the Judiciary.

733. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

734. A letter from the Commisisoner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H.R. 4603. A bill to amend the Organic Act of Guam for the purpose of permitting the government of

Guam, with the consent of the legislature thereof, to be sued; with amendment (Rept. No. 214). Referred to the Committee of the Whole House on the State of the Union.

Mrs. KELLY: Committee on Foreign Affairs. House Joint Resolution 254. Joint resolution to authorize participation by the United States in parliamentary conferences with Canada; without amendment (Rept. No. 215). Referred to the Committee of the Whole House on the State of the Union.

Mr. TRIMBLE: Committee on Rules. House Resolution 211. Resolution for consideration of H.R. 5132, a bill to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes; without amendment (Rept. No. 216). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 212. Resolution for consideration of House Joint Resolution 257, a joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; without amendment (Rept. No. 217). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 213. Resolution for consideration of H.R. 3366, a bill to authorize the extension of loans of naval vessels to the Governments of Italy and Turkey, without amendment (Rept. No. 218). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 214. Resolution for consideration of H.R. 2575, a bill to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games to be held in Chicago, Ill.; without amendment (Rept. No. 219). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 215. Resolution for consideration of H.R. 1011, a bill to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, without amendment (Rept. No. 220). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 5737. A bill to require the use of humane methods of trapping animals and birds on lands and waterways under the jurisdiction of the United States; to the Committee on the Judiciary.

By Mrs. CHURCH:

H.R. 5738. A bill to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914, and for other purposes; to the Committee on Public Works.

H.R. 5739. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain water soluble compounds as cutting oils; to the Committee on Ways and Means.

By Mr. COOLEY:

H.R. 5740. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes; to the Committee on Agriculture.

H.R. 5741. A bill to amend section 377 of the Agricultural Adjustment Act of 1938, as amended, to provide for the extension of the automatic preservation of acreage history provision, with certain modifications; to the Committee on Agriculture.

H.R. 5742. A bill to provide a revolving fund for certain loans by the Secretary of Agriculture, for improved budget and accounting procedures, and for other purposes; to the Committee on Agriculture.

H.R. 5743. A bill to amend the Crop Insurance Act to permit inclusion of administrative costs in insurance premiums; to the Committee on Agriculture.

By Mr. CURTIS of Missouri:

H.R. 5744. A bill to authorize an increased program of research in forestry and forest products and for other purposes; to the Committee on Agriculture.

By Mr. DENTON:

H.R. 5745. A bill to provide that certain findings of disability made for the purposes of the Civil Service Retirement Act of May 29, 1930, shall be binding upon Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 5746. A bill to amend Reorganization Plan No. 2 of 1953; to the Committee on Agriculture.

By Mr. FORRESTER:

H.R. 5747. A bill to amend section 152, title 18, United States Code, with respect to the concealment of assets in contemplation of bankruptcy; to the Committee on the Judiciary.

By Mr. GRANT:

H.R. 5748. A bill to recognize the authority of the States relating to the control, appropriation, use, or distribution of water within their boundaries, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LESINSKI:

H.R. 5749. A bill to establish an agricultural program which imposes limitations on agricultural production directly rather than indirectly through acreage controls; to the Committee on Agriculture.

H.R. 5750. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for additional personnel engaged in hazardous occupations; to the Committee on Post Office and Civil Service.

By Mr. MACHROWICZ:

H.R. 5751. A bill to amend sections 4081 and 4082 of the Internal Revenue Code of 1954 to include wholesale distributors within the definition of "producers" of gasoline, and for other purposes; to the Committee on Ways and Means.

By Mr. MURRAY:

H.R. 5752. A bill to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'HARA of Illinois:

H.R. 5753. A bill granting the consent and approval of Congress to the Wabash Valley compact, and for related purposes; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 5754. A bill to amend the Watershed Protection and Flood Prevention Act to provide the cost of land acquisition with respect to flood prevention features of works of improvement under that act shall be borne by the Federal Government; to the Committee on Agriculture.

By Mr. RANDALL:

H.R. 5755. A bill to amend the Federal Employees Salary Increase Act of 1958 to grant certain increases in compensation to employees of the agricultural stabilization and conservation county committees, to bring employees of agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H.R. 5756. A bill to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROGERS of Florida:

H.R. 5757. A bill to amend the Internal Revenue Code of 1954 to allow income tax deductions for certain payments made and expenses incurred in providing or securing higher education; to the Committee on Ways and Means.

H.R. 5758. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on communications; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI:

H.R. 5759. A bill granting the consent and approval of Congress to the Wabash Valley compact, and for related purposes; to the Committee on the Judiciary.

By Mr. SHORT:

H.R. 5760. A bill to exempt allowances received by members of State legislatures from Federal income tax; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 5761. A bill to amend the law relating to homesteads in Alaska to provide for the donation of surplus agricultural commodities to homesteaders in Alaska; to the Committee on Interior and Insular Affairs.

By Mr. DENT:

H.R. 5762. A bill to provide for a study by the Secretary of the Interior of strip-mining operations in the United States and for a report to Congress of the results of such study, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FISHER:

H.R. 5763. A bill to authorize the payment of claims resulting from sonic blasts; to the Committee on the Judiciary.

By Mr. SILER:

H.R. 5764. A bill to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln's Birthplace, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H.R. 5765. A bill to authorize the Federal Government to guard strategic defense facilities against individuals believed to be disposed to commit acts of sabotage, espionage, or other subversion; to the Committee on the Judiciary.

H.R. 5766. A bill to prescribe the oath of office of justices and judges of the United States; to the Committee on the Judiciary.

By Mr. BENTLEY:

H.J. Res. 311. Joint resolution authorizing the erection of a statue of Taras Shevchenko on public grounds in the District of Columbia; to the Committee on House Administration.

By Mr. HOLLAND:

H.J. Res. 312. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

The SPEAKER presented a memorial of the Legislature of the State of Missouri, memorializing the President and the Congress of the United States to initiate plans for the development of the Meramec River Basin, which was referred to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 5767. A bill for the relief of Mrs. Karolina Kucharska; to the Committee on the Judiciary.

H.R. 5768. A bill for the relief of Joseph Schneck; to the Committee on the Judiciary.

H.R. 5769. A bill for the relief of Earl H. Spero; to the Committee on the Judiciary.

By Mr. BOYKIN:

H.R. 5770. A bill for the relief of Ben Chassin; to the Committee on the Judiciary.

By Mr. BROYHILL:

H.R. 5771. A bill for the relief of Emmett P. Dyer; to the Committee on the Judiciary.

By Mr. MILLIKEN:

H.R. 5772. A bill for the relief of Howard A. and Helen S. Flogaus; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 5773. A bill for the relief of Peter Kopanica; to the Committee on the Judiciary.

By Mr. RAY:

H.R. 5774. A bill for the relief of Marie F. Balish; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

110. By Mr. HORAN: Petitions of 341 citizens of Lincoln County, Wash., urging the Congress to confine their expenditures to existing sources and limits of revenue and not to increase taxes; to the Committee on Ways and Means.

111. By the SPEAKER: Petition of the clerk, village of Brocton, N.Y., petitioning consideration of their resolution with reference to expressing deepest sympathy to the members of his family and to the House of Representatives for an irreplaceable loss in the death of Congressman Daniel A. Reed; to the Committee on House Administration.

112. Also, petition of the president, Red Oak Ruritan Club, Alberta, Va., requesting our Government to reaffirm the rights of the States regarding (1) education of our Nation's children; (2) the prosecution of those enemies who would destroy this Republic by insidious peaceful, or violent outward acts; and (3) and specifically give clarification to the 10th amendment of the U.S. Constitution; to the Committee on the Judiciary.

113. Also, petition of the president, Edwardsville Amusement Corp., Edwardsville, Pa., with reference to expediting action in the cases of *Edwardsville Amusement Corp.* v. *Monogram Distributing Corp.*, and *Edwardsville Amusement Corp.* v. *20th Century Fox Film Corp.*, pending in the U.S. District Court for the Middle District of Pennsylvania; to the Committee on the Judiciary.

114. Also, petition of Clifford Crail, Cincinnati, Ohio, petitioning consideration of his resolution with reference to an investigation to consider a condition involving suppression of the freedom of the press; to the Committee on the Judiciary.

115. Also, petition of the president, Associated Students of the University of Hawaii, Honolulu, T. H., petitioning consideration of their resolution with reference to granting statehood to the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

116. Also, petition of the clerk, county of Kauai, Lihue, Kauai, T.H., petitioning consideration of their resolution with reference to granting statehood to the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

117. Also, petition of Nicolas Estates (Eugenio C. Nicolas), Inc., Manila, Philippines, petitioning consideration of their resolutions with reference to war damages claims payable to the Nicolas Estates; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Presentation of Plaque Honoring Late Congressman William B. Oliver, of Alabama

EXTENSION OF REMARKS
OF
HON. FRANK W. BOYKIN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 17, 1959

Mr. BOYKIN. Mr. Speaker, at the seventh annual meeting of the Warrior-Tombigbee Development Association in Tuscaloosa, Ala., on March 6, 1959, tribute was paid to a distinguished Alabamian and former Member of the House of Representatives, the late William Bacon Oliver. Mr. Oliver represented the Sixth Alabama District which has as its able Congressman today my good friend, ARMISTEAD SELDEN.

In 1957 Congressman SELDEN introduced legislation providing that the lock and dam on the Warrior-Tombigbee Waterway near Tuscaloosa be officially named the William Bacon Oliver lock and dam in honor of the former Congressman. This legislation was enacted into law, and a plaque inscribed with the law was presented by Mr. SELDEN at the river association meeting to Mrs. William B. Oliver, widow of the great Alabamian. She in turn presented it to Col. R. W. Love, Mobile district engineer of the U.S. Corps of Engineers, who indicated that the plaque will be appropriately placed at the site of the William Bacon Oliver lock and dam.

Because there are Members of the present House of Representatives and Senate who knew and loved William Bacon Oliver and will be interested in this event, I am including below Mr. SELDEN's remarks, as well as an account of the presentation ceremony:

Mr. SELDEN. This evening we pause to pay tribute to a distinguished Alabamian whose name is ascribed to the first modern navigational structure built on the Warrior-Tombigbee Waterway. I refer, of course, to the late William Bacon Oliver, who for almost a quarter of a century represented our State's Sixth Congressional District in the Congress of the United States.

During his dedicated service in the House of Representatives, Congressman Oliver made many lasting contributions to his district, State, and Nation. He was always alert to the needs of national defense, to the potentialities of our youth, and to the problems of working men and women. He was a man of keen intelligence, an eminently qualified attorney, and a forceful and highly regarded legislator.

William B. Oliver, or Buck Oliver as he was affectionately known to his friends and constituents, was born in 1867 near the banks of the Warrior River at Eutaw, Ala. He received his education at schools in his hometown, at the Verner College Preparatory School in Tuscaloosa and at the University of Alabama.

He received his law degree at the University of Alabama in 1889 and in that same year, after taking a special law course at the University of Virginia, he was admitted to the Alabama bar. He began active participation in his chosen profession at the age of only 22 here in Tuscaloosa.

In 1898 he was appointed solicitor for the Sixth Judicial Circuit of Alabama and served with distinction in that position for nearly 10 years. He resigned as solicitor to become dean of the law school of the University of Alabama.

In 1914 Buck Oliver was elected to Congress where he served 11 consecutive terms, retiring voluntarily in 1937. When he first entered the House of Representatives, he was assigned to the Naval Affairs Committee, a post he held for 6 years. During much of this period, the world was at war and the work of the Naval Affairs Committee was highly important to the United States and to our allies.

When the 68th Congress convened in 1921, Mr. Oliver was appointed to membership on the powerful House Appropriations Committee. He was an outstanding member of this committee for his remaining 16 years in Congress and, among other accomplishments, played an important part in instituting a Federal budgetary system.

Although he had planned to retire when he chose not to seek reelection in 1937, he was called to serve his Government once again 2 years later—this time as special assistant to the Attorney General of the United States. He held this post until 1944 when, at the age of 77, he retired permanently from public affairs. Four years later, on May 27, 1948, Mr. Oliver died while on a visit to New Orleans. He was buried in the cemetery in Eutaw, the town where he was born and where he grew up.

The ideals of democracy and the principles of the Democratic Party were of the utmost importance to Mr. Oliver throughout his life. In the words of his friend and colleague, the late Congressman Sam Hobbs, of Alabama, Mr. Oliver "was a Democrat without apology, but too much of a gentleman ever to give offense to political foes even in the fiercest fights. His was a perfect voice, and his skill in using it made his forensic ability both feared and admired."

And indeed Buck Oliver was recognized for his great ability as a speaker who never wasted words. He was not noted for giving frequent or lengthy talks; but when he did speak, his remarks were direct and to the point, relevant to the subject matter, and so penetrating that it was obvious they were backed up by clear understanding and forethought.

Mr. Oliver was blessed with the attributes of high character, integrity, honesty, and faith in God, as well as in his fellow man. He was a devout member of the Presbyterian Church which he served as an elder and as the moderator of the synod of Alabama.

The high qualities Mr. Oliver possessed were clearly recalled by Representative CLARENCE CANNON, of Missouri, the present chairman of the House Appropriations Committee, when he said: "He was a man of lofty ideals and strength of character, tactful, considerate, and courteous, and generous in his friendships. He measured up in every respect to the high standards of his native State which has sent more than its share of

able and distinguished statesmen to the two Houses of Congress. His State is honored and the annals and traditions of the House of Representatives enriched by his service here."

Among Mr. Oliver's many contributions to our district was his successful effort to obtain the initial appropriation to construct a new lock and dam on the Warrior-Tombigbee Waterway at Tuscaloosa. This structure was the first link in the modernization of the great water artery that connects north central Alabama with the port of Mobile.

As a tribute to Mr. Oliver, his many friends throughout this area held a ceremony upon the completion of the lock and dam in 1940 and designated the new structure as the Oliver lock and dam. Mr. Oliver had no knowledge of the plans to name the new facility for him until he and Mrs. Oliver, who were in Washington at the time, received an invitation to attend the dedication ceremony.

In early 1957, it was called to my attention that no action had ever been taken to officially name the structure in his honor and that legally its name was still the Tuscaloosa lock and dam. Accordingly, I introduced a bill which was subsequently enacted into law officially designating the fine navigation structure here at Tuscaloosa as the William Bacon Oliver lock and dam.

And now I would like for Mrs. William Bacon Oliver to come forward so that I may present to her a plaque on which is inscribed the public law honoring her late husband.

(Mrs. Oliver comes forward to receive plaque.)

Mrs. Oliver, the designation of a great navigation structure as the William Bacon Oliver lock and dam is an effort by those who knew and respected your late husband to express our appreciation for his many years of distinguished public service.

Mrs. WILLIAM B. OLIVER (accepting plaque). To those who loved him and have wished to honor him, may I say, thank you. Please carry on.

(Mrs. Oliver then presents plaque to Colonel Love.)

COL. ROBERT W. LOVE. I am pleased to receive this beautiful plaque inscribed with the public law naming the navigation lock and dam here at Tuscaloosa the William Bacon Oliver lock and dam for public display at the structure. We have already prepared a glass-covered case for it, so that it can be readily seen but will be protected from the weather. The case is mounted on a low post on the lock mound at the top of the steps leading down to the esplanade. In this position it will be seen by everyone visiting the lock.

I will see that the plaque is placed in the case immediately and that it and the case are maintained in first-class condition. The plaque will be a constant reminder to all who pass of the great services rendered the State of Alabama by her distinguished citizen and public servant, William Bacon Oliver.

Achievement in Realism at St. Olaf College

EXTENSION OF REMARKS

OF

HON. FRANK M. COFFIN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 17, 1959

Mr. COFFIN. Mr. Speaker, the distinguished gentleman from Michigan [Mr. FORD] and I have recently returned from St. Olaf College in Northfield, Minn., where we had the honor of participating in its political emphasis week.

Because we feel that what we saw and experienced would be of great interest to the Members of this House, we shall try to convey something of the atmosphere of their mock house of representatives. So closely did the students emulate the form, spirit, and substance of this House, that we had the uncanny feeling that Congress had moved westward and grown younger. Mr. Speaker, we think it is of some significance that over 200 students at this fine liberal arts college should enlist in and carry through an intensive 4 months' preparation for the 4 sessions of the mock house of representatives which were held on February 27, March 12, 13, and 14. The students were not drawn solely from the political science department, but included a balanced cross section of majors in science, literature, and other disciplines. Their preparatory work included exhaustive study of such fields as agriculture, labor reform, foreign aid, and civil rights. Each participant represented a particular State and tried faithfully to reflect the probable points of view of a Representative from his area. The house parliamentarian and speaker had to become intimately acquainted with Cannon's Procedure in the House of Representatives to an extent not usually approximated by anybody but a House veteran. All of this work was done without credit and after regular study hours.

Somehow the enthusiasm was maintained until the climax of the entire exercises which was political emphasis week. The St. Olaf gymnasium was transformed into a smaller but realistic house of representatives, complete even to the mace at the speaker's side. The three work sessions of the mock house then began to grind out the grist of the several committees. The legislative agenda from any point of view was an overpowering one including civil rights, farm policy, Federal aid to education, foreign aid, labor reform, Supreme Court limitations, and abolishment of right-to-work laws.

The debate proceeded hot and heavy with tempers occasionally running high and with floor leaders and whips constantly directing their parties as groups from particular areas held frantic caucuses to determine their position as the issues changed. The speeches for and against each measure showed a depth of knowledge and understanding about those issues which demand the utmost of us in this Chamber. Even the students who were not speaking sat at their seats in rapt attention for 3 to 4 hours—the average length of each session. The ability of these students to sustain both their attention and their enthusiasm for such an extended period of time impressed us and gave us no little inspiration. If American college students enjoy stimulating leadership of this kind in exercises in citizenship, we need have no final doubts about our future.

We understand that the gentle but persistent guidance of Dr. James R. Klonoski of the political science faculty of St. Olaf has been in large degree responsible for perhaps the most remarkable shadow congress which has been held. The student chairman, David Brye, and his excellent steering committee followed through with the arrangements in a manner to be envied.

Mr. Speaker, what began as an effort in education proved to be an achievement in realism.

Veterans' Loans

EXTENSION OF REMARKS

OF

HON. CLEVELAND M. BAILEY

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 17, 1959

Mr. BAILEY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I desire to call to the attention of my colleagues the serious situation in my State of West Virginia where mounting unemployment rolls threaten the vested interests ex-servicemen have in their homes purchased through Veterans' Administration loans.

In this connection, I want to call attention to a letter from the Honorable OLIN TEAGUE, chairman of the Veterans' Affairs Committee, who has been kind enough to ask the Veterans' Administration for a special survey of the situation as it affects veterans' loans in West Virginia and what is being done to forestall foreclosures.

I want most of all to commend Chairman TEAGUE's efforts and the efforts of the Veterans' Administration officials to protect the interests of these veterans who, through no fault of their own, find themselves unable to meet their monthly payments. The information contained in Mr. TEAGUE's letter that no foreclosures on these properties will be permitted is reassuring.

Mr. Speaker, at best this is only a temporary arrangement. Should the chronic unemployment situation that exists in my State continue, or possibly worsen, there will come a time when action will be necessary and these unfortunate men will stand to lose the major portion of their investment in their homes.

I am offering Mr. TEAGUE's letter for inclusion in the RECORD beacuse what is happening in West Virginia is also happening in other States, and it behooves the Congress to take immediate action to provide, through public works and other governmental activities, jobs that will enable these veterans to meet their obligations.

Mr. TEAGUE's letter follows:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., March 5, 1959.

Hon. CLEVELAND M. BAILEY,
House of Representatives,
Washington, D.C.

DEAR COLLEAGUE: The committee's investigation of the unemployment condition in the State of West Virginia and its effect on veterans' loans shows that even under adverse conditions the veterans in your State have prevented foreclosures on their homes. The number of current defaults are less than

1 percent of the total loans outstanding in both the direct and guaranteed programs. Although one city in West Virginia—Charleston—has been listed, along with 11 other cities in the United States, as having a high unemployment situation, some of this unemployment being chronic, the overall picture of the veterans' loan program in West Virginia seems stable.

I am attaching a detailed breakdown of the status of the veterans' loan program in the State of West Virginia. You will note that the number of foreclosures, both on direct and guaranteed loans, has steadily decreased over the past 3 years. This breakdown also shows that on the foreclosures which have been made the amount of deficiency claims against the veterans has fluctuated. This is explained that the amount of the claims vary in direct relation to the condition of the property when it is taken over by the Veterans' Administration.

The committee discussed this matter with officials of the Veterans' Administration and found that the central office officials here in Washington are very sensitive to the unemployment conditions that exist today in the State of West Virginia. They have issued instructions to the Veterans' Administration regional office in Huntington that no foreclosure proceedings will be taken on direct loans without prior submission to central office. The regional office has been further instructed to use all types of servicing on the guaranteed loans in an effort to prevent foreclosures. As a servicing technique, the Veterans' Administration is trying to persuade lenders to accept smaller monthly payments or waive payments on the principle, accepting interest payments only, until the veterans can once again resume their regular payments. I have also been informed that no attempts will be made to require the veterans to catch up on their waived payments, because this would add a burden on the veterans when they again become employed.

The officials in the Huntington regional office advise that the unemployment situation is very serious and that indications point to the fact that it may get worse before it gets better. They also feel that with proper servicing they can keep the foreclosures on veterans' homes at a minimum. The officials also state that so far they have had very close cooperation with the lenders who hold veterans' loans. They are firmly of the opinion that under the present conditions in the State it is to the best interest of both the Government and the veterans to postpone foreclosures of any kind.

The following breakdown will give you a detailed picture of the recent guaranteed and direct loan activity in the State of West Virginia:

County	Guaranteed loans, July 1 to Dec. 1, 1958	Direct loans, Apr. 1 to Dec. 1, 1958	Veteran population
3d Congressional District:			
Braxton	0	4	1,530
Calhoun	0	2	1,070
Clay	0	0	1,380
Doddridge	0	2	900
Fayette	1	5	10,110
Gilmer	0	1	910
Harrison	0	12	9,950
Lewis	0	2	1,980
Nicholas	0	4	3,100
Ritchie	0	0	1,380
Upshur	0	3	1,950
Wirt	0	1	450
	1	36	34,710
Other counties:			
Barbour	0	0	2,060
Berkeley	0	6	2,950
Boone	1	16	4,560
Cabell	18	56	14,370
Grant	0	3	710
Greenbrier	0	7	5,160
Hampshire	0	2	1,210
Hardy	0	0	910
Jackson	0	2	2,100
Jefferson	0	4	2,000
Kanawha	5	32	28,760
Lincoln	0	3	2,240
Logan	1	10	8,060
Marion	2	7	9,670
Mason	0	14	2,110
McDowell	3	2	11,750
Mercer	1	18	8,870
Mineral	0	1	2,980
Mingo	0	6	6,240
Monongalia	0	8	8,010
Monroe	0	0	1,690
Morgan	2	0	1,070
Pendleton	0	3	810
Pleasants	0	0	850
Pocahontas	0	0	1,630
Preston	5	2	3,540
Putnam	1	6	2,190
Raleigh	9	30	11,410
Randolph	1	3	3,610
Roane	0	2	1,630
Summers	0	2	2,800
Taylor	0	8	3,150
Tucker	0	2	980
Tyler	0	1	1,250
Wayne	4	30	4,150
Webster	0	5	1,840
Wetzel	0	2	2,460
Wood	1	87	9,810
Wyoming	0	1	4,210
Brooke	2	12	4,480
Hancock	19	4	4,620
Marshall	4	8	5,890
Ohio	9	4	9,500
State total	89	445	243,000
Veterans on waiting list for direct loans as of Dec. 1, 1958			1,191

From the foregoing you will note that there has been very little activity recently in the guaranteed loan program. If it had not been for the direct loan program, very few veterans would have been able to obtain loans during 1958. Your attention is invited to the fact that in the entire State of West Virginia only 89 loans were made by lenders as compared to 445 loans made by the Veterans' Administration under the direct loan program.

I feel that as a result of the committee's investigation of this situation, the State of West Virginia is fortunate in having its veterans cooperate with the Veterans' Administration, thus preventing foreclosures and loss of veterans' homes. I am confident that this record will set an example for other States that have a high unemployment situation.

In the President's Economic Report to Congress he stressed the need for some type of legislation to aid distressed areas and advised that he planned on submitting recommendations for such legislation at an early date.

I am sure that the foregoing will be of assistance to you in evaluating any legislation that is submitted to assist distressed areas. If I can be of further assistance, please do not hesitate to let me know.

Sincerely yours,

OLIN E. TEAGUE,
Chairman.

H.R. 10

EXTENSION OF REMARKS
OF
HON. JESSICA McC. WEIS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 17, 1959

Mrs. WEIS. Mr. Speaker, on a number of occasions prior to yesterday's vote on H.R. 10, I expressed my support for legislation of this kind which would provide a tax incentive to encourage and promote long-range private planning for old age.

This principle has for some time been accepted by the Government in the case of employer contributions to pension programs. Under our present tax laws, an employee covered by an approved pension plan pays no current income tax on his company's contribution to his retirement fund, and neither does the company, which deducts its pension costs as business expenses.

H.R. 10 simply seeks to extend this principle to the self-employed who wish to make financial provision for retirement, by providing them with tax treatment no less favorable than that already enjoyed by individuals employed by others.

I supported H.R. 10 because of a conviction that it is highly desirable to encourage thrift, saving, and long-term private planning for the later, less productive years of life. Such planning over a long period reduces dependence upon the Federal Government in old age and furthermore—and just as important—it stimulates a sense of pride of accomplishment on the part of those who do not have to depend on others in their golden years.

But though I supported this measure, Mr. Speaker, I must object strenuously to the method by which it was presented to us for action. I have not served long in the Congress, but in the short span of time that I have been here I have been impressed by the need for orderly rules of procedure, and I was more than a little distressed yesterday to find the majority leadership resorting to the rather spurious and questionable parliamentary technique of calling for a suspension of the rules in order to rush this legislation through the House without proper consideration.

I have just recently received a copy of Jefferson's "Manual of Parliamentary Practice." The very first section of that master work contains an admonition on the "Importance of Adhering to Rules." Because of the seriousness of this matter, I would like to quote a few paragraphs from section I of Jefferson's manual.

So far the maxim is certainly true and is founded in good sense, that as it is always in the power of the majority, by their numbers, to stop any improper measures proposed on the part of their opponents, the only weapons by which the minority can defend themselves against similar attempts from those in power are the forms and rules of proceeding which have been adopted as they were found necessary, from time to time, and are become the law of the House, by a strict adherence to which the weaker party can only be protected from those irregularities and abuses which these forms were intended to check, and which the wantonness of power is but too often apt to suggest to large and successful majorities.

And whether these forms be in all cases the most rational or not is really not of so great importance. It is much more material that there should be a rule to go by than what that rule is; that there may be a uniformity of proceeding in business not subject to the caprice of the Speaker or the captiousness of the Members. It is very material that order, decency, and regularity be preserved in a dignified public body.

I am definitely opposed to riding roughshod over the established rules of the House, regardless of the merits of the particular legislation being considered, and I trust that yesterday's action will not start a trend in that direction. I know of no legislation so important that we cannot continue to conform to the rules which have guided the actions of the Congress for so long, and I certainly hope that in the future we will see fit to restrain our enthusiasm sufficiently to give deference to these normal procedures.

Address by the Honorable William M. Tuck, of Virginia

EXTENSION OF REMARKS
OF
HON. WATKINS M. ABBITT
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 17, 1959

Mr. ABBITT. Mr. Speaker, on yesterday, Monday, March 16, memorial ceremonies were held for the late Edward Wren Hudgins, chief justice of the Supreme Court of Appeals of the State of Virginia.

A portrait of Chief Justice Hudgins, painted by Hugo Stevens, was presented by George D. Gibson, Richmond attorney, on behalf of the Virginia State Bar Association. It was accepted by Mr. Justice C. Vernon Spratley, who spoke for the court in accepting the portrait. The portrait was unveiled by Edward Wren Hudgins II, grandson of the late chief justice.

James W. Blanks, president of the Mecklenburg County Bar Association, presented a resolution from the Mecklenburg County Bar Association lauding Judge Hudgins' services.

The Honorable J. Lindsay Almond, Jr., Governor of the Commonwealth of Virginia, spoke in praise of the chief justice.

Unfortunately for me and much to my disappointment, I was unable to attend the ceremonies due to important legislative business requiring my presence in Washington. I had the pleasure and the privilege of knowing Judge Hudgins for a long number of years. He was one of my dearest friends. I learned to love him. He was a great justice and an even greater chief justice. He was learned in the law and had the respect and admiration of all of the attorneys of the Commonwealth of Virginia. To know Judge Hudgins was to admire him. He was a man of great ability. He knew his duty and discharged it fearlessly. He loved Virginia and her traditions and took the lead in upholding the laws of the Commonwealth and dispensing justice with dignity and according to the statutes and the Constitution without interjecting his own personal theories and philosophy.

Judge Hudgins was a devoted husband, a kind and loving father, a real Christian gentleman, an outstanding Virginian, and a great American. He was a lawyer and a scholar.

The Honorable WILLIAM M. TUCK, former Governor of Virginia and now a Member of the House of Representatives from the Fifth Congressional District of Virginia, spoke on behalf of the 34th Judicial Circuit over which Judge Hudgins presided so ably for 14 years.

Under leave to extend my remarks, I desire to include this able address of Representative TUCK which expresses in such a fine way the sentiments of so many of us who loved, honored, and respected Judge Hudgins:

ADDRESS OF HON. WILLIAM M. TUCK, OF VIRGINIA, IN THE COURTROOM OF THE SUPREME COURT OF APPEALS OF VIRGINIA, IN THE CITY OF RICHMOND, ON MONDAY, MARCH 16, 1959, ON THE OCCASION OF THE PRESENTATION OF A PORTRAIT OF THE LATE MR. CHIEF JUSTICE EDWARD WREN HUDGINS

Mr. Chief Justice, Mr. Justices of the Supreme Court of Appeals of Virginia, it is a distinct privilege and a high honor for me at the invitation of the distinguished presiding officer of this body, to come on this occasion as a practicing attorney of the 34th Judicial Circuit, and as a friend of the late Mr. Chief Justice Hudgins, to participate in these memorial exercises. I come with a heart filled with love and emotion and with unbounded admiration for the qualities of character of the late chief justice. I lack the powers of speech to give expression to the thoughts which crowd the mind, and the sentiments which evolve around the heart on this occasion, or to properly portray the true manly worth and the nobility of character of the late Chief Justice Edward Wren Hudgins, in whose memory we meet today.

My acquaintanceship with him began nearly 40 years ago shortly after I was admitted to the practice of law at the bar of the county of Halifax. He was then a young but able, successful, and learned attorney of our judicial circuit, and was thoroughly established in the confidence and esteem of both bench and bar. The acquaintanceship then formed, shortly ripened into a long and enduring friendship increasing with the passing years.

As a member of the Committee on the Judiciary of the United States House of Representatives, I was in a distant State on official business when the news came advising me of the passing of Virginia's chief justice. The news was saddening and shocking and brought a poignant sense of personal loss. I was conscious also that in the passing of this distinguished jurist, Virginia, too, had suffered, possibly in the hour of her direst need. I returned to Virginia by airplane at the earliest practicable moment in order to join with his family and his many friends at the final rites and thus pay respect to the memory of one of Virginia's noblest sons.

As we gathered on that occasion in the First Baptist Church of Chase City, Va., of which Chief Justice Hudgins was for so many years a faithful member and worker, one was constrained to reflect upon the rich, useful, and lasting contributions he had made to the progress and welfare of his community. The hearts of his friends swelled with pride in the knowledge that he had done so much to enhance and expand, not only the usefulness of his church, but the betterment of his community, his State, and his Nation as well.

Edward Wren Hudgins was born in Buckingham County, Va., on the 17th day of January 1882, and breathed his last at his home in Chase City, Va., on July 29, 1958. He came from a sturdy Southside, Va., family. He was born and reared not far distant from Appomattox Court House, where the gallant army of the matchless Lee was surrendered less than 20 years before. The period into which he had come was one which challenged and tried men's souls. It was a time of great poverty and hardship in southside Virginia. There was little or no industry. Our resources were exhausted. Our manpower was depleted. Our fields were impoverished. Our travail was indescribable. And about all that our people had left in that great area of Virginia at that time was the marrow in their bones. It was under such conditions and in these surroundings that Chief Justice Hudgins was born and grew into manhood and usefulness. The hardihood so characteristic of the citizenry of that day was such as to dispel the clouds of disaster and ruin and to resolve the problems confronting them in keeping with the honor and the determination of a proud people.

The county in which the late chief justice was born is in the very heart of what has been known for so many years as Randolph's district. He labored and served and spent his entire life in that region of our Commonwealth noted for its climate, free of the roughness of winter and the mugginess of summer, for the productivity and fertility of its soil, for its beauty and simplicity, for its flowers and for its birds, for its peaceful and tranquil homes, and for the gentility, the culture and the patriotism of its citizenry. The qualities of this region are described in a scholarly manner by Mr. Bruce, himself a native of Staunton Hill, in his erudite and interesting biography of John Randolph, of Roanoke.

Practicing the industry and the perseverance characteristic of his family and of the county of Buckingham from whence he came, the future chief justice achieved his academic and professional training at Richmond College (now the University of Richmond). All of this by working and without the aid of such modern-day educational devices as have been hatched up by the present generation for the acquisition of a modicum of knowledge—much of it superficial. The University of Richmond later conferred upon him the honorary degree of doctor of laws. At college it was said of him in the history of the class to which he belonged that "he worked hard, played hard, and enjoyed every minute of it." These words were so characteristic of the full duration of his somewhat long and exceedingly useful life.

In 1908 he commenced the practice of law in Chase City, Mecklenburg County, Va., in partnership with the late Prof. W. S. McNeil and the late Hon. Thomas W. Ozlin. Almost from the first it became apparent that he possessed those qualities which would bring him to the forefront as one of the most eminent attorneys of Southside, Va., if not indeed of our whole State. From these early beginnings he demonstrated sterling qualities of character and leadership which were manifest throughout his entire life. He was thorough, diligent, and conscientious in the performance of every task, duty, and obligation.

He became interested in and associated himself with all worthy phases of activity of the community in which he lived. The professional, the social, the religious, and the political life of Mecklenberg County was improved because of his interest and activity in it. Every endeavor in which he engaged throughout his entire career was in keeping with the highest traditions of our great Commonwealth.

No doubt the happiest occasion of his life was the 16th day of March 1910, when he became united in marriage to Miss Lucy Henry Morton, of Charlotte County, who like the future chief justice, came from a long line of distinguished Southside, Va., ancestors, who had fought our wars, who had charted our course, and who had been responsible for the development and improvement of our part of Virginia. She was one of the most beautiful and attractive young ladies in that whole area and her great devotion as wife and mother inspired him to

noble achievements. This happy marriage was blessed with two fine sons—Edward Morton Hudgins and William Henry Hudgins—both of whom are members of the Virginia bar, and both of whom served with distinction as commissioned officers of high rank in the Armed Forces of our country during the recent turmoil and conflicts in which the Nation has been engaged. The older son, the Honorable Edward Morton Hudgins, has represented Chesterfield County in the House of Delegates of Virginia since 1952. The relationship which existed among the members of this family during the lifetime of Judge Hudgins was beautiful to behold and the love and devotion of the late chief justice for his wife and sons was evidenced by his unsullied domestic purity and fidelity.

In 1915 he was elected to represent the county of Mecklenburg in the House of Delegates of Virginia. He served in that body during the regular sessions of 1916 and 1918 and the special session of 1919. It is interesting to note that there were many members of the general assembly associated with him during that period who were destined to be called to high public station. In addition to the future chief justice, there were among the membership of this body, three future governors of Virginia, and two future U.S. Senators. And among that number who took office with the future chief justice in January 1916, was another Virginian who likewise achieved a position of great prominence and usefulness, the Honorable H. F. BYRD.

Years after he left the service of the house of delegates, there still remained among the membership many able Virginians who spoke admiringly of his knowledge, his parliamentary skill, his devotion to the public service, and his zeal to serve the best interests of Virginia.

The late chief justice was in many respects a most unusual man. He was endowed with talents and qualities of character which would have enabled him to achieve distinction in any line of human endeavor to which he may have directed his energies. He possessed a pleasing personality and attractive appearance. He was of a strong and virile body, of tireless energy, and extraordinary intelligence. He had a resolute and courageous heart. He possessed business sagacity and marshaled his resources and powers with dexterity and skill. Had he chosen to go into business, or into politics, the possibilities of his achievements would have been boundless. Though he devoted little of his time to business matters, his acumen was such that he enjoyed the confidence and the esteem of the business leaders of Southside, Va., and many are they who consulted with him from time to time and who earnestly sought his advice and counsel. In public affairs his limitless storehouse of wisdom was drawn upon heavily and his advice very generally followed by both officeholder and citizen.

In 1926, the General Assembly of Virginia created the 34th Judicial Circuit comprised of the counties of Halifax, Lunenburg, and Mecklenburg. These counties are bound together by sentiment, by political attitudes and considerations, by family ties, by economy, and by a firm determination to preserve the best and finest traditions in Virginia. These three southside Virginia counties are blessed with a citizenship unsurpassed by that of any other section of Virginia, a Commonwealth which can rightfully boast of the courage and the patriotism and the intelligence of her people.

Among the contemporaries of the future judge in the 34th judicial circuit at the time it was created, were such men as Hiram Wall, E. C. Goode, Irby Turnbull, and Sterling Hutcheson, of Mecklenburg; Thomas W. Ozlin, Needham S. Turnbull and George E. Allen, of Lunenburg; and John Martin, Frank L. McKinney, James S. Easley, and Marshall B. Booker, of Halifax, as well as many others of rank, distinction and ability. It was from such a company of lawyers and citizens that the young, able, and dependable Ed Hudgins, of Mecklenburg, was unanimously chosen to preside over our new judicial circuit. It was an appropriate and meritorious recognition of his character, ability, and fitness to administer impartial justice.

The distinguished members of this court, who have formerly presided over rural circuits, need not be reminded of the close and cordial relationships which normally exist between the presiding judge and the officers of his court, particularly the clerk. When Judge Hudgins ascended the bench of the 34th Judicial Circuit, he thus became associated with the Honorable John Leroy Yates, of Lunenburg; the Honorable Ernest Crews Lacy, of Halifax; and the Honorable Herbert Farrar Hutcheson, of Mecklenburg; whose memories are cherished by thousands of our people and whose names are inseparably linked with the life and the culture of those three counties. The longevity of service in public office of the distinguished gentlemen whose names I have just called is evidence of a most convincing nature that in that section we have been blessed with the highest and most fruitful type of leadership, and that our people are of a conservative disposition and nature and stability of character. In Southside, Va., the office of county clerk frequently is passed on from father to son to grandson, and in the more than 200 years of history of these three counties, and with the exception of the Civil War and reconstruction periods, less than 10 people have served as clerk in one of these counties, and practically the same situation obtains in the other two counties.

The new judge was courteous but firm in his dealings with court attachés, with witnesses, jurors, and attorneys, and particularly sympathetic with and considerate of the younger attorneys who were either obtuse or inexperienced in procedure and in pleading and practice. From the very first it was obvious that the 34th Circuit had chosen an outstanding judge of extraordinary ability who would preside with dignity, efficiency, and fairness and in whose strong and determined hands the administration of justice would be safe.

These were among the happiest years of his life, although his accomplishments and attainments as a justice and as a chief justice of this honorable body are such that he could not have achieved such success unless he had been in love with the work he found as a member and chief justice of this honorable court.

The Virginia constitutional changes of 1928 provided for increasing the number of justices on this court from five to seven. The general assembly on January 17, 1930—by coincidence the 48th anniversary of the birth of Judge Hudgins—elected him to one of the newly created associate justiceships, and he joined the court on February 1, 1930, taking his seat at the March session. He served continuously on this court for 28 years and 6 months, becoming its chief justice in October 1947, to succeed the late Chief Justice Henry W. Holt. He enjoyed the longest continuous service on this court of any jurist in the last 105 years. In the entire history of Virginia, only three others have had longer consecutive tenure on the State's highest court. They are William Fleming (1779–1824); Spencer Roane (1789–1822); and William H. Cabell (1811–53). He presided over this body as chief justice for a longer period than any other individual with the single exception of the late Hon. Preston W. Campbell, of Washington County.

He was indeed impressive on the bench. His opinions touched every conceivable field of State appellate law and were replete with simplicity, directness, force, wisdom, and justice. When he spoke or wrote, he was clear and concise and to the point. He was earnest in his convictions. He said what he meant and meant what he said. He expressed himself clearly, concisely, and directly. He was so sincere in his convictions that it never occurred to him to stoop to the employment of the cheap and paltry decorations of discourse, a fault of speech to which so many are addicted.

He participated in more than 8,000 cases. He rendered a total of 534 opinions, the first on June 12, 1930, *Voyentzie* v. *Ryan* (154 Virginia 604), and the last was adopted as the opinion of the court and handed down on September 10, 1958, *Robinson et al.* v. *Peterson* (200 Virginia 186).

Many of his decisions were notable and attracted widespread attention and interest, but time permits a brief reference to only a few of them:

In his decision in *Hall* v. *Commonwealth*, he drew an incisive line between the right of an evangelist to practice his religion and a homeowner's right to privacy.

In *Zirkle* v. *Commonwealth*, he demonstrated his innate knowledge of people by reversing the conviction of a defendant whose good reputation had been challenged by the Commonwealth's introduction of evidence of a previous driving conviction. "One swallow maketh not a summer—one drink maketh not a drunkard," so said the chief justice.

Unlike the present Supreme Court of the United States, his decisions were based upon what the law is and not what he thought the law ought to be.

In the Daniel case, decided in December 1957, a suit brought by a party badly injured in a power line accident was denied. The plaintiff had failed to file notice within the time prescribed by law. The late chief justice said that the legislature had the power to make special rules for particular claiments, but such power was legislative, not judicial. "If exceptions are made by statute, they exist, if not, they do not exist," he said.

He possessed judicial wisdom and the courage to act upon it. He refused to surrender to the legal lilliputians north of the Potomac who will unless curbed, obliterate our system of jurisprudence as we have known and loved it since the foundation of the Republic.

Lovers of liberty were pleased with the per curiam holding of this court under his great leadership in the case of *Naim* v. *Naim*.

In that case (reported in 350 U.S. 891, 76 S. Ct. 151 (1955)), the Court above referred to undertook to vacate a final decision of the Supreme Court of Appeals of Virginia which had held invalid the marriage of a white woman to a man of another race. The U.S. Supreme Court then remanded the case to the Supreme Court of Appeals of Virginia in order that the case might be returned to the circuit court of the city of Portsmouth for additional facts to be incorporated in the record. The Virginia court met the situation without equivocation. When this order was received the Virginia court held that there is no provision in Virginia law by which it could send a case back to the circuit court of the city of Portsmouth to be reopened. And this honorable court stated: "The decree of the trial court and the decree of this court affirming it have become final so far as these courts are concerned" (*Naim* v. *Naim*, 197 Va. 734 (1956); 90 S. E. 2d 849). The effect of the ruling of the Virginia court was to fail or refuse to obey the perverse and obdurate order of the Supreme Court of the United States.

His activities in life were so varied that all of them cannot be adverted to within the confines of a short address. Aside from his general worth as a judge and as a chief jus-

tice, his work in the reorganization of the administration of justice within the courts of this State constitutes possibly his greatest contribution. It is believed that he accomplished more in this field than any other individual in this or any other previous generation. He was also instrumental in organizing the conference of chief justices. I have some firsthand knowledge of his interest in his reorganizational work and of the monumental proportions of his efforts. I am sure that he would regard his accomplishments along these lines as certainly one of the greatest achievements of his useful career.

Whatever he did was well done. He was a man in every sense of the word. He was a sturdy oak and a tower of strength. Those who were interested in promoting the welfare of our State and Nation, naturally gravitated to him. He will be greatly missed as one of the great Virginians of his generation. Let us hope that the example of his life will animate us all to a higher and a renewed consecration, to worthy and unselfish devotion to our country and to our kind, and that we may all become stronger and better and more effective by reason of having known and been associated with him.

"God give us men! A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor—men who will not lie;
Men who can stand before a demagogue.
And damn his treacherous flatteries without winking!
Tall men, sun-crowned, who live above the fog
In public duty, and in private thinking:
For while the rabble, with their thumb-worn creeds,
Their large professions and their little deeds—
Mingle in selfish strife, lo! Freedom weeps,
Wrong rules the land, and waiting Justice sleeps!"

It is difficult for those of us who knew the late chief justice to associate him with those whose duties and earthly labors have ended and who have passed on into other realms.

As we reflect upon the many events in his full and useful life, we become conscious of the rapidity of the movement of the sands in the hourglass of time and of the swift falling of the leaves of life. "The wine of life keeps oozing—drop by drop, the leaves of life keep falling—one by one," and so it is with us.

But despite these somber thoughts, and the interest and admonition with which this hour is freighted, it is not altogether one of sadness. For we do appreciate the privilege of having known and lived and served with the beloved late chief justice in whose cherished memory we are here assembled. We take comfort in the knowledge that he devoutly practiced the faith he embraced, and when on that July day his immortal soul winged its way into a boundless eternity, he carried with him the faith of our fathers. He will continue to live in the hearts and minds of those who knew and loved him and in the great institutions he loved and served with such ability and devotion. May we be taught to so number our days that we may apply our hearts unto wisdom, and, at last, like him, enter into the inheritance reserved for the faithful.

"Green be the turf above thee,
Friend of my better days!
None knew thee but to love thee
Nor named thee but to praise."

SENATE

WEDNESDAY, MARCH 18, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou, whose throne is justice and truth: Frail creatures of dust, yet stamped with Thine image, serving out our brief day on the world's vast stage, we would set our little lives in the midst of Thine eternity.

We fear no foe, with Thee at hand to bless and to gird us with a strength that is not our own.

As those to whom has been committed the stewardship of the fair and firm fabric of the Nation's life, grant us now in a violent world in these dread days of decision a saving experience of inner quiet and serenity.

Knowing that all truth is Thine, and that it is only truth that makes men free and that fetters of the mind and spirit and body as they desecrate human dignity are an offense to Thee, the Creator, strengthen our will, we beseech Thee, not to be browbeaten by threatening evil, or to surrender to craven fear, but having done all for a just peace, to stand where honor and duty draw the line from which there can be no retreat without our being recreant to our solemn trust, and thus failing man and Thee.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 16, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 17, 1959:

S. 79. An act to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of citrus red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances.

On March 18, 1959:

S. 50. An act to provide for the admission of the State of Hawaii into the Union.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 10. An act to encourage the establishment of voluntary pension plans by self-employed individuals;

H.R. 318. An act to authorize a revision of the boundaries of the Edison Laboratory National Monument, N.J., and for other purposes;

H.R. 519. An act to revise the laws relating to depository libraries;

H.R. 1306. An act to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes;

H.R. 1400. An act for the relief of Berta Reitberger;

H.R. 1411. An act for the relief of T. V. Cashen;

H.R. 1453. An act for the relief of Mrs. Mathilde Ringol;

H.R. 1457. An act for the relief of Mrs. Sue Pyle;

H.R. 1462. An act for the relief of Logan Duff;

H.R. 1471. An act for the relief of Jim B. Hill;

H.R. 1531. An act for the relief of Cesar Garcia;

H.R. 1535. An act for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi);

H.R. 1600. An act for the relief of Francis M. Haischer;

H.R. 1605. An act for the relief of Harry F. Lindall;

H.R. 1611. An act for the relief of Olin Fred Rundlett;

H.R. 1632. An act for the relief of Dean E. Fosmoe;

H.R. 1653. An act for the relief of Evelyn Albi;

H.R. 1691. An act for the relief of Oliver O. Newsome;

H.R. 1718. An act for the relief of Oather S. Hall;

H.R. 1727. An act for the relief of Dimitrios Kondoleon (also known as James Kondolous);

H.R. 1736. An act for the relief of John C. Matlon;

H.R. 1739. An act for the relief of Lt. Col. John M. Brizzard;

H.R. 1744. An act for the relief of Gordon E. Martin;

H.R. 1749. An act for the relief of Mrs. Maxine L. Cowan Harrison;

H.R. 2044. An act for the relief of the estate of Richard Anthony Nunes, Jr.;

H.R. 2050. An act for the relief of Nissim S. Tawil, Esther Tawil (nee Goldman), Solomn Tawil, Isaac Tawil, Kathy Tawil, Jacqueline Tawil, and Sarina Goldman;

H.R. 2063. An act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey;

H.R. 2065. An act for the relief of Arthur J. Dettmers, Jr.;

H.R. 2099. An act to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder;

H.R. 2104. An act for the relief of Alfonso Giangrande;

H.R. 2154. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park;

H.R. 2237. An act to amend chapter 13—Wage Earners' Plans—of the Bankruptcy Act;

H.R. 2279. An act for the relief of Mrs. Tyra Fenner Tynes;

H.R. 2280. An act for the relief of Adele M. Parker;

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard;

H.R. 2286. An act for the relief of Joseph E. Gallant;

H.R. 2289. An act for the relief of Mrs. Gertrude E. Shetler;

H.R. 2294. An act for the relief of the Ellis Timber Co.;

H.R. 2295. An act for the relief of the Sterilon Corp.;

H.R. 2586. An act for the relief of Miss Mame E. Howell;

H.R. 2589. An act for the relief of Elizabeth Lucie Leon (also known as Lucie Noel);

H.R. 2602. An act for the relief of William C. Hutto;

H.R. 2603. An act for the relief of the American Hydrotherm Corp.;

H.R. 2668. An act for the relief of John R. Cook;

H.R. 2717. An act for the relief of Eber Brothers Wine & Liquor Corp.;

H.R. 2741. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H.R. 2846. An act for the relief of Dorman William Whittom;

H.R. 2909. An act relating to the maintenance and travel expenses of judges;

H.R. 2949. An act for the relief of Lois K. Alexander;

H.R. 2950. An act for the relief of Lt. Col. James A. Beplat;

H.R. 2975. An act to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy, but which were subsequently determined to be inconsistent with applicable regulations;

H.R. 3093. An act for the relief of Mrs. Dorothy (Hyman) Monk;

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr.;

H.R. 3104. An act for the relief of Col. John T. Malloy;

H.R. 3111. An act for the relief of Rachel Nethery;

H.R. 3243. An act for the relief of Col. Fred E. Dueker;

H.R. 3248. An act to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T.H.;

H.R. 3249. An act for the relief of William S. Scott;

H.R. 3252. An act for the relief of Mrs. Martha Nicometi;

H.R. 3254. An act for the relief of Thomas Forman Screven, Julia Screven Daniels, and May Bond Screven Rhodes;

H.R. 3290. An act to amend title 10, United States Code, to eliminate the requirement that each chaplain make an annual report to the Secretary of the Navy;

H.R. 3291. An act to amend title 10, United States Code, with respect to certain medals;

H.R. 3292. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to furnish supplies and services to foreign vessels and aircraft, and for other purposes;

H.R. 3320. An act to amend the act of June 21, 1950, relating to the appointment of boards of medical officers;

H.R. 3322. An act to amend title 10, United States Code, and certain other laws to authorize the payment of transportation and travel allowances to escorts of dependents of members of the uniformed services under certain conditions, and for other purposes;

H.R. 3323. An act to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps;

H.R. 3406. An act for the relief of William H. Pearlmutter;

H.R. 3410. An act for the relief of Mrs. Leonard O. Erickson;

H.R. 3412. An act to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army;

H.R. 3413. An act to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army;

H.R. 3495. An act to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands;

H.R. 3496. An act to revise the boundaries of the Kings Mountain National Military Park, S.C., and to authorize the procurement and exchange of lands, and for other purposes;

H.R. 3522. An act for the relief of Aaron Green, Jr.;

H.R. 3797. An act for the relief of Mrs. Alberta S. Rozanski;

H.R 3816. An act for the relief of Mukhtar Mohammed;

H.R. 3939. An act for the relief of Virginia E. Speer;

H.R. 3960. An act for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins;

H.R. 4068. An act to amend title 10, United States Code, by repealing section 7475, which restricts the increasing of forces at naval activities prior to national elections;

H.R. 4121. An act for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities;

H.R. 4142. An act for the relief of Wintford Jesse Thompson;

H.R. 4154. An act to amend section 3238 of title 18, United States Code;

H.R. 4314. An act for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson;

H.R. 4318. An act for the relief of D. A. Whitaker and others;

H.R. 4445. An act for the relief of Stirley Louis Berutich;

H.R. 4615. An act to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States, and for other purposes;

H.R. 4748. An act to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869—869-3), to certain lands in Oregon, and for other purposes;

H.R. 4893. An act for the relief of William R. and Alice M. Reardon;

H.R. 4913. An act to amend the National Aeronautics and Space Act of 1958 to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia for its use;

H.R. 4964. An act for the relief of Mrs. Betty L. Fonk;

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation; and

H.R. 5676. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 34) favoring the meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C., in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 1776) to amend the act of June 28, 1958, to provide for a National Outdoor Recreation Resources Review Commission, and for other purposes, and it was signed by the Vice President.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 10. An act to encourage the establishment of voluntary pension plans by self-employed individuals;

H.R. 1632. An act for the relief of Dean E. Fosmoe; and

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation; to the Committee on Finance.

H.R. 318. An act to authorize a revision of the boundaries of the Edison Laboratory National Monument, N.J., and for other purposes;

H.R. 1306. An act to provide for the sale of Columbia Basin project lands to the State of Washington, and for other purposes;

H.R. 2154. An act to authorize the Secretary of the Interior to acquire certain additional property to be included within the Independence National Historical Park;

H.R. 3495. An act to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands;

H.R. 3496. An act to revise the boundaries of the Kings Mountain National Military Park, S.C., and to authorize the procurement and exchange of lands, and for other purposes; and

H.R. 4748. An act to extend the leasing provisions of the act of June 14, 1926, as amended by the Act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869—869-3), to certain lands in Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 519. An act to revise the laws relating to depository libraries; to the Committee on Rules and Administration.

H.R. 1400. An act for the relief of Berta Reitberger;

H.R. 1411. An act for the relief of T. V. Cashen;

H.R. 1453. An act for the relief of Mrs. Mathilde Ringol;

H.R. 1457. An act for the relief of Mrs. Sue Pyle;

H.R. 1462. An act for the relief of Logan Duff;

H.R. 1471. An act for the relief of Jim B. Hill;

H.R. 1531. An act for the relief of Cesar Garcia;

H.R. 1535. An act for the relief of Sister Mary Damion (Maria Saveria D'Amelio), Sister Maria Tarcisia (Maria Giovanna Fenuta), and Sister Mary Regina (Maria Lizzi);

H.R. 1600. An act for the relief of Francis M. Haischer;

H.R. 1605. An act for the relief of Harry F. Lindall;

H.R. 1611. An act for the relief of Olin Fred Rundlett;

H.R. 1653. An act for the relief of Evelyn Albi;

H.R. 1691. An act for the relief of Oliver O. Newsome;

H.R. 1718. An act for the relief of Oather S. Hall;

H.R. 1727. An act for the relief of Dimitrios Kondoleon (also known as James Kondolous);

H.R. 1736. An act for the relief of John C. Matlon;

H.R. 1739. An act for the relief of Lieutenant Colonel John M. Brizzard;

H.R. 1744. An act for the relief of Gordon E. Martin;

H.R. 1749. An act for the relief of Mrs. Maxine L. Cowan Harrison;

H.R. 2044. An act for the relief of the estate of Richard Anthony Nunes, Jr.;

H.R. 2050. An act for the relief of Nissim S. Tawil, Esther Tawil (nee Goldman), Solomn Tawil, Isaac Tawil, Kathy Tawil, Jacqueline Tawil, and Sarina Goldman;

H.R. 2063. An act for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey;

H.R. 2065. An act for the relief of Arthur J. Dettmers, Jr.;

H.R. 2099. An act to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder;

H.R. 2104. An act for the relief of Alfonso Giangrande;

H.R. 2237. An act to amend chapter 13—Wage Earners' Plans—of the Bankrupty Act;

H.R. 2279. An act for the relief of Mrs. Tyra Fenner Tynes;

H.R. 2280. An act for the relief of Adele M. Parker;

H.R. 2281. An act to provide for the payment of relocation expenses to Milo G. and Patricia Wingard;

H.R. 2286. An act for the relief of Joseph E. Gallant;

H.R. 2289. An act for the relief of Mrs. Gertrude E. Shetler;

H.R. 2295. An act for the relief of the Sterilon Corp.;

H.R. 2586. An act for the relief of Miss Mame E. Howell;

H.R. 2589. An act for the relief of Elizabeth Lucie Leon (also known as Lucie Noel);

H.R. 2602. An act for the relief of William C. Hutto;

H.R. 2603. An act for the relief of the American Hydrotherm Corp.;

H.R. 2668. An act for the relief of John R. Cook;

H.R. 2717. An act for the relief of Eber Brothers Wine & Liquor Corp.;

H.R. 2741. An act to amend section 2734 of title 10, United States Code, so as to authorize the Secretary of the Treasury to settle claims arising in foreign countries incident to noncombat activities of the Coast Guard;

H.R. 2846. An act for the relief of Dorman William Whittom;

H.R. 2909. An act relating to the maintenance and travel expenses of judges;

H.R. 2949. An act for the relief of Lois K. Alexander;

H.R. 2950. An act for the relief of Lt. Col. James A. Beplat;

H.R. 2975. An act to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy, but which were subsequently determined to be inconsistent with applicable regulations;

H.R. 3093. An act for the relief of Mrs. Dorothy (Hyman) Monk;

H.R. 3095. An act for the relief of Hilary W. Jenkins, Jr.;

H.R. 3104. An act for the relief of Col. John M. T. Malloy;

H.R. 3111. An act for the relief of Rachel Nethery;

H.R. 3243. An act for the relief of Col. Fred E. Dueker;

H.R. 3248. An act to provide for the payment of just compensation to certain claimants for the taking by the United States of private fishery rights in Pearl Harbor, Island of Oahu, T.H.;

H.R. 3249. An act for the relief of William S. Scott;

H.R. 3252. An act for the relief of Mrs. Martha Nicometi;

H.R. 3254. An act for the relief of Thomas Forman Screven, Julia Screven Daniels, and May Bond Screven Rhodes;

H.R. 3406. An act for the relief of William H. Pearlmutter;

H.R. 3410. An act for the relief of Mrs. Leonard O. Erickson;

H.R. 3522. An act for the relief of Aaron Green, Jr.;

H.R. 3797. An act for the relief of Mrs. Alberta S. Rozanski;

H.R. 3816. An act for the relief of Mukhtar Mohammed;

H.R. 3939. An act for the relief of Virginia E. Speer;

H.R. 3960. An act for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins;

H.R. 4121. An act for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities;

H.R. 4142. An act for the relief of Wintford Jesse Thompson;

H.R. 4154. An act to amend section 3238 of title 18, United States Code;

H.R. 4314. An act for the relief of Samuel Abraham, John A. Carroll, Forrest E. Robinson, Thomas J. Sawyers, Jack Silmon, and David N. Wilson;

H.R. 4318. An act for the relief of D. A. Whitaker and others;

H.R. 4445. An act for the relief of Stirley Louis Berutich;

H.R. 4615. An act to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States and for other purposes;

H.R. 4893. An act for the relief of William R. and Alice M. Reardon; and

H.R. 4964. An act for the relief of Mrs. Betty L. Fonk; to the Committee on the Judiciary.

H.R. 3290. An act to amend title 10, United States Code, to eliminate the requirement that each chaplain make an annual report to the Secretary of the Navy;

H.R. 3291. An act to amend title 10, United States Code, with respect to certain medals;

H.R. 3292. An act to amend title 10, United States Code, to authorize the Secretary of the Navy to furnish supplies and services to foreign vessels and aircraft, and for other purposes;

H.R. 3320. An act to amend the act of June 21, 1950, relating to the appointment of boards of medical officers;

H.R. 3322. An act to amend title 10, United States Code, and certain other laws to authorize the payment of transportation and travel allowances to escorts of dependents of members of the uniformed services under certain conditions, and for other purposes;

H.R. 3323. An act to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps;

H.R. 3412. An act to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army;

H.R. 3413. An act to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army; and

H.R. 4068. An act to amend title 10, United States Code, by repealing section 7475, which restricts the increasing of forces at naval activities prior to national elections; to the Committee on Armed Services.

H.R. 4913. An act to amend the National Aeronautics and Space Act of 1958 to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia for its use; to the Committee on Aeronautical and Space Sciences.

H.R. 5676. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 34) favoring the meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C., was referred to the Committee on Foreign Relations, as follows:

Whereas United States delegates have attended each of the four North Atlantic Treaty Parliamentary Conferences which have been held in Paris; and

Whereas the Fourth North Atlantic Treaty Parliamentary Conference, by resolution, expressed a wish to hold the next conference in Washington, District of Columbia: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Chairmen of the United States delegation to the North Atlantic Treaty Parliamentary Conference be requested to invite the North Atlantic Treaty Parliamentary Conference to hold its annual meeting for the year 1959 in Washington, District of Columbia.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there have been no significant developments to report for the month of February relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

REPORT ON SOIL BANK CONSERVATION RESERVE PROGRAM

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report on the 1958 soil bank conservation reserve program, dated March 1959 (with an accompanying report); to the Committee on Agriculture and Forestry.

CLARIFICATION OF STATUS OF CERTAIN BANKS

A letter from the Governor, Farm Credit Administration, Washington, D.C., transmitting a draft of proposed legislation to clarify the status of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the United States and its officers and employees, and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF FEDERAL FARM LOAN ACT

A letter from the Governor, Farm Credit Administration, Washington, D.C., transmitting a draft of proposed legislation to

amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORTS ON REAPPORTIONMENT OF APPROPRIATIONS

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation for the General Services Administration for "Operating expenses, Public Buildings Service," for the fiscal year 1959, had been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Treasury Department for "Salaries and expenses, Office of the Secretary," for the fiscal year 1959, had been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

DOROTHY E. GREEN AND THELMA L. ALLEY

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Dorothy E. Green and Thelma L. Alley (with an accompanying paper); to the Committee on Armed Services.

PROPOSED TRANSFER OF BOAT TO CHELSEA YACHT CLUB

A letter from the Assistant Secretary of the Navy (Material), reporting, pursuant to law, that the Department of the Navy proposes to transfer a 64-foot work boat to the Chelsea Yacht Club, Chelsea, Mass.; to the Committee on Armed Services.

REPORT ON NUMBER OF OFFICERS ON DUTY WITH DEPARTMENT OF THE ARMY AND ARMY GENERAL STAFF

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on the number of officers on duty with the Department of the Army and the Army General Staff, on December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

REPORT ON MILITARY CONSTRUCTION CONTRACTS AWARDED WITHOUT FORMAL ADVERTISING

A letter from the Chief of Bureau, Bureau of Yards and Docks, Department of the Navy, Washington, D.C., transmitting, pursuant to law, a report on military construction contracts awarded without formal advertising, covering the period July 1, 1958, through December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

REPORT ON RESEARCH AND DEVELOPMENT PROCUREMENT ACTION

A letter from the Director, Legislative Liaison, Department of the Air Force, Washington, D.C., transmitting, pursuant to law, the Air Force report entitled "Semiannual Research and Development Procurement Action," covering the period from July 1, 1958, to December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

REPORT OF FEDERAL CIVIL DEFENSE ADMINISTRATION

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report of the Federal Civil Defense Administration, for the fiscal year 1958 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF GOVERNMENT CORPORATION CONTROL ACT

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend the Government Corporation Control Act, as amended (with accompanying papers); to the Committee on Banking and Currency.

REPUBLIC OF ICELAND

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of the Government of the Republic of Iceland (with an accompanying paper); to the Committee on Foreign Relations.

REPORT ON REVIEW OF CONTRACT WITH ILLINOIS STATE MEDICAL SOCIETY AND ILLINOIS MEDICAL SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of Department of the Army Contract DA-49-007-MD-814 with Illinois State Medical Society and Illinois Medical Service, under dependents' medical care program, dated March 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF CONTRACT WITH AVCO MANUFACTURING CORP.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of Department of the Air Force Contract AF 33 (600)-31100 with AVCO Manufacturing Corp., Crosley Division, Cincinnati, Ohio, dated March 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF ATOMIC ENERGY COMMISSION SHIPPINGPORT ATOMIC POWER STATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of Atomic Energy Commission Shippingport atomic power station constructed and operated under contracts with Westinghouse Electric Corp. and with Duquesne Light Co., June 1958 (with an accompanying report); to the Committee on Government Operations.

ADJUSTMENT OF LEGISLATIVE JURISDICTION EXERCISED BY THE UNITED STATES OVER CERTAIN LAND

A letter from the Attorney General, transmitting a draft of proposed legislation to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes (with accompanying papers); to the Committee on Government Operations.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, SAN ANGELO PROJECT, TEXAS

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands in the San Angelo project, Texas, and that the lands to be irrigated are suspectible to the production of agricultural crops by means of irrigation; to the Committee on Interior and Insular Affairs.

CLAIM OF THE KIOWA, COMANCHE, AND APACHE TRIBES OF INDIANS *v.* THE UNITED STATES

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D.C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of *The Kiowa, Comanche, and Apache Tribes of Indians, petitioners,* v. *The United States of America, defendant,* Docket No. 32 (with accompanying papers); to the Committee on Interior and Insular Affairs.

CLAIM OF THE SENECA-CAYUGA TRIBE OF OKLAHOMA, AND PETER BUCK, ET AL., *v.* THE UNITED STATES

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D.C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of *The Seneca-Cayuga Tribe of Oklahoma, and Peter Buck, et al., members and representatives of members thereof, petitioners,* v. *The United States of America, defendant,* Docket No. 341, sixth (general) claim (with accompanying papers); to the Committee on Interior and Insular Affairs.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO OATH REQUIRED ON CERTAIN DOCUMENTS

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting a draft of proposed legislation to amend the Communications Act of 1934, as amended, by eliminating the requirement of an oath or affirmation on certain documents filed with the Federal Communications Commission (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF THE INTERIOR

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report on tort claims paid by that Department, in the fiscal year 1958 (with an accompanying report); to the Committee on the Judiciary.

CHANGE OF DESIGNATION OF CHILD HEALTH DAY

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to change the designation of Child Health Day from May 1 to the first Monday in October of each year (with an accompanying paper); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY HOUSING AND HOME FINANCE AGENCY

A letter from the Administrator, Housing and Home Finance Agency, Washington, D.C., reporting, pursuant to law, on tort claims paid by that Agency, for the calendar year 1958; to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Liw Jack from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on April 15, 1958; to the Committee on the Judiciary.

REPORT OF NATIONAL LABOR RELATIONS BOARD

A letter from the Chairman, National Labor Relations Board, Washington, D.C., transmitting, pursuant to law, a report of that Board, for the fiscal year ended June 30, 1958 (with an accompanying report); to the Committee on Labor and Public Welfare.

PROVISION OF CERTAIN CIVILIAN POSITIONS REQUIRED BY DEPARTMENT OF DEFENSE

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to provide more adequate numbers of civilian positions required by the Department of Defense to carry out scientific research and development relating to the national defense and to improve the management of the activities of the Department, and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

PUBLICATION ENTITLED "A PROGRAM FOR REDUCING THE NATIONAL FLOOD DAMAGE POTENTIAL"

A letter from the Chairman of the Board, and Director, Tennessee Valley Authority, Knoxville, Tenn., transmitting, for the information of the Senate, a publication entitled "A Program for Reducing the National Flood Damage Potential" (with an accompanying document); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Legislature of the Territory of Guam; to the Committee on Agriculture and Forestry:

"RESOLUTION 63

"Resolution relative to respectfully requesting Congress of the United States to enact certain legislation authorizing the Secretary of Agriculture to carry out the recommendations of the Guam Survey Group, released March 1958

"Whereas agriculture is one of the basic economics of any community and agriculture on Guam is presently very much underdeveloped and large areas of land that could be used for agricultural purposes are now idle; and

"Whereas the Department of Agriculture prior to World War II maintained an Agriculture Experiment Station on Guam; and

"Whereas the methods of farming now undertaken on Guam in many instances are crude as many of the farmers have not been trained or educated in modern farming methods; and

"Whereas there are many agricultural pests on Guam; and

"Whereas the Guam Survey Group was organized by the Department of Agriculture and did in fact make a survey of the agricultural needs of Guam and reported their findings and recommendations in March 1958: Now, therefore, be it

"*Resolved*, That the Congress of the United States be and it is hereby respectfully requested and memorialized to enact certain legislation authorizing the Secretary of Agriculture to carry out the recommendations of the Guam Survey Group including the following:

"(a) To establish and maintain a joint agricultural program on Guam that will promote the welfare of Guam.

"(b) To utilize any authority available to him to such extent as he may determine necessary to meet the agricultural program needs of Guam,

"(c) In developing and carrying out such agricultural program, to utilize the agency's facilities, employees and other resources of the Department of Agriculture as he may determine and to cooperate with the Government of Guam and the public and private organizations and individuals on Guam and elsewhere; and be it further

"*Resolved*, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Congress of the United States, to the Secretary of Agriculture, to the Secretary of the Interior, and to the Governor of Guam."

A joint resolution of the legislature of the State of Illinois; to the Committee on Finance:

"SENATE JOINT RESOLUTION 10

"Whereas there is in existence an unfair and unnecessary Federal excise tax of 10 percent on all telephone calls; and

"Whereas this tax was imposed during World War II not as a revenue measure but essentially as a method of restricting the use of the telephone because of the critical wartime shortage in the communications field and has continued since World War II although no shortage in available communications exists today; and

"Whereas the Federal excise tax on the telephone is unfair because it is the only such excise now imposed on household utility services such as electric, gas, and water service: Therefore, be it

"*Resolved by the Senate of the 71st General Assembly of the State of Illinois, the House of Representatives concurring herein*, That the United States Congress is respectfully requested to repeal the Federal excise tax now imposed on telephone service and that suitable copies of this resolution be sent by the Secretary of State to the Speaker of the U.S. House of Representatives, the President of the U.S. Senate, and each Member of Congress elected from the State of Illinois.

"Adopted by the Senate, March 3, 1959.

"JOHN WM. CHAPMAN,
"President of the Senate.
"EDWARD E. FERNANDES,
"Secretary of the Senate.

"Concurred in by the House of Representatives, March 10, 1959.

"PAUL POWELL,
"Speaker of the House of Representatives.
"CLARENCE BOYLE,
"Clerk of House of Representatives."

A resolution of the House of Representatives of the State of Alaska; to the Committee on Finance:

"HOUSE MEMORIAL 1

"Memorial to the Honorable Dwight D. Eisenhower, President of the United States; the Honorable Richard M. Nixon, President of the U.S. Senate; the Honorable Sam Rayburn, Speaker of the U.S. House of Representatives; the Honorable Russell C. Harrington, Commissioner of Internal Revenue of the United States; the Honorable E. L. Bartlett and the Honorable Ernest Gruening, Senators from Alaska; and the Honorable Ralph J. Rivers, U.S. Representative from Alaska.

"Your memorialist, the House of Representatives of the Legislature of the State of Alaska, in first regular session assembled respectfully submits that:

"Whereas the cost of food and clothing and other commodities necessary to sustain life is much higher in Alaska than in the continental United States; and

"Whereas such costs are on the average between 25 and 57 percent higher than similar costs in the State of Washington, Alaska's nearest neighbor State; and

"Whereas the U.S. Government has already recognized this differential in living costs by granting a 25-percent cost-of-living allowance to certain Federal employees in Alaska; and

"Whereas the action of the Federal Government relative to their own employees is proper and correct; and

"Whereas this action on the part of the U.S. Government has granted relief to only a portion of the population of Alaska; and

"Whereas the entire population of Alaska needs like assistance in the form of tax relief in order to increase the general standard of living in Alaska;

"Now, therefore, your memorialist, the House of Representatives of the State of Alaska, in first session assembled, respectfully urges that the Congress of the United States amend the Federal income tax laws to permit all Alaskan taxpayers to deduct from their taxable income an amount equal to 25 percent of their adjusted gross income in arriving at their total net taxable income.

"And your memorialist will ever pray.

"Passed by the House February 13, 1959.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House."

A resolution of the House of Representatives of the State of Montana; to the Committee on Interior and Insular Affairs:

"HOUSE RESOLUTION 11

"Resolution of the House of Representatives of the State of Montana to Dwight D. Eisenhower, President of the United States; to the Congress of the United States; to the Honorable James E. Murray and the Honorable Mike Mansfield, Senators from the State of Montana; to the Honorable Lee Metcalf and the Honorable LeRoy Anderson, Representatives from the State of Montana; to the Department of the Interior and to the Honorable Secretary of the Interior; requesting that such action be taken as may be required to place the Absaroka-Yankee Jim project under construction as early as possible

"Whereas only one-eighth of Montana's water resources has been developed; and

"Whereas the upper Missouri Basin States, particularly Montana, are faced with a real and critical power shortage during the years immediately ahead; and

"Whereas construction of Absaroka Dam, reservoir and powerplant was authorized in the Flood Control Act of 1944; and

"Whereas Yankee Jim Dam and Reservoir would maintain a relatively constant pool elevation at Absaroka Reservoir, thus assuring needed protection to the city of Livingston and the surrounding developed area, the railway and highway, and intensive recreational and resort use; and

"Whereas the integrated operation of Absaroka and Yankee Jim will great enhance firm power generation, thus increasing project revenue; and

"Whereas the rate of unemployment in Montana continues high; and

"Whereas construction of the Absaroka-Yankee Jim project would provide an estimated 4,750 man-years of onsite employment, with an additional 9,500 man-years of onsite employment in service industries; and

"Whereas power made available by the project could well mean the development of important ore deposits in this area and related industrial development; and

"Whereas feasible multipurpose projects are fully repayable and thus pay their own way while improving the economy of the region in which they are built; and

"Whereas on March 31, 1958, the Honorable JAMES E. MURRAY, U.S. Senator from Montana, with the support of the entire Montana congressional delegation presented to the Committee on Interior and Insular Affairs information regarding the engineering and economic feasibility of the Absaroka-Yankee Jim project and its importance to the well-being of the State of Montana; and

"Whereas on the basis of this and other information presented at said hearing of the Interior and Insular Affairs Committee, the Senate of the United States on May 6, 1958, adopted Senate Resolution 299 recommending the prompt start of construction of urgently needed new water and power supply projects: Now, therefore, be it

"Resolved, That the Legislature of the State of Montana hereby memorializes the Senate and the House of Representatives, the President, and the Secretary of the Interior to take such action as may be required to place the Absaroka-Yankee Jim project under construction at the earliest possible time; and be it further

"Resolved, That a substantial block of power to be generated by Absaroka-Yankee Jim Dam be reserved for Montana; and be it further

"Resolved, That copies of this material be submitted by the chief clerk of the House of Representatives of the State of Montana to the President of the United States, the Senate and the House of Representatives of the United States, Senator JAMES E. MURRAY, Senator MIKE MANSFIELD, Congressman LEE METCALF, Congressman LEROY ANDERSON, and to the Secretary of the Department of the Interior."

A resolution of the House of Representatives of the State of Colorado; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 6

"Joint memorial memorializing the Congress and President of the United States to safeguard and preserve established State and individual rights to the use of water within the separate States

"Whereas recent decisions from the Federal courts and recent rulings from the U.S. Department of Justice have deprived States and persons of rights which said States and persons previously enjoyed, to regulate and control the use of the water in those respective States; and

"Whereas said decisions and rulings are further a part of a general pattern developing gradually into Federal supremacy and usurpation over water which, if continued, will destroy individual and States rights over water and substitute in lieu thereof an all-powerful centralized government control thereover: Now, therefore, be it

"Resolved by the House of Representatives of the 42d General Assembly of the State of Colorado, the Senate concurring herein, That the Congress and President of the United States and the Representatives of Colorado in the Congress of the United States are hereby urged and requested to take all necessary action to (1) preserve the water rights of the individual and the States and to prevent Federal usurpation of those rights; (2) see that legislation is initiated and supported to reestablish to the individuals and to the States the rights taken from them by the Federal courts and the Justice Department; and (3) in every way possible reaffirm, renew, and defend the concepts that water rights are property rights and that these established rights to the use of water by a State or an individual should not be taken away without due process of law and adequate compensation: be it further

"Resolved, That copies of this memorial be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives of the Congress, chairmen of the U.S. Senate and House Committees of Interior and Insular Affairs, U.S. Senator JOHN A. CARROLL, U.S. Senator GORDON ALLOTT, U.S. Representative WAYNE ASPINALL, U.S. Representative J. EDGAR CHENOWETH, U.S. Representative BYRON ROGERS, and U.S. Representative BYRON JOHNSON.

"ROBERT S. EBERHARDT,
"Chief Clerk of the House of Representatives.
"CHARLES R. CONKLIN,
"Speaker of the House of Representatives.
"LUCILE L. SCHUSTER,
"Secretary of the Senate.
"ROBERT L. KNORR,
"President of the Senate."

A resolution of the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"RESOLUTION 50

"Resolution relative to respectfully requesting Congress of the United States to amend the Organic Act of Guam, so as to provide that the legislature may override with finality, the veto of the Governor of Guam

"Be it resolved by the Legislature of the Territory of Guam—

"Whereas, under section 19 of the Organic Act of Guam, Public Law No. 630, 81st Congress, chapter 512, the Legislature of Guam is empowered to override the veto of the Governor of Guam on any bill presented to him only in limited fashion because of the provision contained in such section that upon such override by the legislature, the bill is transmitted to the President of the United States, who is empowered to uphold the veto of the Governor, the wishes of the legislature to the contrary notwithstanding; and

"Whereas the prerogative of legislative bodies to override the veto of the chief executive officer is within the traditional power of almost all legislative bodies within the American framework of representative government; and

"Whereas the local autonomy granted by virtue of said Organic Act is narrowly limited if, as the history of Guam indicates, the veto of an appointed Governor cannot be overridden by the elected representatives of the people of Guam; and

"Whereas the Fourth Guam Legislature, did, on the 6th day of August 1958, pass and adopt a similar resolution (Res. 6, 4th special sess.), which was thereafter transmitted to the officials hereafter named, but that the U.S. Congress adjourned several days thereafter thereby precluding their consideration of the same: Now, therefore, be it

"Resolved, That the Congress of the United States be and it is hereby respectfully requested and memorialized to amend the Organic Act of Guam to permit the legislature to effectively override the veto of the Governor of Guam; and, be it further

"Resolved, That in considering such amendment, the Congress bear in mind that the Legislature of Guam is willing to accept a very limited right to so override executive vetoes, even to the extent requiring a unanimous consent vote by the legislature, since it is the desire of the people of Guam to override the veto of their appointed Governor only when the opinion of their elected representatives is unanimous on the desirability of such action; and, be it further

"Resolved, That in considering such amendment, the Congress bear in mind that section 19 of the Organic Act of Guam still reserves to the Congress of the United States the final power and authority to annul all laws enacted by the Legislature of Guam; and, be it further

"Resolved, That the speaker certify to and the legislative secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the Senate, the Speaker of the House of Representatives, the chairman of the Interior and Insular Affairs Committees of the Senate and House, and to the Governor of Guam."

A resolution of the House of Representatives of the State of Arkansas; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION 24

"Be it resolved by the House of Representatives of the 62d General Assembly of the State of Arkansas, the Senate concurring therein—

"SECTION 1. That the General Assembly of the State of Arkansas, pursuant to article 5 of the Constitution of the United States, hereby petitions the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States in substantially the following form and content.

"PROPOSED CONSTITUTIONAL AMENDMENT

"1. The chairmen of the standing committees of the Congress of the United States shall each, within 30 days of the ratification of this article as an amendment, appoint one member to a commission to be known as commission on the constitutionality of the 14th amendment, notwithstanding other provisions of the Constitution vesting appointive power in the executive branch of the Government.

"2. No person shall be appointed who shall not have obtained the age of 45 years and been 30 years a citizen of the United States and for 20 consecutive years been engaged in the general practice of law.

"3. Within 60 days of said appointment the said Commission shall begin hearings to determine the constitutionality of the deprival of equal suffrage in the Senate of the 39th Congress, the submission, and ratification of the 14th amendment to the Constitution of the United States, prior to the date of December 31, 1870.

"4. Within 18 months of said appointments a formal written report of the findings of said Commission shall be filed with the Secretary of State of the United States and copies thereof made public.

"5. Upon the filing of a finding that there was an unconstitutional deprival of equal suffrage in said Senate, or said submission or ratification, then said amendment shall after 30 days become null and void, unless within 30 days a national referendum be called as provided herein.

"6. Within 30 days of the filing of said findings the Secretary of State shall upon the application of the legislatures of five States call for a nationwide referendum to be conducted on the first Tuesday following a period of 120 days from the filing of the findings in accordance with the laws of the various States. There shall appear on the ballot only 'approve Commission finding' and 'disapprove Commission finding.' Should the Commission finding disclose an unconstitutional action in either of the 3 instances, then upon a majority vote of all those voting in the 49 States to 'approve Commission finding' said amendment shall become null and void. Should the Commission finding not disclose an unconstitutional action in either of the 3 instances, then upon a majority vote of all those voting in the 49 States to 'disapprove Commission finding' said amendment shall become null and void. The result of said election shall be final, decisions of the Supreme Court notwithstanding.

"7. The Congress shall promptly provide adequate compensation for members of said Commission, its staff, and all other expenses.

"SEC. 2. That the Secretary of State, upon adoption of this resolution, shall furnish copies of the same to the President of the Senate and to the Speaker of the House of Representatives of the U.S. Congress, to the presiding officers of the Senate and House of Representatives of each of the 49 States and to the members of the Arkansas delegation in the U.S. Congress."

A resolution of the Senate of the State of New Mexico; to the Committee on Rules and Administration:

"SENATE MEMORIAL 6

"Memorial memorializing the Congress of the United States to give favorable consideration relative to the employment of Albert Gallegos as a page in the House of Representatives or the Senate of the United States.

"Whereas Albert Gallegos, of Taos, N. Mex., has rendered outstanding service as a page in the New Mexico State Senate during the regular session of the 24th legislature; and

"Whereas the services and personality of Albert Gallegos as a page in the New Mexico State Senate have endeared him to the entire membership of the senate; and

"Whereas Albert Gallegos is a boy of the highest character and is outstanding in his academic studies in the Taos, N. Mex., municipal schools; and

"Whereas Albert Gallegos, although only 15 years of age, has for several years contributed to the support of his family, consisting of his parents, brothers and sisters, by selling newspapers, shining shoes, cleaning yards, washing cars, and other honorable means; and

"Whereas Albert Gallegos comes from a respected and reputable family: Now, therefore, be it

"Resolved by the Senate of the State of New Mexico, That the Congress of the United States be memorialized to give favorable consideration relative to the employment of Albert Gallegos as a page in either the House of Representatives or the Senate of the United States; and be it further

"Resolved, That a copy of this memorial be transmitted to the President of the U.S. Senate, the Speaker of the House of Representatives, and to each Senator and Representative in Congress from New Mexico.

"ED V. MEAD,
"President, Senate.
"HAL THORNBERRY,
"Chief Clerk, Senate.

"Approved by me this 6th day of March, 1959.

"JOHN BURROUGHS,
"Governor, State of New Mexico."

A concurrent resolution of the Legislature of the State of West Virginia; ordered to lie on the table:

"HOUSE CONCURRENT RESOLUTION 30

"Resolution relating to the Honorable John Foster Dulles, Secretary of State of the United States

"Whereas West Virginia and the peace-loving people of our Nation and the world are saddened by the illness of Secretary of State John Foster Dulles, now a patient in Walter Reed Hospital, Washington, D.C.; and

"Whereas Mr. Dulles as a soldier, statesman and world citizen has given more than 50 years of his long and fruitful life in the unselfish service of his country and to upholding and furthering the principles of freedom, beginning at the Hague Peace Conference of 1907 and continuing through World War I and World War II to 1950 when President Truman named him as his personal representative to negotiate the Japanese Peace Treaty; and

"Whereas this statesman and diplomat who grew up dreaming of being not President but Secretary of State, and who had trained for the job during 50 years of law practice and international diplomacy, was appointed Secretary of State by President Eisenhower in 1953 to guide the foreign policy of the United States through the cold war period and to give leadership to the free peoples of the world in the staggering battle against communism; and

"Whereas as Secretary of State Mr. Dulles has translated his respect for Theodore Roosevelt's experiences with peace-by-power and Woodrow Wilson's principles of peace-by-moral-fervor into a gleaming weapon against communism, wielding this weapon brilliantly in building up a commanding influence by wrapping up the political, military, economic and moral complexities of cold war into his own fighting faith, which faith is based upon the principles stated by him in these words, 'Freedom must be a positive force that will penetrate. If we demonstrate the good fruits of freedom, then we can know that freedom will prevail'; and

"Whereas Mr. Dulles has faithfully, courageously, with single-minded strength and outstanding ability, carried out the tremendous assignment of his country at the very risk of his life, traveling more than one-half million miles to the far corners of the earth in good weather and bad, on journeys that would tax to exhaustion the strength of men far younger than himself, which arduous labors in the service of his country and the cause of freedom have sapped his rugged physique to the extent that he finally had to submit to hospitalization; and

"Whereas his absence from the international scene is the greatest possible loss to Western policymaking and temporarily removes from the active scene a unique cold-war leadership; and

"Whereas this appreciation of one of the world's outstanding statesmen and diplomats is without taint of partisan political influence as evidenced by the fact that the West Virginia senate is composed of 23 members of the Democratic Party and 9 members of the Republican Party and the house of delegates consists of 85 Democrats and 15 Republicans: Therefore be it

"Resolved by the house of delegates, the senate concurring therein, That the Legislature of West Virginia prays for the early recovery of this great American and fine father of two clergymen, not only for the peace and joy of his family, but for a continuation of the priceless counsel he has given free men everywhere; and be it further

"Resolved, That the clerk of the house of delegates transmit a copy of this resolution to Mr. Dulles and his family, to President Eisenhower, Vice President Nixon, House Speaker Sam Rayburn, Senate Majority Leader Lyndon B. Johnson, and Senate Minority Leader Everett M. Dirksen.

A joint resolution of the Legislature of the State of Alaska; ordered to lie on the table:

"HOUSE JOINT MEMORIAL 1

"Joint memorial to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and the congressional delegation of the State of Alaska

"Your memorialist, the Legislature of the State of Alaska in first session assembled, respectfully represents:

"Whereas Alaska has at long last joined the American Union, becoming the 49th State on January 3, 1959, after many years as a Territory without the full benefits of U.S. citizenship; and

"Whereas Hawaii has for many years also been a Territory similarly deprived of the equal rights and privileges granted U.S. citizens fortunate enough to reside in a State, with the result that the people of Alaska and Hawaii have always felt akin and in sympathy toward the attainment of this objective and have always cooperated in attempting to obtain the benefits of statehood; and

"Whereas during the recent successful struggle for Alaska statehood the people of Hawaii and their representatives lent both encouragement and aid, thereby showing not only their unselfish interest in the aspirations of the people of Alaska but also demonstrating their commitment to the American ideals of democracy and self-government; and

"Whereas the people of Hawaii have shown the capability, initiative, and responsibility to accept the burdens and privileges of statehood; and

"Whereas the achievement of statehood by the people of Alaska makes any objection to statehood for Hawaii untenable:

"Now, therefore, your memorialist, the First Legislature of the State of Alaska in first session assembled, respectfully urges that the Congress of the United States at its present session pass legislation as will admit Hawaii to the Union on an equal footing with the other States.

"And your memorialist will ever pray.

"Passed by the House February 2, 1959.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House.

"Passed by the Senate, February 5, 1959.

"WILLIAM E. BELTZ,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate."

(The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of North Dakota, relating to the retention of the present 2 percent interest rate applying to loans made to rural electrical cooperative associations or corporations, which was referred to the Committee on Agriculture and Forestry.)

(See the above concurrent resolution printed in full when presented by Mr. LANGER (for himself and Mr. YOUNG) on March 16, 1959, page 4197, CONGRESSIONAL RECORD.)

(The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of North Dakota, relating to the development of organized labor in that State, which was referred to the Committee on Labor and Public Welfare.)

(See the above concurrent resolution printed in full when presented by Mr. LANGER (for himself and Mr. YOUNG) on March 16, 1959, page 4198, CONGRESSIONAL RECORD.)

A petition signed by sundry citizens of the United States, members of Astoria Post No. 1, Catholic War Veterans of the United States, Inc., of Astoria, N.Y., favoring a closer participation by all in the Nation's foreign policy; to the Committee on Foreign Relations.

The petition of E. C. McCreery, of Springfield, Ohio, favoring a severance of diplomatic relations with Russia because of certain attacks on American airplanes; to the Committee on Foreign Relations.

The petition of James Dukas, president of the Edwardsville Amusement Corp., of Edwardsville, Pa., praying for a redress of grievances; to the Committee on the Judiciary.

The petition of Gordan B. Dickinson, of Sour Lake, Tex., relating to certain charges against J. Edgar Hoover, Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

A letter in the nature of a petition from Msgr. John Balkunas, chairman of the Conference of Americans of Central-Eastern European Descent, of New York, N.Y., relating to the inclusion of naturalized citizens in the settlement of certain claims; to the Committee on the Judiciary.

A resolution adopted by the Board of Supervisors of the County of Kauai, T.H., relating to the admission of Hawaii into the Union; ordered to lie on the table.

A telegram in the nature of a petition from the Maui (Hawaii) Merchants Association, expressing thanks for the granting of statehood to Hawaii; ordered to lie on the table.

A petition, signed by sundry students of Roosevelt High School, of Honolulu, Hawaii, praying for the enactment of legislation to provide statehood for Hawaii; ordered to lie on the table.

A resolution adopted by the Maryland State Society, Daughters of the American Revolution, relating to the defense of the Islands of Quemoy and Matsu; to the Committee on Foreign Relations.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, yesterday the distinguished chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr.

FULBRIGHT] was authorized, on behalf of the committee—by an almost unanimous vote, I believe—to report an important piece of administration-proposed legislation involving the International Monetary Fund. The hearings will be available, I believe, late today or in the morning. The report will be available.

There is not a great deal of controversy, I am informed, in regard to this measure. I should like to have Senators know that we expect to have the Senate debate the bill during the week; and although we could reach a vote on it tomorrow, and would like to do so, if it is the desire of any Senator to discuss it at some length we shall be glad to have him do so. The Senate could be in session on Friday and Saturday.

It may be possible to obtain an agreement to have the Senate vote on that measure tomorrow. If not, I hope the Senate will vote on it on Monday, along with the area redevelopment bill. I propose to bring up the bill by motion, if a majority of the Members of the Senate concur. Then, I intend to ask the distinguished Senator from Arkansas, the chairman of the committee, to make an opening statement on the bill, at least, even if I have to move to displace that bill by another measure.

After the joint session, we intend to have the Senate proceed with the usual morning hour. If that is agreeable, I should like to have a quorum call had now, because I have been asked to have the Senate be in the other body at 12:14; the House expects us to arrive at 12:14, and we must notify Senators who are absent at this moment.

I ask unanimous consent that when the Senate reconvenes we have the usual morning hour, with a 3-minute limitation on statements. If that consent is given, then I propose to suggest the absence of a quorum at this time, and, at the conclusion of the quorum call, to have the Senate stand in recess, subject to the call of the Chair. Mr. President, I make those requests.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

RECESS—JOINT MEETING OF THE TWO HOUSES—ADDRESS BY HON. SEAN T. O'KELLY, PRESIDENT OF IRELAND

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the call be dispensed with, that the Senate stand in recess, and that Senators assemble at the door so that they may proceed to the other body for a joint meeting to hear the President of Ireland.

The PRESIDING OFFICER (Mr. CARLSON in the chair). Without objection, it is so ordered, and the Senate will stand in recess.

At 12 o'clock and 15 minutes p.m. the Senate, preceded by its Secretary [Felton M. Johnston], its Sergeant at Arms [Joseph C. Duke], the Vice President, and the President pro tempore, proceeded to the Hall of the House of Representatives for the purpose of attending the joint meeting of the two Houses to hear the address to be delivered by the Honorable Sean T. O'Kelly, President of Ireland.

(For the address delivered by the President of Ireland, see the House proceedings of today's CONGRESSIONAL RECORD.)

LEGISLATIVE SESSION

The Senate returned to its Chamber at 1 o'clock and 6 minutes p.m., and reassembled when called to order by the President pro tempore.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Constitutional Rights, of the Judiciary Committee; the Subcommittee on Health, Education, Welfare, and Safety, of the Committee on the District of Columbia; and the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, were authorized to meet today during the session of the Senate.

On request of Mr. GORE, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the order previously entered, morning business is now in order.

ADDITIONAL PETITIONS AND MEMORIALS

Additional petitions, etc., were presented, and referred, as indicated:

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolutions memorializing the Congress of the United States to establish a Federal domiciliary hospital in New England

"Whereas the Federal Government has provided 18 domiciliary hospitals throughout the Nation for the care of its veterans; and

"Whereas the New England area, comprising a group of 6 States having a veteran population of 1,350,000, has no domiciliary hospital therein; and

"Whereas the nearest domiciliary hospital to the New England area is located in Bath, N.Y., thereby entailing additional hardship and expense on the families of New England veterans now hospitalized when they visit their loved ones: Therefore, be it

"*Resolved*, That the General Court of Massachusetts respectfully urge the Congress of the United States to take such action as may be necessary to establish a Federal domiciliary hospital in New England; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of the Congress, and to the Members of the Congress from this Commonwealth and the other New England States.

"House of Representatives, adopted, February 17, 1959.

"LAWRENCE R. GROVE,
"Clerk.

"Senate, adopted in concurrence, February 19, 1959.

"IRVING N. HAYDEN,
"Clerk."

UNEMPLOYMENT COMPENSATION—RESOLUTION OF CITY COUNCIL OF WORCESTER, MASS.

Mr. SALTONSTALL. Mr. President, on behalf of myself, and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], I present a resolution adopted by the city council of the city of Worcester, Mass., relating to the extension of unemployment compensation. I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the Federal temporary unemployment compensation program expires the week ending April 4, 1959; and

Whereas this area is considered a distress area with approximately 10 percent unemployment: Now, therefore, be it

Resolved, That our Massachusetts Senators and Congressmen be and are hereby urged to extend legislation for unemployment compensation payments for such further period as they deem necessary.

JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD, Senate Joint Memorial 2, adopted recently by the Senate and the House of Representatives of the State of Oregon.

It gives me special pleasure to bring this joint memorial to the attention of my colleagues because it reflects a view concerning Federal excise taxes on telephone and telegraph services with which I am in complete accord.

There being no objection, the joint resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

ENROLLED SENATE JOINT MEMORIAL 2

To the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the Federal Government levies an excise tax on telephone and telegraph services; and

Whereas such tax was levied during World War II as a wartime emergency tax to help defray war costs and to discourage unnecessary use of such services; and

Whereas the wartime emergency has expired and there is no longer a justification for imposing such tax for the purpose for which it was initially levied; and

Whereas the tax on telephone and telegraph bills imposes an undue hardship upon

millions of individuals and businesses in this country, and is discriminatory; and

Whereas telephone and telegraph services are essential to the orderly transmission of information required in transaction of business and personal affairs and should not be taxed in the same manner as luxury items such as furs, jewelry, and other nonessentials; and

Whereas the continued imposition of this tax is discriminatory upon businesses in the western United States who market their products competitively in the East, with communication service to such eastern markets essential to such competition; and

Whereas the maintenance of an adequate communication system is essential to the economic prosperity and welfare of the people of this country: Now, therefore, be it

Resolved by the Senate of the State of Oregon, the House of Representatives jointly concurring therein, That the Legislative Assembly of the State of Oregon respectfully memorializes the Congress of the United States to repeal the excise tax levied upon telephone and telegraph services; and be it further

Resolved, That copies of this memorial be sent to the President and Vice President of the United States, the Speaker of the House of Representatives, the chairman of the Ways and Means Committee of the House of Representatives, and to all members of the Oregon congressional delegation.

Adopted by senate February 18, 1959. Readopted by senate March 4, 1959.

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of Senate.

Adopted by house February 26, 1959.

ROBERT B. DUNCAN,
Speaker of House.

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Oregon, identical with the foregoing, which was referred to the Committee on Finance.)

RESOLUTIONS OF THE OREGON STATE FARMERS UNION

Mr. MORSE. Mr. President, I wish to bring to the attention of the Senate a series of resolutions adopted by the Oregon State Farmers Union at their annual convention in Salem, Oreg., last February 7, 1959. I ask unanimous consent that the resolutions, to which I have alluded, be printed in the RECORD at this point in my remarks.

The Farmers Union is one of the great farm organizations in my State; and I feel that it is important that the Senate have the benefit of the thinking of the members of that great organization when the time comes to deliberate upon legislative matters affecting our farm policy.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED AT THE 49TH ANNUAL CONVENTION OF THE OREGON STATE FARMERS UNION, FEBRUARY 7, 1959, SALEM, OREG.

Resolved, That the membership of county ASC committees, which at present is made up of three members, be increased to five, the number of alternates remaining the same, two.

Resolved, That the Oregon State Farmers Union go on record as being in favor of the formation of an International Food Bank.

Whereas the destructive power of the atomic bomb has been demonstrated beyond question; and

Whereas the earth's atmosphere has been polluted by atomic fallout from bombs heretofore detonated, to an extent that it constitutes a hazard to human life; and

Whereas the United States and the Soviet Union have stock piles of atomic bombs that could, if used, devastate the whole earth; and

Whereas further detonation of atomic bombs cannot be justified from any standpoint: Therefore be it

Resolved by the Oregon State Farmers Union, in convention assembled, That we are opposed to the further detonation of atomic bombs by the United States or any other country; and be it further

Resolved, That the United States enter into agreement with other countries to cease the detonation of atomic or hydrogen bombs; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, the Atomic Energy Commission, and to our Senators and Representatives in Congress.

NEWBERG FARMERS UNION.

Whereas we believe that any farm program should be regulated according to the need of the particular farmer to maintain his place in the economy of his community: Therefore be it

Resolved, That the actual production per acre over the last 10 years be used as a basis for county records to determine allotments and conservation reserve payments.

MORROW COUNTY FARMERS UNION.

Whereas we are of the firmest belief that the Creator gave the natural resources for all people—past, present, and future; and

Whereas the only way the present and future generations can be assured of their benefits and safeguards from river development is through entire area planning and development to produce the most possible power potential, flood control, irrigation, recreation, navigation, etc.; and

Whereas the only way that all people, farmers, businesses, consumers, etc., can fully enjoy their heritage is by developing the resources themselves through the most democratically controlled organization possible to perpetuate the safeguards for people in the future; and

Whereas we feel that the appointment of both the board of directors and general manager by the President of the United States with the consent of the Congress has a possibility of making the corporation one with unstable management and a political football: Therefore, be it

Resolved, That the Oregon State Farmers Union, in convention assembled, go on record as supporting a Columbia River Development bill similar to that presented by United States Senator RICHARD L. NEUBERGER, except that portion which may weaken the present preference clause, and except that portion which allows the President of the United States to appoint the general manager instead of leaving his appointment up to the board of directors.

BUENA VISTA FARMERS UNION.

INVESTIGATION OF MANAGEMENT OF MISSOURI RIVER WATER—JOINT RESOLUTION OF MONTANA LEGISLATURE

Mr. MURRAY. Mr. President, I present for printing in the RECORD a joint memorial passed by the House and Senate of the Montana State Legislature requesting a thorough congressional investigation of management of Missouri River water.

When the Flood Control Act of 1944 was before Congress, we added to it the O'Mahoney-Millikin amendment, reserving waters arising in the Western States for western uses. Today, we are confronted with a shortage of power for our public and cooperative electric systems in several of the upper basin States. A part of the reason is the Corps of Army Engineers' use of a disproportionate part of Missouri River water to maintain a flowing navigation channel in the lower Missouri River during the summer months. Although our power peaks come in the winter, water is allowed to flow out of the upper basin at the rate of 30,000 cubic feet per second during the summer months. This flow is cut back to less than a third of this in the winter months when power is most needed.

The Corps of Army Engineers insists that the O'Mahoney-Millikin amendment does protect upper basin water for electric power generation for the upper basin. The Senator from Wyoming [Mr. O'MAHONEY], a coauthor of the amendment, has stated before our committee that power generation was contemplated by him and former Senator Millikin when the amendment was written, offered and adopted. It was certainly in my mind when I supported the adoption of the amendment.

The upper basin States do not want to stop navigation in the lower basin. We have urged studies of slack water navigation. We have suggested the construction of thermal powerplants in the vast lignite areas of the Dakotas and eastern Montana to meet the electric power requirements of the area and relieve some of the pressure on scarce water supplies.

In the upper basin we do not believe in fighting over scarcities when there are abundant resources to meet all needs. We are for the full development of our resource potentials.

But it is becoming increasingly clear that there is an effort to deny upper basin States both the use of their own water to meet their own needs and development of alternative resources as well. You are all familiar with our effort to get construction of Yellowtail Dam started, and of executive obstruction of that project.

We have urged the Appropriations Committees of the House and Senate to authorize new studies of the feasibility of slack water navigation in the lower Missouri Basin. I have urged the Executive Department to plan and build thermal generating plants in the upper Missouri Basin lignite areas to meet our power requirements.

Unhappily, the same lobbies which demand that our water be illegally released for lower basin navigation also oppose the construction of alternative plants.

I hope that the Members of this body and other agencies of Government will take note of this joint memorial and give some thought to the situation.

When the Army Engineers' and the Bureau of Reclamation's conflicting plans for Missouri River development

were joined in the renowned "shameless, loveless shotgun wedding" at Omaha, Nebr., in 1944, Congress was warned that there was not enough water for both schemes. The wedding is right now headed for the rocks and it is going to end in an irreconcilable domestic break if the lower basin partner believes that the upper basin partner is going to provide everything on the table, and let the lower basin consume all of it.

I deplore the fact that we did not create a Missouri Valley Authority and assure full resources development back in 1945, instead of permitting the "shameless, loveless shotgun wedding" of the Pick and Sloan plans. We knew then that the two plans were not compatible. But the wedding was solemnized and has been consummated by gigantic public expenditures although some of us were speaking up, and refusing to hold our peace, all the time.

The Montana joint memorial now going into the RECORD may well be regarded as notice that divorce proceedings are just ahead unless some new arrangements can be made so the upper basin will not have to sacrifice all its needs in order to float a fleet of sand and gravel barges and a relatively few commercial barges on a costly, wasteful, water-extravagant flowing navigation channel in the lower river.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

Joint memorial of the Senate and House of Representatives of the State of Montana to the Congress of the United States; Hon. JAMES E. MURRAY and Hon. MIKE MANSFIELD, Senators from the State of Montana; Hon. Lee METCALF and Hon. LEROY ANDERSON, Representatives in Congress from the State of Montana; urging the U.S. Congress to investigate and study the supply, control, allocation, and use of the Missouri Basin waters and power

Whereas it is a well established fact that the growth and development of any basin area in the United States is dependent upon adequate water supply for industry, agriculture, power, and municipal requirements; and

Whereas the people of Montana are now looking to the Missouri River for large quantities of water for the ultimate irrigation of a quarter of a million acres of land; and are endeavoring to establish industry in this State to maintain and hold the future young people of this State; and in order to have this industry, large blocks of low-cost power will be needed for development; and

Whereas it is evident that the present disposition of the Missouri waters will result in a shortage of water to meet the aforementioned requirements in addition to meeting requirements as are now proposed in other Missouri River Basin States; and

Whereas it is imperative that a determination be made as quickly as it is possible, regarding an equitable and prudent handling of these Missouri Basin waters so that the most justifiable water requirements can be met to the fullest extent possible, with all due regard to the State of Montana in which over 80 percent (80%) of the waters on the Missouri system rise: Now, therefore, be it

Resolved, That the 36th Legislative Assembly of the State of Montana of 1959, now in session, the Senate and the House of Representatives concurring, do recommend to the Congress of the United States, that they immediately proceed with a compete investigation and study of the Missouri Basin water supply situation. This investigation and study to cover the present method of control and allocation of water; control and allocation of federally generated power; and the question of maximum financial return to the Federal Government through the sale of such power as it shall produce; be it further

Resolved, That the Congress of the United States make a study of the present application of the O'Mahoney-Millikin amendment to the Flood Control Act of 1944, to determine if there is any abrogation of that amendment; be it further

Resolved, That the Congress of the United States take such steps as shall be necessary to the end that Montana people and Montana industry shall be given first consideration in the adjudication of water and power distribution, and to protect their rights in such water and such power already established, whether by use or otherwise; be it further

Resolved, That copies of this memorial be forwarded by the Secretary of the Senate of the Senate of Montana to each of the individuals named in the title of this memorial, Hon. JAMES E. MURRAY and Hon. MIKE MANSFIELD, Senators from the State of Montana and Hon. LEE METCALF and Hon. LEROY ANDERSON, Representatives in Congress from the State of Montana.

PAUL CANNON,
President of the Senate.
JOHN J. MACDONALD,
Speaker of the House.

By Mr. KERR:

A concurrent resolution of the Legislature of the State of Oklahoma; to the Committee on Interior and Insular Affairs:

"ENROLLED SENATE CONCURRENT RESOLUTION 4

"Concurrent resolution memorializing the Congress of the United States to act promptly and favorably to provide authority and funds for the construction of the Canton irrigation project water distribution works; directing that authenticated copies of this resolution be forwarded to the President of the United States and to Members of the Oklahoma congressional delegation

"Whereas the Congress of the United States did approve and provide funds for construction of Canton Reservoir on the North Canadian River, Canton, Okla.; and

"Whereas the reservoir was constructed to include outlet works and storage for the irrigation of 16,000 acres of land in the Canadian River Valley; and

"Whereas in 1945 the landowners in the valley below Canton Dam did organize and perfect the Canton Irrigation District under Oklahoma law, comprising aforesaid 16,000 acres of land; and

"Whereas the Canton Irrigation District is ready and willing to enter into contract negotiations for the repayment of construction costs of the project water distribution works to serve the lands of said district; and

"Whereas the Secretary of the Interior has, through the Bureau of the Budget, presented to the Congress the Canton project report for its consideration and approval: Now, therefore, be it

"Resolved by the Senate of the 27th Legislature of the State of Oklahoma, the House of Representatives concurring therein, That we respectfully request the 86th Congress of the United States, now assembled, to act promptly and favorably to authorize the construction of the Canton Irrigation District project water distribution works and to provide the necessary funds to initiate construction of said works at the earliest possible date; be it further

"Resolved, That an authenticated copy of this resolution be forwarded to the President of the United States and to each Member of the Oklahoma congressional delegation.

"Adopted by the Senate the 3d day of March 1959.

"HAROLD GARVIN,
"President pro tempore of the Senate.

"Adopted by the House of Representatives the 9th day of March 1959.

"CLINT G. LIVINGSTON,
"Speaker of the House of Representatives."

A resolution of the Senate of the State of Oklahoma; ordered to lie on the table:

"ENROLLED SENATE RESOLUTION 27

"Resolution commemorating the life and achievements of Charles Curtis, member of the Kaw Nation and Vice President of the United States; and expressing the gratitude of the Senate of the State of Oklahoma to those persons whose efforts resulted in the presentation of a statute of Vice Precident Curtis to the National Hall of Fame for Famous American Indians at Anadarko

"Whereas this sovereign State of Oklahoma has long been known among all her sister commonwealths as the foremost repository of those memorials and monuments which preserve for future generations of Americans some knowledge of the culture of the American Indian and of the indelible imprint made on our national character by the original inhabitants of this great land; and

"Whereas the proudest heritage and most cherished birthright of every Oklahoman is the proud legacy of courage and honor bestowed upon our State by our Indian citizens; and

"Whereas the very name of our great commonwealth springs from the meaningful and melodious tongue of one of the greatest of the American Indian Nations; and

"Whereas Anadarko, Okla., was therefore chosen as the site of the National Hall of Fame for Famous American Indians, established for the perpetuation of the memory of the contributions of this great people, and for the preservation of the symbols and memorials of their noble way of life; and

"Whereas Charles Curtis, outstanding attorney, civic leader and statesman, five times U.S. Senator and Vice President of the United States from 1929 to 1933, was a member of the Kaw Nation, and had a tribal allotment in the lands of that people in Oklahoma; and

"Whereas because of his contributions to the cultural, spiritual and social development of the American way of life, it has long been desired that this illustrious son of the Kaw Nation be included among that select and immortal group of American Indians honored in the National Hall of Fame for Famous American Indians at Anadarko; and

"Whereas a life-size bronze bust of Charles Curtis will be unveiled at Washington, D.C., on March 4, 1959, by his daughter, Mrs. Webster Knight, II, of Providence, R.I., and will thereafter be transported to Anadarko, where it will be dedicated and permanently installed in the Hall of Fame for Famous American Indians on August 17, 1959, in the presence of thousands of persons of American Indian descent from all over the United States; and

"Whereas this wholly appropriate tribute to the greatness of Charles Curtis and this magnificent addition in our own Oklahoma institution has been made possible only by the unceasing efforts and devotion of a dedicated band of Oklahomans, both private citizens and Members of our congressional delegation, and a group of citizens of other States whose gracious efforts on behalf of this project should earn them the gratitude of our entire State; and

"Whereas it is appropriate that this body tender its tribute to the memory of Charles Curtis and express its deep appreciation to

those who have given so unstintingly of their time to consummate this tribute to Mr. Curtis and the transfer of his bust to our Indian Hall of Fame: Now, therefore, be it

"Resolved by the Senate of the 27th Legislature of the State of Oklahoma, That this body, now duly assembled, does hereby pay official tribute to the accomplishments of the late Charles Curtis, illustrious son of the Kaw Nation, and does hereby officially express its deep gratitude on behalf of the people of Oklahoma, to the following persons who have obtained this signal honor for the National Hall of Fame for Famous American Indians: Hon. Patrick J. Hurley, general chairman; Hon. Edgar S. Vaught, Oklahoma City, Okla.; Joe W. McBride, Oklahoma City, Okla.; Hon. Roy Johnson, Ardmore, Okla.; Gov. Floyd Maytubby, Oklahoma City, Okla.; Paul Stonum, Anadarko, Okla.; Helen Peterson, executive director of National Congress of American Indians, Washington, D.C.; Dena Woods, Washington, D.C.; Allan Cromley, National Press Building, Daily Oklahoman, Washington, D.C.; Mrs. Peter J. Ward, 8144 Audrain Drive, St. Louis 21, Mo.; Mrs. Logan Billingsley, Katonah, N.Y.; Robert Goombi, tribal chieftain and president American Indian Exposition, members of the Charles S. Curtis memorial committee; Hon. Richard Nixon, Vice President of the United States; Hon. Henry A. Wallace, former Vice President of the United States, honorary members; Mrs. Webster Knight, II, Providence, R.I.; Madeleine Park, Katonah, N.Y., the sculptress; Hon. Ed Edmondson, Carl Albert, Tom Steed, John Jarman, Page Belcher and Toby Morris, U.S. Representatives from Oklahoma; Senator Robert S. Kerr, and Senator Mike Monroney our U.S. Senators; be it further

"Resolved, That properly prepared copies of this resolution be mailed to the persons above named, to the University of Oklahoma Library, and to the National Hall of Fame for Famous American Indians, at Anadarko, Okla.

"Adopted by the senate the 25th day of February 1959.

"HAROLD F. GARVIN,
"President pro tempore of the Senate."

TAXATION OF COOPERATIVES—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I present, for appropriate reference, two resolutions which I have received from the Wild Rice Electric Cooperative, Mahnomen, Minn., in regard to further taxation of cooperatives. I ask unanimous consent that the resolutions may be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION 1

Whereas it has been brought to the attention of the members of Wild Rice Electric Cooperative, Inc., Mahnomen, Minn., that there is an administration co-op tax proposal; and

Whereas such proposal could be detrimental to all cooperatives; and

Whereas such proposal is a punitive tax proposal: Now, therefore, be it

Resolved, That the membership of Wild Rice Electric Cooperative, Inc., assembled at the annual meeting do hereby oppose such legislation; and be it further

Resolved, That said resolution be forwarded to its Senators and Representatives.

RESOLUTION 2

Whereas it has been brought to the attention of the members of Wild Rice Electric Cooperative, Inc., Mahnomen, Minn., that the administration proposal to make effort to increase the present interest rates now charged to REA co-ops; and

Whereas such increase in interest rates would work a definite hardship on all such co-ops; and

Whereas such proposal could result in the defeat of the purpose of REA's to serve all those without service: Now, therefore, be it

Resolved, That the membership of Wild Rice Electric Cooperative, Inc., assembled at the annual meeting do hereby oppose such legislation; and, be it further

Resolved, That said resolution be forwarded to its Senators and Representatives.

INTEREST RATE INCREASES ON REA LOANS—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution I have received from the McLeod Cooperative Power Association in opposition to proposed interest rate increases on REA loans be inserted at this point in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas the administration of the Federal Government has proposed and recommended that the interest rate to be charged on REA loans be increased; and

Whereas such an increase will be detrimental to the rural electrification program: Now, therefore, be it

Resolved by the members of McLeod Cooperative Power Association, That this association and its membership shall oppose any legislation increasing the interest rate to be charged for REA loans.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations; with amendments:

S. 1094. A bill to amend the Bretton Woods Agreements Act (Rept. No. 109).

By Mr. MORSE, from the Committee on the District of Columbia, without amendment:

S. 643. A bill to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938 (Rept. No. 111); and

S. 745. A bill to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended (Rept. No. 113).

By Mr. MORSE, from the Committee on the District of Columbia, with an amendment:

S. 645. A bill to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes," approved March 1, 1899, as amended (Rept. No. 112).

By Mr. MORSE, from the Committee on the District of Columbia, with amendments:

S. 644. A bill to amend the act entitled "An act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925 (Rept. No. 114).

By Mr. HAYDEN, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 13. Concurrent resolution to provide additional funds for special study by the Joint Economic Committee (Rept. No. 117);

H. Con. Res. 15. Concurrent resolution providing for the printing of the "Code of Ethics for Government Service" as a House document;

H. Con. Res. 64. Concurrent resolution authorizing the printing of additional copies of House Document No. 234, 84th Congress, entitled "The Prayer Room in the U.S. Capitol"; and

H. Con. Res. 75. Concurrent resolution authorizing the printing of additional copies of committee print entitled "Title 38, United States Code, Veterans' Benefits."

AREA REDEVELOPMENT ACT—REPORT OF A COMMITTEE—MINORITY AND INDIVIDUAL VIEWS

Mr. DOUGLAS. Mr. President, from the Committee on Banking and Currency, I report favorably, with amendments, the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, and I submit a report (No. 110) thereon. I ask unanimous consent that the report, together with individual and minority views, be printed.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Illinois, and the bill will be placed on the calendar.

AUTHORIZATION OF RENTAL OF COTTON ACREAGE ALLOTMENTS—REPORT OF A COMMITTEE

Mr. JORDAN. Mr. President, from the Committee on Agriculture and Forestry, I report an original bill to authorize the rental of cotton acreage allotments, and I submit a report (No. 115) thereon. I ask unanimous consent that the report be printed.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

The bill (S. 1455) to authorize the rental of cotton acreage allotments, reported by Mr. JORDAN, from the Committee on Agriculture and Forestry, was read twice by its title and ordered to be placed on the calendar.

ADDITIONAL JUDGES FOR JUVENILE COURT OF DISTRICT OF COLUMBIA—REPORT OF A COMMITTEE

Mr. HARTKE. Mr. President, from the Committee on the District of Columbia, I report an original bill to provide for the appointment of two additional judges for the juvenile court of the District of Columbia, and I submit a report (No. 116) thereon.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar.

The bill (S. 1456) to provide for the appointment of two additional judges for the juvenile court of the District of Columbia was received, read twice by its title, and placed on the calendar.

ELSIE F. WILKINSON—REPORT OF A COMMITTEE

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 93) to pay a gratuity to Elsie F. Wilkinson, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Elsie F. Wilkinson, widow of James M. Wilkinson, an employee of the Senate at the time of his death, a sum equal to 7 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Thomas C. Mann, of Texas, Assistant Secretary of State for Economic Affairs, to be the representative on the Commission on International Commodity Trade of the Economic and Social Council of the United Nations.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JACKSON:

S. 1438. A bill to require that a certain tract of land in Walla Walla, Wash., be disposed of on an individual lot basis; to the Committee on Government Operations.

By Mr. LONG:

S. 1439. A bill for the relief of Peter Kopanic, Martin Radovcic, and Ivan Talijancica; and

S. 1440. A bill for the relief of Hugo Tarantino; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

S. 1441. A bill to amend the Refugee Relief Act of 1953, as amended, to provide a certain number of visas for persons of Armenian ethnic origin; to the Committee on the Judiciary.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. SCOTT:

S. 1442. A bill for the relief of Kim Fukata and her minor child; to the Committee on the Judiciary.

By Mr. KEATING:

S. 1443. A bill to preserve seniority rights of 10-point preference eligibles in the postal service transferring from the position of letter carrier to clerk or from the position of clerk to letter carrier, and for other purposes; and

S. 1444. A bill to amend section 4 of the act of July 6, 1945, as amended, so as to provide for payment of overtime compensation to substitute employees in the postal field service; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. KEATING when he introduced the above bills, which appear under separate headings.)

By Mr. JAVITS:

S. 1445. A bill for the relief of William Winter and Mrs. Regina Winter; to the Committee on Post Office and Civil Service.

By Mr. JAVITS (for himself and Mr. KEATING):

S. 1446. A bill to provide for the appointment of additional judges for the Court of Appeals for the Second Circuit and the district courts for the southern and eastern districts of New York; to the Committee on the Judiciary.

By Mr. WILEY:

S. 1447. A bill to amend section 161, title 35, United States Code, with respect to patents for plants; to the Committee on the Judiciary.

By Mr. COOPER (for himself and Mr. MORTON):

S. 1448. A bill to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln's Birthplace; to the Committee on Interior and Insular Affairs.

By Mr. CARLSON:

S. 1449. A bill to incorporate the Agricultural Hall of Fame; to the Committee on the Judiciary.

(See the remarks of Mr. CARLSON when he introduced the above bill, which appear under a separate heading.)

By Mr. WILLIAMS of New Jersey:

S. 1450. A bill to amend section 13a(1) of the Interstate Commerce Act, as amended, relative to the discontinuance or change of the operation of certain trains or ferries; to the Committee on Interstate and Foreign Commerce.

By Mr. FULBRIGHT (by request):

S. 1451. A bill to amend further the Mutual Security Act of 1954, as amended, and for other purposes; to the Committee on Foreign Relations.

By Mr. NEUBERGER (for himself and Mr. WILEY):

S. 1452. A bill to provide authority for temporary price, wage, and rent controls, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. MARTIN:

S. 1453. A bill to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua; to the Committee on Agriculture and Forestry.

By Mr. MORSE:

S. 1454. A bill for the relief of Keitha L. Baker; to the Committee on the Judiciary.

By Mr. JORDAN:

S. 1455. A bill to authorize the rental of cotton acreage allotments; placed on the calendar.

(See the remarks of Mr. JORDAN when he reported the above bill from the Committee on Agriculture and Forestry, which appear under the heading "Reports of Committees.")

By Mr. HARTKE:

S. 1456. A bill to provide for the appointment of two additional judges for the juvenile court of the District of Columbia; placed on the calendar.

(See the remarks of Mr. HARTKE when he reported the above bill, which appears under the heading "Reports of Committees.")

By Mr. MAGNUSON (for himself and Mr. ENGLE):

S. 1457. A bill to amend title XI of the Merchant Marine Act, 1936, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. JACKSON:

S. 1458. A bill to amend the Career Compensation Act of 1949, as amended, to correct certain deficiencies; to the Committee on Armed Services.

RESOLUTION

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 93) to pay a gratuity to Elsie F. Wilkinson, which was placed on the calendar.

(See the above resolution printed in full where it appears under the heading "Reports of Committees.")

AMENDMENT OF REFUGEE RELIEF ACT OF 1953, RELATING TO VISAS FOR PERSONS OF ARMENIAN ETHNIC ORIGIN

Mr. SALTONSTALL. Mr. President, on behalf of myself, and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], I introduce, for appropriate reference, a bill to amend the Refugee Relief Act, as amended, to provide a certain number of visas for persons of Armenian ethnic origin.

There are many people of Armenian origin living in our country. They have made many splendid contributions to our Nation and to our culture. The bill I have introduced would permit them now to be reunited with their relatives abroad who have heretofore been denied admission into the United States. This legislation would correct an inequitable omission in the immigration laws which now prevent many worthy people from finding refuge in America with friends and relatives.

To admit 10,000 refugees of Armenian origin, as provided by the amendment to the Refugee Relief Act which I am introducing, would remind people throughout the world that our Nation continues to be sensitive to the plight of the persecuted and to recognize the enrichment which results from sharing our life with deserving people less fortunate than we.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a resolution favoring legislation like the bill which I have introduced, which was adopted by the Council for Immigration and Resettlement of Armenians, and submitted by the council to the Committee on the Judiciary on December 11, 1958.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the resolution will be printed in the RECORD.

The bill (S. 1441) to amend the Refugee Relief Act of 1953, as amended, to provide a certain number of visas for persons of Armenian origin, introduced by Mr. SALTONSTALL (for himself and Mr. KENNEDY), was received, read twice by

its title, and referred to the Committee on the Judiciary.

The resolution presented by Mr. SALTONSTALL is as follows:

Whereas the Congress of the United States has been sympathetic toward the plight of World War II refugees, escapees and other oppressed peoples of Europe, Asia, and Middle East by providing special legislations for the entry of these peoples as immigrants under the Displaced Persons Act of 1948, the Refugee Relief Act of 1953 and Public Law 85-316; and

Whereas persons of Armenian ethnic origin, following the outbreak of World War I, World War II and numerous other conflicts in the Middle East suffered reprisals because of their race and Christian beliefs and experienced mass deportation, massacres and tortures comparable to the suffering of any other minority in the world history; and

Whereas these persons of Armenian ethnic origin have found temporary refuge in the Middle East and European countries as escapees and deportees, but have not resettled and are still considered and classified as refugees where they reside; and

Whereas based upon the figures submitted by the U.S. Department of State, Visa Division, on August 1, 1958, it is estimated that approximately 40,000 persons of Armenian ethnic origin have registered at the American Consulates abroad to join their relatives and friends, and find asylum in the United States, and that many thousands of others have attempted to register but have been discouraged, because of the hopelessness of their ever being granted a visa by reason of the fact that they are chargeable to countries whose quota allocation is less than 310 annually and in most cases to quota areas of 100 annually; and

Whereas Americans of Armenian origin residing in the United States have at all times distinguished themselves by their loyalty and resourcefulness, and as a minority group of approximately 250,000 have contributed greatly to the growth and enrichment of the United States, and have upheld the principles of democracy and have fought for the preservation of our institutions and our way of life during two World Wars and the Korean conflict; and

Whereas the Americans of Armenian origin residing in the United States are capable and willing to sponsor qualified immigrants and provide suitable employment, housing facilities, and other resettlement assistance; and

Whereas the Congress of the United States has enacted special legislation authorizing the admission of refugees and escapees of the Chinese, Dutch, German, Hungarian, Italian and Portuguese origin: Therefore be it

Resolved, That 10,000 special nonquota visas be allocated to persons of Armenian ethnic origin seeking entry to the United States as immigrants, and to their spouses and the unmarried sons and daughters under 21 years of age accompanying them.

Submitted on December 11, 1958, by the Council for Immigration and Resettlement of Armenians to the U.S. Senate Judiciary Subcommittee at Washington, D.C.

PRESERVATION OF SENIORITY AND PREFERENCE RIGHTS IN CERTAIN CASES IN THE POSTAL SERVICE

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to preserve the seniority rights of 10-point preference eligibles in the postal service transferring from position of letter carrier to clerk or from the position of clerk to letter carrier, and for other purposes.

Simply stated, this bill would allow a 10-point veteran to transfer from the job of letter carrier to clerk or vice versa without losing his seniority rights. Since Congress has seen fit to grant disabled war veterans special preference under the civil service rules, it seems unfair to limit this preference to one type of job, rather than to all positions within the postal service. Surely, maintaining a standard of ease and flexibility for transfers within the service would tend to promote efficiency. Adamant rules which discourage workers from seeking positions they like better tend to make for inefficiency, and injure morale.

Enactment of this measure would eliminate this inequity from the present law, and promote even better postal service.

I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1443) to preserve seniority rights of 10-point preference eligibles in the postal service transferring from the position of letter carrier to clerk or from the position of clerk to letter carrier, and for other purposes, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of Public Law 739, Eightieth Congress, shall be amended to read as follows:

"(b) Any such letter carrier or clerk who, prior to the date of enactment of this Act, has transferred from the position of letter carrier to that of clerk or from the position of clerk to that of letter carrier, as the case may be, and has incurred loss of seniority by reason of such transfer, shall be restored the seniority to which he would have been entitled if such transfer had not occurred (1) if he presents to the Civil Service Commission evidence satisfactory to the Commission that such transfer was necessitated principally by reason of a disability which he received on active duty in the Armed Forces of the United States, or (2) if his name had originally appeared on the Civil Service Register for the position to which he transferred, Public Law 577 of the Seventy-ninth Congress notwithstanding."

OVERTIME COMPENSATION FOR SUBSTITUTE EMPLOYEES IN POSTAL FIELD SERVICE

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to provide for payment of overtime compensation to substitute employees in the postal field service. It is the purpose of this bill to bring the overtime wages of the substitute employees of the Post Office under the same provisions which govern those of the regular employees.

In other words, if a substitute works over 8 hours in 1 day, he should be paid time and a half, as is a regular employee. If a substitute works over 40 hours in a week, he should be paid time and a half, as is a regular employee.

Under the current provisions, the substitute carrier or clerk may work any number of hours in 1 day or 1 week, and yet never receive additional pay for overtime. This is grossly unfair, and certainly not in keeping with established wage practices in private industry. My bill would correct this injustice, and therefore deserves widespread support in this body.

I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1444) to amend section 4 of the act of July 6, 1945, as amended, so as to provide for payment of overtime compensation to substitute employees in the postal field service, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act entitled "An Act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation, and for other purposes", approved July 6, 1945, as amended, is amended by striking out the period in the last sentence and inserting a colon and the following: "*Provided further*, That in emergencies or if the needs of the service require, substitute and hourly rate employees in post offices of the first, second, and third class may be employed in excess of eight hours per day or forty hours per week and for such overtime service they shall be paid on the basis of 150 per centum of the hourly rate of pay received by such employees."

APPOINTMENT OF CERTAIN ADDITIONAL JUDGES

Mr. JAVITS. Mr. President, on behalf of myself, and my colleague, the junior Senator from New York [Mr. KEATING], I introduce, for appropriate reference, a bill providing for the appointment of a total of seven additional judges for three Federal courts in the New York area. One new Federal judgeship would be created in the Second Circuit, Court of Appeals, located in New York City, plus two additional judgeships in the eastern district and four more in the southern district of New York.

The enormous caseload imposed upon the judges in these three Federal courts, far in excess of the national average, has resulted in an intolerable situation. Citizens who seek their rights in any of these courts may experience a delay of up to 4 years between the time their case is filed and final trial. Additional judicial manpower is essential to help assure the prompt administration of justice in the jurisdictional area concerned which is populated by nearly 19 million people.

The omnibus judgeship bill introduced last year by the chairman of the Judiciary Committee called for the appointment of 34 additional Federal judges including the seven provided in the bill Senator KEATING and I are introducing today. The proposal for a seventh judge for the Second Circuit, Court of Appeals was part of a measure first introduced by

myself and Senator Ives during the last Congress; this bill was passed by the Senate but not acted upon in the House before adjournment. The longer we delay, the more acute the situation becomes. In the last 4 years, the average number of appeals per judge has soared to 92, practically double the national average of 54. However, it was in 1955, when the caseload was considerably lower, that the Judicial Conference of the United States originally endorsed the need for another judge in the second circuit based on the amount of judicial business then being carried on in this court which covers Vermont and Connecticut as well as New York.

Regarding the additional judgeships required in the eastern and southern districts of New York, a review of the statistics compiled by the administrative office of the U.S. courts shows that in recent years these two courts have been having grave problems in the timely disposition of civil cases settled after trial. Presently, the eastern district has a record delay in such cases of 49.9 months, which is 8 times longer than the 6-month period the Judicial Conference considers reasonable. Under those circumstances, our proposal to increase from six to eight the total number of judges in that district seems extremely modest.

We also propose to raise from 18 to 22 the number of judges serving in the southern district of New York. A great deal has been done to accelerate case disposition there by excellent pretrial work but the need for more judges continues acute. Located in the world's commercial and industrial center, the southern district is the biggest trial court in the entire Federal system and according to the Senate Judiciary Committee's report in 1957 it has a history best described only in terms of excessive caseloads, large numbers of protracted cases, a continual accumulation of arrearages, and mounting delays. Four more judges would seem to represent a minimum addition in this district where there was a backlog of over 10,000 cases in 1958, with 578 civil cases pending per judge.

Court reform at all levels has become a major issue in New York State in recent years where there is a growing public awareness and concern that justice delayed for a prolonged period of time is often justice denied. Successful efforts have been made to institute more efficient calendar procedures in the southern district, for example, and it is certainly possible that the State legislature will enact comprehensive court reform legislation during the current session. In light of the extensive hearings held by the Senate Judiciary Committee and its favorable report on a similar Ives-Javits judgeship bill, along with the 4-year-old recommendations of the Judicial Conference and the mounting impartial statistical evidence from the courts themselves, my colleague [Mr. KEATING] and I hope Congress will act promptly on this bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1446) to provide for the appointment of additional judges for the Court of Appeals for the Second Circuit and the district courts for the southern and eastern districts of New York, introduced by Mr. JAVITS (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on the Judiciary.

DESIGNATION OF ABRAHAM LINCOLN'S BIRTHPLACE

Mr. COOPER. Mr. President, joined by my colleague the junior Senator from Kentucky [Mr. MORTON], I introduce for appropriate reference, a bill to change the name of the Abraham Lincoln National Historical Park to Abraham Lincoln's Birthplace. It would designate the national park near Hodgenville, where the log cabin in which Abraham Lincoln was born is preserved, for what it is—the birthplace of the 16th President of the United States, the sesquicentennial of whose birth we are celebrating this year.

I am informed there are 182 national parks and national historical parks, sites, and monuments. There are also many memorials, residences, parks, and shrines marking points of interest in Abraham Lincoln's life. Each has its own significance.

We mark the date and place of birth of every great figure as of special significance. The purpose of the bill I introduce is to accord to Abraham Lincoln's birthplace this special significance.

Abraham Lincoln was born on February 12, 1809, on a farm in Hardin County, Ky. Later Larue County was established, and Abraham Lincoln's birthplace now is located in Larue County, a few miles from the county seat at Hodgenville, Ky. On the original farm the cabin believed to be the one in which Lincoln was born still stands in a marble memorial.

In 1916 Lincoln's birthplace was made a national park, and was named Abraham Lincoln National Park by the act of July 17, 1916. Later it was changed to the Abraham Lincoln National Historical Park, by the act of August 11, 1939.

This is Lincoln's birthplace, and it should be so named. Having the site accurately described by the official name of the park will be helpful to all those who visit the birthplace and to all who take a passing or a profound interest in Lincoln's life. It is only right that his birthplace be so named, and that it be specifically recognized rather than generally labeled.

It is the belief of many Kentuckians, and one I share, that this national park should be designated as Abraham Lincoln's Birthplace, to identify it and distinguish it from the many parks and shrines which mark Abraham Lincoln's life. I am sure that thousands of people throughout the United States will approve the change which the bill I introduce today proposes. I think it is appropriate to make this change during the sesquicentennial anniversary of the birth of Abraham Lincoln.

I ask unanimous consent to have printed in the RECORD some examples of National Park Service sites, which support the principle of the bill I have just introduced, together with a list of historical sites marking Lincoln's life, most of which are already specifically named, and which illustrate the need for designating the Abraham Lincoln National Historic Park as his "Birthplace."

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

EXAMPLES OF NATIONAL PARK SERVICE SITES

There are 182 parks, historical parks, monuments, historic sites and other areas administered by the National Park Service. Eight of these are national historical parks, as is Abraham Lincoln's birthplace at Hodgenville, Ky.

Several are more accurately named.

For example, the national monument marking George Washington's birthplace in Westmoreland County, Va., is named exactly that, "George Washington's Birthplace."

One national memorial here in Washington is accurately and officially titled the "House Where Lincoln Died."

The national historic site in Hyde Park is officially listed as the "Home of Franklin D. Roosevelt."

The national historic site and the national monument marking Thomas Edison's "Home," and the "Edison Laboratory," are so named.

Without such proper designation, many could confuse the significance of what is now the "Abraham Lincoln National Historical Park." For example:

The Theodore Roosevelt National Memorial Park is not his birthplace, but is part of his Elkhorn Ranch in the Badlands along the Little Missouri River.

Similarly, the Andrew Johnson National Monument is not his birthplace, but is the President's home and grave, in Greenville, Tenn.

As I have said, it would be better to have the title of our national historical park near Hodgenville state the simple fact that it is Lincoln's birthplace. It should not be necessary for those who might not recall the fact to look further in order to guess the significance of the place. Accurately named, the fact will stand forth for all to see at once.

LINCOLN HISTORICAL SITES

Abraham Lincoln National Historical Park, Hodgenville, Ky. (Birthplace.)

Knob Creek Farm, northeast of Hodgenville. (Where Lincoln lived from 2 to 7 years of age, with replica of Hodgenville cabin.)

Lincoln State Park, Lincoln City, Ind. (Pigeon Creek cabin site and Nancy Hanks Lincoln grave.)

Lincoln Pioneer Village, City Park, Rockport, Ind. (Memorial to Lincoln's years in Spencer County, Ind.)

New Salem State Park, New Salem, Ill. (Site of Lincoln-Berry store; where Lincoln began practicing law and was elected to legislature.)

Vandalia State House, Vandalia, Ill. (Old Statehouse, where Lincoln served; State ownership.)

Lincoln Home, Springfield, Ill. (State ownership.)

Lincoln Speech Memorial, Gettysburg National Cemetery, Gettysburg, Pa.

Lincoln Museum National Memorial, Washington, D.C. (Ford's Theater.)

House Where Lincoln Died National Memorial, Washington, D.C.

Lincoln Tomb, Springfield, Ill. (State ownership.)

Lincoln Memorial National Memorial, Washington, D.C.

Lincoln Homestead State Park, near Springfield, Ky. (Replica of the cabin of Abraham Lincoln's grandmother.)

Thomas and Nancy Hanks Lincoln Marriage Temple, Pioneer Memorial State Park, Harrodsburg, Ky.

Lincoln Log Cabin State Park, Coles County, Ill. (Thomas Lincoln cabin.)

Sarah Lincoln House, Campbell, Ill. (State ownership.)

Lincoln cabin replica, Chicago Historical Society, Chicago, Ill. Replica of Hodgenville cabin.)

Mr. COOPER. Mr. President, I hope the Committee on Interior and Insular Affairs will promptly consider and approve the proposal.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1448) to change the name of the Abraham Lincoln National Historical Park at Hodgenville, Ky., to Abraham Lincoln's Birthplace, introduced by Mr. COOPER (for himself and Mr. MORTON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

INCORPORATION OF AGRICULTURAL HALL OF FAME

Mr. CARLSON. Mr. President, the Agricultural Hall of Fame, which was permanently located near Kansas City, Kans., at a recent meeting of the executive committee is well on the way toward actual construction.

The architect's plans have been submitted and generally approved. When completed, it will truly be a shrine for agriculture.

I am today introducing, in behalf of myself and the Senator from New Mexico [Mr. ANDERSON] a bill which would provide for the incorporation of the Agricultural Hall of Fame.

I ask unanimous consent that this bill lie on the Vice President's desk until the end of the session next Monday, in order that other Members might have an opportunity to cosponsor if they so desire.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Kansas.

The bill (S. 1449) to incorporate the Agricultural Hall of Fame, introduced by Mr. CARLSON, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF INTERSTATE COMMERCE ACT, RELATING TO DISCONTINUANCE OF CERTAIN TRAINS AND FERRIES

Mr. WILLIAMS of New Jersey. Mr. President, I introduce, for appropriate reference, a bill to amend section 13a (1) of the Interstate Commerce Act. The section was enacted into law last year as part of the Transportation Act of 1958. Briefly, section 13a(1) speeds up the procedure for abandonment of train or ferry service by railroads. The Interstate Commerce Commission is given the right to supersede State jurisdiction; the Commission is not required to hold a public hearing, or to conduct an investigation.

I need not describe the conditions under which the Transportation Act was passed. It was the result of intensive, widespread hearings at which representatives of the railroads of this Nation described the financial emergency which now faces them. The act permits widespread, constructive steps to help this basic American industry.

Two complaints, however, have been raised against section 13a(1). New Jersey State officials and commuter groups protested when the ICC did not grant a hearing on the New York Central system petition to abandon its Hudson River ferry service. The other complaint was that—even when the Interstate Commerce Commission does institute an investigation and conduct hearings, severe limitations are imposed by the present law as to the time within which the Interstate Commerce Commission may exercise its jurisdiction. Such time limits, it has been charged, do not permit full investigation and public hearing. A representative of the ICC has made a similar complaint to members of my staff.

In New Jersey, and in other important areas of the United States, these complaints were given additional urgency by the threat of large-scale breakdowns within the transportation networks now serving large metropolitan areas. Public alarm over this threat is great, particularly since State and local governments have no working plan to replace rail service. The amendment I propose today will, I am aware, not give us any such working plan; that is still the duty of the State and local governments.

But it may help give the officials the time they need to work out a plan which will preserve our transportation system.

I am aware, of course, that several of my colleagues introduced S. 1331 on March 9. Their bill also would place the entire discontinuance problem under the present procedures for line abandonment. Certain provisions of that proposal would, however, in my opinion, be too far-reaching for acceptance by the Congress. I believe that the practical facts of life dictate the need for a more limited alternative, if anything is to prevail. The bill I am introducing today is an attempt to give the action we need while maintaining chances of acceptance.

The provisions of section 13a(1) appear to have given insufficient recognition to established procedures and familiar provisions for a review under the Interstate Commerce Act. The bill I am introducing would amend the present law by requiring an investigation as to public convenience and necessity and put the burden on the Interstate Commerce Commission and a mandatory hearing in every instance. While the bill requires expedited action in these cases, the arbitrary limitation upon the Commission's final order is removed. I would assume that the ICC would act with the maximum promptness consistent with reasonable opportunity for hearing, and the service would continue to be operated by the railroad. The urgency of prompt action on this corrective legislation makes it necessary, it seems to me, that we avoid involving any other provisions of the Interstate Commerce Act unnecessarily, such as the long-established provisions for total abandonment of a line of railroad. These frequently affect freight services and other major issues requiring consideration of additional and complex factors. It is preferable to act promptly in correcting the difficulties encountered in section 13a(1) before the burdens on the carrier and the procedural uncertainty of that paragraph result in the elimination of the remaining commutation services.

In my opinion, this bill represents a less drastic approach than that proposed in S. 1331. Consequently, its terms offer a better opportunity for relief to commuters because its chance of passage would be considerably greater than that of a measure that offers more far-reaching changes in the present statute.

In presenting this bill, I have no illusion that it will cure the problems of railroad commuters or the metropolitan areas in their efforts to move the increasing millions of suburban dwellers to and from their work. This will require prompt, cooperative and very expensive action by the States and the municipalities as well as sacrifices by both the riders and the railroads.

Therefore, I ask unanimous consent to have printed in the RECORD as a part of my remarks a summary of the bill I have introduced.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the summary of the bill will be printed in the RECORD.

The bill (S. 1450) to amend section 13a(1) of the Interstate Commerce Act, as amended, relative to the discontinuance or change of the operation of certain trains or ferries, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The summary presented by Mr. WILLIAMS of New Jersey is as follows:

SUMMARY OF CHANGES PROPOSED IN SECTION 13A(1) OF THE INTERSTATE COMMERCE ACT IN REGARD TO DISCONTINUANCE OR CHANGE OF TRAINS OR FERRIES OPERATING ACROSS STATE LINES

The bill would make the following changes in section 13a(1) of the Interstate Commerce Act that pertains to discontinuance of trains or ferries crossing State lines.

1. Add a requirement that investigation and hearing by the Interstate Commerce Commission on proposed discontinuance of train or ferry service be mandatory to replace the present provision of the law that leaves the holding of an investigation of the proposed discontinuance or change to the discretion of the Interstate Commerce Commission.

2. The present law provides that 30 days' notice of the proposed discontinuance or change be given by the railroads to the governor of each State in which such train or ferry is operated and by posting in the facilities affected. This bill would require in addition that notice be given by the Interstate Commerce Commission to the governor of each State in which a train or ferry proposed to be discontinued is operated,

at least 30 days prior to the beginning of the hearing.

3. The present law provides that upon institution of an investigation of the proposed discontinuance or change, the Commission may require the railroad to continue to operate the service for a period not longer than 4 months beyond the date when the discontinuance or change would have become effective. Thus at present if the Commission cannot complete its investigation within that time and issue its order, the railroad is free at the end of the 4 months' period to discontinue the service. This bill would eliminate this restriction on time to allow the Commission adequate time to conclude its investigation and make known its findings.

4. The present act further leaves it to the discretion of the ICC as to whether the service proposed to be discontinued shall be continued in operation pending hearing and decision by the Commission. This bill would make it mandatory that such service be continued until hearing and decisions in such investigation.

5. Finally, the bill would require the Interstate Commerce Commission, upon instituting the required investigation, to give the carrier proposing the discontinuance or change of service, notice at least 7 days prior to the proposed effective date of the discontinuance that such service must be continued in operation. The present act provides that 10 days' notice shall be given.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954, AS AMENDED

Mr. FULBRIGHT. Mr. President, I introduce a bill to give effect to the President's message of March 13 requesting the appropriation of $3,929,995,000 for the 1960 mutual security program, and ask for its appropriate referral.

This bill was prepared by the executive branch of the Government, and for that reason I introduce it by request, reserving my right to support it in whole or in part, and to offer amendments as may seem appropriate.

Mr. President, in introducing this bill, I invite attention to two sentences from the President's message.

First:

> The mutual security program which I propose for fiscal year 1960 is in the same pattern and has the some component parts as the program which the Congress enacted at the last session.

Second. In requesting funds for the Development Loan Fund, the President stated:

> This sum ($700 million) will allow the Fund a level of activity no higher than it established in its first year of operation.

In other words, Mr. President, we are offered the same program we now have.

In defense, in our domestic economy, and in our foreign relations, the administration seems to be unaware of the depth and scope of the Soviet challenge. There is no evidence that the administration is now or ever will be willing to urge the American people to take in one notch on our belt to deal with a Soviet challenge which confronts us in missiles, arms, and just downright capacity to produce.

How many Americans would be complacent if the President were to tell them this simple fact: Since 1955, the Soviet gross national product has been growing at a rate of about 8 percent each year; the Chinese Communist gross national product at the rate of approximately 10 percent; and the American gross national product at a rate of only a little over 1 percent?

The President's message on foreign aid reads:

> We have the capacity and the national program to surmount these dangers and many more.

I agree, Mr. President, we do have the capacity. We have the capacity but not the program.

I believe that the people of America will rise to the needs of our situation if they are clearly told what is at stake. They certainly would be willing to be taxed if it is necessary to survival. But I am not sure the administration agrees with even that simple proposition.

I am fully aware that foreign aid is not a very palatable program in this country. Some of the stories of maladministration fill one with despair and with frustration. The preoccupation of the administration with military assistance to the underdeveloped countries, and its half-hearted response to their economic needs, makes it difficult for Members of Congress to justify the aid program.

Having said these things, however, I must add that I am in agreement with the administration on the fundamental concept that the security of the United States requires that we continue to invest funds in the development of underdeveloped areas. We of the West cannot expect to survive forever if we grow richer while the bulk of mankind grows poorer. Survival requires adaptability and imagination, not rigidity—the kind of rigidity evidenced by this bill.

I anticipate that the Committee on Foreign Relations will begin consideration of the Mutual Security Act of 1959 about April 15. This will afford time for interested members of the public to familiarize themselves with the bill which I am introducing today. This will also allow time for Americans to communicate with their Senators to make their views known regarding the nature of the legislation which should be approved by the Congress. In this connection, I would especially invite the public to communicate not with me, but with their own Senators with respect to their views on the subjects I have listed above.

I hope Members of the Senate desiring to present amendments will do so in sufficient time so that the committee may give such amendments most careful consideration prior to reporting the Mutual Security Act to the Senate.

The PRESIDING OFFICER. (Mr. WILLIAMS of New Jersey in the chair). The bill will be received and appropriately referred.

The bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, and referred to the Committee on Foreign Relations.

PROPOSED LEGISLATION TO GIVE THE PRESIDENT STANDBY CONTROLS OVER PRICES, WAGES, AND RENTS

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to give the President of the United States authority to establish standby controls over prices, wages, and rents whenever a national emergency exists—either from the military or economic standpoint. The able senior Senator from Wisconsin [Mr. WILEY] is joining me as cosponsor.

I believe we can do no less than this if we are serious about our efforts to control inflation. Much of the talk about inflation has been swatting flies; now I propose that we drain the swamp.

We are told that a balanced budget will prevent inflation. I think we must face up to balancing the budget. For that reason, I have offered four bills to increase Federal revenues, including an excess profits tax to reach windfall profits. Yet the basic fact remains that, during the late 1940's, we experienced sharp inflation during years when we not only balanced the budget but also set aside substantial Federal Treasury surpluses. So that is not the final answer.

Today there are in America monopolistic industries which can administer higher prices despite the consumer drop in demand for their products. This has happened on many occasions. We also have powerful labor unions which can levy demands for higher wages, to the detriment price-wise of groups of fellow workers who lack this cohesive and forceful type of organization. The total impact on the weaker groups in our society is often catastrophic, especially in maintaining a decent standard of living.

AUTHORITY PROVIDES SAFEGUARD

This is why I believe any Chief Executive must have standby authority to safeguard the American people from the steady erosion of rising prices, wages, and rents.

Mr. President, the year 1959 may well be noted by historians who will chronicle events occurring in the United States during this period as the time of The Great Economic Debate.

No single consideration has so threaded through public discussion of issues by Government officials, Congressmen, and private citizens. This factor appears destined to play a critical role in policy determination in the fields of foreign affairs, agriculture, welfare, resources development, and defense. It has made obscure academic economists national figures, enlarged the language with new nouns, such as spenders, seller's inflation, budget flap, and administered prices, and made a financial pundit of the man in the street. It has posed such puzzling philosophical and fiscal questions as, "Can we afford peace"? and "Is provision for need possible with fiscal responsibility"?

Perhaps no basic issue has so exemplified our current obsession with the economic ramifications of national and international affairs as the question of in-

flation. It has become, in effect, a symbol of our concentration on the economic aspect of public policy in all fields. Public discussion of this issue has, of course, resulted in much useful analysis, information, and clarification. I propose to review some of this material today and to suggest procedures which I believe will permit us to take efficacious action in connection with this problem. I hope that I will contribute not only to the volume, but also the substance of the debate.

INFLATION DYNAMIC CONCEPT

Inflation is the phenomenon of a generally rising price level over time; it is a dynamic concept. The presence of inflation cannot be determined to exist at a particular instant—it does not mean, for instance, high prices. It can be studied only within the context of historical perspective.

In the 60-year period from 1897 to 1958 the general price level in the United States rose at an average rate of 2⅓ percent per year. The rate of increase was, of course, not even; inflation has increased most in war and in immediate postwar periods.

But concentration on the average annual rate of inflation tends to obscure the impact on the price level. For example, using the base period 1947–49, it can be seen that the average consumer price level in 1958 was more than double that in 1940 and almost two-thirds greater than in 1945. Although the U.S. record in comparison with that of certain European countries since 1948 has been good, there has nevertheless been a 20.1-percent increase in the consumer price index during this 10-year period. I ask unanimous consent that there appear at this point in my remarks a table prepared for me by the Department of Labor, which indicates the percent change in the consumer price level of various goods and services included in the consumer price index from 1945 to January 1959, the period following removal of wartime price and credit controls.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.—Consumer Price Index—U.S. city average, major group and subgroup indexes; annual indexes 1945; monthly indexes, January 1959; and percent changes

[1947–49=100]

Group	Annual indexes, 1945	Monthly indexes, January 1959	Percent change 1945 to January 1959
All items	76.9	123.8	61.0
Food	68.9	119.0	72.7
Cereals and bakery products	65.9	133.9	103.2
Meats, poultry, and fish	56.5	113.8	101.4
Dairy products	69.5	114.1	64.2
Fruits and vegetables	86.7	121.7	40.4
Housing [1]	86.1	128.2	48.9
Rent	90.9	138.8	52.7
Gas and electricity	100.7	118.2	17.4
Solid fuels and fuel oil	73.0	138.9	90.3
Housefurnishings	76.9	103.2	34.2
Household operation	82.5	133.1	61.3

U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.—Consumer Price Index—U.S. city average, major group and subgroup indexes; annual indexes 1945; monthly indexes, January 1959; and percent changes—Continued

[1947–49=100]

Group	Annual indexes, 1945	Monthly indexes, January 1959	Percent change 1945 to January 1959
Apparel	76.3	106.7	39.8
Men's and boys'	72.4	108.0	49.2
Women's and girls'	78.8	98.7	25.3
Footwear	67.3	130.8	94.4
Other apparel	65.4	91.7	40.2
Transportation	78.1	144.1	84.5
Private	76.1	133.1	74.9
Public	82.3	191.8	133.0
Medical care	83.1	147.6	77.6
Personal care	81.5	129.4	58.8
Reading and recreation	86.8	117.0	34.8
Other goods and services	85.7	127.3	48.5

[1] Includes house purchase, interest, taxes, insurance, and upkeep, not shown separately.

Mr. NEUBERGER. Mr. President, much of current economic discussion concerns the cause of inflation. Three general theories are commonly advanced: First, the classic demand-pull explanation, that is too much money chasing too few goods; second, the cost-push analysis, which suggests that rising production costs push prices up; and third, the administered price concept, a theory which points to the ability of certain industries to price their products without consideration of actual costs or demand.

NEW ANALYSIS ADVANCED

There is substantial agreement that the economic doctrine of demand-pull is not capable of satisfactorily explaining the general price rise which has occurred within the past 2-year period. Last year, although demand was down because of the recession, prices in certain administered sectors of the economy rose anyway. There is increasing evidence to indicate that concentrated industries may be able to exert a monopolistic power in setting prices for their products.

Validity of the cost-push approach to the study of inflation has been also seriously questioned. For instance, one economist has shown that increased labor productivity has largely counteracted the inflationary tendency of wage increases in the last few years, and that when such productivity has been taken into account, it can be shown that the earnings of factory workers during the period 1953 to 1957 have risen only half as much as the cost of living, and only a third as much as the prices of manufactured products.

However, there exists substantial disagreement regarding the relationship between wages and output over the long run, due primarily to the lack of agreement on a realistic measure of this ratio. AFL–CIO researchers contend that in the 10-year period between 1948 and 1958 output per worker rose faster than real wages and point out that, during this period, gross output increased 35 percent while the number of factory employees decreased from 12,700,000 to 11,900,000. On the other hand, Harvard economist Sumner H. Slichter declared recently that hourly compensation of nonagricultural workers in the last 10 years has risen more than twice as fast as the increase in output per man-hour and charged that unions tend to "raise money wages far faster than is justified by the growth of the output per man-hour." These statements have indicated that the question is by no means resolved. The legislation which I introduce today would, however, provide machinery for handling inflation of this type.

Peculiarities of recent general price rises has focused attention on the theories of such economists as Abba Lerner and Gardiner Means, who have pointed to the ability of certain businesses to determine their own prices without consideration of demand and production pressures. The distinguished senior Senator from Tennessee [Mr. KEFAUVER], as chairman of the subcommittee on Antitrust and Monopoly Legislation of the Senate Judiciary Committee, has been instrumental in bringing these facts to public attention. Within the past few days, a number of key Government officials have indicated Federal economic policy may be reshaped to take into account these findings. The paradox of continued large unemployment and rising prices has further stimulated such reevaluation. I ask unanimous consent that there appear at the conclusion of my remarks an article written by Edwin L. Dale, Jr., which appeared in the New York Times of March 15, 1959, and which indicates the effect of this new theory on inflation study, and recounts reservations advanced by economists and others concerning its importance.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

EFFECTS NOT ABSTRACT

Mr. NEUBERGER. Mr. President, discussion of the cause and nature of inflation necessarily takes place within a theoretical and statistical framework, which at times make the issue appear only distantly related to the lives of working Americans. However, the effects of inflation are far from abstract.

The adverse nature of inflation lies principally in its relative effect on different segments of the economy. During an inflationary trend, all prices do not rise evenly; strains and distortions develop in the economy, and income and wealth are hence redistributed in an unpredictable fashion. Among those first injured by inflation are persons who depend upon a fixed income for the necessities of life—those living on the income from annuities or pensions, bonds or fixed contracts. As prices rise, their purchasing power is decreased since the return on their original investment is rigid. Individuals who rely on wages or salaries suffer in direct proportion to their inability to exert pressure for an increase in their rate of compensation. Even when such opportunity is available, time lags between consumer-price increases and achievement of the new pay, or the obtainment

of compensation increases which are not proportional to price rises, frequently cause a decline in the economic position of the individual involved.

INFLATION CAUSES INEQUITIES

The inequity of this situation is obvious when it is realized that other economic and social groups stand to gain from an inflationary trend. For instance, as recent testimony before the Senate Antitrust and Monopoly Subcommittee pointed out, corporation executives who are provided with stock options as a form of compensation have a strong interest in a rising price level within their industry. As profits go up, the company's stock rises. Executives may then purchase the stock at prices considerably below market value, sell it and be taxed at a maximum rate of 25 percent on their gains. The extent of this windfall was indicated by a report on the testimony of Eugene Havas, investment adviser, who appeared before the Kefauver subcommittee on March 13. The Washington Post and Times Herald reported Havas' explanation of how this process works to the benefit of United States Steel executives.

In the case of United States Steel Corp., the industry's price leader, Havas said that net profits divided by total shares of stock jumped from $2 in 1948 to $7.33 in 1957 and fell to $5.13 in the slump last year. Currently, per share earnings of United States Steel are estimated at record levels. Meanwhile, the stock has jumped in price from a low of $10.12 in 1949 to a high this year of $99.87.

(According to United States Steel's forthcoming annual report, some 258 executives have this prospect—because of stock options outstanding on January 1; they can make a few calls and divide about $19,300,000. And this income of about $75,000 per man is subject to a top tax rate of 25 percent.)

Although these inequalities constitute a major—and age-old—indictment of inflation, there currently exist numerous other charges against the countenance of continued rising prices. Many responsible fiscal authorities, including Governor William McC. Martin, Jr., Chairman of the Federal Reserve System, have expressed concern regarding the faith in the dollar abroad; in December Mr. Martin returned from a trip to the Far East to report that confidence in the dollar is declining due to inflation. He foresaw potential adverse effects on the economy of the United States as a direct result of this attitude abroad. The able Senator from Tennessee [Mr. KEFAUVER] and others have suggested that this country may price itself out of world markets. It is suggested that the possibility of long-run inflation may sufficiently discourage investment so as to seriously restrict certain aspects of economic growth, as individuals attempt to place their funds in areas where they will realize the advantages of rising prices and maintain a degree of liquidity consistent with their estimate of the economic situation. I will not presume to judge the validity of these positions; however, they are stands taken by responsible and knowledgeable persons and are deserving of thoughtful consideration.

CONTEXT NECESSARY FOR STUDY

If inflation is a major problem affecting the well-being of the populace—and I believe this to be the case—it must be considered within the context of the overall economy of the United States. President Eisenhower has repeatedly insisted that inflation is the major problem. It is difficult to reconcile this view with Government figures which show that total unemployment in February increased by 25,000 to 4,749,000, although February is a month when employment usually rises and unemployment falls. February was the third consecutive month in which unemployment has been 6 percent or higher. Furthermore, Commerce and Labor Department statistics showed that those out of work 15 weeks or more numbered 1.5 million last month—approximately twice the normal postwar February figure. The New York Times reported last week that the Labor Department has advised congressional leaders that unemployment will continue at high levels for many months.

In view of these facts, the administration's reluctance to endorse relief and recovery measures such as the area redevelopment bill now pending in the Senate, the emergency unemployment compensation measure introduced by the distinguished senior Senator from Michigan [Mr. MCNAMARA], and the much-needed housing bill passed by this body earlier, is indeed perplexing.

During the past few months the economy has experienced a period of relatively stable prices following a 2-year period in which the Nation witnessed one of the steepest increases in the cost of living in American history, except while the country was engaged in a shooting war. Experts in this field have indicated their belief that this newly realized stability will continue through 1959. But as the majority of the Joint Economic Committee indicated in their views issued March 9:

Economic prospects * * * are subject to abrupt change. Those responsible for public economic policies must remain alert, therefore, to the possibility of a resurgence of inflationary pressure, and must be prepared to deal promptly with any such development.

GENERAL MONETARY CONTROL UNDESIRABLE

Reaction of the administration to such pressures in the past has been to tighten the screws of monetary restraint. Should further action in this direction be taken at the present time, in anticipation of a general price increase, the ramifications in terms of short-run recovery and long-term growth are readily apparent. The effect of tight money on the funding of the public debt is already visible: the price of money and the liquidity desires of investors have seriously curtailed the ability of the Treasury to place the debt so as to minimize its inflationary potential. Many State governments are in financial difficulties which will be intensified by a monetary policy which attempts to make money more dear. Small businessmen will be similarly blocked from necessary credit sources. Such areas as housing, which has enjoyed a significant increase in activity beginning late in 1958, will be heavily dependent upon Government monetary and credit policy to insure continued expansion in accordance with national need.

Within the context of both growth and recovery, the administration's continued reliance on monetary policy as a present depressant on potential inflation and a tool for suppressing the specter of galloping inflation, represents either a dearth of ideas or a failure to realize fully the implications of such a policy.

The inadequacies of this short-sighted approach to the problem are readily apparent in the light of current long and short range economic factors and recent analysis of the nature of post-Korean war inflation.

TWO MAJOR OBJECTIONS

First. General monetary restraints as employed by the administration are a weapon to bludgeon price rises to death. In the process, economically weak industries are often seriously injured.

Second. If recent inflation has been largely the result of administered prices, then general monetary restraints are ineffectual in reaching the real culprit.

It is frequently said that general controls are nondiscriminatory—they affect everyone equally without regard to person or place. Yet what perhaps seems axiomatic in theory is anything but true in fact. The impact of general controls, such as those exercised through the Federal Reserve System on different sectors of the economy is dependent upon a variety of factors, including availability of retained earnings for financing, borrowing sources available, ability to bargain with the lender, the type of market in question, and various other factors. The Government, in effect, relinquishes responsibility for determining where the controls will be most felt and assume a laissez faire attitude with respect to their operation. Thus dealing with the aggregate, difficult, and detailed policy decisions are avoided.

This criticism of the existing system for fighting inflation does not consider the even more basic fact that there exists considerable evidence to indicate that the efficacious quality of general monetary policy is intermittent; serious questions can be raised concerning the utility of this policy during such periods as the 1955–57 boom.

HOUSING FURNISHES EXAMPLE

During the past few years, residential construction has provided, unfortunately, a classic example of the ability of general monetary restraints to retard a particular industry while failing to affect substantially numerous other sectors of the economy. The result of this phenomenon has been a decrease in the rate of new starts to a point far below that needed to supply minimum needs for elimination of slum housing and provision of new homes for new households.

If the administered price theory concerning the nature of inflation in the last five-year period is correct, then it is obvious that the "concentrated" industries have a great ability to resist the suppressing influence of general monetary controls. To halt effectively inflationary practices engaged in by these

businesses would have necessitated such a massive application of the broad restraints as to adversely affect vast sections of the economy. An economist, Warren Smith, of the University of Michigan and Harvard, has pointed out:

In the 1955–57 period of inflation, I believe the Federal Reserve's effectiveness was reduced by the fact that it had to rely almost entirely on so-called general credit controls. It became quite apparent that the effects of these controls fell disproportionately upon certain groups, and this made it both economically unwise and politically inexpedient to apply credit restraint with sufficient force to bring the inflation under control. If selective controls had been available in at least certain areas, I believe monetary policy could have done a considerably more effective job.

During the past few months, President Eisenhower has repeatedly used his press conferences and other public appearances to emphasize his great concern with inflation. He has repeatedly informed the Nation of the unfavorable effects that future general price rises will have on our economy. He has urged amendment of the Unemployment Act of 1946 to include as a major objective of Government policy the maintenance of stable prices. He has admonished labor and business to consider the significance of wage and price hikes on the future solvency of this country before they initiate such action. He has formed committees to explore and expose the problems of inflation. He has constantly reiterated his demand for a balanced budget.

SUBSTITUTE CONTROLS FOR JAWBONE

If the President truly wishes to attack effectively future inflation, I suggest he take the step which he has occasionally bandied as a threat in his widely reported "jawbone" attacks, but so far declined to present as a method of dealing with possible price rises—selective standby controls.

If we are to meet the challenge of recovery and growth now facing us, it is obvious that we cannot move forward with one foot continually on the brake; tight money is a detriment to immediate stimulation of the economy and long-term increases in productivity. Moral suasion cannot serve as a decisive factor in controlling prices over time. Amendment of the Unemployment Act to clarify the meaning of the stated goals, and provide for the provision of further information and recommendations by the President with respect to the operation of the economy, may be desirable as a means of reaffirming and sharpening responsibility, but such action will not create machinery necessary to carry out an effective anti-inflation program. Studies of the relationship of budget surpluses and deficits to upward movement of prices have failed to show any direct casual connection between the two: for instance, in 1947 and 1948 we experienced the sharpest increase in prices since World War II, yet the Federal Government had surpluses of $19.4 billion and $7.3 billion in these same respective years.

TEXT NOT ORIGINAL

The text of my bill to give the President standby authority to impose price, wage, and rent controls is taken from S. 1081 of the 83d Congress. The bill then was reported favorably to the Senate, with some amendments. The bill I introduce today is taken directly from the amendment to the Defense Production Act of 1950 which was proposed by section 16 of S. 1081 in 1953. This section was actually in the legislation as passed by the Senate, but it was eliminated in conference with the House of Representatives—possibly because the economic consequences attendant upon the Korean emergency were thought to be on the way toward solution without the need for further direct controls.

The text of the new title 8 which would be added to the Defense Production Act by my bill differs from the text adopted by the Senate in 1953 in one respect. The earlier language gave the President standby authority to establish temporary wage, price, and rent ceilings whenever the United States has declared war against a foreign nation, or whenever the Congress, by concurrent resolution, shall find and declare that a grave national emergency exists and that the exercise of such authority is necessary in the interest of national security and economic stability.

Modern conditions, as we have seen them in the past 4 or 5 years, require a broader statement of the circumstances under which direct controls may be necessary in the fight against inflation. These years have been a period of continuous attrition on the value of the dollar, irrespective of the absence of any war or comparable U.S. military operations such as took place in Korea. The military commitment which we have most recently undertaken in the Middle East lends renewed urgency to this aspect of inflationary pressures, but these have existed irrespective of such crises.

BROAD DISCRETIONARY AUTHORITY PROVIDED

Consequently, my bill broadens the conditions for the exercise of Presidential standby authority to impose temporary controls by stating that the President shall have this authority whenever the United States has declared war against a foreign nation, or whenever he shall find on the basis of current reports and studies made by the Council of Economic Advisers, the Bureau of Labor Statistics, and the Federal Reserve Board, that inflationary pressures existing within the economy threaten the economic stability of the Nation, or whenever the Congress, by concurrent resolution, shall find and declare that a grave national emergency exists and that the exercise of such authority is necessary in the interest of national security or economic stability.

Use of selective economic controls is not new to the United States. During World War II the Office of Price Administration, the War Production Board, the War Labor Board, and monetary authorities enforced direct economic regulations. These controls were removed at the end of the conflict. In 1950 and 1951, the Federal Reserve Board, under the terms of the Defense Production Act, issued regulation W imposing installment credit controls, followed by regulation X establishing controls on housing credit.

Economic controls, such as I have suggested today, are not pleasant to contemplate; but I believe that if we are to most effectively work toward implementation of the goals of price stability, full employment and maximum growth we may best proceed with standby selective economic controls available as a corrective device.

I ask unanimous consent that the bill lie over until March 19 so that Senators who might be interested in cosponsoring this proposal may add their names to the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Oregon.

The bill (S. 1452) to provide authority for temporary price, wage and rent controls, and for other purposes, introduced by Mr. NEUBERGER (for himself and Mr. WILEY), was received, read twice by its title, and referred to the Committee on Banking and Currency.

EXHIBIT 1

[From the New York Times, Mar. 15, 1959]

U.S. AIDS UNEASY ON PRICE POLICIES—ADMINISTERED LEVELS SEEN AS LEADING TO POSSIBLE GOVERNMENT CONTROLS

(By Edwin L. Dale, Jr.)

WASHINGTON, March 14.—Price and wage developments during last year's recession have brought a quiet revolution in the thinking of key Government economic officials.

In brief, these officials have come to accept the concept of administered prices. They accept recent evidence that important sectors of the private economy can hold or even increase prices when demand is weak.

If the revolution in thought goes far enough—and if future events warrant—the result could be some form of Government price control.

The reason for controls would be that the concentrated industries that administer their prices appear largely immune from the classic Government instruments for controlling inflation. These are mainly balanced budgets and tight money, which are aimed at curbing demand.

ROSE AGAINST TREND

Last year, demand was sluggish because of the recession, and yet prices in the administered sector rose anyway. Steel and automobiles are the most commonly cited examples.

The major retreat has been in the Federal Reserve Board, long the stronghold of classic economic thinking. In the last week two leading officials of the Board have gone on record publicly with expressions of their concern at the consequences of private economic power in steel and autos.

The same view was expressed, also publicly, by Raymond J. Saulnier, Chairman of the President's Council of Economic Advisers. It is known that even Robert B. Anderson, the Secretary of the Treasury, is persuaded that the inflation outlook will depend at least as much upon wage and price decisions by powerful economic groups as upon balancing the budget.

HAD MINIMIZED THREAT

In the Federal Reserve, officials long minimized the fear that monopolistic power

among concentrated industries was a serious threat to the price level. The conviction was that when things got tough and orders fell off, prices would be cut in these sectors of the economy just like any other.

Last year this did not happen. Prices in several of such areas actually rose. The result was that the Federal Reserve has begun taking this problem far more seriously than in the past.

None of this means that officials now favor price or wage controls or any form of direct Government intervention—even intervention limited to big business-big labor part of the economy. But the sharp change in thinking about the problem is the sort that would necessarily precede a decision that controls are necessary.

A great deal will depend on this year's steel wage negotiations and subsequent pricing decisions. If the steel settlement, with or without a strike, is not followed by a price increase, the wave of concern will subside to a considerable degree.

AUTO DECISION AWAITED

This would be particularly the case if such an event was followed by a decision in Detroit next fall not to raise the prices of the 1960 automobile models.

In the background is the possibility of a Democratic President after 1960. A number of leading Democrats were convinced of the administered price problem in advance of the more conservative officials in the Eisenhower administration.

Thus a Democratic President might be even less reluctant than President Eisenhower to choose the road of controls.

Much of the groundwork for the increasing awareness and acceptance of the administered price problem has been laid by hearings of the Senate Antitrust Subcommittee, headed by Senator ESTES KEFAUVER, Democrat, of Tennessee. The hearings have gone on for nearly 2 years and produced nine volumes of testimony.

LAST CHANCE IS SEEN

Even Senator KEFAUVER is not yet persuaded that direct controls are necessary. But he warned last week that the steel and auto industries are now having their last chance.

There remain a number of economists and others who do not believe the administered price problem is a major one, threatening the future stability of prices. But some of these men, while not worrying about the economic power of big business to raise prices, do find dangers in the upward push on costs exerted by big labor.

Others argue that the effect on consumers of recent developments in the steel and other concentrated industries is much overrated.

One witness before the Kefauver subcommittee, Simon N. Whitney, sought to show last week that the 33-percent increase in steel prices since 1953 could have been the cause, at most, of only six-tenths of 1 percent increase in the Consumer Price Index, the usual measure of inflation.

The cost of living, he noted, is dominated by food, services, and such soft goods as apparel.

But these reservations have not changed the growing concern about the problem in the Government. There is a strong belief in the Federal Reserve, for example, that the persistent failure of unemployment to decline with the recovery from the recession, particularly unemployment in the durable goods industries, is attributable in great part to price and wage decisions in those industries in recent years.

In brief, the idea is that these industries, to a significant degree, have priced themselves out of their market. By the same token, so have their workers.

Again, this view is sometimes challenged. But it was stated in explicit terms last week by Woodlief Thomas, economic adviser to the Federal Reserve Board, in a lengthy letter to the Washington Post and Times Herald. In part, this is what Mr. Thomas said:

"One of the considerations in fixing prices, of course, should be what price can be sustained and whether markets might be lost for a longer period by asking the highest possible price for any short period of time. Criticism arises with respect to administered prices when they are not adjusted properly in response to supply and demand forces.

"They are harmful if prices are raised so as to choke off demand and lead to reductions in output or if prices are held up in the face of declining demand when lower prices might sooner or later stimulate some demand.

EXTENSION OF TIME FOR CERTAIN VETERANS TO BE GRANTED NATIONAL SERVICE LIFE INSURANCE—ADDITIONAL COSPONSOR OF BILL

Mr. LONG. Mr. President, on February 19, 1959, on behalf of myself and other Senators, I introduced the bill (S. 1113) to amend title 38 of the United States Code to provide a 1-year period during which certain veterans may be granted national service life insurance. I ask unanimous consent that the name of the junior Senator from Connecticut [Mr. DODD] may be added as an additional cosponsor of that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELIGIBILITY OF WELFARE AND RECREATION AGENCIES FOR FEDERAL SURPLUS PROPERTY—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 10, 1959, the names of Senators JAVITS, ALLOTT, LANGER, SALTONSTALL, CASE of South Dakota, YOUNG of North Dakota, BUSH, BEALL, BENNETT, MARTIN, and CARLSON were added as additional cosponsors of the bill (S. 1365) to amend the Federal Property and Administrative Services Act of 1949 to authorize the disposal of surplus property to certain welfare agencies, introduced by Mr. KEATING (for himself and Mr. WILEY) on March 10, 1959.

NATIONAL TURKEY MARKETING ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 12, 1959, the names of Mr. HENNINGS and Mr. MARTIN were added as additional cosponsors of the bill (S. 1395) to enable producers to provide a supply of turkeys adequate to meet the needs of consumers, to maintain orderly marketing conditions, and to promote and expand the consumption of turkeys and turkey products, introduced by Mr. HUMPHREY (for himself and other Senators on March 12, 1959).

COMMISSION ON METROPOLITAN PROBLEMS — ADDITIONAL COSPONSOR OF BILL

Mr. ENGLE. Mr. President, I ask unanimous consent that my name may be added as a cosponsor of the bill (S. 1431) to provide for the establishment of a Commission on Metropolitan Problems, introduced by the Senator from Pennsylvania [Mr. CLARK] on March 16, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DIRKSEN:

The President's March 16 report to the people on Berlin and security in a free world.

By Mr. TALMADGE:

Address delivered by Senator Moss before the Hibernian Society of Savannah, Ga., on March 17, 1959.

By Mr. KEATING:

Statements prepared by him regarding St. Patrick's Day, also the 49th anniversary of the founding of the Campfire Girls, and the celebration of March 16 throughout New York State as West Point Day.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nominations of Ellis O. Briggs, of Maine, to be Ambassador Extraordinary and Minister Plenipotentiary of the United States to Greece, and Carl W. Strom, of Iowa, to be Ambassador Extraordinary and Minister Plenipotentiary of the United States to Bolivia.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

DIVERSION OF LAKE MICHIGAN WATERS—REFERENCE OF HOUSE BILL 1

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. As I understand, House bill 1, which provides for diversion of water from Lake Michigan into the Illinois waterway, is at the desk.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. The distinguished minority leader is aware, I assume, that we announced that we would consider the reference of that bill at the conclusion of the morning hour.

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. I should like to have the attachés of the Senate notify all Senators that that question will be before the Senate, so they will not be taken by surprise.

Mr. AIKEN. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. AIKEN. Will that matter be considered before the call of the calendar?

Mr. JOHNSON of Texas. Yes, I think so.

Mr. AIKEN. Under the order which has been entered, I assume that the calendar will be called following the conclusion of morning business.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the calendar be called as soon as debate on the reference of House bill 1 is concluded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF CANADIAN SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. AIKEN. Mr. President, it was with deep regret that I learned of the death of the Canadian Secretary of State for External Affairs, the Honorable Sidney Earle Smith.

Sidney Smith has served as Secretary of State for External Affairs since 1957.

Prior to that time, Secretary Smith served for many years as a distinguished and able professor of law. He contributed many scholarly articles to the field of the law.

From 1934 to 1944, Mr. Smith served as President of the University of Manitoba; and from 1945 to 1957, he was President of the University of Toronto.

Sidney Smith has been in Washington frequently in recent years, and he had a wide and intimate circle of friends here.

His loss will be deeply felt.

HAWAIIAN STATEHOOD

Mr. MURRAY. Mr. President, I am informed that today President Eisenhower either has signed or will sign Senate bill 50, the measure the Senate passed just a week ago, to admit Hawaii as a State.

Both the Congress and the President are to be congratulated on their actions. I venture to say that few, if any, of the laws this Congress will enact will have as great a historic effect on the future of our country and, indeed, on the free world, as will the Statehood for Hawaii bill, for the people of Hawaii come from a variety of racial backgrounds, including races of the Orient. It is there, in Asia, the home of the ancestors of a large segment of the people of Hawaii, that probably the decisive battle between communism and freedom will be waged. The overwhelming majority of the people of Hawaii are, of course, native-born American citizens. They know no loyalty other than that to the United States, and they have given the ultimate proof of that loyalty. Our recognition of the fact that these sons and daughters of the peoples of the Orient have qualified for full equality in our Union, by each and every one of our historic tests, is irrefutable proof of America's position and attitude with respect to the peoples of Asia.

Statehood for Hawaii is democracy in action.

Mr. President, as chairman of the committee which had initial responsibility for legislation for statehood for Hawaii, I visited the then Territory and traveled extensively in it. While there, I talked with men and women of various racial backgrounds. From my personal knowledge, I would welcome to the Congress of the United States men and women of any of these races who, by reason of their ability, character, and personal attainments, might be chosen by the people as their representatives.

FORTY-FIRST ANNIVERSARY OF LITHUANIAN INDEPENDENCE—STATEMENT AND RESOLUTION

Mr. DOUGLAS. Mr. President, although I was absent from the Senate on official business on February 16 when many of my colleagues paid tribute to Lithuania on the 41st anniversary of her independence, I should like to join them in their tribute, and I ask unanimous consent that a statement I have prepared on the anniversary be placed in the RECORD at this point. I also ask unanimous consent that a resolution adopted by the Lithuanian American Council of Chicago, at a mass meeting of Lithuanian Americans on Sunday, February 15, commemorating this event be placed in the RECORD.

There being no objection, the statement and resolution were ordered to be printed in the RECORD, as follows:

STATEMENT ON 41ST ANNIVERSARY OF INDEPENDENCE FOR LITHUANIA BY SENATOR PAUL H. DOUGLAS

On February 16, all those in the United States and the rest of the free world who cherish liberty, will commemorate the 41st anniversary of Lithuanian national independence. In the year since we last celebrated this important anniversary, the Russian rulers of this brave country have attempted to make us forget their treachery of 1940 when they crushed the legal government and occupied Lithuania. They have sent their super salesman, Deputy Premier Anastas Mikoyan, to woo us and have tried through him to sell to many gullible Americans their hypocritical proposition that world peace and stability will be advanced by economic cooperation and competition between the two worlds. Mikoyan would have these Americans forget his part in the bloody crushing of freedom in Hungary, as well as the Communist takeover in Lithuania. He would have us believe that a settlement could be reached between Russia and the free world if the latter would only accept the political status quo.

This we cannot do. We cannot in honor or good conscience release the U.S.S.R. from its obligations to allow self-determination and free elections to these captive peoples. We must not close the door of hope to the freedom-loving Lithuanian people by accepting this Russian siren song. We must not consider Lithuania as an expendable pawn in the power struggle between Communist imperialism and the outside world. We must not permanently consign the Baltic countries of Estonia, Latvia, and Lithuania to the tyrannical oppression of Communist dictatorship, and we are glad that our Government has never recognized their annexation by the U.S.S.R.

It is fitting that all Americans pay tribute to the great love of freedom that binds together the people of the United States and of Lithuania. In celebrating the 41st anniversary of Lithuanian independence, we hope to show these brave people behind the Iron Curtain that they are not forgotten. We must do more, however, than utter empty phrases of hope to them. We must work through the United Nations and the Congress for action to hasten the return of complete national freedom and self-government to all those countries forcibly incorporated into the Soviet Union or otherwise forcibly controlled by the Russian Communists.

I know the Lithuanian American Council will continue their fine efforts to secure such actions in the United Nations and will be of invaluable help in our efforts in Congress.

RESOLUTION

Whereas the American people continue to believe in certain inalienable principles enunciated in the American Declaration of Independence, the Constitution of the United States, the Atlantic Charter, the Universal Declaration of Human Rights and the Charter of the United Nations; and

Whereas the people of Lithuania, firmly espousing the selfsame principles in their declaration of independence promulgated in 1918, have won their liberty by valiant fight against the oppressors and, during 22 peaceful years, against seemingly insurmountable odds, converted war-devastated Lithuania into a prosperous and progressive country; and

Whereas in 1940, Soviet Russia, in conspiracy with Hitlerite Germany and in consistent and unilateral violation of all the treaties and declarations solemnly underwritten by it, viz, peace and nonaggression pacts with the Baltic States, occupied Lithuania and annexed her to the Soviet Union, and, in 1944, following the defeat of the German armies on the eastern front, again took over that country, in complete disregard of the wartime policies and obligations under the Atlantic Charter and the Charter of the United Nations to which Soviet Russia is a cosignatory with the United States and other allied countries; and

Whereas a major part of Europe, the cradle of modern civilization, and Asia, the most populous continent, lies today under the sway of lawless rule by the militant communism which, eagerly looking for new victims, continues rearing its ugly head in other adjacent areas; and

Whereas the Communist conspiracy, by unprecedented and unorthodox methods has infiltrated deep into the still free world, using any deceit or strategem to further its ideological, psychological, or subversive attack upon every strata of free world society including education, art, press, labor, industry, agriculture, and government; and

Whereas military preparedness of the free nations alone or together with isolated attempts to counter Communist aggression are not adequate to cope with the global Kremlin strategy and its unorthodox methods: Now, therefore, be it

Resolved, That the patriotic American citizens of Lithuanian descent of Chicago, Ill., having carefully reviewed the events of the recent past and the deplorable state of international affairs at the beginning of the year 1959, respectfully submit to the President, Secretary of State, and Members of Congress of the United States:

That the Government of the United States continue, in true American tradition, a vigorous and consistent policy to effectively confront the global and centrally controlled Kremlin conspiracy for world subjugation;

That the Government of the United States utilize its leadership in political, military and economic world affairs to the benefit of mankind by providing a wise and coordinated leadership to the nations of the Western Hemisphere in their struggle to resist Communist imperialism;

That the Government of the United States enlist the cooperation of the great potential anti-Communist force among the several hundreds of millions of the enslaved by employing all suitable means and measures, but avoiding premature and abortive uprising, to assist the subjugated peoples to coordinate their fight for survival;

That the Government of the United States, through its representatives in the United Nations strongly oppose the consideration and/or adoption of the "Draft Code of Offense Against the Peace and Security of Mankind," as submitted by the Secretary General of the United Nations, which code in its present form would prohibit oppressed persons and organizations wrongfully enslaved by an aggressor nation to work and fight for their freedom and the restoration of their government to their own people and further said code destroys the agreements reached at the Genocide Convention and ratified by the United Nations.

That the Government of the United States insist upon the sanctity of treaties, much advertised by Soviet spokesmen since 1939, and invoke the authority of the United Nations to demand that the Soviet Government conform its policies to the principles of the Atlantic Charter and United Nations Charter solemnly underwritten by it, as well as honor its prewar international obligations under the peace treaties and nonaggression and friendship pacts concluded by the Soviet Union with the Republics of Lithuania, Latvia, and Estonia, by withdrawing military and police forces and Communist Party apparatus from the occupied territories so that the people may freely fashion governments of their own choosing; be it further

Resolved, That the Lithuanian Americans of Chicago, Ill., reaffirming their pledge of cooperation with the Government of the United States in its efforts to bring about peace, stability, and prosperity in the world, express greatest appreciation and gratitude to the President of the United States and his administration for steadfast adherence to the principles of morality and democracy in international relations and for the support extended to the cause of independence of Lithuania; and to individual distinguished Members of the Senate and the House of Representatives who, on numerous occasions, have lent their moral encouragement to and sympathy with the Baltic and other persecuted peoples.

LITHUANIAN COUNCIL OF CHICAGO,
Judge ALFONSE F. WELLS,
President.
EUPHROSINE MIKUZIS,
Secretary.

ST. PATRICK'S DAY

Mr. DODD. Mr. President, it has been my privilege in recent months to note on the floor of the Senate the passing of significant national anniversaries of various peoples. It is, therefore, a special honor and privilege for me to pay a small tribute on the occasion of Saint Patrick's Day, the great national holiday of Ireland, the country of my own ancestors.

There is a certain sadness and depression surrounding the national holidays of many nations in the world today because they have come to signify the passing of another year of enslavement for peoples who were once free. In the happy case of Ireland, however, we honor not a country that has become enslaved, but a nation which in our generation has achieved freedom.

The history of Ireland holds forth hope to the many millions throughout the world who are striving to keep alive their dreams of eventual liberation.

For 700 years, the people of Ireland were subjected to a systematic oppression which in its severity and duration is probably unparalleled in human history. Over the centuries, every device of the tyrant was employed to reduce the Irish people to slavery. The harshest measures were taken to undermine their economy, to ruin their educational system, to obliterate their language, to destroy their religion, to extinguish their national conciousness, and to crush their will to be free and independent.

Yet, throughout these centuries, Ireland remained unified in spirit, and its people were sustained by the faith which Saint Patrick brought to its shores 1,500 years ago. The Irish resolve to be free was never broken.

Yoked geographically to the world's strongest power, the Irish sought freedom in vain for numberless generations. Thwarted in their own land, they contributed richly to the struggle for freedom all over the globe. Wherever men fought against tyranny, whether the field was Europe, South America, or our own continent, Irishmen stood in the forefront.

Seven of the thirty-nine men who signed the American Constitution were either Irish born or of Irish descent. A large part of our own Revolutionary Army was composed of Irish immigrants. George Washington's repeated commendations of his Irish soldiers serve as a reminder of the debt which all of us owe to these wandering, homeless fighters for freedom.

I was a boy in Connecticut when the 700-year struggle for Irish independence was approaching its climax. I remember the stirring days when the Friends of Irish Freedom were going up and down our land preaching the gospel of Irish independence and seeking help for the cause.

The help which went to Ireland from the outside world was small indeed. This forsaken little nation, which had contributed so much to freedom in other lands, was left to rely on its own small resources in its unequal struggle against the British Empire.

But the victory so long sought in vain could not ultimately be denied.

Once having achieved its free institutions, Ireland has maintained them during a 40-year period when democratic government has come and gone in a score of nations.

Throughout this period Ireland has lived in freedom and tolerance. There is probably less religious or racial prejudice there than in any other country in the world. Though more than 90 percent Catholic, the first president of free Ireland was a Protestant, as were many heroes in the long fight for Irish independence. And the thriving Jewish community of Ireland is one of the most happy and secure in the world.

Independence has been achieved for a large part of Ireland. Unification remains to be achieved. It is sure to come, but it will come peacefully, under law. Unification of Ireland will be based upon consent, and not upon force. Thus, Ireland, through its example, can once again serve the world by pointing the way toward freedom based upon justice.

And so, it is with a sense of pride and gratitude that I join so many others here, and wherever Irishmen are scattered, in paying tribute to a remarkable saint, a sturdy people, and a free nation.

GOVERNOR MEYNER'S BALANCED BUDGET

Mr. WILLIAMS of New Jersey. Mr. President, in the past few months, newspaper correspondents in all parts of the Nation have busily written of the fiscal difficulties faced by Governors of many States. The term "crisis" is frequently used. The stories usually ask "Where can States find new money?"

Under these circumstances, it is a particular pleasure to have printed in the CONGRESSIONAL RECORD an article about Gov. Robert B. Meyner, of New Jersey. It is interesting to note in the newspaper of another State the high regard in which the Governor is held. He has shown that the budget procedure can be an imaginative and creative process, and I welcome this opportunity to ask for additional public recognition of achievements in the Garden State. I ask unanimous consent that this article be printed in the RECORD as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News, Mar. 6, 1959]

HOW MEYNER KEEPS JERSEYITES HAPPY ON BUDGET—GOVERNOR TRIMS STATE'S DEBT, INTRODUCES NO NEW TAXES

(By Milt Freudenheim)

TRENTON, N.J.—Gov. Robert B. Meyner, an oft-mentioned Democratic presidential possibility, has won cheers here with his "no new taxes" balanced budget.

"Dollars-and-cents evidence that there are times when it's nice to have a man around the statehouse who's running for President," glowed more than one influential Republican editorial page.

Meyner's budget joy, astutely kept under wraps until broached as a surprise thunderclap, stands out against the clouds of new taxes and fiscal hurricanes in New York, Pennsylvania, Michigan, and Massachusetts.

No new taxes is an especially choice bit of news in New Jersey (population, 5 million), one of only three States that boast neither sales nor income tax.

In an interview, the youthful looking Meyner (he's 50) explained how he does it.

"Every year, and this is my sixth as Governor, I impress on my cabinet the necessity to be careful about spending," he began.

"We never tolerate the attitude that because there is money left over we should say, 'Let's spend it.' Almost every year, we have more than $1 million surplus, as a result."

Furthermore, the Governor added, "to my knowledge, there are no no-show jobs in the State government." State employees all work.

Meyner has reduced the New Jersey bonded debt from $120 million when he came in, to $86 million now.

He has held the line on State aid to schools, forcing local communities to shoulder this leading expense.

"When they get the money from the State they are less careful how they spend it," he believes.

Meyner's $403,325,022 budget anticipates a $5 million surplus. It allots 38 percent for schools and colleges, 20 percent for highways, 17 percent for institutions, 7 percent for welfare, and so on down the list.

The other two States with neither income nor sales taxes are Nebraska and Texas.

What oil does for Texas, auto traffic does for New Jersey, a corridor State between New York City and Philadelphia.

Gasoline taxes and auto registrations provide nearly 40 percent of New Jersey's cash.

Budget director Abraham Vermeulen, a Republican career official under eight Governors since 1931, cites the State's freedom to allot highway and other revenues as it chooses as a major boon.

"If, like California and Michigan, we had to use auto revenues exclusively for roads, we'd be paving right over the statehouse dome," Vermeulen exclaimed.

Meyner put in a 1.75-percent corporation income tax and raised the gasoline tax a penny to 5 cents last year.

Result: An expected $15 million surplus this year.

New Jersey's constitution requires a balanced budget.

In recent years, the Governor has had to ask $3 million to $4 million in supplementary appropriations when welfare costs soared.

The State AFL–CIO has criticized the Meyner budget for allegedly slighting school, welfare, and institution needs.

Meyner replies: New Jersey is one of the three leading States on per-pupil public school spending. We're doing a job among the leading States on welfare and old-age aid.

"On our mental-health program, we're doing as effective a job as some States that spend half again as much as we do," he asserts.

The Governor admits need for a new institution for mentally retarded children, a medium-security prison, and buildings for the State universities and colleges.

He would like to put in some new taxes on business transactions that would cover these expenses, but the legislature refuses. Therefore, bond issues that must be approved by the voters are the inevitable he says.

Is Meyner conservative because his legislature forces him to be? he was asked.

"I think I'm more fiscally conservative than they are," he replied.

SENATORS AND REPRESENTATIVES SERVING IN CONGRESS MORE THAN 30 YEARS

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the RECORD a compilation of Senators and Representatives who have served longest in Congress throughout the entire history of our Nation.

These data were compiled by Svend Petersen.

Mr. President, I invite attention to the fact that my distinguished colleague, the senior Senator from Arizona [Mr. HAYDEN] leads the list, with 47 years and 1 month of service.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

Member	State	Branch	Years	Length of service
Carl Trumbull Hayden	Arizona	House	1912–27	47 years ½ month.
		Senate	1927–	
Sam Taliaferro Rayburn	Texas	House	1913–	46 years exactly, with 11 leap years.
Joseph Gurney Cannon	Illinois	do	1873–91, 1893–1913, 1915–23	46 years exactly, with 10 leap years.
Adolph Joseph Sabath	do	do	1907–52	45 years 8 months.
Carl Vinson	Georgia	do	1914–	44 years 4 months.
Justin Smith Morrill	Vermont	do	1855–67	43 years 10 months.
		Senate	1867–98	
William Boyd Allison	Iowa	House	1863–71	43 years 5 months.
		Senate	1873–1908	
Carter Glass	Virginia	House	1902–18	42 years 5 months.
		Senate	1920–46	
Robert Lee Doughton	North Carolina	House	1911–53	41 years 10 months.
Kenneth Douglas McKellar	Tennessee	do	1911–17	41 years 2 months.
		Senate	1917–53	
William Pierce Frye	Maine	House	1871–81	40 years 5 months.
		Senate	1881–1911	
Eugene Hale	do	House	1869–79	40 years.
		Senate	1881–1911	
Daniel Alden Reed	New York	House	1919–59	39 years 11½ months.
George William Norris	Nebraska	do	1903–13	39 years 10 months.
		Senate	1913–43	
Samuel Smith	Maryland	House	1793–1803	39 years 1 month.
		Senate	1803–15	
		House	1816–22	
		Senate	1822–33	
Morris Sheppard	Texas	House	1902–13	38 years 5 months.
		Senate	1913–41	
John Sherman	Ohio	House	1855–61	38 years 4 days.
		Senate	1861–77, 1881–97	
Frederick Huntington Gillett	Massachusetts	House	1893–1925	38 years exactly.
		Senate	1925–31	
Robert Crosser	Ohio	House	1913–19, 1923–55	37 years 10 months.
Nathaniel Macon	North Carolina	do	1791–1815	37 years 8 months 10 days.
		Senate	1815–28	
Henry Cabot Lodge	Massachusetts	House	1887–93	37 years 8 months 5 days.
		Senate	1893–1924	
Alben William Barkley	Kentucky	House	1913–27	37 years 2½ months.
		Senate	1927–49, 1955–56	
Francis Emroy Warren	Wyoming	do	1890–93, 1895–1929	37 years.
Clarence Cannon	Missouri	House	1923–	36 years exactly, continuous, with 9 leap years.
Emanuel Celler	New York	do	1923–	Do.
John Taber	do	do	1923–	Do.
Henry Laurens Dawes	Massachusetts	do	1857–75	Do.
		Senate	1875–93	
Shelby Moore Cullom	Illinois	House	1865–71	36 years exactly, broken, with 8 leap years.
		Senate	1883–1913	
Henry Allen Cooper	Wisconsin	House	1893–1919, 1921–31	35 years, 11 months, 25 days.
Thomas Terry Connally	Texas	do	1917–29	35 years, 10 months.
		Senate	1929–53	
Ellison DuRant Smith	South Carolina	do	1909–44	35 years 8 months.
George Frisbie Hoar	Massachusetts	House	1869–77	35 years 7 months.
		Senate	1877–1904	
Lister Hill	Alabama	House	1923–38	35 years 6½ months.
		Senate	1938–	
Claude Augustus Swanson	Virginia	House	1893–1906	35 years 6 months.
		Senate	1910–33	
William Rufus de Vane King	North Carolina	House	1811–16	34 years 6 months.
	Alabama	Senate	1819–44, 1848–52	
Matthew Mansfield Neely	West Virginia	House	1913–21	34 years 3½ months.
		Senate	1923–29, 1931–41	
		House	1945–47	
		Senate	1949–58	
Joseph Taylor Robinson	Arkansas	House	1903–13	34 years, 3 months.
		Senate	1913–37	
Knute Nelson	Minnesota	House	1883–89	34 years, 2 months.
		Senate	1895–1923	
Walter Franklin George	Georgia	do	1922–57	34 years, 1 month.
Joseph William Martin	Massachusetts	House	1925–	34 years exactly, continuous, with 8 leap years.
Gilbert Nelson Haugen	Iowa	do	1899–1933	Do.
Charles Curtis	Kansas	do	1893–1907	34 years exactly, broken, with 8 leap years.
		Senate	1907–13, 1915–29	

Member	State	Branch	Years	Length of service
Thomas Albert Jenkins	Ohio	House	1925–59	33 years, 10 months, exactly, continuous.
Hatton William Sumners	Texas	do	1913–47	Do.
Roy Orchard Woodruff	Michigan	do	1913–15, 1921–53	33 years, 10 months, exactly, broken.
Wesley Livsey Jones	Washington	do	1899–1909	33 years 8½ months.
		Senate	1909–32	
Edith Nourse Rogers	Massachusetts	House	1925–	33 years, 8 months, 4 days.
John Henry Ketcham	New York	do	1865–73, 1877–93, 1897–1906	33 years 8 months.
Edward William Pou	North Carolina	do	1901–34	33 years 1 month.
Henry Harrison Bingham	Pennsylvania	do	1879–1912	33 years ½ month.
William Edgar Borah	Idaho	Senate	1907–40	32 years 10½ months.
John Hollis Bankhead	Alabama	House	1887–1907	32 years 8¼ months.
		Senate	1907–20	
Edward Thomas Taylor	Colorado	House	1909–41	32 years 6 months.
Furnifold McLendell Simmons	North Carolina	do	1887–89	32 years exactly, broken, with 8 leap years.
		Senate	1901–31	
Nelson Wilmarth Aldrich	Rhode Island	House	1879–81	32 years exactly, continuous, with 7 leap years.
		Senate	1881–1911	
Brazilla Carroll Reece	Tennessee	House	1921–31, 1933–47, 1951–	32 years exactly, broken, with 7 leap years.
Julius Caesar Burrows	Michigan	do	1873–75, 1879–83, 1885–95	32 years exactly, broken, with 6 leap years.
		Senate	1895–1911	
Allen Towner Treadway	Massachusetts	House	1913–45	31 years, 10 months, exactly, continuous, with 8 leap years.
Harold Knutson	Minnesota	do	1917–49	Do.
Clarence Frederick Lea	California	do	1917–49	Do.
Wallace Humphrey White	Maine	do	1917–31	Do.
		Senate	1931–49	
John Elliott Rankin	Mississippi	House	1921–53	Do.
Schuyler Otis Bland	Virginia	do	1918–50	31 years 7 months.
Thomas Hart Benton	Missouri	Senate	1821–51	31 years 6½ months.
		House	1853–55	
Joseph Eugene Ransdell	Louisiana	do	1899–1913	31 years 6 months.
		Senate	1913–31	
Jacob Harold Gallinger	New Hampshire	House	1885–89	31 years 5 months.
		Senate	1891–1918	
Oscar Wilder Underwood	Alabama	House	1895–96, 1897–1915	31 years 3 months, 5 days.
		Senate	1915–27	
Thomas Stalker Butler	Pennsylvania	House	1897–1928	31 years 2 months, 22 days.
August Herman Andresen	Minnesota	do	1925–33, 1935–58	31 years ½ month.
Thomas Newton	Virginia	do	1801–30, 1831–33	31 years.
Theodore Elijah Burton	Ohio	do	1889–91, 1895–1909	30 years 8 months.
		Senate	1909–15	
		House	1921–28	
		Senate	1928–29	
Joseph Jefferson Mansfield	Texas	House	1917–47	30 years 4 months.
John William McCormack	Massachusetts	do	1928–	30 years 3 months 26 days.
Byron Patton Harrison	Mississippi	do	1911–19	30 years 3 months 18 days.
		Senate	1919–41	
John Tyler Morgan	Alabama	do	1877–1907	30 years 3 months.
William Steele Holman	Indiana	House	1859–65, 1867–77, 1881–95, 1897.	30 years 1½ months.
John Nance Garner	Texas	do	1903–33	30 years exactly, continuous, with 8 leap years.
Reed Smoot	Utah	Senate	1903–33	Do.
Earl Cory Michener	Michigan	House	1919–33, 1935–51	30 years exactly, broken, with 8 leap years.
Wright Patman	Texas	do	1929–	30 years exactly, continuous, with 7 leap years.
Francis Marion Cockrell	Missouri	Senate	1875–1905	Do.
John Percival Jones	Nevada	do	1873–1903	30 years exactly, continuous, with 6 leap years.

The record for continuous congressional service is held by CARL HAYDEN, who is still serving.

The record for continuous House service is held by SAM RAYBURN, who is still serving.

The House service of Joseph G. Cannon covered exactly 50 years, a record.

The record for continuous Senate service is held by Kenneth D. McKellar.

The Senate service of Francis E. Warren covered 39 years, a record.

William P. Frye and Eugene Hale, both of whom were from Maine, were colleagues in the Senate for all but the first 2 weeks of a period of 30 years, after having been colleagues in the House for exactly 8 years.

Data have been broken down into months and days only sufficiently to avoid ties. The same applies to consideration of leap years.

Data for 12 contemporary members are as of Mar. 4, 1959.

YOUTH CONSERVATION CORPS

Mr. YOUNG of Ohio. Mr. President, the Civilian Conservation Corps, which I supported while a Representative-at-Large from Ohio, was a great national experiment in social welfare. The CCC did an excellent job. It proved its great worth to the Nation.

Again, with so much unemployment causing our youth to feel helpless and, in many localities to be jobless and almost without hope, memories of the great record of the Civilian Conservation Corps provide a basis for its reorganization.

I am one of a number of cosponsors of a bill to create a Youth Conservation Corps.

This is a meritorious proposal.

It is my hope that the bill will be enacted into law within the next few months.

Mr. RANDOLPH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. YOUNG of Ohio. I yield to the senior Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the Senator from Ohio [Mr. YOUNG] correctly invites our attention once again to the impact for good—in the building of human and natural resources—of the original Civilian Conservation Corps Act. That effort initiated a program which extended over a number of years during the serious depression of the thirties. I feel that now—25 years later—considering the impact of unemployment in the State of West Virginia, the enactment into law of similar legislation, as is proposed, would provide worthwhile channels not only to help our youth but also to assist in the rebuilding of the economic structure of our State.

I commend the able Senator for his efforts. I recall our service together in the House. It is a privilege to be a cosponsor of the legislation to which he has referred, and which is pending in this body.

There is ample reason for me to join in cosponsoring a youth conservation bill. Not only did I militantly support and vote for the Civilian Conservation Corps Act—one of the cornerstones of the New Deal program; I assisted in the framing of that legislation. The important part the CCC program accomplished for economic recovery and human progress under the authority of that act, has had almost universal approval. In retrospect those who doubted its original purpose became its ardent supporters.

In counseling with the people of West Virginia as I traveled about the State in the last election year, I spoke often of both the emergency and lasting values of the Civilian Conservation Corps. In a more specific speech reference at Summersville in Nicholas County on October 24, 1958, I said:

> I was a strong believer in the validity and the usefulness of the Civilian Conservation Corps as a reforestation assistant, as a builder of young men, and as a financial aid to depression-stricken families in the early and mid-1930's. If the present recession should unfortunately deepen—

I added—

> or if another seriously depressed economic era should befall our country, I would strongly recommend a revival of the New Deal era Civilian Conservation Corps instrumentality and technique.

Mr. President, the impacts West Virginians were feeling from the recession in the fall of 1958 bear down deeper today in our State. Even the Wall Street

Journal and the New York Times have, in recent days, carried on their front pages stories of the economic and social distress prevailing in West Virginia—facts written by their own staff writers who went into the depressed areas of the State to observe and report upon conditions.

Published testimony taken at hearings before the Subcommittee on Banking and Currency of the U.S. Senate in the cities of Charleston, Beckley, and Morgantown, W. Va., as recently as March 4, 5, and 6, bear out more vividly and pointedly the actual economic and social dislocation in our State.

Hence, Mr. President, I feel impelled to renew my pledge to recommend a revival of the Civilian Conservation Corps, and I strongly urge early and favorable consideration of the proposed youth conservation bill, in which I join, and about which the Senator from Ohio has forcefully addressed his remarks.

Mr. YOUNG of Ohio. Mr. President, over the years the distinguished senior Senator from West Virginia [Mr. RANDOLPH] has established an outstanding reputation for the performance of real and needed service to the people of this Nation. The Senator has proved himself to be a great humanitarian, and I am pleased, of course, that he is in full accord with the views I am expressing today.

Mr. President, I embody in my remarks in support of this proposed legislation an editorial statement of Don Miller, associate news editor of the Chronicle-Telegram, an important newspaper published in Elyria, Ohio. Don Miller, an outstanding editorial writer of my State, is himself an alumnus of the CCC.

Mr. President, I ask unanimous consent that the article entitled "Afloat and Afield," written by Don Miller, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFLOAT AND AFIELD

(By Don Miller)

The kid was just out of high school, jobs were scarce, and he was at loose ends.

Gradually he moved in with an older crowd which kept some wild hours, pooled their skimpy resources to buy illicit homebrew, and were on the borderline where youthful exploration of a big world could turn at any time to tragedy.

Then, on an impulse, the boy joined the Civilian Conservation Corps.

In the time it takes to whistle "Dixie" he found himself in a fairly wild section of Utah. Here he became acquainted with rattlesnakes and scorpions. He hunted for jackrabbits and cougar.

He explored the beauties of Zion National Park, hunted big mule deer in the Pentura Mountains, and roamed the mountains near Cedar City. Several weekends he hitched rides 185 miles away, across the Arizona strip, to Las Vegas and to Boulder City, where he explored every part of Boulder (now Hoover) Dam he could reach.

At St. George, Utah, he played basketball against junior college teams. He learned to box, to work in a darkroom in printing pictures.

He also learned to work as a rodman for a surveyor, working in blizzards each day, barely able to see through the snow while below, in a valley, others worked without shirts, getting suntans.

He worked on irrigation canals, learning riprap work with stone. And with a shovel he helped to work on other irrigation canals. He helped to dam streams, retaining precious water where it was scarce.

A year later, after some lazy months at home with the same old crowd, he again went into the CCC. This time he went to Idaho in the southeastern corner. Again he saw the beauties of a strange country; the snow-crowned mountains; the towering pines; the clear, swift-flowing streams.

He learned to fish for trout, to explore the rocky ledges. He killed scores of rattlesnakes unearthed in winter by huge bulldozers slashing into a cliffside at a rock crusher.

He learned to drive a dump truck. He studied diesel engines and photography. He helped to build roads and a Scout mountain ski jump. And he spent an entire winter going up into the mountains alone each day, wearing snowshoes, and putting out poison blocks for porcupines.

He also learned shooting accuracy, using a .22 on the porcupines which were so numerous they were destroying beautiful timber, girdling the trees.

He went up the mountains at daylight, and sat for hours, watching beavers work on their dams and cutting trees. He saw a Government trapper cutting down on the beaver surplus through trapping.

It was quite an education for a boy not yet aged 18. And even today, people both in Utah and Idaho are receiving benefit from things on which he and hundreds of other CCC boys worked.

Today there are bills both in the U.S. House of Representatives and Senate which would set up a 150,000-man Youth Conservation Corps. It would further the conservation programs and help to combat delinquency by utilizing unemployed youths.

I hope it passes, and perhaps some letters to Representatives and Senators would be of assistance in getting support.

I hope it passes—for 20 years ago I was the kid on the brink of a world of trouble, and enjoyed the rich benefits of that CCC work, travel, and an earthy but wonderful education.

Mr. YOUNG of Ohio. Mr. President, our most valuable natural resource is our youth.

We pass legislation to conserve our oil, our timber, and many of our other natural resources.

We accommodate our surplus in agriculture.

We subsidize certain vital industries.

Certainly we can and should legislate to conserve our youth—especially those thousands whose future might otherwise be wasted both for themselves and for the Nation.

A boy approaching young manhood, unable for financial or other reasons to go on to college and likewise unable to secure employment and possibly unable to pass the physical examination necessary to enter our Armed Forces, would, if we were to create a Youth Conservation Corps, be physically and mentally rehabilitated by reason of outdoor activities of such a YCC.

Mr. President, those enrolled would repeat the great accomplishments achieved by members of the Civilian Conservation Corps 26 years ago.

By their work they would accelerate the construction of forest service and national park recreational facilities.

Their time would not be wasted from that standpoint, and boys who now face a well-nigh hopeless situation would gain strength and self-respect.

Juvenile delinquency would be lessened.

Conservation of natural resources is involved, as well as conservation of the youth of our country.

The best news to hundreds of thousands of families in America in this time of widespread unemployment, would be the passage of the bill, S. 812, introduced by the senior Senator from Minnesota [Mr. HUMPHREY] to create a Youth Conservation Corps providing healthful outdoor training and employment for young men and, at the same time, advance the conservation development and management of natural resources of timber, soil, and of recreational areas.

I express the earnest hope that the action on this bill will not be long delayed.

HOOVER MEDAL FOR 1958

Mr. KEATING. Mr. President, the Hoover Medal for 1958, an award given annually to an engineer selected by the four Founder Societies of America of Civil, Electrical, Mechanical, and Mining Engineering, was presented recently to Lt. Gen. Raymond A. Wheeler, U.S. Army Engineers, retired.

Having served under General Wheeler in the China-Burma-India Theater during World War II, and later having witnessed his distinguished performance of the important duties of Army Chief of Engineers, I know full well how richly "Speck" Wheeler deserves this recognition of his superb talents. I ask unanimous consent that the brief citation accompanying the award of the Hoover Medal to General Wheeler may be included in the RECORD at this point.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

RAYMOND ALBERT WHEELER

Typifies all that is best in leadership, training, experienced judgment, character and warm friendship in both the military engineer and the civilian engineer. His accomplishments throughout his life are outstanding, have brought great credit to his chosen profession, and mark him an eminent engineer of national and international recognition. His significant contributions include the monumental task of clearing the Suez Canal.

FIFTEENTH ANNIVERSARY OF BOYS' TOWNS OF ITALY

Mr. KEATING. Mr. President, tomorrow night in the grand ballroom of the Hotel Waldorf-Astoria in New York City, a ball will be held in celebration of the 15th anniversary of the Boys' Towns of Italy.

Former President Hoover will appear at this event to make an award in behalf of the Boys' Clubs of America to Msgr. John Patrick Carroll-Abbing, the remarkable Irish priest who founded Boys' Towns of Italy.

The New York celebration will be the first of a series of 15th anniversary fundraising balls in 17 cities throughout the country. Next Monday, Princess Gabriella Pacelli, niece of the late Pope Pius

XII, will arrive in New York to begin an extensive tour of the United States in connection with this series of events. Her trip will get under way formally when Mrs. Eisenhower receives her at the White House.

The Princess will be acting as good-will ambassador for a cause with which she has been closely allied since its very beginning on the war-torn streets of Rome. In those early days of heartbreak and discouragement, the Princess worked by the side of Monsignor Carroll-Abbing. The monsignor, then a domestic prelate to the Vatican, gathered together the wandering, homeless boys of postwar Italy and fed them. He saw his work grow from this to the cellar refuge he started on Christmas Day 1944, and then gradually to its present stature of 9 self-governing Boys' Towns, the newly founded Girls' Town, and 30 nurseries in southern Italy.

Princess Pacelli and her 22-year-old daughter, Ursula, will be guests of honor at an Italian Embassy reception given by Ambassador and Signora Manlio Brosio. She will also meet with the Italo-American delegation in Congress.

Monsignor Carroll-Abbing, the "Father Flanagan of Italy," and the man responsible for enlisting the Princess' interest in Boys' Towns, might well have rested on his laurels as a scholar of the Catholic Church and a domestic prelate of His Holiness Pope Pius XII. Instead, he chose to dedicate his life to the bands of homeless boys wandering the streets of Italy in the wake of the armies. It is his work which has inspired thousands of Americans differing in religion, national background, politics and professions, in this effort toward a better world.

Mrs. George Skouras, of New York, international chairman of Boys' Towns of Italy, has arranged the details for the trip of the distinguished visitors.

An American of Italian background, Mrs. Skouras is the wife of the Greek-born head of one of the country's largest motion picture theater chains. A trip to Italy 5 years ago, and her first encounter with Monsignor Carroll-Abbing and his Boys' Towns, transformed Julia Skouras from a suburban matron to the dynamo who has recruited thousands of volunteers for these amazing colonies which have salvaged the youth of Italy from delinquency and communism.

Boys' Towns of Italy consist of nine model, self-governing communities, for boys, patterned after the famed Boys' Town founded by the late Father Flanagan. They have been built almost completely with funds donated by Americans.

Boys' Town of Pozzuoli, for example, was sponsored by Local 48 of the International Ladies' Garment Workers' Union of New York City. Boys' Town of Palermo, on the other hand, was a project of a committee of the Men's Clothing Industry of New York, representing the management side of that industry.

Sea Town, one of the three villages of the Boys' Republic of Civitavecchia, was founded under the auspices of an American food industry committee. The magnificent athletic fields of Boys' Towns of Rome are the gift of New York merchant Nathan Ohrbach.

Americans who have visited Boys' Towns of Italy have become boosters for this international project. These include Mrs. Eleanor Roosevelt, Mrs. Clare Booth Luce, film star Mitzi Gaynor, actress Helen Hayes, sports' greats Gene Tunney and Joe DiMaggio, singer Julius La Rosa, and opera star Robert Merrill. The famed Negro basketball team, the Harlem Globetrotters, put on an exhibition game for the boys. And the efforts of Linda Darnell, Hollywood star, inspired the first Girls' Town.

Mr. President, Boys' Towns of Italy is a great humanitarian undertaking which will pay dividends in good citizenship for generations. I am proud of the role my own State of New York has played in its development, including notable support by both labor and management. All associated with this enterprise deserve the commendation and support of each one of us.

SEVENTH ANNUAL DEDICATORY PRAYER BREAKFAST

Mr. CARLSON. Mr. President, last Thursday morning, 1,000 persons, including members of the executive, legislative, and judicial branches of our Government, delegates to the conference and representatives of the Council of Christian Leadership groups attended the Presidential prayer breakfast at the Mayflower Hotel in Washington, D.C.

I ask unanimous consent to have printed in the body of the RECORD a copy of the program and transcript of the proceedings of this service.

In my opinion this prayer breakfast and program added much to the religious life of our Nation.

There being no objection, the program and transcript were ordered to be printed in the RECORD, as follows:

PROGRAM FOR PRESIDENTIAL BREAKFAST, THURSDAY, MARCH 12, 1958, 8 A.M., MAYFLOWER HOTEL

Presiding: Senator FRANK CARLSON.
Invocation: Judge Boyd Leedom.
Message of welcome: Senator CARLSON.
Comments: Dr. Richard C. Halverson.
Old Testament Scripture, Psalm 46: Hon. Ezra Taft Benson.
New Testament Scripture, Matthew 16: 13–27: Hon. Wilber M. Brucker.
Greetings from the House of Representatives breakfast group: Hon. ALVIN M. BENTLEY.
Greetings from the Senate breakfast group: Senator A. WILLIS ROBERTSON.
Solo: Fague Springman.
The Vice President of the United States.
Prayer, in unison:

"Our Father in Heaven:

"We pray that You will save us from ourselves.

"The world that You have made for us, to live in peace, we have made into an armed camp. We live in fear of war to come.

"We are afraid of 'the terror that flies by night, and the arrow that flies by day, the pestilence that walks in darkness and the destruction that wastes at noonday.'

"We have turned from You to go our selfish way. We have broken Your commandments and denied Your truth. We have left Your altars to serve the false gods of money and pleasure and power.

"Forgive us and help us.

"Now, darkness gathers around us and we are confused in all our counsels. Losing faith in You, we lose faith in ourselves.

"Inspire us with wisdom, all of us of every color, race, and creed, to use our wealth, our strength, to help our brother instead of destroying him.

"Help us to do Your will as it is done in heaven and to be worthy of Your promise of peace on earth.

"Fill us with new faith, new strength and new courage that we may win the Battle for Peace.

"Be swift to save us, dear God, before the darkness falls.

"In Jesus name, Amen."

(Prayer by Conrad N. Hilton given at previous Prayer Breakfast.)

Conclusion: Dr. Abraham Vereide.

PROCEEDINGS

Senator CARLSON. Judge Boyd Leedom, Chairman of the National Labor Relations Board and President of the FCC will offer the invocation.

INVOCATION: JUDGE BOYD LEEDOM

Judge LEEDOM. Eternal God, as we are gathered here at this unique meeting where many, many of great responsibility are gathered together, we ask that Thy spirit be here in a remarkable degree.

We pray especially this morning for the leaders of nations, that the peace of Christ may prevail on earth. Particularly we pray for the President of the United States, and all in high places who assist him in the Government of this land of ours. God save him from little men in other positions of high authority who may, out of selfish interest and greed, deviate from the single purpose of peace.

We pray for others in our own Government, especially Secretary Dulles, and may the miracle of his healing which we think is unfolding come to full fruition, so that his services may be continued.

We pray for the leaders of all nations, for the leaders especially of the Soviet Union of Russia. Grant somehow God that Thy wisdom and Thy spirit may enlighten them so that the affairs of men on this planet may finally come to a peaceful conclusion at this tragic time.

God, in our military might, make us truly aware that love is the greatest force of all, and guide us so that we may know how to exert it to bring about peaceful relations between nations.

But most especially, eternal God, we pray at this time that You may become real in the lives of each of us here gathered and that we may truly understand, not merely mentally accept, but truly understand that in Your divine plan You did send to this planet of ours in our time and space One like us, a Man Jesus Christ, to reveal Yourself to us and let each of us here gathered be fully aware that Christ stands at our right hand to offer the solution for all problems if we will but accept Him.

For it is certainly true, and history would affirm the fact, that if all the people gathered here would accept Christ as a reality in their lives and so conduct their affairs, that peace would certainly prevail.

This we most earnestly pray.

In Christ's name, Amen.

MESSAGE OF WELCOME: SENATOR FRANK CARLSON

Senator CARLSON. We are delighted that there are so many here this morning for this seventh annual prayer breakfast. I regret that I do not have time to introduce the many members of the executive branch, the judicial branch, and the legislative branch of our Government.

This annual breakfast is in commemoration of the organization of the breakfast prayer group of 25 years ago which was organized in Seattle, Wash. Now these

groups have been organized in every section of the Nation, and many of them in foreign countries.

This is truly a dedicated group, with a spiritual consideration of the practical problems which we believe can be solved by groups such as this. We believe that the cornerstone of American life rests on a strong prayer foundation. We firmly believe that the greatness of America comes from the loyalty of the patriotism and the righteousness of our people. We believe it is imperative, in order to preserve and save our sacred freedom, that we have a strong and courageous God-fearing people and a total mobilization of all the spiritual forces of this Nation.

At the headtable we have a few guests whom I want to present before we get into the program.

I want to state to this fine group gathering this morning that the President of the United States planned on being here until as late as 5 o'clock last evening. There was a pressing matter that made it practically impossible for him to be away from the White House this morning. I told him I regretted it very sincerely; on the other hand, I just felt a little embarrassed to ask him to come down to a breakfast with all the pressing problems he is carrying at this time. He asked that I extend his greetings and best wishes to this group.

At the headtable we have the chairman of the Senate prayer breakfast group, Senator ALEXANDER WILEY, of Wisconsin.

We have at the headtable a man who has been very interested in Christian and religious work, very active in the working of a great newspaper, recently appointed Ambassador to Israel, Mr. Ogden Reid.

Then, if it comes to people of importance, I think we all owe a debt of gratitude to the host of this breakfast, Mr. William Jones, of California. Mr. Jones.

Every Thursday morning there is a prayer group that meets in the House of Representatives; every Wednesday morning there is a prayer group that meets in the Senate of the United States.

This morning, before we get into the program. we are going to have a Scripture read from the Old Testament by the Honorable Ezra Taft Benson, the Secretary of Agriculture, and a Scripture read from the New Testament by the Honorable Wilber M. Brucker, the Secretary of the Army.

(Old Testament Scripture: Psalm 46, read by the Honorable Ezra Taft Benson.)

(New Testament Scripture: Matthew 16: 13–27, read by the Honorable Wilber M. Brucker.)

Senator CARLSON. We will now have a message from the president of the House prayer breakfast group, Congressman BENTLEY, and following we shall have a message from Senator A. WILLIS ROBERTSON, of Virginia.

GREETINGS FROM THE HOUSE OF REPRESENTATIVES BREAKFAST GROUP, HON. ALVIN V. BENTLEY

Mr. BENTLEY. Thank you, Senator CARLSON.

Mr. Vice President, distinguished guests, ladies and gentlemen, Christian friends all, it is a deep privilege to be able this morning to bring you greetings from the breakfast group of the House of Representatives, of which I am president this year. The House breakfast group, with a total membership of nearly 100, assembles in a private dining room at the Capitol every Thursday morning while Congress is in session. Following the meal, one of our own Members brings us a message of his own choosing, usually on some theme of our Christian religion. A discussion period follows whenever time permits.

The membership of the House group is as cosmopolitan as is the House itself. The presidency of the group alternates between our two political parties annually. We have northern Democrats and southern Democrats, northern Republicans and even southern Republicans, difficult as it is to find them in the Congress. Our members in fact represent not only an accurate cross section of the Congress but indeed of the country itself.

On political, economic and social questions, you would find a wide variety of opinions indeed. But there are two factors which make us all feel very close to one another. The first is, of course, our love of and devotion to our great Nation whose citizens we represent in the Congress. The second is our common belief in the teachings of the Master and a firm dedication to those principles which He inspired by His words and actions.

I am sure there are many persons, possibly including some of our own Members, who ask themselves what can possibly be acomplished through these weekly meetings. We do have some concrete accomplishments, such as the establishment of the Congressional Prayer Room, to our credit. But I should think that our main purpose is twofold in nature and is indeed applicable not only to our own group but to all similar groups throughout this country and even in foreign lands.

The first is based on the premise that the continued practice of our Christian faith better qualifies us to perform the duties and pursue the careers which we have chosen for ourselves or to which God has called us. Having in mind our own example as legislators, the spiritual and moral refreshment which we derive from these weekly meetings is indeed a source of strength and inspiration to all of us as we go about our daily tasks. No matter how sharply our personal opinions may vary on other questions, we are all conscious of the continuing need to ask God and His beloved Son to guide our footsteps in the path of freedom and righteousness for the sake of His blessed name. Speaking personally, I leave that room every Thursday morning with a renewed devotion to our Christian precepts and a determination to practice them as a legislator in the light of Jesus Christ and insofar as God may grant me the mercy to see that light. We are all of us, I know, better Congressmen, better Americans, and better Christians for having met with one another in an abiding spirit of fellowship and love.

And yet there is perhaps even a higher motivation for our weekly assemblies. We are a prayer group and we pray earnestly and feverently upon meeting and before departing. We are all of us convinced of the power of prayer and of the belief that indeed prayer changes things. If you will pardon another personal reference, people have told me that I am a living example of what prayer can accomplish and I refer, of course, to that time 5 years ago last March 1, when five of us were shot down in the House of Representatives, and my own life hung in the balance. And I will firmly believe throughout all of my days that the heartfelt prayers of thousands of my fellow citizens and Christians had the power to restore me to health and strength and to permit me to stand before you this morning. It is the most humbling, the most ennobling, and the most revealing experience that a human being can ever pass through. And so we of the House breakfast group join millions of our fellow Christians in their prayers for a righteous peace, for the eternal glory of God throughout the world and for brotherly love and fellowship to permeate all mankind as the Master taught us nearly 2,000 years ago. And, if our faith is strong enough, we know that our prayers will be answered.

Again I greet you on behalf of my colleagues in the House breakfast group and wish for you a successful and a spiritually satisfying conference. May you find Christian answers to the problems which beset us today and may God in His infinite goodness and mercy help you to discover the solutions we all so sorely need.

GREETINGS FROM SENATE BREAKFAST GROUP, SENATOR A. WILLIS ROBERTSON

Senator ROBERTSON. Mr. Chairman, Your Excellency the Vice President of the United States, members of the Cabinet, colleagues, ladies, and gentlemen, in quoting from the greatest military leader that the Jews ever produced, Secretary Benson has given me an appropriate text for my remarks today, when he quoted King David as saying: "God is our refuge and strength, a very present help in trouble."

A serious crisis has been created by the demand of the Soviet dictator that we and our allies leave Berlin by May 27, to which we have replied that we do not intend to go. As we drift toward the possibility of armed conflict over the Berlin issue my thoughts turn to the crisis that confronted us in Virginia 185 years ago. British troops had invaded Massachusetts and Massachusetts had called upon us for help. Before acting on that plea the Virginia House of Burgesses adopted a resolution designating the first Sunday in the following June as a day of fasting and prayer. That resolution called on the people "devoutly to implore the divine interposition, for averting the heavy calamity which threatens destruction of our civil rights and the evils of civil war; to give us one heart and one mind firmly to oppose, by all just and proper means, every injury to American rights; and that the minds of his Majesty and his Parliament may be inspired from above with wisdom, moderation, and justice, to remove from the local people of America all cause of danger, from a continued pursuit of measures pregnant with their ruin."

George Washington, who helped to frame that resolution of 1774 knelt in the snows of Valley Forge to ask the help of God to carry on an unequal military struggle for independence and it was Washington who was presiding over the Philadelphia Constitutional Convention in the summer of 1787 when his friend, Benjamin Franklin, said: "In the situation of this assembly groping as it were in the dark to find political truth, and scarce able to distinguish it when presented to us, how has it happened, sir, that we have not hitherto once thought of humbly applying to the Father of light to illuminate our understanding? I have lived, sir, a long time, and the longer I live, the more convincing proofs I see of this truth—that God governs in the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid?"

Again, in 1789, Washington said in his inaugural address: "It would be peculiarly improper to omit in this first official act my fervent supplications to that Almighty Being who rules over the universe, who presides in the councils of nations, and whose providential aids can supply every human defect, that His benediction may consecrate to the liberties and happiness of the people of the United States a Government instituted by themselves for these essential purposes, and may enable every instrument employed in its administration to execute with success the functions allotted to his charge."

In the birth of a new nation, in the rise of a new empire the Founding Fathers asked for and received God's help. Do we no longer need that help?

The possession by the Soviet Union of nuclear weapons, including intercontinental missiles, hangs over our heads like the Sword of Damocles. For the next fiscal year and as long thereafter as the present cold war lasts, our Government will spend more than half

of its current revenue on its Military Establishment. Yet our military experts frankly admit that we will suffer heavy casualties in the event of a surprise nuclear attack and an all-out nuclear war might destroy civilization as we have known it, if it did not, indeed, destroy all life on our planet.

In the fight for religious, political, and economic freedom, 3 million relatively poor and untrained colonists survived 7 years of armed conflict with the 35 millions of the mother country. In that conflict the Founding Fathers asked for and received Divine interposition.

In meeting the threat of nuclear destruction we, like our forefathers, should pray daily for God's help.

Because of her dependence upon and reverence for the Supreme Ruler of the universe, America has been spared in two World Wars.

She stands now at the crossroads of her destiny—threatened from within by spiritual indifference and moral deterioration, and from without by a deadly foe.

The conflict is no longer might against superior might. The battlelines are already drawn. The one issue which faces us today is this: Will America accept the moral challenge of this hour, as she has accepted the military challenge of past years, or will she allow this glorious opportunity to slip from her grasp forever?

This, my friends, is the world leadership to which we are called today: To stand before the nations of the entire world and say with young David: "Thou comest to me with a sword, and with a spear, and with a shield; but I come to thee in the name of the Lord of hosts."

The unseen forces of a mighty God are on our side, and we can go confidently forward in the power of His might if we will take Him at His word when He says: "If my people, which are called by my name, shall humble themselves, and pray, and seek my face, and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land."

Senator CARLSON. I have the honor to present to this fine group this morning the Vice President of the United States.

STATEMENT OF THE VICE PRESIDENT OF THE UNITED STATES

Mr. NIXON. Senator CARLSON, my fellow Cabinet members, Members of the Senate and House, members of the diplomatic corps, and all distinguished guests from around the country today, it is a very great privilege for me to be here this morning even at this early hour to attend this meeting. I say early hour, because while the President, as you know from reading your newspapers, likes to do business and go to meetings at breakfast, I prefer to work my schedule later on in the evening; so, consequently, it begins to burn at both ends when you get up at 8 after staying up to 12.

Now, of course, I have been commissioned to say just a few words at the conclusion of this breakfast, and the themes that have already been indicated by the scriptures and the eloquent statements presented by Congressman BENTLEY and Senator ROBERTSON I think are ones I could very well follow. I would like to relate those themes, if I might, very briefly to the world situation in which we find ourselves today. And perhaps if you will also pardon a personal reference in my case, I think we might start from an individual, a personality, who visited the United States a few weeks ago.

Many of you probably saw Mr. Mikoyan on "Meet the Press." Many of us had the oportunity in Government of meeting him or talking to him, of seeing his mind work and of learning what he believed. But more important than that, how deeply he believed what he believed. I can tell you from my own personal conversations with him that I was tremendously impressed by his mental equipment, by his keen and decisive sense of humor, by his remarkable background, not only in his own philosophy, but also his understanding of our philosophy, by the fact that he had done his homework well.

He knew all about me, all about the various other people in the conference in which I participated, which meant, of course, here was a man who was especially qualified from a diplomatic standpoint to carry out the mission on which he had been assigned.

But all these factors which I have mentioned did not make the greatest impression as far as I was concerned. After all, he is the second man in the Soviet Union, and being the second man he should be certainly extremely well trained. He should be well briefed. He should have great ability and great understanding of world problems and of the problems of his own country, as well as an understanding of the country which he was visiting. There was something else which impressed me and perhaps, I should say, disturbed me more than these things which I would have expected from a visitor of his quality from a great nation and a great people, and it was the fact that this man had a faith, a burning faith, that his cause was right. This is hard for those of you in this room to believe, I am sure, as it is hard for me to believe. But one thing we must remember about the great struggle in which we are engaged today is that whatever we may think of communism—and we would get a unanimous vote in this room or in any American audience or any audience in the free world with regard to the evils of the Communist system—whatever we may think of the system, we must make no mistake about it that those who are advocates of that system have a faith, a burning faith, one, that their system is right, and two, a faith that their system will prevail.

Mr. Mikoyan himself told me when I was talking to him that he could see because of the great industrial development that occurred in the United States, because our workers lived so well even when they were unemployed after he had visited Detroit and other areas, he could see that the old classical Marxist theory that revolution would come in all the capitalist countries as the result of the workers of the country joining together and overthrowing the employers and the capitalists and bourgeois, he could see that that theory might not be applicable to the United States. And I asked him how will communism come to a country like this, and his answer was very significant. He said, "communism will come to the United States because we in the Soviet Union will outproduce you, we will work harder, our system is more efficient, our system is more desirable, and the people of the United States, in the years ahead, as they see that we are moving ahead of the United States, will in self-defense have to turn to some form of communism if they are to avoid becoming a second rate power." He said this and he believed it.

Now, I mention this only to point out what our problem in the world today is. How do we meet this threat? Well, you pick up the morning papers. You will note that a great debate is going on, as it should go on, may I say, on the defenses of the United States, because this is a matter that is not partisan; this is a matter in which whether we are Democrats or Republicans we want to make the decision that will be best in the interest of the country. Healthy discussions of these matters, of course, is desirable, but when we put our emphasis on the defenses of the United States, let us remember that this alone is not the whole answer and this alone may not be the most important part of the answer. We need to be, with our allies, strong enough to deter or discourage any attack by the Soviet Union or by any of her aggressive power, but we need more than that if we are to win or even to survive against the likes of people like Mr. Mikoyan.

What more would you say? Well, many would say, I am sure, that this great struggle is going to be decided in the economic area, and Mr. Mikoyan believes this, I am sure. He believes as we look around the world today, as we see poverty and misery and disease, that that system which proves to be the most efficient economically will eventually prevail. And following that theory to its logical conclusion, there are many who say that the United States, in addition to being strong militarily, must be strong economically and that the free world with its economic strength must surpass the Soviet world, and looking toward the great new developing areas of the world—Africa, Asia, and the Near East—that the answer to whether these countries in those areas are going to turn to communism or turn to the free world will depend almost exclusively on the economic phase of this struggle.

Putting it in bold terms, you often hear it said when you travel in Asia, "give every Asian another bowl of rice and you will have no communism." Is this the answer? And again, I would be so presumptuous to say I don't believe so. Giving every Asian another bowl of rice, raising the living standards of peoples throughout the world is tremendously important; building missiles, aircraft, having ground forces sufficient to deter aggression is tremendously important for our survival. But if we allow this struggle in which we are engaged to be decided solely by the number of our missiles, by the productivity of our factories, we are meeting our potential opponents on the ground they select. We are meeting them in the area where they could win, and we are not using a third area of our own strength, which in my opinion can be, should be, and will be decisive.

It is true that certainly we cannot and should not allow the peoples in the newly developing countries to have to choose between bread and freedom. It is true for that reason that we need programs which will help them build the economic strength, which will allow them to have the political independence that they desire and that they deserve.

But it is also true that we have something more to offer than atheistic scientific materialism, and this meeting, of course, is the most eloquent demonstration of what we have to offer. The rights that we believe in as Americans are not rights that are derived solely from governments. They are not rights that, having come from government, can with impunity be taken away by government. We know that we say our rights are God-given. We know that as we consider the growth of America over 185 years that the fact that we have had a belief in God and spiritual strength has been certainly one of the major factors in our growth.

Putting this in the international context, may I simply say that today, as Americans interested in our survival, we need to maintain our military strength, we need to keep the economy of this country strong and sound and productive, and as free as possible. But, above everything else, we need faith, a faith stronger than Mr. Mikoyan's, a faith not only in the rightness of our cause, but faith in God, and a belief that the rights which come only from God, that those rights not only belong to us but they are also the rights of people throughout the world who are free or who want to be free, and that our responsibility is more than simply to maintain the military strength which will keep an easy peace and the economic strength which will provide the progress which men deserve around the world.

May I just say in conclusion this one word. In our attitudes toward the people

of the world these days, I think there is sometimes too much of a tendency for us to allow America to be painted as a nation which is solely interested in our relations with other countries in saving our own security. This, of course, is a primary concern for us. But if the peoples of the world believe that our economic assistance programs, that our military security programs, are supported in this country solely because of our interest in preserving American freedom and not because of our equal interest in maintaining the freedom and independence of other peoples, you can see what the outcome of this struggle will be.

You hear, for example, these days that it is most unfortunate for anyone to suggest that in our economic programs, technical assistance and the like, that we might be motivated by humanitarian concerns for those who are poor and sick, for the destitute of the earth, in Asia, Africa, and the Middle East. Just let me say this, having visited most of those countries, having seen these people, knowing them, I think, perhaps as well as most of the people in this room, I can say, and I would agree with them, that if they come to believe that our interest is simply that of Mr. Mikoyan and his friends, our interest is in them purely because of our self-interest in ourselves, there will be nothing to choose, and in the end the other side will prevail.

And so far that reason, let us with our great Christian tradition, let us not be ashamed to say to the world that we are not only interested in them because we need allies, as we do; that we are not only interested in them because we want a world in which we can have greater trade, productivity, on the economic side; but that Americans have an interest in other people for humanitarian reasons, because we believe that our interests are served when people throughout the world can share not only the good things of life materially, but can also share the priceless freedoms which we enjoy today because of sacrifices our fathers made in times past.

And so, with that, may I say that the work that you do, the work that you do in inspiring faith, in leaders in your own communities and leaders in the halls of Congress and Government, is basically important, important because you are emphasizing that phase of American life which needs emphasizing today. You are helping us to point out to the world that we have something more to offer than the enemies of freedom, and you are helping to remind us of the fact that our tradition is not simply one of great military strength, of tremendous economic productivity, but it is one in which we have arrived, where we have arrived because we have had faith, faith in God, faith in our country, and faith in the great God-given rights which we believe belong to every man in the world today.

Thank you, very much.

Senator CARLSON. The meeting will now be concluded by our executive director, Dr. Abraham Vereide, who will lead with the closing prayer.

Dr. VEREIDE. God, we thank Thee for the morning. We thank Thee that Thou has heard our prayers, that we can depend absolutely on Thee. If that is so, we can go forward today with confidence and courage to acquit ourselves like God's men and women in the genuineness of our faith and our love and devotion, and in the strength of the cause for which we are committed.

And so, we here hand ourselves over to You this morning, with our President and his Cabinet, and our leaders in every area at home and abroad, and as Thy people the world over say:

"Our Father which art in heaven, hallowed be Thy name.

"Thy kingdom come. Thy will be done in earth, as it is in heaven.

"Give us this day our daily bread.

"And forgive us our debts, as we forgive our debtors.

"And lead us not into temptation, but deliver us from evil: For Thine is the kingdom, and the power, and the glory, forever. Amen."

FREEDOM FOR YOUTH—U.S.A.

Mr. WILEY. Mr. President, May 1, 1959, will be a significant occasion to a great many people all over the world. May Day has traditionally been a time of happiness and festivities to freedom-loving peoples everywhere. It is the early part of springtime, the symbol of the re-creation of life—the "flowery May," to quote John Milton—and, in the words of the immortal Shakespeare, it is the "May of youth and bloom of lustihood."

We in America have always maintained an affirmative attitude in our celebrations of this early day of springtime. In beautiful Hawaii, the Paradise of the Pacific soon to join our family of States, May 1 is known as Lei Day, with garlands of flowers everywhere and the smile of friendliness shining from every face.

In the Soviet Union May 1 is also a holiday. International communism celebrates this occasion with long parades displaying military might; Red Square in Moscow is alive with teeming crowds carrying banners bearing the picture of Lenin and slogans glorifying the workingman. This day ranks in national importance with the anniversary of the October revolution.

May 1 in the United States is also an occasion when all Elks Clubs throughout the country will celebrate Elks National Youth Day—a day observed in sharp contrast to Communist May Day in Europe. On this spring day all youth organizations of the Elks Club will sponsor programs based on the theme "Let's make it American," emphasizing the freedom enjoyed by the youth in America as compared to that possessed by the youth in Communist-dominated countries.

In Milwaukee, the Elks Lodge No. 46, at 910 East Wisconsin Avenue, will hold a big celebration at which I shall be privileged to be the speaker. There will be $1,800 in awards presented to winners of contests held in local high schools, and participants in the celebration will include officers of the lodge, parents, award winners, and other students. The kind invitation for me to speak was extended by the chairman of the youth activities committee, Mr. Harold M. Jankowski. The exalted ruler of the Elks Club is Mr. Arthur Steinhalb. Incidentally, this club placed second in the United States last year in sponsoring this type of program and they have high hopes of winning first place this year.

There is no sharper contrast in principles and ideology between the Soviets and Americans than in the field of education. Authoritarian theory and authoritarian practice characterize the Soviet educational system, both of which are anathema to persons who cherish freedom. Soviet policy precisely enunciates the function of education in the U.S.S.R., which is to serve the needs of the state. The state is preeminent and to its full development every person is expected to contribute his best efforts as his primary obligation, the growth and development of his own individuality are of secondary importance. By contrast, the American system is dedicated to freedom and democracy, the goal of education being the individual development of the human being, with freedom and opportunity to choose his own life's work.

Mr. President, it has been said by a distinguished authority in the law enforcement branch of our Government that America is facing an emergency—a crisis which is threatening the very future of our Nation. This is the emergency of juvenile delinquency. Whether our parents, our schools, or our entire culture is to blame, I don't profess to know. It is claimed that we seem to have misplaced the sense of values which made this a great Nation; placing self-indulgence and the principle of pleasure before duty, with the result that our youth is the victim of this breakdown of authority and moral standards in the home, the neighborhood, and sometimes the whole community.

However, I have seen so many outstanding and constructive activities of youth going on all over this great Nation, and particularly in my home State of Wisconsin, that I am inclined to believe there is every reason to be confident in our world of tomorrow. The world of the future is not a paper place, or pretty colors daubed on the perfect canvas of imagination. It is a reality which is just around the corner, and every 24 hours a little piece of it becomes today. What kind of experience each today becomes is being increasingly determined by youth. More than ever younger men are making the decisions which affect men everywhere; and the kind of decisions they make depends on the ideals, or lack of them, with which their minds were molded. That is why such activities as those sponsored by the Milwaukee Elks Club are so vitally important in tapping the vital energies of our youth and channeling those energies into the most useful civic projects. It gives our youth a chance to work constructively; and in that way they will serve themselves, serve their communities, and serve their country.

I firmly believe that we must all do our utmost, not only to improve and stabilize our national life, but also to help the individual youth with whom we come in contact—through example, through encouragement, through our own right living—to become the citizens and leaders of tomorrow to whom we can entrust the future of our children, and indeed the very survival of our civilization.

"In perfect honor, perfect truth, and gentleness to all mankind, they trod the golden paths of youth."

U.S. MILITARY ASSISTANCE PROGRAM

Mr. DIRKSEN. Mr. President, I feel that the report which was issued yesterday by the President's Committee To Study the U.S. Military Assistance Program deserves greater currency than it

will get merely from publication in typewritten or mimeographed form. It is a very, very distinguished committee. Its Chairman is William H. Draper, Jr., and the remainder of its membership consists of Dillon Anderson; Joseph M. Dodge, a former Director of the Budget; Gen. Alfred M. Gruenther; Marx Leva; John J. McCloy, formerly High Commissioner in Germany; George McGhee; Gen. Joseph T. McNarney, who had a brilliant career in World War II; Adm. Arthur W. Radford, who was Chairman of the Joint Chiefs of Staff; and James E. Webb.

There is one significant paragraph to which I invite attention. It is in the letter of transmittal to the President:

> The increasing intensity of repeated and bitter attacks on the foreign assistance programs by their articulate critics raises the basic question as to whether these programs are more useful implements of national security policy than equivalent efforts and resources devoted to other uses. The only alternative we can see to the interdependent allied free world, strengthened by our aid where needed, would be the Fortress America concept—taking our first stand in the last ditch.

I thought that was a rather significant paragraph. That is why I read it in its entirety. I believe the entire document should be made a part of the RECORD, because there are some conclusions and some policy which are spun out in preliminary fashion, and which now merit widespread consideration. I emphasize that these are preliminary conclusions.

I emphasize one other fact. The question was addressed to me yesterday: In view of the fact that here is a recommendation for a $400-million increase, what impact would that have on the budget for 1960? On page 9 of the report, I note the following:

> The Committee recommends that approximately $400 million be made available for new commitments, primarily for the NATO area, in addition to the $1.6 billion present request. This should not change significantly the estimated expenditures in fiscal year 1960.

I call attention to the fact that when we speak about a balanced budget, we are dealing with an expenditure budget, not with authorizations and commitments. I wanted that particular item to be accented, so that it would come to the attention of the Senate.

Mr. President, I ask unanimous consent that the report in its entirety, together with the letter of transmittal, be printed at this point in the RECORD.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S COMMITTEE
TO STUDY THE U.S.
MILITARY ASSISTANCE PROGRAM,
Washington, D.C., March 17, 1959.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Your Committee has completed its preliminary analysis of military assistance and related economic aspects of the mutual security program. We have advised you informally of our preliminary conclusions and we now present them in written form. You will note we unanimously recommend that an additional amount should be made available for military assistance in fiscal year 1960, mostly for the area of the North Atlantic Treaty Organization (NATO). In our judgment, the economic assistance requested for the same year is the minimum required, and increased funds for economic development will be needed in subsequent years.

In our final report we will deal with what we think needs to be done over the longer term in organizing a more effective mutual security effort and will outline the desirable scope and nature of that effort.

In transmitting our interim conclusions we invite your attention to our unanimous belief that a basic issue of foreign policy underlies the questions that you have submitted to us, and that there is an urgent need for its early resolution.

Simply put, the issue is whether we intend to seek survival in isolation—a state of seige—as the world continues to shrink. This would be the inevitable result if we fail to take vigorous action on mutual security. The positive course—much more in the nature of our people—would be to accept fully the great responsibilities which our generation has partly inherited and partly earned.

This is not a new issue. It is an old one, but the new feature is that time to settle it is running out.

What we do this year is an important step in one direction or the other. By forthright and affirmative action we can set the example expected of us. The penalty for failure to do so can well be the beginning of the end of the free world coalition, and the gradual isolation of America. For there can be no doubt that the free world is gravely threatened by the aggressive onslaught of a powerful and determined opponent—the Sino-Soviet Communist bloc. There is no precedent in history for the enormity of the threat.

Our strong military forces, supported as they are and must continue to be by a sound economy, constitute but a portion of the total resources which oppose the Communist threat. The remaining elements are the capabilities of the other nations of the free world whose clear and obvious desire is to remain free. These nations have varying degrees of ability to support enough military strength to resist Communist takeovers. For a number of years our Nation has aided many of them in their efforts to strengthen their military forces and to develop economies which could ultimately support their own forces. There is indeed no precedent in all history for what our country has done under the mutual security programs.

This course of action has involved the employment of substantial U.S. resources for military and economic uses in other countries. This now amounts to somewhat less than 1 percent of our annual gross national product.

The increasing intensity of repeated and bitter attacks on the foreign assistance programs by their articulate critics raises the basic question as to whether these programs are more useful implements of national security policy than equivalent efforts and resources devoted to other uses. The only alternative we can see to the interdependent allied free world, strengthened by our aid where needed, would be the fortress America concept—taking our first stand in the last ditch.

We are all convinced that the mutual security program both in its military and in its economic aspects is a sound concept. What is needed is the determination to continue it and the ability to administer it well.

The administration of this program has been imperfect in some respects. We in America are novices at many of the tasks which befall us in our unprecedented position in world affairs, for in history's perspective these tasks have occupied us for a relatively few years. We have not developed the well-trained corps of personnel required to carry out such a farflung program with absolute efficiency. Some projects have been imperfectly conceived, inadequately planned and poorly executed. On the other hand most projects have been well conceived and successfully carried out. Additionally, we have developed many competent administrators, though it may be years before there are enough such people in the program to provide a level of efficiency comparable to that which we see in business affairs and in other American endeavors. Meantime, while each blunder seemed worth a headline, the successes have made little news.

Nevertheless, we have seen, with substantial contributions from the Marshall plan and from our mutal security and other efforts, the rebuilding of Europe and Japan, the development of powerful allies in NATO and the strengthening of the nations around the periphery of the Sino-Soviet bloc. We have seen slow but heartening progress in some parts of the less developed third of the world. With better internal security and a greater ability to defend themselves, peoples in these areas have acquired a growing confidence in their future. This is indispensable to economic development. Thus, despite imperfections of the programs, we have seen greater strength come to free world nations with the help of our aid. We do not now stand alone.

The choice our country faces is very real and near at hand. In our fascination with our own mistakes, and the constant use of foreign aid as a whipping boy, we may be gradually choking this vital feature of our national security policy to death.

The United States should commit itself to go ahead with a constructive program in this whole field, both military and economic, or alternately determine that we should no longer undertake the program.

We believe strongly that the doubts about the program and the policy it supports should be resolved affirmatively in the context of a longer term outlook, and not be left to year-by-year uncertainty as to what course our country will follow.

At the same time all of us must realize that ultimate success depends on something more than the dollars and military equipment of our aid programs. It also depends on our ability to maintain and strengthen, along with other nations, the political and economic bases of our free world relationships. We can truly succeed only if we have the full confidence and willing cooperation of our friends and allies.

We recommend, Mr. President, that every effort be made within the legislative and executive branches of the Government to bring clearly before the American people the relationship between the mutual security program and the national interest, and the need for continuity of this program if it is to make its required contribution toward our world position of strength.

Respectfully yours.

William H. Draper, Jr., Chairman; Dillon Anderson, Alfred M. Gruenther, John J. McCloy, Joseph T. McNarney, Joseph M. Dodge, Mark Leva, George McGhee, Arthur W. Radford, James E. Webb.

PRELIMINARY CONCLUSIONS OF THE PRESIDENT'S COMMITTEE TO STUDY THE U.S. MILITARY ASSISTANCE PROGRAM, SUBMITTED TO THE PRESIDENT WITH THE COMMITTEE'S LETTER OF MARCH 17, 1959

The Committee appointed by you has made its preliminary analysis of the U.S. military assistance program. Previous studies of the program made by the Congress, the executive branch, and others have been taken into account. We have consulted governmental, business, academic, and private

agencies and individuals. Members of the Committee have visited all of the major areas of the world which participate in the military assistance program. While our work is not complete, we submit our findings thus far in response to your wish that they be available in connection with recommendations you may wish to make to the Congress.

THE WORLD SITUATION

The Committee believes that the military assistance program must be determined primarily in the light of three main considerations:

First, the mighty challenge to the free world posed by the great strength of the Soviet Union and Communist China and their continuing determination to dominate the world.

Second, the revolutionary changes taking place in many areas of the world still free of Communist control, generally classed as "less developed," many of which have only recently achieved their independence.

Third, the ability and willingness of the United States to sustain the expenditures involved in such a program together with its own defense requirements while preserving a sound domestic economy.

The Communist-dominated countries contain about one-third of the world's population, and the less developed countries above referred to constitute more than another one-third. This fact indicates the scope of the problem.

We are convinced that there has been no lessening of the total Communist threat to the survival of the free world. In fact, Soviet-Chinese capability to apply military, political, and economic pressures is expanding. This is evidenced by its arms assistance programs, by an aggressive propaganda and political drive directed particularly to the weaker economic areas of the world, and by a vigorous economic offensive in those areas. It is indisputable that Communist military strength is steadily increasing. Clear evidence has recently appeared of an intent to wield that strength in order to obtain political objectives. The attack on Quemoy, the threats of atomic destruction, and the talk of possible war over West Berlin are the most dramatic recent instances of the continuance of the military threat.

NEED FOR LONG TERM PROGRAM

The challenge is a powerful one. It is a long term challenge requiring long term methods to meet it. The United States, together with its allies and friends, certainly has the wisdom and the resources to win. But we must be resolute in taking the necessary action.

While every effort should be made to reduce the tensions which are implicit in this challenge, we fail to find in the present situation any promise of relaxation of those tensions. Unless progress is made in the way of general disarmament or in moderating the objectives of the Sino-Soviet bloc, we shall have to face a protracted period of international tension.

Now that the United States no longer has a monopoly of long range nuclear weapons, any weakening of our support to outlying allied positions makes the danger of local aggression even greater, and accordingly the military assistance program becomes even more essential to our security.

The time has come to face the facts of both the long term nature of the struggle and what we must do to assure survival and ultimate victory. We believe strongly that the attainment of U.S. objectives in the military assistance program has been impaired by the lack of continuity in the authorization and administration of the program. The present methods, we find, interfere with the meshing of the plans and the resources of the recipient countries with our military assistance programs, materially delay deliveries, increase costs, and sometimes even prevent the accomplishment of our objectives.

The Committee therefore believes it is essential to the achievement of the program's basic objectives, and to the flexibility necessary to meet new threats and new challenges, that the country recognize its long term nature. Legislative and administrative steps must be taken to put the program on a continuing basis. We are convinced that this would not only improve the effectiveness of the program, but its economy as well.

Such a long-range program would have important imponderable advantages. We believe it would strengthen the deterrent vis-a-vis the Soviet Union, it would improve the confidence of our allies and result in greater willingness to make longer range commitments and to devote a larger element of their resources to the common defense.

FREE WORLD DEFENSE

The free world's far flung defense perimeter is manned jointly by allied and U.S. forces and extends through middle Europe, the Middle East, and around the rim of Asia to the northern Pacific. The weapons for the allied forces defending this perimeter have very largely been furnished by our military assistance program. It is a very wide area important to our security. The nations of this area, without our help, cannot defend it. Together we do have the strength. Within this perimeter are the homelands of our friends and allies and the means by which we together can maintain mutual bases, room for maneuver, defense in depth, and unrestricted use of the seas. This forward area, manned largely by allied forces, defends a complex of dispersed air bases which materially strengthen the effectiveness of our strategic deterrent. If strong and well armed forces hold these perimeter positions, then, in the event of local aggression, our friends, our allies, and we ourselves gain time for reinforcement, and equally important, for political action. These forces in being give the free world advantages should war come; but more importantly, they represent a major deterrent to aggression and an opportunity through negotiation to avoid war itself. Also, the capacity of these forward allied forces to meet limited attack, as recently demonstrated at Quemoy, provides another and much more acceptable alternative than surrender or resort to atomic warfare.

NORTH ATLANTIC TREATY ORGANIZATION

Our most important alliance and the one in which we have our largest investment is NATO. NATO includes Canada and the United States and—extending across the Atlantic to the Mediterranean—encompasses most of Western Europe. Western Europe is an area of more than 1 million square miles, 250 million people and great resources. It contains an accumulation of some of the highest managerial and technical skills in the world, to say nothing of its being a great repository of the arts and culture of the world. It is emerging, for the first time in history, as an integrated unit. Combined it has potentialities that approach the strength of the United States. Its unity today is being forged by increasing economic ties which may, in the not too remote future, involve closer political association—a post-World War II development comparable in its significance to the rise of Soviet power and the development of China.

The first and the basic expressions of European unity were in terms of United States-European cooperation in the Marshall plan and the common defense effort of NATO. The present NATO structure, appreciably strengthened by military assistance, is potentially a great defensive force against Communist pressures. Our NATO allies will continue to require our aid to achieve the necessary strong and well integrated defense.

The impact of technology on the development of new weapons has recently made it necessary from the overall NATO as well as the United States standpoint to make large new investments in modern types of planes and other weapons, including strategic and tactical missiles in Europe. These modern weapons represent an invaluable addition to the already existing deterrent capabilities. At the same time, an incident like the current Berlin crisis demonstrates the need to support resolute statements with actions. It underlines the extremely sensitive nature of the European situation and the fact that forces with a flexible capability are essential. Any further advance by the Soviets in Europe would be a disaster for the entire free world.

The developing political, economic and technological situation makes the unity, strength and defensive versatility of NATO increasingly important. While our allies are moving to share in production of some of the more modern and expensive weapons, most of these are currently being produced only in the United States. The Committee is convinced that the present situation requires adequate provision of modern weapons to other countries of NATO, and also greater mutual effort during the next fiscal year to maintain a strong position in other weapons and to meet the existing obsolescence and replacement problem.

OTHER AREAS

We recognize that our mutual defense effort in less developed countries in direct contact with Communist forces is particularly difficult, though vital to them and to ourselves. Unless these countries have adequate holding forces, they cannot hope for timely help short of the most drastic military action by their allies. Situated on the front line and with examples of recent Communist aggression in mind, their leadership, with which we live on a cooperative basis, wants to have the forces they judge adequate to their particular circumstances.

Without the weapons and support we have furnished to the SEATO and Baghdad Pact nations, and to other Asian nations adjacent to the Communist bloc, their own direct defenses, and our own position beyond our shores would have little substance short of a major nuclear effort. Large forces far beyond the capacity of these countries to maintain need to be supported in Korea, Taiwan, and Vietnam, since they are not even formally at peace with the Communist power they face. In our judgment some increased air strength, replacement of obsolete equipment and a degree of weapons modernization are needed in the Far East area.

We believe that changes and modifications in certain of the military assistance programs can be justified in terms of more selectivity in allocating military assistance to fulfill essential objectives. In programing our mutual defense efforts, we and our allies have to give full consideration to geographic location, to national characteristics, and to many other local, regional, and historical problems.

However, in making any changes, we are faced with the fact that existing treaties, commitments, and programs cannot be easily or quickly modified. Any abrupt or substantial changes by the United States could easily be misunderstood and could produce a whole new series of complicated negotiations and readjustments in our relations with friendly countries and allies.

THE PIPELINE—UNEXPENDED BALANCES

In view of the time required to produce and deliver military hardware, the amount of funds appropriated for fiscal year 1960 will not greatly influence the amount of expenditures or deliveries until 1961 and later. We and our allies have the problem of proceeding with a progressive re-equipping of forces abroad that were equipped years ago with weapons that are now wearing out or are becoming obsolete. There is every indication

that the initial and maintenance cost of modern weapons will be substantially higher in the future. A partial offset is the fact that several of our NATO partners are now able to pay most or all of the costs of their forces and weapons. Consequently, it should not be necessary to return to the delivery levels required for the first round of initial equipment of several years ago which reached a peak of $4 billion in 1953. It seems clear to us, however, that expenditure levels estimated at $1.85 billion for fiscal year 1960, and the even lower levels in fiscal year 1961 and fiscal year 1962 which would result from the proposed appropriation of $1.6 billion for fiscal year 1960, are inadequate. They would not permit the United States to make the contribution necessary for the modernization of NATO forces now under way, and to help maintain effective forces in other parts of the world.

We believe not only that deliveries must be maintained at higher future levels than would be supported by the $1.6 billion proposed appropriation, but that certain factors now operative may result in longer lead times and a consequent need for increased funding. A larger part of future deliveries for military assistance will come from new production and less from the existing inventories of our own forces. Also a greater proportion will consist of advanced weapons requiring longer time to produce. In addition to these factors, the long decline in obligated but unexpended balances from over $8 billion a few years ago to about $2.5 billion at the end of this fiscal year, has brought these balances to about the minimum level for funding the needed procurement. We cannot any longer rely on large drawdowns from this pipeline to supplement current appropriations. In summary, deliveries in future years, on the average, will approximately equal the current flow of appropriations. We view with concern the projected sharp decline in the rate of deliveries below the $2.4 billion average level of recent years.

MILITARY ASSISTANCE PROGRAM FOR FISCAL YEAR 1960

Your letter calls for our general conclusions respecting the fiscal year 1960 program. A review of the strategy and objectives of NATO and the requirements which have been outlined to us by the various commands in other areas of the world convinces us that it would be less than prudent if we did not maintain something more than the level of the fiscal year 1959 and the fiscal year 1960 programs. Our conclusion is reached on the basis of our trips, our studies, and the presentations which have been given us, as well as upon some consideration of what additional modern weapons should be funded in fiscal year 1960.

We conclude from our area studies and from the pipeline analysis presented above, as well as from our many discussions in Washington, that an additional amount in the order of $400 million, primarily for NATO, should be available for commitment in fiscal year 1960 in addition to the program already proposed. Representatives of the executive branch have assured us that suitable weapons can be contracted for in that fiscal year to cover some of the shortfalls in force modernization which would otherwise occur. Even this increased level would not maintain the rate of deliveries in future years which we believe will be necessary.

The Committee must of course leave to the executive branch the determination of additional specific weapons and other assistance to be programed. In view of the long lead time required for the type of weapons which would be so provided, the action we propose should not change significantly the estimated expenditures in fiscal year 1960.

ECONOMIC AID PROGRAM FOR FISCAL YEAR 1960

In accordance with your instructions, the Committee has considered the impact of our military assistance program, where it appeared to be a significant factor, on the economic betterment and growth of the free world. It has also endeavored to assess the relative emphasis which should be given to military and economic programs, particularly in the less developed areas.

Economic assistance serves two main purposes: First, our own military defense requires effective forces in the hands of our friends and allies, which, in turn, depend in large measure on the stability of the underlying economic base of the individual countries. Secondly, our security requires that both our allies and the uncommitted countries have an opportunity to solve their pressing economic problems within the framework of the free world. Without such an opportunity, some of them would offer an easy target for communism. They are not only being attracted by well contrived offers of assistance from the Communist bloc, but they are also impressed by the economic achievements of Russia and Communist China, without always fully understanding the real cost in human misery.

We recognize that some of our military allies among the less developed countries are unable to support their part of the common military effort without economic defense support assistance. Members of the Committee have visited the major countries receiving such aid. We have been able to review the program in some detail and believe it to be programed to an austere level which it would be dangerous to reduce. The same reasons which lead this Committee to recommend placing military assistance on a continuing basis apply with equal force to the closely related defense support.

Defense support serves effectively to cushion the economic burden of military forces supported by the United States, with the result that the normal economy of the country, and prospects for economic development are not adversely affected. As long as this balance is achieved, military assistance and additional funds for development assistance are, in effect, independent variables and should be considered on their respective merits, and not as competitors. Money should be appropriated for each to the extent that it is considered in the U.S. interest in achieving free world security.

In some countries the Committee believes that under certain conditions there is a reasonable possibility that military expenditures by the United States or the country concerned could be reduced. Problems, of course, arise in obtaining acceptance by sovereign nations of our view. No important needs for increases in defense spending now exist among most of the less developed countries, although this could change with circumstances.

The fostering of economic growth throughout the free world presents a real challenge to the American people. Here is a positive goal which is consistent with our long-term economic interests and at the same time provides an opportunity to further the free political development of other nations. This opportunity calls for a cooperative effort by the United States and other nations which can generate export capital. There is need for both public and private financing, and for mutilateral and unilateral programs, with increasing emphasis on loans rather than grant aid.

The precarious situation throughout the less developed countries leads us to conclude that the total fiscal year 1960 budget for economic assistance is the minimum required.

In its final report, the Committee expects to examine this question more fully; however, as an order of magnitude, we believe that loans for economic development under the mutual security program will probably be needed at a rate of at least $1 billion a year by fiscal year 1961.

THE COST OF THE MUTUAL SECURITY PROGRAM

We have considered the burden of financing these programs upon the economy of the United States. Its military and economic strength is a bulwark of the free world alliance. Our economy is carrying a heavy burden and the amounts involved in the mutual security program are a part of that burden. These amounts are substantial but they represent a relatively small proportion of our resources. The total, including both military and economic aid in the mutual security program, has accounted for less than 5 percent of our total Federal budget in recent years, and has represented less than 1 percent of our annual gross national product. It would cost us far more to attempt to build an equivalent amount of defensive strength in the world with our own forces than it does through this program. Even apart from other considerations, loss of any important part of the free world to international communism would have repercussions on our own economy and defense expenditures greater than the cost of the mutual security program. We believe the program essential to our own security and that of the free world and are convinced that we can afford what is necessary. What we cannot afford are the costs and risks involved in abandoning or emasculating the mutual security program.

CRITICISMS

During its field trips and deliberations the Committee took note of the many criticisms by the public, the Congress, and within the executive branch. These were of varying degrees of validity and credibility. We found evidence of long delays from the initiation of proposals to the development of a firm program, and of an excessive number of reviews and overcoordination during the programing process. Further, there has been evidence presented of faulty or uneconomic programing, and of various other shortcomings. In Washington, policy coordination has not always been promptly or effectively accomplished. A firm and persistent effort to improve the overall management of the program is called for. The Committee believes that its recommendation to place the program on a continuing basis, if accepted, will provide the opportunity to overcome many of these problems and to alleviate some of these criticisms. It expects to consider and deal with them further in its final report.

The Committee states, however, that while mistakes have been made in the conduct of the program, a fair review must take into account the many difficulties inherent in such a complex and widely spread operation. It must also recognize that the errors have been largely in matters of detail. Most projects in the program have been well planned and successfully executed. The Committee concludes that the mutual security program is and will continue to be an effective and essential tool in carrying out our national security interests and in promoting free-world defense. To abandon the program, for errors in execution or for any other reasons, would be to abandon the free world and to lose the cold war.

SUMMARY

1. The Communist military threat is greater than ever.

2. The Communist economic and political threat and capabilities are expanding.

3. The average level of expenditure needed for military assistance over the next few years is, in the judgment of the Committee, not likely to be less, as an order of magnitude, than that required in the recent past. To reduce the program by approximately

one-third from the present rate of deliveries, which would, in a year or two, be the result of continuing the current fiscal year's $1.5 billion military assistance appropriation or the $1.6 billion present request for fiscal year 1960, would amount to a fundamental change in U.S. national policy. It would imply a strategic retreat.

4. The amount of military assistance required for fiscal year 1960 has been considered in some detail by the Committee. Its subgroups visited many countries, including most of those receiving major amounts of military assistance. The Committee recommends that approximately $400 million be made available for new commitments, primarily for the NATO area, in addition to the $1.6 billion present request. This should not change significantly the estimated expenditures in fiscal year 1960.

5. The proposed economic assistance program for fiscal year 1960 is the minimum needed. Material reductions in the total might well restrict the United States to a disproportionately military approach, and thus make the Communist economic offensive more effective. In fact, a level of lending for economic development under the mutual security program at a rate of at least $1 billion a year will probably be needed by fiscal year 1961.

6. Certain features of the applicable legislation and procedures have tended to impede efficient administration of the mutual security and related programs. These should be reconsidered and improved in the interest of bringing these programs to maximum effectiveness.

7. The mutual security program is now and will remain an essential tool of foreign policy. Accordingly, the Committee proposes that the Congress and the executive branch take the necessary legislative administrative steps to put the mutual security program on a continuing basis. Specific recommendations will be made in our final report.

Respectfully submitted.

William H. Draper, Jr., Chairman; Dillon Anderson, Joseph M. Dodge, Alfred M. Gruenther, Marx Leva, John J. McCloy, George McGhee, Joseph T. McNarney, Arthur W. Radford, James E. Webb.

Mr. FULBRIGHT. Mr. President, I am very glad the Senator from Illinois has just placed the report in the RECORD. I join with him in saying that it is an excellent report.

The Senator will recall that the Committee was appointed, at least partly in response to a request by the Committee on Foreign Relations that a study be made. I think some very able persons were appointed to the Committee. The Committee on Foreign Relations has had several meetings with the President's Committee, last fall and recently. I think the President's Committee has performed a valuable service. Its report got good coverage in the press yesterday. It was a favorable press, too. The Committee on Foreign Relations will certainly take into consideration everything the President's Committee has reported.

Mr. DIRKSEN. I am delighted that the distinguished chairman of the Committee on Foreign Relations concurs in my views. First, the Committee is a distinguished one.

Mr. FULBRIGHT. Oh, yes.

Mr. DIRKSEN. It was a diligent Committee.

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. They went into every major area in the world. They did not sit here in Washington and get all their data and conclusions from statistical tables, books, and reports. They went out on the ground and made examinations. They had the competence to do so. That, I think, adds materially to the value of their report.

I think the Committee on Foreign Relations and its distinguished chairman are to be congratulated for cooperating with the President's Committee and assisting in bringing it into being. I think it will serve a useful purpose.

Mr. FULBRIGHT. I hope the administration will not allow its preoccupation with a balanced budget to influence it too much if the recommendations by the President's Committee should entail a little more expenditure. I for one would be perfectly willing to support whatever expenditure may be necessary and certainly to report what I believe to be sound recommendations.

CIVIL RIGHTS

Mr. BUSH. Mr. President, the Subcommittee on Constitutional Rights is holding hearings on civil rights bills, including bills drafted to carry out President Eisenhower's recommendations on this subject, of which I am a cosponsor.

I invite the Senate's attention to an amendment I have proposed to S. 960, the bill to extend for 2 years the life of the President's Commission on Civil Rights. My amendment would authorize and direct the Commission to study and investigate discrimination in employment and in labor organizations by reason of color, race, religion, or national origin.

Mr. President, I ask unanimous consent that a letter I have sent to the chairman of the Subcommittee on Civil Rights, the distinguished senior Senator from Missouri [Mr. HENNINGS], be printed following these remarks, together with an editorial published in the Washington Post, entitled "Gap in the Reform Bills," which emphasizes the need of legislation in this area.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

MARCH 16, 1959.

Hon. THOMAS C. HENNINGS,
U.S. Senate, Washington, D.C.

DEAR SENATOR HENNINGS: I have observed in the CONGRESSIONAL RECORD your announcement that hearings on civil rights bills will be held by the Subcommittee on Constitutional Rights, beginning on March 18.

In this connection, I desire to bring to your attention an amendment I have submitted to S. 960, the bill to extend for 2 years the life of the President's Commission on Civil Rights.

My amendment proposes an investigation by the Commission of the problem of discrimination in employment and in labor organizations by reason of color, race, religion, and national origin. A copy is enclosed for your ready reference, together with tear sheets from the CONGRESSIONAL RECORD which contain my remarks upon its introduction and a letter and memorandum submitted to the AFL–CIO by the National Association for the Advancement of Colored People.

I hope this matter will be thoroughly explored by your subcommittee. I have no personal knowledge of the extent to which the problem exists, although I am aware of good work being done in this field by the Connecticut Commission on Civil Rights in my own State. Consequently, I do not believe that I can add in testimony before your subcommittee to the statement I made on the floor.

I recognize that the amendment raises a subject in an area of extremely sensitive human relationships. Nevertheless, I am convinced that progress can be made through public education. Your subcommittee can assist in this process if the subject is examined in your forthcoming hearings by competent witnesses, including Mr. Roy Wilkins of the NAACP and representatives of the AFL–CIO and management groups, and if the Commission were directed to make the suggested study.

With kindest regards, I am,

Sincerely yours,

PRESCOTT BUSH,
U.S. Senator.

[From the Washington Post, Mar. 16, 1959]

GAP IN THE REFORM BILLS

The Supreme Court's refusal to review the Brotherhood of Locomotive Firemen and Enginemen case focuses sharp attention on the discriminatory practices of some unions. The few unions which still admit only white members monopolize the right of bargaining with employers; yet they exclude from their membership substantial groups of workers who are as much interested in wages and working conditions as they are. This anomalous carryover from the past has no place in the present-day pattern of labor-management relations.

It is important to remember that the Supreme Court did not uphold this state of affairs. The effect of this action is to leave in effect a lower court decision based on the view that the brotherhood is a private organization which is not required under the Constitution to accord equal rights to everyone. But instead of underwriting this concept, the Court took the unusual course of stating that it was denying the petition for review because of the abstract context in which the questions sought to be raised are presented by this record. The Supreme Court has yet to speak on the issue.

The chief difficulty seems to be a dearth of statutory law on this subject. Congress has been understandably reluctant to lay down membership requirements for the unions, but when legislators actively intervene to buttress collective bargaining rights it seems to us that they have a corollary obligation to require unions to open membership to all qualified workers in the craft or industry in which they operate. Most of the unions, to their credit, already follow this practice.

Various bills now before Congress would lay new responsibilities upon labor unions to keep records, make accurate financial reports, hold democratic elections and so forth. These additional regulations can be justified by the unquestioned public interest in honest, efficient, and democratically controlled agencies of collective bargaining. The same interest demands, in our opinion, that these powerful economic units that are fostered, encouraged and protected by the Government be required to keep their doors open to all comers without regard to race.

SCULPTURE OF LATE SENATOR JOSEPH R. McCARTHY, OF WISCONSIN, TO BE UNVEILED IN APPLETON, WIS., MAY 2, 1959

Mr. BUSH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated March 16, 1959, which I have received from the Minutewomen of Connecticut, signed by

Mrs. Eleanor M. Hill, the chairman. Mrs. Hill calls attention to a ceremony which will be held on May 2 of this year, at Appleton, Wis., at which a sculpture of the late Senator Joseph R. McCarthy will be unveiled. The sculpture has been modeled by a distinguished sculptress in our State, Mrs. Suzanne Silvercruys Stevenson, of Norwalk.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 16, 1959.

Hon. PRESCOTT BUSH,
Senate Office Building,
Washington, D.C.

SIR: As chairman of the Minutewomen of Connecticut, I am proud to announce to you that the first of the sculptures of the late Senator "Joe" McCarthy—which was done by our founder, Mrs. Suzanne Silvercruys Stevenson, of Norwalk, Conn., will be unveiled in Appleton, Wis., on May 2, 1959, the anniversary of his death, with appropriate ceremonies. All Members of the Congress are invited to attend.

May I ask that in our name you have this read into the CONGRESSIONAL RECORD? Thank you.

Very truly yours,

ELEANOR M. HILL,
Chairman, Minute Women of Connecticut.

ILLUSIONS COST TOO MUCH—ADDRESS BY VICE ADMIRAL RICKOVER

Mr. SALTONSTALL. Mr. President, Vice Adm. Hyman G. Rickover has a well-merited reputation as an incisive, root-of-the-matter person. Over and above the important work which he has been doing in the field of reactor development and nuclear propulsion for the Atomic Energy Commission and the Navy Department, Admiral Rickover has been taking time to think, speak, and write about some of the urgent problems which face the American people today. The address, entitled "Illusions Cost Too Much," which he delivered here in Washington on Monday of this week, contains much realistic and sober wisdom which deserves thoughtful consideration by all of us who are concerned about the future of the United States and the rest of the free world. For this reason, I ask unanimous consent that the text of Admiral Rickover's address be printed in the body of the RECORD, at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ILLUSIONS COST TOO MUCH

(Remarks prepared by Vice Adm. H. G. Rickover, U.S. Navy, Assistant Director for Naval Reactors, Division of Reactor Development, U.S. Atomic Energy Commission, and Assistant Chief of the Bureau of Ships, for Nuclear Propulsion, Navy Department, for delivery at joint meeting of the Yale Club of Washington, D.C., and the Yale Law School Association of Washington, D.C., Washington, D.C., and also at meeting of the Yale Club of New York City, New York City, N.Y., March 16, 1959)

When athletes enter a race, they come prepared to the best of their ability; as near to physical perfection as native endowment and rigorous training can make them, their bodies lean, their dress adequate but light. Each has assessed his own strength and weakness and measured them against his opponents'; few indulge in illusions about their own or their competitors' competence.

The world today has become a gigantic stadium where races for supremacy in economic, cultural, scientific, political, and military competence are run every day. Since the end of World War II, power has polarized in two giant combinations constantly competing with each other. In the foreseeable future there is little prospect for permanent lessening of tension between the two; hence the race promises to continue for years, with now one side, now the other, ahead. This is an unhappy prospect for us who wish only to live in peace and tend to our national concerns, but one we cannot evade. The contest is a fact of international life which we must face intelligently and courageously so that we may make the right decisions and take the proper actions.

The first prerequisite is that we look at ourselves and at our opponents with the eye of an athlete who wants only to know the truth so that he may profit from it. This is assuredly not a time when we can afford to give ourselves over to complacent satisfaction with our present wealth and power. What we need is critical self-analysis so that we may detect any weaknesses we may have and rectify them; any traits or attitudes which might have been appropriate in the past when most Americans lived in rural communities and the United States was isolated from world events. Now that we occupy the center of the stage in world affairs such traits and attitudes may have turned into disabilities. The present is an age of lightning change in the fortunes of nations; when one major scientific discovery could alter long established power relationships; when one wrong step could upset the present equilibrium and plunge the world into nuclear war. In these perilous times we cannot afford to indulge in illusions about ourselves or allow our judgment to be clouded by the distaste we feel for our opponents' way of life. Illusions are a form of excess weight that hampers action and diminishes fitness. At this moment in history, when every ounce of strength is needed, illusions cost too much. They could cost us survival.

An illusion may be defined as a belief that has lost contact with reality. Illusions persist because they are ready-made substitutes for thought and, as James Bryce remarked, "to the vast majority of mankind nothing is more agreeable than to escape the need for mental exertion." All nations have illusions. Some cannot bring themselves to face the fact of their political and military weakness, and delude themselves about their real power; thus deluded they may then be tempted into aggression. Other nations underestimate the difficulties of managing a modern technological society and imagine it can be bought or begged from abroad and imposed ready-made upon an ancient and archaic way of life. When this fails, as it nearly always will, a disappointed and frustrated people may find solace in the illusion that it is being grievously wronged by other nations and, thus deluded, embark on disastrous foreign adventures. Our own illusions at least do not endanger the peace of the world, though they are harmful enough to ourselves and to our friends who depend on us for wise and strong leadership.

One does not have to be particularly perceptive, or exceptionally well-informed, or unusually intelligent, to discover, after some research into this matter, that certain of our national beliefs do not accord with reality. By clinging uncritically to these illusory beliefs, we needlessly handicap ourselves in the race that is being forced upon us by the totalitarian bloc. We persist in our illusions because as everyone else, we dislike having to rethink matters which we believe to have already been settled once and for all. The inertia of matter is no greater than that of the human mind—with both, the natural condition is rest; to move either produces friction and heat. With us, this general dislike for change is reinforced by a national trait that is becoming a liability—our habit of subjecting critics to opprobrium because they violate our unwritten convention that everyone ought to stick to his last and not "butt into the affairs of others."

This convention was not unreasonable when our country was sparsely populated and everyone depended upon himself alone, except in emergencies which were handled by voluntary community assistance rather than by Government action; the citizen was then hardly conscious of his Government. But today most of us live in crowded urban environments; our society depends increasingly on a well-ordered meshing of all human activities and hence on more and more Government controls and services. These are consequences of technology and human crowding and have little to do with political theory. In the manner we live today, many activities once considered private are now involved in national issues. I need hardly say that in democracies all citizens are legitimately concerned with such issues. They have both the right and the duty to criticize what they consider harmful to the national interest.

What we sometimes forget is that the critic in a democracy occupies a position that is quite different from the place he would hold in authoritarian countries. The minority that rules there without the consent of the people cannot tolerate any social criticism for this amounts to censure of its conduct. Criticism, if allowed, would in time undermine the power of the minority. The ruling minority therefore appropriates for itself the majesty of the sovereign state and brands all criticisms as lèse-majesty. Its personal desire to escape censure is thus camouflaged by making the voicing of popular discontent an unpatriotic act. At times something of this kind is attempted in democracies by groups claiming to speak for the nation—a false claim on the face of it for it is we, the people—all the people—who are the sovereign nation. In consequence, all social criticism in democracies is in essence self-criticism. Criticism and controversy do not endanger democracy; they are inherent in the right of a free people to discuss national issues; hence they are an essential part of the democratic process. The process is weakened if we are intolerant of those who question our beliefs; if we retain toward the critic an attitude that may have had its place in pioneer societies but that is no longer appropriate.

This attitude makes it particularly difficult to dislodge illusions in which various pressure groups have acquired what one might describe as a vested interest. In such cases, the lonely critic confronts powerful and wealthy organizations who fight unscrupulously for their favorite illusions. Illusions obfuscate national issues; they prevent the people from seeing the issues clearly. Were the issues fully understood, action might be taken to put the national interest above the particular group interest. But one of the main objectives of pressure groups is to prevent this from happening. Seldom do these groups realize that ultimately everyone suffers if the national interest does not prevail. Their eyes are fixed on the short-run advantages to be gained at all cost for themselves; not on the country's long-term interest. The most difficult problem in any democracy, as Madison clearly saw, was how to "break and control the violence of faction." And Theodore Roosevelt, greatest teacher of democracy this country ever had, reserved his most biting censure for special interest groups who tear the Nation apart by their determined effort to prevent the people from putting national above special interests.

In the long history of mankind, short and rare have been the periods when people were

privileged to govern themselves. Most of the time, man has been subject to government by the few who claim to possess superior knowledge of how to govern. Even now that democracy is accepted by many countries and has the secret allegiance of millions who are still suppressed by self-imposed minorities—even now democracy's friends are not certain that in any real emergency, when great knowledge, wisdom, and self-sacrifice must be demanded of a democratic people, they will justify their privileges and rise to the challenge.

Today democracy is being put to the test—perhaps the final and decisive test. An old authoritarianism in new clothing now claims that it alone can handle the problems of this technological and scientific age. The uncommitted world watches the contest. Upon us, as the strongest democracy, rests the responsibility of proving that a democratic people can govern wisely, act promptly, and voluntarily accept necessary sacrifices. In the contest between totalitarianism and democracy, we defend our Western way of life and not only our own freedom but that of all free peoples in the world.

In the hope that it will serve a useful purpose, I should like to explore with you some beliefs that—in my opinion—have become costly illusions. No more can be done in a short speech than to probe around the circumference of this large subject and essay a partial and tentative statement. It is not as important to list all our illusions as it is to recognize the need to take stock periodically and, if necessary, to readjust beliefs, habits, and attitudes to the realities of a rapidly changing world. I shall limit myself to a discussion of illusions that arise from what I believe to be misconceptions about our high standard of living.

To raise this standard year after year appears to have become our Nation's highest objective. It is widely believed that we have answered every question one might raise about the progress, power, or international position of the United States if we can but show that this year's gross national product exceeds last year's—never mind that this year's dollars have depreciated in value. I should like to state emphatically that I regard the belief that our high standard of living guarantees political and military supremacy—automatically, as it were—as potentially our most dangerous illusion.

The inference we draw is in the nature of a nonsequitur, or at least one that needs to be qualified in important respects. The proper conclusion to be drawn from the premise is that a high standard of living guarantees an exceedingly pleasant and agreeable life. It may also, provided proper action is taken, insure political and military supremacy. It all depends on how the Nation's industrial productivity is utilized. Of course, without such productivity no nation can today be powerful, for power depends upon ability to produce large amounts of complicated military hardware. But there the relationship between productivity and power ends. When industrial production is largely devoted to consumer goods and services, even a very productive country may find itself outpaced militarily by another whose overall productivity is smaller but concentrated in the military sector. It is now no longer possible quickly to convert manpower and industrial plants from civilian to military production when war threatens or has already broken out. Not only will there not be time enough to do this, but today's armaments must be produced in plants designed specially for the purpose. This is a consequence of a revolution in military technology that has enormously increased the complexity of armaments.

The nature of modern war gives an edge to totalitarian countries since they need not persuade their people to forego comfort for preparedness. The decision to do so is made by the small group who have arrogated to themselves the life-long job of ruling over their voiceless compatriots. It is natural for this group to look upon their country as a personal possession to be carefully developed so as to enhance its value. Given their avowed aim of world conquest, the development of military and political strength will necessarily take precedence over all other developments. Only insofar as it contributes to this strength will the desire of their people for goods and services take on importance. Ordinarily, modern methods of propaganda are sufficient to keep the civilian standard of living at a low level, for propaganda can delude people into believing that they are better off than others, or that sacrifice is necessary to defend the fatherland against imminent attack. Thus deluded they will work obediently for small personal gain.

We used to think that a totalitarian economy could never be as productive as a free one. We must now revise this belief. Such an economy can be more productive in items that enhance political and military power; it will probably never be as productive in items that enhance the people's comfort and well-being. It is the former, however, that counts most in the race for world supremacy.

In democracies the people decide—through their voting power—how much of the national product shall be collected in taxes and invested in the public sector of the economy; how much retained to support a high material standard of living for themselves. Except in periods of national emergency, it is hard for all the people to feel that their personal fate is inextricably involved with that of their country and that in any conflict between personal advantage and national strength, enlightened self-interest must choose the latter. On the other hand, for a small group of totalitarian rulers this sense of involvement with their country comes without conscious effort. Then again, it requires self-sacrifice of a high order for a democratic people to decide voluntarily that they will forego some of the fruits of their own productivity in order to safeguard the right of future citizens to live in freedom and decency, whereas it is easy for totalitarian rules to demand sacrifices of their people since the rulers themselves do not share in these sacrifices. This is only another way of saying that in a democracy the state exists for the people, whereas in a totalitarian country the people exist for the state. This fundamental difference must be factored into all our attempts to compare the technological and productivity levels of democratic and totalitarian societies.

What counts then is not productivity per se but how a nation's productivity is used. Strange as it may seem to us, at the present state of technological development, our high civilian standard of living may prove an actual liability in the contest with the totalitarian powers. And for the following reasons:

First, by combining a high technological level in the scientific and military sector with an almost preindustrial standard of living for the mass of their people, modern totalitarian countries in wartime get the best of both types of civilization—the technical advantages of an industrial nation with regard to ability to wage war, and the hardihood and resilience of a preindustrial society with regard to ability of the civilians to fall back upon their own resources if need be, and to survive under hardships that might break a more civilized people accustomed to modern amenities.

Self-sufficient communities, used to a simple and frugal life, give a country at war great civilian strength. To illustrate, let me refer to a book on "Soviet Strategy in the Nuclear Age," by Raymond L. Garthoff. He reports that, although Russia in but a few months during 1941 lost control of 40 percent of her population, 60 percent of her coal, iron, steel, and aluminum production; 40 percent of grain production; 95 percent of key military industries; 4 million soldiers and nearly two-thirds of her tanks and aircraft, she was not beaten but survived and eventually returned to the attack. This is not to minimize the importance of the help she received from us. It is merely to point out that Russia was able to bear destruction comparable to that of a nuclear war and rally again. We must not underestimate the military advantage that totalitarian countries possess because they combine advanced levels of technology in the public sector with frugality in the private sector of their economy.

It is true that people used to an affluent life have individual possessions on which they can draw when war cuts off or reduces the supply of civilian goods. But they have also become so used to comfort that they may have trouble maintaining morale and efficiency if wartime shortages lower their living standards too drastically. It would seem prudent to play it safe and count the low civilian standard of living in totalitarian countries as a plus factor for them which we must counterbalance in some way.

A second reason why our high standard of living may prove a liability is that the intricate system of interlocking economic relationships that maintains our affluent society can easily be disrupted by the breaking of but a few links. To illustrate this point, take the family car, a key item in the American standard of living. Because we prefer to ride to work in our own car, mass transportation is not commercially profitable and has, therefore, not been adequately developed. Obviously, transportation by private car costs a great deal more in oil and service than mass transportation, especially transportation by rail which utilizes fuel far more economically than automotive transportation. If the oil supply were shut off or limited by the enemy in wartime, some American communities would find themselves without adequate means to transport workers from home to plant or office.

Most Americans now live in huge metropolitan belts which are spreading across the countryside. When population density reaches a given point, there is simply not enough room within the modern megalopolis to accommodate both man and his private car. Flight from urban centers into the suburbs is no solution; it merely aggravates the morning and evening rush. Transportation by private car becomes increasingly costly in time and money. In peacetime this can be borne but in wartime our dependence on private transportation by automobile could prove a liability. So far we have not drawn the conclusion that when mass transportation becomes a vital necessity it must be provided, if need be, at public expense. Certain national attitudes, abetted by those interested in the status quo, prevent our facing this very real problem and dealing with it effectively. A return to public mass transportation would indeed lower the standard of living somewhat but more on the side of prestige than on that of real comfort and efficiency. Yet, this lowering of a single prestige factor would give the economy greater strength to meet emergencies.

It is advisable that we study the subject of transportation in the light of the population shift to urban centers. The totalitarian countries appear to have solved the problem in their usual ruthless but efficient way. We cannot copy them. We must devise our own solutions. The urgency of our problem is high lighted by the totalitarian solution of the problem for it gives them presently an advantage. Russia's industrial complexes are spread all over the country whereas ours

still remain centralized, though we are conscious of the vulnerability of this centralization and are trying to disperse. Each Russian complex is designed to be self-sustaining, with workers living close to the plants, and farms further out. This eliminates, or at least reduces, the cost of transporting the workers to and from their places of work. If need be, they can cover the distance on foot.

An even more decentralized, self-contained system of industrial-farm-residential communities is now being established in China whose rulers are planning to go much further than Russia along this line. China's 650 million people are being organized into "people's communes" in which absolute communism prevails and everyone works at his assigned industrial or farm task—even family kitchens are being replaced by communal messhalls. This anthill existence must surely be the lowest standard of life to which any human society has ever sunk. But the advantage to the state is obvious. Each of these communes will be small enough to need little in the way of mechanical transportation, but large enough to be agriculturally and industrially self-sustaining.

So much effort and so large a part of a country's natural resources must go into modern transportation systems that the housing of workers close to their places of work gives Russia and China an advantage. One can readily see that their communities are less vulnerable in wartime than the American metropolis surrounded by its bedroom suburbs, with the worker linked to his place of work by a car moving along highways that become inadequate almost the moment they are built.

The third reason why our high standard of living may become a liability is inherent in the nature of today's technological civilization. Ours is the first civilization in the history of mankind which rests upon utilization of resources that do not renew themselves; the first that consumes its very foundations and does this faster the more it succeeds in raising the material standard of living of all its people.

Everything nonliving is finite unless it is recreated by the power of the sun's rays. This we have trouble believing, for in all his past experience man was a puny Lilliputian whose impact on nature was insignificant and who felt lost in what seemed to him a vast, empty world. Previous civilizations were based on consumption of renewable resources—crops, trees, wind, water, and muscle power. They used nonrenewable resources either not at all or in such minute quantities that hardly a dent was made in nature's store of these treasures. Seventeenth century England, for example, consumed but 360 tons of steel annually. It is only in this latest second of man's hour on earth that a small percentage of the world's people have ceased living entirely off income and have begun using up resources capital.

Few of us are willing to accept the consequences of this revolutionary change in man's dependence on nature. We twist and squirm to avoid admitting that we must accommodate ourselves to a world finite in size and limited in resources. And so we delude ourselves by dwelling with satisfaction on the recurrence of raw material gluts on world markets and profess to see in them proof that resources exhaustion is a fable. Temporary surpluses are of course irrelevant to the basic fact that sooner or later even the largest store of capital will be exhausted if one keeps drawing from it. Market surpluses merely show that we have been overactive in scooping raw materials out of the earth, and have therefore collected them faster than we were able to transform them into machine-made goods.

Realists that we imagine ourselves to be, we have nevertheless invented a modern American fairy tale "The Curves That Never Cross." One is our population curve mounting upward in geometric progression—presently doubling in 40 years, tripling in 65, quadrupling in 80 years; the other is our nonrenewable resources curve, descending even more rapidly. We believe that in science we possess a genie in the bottle who will keep these two curves from ever crossing.

I am constantly astonished to what extremes intelligent people will go to avoid facing the limitations of mankind. I have seen it seriously proposed that the United States at one stroke solve its problems of population growth and resources exhaustion by packing 10,000 people a day off into space, there to dig for minerals which will then be sent back to earth. Like the suggestion that we can feed an infinite number of human beings on seaweed—which personally I find a most distasteful prospect—this solution to resources exhaustion disregards man's biological needs and limitations. He does not, after all, live on bread alone, or excuse me, on seaweed alone. He needs enough space around him to retain a sense of individuality and freedom; he needs contact with nature, and he will deteriorate as a human being if these necessities are denied him.

Even should we decide that man is to be reduced to but two functions, tending his machines and consuming their products, the space solution overlooks the fact that to supply the army of space-borne emigrants with enough food, oxygen, water, and fuel and to clothe them in the proper space suits would make such tremendous inroads into our resources capital that the whole thing strikes me as a highly fanciful venture. I don't believe we know yet just what we must provide to make sure these latter-day pilgrims will safely land on their space targets and be able to return to earth, should they wish to do so, but we can get an inkling when we remember that merely to get them into orbit will require about 100 pounds of fuel per pound of payload.

We cannot realistically appraise our position relative to that of our totalitarian opponents unless we eschew science fiction and accept the fact that we live on a finite earth; unles we are fully aware of our dependence on nonrenewable raw materials and understand that these resources are like uninvested capital—capital which draws no interest. We must fully comprehend that the rate at which this capital is used up is an exponent of population growth and the increase in living standards. Under these circumstances, the rate of capital consumption is obviously an important factor in the relative position of competing nations. For when national rates of capital consumption differ significantly, the nation that uses its capital faster than its opponent will in time be in a less favorable position; the long-run advantage lies with nations whose austere standard of life conserves their resources capital.

Our high standard of living makes such heavy inroads into our capital of nonrenewable raw materials that, because of it, we bequeath to future generations of Americans a diminished national inheritance, thus placing them in a weakened position in the contest with the totalitarian powers. Of course, we have a perfect right to do this for we are a free people. There is nothing to prevent us from emulating Madam de Pompadour and shrugging off responsibility with the frivolous phrase, "After us the deluge." But let us not delude ourselves. Let us face up to the fact that when we use up the Nation's capital in nonrenewable resources we mortgage the future for the sake of the pleasures of today.

Russia and the empire over which she exercises control now possess all the fuels and minerals needed for their industries. Our own raw materials position has been worsening in the last few decades.

From an exporter of copper, lead, zinc, petroleum, iron, oil, and lumber we have become an importer of these materials. Though two world wars have made great inroads, the main reason for this change from exporter to importer has been our lavish consumption of resources to sustain a continuously rising standard of living for our rapidly growing population. At mid-century we consumed annually 18 tons per person in materials; including 14,000 pounds of fuels and the metals winnowed from 5,000 pounds of ores. According to the Paley Report, "there is scarcely a mineral or fossil fuel of which the quantity used in the United States since the outbreak of the first World War did not exceed the total used throughout the world in all the centuries preceding." Not only are we consuming our own resources capital, we are also making heavy inroads into the resources capital of the rest of the world. Robert C. Cook in the symposium Perspectives on Conservation remarks: "we appear to have grievously impaired the rights of the people of many lands. The fantastic increase in the levels of living in the United States has been at the expense not only of our own resources, but of those of the rest of the world as well. The gargantuan scale of this drain of the world's resources was set forth by the Twentieth Century Fund in 1955." According to the Fund, with but 6 percent of the world's population, the United States consumes today as much of many raw materials as all others combined. This means that per capita we deplete irreplaceable natural resources eight times faster than the rest of the world.

Of course, we pay for these resources but this may be small consolation for the more thoughtful citizens of backward countries who watch this drain on their national resources. It cannot be halted because the money it brings is needed to keep the wolf from the door. But logic and reason have little impact on strong emotions. The native reaction is apt to be that here go the resources that might in the future have supported a higher technological civilization in their own country; they go to enrich still more what is already the richest country on earth. In a world where the majority of the people are undernourished and ill-housed, where most of them own fewer possessions than the average American family discards, the spectacle of our affluence is more likely to win us enmity than friendship. Our loss, of course, is Russia and China's gain. Their own standard of living is not so high as to cause envy, yet high enough relative to conditions in most backward nations that it can be made to seem effective proof of communism's alleged efficiency.

One might say that our very success in realizing man's age-old ambition to escape poverty and backbreaking toil works to our disadvantage because it arouses envy This is true but it is not the whole picture. Our material wealth is also resented because we seem to have carried it to excess. But most of all, perhaps, because we have been using our high material standard of living to support a claim that Americans are more intelligent, better educated, and all-around more competent than other people. As a Nation we thus take an attitude that is quite similar to one that used to prevail in class societies where the handsome, the rich, and the well born looked complacently upon the misery of the masses, firmly convinced that the misery was well-deserved and that their own favored circumstances were but the just desert due superior human beings.

In our personal lives, few of us would take this attitude. It runs counter to everything America stands for. The ancestors of nearly all Americans came here because they were certain that poverty was no sign of inferiority, nor wealth one of human excellence.

It is strange that in judging nations we now tend to feel that superiority is proved by ownership of more cars, telephones, or TV sets than are found elsewhere. We pay lip service to American ideals, but what has us virtually mesmerized is the sheer quality of all the material objects we possess. It is difficult for us not to be smug about this and to urge the poor countries of the world to do as we do so that they too will become as rich and advanced as we are.

Yet when one seeks for the causes of our affluence one is struck less by our alleged superiority than by our extraordinary good fortune. Three factors are mainly responsible for our standard of living—ample natural resources, a mass market, and modern technology.

Our wealth in resources is a fortuitous circumstance for which present-day Americans can take little credit. No other emigrants from Europe, setting forth across the seas, found so large and rich and virtually empty a land as those coming to the United States; nor one so favorably situated geographically and climatically. In taking the country from the Indians we concluded the most advantageous real estate deal in the history of mankind.

Our mass market comes through population growth and the historical accident that 17th and 18th century relations between England, France, and Spain were such as to preclude the carving up of this continent in the manner that Africa was carved up in the 19th century. When we won independence, this was already a huge country. The ease with which we expanded across the continent was a result of the weakness of the countries whose colonies we absorbed.

The third factor which produces our rich society—modern technology—is of European origin. To be brought to maximum use, technology needs a resources-rich area with a mass market. We were the first country large enough to make maximum use of technology. The European countries were too small to benefit fully by their own technical inventiveness. Not until Russia began to apply technology to the exploitation of her own vast land were we faced with competition on something close to equal terms. I need not remind this audience that for some years now Russia's industrial productivity has grown at a rate faster than our own. It remains to be seen whether Western European productivity will not catch up with ours once the European coal, iron, atom, and common market community is fully established.

Modern technology is thought by many Americans to be a unique American achievement. This illusion is nourished by our mass media, advertising having made of bragging a fine art. To look at the splendid color layouts and the jubilant reports of new discoveries, inventions, gadgets, and nostrums, one would never guess how much we owe to Europe in basic research—that fountainhead of technology—or how impressive is Europe's scientific creativity—the most important human talent in this scientific age.

What would you consider the single most important modern technical development? It is utilization of electric power. Our present way of life would grind to a halt if electricity ceased to flow. We have no other energy that could take over all the functions performed today by electricity. Europeans developed it. What are the other principal forms of energy we use?—steam, internal combustion, atomic energy. The first two were invented and developed by Europeans; in nucleonics they did nearly all the theoretical work. What are our most important modern weapons? The list is long but let me remind you that the tank, the jet fighter, and the guided missile originated in Europe; the atomic and hydrogen bombs were developed here, it is true, but largely by European-educated scientists. Or take transportation. Steam and diesel-driven locomotives, refrigerator cars, and the automobile—all came from Europe. Among means of communication, wireless, radar, and sonar were invented abroad. Most of our great medical discoveries came from there—more vaccines and inoculations are European than American; more antibiotics, too—such as the sulphas and penicillin. Reading the list of Nobel Prize winners in physics and chemistry is a sobering experience. During the first half-century that these awards were made, England received in proportion to population 2½ times; Germany, 3 times; Holland, 4 times; and Switzerland, 5 times as many awards as we. In the field with which I am most familiar—physics and nuclear power—nearly all the important theoretical work has been done by Europeans. In theoretical physics, Europe has produced some 15 to 20 men of high originality in the last 100 years against 1 American; of 12 important discoveries that contributed to our understanding of the atom and nuclear fission, 11 were made by Europeans, 1 by an American. Between 1934 when Fermi published his epoch-making report on fission and 1940 when war closed down many European universities and laboratories, 133 major scientific papers on atomic fission were published—only half a dozen of these by Americans.

Our contributions to basic research and invention have been relatively small because we have concentrated our efforts on applying modern technology to the production of more and better goods. We have done this so successfully that poverty has ceased to be the lot of the mass of our people. It survives among persons who have had exceptionally bad luck or who are mentally, emotionally, or physically handicapped to such an extent that they cannot meet the problems that normal people are able to handle. Having accomplished this, we ought to cease our intense preoccupation with production of material things and turn to other unsolved problems. There are many of these.

A good case could be made for using our surplus productive capacity and leisure to develop a mass culture on a level as high as any previously attained by privileged minorities. It seems doubtful that this can be accomplished on a commercial basis alone, even if private help is added. We may have to follow the example of other Western democracies where public support of cultural activities, notably universities, theaters, art galleries, and music, has long been accepted as the only means of supporting high level cultural activities.

Oscar Wilde once remarked: "Civilization requires slaves. The Greeks were quite right there. Unless there are slaves to do the ugly, horrible, uninteresting work, culture and contemplation become impossible." Modern technology supplies each of us with hundreds—even thousands—of mechanical slaves to whom we are shifting more and more of the world's dirty, debilitating, and routinely boring work. This gives us the means and the time for a vast upgrading of our nonmaterial standard of living. Instead we keep on collecting—squirrel-like—more and more goods. And so we miss the marvelous opportunities modern technology could give us, perhaps because of ancient fears rooted in centuries of human want and insecurity. It is as if we were the sorcerer's apprentice who forgot the word which would stop the magic broom.

Our machines keep grinding up the Nation's capital of irreplaceable resources and turning them into a flood of goods which overwhelms us. We no longer produce to supply what we need; we now consume in order to clear away what the machine produces—a topsy-turvy state of affairs. To dispose of the flood of machine-made goods we have had to create a new industry; a $10 billion industry to service the machine by persuading us to buy its products. We have the strange situation where gifted men devote all their time and their considerable talents in the art of communication to creating artificial discontent in others and to stilling the voice of prudence so that we will mortgage our children's and our country's future to buy more than we need. By investing articles designed to be of practical use with a spurious prestige value, these talented people induce us to discard what is still perfectly satisfactory and buy new models—planned obsolescence is the term for this bit of modern witchcraft.

Today thrift has become not only old-fashioned but antisocial; disinterest in material possessions is made to seem a kind of treason to the American way of life because it puts a brake on the speed with which we use up our resources capital and throw last year's models on the scrap heap. To do both as rapidly as possible has come to be considered a major objective of our native genius. Thus have we carried the noble aim of plenty for everyone to such excess that men become the servants of their machines.

Meanwhile two vitally important tasks are neglected; tasks that in my opinion are far more important than producing new gadgets, new models of existing gadgets, better packaged goods, and more and still more material things. These tasks are conservation of the material foundation of our civilization and development of our human resources. The first involves less wasteful utilization of raw materials and the invention of substitutes for vanishing resources; the second better education for our children. We must not delude ourselves into believing that because we were able to create the wealthiest society in history, we shall have no trouble solving these two other tasks as well. Quite different human qualities are needed and must be encouraged.

Today we still overvalue the producers of material goods and undervalue the preservers of the materials base of modern technology and the developers of our children's minds. Respect and wealth go to men who make their living using up our limited resources capital; we even favor them by tariffs and special tax benefits. But meager rewards go to men who by reason of their intellectual endowments and their long and arduous course of higher studies are able to help us find substitutes for exhausted resources. We support those who flood the market with unsaleable goods and neglect the institutions which train future scientists and engineers who may discover how to prevent future shortages of goods. The manipulator of our intricate machines is usually better paid than the inventor who built the machines. It is significant that we were one of the last great nations to join the International Copyright Union because for a long time we saw nothing wrong in a practical businessman making a profit by pirating the intellectual output of others. We have always favored those who know how to make money by using ideas and material over those who think up the ideas or create new materials.

Conservation, too, is something that rarely excites our interest. We shall not really buckle down to conserve efficiently and intelligently what is left to us until we face the fact that even this huge country is not limitless. Conservationists have been marshalling an abundance of facts to prove that we are running out of space and getting poorer in resources. But various groups who find that conservation measures make utilization of our resources less profitable to them have the contrary interest of perpetuating the illusion that we shall always have much space and vast resources.

Because we tend to measure everything by size rather than by quality, it is easy to

convince us by quoting statistics. A good case in point are forestry statistics which are often cited to prove that we now manage our forests so well that we actually have a surplus of new growth over what we cut annually. Let us not rejoice prematurely. What these statistics do not show is that our forests are still declining qualitatively—half a century after Theodore Roosevelt and Gifford Pinchot launched the great campaign to save our forests. The real test of scientific forest management is the softwood saw timber account. This remains well in the red. Moreover, it is still true that what we harvest is predominantly high quality saw timber cut from our few remaining virgin stands, while much of what we grow is the scrubby stuff that reseeds itself on cut-over land and has little commercial value.

Nor do the statistics show the very large losses suffered by forest fires, insects, and the like—at least partly a result of less than perfect forest management. True, some forests are well managed today but many are in poor condition. We have a long way to go. Statistics which leave out the element of quality prevent our recognizing how far we still lag behind forestry standards that have long prevailed in Europe. There is a forest in Leiria, Portugal, that was planted 700 years ago and has been cut, and carefully replanted ever since. It is as beautiful and valuable today as it was in the 13th century.

All statistics are tricky and must be used with caution lest we be misled. Outgo and input statistics on timber are better today than 50 years ago, partly because we now use only half as much wood per capita as we did then. This reduction is a result of a shift from wood to fossil fuels and synthetics, that is, from renewable to nonrenewable raw materials. It is part of a general trend that is symptomatic of modern technological societies. Similarly, we have shifted from natural to synthetic rubber; from silk and cotton to "miracle" fabrics. These shifts to nonrenewable materials contribute to the rapid exhaustion of these resources and must be regretted from a long-range point of view, much as they may add to present comfort and pleasure.

Our tendency to disregard quality when we make comparisons has helped to perpetuate another illusion—the illusion that only this country educates all its children beyond grade school. Until recently, the deterioration of the quality of American public education has been hidden by statistics showing huge numbers of youngsters in their late teens still going to school and more of them obtaining diplomas and degrees every year. Had we given thought to the quality of the schooling they received and to the kind of scholastic performance represented by these diplomas and degrees, we should long since have stopped deluding ourselves that we have the best schools in the world.

This has been an unfair and one-sided speech. There has not been time to give a balanced picture of our own and our opponents' strength and weakness. I have dwelt only on our illusions, not on theirs. It has always seemed best to me to correct our own weaknesses rather than to look complacently on those of our adversaries.

I am convinced that our single-minded preoccupation with production and consumption of ever larger numbers of material things is a liability in the race that the totalitarians have forced upon us. I realize that the sanctity of the American standard of living is fiercely defended by a formidable array of groups and organizations whose economic well-being depends on the continuation of today's frenetic production and consumption of maufactured goods. To question the validity of a philosophy of continuous material growth is not popular. Of course, no sensible man will go counter to opinions held by the majority of his fellow citizens unless he believes that the reasons that once justified these opinions no longer exist; that persistence in holding on to what has now become an illusion is detrimental. It is not admiration for our opponents that induces me to bring out their strong points, but simply the desire to seek the truth; in searching for chinks in our own armor, I do not advocate that we copy slavishly what our adversaries do.

There are different ways to express devotion to one's country. For some people, love expresses itself solely in fulsome admiration of every aspect of the American way of life; for others critical analysis is part of all true devotion.

I have criticized our illusions because, in the present period of intense rivalry between democracy and totalitarianism, they prevent our making the fullest use of all our potentialities. But, in closing I should like to affirm my conviction that our potentialities are so great that, if we would but divest ourselves of illusions, seek out the truth no matter how displeasing it may at times be, and set our goals high, there is literally nothing we could not accomplish. Let us take full advantage of the opportunities offered us by this great land of ours and by our democratic institutions that enable us to develop what is best in us. Let us make full use of our greatest asset—the free human mind—which can work wonders if it is permitted to embark on voyages of discovery beyond the frontiers of knowledge.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The hour of 2 o'clock has arrived, and the morning hour is terminated. Further morning business is not in order, under the rule.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that at this time I may submit some matters which ordinarily would have been submitted during the morning hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

NEEDS OF 200,000 REFUGEES APPEAL TO CONSCIENCE OF AMERICA FOR RESETTLEMENT

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD an eloquent and informative syndicated article by the distinguished writer, Roscoe Drummond, which was published in the Washington Post and Times Herald of March 18, 1959.

Mr. Drummond proposes the resettlement of some 200,000 refugees—mainly in Western Europe, but others are in China—who are seeking freedom and new economic opportunities in life. Mr. Drummond supports the humanitarian recommendations of the Zellerbach Commission, which has been directed so outstandingly by Harold L. Zellerbach and Angier Biddle Duke. These men are appealing to the conscience of America and to the rest of the free world. I join Roscoe Drummond in sustaining and backing up their appeal. I trust that my colleagues of the Senate and the House will agree that these refugees must be resettled if the collective conscience of mankind is to be vindicated.

Mr. President, I ask unanimous consent that the article, entitled "Calling All Humanity," be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CALLING ALL HUMANITY—PROGRAM TO RESETTLE 200,000 REFUGEES PROPOSED

(By Roscoe Drummond)

There is a precious instinct within the American people which causes us to better respond to a big challenge than to a little one, and to want to deal with it fast and cleanly—not halfway, but all the way, get it done and over with.

This was the mood and scope of the way we fought in World War II. This was the mood and scope of the Marshall plan by which we helped get Western Europe back on its feet economically.

Now there looms in front of us another challenge which is urgent, humane, and deeply in the interests of the free world to meet totally and head on.

It is, I believe, appealing and attainable. It is this:

To resolve completely, through a crash program to be finished in 24 months, the whole residual refugee problem in Western Europe, plus some European refugees on the Chinese mainland; simply wipe this whole festering sore from the body of the Western World by healing it.

If we are to grasp this opportunity to welcome and rehabilitate those who would rather risk their lives and lose all they possess than live under Communist tyranny, here are the facts we need to fix in our minds—and act upon:

There is no more reliable and realistic presentation of the facts on the European refugee situation than the current report of the Zellerbach Commission which has just completed its second public supported survey under the leadership of Harold L. Zellerbach and Angier Biddle Duke.

This report shows that in the entirety of Western Europe there are 165,000 nonsettled, in-camp and out-of-camp refugees, that probably 25,000 more will be added during the 2 years of a total solution program, and that there are 10,000 European refugees in China eager to escape to freedom. Total: 200,000.

What are the first steps? All of those who are closest to the facts are united in recommending a broad, generous, accelerated program. The Zellerbach Commission has submitted these specific recommendations, which in my mind make sense:

1. That the United States should join with the British Commonwealth and with the asylum and resettlement countries generally in calling a Western Nations conference to draw up an action program equal to the problem.

2. That Congress will need to give our own Government authority to take a decisive lead at the conference in proposing that in both immigration and finances we will take approximately a 2-to-5 share of solving the residual refugee problem fully in 2 years if the other participating countries will do their part.

3. That, as far as the 165,000 European refugees (probably half of them want to remain in Europe) are concerned, this would mean that the United States would take 25,000 nonquota refugees a year for 2 years.

4. That, to make this program possible, the United States invest between $5 and $6 million additional per year for 2 years to be matched several times over by others in total.

Who will lead? It would be logical for the President and the Secretary of State, having committed the United States morally to the world refugee year, to lay before the Congress soon a program which would not fall short of the goal. But many things press upon the White House and Secretary

Dulles cannot now give this adequate attention.

Fortunately there is in Congress an able and trusted leader in this field who has the confidence of the country and large prestige internationally. He is the chairman of the Joint Congressional Committee on Immigration and Nationality, Representative FRANCIS E. WALTER, Democrat of Pennsylvania.

I can think of no one who could help bring this off better, more practically and more intelligently than Representative WALTER.

Mr. MORSE. Mr. President, I ask unanimous consent that I may submit certain items of morning business, as in the morning hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF PUBLIC SERVICE OF ROBERT NUNAMAKER, OF ODELL, OREG.

Mr. MORSE. Mr. President, it is always a pleasure to honor a constituent who has rendered outstanding service to his community and his profession. An example of the type of public service which has received recognition is the granting to Mr. Robert Nunamaker, of Odell, Oreg., of such a commendation.

Mr. President, I ask unanimous consent that a short account of the ceremony at which Mr. Nunamaker was named 1958 orchardist of the year, prepared by the Hood River Chamber of Commerce, be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HOOD RIVER HONORS ORCHARDIST

A crowd of over 350 Hood River, Oreg., residents turned out to honor Bob Nunamaker, who was named 1958 orchardist of the year on Wednesday evening, March 4.

The 41-year-old apple grower, educated in Odell schools and at Oregon State College, who started out growing prunes and filberts in Vancouver, Wash., was named to this valley's highest vocational honor. He is Bob Nunamaker, active bowler, Boy Scout adviser, and intently methodical fruit grower.

Nunamaker's award was the high point of the annual orchardist of the year banquet sponsored by the Hood River County Chamber of Commerce. The award winner was chosen from a wide slate of local orchardist candidates. Final selection of the winner was made by a panel of State college judges.

Speaker for the occasion was Dr. James Marshall, distinguished entomologist for the Canadian Department of Agriculture, Summerland, British Columbia. Dr. Marshall contrasted the growers' interdependence with the mass conformity caused by increased industrialization.

To Nunamaker went the handsome silver bowl symbolic of the coveted award. Last year's orchardist winner, Armas Jakku, was at the head table to offer personal congratulations to the 1958 winner.

Nunamaker, born here in 1918, came by his orchard skills as he grew up amidst the tree rows on his father's acreage near Odell. Like so many scions of orcharding families here, he went on to Oregon State College, then began orcharding among the filbert and prune plantings near Vancouver.

Back home, he began the business of raising his own trees, mostly apple plantings, with a young pear block planted in recent years. Besides the trees he has, with attractive wife, Gertrude, raised three sons on his 80-acre ranch just back of the experiment station.

The Nunamaker community service pedigree is substantial, weighed heavily in his favor when judges came to final selection. For 10 years he has been on the county irrigation board, for 5 years a member of the county unit school board.

A past president of the local Farm Bureau chapter, he has been headman of the Oregon State Horticultural Society and trustee of the Elks lodge here.

Mr. AIKEN. Mr. President, is the morning hour concluded?

The PRESIDING OFFICER. That is correct.

Mr. AIKEN. Mr. President, is it in order that I be recognized at this time, to address the Senate?

The PRESIDING OFFICER. It is; and the Senator from Vermont is recognized.

THE PRESIDENT'S PROCLAMATION RESTRICTING IMPORTS OF CRUDE OIL AND ITS PRINCIPAL PRODUCTS

Mr. AIKEN. Mr. President, on March 10 the President issued a proclamation sharply restricting the imports of crude oil and its principal products into the United States.

Only a few days before, the New England Members of this body had urged the President not to take such action.

As one Member of this Senate, I do not intend to let silence indicate that I acquiesce in this action, but want the RECORD to show that I dissent vigorously from the order of the President.

This restriction on the imports of oil is, first, discriminatory to a populous region of the United States which has no natural fuels; second, it is a major contribution to inflation; third, it is conducive to unemployment; fourth, it is harmful to our relations with other oil-producing nations; fifth, it will place U.S. industry at a further competitive disadvantage in the world markets; sixth, it will weaken our national security; seventh, it will contribute to the growing domination of Government bureaucracy over industry and people.

I now wish to comment briefly on these several adverse effects of the President's order.

First. The order is discriminatory, in that it will require the areas of the United States which have no natural deposits of oil or coal to pay higher prices for these products than the rest of the country will pay. Domestic transportation costs have become excessive, and in some instances prohibitive, for these areas. With the reduction of competition from offshore oil, these costs are bound to increase.

Second. The order is a major contribution to inflation.

We have been repeatedly advised that domestic oil producers want more money for their products. If this were not so, they would not have urged the President to issue the order.

Within the past few months, New England has experienced an arbitrary increase of about 2 cents a gallon in the price of fuel oil. This is an increase of about 15 percent.

Mr. President, this is undoubtedly the result of putting into effect the voluntary restrictions on the importations of offshore oil.

Further increases in price, as contemplated by the order of March 10, are bound to further increase living costs at a time when some Government officials are already expressing concern over possible inflation.

I have before me the Oil Daily of Wednesday, March 18, 1959. That is today. I should like to read one paragraph which appears on the first page, under the dateline of Kansas City, March 17:

Increases in tank wagon dealer and consumer gasoline prices have spread through four additional States in the Middle West, a check of bulk plant postings of Standard Oil Co. (Indiana) indicated today.

Dealers and consumer tank wagon prices for gasoline were advanced today 0.5 cent per gallon throughout Nebraska, Kansas, western Missouri and Minnesota. This advance follows on the heels of increases of 0.5 cent throughout Missouri and 0.8 cent per gallon in the central region of northern Illinois and the metropolitan Chicago area.

So, Mr. President, these oil interests could not wait for the ink to get dry on the President's proclamation before they started raising prices. Price increases so far have been confined to the Midwest, but they are bound to sweep across the country toward areas that have no natural fuels. We are already seeing, as the result of this proclamation restricting the imports of oil, the triggering of another round of price increases.

Third. A rise in the price of fuels can conceivably contribute to unemployment in New England and elsewhere.

Already a high cost area, New England products have in some instances been priced out of the world market.

Any inflation in the price of fuel oils, or the price of coal would undoubtedly aggravate this situation, and possibly force a reduction in the working force.

Fourth. Further restrictions in the importation of oils will likely be harmful to our relations with other oil producing countries.

Even Canada, where oil production was developed during World War II with our assistance and at our urging, is not likely to appreciate further restrictions on her exports.

We have been encouraging exploration for oil in Latin American countries like Bolivia.

Now we take the position that even though oil might be discovered there, the market for such production would be restricted.

It does not make sense to conduct economic programs in friendly countries, or programs designed to increase their production, if at the same time we take measures to restrict their markets.

Only recently, the President has asked Congress to authorize a further subscription of $1,375 million to the International Monetary Fund and the removal of the ceiling on U.S. contribution to the Bretton Woods Agreement.

That bill will be reported, I expect, today or tomorrow. It was ordered reported by the Foreign Relations Committee yesterday.

The people of New England may rightly ask why they should contribute tax money to sustain the economy of foreign countries if at the same time our Government is taking measures which prevent those same countries from earning dollars of their own.

Fifth. The restriction on imports of oil into parts of the United States will have the effect of placing United States industry at a further competitive disadvantage in the world market.

While the price of fuels in the United States is increasing—it has started already—thereby adding to the cost of production in our industries, the cost of fuels in competitive nations will not increase, and may actually be lowered, as the oil-producing nations seek new and greater markets elsewhere.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MORSE. I commend the Senator from Vermont for his statement. I wish to associate myself with his statement, because we not only have the resulting problem created to which the Senator has alluded, but I am willing to predict this afternoon that it will not be very long before we get a negative reaction from the oil-producing countries of Latin America.

Mr. AIKEN. I am endeavoring to give a negative reaction at this time. I know the restrictions of importations of oil are particularly going to hit the section of the country represented in part by the Senator from Oregon.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. I want to express my great appreciation for the very able remarks being made by the distinguished Senator from Vermont. I agree with him. I want to be associated with his remarks. I want the RECORD to show that the people of my State are deeply disturbed by what is happening. They have traditional contractual arrangements, generally with Venezuela, for obtaining fuel oil for power companies, and for drying of our phosphate rock, and other necessary industrial uses.

This restriction will interfere with such activities. What is more, it will interfere without giving us any substantial opportunity to substitute other products in either adequate amounts or at similar prices.

We are far removed from the coal fields. We are far removed from the domestic oil fields. We are set up to use fuel oil. Our contracts for supplies involve not only commercial power companies, but many municipal power activities in Florida, such as in the cities of Jacksonville and Orlando which are among the most outstanding of the kind in the Nation. We are deeply disturbed by this matter.

We have, in addition, various industries whose rate for power is tied by their contracts to the price of fuel oil. So here we are cut off—a State which is growing by about 10 percent a year in its power needs—from an adequate supply of fuel. We are not tooled, if I may use that expression, to use coal. If we were set up to use coal, we are too far away from the source of production to use it economically. This step has been taken without apparent concern not only for the people of our State, who now number about 4½ million, and the growth of our State, but for numerous industries which are important to this Nation. For instance, our phosphate industry produces a little more than 70 percent of the phosphate supply of our Nation. I might mention other important industries. All of them are very seriously and deleteriously affected by this order.

We believe in the rule of live and let live. We do not want to hurt anybody in the coal-producing or oil-producing areas. But we find, on inquiry in the oil-producing areas, that in our country more and more of the supply of crude oil recovered from the ground is being used to manufacture the high-priced products—gasoline and other products which means less and less residual oil, bunker "C," and various fuel oils are available for use.

To our mind, this action which has been taken is a very definite blow at the prosperity and welfare of our part of the country.

I am glad to hear a Senator from New England speak up, because I believe the same statement applies to his great section of the country.

I am delighted to hear the Senator from Oregon join in the debate, because I believe the same comments apply to his area of the country.

I have not said anything about the deleterious effects upon our relations with other, friendly nations, such as Venezuela and Canada, with whom we are, of course, anxious to preserve the most cordial and mutual relations possible.

I think this step is ill-considered, ill-advised, unwise, and selfish in the extreme from the standpoint of seeking to render a service to a part of the country at the expense of the rest of the country.

Mr. AIKEN. The Senator from Florida has given a very fine factual statement. I wish to thank him for it. It is not only the direct users of oil who will be affected by the order; it will affect everybody who does business in the United States or who does business with other countries.

Mr. HOLLAND. Mr. President, will the Senator yield for one more interruption?

Mr. AIKEN. I yield.

Mr. HOLLAND. I think one of the most absurd features of the order, from the standpoint of the service of the petroleum people, who are in general the producers of natural gas also, is that they are straining every nerve at the present time. They are spending several hundred million dollars to bring natural gas to my State, and they will be doing so within the next few months or within the next couple of years at the most, to the more remote industries and power plants. Despite that, here is a blow which they would strike at the immediate or temporary prosperity and health of the very industries with which they hope to deal and with respect to which expenditures of hundreds of millions of dollars are being made by them in order to provide natural gas service.

Mr. AIKEN. Mr. President, U.S. manufacturers have already been priced out of the market in many areas.

Why should we encourage this trend further? The President's proclamation will only speed the trend toward the loss of markets both domestic and foreign.

Sixth. The restriction of oil imports will not contribute to the national security. That was the excuse given for the proclamation, or one of the principal excuses, at least.

It is claimed that if the price of oil is high enough to provide an incentive additional exploration within our own boundaries will be promoted.

Frankly, if the drilling of more than 50,000 wells a year on the average for the past 5 years has failed to disclose inexhaustible supplies of petroleum within this country, is it not reasonable to believe that our domestic supply of oil is not inexhaustible after all?

We are told that for the period of 1954 to 1958, the domestic demand for petroleum products increased 15.5 percent, while domestic crude oil reserves were increasing only 2.8 percent.

If this is the case, how can it be in the interest of national security to use up our own known supplies of oil at the fastest possible rate and at the highest price obtainable?

Would it not be more in the interest of national security to conserve our own supplies and rely more upon the low cost oil from other countries while we are still able to get it?

The seventh point I wish to make perhaps is the most important of all.

Seventh. The order of March 10 leads straight down the road to greater bureaucratic control over U.S. industry.

Under the President's proclamation, the Secretary of the Interior is authorized to "issue regulations," "provide for a system of allocation of the authorized imports," to "issue licenses pursuant to such system," and to "provide such restrictions upon the transfer of allocations and licenses as may be deemed appropriate."

This is a complete reversal of the welcome trend away from Government regimentation which we have enjoyed during recent years.

If this violent swing toward Government controls applied to the oil industry alone it would be bad enough, but the exercise of Government controls over the operations of oil importers can only lead to further controls over American industry and the American people.

We cannot stop with controls over one factor of our industrial and domestic economy alone.

We cannot eliminate competition and expect the competitive system to stand.

We may be headed straight for a system of price and wage controls for everyone.

The oil industry, once famed for its independence, is now, through its demand for greater special privileges, leading the way toward the loss of that independence.

This Executive order of March 10, 1959, is a classic in contradictions.

We cannot control inflation and promote it at the same time.

We cannot improve international relations by restricting the economy of other friendly nations.

We cannot promote the growth of our country by gearing its economy to 1957 conditions.

We cannot perpetuate freedom for the individual by bureaucratic regimentation.

We cannot insure national security by exhausting our vital national resources.

I urge the President to take steps to countermand the dangerous order of March 10 before irrevocable damage shall have been done to our economic and political system.

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER (Mr. HARTKE in the chair). The Senator from Rhode Island.

Mr. PASTORE. First, I wish to compliment the distinguished Senator from Vermont for his very fine and eloquent statement on a pressing problem which affects the people of Rhode Island, the people of Vermont and, indeed, the people of all New England. I might enlarge that statement by saying that it refers to consumers generally throughout the United States of America.

Mr. President, I wish to address myself to the same subject, and perhaps repeat some of the same ideas and same thoughts in different words, but, after all, hardly too much can be said on this subject, and whatever may be said can be easily understood.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. AIKEN. I want to make it plain that there is no collusion or collaboration between the Senator from Rhode Island and myself. If we say the same things, it is simply because we are both telling the truth.

Mr. PASTORE. I hope that at least the repetition will have some effect, and bring conscious knowledge to those in whom the responsibility lies of the harm which is being done the consumers of America.

Reference to natural gas was made by the distinguished Senator from Florida [Mr. HOLLAND]. I remember that only a short while ago we were discussing with the distinguished Senator from Illinois the famous natural gas bill. We said at that time there was an alliance between natural gas and oil. That alliance was economic. It is quite manifest that as the price of oil goes up so does the price of gas, and as the price of gas goes up so does the price of oil.

Mr. President, the recent action of the President in ordering mandatory controls on imports of oil and certain oil products is a matter of grave concern to the consumers of the State of Rhode Island. It is a matter of equal concern to the consumers in the entire New England area as well as other parts of the United States, who are dependent, in large part, upon imports of foreign oil products to meet their fuel needs.

I am particularly disturbed by the fact that the President has seen fit to include in the mandatory system of import controls those types of residual oils which are so necessary for home heating systems as well as for industrial use in my area of the country.

This action of the President has already raised a serious question in the minds of many informed economists as to its ultimate effect upon the cost of such oil products as well as upon the cost of certain other refined oil products which are consumer necessities in all parts of the United States.

Our domestic production of crude oil is not sufficient to meet our own rising consumer demands.

Mr. President, I desire to emphasize this point. Only a short while ago there was held before the Committee on Finance a hearing on the question of importation of wool tops from Uruguay. The testimony was abundant and the evidence was beyond any refutation that we had an ample supply of wool tops in the United States of America. What did the Treasury Department do? The Department refused to invoke countervailing duties on wool tops, of which, as I have said, there are an abundance in America. We demonstrated that if the Department did not impose the countervailing duty, it would destroy the wool top industry of the United States, yet nothing was done about the matter.

As a matter of fact, the Treasury Department took the adamant attitude that it would not change its plan not to institute the countervailing duty.

We are now confronted with this oil situation, when it is known there is not an abundant supply of residual oil and crude oil in the United States.

If there were questions, Mr. President, about an abundance of residual oil and fuel oil in the United States, or if we were importing oil to destroy an American industry, there would be a valid reason for the mandatory order. However, is is well known that this is more or less a favorable gesture toward the coal industry, as well as a gesture toward the big domestic oil interests of this country.

I repeat, if it were simply a question of using domestic crude oil and residual oil as against foreign imports, I would say, "All well and good." But that is not the case.

It has been shown that when most of our domestic oil is subjected to further refining, it goes into the better qualities of high octane gas. This refining practice leaves little residual oil. There has been a short supply of such residual oil, therefore, for heating purposes and electrical power purposes. We are adding insult to injury by resorting to a mandatory import restriction which will mean a smaller and smaller supply of residual oil and crude oil, resulting in the demand being greater than the supply. The natural consequence will be that the price will go up. That is how simple the process is.

The gap must be closed by foreign oil imports. Moreover, the practices of our own domestic refining industry limits the quantities of certain products such as residual oil which accounts for a scarcity of this product which can be filled only by appropriate imports from abroad, as I have noted.

Consequently, the situation which exists with respect to oil and oil products is quite different than that which obtains as to many other items of our domestic manufacture. Since there is a scarcity of domestic supply to meet the everyday needs of the oil consuming public, particularly in the New England area, which is far removed from the oil producing regions of the United States and which has no natural fuel resources of its own, it is clear that a limitation on imports inevitably leads to a further sharp reduction in the availability of a basic and essential commodity—an artifically created shortage.

Consequently, the most serious implication which inheres in this recent action of the President is that of the possibility of an immediate substantial price increase in both crude oil and refined products produced in the United States.

For example, I have observed that in the Wall Street Journal for last Thursday, March 12, various spokesmen for the domestic oil producers plainly indicated their intention to seek an immediate price increase for domestically produced oil and oil products such as fuel oil, gasoline and kerosene. While, at first, the President seemed to display some confidence that there would be no price rise resulting from this action, we have noted that the Government has now announced that it will keep its eye on the possibility of a rising general price level for oil and oil products.

And certain administration spokesmen have stated that if domestic prices threaten to rise higher than a level which the Government thinks proper, import quotas will be increased so as to allow the normal factors of supply and demand to take care of the situation.

In other words, the only promise we have is that after prices go up the lid on imports may be raised. In short, after the horse is stolen the barn will be locked.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. AIKEN. The wording of the proclamation indicates that prices are expected to go up; and the promise is that if they go up over the moon somewhere the Government may conceivably take action, then, to allow more imports to come into the country.

But judging from what has happened, and what seems likely to happen, prices could go up to a great extent before anyone would make any move to stop them. In fact, if the administration had been interested in stopping the rising prices, it seems to me that it could have taken action not only with respect to petroleum products, but other things, before now.

Mr. PASTORE. I thank the Senator.

Mr. AIKEN. As the Senator is undoubtedly aware, the entire New England delegation has protested an increase in New England of 2 cents a gallon in the price of fuel oil which people burn in order to heat their homes. I have not

heard of any vigorous action being taken so far to prevent prices from rising.

Mr. PASTORE. Does not the situation seem rather strange to the distinguished Senator from Vermont? There are a number of separate oil companies in the United States. But let one oil company increase by 1 cent its price for gasoline, or increase the price of fuel oil 1 cent, and within a matter of minutes the increase becomes universal. It all seems to happen at the same time. We sometimes wonder just how it happens. The independent companies are constantly advertising over the radio and television their independence and allegiance to the free system of American enterprise. Yet let the price of oil go up 1 cent at one gasoline station, and within a matter of minutes it is impossible to buy it a cent cheaper at any gasoline station on that street. How does that happen?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. AIKEN. Possibly the Senator was not in the Chamber when I pointed out that the President's signature on this proclamation was hardly dry before the price of gasoline was raised eight-tenths of a cent a gallon in the Chicago area in Illinois. Only yesterday it went up in four other States.

Some may think that the price is going up only in the areas which depend on offshore oil. That is not true. If the people in the oil-producing States who are also oil consumers think their price will remain the same, they already have before them the facts to indicate that it will not.

Mr. PASTORE. Does not the Senator believe that this is a proper field for the Attorney General of the United States to investigate?

Mr. AIKEN. I wrote to the Attorney General the last of January and suggested that the increase of approximately 2 cents a gallon in the price of fuel oil in the New England area showed some indications of collusion. I received a reply from the Attorney General to the effect that his department was looking into the situation and was concerned over it. So far as I know, as yet there have been no practical results.

Mr. PASTORE. My fervent hope is that there will be results.

I repeat it is a sad commentary on our system of free enterprise that when one oil company raises its price by 1 cent, the increase becomes universal throughout the entire industry. I believe there is sufficient ground for suspicion in that one element alone to justify a very penetrating and vigorous investigation on the part of the Attorney General of the United States, to determine whether or not these price increases are economically justified or whether they are the result of anticompetitive practices.

Mr. AIKEN. I wish to make it clear that I do not for a moment question the good faith of the Attorney General.

Mr. PASTORE. Neither do I.

Mr. AIKEN. But when other important agencies of the Government are abetting those who wish to raise prices, the Attorney General really has a job on his hands if he tries to do much about it.

Mr. PASTORE. He can still investigate the situation.

Mr. AIKEN. I hope he will.

Mr. PASTORE. He can still determine the basic reason for uniformity in prices on the part of all the alleged competitive companies, which uniformity so vitally affects the public interest and the consumers of America.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HOLLAND. First I wish to commend my distinguished friend from Rhode Island for raising his voice in this cause, which I believe is a cause in behalf of decent government.

Second, I remind him that in the previous session of Congress, or perhaps two sessions ago, the Senate went on record as recognizing the fact that his own area, the New England area, the high-priced-power area, was entitled to particular consideration, because we insisted upon one of the atomic reactors for the commercial production of power being located in that area.

Mr. PASTORE. The Senator is correct.

Mr. HOLLAND. The Senator from Florida recalls that he lifted his own voice in support of that proposal, because the Nation knows that New England is in the situation which has just been pictured by the Senator from Rhode Island and the Senator from Vermont.

In my judgment the decision in this instance was made, and the action was taken, without a careful appraisal of the vital needs of large parts of this Nation.

The Senator from Florida tried on three occasions to reach the former Governor of Iowa, who is the Administrator of Office of Civil Defense Mobilization, but was never able to reach him. Instead, he had to talk with lesser officials in that agency.

The Senator from Florida spoke with various officials in the White House. He did not wish to impose on the President himself, because of the fact that the Nation is in a difficult situation in international affairs requiring the President's constant attention.

I wish to emphasize the fact that I believe action of this kind should be taken only after giving every part of the Nation an opportunity to be heard clearly as to the needs of its own people. When we see great cities such as Jacksonville and Orlando in Florida, both of which operate municipal electric power systems, greatly crippled at this stage because of this order, when we see 13 or more REA organizations in Florida, all of which purchase power from commercial public utility companies, with contracts tied to the price of fuel oil, complaining because they know that their price will have to go up, and when we see great areas like New England and Florida, and other parts of the country, which have no hydroelectric power, treated in this way, without an opportunity to be heard, I believe it is time for us to call a halt to this kind of regimented administration, without proper hearings, and without a chance for the people and the vitally affected industries really to make their positions known to the officials who have the responsibility and claim the power to do something about it.

Mr. President, I register in the strongest possible terms my own opposition and complaint not merely to the issuance of this order, but particularly to the way in which it was issued, without giving a reasonable chance to be heard to millions of people and to their representatives in the Congress, when they knew these people would be badly hurt by this order. I thank the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I thank the Senator from Florida. I merely wish to add that the reason underlying the consideration which was given to the New England area in the amendment of the Atomic Energy Act of 1954, with that area to be among the first to be considered, together with public power companies, with relation to research and development in the field of atomic energy development, was only because the cost of electric power in the New England area was the highest of any region of the country.

I repeat that we are adding insult to injury, because New England is practically wholly dependent upon residual oil and crude oil, and an increase in their cost makes a bad situation worse.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. AIKEN. I wish to point out that one of the principal producers of power in northern Vermont, the Burlington municipal system, is using coal as a fuel at this time because coal is the cheapest type of fuel they can get. The cost of that fuel is 6 mills per kilowatt-hour, and the total cost of power is approximately 14 mills per kilowatt-hour. For heaven's sake, how much do they want us to pay for power anyway? The step which has been taken is bound to increase the cost of producing power. There can be no other effect.

Mr. PASTORE. I thank the Senator from Vermont.

Mr. President, as I have noted, the ink is hardly dry on the President's new program when highly placed domestic oil men are already announcing that the price of oil and oil products is definitely going up.

As we all know, the Government has no price control legislation on its statute books which could be invoked swiftly in order to protect consumers from oil price gouging. The rather general and vague language of administration spokesmen which seems to offer some hope of consumer protection if oil prices rise higher than the administration thinks "proper" is, in my opinion, simply an illusion. It affords nothing but a visionary hope for some type of insufficient protection against a highly organized and profit-conscious oil industry.

Mr. President, if any substantial and immediate price increase follows this recent action of the President, I believe there will be many of us who will share

the view that the President ought to rectify his own mistake and either abandon this ill-advised restrictive trade program or move promptly to meet the problem with a system of regulated oil price control.

None of us likes controls—particularly price controls—but once we start with some measure of Government regulation in such a basic commodity as oil, it may be necessary to go further in the direction of regulation, particularly where consumer interests are endangered.

Mr. President, this country consumes more than nine million barrels of oil a day. The increase of a fraction of a cent a gallon in the price of fuel oil or industrial oils or gasoline means millions of dollars a day taken from the pocketbooks of American consumers who are becoming increasingly dependent upon oil as the basic fuel to meet their needs.

It would seem to me that the independent domestic oil producers of the United States could be better served and their interests better advanced if our Government moved vigorously to break up certain monopolistic practices of the major oil importing companies which have contributed to the discouragement of the smaller producers in certain areas of the United States. This would be a much more direct and beneficial move than the expedient adopted by the President of imposing mandatory controls on the importation of foreign produced oil.

Moreover, it would be a program in which the independent domestic oil producers of the United States would be advancing the best interests of all the country and not simply promoting their own provincial or area interests over those of millions of their fellow Americans who reside in the consuming areas such as New England.

Naturally there are other implications involved in this unfortunate decision of the President involving both conservation and reciprocal trade. All I intend to say on the question of conservation of our natural resources is that if a barrel of overseas Venezuelan oil will save a barrel of our domestic oil for some future emergency, it would seem to be a wise policy to continue to make reasonable use of such foreign production.

The foreign trade aspects of this Presidential action are most confusing. In the case of oil where a scarcity of domestic supply exists in the United States, the President chooses to limit imports of that product which are needed to fill the gap created by the ever-increasing consumer demands in the United States. I fail to comprehend the wisdom of this move which has already had a most unfortunate effect upon those friendly nations who have been furnishing us with these products.

This move occurs at the very moment when the administration is recommending and urging that we continue our policy of encouraging and assisting the economy of friendly countries, some of whom are adversely affected by this program. The so-called foreign-aid program is going to cost the American taxpayers $3,900 million in the forthcoming fiscal year. It will be paid for from taxes levied upon the citizens of the United States who have a right to question the logic of contributing tax money to sustain the economy of a foreign country while at the same time our Government moves to restrict the markets for the products of that economy built up by American tax money. The residents of New England have a perfect right to challenge such an illogical and expensive foreign-trade program.

I cannot help but compare the action of the administration in this regard with its refusal some few weeks ago to place a countervailing duty on Uruguayan wool tops when an abundance of domestic wool tops is being drastically undercut by such foreign imports. Unfortunately in both instances the action of the administration is a direct blow at the economy of our New England area. It seems to me that that inconsistency has us right in the middle; we get it coming and we get it going.

A recent editorial in the Providence Journal succinctly summarized these points and properly concluded that the action of the President in this regard is a sorry piece of business. The editorial expresses the definite opinion that the curb on foreign imports of oil and oil products will necessarily tend to raise the price of all fuels. This will include coal as well as oil, both of which are essential for the production of electric power in our part of the country.

Unfortunately, this action occurs at the very time when we in Rhode Island are attempting to attract new industry and to improve the industrial climate, which includes various manufacturing costs, so as to hold our present industries as well as to attract new ones.

I ask that this editorial entitled "The Ban on Oil Imports Is Unwise and Unnecessary" be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PASTORE. Mr. President, I believe that the situation created by the action of the President in placing the importation of crude oil and other foreign petroleum products under mandatory Federal control should be kept under close congressional observation so that we may be prepared to move by means of legislation, if necessary, to protect the consumers of the United States from any serious adverse effects resulting from that action.

I repeat now what I said last week when I was first advised of this mandatory control program, that this action on the part of the President is nothing less than tragic for our New England area. And as matters now appear it may be tragic for consumers in many other parts of the United States.

EXHIBIT 1

[From the Providence Journal, Mar. 12, 1959]

THE BAN ON OIL IMPORTS IS UNWISE AND UNNECESSARY

President Eisenhower has just imposed mandatory restrictions on oil imports. The step was taken, the President has explained, for reasons of national security. It is essential, he said, "that we preserve to the greatest extent possible a vigorous, healthy petroleum industry in the United States."

What this means, in plain terms, is that the oil consumer in this country henceforth will get less oil from abroad, and thus will be more dependent on domestic supplies. It will affect every citizen who drives a car, rides a bus, depends on delivery trucks, or buys fuel to heat his home or uses electricity.

Senator PASTORE has protested against the oil-import curb. We hope others in Congress and millions of plain citizens will join in that protest. For this action was unnecessary, unwise, and indefensible.

In the first place, the curb will tend to raise the prices of all fuels. Defenders of the import curb say not, but any restriction on supply tends to raise prices and there is no conceivable reason to expect that the oil restriction will defy the laws of economics.

The President, himself, concedes the possibility of price increases. "In the event price increases occur while the program is in effect," he stated in his proclamation, "the Director (of the Office of Civil and Defense Mobilization) is required to determine whether such increases are necessary to accomplish the national security objectives."

Thus a President who, over the years, has stoutly fought against governmental controls over any segment of the economy, now has imposed import controls over the oil industry and is suggesting that price controls may follow. With this action, Mr. Eisenhower has repudiated one of the basic points in his political philosophy.

Still another difficulty must be faced. Some of America's closest friends in the foreign community will be affected adversely by the oil import curb. Canada already has protested. Venezuela and other oil-exporting nations may be expected to follow. Thus the President has taken on a fresh set of diplomatic woes at a time when his State Department is overburdened with a mounting pile.

Indeed, the only single argument that can be found to support the President's action—the national security need for a vigorous and healthy domestic oil industry—is transparent and two-sided. It is transparent because the domestic oil industry already is both vigorous and healthy. It is two-sided because whatever gain is achieved by strengthening the domestic industry will be offset by the additional drain imposed on our supplies of oil in the ground.

Oil in the ground is like money in the bank. Left alone, it won't evaporate or drain away. If it's there today and is left alone, it will still be there when it may be needed in some future national emergency. But if it's drained off now to take the place of the imported oil we ordinarily would use, it won't be there for any future emergency. It follows that the President's action, instead of improving the national security, actually may produce the reverse.

It's a sorry piece of business. The arguments against the proposal so far outweigh any possible points in its favor, it is difficult to understand why the President chose to act as he did.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. DIRKSEN. I heard the observation made that it was difficult to get in touch with Director Hoegh, of the Office of Civil and Defense Mobilization. Under the Reciprocal Trade Agreements Act, which Congress approved last year, he is mandated to make an investigation of the question of imports and to determine their impact upon our economy and to come to a conclusion and to render an opinion. That is the only guideline which was established in the statute. I know that that was done. I know that

his report was made to the Cabinet Committee, and that all matters had careful consideration. This was not, by any means, merely the judgment of an individual or any group, but certainly was also the judgment of the President of the United States.

I must point out that long hearings on the question of petroleum were held before the Committee on the Judiciary. When we talk about prices in the New England area, for instance, I remember raising that question with the head of the independent producers, a very distinguished oil enterpriser from the State of Wyoming, and the answer was that there should have been a price increase 3 or 4 years ago. His contention was that the oil producers were at the short end of the stick, and that long ago there should have been an increase, which obviously would have fallen on the consumers.

There is one other aspect of the matter which has to be taken into account. When imports were on a voluntary basis, there was a situation in Canada, a problem in a special region in California, and a problem in the New England area. But we also had the entire industry to consider.

When all the testimony had been presented to the Committee on Interior and Insular Affairs, the Committee on the Judiciary, and other committees, the result was that the defense provision was written into the Reciprocal Trade Agreements Extension Act. It is there today. It was on the basis of the impact upon our national security that the executive branch had to take action. When voluntary action was not sufficient, there was little choice except to make the program mandatory.

I have lived with this problem. I went to the White House with the distinguished Senator from Kansas [Mr. CARLSON] and the distinguished Senator from Wyoming [Mr. O'MAHONEY]. We talked to the President about it. Within 30 days a voluntary program was on the road. It was hoped that everyone would cooperate. But difficulties began to arise. The independent producers—and 1,500 companies are in their association—came first before one group, and then before another, to ascertain the difficulties in the domestic industry at that time which had to be taken into account. All of those things were considered.

No less a person than the distinguished Senator from Wyoming [Mr. O'MAHONEY] pointed out to the Senate that within the past few months importations of oil have risen from, roughly, 850,000 barrels to 1,350,000 barrels. Parenthetically, I am drawing entirely on memory now, because I did not know this subject was to be discussed. But I think those figures are quite close to being correct.

So at once there came a hue and cry about the impact of those imports, not only upon the oil industry, far flung in some 32 States, but also upon our defense and security, as well.

I must refute any allegations that this matter did not have adequate attention in the executive branch. I do not for a moment contend that a mistake in judgment cannot take place, but I do say that every aspect of the matter was very carefully explored.

Mr. PASTORE. Mr. President, in answer to the distinguished Senator from Illinois, I did not say that this order was summarily made. I believe that contention was made by the distinguished Senator from Florida [Mr. HOLLAND]. All I said was that the order was absolutely unwise.

I simply know that an investigation has just been concluded concerning the economic decline in the textile industry in the United States. I do not know how many thousands upon thousands of jobs have been lost by American workers. We have shown beyond any question of doubt that during the past 10 years, while the economy of the Nation has been rising by leaps and bounds, the growth of the textile industry has remained stagnant; if anything the industry has even declined. We have been pleading with the President and the administration to take some action looking to the imposition of textile quotas. Our plea has gone into the right ear and come out the left. Nothing has been done.

But let the oil producers and dealers of America be in trouble. I just heard the distinguished Senator from Illinois [Mr. DIRKSEN] say that the increase in oil prices should have happened 2 years ago, and that it is now being imposed in order to remedy conditions. So the oil dealers of America raise the price of oil 2 cents a gallon.

Mr. President, when are the consumers of America going to have their interests adequately considered and protected?

Mr. DIRKSEN. Mr. President, to show how wrong the distinguished Senator from Rhode Island is the precedent was set when quotas were placed on zinc and lead, which had exactly nothing to do with the oil industry. Ask the Western Senators—most of them are on the other side of the aisle—how those quotas were imposed.

Mr. PASTORE. I will name the articles: zinc, lead, tungsten, agricultural products, and oil.

Mr. DIRKSEN. The Senator is now expanding the list.

Mr. PASTORE. The Senator from Illinois can expand it further, if he wishes. I think the quota system is important to the mining interests of the Midwest.

Mr. DOUGLAS. It was not the Midwest. It was the Far West. And the Senator from Illinois opposed both the proposed tariff on lead and zinc and the proposed import quotas.

Mr. PASTORE. The Senator can broaden it all he wishes. But let something happen to jobs in the Rhode Island or the New England textile industry, and nothing—precious nothing—is ever done.

I am not defending what any other Senator said in the Chamber. I stand behind everything I have said, and I will defend it until the cows come home. I say that we must always consider the consumers of America. I say to the distinguished junior Senator from Illinois that the investigators of the administration may have traveled the length and breadth of the Nation and talked with many people. But who represented the consumers of America when this order was made? Who talked to them?

The ink was hardly dry on the order when the price of fuel oil went up 2 cents. It will go up more. I am simply emphasizing this afternoon that we in Congress had better watch this condition very closely, because if we expect to avoid inflation and protect the pocketbooks of the housewives of America, that is the best way of doing it.

I yield the floor.

ADDRESS BY SENATOR McCLELLAN, BEFORE ECONOMIC CLUB OF NEW YORK

Mr. RUSSELL. Mr. President, the distinguished senior Senator from Arkansas [Mr. MCCLELLAN] is one of the best known and most highly respected Members of this body. He is known in practically every home in the Nation because the fine work he has done as a public servant is common knowledge throughout the land.

On March 9, 1959, the distinguished Senator from Arkansas delivered an address in New York City before the Economic Club of New York. In my opinion, this outstanding address is worthy of the attention of the people of the country, and I ask unanimous consent that excerpts from the address be printed in the body of the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ADDRESS OF SENATOR JOHN L. MCCLELLAN BEFORE THE ECONOMIC CLUB OF NEW YORK, HOTEL ASTOR, MARCH 9, 1959

Mr. Chairman, it is a distinct privilege and pleasure to address the members of a club that has for more than a half century provided a most useful nonpartisan forum for the timely discussion of subjects and issues that are of current and vital importance to the people. For that and other reasons your club has earned outstanding recognition and well-deserved admiration.

Representing as you do most all segments of business, industry, and finance, many of you, no doubt, have interests that are identified with and extend to enterprises throughout the United States and abroad. There naturally follows then, I know, your deep and constant concern about the affairs of state. In fact, one can hardly conceive of any comparable group of our citizens anywhere who would have a keener conception of, a greater stake in, or who should be more solicitous about, the quality and functions of our Federal Government than you.

* * * * *

At no time in our generation has our country faced more vital, intricate, and perplexing problems or graver dangers than those that now, and those that will, confront us in the immediate years ahead.

The myriad vicissitudes of our time, it seems to me, are of such gravity that they do not permit any of us, not even the least among us, to be insensitive or indifferent to their potential consequences as related to our welfare and security. They serve instead as a challenge to us—to all of us, whatever our station in life may be—to give and do our best in fully meeting the obligations of citizenship and in the performance of our official duties and public responsibilities to the end that our liberties shall not perish and that freedom as a way of life shall be preserved.

* * * * *

By reason of the present composition of the Congress, the primary and greater legislative responsibility for resolving these vital issues and solving these difficult problems rests squarely on the Democrats. We can neither escape nor evade it. And on how successfully we meet that responsibility may depend the destiny of our Nation and the fate of the free world.

Obviously, I cannot, within the propriety of time for my remarks this evening, cover the entire range of governmental problems; but I should like to identify and make some passing references to three, and then discuss a fourth—all of which I regard as being of major importance and coming within a grave danger category.

The first is the instability in international affairs. It involves the mighty cold war conflict that has raged for the past dozen years or more, and which still continues with unabated intensity, between the forces of totalitarian communism and the freedom-loving countries and peoples throughout the world. The issue of war or peace still remains supreme and paramount.

As President Eisenhower pointed out in his recent state of the Union message, "We cannot build peace through desire alone." We can achieve it only with the cooperation of others and at the price of eternal vigilance. Tragically, in our pursuit of peace we are compelled to cope with governments of low-order integrity, which by doctrine and practice disdain and repudiate as scraps of paper their solemn and international and treaty obligations.

Thus, the chief obstacle athwart the paths to peace and understanding in the world today is the manifest disregard of the Communists for their own pledges. Their demonstrated lack of good faith and unwillingness to resolve international problems are wholly responsible for the explosive tensions that pose the constant threat of another all-out war and universal catastrophe. In this unhappy situation we have no alternative—no choice—but to build and maintain a powerful arsenal of military strength and of deterrent proportions.

The cost we may have to incur—the treasure we may have to expend—in doing so, we cannot accurately calculate or foretell, but the price must be paid.

The Congress has the responsibility for making adequate appropriations to provide the military striking power that will insure victory and survival if another war should become inevitable. I have no doubt but that this responsibility will be fully met by Democrats and Republicans alike.

* * * * *

I wish I could feel equally confident and give assurances that the Congress will effectively meet its responsibility in dealing with the instability in our fiscal affairs. Habitual deficit spending, pyramiding the national debt, and the tolerating of a permanently unbalanced budget are factors contributing strongly toward a disastrous inflation. This is the second grave danger about which I am deeply concerned.

We must maintain sound fiscal policies and keep our economy strong. The strength that we shall surely need in the long struggle for supremacy in which we are now engaged with the Communist world cannot be found in a bankrupt Treasury.

I agree with the President of the United States—the budget should be balanced. The task of balancing it will not be easy. It is one of considerable magnitude, but it is the duty of Congress to stop deficit spending, just as quickly as it is possible to do so without jeopardizing national defense and security. Those who ridicule the idea, who scoff at a balanced budget, and who vote accordingly may well be inviting an inflation that could produce economic chaos and national insolvency.

* * * * *

The next danger to which I direct your attention is one that, in my judgment, threatens the very foundations of our Republic. It is the instability of the Supreme Court of the United States. This is so distressing to me that it is actually painful to talk about it.

Within the past 4 years the Court has rendered more than a dozen decisions that warrant severest criticism. Among other things, in these decisions it has usurped legislative powers vested in the Congress; tended to favor the Communist and criminal elements of this country; glibly overruled and set aside decisions made and precedents established at a time when the Court was composed of justices learned in the law and schooled in the rudiments of American jurisprudence.

The 10th amendment to the Constitution that reserves to the States respectively or to the people thereof all powers not delegated by the Constitution to the Federal Government is no longer respected. It is being ignored and nullified. It is certainly given no probative force in Supreme Court decisions.

The inevitable consequences of such decisions are frightening to contemplate. Unless these trends can be checked, the usurpation of legislative powers stopped, state sovereignty will be destroyed, and a centralized government enthroned by judicial fiat and decree.

I am unwilling to stand silently by, acquiesce in, and see the sovereign States of this Union reduced to a provincial status. I must protest.

Although the powers of Congress to apply remedies in this area may be limited, in my opinion, the situation is of such gravity that it calls for the exercise of all legislative authority that the Congress can exert.

* * * * *

The instability or lack of integrity prevalent today in labor-management relations in this country is appalling. And that is the last of the four dangers I shall mention. The disclosures made and practices revealed in the course of 2 years of investigations by the Senate Select Committee are so sordid and vicious that they have shocked the national conscience.

The task of this committee has been enormous; it has been arduous, difficult, and at times unpleasant to perform. We have had to deal constantly with people of low character or no character at all. We have had to deal with the worst kind of manipulators and conspirators (both in labor and in management), with crooks, mobsters, thieves, extortionists, and murderers.

In trying to develop the truth and get the facts, we have met with many hindrances and efforts at obstruction. We are repeatedly faced with perjurors, fifth amendment artists, and forgetfulness experts. Out of more than 1,200 witnesses examined during 225 days of public hearings, over 200 of these invoked the privilege against self-incrimination. Quite a number of witnesses who have appeared before us are among the Goliaths of underworld characters and organized crime.

The exposures we have made include:

(1) the misuse and pilfering of union, welfare, and pension funds;

(2) collusion, extortion, and bribery;

(3) violence, injury to persons and property, threats to employers, employees, union members, and members of their families;

(4) the keeping of fraudulent financial records and the willful destruction of records to cover up theft and embezzlement;

(5) denying union members the right to vote—rigging elections—calling strikes, and making sweetheart contracts without knowledge or approval of union members;

(6) placing unions in trusteeship unjustifiably and indefinitely, and appointing unreformed ex-convicts and known criminals to manage and operate such trusteeships;

(7) organizational picketing to coerce and compel a union shop, secondary boycotts, "hot cargo" contracts; and

(8) other acts that are in restraint of trade and a hindrance to commerce.

Many of these evils are outrageous, cruel, corrupt, and contemptible. That criminal elements, gangsters and racketeers have infiltrated unions and businesses in many areas and to an alarming degree has been definitely established.

These unwholesome practices must be corrected. Labor cannot clean its own house. They must be dealt with by law. It is the duty of Congress to enact remedial legislation.

* * * * *

Accordingly, I have introduced a bill (S. 1137) to correct many of these conditions. If enacted and properly administered, it will go far toward the elimination of racketeering, corruption, and the abuses of membership rights. It sets up minimum standards of ethical conduct and democratic processes for the protection of union members. It would require full reporting and disclosure of union business, financial transactions in which abuses of trust or authority, conflicts of interest, or other improper activities might occur. It would also regulate the imposition of trusteeships on local unions.

Title 1, the heart of the bill, defines the basic individual and collective rights of union members and provides minimum standards and requirements to safeguard and protect them. Among the rights guaranteed are equal protection of the members under prescribed rules and regulations; freedom of speech and assembly; free and fair elections; protection against arbitrary financial exactions, and against improper disciplinary actions; and the right of union members to bring suit against the union or any officer thereof in cases of breach of trust or failure to observe and enforce the rights of members as prescribed by law.

In addition to the rights of individual members to sue, other enforcement remedies are given to the Secretary of Labor. Many criminal penalties are provided, including penalties for the use of force, violence, threats, coercion, or intimidation to prevent union members from exercising and receiving the basic rights guaranteed to them by the provisions of the Act.

It is my position that all unions should be required to comply with and conform to, at least, certain basic minimum standards; and any union that fails or refuses to do so should be declared ineligible to serve as a bargaining representative of employees and denied the right to file and process unfair labor practice charges before the NLRB: and, further, they should also be denied the Federal income tax immunity now granted to them by law. I have so provided in my bill.

It is charged by some that these remedies are too drastic—that they are punitive in nature. But I submit that they are not drastic; they are preventive. They are not punitive; they are protective. No legitimate union properly administered by honest and decent officials would be penalized to any extent or degree whatsoever. If these provisions are enacted into law, however, the power and opportunity of crooked labor bosses and criminal elements to continue the abuse and exploitation of union members and working people in this country will be substantially curbed and reduced.

I maintain that there is absolutely nothing in the bill that is adverse or detrimental to the best interests and welfare of union members and their families. Everything in it is needed and required for their security and protection.

* * * * *

The bill I have been discussing will not do the full legislative job that is needed to remedy unwholesome conditions that now prevail in the labor-management field. It is not intended to do so. Other measures are necessary, and I shall this week introduce four more bills dealing with other aspects of the problem.

Existing laws are inadequate to protect innocent parties from secondary boycott abuses. I propose to amend the Taft-Hartley Act to prevent certain types of coercion of the employer and particularly to prohibit coercion by picketing at the premises of the secondary employer in order to prevent customers from doing business with the employer that may be involved in a labor dispute. Such practices are unjust and impose suffering and hardship on the innocent and those who are helpless to do anything about it.

I shall also seek to outlaw "hot cargo" clauses in collective bargaining contracts. They are, in practical effect, another form of boycott that should not be tolerated or sanctioned by law. Again the innocent are made the victims. There can be no equitable justification for this form of boycott.

I shall also undertake in one of these measures to deal with the perplexing jurisdictional "no man's land" problem. My bill will require the NLRB to accept jurisdiction, and where it fails to do so parties to a dispute will be at liberty to pursue remedies available to them under State laws and in the courts of the several States.

My fourth bill will prohibit organizational and recognitional picketing. Great abuses have occurred in this area. I do not believe that any employer or plant should be picketed until a majority of the employees, either in a NLRB election or by a majority petition to the employer, have selected a designated union as their bargaining representative.

Everyone agreees that shakedown picketing should be prevented, so should top-down organizing. This means too often has been employed by crooks, gangsters, and racketeers, under the cloak of unionism to shake down employers and extort money from them. It has also been used to compel the employer to place his employees in a union, either against their will or without their knowledge and consent. This tactic is often used also to secure a "sweetheart" contract, one that does little or nothing for employees but from which the crooked labor official and the employer benefit. This type of coercion and economic pressure is indefensible. It must be outlawed.

THE MODERN FALLACY AND THE ANCIENT FOLKLORE

Mr. CLARK. Mr. President, on March 5 the distinguished senior Senator from Connecticut [Mr. BUSH] caused to be printed in the RECORD an editorial entitled "The Modern Fallacy," which was published in the Wall Street Journal, and which undertook to expose as false certain economic views which I have had occasion to voice from time to time. I feel certain that it was an inadvertence on the part of the Senator from Connecticut that he did not advise me that he intended to do that. It was a day or two before I caught up with it.

Since that time the Wall Street Journal and I have had a little good, clean fun together, exchanging letters, and editorials. I have now concluded that in order to bring the matter to a head, and to have in one place an exposition of our conflicting economic fallacies, I should ask unanimous consent to have printed at this point in the RECORD the editorial entitled "The Modern Fallacy," published in the Wall Street Journal of March 4, 1959, and an article in similar vein which I have prepared, entitled "The Ancient Folklore." I ask unanimous consent that the two items be printed in parallel columns in the RECORD.

There being no objection, the items were ordered to be printed in parallel columns in the RECORD, as follows:

[From the Wall Street Journal, Mar. 4, 1959]

THE MODERN FALLACY

For an insight into the modern political philosophy now dominant in Congress, consider some comments made by one of its more articulate spokesmen, Senator JOSEPH CLARK of Pennsylvania.

As quoted in the current issue of the Atlantic magazine, Mr. CLARK expresses annoyance that the word "government" is sometimes equated with "other nouns having an evil connotation—such as 'waste,' 'extravagance,' 'socialism,' 'bureaucracy.'" Such an identification, in the Senator's opinion, "is a pernicious tendency." More specifically, he objects to the "fallacy" that "private spending is inherently good and public spending is inherently bad—and therefore public spending should always be minimized and private spending increased."

Now, put in this somewhat negative way, the viewpoint seems innocuous enough. Obviously the concept of Government as such is not evil, and obviously public spending as such is not necessarily bad. We know of no thinking person who contends they are.

But the real point is the clearly implied one: That Americans should learn to regard growing Government and growing Government spending as positive and good things; as another of the "moderns" in Congress has expressed it, the danger may be not that we have too much Government but too little. Hence the effort to suggest that public spending is at least as good as, and quite possibly much better than, private spending; that anyway they are just two sides of the same coin.

Well, let's see. Some rather marked—and inherent—differences between public and private spending occur at once. Private spending comes from the money individuals are able to accumulate through their own work. Public spending cannot come from anything generated by the Government itself; it comes from what the Government is able to extract from those same individuals either in actual taxes or in the more sinister tax of inflation.

The more the Government spends, the more it must take through either of these routes, and the proportionately less the individuals have to spend or save as they see fit. Thus public spending is not merely another form of spending; it is a positive depressant on private disposition of income, as any taxpayer and/or inflation victim can readily attest.

Beyond these elementary differences are others. The vast bulk of public spending is non-productive; that is true not only of defense but of many other things the Government does. The Government is by and large a consumer of huge hunks of the economy, while private individuals are mostly producer-consumers. The latter combination is what makes the economy grow. Moreover, the bigger the Government becomes the more it competes with the private economy, and in this pressure against the available limit of supplies is a special inflationary force.

And because government operates without the built-in restraints of the private economy, it is a peculiarly powerful incubator for precisely the evils Senator CLARK thinks should not be associated with government—waste, extravagance, bureaucracy. The bigger the government the worse the evils.

THE ANCIENT FOLKLORE

(By JOSEPH S. CLARK, U.S. Senator from Pennsylvania)

For an insight into the archaic political philosophy still dominant in Wall Street, consider some comments made by one of its more articulate spokesmen, the editor of the Wall Street Journal.

As quoted in an article in the March 4 issue of that newspaper entitled "The Modern Fallacy," the editor expresses annoyance at those who challenge the assertion that private spending for whatever purpose is necessarily better than public spending for any purpose.

The real point is the clearly implied one: That Americans should complacently regard growing private spending for liquor, tobacco, cosmetics, Cadillacs, tranquilizers, yachts, and parties at the Stork Club as positive and good things; as others of the dinosaur descendants on Wall Street have often expressed it, the danger may be not that we have too little public spending for national defense, schools, highways, hospitals, housing, unemployment compensation, and flood control, but too much. Hence the effort to suggest that this type of private spending is at least as good as and quite possibly better than the types of public spending just mentioned; that anyway, they are just two sides of the same coin. Moral values have no place in economics or politics.

Well, let's see. Some rather marked—and inherent—differences between public and private spending occur at once. Private spending may come from the money individuals are able to accumulate through their own work; it may also come, as it does in my case, from my good fortune in selecting ancestors who thought they were developing a sugar plantation but turned out to be squatting on top of a salt dome surrounded by a rich oil pool. Public spending comes from taxes imposed by the elected representatives of the people for the purpose of preserving life, insuring liberty and making it possible for each individual citizen to pursue happiness in any way he sees fit, so long as he does not interfere with the equal rights of his neighbors to do the same thing.

Beyond these elementary differences are others. The vast bulk of public spending is for purposes without which life itself would have little meaning: protection against the threat of destruction by, or in the alternative slavery under, a Communist dictatorship; adequate education for our children to enable them to carry forward the torch of western civilization; and such mundane but necessary things as police and fire protection, water and sewer facilities, street construction and repair, the postal service, indeed all of that environment without which the editor of the Wall Street Journal could neither publish nor disseminate his strongly-held economic views.

And because our present tax laws are so full of inequitable loopholes, we have today a powerful incubator for what the editor of that newspaper, I am sure, thinks should not be associated with private enterprise—waste, extravagance, plutocracy.

Finally, what is the political result of discouraging all public spending without any consideration of its political, social or economic justification? The end result must be the destruction of western civilization and a return to the jungle from which our ancestors came.

There is an appalling air of naivete about the expressed views of some of the ancient

Finally, what is the political result of encouraging government growth and growing government spending on the theory that, after all, they are not really bad? The end result must be the triumph of the state over the individual, whether that condition be called socialism or something else.

There is an appalling air of naivete about the expressed views of some of the modern political philosophers. It is impossible that they are unacquainted with the history of man's struggle against the all-encompassing state, which is also the very heart of today's conflict with Communist tyranny. Can it be, then, that they are incapable of relating past and present human experience to their own country?

For men deliberately to propagate this fallacious philosophy would be regrettable. But it is perhaps even sadder if they truly cannot see that what they call modern and liberal are rooted in concepts most ancient and most illiberal.

Mr. CLARK. Mr. President, the extent to which the modern fallacy, so-called by the Wall Street Journal, is spreading, despite the efforts of journals of plutocratic opinion to stop it, is well shown by a poll taken by Elmo Roper and Associates with respect to the reception given by economists generally and trustees of universities who are businessmen to the extraordinary book entitled "The Affluent Society," written by John Kenneth Galbraith. I ask unanimous consent that the Elmo Roper summary be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STATEMENTS AND REACTIONS: "THE AFFLUENT SOCIETY"

The central arguments of "The Affluent Society" were, for the purpose of this investigation, reduced to 12 major statements, and Professor Galbraith was asked if in his opinion these statements (1 to 12, below) reasonably set forth his major theses. He felt they did. A questionnaire embodying them was then mailed to economists and to businessmen who are trustees of colleges, universities, and foundations. (See "Who Was Asked?" which follows.) All questionnaires began: "We realize that thoughtful opinion can seldom be precisely represented in 'agree-disagree' answers. For that reason we ask only for your tendencies toward agreement or disagreement, inviting you then to add any major qualification in the space provided."

The spaces for qualification were generously used. On the fringe, there were a few violent denunciations (e.g., "This man would be welcome in the Kremlin") and a few expressions of high indignation which consigned Professor Galbraith and all his works to a region not nearly so cold as Moscow. In general, however, a majority of both economists and businessmen-trustees expressed agreement with Professor Galbraith's major ends, but tended in varying degrees to dispute the correctness of his means. The general tone of the discussion was moderate. Samples:

From a businessman-trustee: "I think this is important, and a much needed corrective both to some of the propositions of classical economics as well as to Maynard Keynes. Despite its importance and, I think, the beneficial influence it will have on the whole, I disagree with Galbraith."

From an administration fiscal expert: "I think Galbraith's best chance for getting an expansion of 'good' public services would be to urge a rapid expansion of total output. This is in contrast, of course, with his basic premise that we have enough production. I think here lies the main inconsistency of his brilliant book."

From a businessman-trustee: "We are just plain not affluent enough to meet at the same time both the requirements of the military, technological, and economic race against the Russians, and the domestic economic demands of the various pressure groups."

From a labor economist: "Out of increased production would come additional material resources to correct social imbalance, to raise the living standards of low-income families, and * * * to expand our international economic aid program to a size and scope more nearly compatible with our responsibilities in the world."

From a banker-trustee: "The only basic disagreement I have with Professor Galbraith is that he puts it on an either-or basis. I am for everything he is for, generally speaking, but to achieve what he wishes also requires maximum productive effort. It isn't an either-or proposition."

This latter view is, of course, in flat disagreement with the Galbraith thesis, which propounds that ever higher material production hinders more than it helps the cultivation of human resources.

As the complexities and hazards of our times increase, the clamor for those increased public services which "The Affluent Society" was written to demand seems bound to become louder. The debate on whether they are to be achieved is likely to be brief; the debate on how they are to be achieved is likely to last much longer.

Herewith, in terms of percentage agreements and disagreements from economists and businessmen-trustees, are the responses to Professor Galbraith's views on that major topic:

1. In an affluent society, such as we now enjoy in the United States, our preoccupation with the continuing high level production of material goods has become excessive.

[In percent]

	Economists	Trustees
Tend to agree	44	38
Tend to disagree	54	60
Undecided	2	2

2. The real reason for this country's continuing preoccupation with high production is not so much that we need all of the products themselves but more that we fear the unemployment which reduced production would bring.

[In percent]

	Economists	Trustees
Tend to agree	31	22
Tend to disagree	60	69
Undecided	9	9

3. With our present mastery of production, a supply of goods wholly adequate to consumer needs can now be produced in the United States at employment levels considerably below "full employment."

[In percent]

	Economists	Trustees
Tend to agree	47	51
Tend to disagree	47	31
Undecided	6	18

4. The present volume of production is maintained only by a "synthesis of desire" whereby consumers are led to consume a volume and variety of privately produced goods which is excessive.

[In percent]

	Economists	Trustees
Tend to agree	39	31
Tend to disagree	52	58
Undecided	9	11

5. Inflation, actual or threatened, is a constant and unavoidable concomitant of our preoccupation with high production and maintaining strong consumer demand.

[In percent]

	Economists	Trustees
Tend to agree	43	36
Tend to disagree	47	60
Undecided	10	4

6. Our preoccupation with high production also promotes a continuing social imbalance in American life whereby the private production of goods (automobiles, cosmetics, appliance, etc.) is kept at too high a level at the expense of the public production of services (adequate schools, parks, sanitation, public safety, etc.).

[In percent]

	Economists	Trustees
Tend to agree	52	13
Tend to disagree	41	78
Undecided	7	9

[This statement is the central thesis in the Galbraith work. It produces a heavy opinion split between the responding groups. A majority of economists agrees that the imbalance exists, although there is a tendency to ascribe it to "this country's sense of values." A heavy majority of businessmen-trustees sees no social imbalance; they also oppose any action which would enlarge the sphere of governmental influence.]

7. A much more liberal form of unemployment compensation should be introduced which would provide the worker with a reasonably satisfactory substitute for total dependence on employment in the domain of private production.

[In percent]

	Economists	Trustees
Tend to agree	34	2
Tend to disagree	55	82
Undecided	11	16

8. Unemployment benefits should be high in times of high unemployment, and low when jobs are plentiful. For example, at unemployment level of 4 million, the unemployed worker might receive a maximum of four-fifths of his last earned wage. But at

full employment (unemployment of 2 million or less), the unemployed worker might receive roughly half of his last wage.

[In percent]

	Economists	Trustees
Tend to agree	43	22
Tend to disagree	39	60
Undecided	18	18

9. A greatly expanded use of the sales tax by cities and States should supplement the present Federal income tax, for the avowed purpose of making private goods more expensive and public services more abundant.

[In percent]

	Economists	Trustees
Tend to agree	39	33
Tend to disagree	42	56
Undecided	19	11

10. It is the obligation of an affluent society to prevent the self-perpetuation of poverty by spending considerably more money than at present on schools and social services, to assure that no child will be deprived of physical health or full educational opportunity because of the poverty of his parents.

[In percent]

	Economists	Trustees
Tend to agree	79	53
Tend to disagree	14	31
Undecided	7	16

11. In an affluent society, work that has the connotations of pain, fatigue, boredom or other discomforts can and should be reduced to a minimum. The rapid expansion of a "New Class," to which work offers substantial personal and social rewards in addition to money income, should be a central goal of our society.

[In percent]

	Economists	Trustees
Tend to agree	63	47
Tend to disagree	16	38
Undecided	21	15

12. America's basic deficiency in facing the future is the inadequate cultivation and education of its human resources. We must therefore place less emphasis on material production and more on developing the applied intelligence and creativeness of our people.

[In percent]

	Economists	Trustees
Tend to agree	68	53
Tend to disagree	19	33
Undecided	13	14

WHO WAS ASKED

Economists: From the 1956 directory of the American Economic Association, each 50th name was selected to receive a questionnaire. To these were added a list of economists unusually prominent in business, government and the academic world. A resulting 228 questionnaires were sent out, and 116 (or 51 percent) were returned.

Businessmen-trustees: Names of trustees were gathered from current official publications of colleges, universities and foundations (45 separate institutions). These were matched against entries in Poor's Register of Directors and Executives; trustees not active in business were eliminated. The resulting list came to 142 names; of these, 45 (or 32 percent) responded.

Total: In all, 370 questionnaires were issued, and 161 were returned. Overall response: 44 percent.

Readership: Among economists 56 percent had read all or part of the Affluent Society; among businessmen-trustees 33 percent had read at least part.

ECONOMIC AND MONETARY POLICY

Mr. GORE obtained the floor.

Mr. MORSE. Mr. President, if the distinguished Senator from Tennessee will yield to me, at this time I should like to suggest the absence of a quorum, because I believe the Senate is about to hear one of the most important speeches to be delivered thus far during the 86th Congress, and I believe more Senators should be on the floor than are presently here.

Mr. GORE. I thank the Senator from Oregon; and I yield.

Mr. MORSE. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HARTKE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, the serious economic problems with which our country is faced are, belatedly, forging to the front as a matter of deep concern. The requirements of national security and the social justice values of a full-employment economy serve to sharpen the issue and to highlight the need for new ideas and new programs in the field of economic and monetary policy.

The long-range economic aspects of the cold-war challenge must not be ignored. Recent reports which indicate that the Soviet economy is growing at an annual rate of 6 percent to 8 percent are impressive, particularly so when contrasted with our own much slower rate of economic growth since the period of the Korean conflict.

In the past 5 years, we have experienced two recessions. With almost 5 million Americans still fully unemployed, and many more partially unemployed, and with substantial portions of our industrial capacity idle, it is obvious that we have not yet fully recovered from the most recent economic downturn. It is now generally agreed that the rate of recovery, once thought to be rapid, has slowed almost to a halt. These facts bring into sharp question the economic policies and practices of our Government and of certain segments of industry and labor. Some of these policies must be subjected to searching examination and appropriate revision if we are to achieve the full potential of the free enterprise economy which has served us well in the past and which now stands as the bastion of freedom.

The policies which affect our national economy and the distribution of the benefits of our productive capacity, particularly those aspects of policy concerning monetary and fiscal management, have been wrapped in an incredible aura of mystery. Some of the most potent shibboleths and caveats in economic folklore have been used to justify the present policies and to obscure the causes and effects of these policies as they relate to our economy generally and to our monetary system specifically. It is time that this mask of mystery be ripped away, in order that the problem may be presented to the American people in understandable terms. It is in the hope of contributing in a small way to such understanding that I address the Senate today.

I wish to make it clear that I am not an economist, and I do not profess to have simple answers to the problems that we face. I do, however, claim some sensitivity as to what is the right approach and what is the wrong approach to these problems; and I do claim some sensitivity to the results which have been obtained; and I have some convictions as to the general principles which should serve as guidelines to be followed by government in the field of economic policy.

To begin with, we must recognize that, whether we like it or not, government plays a significant and necessary role in our economic system. It is not simply a question of whether we shall have government interference in our individual economic activities or whether we shall not. Action, or inaction, by government affects all citizens, every day.

Accordingly, Mr. President, it would seem appropriate and necessary for the Government of the United States and for individual Members of the Senate to have definite economic objectives for the Government. There is room for honest difference of opinion as to the advisable and necessary economic goals of government action. As for me, I would urge policies to promote the three following goals:

First. A rate of economic growth sufficient to meet the requirements of national security and to provide full employment for our people.

Second. The maximum degree of price stabilization and overall inflation control.

Third. Efficient and equitable distribution of goods, income, and wealth.

These goals, it seems to me, can be achieved, but not without careful planning and determined action—planning and action for the achievement of all goals, not just one of them. Indeed, governmental action for the achievement of one economic goal to the neglect of others will tend to unbalance, rather than balance, our economy; will tend to defeat, rather than achieve, the necessary goals.

The control of inflation is, as I have said, a necessary goal. But neither inflation control nor other economic goals can be achieved equitably and effectively by piecemeal measures or policies based upon an erroneous analysis of our economic problems.

Policies which have been followed by the Eisenhower administration have

been characterized by what appears to be an obsession with the idea that if we can but maintain price stability the other objectives will be automatically achieved, and that price stability can be achieved by tight money and high interest rate policies. Its policies have been singularly directed toward misguided and ineffective actions taken in the name of an asserted crusade against the evils of inflation. The policies of the administration have notably failed to prevent inflation. At the same time, these policies have retarded economic growth, helped bring about serious unemployment, and promoted imbalances, injustices, and inequities in our economy.

I submit the view, Mr. President, that restrictive monetary policies and high interest rates, under the conditions we now face, not only fail to achieve satisfactory inflation control, but are actually harmful to the economy generally.

According to economists, inflation may be fought by at least three principal types of Government action. First, there are fiscal measures. According to this theory, if the Government, through taxation, takes in more money than it spends, there will be less overall spending throughout the economy, and this will have deflationary effects. Admittedly, fiscal policy of this type must be applied with considerable severity in order to have any appreciable effect. It has, therefore, never really been tried. We hear much talk now about the so-called balanced budget for 1960. The budget which President Eisenhower has presented for 1960 has not even a semblance of realistic balance. Even if we did have a balanced budget, and there is certainly no prospect for such next year, despite the reams of propaganda to the contrary, merely balancing the budget under present circumstances would have little or no effect on the general level of prices. Certainly there is no prospect in the years immediately ahead of a budget surplus sufficient to have a noticeably depressing effect upon prices. Accordingly, speculation as to the effect of such a policy may be regarded as moot at this time.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. DOUGLAS. The Senator from Tennessee has ably pointed out that the budget which the President has presented has not even a semblance of realistic balance for the year 1960. Is it not true that, amongst other things, the President is trying to have expenditures which will occur in 1960 shifted to the 1958 and 1959 budget, through supplemental appropriations, so that the deficit for 1958 and 1959 will be exaggerated, and so that he can then produce an artificial, paper balance in 1959 and 1960?

Mr. GORE. I believe the record shows that to be the indisputable fact.

Mr. DOUGLAS. Is that not true so far as money for foreign-aid appropriations is concerned?

Mr. GORE. That is true.

Mr. DOUGLAS. The International Development Fund, for instance?

Mr. GORE. That is correct. But whether the authorization or appropriation or allocation is made in June or in July, or whether it is effective on the first day of June, or on the first day of July, which would put it over into the next fiscal year, there will be no appreciable difference in the actual expenditure rate.

Mr. DOUGLAS. That is true, but if the authorization and the appropriation could occur in 1958 and 1959, and the main bulk of the expenditure could occur in 1959 and 1960, the President could then blame the Democratic Congress for the high deficit in appropriations for 1958 and 1959, and then say that any deficit in 1959 and 1960, so far as expenditures and receipts are concerned, will not be his fault, but will be the fault of the Democratic Congress. Is not that true?

Mr. GORE. I believe that is the best explanation I have heard of the spurious claim of a balanced budget for 1960; but the point I am trying to make is that to have a repressive influence on the price level, a budgetary surplus of considerable proportions would be necessary. Would the Senator agree to that?

Mr. DOUGLAS. Yes; that is correct.

Mr. GORE. I therefore was making the point that we may as well consider the inflation control aspect of fiscal measures as moot, because no serious attempt is being made to have a budgetary surplus. There will actually not even be a balanced budget.

I thank the able Senator.

A second method of fighting inflation, according to the economists, is by imposition of direct controls on credit, wages, prices, and commodity allocations. Some of these, such as regulation of installment credit, have proven effective but to some extent unpopular. For various reasons, including its unpopularity, the direct controls approach is not being tried.

A third method of fighting inflation, according to our textbooks, is through the medium of monetary policy. Those who adhere to the theory that monetary controls in and of themselves will prevent inflation say that if the supply of money is restricted, interest rates will go up, borrowing will be discouraged, saving will be encouraged, plant and capital goods expansion will be delayed, and price increases will be restrained. Conversely, it is argued that if the supply of money is increased, interest rates will go down, people will be encouraged to borrow and spend, and prices will consequently go up.

Monetary control may be a useful tool in combating inflation if properly applied, under conditions where such control can be effective. Generally, this type of control may be helpful and appropriate in situations where inflationary forces are caused by an excessive supply of money at a time when the available supply of goods is inadequate to meet the demand. Do we, in fact, Mr. President, have the classical type of inflation—too many dollars chasing scare goods and services?

We measure our money in circulation by the sum of cash and demand deposits. Today there is a total of about $143 billion in circulation, according to this definition. In 1952 the total was $129 billion. But when we relate the amount of money in circulation to the gross national product we find that in 1952 money in circulation amounted to 37.2 percent of the gross national product. In 1958 money in circulation was only 32.8 percent of the gross national product. Thus we have less money in circulation today in comparison with total goods and services produced than we had in 1952.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. The Senator is making a very able speech. I wonder if he will yield for a question and possibly a comment.

Mr. GORE. I yield gladly.

Mr. DOUGLAS. Is it not true, in measuring the total amount of money and credit offered for goods, that we must take into consideration not only the total of demand deposits and cash, but also the velocity of circulation; namely, the rapidity with which demand deposits and cash move from hand to hand?

I know that during this latter period we have had an increase in the velocity of demand deposits. I say this because I think the quantitative theory of money is one of the basic truths in economics, and sometimes attempts are made to refute it by showing that the movement of the total quantity of money does not bear an exact proportion to the total price level or the quantity of goods. We need to remember that the velocity of money and the velocity of credit are also factors.

If I may put it in an algebraic formula:

$$P=\frac{MV+M'V'}{T}$$

This should be clear to everyone.

Mr. GORE. Mr. President, the formula is entirely unclear, but the facts which the able Senator has stated are clear. I thank the Senator for his contribution. I recognize the Senator from Illinois to be one of the Nation's eminent economists.

I should like to ask the able Senator a question. He has referred to the velocity of money. I agree that must be considered. Do monetary controls affect the velocity of money?

Mr. DOUGLAS. No. It might be argued that monetary controls, by affecting M prime, which is the symbol for credit, help to counteract an increase in V prime, which is the symbol for velocity of circulation of credit. In other words, monetary controls might not affect the velocity but might compensate for the velocity.

I do not, however, wish to interfere with the Senator's very able speech.

Mr. GORE. The Senator is adding light to a subject on which I cannot claim a great amount of learning.

Mr. DOUGLAS. The Senator is doing extremely well.

Mr. GORE. I thank the Senator. I do not speak from any pride of learning this field. I speak because of concern for the Nation's welfare.

Mr. DOUGLAS. I understand.

Mr. GORE. I speak because of concern for the national security, because of concern for the inequities of widespread unemployment, and because of concern for the inequitable consequences which flow from a policy which has been wrongly applied. Because the condition of the country has been erroneously diagnosed, an incorrect remedy has been applied.

Mr. DOUGLAS. The Senator is making a very able speech on a very important subject. I find myself in agreement with a large portion of what the Senator is saying, although not necessarily with all he is saying. I did want to bring out the importance of velocity.

I think I should make clear, with regard to the symbols I gave, that P refers to the general price level; M refers to the quantity of cash; V refers to the velocity of the circulation of the cash; M′ refers to the quantity of demand deposits; V′ refers to the velocity of circulation of the demand deposits; and T refers to the physical volume of production or preferably the real national income.

I suppose this is as clear as Einstein's celebrated equation $E=MC^2$, but I think it is as true, when properly understood, as Einstein's equation.

Mr. GORE. I thank the Senator. I accept the explanation as being true. Even though monetary controls have not been proved to be effective with respect to controlling the velocity of money, I find that in testimony before the Senate Committee on Finance, of which the able Senator and I have the privilege of being members, the Chairman of the Federal Reserve Board at one time apparently claimed to have been able to control velocity.

Much of our industrial capacity is idle. We could easily produce more houses, more automobiles, more refrigerators, and more of almost any commodity one might name if only a market for this additional production existed.

We have staggering surpluses of agricultural products.

And with serious unemployment, no one could argue that there is a shortage of labor.

Any realistic analysis indicates that we simply do not have a situation in which too much money is chasing too small a supply of goods. We do not, in fact, have the type of inflationary forces present in our economy for which monetary control constitutes an effective remedy, even in theory.

There are other factors prevalent in today's economy which prevent monetary controls from working as the administration insists they should. Tight money has little, if any, effect upon the pricing policies of those segments of industry which employ what have come to be known as administered prices.

In testimony before the United States Senate Finance Committee on July 11, 1957, I said:

> When such policies are applied to the conditions as they are today, in sharp contrast to what they have been assumed to be, these policies are disclosed to be fallacious and hurtful, because they create imbalance, not balance; instability, not stability; poorer, not better distribution; inadequate, not adequate economic growth and progress. All this is true, because these policies encourage rather than discourage the peculiar kind of selective price and income inflation combined with selective price and income deflation which continue to threaten our economy. What we have, as I see it, is a highly selective, nonuniform price and income inflation. I know of no better example, though there are others, than the current inflation in the price of steel.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PROXMIRE. First, I wish to congratulate the junior Senator from Tennessee on an exceedingly important speech. I know of no one who could make it better or more eloquently, or on the basis of more effective experience in the House of Representatives and in the Senate, than the Senator from Tennessee.

Mr. GORE. I thank the Senator.

Mr. PROXMIRE. I should like precisely to document the general point the Senator has just made. As I understand, the general point is that we have a selective type of inflation which is very unjust and very discriminatory.

I ask the Senator from Tennessee if it is not true that this monetary policy has subjected farmers, whose income is already down, to a very painful kind of inflation. To a large extent farmers are debtors. Farmers must finance the purchase of their equipment, their land, their herds, or whatever else they invest in—and often their crops. Is it not true that the kind of policy which increases interest rates results in a very painful kind of inflation for farmers?

Mr. GORE. It increases the cost of doing business. It increases the cost of carrying the debt on the farm. It increases the cost of nearly everything the farmer must buy, particularly so if he buys on credit.

Mr. PROXMIRE. Is it not true that it does so at a time when the farm income is about 4 percent of national income, and farmers constitute about 12 percent of our population? So that farm income from farming is only about one-third on a per person basis of income off the farm.

Mr. GORE. It comes at a time when farmers are receiving a disproportionate share of the national income—an unfairly depressed share of the national income.

Mr. PROXMIRE. So farmers represent one segment of the economy to which, I presume, the Senator was referring.

With regard to the small businessman, it is my understanding——

Mr. GORE. Before the Senator discusses small business, I should like to point out that the income of all the farmers in America is now almost exactly what net income from interest is. That does not include corporate income from interest.

Mr. PROXMIRE. I think that is a shocking situation, in view of the fact that the income of farmers includes the income of all the fundamental, basic producers of food and fiber in the country. I believe this is perhaps the first time in the history of America when this kind of situation has existed. As recently as 6 years ago farm income was at least 50 percent higher than income from interest.

Mr. GORE. Meanwhile, farm income has gone down, but net income from interest has increased by more than 50 percent.

Mr. PROXMIRE. So the difference would be even greater than I have suggested.

Consider the small businessman, as distinguished from the operator of a large or medium sized business.

The one outstanding, clear, and distinguishing feature of small businessmen is that they need capital.

They need capital to finance their inventories. They need capital if they wish to expand their plants. They need capital with which to buy equipment. They are constantly going to the local bankers to borrow money. Is it not true that, so far as the small businessman is concerned, the monetary policy which we have been discussing results in a selective type of inflation which hurts him?

Mr. GORE. For the small businessman, or the new, struggling businessman, borrowing has been made more difficult, as well as more costly, whereas, as I shall show in a few moments, to a large extent big business has financed its capital expansion through price increases and consequent increases in profits.

Mr. PROXMIRE. I should like to touch on two or three more areas of the economy, in which I think our people have suffered very severely because of the selective type of inflation which our monetary policy has imposed upon them.

For the home buyer, interest constitutes a very important cost. If the home buyer is fortunate enough to have the home financed over a substantial period of time, the cost of interest may be very nearly as great as the cost of the home itself. So when the home buyer suffers an increase in interest costs, to the extent of an increase from 4 percent to 5 percent, or a 25-percent increase, it means that he buys far less housing. It means that he must cut down on the size of the housing he can buy. In many cases it means that he cannot buy a home at all. Is that correct?

Mr. GORE. I think that is unquestionably true. Many people have had that experience.

In that connection, I wish to tell the able Senator from Wisconsin that two homebuilders from Tennessee visited me today. They told me that GI home mortgages are now selling at discounts of from 8 to 10 percent, and that markets were not plentiful even at that—perhaps plentiful at 10 percent, but not plentiful at 8 percent.

Mr. PROXMIRE. In a recent issue of the Nation's Business, a very revealing chart dramatically shows that the real impact of the 1955 to 1957 monetary policy of the Federal Reserve Board, increasing interest rates, was starkly clear. What happened was that the number of housing starts, both VA and FHA, dropped very sharply. In fact, I believe they dropped to one-half what they had been. At the same time, business investment in plant and equipment during

precisely the same time sharply increased.

It seems to me that the figures are overwhelmingly clear. What happens with this use of monetary policy is that the homebuilding industry, the industry of the small businessman, the industry which is so important to people who want and need their own homes, has greatly suffered. The typical home buyer is the head of a struggling young family which wishes to get started. Those are the people who are really hurt. Those are the people who suffer the consequences.

Mr. GORE. I thank the Senator.

Monetary controls have their place. Monetary controls can have a decided influence, either for good or for ill. What I am trying to say thus far is that we have a situation which has been wrongly diagnosed, a situation in which monetary controls cannot be effective or satisfactory, even in theory, and less so in practice.

Mr. PROXMIRE. I think the Senator from Tennessee is making his point very well.

I conclude by pointing out that not only do farmers, small businessmen, and home buyers suffer seriously from this kind of monetary control, but automobile buyers also suffer. Municipalities are probably the most obvious sufferers from higher interest rates, whether they are building streets, or whether the school district is building schools. The policy is devastatingly destructive. It becomes necessary with heavier financing costs either not to build a school at all, or to build it at a much higher cost. The result is that the taxpayer is hit. This is true not only of the property taxpayer, but, as the Senator is well aware, it is true of the Federal taxpayer as well.

Mr. GORE. I thank the able Senator.

The one segment of our economy which seems to be not at all restrained by tight money policies, but which may even benefit from them, is the big business segment, consisting of industries in which the Big Threes and the Big Fours have a virtual monoply. My distinguished senior colleague from Tennessee [Mr. KEFAUVER] is now performing an excellent public service by demonstrating, in public hearings, that the Big Three's and Big Four's of industry can and do fix prices, with little or no regard for the so-called economic law of supply and demand.

Furthermore, monetary controls operate primarily through our commercial banking system. To the extent that corporations can borrow from intermediaries such as insurance companies and other types of institutions possessing large financial resources and thereby stay out of banking channels, they will not be directly affected by monetary controls imposed by the Federal Reserve Board.

Finally, it appears to me that monetary controls, if used as the principal tool against inflation, must be applied drastically if they are to be effective. If applied with sufficient severity to bring down prices, our economy would be so dislocated that recession, if not depression, would be almost inevitable. The inadequacy of monetary controls as an anti-inflationary weapon, particularly when used almost alone, is now partially admitted by some of the officials who have been associated with their application. Mr. Woodlief Thomas, chief economist of the Federal Reserve Board, in a letter to the Washington Post and Times Herald which was published on March 12 of this year, acknowledged that there were "unstabilizing forces in pricing actions of the private economy—on the part of both management and labor—that cannot be effectively controlled or corrected by governmental actions in the area of fiscal and monetary policies."

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GORE. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to point out that Mr. Ralph Young, Director of Research for the Federal Reserve Board, has also emphasized that the pricing action in the administered price section of our economy has become a very serious potential cause of the inflation and in the cost of the inflation.

I believe that the comments by Ralph Young and Woodlief Thomas become significant particularly because the Federal Reserve Board has had a kind of dignified detachment from this kind of development. It is a conservative institution. The men who constitute the Federal Reserve Board certainly have had a very high regard for monetary policies. However, the fact that even they are speaking out on this issue and that even they say that that situation is at least to a degree the cause of the inflation from which we are suffering, is very significant.

I should also like to point out to the Senator from Tennessee that the New York Times—the good, gray New York Times—which has as fine a reputation for constructive economic conservatism as any newspaper in America has also spoken out on the very serious consequences of administered prices in causing the kind of inflationary situation we have today.

Mr. GORE. I thank the Senator. I have read with approbation the recent editorials in the New York Times to which the Senator has referred. I agree with him that it is commendable that the staff members of the Federal Reserve Board should speak out on the ineffectiveness of monetary policy in restraining administered price rises.

So far there has been no indication of any relaxation of the tight money policies on the part of the superiors of those staff members. Indeed, as recently as March 5, of this year the Federal Reserve Board continued its misguided policies by decreeing a further increase in the discount rate.

Mr. President, again I point out that the administration has pursued its tight money policies for the asserted purposes of fighting inflation. I have indicated why such policies could not be effective for that purpose under existing conditions and the record shows that they have not been effective. The cost of living has risen by almost 10 percent since 1952, and has been relatively stable only in times of high unemployment.

Though tight money has not stopped inflation, it has had significant effects upon our economy, to some of which the junior Senator from Wisconsin has already referred. It has brought about drastic increases in interest rates which have imposed and which now impose great burdens upon the Government and upon the people. Since 1952 net noncorporate income from interest, as a percentage of total national income, has increased by more than 50 percent.

The cost of carrying the national debt has skyrocketed. For example, this cost is now almost twice as much as it was in 1946 when we had a debt of comparable proportions. The 1960 budget submitted by President Eisenhower contains an item of $8.1 billion in interest charges.

That is the interest payment on a debt of about $283 billion. This is the largest single item, other than national defense, in the cost of operating the Federal Government.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HUMPHREY. First of all I wish to thank the distinguished Senator from Tennessee for making available to those of us who are on the floor of the Senate an advance copy of his very splendid message. That copy has permitted us to do a little advance thinking about what the Senator is going to say.

With reference to the item just referred to, dealing with the interest on the national debt, could the Senator tell us what the difference is in the annual cost of financing the public debt in 1958, as compared with 1952; or, let us say, fiscal 1959, as compared with fiscal 1953?

Mr. GORE. In 1952 interest on the national debt was $5,934 million. The President's budget this year estimates a cost of $8,096 million. The indications are that it will be more than that.

Mr. HUMPHREY. That is about a $2,200 million difference. Is that correct?

Mr. GORE. Yes; it represents enough money to pay for a great deal of the social services, public health operations, school construction and hospital construction in the country.

Mr. HUMPHREY. The Senator's figures, of course, tell a very dramatic story of what has been happening in the case of managing the public debt. I saw a figure yesterday which I believe will be of interest to the Senator, since he has been one of the champions of the Rural Electrification Administration, the so-called REA co-ops. The Senator may recall that the administration has proposed a rather substantial increase in the interest rates on rural electrification loans, which are presently being made at the rate of 2 percent, whereas the administration desires to raise the rate to twice that amount, or more. I noticed that the figure for 24 years on REA loans—and this is the total amount which has been loaned to farmers since 1935—is about the same as the difference in the handling charge of the public debt from 1952 to 1959.

In other words, REA has loaned to the farmers about $2,300 million over the past 24 years. In 1 year under the Republican administration of Eisenhower and George Humphrey fiscal policies, the cost to the taxpayers has been about $2,200 million. In the instance of REA, of course, the money is all paid back with interest, and most of the REA's are ahead of their schedule of payments.

I thought the reference I have might appropriately go into the RECORD because the administration is making a big hue and cry over the necessity for increasing interest rates on REA loans, loans which totaled in 24 years less than the increased cost for 1 year of the hard money, high interest rate, fiscal policy of the Republican Party.

Mr. GORE. The Senator has given a striking illustration. I respond by calling to his attention the Economic Report of the President, transmitted to Congress in January of this year. If he will turn to page 198, he will find that the total expenditures recommended in the budget of the U.S. Government for all items other than interest on the national debt, the agricultural program, veterans' services and benefits, and national defense, amount to $12 billion. That includes a myriad of activities. It includes reclamation, navigation, harbor improvements, public health, highways, schools, and education. It includes the operating of airplanes and helicopters for civilian uses. It includes all activities of the Government except the four which I have mentioned.

Mr. HUMPHREY. What civilian uses did the Senator just speak of? He referred to the operating of airplanes and helicopters.

Mr. GORE. For the heads of departments.

Mr. HUMPHREY. I was not sure to what civilian uses the Senator referred. Civilian use of airplanes and helicopters by Cabinet officers, assistant Cabinet officers, and others?

Mr. GORE. And all others.

Mr. HUMPHREY. Oh, yes. I thank the Senator.

Mr. GORE. I was about to say that if we take the budget—it is about 4 inches thick—we will see that it lists every activity of the Government except the four to which I have referred, the cost of all these comes to about $12 billion. That is only 50 percent more than the carrying charge on the national debt at interest rates prevailing today. Here is the real inflation in the cost of government. It is a burden not only on the taxpayers of the Federal Government, as the junior Senator from Wisconsin [Mr. PROXMIRE] has already stated; it is a burden on the State governments, on counties, and on cities which have had to postpone hospital and school construction, civic improvements, construction of sewerlines and new water systems, and the issuance of bonds for other worthwhile community projects. Not only has it been costly for government at all levels, but it has increased, as I expect to show in detail in a few moments, the price of everything we must buy, because the cost of money is an important part of the cost of anything which industry produces.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HUMPHREY. I recall that on the occasion of the first issue of the so-called long-term bonds—the "George Humphrey Specials"—back in March 1953, it was the junior Senator from Tennessee——

Mr. GORE. Those were the "Humphrey-Dumphreys."

Mr. HUMPHREY. Yes; but the "George Humphrey-Dumphreys."

I recall it was the junior Senator from Tennessee who rose in the Senate and forewarned the country what that meant. He said it was simply a preview of more to come. The Senator from Tennessee was far too modest and far too conservative in his estimates.

The Senator realizes, that the administration gives a weekly lecture on the pains and anguish, trials and tribulations, of inflation; in fact, the administration says that inflation is the greatest danger which faces us. That is what one of the administration spokesmen said recently. I guess that means that inflation is a greater danger than Khrushchev and communism; a greater danger than that involved in the Berlin situation. I do not agree with that evaluation, because I think those are greater dangers than inflation.

But is it not interesting that the same administration which likes to tell these horror stories to frighten adults and children is the same one which created Frankenstein; the same one which created the two-headed monster?

The largest single item in the increase in the cost of living since 1953 has been the cost of borrowing money. On the one hand, the administration says: "Look at the terrible, terrible thing called inflation." Then it moves into another room and makes another batch of it. This is going on all the time.

Mr. GORE. In certain instances, it has meant that the monthly payment of a workingman on a modest $10,000 home is $12 a month more. The Senator has referred to the "Humphrey-Dumphreys." The "George" variety, that is.

Mr. HUMPHREY. The George the first—and, I hope, the last.

Mr. GORE. I point out that that issue was offered at 3¼ percent. The statutory ceiling is 4¼ percent. Now the administration is hinting that it must soon come to Congress and ask that the statutory ceiling be raised, or else that the bonds of the U.S. Government be sold below par at the time they are issued.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HUMPHREY. I wish the administration had the same enthusiasm for penetrating outer space as it has for penetrating the statutory ceiling on interest rates. We would be much better off. But we can always rest assured that the present administration knows how to get the interest rates up. They have proved it consecutively. I know of no other administration in the history of the Nation which has a better record of continuous success in "upping" the interest rates day by day, week by week, month by month, and year by year.

I recall the junior Senator from Tennessee pointing this out 5½ years ago. He showed what the Nation would have to face, as did the Senator from Oklahoma [Mr. KERR] at the same time. Others of us also joined in the debate. We predicted that what has happened would come to pass. We said that the American people would be taken on a sort of interest lift; a kind of fiscal ski lift. I wonder what will happen at the end of the jump?

The junior Senator from Tennessee today is documenting again the same kind of authoritative, definitive statistical information which he produced some years ago. It is about time it was updated. I congratulate the Senator and associate myself with the general tenor of his remarks.

Mr. GORE. I am very grateful for the generous comments of the able senior Senator from Minnesota. Unfortunately, the apprehensions which I expressed at that time have been realized. Unfortunately, I have further apprehensions.

Perhaps the Senator will recall that only last month, when the Senate passed a bill to raise the interest rates on GI home mortgages, to be guaranteed by the United States Government, I again, together with the senior Senator from Oklahoma [Mr. KERR], and other Senators——

Mr. HUMPHREY. And the Senator from Minnesota; I want to be with the Senator.

Mr. GORE. Including the senior Senator from Minnesota, pointed out that such an action if put into effect would increase the upward pressure on interest rates. What do we find? We find such mortgages drying up the market for Government bonds. Is there any mystery about that? It seems to me that if the senior Senator from Minnesota—if he will indulge such a pleasant thought—had $1 million to invest——

Mr. HUMPHREY. I thank the Senator from Tennessee. That is a pleasant thought.

Mr. GORE. It would take quite a bit of persuading to induce him to buy Government bonds at 3 percent or 4 percent, when he could buy home mortgages guaranteed by the same Government at 5¼ percent, and, moreover, buy them at a discount of 6 or 8 percent. It seems to me that we must find a way to bring about cooperation between the agencies of Government, rather than to have one agency perform an action which, in turn, will put pressure on the other, with the result that the action of each pushes the interest rate higher and higher.

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from Tennessee yield to the Senator from Minnesota?

Mr. GORE. I yield.

Mr. HUMPHREY. Mr. President, of course, the Senator's analogy is very pertinent and very revealing, in the sense that what he has described is exactly the plan of the administration. These are what we call the built-in escalators for the interest rate. One agency competes against another, so that sooner or later—and generally it is very soon—the administration is able to say to Congress, "You cannot expect us to finance the public debt at 3½ percent or 4 percent interest, after you have raised the interest rate—at our suggestion and at our request—on other guaranteed mortgages." So the administration says, "You have gotten the economy out of balance over here; now get it out of balance over here." And up, up, up the interest rate goes. And in the meantime the moneylenders have had an increase of 62 percent in their net profits.

Yesterday, I spoke to a group of farmers at Springfield, Ill. They represented farming people from some 30 States of the Union. When I had a chance to discuss with them the 62-percent increase in the income for the moneylenders, all of them wanted to take out a bank charter. They were willing to forget the name "soil," and just to concentrate on the name "bank," because the soil was not doing them too well. [Laughter.]

Mr. GORE. Mr. President, if these policies were achieving laudable objectives for our people, then we could say that the objectives must be measured alongside the higher prices we are paying. But none of the laudable objectives of the Government to which I have referred earlier in my remarks are being achieved by the high-interest-rate policy.

Is full employment being achieved by it? Not at all. Instead, employment is being repressed, and the opportunity of our economy to achieve full employment is being discouraged and repressed by such policies.

Is the national growth sufficient to guarantee that national security will be brought about? Is that goal—for which we must pay so heavy a price—being achieved? Not at all. This is a restrictive and repressive policy that is forestalling adequate national growth.

Mr. GRUENING. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. GRUENING. I was present on the floor a few weeks ago when the Senator from Tennessee made a very fervent and logical appeal to hold down the interest rates on veterans' housing. It would appear that this administration policy falls heavily on everyone—on all consumers, including the purchasers of houses and automobiles and those who purchase on the installment plan equipment of various kinds. I should like to ask the able Senator what particular group, if any, in our society is benefiting by these higher interest rates.

Mr. GORE. Of course, some persons have benefited. As I said earlier, noncorporate income from interest has increased by more than 50 percent in the last 6 years. Income of those lending money has increased incomparably greater, proportionately, than the income received by any other major segment of our society. Corporate income from interest, for insurance companies, banks, other financial institutions, and other business institutions, has greatly increased also. At the moment I do not have before me the exact percentage figures in that connection, but the amount of the increase must be very great indeed.

So, undoubtedly, some institutions and persons, of a limited number, have greatly benefited from this policy.

But the mass of our people have been hurt badly. Our national economy and the progress in the development of community facilities in counties, cities, and States across the Nation have been greatly retarded. Furthermore, this policy has operated as a brake on the national economy.

Those who have been hurt worst of all are the 5 million persons in our country who are totally unemployed.

Mr. GRUENING. Then is it not fair to say that only a small, privileged financial elite have been benefited by this policy, at the expense of many millions of Americans?

Mr. GORE. I would say those who have benefited the most would fall in that category. Of course, there are many persons who draw very small amounts of interest. But the vast benefits certainly go to the very few.

Mr. MONRONEY. Mr. President, I should like to associate myself with the very excellent and thought-provoking speech being made on the floor by my colleague, the distinguished junior Senator from Tennessee [Mr. GORE]. He has long been a veteran in the field of combating inflation.

I distinctly remember when he sponsored the original Baruch price-control bill, in 1940, as I recall. It would have avoided the 25 percent deflation of the dollar which occurred in the period prior to Pearl Harbor. His proposal received 63 votes, I believe, on the floor of the House, out of the 435 Members; and I pride myself for having joined him in that fight.

Mr. GORE. I thank the Senator from Oklahoma. I wish to express appreciation for his support then, and for his support now in this field. Perhaps he will recall that 1 year later the Congress voted overwhelmingly for an overall control of the type which he and I had advocated some 16 months earlier, when it would have been far more effective.

Mr. MONRONEY. Yes; if that action had been taken earlier, the 25-percent deflation in the value of the dollar could have been avoided. That is why I think the Senator from Tennessee is so well qualified to point out the failure of so-called efforts to retard inflation by means of a mistaken policy of the Federal Reserve Board, in its manipulation of the rediscount rate.

Mr. GORE. The fault is not only that of the Federal Reserve Board; it is also that of other agencies of the Government.

Mr. MONRONEY. Indeed so—including the Housing Administration and also including the Treasury itself, which broke the line on the 3¼ percent bonds, by means of the "Humphrey-Dumphries" that were issued then.

Mr. GORE. The Senator from Oklahoma refers to George Humphrey, of course.

Mr. MONRONEY. Yes, certainly not to Senator HUBERT HUMPHREY. I was referring to the "George Humphrey-Dumphries." In that way, they started the acceleration of the demand for interest rate increases.

Mr. GORE. If I may interrupt the Senator from Oklahoma for a moment, let me say that, if I correctly recall, at that time the former Secretary of the Treasury gave, as a primary reason for issuing those bonds, the excuse that he wanted to get more of the national debt into long-term obligations.

Mr. MONRONEY. That is correct.

Mr. GORE. In that respect, his program has been a total failure, because a far larger percentage of the national debt is now in short-term obligations.

Mr. MONRONEY. The interest rate, instead of being 3¼ percent—the rate he went up to—is now approaching 4¼ percent; and the Treasury is faced with the unhappy choice of raising even higher than 4¼ percent the statutory ceiling that has stood for 40 years under the Liberty Loan Act of World War I. In other words, the policy of this administration, initiated by George Humphrey, and followed through with help from the Federal Reserve, has first, completely failed in its purpose to bring about long-term money; and, second, it has succeeded in raising the interest rate on the soundest security on the face of the globe—namely, Government bonds—to rates that are threatening the 40-year-old ceiling which stood fast through all the vicissitudes of World War I, the great depression of the late 1920's, and the financing of the $400 billion World War II. Yet this administration, in peacetime, has by deliberate design, forced the country to the brink of financial disaster with a high-interest policy that is restricting our country's growth, is raising the cost of living, is diverting money which could be used to purchase raw materials to go into the GI housing, and, in effect, is taking one room off that housing, in order to pay for the extra cost of interest.

So employment is destroyed by taking away the value of the money which a veteran would pay and apply to the purchase of a house, and he applies a substantial proportion—some $3,000, on the average, today—for additional interest cost.

The Government sought, through the Capehart amendment to the housing bill, to increase its own interest rates on its own Capehart military housing from 4¼ to 5½ percent. I believe that is the ceiling to which the rate can be increased on houses now under construction or now being rented, on which interest is being paid, and which will eventually, in 25 years, be owned. The Congress also added 5 more years to the payments. The result was an additional

cost of $200 million on houses under construction today.

If that policy has such an effect on Uncle Sam, the best credit risk in the world, what effect does it have when we leave the areas of high concentration of capital and reach out to the home city of the Senator from Tennessee, or to my home city, or to the State of my distinguished colleague from Idaho [Mr. CHURCH]?

Mr. GORE. I have already shown some results of its effects on a man who must buy an automobile or a home. Anyone who buys or builds or engages in any activity of that kind has to pay more.

The Senator from Oklahoma has referred to the credit of the U.S. Government, and he has asked what the effect of the policy is in my home town. I wish to speak of that type of credit for a few moments. A few days ago a small banker who was in my office said to me, "Albert, I am a little uneasy. My small bank has capital stock of $50,000. If I were forced to cash in my Government bonds today, I would suffer a loss of $60,000."

That is the extent to which the value of this unblemished, this noble, obligation of the U.S. Government has gone below par. As a matter of fact, Victory Bonds sold at approximately $85 yesterday in New York.

Mr. MONRONEY. If, as the Senator has stated, the banker would have lost $60,000 on the value of the securities——

Mr. GORE. The bonds of his Government.

Mr. MONRONEY. The banker would have lost that amount not because of any miscalculation or mismanagement of his bank, or as a result of defalcation, but because of the direct, planned policy of this Government's administration. This is an invitation to disaster. On top of that, Government bonds are selling at 4¼ percent, and the request soon will be made to break that ceiling. When Government bonds, the best security in America, are sold at 4¼ percent, and interest rates in the big money centers of New York, Boston, and Chicago are 6 percent, then as we go to the far reaches of the country, interest will be charged at the rate of 10 percent before the next 6 months, because interest rates are magnified by the square of the distance as one gets away from the great financial centers.

So there is being fastened on this country a stranglehold of interest rates which will freeze small business. Such business cannot survive under 10 percent interest rates. There will be a stifling of employment by an operator who wishes to start a new small plant, or a logging operation, or a food processing plant, because 10 percent is an interest charge that free enterprise cannot possibly pay today.

It seems to me we are being given exactly the wrong prescription. The medicine which might cure our high blood pressure of inflation is only tending to raise the blood pressure higher to the point where the Nation's business will have a stroke.

I venture to say, if the high interest rate policy is not arrested by putting the Federal Reserve Board back into its open market operations and bringing sanity into the matter of interest rates which people will have to pay, we shall see a request made not only for 4½ percent interest, which probably Secretary of the Treasury Anderson will be requesting within 30 days——

Mr. GORE. Or perhaps a request to sell bonds at below par on the very day they are issued.

Mr. MONRONEY. Or a request that there be a tax exemption, as an inducement to purchase such bonds. We are not dealing with small operators. The people who control vast accumulations of capital are not novices. They know if they sit back and wait for the next rise in interest rates, and refuse to buy securities issued by the Treasury, or buy them only on 90 day terms, they can expect another rise in interest rates. If the 4¼ percent ceiling on interest rates is broken, as I am sure we shall be asked to do, and the interest rate is increased to 4½ percent, it will not break the cycle, because if the ceiling of 4¼ percent is broken, the same policy will also work in breaking the ceiling of 4½ percent. Before the present administration leaves office, I venture the prediction that we shall have Government money for long-term bonds at interest rates as high as 6 percent. When that happens, there will go into effect interest rates of 12 or 15 percent elsewhere.

Mr. GORE. If the pattern is to be followed, it will mean interest rates of 20, 25, or 30 percent in installment credit payments for automobiles or furniture.

Mr. MONRONEY. It will mean more unemployment in Detroit and more unemployment in North Carolina——

Mr. GORE. And more inflation in the cost of products which the people must buy.

Mr. MONRONEY. And why the men who conduct our fiscal policy——

Mr. GORE. Let us wait a moment. I agree with what I think the Senator from Oklahoma will say about the men who determine our fiscal and monetary policy; but I interrupt to say the Constitution of the United States places upon the Congress of the United States specific responsibility in this field. And here is a Democratic Congress, newly chosen by the people, enjoying a 2 to 1 majority. What is the policy of the Democratic Party on this important issue?

Mr. MONRONEY. I agree with my distinguished colleague. I think it is long past the time when the Democratic policy against these exorbitant interest rates, which are going to be ever, ever oscillating upward, so long as the present occupant of the White House is in office, must be enunciated by our party.

We are members of a party which goes back to the days of Andrew Jackson. Andrew Jackson had the courage to break the stranglehold of the Bank of the United States and to free America from the bondage of the men in Philadelphia who had kept it under their thumbs so long. In some way, through the years, this administration has climbed back under the thumbs of the same type of moneylenders.

By yielding the power which the Government has—the power which the Congress has—to the dictates of the men in charge of the money markets, and by bringing too many of the high-interest-rate proponents into the Government—Randolph Burgess, for instance, and a few others—the administration has forced up, by $2 billion, by Government mandate, the cost of financing practically the same public debt which we had under the Democratic administration, when we had reasonable interest rates.

No banker complained to me about the interest rates under President Truman. The bankers were pretty happy about the interest rates. Now, with respect to a group which was not even asking for price supports under moneylending or under interest, the administration, which denies price supports adequate to maintain a prosperous farm economy, is continually raising the price support under the cost of borrowing money. That goes upward and upward and upward. Where it will end, the Lord only knows.

If the moneylenders can sit out the situation—and they have proved they can, by withholding investment of their money in long-term Government bonds—then no matter what we make the statutory interest rate, it will be only a few months until it goes higher. We have seen that happen with respect to the GI housing interest rates, which were raised only last year. The moneylenders were back this year, only a few months later, with a request to raise the rates again.

The sitdown strike will work, so the interest rates will go up and up, which will mean a higher and higher and ever-increasingly cost to our Government.

I think this is one of the most important speeches the Senator has made in his life, and I wish all the Members of the Senate, who are concerned with our security and prosperity, could be present in the Chamber to hear it.

Mr. GORE. I thank the able Senator for his eloquent statement and for his generous remarks. I expect today to propose a program of action which, if undertaken by the Congress and by our Government, will call a halt to this spiraling interest cost. I shall not be content merely to point out the error of prevailing policies. I shall not be content merely to point to the drastic consequences of such policies. I shall undertake, in my limited way, to suggest programs of action which I think are necessary.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GORE. I yield to the junior Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I wish to say that the Senator from Tennessee has put his finger on what I think is the real issue. The issue of the failure of the Democratic Party in the Senate to determine policy. What is the policy of the Democratic Party on this matter? What is our policy?

The Senator from Oklahoma pointed out the fact that as long ago as the days of Andrew Jackson the policy of the

Democratic Party was one of low interest rates, interest rates to fit the needs of all our people and not to satisfy a privileged few.

We do not have to go back that far to learn the policy. We need only look at the platform of 1956. The platform of 1956 is explicit. It is a platform on which most of us ran for office, and a platform which I considered a solemn obligation, and it included a pledge that our party would work for lower interest rates.

It is extremely interesting and very constructive that the Senator from Tennessee is not making the usual kind of speech we hear in the Senate, or on the stump, or at Jefferson-Jackson Day dinners, denouncing high interest rates, but instead a speech proposing a program to do something about the matter. The Senator proposes an overall program, not simply a program of passing a resolution stating we favor lower interest rates. This is a program to demonstrate the interconnection of the various interest rate policies promulgated by various committees of the U.S. Senate.

I should like to make two points. One of them is that the distinguished occupant of the Chair, the Senator from Alaska [Mr. GRUENING] asked a question, which the Senator from Tennessee answered, "Who is benefiting from this program?"

The Senator from Oklahoma pointed out that we are talking about price supports for bankers. That is what we are discussing. I should like to point out that the facts are very clear. Two-thirds of all the wealth in this country is owned by 10 percent of the people. The other nine-tenths of the people have some savings and benefit a little bit from the higher interest rates, but they are primarily debtors and consumers. When those people buy homes, buy cars, or buy appliances, the interest they pay always exceeds the interest coming to them. This is true of an overwhelming majority of the American people.

The final point I wish to make is that if there is one fixed principle of the present administration, it is that the budget must be balanced at all costs. I should like to ask the Senator from Tennessee if it is not true that by far the largest proportionate increase in the proposed budget, compared to the budget of last year, is the increase in servicing the national debt? It is a 20 percent increase. I challenge anybody to show any other item in the President's budget of any substantial amount which has a provision for a similar increase.

Mr. GORE. I say to the able Senator that, unless the Congress takes firm and effective action, the cost of carrying the national debt will be much higher 2 years hence than it is now.

Mr. PROXMIRE. This is a responsibility of the Congress, is it not? The Federal Reserve is a creature of the Congress, is it not?

Mr. GORE. The Senator is correct.

Mr. PROXMIRE. And this is a Democratic Congress.

Mr. GORE. As I expect to say a little bit later, in greater detail, one agency of the Government, alone, cannot satisfactorily meet the challenge. The point I was trying to make a few moments ago is that, as the outstanding obligations mature, they are being refinanced under much higher rates of interest. With a moribund administration for almost 2 more years, the interest rates could, as the junior Senator from Oklahoma said, go to 6 percent on Government bonds. If the rate goes to 6 percent, we shall find that the cost of carrying the national debt will be much greater than the present costs of all the functions of the Federal Government combined, with the exception of programs covering national defense, agriculture and veterans activities. We must think of that.

The consequences of these policies are already dreadful, but unless the policies are checked their consequences to Government at all levels, to the people, and to the national economy will be much worse.

I hope what I am saying will not be taken as an expression of partisanship. I am genuinely concerned. I was genuinely concerned when I spoke out against the policy when it was first announced and inaugurated. We see now that my concern was justified. I am apprehensive that the costs in the future will be much greater.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. GORE. I yield to the junior Senator from Idaho.

Mr. CHURCH. Let me say at the outset that the able Senator from Tennessee never rises in the Senate without rendering a fine service to the people. I commend him for the excellent address he is making this afternoon. He has demonstrated, as have the colleagues who have joined in the colloquy during the past hour, how frightful the cost of the high interest rate is to the people of the United States; but he has also pointed out that the high interest rate policy has been conducted, since the Republican administration took office in 1952, in the name of combating inflation.

It is clear that when the inflation is caused by an oversupply of money as against an undersupply of goods and services, there is some efficacy in the theory that by raising the interest rate we can place a damper upon the inflationary process. However, the able Senator from Tennessee has pointed out the incontestable fact that the inflation we are now experiencing is not that classical kind. We have 5 million people unemployed. Our major industries are operating at levels well below their capacities; and notwithstanding the odd facts which surround us, still inflation continues and prices increase.

It has often been observed that the real cause for the present inflation relates to manipulated prices. Perhaps the ancient law of supply and demand has changed in the past 7 years so that today it has quite another meaning.

The irrepressible cartoonist for the Washington Post has anticipated the excellent address being delivered on the floor of the Senate this afternoon. This morning, in a Herblock cartoon, two gigantic figures appear, labeled "Giant Industries." The caption on the cartoon reads, "Surely you have heard of supply and demand."

One of these giant industries is carrying a placard which reads, "We can supply plenty." The other figure carries a placard which reads, "So we demand higher prices."

I ask the distinguished Senator from Tennessee if this cartoon does not rather pungently describe the actual causes of the inflation which is now occurring, and if it does not demonstrate the impropriety of the policy of higher and higher interest rates as an effective device to combat this type of inflation.

Mr. GORE. I thank the Senator. I have seen the cartoon by the great Herblock. It does graphically illustrate the situation. Yet it is still said that we have too many dollars chasing scarce goods.

Where are the scarcities? Is cheese scarce in Minnesota? Are automobiles scarce in Detroit? Down my way if one lets it be known that he can make a downpayment on an automobile, automobile salesmen will run over one another in an effort to sell him a car.

Is there a scarcity of labor? There is a scarcity of jobs. There are 5 million unemployed.

Is there a scarcity of carpenters to build houses? On the way to the office yesterday morning I drove by the Trades and Labor headquarters. There was a long line of unemployed. Where are the scarcities which are being chased by too many dollars?

Mr. HUMPHREY. Mr. President, does the Senator wish an answer to that question?

Mr. GORE. I know that the Senator can give an inimitable answer, and I yield for that purpose.

Mr. HUMPHREY. There is a scarcity of good sense in the administration, and it is busily engaged in chasing dollars. The Senator need not worry about that.

Mr. GORE. I have done my share of placing upon the administration the responsibility for these fallacious policies. I have done so again today. But now I should like to begin to outline a program of action, in which the Congress of the United States can play a responsible part, and with respect to which it has constitutional responsibility and obligation.

I do not claim to have the answers to all our problems. I am not an economist. I do not have an economist on my staff. However, I am undertaking, with my limited learning and ability, to make a contribution to the solution of this problem, which I think is vital to the future security of America and to a society of equity and social justice.

I do not presume here to blueprint and give details of an adequate and effective plan of public debt management. I do have some definite views as to basic essentials of a wise and effective public debt management policy and as to some actions that should be taken.

To begin with, the Government of the United States—and I mean here the legislative branch, the executive branch and

independent agencies—must unequivocably assert the sovereignty, the prerogatives and the constitutional responsibility of the United States Government in the monetary field. So long as the Government itself proclaims its helplessness, we can expect to be victimized.

There is no such thing as a free money market, and there cannot be so long as the Federal Government is faced with the problem of financing and refinancing a public debt of the present magnitude.

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. GORE. I yield.

Mr. HUMPHREY. I do not wish unduly to interrupt, but I should like to ask the Senator a question.

Mr. GORE. First, let me say that I completely reject the philosophy and the policies so frequently expressed to the Senate Finance Committee by former Secretary of the Treasury George M. Humphrey, that the Government of the great United States is, and ought to be, as helpless in the management of its public debt and the sale of its debentures as a merchant "trying to sell a fur-lined overcoat in August." I reject that philosophy completely. The Government is not helpless.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to call particular attention to one paragraph in the Senator's prepared statement. It reads as follows:

> There is no such thing as a free money market, and there cannot be so long as the Federal Government is faced with the problem of financing and refinancing a public debt of the present magnitude.

That point needs to be driven home again and again, because the myth has been perpetrated on the American people that the interest rates which the Federal Government pays are the product of the free movement of the money market, and that the interest rates the people pay for their private financing are the product of the so-called free money market, when, in fact, as the Senator is pointing out, when the Federal Government must refinance as much as $70 billion of public debt in 1 year, or $30 billion, or $50 billion, it is such a big user of money, and it has such a dominant control in the market because of the amount of money it uses, that the myth of the free market is the world's worst fairy tale.

The Senator has pointed out something which the people must understand. The Federal Government does not need to be helpless in the money market. The Federal Government is such a dominant force in the money market that if it exercises its constitutional responsibilities it can have a great deal to say about what it pays for the use of money.

Mr. GORE. I thank the Senator.

The big money boys like to call low interest rates "artificial." Interest rates are "artificially high" or "artificially low" because we have a managed currency. We have, and must have, management of the public debt. Interest rates, whether "artificially high" or "artificially low," are in large part determined by the action and the policy of the Government of the United States. If that is not so, it ought to be so, because under the Constitution the Government has the power to coin and regulate the money of the realm.

What is the next step that should be taken?

Next, it is absolutely necessary for the Government, the whole Government, not just one agency of Government, to adopt a policy of interest rate stabilization and to let it be known far and wide that this policy will be vigorously prosecuted. A firm policy for stabilization will in itself have a stabilizing influence. This in itself might be sufficient. Without it, nothing will suffice.

Conversely, a policy such as we now have is unstabilizing and tends strongly to dry up the market for Government bonds.

Our present policy has been called an open mouth policy. So long as high Government officials continue to proclaim the necessity for higher and higher interest rates to fight inflation, the market will not likely be stabilized. One must exercise vivid imagnization, indeed, to understand how investors will be encouraged to buy 4-percent Government bonds by repeated official notices that bonds bearing higher and still higher rates of interest will soon be issued.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HUMPHREY. It is interesting to note that the administration constantly talks about a higher bond market. As the Senator has noted and has pointed out in his address, it becomes rather difficult for the Government to have a good bond market for its securities when it is predicting that the interest rate will go up. By the same token, conversely, the same Government which talks up interest rates talks down the price of agricultural commodities. The same Government which is saying, "We must expect higher interest rates on the bonds," is saying, with respect to agricultural products, "You must expect a little less in price supports for agricultural products."

What has happened? Anyone with the mental intellect of a March hare will not be interested in agricultural products if he feels the price will drop. The other side of the coin is that anyone who has any sense at all about business will not buy bonds if he knows that next month the interest rate on the bonds will go up.

Therefore, we have the situation of the Government working both sides of the street and finding itself falling into the ditch on both sides. On the one hand it talks itself into paying more money, while on the other hand, so far as an important segment of our economy is concerned, namely, agriculture, it talks the price structure down. The result is that a good portion of the entire supply of agricultural commodities ends up in Government hands. The Government proceeds to store it and pays for the storage, when it knows that the people would have been glad to store their own crops, for their own inventory; yet the Government acts as the warehouseman of the agricultural commodities. At the same time it complains about the cost of the operation.

Mr. President, this result is something that can only be obtained by plan. It is no accident. One must work very hard to achieve such a result. It takes long hours of planning to bring about such a result and to dislocate our economy to such an extent.

Therefore, I wish to compliment the administration on performing this kind of Rube Goldberg operation with the interest rate on the one hand and its agricultural policy on the other. It has always been said that one could always tell when the Republicans were in power; that one really did not need to be told. All one needed to observe was whether interest rates were going up and farm prices were going down. If a man were to sleep as long as Rip Van Winkle slept, and on awakening he found that to be the situation, he would know which party was in control of the Government. The Senator from Tennessee is proving it again today with more recent, contemporary evidence, and we are very grateful to him.

Mr. GORE. I thank the Senator for his contribution.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. GORE. I gladly yield to the distinguished junior Senator from Alaska.

Mr. GRUENING. The distinguished junior Senator from Tennessee is making a very important speech, and he is going to the very heart of what ails the country, at a time when the administration is pointing out the perils of inflation while it is pursuing policies which are increasing inflation and making it impossible to balance the budget in any way that is reasonable.

Mr. GORE. And while it is hampering the potential of the great free enterprise economy of our country, which, if released from such artificial and restrictive policies, could grow and afford employment opportunities to our people.

Mr. GRUENING. That is true. As has been pointed out by the distinguished Senator from Minnesota [Mr. HUMPHREY] and other Senators, one could be asleep for as long as Rip Van Winkle was asleep and on awakening know which party was in power by the evidence to which the Senator from Minnesota and other Senators have referred. This kind of situation was not ended with Andrew Jackson. Franklin Roosevelt drove the money changers from the temple. They are back again, and they will always be with us as long as the Republican Party is in power.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PROXMIRE. I hesitate to interrupt the Senator again, particularly because I do not wish to disturb the continuity of his very able speech.

Mr. GORE. It has been disturbed a number of times already.

Mr. PROXMIRE. I should like to make two points. If the administration sincerely wishes to follow a monetary policy which is calculated to stop infla-

tion, there are two things which it should do.

First, it should adopt policies which would keep the increase in the debt out of the hands of the commercial banks. Bankers and others recognize the fact that this practice monetizes, in effect, the national debt. It increases the supply of money. It is inflationary.

What has happened with respect to the Federal debt is that since this administration took over in 1953 the holdings of individuals have increased, the holdings of savings institutions have gone down, and the holdings of commercial banks have increased.

In the second place, as a member of the Committee on Banking and Currency, I was quite surprised to discover that the Federal Reserve now wants lower reserve requirements. Of course, if there is any policy which is calculated to increase the supply of money, it is a lowering of reserve requirements. What bankers want is the highest possible interest rate and the lowest possible reserve requirements. That is what the administration is giving them. These two policies, when put together, show the unfortunate hypocrisy of the administration in saying that what they are trying to do is to keep down prices.

Mr. HUMPHREY. Exactly.

Mr. GORE. That is a very lucid statement the Senator has made, and I thank him for his contribution to the debate. It is not enough merely to be against inflation. It is not enough merely to be against high interest rates. As a Member of the Senate I feel some responsibility in suggesting, as best I can, courses of action which can be taken to reverse this damaging policy.

I do not claim that the courses of action I suggest would have any more virtue than courses of action which any other Member might suggest, or which might be suggested by Members of the other body of the Congress. I share the responsibility, as do other Senators, and as do also Members of the other House of Congress.

There are certain actions which we can take, others which only the executive can take. I am setting forth 8 different courses of action which I believe might prove helpful. I hope other Senators will, in due time, make additional suggestions.

Third. The interest rate on Government bonds cannot be considered in isolation. All Government agencies must cooperate; and Government policies, economic and monetary, must be coordinated toward the goal of stabilization. It is necessary, for instance, not to make Government guaranteed home loan mortgages available at interest yields that dry up the market for Government bonds. This can be accomplished without injuring the housing program by renewing the very successful program followed by the Federal National Mortgage Association for 14 years prior to 1953. It seems to me that a prudent investor might be slow to buy a 4-percent U.S. Government bond when he could buy home mortgages guaranteed by the same Government at 5¼-percent interest and buy them, moreover, at 6- or 8-percent discount.

When obligations of the U.S. Government, not only those connected with the FHA and veterans' home loan programs, but others also—and a number of Federal agencies issue interest-bearing securities or guarantee payment of securities—compete with one another rather than cooperate with one another toward a national goal, then we have instability instead of stability.

All Government agencies, I repeat, must cooperate with an overall Government policy and program of interest rate stabilization.

Fourth. To avoid undue pressure on the monetary system while interest rates are being stabilized, some reasonable control and regulation of credit, particularly consumer credit, would, in my view, be a helpful, if not necessary, part of a program for monetary stabilization.

Fifth. It may be necessary to establish new machinery for the implementation of the policy I have outlined. At the very least, it will be desirable to modify and give new direction to the exercise of the broad, sweeping, regulatory powers which the Federal Reserve Board has arrogated to itself in the general field of attempted economic regulation through monetary controls. Nothing short of this will properly satisfy the constitutional responsibility of Congress in the monetary field.

Sixth, the Congress should promptly consider the application of utility type governmental regulation of the price of basic heavy metals. I refer particularly to iron and steel. I am not today prepared to suggest the details of procedure and guidelines of such a utility type regulation of basic metals or to reach a final conclusion as to its advisability. Only a careful committee study of such a legislative undertaking could properly develop such guidelines and final conclusions. I do suggest that we have found such utility type regulation of railroads, airlines, trucklines, and electricity in the national interest and that this might be an effective means of stopping the inflationary rise of administered prices in the field of basic metals.

No mystery surrounds the reason for recent increases in the price of steel. The chairman of the board of United States Steel advised the stockholders of the corporation at the annual meeting on May 7, 1956, that a projection of the financial needs of the company revealed the need of an additional $140 million. He then proposed to the stockholders that the method that should be used to get this expansion capital "is by raising prices from time to time as circumstances require and permit."

Similarly, the minutes of the Standard Oil Co. of New Jersey for the meeting of the board of directors on December 13, 1956, showed that "for the first time in many years" the company was faced with the probability that they would have to use something more than internal financing to "cover replacements, modernization, and expansion." However, this company was able to increase its prices to the extent that it was unnecessary for the company to resort to external financing.

This type of price inflation, primarily to finance expansion, is actually encouraged, not discouraged, by current Government policies. High interest rates and diminished possibility of competition, both created by current policies, encourage and invite big business concerns to finance their capital expansion and improvement in large part from inflated prices and consequent profits.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HUMPHREY. About 2 years ago, if my memory serves me correctly, an editorial was published in one of the Chicago newspapers—I believe it was the Daily News—which cited every point the Senator from Tennessee is making, namely, that much of the modernization, expansion, and improvement of some of the basic industries has been financed, not in the way which was customary under the capitalistic system, by borrowing or issuing new stock or debentures, but rather out of current profits, administered prices, and rigging the price structure so as to be able to take out of current earnings that which was required for long-term expansion, and to pay for it on an immediate, cash-on-the-line basis.

This kind of financing, within itself, defeats what is called competitive enterprise. It can result only in price fixing and administered prices. It can result only in ever-growing inflation.

The Senator from Tennessee is pointing out, quite properly, something which the executive branch, through the Council of Economic Advisers, should be pointing out; something which the Department of Commerce should be calling attention to; namely, that the very government which complains about inflation has, through its interest policies, its fiscal policies, and its failure to protect the consumers' interests, actually encouraged inflation.

I think it is about time we put the monkey of inflation smack bang on the back of the Eisenhower Republican administration. This is the costliest administration which has ever come to Washington, in more ways than one. It parades around the country as if it had some knowledge of economics. Its knowledge of economics is: Let the buyers beware. The kind of economics it practices is: Take all the market will give. Then, besides, it tries to control the market and rig it.

It is about time we said, again and again, that this administration is not against inflation. If it were, it would be against its own kin. This administration is the granddaddy and the foster parent of inflation. If the Senator from Tennessee can figure out any more relationships of this administration to inflation, I wish he would put them in the RECORD. This administration has caused inflation. It has signed, sealed, and delivered it. It is going around now hollering, "Thief, thief, thief."

The sooner we get this information to the American people, the sooner they

will understand the problem which besets them. The Eisenhower administration has created its own economic poison. It goes around telling the American people, "You are getting sick." Yet it dishes out more of the very poison which causes the trouble.

Mr. GORE. Mr. President, the social injustice of this practice can be seen in the fact that the mass of our people are forced unfairly to pay higher prices for the products of big business, and forced, too, to contribute to the further disparity of wealth and income in our country.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. PROXMIRE. I defy anyone regardless of his position as a monetary economist, to show me any responsible economist or any Senator who would say that the monetary policy being followed by the present administration will not tend to increase the number of people who are out of work. It is that clear, and the situation is that obvious and that emphatic.

No one, regardless of his viewpoint, will say that by following a policy of increasing interest rates, discouraging business from borrowing, discouraging municipalities from building hospitals, schools, and other public works, unemployment will not increase. He might make that kind of argument, but such a policy, if effective, will keep people out of work. We may say it is not effective, but to the extent it is effective, it will increase the number of unemployed from 4,700,000 to 5 million or 5,500,000.

Mr. GORE. Those are the social injustices of unwise monetary policy. I was speaking specifically of the social injustice in the practice of big business financing its expansion by administered price rises, which requires the mass of the people who must consume the products to pay more in order to make big business bigger and richer.

That is the specific social injustice to which I was referring. The able senior Senator from Minnesota [Mr. HUMPHREY] referred to some statistics, which he remembered, of, let us say, 2 years ago, which showed that a considerable amount of corporate expansion was being paid for by internal financing.

Mr. President, the actions of the United States Steel Corp. and the Standard Oil Corp. are, by no means, the only examples of such unfair gouging of the public by the big, the powerful, and the rich. Indeed, such action is characteristic of our current economy, and is encouraged and abetted by governmental policies. According to the statistics from the Securities and Exchange Commission, corporations spent $35.1 billion in 1956 for expansion. Of this amount, only approximately $10 billion came from long-term borrowings or new stock issues. The overwhelming proportion came from internal financing.

The story was repeated in practice in both 1957 and 1958. For the 3 years combined, corporations spent more than $89 billion on plant and equipment outlay. Of this amount, only $28.7 billion came from new issues of stock and bonds.

These figures show the extent to which corporate expansion has been brought about through internal financing. It would be interesting to see the exact extent to which it has been financed through administered price rises.

I hope my senior colleague from Tennessee [Mr. KEFAUVER] will be able to develop those facts as his hearing proceeds.

Mr. President, although expansion by profits is a sound practice, if conducted within reasonable limits, this extreme profiteering through administered price rises appears unconscionable; and the Congress should give immediate consideration to corrective measures.

Seventh, I suggest the creation of a Monetary Commission, composed of the best minds available, from the Congress, from the executive branch of the Government, and from various walks of life. Such a commission could, in due course, present recommendations for other or additional steps and procedures.

Meanwhile there are actions which the Congress should take.

Mr. President, now I come to the eighth suggestion, which concerns action which Congress should take—and take soon. The Congress should promptly consider appropriate tax revision, to assure sufficient revenue for essential Government expenditures.

It should be clear by now, Mr. President, that I believe we must make a realistic effort to get to the root of our economic ills, to use the powers of government for the good of all the people, and to promote a rate of economic growth necessary for our national security, while preserving the value of the dollar and maintaining the integrity of Government obligations. Our very survival may depend upon it. At the very least, justice and fairness require it.

Resistance to change, devotion to the status quo, and acceptance of economic nostrums that are antiquated, unsuited, and inadequate for our present-day problems, must not characterize our policies and actions. Adam Smith's theories may have been universally applicable in his day, under the economic conditions at that time. But this does not necessarily mean that they work the same way today. Wherever our textbooks and theories are wrong, let us reject them, and seek the truth.

There are other important phases and problems of the economic challenge with which we are confronted. Later, I shall undertake to discuss some of them. Today, I have undertaken to say that in the field of money and credit, it is both proper and necessary for the Government to take positive action to protect and support the integrity of its own obligations, to protect the interest of all ctizens, to promote the necessary growth of the national economy, to provide full employment, and to guard our national economy from those who would wrongfully exploit our difficult situation. Such positive action is required in the national interest.

Mr. HUMPHREY. I desire to join a number of my colleagues who currently are extending the hand of congratulations to the Senator from Tennessee [Mr. GORE] for his splendid message. Earlier today I said I had read the message, and had had an opportunity to study it carefully. I am delighted that it has been my privilege to have been here in the Senate Chamber during its presentation.

The message the distinguished junior Senator from Tennessee has delivered to the Senate represents a sound and constructive analysis of the present economic difficulties which confront us. It also lays before us a constructive program by which we can do something about the current economic problems, particularly the mismanagement of our fiscal and monetary policies.

Again the distinguished junior Senator from Tennessee has performed a distinctly valuable public service in behalf of a sounder, more prosperous, and more just American economy.

Mr. President——

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from Minnesota.

ST. PATRICK'S DAY

Mr. HUMPHREY. Mr. President, once again we are honoring St. Patrick and the many fine upstanding Irishmen who have contributed so much to our country's growth. And today we are especially happy to welcome to our midst their Excellencies, the President of Ireland and Mrs. O'Kelly.

This happy occasion is heightened by the fact that this year marks the 40th anniversay of the election of the first democratic Irish Parliament. It has indeed been fitting that the President of Ireland has visited with the President of the United States.

The Irish Constitution did not become truly effective until 1937, when Dr. Douglas Hyde took office as first President. This eminent Celtic scholar and his Gaelic League had originally inspired the Irish cultural renaissance, gave impetus to the movement for national independence among the Irish, and set the stage for the splendid record thereafter established by the Irish Republic.

We note that Irish history and experience show an early awareness of social responsibility by government. For example, one of the documents unanimously adopted by the original Irish Assembly in 1919, entitled "A Democratic Program," outlined the political, social, and economic aims of the Parliament. It contained a pledge not only to care for the weaker members of the community in Ireland, but also "to seek cooperation of the governments of other countries in determining a standard of social and industrial legislation with a view to a general and lasting improvement in the conditions under which the working classes live and labor." Is it not remarkable for a people back in 1919 to be talking about seeking cooperation with other nations?

Today, Ireland is a country in which private enterprise and small farms predominate, and where the Government has sponsored long-term programs to increase standards of national income.

Agricultural improvements include the relocation of small farmers from congested districts of the west to newly

equipped holdings elsewhere in the country, and the use of such vacated holdings to enlarge and consolidate adjoining farms. Famines and emigrations, like those of the 1840's, are gone, never again to return.

At the same time, the Government is promoting, under a 5-year-plan, economic development in the areas of tourism, fisheries, peat development, forestry development, modernized transportation pools, cooperative marketing policies, rural science courses throughout the school system, backed by adequate research, and last—but not least—housing for low income urban and rural groups.

I should like to discuss briefly this concern of the Irish with low-income housing. In a survey made last summer of Ireland's housing program, my good friend, Joseph P. McMurray, then State commissioner for housing of New York State, said:

> While much has been written of the housing programs in other countries, Americans have heard practically nothing about the amazing progress in Ireland. This relatively small country, though not rich in resources, has done more proportionately than any other country today, to provide decent housing for its people—wiping out city slums, and encouraging agricultural workers to remain on the farms.

Since 1932, Ireland has built 108,000 public housing units and 80,000 homes for middle-income families; and Government aid has been given toward the reconstruction of 70,000 old dwellings. Ireland's program for the encouragement of small suburban dwellings, which is without counterpart in any other country, provides for grants from the National Government, matched by grants from the local government, depending on family income. Thirty-five-year loans for the balance of the purchase price are arranged by the Government, at interest of one-half of 1 percent above what it costs the Government to borrow funds. There is a local tax exemption of 90 percent the first year, which is reduced 10 percent yearly until the property pays full taxes after 10 years. Downpayments of 5 percent, or $280, are required. Most houses have garages, and are architecturally as attractive as houses in our better suburbs.

Mr. McMurray found the Irish authorities using forms of housing aid that have not been thought of anywhere else. He has pointed to the newlyweds' program operated by the Dublin Corporation. There is a yearly drawing, at Easter, for which only newly married couples are eligible, and from which 300 winners result. The prize is good, new housing in which to start their family life, with the advantage of low rent. The national and local governments match grants, thus bringing the rents down to what the families can afford. An equally effective plan for small farmers provides low-rent cottages with an acre of land, on which the family may raise vegetables and keep a cow. A liberal tenant-purchase plan allows the farm tenants to work their way to home-ownership.

In addition, Ireland is working independently and through the agency of UNICEF and WHO for the relief of distress, malnutrition, and disease. Through such cooperative efforts, Ireland is striving to assist the growth of world peace, based on law, by helping to eliminate hatred and by spreading the spirit of tolerance and Christian charity. The Irish people believe that the particular interests of each country are best served by wholehearted cooperation in solving common problems, such as health, the preservation of the family unit, and the welfare of children everywhere.

This look at Irish national policies helps us better to understand one of the basic concepts of the free world—namely, that through the preservation of individual national cultures and economies, truly significant contributions to the welfare of human society can be achieved. The resilience, strength, imagination, and historic richness which man has accumulated during the ages are essential in a variety of ways in order to give force and meaning to labors for the world community.

The positive contributions of each member state, backed by the active interest and support of the peoples themselves, makes it possible for all men of good will, in both small countries and large, to contribute in this age of crisis to the reduction of world tension.

May we always have with us independent little countries like Ireland.

Mr. President, I salute the presence today in the Congress of the President of that fine country.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

THE CIVIL RIGHTS BILL OF 1959

Mr. HUMPHREY. Mr. President, at this time I desire to address myself to a subject matter which is before two of the congressional committees which currently are holding hearings.

I rise to wish Godspeed to the Senator from Missouri [Mr. HENNINGS], the chairman of the Constitutional Rights Subcommittee of the Senate Committee on the Judiciary, in its hearings on civil rights proposed legislation, which have commenced this week. I am confident that the distinguished members of the subcommittee will work effectively and tirelessly to bring to the floor of this body a measure which will carry out the desegregation decisions of the Supreme Court of the United States, and will make every American a first-class citizen in law and in his daily life.

Mr. President, we have two ways of identifying ourselves with these legislative proposals. One is to address ourselves to the subject matter here in the Senate Chamber. The other is to do so before the subcommittee, during hearing.

I intend to ask that the remarks which I am making in the Senate today shall also be made a part of the testimony before the Subcommittee on Constitutional Rights.

I also desire to commend Chairman CELLER and his subcommittee of the House Judiciary Committee, which has been holding hearings on civil rights legislation, H.R. 3147, since March 4. I am confident that the distinguished members of that subcommittee, like their counterparts in the Senate, will do all in their power to have Congress enact legislation that will carry out the Supreme Court's desegregation decisions and that will make every American a first-class citizen in law and in his daily life.

Mr. President, proposed legislation to do exactly that—with sympathy, understanding, firmness, and due deliberate speed—has been introduced in both the Senate and the House, and I am hopeful that both of these subcommittees will report favorably upon the bill introduced by the Senator from Illinois [Mr. DOUGLAS], S. 810, of which I have the privilege to be one of the 17 cosponsors. The enactment of such a bill is 4 years overdue. We owe it to ourselves, to the Senate, and to the Congress as an institution, to act this year. Enactment of this bill would be a national declaration of our faith in human equality and human dignity, and an international declaration that our great Nation, the leader of the free world, is able to mobilize the processes of democracy to make a living, daily reality of that faith in human equality and human dignity.

When the distinguished senior Senator from Illinois introduced our civil rights bill on January 29, 1959, I arose, as the first cosponsor of his bill, and as his partner in this, as in other, civil rights endeavors, to congratulate the Senator from Illinois [Mr. DOUGLAS] upon the farsighted bill he was introducing. For Senator Douglas' bill is a model of thoughtful and careful work in an area where emotion alone is not enough, but has too long been the order of the day. I said then, and I repeat now, that the provisions of the bill are to encourage cooperation, to facilitate cooperation, to seek the ordinary methods of cooperation at the local level and to ask the Federal Government to take some initiative in doing all this, but to do so only in the light of local conditions and in cooperation with local officials, taking into account the time factor.

Yes, the bill of the Senator from Illinois is indeed a bill for cooperation between State and Federal Governments to do a job that neither can properly do alone. I hope that the Members of this body from all sections of the country will view this bill as a means of bringing about Federal-State cooperation and as a move toward cementing our great Nation, not dividing it.

The Douglas-Javits-Celler bill is a moderate measure, carefully designed to facilitate desegregation, without at the same time putting additional obstacles or irritants in the way of those States and communities whose laws and whose customs must now undergo such far-reaching changes. I repeat, this is a moderate measure that does not go one inch beyond the necessities of the hour; beyond what is absolutely required to carry out the law of the land as declared by the United States Supreme Court.

Let us take a quick look at exactly what S. 810, the Douglas-Humphrey-Javits bill, does.

Title I of the bill contains findings supporting the Supreme Court's desegregation decisions as expressing the moral ideals of the Nation, and pledges the Congress to carry out those decisions by all due and reasonable means. This title will make it clear to the Nation and to the world that Congress stands foursquare behind the Supreme Court's desegregation decisions, and accepts full responsibility for seeing that those decisions are carried out everywhere in the Nation.

Can anyone say that a congressional declaration of support for the Supreme Court's decisions is not a moderate proposal?

It seems to me it is not only moderate, but a fair, just, and long-overdue proposal.

Title II authorizes the Secretary of Health, Education, and Welfare to render technical assistance to State and local governments in bringing about desegregation of the public school systems. Among other things, the Secretary is authorized to make and distribute surveys of desegregation progress and of successful case histories, to arrange conferences, to appoint advisory councils, to compile and distribute all types of information, and generally to be a helpmate to those State and local officials who are faced with the difficult task of changing a segregated public school system over into a unified one.

Can anyone suggest that such helpful and cooperative technical assistance is not a moderate proposal?

Title III authorizes the Secretary to make grants to State and local governments for additional school facilities, additional teachers, teacher training, and all the other things that will help ease the transition from a segregated to a desegregated public school system in America.

Can anyone say that such financial assistance is not a moderate proposal?

Title IV provides that the Secretary shall make every effort, through the use of technical assistance and grants-in-aid, to persuade States and local governmental units to carry on a program of desegregation, in accordance with the law of the land, and authorizes him, where these methods fail, to accept responsibility for initiating the development of desegregation plans with the fullest possible local consultation and participation.

Can anyone say that these efforts at persuasion and at seeking local cooperation in working out desegregation plans do not constitute a moderate proposal?

Title V authorizes the Attorney General to institute legal action to obtain compliance with desegregation plans worked out under title IV, but only when the Secretary certifies that all efforts to secure compliance by persuasion and technical and financial assistance have failed.

Can anyone say that this is not a moderate proposal?

Titles VI and VII authorize the Attorney General to bring injuction actions against those denying equal protection of the laws to anyone because of their race, color, religion, or national origin when there is a signed complaint and when the aggrieved person is unable to seek effective legal protection for himself. Please note and please note carefully that this law is not a roving commission to the Attorney General to bring actions wherever he thinks someone's constitutional rights are being violated. The Attorney General's authority is carefully limited; he may act to safeguard rights only under one provision of the 14th amendment, the equal protection clause, and he may act only where there is a signed complaint and where the aggrieved person is unable to secure effective legal protection for himself. All that this proposal seeks to do is to permit the Department of Justice, when someone is being denied the constitutional right to equal protection of the laws because of his race or color, and when the person so denied his constitutional rights has no effective way of protecting himself, to bring a civil action in court to restrain those denying the constitutional rights from continuing to do so.

Can anyone say that such a proposal—to permit the Federal Government to protect the constitutional right to equal protection of the laws when there is no other means of obtaining that protection—is not a moderate proposal?

Titles VI and VII represent a vastly improved version of the part III which was deleted from the 1957 Civil Rights Act. The 1959 version of part III that we are proposing in titles VI and VII is a much narrower and carefully developed provision than the one contained in the old part III in 1957. Yet the same administration which proposes part III in the first place, a part III which went far beyond what we are asking in the Douglas and Celler bills, now suggests that ours is not a moderate proposal.

But how, I ask, can something which was moderate in 1957, and which has been narrowed and restricted since then, be less moderate in 1959 than it was in 1957?

In all candor, I say that our proposal to allow the Attorney General to act when an individual cannot vindicate his own constitutional right to equal protection of the laws is a minimum proposal. The rights guaranteed by the Constitution must not be mere paper rights, good in theory but unattainable in practice; they must be rights in our everyday life. We must see that those who are themselves unable to vindicate their constitutional rights are given the assistance of our Government in doing so. Constitutional rights in America must become living realities. I submit that the enactment of titles VI and VII of the Douglas-Humphrey-Javits-Celler bills, will do more to put our democratic theory of equality into practice than anything this body can do.

Mr. President, the Leadership Conference on Civil Rights, representing 53 organizations in this area, has called the Douglas-Humphrey-Javits-Celler bill "the No. 1 civil rights bill," and the distinguished senior Senator from Pennsylvania [Mr. CLARK] put their statement into the RECORD earlier this month. I agree with the leadership conference that this is the No. 1 civil rights bill. But I go further. I say that this is not just a civil rights bill; it is something far bigger. The enactment of this bill now is an urgently needed demonstration of our democratic faith.

For the watching two-thirds of the world's peoples who are colored, for the watching one-third of the world's peoples who are today uncommitted in the contest between Communist expansionism and democratic freedom, the single act of adopting and implementing the bill I have described will revalidate our credentials as practitioners at home of the rights of the individual human being that we preach abroad.

Mr. President, I believe that the best politics, the best diplomacy, the most expedient course in the long run, is to do the right thing in the short run and to do it because it is the right thing. I believe an inexorable poetic justice operates for us all, as individuals among our colleagues, and as a Nation among the nations of the earth.

I believe, in a very real sense, that while evil may prosper for a season and grow as the green bay tree, in the end it is cut down and cast into the fire. I believe that in the present contest, in which Mr. Khrushchev has said he will bury us, neither he nor the philosophy of force and materialistic sacrifice of the individual can bury us if we add to our material strength the respect and defense of the value of each and every individual man, woman and child. This principle, written into our own Declaration of Independence, into our Constitution, into the Supreme Court desegregation decisions, is gently, thoroughly and firmly provided for in the Douglas-Javits-Celler bill.

If we must talk in the vocabulary of the moment, let us say that this bill, when made law, will have a blessed fallout that will be borne around the world on the winds of thought and human emotion. As our example and our fresh proof in our belief in our own preaching of the rights of man takes hold, democracy will be better strengthened, better defended and more secure here and everywhere in the world. It will penetrate where no weapon or missile can go—into the minds and hearts of the very people who today are uncommitted and who will either believe democracy's promise of both bread and freedom or accept Communist imperialism's promise of bread now and a caricature of freedom later.

But, basically, Mr. President, I hope that we will act now, in this session of Congress, because it is the right thing to do. I hope that we will have the fortitude to surmount the difficulty of strong differences within the committee and on the floor. I hope we will lay this bill upon the President's desk before we go home to face and report to the American people upon our stewardship and our performance upon our promises to them.

In civil rights, as in defense and economic strength, we must not fail the Na-

tion or the free world. We must be strong in all things now, or we shall be secure in none. Civil rights has never been a postponable legislative item. We have allowed it to be postponed at tragic cost in terms of people, of national strength, and of our standing among the nations of the world. This is clear now. We must postpone no longer. President Truman's Committee on Civil Rights said 12 years ago, "The time for action is now." That was true then. It is truer now. Let us act—with deliberate but effective speed.

Mr. President, I have made this statement today because I sincerely feel those of us who have joined as cosponsors of this proposed legislation have both a moral and political obligation to express our views at this very timely moment. The Houses of the Congress, both the Senate and the House of Representatives, have a responsibility to process the legislation and to bring it before us for debate and for a decision. I am hopeful the bill sponsored by the Senator from Illinois [Mr. DOUGLAS] and 17 of his colleagues, of which I am one, will be the basic structure of proposed law presented for Senate action, but whatever we may finally work on and whatever may be the final course of action, it is imperative that the Congress be given an opportunity to vote and to express its will in this vital field of human relations.

THE GENEVA CONFERENCE

Mr. CHURCH. Mr. President, the continued deadlock at Geneva only serves to emphasize the need for insisting upon sufficient latitude for our negotiators there. Congress cannot, of course, undertake to supplant the President in the conduct of these negotiations, nor can we direct their course from Capitol Hill. But we can and should suggest alternatives to the President, compatible with our national interests, that may prove useful in preventing the Geneva Conference from breaking up in failure.

With this purpose in mind, I took the floor of the Senate on March 2 to propose that the United States seek an agreement ending atmospheric tests only, within the framework of a trustworthy and sufficient international control system, should it become apparent that the broader objective, that of ending all types of nuclear testing, with adequate controls, is not now obtainable.

Reflecting a growing concern over the fate of the conference, a number of newspapers have editorialized the proposal I have offered. Several of these editorials have come to my attention. Two of them were published in newspapers of my State, the Lewiston Tribune of March 8, and the Caldwell Times of March 12. Another was published in the St. Louis Post Dispatch of March 8, while a fourth was published in the Washington Post and Times Herald on March 9.

I ask unanimous consent that these editorials, together with a letter of mine to the Washington Post and Times Herald, dated March 9, be printed in the RECORD at this point, in the order in which I have referred to them.

There being no objection, the editorials and letter were ordered to be printed in the RECORD, as follows:

[From the Lewiston (Idaho) Morning Tribune, Mar. 8, 1959]

MUST FAILURE BE THE FRUITS OF GENEVA?

Those who have been watching it agree that if anything is to be salvaged from the stalled Geneva Conference it had better be soon; American delegates to the three-power talks on a nuclear-test ban were saying 2 weeks ago that they may as well pack their bags, and the United States is now believed ready at any time to call the delegates home.

Although talks have been under way since last October, nothing has been accomplished so far and it is questionable whether after this long anything can be salvaged. The United States and Great Britain are insisting that they will not agree to stop testing bombs until the Russians have agreed to an adequate inspection plan; the Soviet Union will not agree to the Western inspection plan because, the Russians say, it would permit spies to run all over the Soviet Union on the pretense that they were investigating explosions. The two sides have been at this standoff since last October, and there has been no indication lately that either side is going to give in. It has been suggested that Prime Minister Macmillan's conversations with Premier Khrushchev might improve the chances of ultimate agreement and that the United States would not seek to recess the Geneva Conference until after hearing Mr. Macmillan's report on the talks at Moscow. That report is expected soon, and it is possible that immediately thereafter, the U.S. delegates at Geneva may really pack their bags and call it quits.

Considering the worsening state of the world's atmosphere, this would be a calamity. In an attempt to avert it, Senator FRANK CHURCH, Democrat of Idaho, has proposed a compromise which could save something of value out of the crucial Geneva Conference. The Church formula, which was circulated within the State Department and later offered in a Senate speech, has received less publicity than it deserves, for it is apparently the best remaining hope for some sort of immediate nuclear order in the world. CHURCH told the Senate:

"As a last resort, to attempt the avoidance of a total failure, I strongly urge that the United States make this final proposal: An agreement to suspend further nuclear weapons tests in the earth's atmosphere, within the framework of a trustworthy and sufficient international control system, adequate to reliably detect and report any violation. Such a proposal would exclude for the present any agreement involving suspension or control of nuclear tests occurring underground, underwater, or in outer space, none of which contribute to the pollution of the air, the grave cause of so much concern."

Senator CHURCH actually is suggesting that the West no longer insist upon a corps of inspectors inside Russia, thereby meeting the Soviet Union's principal criticism of the Western inspection plan. For it is only to monitor underground or underwater blasts that such teams would be required; nuclear explosions in the atmosphere can be detected by instruments a great distance away.

This would give the United States and Great Britain—and the rest of the world, for that matter—much more than half a loaf. Should the Church plan be adopted and adhered to, the steady increase in aerial contamination would immediately cease, for it is the explosions in the atmosphere—those which would be monitored—that are causing it. Out of nothing, we should have got a respite of the world's most terrifying present burden: the fear of the gradual poisoning of the air we all must breathe.

The proposal has another advantage, and in this way is an improvement upon the suggestion Senator GORE, Democrat, of Tennessee, offered last year: It would make the benefits of test suspension the fruits of negotiation rather than of unilateral action. Senator GORE had proposed that in the absence of an agreement the United States should announce that it was suspending its nuclear tests, and do so, reserving the option to begin them again if the Russians should continue theirs. If this plan worked, the effect upon the atmosphere would be the same as the effect of the Church plan. But it would not mark any advance toward the main goal—disarmament—since there would have been no negotiation and subsequent agreement involved. An effective disarmament will require a great deal of difficult negotiation over a long period, and success will not come all at once but by degrees. "Progress will come fitfully, in little steps," CHURCH told the Senate. If there is a possibility of salvaging any agreement at all out of the Geneva Conference every effort should be made to achieve it, for every conference that ends in failure turns the clock back, while each successful conversation, no matter how inadequate of itself, marks a stride forward on the road to survival.

Finally, there is the matter of America's responsibility to the world as the first and greatest atomic power. The United States probably has had more to do than any other nation with the pollution of the atmosphere, and it owes the rest of humanity a little more effort—and a little more compromise if necessary—in keeping the planet clean. CHURCH told the Senate:

"If Geneva is to fail in its objective of creating a broad international control system that could adequately police the suspension of all furher nuclear weapons tests, the responsibility for that failure will be clearly Russian. But if such an eventuality cannot be avoided, I would earnestly hope that my country would make one final effort to salvage something of value, for humanity's sake, from the long labors that have brought us to this conference table."

It is possible that even the Church plan may not be acceptable to the Russians. But if we should offer it and they should turn it down, the world would know at once who is trying to negotiate and who is not. At any rate, this plan may be all the difference now between new hope and despair, not for us alone but for all the worried and endangered world. The conference table surely should not be abandoned without this last good effort.

[From the Caldwell Times, Mar. 12, 1959]

A CALL FOR SURVIVAL

Elsewhere in today's Times we present the full text of a major address delivered by Senator FRANK CHURCH on the floor of the U.S. Senate. Throughout the Nation, but not in Idaho, the Senator's speech received the attention it deserved. The exception in the Gem State was the Lewiston Tribune, whose editorial comment we reprint below.

We will not comment upon the lack of coverage of Senator CHURCH's speech. Suffice it to say that rarely, if ever, has an Idaho Senator spoken on a subject more vital to the survival not only of civilization, but of mankind itself. Living in proximity to the Nevada nuclear testing grounds, the subject is of crucial importance to Idaho.

There appears to be almost universal agreement that atmospheric radiation, atomic fallout, and nuclear byproducts are at least contributing factors in the tragic spread of cancer. Cancer is one of the most feared killers of our population. All its causes are not known, but radiation created by nuclear explosion has been established as one of many.

Tests on atmospheric conditions all over the United States have proven the increase in dangerous radioactivity in the air we breathe. Analyses conducted on wheat, milk and other basic foods have discovered alarmingly increased quantities of poisonous carcinogenic substances—such as strontium 90.

There is widespread agreement that a future nuclear war would leave no victors and no vanquished as atomic radiation would poison all mankind.

However, it will not take a nuclear war to cause radioactive death. Increasing tests of nuclear devices will, in the long run, cause a lingering extermination of the human race.

For that reason, the United States, Great Britain and Soviet Russia have been in conference since October 1958 to arrive at a ban on atomic testing.

The facts of Russian performance being what history has shown them to be, the West must insist on adequate guarantees to assure performance of any ban agreement. Russia, on the other hand, ever suspicious of the West, balks at full inspection.

The virtue of Senator CHURCH'S suggestion is that the most dangerous experiments would be banned, while atomic experimentation could continue in part. Where underground and underwater detonations could be concealed without full inspection, open air detonations are detectable anywhere. And it is this type of nuclear test which is most poisonous, most destructive and most dangerous.

Enforcement of the ban would be easy. Any station even in the United States could ascertain an open air atomic blast in Russia. The Russians would have the same protection. The very danger of this type of test thus gives mankind the means of control.

Other types of nuclear work could proceed, subject to future agreement. However, the most immediate danger could be curbed.

We strongly urge that Senator CHURCH'S proposal be presented to the conferees at Geneva.

Even if Senator CHURCH never again offers a major bill, the people of Idaho, the United States, and all other nations will have cause to thank the Gem State for sending him to Washington.

[From the St. Louis Post Dispatch, Mar. 8, 1959]

GENEVA'S 11TH HOUR

The Geneva Conference on suspension of nuclear tests is generally thought to be near a breakdown. After 4 months of talks, the great barrier to agreement remains what it was at the beginning—not the technical problem of devising a detection system to police a test ban, but the political problem of agreeing on international control and inspection.

Is the conference to be permitted to die with a whimper? The consequences would be so serious that every conceivable effort is called for to avoid such a tragic ending. This is the hour for a supreme act of statesmanship.

Senator FRANK CHURCH, of Idaho, proposed last week that, rather than accept total failure, our Government should offer to sign an agreement for the cessation of atmospheric explosions only. He felt that it might be possible to establish an international inspection system for such a partial test suspension now, and later extend it to cover underground, underwater, and outer space explosions. His plan is similar to that of Senator GORE, who suggested a unilateral suspension of atmospheric explosions for 3 years during which an attempt would be made to negotiate a controlled agreement.

Either the Church plan or the Gore plan would be better than nothing, but before resorting to them the West ought, we think, to make a supreme effort to solve the basic problem which blocks agreement on a full-fledged treaty—the problem of the veto in the control commission.

In a limited sense, something like the Gore and Church plans is already in effect. A de facto suspension of tests has been operative ever since the Russian's last explosions early in December. The nuclear powers have a duty to do better if they can.

Britain and America have been arguing for a control commission composed of seven nations—three Western, two Communist, and two neutral—which would operate by majority vote except in certain cases. Unanimity of the three nuclear powers would be required—which is to say that decisions could be vetoed—for the appointment of an administrator, the selection of sites for control posts, amendment of the treaty, and changes in operating methods of the inspection system. tOher decisions would be by majority vote.

But the Russians are afraid that the majority might be pro-Western and anti-Soviet. Their fear may be groundless, but it is understandable, for the majority would almost inevitably be non-Communist. If the shoe were on the other foot, would be the U.S. Senate ratify a treaty calling for a control commission ruled by a majority of Communist nations?

It is this impasse that requires an act of statesmanship to resolve. How to set up a truly international control commission which can function, and yet will not serve the interest of any particular nation. Perhaps the basis for a solution can be found in enlarging the role of neutrals on the commission, and in making any national obstruction of its operations cause for abrogation of the treaty.

Suppose a test ban were in effect, policed by a commission composed of the three nuclear powers and four neutrals. Suppose a control station detected earth shocks which led the inspectors to believe a nuclear explosion might have taken place in country X. The commission majority votes to send a survey party to the site. Country X votes "No" and bars the way. Would not that very act amount to verification of the commission's suspicions? Would it not amount to prima facie evidence that the treaty had been violated? And would not the other parties then be fully justified in withdrawing from the treaty, in taking measures against the violator, and in resuming tests of their own—especially if the treaty itself provided for self-abrogation in such event?

Perhaps the Geneva impasse is insoluble by any means. But Prime Ministers Macmillan and Khrushchev bound themselves last week to continue striving for "an agreement to stop nuclear weapons tests under an effective system of international inspection and control." The world cannot afford to let the conference die without the utmost effort to reach that goal.

[From the Washington Post, Mar. 9, 1959]

IF THE GENEVA TALKS FAIL

Senator CHURCH has proposed a useful plan for the suspension of atmospheric tests of nuclear weapons, but its application ought to be delayed so long as there is any hope of agreement with the Soviet Union at Geneva on an inspection system. Mr. CHURCH'S plan is similar to the proposal last November by Senator GORE to end tests which produce substantial radioactive fallout while continuing tests of small nuclear weapons underground. The difficulty with this suggestion at the time was that it seemed to cast doubt upon the sincerity of the official American objective of an end to all nuclear weapon tests with an adequate inspection system. It also played into the hands of those who for varying reasons did not want a test ban.

The negotiations at Geneva have been placed under a cloud not only by Soviet intransigeance, but also by the new findings of American seismologists. These findings disputed the efficacy of the inspection system agreed upon in principle last summer to detect small weapon tests. Thus the United States has been in the position of having to argue against its position of last summer and in favor of a revised inspection system to exempt tests below a threshold of 20 kilotons of explosive force.

Whether this change of position has been the determining factor in the stalemate may be doubted, inasmuch as the Russians were raising objections even before the new findings were disclosed. The Soviet Union seemingly is preoccupied with the specter of espionage by mobile teams at the inspection stations on its territory.

It is barely conceivable, however, that the Soviet Union might yet agree to a combination of the threshold and the 180 worldwide inspection stations originally envisaged if the inspection teams remained at the stations and did not move around the country. Possibly British Prime Minister Macmillan explored this point in Moscow. Such a system would be by no means as desirable as one that permitted full mobility, but monitoring devices nonetheless could detect explosions above the threshold—and agreement on such a basis could be helpful in establishing at least the principle of control.

Whatever happens at Geneva, it will be important to have some sort of suspension of atmospheric tests. The concern over radioactive fallout is far from a negligible consideration. Recent disclosures by the Atomic Energy Commission and the Public Health Service, an independent survey by Consumers Union and a study by an expert at the University of Minnesota have shown the increasing general level of strontium 90 deposits and the concentrations in milk and wheat. Perhaps the general safety margin has not been exceeded, but the disclosures are disconcerting when it is recognized that the fallout comes from past tests and the radiation levels are still rising.

Thus the Church and Gore suggestions commend themselves for prompt adoption if nothing more develops at Geneva. Unilateral renunciation of atmospheric tests might be unwise, but it certainly would be in order for the United States to propose suspension so long as the Soviet Union refrained from conducting atmospheric tests (and violations could easily be detected by present methods). First, however, it is important to exhaust the possibility of a broader suspension and detection system, however slim that possibility may now seem.

"IF GENEVA FAILS"

I agree with the view expressed in your March 9 editorial that proposals for the suspension of atmospheric (as distinguished from subterranean or extra-atmospheric) tests of nuclear weapons ought to be considered only if the negotiation as presently cast should appear certain to fail.

However, I believe you leave a somewhat erroneous impression of the proposal which I have made when you state that its application "ought to be delayed so long as there is any hope of agreement with the Soviet Union at Geneva on an inspection system."

I stated to the Senate on March 2, that "the commencement of an international control system is the sine qua non of man's progress toward any feasible disarmament * * * An international control system which functions, however limited its initial scope might be, is the urgent need."

My proposal was to seek "an agreement to suspend further nuclear tests in the earth's atmosphere, within the framework of

a trustworthy and sufficient international control system, adequate to reliably detect and report any violation." It was for a multilateral inspection agreement, not unilateral test cessation. Senator ALBERT GORE himself summarized this distinction:

"The * * * Senator from Idaho has omitted from his suggestion the unilateral action. [He] * * * has emphasized the importance of establishing an international control system. He has given more emphasis to it than I did in my proposal; and in that respect I believe he is correct. It would be an important first step. If we were to take this important first step, the conference might be saved from failure and other steps might become feasible."

Furthermore, my proposal was intended, as I told Acting Secretary Herter, "as a last resort, in order that the conference might not break up accomplishing nothing."

I hope that this letter will clarify the fact that I support the American position at Geneva and that I concur with you that the important thing is to get an agreement with the Soviet Union on an inspection system.

Perhaps we can achieve such an agreement if we limit its scope to atmospheric tests, the broader agreement having been found impossible. If we don't succeed, at least we will have undercut the position the Soviets have heretofore taken, and we will have made it more difficult for them to maintain the objections by which they now make agreement impossible.

FRANK CHURCH,
Senator from Idaho.

FOURTEENTH YEAR OF SUBJUGATION OF RUMANIA BY THE SOVIET UNION

Mr. HUMPHREY. Mr. President, March 6 marked the 14th year of subjugation of Rumania by the Soviet Union. The tragic fate of the Rumanian people has saddened free men everywhere. Those of us who are fortunate enough to have the right to participate in free elections can only be appalled that since the Communist regime in Rumania was installed by violence by the Soviet Army in March, 1945, there has only been a government of Soviet agents retained in power there—and it has been retained through tremendous Soviet political and military pressure.

Rumania has been made to bear more than her share of Soviet vengeance and exploitation, and the iron grip of the Kremlin has been even more ruthless because Rumania possesses the largest oil fields in Europe and important deposits of uranium.

We hope and we pray that one day, not too distant, Rumania will once again become an independent state and that the love for freedom which lives in Rumanians everywhere will become a reality.

LAKE MICHIGAN WATER DIVERSION

Mr. JAVITS. Mr. President, there will be before the Senate for determination the question of the reference of the bill coming from the House of Representatives known as the water diversion bill, H.R. 1. In that respect, Mr. President, I have prepared an analysis of the reasons why the bill should be referred to the Committee on Foreign Relations of the Senate.

Mr. President, this is a matter of great interest to the people of the State of New York, especially the people of western New York. Therefore, pending the debate on the floor and the determination of the matter, I ask unanimous consent to have printed in the RECORD a memorandum I have prepared as to the reasons why the bill should be referred to the Committee on Foreign Relations.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

WATER DIVERSION—H.R. 1

At a time when the eyes of the whole world are upon us and we are in Berlin and elsewhere relying upon the scrupulous maintenance of our treaty obligations to preserve peace and security, we cannot ourselves ignore these obligations in any area—especially where the interests involved are those of Canada, one of our closest allies. This issue is now before us in the form of H.R. 1, to permit the diversion of additional water from Lake Michigan through the Chicago Canal, which was passed by the other body on Friday, March 13.

This bill is similar to S. 308, which has been lying on the Vice President's desk since it was introduced here, and again brings before the Senate a problem which we have considered on a number of prior occasions and which has twice resulted in Presidential vetoes. There are many objections to this legislation, which involves the water and property rights not only of all the States bordering on the Great Lakes and the Mississippi River Basin, but also those of our great and friendly neighbor to the north, Canada. Water cannot be taken out of the Great Lakes on the American side without adversely affecting the water level on the Canadian side, too.

We should not take such action without considering the effect on our foreign relations, not merely with Canada, but with every other nation with whom we have obligations based upon treaty or past common interest and which would be watching carefully how we honor these obligations. In the field of water rights alone, we have a number of other agreements, such as those with Mexico regarding the Rio Grande and Rio Colorado, with Canada as to a number of the border lakes, the Columbia and St. Lawrence Rivers and Niagara Falls, and with the Republic of Panama involving the water required for the Panama Canal. We also have many other areas of joint interest with Canada at this very moment in which negotiations are under way and which will be affected by the approach we take in this matter. These include areas of international trade, finance, and defense policy, and such specific matters as tolls on the Welland Canal, Columbia River development, and St. Lawrence Seaway power.

The aspect of this legislation involving the interests of Canada is the one to which the least study has been devoted in past committee consideration, and the note of the Canadian Government of February 20, 1959, clearly puts this issue before us. In a reply to a State Department request for its views, the Government of Canada indicated that:

"Any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

"The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border."

The Government of Canada therefore protests against the implementation of proposals contained in H.R. 1.

The question which we now have before us is whether this legislation is to be referred to the Committee on Foreign Relations, where these problems can receive direct consideration in the light of our foreign policy problems with Canada and other countries, or to the Committee on Public Works, where similar legislation has gone in the past, and which does not have foreign relations jurisdiction. I believe that a referral to the Foreign Relations Committee will serve the best interests of the Senate and of the entire Nation.

One of the strongest arguments which may be made for such a referral is the fact that sending this bill to the Committee on Public Works, as was done in the past, can add nothing new. The Public Works Committee undertook a detailed study of the public works aspects of these proposals in the last Congress, and we have available to us the report of the distinguished Senator from Oklahoma [Mr. KERR], in reporting a similar bill to the Senate. A similar referral of this bill will again leave the Senate without a report on the effect of such unilateral action by the United States on our relations with the Canadian Government, the Canadian people, and the governments and peoples of other nations of the free world which may take this as a precedent.

A look at the specific jurisdiction of the Committee on Foreign Relations in rule XXV shows that it is charged with consideration of matters dealing with "relations of the United States with foreign nations generally," with "treaties," and with the "establishment of boundary lines between the United States and foreign nations." What could be a better description of the issues involved in this bill? In contrast, nowhere in the rules relating to the Committee on Public Works is there any jurisdiction to look into the effect of propositions before it on the rights of foreign nations and upon our international relations generally.

Let us be clear about one thing. This is not an ordinary situation involving navigation, waterpower, pollution control or rivers and harbors. We cannot treat it as if it were. It is a matter which can throw a serious monkey wrench into our relations, at least with a nation like Canada whose friendship is signified by an open border thousands of miles long.

I would like to remind the Members of the Senate of some words spoken here by the distinguished senior Senator from Vermont [Mr. AIKEN] on the last day of the 85th Congress, when we last discussed this matter. He said:

"I am greatly disturbed over the type of discussion which is taking place with regard to the Chicago diversion bill. * * * A cold war is being waged everywhere with tension high in foreign countries, even in the Western Hemisphere. This afternoon the mutual security bill, which calls for many agreements with foreign countries, was passed. We already have agreements with other countries all over the world. While we are considering these agreements and talking about more agreements, it seems incredible that here, on the Senate floor, intelligent Members of this body would stand up and deliberately talk about violating a treaty with another country. Perhaps we take Canada for granted; but I do not believe Canada takes for granted the treaty we made with her 49 years ago.

"As we deliberate here tonight, I cannot help but think of the impact on the rest of

the world when Members of the Senate talk about friendships and then advocate taking resources from one of their best friends, Canada. I think we all agree Canada is that. What would be the effect on the Arab States and the Latin American States? Would they not be justified in saying, 'What is the use of making any agreement with the United States if they are not going to observe their agreements?' "

I would like to associate myself with these comments, for they clearly point out that this is a matter affecting deeply the foreign relations of this Nation, not only with respect to Canada, but as to the entire world.

I would also like to point out that any doubt as to Canadian views respecting this legislation have been resolved in the recent exchange of notes between our two nations. This is certainly no time for our Nation to treat such an expression of Canadian views lightly.

GROWTH OF SOCIAL WELFARE EXPENDITURES UNDER FEDERAL PROGRAMS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD, "Federal Spending Facts," a bulletin which deals with the budget and spending and states fairly well the shape we are in financially at the present time.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

THE GROWTH OF SOCIAL WELFARE EXPENDITURES UNDER FEDERAL PROGRAMS

The great depression of the 1930's saw the Federal Government for the first time assuming a major role in social welfare activities. In fact, the Government in those years not only assumed primary responsibility for promoting and providing funds for welfare programs, but it actually made such programs the major activity of the Government itself. This is evident from the fact that the Roosevelt administration in its first two terms spent more money, and probably more official time, on social welfare than on any other matter including defense. But even then, expenditures under Federal welfare programs during the Roosevelt years were modest, indeed, when compared to amounts in recent years.

Expenditures which can properly be classified as social welfare totaled approximately $3 billion in each of the fiscal years 1935 and 1940. In Roosevelt's last year, fiscal 1945, they were only $2.3 billion, with the reduction being due to elimination of work relief spending which bulked large in the 1935 and 1940 totals. By 1950, however, the total had risen to $7 billion. During the next five years these expenditures rose over $5 billion more to $12.2 billion. And by 1960 the total will have risen an additional $9.4 billion to $21.5 billion.

With the exception of the 1960 amount, the above totals have been computed from analyses of social welfare expenditures which the U.S. Social Security Administration has prepared for the 1935–57 period. The 1960 figure was computed from estimates in the 1960 Federal budget. All of the programs which are included in this analysis as social welfare are also included in the Social Security Administration's analyses. But two categories of expenditures which are included in the latter are excluded from this study. They are expenditures for public and veterans' education programs, and operating and capital expenditures for military medical programs. The purpose of these exclusions is to bring the field encompassed by this study closer to popular conceptions of what constitutes social welfare activities.

DIRECT BENEFIT PAYMENTS ACCOUNT FOR BULK OF THE EXPENDITURES

By far the greater portion of the total expenditures under Federal social welfare programs has been in the form of direct benefit payments as contrasted to welfare services. With the exception of relatively small amounts of surplus food distributed to needy persons as direct relief, all of the direct benefit payments have been in cash. These direct benefit programs include the three payroll tax supported programs, namely, old-age, survivors, and disability insurance, railroad retirement, and railroad unemployment and disability insurance. They also include Federal civilian and military personnel retirement, unemployment benefit programs, workmen's compensation, veterans' compensation and pensions, public assistance, and work relief, and direct relief of needy persons.

The welfare services, as distinguished from direct benefit payments, include all types of health, hospital, and medical care programs except military medical and hospital activities. They also include the cost of financing administration of State employment security programs, vocational rehabilitation, school-lunch and child-welfare programs, public housing contributions, and several miscellaneous programs.

Following are the outlays for social welfare under Federal programs, segregated between direct benefit payments and welfare services, for selected years from 1935 to 1960:

[In millions]

	Direct benefit payments	Welfare services	Total
1935	$2,863	$79	$2,942
1940	2,976	219	3,195
1945	1,814	458	2,272
1950	5,040	1,954	6,994
1955	10,421	1,789	12,210
1956	11,671	1,952	13,623
1957	13,288	2,212	15,500
1958	15,579	2,332	17,911
1959 estimate	17,747	2,510	20,257
1960 estimate	18,939	2,607	21,546

OUTLAYS FOR RETIREMENT AND RELATED PROGRAMS RISING RAPIDLY

The growing numbers of eligible beneficiaries and repeated liberalizations of benefits have caused a sharp increase in expenditures under the Federal programs which provide retirement benefits to workers and death benefits to survivors of deceased workers. Included in this category are the old-age, survivors, and disability insurance program which also provides benefits for permanent and total disability, railroad retirement and Federal civilian and military personnel retirement.

Here is how expenditures under these programs have risen since 1935:

[In millions]

	OASDI	Railroad retirement	Federal personnel retirement	Total
1935			$90	$90
1940	$28	$117	107	252
1945	267	145	185	597
1950	784	304	433	1,521
1955	4,436	576	799	5,811
1956	5,485	603	935	7,023
1957	6,666	707	1,039	8,412
1958	8,247	730	1,145	10,122
1959 estimate	9,640	769	1,360	11,769
1960 estimate	10,745	815	1,545	13,105

The OASDI and railroad retirement programs are financed by payroll taxes divided equally between the employer and his employees. Self-employed persons under OASDI pay three-fourths of the combined employer-employee tax rate. Federal civilian employees' retirement and related benefits are financed by equal contributions of the Government and its employees, and military retirement benefits are financed entirely by the Government through annual appropriations.

The payroll tax or contribution rates of each of these programs have been increased several times since their inception. Also, the taxable wage base of both the OASDI and railroad retirement programs has been increased from the original base, with the OASDI wage base having been raised three times from the original level of $3,000 per year to the present level of $4,800. These increases in tax or contribution rates and in the wage base were effected in order to cover the growth in expenditures which has resulted from maturing of the programs and from repeated liberalization of benefits.

APPROPRIATIONS-FINANCED PROGRAMS ALSO SHOW BIG GROWTH

The Federal role in the 1930's was largely the provision of work relief and surplus food to the needy. Expenditures for these purposes in 1935 were $2,374 million, or 83 percent of total direct benefit payments in that year. Most of the remainder was accounted for by $390 million expenditures for veterans' compensation and pensions. By 1940 expenditures for work relief and other direct relief were down to $1,965 million, or 66 percent of total welfare benefit payments. Much of the reduction from 1935 was offset by the $279 million 1940 expenditures under the public assistance programs which were created by the Social Security Act of 1935. Veterans' compensation and pensions also rose somewhat to $448 million in 1940.

From 1945 on there have been no work relief programs, and other direct relief has remained at relatively modest levels under $100 million annually. But Federal expenditures for public assistance and for compensation and pensions have been rising significantly, as the following table shows:

[In millions]

	1945	1950	1955	1958	1960
Public assistance	$418	$1,096	$1,441	$1,760	$2,053
Veterans' compensation and pensions	756	2,093	2,712	3,140	3,350

A major portion of the public assistance expenditures each year is accounted for by the old-age assistance program. This program was created by Congress for the primary purpose of assisting needy aged people who would not be eligible for benefits under the OASI program for lack of wage credits. Thus, it was originally intended that the old-age assistance program would be temporary and would decline in importance and cost as the OASI program began to mature. But this has not occurred. On the contrary, the program's caseload remains at higher levels than during its first 10 years of existence and each year sees a new record of expenditures. Including costs of administration, Federal grants for old-age assistance have grown from $229 million in 1940 to $335 million in 1945, $825 million in 1950, $934 million in 1955, $1,058 million in 1958, and an estimated $1,157 million in 1960.

The principal factors accounting for the rapid growth of Federal expenditures for old-age assistance during the past two decades of almost continuous high employment have been the repeated liberalizations of the Federal matching formula and increases in the maximum State payments for which Federal matching funds are provided. From an original concept of 50–50 Federal-State matching, which was retained until 1946, the Federal share has been increased to four-fifths of the first $30 of the average monthly payment per recipient, plus up to 65 percent of the remaining average payments up to $65.

OTHER DIRECT BENEFIT PAYMENT PROGRAMS

In addition to the aforementioned major social welfare programs, there are several lesser Federal programs under which direct benefit payments are made. These include railroad unemployment insurance financed by a tax on employers and railroad disability insurance financed by employer-employee contributions. They also include unemployment benefits for veterans and Federal employees, and Federal employees' workmen's compensation, all of which are financed from general revenues.

Overall expenditures under these lesser programs were relatively small through 1945. In 1950 they totaled $324 million, and since 1955 they have ranged from a low of $268 million in 1956 to a high of $429 million in 1958, with the amounts depending largely on conditions of unemployment each year.

EXPENDITURES FOR WELFARE SERVICES RISING STEADILY

Expenditures for social welfare services totaled only $79 million in 1935. In the next 10 years they rose at a relatively modest rate to $219 million in 1940 and $458 million in 1945. After World War II, however, these expenditures rose sharply to $1,954 million in 1950, with most of the increase being accounted for by hospital, medical care, and other welfare programs for veterans.

In 1955 expenditures for welfare services receded to $1,789 million with veterans' programs accounting for all of the decrease. Since that year, however, the total has risen steadily with all programs participating in the rise as is shown below:

[In millions]

	Veterans' hospital and medical	Other health services	School lunch and child welfare	Administration of State employment security programs	Other welfare services	Total
1955	$755	$371	$177	$223	$263	$1,789
1956	751	424	235	236	306	1,952
1957	770	566	299	249	328	2,212
1958	804	642	250	296	340	2,332
1959 estimate	852	726	260	300	372	2,510
1960 estimate	887	747	260	312	401	2,607

With one exception, all of the above programs are financed from general tax revenue. The exception is the program of grants to the States for administration of their employment security programs which include unemployment compensation and public employment service operations. Technically, the funds for these grants also come from general revenues but their source is generally considered as being the Federal unemployment tax which is three-tenths percent of covered payrolls.

The most important of the other welfare services in the above table is the low-rent housing subsidy program. Under this program annual Federal contributions are made to cover the difference between rental income and operating costs (including debt service) of public housing projects. These public housing contributions have been rising steadily since the first projects were built pursuant to the Housing Act of 1937. They were quite modest until 1950 when they still amounted to only $12 million. Thereafter, however, annual contributions rose substantially due to the large number of projects built under the 1949 Housing Act. By 1958 the program cost $110 million and the estimate for 1960 is $137 million. Even without authorization of additional public housing units, these annual subsidies will rise for some years to come, and they will be a budget burden for the remainder of this century.

SOCIAL WELFARE EXPENDITURES IN THE YEARS AHEAD

Overall expenditures for social welfare under Federal programs will continue to grow substantially for many years to come even if no new programs should be started and if none of the existing programs should be liberalized further. This future expenditures growth is assured by the process of maturing of certain major programs such as OASDI railroad retirement, Federal civilian and military personnel retirement, and veterans' pensions. The Congress has no control over these expenditures through the annual appropriations process. So, the only way they could be reduced below levels they will otherwise reach would be through revising basic legislation to cut benefit amounts, or to tighten up on eligibility for benefits, or both. But except for some possible revisions in the veterans' pension laws, such a reversal of past liberalization trends in these programs can hardly be expected.

Assuming no further liberalization of benefits and assuming a constant level of wages and salaries, expenditures under the Federal retirement and pension programs will grow as follows according to actuarial estimates:

[In millions]

	1960	1965	1970	1975	1980
Old-age and survivors insurance	$10,237	$12,532	$15,251	$18,008	$21,145
Federal disability insurance	508	824	1,082	1,282	1,413
Civilian personnel retirement	825	1,320	1,540	1,870	2,090
Military personnel retirement	720	890	1,200	1,500	1,620
Railroad retirement	815	955	1,009	1,084	1,152
Veterans' pensions	1,213	1,516	1,665	1,873	2,275
Total, pension programs	14,318	18,037	21,747	25,617	29,695

The figures in the above table for old-age and survivors insurance and for Federal disability insurance are intermediate-cost estimates of Social Security Administration actuaries. The administrative costs included in the totals have been adjusted in recognition of the 1958 civil service salary increase. The civilian personnel retirement figures are based on 1957 actuarial estimates of the Civil Service Commission with 10 percent upward adjustments for the 1958 salary increase. Military personnel retirement projections are based on 1953 actuarial estimates of the Defense Department with 15 percent upward adjustments taking into account military pay increases of 1955 and 1958 and retirement experience since 1953. The projections for railroad retirement and veterans' pensions are the latest actuarial estimates of the Railroad Retirement Board and the Veterans Administration respectively.

Of the other social welfare programs, two major ones should begin to decline in cost because of decreasing case loads; provided, of course, that benefits are not further liberalized. They are the old-age assistance and veterans compensation for service-connected disabilities and death. With reference to old-age assistance and other public assistance programs, the President stated in his 1960 budget message that an advisory council was being appointed to study them with a view to shifting a larger share of the responsibility for them to the States and localities.

Most of the remaining social welfare programs have been showing a growth trend during each of the last 5 years or more. It is particularly pronounced in health, hospital and medical programs exclusive of veterans programs. In the aggregate they have doubled in 5 years from 1955 expenditures of $371 million to a 1960 estimate of $747 million. The growth in other welfare services has been steady but not so pronounced. How these health and other welfare services programs will grow, or recede, in the years ahead is impossible to predict since there is no actuarial basis for them as there is for the various pension or retirement programs.

PRESSURES CONTINUE FOR NEW AND BIGGER WELFARE PROGRAMS

In the span of just 10 years from 1950 to 1960, outlays for Federal social welfare programs will have tripled from $7 billion to $21.5 billion. Moreover, they will continue to grow at a rapid rate under existing laws for several more decades. But in spite of the tremendous growth in welfare expenditures already recorded and predictable in the years ahead, pressures are being brought to bear on Congress for expansion of existing programs, liberalization of present benefits, and creation of new programs.

It would doubtless be found from an examination of all bills introduced in this session of Congress that they include not only some new welfare programs but also measures for expansion or liberalization of benefits with respect to every single program covered in this study. Some of these proposals which will receive more than perfunctory consideration in the present Congress include:

1. Liberalization of existing OASDI benefits.
2. A new program of hospital and surgical benefits for persons on the OASI benefit rolls.
3. Liberalization of railroad retirement and unemployment benefits.
4. Liberalization of civilian and military personnel retirement.
5. Liberalization of veterans compensation and pensions.
6. Liberalization of public assistance.
7. Authorization of additional public housing units which would accelerate the rise in annual public housing subsidy contributions.
8. Increased appropriations (above the budget) for all types of health, hospital, and medical programs.
9. Increased appropriations for school lunches and a variety of other welfare services.

It is to be hoped that in considering proposals like those above, the Congress will look not only to their desirability in the eyes of proponent groups, but also to their actual need, their cost, and the effect on the economy of financing their cost. In considering these factors, Congress should not overlook the fact that additional taxes will be needed in the years ahead to finance expenditure growth which is already built into existing programs. A case in point is the OASDI tax which within 10 years will rise from 2½ to 4½ percent each on employer and employee and from 3¾ to 6¾ percent on the self-employed.

EUGENE F. RINTA,
Research Director.

PROPOSED CIVIL RIGHTS LEGISLATION—TESTIMONY OF SENATOR THURMOND BEFORE THE SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS

Mr. TALMADGE. Mr. President, today the able and distinguished junior Senator from South Carolina [Mr. THURMOND] testified before the Subcommittee on Constitutional Rights of the Senate Committee on the Judiciary in opposition to the so-called civil rights bills under consideration by that group. His presentation was eloquent and convincing, and I ask unanimous consent that the text of his remarks be printed herewith in the body of the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR THURMOND BEFORE CONSTITUTIONAL RIGHTS SUBCOMMITTEE OF SENATE JUDICIARY COMMITTEE MARCH 18, 1959

Mr. Chairman and members of the committee, I wish to comment in detail on the lack of merit of each of the so-called civil rights proposals under consideration by your committee. I shall address myself to the detailed provisions, subject by subject. First, however, I would like to comment briefly on the philosophy which apparently breeds such proposals.

The philosophy of which I shall speak is responsible for all of the bills on this subject, directly or indirectly, but is most evident in the provisions of S. 810. This proposal is extreme. It is punitive. It is flagrantly abusive. It is palpably and viciously anti-Southern. It would, in effect, treat the South as a conquered province, to be ruled over, insofar as race relations are concerned, by a czar in the person of the Attorney General of the United States. It is, in every respect, a conquered province bill.

That the bill has this sweeping purpose is not surprising to me, in view of the curious attitude exhibited toward the South by those who adhere to the philosophy which bred it. On occasions, I have heard those enslaved to this philosophy, when speaking with regard to the South's effort to turn aside, or at least to soften, some of the more extreme legislative blows aimed at it, remark, somewhat ruefully, that they sometimes wonder just which side did win the Civil War. Such a remark, spoken in a serious manner, reflects, I repeat, a curious attitude—an attitude which seems to be that the North, having been victorious in war, should by right, or might, have a free hand to work its will on the South; and that there is something altogether unreasonable, almost outrageous, or shocking—about the South actively offering any objections. There would seem to be almost a sort of resentment that the South should offer any resistance at all to Northern efforts to remake the South or to write new laws for it.

This strange attitude toward the South—which has become increasingly noticeable on the part, not only of certain political figures, but of various editors, authors, professors, and national labor leaders—is reminiscent of the attitude which prevailed in the North after the War Between the States and even long after Reconstruction.

This attitude on the part of the North was very ably described by a southern scholar, Frank Lawrence Owsley, who wrote on the subject nearly three decades ago. Mr. Owsley wrote:

"After the South had been conquered by war and * * * impoverished by peace, there still appeared to remain something which made the South different—something intangible, incomprehensible, in the realm of the spirit. That too must be invaded and destroyed; so there commenced a second war of conquest, the conquest of the southern mind, calculated to remake every southern opinion, to impose the northern way of life and thought upon the South, write "error" across the pages of southern history which were out of keeping with the northern legend, and set the rising and unborn generations upon stools of everlasting repentance. Francis Wayland, former president of Brown University, regarded the South as 'the new missionary ground for the national schoolteacher,' and President Hill of Harvard looked forward to the task for the North 'of spreading knowledge and culture over the regions that sat in darkness.' "

Wayland and Hill, of course, dealt with what might be called the educational and cultural front. Their counterparts on the political and governmental front were Thaddeus Stevens of Pennsylvania and Charles Sumner of Massachusetts; and the theoretical rationalization of the line of thinking—or of malice—on which Stevens and Sumner operated, in dealing with the South, is known as the "conquered province" theory. In essence, this theory held that the South, having been defeated in war, was a "conquered province," to be dealt with by the victorious North as the North saw fit.

The whole curious attitude toward the South reflects, it seems to me, something of this same attitude of treating the South as a conquered province. Certainly this bill, emphasizing as it does the forcible integration of southern schools, proceeds upon that theory. Certainly, beyond any possible dispute, this bill makes a mockery of the fundamental and once cherished principle, apparently now discarded from our governmental system of "government by the consent of the governed."

Speaking of this idea of "consent of the governed," I sometimes wonder if it has ever occurred to those Senators and others who are constantly proposing new methods of integrating southern schools that the people of each and every one of the Southern States could, at any time they should so wish, either through their legislatures or through amendment of their State constitutions, abolish segregation of the races in any sphere of activity controlled by their State? I further wonder if it occurs to the Senators that the reason why these States have not taken this action is that the overwhelming majority of the people of these States do not wish to take such action? I further wonder if it occurs to the Senators that, whatever may be the opinion of the majority of the people of the North as to integration, to force the integration of southern schools in the face of the obvious and manifest opposition of the overwhelming majority of the southern people, is the very negation of the principle of "government by consent of the governed"?

The philosophy, which breeds a conquered province bill, is a disgrace to our country's heritage. No such attitude has reared its ugly head after any other war in which we have engaged. Our attitude toward the Axis' powers following World War II was magnanimous. Yet, the conquered province bill is the offspring of the same philosophy which prompts Russia's treatment of its East European conquests and which we heartily—and correctly—condemn and deplore. Is the outgrowth of this philosophy any less despicable when evidenced in our own land? It would not be remiss to apply the words of the third verse of the seventh chapter of St. Matthew, "And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?" I sincerely hope that objectivity and reason will triumph over the philosophy which bred this conquered province bill, for only this mother philosophy can nurture the offspring, and without this philosophy the bill will die as it justly deserves.

I turn now to the lack of merit of the various proposals. Two of the proposals pending before the committee, specifically title I of S. 810, and S. 958, provide in varying degree for the endorsement by Congress of the Supreme Court's desegregation decisions.

I will not discuss the demerits of those decisions beyond saying that they ignore the existence of the Tenth Amendment to the Constitution, the doctrine of stare decisis, and the wisdom of all previous Courts; they are based solely on erroneous sociological theories rather than law, and they are a living exemplification of the lack of judicial restraint which has characterized the present Court. I would address myself, rather, to the foreseeable effects of a congressional endorsement of these decisions.

The endorsement by Congress of a Court decision, would, in the first place, constitute an invasion by the legislative branch of the functions of the judicial branch of our Government. Is this to set the precedent for Congress to express its approval or disapproval of each controversial decision of the Court? If we are indeed to so intermingle the functions of the legislative and judicial branches, I suggest that the committee is remiss for not already entering into a study to express congressional opinion on the cases mentioned and referred to last fall by the State supreme court justices in their report on the recent decisions of the Supreme Court, and also the pronouncements on Internal Security decisions issued recently by the American Bar Association.

Obviously, this endorsement has no purpose except to heap coals on the fires of divisiveness created by the decisions. It is an effort to add insult to injury, and to insure that the tremendous setback to race relations is magnified and perpetuated. It is an effort to commit the Congress, once and for all, to a course of punitive and arbitrary action, devoid of reason and understanding. This proposal has no constructive purpose; it seeks not a solution of the problem, but rather a compounding of the problem.

In this regard, I would digress for a moment. The thought has occurred to me that history is repeating itself. At the time of the Civil War, and subsequently during Reconstruction, many elements promoted the belief, to a large extent successfully, that the cause of that war was the issue of slavery. Slavery was played up as an emotional issue, and while it was a contributing factor, the basic cause of the war lay in the economic field. I believe it is somewhat analogous that the recent sudden outburst of righteous indignation over segregation in the South just happens to coincide with the emergence of a rapid industrialization of the South, perhaps to the economic disadvantage of other sections of the country.

This endorsement is the most basic issue in the proposals before the committee, for the action on this issue will decide whether the hate-dominated conquered province philosophy, or reason and judgment, is to control.

I turn now to the subject of titles II and III of S. 810 and S. 958, which would authorize Federal financial assistance to schools which desegregate, and also put tighter reins on aid to schools in federally impacted areas. I realize that S. 958 is not technically before this committee, having been referred, and I believe correctly, to the Committee on Labor and Public Welfare. The provisions of titles II and III of S. 810 cover the same subject, albeit more expansively, and it occurs to me that this portion of the bill S. 810 is equally within the jurisdiction of the Labor and Public Welfare Committee. Since these provisions of S. 810 are part and parcel of the bill under consideration by this committee, I shall address myself to them, and my remarks are also applicable to the

provisions of S. 958. The fact that I comment on the proposals in no way alters my conclusion as to this committee's jurisdiction.

Essentially, these proposals embody the concept that the apparently prevailing god—money—shall be utilized to bring the South to forsake its principles. It is apparently based on the belief that bribery will accomplish what force and bayonets failed to secure.

I have long suspected that the descriptions of our foreign policy as "dollar diplomacy" were more truth than fiction.. Having failed in foreign relations, dollar diplomacy would now be applied to race relations. There has long been a hint of bribery in the Federal programs, which have accomplished the surrender of invaluable individual rights with a sugar coating of Federal grants, but the bribe offer appears in this proposal unveiled and naked, clearly recognizable in its most despicable form.

I think it is fitting that this proposal comes at a time when the financial condition of the United States is so embarrassed that the bribes would have to be borrowed before being offered. I am reminded of the words of John Ruskin, that "Borrowers are nearly always ill-spenders, and it is with lent money that all evil is mainly done, and all unjust war protracted."

Titles IV and V of S. 810 apparently recognize that the bribery proposed in earlier provisions of the bill will not seduce the Southern people, for it provides that should the money-bait fail—and I assure you it would—there would be a return to force.

Education, in all aspects, would be turned over to the Federal Government, and administered by the Department of Health, Education and Welfare. The tool proposed to be utilized to accomplish this unconstitutional step is the so-called "desegregation plan." It would have the Secretary of HEW proceed as far as possible by use of intimidation and threats, and to complete the process with a court injunction.

While the demerits of this proposal are almost unlimited, the destruction of education itself looms largest. I recall the hearings last year before the Senate Committee on Labor and Public Welfare on the National Defense Education Act. If there was one point upon which almost all witnesses, from every field agreed, it was the essentiality of local control of the schools. To be sure, there were differences on how to maintain local controls, and even to increase local interest, but from all came the admonition that without local control, education would perish. It should be obvious, then, that the death of education is inherent in any proposal, such as this, which would give control of education to a Federal bureaucrat. There is difficulty enough in attempting to maintain our educational process at a level on which we can survive the threat of Communism and other false ideologies. To sound the death knell of education would surely be a folly, most aptly described as "cutting off your nose to spite your face."

Titles VI and VII of S. 810 can most accurately be summarized as the "National Police State" proposals. They would crown the Attorney General of the United States as Czar. The stature of this official, as proposed here, would be the equivalent to that of 1984's "Big Brother," who would be the caretaker of everyone's rights.

Section 601 would give the Attorney General the power to bring so-called civil rights suits on behalf of individuals or groups and prosecute these suits at Government expense.

Have the laws of our country degenerated to such an extent that an individual can no longer bring legal actions to protect himself? Some may answer that question in the affirmative, but the negative answer was practically unanimous at the time it was asked in regard to the victims of labor violence and bossism. Why the about face? Traditionally, we have relied on the democratic philosophy that it was the duty of government to provide only the opportunity and machinery for our citizen to protect himself—and I might add, our historical approach has been successful. Such a benevolent attitude, as is proposed to be implemented here, could only stem from a belief that basically, the American citizen is suffering from disabilities that go to the very heart of the soundness of self-government. It smacks of the instigation of officious intermeddlers and even barratry itself.

Section 602 of S. 810 would authorize the Attorney General to seek injunctions in Federal courts to prevent interference with officials who were proceeding with desegregation.

The Attorney General would be crowned, not only as the protector of the individual, but as the champion and protector of Federal, State, and local officials. The Federal Government already has sufficient statutes on the books to deal effectively with anyone who interferes with Federal officers performing their duties, although the conclusion that these statutes are unknown to Federal officials is strengthened by the recent incident when bayonets of the Armed Forces were the first resort. Similarly, the States and local municipalities have laws protecting their own officials in the performance of their duties. If the latter be less stringent than those of the Federal Government, it is easily understandable, for the laws of the States and local municipalities are more in accord with the consent of the governed, and extreme measures are less essential to the enforcement of laws which are not so repugnant to the citizenry.

This provision, section 602 of S. 810, raises some additional questions by virtue of its shotgun approach. Would a local official be interfered with if he were subjected to recall? Is his retention in office, against the wishes of his constitutents, a part of the protection which Big Brother Attorney General is to provide? If the official be appointed, could the appointing authority be enjoined from removing this official for failure to adhere to local and State laws? These are but a few of the dangers of this proposal. Lest anyone be complacent from the knowledge that this measure is aimed at the South, let me remind you that there are such things as backfires, ricochets, and just plain misses which "accidentally" strike bystanders. If you will play with loaded guns to frighten your adversaries, don't be surprise if you get your head blown off.

There is another feature of this particular section, which is similar to that of S. 955. The provision to which I refer is the part that deals with "threats" concerning court desegregation decisions or orders. Section 602 of S. 810 would authorize the use of injunctions in this connection, while S. 955 would deal in criminal offenses. They have at least one demerit—and that is an understatement—in common. Both these provisions would abolish the free speech guaranteed by the 1st amendment to the Constitution, the former through the threat or use of the injunction, the latter by threat or use of criminal prosecution. In neither proposal is there any contingency or condition hinged to either the commission of an overt act or the setting of a time certain for committing an act—these being the two dividing lines which have always been utilized to distinguish the realm of free speech from punishable trespasses. This reckless disregard of constitutionally-guaranteed individual liberty is typical of the philosophy which spawns these so-called civil rights measures.

Another part of Title VI of S. 810, specifically Section 603, is designed to negate the operation of State police power. The very appearance of this section, composed of one all-inclusive 125-word sentence, brings to one's mind the word "camouflage." If the smoke-screen words are brushed aside, there emerges a diabolical plot, the deviousness of which can best be illustrated by a specific example of what is apparently contemplated. For example, this section could be employed to prevent a Bar Association Grievance Committee from investigating allegations of barratry. It could also be used by big brother Attorney General to prevent criminal prosecutions based on State statutes or local ordinances about which there can be no doubt of validity from a constitutional or other standpoint. The only favorable aspect of this provision is consistency, for it conforms to the other proposals in this bill by ignoring limitations on Federal Government jurisdiction as provided in the Constitution, as well as being in derogation of the most basic safeguards of individual liberty. If, perchance, some might conclude that my characterization of this section be in the extreme, consider the language which authorizes the Attorney General to seek injunctions, etc., against, "any individual or individuals, who under color of any statute, ordinance, regulation, custom or usage, deprives or threatens to deprive any person or group of persons, or association of persons, of any right guaranteed by the fourteenth amendment of the Constitution." It is truly a sacrilege to use the word "Constitution" in such a context.

About Section 604 of S. 810, I can only say that this would authorize the Attorney General, by intervening in law suits, to pose as a judicially-despised, officious intermeddler, in derogation of real-party-in-interest statutes of the various States.

The all-powerfulness of the big brother Attorney General is emphasized by the provision of Title VII of S. 810, which would nullify the laudatory judicial principle that all administrative remedies must be exhausted before resorting to litigation.

The next general category of these proposals on which I should like to comment is that connected with the bombing of schools and residences. Let me say initially that I deplore any resort to violence, and bombing is one of the most despicable examples of an unforgivable crime. Nevertheless, I oppose each and every one of the proposals pending before this committee which deal with this question.

Several approaches are advanced to empower the Federal Bureau of Investigation with jurisdiction in this field. All of them ignore the fact that this particular specie of crime, like any other crime, is a local matter, and can be most effectively controlled and prevented by local authorities. If the Federal police force is given jurisdiction, there will be a strong inclination on the part of local authorities to wash their hands of the matter. Responsibility must necessarily go hand in glove with authority, and separation of the two in the field of law enforcement will result in deterioration of its effectiveness.

S. 188 gives the Federal Bureau of Investigation original jurisdiction of bombing cases by use of a statutory presumption that bombings are accomplished with explosives transported in interstate commerce. It ignores the constitutional test which has always been applied to statutory presumptions—to wit, that they must be based on a succession of circumstances which would reasonably and logically lead to the presumption. This test applies despite the fact that a statutory presumption is, by statute, made rebuttable. In fact, the very definition of the word "presumption" implies a

quality of rebuttability, so that this qualification in the proposal has no material bearing on the question. It would be a completely unrealistic stretch of the imagination, falling in the category of pure speculation, to presume that for every explosion, the explosive used had been transported across State lines. Anyone who has had a course in elementary chemistry is aware that an explosive can be compounded with the simplest of materials, available in the raw state within the boundaries of almost every State in the Union. For example, one of the most powerful of nonatomic explosives is nitroglycerin. This substance, which is a liquid, is made by treating glycolic acid with nitric and sulphuric acid. Obviously, nitrogen and sulphur exist in the raw state almost everywhere. Glycolic acid, the other component of this explosive, while readily, and usually, produced artificially, exists ready-made in unripe grapes, and also in the leaves of a common plant pest, the Virginia Creeper. With these materials, and the instructions found in any book on elementary chemistry, anyone can produce an explosion of great proportions without any importations. I might add that this illustration is not nearly so absurd as is the proposed presumption contained in this bill.

Can anyone really believe that the commerce clause of the constitution can be stretched to this point without destroying that document? Why limit the jurisdiction of the FBI to crimes where explosives are used? Is there not just as much reason to presume that a murder committed with a knife or a gun could be related through the weapon to interstate commerce? The logic would be much sounder if applied to any crime in which the automobile was used as an instrument to flee the scene, or for that matter to get to the scene of the crime in the first place. If we adopt this jurisdictional standard, we will have erased all distinction as to a crime which comes exclusively within the jurisdiction of the State. The commerce clause was never intended for use as a wedge for criminal jurisdiction.

With reference to the approach of S. 499, which would make a Federal crime of interstate transportation of explosives with knowledge that they are to be used for bombings, it is sufficient to say that no conviction would ever result, due to the very essential requirement of knowledge of the ultimate use during interstate transportation. Its only result would be that described previously, which inevitably follows the shift in responsibility for law enforcement.

The provisions of S. 956, which would create a Federal offense for interstate flight to avoid prosecution for bombing, can best be characterized as totally unnecessary. There is not one example known to me where a person has avoided prosecution for bombing any structure by flight across State lines. There is no reason to believe that persons guilty of this crime, to any greater extent than persons guilty of other crimes, will flee over State lines to avoid prosecutions, nor that there is any less likelihood of their return through normal extradition procedure. In the absence of a death resulting from an explosion, there is in fact less reason to expect interstate flight, than there is in the event of a murder or other serious crime, the penalty for which is more severe—often death itself.

The Federal system of government has many advantages, most of which we do not fully appreciate, and indeed, to some of which we appear oblivious. The advantage of having the machinery, by which our Federal officials are chosen, divided, as to control, between 49 separate entities is so effective in preventing a perpetuation in office of a President, that its importance is often overlooked. The necessity for this safeguard can be realized, if one will but consider the political history of some of our larger cities. Through effective control of the election process, many a political machine has bled a city for years, despite the efforts of the citizenry to escape its grasp. Too often such a machine has literally died of old age, falling only for lack of continuity from one generation to the next.

It is, therefore, with suspicion, that we should view any proposal for Federal authority in the voting process. History is replete with proof that the lust for power lies in the most unsuspected man, latent only so long as not the slightest opportunity for exercise is offered. An opening wedge is all that a would-be tyrant needs to remove him from the "would-be" class. Just such a wedge in our election process is proposed by both S. 957 and title III of S. 499, which would give the Attorney General subpena power over election records. The gravity of the consequences of giving the executive branch, or any other branch for that matter, even slight authority in this field should send shudders down the spine of every liberty-loving individual. To tamper with such a basic safeguard as the States' control of election machinery, is playing with fire, and I sincerely trust that in this case we shall avoid the proverbial approach with its painful lesson.

I would next like to comment briefly on the proposals of S. 960 and title II of S. 499, to extend the life of the Civil Rights Commission. I have previously stated my convictions at some length with regard to the creation of such a body. The idea behind the creation of the Commission is still dangerous. Despite the potential dangers, which may yet prove disastrous, the Civil Rights Commission itself has so far been somewhat of a joke, because the great flood of complaints from the South about civil rights denials, which were so widely predicted, somehow failed to materialize. Consequently, the Commission has had little to do. It has thus far been able to concentrate on making as much capital as possible out of two isolated cases it dug up in Georgia and Alabama. By far the better part of discretion is to let the Commission die.

There remains one proposal on which I should like to comment. S. 955 proposes to set up a Federal conciliation service, which would provide the same service in local race disputes that labor mediators provide in strike situations.

Now this is indeed a novel approach to the civil rights question. It reflects a line of thinking, a mistaken notion, which is prevalent among so-called liberals—a line of thinking, the fallacy of which ought to be obvious, I should think, to anyone who has had an opportunity to observe the racial situation as it actually exists in the South.

The uninformed so-called liberals refer to what they call the deteriorating race-relations situation in the South and call for Federal law and Federal action to remedy the situation. The impression sought to be conveyed is that, somehow, left alone and of its own accord, the status of race relations in the South has reached a terrible and serious pass, with the white and colored races lined up solidly in mutual opposition, with actual conflict imminent; and that, in order to save the situation and promote healthy race relations, positive action by the Federal Government is imperative.

Now, Mr. Chairman, anyone who has been familiar with the South knows that, left alone, the racial situation actually was very harmonious, very peaceful. Prior to 1954, certainly, probably nowhere else in the world, where two such different races inhabit the same territory in large numbers, have race relations been so peaceful and so harmonious. What deterioration has occurred since then, has been, certainly not an indication of any need of Federal action, but rather, the result of Federal action and Federal interference in the field of race relations—especially the Supreme Court's school desegregation decision of 1954.

But even though the past 4 years have seen some grave developments in the South, it should be emphasized that there is no such state of conflict between the white southerner and the Negro as the "liberals" seem to imagine. To the contrary, relations between the two races in the South are still good, by and large, and let us hope they remain so. Where in the South can one find what can properly be called a racial dispute? Where in the South are the white people and the colored people arrayed against each other?

The Southern Negro is not fighting the Southern white man. The white people of the South are not fighting the Southern Negro. We are fighting a vicious, white-led pressure group known as the National Association for the Advancement of Colored People, and we are fighting a usurping power-mad Federal Government which is backing the NAACP down the line. Now, even though conflicting views on race, and conflicting theories about race relations may be involved, this fight between the South, on the one hand, and the NAACP and the Federal Government, on the other, can in no sense be termed a racial dispute. Oh, to be sure the NAACP, in violation of all the ancient legal traditions against barratry, makes use of handfuls of Negro children here and there as stooges; but to indict the whole Southern Negro people for this would be gravely wrong. To call these NAACP-inspired situations "racial disputes," implying that the white people and the colored people involved are fighting each other as groups, is to do a grave injustice to the Southern Negro, to the Southern white man, and to the truth.

Thus a Federal conciliation commission, set up to mediate local racial disputes in the South, would be about the most superfluous, the most totally unnecessary, agency anyone could think of.

Now it is true that in New York City, in Buffalo, in Philadelphia, in Chicago, and in some other cities in Northern States, there do exist situations which can truly be termed racial disputes; and it is possible that a Federal conciliation commission, such as that proposed by the Senator from Texas, might find some valuable work to do in those localities. However, being a believer in constitutional government, States rights and States responsibilities, I am firmly opposed to the creation of any such Federal commission. It is up to the State of New York, the State of Pennsylvania, the State of Illinois, and whatever other Northern States are troubled by racial disorders, to handle these situations; and I am confident that these States are perfectly capable of doing so, just as our Southern States are likewise capable of running their own affairs.

So much for specific proposals, but I would like to make a few general observations in closing.

Since the end of the Civil War, our country has survived many serious crises, including two global wars, a great depression, and we are now engaged in a life-and-death struggle with the godless forces of communism. During these crises, our citizens from all parts of the country have shown an amazing ability to work together, and when necessary, sacrifice together, for the common good of the country. No country has ever come so far toward harmony after such a long, bitter war between its own peoples. The South has borne the brunt of reconstruction, which enlightened persons consider to be the severest blight on our history by far. At the same time the South has made great strides

in dealing with the problems wrought by reconstruction—principally poverty, which in itself strained race relations.

In the last few years, there has been an astounding growth of the philosophy which bred reconstruction, and which has culminated in the conquered province bill before this committee. It is not a philosophy embraced by a majority of people in any major section of the country. It is the philosophy embraced and vociferously espoused by a minority of a few minority groups. The adherents of this philosophy would exploit by exaggerations the humanitarian instincts of the members of this body, among others. If, through appeal to emotions, they can gain their end, it is of no consequence to them, if, in the process, they sacrifice the most basic assets of our republican form of government and seduce our people to acts to which even the Communists would exhibit scruples.

It is my sincere belief that the majority of the members of this committee, the Senate, and Congress itself, in the inner recesses of thir own judgment, know and believe that the enactment of the measures pending before this committee today is not in the best interest of the country; but on the contrary, the enactment of such measures will actually aggravate the very problems they ostensibly seek to solve.

At the same time, I am aware of the force of practical politics. In all too many instancs, the adherents of the conquered province philosophy can control the balance of power in a given electorate.

In seeking objectivity, and the proper course to follow on the consideration of this question, I commend to each member of the committee, and indeed to each Senator and Member of Congress, the words of one of the earliest and stanchest of America's foreign friends, Edmund Burke, who stated to his British constituents, on November 3, 1774:

"Your representative owes you, not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion."

Thank you for your attention.

CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I ask unanimous consent that the Senate proceed to the call of the calendar for the consideration of measures to which there is no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and the Senate will proceed with the call of the calendar.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Without objection, it is so ordered.

THE CALENDAR

The PRESIDING OFFICER. Under the order previously entered, the clerk will proceed to state the measures on the calendar to which there is no objection, commencing with Order No. 51.

PRESENTATION OF FIRST OFFICIAL FLAG OF THE UNITED STATES TO SENATORS AND REPRESENTATIVE FROM THE STATE OF ALASKA

The Senate proceeded to consider the joint resolution (S.J. Res. 19) authorizing the Architect of the Capitol to present to the Senators and Representative in Congress from the State of Alaska the first official flag of the United States bearing 49 Stars and which is flown over the west front of the U.S. Capitol, which had been reported from the Committee on Rules and Administration, with amendments on page 1, line 5, after the word "the" where it appears the second time, to strike out "first"; in line 6, after the world "stars", to strike out the comma and "and"; at the beginning of line 7, to insert "first"; and on page 2, at the beginning of line 2, to strike out "University" and insert "Governor"; so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Architect of the Capitol is hereby authorized and directed to present to the Senators and Representative in Congress from the State of Alaska the official flag of the United States bearing forty-nine stars which is first flown over the west front of the United States Capitol, for presentation by such Senators and Representative to the Governor of Alaska.

The amendments were agreed to.

The joint resolution, as amended, was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution authorizing the Architect of the Capitol to present to the Senators and Representative in the Congress from the State of Alaska the official flag of the United States bearing forty-nine stars which is first flown over the west front of the United States Capitol."

BILL PASSED OVER

The bill (S. 12) to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORTON. Mr. President, I ask that the bill be passed over, it not being appropriate business for transaction on the call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

REAPPOINTMENT OF ROBERT V. FLEMING

The joint resolution (H.J. Res. 198) to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 611) for the relief of Harry H. Nakamura, was announced as next in order.

Mr. ENGLE. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

ESTATE OF SINCLAIR G. STANLEY

The Senate proceeded to consider the bill (S. 607) for the relief of the estate of Sinclair G. Stanley, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 6, after the word "plus", to strike out "interest at the rate of 6" and insert "simple interest at the rate of 3", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of the late Sinclair G. Stanley, of Cook County, Illinois, the sum of $33,333 plus simple interest at the rate of 3 per centum per annum from November 1, 1946. The payment of such sum shall be in full satisfaction of all claims of the estate of the said Sinclair G. Stanley for just compensation for the yacht "Seventeen", such yacht having been sold to the Navy in May 1941 for $1 by the said Sinclair G. Stanley who was mentally incompetent at the time of such sale: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on acount of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provision of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STANISLAWA WOJCZUL

The bill (S. 102) for the relief of Stanislawa Wojczul was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Stanislawa Wojczul shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PANTALEON IBARRA ALSO KNOWN AS ELMO GOMES ARCIBAL

The bill (S. 210) for the relief of Pantaleon Ibarra, also known as Elmo Gomes Arcibal was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Pantaleon Ibarra, also known as Elmo Gomes Arcibal, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ALEXANDER ANTONIOU

The bill (S. 244) for the relief of Alexander Antoniou was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Alexander Antoniou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Mr. MORSE. Mr. President, I wish to make this brief explanatory statement in support of my bill, S. 244, for the relief of Alexander Antoniou. S. 244 proposes that Mr. Antoniou be lawfully admitted to the United States for permanent residence, has been reported favorably by the Committee on the Judiciary with the recommendation that it be passed.

Alexander Antoniou is a 57-year-old native of Greece who has been sailing on U.S. vessels as a merchant seaman for approximately 15 years. Mr. Antoniou served honorably on U.S. vessels during the critical war years.

He was unable to qualify for naturalization under the Nationality Act of 1940 because his actual sea time was a few days short of the required period. He cannot qualify under the Refugee Act because he was and still is a seaman serving on American ships and is no longer a resident of Greece.

During the period of consideration of this bill Alexander Antoniou is residing in Portland, Oreg., with his brother, who has made an affidavit of support in his behalf. He also has a brother in Bridgeport, Conn. Both brothers are naturalized citizens.

Mr. Antoniou has always paid Federal income tax on his earnings as a seaman and, as I have said, he served honorably on American vessels in combat areas during World War II. He has been highly recommended as an accomplished chef by every ship's master under whom he has served and would have no difficulty whatsoever in pursuing his profession in the United States. He has many sponsors among executives of large organizations in the city of Portland, is backed wholeheartedly by his family in this country, and has the support of the members and pastor of Holy Trinity Greek Orthodox Church in Portland, Oreg.

THEODORE BURTZOS

The bill (S. 319) for the relief of Theodore Burtzos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Theodore Burtzos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

DAVID FORBES

The bill (S. 323) for the relief of David Forbes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, David Forbes shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

JOHANN KALATSCHAN

The bill (S. 324) for the relief of Johann Kalatschan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Johann Kalatschan may, if he is found to be otherwise admissible under the provision of such Act, be issued a visa and be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States, deems necessary to impose: *Provided,* That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Johann Kalatschan in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: *Provided further,* That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212(a) of the Immigration and Nationality Act known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

ETHEL AUTH

The bill (S. 333) for the relief of Ethel Auth was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Ethel Auth may, if she is found to be otherwise admissible under the provisions of such Act be issued a visa and be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare deems necessary to impose: *Provided,* That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Ethel Auth in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: *Provided further,* That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212(a) of the Immigration and Nationality Act known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

BALBINA BORENSTEIN

The bill (S. 501) for the relief of Balbina Borenstein was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Balbina Borenstein shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

BENEDICT EREMENKO (BEN ZUKE) AND OTHERS

The bill (S. 537) for the relief of Benedict Eremenko (Ben Zuke), Victor Tatarnikov (Victor Kalin), Mikhail Ivankov-Nikolov (Michael Nikolas) and Victor Solovyev was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Benedict Eremenko (Ben Zuke), Victor Tatarnikov (Victor Kalin), Mikhail Ivankov-Nikolov (Michael Nikolas), and Victor Solovyev shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

BEN CHASSIN

The Senate proceeded to consider the bill (S. 46) for the relief of Ben Chassin, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert: "That, in the administration of the Immigration and Nationality Act, as amended, Ben Chassin shall be held and considered to be

within the purview of section 354(5) of that Act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

YAEKO INOUYE

The Senate proceeded to consider the bill (S. 110) for the relief of Yaeko Inouye, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert "That, in the administration of the Immigration and Nationality Act, Yaeko Inouye shall be held and considered to be a returning resident alien within the purview of section 101(a)(27)(B) of that Act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIE SILK

The Senate proceeded to consider the bill (S. 191) for the relief of Marie Silk, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 11, after the word "available", to insert a colon and "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Marie Silk shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SOFIJA LAICA

The Senate proceeded to consider the bill (S. 320) for the relief of Sofija Laica, which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert "That, for the purposes of the Immigration and Nationality Act, Sofija Laica shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee: *Provided*, That the natural parent of Sofija Laica shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. STASYS SEREIKA

The Senate proceeded to consider the bill (S. 322) for the relief of Dr. Stasys Sereika, which had been reported from the Committee on the Judiciary with an amendment on page 1, in line 6, after the word "be," to insert "issued a visa and be," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Doctor Stasys Sereika may, if he is found be be otherwise admissible under the provisions of such Act, be issued a visa and be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States, deems necessary to impose: *Provided*, That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Doctor Stasys Sereika in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: *Provided further*, That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212 (a) of the Immigration and Nationality Act known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLARINDA VEIGA

The Senate proceeded to consider the bill (S. 192) for the relief of Clarinda Veiga, which had been reported from the Committee on the Judiciary, with amendments, on page 1, at the beginning of line 5, to strike out "Clarinda Veiga" and insert "Clarinda da Veiga", and in line 8, after the word "Act", to insert a colon and "*Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (4) of section 212(a) of the Immigration and Nationality Act Clarinda da Veiga may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act. This Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Clarinda da Veiga."

PAULINE D. KIMBROUGH

The bill (S. 667) for the relief of Pauline D. Kimbrough was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Pauline D. Kimbrough, widow of Col. J. Claude Kimbrough, deceased, is hereby relieved of all liability to repay to the United States the sum of $6,367.20, representing gratuity pay received by her upon the death of her husband; the Judge Advocate General of the Army having determined subsequent to such payment that the said Colonel Kimbrough's status at the time of his death was not that of a retired officer on active duty and that no authority existed for payment of such gratuity.

ENFORCEMENT OF CEASE AND DESIST ORDERS UNDER SECTION 11 OF THE CLAYTON ACT

The Senate proceeded to consider the bill (S. 726) to amend section 11 of the Clayton Act to provide for more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes, which had been reported from the Committee on the Judiciary, with amendments, on page 2, line 8, after the word "aside", to strike out "A copy of such petition shall be forthwith served upon the commission or board, and thereupon the commission or board shall certify and file in the court a transcript of the entire record in the proceeding, including all evidence taken and the report and order of the commission or board. Upon such filing of the petition and transcript the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, evidence, and proceedings set forth in such transcript" and insert "A copy of such petition shall be forthwith transmitted by the clerk of the court to the commission or board, and thereupon the commission or board shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon such filing of the petition the court shall have jurisdiction of the proceeding and of the question determined therein concurrently with the commission or board until the filing of the record and shall have power to make and enter"; on page 4, line 5, after "(d)", to strike out "The" and insert "Upon the filing of the record with it the"; and, in line 11, after the word "of", to insert "the"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first and second paragraphs of section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 735, as amended; 15 U.S.C. 21), are hereby redesignated as subsections (a) and (b) of such section, respectively.

(b) The third, fourth, fifth, sixth, and seventh paragraphs of such section are amended to read as follows:

"(c) Any person required by such order of the commission or board to cease and desist from any such violation may obtain a

review of such order in the court of appeals of the United States for any circuit within which such violation occurred or within which such person resides or carries on business, by filing in the court, within sixty days after the date of the service of such order, a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the commission or board, and thereupon the commission or board shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon such filing of the petition the court shall have jurisdiction of the proceeding and of the question determined therein concurrently with the commission or board until the filing of the record and shall have power to make and enter a decree affirming, modifying, or setting aside the order of the commission or board, and enforcing the same to the extent that such order is affirmed, and to issue such writs as are ancillary to its jurisdiction or are necessary in its judgment to prevent injury to the public or to competitors pendente lite. The findings of the commission or board as to the facts, if supported by evidence, shall be conclusive. To the extent that the order of the commission or board is affirmed, the court shall issue its own order commanding obedience to the terms of such order of the commission or board. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board, and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28 of the United States Code.

"(d) Upon the filing of the record with it the jurisdiction of the court of appeals to affirm, enforce, modify, or set aside orders of the commission or board shall be exclusive.

"(e) Such proceedings in the court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or board or judgment of the court to enforce the same shall in anywise relieve or absolve any person from any liability under the antitrust laws.

"(f) Complaints, orders, and other processes of the commission or board under this section may be served by anyone duly authorized by the commission or board, either (1) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (2) by leaving a copy thereof at the residence or the principal office or place of business of such person; or (3) by registering and mailing a copy thereof addressed to such person at his or its residence or principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same.

"(g) Any order issued under subsection (b) shall become final—

"(1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; or

"(2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the commission or board has been affirmed, or the petition for review has been dismissed by the court of appeals, and no petition for certiorari has been duly filed; or

"(3) upon the denial of a petition for certiorari, if the order of the commission or board has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(4) upon the expiration of thirty days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the commission or board be affirmed or the petition for review be dismissed.

"(h) If the Supreme Court directs that the order of the commission or board be modified or set aside, the order of the commission or board rendered in accordance with the mandate of the Supreme Court shall become final upon the expiration of thirty days from the time it was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected to accord with the mandate, in which event the order of the commission or board shall become final when so corrected.

"(i) If the order of the commission or board is modified or set aside by the court of appeals, and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the commission or board rendered in accordance with the mandate of the court of appeals shall become final on the expiration of thirty days from the time such order of the commission or board was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected so that it will accord with the mandate, in which event the order of the commission or board shall become final when so corrected.

"(j) If the Supreme Court orders a rehearing; or if the case is remanded by the court of appeals to the commission or board for a rehearing, and if (1) the time allowed for filing a petition for certiorari has expired, and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the commission or board rendered upon such rehearing shall become final in the same manner as though no prior order of the commission or board had been rendered.

"(k) As used in this section the term 'mandate', in case a mandate has been recalled prior to the expiration of thirty days from the date of issuance thereof, means the final mandate.

"(l) Any person who violates any order issued by the commission or board under subsection (b) after such order has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $5,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the United States. Each separate violation of any such order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the commission or board each day of continuance of such failure or neglect shall be deemed a separate offense."

SEC. 2. The amendments made by section 1 shall have no application to any proceeding initiated before the date of enactment of this Act under the third or fourth paragraph of section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 735, as amended; 15 U.S.C. 21). Each such proceeding shall be governed by the provisions of such section as they existed on the day preceding the date of enactment of this Act.

Mr. MORTON. Mr. President, reserving the right to object, if I may have the attention of the Senator from California [Mr. ENGLE], I refer to the provision on page 3, lines 6 to 8, of the bill which reads as follows:

> The findings of the commission or board as to the facts, if supported by evidence, shall be conclusive.

Senate Report No. 83 accompanying S. 726 at page 9—begins sixth from last line—showing changes in existing law, sets forth the following:

> The findings of the commission or board as to the facts, if supported by [substantial] evidence, shall [in like manner] be conclusive.

It would appear that the language of the bill thus departs from the substantial evidence rule which is generally required to be followed by the various agencies of the Goverment under the Administrative Procedure Act of 1946. I say that because the word "substantial" is stricken and the words "in like manner" are stricken. I shall appreciate the Senator's comment.

Mr. ENGLE. The language "The findings of the commission or board as to the facts, if supported by evidence, shall be conclusive" appearing at lines 6 to 8 of page 3 of S. 726 is identical to the comparable provision in section 5(c) of the Federal Trade Commission Act. Those words, as they appear in the Federal Trade Commission Act, have been consistently construed, since the passage of the Administrative Procedure Act, to require that findings be supported by substantial evidence even though the word "substantial" does not appear in the provision. This provision of the Federal Trade Commission Act having been so consistently construed, it would be appropriate to use the identical language in the proposed amendment of section 11 of the Clayton Act, inasmuch as the same construction would undoubtedly apply. While there is no strong objection to inserting the word "substantial" immediately before the word "evidence," there is the possibility that the introduction of language in section 11 of the Clayton Act different from that contained in section 5(c) of the Federal Trade Commission Act may result in the two acts being construed differently. The same substantial evidence rule required by the Administrative Procedure Act and by the Federal Trade Commission Act, as construed, is intended.

The theory is that if the language is changed after it has had judicial construction, the courts may say that we had something in mind which we did not have in mind. Therefore, it is better for us to use precisely the same language for the purpose of having the same construction of both acts.

Mr. MORTON. I thank the Senator. I withdraw my reservation.

Mr. KEFAUVER. Mr. President, as one of the sponsors of the bill and as the one who reported the measure from the Committee on the Judiciary, I wish to join in the interpretation of the intent as expressed by the Senator from California [Mr. ENGLE], for the purpose of the legislative record.

I should also like to point out that this is one of the proposed antitrust enactments which have been recommended by the President in his economic message to Congress of January 20. It is a very worthwhile measure which should have been passed a long time ago.

I ask unanimous consent that there be printed in the RECORD at this point a statement on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEFAUVER—FINALIZATION OF CLAYTON ACT ORDERS

This proposed legislation would provide that orders issued by the Federal Trade Commission and other agencies under section 11 of the Clayton Act shall become final in the same manner in which orders issued by the Federal Trade Commission under section 5 of the Federal Trade Commission Act become final.

In the 85th Congress public hearings were conducted by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, on April 1, 2, 24, and 25, 1958, on this proposal and other legislation, and testimony in support of this proposal was received from the Honorable John W. Gwynne, Chairman of the Federal Trade Commission, as well as Robert A. Bicks, assistant to the Assistant Attorney General in charge of the Antitrust Division.

The effectiveness of the Clayton Act, as amended by the Robinson-Patman Act, has long been handicapped by the absence of adequate enforcement provisions. Existing procedures are laborious, time consuming, and expensive. The Federal Trade Commission must investigate and after complaint prove on the record violations of the act before a cease and desist order may be issued. After the order to cease and desist has been issued the Commission must again investigate and again prove violations of the order and of the act before the Commission can obtain a court order commanding obedience to the Commission's order to cease and desist. Upon such proof the court enforces the Commission's order. Only then, if the respondent violates the act a third time does he become subject to penalty. Thus, before a respondent can actually be punished for violation of the Clayton Act, the Federal Trade Commission must conduct three successive investigations and must on three successive occasions prove violations of the law. S. 726 would put teeth in the Clayton Act orders and would fill the enforcement void which has existed for many years.

Judge Gwynne, in testifying in favor of this legislation, stated that it is clear that the Clayton Act, as amended by the Robinson-Patman Act, would be more effectively administered and would be of much greater value as a deterrent as proposed by S. 726, as amended. The Board of Governors of the Federal Reserve System, the Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Communications Commission support this proposal.

The committee is of the opinion that this bill has a meritorious purpose and accordingly recommends favorable consideration of S. 726, as amended.

Mr. HART. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by the Senator from Alabama [Mr. SPARKMAN].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SPARKMAN

The bill before us today will enable the Federal Trade Commission to achieve speedy, effective compliance with cease and desist orders issued under the Clayton Act and the Robinson-Patman amendment. This measure is extremely important to the interest of small business, so frequently the victims of antitrust violations.

This bill strengthens the enforcement provisions of the Clayton Act in two important respects. First, the act's enforcement procedures are brought into line with those being used by the Commission to enforce orders issued under section 5 of the Federal Trade Commission Act. Second, violation of Clayton Act orders is made subject to the same civil penalties now applicable to violations of the Federal Trade Commission Act orders.

The attention of members of the Senate Small Business Committee has frequently been directed to the ineffectual manner in which the Federal Trade Commission has moved to enforce orders requiring respondents to cease and desist from violations of the Clayton Act. Study of many of these cases has convinced us that action toward compliance is seriously impaired by the cumbersome procedures which must be followed and by the lack of teeth in such procedures. These procedural defects become readily apparent when the enforcement system of the Clayton Act is contrasted with that available under the Federal Trade Commission Act.

An order issued pursuant to section 5 of the Federal Trade Commission Act becomes final and conclusive 60 days after its issuance, unless the respondent seeks review by a U.S. court of appeals. When court review is sought, the order becomes final upon the court's affirmance of the order. Once such an order has become final, either through lapse of time or court affirmance, its violation, for each and every day, is punishable by a fine of not more than $5,000.

On the other hand, Commission orders issued pursuant to the Clayton Act do not become final by a lapse of time. Nor is violation of a Clayton Act order subject to penalty until it has been adopted as a court order. Accordingly, in a case where a Clayton Act order is being flouted by the respondent, the Commission may informally attempt to obtain voluntary compliance. That course failing, the Commission is obliged to proceed to a U.S. court of appeals to prove that its order is being violated. But the court, instead of satisfying itself with proof that the order is being violated, may decide to undertake what amounts to a de novo consideration of the antitrust issues in the case. Then the court may issue a formal decree adopting the Commission's order as its own. Even at that point, however, court enforcement of the order does not commence forthwith. Rather, enforcement requires that contempt proceedings be instituted for violation of the decree of the court. Then, should the respondent be found guilty of contempt, the court may impose an appropriate fine. In other words, a defendant must be found guilty of violating the Clayton Act three times before effective sanctions can be invoked. All in all, the enforcement procedures applicable to Clayton Act orders are awkward, slow, and hopelessly complicated, and without meaningful sanctions.

In this light, it is readily understandable why contempt proceedings to enforce a Clayton Act order have been notoriously unsuccessful. Bearing in mind that Commission orders issued pursuant to the Clayton Act and its Robinson-Patman amendment are intended to remedy such antitrust wrongs as monopolistic mergers, exclusive dealing arrangements, and predatory pricing practices, such an enforcement situation is intolerable. Efforts to obtain full compliance with Clayton Act orders ought not to be hampered by legalistic difficulties. Rather, such efforts must be encouraged by the availability of streamlined enforcement procedures, suitably adapted to the important ends being sought. The guiding consideration should be that delayed justice in antitrust matters can only mean no justice at all to the small businessmen who are so often the targets of the prohibited practices. The practical effect of granting or inviting two free law violations for every one punished cannot longer be condoned.

I think it important to reemphasize that the bill in nowise proposes any deviation from the original intent of Congress when it enacted the Clayton Act and the Federal Trade Commission Act.

The purpose of the bill is, on the other hand, entirely consistent with the intention of Congress as embodied in these enactments.

As Senators well know, these statutes which were conceived as companion measures and were enacted in the same year, 1914, were and are aimed directly at preventing certain trade actions and practices considered by Congress as contrary to and harmful to our concepts of a wholesome and healthy climate for the commerce of our Nation.

In the light of experience, Congress, in these statutes, enumerated in a clear and unmistakable manner the kinds of practices it wished restrained and prevented. Congress attempted to confer upon appropriate agencies authority necessary to effectuate its will. It soon became evident that the enforcement authority in the area of cease and desist orders under section 5 of the Federal Trade Commission Act and under section 11 of the Clayton Act was not adequate. The Federal Trade Commission, in particular, found itself poorly equipped to discharge the responsibilities which the Congress had conferred upon it, either with respect to violations under section 5 of the Federal Trade Commission Act or section 11 of the Clayton Act.

Congress recognized the necessity for implementation of the Federal Trade Commission Act with respect to powers of enforcement. Proper implementation was provided with respect to the Federal Trade Commission Act in the passage of the Wheeler-Lea Act. But similar needed implementation of the companion measure, the Clayton Act, has never been provided.

Implementation of enforcement provisions of the Clayton Act is in order and urgently needed if the Federal Trade Commission is to perform with the degree of effectiveness expected of it by Congress and the American people.

Let me emphasize that the bill before us today proposes no new departure. Nothing new is sought to be injected into our well-established and proven concepts of intelligent, effective enforcement procedures. The bill attempts to confer no authority that is in anywise different from authority long exercised by the Federal Trade Commission under the provisions of the Wheeler-Lea Act. In fact, the bill proposes to confer upon the Federal Trade Commission, insofar as Clayton Act violations are concerned, precisely—and in almost exactly the same language—the enforcement authority and procedures which Congress conferred and prescribed with respect to the Federal Trade Commission Act as amended by the Wheeler-Lea Act.

The bill before us today can, in truth, be called a perfecting amendment to the Clayton Act. It has no other purpose than to

effectuate the will of Congress with respect to the role of the Federal Trade Commission in Clayton Act enforcement, in the same manner and to the same degree that the will of Congress was effectuated by the Wheeler-Lea amendments to the Federal Trade Commission Act.

The bill is aimed at meeting a situation of forbidden wrongs without adequate remedy, of conferred responsibility without sufficient recourse.

Such a situation, uncorrected, frustrates our national determination to preserve and strengthen free enterprise and our free competitive system.

I remind my Senate colleagues and congratulate them upon the fact that in the final days before the Congress adjourned last year the Senate acted forthrightly and passed without a dissenting voice an almost identical bill to S. 726 which is before us today. Unfortunately, there was not time for the House to act.

Let us today reaffirm our action of the previous session and approve the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DONALD D. ELLIS

The bill (S. 243) for the relief of Donald D. Ellis, an individual trading as the Ellis Timber Co., was announced as next in order.

Mr. MORSE. Mr. President, I should like to have the attention of the majority and minority calendar committees and the attention of counsel for the Committee on the Judiciary.

Recently, H.R. 2294, a companion bill, so far as the subject matter is concerned, was passed by the House. Shortly I shall move to substitute H.R. 2294 and to have S. 243 indefinitely postponed. However, first I should like to make a brief explanation. The House bill does not contain the standard Senate provision which is found at page 2 of my bill, S. 243, starting at line 11, which reads as follows:

Provided, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim—

And so forth.

That is the standard form. Counsel for the Committee on the Judiciary came to me and discussed the matter with me when he learned of my proposed motion to substitute the House bill for the Senate bill. I assured him that the individual involved in the bill has never employed counsel, and I shall read a telegram from him to that effect. In view of those circumstances, we would be perfectly safe in substituting the House bill for the Senate bill. I now read the telegram which I have received on this point. It reads as follows:

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.:

Have not employed attorney or agent at any time in connection with my claim. I am not obligated to any attorney or any other person for any fee. Regards.

DONALD D. ELLIS.

PORTLAND, OREG.

Mr. Ellis is the president of the lumber company involved.

Therefore I see no practical reason why we should hold up the bill merely because the House bill does not contain the standard provisions to which I have referred, and have Congress pass two bills, with the necessity of going to conference on the matter, which would be a waste of time.

In further explanation of the bill I should like to say that the primary purpose of my bill, S. 243, is to provide justice and equality in the contract relationship between a small business operation and the Federal Government.

The bill is designed to prevent substantial losses to a small-business man, which otherwise would be caused because of the largest error ever made in the Government's estimate of the volume of standing timber to be sold under contract by its agency, the Bureau of Land Management.

In 1957, Donald D. Ellis, doing business as Ellis Timber Co., Portland, Oreg., entered into a contract with the Bureau of Land Management to purchase and log an estimated 535,000 board feet of salvage timber standing in a burned-over forest area. According to Senate Report No. 84:

The error in the present case grew out of the fact that the sale consisted of burnt timber or snags which we believed to have been fire killed in 1936. After the logging began it was learned that in addition to the 1936 burn, the trees had been damaged by an 1896 fire, with the result that there had been, not considered in the estimate, an additional 40 years of decay and insect attack. This fact could be determined, even by experienced timbermen, only after the cutting of the trees had begun.

The Comptroller General of the United States, in submitting a favorable report on Mr. Ellis' claim to recover for heavy losses occasioned by his performing the contract, frankly conceded that under the strict terms of the contract the Government would not be liable, but the Comptroller General added:

However, the record establishes that this contract contained the largest percentage of error ever made in the Government's estimate of volume of timber to be sold by the Bureau of Land Management; that normally a very small percentage of error may be expected in such an estimate; that despite the magnitude of the timber underrun, Ellis diligently performed the contract operations to completion; and that Ellis' felling of unmerchantable snags while performing the contract operations resulted in material benefits of substantial value to the Government.

* * * * *

In view of all the circumstances, the claim, in our judgment, appears to contain such elements of equity as to be deserving of the consideration of the Congress. We, therefore, recommend that an appropriation in the amount of $9,593.70 be made for payment of the claim and, in addition, we recommend that the waiver of the $2,118 remaining due and payable under the contract be authorized, based upon the determination that such relief represents no more than reasonable and sufficient allowance to place the claimant in the same position had the estimate of timber volume in the contract area been substantially correct.

Mr. President, not only the Comptroller General but the Senate Committee on the Judiciary recognized the inherent justice in preventing a small-business man from totally shouldering the burden of a gross error committed by the Government in its timber volume estimate. The case is important because I believe it establishes—and properly so—that there must be some element of reasonableness in the estimates submitted by the Government in such cases. This is particularly true where a small business operation, and not a large logging or lumber manufacturing concern, is involved. This case may be a bellwether case in establishing a rule of reasonableness—a rule which tells businessmen that they are entitled to rely on Government estimates in contracts of this type.

Mr. President, I now move that the Senate proceed to the consideration of H.R. 2294, and if that is done I shall move that S. 243 be indefinitely postponed.

The motion was agreed to, and the Presiding Officer laid before the Senate the bill (H.R. 2294) for the relief of the Ellis Timber Co., which was read the first time by its title, and the second time at length, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the claim of the Ellis Timber Company on account of losses sustained in recovering salvage timber purchased from the Bureau of Land Management, Department of the Interior, pursuant to contract No. 14-11-001(14)-268, dated August 20, 1957, and to allow in full and final settlement of the claim the sum of not to exceed $9,593.70. There is hereby appropriated the sum of $9,593.70 for payment of said claim.

SEC. 2. That the Ellis Timber Company is hereby relieved of all liability to pay to the United States the sum of $2,118 which is due and payable pursuant to contract No. 14-11-001(14)-268 as the unpaid balance for salvage timber purchased under said contract.

The PRESIDING OFFICER. The question is on the third reading of the House bill.

The bill (H.R. 2294) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill, S. 243, is indefinitely postponed.

ELLEN B. MUELLER

The bill (S. 328) for the relief of Ellen B. Mueller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ellen B. Mueller shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

ERMINIO NEGLIA

The bill (S. 330) for the relief of Erminio Neglia was considered, ordered to

be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Erminio Neglia shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JAKOB LIBLANG, JR.

The bill (S. 331) for the relief of Jakob Liblang, Jr., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Jakob Liblang, Junior, may, if he is found to be otherwise admissible under the provisions of such Act, be issued a visa and be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, deems necessary to impose: *Provided,* That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Jakob Liblang, Junior, in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: *Provided further,* That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212(a) of the Immigration and Nationality Act known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

MARTIN ALBERT

The bill (S. 332) for the relief of Martin Albert was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Martin Albert may, if he is found to be otherwise admissible under the provision of such Act, be issued a visa and be admitted to the United States for permanent residence, under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, deems necessary to impose. A suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Martin Albert in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act. This Act shall apply only to grounds for exclusion under paragraph (6) of section 212(a) of the Immigration and Nationality Act known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

GIROLAMO NASELLI

The bill (S. 624) for the relief of Girolamo Naselli was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Girolamo Naselli shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

YASUKO KITANO

The bill (S. 633) for the relief of Yasuko Kitano was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Yasuko Kitano shall be held and considered to be the minor natural-born alien child of Mr. and Mrs. Eddie L. Williams, citizens of the United States: *Provided,* That the natural parents of Yasuko Kitano shall not, by virtue of such relationship, be accorded any right, status, or privilege under the Immigration and Nationality Act.

KONSTANTINOS A. KOSTALAS

The bill (S. 869) for the relief of Konstantinos A. Kostalas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Konstantinos A. Kostalas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PENELOPE CARNAVAS KAFOS

The Senate proceeded to consider the bill (S. 459) for the relief of Penelope Carnavas Kafos, which had been reported from the Committee on the Judiciary, with an amendment in line 7, after the words "United States", to insert a colon and *"Provided,* That the natural parents of Penelope Carnavas Kafos shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Penelope Carnavas Kafos, shall be held and considered to be the natural-born alien child of Christ and Jennie Kafos, citizens of the United States: *Provided,* That the natural parents of Penelope Carnavas Kafos shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GORJANA GRDJIC

The Senate proceeded to consider the bill (S. 460) for the relief of Gorjana Grdjic, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert "That, notwithstanding the provision of section 212(a)(6) of the Immigration and Nationality Act, Gorjana Grdjic may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *And provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CWY PINKUSIEWICZ

The Senate proceeded to consider the bill (S. 327) for the relief of Cwy Pinkusiewicz, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 7, after the word "Act", to insert *"Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act:", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (1) of section 212(a) of the Immigration and Nationality Act, Cwy Pinkusiewicz may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act: *Provided,* That a suitable and proper bond of undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *Provided further,* That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KLARCHEN HUEBNER

The Senate proceeded to consider the bill (S. 425) for the relief of Klarchen Huebner, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert "That, in the administration of the Immigration and Nationality Act, Klarchen Huebner, the fiancée of Specialist John J. McIntyre, a citizen of the United States, and her minor children, Carl Johann and Marie Claire, shall be eligible for visas as nonimmigrant temporary visitors for a period of three months: *Provided*, That the administrative authorities find that the said Klarchen Huebner is coming to the United States with a bona fide intention of being married to the said Specialist John J. McIntyre and that they are found otherwise admissible under the provisions of the said Act, except that section 212(a)(9) of that Act shall not be applicable in the case of the said Klarchen Huebner. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Klarchen Huebner and her minor children, Carl Johann and Marie Claire, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Klarchen Huebner and her minor children, Carl Johann and Marie Claire, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Klarchen Huebner and her minor children, Carl Johann and Marie Claire, as of the date of the payment by them of the required visa fees."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Klarchen Huebner and her minor children, Carl Johann and Marie Claire."

TRANSPORTATION ON CANADIAN VESSELS BETWEEN PORTS IN ALASKA

The bill (S. 175) to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, until June 30, 1960, notwithstanding the provisions of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port in the United States to another port of the United States, passengers may be transported on Canadian vessels between ports in southeastern Alaska, and passengers and merchandise may be transported on Canadian vessels between Hyder, Alaska, and other points in southeastern Alaska, and between Hyder, Alaska, and other points in the United States outside Alaska, either directly or via a foreign port, or for any part of the transportation, unless the Secretary of Commerce determines that United States-flag service is available to provide such transportation.

ESTATE OF VERENTES BENT

The bill (S. 947) for the relief of the estate of Verentes Bent, deceased, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to the estate of Verentes Bent, deceased. The payment of such sum shall be in full settlement of all claims of the estate against the United States on account of the death of Verentes Bent caused when a vehicle owned by the United States and operated by the Navy Department collided with a public bus on July 27, 1946, near the city of Colon, Republic of Panama: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MARIA BOGATKIN MANEA

The Senate proceeded to consider the bill (S. 458) for the relief of Maria Bogatkin Manea, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert "That, notwithstanding the provision of section 212(a)(6) of the Immigration and Nationality Act, Maria Bogatkin Manea may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *Provided, further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VIKTORS NEIMANIS

The Senate proceeded to consider the bill (S. 758) for the relief of Viktors Neimanis, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 6, after the word "be", to insert "issued a visa and be", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (6) of section 212(a) of the Immigration and Nationality Act, Viktors Neimanis may, if he is found to be otherwise admissible under the provisions of such Act, be issued a visa and be admitted to the United States for permanent residence under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States, deems necessary to impose: *Provided*, That a suitable or proper bond or undertaking, approved by the Attorney General, shall be given by or on behalf of the said Viktors Neimanis in the same manner and subject to the same conditions as bonds or undertakings given under section 213 of such Act: *Provided further*, That this Act shall apply only to grounds for exclusion under paragraph (6) of section 212 (a) of such Act known to the Secretary of State or the Attorney General prior to the date of enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PETER E. DIETRICH

The bill (S. 381) for the relief of Peter E. Dietrich was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Peter E. Dietrich of Cavalier, North Dakota, the sum of $48.75, representing the amount paid by the said Peter E. Dietrich to the United States as rental for a storage bin which he was unable to use because of unfavorable weather: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

BILL PASSED OVER

The bill (S. 1075) to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

MISUSE BY COLLECTING AGENCIES OF NAMES, EMBLEMS, AND INSIGNIA

The Senate proceeded to consider the bill (S. 355) to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies of names, emblems, and insignia to indicate Federal agency, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 6, after the word "agencies", to insert "or private detective agencies"; at the beginning of line 10, to insert "or being engaged in furnishing private police, investigation, or other private detective services"; on page 2, line 10, after the word "than", where it appears the second time, to strike out "ten years" and insert "one year"; after line 11, to insert a new section, as follows:

SEC. 2. The provisions of this section shall become effective sixty days from the enactment thereof.

And, at the beginning of line 14, to change the section number from "2" to "3", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 33 of title 18 of the United States Code is amended by adding at the end thereof the following new section:

§ 712. Misuse of names by collecting agencies or private detective agencies to indicate Federal agency

"Whoever, being engaged in the business of collecting or aiding in the collection of private debts or obligations, or being engaged in furnishing private police, investigation, or other private detective services, uses as part of the firm name of such business, or employs in any communication, correspondence, notice, advertisement, or circular the words 'national', 'Federal', or 'United States', the initials 'U.S.', or any emblem, insignia, or name, for the purpose of conveying and in a manner reasonably calculated to convey the false impression that such business is a department, agency, bureau, or instrumentality of the United States or in any manner represents the United States, shall be fined not more than $10,000 or imprisoned not more than one year, or both."

SEC. 2. The provisions of this section shall become effective sixty days from the enactment thereof.

SEC. 3. The analysis of chapter 33 of title 18 of the United States Code which immediately precedes section 701 of such title is amended by adding at the end thereof the following:

"SEC. 712. Misuse of names by collecting agencies to indicate Federal agency.".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies or private detective agencies of names, emblems, and insignia to indicate Federal agency."

ROSETTE SORGE SAVORGNAN

The Senate proceeded to consider the bill (S. 1207) for the relief of Rosette Sorge Savorgnan, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 8, after the word "section", to strike out "301 of the Nationality Act of 1940, as amended," and insert "310 of the Immigration and Nationality Act", and on page 2, line 1, after the word "section", to strike out "335" and insert "337", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Rosette Sorge Savorgnan, who lost United States citizenship under the provisions of section 2 of the Citizenship Act of 1907, and sections 104, 401, and 403 of the Nationality Act of 1940, as amended, may be naturalized by taking, prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the appropriate oath prescribed by section 337 of the said Act. From and after naturalization under this Act the said Rosette Sorge Savorgnan shall have the same citizenship status which existed immediately prior to its loss.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WILEY. Mr. President, I ask unanimous consent that the affidavits which are contained in the Senate report on S. 1207 be printed in the RECORD following the passage of the bill.

There being no objection, the affidavits were ordered to be printed in the RECORD, as follows:

O'SULLIVAN RUBBER CORP.,
Winchester, Va., April 4, 1953.

MRS. ALESSANDRO SAVORGNAN,
New York, N.Y.

DEAR MRS. SAVORGNAN: It gives me pleasure and satisfaction to take this opportunity to set forth by letter to you a recapitulation of your contribution to the U.S. war effort through service with the U.S. Army in Rome during the months that I was assigned there and exercised supervision over your work.

You will recall that the Fifth Army entered Rome before dawn of June 5, 1944. The Rome Area Command, of which I was serving as military government chief of finance, was included among the early arrivals. By noontime I had sought you out as an American citizen recommended to me by some of the more reliable Italian bankers to request that you work in my office as secretary and interpreter, and also assist me to find other bilingual and reliable persons to work in the finance division.

You were entered on the payroll the next day and remained in the employ of the Rome Area Command, military government finance division, under my direct supervision for several months. When our operation was transferred to the Allied Control Commission and I became controller of financial institutions, you continued as my secretary and interpreter. You may recall that I was ordered to the advance party of the Vienna Area Command, United States-Austria, in January 1945 and left Rome for my new assignment. I was informed at that time that your services were much in demand by other members of the Allied Commission and you continued to be employed there.

One of the largest areas of our responsibility in the early days in Rome was to block and isolate all financial resources of persons sympathetic to the enemy including all known or suspected Fascists; also, to identify and protect for the property control officer all financial assets known or suspected to be formerly the property of citizens of any of the Allied Nations. Your keen awareness of the delicacy and the security responsibility of this operation enabled you to make an important contribution to its success.

At this juncture, I would like to take the opportunity to express my appreciation for the work of your husband as well. He joined our organization with the assignment of advising on Fascist and alien matters, making available to us his broad experience in the fields of foreign affairs, as well as his expert knowledge of Italian politics and law. He, too, made a valuable contribution to the Allied cause.

Although we first became acquainted on June 5, 1944, I claim competence to testify as to your qualities as an American citizen in view of our almost daily association in Rome for 8 months and our occasional contacts in the United States in later years. I was happy to assist your efforts in January and February 1945 to get back to the United States from which you had been cut off by war conditions for several years. I was greatly astonished when you told me subsequently that by a technicality some doubts had been raised as to your status as an American citizen. Your own good moral character, your fine family background in Wisconsin, the fine background of your husband's family in Rome, all lead to the conclusion that in fact as well as spirit you have been a good and loyal American citizen.

I cannot close without expressing again my warm commendation for the fine help you gave the U.S. Army and our allies when we worked together in Rome. You and your husband earned the thanks of the American people.

Best regards.

Sincerely yours,

VINCENT A. CATOZELLA,
Major, USAR.

STATE OF VIRGINIA,
County of Frederick, ss:

Subscribed and sworn to before me this 4th day of April 1953.

MARY V. ROSENBERGER,
Notary Public.

My commission expires October 3, 1956.

STATE OF NEW YORK,
County of New York.
To the Judiciary Committee of the U.S. Senate:

It has come to my attention that Mrs. Rosette Savorgnan nee Sorge is the subject of a pending private bill being examined by your committee, which bill is devised to restore to Mrs. Savorgnan her American citizenship.

On June 7, 1944, I entered Rome with the Allied Control Commission of which I was then Joint Chief of the Finance Subcommittee, holding the rank of commander, U.S. Coast Guard Reserve. It became necessary immediately to enlarge our staff to deal with the various financial problems of the Allied Forces, as well as the problems common to the Allied Forces and the Italian Government, and I sought bilingual personnel.

Mrs. Savorgnan was employed by me within the first 10 days of June 1944; prior to the confirmation of her appointment, her background, history and character were carefully scrutinized by the Counterintelligence Corps, U.S. Army, which rendered a satisfactory report, on the basis of which her appointment was continued.

Mrs. Savorgnan was assigned as secretary and assistant to captain, later major, Vincent Catozella, and served in this capacity until the end of December 1944, at which time I arranged the transfer of Major Catozella to the cadre of the Finance Group being prepared for work in Austria.

During this period I saw Mrs. Savorgnan daily and became well acquainted with her and her husband. On a short mission back to the United States in November 1944, I had the opportunity of talking with her parents and her brother, so that I also became acquainted with her family here in Wisconsin.

After Mrs. Savorgnan was released from duty with Major Catozella, she became my secretary and assistant, and worked with me in this capacity until I was detached from the Allied Commission and ordered back to regular naval duty on April 15, 1945.

During the entire period from June 1944 until April 1945, I tried to help Mrs. Savorgnan in her efforts to return to the United States, a matter which was extremely urgent at that time because of illness in her family. Unfortunately my efforts were unsuccessful despite numerous conversations with members of the staff of the U.S. Ambassador, of the political representative and after its establishment, of the consulate.

In my opinion Mrs. Savorgnan is a loyal American, who lost her citizenship through a legal technicality; she never should have lost the citizenship and in my opinion is fully entitled to have her citizenship restored.

One thing that should certainly be considered very much in her favor, is that Mrs. Savorgnan worked loyally and faithfully serving American interests, as soon as it was possible for her to do so during the war period.

JOSEPH JOHN LAWLER.

This 8th day of April 1953.

FRANK E. MARRA,
Notary Public.

Commission expires March 30, 1954.

STATE OF NEW YORK,
County of New York.

To the Judiciary Committee of the U.S. Senate:

It has come to my attention that Mrs. Rosette Savorgnan (nee Sorge) is the subject of a pending private bill being examined by your committee, which bill is devised to restore to Mrs. Savorgnan her American citizenship.

In November 1943 as a captain in the U.S. Naval Reserve, I was appointed by the Combined Chiefs of Staff as vice president of the Allied Control Commission (Italy), having entered Italy in September 1943 as a member of the Allied Military Mission to the Italian Government. In February 1944, I was appointed Deputy Chief Commissioner of the Allied Control Commission, and in June 1944 Acting Chief Commissioner of the Allied Control Commission. In November 1944 I was appointed Chief Commissioner, with the rank of commodore. In December 1944 I was promoted to the rank of rear admiral in the U.S. Naval Reserve, which grade I continue to hold. I continued as Chief Commissioner of the Allied Control Commission until its cessation in February 1947.

From February 1944 until April 1945, Comdr. J. J. Lawler, U.S. Coast Guard Reserve, not only served under me in the Finance Subcommission of the Allied Control Commission, but was a member of my personal mess, living in my house successively at Cava di Thieni, Naples, and Rome. I have read Commander Lawler's affidavit dated April 8, 1953, supporting the restoration to Mrs. Savorgnan of her American citizenship and am glad to verify in all respects the details set forth in his affidavit.

I have known Mrs. Savorgnan and her husband personally for several years and hereby attest to her loyalty and devotion to the United States and her faithful and loyal service on behalf of the United States in the Allied Control Commission from June 1944 until October 1945.

Mrs. Savorgnan is a lady of the highest standards and in all respect fully deserves the restoration of her American citizenship. I am glad to support her application and, if desired, I stand ready to appear as a witness on her behalf before your committee.

ELLERY W. STONE,
Rear Admiral, USNR.

Subscribed and sworn to before me this 21st day of April 1953.

ROSS A. WAKEMAN,
Notary Public.

Commission expires March 30, 1954.

THE STATE OF TEXAS,
County of Galveston:

Before me, the undersigned, a notary public in and for said county, State of Texas, on this day personally appeared George D. Murphey, colonel, U.S. Army, retired, to me well known, and who, after being duly sworn, deposes and says that:

He was on active duty as a commissioned officer in the Regular Army of the United States from October 31, 1911, to June 30, 1950. He is now retired and lives at 12 Cedar Lawn North, Galveston, Tex. He is a native of Augusta, Ga.

From about October 15, 1943, to about July 1, 1945. he was on duty with the Allied Commission (originally, Allied Control Commission) in Italy. His status was that of Director, and Assistant to Director, of the Economic Section of the Allied Commission. The Economic Section(as the title implies) dealt specifically with the national (Italian) commerce, finance, food, utilities, transportation, and shipping.

During the deponent's assignment with the Allied Commission there came directly under his observation and supervision, the services of (Mrs.) Rosette Sorge Savorgnan. Mrs. Savorgnan, a native citizen of the United States, was sojourning in Rome when the U.S. Forces entered that city in 1944. As did many other American citizens, Mrs. Savorgnan identified herself to the U.S. forces as soon as Rome was occupied. With the establishment of the (Allied) military affairs government (a component of the combatant forces) Mrs. Savorgnan's services were engaged by that organization, primarily in connection with fiscal matters. These matters included the screening, release, and impounding of Italian funds and bank accounts, both private, and public. The very nature of these operations, obviously, demanded an esoteric knowledge of the situation, inherent honesty, Christian fairness, and utmost trustworthiness.

All of these qualifications Mrs. Savorgnan possessed and fully demonstrated. As a consequence, her position with the military affairs government was changed to a similar one with the finance subsection of the (Supreme) Headquarters of the Allied Commission shortly after the Commission moved into Rome. During the last 2 or 3 months of the deponent's tenure with the Allied Commission—April–June 1945—Mrs. Savorgnan served under his immediate supervision as his assistant. This assignment involved participation in the higher advisory, supervisory, and planning functions incident to the categorical operations (above indicated) of the Economic Section of the Allied Commission.

Mrs. Savorgnan rendered valuable services and contributed greatly to the attainment of the Allied Commission's objectives in Italy. For this her Nation, the United States, owes her its grateful appreciation. It is to be emphasized that Mrs. Savorgnan's services were motivated solely by the deepest patriotism and devotion to her native country. Her adequate circumstances abroad, especially with respect to affluence and social position, were alone proof that her loyal actions were void of any selfish or materialistic motives.

Early in 1945, the deponent learned that Mrs. Savorgnan had applied for U.S. passport, or visa, to return to the United States. This application had been made immediately upon the reopening of the U.S. consular service in Italy. Both the Navy and the Army of the United States offered Mrs. Savorgnan transportation to the United States, contingent upon clearance by the consular service. Being in Europe when the United States was precipitated into war (1941) Mrs. Savorgnan could not subsequently return to her homeland because of worldwide belligerency.

One of the cogent reasons for Mrs. Savorgnan's anxiety to return home was the desire to be with her parents (themselves natives and residents of Wisconsin). This daughterly instinct was made all the more impelling by being incommunicado through the heart-rending years of war exilement, and particularly by the mother's critical illness. This malady proved fatal before Mrs. Savorgnan could surmount the bureaucratic obstacles raised to obstruct her return. It would be idle to detail the well-known human yearning displayed by Mrs. Savorgnan to get back to the United States. Suffice it to say that the war conditions which enforced her overseas separation, likewise intensified her longing to return. Before the sojourn in question, Mrs. Savorgnan had not been outside of the United States. Hence, it is axiomatic that had the probability of war been foreseen prior to her departure, she never would have left the country.

Mrs. Savorgnan acquired her Italian name by marriage to Signor Alessandro Savorgnan, a member of one of Italy's finest families of long and eminent lineage. Mrs. Savorgnan met her husband in the Middle West (United States). He was then serving in that area as a member of the Italian consular service. Accordingly, she was married in the Middle West. Shortly after marriage, Italian consulates were summarily closed by Presidential order. Mr. Savorgnan, necessarily continued his consular vocation abroad. Naturally enough, Mrs. Savorgnan accompanied her husband. Months later, when war was declared between the United States and the Axis Powers, Mr. Savorgnan severed his consular connections. At this time he was stationed in Austria. His refusal to collaborate with the Germans was done, of course, at the risk of both his life and that of his wife. Inevitably, the Germans interned them. At length they escaped and finally made their way to the home of the husband's relatives in Rome. There they remained "underground" until the arrival of the U.S. forces in 1944. That Mr. Savorgnan today occupies one of the highest positions in the important consulate at New York is immutable evidence of his honorable standing with the Government of the United States, as well as with his own.

Before her marriage, Mrs. Savorgnan was Miss Rosette Sorge. She was born in the State of Wisconsin, in which State she lived with her parents throughout the years of her childhood. Her parents were also born in the United States. Descending from Christian parents of Protestant faith, Mrs. Savorgnan has adhered to the same religious tenets; this notwithstanding her husband's affiliations with the Roman Catholic Church. Mrs. Savorgnan received her schooling and college education in Wisconsin. She is the perfect personification of lofty parental nurture and fortunate advantages, Christian training, and American patriotism steeped in traditional American ideals. All of these qualities are enhanced by the virtues, culture, and other endowments of true ladyship. In brief, Mrs. Savorgnan is the epitome—the sine qua non—of the finest womanhood of the United States.

It is understood that Mrs. Savorgnan's U.S. citizenship is now under legislative consideration with a view to complete validation. This favorable action apparently is

being taken to rectify a chain of unfortunate circumstances starting with Mrs. Savorgnan's request for reentry into the United States upon the termination of war in Europe (1945).

As a matter incident to her marriage to a member of the Italian consular service, the Italian Government requested that Mrs. Savorgnan sign some routine document affecting her prospective status as the wife of an Italian official. She signed the document only as a matter of form, and as a natural acquiescence to facilitate her marriage. The document was signed, of course, in the continental United States. So inconsequential was this document, particularly to the United States, that it bore no recognizance, or attestation, of any U.S. officer or court, either State or Federal. It is proverbial that no native-born citizen, by private or secret act within his own country, can expatriate himself either unknowingly or even by deliberate scheming. Nevertheless the aforesaid document has been used as the primary, if not the sole, basis for depriving Mrs. Savorgnan of her multilateral rights of U.S. citizenship.

With extreme anguish, labor and expense, Mrs. Savorgnan has long demonstrated superhuman perseverance in fighting for her citizenship. She has battled every discernible opposition with all the means at her disposal. Even a Federal court decided in her favor. In spite of this clearance, adverse authorities have vitiated the vindication handed down by the court. That any authority could pursue such action against a native-born citizen, especially one so superior and exemplary as Mrs. Savorgnan, is beyond reason. Disregard for the rights and welfare of the individual citizen is a terrible violation of the fundamental ideology of the United States.

Only the truest and best Americanism could remain adamant after the treatment which Mrs. Savorgnan has received from her own Government. Understandably, her case has become international knowledge. Foreigners, as well as her fellow countrymen, no doubt marvel at her invincible national zeal and devotion to country.

The United States not only owes Mrs. Savorgnan its protection of her citizenship, but likewise its gratitude for the enduring record she has engrossed upon the fair pages of American patriotism.

The deponent further states that the above retrospective statements have been made necessarily without access to recorded or other precise data. Notwithstanding, the contents hereof are substantially true according to his best knowledge and belief.

GEORGE D. MURPHEY,
Colonel, U.S. Army, Retired.

Subscribed and sworn to before me this 23d day of April A.D. 1953.

RAY O'NEILL,
Notary Public in and for Galveston County, Tex.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The call of the calendar has been concluded.

What is the pleasure of the Senate?

Mr. MORTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	Case, S. Dak.
Anderson	Byrd, Va.	Church
Bartlett	Byrd, W. Va.	Clark
Beall	Cannon	Cooper
Bennett	Capehart	Cotton
Bible	Carlson	Curtis
Bridges	Carroll	Dirksen
Bush	Case, N.J.	Dodd
Douglas	Johnston, S.C.	O'Mahoney
Dworshak	Jordan	Pastore
Eastland	Keating	Prouty
Ellender	Kefauver	Proxmire
Engle	Kennedy	Randolph
Ervin	Kerr	Robertson
Frear	Kuchel	Russell
Fulbright	Langer	Saltonstall
Goldwater	Lausche	Schoeppel
Gore	Long	Scott
Green	Mansfield	Smith
Gruening	Martin	Stennis
Hart	McClellan	Symington
Hartke	McNamara	Talmadge
Hayden	Monroney	Thurmond
Hill	Morse	Wiley
Holland	Morton	Williams, N.J.
Hruska	Moss	Williams, Del.
Humphrey	Mundt	Yarborough
Jackson	Murray	Young, N. Dak.
Javits	Muskie	Young, Ohio
Johnson, Tex.	Neuberger	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN], are absent on official business.

I further announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Iowa [Mr. HICKENLOOPER] is necessarily absent.

LAKE MICHIGAN WATER DIVERSION

The PRESIDING OFFICER. A quorum is present.

The Chair will now proceed to refer the bill, H.R. 1, the so-called Lake Michigan water diversion bill——

Mr. JOHNSON of Texas. Mr. President, we cannot hear the Chair. May we have order so Senators can hear the Chair?

The PRESIDING OFFICER. The Senate will be in order.

The Chair will now proceed to refer the bill, H.R. 1, the so-called Lake Michigan water diversion bill, heretofore received from the House. Under the rule, the Chair is required to refer it, without debate, subject to an appeal, which is debatable.

This bill requires a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation.

Following a Supreme Court decision on April 21, 1930, concerning water diversion from the lake, the improvement of the Illinois Waterway, which includes the Chicago Drainage Canal, was authorized by the Rivers and Harbors Act of July 3, 1930, which is now underway.

The pending bill authorizes the State of Illinois and the Metropolitan Sanitary District of Greater Chicago to divert water from the lake for a certain period.

The Secretary of the Army, acting for the Corps of Engineers, has complete control and supervision over the amounts withdrawn, and, after the study has been made in cooperation with the Secretary of Health, Education, and Welfare, is required to submit the report to the Congress.

The question now presented is one of reference, and not a discussion of the merits of the bill itself.

Where the jurisdiction of a committee is questioned, the Presiding Officer is required to refer a bill to the committee which has jurisdiction over the preponderance of the subject matter, subject to an appeal.

The Rivers and Harbors Act of July 3, 1930, was considered by the then Commerce Committee of the Senate, whose functions were transferred by the Legislative Reorganization Act of 1946 to the newly created Public Works Committee.

In the 83d, 84th, and 85th Congresses, at least six bills providing for the diversion of water from Lake Michigan into the Illinois Waterway were referred to that committee, and three House bills reported out. There has been no exception in references to the Pubic Works Committee.

The Committee on Public Works, under the Senate rule, has jurisdiction over, first, "improvement of rivers and harbors," and second, "public works for the benefit of navigation."

The question of water diversion into the Illinois Waterway is directly connected with the improvement for navigation of the waterway, authorized by the Rivers and Harbors Act of 1930.

There is no provision in the bill requiring negotiations to be conducted with the Government of Canada. In a letter, dated July 2, 1958, addressed to Senator CHAVEZ, chairman of the Senate Public Works Committee, on S. 1123, a bill similar to H.R. 2 of the 85th Congress, the Assistant Director of the Budget Bureau said:

> The Department of State has now completed discussions with the Canadian Government on the proposed increased diversion.

While the jurisdiction of certain other committees might be involved in some degree, the subject matter which predominates in the bill seems to fall clearly within the jurisdiction of the Committee on Public Works.

Under the rule, therefore, the Chair refers the bill to the Committee on Public Works.

Mr. WILEY. Mr. President, I appeal from the ruling of the Chair.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. I regret deeply that circumstances have made it necessary to ask my colleagues to come to the Chamber this late in the evening.

For nearly 3 months we have had facing us the question of the reference of a bill of this nature. The proponents and opponents desire to be heard on the question. We gave due and adequate notice that we would attempt to get to consider the matter early today. Circumstances did not permit that to be done.

We have ready a very important piece of legislation, the International Monetary Fund legislation, reported by the

Foreign Relations Committee. The distinguished chairman of that committee is prepared to speak on it tomorrow. He will not be in the city after tomorrow, or next week. I thought we would take care of the question of the reference of the bill. That question does not go to the merits of the bill, but has to do with whether it should be referred to the committee to which it has been referred in several previous Congresses.

I have no opinion on the question. The Chair has stated the facts involved. I do not wish to try to influence any Senator. I hope we can dispose of the question of the reference of the bill, take up the International Monetary Fund bill, move to take up the area redevelopment bill, proceed to further consider it next week, and dispose of it. If we can do that, I think perhaps the Senate can recess for the Easter holidays next Thursday.

That is the plan of the Senate leadership. I have no desire to have Senators stay here late. I am very tired. I have been here mornings and afternoons, and I know other Senators have. But if we are going to be away for Easter, if we cannot have votes on Friday, if it is going to be difficult to get votes on Monday, if some Senators are not going to be here Tuesday or Wednesday, we are going to have to decide some time when to dispose of these matters.

I do not desire to lecture the Senate or suggest any particular course. I merely wish to lay the facts before the Senate.

The area redevelopment bill was ready to be reported a week ago. It took a week to get the minority views on it written. I do not know how long the debate on the bill will take. I want to allow ample time. I know the proponents are anxious to have the bill passed. Senators have brought delegations from certain areas of the Nation, saying it is very urgent to have legislation of this kind considered promptly. So I hope we can discuss the reference of House bill No. 1 and vote, one way or the other, as to which committee it should be referred. It is a matter for the Senate to determine now. The Chair has ruled. Then I hope we can take up the International Monetary Fund bill, and perhaps vote on it. There is going to be some opposition to that bill. The minority leader tells me that in 2 or 3 hours we can dispose of it. Then we hope to get to the area redevelopment bill and get an agreement to vote on that bill next week.

Several Senators addressed the Chair.

Mr. JOHNSON of Texas. Several Senators have asked me to yield. I yield first to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, the question being one merely of reference of the bill, I think our minds are made up. Does the majority leader know of any reason why we cannot obtain a unanimous-consent agreement to limit the time for debate and take a vote on the matter tonight?

Mr. JOHNSON of Texas. That is a matter for the individual Senators to consider. I am prepared to vote now, but I do not want to foreclose any Senator who desires to speak.

I now yield to my friend the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I should like to follow up the suggestion of the Senator from Rhode Island. I wish to say, on behalf of the proponents of the proposed legislation, we hope very much a unanimous-consent agreement will be reached. We would be willing to limit debate to 15 minutes to each side and to guarantee that we will not take more than 5 minutes on our side, yielding back 10 minutes, so that the other side will have three times as much time as we will have.

Mr. JOHNSON of Texas. Mr. President, I have not discussed that possibility, nor have I explored it with anyone, but in order that Senators may have some idea of the wishes of the other Senators, I ask unanimous consent that there may be a limitation of time for debate of not to exceed 1 hour, 30 minutes to each side, the time to be controlled, respectively, by the Senator from Wisconsin [Mr. WILEY] and the Senator from Illinois [Mr. DOUGLAS], and any time not used to be yielded back.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Wisconsin.

Mr. WILEY. I noticed that the opinion related to S. 308. What about the bill which came over from the House of Representatives? Would that bill be referred to the committee also?

Mr. JOHNSON of Texas. I understood the ruling was with respect to H.R. 1.

The PRESIDING OFFICER. The Senator is correct. The Chair understands the bills are identical.

Mr. JOHNSON of Texas. The House and Senate bills are identical?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. JOHNSON of Texas. The ruling of the Chair related to the reference of the House bill?

The PRESIDING OFFICER. It related to one or to the other.

Mr. JOHNSON of Texas. As I understand the situation, the Presiding Officer, in accordance with an uninterrupted list of precedents, referred the bill to the Committee on Public Works, which committee has always considered the bill in the House and has always considered the bill in the Senate. The Senator from Wisconsin has appealed that reference. The question is whether we shall follow the decision of the Presiding Officer and the rules of the Senate or whether we shall decide to send the bill to some other committee. We have the power, by a majority vote of the Senate, to send the bill to any committee, notwithstanding the jurisdiction of the Public Works Committee under the rules.

Mr. WILEY. Is there an understanding that the two bills will follow the direction of the Chair, so that one bill will not go to one committee and the other bill to another committee?

Mr. JOHNSON of Texas. I assume that if the Senate decides to send H.R. 1 to the Committee on Public Works the Presiding Officer will immediately refer the Senate bill to the Committee on Public Works also. I assume the same course would be followed in the event of a reference to another committee. If that was not done, the Senator could immediately appeal, and the majority would consistently follow its previous decision.

Mr. WILEY. Will the Senator yield further?

Mr. JOHNSON of Texas. I yield.

Mr. WILEY. A question was asked as to whether we would give consent to limit the time for debate. I must object at this time.

The PRESIDING OFFICER. Objection is heard.

Mr. WILEY. I wish to say that I was definitely notified to be present, and I have been in the Chamber all afternoon. I was told that I should be here after the morning hour. At 2 o'clock the morning hour started. We have been present, ready to argue the matter. To me, at least, it is a very serious matter.

The situation now is not the same as the situation in the past. We now have a definite and written objection by Canada in relation to the diversion of water. We have already observed that the city of Chicago has diverted three rivers, has taken 1,800 feet a second and 1,000 feet a second on top of that, and now wants another 1,000 feet a second.

Mr. JOHNSON of Texas. Mr. President, that is something which goes to the merits of the proposed legislation. Once the Senate decides which committee should hear the matter, whether it be the Committee on Public Works or the Committee on Foreign Relations, the committee can hear the testimony, and we will be glad to set aside whatever time is necessary to hear the arguments if the bill is favorably reported.

I wonder if we could not be fair to our colleagues and give them some indication as to when we can vote on this matter? I, therefore, ask unanimous consent that 2 hours be allotted to debate the reference of the bill, 1 hour to be controlled by the Senator from Wisconsin [Mr. WILEY], if he desires to utilize that much time, and 1 hour to be controlled by the Senator from Illinois [Mr. DOUGLAS].

Mr. WILEY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOUGLAS. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I make the request that we consider a limitation of 3 hours, 1½ hours to each side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. BUSH. Mr. President, when would the vote be taken?

Mr. JOHNSON of Texas. The vote would be taken at 9:25, if both sides used all their time. Is there objection, Mr. President?

Mr. McNAMARA. Mr. President, reserving the right to object, I should like to ask a question of the Senator from Wisconsin. Perhaps we can obviate the objection and arrive at a unanimous-consent agreement.

I am advised there is a precedent for sending the bills to two different com-

mittees. Would that procedure be satisfactory to the Senator from Wisconsin, on a 1-hour limitation of debate basis? Would that be acceptable to the leadership?

Mr. JOHNSON of Texas. It is not a matter for me to determine. It is a matter for the Senate to determine, on an appeal, now.

Mr. McNAMARA. Yes.

Mr. JOHNSON of Texas. I am informed that one side will not use nearly all of its time. The request is for 3 hours. I want to tell Senators who are present that if the Senator from Wisconsin [Mr. WILEY], and the proponents of the appeal consumed all of their time, and if the opponents consumed the time I understand they will consume, the Senate could probably vote by 8:30.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DOUGLAS. I think I speak for my colleagues in saying we are willing to state our case in 5 minutes. The other side can use one and a half hours, if Senators desire to, or 2 hours, but I hope we can reach a decision tonight.

Mr. JOHNSON of Texas. Mr. President, that would require 1 hour and 35 minutes, so that we could vote about 8 o'clock. Will the Chair put the question as to the unanimous-consent request?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Florida.

Mr. HOLLAND. I have no objection to the Senate doing anything it wants about this matter, but several of us have other engagements. I am perfectly willing to come back at 8 o'clock, to come back at 8:30, to come back at 9 o'clock, or to come back any time up to midnight or later, but I do not think it is fair to leave the matter in such a state of flux that we do not know when the vote will be taken.

Mr. JOHNSON of Texas. If we can get a decision, and if there is no objection to the unanimous-consent request, I think I can tell the Senator very promptly about what time we will have the rollcall and the vote. We can give each Senator 30 minutes' notice.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. Is there any assurance that the Senator from Wisconsin will take the full time allotted?

Mr. JOHNSON of Texas. I will explore that matter if I can once obtain unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. DIRKSEN. Mr. President, to make it very clear, the matter at issue is the reference of the bill only. If the bill goes to the Committee on Public Works it will then go to a subcommittee, which will take testimony. Then the bill will go to the full committee. The merits of the bill are not to be determined on the floor until the bill has gone through the entire committee procedure. The only question now involved is whether the bill shall go to the committee which considered it in the 82d Congress, in the 83d Congress, in the 84th Congress and in the 85th Congress, in an unbroken line of precedents.

Mr. BUSH. Mr. President, reserving the right to object——

Mr. JOHNSON of Texas. Mr. President, I yield to my friend, the Senator from Connecticut.

Mr. BUSH. I certainly agree with what the Senator just said. Would not the distinguished Senator from Wisconsin permit us to vote now on the reference of the bill?

Mr. DIRKSEN. I am ready to vote now.

Mr. BUSH. I refer to the Senator from Wisconsin [Mr. WILEY]. Would the Senator not permit us to vote now? Do we all have to come back after 2 hours just to vote on a matter of reference of a bill? The merits of the bill are not involved. I beg the Senator to consider the fact that this does not involve the merits of the bill, but only a question of which committee should consider it.

Mr. WILEY. I will say to the Senator from Connecticut that some of the facts determine which committee should consider the bill. In my humble opinion the Senator should know the facts. I want all other Senators to know the facts.

I apologize, of course, but I did not get the Senate into this spot. The other side did that, after telling us to be present at 2 o'clock. I have been present ent all afternoon, ready to speak. I have been ready to give the Senators the facts which relate to the issue to which the Senator refers.

Mr. JOHNSON of Texas. Mr. President, if the Senator will permit us to have the unanimous-consent agreement, there are now more Senators present than have been present all afternoon, and he can give the Senators the facts now.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I have no control over speaking by other Senators. Senators can speak whenever they want to about whatever subject they wish to discuss. That is one of the fine things about the Senate.

All I can do is tell the Senate, as I did last week and again early this week, that we hope we can debate the matter of reference of the bill. We are now in a position to debate the matter.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. If the Senator will let the unanimous consent go through, then he can be immediately recognized and will have 1½ hours to talk. The other side will use 5 minutes. At the conclusion of that time we will have a vote.

Mr. WILEY. Mr. President, after hearing the remarks of the distinguished Senator from Texas and hearing also the remarks of the distinguished Senator from Illinois, I am satisfied that they have done considerable talking with Senators, which I have not done.

Mr. JOHNSON of Texas. Mr. President——

Mr. WILEY. Mr. President, let me say this——

Mr. JOHNSON of Texas. No; I have the floor.

Mr. WILEY. No.

Mr. JOHNSON of Texas. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. JOHNSON of Texas. I will say to the Senator that I do not know what research he has done, but he is speaking without showing evidence of having done much of it.

I have not talked with a single Senator as to how he expects to vote on this question. That is a matter for each Senator to determine. If there is any Senator with whom I have talked about the reference of this subject, or about the merits of the question, I should like to have him rise. I have not discussed it with any Senator. I merely wish to have the subject debated, so that Senators can vote. One side says it will require 5 minutes. The other side says it will require an hour and a half. We could then vote at 8 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. LAUSCHE. Mr. President——

Mr. AIKEN. Mr. President, there is an understanding. I agree with the Senator from Illinois that all the arguments in favor of the Chicago viewpoint could be presented in 5 minutes, so I assume that arrangement would be satisfactory.

Mr. DOUGLAS. That was not my point.

Mr. AIKEN. It seems to me that the viewpoint of the Senator from Wisconsin and other Senators who agree with him could then be presented. So I presume, if we are to vote at 8 o'clock that 5 minutes will be used for the presentation of the Chicago viewpoint, which should be ample, and an hour and 25 minutes should be given the Great Lakes proponents the opportunity to present enough objections so that the Senate will have a full understanding of the situation.

Mr. LAUSCHE. Mr. President——

Mr. JOHNSON of Texas. I yield to my friend from Ohio.

Mr. LAUSCHE. Mr. President, I wish to subscribe to the views expressed by the Senator from Wisconsin, to the effect that we were told that this question would come before the Senate for consideration at 2 o'clock.

Mr. JOHNSON of Texas. I have never told any Senator that.

Mr. LAUSCHE. That was my understanding. There has been certain discussion——

Mr. JOHNSON of Texas. Mr. President, let me make it perfectly clear that I have not misled anyone. The only way to have an understanding as to when a vote is to be taken is by unanimous consent. That is what I am trying to obtain. If we can obtain unanimous consent we can all have an understanding.

Last week I announced that beginning today we could debate reference of the bill. The bill is at the desk, and any

Senator can move to take it from the desk at any time he desires to do so.

That is what I am trying to obtain an agreement upon, so that the Senator will have ample time to discuss the question.

Will the Chair put the request?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DOUGLAS. If the opponents think their case is so weak that they need more time, we are willing to give them 2 hours, and reduce our time to 4 minutes.

Mr. JOHNSON of Texas. Mr. President, may we have the original request stated?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. CASE of South Dakota. What is the request?

Mr. JOHNSON of Texas. The request is for an hour and a half to each side.

Mr. McNAMARA. Mr. President, reserving the right to object——

Mr. WILEY. Mr. President, I believe, from the discussion which has been had, that it is very apparent that the cards are stacked against us so far as the committee is concerned.

Suppose that by 8 o'clock a vote were taken, and the ruling of the Chair should be sustained. Could there be an agreement that after consideration by the committee which considered the question last year under the dominating influence of the Senator from Oklahoma [Mr. KERR] the bill should be referred to the Committee on Foreign Relations?

Mr. JOHNSON of Texas. The Senate could do that by a majority vote, if it desired to follow such a course. The Senate can always work its will by majority vote.

I have been trying to protect the Senator from Wisconsin and other Senators by giving them an opportunity to be present before the bill is referred. That is rather difficult, because I am not present in the Chamber all the time.

If we can obtain a unanimous-consent agreement, the proponents of the bill will have ample protection, and whatever time they desire. Senators who have dinner engagements can keep them and return to the Chamber later to vote. I hope Senators will allow us to obtain the proposed unanimous-consent agreement.

Mr. LAUSCHE. Mr. President, the point I am trying to make is that the entire afternoon was spent in the discussion of a subject which has been kicked back and forth on the floor of the Senate for the past 18 months.

Mr. JOHNSON of Texas. The Senator has just told me that, and I am aware of it. However, there was not a thing I could do about it.

Mr. LAUSCHE. Now we have before us a subject involving international relations with Canada. It involves interstate relations between States. The declaration is made that it is of such insignificance that we ought to dispose of it within 30 minutes.

Mr. JOHNSON of Texas. I have not made such a declaration. I do not know anyone who has.

Mr. LAUSCHE. May I complete my statement?

Mr. JOHNSON of Texas. I want the RECORD to show that I made no such declaration.

I yield to the Senator from Ohio.

Mr. LAUSCHE. The statement was made that the bill contains no provision which would require negotiation with Canada. That is the vice and the folly of the bill. It attempts completely to ignore the fact that we would be violating the rights of Canada. There is no recognition in the bill of that fact. In a high-handed fashion we are saying to Canada, "This is a bill which deals only with public works." Canada is saying to us, "We object to the implementation of the program by the passage of the bill."

Mr. JOHNSON of Texas. That goes to the merits of the bill.

Mr. LAUSCHE. That does not go to the merits of the bill. It goes to the vital question involved, as to which committee of the Senate has the greatest interest in it.

Mr. DIRKSEN. I would have no objection to that.

Mr. President, in the hope that this question can be disposed of——

Mr. JOHNSON of Texas. Let us have the request put.

Mr. LAUSCHE. Mr. President, I should like to ask the Senator from Texas a question. The Senator from Illinois [Mr. DIRKSEN] has just stated that he has no objection to the bill going to the Foreign Relations Committee.

Mr. DIRKSEN. No; I did not say that.

Mr. LAUSCHE. After it has been disposed of by the Committee on Public Works.

Mr. JOHNSON of Texas. That is a question for the entire Senate to determine when the bill is reported. Any Senator can move to refer it to the Foreign Relations Committee; and if the majority supports such a motion, as Senators know, the bill will be referred to that committee. But first we must determine where it is to go now.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The Chair advises that when and if the bill is reported from the Committee on Public Works a motion for reference to the Committee on Foreign Relations would be in order.

Mr. JOHNSON of Texas. I have so stated. I do not know whether the bill will be reported from the Committee on Public Works. I will make no statement as to what action that committee will take. But when the bill is reported to the Senate and is placed on the calendar any Senator can rise in his place and make a motion; and if the majority of his colleagues vote in favor of the motion, the bill can be sent anywhere the Senate wishes to send it.

Mr. CASE of South Dakota. Mr. President, the Senator from Oklahoma [Mr. KERR] does not happen to be present in the Chamber. As the ranking Republican member of the Senate Committee on Public Works, I think I can safely say that if the bill is referred to the Committee on Public Works it will receive a fair hearing, and that the hearing will not be dominated by anyone or prejudiced in any way.

Moreover, if some new evidence has been discovered as to the attitude of the Canadian Government, that evidence will be given respectful, careful, and honest consideration. I do not want any Senator to think that if the bill is referred to the Committee on Public Works it will come before a prejudiced committee.

Mr. JOHNSON of Texas. Mr. President, I renew my request that each side be allowed an hour and 45 minutes.

Mr. LAUSCHE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LAUSCHE. Within the rules of the Senate, does it lie within the power of a Senator to move that the bill be referred to the Public Works Committee, and that when that committee has concluded its hearing it be referred to the Committee on Foreign Relations?

Mr. JOHNSON of Texas. Mr. President, I would object very strenuously to such procedure, before the bill is even received by a committee. We cannot anticipate what action will be taken by the committee.

If Senators who wish to refer the bill to the Committee on Foreign Relations have the necessary votes, it can be sent there tonight. If they have not the votes to send it there tonight, they can move to send it there if and when it is reported from the Committee on Public Works.

What I am trying to do is to get the bill to committee and get it off the desk, because it could be passed without going to a committee. We passed a bill under those circumstances not too long ago.

Mr. LAUSCHE. I have not had an answer to my inquiry.

The PRESIDING OFFICER. The Chair will advise that such a motion would not be in order. An appeal is pending.

Mr. LAUSCHE. If I may, I should like to ask a further question. If the Senate has the authority to send the bill to the Committee on Foreign Relations after it is reported to the Senate by the Committee on Public Works, why does not the Senate now have the authority to direct that it be sent to both committees?

The PRESIDING OFFICER. Such a procedure would be in violation of section 137 of the Legislative Reorganization Act, which requires the Chair, where there is a question raised as to the jurisdiction of a committee, to refer such bill without debate to the committee which has jurisdiction over the subject matter which predominates in the bill.

Mr. WILEY. Mr. President, what is the pending question?

Mr. JOHNSON of Texas. The appeal of the Senator from Wisconsin is pending before the Senate. I should like to have an understanding as to when the Senate will vote. I expect to leave the Chamber shortly, although I shall be available at any time. Nevertheless, I should like to have an understanding reached for the benefit of Senators who

may not be here. I renew my request that an hour and a half of debate be allowed to each side of the question.

The PRESIDING OFFICER. Is there objection?

Mr. McNAMARA. Reserving the right to object—and I wish to make it clear that I shall not object—as a member of the subcommittee of the Committee on Public Works I wish to join with the Senator from South Dakota, and I should like to ask the distinguished Senator from Wisconsin [Mr. WILEY] to withdraw his remarks in reference to the chairman of the subcommittee. I believe those remarks were derogatory.

Mr. WILEY. I thought it was a compliment. The Senator to whom I referred dominates in the subcommittee as he dominates on the floor of the Senate.

Mr. McNAMARA. This is becoming a little facetious. He does not dominate me as a member of that subcommittee. I believe the Senator's remark was a reflection on the other members of the subcommittee, and I hope the Senator will withdraw his remark.

Mr. WILEY. If it will please the Senator, and if he believes it was a reflection, that the Senator is dominated, I shall be glad to withdraw my remark. I have had a little experience with the Senator in question on one occasion, particularly, when he practically ordered me out of the committee room.

Mr. McNAMARA. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HOLLAND. I understood that the distinguished majority leader would try to give us some assurance as to when we should return.

Mr. JOHNSON of Texas. I shall be glad to do so if the Senator will give me a few moments.

Mr. WILEY. I shall take 20 minutes.

Mr. DOUGLAS. We shall take 5 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 20 minutes.

Mr. JOHNSON of Texas. Mr. President, before Senators leave the Chamber, I should like to modify my request so as to provide that 20 minutes be allowed to each side on the motion pending question.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. Mr. President, will the Senator from Wisconsin yield me 5 minutes?

Mr. WILEY. I yield 5 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I shall speak very briefly. In my opinion, the seriousness of the bill is far greater than has been ascribed to it. Canada opposes its passage. With Canada objecting, it is my view that the bill does not further our international relations. I make my presentation now in the hope that at least after the Public Works Committee has acted on the bill and it comes back to the Senate, if it is the recommendation of the committee that it be reported, the Senate will then give serious consideration to sending the bill to the Committee on Foreign Relations. In the bill not only the rights of sister States are being affected, but also the rights of Canada, and it is on that basis, in my opinion, that the bill should be referred to the Committee on Foreign Relations.

Mr. WILEY. Mr. President, there is only one issue before the Senate at this time, and that is to which committee the Chicago diversion bills should be referred. I maintain they should be referred to the Committee on Foreign Relations. During the course of the next 15 minutes I wish to say why.

It is interesting to note in the current press that at long last the Chicago sanitary district is talking about spending money to improve its own sewage purification plant. I have always contended that this is Chicago's problem, and that Chicago should solve it. I am glad to see that Chicago is talking about it.

I have in my hand an article published in the Chicago Daily Tribune of March 13, 1959. I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SANITARY UNIT ORDER THREE SLUDGE PLANTS—COST OF PROPERTY PUT AT $25 MILLION

Plans for a $25 million program, to wit, the sanitary district No. 1 problem, sludge disposal, were disclosed Thursday by the district trustees.

They voted 7 to 1 to authorize the district engineers to draw up specifications for the construction of three plants to dispose of sludge, the solids that are removed from sewage during treatment.

PROBLEM CALLED ACUTE

"The need for additional sludging disposal facilities has been urgent for some years but now become acute," said Frank Chesrow, district president. "The district currently is capable of disposing up to 650 tons of sludge daily, but cannot dispose of 150 to 300 additional tons daily which must be placed in storage lagoons."

Chesrow said studies show that by 1970 the district disposal capacity must be boosted to 1,047 tons daily if it is to keep pace with growth of the Chicago area. He said, "The engineers have been asked to draw up blueprints for two disposal plants, a 300-ton and a 250-ton unit, at the West-Southwest treatment works, and a 75-ton unit at the Calumet works.

EXPERIMENTAL METHOD

A 300-ton unit at the West-Southwest works will be based on the Zimmermann process, an experimental method the district has been testing. The other two units will use the heat-digestion method, new to Chicago but used in many major cities.

William Dundas, district superintendent, gave the total cost estimate of at least $25 million.

Walter S. Baltis, who cast the dissenting vote, argued that the authorization to the engineers did not specify that first priority be given to the heat-digestion plan.

"There are tried and true plants for which materials are readily available," Baltis said.

"Their construction would be the fastest, most economical way to meet this crucial problem."

BASIS OF OBJECTION

"The Zimmerman process has never been proved to work in a large scale operation and I think construction of such plant should be the secondary objection of the district."

Trustee William Patterson said "that if the district doesn't act immediately, the sludge problem will become intolerable."

William Nordburg, another trustee, said that though it be costly any possible solution of the situation must be tried.

"This is a tremendous expenditure of taxpayers' money being proposed," Baltis replied. "I agree we must solve the problem but in justice to the citizens, we must do it judiciously."

Mr. WILEY. I also ask unanimous consent to have printed in the RECORD at this point an excerpt from Committee Report No. 191, of the House of Representatives, 86th Congress, 1st session. The report is entitled "Requiring a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and for other purposes." The report accompanied H.R. 1. The portion I wish to have printed in the RECORD shows the position of the Canadian Government.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

On a number of occasions in the past, the Canadian Government has expressed its objections to proposals envisaging increased diversions of water from Lake Michigan at Chicago. Once again, and at the invitation of the Government of the United States through the U.S. Embassy's aide memorie of February 9, 1959, the Government of Canada is anxious to make known its views on legislative proposals now before Congress, such as bill H.R. 1, which are intended to authorize an increased diversion of water from the Great Lakes Basin into the Illinois Waterway.

While recognizing that the use of Michigan water is a matter within the jurisdiction of the United States of America, it is the considered opinion of the Canadian Government that any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border.

The Government of Canada therefore protests against the implementation of proposals contained in H.R. 1.

WATER DIVERSION JURISDICTION

Mr. WILEY. Mr. President, it is important to many of us that the Chicago water diversion bill be considered, not merely from the point of view of local self-interest, but as part of the overall national and international picture.

Unfortunately, it has been most difficult to see that this is done.

I think I have put my finger on the reason.

AVOID WRONG COMMITTEE

It has been considered before the Public Works Committee which is primarily

concerned with the bill from the point of view of public works in a particular locality.

Though the bill superficially may seem to concern local public works, analysis shows that it does not concern public works at all.

The bill is not about the building of public works.

The bill is about studying the effects of an additional diversion of water where water is already being diverted. No additional works are required. Merely the larger opening of the gates already there.

SCOPE IS INTERNATIONAL

And what kind of effects are to be studied? The effects are upon navigation and commerce, upon the use of water which to a greater or lesser extent belongs to all countries and States bordering the Great Lakes, the effects on our international relations, particularly with Canada.

These are the major consideration involved in the bill. When Senators read what I have placed in the RECORD, they will realize how Canada feels on the subject.

The effect on international law which will be applied in such diverse parts of the world as Pakistan and India, Egypt and the Sudan, and the Northwestern part of the United States and the southwestern part of Canada where the Columbia River crosses the borders.

BASIC PRINCIPLE

It is not a small point which has been raised about the reference of S. 308 and H.R. 1. It is a matter of deep principle.

A bill should go to the committee with the greatest overall interest in the legislation, so that it may be fairly considered from all points of view.

FOREIGN RELATIONS COMMITTEE

The bill should go to the committee which has the greatest concern with its provisions. That is the Committee on Foreign Relations.

It concerns the interpretation of the Boundary Waters Treaty of 1909 which covers waters which affect the level of boundary waters, as well as waters which actually cross the border.

It affects the continuing discussions which we have with Canada about the use of water by the two countries. There is, as Senators know, an International Joint Commission constantly considering such matters. The work of such international organizations is, of course, within the jurisdiction of the Foreign Relations Committee.

The Foreign Relations Committee has a subcommittee on Canada suitable for handling matters of this sort.

The complex questions of international law involved in the bill, the Niagara Treaty of 1950 and the effect on the St. Lawrence Seaway, the legislation for which the Foreign Relations Committee handled; the maintenance of our friendly relations with the Canadian Government, consideration of an international agreement with Canada on this problem—all these matters are within the jurisdiction of the Committee on Foreign Relations.

HISTORICAL POLICY

The diversion at Chicago has had a long and controversial history.

Such a great statesman and judge as Charles Evans Hughes was, before he became a member of the United States Supreme Court, appointed special master by that Court to report upon the Chicago water diversion. He reported that the diversion at Chicago was not justified for pollution control—only for navigation, for which no more is now needed. Mr. Justice Hughes, as special master, reported that the diversion should be cut back to the present level which he considered ample for navigation purposes. This view was approved by the U.S. Supreme Court.

He also reported that Chicago had not done everything it could to handle its pollution problems, that it should set about doing so and should arrange to do so without further diversion of water, but it has never lived up to this injunction.

This view was approved by the U.S. Supreme Court in the case of *Wisconsin* v. *Illinois* (278 U.S. 367).

Chicago has already diverted three rivers from flowing into Lake Michigan. They are the North Chicago River, the South Chicago River, and the Calumet River. In addition they are diverting water out of Lake Michigan. How much does Chicago expect to get? I believe that national policy should prevail over local self-interest.

AN INTERNATIONAL QUESTION

The Boundary Waters Treaty of 1909, in addition to provisions about "boundary waters," contained provisions about "waters * * * which * * * would flow across the boundary or into boundary waters." It specified that any diversion of such waters would give rise to the private right to sue for injury.

It also reserved the Canadian Government's right to object to diversions of waters "which would be productive of material injury to the navigation interests on its own side of the boundary."

Those rights arise from the doctrine of international law that neighboring countries shall enjoy mutual beneficial use of contiguous waters.

So Canada not only has the right to object to diversion lowering the level of the Great Lakes (for a low Lake Michigan lowers the level of the boundary lakes) to the injury of its navigation thereof; but it has so objected.

The Canadian Aide Memoire of January 1958 has been supplemented by a more specific protest. This makes clear that Canada not only objects but protests against this legislation.

To what committee should the bill be referred?

Article II of the Treaty of 1909 contained this provision:

> It is agreed that any interference with or diversion from their natural channel of such waters on either side of the boundary resulting in any injury on the other side of the boundary shall give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where such diversion or interference occurs.
>
> It is understood, however, that neither of the high contracting parties intends by the foregoing provision to surrender any right which it may have to object to any interference with or diversion of water on the other side of the boundary, the effect of which would be productive of material injury to the navigation interest of its own side of the boundary.

In its communication to the State Department under date of February 24, 1959, the Canadian Government said, among other things, that—

> Any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.
>
> The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border, at Niagara Falls and in the international section of the St. Lawrence River, as well as in the province of Quebec, and would inflict hardship on communities and industries on both sides of the border.
>
> The Government of Canada therefore protests against the implementation of proposals contained in H.R. 1.

The bill in question would authorize the diversion of an additional 1,000 cubic feet per second. Chicago now diverts an average of 1,800 cubic feet per second for navigation, domestic and sanitary purposes, and takes 1,500 cubic feet per second in addition, all of which is discharged into the canal.

The reading of the debate in the House clearly indicates that the purpose of this additional 1,000 cubic feet—amounting to 2,786,400,000 gallons every day—plus the 3,300 cubic feet now being used is not in the interests of navigation, but in the interests of flushing sewage.

Six years ago the disposal plant in Chicago did a good job, almost as good as the disposal plant in Milwaukee now does and did then.

It might be emphasized that Milwaukee takes water from the lakes, uses it, and puts it back 95 percent pure.

Chicago, having taken three rivers and some 3,300 additional cubic feet, returns none of it to the lake. What she does is to take water from one watershed and put it into another.

Since the time of the efficient operation of the sewage-disposal plant in Chicago, we understand that many additional square miles of area, many people, and many plants have been added as an additional load to the city's purification plants.

In 1930, the Chicago Sanitary District covered 438 square miles, including the city of Chicago and 54 municipalities with a human population of 3,710,000, plus an industrial waste equivalent of 1,700,000.

Since then, the Chicago Sanitary District has been expanded so that the district includes in 1955, 920.14 square miles and a human population of 4,600,000 with an industrial waste equivalent of 3,800,000.

This addition of square mileage, human population, and industrial waste,

without additional plant capacity accounts for the system's defective operation from 1952 to 1958.

The Chicago Sanitary District now claims to have improved its purification percentage in 1958 to 90.4 percent. This would be in the right direction, but I fear that the apparent improvement may only be the result of excluding some territory from the district and its reports. For they now say they are down to 880.4 square miles. And I wonder what is being done with the sewage of the excluded area. Probably going into the canal to add to the sewage which the Federal Government is, by this bill, asked to flush out.

I think now that we realize that the purpose of this additional water is not for navigation, the question arises whether there is any authority in the Congress to authorize additional diversion for sewage purposes?

There are other questions. Whether the diversion constitutes a preference to the ports of the State of Illinois over those of other lake States, in violation of article I, section 9, clause 6 of the United States Constitution?

Whether diversion constitutes a taking of property of the injured lake States—Minnesota, Wisconsin, Michigan, Ohio, New York, and Pennsylvania—in violation of the 5th and 14th amendments to the United States Constitution?

Whether the Congress has the authority, when it is not in the aid of navigation, to authorize the diversion of waters of the Great Lakes to another watershed?

The Foreign Relations Committee is the place to work out this problem.

NOT PUBLIC WORKS COMMITTEE

If it be urged that the Senate Committee on Public Works should be given jurisdiction of this bill, it should be pointed out that no public works are necessary to divert the additional amount of water. It would simply be allowed to flow. The study does not involve the construction of public works. The proposed study involves the effect of such increased diversion upon commerce among the several States and navigation on the Great Lakes and the Illinois Waterway. Navigation is within the jurisdiction of the Senate Committee on Interstate and Foreign Commerce. If waterpower and pollution are the real purposes of S. 308 and H.R. 1, it does not say so and its constitutional basis resting on navigation, would be undermined by referring it to the Public Works Committee. Moreover, H.R. 1 is a different bill from last session's H.R. 2 and should be treated differently.

Of the Senate committees, there are two others which have stronger and more valid claims to this bill than has the Committee on Public Works.

INTERSTATE AND FOREIGN COMMERCE COMMITTEE

Interstate and foreign commerce, navigation and the laws relating thereto, and inland waterways, are within the jurisdiction of the Senate Committee on Interstate and Foreign Commerce, which also has jurisdiction over the merchant marine, the registering and licensing of vessels and small boats, and measures relating to the regulation of common carriers by water.

If the bill is really about the subject of the title given to it, it concerns navigation on the Illinois Waterway. If it does concern navigation on this inland waterway, then if it should not be referred to the Committee on Foreign Relations it should be referred to the Committee on Interstate and Foreign Commerce.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Of course, the Committee on Interior and Insular Affairs has a direct interest in and jurisdiction over the diversion of waters. The water law involved in the diversion of the Columbia River and its effect on irrigation will be directly affected by the consideration given to H.R. 1 and S. 308. The Interior Committee has jurisdiction over the Columbia River water controversy, and it has been carefully studying the proposal advanced in Canada for the diversion of the Columbia River before it reaches the northern border of the United States. It is, therefore, familiar with the dangerous implications of unwarranted diversion of boundary and contiguous waters.

CONCLUSION ABOUT JURISDICTION

The conclusion seems clear that H.R. 1 and S. 308 should be referred to the Committee on Foreign Relations, because of the bill's primary foreign relations impact and its overall scope.

The Committee on Interstate and Foreign Commerce is more concerned than is the Committee on Public Works, because of the bill's impact on interstate and foreign commerce and navigation.

The Committee on Interior and Insular Affairs also has more claims to H.R. 1 and S. 308 than has the Public Works Committee, because of the bill's concern with the diversion of waters in the Columbia and other rivers, and with interstate compacts which have been used in the past to provide for diversion.

The waters involved in the bill are international waters in which there are international rights and about which there are international disputes. The bill should go to the Committee on Foreign Relations. The interest which this project has aroused in international, legal and diplomatic circles manifests that it far transcends the idea of domestic public works, and it cannot properly be treated in such narrow confines. The Committee on Public Works has a lesser interest in the bill than any one of these committees.

PENDING SUPREME COURT CASE

A few weeks ago, the Metropolitan Sanitary District of Greater Chicago filed its answer in the United States Supreme Court to a petition by Wisconsin, Minnesota, Ohio, Pennsylvania, Michigan, and New York to force it to comply with the original order and to purify the water it uses, as other cities do, in order to return it to the middle of the Lake.

The Congress has authority under the Constitution to facilitate navigation, but not to control pollution. So we have no authority unless a navigation problem is involved.

The issue is now drawn between the litigants, and the forum is the United States Supreme Court. Briefs are due April 30. I do not think the Senate wishes to frustrate the jurisdiction of the Supreme Court in a pending case like this.

While we are waiting for the final decision of the U.S. Supreme Court, the Foreign Relations Committee should be given the opportunity to conduct a thorough survey of the impact of this proposal upon our international relations and upon international law.

NO STATUTE INVOLVED

Though some claim a Federal statute authorized the diversion, this is not supported by the history of the matter.

The Supreme Court ordered an unauthorized diversion cut back to the present flow. A routine public works bill happened to be passed soon afterward.

The paragraph involved—46th Statutes at Large, page 929—is merely a description of one of many pages of projects authorized by the act's first sentence—46th Statutes at Large, page 918—reading as follows:

> That the following works of improvement are hereby adopted and authorized, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans recommended in the reports hereinafter designated.

The reference in the paragraph to use of the water for navigation is purely incidental to the navigation works then being authorized (back in 1930) in order to authorize the engineers to use the water for navigation as long as it was available.

NO NAVIGATION NEED

Further diversion would not help navigation. According to testimony of the Army Engineers last session, added diversion is not needed in the Chicago waterways. And the effect of possible drought conditions in the upper Mississippi River have been cured by authorization of special retaining works near Alto, Ill. So there is not any reason for Senators from the Mississippi Valley to support this bill.

INTERSTATE COMPACTS

The bill is drawn as though the Federal Government could take water rights from one State and give them to another State. This would really be interference with the States rights—with a vengeance.

Where there has been diversion of water for irrigation and other worthwhile purposes, this has been successfully accomplished by agreement among the States concerned. They have negotiated and signed interstate compacts.

Incidentally, interstate compacts are specifically within the jurisdiction of the Committee on the Judiciary.

If this proposal were being handled through the traditional method of obtaining State consent, the Federal approval of the compact would come before the Judiciary Committee of which I am a member.

However, I believe that the Foreign Relations Committee has the greatest interest in the bill, and I urge that it be

referred to the Committee on Foreign Relations.

CONCLUSION

Mr. President, I repeat that there is a case pending in the Supreme Court raising the issue. I might say parenthetically that the Supreme Court has had jurisdiction in the Chicago water matter since 1926, when the case was started.

What is the pending case about?

The States of Wisconsin, Minnesota, Ohio, Pennsylvania, Michigan, and New York ask that the Chicago district be required to return to the lake, after it has purified the sewage, the water it now takes from the lake as domestic pumpage.

The Chicago district, back in 1952, purified its sewage to the point of 93.6 percent. Over the years, it degenerated until it purified only to 85.6 percent in 1957. This means that it has taken in additional territory but has not enlarged its plant. Let me quote what the Supreme Court said when a similar situation arose:

"It will be perceived that" the controversy "resulted directly from the failure of the sanitary district to take care of its sewage in some way other than promoting or continuing the existing diversion." 278 U.S. 367, 418.

It is very clear that if the Supreme Court required the district to build its plant so that it will take care of the sewage situation, and to return to the lake what it now takes from the lake, there is no ground on the basis of navigation, or any other, for a claim that additional water should be diverted.

There is also testimony before the House committee that sewage without treatment by the sanitary district is discharged now into the canal.

That should be the subject of special investigation by an unbiased agency which would report to the committee or to the Court.

To further buttress our position that this matter should go to the Foreign Relations Committee, let me quote the Court in 266 U.S. 405, 426, in 1925:

> With regard to the second ground, the treaty of January 11, 1909, with Great Britain, expressly provides against uses "affecting the natural level or flow of boundary waters" without the authority of the United States or the Dominion of Canada within their respective jurisdiction and the approval of the International Joint Commission agreed upon therein.

Back in 1913, Secretary of War Henry L. Stimson stated that the Boundary Water Treaty of 1909 did not sanction the Chicago diversion and that such question should, in accordance with the terms of the treaty, be placed before the International Joint Commission.

In 1926, Hon. Charles Stewart, then Minister of the Interior, stated in the House of Commons that the Canadian Government had never recognized the Chicago diversion and promised that it would "continue to protest against the entire principle of abstracting water from the Great Lakes to another watershed."

This whole matter could be settled by requiring the district to do what Milwaukee does, purify its sewage and return to the lake up to 95 percent in water purified.

Another question arises which makes it more important than ever that the matter go to the Foreign Relations Committee, and that is whether the diversion without the return of the water to the lakes constitutes a preference to the ports of the State of Illinois and against those of other Lake States in violation of article 1, section 9, clause 6 of the U.S. Constitution.

There is really no claim here that the purpose of the additional water is related to the ends of navigation. The real object apparently is to see whether the Federal Government should take from one navigable source—Lake Michigan—water to flush sewage into another watershed, but it is not to increase navigation in the second watershed.

Chief Justice Taft (278 U.S. 367, 417) in speaking for the Court said:

> The normal power of the Secretary of War under the statute is to maintain the navigable capacity of Lake Michigan and not to restrict it or destroy it by diversions. * * * Merely to aid the district in disposing of its sewage was not a justification, considering the limited scope of the Secretary's authority. He could not make mere local sanitation a basis for a continuing diversion.

And as Chief Justice Hughes said for the Court in 1932:

> After a full examination of the facts and considering the questions presented in all their aspects, the Court deemed it to be its duty by an appropriate decree to compel the reduction of the diversion to a point where it rests on a legal basis and thus to restore the navigable capacity of Lake Michigan to its normal level (289 U.S. 395, 401.)

The law then is very clear that the disposing of its sewage cannot be a justification for diversion. What the Chicago district needs is an improved sanitation plant.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. LANGER. I think this is a very serious matter because it may involve our relations with Canada, particularly as they concern the Columbia River. There has been much talk about the diversion by Canada of the waters of the Columbia River. If that occurs, it will mean that the great West of the United States will suffer by the action of Canada. Certainly we want to maintain the very best relations possible with our neighbor. I agree with the distinguished senior Senator from Wisconsin. He is rendering a great service by bringing this matter to the attention of the Senate at this time.

Mr. WILEY. I thank the distinguished Senator from North Dakota. He has raised a point which I have not the time to discuss at length now. But if the bill is passed, it will set a precedent for Canada to take the waters of the upper Columbia, and that will interfere with the development of the West, with all that that implies.

Mr. President, in brief, what is this problem all about? As I have said previously, Chicago has taken the waters of three rivers which used to flow into Lake Michigan. She first took 1,800 cubic feet a second. Then, she received another 1,000 cubic feet a second, making a total of 2,800 cubic feet a second from those three rivers. The result is that the level of Lake Michigan has gone down, down, and down.

But there is something else. Since that was done, the U.S. Government has spent half a billion dollars for the development of the St. Lawrence Waterway. In the lower regions of the river a half-billion-dollar plant has been built for the generation of electricity. The States of New York, Pennsylvania, Ohio, Minnesota, Wisconsin, and Michigan are all interested in making certain that this proposed water steal does not take place.

Pending before the Supreme Court of the United States is an application in which all the parties are involved. It goes to the very essence of the question whether even Congress has the authority to do what is sought to be done.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. WILEY. I yield myself 2 more minutes.

The question in my mind is: Is there authority? The answer is and must be that water can be diverted from one watershed to another only if the question relates to the control of navigation. Is navigation involved in this measure? No. The question involved in this bill is getting rid of sludge, as is indicated by the statements I have placed in the RECORD.

So, in my humble opinion, because of the arguments already stated, the bill should be referred to the Committee on Foreign Relations.

Mr. PROXMIRE. Mr. President, will the Senator yield 3 minutes to me?

Mr. WILEY. I yield.

Mr. PROXMIRE. I warmly support the position taken by my senior colleague. I do so for four reasons.

First, the Committee on Public Works has had the bill, as has been pointed out repeatedly by Senators on both sides of the issue, three times in three previous sessions of Congress. That committee has considered every public works aspect of the bill. They have explored the public works question fully and have published hearings on it. The hearings are available to the Senate. The public works considerations involved in the bill have been thoroughly explored in the testimony, the hearings, and the committee report.

Secondly, the one really new and significant development is that Canada has taken a different position this year from the position it took last year. Canada has now protested the bill.

I think this raises the third point, which is that the Committee on Foreign Relations is the committee of this body which is most concerned with foreign relations and is most expert on such matters. I think it is the committee which has the best access to a knowledge of Canadian affairs in every way. It has been concerned with Canadian-American relations over a period of time on many levels and from many standpoints.

Fourthly, in the debate which took place last year on this issue, the manager of the bill, the distinguished senior Senator from Oklahoma [Mr. KERR], devoted at least 80 percent, and perhaps 90 percent, of his speech to the foreign relations aspect of the bill. He explained in great detail the implications of the treaties which are involved and the interest of Canada in the bill.

To sum up the four reasons: The proponents have admitted on the basis of their debate that the question of foreign relations is important; the Committee on Foreign Relations is the one committee which is constituted by this body to serve as our expert advisers on foreign relations; Canada has protested this year, although it did not protest last year, so this constitutes a new element and a strictly foreign relations element; and finally, the Committee on Public Works has already, not once, not twice, but three times, thoroughly explored all the public works aspects of this proposed legislation. So it seems to me that it makes good sense to have the Committee on Foreign Relations consider the bill this year.

Mr. KEATING. Mr. President, will the Senator from Wisconsin yield me 1 minute?

Mr. WILEY. I yield 1 minute to the Senator from New York.

Mr. KEATING. Mr. President, the State of New York is very much intested in the water-diversion problem. The previous Governor and the present Governor and all the legislators of both parties, on a completely bipartisan basis, support the position which has been presented by the able senior Senator from Wisconsin.

It is arguable as to which committee the bill should be referred. But certainly the recent aspect presented by the objections by Canada persuade me to the belief that the bill should be referred to the Committee on Foreign Relations.

I strongly feel that the bill has aspects which should be considered both by the Committee on Foreign Relations and the Committee on Public Works, and that it would be desirable to have it reviewed by both committees. But I shall support the position taken by the able Senator from Wisconsin.

Mr. DOUGLAS. Mr. President, let me ask the Senator from Wisconsin whether he desires to submit any further argument.

Mr. WILEY. Perhaps the Senator from Illinois will proceed at this time.

Mr. DOUGLAS. Mr. President, we shall not take more than our total of 5 minutes.

At this time I yield 2 minutes to the Senator from South Dakota [Mr. CASE].

The PRESIDING OFFICER [Mr. DODD in the chair]. The Senator from South Dakota is recognized for 2 minutes.

Mr. CASE of South Dakota. First, Mr. President, I should like to point out that the real question before us is one of committee jurisdiction in connection with the bill. The merits of the question dealt with by the bill are not now at issue.

It may be that a new factor has been brought into the case, one which would be considered by any committee to which the bill might be referred. If Canada has changed her position, that will be a matter for any committee which will deal with the bill to consider.

But, Mr. President, we should recall that on three prior occasions the bill has been referred to the Committee on Public Works. The rule which sets forth the jurisdiction of that committee reads in part as follows:

1. Flood control and improvement of rivers and harbors.
2. Public works for the benefit of navigation—

And so forth.

Mr. President, in my judgment, on prior occasions the bill has been properly referred to the Committee on Public Works, because of the general subject matter of the bill.

I wish to invite the attention of my colleagues to the further fact that the bill itself proposes to deal with the Rivers and Harbors Act of 1930. The very fact that the bill would be amendatory of a prior authority for the diversion of water, under the authorization of a prior rivers and harbors act, would suggest that the bill should be referred to the Committee on Public Works.

One of the provisions of the bill reads in part as follows:

The Secretary of the Army shall not allow any water to be directly diverted from Lake Michigan to flow into the Illinois Waterway during times of flood in the Illinois, Des Plaines, Chicago, or Calumet River.

Mr. President, what jurisdiction does the Foreign Relations Committee have over floods in the Illinois, Des Plaines, Chicago, or Calumet River?

Clearly, from a jurisdictional standpoint, the bill should be referred to the Committee on Public Works, in harmony with all prior references and the precedents and traditions of the Senate.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. DOUGLAS. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 minutes.

Mr. DOUGLAS. Mr. President, in addition to the points which have been made by the Senator from South Dakota [Mr. CASE] and those by the distinguished Presiding Officer, let me say that the Committee on Public Works is also given jurisdiction by rule XXV(N)4 of all matters dealing with "oil and other pollution of navigable waters." The pollution question is a very important one in this case, and is further justification for referring the bill to the Committee on Public Works.

So far as the Canadian question is concerned, let me say that Lake Michigan is entirely within the borders of the United States. The Straits of Mackinac which furnish the terminus of Lake Michigan lie at the northeastern extremity of that lake. The map which stands in the rear of the Chamber shows that this is very much to the west of the international boundary line. In fact, the expert witness who testified on this matter before the Public Works Committee stated, as shown on page 56 of the hearings:

The U.S. Coast and Geodetic Survey reports that the nearest distance from Lake Michigan to the Canadian border is 38.2 miles.

So Lake Michigan is entirely an inland water of the United States, and has always been recognized as such.

Furthermore, Mr. President, my good friend, the Senator from Wisconsin, has carefully omitted to state the fact that Canada, in the letter which the State Department for some unknown reason stimulated from the Canadian Department of State, directly admitted this fact, when it said—and now I quote from the Canadian memoire: "Recognizing that the use of Lake Michigan water is a matter within the jurisdiction of the United States of America"—and so forth.

In other words, the Canadian Government admits that this matter is purely a domestic one, so far as the United States is concerned.

To my mind, the proposal of the Senator from Wisconsin really borders on the absurd. If his proposal were to be carried out, it would be necessary to have every matter dealing with an inland stream of the United States referred to the Foreign Relations Committee.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. Mr. President, I have used all my time; but I am very glad to yield additional time to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, if the U.S. Government has authority to divert water from the Great Lakes Basin, to the extent that such diversion would affect navigation and the Canadian interests, would the Senator from Illinois say that, thereby, Canada would have a right to divert water from the Columbia River Basin, to the extent of damaging the interests of the United States within U.S. borders?

Mr. DOUGLAS. This matter can be taken up separately; and if the Senator from Ohio is desirous of having good relations with Canada—as he says he is—it seems to me we should not try to buy good relations with Canada by making concessions to Canada in connection with a matter in which Canada has no legal right to such water, in order to recognize whatever legal rights Canada may have in the Columbia River.

I hope my good friend, the Senator from Ohio, is not suggesting that we should attempt to placate Canada by giving her a right to interfere in a matter that is no concern of hers, in order that we may then object to Canada's use of her own internal waters.

Mr. LAUSCHE. Am I then to understand that the Senator from Illinois takes the position that Canada has a legal right to divert waters out of the Columbia River Basin, to the extent that such diversion would affect the generation of electricity by the various hydroelectric generating projects in that basin?

Mr. DOUGLAS. No, I do not take that position. But I would say beware of robbing Naboth's vineyard.

Mr. LAUSCHE. And I would say that Chicago should desist from trying to take from Ohio, Pennsylvania, New York, and the other Lake States properties which belong to them, and do not belong to Chicago or Illinois.

Mr. DOUGLAS. Then, if the Senator from Ohio is arguing this as a domestic matter, the bill certainly should be referred to the Committee on Public Works.

What I am saying is that this is a domestic matter; that the waters of Lake Michigan—as is clearly shown on the map which is placed in the rear of the Chamber—are entirely within the continental limits of the United States; that the Straits of Mackinac are 38.2 miles west of the international boundary line; and that, as the Senator from Ohio well knows, Canada admits that this matter is purely one for U.S. domestic consideration.

Mr. LAUSCHE. The Senator from Illinois has not answered my question, let me respectfully say.

Mr. DOUGLAS. That issue probably will have to be fought out in the Canadian Parliament and in the negotiations between the U.S. State Department and the appropriate Canadian departments, and possibly in international tribunals. We cannot pass on it here.

Mr. President, I yield back all our remaining time.

Mr. WILEY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by me and a memorandum in regard to the matter on which I have spoken.

There being no objection, the statement and memorandum were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

WATER DIVERSION JURISDICTION

It is important to many of us that the Chicago water diversion bill be considered, not merely from the point of view of local self-interest, but as part of the overall national and international picture.

Unfortunately, it has been most difficult to see that this is done.

I think I have put my finger on the reason.

Avoid wrong committee

It has been considered before the Public Works Committee which is primarily concerned with the bill from the point of view of public works in a particular locality.

Though the bill superficially may seem to concern local public works, analysis shows that it does not concern public works at all.

The bill is not about the building of public works.

The bill is about studying the effects of an additional diversion of water where water is already being diverted. No additional works are required. Merely the larger opening of the gates already there.

Scope is international

And what kind of effects are to be studied? The effects are upon navigation and commerce, upon the use of water which to a greater or lesser extent belongs to all countries and States bordering the Great Lakes, the effects on our international relations, particularly with Canada. The effect on international law which will be applied in such diverse parts of the world as Pakistan and India, Egypt and the Sudan, and the Northwestern part of the United States and the Southwestern part of Canada where the Columbia River crosses the borders.

Basic principle

It is not a small point which has been raised about the reference of S. 308 and H.R. 1. It is a matter of deep principle.

A bill should go to the committee with the greatest overall interest in the legislation, so that it may be fairly considered from all points of view.

Foreign Relations Committee

The bill should go to the committee which has the greatest concern with its provisions. That is the Foreign Relations Committee.

It concerns the interpretation of the Boundary Waters Treaty of 1909 which covers waters which affect the level of boundary waters, as well as waters which actually cross the border.

It affects the continuing discussions which we have with Canada about the use of water by the two countries. There is, as you know, an International Joint Commission constantly considering such matters. The work of such international organizations is, of course, within the jurisdiction of the Foreign Relations Committee.

The Foreign Relations Committee has a subcommittee on Canada suitable for handling matters of this sort.

The complex questions of international law involved in the bill, the Niagara Treaty of 1950 and the effect on the St. Lawrence Seaway (the legislation for which the Foreign Relations Committee handled), the maintenance of our friendly relations with the Canadian Government, consideration of an international agreement with Canada on this problem—all these matters are within the jurisdiction of the Committee on Foreign Relations.

Historical policy

The diversion at Chicago has had a long and controversial history.

Such a great statesman and judge as Charles Evans Hughes, before he became a member of the U.S. Supreme Court, was appointed special master by that Court to report upon the Chicago water diversion. And he reported that the diversion at Chicago was not justified for pollution control—only for navigation, for which no more is now needed. And, Mr. Justice Hughes as special master reported that the diversion should be cut back to the present level which he considered ample for navigation purposes. This view was approved by the U.S. Supreme Court.

He also reported that Chicago had not done everything it could to handle its pollution problems, that it should set about doing so and should arrange to do so without further diversion of water, but it has never lived up to this injunction.

This view was approved by the U.S. Supreme Court in the case of *Wisconsin* v. *Illinois*, 278 U.S. 367.

Chicago has already diverted three rivers from flowing into Lake Michigan. They are the North Chicago River, the South Chicago River, and the Calumet River. In addition they are diverting water out of Lake Michigan. How much does Chicago expect to get? I believe that national policy should prevail over local self-interest.

An international question

The Boundary Waters Treaty of 1909, in addition to provisions about boundary waters, contained provisions about "waters * * * which * * * would flow across the boundary or into boundary waters." It specified that any diversion of such waters would give rise to the private right to sue for injury.

It also reserved the Canadian Government's right to object to diversions of waters "which would be productive of material injury to the navigation interests on its own side of the boundary."

Those rights arise from the doctrine of international law that neighboring countries shall enjoy mutual beneficial use of contiguous waters.

So Canada not only has the right to object to diversion lowering the level of the Great Lakes (for a low Lake Michigan lowers the level of the boundary lakes) to the injury of its navigation thereof; but it has so objected.

The Canadian aide memoire of January 1958 has been supplemented by a more specific protest. This makes clear that Canada not only objects but protests against this legislation.

To what committee should the bill be referred?

Article II of the treaty of 1909 had this provision:

"It is agreed that any interference with or diversion from their natural channel of such waters on either side of the boundary resulting in any injury on the other side of the boundary shall give rise to the same rights and entitle the injured parties to the same legal remedies as if such injury took place in the country where such diversion or interference occurs.

"It is understood, however, that neither of the high contracting parties intends by the foregoing provision to surrender any right which it may have to object to any interference with or diversion of water on the other side of the boundary, the effect of which would be productive of material injury to the navigation interest of its own side of the boundary."

In its communication to the State Department under date of February 24, 1959, the Canadian Government said, among other things, that "any authorization for an additional diversion would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

"The point has been made repeatedly by Canada that every withdrawal of water from the basin means less depth available for shipping in harbors and in channels. Additional withdrawals would have adverse effects on the hydroelectric generation potential on both sides of the border, at Niagara Falls and in the international section of the St. Lawrence River, as well as in the Province of Quebec, and would inflict hardship on communities and industries on both sides of the border.

"The Government of Canada therefore protests against the implementation of proposals contained in H.R. 1."

The bill in question would authorize the diversion of an additional 1,000 cubic feet per second. Chicago now diverts an average of 1,800 cubic feet per second for navigation, domestic, and sanitary purposes, and takes 1,500 cubic feet per second in addition, all of which is discharged into the canal.

Attention is called to the following letter and telegram:

THE METROPOLITAN SANITARY DISTRICT
OF GREATER CHICAGO,
Chicago, Ill., February 20, 1959.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: Your telegram requesting information as to our 1958 figures of B.O.D. removal, the percentage of solids removal, and the population and areas served in 1930 and 1958, was telephoned to my office at the very hour of my departure this week for Washington to present before the House Public Works Committee at the public hearing, our views in support of H.R. 1. Hence the delay in compiling and furnishing you with the requested information.

Below is the tabulation as requested:

	1958 (Percent)
Removal of B.O.D.:	
Entire district (weighted average)	90.4
Calumet works	86.8
North side	94.5
West-Southwest	89.0
Removal of solids:	
Entire district (weighted average)	88.0
Calumet works	87.3
North side	90.7
West-Southwest	[1] 83.4
Population served:	
1930 total	3,901,000
1958 total (estimated from 1950 census)	4,800,000

[1] April, May, and June low because aeration tanks out of service for construction.

TOTAL AREA SERVED

In 1930, 438 square miles.
In 1958, 880.4 square miles.
Respectfully submitted.

FRANK W. CHESROW,
President.

P.S.—We are unable to advise you as to the amount of water used by the industrial plants in 1930 and 1958.

F.W.C.

FEBRUARY 16, 1959.

FRANK W. CHESROW,
President, the Metropolitan Sanitary District of Greater Chicago, Chicago, Ill.:

Please wire me collect, today, 1958 figures on the sanitary district's percentage of B.O.D. removal and percentage of solids removal, both for the entire district and for each individual plant. Also population served by the district in 1930 and in 1958. Also amount of water used by industrial plants in 1930 and in 1958. Also whether combined area served by the district is now 920 square miles as compared with 438 square miles in 1930.

Senator ALEXANDER WILEY.

A reading of the debate in the House clearly indicates that the purpose of this additional 1,000 cubic feet (amounting to 2,786,400,000 gallons every day), plus the 3,300 cubic feet now being used, is not in the interests of navigation, but in the interests of flushing sewage.

Six years ago the disposal plant in Chicago did a good job, almost as good as the disposal plant in Milwaukee now does and did then.

It might be emphasized that Milwaukee takes water from the lakes, uses it and puts it back 95 percent pure.

Chicago, having taken three rivers and some 3,300 additional cubic feet, returns none of it to the lake. What she does is to take the water from one watershed and put it in another.

Since the time of the efficient operation of the sewage-disposal plant in Chicago, we understand that many additional square miles of area, many people and many plants have been added as an additional load to the city's purification plants.

In 1930, the Chicago Sanitary District covered 438 square miles, including the city of Chicago and 54 municipalities with a human population of 3,710,000, plus an industrial waste equivalent of 1,700,000.

Since then, the Chicago Sanitary District has been expanded so that the district included, in 1955, 920.14 square miles and a human population of 4,600,000 and an industrial waste equivalent of 3,800,000.

This addition of square mileage, human population and industrial waste, without additional plant capacity accounts for the system's defective operation from 1952 to 1958.

The Chicago Sanitary District now claims to have improved its purification percentage in 1958 to 90.4 percent. This would be in the right direction, but I fear that the apparent improvement may only be the result of excluding some territory from the district and its reports. For they now say they are down to 880.4 square miles. And, I wonder what is being done with the sewage of the excluded area. Probably going into the canal to add to the sewage which the Federal Government is, by this bill, asked to flush out.

I think that we now realize that the purpose of this additional water is not for navigation. The question arises whether there is any authority in the Congress to authorize additional diversion for sewage purposes.

There are other questions, for instance, the following:

Whether the diversion constitutes a preference to the ports of the State of Illinois over those of other Lake States, in violation of article I, section 9, clause 6 of the United States Constitution.

Whether diversion constitutes a taking of property of the injured Lake States—Minnesota, Wisconsin, Michigan, Ohio, New York, and Pennsylvania—in violation of the 5th and 14th amendments to the United States Constitution.

Whether the Congress has the authority, when the bill is not in the aid of navigation, to authorize the diversion of waters of the Great Lakes to another watershed.

The Foreign Relations Committee is the place to work out this problem.

Not Public Works Committee

If it be urged that the Senate Committee on Public Works should be given jurisdiction of this bill, it should be pointed out that no public works are necessary to divert the additional amount of water. It would just be allowed to flow. The study does not involve the construction of public works. The proposed study involves "the effect of such increased diversion upon commerce among the several States and navigation on the Great Lakes and the Illinois Waterway." Navigation is within the jurisdiction of the Senate Committee on Interstate and Foreign Commerce. If waterpower and pollution are the real purposes of S. 308 and H.R. 1, it does not say so and its constitutional basis resting on navigation, would be undermined by referring it to the Public Works Committee. And H.R. 1 is a different bill from last session's H.R. 2 and should be treated differently.

Of the Senate committees, there are two others which have stronger and more valid claims to this bill than has the Committee on Public Works.

Interstate and Foreign Commerce Committee

"Interstate and foreign commerce," "navigation and the laws relating thereto," and "inland waterways," are within the jurisdiction of the Senate Committee on Interstate and Foreign Commerce, which also has jurisdiction over the merchant marine, the registering and licensing of vessels and small boats, and measures relating to the regulation of common carriers by water.

If the bill is really about the subject of the title given to it, it concerns navigation in the Illinois Waterway. If it does concern navigation in this inland waterway, then if it should not be referred to the Committee on Foreign Relations it should be referred to the Senate Committee on Interstate and Foreign Commerce.

Committee on Interior and Insular Affairs

Of course, the Senate Committee on Interior and Insular Affairs has a direct interest in, and jurisdiction over the diversion of waters. The water law involved in the diversion of the Columbia River and its effect on irrigation will be directly affected by the consideration given to H.R. 1 and S. 308. The Interior Committee has jurisdiction over the Columbia River water controversy, and it has been carefully studying the proposal advanced in Canada for the diversion of the Columbia River before it reaches the northern border of the United States. It is, therefore, familiar with the dangerous implications of unwarranted diversion of boundary and contiguous waters.

Conclusion about jurisdiction

The conclusion seems clear that H.R. 1 and S. 308 should be referred to the Committee on Foreign Relations, because of the bill's primary foreign relations impact and its overall scope.

The Committee on Interstate and Foreign Commerce is more concerned than is the Committee on Public Works, because of the bill's impact on interstate and foreign commerce and navigation.

The Committee on Interior and Insular Affairs also has more claims to H.R. 1 and S. 308 than has the Public Works Committee, because of the bill's concern with the diversion of waters in the Columbia and other rivers and with interstate compacts which have been used in the past to provide for diversion.

The waters involved in this bill are international waters in which there are international rights and about which there are international disputes. The bill should go to the Committee on Foreign Relations. The interest which this project has aroused in international, legal, and diplomatic circles manifests that it far transcends the idea of domestic public works, and it cannot properly be treated in such narrow confines. The Committee on Public Works has a lesser interest in the bill than any one of these committees.

Pending Supreme Court case

A few weeks ago, the Metropolitan Sanitary District of Greater Chicago filed its answer in the U.S. Supreme Court to a petition by Wisconsin, Minnesota, Ohio, Pennsylvania, Michigan, and New York to force it to comply with the original order and to purify the water it uses, as other cities do, in order to return it to the middle of the lake.

The Congress has authority under the Constitution to facilitate navigation, but not to control pollution. So we have no authority unless a navigation problem is involved.

The issue is now drawn between the litigants and the forum is the U.S. Supreme Court. Briefs are due April 30. I do not think that the Senate wishes to frustrate the jurisdiction of the Supreme Court in a pending case like this.

While we are waiting for the final decision of the U.S. Supreme Court, the Foreign Relations Committee should be given the opportunity to conduct a thorough survey of the impact of this proposal upon our international relations and upon international law.

No statute involved

Though some claim a Federal statute authorized the diversion, this is not supported by the history of the matter.

The Supreme Court ordered an unauthorized diversion cutback to the present flow. A routine public works bill happened to be passed soon afterward.

The paragraph involved (46 Stat. 929) is merely a description of one of many pages of projects authorized by the act's first sentence (46 Stat. 918) reading as follows: "That the following works of improvement are hereby adopted and authorized, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans recommended in the reports hereinafter designated."

The reference in the paragraph to use of the water for navigation is purely incidental to the navigation works then being authorized (back in 1930) in order to authorize the Engineers to use the water for navigation as long as it was available.

No navigation need

Further diversion would not help navigation. According to testimony of the Army Engineers last session, added diversion is not needed in the Chicago Waterways. And, the

effect of possible drought conditions in the upper Mississippi River have been cured by authorization of special retaining works near Alton, Ill. So there is not any reason for Senators from the Mississippi Valley to support this bill.

Interstate compacts

This bill is drawn as though the Federal Government could take water rights from one State and give them to another State. This would really be interference with the States rights—with a vengeance.

Where there has been diversion of water for irrigation and other worthwhile purposes, this has been successfully accomplished by agreement among the States concerned. They have negotiated and signed interstate compacts.

And, incidentally, interstate compacts are specifically within the jurisdiction of the Committee on the Judiciary.

If this proposal were being handled through the traditional method of obtaining State consent, the Federal approval of the compact would come before the Judiciary Committee of which I am a member.

However, I believe that the Foreign Relations Committee has the greatest interest in this bill and urge that it be referred to the Senate Committee on Foreign Relations.

Conclusion

Let me say, in conclusion—and I repeat—that there is a case pending in the Supreme Court raising the issue (and I might say parenthetically that the Supreme Court has had jurisdiction in this Chicago water matter since 1926 when the case was started).

What is the present pending case about?

The States of Wisconsin, Minnesota, Ohio, Pennsylvania, Michigan, and New York ask that the Chicago district be required to return to the lake, after it has purified the sewage, the water it now takes from the lake as domestic pumpage.

The district, back in 1952, purified its sewage to the point of 93.6 percent. Over the years, it degenerated until it purified only to 85.6 percent in 1957. This means that it has taken in additional territory but has not enlarged its plant. Let me quote what the Supreme Court said when a similar situation arose:

"It will be perceived that [the controversy] resulted directly from the failure of the sanitary district to take care of its sewage in some way other than promoting or continuing the existing diversion" (278 U.S. 367, 418).

It is very clear that, if the Supreme Court required the district to build its plant so that it will take care of the sewage situation, and to return to the lake what it now takes from the lake, that there is no ground on the basis of navigation, or any other, for a claim that additional water should be diverted.

There is also testimony before the House committee Mr. President, that sewage without treatment by the sanitary district is discharged now into the canal.

That should be the subject of special investigation by an unbiased agency which would report to the committee, or to the court.

To further buttress our position that this matter should go to the Foreign Relations Committee, let me quote the Court (266 U.S. 405, 426), in 1925:

"With regard to the second ground, the Treaty of January 11, 1909, with Great Britain, expressly provides against uses 'affecting the natural level or flow of boundary waters' without the authority of the United States or the Dominion of Canada within their respective jurisdictions and the approval of the International Joint Commission agreed upon therein."

Back in 1913, Secretary of War Henry L. Stimson stated that the Boundary Waters Treaty of 1909 did not sanction the Chicago diversion and that such question should, in accordance with the terms of the treaty, be placed before the International Joint Commission.

In 1926, Hon. Charles Stewart, then Minister of the Interior, stated in the House of Commons that the Canadian Government had never recognized the Chicago diversion and promised that it would "continue to protest against the entire principle of abstracting water from the Great Lakes to another watershed."

This whole matter could be settled by requiring the district to do what Milwaukee does, purify its sewage and return to the lake up to 95 percent in water purified.

Another question arises which makes it more important than ever that the matter go to the Foreign Relations Committee, and that is whether the diversion without the return of the water to the lakes constitutes a preference to the ports of the State of Illinois and against those of other Lake States in violation of article I, section 9, clause 6, of the U.S. Constitution.

There is really no claim here that the purpose of the additional water is related to the ends of navigation. The real object apparently is to see whether the Federal Government should take from one navigable source—Lake Michigan—water to flush sewage into another watershed, but it is not to increase navigation in the second watershed.

Chief Justice Taft (278 U.S. 367, 417) speaking for the Court, said:

"The normal power of the Secretary of War (under the statute) is to maintain the navigable capacity of Lake Michigan and not to restrict it or destroy it by diversions. * * * Merely to aid the district in disposing of its sewage was not a justification, considering the limited scope of the Secretary's authority. He could not make mere local sanitation a basis for a continuing diversion."

And as Chief Justice Hughes said for the Court in 1932: "After a full examination of the facts and considering the questions presented in all their aspects, the Court deemed it to be its duty 'by an appropriate decree to compel the reduction of the diversion to a point where it rests on a legal basis and thus to restore the navigable capacity of Lake Michigan to its normal level' " (289 U.S. 395, 401).

The law then is very clear that the disposing of its sewage cannot be a justification for diversion. What the Chicago district needs is an improved sanitation plant.

MEMORANDUM CONCERNING JURISDICTION OVER S. 308 [1] AND H.R. 1, "A BILL TO REQUIRE A STUDY TO BE CONDUCTED OF THE EFFECT OF INCREASING THE DIVERSION OF WATER FROM LAKE MICHIGAN INTO THE ILLINOIS WATERWAY FOR NAVIGATION, AND OTHER PURPOSES."

This bill is "To require a study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway for navigation, and other purposes."

This title recognizes, what the Supreme Court has held (*Wisconsin* v. *Illinois* (1928) 378 U.S. 367), that the Federal Government does not have jurisdiction over a stream except for purposes of navigation. If any other purposes are intended, they are purely incidental to the constitutional purpose of facilitating navigation.

But, as the title shows, the bill concerns "the effect of increasing the diversion." The bill does not involve how to divert the water, but what the effect would be. The diversion would affect international navigation in the St. Lawrence Seaway, international power production along the St. Lawrence and international diplomatic relations with Canada (both generally and with respect to water ownership and use of international waters).

COMMITTEE ON FOREIGN RELATIONS

For many reasons, S. 308 should be referred to the Committee on Foreign Relations.

The bill involves the interpretation of the Canadian-United States Treaty of 1909.

The bill involves complex questions of international law.

The Canadian Government has objected constantly to diversion contemplated by this bill.

The Foreign Relations Committee has a Subcommittee on Relations with Canada, and is conducting discussions with Canadian Parliamentarians about matters which are interfering with the continuing improvement of United States relations with Canada.

It would be embarrassing to this Senate subcommittee not to have jurisdiction over this bill.

Handling of similar bills in the past has shown little consideration for Canada's objections.

Although other Senate committees may have specific interests in certain limited aspects of this bill, only the Committee on Foreign Relations has sufficiently broad jurisdiction to include all of its effects.

The effect of the bill would be on the St. Lawrence Seaway, the development of which was authorized by a bill reported by the Committee on Foreign Relations.

The bill's effects will be broad and pervasive in our relations with Canada.

The Senate Committee on Foreign Relations has a preference in jurisdiction over S. 308. S. 308 would directly contravene a treaty by the United States and Canada which has governed our relations with reference to boundary and contiguous waters since 1909.

Our relations with Canada have been excellent, but they are likely to deteriorate if the dispute over boundary and contiguous waters becomes more heated. I believe that the Senate Committee on Foreign Relations could throw light on this subject as part of its jurisdiction over relations with Canada. It effectively handled the legislative problem of our relations with Canada in connection with the St. Lawrence Seaway and could do so in connection with this bill.

If the diversion were to be authorized, it should be done through treaty, and treaties are within the jurisdiction of the Senate Foreign Relations Committee. So also was the establishment of the boundary lines which govern the use of waters under the treaty of 1909.

Problems of the use of boundary waters and of water affected by the use of boundary waters are under the International Joint Commission which is a kind of continuing international conference, and international conferences are within the jurisdiction of the Foreign Relations Committee. So also are measures to foster commercial intercourse with foreign nations and to safeguard American business abroad. Diversion of water away from the St. Lawrence Seaway would adversely affect commercial intercourse with Canada, and so should be considered by the Foreign Relations Committee.

No other Senate committee has jurisdiction over foreign relations, but foreign relations includes all the specific questions in the bill which might be of interest to other committees.

NOT PUBLIC WORKS COMMITTEE

If it be urged that the Senate Committee on Public Works should be given jurisdiction of this bill, it should be pointed out that no public works are necessary to divert the additional amount of water. It would just be allowed to flow. The study does not involve the construction of public works. The proposed study involves "the effect of such in-

[1] Reference to S. 308 in this memorandum also includes H.R. 1.

creased diversion upon commerce among the several States and navigation on the Great Lakes and the Illinois Waterways," navigation is within the jurisdiction of the Senate Committee on Interstate and Foreign Commerce. If water power and pollution are the real purposes of S. 308, it does not say so and its constitutional basis resting on navigation, would be undermined by referring it to the Public Works Committee. And also, S. 308 is a different bill from last session's H.R. 2 and should be treated differently.

While the text of the bill might be construed to limit the scope of the study to the effect on commerce and navigation, the actual effect would be so much broader than an amendment would have to be considered in committee to broaden the scope of the "effects" authorized to be studied. It would be most unfortunate to overlook the effect this bill would have on neighboring Canada. This could easily occur if the bill were to be considered by a committee whose deliberations and actions were not attuned to the involvements of international relations.

Of the Senate committees, there are two others which have stronger and more valid claims to this bill than has the Committee on Public Works.

INTERSTATE AND FOREIGN COMMERCE COMMITTEE

Interstate and foreign commerce, navigation and the laws relating thereto, and inland waterways, are within the jurisdiction of the Senate Committee on Interstate and Foreign Commerce, which also has jurisdiction over the merchant marine, the registering and licensing of vessels and small boats, and measures relating to the regulation of common carriers by water.

If the bill is really about the subject of the title given to it, it concerns navigation in the Illinois Waterway. If it does concern navigation in this inland waterway, then it should be referred to the Senate Committee on Interstate and Foreign Commerce (providing, of course, the suggestion that, for the benefit of international relations and overall consideration, it be referred to the Senate Committee on Foreign Relations, cannot be followed).

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Of course, the Senate Committee on Interior and Insular Affairs has a direct interest in the diversion of waters. Although its primary interest has been with water for irrigation and reclamation, the water law involved in the diversion of the Columbia River and its effect on irrigation will be directly affected by the consideration given to S. 308. The Interior Committee has jurisdiction over the Columbia River water controversy, and it has been carefully studying the proposal advanced in Canada for the diversion (to a considerable extent) of the Columbia River before it reaches the northern borders of the United States. It is, therefore, familiar with the dangerous implications of unwarranted diversion of boundary and contiguous waters.

CONCLUSION

The conclusion seems clear that S. 308 should be referred to the Committee on Foreign Relations, because of the bill's primary foreign relations impact and its overall scope.

The Committee on Interstate and Foreign Commerce is more concerned than is the Committee on Public Works, because of the bill's impact on interstate and foreign commerce and navigation.

The Committee on Interior and Insular Affairs has also more claims to S. 308 than has the Public Works Committee, because of the bill's concern with the diversion of waters in the Columbia and other rivers and with interstate compacts which have been used in the past to provide for diversion.

The waters involved in this bill are international waters in which there are international rights and about which there are international disputes. The bill should go to the Committee on Foreign Relations. The interest which this project has aroused in international, legal, and diplomatic circles manifests that it far transcends the idea of a domestic public works, and it cannot properly be treated in such narrow confines.

The Committee on Public Works has a lesser interest in the bill than any one of these committees.

Mr. WILEY. Mr. President, additional diversion from Lake Michigan should be authorized only after general agreement has been reached among all affected Great Lakes States.

Other peoples—those up my way, those bordering on the lakes—have something to say about this matter.

The Supreme Court of the United States has retained jurisdiction. Canada is not agreeable to additional diversion, and has entered a protest.

The United States State Department is opposed to the enactment of House bill 1.

The Canadian Government's official protest was made known to the committee prior to its executive session on House bill 1.

Enactment of House bill 1 would be unwise at this time, because of the potential adverse effect upon our national interest in negotiations with Canada.

Damages estimated to total $2 billion annually would be suffered by the Great Lakes' shipping interests of both the United States and Canada.

Additional diversion would be unwise at this time, because the Great Lakes are now at low levels.

Enactment of House bill 1 would result in preferential treatment to Illinois, to the damage of other Great Lakes States and Canada.

The diversion proposed to be authorized by House bill 1 would result in substantial power losses at Niagara and St. Lawrence hydroelectric plants.

The Bureau of the Budget is opposed to House bill 1.

Mr. President, that is a summation of the reasons why we believe this measure should be referred to the Committee on Foreign Relations, inasmuch as the bill involves international relations, and inasmuch as the Committee on Foreign Relations has jurisdiction of all matters involving relations between the United States and foreign nations generally.

In particular at this time of great stress and challenge, this matter involves the relations of our country with Canada.

So, Mr. President, for the reason stated I trust the bill will be referred to the Committee on Foreign Relations.

I yield back the remainder of my time.

I suggest the absence of a quorum——

Mr. MORTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. MORTON. Has all time on the question expired?

The PRESIDING OFFICER. All time on the question has been yielded back.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, may we have the yeas and nays ordered?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. As I understand, the question we are about to vote on is an appeal by the Senator from Wisconsin [Mr. WILEY] from the ruling of the Chair.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. If the Senate desires to overrule the Chair, it would vote "yea" with the Senator from Wisconsin——

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? A "yea" vote would be a vote sustaining the ruling of the Chair. A "nay" vote would be a vote overruling it.

On the question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. MCCARTHY], the Senators from Wyoming [Mr. MCGEE and Mr. O'MAHONEY], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Iowa [Mr. HICKENLOOPER], is necessarily absent.

The Senators from Maryland [Mr. BUTLER and Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from New York [Mr. JAVITS], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Kansas [Mr. SCHOEPPEL] are detained on official business.

I further announce that, if present and voting, the Senators from Maryland

[Mr. BUTLER and Mr. BEALL], the Senator from Connecticut [Mr. BUSH], and the Senator from Indiana [Mr. CAPEHART], would each vote "yea."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 49, nays 21, as follows:

YEAS—49

Anderson	Gruening	Monroney
Bartlett	Hartke	Morse
Bible	Hayden	Morton
Byrd, W. Va.	Hill	Moss
Cannon	Holland	Mundt
Carroll	Hruska	Pastore
Case, S. Dak.	Humphrey	Randolph
Church	Jackson	Robertson
Cotton	Johnson, Tex.	Russell
Curtis	Johnston, S.C.	Smith
Dirksen	Jordan	Stennis
Dodd	Kefauver	Symington
Douglas	Kennedy	Talmadge
Dworshak	Kerr	Yarborough
Eastland	Kuchel	Young, N. Dak.
Engle	Long	
Frear	Mansfield	

NAYS—21

Aiken	Hart	Prouty
Carlson	Keating	Proxmire
Case, N.J.	Langer	Scott
Clark	Lausche	Thurmond
Cooper	Martin	Wiley
Ervin	McNamara	Williams, Del.
Green	Neuberger	Young, Ohio

NOT VOTING—28

Allott	Fulbright	Murray
Beall	Goldwater	Muskie
Bennett	Gore	O'Mahoney
Bridges	Hennings	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler	Javits	Smathers
Byrd, Va.	Magnuson	Sparkman
Capehart	McCarthy	Williams, N.J.
Chavez	McClellan	
Ellender	McGee	

So the ruling of the Chair was sustained.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the decision of the Chair was sustained be reconsidered.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois to lay on the table the motion by the Senator from Texas [Mr. JOHNSON] to reconsider the vote by which the decision of the Chair was sustained.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask that Senate bill 308, the companion bill, also be referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF BRETTON WOODS AGREEMENTS ACT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 98, Senate bill 1094. I announce that there will be no debate on the bill this evening.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1094) to amend the Bretton Woods Agreements Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with amendments.

Mr. JOHNSON of Texas. Mr. President, the bill has been reported almost unanimously from the committee, with perhaps one vote against it.

I have discussed the bill with the minority leader, who desires to make a statement on it tomorrow, and with the chairman of the Committee on Foreign Relations.

I ask unanimous consent that the time be divided between the distinguished chairman of the Committee on Foreign Relations and the minority leader, and that the vote be taken not later than 3 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 11 O'CLOCK A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate convene at 11 o'clock a.m. tomorrow.

Mr. WILLIAMS of Delaware rose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, the Senator from Delaware was on his feet seeking recognition for some purpose. Does the Senator from Delaware wish to make an objection?

Mr. WILLIAMS of Delaware. No. I was merely trying to find out what the agreement was.

Mr. DIRKSEN. The agreement was that a vote be had not later than 3 o'clock p.m. tomorrow on the International Bank and the International Fund resolutions coming from the Committee on Foreign Relations, and that the Senate convene at 11 o'clock a.m. tomorrow.

Mr. WILLIAMS of Delaware. What is the calendar number?

Mr. DIRKSEN. It will be Calendar No. 98. The reports will be available in the morning.

Mr. WILLIAMS of Delaware. The bill has not even been reported?

Mr. DIRKSEN. It has been reported, but it is not on today's calendar.

Mr. WILLIAMS of Delaware. Is it printed?

Mr. DIRKSEN. It is printed.

Mr. WILLIAMS of Delaware. Will the bill and the report be available?

Mr. DIRKSEN. I think they are available now.

Mr. JOHNSON of Texas. Nothing will be taken up until the bill and the report are available.

Mr. WILLIAMS of Delaware. If they are available tonight, I have no objection.

Mr. DIRKSEN. If they are available, there is no objection.

COMMITTEE MEETING DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare may meet tomorrow during the session of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPETITIVE BIDDING IN PROCUREMENT OF PROPERTY AND SERVICES BY ARMED FORCES—EXTENSION OF TIME FOR BILL TO LIE ON DESK

Mr. WILLIAMS of Delaware. Mr. President, on March 12, 1959, I introduced the bill (S. 1383) to require the use of competitive bidding to the greatest practicable extent in the procurement of property and services by the Armed Forces through the establishment by the Secretary of Defense of specific standards governing the use of negotiated contracts for such procurement, and for other purposes. By order of the Senate of that day, the bill was ordered to lie on the table until tonight for the addition of cosponsors. At the request of two other Senators, I ask unanimous consent that the bill may lie on the table until the close of business on Friday, March 20.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GERMAN CRISIS—NATIONAL DEFENSE — MUTUAL SECURITY: THE FOREIGN AID PROGRAM

Mr. MANSFIELD. Mr. President, the President really made three speeches; one on the German crisis; another on the state of our national defense; and a third to boost mutual security—the foreign aid program.

Few will disagree with what he said on Berlin and Germany. It was reasoned sound, and temperate, and showed a certain amount of flexibility. He said, in effect, that we will stand fast in Berlin but that we want negotiations, not war, as the way of solving the German problem. To that end, he said that we are prepared to listen to new ideas on the German problem and that we will be prepared to offer a few ourselves—at a Foreign Ministers' Conference and, later, at the summit. This approach is sound and in line with what the Secretary of State was trying to do before he went to the hospital. It may contain the initiative for peace which some Members of Congress and others have been urging. It remains to be seen what new ideas we will be prepared to listen to; more important, what new ideas we will be prepared to propose. One might hope that they will include some use of the U.N. in this situation.

As for his second speech—on the state of our defenses—the President says, in effect, that everything is fine. One hesitates to differ with his judgment—especially since he says he has had the best available advice on the subject and since he is an expert himself. But Members of Congress also have a responsibility and we have received conflicting testimony from the President's various military chiefs. One would hope that the President would convince these military chiefs that everything was fine; then it would be easier to convince Congress.

In this matter, it may be a case not of more money but of better utilization of appropriated funds. We may need more soldiers on the line and fewer generals in the Pentagon. We need less wild spending as a result of careless purchasing and pointless service rivalries—wild spending which has built up a waste of $60 billion in surplus military equipment which is now deteriorating in the warehouses and which the Government will now try to sell, probably at a fraction of cost.

The President's final speech was an out-and-out plea for the foreign aid program. Without denying the importance of this program, one must question the way it has been administered in recent years. We have reports of great waste, particularly in military aid; of private planes being built out of these funds for foreign generals; of overlapping and duplication in administration. Then, too, we have had outbursts of resentment against this Nation, often, in the very countries where foreign aid has been heaviest. All of this leads to a strong presumption that we need much less money and much more brains in the use of these billions under the foreign aid program. The Draper Commission has now come up with an interim recommendation, that the total amount requested by the President—$3.9 billion—now be increased by an additional $400 million for more military assistance. Congress will want to take a very careful look at the entire subject.

ADJOURNMENT TO 11 O'CLOCK A.M. TOMORROW

Mr. DIRKSEN. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 38 minutes p.m.) the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Thursday, March 19, 1959, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate March 18, 1959:

DIPLOMATIC AND FOREIGN SERVICE

Carl W. Strom, of Iowa, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia, vice Philip W. Bonsal.

Ellis O. Briggs, of Maine, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece, vice James W. Riddleberger.

NATIONAL AERONAUTICS AND SPACE COUNCIL

William A. M. Burden, of New York, to be a member of the National Aeronautics and Space Council, to which office he was appointed during the last recess of the Senate.

Dr. John T. Rettaliata, of Illinois, to be a member of the National Aeronautics and Space Council.

DEPARTMENT OF DEFENSE

Gen. Nathan F. Twining, U.S. Air Force, to be reappointed as Chairman of the Joint Chiefs of Staff.

Adm. Arleigh A. Burke, U.S. Navy, to be reappointed as Chief of Naval Operations for a period of 2 years.

Gen. Thomas D. White, U.S. Air Force, to be reappointed as Chief of Staff of the Air Force for a period of 2 years.

Gen. Lyman L. Lemnitzer, U.S. Army, to be appointed as Chief of Staff of the Army for a period of 2 years, vice Gen. Maxwell D. Taylor, U.S. Army.

U.S. ATTORNEY

Joseph Mainelli, of Rhode Island, to be U.S. attorney for the district of Rhode Island for the term of 4 years. He is now serving in this office under an appointment which expires July 27, 1959.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 18, 1959

The House met at 12 o'clock noon.

Rev. Paul J. Harrell, pastor, Memorial Baptist Church, Arlington, Va., offered the following prayer:

And God made from one every nation of men to live on all the face of the earth, having determined allotted periods and the boundaries of their habitation.—Acts 17: 26.

God of all nations and Father of all men, guide the leaders of this Nation and all nations that they may govern the people by Thy holy will, that they may lead them in the way which Thou dost point out; that they may turn them away from what is evil in Thy sight; that they may guard them carefully as a great treasure which Thou hast entrusted to them.

Out of love to Thy nations, Creator God, fill the leaders of the nations with fear of Thy judgment. Uphold them with the spirit of strength, wisdom, and purity. Let them find themselves sufficient for their task through looking unto Thee, the Leader of all leaders and the Lord of all lords.

Have mercy on us, all merciful God, and hear our prayer. In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair.

(Thereupon at 12 o'clock and 3 minutes p.m. the House stood in recess subject to the call of the Chair.)

JOINT MEETING OF THE TWO HOUSES OF CONGRESS TO HEAR AN ADDRESS BY HIS EXCELLENCY SEAN T. O'KELLY, PRESIDENT OF IRELAND

The SPEAKER of the House of Representatives presided.

At 12 o'clock and 18 minutes p.m. the Doorkeeper announced the Vice President and Members of the United States Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. On the part of the House the Chair appoints as members of the committee to escort His Excellency the President of Ireland into the Chamber, the gentleman from Massachusetts, Mr. MCCORMACK; the gentleman from Indiana, Mr. HALLECK; the gentleman from Oklahoma, Mr. ALBERT; the gentleman from Illinois, Mr. ARENDS; the gentleman from Pennsylvania, Mr. MORGAN; and the gentleman from Illinois, Mr. CHIPERFIELD.

The VICE PRESIDENT. On the part of the Senate the Chair appoints as members of the committee of escort the Senator from Texas, Mr. JOHNSON; the Senator from Rhode Island, Mr. GREEN; the Senator from Arkansas, Mr. FULBRIGHT; the Senator from Illinois, Mr. DIRKSEN; and the Senator from Wisconsin, Mr. WILEY.

The Doorkeeper announced the following guests, who entered the Hall of the House of Representatives and took the seats reserved for them:

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

The Chief Justice of the United States and Associate Justices of the U.S. Supreme Court.

The members of the President's Cabinet.

At 12 o'clock and 31 minutes p.m. the Doorkeeper announced His Excellency the President of Ireland.

His Excellency the President of Ireland, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the Congress, it is a great pleasure to me, and I deem it a high privilege to present to you the representative of a great and a proud people, a people who have fought for freedom and liberty the world around.

I present to you the President of Ireland. [Applause, the Members rising.]

ADDRESS OF HIS EXCELLENCY SEAN T. O'KELLY, PRESIDENT OF IRELAND

President O'KELLY. Mr. Speaker, Mr. President, Members of the Congress, ladies and gentlemen, I am so filled with emotion, this warmth of welcome you offer me, and Ireland in my name, that I can hardly get my nerves calmed down enough to address you. [Applause.]

This is a wonderful occasion for me and for Ireland. I am profoundly grateful.

This is the first occasion on which a President of Ireland has addressed the Congress of the United States. [Applause.] It symbolizes in a striking way the enduring friendship and close kinship which exist between our two peoples. That friendship and that kinship will be the main themes of my remarks here today. But first perhaps you will forgive me if I say a few personal words of thanks.

My own public career is now drawing to its close. It has been a long career, extending in different forms over a

period of more than 50 years—some of them spent here in Washington. The invitation to address you comes as the climax of my term of service and is among the proudest experiences of my life. [Applause.] I am profoundly grateful for your invitation.

It is as representing the people of Ireland that you, representing the people of America, have invited me to address you here. It is about Ireland and America—Ireland's part in America's destiny and America's part in Ireland's destiny—that it is fitting for me to speak.

I think of two historic moments as especially suited, in the present context, to illuminate the historic relationship of Ireland and America. The first was in the year 1771. In that year an American traveler, whose name was already well-known, came to Dublin and visited the Irish Parliament. He was well pleased with his reception. "The Speaker," he tells us, "stood up and acquainted the House that he understood there was in town an American gentleman of—as he was pleased to say—distinguished character and merit" and he asked that Benjamin Franklin, for it was he, should be admitted to sit amongst them, which was unanimously granted.

I hope—

Wrote Franklin—

our assemblies will not fall short of them in this politeness, if any Irish member should happen to be in our country.

Franklin's hope, I must here acknowledge, has been more than fulfilled. [Applause.] You have been kinder to me than our Parliament was to him, for there is no record that he was invited by them to make a speech. [Laughter.] Perhaps the Irish Commons were afraid that their own oratory might be eclipsed, whereas you are deterred by no such fear. [Laughter.] The historian Lecky tells us that Franklin ever after retained a feeling of friendship for Ireland. He made friends in Ireland, and in the Irish Parliament, and the friends he made were, as we should expect, members of the patriot party, who were striving for the freedom of Ireland as he was striving for American freedom.

I found them—

He wrote in prophetic words—

disposed to be friends with America in which I endeavored to confirm them with the expectation that our growing weight might in time be thrown into their scale and by joining our interest with theirs a more equitable treatment * * * might be obtained for themselves as well as for us.

Franklin's words were to come true, but not in the way and in the time that he and his friends expected. In their lifetime America won her full freedom. Ireland not only did not gain independence but lost what degree of legislative freedom she had by the extinction of that very Parliament which had received Franklin. But many sons of Ireland did take part in the American War of Independence, and America continued to symbolize for Ireland the freedom toward which our people never ceased to aspire. [Applause.]

The second occasion of which I wish to speak took place more than a hundred years later.

The great famine of the forties had given the Irish Nation what many at the time believed must be its death-blow. Many hundreds of thousands of our people then, and in following decades, had made their way here, in the most adverse conditions, to grasp the hope which America offered. The consequences of their coming were momentous, both for your nation and for mine. And now in the late seventies of the last century the situation of the forties—famine and mass eviction—threatened to recur. The young Irish leader, who in February 1880, came here to Washington, did not come as an observer, but to look for help for a nation in urgent and desperate need. The Congress of the United States, your predecessors here, invited that young man to address them. He was the first who ever addressed you on behalf of Ireland. His name was Charles Stewart Parnell. [Applause.]

In honoring him, Congress chose to honor the representative of Ireland's demand for freedom. At that time, under President Hayes—who personally welcomed Parnell—the scars of your civil strife were beginning to heal and America, as a united country, was entering on the fulfillment of her great destiny. The part which Irishmen had to play in the destiny of your country was now acknowledged and important. The many Irishmen who had fought in the struggle for your national unity had worked their passage, so to speak, from the status of immigrant to that of American citizen. But although they had become Americans, they had not forgotten Ireland. No conflict of loyalties was there, or could be there. They knew that Ireland, in struggling for freedom, was struggling for an ideal dear to America, for which America herself had successfully fought. When Parnell went back to Ireland, therefore, he went back secure in the knowledge, not only that the Irish in America were behind him but also that America as a whole, represented in Congress, looked with sympathy on Ireland's struggle for freedom. [Applause.] It was the beginning of the fulfillment of Franklin's expectation "that our growing weight might in time be thrown into their scale."

It is now nearly 80 years since Parnell addressed Congress: years of world shaking events, of outstanding technical and scientific progress and of great political change. In Ireland there came, in Easter week, 1916, the moment of fate, when Pádraig Pearse and his comrades, drawing on the courage and tenacity of many generations, challenged an empire in arms. A few years later, Eamon de Valera, senior surviving officer of Pearse's force and elected leader of the Irish people, came here to America. He came as President of the Irish Republic to campaign in every corner of this great land in advocacy of Ireland's cause and in search of American help for our renewed struggle to achieve our freedom. That help, as I can myself testify from personal experience, was generously given. One part of it—a great dollar loan raised by public subscription—was of tremendous value at the time from both the national and moral points of view. And indeed it was a great happiness for us later to be able to repay it, capital and interest. [Applause.] The rest we can never fully repay: by that I mean the sympathy and understanding of our American friends, which helped us, and still helps us, toward the goal for which we have always striven: Ireland united and free, in a genuine unity of heart and mind, rooted in a common sense of nationhood—in the words of your own children's pledge to the Stars and Stripes, "One nation under God, indivisible, with liberty and justice for all." [Applause.]

In addition to the great and challenging problems of partition, we have, of course, many others, including economic and social problems. Our position does not permit of complacency but, speaking to you here in the perspective of history, I can only express thankfulness to Divine Providence for the great and even dramatic progress that has been made. The Ireland on whose behalf Parnell addressed the Congress, less than 80 years ago, was a country in which hunger was widespread: the Ireland of today, according to international statistics, is one of the best fed nations in the world. [Applause.] General Gordon, who traveled in Ireland at about the time when Parnell came here, said that the poverty of western Ireland in particular was worse than anything he had seen in the Middle East. The traveler in Ireland today sees a country, not wealthy certainly, but by world standards, relatively prosperous and comfortable.

Material progress cannot weaken—indeed in my view it can only strengthen—the spiritual and cultural contribution which has been the glory of the Irish nation in the past. Spiritually the nation, made Christian by Patrick, whose day was so gloriously celebrated yesterday in this great city of Washington [applause]—spiritually the nation, made Christian by Patrick, which evangelized so much of Europe some 14 centuries ago, and in modern times has been so important an influence on the religious life of your great country, continues its work for Christianity with no less ardor and devotion than in past centuries. In recent years young writers, writing in Irish, have shown rich new possibilities in our ancient and beautiful language. Indeed throughout the whole field of the arts there is vigor and movement, and literature and the theater continue to manifest that traditional genius which has made them world famous. And in cultural life, as in ecclesiastical organization, Ireland remains one country—an encouraging augury for the future.

In international affairs Ireland has tried to play the part required by her Christian heritage and her traditional devotion to the ideal of freedom. We know well, of course, that in international affairs, the effective field of action of so small a country as ours is very limited. Nevertheless our special position has, we feel, a useful relevance, in modern conditions, to the cause of peace.

At a time when so many new and emerging states have shaken off, or are beginning to shake off, European rule, one of the dangers that confronts mankind is an exacerbated antagonism between the so-called colonial and anticolonial countries. Ireland is a European country, not merely geographically but also by active participation in European affairs. She is a member, for example, of the Council of Europe and of the Organization for European Economic Cooperation—the body which had its origin in one of the most generous international initiatives of our time—perhaps the most generous of all time: the European recovery program with which the name of Gen. George Marshall must always be associated. [Applause.]

As well as being a European country, Ireland also is a country with a long and well-known history of stubborn resistance to foreign rule. She is a country, therefore, with certain titles to the confidence both of the old European states and of the new states, with some of which she has important ties of friendship, based on a common struggle for freedom. In that position Ireland can hope to play in the United Nations and elsewhere a useful part, by helping to dissipate unnecessary suspicions, and seeking to create a better climate for international understanding. In working in that sense we are inspired not alone by our own traditions but by yours also which we, like so many other nations, have taken to our hearts.

I think in particular of certain words pronounced by a very great American who was also one of the noblest figures in human history. I am thinking of Abraham Lincoln's words, spoken in Philadelphia in 1861. Those words are an important part of your political heritage and of the heritage of free men everywhere. He said:

> I have often inquired of myself what great principle or idea it was that kept this Confederacy so long together. It was not the mere matter of the separation of the colonies from the Motherland, but something in that Declaration giving liberty not alone to the people of this country but hope to the world for all future time. It was that which gave promise that in due time the weights should be lifted from the shoulders of all men and that all should have an equal chance.

[Applause.]

For my country, gentlemen, that has been the American message not alone in words but also in practice. Our deep-rooted friendship for the American people is bound up not only with ties of history and of blood but with the liberating spirit expressed in those words of Lincoln and it is to that spirit that we, as a nation devoted to freedom, try to make our own words and actions conform. [Applause.]

In the language of our ancient Irish nation, guím ball Dé ar an obair ríthabhachtach atá a dhéanamh ag an Oireachtas ardchéimneach seo d'fhonn saoirse agus síocháin a chur in áirithe don domhan. Translation: I pray for God's blessing on the vital work of this distinguished Congress for the preservation of the freedom and peace of the world. [Applause, the Members rising.]

At 12 o'clock and 53 minutes p.m. His Excellency the President of Ireland, accompanied by the committee of escort, retired from the Chamber.

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The Chief Justice of the United States and the Associate Justices of the Supreme Court.

The members of the President's Cabinet.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

JOINT MEETING DISSOLVED

The SPEAKER. The purposes of the joint meeting having been completed, the Chair declares the joint meeting of the two Houses now dissolved.

Thereupon (at 12 o'clock and 56 minutes p.m.) the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock p.m.

PROCEEDINGS DURING THE RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings that occurred during the recess be printed in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RIGHT OF THE BLIND TO SELF-EXPRESSION

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEORGE P. MILLER. Mr. Speaker, on Monday, March 16, I introduced H.R. 5716, a bill "to protect the right of the blind to self-expression through organizations of the blind." My bill is identical with H.R. 14 introduced by the gentleman from Nevada [Mr. BARING]. Mr. BARING's bill has been cosponsored by more than 50 Congressmen.

This is good legislation; directly in the interest of the blind. It provides leaders of the blind with opportunities of being consulted, as far as is practicable, with Government agencies which are planning and executing programs for the blind.

I believe that capable blind men and women are able to be of tremendous service in this area of consultation. Many of them are competitively employed, and performing tasks alongside of their sighted neighbors. They are proving that blind people are no more or no less than a cross section of our population, but they are living with the problem of blindness, and are able to help with programs planned for the benefits of blind persons.

I am personally acquainted with blind persons in many fields of endeavor. They are leading independently economic lives in their own communities. They are breaking down the old attitudes that blind people need to be custodialized or are of necessity wards of the state. They are taxpayers instead of tax consumers.

I feel that these blind people in their various walks of life have much to contribute in the overall planning of future services to the blind. I would like to see H.R. 14 enacted to provide just such means of consultation.

COMMITTEE ON PUBLIC WORKS

Mr. HULL. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have permission to sit today during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. ROBERTS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 17]

Barden	Hoffman, Mich.	Powell
Bentley	Jackson	Rains
Brock	Jensen	Rivers, Alaska
Carter	Jones, Ala.	Rivers, S.C.
Celler	McDowell	Short
Davis, Tenn.	McGinley	Smith, Miss.
Dingell	Mack, Wash.	Spence
Durham	Martin	Taylor
Fountain	Monagan	Thompson, La.
Frelinghuysen	Philbin	Widnall
Hall	Porter	

The SPEAKER. On this rollcall 404 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WHEAT SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent that the Wheat Subcommittee of the Committee on Agriculture may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SUBCOMMITTEE ON LABOR-MANAGEMENT AND SUBCOMMITTEE ON FAIR LABOR STANDARDS

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Subcommittee on Labor-Management and the

Subcommittee on Fair Labor Standards, sitting as a joint committee, may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ANNOUNCEMENT

The SPEAKER. The Chair recognizes the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Speaker, I would like to announce to the Members of the House that the beautiful green carnations which were given to the Members today for the welcoming of the president of Ireland, were supplied by the Ancient Order of Hibernians through their National President Jeremiah T. O'Callaghan.

AMENDMENTS TO FEDERAL AIRPORT ACT

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 215 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1011), to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such Act, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. THORNBERRY. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and myself such time as I may consume.

Mr. Speaker, House Resolution 215 makes in order the consideration of H.R. 1011, to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act; it also provides for the consideration of a committee substitute amendment. This resolution provides for an open rule and 2 hours of debate.

The Federal Airport Act—Public Law 377, 79th Congress, in 60th United States Statutes at Large, page 170—approved in 1946, established a program of Federal aid to provide a system of public airports adequate to anticipate and meet the needs of civil aeronautics. Administration of the program was entrusted to the Secretary of Commerce. On January 1, 1959, the Administrator of the Federal Aviation Agency assumed this responsibility under the terms of the Federal Aviation Act of 1958.

Because extensive planning is required to build modern airport facilities, sponsors in 1955 asked Congress to establish a long-range program, setting out definitely the amount of Federal aid available over a period of years. After extensive consideration, the Congress in 1955 amended the basic act to authorize contract obligations of $42,500,000 for the fiscal year ending June 30, 1956, and $63 million each for the fiscal years ending June 30, 1957, and June 30, 1958 and 1959. In recommending the contract-authority method of providing for Federal-aid grants, sponsors cited the Federal highway program, which has been operated on a contract-authority basis for many years.

Legislation to continue the Federal aid program at an increased level of $100 million a year through fiscal year 1963, with an additional authorization of $37 million for fiscal year 1959, was passed by the last Congress. That legislation was vetoed by the President.

The need for continuing the program of Federal aid to airports on a matching fund basis is almost self-evident. In no other way can we provide an adequate national system of public airports.

The administration itself sent up a bill which has been introduced by the gentleman from Michigan [Mr. BENNETT] which is H.R. 3267.

Air transportation is now a principal means of interstate commerce for persons, freight and mail. More passengers now are transported in interstate and foreign air commerce than by railroads and trans-Atlantic steamships. Growth of air commerce since the enactment of the Federal Airport Act in 1946 has been so rapid that many existing airport facilities are overtaxed, not only because more aircraft are in service, but also because of the increased speed, weight, design, and capacity of new-type aircraft.

Stated briefly, the committee substitute would make amendments to the Federal Airport Act for the following purposes:

First. To authorize Federal aid for airports totaling $297 million to become available over a 4-year period, beginning with the fiscal year ending June 30, 1960, for the various States, including Alaska and Hawaii, as well as Puerto Rico and the Virgin Islands.

Second. To limit use of Federal funds in the construction of airport buildings to that portion of an approved project which provides space for use by Federal agencies. The Federal Government, at the discretion of the Administrator, could pay all the cost of providing such space. No funds could be used for passenger automobile parking facilities.

Third. To provide that Federal aid apportionments made to a State, if not obligated after 2 years, shall revert to the discretionary fund now existing under the act, so that they will be available for use by the Administrator without regard to State boundaries.

As I have pointed out, the committee substitute authorizes a total grant for the 4-year period of $297 million, which is $97 million in excess of the amount which would be available under the administration bill, H.R. 3267. However, for the fiscal year 1960 for which budget estimates have been submitted by the administration calling for $65 million, the committee substitute calls for $63 million, which is $2 million less than the amount recommended by the President's budget. So that the House may consider the provisions of the program recommended by the majority of the committee, as well as any other amendments which may be proposed, including the program called for in the administration bill, I urge the adoption of House Resolution 215.

Mr. ALLEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as I see it, the bill which this rule makes in order raises three questions. First, should Federal aid to airports be continued? The second question is, If we continue it, for how long shall we continue it? The third question is, If it is to be continued, what should be the amount and for what purposes? Those are the three questions involved in this bill.

The administration bill provides $200 million over a 4-year period. It does not provide for such items as restaurants, roadways, and things of that nature.

Originally, in the other body, Senator MONRONEY introduced a bill for Federal aid to airports that called for $575 million. It finally passed in the other body on February 6 in the amount of $465 million.

The original Harris bill provided for $437 million and provided for paving and for certain things that had nothing to do with the safety of a person from the time he gets on the plane until he gets off. The Committee on Interstate and Foreign Commerce reduced the original Harris bill of $437 million to $297 million. The main difference between the Harris bill and the administration bill is that the Harris bill, as finally reported by the committee, amounts to $97 million more than the administration bill.

It might be of interest to some of the Members to know that General Quesada, who is the Federal Aviation Administrator, is quoted as follows in the minority report. The report says:

> The committee has had the refreshing experience of being told by the Federal Aviation Administrator that he can do the job that is required for an amount very substantially below what the majority seeks to provide him. He has said very substantially below what the majority seeks to provide him. He has said very plainly that he can do the job for $200 million over the next 4 years. There is no factual evidence to the contrary in the record, nor have we heard from any other authoritative source any facts to refute this position.

Mr. Speaker, I think the Members of this body should be glad to hear that, because it does not occur very often that

an agency comes up here asking for less money than the majority of the members of the committee are trying to provide. Generally it is the other way around; these agencies ask for more than a committee wants to give them.

I cannot think of anyone who is better informed on the subject not only of military aviation but civil aviation than General Quesada. When he says he can do the job for $200 million, I cannot see how this body can justify raising it $97 million, which in my judgment is a considerable amount of money.

Mr. Speaker, I think this House should have some financial responsibility. Let us attempt to balance the budget, because if we do not, we have to borrow money. We do not have it in the Treasury. We have to borrow it and let our children and grandchildren pay off the loan. I think we are shirking our responsibility here every time we add anything like $97 million when the man who will have to administer the act does not need that amount and says he can do the job without that additional $97 million.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. Bow] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BOW. Mr. Speaker, I find that I cannot support this bill as it comes to us from the committee.

I have had great interest in the past in the development of airports and safe aviation in this country, and I shall continue that interest. However, I must say, Mr. Speaker, that I believe this is irresponsible legislation, that it does violence to the rules of this House and to the Constitution. It could be amended to conform. If it is amended it will have my support.

Mr. Speaker, I believe the people of the country have been misinformed by various pressure groups in relation to this legislation. I, therefore, request permission to include with these remarks correspondence I have had with Mr. Fred L. Bailey, superintendent of the Akron-Canton Airport, which serves my congressional district. Mr. Speaker, Mr. Bailey sent me the following letter and you will note he sent copies to many other people:

AKRON-CANTON AIRPORT,
Akron, Ohio, March 4, 1959.

The Honorable FRANK T. BOW,
House Office Building,
Washington, D.C.

DEAR FRANK: On behalf of the airport agency, and the boards of commissioners of Stark and Summit Counties, this letter is being written requesting your support of H.R. 1011, as originally written. The future of your airport's immediate and long-range improvement program could well depend upon the action taken by Congress within the next 48 hours. Your support is needed immediately.

The reduction in the level of Federal aid to airports is not only unacceptable but untimely. The cut in the program jeopardizes not only your local construction program but the orderly development of a safe, interdependent system of airports and airport facilities demanded by the public interest.

If the terminal building and other nonlanding field facility participation is eliminated as provided in the House committee's cut, then the entire method of Federal Government participation in FAP should be reevaluated. If Federal aid is limited to development of landing area facilities only, then Federal aid to airports should be placed on the same basis as the highway aid program (90 percent provided by the Federal Government—10 percent by local communities).

The frills of terminal building construction (bars, lounges, bowling alleys, etc.) have already been expressly eliminated from Federal participation in S. 1 and H.R. 1011 as originally written. Congressmen are way off base if Federal aid to terminal buildings is withheld for the reason "that the Federal Government should not participate in the construction costs of such facilities." The Government, by law, will not anyway.

We respectfully urge your support to back the passage of floor amendments to H.R. 1011 that would restore that bill's provisions as originally written.

Sincerely yours,

FRED L. BAILEY,
Superintendent.

(Copies to C. Blake McDowell, Summit County Commissioners, Stark County Commissioners, Canton Repository, Akron Beacon Journal, Alliance Review, Massillon Independent, Akron Chamber of Commerce, Canton Chamber of Commerce.)

To this letter from Mr. Bailey I replied as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 10, 1959.

Mr. FRED L. BAILEY,
Superintendent, Akron-Canton Airport,
Akron, Ohio

DEAR FRED: This will acknowledge the receipt of your letter of March 4, 1959, in which you state in part:

"On behalf of the airport agency, and the boards of commissioners of Stark and Summit Counties, this letter is being written requesting your support of H.R. 1011, as originally written. The future of your airport's immediate and long-range improvement program could well depend upon the action taken by Congress within the next 48 hours. Your support is needed immediately."

I note also that you have sent copies of your letter to individuals, organizations, and newspapers in our area. I am sending copies of this letter to the same group.

As you know, I have been very close to the program to develop the Akron-Canton Airport. During my service in Congress I have spent many hours, and days, with agencies of the Government to assure proper concern being given to the welfare and safety of the public who use the facility.

As a member of the Appropriations Subcommittee handling the CAA and the newly created FAA, I have had a close working relationship with these officials. There have been occasions when I have had to rectify errors presented to these officials.

Unfortunately, a close liaison between the management of the Akron-Canton Airport and my office has been lacking. Plans, details, and problems that my office should have been advised of were not submitted to us. We were not kept abreast of developments. It seems that we have been called upon only when some crisis occurs and that generally at a very late hour. We have always urged that we be kept advised and at all times cooperated and offered our services.

You state further in your letter:

"The reduction in the level of Federal aid to airports is not only unacceptable but untimely. The cut in the program jeopardizes not only your local construction program but the orderly development of a safe, interdependent system of airports and airport facilities demanded by the public interest."

As you well know, Akron-Canton Airport has an allocation of $1 million from Federal funds already authorized. This allocation is now being reviewed and the study will soon be completed. It is anticipated that by May 1 of this year this grant will be made firm and funds will then be available for expenditure by Akron-Canton Airport.

I am pleased that I was able to be of service in securing this allocation for Akron-Canton Airport.

This grant is under existing law and will not be affected by the legislation that you seem concerned about.

I desire to call attention to another part of your letter which is misleading if not understood. You state:

"If Federal aid is limited to development of landing area facilities only, then Federal aid to airports should be placed on the same basis as the highway aid program (90 percent provided by the Federal Government—10 percent by local communities)."

Funds paid by the Federal Government on the highway aid program are from a "trust fund." This trust fund is created by taxes levied upon the users of highways, gasoline taxes, etc., so that the users are paying the 90 percent—not the Treasury of the United States (in other words, all the taxpayers).

If you can convince airport managers and all others interested in aviation to place a tax on the use of facilities and thereby create a trust fund for the payment of the expenses attributed to aviation, I will support you. Such a fund would save the taxpayers of this Nation hundreds of millions of dollars every year now being spent for aviation.

I think it might be of interest here to set forth the contributions made from the Treasury of the United States since the enactment of the aid to airport law in 1946:

Fiscal year	Estimate	Appropriation	Contract authorization
1946			
1947	$52,000,000	$45,000,000	
1948	65,000,000	32,500,000	
1949	40,000,000	3,000,000	$37,000,000
1950	40,000,000	3,500,000	36,500,000
1951	40,000,000	3,300,000	36,700,000
1952	24,000,000	18,700,000	
1953	17,600,000	14,321,154	
1954:			
Original	30,000,000		
Revised			
1955	22,000,000	22,000,000	
1956	11,000,000	20,000,000	[1] 42,500,000
1957			[1] 63,000,000
1958			[1] 63,000,000
1959			[1] 63,000,000
Total		162,321,154	341,700,000

[1] Authorized by Public Law 211, 84th Cong.

When we refer to airports and their cost to the taxpayers of the United States, we are not telling the whole story. Payments for all services to promote aviation are much higher. The total year by year payments from the Treasury (the taxpayers of the United States) for the past 5 fiscal years, excluding airports, have been:

[In millions]

1955	$243.1
1956	234.6
1957	274.5
1958	360.5
1959	627.9

In view of these great expenditures, I repeat if a trust fund can be established to pay these costs by user charges of those who use the facilities, I will support your 90–10 formula. Such procedure would take a great burden from the Treasury and the American taxpayers.

Now, as to your request that I support H.R. 1011 as originally written, this I cannot

do. The cost is much too high and extravagant. As pointed out to you, even if no bill passes at this time you still get your $1 million in Federal funds. The bill you ask me to support proposes to enable officials of the executive branch of Government to obligate the taxpayers in the amount of $297 million during the next 4 years for airport construction purposes. The language of the bill opens a 4-year charge account without regard to other financial requirements contained in the budget presented to Congress each year, and without regard to the ability of the Treasury to meet such financial obligations from year to year in the light of ever-changing needs and conditions.

Creating a 4-year license to obligate the Treasury in this manner violates orderly appropriations procedure as well as the spirit of the Constitution. It avoids the traditional process under which the various agencies of Government must account annually for their actions in advance of the granting of authority to financially commit the Government. It ties the hands of the President and the Congress in preparing and controlling the annual budget. While responsible officials will be required to appear before Congress each year to request funds to pay off the financial obligations previously created under the authority of this bill, the annual appropriation action will merely be ministerial in nature and will come too late to provide any control over the level of the program.

This proposal is another instance of the so-called backdoor approach to the Treasury. The language in the bill which reads "there is hereby authorized to be obligated by the execution of grant agreements" opens a Pandora's box to those who would arbitrarily demand that airport construction be accelerated each year without regard for the financial status of the Treasury. The minute such language is signed into law, it will transfer the control over this program for the next 4 years from the Members of Congress—the duly elected representatives of the people—to those who have no such direct accountability.

I consider this to be an abdication of the power of the purse by the Congress and a very dangerous trend away from fiscal responsibility. If we are ever to stop the gradual drift to financial disaster, the backdoor approach to the Treasury must be discontinued.

As you perhaps know, Congressman HOWARD SMITH, chairman of the Rules Committee, has introduced House Resolution 161 to prevent procedures of this kind. Many people of the 16th District have asked me to support House Resolution 161 and I may say to you it has my full support.

I am wholeheartedly in favor of economy in Government. We must reduce Federal spending and reduce it drastically and give our people tax relief. I must apply this economy at home as well as throughout the Nation. Reduction of spending of large sums in foreign aid would be helpful.

I have in the past, and will in the future, support proper and reasonable aid to airports and will support wholeheartedly funds which are necessary to provide safety in the air. I may say that I am more interested in safe travel in the air and safety in landing at airports than I am in plush terminals or fancy cocktail bars at the end of the trip.

You state: "Congressmen are way off base in some of their views." I can assure you that further off base are some of the pressure groups who try by scare letters distributed at random to force decisions which may be against the best interests of all the people and of the Nation.

I am sure that a careful study will substantiate the facts I have outlined above.

Sincerely yours,

FRANK T. BOW,
Member of Congress.

(Copies to: C. Blake McDowell, Summit County Commissioners, Stark County Commissioners, Canton Repository, Akron Beacon Journal, Alliance Review, Massillon Independent, Akron Chamber of Commerce, Canton Chamber of Commerce.)

I have included in these remarks, Mr. Speaker, Mr. Bailey's letter because I want to be fair to him.

I have also been asked by Mayor Charles L. Babcock, of Canton, Ohio, in my congressional district, to support this legislation. I hope sincerely that the mayor is acting without full and complete knowledge of the bill, for it would be most unfortunate if he were supporting irresponsible legislation which would further increase our national debt, which would undoubtedly add to the cost of living of those in our area who now find it difficult to make ends meet. If we believe in economy in Government, we must practice it at home as well as in the cities and districts of others.

I sincerely hope, Mr. Speaker, that this bill will be amended so that it may receive the support of those of us who believe in fiscal responsibility.

Mr. ALLEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I have taken this time because I think it might be helpful if we understood a little better what the parliamentary situation is. I have also taken this time because I have had a number of Members inquire of me as to whether or not there will be an opportunity in the consideration of this measure to vote to reduce the amount of money that is provided in the bill, and also to make certain other substantive changes they deem to be important.

I am quite convinced that those inquiries addressed to me about an opportunity to reduce the spending in this measure come from people who are genuinely interested in avoiding excessive Federal spending because they know, as you and I ought to know by this time, that excessive Federal spending fuels the fires of inflation, which reduces the value of savings, adds to the cost-price squeeze on the farmer, who is already in too much trouble, and cuts into the buying power of the dollar for some 23 million people who are on some sort of Government retirement program. Beyond that, deficit spending is destructive of the hope that many of us have for some sort of equitable tax reduction in the future.

First of all may I say that the rule granted by the Committee on Rules is fair. The bill before us is in the nature of a complete committee amendment to the original bill as introduced, but the rule fairly and properly provides that the committee amendment shall be open to amendment as an original bill. It preserves the right, therefore, of anyone to offer amendments to change the provisions of the bill. The rule also preserves to the minority the motion to recommit with or without instructions.

Let me say to those of you who have inquired that after the general debate is concluded and the bill is open to amendment, amendments will be offered to bring this bill more nearly in line with the recommendations of the administration and the Federal Aviation Agency. Amendments will be offered to reduce the amount of money here provided to be spent. I sincerely hope that in the Committee of the Whole those amendments can be adopted, but if they are not adopted, then the motion to recommit will be along the line of the amendments to which I have referred. It will provide for reduction in the amount of spending and it will provide for other things that are deemed desirable in this legislation.

So far as I am concerned, I trust the motion to recommit will prevail. If it does not prevail, then I shall vote against the bill. I trust enough Members will vote against it out of opposition to excessive spending. Not only is the spending excessive, but in addition the committee amendment, as reported here, does not provide for the phasing out of this program that I think one day must be phased out. I believe the time to do that is now. Billions of dollars have been spent not only in airport construction but in providing navigational aids that are so necessary. Billions of dollars, I say, are spent. In connection with navigational aids, it is apparent to anyone that more money will have to be spent. Here we are dealing with airport aid and airport construction. Here we are on one of the first bills that is going to determine how we stand on the question of spending. We are going to divide the men from the boys. We are going to find out who the spenders are and we are going to find out who the savers are. I think the people of this country want to know about that. We are going to see to it, as we are going to see to it in every one of these bills that comes along. Wherever we have a chance we are going to call the roll and we are going to see where we stand. To my friends on the right, as was pointed out by the gentleman from Illinois [Mr. ALLEN] so well, I repeat, here is a man, General Quesada, head of the Federal Aviation Agency who has studied this matter. His testimony, in my opinion, ought to persuade anyone, and he says he can do the job for $200 million. Well, if he can do the job, let us give him the $200 million. Let us give that amount to the Agency. Let us start them out that way. Let us not start, in one of the first bills to come before us, to appropriate more money than has been asked for and, may I say, more money than is needed. If we can demonstrate here what we have in mind, I think it would be the greatest encouragement to the people of this country. I think it would do much to put our unemployed people back to work. That is what we need. That is what we need today. So let us make a start here and stand up and be counted for economy, which I believe the people of this country in an overwhelming majority are demanding of the Congress of the United States.

Just one further observation, Mr. Speaker, and then I will be through. We have been reading about the financial difficulties of many of the States. You know, they will have to match these funds 50–50. Now I do not know whether we would be doing them very much of a

favor, especially some States where they cannot even keep up their colleges or, apparently, where they are at the point of not being able to keep them going, and where many other things are falling by the wayside. I doubt if we would be doing them very much of a service by appropriating more money here than is really needed and hence putting the same sort of burden on them to appropriate more money than they are able financially to appropriate. So I say the administration proposal is fair and sound. It is all that is needed. So far as I am concerned, I am going to make the fight in that direction.

Mr. THORNBERRY. Mr. Speaker, I yield 5 minutes to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the gentleman from Indiana need not worry about a rollcall. There will be a rollcall. It is going to be interesting to see what the vote will be on the question of the passage of the bill, and not on the motion to recommit the bill. Because only a few weeks ago when my friend, the gentleman from Indiana, made the same kind of speech here in the well of the House against the GI housing bill and he made it a party matter, on the passage of the bill, 53 Republicans did not follow the gentleman's leadership. Now the people of the country are very much interested in this bill. There will be a rollcall and the test of the vote will be on the passage of the bill showing just how united the Republican Party is with the party divided and split down the middle. Even the other day, they repudiated "Modern Republicanism," as I believe I read in the paper, at a meeting in Washing recently. The great slogan of the President of 6 years ago now has been disavowed and repudiated and has been thrown on the political scrap heap. I see the gentleman from Indiana on his feet; does he want me to yield?

Mr. HALLECK. Yes, Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the gentleman.

Mr. HALLECK. May I say, first of all, I disagree with the gentleman when he says the question of economy and of spending——

Mr. McCORMACK. I have not come to that yet. Now I have not come to that yet so the gentleman cannot disagree with something I have not said yet. The gentleman from Indiana, of course, is jumping the gun.

Mr. HALLECK. I am sure the gentleman from Massachusetts has many things to say, but he has undertaken to interpret my position.

Mr. McCORMACK. No, no, I did not undertake to interpret your position, I just simply stated what you stated your position was.

Mr. HALLECK. I say the gentleman was interpreting in this respect, that the vote on the motion to recommit to reduce the spending here is the real question.

Mr. McCORMACK. Oh, no, no—not for me. You are not kidding me, and you are not kidding any Member of the House. The real vote will be on the passage of the bill. A motion to recommit is a coverup, a hideaway. We know that, like when the social security measure was up. On the passage of the bill the Republicans voted for it, but they do not say they voted for the motion to recommit, which, if adopted, would have gutted the bill. So it is the passage of the bill that counts. The motion to recommit is that little legislative sneaker for the purpose of deceiving the public.

The only difference between this bill reported only by the committee, in dollar value, and the President's bill is $97 million. The President's bill called for $200 million, and the committee reported out over a 4-year period a bill involving $297 million. As a matter of fact, I think the committee reported out a bill providing for the expenditure of about the same amount, when we have in mind the protection of the American people who travel in airplanes; when we have in mind the number of accidents that are constantly happening, and which happened only in recent months. When the roll call comes I want the Republicans to know that when they vote "No" on the passage of the bill, a capable opponent against them next fall can call attention to that.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I am enjoying this. I am just talking practical now.

Mr. HALLECK. The gentleman has demonstrated just now what his position is, and his party, and what the Democratic Party's position will be, and that is that we are not spending enough and we ought to spend more.

Mr. McCORMACK. The gentleman from Indiana [Mr. HALLECK], of course, is an attempted master of the art of misinterpretation. I express my own views and I stand by them. The difference is $97 million over a 4-year period. As a matter of fact, the first year of the operation of the law there will be less spent than provided in the President's bill, but under the Democratic measure for the protection of human lives, there will be greater protection afforded by the bill reported by the committee than the President's recommendation, and his bill, and there will be greater distribution to the States than is provided in the President's bill.

The SPEAKER. The time of the gentleman has expired.

Mr. THORNBERRY. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. McCORMACK. One thing I never do. I never talk politics. I might say that there is no stronger believer in the United States in the two-party system than I. I want the Republican Party to exist. Notice I say "exist." But, believing as I do in the two-party system, I do believe that the American people are blessed indeed when the Democratic Party is in control of our Government.

Now the gentleman from Indiana [Mr. HALLECK] talks about a balanced budget. We have seen him come out of the White House and make those dramatic speeches when appearing before television. His ingenuity is rather admirable in some respects. Even the youngster who sells newspapers on the corner believes in a balanced budget. There is nothing brilliant about that. The President told us a year ago he had sent a balanced budget to the Congress. It is going to be unbalanced by June 30 over $13 billion. His guess was $13 billion wrong.

As I said, the youngster who sells newspapers on the corner wants to be sure we have in the world of today an adequate defense. Members of Congress do not have all the brains in the United States; the youngster who sells newspapers on the corner has brains too. Many years ago I used to sell newspapers on the streets. They know that a powerful national defense is of vital importance in the world today.

And the people of Indiana where the floods have taken place want flood protection—right in the State of my friend the minority leader. I wonder how they feel when they know the President says no new starts? Let the floods go on, we cannot afford to appropriate money to build dams to protect your lives and your property. Right in Indiana is taking place—no new starts. It is not only in Indiana but also it hits Ohio, and I heard my dear friend the gentleman from Ohio [Mr. BROWN], not long ago take the floor—and I admired him—condemning this policy of no new starts enunciated by President Eisenhower in connection with the fiscal year of 1960.

Sure, we are all for a balanced budget, certainly; but we are for national defense, and I am going to vote for money when anything comes up to help build dams in the State of Indiana to protect the rights of the people and the property there; I am going to vote for something when it comes up to do the same thing for the people of Ohio that my Republican friend, my genial friend, my outstanding friend, the gentleman from Ohio [Mr. BROWN], made such a dramatic speech about recently.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Oh, I see my dear friend rising.

Mr. CURTIS of Missouri. Whose money will you vote?

Mr. McCORMACK. Just a minute, just a minute. So I am going to help out my friend from Ohio and when it comes up for Indiana, I will help my friend from Indiana [Mr. HALLECK] who is opposing it now; I am going to take the floor and beg that we do something to protect the people of Indiana against future floods. I think my friend from Missouri does not want me to yield now.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. THORNBERRY. Mr. Speaker, I know of no further requests for time.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1011) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

The motion was agreed to. Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1011, with Mr. METCALF in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Arkansas [Mr. HARRIS] will be recognized for 1 hour, and the gentleman from Michigan [Mr. BENNETT] for 1 hour.

The gentleman from Arkansas is recognized.

Mr. HARRIS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the Committee on Interstate and Foreign Commerce brings to you the bill H.R. 1011, to extend the Federal Airport Act.

The committee held hearings February 9 and 10 on this legislation, which would extend the airport construction program authorized by the Federal Airport Act of 1946.

I hold in my hand a copy of the national airport plan developed by the Civil Aeronautics Administration, now the Federal Aviation Agency, in accordance with the provisions of that act. This plan lists the airports needed to meet the needs of air commerce and general aviation of the Nation. The goal is to bring about consummation of this national airport plan.

The Congress in 1946 authorized a program to bring this about.

In the first year after the authorization $45 million was appropriated to meet this need. That was for 1947. Following 1947 the funds made available for the program for the development of airports on a 1-year proposition declined.

By 1953 there was no program. As a matter of fact, it was exactly zero dollars. In 1954, there was made available a total of $22 million to be allocated to the States and the Territories which was, as a matter of fact inadequate to meet anything like the need for Federal aid. Then, in 1955, in an effort to try to reach the goal set in 1946 and to meet the needs that everyone agreed were necessary a new program was approved by the Congress. That provided a 4-year contract authority program on a matching basis. It provided an allocation to the States of $60 million a year under the existing formula, and $3 million to the Territories, which made a total of $63 million a year available for a 4-year program.

Now, in view of the fact that there are four steps that are necessary, actually five, in building an airport, it takes more than a year, it takes more than 2 years, and sometimes it takes as much as 5 or 6 years to complete a job. As a matter of fact, most of the present funds have been programed.

Now, there are no new funds in the program after this year. We recognized that last year, and in view of the fact that it is necessary to have long-range programing the Congress held hearings a year ago and developed a bill which, from the hearings, was felt to be necessary to carry out the national airport program. There have been statements made and there will be other statements made that there is nothing in the record to justify what the committee has done in the bill presented here today. I am going to show you that the record we made in the hearings is replete with information. The Administrator's testimony before this committee shows that to carry out the program that was needed from their own survey would take $1.29 billion.

The committee feels that the Federal Government has a responsibility to continue Federal aid to airports to promote safety and to meet the needs of our expanding air commerce, so vital to the Nation's defense and its economic welfare.

There is no disagreement within the committee over the need for an adequate national airport program. There is some disagreement regarding the amount of assistance the Federal Government should provide.

As introduced, H.R. 1011 would have authorized a $437 million program.

After consideration of information developed in the hearings, the committee reduced the bill to $363 million, which included an $85 million discretionary fund. It was felt that this would be adequate to provide Federal matching funds for available local funds.

After further consideration of the problem in the light of reduced Federal funds needed for terminal building grants, the committee further reduced the total of the bill to $297 million, chiefly by a reduction in the discretionary fund.

The present program is $63 million a year. The amount provided in the bill as reported by the committee is in effect a 4-year continuation of the present program, plus the special additional discretionary fund of $45 million.

Although the amount recommended in H.R. 1011, as reported, is $97 million more than proposed by the administration, the committee and the administration are in rather close agreement regarding the use of funds for terminal building construction, one of the controversial points in the Federal aid program. The legislation sponsored by the administration would limit Federal aid to terminal buildings to space for traffic control towers, weather reporting activities, and air traffic control communications. The committee proposal would broaden that limitation only slightly to include space for other Federal activities, if the Administrator finds that would be in the best interest of the Government. This would permit Federal aid to provide space for such necessary activities as immigration, customs, health, and agricultural inspections. Under the committee proposal, the Federal share could go as high as 100 percent.

The committee bill would prohibit Federal aid to other terminal building construction and to automobile parking lots.

The committee did not go along with the administration on a recommendation to change the apportionment formula. Under existing law, 75 percent of the Federal aid is distributed to the States on the basis of population and area, with 25 percent going into a fund for distribution at the discretion of the Administrator of the FAA without regard to State boundaries. The administration wanted this changed to distribute 50 percent to the States and place 50 percent in the discretionary fund.

Early enactment of this legislation is needed to give local sponsors an opportunity to make plans. As has been stated, planning is a time-consuming operation.

Enactment of this legislation would not affect the President's budget for 1960. Grants authorized for fiscal year 1960 would be $2 million less than in the administration bill.

SUMMARY OF THE COMMITTEE SUBSTITUTE

Stated briefly, the committee substitute would make amendments to the Federal Airport Act for the following purposes:

First. To authorize Federal aid for airports totaling $297 million to become available over a 4-year period, beginning with the fiscal year ending June 30, 1960, as follows:

(a) For the States, $62,100,000 for each of the 4 fiscal years. In addition to Alaska, Hawaii would be included in the State program.

(b) For each of the 4 fiscal years, $600,000 for Puerto Rico and $300,000 for the Virgin Islands.

(c) For a new discretionary fund, to become available as follows: $20 million on July 1, 1961; $15 million on July 1, 1962; and $10 million on July 1, 1963.

Second. To limit use of Federal funds in the construction of airport buildings to that portion of an approved project which provides space for use by Federal agencies. The Federal Government, at the discretion of the Administrator, could pay all the cost of providing such space. No funds could be used for passenger automobile parking facilities.

Third. To provide that Federal aid apportionments made to a State, if not obligated after 2 years, shall revert to the discretionary fund now existing under the act, so that they will be available for use by the Administrator without regard to State boundaries.

HISTORY OF FEDERAL AID PROGRAM

The Federal Airport Act, approved in 1946, established a long-range program of Federal aid to provide a system of public airports adequate to anticipate and meet the needs of civil aeronautics.

The act authorized appropriations of $500 million for grants to State and local authorities and $20 million to the Territories for a 7-year period. An appropriation of $45 million was made for the first fiscal year under the act, but thereafter appropriations declined until the 1954 fiscal year when no appropriation was requested and none made.

Because extensive planning is required to build modern airport facilities, sponsors in 1955 asked Congress to establish a long-range program, setting out definitely the amount of Federal aid available over a period of years.

After extensive consideration, the Congress in 1955 amended the basic act to authorize contract obligations of $42,500,000 for the fiscal year ending June

30, 1956, and $63 million each for the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959—Public Law 211, 84th Congress.

Legislation to continue the Federal aid program at an increased level of $100 million a year through fiscal year 1963, with an additional authorization of $37 million for fiscal year 1959, was passed by the two Houses in the last Congress—S. 3502, 85th Congress.

The President, however, withheld approval of that legislation and the problem is again before Congress for consideration.

At the beginning of this session, I introduced H.R. 1011, which was identical with the bill passed last year which the President did not sign. The committee has reported out a substitute for that bill, reducing the amount authorized from $437 million to $297 million.

In the hearings on H.R. 1011 and related bills to extend the program, we heard the Administrator of the Federal Aviation Agency and representatives of airport operators and users. All agreed that the Federal aid program should be continued, but there was a wide difference of opinion on the amount of Federal aid needed to provide the Nation with an adequate system of airports.

ESTIMATED NEEDS FOR NEW CONSTRUCTION

A national airport survey made by the National Association of State Aviation Officials, the Airport Operators Council, and the American Association of Airport Executives presented at the hearings shows that 1,138 airport projects are planned by U.S. communities during the next 4 years. Total reported cost for land acquisition and for landing area and terminal area development planned during this 4-year period is $1.1 billion. It is anticipated that $521 million of this cost will become available from local sources, and $68.5 million from State sources, for a total of $590 million. This leaves a deficit of $477 million.

The survey indicated that funds to meet this deficit of over $477 million will be needed as follows:

Fiscal year ending:	
June 30, 1959	$128, 657, 730
June 30, 1960	131, 792, 064
June 30, 1961	114, 915, 094
June 30, 1962	101, 920, 420

Detailed figures on this survey will be found on pages 148 and 149 of the printed hearings.

A "Summary of Required Airport Development" furnished by the Federal Aviation Agency will be found in the hearings beginning on page 104. This lists projects totaling $1,290 million.

NEED FOR PROGRAM

Adequate airports are necessary not only to provide an adequate air transportation system but to promote safety in air commerce.

Due to the speed and range of the modern airplane, its operation presents problems that only the Federal Government can meet.

Airports are more than a local utility. Each airport is an intregal part of our national airways system.

Air transportation is modern transportation. It is vital to the welfare of the Nation.

To have a sound air transportation system, we need a national airport system. The only way we can get that system is by Federal aid to airports.

Air transportation is developing faster than our airport system. The phenomenal growth of air transportation since the enactment of the Federal Airport Act has made it difficult for sponsors to meet the needs for additional facilities.

Air transportation is now a principal means of interstate commerce for persons, freight, and mail. More passengers now are transported in interstate and foreign air commerce than by railroads and transatlantic steamships.

Active aircraft using the airports and airways have been increasing each year. In 1957, the total was 67,153. Last year, the Civil Aeronautics Administration estimated, that figure had climbed to 72,500, a gain of 8 percent in 1 year.

In 1946, the Nation's domestic scheduled airlines carried 12,213,000 passengers nearly 6 billion miles. The CAA estimated that in 1958 this figure increased to about 49 million passengers who flew more than 26 billion passenger-miles.

While the millions or airline passengers using the airports are cited, it should be made clear that we are not building airports exclusively for the airlines. Airports are being built for all civil aviation and to meet national defense needs.

Significantly, the greatest growth in civil aviation has been in general aviation, which excludes commercial air carriers. Today, business enterprises own and operate more than 26,000 aircraft, which now range from single-engine aircraft to DC–3's, turboprop Viscounts and F–27's, and which will soon be supplemented by jet aircraft.

Today the general aviation fleet—including these business aircraft—exceeds 65,000 aircraft and according to a recent Government forecast will grow to 89,000 by 1965, and to 107,000 by 1970.

The same forecast indicates an increase in airline passengers to 66 million by 1960, 93 million by 1965, and 107 million by 1970.

Airfreight quadrupled in volume during the period from 1946 to 1957. Official predictions are that aircargo traffic will increase to 600 million ton-miles by 1960, and to 1.6 billion ton-miles by 1970. It is quite obvious from this forecast that airfreight is still in its infancy.

EFFECT ON 1960 BUDGET

If enacted as reported, H.R. 1011 could not affect the President's budget for 1960.

The budget estimate for fiscal year 1960 for aid to airports is $50 million. That is to take care of contractual obligations expected to come due during the year.

H.R. 1011 would authorize contract obligations of $63 million during fiscal year 1960. Those contract obligations would not come due for some time—that is, until the work is done.

The bill sponsored by the administration and submitted with approval of the Bureau of the Budget, would authorize contract obligations of $65 million for fiscal year 1960, $2 million in excess of the authority provided in H.R. 1011, as reported.

DISTRIBUTION OF FUNDS

The following table, prepared by the Federal Aviation Agency, shows the annual distribution of the authorization which would be provided by H.R. 1011, as reported by the committee:

Annual distribution of $63,000,000 authorization for fiscal years 1960, 1961, 1962, 1963

State or Territory	State percentage (50 States)	$63,000,000 authorization (75–25) (1960)
Alabama	1.718611	$800, 443
Alaska	7.989155	3, 720, 949
Arizona	1.791320	834, 307
Arkansas	1.350570	629, 028
California	5.649302	2, 631, 162
Colorado	1.850538	861, 888
Connecticut	.738876	344, 131
Delaware	.137718	64, 142
District of Columbia	.265985	123, 883
Florida	1.732768	807, 037
Georgia	1.936646	901, 993
Hawaii	.252601	117, 649
Idaho	1.326823	617, 968
Illinois	3.663605	1, 706, 324
Indiana	1.794808	835, 932
Iowa	1.628855	758, 639
Kansas	1.744506	812, 504
Kentucky	1.520419	708, 135
Louisiana	1.558000	725, 639
Maine	.766973	357, 218
Maryland	.940883	438, 216
Massachusetts	1.674698	779, 991
Michigan	3.416086	1, 591, 461
Minnesota	2.154682	1, 003, 543
Mississippi	1.374104	639, 989
Missouri	2.250852	1, 048, 339
Montana	2.189235	1, 019, 636
Nebraska	1.484515	691, 413
Nevada	1.550886	722, 325
New Hampshire	.302274	140, 784
New Jersey	1.709049	795, 990
New Mexico	1.873840	872, 741
New York	5.631222	2, 622, 742
North Carolina	2.056445	957, 789
North Dakota	1.162358	541, 308
Ohio	3.231140	1, 504, 909
Oklahoma	1.685442	784, 995
Oregon	1.817568	846, 532
Pennsylvania	4.092974	1, 906, 303
Rhode Island	.278294	129, 615
South Carolina	1.122208	522, 668
South Dakota	1.259783	586, 744
Tennessee	1.660099	773, 191
Texas	6.170840	2, 874, 069
Utah	1.378355	641, 969
Vermont	.255003	118, 780
Virginia	1.670120	777, 858
Washington	1.742633	811, 631
West Virginia	.990351	461, 256
Wisconsin	2.032160	946, 479
Wyoming	1.422885	662, 709
Total United States		46, 575, 000
Discretionary funds [1]		15, 525, 000
Total for continental United States		62, 100, 000
Puerto Rico		600, 000
Virgin Islands		300, 000
Total Territories		900, 000
Grand total		63, 000, 000
Additional discretionary:		
1961		20, 000, 000
1963		15, 000, 000
1964		10, 000, 000

[1] 75 percent of authorization is apportioned for projects in each State on an area population formula; 25 percent is discretionary, and may be allocated without regard to State boundaries.

As has been stated, we were told in the hearings that local sponsors could provide $590 million for the program. They are not only willing; they are ready to provide it if we will give them a program on which they can depend. In the hearings last year the sponsors told us that they needed $477 million additional to carry on and to meet the needs of our air commerce. That is how we arrived at the figure of $437 million that was included in the bill originally presented a year ago. Our bill,

which the Congress approved last year, included $37 million for 1959. This year, when we held hearings, we were so near to the end of this fiscal year, that we thought the added amount for 1959 should not be included.

After we held our hearings and found out what the requirements were and determined the issues involved affecting terminal buildings, the committee decided that the testimony justified further reductions because terminal buildings which had previously been authorized would not be included under a full 50 percent matching program. The committee decided that at the larger airports there were opportunities for commercial enterprises, and, therefore, through rental arrangements there would be sufficient income developed to provide the terminal buildings. Therefore we said that none of these funds could go for the purpose of constructing terminal buildings except for that part needed by the Federal Government.

In other words, let me say this to my distinguished friend who talked about safety. There is no more important part of this Federal aviation program affecting safety than to have adequate and efficient operation of traffic control towers, weather stations, and communication systems necessary to bring an airplane in and have it land and then to permit it to take off and get on its way. That is part of the safety program.

So our committee made it possible for the Federal Government to pay for that part of the terminal building it uses itself, that part which is to be exclusively used by the Federal Government. Without this provision the Government would have to make a rental agreement with the manager of the airport, which would saddle an annual obligation onto this Government that would continue from here on out.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to my distinguished friend.

Mr. BENNETT of Michigan. I am sure the gentleman wants to be fair and factual in his statement.

Mr. HARRIS. Of course, the gentleman is going to be fair.

Mr. BENNETT of Michigan. I am sure he will be.

Mr. HARRIS. But I do not care about any imputations that I would not be.

Mr. BENNETT of Michigan. There is no imputation that he would not be. But it is a fact, is it not, that there is no disagreement among members of the committee on the subject which the gentleman is now discussing?

Mr. HARRIS. Oh, yes; there is disagreement, because the gentleman knows that he and others of the minority want to reduce the figure from the $297 million arrived at by the committee, under the facts developed in the hearings, to an arbitrary figure of $200 million.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield further?

Mr. HARRIS. Yes.

Mr. BENNETT of Michigan. During the past 4 years $10 million has been spent of Federal funds for towers; that is the total amount. There was no indication in our hearings that any greater sum than that will be needed for the next 4 years, was there?

Mr. HARRIS. Of course the gentleman knows that in the hearings it was developed and agreed to as a matter of principle by General Quesada, the operators, the Airport Operators Council, and the municipalities, that there is justification for this program and it is needed. Actually they are trying right now to get the city of Los Angeles to foot the complete bill of a separate building for the Government, without the Government putting one penny into it. What you are also doing is trying to make Los Angeles put the money into the construction of this facility and taking away available funds needed to match Federal funds for other parts of the project. The city of Los Angeles has now gone to the point that it cannot issue any more bonds. So you are taking away funds that should go into the matching fund, and you would require them to provide this facility which the Federal Government is going to use. This, if carried out under the theory of the substitute proposal, will require the U.S. Government to pay a rental fee every year for these facilities. I do not believe we should be saddled with that obligation.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ROGERS of Colorado. The gentleman explained a moment ago that the present law is that on allocations made to the States heretofore, if that was not——

Mr. HARRIS. Let me proceed, and I will explain that to the gentleman.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield for a correction?

Mr. HARRIS. The gentleman has an hour. He can explain it in his own time.

Mr. BENNETT of Michigan. The record ought to be straight here, Mr. Chairman. There is a provision in the bill I introduced which provides Federal aid on a continuing basis for these safety factors about which the gentleman has been talking. As a matter of fact, I supported in the committee the gentleman's amendment in that regard, in his bill.

Mr. HARRIS. Yes; I appreciate that the gentleman did, but he knows that his bill does not carry authority to meet the situation called to our attention by the city of Los Angeles. There cannot be any difference of opinion on that because it is a fact.

What we do here, because of the adjustment in this program for terminal facilities and other related airport facilities, is to bring you a bill with a total of $297 million. We took into consideration the experience of the agency for the last 4 years, and we provide precisely the same amount, $63 million a year, for allocations to the States. The first year—I want my distinguished friend from Indiana to get this; he is talking about spending—the proposal we present here to you is under the budget proposal for 1960 by $2 million. We are trying to help you in connection with balancing the budget. I would encourage the gentleman to support us on this program.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Indiana.

Mr. HALLECK. The distinguished majority leader spoke of the motion to recommit as a legislative sneak.

Mr. HARRIS. This is no legislative sneak here.

Mr. HALLECK. I certainly would not refer to it as a sneak. But I think, and maybe not using that kind of word, because a motion to recommit has always been used here, and I hope it always will be used, it affords a real opportunity on many occasions to see where people really stand. But, I must say the gentleman has a pretty good gimmick—I will not say "sneak"—in his bill.

Mr. HARRIS. I take exception to your calling my bill anything that has a gimmick in it. I am trying to tell you that what we are proposing here is something that the gentleman's administration ought to take. All of you should vote for it. We want to help you in balancing the budget so we reduced your figure by $2 million. If you will just help us, we can get down to a figure. And there is another thing that would bring about what you desire and which is the objective of all of us, and that is a sound, balanced budget.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield briefly to the gentleman.

Mr. HALLECK. I shall always be brief. I would like to say that what the gentleman says with respect to the next fiscal year is true.

Mr. HARRIS. I want to make it very clear to the gentleman that it is not a gimmick.

Mr. HALLECK. Yes; well, all right. But, from then on you are looking forward to more spending. Actually, that is going to have to do with the future and whether or not the country can look forward to some tax reduction sometime. In my opinion, in spite of your position in respect to the next fiscal year, the argument is persuasive.

Mr. HARRIS. Let me get to that point. We provide for the second year to meet the problems of the jet age and in order to accommodate the jet planes provide an additional amount to be used by the Administrator in the discretionary fund. You are going to need some additional funds if we are to meet the need of the new airplanes today that are coming in this year and next year. And the following year, we are going to have plenty of them in the air. So we provide for them. General Quesada provided for it, too. But here is what he would do and what you would do by your substitute bill. You would take 50 percent of the total available and put it in the discretionary fund for the Administrator to use as he sees fit. You would reduce the amount allocated to the States the first year by one-half of $65 million which would be $37½ million, and in the second year one-half of $55 million which would be $27½ million. Now you start allocating

to the States with that amount of money for the development of airport projects and then, gentlemen, you are going to find yourselves trying to explain to your municipalities how they are not able to get matching funds to meet their needs. You would destroy the formula 75–25 that has been in existence since the first national airport plan was developed. That is just how serious it is and that is the difference we have here. That is the reason, I say, to meet the needs and the requirements of this plan the amount provided in this bill is necessary. Oh, yes, you say you have a plan, too, but we need a real plan and if we meet it, we are going to have to provide the money. I think, as a matter of fact, we have gone even below the minimum. But, the committee has decided that that is what it is. We are going to do our best to get this kind of bill through in order that this airport program may continue.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. GROSS. When that program was adopted in 1946, I wonder how many people at that time envisaged a debt in this country of more than $285 billion. Would the gentleman care to comment on that?

Mr. HARRIS. Yes. I will say to my distinguished friend, I believe that at that time we had a national debt which went almost to that figure. That was immediately following the war.

Mr. GROSS. Of course, everyone expected after the war that this would be reduced.

Mr. HARRIS. I share that feeling.

Mr. GROSS. And that it would be reduced after the war, but not because of the economy, particularly.

Mr. HARRIS. I share the gentleman's views with reference to the need to reduce it, but let me tell you something, I also share the gentleman's views, I know, on providing safe transportation in this jet age.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. GROSS. May I ask the gentleman this question: How much of the $97 million will go into safety features?

Mr. HARRIS. All of it.

Mr. GROSS. All of the $97 million above the $200 million?

Mr. HARRIS. Yes.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ROGERS of Colorado. I understand from the gentleman's statement that the allocations made heretofore under the Federal Airport Act to the States still stands until used. Is that the law at this time?

Mr. HARRIS. The law at this time is that after a period of 2 years funds allocated to the States revert back to the Administrator for reallocation. We make a change here to provide that after 2 years the unused balance reverts back to the Administrator to go into the discretionary fund. The reason for that is that there are about 14 States who found that they could not utilize the money allocated.

Funds made available under existing law and under the proposed legislation remain available until used.

Mr. ROGERS of Colorado. Under section 28 of the proposed bill it says, "Which amounts have been obligated by the execution of grant agreements before July 1, 1959."

Mr. HARRIS. Let me explain that. Funds for certain projects have been set aside or programed but the final grant agreement has not been signed. A lot of the present program is in the pipeline. It will take at least until 1963 or 1964 for it to be completed. If we do not put that provision in there, it would disrupt the programs that are already underway—projects that have been programed but not put under grant agreement. Therefore, we do not disrupt the present program, but we apply the new policies beginning after July 1 this year.

Mr. ROGERS of Colorado. But if we have a program which is not reduced to an agreement on or before July 1, 1959, then do we lose the money?

Mr. HARRIS. This applies after next July 1.

Mr. ROGERS of Colorado. This says, "Amounts obligated by the execution of grant agreements before July 1, 1959." The point that bothers me, that these programs may be in the making, as in my State, we have a bond issue coming up. It will not be reduced to an agreement before July 1, 1959.

What I want to know is, if the money that has been made available to that area, which has not now been committed to a written agreement—are we going to lose it if we adopt section 8 and if we do not get it in writing before July 1, 1959?

Mr. HARRIS. Any grant agreements executed after next July 1 would have to be made under the terms of the new legislation but your State would get an allocation of funds under this legislation as in the past.

Mr. ROGERS of Colorado. But this is the old program, and you in effect say that the amendments shall not apply with respect to projects which have been obligated by the execution of a grant agreement before July 7, 1959. The allocation is made to the States. Discussions have been had with the Administrator, but no firm agreements have been made or executed at this time, nor would we be able to execute one on or before July 1, 1959. If we do not lose it, I want to be fully satisfied.

Mr. HARRIS. The necessity of this amendment is to protect those sponsors who have projects in the making but not actually under grant agreement. If we do not have this provision in it, then these programs that are underway might be disrupted.

Mr. ROGERS of Colorado. Although they are not reduced to writing and executed? This says "The execution of a grant agreement."

Mr. HARRIS. I see.

Mr. ROGERS of Colorado. I just wanted to make sure that we have this.

Mr. HARRIS. That is the intention of the bill.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. DAVIS of Georgia. I wanted to ask the distinguished and able chairman of the Committee on Interstate and Foreign Commerce a question. The gentleman will recall that on February 18 of this year I wrote a letter concerning the application of Public Law 801 of the 84th Congress by the Bureau of the Budget to show that personnel costs of the manpower requirements of the bill now under consideration. The gentleman immediately contacted the Federal Aviation Agency for that information. Having not received it, I would like to ask the gentleman if that information is available.

Mr. HARRIS. I recall the gentleman's letter, and I referred it to the agency for reply. I have not received a reply yet. We have discussed it with them. A reply in detail is in preparation. As I understand, under the administration bill there would be no increase in personnel, as the program would be gradually reduced. Under H.R. 1011, as reported by the committee, I am told there would be no appreciable increase in manpower needs.

Mr. DAVIS of Georgia. Do I understand that this legislation does not involve the use of any additional manpower or personnel?

Mr. HARRIS. That would have to be determined as in the case of other programs by the agency.

Mr. DAVIS of Georgia. I thank the gentleman.

I had felt that the degree of expansion of airport facilities proposed in this bill, H.R. 1011, will have considerable manpower implications. I have been interested to know if it will increase our Federal personnel or if the requirements of this proposed legislation can be met with our existing staffs?

Mr. Chairman, there have been too many instances in the past where the Congress has authorized legislation and voted the funds for new or expanded functions when in final analysis an excessive percentage of the funds are for personnel and administrative overhead rather than for the program itself. It is for this, among other reasons, that as chairman of the Manpower Utilization Subcommittee I plan to follow through on the manpower aspects of all proposed legislation to see that the requests support the requirements found in Public Law 801 of the 84th Congress (70 Stat. 652).

Public Law 801 simply requires that reports to Congress from the executive branch on pending or proposed legislation which, if enacted, would involve expenditures over $1 million and call for additional or expanded functions should include information on the number of civilian officers and employees required to carry out these new functions.

Compliance with this statute should not be an onerous task, for I cannot understand any department or agency not having the information necessary to meet the requirements of this law. If the responsible agency does not have the manpower data available for a proposed piece of legislation, it would appear to me that the Congress has all reason to question the reliability of the costs involved in the bill. I am sure

you will concur that it is far better to make the determination and reach an understanding prior to the enactment of the legislation, than to later find we have created a new empire of Federal personnel.

On February 18, 1959, I indicated by letters to the Director of the Bureau of the Budget and to my colleague, Hon. OREN HARRIS, chairman of the Committee on Interstate and Foreign Commerce, the importance of the Congress knowing the personnel requirements of any proposed legislation prior to its enactment, as for example, the subject matter before us today.

Mr. HARRIS on February 23, 1959, indicated by letter to me that he has asked the Federal Aviation Agency to furnish the Committee on Interstate and Foreign Commerce all possible information on this matter.

Yet to date we have not received any further information on personnel for this airport bill. Certainly both the responsible agency, the Federal Aviation Agency and the Bureau of the Budget should have this manpower information. The problem is now one of the Congress also knowing fully the manpower requirements of any proposed legislation.

Mr. Chairman, I insert at this point as a part of my remarks my letter of February 18, 1959, to the Director of the Bureau of the Budget on the manpower implications of this bill.

FEBRUARY 18, 1959.

Hon. MAURICE STANS,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. STANS: During our manpower utilization hearings in December 1958, we questioned your Assistant Director, Mr. Elmer Staats, concerning the compliance of the departments and agencies with Public Law 84-801. Mr. Staats, at that time, indicated the agencies were required to supply the information to the Bureau of the Budget. Despite this fact I have seen little or no evidence of compliance with the statute.

In view of the continuous pressure of the departments and agencies for more personnel and for new and/or expanded authority and functions, I believe we need a much closer coordination between your Bureau and the Congress in fulfilling the intent of this legislation.

As for example, bill S. 1, Amendments to the Federal Airport Act, which recently passed the Senate and has been referred to the House Interstate and Foreign Commerce Committee, provides for a sizable expansion of existing functions without any indications of the additional manpower requirements.

It would appear reasonable to assume that the degree of expansion of airport facilities proposed in S. 1 could have considerable manpower implications varying from new and additional construction inspectors to Civil Aeronautics Authority personnel to man the airport facilities. I am this date also advising the chairman of the House Interstate and Foreign Commerce Committee of our interest in the manpower implications of this proposed legislation.

Compliance with this statute certainly should not be an onerous task, for I cannot understand any department or agency not having the information necessary to meet the requirements of this law. It would appear the problem is basically one of coordinated communications between our committee and your Bureau and that I am sure can be solved without trouble.

We appreciated having Mr. Staats appear as a witness in December before our committee and we were especially impressed by his apparent earnest and desired cooperation.

With best wishes, I am,
Sincerely yours,

JAMES C. DAVIS,
Chairman, Subcommittee on Manpower Utilization.

Mr. HARRIS. Mr. Chairman, I urge the adoption of the bill as reported by this committee. The hearings are replete with justifications of the amounts contained in the bill.

The CHAIRMAN. The gentleman from Arkansas has consumed 29 minutes.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, to amend the Federal Airport Act I am offering the administration bill, H.R. 3267, in lieu of H.R. 1011, which is the Harris bill as reported by the Committee on Interstate and Foreign Commerce; and may I say to my colleagues of the House that they should be under no illusion that this bill came out of the committee unanimously or anywhere near unanimously. My recollection is that the vote was 14 to 12 in favor of reporting this bill; had there been one more vote against it would have been tied and this bill would not have been reported.

I am calling that to the attention of the House because I believe it does truly reflect the difference of opinion that there was in the committee on which one of these two philosophies ought to prevail.

One of these philosophies, and it is carried in the bill which is now under consideration, is that we should continue indefinitely to build airports for communities which either do not have them or to expand existing airports and terminals of all kinds.

The other philosophy, which is contained in the bill I intend to offer as a substitute at the proper time, is that gradually the Federal Government ought to get out of the business of building terminals and should confine its efforts only to the field of air safety. This is a policy better known as "door to door." That is, our duty extends from the time the passenger gets on the plane in the airport until he leaves the plane at the terminal airport, that everything else is the responsibility of the local community.

May I say that there is precedent in history for this. I think all of us realize that a hundred years ago we started many of the railroads of this country under a normal subsidy system for those days where we granted the railroads—in my own district, the Illinois Central Railroad, which crosses my district—a mile on each side of the right-of-way. That was to be sold and the money used as a subsidy which was granted to the railroad to start operations. That continued for only a short time.

We have been in this aviation business for almost 20 years in one phase or another and show at the present time no sign of ever stopping these Federal subsidies—even when this aviation business is in competition with other nonsubsidized forms of transportation.

As I see it, there are several advantages in the administration bill over H.R. 1011 in its present form. First, H.R. 1011 authorizes Federal aid for airports totaling $297 million, whereas the administration's proposal is for a total of $200 million. The savings in cost is one of the advantages I see.

Further, I have determined from an examination of the bills that there is greater flexibility in administration of aid to airports by the administration bill and, under such circumstances, it is most reasonable to agree that there can be a substantial savings in cost where there is such flexibility in administration.

Along this same line of flexibility, I find that the administration bill is much less complicated than H.R. 1011 and that the simpler form of approach provided by the administration bill offers many advantages.

Under the Federal Airport Act as it is now written, 75 percent of funds are apportioned to States on the formula with which you are all familiar, and 25 percent is apportioned to the discretionary fund. Under the administration's proposal, 50 percent would be apportioned to the States, and 50 percent would be apportioned to the discretionary fund.

This would permit the Administrator to make grants for urgent airport development that he would consider essential to a national aviation facilities system adequate to meet the present and future needs of our national defense and the development of civil aeronautics. He is charged with these responsibilities and it is important that he have the greater flexibility than this 50-50 approach would give him.

Then, too, as I have indicated, the administration bill provides for a simplification with respect to the handling of unused funds that have been appropriated under the formula. Under the Federal Airport Act as written, funds are apportioned and held there for a period of 2 years, with an additional year period for reapportionment where the funds are not used. The administration proposal simplifies this process and provides that the appropriated funds would revert to the discretionary fund after the 2-year period.

H.R. 3267 adopts what we term the "gate-to-gate" policy, which means that moneys will be confined to the development of that portion of the airport system which is directly needed for safe and efficient aircraft operations, including runways, taxiways, aprons, tower facilities, and so forth. Federal funds will not be used under this proposal for terminal buildings and terminal facilities which are revenue producing.

Finally, H.R. 3267 revises the definition of "airport development" along the line of the gate-to-gate policy which I have just mentioned.

The record does not contain evidence to support the need of funds as provided under H.R. 1011 as reported; but the record does have the testimony of the Administrator of the Federal Aviation

Agency that he can do the job and meet the real needs for a total of $200 million over a 4-year period, and I cast my judgment with that of his because we are meeting the safety needs and we are benefiting the taxpayer.

May I come now to the question of the $297 million. Does anyone sitting here today believe this bill as finally sent down to the White House, if it is, is going to be $297 million? I need only to recall that the other body has already acted on a bill which calls for $465 million, or 2½ times what the administration has requested and believes is necessary to carry out all of the functions that the Federal Administrator has set out.

If this bill is passed providing $297 million I think most of you who have sat in conference between the other body and the House knows what is going to be done. In my estimation, this bill will end up with not less than $350 million and probably more nearly $400 million. I expect to be on that conference committee and I shall stand for the bill that I am asking to be substituted today in the House. If that does not prevail, I certainly will stand for the lowest figure that is set by the House today.

But, I do want to point that out because I believe it is most important to know that if you pass this bill for $297 million, it certainly is not going to come back to this body at anywhere near that figure.

There is a second feature which I think has been lost sight of by most of the Members of the House. This $200 million for airport construction, so to speak, is only a very small figure. Actually, practically all of the safety factors, including approximately 65,000 employees of the Federal Aviation Agency, are taken care of under a separate appropriation which this year will reach almost $600 million. So, when I say to you that we are subsidizing airport construction to the tune of $200 million, you should not be under any misapprehension that this is the appropriation for the Federal Aviation Agency in 1960. It is not. That is yet to come, and that will be $600 million which you are going to vote to support the Federal Aviation Agency which includes the safety in aviation.

Now, I would like to touch on just one thing that the chairman mentioned, and that was the example of the Los Angeles Airport Authority. He said the administration bill, or the administration Federal Aviation Agency was in effect trying to get the city of Los Angeles to bear the cost, we will say, of tower construction in which the Federal Aviation Agency safety people would be housed. And, why, in that instance, were they asking the city of Los Angeles to bear that cost? Do you realize, my colleagues, that the city of Los Angeles Aviation Authority, that is, the airport in Los Angeles, last year made between two and a quarter and two and a half million dollars on subsidies largely which you have voted them in previous years. So, here we have a situation where we are giving to a community money with which to build terminals, to extend terminals, to carry on functions of all kinds, and they, through their own corporation, are making a profit on that and are using it for their own purpose instead of devoting it to these things which they ought to be doing and bearing local responsibility for it.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I wonder if the gentleman would comment on this business of subsidizing terminals, because before your committee comes the problem of other transportation facilities, such as railroads, and many of us are concerned about the job aspect of the railroad companies. Would the gentleman comment on that?

Mr. SPRINGER. Yes. At the present time we are in the midst of hearings on that very problem. I was talking about one phase of railroad employment where we are being asked to expand the unemployment compensation. And, may I say in connection with that it is largely through the subsidy of airline fares—and that is in effect what you are doing—that it is possible, and it was last spring, for me to send my wife and my young daughter to Chicago at a fare roughly $13 less, may I say, than they could take a Pullman train from Washington to Chicago. And think of this. In an airplane you are getting premium transportation of 2 hours and 12 minutes from the Washington airport to Chicago Midway. I say to you that those fares are largely the result of subsidies which you have been granting to airlines in recent years in the form of cheaper license fees to airlines.

Last spring we had before us the executive secretary of the Air Transportation Association, and I asked him specifically this question, if air fares were too cheap today, and he said, compared with other forms of transportation, there was no doubt about it. That air fares were much cheaper than they ought to be compared with other forms of transportation.

Mr. HARRIS. Mr. Chairman, will the gentleman yield

Mr. SPRINGER. I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman does not try to say that this bill provides any kind of subsidy for terminal buildings as was indicated by the gentleman from Missouri; does he?

Mr. SPRINGER. I will say this, that to whatever extent we do give money to these terminal authorities with which to expand, we do it to that extent; yes.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. Just to correct the chairman's statement: The chairman's bill, the original bill, did provide money for terminal facilities in addition to the safety features that we are talking about, and the committee took it out.

Mr. SPRINGER. That is correct. Going further into the matter that the gentleman from Missouri mentioned a minute ago: Those of you who have these labor executives coming to your office, why not raise this question with them? I certainly have.

There are over 48,000 employees of railroads less than there were this time last year. Eight trains have been taken off of railroads in my district. Every one of those was a passenger train and they are losing their passenger service largely to this air subsidized transportation.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I am glad to yield to my distinguished chairman.

Mr. HARRIS. Is it not true that the gentleman himself has supported every one of these bills to which he is referring affecting the airline industry, since he has been in Congress?

Mr. SPRINGER. I will say this, that as to each one of those I have entertained reservations on the particular matters that I have set out. I believe it is time that this Congress did something about this question of subsidy to airports, which is not needed, in order for us to have good, safe transportation. I think it is about time that we were phasing out our subsidies to this form of transportation as compared with other forms of transportation that do not have the subsidies.

May I say that the other day I had occasion to go down to Charlotte, N.C. Here was a railroad station that in my estimation was practically ready to fall down. It was not getting any subsidy to rebuild. I came back to Washington by air. Here was a beautiful new airport in Charlotte, and the marble inside the airport was at a level higher than my head. I am not saying that that is wrong. Certainly, Charlotte has every right to build any kind of an airport it wants. I am just saying that these airports are receiving subsidies that are going to the ultimate benefit of the airlines.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself 5 minutes.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. YOUNGER. Mr. Chairman, I wish the gentleman would clear up a statement that our chairman made to the effect that the $97 million additional was entirely for safety.

Mr. BENNETT of Michigan. Mr. Chairman, I am glad the gentleman asked that question. There is no difference of opinion among the members of the committee on the question of safety. In fact we tried to limit this bill so that it would provide for safety only and take out those provisions for terminal and other luxury facilities. I hope that answers the gentleman's question.

Mr. Chairman, the $297 million provided in this bill is totally unrealistic. It is not geared to anything except a reduction from the original amount in the chairman's bill of $437 million. How did he get the figure $437 million originally? No one knows, except that over in the other body someone introduced a bill to increase the amount that had been previously provided.

Let me say that this is a continuation of the existing 4-year program which has

authorized some $63 million a year, or a total package of $250 million. No one, so far as I know, is opposed to a continuation of the airport program for another 4 years. I think, as a matter of fact, it ought to be phased out at the end of that time. The Federal Government has done its share for the aviation industry. We think the airlines now should be able in some degree at least to stand on their own feet, just as other forms of transportation have been required to stand on their own feet. The majority leader attempted earlier in the debate to say something about money to be provided for floods, as though that question had any relation to this legislation, and the chairman of our committee emphasized safety, as though there was a division in our committee on that issue. As a matter of fact, in his testimony before our committee General Quesada reiterated time after time that what he wanted to do in this program was to limit it primarily to things that go to safety; in other words, to assure that an airplane gets off the ground at one airport and lands safely at another airport. Those are the things that are provided for in the administration bill.

Mr. Chairman, I should like to have the attention of the chairman of our committee because he has used, erroneously, some figures to support the premise that the funds provided in this bill are necessary. He has predicated his bill on an airport plan which was presented to the Federal Aviation Agency in 1958. That is true.

Mr. HARRIS. I said 1957, and I hold it here in my hand for the gentleman's observation, if he should like to see it.

Mr. BENNETT of Michigan. The plan was renewed and presented in 1958. It was presented again in 1959. We are talking about the same plan, with revisions. What it showed was that in the opinion of 3,000 local airport authorities there was an estimated need for an overall program of some $1,200 million, of which the Federal Government would be required to provide $477 million. If the chairman's bill has any substance and can stand on its own feet at all, it is predicated upon this so-called national plan. What does that plan consist of? It is merely an estimate on the part of some 3,000 airports around the country suggesting what in their opinion would be ultimately needed as far as their airports were concerned. These estimates from local owners, coming in response to a request from the Federal Government, naturally, were optimistic in nature; I will not say exaggerated, but the estimates were undoubtedly inflated as I shall later demonstrate. There has been no study or verification made by the Federal Aviation Agency upon the validity or justification of these estimates or the need for the entire program. Yet these unverified and unjustified figures provide the basis for our chairman's bill. There is nothing in our record which indicates any commitment on the part of these 3,000 local airports to come forth with the necessary matching funds, in the event the FAA approved their plans. In other words, I think, as General Quesada describes it, these estimates were more or less a "gleam in the eye" of the local airport operators, something they would like to have but giving no assurance whatsoever that if Federal funds were available the people in their localities would or could provide the necessary matching funds prerequisite to getting Federal aid.

In spite of the fact that 3,000 airports participated in this national plan the Chairman has talked about repeatedly, and upon which his bill is based, in spite of the fact that 3,000 of those airports submitted figures, when the time came to submit actual plans and specific programs only 591 airports asked for Federal aid, about 20 percent of the entire group.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from California for a question.

Mr. MOSS. Would the gentleman show us where in the record a different study is used by the Administrator as the basis for his request to the Congress?

Mr. BENNETT of Michigan. The basis for the Agency's estimate of funds, as the gentleman knows, and as he can find if he refers to the hearings and to the statements of General Quesada are the specific plans that have been submitted by the States and localities themselves. That is the only basis upon which he can commit Federal funds.

Mr. MOSS. Does not the statement of General Quesada start with the study and then tend to discount it step by step as the basis for his own conclusions?

Mr. BENNETT of Michigan. Let me say this in answer to the gentleman. For the past 4 years, Congress provided some $63 million a year for this program. All of that money was not spent. Why? The Federal funds were available. They were apportioned to the 48 States. The sum of $11 million is presently unspent. Why? Because some 14 to 18 States have not used the money. They have not had funds or for some other reason, were not interested and have not participated in the program. I can give you a list of the States and the amounts. These are just round figures:

Arkansas	$104,889
Colorado	900,000
Delaware	+45,000
Idaho	1,000,000
Kansas	1,300,000
Maine	308,000
Montana	2,300,000
Nebraska	250,000
New Mexico	870,000
North Dakota	1,125,000
Oregon	190,000
South Carolina	330,000
South Dakota	1,136,000
Wyoming	882,000
District of Columbia	275,000

These figures are illustrative of the point I am making; that in spite of the fact that the chairman has predicated his figures, both in his original bill and the present bill, or the fact that some three thousand airports around the country sent in estimates of what they would use, they have not in fact been able to use any such amounts. Moreover, there is no reliable evidence that any greater percentage of airports will qualify for assistance under the pending legislation.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. SPRINGER. Is it not true, may I say to the gentleman from Michigan, that out of 3,000 airports presenting figures or cost estimates, which was figured in the CAA last year, there are only, and this is taking the very maximum, only 591 even eligible for Federal aid; is that not correct?

Mr. BENNETT of Michigan. Only 591 have come forth with concrete plans upon which the Federal Government could approve a program—that is 20 percent of the total number submitting estimates. Now the fact is and this is in the hearings and it is not disputed, only 45 percent of the proposed programs by local airports actually come to fruition or to the stage where matching funds are assured and where the Federal Government was in a position to allocate its share. It is undisputed that almost half of the airports that could qualify under this program will never come up with concrete plans to implement their programs. This is based upon factual experience during the past 4 years. Accordingly you take 45 percent of the $477 million which is the estimated need in Federal funds, you come up with a figure of approximately $260 million.

Terminal facilities have been removed from the committee bill. The cost of these facilities during the past 4 years has amounted to $65 million or approximately 30 percent of the program. If you deduct 30 percent from the $260 million figure you arrive at a total need for the program of less than $200 million or an amount even less than the administration bill.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. AVERY. While the gentleman is commenting on the number of airports that might become eligible under this bill, it might be well to point out that we are pretty well agreed on the airports we are trying to accommodate first. Will those airports accommodate the jet planes? I think I recall from the hearings there are 24 such airports out of 3,000 that can now accommodate jet aircraft. There are only about 78 that will even apply for it to the extent that they could accommodate jet aircraft. So what we are bringing this down to is the difference between 24 and 78 airports across the Nation.

Mr. BENNETT of Michigan. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. GROSS. I was interested in the statement by the gentleman from Arkansas [Mr. HARRIS] that the city of Los Angeles is bonded to the limit and cannot produce matching funds. Can the gentleman tell me what provision would be made in this bill for the city of Los Angeles?

Mr. BENNETT of Michigan. None at all, except for land strip extensions, towers and safety items. Those are re-

tained, but there would be no provision for further money for so-called terminal facilities, which includes restaurants, bars, barbershops, and so forth.

But I would like to comment on that, because the presentations of the city of Los Angeles and other large cities turned out to be quite amusing.

Mr. HARRIS. Before the gentleman goes into that, will the gentleman yield?

Mr. BENNETT of Michigan. I yield.

Mr. HARRIS. The gentleman has left implications about erroneous statements I have made and about what the hearings showed. I will not take the time to read it, but I ask anyone in the House and the gentleman himself to read page 49 of the hearings and General Quesada's own statement with reference to the total amount necessary to complete the national airport program. In addition, the gentleman has made statements about my alleged erroneous statements. Let me read you what the Administrator said.

Mr. BENNETT of Michigan. The gentleman may read it if it is not too long.

Mr. HARRIS. It is one short paragraph.

General Quesada, in a letter addressed to the committee on March 12, made this statement; under the 4-year program which is just now terminating as of June 30:

> Assuring that all programed projects are placed under grant agreement by June 30, 1959, it is estimated that there would remain an unobligated balance of contract authority funds of approximately $12 million, of which $11,900,000 would be unobligated States' apportionment and $100,000 of unobligated discretionary funds.

That is the amount that is available for the next 2 years, to be utilized by the States as they are programed. So I say to the gentleman, my statement stands correct.

Mr. BENNETT of Michigan. It is all the more reason why less money is needed than is provided in this bill.

I want to go back to big city terminals for a minute. Five or six of the biggest cities in the United States had their representatives before our committee to ask for increased Federal funds, and almost without exception they admitted that the complete airport operations in their cities is operating at a profit—the City of Los Angeles Airport is making $2½ million-plus per year net profit, even after substantial provisions for depreciation. What are they making their profit with? A part of the capital investment upon which they are making this net profit has been provided with Federal funds. Yet even though the venture is profitable, the Federal Government never gets any return of its capital.

I have voted for many hundreds of Federal grant programs, and I probably will vote for many more, but I do not know of any such program where the grants are given to profitmaking organizations without obligation to reimburse the Government. Yet that is what has been happening under this program.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. BENNETT of Michigan. Mr. Chairman, I yield myself 2 additional minutes.

I want to conclude, Mr. Chairman, by saying we are not, I am not, and I do not believe anyone on our committee is against the continuation of this program for another 4 years; let there be no doubt about that. I think everybody on our committee favors it. We favor the safety parts of the program; as a matter of fact that is what we have been trying to limit the bill to. In addition to what we provided here there will be some $500 million spent this year for airway safety improvements in which not one locality or airline contributes. For this purpose we have spent $2 billion since 1937. In addition the Federal Government has contributed $2.6 billions for the civilian airport program, during that same period. I am not talking about safety, I am not talking about radar systems or guidance systems for landing, or that type of safety device; I am talking about airport development only. I ask: Has that been in the interest of aviation? Has the Federal Government been remiss in its duty in helping this great industry get on its feet and become the greatest force in our transportation system at the present time?

What have we done in addition to that? We have spent $1.5 billion since 1937 in safety devices, navigational aids, for which the airlines and the local airports have contributed not one dime—and I do not think they should contribute a dime.

What have we done in addition to that? We have spent, since 1938, in subsidy payments to the airlines $952 million—nearly a billion dollars.

What else have we done for the airlines?

In the last 2 years this Congress has passed two bills, one to give the airlines tax credit, special tax credit exempting from the capital gains tax, equipment sold and therefore not charged against their subsidy; second, we provided during the last session, I believe, the 100 percent guaranteed loan program for them to buy new equipment.

Does anyone think it is not time that the airlines themselves should make some additional contribution to this program, which is primarily for their benefit.

We are giving this money to an agency that cannot use it. There will be a dozen programs this year on which every Member of this House will have a chance to vote where the money is urgently needed and can be justified; where it will be used, and where adequate justification has been provided.

Why obligate $97 million of precious money which we do not have, over and above the reasonable and necessary requirements of the airport program.

The CHAIRMAN. The gentleman from Michigan has consumed 20 minutes.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. HECHLER. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. HECHLER. Mr. Chairman, airport development is the key to future economic progress in West Virginia and indeed throughout the entire Nation. The passage of the bill to amend the Federal Airport Act is of paramount importance to the future of our country. I believe that the industrial development of West Virginia and the Nation rest to a considerable extent on an enlightened program of expanded air transport.

The Ohio River Valley, now in the process of great industrial development which is making it the American Ruhr, has vast potentialities which cannot be unlocked if we cramp the development of our airport facilities. The airport serving Huntington, W. Va., and Ashland, Ky., is known as the Tri-State Airport and it services western West Virginia, the eastern portion of Kentucky, as well as the southeastern area of the State of Ohio. The Parkersburg airport, known as the Wood County Airport, serves not only portions of West Virginia but also Marietta in Ohio and other sections of Ohio across the Ohio River.

Mr. Chairman, the Tri-State Airport at Huntington, like other West Virginia airports at Charleston, Morgantown, and Clarksburg, was built by leveling a mountain top. In our mountainous State, so pleasing to the vacationer, hunter, and fisherman, we need not only men but money to move our mountains. For 30 years after World War I, the Huntington Chamber of Commerce and various public-spirited groups and individuals worked to raise the money which built this airport. When the site was finally secured, it was necessary to blast away the hilltops to build the runways.

Therefore, the difficult terrain sends the cost of airports up even higher than the hills for which my State of West Virginia is noted. And now that we need newer and longer runways for the proper installation of glide slope, and to cover the safety factor for jet landings and takeoffs, we are faced with the stark fact that it will cost us $100,000 per hundred yards of runway.

The tremendous cost of constructing highways in mountainous country has forced my State to limp along with a road network which has many shortcomings. This, coupled with a recent decline in railroad passenger and freight facilities, means that air travel in West Virginia has and will assume rising importance.

The airport at Huntington was formally dedicated on November 2, 1952. The final success in building the airport at Huntington was cited as one of the important factors in winning for my home city, just last month, the coveted designation of "All America City." The citation applauded Huntington for a decade of progress, with the airport a major achievement.

But, unfortunately, in their moment of glory, Huntington has cause for sober reflection on the future. The airport opened so proudly in 1952 has, in 7 short years, become too small for future service.

Traffic has soared from a total of 32,240 inbound and outbound passengers in 1953—first full year of operation—to

a total of 81,356 in 1957. That's an increase of about 150 percent, and another 8 percent is expected to be shown in the 1958 final totals, not yet compiled.

The airfield, in fact, already is operating on express classification status, although it was built as a trunkline airport.

The Huntington area is doing its best to expand and improve its airport on its own. In just a few days, bids will be opened on a new administration building and tower, along with new terminal facilities.

But it cannot really provide such facilities as it will need all alone. The airport manager, A. O. Cappadony, has provided me with a list of anticipated development costs drawn up by the American Association of Airport Executives.

By the end of fiscal 1963, it is estimated the airport will have needed a total of $4,575,000.

This sum would go largely for new glide-approach system, total cost $1,350,000, and an alternate cross-runway system, total cost $2,030,000. These requirements should be met if the area is to have safe, efficient airway service.

Of this sum, the Tri-State Airport estimates it will be able to secure but $2,287,000, only half the amount required.

If additional money is not forthcoming, serious problems may develop. Two of them deserve special mention.

At present, the airport has requested north-south service to supplement the existing routes, all east-west. If it cannot be demonstrated that the airport has the means and capacity for growth, this vital action may be denied or rescinded. And I believe that north-south service would aid materially in the industrial development of the whole Ohio Valley area. Furthermore, it is estimated that approval of north-south service would increase the airport's business another 50 percent.

At Parkersburg, W. Va., the Wood County Airport is serving the booming area which, like the Huntington area, is rapidly expanding in its industrial development. The growth of this airport, which has been operating since 1946, has also been rapid and great.

In 1953, only 17,019 passengers passed through Wood County Airport, and port receipts were only $51,325.18. By 1958, these figures rose to 45,924 passengers and $223,063.59 receipts. Considering also the fact that airfreight business almost quadrupled in those 5 years, it is easy to see that the 1946 plans for the airport are no longer adequate.

The airport hopes to lengthen its runways from 4,439 feet to 5,100 feet in the near future, and to install a high-intensity lighting system and an instrument-landing system. The longer runway is badly needed to accommodate larger planes now in service, and the lighting and landing systems are vital to the safety and efficiency of flight operations.

Particularly needed is the lighting and landing systems, because adverse weather often closes the State's other airfields, many of them built at high altitudes. Their installation would permit landings at the lowest ceilings in the State, and might avert a future disaster of great proportion.

The Wood County Airport has only $50,000 to $75,000 a year allotted to it for these and other important improvements. Assuming that such funds will continue to come in, it still would be at least a decade before the needed allotments could be installed—financed by local funds alone. And by then, we may safely assume that other improvements would be needed—or else that the jet age would have bypassed the area entirely.

Parkersburg is becoming an air center for a great number of industries relocating in the valley, among them Du Pont, Union Carbide, American Cyanamid, Olin-Mathieson, Borg-Warner, Goodrich, and Johns-Manville. These corporations must have adequate air accessibility to their Ohio Valley operations. Only a decent and safe airfield at Parkersburg can provide this.

It would appear that West Virginia, a State where air transportation is a necessity in many cases, would suffer heavily if the far-reaching program of Federal aid to airports is now allowed to wither away.

Our State needs desperately to expand its horizons. The airplane is a vital instrument in that effort. We can grow, if shortsighted people do not kill our chances by killing programs the people want and need.

Unfortunately, some people have taken the attitude that the age of rapid growth is over in our airfields. They would propose now that our airports stand on their own feet. I suggest that an oculist would term such nearsightedness and shortsightedness at worse than 20/500—in everyday language this means the ability to see at 20 feet what a normal person can view at 500 feet.

When America's railroads first marched across our great continent, they were aided by land grants along their rights-of-way. The Federal Government, although it played a much smaller role in the lives and welfare of our people in those times, helped the railroads in the development of our national destiny.

Years ago, the principle of Federal aid to highways was firmly established. We are now engaged in creation of our vast Interstate Highway System to meet the challenges of the rapidly expanding age in which we live.

And despite satellites that beep, talk, and perform cosmic legerdemain, the fact remains that America's defense needs remain closely linked to a fast-striking air force. Surely an administration prepared to lay out over $40 billion for defense purposes can recognize the desirablity of adequate civilian airports for emergency defense needs and the training of a Ready Reserve Force.

It would appear that some opponents of this program are traveling ideologically in a Flying Jenny when the jetliner is with us already. The 85th Congress did its best to alter such thinking, but to no avail. A reaffirmation of the bill passed in the last Congress is needed to serve notice that the people want and are interested in this legislation.

West Virginia, landlocked and too mountainous for easy land travel, wants to move forward with the jet age, and wants the rest of the Nation to move forward, too.

But unless our airfields get the help they need and deserve, this great leap forward may become a halting, hesitant hop.

The men of vision who are urging airport expansion are knowledgeable, dedicated, efficient experts in their field. They have already demonstrated that they will move mountains to accomplish their objective.

For example, so anxious is the Wood County Airport at Parkersburg to gain extra money for needed facilities that they even have ventured into a sideline.

Wallace Bennon, airport manager, tells me they are planting Christmas trees to sell and thus supplement the airport's income. Even this Christmas season, they hope to sell 10,000 trees to add to their meager expansion funds.

While I admire the initiative and enterprise of our Parkersburg people, I must say that if the administration forces airport authorities to go into the Christmas tree business to get money, then soon the only thing airborne over West Virginia may be Santa Claus.

Mr. Chairman, when a plane takes off from a runway into the air, we should not think of that plane as a pleasure craft, or a means of enriching some private company. For that plane is contributing to the development of business, industry, and commerce in an entire region. And the construction of these important airport facilities are essential to the future development of the region. For this reason, I say in conclusion, I hope that the House may pass a bill which is more nearly like the Senate bill than the bill reported by our own committee. I feel it is necessary for the future of West Virginia and America.

Mr. STAGGERS. Mr. Chairman, I do not expect to take the full 5 minutes, but I do want to say that I think the chairman of this committee has made a very factual presentation of the provisions of the pending bill, and I agree with him in the statements he has made. I do not believe that there is a trunk airline in America today that is under subsidy. I believe the last one was canceled out about a month ago. We are subsidizing some of the small feeder lines into our cities where we do not have railroads come in and where we are trying to get transportation in and out.

We built our transportation system in America by subsidizing our railroads. We started out by subsidizing our airlines. In 1912 we adopted a program to subsidize the highways of America and that was a 50–50 matching plan. We have been doing it ever since. Just recently we passed a bill that will cost this country some $38 billion before it is completed. We are not only matching the State government funds but we are putting up 90 cents for every 10 cents that is put up by the States for our interstate highways. Nobody is kicking about that because it is for the expansion of this great land of ours.

For that reason we are going to have to do something about airports and our airlines because we are in the jet age. We cannot afford to look backward and talk about the time when we used to drive a horse and buggy to town. We are talking about an era today when the jet airplanes cross this country in about 4 hours. We are talking of a program in which we are going to have to provide airports for jet planes all across America, not for those just flying from coast to coast. We need some in my home State of West Virginia and we should provide these for every other State in America because the jet age is with us.

I believe the total of $297 million as provided in this bill will, every cent of it, be spent for safety, the way I have analyzed the bill. We have knocked out all of the frills. We have knocked out the terminal buildings. We are not going to build any more terminal buildings under this bill at all. We have said that when the Federal Government needs an air control tower or a communication center which adds to safety or a customs house on our borderline, they can put those in the airport. But there is not one cent provided for the restaurants, the cocktail bars, or even the places where they sell the tickets. The airlines have to provide that. We are providing this money to expand and extend the runways to make it more safe for each Member of Congress and every other citizen, when he goes home in the future, if he goes home in a jet airplane, so that there will be room for the plane to land and also to provide adequate lighting systems to make it safe.

In talking to the city officials of the city of Morgantown in the State of West Virginia, where our great university is located, they say that they need right now $1 million and they hope to get $500,000 to extend the runways so the jet planes can come in. In the city of Elkins they hope to get funds for a lighting system to make the airport safer.

It is said that we are subsidizing the commercial airlines. I would have you know that the commercial airlines of America only use the airports and the runways 28 percent of the time. The military planes of America use these airports 21 percent of the time. In the last war they took over the airports almost completely. Are we going to deny to our Air Force adequate facilities in time of war? This is a part of the decision we will have to make. In fact, I believe the amount authorized in this bill is not sufficient to fill the needs in this jet age.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, our distinguished chairman referred you to page 49 of the hearings, and I would like to read one paragraph from Mr. Quesada's statement before the committee:

> Now the question arises, why is $200 million in Federal aid enough, when the Federal Aviation Agency shows in its 1959 national airport plan, as an overall indicated need, a global figure of $1,290 million?
>
> In the first place, the Federal Aviation Agency collected and compiled the plans of some 3,000 airports in the United States and its Territories. These plans represented everything considered desirable over the next 4 years, with no basis for knowing the intent or the ability to perform on the part of local communities. At some locations, the plans were mere glints in the airport operator's eyes. Some plans, especially at the larger airports, were better prepared.
>
> The plans included everything—land, grading and draining the terminal sites, buildings, control towers, lighting, paving, and miscellaneous items such as parking lots, and so forth. This 4-year projected total of unanalyzed and unconfirmed needs came to a grand total of $1,290 million. I must repeat that this projection does not represent a willingness, ability, intent, or commitment on the part of the local communities to proceed accordingly.
>
> This global figure needs to be examined very closely to determine its true significance. For one thing, in the 1958 national airport plan, we listed 2,700 airports—and of these 2,700 airports only 591 asked for Federal aid. The rest either could not produce matching funds, or were able to do work without Federal help, or were uninterested.

Now, on page 66, referring to this report which the chairman held up, Mr. Quesada said:

> Only as it might reflect a historical background. I would not recommend it as the basis upon which to consider the bill before us now. No; I would not.

And when he was being questioned by the gentleman from California [Mr. Moss] he made this statement:

> Mr. QUESADA. We, the Federal Aviation Agency, are required to develop each year a national airport plan.
>
> Mr. MOSS. Have we that plan, is that encompassed in this $1,290 million?
>
> Mr. QUESADA. That is the plan.
>
> Mr. MOSS. It is of little use if it is so badly overstated.
>
> Mr. QUESADA. I agree.
>
> Mr. MOSS. Isn't there some better formula which could be employed to give us sounder advice.
>
> Mr. QUESADA. Yes; there is.

Now, I would like to take up the question of the Los Angeles airport, which was referred to. Bear in mind that the city of Los Angles is developing a new airport. What happened down there was, they had a charter amendment and they obligated all of the revenue from the airport back of the bonds which they issued under that agreement and charter amendment. Then after the plan had been developed, the FAA required that the runways be extended to meet the jet age, which cost some $8 million, as I recall the figures. Now, having already pledged all of their income back of the bonds, they had no funds with which to build these additional runways. So, in the hearings, on page 130, and talking to Mr. Belding, I asked this question:

> Mr. YOUNGER. I also understand you would be better off, your airport would be better off, if the Administrator of FAA had more discretionary allowance in these funds?
>
> Mr. BELDING. We certainly could because 2 years from now, 3 years from now, when our terminal is completed, our problems are over. Now they are acute.
>
> Mr. YOUNGER. In other words, whether Congress appropriates $400 million or $200 million or whatever it is——
>
> Mr. BELDING. That is right.
>
> Mr. YOUNGER. You would rather see a large proportion, say 50 percent, in the discretionary fund rather than in the 75–25 apportionment?
>
> Mr. BELDING. Yes, we would; because our problems are immediate and serious.

As a matter of fact, under the apportionment for the States in the first go-around, no one airport can secure more than $1 million. That is not going to help that particular airport. If they had additional discretionary funds then the administrator could provide additional funds which the airport in Los Angeles needs.

Mr. HARRIS. Mr. Chairman, I yield myself 1 minute in order to reply to the statement of the gentleman from California [Mr. YOUNGER] with reference to the limitation of $1 million for an individual airport. It is a fact that under regulations issued by the administrator they have limited any one individual airport to $1 million. It is not a requirement of the law.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman.

Mr. FOLEY. I should like to ask a question concerning testimony at page 50 of the hearings where General Quesada makes this statement:

> In terms of dollars, then, the realistic requirements for airport development in which the Federal Government should participate come to about $500 million, not $1.29 billion.

I would like an explanation of General Quesada's statement, because I cannot find it in his further testimony.

Mr. HARRIS. I will say to the gentleman that it is very difficult to find an explanation of any of these figures presented by General Quesada. There is nothing in the record as to what a State or municipality would get under the allocation program proposed toward meeting the needs. That would be left entirely up to the administrator for $100 million, 50 percent of the total now proposed.

Mr. FOLEY. I thank the gentleman.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Chairman, I rise in support of H.R. 1011, as reported by the Interstate and Foreign Commerce Committee, to amend the Federal Airport Act in order to extend the time for making grants under the provisions of this act.

On the opening day of the 86th Congress, I joined in sponsorship of legislation to extend this vital act, by introducing H.R. 1056, authorizing $437 million for the next 5 years for necessary airport construction projects on a matching fund basis with local governments.

The Interstate and Foreign Commerce Committee conducted comprehensive hearings on this legislation and, in its prudence, favorably reported the bill H.R. 1011, calling for a reduced, $297 million program over a 4-year period.

Mr. Chairman, I deeply feel the significance of this legislation. It is my firm

belief that only through enactment of legislation such as this can America's airports keep pace with the explosive growth of air transportation and meet the crying air safety needs. Requirements of modern aviation, and the challenges of the jet age in which we have already entered, demand a substantial step-up in the program of improving airport facilities.

In a decade, airplane movements and airplane passenger miles have quadrupled. In 1957, domestic airlines carried 45 million passengers over 25 billion passenger miles.

Total domestic air cargo ton-miles in the year 1957 swelled to 474 million, an increase of 15 percent over the previous year.

It is highly important, particularly in my estimation, that the needs of safety and service be served. We must provide sufficient facilities in sufficient airports to handle the increasing use of jet airplanes and the other aircraft of this booming industry. To fail to do so is to invite disaster, and to see the repetition of the terrible air tragedies we have witnessed in recent years, the most recent of which occurred only a few weeks ago at LaGuardia Airport in New York.

Mr. Chairman, as a member of the Interstate and Foreign Commerce Committee, I know of the long hours and the hard work that have gone into the preparation of the committee bill now before the House. We have cut the authorizations of this measure to the barest necessities to provide the safety and service demanded.

Last year, when the Congress took the initiative in passing an airport bill, it was returned by the President with the statement that local and State authorities should shoulder this burden. The fact is that our local governments are doing right now their share in this regard, and it is impossible for them to go it all alone. At the end of 1955, funds spent for airport development in 19 of the 21 major hub areas exceeded $579 million. Of this $388 million came from local sources.

Traditionally, the Federal Government has seen its responsibility for helping provide an adequate transportation system, since this is vital to the productivity and growth of our country. Inland waterways, highway systems, the railroads—all come in for Federal assistance. Our airlines, now exceeding railroads and buses in intercity passenger-miles, must be insured adequate airport facilities, and it is within the Federal jurisdiction.

The Federal Government in the past has been a great help in the airport aid program. I know that in my home State of Alabama, we have made fine progress with the $6.7 million in Federal aid money which has been put with local funds in the past 12 years. But the need is increasing, not diminishing.

Alabama, for instance, will need at least $22 million during the next 4 years, according to estimates of the Federal Aviation Agency. The national needs figure is set at $1.29 billion during the same period.

I have personal knowledge of what this program has meant during the 12-year period just ending. In the Fourth Alabama District, Federal airport funds have gone to Anniston Municipal Airport in the amount of $55,000; Selfield at Selma, $71,247; and Elmore Field at Wetumpka, $1,211. The contribution to the development of these airports has been invaluable.

To withdraw or diminish the prospects of airports like these obtaining additional assistance, particularly when we realize that we are on the verge of a complex new jet era, would put an intolerable burden upon local governments. Moreover, it seems unthinkable to me that we would court danger by not providing for adequate airport safety.

I urge the extension of the Airport Act to the extent provided in the committee version of H.R. 1011, and I hope this House will act with dispatch so that the program will not expire on June 30.

Mr. HARRIS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. Moss], a member of the committee.

Mr. MOSS. Mr. Chairman, I think we should reexamine what we are discussing here this afternoon. From some of the statements by those who oppose the bill recommended by the committee I would assume that we are discussing a matter which is not before us. We are talking about a bill and a difference of $97 million in a program extending over 4 years. How did we arrive at the $297 million figure which the committee has reported? We arrived at it arbitrarily in an effort to compromise as far as we could, in good conscience, with the administration. How did they arrive at $200 million? Well, your guess is just as good as mine, because there is nothing in the record to indicate how they arrived at that amount. The agency charged by law with developing a program and presenting it to the Congress, after giving us the benefit of their study, candidly admitted that the study was absolutely worthless and meaningless. Then the Administrator substituted his own opinion, and that is how we come by this $200 million sum. I say to the gentleman from Illinois there is just as much evidence to support a request of $400 million as there is of $200 million. Either could be arbitrarily arrived at on the basis of the best testimony we could get from General Quesada.

Will this difference have any impact upon the communities around the Nation? Yes, it will, and let us put the record straight here on this point. I note that the distinguished minority leader indicated that perhaps the funds had not been supplied because of the critical financial condition existing in some of the States. The States do not match the dollars. They are matched by the local airport authorities, whether at the municipal level, whether it is a combination of agencies, or whether it is a distinctly separate agency. That is where the matching funds come from, usually from a general obligation bond. So we do not want to confuse this issue.

Let us now take a look at what happens under the two programs. In my State of California under the program proposed by the committee there would be an annual contribution of $2,631,162. Under the proposal of the administration in the next fiscal year we would have $1,174,369; in the next year of operation $1,515,000; in the third year $1,246,000; and in the fourth year $962,000.

Again I say, let us not delude ourselves that we are building airports with Federal dollars. We are not doing that. We are giving a minimum of assistance to the local communities. They are investing the dollars at a rate many times in excess of that proposed to be contributed here by the Federal Government.

Another thing, I think we should understand very clearly that under the committee's bill we are not building terminal facilities, we are only permitting the administrator, where he finds that a part of a terminal is required for Federal use, to make a contribution at that point to underwrite that Federal cost. It is not mandatory, and the administrator, if he can negotiate a lease more advantageous than the actual payment of the additional cost of the facility, is at liberty to do so. This is not imposing any onerous requirements upon him.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from California.

Mr. ROOSEVELT. In order that the record may be completely straight with regard to the Los Angeles Airport, if the committee bill is passed the Los Angeles Airport can receive additional funds provided the limiation now imposed by the commission itself is also removed, and that is not a matter of legislation but is a matter for the executive branch of the Government.

Mr. MOSS. That is very true. It can receive it both under the allocation to the States and under the Administrator's discretionary fund.

Mr. ROOSEVELT. I thank the gentleman.

Mr. MOSS. That would be true of any airport in any State in this Nation. They will get more under the committee bill. Remember that there is nothing sacrosanct about the figures given us by the Administrator. On his own admission his study is of little value. I think his conclusions in this instance can be challenged in good conscience. It is a matter of opinion and nothing more.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, I regret to have to come to the floor this afternoon in disagreement with my distinguished committee chairman. As I recall, this is the first time I have come to the floor when I have been in disagreement with him on a bill from the Committee on Interstate and Foreign Commerce. As much as I hope that the position of the minority will prevail, I take no particular satisfaction in establishing our viewpoint over here.

I do not want to be repetitious, but I think there is one thing that should be repeated here this afternoon and that is that the money in this bill is just a small

portion of a bill that will be made available for air navigation and airport support from the Federal Government for the next fiscal year. Now we are talking about $200 million or $290 million. We are going to find out pretty quick how much we are talking about. But, in addition to that there will be over $500 million spent by the Federal Aviation Agency to stabilize and improve navigational controls. Let me go one step further. We are going to spend $500 million next year, but we are also going to spend $500 million in that field for the next 3 fiscal year, making a total of $2 billion in the next 4 years for navigational aids in addition to the bill that we have before us here this afternoon.

One other matter that probably should be touched upon and has not even been mentioned, and I am surprised that it has not because there were additional minority views in the committee report, and that is the question of the method of financing. You have heard some discussion on the floor this year about front-door financing and back-door financing. We have a new one in this bill. This is side-door financing.

By that I mean this. We have our regular means of appropriating funds that come from the Committee on Appropriations and in direct contrast to that we have a procedure, and I use that word advisedly in the FAA provision, which authorizes the Treasury to sell their notes. That is the back door. In this particular bill, under the Federal Airport Act of 1955, we have provided that the Committee on Interstate and Foreign Commerce can bring legislation to the floor establishing legislative authority for the FAA Administrator to obligate the credit of the Federal Government, but subsequently the Committee on Appropriations does have the privilege to review that. But, we are already committed to the contractual obligation of the Federal Treasury. Now just one note of history. How did we get into this airport building industry anyhow? That is sort of interesting. Under the original Airport Act of 1946 all we did was build runways. Primarily, that was it. We made a contribution on a 50–50 basis to build runways. In 1950 or thereabouts, the city of Fort Worth, Tex., was developing a plan to build an airport. After they got their plan pretty well developed, they found out that they were $250,000 short. Do you think they went back to Fort Worth to raise that money? No, they did not. They came before the Congress and the Committee on Interstate and Foreign Commerce brought in an amendment to the Federal Airport Act on the floor of the House authorizing the Congress to participate in acquiring a site for the airport. That was in 1950. That is the first time the Federal Government ever participated in financing airport construction. Then about 2 years later, apparently the Committee on Interstate and Foreign Commerce looked at this matter again. I was not on the committee at that time because I was not a Member of the Congress. They said, "Well, we are helping to buy the site. This program is not moving along as fast as we think it should. Therefore, let us start building airports." That is the way we got into this business through the back-door approach that we have now and in the position we are now in. I think it is time that this Congress or this House of Representatives, anyhow, went on record as saying that we have fulfilled our full responsibility in this area. When the motion will be offered to substitute the administration bill, I hope that it will prevail.

It is necessary, I think, at the beginning of my statement to reassert the administration's position, and certainly my own, on the principle of Federal aid to airport development. It has been said this afternoon and will probably be repeated, that the administration and our side of the aisle is advocating the eventual termination of such Federal aid. I cannot foresee, nor has any spokesman for the administration ever stated, that the Federal Government would be able to completely withdraw from financial responsibility in airport development. By the very interstate nature of aviation, it is apparent that there will be a continuing need for a reasonable amount of Federal aid to local airports. It appears to me that a continual need for modernization will in fact follow the same pattern of the continuing need to modernize our highways.

I also want to emphasize the point that the money contained in this bill before the House this afternoon is but a small portion of the Federal Government's contribution to air transportation. You will recall that just last year Congress passed the Federal Aviation Act providing for the modernization of air control and for the establishment of a central control system for all aircraft, military, and civilian. To initiate this program it is estimated that in excess of $500 million will be spent in the fiscal year 1960.

There will be continuing appropriations in the following three fiscal years for that program with the final cost to modernization of air traffic control and to increase air safety, approaching a total cost of approximately $2 billion. This cost is borne 100 percent by the Federal Government and it is properly their responsibility. By the Civil Aviation Act of 1938 the Federal Government preempted all navigation control for air traffic and since such control has been assumed by the Federal Government it is only logical that the cost of such should be borne at the national level.

In addition to the cost of this modernization program, we have also subsidized commercial air lines to the extent of approximately $1 billion over the past 20 years. Not including funds under the WPA program, $2,681 million has been spent to aid and assist civil airport development. So you see, the bill we have before the House today to authorize a continuing program of Federal aid to airport development is but a small portion of the overall cost of aviation to the Federal Treasury.

It is necessary at this point that some explanation should be made as to the justification for the various amounts that have been proposed for this program. With the advent of jet propelled commercial aircraft there arose an immediate need for longer runways and other improvements in our safety program. The Federal Aviation Agency has conducted an extensive survey as to the needs for the modernization of the entire airport system in the United States. On the basis of this study, and obviously it could not have been entirely accurate, the Federal Aviation Agency estimates that approximately $1,290 million will be needed to complete this program. Under existing law 50 percent of that amount must be provided by the local communities served by the airport. This leaves a net estimated cost to the Federal Government of $645 million over a 4-year period.

Terminal facilities and runway maintenance authorizations that are included in this overall estimate have now been eliminated from the bill. With the elimination of those two provisions there is a further reduction in estimated amounts that must be paid. Based on the experience of the Federal Aviation Agency that all Federal funds will not be matched by the local communities and therefore the annual need for Federal funds will not be equal to the amount that had been estimated in the survey.

To further amplify this factor, I want to remind the Committee that the Federal grants must be matched by local funds and those local funds are almost always raised through the sale of municipal bonds which must be approved by referendum. Frequently the taxpayers have different ideas when it comes time to vote for the 50 percent of this cost which must be borne by them. Frequently schools, libraries, and other municipal improvements are given higher priority than the improvement of airport facilities. By experience the Federal Aviation Agency can reasonably well estimate the anticipated demand for the Federal funds that will actually occur. Federal funds cannot become obligated or finally committed until such bond elections have been held and a contract is entered into between the local municipality and the Federal Aviation Agency.

Admittedly at this point it becomes a matter of personal judgment on the necessary Federal funds to continue an adequate modernization and safety improvement program. We had most persuasive testimony from the Administrator of the Federal Aviation Agency that this program could be adequately carried on for the next 4 years at a total cost of $200 million.

There was no coordinated testimony before the committee to substantiate the need for a greater amount of Federal funds that was proposed in the administration bill. Naturally the direct recipient of the benefits from a larger appropriation appeared before the committee and asked that it be increased, but they were not able to present facts nor statistics from a study that would justify the figure in the original bill, H.R. 1011. Most of the witnesses requesting a larger amount were airport operators familiar

only with their own local operation and some of them were not even too familiar with that.

Throughout the United States there are approximately 3,000 civilian airports. These 3,000 airports support approximately 70,000 aircraft, including commercial and private craft. At the present time 24 of these airports can accommodate jets without restriction and the Federal Aviation Agency estimates that not more than 78 will finally attempt to expand their facilities in order to accommodate these jetplanes as regular equipment for commercial airlines. It is further estimated that these 78 can be modernized to accommodate such craft by 1964. Overall it is estimated that only about 600 airports of the 3,000 can qualify and will request Federal funds. Although there is some flexibility in the rule which qualifies a local airport to apply for Federal funds, as a general rule 10 aircraft must be permanently based at the airport to qualify for Federal grants.

I would further like to point out the history of Federal participation in the cost of terminal construction. Sometime before 1950 the city of Fort Worth, Tex., was perfecting a plan to develop a new airport. The hearings divulge that Fort Worth was about $250,000 short of the necessary funds to continue the program and as a result an amendment was proposed to the Federal Airport Act by the Interstate and Foreign Commerce Committee providing that the Federal Government could contribute toward the purchase of a site as well as contribute toward the cost of building a runway.

Shortly after 1950, the hearings reveal that it was the opinion of the committee that if the national aviation program was to meet the public need and the needs of national defense, it was just as important to have terminal facilities and control towers as it was to have runways and airports and, in turn, Congress authorized the Federal Government to participate up to 50 percent of the cost of these terminal facilities.

That is the history of Federal participation in airport development. As a general statement I think it is agreed that since 1950, that of the Federal cost toward airport development, approximately 30 percent of those funds have gone toward the construction of terminal facilities.

As has been clearly pointed out, that authority has been modified by this bill to include only the portion of the cost of the terminal that would represent the space occupied by Federal agencies such as control towers, Weather Bureau and Immigration Bureau and any other such Federal agency as was deemed appropriate by the Administrator of the Federal Aviation Agency.

There is one further point which I want to emphasize regarding the administration bill. You will recall that I previously stated that the administration does not propose that Federal participation in the construction of airports should end, but there should be a gradual reduction from the present level at which time we are modernizing for new air control and to accommodate the jet-propelled craft.

The administration proposal provides that the amounts should be gradually reduced that are authorized in this bill for the succeeding fiscal years. Generally speaking, the amounts authorized are $65 million, $55 million, $45 million, and $35 million for the fiscal years of 1960, 1961, 1962, and 1963. Under the committee bill the amounts for fiscal year 1961 are higher than for 1960 and there is only a slight reduction for the succeeding fiscal years.

In other words, the inference will not be clear that local communities should anticipate a reduction in the amounts available from the Federal Government. The administration bill is adequate, there is no evidence to show that it is inadequate; and, therefore, to maintain a balanced budget this year and to restrict authorizations conducive to a balanced budget next year, the administration bill should prevail.

Mr. HARRIS. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I have asked for these 2 minutes for the purpose of indicating my approval of this measure and plead with my colleagues to approve this legislation as it was reported from the Committee on Interstate and Foreign Commerce. I do this on three basic grounds.

One, as a matter of good faith; second, as a matter of good service; and, third, as a matter of good economy.

On the first point may I remind you that when the present program, which is expiring on June 30 of this year, was initiated by Congress, my native city of Clarksburg, W. Va., initiated a program to extend the runways. They have been cooperating by a regular program with the Federal Government, in which the county supplied 50 percent of the matching moneys for this purpose. That program is not finished. The runways are not completed.

As a matter of good faith, the Government should continue operating until that project is finished.

As to the matter of service, in all north and south West Virginia there are no adequate airports other than Charleston, W. Va. No airport on the north to Pittsburgh; no airport on the west to Parkersburg, and no airport on the east to Washington, D.C.

Here is a great area of the country, not only in West Virginia but in three adjoining States that have no airport service. If a Congressman wants to come to Washington, he has either got to go to Pittsburgh or to Charleston, W. Va.—travel three or four times the distance he should travel if these airports were extended so that a plane could be used.

As a matter of good economy this airport construction is located in the areas of the heaviest unemployment. As much as 24 percent of the labor force is unemployed. Here is an opportunity to provide jobs for them in the construction of these airports. It is good economy.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, we have been on general debate about an hour and a half. We have spent many hours on this bill in the committee. I feel that if we spent several additional weeks on this legislation we would not arrive at any conclusion as to what is an adequate sum of money needed under this program.

As a matter of fact, every time the Federal Government hangs any given sum of dollars on the Federal Christmas tree, just as we are doing in this program, there are always those who "lick their chops" and are right there to get their gift.

This bill is no exception.

I might give you a little example of a comparatively new airport just north of my own district that has just recently, knowing full well its needs as for expansion and development to meet modern transportation problems, floated its own bond issue. The airport authority and city of Chicago sold bonds to the tune of $128 million to take care of their own responsibilities. There is absolutely nothing in this bill that requires the local airport authority to meet its own needs in this manner before coming to Uncle Sam for help. This is not unusual. This is the situation we have in so many of our subsidy programs, where folks simply bring their problems to Washington and dump them on the front steps of the Capitol and let the Federal Government take care of them.

You have heard a great deal of discussion on what sum is needed to provide adequate safety. I do not think at this point anyone can determine what is needed to provide this safety. But people engaged in the air transport business are pretty resourceful people. I am convinced now if the figure was $297 million spent instead of $200 million provided by the administration bill, that no airport would be any safer 4 years hence that it is today. Certainly, in this bill and in future bills we must develop some sense of fiscal responsibility. If we do, perhaps the money that we would appropriate for long-range programs would go further. Because of the spending tactics which we have employed in the past, we are devaluing the dollar so that the money appropriated will be worth less and will consequently provide less in the inflationary economy created by deficit spending.

Let us spend a little less and exercise a little more fiscal prudence in these subsidy programs. By doing this we will be able to buy more for less money in the future.

Mr. HARRIS. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, about half an hour ago I received a telegram, and according to the wire I presume all the other members of the Minnesota delegation received a like telegram. At the time of its receipt I was not too familiar with the provisions of the bill before the House, so I came down to the floor on receipt of this wire and made

the usual arrangements with the Chairman of the Committee for a couple of minutes, because I wanted to read this telegram and get the reaction of the Committee to the contents of the wire. This telegram comes from Robert Aldrich, executive director of the Minneapolis-St. Paul Metropolitan Airports Commission, and reads as follows:

ST. PAUL, MINN., *March 18, 1959.*
Representative ROY W. WIER,
House Office Building, Washington, D.C.:

Re H.R. 1011, Federal aid to airports, now up for your consideration. If this bill as reported by committee is not amended to include public passenger terminal buildings we will be required to divert runway extension moneys to complete loading piers and fingers of this building to protect public from aircraft and weather and ramp equipment, plus propeller and jet blasts and noises. Funds anticipated in our planning were stopped by veto of 1959 Airport Act. Two million dollars Federal is required to complete this necessary construction above and beyond our other airport aid requirements. This wire being sent all Members Minnesota congressional delegation account importance of Wold-Chamberlain Field development to air transportation needs of entire State.

ROBERT ALDRICH,
Executive Director, Minneapolis-St. Paul Metropolitan Airports Commission.

I think I have the answer to my inquiry since I have been here during the last half hour of debate. I think it is terminal facilities that are in trouble, in both the committee as well as the administration bill for $200 million. Is that correct?

Mr. HARRIS. That is correct.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. DEROUNIAN].

Mr. DEROUNIAN. Mr. Chairman, let me reiterate that there is no argument about the need for air safety; we are all for it, but I should like to feel that when I want some advice I go to an expert. The gentleman from California [Mr. Moss], said there was nothing sacred about the figure of $200 million. I say there is nothing sacred about the figure of $297 million. The bill that came over from the other body provided for $437 million. This figure was seemingly so unjustified that our chairman on his own motion amended the bill by reducing it to $365 million. Subsequent amendments reduced it still lower, to $297 million.

Now just who is this Mr. Quesada? I think there is no doubt that he is probably the most qualified man for this position in the United States; he is no joker, and he is no fool. He is charged with the responsibility for safety in the air. In fairness to him it must be stated that he just started with this Agency the first of the year.

What is the position of us on the minority side? I will quote General Quesada:

Now let us have a look at the situation from another angle. We take the position that the Federal Government should not help communities build money-making terminal buildings at airports. We believe that Federal aid should be concentrated on the safety facilities of airports to enable Federal dollars to go further in those areas where funding from other than Federal sources is not readily available. This would eliminate wasteful dissipation of Federal funds on costly terminal buildings, which are properly the responsibility of local and State authorities and which, if properly managed, can provide sufficient revenue upon which to arrange financing.

In a nutshell, the $200 million, General Quesada says, is adequate for our 4-year program to get maximum safety. If you vote $297 million it is not going to get you any more safety, because this extra sum is not necessary. I point out to you what some of the shrewd business people will do at the expense of the Federal taxpayers. For example, at the Washington National Airport in 1958, revenue for auto parking alone was $348,000, food sales $328,000, insurance $182,000, other concessions, $91,000, ground transportation $338,000. Why should the taxpayers of the country pay for those money-making propositions in these terminal facilities?

You get the safety feature for the $200 million. Why spend $297 million.

To those of my colleagues from New York I say, as usual, we under this program pay out more than we see. For instance, under this bill in the next 4 years New York gets about $10,500,000 but we will put in over $50 million in the same 4 years. In the State of California, the gentleman from California [Mr. ROOSEVELT], was told he would get more money for his State under my chairman's bill, but, as is true in the case of New York, California is also going to have to pay more money into the program.

I favor the administration substitute and hope it will be enacted into law.

Mr. HARRIS. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I rise in support of the committee bill and to commend the chairman and members of the committee for having brought this bill so expeditiously before the House on this occasion.

I want to read a few excerpts from a letter written by the superintendent of my hometown airport where we have some very grave problems. The Fresno air terminal is the alternate terminal and has been so designated by the FAA as an international alternate for jet power transport airplanes used both by domestic and foreign airlines. We are concerned with an extensive development program in order to take care of this situation.

Here, I might say, we have a man who has been involved in this program for a great many years and one that I believe has some understanding of the problems. It is his opinion that the present $297 million that we are talking about is wholly inadequate rather than the statement of the gentleman from New York that $200 million is adequate. Certainly the great preponderance of evidence would indicate to me that we are not doing the job that is necessary for the safety of our people concerned with air traffic if we reduce the figure below the $297 million that is provided in this bill.

I want to call your attention to one statement he made in this letter which I believe is worthy of great consideration:

Each airport in this Nation is an intricate part of the air transport system and each serves an area much larger than the boundaries of the political subdivision which owns and operates the airport; therefore, it is difficult to see how the administration can justify a $39 billion Federal highway program with the Government contributing 90 percent of the total costs, on the one hand, and stating that the improvement of individual airports which serve all users regardless of where they live is the sole responsibility of local government and of no concern to the Federal Government.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Chairman, I wish to digress just a moment from the technical aspects of this bill and talk about the basics for a few moments. You know, when we talk about the Federal Airport Construction Act, we have to look at the purpose. The purpose, as I understand it, is to comply with new jet age transportation; that is, to provide facilities across this Nation to take care of a new type of equipment that requires landing facilities in the way of runways and things of that nature. It is desirable for the Members of the House to have a large airport with long runways in every nook and cranny of this Nation. But that is not the purpose of this legislation. General Quesada has testified we have completed in this Nation 20-odd airports where jet facilities are available; that is, airstrips of over 10,000 feet are presently in operation. And, in adopting the administration bill, as will be proposed later as an amendment, he said that the $200 million figure would be sufficient to develop across this Nation 70-odd facilities to take care of the jet areas, and that would certainly be most practical and sufficient for our purposes.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from California.

Mr. ROOSEVELT. Would the gentleman explain to me, then, how the Federal Government comes along and tells the city of Los Angeles that we must spend $8 million to extend these runways and then refuses to go along with lifting the limitation which would make it possible for us to do so? The reason seems to be that they do not have the money. Now, if they have the money, if we could raise it to $297 million, they will not have that excuse. But, certainly it does not seem to me that Mr. Quesada answered that argument at all, but he has imposed upon us the necessity of building these longer runways.

Mr. DEVINE. I am not aware where my colleague gets the $8 million figure.

Mr. ROOSEVELT. That is in the testimony.

Mr. DEVINE. The testimony shows that there are 24 facilities now, and 78, I think, is the number that will complete the program across the Nation, and that that would be encompassed in this $200 million program.

Mr. ROOSEVELT. I think he will find in the testimony by the mayor of Los Angeles there is this specific amount mentioned, and it has not been challenged. And, there is no way that we can get the money to do that without increasing the amount in the bill.

Mr. DEVINE. Unless by use of local funds.

Mr. ROOSEVELT. Unless we use local funds which, of course, are not available, because we have already passed the bond issue and had to draw on it last year because of the President's veto.

Mr. DEVINE. Going back to the Member awhile ago who mentioned terminals, General Quesada made this comment, and I think it is cogent to the principle involved here. He says he has flown every conceivable type of aircraft beginning with the old World War I Jenny to the present jet equipment and he said that during those 30 years every conceivable type of accident has happened to him. We were talking about safety features. He said that motors had fallen out and that everything possible had happened during that 30-year period, and he did not remember once that he was in the air when he was in trouble, when he wished they had a terminal building.

Mr. HARRIS. Mr. Chairman, I am glad to join my colleagues in giving a hand to one of our new Members on the committee, the gentleman from Ohio [Mr. DEVINE], on his maiden speech in this House on this legislation. I now yield 3 minutes to a member of the committee, the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Chairman, the bulk of the discussion today has revolved around the question of whether $200 million or $297 million should be the amount appropriated. I think that is fine, and there is an honest disagreement, obviously. But, early in this debate a note was injected which I did not consider fair. The suggestion has been made that unless we, the great committee of the House, or the Members of the House, take a figure arbitrarily given to us by the President or his advisers, that then we are to be classed as spenders and wasters and against economy. I suggest that if the figure which emanated from the White House was $100 million, we would have an amendment offered here today limiting the appropriation to $100 million. I do not know if $297 million is the exact figure which will do the proper job. I do know that my position to support that figure is based upon my own decision and that I do not stand here as a puppet on anyone's strings. I think that as this Congress proceeds, we are going to have more and more suggestions that unless we take a magic figure from the White House, that we are spenders. Speaking for myself, I intend to exercise my personal judgment on whether any of these amounts are the proper amounts and the adequate amounts.

Mr. HARRIS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, there has been so much said about the need or requirements, I take this time to read into the RECORD the statement of the Administrator of the agency of this administration which outlines the requirements for the national airport plan. I want to read from the latest report issued by the Civil Aeronautics Administration. It is called the National Airport Plan for 1958:

Each location listed herein has been justified in accordance with the Planning Standard for Public Airports as necessary to meet the needs of air commerce and/or general aviation. The Planning Standard for Public Airports states that it is the CAA policy to include in the national airport plan only existing and proposed public airports serving communities which have a substantial aeronautical requirement, and which require airport development within the period covered by the plan. The planning period under which the 1958 national airport plan has been developed, extends to 1965.

Mr. BENNETT of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Chairman, I rise in support of H.R. 1011 since I introduced a similar bill to amend the Federal Airport Act in order to extend the time for making grants and so forth.

In my congressional district in Pennsylvania, comprising the counties of Blair, Centre, and Clearfield, the communities of Altoona, Du Bois, Philipsburg, and State College are interested in the pending legislation.

For your information, Altoona is served by the Altoona-Blair County Airport located at Martinsburg, Pa. At this moment the airport is undergoing expansion, and it is estimated that at least another $315,000 of Federal assistance will be needed to complete the modernization program.

The following letters reveal the deep interest in approval of the airport bill now before us:

BLAIR COUNTY AIRPORT AUTHORITY,
Altoona, Pa., February 4, 1959.

Congressman JAMES E. VAN ZANDT,
New House Office Building,
Washington, D.C.

DEAR JIMMIE: I am writing to call your attention to Senator MONRONEY's bill to provide Federal aid matching funds for terminal buildings and hangars as well as runway construction.

We are in the process of completing plans and specifications for a new administration building and hangar facilities in our local airport program, and as far as we are concerned, this whole program could not proceed unless the county, which is sponsoring the project, is assured of obtaining the matching funds to complete the work.

Your attention to this subject will be greatly appreciated by us.

Cordially yours,

G. STANLEY RUTH,
Secretary Treasurer.

COUNTY OF BLAIR,
Hollidaysburg, Pa., February 5, 1959.

Hon. JAMES E. VAN ZANDT,
Representative in Congress,
Washington, D.C.

DEAR JIMMIE: An airport bill in the Senate, known as the President's airport aid bill, would rule out Federal aid matching funds for terminal buildings and hangars.

I am sure you realize what this would do to our program in Blair County and I urge you to vote against this bill and vote for the adoption of Senator MONRONEY's bill, S. 1, which will include all these items.

Kind regards, I am,

Sincerely yours,

EDWARD J. FLANAGAN,
Blair County Commissioner.

In the case of Du Bois, Pa., the airport is under construction at this time with an estimated $300,000 in Federal funds being needed to complete the airport and make it operational.

According to Mr. William H. Korb, secretary of the Du Bois Airport Authority, the approval of H.R. 1011 is of vital importance to the completion of the Du Bois Airport.

At Philipsburg, Pa., the Black Moshannon Airport will need at least $100,000 in Federal funds to complete badly needed improvements, including a terminal building, and so forth. The following letter from Luther L. Warsing, chairman of the aviation committee of the Philipsburg Chamber of Commerce, cites the need for this legislation:

PHILIPSBURG CHAMBER OF COMMERCE,
Philipsburg, Pa., January 11, 1959.

The Honorable JAMES E. VANZANDT,
New House Office Building,
Washington, D.C.

DEAR JIMMIE: Thank you for your letter of January 2, 1959, requesting information on the amount of money necessary to complete the program at the Black Moshannon Airport during 1959 and 1960.

As you are aware, the present facilities at the airport are totally inadequate to accommodate the steadily increasing flight activity. After giving careful consideration to the problem and consulting with Mr. John MacFarlan, director of the Pennsylvania Aeronautics Commission, we recommend the following major improvements to provide adequate facilities:

1. Terminal building: The present structure is inadequate in every respect to serve as a terminal in addition to being improperly located with respect to the runways for safety and service consideration. Estimated cost of a new building is $60,000.

2. Paved aircraft parking area and loading ramp: This is required to service the relocated passenger terminal. Estimated cost, $60,000.

3. Automobile parking area: No auto parking facilities presently exist. Estimated cost (including considerable required grading) is $50,000.

The total estimated amount required is $190,000. We feel that this additional expenditure is essential to the full utilization of the existing investment of several million dollars.

I am confident with the cooperation we are receiving from you and the Pennsylvania Aeronautics Commission we will see the local deteriorating economic picture be rejuvinated through our only major medium of transportation—aviation. We realize the importance of Federal financial aid for air development so we are again requesting your support in passing the airport aid bill that means so much to this area.

It gives me great pleasure to be able to present these recommendations and hope they meet with your approval.

Respectfully yours,

LUTHER L. WARSING,
Chairman Aviation Committee.

At State College, Pa., the site of the Pennsylvania State University, accord-

ing to communications I have received, the amount of $100,000 in Federal funds will be needed to expand an existing and inadequate airport.

Mr. Chairman, in my three-county area the need of modern airports is acute.

It is common knowledge the area is mountainous and the rail service we once enjoyed is rapidly diminishing. In the wintertime travel by highway is extremely difficult.

At the present time, the area is serviced by a feeder line known as the Allegheny Airlines. In order to obtain full benefits from this feeder line service, adequate year-round airport facilities are necessary.

Mr. Chairman, the communities of Altoona, Du Bois and Philipsburg which sponsor these airports through airport authorities find it impossible even with State aid to finance the expansion and construction of airports. Therefore, without Federal assistance the program of airport construction and expansion will come to a standstill. It is for that reason that I am supporting H.R. 1011 and urging its approval.

Mr. BENNETT of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, one of the questions that was asked by the gentleman from Maryland [Mr. FOLEY] relative to the $500 million figure shown at page 50 of the hearings I do not believe has been adequately answered. I would like to call attention once more to the fact that the report that has been referred to so many times as being in error reminds me a little of the days when I was the Administrator of Rural Electrification. About the only way you could arrive at a figure was to inquire of those who were borrowers how much money they would need. You then compiled their reports, and from that you gathered some information. This report is no different.

Three thousand airports replied, for a total of $1,290 million. And of the 3,000 only 591 were eligible for Federal aid. We then eliminated the terminal buildings and the inflationary factor and came up with a figure of $500 million.

One factor that has been referred to has been the division of funds. We, too, had a formula for distribution of funds in the rural electrification program, allocating funds to States. We abolished the formula because we found we were tying up millions of dollars that we could not use in keeping with the needs of the program in areas where it was needed.

Under the airport program today we have about $12 million that has been locked up in 18 different States, and with a more liberal formula for distribution, that $12 million could possibly be used and a total of lesser dollars could be used in the total program to do the same kind of job. So I think the bill we have offered has attempted to provide adequate funds, has attempted to give us a formula that would permit us to do a better job. I am confident that the bill is a good bill as provided by the report of Mr. Quesada and the administration.

Mr. BENNETT of Michigan. Mr. Chairman, may I say to the gentleman from California [Mr. ROOSEVELT], who asked a question a few minutes ago about the airport at Los Angeles, that the administration bill would provide a more liberal matching formula for an airport of that type than the bill reported by the committee. I do not mean to infer that I have any great sympathy for the plight of the Los Angeles city airport, which is making tremendous profits on the operation of its facility and is perfectly able through sources other than the Federal Government to finance any additional improvements necessary to the operation of the airport. If it is not, it might try putting some additional tax burden on the airlines, which also are making money using that airport.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from California.

Mr. ROOSEVELT. That is a philosophy I think the gentleman would find rather difficult to justify on the basis of the operations of the airlines. If the gentleman will read the financial reports of the airlines, he will find they have just recently come out from under a Federal subsidy. It would seem to me that now to suggest we start taxing the airlines beyond what they have to pay for the use of these airports is wholly unrealistic. I would also say to the gentleman that if he would look over the finances of the city of Los Angeles, which is growing at such a rate that we have a tremendous financial problem on our hands, I think he would realize his suggestion is improper.

Mr. BENNETT of Michigan. If the rest of the city of Los Angeles is being operated at as big a profit as the airport you would have no financial difficulties.

Mr. HARRIS. Mr. Chairman, I yield the remaining time on this side to the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Chairman, in closing the debate on the bill H.R. 1011, the amendments to the Federal Airport Act of 1959, I shall briefly summarize the bill as it is reported by the Committee on Interstate and Foreign Commerce. It can be summarized in three major parts.

Part 1 authorizes Federal aid for airports totaling $297 million to become available over a 4-year period, beginning with the fiscal year ending June 30, 1960. Those funds, of $297 million, are divided into three principal categories:

Category (a). For the States, under a formula which is spelled out on page 57 of the committee hearings of this bill, $62,100,000 for each of the 4 fiscal years. In addition to Alaska, Hawaii would be included in the State program.

FEDERAL AID AIRPORT PROGRAM

ATTACHMENT A.—*Annual distribution of $62,100,000 authorization for 4 fiscal years*

State:	*Apportionment*
Alaska	----------
Alabama	$838,180
Arizona	939,544
Arkansas	670,938
California	2,734,099
Colorado	955,269
Connecticut	340,256
Delaware	64,980
District of Columbia	120,271
Florida	851,856
Georgia	942,419
Idaho	694,985
Illinois	$1,721,651
Indiana	852,733
Iowa	800,327
Kansas	882,263
Kentucky	733,174
Louisiana	760,599
Maine	385,768
Maryland	439,214
Massachusetts	767,282
Michigan	1,654,594
Minnesota	1,072,185
Mississippi	676,053
Missouri	1,096,682
Montana	1,157,301
Nebraska	759,013
Nevada	827,050
New Hampshire	147,216
New Jersey	781,667
New Mexico	985,691
New York	2,606,233
North Carolina	989,458
North Dakota	605,945
Ohio	1,511,101
Oklahoma	841,462
Oregon	932,127
Pennsylvania	1,902,130
Rhode Island	127,157
South Carolina	542,723
South Dakota	657,256
Tennessee	798,404
Texas	3,093,777
Utah	719,824
Vermont	126,216
Virginia	803,025
Washington	868,070
West Virginia	475,132
Wisconsin	993,906
Wyoming	754,789
Hawaii	----------
Total State apportionment	46,200,000
Discretionary funds	15,000,000
Total funds for 50 States	61,200,000
Territory:	
Puerto Rico	600,000
Virgin Islands	300,000
Total	900,000
Grand total	62,100,000

NOTE.—These figures may vary between 0.5 and 1.0 percent because of the difference between $62,100,000 and the $63,000,000 figure upon which the above formula was first based. The discretionary fund increases the second year.

Category (b). For each of the 4 fiscal years, $600,000 for the Commonwealth of Puerto Rico and $300,000 for the Virgin Islands.

Category (c). Provides for a new discretionary fund, to become available as follows, in the discretion of the Administrator: $20 million on July 1, 1961; $15 million on July 1, 1962; and $10 million on July 1, 1963.

The second major provision of the bill as reported out by the committee limits the use of Federal funds in the construction of airport buildings to that portion of an approved project which provides space for use by Federal agencies. The Federal Government, at the discretion of the Administrator, could pay 100 percent of the cost of providing such space. All other funds must be matched by funds from local sources. No funds could be used for passenger automobile parking facilities or other

strictly terminal facilities which are in no way connected with the activities of the Federal Government.

The third major provision of the bill as reported by the committee provides that Federal aid apportionments made to a State, if not obligated after 2 years, shall revert to the discretionary fund now existing under the act, so that they will be available for use by the Administrator without regard to State boundaries.

The ranking minority member of the committee and those who have spoken in behalf of the administration proposal which will be offered as a substitute to the committee bill would have you believe that the only difference between the committee bill and the administration substitute is the figure of $97 million in the funds which may be obligated by contractual agreement of the Administrator. This is not the case. There is a major difference wholly unrelated to the figure of $97 million, which is the dollar difference between the two proposals.

That major difference is in the bill reported out by the committee, the Congress, and not the Administrator of the Federal Aviation Agency, determines the manner and ratio in which at least $248,400,000 of the $297 million authorized in the bill will be spent. Under the administration proposal, which will be offered as a substitute for the committee bill, $100 million is allocated by States, instead of the $248,400,000 allocated by the committee bill, and the remaining $100 million or 50 percent of the entire amount authorized in the administration substitute proposal is left to the discretion of the Administrator. It is not appropriate to permit one-half of the entire amount to be spent in the discretion of any one person.

Mr. Chairman, I feel the committee has gone into thorough and adequate detail in providing the ratio and establishing the formula by which this money is to be spent and has provided that the bulk, indeed, the overwhelming major portion of the money provided by this act shall be distributed among all of the 48 States rather than to provide for at least 50 percent of it to be in the discretionary fund to be handled and awarded by the Administrator, as he sees fit.

Mr. Chairman, there has been questions raised about the matter of safety and the safety provisions contained in the bill and in the administration substitute. It is to the safety considerations that I would like to devote the remaining time in this debate. The White House during the 6 years has had at least two commissions appointed to report back on this major and very important subject. The last one was made in 1957 by the Commission headed by Mr. Edward P. Curtis. The report states and I quote from it:

> Airports are an integral part of the system of aviation facilities. However, unlike other elements of the system, airports are designed, built, financed, and operated by the local authorities. The increase in overall traffic will require modernization of airports and an increase in their numbers. This imposes the necessity for coordinated national and local efforts to insure that airports do not become a neglected element of the system and thus be a future bottleneck.

Mr. Chairman, the administrator of the Federal Aviation Agency in testifying before our committee stated that there would be within the next 4 years a need for 78 airports in this country that can accommodate the jet commercial transport. At the present time there are only 24 which can adequately accommodate the Douglas DC–8 and the Boeing 707 jet transports. It is for the purpose of providing the very optimum in safety regarding the operation of airports through our aviation network that this fund is necessary and there is more involved than the difference between $200 million over a 4-year period and the committee figure of $297 million. If we are to provide the necessary safety for landing and takeoffs of this new mechanical agent which is entering the aviation field in this country, the jet aircraft which will soon be flying into and out of as many as 78 commercial airports, it is necessary that the funds provided by this bill be made available to provide the maximum safety possible and airport facilities in the next 4 years. The statement has been made as to how much of this $297 million will be used for safety purposes. I think it can be said, and said conservatively, that practically all, if indeed not all of the funds provided, will be used to make flying and commercial air travel safer for the American flying public.

Two members of the committee who have preceded me in general debate on this bill have raised the question of whether the figures contained in either the committee bill or the administration substitute are "sacred." So far as I know, the majority of the committee makes no claim that the $297 million figure is sacred to anybody. It is, however, undeniably arrived at as the result of a carefully worked out formula which provides the necessary information to enable the States and the airport planners to know within a few percentage points the minimum figure that they can expect to receive in Federal grants for airport improvement purposes during the next 4 years. For example, the table contained on page 57 of the committee report gives almost to the dollar the minimum amount that will be made available to each of the 50 States. The maximum amount can and will be determined after adding to the amount provided in the discretionary fund to the amount which is not used under the formula and reverts to the discretionary fund by operation of law. These amounts may not be adequate to provide the total airport improvements necessary in each of the States, but the table and the formula applied to it gives a reasonable figure that each State can use for planning purposes. Under the administration substitute proposal there is not a single State, expecting to use any of the matching funds, which they can know with any reasonable degree of certainty the minimum or the maximum amount that it will receive during the next 4 years, because one-half of the total amount is not subject to any table or formula, but is in the discretionary fund.

Those of us who sustain the majority position of the Committee on Interstate and Foreign Commerce which reported out the committee bill, urge the approval of the bill as reported by the majority of the Committee on Interstate and Foreign Commerce and we urge that the administration substitute proposal be rejected.

Do not be misled by the almost persuasive arguments that the only difference between the committee bill and the administration substitute is a monetary difference of $97 million. The more important difference is the application of the formula which spells out with reasonable certainty how these funds, whatever the amount, will be allocated among the States. If the administration substitute proposal should be adopted, chaos would take the place of orderly processes through which the States and municipalities can efficiently, wisely, and economically spend the matching funds which are provided by the Federal Government.

The committee bill has eliminated entirely the once objectionable provision whereby Federal funds might be used indiscriminately to build and construct profitmaking parts of the terminal facilities. This is completely out of the bill and there is no question of using any of these funds for other than bona fide airport improvements. These matching funds under our interpretation of the committee version of the bill are limited to runway construction improvement and extension, land acquisition, ramps, loading and unloading areas, and other similar purposes which are directly connected with enplaning and deplaning and with landing and takeoff activities.

That part of construction of airport facilities which will be paid 100 percent by the Federal Government include such activities as control towers, weather-reporting activities, communications activities relating to air-traffic control, or any other activity of the United States with respect to which the administration determines that it is in the best interest of the Government to provide facilities therefor. All of these activities may be said to be directly related to providing additional safety measures in the operation of airports. No Federal funds provided by H.R. 1011 as reported by the committee can be used for either frivolous or unessential activities.

Mr. Chairman, we respectfully urge that the administration substitute proposal be rejected and that the committee bill be approved.

THE AIRPORT PROGRAM AND BONG AIR FORCE BASE

Mr. REUSS. Mr. Chairman, while we are considering H.R. 1011, which sets up $75 million a year for the Federal-aid airport program throughout the country, we might compare this cost with that of the Richard Bong Air Force Base being built at Kansasville, Wis., at an estimated total cost of $83,464,000. Of this amount, $44,570,130 has already been allocated through fiscal 1959, and

an additional $21,533,000 has been requested for fiscal 1960.

Here is a huge Air Force base being planted right in the middle of one of the busiest, most congested air trafficways in the United States—right between Milwaukee and Chicago—some 20 miles south of General Mitchell Field at Milwaukee and 40 miles north of Chicago's O'Hare Field.

There is no question that Bong is going to create serious additional air traffic and air safety problems in the Milwaukee-Chicago area. The Air Force admits it. The Federal Aviation Agency admits it.

The FAA assures me that, even with Bong in operation, the area can and will be made safe for flying, through imposing various regulations and controls. But these will mean added restrictions on flying in the area—commercial flying, private flying, and military flying. As one example, Bong's existence will mean additional mileage and additional time for a flight from Milwaukee to Chicago, because you will have to fly a sort of great circle route around the Air Force base's reserved airspace. This naturally means added costs to the commercial airline or the private flyer. In effect, this means no one will ever be able to fly in a straight line between Milwaukee and Chicago as long as Bong is there.

How did the Bong Air Force Base get where it is in the first place?

Bong started out to be an Air Defense Command base, to get the interceptor aircraft out of Chicago's O'Hare Field. The Air Force insisted that, for the defense of Chicago, the new interceptor base had to be located within 60 or 70 miles of Chicago. Early in 1955 the Air Force proposed the Kansasville site.

It is important to note that the Civil Aeronautics Administration originally opposed the Kansasville location, in the following language quoted from the 1955 Kansas City Regional Airspace Meeting No. 117:

> The CAA reviewed this problem and determined that confliction in use of airspace would result from the construction as proposed. Various runway alinements were studied to determine if this confliction could be resolved. The study indicated that the construction of an Air Force base in the Kansasville area would increase traffic control problems and would definitely require certain restrictions on traffic operating into and out of the Chicago-Milwaukee terminal area, the CAA recommended that consideration be given by the Air Force to the construction of the base north of Milwaukee and possibly in the Green Bay area in lieu of the Kansasville site. This recommendation was made considering primarily the traffic control problems. It was pointed out that more independent operations could be conducted in the vicinity of Green Bay than will be possible in the Kansasville area. It was recognized that the transfer of military activity from O'Hare to Kansasville will improve traffic control in the Chicago area. The Air Force member advised that, due to a number of factors, it was necessary to construct the Air Force base in the Kansasville area.

The Air Force continued its insistence that the new interceptor base had to be within a short distance of Chicago. When the matter went before the Washington Airspace Panel on March 23, 1956, it was the Air Force view that prevailed. The following is from the minutes of that meeting:

> The Commerce member recognized that the military Air Defense objective has limited the maximum distance from Chicago which may be considered suitable for locating a proposed new Air Defense base. Although transfer of Air Defense operations from O'Hare Airport, Chicago, to the proposed Kansasville base will improve traffic control conditions in the immediate Chicago area, operations of this type at Kansasville will introduce some additional air traffic control problems.
>
> In the event that the Air Force elects to remain within this distance from Chicago in order to properly carry out its assigned mission, it is believed that the Kansasville site, with runway alinements as recommended by CAA, is as good as can be found in the general area.

I want to emphasize that the decision approving the Kansasville site was based completey on the understanding that the Bong base was to be an Air Defense Command interceptor base. It was on this basis that Congress authorized construction and appropriated funds for it.

Mr. Chairman, Bong is not going to be an Air Defense Command base at all. It will not have a single interceptor on it, although its location was chosen, over CAA objection, just because it was to be an interceptor base.

The Air Force now lists Bong as a Strategic Air Command base in the medium bombardment category.

When Bong's mission was changed from an interceptor base to a bomber base, it seems to me logical that the location should have been changed, or reconsidered. It is one thing to build an interceptor base in the Chicago-Milwaukee area to defend that important target area. It is quite another to build a bomber base—itself a major enemy target—in the already attractive Chicago-Milwaukee target area.

Why did not the Air Force find a new site farther north, as the CAA had recommended, when the Bong mission was switched to bombers?

At a recent meeting on this subject, Air Force representatives stated that time was the major factor—when the mission was changed to bombers, the land on the Kansasville site had been acquired, the Air Force was ready to build, and could not afford the time to go out and acquire a new site.

No doubt the Air Force felt that way. I seriously question, however, whether the time saved was enough to justify the hazards and the air traffic disruptions that the Bong base will create in the Milwaukee-Chicago area, and the folly of building a brandnew $83 million bomber base in this target area. In addition, Bong is located in an area of high land acquisition costs. A site in northern Wisconsin would have been much less expensive although more remote from the entertainment centers of Milwaukee and Chicago.

If Congress had known 3 years ago what we know now about Bong, I do not think we would have permitted the base to go there. Nevertheless it is going there. Some $40 million has already been committed to the project.

Last summer I proposed that work on Bong be halted, and a review made of the entire situation with a view toward relocating the base. Unfortunately the wheels had ground too far. I was unable to stop the project then. I would not ask the Congress to stop it now.

Nevertheless I cannot help but feel that the Bong Air Force Base case is a perfect example of the poorest kind of planning. In the name of national defense, we have forged ahead with a project which I fear no one is going to be happy with.

We are spending $83 million for a bomber base that will not be in operation until late in 1960, if then. I don't know when manned bombers will be obsolete, but as our missile programs develop, surely our requirements for bombers will be greatly reduced. It seems perfectly possible that the Bong Base may be obsolete only a few years after its completion.

Under the circumstances, it is not too early to start thinking about what might be done with this $83 million airport when the Air Force does not need it anymore.

With the rapid urbanization of the entire lakeshore area from Milwaukee to Chicago, and with the development of new aircraft of various types, it is possible that Bong could become the major domestic and international airport for the entire area. As President Eisenhower has recently reported, over 500 military airport facilities, have been declared surplus and turned over to the cities, counties and States for airport use.

How about Bong? At least the thought of such a possibility takes some of the bitterness out of the present Bong pill.

Right now, it appears that the commercial airlines, private flyers, and the people of Milwaukee, Racine, Kenosha, Chicago and vicinity, are just going to have to live with the Bong Air Force Base and try to make the best of a generally unfortunate situation.

The Members of Congress representing this area are alert to the problem. We are going to do everything we can to make certain that the best possible safety regulations and controls are worked out. We hope that this can be done with a minimum of interference with both civilian and military air traffic. And we hope that the existence of Bong Air Force Base will not in any way hold back the development and expansion of commercial and private flying in the Milwaukee Chicago complex.

Mr. Chairman, the Federal Aviation Agency, its Chief, Gen. E. R. Quesada, and his deputy, James T. Pyle, are fully aware of the difficulties Bong is going to create. The FAA will do its best to solve them, and we hope its best will be awfully good.

The Air Force also knows that Bong will create lots of problems. The FAA must have the Air Force's full cooperation in this matter. It is my understanding that Bong Air Force Base will be of a ready or alert nature, not to be used for intensive training purposes, thus minimizing its adverse impact on the already crowded airspace in the

area. The Congress, I believe, should have firm assurance of this from the Air Force. Without such assurance, the air traffic and safety problems connected with Bong would be tremendously magnified.

Mr. Chairman, I continue to have misgivings about the location of this Air Force base. But it is there. I cannot conceive that it will ever be a blessing. Whether it becomes a curse is up to the Air Force and the FAA.

Mr. BOLAND. Mr. Chairman, I rise in opposition to this bill to authorize Federal aid for airports totaling $297 million to become available over a 4-year period, beginning with the fiscal year 1960 which starts July 1, 1959.

I want to make it clear now that I am not opposed to aviation progress, and I recognize the need of adequate and safe aviation facilities in this infancy period of jet passenger aircraft. I believe that the Federal Government and the Congress has a responsibility to financially aid in the construction and installation of navigational and landing approach electronic aids, and modernization of airport facilities essential to the safety of the public.

LEGISLATION WOULD COST TOO MUCH

However, I think this bill before us goes too far and that there is not adequate evidence to support the $297 million expenditure over a 4-year period. Actually, the members of the Interstate and Foreign Commerce Committee filing a minority report stated that the cost of this bill is far in excess of what the Federal Government will need as matching funds for airport aid.

Mr. Chairman, Gen. E. R. Quesada, the Federal Aviation Administrator, has testified that he can do the job that is required in airport modernization for $97 million less, or for the $200 million asked for by President Eisenhower.

WILL UNBALANCE PRESIDENT'S BUDGET

If we go along and vote for the committee bill, when there is inadequate evidence to support this huge expenditure, then we are certainly going to help throw the President's budget out of balance. This bill will cost about $25 million more than the President asked for in the next fiscal year beginning July 1, 1959, and a total additional cost of $97 million more than requested by the administration for the next 4 years.

MASSACHUSETTS TAXPAYERS WILL PAY

Mr. Chairman, if we are going to continue at this spending pace called for in this airport bill when the evidence does not justify the $297 million, the first thing we know every little hamlet in the United States will be putting in applications for Federal airport assistance. This, I submit, is not the responsibility of the Federal Government. These small airports should be a local responsibility and they should be self-sustaining. I do not know why the taxpayers of Massachusetts should begin paying for these subsidies for small airports, airports all over the country.

WOULD VOTE AGAINST BILL

This is my position on the bill before us, Mr. Chairman. I regret that I will be unable to remain on the floor for the balance of the debate and the rollcall vote, but I must be in Springfield, Mass., tonight to keep a speaking engagement. If I were to be here for the rollcall, I would vote against this bill. Meanwhile, I have asked to be paired against this legislation.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will now read the substitute committee amendment as printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the Federal Airport Act, as amended (49 U.S.C. 1104(a)), is amended to read as follows:

"(a) For the purpose of carrying out this Act with respect to projects in the several States, there is authorized to be obligated by the execution of grant agreements pursuant to section 12 of this Act the sum of $40,000,000 for the fiscal year ending June 30, 1956, and the sum of $60,000,000 for each of the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959, and the sum of $62,100,000 for each of the fiscal years ending June 30, 1960, June 30, 1961, June 30, 1962, and June 30, 1963. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized, and shall continue to be so available until so obligated."

Mr. SPRINGER. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. SPRINGER to H.R. 1011 as amended: Strike out all after the enacting clause and insert the following: "That the Federal Airport Act, as amended (60 Stat. 170; 49 U.S.C. 1101), is further amended as follows:

"SEC. 2. That section 2(a)(3) of the Federal Airport Act is amended to read as follows:

"'"Airport development" means (A) any acquisition of land or of any interest therein or of any easement through or other interest in airspace which is necessary for development, operation, or maintenance of any public airport or portion thereof, or which is necessary to remove or mitigate, or prevent or limit the establishment of, airport hazards and (B) any work involved in constructing, improving, or repairing a public airport or portion thereof, including the removal, lowering, relocation, and marking and lighting of airport hazards, but excluding construction, improvement, alteration or repair of any building or portion thereof, other than those required to house air traffic control activities, weather reporting activities and communications activities related to air traffic control and further excluding automobile parking areas and entrance roads: *Provided,* That this provision shall not operate to alter, restrict, or otherwise interfere with carrying out any work programed prior to enactment of this Act.'

"SEC. 3. Sections 2, 3, 7, 9, and 10 of the Federal Airport Act are amended by deleting the term 'the Territory of Alaska' wherever it appears and by deleting the term 'the Territories' appearing in section 3(a) and substituting in lieu thereof 'the Territory of Hawaii.'

"SEC. 4. Section 4 of the Federal Airport Act is amended to read as follows:

"'In order to bring about, in conformity with the national airport plan prepared and from time to time revised as provided in this Act, the establishment of a nationwide system of public airports adequate to meet the present and future needs of civil aeronautics, the Administrator of the Federal Aviation Agency is authorized, within the limits of the obligation authority provided in section 5, to make grants of funds to sponsors for urgent airport development considered by the Administrator to be essential to an adequate national aviation facilities system as hereinafter provided.'

"SEC. 5. Sections 5(a) and (b) of the Federal Airport Act are amended to read as follows:

"'(a) For the purpose of carrying out this Act with respect to projects in the several States, there are hereby authorized to be obligated by the execution of grant agreements pursuant to section 12 of this Act the sum of $40,000,000 for the fiscal year ending June 30, 1956, the sum of $60,000,000 for each of the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959, and the sum of $63,000,000 for the fiscal year ending June 30, 1960, the sum of $53,500,000 for the fiscal year ending June 30, 1961, the sum of $44,000,000 for the fiscal year ending June 30, 1962, and the sum of $34,000,000 for the fiscal year ending June 30, 1963. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized, and shall continue to be so available until so obligated: *Provided, however,* That such portion of the amount authorized to be obligated for the fiscal year ending June 30, 1960, as shall be allocated to the discretionary fund by section 6(b)(1) of this Act, as amended, shall become available for obligation upon the date of enactment of this Act and shall remain available until obligated.'

"'(b) For the purpose of carrying out this Act with respect to projects in the Territory of Hawaii, and in Puerto Rico, and the Virgin Islands, there are hereby authorized to be obligated by the execution of grant agreements pursuant to section 12 the sum of $2,500,000 for the fiscal year ending June 30, 1956, and the sum of $3,000,000 for each of the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959; the sum of $2,000,000 for the fiscal year ending June 30, 1960; the sum of $1,500,000 for the fiscal year ending June 30, 1961, and the sum of $1,000,000 for each of the fiscal years ending June 30, 1962 and June 30, 1963. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized and shall continue to be so available until so obligated. Of each of the amounts authorized by this subsection, 45 per centum shall be available for projects in the Territory of Hawaii, 35 per centum for projects in Puerto Rico, and 20 per centum for projects in the Virgin Islands.'

"SEC. 6. Section 6 of the Federal Airport Act is amended to read as follows:

"'(a) As soon as possible after July 1 of each fiscal year for which an amount is authorized to be obligated by section 5(a), 75 per centum of the amount made available for each of the fiscal years ending June 30, 1956, through June 30, 1959, and 50 per centum of the amount made available for each of the fiscal years ending June 30, 1960, through June 30, 1963, shall be apportioned by the Administrator of the Federal Aviation Agency among the several States, one-half in the proportion which the population of each State bears to the total population of all the States, and one-half in the proportion which the area of each State bears to the total area of all the States. Each amount so apportioned for a State shall, during the fiscal year for which it was first authorized to be obligated and the fiscal year immediately following, be available only for grants for approved projects located in that State, or sponsored by that State or some public agency thereof but located in an adjoining State, and thereafter any portion of such amount which remains unobligated shall be

transferred to and become a part of the discretionary fund established by subsection (b)(1) of this section, and be available in accordance with the provisions of subsections (b) (2) and (3) of this section. Upon making an appointment as provided in this subsection, the Administrator shall inform the executive head of each State, and any public agency which has requested such information as to the amounts apportioned for each State. As used in this subsection the term "population" means the population according to the latest decennial census of the United States and the term "area" includes both land and water.

"'(b)(1) Twenty-five per centum of the amounts authorized by section 5(a) to be obligated for the fiscal years ending June 30, 1956, through June 30, 1959, and 50 per centum of the amounts authorized by section 5(a) to be obligated for each of the fiscal years ending June 30, 1960, through June 30, 1963, shall, as such amounts become available, constitute a discretionary fund.

"'(b)(2) Such discretionary fund shall be available for such approved projects in the several States as the Administrator may deem most appropriate for carrying out the national airport plan, regardless of the States in which they are located. The Administrator shall give consideration, in determining the projects for which such fund is to be so used, to the existing airport facilities in the several States and to the need for airport projects essential to an adequate national aviation facilities system.

"'(b)(3) Such discretionary fund shall also be available for such approved projects in national parks and national recreation areas, national monuments, and national forests, sponsored by the United States or any agency thereof, as the Administrator may deem appropriate for carrying out the national airport plan; but no other funds authorized under authority of this Act shall be available for such purpose. The sponsor's share of the project costs of any such approved project shall be paid only out of funds contributed to the sponsor for the purpose of paying such costs (receipt of which funds and their use for this purpose are hereby authorized) or appropriations specifically authorized therefor.'

"SEC. 7. Section 9(d) of the Federal Airport Act is amended to read as follows:

"'All such projects shall be subject to the approval of the Administrator of the Federal Aviation Agency, which approval shall be given only if he is satisfied that the project will contribute to the accomplishment of the purposes of this Act, that the project is urgently required for and essential to the development or establishment of an adequate national aviation facilities system, that sufficient funds are available for that portion of the project costs which is not to be paid by the United States under this Act, that the project will be completed without undue delay, that the public agency or public agencies which submitted the project application have legal authority to engage in the airport development as proposed, and that all project sponsorship requirements prescribed by or under the authority of this Act have been or will be met. No project shall be approved by the Administrator with respect to any airport unless a public agency holds good title, satisfactory to the Administrator, to the landing area of such airport or the site therefor, or gives assurance satisfactory to the Administrator that such title will be acquired.'"

Mr. SPRINGER (interrupting the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read, but be printed in the RECORD.

Mr. HARRIS. Mr. Chairman, reserving the right to object, and I shall not, I think it should be made very clear that this is the Bow substitute we have been discussing during general debate and debate on the rule this afternoon that is offered on behalf of the minority for the administration.

Mr. SPRINGER. Yes. May I say this is the administration bill of $200 million.

Mr. HARRIS. For a 4-year program.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HARRIS. Mr. Chairman, my understanding is that when we reached this point the gentleman would prefer to wait until tomorrow before discussing the substitute. Am I correct?

Mr. SPRINGER. The distinguished chairman is correct.

Mr. HARRIS. Since that is the understanding—I believe it has been suggested by the leadership—I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. METCALF, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 1011) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on H.R. 1011 and amendments to the Federal Airport Act.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING, MARCH 19

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tonight to file a report and recommendations made during the 85th Congress as a result of deliberations of the Committee on Government Operations, and that the same permission may be given with respect to the filing of minority views.

Mr. HALLECK. Mr. Speaker, reserving the right to object, was this cleared with the minority members?

Mr. McCORMACK. I may say that I personally have not talked with any minority member except after this memorandum was handed to me I contacted the chairman of the committee, the gentleman from Illinois [Mr. DAWSON], and specifically asked him the question. He told me this matter was taken up in committee. I was at the committee meeting this morning, but this was taken up after I had left. The gentleman from Illinois told me the matter was taken up in the committee and that it was agreeable.

Mr. HALLECK. Very well.

Can the gentleman tell me what the program will be for tomorrow?

PROGRAM FOR MARCH 19

Mr. McCORMACK. Tomorrow's program will be a continuation of consideration of the airport bill. Thereafter we will take up the Treasury-Post Office appropriation bill. In view of the problem presented to us by the recess a week from tomorrow, the leadership very strongly hopes—the leadership, of course, never undertakes to dictate or impose—but the leadership expresses the strong hope that both bills can be disposed of tomorrow.

Mr. HALLECK. May I say to the gentleman I concur in that hope, and I see no reason why both of these matters cannot be disposed of tomorrow.

From what I have been able to discover here, the substitute which is pending to the airport bill can be debated for a reasonable amount of time. It has been debated in general debate and on the rule and a vote can be had on that. I do not think there would be any objection to having the rest of the bill considered as read and open for amendment. There is one series of amendments that could be considered en bloc. There is an amendment that deals with another matter. I see no reason why we cannot in a short time conclude the airport bill and get on the appropriation bill and conclude the consideration of that one, too.

Mr. McCORMACK. I may say in connection with Friday that there are three or four other bills to be disposed of. If possible, I would like to do so. The gentlewoman from Missouri [Mrs. SULLIVAN] acting majority leader last evening, referred to them at page 3929 of yesterday's RECORD. One is H.R. 5132 relating to retention of Reserve officers, H.R. 2575, authorizing an appropriation of $500,000 for Pan-American games in Chicago, and H.R. 3366 relating to the loan of certain naval vessels to Italy and Turkey. I imagine those bills can be acted on with some degree of expedition. It is hoped that we can dispose of them, but if not, we will do the best we can on Friday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

FEDERAL AIRPORT ACT

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, I take this opportunity to express my personal views on legislation which will be considered in the House today.

When H.R. 1011 was introduced, it contained two major provisions that were personally unacceptable. It would have permitted the use of Federal funds for projects far outside the rightful and logical scope of Federal responsibility. It would have appropriated funds far beyond the amount deemed necessary by the administration and requested in the President's budget. Although the bill before us today is a vast improvement over the original, I would hasten to add that I have not seen sufficient improvement to merit my support.

The original bill would have excluded from construction at Federal expense only automobile parking facilities and those parts of airport buildings to be used as bars, cocktail lounges, nightclubs, theaters, private clubs, garages, hotel rooms, commercial offices and game rooms. The construction of costly terminal and freight buildings, which are properly the responsibility of local and State authorities, would have been permitted. The Federal Government's responsibility, which never included the appropriation of funds for railroad and bus terminals, would have been extended to include airport terminals and freight buildings which are undeniably civic improvements that contribute not one bit to the efficiency and safety of air travel. For these purposes, in addition to those items which contribute directly to air safety—and this is where proper Federal responsibility lies—the original bill called for $437 million over a 4-year period.

The administration takes the position that proper Federal responsibility extends only to the making of grants for construction of urgent airport projects essential to an adequate national aviation facilities system. Federal funds would be devoted to runways, taxiways, aprons, tower facilities, and so forth. They would not go beyond the gate for purposes comparable to the building of city streets or civic auditoriums. The Federal Aviation Agency has said to Congress that it can meet these needs and perform the proper Federal functions for $200 million over the next 4 years.

In consideration of the original bill, the House Interstate and Foreign Commerce Committee very ably amended it to cover—and I quote—"the costs of constructing, altering, or repairing that portion of any airport building required to house air traffic control activities, weather reporting activities, communication activities related to air traffic control, or any other activity of the United States." For this exercise of courage and responsibility, I commend the members of the committee. Regarding the uses to which these Federal funds might be put, the committee and the administration are in substantial agreement.

The committee bill aims at accomplishing essentially the same program that the administration desires. The Administrator of the Federal Aviation Agency testified before the committee that he could provide for these essential programs with $200 million. The committee has made a noble effort in reducing the fiscal year 1960 expenditures to the level requested by the President. At this point, however, the logic and wisdom of the committee's actions become difficult to see. The committee bill would appropriate funds on a level for fiscal years 1961, 1962 and 1963 that would raise total expenditures to $297 million. Both H.R. 1011, as amended, and the administration bill profess to accomplish the same results, the Agency that has the experience—the Agency will administer the program—says the job can be done for $200 million, yet the committee would ask us to obligate almost half again as much money to do this same job. I have seen no evidence that would contradict the Federal Aviation Agency's contention that the necessary safety features could be provided for $200 million. If I thought for one instant that the elimination of these $97 millions would in any way hazard the safety of air travel, then I would support H.R. 1011, as amended. If sufficient evidence is presented in debate today that this extra $97 million is justified, then I will support the committee bill. But, in this day of billions, is $97 million the amount we can spend without at least some justification? Is $97 million such an insignificant sum that we are to disregard it? Has Congress grown so accustomed to spending-for-spending's-sake that it cannot accept the recommendation of an agency that such a project can be completed for less money? I sincerely hope we will demonstrate to the American people that we have not reached this stage. I hope we will give evidence to the public that we are still the guardian, and not the indiscriminate emptier, of the public purse.

A BILL TO CONSOLIDATE FOREIGN AID FUNCTIONS IN THE DEPARTMENT OF STATE

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have today introduced H.R. 5816, "a bill to provide that all programs of economic aid to foreign nations shall be administered by the Secretary of State" and "to simplify administration of such programs."

For some years I have been struck, both here in Washington and abroad, with the waste and inefficiency which comes from scattering our foreign aid operations over a number of agencies, and then attempting to coordinate their scattered efforts.

Our foreign assistance dollars are precious. To enable them to go the farthest and to do the most good, we need to assure the most effective kind of foreign aid organization. In my opinion, foreign assistance should in general be carried out by the Department of State, and by our regular diplomatic establishments abroad. H.R. 5816 accomplishes the following main purposes:

First. Dissolves the International Cooperation Administration and the Development Loan Fund, and gives their Washington functions to the Secretary of State, and under him to the Undersecretary of State for Economic Affairs, acting through the Deputy Undersecretaries and Assistant Secretaries of State. Wherever possible, the work would be carried out by the regional and country desk sections of the State Department. In the field, these foreign aid functions would be carried out by the United States Ambassador, or other chief of mission. The chief of mission would continue, as at present, to coordinate those activities, such as military assistance and foreign information, which he does not directly carry out himself. Thus defense support, technical cooperation, the various forms of special assistance—such as the President's fund and special grant programs—and development loans would be conducted, as they should be, by our regular foreign policy establishment.

Second. Continues military assistance, to the same extent as at present, in the Department of Defense.

Third. Transfers activities under the surplus agricultural commodity program—Public Law No. 480—to the State Department and our diplomatic missions, except for retaining in the Secretary of Agriculture the determination of what agricultural commodities are "surplus."

H.R. 5816 has been prepared at my request by Mr. James M. Menger, Jr., Assistant Counsel, Office of Legislative Counsel, House of Representatives, who has done a most painstaking job of threading his way through our complex legislation on foreign economic relations. For example, "Legislation on Foreign Relations, with Explanatory Notes"—Senate Committee Print, 85th Congress, 1st session, December 1957—has 324 pages of legislation and Executive orders on foreign relations.

The text of H.R. 5816 follows:

A bill to provide that all programs of economic aid to foreign nations shall be administered by the Secretary of State; to simplify administration of such programs; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 521 of the Mutual Security Act of 1954 is amended by striking out "and section 413(b)(4)".

(b) Such section 521 is further amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b)(1) Except as provided in paragraphs (2) and (3), the President shall exercise the powers conferred upon him by this Act through the Secretary of State.

"(2) Paragraph (1) shall not apply with respect to the powers conferred upon the President by chapter I and sections 141, 413(b)(1), 415, 416, 451, 522, 533, 535(b), or 545(d) of this Act.

"(3) Paragraph (1) shall not apply with respect to the powers conferred upon the President by sections 142(a)(7), 142(a)(10), 403, 409(d), 501, 503, 511, 526, 527(a) and (e), 528, and 529 of this Act insofar as the powers conferred upon the President by those sections relate to the administration of chapter I of this Act."

(c) Section 525 of such Act is repealed.

SEC. 2. Section 523(b) of the Mutual Security Act of 1954 is amended to read as follows:

"(b)(1) Except with respect to his functions, powers, and duties which relate directly to chapter I of this Act, the Secretary of State shall exercise the functions, powers, and duties conferred upon or delegated to him under this Act, the Agricultural Trade Development and Assistance Act of 1954, and the Mutual Defense Assistance Control Act of 1951, through the Under Secretary of State for Economic Affairs. The Under Secretary of State for Economic Affairs, acting through the Deputy Under Secretaries and Assistant Secretaries of State, and with the assistance of other appropriate officers of the Department of State, shall exercise such functions, powers, and duties at the country level through the Chief of the United States Diplomatic Mission for each country. In any country in which the United States has no Chief of United States Diplomatic Mission, such functions, powers, and duties shall be exercised through such officer in the Department of State as the Secretary of State may designate.

"(2) The Chief of the United States Diplomatic Mission in each country (or other officer designated pursuant to the last sentence of paragraph (1)) shall supervise, direct, and control the conduct of all programs and activities in such country which are the responsibility of the Secretary of State under this Act, the Agricultural Trade Development and Assistance Act of 1954, and the Mutual Defense Assistance Control Act of 1951. He shall be responsible for assuring the unified development and execution of such programs and activities in such country. He shall also coordinate with such programs and activities in the programs and activities of the representatives of other United States agencies (including military assistance advisory groups and foreign information staffs) in such country engaged in carrying out programs which are not the responsibility of the Secretary of State, and shall assume the responsibility for assuring the unified development and execution of such programs in such country."

SEC. 3. The Development Loan Fund is abolished. All functions, powers, duties, personnel, property, records, unexpended balances of appropriations, allocations, and other funds (available or to be made available), assets, and liabilities, of the Development Loan Fund are hereby transferred to the Secretary of State.

SEC. 4. (a) Title III of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following:

"SEC. 306. (a) Except as provided in subsection (b), the President shall exercise the authority conferred on him by this Act through the Secretary of State and his subordinates.

"(b) Subsection (a) of this section shall not apply with respect to (1) the authority of the President under subsections (b), (c), (f), (i), and (j) of section 104 of this Act, (2) the functions of the President with respect to making reports to the Congress under section 108 of this Act, and (3) the authority of the President with respect to designations under the last sentence of section 203 of this Act."

(b) The second sentence of section 106 of such Act is amended by striking out "Secretary of Agriculture" and inserting in lieu thereof "Secretary of State".

(c) Section 303 of such Act is amended by striking out "Secretary" each place it appears and inserting in lieu thereof "Secretary of State".

SEC. 5. This Act shall take effect on the first day of the first calendar month which begins more than ninety days after the date of enactment of this Act.

The case for H.R. 5816 is set forth far better than I can in the staff study prepared at my direction by Mr. Halford L. Hoskins, Senior Specialist in International Relations, Legislative Reference Service, Library of Congress. Mr. Hoskins' admirable study, dated March 2, 1959, follows:

NEED FOR THE CONSOLIDATION OF FOREIGN AID FUNCTIONS

INTRODUCTORY CONSIDERATIONS

Foreign aid in the national character

Foreign aid has long been a factor in United States foreign relations. Indeed, in one form or another foreign aid has been a characteristic feature of the American way of life throughout the adulthood of the Nation. Altruistic impulses inherent in the character of the American people long ago were manifested in forms of private aid to underdeveloped or underprivileged groups overseas, often in the form of missionary or relief or educational undertakings. Not a few of such activities still are being carried on under private auspices.

From the beginning of the present century, as the Nation's range of interest widened, the United States Government itself found occasion to provide aid to peoples elsewhere, not so much as a calculated feature of foreign policy as for the manifestation of a friendly spirit in special circumstances. As a case in point, in 1908 it returned to China a considerable portion of the American $25 million share of the Boxer indemnity and concurred in the establishment with the proceeds of a scholarship fund for the education of Chinese students in the United States. After World War I, foreign aid, government style, began to take on a political complexion. The cancellations in 1932 of the unpaid balances of much of the $10 billion that had been loaned to some 20 war-ravaged nations is illustrative. Under the Good Neighbor policy enunciated in 1933 foreign aid began systematically to enter into United States relations with the Latin American countries.

Effects of World War II

As World War II and its aftermath of troubles supplied evidence of the ever-increasing interdependence of nations, emphasized by the continuing threat of totalitarian aggression, foreign aid came more and more to be relied upon as an instrument for the implementing of foreign policy. The responsibilities which devolved upon the United States in post-World War II years brought with them needs for aid both on a greatly increased scale and in much greater variety. Some of these needs, such as those of the Western European nations which had borne much of the brunt of the war, were mainly of a short-term economic nature. The constructive results of the European Recovery Program over a period of roughly 4 years from June 1947 were of such a nature, however, as to suggest that economic aid of one kind or another might continue to be an efficacious means of achieving foreign policy objectives in other critical situations. The outcome of a program of aid in multiple forms to Greece and Turkey in the early postwar years contributed to the same view. Thus, various types of foreign aid—all of them in the last analysis involving an outlay of American dollars—became so closely associated with national political objectives as to constitute, to all intents and purposes, a standard feature of United States foreign policy.

For the past 15 years the United States has been providing economic and military assistance to other countries on an unprecedented scale. The multiple purposes of this assistance, the varying objectives, the several types and magnitudes of assistance, when taken into consideration with the makeup of the U.S. Government, have rendered the administration of such assistance extremely difficult. Under the circumstances, it is not surprising that arrangements and procedures have been shifted repeatedly in an effort to improve the organization of assistance programs at home and performance in the field. The arrangements that sufficed for lend-lease operations during World War II were not so well suited to the postwar task of administering assistance for the European recovery program. Likewise, after the beginning of the war in Korea, when the United States was confronted with the necessity for undertaking a worldwide program of military assistance, further adjustments in the governmental machinery for administering economic assistance were called for.

Since the end of the Second World War several surveys have been made of the organizational problems to which expanding foreign assistance has given rise. Fundamentally, these reappraisals have become matters of necessity owing to the changed position of the United States in the world especially since World War II and to the new objectives that have had to be served in consequence. In the background of these reappraisals are diverging currents in American public opinion with reference to the proper role of the United States in the international community. Considerable segments of the American electorate as represented in Congress have held that foreign aid should be employed only in critical situations and hence should be only temporary and expedient in character. A much larger segment has come to believe that, in a seriously divided world, the security and well-being of free peoples is to a considerable degree dependent on meeting adequately the challenge of rising expectations among the underdeveloped peoples and that it behooves the United States not only to take a long-range view of foreign aid but also to find ways and means of making the American dollar perform more effectively in future than in the past in its effort to build up situations in the less developed countries resistant to the appeals of communism. From such considerations have come the more recent proposals for improved administrative procedures as applied to foreign assistance.

POSTWAR EXPERIENCE IN FOREIGN AID ADMINISTRATION

Since the close of the Second World War, the United States has provided nearly $70 billion in foreign assistance of all kinds. Even though this huge sum represents less than 3 percent of the gross national product of the United States in any year since 1946, it cannot be regarded as an inconsiderable item of national expenditure as long as the national budget fails to remain in balance and while the cost of military defense tends to mount annually. The figure takes on still another meaning when the relatively slight results of many forms of foreign aid are considered. If the achievement of even a substantial part of the objectives of the total of foreign aid programs is to require the application of funds greatly in excess of those which have fallen short in accomplishment heretofore, it is clear that the Nation cannot afford any scheme for the administration of foreign aid that is not as efficient and effectual as it is possible to arrive at within the context of our basic style of government.

Phases of postwar aid administration

Administrative arrangements for foreign assistance have passed through five identifiable phases since the end of World War II. There was, first, the period of postwar reconstruction and interim aid, lasting from the close of the war to the creation of the Economic Cooperation Administration in 1948. The second period embraced the activities of

the Economic Cooperation Administration, a temporary agency charged with the handling of emergency economic aid to Europe. It ended with the enactment of the Mutual Security Act of 1951. The Mutual Security Agency, set up under the act of 1951 to furnish military, economic and technical assistance to friendly nations in the interest of international peace and security, represents the third phase. It was abolished by Reorganization Plan No. 7 of 1953. In August 1953, the functions of the Office of Director of Mutual Security, the Mutual Security Agency, the Technical Cooperation Administration, the Institute of Inter-American Affairs, and other foreign assistance activities were transferred to the Foreign Operations Administration. This agency, covering the fourth period, was abolished by Executive order in May 1955. It was succeeded by the International Cooperation Administration, a semiautonomous agency set up within the Department of State in June 1955, the beginning of the fifth and current period.

Each of these intervals represented a concept—or a series of related concepts—as to the most practicable administrative scheme relative to foreign assistance apparent at the time, taking into consideration the kinds and importance of the needs to be served, the personnel required at home and in the field, the relation of kinds of services to be performed to the character of the existing permanent Government agencies, and the presumed proper relationships between policymaking and functional or operational branches of Government. All of these administrative arrangements which were made from time to time necessarily were experimental in some degree owing to the unprecedented needs growing out of American foreign relations, the rapidity of change in the world environment, and the necessarily complicated nature of foreign assistance programs. In each of the several periods of administrative trial the organizational setup reflected the prevailing view of the legislative and executive branches as to the extent to which the different types of aid might best be parceled out among the existing departments of Government or brought into an integrated pattern in a central agency endowed with some measure of independence in its powers of action and procedures. As the rapid succession of administrative reorganizational steps suggests, none of the earlier schemes was found long to be entirely satisfactory, partly, as has been indicated, because of shifting circumstances in U.S. foreign relations and in changing needs or in changing attitudes toward needs for assistance in the outer world. Useful experience was gained in each of the administrative experiments, nevertheless—experience which now can be applied to the obvious need of placing the handling of the various forms of assistance on an integrated, long-term basis to the end that duplication of effort, monetary and personnel waste, and ineffectiveness may be reduced to a minimum, yet with the retention of enough flexibility to admit of continual adaptation to changing circumstances as reflected in U.S. foreign policy.

Early postwar arrangements

This experience in the administration of foreign aid has been gained the hard way. It is seldom in the history of modern states that such chaos has been endured in any line of administration as that which has characterized our foreign aid programs during most of the interval since World War II. Some of the causes of this situation have been touched upon. It may be noted further that much of the difficulty has resulted from exigencies in U.S. foreign relations which have led to the assumption of one kind or another of foreign assistance which had to be assumed by one government agency or another on a purely ad hoc basis. The inevitable confusion attendant on bringing a world war to successful conclusion and adjusting governmental functions again to peacetime activities in a changed world explains a great deal. For instance, the splintering of administrative responsibility for foreign aid undertakings that followed the dismantling of the wartime Foreign Economic Administration will help to explain why so little was accomplished for a time with so much effort and expense. While a good many of the functions of the former agency were then transferred to the Department of State, the War Department and its successor, the Department of the Army, became responsible for assistance in the occupied areas. The negotiation and administration of postwar loans came under the influence of the Treasury Department as well as the Department of State. For a brief period after 1945 the United States undertook to channel much of its contribution toward the relief of suffering and the rehabilitation of devastated areas through international agencies, such as the United Nations Relief and Rehabilitation Administration, although some assistance was made available through strictly bilateral financial agreements. After the termination of UNRRA in 1947, various emergency programs were set up. These included post-UNRRA aid, headed by a special assistant to the Assistant Secretary of State for Economic Affairs but co-opting the services of several other executive departments and agencies, a special coordinator's office in the Department of State for administering the program originating from the Greek-Turkish Aid Act of 1947 with the help of an interdepartmental committee, and the War Department program for Government and Relief in Occupied Areas. Still other forms of foreign assistance were handled through the International Bank for Reconstruction and Development, the Export-Import Bank, and the Institute for Inter-American Affairs, which became an instrument of the Department of State after 1946. This does not complete the story, but it will serve to indicate both the ramifications of assistance needs at a crucial period and, because of their complexity, the variety of expedients resorted to, often tentatively, in an effort to meet the more serious needs of a world disrupted by war.

The point to be noted particularly is that, during the earlier stages in the development of our programs of foreign aid, administrative responsibility was scattered hither and yon through the Government departments and agencies partly because of practical necessity, partly because of the belief that the projects of the day were temporary, in any case. Committees of coordination not infrequently were provided for but seldom were effectual, since ultimate authority was either vague or remote. In the successive stages of administrative reorganization since the early postwar period some improvements have been made in the way of centralizing authority and coordinating activities. The creation of the Economic Cooperation Administration in April 1948, after much discussion, was a long step in the direction of systematizing a variety of foreign assistance activities. ECA proved to have some fundamental shortcomings, however. While it was given a large measure of autonomy, was headed by an administrator of Cabinet rank, and was empowered to place its own staff overseas, the agency was envisaged as being temporary in character. Moreover, while its legislative charter made provision for consultative liaison with the Department of State with reference to questions of foreign policy, there was no assurance of coordination between these two departments of foreign affairs, one permanent and devoted primarily to political relationships, the other temporary and charged with economic functions.

Changing criteria for foreign aid

The growing threat of Communist aggression which gave rise to the North Atlantic Treaty Organization in 1949 also brought out the need for broadening foreign assistance, particularly in military forms. The powers and duties contained in the Mutual Defense Assistance Act of 1949, even to the military assistance program, were vested in the Department of State, although these functions were to be guided by a Coordinating Committee representing State, Defense and ECA. High-level problems were expected to be dealt with by the National Security Council. The act for International Development of June 1950, and the setting up of the Technical Cooperation Administration within the Department of State further widened the scope of foreign aid and has a logical bearing on further efforts to improve and streamline the administration of an increasing variety of foreign aid commitments.

By 1951 the chief emphasis in foreign assistance programs designed for Europe and Asia had shifted from economic—that is, relief—to defense objectives. This shift, added to other pressures, called for a more thorough integration of all forms of assistance programs. During the next 4 years, consequently, beginning with the Mutual Security Act of 1951, an effort was made to counteract the centrifugal tendencies in the administration of foreign aid programs. Initially, central direction and coordination of all forms of foreign assistance were placed in the hands of a Director of Mutual Security, who was established in the Executive Office of the President and expected to participate in meetings of the Cabinet and the National Security Council. At the outset, operations were divided among the Department of Defense (for military assistance), the Mutual Security Agency (for economic assistance), and the Technical Cooperation Administration in the Department of State (for technical aid). This functional arrangement had many drawbacks and presently was replaced by an arbitrary geographical arrangement, which had drawbacks of its own. In the underdeveloped countries there were technical and economic assistance programs administered by two agencies with different personnel systems, both drawing on the same functional agencies for technical services, with different degrees of responsibility for overall lines of foreign policy.

Shortly after taking office, President Eisenhower thought to improve the situation by embodying the recommendations of a special advisory committee in his Reorganization Plan No. 7, which was submitted to the Congress on June 1, 1953. In keeping with this plan, the Mutual Security Agency was succeeded by the Foreign Operations Administration, which absorbed all technical assistance operations previously carried on by the Department of State. The director of FOA retained the general coordinating functions of the Director for Mutual Security at the departmental level.

Chiefly because of congressional dislike of the handling of economic assistance, still another administrative scheme was written into the Mutual Security Act of 1954. This placed directly on the President himself responsibility for justifying and organizing future programs of military and economic assistance. The President, accordingly, in the light of past experience and in the belief that "the functions and the need for cooperative development of economic and military strength among the free nations are continuing and integral parts of the fabric of our international relations," reaffirmed as basic considerations: (1) The primacy of the Secretary of State in matters of foreign policy, (2) the desirability of bringing related mutual security operations within a single organization under a single management, and (3) the avoidance of a dispersal of operating responsibilities. Thus he proceeded

to establish the International Cooperation Administration as a semiautonomous unit within the Department of State under a key official who would report to the Secretary of State. At the same time, the Secretary of Defense was given operational responsibility for direct forces support and military assistance, the Department of State receiving authority to determine the value by country of programs of military assistance administered by the Department of Defense. This has remained the basic framework of administration of foreign aid down to the present day.

SHORTCOMINGS IN THE CURRENT PLAN

The purposes which were implicit in the Mutual Security Act of 1954 undoubtedly were laudable. They aimed at a greater degree of administrative efficiency through a considerable degree of centralization of authority. With that in view, the International Cooperation Administration was made responsible for all general economic assistance functions. It assumed primary responsibility for presenting military and economic assistance programs to the Congress, the coordination of military and non-military aspects of the program, and the appraisal of value of any country program administered by the Department of Defense. Economic assistance was defined as including defense support, development assistance, and technical cooperation.

Overlapping and conflicting functions

Two major shortcomings have characterized this administrative arrangement, however. In the first place, several important forms of foreign aid were not brought into the central administrative scheme. The category of aid termed "military assistance", including military equipment, supplies and training, continued to be administered by the Department of Defense, subject to the overall direction of the President and oversight by the Secretary of State with respect to foreign policy objectives. To this category was added, in 1955, "direct forces support", which somewhat broadened the concept of military assistance. Numerous other forms of aid still were left largely to the Departments of Agriculture (under Public Law 480), Interior, Commerce, Health, Education and Welfare, and even the Atomic Energy Commission (for the atoms-for-peace program). Although some provision was made for the coordination of these functions with the lines of policy determined in the Department of State, there have been many shortcomings in practice.

In the second place, the placing of the International Cooperation Administration within the Department of State only partially met the need for the centralization of administrative authority. While the ICA was technically within the Department of State, it was still, in most respects, a separate agency. It has been the occupant, in fact, of a kind of twilight zone, in which the functions of the agency came in touch with those of the State Department in theory only at the level of the Secretary of State—in practice, that of the Under Secretary. As between this situation and that of the former Foreign Operations Administration there has not been much to choose. This becomes the more apparent as the contrasts in personnel policy between State and ICA are observed.

Need for greater coordination

In these circumstances, since some measure of coordination of activities of the several departments and agencies is indispensable to the conduct of foreign relations, we have simply a perpetuation of the arrangement that has proved to be so impractical during the earlier stages in our national experience in the administration of foreign aid—namely, coordination by committees at various levels. It is not necessary to enter into detail to gain a fair idea of the degree of administrative confusion that presently characterizes our foreign aid operations when viewed as a system. There is, at the top, the National Security Council, created by the National Security Act of 1947. This is presided over by the President and constitutes the senior advisory group on national security affairs, including, of course, the political objectives of all forms of foreign assistance. While the Secretaries of State and Defense are members of this council, the Director of the International Cooperation Administration is not, although he may attend meetings and be heard. The Director is, however, a member of the National Security Council Planning Board and he participates as well, in foreign assistance matters, in the work of the Operations Coordinating Board, concerned with the integrated implementation of national security policies.

Two major Cabinet committees also deal with foreign economic policy: the National Advisory Council on International Monetary and Financial Problems and the Council on Foreign Economic Policy. To these may be added the Interagency Committee on Agricultural Surplus Disposal. Inevitably there is considerable overlapping of responsibility and duplication of effort in all this. Experience has shown that there is only more duplication of effort, less consistency in the implementing of basic foreign policy, and greater wastage of the national substance where the degree of autonomy is greater among the several agencies concerned with the administration of foreign aid. The conclusion, therefore, is inescapable: now that foreign aid is bound up essentially with national security considerations, it should be viewed as a concomitant of foreign policy and administered in that light.

PROPOSED INTEGRATION OF FOREIGN AID ACTIVITIES

Realigning of the International Cooperation Administration

This naturally would properly begin with the full merging of the functions of the International Cooperation Administration with related Department of State operations. There is now a clear parallelism of structure between the geographic divisions of the ICA and those of the Department of State. There is a considerable degree of similarity, too, between their functional operations. Both agencies are concerned with various aspects of transportation, communication, promotion of trade and exchange of persons. There is likewise a distinct similarity in administrative organization with respect to budgetary staffs, personnel, congressional relations, and other administrative matters. A merger undoubtedly would result in avoidance of duplication and hence in increased efficiency in all of these categories.

Moreover, such a merger would eliminate most of the present three-way consultation among the Departments of State and Defense and the International Cooperation Administration. Similar simplification would apply also to relations with other agencies, such as the Departments of Agriculture, Commerce, Interior, and Labor, all of which have overseas assistance functions. A move of this nature would augment the position of Under Secretary of State for Economic Affairs. This Under Secretary would logically become the Director of International Cooperation Administration activities and would have as his programing and policy staff for foreign aid the organization of the present International Cooperation Administration. This, of course, would end the present anomalous situation of the ICA, which is in but not of the Department of State, and would still preserve all of the advantages of a unified grouping of foreign assistance functions.

As Under Secretary, the Director of the foreign aid program would have direct access to the Secretary of State. Further advantage would follow from the consolidation of the staff of the Special Assistant for Mutual Security Coordination with that of the International Cooperation Administration, which would aid materially in coordinating military assistance with economic aid.

Military assistance

Inasmuch as military assistance forms part and parcel of the national defense program, the Department of Defense naturally will continue to administer assistance in this form. Defense support, however, which is essentially a form of economic assistance, can be handled logically only among the functions of an expanded Department of State.

Development Loan Fund

The Development Loan Fund, established by Congress within the International Cooperation Administration in 1957, to be operated under the general supervision of the President and the policy guidance of the Department of State, likewise ought to be brought wholly within the framework of the Department of State. The Fund is no less an instrument of American foreign policy for being incorporated and thus it requires to be under the foreign policy direction of the Secretary of State. The close relationship between the kinds of service performed by the Development Loan Fund and the Export-Import Bank gives strong support to the view that a single agency administering both loans and grants for developmental purposes would be in a far better position than two separate agencies, even though linked by coordinating arrangements, to appraise a country need and to make certain that assistance is not given as grants where loans are feasible. A merger would make sure that the development lending function, previously performed by the Export-Import Bank, would adhere more closely to the basic developmental policies formulated by the International Cooperation Administration as the voice of the Department of State.

Technical assistance

All recent studies of technical assistance appear to agree that this form of aid should be continued substantially as at present within the Department of State. It should be administered quite apart from development assistance, however, lest the specific purpose of the two forms of assistance might become obscured and technical assistance become confused with the more urgent needs of foreign policy. The program of technical cooperation, although relatively small in terms of dollar costs, is virtually worldwide in scope and essentially long term in nature. To be effective, it requires stability in financing and in administration, for its eventual returns are likely to be of great significance.

Public Law 480

Few forms of foreign aid are more in need of streamlining than that involving the use of U.S. agricultural surpluses as embodied in Public Law 480. As developed in the President's Executive Order, Public Law 480 activities are assigned primarily to the Department of Agriculture. At the same time, the Executive order makes clear that, in matters relating to foreign policy, the preeminence of the Department of State always must be recognized. The whole program, said the President, "must be carried out in accordance with and in furtherance of our foreign policy objectives." The Department of State consequently was assigned the task of negotiating sales agreements with foreign countries in order to advertise the State Department's "central responsibility" in this field of activity. The President was aware that the programs embraced by Public Law 480 already involved the services of a number of agencies other than the Departments of Agriculture and State: these diverse functions received recognition in the Executive order. Associated in the complex workings of the act

were the Bureau of the Budget, the Treasury Department, the Office of Defense Mobilization, the General Services Administration, the Department of Defense, the Commodity Credit Corporation, and the International Cooperation Administration as apart from the Department of State, which latter agency was given specific functions in addition to policy formulation. In order to achieve coordination among so many agencies, the Interagency Committee on Agricultural Surplus Disposal was created. Even so, the steps necessary to the analysis of need in a foreign country and the process by which agreements involving agricultural surpluses have been proposed, recommended, negotiated, and finally carried out has been extremely complicated, involving many delays and, not infrequently, setbacks. Very often aid thus supplied tended to invade the area of other forms of aid provided by this Government.

Since in all likelihood the form of aid represented by Public Law 840 will continue indefinitely to be made available, now that it has proved to be a potent means of strengthening our foreign relations, it is high time that its administration be improved. The most practicable method of approach to this difficult task would appear to be the centralization of responsibility for this, along with other forms of foreign aid, in the Department of State, thus carrying into practice both the spirit and the intent of the President's Executive Order implementing the enactment of Public Law 480 in 1954.

CONCLUSION

Consensus of special studies

Studies which have been made of foreign assistance in its various forms with references to its multiple origins, the actual administrative experienced gained thus far in the postwar period, and its probable role in the future[1] have set forth in exhaustive detail the steps by which the present extremely complicated legislative and administrative pattern of foreign assistance has evolved. While these studies have sought only to analyze the various stages in this evolutionary process without attempting to arrive at final conclusions which would serve as unerring guides to improved methods of administration in future, the analyses rather clearly supports the view that the principal shortcoming in each of the administrative plans thus far devised and put into operation, despite the provisions made for the coordination of the several features of each program, has been the lack of unity; that is, the lack of integration in each administrative plan as it has worked out in practice. This has been due not so much to the lack of special policy instructions as set forth in the basic foreign assistance legislation nor to the absence of coordinating machinery in the form of joint boards and committees. Obviously it has been owing in large part to these difficulties and handicaps:

1. A multiplicity of interdepartmental committees and subcommittees with overlapping and conflicting jurisdiction in the various realms of economic foreign relations. This reflects, perhaps, a tendency toward the arbitrary separation of policy and operating functions.

2. Unclearly defined functions of the departments and agencies of administration themselves. As an apt example, note the commodity and production responsibilities that range through a number of agencies, such as the Interior Department, the Department of Justice, and the Tariff Commission; or the distribution of powers involving petroleum policy among the Departments of Interior, Commerce, and State.

3. The lack of a single focal agency with primary responsibility for the administration of all foreign aid, which has resulted in makeshift arrangements and unworkable compromises in interdepartmental relations.

Thus, on balance, there appears to be a clear and present need for bringing the entire foreign aid program into a single comprehensive and integrated administrative arrangement and, at the same time, into consistent alinement with foreign policy objectives.

[1] The Administration of Foreign Affairs and Overseas Operations: A Report Prepared for the Bureau of the Budget, Executive Office of the President. The International Studies Group. The Brookings Institution, 1951.

Organization and Administration of Technical Assistance Programs; Staff Study No. 2, Printed for the Committee on Foreign Relations; 84th Cong., 1st sess., 1955. Foreign Aid: Report of the Special (Senate) Committee To Study the Foreign Aid Program; 85th Cong., 1st sess., 1957. Foreign Aid Program: Compilation of Studies and Surveys. Prepared under the Direction of the Special Committee To Study the Foreign Aid Programs, U.S. Senate: 85th Cong., 1st sess., 1957. The Mutual Security Act of 1958: Report of the Committee on Foreign Relations on H.R. 12181: 85th Cong., 2d sess., 1958.

Mr. Speaker, the need for something like H.R. 5816 was recognized in the penetrating testimony given at a public hearing of the Senate Foreign Relations Committee on February 18, 1959, by Mr. Harlan Cleveland, dean of the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University. I include relevant excerpts from Mr. Cleveland's testimony:

THE ADMINISTRATION OF FOREIGN AFFAIRS

The many programs we have overseas—military and economic aid, international and private philanthropy, business and educational contacts by the thousands—give us an unparalleled opportunity to relate ourselves effectively to the coming leadership of the uncommitted areas of the world, and the (temporarily) committed areas, too. But the use of all these fingers is paralyzed by the extraordinary confusion in our bureaucratic shoulder muscles. We are doing many admirable things in the world, but we have yet to relate them effectively to each other and to the central purposes of our foreign policy.

Take the military aid program as an example. The able generals and colonels in charge of most Military Assistance Advisory Groups abroad now carefully limit their functions to training troops in the use of new weapons and advising on military organizations and tactics. Yet in a dozen countries or more, the arms and advice we supply and the military officers we thereby build up are almost bound to have a powerful (often, as we have seen in the Middle East, a controlling) voice in determining the political composition of the government, the direction of economic development, and the foreign-policy posture of newly independent countries.

Similarly, the impact of our "technical" and economic aid is important in determining the direction of domestic politics in several dozen nations. A Minister of Health may ride to the premiership on a malaria eradication program or a carefully distributed network of rural health clinics. In this progress-conscious era, a rising leader looks not for a white horse but for a popular plan of economic development.

Yet if, in most countries, you ask the technical-assistance people about these political impacts, you will generally be told that these are matters for the political people over at the Embassy. The trouble is that the political people are not in contact with the rising class of Army officers and economic planners. Moreover, many of our Ambassadors are ill-equipped by training or inclination to provide the executive leadership of the large group of U.S. operating programs—nor is it clear that Congress or the President wants them to assume this role.

The difficulty of executive leadership in the field is compounded by the charming pluralism of our operations in Washington. Administrative decisions are generally taken with a careful eye on jurisdictional lines in Washington, and only the vaguest sort of notion as to how our many foreign-aid operations look to the other countries.

We see no particular damage, for instance, in setting up a new agency every time we get a new idea about how to finance public investment abroad, or want to start a specialized new program of technical assistance. As things now stand, the leaders will normally deal with 16, 18, and often more than 20 different agencies purveying various kinds of assistance to their development plans. In our enthusiasm for modernizing every economy we can reach, we have tended to close our eyes to the administrative burden which we place on the governments of the less developed countries by proliferating the independent agencies we create to "help" them.

* * * * *

There is some voluntary cooperation among these agencies at headquarters level and in the field. But by and large it is up to the Government receiving the aid to coordinate the aiders. Governments which are far from being able to coordinate the effective use of their own resources; governments which are, indeed, receiving advice on public administration from several technical-assistance agencies because of their very inability to man the professional and administrative tasks the modern world thrusts upon them; these governments are expected to mould into an integrated program the knowledge, skills, prejudices, and weaknesses of hundreds of foreigners, most of whom are unaware of the history, politics, or even the language of the country whose domestic policies they are influencing.

And the situation is getting worse, not better. In most countries, the number of Americans and U.N. agency advisers is almost certainly increasing more rapidly than the local government's capacity to cope with them. The time for consolidation of our efforts in this respect is already overdue.

Mr. Speaker, the House Committee on Foreign Affairs has just started its annual hearings on the foreign assistance program. I intend at the appropriate time to offer H.R. 5816 as an amendment to this year's mutual security authorization. I hope that all Members who share my uneasiness over the present organization of our foreign assistance establishment will suggest ways of improving H.R. 5816 so that it may accomplish its purpose more effectively.

FOREIGN CLAIMS SETTLEMENT COMMISSION

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, today I have introduced a new bill relating to an unfinished matter which I have discussed on the floor of the House many times in the past. It is a matter which goes to the very conscience of this country.

Once again, Mr. Speaker, I am addressing myself to the unethical, unprincipled, and unjust manner in which leg-

islation enacted by the Congress has been implemented by the Foreign Claims Settlement Commission.

Specifically I have reference to Public Law 615, 83d Congress. The purpose of this law was to compensate those veterans of the Korean war who were incarcerated by the enemy and who suffered inhumane treatment as prisoners of war. The only condition upon which this compensation was dependent, quite properly, was that the recipient could not knowingly and without duress have collaborated with the enemy.

The bill which I have introduced today, Mr. Speaker, would provide judicial review for nearly two dozen Korean prisoners of war whose claims for compensation have been denied by the Foreign Claims Settlement Commission.

When Public Law 615 was enacted, no provision for judicial review was included because it was felt that the compensation in question was not being given as a matter of right, but more as a matter of grace from a grateful Nation. Furthermore, and much more relevant at this point, is the fact that assurances were received from the man who is now Chairman of the Foreign Claims Settlement Commission that there would be numerous appellate procedures to assure claimants every possible safeguard against arbitrary decisions.

Unhappily, Mr. Speaker, there are a number of instances where failure to establish proper procedures has resulted in the most grisly kind of deliberate injustice. The actual fact of the matter is that some claimants have had their claims denied on the basis of collaboration with the enemy without being accorded so much as a full and fair hearing before the Claims Commission.

The bill which I offer today, Mr. Speaker, is offered on the basis of documentary evidence of dishonest and fraudulent procedures instituted by the Chairman of the Foreign Claims Settlement Commission and tacitly agreed to by other members of the Commission.

If hearings on this bill are scheduled, I promise to produce uncontrovertible evidence of the dishonesty and fraud with which I charge the Commission, including witnesses who have had first-hand experience with the Commission's quicksand concept of justice—witnesses who will give testimony on the unchecked procedures which have allowed American boys to be branded as traitors to their country without so much as a hearing at which to defend themselves.

Mr. Speaker, the Congress never intended Public Law 615 to result in serious miscarriages of justice at the hands of the Claims Commission. For the Congress to have closed its eyes to these injustices as they have been practiced in recent years is difficult to understand. But it will be even more incomprehensible if we compound this past negligence by refusing claimants under Public Law 615 the opportunity of defending their honor in a court of law.

It occurs to me, Mr. Speaker, that all of us are prone to bypass unpleasant situations whenever we can do so. Perhaps the Congress is guilty of this same human foible. But maybe if something is said about this particular unpleasant situation for a long enough time, the 22 boys who have been accused of betraying America will be given the dubious privilege of trying to prove their innocence. This is a country where free men are assumed innocent until proven guilty.

It is with this in mind, Mr. Speaker, that I promise to take the floor of the House of Representatives and speak further on this matter at least once a week from now on until some action is taken to treat with minimum fairness the 22 claimants who have had their prisoner-of-war benefits denied by the Claims Commission on the basis of collaboration with the enemy.

At this point, Mr. Speaker, I want to insert in the RECORD a letter to Mr. Whitney Gillilland, Chairman, Foreign Claims Settlement Commission, from Joseph L. Rauh, Jr. Mr. Rauh has served for several years without compensation as attorney for one of the 22 claimants mentioned above, Mr. Joseph Hammond, formerly of Toledo, Ohio, and now a resident of California.

WASHINGTON, D.C., *March 2, 1959.*

Mr. WHITNEY GILLILLAND,
Chairman, Foreign Claims Settlement Commission of the United States. Washington, D.C.

DEAR MR. GILLILLAND: Enclosed please find memorandum submitted pursuant to your order of October 1, 1958, the oral discussion before the Commission of November 6, 1958, and your letter of December 18, 1958. In accordance with the statement in your letter of December 18 that "there is certainly no requirement that you obtain statements from witnesses throughout the country," we are submitting our offers of proof as a statement by counsel as to what he would hope and expect to prove at a hearing if one were granted.

In our letter to the Commission dated December 8, 1958, we indicated that we were seeking funds from a foundation so that we would be in a position to make the requested offers of proof in as detailed a fashion as possible. No such funds have been forthcoming and our offers of proof are necessarily limited by the absence of any resources whatever, not only for counsel fees (counsel is serving without fee), but also for such rudimentary essentials as travel costs or even long-distance telephone calls. Even as thus limited, however, we confidently believe that the offers of proof demonstrate the overwhelming merit of claimant's case and the absolute necessity for a full and fair hearing.

We would like to repeat the request, made in our petition for rehearing of June 27, 1958, that the Commission appoint an outside hearing examiner of undisputed stature such as Supreme Court Justice Stanley Reed, Supreme Court Justice Sherman Minton, Supreme Court Justice Harold Burton, Court of Appeals Judge Learned Hand or one of the many other outstanding jurists who would undoubtedly be willing to undertake the chore of such a hearing. Because of the hostility of the Commission, and particularly of its chairman, to claimant Hammond's case and to Congressman ASHLEY who befriended Hammond, it would seem particularly advisable that an independent third party be brought into the case at this point.

The Commission's order of October 1, 1958 states that "the hearing will be public or private as the claimant may elect." Claimant elects public.

Sincerely yours,

JOSEPH L. RAUH, Jr.

MEMORANDUM (FCSC CLAIM NO. K-251435)

I. JURISDICTION

The Commission's order of October 1, 1958, addressed to claimant's petition for rehearing of June 27, 1958, states "that hearing be and is hereby granted for the purpose of reexamination of the question as to what jurisdiction, if any, the Commission may continue to have in the matter." In the Chairman's letter of November 18, 1958, there is a further reference "to the important question of jurisdiction" and a statement that the Commission was looking forward to our brief on this point.

Claimant's counsel is at a total loss as to just what the Commission desires in the way of a brief on the question of jurisdiction. Claimant's counsel states in all sincerity that he sees no legal problem whatever concerning the Commission's jurisdiction to right the incredible injustices done in this case.

Claimant's position on the issue of jurisdiction was stated in his letter to the Commission, dated October 24, 1958, as follows:

"Has any question been raised concerning the Commission's jurisdiction in this matter and, if so, what is the question and by whom was it raised? Since the Commission obviously had jurisdiction over this matter, and since nothing appears anywhere in the record that would have caused the Commission to lose jurisdiction, we do not understand that any substantial question of jurisdiction is involved in this matter. If what the Commission has in mind is whether the claimant has pressed his claim with due diligence, we most respectfully assert that Mr. Hammond had been unusually aggressive in presenting this matter, and, furthermore, due diligence is not a jurisdictional issue anyway. In view of our repeated efforts over the years to obtain a reconsideration of this case, it is hard to think of any jurisdictional problem that could presently arise."

At the oral discussion on November 6, 1958, claimant's counsel made the identical point. No clear statement as to who was raising the issue of jurisdiction or how the Commission could possibly have lost the jurisdiction which it once admittedly had, was ever given in response to counsel's request. Since we know of no authority, precedents, or reasons depriving the Commission of jurisdiction of claimant's case, we are at a loss to file a brief on this point and can do no more than once again to restate the facts demonstrating this Commission's jurisdiction.

On December 23, 1955, the Commission handed down its decision adverse to claimant. On January 4, 1956, the undersigned, having been retained by Hammond, petitioned the Commission for a rehearing. On January 9, 1956, the rehearing was denied on the ground that a year had elapsed since the filing of Hammond's claim and this resulted in a "want of jurisdiction by the Commission pursuant to section 6(e)(5) of the War Claims Act of 1948." On April 12, 1956, the undersigned filed a second petition for rehearing, calling to the attention of the Commission certain cases wherein reconsideration was given to claims more than a year after they had been filed. On April 26, 1956, the Commission admitted its error on the 1-year cutoff date on which ground the first petition for rehearing had been denied, but denied the second petition for rehearing on the ground that the Commission's "rules do not provide for rehearings." This latter point was not only irrelevant since the Commission's rules did not prevent the Commission from holding rehearings under general principles of administrative law, but was in direct conflict with the testimony of the Commission Chairman on June 7, 1954, in hearings on the War Claims Act Amendments of 1954, that "under our present regulations there are a whole series of rehearings, and reviews before the Commission itself * * *

within the agency itself there are all kinds of chances to get another bite at the apple." Hearings Before a Subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives (83d Cong., 2d sess., p. 36). In its April 26, 1956, letter, the Commission, apparently recognizing the weakness of its answer that its rules do not provide for rehearings, stated that it would reexamine the claim and notify the claimant if any change in result were indicated. No notification, favorable or unfavorable, was ever forthcoming.

On November 22, 1957, the undersigned consulted Chairman Gilliland concerning the possibilities of a rehearing and the Chairman clearly intimated that a rehearing would be forthcoming, particularly if the independent investigation of the facts then being conducted by Mr. William Peters of Redbook magazine supported Hammond's story. On May 8, 1958, after the publication of Peters' article in Redbook completely substantiating Hammond's story, a third petition for rehearing was filed. This was rejected in a letter from Chairman Gilliland dated May 20, 1958, apparently on the ground that an insufficient case had been made out for the rehearing. That third petition for rehearing had been extremely abbreviated and informal because counsel had been led to believe that there would be no difficulty in obtaining the rehearing if the Redbook article sustained Hammond, as it did. A fourth detailed petition for rehearing was filed on June 27, 1958, to present the full case to the Commission. On October 1, 1958, the Commission entered an order granting the petition for rehearing at least in part.

This brief review of the facts makes abundantly clear that the Commission had jurisdiction and that claimant has done nothing to cause the Commission to lose jurisdiction. We cannot believe that any administrative agency would assert that claimant should be denied his rights because the Commission took, or omitted, some unspecified action which it now asserts to be the cause of losing jurisdiction without any fault on the part of claimant.

Claimant has been diligent in urging his rights. There can be no possible claim of laches against him and none has ever been asserted by the Commission. Nor is laches in any sense a jurisdictional issue.

The issue before the Commission is not whether Congress will appropriate funds to pay claimant his claim or to reimburse him for the additional wrong which this Commission has done to him; the issue is whether the Commission will hear the claimant and clear him of its finding that he was a collaborator and thus a traitor. One would have thought that the Commission would be anxious on its own accord to grant claimant a fair hearing before an impartial examiner; certainly one hopes and believes that it will do so now at the behest of a loyal American citizen so long and so wrongfully branded as disloyal.

We respectfully suggest that the editors of Redbook magazine were correct when they pointed out that "the actions of an official Government body in this (Hammond) case, we feel, constitute a serious abuse of individual rights and demonstrate the need for safeguards against the kind of procedure by which Joseph Hammond was deprived both of the compensation due him as an American prisoner of war, and of his good reputation." We respectfully urge the Commission to come forward now and provide those safeguards itself by presenting the case to an independent examiner and letting the chips fall where they may.

II. OFFERS OF PROOF

1. Claimant offers to prove through William Peters, the only man who has ever made a thorough, independent, and impartial study of Joseph Hammond's case, that Hammond never gave aid to or collaborated with or in any manner served the enemy. On the contrary, claimant offers to prove through said Peters that claimant suffered incredible hardships from the enemy precisely because he would not "go along" with his captors. As to times, places, and details of what will be proved through said Peters, we submit his article in the April 1958 Redbook magazine and offer to prove through his testimony each and every statement therein. We also offer to prove through said Peters, and as corroboration of his testimony, that the Chairman of the Commission in effect conceded the truth of the article by refusing the opportunity offered to him to comment upon it.

2. We offer to prove, through Major, now Colonel, John McLaughlin, that the article tendered in paragraph 1 above is true and correct in all material respects. We offer to prove through Colonel McLaughlin (and the editors of Redbook magazine) that the article was shown to him prior to publication and that he informed the editors that he could detect no departure from the truth of what actually occurred. We offer to prove further, through Colonel, then Major, McLaughlin, that he was the senior officer in the prison camp at the time of the events in which the Commission seems so interested and supported the men in their various pretenses at indoctrination and "going along." A possible further officer who might be helpful in this connection, but whose whereabouts we have not yet obtained, is Capt. William Sinapan.

3. We offer to prove, through Derek Kinne, the incredible hardships of Joseph Hammond during his captivity. Kinne, a British soldier captured in Korea, has written a book about the tortures, beatings, and inhuman privations that ensued during his years as a prisoner. Kinne tells in his book how the end of the long road of unbelievable horror for himself was being placed in a wooden box. Then he continues (p. 160):

"With my gradual recovery from the beatings and the comparative inattention of the guards, I began to take more notice of my surroundings. After long hours of peering through knot-holes in the door and peeping out of the latrine, I discovered the whereabouts of three other prisoners, also in solitary confinement. With one of them, I established communication by finding a note from him in the latrine. His name was Joe Hammond."

The name of the book is "The Wooden Boxes" by Derek Kinne, published by Frederick Muller Ltd., London, and is available at the Congressional Library. Kinne's book evidences nothing but hatred of collaborators and informants and yet he has only kind words for both Hammond and Conte, Hammond's closest friend. Describing Conte's group, Kinne has this to say of them (p. 79):

"Men who had not been inside the camp 5 minutes before they were planning to resist our common enemies, our captors, by one means or another. Some were NCO's; some were not. All were men of outstanding courage and determination; men whose love of the way of life they believed in was sufficient to take them to the furthermost ends of the road of resistance and suffering."

4. We offer to prove, through the Commission's own records and by interrogatories and requests for admissions, (i) that the Commission has awarded full POW compensation to scores, if not hundreds, of other POW's charged with the same items of derogatory information as Hammond (such as contributing to the camp newspaper, signing the peace appeal, etc.), and (ii) to others, such as a Colonel Fleming (convicted by court martial), who had actually collaborated with the enemy, while Hammond did not collaborate and received an honorable discharge. We further offer to prove from the Commission's own records that, while a substantial number of claims were initially denied by the Commission, by this time practically all claims have been paid and that the sole reason for the failure of the Commission to reverse itself on Hammond's claim is the hostility which has developed to this case by virtue of friendly congressional interest therein.

5. We offer to prove, through the Commission's own records and by interrogatories and requests for admissions, that the Commission had at one time the policy of making partial awards where the claimant had suffered greatly during a substantial part of his captivity, but that this policy was revised in favor of awarding POW benefits for the entire period in such cases, and further that, pursuant to this change in policy, the earlier partial grants were amended into payments in full.

6. We offer to corroborate the offers of proof in paragraphs 4 and 5 through the testimony of Andrew J. McGuire, General Counsel, and Joseph H. DeWitt, Executive Director, of the Commission.

7. We offer to prove, through Eugene Kinkead, author of "In Every War But One," that one in seven of those taken prisoner in Korea was guilty of serious collaboration. Taken together with the offers of proof in paragraphs 4, 5, and 6, above, we offer to prove that the singling out of Hammond's case for denial was arbitrary, capricious, and unconstitutional.

8. We offer to prove, through claimant and his closest army friend, Salvatore Conte, that (i) claimant was not a collaborator during the very short period of time that the Commission asserts he was (less than 10 percent of the total time he was a prisoner); and (ii) claimant was subject to inhuman treatment for substantially his entire captivity and that this treatment all but cost him his life.

9. We offer to prove, through claimant and Conte, that each and every item relied upon by the Commission (Christmas Party, U.S.S.A., Peace Appeal, and New Life) were either intended as jibes at the Chinese, were changed by the Chinese without claimant's consent, or were done by him out of genuine fear for his life. In particular, we offer to prove, through claimant, Conte and McLaughlin, that the so-called Peace Appeal was signed by all prisoners with the support of Major McLaughlin and that claimant's chairmanship of the committee, which apparently is at the root of all his trouble, was due to the following absurd circumstance:

"In the fifth week of indoctrination • • • two men from each squad met to elect a central committee to draft the appeal, which the Chinese were promoting as a 'final examination.' Hammond was elected to the committee. At the committee's insistence the senior American officer served as an adviser. The group met only twice. When the Chinese demanded the election of a chairman, each member nominated the man on his right; then each nominee withdrew in order. Hammond, nominated last, withdrew last; but the Chinese insisted he serve."

10. We offer to prove, through claimant, and the prosecutor and the defense attorney at the trial of Sgt. William H. Olson that claimant was persuaded by the prosecutor to give testimony, in an effort to obtain a conviction of Olson, which painted a picture of claimant's activities wholly at variance with the total picture. We offer to prove that claimant's efforts to carry out what he had been persuaded was his patriotic duty and to testify for the prosecution by stretching everything to help the Government and never explaining or justifying his actions has now been used by the Commission to support its unwarranted denial of his claim.

11. We offer to prove, through Gus Dunis, who was in the same squad with claimant at Kangee, that claimant tried and did talk the Chinese into medical care for the sick and wounded when no one else did; that, while the young prisoners of war fought among themselves, Hammond tried and succeeded in holding them together; that a lot of the prisoners would have died if it had not been for Hammond; that Hammond cried all night because the Chinese wanted him to do something that Hammond felt would be an act against his country and that when the Communists kept the pressure up, Hammond got mad and said that they could shoot him but he would not do it. We offer to corroborate, through Gus Dunis, the material in paragraphs 8 and 9 above.

12. We offer to corroborate all of the above through one or more of the following or others: Captain Harrison, William R. Knipple, Ray Hikida, D. C. Richards (praised by Kinne as part of Conte's group), Herman Whalen.

III. CONCLUSION

It is respectfully submitted that, in accordance with the order of October 1, 1958, the hearing be set on 4 weeks' notice before an independent examiner.

Respectfully submitted,

JOSEPH L. RAUH, Jr.

AMENDMENT TO NATIONAL DEFENSE EDUCATION ACT OF 1958

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, I have introduced today an amendment to the National Defense Education Act of 1958 to prevent the exploitation of one part of this program by the Soviet Union, and I ask unanimous consent to revise and extend my remarks on this subject.

The National Defense Education Act of 1958 authorizes $280 million in Federal grants for the purchase of scientific equipment by schools and junior colleges. This program is now getting underway. To coincide with this development, the Soviet Union has started exporting Russian-made scientific equipment to our country for use on the secondary school and junior college level. The equipment is priced so low as to force itself upon the attention of our school people. For even with the 40-percent duty which applies to most of this equipment, this Soviet scientific equipment is priced to sell here at one-quarter or one-fifth the price of comparable American products.

There is no question of meeting price competition in this situation. It is obvious that the Soviets have priced this equipment for political and propaganda purposes. Their goal clearly is to flood our schools with Soviet scientific equipment and so create a great impression among our school-age youth. What a propaganda target this is for the Soviets, to have American youth receive science training with Soviet equipment.

In addition to its propaganda goal, this latest maneuver by the Soviet Union ranks as another of its schemes to damage another segment of our economy by usurping the market. These hit-and-run economic tactics are forming a clear pattern of Soviet strategy in the economic war it has declared against us. Profit and loss considerations are of no concern to the Soviets on products which they select as weapons in their economic warfare. The political, propaganda, and economic advantages justify any cost in the Soviet system.

I believe we should recognize these tactics for what they are and meet them head-on. I do not believe that we should aid and abet these Soviet maneuvers by appropriating Federal funds for the purchase of these politically priced goods. Therefore, I have introduced a bill today to prohibit the purchase of this Soviet scientific equipment with grants made from funds appropriated for the National Defense Education Act of 1958. This is a matter which commands the attention and concern of all of us.

CREDIT UNION LEGISLATION, H.R. 3674 AND 3675

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the entire year of 1959 has been designated Anniversary Year by the international credit union movement, which is now serving more than 12½ million people throughout the United States and many other parts of the world. I would like to call attention to the credit union movement's remarkable record of achievements during the past half century. By fulfilling the twofold objectives of teaching people the real meaning of thrift and by making available a low-cost source of personal credit, it has helped people of all areas of the world, and of all races, colors and creeds, to help themselves to a greater share of financial independence and economic security.

As one part of this year's Anniversary Year celebration, the credit union movement is celebrating the 25th anniversary of the first Federal Credit Union Act, which was enacted on June 26, 1934. This act has enabled millions of Americans, from Alaska to the Canal Zone and from Maine to Hawaii, to join together in credit unions to save and to provide each other with a constant and convenient source of low-cost credit.

One of the most amazing facts about this activity is that the Bureau of Federal Credit Unions, which charters and supervises the Federal credit unions, is completely self-supporting, obtaining its income from supervision fees paid by the Federal credit unions.

The other anniversaries that will be celebrated by the credit union movement during 1959 are the 50th anniversary of the first credit union in the United States, the 50th anniversary of the first State credit union law in the United States, and the 25th birthday of the Credit Union National Association (CUNA), the nonprofit voluntary organization of the more than 25,000 credit unions operating in the world today.

The first credit union in the United States was organized in Manchester, N.H., in 1909, by a Canadian legislative reporter, Alphonse Desjardins, who brought the credit union idea to this continent in 1900 when he organized a credit union in Levis, Quebec. Desjardins had picked up the idea from Europe where it was first developed by a German, Friedrich Wilhelm Raiffeisen, and carried throughout Europe by people of other nationalities. This international flavor of the credit union idea is being furthered today by CUNA, as it promotes the development of credit unions and the democratic idea of self-help through cooperation throughout such underdeveloped areas as the Fiji Islands, southeast Asia, Africa, and South America. This work has made many friends for the United States in these areas, and has given some of these people their first teachings in our democratic way of life.

The first credit union law in the United States was passed in the State of Massachusetts in 1909, largely because of the efforts of two great Americans, Pierre Jay, then banking commissioner of Massachusetts, and Edward A. Filene, a prominent Boston merchant and philanthropist, who first saw in credit unions a method by which people of small means could gain a larger share of control over their own economic destinies.

Today half of the credit unions in this country are federally chartered. There are almost 10,000 of them and they serve more than 5 million of our citizens.

Operating on the theory that an individual's most valuable asset is his character, these Federal credit unions have marked up an outstanding record in the field of personal finance. During the past 25 years, less than one-fifth of 1 percent of the millions of dollars they have loaned has not been repaid by their members—a record that any financial institution would be proud of.

Although the Federal Credit Union Act has proven to be a remarkably effective instrument during the 25 years of its existence, it has not kept pace in many respects with the changes in our economy and the evolving needs of credit unions and their members which have arisen during this period. In view of that situation our distingiushed colleague from Montana [Mr. ANDERSON] introduced H.R. 12819 in the last Congress. I introduced H.R. 12877 and H.R. 13871 in the last Congress.

These bills have received wide publicity resulting in much attention being given to this important subject matter.

As a result, both Representative ANDERSON and I have received considerable correspondence with reference thereto.

During the recess and since the convening of this Congress, we have had the opportunity to meet and consult with many persons and association representatives familiar with the operations of credit unions.

After many months of independent research and close consultation, on January 29, 1959, I introduced a bill—H.R. 3674—designed to modernize and recodify the act. Congressman ANDERSON of Montana, who has long been a student of credit unions, on the same day, introduced an identical bill—H.R. 3675. Both bills are being supported by the Credit Union National Association and by credit unions throughout the country.

We invite our colleagues to join us in urging enactment of this important and worthwhile legislation.

I am pleased to set forth here a copy of the letter sent to me by the Credit Union National Association, Inc., the original of which was sent to our distinguished chairman of the Banking and Currency Committee, Mr. SPENCE, which reads as follows:

CREDIT UNION NATIONAL ASSOCIATION, INC.,
Madison, Wis., February 19, 1959.

Hon. BRENT SPENCE,
Chairman, House Banking and Currency Committee, House Office Building, Washington, D.C.

DEAR MR. SPENCE: On January 29, bills were introduced by Congressman MULTER (H.R. 3674) and Congressman ANDERSON (H.R. 3675) which are identical in all respects and propose a number of amendments designed to modernize and recodify the Federal Credit Union Act. These bills are supported by the Credit Union National Association, which represents the organized credit union movement.

As you know, we are this year celebrating the 25th anniversary of passage of the Federal Credit Union Act. Although credit unions have made a remarkable record of achievement, the law under which they function has not undergone a major revision during this time. The amendments contained in the Multer and Anderson bills are designed to allow Federal credit unions to serve the evolving thrift and credit needs of their more than 5 million members in a more effective manner.

Therefore, on behalf of the approximately 9,000 Federal credit unions and their members, we respectfully request that your committee consider these bills at the earliest possible convenience. We also request the opportunity to submit a statement and appear before your committee at that time. If possible, we would appreciate your advising us as to the approximate date when the Banking and Currency Committee could consider the proposed legislation.

We regret that we did not have the opportunity to honor you in person at our congressional dinner in Washington on February 4, as 1 of the 28 present Members of Congress who were instrumental in passing the original Federal Credit Union Act in 1934. However, we are grateful for your continuing interest in and contribution to the credit union movement through the years.

Sincerely yours,

H. VANCE AUSTIN,
Managing Director.

ADDITIONAL FUNDS NEEDED FOR SCHOOL MILK PROGRAM

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I know my colleagues whose schools in their States are facing the same problem as the public schools in my State of California, that is, the lack of funds to continue the special milk program in the remainder of the current school year, will be as pleased as I am that the Committee on Agriculture has favorably reported an additional $3 million authorization.

Only yesterday I appeared before this committee to urge prompt legislative action to preclude the discontinuance of this important nutritional program. The Committee on Agriculture should certainly be complimented on its prompt action to supplement the annual appropriation of $75 million.

Mr. Speaker, under Public Law 85-478, the special milk program was extended for 3 years, from July 1, 1958 to June 30, 1961 with an annual authorization of $75 million. The success of this program has meant that this authorization is not sufficient; therefore, I respectfully urge my colleagues to give support to legislation to increase this annual appropriation. There are several bills, differing in amounts, which propose to increase the funds for this program. It is my hope that Congress will authorize sufficient funds in order to allay in the future the emergency or crisis situation which we are now facing.

This year's emergency situation has been created by the fact that the special milk program has been well received, thus resulting in expenditures equaling the fund allotments granted to the States. For example, more than 30 States, including my State of California, are faced with the problem of insufficient funds—from relatively small amounts to large amounts—to meet the estimated needs for fiscal 1959. Thus there is an urgency to meet these adjusted requirements, based on total apportionment of funds as against estimated needs, by offering a supplemental appropriation. The simple issue is, will the Congress make sure that no child will be forced to do without milk at the lunch hour? In my own State the program will come to an end by early May if additional funds are not forthcoming.

I urge my colleagues to give full support to additional funds now and to authorize for the future a realistic increase above the presently inadequate $75 million annual authorization.

THE CHALLENGE OF BERLIN

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 30 minutes.

Mr. STRATTON. Mr. Speaker, I rise with some hesitation as a new Member of this body to address myself for a few moments to the very serious situation facing our Nation in the Berlin crisis. While making no pretension to being any expert either in foreign policy or in military policy matters, I believe that each Member of this body—even a freshman Member—bears a certain measure of responsibility for the safety and security of our Nation, and in a time of crisis, though none of us may have the final or complete answer, each of us has a duty to speak out on any matter that seems to us to be vital to that national safety and security.

I want to say that I share fully the views already expressed publicly by the Speaker of this House that we in this House, regardless of party, must stand solidly behind the President in his determination to meet the Berlin crisis with firmness. I have been greatly pleased to see that in responding to the Berlin crisis there has been a far greater measure of political unanimity in the Congress than there was last year in the Quemoy crisis.

But there are still several aspects of the Berlin crisis, Mr. Speaker, that have disturbed me and that I feel need to be mentioned in this House.

In the first place, I have been disturbed by the views expressed by some of our allies that we in the United States should be willing to negotiate with the Soviets, that we should not stand rigidly on our rights, but should instead embrace what has been referred to as flexibility. The President has ably presented our position on this matter on his television address Monday night; but I think it deserves to be reemphasized on this floor.

I gather from the press that the Prime Minister of Great Britain, who will arrive here in a few days, is coming with the express objective of persuading us to engage in some such flexible negotiations with the Soviets over Berlin. In fact in some quarters the impression is being given that if we refuse to bend or to compromise on this issue, then we ourselves will be responsible for any unfortunate results that may occur.

This is no doubt precisely the kind of propaganda line the Soviets would like to sell the American people and our allies. And as the May 27 deadline draws closer we may anticipate that this kind of campaign will increase.

Of course, we must stand ready at any time, as indeed we do, to negotiate with the Soviet Union over the future of Germany. But let us first be crystal clear just what it is we are prepared to negotiate about, just which matters are properly subject to compromise, and which ones, on the other hand, can never be compromised no matter how crudely the Soviet dictator may threaten us.

The Soviet dictator has announced that he plans to renounce the series of wartime and postwar commitments under which the nations of the West are today in Berlin. He has said he will do this on May 27 this year, and he has said he intends to do it on his own initiative whether we like it or not. If we like, we are invited to negotiate a new Berlin settlement with him to replace the one he is discarding. If we do not like, then he will go ahead with his own plans anyway.

Mr. Speaker, this would be gunpoint diplomacy, negotiating with a pistol in our ribs. One principle which we can never retreat from, as the President made clear Monday night, is the principle that existing international commitments to which great nations are parties, in this case vital wartime and postwar agreements which followed upon the successful conclusion of World War II in Europe, can never be terminated

unilaterally. For us ever to agree that Mr. Khrushchev or anyone else has the right to wipe out such agreements completely on his own, whenever it pleases him, would be to renounce our rights and objectives as a sovereign nation.

This, Mr. Speaker, is what is first and foremost at issue in the Berlin crisis, and why it is so important that we in this country—as well as our allies—must stand firm, as the President has said.

We can no more sit idly by in 1959 and let the Communists discard the understandings that brought an end to the European war, than we could sit idly by and let them discard by military aggression, as they tried to do in Korea in 1950, the agreements that ended World War II in the Pacific. To let the Communists tear up these agreements on their own initiative would have spelled the end for any system of international law or understanding. President Truman saw clearly what was at issue back in 1950, and the Nation sent troops to Korea to defend our basic right. In my judgment, we are faced with precisely the same situation today in Berlin, and we must be prepared to do no less to protect ourselves. President Eisenhower, like President Truman before, has clearly recognized the nature of this threat and so, too, have the leaders of this Congress. But have our allies fully understood? And do the American people fully realize just what it is that makes Berlin so important and why, even at the risk of war, we must stand firm on that faraway city?

If Mr. Khrushchev really wants to negotiate about Germany or Berlin, of course, we ought to negotiate with him. But we ought not to sit down across the table from him until he is first willing to demonstrate his good faith by publicly subscribing to the principle that no power has the right to tear up the Berlin agreements until all of the powers who first negotiated them are willing to accept the changes. If Mr. Khrushchev will accept this principle in advance, then perhaps we can have a useful and satisfactory discussion of the whole German question. If not, we would be wasting our time even to talk. What assurance would we have that any new agreement would last any longer than the present one?

And so I suggest, Mr. Speaker, that as a result of the Camp David conferences, the President persuade Mr. Macmillan, who will arrive in Washington tomorrow, to join with him in making this essential, forthright, and positive proposal to Mr. Khrushchev. I suggest that they join in challenging Mr. Khrushchev, as a condition for any negotiations in Berlin, to agree that the understanding under which we are presently in Berlin shall be altered only by agreement of all the participating powers.

But there is a second matter that disturbs me, Mr. Speaker, and that is whether we as a country are prepared militarily and psychologically to meet any consequences that may follow from our decision. Let us make no mistake about it. President Eisenhower and Gen. Maxwell Taylor have both indicated clearly that it is possible our decision at Berlin might result in war, even nuclear war, if the Russians go through with their announced plans. If we are to run the risk of nuclear war, can we at least fail to do everything that needs to be done to be fully and completely prepared? Only 2 months remain before the Soviet ultimatum runs out, and yet there seems to be little evidence around us of a real sense of urgency in the mobilization of our military power. Can we really face the threat of nuclear war so casually? Can we really move into such a fundamental crisis, where so much is at stake, and still keep on reducing the size of our Army and our Marines? Can we really move into this kind of military crisis on the Continent of Europe and at the same time suggest that our ground forces stationed there are virtually worthless, as was done the other day at the President's press conference? Can we really expect to alert the American people to what might lie ahead by referring to sober efforts to strengthen our defenses as mere hysteria?

We were unprepared when Pearl Harbor hit. We were woefully unprepared again when Korea broke out. Can we be so certain then that we have really done all that needs to be done to be ready for May 27? Only the other day Gen. Lauris Norstad, our NATO commander in Europe, asked the Pentagon to rush troop reinforcements and new tanks to Europe to bolster his forces in the face of the Berlin crisis. Adm. Arleigh Burke has just told the Preparedness Subcommittee of the other body that if the Berlin crisis continues to get worse the United States would have to expand its Armed Forces, perhaps within a month. Indeed our whole strategy in Berlin is based on the principle that we must convince the Soviets of our determination to stand by our commitments as firmly as we have said we will stand. But how can we possibly convince them if we are unwilling to provide all the military might our experts tell us is needed to do the job?

President Eisenhower has now made it clear that he would not shrink from resorting even to nuclear weapons in the Berlin situation if that course becomes necessary, and I for one would support him if he felt that decision were necessary. But I am disturbed, Mr. Speaker, by indications that the President has already ruled out any other possible form of military reaction. Can we really put all of our eggs in one basket? Can we really go along with the President in maintaining that ground forces have no useful purpose in the Berlin situation? I do not think that General Taylor believes that and I do not think the Members of this House believe it either. Surely we cannot deliberately refrain from using any possible type of military response or retaliation in defense of our position in Berlin.

I have today introduced a resolution to place this Congress on record in support of the President of the United States in his decision to stand firm in Berlin and to resist as fully as he indicated the other night on television he intended to do any decision by the Soviet Union to overthrow on its own initiative the post-war and wartime agreements which underlie our presence in Berlin. My resolution would also call upon the administration, as the first step in preparing our country for what might occur in Berlin, to suspend scheduled force cuts until the Berlin crisis has passed. Third, my resolution would call on the President to reinforce the garrisons overseas with such troops as might be deemed needed by our military leaders, and fourth, it would urge the adoption by this Congress of policies designed to move toward closing the serious missile and antisubmarine gaps that now exist between this country and the U.S.S.R.

During the Easter recess several members of the Committee on Armed Services have been asked by the chairman to visit Berlin and report back on the State of our combat readiness there. As a member of this group I look forward to the opportunity to assure myself that we are in fact doing everything possible, as I believe we must, to be prepared along the lines I have suggested here. I hope to be able to report further on this subject to the House when we return.

This is not a program of hysteria. It is a program offered solemnly in the hope that we as a Nation may not only continue to stand together in this crisis as we have been standing together in the past, but that we may also face up frankly and realistically to the possible consequences of that decision. Only in this way can we be certain of success.

The challenge which faces every one of us today is a challenge to which we cannot fail to respond, and respond quickly. In the words of Winston Churchill for another hour:

> Let us then to the battle, to the toil, and to the task, each in his own way, each to his own station. Let us move forward together. There is not a week, not a day, not a moment to be lost.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I am happy to yield to my distinguished colleague from New York.

Mr. O'BRIEN of New York. I would like to compliment the gentleman from New York on a very fine and very thoughtful statement.

I think he was overly modest when he said he does not pretend to be an expert either on foreign policy or military policy matters. I happen to know of my own knowledge that the gentleman was a great student of both of those matters before he came to Congress in January of this year.

I was particularly impressed by the gentleman's call for solid support of the President in this moment of crisis, a support which also, as he says, has been urged upon us by the distinguished Speaker of this House and other eminent Americans. I think we will all agree that when the gentleman suggested that we should do certain things to be ready for that crisis he was speaking in a strictly nonpartisan way.

If the gentleman will permit me to say it, I think the fine example of nonpartisanship he has displayed here today and which has been expressed so often by the Speaker of this House might be

extended a bit further. I think it might be an excellent idea in these particular times if we had a complete political moratorium in this country upon such grave matters. I do not suggest that the moratorium be a one-way street. We are standing behind the President. I think the President and his advisers and the members of his party might well consider that when suggestions are made by Members of Congress for a stronger defense they are not intended to be and should not be political. I should like to see this two-way street extended a bit further in this moment of crisis, and see the President of the United States without regard to party or politics summon to his side some of the distinguished leaders of this country of another party who led us through past crises.

Again I congratulate the gentleman from New York upon an excellent statement.

Mr. STRATTON. I thank the gentleman from New York for his very generous remarks and for his statement. Certainly when he refers to nonpartisanship, the way in which he was instrumental in bringing the Hawaiian statehood bill through the House was an outstanding example of nonpartisanship.

I think the gentleman has made a very significant point, one that I think needs to be emphasized. I agree with the gentleman that we should be nonpartisan in this matter. I am delighted that the gentleman has reemphasized the point that when some of us take the well of this House or take the floor of the other body to make suggestions with regard to strengthening our military procedure that ought not to be considered as a partisan action. Certainly when even our top military leaders disagree on matters of this type, nobody can ever be absolutely sure that he has the final answer.

Mr. DADDARIO. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Connecticut.

Mr. DADDARIO. I also wish to commend the gentleman from New York on the sober, serious, and objective analysis he has made of one of the most serious problems that has affected this Nation for some considerable period of time. May I ask the gentleman, in connection the strengthening of the Reserve and the tightening up of the forces which we must call on, if he is also referring to the strengthening of the Reserve and the National Guard, and doing away with the tendency that there seems to be to diminish the utilization of these units and the effort to prepare them so that they may be used in the event that this emergency becomes more serious than it now is.

Mr. STRATTON. I would say to the gentleman that certainly this is the kind of thing that is contemplated in my resolution. I have not specifically included the Reserve forces, but I would certainly feel that scheduled cuts in our Reserve components at this time are exceedingly dangerous, just as are cuts in our active duty forces.

Mr. DADDARIO. I also wish to ask if in your statement and in your resolution, where you are referring to the agreements already made, do you not feel that there now exists between this country and the other allies who were successful in World War II an agreement which will continue and which should continue without any question or doubt until Germany is completely unified by a plebiscite, and by no other means short of that?

Mr. STRATTON. The gentleman has stated exactly my position, that the agreements under which we terminated the fighting ought certainly to be continued until there is agreement on some further settlement as to the future of Germany. Certainly, no one country ought to have the right to throw this out on its own. That is the real principle involved in Berlin, as I see it.

Mr. DADDARIO. And if we take the London Conference and the agreements made at Potsdam and Yalta, they certainly give us the basic understanding of this whole problem, and anything else is a sideshow to divert us from the main effort and from the main show which is before the world today.

Mr. STRATTON. I agree completely with the gentleman from Connecticut.

Mr. BECKER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to my distinguished friend, the gentleman from New York and my colleague on the Committee on Armed Services.

Mr. BECKER. I thank my friend. There is one comment I would like to make in respect to what my distinguished colleague from New York [Mr. O'BRIEN] said. We have been friends for a great many years. I think his statement as to getting away from partisanship on the matter of the Berlin crisis and the aid program is a very laudable one. Unfortunately, as I will say in my remarks following the gentleman who now has the floor, it has not been other than partisan for the past 2½ months. I might say to the gentleman from New York that we have heard since January 1 the most bitter attacks made on the President of the United States and his defense policies all during these past months by members of the Democratic Party, both in the party and in the other body. I think when we come to a crisis of this nature, and I shall detail these remarks in my statement that I am going to make, I think it is fine that we recognize that some day when it comes to our military posture and our defense we should set aside our partisanship. I believe in that firmly, but I cannot sit here idly and let this attack go on for 2½ months without today answering a part of this attack and reviewing the record of some of the past history of the lack of defense policy in these past years that have brought about this crisis.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to my colleague.

Mr. O'BRIEN of New York. The gentleman from New York has mentioned my silence during the last 2½ months.

Mr. BECKER. I beg the gentleman's pardon, I did not mean the gentleman directly, but I meant the Democrats and the Democratic Party; the gentleman knows that.

Mr. O'BRIEN of New York. I might say: Better late than never. If any member of my party is quarreling with the President of the United States on defense matters for political reasons, I disassociate myself from that member of my party. I do not condone it any more than I condone the vicious attacks which were made upon a former President of the United States when he was carrying the burden of some of the past crises of this country. I say, let us stop gnawing over old bones and have a fresh, bipartisan approach to this whole matter.

Mr. STRATTON. I thank my colleague from New York for that statement.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I am glad to yield to our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. I was rather interested and somewhat amused, but particularly was I interested, in listening to the remarks of the gentleman from New York [Mr. BECKER], the acting minority leader, in relation to politics. The gentleman from New York is the one who injected politics and a political note into this discussion. And when I say the gentleman from New York, I mean the gentleman on the Republican side. The gentleman from New York on the Republican side, I think, fails to evaluate the significance of the situation in the Congress of the United States and in the country. In Great Britain, the Labor Party is attacking the party in control, favoring some form of disengagement or coexistence. You do not find that situation here in the United States. Here you find the Democratic leadership and the Democratic Party solidly supporting the President as far as the President goes—and that means there is complete unity. But, the Democratic Party says that we do not think the President goes far enough. So, looking at these problems from an overall point of view and comparing our situation here in the United States with conditions in other countries, as I have pointed out, you see that the Democratic Party is certainly showing its leadership on a nonpartisan basis and giving the President of the United States bipartisan support.

We say that we are for you, Mr. President, but we are for something more; we are for plus something.

Last year the Members of Congress, and this was done by both parties, I am sure—I do not know how the gentleman from New York [Mr. BECKER] voted, but I am sure he voted for it—we put into the bill about $900 million more than the President recommended to keep our Army at 900,000 officers and men and to keep a Marine Corps of 200,000 officers and men.

Mr. BECKER. It was $90 million to keep the additional 30,000 men.

Mr. McCORMACK. Just a minute; we put in a little over $900 million for greater national defense. That included keeping the Army at 900,000 men and the Marine Corps at 200,000,

with 4 more submarines of the *Polaris* type; and it provided for some additional airplanes.

That was done, as I remember, by Members on both sides of the aisle; and if my memory serves me right, I think the gentleman from New York [Mr. BECKER] voted for it. I would be surprised, knowing that he stands for strength in national defense, if he were to tell me he did not vote for it.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman.

Mr. RHODES of Arizona. I cannot help but remember—of course, I was not a Member at the time, but the distinguished majority leader was—in the Republican 80th Congress when a President of the party of the gentleman from Massachusetts was loath to ask for what Congress believed was enough in the way of air strength. If one can believe the newspapers, the Republican 80th Congress at that time voted much more money than the President asked for and in fact practically instructed him to establish a certain number of wings of air strength.

My only point is that if what the gentleman from Massachusetts is saying is what I think he is saying it means that the Congress has the authority to ask the President to increase the strength of the Armed Forces, and it cuts both ways.

Mr. McCORMACK. I remember the incident to which the gentleman refers. I was for the stronger Air Force.

There was also involved the freezing of a million dollars by our Secretary of Defense. I opposed that. So there is no politics involved in that. Those on the Republican side and those of us on the Democratic side who believe that there should be greater defense supported it. Certainly nobody accused the Republicans of playing politics at that time. I remember it well, as I said, because I was for the greater defense.

Now, when we Democrats are for greater defense—and, of course, I was not referring to the gentleman from Arizona, but was referring to my other friend, the gentleman from New York [Mr. BECKER], who injected the political note—when we Democrats urge stronger defense they accuse us of playing politics.

The gentleman from New York [Mr. BECKER] who intends to make a speech probably will leave himself wide open to being accused of being incapable of objectively evaluating the true situation as it exists.

I have not the furthest thought in the world of politics; I am concerned with the preservation of this country; I am concerned with the next generation of Americans; I am concerned with these youngsters that I see frequently in the corridors and on the streets; and I am concerned with those who will come after me. My life is pretty well over. I hope the good Lord permits me to remain quite a few years longer, but I have taken the major part of the journey of life, and I am concerned with the kind of life the next generation is going to live. Their life is being decided today. The kind of world they are going to live in is dependent on the soundness of the judgment of those in positions of responsibility here and on how courageous they are in carrying out their policies.

One thing is certain—I have said it throughout the years, and I am going to continue to say it—that if I err in judgment with the world in the situation it is in today, if I err in judgment on the question of military preparedness, I would rather err on the side of strength than on the side of weakness; and I do not think I am playing politics now.

As a matter of fact, from a political angle I am taking probably a position that is not wise politically, as I have done so many times in the past. For example, in the extension of the Selective Service Act which passed this body by 1 vote, when only 21 Republicans voted for it, I did not accuse those Republicans who voted against it of playing politics. I have said repeatedly that they are just as good Americans as I am. But I wonder if they had won and Selective Service had been defeated, with Pearl Harbor happening 3 months later, how they would have felt? If I were one of those who voted against the Selective Service Act and it was defeated and then with Pearl Harbor happening 3 months later, and my Government's existence was affected as a result of my vote, I would be the most disgraced person in the world. I do not know what I would do to try to escape that being upon my conscience. So, when the gentleman from New York [Mr. BECKER] injects the question of politics he is just talking wildly and recklessly, he is making statements that are not consistent, in fact are inconsistent with the truth, and as a Republican and with a Republican in the White House he should not make statements of that kind.

Before I conclude, Mr. Speaker, may I just add this further word: I desire to commend the gentleman from New York [Mr. STRATTON] for the very fine, ringing American statement which he has made here this afternoon on the floor, and which has stimulated this discussion.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York.

Mr. O'BRIEN of New York. I wonder if we might get back on the original track. The gentleman from New York [Mr. STRATTON], who spoke originally on this subject said, as I recall it, that he and the rest of us were supporting the President of the United States in the Berlin crisis?

Mr. STRATTON. That is correct.

Mr. O'BRIEN of New York. That certainly is not political. Then he suggested or advanced his own ideas for improving our defense posture. I do not think that is political. I may add that if the President of the United States disagrees with the gentleman from New York [Mr. STRATTON], I will not think that disagreement is political either. I think we ought to sponge out this whole politics matter and start anew as a united people, and an intelligent people.

Mr. STRATTON. I thank the gentleman from New York [Mr. O'BRIEN] for his statement. I agree with him that when the Representatives of the majority party in this body have indicated very clearly, as they have, that we are standing behind the President, and when the resolution which I offered indicates, as it does, that the Congress stands behind the President in such action as he may deem it necessary to take in Berlin, it is pretty hard to say that anybody is playing politics. I know that before our committee have come a variety of military judgments and it is hard to think that any one of us has the final answer. Certainly we should be able to offer a variety of constructive suggestions without playing politics in any way.

THE SAFETY AND WELFARE OF THE UNITED STATES

The SPEAKER pro tempore (Mr. THORNBERRY). Under previous order of the House, the gentleman from New York [Mr. BECKER] is recognized for 60 minutes.

Mr. BECKER. Mr. Speaker, in opening may I say that the very distinguished and respected majority leader must realize that with my years of service in this House and in other legislative bodies, I have not been used to making wild or unfounded statements. Nor do I intend to make any in this statement here today. It is because I am very much interested in leaving politics out of our national defense affairs and our foreign affairs that I intend today to detail a history of the lack of understanding on the part of the Democrats of the past and of the present. Today and for the last 2½ months they have been violently criticizing the Eisenhower defense policy.

Mr. Speaker, I have asked for this time today reluctantly. I have believed all my adult life, as has President Eisenhower, that the safety and welfare of our Nation should not be subject to partisanship and that Members of this body have a sworn trust to guarantee this.

Almost since the day the 86th Congress convened, Democrats have carried on the most bitter partisan assault on the defense policies of this administration. It pains me to stoop to a political level in discussing such vital matters, but the party of the majority leaves no choice.

The most recent political assault by the Democrat party on our security problems have come in the form of criticism of President Eisenhower's military policies. At its base, is the question of the Berlin crisis.

I am reminded of another March crisis which occurred 11 years ago when the Communists suddenly and violently seized power in Czechoslovakia. At the same time Palestine was on the verge of war and the United Nations faced a serious and embarrassing crisis where American military aid might have been needed. Reverberating criticism of the Truman administration's ability to meet

these crises were not solely confined to the Republican Party. Franklin Roosevelt, Jr., son and namesake of the former President, took actions tantamount to an open revolt against the Truman administration by preparing a statement calling for a draft of General Eisenhower as the Democratic presidential nominee.

It was that tireless, sincere, and great Secretary of Defense, James Forrestal, who forewarned General Eisenhower of Mr. Roosevelt's intentions. I quote from the account in Mr. Forrestal's diaries:

I called Eisenhower about 2:15, reported these facts to him, and he said that he would be willing to call. He called back in about 10 minutes and said that he had got hold of Roosevelt and said that any action of this kind now, in the middle of very delicate situations in various countries abroad, could have the most dangerous consequences and might negate American policy. He said that he would personally urge in the strongest possible terms that any statement which might be interpreted abroad as implying failure to support the President at this most critical time or to indicate deep and serious splits in public opinion would be detrimental to the country.

Plainly, the Democrats do not have the same sense of values in the March 1959 crisis that General Eisenhower expressed in March 1948, and always has held sacred.

Despite the partisanship of recent Democrat criticisms, I do not intend the record of fact which follows to be a witch hunt into the past, nor shall I attempt to obscure its relationship to our present issues on national defense. I earnestly feel, however, that the Democrat defense record during the previous Democrat administrations, and the Democrat obstructions to the defense policies of the present administration, alarmingly reflect a dangerous misunderstanding of Soviet strategy to destroy America.

I sincerely wish that the tragedy which resulted from such misunderstandings in the past could remain merely as an incontestable part of history. Unfortunately, there are two factors which prevent this. First, the Democrat Party continues to debase the ethical approach to national security so ably expressed by General Eisenhower in March 1948. Second, and far more important to our survival, is the fact that present Democrat spokesmen on defense matters are the same people who were responsible for the disunities which formerly existed in the Department of Defense, the cancellation of our long-range missile program in 1950 and the suspension, following World War II, of H-bomb development.

Clearly, then, it is my sworn duty to our Nation's safety to contribute whatever I can to meet these assaults and beat back attempts which very easily again could weaken our defenses and invite attack by the most fearsome and sadistic enemy the world has ever known.

Had these critics of President Eisenhower just a modicum of introspection, Mr. Speaker, they would ask themselves whether—despite the teachings of the past—they do not understand the long-range nature of the Soviet threat. They may ask themselves, too, whether their present action is not just a re-application of an analysis which resulted in the vast forfeitures made to Russia by them in the past.

Good football coaches, before each important game, thoroughly scout the opposition. Failure to do so is to subject one's team to miserable defeat, even at the hands of inferior players.

I agree with the Democrat-controlled Committee on Un-American Activities that one of our best scouts of Russian strategy is Dr. Robert Strausz-Hupé, the eminent director of the Foreign Policy Institute located at the University of Pennsylvania. I highly recommend to critics of Mr. Eisenhower's policies that they read and ponder the May 20, 1958 testimony on the Communist Strategy of Protracted Conflict given by Dr. Strausz-Hupé and his associates to this committee. I quote in part:

The strategy of protracted conflict prescribes the annihilation of the opponent by a long series of carefully calibrated operation, by feints and maneuvers, by psychological and economic warfare, and by diverse forms of violent and nonviolent conflict techniques, and fuses them into a weapons spectrum which begins on the left with the seemingly most innocuous political activities, such as clandestine distribution of leaflets, and terminates on the right end of the spectrum with the megaton bomb.

Democrat defense policies ever since the days of Yalta reflect that they have not understood the Communist strategy of protracted conflict. Indeed, their defense philosophy is suitable only to the 17th and 18th centuries, when the nature, date and weapons of pending wars were predictable. Preparedness necessitated no more than the money necessary to employ more mercenaries.

Dr. Strausz-Hupe pointed out after referring to Mao Tse-tung's book, "On the Protracted War":

The Communist strategy never has been, and is not now, a strategy of limited war such as that which has preoccupied many Western writers in recent years.

At another point, Dr. Strausz-Hupé astutely notes:

(The Communists) are, however, armed with one powerful weapon which has thus far proved effective enough to neutralize, and in many instances to defeat, our policies. This weapon is a central doctrine of conflict, which integrates all political, social, economic, psychological, technological, and military activities into one organic scheme of conflict.

The Democrat defense record since Yalta clearly indicates that the party which now so brashly attacks President Eisenhower's policies has never comprehended the integrated Soviet strategy of protracted conflict. Time and again, the Democrats have tried to gear our national defense to the theory that they knew the date, place, and weapons of the next war. They have thought—and still think—of our survival only in terms of another appropriation for missiles, for divisions, or for ships. They grossly ignore both the totality of the Russian threat and the rapidity of the developments of modern technology.

For exactly these reasons, the Democrats cannot now comprehend that a balanced budget and a sound dollar is just as much a part of the totality of our national security as are missiles and ships which can only be bought by those dollars. Plainly, the Democrat Party has isolated one aspect of national security from another, when all aspects are mutually dependent.

In support of these statements I have made, I shall now show how the Democrat misconception of the Soviet strategy of protracted conflict produced defense policies which both disarmed us militarily and surrendered the initiative to Moscow.

Discussions at Yalta and Potsdam clearly demonstrated that to meet the protracted conflict strategy, the United States would have to maintain a balanced and flexible military establishment, while maintaining a progressive and unrestrained research and development program. Apparently misunderstanding Russian strategy, however, the Democrat administration demobilized the most powerful military force in world history. Our forces were cut from a strength of more than 11 million men at the beginning of 1945, to where the Army did not have one full-strength combat division at the outbreak of the Korean war.

I cannot emphasize enough, however, that the lesson pointed up by this fiasco was not in quantitative, but in qualitative terms.

Today, as then, flexibility and variety in the deterrent system is what counts. The Democrats lacked this sense of balance in the late 1940's; just as they apparently lack them today.

Perhaps I should refine my comment. This blindness to balance existed among Democrats in the 1940's whose will prevailed in shaping defense policies. And, as I have noted, these are the same Democrats who today attack President Eisenhower's defense policies. There was, on the other hand, one Democrat who possessed such perspective and vision that Mr. Truman never really understood him. I refer to the late Secretary of Defense, James Forrestal, whose published diaries can shed light on our paths today just as vividly as can Dr. Strausz-Hupe's comments.

Mr. Forrestal served under a President unaware of the need for a balanced deterrent to thwart the Russian protracted strategy. The 1948 Communist coup in Czechoslovakia had clearly demonstrated the need to increase the capabilities of our various Armed Forces. And for the Armed Forces to be at all effective, a high degree of unity was needed in the newly established Department of Defense.

On the other hand, Mr. Forrestal had serving under him as Secretary of the Air Force a man who saw defense only in terms of the B–36 bomber, one who reacted with a blind partisanship in favor of the Air Force, and whose entire attitude ignored the character of the Russian strategy of protracted conflict. Today, as an influential Member of the majority in the other body, he is displaying this same lack of understanding and vision. He is among the most outspoken Democrat critics of the President's policies.

Mr. Forrestal worked tirelessly to team all of the Secretaries together for the

good of the overall Defense Establishment, and the national security of the entire Nation. Forrestal saw that deficit spending and inflation could wreck the economy, destroy our ability to finance the defense effort, and expose us to the Russian threat through bankruptcy. And, he realized that real preparedness demanded balance, flexibility, and quality.

As the editor of the Forrestal diaries noted, Mr. Forrestal finally "averted the danger that the whole rearmament effort would be swept, by the public enthusiasm for airpower into an expansion of the Air Force, which might be necessary for fighting a third world war but was of little use in the current job of preventing one."

Mr. Forrestal tactfully worked with several Congressmen on the House Armed Services Committee to obtain a reasonable balance and perspective. About one Member of this body who mentioned that the Air Force had originally planned to procure 100 B–36 bombers, Mr. Forrestal wrote:

> I felt constrained to tell him that I regarded this as a wise decision—that the B–36 had been built for World War II and that the change in the order was simply an effort to find out if it could be adapted to the changed conditions of a future war.

Blind to the Soviet strategy of protracted conflict and the needs for a balanced system of deterrents, the then Secretary of the Air Force, who today is so critical of administration policies, demanded before the House Armed Services Committee a 70-group Air Force. It apparently did not occur to him that he was demanding that the United States place all its eggs in one basket, that the United States appropriate millions of dollars to fight an unknown war at some unknown date with hundreds of B–36 World War II type aircraft.

The Secretary of the Air Force gave vent to his partisanship before a group of 500 aviation engineers in a speech that led the conscientious Secretary Forrestal to demand an explanation.

The leading military critic, Hanson Baldwin, noted the act of official disobedience and personal disloyalty in these words:

> Unification becomes a joke when the Secretary of the Air Force goes over the head of the Secretary of Defense and of the President himself.

The sad sequel to this story is well-known. Mr. Forrestal, whose vision was never appreciated by the White House leadership or the Secretary of the Air Force, soon was forced to resign. The new Secretary of Defense was especially selected to terminate the balanced preparedness program of Mr. Forrestal.

This leads us to the tragic story of how the Democrat administration of the 1940's thwarted attempts of American scientists to develop an H-bomb while Russian scientists made the most dynamic progress in their history. I again must conclude that the Democrat leadership made no effort towards H-bomb development because of an astounding incomprehension of Soviet aims.

In 1945, Dr. Robert J. Oppenheimer was chairman of the General Advisory Committee of the Atomic Energy Commission. As early as the fall of 1945, Dr. Oppenheimer had successfully urged the discontinuance of attempts to develop the H-bomb. Now, it is perhaps possible that a scientist and specialist like Dr. Oppenheimer would not be able to visualize the long-range threat that Soviet Communists posed to America. It is not understandable, however, that the Democratic administration should share similar blindness and should approve the Oppenheimer policies which led to the total demobilization of our efforts to produce a deterrent even more absolute than the A-bomb before the Soviet Union did.

In those days of retreat before communism, however, there were heroic men of courage, balance, and vision who, like Mr. Forrestal, deeply feared the catastrophic consequence of this dimsightedness. Foremost among these was Dr. Edward Teller, who violently disagreed with Dr. Oppenheimer that it was neither feasible nor important to develop a super-deterrent. Dr. Teller was supported by the intrepid Adm. Lewis Strauss, then an Atomic Energy Commissioner, and by Drs. William Lawrence and Luis Alverez. But the united efforts of these men were not great enough to move the triumvirate of Acheson, Lilienthal, and Oppenheimer.

One would think that an explosion of a Soviet A-bomb in 1949 would immediately have shaken these gentlemen from their dream world. Despite Admiral Strauss' warnings that the Soviet was rapidly catching up with our own nuclear development, the Democrat administration continued to block Dr. Teller's efforts to start work on an H-bomb.

Then came the ominous confession of Dr. Klaus Fuchs, formerly of the Los Alamos Atomic Laboratory, that he had leaked atomic secrets to Russia from 1942 to 1949. Now, the question was whether the Russians might develop an H-bomb before the United States did. Since Lilienthal still opposed Admiral Strauss and Dr. Teller, these latter had to find sympathetic and wise Senators like McMahon and Hickenlooper to catapult the complacent Democrat administration into action.

The total demobilization of H-Bomb research and development after World War II again demonstrates that the Democrat leadership completely lacked a grasp of the protracted strategy of conflict which the Soviet Union was employing. Admiral Strauss had predicted that, once the Russians had the A-bomb, Communists' aggression again would blaze forth. In June 1950, in Korea, Admiral Strauss' prophecy tragically came true.

Let us consider next the missile record during the Democrat era of demobilization. After World War II, 86 German scientists, including Dr. Wernher von Braun, came to this country ready and willing to contribute their utmost abilities toward American development of ICBM's. General Eisenhower listened to these scientists and learned how the Germans, toward the end of the war, had planned construction of a hundred-ton rocket with a 6-ton warhead which would be capable of crossing the Atlantic Ocean.

The Chief of Staff immediately put these talented scientists to work. But the Democrat administration's failure to comprehend the Soviet protracted threat was reflected in its total disdain for the long-range missile program.

True enough, the Army started to rebuild the German V–2 for use as a first-stage booster rocket with the already developed WAC Corporal as the second-stage rocket. Meanwhile, the Air Force commenced the MX–774 program to produce an ICBM.

But these good beginnings were short-lived. The Democrat President acted decisively, but tragically in the wrong direction. He impounded $75 million a Republican Congress in 1947 had appropriated for this vital research and development.

Of these funds, $17 million had been specifically earmarked for Air Force missile development. Gen. Curtis LeMay called the impounding "the straw that broke the camel's back." He sternly pointed out that the program had been designed to keep the United States militarily ahead of other nations.

President Truman was just as impervious to this warning as he was to that of Gen. Eisenhower who said:

> In the field of guided missiles, we must keep abreast of the rest of the world. Neglect to do so could bring our country to ruin and defeat in an appalling few hours.

But the Democrats had not yet begun to cut. To them, Russia had no designs on the United States. Consequently, in fiscal 1950, the President impounded some $735 million of Air Force funds. ICBM and IRBM development was again halted. The only research of this type that year was carried on by private funds of the Convair Corporation.

It was not until 1951 that the Atlas project again was resumed by the Government, but with a very low priority.

Admiral Radford's comments on the subject are not surprising:

> In the period of 1945 to 1950, Defense Department appropriations were pared way down. We lost a lot of time that we could never make up moneywise on research.

And what was the Soviet Union doing these years? Unlike the Democrats, Stalin personally became highly excited over the rocket work of the German scientists. Stalin had production begun on hundreds of V–2 rocket missiles. . In 1947, when he heard about the rocket theories of the German scientist, Sanger, then in France, Stalin became almost hysterical in his efforts to have Sanger move to Russia. Stalin set up a top priority commission to expedite the development of an intercontinental rocket such as Sanger had proposed.

Colonel Gugori Tokaev, who helped coordinate the efforts of this commission, and who later defected to the West, said Stalin desired nothing so much as development of an intercontinental rocket.

The best summary of U.S. missile efforts during the years of demobilization

after World War II has been given by Dr. von Braun:

> The United States had no ballistic missile program worth mentioning between 1945 and 1951. These 6 years, during which the Russians obviously laid the groundwork for their large rocket program, irretrievably lost—thus our present dilemma is not due to the fact that we are not working hard enough now, but that we did not work hard enough during the first 6 to 10 years after the war.

It was not until the advent of the Eisenhower administration that our entire guided-missile program was reviewed and placed on an urgent basis. Over 99.9 percent of total missile expenditures to date have been made under a Republican administration.

I am not giving these figures to embarrass the Democrat leadership. Rather, I use these unfortunate and tragic events to document my statement that the Democrats have never really comprehended the Soviet strategy of protracted conflict as President Eisenhower comprehends it today.

Unfortunately, this Democrat blindness was not confined just to the days when Democrats controlled the White House and Congress. Democrat opposition to the missile program again manifested in May 1957. The Democrat-controlled Appropriations Committee attempted to slash $2.5 billion from our defense budget.

President Eisenhower's reaction against cutting the muscle instead of the fat from national defense clearly illustrated that our military needs are more important to him than is a balanced budget. In a radio and TV appeal to the Nation, the President said:

> I believe the country would be taking a needless gamble. For myself, I have seen unwise military cuts before * * *. I am determined to do all I can to see that we do not follow that foolhardy road again.

Plainly, we see the President's sense of proportion and balance in meeting the Soviet threats. In 1957 he stanchly opposed the attempted destruction of vital missile efforts. In 1959 he stanchly opposes spending money for defense fat which can in fact be a handicap.

Unlike the Democrat leadership, President Eisenhower possesses the sense of timing to know when to spend and when to conserve. He has never in the past "nicked" any essential defense program. And whenever he conserves the taxpayers money, he does it in order to increase the overall posture of our position vis-a-vis Russia.

Considering the protraction and the variety of Soviet threats, it is extremely shortsighted for anyone to say that the President ignored the needs of national security when he proposed a balanced budget. Economic health is a part of national security.

Not only has disregard of unbalanced budgets undermined the war effort of many nations, but it has been the stepping stone since the days of Rome for the rise of dictators.

Today the decline in value of the defense dollar is shooting up the cost of weapons and sapping strength from our research, development, and procurement programs. Constant adjustments must be made to allow for the rise in prices; extra management money must be spent to keep up to date on adjustments.

A sound defense program over the years must spring from a sound economy. Spurts of energy and temporary breakthrough perhaps can be achieved by crash programs and emergency goals, but in the protracted war Russia is waging, such crash-and-crisis measures boomerang.

The principle of divide and conquer is as old as war. If Russia can for several decades keep our economic efforts warring with our military efforts, and our military efforts warring with our psychological and spiritual efforts, she will have divided and splintered the totality of our means for survival. All links in the chain are necessary; each link is mutually dependent.

The Democrat spending philosophy can open up our economic flank. It can play into the Russian trap. It would substitute mass for quality and stereotyped solutions for flexible leadership. It would exaggerate certain direct Soviet threats and ignore the more indirect ones.

President Eisenhower has challenged the Congress and the people to strip the fat from Government spending and to make the sacrifices necessary for a balanced budget. For he sees Soviet indirect and direct threats, not piecemeal, but as part of one protracted cold war.

If the Democrat-controlled Congress feels that more funds should be allocated to the military, it should make proportionate reduction in nondefense spending programs, or else have the courage to raise taxes.

But those who fear for our long-range national security should rejoice that today this Nation is led by one of the greatest strategists of all times. He understands that the Soviet protracted threats are economic as well as military, spiritual as well as political, and he meets each new Soviet move with a sense of balance and proportion.

Mr. ALLEN. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Illinois.

Mr. ALLEN. I want to compliment the gentleman from New York for his nonpartisan and his extremely patriotic and sound speech. I think the gentleman will agree with me that the President of the United States has dedicated himself to two main objectives: one, a world of peace; the other, a stable economy at home. Now, in regard to the military phase of it, I cannot conceive of anyone who could possibly have the information that the President of the United States has in regard to the military. He has access to the Joint Chiefs of Staff, the various branches of the services, and all the physicists and chemists engaged in the missile program.

He has Mr. Dulles, the head of the Central Intelligence Agency. He brings these people into conference as no other man can possibly do. After listening to these people and talking with these people he sincerely and conscientiously brings in a program with regard to the military with the realization, of course, that one of the most important things in connection with national defense is a solvent government.

Some of these people come in and want to raise the ante $5 or $6 billion in the overall picture, seemingly without realizing that no nation can be successful militarily speaking unless they have a solvent government. We see our Treasury now finding it difficult to borrow money; bonds are down. These people who offer these reckless schemes not only with respect to military matters but other matters, these schemes for extravagant spending, are doing a great disservice to our country.

Mr. BECKER. I thank the gentleman for his observation. I am in entire agreement with him and appreciate his comments.

In closing, may I say that I have made this statement for the RECORD to bring it up to date and I sincerely hope, as was expressed here today by my colleague from New York [Mr. O'BRIEN], and so eloquently by the distinguished majority leader, that in the interest of the defense and security of this Nation and the free world the partisanship and the attacks that are made on the program could better be made to the President or to the military committees of both Houses rather than explored in the news media of the country.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from New York.

Mr. DEROUNIAN. Mr. Speaker, the gentleman has presented a scholarly and historically accurate statement concerning the administration's military policy and that of this Nation during and after World War II and through the Korean conflict. Although I must agree with him that our national security should be nonpartisan politically and I can understand the reluctance with which he spoke, I nevertheless feel he touched a bit too lightly on the failings of the former Secretary of the Air Force who, now, as a Member of the other body from President Truman's native State of Missouri, is among the least qualified critics of Mr. Eisenhower's policies.

This Member of the other body exercised all his efforts when he was Secretary of the Air Force to build a huge fleet of bombers which would become obsolete, as all experts knew they would, within a few months and gave advice to President Truman which led to the curtailment of our rocket and missile program.

We all recall that, in 1947, General Eisenhower, then Chief of Staff, recommended $75 million for missile research. The Republican 80th Congress appropriated this money but President Truman impounded these funds.

I am going to recall for the gentleman and the other Members of this body a phrase which has been used many times since: That the Truman administration spent more for peanuts between 1947 and 1952 than it did on intermediate and long-range missiles.

I should refresh the memories of those on the other side of the aisle who seem to

conveniently forget such embarrassing things about their party's past, that during those years the Democrat administration gave the peanut growers of the South $117.7 million, but appropriated less than $1.7 million for the development of ICBM's and IRBM's.

Today, as the gentleman so ably pointed out, these same voices shout that their judgment should be heeded completely on defense matters.

In view of the miserable failure of these same Democrat experts, then how can we be impressed by their military theories—much of it politically motivated—now?

I will follow President Eisenhower, who has been more successful in warfare than in peanut tossing.

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BARRY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BARRY. Mr. Speaker, the gentleman's presentation is one all new Members on the other side of the aisle might well study carefully. In it, they will find the factual history of what has happened to this Nation militarily under their party's leadership. The gentleman has shown how well the Eisenhower administration has pulled us up by the bootstraps, on matters affecting the military.

The foolhardiness of putting our entire military budget into the development of weapons which we cannot use, was very ably pointed out by our Chief of Naval Operations, Adm. Arleigh A. Burke, in an address in Charleston, S.C.

I shall quote a brief passage from Admiral Burke's address to emphasize what the gentleman from New York has said:

> There is no point trying to equate our requirements and capabilities with the enemy's. Our requirements are entirely different and our capabilities must be developed around our own needs. We do not need to engage in an endless arms race with the Soviets in ballistics missiles, any more than we have attempted to race them in numbers of submarines or army divisions.
>
> The really important thing about a deterrent force is not numbers but invulnerability, not total numbers built, but numbers we will be able to use. In making our retaliatory forces secure from enemy attack, we do not need great numbers of missiles and bombers.
>
> Whether the U.S.S.R. has one half or as many or several times as many missiles as the United States, is really academic as long as we have the assured capability of destroying Russia, and as long as the Soviets know it and are really convinced of it.

A 5-year-old knows that a pistol is capable of killing a burglar and that 12 pistols would not make him any deader. It is beyond my comprehension that this basic reasoning cannot be grasped by the budget busters of the Democrat Party.

Because those of limited knowledge of the strategy of warfare have not taken time to learn the military facts of life, it would set the record straight to review the relative military capabilities of the U.S.S.R. and the United States.

First. That Russia, because of its geographic location, could launch a nuclear attack against the United States by only three means: (a) by missiles fired from submarines, although she as yet has not developed such weapons; (b) by intercontinental ballistic missiles, which she does not yet have in readiness for such an attack, and (c) by bomber assault across the polar regions, although our own bomber capabilities are far superior to those of the Soviet.

Second. The United States, on the other hand, has several avenues of attack and all are more efficient than anything Russia has. We can (a) launch intermediate and shorter ranged missiles, both more accurate than ICBM's, from a series of bases that now ring the Soviet; (b) launch jet attacks from aircraft carriers at sea on three sides of the enemy; (c) launch bomber attacks either from here or our oversea bases; (d) fire such atomic missiles as the Regulus, which now is operational, and the Polaris, soon to be on the firing line, from subs off Russian coasts, or beyond the polar icecap in atomic-powered submarines, which Russia does not yet have, and (e) strike with long-range missiles, such as the Snark, which is now operational, and the Atlas, soon to be ready, which can counter anything the Soviet has.

Since the inception of Government there have been legislators and department chiefs who wanted more money than was called for in the budget. It is, however, only a realistic understanding of such facts as I have mentioned which keeps spending within reason.

As previously stated, buying 12 pistols to kill 1 burglar just does not make sense if you have 1 pistol capable of accomplishing the task.

The sooner those on the other side of the aisle who want to spend money just for the sake of spending understand this, the better off our national security will be.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Speaker, I want to compliment the gentleman from New York on making what I consider to be a very important statement. I dislike bringing the comments of the gentleman from Massachusetts into this particular colloquy because he is no longer on the floor; however, he made a remark in his previous colloquy with the gentleman from New York which I would like to mention and ask the gentleman if he knows what the gentleman from Massachusetts meant.

The gentleman from Massachusetts, and I think I quote him correctly, said that the Democrat Party wanted to have the President's armed services program, the defense program, "but something more"—but something more. Does the gentleman from New York have any idea what the gentleman from Massachusetts meant by "something more"?

Mr. BECKER. I have not the slightest idea. I was wondering about that myself, and I hoped the gentleman would be here so I could have asked him what he meant. I do not know.

Mr. RHODES of Arizona. Well, I am not going to put words in the mouth of the gentleman from Massachusetts. I have too much regard for him to do that. But, I wish to draw this parallel, if I may. The airport bill which was up in the House today is a bill in which the majority party seeks to spend some $297 million for airport construction in the next 2 years. The administration has asked for $200 million. This is a $97 million increase. This might be "something more" that the gentleman talks about, if we could draw an analogy. And, this is done in view of the fact and in spite of the fact that General Quesada says we only need $200 million to do the job. Now, that may be the "something more," in other words, which they offer in the airport bill, which is more than the experts request. Perhaps there is "something more" as far as defense is concerned. It is also more than the experts request. And, I think the gentleman will agree with me, and I am sure that the gentleman from Massachusetts would have to agree if he were here, that the gentleman who is now the President of the United States is certainly more knowledgeable in this field than probably any other living American and is certainly capable of acknowledging the defense needs of this country as well as the needs of the economy. Now, the gentlemen on the other side of the aisle have, for years, since I have been in Congress, at least, been very adept at straddling the issue merely by saying "This is good and we must have it." We have seen it happen in the housing bills; we have seen it in the airport bill; we have seen it happen time after time when the gentlemen from the other side say we are niggardly, we are pennypinchers, and they, in turn, are liberals, and they merely put out that "something more." To me, of course, the speech that the gentleman from New York gave, more adequately than I ever could, pointed out the fallacy of such a thing. Of course, any nation to defend itself must defend itself militarily and economically, and one of the best ways to fall economically is by an unbalanced budget, runaway inflation, and all of the things which we might have from a kind and generous heart, with the best of intentions of people like my good friend from Massachusetts. Again I say I am sorry he was not here. I would like to have him engage in this colloquy so that we could really tell what he meant by "something more."

Mr. BECKER. I want to make this point. I appreciate what the gentleman has said. You see the scope of the talk I made today. It is not a point of criticism for the sake of criticism, but what I have tried to do here is to point out the lack of understanding and the necessity for understanding of what this protracted Soviet strategy is and that it cannot be met on a crisis and a crash basis. It must be met by a flexible, overall deterrent basis of weapons concept, and the President knows this and has known it and has acted upon that basis. Others, who apparently disagree with his basis, do not understand.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Utah.

Mr. DIXON. The gentleman is to be congratulated upon his factual and rich background for his story of our military preparedness and unpreparedness. Everyone in America should know it. They must have it, and they must see clearly what the facts are. Yes, military might must be sustained by gilt-edged credit. It must be sustained by economic strength. It will fall if this country has not the credit. And, there is a threat to the Nation's credit today due to too much spending for things that are not absolutely necessary. The gentleman has shown, through his story, occasion after occasion where our President has pointed the right way. In every case he has demonstrated his great wisdom.

In every case he has given us full warrant and justification to follow his advice. I, for one, want to follow that advice.

I am pleased to hear the gentlemen from both sides of the aisle express the same conviction. You know, there is great power in organized intelligence. There is tremendous weakness in dissension and in backbiting. If we have suggestions, let us make those suggestions constructive and I am sure they will be considered by our President. Let us not make them openly as criticisms which weaken our country. I thank the gentleman for his courtesy in yielding to me.

Mr. BECKER. I appreciate the gentleman's contribution.

Mr. SANTANGELO. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to my colleague from New York.

Mr. SANTANGELO. I was very pleasantly surprised at the extent of the information that the gentleman from Nassau has regarding the Armed Forces. I listened with interest to his talk, as well as the talk made by our colleague from Schenectady, [Mr. STRATTON], with whom I should like to associate myself in his remarks.

It matters little to me whether the gentleman who now has the floor is right or whether he is right as to whose fault it was. It matters little to me that since 1952, when the President came into office, not until 1958 did we put a satellite into the air.

We are faced with the same problem. This is a problem which confronts all of us. The majority leader said that we should cast aside, we should set aside partisan politics. Let us take lesson from him and let us gain something from his greater knowledge through the years. West Berlin today represents a conflict. It is, perhaps, the Armageddon where the forces of right will be opposed by the forces of evil. We do not gain anything by talking about who is at fault. We know we have a struggle. Let us face it as Americans and let us forget partisan politics.

Mr. BECKER. I think the gentleman is absolutely right, and if he will be good enough to read my remarks in the RECORD tomorrow he will see that at no point have I attempted to place the blame on anybody, except to point out where time and time again there has been shown a lack of understanding on the part of the constant critics of President Eisenhower's defense policies and their lack of understanding of the Soviet-Communist strategy through the years, by which they have brought on so many of these crises. They have shown a lack of understanding of the protracted conflict strategy, the Communist overall strategy, which does not amount to all-out war, but which is intended to destroy us by many types of movement, operating in different directions and all at one time.

I believe President Eisenhower has the right idea in trying to provide a type of flexible defense as a deterrent to this Communist threat. That is why I am willing to back him all the way down the line. I have resented the attacks of some of these people, such as the former Secretary of the Air Force, who has made them constantly, week after week, since the first of the year, when he was criticized by his own Secretary of Defense for his lack of understanding of the very problem that I have depicted in the statement that I have made today.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Speaker, I wonder if the gentleman from New York is as amused as I am when the gentlemen on the other side of the aisle talk about, "Let us not look back; let us not try to go over what happened in the past; let us look forward." I am sure the gentleman remembers, as I do, how members of the Democratic Party ran against Herbert Hoover for 20 years.

Mr. BECKER. That was nonpolitical.

Mr. RHODES of Arizona. Oh, that was completely nonpolitical. But now, when the gentleman from New York and a few of us point out some of the errors which were made in the past, not in a political sense, but in an attempt to make sure they do not happen again, then they say, "Oh, do not look at that; let us look ahead. Do not look back." It depends on whose ox is being gored. It is very simple.

It seems to me that this whole matter boils down to a very definite issue, and I want to say to my friend from New York that this is not politics, this is talking issues. It all can be summed up by the two words of the majority leader, "Something more."

The people on this side of the aisle know full well that we have to have defense, but we have to have defense which will allow us to maintain an adequate posture of economic progress as well. This means that we have to be able to support it. The gentlemen on the other side are making an issue over spending money, for what reason we do not know. The experts say we need this amount. The gentlemen on the other side say we need more.

It is sort of like a man going to a doctor and getting some medicine. It says on the bottle, "Take a teaspoonful three times a day." Somebody says, "Gee, if that is good, maybe we had better take three teaspoonfuls three times a day." The experts said not to, but they think if one is good, they ought to have more. It makes just about that much sense to me. I wonder what the gentleman from New York thinks about it.

Mr. BECKER. I am rather inclined to agree with the gentleman. We cannot accomplish anything by saying we should do more. It is a question of what we need and what is the right type.

Mr. IRWIN. Mr. Speaker, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Connecticut.

Mr. IRWIN. I should like to commend the gentleman from New York on the voluminous facts he has cited here today. I should also like to address my remarks to the gentleman from Arizona. He has said he wished the majority leader were here to answer what he meant by "a little more." Considering the way the majority leader addressed himself to this body, I suspect he could have given the gentleman from Arizona a good answer. I expect he could do it without reading a statement that was prepared for him by somebody else.

Mr. RHODES of Arizona. Just a minute; I want the gentleman to realize that I do not have anything before me, that everything I have said today was right out of my heart and off the cuff. As far as the majority leader is concerned, I know very well he could answer me. He could probably answer me very well. I am just sorry he did not stay on the floor to do it. He made a remark in the colloquy with the gentleman from New York which he should have known would possibly cause some comment. I am very sorry he is not here. Maybe some other time we can get together and have a little tete-a-tete and get an answer to that.

Mr. BECKER. The gentleman referred to a speech prepared by somebody else. Maybe he has not been around here long enough to know that some of us can make a talk without having anybody urge us to or prepare anything for us. We do seem to have a little knowledge on the subjects about which we talk. We do not try to be experts. I hope the gentleman will remember that.

Mr. IRWIN. I am certainly sure that is true. May I also say I did notice that the gentleman from Arizona spoke on his feet without a prepared statement.

WHAT'S WRONG WITH FEDERAL REGULATORY COMMISSIONS?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Tennessee [Mr. EVINS] is recognized for 20 minutes.

Mr. EVINS. Mr. Speaker, within the last 5 years more and more Members of Congress have from time to time expressed concern about the declining prestige and the declining efficiency of our independent Federal regulatory agencies. Much of this concern stems from the public criticisms which have been directed against the conduct of those agencies. This criticism has ap-

peared in the press, over television, radio, and through other means of communication.

Recently our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], inserted in the CONGRESSIONAL RECORD, a copy of a speech by the Honorable Robert T. Bartley, a member of the Federal Communications Commission, dealing with this subject. I commend that address as an informative statement about what is wrong with our Federal regulatory commissions.

It appears to me, as one who has studied these problems of the Federal regulatory commissions, that a large measure of the trouble lies in the fact that the executive department has been extending its control and influence upon and over our independent regulatory commissions in a crippling manner. This has been done through the exercise of control over the fiscal affairs of these agencies and encroachments upon other important functions of the agencies, including the requirement that the agencies secure prior approval of the executive department before making recommendations to Congress for new legislation. In any event, we see evidence on all sides of such influence. Moreover, it is clear that much of the declining prestige and efficiency of these agencies, respecting which so much criticism has been made, are traceable in no small way to this extension of control as well as influence over the agencies by the executive branch of the Government.

These commissions were created as arms of the Congress in specific delegated areas—not arms of the executive. But for unwarranted executive action in extending undue influence over the agencies there would have been less criticism of the agencies. Therefore, we should not allow the blame for this fault to be shifted to the Congress.

The independent regulatory commissions need help from the Congress. That help, in part at least, should take the form of action removing the regulatory agencies from the undue influence of the executive branch. A large measure of this relief could be realized if legislation were enacted along the following lines:

First. Authority to name the chairmen of these commissions should be placed in the commissions themselves—as formerly—instead of with the Executive. For years, the ICC and Federal Trade Commission rotated the chairmanship among their members, and this arrangement worked exceedingly well.

Second. That these independent regulatory agencies should coordinate with but not have to secure the approval of the Bureau of the Budget for their requests for appropriations.

Third. That they should not have to secure the approval of the Bureau of the Budget—and the Executive for their requests for information from the industries they regulate.

Fourth. That they should not have to secure approval of the Bureau of the Budget for their legislative proposals.

Fifth. They should be allowed to seek Supreme Court review of lower court decisions without being subject to the veto power of the Solicitor General.

Unless these areas of influence and control are removed we may expect the supposedly independent agencies to follow the wishes of persons in high position in the executive branch, whether or not the wishes are in accord with the public interest.

Much criticism has been directed against the agencies because of their failure to adhere to ordinarily accepted standards of legal ethics in the conduct of proceedings before them. One reference to such criticism was made in the February 3, 1959, issue of Look magazine, where, commencing on page 47 of that issue of the magazine is a dramatic presentation regarding the lack of adherence to ordinary standards of legal ethics in proceedings before Federal administrative law agencies. There the presentation appears under the title, "The Further Adventures of Mr. Goldfine."

Action should be taken to build confidence of the public in efficient, fair, and independent operation of the regulatory agencies which administer vital provisions of administrative law. Records of hearings regarding the manner in which proceedings are handled by a Federal Regulatory Commission have demonstrated the need for this action.

During the 84th Congress, I had the honor of serving as chairman of the subcommittee No. 1 of the Select Committee on Small Business, House of Representatives. Hearings before that subcommittee and the more recent hearings before the Subcommittee on Legislative Oversight, of the Committee on Interstate and Foreign Commerce, House of Representatives, during the 85th Congress, produced evidence pointing to the need for corrective action in this respect.

Our colleague, the gentleman from Arkansas [Mr. HARRIS], on February 19, 1959, introduced H.R. 4800, which is directed to the enhancement of the confidence of the public in proceedings before the Federal regulatory agencies. That bill would, among other things, require adherence to standards of legal ethics by all involved in administrative law proceedings before the Federal regulatory commissions and agencies.

The question arises: How did it happen that a situation was established that permitted the disregard of ordinary legal ethics in proceedings before the Federal regulatory commissions? In answering this question it is pertinent to look back at some legislative and administrative history. One factor was a curious oversight in the enactment of the Administrative Procedure Act, approved June 11, 1946. Section 5(c) of that law provides that—

> No officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency in any case shall, in that or a factually related case, participate or advise in the decision, recommended decision, or agency review pursuant to section 8 except as witness or counsel in public proceedings.

That provision of the law apparently has been complied with. The recent disturbing criticisms in this regard have not been directed to the conduct of officers, employees, or agencies engaged in the performance of investigative or prosecuting functions. Instead, they have been directed to the conduct of private persons and firms who have acted for, or on behalf of, themselves, or other persons, or firms charged with violations of law. The charge is that they have attempted to influence votes and decisions by the regulatory commissions through the use of secret and devious methods. In the parlance of barristers, these secret and devious methods have included ex parte, off-the-record discussions with the judges by interested parties.

Strangely, the Administrative Procedure Act of 1946 did not by its terms prohibit such ex parte, off-the-record discussions with the judges by private interested parties. It is now recognized that the Administrative Procedure Act of 1946 is defective because of the failure to include such a provision in it.

H.R. 4800, introduced February 19, 1959, by our colleague, the gentleman from Arkansas, Congressman HARRIS, will remedy this defect in the Administrative Act. For example, section 103 of H.R. 4800 specifies that—

> The Congress hereby recognizes that it is improper for any person, for himself or on behalf of any other person, to influence or attempt to influence any vote, decision, or other action by the Commission.

Section 104 of the bill provides that—

> No person shall communicate, orally or by writing with any member or employee of the Commission concerning the issues, merits, or disposition of any proceeding before the Commission, with the intention that any participant or participants in such proceeding will not receive knowledge of such communication.

In my opinion the enactment of these provisions would go a long way toward insuring adherence to ordinary standards of legal ethics in the practice of administrative law before the Federal regulatory commissions and agencies. I sincerely believe these efforts to improve legal ethics in the practice before administrative law agencies deserve our unanimous and wholehearted support. We want the standards of those ethics so high and so free from violation that all of us will be proud of our association with the legal profession and particularly that part of it involved in proceedings before Federal regulatory agencies dealing with administrative law.

Reclaiming for these agencies a status independent of the executive branch, and the enactment of legislation which would insure the application of high standards of legal ethics in the conduct of proceedings before them will not remove or correct all the trouble. The agencies stand accused of undue delay and protraction in the length of the proceedings before them. This is a matter for the agencies themselves to remedy with the help of Congress.

Much can be accomplished toward the solution of this problem if the agencies should reexamine their present activities and determine how they square with the intent of Congress that these agencies

serve as arms of the Congress in implementing the legislative framework covering the regulation of commerce. This implementation of the legislative process is to be distinguished from the resolution of issues in a proceeding brought to enjoin violations of laws and regulations thereunder. The injunctive proceedings are and should be of a judicial nature. Proceedings to make rules and regulations are legislative in character. This type of proceeding should be used more to establish rules thereby lessening the need for so many judicial types of proceedings.

During the 85th Congress, Subcommittee No. 1 of the Select Committee on Small Business, House of Representatives, made a study of law enforcement activities affecting small business. Much of its attention was directed to the records of activities of the Federal Trade Commission. Our subcommittee made a report—House Report No. 2714—in which findings and conclusions were made and later approved by the Select Committee on Small Business of the House of Representatives. Those conclusions are noted as follows:

III. CONCLUSIONS

1. Prompt positive action should be taken to eliminate undue delays in undertaking and concluding antimonopoly actions.

What can be done to eliminate and prevent undue delays in the handling of antimonopoly cases? Some have proposed that we remove all antimonopoly litigation from the regular courts and from the Federal Trade Commission and vest in a new antitrust court or administrative court the jurisdiction for hearing and deciding antimonopoly cases. It has been argued that to place such jurisdiction in a single court would give rise to a special expertness in that court for the handling of antimonopoly cases.

We are not convinced that the establishment of a new special court to handle antimonopoly cases is the answer to this problem. Likewise, we are not convinced that it would be wise to relieve the Federal Trade Commission from its duty of hearing and deciding antimonopoly cases.

According to recent reports made by the Director of the Administrative Office of U.S. Courts, the Federal courts in 1958 experienced the heaviest workload in history. Despite the fact that they disposed of one of the largest number of cases on record, the year 1958 ended with an increase of some 10 percent in the backlog of pending cases over the number pending at the end of 1957. As a consequence, at the present time a litigant cannot get a trial in one district in a Federal court for almost 4 years after he institutes his suit; in other districts it requires from 2 to 3 years. This is several times the amount of time which the Judicial Conference of the United States estimates that a case should take in reaching trial. In our opinion, this deplorable situation cannot be remedied by transferring the trial of antimonopoly cases from Federal district courts and from the Federal Trade Commission to a special Federal antitrust court. This view is based on the fact that the trial of an antimonopoly case in any court must be subjected to full judicial processes with all their attendant procedural delays.

In view of these circumstances, what can be suggested as a remedy?

These delays should not be attributed to any particular person or organization. Instead it appears that they are inherently a part of a system. In turn, the system is one that has grown, like Topsy, over the years. Largely, the delay proceeds from the fact that the present system requires an administrator in one of the Federal regulatory agencies or commissions to treat each administrative law problem as a case at law. Of course, we are all agreed that cases at law should be made subject to judicial process and be judicially determined. However, it would be a travesty on justice and upon commonsense to try to fit each administrative law problem into the mold of a case at law. The ultimate logical conclusion would be to make a case at law out of each allotment or quota for wheat or cotton made to a farmer under programs administered by the Department of Agriculture. Of course, if that were done, the year for which each of those allotments had been made would be past before the case at law would be adjudicated.

It seems to us that we have lost sight of the original concept of the administrative process which was in the minds of the framers of the legislation creating the Federal regulatory agencies and commissions. That concept provided for agency heads to make determinations and take administrative actions implementing legislative processes. In other words, the legislative process should be implemented to the greatest extent possible through the use of the rulemaking process. It is our view that it was never intended that the procedures of courts be used exclusively in the performance of those tasks.

In order to emphasize the great difference in the amount of time involved in the use of administrative rulemaking process as against the use of the judicial process, permit us to cite a couple of examples. In 1887, the Interstate Commerce Commission was established. At that time it undertook the consideration of the problem arising because of differentials in the railroad rates. It was called upon to determine whether a shipper shipping 30,000 tons of coal annually should pay a substantially lower rate per ton than smaller shippers who were shipping in carlots and less than carlots. At that time, Judge Cooley was Chairman of the ICC. The problem to which we refer came before the Commission for consideration and decision in the matter of the *Providence Coal Co.* v. *The Providence and Worcester Railroad Co.* (1 I.C.C. 107). Judge Cooley and his colleagues on the Commission applied an administrative process instead of a court-case process in the disposition of that matter. It was in that case that the important principle was announced that the lowest applicable quantity railroad rate shall be that of a carlot rate. It required the ICC (through the application of the administrative-law process) only about 30 days from the time it received that matter until it made final disposition of same. The principle established by the decision in the matter has stood the test of the times.

Contrast the ICC coal proceeding with a proceeding brought by the Federal Trade Commission in 1947 under the Robinson-Patman Act. The latter proceeding was for the purpose of considering and disposing of a problem relating to differentials which applied in connection with sales of rubber tires in various quantities. Under the present system, the FTC, in effect, made that matter a "case at law." In effect, it applied, to a degree, a judicial process in the handling of the matter. As a result, 10 years have been spent in handling and litigating that matter. The result is not only unsatisfactory, but it is "out of season," for many of the small business men affected have been destroyed in the meantime by the practices which gave rise to the proceedings in the first instance.

It is our view and hope that the appropriate committees and subcommittees of the Congress will have the opportunity to probe, study, and perhaps report upon the possibility and the feasibility of Congress considering anew the matter of entrusting to independent regulatory agencies and commissions the congressional prerogative of regulating interstate commerce. It should be considered whether such regulation can be accomplished through greater application of the administrative rulemaking processes and with a lesser dependence on the procedures utilized in the courts of law. Some remedies along these lines, to reduce the present long delay in arriving at decisions would, in our view, represent a most valuable contribution to the preservation of small business and our free and competitive enterprise system.

More is needed in antimonopoly cases than mere simplification of procedures. There is need also for augmentation of substantive law.

We agree with the proposition that President Wilson placed before the 63d Congress in 1913 when he said:

"We are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate up to the limit of which experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being made equally plain."

Therefore, it is our view that, where experience has demonstrated that particular actual processes and methods of monopoly and hurtful restraints of trade destroy small business and threaten free and competitive enterprise, we should not hesitate to forbid them, item by item, by statutes in such terms as will practically eliminate uncertainty and thereby promote expeditious handling of antimonopoly cases.

In view of the foregoing, it is urged that the Department of Justice and the Federal Trade Commission study this problem with the view to making recommendations to the Congress for simplification and strengthening of antimonopoly law enforcement.

2. Great care should be exercised to insure that more of the limited resources available to antimonopoly law-enforcement activities are used on really important matters even if it should result in a smaller number of cases instituted.

Review of the records of cases instituted under antimonopoly laws leads to the conclusion that a great number of those cases have contributed very little toward preventing the growth of concentration and monopoly since the enactment of the Sherman Act in 1890, the Federal Trade Commission and the Clayton Acts in 1914, and the Packers and Stockyards Act in 1921.

How much worse the situation might have been without the legislative acts and the enforcement activities we have noted is a matter of speculation. We do know that despite this effort concentration and monopoly has grown apace. On July 12, 1957, Senator JOSEPH C. O'MAHONEY presented a report of the Subcommittee on Antitrust and Antimonopoly, Committee on the Judiciary, U.S. Senate, entitled "Concentration in American Industry." That report presents statistics gathered by the Bureau of the Census. For each of a number of the basic industries, this report shows heavy concentration in the top three or four concerns. For example, in 1954, 94 percent of the production and sale of motor coaches was in the hands of the four largest companies. At the same time 84 percent of the production and sale of gasoline and 93 percent of the production and sale of unfinished oils and lubricating oil-base stock were in the hands and under the control of the 20 largest companies.

Now, what about the production and sale of TBA (tires, batteries, and automobile accessories) items? By 1954, 93 percent of the production and sale of vulcanized fiber, 52 percent of the synthetic rubber, 79 percent of the synthetic fibers, and 78 percent of tires and inner tubes were in the hands of the four largest companies in this industry.

Eighty-one percent of camelback and tire-repair materials were being produced and sold by the 20 largest companies. Also, by 1954, 93 percent of the production and sale of electric lamps (bulbs) and 99 percent of the jeweled domestic watch movements were in the hands and under the control of the four largest companies, while the four largest companies in these industries controlled two-thirds of the production and distribution of storage batteries.

Small and independent business is receiving a decreasing share of manufacturing in all lines of business. At the end of 1952 the few corporations, having more than $100 million of assets each, owned 51.5 percent of all of the assets of the manufacturing corporations of the United States. At the end of 1955 this percentage had grown to 57.1 percent. In other words, the big business share of the total business of the Nation had increased by more than 10 percent in that period. In 1956 their share of the total manufacturing assets had increased to 59 percent. According to 1957 reports of the Federal Trade Commission and the figures published by Fortune magazine, about one-half of 1 percent of the manufacturing corporations in the United States had 57 percent of the sales made by all manufacturing corporations, leaving only 43 percent for all others—large, medium, and small manufacturers.

The failure of antimonopoly law-enforcement activity to prevent the growth of concentration and monopoly should not be allowed to obscure certain very solid accomplishments of the Antitrust Division, Department of Justice, the Federal Trade Commission, and the Secretary of Agriculture in a number of important antimonopoly cases instituted by them. The Antitrust Division and the Federal Trade Commission are to be commended on their brilliant accomplishments in some of those cases. For example, the recent court decisions in the Du Pont-General Motors case and in the Youngstown-Bethlehem Steel case are landmarks. Likewise, the decision by the Federal Trade Commission in the Crown Zellerbach antimerger case is significant. However, we repeat that more of our limited antimonopoly resources should be diverted from the less important to the more important cases.

3. Important antimonopoly cases should not be settled through the entry of consent decrees and orders where the price paid involves the foregoing of needed relief.

It has been noted that in some of the important and significant antimonopoly cases consent decrees and orders have been entered which did not provide for important elements of relief prayed for in the complaints. A striking example of that is the consent judgment entered in the recent case of *United States* v. *American Telephone and Telegraph Company*.

Decrees and orders entered in antimonopoly cases should not only provide for the relief from practices found to be in violation of our antimonopoly laws but also should provide the relief in terms which can be relied upon to stop such practices effectively. For example, a decree in a case enjoining a combination and conspiracy should be so drawn to effectively bring to a halt not only the conspiracy but also the methods and means found to be part and parcel of it for its effectuation.

4. Decrees and orders entered in antimonopoly cases should be enforced.

It is of little moment to enter decrees and orders purporting to forbid practices and conditions found violative of our antimonopoly laws unless compliance with such decrees and orders is enforced. Reference has been made to the fact that a decree was entered in 1916 purporting to enjoin the National Cash Register Co. from engaging in and carrying on certain practices found to be violative of Federal antitrust laws. On two separate occasions since that decree was entered, defendants in the case have been fined for violating provisions of the decree. Recently, in November 1958, smaller competitors of National Cash Register Co. concluded it necessary for them to file a civil proceeding seeking to enjoin National Cash Register Co. from practices similar to those it allegedly had used for as long ago as 1916.

This report has detailed references to the few actions in which the law-enforcement agencies have sought to enforce compliance with decrees and orders entered in antimonopoly cases. There, too, reference is made to the fact that in the few instances where proceedings have been instituted to punish violators of decrees, the results obtained apparently have not provided sufficient deterrence to future violations.

5. Where needed to simplify and strengthen enforcement, new legislation should be enacted.

Reference has been made to a number of legislative proposals which would simplify and strengthen substantive provisions of our antimonopoly laws. During the past session, members of the House Small Business Committee and others have introduced a number of bills toward this objective. As previously pointed out, the enactment of Public Law 85-909 was one of the most significant recent steps of the antitrust law. Other legislation, however, is still needed and in the following section we recommend additional specific legislations.

Mr. Speaker, often overlooked is the fact that Congress set a statutory course for our independent Federal regulatory commissions and agencies to follow. At times some of these agencies have been inclined to wander off that course. At times some of them have been too prone to wrap themslves in judicial robes and as oracles look down and speak down to all—even to the Congress.

Lest these agencies and others forget that they are creatures of the Congress and that a major part of their function is in the service of the people as an arm of the Congress, perhaps we should remind others of the statutory course set for them by the Congress. There can be little if any dispute that the major function for these agencies is that of implementing the legislative process. In the performance of that function it is beyond dispute that these agencies are arms of the Congress. Nothing could be clearer than the provision in the Constitution of the United States, which gives to the Congress, and to the Congress alone, the authority and the power to regulate commerce. No part of that power is extended to the executive or to the judiciary. The Congress is utilizing its power in this respect by enacting broad legislative frameworks within which the independent regulatory agencies are to operate. The general legislative enactments which made unlawful "unjust rates," "unfair competition," "unfair discriminations," and many other unwholesome acts and practices, left it to the agencies to implement these broad legislative frameworks by filling in the details regarding which acts and practices are to be included and which are to be excluded from the framework. The performance of such function is neither executive nor judicial. It is legislative in character. In performing this function, these agencies act as arms of the Congress.

In addition, Congress has seen fit to empower these agencies to adjudicate specific matters alleged to be in violation of the statutory provisions implemented by the agencies' rules. In the performance of this particular function of adjudication, the agencies will and should be regarded as truly independent. In the performance of this function they are said to be quasi-judicial. In its performance they should not be subservient to either the legislative, executive or judiciary branches of the Government. In that area they are to be restrained only by the "law of the land" and their conscience.

Because they are called upon to perform quasi-judicial functions, some members of these agencies at times seem to resent the claim that the agencies are arms of the Congress. Blindly they argue for their position solely on the basis of their quasi-judicial function. Just as blindly they overlook the statutory course set for them by the Congress for the performance of their most important function, that of implementing the legislative process. It is this defect in their thinking to which House Report No. 2714 is directed in part.

It is thought that these agencies are in a position to improve their position and remove much cause for the criticism directed against them if they, with the help of the Congress, would move toward reestablishing themselves as arms of the Congress in the area of implementing the legislative process in the public interest.

In this connection, Mr. Speaker, quite recently Mr. Marvin Caplan, an outstanding Washington reporter, contributed a series of articles to the newspapers of the Fairchild Publications, Home Furnishings Daily and Women's Wear Daily. These articles are entitled, "What's Wrong With the FTC?" Although Mr. Caplan's writings deal with this single agency, they are thought-provoking on the general subject to which I have just directed my remarks. I ask unanimous consent to include these articles by Mr. Caplan at this point with my remarks.

The articles referred to follow:

WHAT'S WRONG WITH THE FTC?—PREOCCUPATION PROBLEM OF DELAY TACTICS CITED

(First of a series: "The Critics and the Criticisms")

(By Marvin Caplan)

WASHINGTON.—Automatic elevators are being installed in the Federal Trade Commission building.

A Commissioner who was taking his first ride in one remarked, "What a pleasure. Those old elevators used to take as long as some of our cases."

In this casual observation he expressed one of FTC's gravest preoccupations: The problem of delay.

A history of the changes in FTC procedures during its 45 years of existence could be written in terms of the agency's valiant attempts to speed enforcement. Nevertheless, when you ask people who know and study the Commission what they think is wrong, a ready criticism is that some of the cases, particularly antitrust cases, take too long.

The situation is ironic. Congress established FTC in 1914 in the belief that an independent agency could proceed against unfair competition faster than courts or legislative bodies. But, in the beginning, the

Commission had only two laws to administer: The Federal Trade Commission Act, which defined its structure and broad powers, and the Clayton Antitrust Act. FTC shares enforcement of the second law with the Justice Department's Antitrust Division.

FUNCTIONS EXPANDED

Since then, Congress has greatly expanded the agency's functions. It amended the FTC Act in 1938 with the Wheeler-Lea amendment to give the agency power to prevent not only unfair methods of competition, but also "unfair or deceptive acts or practices." It increased the scope of the Clayton Act twice: In 1936, through the Robinson-Patman Act, which gave the Commission new responsibilities in the field of price discriminations; and in 1950, by an amendment to section 7 that gave FTC broader power to proceed against monopolistic mergers.

Congress also has given FTC nine other laws to administer, mostly notable because of the way they have increased the agency's workload, the Wool and Fur Products Labeling Acts.

Yet, with all these added powers, the Commission is trying to fight deception and monopoly with a staff and budget not much larger than in its early years.

STAFF OF 800

In 1918, for instance, it had a staff of 689. Today the staff, after dropping below that figure occasionally, is 800, an alltime high. And its current budget is—for FTC—a record $6 million.

The Commission is charged by Congress to keep competition free and fair in an economy whose gross national product—the total output of goods and services—has been growing from $39.5 billion in 1915 to a possible $480 billion this year. And it has attempted to enforce truthfulness in advertising during a period in which annual advertising expenditures have jumped from $200 million in 1909 to more than $11 billion.

What FTC said of itself in its 1952 annual report, when it had 672 employees, is still true:

"The Commission resembles a city which, while doubling in population and tripling its volume of trade, has slightly reduced the size of its police force and fire department."

HOBBLED

The Commission also is hobbled by the complexity and insufficiencies of some of the laws it has to work with.

The U.S. Supreme Court, on several occasions, has criticized the complicated draftsmanship of the Robinson-Patman Act. And FTC has for years unsuccessfully urged Congress to amend the Clayton Act, to make it easier to stop violations of that law. At present, the Commission has to prove three violations of a Clayton Act order before it can get a court injunction with teeth in it and subject a violator to penalty.

Inadequate staff and inadequate laws are clearly matters beyond FTC's control. But critics of the Commission say, even so, there is much within the agency that could be improved.

One remediable cause of delay, they claim, is the Commission's procedures. These critics believe they are too old-fashioned and legalistic.

LIKE A COURT

The Commission, which was meant to hand out speedier justice than the courts, these critics say, now functions too much like a court. They feel it treats too many of the matters that come before it as full-scale lawsuits. They are also critical of some of the agency's attempts to speed up its handling of cases.

Stipulations, constant settlements, trade practice conferences, its new staff guides on deceptive pricing, tires, and cigarettes, have grave flaws in them, and sometimes even impede swift justice, the critics maintain.

Once past the problem of delay, on which there seems to be fairly general agreement, critics tend to fault the agency in terms of their own special fields.

INSUFFICIENT DATA

In the realm of antitrust, for example, economists say FTC is gravely handicapped by insufficient data on the Nation's economy.

In its rulemaking procedures, some attorneys say, it has gone too far and arrogated too much legislative function to itself.

Businessmen have their own special criticisms to make, once they go beyond grumbling over how long it takes FTC to complete some of its cases against their competitors.

FTC, they say, harasses businessmen. It inflicts publicity needlessly, they continue, and is overzealous in cracking down on technicalities. It picks on a firm here and there in an industry, businessmen say, and leave untouched competitors who are guilty of the same illegal practice.

And finally, the charge goes, it is subject to influence.

In short, FTC is either too weak or too strong. Yet some of these criticisms are not without substance. Following articles will explore them further.

WHAT'S WRONG WITH FTC?—AGENCY FINDS CENSURE WALKS TWO-WAY STREET

(Second of a series: "How Justified Are the Criticisms Businessmen Make?")

(By Marvin Caplan)

WASHINGTON.—For several weeks last summer, the Federal Trade Commission—which some businessmen say uses publicity in a needlessly punishing way—was subjected itself to a glare of public attention.

Commission officials picked up their morning papers without pleasure and read detailed accounts of the dealings between Bernard Goldfine, Boston textile manufacturer, and various agency executives at the time he and some of his mills were under charges of mislabeling wool fabrics.

Embarrassingly, the FTC section most involved was its Division of Textiles and Fur. In and out of FTC, it is considered one of the hardest working and most efficient units in the agency.

Fully one-third of the FTC's complaints these days charge violations of the Fur and Wool Products Labeling Acts. The Division's share of complaints is sure to be increased within the next 2 years as it takes over the policing of the new Textile Fiber Products Identification Act.

How much influence Mr. Goldfine's telephone call to former Presidential Assistant Sherman Adams had on those FTC officials within earshot of it, and the propriety of former FTC Chairman Edward F. Howrey's unilateral report on the case to the White House, are debatable matters,

But now that Mr. Adams is gone from the White House, it seems evident that much of the furor over the case was whipped up by those who were out to get him. The case itself was a routine one of mislabeling.

That it was settled by consent—the mills and Mr. Goldfine agreeing to a cease-and-desist order without admitting any violation—is a proof of that. The great majority of labeling cases are disposed of that way.

Much has been made of the fact that an FTC staff attorney's recommendation for criminal prosecution was turned down. But that recommendation was reviewed by at least five FTC officials, two of whom swear they had never heard of Bernard Goldfine, and it was rejected, FTC officials insist, because the agency has found criminal prosecution to be expensive, time consuming, and no more effective than its cease-and-desist orders.

It seldom uses such power—since the Wool Act went into effect in 1941, FTC has recommended only five cases for criminal prosecution, and only three were actually filed and tried.

CONSIDERABLE EXCITEMENT

A lot of the excitement over the case arose from lack of knowledge of FTC procedure. The same accounts for some of the gripes businessmen develop against the Commission—of harassment and undue publicity.

A businessman under complaint by FTC is often like a fish on a canning factory conveyor belt. In both instances, it is difficult to halt or reverse the process.

About 85 percent of the complaints FTC receives originate with a businessman's competitors or in the anguish of his customers. They protest to the Commission, and the process begins. The complaints—3,600 during the last fiscal year—are usually channeled first to the Federal Bureau of Investigation.

If the complaint does not duplicate something already in the works, and seems to have some substance, it is assigned for study to one of FTC's 32 project attorneys. If he finds evidence of a possible violation, the matter may then be sent to one of FTC's nine field offices for investigation.

AVAILABLE FOR CHECKING

One hundred and ten field investigators, 14 working exclusively on wool, fur, and flammable fabrics cases, are available for checking a complaint at first hand.

If a matter survives their study, it returns to the Commission for one of three possible dispositions: If it is not serious, it can be closed out almost at once, without publicity, by a letter of assurance from the businessman that he will correct the situation. If it warrants stronger action, it may be settled by stipulation, which is a bit more punitive since that becomes a matter of public record. And if FTC feels only prosecution will help, it issues a full-fledged complaint.

CREATES MISUNDERSTANDINGS

The time it takes between investigation and formal complaint sometimes creates misunderstandings. The unlucky businessman, who, faced with a set of charges, says, "But I stopped that practice 6 months ago, as soon as your agent called it to my attention," is simply caught in agency process.

FTC has no way of knowing how bona fide his discontinuance is, and issues the complaint to be sure the practice will not be resumed.

The businessman who feels he has reached an understanding with the field investigator should know that these agents have no authority to close out a matter. They can recommend dismissal of charges in their reports; they can cite previous settled cases as a guide to a businessman's future action, but that is about all.

PREPARES RELEASE

Once a formal complaint is issued, it is sent to FTC's Bureau of Public Information and a release is prepared, checked by staff attorneys, and timed to reach the newspapers a day or so after the complaint reaches the alleged offender.

No other aspect of FTC's procedure, probably, causes more cries of outrage than its issuing of press releases.

It has been suggested that FTC follow some rule of reason in using releases: That it weigh the harmful effects publicity may have on a well-known firm charged with a relatively minor misdemeanor. But FTC issues about 1,250 releases a year. It has no time to stop and weigh. And such considerations might result in unequal treatment of respondents.

An alternative suggestion, that FTC issue no press releases until a case is finished, also is considered unsound. FTC has tried that. In the beginning it heard cases and issued orders without publicity. It found the procedure ineffectual. The "shock" of publicity, it discovered, had therapeutic effect.

In issuing press releases, FTC is following the advice of two mentors: Woodrow Wilson, who in 1912 envisioned the agency as an "instrument of information and publicity," and the late Supreme Court Justice Louis D. Brandeis, who in a conference with FTC officials in 1915 advised them, when they had a strong case and public interest was affected, to try for "as much publicity as you can get."

What of the charge that FTC harasses businessmen in its investigations? It does seem hard on a retailer, right at the peak Christmas selling season, for example, to have an investigator walk in and study his records for four days.

LEGAL PROCESS AT WORK

But again, the inexorable legal process is at work. Most investigators have no animus against the firm they are investigating. But their work must be done and they can't delay.

As for the charge that FTC is often guilty of "overzealous enforcement of technicalities," as one retailer put it, it usually rises from such strong emotion that its objectivity may be questionable.

For instance, the man who made the quoted charge was a furrier. An examination of FTC's records showed the complaint he objected to was issued only after FTC had written several letters to him, failed to obtain correction of practices administratively, and finally lost patience.

The complaint it issued against him did charge violations that could be considered technicalities. But in objecting to them, the furrier made no mention of the other charges in the complaint, such as one of fictitious pricing that is not dismissed by FTC officials as trivial.

Within the bounds of its laws, the Commission tries to be lenient.

The whole machinery it has set up for informal adjustment of small violations, its consultative services which offer a businessman advice based on past decisions, are examples of that.

The trade-practices conferences, which it established without explicit authorization from Congress, are an attempt by calling all members of an industry together to work on a code, to educate them in the requirements of its laws and try to erase the need to proceed against one firm at a time for something all of its competitors are doing.

Now, to darken the picture a bit with two questions: Is FTC subject to outside pressure, and to what degree does it respond to it?

Pressure is certainly there. The Goldfine case may be an instance of White House pressure.

"But I've seen plenty of Congressmen in these halls," an agency veteran said.

MUCH MORE FAMILIAR

The routine call from a Senator or Representative, asking how a case against a constituent is progressing, is much more familiar to FTC officials than a call from a Sherman Adams.

Considering that Commissioners are political appointees, named by the White House for 7 years and confirmed by the Senate, it is evident that FTC, like almost every agency of Government, is subject to outside influence.

To what degree does it respond? Very little, observers said. There may be instances of favors and gift-giving, but they believe there is little serious corruption. For one thing, a former official pointed out wryly, the Commission has nothing to give away—neither TV channels nor air routes.

Yet it is not entirely free from influence. But then in Washington, no Government agency is.

Within a realistic frame, businessmen may concede FTC does a pretty good job. They may think it is weak and ineffectual—and it often is. They may think it takes too long with a case against competitors.

"But even the retailers who complain the most," said a spokesman for one business association, "don't want to see it go. They need it. They depend on it."

WHAT'S WRONG WITH FTC?—CRITICS FEEL AGENCY ACTS TOO MUCH LIKE A COURT

(Third in a series: "The Legal Side of FTC")

(By Marvin Caplan)

WASHINGTON, February 17.—There's a story in the Federal Trade Commission that the five heads of that agency, not too many years ago, bought themselves black judicial robes and prepared to add this note of formal elegance to their proceedings.

At the last moment, some word of caution, some saving sense of humor stopped them, and the robes were never worn.

The story indicates the ambivalence with which even Commissioners look upon the agency. FTC is not a court. But, some critics say, it functions too much like a court. The Commissioners are not judges—though attorneys often address them as your honors—yet, say the critics, all too frequently they have tried to act like judges.

FTC can be defined as a quasi-judicial agency. Some people feel the emphasis has been heavily upon the judicial side from the start. Then, in 1914, administrative law was comparatively new and not equal in stature to law as practiced in the courts and Congress.

The Interstate Commerce Commission, the first of the present-day regulatory agencies (1887), grew out of the need for an agency that could regulate an aspect of the economy more rapidly and effectively than legislatures and courts. FTC was set up for much the same reasons.

The Commission recalls that in order to prevent monopoly in its incipiency, a new regulatory body was created, the Federal Trade Commission, which was given two basic types of powers, legal powers to issue cease-and-desist orders and broad economic factfinding powers. The economic powers have been progressively curtailed. Emphasis has been upon its legal powers, and on the formal aspect of them, rather than informal administrative procedure. FTC's rules were drawn up by Commissioner George Rublee, who is said to have thought of the Commission primarily as a court. They were implemented for many years by general counsels who shared his views.

Today, FTC's formal procedure bears a strong resemblance to court procedure. A complaint is issued. The respondent is given 30 days to answer. If he denies the charges and the complaint comes to trial it is argued before a hearing examiner of the Commission and testimony is presented, much as in a court of law, in hearings.

Much has been made of the fact that FTC is judge and prosecutor: The examiner who hears the case and the attorney who appears in support of the complainant are both agency employees. But in practice it appears to work fairly and well. Anyone hearing an examiner take issue with an FTC attorney will recognize the familiar antagonism that often exists between judge and counsel.

EITHER MAY APPEAL

After the evidence is in and the record closed, the examiner issues his initial decision and order. It is not final; either side may appeal it to the full Commission, or the Commission itself can schedule hearing on it.

After argument before the full Commission, a final decision is rendered which may be carried to a U.S. Court of Appeals by the respondent and eventually, up to the U.S. Supreme Court. But a former agency official pronounces the procedure antiquated.

The Commission, he says, "operates as though it is presenting a case before the king's bench, three hundred years ago." He and others insist the procedure could be streamlined and shortened without loss of effectiveness.

FTC has tried to speed up its procedures. Its trade practice conference work is an attempt to get an entire industry to observe its laws. Its stipulations and consent settlements are attempts to administer quick justice. All three procedures have shortcomings.

The rules that issue from trade practice conferences do not have the force of law. They are only advisory interpretations of the laws FTC administers. Their value is chiefly educational.

STAFF GUIDES

FTC's new staff guides, like the one it issued in October, 1958, on deceptive pricing, are another educational device the Commission is experimenting with. The guide has been enthusiastically received by a number of business groups. But it is too early to estimate its effectiveness as a law enforcement tool.

Stipulations have long been a subject of hot agency discussion. They are a middle step between informal, private settlement of a case and formal prosecution.

A businessman who signs a stipulation with FTC merely agrees that the document correctly describes a particular practice, and that he will discontinue it. He does not admit he has violated the law and no order is issued against him. FTC makes this public in a press release. If he violates the stipulation, FTC has to begin proceedings against him all over.

Debate over the value of stipulations goes on within the Commission and reflects a basic difference in enforcement philosophy: Between those who believe it possible for businessmen and law-enforcement agents to reason together, and those who believe the only lasting enforcement is strong enforcement.

PRACTICE GROWS

Consent settlements—a procedure in which the respondent agrees to the issuance of a cease-and-desist order against him without admitting he has done anything wrong—have grown enormously in popularity at times. They have long been available, but usually only in deceptive practice cases. They reached their greatest use under President Eisenhower's first appointment to the Commission, former Chairman Edward F. Howrey, who in less than 2½ years on the Commission recast the agency's structure. Under Mr. Howrey, FTC's rules were changed so that any case, antitrust as well as antideceptive, can be settled by consent and, another innovation, can be settled at almost any stage of the proceeding.

This extension of the consent settlement procedure has been viewed with qualms by some attorneys, mostly those in favor of a strong enforcement policy. No consent settlement order has ever been reviewed by a court. Such orders cannot be used, as orders in fully litigated antitrust cases can be, as the basis for private treble-damage suits. No record is developed, and little information about the firm under charge ever becomes public.

FTC attorneys insist the consent order is as final and binding as an order issued after full litigation. Unquestionably, time and money are saved. But it may present at least one danger to the public interest. Sometimes in the course of negotiating settlements, an official says, FTC bargains away from the vital point and comes up with less relief than it sought in the complaint.

A good example is FTC's recent case against American Chicle Co., maker of Rolaids.

FTC attacked television ads for Rolaids, including the fostered impression that the medical profession generally prescribes or recommends Rolaids. FTC's own sampling survey of 65,000 physicians showed that no

more than 3,600 at the most had ever recommended Rolaids as a specific for acid indigestion.

American Chicle then consented to an order barring it from saying doctors prescribe Rolaids unless the representation is limited to the number of doctors not greater than has been ascertained to be the fact.

Now, American Chicle can, and does, proclaim that a Government survey shows 3,400 doctors recommend Rolaids; and FTC can do nothing about it.

WHAT'S WRONG WITH FTC?—LACK OF ECONOMIC DATA HAMPERS MERGER ACTIONS

(Fourth in a series)

(By Marvin Caplan)

WASHINGTON.—Much alarm has been expressed, in Government and business quarters, over the rapid growth of mergers in this country. Some talk worriedly of creeping monopoly. The actual situation may be worse than anyone knows.

FTC and the Justice Department are instructed by section 7 of the Clayton Act to stop mergers in certain areas of the economy, where the effect may be substantially to lessen competition, or to tend to create a monopoly.

The trouble is that both agencies operate with such insufficient economic data they are sometimes forced to choose, entirely by chance, what mergers they will proceed against. And some important business mergers probably slip right by them.

In 1957 former U.S. Attorney General Herbert Brownell, Jr., estimated that Justice missed about 30 percent of current mergers.

LOW ESTIMATE

FTC Chairman John W. Gwynne said then he was "inclined to think it (the figure) was something like that." There is good reason to believe the estimate is too low.

When it comes to knowing what mergers are being consummated in the U.S. economy—in fields other than banking and transportation, where they have no jurisdiction—FTC and Justice are limited, like most people, pretty much to what they read in the newspapers.

Both agencies have other sources, of course, besides newspaper and private reporting services, like Moody's and Standard & Poor's.

Informaton is picked up from the many reports American business must make to the Government. A notable source are filings made with FTC's fellow regulatory agency, the Securities and Exchange Commission.

But, even here, there is a gaping hole. A company needs report to SEC only those acquisitions which represent 10 percent or more of its assets. Government economists point out that a company like General Motors Corp., with total assets of approximately $7.5 billion, can and probably does make some sizable acquisitions and never reports them officially.

COMMISSION AWARE

FTC has long been aware of how little it knows, not only about mergers, but about many aspects of the U.S. economy.

It does not even know such an apparently elementary fact as the names of the biggest U.S. corporations. Some years ago the Commission went confidently to work on a report it planned to call "The 1,000 Largest Companies." It issued the report in June 1951, under the more modest title of "A List of 1,000 Large Manufacturing Companies."

"We still do not have a definitive list of the top companies in the country," an FTC economist says flatly.

Fortune magazine issues an annual supplement on the 500 largest industrial corporations. Justice and FTC rely on it in preparing their anti-trust cases. Yet FTC's staff has reason to believe about 100 of the largest United States corporations are missing from that list.

CRUCIAL GAPS

Since FTC's economic fact-finding and reporting have long been recognized by Congressional committees and anti-trust authorities as important instruments of antimonopoly action, these gaps are of crucial importance in any enforcement program.

FTC and Justice know this, and it is one of the impelling reasons in their pleas to Congress for a premerger notification law. This would require sizable corporations, subject to the jurisdiction of these agencies, to report their merger plans before any deal is closed. Such a law was introduced in the 85th Congress but failed to pass. It has been introduced again this term. Even if it passes, it will fill only one gap in the Government's economic data. Are new laws needed to fill them all?

There are people at the commission who think not. They say even the premerger notification law isn't necessary, that all the authority FTC needs, to get any economic information, is already contained in section 6 of the FTC act.

This section gives FTC power to compel American business to supply information it needs for its work. At present, it is principally invoked to require businessmen to fill out questionnaires used to compile the quarterly financial reports on United States manufacturing corporations that FTC issues jointly with SEC.

COURT UPHOLDS SECTION 6

A former top FTC economist feels the power of section 6 has never been used sufficiently. The Supreme Court in its decision in the Morton Salt Case in 1950, gives powerful support to this sentiment by saying of section 6 "* * * we find nothing that would deny its use, for any purpose within the duties of the Commission * * *"

A few years ago there was a move within the Commision to use the section in a way that would have produced the systematic economic data FTC needs for its enforcement programs. Nothing came of it.

It is hard to know why. Some explanation might lie in the differing emphasis that Commission old-timers say Democrats and Republicans put upon the agency's work.

According to this theory, when the Democrats are in power, they tend to concentrate on antimerger and antitrust work and go lightly on deceptive acts and practices. When the Republicans are in the theory continues, they crack down hard on deception—the agency's current drive against fictitious pricing is considered an instance of this—and ease up on antitrust prosecutions. In fairness to the present administration, there is also reason to believe antideceptive work was spurred on by reports issued last year by a Congressional subcommittee.

REASONS DIFFER

This view might seem refuted again by the increased number of antitrust cases brought within recent years. But some FTC attorneys—Democrats obviously—feel this has been due more to congressional prodding and an increase in the Commission's appropriation for antimonopoly work than to any real crusading zeal within the agency.

It appears true that increased antitrust work has received very little support in the way of basic factfinding activity. The apparent reluctance to pursue the agency's powers under section 6 is one instance of that.

Another is FTC's disinclination to study, as it might have done in its early years, certain significant aspects of the U.S. economy. Jointly held companies are a good example. Such companies are not new. But, in recent years, their number has mushroomed tremendously. Government economists do not understand their significance. They may very well be perfectly legal arrangements. Yet, they produce such fairly awesome aggregations as General Motors Corp. and Standard Oil (New Jersey) jointly owning Ethyl Corp. Presumably an agency, whose job is to keep an eye on economic concentration, would want to take a look at such poolings of interest. No one at FTC is watching.

SMALL ECONOMIC STAFF

It must be conceded, however, that the Commission is limited in what it can do by its small economic staff, no more than 3 percent of total personnel today. That small number is evidence of a trend since the 1920's, to reduce FTC's economic functions and to concentrate on its legal efforts. This is a departure from the original concept of the Commission, in which the economist was to play as important a role as the attorney. Early in the Commission's history, the economists outnumbered the lawyers. In 1918, primarily because it was required by the exigencies of World War I to supply other agencies with cost information, 70 percent of FTC's personnel was in its economic division.

Curiously enough, it was a Republican member of the agency who, in recent years, showed the greatest interest in expending FTC's economic work.

HOWREY'S TECHNIQUE

Former Chairman Edward F. Howrey, quite early in his term, stressed the need for considering all relevant economic data in antitrust cases. He even discussed attaching a permanent economic adviser to his staff. His critics say he emphasized these economic aspects in an attempt to delay antitrust cases, by clogging their records with superfluous data. It is understood that sharp congressional criticism of his "rule of reason" approach to antitrust work with the concomitant stress on economics, was a principal reason for his resignation before his term expired.

Nevertheless, other Commissioners, not Republicans, took and take a sympathetic view of what Howrey professed to attempt.

"Why," one former Commissioner declares, "economics is the lifeblood of the damn Commission."

If he is right, the agency nowadays is afflicted with anemia.

WHAT'S WRONG WITH FTC?—EXTREME REMEDIES PROPOSED FOR FAULTS

(Fifth and last of a series: "What Can Be Done To Improve the FTC?")

(By Marvin Caplan)

WASHINGTON.—Two extreme remedies are sometimes proposed for the faults of the Federal Trade Commission. One is to abolish the agency. The other is to give it a great deal more money and expand its powers and staff.

The first point of view has many vehement, eloquent, and powerful adherents, most of them in the American Bar Association.

For some time they have been pressing for the establishment of a nationwide system of administrative courts that would strip from the Commission its major functions, particularly in the field of antitrust.

WITH ABA BACKING

A bill to set up such a new system is expected to be introduced again at this session of Congress, with ABA backing.

It has little chance of passage. It is doubtful that any present attempt to abolish or scale down the Commission will succeed. During the late 1930's, a major drive was mounted in Congress to divest FTC and other regulatory agencies of much of their power. It failed, and the agencies seem more firmly established than ever.

If it is assumed that something like the Commission is needed for the proper functioning of the American economy, then the second proposal, to expand the size and power of the agency, apparently has much to recommend it.

"No other major regulatory agency is faced with so huge a task as the Commission with such feeble weapons," a report of the House Small Business Committee observed in 1951: "More and better men, and hence more money, are basic to the necessary enhancement of the effectiveness of the antitrust laws."

But Congress has shown little disposition to act on such advice. While it has increased FTC's appropriation in recent years, much of that money has been absorbed in pay increases and in the administrative responsibilities imposed on the agency by the labeling laws.

The Commission has shortcomings and irritations that could be corrected with more money. It is enough, perhaps, to mention a small but exasperating thing: The shortage of stenographic help for its legal staff.

FTC lawyers tell of having to stay after hours to get out their own mail, or of waiting days for a stenographer to type an important paper.

But even within its budget limitations, present and former staff people say, FTC could attempt more than it does. According to this view, one thing wrong with the Commission is simply a lack of imagination in men who head the agency, and an unwillingness to experiment with the power it already possesses.

PROBLEM OF DELAY

It is impossible, in this serious of articles to discuss a sweeping reorganization of the Commission. But take the problem of delay alone. There is a feeling at staff level that much could be done about delay through relatively simple changes.

One change might be to ask Congress to strengthen FTC's rulemaking powers. Another might be revamping of the entire complaint procedure along lines already authorized by the FTC Act. A third might be a more efficient use of examiners and attorneys.

At present, most of the rules FTC issues—notably its set of trade practice rules and its recent staff guides on deceptive pricing and other matters—are only interpretations of the laws it administers.

These rules themselves carry no force of law. Industry members violate them, but the violation of a rule, in itself, provides no basis for action.

THROUGH ALL STEPS

It cannot be mentioned in the complaint as the reason for FTC's charges. The offense can only become a basis for Commission action after it is carried through all the steps of conventional agency process.

But if FTC's rules had the force of law, the first suggestion runs, the agency could stop a host of practices more simply and speedily than it does now. A former FTC attorney, a proponent of this view, said:

"Get a statute giving FTC power to make rules with the force of law. There are limitations on this. But it could be used to stop fictitious pricing, lotteries, a number of other practices."

FTC already has such rulemaking power under the Wool and Fur Products Labeling Acts and under the new Textile Fiber Products Identification Act. These laws certainly give it a stronger basis for action.

RAPID DISPOSITION

The rapid disposition of fur and wool act cases argues in support of greater rulemaking power. And the new labeling act suggests Congress may be disposed to give FTC more of this kind of authority. Some FTC attorneys see a trend toward such legislation.

Another suggestion for cutting down delay is that FTC exercise, in a different way, the powers it has under section 5(B) of the FTC Act.

This is the section that authorizes the agency to issue complaints against anyone it suspects of an unfair method of competition, or an unfair or deceptive act or practice.

It says that the party named in the complaint shall have the right to appear at a place and time fixed by the Commission "and show cause why an order should not be entered by the Commission * * * to cease and desist."

TO SHORTEN ACTIONS

According to some Commission attorneys, this phrase could be used to shorten present FTC actions. Instead of following the customary courtlike procedure, they said, the agency could summon a respondent straight before the Commission, present him the charges and have him show cause why an order should not be issued.

Full trial would be held only if FTC could not prove its charges.

"The only trouble with the idea," noted one of the attorneys who suggested it, "is that everyone wants to try lawsuits." As for delay, "delay is the greatest stock in trade of civil practitioners. Delay is always on the side of the defendant."

The third suggestion for cutting down the case time involves changing FTC's present method of making assignments to its 11 examiners.

HANDLE MORE CASES

The suggestion came from a former examiner, who estimated he could have handled twice the caseload he did.

The chief difficulty with the job, he said, is that so much time is wasted on the road. FTC attorneys and examiners travel all over the country taking testimony on a complaint. An examiner will all too often find himself in San Francisco with a hearing he can dispose of in half a day, and use the rest of the week getting back to Washington.

The situation could be corrected to a great extent, the examiner believed, if assignments were made on a geographic basis. If the examiner in San Francisco also could schedule hearings on cases involving respondents in Los Angeles and Seattle and bring the witnesses into San Francisco the week he is there, he could handle three cases instead of one.

Too often, however, purely extraneous considerations enter into the assignment of cases. For instance, one examiner with a married daughter on the West Coast gets there on assignment at least twice a year.

These three proposals for combating delay—rulemaking power with the force of law, revision of the complaint procedure, and more efficient staff assignment—are not offered as a panacea.

Each of them, their advocates point out, contains controversial elements. But they have been proposed a number of times by men who know the Commission intimately, and would like to see it function better.

If they have not received careful study, it may be, as their advocates suggest, that the fault lies in a condition of apathy, a lack of will to explore and examine just what the agency can do.

Surveying the Commission today, a former FTC attorney, who works with a watchdog congressional committee, thinks it is doing a much better job than it did only a few years ago, but needs bolder, more imaginative direction.

There is a sequel to the story about the FTC Commissioner who rode the new automatic elevator in the agency and wished FTC's cases would all move as fast.

A week or so later, the elevator developed bugs, missed floors, stuck, shut its doors either too slowly or too abruptly.

"Goldarn," said an attorney entering and shaking his head. "This thing never works the way you want it."

It was almost as if he spoke for the many people who work diligently and devotedly in the Commission's cause and expressed their deepest sentiment about the agency itself.

MORE AGREEMENT THAT TIGHT-MONEY POLICY IS A BAD REMEDY FOR ADMINISTERED PRICES

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PATMAN. Mr. Speaker, many Members of this body are gravely concerned over the way the Federal Reserve System is regulating this Nation's economy. And they should be concerned; this is one of the central issues, if not the central issue, of our times.

Certainly it is the central problem on the domestic front. It involves such questions as how many people will have jobs, how many farmers will be dispossessed, what kinds of schools and other public facilities the Nation will have. Finally, it raises a question whether our so-called free enterprise system really is the best system after all. Certainly, too, this question of how our economy is being regulated, and with what effects, cannot be unrelated to this Nation's success or failure in the international arena.

If our system is such that we must have long periods of stagnation, rather than the rapid economic growth which new advances in technology and worker-productivity make possible, then many other nations must wonder whether the Western World will long continue to lead in industrial strength.

If we must have these severe and prolonged recessions in creative activity, other nations must doubt, as we must doubt, whether we will win out in the race for scientific and technical supremacy. There are many Members who, like myself, are not experts in foreign affairs and we are wondering about this: Since our business and financial leaders seem to believe that our economic system can function properly only with about 6 percent of our working population unemployed, will people in other parts of the Western World really wish to copy our free enterprise system and form their intellectual and spiritual alliances with us. These questions are passing on the minds of many of us.

There are some guides to be found, I think, in two letters by distinguished economists which recently appeared in the Washington Post and Times Herald. One is a letter written by Mr. Woodlief Thomas, who is economic adviser to the Federal Reserve Board. The other is written by Mr. Leon H. Keyserling, who is the former Chairman of President Truman's Council of Economic Advisers, commenting on Mr. Thomas' letter.

TIGHT MONEY POLICY SQUEEZES OUT COMPETITION; BRINGS MORE POWER TO ADMINISTER PRICES

Both of these are good and thoughtful letters. Both show a devotion to the public interest and to those particular values with which most of us would agree. It seems to me that as compared to the amount of the agreement between the two views expressed by these economists, any differences between them are extremely minor.

There now seems to be wide agreement on all sides on these points:

First. Increases in the price level which have taken place since the Korean period have not been the result of a monetary inflation. In this period the underlying demand was not present to bring about a proliferation of credit in excess of productive capacity. These price increases have resulted. in short, from arbitrary price-making in the administered price industries. In other words, these industries have sufficient monopoly power to jack up prices and have jacked up prices, even at times when they were suffering from a serious decline in business.

Second. Present methods of squeezing money and credit are not effective in checking price increases of this kind. Indeed, tight-money policies applied on such a mixed economic system as we have—consisting of both monopoly activities and highly competitive activities, and all shades in between—may cause such distortions and upsets in the system as to make the cure worse than the disease.

The fact is, as I see it, tightening money actually causes the administered-price industries to raise prices. Tightening money means raising interest rates which brings about an increased cost. And more often than not, the administered price industries shift any and all increased costs on to the consumers. In truth, they usually shift more than the increased cost, because there is a general tendency to set prices as a percentage mark-up over costs. So there is a tendency not merely to shift the increased cost, but to set prices so as to take a profit on the increased cost. Fighting inflation in these industries with tight money is like fighting fire with gasoline.

I do not contend that the tight-money policy has not caused price decreases in the competitive segments of the economy. On the contrary, it clearly has done so. Over these last several years when the big-business industries were making price increases and pushing up the general price index, the tight-money policy was shrinking the hides of the farmer and the small-business man. Tens of thousands of small-business people were pushed into bankruptcy and their inventories have been liquidated at distressed prices. And the profit margins of other small businesses have been squeezed. These bargain prices which small business has had to offer in the course of its general exodus from the business system have disguised to some extent the full measure of the big-business price increases. The overall Consumer Price Index does not show the full effect, because small-business people and farmers are paying for the tight-money policy.

Furthermore, the Nation is continuing to pay, and will continue to pay, for many years to come. At the same time small firms were being pushed to the wall, giant corporations were expanding. They were buying up and merging smaller companies; they were building bigger and more efficient productive plants; they were building supermarkets and distribution outlets of all kinds; and they were spending huge sums—usually Government money—on research and experimentation to acquire and control new and improved business techniques. In brief, the tight-money policy has left the Nation with a greater concentration of economic power, a stronger monopoly control over markets and production techniques, and it has left consumers with poorer defenses against administered prices.

Yet, in spite of this practical experience with a theory which did not make sense in the first place, the Federal Reserve System has now embarked upon a new tight-money policy. Why? That is the question, Why?

LETTERS OF WOODLIEF THOMAS AND LEON KEYSERLING

The letters submitted by Messrs. Thomas and Keyserling are as follows. I believe they contain much from which we can profit:

FEDERAL RESERVE'S ECONOMICS

Dr. Woodlief Thomas' communication of March 12 is commendable for its statement (a) that the evil of administered prices moving upward "is not so much that they create inflation but that they tend to retard growth and to increase unemployment" because they create "distortions," and (b) that these private pricing actions "cannot be effectively controlled or corrected by * * * fiscal and monetary policies," and that "any attempt to avoid these distortions by monetary policies might increase the distortions and lead to a more severe adjustment."

But is the Federal Reserve System benefiting by the sage advice of Dr. Thomas? In early 1957, the FRB was insisting that the inflation was of the classic variety resulting from demand in excess of supply, and that the tightening of monetary policy was the best way to fight it, even though it was abundantly apparent that the slack plant and manpower was already much too large and showing clear signs of increasing rapidly, and that the only type of inflation then in being was administered price inflation.

And today, the FRB is again tightening up on money, when unemployment is still increasing, when there has been virtually no price inflation for almost a year, and when the only price inflation threat in the foreseeable future is that administered prices may again be raised long before key industries are subjected to any high pressure of demand against available productive capacities.

Dr. Thomas does present the FRB argument that stricter monetary policies are now needed to prevent an actual or threatened expansion of credit which might result "if monetary policy should undertake to finance whatever demands for credit are made upon the banking system, or permit itself to be used to justify all decisions made by producers."

Monetary policy can be used effectively on the credit front. But the defect in the FRB position has been failure to recognize that, just as the distortions in the price structure are more serious than rising prices per se, so distortions in the credit structure are of central significance.

To illustrate, in 1957 the economy was not threatened by an excess of total investment, but rather by a rather typical investment boom in plant and producers' equipment running far ahead of demand for products. Meanwhile, investment by States and localities in schools and other public services, investment in housing, and investment by the Federal Government for national defense and essential domestic programs, were running much too low to meet the great priorities of our national needs, or even to lift total investment to levels consistent with maintenance of a high and stable rate of economic growth.

Yet the tight money policy in 1957 increased these distortions by repressing further the types of investment (and private consumption) which were already too low. The policy had virtually no restraining effect upon the investment boom in plant and equipment, which came to an end only when industry recognized that productive capabilities had run way ahead of effective demand.

Today, we suffer greatly from the deficiencies in certain types of public investment and private consumption referred to above. In addition, we now need expansion of fundamental investment in plant and equipment generally, which will not occur until there is a sufficient expansion of private and public demand; overall investment and credit are expanding much too slowly.

The current tight money policy is again repressing those things which we urgently need to expand first, and is having very little effect upon those things which can expand only thereafter. It is also throttling the small entrepreneur further, and hurting all marginal groups who ought to be helped.

Thus, while the FRB should be praised for its belated belaboring of administered price increases, this should not absolve the FRB from its share of responsibility for inadequate economic growth or high unemployment, nor divert attention from needed changes in FRB policies.

And if it is appropriate for the FRB to be concerned about administered prices because all private and public economic policies interact, then it is at least equally appropriate for the executive branch and Congress to be concerned about monetary policies, which raises the question of just how "independent" the FRB should be.

LEON H. KEYSERLING.

WASHINGTON.

THOSE ADMINISTERED PRICES

(A communication from Woodlief Thomas)

(Woodlief Thomas, author of this communication, is the economic adviser to the Federal Reserve Board.)

Recent discussion of the influence of administered prices, stimulated by Gardiner Means' statement before the Kefauver committee (Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary), has made a significant contribution to a better understanding of the problems of inflation and fluctuations in economic activity and employment. This contribution is in pointing out that there are unstabilizing forces in pricing actions of the private economy—on the part of both management and labor—that cannot be effectively controlled or corrected by governmental actions in the area of fiscal and monetary policies.

The columns of the Washington Post have covered much of this discussion, beginning with Bernard Nossiter's lucid presentation on February 8. Gardiner Means placed major—and apparently undue—emphasis on the role of administrative decisions by

powerful corporations and labor organizations in fixing prices and wages without due regard to economic forces or public interest. He also expressed the view, which was not supported and is inconsistent with his major thesis, that restrictive monetary policies brought on the recession in 1957. Eugene Havas in his letter of February 19 to the Washington Post pointed out the effects of pricing policies on the profits of steel companies and expressed the view that monetary and fiscal policies, though sound in themselves, cannot stop inflation spurred by administrative price increases. Ralph Young, in his letter to Senator PROXMIRE and also in his more recent appearance before the Kefauver committee, pointed out the various demands and other market factors that have influenced price movements in recent years. Harold Dorsey, in some of his recent excellent Monday columns in the Post, has also presented a realistic analysis of recent price changes and their possible effects in contributing to economic instability.

Objection to administered prices, it may be concluded from these discussions, although not precisely stated in any of them, should not be so much that they contribute to inflation but that they interfere with the proper functioning of the price mechanism and lead eventually to unemployment of resources.

Prices should serve as a means for obtaining the most effective allocation of resources and maintaining a balance between output and use. In a free-market economy, there should be no objection if an industry or a company or an individual endeavors to obtain the highest prices obtainable for its products or services in the light of existing and foreseeable circumstances. Such a policy stimulates investment in increased productive capacity and tends to restrain demand.

One of the considerations in fixing prices, of course, should be what price can be sustained and whether markets might be lost for a longer period by asking the highest possible price for any short period of time. Criticism arises with respect to administered prices when they are not adjusted properly in response to supply and demand forces. They are harmful if prices are raised so as to choke off demand and lead to reductions in output or if prices are held up in the face of declining demand when lower prices might sooner or later stimulate some demand. The result is that production and employment are reduced more and kept down for a longer period than would otherwise be the case. Such a result is harmful to those responsible for the bad judgment in setting prices as well as to the general public interest.

Consumers have the privilege of deciding whether or not to buy a product or a service that is offered at the price demanded. Higher wages or other cost increases are not a decisive reason for raising prices, if consumers won't buy the output that can be produced at the higher prices asked. An economic system cannot be expected to operate on the principle that a seller can always obtain any price he wishes to ask for his product. In order to maintain sustainable economic growth, it is the task of the seller to adjust his prices or his product so as to stimulate demand. Otherwise it is to be expected that resources will be allocated to other uses, but this is a time-consuming process and results in unemployment. Much of the unemployment existing today can be attributed to distortions and inflexibilities in the price and income structure.

It is most likely, for example that some wages and prices were raised or kept up too high in 1957 and thus choked off demands. Moreover, they have not been adjusted downward sufficiently to stimulate demand since then. This is particularly true of the automobile industry with respect to styling as well as to prices. The principle is the same in either event. It is no doubt also true of the steel industry. At present the threat of further increases in steel wages and prices may be stimulating a surge of buying that might not last after the event.

Consequences of such distortions and inflexibilities in the price and income structure cannot be avoided by monetary and fiscal policies. Any attempt to do so would not remove the basic difficulty but might increase the distortions and lead to a more severe adjustment. Nor should monetary and fiscal policies be blamed for recession and unemployment that result from incorrect pricing policies of management and labor. They might alleviate some of the consequences and should endeavor to do so. Monetary policy, however, operates within a limited area and is concerned primarily with commercial bank credit. As Ralph Young pointed out in his statement before the Senate subcommittee:

"If monetary policy should undertake to finance whatever demands for credit are made upon the banking system, or permit itself to be used to justify all decisions made by producers, whether correct or faulty, it would become an engine of inflation, not a force for stability and sustainable growth. Monetary policy must be concerned with the interests of all the people, consumers as well as producers, not with particular interests or industries. * * *

"Obviously, monetary and credit policy cannot do everything needed to attain stable growth; it must be supported by appropriate fiscal and other public policies, as well as by prudent private policies. During periods of expanding demands, accompanied by speculative psychology and expectations of creeping inflation, monetary policy has no option but to assume a restrictive posture. If it did not assume such a posture, widespread expectations that prices and costs would be steadily raised might indeed lead to further spiraling of costs and prices. Individual or group efforts then to hedge against or by escalation to protect against inflation would tend to aggravate inflationary forces rather than to bring them into balance."

In conclusion, the objection to administered prices and wages is not so much that they create inflation but that they tend to retard growth and to increase unemployment. Inflation might be created if monetary and fiscal policies attempt to validate such prices, but eventually these attempts will only make the inevitable collapse more disastrous.

WOODLIEF THOMAS.

CHEVY CHASE, MD.

TO VIOLATE THE LAW IS TO TEAR THE CHARACTER OF ONE'S OWN LIBERTY

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NATCHER. Mr. Speaker, it has been said that the only real democracy is that of the dead; that there is neither rank nor station nor prerogative in the republic of the grave. While this is a maxim to be taken into account, it is also a fact that in life some of our noblest citizens have practiced real democracy. Such was true throughout the life of Judge N. Porter Sims.

On March 13, 1959, while dining with friends in Frankfort, Ky., Judge Porter Sims suffered a massive cerebral hemorrhage, with death resulting in a matter of minutes. Before going to Frankfort as a commissioner of the court of appeals—our highest court in Kentucky—Judge Sims had served for 8 years as city attorney of Bowling Green, and as judge of the Warren Circuit Court from 1928 to 1938. He was first elected to the court of appeals in November 1942 and to successive terms in 1950 and 1958. Twice did he serve as chief justice of our highest court. He died at the age of 72.

The bar of my home city of Bowling Green, Ky., has always been composed of men whose legal attainments have been of the highest order. During my lifetime three of our outstanding lawyers were elevated to the court of appeals, namely, Judge Warner Ellmore Settle, Judge Marvel Mills Logan, and Judge Porter Sims. Like his two predecessors and friends, Judge Sims, in every respect upheld and maintained the traditions of the law. He was a scholar of the law who found belief in his profession. It was my good fortune to begin the practice of law when Judge Sims was judge of the Warren Circuit Court, and, like many another young man, I was privileged to sit at the feet of a gentleman who set up a rigid code of legal ethics from which he never deviated. To violate the law, in Judge Sims' opinion, was to tear the charter of one's own liberty. He truly felt that the basic theory of the American political system was the equality of all before the law and that laws lose their force if they are not justly, courageously and wisely administered. Though rigid in his interpretation of the law, Judge Sims was a man of compassion, particularly with respect to the rights of citizens, where persons were at the mercy of the court, or in cases where children were involved. He was without personal fear, but he possessed a kind and considerate nature. In every aspect of his life he practiced true democracy.

In these changing and tumultous days through which we are passing, bitter criticism has been directed at the members of some of our highest courts. But at no time was criticism ever leveled at the opinions handed down by Judge Sims, nor at his integrity, legal or otherwise. Judge Sims lived up to the standards which should be inherent in members of our judicial system. By temperament, training and education he was qualified to sit on any court in the United States. Through his kindness and tolerance he drew people to him, and a friend once gained was never lost.

In the death of Judge Porter Sims the State of Kentucky has been deprived of a great jurist. But the principles which he advocated by precept and example shall continue to be felt by our entire legal profession, and shall prove a factor in maintaining the scale of justice in more certain balance.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HARMON, for balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. EVINS, for 20 minutes, today, and to revise and extend his remarks and to include extraneous matter.

Mr. PERKINS, for 30 minutes, on tomorrow.

Mr. RHODES of Arizona, for 1 hour, on Monday next, March 23, 1959.

Mr. POWELL (at the request of Mr. GIAIMO), for 60 minutes, on Monday and Tuesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. SULLIVAN.

Mr. HERLONG and to include a speech.

Mr. RUTHERFORD (at the request of Mr. NATCHER).

Mr. O'KONSKI in two instances.

Mr. HALPERN.

Mr. SCHWENGEL.

Mr. FORD.

Mr. BOSCH (at the request of Mr. HALLECK) and to include extraneous matter.

Mr. HALLECK in two instances and to include an address by Mr. WEAVER, of Nebraska, and an address by Postmaster General Arthur Summerfield.

Mr. KOWALSKI.

Mr. BOLLING in two instances and to include extraneous matter.

Mr. FEIGHAN.

(At the request of Mr. GIAIMO, and to include extraneous matter, the following:)

Mr. O'HARA of Michigan.

Mr. METCALF in three instances.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 1776. An act to amend the act of June 28, 1958, to provide for a National Outdoor Recreation Resources Review Commission, and for other purposes.

ADJOURNMENT

Mr. GIAIMO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, March 19, 1959, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

735. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 22, 1959, submitting a report, together with accompanying papers and an illustration, on a review of reports on Pascagoula Harbor, Miss., requested by resolutions of the Committees on Public Works, House of Representatives, and U.S. Senate, adopted August 16, 1950, and June 10, 1957. This report includes a study of the engineering and economic feasibility of the plans authorized in the River and Harbor Act approved September 3, 1954, and an investigation to determine whether additional project modifications may be advisable at this time (H. Doc. No. 98); to the Committee on Public Works and ordered to be printed with one illustration.

736. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 15, 1959, submitting a report, together with accompanying papers and an illustration, on an interim report on northwestern Alaska, authorized by the Flood Control Acts approved June 30, 1948, and May 17, 1950 (H. Doc. No. 99); to the Committee on Public Works and ordered to be printed with one illustration.

737. A letter from the Secretary of the Army, transmitting a report of the number of officers on duty with the Department of the Army and the General Staff on December 31, 1958, pursuant to Public Law 581, 81st Congress; to the Committee on Armed Services.

738. A letter from the Director, Legislative Liaison Department of the Air Force, transmitting a copy of the Air Force's report entitled "Semiannual Research and Development Procurement Action," for the period July 1 through December 31, 1958; to the Committee on Armed Services.

739. A letter from the Comptroller General of the United States, transmitting a report on the examination of the pricing of Department of the Navy negotiated contracts and subcontracts with Librascope, Inc., Glendale, Calif., for model MX-1295 periscopes; to the Committee on Government Operations.

740. A letter from the executive secretary, American Chemical Society, transmitting the annual report of the American Chemical Society for the calendar year 1958, pursuant to Public Law 358, 75th Congress; to the Committee on the Judiciary.

741. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in the cases of certain aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

742. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of the Army for "Operation and maintenance, Army, 1959" has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDAY: Committee on Armed Services. H.R. 296. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in the Philippines in 1959; and for other purposes; with amendment (Rept. No. 221). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H.R. 7. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America, and for other purposes; with amendment (Rept. No. 222). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee on Armed Services. H.R. 5674. A bill to authorize certain construction at military installations, and for other purposes; with amendment (Rept. No. 223). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 224. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. SPENCE: Committee on Banking and Currency. H.R. 4452. A bill to amend the Bretton Woods Agreements Act; without amendment (Rept. No. 225). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. S. 1096. An act to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes; with amendment (Rept. No. 226). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARY: Committee on Appropriations. H.R. 5805. A bill making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 227). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. First report on results from recommendations made during 85th Congress in reports of Committee on Government Operations (Rept. No. 228). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 5775. A bill to provide for the disposition of certain lands above the 320-foot contour of the John H. Kerr Dam and Reservoir to the former owners, and for other purposes; to the Committee on Public Works.

By Mr. BRAY:

H.R. 5776. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. PATMAN:

H.R. 5777. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. BRAY:

H.R. 5778. A bill to protect consumers and others against misbranding, false advertising, and false invoicing of decorative hardwood or imitation hardwood products; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of Pennsylvania:

H.R. 5779. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 5780. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

By Mr. COOLEY:

H.R. 5781. A bill to incorporate the Agricultural Hall of Fame; to the Committee on the Judiciary.

By Mr. CORBETT:

H.R. 5782. A bill to establish recognition and observance by classified employees in Federal Government of all State holidays; to the Committee on Post Office and Civil Service.

H.R. 5783. A bill to provide for Government contribution toward personal health service benefits for civilian officers and employees in the United States service and their dependents, to authorize payroll deductions for participants, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DAWSON (by request):

H.R. 5784. A bill to amend the Government Corporation Control Act, as amended; to the Committee on Government Operations.

H.R. 5785. A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Government Operations.

By Mr. DOOLEY:

H.R. 5786. A bill to amend the Internal Revenue Code of 1954 so as to permit railroad corporations to take full advantage of tax relief measures enacted or granted by the States and their political subdivisions; to the Committee on Ways and Means.

H.R. 5787. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, insure the protection of the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GARMATZ:

H.R. 5788. A bill to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship repair yards, and for other purposes; to the Committee on Armed Services.

By Mr. GEORGE:

H.R. 5789. A bill to incorporate the Agricultural Hall of Fame; to the Committee on the Judiciary.

By Mr. GRANT:

H.R. 5790. A bill to amend section 377 of the Agricultural Adjustment Act of 1938, as amended, so as to make permanent the provision for automatic preservation of acreage history; to the Committee on Agriculture.

By Mr. HAGEN:

H.R. 5791. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. HALPERN:

H.R. 5792. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. LANE:

H.R. 5793. A bill to amend the Japanese American Evacuation Claims Act; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 5794. A bill to provide for the reclassification of certain distribution clerks at airport mail facilities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MORRISON:

H.R. 5795. A bill to bring employees of agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954; to the Committee on Post Office and Civil Service.

By Mr. NORBLAD:

H.R. 5796. A bill to punish the use of interstate commerce in furtherance of conspiracies to commit terroristic crimes and activities, and for other purposes; to the Committee on the Judiciary.

By Mr. OSTERTAG:

H.R. 5797. A bill to amend the National Defense Education Act of 1958 to provide that payments made under title III of that act may not be used to acquire equipment manufactured in the Union of Soviet Socialist Republics; to the Committee on Education and Labor.

By Mr. SHELLEY:

H.R. 5798. A bill to extend pension benefits to persons who served on certain vessels operated by the Army during the war with Spain, the Philippine Insurrection, and the China Relief Expedition; to the Committee on Veterans' Affairs.

By Mr. SMITH of Mississippi:

H.R. 5799. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 5800. A bill to amend title II of the Social Security Act to eliminate certain restrictions on the crediting of self-employment income for old-age, survivors, and disability insurance purposes, so as to permit such income to be retroactively credited (upon payment of tax) to the same extent as wages; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 5801. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. TAYLOR:

H.R. 5802. A bill to provide for the issuance of a special postage stamp commemorating the town of Waterford, N.Y., originally the "Halfmoon", for 1959 in conjunction with the 350th anniversary of historical events in the Hudson-Champlain area; to the Committee on Post Office and Civil Service.

By Mr. TELLER:

H.R. 5803. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TOLL:

H.R. 5804. A bill proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. GARY:

H.R. 5805. A bill making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. ASHLEY:

H.R. 5806. A bill to amend Public Law 587 by permitting the withholding by the Federal Government from wages of employees of certain taxes imposed by municipalities; to the Committee on Ways and Means.

H.R. 5807. A bill to amend section 11 of the War Claims Act of 1948 to provide judicial review of certain actions of the Foreign Claims Settlement Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON:

H.R. 5808. A bill to authorize the National Aeronautics and Space Administration and the National Science Foundation, to conduct research programs for the study of various propulsion systems and the use of various fuels and their derivatives in relation to space vehicles, rockets, and missiles, and for the study of structural, container, and ablating materials; to the Committee on Science and Astronautics.

By Mr. HOLIFIELD:

H.R. 5809. A bill to amend title II of the Social Security Act to provide a more liberal definition of the term "disability" for purposes of entitlement to disability insurance benefits and the disability freeze; to the Committee on Ways and Means.

By Mr. McGOVERN:

H.R. 5810. A bill to amend the Federal Employees Salary Increase Act of 1958 to grant certain increases in compensation to employees of the agricultural stabilization and conservation county committees, to bring employees of agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 5811. A bill to provide that certain lands shall be held in trust for the Crow Creek Sioux Tribe in South Dakota; to the Committee on Interior and Insular Affairs.

H.R. 5812. A bill to place in trust status certain lands on the Crow Creek Indian Reservation in South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. METCALF:

H.R. 5813. A bill to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 5814. A bill to provide for cooperative unit programs of research, education, and demonstration between the Federal Government of the United States, colleges and universities, the several States and Territories, and private organizations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. O'BRIEN of New York:

H.R. 5815. A bill to provide for the issuance of a special postage stamp in commemoration of the 350th anniversary of historical events in the Hudson-Champlain area; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H.R. 5816. A bill to provide that all programs of economic aid to foreign nations shall be administered by the Secretary of State; to simplify administration of such programs; and for other purposes; to the Committee on Foreign Affairs.

By Mr. VANIK:

H.R. 5817. A bill to provide for the recognition of the Polish Legion of American Veterans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. WHARTON:

H.R. 5818. A bill to provide for the issuance of a special postage stamp in commemoration of the 350th anniversary of historical events in the Hudson-Champlain area; to the Committee on Post Office and Civil Service.

By Mr. DIXON:

H. R. 5819. A bill to provide grants to the States to assist them in informing and educating children in their schools about the harmful effect of tobacco, alcohol, and other potentially deleterious consumables; to the Committee on Education and Labor.

H. R. 5820. A bill to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869); to the Committee on Interior and Insular Affairs.

H.R. 5821. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PELLY:

H.R. 5822. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; to the Committee on the Judiciary.

By Mr. BERRY:

H.J. Res. 313. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. CUNNINGHAM:

H.J. Res. 314. Joint resolution proposing an amendment to the Constitution prohibiting a State from taxing certain income of a nonresident; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.J. Res. 315. Joint resolution authorizing and requesting the President to issue a proclamation with respect to the 1959 Pacific Festival, and for other purposes; to the Committee on Foreign Affairs.

By Mr. O'BRIEN of New York:

H. Con. Res. 104. Concurrent resolution expressing the sense of the Congress with respect to the recognition of the grave of Samuel Wilson, progenitor of the symbol "Uncle Sam," in Oakwood Cemetery, Troy, N.Y., as a national shrine; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON:

H. Con. Res. 105. Concurrent resolution expressing the sense of Congress in standing behind the President's policy of firmness in the Berlin crisis and calling for certain actions to strengthen the Armed Forces of the United States abroad and at home; to the Committee on Foreign Affairs.

By Mr. TAYLOR:

H. Con. Res. 106. Concurrent resolution expressing the sense of the Congress with respect to the recognition of the grave of Samuel Wilson, progenitor of the symbol "Uncle Sam," in Oakwood Cemetery, Troy, N.Y., as a national shrine; to the Committee on Interior and Insular Affairs.

By Mr. COOLEY:

H. Res. 216. Resolution to amend House Resolution 93; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. KARTH: Memorial of the Legislature of the State of Minnesota memorializing the Congress of the United States to adopt the Blatnik amendment to the Federal Water Pollution Control Act; to the Committee on Public Works.

By the SPEAKER: Memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to safeguard and preserve established State and individual rights to the use of water within the separate States; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES:

H.R. 5823. A bill for the relief of Mae Ja Ward; to the Committee on the Judiciary.

By Mr. BERRY:

H.R. 5824. A bill for the relief of Francis Janis and certain other Indians; to the Committee on the Judiciary.

By Mr. BOYLE:

H.R. 5825. A bill for the relief of Eugeneusz Ruszkowski; to the Committee on the Judiciary.

By Mr. COHELAN (by request):

H.R. 5826. A bill for the relief of Mrs. Cecelia Cellino; to the Committee on the Judiciary.

By Mr. DORN of New York:

H.R. 5827. A bill for the relief of Gilbert Gibson; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 5828. A bill for the relief of Lily Yuk-Wah Ho; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.R. 5829. A bill for the relief of Terry Shirley Stueber; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 5830. A bill for the relief of Salim Menashi Eliahoo Reuben; to the Committee on the Judiciary.

By Mr. FULTON:

H.R. 5831. A bill for the relief of Irene Varverakis; to the Committee on the Judiciary.

By Mr. HÉBERT:

H.R. 5832. A bill for the relief of Mrs. Rosa Perez Garcia de Covelo; to the Committee on the Judiciary.

By Mr. JACKSON:

H.R. 5833. A bill for the relief of Barbara Iris Patrick; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 5834. A bill for the relief of Paciencia Ilagan; to the Committee on the Judiciary.

By Mr. JOHANSEN:

H.R. 5835. A bill for the relief of Velios D. Nikolaou; to the Committee on the Judiciary.

By Mr. KILDAY:

H.R. 5836. A bill for the relief of Dorothy E. Green and Thelma L. Alley; to the Committee on the Armed Services.

By Mr. TEAGUE of California:

H.R. 5837. A bill for the relief of Tai Ja Lim and Tai Chung Lim; to the Committee on the Judiciary.

By Mr. VANIK:

H.R. 5838. A bill for the relief of Maria Mariani Guidi; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Dr. Flemming's Famous Formula

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. METCALF. Mr. Speaker, Dr. Flemming, Secretary of Health, Education, and Welfare, has devised the now-famous Flemming formula whereby he says 75,000 classrooms will be built to alleviate partially the need for 140,000 classrooms to properly house our boys and girls. Dr. Flemming's formula is to change the constitutions, statutory debt limits, and tax procedures of the various States. But these are minor obstacles according to Dr. Flemming and, with their change, thousands of classrooms can be built next year.

Now that he has solved the classroom shortage, Dr. Flemming can put his considerable talents to work in other fields. One of the sports that has enjoyed a rapid growth in popularity is golf, perhaps in some measure due to the interest Dr. Flemming's boss takes in the game. But hundreds of new players have to forgo the pleasure of making a hole-in-one. Applying Dr. Flemming's formula, by changing golf rules slightly and modifying the equipment somewhat, all players can make a hole-in-one. Each golf ball is to be equipped with a guidance mechanism modeled after that in our most advanced missiles, and each hole on the golf course will be outfitted with radar and tracking devices that will guide the ball to the hole. Golf is an ancient game so the rules are obviously obsolete and it will not be difficult to change them in order to use this improved mechanism. But getting the guidance mechanism down to the size and weight of a golf ball; and the radar and homing devices to a size that will fit in the hole on the green will be a little more difficult. But these are minor obstacles and it can be safely predicted that millions of golfers on every modern and properly equipped golf course in America will be making holes-in-one next summer.

St. Patrick's Day

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, March 18, 1959

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared regarding St. Patrick's Day.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEATING

Yesterday all America celebrated St. Patrick's Day. All Americans, regardless of their creed or land of origin, paid their respects

by the wearing of emerald green in their hearts and on their clothes.

Today, we in Congress have been honored by the presence of that great representative of the Emerald Isle, President Sean T. O'Kelly of the Republic of Ireland. I have had the distinct pleasure of meeting President O'Kelly, and can therefore testify at first hand to his wit, his charm and his general embodiment of the fine characteristics we have come to associate with his justly famed native land.

President O'Kelly's visit to the United States will do much to strengthen even more the already firm bonds of friendship between Ireland and the United States. This recognition and mutual liking results from our understanding of the great contributions made by peoples from both lands to the progress of each land. We in this country have been blessed with many hearty sons of the Emerald Isle. In every walk of life, they have made valuable contributions to the building of America.

Among their greatest qualities, the Irish have brought to our land a deep and reverent love of God, and a firm resolve to oppose all philosophies and forms of government which seek to destroy man's faith and freedom. They have brought their unique qualities of humor and musical talents. And they have infused into all sections of our land their infectious laughter.

While we pause to pay tribute to the Irish who have done so much to help establish our Government, it would be well also for us to pause in recognition of him whose name March 17 bears. St. Patrick's selfless devotion to his fellow men—a quality so often reflected in his countrymen—has served as an inspiration to men the world over.

For surely, St. Patrick belongs to all the world, not just the Irish alone. He belongs to all men who look upon service of good and love of man as our chief duties on this earth. The evocation of his name, and the observance of the day which bears his name, thus carries the deeper significance that every man should give of himself so that others might benefit.

That is the great lesson of March 17. That is the great lesson we would all do well to ponder and put into practice throughout the year.

Shame on Us

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. O'KONSKI. Mr. Speaker, and now we have come to this: Trafficking in other people's rings and watches. Intruding into the intimacies of family relationships. Taking heirlooms.

These tawdry personal effects, confiscated private property, are being sold in America's name. Your name and mine.

The guilt of the former owners? Principally, being born German or Japanese.

Our guilt? So far—idly standing by.

At what point should revulsion begin to set in?

OFFER FOR SALE BY THE ATTORNEY GENERAL OF THE UNITED STATES OF AMERICA

Notice inviting citizens of the United States of America to make offers to purchase from the Attorney General all his rights, title, and interest in and to seven lots of personal property vested in the Attorney General pursuant to the Trading With the Enemy Act, as amended, described as follows:

Lot 1. One man's watch, yellow metal.

Lot 2. One man's watch, yellow metal with chain and Masonic emblem set with six diamondlike stones.

Lot 3. One Zeiss Ikon camera with leather case. One tripod in leather case. One box of camera filters.

Lot 4. One lady's yellow metal ring set with a diamondlike stone.

Lot 5. One cocktail shaker (stainless chrome). One matching tray and four cocktail glasses, one broken.

Lot 6. One man's diamond ring.

Lot 7. One man's diamond ring (about 1½ carat). One lady's diamond ring, Tiffany setting (about 1½ carat).

Dated at Washington, D.C., this 3d day of March 1959.

WILLIAM P. ROGERS,
Attorney General of the United States.

Admission of Hawaii

EXTENSION OF REMARKS
OF
HON. SEYMOUR HALPERN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. HALPERN. Mr. Speaker, it is a heartwarming experience to witness this historical culmination of the aspirations of the people of the Territory of Hawaii for statehood. I have long supported this deserving cause, and I say with all humility that it is a truly memorable experience as a freshman Representative, to participate in history in the making.

As a Representative from one of the Thirteen Original States, I welcome our newest sister. This moment of profound importance to the Nation provides an opportunity to reflect with pride upon our magnificent national heritage, for the admission of Hawaii is inseparably linked to every event in our past by which this mighty Republic was irretrievably forged into a whole.

Numerous speakers have already eloquently referred to the many, strong arguments supporting Hawaiian statehood. I do not propose to retrace the ground which they have so ably covered.

What is especially important to me are the consequences and benefits which will accrue from this momentous action.

Mutual interests and growing common ideals have bound the mainland and Hawaii increasingly together for over 100 years. Now, at last, Hawaiians will have the opportunity to wholly establish their own State government, and to participate, through their elected representatives, in the Government of the United States. They will now have the chance to vote for a President and Vice President. They will attain the full rights of citizenship.

These blessings of freedom are particularly significant at a time when the world is engaged in a desperate struggle to contain the dark forces of totalitarianism.

For the rest of us and for the peoples of the world, the admission of Hawaii is graphic and striking evidence of the dynamism of the great principles of the Declaration of Independence and the American Constitution. This is living proof of the vitality of our belief that all men are created equal.

This is our faith and our message. Let the rest of the world perceive and rejoice.

The dignity of man, good will, and democracy under law will take on new meaning, new clarity, new luster to those who can see their reflections among the peoples of our newest State.

This is the clarion example of the dynamic strength of freedom. Let it be a beacon and an inspiration for all mankind.

Political Emphasis Week

EXTENSION OF REMARKS
OF
HON. GERALD R. FORD, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. FORD. Mr. Speaker, our colleague, the distinguished gentleman from Maine [Mr. COFFIN], yesterday on the floor of the House presented an excellent report on the Political Emphasis Week which was held at St. Olaf College, Northfield, Minn., March 12, 13, and 14. It was our honor and pleasure to attend and participate in certain portions of this excellent program. I can assure each of you that both of us, one representing the Democratic Party and the other the Republican Party, were tremendously impressed with all aspects of this interesting and enlightening effort to create among our youth of today, the leaders of tomorrow, a more vital interest in State, National and international politics.

The gentleman from Maine, [Mr. COFFIN], most ably described the atmosphere which prevailed and the workings of the mock house of representatives. I join him in commending the 200-plus students of this fine liberal arts college who diligently and intelligently studied seven major issues now before the U.S. Congress—all basic problems which must be considered and be resolved by the 86th Congress. However, I sincerely believe that Dr. Clemens M. Granskow, president of the college; Dr. James R. Klonoski, head of the political science department; and other members of the faculty deserve high praise for initiating and successfully guiding this overall effort.

In 1958 the political emphasis week concentrated on the United States in the Middle East. The program a year ago included three sessions of a mock united nations general assembly with three major addresses by authorities in the field of the Middle East. The lively student interest and the constructive results prompted the college officials to continue the political emphasis week in 1959 with mock house of representatives sessions.

In addition to the actual mock sessions of the house of representatives, I

found the entire atmosphere and activities at St. Olaf very stimulating. It was my pleasure to attend a political science class under Dr. Shepherd where our Nation's mutual security program was discussed in considerable detail. The informal Thursday luncheon with student questions and answers by Dr. Stephen Bailey, professor of Public Affairs, Princeton University, and myself was very interesting. The afternoon tea and reception at one of the dormitories illustrated the intense faculty and student concern with the problems on the agenda of political emphasis week.

In closing my remarks may I congratulate Dr. Bailey who gave the convocation address and Dr. Robert E. Van Deusen, of the National Lutheran Council office in Washington, who was also a principal program speaker. Their contributions were outstanding. The combined efforts of many made this a memorable experience for me, and I am deeply indebted to those who invited me to be a participant. I wish to reemphasize and reiterate my praise for those at St. Olaf, both students and faculty, who made such a tremendous effort for a most worthwhile project.

Address by Senator Moss Before the Hibernian Society of Savannah, Ga.

EXTENSION OF REMARKS
OF

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 18, 1959

Mr. TALMADGE. One of the principal annual events of the historic city of Savannah, Ga., is the St. Patrick's Day celebration of the Hibernian Society of Savannah. This year the society had the good fortune to have as its principal speaker for this colorful occasion the distinguished junior Senator from Utah [Mr. Moss]. His excellent address was enthusiastically received, and I ask unanimous consent that the text of it be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR FRANK E. MOSS, DEMOCRAT, OF UTAH, BEFORE THE HIBERNIAN SOCIETY OF SAVANNAH, GA., MARCH 17, 1959

One of the most pleasing aspects of my work in Washington is the opportunity it gives me to widen my acquaintance with people from every part of America. And I am looking forward to other occasions like this one which will enable me to come to know firsthand some of the intensely interesting areas of our great Nation. I am mindful of what day this is, and of the honor bestowed on anyone invited to participate with the Hibernian Society in the celebration of St. Patrick's Day.

And as a native of the 46th State to enter the Union, I appreciate this opportunity of coming again to Savannah, and of addressing your distinguished society in this, the 4th State to ratify the Constitution.

A new Senator in Washington is particularly conscious, often for the first time, I suspect, of this difference in the years in which the States were admitted to the Union. There is a very good reason for this; so many prerogatives in the Senate are based on seniority. Everything from membership and position on committees of the Senate, to choice of office space, even to parking space for your car, is decided on how long a Member has served. As between those elected the same year, other things are taken into consideration: Whether he served as a Governor of his State, or as a Member of the House of Representatives—and, finally, the year his State was admitted.

Now it just so happens that Utah was almost the last to come in—only Oklahoma and Arizona were admitted later. Many portions of the original Utah Territory became States sooner—Nevada, Idaho, Colorado, California, Wyoming. But a little difference of opinion as to how many wives per husband was in the public interest made it hard for Congress to decide what to do with Utah. We thought the question was one for the men of Utah to decide—women didn't vote then—and we weren't suggesting that men in other States should have more than one wife, you understand. But Congress apparently thought the idea might catch on, so through 40 years of trying, and on 6 separate occasions, we were denied statehood, and it was not until 1896 that a star went into the flag for Utah.

Despite my friendship for Joe Ryan, and my previous visit to Savannah, I must confess that my knowledge of the Hibernian Society has been sketchy indeed, and it has been a matter of great interest to read—all too briefly, I must say—of the very high purpose—that of aiding your fellow countrymen who were less fortunate—that led to its founding 147 years ago today.

As you know, the tendency to organize groups of citizens for all kinds of purposes is peculiarly American, and is restricted to no part of the United States. The French writer, Alexis De Tocqueville, who came to this country during the presidency of Andrew Jackson, and who wrote the famous volume, "Democracy in America," recognized this organizational tendency as something he had not seen in Europe.

He mentions it in these words: "In no country in the world has the principle of association been more successfully used or applied to a greater multitude of objects than in America. Besides the permanent associations which are established by law under the names of townships, cities, and counties, a vast number of others are formed and maintained by the agency of private individuals."

De Tocqueville visited Georgia during his travels, and, since your society was already in existence, it may well have been one of those upon which he commented so favorably. And it may interest you to know that the Hibernian Society of Savannah is 35 years older than the first settlement in the Salt Lake Valley, the place from which I come.

Anyone who has been active in politics and public service as I have all my life would, of course, be fully aware of the great contribution the Irish have made to government and politics in their adopted land. Being energetic, personally engaging and eternally interested in public affairs, and—particularly in our large centers—being anti-English foreigners who still spoke the prevailing language—they have been in positions of power in American Government since the first Irishman set foot on the continent.

Which reminds me of the story of the businessman of British extraction and the name of Cromwell who had wares to sell to the state and municipal governments of one of our populous States. Since Irishmen were in control of the government, he had his problems, and finally concluded that a change of name might help.

Accordingly, he petitioned the court to change his name from Cromwell to O'Brien. His petition was granted, and he went forth to do business.

About a year later he petitioned to have it changed again, this time to O'Flaherty, and found himself facing the same judge.

"Aren't you the man that wanted to be O'Brien only 1 year ago?" asked the judge. O'Brien admitted that he was.

"Didn't the change help your business?" asked the judge.

"Well, Your Honor, said the petitioner, "O'Brien is a fine name, and I am very happy with it. But when I call on my prospects, they ask me two questions. The first is 'What's your name?' When I say 'O'Brien,' they ask: 'What was it before it was O'Brien?' "

It has likewise been pleasant to refresh my memory on the founding of Georgia and Savannah, of the activities of Gen. James Oglethorpe, of his wise measures for governing the colony, of its growth and prosperity, and of the courageous actions of your patriots during the struggle for independence.

And, in preparing remarks on my subject, "The United States," my thoughts turned to the adoption of the Constitution, the effects of the formation of the Union, and the subsequent rise of America to the position and responsibilities of a world power.

As the framers foresaw, ratification of the Constitution gave the Nation the strength it needed. With an effective National Government, it was less temptation to the grasping nations of Spain, France, and England. The removal of trade and exchange restrictions between the States was a great economic stimulus, preparing the way for the development of the greatest market and the most productive economic system the world has known. And other quarrels, such as those over the division of the territory to the west, were speedily settled.

So, for 150 years, our isolated position and our great productive machines rendered us invulnerable to successful attack from without, and gave us the opportunity to devote our energies exclusively to internal problems and development.

The new Republic became a model for liberty-loving peoples everywhere. The royal houses of Europe were quickly overthrown, and following our example, constitutional governments were set up. Our economic influence likewise began to be felt abroad, and our methods copied, and it appeared that the adoption by all nations of what we call the American system would be only a matter of time.

Now, in our lifetimes, a profound change has occurred. No longer may we rely on our geographical position as the cornerstone of our defense. No longer do we expect that our way of life will be, as a matter of course, adopted by the rest of the world.

The most famous of living English historians, Arnold Toynbee, has pointed out how the formerly backward nations of the world are beginning to use the mass-production methods developed by the West; and how—if they succeed in developing productive economic systems—their tremendous advantage in numbers is bound to tell against us.

In one of his articles advocating ratification of the Constitution, Alexander Hamilton noted that the people of this country and of his time had had it fall to their lot to decide whether societies of men are capable or not of establishing good government by reflection and choice, or whether they must always depend on accident and force for their political constitutions.

In the same way, it has fallen to our lot to decide whether a Republic like ours can build a military machine capable of defending us against a ruthless dictatorship armed with modern weapons, and still preserve the individual liberties of the people. It has fallen to our lot to lead the effort to preserve the free world.

If we are to succeed in this endeavor, we must divest ourselves of emotionalism. We must face our world as it exists—not as it used to exist, or as we would like it to exist. We must develop our program in specific terms.

First, we must realize that the greater part of the effort must be made through the instrumentality of the Federal Government. Defending ourselves in the age of nuclear bombs means great power in Washington, and large Federal expenditures, much as we may dislike seeing them.

It is the worst sort of complacency to allow ourselves to be deluded into thinking that the great expansion of Federal expenditures in the last decade and a half has been the result of a plot to destroy our liberties. The great bulk of those expenditures are for war or result directly from the war and subsequent defense measures.

It is also a delusion to suppose that we can substantially reduce those expenditures until we solve the problem that gave rise to them. We must cure the infection, not rail at the symptoms. And the infection in this case is the explosive international situation.

This is not to say that the great Federal budget is no problem, or that we should not make every effort to reduce it where such reduction will be in the public interest.

One change that might help us to see the Federal financial picture more clearly, and an idea that is getting some attention in Washington these days, is a more business-like accounting system for the Government. The plan is to separate, as businesses do, items that represent capital investments and self-liquidating projects from expenditures for regular expense items. It might be that defense items could be placed in still a third category. This would make discussion of budget items more specific, and enable us to comprehend this complicated subject more clearly. It is hoped that it would promote greater public understanding and interest in the Government's fiscal affairs.

Since World War II, the Soviet Union has increased its territory, expanded its world influence, and greatly improved its productive capacity. Such victories as we have had have been purely defensive.

The men in the Kremlin know what kind of world they want it to be 20 years from now. They boldly plan for that world, and channel their resources, their educational facilities and their diplomatic maneuvers to making it that kind of world.

It is true we have made efforts—great efforts—to stem the totalitarian tide. And in these endeavors the statesmen of the South have been among the wisest and most farseeing of our leaders. Yet most of our actions are taken on an emergency basis. When the Kremlin strikes, we react; and we approach the problem each year as though we expected that year to end it.

But it well may be that neither the decision by arms which we all fear, nor the collapse of the Soviet system which would solve our problem for awhile, may occur. It is possible that our condition for the next many years may be just what it has been for the last 10—a continuing struggle to decide—through economic and political pressure whether our system or theirs will win. Perhaps we should emulate the Soviet example and make an all-out effort to win without a war.

If we are to win in this kind of struggle, we must project our program ahead—we must decide what kind of world we want it to be 20 years from now. And within the framework of democratic individual liberty, make the necessary effort to create that kind of world.

In any case, in the next very few years we are going to have to decide—or let someone else decide for us—such vital questions as what will be done about providing nuclear weapons to Germany, whether we are to be equipped to fight smaller or all-out wars, and how great an effort we are to make to rescue the backward nations from poverty and communism.

Another question that must be decided, and one that is very much in the news just now, is whether we are going to try to become first in the development of missiles and the conquest of space.

We must also make some decisions on the direction American economic policy is to take. I am sure there is no question that the great development of the South and the West will continue and be accelerated—merely our population increase would make that inevitable. And this very growth in population itself complicates our problem.

We must decide whether our irreplaceable resources upon which our prosperity has been built—land, water, minerals, forest, and the others—are to receive the attention they must have to retain and enlarge their productive capacity. We must decide whether the American city is to be allowed to continue to decay, or whether Federal and State Governments will allow sufficient tax sources, grants-in-aid, and political autonomy to allow that problem to be solved.

Coming from an area which must carefully use its water to survive, I am particularly conscious of the necessity of preserving this resource. Water was once an exclusively western problem. Our falling water table has now made it a national one. The Congress wisely decided to build the great Colorado River storage project which will enable the basin States to get many times the value from that river resource than is now realized, and to develop great power, industrial and recreational facilities in the West.

Gentlemen, I have stated our problem as I see it. I am aware that many of the things I have said are not the most pleasant to think about. But we are in a giant struggle—not of our making—not of our choosing. The men in the Kremlin care nothing for cost accounting, nothing for human liberty. They are interested only in results.

In Washington and elsewhere we hear the questions asked, "How much does it cost?" "Can we afford to keep ahead in all the weapons?" "Will our economic system stand it?" Let me remind you that the patriots of the War of Independence did not ask the cost. They had lived under tyranny. They wanted freedom, and whatever the cost, it was worth it. So with us. The cost of winning this struggle can never be as great as the cost of losing it.

Our task may be burdensome—but our resources are great. We have 50 States instead of 13, 150 years of experience with democratic government, and the most advanced economic and educational systems in the world. With them—if we have the will—we can win. We can bequeath to our posterity our most precious possession—the blessings of liberty.

Sammy Davis, Jr., Receives Mnookin-Brown American Legion Post's Americanism Award for Distinguished Service in Bettering Human Relations

EXTENSION OF REMARKS
OF
HON. RICHARD BOLLING
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. BOLLING. Mr. Speaker, the Mnookin-Brown American Legion Post of Kansas City, Mo., performs a great service to my district and the country as a whole in the presentation of their annual Americanism award for distinguished service in bettering human relations.

In 1948 the Mnookin-Brown American Legion Post No. 468 established its annual memorial scholarship awards to honor those men and women who gave their lives in World War II to preserve the four freedoms and for the purpose of recommemorating the cause for which they died. The awards are made to high school seniors in the Greater Kansas City area who have distinguished themselves in the field of human relations in home, school, and communal life.

As a result of this scholarship program and other human relations work, the Mnookin-Brown Post is one of the most active organizations in Kansas City, having this highly worthwhile project as its driving force. The post is constantly striving toward the establishment of more human relations instruction in the regular school curriculum in Greater Kansas City. It has become known throughout the United States for its work in this field and should be commended therefor.

On March 30, 1959, this post will honor Mr. Sammy Davis, Jr., by presenting to him the coveted 1959 Mnookin-Brown Americanism Award for distinguished service in bettering human relations. Mr. Davis will interrupt his film and nightclub commitments to appear in Kansas City and receive this award. All America, as well as the entertainment world, should be deeply proud of Mr. Davis for his tremendous gifts of time and talents to philanthropic, civic, and humanitarian causes. His help has brought comfort and health to countless thousands of adults and children. In the last 4 years alone he has received more than two dozen major public service awards in the field of interfaith understanding and assistance to wounded veterans, orphans, youth, and the aged. He is recipient of the fight-for-sight award and numerous citations for fighting muscular distrophy, cancer, asthma, and juvenile delinquency. This record speaks for itself and more than indicates Sammy Davis, Jr.'s worthiness to receive the Mnookin-Brown Americanism Award for 1959 for distinguished service in bettering human relations.

Birthday of Amerigo Vespucci

EXTENSION OF REMARKS
OF
HON. FRANK KOWALSKI
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. KOWALSKI. Mr. Speaker, the supposed rivalry between Christopher Columbus and Amerigo Vespucci has too long been allowed to stand in the foreground of our view of Vespucci, and block out our true view of him. Really, Columbus and Vespucci were no rivals, but close associates and intimate personal friends, throughout the period

from 1492 to Columbus' death in 1506, and the bitterness and detraction common in later historians writing about Vespucci is completely absent from the testimony of the sons of Columbus. It is difficult to imagine a warmer tribute of personal friendship, or of trust, than is contained in Christopher Columbus' letter, written shortly before his death, introducing Amerigo Vespucci to his son Diego. And this, it must be borne in mind, was written 2 years after Vespucci had published his generalized account of the New World, called Mundus Novus, and a year after his letter to Piero Soderini describing his four voyages.

On the birthday of Amerigo Vespucci, more than half a millennium after he came into the world, let us remember and repeat in his honor the warm words spoken of him by the great navigator and discoverer, Christopher Columbus: "The bearer of this, Amerigo Vespuchy, is going there to the court where he has been summoned in connection with matters of navigation. It has always been his desire to give me pleasure; he is a man of good will; fortune has proved contrary to him as to others; he has not profited from his labors as justice would demand. He is acting on my behalf, moved by a great desire to do something which shall be to my benefit if it lies within his power. From here I do not know what I can enjoin upon him that will be to my benefit, because I do not know what they want of him there. See there what would be advantageous, and work toward that end, and he will do everything and talk and put it into effect; and let all this be done secretly so no one gets wind of it."

Amerigo Vespucci lives today in the name given in his honor to two continents, North and South America; let him live also in our hearts as the man to whom the great and good Christopher Columbus paid this tribute of confidence in his discretion, in his judgment, in his good will and personal affection. Nowhere on the continents named for him is there a monument to Amerigo Vespucci, and our historians speak of him with scorn and disbelief. Perhaps what Columbus said is still true, after the passage of almost five centuries: "He has not profited from his labors as justice would demand."

Establishing Cooperative Research Units

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. METCALF. Mr. Speaker, I have just introduced a bill to authorize the Secretary of the Interior to permit the U.S. Fish and Wildlife Service and other agencies within his Department to enter into cooperative agreements with other Federal agencies, colleges, and universities, State and Territorial fish and game departments, and nonprofit organizations for the conducting of research, training, and demonstrational programs through the establishing of cooperative research units, which may be named for the various States and Territories in which they are formed.

The research work authorized under this program definitely would constitute valuable training for graduate students who are required to perform field research as part of their formal educational training. This kind of a program, confined largely to wildlife units and which was started in 1935, now is in operation in 16 of the land-grant colleges and universities—among them Montana—throughout the United States. My bill would stabilize, strengthen, and broaden this program.

The present cooperative research unit program, which has been operating successfully for more than 23 years, has proved itself to be a highly valuable and economical method of getting research work done while training men for future professional careers in fish and wildlife research, management, and administration.

The 16 colleges and universities affiliated in the present cooperative research unit program have bestowed 2,964 bachelor, master, and doctor degrees upon wildlife students since the program started. A high percentage of these graduates are employed in State and Federal agencies and educational institutions in all parts of the country. The existing unit program, which merits greater stability, has created splendid cooperation between the Federal and State agencies and colleges and universities. Such local units are effective and have functioned in the public interest.

West Point Day

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, March 18, 1959

Mr. KEATING. Mr. President, I have prepared a statement regarding the celebration of March 16 as West Point Day throughout New York State. I ask unanimous consent that the statement be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEATING

March 16 was celebrated throughout New York State as West Point Day. Carrying on the tradition of his predecessors, Gov. Nelson A. Rockefeller issued a proclamation in honor of the anniversary of the establishment of the U.S. Military Academy.

We in the Empire State are proud that this bastion of our military strength is located in our midst. We are proud of the fine record established by graduates of the Academy, for over the years they have written their names boldly and gloriously on the pages of our Nation's history. In war and in peace, their distinguished performances have reflected great credit on their alma mater. For at West Point, these young men learn not only the skills of war, but the ability to lead in time of peace.

Often, I believe, we tend to overlook the many, many ways in which our Army contributes to the Nation's welfare in peacetime by means other than strictly military activities. Through the Corps of Engineers and numerous other programs, the Army contributes greatly to our internal strength.

As Governor Rockefeller noted in his proclamation:

"In the new challenges which confront us, West Point men are in the vanguard of those not only coping with today's problems, but also preparing to meet those of tomorrow."

We in the United States can truly look to the future with confidence, secure in the knowledge that West Point graduates, in cooperation with their fine brothers from the other service Academies, will be constantly on the job.

I am proud to take this opportunity to salute the men and traditions of the U.S. Military Academy. As we pause to observe another West Point Day, we can be confident that the Academy's future graduates will continue to hold high the famed heritage which has brought security and progress to our Nation.

Security in the Free World

EXTENSION OF REMARKS
OF
Hon. EVERETT McKINLEY DIRKSEN
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Wednesday, March 18, 1959

Mr. DIRKSEN. Mr. President, President Eisenhower's report to the people on Monday night, March 16, over all American networks, on the subject of Berlin and security in a free world, was tremendously reassuring. I ask that it be included in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SECURITY IN THE FREE WORLD

(Text of the report to the American people by President Dwight D. Eisenhower, delivered in the President's office in the White House and telecast and broadcast by all American networks from 9:30 to 10 p.m. e.s.t., Monday, Mar. 16, 1959)

Tonight I want to talk with you about two subjects:

One is about a city that lies 4,000 miles away.

It is West Berlin. In a divided world it has been, for a decade, a symbol of freedom. But recently its name has come to symbolize, also, the efforts of imperialistic communism to divide the free world, to throw us off balance and to weaken our will for making certain of our collective security.

Next, I shall talk to you about the state of our Nation's posture of defense and the free world's capacity to meet the challenges that the Soviets incessantly pose to peace and to our own security.

First, West Berlin.

You have heard much about this city recently, and possibly wondered why American troops are in it at all.

How did we get there in the first place? What responsibilities do we have in connection with it, and how did we acquire them?

Why has there developed a situation surrounding this city that poses another of the recurring threats to peace that bear the stamp of Soviet manufacture?

Let's begin with a brief review of recent history.

We first acquired rights and responsibilities in West Berlin as a result of World War II. Even before the war ended, when the defeat and capitulation of Nazi Germany were in sight, the Allied Powers, including the Soviet Union, signed agreements defining the areas of occupation in Germany and Berlin which they would assume.

As a result, Germany and the city of Berlin were each divided into four zones, occupied by American, British, French, and Soviet troops.

Under the wartime agreements I have mentioned, the Western Allies entered into occupation of West Berlin and withdrew our Armies from the Soviet Zone. Accordingly, the boundary of the Soviet Zone, like our presence in Berlin, was established upon the basis of these same agreements.

Also by agreement among the occupying powers, the Western Allies—the United States, the United Kingdom, and France—were guaranteed free access to Berlin.

Here in my office is a map of Germany. The light portion of the map is West Germany—the darker portion is East Germany. The lighter gray lanes are the air corridors to Berlin—and the dotted lines show both the main roads and railroads that give access to the city. Notice that the city of Berlin is 110 miles inside East Germany.

Shown also is the territory, now in East Germany that was taken by our Army in World War II and was turned over to the Russians by political agreement made before the end of the war.

At the end of World War II our announced purpose and that of our wartime associates was the pacification and eventual unification of Germany under freedom.

We jointly agreed to undertake this task. Ever since that time, the United States has continuously recognized the obligation of the Allied Governments under international law to reach a just peace settlement with Germany and not to prolong the occupation of Germany unnecessarily.

The public record demonstrates clearly that such a settlement has been frustrated only by the Soviets. It quickly became evident that Soviet leaders were not interested in a free unified Germany, and were determined to induce or force the Western Powers to leave Berlin.

Ten years ago Senator John Foster Dulles, now our great Secretary of State, called attention to the basic purpose of the Soviet Government. He said that purpose was "no less than world domination, to be achieved by gaining political power successively in each of the many areas which had been afflicted by war, so that in the end the United States, which was openly called the main enemy, would be isolated and closely encircled."

The current Berlin effort of the Soviets falls within the pattern of this basic purpose.

The first instance of unusual pressure, clearly evidencing these purposes, came in 1948 when the Communists imposed a blockade to force the protecting Western troops out of Berlin and to starve the people of the city into submission.

This plan failed. A free people and a dramatic airlift broke the back of the Communists' scheme.

In the end the Communists abandoned the blockade and concluded an agreement in 1949 with the Western Powers, reconfirming our right of unrestricted access.

Then last November, the Soviets announced that they intended to repudiate these solemn obligations. They once more appear to be living by the Communist formula that "Promises are like pie crusts, made to be broken."

The Soviet Government has also announced its intention to enter into a peace treaty with the East German puppet regime. The making of this treaty, the Soviets assert, will deny our occupation rights and our rights of access. Both morally and legally it is, of course, clear that no so-called "peace treaty" between the Soviets and the East German regime can have any effect upon our rights.

The Soviet threat has since been repeated several times accompanied by various and changing suggestions for dealing with the status of the city. Their proposals have included a vague offer to make the western part of Berlin—though not the eastern part, which the Soviets control—a so-called free city.

It is by no means clear what West Berlin would be free from, except perhaps freedom itself. It would not be free from the ever-present danger of Communist domination. No one, certainly not the 2 million West Berliners, can ignore the cold fact that this part of Berlin is surrounded by many divisions of Soviet and Eastern German troops and by territory governed by authorities dedicated to eliminating freedom from the area.

As a matter of principle, the United States cannot accept the right of any government to break, by itself, solemn agreements to which we, with others, are parties. But in the Berlin situation, both free people and principle are at stake.

What, then, are the fundamental choices we have in this situation?

First, of course, there is the choice which the Soviet rulers themselves would like us to make. They hope that we can be frightened into abdicating our rights—which are indeed responsibilities—to help establish a just and peaceful solution to the German problem—rights which American and Allied soldiers purchased with their lives.

We have no intention of forgetting our rights or of deserting a free people. Soviet rulers should remember that freemen have, before this, died for so-called scraps of paper which represented duty and honor and freedom.

The shirking of our responsibilities would solve no problems for us. It would mean the end of all hopes for a Germany under government of German choosing. It would raise, among our friends the most serious doubts about the validity of all the international agreements and commitments we have made with them in every quarter of the globe. One result would be to undermine the mutual confidence upon which our entire system of collective security is founded.

This, the Soviets would greet as a great victory over the West.

Obviously, this choice is unacceptable to us.

The second choice which the Soviets have compelled us to face, is the possibility of war.

Certainly, the American and western people do not want war. Global conflict under modern conditions could mean the destruction of civilization. The Soviet rulers, themselves, are well aware of this fact.

But all history has taught us the grim lessons that no nation has ever been successful in avoiding the terrors of war by refusing to defend its rights—by attempting to placate aggression.

Whatever risk of armed conflict may be inherent in the present Berlin situation, it was deliberately created by the Soviet rulers.

The justice of our position is attested by the fact that it is ardently supported with virtual unanimity by the people of West Berlin.

The risk of war is minimized if we stand firm. War would become more likely if we gave way and encouraged a rule of terrorism rather than a rule of law and order. Indeed, this is the peace policy which we are striving to carry out throughout the world. In that policy is found the world's best hope for peace.

Our final choice is negotiation, even while we continue to provide for our security against every threat. We are seeking meaningful negotiation at this moment. The United States and its allies stand ready to talk with Soviet representatives at any time and under any circumstances which offer prospects of worthwhile results.

We have no selfish material aims in view. We seek no domination over others—only a just peace for the world and particularly, in this instance, for the people most involved.

We are ready to consider all proposals which may help to reassure and will take into account the European peoples affected.

We are willing to listen to new ideas and are prepared to present others. We will do everything within our power to bring about serious negotiations and to make these negotiations meaningful.

Yet there must be a clear understanding of what we cannot do.

We cannot try to purchase peace by forsaking 2 million free people of Berlin.

We cannot agree to any permanent and compulsory division of the German nation, which would leave Central Europe a perpetual powdermill, even though we are ready to discuss with all affected nations any reasonable methods for its eventual unification.

We cannot recognize the asserted right of any nation to dishonor its international agreements whenever it chooses. If we should accept such a contention the whole process of negotiation would become a barren mockery.

We must not, by weakness or irresolution, increase the risk of war.

Finally, we cannot, merely for the sake of demonstrating so-called flexibility accept any agreement or arrangement which would undermine the security of the United States and its allies.

The Soviet note of March 2 appears to be a move toward negotiation on an improved basis. We would never negotiate under a dictated time limit or agenda, or on other unreasonable terms. We are, with our allies, however, in view of the changed tone Soviet note, concerting a reply to that note.

It is my hope that thereby all of us can reach agreement with the Soviets on an early meeting at the level of Foreign Ministers.

Assuming developments that justify a summer meeting at the summit, the United States would be ready to participate in this further effort.

Our position, then, is this: We will not retreat one inch from our duty. We shall continue to exercise our right of peaceful passage to and from West Berlin. We will not be the first to breach the peace; it is the Soviets who threaten the use of force to interfere with such free passage. We are ready to participate fully in every sincere effort at negotiation that will respect the existing rights of all and their opportunity to live in peace.

Today's Berlin difficulty is not the first stumbling block that international communism has placed along the road to peace. The world has enjoyed little relief from tension in the past dozen years. As long as the Communist empire continues to seek world domination we shall have to face threats to the peace, of varying character and location. We have lived and will continue to live in a period where emergencies manufactured by the Soviets follow one another like beads on a string.

Whatever the length of that period, we shall have to remain continuously ready to repel aggression, whether it be political, economic or military. Every day our policies of peace will be subjected to test. We must have steadiness and resolution, and firm adherence to our own carefully thought-out policies.

We must avoid letting fear or lack of confidence turn us from the course that self-respect, decency and love of liberty point out.

To do so would be to dissipate the creative energies of our people upon whom our real security rests. This we will never do.

To build toward peace and maintain free world security will require action in every field of human enterprise. It can only be done by the nations of the free world working together in close cooperation, adjusting their differences, sharing their common burdens, pursuing their common goals. We are carrying out just such an effort. We call it mutual security.

We recognize that freedom is indivisible. Wherever in the world freedom is destroyed, by that much is every free nation hurt.

If the United States, alone, had to carry the full burden of defending its interests from the Communist threat, we would have to draft a much larger portion of our manhood into the armed services, spend many more billions of treasure, and put a more intense strain on all our resources and capabilities. We would become more and more like a garrison state.

Fortunately, we do not have to adopt such a desperate course. Nearly 50 nations have joined with us in a cooperative effort to protect freedom.

This system of mutual security allows each nation to provide the forces which it is best able to supply.

What is the strength of these forces? What are we contributing to the joint effort? What can we count on from our allies?

Let's look first at our own contribution. Let us look at it from the viewpoint of our own security.

Of late I—and I am sure the American people—have heard or read conflicting claims about our defenses.

We have heard that our military posture has been subordinated to a balanced budget, to the jeopardy of our national defense.

We have heard that our defenses are presently—or they will be sometime in the future—inadequate to meet recurrent Communist threats.

We have heard that more manpower in our forces than I have recommended is essential in the present circumstances, for psychological reasons if for no other.

My friends, such assertions as these are simply not true. They are without foundation. It is not likely, however, that such assertions will lead the Soviet Union to miscalculate our true strength—and this is indeed fortunate.

The design of our defense is the product of the best composite judgment available for the fulfillment of our security needs.

We are devoting great sums for the maintenance of forces capable of nuclear retaliatory strikes. This capability is our indispensable deterrent to aggression against us.

The central core of our deterrent striking force is our Strategic Air Command with its long range bombers. They are reinforced by naval aircraft and missiles of varying types, and tactical fighter bombers. This array will soon include weapons of even greater power and effectiveness.

The capacity of our combined striking forces represents an almost unimaginable destructive power. It is protected by a vast early warning system and powerful air defense forces.

More and more this great retaliatory force will feature intermediate as well as long range missiles capable of reaching any target on earth. As we steadily go through the transition period from bomber to missile as the backbone of this striking force, we nevertheless continue replacing bombers, powerful as we know them now to be, with others of greater power, range and speed. In this way we take care of the needs of this year and those immediately ahead, even as we plan, develop and build for the future.

We are engaged in an endless process of research, development and production to equip our forces with new weapons.

This process is tremendously costly, even should we consider it only in terms of money. If we are to master the problems of security over a prolonged period of time, we cannot forever borrow from the future to meet the needs of the present.

Therefore, we must concentrate our resources on those things we need most, minimizing those programs that make less decisive contributions to our Nation. Effective defense comes first.

Today there is no defense field to which we are devoting more talent, skill and money than that of missile development.

I'd like to have you look at three lists of missiles.

The first list shows 17 different types of missiles now in use by our Armed Forces.

The second list shows missiles that will be available for use in 1959. There are 11 different types.

The third list shows 13 more types of missiles now in the research and development stages. In all there are 41 types of missiles.

There is, of course, a constant parade of improvement, with newer and better weapons constantly crowding out the older and less efficient ones.

The first model of any new piece of equipment is always relatively primitive. The first sewing machine, the first typewriter, the first automobile—left much to be desired. And even the rockets that dazzle us today will soon become the model T's—the Tin Lizzies—of the missile age.

We must never become frozen in obsolescence.

In addition to the forces comprising our retaliatory striking power, we have potent and flexible naval, ground and amphibious elements. We have a growing array of nuclear-powered ships, both submarines and surface vessels.

Worldwide deployment of Army divisions, including missile units, increases the ability of the U.S. Army and the Marines to rapidly apply necessary force to any troubled area. At home, the Strategic Army Corps is ready and able to move promptly as needed to any area of the world.

I believe the American people want, are entitled to, can indefinitely pay for, now have and will continue to have a modern, effective and adequate military establishment. In this overall conviction, I am supported by the mass of the best military opinion I can mobilize, and by scientific and every other kind of talent that is giving its attention to a problem to which I personally have devoted a lifetime.

As all thoughtful citizens know, our own security requires the supplemental and reinforcing strength provided by the free world's total.

In the Far East, nations with which we are associated in a common defense system have over a million trained soldiers standing watch over the free world frontiers.

In Europe, the efforts of 15 nations are united to support freedom.

In global totals, our friends are contributing over 200 ground divisions, 30,000 aircraft, and 2,500 combatant naval vessels to the task of defending the free world.

For every soldier we have under arms, our free world allies have five.

Through each of these stout efforts we strengthen the bonds of freedom.

Our mutual security program supports this joint undertaking by helping to equip our partners with the weapons they cannot by themselves provide, and by helping them keep their economies strong.

This mutual effort provides a constructive, long-term answer to the recurrent crises engineered by the Communists. It strengthens the stability of free nations, and lessens opportunities for Communist subversion and penetration. Its supports economic growth and gives hope and confidence to the cause of freedom. It is America's strongest instrument for positive action in the world today.

Last Friday I sent to the Congress a special message presenting my recommendations for this important part of our defense and security program for the coming year. In my judgment, there is no better means of showing our resolution, our firmness, and our understanding of the Communist challenge than to support this program in full measure.

These funds are vital to our national and free world security.

Any misguided effort to reduce them below what I have recommended weakens the sentries of freedom wherever they stand.

In this conviction, also, I am supported by the military experts of our Government.

Fellow Americans, of one thing I am sure: that we have the courage and capacity to meet the stern realities of the present and the future. We need only to understand the issues and to practice the self-discipline that freedom demands.

Our security shield is the productivity of our free economy, the power of our military forces, and the enduring might of a great community of nations determined to defend their freedom.

We have been, from the beginning, a free people—people who by their spiritual and moral strength and their love of country provide the mainspring for all we have done, are doing, and will do. In these truths we place our faith.

Together with our allies we stand firm wherever the probing finger of an aggressor may point. Thus we lessen the risk of aggression: thus we shall with resolution and courage, struggle ever forward to the dream of a just and permanent peace.

God helping us, we shall stand always equal to the challenge.

Thank you, and goodnight.

Type	Now in use	Available in 1959	Active research and development
Air to air	Genie. Sidewinder. Sparrow I. Sparrow III. Falcon GAR I. Falcon GAR II.	Falcon GAR III. Falcon GAR IV.	Falcon GAR IX. Falcon GAR XI. Eagle.
Air to surface	Bullpup.	Zuni.	Corvus. Hounddog. Quail.
Surface to air	Nike-Ajax. Nike-Hercules. Terrier. Talos.	Hawk. Bomarc.	Tartar. Nike-Zeus.
Surface to surface	Honest John. Corporal. Redstone. Regulus I. Matador. Thor.	Little John. Lacrosse. Mace. Jupiter. Snark. Atlas.	Sergeant. Pershing. Polaris. Titan. Minuteman.

Let's Face Our Responsibilities

EXTENSION OF REMARKS
OF
HON. JAMES G. O'HARA
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. O'HARA of Michigan. Mr. Speaker, under the Employment Act of 1946 it was recognized that the Federal Government has a responsibility to promote maximum production, employment and purchasing power. To achieve these goals requires policies designed: First, to promote adequate growth and productive capacity; second, to insure high and steady use of labor and natural resources; third, to maintain reasonable stability in the general level of prices.

These are coordinate objectives of public policies, however, and undue emphasis on one without regard for the others is detrimental to the public interest. Changing economic circumstances require shifts in the relative emphasis to be given these objectives.

At the present time we are in a recession. Almost half of the major labor markets of the Nation are suffering from substantial unemployment. Our rate of economic growth has come to a virtual standstill. The consensus of expert opinion is that we can expect relatively stable prices in the coming months.

Refusing to take cognizance of these facts, the administration places absolute priority on balancing the budget. They say that to do otherwise would be inflationary. I recognize the danger of inflation, but it is not the danger that is confronting us. The problem is not the level of government expenditures but the character of the activities for which the budget provides.

Unless the Federal Government follows policies which result in expansion of employment and production, it will be derelict in its duties under the Employment Act of 1946. It will have abdicated its responsibilities to provide for the Nation's security. It will have relinquished the leadership of the free world.

Mr. Speaker, unemployment in February again showed an increase over the preceding month. It now stands at 4.7 million which is in excess of 6 percent of the total labor force. Adding to this, the full-time equivalent of involuntary part-time unemployment raises that total by another million. Over 7.2 percent of our labor force is therefore currently unemployed. These alarming statistics are further evidence of the critical situation of our Nation's economy in spite of the rosy predictions regularly published by the administration. The time for action was yesterday and tomorrow may be too late.

Since the administration has refused even to recognize the existence of this problem much less recommend measures to effectively deal with unemployment and economic stagnation, it is incumbent upon the Congress to act and to act now.

A few days ago we passed a measure extending, for a short period, temporary unemployment compensation benefits. This legislation, which I supported, does nothing for those who have already exhausted temporary benefits or for those not presently covered by unemployment compensation insurance.

It is no substitute for long overdue reforms in the unemployment compensation system. The Karsten-Machrowicz bill to establish Federal standards for unemployment compensation is needed more now than ever before. I am hopeful that there will be no unnecessary delay in bringing this measure before the House.

But Federal standards for unemployment compensation are not a cure-all. It is but one of a battery of measures that should be brought to bear upon the stagnation afflicting our economic life. National bankruptcy will not result from Federal expenditures and capital outlays that recognize the needs of a great people, but it can result from reliance upon an outmoded economic dogmatism having as its first principle a belief that the best course of action is no action at all.

We must adopt a program to meet two imperative needs.

First. Alleviating the effects of unemployment.

Second. Eliminating the unemployment.

The first involves measures to cushion the hardship, misery, and economic impact of unemployment. The need for overhauling our unemployment compensation system has been mentioned. The distribution of surplus commodities has been of assistance but leaves much to be desired. Enactment of a workable food stamp plan to improve distribution of a greater variety of foods, including meat, poultry, and other items acquired through surplus removal programs is badly needed. A review of surplus food distribution eligibility standards should be undertaken by the appropriate committees of the Congress.

However, these steps are no substitute for full employment, production, and purchasing power. If we face up to our responsibilities in the fields of education, water resources, defense, public health, resource development, public facilities, and economic and technical assistance to undeveloped nations, we need not fear underemployment of America's productive resources. Here, too, Congress must take the lead and I am confident that the American people, when the facts are made known to them, will applaud our efforts.

I am convinced that such a course of action is more apt to balance the Federal budget than is a program of retrenchment. The Members of this body need not be reminded that the huge Federal deficit for the current fiscal year is principally attributable to the decrease in tax revenues resulting from underemployment. The administration's budget proposals would, if anything, intensify this unhappy situation.

The most promising of the measures designed to promote economic growth and prosperity is the Douglas-Flood area redevelopment bill. This measure, with a relatively small Federal investment, would give impetus to the industrial redevelopment programs of communities which because of industrial migration, technological change, or other reason are suffering serious and persistent unemployment. It is in the enlightened self-interest of the Nation as a whole to expedite the implementation of the depressed areas legislation.

Mr. Speaker, I am sure that the sentiments expressed in this short statement are shared by almost every Democratic Member of Congress, and I am confident that the 86th Congress will realize its obligation to exercise the vision, resolution, and courage expected of us by the people who elected us and that it will provide the public framework within which America will realize its greatness.

The Berlin Crisis

EXTENSION OF REMARKS
OF
HON. CHARLES A. HALLECK
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. HALLECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include an exceptionally fine address by Representative PHIL WEAVER, of Nebraska, delivered before a Founders Day luncheon at Lincoln, Nebr., on Monday, March 16, 1959:

ADDRESS BY REPRESENTATIVE WEAVER

In just 72 days we will face a major crisis in Berlin. Last August it was Beirut. Next September it could again be Formosa.

Every time a crisis arises, there are those in the Senate and House, and the calamity columnists and commentators who plead hysterically for a national mobilization—a nationwide girding of our loins.

But unlike the men of the Old Testament, too many of these latter-day prophets of calamity would have us abandon principle. They would have us go to Berlin shaded by Neville Chamberlain's umbrella.

We have faced crises before. Yet under the leadership of that valiant fighter, John Foster Dulles, who is even now demonstrating that his physical bravery matches his moral courage, we have come through because we have held steadfast to the right. We have placed freedom for ourselves and all who love freedom as our goal and the only solution for which we will settle.

There are those who plead for flexibility at any price. My call is for freedom at any price.

What, really, is flexibility? If you listen to some in the Senate and to some of our nationally syndicated faint-hearted friends, it means a readiness to compromise other people's freedom—and eventually our own. Is this flexibility? Or is it moral cowardice?

To my mind, flexibility does not involve the ability to concede on principle. We had that kind of flexibility at Yalta and at Potsdam. But rather it means the ability to change the rules of the game to force the Communists to meet us on our own terms—whether in Berlin—or Formosa—or Beirut—or wherever they attempt to launch their next regional or limited war of nerves.

The arena will change—but the game and the players—and the coach—will be the same. This is a dirty game, and so far they have made the rules to suit themselves. Their ambition is to bleed us white at every point—to force us to spend our productive genius in every little skirmish. Then when they choose to push the button, we will be exhausted. We will have spent our main energies and be at their mercy.

To play in this game and win, we will have to have two things—

One, a diamond-hard adherence to the principle of freedom. And by that I mean a stanch belief in the ideals that forged this Republic and made it great, the things our fathers had—and which we want our children to enjoy.

Secondly, we must enter the arena strong—with a good team and plenty of trained reserves on the bench—including a strong National Guard.

As a member of the House Appropriations Subcommittee on Defense, it is my grave responsibility, along with 16 others, to see to it that we are strong and remain that way.

We are spending a great deal of money for defense. I want that money to go for building real strength to defend America to keep the pace and keep the peace against all aggressors. I do not want one dime to be spent on building a private empire for generals and admirals who practice a kind of nepotism based on a class ring from Annapolis or West Point or, now, Colorado Springs.

I do not want a single dime to go for buying new fleets of Cadillac limousines—and one day recently I saw nine of them lining the curb near the Capitol.

I do not want one nickel to go for paying the salary of a full colonel who came before our committee—to run a motion-picture projector at a cost of $55.97 a day—when a private could have done the same job just as well. I don't believe it takes a West Point education to learn to run a motion-picture projector.

Nor do I want your defense dollars to pay the salaries of the 24 commanders I saw trailing an admiral and two captains to a committee hearing.

I don't believe your tax dollars under normal circumstances should be used to establish huge public housing projects on military bases. Good homes are available for sale or rent to military personnel in many communities near the bases. To have mutual understanding between our friends on the base and the people in our towns, they should join together in community life whenever possible and help save tax dollars.

I want a strong defense, but I don't want to see a bumbling bureaucratic military empire waste us away and fumble our chance of survival down the drain.

If it comes to a choice between the kind of defense we need and some project here at home, I am going to choose defense every time. I am not going to play politics with the freedom of generations of Americans still unborn.

We can have that defense. We are in the process of developing the kind of defense that has the courage and imagination to put aside that which is outmoded. We can also have an America which is developing with imagination and determination our productive power—our natural resources.

We can have both.

We cannot have either if we allow ourselves through vacillation to play into the hands of an aggressor who has no principles of his own—but fears those who do and who will stick by them.

We cannot have either a strong defense or a vital, growing America if we allow waste and the frittering away of our resources by a military which has adopted a do-it-as-usual philosophy.

We have at present in the White House in Dwight D. Eisenhower a man who will not sacrifice the principle of freedom simply to satisfy those who have placed the flexibility of compromise and equivocation above every American ideal.

I can assure you—there are still some of us in Congress who want a national defense that doesn't bulge at the waistline with self-satisfied generals and admirals whose main worry is to expand their own domain.

These, I think, should be the goals of the Republican Party.

These are the goals for which I am fighting in the 86th Congress.

These are the principles on which I am willing to stake my political life. These are the principles upon which the life of America itself must depend.

Any man in Washington fighting for these goals needs support—not only political support but also moral support. As loyal Republicans, here today, I know you will provide this kind of staunch support from the very grassroots of America.

With this kind of solidarity, let our enemies not be in doubt.

"Meet Me in St. Louis" Set as TV Spectacular

EXTENSION OF REMARKS
OF
HON. LEONOR K. SULLIVAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mrs. SULLIVAN. Mr. Speaker, I have just been informed that the Columbia Broadcasting System on Sunday, April 26, plans to present a 2-hour spectacular based on the motion picture, "Meet Me in St. Louis," which we in St. Louis feel was just about one of the best pictures ever produced.

The people connected with the CBS show assure me the TV production will be modeled closely after the Judy Garland movie. The cast sounds wonderful—Tab Hunter, Jane Powell, Myrna Loy, Ed Wynn, Walter Pidgeon, and Jeanne Crain.

Normally, I would not utilize the CONGRESSIONAL RECORD to call attention to an entertainment on television, but it seems to me—in view of the many Federal programs now under way in the St. Louis area including some of the largest and most ambitious urban redevelopment projects in the Nation—that Members of the Congress and others will find it well worthwhile to watch this TV program for an indication of the spirit and warmth of a great city where friendliness and neighborliness are traditional.

As I remember the 1944 movie, centered in the Kensington Avenue section of St. Louis in my congressional district, I was struck by the similarities in outlook and attitude of our present day St. Louisans with the delightful family scenes of 1903 depicted in the movie. Yes, we still feel the same way about St. Louis—as the best place in the world to live.

May I, therefore, Mr. Speaker, urge that every Member of Congress who is able to do so that evening, watch the CBS production of "Meet Me in St. Louis" on Sunday, April 26. If they do, I am sure we will have no difficulty at all in convincing the Congress that a city with that kind of spirit and friendliness well merits the cooperation we ment in flood control, urban renewal, and the majestic Jefferson National Exare receiving from the Federal Governpansion Memorial commemorating the Louisiana Purchase and the opening of the great West.

The Society of the Friendly Sons of St. Patrick of Washington, D.C.

EXTENSION OF REMARKS
OF
HON. A. S. HERLONG, JR.
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. HERLONG. Mr. Speaker, last evening I was indeed happy to attend the annual dinner of the Society of the Friendly Sons of St. Patrick at the Mayflower Hotel. This society antedates the American Revolution, having been founded in Philadelphia on March 17, 1771. Three Presidents of the United States have held or hold active honorary membership in this historic and great society: George Washington, Harry S. Truman, and Dwight D. Eisenhower.

President Eisenhower was present at the dinner last evening when the president of the society, James Francis Reilly, bestowed honorary membership on the Honorable Sean T. O'Kelly, President of Ireland.

The society's annual citation was awarded to its secretary, Simon F. McHugh, Esq.

In my opinion, however, the highlight of this fine dinner was the inspiring, dynamic and challenging address of the distinguished junior Senator from Arizona, the Honorable BARRY M. GOLDWATER. In all my experience and public life, I have seldom seen a speaker receive such attention from his audience or the lengthy standing ovation which he received at the conclusion of his speech. I am proud to insert Senator GOLDWATER'S address in the RECORD and urge all my colleagues to read it.

President Reilly, Mr. Chief Justice, Mr. Secretary McHugh, on introducing Bishop Hannan, Jim mentioned something to the effect that he was concerned over what his father in heaven might be thinking with him being president of the Friendly Sons of St. Patrick, when his father was a good Hibernian. I couldn't help wondering what some of my ancestors in heaven might be thinking with one of their brethren addressing this group. I wonder, for instance, what that Russian Jew who came to the shores of California 110 years ago, and to Arizona 100 years ago, would be thinking of his grandson addressing this auspicious group of Irishmen; and then I could not help but wonder what my uncle, whose only mistake in life was to found the Democratic Party in our territory, might be thinking of his nephew, a Republican. I have come to the conclusion that they would both be happy.

It has been said that this is the one day of the year when the world is divided into two classes—those who are Irish and those who would like to be Irish.

To me, a festive occasion such as this is a display of Americanism at its best. For here we are—men whose forebearers came to this land from all parts of the world—helping to celebrate the feast of St. Patrick with our friends of Irish descent in our own American way.

This is, indeed, the fabric and pattern of our great country.

And I pray that good people everywhere, armed with the love of God and following the example of St. Patrick, can provide a stimulus and a hope to those less fortunate in other lands so that they, too, may one day breathe the grand, free air that blows over Ireland.

I am sure you know that scholars still wrangle over the subject of just exactly where St. Patrick was born. Some say France. Some say Scotland. Some say Wales. It is definitely known, however, that he spent his young manhood in Ireland.

Fourteen centuries have passed and yet the memory of St. Patrick remains as green as the living shamrock itself.

It was St. Patrick who changed the character of the Irish people from pagan to Christian; from a chaos of marauding bands under rival chieftains, stealing and destroying, to a land of order and peace.

This proves conclusively to me that if St. Patrick was not indeed an Irishman himself, he was at the very least a Republican.

Now, those Republicans of Irish descent in Congress may be outnumbered, but they yield to no one in being endowed with the missionary spirit of St. Patrick.

Actually, they have so much missionary work to do before 1960 that they're plugging hard for a divine intercession.

As a matter of fact, right now you can't find an unlit candle in any church in town.

In this respect, I would like to counsel moderation among those of you who are Democrats of Irish descent.

Just because a fellow named KENNEDY will be in the picture, there's no reason to lose your heads.

And to those of you who happen to be Republicans of Irish descent, I give you my solemn word that among the membership of the United States Senate, you can count on O'JAVITS, O'DIRKSEN, O'BRIDGES, and O'GOLDWATER to be in there pitching for the cause.

And I would also tell you this: Lest there be overconfidence on the side having the greater numbers, let it be said that the fighting Irish may be outnumbered, but never outfought.

St. Patrick's Day is a day for remembering. Today across our land and around the world, the hallowed names of Ireland will be honored, honored as they rightly should be. The towns and villages, the lakes and the rivers, the names of her scholars, her patriots, and her leaders will be properly called to the attention of the world—Donegal and Tyrone; Kildare and Dublin; Limerick and Galway; and the names of men who made the Irish proud: Cormack, O'Conner, Murray, Plunkett, Hyde, and all the other leaders of Ireland.

Today the world will remember and more greatly appreciate the great loves of the Irish, out of which the rich character of her people has grown. Their love of their native land, of its towns, and its people. The love of political freedom and the love of learning. Their love of things spiritual. The love of religion and their recognition of its place in their lives. We will remember those loves, because love is a sacred tenet of religion and a charge of God.

People are prone to recognize their own assets, but the rest of the world will pay tribute to the meekness and humility that mark the virtues of the Irish. Because in these times when more stress and value are placed on the material things, we should rightly remember that St. Patrick conquered Ireland meekly, and made of those conquered humble champions of Christ, men who, with these virtues, went forward with nothing but the Cross and their faith and conquered and made friends.

Here in America today the contributions of the Irish to our freedom can most properly and thankfully be recognized. It would take days to recite all the contributions, but I mention just a few. It was an Irishman named Patrick Henry who said, "Give me liberty, or give me death."

It was a group of 29 Irishmen, all members of the Friendly Sons of St. Patrick, in the city of Philadelphia, who gave a half-million dollars when it was sorely needed to our fight for independence.

To mention a few of the Irish signers of the Constitution we recall Pierce Butler, who was born in County Carlow; Daniel Carroll, an ardent supporter of the Constitution's first amendment, which provides for religious freedom; Thomas Fitzsimmons, who recruited and led a patriotic band of volunteers; James McHenry, who was born in County Antrim, as was William Patterson; George Read, of Maryland, whose father was an Irishman; and Richard Spaight, of North Carolina, who was also the son of an Irishman. These are names connected with our early fight for independence, and in just recent days Gen. "Wild Bill" Donovan, a hero and a leader in two wars for the preservation of freedom, passed on to his Maker.

Thus, today, as the world stands troubled and quaking in fear, we can remember Ireland's long fight for freedom. Seven hundred years of invasion by the Danes, the Normans, and the English, during which time her answer was to absorb the invader and make him more Irish than the Irish themselves.

All of these are hallowed memories of name and places and deeds and they will be dealt with by voices far more able and eloquent than mine, so to them the challenge of adding luster to the names and history that already shines with the brilliance of a midday desert sun in my Arizona.

This evening I suggest that all Americans might learn something from the Irish, and it is to this that I wish to direct my remarks. That something would be gathered and constructed from the many facets of Ireland and her people on which I have briefly touched. It would include the love of her people for their country and their love of political freedom. It would include the virtues of humility and meekness, and it would include what to my mind is already a distillation of those virtues and loves—a determination expressed in her fight for freedom. This something would become a lesson to us all in that area in which we profess such devotion and yet display such apathy.

The freedom of America has the same fundamental and basic sources that freedom everywhere achieved has had, including the freedom of the Irish. That is man's instinctive desire to be free; to be able to say what he thinks; to be able to print what he says, to be able to worship in the religion he chooses; to be able to associate himself with those of his picking; to be able to earn property and retain it; and to be able to walk God's earth with dignity because of the possession of these freedoms.

Like the Irish, our forefathers knew what they wanted and what they sought, and they knew this from the oppression they had lived with. Our forefathers came to a raw, new country, and fought those forces from abroad who would deny them success in the achievement of freedom. The Irish for 700 years devoted themselves to that fight on the soil of their homeland, and won. Our forefathers devoted themselves to this same fight on our new soil, against the same forces, and won. In our determination to rid ourselves of oppression and achieve freedom, we accepted as freedom's source the words of Thomas Jefferson, in the Declaration of Independence, "That we hold these truths to be self-evident; that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness."

We based our freedom, then, on the same grounds on which the Irish had fought for many years before we found that base ourselves, namely a spiritual one. In less than 200 years we have, through this spiritual strength acquired freedom never before known by any people, and because of this freedom a material power that has never been known by any civilization in history.

Strangely, though, as we were enjoying the heights of this freedom and its many benefits, at about the same time the Irish won their freedom, we began to lose ours. We fought and won wars for freedom and then lost them at the peace table, mainly because of a misunderstanding as to what kind of peace the world was looking for. Ours was a conception of material peace, when the world wanted the comfort and assurance of a spiritual peace, out of which a material one could grow.

People have always wanted liberty, and people today want liberty. They want us to show them the way to liberty and the peace that comes under it, rather than to show them how to obtain more dollars, more automobiles and the other hard goods materialism.

This weakness of the material has been further manifested by more and more of our people looking to a paternalistic government to do for them those things they could better do for themselves.

Slowly materialism began to be our goal, and even to some of our people, their God, and we find ourselves more and more willing to sacrifice our basic principles for the material attainment our people would settle for.

We laugh at laws, and coddle the hoodlums, the gangsters, and the crooks. We allowed the Communists to crawl into our lives. Then when their intent became evident, those who spoke out against them and would have removed them were chastised. You know of whom I speak: John Flynn, Dean Manion, Frank Hanighen, every one is an Irish name. And then there was another Irishman, Joe McCarthy.

There is a peculiar difference in this situation involving these Americans of Irish name and their ancestors, because instead of acting together as their ancestors did in fighting a common enemy—the English—these Americans are arguing with other Americans over how an announced enemy and destroyer should be treated. Should he be coddled and banqueted and respected, or should he and his forces be denied access to American soil and American people?

We have come to that point where we blandly and rather ignorantly say that a little socialism isn't bad; that a little inflation won't hurt; and that an already tax-sick people can be taxed more.

Public servants who swear on the Bible to defend and protect the Constitution have allowed the freedom of association, the freedom of choice, and the freedom of property to be denied the working people through an act of compulsion that requires membership in an organization regardless of the desires of the workingman, in order that that man may support himself and his family.

By this same action, they have legalized violence and corruption and graft; and yet Americans ho-hum the whole dangerous display, admitting that something is wrong but being afraid to do anything about it, and putting off the time for decision until their children and grandchildren will be concerned, this despite the fact that one of the basic desires of all people, be they Irish or not, is to leave for their sons and daughters something good and fine and decent, by which they will be remembered.

Instead of that drive today in this country we find weak-kneed excuses as to why fathers and mothers will not rise up and demand a stand of courage on the part of our leaders in order that these things be corrected in our time before the devastation

cannot be corrected in the time of our children.

We hear the taunts of people who have been lied to by Communists about us. We have witnessed our Vice President spat upon by people the Communists have brainwashed. We have not helped those who would stand up to this godless philosophy. Yet we propose further meetings with these devastators, when in practically every instance of agreement and promise—in fact, all with the exception of two—they have lied and cheated their way out of their responsibilities.

Yes, our freedoms are slowly being whittled away, and yet we, as a people, go on and on like the country boy who never learns that the pea isn't under any of the shells he is playing with.

The frightening thing about our situation, both within our country and without, is that history records that every government since man's first attempt to govern himself as having approached the identical situation and not having had the courage to make the proper decisions and movements. There is no new magic we have discovered that can bridge this crossroad. There is no new formula that has been devised by which our path can be made easier and at the same time our freedoms more secure. Ours is the greatest philosophy of government ever developed, and it was developed by people from every country and added to during the years when the friendly invasions of peoples added to what we called, "the melting pot."

Today, though, there are those among us who feel that we have an entirely different situation; that man's problems are now material problems and not problems of the spirit. Those are the people who look upon the harnessing of the atom as being so fearful that no force of the spiritual can overcome it, forgetting at the same time that problems of equal importance have come before man during our history and they have been conquered by the faith of man in his God, his country, and himself.

So I wanted to talk briefly tonight about what we Americans might learn from the Irish, and I think that it can be summed up by saying that we can look across the waters to that green island and to her people, and to the great lesson that freedom is not only man's goal—it is God's goal for man. That we have had freedom and we still have a large share of freedom, we know, but that we are losing it, and that it will not be lost in one afternoon or morning by the appearance of material forces from the outside, but that it will be lost by the termitelike chewing away from the inside by people who have lost faith in their God, their country, and themselves, we won't recognize.

We again look to Ireland's 700-year struggle for freedom and recognize that freedom is something that must be fought for to be attained, just as our forefathers discovered the same thing. Then we can look to Ireland and see a people who have not gone on the American dole, who have built up in their country a free economy, and who have maintained the spiritual ideals which gave them the strength to fight a desperate battle for freedom for more than 700 years.

Yes, we can learn from the Irish. We can learn to defeat the enemies of religion and our Republic. We can learn to protect our Constitution. We can learn from them how to perpetuate liberty. If we study the Irish and their many attributes I think we will find that dominating their lives is a sense of love, not only for their fellow men but for the principles of life and for the country in which they live, be that Ireland or America.

We need men of that quality; men who love their God and who love their country; men who are proud of our Nation and who do not hesitate at any moment to extoll its virtues, even though they may be criticized for feeling too deeply about their country. Today people who feel too strongly that the United States is the best country in the world are actually criticized. They are told that national feeling should be subjugated to one of broader vision. Well, I say to you I will take the Irish approach and join with them in declaring to all that America is the best place to live.

We need men who feel so deeply about principles that they will not compromise for evil for one moment's delight. We need men who believe that, simple as it is, the spiritual basis is the only basis on which true liberty and freedom can live. We need men whose eyes will moisten as they see their flags pass by, men who do not require the reminder we see on the parade ground at West Point, "Gentlemen will remove their hats when the flag goes by." We need men who are strong and who will never bow down to an aggressor be that aggressor weak or strong.

These lessons are the lessons of the Irish. They are the lessons drawn from everything that has made the Irish and their sons around the world what they are today—men of warmth, men of love, men who are humble and meek, but men in whom these qualities have developed a strength of character that is reflected down through history in man's search for freedom. I, as a descendant of a family who came from another part of the world but who, nevertheless, became just as strong Americans as I am today, join with those not of Irish extraction in offering a prayer to God that the qualities of the Irish will be forever perpetuated on this earth, so that liberty may have a chance to live forever, and be born where it does not live today. The lessons of the Irish are truly lessons of liberty.

Salute to the Campfire Girls

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, March 18, 1959

Mr. KEATING. Mr. President, I have prepared a brief statement regarding the 49th anniversary of the founding of the Campfire Girls. I ask unanimous consent that the statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEATING

Yesterday marked the 49th anniversary of the founding of the Campfire Girls. From modest beginnings, this outstanding organization has grown to the point where today it has over 500,000 members.

By providing recreational programs for girls between the ages of 7 and 18, the Campfire Girls not only teach valuable skills, but encourage these young people to contribute innumerable services to their communities. They learn in many ways how to become useful and valuable citizens.

Of particular concern to this organization is the preservation of our natural resources and the protection of our wildlife. All too often, these valuable aspects of our national life are overlooked in the hustle and bustle of our everyday activities. The Campfire Girls' theme, "She cares—Do you?" helps teach these young people the tremendous need for conservation in our land.

I am pleased to join with their many friends and admirers in saluting the Campfire Girls on the occasion of their anniversary. May this fine organization and all its members continue to grow and prosper in all their endeavors which are doing so much to make a better America in which to live.

Education Act Test Oath Ineffective and Detrimental

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. SCHWENGEL. Mr. Speaker, on March 16 I introduced a bill to repeal section 1001(f) of the National Defense Education Act of 1958. This section requires a person obtaining payments or loans under the act to swear to an affidavit that he does not believe in, or support any organization that believes in, the violent or unconstitutional overthrow of the United States Government.

Why, it might be asked, should anyone want to eliminate this provision from the act? Certainly, it has a valid purpose—to prevent the granting of benefits by the Government to persons bent on destroying it. I am in complete agreement with that purpose. However, I do not think that the disclaimer affidavit will accomplish that purpose. Moreover, I believe that if the provision is allowed to remain, it will do more harm than good in carrying out the general purpose of the act in stimulating and helping to satisfy the educational ambitions of the country's youth.

The justification for any law's existence should be found in the answer to the question: "Will it promote the general welfare?" Unless this can be answered in the affirmative, a law has no reason for being and is better off repealed. Clearly, a law which is ineffective—which is destined not to accomplish its purpose—cannot meet this test. Section 1001(f) of the National Defense Education Act is such a law.

I agree with the Secretary of Health, Education, and Welfare when he said that the requirement of section 1001(f) will not uncover any persons who seek or who belong to organizations that believe in or teach the overthrow of the Government by force or violence. For, as Secretary Flemming further pointed out, such persons have no scruples about signing an affidavit or taking an oath.

Moreover, I believe that this section, in addition to being ineffective, is actually detrimental. Some colleges have refused to participate in the programs offered under the act because they find this section so obnoxious. The students at these colleges have thereby been denied the benefits offered them under the act, principally those contained in the student loan program.

I have not, by the way, been able to find a satisfactory answer as to how this provision found its way into the act or who is responsible for its being there. All that the legislative history shows is that it first appeared in the bill produced by the committee of the opposite body.

My guess is that some clerk in the Department of Health, Education, and Welfare thought that this would be nice to have in the act, and that this suggestion was passed on and accepted without receiving proper consideration by the committee members.

I see no reason why students and educators should be put in the position of affirmatively denying subversive affiliations in order to participate in the programs available under the act. The natural implication of this requirement is that they are a particularly suspect group. I have not been shown one shred of evidence to back up this implication. I can justly sympathize, therefore, with the many objections which they have raised against the affidavit.

This is why I have introduced my bill and I intend to offer my complete support to the present effort to delete this ill-conceived requirement from an otherwise outstanding piece of legislation.

Flexibility Means More Cowardly Appeasement, Nothing Else

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. O'KONSKI. Mr. Speaker, for a thousand years the leaders of Irish independence declared they would stand by their principles "Until hell freezes over." It was a picturesque way of saying "never."

Now we would like to suggest a modern paraphrase: "When Pope John goes to Moscow, that will be the day." It, too, means "never."

Nobody in this world expects Pope John to go to Moscow to beg for peace or negotiate for mercy or to plead for cooperation. And why do they not? Because they know that to try to make a deal directly with atheistic murderers, mass killers, unprincipled destroyers of the people's liberties, liars, and persecutors of religion would be unthinkable for the Pope, the leader of Catholic Christianity.

This is so because the Pope has taken an inflexible, unchangeable and absolutely firm stand on the question of the existence of God. He does not believe there could be any compromise on that important matter. Any flexibility on that issue would of course destroy the church, the Christian religion and indeed our whole civilization. There can be no coexistence agreement between God and Satan, and you cannot reconcile good with evil. Neither can you reconcile democracy and freedom with communism and slavery.

But if it is unthinkable for the Pope, why is it not for the leaders of Christian nations, of religious peoples, of free institutions? Why does Prime Minister Macmillan trot obligingly off to Moscow at the behest of the evil Khrushchev and permit himself to be slapped in the face with insult and treachery? Why does President Eisenhower even consider going to Moscow or sending Vice President NIXON as his emissary to the Kremlin to receive the same rough treatment? Why does Dag Hammarskjold, Secretary General of the United Nations, plan a trip to Moscow where he, too, can only expect to be received with calumny and sneers?

Do you know why? Because they are afraid not to go. That is all there is to it. Khrushchev, the dictator of a backward and brutal tyranny, has become like a Roman emperor in our world, calling in the neighboring kings to be exhibited scornfully to the jeering crowd of onlookers just to prove that he is master of the world.

By these craven missions to Moscow the leaders of the free world are acting like those European and Asiatic ambassadors who trekked across the Russian plains to the abode of the great Khans to grovel and beg for mercy when these Mongol tyrants were sweeping half the world before their murdering cavalrymen. But Khrushchev is no Ghengis Khan. Nor is his force so irresistible. As Adm. Arleigh Burke told us the other day, the United States of America has the power to destroy the Soviet Union should Khrushchev trigger an attack. Our Nation is the most powerful nation, with or without allies, in the world.

But power, without the will to use it when necessary, is useless. The British and French discovered this when they faced a daring and rearming Hitler across the Rhine—and ended up with appeasement at Munich and war. The Romans, centuries before them, discovered this when their great and glittering empire was assaulted by the barbarian tribes from the north who coveted their riches. The Babylonians, with their brilliant but decadent civilization, had the same experience when "The Assyrian came down like a wolf on the fold, and his cohorts were gleaming in purple and gold."

Are Americans or Europeans no different from these faded civilizations which have risen to the heights only to die in the depths when they lost their will to independence and freedom from barbarous tyranny? Will we, too, quail before the rough and arrogant barbarian ruler who now tells us that he intends to bury us and all we hold dear?

The Communists in the Soviet Union are openly bent on the destruction of free Europe and the United States. They have told us, as repeatedly as Hitler told his neighbors what he intended to do to them, that they will make us Communist captives if they can. Yet while we still have the power to resist and defeat them, while we have the strength to protect our liberties and secure our nationhood against these terrors, we accept with honor and hospitality Khrushchev's suave and cunning Ambassador Mikoyan, the murderer of thousands of Hungarian patriots. The British Prime Minister went on his pilgrimage to Moscow only to be rudely insulted while he was forced to listen to our own leaders being reviled. And still some of our legislators in Washington entertain thoughts of accepting this tyrant's term for a summit conference and the Berlin seizure, calling it flexibility. There can be no flexibility when compromise and surrender mean tyranny and slavery.

Flexibility is just a new diplomatic word for cowardly appeasement.

It is better to die on your feet, if you must, than to live on your belly. It is better for the United States to revive its old Revolutionary slogan, "Don't Tread On Me," and face the consequences of a brave and determined policy against communism than meanly to give away, a bit at a time, our pride, the liberties of our friends, our treasure, and finally our independence as a nation.

St. Patrick and the New Barbarians

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. FEIGHAN. Mr. Speaker, under leave granted, I insert in the CONGRESSIONAL RECORD an address I delivered in Cleveland yesterday on "St. Patrick and the New Barbarians":

On this St. Patrick's Day it is our time-honored pleasure and privilege to lay aside the cares and worries of the day as we proudly wear the green. Our songs and cheers, parades and banquets, boasts and tears, all bear testimony to a rich heritage bestowed upon us by our patron saint. But it is more than that. Beneath the precious sentiment we express so well today, there stirs in the heart of every Irishman a gentle reminder of the special mission in life that is his by birthright. That mission is the spiritual enrichment of all mankind.

For 15 centuries the Irish have been faithful to that mission. In the Dark Ages when all civilization in Europe, the cradle of Western culture and thought, seemed certain to perish, it was the Irish who lighted the way out of the darkness. An island of saints and scholars, she has given her sons and daughters to almost every quarter of the globe. They have carried with them the same light and word which St. Patrick brought to Ireland so long ago, that all mankind might be lifted up to the dignity which befits his nature. In keeping faith with this noble purpose in life, the Irish have prospered wherever they have raised the banners of St. Patrick. So, too, have the many lands to which they have gone prospered under the watchful care of this great saint.

This, then, is the unending mission of the Irish to the world. It is unending because the lessons of the ages teach us that from time to time evil forces arise which challenge the dignity of man and seek to overthrow the divine plan which secures that dignity.

In our times we are faced with this challenge, on all sides we find evidence of the dark ages in this 20th Century. The human values which mankind has won at such great sacrifice are being trampled under the heavy boots of Russian barbarians. At this turning point in history we are faced with a series of choices at the core of which rests the fundamental question, "are we willing to sell our birthright for a mess of pottage?"

In a world torn by strife and tension we are told we can have peace if we are willing to pay tribute to the new barbarians. The peace they offered in return, is no peace at all, it is the strange peace of human slavery. Justice, the only basis upon which peace can be built, is rapidly losing its place in the affairs of nations, because it permits no compromise on the dignity of man. A peace without justice is the certain formula for war, a war which no thinking man may countenance.

What is the tribute demanded of us by the new barbarians as the price for an unjust peace?

First, they are asking free men, particularly in the United States, to acquiesce in their enslavement of 35 percent of the people who inhabit the earth. They are trying desperately to drag the spokesmen for the Western World into another summit conference. At this conference they expect to force recognition of a status quo, that is, recognition of their right to enforce the darkness of despotism and slavery upon humanity. They want free men to guarantee to them that their evil work will go unmolested, that the conscience of the West will not be moved by the sad plight of so many of their fellow men. As they hear the millions of our brothers, now persecuted as martyrs to our cause, cry out for justice, they are fearful that these cries will be answered by a world enraged by man's inhumanity to man. Evil works quietly in the shadows, always fearful of arousing the forces of righteousness.

That is what lies back of the present Berlin crisis, precipitated by the barbarians of Moscow. First we are told that unless we desert the people of free Berlin we will be driven out by force. When we responded to the threat by declaring our intention to stand fast in our defense of freedom, the Russians began a series of retreats. Pressed by the deadline which they were so bold to make, and in the face of our determination to be firm, they have now taken the position that if we agree to a summit conference they will not cause a war over Berlin. This is apparent from the fact that only a few days ago the Kremlin spokesmen stated the deadline of May 27 would be extended if preparations were under way for such a meeting. But, as always, there is a catch. The continued Russian insistence that no agenda be prepared in advance of the conference gives ample evidence that they intend to limit discussion to those items which force recognition of a status quo.

It is strange indeed, that at this point in our history, when free men have advanced so far in knowledge and accomplishments, we should be ordered about by the crude barbarians. We must ask ourselves, Has our civilization lost its sense of high purpose, have we surrendered our mission to the world? There is mounting evidence that something is missing from our national life which, in past generations, made our country the beacon light and great hope of the world.

Not many months ago we had a strange visitor come to our country, allegedly on a vacation. He was the eyes, the ears, and the spokesman for the new barbarians. Every schoolchild in America knew who he was and what he represented. Yet, this same individual was wined and dined by influential segments of our national life. He shrewdly dangled the prospects of huge profits before the eyes of those industrialists and businessmen who willingly paid him homage. He made no mention of the fact that he was simply carrying out the orders of Lenin who held that when the time came the biggest capitalists would be anxious to provide the rope with which they were to be hanged by the new order. Nor did he mention the plan to destroy the hard-won gains of free labor in the United States by putting it in competition with the products of his slave empire. Few voices were raised in protest to this spectacle and those who did raise their voices to the danger were branded as extremists and not representative of traditional American hospitality. Few asked, Since when has it been the tradition of our free people to extend hospitality to a person who has the blood of martyrs on his hands, to a person whose whole life has been dedicated to the destruction of those priceless values which we hold to be as dear as life itself? This emissary of evil left the United States with the false impression that we are a divided people, that we are more interested in material things than in spiritual and human values. He could no more understand the American people and our way of life than could Hitler in his time. The tragedy is that the false impressions gathered during Mikoyan's short visit to our country will make our role in world affairs more difficult and increase the dangers of war.

Now one hears the call for compromise on Berlin from quarters and individuals who should know better than to ask the impossible. What do we have to compromise? All we have ever asked for is the right of the German people to determine their destiny by the process of free elections. We are fully prepared to accept the results of these elections because we believe in the right of all people to self-determination. It is the Russians, the new barbarians, who refuse to accept the verdict of the people directly involved. How can we compromise this position we have taken? There is nothing to compromise unless we are prepared to abandon our position of moral leadership in the world.

There are other disturbing signs of free men growing weary and tired of the struggle for survival. For the many years of the cold war it has been our national policy to bring comfort and hope to the oppressed through the media of international broadcasts. Broadcasting to the people in the countries now overrun by the new barbarians in their native tongues, we have been able to keep alive their hopes for a better life, and a return to the civilization of which they are a part. This has proven to be a work of peace, because, so long as they could hope, they could not abandon the heritage of freedom, they would not, in desperation, accept things as they are and make accommodations with the despots. Now, we see this policy in the process of change, a change which bodes evil for the future. Gradually there are being eliminated the many voices which carried his message of hope. The Russian language, the language of the oppressor, is beginning to monopolize the "Voice of America" programs beamed to the darkened lands behind the Iron Curtain. This tactic can only alienate our proven friends in these many lands and drive them into the camp of the enemy. Frequently I have asked myself whether this results from ignorance or from a secret agreement already entered into by the Eisenhower administration to accept a status quo; that is, to recognize the permanent occupation of these once free lands by the new barbarians.

There are ominous signs of the times; they threaten the precarious peace which now hangs over a tired and weary world. They are dangerous because the appetite of the aggressor cannot be satisfied by concessions, he must have everything or nothing. He understands firmness and courage, though he lacks it himself. The bully is always a bluffer and he dominates none but the timid.

But there are other signs of our times in which we can take comfort. A very large segment of our people have come to recognize the full meaning of the crises of our times. This awakening to the harsh realities of our divided world is being stimulated by the growing pressures put upon us. More and more our people are seeking their strength of purpose from that deep spirituality which is our heritage. When all is said and done, the strength of our country rests firmly in the hands of our people. It is within their power to use that strength as we face the test of our worthiness to lead the cause of peace, with justice. In generations past we have not feared to face responsibilities, nor have we feared the threats and boasts of tyranny on the march. We as a nation have learned well that man lives not by bread alone.

So, on this St. Patrick's Day let us, one and all, rejoice in the knowledge that the spirit of our patron saint has a place in the hearts of all who know the blessings of human freedom. This gift shall give us strength as we carry on our happy mission to bring spiritual enlightenment to all mankind. We must be doers of the word, carrying the light which shall take all mankind out of the darkness of materialism.

The Need for a Strong Marine Corps

EXTENSION OF REMARKS
OF
HON. J. T. RUTHERFORD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. RUTHERFORD. Mr. Speaker, we have read and heard a great deal in recent weeks of the responsibilities of Congress in the creation of our Nation's military policy. We have read and heard some misinformed commentators who seem to believe that the responsibility for the military policies and posture of our Armed Forces rests solely on the Executive. As we know, nothing could be further from the truth. The Constitution makes the role of this great body perfectly clear.

I know of no finer example of the marked success Congress has enjoyed in its rightful role of military policy-making and in creating forces to implement that policy than the United States Marine Corps.

As all of you know, we don't maintain the Marine Corps, the Army, the Navy, or the Air Force out of pure sentiment. In today's market military power is far too expensive to be perpetuated for reasons of sentiment or in memory of past glories.

Congress has insisted upon maintaining a Marine Corps—and an Army, Navy, and Air Force—because we know they are needed. We know that these forces are necessary tools in a world where the survival of freedom must depend upon our ability to meet the challenges of Communist aggression with determination, but also with precision and restraint.

What do we demand of these forces which we create? In particular, why do we insist upon a Marine Corps of three combat-ready Marine divisions and three air wings? What place does the Marine Corps hold in our military posture?

The United States is an island nation. Our land borders are touched by only two nations, Canada and Mexico, both good friends and good neighbors.

The most easily used, the most economical, and the most practical high-

ways between us and the rest of the world are the seas. The seas of the world are the arteries along which flow the commerce and the strength which bind the countries of the free world into the great alliance it is. The seas of the world are the highways over which we can come to the aid of our friends with supplies and military power in meaningful quantities.

We must control and use these highways if the free world is to survive.

We control the seas through the intelligent use of seapower. But without the ability to project that power ashore, promptly and efficiently, the meaning of seapower is lost; these great highways are useless. Amphibious operations are the means by which we project naval power ashore and secure the benefits of these highways.

Without this ability to project our power from the sea to the land, much of the significance of seapower is lost—to our friends and our enemies alike.

The key to victory in our last two wars lay in our ability not only to control the seas, but to project our military might from the sea onto the land.

Our ability to do this rested upon the doctrine and the techniques developed by the Marine Corps between World Wars I and II. These techniques must change constantly with the refinement of weapons and machines. The necessity for maintaining this art is not gone. If anything, the need is greater than ever before.

Congress decided after World War II, with the lessons of that great conflict still vivid in its mind, that the continual development of the art of amphibious warfare was a full-time job—not a sideline for one of the larger services, but a job for a comparatively small organization that could devote its full efforts to the art and always be ready to use it at a moment's notice.

In an effort to insure that we would continue to develop new techniques and doctrine for this highly specialized military art and would continue to have a force constantly ready to execute such operations, the Marines were assigned this mission by law after World War II.

Assignment of this function to the Marine Corps was and is a perfectly natural solution to the problem. This mission involves a close and absolutely unique association with the Navy; one that makes the business of getting aboard ships and away—fully ready for combat—an instinctive thing. This unique relationship is the product of over 175 years of close association. It's the result of living with the problem for generations.

In developing this capability over the course of many years, the Marine Corps became the Nation's force-in-readiness.

This too was a natural development. In its close teamwork with the Navy and its increasing efforts to provide amphibious forces that were always trained and ready to go, the Marines provided a force that was expert and available in one package. Their forces did not need to be collected, trained, and equipped as each emergency arose. They were in existence, fully trained, and an integral part of the fleet. To put it simply they filled a need in our defense structure.

Congress was quick to recognize that our country has a continuing need for such a versatile, highly trained, always ready force. But, for various reasons, there have been those outside Congress who refuse to recognize this need, or claim that the need can be filled by other forces. As a result, in spite of the clear prescriptions of law, the Marines were steadily whittled down after World War II until by 1949, on the eve of the Korean conflict, they had been reduced to six battalions.

With the lessons of Korea unmistakably clear to all who would learn, Congress sought again in 1953 to insure that the country would never again be without the services of an amphibious force in readiness.

In approving legislation that would require the maintenance of a Marine Corps of a specified combatant size and capability, the House Armed Services Committee made the intent and the aims of Congress clear beyond argument. The committee stated the purpose of the legislation as "to require the maintenance of a versatile expeditionary force in readiness, always combat ready."

To further expose the need for such a force the committee stated:

> American history, recent as well as remote, has fully demonstrated the vital need for the existence of a strong force in readiness. Such a force, versatile, fast moving, and hard hitting, will constantly have a very powerful impact in relation to minor international disturbances. Such a force can prevent the growth of potentially large conflagrations by prompt and vigorous action during their incipient stages.

These reasons for maintaining a strong Marine Corps are just as valid today as they were when they were written in 1952.

The need for a Marine Corps of not less than three combat divisions and three air wings is, if anything, greater today than it was in 1952.

The place of the Marines in our national military posture is best expressed in simple terms. If we did not have a Marine Corps—we would have to go right out and get one.

They provide, as an integral part of the balanced fleet, the force-in-readiness which is essential to a flexible military and foreign policy.

Studying the Effects of Pesticides, Herbicides, and Other Chemical Poisons on Fish and Wildlife

---

EXTENSION OF REMARKS

OF

HON. LEE METCALF

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 18, 1959

Mr. METCALF. Mr. Speaker, I have just introduced a bill to increase the amount authorized by the act of August 1, 1958, to enable the Secretary of the Interior to accelerate the studies of the effects of pesticides, herbicides, and other chemical poisons on fish and wildlife. The purpose of the 1958 act, which I cosponsored, is to prevent losses of invaluable fish and wildlife resources following application of poisonous materials for insect and plant control and to develop basic information on the various chemicals so that forests, croplands, wet lands, rangelands and other lands can be sprayed with minimum losses of fish and wildlife, barnyard poultry, cats, dogs, and other farm animals.

My bill would increase the amount authorized for these needed investigations from $280,000 to $2,565,000 annually. This is the sum that actually is needed to enable the Secretary of the Interior to study various aspects of the pesticides problem in order to assure that the future use of chemical controls shall not inflict irreparable damage on the Nation's fish and game resources, and farm animals. This amount is by no means inordinate; it represents less than 1 percent of the wholesale value of the chemical sprays that were produced commercially in this country in 1956. It is a modest investment for the protection of fish and wildlife resources which, in 1955, generated nearly $3 billion in sales of goods and services to the Nation's more than 30 million hunters and fishermen.

The use of sprays for forestry, agricultural and other purposes has grown phenomenally since 1940. Chemical controls that year had a wholesale value of $40 million. Their 1956 wholesale value was $290 million, and is expected to rocket to more than $1 billion by 1975.

About 3.4 million acres of forest land were sprayed in 1956 and more will be treated in coming years. In 1956, more than 55 million acres of croplands—no less than one-sixth of the national total—were treated with some 3 billion pounds of pesticides.

These figures illustrate only part of the story of the tremendous upsurge in usage of those powerful chemicals. This increased use has been accompanied by the development of poisons that are many times more lethal than earlier commercial products. Before World War II relatively small amounts of only a few chemicals such as nicotine, rotenone, pyrethrum, and some arsenicals were used for insect control. More recently developed chemicals, which are being used in control programs ranging over millions of acres, are from 15 to 200 times more toxic than earlier formulations. Many have an added killing effect in that they remain toxic in the soil for 3 to 5 years after application. More than 200 basic pesticides and more than 6,000 brand-named products now are on the market.

Some of the more potent formulations are being used by agencies of the U.S. Department of Agriculture in large-scale insect control and so-called "eradication" programs. Early, but very limited research by the U.S. Fish and Wildlife Service showed that the maximum amount of DDT, the first of these new types of insecticides, that could be applied in control programs without massive mortality to animal life was 2

pounds per acre. Heptachlor, an insecticide which is from 15 to 20 times more toxic to wildlife than DDT, now is being used at the same rate—2 pounds per acre—in the controversial multimillion-acre fire ant "eradication" program in the South.

The act which my bill would amend came into being largely because of widespread public alarm over the loss of fish and game resources following several large-scale insecticidal operations. In two areas that were treated with heptachlor for eradication of the imported fire ant, birds were reduced 75 to 85 percent—quail and rabbit populations were virtually wiped out. Fire ant eradication work in Monroeville, Ala., last July was reported in the Montgomery Journal to have resulted in the deaths of hundreds of chickens, more than 50 dogs, many cats, some birds, and and undetermined number of turkeys, ducks, and squirrels. Veterinarian O. L. Poitevint, of Climax, Ga., has stated that the deaths of upwards to 100 head of cattle and large numbers of chickens, turkeys, goats, and sheep, and reproductive failure in 100 to 150 brood sows, resulted from fire ant treatment around that community. No similar deaths occurred in surrounding, untreated areas, the veterinarian said.

Experimental work has shown that pheasants and quail, when exposed to sublethal quantities of commercial poisons in food materials subsequently have a greatly lowered reproductive capacity. The young produced by the experimental birds are weak, and most failed to live more than a few weeks. Larvae of aquatic insects and earthworms, which are foods of many fishes and birds, concentrate some of these poisons in their bodies. The tissues of some fish have been found to harbor high levels of DDT many months after temporary concentrations of the poisons were introduced into their stream environments.

These are a few examples of why biologists, sportsmen, naturalists, and a large segment of the general public are concerned about the pesticides-wildlife problem. Millions of acres of land are scheduled for aerial spraying in the next few years in the fire ant eradication program. Gypsy moth spraying in New York and New England, Dutch elm disease control in the Midwest, forest insect control in many parts of the Nation, and grasshopper poisoning in the Great Plains show what is in store. Additional millions of acres of private crop and timber lands will be sprayed by individual landowners.

Let there be no misunderstanding, no one thinks that the Federal agencies or private groups are deliberately setting out to kill fish and game with pesticides. The use of economic poisons for insect and pest plant control is an accepted and necessary agricultural and forest management practice. What I am saying is that some control programs have resulted in alarming losses of fish and game. Insect control personnel presently have little knowledge of how the toxic materials can be used to achieve desired results without causing serious and perhaps prolonged damage to fish and game resources. This factor alone justifies enactment of my bill.

This obvious lack of knowledge was brought out in hearings held by House and Senate committees last year on the act which I now seek to amend. Little actually is known about the relative and actual toxicities of commercially available poisons, the proper times and methods of their use so as to minimize loss of fish and game; the direct and indirect effects of poisonous materials on those animals; and many other factors.

We are fortunate, Mr. Speaker, that the 85th Congress initiated a few studies and provided a little money to get them going. I say we are fortunate because that action has enabled the U.S. Fish and Wildlife Service to get a clearer and more definite view of the serious problem that faces the Nation. For the first time that agency was able to survey the magnitude of the danger, designate logical areas of investigation, and estimate program costs. I now find that the annual cost of a basic program of investigation and research both for sport fisheries and wildlife and for commercial fisheries is $2,565,000. This figure represents an investment of less than 1 percent of the wholesale value of all commercial pesticides produced in 1956.

My colleagues should know that the sum of $280,000 per annum as provided in the act of August 1, 1958, was recommended to the House by the Committee on Merchant Marine and Fisheries as a provisional and initial sum to get the program underway. That committee in its report, No. 2181, advised:

> The committee in its considerations of the bill, amended it to provide an authorization for an expenditure of $280,000 per year. That was done for two reasons: First, that it is unlikely that the program could be started at a higher level than that set by the amendment, and second, that its inclusion will insure that the Congress will be furnished with prompt and specific information as to the progress of the program if the Department wishes to expand it beyond the maximum figure specified. Although the Department of the Interior in its report recommends against the inclusion of such an authorization on the ground that an adequate program might exceed such cost in certain years, it does not appear to be unreasonable to require the Department to seek additional moneys as an alternative to giving it a blank check. Also, it should be noted that departmental witnesses testified at the hearing on the bill that the specified amount would support a minimum research program.

It is my firm conviction, Mr. Speaker, that the planning and programing in the Department of the Interior has reached the point where this increased appropriation is in order and will be put to good use. The act of August 1, 1958, was invaluable in permitting that department to focus its attention on the pesticides problem and to formulate a specific program to obtain the basic information needed to protect fish and game resources by the development of guides for the proper use of pesticides. The time has come for the Congress to expand the program, as suggested by the Merchant Marine and Fisheries Committee, because the need for such expansion has been manifested over and over during the past few months.

Considerable aerial spraying has been done over salt water marshes, particularly in the South. Important commercial and sport fishes such as menhaden, shad, striped bass, croakers, and weakfish spend their early stages of life in the coastal shallows. Shrimp, crabs, oysters, and clams are present in this inshore environment during a part of their lives.

There are four major lines of scientific investigation that should be pursued by the Bureau of Commercial Fisheries. These and their estimated annual cost are as follows: laboratory research on toxicity and tolerance levels for chemicals now in use, $85,000; field tests of chemicals now in use, $105,000; the effect of present insect and pest control programs on fishery resources, $170,000; and testing new chemicals, $65,000.

Increased appropriations would facilitate a 14-point program for wildlife research by the Bureau of Sport Fisheries and Wildlife. The areas of investigation and the amounts that would be required initially are: the effects of fire ant control formulations on animal life, $175,000; the effects of rodenticides on important mammals and song birds, $75,000; the effects of chemicals applied in the Dutch elm disease control program, $80,000; studies of forest insect programs, $125,000; the effects of orchard spraying on animal life, $25,000; the impact of formulations used for mosquito control on fish and wildlife, $75,000; crop and forage treatment with pesticides other than grasshopper control, $50,000; study of the effects of herbicides on the habitat of birds and mammals, $70,000; the relationships of fungicide, nematocide, and miticide treatments to wildlife, $50,000; pesticides and migrational movements of birds, $150,000; pesticidal contamination of water areas, $25,000; the effects of chemicals on food chain organisms and their storage by resistant invertebrates, $75,000; penned animal experiments, $100,000; and the relationship between sterility in the bald eagles and pesticides, $50,000.

A nine-point investigation program is suggested for sport fisheries research. Major areas of study and the estimated annual costs are: determination of toxicity and tolerance levels for fish and fish-food organisms, $100,000; bioassays for ingested pesticides, $90,000; identification of pesticidal products in the tissues of fish and other aquatic organisms, $60,000; development of techniques to measure pesticide concentrations in the tissues of fish, $70,000; the effects of temporary and sustained exposure to pesticides on the habits, reproduction, growth, and vitality of fish, $80,000; studies of the absorption, concentration, and storage of pesticides by fish, $65,000; determination of the immediate and long-range effects of pesticidal programs on fish, $200,000; experimental application of chemicals in field tests, $85,000;

and coordination of the research program and publication of the results of the investigations, $80,000.

These research projects would give us the kind of information that is so desperately needed. As it stands, there is no assurance that we are not poisoning all living creatures to a point of sterility. If this Nation is determined to use billions of dollars of highly toxic chemicals each year, then we better be finding out how those powerful poisons should be handled. The U.S. Fish and Wildlife Service is charged with the responsibility of conducting these studies, and it is imperative that this essential research is started without further delay.

The Story of Cooperation in Boulevard Village, Kansas City, Mo.

EXTENSION OF REMARKS
OF
HON. RICHARD BOLLING
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. BOLLING. Mr. Speaker, I should like to report a success story on a housing project in Kansas City, Mo. This project had failed under rental operation. A housing cooperative purchased the project and has achieved remarkable results with mutual home ownership by the residents.

I. SUMMARY OF COOPERATIVE ACHIEVEMENTS

There are striking contrasts in every aspect of this project before and after cooperative ownership. These may be summarized as follows:

First. The success of cooperative ownership and the prompt payment of mortgage and other obligations, in contrast with the previous failure as a rental project where repeated defaults led to foreclosure.

Second. The achievement of full occupancy under cooperative ownership, in contrast with substantial vacancies under rental operation.

Third. The improvement and excellent maintenance of the housing under cooperative ownership, in contrast with its previous state of disrepair.

Fourth. The reduction in monthly housing costs by more than 20 percent under cooperative ownership in contrast to charges under rental operation.

Fifth. The new spirit of neighborliness and the stimulation of community and recreational activities under cooperative ownership, in contrast with previous attitudes where renters were strangers to each other.

II. DESCRIPTION OF PROJECT UNDER RENTAL OPERATION

The project was originally financed with an FHA-insured mortgage under section 608. It was completed in 1950 and contained 192 apartments in 48 buildings of 2-story height. After its initial period of operation, it became involved in serious financial difficulties. Vacancies increased to a point where only about 60 percent of the apartments were occupied. With reduced income, the properties fell into a state of disrepair. The owners failed to meet their mortgage payments and FHA was compelled to acquire the property by foreclosure late in 1956.

After FHA acquired the property, it made a survey of its physical condition. FHA determined that extensive repairs and improvements were necessary which would cost more than $75,000. These included repairing steps, walks, roofs and downspouts; refinishing all buildings and halls, replacing hot water heaters and improvements in grading and landscaping.

Normally, when FHA acquires a project through foreclosure, it makes these repairs and then advertises the property for sale through public bids. The purchaser then tries again to make the project into a successful rental operation. Ordinarily, the purchaser makes a downpayment of about 5 percent and FHA accepts a 95 percent purchase money mortgage, payable over a period of 40 years. In such cases there is, of course, the hazard that a project, having once failed as a rental project, may again face a failure during the 40-year mortgage period. If this should occur and the project ceases to be a profitable operation, the purchaser would not be likely to invest additional money to keep the project and meet mortgage obligations, particularly since he makes only a limited equity investment in the purchase.

Instead of following this normal course, FHA responded to requests to convert the Kansas City project to cooperative ownership. Let us now examine the results achieved under cooperative ownership.

III. RESULTS ACHIEVED UNDER COOPERATIVE OWNERSHIP

In March of 1957 a program was launched to achieve cooperative ownership. The cooperative program was aided by the FCH Company, Inc., a subsidiary of the Foundation for Cooperative Housing—a nonprofit organization with headquarters in New York and Washington. As part of the cooperative purchase program, the cooperative and its advisers undertook the responsibility for directing the management and improvement of the project prior to the passage of title. It carried out a program for necessary repairs and improvements. In addition to the improvements originally contemplated by FHA, some basements of the walkout type were fixed up for use as community meeting, recreational and hobby rooms by the members. Play areas were provided for the children. The residents began to serve on committees and participate in programs to improve the livability of the community. In these ways the project has now been physically transformed into an attractive community typified by the bright new colors in exterior painting.

Occupancy increased steadily as the program continued, so that when the cooperative took title in February of 1958, after 51 percent of the apartments had been purchased by residents, occupancy had reached 95 percent. Since that time full occupancy had been achieved. Today 80 percent of the residents are cooperative owners. By the end of this year it is expected that almost all residents will be members of the cooperative, sharing in the ownership of their homes.

As to rents prior to cooperative ownership, tenants paid $80 a month for a typical 2-bedroom apartment. The monthly carrying charges under cooperative ownership are now only $62 for such a 2-bedroom apartment. On a typical 3-bedroom apartment, monthly charges were reduced from $94.50 to $72 under cooperative ownership. These lower carrying charges were made possible because of the following favorable factors:

First. The cooperative purchased the property under a 40-year mortgage of $1,100,000 with level payments of $4,770 per month for principal and interest. This reduced monthly carrying charges for each member. Under cooperative ownership it is recognized that the homeowners take better care of property, so that such long-term mortgages are appropriate and justified.

Second. The operation of the project on a nonprofit basis eliminated profits and other charges that the former landlord had to include in the rents.

Third. Cooperative owners do some of their own work, such as interior decorating to suit their own tastes.

Fourth. Vacancy and collection losses are largely eliminated.

Even though the monthly payments by the members were lower, they included substantial reserves. Thus, an operating reserve of 3 percent of all income is set aside as a protection against contingencies. In addition, a reserve for replacement is provided so that moneys will be on hand to make necessary replacements of roofs, hot water heaters, and other things in the buildings by the time their useful life expires.

Under the cooperative ownership all mortgage and other financial obligations have been fully met each month, with payments having been made on time for principal and interest on the mortgage, taxes, insurance, replacements, and other reserves.

Besides this record of financial responsibility, the physical properties now constitute a sound mortgage security. This is not only due to the fact that they have been repaired and improved, but also because the apartments are now fully occupied.

IV. COOPERATIVE FINANCING TO HELP MEMBERS WITH THEIR DOWNPAYMENTS

Many of the tenants and other persons who wanted to become cooperative purchasers did not have enough money to make the required cash investment of $560 for a 1-bedroom apartment, $690 for a 2-bedroom apartment, and $840 for a 3-bedroom apartment. With the approval of FHA, a plan was developed under which purchasers obtained financing from the cooperative for the payment of the balance of their downpayment in monthly installments over a period of 3 years. The notes executed by the purchasers were deposited by the cooperative as security for its supplemental

note of $55,000 delivered to FHA. This supplemental note represented the balance of the payment on the purchase price and closing adjustments.

The supplemental note to FHA was to be paid off by the cooperative within 3 years. During the first year a total of $27,551 has been paid to FHA on this note, so that the balance has now been reduced to $27,449. At this rate the FHA supplemental note will be fully retired in 2 years instead of the prescribed period of 3 years.

Payments on this supplemental note are derived from collections on the notes of the cooperative members. They have been completing their downpayments by meeting the monthly installments on their notes when due. This was facilitated because the amount of the monthly payments on their individual notes equals the savings which the members enjoy under cooperative ownership. Thus, on a 2-bedroom apartment, where the member formerly paid a rent of $80, he now pays $18 less each month. This sum of $18 is the monthly payment on the note of the member. In about 3 years, when the member has completed building up his cash investment of $690 on his 2-bedroom apartment, monthly payments will be only $62.

V. NEW COMMUNITY SPIRIT AND ACTIVITIES OF MEMBERS

The cooperative community now has a new spirit of neighborliness. Members are active in many clubs and recreational functions for children of all ages and adults. To express this change in attitude, the name of the development was changed to Boulevard Village. Instead of referring to their residence as the Van Brunt project, cooperative owners now say they live in the village. It is no longer a project. It is a community of friendly neighbors.

Before the cooperative took title to the project, it held a meeting of its members to elect a board of directors from among the membership living in the village. This elected board of directors has full control at all times of the program and activities of the cooperative. Membership meetings are held frequently. In addition, members of the cooperative serve on various committees, such as house and grounds, membership, publications, and social. A monthly newspaper, the Boulevard Villager, is published by and for the residents of the village. Reading through this community newspaper, one is impressed by the growing spirit of neighborliness and group endeavor that characterizes this entire program.

VI. RECOGNITION BY FHA AND RESIDENTS OF CONTRIBUTION MADE BY COOPERATIVE TO BETTER COMMUNITY LIVING

The cooperative members have a sense of pride in their community and its accomplishments and are fully aware of their responsibilities. This attitude on the part of the members was eloquently set forth in a letter to Mr. Norman P. Mason—then Commissioner of FHA and now Administrator of HHFA—signed by the board of directors of the cooperative at the time they took title to the property. I quote that letter in full, as it represents a direct expression from the people who participated in the transformation of this community from a rental project to a community of cooperative homeowners:

BOULEVARD VILLAGE, INC.,
Kansas City, Mo., February 20, 1958.

The Honorable NORMAN P. MASON,
Commissioner, Federal Housing Administration, Washington, D. C.

DEAR MR. MASON: As members of the board of directors elected by the membership of Boulevard Village, Inc., we are writing to express our sincere appreciation and gratitude for your notable accomplishment in achieving cooperative ownership for our housing development in Kansas City with all of the benefits for the people which this entails.

By common admission, this project was deficient in construction, in a state of disrepair, and generally unattractive. As a result, occupancy had fallen to a point below 60 percent. The Government had been compelled to foreclose on the property which faced an uncertain and hazardous future.

Through conversion to cooperative ownership and the use of income to make much-needed improvements, Boulevard Village has been transformed into an attractive community. Major construction deficiencies have been corrected and repairs made. Exteriors of the buildings have been repainted in attractive colors, along with the repainting of halls and interiors.

Even more significant than the physical transformation of the properties, there has been a change in the character of the community and its occupancy. The rate of occupancy has been steadily increasing until we are now above the 90-percent level and shortly expect to achieve full occupancy. A majority of the dwellings are occupied by members of the cooperative corporation which owns the property and we look forward soon to occupancy solely by cooperative owners. Above all, we and other members of this community are proud to live here and count ourselves as owners responsible for the future improvement and development of our community.

There is a new spirit of neighborliness which accompanied our cooperative efforts. Many of the residents have served on committees to promote the welfare and improvement of our community. We have held social functions for people who had been strangers. Our members have developed a sense of belonging to a community which is their own. We are making plans for other cooperative activities, including a nursery school, teenage and adult recreational rooms, playgrounds, and buying clubs.

We are making this report to you about our activities and progress because you have made this program possible. On behalf of all of the members of our cooperative, may we express our everlasting gratitude for your leadership, initiative, and foresight in enabling us to achieve cooperative ownership of this housing community.

Respectfully yours,

ROBERT LE HEW, *President.*
REUBEN D. SINEX, *Vice President.*
B. R. DRYDEN, *Secretary.*
NEIL THORNBURG, *Treasurer.*
FRIEDA PROVINCE, *Assistant Secretary.*
JOSEPHINE KLEIN, *Assistant Secretary.*
GLENN L. ANDERSON, *Assistant Treasurer.*

Equally significant is the reply sent by Mr. Mason to the president of the cooperative. I quote that reply in full as showing a recognition and appreciation by FHA of the contribution which cooperatives can make to better housing:

MARCH 6, 1958.

Mr. ROBERT LE HEW,
President, Boulevard Village, Inc.,
Kansas City, Mo.

DEAR MR. LE HEW: I want to thank you for the fine expression of appreciation contained in the letter signed by you and the other six members of the board of directors of Boulevard Village.

We all had our moments of concern during the pioneering days of your project. However, we had no doubts that the cooperative technique would serve a good purpose here, since it has so well proven its worth in cooperative housing elsewhere. The question is always present, Will people make the proper use of it, and will there be good leadership which will develop good communities?

Judging from all reports I have received, your group has risen to the occasion and is giving a good account of itself. We thank you again for your letter and assure you it is a real pleasure to have been of service to you. One of the jobs of the FHA is to help people help themselves. In this, both your group and FHA can take pride in Boulevard Village.

May you long enjoy your community of cooperative homes.

Sincerely yours,

NORMAN P. MASON,
Commissioner.

VII. CONCLUSION

It is gratifying to observe an agency of Government which was prepared to take leadership in encouraging cooperative ownership of a distressed property. FHA's action made sense as a matter of good business, since a property which was in grave financial difficulties was converted into a sound investment. The mortgage of the cooperative is adequately secured by improved properties which are occupied by cooperative homeowners. The record of prompt fulfillment of mortgage and other obligations demonstrates the business wisdom of the transaction. Moreover, the properties were sold by FHA for the full market value as appraised by FHA, so no subsidies were involved.

FHA's action also made good sense as a matter of public policy, since cooperative ownership provided better homes for less money. It also produced a community with a wholesome environment for families with children, who participate as friendly neighbors in many educational and recreational activities in their village.

Welfare and Pension Funds Legislation Needs Clarification

EXTENSION OF REMARKS
OF
HON. ALBERT H. BOSCH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. BOSCH. Mr. Speaker, I have just read with a great deal of interest that the Department of Labor's 1960 budget

request to handle welfare and pension plan reports under the 1958 Welfare and Pension Plans Disclosure Act is almost $1 million—$938,000. This is based on the rather shaky grounds that only 250,000 reports will be filed—the minimum estimate of the Secretary's range of estimates, from 250,000 to 1¼ million plans.

I should like to bring to the attention of my colleagues that during congressional debate on this act last year, I protested that the Department of Labor's estimate of $1.3 million in annual costs to administer the far more detailed Senate bill (S. 2888) was too low—CONGRESSIONAL RECORD, volume 104, part 13, page 16424. Further, during this debate, the following colloquy took place between the distinguished chairman of the Committee on Education and Labor and myself:

Mr. BARDEN. Let me go a little further with this. As far as we are able to figure, there is no expenditure of Federal money involved, except possibly space for two copies of the summary.

Mr. BOSCH. Will the gentleman yield?

Mr. BARDEN. I yield.

Mr. BOSCH. Will the gentleman agree with me that it would be quite some space with an estimate of 1,250,000 plans? Two times that is 2,500,000 copies which would have to go to the Secretary of Labor, and I think there will be a tremendous cost to the Government in cataloging and indexing these plans.

Mr. BARDEN. Mr. Chairman, I yield myself 2 additional minutes.

Let me say to the gentleman: Let us not go off the deep end. Here, after all, I think the filing of those copies with the Secretary of Labor—and I am not so sure that the distinguished gentleman does not agree—is another safeguard to make them available for an employee.

Mr. BOSCH. I agree wholeheartedly with the gentleman. What I was trying to point out was that he said there would be no cost to the Government.

Now, here we have it—S. 2888 would have required the Department to check, investigate, and enforce. The current act gives the Secretary no investigating or enforcement powers yet it is costing approximately $1 million annually.

Today, the Welfare and Pension Plans Disclosure Act, which states that those plans are exempt which cover "not more than 25 employees" and defines "employee" to mean any individual employed by an employer, is being interpreted unofficially by the Department of Labor in a series of "interim" memorandums to include in the "25" figure retired employees as well as current employees and to include even former employees who "may become" eligible to receive a welfare plan benefit. To support these interpretations the Department of Labor cites not the definitional sections of the act but those sections which deal with the financial details of the plans to be reported and to the usage in these sections of the terms "participants" and "retired employees."

If the terms "participant" or "retired employees" were intended to be used in the exemption provision, it would have been a simple matter to have used them instead of the word "employees." How under such "unofficial, interim" interpretations the Department of Labor hopes to receive only 250,000 reports, on which their $1 million annual costs are based, is a mystery. And exactly how future court interpretations of the act will be affected by "unofficial interim"—and I might ask "interim to what"—memorandums remains to be seen.

Obviously, Mr. Speaker, there is much in the field of pension and welfare funds legislation which needs further study and clarification.

How Deeply Do You Believe in America?

EXTENSION OF REMARKS
OF
HON. CHARLES A. HALLECK
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 18, 1959

Mr. HALLECK. Mr. Speaker, on March 10, 1959, Postmaster General Arthur E. Summerfield addressed the distinguished membership of the Sales Executives Club of New York.

Mr. Summerfield's courageous talk emphasizing the Nation's struggle against inflation, the need for tax policies that can bring greater opportunity to every American, and his demand for adequate legislation to control labor monopolies and its abuses by labor bosses deserves wide circulation and careful consideration by thoughtful Americans irrespective of party affiliations.

So, too, does his plea for more active participation in the affairs of government by businessmen, union members, farmers, the 42 million housewives who pay grocery bills every day, teachers, professional men, students, and retired people.

Mr. Speaker, under unanimous consent, I include Mr. Summerfield's remarks in the RECORD:

HOW DEEPLY DO YOU BELIEVE IN AMERICA?

It is good to be here today with so many of you who represent the sales leadership of American business.

I remember with deep pleasure my visit with you several years back. And I cherish greatly the honor you bestowed upon me at that time.

As you may know, I have spent the greater part of my life in businesses in which the sales activity was vital.

I need not tell you that selling in our great, competitive economy is challenging and rewarding—and more, it is the very dynamo of our whole enterprise system.

You also know, of course, that a dedicated salesman really never stops selling, regardless of where he may be. I suspect, therefore, it is no surprise to you that I am still selling.

I am selling a modern, efficient postal service.

I am selling the maintenance of peace and national safety in a troubled world.

And I am selling, with all my heart, the sound growth of our country under a philosophy of government that can provide the greatest opportunity for all our people.

Today, if I may, I should like to lay before you some thoughts on our national security, and our philosophy of government. They are, of course, entirely interrelated.

We must begin with the premise that we are today engaged in a great economic struggle with the Soviet Union. It is not a shooting war, and we pray to God that such a dread resolution will never come.

Neither is this conflict of our own choosing. The Soviets are pushing it for the express purpose of imposing Communist rule throughout the world.

But the struggle nevertheless is a hard, inescapable fact we must recognize and meet.

There is no shooting war only because the Soviets have not dared to launch such a holocaust. Whatever initial success they might have, they know that retribution from the free world would be swift, terrible and decisive.

They have resorted to bold threats of a shooting war, in the hope of dividing the free world alliance and leaving us to face encirclement alone.

But here they have been firmly rebuffed by the supreme statesmanship and courage of our leadership—our President and Secretary of State—and the steadfastness of our friends around the globe.

Nevertheless, the Soviets appear today to be as confident of ultimate victory as ever. Why? Because they are now concentrating on all-out economic war, and they believe they can defeat us in such a war without risking their own destruction.

They boast that they will overtake us in industrial production in 10 years. Their entire economy is aimed at surpassing us, not only internally but in total influence on a world scale. Their Premier has just told the party congress in Moscow: "The time will come when we shall have the decisive edge."

We dare not look cynically on their determination. They are gearing the whole massive Communist society to that objective. They are moving with grim and confident purpose. And the undeniable fact is, they are gaining.

We still, of course, are well in front. But they expect the very demonstration of their ability at closing the gap to win world opinion to their side.

Ironically, they are counting on us to help. While they are pushing the Soviet economy faster, they expect the American economy to falter on at least two rocks of huge and disastrous proportions:

1. runaway inflation; and

2. political unwillingness to hold to the basic principles that have made our country so powerful and so great.

I believe their hope will be in vain. I believe we shall continue to build the strongest, finest, freest way of life the world will know.

But, my friends, this I also believe:

To do so, America must maintain a sound economic philosophy, and sound policies firmly based on such philosophy.

This is why I am selling, with all the energy and devotion I possess, the sound growth of our country under a philosophy of government that can provide the greatest opportunity for all our people.

What is this philosophy?

I think it can be simply stated:

It is a government that discharges every legitimate obligation to its citizens, but does so within the framework of a responsible fiscal policy.

It is a government that recognizes our free enterprise system—our industry and agriculture—as the very wellspring of prosperity and opportunity for all our people. It is a government, therefore, that promotes the sound growth of this system and its service to the people.

It is a government determined to place the best interests of all its citizens above special interests of any selfish group.

Such a government is essential to deal with the problems of these times. It is vital in fighting inflation and in grappling with our tremendous problems of taxation.

For, make no mistake, we are at grips with deadly inflationary forces. We are under the gun of onerous taxation—taxation that can effectively prevent the accumulation of private capital and the incentive for productive expansion.

In our battle against inflation, two facts today stand out very clearly:

The first is, that if public spending soars far beyond the revenues of Government, inflation will infuse itself more deeply and dangerously throughout economy.

Unrestrained spending can only result in deficit financing, higher taxes and cheaper dollars. And in such event, who must bear these burdens? You. You and your family—and every other citizen of our country.

Inflation feeds on the income and the savings of every individual, every enterprise, in America.

It eats away the savings we cherish for our family's security. It robs us of the real value of the dollars we earn. A quick glance at the family food basket can make that point painfully clear.

In 1939, a dollar would fill the basket with potatoes, bread, coffee, cabbage, milk, and eggs. Today's dollar will buy only the cabbage, milk, and eggs.

Twenty years ago, you could buy a pound of round steak, a pound of bacon, a pound of pork chops, and a pound of sugar for what it costs you today to buy just the pound of steak alone.

And so it goes with everything we buy.

Every American, therefore, has compelling reason to be concerned over the gigantic spending schemes that already have been voted by one House or the other of the present Congress. Together, just to date, these schemes represent several billion dollars of needless, unjustifiable spending. And more of the same are in the offing.

All are the creations of political pressures of special groups.

But if they become law, it will be every American whose dollar is cheapened—every American whose paycheck must yield steeper taxes—and every American whose children must bear the future debt.

The second fact in the inflation battle is the vast monopoly power of a handful of union dictators. This is the very core of our inflationary struggle.

Eighty percent or more of the cost of what we buy is for labor. Obviously, industrial wage costs have a very direct bearing on everyone's cost of living.

Wage increases have been fundamental to the rising living standards of our people, and the vitality of our economy. They should continue to be. And they will be, so long as they are related to increased productive efficiency.

But when union dictators force wage costs far outrunning productivity gains, inflation is inevitable. With each round of wage and price increases, our dollar drops another notch in purchasing power. The wage earner who gets the increase soon finds that his new dollars, too, are siphoned off by a higher cost of living. And union members everywhere are hurt as badly as everyone else.

In the past 10 years, a 28 percent gain in industrial productivity has been overwhelmed by a 67 percent rise in wage rates. The difference between these figures is wage-push inflation. Inevitably, this has priced more and more American products out of export markets, and reduced our ability to meet foreign competition in our own domestic markets.

The Nation has been shocked by the colossal labor racketeering and corruption revealed in the hearings of the McClellan Committee. Our people—including the great body of union members—want these terrible abuses stopped, now.

But let us recognize that these abuses are but symptoms of a much greater problem.

Why are union racketeers contemptuous of public opinion? Because they operate within the framework of a tremendous concentration of power which aims to control the laws, and lawmakers of our land, and eventually the White House itself. Thousands of our businessmen and workers have been partially "brainwashed" into believing these influences cannot be successfully challenged, thereby weakening their will to resist, to stand up and fight for what is right.

This is a union boss monopoly power that equals any accumulation of vested interest to be found in history.

This monopoly draws upon huge financial resources—almost equal to the total resources of all the Nation's life insurance companies combined.

It is a power that permits a few entrenched bosses to spend millions of dollars of union dues money for political purposes, exactly as the leaders see fit, with no choice given the dues payers.

It is a power to impose at will an ever-rising cost of living upon our people.

It is a power that can systematically bludgeon American business until free competitive enterprise can no longer survive in America as a vital force.

This is a grave moral and economic problem to which our Congress should address itself with all earnestness. Many alarmed Members of the Congress are doing so. But, quite obviously, too many others presently are more concerned with the wrath of the union dictators than their duty to the American people.

Now, of course, whenever anyone questions abuses of union power, the affected bosses and their political cult rush to denounce him as antilabor.

But union members are no longer accepting that deceit. The overwhelming majority of workingmen and women and their leaders are devoted, self-respecting Americans. They know that anyone who is for a strong America, as I am, is for a strong union movement. They know that cleaning up union abuses is no more union busting than the legal cleaning up of pernicious business practices, years ago, was corporation busting.

They have had enough of union rackets, and corrupt unions, and corrupt and power-hungry union leaders. They have had enough of union elections rigged to deprive members of their rights. They do not want their own dues payments used to further political ideologies to which they may be firmly opposed. And they know that anyone who urges Government help to rid them of these abuses is prolabor in the deepest sense.

Fortunately for America, in these eventful times, there is wise leadership in our Government.

The fight to hold inflation in check, to keep our business economy growing, and to root out corrupt union elements, is being led by the President of the United States.

President Eisenhower prevented wild public spending from wrecking the economy when frantic pressure developed during the recent business slowdown. He insisted instead upon sound measures, with the result that our economy has moved soundly forward ever since. And, of most importance, our cost of living has been checked and has leveled off.

Our President is fighting to prepare the way for tax policies that can bring greater opportunity to every citizen through the sound growth of our economy

He is standing firmly for realistic legislation to assure America's union members honest and responsible union leadership.

Our Vice President, many Members of Congress, and many others in the Government, are equally vigorous in behalf of these issues.

Much, for example, will be accomplished by the President's new Cabinet Committee on Price Stability for Economic Growth. Good progress is being made under the able chairmanship of Vice President NIXON. I am proud to be a member of this Committee, and look forward to the work to be done.

We hear the question raised in Washing, from time to time, as to what constitutes bold leadership. That is a fair question. Let us take a look at it.

Which calls for the boldness of genuine personal courage and vision? To insist upon a balanced budget and a sound dollar—or to yield to the noisy pressures of special groups for more and bigger spending?

To seek diligently a fair tax code that will inspire our whole economy to grow—or to go along in order to placate everybody with a hand in the pork barrel?

To insist firmly upon labor laws the people desire and the Nation needs—or to try to fool the public with so-called labor legislation dictated by the union monopolists themselves?

These are the choices of leadership offered the American people.

Actually, commonsense policies are the policies the great majority of Americans want.

That fact is demonstrated by several recent polls of public opinion.

In one of the largest, these findings were made:

The large majority of citizens interviewed said the first requirement of responsible national leadership for 1959 is to help check inflation.

The three items they listed as most important for Congress to work on were: Holding down prices; prevention of inflation; and laws to clean up labor monopoly evils.

A higher percentage of union members listed these commonsense objectives than did even the general public.

In view of all these indications, then, why do the spenders, the taxers and the apologists for union abuses dominate the Congress?

The reason is just this: Far too few people take the trouble to let the Congress know what they think.

Congress is responsive to the will of the people. But how can the individual Congressman determine whether the public agrees with a particular proposal unless he hears from the public?

I think you will agree that this is an extremely critical problem. But let me ask you:

Have you let your Congressmen know where you stand?

Did you write to them when the big spending bills were up for debate?

The Members of Congress received plenty of letters, telegrams, telephone calls and personal visists. From whom? From the American people? Or from those groups who had a special interest?

The truth is that the Senate and House were bombarded by energized special interest groups. The arguments that poured in were one-sided. And the special interest groups won the first round.

Ladies and gentlemen, I am a Republican. But I am under no delusion here that I am speaking to the East Side Republican Club.

Some of you are Republicans; some of you are Democrats. Some are independents. But what I am urging is not a partisan proposition. I am not asking for partisan expression.

What I am asking, what I am saying, is simply this: Speak out. Let your voice be heard.

Not only to you as businessmen, but also to union members, farmers, the 42 million housewives who pay grocery bills every day; to teachers, professional men, students, retired people—to every citizen, I say:

How deep is your belief in this land of ours? Deep enough to speak up in its behalf?

Is it deep enough to give of your substance, your time and your genius to preserve it?

A hard and fateful struggle is being waged. Your voice and efforts are more than important, they are vital.

They are vital on specific current issues. They are vital on long-range issues. They are needed at campaign time, and between campaigns.

Sound political leadership must have the active support of those who want sound government.

Some State governments today face virtual financial collapse.

Why?

Because those believing in sound political leadership have stood aside as spendthrift politicians have joined forces with labor bosses in an orgy of reckless spending and more and more taxation.

And what permanent solutions are being suggested by those in control?

The only suggestions so far have been the wornout, old-fashioned soak-the-rich ideas; specifically, a call for a corporation's profit tax, and an income tax on so narrow a base that only a small percent of the citizens would have to pay the bills.

Nothing is being done to reduce expenditures. No studies are underway to see where the tax dollars of these States have gone and are going. Nothing is being done through long-range State tax reforms to make these States attractive once again to business and industry, and to help provide more jobs.

My friends, the citizens of these States are learning the hard way that more huge spending programs mean that the Government has to collect more in taxes to pay for them.

The more American business has to pay in taxes, the less it has left to invest in new products and new plants.

And certainly, the less business is able to invest in new production, the less it is able to create new jobs.

It is that simple.

Peaceful coexistence may have its virtues in some fields. But the welfare state and virile free enterprise cannot exist side by side within the same economy. And I don't believe for one minute that the union members of our country, any more than the rest of us, want to surrender their freedom to a welfare state.

Instead of increasing the tax burden, we need to carry out an essential revision in our Federal tax structure.

This task, we know, will be tremendously difficult. But it is part and parcel of the basic solution for stopping inflation and spurring our economic growth. It must be done.

We need to relieve the tax load being carried by the individual citizen and by our business system.

This great Nation has been built on the motivation of high levels of individual achievement. We have encouraged, with material reward, each citizen to perform to the best of his capacity.

Even the Soviets have taken note of this historic process. Russia, despite its Communist doctrine, now offers high incentives for outstanding individual performance in industry, science, and other areas of its society.

Consider, against this, the fact that we have been moving in the direction of destroying personal incentive.

We have steadily compressed the reward for doing something, thereby encouraging many to do little or nothing.

Take notice, for example, of what happened to the head of a family of four with an annual income of $5,000. Today he is paying almost 10 times as much in Federal income taxes alone as he did in 1939. And if he strives to increase his income, the penalty of taxation becomes increasingly severe.

Of equally great consequence is the effect of ponderous taxation on business initiative.

Our population is growing rapidly. In the years ahead, our people will need greater opportunities and millions of new jobs. Business is expected to create most of these jobs. Business expects to create jobs. Corporations today provide nearly three-quarters of all the nongovernment wages and salaries paid.

But new jobs can come into being only as billions of dollars are invested in new tools and capacity. Now, where is this money to come from? In the end, it must come from the earnings a company saves after paying all its taxes.

Today Federal taxes alone can take more than half of many a company's net income. Then follow State and local taxes. There are over 100,000 taxing authorities in our country. Their weight can seriously restrict the ability of business to meet its job-creating capital needs.

Much of our Federal tax code was hastily adopted during times of war.

A sensible, equitable, dynamic tax program is needed in its place. Such a program will keep Federal revenues up, not by taxing away incentive and means of growth, but by steadily increasing the tax base.

The present administration has made this clear. It has already embarked on a program of tax reform and reduction with the Revenue Act of 1954. The President's insistence on a balanced budget in 1959 is related directly to this goal. Putting our fiscal house in order, he has emphasized, is essential to a sound, progressive program of tax reform.

Obviously, this program cannot call for immediate and sharp reduction in all income tax rates. It calls for gradual reform and reduction. And it calls for equitable reduction for all taxpayers, large and small.

The ultimate tax pattern, in short, must be a completely integrated program that will meet the real needs of a dynamic economy.

And this kind of program will be achieved only if we avoid the pitfalls of grandiose spending for nonessentials, and other inflationary pressures which swell the costs of Government.

In summary, let me leave these thoughts with you:

We must maintain our initiative in military and world political strength.

We must be equally vigilant against the Soviet determination to defeat us politically with economic strength. This may well be the ultimate battleground the Kremlin has chosen.

To succeed, we must promote the sound maintain a philosophy of government that provides the greatest opportunity for all our people.

We must keep the cost of living in check, while our standards of living go up, with a stable dollar. This means a balanced budget, and control of pressure on prices resulting from the irresponsible demands of a few union dictators.

We must take steps to correct the union abuses that the great majority of workingmen themselves want corrected.

We must revise our tax system to permit our people to create the great economic expansion of which we are capable.

Here in this room today is a gathering of the finest sales abilities in America. Here are the executives who represent the sales growth of our whole economy—we must genius of many of our Nation's leading corporations.

Competition is your life. You are constantly devoting your best brainpower and energies to competing with others in your industry, possibly the fellow sitting at your same table today.

But may I suggest an even greater competition exists, in which there is more at stake for you, your company, its stockholders, and its employees?

It is the ever-pressing, huge and deadly competition you face with forces dedicated to government by presure groups and labor monopolists. It can defeat you, destroy you, as no industrial competitor could ever do.

There is nothing more important you can do than to devote some of your sales genius and best techniques to fighting this battle. Nothing is more essential to your company and its future.

Thousands of corporate mailings are made to stockholders every day. Why not employ these mailings to enlist their active support? Pressure-group government and labor monopoly power are definitely contrary to their interests.

I would dare to suggest that your companies, in these communications, tell your stockholders clearly how this struggle affects them, both as citizens and as owners of business. There are also many hard-hitting articles, speeches and other materials that could be included. Mailed regularly to the Nation's 10 million stockholders, they could be of ever-expanding influence throughout the country.

The same can be said of communications with employees. They, too, can see this great competition in progress, and they need to know from you exactly what is at stake and they should be told the truth.

What do you want for America? How deep is your belief in America? It is very deep, I am certain. But it can be effective only as you let it be known.

I urge you to take your place among those who will speak, and work, and fight for sound government and a stronger America in the years ahead.

My friends, the greatest era in history—the Golden Era of unlimited opportunity—lies ahead.

We can make it mankind's most fruitful period if we but solve the problems we face and move forward, as we can, united for the well-being of America.

We will do so if we but realize that the all-out economic war with the Communists calls for just as much unity of purpose, just as much devotion to country, just as much selfless effort, yes, just as much old-fashioned patriotism on the part of every American, as any military war ever did.

I am certain we can and will meet this challenge. We will do so best, I feel sure, by following the program of true liberalism I have outlined here today—a program based on free men organizing and conducting their lives in freedom and spreading freedom to everyone everywhere.

We have inherited the glory of this Nation, its strength and its freedom. Let us protect it—let us perpetuate it—and let us bear it proudly forward into the hands of our children.

SENATE

THURSDAY, MARCH 19, 1959

The Senate met at 11 o'clock a.m.

Rev. George M. Docherty, D.D., minister, New York Avenue Presbyterian Church, Washington, D.C., offered the following prayer:

Lord of all the earth, Almighty Father, our profoundest wisdom is fear of Thee; our mightiest achievements are obedience of Thy will; our noblest life is found in knowledge of Thee.

Grant to all of us on this spring-kissed morning the certainty of Thy protecting presence, and to lift high the deliberations of this day as an offering of the service of our lives to Thee.

Grant to these Senators a deepening perspective of their noble calling, that they may behold beyond the crosscurrents of daily debate and legislation the waters of the river of destiny that nourishes this culture. May they know themselves as soldiers in the conflict for freedom and justice, and in their day and generation to be found faithful.

O Lord and Father of all nations, the earth is one because Thou art over all; all children are Thine, for Thou alone art the Creator. We pray for the peace of the earth, for justice and equity at home, and beseech a blessing upon all our loved ones, wherever they may be.

This we ask in the name of Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 18, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Constitutional Rights of the Committee on the Judiciary was authorized to meet today during the session of the Senate.

COMMITTEE MEETING DURING SENATE SESSION ON MARCH 26, 1959

On request of Mr. MANSFIELD, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet in New Orleans, La., during the session of the Senate on March 26, 1959.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements made in that connection be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT OF ADDITIONAL MEMBER OF JOINT ECONOMIC COMMITTEE

The PRESIDENT pro tempore. At the request of the Vice President, the Chair announces the appointment by him of Senator JOHN F. KENNEDY, of Massachusetts, as an additional member of the Joint Economic Committee, authorized by Public Law 1 of the 86th Congress.

ADDITIONAL FUNDS FOR SPECIAL STUDY BY JOINT ECONOMIC COMMITTEE

Mr. JOHNSON of Texas. Mr. President, I should like to give notice that, as soon as we can obtain clearance from the minority side, we hope to have the Senate proceed to the consideration of Calendar No. 107, Senate Concurrent Resolution 13, to provide additional funds for special study by the Joint Economic Committee. The concurrent resolution is a very important one, and it will require action by the other body. I have been requested by the chairman of the committee to attempt to call up this measure at the earliest possible date.

So I should like to have all Senators on notice of the possibility that we shall bring up by motion Calendar No. 107, Senate Concurrent Resolution 13, to provide funds for special study by the Joint Economic Committee.

Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Texas will state it.

AMENDMENT OF BRETTON WOODS AGREEMENTS ACT

Mr. JOHNSON of Texas. Mr. President, last evening I asked consent that the Senate vote on Calendar No. 98, Senate bill 1094, to amend the Bretton Woods Agreements Act, and on all amendments thereto, at not later than 3 o'clock this afternoon. I assume that if amendments are submitted, the Senate will proceed with the debate until 3 p.m.; and that at 3 p.m. the Senate will begin to vote, first, on any amendments, and then on the question of final passage. Is that correct?

The PRESIDENT pro tempore. Yes; without debate after 3 p.m.

Mr. JOHNSON of Texas. Let me ascertain how the debate is to be controlled and divided, and who will control the time.

The PRESIDENT pro tempore. The Senator from Arkansas is to control the time for the committee; the time for the opposition is to be controlled by the minority leader.

Mr. JOHNSON of Texas. That is my understanding.

I further understand that that debate will take place at the conclusion of the morning hour. Is that correct?

The PRESIDENT pro tempore. Yes; following the morning hour.

At this time, morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, Washington, D.C., reporting, pursuant to law, on agreements concluded during February 1959, under title I of the Agricultural Trade Development and Assistance Act of 1954 with the Governments of Turkey and Uruguay (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of the Army for "Operation and maintenance, Army, 1959", had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

RESTORATION AND DEVELOPMENT OF PIER FACILITY AT SOUTH PORTLAND, MAINE

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, on a project for the restoration and development of a pier facility at South Portland, Maine, at an estimated total cost of $50,000; to the Committee on Armed Services.

REPORT ON EXAMINATION OF CONTRACTS WITH LIBRASCOPE, INC., GLENDALE, CALIF.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of the pricing of Department of the Navy contracts and subcontracts with Librascope, Inc., Glendale, Calif., dated March 1959 (with an accompanying report); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Montana; to the Committee on Labor and Public Welfare:

"SENATE JOINT MEMORIAL 4

"Joint resolution of the Senate and House of Representatives of the State of Montana to the President of the United States; to the Congress of the United States; to Senators JAMES E. MURRAY and MIKE MANSFIELD from the State of Montana; to Congressmen LEE METCALF and LEROY ANDERSON from Montana; requesting the reaffirmation of National Policy of Federal Financial Support for Education

"Whereas we, the Montana State Legislature, recognize the education of our youth as the most important responsibility of our local, State and National Governments, if our national defense, our system of free enterprise, and our devotion to the ideals of American democracy are to endure; and

"Whereas despite earnest efforts on the part of the several school districts of the State of Montana to meet the cost of providing adequate school facilities for an ever

expanding enrollment and despite the continued increase in State funds to help meet the cost of supporting public elementary and secondary schools, there continues to be a widening gap between need, and funds to meet the need; and

"Whereas the financial resources of the counties and the States are increasingly overburdened by using school costs and enrollments, to the neglect of other essential county and State responsibilities; and

"Whereas there continues to be a shortage of qualified teachers, since, despite all efforts to the contrary, teachers' salaries in Montana are inadequate to recruit and retain a sufficient number of good teachers to serve all the children: Now, therefore, be it

"*Resolved*, That the Montana State Legislature petition the United States Congress to provide sufficient funds through the proposed "School Support Act of 1959" (sponsored by Senators MURRAY, MANSFIELD and others, and introduced by Congressman LEE METCALF and others, including Congressman LEROY ANDERSON) in order that local and State control of education may be continued by providing, by means of the more equitable taxing authority of the Federal Government, a share of the Federal income to the several States in amounts sufficient to supplement State and local financial resources for this most important of all State services; and be it further

"*Resolved*, That we hereby respectfully petition the Congress of the United States to reaffirm the national policy of Federal financial support for education which has ample precedent in the school land grants given to this and other States nearly 100 years ago and without which even the present inadequate programs of public education could not survive; and be it further

"*Resolved*, That copies of this resolution be submitted by the Secretary of State of the State of Montana to the President of the United States; to the Congress of the United States; to Senators JAMES E. MURRAY and MIKE MANSFIELD from the State of Montana; to Congressmen LEE METCALF AND LEROY ANDERSON from Montana.

"PAUL CANNON,
"*President of the Senate.*
"JOHN J. MACDONALD,
"*Speaker of the House.*"

A resolution of the House of Representatives of the State of Montana; to the Committee on Public Works:

"HOUSE RESOLUTION 8

"Resolution of the House of Representatives of the State of Montana to the President of the United States, Dwight D. Eisenhower; the Congress of the United States; JAMES E. MURRAY and MIKE MANSFIELD, Senators from the State of Montana; LEE METCALF and LEROY ANDERSON, Representatives in Congress from the State of Montana; the Committee on Public Works of the U.S. Senate; the Committee on Public Works of the U.S. House of Representatives; the Committee on Appropriations of the U.S. Senate; the Committee on Appropriations of the U.S. House of Representatives; the Secretary of the Army, Wilber M. Brucker; the Chief of the Corps of Engineers, Department of the Army, Maj. Gen. E. C. Itschner; the Director of the Budget, Maurice H. Stans; requesting the introduction and enactment into law of the necessary and proper legislation to authorize construction by the Federal Government of the Paradise Dam on the Clark Fork River in the State of Montana and authorize sufficient appropriations for the detailed planning and construction of the Paradise Dam.

"Whereas the Paradise Dam site located in Sanders County in western Montana on the Clark Fork River 4 miles below its confluence with the Flathead River near the town of Plains, Mont., is one of the best remaining undeveloped hydroelectric and storage sites in the Upper Columbia Basin; and

"Whereas the extensive studies and reports of the U.S. Corps of Army Engineers show an ultimate installed generating capacity of 1,008,000 kilowatts of electrical power and a storage capacity of more than four million acre-feet; and

"Whereas the studies of the Corps of U.S. Army Engineers shows that no alternative plans equal Paradise in the amount of electrical energy to be produced or in storage capacity and that Paradise offers much greater benefit and less detriment to western Montana than any alternative plans thus far presented; and

"Whereas bills to authorize construction of Paradise Dam have been drafted and have been subject to close scrutiny by the people of the affected areas and such draft proposals have included specific provisions for the relief of personal hardship which may result from relocation of people in the flooded area and for payment in lieu of any taxes now being received which may be lost to local governments as a result of the construction of Paradise Dam; and

"Whereas expansion of industry in western Montana has been stalemated since the construction of Hungry Horse Dam, and will remain stalemated until we go forward with the construction of Paradise and other dams on the Upper Columbia; and

"Whereas because of the detailed studies already made of the Paradise Dam site, an early start could be made on its construction once the project is authorized and appropriations made; and

"Whereas construction of Paradise Dam would give an immediate and substantial stimulus to business in western Montana and the whole northwest and great permanent benefit to all areas of Montana and the northwest in the development of industry, reclamation of arid lands, control of floods, protection of forest lands and recreation areas, development of fish and wildlife resources and generally in making for a more abundant life for all of the people of the northwest: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Montana*, That the Representatives of the State of Montana in the Congress of the United States be urged and requested to introduce and the Congress of the United States be urged and requested to enact into law necessary and proper legislation to authorize construction by the Federal Government of the Paradise Dam on the Clark Fork River in the State of Montana and to authorize that sufficient appropriations be provided for the detailed planning and construction of the Paradise Dam; and be it further

"*Resolved*, That such legislation include a reservation of hydroelectric power to be used within the State of Montana; and be it further

"*Resolved*, That copies of this resolution be submitted by the secretary of the State of Montana to each of the individuals and to the chairmen of each of the committees named in the title of this resolution and also to the Presiding Officers of both Houses of the Congress of the United States, RICHARD M. NIXON and SAM E. RAYBURN."

A joint resolution of the Legislature of the State of Idaho; ordered to lie on the table:

"SENATE JOINT MEMORIAL 12

"Joint memorial to His Excellency, the Governor of the newly created State of Alaska, to the Legislature of the State of Alaska, and to the citizens thereof

"We, your memorialists, the Senate of the State of Idaho, as assembled in its 35th session, the House of Representatives concurring therein, respectfully represent that:

"Whereas Alakh-Skhak, the great country of the Aleutians, which we now call Alaska, adopted a flag bearing the eight stars of the Big Dipper and Polaris, the steadfast North Star; and

"Whereas even in its inception Alaska was discovered under an edict of Peter, the Great; and

"Whereas after its discovery, Catherine, the Great, through a ukase furthered the development of Alaska with a great dream of empire; and

"Whereas it would appear that the Big Dipper and the North Star had smiled benignly and spilled the gifts of Almighty God with unending munificence upon her; and

"Whereas Alaska, the great country of the Aleutians is larger by far in area than any of the other States of the Union, and is one-fifth the area of the entire United States; and

"Whereas Alaska is great and almost boundless in her natural resources, clothed as she is with the vast mantle of her magnificent forests which are nourished by the richness of her virgin soil and watered by her singing streams in which abound fish of many varieties in vast numbers, and girdled by the diadem of her shining, snowcapped and mighty mountains, the coffers of her untold mineral wealth; and

"Whereas under the beauty and wonder of her skies her wildlife is varied and perpetuating and her seas and shores teem with the creatures of the deep, and offer peace, contentment, and abundance to her people; and

"Whereas in all ways, the people of this great country match her in greatness in their integrity, their courage, their indomitable will and their passionate desire for freedom of the individual, for freedom from the bonds of territorialism and for self-government; and

"Whereas the people of this great country have proven their steadfastness as symbolized by their emblem of Polaris, their tenacity, their capacity to endure privation and the singular frustrations of a territorial government, and their capacity to develop, to create, and to govern; and

"Whereas Alakh-Skhak—or Alaska—the great country was admitted as the 49th State in the Union of these United States of America on January 3, 1959: Now, therefore, be it

"*Resolved by the Senate of the 35th session of the Legislature of the State of Idaho (the House of Representatives concurring therein)*, That our great new State of Alaska be, and she is hereby memorialized and welcomed with warmth, interest, and sincere cooperation as a sister State of Idaho and as the 49th State of these United States of America, with all the glory, honor, and acclaim which she so rightly and richly deserves as a great State; and be it further

"*Resolved*, That the secretary of state of the State of Idaho be, and he is hereby directed to mail certified copies of this senate joint memorial to the Governor of the State of Alaska, the President of the Senate and the Speaker of the House of Representatives of the State of Alaska, and to the Honorable President and Vice President, and to each Governor of these united 49 States of the United States of America."

A resolution adopted by the City Council of the City of Portsmouth, N.H., relating to wage scales at the Portsmouth Naval Shipyard; to the Committee on Armed Services.

The petition of Ralph E. Turton, of Georgetown, Ky., relating to old-age pensions at age 64; to the Committee on Finance.

Resolutions adopted by the House of Delegates of the American Bar Association, Chicago, Ill.; to the Committee on the Judiciary.

A resolution adopted by the Board of Supervisors of the County of Maui, Hawaii, expressing appreciation to the Congress for the passage of legislation providing for the admission of Hawaii into the Union; ordered to lie on the table.

A letter in the nature of a petition from the eighth-grade class of Anahola School,

Anahola, Kauai, Hawaii, signed by Dick Yoshii, class president, relating to the granting of statehood to Hawaii; ordered to lie on the table.

JOINT RESOLUTION OF COLORADO LEGISLATURE

Mr. CARROLL. Mr. President, House Joint Resolution 5 has been given unanimous approval by the Colorado Legislature. It deals with State parks and lauds the bill introduced by our distinguished colleague, FRANK E. Moss, of Utah. I ask unanimous consent the joint resolution be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE JOINT MEMORIAL 5

Memorial memorializing the Congress of the United States to enact S. 1032, introduced in the Congress of the United States by Senator FRANK E. Moss from Utah, and relating to the development of a State park system in public land States

Whereas there is now pending in the Congress of the United States, S. 1032, introduced by Senator FRANK E. Moss from Utah, which bill has for its primary purpose the further development of a State park system in the public lands States; and

Whereas S. 1032 more specifically provides:

First, it would remove the 640-acre limitation on the transfer of Federal lands to the States when the lands are to be used for State park purposes; and

Second, it would provide that such conveyances for park purposes would be without monetary consideration; and

Whereas the Federal Bureau of Land Management has no program to preserve historical sites, scenic areas, or unique features on the lands which it is administering, and as a result many of our great recreational historic and scenic landmarks are being neglected, and even damaged or destroyed; and

Whereas the State of Colorado is attempting to build up a State park system and it would be advantageous to the State to assume the management and development of some of these areas on federally owned lands: Now, therefore, be it

Resolved by the House of Representatives of the 42d General Assembly of the State of Colorado, the Senate concurring herein, That this assembly hereby respectfully memorializes the 86th Congress of the United States to enact S. 1032 now pending in the Congress, which bill is sponsored by Senator FRANK E. Moss from Utah, and provides for the development of a State park system in public lands States; and be it further

Resolved, That copies of this memorial be duly transmitted to Senator FRANK E. Moss from the State of Utah, and to each Member of Congress from the State of Colorado.

CHARLES R. CONKLIN,
Speaker of the House of Representatives.
ROBERT S. EBERHARDT,
Chief Clerk of the House of Representatives.
ROBERT I. KNOUSE,
President of the Senate.
LUCILE L. SHUSTER,
Secretary of the Senate.

EXTENSION OF UNEMPLOYMENT COMPENSATION—RESOLUTION OF CITY COUNCIL OF WORCESTER, MASS.

Mr. KENNEDY. Mr. President, the City Council of the city of Worcester, Mass., has forwarded to me a copy of a resolution adopted by that body calling for the extension of legislation for unemployment compensation payments. I ask unanimous consent that this resolution be printed in the RECORD, and appropriately referred.

The city of Worcester has had a substantial labor surplus for over 18 months. Currently, 1 out of every 12 members of the labor force in Worcester is unemployed. Indeed, every major labor market area in Massachusetts, except Boston, suffers from substantial labor surpluses. Brockton, Fall River, Lawrence, Lowell, New Bedford, Springfield-Holyoke, and Worcester areas all have an unemployment rate in excess of 8 percent. In addition, Fitchburg, Greenfield, Haverhill, Marlboro, Milford, Newburyport, North Adams, Pittsfield, Southbridge, Webster, Taunton, and Ware also bear the brunt of large scale unemployment.

I have heard various optimistic forecasts about the extent to which we have recovered from the recession. I believe it would be difficult to explain this economic theory to the 900,000 workers who have exhausted the unemployment insurance available to them, even after the extension voted last year. There is no official estimate of how many of these workers are still jobless.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas the Federal temporary unemployment compensation program expires the week ending April 4, 1959; and

Whereas this area is considered a distress area with approximately 10 percent unemployment: Now, therefore, be it

Resolved, That our Massachusetts Senators and Congressmen be and are hereby urged to extend legislation for unemployment compensation payments for such further period as they deem necessary.

RESOLUTION OF CITY COUNCIL OF PORTSMOUTH, N.H.

Mr. COTTON. Mr. President, on behalf of my colleague, the senior Senator from New Hampshire [Mr. BRIDGES] and myself, I present a resolution adopted by the City Council of the city of Portsmouth, N.H., relating to equalization of salaries of employees at the Portsmouth Naval Shipyard. The senior Senator from Maine [Mrs. SMITH] has introduced S. 19 to accomplish this objective and I hope the bill will have early consideration by the Senate Armed Services Committee.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Be it resolved by the City Council of the City of Portsmouth, N.H., assembled, as follows:

Whereas the construction of submarines and other vessels for the U.S. Fleet is the same at the Portsmouth Naval Shipyard as at the Boston Shipyard; and

Whereas at the present time there is a difference in salary paid to the employees at the two shipyards: Now, therefore, be it

Resolved, That the City Council of the City of Portsmouth memorialize the Congress of the United States to give consideration to an equalization of salaries of employees at the Portsmouth Naval Shipyard to that paid employees at the Boston Shipyard; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Secretary of the Navy, the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, and to each member of the New Hampshire delegation in Congress.

ANDREW JARVIS,
Mayor.

Adopted March 2, 1959.

T. J. MCDONOUGH,
City Clerk.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with amendments:

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games at Detroit, Mich. (Rept. No. 119).

FIRST INTERIM REPORT ON THE STUDY OF U.S. FOREIGN POLICY (S. REPT. NO. 118)

Mr. FULBRIGHT. Mr. President, as you know, the Senate on July 31, 1958, adopted Senate Resolution 336, authorizing the Committee on Foreign Relations to make a full and complete study of U.S. foreign policy. Senate Resolution 31, adopted by the Senate on February 2, 1959, authorizes the committee to continue this study. The committee is directed to complete its study by June 1960, and is authorized to enter into contracts for this purpose with such individuals, groups, and institutions as it may deem appropriate.

The Committee on Foreign Relations has completed arrangements with all research organizations and institutions which are to undertake studies for the committee in connection with its study of U.S. foreign policy.

In my capacity as chairman of the Committee on Foreign Relations, I am submitting herewith the first interim report of the committee. This interim report describes the work of the committee to this point. It lists the 15 studies now under way, names the contractor for each study, and outlines the area to be covered under each contract.

No substantive conclusion of the committee appears in this interim report.

The purpose in issuing a report at this time is simply to make available to the Senate and the public the general outlines of the areas to be covered by the committee in the contractual studies which are now under way.

The PRESIDENT pro tempore. The report will be received and printed.

REPORT ON USE OF FOREIGN CURRENCIES BY COMMITTEES AND JOINT COMMITTEES OF THE SENATE

Mr. HAYDEN. Mr. President, the Mutual Security Act of 1958, chapter

IV, section 502(b) requires the Committee on Appropriations to publish in the CONGRESSIONAL RECORD, within 10 legislative days after receipt, the consolidated report of each committee of the Senate, and each joint committee whose funds are disbursed by the Secretary of the Senate, using foreign currencies during the preceding year. This provision was signed into law on June 30, 1958. I submit for the RECORD a summary table showing the total amounts of foreign currencies used by all committees as well as the individual reports from the committees.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Report on foreign currencies and U.S. dollar equivalents, utilized by committees of U.S. Senate for period July 1 to Dec. 31, 1958, as provided by sec. 502(b) of the Mutual Security Act of 1954, as amended

Committees	Transportation	Lodging	Meals	Other	Total	Committees	Transportation	Lodging	Meals	Other	Total
Appropriations	$8,830.05	$3,503.57	$3,543.61	$4,464.92	$20,342.15	Judiciary [1]	$7,429.54	$3,788.50	$2,918.94	$3,346.89	$17,483.87
Armed Services	2,009.29	473.08	220.59		2,702.96	Post Office and Civil Service [1]	11,294.38			[2] 8,249.66	19,544.04
Banking and currency	1,518.98	301.69	161.86	8.50	1,991.03	Rules and administration [1]	333.25	340.20	123.74	45.10	842.29
Foreign Relations	8,765.15	5,492.30	1,251.85	840.71	16,350.01	Joint Committee on Atomic Energy	11,072.78	6,566.08	6,234.01	1,648.56	25,521.43
Government Operations	6,111.81	2,925.01	1,513.47	1,293.24	11,843.53	Joint Economic Committee	7,480.58	2,749.36	2,306.77	1,170.28	13,706.99
Interior and Insular Affairs	2,934.10	574.00	448.00	209.00	4,165.10						
Interstate and Foreign Commerce	3,516.95	696.77	929.62	405.12	5,548.46	Total	71,296.86	27,410.56	19,652.46	21,681.98	140,041.86

[1] Period covers calendar year 1958.

[2] Includes lodging and meals.

Senate Committee on Appropriations—Foreign currency and U.S. dollar equivalents utilized between July 1 and Dec. 31, 1958

Country	Name of currency	Transportation		Lodging		Meals		Other		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Austria	Schilling	336	12.96	1,125	43.42	1,050	40.53			2,511	96.91
Belgium	Franc	950	19.00	6,529	130.89	2,602	52.16	3,119	62.49	13,200	264.54
England	Pound	221/5	620.20	42/18/0	120.46	36/0/0	101.04	6/2/0	17.20	306/5/0	858.90
Finland	Finmark	1,276	4.00	29,985	94.00	32,962	103.33	225,054	705.50	289,277	906.83
France	Franc	711,327	1,675.86	315,834	723.68	282,068	612.81	180,941	396.85	1,490,170	3,409.20
Germany	Deutsche mark	409	96.46	512	121.32	606	142.55	511	121.34	2,038	481.67
Italy	Lira	2,044,541	3,271.49	729,360	1,167.61	668,370	1,075.67	378,150	576.27	3,820,421	6,091.04
Ireland	Pound			147	411.60	243	680.40	567	1,587.60	957	2,679.60
Netherlands	Guilder	2,128	560.00							2,128	560.00
Norway	Kroner	61,065	1,181.15							61,065	1,181.15
Poland	Zloty	1,371	24.92	1,270	23.09	905	16.46	110	2.00	3,656	66.47
Spain	Peseta	6,850	175.86	25,123	508.97	26,944	539.37	20,243	397.51	79,160	1,621.71
Sweden	Kroner	153	29.50	190	36.80	163	31.60	80	15.46	586	113.36
Switzerland	Franc	534	123.65	303.60	69.06	196.10	45.19	127.30	29.95	1,161	267.85
Yugoslavia	Dinar	6,000	10.00	31,600	52.67	61,500	102.50	33,500	55.83	132,600	221.00
Argentina	Peso							3,046.85	57.80	3,046.85	57.80
Brazil	Cruzeiro	143,500	1,025.00					58,585	418.42	202,085	1,443.42
Ecuador	Sucre							346.55	20.70	346.55	20.70
Total			8,830.05		3,503.57		3,543.61		4,464.92		20,342.15

Hon. CARL HAYDEN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C

U.S. SENATE, COMMITTEE ON ARMED SERVICES, *March 2, 1959.*

DEAR MR. CHAIRMAN: In compliance with section 502(b) of the Mutual Security Act of 1954, as amended, the following consolidated report shows the total itemized expenditures of foreign currencies by the Committee on Armed Services since the enactment of the referenced provision of law:

	Foreign funds	Dollar equivalent		Foreign funds	Dollar equivalent
Germany:	*Deutsche marks*		France:	*Francs*	
Meals	174.00	41.43	Meals	25,070	59.90
Lodging	585.20	139.33	Lodging	49,505	118.29
Transportation	8,252.32	1,964.84	Transportation	3,825	9.19
Total	9,011.52	2,145.60	Total	78,400	187.38
Italy:	*Lire*		Belgium:	*Belgian francs*	
Meals	23,350	37.42	Meals	4,092	81.84
Lodging	48,900	78.36	Lodging	6,855	137.10
Transportation	15,700	25.16	Transportation	505	10.10
Total	87,950	140.94	Total	11,452	229.04

Sincerely yours,

RICHARD B. RUSSELL.

Senate Committee on Banking and Currency—Foreign currency expenditures, July 1 to Dec. 31, 1958

Country and currency	Transportation		Lodging		Meals		Other expense		Total	
	Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent	Foreign currency	Dollar equivalent
Germany—deutsche marks	6,260.94	1,490.70							6,260.94	1,490.70
Switzerland—francs			387.86	90.20	221.70	51.58	7.74	1.80	617.30	143.58
United Kingdom—pounds	10/2/0	28.28	27/6/0	76.60	14/2/0	42.00			52/0	146.88
Italy—lire			27,471.75	42.80	9,178.65	14.30	1,412.10	2.20	13,062.50	59.30
Turkey—lira					40.25	4.48			40.25	4.48
India—rupees			438.34	92.09	235.61	49.50	21.41	4.50	695.36	146.09
Total		1,518.98		301.69		161.86		8.50		
Total dollar equivalent										1,991.03

Senate Committee on Foreign Relations, July 1 to Dec. 31, 1958

Nation	Currency	Transportation		Lodging		Meals		Other		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Great Britain	Pound	20/1/5	56.00	54/2/2	151.50	22/8/7	62.30	16/18/4	47.17	113/10/6	316.87
Switzerland	Franc	133	30.68	1,312	302.98	1,196	276.18	158	36.50	2,799	646.34
France	do	599,960	1,428.00	1,486,704	3,539.00	139,300	332.00	134,029	319.00	2,359,993	5,618.00
Belgium	do	1,180	23.60			1,800	36.00			2,980	59.60
Spain	Peseta	790	18.81	1,365	32.50	1,270	30.24			3,425	81.55
Greece	Drachma	1,063	35.43	1,264	42.13	1,550	51.67			3,877	129.23
Turkey	Lira					160	17.71			160	17.71
Pakistan	Rupee					52	10.92			52	10.92
Ceylon	do					96	20.15			96	20.15
India	do	284/5	59.73	2,178/4	457.61	584	122.69	197	41.39	3,243/9	681.42
Burma	Kyat			144	30.25			9	2.24	153	32.49
Thailand	Ticals	10.00	.50	3,852.00	192.60	808.00	40.40	764.00	38.20	5,434.00	271.70
Singapore	Malay dollars			34.50	11.50			77.00	25.70	111.50	37.20
Indonesia	Rupiah	22	.64			330	11.05	5,760	190.38	6,112	202.07
Hong Kong	Hong Kong dollars.	67.00	11.55	1,252.20	215.90	751.00	129.48	304.50	52.50	2,374.70	409.43
Japan	Yen	26,699	74.19	185,714	516.33	40,000	111.16	31,489	87.63	283,902	789.31
Total			1,739.13		5,492.30		1,251.85		840.71		9,323.99

Air transportation provided the committee by the Department of State and embassy posts from local currencies

		Foreign currency	U.S. dollars	Total dollars
France	Franc	436,077	1,042.00	1,042.00
Thailand	Tical	1.500	75.00	75.00
Brazil	Cruzeiro	65,387	850.00	850.00
West Germany	Deutsche mark	11,912.30	2,883.88	
		4,579.68	1,090.40	3,974.28
Norway	Kroner	6,733	942.60	
		204	28.50	
		680	95.00	1,066.10

		Foreign currency	U.S. dollars	Total dollars
Japan	Yen	6,710	18.64	18.64
				7,026.02
				9,323.99
				16,350.01

Counterpart funds—Report of Committee on Government Operations, U.S. Senate; foreign currency and U.S. dollar equivalents expended between July 1 and Dec. 31, 1958

Country	Name of currency	Transportation		Lodging		Meals		Miscellaneous		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Great Britain	Pound	418/2	1,171.20	142/13	401.23	73	205.16	8/11	23.88	642/6	1,801.47
France	Franc	282,197	664.67	501,365	1,199.60	193,875	464.38	167,351	403.48	1,144,688	2,732.13
Switzerland	do	3,681.30	869.16	1,550.62	366.53	335.80	78.69	1,818.28	425.38	7,389	1,739.76
Norway	Kroner	1,968	275.70	697	97.90	754	105.90	342	47.55	3,769	527.05
Denmark	do	928	134.60	513	74.05	385	55.50	69	10.00	1,895	274.15
Sweden	do	732	141.58	326.20	63.07	316	61.07	319	61.68	1,693.20	327.40
Finland	Markka	517,810	1,623.16			29,986	94.00	82,063	259.12	629,859	1,976.28
West Germany	Deutsche mark	360.40	55.70	901	214.52	397.60	94.67	80	19.06	1,739	413.95
Italy	Lira	690,534	1,112.66	192,000	308.25	154,550	248.48	17,800	28.68	1,054,884	1,698.07
Spain	Peseta	615	14.58	6,210	147.86	3,270	77.62	605	14.41	10,700	254.47
Belgium	Franc	940	18.80	2,600	52.00	1,400	28.00			4,940	98.80
Total			6,711.81		2,925.01		1,513.47		1,293.24		11,843.53

U.S. SENATE, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, *March 5, 1959.*

Hon. CARL HAYDEN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the provisions of Public Law 85–477, I submit herewith a report of the amounts and dollar equivalent values of all foreign currencies expended by this committee during the last 6 months of the past year:

Country	Amount of local Currency	Dollar equivalent	Food	Travel	Lodging	Other	Country	Amount of local Currency	Dollar equivalent	Food	Travel	Lodging	Other
Belgium	7,100 francs	$142	$50	$20	$62	$10	Italy	50,000 lire	$80	$23	$39	$28	
England	150 pounds	420	120	47	96	157	Netherlands	200 guilders	50	12	13	25	
France	115,000 francs	251	68	62	85	37	Portugal	4,000 escudas	140	40	42	58	
Greece	8,700 drachmas	290	55	125	100		Spain	20,700 pesetas	400	80	194	120	$5

$840.40; French francs; air transportation, Washington-London-Paris-Washington.
$1,542.70; Italian lire, 964,188; air transportation, Washington-Tel Aviv-Madrid-Washington. (No allowance for unused portions of ticket.)

Sincerely yours,
JAMES E. MURRAY,
Chairman.

Counterpart funds—Report of the Committee on Interstate and Foreign Commerce, U.S. Senate—Foreign currency and U.S. dollar equivalents expended between July 1 and Dec. 31, 1958

Name of currency	Transportation		Lodging		Meals		Other		Total	
	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Belgian francs			3,528	70.56	5,322	106.44	1,150	23.00	10,000	200.00
Brazil cruzeiros	127,653	862.53							127,653	862.53
German deutsche marks	6,403.11	1,524.55							6,403.11	1,524.55
French francs	220,657	525.37	27,600	65.71	48,400	115.23	24,000	57.14	320,657	763.45
Italian lire	327,813	604.50							327,813	604.50
Spanish pesetas			15,224	271.85	19,504	348.28	8,272	147.73	43,000	767.86
Swiss francs			1,241	288.65	1,547	359.67	762	177.25	3,550	825.57
Total		3,516.95		696.77		929.62		405.12		5,548.46

Committee on the Judiciary—Expenditures of foreign currencies for calendar year 1958

Country	Name of currency	Lodging		Meals		Transportation		Other expenditures		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Austria	Schillings	6,833.70	291.87	5,280	233.0	417	16.10	5,950	257.75	18,480.70	798.72
Belgium	Belgium francs					46,800	936.00			46,800	936.00
France	Francs	272,169	647.92	317,960	757.47	706,288	1,686.90	267,751	637.07	1,564,168	3,729.36
Germany	Marks	586.80	139.71	530	126.19	4,318.54	1,028.22	279	66.53	5,714.34	1,360.65
Great Britain	Pounds	91/19	257.28	63/20	177.24	6/06	16.98	76/80	135.30	217/25	586.80
Italy	Lire	619,571	1,026.89	473,236	785.37	1,699,612	2,718.90	604,295	981.03	3,396,714	5,512.19
Portugal	Escudos	31,547.22	1,096.73	14,327	498.40	29,120.60	1,017.86	29,249.18	1,021.58	104,244	3,634.57
Spain	Pesetas	3,755	70.94	2,480	46.85			5,345.00	97.21	11,580	215.00
Switzerland	Swiss francs	1,107	257.16	1,268	294.42	36.90	8.58	648.80	150.42	3,060.70	710.58
Total											17,483.87

Committee on Post Office and Civil Service, calendar year 1958—Amounts expended of each foreign currency

	Expenditures	Foreign currency	Dollar equivalent
France	Meals, lodging, communications, etc	709,500 francs	1,689.22
	Transportation (to Belgium, Holland, and Denmark and taxis in France)	646,310 francs	1,438.75
	Transportation (United States and return)	419,748 francs	999.40
Belgium	Meals, lodging, communications, transportation, etc. (withdrew 106,275 francs, returned 63,775 francs).	42,500 francs	849.90
Netherlands	Meals, lodging, communications, etc	2,265 guilders	595.95
	Transportation	67 guilders	17.63
Denmark	Meals, lodging, communications, etc	4,200 kroner	608.70
	Transportation	601 kroner	87.00
Norway	Meals, lodging, communications, etc	3,680 kroner	516.85
	Transportation entire group, United States to Europe	43,197.65 kroner	6,067.05
Germany	Meals, lodging, communications, etc	8,165 deutsche marks	1,994.09
	Transportation	2,605 deutsche marks	620.20
Switzerland	Meals, lodging, communications, etc	2,657.50 francs	621.03
	Transportation	1,752.30 francs	407.51
Spain	Meals, lodging, communications, etc	46,000 pesetas	807.01
Brazil	do	10,000 cruzeiros	76.92
	Transportation, United States and return	130,313.40 cruzeiros	845.54
Peru	Meals, lodging, communications, etc	12,125 sols	489.99
	Transportation, United States and return	20,363.63 sols	811.30

U.S. SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
March 6, 1959.

Report of the Committee on Rules and Administration to the Committee on Appropriations of the Senate concerning the use of foreign currencies, pursuant to section 502 of the Mutual Security Act of 1954, as amended by the Mutual Security Act of 1958, Public Law 85-477, approved on June 30, 1958.

The Committee ond Rules and Administration, pursuant to the statutory reference above cited, presents herewith a report showing the total itemized expenditures of foreign currencies made by the committee during the calendar year 1958:

Country	Amount	Dollar equivalent
	British pounds	
England, total	189/3/12	528.06
Lodging	67/14/4	189.60
Meals	18/9/8	51.74
Transportation	96/5/5	269.55
Other expenses	6/2/9	17.17
	Belgian francs	
Belgium, total	1,030	20.60
Lodging	1,030	20.60

Country	Amount	Dollar equivalent
	French francs	
France, Total	63,100	151.49
Lodging	25,020	60.00
Meals	13,344	32.00
Transportation	20,255	48.70
Other expenses	4,481	10.79
	Spanish pesetas	
Spain, Total	5,960	142.14
Lodging	2,940	70.00
Meals	1,680	40.00
Transportation	630	15.00
Other expenses	719	17.14

THOMAS C. HENNINGS, Jr.,
Chairman.

Joint Committee on Atomic Energy—Report on foreign currency and U.S. dollar equivalents expended between Aug. 22 and Nov. 30, 1958

Country	Name of currency	Transportation		Lodging		Meals		Other purposes		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Great Britain	Pound	266/8/5	747.32	297/05/00	842.43	197/4/0	554.82	55/16/7	157.38	816/14/00	2,301.95
Switzerland	Franc	3,218.56	752.00	9,039.36	2,112.00	8,654.16	2,022.00	552.12	129.00	21,464.20	5,015.00
Italy	Lira	629,215	1,006.74	588,810	942.10	657,140	1,051.42	207,040	331.26	2,082,205	3,331.52
Belgium	Franc	9,735	194.70	26,789	535.78	22,398	447.97	18,420	368.40	77,342	1,546.85
France	do	788,340	1,877.00	622,466	1,482.00	676,480	1,610.72	200,775	478.04	2,288,061	5,447.76
Austria	Shilling	8,581.39	331.20	11,653.65	449.77	10,344.96	399.23	2,590	100.00	33,170	1,280.20
Denmark	Kroner			134	19.50	104	15.00	62	8.98	300	43.48
Germany	Deutsche mark	9,144	2,177.00	252	60.00	189	45.00	25	6.00	9,610	2,288.00
Netherlands	Guilder	6,707	1,765.00							6,707	1,765.00
Norway	Kroner	15,274.74	2,146.47							15,274.74	2,146.47
Spain	Peseta	815	15.00	4,675	86.00	2,808	51.66	1,630	30.00	9,928	182.66
Sweden	Kroner	312	60.35	189	36.50	187	36.19	204	39.50	892	172.54
Totals			11,072.78		6,566.08		6,234.01		1,648.56		25,521.43

Joint Economic Committee expense account—Use of counterpart funds

Name: Joint Economic Committee—Foreign currency and U.S. dollar equivalents expended between July 1 and Dec. 31, 1958:

Country	Name of currency	Transportation		Lodging		Meals		Other purposes		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Belgium	Belgian franc	2,850	57.14	1,459	29.25	1,640	32.88	1,661	33.31	7,610	152.58
England	Sterling	92/18/3	260.15	399/12/5	1,120.21	285/1/7	804.87	125/9/7	345.50	903/1/10	2,530.73
France	Franc	287,753	676.59	181,071	431.15	180,236	429.56	87,973	209.71	733,033	1,747.01
Germany	Deutsche mark	754.05	177.33	2,123.55	506.13	1,762.81	419.86	609.07	145.07	5,239.53	1,248.39
Italy	Lira	204,420	328.79	201,296	323.36	210,657	338.48	64,772	103.86	681,145	1,094.49
The Netherlands	Guilder	68.00	18.02	844.25	223.62	693.52	183.92	514.66	137.78	2,120.43	563.34
Portugal	Escudo	180	6.30	710	24.80	683	23.90	927	32.40	2,500	87.40
Sweden	Kroner	80.35	15.52	348.00	67.18	296.33	57.21	511.50	98.74	1,236.18	238.65
Switzerland	Swiss franc			101.35	23.66	68.95	16.09	275.45	63.91	445.75	103.66
Total			1,539.84		2,749.36		2,306.77		1,170.28		7,766.25

Transportation other than noted above (tickets purchased in Washington, transocean travel, etc.)	Local currency	Dollar equivalent
French franc	843,946	2,009.39
Italian lire	1,606,358	2,570.35
Netherlands guilders	5,171	1,361.00
Total		5,940.74

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 1459. A bill to provide for the establishment of a Dairy Research Laboratory; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

S. 1460. A bill to provide for the establishment of Minuteman National Historical Park in Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 1461. A bill to amend section 9(h) of the Civil Service Retirement Act to eliminate the requirement of good health with respect to unmarried employees or Members electing to provide survivor annuities to certain persons; to the Committee on Post Office and Civil Service.

S. 1462. A bill to amend the Internal Revenue Code to provide for certain disabled war veterans a deduction for income-tax purposes of necessary expenses for transportation to and from work; to the Committee on Finance.

S. 1463. A bill to authorize the furnishing of Gold Star lapel buttons to widows, parents, and next of kin of persons who lost or lose their lives as the result of injury or disease incurred or aggravated in the armed services of the United States in time of war; to the Committee on Armed Services.

S. 1464. A bill to indemnify drivers of motor vehicles of the postal service against liability for damages arising out of the operation of such vehicles in the performance of official duties; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bills, which appear under separate headings.)

By Mr. MUNDT:

S. 1465. A bill to direct the Secretary of the Interior to make a preliminary investigation of lands in the United States situated within the exterior boundaries of Indian reservations to determine whether mineral resources exist on such lands in amounts sufficient to justify commercial development; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 1466. A bill for the relief of Sofia N. Sarris; to the Committee on the Judiciary.

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 1467. A bill to extend the provision of the Agricultural Adjustment Act of 1938, providing for the preservation of unused acreage allotments; to the Committee on Agriculture and Forestry.

By Mr. KENNEDY (for himself, Mr. NEUBERGER and Mr. MORSE):

S. 1468. A bill providing for the issuance of special nonquota immigrant visas to certain alien orphans adopted by citizens of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 1469. A bill for the relief of Dr. Liang-Tseng Fan, and his wife, Eva Shuka-Sam Cheung Fan; to the Committee on the Judiciary.

By Mr. HILL (for himself and Mr. SPARKMAN):

S. 1470. A bill to amend the Fair Labor Standards Act of 1938, as amended, to insure to farmers engaged in raising livestock an exemption for the employment in agriculture of certain of their employees engaged in other duties related to livestock auction operations; to the Committee on Labor and Public Welfare.

By Mr. O'MAHONEY:

S. 1471. A bill for the relief of Jesse R. Chamberlin and Esther Chamberlin; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself and Mr. MCGEE):

S. 1472. A bill to eliminate the fractionated heirship problem on the Wind River Indian Reservation in Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MCCLELLAN (by request):

S. 1473. A bill to repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to sell certain land to the First Baptist Church of Plymouth, Mass.; and

S. 1474. A bill to make permanent the provisions of the Reorganization Act of

1949; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bills, which appear under separate headings.)

By Mr. WILLIAMS of New Jersey (for himself and Mr. JAVITS):

S. 1475. A bill to amend the Internal Revenue Code of 1954 to reduce the admissions tax where a substantial part of the program consists of live musical or dramatic performances in order to provide greatly increased employment, accompanied by larger tax revenues which will offset any losses to the Federal Government, in the entertainment and related industries; to aid the motion-picture industry which has suffered a decline; to foster the growth and development of the fine arts in the United States without resort to the subsidies common in other countries, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. WILLIAMS of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 1476. A bill for the relief of Calliope Papaioannou; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

Mr. HUMPHREY (for himself, Mr. CASE of New Jersey, Mr. COOPER, and Mr. KEFAUVER) submitted a concurrent resolution (S. Con. Res. 17) favoring a convention of delegates from Atlantic democracies looking to greater cooperation and unity of purpose, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

ESTABLISHMENT OF DAIRY RESEARCH CENTER AT MADISON, WIS.

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to establish a dairy research center at Madison, Wis.

In this technological age the dairy industry will depend more and more upon a broad foundation of research to meet the challenges facing the dairy industry and to fulfill the need of the consuming public.

Among the objectives of the research center would be included efforts to, first, improve packaging, refrigeration, powdering, and condensing merchandising of dairy products, to better serve and meet the modern needs of the consuming public; second, combat livestock diseases; third, increase productivity and reduce costs of dairy farm operations; fourth, develop new industrial uses for the constituent parts of milk; fifth, adapt more dairy products to better meet human nutritional needs; sixth, improve marketing at home and abroad; seventh, expand research relating to the effect of radiation and antibiotics upon dairy products and byproducts; eighth, develop new and better ways of processing milk for home consumption and for shipping products over long distances to expand the market area for dairy products; and, ninth, through research, develop new ways and means of treatment and disposal methods for dairy plant wastes; and for other purposes.

We recognize, of course, that currently splendid programs of research are being carried on by the Federal and State Departments of Agriculture, by universities and colleges, and by the dairy industry itself.

The establishment of the laboratory in Wisconsin, the heart of America's dairyland, would be aimed at supplementing and better correlating and coordinating—not supplanting—their research programs.

The establishment of the research center, I believe, also would help to achieve four overall objectives necessary to improve the dairy outlook. These include: Improved production methods, greater consumption, better distribution, and increased utilization of dairy products.

To achieve these goals as early as possible, I respectfully urge early hearings by the Agriculture Committee on this much needed research center.

I request unanimous consent to have the bill printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1459) to provide for the establishment of a dairy research laboratory, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to establish a dairy research laboratory to be known and designated as the Dairy Research Laboratory of the Department of Agriculture. The Secretary shall establish such laboratory at Madison, Wisconsin.

SEC. 2. The objectives of the laboratory to be established under this Act shall be to conduct and stimulate continuous research into the basic problems of dairying, including but not limited to research relating to the improvement of the quality of, and the development of new and improved methods of packaging, processing, refrigeration, powdering, condensing, transportation, storing, marketing, distribution, and merchandising of dairy commodities; research relating to the combating of livestock disease, the increasing of dairy productivity, the lowering of dairy costs; research relating to the problems of human nutrition and the nutritive value of dairy products, including gains and losses in nutritive value that may take place at any stage in their production, distribution, processing and preparation for use by the consumer; research relating to the effects of radiation and antibiotics upon dairy products and byproducts; research relating to the development of present, new and extended food and nonfood uses and markets for dairy products and byproducts; research relating to the development of treatment and disposal methods for dairy plant wastes; research relating to the design, development, improvement, and the more efficient use of dairy machines and equipment; and research relating to any other matters that may contribute to the establishment and maintenance of a more effective dairy industry.

SEC. 3. The Secretary is hereby authorized (a) to provide, by construction or otherwise, the necessary facilities for the housing of the Dairy Research Laboratory established under this Act, including any equipment necessary to the operation of such laboratory; (b) to maintain, repair, and alter such facilities; (c) to acquire buildings, property, and rights and interests therein by purchase, lease, gift, transfer, condemnation, or otherwise, necessary to the operation of such laboratory; (d) to incur necessary administrative expenses in the establishment and operation of such laboratory, including personal services; (e) to accept in the name of the United States donations of any buildings, property, real or personal, to such laboratory; and (f) to utilize voluntary or uncompensated services at such laboratory.

SEC. 4. In order to facilitate administration and to increase the effectiveness of all dairy research facilities of the Department of Agriculture, the Secretary is authorized and directed, notwithstanding any other provision of law, to transfer the functions, powers, and duties of any other agency, division, bureau, service, section, or other administrative unit in the Department of Agriculture, which is primarily concerned with research in connection with dairy products, to the Dairy Research Laboratory established under this Act.

SEC. 5. In carrying out the provisions of this Act the Secretary may cooperate with other agencies of the Government, State agencies, State colleges and universities, private research organizations, purchasing and consuming organizations, chambers of commerce, transportation and storage agencies and organizations, and other persons or corporations engaged in the production, packaging, processing, refrigeration, powdering, condensing, transportation, storing, marketing, distribution, and merchandising of dairy products or byproducts.

SEC. 6. The Secretary shall promulgate such orders, rules, and regulations as he deems necessary to carry out the provisions of this Act.

SEC. 7. There is hereby authorized to be appropriated such funds as are necessary to carry out the provisions of this Act.

MINUTEMAN NATIONAL HISTORICAL PARK, MASS.

Mr. SALTONSTALL. Mr. President, on behalf of my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], and myself, I introduce, for appropriate reference, a bill to provide for the establishment of Minuteman National Historical Park in Massachusetts, and for other purposes.

In 1955 the Congress created the Boston National Historic Sites Commission and authorized this Commission to undertake a study of historic objects, sites, and buildings in Boston and the surrounding area to determine the advisability of establishing a coordinated program by Federal, State, and local governments and private historical societies for the preservation of the important colonial and revolutionary properties in that area which form a part of America's historical heritage.

In its report to the Congress, the Commission has recommended the establishment of a national historical park to preserve the last relatively unspoiled section, about 4 miles, of the historic Lexington-Concord Battle Road, which was the scene of the opening events of the American Revolution on April 19, 1775.

Mr. President, I believe that the establishment of this park would indeed be a fitting way of memorializing and preserving for future generations the site at which the war for American independence was born. The proposed park to be established under the terms of this bill would consist of two tracts of land in Lexington, Lincoln, and Concord along the route traversed by the British on their march from Boston on the morning of April 19, 1775, and used by the minutemen and Provincial Militia to route the British into a fighting retreat. The larger part of the proposed park would form a stretch of about 4 miles of the historic battle road from Lexington to Meriam's Corner in Concord. Part of this route was covered by Paul Revere in his famous ride to alert the countryside and includes the site of his capture by the British. The smaller part would consist of properties adjacent to the battleground at the North Bridge in Concord, scene of the first attack on the British by the minutemen and Provincial Militia and location of the famed Minuteman Statue. Authority is urgently needed for immediate acquisition of the vacant parcels of land in both parts, as well as for the establishment of a long-range program for acquisition and preservation of other sites in the proposed park area. This area has been undergoing rapid development and is threatened with more. As recently as 1957 the Air Force proposed to use for a military housing project a relatively unspoiled roadside parcel of 8 acres through which the Battle Road passes in Lincoln.

The march of the British from Boston to Concord covered a distance of more than 20 miles. Many of the sites and structures relating to the incidents that occurred on the eve and the day of the opening of the Revolution are still identifiable. However, more than three-quarters of this historic route and its adjacent roadside area have succumbed to the growth and expansion of the city of Boston and its suburbs. Since it would not be possible to retrieve all the land along the battle road for inclusion in a national park, this bill would authorize the Secretary of the Interior to erect a uniform system of historical markers along the entire length of the battle road from Boston to Concord. For the many sites east of the proposed park area, such a system of markers would provide the only practicable identification of the sites for the inspiration and education of people who are interested in this historic area.

Much fine work has been done by the State and local governments and by private historical organizations in the renovation and preservation of individual historic sites and properties in the area. To assure protection and national recognition of these important sites and structures, this bill would authorize the Secretary of the Interior, under authority granted him by the Historic Sites Act of 1935, to negotiate cooperative agreements with the Commonwealth of Massachusetts and its political subdivisions, and private societies and individuals to facilitate the aims of a coordinated program for the entire historic area.

The bill also authorizes the Secretary to appoint an advisory commission of five members to assist him in the development of the proposed historical park.

Mr. President, the events and incidents which took place on this historic ground in April of 1775 have been memorialized by some of America's finest poets and writers. They inspired Longfellow to write his familiar verses in "Tales of a Wayside Inn," and Emerson to commemorate "the embattled farmers" in his "Concord Hymn." The turning point of the American Revolution has been recognized and commemorated by the establishment of the Saratoga National Historical Park, and the conclusion of warfare on land in the Colonial National Historical Park at Yorktown. The establishment of a Minuteman National Historical Park in Lexington, Lincoln, and Concord would give commensurate recognition to the beginning of the fight that joined the Thirteen Colonies in their struggle for national freedom. I believe that such a park would not only emphasize the importance of the events which occurred within its borders, but would also serve as a center of information and orientation for the entire battle route. At the present time no public agency or private organization is active or strong enough to handle a program necessary for the preservation of this historic area.

On April 19, 1975, less than two decades away, the Nation will celebrate the 200th anniversary of the start of the American Revolutionary War. The most fitting way in which to commemorate the occasion will be by means of suitable exercises and activities in the proposed Minuteman National Historical Park, comprising much of the area where our fight for freedom began. By passing the bill which I am offering today with my distinguished colleague, the junior Senator from Massachusetts [Mr. KENNEDY], Congress will assure that the sites and structures associated with the start of the Revolution will be preserved or commemorated as permanent symbols of the important historic events which occurred on April 19, 1775. Unless this bill is passed all the remaining historic indicia in the birthplace of the Revolution will be faced with obliteration by the spread of urbanization.

I hope Congress will act promptly to establish Minuteman National Historical Park.

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks two newspaper articles about the proposed Minuteman National Historical Park; one from the New York Times of February 1, 1959, and one from the Boston American of January 22, 1959.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the articles will be printed in the RECORD.

The bill (S. 1460) to provide for the establishment of Minuteman National Historical Park in Massachusetts, and for other purposes, introduced by Mr. SALTONSTALL (for himself and Mr. KENNEDY), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The articles presented by Mr. SALTONSTALL are as follows:

[From the New York Times, Feb. 1, 1959]

PATRIOTS' HIGHWAY—NATIONAL PARK PROPOSED TO PRESERVE ROAD WHERE MINUTEMEN FOUGHT

(By John Fenton)

BOSTON.—The battle road along which the minutemen sniped at British Redcoats at the opening of the Revolutionary War in 1775 is being considered for a national historical park.

Of particular interest is a stretch of 4 miles of rather sparsely settled road in the suburban towns of Lexington, Concord, and Lincoln. Although it is made up largely of privately owned parcels of land, the Boston National Historic Sites Commission is looking toward April 19, 1975, the 200th anniversary.

With the present rate of growth of the Boston suburbs, the land might well be gobbled up for housing development in the next 16 years. Hence, the Commission has filed an interim report recommending the creation of such a park by Congress.

Representative THOMAS P. O'NEILL JR., Democrat, of Massachusetts, has filed a bill calling for the creation of Minuteman National Historical Park. He and Senator LEVERETT SALTONSTALL, Republican of Massachusetts, are the congressional Members of the Commission.

GROUP'S OBJECTIVE

The Boston Commission was created under the Historic Sites Act of 1935. Its function is to investigate the problems of preserving the most important sites and structures of the Colonial and Revolutionary periods of American history in this area.

Mark Bortmann, who is Chairman of the Commission, said that such a park would be a logical development. He noted that sites of other important battles of the Revolution, at Saratoga, N.Y., and Yorktown, Va., had been memorialized as historical parks. Hence, he said, the spot where the struggle for American independence began also merited recognition.

Historic districts established by State law already safeguarded such areas as the Battle Green, Buckman Tavern, the Hancock-Clarke House, and the Munroe Tavern in Lexington. In Concord, the Antiquarian Society has been the repository of significant objects associated with the Revolution.

But the Commission felt that the problem of protecting larger areas properly lay within the scope of Federal agencies. The park would be under the Department of the Interior and administered by the National Park Service.

TWO SECTIONS

The proposed park would be made up of two principal units. The larger, of 557 acres, would include land on both sides of the 4-mile stretch of road from Fiske Hill, Lexington, through Lincoln, to Meriam's Corner, Concord. It is bordered by woods and fields for the most part.

The smaller unit, of 155 acres, would embrace the area around the North Bridge, in Concord, where the embattled farmers stood and "fired the shot heard round the world," according to Ralph Waldo Emerson's poem.

Fiske Hill abuts on State Route 128, a circumferential highway around Boston, and is about 18 miles from the Old North Church in Boston, where the warning lanterns were hung as a signal to Paul Revere.

Whatever the disputes over the routes taken by Revere and his fellow patriot, William Dawes, on their famous rides of April 18, 1775, Edwin M. Small, who serves as his-

torian to the Commission, says there is no doubt about the location of the battle road. The British marched along it intending to destroy Colonial powder and arms in Concord.

The present-day road forms part of Route 2A and may be traveled by tourists from Cambridge, or by turning off Route 128 at an interchange at Fiske Hill. A modern motel is situated at the interchange.

A relatively undisturbed parcel of 8 acres in Lincoln already has been turned over to the Interior Department by the Air Force as a nucleus for the park. In 1775 the property in this section was made up of pastures and the Josiah Nelson homestead. Although much of it is now overgrown with brush, the stone walls and boulders behind which the minutemen took cover to snipe at the Redcoats are still there. The parcel was part of the site of a military housing project for nearby Hanscom Air Force Base.

Private property owners have been assured at a public hearing of the protection of their rights. No displacement of homes will be involved.

If the land could have been acquired in 1925, when such a historical park was first considered, it might have been had for around $100,000. The present market value of the 666 acres in both units has been estimated by the Commission at $4,838,100.

Should the park be authorized by Congress, the Commission suggests the urgency of initiating promptly a program to acquire 310 acres made up of vacant parcels in both units. These have an estimated market value of $503,400.

SYSTEM OF MARKERS

The Commission's report also calls for the erection of a uniform system of historical markers to identify the sites of events on the night of April 18, 1775, and the following morning. These markers would be distributed over a distance of about 20 miles between Hanover Street, in Boston's north end, to the Barrett farm on the banks of the Assabet River in Concord. Intermediate communities along the routes taken by Revere, Dawes and the British force include Arlington, Brookline, Cambridge, Medford and Somerville.

Historic areas outside the boundaries of the proposed park would be protected by cooperative agreements between property owners and the individual communities.

[From the Boston American, Jan. 22, 1959]

CONCORD, LEXINGTON BATTLE ROAD TO BE MARKED

A 20-year plan to perpetuate all phases of the Battle of Concord and Lexington in a national park with markers, was announced today by the Boston National Historic Sites Commission.

Mark Bortman, Commission Chairman, said that Congress had been asked to set aside two principal units along the battle road of the Revolution in the two historic towns, to be under jurisdiction of the Secretary of the Interior, and to have markers placed elsewhere.

The markers would outline the route of the famed rides of Paul Revere and William Dawes from Boston to Middlesex County on the eve of the battle of April 19, 1775. Other markers would show the course taken by the British Redcoats. The markers would be set up in Arlington, Brookline, Cambridge, Medford, Somerville and in the many spots in Boston where the ill-trained patriots prepared to take on the supposedly redoubtable English Regulars.

A week ago it was announced in Washington that Congressman THOMAS P. O'NEILL, Jr., had introduced a bill to authorize establishment of the Minuteman National Historical Park. Details were not available.

Principal units needed, the report said, would be a 557-acre area from Fiske Hill, on Route 128 in Lexington to Meriam's Corner in Concord, a continuous stretch of 4 miles, and a 155-acre plot at the North Bridge in Concord, along both sides of Concord River from Monument Street to Liberty Street and Lowell Road.

The current market value of the combined private properties, the report went on, is $4,838,100. Should Congress approve the plan, immediate steps must be taken to obtain 310 acres of vacant land in both units, now valued at $503,400.

Actually, a start already has been made toward the park. The Air Force turned over to the Secretary of the Interior a parcel of 8 acres originally intended to be combined into Hanscom Field as a housing project. It was saved from that fate by the Commission.

And, the report declared, on those 8 acres there still remain some of the stonewalls from behind which the minutemen introduced a new concept of warfare, the skirmish and hit-run tactics utterly foreign to the British square system of old.

The Commission set April 19, 1975, as the target date for completing the present phase of the project. Even then, the report conceded, the task would not be finished.

The plan was conceived after long conferences with local historical groups and study of State laws which now protect many of the areas involved in the battle.

The executive secretary of the Commission, named by the President, is Dr. John P. Sullivan, a professor at Stonehill College, North Easton. Other members are Senator Saltonstall, Congressman O'Neill, Conrad L. Wirth of Washington, D.C., Walter M. Whitehill, and Mrs. Elizabeth West Pigeon, both of Boston.

DISCRIMINATION AGAINST SPINSTER AND BACHELOR CIVIL SERVANTS AND MEMBERS OF CONGRESS

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to eliminate from the Civil Service Retirement Act the requirement that an unmarried employee or Member of Congress must be in good health in order to elect to provide a survivor annuity to persons with an insurable interest.

Under the present law, a married person is not required to pass a medical examination in order to name a survivor as the beneficiary of his civil service annuity. But an unmarried person must be "found by the Commission to be in good health" in order to exercise that privilege. My proposal would eliminate the requirement of good health for unmarried civil servants, thus bringing it in line with the standards for married civil service workers.

The inequity in the law was brought to my attention by a post office clerk with 44 years Government service. He complained to me that because of a heart attack and his unmarried status, he would be prevented from naming his sister as his annuitant. He asked me to correct what he termed the "great injustice" of the present law.

Mr. President, the present statute, requiring good health for unmarried civil servants and Members of Congress, but not for those married, in naming annuitants, is grossly unfair and discriminatory. There is no logical reason for withholding this privilege from anyone simply because, through the whims of fate, he happens not to have been married.

In a Nation founded on the principle of universal equality, we cannot allow one standard for married persons and another for unmarried persons. It is high time we put an end to this discrimination against the honorable states of spinsterhood and bachelorhood. We can do that, simply and swiftly in this case, by eliminating the requirement of good health for unmarried civil service workers and Members of Congress who wish to name an annuitant.

I am sure this measure will have the support of all fairminded people, and most particularly and directly, those bachelors now serving in Congress.

I ask unanimous consent to have the bill printed in the RECORD.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). The bill will be received and appropriately referred, and, without objection, the bill will be printed in the RECORD.

The bill (S. 1461) to amend section 9 (h) of the Civil Service Retirement Act to eliminate the requirement of good health with respect to unmarried employees or Members electing to provide survivor annuities to certain persons, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(h) of the Civil Service Retirement Act (5 U.S.C. 2259(h)) is amended by striking out ", and found by the Commission to be in good health".

TRANSPORTATION TAX REDUCTIONS FOR DISABLED VETERANS

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to provide for certain disabled war veterans a deduction for income-tax purposes of necessary expenses for transportation to and from work.

This bill would benefit a most deserving group of person, our 100-percent disabled war veterans. It would permit these people, who have given their country so much, to deduct from their income tax transportation costs to and from work.

Fortunately, a small group is concerned, and the loss of revenue to the country which is deeply in their debt would be small. We can never adequately repay these heroic men, and this is just one more small demonstration of our gratitude for the sacrifice they have made.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1462) to amend the Internal Revenue Code to provide for certain disabled war veterans a deduction for income-tax purposes of necessary expenses for transportation to and from work, introduced by Mr. KEATING, was received, read twice by its title, referred

to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 23 of the Internal Revenue Code (relating to deductions from gross income) is hereby amended by adding at the end thereof the following new subsection:

"(gg) Transportation of disabled war veterans to and from work: In the case of an individual entitled to compensation under part I of Veterans Regulation Numbered 1(a) for disability rated 100 per centum, all the necessary expenses paid or incurred during the taxable year for transportation to and from work."

GOLD STAR LAPEL BUTTONS

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to authorize the furnishing of gold star lapel buttons to widows, parents, and next of kin of persons who lost or lose their lives as the result of injuries or disease incurred or aggravated in our Armed Forces in time of war.

This measure would amend the present law which provides for gold star lapel buttons to be awarded certain survivors of veterans who lose their lives during a war. However, no provision is made in the existing statute for survivors of those who die as a result of war-incurred injuries or disease. My bill is designed to fill that void. I see no reason for drawing a distinction between awarding these buttons to those whose loved ones actually died in wartime, and those whose loved ones died as a result of injuries received in time of war.

I had the high honor to be the author of the original gold star lapel bill, which is now the law of the land. I believe very strongly we should take this additional step.

Enactment of this measure would honor in a small but significant manner the widows, parents, and relatives who have suffered an irreparable loss in the defense of the United States.

Mr. President, the cost of this bill would be small. The meaning of the button, rather than its price, is the important consideration. I am delighted to report that this measure has the support of that fine organization, the Gold Star Mothers. I hope it will gain speedy enactment.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1463) to authorize the furnishing of gold star lapel buttons to widows, parents, and next of kin of persons who lost or lose their lives as the result of injury or disease incurred or aggravated in the armed services of the United States in time of war, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1 of the Act of August 1, 1947, chapter 426 (36 U.S.C. 182a), is amended to read as follows: "The Secretary of Defense shall formulate and fix the size, design, and composition of a lapel button (to be known as the 'gold star lapel button') suitable as a means of identification for widows, parents, and next of kin of persons who lost or lose their lives—

"(1) in the armed services of the United States during World War I, World War II, or any subsequent war or period of armed hostilities in which the United States may be engaged; or

"(2) as the result of injury or disease incurred or aggravated in line of duty in the armed services of the United States during any such war or period of armed hostilities."

SEC. 2. Section 2 (a) of the Act of August 1, 1947, chapter 426 (36 U.S.C. 182b (a)), is amended to read as follows:

"(a) Upon application to the Department of the Army, Department of the Navy, or Department of the Air Force, as the case may be, one such gold star lapel button shall be furnished, without cost, to the widow and to each of the parents of a person who lost or loses his or her life—

"(1) in the armed services of the United States during World War I, World War II, or any subsequent war or period of armed hostilities in which the United States may be engaged; or

"(2) as the result of injury or disease incurred or aggravated in line of duty in the armed services of the United States during any such war or period of armed hostilities."

INDEMNIFICATION OF POST OFFICE EMPLOYEES FOR LIABILITY INCURRED IN PERFORMANCE OF DUTY

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to indemnify drivers of motor vehicles of the Postal Service against liability for damages arising out of the operation of such vehicles in the performance of their official duties. This bill is designed to provide authority to the Postmaster General to reimburse employees who have been subject to suits and consequent money damages because of accidents involving vehicles they operate in the course of their employment.

The present practice is to pass private bills to reimburse such employees for sums they are compelled to pay as a result of legal actions against them. This has resulted in an undue burden on the respective Judiciary Committees which must consider each claim as a separate piece of legislation. It is obviously desirable under the circumstances to enact general legislation dealing with the subject.

It may be desirable to make the bill applicable to all Government employees, and to make an exception for cases involving willful or wanton conduct or gross negligence. But certainly in the ordinary case liability should devolve, as would be the case if a private employer were involved, upon the public employer, the U.S. Government. Such has appeared to be consistently the policy of Congress in the past, expressed, however, in repeated private bills, rather than in general legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1464) to indemnify drivers of motor vehicles of the postal service against liability for damages arising out of the operation of such vehicles in the performance of official duties, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no officer or employee of the field service of the Post Office Department who operates, in the performance of his official duties, a motortruck, automobile, or other motor vehicle of the postal service shall be held responsible or liable to the United States (1) for any damage to such motor vehicle resulting from the operation of such motor vehicle in the performance of his official duties, or (2) for any damage to property or for any personal injury, including death, to any person resulting from the operation of such motor vehicle in the performance of his official duties.

SEC. 2. The United States shall pay, in the manner provided in section 3 of this Act, for any damage to property and for any personal injury, including death, to any person resulting from the operation of any motortruck, automobile, or other motor vehicle of the postal service by any officer or employee of the field service of the Post Office Department in the performance of his official duties.

SEC. 3. (a) Payments under section 2 of this Act shall be made by the Postmaster General, and shall be made to—

(1) the officer or employee of the field service of the Post Office Department concerned, if the legal liability of such officer or employee has been determined by a court of competent jurisdiction and if the officer or employee has satisfied the judgment of such court; or

(2) the person, or his legal representative, suffering the damage or injury, if such person or legal representative has secured a judgment in a court of competent jurisdiction against the officer or employee concerned and if such judgment is not satisfied.

(b) Payment under subsection (a)(2) shall be made only upon condition that the person who has secured the judgment against the officer or employee concerned executes a full and complete satisfaction of such judgment.

SEC. 4. The Postmaster General may settle and pay any claim, not reduced to judgment, for damage to property or for personal injury, including death, resulting from the operation of a motortruck, automobile, or other motor vehicle of the postal service by an officer or employee of the field service of the Post Office Department in the performance of his official duties. Settlement and payment of any such claim may be made only upon condition that the claimant (1) executes a full and complete release to the United States and to the officer or employee concerned of any further liability arising out of the facts upon which such claim is based, and (2) withdraws any civil action he may have commenced against the officer or employee.

SEC. 5. (a) The Attorney General shall defend any civil action brought in any court against an officer or employee of the field service of the Post Office Department for damage to property or for personal injury, including death, resulting from the operation by such officer or employee of a motortruck, automobile, or other motor vehicle of the postal service in the performance of his official duties. All costs of defending any such civil action shall be borne by the United States. If the Attorney General is unable to defend any such action, the

Postmaster General shall reimburse the officer or employee for legal counsel retained by him to defend such action and for all other costs of defending such action.

(b) The Attorney General shall, at the request of the Postmaster General, assist in the settlement of claims under section 4 of this Act.

SEC. 6. (a) Any officer or employee of the field service of the Post Office Department shall promptly notify the Postmaster General of any claim alleged against him for damage to property or for injury, including death, to any person resulting from the operation of any motortruck, automobile, or other motor vehicle of the postal service in the performance of his official duties. In addition, such officer or employee shall promptly notify the Postmaster General of the commencement of any civil action against him based upon any such claim.

(b) The Postmaster General shall transmit to the Attorney General any notice received by him under subsection (a) of the commencement of a civil action against an officer or employee of the field service.

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SURVEY OF MINERAL POTENTIAL ON CERTAIN LANDS

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill designed to initiate a survey of the mineral potential on lands situated within the exterior boundaries of Indian reservations.

The bill directs the Secretary of the Interior to make a preliminary investigation of lands situated within the confines of Indian reservations to determine whether mineral resources (including oil and gas) exist on such lands in amounts sufficient to justify commercial development. This legislative proposal further directs the Secretary of the Interior to report the results of his investigation to the Congress on or before June 30, 1960, together with such recommendations as the Secretary may have with respect to additional exploration in specified areas.

Mr. President, the basic purposes of the bill are in line with recommendations which I have received from the Governors' Interstate Indian Council, an interstate council representing all States in which Indian lands are located. The survey proposed is also thoroughly consistent with the Eisenhower administration policies dedicated to encouraging private business groups to establish commercial enterprises within Indian reservations, thus providing much needed employment for our Indian people.

Many bills have been introduced in recent years, which propose to establish industrial plant facilities within the confines of Indian reservations, in order to provide employment for the Indian residents. Laudable as the purposes of these bills may be, there is little reason to believe that American business will be tempted to locate plant facilities in the Indian country unless there are resources in the area which can be developed. The study proposed in my bill will provide a clear showing of the Indian lands which might be worthy of industrial and commercial development.

I am confident that an initial and well-documented showing of mineral, oil, or gas potential will serve as an adequate incentive to encourage many mining and oil companies to conduct additional exploratory surveys throughout various segments of the Indian country.

If the American Indian is to obtain his fair share of the Nation's wealth, and if job opportunities are to be provided for our Indian citizens there must be a great expansion in economic development of the Indian land holdings throughout America. A well-documented survey of commercial mineral potential existing on the Indian reservations would certainly be a giant step forward in a national program to develop maximum economic utilization of these Indian lands.

Mr. President, I ask unanimous consent that the text of the bill, which is not lengthy, and an editorial from the Christian Science Monitor, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the text of the bill and the editorial will be printed in the RECORD.

The bill (S. 1465) to direct the Secretary of the Interior to make a preliminary investigation of lands in the United States situated within the exterior boundaries of Indian reservations to determine whether mineral resources exist on such lands in amounts sufficient to justify commercial development, introduced by Mr. MUNDT, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to make a preliminary investigation of lands in the United States situated within the exterior boundaries of Indian reservations with a view to determing whether mineral resources (including oil and gas) exist on such lands in amounts sufficient to justify commercial development. The Secretary of the Interior shall report to the Congress, on or before June 30, 1960, the results of such investigation, together with such recommendations as to the need for further exploration, or otherwise, as he deems appropriate.

The editorial presented by Mr. MUNDT is as follows:

[From the Christian Science Monitor, Mar. 17, 1959]

THE INDIAN PROBLEM: A CHALLENGE—AN INTIMATE MESSAGE FROM THE PACIFIC COAST

(By Kimmis Hendrick)

LOS ANGELES.—Is the United States solving the American Indian problem?

No. But the problem is getting better understood, and progress is being made. This is encouraging. The United States' moral obligation to help descendants of the first Americans enjoy the privileges of modern freedom is a debt long overdue, and watchful people throughout the world want to see how it is being paid.

Simply stated, the problem is one of trusteeship for lands given the Indian tribes in exchange for lands taken by the advancing white man. The Federal Government, through its Indian Bureau, undertakes to protect these lands which belong to Indians—Indians, as persons, are not Government wards. They are voting citizens, free to come and go, to buy and sell—except the tribal lands—just like other Americans.

What gives their lands a critical status is the congressional policy called termination. The Government wants to give their lands back to the Indians. It wants to be free of the trust. Most Indians are not enthusiastic about this policy because it leaves them the job of improving lands which the Government has woefully neglected. In many cases, they are totally unprepared by education, experience, and aptitude to take on the responsibility.

But there is a deeper problem. Of the 450,000 Indians on tribal rolls, about 250,000 have become involved in the mainstream of American life and are solving their problems independently of Government help or neglect. Some of these live in cities; some still live on reservations. Some are preeminently successful in business or otherwise; characteristically all of them are modern Americans. It is the other 200,000 on reservations who challenge us.

They challenge us because their whole approach to life basically is different from that which is typical of modern America. It is philosophically and religiously different. It puts the group before the individual. It includes no concept of accomplishment in time. It does not reckon on meeting economic obligations or on regular work. It falls back on the wonderful but unmodern Indian idea of sharing—that if Tim Whitefeather cannot pay his bills, everybody in the community will help. It is not his obligation really.

This attitude or approach to life has its own peculiar virtues, but they are not mid-century American virtues. The challenge is to find ways to encourage Indians to keep the kernel of these virtues—respect for life's beauty and reverence for its deeper meanings—and at the same time suit this temper to competitive and progressive modern life.

So far, the one major program the Indian Bureau has evolved to meet this challenge is relocation. It offers reservation Indians a chance to settle in cities. The program has heartbreaks and drawbacks, but it is working better all the time. Congress has increased funds enabling the Bureau to be more helpful and more discriminating all the time in carrying out relocation plans.

But relocation isn't in itself an adequate answer. Evidence indicates that a large portion of the 200,000 reservation Indians who live according to the old pattern have neither preparation for relocation nor aptitude for remaining profitably on reservations. They are caught betwixt and between two cultures. What heightens their trouble is the fact that their children are frustrated by their frustration. And there are many children. One Sioux group, for instance, numbering 2,000, is made up half of children under 15. Their older folks have no more than third or fourth grade educations.

It is easy to argue that the United States might have started 50 years ago educating Indians to assume responsibility for their lands. Of course. But 50 years ago there was almost no awareness by white folks or Indians that this was possible. Today it is recognized. The Indian Bureau recognizes it. Indians recognize it. This is the beginning of an answer.

One Bureau official of wide experience, himself an Indian, said the other day that if he could design a program it would be this: Start with the kindergarten. Provide subsistence farms for reservation Indians who won't change their way of life. Expand tremendously the social services work with relocatees. Follow young Indians all the way through school, to help them individually. Intensify development of reservation resources. Above all: Stress social work.

A nonbureau man, critical of Indian Bureau bureaucracy, spoke almost to the same effect. But he said this: "The Bureau should

be an educator. If a tribal committee sees the need for a dam or a domestic water supply, the Bureau should help it tackle the job—not take over. Just this one change in approach would solve the Indian problem in America."

NONQUOTA IMMIGRANT STATUS FOR CERTAIN ORPHANS

Mr. KENNEDY. Mr. President, on behalf of the senior Senator from Oregon [Mr. MORSE], the junior Senator from Oregon [Mr. NEUBERGER], and myself, I introduce, for appropriate reference, a bill to grant nonquota immigrant status to orphans under 14 years of age who have been adopted or who will be adopted upon their admission to the United States.

The present law which permits these children to come into the United States will expire on June 30 of this year. That termination date was established in order that we might have an opportunity to determine how this provision of the law would operate. As the Senate report stated:

> The authority to issue such nonquota immigrant visas expires on June 30, 1959, at which time the Congress may review the operation of the program and a determination may then be made whether the program should be curtailed, modified, or canceled.

I firmly believe that this program has successfully proved itself and should be continued. It would be tragic, indeed, if the law under which American parents can bring into the country children they have adopted or propose to adopt is permitted to expire. During the past 10 years the lives of thousands of parents have been enriched by special immigrant orphan legislation. The adopting parents have had both the opportunity to participate in a great humanitarian program and to experience the satisfaction of raising a child and watching him develop. The children have been afforded the opportunity to experience a natural and healthy childhood in our land and to share in our abundance. This should be continued as a permanent part of our law.

The proposed legislation establishes safeguards against abuses. Both the parents and the children will be checked to determine their fitness for each other prior to the adoption. This is particularly important in order to prevent the unfortunate maladjustments which have arisen in some instances after proxy adoptions.

The present law, which is known as Public Law 316, was the fourth measure adopted since the end of World War II to provide for special admission of orphans as nonquota immigrants. Over 11,000 orphans—and an equal number of families in the United States—have benefited from these 4 laws. The first law dealing with this subject was the Displaced Persons Act of 1948. It authorized the issuance of 5,000 visas to United Nations and Greek orphans and 5,000 to orphans residing in Western Europe. Only 4,065 orphans were admitted under this act, and these came principally from Greece and Germany. The second law was the act of July 29, 1953, which allowed servicemen and civilians living abroad to bring home and adopt children. Five hundred visas were authorized under this act and 466 orphans were admitted. The third law making provisions for orphans was the Refugee Relief Act of 1953. It authorized 4,000 special nonquota immigrant visas to eligible orphans. Approximately 3,800 orphans have entered the United States under this act. Then, 2 years ago, I introduced the bill which became known as Public Law 316. As of December 30, 1958, 2,740 orphans were admitted under it.

Although these laws have illustrated, as perhaps no other legislation can, the inherent generosity and the humanitarian traditions of our country, there have been a number of serious abuses. Some children have been mistreated and some have been unable to adjust to their new environment. Recent investigations conducted by the New York State Joint Legislative Committee on Matrimonial and Family Laws, under the chairmanship of Senator Janet Hill Gordon, have called these cases to the attention of the Nation.

The bill I am introducing profits from the disclosures in that investigation, from studies which have been made by the American Council of Voluntary Agencies for Foreign Service, and from experience gained by the International Social Service. It provides for the participation and advice of the voluntary agencies in connection with any adoption procedures.

I believe this bill deserves the early attention of Congress so that the immigrant orphan program may be allowed to continue uninterrupted after the June 30 deadline.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1468) providing for the issuance of special nonquota immigrant visas to certain alien orphans adopted by citizens of the United States, introduced by Mr. KENNEDY (for himself, Mr. NEUBERGER, and Mr. MORSE), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. NEUBERGER. Mr. President, I am indeed pleased to join with my warm friend the distinguished junior Senator from Massachusetts [Mr. KENNEDY] in sponsoring legislation to continue to permit the entry into the United States of orphan children under the age of 14 who have been or will be adopted by American families. My office has actively participated in the drafting of the proposed legislation, and this bill represents many compromises.

I sponsored a similar measure which was enacted into law, Public Law 85–316, which provides for the admission of orphan children adopted abroad or who will be adopted in the United States. This section of the law will expire on June 30, 1959, and if children adopted by American families are to be admitted to the United States on a quota-free basis, prompt action will be necessary. It is my hope that a proposal to allow the admission into the United States of children adopted or to be adopted will be promptly enacted into law so that children will not be kept separated abroad from their adoptive parents.

I am encouraged in this regard with the discussion I had on the Senate floor with the distinguished chairman of the Senate Judiciary Committee [Mr. EASTLAND] in August 1957, when orphan legislation was being considered, which developed that there was no known opposition to extending the provisions of the orphan law when they expire this year.

VISAS ISSUED TO 3,000 CHILDREN

Under the terms of the orphan section of Public Law 85–316, 2,948 visas have been issued to eligible orphans through January 1959. Of this number, 2,369 were issued to children who were legally adopted abroad and 579 to children admitted to the United States to be adopted in our country.

Under the terms of our bill, provision is made for the admission of children lawfully adopted abroad under the laws of a foreign country and children who are to be adopted in the United States under the laws of the State of the adopting parents. It is my opinion that if an effective program for the adoption of foreign children is to be continued provision must be made for the admission of children adopted abroad, as well as children to be adopted in the United States.

PROXY ADOPTIONS

Serious concern has been expressed by social agencies with respect to so-called proxy adoptions. Such adoptions are permitted under the laws of certain foreign countries, whereby a third party, having a power of attorney, can make a legal adoption for a family in the United States. Adequate checks may not be made by the foreign country or the person holding the power of attorney as to the ability of the family in the United States to adequately care for the adopted child. A similar problem could also exist when a member of a family travels abroad for the purpose of adopting a child under the laws of a foreign country.

Some abuses have undoubtedly taken place with respect to proxy adoptions, and corrective action clearly needs to be taken through tightening immigration procedures. Our bill provides that prior to the admission of any child to the United States the adoptive parents shall file assurances with the Attorney General and the assurances shall contain information to assure that the family can properly care for the child. The Attorney General, acting through the U.S. Immigration and Naturalization Service, can make a detailed home check to determine, if necessary, the abiilty of the parents to properly care for the child.

Under the existing law, the Attorney General is required to make a determination as to the ability of an American family to properly care for a foreign child only if the child is to be adopted in the United States. Under our proposal such a determination must be made prior to the issuance of the visa for all children, both those adopted abroad and those to be adopted in our country. The Attorney General has had experience in this field by preparing re-

ports that are submitted to congressional committees in connection with private immigration bills.

HOME CHECKS

The Immigration Service, operating under the Attorney General, maintains district offices in principal cities in the United States and has a field staff available to make the necessary determination of the ability of families to properly care for adopted children. It is my understanding that such a determination can be made within a few months and thus prospective adoptive parents will know promptly whether an immigrant visa can be issued for any child they may plan to adopt abroad or to adopt after the child has entered the United States. A uniform Federal standard should be used in determining the ability of the prospective adoptive parents to adequately care for a child.

Mr. President, I have long believed that the Department of Health, Education, and Welfare, and particularly the Children's Bureau, should play a role in any orphan immigration program. Legislation which I introduced in 1956 to extend the orphan provisions of the now expired Refugee Relief Act, provided that the Children's Bureau should assist in the operation of the law. I am pleased our bill provides that the Attorney General shall consult with the Secretary of Health, Education, and Welfare, in drawing up regulations for the administration of this law.

Our bill also provides for accredited United States social welfare agencies to participate in drawing up the regulations for the operation of the law. These agencies are familiar with the problems involved and should have the opportunity of presenting their views on this subject.

PROMPT ACTION NEEDED

I should like to stress the need for prompt action by the Congress. The orphan section of Public Law 85-316 expires on June 30, 1959, and after that time children adopted abroad or to be adopted in our country will not be able to enter the United States on a quota-free basis. Children may be separated from their adoptive parents. Hardship and suffering will exist.

A similar situation took place in 1957 after the expiration of the Refugee Relief Act in December 1956 and prior to the enactment of Public Law 85-316 in September 1957. Children were separated from their families. Many of these children in foreign lands faced problems of inadequate food and water and lack of proper medical care. Some children already adopted by American families died during the period they were unable to enter the United States. I know that every Member of the Senate wants to avoid a repetition of such a tragedy.

This problem also concerns members and families of our Armed Forces stationed abroad who have adopted foreign children. When the military transfers its personnel back to the United States, any family which consists of children adopted abroad after June 30, 1959, will be unable to enter our country until new legislation is enacted.

During the 1957 session of Congress a tremendous number of private orphan immigration bills were introduced in an attempt to deal individually with a problem that required general legislation. Prompt action by Congress in extending authority for the admission of children adopted abroad or to be adopted in the United States will make the introduction of private legislation in this field unnecessary.

HARRY HOLT FAMILY SERVES HUMANITY

Mr. President, I would like to call attention to the devoted and humanitarian efforts of Mr. and Mrs. Harry Holt, of Creswell, Oreg., and the members of the Holt family, who have assisted in the entry of more than a thousand Korean orphan children, many of whom were fathered by American military personnel. Mr. Holt is presently in Korea assisting in this humanitarian work. He has constructed near Seoul one of the outstanding orphanages in that country. The fine work of the Holts has been widely recognized and last January was the subject of a nationwide television program on the Loretta Young show. I sponsored the original private legislation enacted in 1955 which allowed Mr. and Mrs. Holt to adopt and bring to the United States eight Korean orphan children who are now members of their family. Last year these children obtained full U.S. citizenship. Mrs. Neuberger spoke at the Holt's annual picnic last August to many families from all over our country who have adopted Korean orphan children. The Holts have expended freely of their time, efforts, and good health, and I know of no family which has better symbolized the Biblical good Samaritan.

Sizable numbers of American military personnel are still stationed in Korea, Formosa, Okinawa, Japan, and other Far Eastern areas. The problem of mixed blood orphan children, fathered by American military personnel continues, but on a reduced scale. These children are unwanted in their native lands.

Mr. President, there has been some opposition to the admission of foreign orphan children as well as other immigrants. I can think of no more worthy cause than to assist homeless and helpless children who have been adopted by American families.

IMMIGRATION HAS HELPED TO BUILD AMERICA

It is important to remember that all of us, except full blooded American Indians, are either immigrants or the descendants of immigrants. The United States has a tradition of offering sanctuary to the oppressed. Immigration has helped to build America. Each immigrant is not only a jobholder but he and his family are also consumers who buy goods and services. While our population has grown by 25 million in the last 10 years, only 2,770,000 immigrants have entered our country. Immigration thus plays only a minor role in our continued population increase. Certainly no one can say that the admission of 2,000 children under the age of 14 adopted by American families would infer with our economy or American traditions.

Mr. President, I am reminded of the famed words on the base of the Statue of Liberty by Emma Lazarus which have typified our Nation's traditional feeling toward immigrants:

Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, the tempest-tost to me
I lift my lamp beside the golden door.

Mr. President, I ask unanimous consent that my remarks with respect to the bill may be printed in the RECORD following the remarks to be made later today by the distinguished Senator from Massachusetts [Mr. KENNEDY].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is ordered.

Mr. MORSE subsequently said: Mr. President, I welcome this opportunity to join with the junior Senator from Massachusetts in the introduction of a new and improved bill to grant nonquota immigrant status to orphans under 14 years of age who have been adopted or who will be adopted upon their admission to the United States.

Mr. KENNEDY has ably explained the purpose of this bill. I, too, believe in a program whereby foreign-born orphan children may be permitted to enter this country, to thrive in a wholesome family group they would otherwise never know, and to share in the abundance of this great land. I also believe qualified American citizens should be permitted the rich experience and the rewarding challenge of bringing these children into their homes and rearing them as their own. If properly planned and administered, such a program will not only enrich the lives of the children and adoptive parents. It will—in the long run—prove a solid contribution to the culture and strength of our Nation and to the welfare of mankind as a whole.

As you know, the provisions of Public Law 316 which permit these orphans to enter the United States are about to expire. By no means should the program for which the law provides be abandoned. On the other hand, I think it imperative that safeguards be provided in the new law to curtail abuses and tragedies that have resulted from some proxy adoptions. These safeguards are essential for the protection of both children and adoptive parents. I am aware that, in some instances, unnecessary redtape entangling adoption procedure has been fortunately bypassed under Public Law 316, yet I am also aware of heartbreaking, shocking experiences that have occurred in cases where innocent children have been adopted by proxy by equally innocent American citizens. Sometimes the children are emotionally disturbed because of the horrifying conditions they have survived; some are physically ill; and many are of mixed racial heritage. All of these cases require adoptive families of an exceptional nature. Otherwise it is likely the children will suffer maltreatment and neglect, conditions that have been brought to my attention many times.

I have before me a letter I have received from Miss Jeanne Jewett, administrator of the Oregon State Public Welfare Commission. She writes:

Since the beginning of the Refugee Relief Act in 1953, our agency has been assisting citizens of Oregon in bringing foreign children to this State for adoption. We found participation in this program an interesting experience and believe that we have extended a needed service to the citizens of the State and to children residing abroad who needed adoptive homes. As we have worked on this program, we have become convinced that foreign children need even greater protections in adoption than children placed by the authorized agencies of this State. Before a child is sent to this country for adoption, an investigation of the prospective adoptive parents' home should be required by experienced and qualified staff of an authorized agency in order to assure that the adoptive home will give the child care that will enable him to develop into useful and normal adulthood. Our experience has strengthened our conviction that a child should live in the home of his adoptive parents for a period of time before the adoption is granted in order to assure that the home selected for him will meet his needs. Unless this program is administered by a qualified social agency at both national and local levels, neither the children, the adoptive parents, nor the community, receive adequate protections.

It does seem to me that the proposed legislation establishes these safeguards through assurances provided by the Attorney General in consultation with the Secretary of Health, Education, and Welfare and through the participation and advice of accredited U.S. social welfare agencies.

Because the present law expires on June 30, 1959, I urge the Congress to give early consideration to this bill.

REPEAL OF ACT OF MAY 27, 1912, RELATING TO SALE OF CERTAIN LAND TO FIRST BAPTIST CHURCH OF PLYMOUTH, MASS.

Mr. McCLELLAN. Mr. President, by request I introduce for appropriate reference a bill to repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to sell certain land to the First Baptist Church of Plymouth, Mass., (37 Stat. 117, ch. 134).

This bill was drafted and submitted to Congress by letter dated March 10, 1958, from the Administrator of General Services. The Administrator reported that this bill was required to repeal the act of May 27, 1912, which not only authorized the Secretary of the Treasury to sell the property, but directed him to convey the property to a specific grantee. The property has not been conveyed as authorized by law but in lieu thereof has been used for public purposes pursuant to a revocable license granted to the town of Plymouth on October 19, 1921. It is therefore requested that this proposal be enacted into law in order that the property can be sold as surplus, or conveyed to the city for park and recreational purposes, pursuant to section 13(h) of the Surplus Property Act of 1944, as amended. Additional background and justification explaining the need for this legislation is contained in Mr. Floete's letter dated March 10, 1959.

Mr. President, I ask unanimous consent that the letter addressed to the President of the Senate from the Administrator of General Services, together with the enclosures thereto, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter and enclosures will be printed in the RECORD.

The bill (S. 1473) to repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to sell certain land to the First Baptist Church, Plymouth, Mass., introduced by Mr. McCLELLAN (by request), was received, read twice by its title, and referred to the Committeee on Government Operations.

The letter and enclosures presented by Mr. McCLELLAN are as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., March 10, 1959.

Hon. RICHARD M. NIXON,
President of the Senate, Washington, D.C.

MY DEAR MR. PRESIDENT: There is transmitted herewith for referral to the appropriate committee a draft bill prepared by this agency, "To repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to sell certain land to the First Baptist Church of Plymouth, Mass."

The proposal is a part of the legislative program of the General Services Administration for 1959.

In 1911, the U.S. Treasury acquired through condemnation proceedings, title to certain land in Plymouth, Mass., at a cost of approximately $29,600, for the construction of a post office building. The act of May 27, 1912 (37 Stat. 117, ch. 134) authorized and directed the Secretary of the Treasury to grant, relinquish, and convey, by quitclaim deed, for and in consideration of $100 cash, to the First Baptist Church of Plymouth, Mass., that portion of the Burns' lot included in the Federal building site in said city, to the south of the continuation of the southerly boundary line of the next adjacent property conveyed to the United States by said First Baptist Church, and to deposit the proceeds of such sale in the Treasury as a miscellaneous receipt.

The portion of the post office site to be conveyed, pursuant to the act of May 27, 1912, is situated in the rear of said site and is a rectangular piece of vacant land measuring 43 feet by 147 feet. A quitclaim deed was executed on June 6, 1912, by the Secretary of the Treasury conveying said land to the First Baptist Church of Plymouth, Mass. According to a memorandum for Assistant Treasury Secretary Allen, dated March 10, 1913, from the Supervising Architect of the Treasury Department, copy enclosed, the deed was forwarded to the postmaster at Plymouth for delivery to the grantee; but when Dr. Burns, the former owner of said land, heard of the proposed transfer, he vigorously objected thereto and threatened to bring suit to recover the property proposed to be deeded to the church, claiming that the Government, having condemned the land for Federal building purposes, could not legally dispose of the same in this manner. Mr. Harry B. Davis, attorney for the First Baptist Church of Plymouth, informed Assistant Treasury Secretary Allen, in a letter dated February 24, 1913, copy enclosed, that because of the threatened suit by Dr. Burns, the First Baptist Church had sold its property adjoining the Federal building site and requested that the Government recall its deed and refund the payment of $100 which had been made by the church. Accordingly, the quitclaim deed was returned to the Treasury Department and the disbursing clerk of that Department returned the check for $100 to the postmaster of Plymouth with instructions that the same be delivered to the proper officials of the church.

Although the post office is constructed on a portion of the Federal building site, no portion of the area referred to in the act of May 27, 1912, has ever been used and is not now being used for post office purposes. On October 19, 1921, a revocable license was given to the town of Plymouth, Mass., to use the land referred to in the act of May 27, 1912, for public park purposes.

The Post Office Department has indicated that the area referred to in the act of May 27, 1912, is not required for expansion of its existing facilities, and that it is, therefore, excess to its needs and will be reported as such to the General Services Administration. Inasmuch as the act of May 27, 1912, not only authorized but also directed the Secretary of the Treasury to convey the property referred to therein to a specific grantee, this Administration can make no other disposition of this property until said act is repealed. If said act is repealed and the Post Office Department reports the property excess to its needs, the property would be screened by this Administration with other Federal agencies as excess property and, if no Federal requirement is found, could then be disposed of as surplus property pursuant to the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended. In the category of surplus property, the city of Plymouth, Mass., would have an opportunity to present its need for this property for public park and recreational purposes, pursuant to section 13(h) of the Surplus Property Act of 1944 (62 Stat. 350), as amended.

For the reasons stated above, prompt and favorable consideration of the enclosed draft bill which repeals the act of May 27, 1912, is recommended.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,
FRANKLIN FLOETE, *Administrator.*

A BILL TO REPEAL THE ACT OF MAY 27, 1912, WHICH AUTHORIZED AND DIRECTED THE SECRETARY OF THE TREASURY TO SELL CERTAIN LAND TO THE FIRST BAPTIST CHURCH OF PLYMOUTH, MASS.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of May 27, 1912 (37 Stat. 117, ch. 134), is hereby repealed.

TREASURY DEPARTMENT,
Washington, March 10, 1913.

MEMORANDUM FOR ASSISTANT SECRETARY ALLEN

I attach hereto a letter dated the 24th ultimo from the attorney for the First Baptist Church of Plymouth, Mass., regarding the sale to said church of a portion of the land heretofore acquired as the Federal building site at that place. From the statements contained in said communication, it will be seen that the church does not now desire to purchase the portion of the site in question.

In order to refresh your memory of the facts in connection with this case it may not be out of place to state that a portion of the Plymouth site was acquired by condemnation proceedings, Dr. Burns being the principal defendant. After the title to the property had been vested in the United States, representatives of said Baptist church secured an act of Congress authorizing the Secretary of the Treasury to convey to them, by quitclaim deed, a portion off the rear of said site for $100. The usual quitclaim deed was duly executed and forwarded to the postmaster at Plymouth

for delivery. When Dr. Burns heard of the proposed transfer, he vigorously objected thereto and threatened to bring suit to recover the property proposed to be deeded to the church, claiming that the Government, having condemned the land for Federal building purposes, could not legally dispose of same in this manner. The United States attorney stated that Dr. Burns' contention was well supported in law. The church people were unwilling to purchase the property under these circumstances and it appears from the attached letter that they have sold their property adjoining the Federal building site and purchased land elsewhere for the erection of their church. The Attorney General, however, does not agree with the U.S. attorney as to the legality of Dr. Burns' contention.

The quitclaim deed is now in the hands of the postmaster at Plymouth, and the check for $100 tendered in payment for the property is in the hands of Disbursing Clerk Jacobs. In view of the circumstances it would appear that the proposed sale of the property may as well be abandoned and I therefore attach letters directing the postmaster to return here the quitclaim deed of the property and requesting the disbursing clerk to return to the postmaster the check for $100, now in his possession, with instructions that same be delivered to the proper officials of the church.

If this action meets with your approval, will you kindly so indicate hereon.

———— ————,
Supervising Architect.

Approved:

SHERMAN ALLEN,
Assistant Secretary.

PLYMOUTH, MASS., *February 24, 1913.*

Mr. SHERMAN ALLEN,
Washington, D.C.

MY DEAR SIR: I have for some time been straightening out certain matters in connection with the transfer of a certain piece of land in Plymouth by the U.S. Government to the First Baptist Church of Plymouth. I talked the matter over with Mr. French on several occasions and regret that it has moved along so slowly, not through any fault of Mr. French, but owing to the fact that we had great difficulty in dealing with Dr. Burns. You are probably acquainted through Mr. French with the facts of the case, which are, briefly, these: That when Dr. Burns found that this lot to be transferred to the First Baptist Church he notified them that if they took title he intended to take a writ of entry to recover the property. I went over the case carefully and came to the conclusion that it was a very close case, and that while it might be possible that the First Baptist Church would win in the end there was enough doubt in regard to it to make it unsafe for them to proceed to build their church until the matter was settled. I knew further that Dr. Burns would keep his word in regard to bringing that suit. If proceedings were begun, I knew that it would be some time before they would be settled and this would seriously inconvenience my clients in their building operations.

I, therefore, advised them that in my opinion it would be better to seek another site, and, acting upon this advice, they did so. They have recently acquired a very desirable site.

Almost immediately they received a very good offer for the lot on Main Street, which they accepted, and that property was transfered Monday to Mr. Mansfield S. O'Brien. My clients, therefore, do not now feel that they should accept the deed of the Burns lot which is here at the post office.

I assume that, having abandoned the site for church purposes, the Government would no longer care to transfer it to them. That phase of the case was discussed last week in connection with the selling of the other lot. If it had simply been a question at that time of accepting the title and fighting it out with Mr. Burns, I should have advised them to do it and then sell it, if successful, but I did not believe that the First Baptist Church could do it in good faith.

I think, therefore, that if it is satisfactory to your department the best thing to be done under all the circumstances is for you to recall your deed and refund the payment of $100 which I understand is in your hands at the present time.

I was in Boston last Friday and called Mr. French on the telephone, and he suggested that I take this matter up directly with you.

Very truly yours,

HARRY B. DAVIS.

PERMANENCY OF PROVISIONS OF REORGANIZATION ACT OF 1949

Mr. MCCLELLAN. Mr. President, by request I introduce, for appropriate reference, a bill to make permanent the provisions of the Reorganization Act of 1949.

I am introducing this bill, Mr. President, at the request of the Director of the Bureau of the Budget so that the views of appropriate agencies may be attained upon it.

The bill was submitted to the President of the Senate on February 25, 1959, by the Director of the Bureau of the Budget with the accompanying letter which I request unanimous consent be printed in the RECORD, along with a copy of the aforementioned bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and the letter will be printed in the RECORD.

The bill (S. 1474) to make permanent the provisions of the Reorganization Act of 1949, introduced by Mr. MCCLELLAN, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 5 of the Reorganization Act of 1949 (63 Stat. 205), as last amended by the Act of September 4, 1957 (71 Stat. 611; 5 U.S.C. 133z-3(b)), is hereby repealed. The subsection designation "(a)", appearing in the said section 5, is hereby deleted from that section.

The letter presented by Mr. MCCLELLAN is as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., February 25, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: I have the honor to present for the consideration of the Senate a draft of a bill, "To further amend the Reorganization Act of 1949, as amended, so that such Act will apply to reorganization plans transmitted to the Congress at any time in conformity with the provisions of the Act."

Enactment of the proposed legislation would carry out the recommendation made by the President in his message of January 19, 1959, transmitting the budget for fiscal year 1960, that the Congress extend the Reorganization Act of 1949, as amended. Under present law, no provision contained in a reorganization plan shall take effect unless the plan is transmitted to the Congress before June 1, 1959. The draft bill provides for the repeal of the limitation respecting time of transmittal of reorganization plans to the Congress. Enactment of the bill would permanently authorize the transmittal of reorganization plans under the Act.

Sincerely yours,

MAURICE H. STANS,
Director.

REDUCTION OF FEDERAL ADMISSIONS TAX

Mr. WILLIAMS of New Jersey. Mr. President, on behalf of the distinguished senior Senator from New York [Mr. JAVITS] and myself, I introduce, for appropriate reference, a bill designed to stimulate employment in music and the theater industry by further reducing the Federal admissions tax on the performing arts. Similar legislation has been introduced in the other body by the distinguished Member from the Fourth District of New Jersey, Mr. FRANK THOMPSON. Under our proposal, the tax savings resulting from the proposed bill would be put into a special fund under an arrangement which is not mandatory; and the fund would be administered by representatives of management and labor in the music and theater industry together with representatives of the public for the purpose of assisting the growth and expansion of live music and drama throughout the United States. The President of the United States would appoint the trustees of the new fund which conceivably could have several millions of dollars for its purposes.

At the turn of the century there were more than 5,000 professional theaters in the United States, while today there are less than 100.

This legislation is essential if the performing arts are not to disappear entirely. In developing our bill we were encouraged by the advice given by the father of the American theater, William Dunlap, of Perth Amboy, N.J., in his famed "History of the American Theater," published in 1833. Mr. Dunlap urged Federal assistance to the theater in order to raise the standards of the arts in our country. He said this aid could be paid for by "taxes on taverns and tippling houses."

The proposed bill applies to the legitimate theater, operas, concerts, and motion pictures. It would halve the cabaret tax, the only one of the Federal execise taxes which remains at the wartime level of 20 percent.

Interest in the new bill has been expressed already by wide segments of the music and theater industry, including the Theater Guild-American Theater Society, the congressionally chartered American National Theater and Academy, the Council of the Living Theater, Actors' Equity Association, the American Guild of Musical Artists, the Hollywood AFL Film Council, and the American Federation of Musicians.

Our bill declares that it is the intention of the Congress in providing tax reductions under this act that any savings which are derived therefrom by persons engaged in presenting live musical and dramatic performances shall be

set aside and used to promote the growth and expansion of live music and drama throughout the United States. To this end, the President is requested to take such action as may be necessary to encourage the establishment of a special fund and—through appropriate officers and agencies of the United States—to provide advice and assistance in the administration and operation of such fund, which shall consist of contributions from savings derived under this act and moneys from any other available sources and shall be held, administered, and used by a board made up of representatives of management and labor in the music, theater and entertainment industry, and the general public to be appointed by the President after receiving and considering recommendations from organizations in the fields involved, in promoting the growth and expansion of live music and drama—educational and civic as well as professional—throughout the United States and thereby stimulating wider appreciation of and increased participation and employment in the musical and dramatic arts.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1475) to amend the Internal Revenue Code of 1954 to reduce the admissions tax where a substantial part of the program consists of live musical or dramatic performances in order to provide greatly increased employment, accompanied by larger tax revenues which will offset any losses to the Federal Government, in the entertainment and related industries; to aid the motion picture industry which has suffered a decline; to foster the growth and development of the fine arts in the United States without resort to the subsidies common in other countries, and for other purposes, introduced by Mr. WILLIAMS of New Jersey (for himself and Mr. JAVITS), was received, read twice by its title, and referred to the Commitee on Finance.

ADVANCEMENT OF COMMON ECONOMIC AND POLITICAL AFFAIRS OF NORTH ATLANTIC NATIONS

Mr. HUMPHREY. Mr. President, in the many-sided struggle between Communist totalitarianism and democracy it is imperative that the free nations cooperate as closely as possible, each drawing strength and help from the others. Today the United States is cooperating with many free nations in the United Nations and its specialized agencies. We are tied closely to 14 other countries in the NATO Pack signed on April 4, 1949. We are also allied with the 20 Latin American Republics under the Rio Pact of 1947. In other treaties we are associated with several free nations of Asia.

Through these associations with free nations around the world we are augmenting our military, political and economic strength in the face of a powerful and determined foe.

In the belief that we should explore possibilities for drawing even closer together, I am submitting a resolution urging a convention of the 15 NATO members and other democratic nations to examine further ways of "advancing their common economic and political affairs" in the interests of international peace and stability. I believe honest exploration of this kind may lead to new ideas and fresh approaches for the mutual enrichment of all participating countries. When the threat of nuclear war hangs over us, no effort should be spared which stands some chance of increasing understanding and cooperation among those countries committed to the democratic way of organizing society.

On behalf of myself, the Senator from New Jersey [Mr. CASE], the Senator from Kentucky [Mr. COOPER], and the Senator from Tennessee [Mr. KEFAUVER], I submit a concurrent resolution on this subject.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 17) submitted by Mr. HUMPHREY, for himself and other Senators, was received and referred to the Committee on Foreign Relations, as follows:

Whereas united action by democracies is essential for preservation of democratic institutions everywhere, without regard for race, religion, or region, and will bring new hope for disarmament and peace; and

Whereas the North Atlantic Treaty has already committed its members to "contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions," and to "encourage economic collaboration between any or all of them"; and

Whereas it is increasingly urgent that the free peoples gain more strength—moral, political, scientific, industrial, and economic—while avoiding present financial dangers; and

Whereas the strength that proverbially lies in unity offers the free peoples vast, untapped resources for solving this dilemma; and

Whereas the Third NATO Parliamentarians Conference unanimously recommended that a conference be officially called "composed of leading representative citizens selected on a nonpartisan basis and directed to convene as often as necessary in order to examine exhaustively and to recommend how greater cooperation and unity of purpose, as envisioned by the North Atlantic Treaty, within the Atlantic community may best be developed"; and

Whereas the Third NATO Parliamentarians Conference also proposed that "the members of the conference should, as far as possible, be officially appointed but should act in accordance with their individual convictions * * *": Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the legislatures of the other democratic governments of the North Atlantic Treaty Organization shall be invited to name delegates to meet in a convention with delegates from the United States and from such other democracies, wherever situated, as the convention may invite, to explore and to report to what extent their people might, within the framework of the United Nations and in accord with the basic principles of the Constitution of the United States, achieve more effective and democratic unity in advancing their common economic and political affairs, their joint defense and the aims of world peace and individual freedom.

That the convention should be composed of leading representative citizens officially appointed on a nonpartisan basis but free to explore the problem fully as individuals without being officially instructed or able to commit their governments.

ALLEVIATION OF CONDITIONS OF UNEMPLOYMENT AND UNDEREMPLOYMENT IN CERTAIN DEPRESSED AREAS—AMENDMENTS

Mr. BUSH (for himself and Mr. BENNETT) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas, which were ordered to lie on the table and to be printed.

Mr. DIRKSEN submitted an amendment, in the nature of a substitute, intended to be proposed by him, to Senate bill 722, supra, which was ordered to lie on the table and to be printed.

Mr. JAVITS. Mr. President, I submit amendments, intended to be proposed by me, to Senate bill 722, the so-called depressed areas bill. I ask unanimous consent that the amendments be printed and lie on the table, and be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments submitted by Mr. JAVITS are as follows:

On page 9, line 15, after the parenthesis "(" and before the word "including", insert the word "not."

On page 12, line 12, the same amendment.

VOLUNTARY PENSION PLANS BY SELF-EMPLOYED INDIVIDUALS—AMENDMENTS

Mr. LANGER (for himself and Mr. YOUNG of North Dakota) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 10) to encourage the establishment of voluntary pension plans by self-employed individuals, which were referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Article entitled "Indian Economic Development and U.S. Aid," written by Senator HUMPHREY and published in a special India supplement of the New York Times dated January 25, 1959.

Article entitled "Unfinished Business Outdoors," written by Senator NEUBERGER, and published in the New Republic of March 9, 1959.

MILWAUKEE FOREMEN'S SAFETY SCHOOL

Mr. WILEY. Mr. President, we recognize that throughout America there

is, annually, a tremendous loss—both in property and, tragically, in deaths—from the occurrence of accidents in homes, on farms, in businesses, on the highways, and elsewhere.

Today, I should like to call attention particularly to a constructive program which is aimed at reducing the total of casualties.

On March 25, the Milwaukee Association of Commerce is scheduled to open its 1959 Milwaukee Foremen's Safety School. The school has, as its noble objective, life conservation.

In announcing the program to members of the association, the following startling factors were pointed out—and I quote from a leaflet distributed to the members:

Did you know—

That every employee lost-time accident in your firm last year cost your company an average of $608 in direct compensation and medical expenses?

That the total of such compensable injuries and deaths—including lost wages, medical and hospital expenses, insurance overhead, and direct-production losses—cost Milwaukee business more than $16 million last year?

That more than twice as many employees were injured and killed off the job in traffic and in their homes—with an additional $15 million sustained by Milwaukee business in lost-time production?

That 85 percent of all of these accidents are due to human error—which can be controlled through education?

That hundreds of member firms of the association have found that employee training in safety is the most effective means of curtailing this economic waste?

Mr. President, those factors are indeed food for thought—not only for individuals, businesses, and industries engaged in commerce, but also for Congress, as well as other segments of the economy, in attempting to cut down the terrible loss each year as a result of accidents. According to estimates, more than 90,000 persons are killed annually in workshops, on streets and highways, and in the homes.

Recognizing that the need for improved safety is a national problem, I request unanimous consent to have excerpts from the constructive program for the 39th annual session of the Milwaukee Foremen's Safety School, 1959, printed in the RECORD, along with a listing of the program advisory committee and the industrial safety division operating committee of the Milwaukee Association of Commerce.

There being no objection, the excerpts and list were ordered to be printed in the RECORD, as follows:

You are welcome. The Milwaukee Association of Commerce is proud to present this school in the interest of the challenging objective of life conservation.

You—as an employee of a member firm of the association—are cordially invited to participate in this training program directed toward the conservation of human life both on and off the job.

This school is open to all interested employees—no registration fee.

THE SAFETY CHALLENGE

The killing of more than 90,000 persons through carelessness each year in the workshops of the Nation, on our streets and highways and in our homes is one of the greatest tragedies in America.

Milwaukee, the birthplace of the national safety movement, has set a shining example of the effectiveness of safety education through the training annually of thousands of employees in the fundamentals of accident prevention.

Occupational injuries and fatalities in metropolitan Milwaukee have been reduced to less than 50 percent of the national level, with a saving last year of 55 lives and 7,000 crippling injuries.

Since twice as many employees are killed and injured away from the job—in traffic and in homes—the same principles of occupational safety must now be applied to the growing off-the-job accident problem.

To this end, the Milwaukee Association of Commerce dedicates its 1959 school.

Educational training of employees is the key to the safety challenge.

Milwaukee Association of Commerce: President, Lester S. Olsen, Olsen Publishing Co.; executive vice president, Ray H. Weisbrod.

Industrial safety division operating committee:

Chairman of division, S. Lloyd Nemeyer, Milwaukee Gas Light Co.

Chairman of school, E. Clark Woodward, A. O. Smith Corp.

Allen W. Bathke, Chain Belt Co.

Charles A. Baumann, the Heil Co.

Philip W. Behling, Pittsburgh Plate Glass Co.

Wilbur J. Berard, Koehring Co.

Michael F. Biancardi, Allis-Chalmers Mfg. Co.

Erwin C. Brenner, Milwaukee Gas Light Co.

Joseph E. Carone, Pressed Steel Tank Co.

Jean G. Dapp, International Harvester Co.

James G. Dickinson, Wisconsin Electric Power Co.

Donald J. Diederich, Wehr Steel Co.

Henry W. Fels, Bucyrus-Erie Co.

Robert E. Gess, Employers Mutuals of Wausau.

Edward G. Goldbeck, Milwaukee Solvay Coke Co.

Edward L. Hanley, Wisconsin Society of Professional Engineers.

Edward Haverberg, American Motors Corp.

Thomas F. Hedglin, General Electric Co., X-ray department.

Karl H. Hinrichs, Harnishfeger Corp.

John R. Joerg, Harley-Davidson Motor Co.

Myron E. Jolidon, Standard Oil Co.

Herbert H. Koepke, Johnson Service Co.

John H. Kopmeier, Wisconsin Ice & Coal Co.

Fred J. Ladwig, the Milwaukee Road.

Richard D. Lutz, the Falk Corp.

Cyril V. McDonald, Froedtert Malt Corp.

Franklin A. McVety, the Borden Co.

Walter E. Meyer, Plankinton Packing Co.

Francis T. Murphy, Ladish Co.

Donald F. Possell, Nordberg Mfg. Co.

Murdoch G. Pryor, Allen-Bradley Co.

James G. Reilly, Cutler-Hammer, Inc.

Arnold W. Rosmann, Norris, FitzGerald & Russell.

Clarence R. Seybold, Smith Engineering Works.

Dorr C. Snoyenbos, AC Spark Plug, General Motors Corp.

Clarence J. Muth, manager, industrial safety division, Milwaukee Association of Commerce, 611 North Broadway, Milwaukee 2.

Program advisory committee:

Past chairmen, industrial safety division: 1954–57, John H. Kopmeier, president, Wisconsin Ice & Coal Co.; 1958, Joseph F. Cairnes, president, Milwaukee Braves.

Past chairmen of school: 1950–52, Myron E. Jolidon, Standard Oil Co.; 1953–54, Erwin C. Brenner, Milwaukee Gas Light Co.; 1955–56, Michael F. Biancardi, Allis-Chalmers Manufacturing Co.; 1957–58, James G. Dickinson, Wisconsin Electric Power Co.

Reception and ushering committee: Chairman, Robert E. Gess, Employers Mutuals of Wausau; Edward L. Hanley, Wisconsin Society of Professional Engineers; Arnold W. Rosmann, Norris, FitzGerald & Russell Co.

SENATOR FULBRIGHT'S SPEECH OF MARCH 16 ON BERLIN, WEST GERMANY, AND RELATIONS WITH THE SOVIET UNION

Mr. MANSFIELD. Mr. President, in the Washington Daily News of March 18 and the Washington Star of the same date there appeared two editorials on the speech delivered on Monday last by the chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT]. His speech was made on the floor of the Senate on the same day the President made his speech to the Nation. Both were very important; both were by responsible leaders. I hope that the speech made by the senior Senator from Arkansas has not been lost sight of, because I believe what he said is of the greatest importance. Furthermore, in view of the fact that he made the speech from his position as Chairman of the Senate Committee on Foreign Relations, what he said should be given every possible consideration.

Mr. President, it is well to point out that on the basis of the speech made by the Senator from Arkansas, the Soviet Union should be aware of three things:

First, the United States will make no separate "deals" with the Soviet Union.

Second, the United States will not be driven or enticed from Berlin or West Germany.

Third, the United States will not accept, even tacitly, any propositions designed to formalize the subjugation of the once-free satellite peoples.

Mr. President, the speech made by the distinguished Senator from Arkansas is a most important one. I hope all Senators will give it their most serious and most earnest consideration.

I ask unanimous consent that the two editorials which refer to the speech of the Senator from Arkansas be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Mar. 18, 1959]

FULBRIGHT'S OFFER

President Eisenhower's address eclipsed an equally important—maybe more important—statement on the Berlin crisis by Senator FULBRIGHT, new Democratic chairman of the Senate Foreign Relations Committee.

The Senator offers the President the opportunity of Democratic-Republican cooperation not only in the immediate crisis but the long-range negotiations with the Russians. He endorses Ike's stand firm policy but puts the emphasis on what else is to be done while standing firm. He urges some hard thinking now on the German problem and relations with the Soviet as a whole.

Nikita Khrushchev should know well the three points on which the Senator says there is complete unity in this country:

The United States will make no separate deals with the Soviet Union.

It will not be driven or enticed from Berlin or West Germany.

It will not accept, even tacitly, any propositions designed to formalize the subjugation of the once-free satellite peoples.

If the Russians understand that, and respect it, the Senator said, there are some negotiable points. One of these is the disposition of East-West forces in Germany.

"It seems to me," he said, "that if both were to move back an equal distance—however slight the distance—the possibility of war, especially accidental war, would be reduced."

His condition for such a move is important—"under no circumstances * * * except in return for a bona fide quid pro quo—in short, an agreement that would benefit the Western Allies at least as much as the Soviet Union."

His warning against expecting quick spectacular results is equally important—"it may be a matter of years rather than months before the Russians will extend a quid equal in value to our quo."

The nub of Senator FULBRIGHT's advice—keep strong, be patient and determined, and "chip away relentlessly at the encrusted Communist mixture of dogma, braggadocio, and fear."

One of the most unfortunate—and dangerous—events on the Washington scene these days is the continuing and running debate between the President and Congress over the adequacy of our military program. Both have constitutional responsibilities in this field—and both should be seeking a compromise for agreement rather than trying to win the argument.

The important thing about Senator FULBRIGHT's statement is that it offers a chance to prevent development of a similar controversy in the months ahead over our diplomatic policies.

The Fulbright statement alone is a major contribution to formation of a strong American diplomatic posture. It is now up to the President to take advantage of the opportunity offered—to combine the thoughts of the best minds in both parties for the diplomatic confrontations ahead this spring and summer with the Russians.

[From the Washington Evening Star, Mar. 18, 1959]

PRISONERS OF WORDS

Senator FULBRIGHT has addressed himself to a useful and timely point—the danger that our foreign policy may become the captive of words and slogans.

The chairman of the Foreign Relations Committee is not in any sense an appeaser. Nevertheless, he thinks it may be possible to negotiate with the Russians and, as an example, he suggests the desirability of agreement on a mutual withdrawal of forces in central Europe. If this were done it might ease tensions and reduce the danger of an "accidental" war. But those who propose this kind of disengagement often are assailed as "appeasers." That this should be the case is not especially surprising. Given a certain kind of mentality, and a total lack of responsibility, it is easy to resolve such momentous things as the Berlin issue in terms of slurring words and half-baked phrases.

Senator FULBRIGHT's basic point is that we must not fall into the error of equating negotiations or disengagement with such words as "appeasement" and "retreat." To negotiate a settlement on a given point, assuming an acceptable quid pro quo, is neither an act of appeasement nor of retreat. And we must not permit the specialists in invective to shackle our freedom of action.

For one thing is certain. Our dispute with the Russians over Berlin and Germany is going to be settled by a war, which no sane person wants, or through a process of negotiation which will compose differences without sacrifice of principle. This latter process will be difficult at best. It will become impossible if we let the catchword artists take us into camp.

ATOMIC POWER IN THE 86TH CONGRESS—ADDRESS BY SENATOR ANDERSON

Mr. NEUBERGER. Mr. President, all of us in the Senate admire the brilliant and outstanding leadership of the distinguished junior Senator from New Mexico [Mr. ANDERSON] in the whole general realm of atomic energy. The Senator's knowledge in this field has been of value to our Nation and to the free world.

The Senator from New Mexico last night, March 18, to the National Capital Democratic Club, delivered a characteristically able, informative, and thoughtful address on the whole question of atomic energy in the 86th Congress. I ask unanimous consent that this outstanding address by the distinguished Senator from New Mexico be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ATOMIC POWER IN THE 86TH CONGRESS

(Speech before National Capital Democratic Club by Senator CLINTON P. ANDERSON, chairman, Joint Committee on Atomic Energy, March 18, 1959)

It is a pleasure to be with such a pleasant and sympathetic group this evening. I am sure that you appreciate, however, that I am not talking to you primarily as a partisan Democrat, but rather as the chairman of a joint committee that has in the main operated in a nonpartisan manner. Indeed, I was pleased to hear one of our senior minority members say recently that the joint committee was the least political of any congressional committee on which he had ever served.

I must admit with regret that ever since the AEC and the Budget Bureau injected politics into the atomic energy program via the infamous Dixon-Yates contract, there have been some political overtones on any atomic project involving the production of substantial quantities of electricity. I am glad to say that the Democratic majority of the joint committe, with some help from the minority, has kept the faith and sponsored a vigorous atomic power program.

SEVERAL APPROACHES TO PROBLEMS

There are several approaches I could take in discussing atomic power in the 86th Congress.

First of all, I might trace for you the laborious processes by which an atomic powerplant gets in an authorization bill, has money made available to it if the appropriation bill is passed and signed by the President, and then resumes the hazardous journey across the ice pursued, like Little Eva, by the bloodhounds of the Bureau of the Budget.

Or I could take a historical view and contrast the rosy predictions of what was supposed to happen when we unleashed the forces of private enterprise in 1954, and the current unhappy state of the atomic power industry where things are on dead center.

Another approach would be to trace the long and patient negotiations the Joint Committee and its staff have undertaken with the Atomic Energy Commission looking to an agreed program of accelerated reactor construction—thus far to little avail.

Or I could give you a chronology of the battles we have had with the Commission over the years, with a list of our victories and defeats.

And finally, I could outline for you the program I hope the Joint Committee will consider and report out for fiscal year 1960.

TWO KEY ISSUES

Tonight, however, I would like to analyze two key issues facing us in the 86th Congress which may perhaps give you a flavor of all these approaches. The issues which I will discuss are the plutonium and power issue and the gas-cooled reactor prototype issue, with possibly a few words about leadership and planning for the future.

As some of you may know, atomic reactors produce two principal products from the chain reaction in their uranium fuel. First, is the new element plutonium and second is large quantities of heat. The heat from these reactors can be utilized to make electric power, or it can be wasted by dumping it in the river, as the AEC now does with its single-purpose plutonium reactors at Hanford, Wash.

A whole speech could easily be devoted to the Hanford reactors and the fights they have generated over Government entrance into the power business. Let me devote a few minutes to the subject to show you the battles which have to be fought to advance the nuclear program.

Plutonium is a prime ingredient in atomic and hydrogen weapons, and we hope and believe that someday soon it can also be used as fuel in atomic powerplants.

FIGHT TO INCREASE PLUTONIUM PRODUCTION

The Democratic members of the Joint Committee have fought long and hard to increase plutonium production facilities, so as to be ready for added production which will be necessary when the small atomic weapons are developed. The Joint Committee was supported by the Army, Navy, and Air Force and the Joint Chiefs of Staff, going as far back as 1956 and 1957.

In 1958 Congress was finally able to authorize construction of a plutonium production reactor at the AEC Hanford installation, which included features by which the reactor could be converted to the production of large quantities of electric power—perhaps as much as 900,000 kilowatts.

For a time there were signs that the project would run into trouble—trouble traceable to the fact that the AEC and the administration did not want to see Government generating power.

The Commission, under Chairman McCone, proceeded with the design of the convertible plant. But AEC, on its own initiative, selected the Stone & Webster Co. to make a so-called technical and economical analysis of the convertible reactor. Stone & Webster, along with being good engineers, are noted particularly in the Northwest for their private power bias.

Sure enough, a few weeks ago the AEC sent us the Stone & Webster report and suggested that the Joint Committee on Atomic Energy reexamine the economics of whether AEC should go ahead with the convertible features of the reactor.

CONGRESSIONAL ASSUMPTIONS REVERSED

It has been very difficult to wade through the tangled assumptions and statistics of the Stone & Webster report. Suffice it to say that they have reversed the assumptions used by the Congress in authorizing the plant, and have attempted to determine the economics of the cost of power from the reactor using an assumed cost of plutonium. After setting up this strawman, and rigging the costs with nonexistent interest and insurance charges, Stone & Webster proceeded to compare it with the cost of power

from the most efficient conventional plant which could be built near the load center.

It would not surprise you that Stone & Webster found this hypothetical conventional plant would produce power cheaper than the hypothetical dual-purpose reactor. They apparently never got around to seeing how cheap plutonium could be made from the reactor using the projected established value of power approved by the Federal Power Commission and the Bonneville Power Administration.

Also not taken into account was the fact that private and public utilities in the area recommended going ahead with the construction of the convertible reactor.

We squared away for a fight, but I have talked the problem over with Mr. McCone and I believe he takes a more reasonable attitude than Stone & Webster did. I have faith that the project will go ahead as Congress planned.

BUY-BACK PRICE MORE THAN DOUBLE

It is interesting to note, however, that AEC is moving right along on a proposed agreement with a foreign country for the procurement of plutonium. The Joint Committee has been informed that AEC proposes to pay the so-called weapons buy-back price for this plutonium, which is $30 a gram instead of a price in the neighborhood of $14 a gram which was the basis on which this foreign plutonium production has been financed.

Make no mistake about it. We are not talking about peanuts. We are talking about thousands of kilograms of plutonium, and over $175 million of excess costs.

Last year AEC proposed essentially the same thing as an amendment to section 55 of our law in connection with the amendments on exchange of weapons information with NATO countries. Some of my colleagues and I objected that this was a stratagem to permit the subsidization of our lagging private atomic program. Perhaps a bit of history would be appropriate. In a speech to the Washington Press Club on May 15, 1958, I stated:

"I have tried to be consistent on this score. When a briefing session was held at the White House in December 1957, I did not remain silent as the buy-back was discussed. On the contrary, I said frankly then to the President and to his assembled advisers that this proposal looked to me like an effort to bail out Walker Cisler and his Detroit Edison plant now under construction at Lagoona Beach, Mich. I smelled a mouse, and sure enough when the AEC testimony was given in January, it was made clear that the AEC planned to treat domestic producers of plutonium equally as well as it treated foreign producers. That meant a $30 price to Detroit Edison for a 10-year period. Its project is still in trouble from a safety standpoint, and there are collateral financial questions. It is still locked in litigation. Yet I am convinced that the AEC Chairman, as in the Dixon-Yates controversy, hopes that someday opposition from the Joint Committee will die down and that thereafter the $30 price for plutonium may rescue Detroit Edison stockholders."

As a result of our objections last year, AEC reluctantly dropped the controversial section 55 amendments. Now this year once again AEC is coming up with what is apparently the same proposal, but with no amendments to authorize it. I have recently written a letter, dated March 13, 1959, to the AEC raising these policy and legal objections.

Here again we have the seeds of trouble. At first glance, it might appear that the administration worries about wasteful spending and its effect on a balanced budget while at the same time it subsidizes or bails out domestic and foreign power organizations. We could vigorously oppose such a program. But we also must remember that we do not live alone in the world. Britain has been our oldest and most reliable ally. I hope we may assist her without prejudicing our domestic atomic energy program.

DOMESTIC POWER PROGRAM

So much for plutonium and its relation to power. Let us now turn for a few minutes to the program at home.

You will remember that there have been two basic atomic energy acts. One was the McMahon Act of 1946 taking atomic energy from the military and giving it to a civilian commission. The other was the Cole-Hickenlooper Act of 1954, adopted after long hearings and a tough floor fight, including some 13 days of Senate debate.

During the 1954 hearings the testimony to end the Government monopoly in atomic energy and turn private enterprise loose was both lengthy and eloquent. The vice president of General Electric said: "Congress has a tremendous opportunity to unleash the forces of free enterprise and in that way insure that we lead the world."

Well, we passed the bill, but it was a little like the dramatic plea that the Generalissimo Chiang Kai-shek be unleashed so that he might invade the Chinese mainland. Chiang has been unleashed now for quite some time. But the mainland was never more secure. We unleashed a lot of power companies and if I wanted to be cynical, I might say that we unleashed them to let them make rather substantial financial errors.

GOVERNMENT FOOTS BILL

The forum memo of the Atomic Industrial Forum for March 1959, page 33, lists U.S. reactor costs based on AEC figures submitted to the joint committee. First on its list is Shippingport which is generating 60,000 kilowatts of electric energy but not due to the 1954 act. Shippingport, which is sometimes held up as a great example of private initiative at work, is an inspiring sight, as I can testify, having visited it just 1 week ago today. But Shippingport was started under the 1946 act and is a Government plant in that all but $5 million on the nuclear end comes from the U.S. Treasury and some $20 million for turbo-generation facilities from the Duquesne Power Co. The forum memo lists its 1959 costs at $73,577,000, an increase of 38 percent over the original estimate. So you must remember that of that large sum only $5 million represents the contribution of the private enterprise to the nuclear reactor proper.

I like the Shippingport plant. I like the fact that Admiral Rickover has put into Shippingport a lot of challenging ideas that eventually will bring us closer to competitive atomic power. I like the fact that he plans to step up its production pace to 10,000 kilowatts—maybe to 125,000 kilowatts, and eventually if all goes well to 150,000 kilowatts and even more. But this isn't private enterprise turned loose to run with the ball. This is your money and mine, the funds of the taxpayers of the United States invested in an attempt to see how much could be done under the McMahon Act of 1946 prior to the day that the forces of free enterprise were so dramatically unleashed. Perhaps this is why Shippingport is sometimes the object of a slander campaign designed to indicate that its power is expensive because it was Government-sponsored.

LOSSES SUBSTANTIAL

But let's take a peek at what happens when you unleash private enterprise in this field. Just outside of Chicago, Commonwealth Edison is building the Dresden plant. It is being built as a turnkey job to cost $45 million, of which Commonwealth Edison puts up $30 million and various other companies interest in research will put up $15 million. But rumor has it that there may be some substantial losses on the $45 million figure. In a talk with a manufacturing executive, I estimated the loss at $15 million, and his reply was that I wasn't close to the final figure that General Electric—the builder of the plant for Commonwealth—will have to budget, that the loss will be much larger.

At Indian Point, N.Y., Consolidated Edison of New York is building a plant which will have a capacity of more than 200,000 kilowatts, not all of which will be atomic. The forum memo shows the original estimate as $55 million. By 1958, the estimate reached $90 million. More recent testimony was that the cost has been moved up to $100 million. Only last week I got a private estimate that the cost will go far beyond that because not all the development has yet been done. The introduction of thorium has presented some perplexing problems; and the increase over the original estimate of $55 million may more than double the original figure when all the expenses are totaled.

Many of us on the Joint Committee feared these increases and delays might happen and said: "Let the Government build the first generation plants. Let it test out the concepts and the theories. Let it find out how these devices perform, exactly as it did when, in the military reactors, we built a land-based prototype of the powerplant of the *Nautilus* and tried it out before we developed the plants for the *Nautilus*, the *Skate*, and the *Skipjack*."

GOVERNMENT AID NOT FORECAST

But every time we suggested the route of caution and the procedure of proving out the advance steps by Government construction, we were challenged to let private industry "go it alone."

When the Detroit Edison reactor was being considered, the Joint Committee was told: "We do not expect any financial appropriation to the project." Later on there was a suggestion that the Government finance some work in Government laboratories and thereby make a contribution to the project. But there followed these words: "If the Government is unwilling to make this contribution some of our scientists are willing to go it alone."

Let me use as an example the testimony of Charles B. Oakes, then President of the Pennsylvania Power & Light Co., in the 1956 hearings when the private utilities were doing their best to beat the Gore-Holifield bill.

"Industry" Mr. Oakes assured us, "is moving just as fast as it can * * *. What I am saying here is that the public utility industry is prepared to do this job, and under those circumstances the Government of the United States should not intervene." Intervene? All the Government wanted to do was help—not hinder.

RESEARCH AND DEVELOPMENT FUNDS PROVIDED

Mr. Oakes, of course, was talking about private construction of a homogenous reactor to forestall AEC construction of such a plant. The fact remains that in 1958 Pennsylvania Power & Light was back asking for research and development money. Even though there had been rather adverse testimony a couple of years before, the joint committee reported out legislation authorizing the special research and development money and it was included in proper appropriation bills. After all that and within 4 or 5 months of our hearings, Pennsylvania Power & Light Co. gave up the project on financial and technical grounds. Can you imagine what would have been said about us if we had held back the money? That would, of course, have given aid and comfort to those who would have contended that we were trying to pass bills to put the Government in the business of constructing

these reactors when private industry was ready, willing, and able to do it.

I say that because members of the Joint Committee, particularly on the Democratic side, always have to face the charge that there is something a little socialistic about their zeal to have the Government build these experimental prototype reactors which we know are not commercially attractive or economically feasible. The former Chairman of the Atomic Energy Commission, the current Secretary of Commerce, Lewis Strauss, spoke on September 18, 1957, at the dedication of a research center for the U.S. Rubber Co., of which he was a director for a generation. He stressed the need for "faith in the preservation of our American system of free enterprise. This is the winning of the cold war that has been going on within our own country for years."

UTILITY CUSTOMERS PAY COSTS

"Make no mistake about it," said Admiral Strauss, "this threat is a serious one. There are people who are politically dedicated to the encouragement of socialist projects." I break in there to remind you that there will always be talk of socialism whenever the Government construction of prototype reactors, and even second generation reactors, is under consideration. That is what Admiral Strauss was shooting at, those of us who believe that it is no favor to Consolidated Edison of New York or its customers who in the end pay the costs of the Indian Point Reactor in their rate structures to have the project scheduled to cost $55 million and have it in the end cost $150 million. We don't think it is any favor to General Electric, Bechtel, and the other firms participating in the Commonwealth Edison reactor, to have a turnkey job at $45 million which eventually costs $75 million, and we don't think it is socialistic to say so, Mr. Strauss to the contrary notwithstanding.

I now go back to his statement: "There are people who are politically dedicated to the encouragement of socialist projects," says the admiral, "and their continual election to office evidences that public support exists for such misguided economics. Unless continually fought, the battle against socialism can be lost here within the United States. I do not think we have lost any recent ground to this doctrine." Admiral Strauss could say that in 1957 because we had not then held the election of 1958. But when the smoke had cleared away after the 1958 election, he could see what happened from Ohio to Wyoming, from Connecticut to California, a double amputation in the Republican Senators from West Virginia, all over the map where Republican candidates for Senate and House had to pay for the talk that Strauss and company threw into the 1958 campaign about socialism in atomic energy.

But I must return to Admiral Strauss and his speech: "I do not think we have lost any recent ground to this doctrine, but its proponents are vigorous, intelligent, ruthless, and indefatigable. If we intend to maintain the system that made us prosperous and great, we leave this sector undefended at our peril."

GAS-COOLED REACTOR CONSTRUCTION

What sector was he talking about? Well, I suppose he had in mind the proposal of the Joint Committee on Atomic Energy that, in addition to the plutonium reactor at Hanford required for our national defense, provision be made for the construction of a gas-cooled reactor. This is a long story, but you need to know a little of its history.

The Joint Committee, after considering gas-cooled reactor proposals since 1956, finally got a study project authorized in 1957 over AEC opposition.

The study was contracted to Kaiser-ACF and they prepared a design report. AEC then requested authorization of $51 million of this type reactor for detailed design and construction and it was included in the AEC authorization for fiscal 1959 on which hearings were held early in 1958.

At that time, during May and June 1958, there were rumors that a new combine would come forth and offer to build a high-temperature gas-cooled project to replace the Kaiser-ACF design. Time will not permit me to read page after page from the testimony developed June 4, 1958, but the conclusion of the spokesman of the AEC was that industry would not want to come in under the private demonstration program on a gas-cooled reactor, and a definite commitment for the Government to go ahead in case industry did not come in was then and there made.

DIFFERENT TYPES PROPOSED

On November 21, 1958, the last day under the law, a group of 52 utilities headed by Philadelphia Electric and including representatives of General Dynamics, submitted a proposal for a high-temperature gas-cooled prototype of a different design from the Kaiser-ACF type.

We do not plan a seminar on reactor design tonight, but I must spend a moment on these two ideas.

The British have gas-cooled natural uranium reactors now operating at Calder Hall. They are reasonably successful. Let's call them the first generation of the Calder Hall type.

The British are now building an advanced Calder Hall type, a second generation. It, too, is gas cooled but uses slightly enriched uranium. We see the British selling a nuclear plant to Japan, and we want to see our manufacturers and workmen have a chance for world business. So the Joint Committee made the proposals I have mentioned, and they led to the Kaiser-ACF studies.

But the British have a third Calder Hall type—a third generation. This is purely in the design stage there. It will use enriched uranium and work at higher temperatures, which should increase its efficiency. Many things about it remain to be tested, but it could give power costs nearly competitive in England with coal- and oil-fueled types, maybe actually so. We want to watch that closely, and General Dynamics, Philadelphia Electric, 51 other utilities and the AEC want to build it with the Government putting $14½ million into its research and development and writing off $8½ million more by the tax route, a total of $23 million out of a total cost of just under $40 million.

POWER GENERATION BASES ISSUE

Maybe we ought to build them both—the Kaiser-ACF design and the General Dynamics-Philadelphia Electric project—but it isn't just that simple. The AEC has talked of reducing the $51 million already authorized for the Kaiser-ACF reactor to $30 million, eliminating the prototype aspect by building it in a much more experimental manner, and leaving out all but a nominal amount of electric power. Simultaneously it would take $14.5 million of the $21 million so saved and give it to the General Dynamics-Philadelphia Electric Co. for research on its project which the British feel is a little too risky for them to construct now.

That is all there is to the controversy. Should the Government now go ahead and build the Kaiser-ACF experimental prototype as originally authorized by the Congress even though it has some power connected with it and might scare some private utility, or should it put the Kaiser-ACF study virtually on the shelf by making it far more experimental, and making sure that no power is generated which the Government might have to utilize in one of its installations?

I think the situation is easy to understand. The AEC did not get a proposal by November 21 for the construction of the type of reactor contemplated by the congressional act signed by the President. Never mind whether the General Dynamics-Philadelphia Electric proposal is good or bad. There still remains the obligation under the law to proceed. The General Counsel of the AEC on January 2, 1959 said that the General Dynamics-Philadelphia Electric proposal did not qualify under the criteria set forth in the law. Why did not AEC proceed on the Kaiser-ACF proposal that day, or the next, or the week following? Why are we—2 months later—stalled on dead center with the joint committee being asked to retreat from its former position, which it established only after three or four vigorous floor fights?

I understand that AEC may be undergoing a change of heart on the Kaiser-ACF concept. Apparently they may be willing to go ahead after all with the original project if we are willing to cut down on electric power production somewhat, and not call it a prototype. At this moment, we are not so concerned with semantics as we are with compliance with the law. Again, I have hope.

AEC PROGRAM "TIMID"

From what I have told you thus far, it should be clear that AEC moves slowly with Government construction of prototype atomic power plants. In lieu of such a program the Commission has proposed a continuation of its power reactor demonstration program, with increased financial assistance to private organizations. This type of program has lagged rather badly in the past, and the AEC program for 1960 of financial assistance for two or three small prototypes has been characterized by my colleague ALBERT GORE as being somewhat timid. CHET HOLIFIELD, chairman of our Subcommittee on Legislation, who is now known as the "First Chef" of our legislative kitchen, characterized the AEC program in the same vein.

I would like to emphasize that we aren't making these comments just to be critical. We are in dead earnest that U.S. leadership in atomic technology is in process of being seriously threatened. AEC estimates that by the end of 1963 we will have less than 1 million kilowatts of atomic power plants, whereas England will have three times that much. It appears that the Soviet Union will also have 2 million to 3 million kilowatts by that time with considerable diversity.

Moreover the pattern that is developing in the United Kingdom and the U.S.S.R. is in marked contrast to the program AEC is recommending here. In England in their expanded program, they are constructing large-scale reactors of up to 250,000 kilowatts per reactor and 500,000 kilowatts per station. In Soviet Russia they are also apparently constructing large reactors up to 200,000 kilowatts per reactor and 400,000 kilowatts per station.

What is the American public going to say about this situation if we find ourselves in 1963 a second or third rate competitor in the field of atomic power and technology? Where are the plants coming from after 1963? To exist then, they have to be put on the drawing boards in the next year or so.

THE 1960 PROGRAM

It is for the above reasons, plus the fact that our own energy needs will require atomic power in the 1970's as a supplement to conventional fuels, that some of us in the joint committee have supported an accelerated atomic power program. For fiscal 1960, in addition to the projects proposed by AEC, I believe we should consider the following projects:

1. AEC construction of 1 or 2 experimental power prototypes at AEC sites with the power to be absorbed at the site (these

projects might include a natural uranium-heavy water prototype and an organic prototype);

2. AEC support of 1 or 2 large-scale or intermediate-size second or third generation power plants under the power demonstration program utilizing differential construction grants on a trial basis;

3. Extension of the second round power demonstration program to include one or two small or intermediate-size second or third generation plants. (The plants under two and three might include boiling and pressurized water reactors.)

4. Authorization of several additional design studies of promising reactor types.

In addition to the civilian atomic power program, we shall of course be concerned with civilian ship propulsion reactors, the naval reactor program so ably directed by Vice Admiral Rickover, and the aircraft nuclear propulsion project which Mel Price and the rest of us would like to get off the ground.

LONG-TERM PLANNING

The problems and shortcomings I have discussed so far have been of a short term nature. They cover what is and should be happening in the next year or 2 or the next 5 or 10 years at the most.

But man does not live by bread alone. He has to dream, and indeed he has to plan and forecast ahead if he is to avoid his bread being overly radioactive.

I have felt for some time that the joint committee should sponsor a long range survey of advanced applications of atomic power for the period up to the year 2000. Such a survey would consider such advanced ideas as controlled thermonuclear power, the direct conversion of heat to electricity, atomic power for outer space propulsion, the utilization of solar energy, and the like. I hope to get this survey under way in the 86th Congress, and it may just possibly be the most productive effort we undertake.

NEED FOR LEADERSHIP

All of the problems and issues I have discussed with you revolve in one or another on the matter of leadership. The laissez faire system unleashed by Mr. Strauss in 1954 has not provided the results hoped for, and has been abandoned by the AEC. It remains to be seen whether the AEC-directed small prototype program can be successful. Their policy of inviting proposals in all cases from industry would seem to entail all the hasseling and delays which have plagued the program in the past.

I hope the Commission and its new Chairman will see the light and try to get the program on the track again. We on the Joint Committee are anxious to cooperate in any way possible. But AEC must learn, as we have learned, that cooperation is a two-way street, and that there has to be some give as well as take.

In any event the Joint Committee, through its majority and, I hope, with the support of the minority, is ready in the 86th Congress once again to provide the leadership which is the biggest gap in the atomic power program of the United States.

AN INDEPENDENT SUPREME COURT

Mr. KUCHEL. Mr. President, "We cannot permit the Supreme Court's independence to be undermined by direct or indirect assaults. Nor can we stand by and let the Court suffer for its declaration of some of the finest values in American life; for its recognition that the declared standards must be lived by; for the reaffirmation of the integrity of the individual; and that the State is required to treat its citizens with equality. We should be proud to support and defend each additional step toward the day that man shall be judged in accordance with his intrinsic worth as a member of the family of God."

Mr. President, those sturdy words were used by a distinguished American lawyer, the Solicitor General of the United States, the Honorable J. Lee Rankin, in closing an excellent address on March 13 before the Pittsburgh regional meeting of the American Bar Association. Solicitor General Rankin's address is entitled, "An Independent Supreme Court." It ought to be read by the Members of the Congress; it ought to be read by the lawyers of America; indeed, it ought to be read and studied by all citizens. The excellent and vigorous logic with which the Solicitor General has courageously answered the intemperate abuse by some of the U.S. Supreme Court ought to invigorate and restore the faith in that venerable institution which it merits.

I ask unanimous consent that the text of the address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN INDEPENDENT SUPREME COURT

(Address by Hon. J. Lee Rankin, Solicitor General of the United States, before the Pittsburgh regional meeting of the American Bar Association, Pittsburgh, Pa., March 13, 1959)

If we did not have a Supreme Court today we would have to create one or our basic freedoms would rapidly disappear. But despite this fact a favorite sport of the day is to attack the Court. It is the target of a rare combination of dissident groups who have found common ground in their displeasure with decisions in their fields of special interest. Segregation is the particular rallying point at the moment but the complaints cover limitations on congressional power in congressional hearings,[1] restrictions on dismissal of Government employees in security programs,[2] prohibition against punishment by States for sedition directed against the United States,[3] denial of power to discharge an employee for claiming privilege against self-incrimination before congressional committees,[4] and determination that a State cannot draw unfavorable inferences from a mistaken but honest refusal to answer relevant questions in a proceeding for admission to the bar.[5]

It is not a new development to find the Court the center of such assaults. Throughout our history it has been near the storm center.[6] The very nature of its work requires it to pass upon questions of great sensitivity to interested groups of citizens. Since passions are easily aroused in such matters, a slight shift in course may move the Court out of the eye of the hurricane and precipitate it into the whirling vortex.

A brief reference to our history reveals periods of disenchantment with the Court by persons from various sections of the country. These complaints date back almost to the founding of the Union. When the Court held, in 1793, that a State could be sued by a citizen of another State,[7] the States were aroused because many of them had outstanding obligations which were delinquent. Georgia's Legislature promptly prohibited collection of the judgment against it and the clamor subsided when the 11th amendment was passed to prevent any further suits against a State in Federal courts by citizens of another State, or a citizen of a foreign state.

In 1798 Virginia and Kentucky were stirred up by the alien and sedition laws, and anticipating that the Court would uphold the acts, Madison, and Jefferson and John Breckenridge, together, anonymously drafted the resolutions against the Court for the respective States.[8] In the Virginia resolution Madison made the first reference to the doctrine of interposition. There he expounded the idea that each party (the State and Federal Governments) had the power to judge for itself as to excesses in governmental action and to determine the measure of redress.

When the Court, in 1816, decided that it had the power to review the action of the supreme court of a State[9] there was little immediate reaction. However, between 1821 and 1862 there were at least 10 bills introduced in Congress to deprive the Court of such jurisdiction in whole or in part.

South Carolina defied the Federal Government and incidentally the Court with its nullification ordinance on November 24, 1832, specifically directed against the Tariff Act of 1828 after the decision in the second Cherokee case. Then it was disappointed when its native son, Andrew Jackson, did not take his part in the dispute. However, soon after that the legislature declared the tariff null and void and forbade Federal agents to collect it, and Jackson met this action by the Force bill of 1833 conferring protective jurisdiction on the Federal district courts and threatened to place warships in the port of Charleston. After a compromise tariff South Carolina withdrew its nullification statute.

It was not merely in the South or Border States that we find this opposition to the Court. In the North, in 1809, the Pennsylvania Legislature defied the Federal Court's ruling as to the ownership of a sloop claimed by the State.[10] The marshal was prevented by State troops from serving the process of the Court and the grand jury indicted the commander of the militia.

Madison's response to the Governor's letter was:

"The Executive of the United States is not only unauthorized to prevent the execution of a decree sanctioned by the Supreme Court of the United States, but is expressly enjoined, by statute, to carry into effect any such decree where opposition may be made to it."[11]

Although State troops were withdrawn, the general was convicted, but his sentence was remitted to 1 month by President Madison.

President Eisenhower expressed his recognition of the responsibility of the Chief Executive in a similar manner with regard to Little Rock.[12]

The War of 1812 with its embargo on shipping produced the same kind of anti-Union sentiments in New England that supported

[1] *Watkins* v. *U.S.*, 354 U.S. 178.

[2] *Cole* v. *Young*, 351 U.S. 536.

[3] *Pennsylvania* v. *Nelson*, 350 U.S. 497.

[4] *Slochower* v. *Bd. of Education of N.Y.*, 350 U.S. 551.

[5] *Koenigsberg* v. *State Bar of California*, 353 U.S. 252.

[6] "Holmes, Collected Legal Papers," p. 292.

[7] *Chisholm* v. *Georgia* (2 Dallas 419).

[8] "The Kentucky Resolutions of 1798," by Ethelbert Dudley Warfield, p. 163.

[9] *Martin* v. *Hunters' Lessee*, 1 Wheaton 304.

[10] *United States* v. *Judge Peters*, 5 Cranch 115.

[11] 11th Cong., 2d sess., 2269–2270.

[12] Nationwide radio-television speech, New York Times, Sept. 25, 1957, p. 14; telegram to Senator RUSSELL, New York Times, Sept. 29, 1957, p. 56; news conference, New York Times, Oct. 4, 1957, p. 8.

the South Carolinians in 1832 and in fact the first secessionists were the New Englanders. Conflicts became so bitter at times that Marshall indicated his discouragement in writing to his friend Story in 1832, saying:

"I yield slowly and reluctantly to the conviction that our Constitution cannot last. * * * The Union has been prolonged thus far by miracles. I fear they cannot continue." [13]

Of all resistance movements the most violent reaction in the North was caused by the fugitive slave law and the Court's decisions relative to fugitive slaves.[14] The people were aroused by the convictions of abolitionists in Federal courts but these were nullified by habeas corpus proceedings in State courts. When the Court held the State courts were exceeding their authority,[15] the opinion was vigorously denounced.

At the time of the Dred Scott decision in 1857 [16] the claim was made that the Court's action was one of the principal causes that brought on the Civil War. Many historians believe that that conflict was inevitable in view of the positions of the North and South but there is no question that the decision largely reduced the reputation and standing of the Court for many years. The effect was so substantial that in the period between 1860 and 1870 the independence of the Court was more seriously threatened than at any time since Jefferson. Historians now recognize that this result was in a considerable measure caused by the continuous assault on the Court that was maintained for 9 years before the decision, for the purpose of reducing its influence in the anticipated graver controversy over slavery.

The Civil War brought a brief respite during which the country was engrossed with that conflict. Shortly after the war was over, however, the Court proved to be a cohesive force and a conciliatory means when it held unconstitutional as bills of attainder and ex post facto laws both State and Federal test oaths of past loyalty as conditions to the practice of the professions.[17]

From this time on until recently the nature of the opposition shifted so that it came from groups having a common interest rather than from sections of the country. Organized labor fought against the labor injunction,[18] and during the New Deal in 1937 the Court-packing plan failed of enactment when the trend of Court decisions changed and public opinion did not support the plan.

This is a summary review of some of the storms that have beat about the Court prior to this one. The present high winds of opposition are probably one of the more violent attacks and the gale which started this was the segregation cases.

In considering those actions it is helpful to examine the choices open to the Court. The provision of the Constitution involved was the application of the following portion of the 14th amendment:

"Nor [shall any State] deny to any person within its jurisdiction the equal protection of the laws."

What meaning was to be given this language in the context of these cases? Was it to be what the draftsmen had in mind at the moment of adoption, and if so, who were the draftsmen? Or is the sense to be given it by those who have to make the determination today, under present conditions, but in the light of the broad purpose of the amendment? Was the interpretation one to be made in the light of the classic statement by Chief Justice Marshall: "* * * it is a constitution we are expounding"? [19] And does that include applying it as a charter of government that is expected to last through the ages? If the latter is the correct application the Constitution must have an inherent ability to grow with the law.

Some parts of the Constitution deal with historical terms like "attainder of treason," "corruption of blood," "letters of marque and reprisal," and "infamous" as applied to crimes, and, therefore, we must seek their meaning in history. Others such as "due process of law," "regulate commerce with foreign nations and among the several States," and "the general welfare of the United States," and words like "liberty" and "property" express broad concepts and standards that cannot be so limited or confined but must be recognized as involving growth factors if the Constitution is to serve an evolving and dynamic country. For the Constitution to be a living organism we must assume that the meaning of its provisions shall be gained from "their origin and the line of their growth" as Justice Holmes said.[20] As Judge Hough said about the due-process clause, these expressions are of "convenient vagueness." [21] They require the Court to put meaning into the Constitution and not to take it out.

Obviously, the significance of such an approach to interpretation is vital to our national development. It is a mere formality. Such constructions are quite distinct from mathematical formulas which have their essence in their form.

Turning again to the amendment it is clear that the language—equal protection of the law—was born out of the concern for elimination of racial discriminations.[22] It was developed primarily to meet anticipated State action that was expected to be discriminatory because of race. Any interpretation that was to have validity would have to recognize this basic consideration. In addition, the amendment as it applied to racial discriminations had had a significant line of growth when the segregation cases reached the Court.

It had already been recognized that although service on a jury was a duty rather than a privilege, it was within the clause.[23] Municipal zoning laws on a racial basis, while providing equally for exclusion of whites from Negro sections of a community and colored from white areas had been forbidden.[24] The Court had held that under the 15th amendment in primary elections there must be a nondiscriminatory suffrage despite the claim that primaries were private affairs and not State activity.[25] And when education was examined in a group of cases where colored persons sought entry into State-supported universities, it was determined that they were entitled to admission and the petitioners were within the equal protection guarantee.[26] In each of the latter cases it was accepted by the Court and the parties, including the State concerned, that the educational provisions made by the State had to meet the requirements of due process of law and equal protection of the laws declared by the 14th amendment. It was not seriously thought or believed that because education is primarily a State responsibility, it could be carried on in a manner contrary to the 14th amendment. For otherwise even the so-called separate but equal doctrine would have been an infringement on State rights.

Each of these cases was earnestly and strenuously contested and although the result may now seem to have been clearly indicated, the outcome at the time was not obvious. However, the development of the equal protection doctrine was manifest to the careful observer.

When the segregation cases reached the Court, three lines of decision were open to it. One was to apply the old separate but equal doctrine and declare in 1954 that segregation by law was consistent with the national understanding of legal equality. But in any event such an application of the rule would require that it first be reexamined under the theory that interpretations of the Constitution are not automatically foreclosed by stare decisis. This principle is based on the assumption that such holdings cannot be readily corrected by the legislature and should be reexamined from time to time in the light of later experience, greater wisdom, and understanding.

It can hardly be assumed that such a construction would have been accepted by the Nation even if some way could have been found to reconcile it with the decisions referred to. The conscience of a great people could not be denied so easily. It is also difficult to imagine how we could have justified such a judgment to the peoples of the world after repeated claims that under our law citizens have equal rights and that we have no second-class citizenry.

A second approach would have been to say that the cases involved a political question to be determined by the Congress under its power to legislate as provided in the amendment. This course would not only be evasive but also would have been a sharp departure from the practice of the Court in 14th amendment cases. It would, in addition, have been contrary to the established law, since for 75 years Congress had left it to the Court and the Court had undertaken to develop the content of the equal protection clause.[27]

The third solution is the one the Court followed.[28] It is assumed the responsibility, applied the experience it had and the developed law and concluded that since "education is perhaps the most important function of State and local governments" and the "very foundation of good citizenship" where the State undertakes to provide it, the "right * * * must be made available to all on equal terms." It proceeded to declare that separation of children in the educational process from others of their own age and qualifications "because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone." The Court concluded by saying that "Separate educational facilities are inherently unequal," and are in viola-

---

[13] Warren, "The Supreme Court," vol. 2, p. 229.

[14] *Prigg* v. *Pennsylvania*, 16 Pet. 539; *Jones* v. *Van Zandt*, 5 How. 215.

[15] *Abelman* v. *Booth*, 62 U.S. 506.

[16] 9 How. 393.

[17] *Cummings* v. *Missouri*, 4 Wall. 277; *Ex Parte Garland*, 4 Wall. 333.

[18] *New Negro Alliance* v. *Sanitary Grocery Co.*, 303 U.S. 552, 559–563; *United States* v. *Hutcheson*, 312 U.S. 219, 235–236.

[19] *M'Culloch* v. *Maryland*, 4 Wheat. 316, 407.

[20] *Gompers* v. *U.S.* (233 U.S. 604, 610).

[21] 32 "Harvard Law Review," 218.

[22] Slaughter-House cases (16 Wall. 36, 71); *Strauder* v. *West Virginia* (100 U.S. 303, 306–307); *Virginia* v. *Rives* (100 U.S. 313, 318); *Ex Parte Virginia* (100 U.S. 339, 344–345); *Maxwell* v. *Dow* (176 U. S. 581, 592).

[23] *Ex Parte Virginia* (100 U.S. 339).

[24] *Buchanan* v. *Warley* (245 U.S. 60. See also *Shelley* v. *Kramer* (334 U.S. 1, 23).

[25] *Nixon* v. *Herndon* (273 U.S. 536, 541); *Smith* v. *Allwright* (321 U.S. 649).

[26] *Missouri ex rel. Gaines* v. *Canada* (305 U.S. 337); *Sipuel* v. *Board of Regents* (332 U.S. 631); *Sweatt* v. *Painter* (339 U.S. 629); *McLaurin* v. *Oklahoma State Regents* (339 U.S. 637).

[27] See notes 22–25, *supra*, pp. 8–9.

[28] *Brown* v. *Board of Education*, 347, U.S. 483.

tion of the equal protection of the laws guaranteed by the 14th amendment.

The Court was unhurried in arriving at its decision and the disposition of the cases. It requested two arguments and extensive briefs before it arrived at the unanimous determination that separate public schools because of race was a violation of the equal protection clause. Additional argument was had before the Court proceeded to the decree stage.[29] In the relief ordered it carefully provided for the local Federal courts to pass upon proposed plans for desegregation according to equitable principles. It directed the lower courts to require a prompt and reasonable start and after that provided that they might find some delay necessary when it was affirmatively shown to be required in good faith compliance. The lower courts were instructed that with regard to allowing additional time they might consider problems relating to the physical condition of the school plant, the school transportation system, personnel, revision of school districts, and attendance areas into compact units to achieve a system of determining admission to the public schools on a nonracial basis and revision of local laws and regulations which may be necessary in solving those problems.

The courts were also directed to enter such orders and decrees as were necessary and proper to admit to public schools on a racially nondiscriminatory basis the children involved in the cases with all deliberate speed. They were enjoined not to allow the "vitality of these constitutional principles * * * to yield simply because of disagreement with them."

Much speculation has resulted as to what the Court intended by the expression "with all deliberate speed." It was not the first time that that phrase had been used by the Court, since it had been relied upon in other cases. The phrase "with all deliberate speed" did not originate, of course, in the opinion of May 31, 1955. This classic phrase, derived from the English courts of chancery, is traditionally used by courts of equity in fashioning decrees to meet the needs of justice in cases before them where flexibility and adaptability to varying circumstances are required.[30]

Thus the Court demonstrated thorough study and reflection, a keen appreciation of the sensitivity of the issues, and a thoughtful selection of a plan for their solution. There was nothing precipitate about its action although there could also be no uncertainty about its conclusions or the relief that was accorded under the Constitution.

Let us turn now to the problems of implementation. Actions in Little Rock, *Aaron* v. *Cooper*,[31] proceedings and developments in Virginia,[32] are common knowledge which we all obtained from the daily press. Recent count discloses that out of some 2,800 school districts which were segregated prior to the *Brown* decision about 800 are either partially or entirely desegregated. There still remains many areas where nothing has been done.

I would not suggest that desegregation will be accomplished by positive law alone. But there are other powerful forces at work. Religious groups have generally taken positions actively supporting desegregation on moral grounds. Business and other economic interests are showing alarm at the adverse effects experienced and anticipated as to industrial and economic growth and development in areas of resistance. Citizens generally have become fearful of the possibility of attempts to destroy public education as a countermeasure and all that that prospect means to a community. Youth is demonstrably ready to adjust quickly to the necessary changes in most cases.

All of these groups acting with good will are at work outside the area of mere law to try to achieve as easy a transition as possible. There is confirmation in experience that compliance does produce a successful changeover and may, in improving the Negroes' status and self-respect, eliminate other problems.

However, the people with the greatest interest in and influence upon, and to be sure the largest stake in the successful resolution of this issue according to law, are southerners. They cannot afford to abandon the phenomenal progress the South has made in recent years—a modern industrialization that is only partially achieved. In the competition between various sections of the country for people, investments and business growth the South cannot be content to abandon the program that it has undertaken along with the rest of the Nation to train its people for their greatest capabilities as well as the responsibilities of citizenship, in a system of public schools.

The leaders of the South who have vision and wisdom will keenly appreciate that regardless of its wealth in natural resources, incomparably the greatest assets of the area are the children, both white and black, who with or without the educational experience which is their due will be the citizens of tomorrow. It is difficult even to imagine at this late date in the 20th century the abyss into which a community could sink if it failed to provide public education within its means, to develop its citizens to their full capacities.

The whole problem also cries out for assistance from those not directly involved. The men and women courageously engrossed in the effort to implement these decisions need moral support and leadership. And in this vital task the bar can play an important part. Others must have an awareness of the grave difficulties involved in such a fundamental break from past practices and that it requires an active encouragement of all genuine and peaceful action for its achievement. Success will demand a realization of how necessary the change is to the preservation and progress of the South, and in addition, and, in at least like degree, a warmhearted sympathy for the suffering necessarily involved in the tearing out and replacement of such a deep-rooted custom.

However, returning to the Court, we must be vigilant that we guard against the indirect effects upon its independence by the current onslaught. Independence is primary in the administration of justice and we can never be too watchful in protecting it. We would be shocked to learn that the Court had been reached by bribes or other approaches by interested parties either within or outside the Government, but long continued, public attacks may cause an even more serious damage to the Court although it be an insidious and indirect effort to affect its judgment.

Justice gains her sustenance from a serene confidence that truth revealed will ultimately prevail. In examining the Court's work we lawyers readily forget that the public tends to equate law with morality. But any careful study reveals that censure is often directed at the Court for its sensitivity to the protection of the rights of the individual and its recognition in effect that moral principles are involved. But, may I suggest that that is one of its principal and indispensable functions. Our Constitution was conceived as an instrument to not only establish a government but to put into writing certain guaranteed rights of the people. Many of the amendments were adopted so as to further reinforce and make explicit that purpose. Obviously the Court would do us a great disservice if it tended to interpret those rights away.

These are heroic times and man is engaged in a period of not only historic thoughts, but orbital enterprises. From medieval times when he dreamed of the lunar system he has progressed to where he now plans to make a trip to the moon. His opportunities and prospects in almost all fields of endeavor are on a comparable scale. His knowledge of fissionable materials vastly increases his power to do good or evil. With such rapid developments involving great aggregations of capital, associations of labor and huge government, the individual never needed more the protection of his freedom by an independent Court.

Our profession has special knowledge and should have singular understanding of the very difficult questions the Court is called upon to decide, almost continuously. I urge you when you consider and then comment upon the Court's decisions that you keep before your mind's eye the protection that there is for individual rights in our opportunity to appear before the bar of the Supreme Court of the United States in their defense. As Justice Brandeis said: "What we must do in America, is not to attack our judges but to educate them." That principle especially applies to all those who purport to be learned in the law.

The layman cannot fully realize how much the Court means to the preservation of his freedoms and his fundamental rights. But we who labor in the law know that our responsibility for the defense of the Court is therefore incomparably greater. We cannot permit the Supreme Court's independence to be undermined by direct or indirect assaults. Nor can we stand by and let the Court suffer for its declaration of some of the finest values in American life; for its recognition that the declared standards must be lived by; for the reaffirmation of the integrity of the individual; and that the State is required to treat its citizens with equality. We should be proud to support and defend each additional step toward the day that man shall be judged in accordance with his intrinsic worth as a member of the family of God.

---

[29] *Brown* v. *Board of Education*, 349 U.S. 294.

[30] *Virginia* v. *West Virginia*, 222 U.S. 17, 20.

[31] *Aaron* v. *Cooper*, 358 U.S. 1.

[32] *School Board of City of Norfolk* v. *Beckett, et al.*, 260 F. 2d F. 18, — F. 2d —; *Allen* v. *County School Board of Prince Edward County*, 249 F. 2d 462, — F. 2d —; *Warden et al.*, v. *Richmond School Board*, — F. 2d —; *Kilby et al.* v. *County School Board of Warren County*, — F. 2d —.

THE PRESIDENT'S DECISION TO IMPOSE OIL IMPORT QUOTAS CAN IMPERIL RELATIONSHIPS WITH CANADA

Mr. NEUBERGER. Mr. President, I wish to add my voice to the protests being made against President Eisenhower's decision to impose oil import quotas. I also desire to emphasize an additional reason why the decision of the President is highly unwise.

This decision complicates our already delicate relations with our closest ally, Canada. We of the Pacific Northwest are extremely conscious of these relationships. We share with Canada the continent's major source of hydroelectricity, the Columbia River. We are dependent on friendship with Canada to use that mighty river in the economic interest of both nations. Canada could divert the Columbia, which would be disaster to us.

Yet, the administration has disturbed and offended Canada by imposition of oil import embargoes. Already the Canadian Government has expressed grave concern over the action of our Government. Do we not jeopardize mutual use with Canada of the great Columbia, Yukon, and St. John Rivers when our Government takes action which cripples Canada's oil industry?

I ask unanimous consent to have printed with my brief remarks a thoughtful and vigorous editorial from an independent Republican newspaper, the Oregonian of Portland, for March 12, 1959, which, likewise, protests against the President's imposition of quotas and bans on oil imports. The title of the editorial is "Ike Takes Sides On Oil."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IKE TAKES SIDES ON OIL

With his new order controlling oil imports to this country, President Eisenhower has taken sides on a most controversial question involving the proper use of America's petroleum resources. He has allied himself with those who would accelerate the development of our own domestic oil reserves, as opposed to those who would let much of America's oil lie underground while taking advantage of the opportunity—which may not always be with us—to bring in oil from the Middle East, South America and Canada.

There are good arguments on both sides of this debate. The President evidently was most impressed by those who told him unlimited imports of cheap foreign oil were hurting the independent oil producers in Texas, Oklahoma and California. If there is no incentive to search for new oil fields in this country, he was told, the Nation might be in a dangerous situation if war suddenly should shut off oil imports. Also, the U.S. coal industry has been hit hard by competition from foreign oil for industrial furnaces.

On the other hand, resource conservationists believe it makes sense to save America's oil for a rainy day. They are joined in this by large, international oil companies which have heavy investments in foreign oil fields and tanker fleets. There is the delicate matter, too, of diplomatic relations with the oil-producing countries. Cutting down their income from oil sales to us won't help our popularity in Canada and Venzuela.

While the President's order cuts crude imports about 25 percent, it slashes the import of gasoline and other refined products more sharply. This may have a considerable effect on gasoline prices, which already are showing an upward trend despite heavy stocks of gasoline now in storage. Producers say recent wage increases for refinery employees, plus the extra cost of turning out the higher octane fuels needed for modern auto engines, mean an inevitable rise of a half cent to a cent-and-a-half a gallon at the service station pump this spring. If refiners must use higher-priced domestic oil, this will add another inflationary factor. Yet motorists already are unhappy about the existing gasoline price level.

President Eisenhower's proclamation says he has directed the Office of Civil and Defense Mobilization to keep an eye out for price increases, and inform the President "whether such increases are necessary to accomplish the national security objectives of the proclamation."

The response to the President's decision has been just as one would expect. Congressmen from States with oil and coal fields have hailed it. Spokesmen for oil companies with heavy import programs have been critical of it. If the cost of running the family car and heating the family house goes up because of the President's order, he may hear an expression of opinion from the public that he has picked the wrong side of the argument.

AMBASSADORIAL APPOINTMENTS

Mr. DIRKSEN. Mr. President, like Will Rogers, all I know is what I read in the newspapers. I read a little squib in a local paper which reports on a meeting in Washington of the Workshop for Religious Liberals. I cannot mention the gentleman's name who made the speech quoted, because he is a member of another very distinguished deliberative body, but I notice in discussing politics as usual, he is quoted as saying:

> Under "politics as usual," (he) accused the administration of selling ambassadorships for campaign contributions filling the State Department with "incompetent schedule C political appointees"—

And so forth. I shall ask to have the clipping printed in the RECORD, Mr. President, but I thought I ought to make a comment or two regarding it.

Mr. President, ever so often when a noncareer ambassador is appointed and generously publicized, it has become a favorite indoor sport to place the emphasis on the appointee's wealth, if he is wealthy, and make it appear that this standing by itself is a disqualification for foreign service.

If that were true, one would be compelled to conclude with respect to those appointed under prior administrations that they also were disqualified and were mere political appointees who were favored because of contributions to the party.

I believe the record will show that in 1936 diplomatic appointees contributed $170,575 to the Democrat Party coffers and contributed $74,337 to the committee in 1944.

I allude to the matter because the distinguished chairman of the Senate Foreign Relations Committee [Mr. FULBRIGHT] did say that—

> Some (of) our ambassadorial appointments have not been up to the standard that should be maintained if our interests abroad are to be fully promoted.

It is, therefore, well to look at the record; and I believe it is quite outstanding under this administration.

There are a greater number of career diplomats serving in key positions today than ever before, and that is not only true of our missions abroad, but in the State Department as well. Of the 18 statutory State Department positions requiring Senate confirmation, 10 are filled by career persons and 8 by noncareer appointees.

An examination of the noncareer diplomatic appointments indicates that in this group also persons of high caliber and competence have been selected.

Four have served in Congress. They are Richard Wigglesworth, of Massachusetts, with whom I served on the House Committee on Appropriations, who is now our Ambassador to Canada; Walter C. Ploeser, of Missouri, with whom I served in the House, who is now our Ambassador to Paraguay; John D. Lodge, with whom I served in the House, now our Ambassador to Spain; and Clare Boothe Luce, with whom I also served in the House, who has served with distinction in Italy and is the President's appointee as our Ambassador to Brazil.

Let us consider other noncareer appointees also, and take note of the number who have had previous diplomatic or other experience to qualify them for the service which they now render.

The list includes David Bruce, Ambassador to Germany, who served in that capacity as our representative in Paris; Joseph S. Farland, our Ambassador to the Dominican Republic, who was a former Military Governor in Korea; Walter Howe, our Chilean Ambassador, who was director of our Economic Mission there before appointment as Ambassador; Amory Houghton, now serving in Paris, who was Deputy Chief of Mission for Economic Affairs during World War II.

Ambassador James M. Langley in Pakistan was chairman of our trade negotiations with the Philippines in 1954.

John Hay Whitney, Ambassador to Great Britain, was special adviser on public affairs to the Secretary of State before he became Ambassador.

Philip Young, representing us in the Netherlands, discharged high responsibilities in the Office of Lend Lease of the Foreign Economic Administration.

James D. Zellerbach, our Ambassador to Rome, had a splendid record as chief of our economic mission in Italy.

Robert Hill was our Ambassador to Costa Rica and El Salvador before he was sent to represent the United States in Mexico City. I think nearly every Member of the Senate knows of the real diplomatic attainments of Bob Hill.

Francis White, our Ambassador to Sweden, was for many years a career Foreign Service officer, and was once Ambassador to Mexico. Ambassador Philip Crowe, appointed to represent us in the Union of South Africa was former Ambassador to Ceylon and also served in China.

Ellsworth Bunker, our Ambassador to India, served in the Argentine and also in Italy.

Thomas E. Whelan has been Ambassador to Nicaragua since 1951.

Then there is a person we affectionately know as "Whitey" Willauer. His given name is Whiting Willauer. He was with the Foreign Economic Administration before appointment as Ambassador to Honduras.

Richard L. Jones was formerly director of the FOA Mission in Liberia before becoming Ambassador.

Val Peterson served as Governor of Nebraska and Administrator of Federal Civil Defense before appointment as Ambassador to Denmark.

Henry J. Taylor had a distinguished record as a foreign correspondent, I think for the Scripps-Howard newspapers, and then as a businessman, before assignment to Switzerland.

Scott McLeod, who is presently in America, since we have been honored by a visit of the President of Ireland, had broad experience as an assistant to the Senator from New Hampshire [Mr. BRIDGES] and in the FBI, and also in the

State Department, before appointment as Ambassador to Ireland.

I believe an examination of the background of these appointees indicates that they have the experience, the competence, and the broad qualifications which meet the high standards set by this administration for service abroad.

That many of them are Republicans certainly does not argue that they are not dedicated to the country and its best interests.

So, Mr. President, I simply say that if anyone wants to look at the record, I am only too glad to cite the record and compare it with the record of appointees in prior administrations. I believe it can be said that the Eisenhower administration has performed notable service to the country by securing the best available talent for service abroad in the interest of people and good will.

Mr. President, I ask unanimous consent to have printed in the RECORD the clipping to which I referred, as well as an article written by Peter Edson, published in the February 13, 1959, issue of the Washington Daily News, under the rather intriguing caption, "GOP Control Slim on State Appointees."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

REPRESENTATIVE REUSS HITS POLITICAL PRACTICES

A Democratic Congressman from Wisconsin, HENRY S. REUSS, told a religious meeting yesterday that the United States should give up two luxuries: Economics as usual and politics as usual.

REUSS spoke at the final session of a 3-day National Workshop for Religious Liberals, at All Souls' Church (Unitarian), 16th and Harvard Streets NW.

By economics as usual, he said he meant "5 million unemployed, one-fourth of our productive capacity at a standstill, and an annual growth rate in our economy of only 2 percent, compared to 8–10 percent in the Soviet Union."

Under politics as usual, REUSS accused the administration of selling ambassadorships for campaign contributions filling the State Department with incompetent schedule C political appointees, and insincerity in carrying out the reciprocal trade program.

"We kick low foreign bidders in the face," he said, "when a Republican senatorial candidate says his election depends on giving the contract to an American high bidder."

[From the Washington Daily News, Feb. 13, 1959]

GOP CONTROL SLIM ON STATE APPOINTEES

(By Peter Edson)

Much malarkey is being spread around on the question of State Department political appointees.

The underlying fact of the situation is that the Republicans still have only a slim control over the State Department, though they have been in office 6 years.

ONLY A FEW

Of the 18 top policymaking jobs in the Department organization chart, the Republicans can claim only enough to count on one hand of a normal five-fingered child:

Secretary Dulles, Acting Secretary Christian A. Herter, Under Secretary C. Douglas Dillon, Assistant Secretary for Congressional Relations William B. Macomber and Legal Adviser Wallace Becker.

Below this top rank you have to get down to the fourth level of hierarchy before you find other Republicans. Then only two are easily identifiable. They are:

Administrator of Security and Consular Affairs John W. Hanes and Deputy Assistant for International Organization Horace E. Henderson.

The other 12 out of 18 top officials in State are career diplomats like Under Secretaries Robert Murphy and Loy W. Henderson. All of them will give you an argument that they are nonpartisan, professional foreign service officers interested only in their country's welfare.

TWO HUNDRED AND EIGHTEEN KEY POSTS

In the entire State Department organization of nearly 35,000 employees, there are 218 key policy making jobs. Foreign Service officers now hold 173 of them.

The other 45 "C" classification confidential jobholders are hard to identify politically. But GOP headquarters says they are by no means all Republicans.

Ambassadorships divide about the same way. There are now 77 ambassadorial and three ministerial posts with two vacancies. The 78 filled positions divide 56 Foreign Service officers and 22 non-career political appointees. Nineteen of the latter identifiable as Republicans.

Every ambassadorial and every other presidential appointee is cleared at Republican National Committee headquarters on a pink sheet. It gives his political endorsement before the appointment goes through. This constitutes a veto power in fact, if not in name.

CHARLES M. RUSSELL, MONTANA'S CONTRIBUTION TO STATUARY HALL

Mr. MANSFIELD. Mr. President, March 17th was a great day for the Irish, but today is a great day for all Montanans and the Treasure State.

Mr. President, this afternoon we are unveiling our first contribution to Statuary Hall here in the U.S. Capitol. As many Senators know, the man being honored is Montana's cowboy artist, Charles M. Russell.

I am delighted to see the distinguished Senator from Missouri [Mr. SYMINGTON] in the Chamber. Charles M. Russell came up the Missouri River by flatboat from his native State of Missouri.

Recently I received a copy of a poem, entitled "Lasting Footprints," by Charles A. Shrewsbury, of Buffalo, Mont. This poem was brought to my attention by Mr. Mont Davey, a former Montanan, who now lives in the State of Illinois.

In honor of this occasion, I ask unanimous consent to have this poem printed in the CONGRESSIONAL RECORD as a part of my remarks.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

LASTING FOOTPRINTS

(By Charles A. Shrewsbury, Cowboy Poet, Buffalo, Mont.)

From the rugged Rocky Mountains
To the Bear Paws standing by
To the Little Big Horn River
Where with Custer brave men lie

Where the Crow fought with the Piegan
And the warring Blackfeet dwell
Lies the range that Russell rode
And Brother Van served well

Dauntless men of kindred spirit
As through life's full course they ran
Purses lean but ever open
For each loved his fellow man

Russell seeking high adventure
Made of life a gay romance
Quite content to leave the future
To the laws of fate or chance

Brother Van sought not a fortune
Nor cared he for great acclaim
He was here to spread the Gospel
In his Holy Maker's name

Often they would meet in passing
In those days of pioneers
Made a friendship that well fostered
Grew and flourished through the years

Welcomed by the half wild redman
To their hunt and to their play
Russell put them in his paintings
Brother Van taught them to pray

While the cowboy rode the ranges
With the punchers of the land
Idly painted for their pleasure
Anything that came to hand

Vividly he told the story
While they laughed around the fire
Of the bronc that came to breakfast
And aroused the camp cook's ire

Waiting for the first Chinook
Starting night guard in the rain
Cowboys shooting up the town
Wagon trains upon the plain

Men still boast, that rode with Russell
Bent with age and beard grown gray
How they watched him make these paintings
Of that lonely frontier day

Sparing not, the gay young puncher
Of the skill that he possessed
To perpetuate forever
The drama of the West

His pictures hang in hallowed halls
His name we eulogize
He has left a cherished treasure
For posterity to prize

We owe a debt we can't repay
To kindly Brother Van
For the years he freely gave
To help his fellow man

When lonely men dropped in to hear
His friendly spoken word
To aid a fellow man in need
Would be his great reward

The people all loved Brother Van
And soon a way was found
To build a church of logs or sod
To spread the word around

Outlaws, thieves and gamblers
Were often gathered there
Though some wore notches on their guns
All joined him in prayer

The many schools and churches
That the brother helped to build
We cherish in his memory
He has seen his dream fulfilled

Two great men with different visions
Each has given of his best
Left his footprints in his passing
Deeply graven in the West.

Mr. MANSFIELD. I extend a personal and warm invitation to every Member of the Senate to be in the rotunda of the Capitol at 3:45 o'clock this afternoon, at which time we shall honor the greatest of all Montanans, and, in many respects, one of the great Americans of all time.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SYMINGTON. I wish to associate myself with the remarks of the distinguished Senator from Montana. We in Missouri are just as proud of Charles M. Russell as are the people of Montana; and I look forward to the ceremony.

Mr. MANSFIELD. I thank the Senator.

STRANGULATION OF THE SCHOOL LUNCH PROGRAM

Mr. SYMINGTON. Mr. President, the benefits of the national school lunch program to the school children of our Nation are very well known.

Since its inception, the school lunch program has received bipartisan recognition and support.

But we now find that this program faces fiscal strangulation, unless the Congress takes positive action.

The President's 1960 budget recommendation calls for a cut of nearly one-third—$45 million—in the funds available for the school lunch program during the 1959 and 1960 school year.

Obviously this recommendation completely disregards the needs of this important program.

The House Appropriations Committee is scheduled to begin hearings next week on the 1960 appropriations for the school lunch program.

The Senate Appropriations Committee will begin consideration of this matter early next month.

The plight of the school lunch program is very ably presented in a letter from Mr. Earl M. Langkop, director of the Missouri school lunch program, and this year's chairman of the legislative committee of the American School Food Service Association.

In order that all Members of Congress have an opportunity to read Mr. Langkop's clear and conclusive statement, I ask unanimous consent that his letter of March 5 be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE DEPARTMENT OF EDUCATION,
DIVISION OF PUBLIC SCHOOLS,
Jefferson City, Mo., March 5, 1959.

Hon. STUART SYMINGTON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SYMINGTON: As State director of the school lunch program, I feel that it is my duty and responsibility to the school children in Missouri to keep our national Representatives informed on matters dealing with Federal legislation, particularly with reference to the national school lunch program.

During each of the past several years it has been my unpleasant task to report to school administrators about this time of the year that Federal funds appropriated for the school lunch program are again inadequate to provide continuing reimbursement throughout the school year, even though our reimbursement rate has been reduced to 4 cents. At the time the National School Lunch Act was passed, sufficient funds were appropriated at the national level to permit reimbursement at the rate of 9 cents for all type A lunches served in Missouri. Program expansion, over the years, on a nationwide basis has increased by 225.7 percent. During this same period, however, Federal appropriations have increased by only 23.5 percent. This accounts for the main reason we have had to reduce our reimbursement down to 4 cents for type A lunches and discontinue completely reimbursement for type B and type C lunches. Even with our reimbursement decreased to 4 cents during this school year, we now find ourselves in a position where our available funds for type A lunches to be served this year will be less than 4 cents.

We are deeply grateful for your personal action in connection with the appropriation last year and for the action taken by our national Representatives nationwide in authorizing an appropriation in excess of the amount recommended by the U.S. Deparment of Agriculture. We were also very much encouraged by the congressional transfer of section 32 funds, which we felt would assist in narrowing the gap between increasing enrollments and participation and Federal appropriations for the national school lunch program. We were of the opinion at that time that this additional help would permit us to at least continue our limited reimbursement throughout the 1958–59 school year.

We now find that a further increase in participation has completely absorbed the additional funds appropriated, and we are in the same financial position as we were a year ago. Our schools in Missouri have been notified that, due to increased enrollments and a further participation gain, our allocation of Federal funds will become exhausted with the payment of April claims.

It is difficult for us to believe that the Congress, in passing the National School Lunch Act, intended that such a situation should develop. Section 2 of the act sets forth the very laudable purposes for which Federal aid was to be provided, and the wording in this section certainly implies that expansion of the program was desired. Section 3 of the act authorizes the Congress to appropriate such sums as may be necessary to carry out the provisions of the act. Section 7 establishes the basis upon which the States and local districts were to match the Federal funds as the program expanded. We feel that this section very definitely carries the implication that it was the intent of Congress that the necessary Federal funds would be provided as the program expanded, so long as the State and local communities carried their full share in matching the Federal contribution. There can be no question that the States have met this responsibility. In fact, in our own State last year these contributions reached the point of matching the Federal dollar on the basis of 7 to 1, even though the National School Lunch Act required matching of only 3 to 1.

The U.S. Department of Agriculture has access to participation figures on a monthly basis from all States and is well acquainted with the tremendous expansion of this program. In view of this situation, it is very difficult for us to understand why this agency has on two occasions seen fit to recommend a reduction in the national school lunch appropriation. We have the third such example of Federal apathy this year. In each instance, in the past, departmental officials in appearing before the Appropriations Committees, have maintained that the reduction in funds would be offset through increased allocations of surplus commodities. We have always maintained, and I believe the records will bear us out, that surplus commodities and such promises represent a most undependable source of aid for the schools in planning their budgets. The commodity program, over the years, has been one of "feast or famine." Those who maintain that surplus foods have offset the reduced cash assistance are either woefully misinformed as to the workings of the price support program, or they are deliberately trying to mislead the public and Congress with respect to school lunch assistance.

You will recall the drastic reduction in surplus commodities last year which created a tremendous additional financial burden for the schools. This reduction in surplus foods came at a time when unemployment rolls were at a peak and the demand for free lunches was heavy. Our schools have not recovered from the financial losses sustained last year, and unemployment in many sections of our State is still a problem, along with the accompanying increased requests for free lunches. Our welfare department now has a heavier caseload of unemployed persons receiving commodities than a year ago.

The Congress acted last year to assist program sponsors by transferring $35 million from section 32 funds to be used by the Secretary of Agriculture to purchase additional foods needed to replace the losses resulting from lack of action by the Federal Agency on price support operations during the 1957–58 school year. During hearings on the appropriation the committees were very critical of the USDA because of this lack of action for aiding both agriculture and the school lunch program.

We have had some help from this transfer of section 32 funds during the present school year, and certainly, without this transfer, we would have been in serious financial trouble. Outside of the mandatory support items of dairy products and cereals, the only surplus foods offered by the Department during this school year have been a very meager offering of fresh cabbage and peanut butter. Neither of these items were offered in sufficient quantity to permit statewide distribution to our schools. This leads us to believe that the Department has, through discretionary authority, successfully circumvented the intent of Congress on the transfer of section 32 funds by merely using them to carry out normal section 32 operations. We say this because each of the items purchased with the transferred funds this year have, in the past, been offered under the regular section 32 program. We now have a further indication of such action through the current purchases of large quantities of dried eggs during the heavy production period and the fact that offerings of this product, coming so late in the school year, cannot possibly benefit the schools in this year's program.

As of March 1, approximately $6 million of the $35 million transferred remains unused. This situation exists at a time when school lunch programs nationwide are experiencing extreme financial difficulty. In Missouri, 60 percent of our programs are operating at a deficit. The deficits are even greater in some of our other States. For example: 95 percent of the programs in Montana are presently operating at a deficit. Other States are in a similar position: California, 85 percent; Washington, 75 percent; Oklahoma and Wisconsin, 70 percent; New Mexico, 50 percent, Wyoming, 48 percent; Michigan, 40 percent; and so forth. Requests for free lunches for needy children are increasing. In fact, Michigan reports that in the city of Detroit two lunch programs had to be closed due to financial difficulties when free lunch servings totaled 80 percent. Many of the States have reported that because of increased participation this year, Federal funds available for reimbursement to the schools will amount to less than 4 cents.

It is rather difficult for us to explain to local school administrators why our reimbursement rate under the National School Lunch Program for the serving of complete type A lunches, which must include a half-pint serving of milk, has reached a point where it is less than the reimbursement available under another Federal program administered by the USDA for the serving of a half-pint of milk only.

All of our major agricultural groups in Missouri, the Missouri Farm Bureau Federation, Missouri Farmers Association, and the American Dairy Association, are fully acquainted with the contribution this program is making to our agricultural economy and are on record as favoring an expanded school lunch program, which at the present time represents a $25 million industry in our State. We think this is evidence that the agricultural aspects of the program are being carried out in Missouri.

In order to restore the level of cash assistance alone that was available when the national act was passed would require a current appropriation of $171 million. This does not even take into consideration the greatly decreased purchasing power of the 1959 dollar.

Unless more interest is demonstrated by the USDA in budget recommendations for the national school lunch program, it is obvious to many of us that this program will begin to disintegrate, and many schools will revert back to the candy and coke lunches which we have tried diligently during the past 11 years to replace with nutritiously adequate lunches for all children. This situation is beginning to develop, and we are hopeful that you will lend your help in assisting us to head off this situation before it gets out of hand.

In behalf of the schoolchildren in Missouri and nationwide, we sincerely urge your support of an appropriation of $130 million for the national school lunch program for fiscal year 1960 and the transfer of $45 million of dormant section 32 funds to the national school lunch program. We are firmly convinced that this is the minimum amount that will be needed next year if the national school lunch program is to avoid disaster. In the transfer of the section 32 funds, we urge that legislation be developed to effect a cash transfer of $45 million from section 32 under the same plan that was used in the complete financing of the school lunch program during the 2 or 3 years immediately preceding passage of the National School Lunch Act. In this way the funds could be distributed to the States along with the national school lunch appropriation. We are convinced that the schools of this Nation can and will do a better job in accomplishing the intent of section 32 than has been demonstrated by the Federal agency in the use of the $35 million transferred to the program during this school year.

In conclusion, let us say that the States and local communities are more than doubling the matching requirements set forth in section 7 of the National School Lunch Act. We are sincerely hopeful that our Federal Government will see fit to assume its fair share of the responsibility for financing this program as it continues to expand and in line with the very clear intention implied in the wording of the National School Lunch Act.

Your continued interest and cooperation in the sound financing in this program is deeply appreciated by all of us who are so closely associated with the administration and operation of the school lunch program in the States.

Yours sincerely,

EARL M. LANGKOP,
Director, School Lunch Section.

THE IMPORTANCE OF FULL EMPLOYMENT

Mr. SYMINGTON. Mr. President, last week the Labor and Commerce Departments reported that unemployment rose again in the month of February, a month in which it usually declines.

It was also reported that seasonally adjusted unemployment was again over 6 percent of the work force.

This high rate of unemployment results in impairment not only of our standard of living, but also of the safety and welfare of the United States.

Aside from the personal tragedy this unemployment brings to millions of workers and their families, it is also very, very wasteful. These workers are unable to contribute to our national strength at a time when their contribution is urgently needed.

Because of unemployment of men and machines, our economy is standing still, while that of other nations is rising.

The Committee on the Economic Report, under the able leadership of the distinguished Senator from Illinois, has prepared a study which shows that between 1953 and 1958, our gross national product per capita actually declined.

In 1953, the average production per person was $2,576. In 1958, it was $2,508.

This decline compares with an increase over the same period of 8.5 percent in West Germany, 7.5 percent in France, 4 percent in Italy, and 2.5 percent in the United Kingdom.

Our recent stagnation also compares most unfavorably with the increasing strides in production being made by our possible adversaries of the Sino-Soviet empire.

Some sectors of our economy have recovered from last year's recession. The high unemployment, however, persists. I have seen reports in the press that some economic leaders have concluded, from this experience, that an unemployment rate of 5 percent or more must be expected for the foreseeable future.

Mr. President, I can think of no more dangerous and defeatist attitude than that one.

This is the richest country in the world. If we cannot provide employment opportunities for all who are able to work, then something must be very wrong, indeed. I fear that the defeatist attitude is just another example of the inferiority complex which seems to affect some of our national leaders.

These say we cannot afford an adequate defense. They say we cannot afford the necessary education for our children. They say we cannot afford a decent standard of health for all. Now they say we cannot afford full production and employment.

Mr. President, we must begin to plan now to operate our economy on a full production basis. Capital should be available at low enough interest rates so that businesses can borrow to expand, and homeowners can borrow to build.

The spendable income of the 7½ million people who still earn under $2,000 should be increased.

We should extend unemployment insurance, along the lines of the bill sponsored by the distinguished junior Senator from Massachusetts.

We should do something about the practice of administered prices, which cuts production and prolongs high prices even in the absence of demand.

We must clear away the barriers to the full operation of our private enterprise system.

If positive action is taken in this session, Mr. President, next year will bring us reports of real progress, rather than such sad reports as we have just received of increases in midwinter unemployment.

ECONOMY IN GOVERNMENT

Mr. CLARK. Mr. President, in the issue of Time magazine dated March 16, 1959, the following comment appears:

Pennsylvania liberal Democrat JOE CLARK took the Senate floor to recommend a balanced budget—liberal Democrat style. He proposed to raise both taxes and spending by $4 billion, strike the balance at $81 billion. Demanding higher outlays for defense, education, urban redevelopment, housing, airports, water resources, public health, welfare, and foreign aid, CLARK argued that the new money could be raised by tougher enforcement of income-tax laws, stiffer rules against business expense deductions, higher taxes on capital gains and dividends, lowered depletion allowances (from 27½ to 15 percent) on oil and gas wells. Nowhere did Clark suggest where costs could be cut.

Mr. President, the last statement is false. I ask unanimous consent that there may appear in the RECORD at this point as a part of my remarks the portion of my speech to which Time magazine had reference, and which deals with where costs could be cut.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

ECONOMIES

I have no doubt that the Congress will be able to find some economies in the budget. Again, I do not want to prejudge where savings might be found, because the members of the Appropriations Committee are far more experienced and skilled than I in ferreting out waste in the budget. I am inclined to believe, however, that some of the bills proposed for agriculture by Democratic Senators from farm States, whose devotion to the welfare of the family farmer is thoroughly tested and proven, would result in considerable economies below the more than $3 billion in this year's price support operations. I am also sure that through further unification of the armed services, better management of procurement and other means, the Defense Department could save considerable sums.

However, I want to be conservative in this presentation and I therefore will not attempt to place any dollar figure on these economies to offset them against the additional expenditures I have outlined above. As they develop during the session, we can take account of them, but there are undoubtedly further expenditure needs also, beyond those I have mentioned earlier. So let us regard these potential economies instead as providing us with a reserve for contingencies over and beyond the $100 million set out as a reserve in the President's budget.

Mr. CLARK. Of course, this is not the first nor the last time that Time magazine has or will distort the facts. I should point out, in lighter vein, that one of the best methods of distortion is to print unflattering photographs of Members of this body and others in public life whom Time magazine does not favor. Such a picture of me, with

my mouth open, appears opposite the comment in Time magazine which I have just read.

If Time magazine were selling applesauce instead of a weekly publication, it would not be able to call itself, as it does, "the weekly news magazine," because the Federal Food, Drug, and Cosmetic Act of 1938 would prohibit it. That act requires the truthful labeling of goods for sale.

The Federal Food, Drug, and Cosmetic Act of June 25, 1938, prohibits "the introduction into interstate commerce of any food, drug, device, or cosmetic that is adulterated or misbranded."

It also provides that—

In determining whether the labeling (of such a product) is misleading there shall be taken into account (among other things) not only representations made or suggested by statement, word, design, device, or any combination thereof, but also the extent to which the labeling fails to reveal facts material to consequences which may result from the use of the article to which the labeling relates under the conditions of use prescribed in the labeling thereof or under such conditions of use as are customary or usual.

It has always been my view that it would be far more candid of Time magazine to call itself a journal of plutocratic opinion rather than a weekly news magazine. Such a description would be in accordance with the principle of truth in advertising. The other day I had occasion to look up an article in the Encyclopedia Britannica on Pluto. The article states, in part:

A euphemistic name for the Greek god of the lower world. * * * He is stern and pitiless, deaf to prayer or flattery, and sacrifice to him is of no avail. * * * Being feared he is usually referred to by euphemistic epithets such as "illustrious" or "the giver of good counsel" * * * but perhaps by contamination with a god of the fertility of the earth, he is also the giver of wealth * * * and at most of the centers of his cult he was so worshipped.

"Euphemism" is defined in Webster's Dictionary as "a way of describing an offensive thing by an inoffensive expression."

"Plutocrat" is defined in Webster's Dictionary as "one who has power or influence due to his wealth."

A little while ago a reporter on the Providence Journal-Bulletin had occasion to analyze Time magazine in an article which was subsequently printed in the New Republic. I ask unanimous consent that an excerpt from that article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The elusiveness of truth must have worried the editors of Time occasionally. But if so, they have spared the reader this human doubt. Each week the world is created absolute and dogmatic, the good guys on one side, the bad guys on the other, with Time holding the only scorecard. Only when the reader checks back does he discover that the good guy of October may be the bad guy of January, that truth and Time change.

For example, was it the truth, when Time reported Dwight Eisenhower's appearance at the start of his 1952 campaign in Abilene in the June 16, 1952, issue:

"They saw Ike, and they liked what they saw.

"They liked him because he turned out to be an amazingly good campaigner. * * * They liked him for his strong, vigorous manner of speech, for his quiet control. * * * It was a crashing conquest."

Or was it the truth when, after the campaign was over, Time in its issue of November 3, 1952, described that same week in Abilene:

"At first the echoes were not strong. Ike * * * as a political candidate * * * did not quite 'come across' * * * his voice was flat; he looked like an old man on TV."

Time, during the 1952 campaign: "Stevenson tore into this straw man * * * the Democratic candidate made a careful pitch * * * In the same speech, Stevenson got in a reference to aid to India, which is getting to be the stock Democratic way of changing the subject on China."

Time, 4 years later: "Stevenson of 1952, a man meticulously concerned with the facts."

Time, before Adlai Stevenson became a presidential candidate:

"Illinois has a good Governor now: Adlai Ewing Stevenson. * * * In his 3 years * * * Stevenson has * * * sent State police out to stop commercial gambling downstate * * * lopped 1,300 political hangers-on off the State payroll * * * he didn't think State's Attorney John Boyle of Chicago was a good candidate. Stevenson has largely kept hands off law enforcement in Cook County, on the theory that local authorities are better staffed to handle it. But he didn't like the way Boyle had done the job * * * promptly dumped Boyle. * * * If Lincoln Steffens was right, corruption is the norm of U.S. political life. * * * But men like Adlai Stevenson have dedicated themselves to a more hopeful and dynamic proposition: that the United States is not a static pattern but an experiment, among other things—in good government."

Time, after Stevenson became a presidential candidate, 8 days before election:

"Stevenson * * * has himself cited his record as Governor to support his argument that he can deal with corruption; he tells his audience that he knows about corruption because he followed '8 years of Republican rascality.' He never so much as slapped the wrist of the Cook County Democratic organization, the most corrupt and powerful of existing big-city machines."

Time, August 1, 1955, on President Eisenhower's accomplishment at Geneva:

"If Geneva was to be measured by the spirit, as all the participants insisted it should be, then quite a bit was achieved * * * the chances of war started by the Russians is continuing to diminish. This was the reading of Geneva."

Time, May 19, 1958, quoting Dean Acheson approvingly to support Time's thesis that a summit conference should not be held:

"From former (1949–53) U.S. Secretary of State Dean Acheson came two forceful, well-argued statements on U.S. foreign policy. * * * The 1955 Geneva Conference, said Dean Acheson, 'was not merely a failure; it was a fraud and positive harm'."

The changeability of truth in the pages of Time was noted in 1955 by a Harvard student, Milton S. Gwirtzman, who listed in the Harvard Crimson some Time truths which seemed to change with administrations.

Time, March 10, 1952, on the income tax under a Democratic administration:

"This week, once again, the American taxpayer * * * was working over his income tax return. He did not do the job happily. * * * The blow, in full and crushing measure, now lands each March 15 on the chin of a fellow named John Q."

Time, April 18, 1955, on the income tax during a Republican administration: "60 million Americans have by this week signed their 1954 income tax forms. * * * They did this, wonderful to tell, without riots or protest. * * * It has become more and more unfashionable to criticize the income tax level."

Time, August 12, 1946, on the character of George E. Allen under a Democratic administration:

"Last week * * * the President [Truman] eased his croniest crony, George E. Allen, into the Board of Directors of the Reconstruction Finance Corporation."

And on January 28, 1946: "George is all the more remarkable because to the naked eye, he is a clown."

Time, December 14, 1954, on the character of George E. Allen under a Republican administration: "Last week * * * the President [Eisenhower] chatted quietly with * * * golfing companion George E. Allen, Washington lawyer and friend of Presidents."

Time throughout the 1956 campaign ridiculed public questions about the risk of having a sick President in office; or as it said in the July 22, 1956, issue on the President's decision to run again: "* * * Settled the issue with the simplicity and finality of a 1-foot putt." And 16 months after the campaign, Time raised the question, in its March 3, 1958, issue:

"President Eisenhower is 67; the cumulative effect of his three major illnesses has sapped his second-term strengths.* * * Most of the work curtailment has come in the field of domestic affairs * * * if allowed to slide, small problems can snowball into major cases, for example, the present economic recession, and it is in this area that the President's inability to ride constant herd is most often felt."

The late William Allen White once wrote: "I think on the whole, sooner or later, the American people do get the truth. But they often get it when it is cold potatoes and does them no good."

THE DEADLY PARALLEL

Mr. EASTLAND. Mr. President, yesterday the President of the Irish Republic, Hon. Sean T. O'Kelly, addressed a joint meeting of the two Houses of Congress, and referred to the fact that in 1880 another distinguished Irishman, Charles Parnell, had addressed a like session.

Mr. President, this reference is tremendously interesting in contemporary American history. It is an interesting vignette that sheds light on problems with which the U.S. Senate has been concerned and will be concerned. Only yesterday, in the Judiciary Subcommittee on Constitutional Rights, the distinguished senior Senator from North Carolina [Mr. ERVIN] said:

I belong to a minority. If there is any minority in this country today, it is white southerners. I belong to a minority.

Charles Parnell was a member of the British House of Commons, representing an Irish minority. His steadfast purpose was to remove from the people of Ireland the yoke and oppression of British overlordship and tyranny. After returning from the United States he was incarcerated for his alleged sedition. But, thank God, he still had the right to a trial by jury and no jury of Irishmen would convict him. From jail he returned to the British Parliament. The pending business was a bill to solve the Irish question. Two of its worse features provided that arrests could be made on

mere suspicion and the suspect incarcerated in jail without trial for a long period of time, and, secondly, it denied to such person the right of habeas corpus. To this coercion bill, Parnell offered the following amendment:

That peace and tranquillity cannot be promoted in Ireland by suspending any of the constitutional rights of the Irish people.

In the words of Justin McCarthy, then an Irish member of the Parliament, this is what transpired:

We were then about 20 strong, all told; and the House of Commons contains some 650 members. With the exception of some half a dozen stout English Radicals who were always on our side, the whole house was against us. Every man's hand was against us, but I am bound to admit that our hand was against every man. We made a great many speeches in those days. The House of Commons did not always listen to us, but we made our speeches all the same. We kept the house sitting through long and weary nights; we kept the house sitting once from 4 o'clock on Monday afternoon until 6 o'clock on the following Wednesday evening—no intermission of debate all that time. We went in for open and avowed obstruction; we declared that, so long as we could, we would resist the coercion bill. Then they tried to amend their procedure, and made all sorts of new rules to introduce a closure, meant, of course, only for the Irish members—I mean those who called themselves emphatically the Irish members. Once or twice the Speaker accomplished a very coup d'etat, and brought a long debate to a sudden close. We were each of us suspended from the service of the house. We were all of us expelled from the the house in a body on one memorable evening; each of us refusing to leave the house until the sergeant at arms had gone through the formula of using force to carry out the mandate of the majority. Of course we came back again the next day, or on whatever day the sentence of suspension expired; and we went on with our work of obstruction as if nothing had happened. We were doing just what we wanted to do; we were arousing the attention of England and Scotland and the civilized world. Our cause was gaining every day in Ireland, and among the Irish in America and Australia.

History repeats itself. Reflect on the Irish Coercion Act of 1881, the Civil Rights Acts of 1957, and those proposed today directed against the constitutional rights, liberties, and privileges of the southern white minority. Mr. President, what a deadly parallel.

CRITICAL AND STRATEGICAL MATERIALS OF THE EASTERN HEMISPHERE

Mr. GOLDWATER. Mr. President, the Senate Committee on Interior and Insular Affairs published, in December 1958, as a committee print, the authorized Senate report on the 73 nations and entities of the Eastern Hemisphere.

Mr. President, the report was authorized by Senate Resolution 78, as amended by Senate Resolution 225, 85th Congress, providing for a report on the availability of the critical mineral resources of the Eastern Hemisphere.

This report was compiled and edited under the direction of former U.S. Senator George W. Malone, of Nevada, then ranking minority member of the Committee on Interior and Insular Affairs, and a member of the Subcommittee on Minerals, Materials and Fuels.

In appendix II will be found: 20th century trade wars, page 522; atomic weights, page 605; our military position, page 610; and war treaties, page 613.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks the introduction, findings, recommendations, and other pertinent material, as they appeared in the page proofs of the report.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

ACCESSIBILITY OF CRITICAL AND STRATEGIC MATERIALS OF THE EASTERN HEMISPHERE, INCLUDING THE SOVIET UNION AND SATELLITE COUNTRIES—73 NATIONS AND ENTITIES—SENATE RESOLUTION 78 AMENDED BY SENATE RESOLUTION 225, 85TH CONGRESS

(By George W. Malone)

INTRODUCTION

Both the Western and Eastern Hemispheres can be self-sufficient in the production of the so-called critical minerals and materials for war or peace.

Neither hemisphere can cripple the other through withholding supplies of any kind or nature—including the complete list of 77 fuels and minerals.

Any treaties between the nations of the respective hemispheres, or trade among the respective nationals of these nations can and must be on a mutually attractive and profitable basis, without endangering the security of this Nation.

In the event of war, or the threat of war it would be impossible for either hemisphere to defend lines of transportation and communication across major oceans for materials of any kind.

The first prerequisite to a foreign investment is a sound investment climate, which can only be established by the individual nations—the answer cannot be found through grants-in-aid or guarantee of stability by a second nation, even the United States.

The threat of confiscation of property and the manipulation of the value of their currency in terms of the dollar for trade advantage discourages private investors.

The answer is found in a free currency exchange, free from manipulation by a nation of the value of its money in terms of another nation's money for trade or other advantage and an established record of integrity toward private investments. Also, the former stabilizer gold has been discarded as a common denominator of world currencies.

With the exception of the United States nearly every nation in the world today can and does exercise executive control over foreign exchange, manipulating its currency at will for trade advantage without approval of its legislative body.

Since World War II through 1958 the taxpayers of the United States have shipped more than $70 billion abroad in gifts and soft loans—the lion's share to the Eastern Hemisphere.

These funds have been utilized to build production and mining enterprises abroad, to use the cheaper foreign labor, importing the goods into the United States to compete with the American investor and workingman.

The United States is the only Nation in the world today that does not protect its investors and workingmen once the investment is made, through the use of tariffs, import permits, exchange permits and the manipulation of the value of its currency in terms of its competitor's money for trade advantage.

It is believed that these data and the information in this report, not hitherto available as a reference work, will afford a useful background picture of the Eastern Hemisphere countries. The committee report, 85th Congress, 2d session, on the political, economic and social status of the nations of the Eastern Hemisphere is a final supplement to two previous reports, Senate Report 1627, 83d Congress, and Senate Document No. 83 of the 84th Congress on the Western Hemisphere.

The committee report describes the political, economic and social structures of the following 73 nations and entities of the Eastern Hemisphere:

Afghanistan, Albania, Andorra, Austria, Belgium.

British Commonwealth: Australia, Ceylon, Ghana, India, Malaya, New Zealand, Pakistan, Union of South Africa, United Kingdom.

Bulgaria, Burma, Cambodia, China (Communist), China (Nationalist), Czechoslovakia, Denmark, Estonia, Ethiopia, Finland, France, Germany (East), Germany (West), Greece, Hungary, Iceland, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Korea (North), Korea (South), Laos, Latvia, Lebanon, Liberia, Liechtenstein, Lithuania, Libya, Luxembourg, Monaco, Mongolia (Outer), Morocco, Nepal, Netherlands, Norway, Philippines, Poland, Portugal, Rumania, San Marino, Saudi Arabia, Spain, Sudan, Sweden, Switzerland, Thailand, Tunisia, Turkey, United Arab Republic, U.S.S.R., Vatican City, Vietnam (North), Vietnam (South), Yugoslavia.

FORMAL RECOGNITION OF COMMUNIST CHINA

Twenty-one free-world countries and ten Communist countries have formally recognized the Government of Communist China, as follows:

Free world countries: Afghanistan, Burma, Cambodia, Ceylon, Denmark, Finland, India, Indonesia, Iraq, Israel, Morocco, Nepal, Netherlands, Norway, Pakistan, Sweden, Switzerland, United Arab Republic, United Kingdom,[1] Yemen, Yugoslavia.

Communist countries: Albania, Bulgaria, Czechoslovakia, East Germany, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, U.S.S.R.

All trade agreements are capitulations, in which a government agrees to surrender some part of its economy or sovereignty to another government and the world knew and recognized it as such until a more pleasing phrase could be invented: "reciprocal trade."

The 1934 Trade Agreements Act (so-called reciprocal trade) was a voluntary "capitulation" by this Nation through an act of Congress, under the guise of reciprocal trade.

The GATT (General Agreement on Tariffs and Trade) charter under which 36 foreign competitive nations continue to divide our markets among themselves through multilateral trade agreements specifically exempts such nations from keeping their part of any such agreement as long as they can show they are short of dollar balance payments to the United States—and they can show such shortage of dollar balance payments until our wealth is equally divided between them.

A disillusioned President Woodrow Wilson said on September 5, 1919—10 months following the Armistice of World War I—and after he had sat in on the Paris peace settlement negotiations:

"The real reason that the war we have just finished took place was that Germany was afraid her commercial rivals were going to get the better of her, and the reason some nations went into war against Germany

[1] The United Kingdom includes the following: England, Scotland, Wales, and North Ireland.

was that they thought Germany would get the commercial advantage of them.

"The seed of jealousy, the seed of deep-seated hatred, was hot, successful commercial and industrial rivalry. This war in its inception was a commercial and industrial war. It was not a political war."

Wilson neglected to delineate that of the Allies, England and France had been commercial giants dominating the trade of extended colonial areas for 300 years, more often at each other's throats than at that of a common competitor, that it was Germany which was achieving industrial and commercial success, and that seed of jealousy, and deep-seated hatred sprouted from the older trading nations.

President Franklin Roosevelt learned his lesson at Yalta and Teheran—and President Harry S. Truman learned his at Potsdam.

None of these eminent heads of our Government, however, have bothered to explain to the American people that these wars have been trade wars since hundreds of years B.C., and that these agreements and trade treaties simply mean a further capitulation and a surrender of more of the sovereignty of the United States of America.

We have made hundreds of agreements and treaties with the nations in Europe and Asia since World War II. Prior to World War II we recognized Communist Russia without any safeguards whatever; all under the guise of improving our world trade position.

We have established military bases in many of these countries on the premise that they would follow us in any international conflict.

We have continued the division of our wealth—our taxpayers' money and markets—through successive Marshall plans and the so-called Reciprocal Trade Act extensions.

Apparently we must relearn the lesson the hard way that was first learned by the writers of our Constitution that no sovereign nation ever keeps an agreement or treaty when it becomes obnoxious to it.

FINDINGS

Between 1947 and 1955 inclusive, I have systematically inspected every important nation in the world, not only for the purpose of determining their living standards, their production, including the accessibility of the critical minerals and materials to such nations for war or peace, but the treatment accorded their investors and workingmen under their national and international policies.

The findings are arrived at as a result of such personal investigations of the 73 nations and entities of the Eastern Hemisphere. The findings are the result of a digest of the research material and include—

1. That most of the nations of Europe and Asia have controlled area beyond their borders under colonial systems beginning hundreds of years B.C., and that many of such nations have overrun each other over that period, as the fortunes of war have changed.

2. That the United States is the only country in the world that does not systematically protect its own investors and workingmen, through the judicious use of tariffs, exchange permits, quotas, or other effective device. Such protection is operated to direct the flow of industrial capital investments to the protected area.

3. That practically all wars between nations for 2,000 years have been trade wars. That such wars have developed the so-called colonial nations—meaning control of a weaker nation's markets by a stronger and distant power.

4. That history shows that international trade rivalry breeds such trade wars between nations, and that the greatest international trade war in history is now brewing.

5. That the Eastern Hemisphere can be made self-sufficient in the production of the critical minerals and materials necessary for war or peace. That the Western Hemisphere can likewise be made self-sufficient and can be successfully defended from North America is shown in Senate Report 1627, 83d Congress, and Senate Document 83, 84th Congress. A going concern industry is the best stockpile.

6. That the power in the Eastern Hemisphere has shifted to Russia and that Russia can make the area under its control self-sufficient in the production of the critical minerals and materials for war or peace. Power in the Western Hemisphere is in the United States, as shown by Senate Report 1627, 83d Congress.

7. That under the 1934 Trade Agreements Act (so-called Reciprocal Trade Act) through the State Department and Geneva, we have opened our own domestic markets to the trading nations of the world—and during the same period have priced ourselves out of the foreign markets through inflation, which can only result in an ultimate lowering of the American living standard. There is no difference in the final objective of importing the goods produced by low wage living standard labor and importing the cheap labor. No one can consistently support free imports from lower wage living standard countries and oppose free immigration.

8. That we are living on a war economy, since we have consistently adopted national and international policies creating an unfavorable investment climate here and favoring foreign investments.

9. That our adherence to an unconditional most favored nation clause has accelerated the division of our markets among the nations of the world. An unconditional "most favored nation" clause means that when a concession is granted any nation under any one of the multitude of bilaterial or multilateral trade agreements made by the State Department or in Geneva under GATT, then all nations are automatically entitled to the same concession, whether or not any compensatory concession is granted by that nation.

10. That under the General Agreement on Tariffs and Trade (GATT) and the foreign trade policies operating under the 1934 Trade Agreements Act we have returned to the interminable trade wars of old Europe and Asia and are becoming a greater economic colonial of those areas today than we were before the Declaration of Independence in 1776.

RECOMMENDATIONS

1. That a sound investment climate, which would include a return to the Constitution, article 1, section 8, in the regulation of foreign trade, and adequate depletion allowances in the field of fuels and minerals, thus creating a favorable domestic investment climate is necessary. A going concern producing industry is the best stockpile.

2. A recognition of the fact that the Western and Eastern Hemispheres can each be made self-sufficient in the production of the 77 critical minerals and materials, or adequate substitutes, for war or peace.

3. A further recognition, in the accessibility of critical minerals and materials, that there are just two major powers, one in each hemisphere; the United States and Russia.

4. Elimination of our Nation's present dependency upon remote and possibly unfriendly or neutral areas of the world for the critical materials, without which we cannot live in peace or conduct a war.

5. A recognition of the fact that the Western Hemisphere can and must be defended from North America, since there is an expanding movement throughout the Eastern Hemisphere to deny this Nation military bases on the grounds of endangering their own security.

6. A further recognition of the fact that our future markets and security lies within the Western Hemisphere containing one third of the land area of the world and more than 350 million people and that any encroachment of that area by any nation with a view of establishing control politically, economically or militarily will be dangerous to our security and economic well-being. To do this a revival of the 135-year-old Monroe Doctrine principle is in order.

7. That the unconditional "most favored nation" clause be eliminated—and a return to the Constitution in the regulation of foreign trade—and that all future trade agreements be regarded as treaties, which must be approved by a two-thirds vote of the U.S. Senate.

8. That this Nation give every consideration to maintaining self-sufficiency of the production of the critical minerals and materials in the Western Hemisphere and the defense of this area from North America, since the transportation of these materials across major oceans would be impossible in wartime.

9. That foreign trade be based upon fair and reasonable competition—that the flexible duty or tariff be continually adjusted on the "equalization of costs of production" principle—always equaling the difference in costs of production here and in the principal competing country on each product, and that a free market exchange value of all nations' currencies be maintained in the interest of favorable "investment climate." Gold should be reestablished as a common denominator of world currencies.

10. Rejection of international controls of production, prices, and supplies of critical and strategic materials unless by legislative action by the Congress of the United States. By such rejection, and recognition of the self-sufficiency and the great trade potential of the Western Hemisphere, the greatest trade war in history now building up can be averted.

NATIONAL STOCKPILE

As of June 30, 1958, there were 76 metals, minerals, and nonmetals and minerals in the national stockpile either in inventory or on order. The major part of requirements has been fufilled. The materials authorized for open market purchase are amosite asbestos, small diamond dies and muscovite block and film mica.

Materials acquired in barter for agricultural products are held in a supplementary stockpile and will only be taken over by the national stockpile as need arises.

Critical and strategic minerals

A material may be critical due to its scarcity or unusual chemical and physical properties either in peace or war. A material may be strategic due to its difficulty of procurement for any reason in time of war. This could apply to either domestic or foreign production.

The current definition in the Government is that only those materials that are still needed for the stockpile are critical and strategic.

FOREIGN TRADE

Gifts and subsidies deducted

The volume of the so-called foreign trade and the volume of foreign trade on a mutually profitable and agreeable basis are entirely two different figures.

The first includes all gifts, so-called loans and subsidies to the foreign nations with which to purchase American goods, and the second is shown in the right-hand percentage column with such gifts and subsidies deducted.

It will be noted that the percentage of exports of American exportable or movable goods on a mutually profitable or agreeable basis has ranged from a low 5.5 percent in 1953 to high of 13.2 percent in 1921 with the general average lower since the 1934 Trade Agreements Act (so-called Reciprocal Trade Act) was first passed.

It will be noted that the general average of the profitable exports of American exportable goods from 1909 to and including 1953, which included three wars was from 5.5 to 7.5 percent. The average is 8.1 percent excluding war years.

[Millions of dollars unless otherwise indicated]

Calendar year	Estimated U.S. production of movable goods	Total exports of U.S. merchandise	Ratio of exports to movable-goods production	Military-aid exports from United States	Net U.S. Government grants other than military-aid shipments	Net U.S. Government loans [1]	Sum of cols. 4, 5, and 6	Col. 2 minus col. 7	Ratio of col. 8 to col. 1
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			Percent						*Percent*
1909	17,437	1,701	9.8	----------	----------	----------	----------	1,701	9.8
1914	20,599	2,071	10.1	----------	----------	----------	----------	2,071	10.1
1919	47,210	7,750	16.4	----------	39	2,328	2,267	5,383	11.4
1921	33,396	4,379	13.1	----------	----------	−30	−30	4,409	13.2
1923	44,853	4,091	9.1	----------	----------	−91	−91	4,182	9.3
1925	48,341	4,819	10.0	----------	----------	−27	−27	4,846	10.0
1927	48,035	4,759	9.9	----------	----------	−46	−46	4,805	10.0
1929	53,502	5,157	9.6	----------	----------	−38	−38	5,195	9.7
1931	32,885	2,378	7.2	----------	----------	−21	−21	2,399	7.3
1933	25,326	1,647	6.5	----------	----------	7	7	1,640	6.5
1935	34,133	2,243	6.6	----------	----------	[4]	[4]	2,243	6.6
1936	[2]	2,419	[2]	----------	----------	−1	−1	2,420	[2]
1937	44,853	3,299	7.4	----------	----------	[4]	[4]	3,299	7.4
1938	[2]	3,057	[2]	----------	----------	1	1	3,056	[2]
1939	41,671	3,123	7.5	----------	----------	15	15	3,108	7.5
1940	47,671	3,934	8.3	----------	----------	51	51	3,883	8.1
1941	64,267	5,020	7.8	[3]	932	391	1,323	3,697	5.8
1942	89,345	8,003	9.0	[3]	6,304	221	6,525	1,478	1.7
1943	99,851	12,842	12.9	[3]	12,738	109	12,847	−5	----------
1944	105,617	14,377	13.6	[3]	13,845	231	14,077	240	.2
1945	101,411	10,309	10.2	[3]	6,542	1,019	7,561	2,748	2.8
1946	101,622	9,950	9.8	[3]	2,343	[5] 2,701	5,044	4,906	4.8
1947	123,931	15,160	12.2	[3]	1,940	[6] 3,907	5,847	9,313	7.5
1948	139,957	12,532	9.0	[3]	4,194	1,024	5,218	7,314	5.2
1949	125,311	11,936	9.5	[3]	5,207	652	5,859	6,077	4.9
1950	144,762	10,142	7.0	282	3,484	156	3,922	6,200	4.3
1951	165,120	14,879	9.0	1,065	3,035	156	4,256	10,623	6.4
1952	171,785	15,049	8.8	1,097	1,960	420	4,377	10,672	6.2
1953	182,743	15,652	8.6	3,511	1,837	218	5,566	10,066	5.5
1954	175,966	14,981	8.5	2,255	1,647	−93	3,809	11,172	6.3
1955	193,061	15,421	8.0	1,256	1,865	302	3,423	11,908	6.2
1956	203,406	18,940	9.3	1,757	1,696	626	4,078	14,862	7.3
1957	209,866	20,630	9.8	1,355	1,613	963	3,931	16,699	8.0
1958	201,221	17,704	8.8	1,534	1,611	963	4,117	13,507	6.8

[1] Covers changes in both long- and short-term claims of the U.S. Government on foreign countries.
[2] Not available. (Prior to 1940, estimates of production of movable goods have been prepared only for years covered by a census of manufactures.)
[3] Not available. (See note 2.)
[4] Less than $50,000.
[5] Military aid shipments under the war and postwar lend-lease and Greek-Turkish aid programs are included in col. 5.
[6] Excluding U.S. subscriptions of $323 million in 1946 and $3,062 million in 1947 to capital of International Bank and Monetary Fund.

Source: Prepared from basic data of the Department of Commerce, June 1958.

DEPLETION

Allowance for a wasting asset

As a result of legislation which I introduced in 1954 to raise the depletion allowance on the 49 principal minerals to 27½ percent, such depletion allowance was raised by the Senate Finance Committee and approved by the Congress on 35 metals, minerals, and materials.

The 27½-percent depletion was retained on oil and gas wells and raised from 15 to 23 percent on 35 minerals.

Depletion is the percent of net profit from the net income tax because af a wasting asset.

Excerpts of Senator Malone's testimony before the Ways and Means Committee of the House in 1951:

Two principles encourage investments

"The two important principles encouraging venture capital to engage in the hazardous business of drilling oil wells in untried areas, and sinking shafts and driving tunnels where no commercial mineral has ever been known to exist, are the depletion allowance and the tariff or import-fee structures.

"The percentage-depletion allowance provides a reasonable method for the return of the capital investment, provided oil or mineral is discovered—if none is discovered the capital is lost—that is the gamble miners and oil drillers take.

"The tariff or import fee, providing a principle for fair and reasonable competition in the importation of products from the sweatshop countries of Europe and Asia, assures investors that their capital will not be destroyed as soon as the emergency is ended.

Emergency saves oil and mineral industries

"While the administration is fostering the imports of petroleum and minerals from foreign, generally strategically indefensible sources, the domestic industry has only been saved from a severe depression by the rapidly increasing domestic demand through the present emergency.

"Another factor which has kept the domestic oil and mineral industries searching for new sources of supply was the existence of the percentage depletion allowance.

Threat of removal disastrous

"Mr. Chairman, the continual threat of the removal or manipulation of either one of these factors—that is to say, the depletion allowance, which makes possible the return of capital investment, or the tariff or import fee structure, which provides for fair and reasonable competition between imported and domestically produced goods—the very threat of the removal keeps venture capital out of the business since there can be no confidence in a congressional principle which is continually under fire."

INTERNAL REVENUE CODE OF 1954

Sec. 613. Percentage Depletion:

(a) General rule: In the case of the mines, wells, and other natural deposits listed in subsection (b), the allowance for depletion under section 611 shall be the percentage, specified in subsection (b), of the gross income from the property excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property. Such allowance shall not exceed 50 percent of the taxpayer's taxable income from the property (computed without allowance for depletion). In no case shall the allowance for depletion under section 611 be less than it would be if computed without reference to this section.

(b) Percentage depletion rates: The mines, wells, and other natural deposits, and the percentages, referred to in subsection (a) are as follows:

(1) Twenty-seven and one-half percent—oil and gas wells;

(2) Twenty-three percent: (a) sulfur and uranium; and (b) if from deposits in the United States—anorthosite (to the extent that alumina and aluminum compounds are extracted therefrom), asbestos, bauxite, beryl, celestite, chromite, corundum, fluorspar, graphite, ilmenite, kyanite, mica, olivine, quartz crystals (radio grade), rutile, block steatite talc, and zircom, and ores of the following metals: antimony, bismuth, cadmium, cobalt, columbium, lead, lithium, manganese, mercury, nickel, platinum and platinum group metals, tantalum, thorium, tin, titanium, tungsten, vanadium, and zinc.

(3) Fifteen percent: Ball clay, bentonite, china clay, sagger clay, metal mines (if paragraph (2)(b) does not apply), rock asphalt, and vermiculite.

(4) Ten percent: Asbestos (if paragraph (2)(b) does not apply), brucite, coal, lignite, perlite, sodium chloride, and wollastonite.

(5) Five percent: (a) Brick and tile clay, gravel, mollusk shells (including clam shells and oyster shells), peat, pumice, sand, scoria, shale, and stone, except stone described in paragraph (6); and (b) if from brine wells—bromine, calcium chloride, and magnesium chloride.

(6) Fifteen percent: All other minerals (including but not limited to, aplite, barite, borax, calcium carbonates, refractory and fire clay, diatomaceous earth, dolomite, feldspar, fuller's earth, garnet, gilsonite, granite, limestone, magnesite, magnesium carbonates, marble, phosphate rock, potash, quartzite, slate, soapstone, stone (used or sold for use by the mine owner or operator as dimension stone or ornamental stone), thenardite, tripoli, trona, and (if paragraph (2)(b) does not apply) bauxite, beryl, flake graphite, fluorspar, leipolite, mica, spodumene, and talc, including pyrophyllite), except that unless sold on bid in direct competition with a bona fide bid to sell a mineral listed in paragraph (3), the percentage shall be 5 percent for any such other mineral when used, or sold for use, by the mine owner or operator as riprap, ballast, road material, rubble, concrete aggregates, or for similar purposes. For purposes of this paragraph, the term "all other minerals" does not include (a) soil, sod, dirt, turf, water, or mosses; or (b) minerals from sea water, the air, or similar inexhaustible sources.

CRITICAL MINERALS

The 1953 Malone-Aspinall Mineral Purchase Act, Public Law 206, 83d Congress, 1st session, "To encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes"

Declaration of policy

SEC. 2. It is hereby recognized that the continued dependence on overseas sources of supply for strategic or critical minerals and metals during periods of threatening world conflict or of political instability within those nations controlling the sources of supply of such materials gravely endangers the present and future economy and security of the

United States. It is therefore declared to be the policy of the Congress that each department and agency of the Federal Government charged with responsibilities concerning the discovery, development, production, and acquisition of strategic or critical minerals and metals shall undertake to decrease further and to eliminate where possible the dependency of the United States on overseas sources of supply of each such material.

SEC. 3. In accordance with the declaration of policy set forth in section 2 of this Act, the termination dates of all purchase programs designed to stimulate the domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates and established by regulations issued pursuant to the Defense Production Act of 1950, as amended, shall be extended an additional two years: *Provided,* That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from extending the termination dates of these programs beyond the two-year extension periods provided by this section or from increasing the quantity of materials that may be delivered and accepted under these programs as permitted by existing statutory authority: *Provided further,* That the extended termination date provided by this section for the columbium-tantalum purchase program shall not apply to the purchase of columbium-tantalum-bearing ores and concentrates of foreign origin.

SEC. 4. In order that those persons who produce or who plan to produce under purchase programs established pursuant to Public Law 774 (Eighty-first Congress) and Public Law 96 (Eighty-second Congress) may be in position to plan their investment and production with due regard to requirements, the responsible agencies controlling such purchase programs are directed to publish at the end of each calendar quarter the amounts of each of the ores and concentrates referred to in section 3 purchased in that quarter and the total amounts of each which have been purchased under the program.

Approved August 7, 1953.

The Malone-Aspinall Act of 1953 and its extension in 1956 simply fixed a Government purchase price at a figure in each case that the Interior and Insular Committee felt was enough above the world price to make the difference in the wages, taxes and the general cost of doing business here and in the chief competing nation on each product.

Extension of the Malone-Aspinall 1953 Mineral Purchase Act, Public Law 733, 84th Congress, "To provide for the maintenance of production of tungsten, asbestos, fluorspar, and columbium-tantalum in the United States, its Territories, and possessions, and for other purpose"

That this Act may be cited as the "Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956."

Approved July 19, 1956. Expires December 31, 1958.

The House nullified this legislation in 1957 through failing to appropriate the necessary funds to carry out the purpose of the Malone-Aspinall Mineral Purchase Act.

New mineral purchase legislation, S. 4036, passed by the Senate July 11, 1958, failed in the House August 21, 1958

While the Malone-Aspinall 1953 Mineral Purchase Act, as extended in 1956 to December 31, 1958, it was rendered inactive in 1957 and 1958 when the House refused on three separate occasions to go along with the Senate in appropriating the necessary funds.

The Senate recognizing that the the House had effectively stopped the purchase of these minerals and that such action would result in closing the mines, many of which would be very expensive to reopen, introduced new legislation with the objective of keeping the mines operating pending a sound national policy under which production might continue.

[S. 4036, 85th Cong., 2d sess.][1]

IN THE SENATE OF THE UNITED STATES

June 30, 1958

Mr. Murray (for himself, Mr. Malone, Mr. Church, Mr. Watkins, Mr. Mansfield, Mr. Allott, Mr. Bible, Mr. Barrett, Mr. Goldwater, and Mr. Chavez) introduced the following bill, which was read twice and referred to the Committee on Interior and Insular Affairs:

A bill to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines

THE 1934 TRADE AGREEMENTS ACT VERSUS THE 1930 TARIFF ACT

Since the 1934 Trade Agreements Act (so-called Reciprocal Trade Act) was extended and all special legislation providing for the production of such minerals either failed to pass the House or was rendered inactive by it through failure to pass the necessary appropriation—most of the mines have, in fact, closed and this Nation is dependent upon foreign sources for many of the critical minerals without which it cannot fight a war or live in peace.

The 1934 Trade Agreements Act transferred the constitutional responsibility of the Congress, article I, section 3, to regulate foreign trade to the President, the executive branch, with the power to extend that authority to Geneva where it now resides with 36 foreign competitive nations continuing the job of dividing the American markets among themselves through the complicated multilateral trade agreements.

The Constitution, article I, section 8, says that "The Congress shall have the power to lay and collect taxes, duties, imposts and excises. * * * To regulate commerce with foreign nations."

Two forces are at work dividing American markets with foreign nations. The State Department, representing the executive, through bilateral trade agreements; and Geneva through the GATT (General Agreement on Tariffs and Trade) regulations.

The GATT regulations provide that such foreign nations do not need to keep their part of the agreements as long as they are short of "dollar balance" payments—and they can show that they are short of such payments until the American wealth and markets are equally divided among them.

If the 1934 Trade Agreements Act were to be repealed or not renewed the constitutional responsibility would revert to Congress and the Tariff Commission, an agent of Congress, would adjust the flexible tariff under section 336 of the 1930 Tariff Act, entitled:

SEC. 336. Equalization of costs of production:

(a) Change of classification or duties: In order to put into force and effect the policy of Congress by this Act intended, the Commission (1) upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion, or (4) when in the judgment of the Commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The Commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section * * *. If the Commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the Commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total increase or decrease of such rates of duty exceed 50 percent of the rates expressly fixed by statute.

(b) Change to American selling price: If the Commission finds upon any such investigation that such differences cannot be equalized by proceeding as hereinbefore provided, it shall so state in its report to the President and shall specify therein such ad valorem rates of duty based upon the "American selling price" (as defined in section 402(g)) of the domestic article, as it finds shown by the investigation to be necessary to equalize such difference.

NO SPECIAL LEGISLATION NECESSARY

With the tariff adjusted upon the "equalization of costs of production" provision of section 336 of the 1930 Tariff Act the American investors and workingmen would be back in business; and no special legislation would be necessary.

Under the 1930 Tariff Act the Tariff Commission, an agent of Congress holds the necessary hearings and adjusts the flexible tariff to equalize the costs of production. The Congress takes no action, unless it should not agree with the findings of the Commission.

Under the 1934 Trade Agreements Act as amended the State Department acting for the Executive can trade all or any part of an industry to a foreign nation or nations to further a foreign policy.

THE EASTERN HEMISPHERE

Political, economic, and raw materials—73 nations

In 1955, I went behind the so-called Iron Curtain and stayed 2½ months.

I not only inspected all of the Balkan countries, Austria, Bulgaria, Czechoslovakia, Finland, Hungary, Lithuania, Poland, Rumania, and Yugoslavia, but inspected manufacturing plants and mines in each of the Russian 16 Soviet Socialist Republics from Leningrad in the north to Tiflis in the south, and from the Ukraine in the west to beyond Novosibirsk, east in Siberia.

As a result of such inspections I have no hesitancy in saying that not only can the Eastern Hemisphere be made self-sufficient in the production of the 77 critical materials for war or peace but Russia itself can do likewise within the area under her control.

Further, as I announced on my return from Russia in 1955, there will be no successful revolt, and that all of the power in the Eastern Hemisphere has moved to Russia.

There are two hemispheres, Western and Eastern, and two world powers, the United States and Russia. There are 42 nations and entities in the Western Hemisphere and 73 in the Eastern Hemisphere.

The work here describing the 73 nations of the Eastern Hemisphere, including mineral and general raw material resources, and the political and economic structure of each is the most recent data and information available. It is not as complete as the comparable reports on the Western Hemisphere but includes the best available data and information.

The accessibility of the necessary mineral and general raw material resources is often the measure of the political and military power of a country in world affairs.

On that basis alone the United States and Russia have the greatest future potential.

---

[1] S. 4036, 85th Cong., 2d sess., passed by the Senate but failed in the House.

Availability of such materials marked the rise and fall of the colonial empires of history. Colonialism indicates the control by a stronger nation of a weaker nation's markets.

The control and loss of the markets of the countries of South America and a substantial part of what is now the United States marked the rise and fall of the Spanish colonial empire.

Britain's Navy held the British, French, Belgian, and the Netherlands colonial empires together for several hundred years. Colonialism ended with the domination of the British fleet by airpower at the end of World War II; they have been riding on momentum and the support of this Nation since that time.

CITATION BEING AWARDED TO ROBERT VANCE

Mr. DODD. Mr. President, this afternoon, Robert C. Vance, editor and publisher of the New Britain, Conn., Herald, is being honored in his home town by the Department of the Army in appreciation of his patriotic civilian service.

Mr. Vance is deservedly receiving a citation for the important role that he and his newspaper played in promoting and encouraging a mutual understanding between the residents of the New Britain area and the personnel of the Nike command post there.

Mr. Vance's effort on behalf of the Army is no surprise to those who know him. He and the New Britain Herald have teamed up to bring a long list of outstanding accomplishments to their community.

Mr. Vance has never considered it a duty to perform public service to his readers. Instead he has always felt that it was a privilege, and has acted accordingly.

I personally am proud of the fact that I have been a close friend of Bob Vance for many years. I am pleased that the Department of the Army has seen fit to honor him publicly for his outstanding work.

The PRESIDING OFFICER (Mr. RANDOLPH in the chair). Is there further morning business? If not, morning business is closed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Eastland	Lausche
Anderson	Ellender	McClellan
Bartlett	Engle	McGee
Beall	Ervin	McNamara
Bennett	Frear	Mansfield
Bible	Fulbright	Martin
Bridges	Goldwater	Monroney
Bush	Green	Morse
Butler	Gruening	Morton
Byrd, Va.	Hart	Moss
Byrd, W. Va.	Hayden	Mundt
Cannon	Hill	Murray
Capehart	Holland	Muskie
Carlson	Hruska	Neuberger
Carroll	Humphrey	O'Mahoney
Case, S. Dak.	Jackson	Prouty
Church	Javits	Proxmire
Clark	Johnson, Tex.	Randolph
Cooper	Johnston, S.C.	Robertson
Cotton	Keating	Russell
Curtis	Kefauver	Saltonstall
Dirksen	Kennedy	Schoeppel
Dodd	Kerr	Scott
Douglas	Kuchel	Smith
Dworshak	Langer	Sparkman
Stennis	Thurmond	Williams, Del.
Symington	Wiley	Young, N. Dak.
Talmadge	Williams, N.J.	Young, Ohio

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Washington [Mr. MAGNUSON] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], and the Senator from Iowa [Mr. HICKENLOOPER] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The Chair lays before the Senate the unfinished business.

AMENDMENT OF BRETTON WOODS AGREEMENTS ACT

The Senate resumed the consideration of the bill (S. 1094) to amend the Bretton Woods Agreements Act, which had been reported from the Committee on Foreign Relations, with amendments, on page 2, line 13, after the word "thereof", to strike out "such amounts as may be necessary" and insert "$8,675,000,000"; and, after line 14, to insert a new section, as follows:

SEC. 3. The amendments made by this Act shall become effective on July 1, 1959.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act is amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States under article III, section 2, of the articles of agreement of the Fund, as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959.

"(b) The United States Governor of the Bank is authorized (1) to vote for increases in the capital stock of the Bank under article II, section 2, of the articles of agreement of the Bank, as recommended in the resolution of the Board of Governors of the Bank dated February 2, 1959, and (2) if such increases become effective, to subscribe on behalf of the United States to thirty-one thousand seven hundred and fifty additional shares of stock under article II, section 3, of the articles of agreement of the Bank."

SEC. 2. Section 7(b) of the Bretton Woods Agreements Act is amended by striking out "of $950,000,000", and by striking out "not to exceed $4,125,000,000" and inserting in lieu thereof "$8,675,000,000".

SEC. 3. The amendments made by this Act shall become effective on July 1, 1959.

Mr. FULBRIGHT. Mr. President, I rise to explain and justify the increases in the financial resources of the International Bank for Reconstruction and Development and the International Monetary Fund which are contained in Senate bill 1094, which would amend for that purpose the basic Bretton Woods Agreements Act.

In these days of trial and trouble, when we are continually called upon to meet international crises and domestic problems, and when we are conscious of past shortcomings and future dangers, it is, indeed, a pleasure now and then—and this is one of those occasions—to tell a story of success. This bill relates to two highly successful international financial institutions—the International Bank for Reconstruction and Development and the International Monetary Fund.

The International Monetary Fund has had a steady record of success in promoting international monetary cooperation and wiser foreign-exchange practices. It has solved several major financial crises abroad by providing short-term financial assistance to countries which are members of the Fund. In 12 years of operations, the Fund has made temporarily available to 36 different countries about $4.1 billion.

Mr. President, I think the educational value of the International Monetary Fund is one of its most important virtues, although it is an intangible and does not show up on any balance sheet of any kind. The advice which the Fund gives to the countries which borrow from it, and answers to requests for information made by the countries as to internal practices, constitute one of the most valuable aspects of the entire operation. If the free world is ever to come to an intelligent and efficient use of the capitalistic system the Fund will be one of the principal reasons therefor.

The International Bank for Reconstruction and Development is likewise a success. The Bank is now in its 12th year of operation. It has made loans of more than $4 billion in 49 different countries and territories. Its operations helped in the reconstruction work after World War II, and the Bank has now become one of the important means of financing the free world's economic development. Loans by the Bank are currently running at the rate of about $700–$800 million a year. The Bank's reputation is of the highest quality. It has been able to borrow large sums of money from private enterprise, and it has never had a default on any of its loans.

Mr. President, I hesitate to go into the somewhat intricate details of the organization and operation of these two financial institutions. Members of the Senate have before them a print which contains the message from the President of the United States urging these increases in the resources of the Fund and the Bank, together with a special report of the National Advisory Council of our Government, which contains a wealth of detailed information and statistical data explaining the operations of the Fund and the Bank and justifying the increases in their resources. In addition, members have available the report of the Committee on Foreign Relations on the bill. In addition to these materials, the

staff of the committee has available in the Chamber voluminous documentation on the activities of the Fund and the Bank, and copies of the annual reports which have been rendered by the President to the Congress on their operations.

In addition to the written materials which I have cited as informative about S. 1094, the activities of the International Bank for Reconstruction and Development and the International Monetary Fund are well known to Members of this body, some of whom participated in the formulation of the articles of agreement governing the two institutions, and some of whom have attended, as members of the United States delegation, every annual meeting of the Boards of Governors of the Bank and the Fund. Thus, we have more than a casual acquaintance with this subject.

I believe this bill is warmly supported on both sides of the aisle. With the exception of one minor matter to which I shall refer in a moment, I believe there is no controversy about the bill. No one appeared before the committee in opposition to the bill, and the committee heard well-informed and persuasive witnesses in support of the bill, representing farm, labor, and business groups in the United States.

Mr. CAPEHART. Mr. President, will the Senator yield for a short colloquy?

Mr. FULBRIGHT. I yield.

Mr. CAPEHART. Mr. President, the able Senator from Arkansas and I have been members of both the Committee on Banking and Currency and the Committee on Foreign Relations, which handle these matters and have handled them for many years. In fact, we were both members of the Committee on Banking and Currency when the International Bank for Reconstruction and Development and the International Monetary Fund were established.

Is it not a fact that these institutions have done an outstanding job, and that we have not heard any complaints with respect to their operations?

Mr. FULBRIGHT. The Senator from Indiana is entirely correct. I have never heard a really serious complaint about their operations. These organizations have been blessed with extraordinarily able management, in my opinion. They started out with the correct policies. There have been no defaults. The International Bank for Reconstruction and Development has had no defaults. Though there have been a few cases of minor failures to abide by the conditions prescribed by the International Monetary Fund, I think there has been nothing of a serious nature. The program has been a very great success.

Mr. CAPEHART. Is it not also a fact that when moneys have been loaned either by the International Bank for Reconstruction and Development or by the Export-Import Bank private investments have increased very materially? In fact, I think the figures show that private investment in the countries concerned has increased about three times over comparable previous years.

Mr. FULBRIGHT. I do not have the exact figures in mind, but the activities of the Bank have had a very beneficial effect upon private industry. Not only has assurance been given to private industry, but by means of education of the financial managers of the various countries with whom business has been done there has been created a much better climate for private industry.

Mr. CAPEHART. And this process has encouraged and helped private industry both in the United States and in the other countries, rather than hurt it.

Mr. FULBRIGHT. The Senator is absolutely correct.

Mr. CAPEHART. I thank the Senator.

Mr. FULBRIGHT. Senators will recall that the International Bank for Reconstruction and Development and the International Monetary Fund were established on the initiative of the United States. Our participation was authorized by the Congress in 1945 through the adoption of the Bretton Woods Agreements Act. Although back in 1945 we knew that the first task of the two institutions would be to assist in the recovery from the havoc wrought by World War II, it was clearly seen then that the Fund and the Bank would become financial institutions of major importance to the ever more interdependent economies of nations in the free world. The United States took the lead in establishing the Fund and the Bank and by our participation during the 12 years since we have retained that leadership. As is well known, the national quotas agreed upon for the Fund and the subscriptions to the stock of the Bank were fixed by considering the size of the international trade, the national income, and the monetary reserves of the members. Contributions to the organizations are thus determined on a kind of approximation of ability to pay. Policies of the Bank and the Fund are determined by a system of weighted voting which closely reflect the financial stake of each country in the institutions.

The functions of the International Monetary Fund have remained constant but its business has varied greatly over the years. In the period immediately after World War II, drawings against the Fund to meet balance-of-payments deficits were large. A few years later, however, such drawings fell to a low level. It was not until the Suez crisis of 1956 and 1957, with its profound dislocations in trade, that the true worth of the International Monetary Fund was again appreciated. In 1956 drawings against the Fund amounted to $693 million and in 1957, $977 million. The largest beneficiaries of the Fund's resource at this time were Great Britain, France, India, and Japan.

The operations of the Bank have shifted from concentration on post-war reconstruction loans to Europe to the making of loans to less developed areas of the world. The Bank has made 60 percent of its loan commitments for two major purposes: the construction of electric power installations and the development of transportation facilities, such as harbors, railroads and highways. The Bank's loans are of the very hard variety and they complement the efforts being made through the Mutual Security Program to assist other countries in economic development.

Mr. President, I shall take a moment to describe how the Bank and the Fund work. First, I would call attention to the fact that they are both free world institutions. With the exception of Yugoslavia, which seems to have a foot in both worlds, all 68 members of both institutions are outside of the Communist group of countries. With respect to both the Bank and the Fund, it has not been necessary for the United States to appropriate funds toward the operating expenses of the organizations. Both the Bank and the Fund have paid for their administration and personnel out of the fees which they have charged for their services. As I mentioned earlier, those countries which have contributed the most financially, to the Bank and the Fund have the most to say in the determination of their policies. The United States, being the largest contributor, has more to say than anybody else. Thus, there can be no question in these two institutions about other countries having undue power in disposing of assets contributed by the United States.

The International Monetary Fund operates as a kind of pool of currencies. When a member country suffers a crop failure or some other economic emergency, it may buy from the Fund the hard currency it needs, for a short period of time, usually between 3 and 5 years, by selling its own currency to the Fund in exchange. Later, when the crisis has passed, the country which has drawn on the Fund must replace its own currency sold to the Fund and must do so with gold or a convertible currency, such as dollars. In this way the Fund's resources are made whole.

The Fund's resources are protected against inflation through the method of fixing a par value for the currency of each country which has been paid into the Fund, and countries are obligated to keep their currency in the Fund within 1 percent of its par value. If the currency of a country depreciates, the Fund calls in more currency from that country. This same system applies to the currency resources of the International Bank for Reconstruction and Development. The International Monetary Fund has a little over 400 employees, slightly under half of whom are Americans.

The International Bank for Reconstruction and Development is in the business of lending capital for development purposes in member countries. It makes these loans to governments and to private enterprise. If it makes a loan to private organizations in a certain country, that country must guarantee repayment. The Bank gets its money, which it lends, partly from capital subscribed and paid in by the members and partly from the private money markets through the sale of the bonds of the Bank to private investors. In recent years the Bank has obtained most of its resources by the sale of its securities, 60 percent of which have been sold in the United States. The Bank now has about 580 employees, 45 percent of whom are American citizens.

Mr. President, the proposal before the Senate in S. 1094 amounts to this in

simplified terms: It is proposed to increase the resources of the International Monetary Fund by 50 percent and to increase the capital of the International Bank for Reconstruction and Development by 110 percent. The Fund, after these increases, will have resources of about $5 billion, of which gold and dollars will amount to about $2.3 billion. Under the articles of the agreement of the Fund, a member must pay 25 percent of its increased contribution in gold and the balance in its currency. This means for the United States a payment of $344 million in gold and $1,031 million in dollars. The dollar payment of the United States will be in the form of non-interest-bearing notes, to be drawn upon by the Fund if necessary, but meanwhile no cash will be paid by the United States. All of the other countries which are members of the Fund will increase their quotas by at least 50 percent. Some of the smaller quota countries will have a higher percentage of increases and Canada, Germany, and Japan, because of their relative prosperity and increased importance in international trade, will have increases of larger than 50 percent.

It is proposed that the U.S. subscription to the International Bank for Reconstruction and Development be increased by 100 percent, from $3,175 million to $6,350 million. No part of the increase in the U.S. subscription will be paid except to meet some future default of the Bank's obligations. No such default has ever occurred in the past. Thus, the increased liability of the United States will be a contingent liability and a fairly remote contingency at that. The quotas of other members of the Bank will also go up correspondingly, so that the authorized capital of the Bank will increase from $10 billion to $24 billion. Larger than 100 percent increases in the Bank's subscriptions for Canada, Germany, and Japan have been agreed upon for the same reasons which I just mentioned in the case of the increased quotas of these countries in the Fund. The subscription of Canada to the Bank will be increased from $325 million to $750 million, of Germany from $330 million to $1,050 million, and of Japan from $250 million to $666 million.

I wish to emphasize that these increases in the resources of the two financial institutions are the only changes which are contemplated by this legislation. There will be no change in the method of operations of the Bank and the Fund, no change in membership, and no change in the policies of the organizations.

The primary reason for the increasing of the resources of the Bank and the Fund is that the world has greatly changed in the 12 years since they were established. Twelve years ago the Bank and the Fund were untried institutions looked upon with some skepticism and even hostility. We did not know how they were going to work out. Now we have a record of solid achievement on which to plan for the future.

Economic conditions in the world and the resources of the member countries have greatly changed since the original quotas for the Fund and the shares in the Bank were fixed. For example, the total of free world imports has increased from $27 billion in 1937 to about $100 billion in 1958. Trade in the free world, which is roughly four times what it was when the Fund was established, surely needs a larger stabilization mechanism. The national income and monetary reserves of the member countries since the inception of the Fund fortunately make possible such an increase. The salutary trend toward greater convertibility of the free world's currencies also puts us on notice that there may be increased demands on the International Monetary Fund, because now that exchange restrictions are diminishing, the variations in balances of payments are likely to be greater.

At the end of 1958 the Monetary Fund had gold resources equal to $1,532 million and $792 million in U.S. dollars. Against these assets there were commitments to sell $911 million worth of currency; that is, possible demands on the fund. This total of resources is clearly inadequate to contain the exchange aberrations which could occur over a period of international crisis. The Suez crisis alone in 1956 and 1957 gave rise to drawings on the Fund in the neighborhood of $1.6 billion.

It would be hard to argue that the 50-percent increase in the resources of the Fund is precisely right. Considering the size of the national incomes of the members and the magnitude of current world trade, the increase ought to be larger. On the other hand, the members desire to continue the principle that each of them will increase its quota by the same percentage. If the percentage becomes too large, some of the same countries will be unable to carry the burden. Thus a compromise has been arrived at between the foreseeable needs of the Fund and the ability of members to contribute additional resources.

The increase in the capital of the Bank is brought about because without it the Bank will soon run into difficulty selling its bonds in the private money market. This can be seen by examining the attitude of the U.S. private investors on this point. U.S. investors care more about the backing of the U.S. Government of the Bank's bonds than they do about any other backing. The portion of the U.S. subscription to the Bank, which is pertinent here, to meet obligations of the Bank now amounts to $2,540 million while the Bank now has $1.8 billion of its bonds outstanding. The Bank has been issuing bonds at the rate of $497 million in 1957 and $663 million in 1958. At this rate, the funded debt of the Bank will exceed the amount of the U.S. backing sometime in the next 2 years, depending on the volume of loans made by the Bank. American investors are therefore beginning to ask about an increase in the size of U.S. Government guarantee.

The need for an increase in the capital of the Bank can also be seen if one looks at the needs of the world for development capital. These needs, in the underdeveloped areas of the world alone, are greater than any resources which are in sight. India alone can probably use outside capital to the extent of between $500 million and $1 billion annually for the next few years. Estimates of total outside capital needed in underdeveloped countries annually range from $2.5 billion to $10 billion. Now the Bank cannot begin to meet this need by itself. Private investment and bilateral lending by the industrialized countries, including the United States, will be necessary to make up the difference. The Bank's important contribution through its prime, gilt-edged loans in the fields of electric power, transportation, industry, agriculture and forestry, general development, and communications is badly needed.

Mr. President, I turn now to the part of the bill which has given rise to a difference of opinion. The question is whether the impact of the bill on the U.S. Government expenditure budget shall be placed on the fiscal year 1959 budget or the fiscal year 1960 budget.

The President said in his budget message of January 19, 1959, with respect to the International Monetary Fund:

> For the additional U.S. quota in the International Monetary Fund, this budget includes $1,375 million as supplemental new obligational authority and as estimated expenditures in 1959. Of this amount, $344 million is to be paid in gold, and the balance of $1,031 million is to be paid in the form of noninterest-bearing Treasury notes.

The President, in his budget message of January 19, 1959, said with respect to the increased subscription to the International Bank:

> The anticipated subscription to the International Bank of $3,175 million in the fiscal year 1959 is included in the budget as new obligational authority but not as an expenditure, because it will be in the nature of a guarantee fund. On the strength of guarantees from all its members, the Bank is able to sell its bonds to private investors.

In other words, the increase in the U.S. subscription to the International Bank almost certainly would have no effect on the expenditure budget of the United States in fiscal year 1959 or fiscal year 1960.

The Committee on Foreign Relations has decided that the bill should be amended by providing that the increases in the U.S. contribution to the Fund and Bank should become effective on July 1, 1959; in other words, to affect the fiscal 1960 Government budget.

Administration witnesses put great stress in their presentations on the need for the United States to continue its leadership in the activities of the Fund and the Bank. If the United States decides to increase its quota in the Monetary Fund this will encourage other countries to follow suit. The Committee on Foreign Relations agrees. The committee took notice, however, of the fact that the increased U.S. quota in the Fund shall not, under the agreement with the other members, become effective unless the Fund determines that members having no less than 75 percent of the total of quotas have consented to increases in their quotas. Although the United Kingdom has begun to move toward increasing its quota, and although two Latin American countries have approved the increase, there was little evidence presented to the committee that

the rest of the 75 percent of the total of quotas will be fulfilled prior to the fall of 1959.

There would appear to be nothing in the offing to cause extraordinary demand on the resources of the Monetary Fund over the next few months. Administration witnesses made some vague references to the Berlin situation as possibly causing economic difficulties in the future, similar to the Suez crisis. It is hard to see how the effects of Berlin could be like those of Suez, but even assuming that such an effect were identical, the prospects now are that negotiations with the Russians over Berlin will be just getting started by the end of fiscal year 1959. Hence, dangerously heavy drawings on the Fund before July 1, 1959, would seem to be most unlikely.

In view of these facts about the foreseeable operations of the Fund and the long time which will be required for the other countries to make sufficient contributions to the Fund to cause an expenditure of the proposed increase in U.S. quotas in the Fund, the Committee on Foreign Relations thought it unreasonable to add these sums to the fiscal year 1959 budget, which is already at least $12 billion in deficit.

Thus the committee proposes to continue the U.S. leadership in the Bank and the Fund by deciding now to increase our contributions, but the committee proposes to postpone any harmful effect on the U.S. budget until the fiscal year 1960, because the increased U.S. contributions will not be accompanied by a budget expenditure prior to fiscal year 1960 anyway. I asked Mr. John J. McCloy, representing the American Bankers Association, and a former President of the International Bank, about this course of action when he testified. He said that he saw no real objection to this move.

Mr. President, in conclusion I should like to express the sincere hope that the Senate will approve these increases in the financial resources of the International Monetary Fund and the International Bank for Reconstruction and Development. These institutions have proved their worth. They will be able to do what we want them to do in the future only if they can receive this increased backing from the Government of the United States.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DODD in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

PROTOCOL OF AMENDMENT TO CONVENTION ON INTER-AMERICAN INSTITUTE OF AGRICULTURAL SCIENCES—REMOVAL OF INJUNCTION OF SECRECY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from executive C, 86th Congress, 1st session, a certified copy of a protocol of amendment to the convention on the Inter-American Institute of Agricultural Sciences, which protocol was opened for signature at the Pan-American Union in Washington, on December 1, 1958, and that the protocol, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of a protocol of amendment to the convention on the Inter-American Institute of Agricultural Sciences, which protocol was opened for signature in the Spanish, English, Portuguese, and French languages at the Pan American Union in Washington on December 1, 1958. The protocol was signed in behalf of the United States of America on January 7, 1959.

I transmit also the report of the Acting Secretary of State regarding the protocol for the information of the Senate.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 19, 1959.*

(Enclosures: (1) Report of the Acting Secretary of State; (2) protocol of amendments to the convention on the Inter-American Institute of Agricultural Sciences.)

The PRESIDING OFFICER. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

The legislative clerk read the nomination of Francis F. Healy, to be a member.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED NATIONS

The legislative clerk read the nomination of Thomas C. Mann to be the representative of the United States of America on the Commission on International Commodity Trade of the Economic and Social Council of the United Nations.

Mr. JOHNSON of Texas. Mr. President, I am pleased that this nomination has been reported. Mr. Mann is a very able, conscientious, honorable and dedicated public servant, who lives in my State. I am very pleased to attest to his fidelity to any service he may be called upon to render.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be notified of the nominations confirmed today.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AMENDMENTS TO THE BRETTON WOODS AGREEMENTS ACT OF 1945, AS AMENDED

The Senate resumed the consideration of the bill (S. 1094) to amend the Bretton Woods Agreements Act.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I favor the increases in the funds which are sought. I should like to point out one additional reason why the increases are vitally important, not alone to the safety of the United States as it engages in international lending activities, but very importantly to the taxpayers of the United States in terms of the foreign aid program of the United States. By these lending operations a very important, productive investment can be made by the people of the United States toward relieving themselves of as much of the responsibility for foreign aid as possible.

Secondly, and very importantly, this effort to increase especially the funds available to the International Monetary Fund has a very important and real bearing on such disturbances as are now apparent in Bolivia, and, therefore, can contribute very directly to the peace of the world. I say that for this reason: It is widely believed—and I think with great reason—that the disturbance in Bolivia was principally caused by the break in the market in tin, which is Bolovia's primary export. The break was caused by the raid on the tin market by the Soviet Union. The economy of the free world is susceptible to this kind of influence. The Soviet Union is aware of that fact. In short, by failing to break the price level of inter-

national commodities at a particularly sensitive time and at a particularly sensitive point it is possible. The Soviet Union knows it can affect the economies of countries, particularly underdeveloped countries, very adversely.

It has been truly said that in one afternoon of a commodity price break enough value can be wiped out to soak up all the aid we have given to a particular country for 10 years.

In the case of tin, the Russians hit the market and thereby there was created a very serious economic dislocation in Bolivia. That, I believe, was responsible principally for the tension which resulted in Bolivia, and which flared up as a reaction to an article in Time magazine, although its real basis lay in economic causes.

The Russians are aware of this fact, of course. We were attacked by them in this instance. I say attacked, Mr. President, as we were also attacked in the case of residual fuel oil. We were attacked by Soviet Russia's spot sale in an effort to break markets in the Scandinavian countries. These efforts on the part of the Soviet Union have had very serious effects. That is the way the Soviet Union has been operating in connection with these commodities, and other commodities also.

What can the International Monetary Fund do about it? In the first place, it can lend money to a particular country to enable that country to carry itself through such an economically depressed period and through the price situation created by the Soviet Union in its price-breaking operations. A country such as Bolivia or Chile, or any other country so affected, can carry itself through until the law of supply and demand again reasserts itself. When that time comes and the Soviet Union is, of course, unable to supply the needs of the world, the users of the particular product again return to the main source of supply, if meanwhile the country in question can carry through.

In that way the Fund can make a very real contribution toward the peace of the world and help avoid the kind of dislocation and tension and upset which we saw happen in Bolivia. Therefore this is a very important aspect of the International Fund, because the Fund is ideally suited for carrying through that kind of operation. It cannot do it unless we increase its resources. Therefore it is extremely important in terms of the whole cold war that the increase be provided.

In this connection let me say that I speak from my own experience. I have the honor, under authority of the NATO Parliamentarian Conference, to be Chairman of its Economic Committee.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. DIRKSEN. I yield 5 additional minutes to the Senator from New York.

Mr. JAVITS. I have the honor to be Chairman of the Economic Committee of the NATO Parliamentarian Conference, which is composed of representatives of the 16 members of NATO.

In the committee we have dealt with this problem. We have had made a study of the question of international commodity prices, and how the U.S.S.R.'s efforts in this field can literally destroy underdeveloped countries. We have come to the conclusion—although the conclusion has not yet been actually incorporated into a resolution—that the soundest procedure is to enable the country itself to carry through the swing when a damaging price situation affects it, for if it can carry through the low point, it will again be able to come out on top. This turns out to be one of the most priceless services which the Fund renders. So much for the Fund. I think it is extremely important for the American taxpayer to realize how vital in the cold war it is. For the reasons I have just given this increase in the resources of the Fund, which is a most valuable asset to the economy of the whole free world and its stability, should be authorized.

Now about the International Bank for Reconstruction and Development. There is no question that there exists a tremendous deficiency in international capital—both public and private—to do the job of assisting underdeveloped areas.

If we continue to invest privately and publicly by way of the foreign aid programs for underdeveloped areas, year after year, and go on developing them year after year, as is now being done, we will end up in about two decades from now with ourselves having improved our standard of living by 50 percent, but the underdeveloped areas will be able to improve theirs by only 30 percent. That is completely unacceptable to them. We have the words of their spokesmen in the United Nations and elsewhere to that effect. Yet, unacceptable in this case as it may be, they may not of necessity turn to our system; they may turn to the Communist system. Let us not forget that 2 out of 3 people in free Asia live in India. They face the competition of Communist China on their doorstep. The whole effort of the free world to win the support of its underdeveloped areas could go down the drain unless we determine to do now what needs to be done; and what is needed is greater investment, public and private.

Why do we need the Bank? Why cannot private investment take care of everything?

I think it is true that private investment has been successful, and efforts to promote it have had no more ardent friend in Congress, both in the Senate and in the other body, than myself. I joined with Representative Vorys in developing the private investment guarantee program. I have sponsored an amendment, under which a comprehensive study of private investment is being made by Undersecretary of State Douglas Dillon. But private investment cannot do all the work because it cannot supply what is called the infrastructure—the roads, ports, sanitation and other fundamental public works. So the International Bank for Reconstruction and Development is essential to supply the infrastructure. Its loans are more acceptable in the neutralist nations than in others.

Now we come to the big question: Do people like or dislike the United States? Are they grateful for the money which we give them under our foreign aid programs?

Mr. President, it is time we grew up. We naturally like it but it makes no vital difference whether the people are grateful or not. It even makes no vital difference whether they like us or not—although certainly we want to be liked. I think educational, cultural and sports exchanges, tourism, and similar efforts will help us materially in that regard, as will better information programs. But that is not the fundamental point. The fundamental point is that the other nations should take the free world's way of attaining economic development and national life. If they will do that, we will have won what it is essential to win in the free world.

The work done by the International Bank for Reconstruction and Development is our work. It is helping by taking some of the load of making the effort to win the cold war a success off the American taxpayers in a most effective way. I can think of no single thing which will do the American taxpayers more good in terms of economizing in the cost of Government and in terms of winning the peace, than our passing this bill.

I shall not go into the question of the fiscal year to which the funds should be charged, or anything like that. That is strictly a political issue. It makes no substantive difference which way it is settled, although I shall suport the Republican position on that question. The vital matter is that we shall do it and that we shall know why we are doing it and that the American taxpayer shall realize it.

I do not think there is anything he as an individual could do more effectively than to support what we are doing, both in terms of the struggle for peace and the effort to effect, as much as we can, economy in government in our foreign aid programs.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Connecticut.

Mr. BUSH. Mr. President, I oppose the committee amendment, known as section 3 of the bill. The purpose of the amendment is to throw into the 1960 budget the cost of the bill; whereas the administration had recommended that it be taken care of in this fiscal year. I regret to say that this has been recognized or labeled by many authorities as a political decision, and that partisan political influences have brought about the decision of the Committee on Foreign Relations, which I think is hardly in keeping with the high traditions of that committee. Therefore I object.

The matter is discussed in the New York Times this morning by Arthur Krock, known to many as the dean of political writers in this community, and certainly one of the shrewdest, sharpest observers on the Washington scene for

a great many years. In discussing the matter, he wrote in part as follows:

The Democrats understand it perfectly, and this explains to a great degree why they are voting into the budget for fiscal 1960 certain items the President wants charged to fiscal 1959 and which could just as well be charged to either. They have attacked his on-paper balance for the next fiscal year as phony bookkeeping to begin with; dependent on revenues he knows will not be collected and economies he knows will not be made; and inadequate for essential foreign and domestic security, anyhow.

THE DEMOCRATIC STRATEGY

But, fearing that nevertheless the President may be able to persuade the electorate that he proposed an attainably balanced budget for the fiscal year of 1960 that was adequate for all basic needs they are doing what they can to demonstrate the contrary. One effective way is to charge items to the 1960 budget that the President wants charged to the current one, but at the same time to show that the sums they granted were the sums he himself requested. This was the method employed yesterday when the Foreign Relations Committee approved the transfer from the Treasury to the International Monetary Fund of $1,375 million, the amount named by the President. And adding this to the budget for the next fiscal year terminated its already hairline balance—phony or otherwise. This strategy the Democrats will repeat as often as possible.

THE ADMINISTRATION'S VIEW

The estimate of the deficit in the budget for fiscal 1959 is already $11,500 million without the Monetary Fund item; it can be larger and probably will be. The administration's economic theory is that, this deficit being already so large, no harm will be done if it is larger—

I shall speak of that in a moment, because I agree with that statement—

and, since the domestic economy and the stability of the dollar at home and abroad will be vastly strengthened by the triumph of the balance principle in the budget for fiscal 1960, whatever can be charged currently should be. The Democrats attack this course as fancy bookkeeping for which 1960 politics is the real animation, and they are proceeding accordingly.

Mr President, that is a rather strong indictment. There is great merit in the administration's request that this item be included in the budget for 1959, when it is already well known that we will have a very large deficit, one which will probably be upward of $12 billion. I believe it can be said this deficit is already largely financed by the Federal Government and largely without recourse to the banking system. That is due to a series of reasons which I shall not now outline.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. DIRKSEN. I yield 5 more minutes to the Senator from Connecticut.

Mr. BUSH. It is a fact that because we started the fiscal year with a very large cash balance, and for other reasons, the deficit this year will not have been financed through the banking system to any appreciable extent. Thus the monetary and inflationary aspects of it are not so serious this year and have been discounted. Moreover the psychological effect of the deficit for the present fiscal year has been discounted to a large extent. Everyone has known for a long time that there will be a deficit on the order of $12 billion; so the psychological effects have been discounted.

It is also true that we have been talking about the desirability of a balanced budget for the fiscal year 1960. The President has submitted such a budget. I think that the reception of this budget by the public at large, judging by what reliable indexes indicate, has been very favorable and has tended to restore confidence in the Government, in the fiscal system, and in the American dollar. Therefore, why should any steps be taken at the present time which would dislodge the confidence which has been placed—replaced, we might say—in the dollar, because of the fact that we have discounted the 1959 effects of the deficit and have rallied confidence on the basis that a balanced budget will occur in 1960?

This is a matter of concern to both parties. Both of them should claim credit for a balanced budget. The Congress, which is heavily controlled by the Democratic Party, certainly must take the responsibility for unbalancing the 1960 budget, if it is unbalanced.

Therefore, I do not see why they are so anxious to unbalance it, as evidenced by the current situation regarding the second committee amendment, namely, section 3 of the bill.

So I beg the Democratic Members of the Senate to think of their responsibility in this matter, and to consider the fact that if the 1960 budget is unbalanced by deliberate action, such as by means of this committee amendment, which would be done purely and simply, as Arthur Krock has pointed out, for the purpose of unbalancing the 1960 budget—the responsibility for that will rest directly upon their heads. I beg them to reconsider the matter, and either to withdraw the amendment or vote it down, so that the amounts carried in the bill will go into the 1959 budget.

Mr. AIKEN. Mr. President, will the Senator from Connecticut consider placing the entire Krock article in the RECORD? I notice that the article contains a number of references to me and I believe it would be rather flattering to have the entire article placed in the RECORD. Of course, I notice that Mr. Krock has made a great deal of a statement I made—namely, that I "did not understand." I used the words "I do not understand." As a matter of fact, I understand; but he does not understand. When a Yankee says, "I do not understand," he is simply trying to be charitable. Or sometimes he means "I do not agree."

Mr. BUSH. Mr. President, out of deference to my friend, the Senator from Vermont, I did not request that the entire article be printed in the RECORD. But if it is his wish to have it printed in the RECORD, I now ask unanimous consent to have the entire article printed in the RECORD at the conclusion of my remarks.

Mr. AIKEN. Mr. President, I concur in the request.

The PRESIDING OFFICER (Mr. DODD in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WARRING FACTORS IN THE BUDGET FIGHT

(By Arthur Krock)

WASHINGTON, March 18.—The President might have lifted one eyebrow, and Republican National Chairman Alcorn both, on reading a statement made to the press yesterday by Senator AIKEN, Republican of Vermont. After the Committee on Foreign Relations, of which AIKEN is a member, in approving the President's request for an increased subscription to the International Monetary Fund, charged the sum to the Federal budget for 1960 instead of to the current fiscal year's (as the President also had requested), the Vermont Senator said:

"I can't understand why 1960 should be sacred * * * that we have to balance the budget that year if we can't ever balance it again."

The President has explained over and over that he is fighting for a balanced 1960 budget to dispel growing doubts at home and abroad of the stability of the dollar, and to discourage in good years the easy resort to deficit financing that is acceptable in bad. And, since also he has not accepted the proposition that the budget could never again be balanced, it is curious that AIKEN still fails to understand the President's explanation. If the Senator had said he wasn't impressed with it, that would be comprehensible.

ALCORN'S SPECIAL INTEREST

Chairman Alcorn has a special interest in another aspect of the fiscal 1960 budget-balancing effort by the administration. It is apparent that the Republicans believe their next national ticket will be importantly aided by the concurrent showing of a balanced budget, or of a determined effort to attain one that failed only because of Democratic resistance. AIKEN may reject this consideration on the ground, surprising in the case of a professional politician, that it is partisan and political. But again it is curious he does not understand it.

The Democrats understand it perfectly, and this explains to a great degree why they are voting into the budget for fiscal 1960 certain items the President wants charged to fiscal 1959 and which could just as well be charged to either. They have attacked his on-paper balance for the next fiscal year as phony bookkeeping to begin with; dependent on revenues he knows will not be collected and economies he knows will not be made; and inadequate for essential foreign and domestic security, anyhow.

THE DEMOCRATIC STRATEGY

But, fearing that nevertheless the President may be able to persuade the electorate that he proposed an attainably balanced budget for the fiscal year of 1960 that was adequate for all basic needs, they are doing what they can to demonstrate the contrary. One effective way is to charge items to the 1960 budget that the President wants charged to the current one, but at the same time to show that the sums they granted were the sums he himself requested. This was the method employed yesterday when the Foreign Relations Committee approved the transfer from the Treasury to the International Monetary Fund of $1,375 million, the amount named by the President. And adding this to the budget for the next fiscal year terminated its already hairline balance—phony or otherwise. This strategy the Democrats will repeat as often as possible.

THE ADMINISTRATION'S VIEW

The estimate of the deficit in the budget for fiscal 1959 is already $11,500 million without the Monetary Fund item; it can be larger

and probably will be. The administration's economic theory is that, this deficit being already so large, no harm will be done if it is larger; and since the domestic economy and the stability of the dollar at home and abroad will be vastly strengthened by the triumph of the balance principle in the budget for fiscal 1960, whatever can be charged currently should be. The Democrats attack this course as fancy bookkeeping for which 1960 politics is the real animation, and they are proceeding accordingly.

Nor did the President get any help yesterday from the Republicans on the Foreign Relations Committee. Senator LANGER was registered in the negative, but he was merely following his line of opposing all foreign economic aid. There was no objection of record, however, from Republican Senators WILEY, of Wisconsin; CAPEHART, of Indiana; or CARLSON, of Kansas. And AIKEN voted with the Democratic majority because, as he said, he couldn't understand the reasons for not doing so.

Mr. JOHNSON of Texas. Mr. President——

Mr. BUSH. Mr. President, does the Senator from Texas wish me to yield to him?

Mr. JOHNSON of Texas. No; I simply wish to determine whether it will be possible to have the yeas and nays ordered on the question of agreeing to the second committee amendment.

Mr. BUSH. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Illinois desires to have the yeas and nays ordered on the question of agreeing to section 3, the second amendment. I wonder whether it will be possible to have the yeas and nays ordered on that amendment at this time.

The PRESIDING OFFICER. The yeas and nays have been demanded on the question of agreeing to section 3, the second committee amendment. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, I renew my request for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I understand there is no controversy regarding the committee amendment in section 2. Has that part of the amendment been agreed to?

The PRESIDING OFFICER. The first committee amendment will be stated.

The first amendment of the Committee on Foreign Relations was, on page 2, in line 13, after the word "thereof," to strike out "such amounts as may be necessary," and insert "$8,675,000,000."

The amendment was agreed to.

The next committee amendment was, on page 2, after line 14, to insert a new section, as follows:

SEC. 3. The amendments made by this Act shall become effective on July 1, 1959.

Mr. WILLIAMS of Delaware. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. Upon what question were the yeas and nays ordered?

The PRESIDING OFFICER. The yeas and nays were ordered on the question of agreeing to the second committee amendment.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. BUSH. Is the Presiding Officer referring to section 3 of the bill, on page 2? Is that the second committee amendment?

The PRESIDING OFFICER. Yes, in section 3.

Mr. BUSH. It does not include the amendment in section 2, does it?

The PRESIDING OFFICER. No, it does not.

Mr. BUSH. I thank the Chair.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. WILLIAMS of Delaware. Mr. President——

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the senior Senator from Delaware [Mr. WILLIAMS].

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 minutes.

Mr. WILLIAMS of Delaware. Mr. President, for the moment, I shall not discuss either the merits or the demerits of the bill.

At this time I wish to call attention to what I consider to be the irregular manner in which the bill has been brought before the Senate. I refer to the CONGRESSIONAL RECORD for yesterday, on page 4484, from which I read the following:

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 98, Senate bill 1094. I announce that there will be no debate on the bill this evening.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1094) to amend the Bretton Woods Agreements Act.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with amendments.

Farther down in the same column on the page we find that the Senator from Texas made an additional unanimous-consent request, as follows:

Mr. JOHNSON of Texas. Mr. President, the bill has been reported almost unanimously from the committee, with perhaps one vote against it.

I have discussed the bill with the minority leader, who desires to make a statement on it tomorrow, and with the chairman of the Committee on Foreign Relations.

I ask unanimous consent that the time be divided between the distinguished chairman of the Committee on Foreign Relations and the minority leader, and that the vote be taken not later than 3 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

In agreeing to this I asked whether the bill and its report was available. I was assured that it was available. I quote further from the CONGRESSIONAL RECORD for yesterday.

If they are—

Meaning the bill and the report—

available tonight, I have no objection.

Mr. President, I call attention to the fact that the bill in regard to which this unanimous consent was given did not then exist; there was not then such a bill; there was not then such a calendar number. On yesterday's calendar, the last number is 97. This bill was not on that calendar. There was no such calendar number as 98; and at the time the consent was given there was no bill and no report available for the Senate.

Mr. President, I make the further point that the bill in question was not even in the Senate at the time when it was supposedly read by the clerk. If any bill of this number was read, it was only a dummy bill, not the bill as reported by the committee.

Therefore, I make the point of order that the unanimous-consent request, as agreed to, was not in order.

The PRESIDING OFFICER. The bill is now before the Senate. The point of order should have been raised yesterday, at the time when the bill was brought up.

Mr. WILLIAMS of Delaware. The point was made yesterday; and on yesterday I was assured that the bill was available. I accepted that assurance in good faith.

Furthermore, Mr. President, when the Members of the Senate hear the clerk supposedly read a bill, they have every right to believe that the bill is actually before the clerk. But I make the point of order that the bill was not actually read.

The PRESIDING OFFICER. The bill was not actually read; but the RECORD shows that the bill is now before the Senate and that the Senate is operating under a unanimous-consent agreement.

Mr. WILLIAMS of Delaware. The RECORD shows that the bill was read only by title; but I say that the bill itself was not only not read to the Senate, it was not even in the Senate. Anyone is at liberty to take exception to that statement if you wish. It cannot be denied.

I make the point that the bill was not actually read, that the assurances given were not correct, and that the bill is not now in order.

Mr. FULBRIGHT. I turned in the bill on yesterday. I do not know what the Senator from Delaware has in mind.

Mr. WILLIAMS of Delaware. I think all of us will agree that the bill itself was not in the Senate last night when it was made the order of business.

Mr. JOHNSON of Texas. Mr. President, to what page of the RECORD does the Senator from Delaware refer?

Mr. WILLIAMS of Delaware. I refer to page 4484 of the CONGRESSIONAL RECORD for yesterday. The request made by the Senator from Texas was for consideration of the bill; and then the clerk supposedly read the bill. I make the point that this bill was not then in the Senate Chamber and, therefore, could not have been read then.

In making this point, I say to the majority leader, I realize that a motion to have the Senate consider the bill could now be made. But I think this is

an irresponsible manner in which to bring up a bill which involves more than $1 billion. This bill deserves more consideration.

The bill was originally introduced in the Senate on February 17. The bill was considered by the Foreign Relations Committee to be of sufficient importance to warrant the holding of 3 days of hearings. Yet, before the bill and its report was printed and was available, the majority leader obtained unanimous consent to have the Senate consider the bill—which, as I have said, involves more than $1 billion; and he reached out into thin air and picked out some projected calendar number and some imaginary bill. I think the bill involved is highly important. Regardless of whether the point of order is sustained or is not sustained, I am calling attention to the irresponsible manner in which a bill of this importance was handled.

Mr. FULBRIGHT. Mr. President, the bill has been printed; and I think the statements made by the Senator from Delaware about irresponsibility are entirely uncalled for. The Senator from Delaware does not know what he is talking about. He should restrain his language.

There is no secret about the bill. It has been in the committee for a long time. The basic legislation has been on the statute books for 12 years.

So, Mr. President, to pretend that the bringing up of proposed legislation of this sort involves irresponsible action, when we have had complete hearings, and when the bill is an administration bill, I believe is entirely uncalled for.

Mr. EASTLAND. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I yield 2 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. EASTLAND. If such a point of order or such an objection is valid, should not it have been made yesterday?

Mr. FULBRIGHT. If the Senator from Delaware had paid attention to his duties on the floor, he would have been here and would have objected yesterday. Why does he raise such a point today?

Mr. WILLIAMS of Delaware. Mr. President, I have the floor; and the time used by the two Senators should not be taken out of the time available to me.

The PRESIDING OFFICER. The time yielded to the Senator from Delaware has expired.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Delaware an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized for an additional 5 minutes.

Mr. WILLIAMS of Delaware. Mr. President, I was here yesterday, the reason why I make the point of order today is that on yesterday I was given assurance that the bill and the report was available. Otherwise, I would have objected.

I know the bill has now been reported; but the bill was not ready last night; it was on the way to the printer. However, in answer to my question last night, I was given to understand otherwise.

Mr. FULBRIGHT. All that the Senator from Delaware had to do was go to the desk and read the bill.

Mr. WILLIAMS of Delaware. The bill was not at the desk. I repeat that we then had every reason to expect that the bill was in the Senate, when the calendar number of the bill was read and when the bill was reported by title.

Mr. FULBRIGHT. It was here. The bill was handed in at the desk by me either during or shortly after the morning hour yesterday.

Mr. WILLIAMS of Delaware. But there was then no such number as Calendar No. 98. And the bill and report were not available to us as Members of the Senate. It was not here until this morning.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I shall yield in a moment.

Mr. President, at that time there was no such number as Calendar No. 98, and at that time no bill of that calendar number was available in the Senate. I was given assurance otherwise. I said:

If they are available tonight, I have no objection.

But after the Senate adjourned a few minutes later I found they were not available.

The Senate may consider the bill at this time, if it wishes to do so; but again I say this is an irresponsible manner in which to consider a bill which involves more than $1 billion.

I also point out that the bill, as reported by the Senator from Arkansas from the committee, has an effective date of July 1, 1959. So there will be nearly 4 months before the bill will be effective, after it is passed. Why this urgent rush. Why are we suddenly confronted with a request for unanimous consent to have the Senate take up a bill—which involves, as I have stated, more than $1 billion—before the bill and report was even printed.

You may be familiar with the bill, but I have not seen it until just a few minutes ago.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield 2 minutes to me?

Mr. FULBRIGHT. I yield the Senator from Texas whatever time he may need.

Mr. JOHNSON of Texas. Mr. President, the most regrettable thing I have seen happen in the Senate in a long time is the statement by the Senator from Delaware. No one has given the Senator any assurance that has not been kept.

The Senator was present when the unanimous-consent request was made. It was made with the approval of the Senate's minority leader, who has been silent, but I ask him to testify it was agreeable. The bill is designed to implement an administration proposal, and the administration wanted to have it taken up. I made the statement that the bill would not be debated until the report and the record of hearings were on the desk of each Member. I asked for the calendar number from the clerk and the number was given to me. I motioned the bill up by calendar number and I asked unanimous consent at that time that the Senate proceed to its consideration. I did not state that I had a report I could hand to the Senator, although if the Senator had wanted one he could have gotten it, because it was available.

Mr. WILLIAMS of Delaware. I beg the Senator's pardon. It was not available until this morning.

Mr. JOHNSON of Texas. I understood the Senator from Arkansas to say he submitted the report shortly before.

Mr. FULBRIGHT. The bill was at the desk from the morning hour yesterday and the report was in preparation.

Mr. WILLIAMS of Delaware. I was advised after the Senate adjourned that both had gone to the printer and it would be necessary to go to the printer to get them. They definitely were not available as I had understood they would be.

Mr. JOHNSON of Texas. The statement I made was that the Senator was standing on the floor, and I asked unanimous consent and the Senator did not object. The Senator from Illinois [Mr. DIRKSEN] asked the Senator if he desired to object, and he said:

No. I was merely trying to find out what the agreement was.

The Senator from Illinois then said:

The agreement was that a vote be had not later than 3 p.m. tomorrow.

The Senator from Delaware then asked:

What is the calendar number?

The Senator from Illinois then said:

It will be Calendar No. 98. The reports will be available in the morning.

Mr. WILLIAMS of Delaware. I ask the Senator to continue reading.

Mr. JOHNSON of Texas. The Senator from Delaware then asked:

The bill has not even been reported?

The Senator from Illinois then said:

It has been reported, but it is not on today's calendar.

The Senator from Delaware then asked:

Is it printed?

And the Senator from Illinois said:

It is printed.

The Senator from Delaware then asked:

Will the bill and the report be available?

The Senator from Illinois said:

I think they are available now.

Then the Senator from Texas said:

Nothing will be taken up until the bill and the report are available.

That is true. Nothing was taken up.

Mr. WILLIAMS of Delaware. Will the Senator continue reading?

Mr. JOHNSON of Texas. When the bill came to the floor this morning, I asked the proper officers of the Senate at 10:30, "Do you have on the desk

of every Member the report and the bill?"

That answer was in the affirmative.

Mr. WILLIAMS of Delaware. Will the Senator yield for a moment?

Mr. JOHNSON of Texas. No, I am not going to yield until I finish the statement.

The Senator was in the Chamber and heard all of that presentation. Now the Senator undertakes to criticize his own leader and to criticize the chairman of the committee for bringing up a bill which has been brought up in the regular order. The report is here for the Senator. The Senator can read it, can smell it, can touch it, or do anything he wants with it. I say nothing has happened which was not in accordance with correct procedure.

Mr. WILLIAMS of Deleware. Mr. President, will the Senator yield 1 minute to me?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. I desire to read the rest of the colloquy, which the majority leader did not read, and which follows immediately thereafter.

Mr. WILLIAMS of Delaware. If they are available tonight, I have no objection.

Mr. DIRKSEN. If they are available, there is no objection.

That was the basis of my agreement and I say again, they were not available last night, and that statement cannot be challenged. The bill had been ordered reported; that is true. The report was filed; that is true. But the bill and the report were filed with the clerk late last night, and were on their way to the printer. They were not available to us as Members of the Senate until sometime this morning.

I say again that the unanimous-consent agreement was given on the assurance that they were available, but they were not available at that time.

Perhaps I was too gullible in accepting the assurances so readily last night, but I will be protected properly the next time when unanimous consent is asked.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to proceed for 2 minutes without having the time charged as a speech on the pending bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and the Senator may proceed.

Mr. DIRKSEN. Mr. President, the only parliamentary problem which occurred to me last night was that the printed calendar did not contain the number 98 which was assigned to the pending bill. I am advised, however—and I made a point of going to see the Parliamentarian about it early this morning—that the procedure followed is proper. I wanted to ascertain whether under those circumstances a bill might be subject to a point of order. I understand it is the practice and within the rule that when a bill has been reported it is assigned a calendar number. Notwithstanding the fact that the bill did not appear on the printed calendar—which obviously was printed the night before—the bill still bears the number assigned to it, and therefore is quite in order.

I had some doubts about that, but I satisfied myself on that point with the Parliamentarian himself.

The rest of the colloquy, of course, must speak for itself.

I wish to make only one further comment, Mr. President, which is that I am of the belief there is urgency about this bill. The remarks I am going to make on the bill will be predicated in large measure upon urgency, and that is one reason why I shall resist section 3 of the bill. I do so after a long session with the Secretary of the Treasury and others who feel very deeply about the bill.

In all other respects the record is quite clear.

I must say, in behalf of the majority leader, that when we discussed the matter the day before, he did say the bill would not come up until the bill and the report and the hearings were available. I think he gave the Senate that assurance.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield for a moment?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. In that colloquy, the Senator is aware of the fact that I said—and I quote my exact words—

If they are available tonight, I have no objection.

The Senator from Illinois then said—and I quote his exact words—

If they are available, there is no objection.

I think the Senator will agree that no objection was made, with the clear understanding that the bill and the report would be available last night. I think the Senator from Illinois will concur in what I have said, that they were not available for the Members of the Senate last night, and we could not get them unless we went to the Printing Office for them.

Mr. DIRKSEN. I can concur, with the observation that I had so much material on the subject which kept me so busily engaged I was not concerned about the bill or the report or the record of the hearings.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILLIAMS. I can understand the Senator's attitude from his position. I am speaking from my position. I asked if the report and hearings would be available to me and the other Senators last night. We had a right to think they would be available. I think the Senator will agree that even though it may be within the rules to reach out into the future and pick a number for tomorrow, it is not usually done.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute, under the same conditions.

It is interesting to note that not a day goes by when some fine parliamentary point does not present itself. Frankly, I never encountered this problem before. There was no number 98 on the calendar. I understand, however, it is clearly within the rule to assign a number when the bill is reported, and it does not have to be a number printed on the calendar the day before in order to qualify the bill to take that number.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield for a moment?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. I will not delay the discussion. The Senator is correct. The numbers are assigned. That is perfectly proper. However, the Senator has confirmed what I previously said. This question has not arisen before, because this is the first time since I have been in the Senate that I have had the experience of a majority leader on either side trying to reach out into the future and obtain unanimous consent to consider a bill involving any amount of money on the following day, under limited debate, especially a bill involving $1¼ billion, when such bill is not printed and does not have a calendar number. This is the first time, to my knowledge, that has been done. I repeat what I said earlier: It is an irresponsible manner in which to conduct the affairs of the Senate and a reckless way to spend a billion dollars of the taxpayers' money.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

Mr. EASTLAND. Mr. President, will the Senator withhold his request for a moment?

The PRESIDING OFFICER. The bill, S. 1094, Calendar No. 98, was reported yesterday. By unanimous consent the bill was taken up. Under the rule, upon objection, a bill must lie over 1 day. The bill having been taken up yesterday by unanimous consent, which in effect operates to waive the rule, it is properly before the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Arkansas yield 1 minute to me?

Mr. FULBRIGHT. I yield the Senator from Texas whatever time he may require.

Mr. JOHNSON of Texas. I think this is a typical attempt to try to confuse the issue.

In the first place, I am informed that the bill was filed at the clerk's desk during the morning hour yesterday.

In the second place, I am informed that the complete report was given to the printing clerk about 7:30 o'clock last evening, and was available for anyone who wanted to see it, if anyone wanted to see it.

I did not state it was available. I said we would not debate the bill last evening. I stated that before we debated it we would see that the bill and the report were available for each Senator. But I asked the minority leader, since this was a very important administration measure, when he wanted it taken up and how long he thought it would take to discuss it. The minority leader told me he did not think the total discussion would require more than 2 hours. I asked him to explore that

matter with Senators on his side of the aisle, and he did so. When he came back he told me 2 hours was enough. I called the chairman of the Committee on Foreign Relations and asked him how much time he would like.

During all that time I was engaged in debate on the floor. An aid came to me and said that the chairman of the Committee on Foreign Relations was in agreement with the suggestion made to me by the minority leader, that 2 hours was ample time.

I suggested that the Senate meet at 11 o'clock today, and that there be 3 hours of discussion. I did not know whether the report was available. No Senator asked me or the chairman of the Foreign Relations Committee to see the bill or the report. Evidently Senators did not have enough interest last night to read it. The bill and the report were available this morning. Senators have had ample opportunity to read them since the Senate met at 11 o'clock. They will have ample opportunity to read them between now and the time the vote is taken.

If anyone has broken faith, I do not know who it is. I told the Senator I would not bring this bill up for debate until the report was available. I did not know whether it was available or not. I did not say it was available.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator from Texas will yield, he said he would not bring the bill up until the report was available. That is true. He also said there would not be any debate last night, which indicates he was aware of the fact the report was not available.

Mr. JOHNSON of Texas. I was not aware of the fact the report was not available. I knew we would not debate the bill last night. I told all Senators they could leave, that they did not need to stay. We did not plan to discuss the bill. We merely wanted some bill made the unfinished business.

If the Senator says this is the first time a measure has been brought up before a report has been made available, or the first time a bill has been brought up before the calendar was printed, the Senator has been around the Senate for a long time without knowing what has happened, because that frequently happens. Except with respect to appropriation bills, many times the leadership can make an agreement on bills. We did agree in this case, and the agreement was carried out pursuant to what the minority leader recommended.

If the minority leader did not talk with the Senator, I did not know it. I thought he did, because I saw the two Senators talking with each other. I thought the Senator approved of what was happening.

Mr. WILLIAMS of Delaware. I did approve of what was happening, subject to the assurances which I accepted as being reliable.

Mr. JOHNSON of Texas. Did the Senator ask to see the report last evening?

Mr. WILLIAMS of Delaware. I did, immediately after the Senate adjourned, but when I found the bill and report were not here it was too late to raise the point at that time. However, I definitely did try to find a copy of the report last night, and it was not available.

Mr. JOHNSON of Texas. I am informed that it was given to the printing clerk about 7:30 p.m.

Mr. WILLIAMS of Delaware. If it had been filed, it had gone to the Printing Office. I say that it was not available to me, and that I tried to get it.

Mr. DIRKSEN. Mr. President, I withdraw the suggestion of the absence of a quorum, and yield 10 minutes to the distinguished Senator from Wisconsin [Mr. WILEY].

Mr. WILEY. Mr. President, I rise to support the increased U.S. contributions to the International Monetary Fund and to the International Bank.

These are the offspring, Senators will recall, of the conference at Bretton Woods, N.H., in 1944. They are now among the oldest and most reliable of the free world's institutions.

For 12 years, each has discharged its functions with a high order of effectiveness and with surpassing responsibility. Now, for the first time since the adoption of the Bretton Woods agreements, the 68 member nations have agreed—agreed unanimously, I might add—that the present subscription levels are no longer adequate if the economic ills and crises of the future are to be faced realistically.

It was proposed that contributions of most members to the Fund be increased by half. For the United States, this means an increase of $1.375 billion—from $2.75 billion to $4.125 billion. As for the Bank, subscriptions in most cases are to be increased 100 percent. This means an additional liability to the United States of $3.175 billion. However—and I hope my colleagues will note this point—only the first figure, the increase of $1.375 billions to the Fund—will have any budgetary effect. Our additional obligation to the Bank will simply be a standby guarantee against future contingencies. Not one cent of this new money is intended to be called up for use in the Bank's operations. But it will serve to reassure the investors who buy the Bank's bonds and, in effect, to double their protection.

I scarcely need point out that this legislation was intended to be genuinely bipartisan in character. This is substantially still the case, although only this week an amendment which I regard as highly political has been attached to the bill. But I would rather not at this time divert the attention of my colleagues from the urgency of the measure by dwelling on that matter.

It is my feeling that the International Monetary Fund and the World Bank perform a service that is seldom seen in its true perspective. Just as the United Nations labors to ease political strife and to settle political squabbles, so do these two agencies strive to mitigate the economic stresses and strains of 68 nations. These are ambitious objectives. However, as I have already said, the achievement marks of both the Fund and the Bank are high, indeed.

In considering this measure, we should remember that most of the work done by the Fund and the Bank is in behalf of the so-called underdeveloped countries. In fact, the Bank has confined its operations to Asia, Africa and Latin America. In the context of the great Soviet challenge, this is an important point to remember.

In November of 1957, Mr. Khrushchev threw down the glove to a group of American visitors. "We declare war on you," he said, "in the peaceful field of trade."

One year later, the Soviet premier's delegate said this to the Asian-African People's Solidarity Conference at Cairo:

> We do not need profits, privileges, controlling interest, concession of raw material sources. We do not ask you to participate in any blocs, reshuffle your governments, or change your domestic or foreign policy. We are ready to help you as brother helps brother, without any interest whatever, for we know from our own experience how difficult it is to get rid of need. Tell us what you need and we will help you and send, according to our economic capabilities, money needed in the form of loans or aid * * * to build for you institutions, for industry, education and hospitals * * * our only condition is that there will be no strings attached.

Mr. President, I submit that this spurious Soviet declaration could, in substance, be set forth in good faith by the International Bank and the Monetary Fund together. The functions of these sibling organizations differ, but they work to the same end—to strengthen the economies of the non-Communist countries of the world. We must see to it that these functions are never curtailed by the lack of operating funds.

It might be useful to examine these functions. The World Bank was initially a lending agency at the service of countries whose first need was to rebuild facilities that had been destroyed by the war. Since then, the reconstruction phase of its career having ended, the Bank has become a major source of development capital for the economically less developed countries of the world. In the past 10 years, its lending rate has just about tripled.

The construction of electric power facilities has been perhaps the Bank's single greatest preoccupation. Indeed, such projects have accounted for about one-third of its loans. This high priority on power is understandable when you consider that in all of Africa, for example, there are barely 6 million kilowatts of electric power. Another third of the operating funds have been devoted to the improvement of ports, harbors, railways and highways. Most of the remainder has been spent on agriculture, especially reclamation; and industry, with special stress on steel production. In 12 scant years, the World Bank has granted more than 200 loans totaling more than $4 billion. This money has been spent on more than 600 projects by 49 countries.

I doubt that any Member of the Senate would dispute the fiscal and procedural policies of the World Bank. They are eminently sound. Loans are extended only to member countries, or in some cases to a government whose application

is guaranteed by a member country. Each transaction with a private business must be guaranteed by the government of the country in which the money is to be spent. As the distinguished Secretary of the Treasury reminded us last week, a period of intense study, survey and negotiation must precede every such loan.

Most of the Bank's funds derive from the subscriptions of its members and from the sale of its own bonds to investors. The greatest part of the funds used to finance its projects come from the bond sales. In fact, only 20 percent of the Bank's total capitalization is even available for operations. The balance is held in a fund that guarantees the bonds.

According to the Secretary of the Treasury, bond issues in the amount of $1.8 billion are currently outstanding. They are issues in dollars, sterling, Swiss francs, German marks, Canadian dollars, and Dutch guilders. They are bought in substantial quantities for investment purposes by numerous private interests, both here and abroad. Some issues have been bought outright by foreign countries, who view the bonds as a good investment of their monetary reserves.

The appeal of the World Bank's bonds to investors is easily explained, I think. First of all, the impeccably high standards of the Bank's operations have given the stamp of merit and reliability to all of its transactions. Furthermore, investors know that behind the bonds stands a guarantee in the form of subscriptions of the member countries. This guarantee is represented by the uncalled 60 percent of the Bank's capital. Never in the Bank's history has it been necessary to call up any of it. And we must all hope that it never will be necessary.

Although the Bank is lending somewhere between $700 million and $800 million annually, last year it borrowed only $660 milion. Now it seems certain that the lending rate will quicken before it slows down. Indeed, we hope this will be the case. Yet unless even more investors are persuaded to buy the Bank's bond issues, the current rate will not be maintained. Thus, the bonds must continue to be held in the highest regard by investors.

This, I am confident, will always be the case, so long as the margin of the guarantee fund is such as to inspire confidence.

The bill before the Congress seeks to allow the United States, in concert with the other free world countries, to increase its contribution to this contingency fund, as well as endorsing the proposal to increase the Bank's capitalization to $21 billion. As already noted, the bill would double the U.S. commitment. This is precisely the increase expected of all other members, except for Germany, Japan, and Canada, whose capital subscriptions are being raised to more realistic levels.

Mr. President, I hope that the Senate will pass this measure with a resounding majority. What the World Bank has contributed—what it will contribute to the future—is a unique service that could not be duplicated elsewhere. Private corporations have neither the will nor the means to undertake the kinds of projects that the Bank encourages. Moreover, the epithet of colonialism could not in any logic be applied to so selfless and international an institution as the World Bank. What we stand to gain from its achievements, besides the knowledge that we have helped others, is an effective, pretested rebuttal to such phony Soviet claims as the one I have just quoted. And as for ourselves, I think we might be approaching a time in which our own prosperity may increase only as fast as we and other strong nations can enrich the economies of those who are less fortunate.

I turn for a moment to the International Monetary Fund. The central purpose of this organization is to extend short-term loans of convertible currencies to member nations whose foreign exchange has dwindled. The Fund is definitely not in the business of bankrolling poorer countries over a long period of time. However, it can help a member over a rough spot, such as a seasonal dip in the economy. This allows the member state to avoid extreme measures such as imposing import quotas, for example. As a result, the cause of international trade is served.

The 68 member states have unanimously proposed an increase in the Fund's working capital. The present quotas are judged no longer realistic. First of all, they are based on data for the period preceding the Bretton Woods Conference. Among the determinants were prewar foreign trade, national incomes, and monetary reserves. Aside from this, the U.S. quota was set at $2.75 billion.

Since the time of the Bretton Woods Conference, we have experienced a period of extraordinary growth in many parts of the world. Figures arrived at then have been revised far upwards. The traffic in the trade routes is heavier, the amount of currency in circulation vastly greater. Yet great expansion can also produce great fluctuation—in foreign exchange earnings—and reserves, for example. It also produces a corresponding need for ready capital.

Mr. President, I regard the proposal to increase the Fund's quotas to realistic levels as absolutely essential. The needs of today cannot be measured by yesterday's standards.

The International Monetary Fund is more than just a short-term credit institution. For many nations it is a vital crutch in their recurring times of need. For others—those with a tradition of wealth and durability—the Fund is a unique and equally vital insurance against future dips and turns. For all, it provides a line of credit that permits the matching up of exports with imports.

It should perhaps be made clear that the Fund's assets never really change. Whenever a member borrows a sum of hard currency, he deposits with the Fund an equal sum of his own soft currency. So the transaction is actually a sale of one kind of currency for another convertible type. When the term of the loan has expired, the member simply repurchases his own currency with gold or convertible funds.

Mr. President, we have all seen what the Marshall plan contributed to reinvigorating the currencies of Western European countries. Some of them, Belgium and Holland for example, having once drawn upon the Fund themselves, now see their own francs and guilders being borrowed by other countries in need of foreign exchange. I think both we and they can take considerable satisfaction in this development. I submit that it makes even clearer our duty to bring the reserves of the International Monetary Fund into line with the needs of all its members.

I conclude by saying that this is not a giveaway. This is a business transaction between nations, for their own preservation. Today the President is conferring with the representative of Great Britain. In this critical hour, when the free nations are facing the challenge of Khrushchev, it is well for us to strengthen our very vitals in this way.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the time consumed in the quorum call be charged equally to both sides.

Mr. HOLLAND. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, I yield 10 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, I rise in support of the pending bill which proposes to increase the U.S. contribution to the International Monetary Fund and to the World Bank. I believe that this organization has proved its worth during the 12 years it has been in existence. It has contributed immensely to the great increase in world commerce and to the business which has been done among nations. It has also contributed greatly to the U.S. economic system. It has been of great help in developing the so-called undeveloped nations of the world. In fact, about one-third of all the loans made by the World Bank have gone for the construction of public utilities in such countries, which have borrowed money, without which they could not have made further progress.

Although the amount involved seems very large, to the limit of $8,675 million, which is imposed upon it by the bill, we must understand that this is not all expense; it does not represent money actually paid in by the United States, because to a great extent the bill merely provides for a guarantee of the loans, just as we guarantee loans for certain programs in the United States.

The point at issue with reference to the increased contribution on the part

of the United States to the fund and to the bank is when it shall be made available. Three principal witnesses appeared before the Committee on Foreign Relations. They were Secretary Anderson, of the Treasury; Assistant Secretary Dillon, of the State Department; and Mr. McCloy, representing the American Bankers Association and also the Chase Manhattan Bank. None of these witnesses made a very convincing argument for making the additional contribution available immediately. Therefore, the committee amended the bill so that it will be available at the beginning of the next fiscal year, July 1. Had the administration given any convincing evidence that these funds would be needed during the next 3 months, I, for one, would have been glad to make the contribution available immediately.

So much has been said on this point that I should like to read into the RECORD excerpts from the testimony of the witnesses who came before the committee. The first is an excerpt from the testimony of the Secretary of Treasury, Mr. Anderson. The excerpt I shall read appears at page 21 of the printed hearings:

The CHAIRMAN. What has been the trend in the last 6 months of the drawings on the Fund? Have they been going up or going down during the past 6 months?

Secretary ANDERSON. Mr. Chairman, I don't have it on a 6-month basis. My judgment is that they have gone off slightly below the past 2 years; they have not been as severe.

The CHAIRMAN. They have decreased since the time of the Suez crisis?

Secretary ANDERSON. Yes, that is correct, sir.

The CHAIRMAN. Suez produced almost a panic, did it not? The requirements for foreign exchange were very extraordinary, were they not?

Secretary ANDERSON. Well, you really had two things happen. You had the Suez situation, and you had the exchange crisis which developed in 1957.

The CHAIRMAN. Was that not largely brought on by Suez?

Secretary ANDERSON. It was certainly influenced by Suez.

The CHAIRMAN. Your chart No. 1 indicates there has been a very substantial drop in the requirements on the Fund since 1957.

Secretary ANDERSON. That is correct.

The CHAIRMAN. I wonder if you have more current information than that chart shows.

Secretary ANDERSON. We do have it. It is still turning down.

As of the end of 1958, $1,400,000 was left in the International Monetary Fund for use in the current year. I understand that at present more than $1 billion is available, and there seem to be no indications of emergencies occurring in the near future which would require larger amounts.

I for one would not want to have the United States make contributions to any of these funds if it were necessary to borrow in order to do so. I would not want to put the $400 million in gold into the fund prematurely; in fact, I would want to wait until the very last minute when that could be done, and when it was shown conclusively that it was needed. I believe we should give the authority to do so at as early a date as it seems likely that the funds will be needed.

Under Secretary of State Dillon, so far as I know, did not comment on the pending question as to when the fund should be made available. He favored the bill, as did the other witnesses.

Mr. McCloy, representing the American Bankers Association, as well as the Chase Manhattan Bank, had this to say, on page 103 of the hearings, in response to a question by the chairman, the Senator from Arkansas [Mr. FULBRIGHT]:

The CHAIRMAN. So it is extremely important in that.

One other aspect of that is this: Do you see any compelling necessity that this increase in the funds—the International Monetary Fund is part of this; you have already commented, I believe, on the Bank—but for the Fund itself, is there any compelling necessity that this increase be made available within the next 3 months? Is there that kind of urgency?

Mr. McCLOY. I don't anticipate any emergency within the next 3 months that I can say makes it impelling that you do it.

Then there was further colloquy between the chairman and Mr. McCloy. Mr. McCloy ended his statement on this matter at the middle of page 104, again saying that he did not see any need for the contribution to be made at this time.

The House bill as it has been reported to the House makes the funds available immediately. The bill as reported to the Senate by the Committee on Foreign Relations makes the contributions available on July 1.

It is obvious that if the Senate bill were passed as is, and the House retained the present language of the House bill, the matter would go to conference. I have advised top administration officials that if they can produce a more convincing argument or reason for making the contributions immediately available than the reasons their witnesses gave before our committee, I will be receptive to whatever evidence they might adduce. It was my advice, for what it was worth, that they should not seek to have a fight made on the Senate floor, where they were almost certain to be defeated, and as a result, the Senate would almost be bound to maintain an adamant position when the bill goes to conference. I think it is all right to speak against the bill and say why the proposal of the Treasury, the White House, or any other agency of the Government should not be adopted. But I am sorry we shall have a yea and nay vote on the amendment, because I have no doubt what the outcome will be. My vote will have to be based on the evidence presented so far. It may be that in due time the administration will be able to produce evidence which will convince the committee of conference that the money ought to be made available immediately, or at least before July 1.

Mr. DIRKSEN. Mr. President, may I inquire how much time remains to each side?

The PRESIDING OFFICER. The Senator from Arkansas [Mr. FULBRIGHT] has 37 minutes remaining; the Senator from Illinois has 32 minutes remaining.

Mr. DIRKSEN. Mr. President, I appreciate that I probably am the only remaining speaker on the bill on this side of the aisle. We have been trying to take care of the requests of a number of Senators who are officially away from the Chamber for a short time at the Pentagon. I had indicated that the Senate might vote as early as 2:30, although the time limit as set by the unanimous-consent agreement is 3 o'clock.

I have had informal discussions with various Senators with respect to pressing the case against section 3 of the bill, which places the burden in the fiscal year 1960 instead of the fiscal year 1959. It might be gathered from that statement that the primary consideration here is a budget consideration. Yet with me that is not so at all. The primary consideration, in my judgment, is to do those things which are reasonable, as requested by the Secretary of the Treasury, who is the governor and our representative in this matter, because I believe his evaluation of the situation in the world and of the responsibility of this bank and this fund must transcend my own judgment, unless I can refute the contentions which he makes.

On occasion it has been said—and we make the necessary political discounts—that there has been a lack of leadership in this administration. Mr. President, if anything demonstrates leadership, I believe it is the very measure with respect to the International Bank and the International Fund, which came to use from the President. I believe the record shows that as early as August 18 of last year the President sent a 3-page letter to the Secretary of the Treasury. First, the Secretary inquired of the President. Then the President sent him that long letter, indicating how anxious he was to get something done in this field, so as to increase the necessary capital and authority, so that the Bank would be assured of the means and resources by which to carry on its good work.

Incidentally, I wish to say to the distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT] that the report which accompanies the bill is an excellent one. It is at once readable, and I think it is quite fair. Normally I am in favor of the bill. But I do take exception to section 3, the amendment written into the bill by the committee, which does not appear in the House version of the bill.

But the chronology is fairly well established, namely, that this effort began in August of last year; then, on the 28th of the same month, the President wrote to the Secretary, and said he should go to the international conference in New Delhi, India, and that there he should propose these increases; and in the letter the President said that the Secretary should ask for "prompt consideration."

The President did not say that the Secretary should wait until the end of the fiscal year. Instead, the President asked the Secretary to request prompt action from the representatives of the 68 countries, or from all the representatives in attendance at that conference in India. I think that demonstrates the leadership of the President and the Secretary of the Treasury in this field.

The months of August, September, and October were then given over to the vari-

ous consultations; and in October the Secretary went to New Delhi, India. In the speech he made there, he said—and in my judgment this statement by him constitutes the key to the matter:

> The importance of this matter will be so evident as to create a sense of urgency.

Mr. President, the one who has to administer this program, the one who has the fiscal burden of our country on his shoulders, who is a dedicated spirit, in my book, was so anxious, that the delegates and all others present got a sense of urgency.

Obviously, there does not have to be urgency if the committee says, "Wait until the beginning of the fiscal year and waste 12 or 14 weeks."

My friend, the Senator from Vermont, says no need was demonstrated. No need was demonstrated in October 1929, when the house of cards fell in and the Nation was overnight engulfed in a depression, notwithstanding the fact that the New York bankers had been here, testifying that there was no danger and no foreseeable difficulty. The developments at Suez could not be foreseen, although they resulted in a drain of nearly $1 billion on this organization in connection with the exchange crisis of 1956 and 1957.

Crises do not come on the installment plan. Suddenly they arrive in all their naked fury; and if one does not have the resources required in order to deal with them, one is in trouble.

That is the point the Secretary of Treasury made at the New Delhi Conference. Furthermore, he made it to me, in my office. He has made this point because he is concerned about this matter.

The cold print of recorded testimony taken before a committee does not always reveal such concern. But the Secretary is deeply concerned; and he came to us, to lay this matter before us; and I became concerned, because I thought there was a contagious quality about his concern.

So unanimous action was taken at the conference in India; and on December 21, it was followed by the executive report of the Governors, and the resolutions came in; and on December 22 the Governors approved.

This is the resolution which was adopted by the Governors who administer this matter for 68 countries:

> Since it is in the interest of the Fund and its members that the contemplated increases be expedited, the members are invited to comply as soon as possible with the procedures for notice and payments.

This matter does not apply to us alone. There is a 75-percent participation provision. In a few moments I shall discuss it.

But there was the statement of the Governors, those who must administer this program, which the committee report says this has been well handled, and that the operation is efficient and is substantial—and it is.

So the Governors said:

> To comply as soon as possible with the procedures for notice and payments to the Fund—

Under the resolution.

Then came February 12, when the President delivered his message; and on February 17, the bill was introduced. On March 9, the hearings were held.

So there is the story, beginning in the middle of August, when the President and the Secretary of Treasury requested prompt consideration; and thereafter the convention or the conference in New Delhi, India requested prompt consideration; and the Governors in their resolution asked that this matter be given attention "as soon as possible" and asked the members to comply.

So this is not a budget consideration or question. Instead, this is a matter of a world operation and a question of whether it has the necessary resources.

The second committee amendment—and it is one thing I am interested in—would put this authorization into the fiscal year 1960. It is now March 1959. Following this month will come April, May, and June—3 months. In 3 months the world could go to the devil in a handbasket; it has done so before.

I do not want to see our country abandon and forfeit its leadership under a dedicated President and a dedicated Secretary of the Treasury, who have come with anxious hearts to say to us, "Give us this in 1959, and do not make us wait for 14 weeks, because we cannot look over the bill and see what might happen."

The world is full of fever, and events move with great acceleration. We cannot take any chances in that connection.

The committee recommends, by means of its second amendment, that the authorization be put into the fiscal year 1960. The committee's argument is that the bill itself manifests a continuing interest on the part of the country and our abiding interest in the operations of the Bank and the Fund. The committee included in the hearings a table. I do not have the slightest doubt that the table is accurate and authentic, so far as it goes. The purpose of including the table was to show that the demands have been receding somewhat, and that if we measure this matter on the basis of so many million dollars a week or so many million dollars a month, predicated on the past, perhaps we could make out satisfactorily.

But, Mr. President, that is not the story. In this world, events are not particularly predicated upon how quiet this fiscal demand has been in the last 12 months. When the demand begins, it develops and increases very rapidly. And when we do not have the resources, we cannot move in with expeditious action.

What is the problem with respect to the Fund? The Secretary told the committee that on the 1st of January of this year it had a $2.3 billion balance in golden dollars. That is exclusive of Canadian dollars, German marks, British sterling, and that kind of fund. Look at the arithmetic involved: $2.3 billion; and standby commitments were $900 million. So the amount is reduced to $1.4 billion. The golden dollar need has been expressed by the committee, and particularly on page 3 of its report.

Now every country that is a member of the Fund has drawing rights. Those drawing rights cannot be denied to them. Those drawing rights add up to about $1 billion. So when we get through, we have available for all other demands, not $1 billion, or $1 billion plus. We could have available, for another emergency situation, $400 million.

That is less than half the amount committed in the Suez and the exchange crises—$400 million.

Those are the figures the Secretary gave to me. They become pretty impressive when we consider the rights of countries to draw on the fund, and the standby commitments, and the standard that it requires golden dollars to do the job, because they are what are in demand.

The actual cash demands in the years 1956 and 1957, according to the statement I received from the Secretary, had been $1.4 billion. I do not know that the statement conforms to everything that was said to the committee, but I got the information yesterday afternoon, because I wanted to be sure the information was current.

I asked all manner of questions, in the hope I would get the whole story. I certainly would not be making a fight against a committee amendment if only a budget consideration were involved. I would make a fight, but I would not carry it to the very end. But this is a different situation, because the leadership of the United States of America is here involved. I do not want it to be felt that we had done our duty when we passed a bill and then said to the 68 countries, "Throw your marbles into the pot. We are going to wait 14 weeks before we do it." We are not going to fill the need on that kind of doctrine.

That leads me to the question of participation, on which I shall have something to say. There is a provision in the Bretton Woods Agreement that there is to be 75 percent participation before the fund can use the increased money. It was said there could not be a 75 percent participation except some time late in the year. There will never be such a participation if the world's leading Nation says, "Gather around, all you Governors. Throw your marbles in the pot right away, so we get 75 percent participation, but while you are doing that, we are going to wait until the end of the present fiscal year, and we are going to wait 12 or 14 weeks in which to do it."

Is that great leadership? I have heard some speeches made around here about the need for dynamic leadership; the need for bold, fresh action. Bold action. This is no bold action, in my book, if we are going to let the world sit at the well and say, "We do not think you need that money. We do not think there is going to be a crisis. Jack McCloy cannot see anything ahead. Therefore, based on such testimony, we are not going to make the money available."

Not by my vote will that position be assumed. An isolationist tag was put on me for a long time. My distinguished colleague knows about it happening in the days we served in the House together. I have learned a few things, I hope. But I want to be sure that my country, by

action of the Congress, is not going to lose its leadership, by waiting until the beginning of the new fiscal year. Why not give the money? It may a cost a little in interest—$342 million. A little interest will have to be paid on it. But I would rather have the assurance that this $1,350 million, out of which $450 million is in gold, will be there if Secretary Anderson needs it. We hear speeches made on the floor of the Senate about waste and extravagance in foreign aid. We had to reconstruct the whole financial structure of Turkey at one time, when inflation was rampant. Through the instrumentality here in question we were able to move into Turkey, and we got a pretty fair job done, according to Secretary Anderson. That is a job for this instrumentality and what is made available through it.

Mr. President, there are many possibilities. I do not like to talk about them. I never like to speculate too much about what is over the hill. Many speeches concerning Berlin have been made on the floor of the Senate. There have been many indications as to what the administration ought to do. Well, the President spoke up. I thought he made a masterful address to the country. It brought a degree of hope and comfort and assurance to the people.

Let us talk not only about Berlin, but about the efficacy of our defense posture and where our responsibility lies in the foreign aid field.

There does not have to be a shooting war in order for tensions to develop that shake every chancellory in the world and every exchange. What is involved, in the Bank, is economic development; and, in the Fund, a goal of stabilizing and protecting the currencies of countries and keeping them on a sound basis. An excellent result has been accomplished. That is the delicate thing. That is the thing that can be sunk overnight, when someone rocks the boat. It happened in 1929. It was the president of the National City Bank who proclaimed to the world that everything was ducky, and overnight we went into the cellar.

Mr. President, I do not want to be in the position of having to apologize. I am not going to reproach my conscience by saying, "Well, you had an opportunity to give Secretary Anderson what he asked for with an anxious heart, and you did not do it. You said, in effect, 'All you 68 members throw your marbles into the pot. We will wait until the end of the fiscal year.' "

That is not leadership, in my book. That is why the amendment takes on considerable importance. I do not want Ecuador and Guatemala to say, "We led the way for the great country to the north, because we had already consented." I am not going to forfeit our leadership. We have struggled too long for it. If it is to be my vote alone that will be a vote for eliminating the committee amendment when it is offered, it will be at least that much.

So here is an accent on emergency by the President of the United States. Here is an accent on urgency by a very distingushed Secretary of the Treasury, who comes to Congress from a busy office and talks with Members and says, "I need this." I feel it was done under deep obligation, especially after I talked to many representatives in India last fall.

Can we be accused of boldness? Maybe it is a bold delay, but I do not want to be charged with it. If ever there was a time when we could demonstrate some dynamic quality, I think this is the time for the Congress to do it, for an institution and fund which, by the admission of everybody familiar with it, have done an efficient job and a forthright job. That is what the committee said.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. DIRKSEN. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. In the first place, can the Senator advise me where the requirement rests that one-fourth of the payment be in gold? Is that in the original Bretton Woods agreement?

Mr. DIRKSEN. I think it is in the original Bretton Woods agreement.

Mr. FULBRIGHT. It is in the original Bretton Woods agreement.

Mr. DIRKSEN. That is correct.

Mr. CASE of South Dakota. Is there a determination that the gold shall be at the present value of $35 an ounce?

Mr. DIRKSEN. I do not know about that.

Mr. FULBRIGHT. I think so. The gold was evaluated at that rate, and must be maintained at that rate insofar as the Fund is concerned.

Mr. DIRKSEN. The distinguished chairman of the committee has served in the House, and was serving about the time the gold was so evaluated, as was also the distinguished Senator from South Dakota. I always think of the rather ironic way in which history rises up. This is sort of a lineal descendant of the old stabilization fund, when we raised the price of gold by taking a few grains out of the gold dollar, and we discovered the $1.8 billion of the increment so gained was not necessary, for the stabilization fund then in being and so it was used for the creation of the International Fund which we have today.

Mr. FULBRIGHT. That was a part of the original funds.

Mr. DIRKSEN. So history repeats itself, while we are in Congress in another body.

Mr. CASE of South Dakota. Let us assume that during the life of the agreement the price of gold should change again.

Mr. DIRKSEN. I must confess I have not carefully examined the language in the agreement to the point of understanding that there is any provision for a modification of the gold price.

Mr. FULBRIGHT. If I may, I should like to invite the Senator's attention to page 23 of the hearings, where this matter was discussed by the Secretary of the Treasury. Would the Senator like to have me read that?

Mr. DIRKSEN. Yes.

Mr. FULBRIGHT. The Secretary said:

> Yes, there is a fixed basis in that all of the countries are required to declare a par value at some time, and this par value is related to either gold or dollars.
>
> Now thereafter it undertakes an obligation to maintain that its currency will not fluctuate from that par by more than 1 percent. If it does fluctuate, the country has to put in new currency if it goes down, or the country takes back currency, if the value of the currency goes up.

In other words, it is related directly to the par value of all currencies and related to the gold at the rate established, $35 an ounce.

Mr. CASE of South Dakota. It would appear that if the value of the currency were to go down the country would have to reimburse the Fund.

Mr. FULBRIGHT. The country would have to put in more currency.

Mr. CASE of South Dakota. It does not appear clear as to what would happen if the price of gold should appreciate and there should be an increment, to which the Senator from Illinois alluded. If there should be such an increment after the gold was in the Fund, presumably the Fund would get the benefit from it.

Mr. DIRKSEN. I am not sure. I rather think that benefit would redound to the country, because the Fund is expressed in terms of dollars.

Mr. CASE of South Dakota. I have a further question with regard to a different aspect of the matter.

I notice in the statement submitted by the American Farm Bureau Federation, on page 116 of the record of the hearings, it is stated:

> The United States would have to make a gold payment in the amount of approximately $344 million. The remainder of slightly over $1 billion would not actually be expended from the U.S. Treasury until needed by the International Monetary Fund to meet a situation where a great demand would be made for loans by member countries.

Mr. DIRKSEN. It is a callable fund.

Mr. CASE of South Dakota. Is that a correct statement?

Mr. DIRKSEN. It is a callable fund.

Mr. FULBRIGHT. The countries put demand notes into the Fund. Whenever the Fund has need for the money, it can call upon the Treasury to deliver the dollars.

Mr. CASE of South Dakota. The reason for inviting attention to that matter is that if the statement in the American Farm Bureau Federation presentation is correct, it becomes relatively less material as to what is the effective date, whether it be now or July 1. If the Treasury cannot be required to put up the money until the Fund needs it, then the date is less important.

Mr. FULBRIGHT. The Senator is quite correct. Is the question addressed to me?

Mr. CASE of South Dakota. It is addressed to either Senator. I am happy

to have the comment of the distinguished chairman of the Committee on Foreign Relations.

Mr. DIRKSEN. There is a question, when does the need arise?

Mr. FULBRIGHT. That is correct. I certainly do not believe there is any reasonable chance that any of this money would be needed before July 1.

With respect to that part which is in gold, there is little prospect it will be needed until a real crisis develops, at least of the nature of the Suez crisis. Even with regard to the Suez crisis, which took place in the biggest year we have ever had, for the entire 12 months only $977 million was used. All we are talking about is a delay of 3 months.

As the Senator from Illinois pointed out, there is in the Fund roughly a billion dollars now free and uncommitted, not subject to standby or any other commitment.

Mr. CASE of South Dakota. Then it seems to me the major point to be considered is whether there is some value, for moral or diplomatic reasons or for reasons of negotiation, in having the act become immediately effective.

Mr. FULBRIGHT. The passage of the bill would certainly be sufficient action to convince any reasonable person that so far as we are concerned this has been agreed to and the money will be available on July 1. I think that is the only leadership needed.

I do not believe that the further act of making available money, which could not be used until 75 percent of all the contributors also subscribed would in itself be of great value. That procedure will take some time. Only two countries have completed such action, and they are relatively small countries in Latin America. No major country has completed action.

The result would be that if we turned over the gold to the Fund, the Fund would hold the gold in its possession until 75 percent of the rest of the subscribers had also made available their gold and agreed to put up their total subscriptions.

Mr. CASE of South Dakota. Mr. President, in conclusion, I should like to comment that it seems to me the date is relatively less important, so far as the Treasury is concerned, if the Treasury is not going to have a demand until the money is actually needed, since there will be no impact on the Treasury. I think there is some value in having the legislation become effective as soon as possible, for the moral force, if we are going to support the program at all.

Mr. DIRKSEN. Mr. President, there is an answer to the problem. I recall a session I had with a chief of state in Asia. When we had discussed matters rather thoroughly, we got around to the question of aid, and he asked, "Has the money been appropriated? Is the money on the shelf?"

These countries know a good deal about our budget procedures. We are dealing with 68 countries and a 75 percent provision, so we have to have that much participation before the increased fund will come into use. It will be said, "Well, we passed a bill." The question then will be, "Where is the money?" Other countries will say, "Well the United States is in no hurry about putting up the money. Why should we be in a hurry?"

That pushes the program on and on and on. Perhaps instead of its being accomplished next fall, it will be the following year before these resources will become available. That in itself is an argument to sustain my judgment that the amendment should be taken out of the bill.

I allude again to the committee report. It is said that what the Bank does is an efficient operation. It is said that it is successful. It is said that they have built up strong reserves. It is said, "Gold and dollars are the important elements." It is said, "Gold and dollar composition might be at low levels at any particular time." And the committee report says, "The Fund could not now meet a demand of comparable scale to 1957 in the event of a similar future crisis."

I do not wish to have our country put in that hole, Mr. President, because the demands might be greater than ever before.

This is not a budget problem. This is not a political problem. This is not a case of trying to move the money from one year to another to make one budget or another look better. No, there is a far more compelling reason behind the procedure, and it is the urgency which has been expressed for 6½ months, from August of last year until now, by the President, by the Secretary of the Treasury, and by the governors from these various countries who administer the Bank and the Fund operation. All of these gentlemen are in agreement and are asking for expeditious action, yet it is proposed that the Senate shall say to them, "Wait awhile."

Under those circumstances I do not want to wait. That is why I am against the committee amendment.

Mr. CASE of South Dakota. Mr. President, will the Senator yield me 1 minute?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. Mr. President, the clerk of the committee has handed me a copy of the articles of agreement of the International Monetary Fund. Article IV is headed "Par Values of Currencies," and reads as follows:

SECTION 1. Expression of par values: (a) The par value of the currency of each member shall be expressed in terms of gold as a common denominator or in terms of the U.S. dollar of the weight and fineness in effect on July 1, 1944.

That, of course, would be $35 an ounce.

Mr. FULBRIGHT. That is correct.

Mr. CASE of South Dakota. Paragraph (b) reads as follows:

All computations relating to currencies of members for the purpose of applying the provisions of this agreement shall be on the basis of their par values.

Section 2 reads as follows:

Gold purchases based on par values: The Fund shall prescribe a margin above and below par value for transactions in gold by members, and no member shall buy gold at a price above par value plus the prescribed margin, or sell gold at a price below par value minus the prescribed margin.

That probably provides the answer.

Mr. DIRKSEN. But the problem which arises is that a number of countries never did succeed in establishing the par value of their money.

Mr. President, I yield the floor, and suggest the absence of a quorum.

Mr. FULBRIGHT. Mr. President, will the Senator withhold the suggestion of the absence of a quorum?

Mr. DIRKSEN. Certainly.

Mr. FULBRIGHT. Mr. President, I yield myself such time as I may need.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the provisions of the resolution adopted by the Board of Governors of the International Fund relating to the 75 percent requirement.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

2. None of the increases in quotas proposed in paragraph 1 of this resolution shall become effective unless:

(i) The member concerned has notified the Fund in writing that it consents to the increase in its quota; and

(ii) The Fund determines that members having not less than 75 percent of the total of quotas on January 31, 1959, have consented to increases in their quotas; and

(iii) The requirement is satisfied of a minimum aggregate increase in subscriptions, contained in the resolution of the Board of Governors of the International Bank for Reconstruction and Development entitled "Increase of $10 billion in Authorized Capital Stock and Subscriptions Thereto," recommended by the executive directors of the International Bank for Reconstruction and Development.

Mr. FULBRIGHT. Mr. President, I shall not detain the Senate long.

I think it is quite evident from the discussion which has already taken place that there is no real purpose to be served by making the actual dollars or gold available to the Fund at this time. The action of the Congress in passing the legislation assuring that the money will be made available on July 1 is sufficient, I believe. That will be in ample time. In fact I think the need might well not arise until much later than that. However, I do not wish to make the effective date any later, because of a situation which might arise.

There is one source of confusion which I should like to clarify, if possible. It relates to the figures which the Senator from Illinois used with regard to the need for money in 1957 and 1956. Those figures related to a full year. I invite the attention of Senators to page 7 of the committee report, which I think makes quite clear the fantastic improbability of any need for our contribution arising before July 1.

It will be noted that the figure for the full year 1957 was $977 million. Today there is on hand, free of any commitments, $1 billion. So for the next 3 months there will be available $1 billion in gold or dollars. That represents three or four times the rate at which the

money was used during the period referred to, even during the Suez crisis. So I think it is quite unrealistic to make a case based upon the argument that the money is needed by the Fund.

The only real argument which the Senator from Illinois suggested—although he thought it was so weak that he did not choose to rest his case upon it—is based upon the effect of a balanced or unbalanced budget in 1960. The argument on the part of the administration is that it wishes to create confidence in the dollar by having a balanced budget. Therefore it places everything possible in this year's budget, on the theory that confidence in the dollar will not be affected if this year's deficit is $12 billion, $15 billion, or even perhaps $20 billion.

It seems to me that that reasoning is entirely without merit. I believe the U.S. Government to be a continuing body, just as I believe the Senate is. Whether $12 billion or $15 billion is in this year's budget, and 2 or 3 billion in next year's is not a matter which will affect seriously or substantially, or at all, the confidence of ourselves or our friends abroad in the stability of the dollar. I cannot see that it makes the slightest difference whether the budget deficit is much larger this year and much less the next year. If the total is the same, it makes no difference whether all or a part of it is shifted from one year to the other.

That is the substance of the argument. I do not believe that any serious minded person is convinced that there will be any use for the $344 million in the fund before the 1st of July. If there is any case to be made, it is on the basis of the question of confidence in the dollar. I am unimpressed by any such argument. I am quite willing to leave the question to the Senate.

Mr. HOLLAND. Mr. President, I yield 2 minutes to the distinguished minority leader.

Mr. DIRKSEN. Mr. President, I undertook today, in discussing this matter, to implement the need and to put it on that basis, and also to indicate the deep concern of the Secretary of the Treasury, who is the fiscal administrator and the Governor of the Fund and the Bank, so far as U.S. representation is concerned. That weighs very heavily with me.

I hope I do not trespass on the rules of the Senate when I allude to a statement which appeared on the news ticker, but I think it is so pertinent that I ask the indulgence and forebearance of the Senate if I do trespass. It reads:

> In the House, meanwhile, a Democratic leader sharply criticized the proposal to delay until July 1 the contribution to the Monetary Fund.
>
> Chairman BRENT SPENCE, of the House Banking Committee, warned that "it would not be a good thing" to delay the contribution in view of the present world crisis.

That is the very issue before the Senate. The parliamentary situation is that this matter will be offered as a committee amendment, since it appears in the bill. I have indicated my opposition to the amendment, and I hope the argument commends itself to all Senators.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. I should like to repeat that the evidence presented before the Committee on Foreign Relations was not convincing or conclusive. If the House passes the bill in the form reported by the committee, the subject will then be in conference, and the evidence which may be forthcoming in the meantime can be presented to the conference of both Houses. If the evidence is conclusive, I for one will be glad to have the date set forward. But until such evidence is presented, I feel I should stand by the committee's recommendation, because there were no votes against the committee bill as reported.

Mr. HOLLAND. I support the position taken by the distinguished Senator from Vermont, and will vote to uphold the committee report, with the definite understanding that in conference, if the officials who handle this complicated matter are able to make a case and a showing of urgency about the matter, the situation can be ironed out in accordance with that showing.

Mr. President, I am prepared to yield back the rest of the time on behalf of the proponents of the bill, and to ask for a quorum call preceding the vote.

The PRESIDING OFFICER. All time has been yielded back. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

The question is on agreeing to the second committee amendment, which inserts, on page 2 of the bill, a new section, section 3. On this question the yeas and nays have been ordered; and the clerk will call the roll.

Mr. AIKEN. Mr. President, I ask that the question be restated.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The question is on agreeing to the second committee amendment, which inserts, on page 2 of the bill, a new section, section 3.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Washington [Mr. MAGNUSON] is absent because of illness.

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Minnesota would vote "yea," and the Senator from Colorado would vote "nay."

The Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from New Jersey [Mr. CASE]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from New Jersey would vote "nay."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], and the Senator from Iowa [Mr. HICKENLOOPER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Minnesota [Mr. MCCARTHY].

If present and voting, the Senator from Colorado would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from New Jersey [Mr. CASE] is paired with the Senator from Rhode Island [Mr. PASTORE].

If present and voting, the Senator from New Jersey would vote "nay," and the Senator from Rhode Island would vote "yea."

The result was announced—yeas 58, nays 25, as follows:

YEAS—58

Aiken	Hart	Murray
Anderson	Hayden	Muskie
Bartlett	Hill	Neuberger
Bible	Holland	O'Mahoney
Byrd, Va.	Humphrey	Prouty
Byrd, W. Va.	Jackson	Proxmire
Cannon	Johnson, Tex.	Randolph
Carroll	Johnston, S.C.	Robertson
Church	Kefauver	Russell
Clark	Kennedy	Smith
Dodd	Kerr	Sparkman
Douglas	Langer	Stennis
Eastland	Lausche	Symington
Ellender	Mansfield	Talmadge
Engle	McClellan	Thurmond
Ervin	McGee	Williams, N.J.
Frear	McNamara	Young, N. Dak.
Fulbright	Monroney	Young, Ohio
Green	Morse	
Gruening	Moss	

NAYS—25

Beall	Curtis	Morton
Bennett	Dirksen	Mundt
Bush	Dworshak	Saltonstall
Butler	Goldwater	Schoeppel
Capehart	Hruska	Scott
Carlson	Javits	Wiley
Case, S. Dak.	Keating	Williams, Del.
Cooper	Kuchel	
Cotton	Martin	

NOT VOTING—15

Allott	Hartke	Magnuson
Bridges	Hennings	McCarthy
Case, N.J.	Hickenlooper	Pastore
Chavez	Jordan	Smathers
Gore	Long	Yarborough

So the amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. LANGER. Mr. President, on this question I ask for the yeas and nays. . .

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from North Carolina [Mr. JORDAN], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Jersey [Mr. CASE], and the Senator from Iowa [Mr. HICKENLOOPER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

If present and voting the Senator from Colorado [Mr. ALLOTT] and the Senator from New Jersey [Mr. CASE] would vote "yea."

The result was announced—yeas 73, nays 10, as follows:

YEAS—73

Aiken	Engle	Monroney
Anderson	Ervin	Morse
Bartlett	Frear	Morton
Beall	Fulbright	Moss
Bennett	Green	Mundt
Bible	Gruening	Murray
Bush	Hart	Muskie
Butler	Hayden	Neuberger
Byrd, Va.	Hill	O'Mahoney
Byrd, W. Va.	Holland	Prouty
Cannon	Hruska	Proxmire
Capehart	Humphrey	Randolph
Carlson	Jackson	Robertson
Carroll	Javits	Saltonstall
Case, S. Dak.	Johnson, Tex.	Scott
Church	Keating	Smith
Clark	Kefauver	Sparkman
Cooper	Kennedy	Stennis
Cotton	Kuchel	Symington
Curtis	Lausche	Wiley
Dodd	Mansfield	Williams, N.J.
Douglas	Martin	Young, N. Dak.
Dworshak	McClellan	Young, Ohio
Eastland	McGee	
Ellender	McNamara	

NAYS—10

Dirksen	Langer	Thurmond
Goldwater	Russell	Williams, Del.
Johnston, S.C.	Schoeppel	
Kerr	Talmadge	

NOT VOTING—15

Allott	Hartke	Magnuson
Bridges	Hennings	McCarthy
Case, N.J.	Hickenlooper	Pastore
Chavez	Jordan	Smathers
Gore	Long	Yarborough

So the bill (S. 1094) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act is amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States under article III, section 2, of the articles of agreement of the Fund, as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959.

"(b) The United States Governor of the Bank is authorized (1) to vote for increases in the capital stock of the Bank under article II, section 2, of the articles of agreement of the Bank, as recommended in the resolution of the Board of Governors of the Bank dated February 2, 1959, and (2) if such increases become effective, to subscribe on behalf of the United States to thirty-one thousand seven hundred and fifty additional shares of stock under article II, section 3, of the articles of agreement of the Bank."

SEC. 2. Section 7(b) of the Bretton Woods Agreements Act is amended by striking out "of $950,000,000", and by striking out "not to exceed $4,125,000,000" and inserting in lieu thereof "$8,675,000,000".

SEC. 3. The amendments made by this Act shall become effective on July 1, 1959.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. DIRKSEN. Mr. President, earlier in the day a colloquy occurred with respect to the availability of the bill, the report, and the printed hearings. I think it was the result of a misunderstanding more than anything else.

The Senator from Delaware [Mr. WILLIAMS] was correct, in that the full text of the report certainly was not available yesterday. It did become available later, and the report was in full form, I believe, about 7 or 8 o'clock that night, while the Senate was still in session. I think it should be said in behalf of the Senator from Delaware that, with respect to what was filed at 12:30 that day, he is correct.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. The fact of the matter is—and I checked this with the bill clerk—that a dummy bill was filed with the bill clerk early yesterday with the statement that the real bill had been reported and the bill clerk was requested to hold the dummy bill until the real bill was received from the committee.

About 7:30 o'clock last night the real bill was obtained from the committee, together with two pages of the proposed report, again with the request that they be held, and the promise was made that as soon as possible the full report would be forwarded. That was 7:30 last night.

The Senate recessed at 7:38 o'clock last night. At 8 o'clock the bill clerk was still waiting for the report. It had not come, and he went home. I understand the Committee on Foreign Relations, after writing the report, some time around 8 o'clock, sent it to the Government Printing Office. Therefore it was not available, even from the bill clerk.

The point I make is that the bill was not available to me, as a Member of the Senate. I think the majority leader should recognize that point and admit that he was in error.

I emphasize that at the time the unanimous consent was obtained to consider the bill and limit debate, the bill and the report were not available as we were led to believe. It was not on the calendar, even though it had been assigned a number. The bill clerk did not even have a copy of the bill or the report. If I am in error, I ask any member of the Committee on Foreign Relations to contradict me. You all know that I am right.

I think the RECORD should show that the bill and report were not available at the time the unanimous consent was given. Yet the consent was obtained only on the statement that they were available. They were not available in time for any Member of the Senate to obtain copies last night.

I do not question the fact that the majority leader may have thought he was correct. I am making no accusation. I think this is a misunderstanding on his part. I do know I was unable to obtain a copy of the bill and report when the Senate adjourned last night. I checked again an hour ago, and I was told that the bill clerk himself did not receive the report before he went home which was around 8 p.m. last night.

This bill calls for expenditures of over $1 billion yet it is being steamrollered through the Senate without the Members having had an opportunity to even read it.

Mr. JOHNSON of Texas. Mr. President, I did not say that the report was available last evening. I stated that I would not bring the bill up for debate last evening, or until a copy of the report was on each Member's desk.

Mr. WILLIAMS of Delaware. That is correct but I gave consent only based on that understanding.

Mr. JOHNSON of Texas. The report and printed hearings were available before the bill was brought up for debate.

All I can testify in connection with the time when the report was filed is that the clerk and the chairman of the committee told me that the bill itself—not a dummy bill—was turned in at the desk during the morning hour yesterday. The first few pages of the report were also turned in at the desk at the same time. The final, complete report was given to the Senate printing clerk between 7 and 8 o'clock last evening.

I am informed that if I or any other Senator had asked for a copy of the bill after the morning hour yesterday or a copy of the full report between 7 and 8 o'clock last evening a copy would have been furnished. No Senator asked me for copies of either, and, so far I was aware, no Senator had requested such copies from anyone. If anyone had told me that he wanted a copy of the report, I would have personally delivered it to him last evening. When I made my request for the consideration of the bill today, I asked the minority leader to write his own ticket. I asked him to confer with the Members on his side of the aisle and to tell me how much time he wanted, and when he wanted it brought up, because it is an administration-sponsored bill. He told me what he wanted. I complied with his request. When I made my request I said there would be no action taken on the bill last night.

I am well aware of what the Senator has said about wanting the report to be available. I was informed by the clerk of the Committee on Foreign Relations that he personally gave the full report to the printing clerk about 7:30 o'clock, and that carbon copies of the report were available at the committee from that time on.

The only statement of the majority leader was that he would not ask the Senate to take any action on the bill in the way of debating it last night, and that when he did ask it he would see to it that the report and the hearings were available to every Senator.

Mr. WILLIAMS of Delaware. When consent was given last night I said, with reference to the bill and the report: "If they are available tonight, I have no objection." That is my exact statement last evening. It was only with the clear understanding that they would be available, that I agreed. Then I went to the appropriate place to get the report, and it was not available. I have great respect for the majority leader, but I am sure no one will maintain that we are supposed to get copies of reports from him. It would be ridiculous to say that he carries all these reports with him. We have regular paid bill clerks for this work.

Mr. JOHNSON of Texas. The chairman of the committee had the report. It had been given to the printing clerk, and copies were available at the committee office. The Senator from Delaware is beclouding the issue. I never had the report. I did not give it to anyone. I did not give the Senator the assurance that I had the report last night, and the Senator from Delaware knows it. I feel the Senator has gotten all the headlines he can get out of the matter.

Mr. WILLIAMS of Delaware. I am not interested in headlines. This is very irregular procedure to proceed to take up a bill which has not been printed. At the time the motion was made to take up this bill last night neither the bill nor the report were here.

Mr. JOHNSON of Texas. I heard the Senator from Illinois [Mr. DIRKSEN] ask the Senator from Delaware if he had any objection. I believe the RECORD shows that he was asked if he had any objection and that the Senator said he would have no objection if the report was available.

Mr. WILLIAMS of Delaware. That is correct. If the report was available—but it was not available as I was led to believe.

Mr. JOHNSON of Texas. The report was available last night. The chairman of the committee filed it last night. It is true that the report was not printed and put on each Senator's desk. However, no one assured the Senator from Delaware that it would be.

Mr. WILLIAMS of Delaware. It may be a misunderstanding, but I can assure you it will not happen again. When the next unanimous-consent agreement is asked for, I will clearly understand what is happening.

Mr. DIRKSEN. I merely wish to add that Dr. Marcy concurs in what the majority leader has said, and I believe that is in agreement with what the Senator from Delaware has said. The full report of the committee was not filed at noon, but a carbon copy of the full report was available, according to Dr. Marcy, the clerk of the committee.

Mr. JOHNSON of Texas. At about 7:30 o'clock last night.

Mr. DIRKSEN. It was available sometime around 7:30 o'clock. There is apparently some misunderstanding, which is unfortunate. However, I trust that it will leave no scars and that the balm of Gilead will prevail, so that when the next request is made, our distinguished friend will treat it generously in the interest of the convenience of all Members.

Mr. WILLIAMS of Delaware. I assure the Senator that I will consider the next request on its merits and I also assure him I will know what we are doing. This will not happen again.

Mr. JOHNSON of Texas subsequently said: The Senator from Delaware and I have just conferred with the clerk of the Committee on Foreign Relations. We have concluded, as a result of this conference, that early last evening, around 7:30, a typed copy of the report was given by the clerk of the committee to the printing clerk. The Senator from Delaware told me that he had asked the bill clerk if he had received a copy of it. He had not. In effect, the clerk of the committee took a copy of the report to the printing clerk, and it was not made available to the bill clerk. In effect, the Senator from Delaware was talking about one man regarding the report, and the clerk of the Foreign Relations Committee was talking about another. One was the bill clerk and the other was the printing clerk.

I do not care to reflect on the Senator from Delaware or on any employee of the Senate. The fact is that the report was made available to the printing clerk at approximately 7:30, and that is about the time, I may inform the Senator from Delaware, the Senate adjourned. I wanted to make this statement for the RECORD.

I yield now to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I appreciate what the Senator from Texas has said.

Mr. JOHNSON of Texas. I deeply regret there has been any misunderstanding.

Mr. WILLIAMS of Delaware. The Senate adjourned about 7:38. The colloquy took place around 7:20 to 7:30. The Senator from Texas said the report was available, had I talked to the clerk of the committee. I did go to the appropriate place in the Senate. It was not available where it was supposed to be. The printed reports and bill were not available here in the Senate until this morning. I wanted them last night. The committee clerk had sent the report to the Printing Office and it did not get back until this morning. I was correct when I said the report was not available to me, or to any other Senator who wanted it, last night. Presumably we could have gone to the Government Printing Office, and gotten it, but if we had, there would have been no reports available today for anybody. I am sure that this was a misunderstanding. But I am sure also that the Senator from Texas will agree that a bill and report in the hands of the printers is not considered as available for Senators to take home and study.

As I said earlier this morning, when I gave my consent last night it was with the clear understanding that a copy of the report and the bill would be available to me for study overnight.

Mr. JOHNSON of Texas. I regret very much that was not the case. Had I known the Senator did not have the report available, or that he desired it, I would have made it available, because I am told there was an extra typed copy. I did not know the Senator made that request.

Mr. WILLIAMS of Delaware. Whether there was an extra typed copy I do not know, but I do know that at the desk, where we normally get bills and reports, the report was not available at the time we adjourned. In fact, the bill and the report were not available until this morning, because the report was sent to the Printing Office last night.

I recognize that there is a basis here for this misunderstanding to have developed, and we can both be more careful the next time.

Mr. WILEY. Mr. President, as a member of the Committee on Foreign Relations, having been present when the committee considered the amendment suggested by the chairman, and having heard the short explanation of it, I would say it was not satisfactory, even though I made no objection to the reporting of the amendment. I will say further that after hearing what the gentleman in the House had to say, and also having been in communication with the Department, I felt it was my duty to vote with the minority leader in relation to his suggestion.

I give this explanation, because ordinarily I vote for the committee report. I wish to say, in explanation, that the amendment came up within the last few minutes. It was not even before us or discussed except, as I have said, in

the last few minutes. After hearing the argument of the distinguished Senator from Illinois, and the explanation given in the other House, and also having the statement made to me that was made by the people downtown, I voted as I did. When I asked the question on the telephone, "Is it important that this amendment be defeated?" I was given the answer, "Yes; because of the world situation today we do not know when it will be necessary to have the funds necessary."

WEST URGED TO TAKE FRESH INITIATIVE IN BERLIN CRISIS

Mr. HUMPHREY. Mr. President, there is no topic which is of more vital concern at this hour than the matter of American foreign policy and the national security measures which we have taken or have not taken or should take. This of course refers directly to the Berlin crisis. The visit of Prime Minister Macmillan in Washington, just after his talks with Chancellor Adenauer, President Charles De Gaulle, and Prime Minister Diefenbaker, is another significant step in strengthening the world alliance in the face of the grave Communist challenge in Berlin.

Mr. Macmillan, who is scheduled to arrive at noon today, deserves a warm welcome. He should be applauded for his recent trip to Moscow, where he presented with candor, courage, and, I daresay, imagination, the position of the West. His example of courage and forthrightness is worthy of emulation. I believe the talks this coming weekend between President Eisenhower and the British Prime Minister will go a long way toward solidifying our position in Berlin.

Some time ago, in addressing a meeting in Washington, I had this to say about Mr. Macmillan:

> The entire world is indebted to the Prime Minister of Great Britain, Mr. Macmillan, for his visit to the U.S.S.R. and his talks with the Soviet leaders. Prime Minister Macmillan has again demonstrated those great qualities of character which have marked the British people through their great history. With characteristic British good manners, he has consulted with Soviet officials in a spirit of understanding and patience which reveals great courage and statesmanship. He has exemplified friendliness to the Russian people, courtesy and proper diplomatic conduct to the Soviet officials. He has patiently explored areas of possible agreement between the Soviet and the Western nations. He has been conciliatory without appeasement. He has been firm and resolute without being stubbornly obstinate.
>
> The British through their Prime Minister have demonstrated what we mean when we say firmness and negotiation are not in any way contradictory.
>
> At the very time that our own leadership seems to be faltering and the Secretary of State was stricken down with serious illness, thereby limiting the role of American leadership, we see again the advantage which comes from being associated with our NATO partners.

Mr. President, that statement, made some 3 weeks ago, is still very true. We are indeed indebted for the leadership which has been exemplified by the Prime Minister of Great Britain. I for one, as a Member of the Senate, salute and thank him and commend him.

In his address to the American people last Monday, the President rightly insisted on both firmness and our willingness to negotiate. I am gratified that he is now willing to go to the summit, if this seems justified by the foreign ministers' conference. The gravity of the Berlin crisis necessitates that we enter into face-to-face talks with Russian leaders, but to do so only after the most careful preparation.

The willingness to negotiate is only the beginning, not the end, of a responsible policy toward the German situation. Our major problem now is to develop a viable negotiating posture in concert with Britain, France, and West Germany. To enter into talks with the Russians, either at the foreign ministers' level or heads of state level, ill-prepared or disunited, is to invite humiliation and even disaster.

I am therefore gratified at the reported progress of the four-nation working group in Paris on drafting Western negotiating positions for the forthcoming talks with the Soviet Union.

Of course I am disturbed that the administration has been so tardy in grappling with the substance of the negotiation. This is indeed no new position for me, because over the past 3 or 4 years I have stated again and again what I thought was the importance of our preparing alternative proposals with which we could confront the Soviet Union on questions relating to central Europe, Berlin, and Germany.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. How much additional time does the Senator from Minnesota desire?

Mr. HUMPHREY. I should like to have 10 additional minutes.

Mr. HOLLAND. How much time remains on our side?

The PRESIDING OFFICER. Fifteen minutes remain.

Mr. HOLLAND. I yield 10 addtional minutes to the Senator from Minnesota. I give notice that I have already agreed to yield 2 minutes to the minority leader.

Mr. HUMPHREY. I thank the Senator.

Our tardiness seems to reflect both a dangerous lack of imagination and an unbecoming timidity for the acknowledged leader of the free world. But that is as of yesterday. Today I say that I am pleased that our Government is taking anew the leadership in preparing for these important conferences.

In our policy toward German reunification, for example, the administration adhered doggedly to rigid positions which have helped produce the present stalemate. We all believe, of course, that genuinely free elections are the best means of creating a united and democratic Germany. I say it must be firm American policy that we not abandon this objective—I repeat—not abandon this objective. We should concentrate our present efforts on those measures which will produce a climate in which free elections will eventually be possible.

The East Germans, faithfully following instructions from their masters in the Kremlin, have been advancing ideas for the reunification of Germany on their own terms. Specifically, they have put forth a series of demands to be met by West Germany as the price for confederation. The East Germans have proposed the end of military conscription in the Federal Republic, the renunciation of nuclear weapons, and an end to Bonn's outlawry of the Communist Party. These lopsided demands are patently fraudulent. They are about as honest as the Bavarian sausage that was advertised to be half rabbit and half horse—one rabbit to one horse.

However, instead of simply assuming a posture of righteous indignation when such one-sided demands are made, would it not be better for us to encourage the West Germans to make some hard but reasonable counterdemands as the price for reunification? It is right and proper for the Bonn government to take the initiative in such matters. The Soviets have encouraged the Federal Republic to make counterproposals. I gather they have done so because they feel that we might restrain the Federal Republic, or attempt to restrain the Federal Republic, from entering into that kind of negotiation. However, we have nothing to lose, and perhaps much to gain, by imaginative Western overtures. Perhaps the West Germans could seize the initiative by making counterproposals, such as the following, as the price for confederation, and thereby prepare the way for true unification by free elections.

For example, why not a proposal requiring guarantees for a free press, freedom of movement, and freedom of religion in East Germany, as is now the case in West Germany? This would mean the free circulation of Western books, periodicals, and newspapers, as well as free cultural exchange between East Germany and the West.

I recognize that it does not include what are called free elections, but it is preparing the way in the appropriate steps for the kind of freedom which makes possible free political choice and, ultimately, free elections.

Second, why would it not be proper for, let us say, the West German Republic to require, as one of its requests and demands, that all political parties compete openly for the support of the electorate in both of the German areas, West Germany and East Germany?

Third—and I believe this is a very important point—it should be required that the People's Police be stripped of their inordinate political and military powers.

If East Germany expressed even a willingness to move in either of these directions, a new basis for the possible settlement of the German problems and the larger issues of European security might well be laid.

I fully recognize that there will be those who will say that these conditions will under no circumstances be met by East Germany. My answer is that we will never know until we at least lay them on the table and offer them as constructive, thoughtful proposals.

In a crisis as serious as the one we now face, there is no substitute for

imagination and new ideas. Indeed, many Senators have suggested the consideration of such proposals as the theory of disengagement which was advanced by Mr. Kennan, and the withdrawal or withdrawing of the troops of both the East and the West. Also, proposals have been made for the consideration of some aspects of the Rapacki plan, as advanced by the Polish Foreign Minister. All of these proposals might well be studied and considered.

I only offer the admonition that whatever is considered should be done with meticulous care. It must constantly be kept in mind that there are no short-time, short-run, immediate answers to these grave, perplexing, long-range problems. Negotiations will require persistent patience. They will require a willingness to endure almost unbelievable, tedious discussions of long duration.

I, therefore, hope and pray that no attempts will be made to find quick solutions which will ultimately or later be regretted because of ill-considered action or ill-advised consideration.

I would be less than honest if I did not say that I remain somewhat unconvinced by the President's calmly reassuring words that our defense position is thoroughly adequate to any possible requirements in the Berlin situation. We know that our national security is not and should not be a partisan matter. But genuine bipartisanship in foreign policy does not mean that the loyal opposition silently acquiesces in all policies advanced by the administration.

It is true that many Democratic Senators have questioned the adequacy of our military shield for the present crisis. It is also true that a substantial number of defense experts in our universities and other research centers have challenged the administration's claims of military adequacy.

Furthermore, the distinguished senior Senator from New York [Mr. JAVITS], who refers to himself as an Eisenhower Republican, only last Sunday is reported to have charged the administration with giving a higher priority to a balanced budget than to adequate defense.

Only yesterday, Wednesday, March 18, a distinguished Washington columnist, Marquis Childs, reported that Gen. Maxwell Taylor, Army Chief of Staff, believes that the defense budget should be increased by $5 billion a year to meet minimum security requirements.

Mr. President, if it were only the generals and admirals who were asking for more money for their respective services, one might be inclined to regard their appeals less seriously. But the fact is that several independent commissions, such as the Gaither Commission and the Rockefeller Panel, as well as many civilian defense experts in the universities and other research centers, are saying the same thing.

The fact that a disturbing number of competent American military observers believe that the administration's emphasis on a balanced budget has seriously jeopardized the Nation's defense capacity cannot be dismissed lightly. Our conventional military strength, they maintain, is at such a dangerously low level that we are virtually forced to rely on nuclear retaliation.

The administration, in its attempt to "get a bigger bang for a buck," has maneuvered itself into a perilous position where our only choice may be between surrender and suicide. The President's remark, hopefully an unstudied remark, at his last press conference about the inability of the United States to fight a ground war in Germany seems to be a backhanded confirmation of what many military analysts have been saying for several years. In any event, his words were hardly reassuring to our NATO allies or, for that matter, to the American people.

Mr. President, I should like to commend to the Senate for serious study the preliminary report of the Draper Committee, which was published yesterday. Among other things, this distinguished panel recommended a long-range program of about $2.4 billion a year for military aid abroad. It recommended an immediate increase of $400 million in President Eisenhower's military aid request of $1.6 billion for fiscal 1960, this increase to be primarily for the NATO area. This is a most significant recommendation and must be carefully reviewed in light of the current crisis.

We can negotiate effectively only from a position of strength. This is a singularly unpropitious time to reduce the level of our Armed Forces. This is the time for firmness on basic principles and flexibility in tactics. I hope that the Macmillan mission will help to weld the united strength we need to grapple effectively with the crisis in Berlin.

Mr. President, I ask unanimous consent that the statement to which I referred, about the crisis in Berlin, and about what is meant by negotiations and standing firm, which was delivered in Washington, D.C., some 2½ weeks ago, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON BERLIN BY SENATOR HUBERT H. HUMPHREY BEFORE THE NATIONAL COUNCIL OF JEWISH WOMEN, WASHINGTON, D.C.

We live in a time of continous crisis. We have been numbed by screaming headlines about Suez, Quemoy, Baghdad, and Budapest. Now we are in the middle of the Berlin crisis. This is not just another international crisis. It is probably the most serious and fateful problem faced by the United States and the free world since the end of World War II.

We all know what is at stake in Berlin—the two things we value most—peace and freedom. A false move or a serious miscalculation could be the spark that would ignite a nuclear holocaust. If free West Berlin falls, it is not inconceivable that West Germany would eventually follow, and if West Germany falls, the nightmare of a new tyranny would sweep over all of Europe.

Berlin is the focal point in the mighty struggle between Communist tyranny and the free world. The situation is fraught with danger. But I believe that firmness, wisdom, and solidarity with our closest allies will give us the strength we need to meet the challenge posed by Mr. Khrushchev's thinly disguised ultimatum which falls due on May 27.

In my remarks about the seriousness of the Berlin crisis, I would like to make a few general observations in the interests of understanding. I do not want to say or do anything that will make the job of the executive branch any more difficult than it now is. In fact, I seriously considered whether I should say anything at all in public on so delicate an issue. I hope my comments will help to clarify the situation in its deepest and broadest aspects.

A sound policy toward the Berlin crisis will require all the patience, understanding, and courage we can muster. I urge our President to tell the American people what we are up against.

If the American people understand the depth of the crisis, I believe they will be willing to pay the price to save West Berlin. We know that peace and freedom are indivisible and that both are at stake in Berlin. And if freedom is snuffed out in Berlin, the cause of freedom and justice throughout the world will suffer.

WHAT THE COMMUNISTS WANT

It seems to me that the Soviet Union wants three things in Europe and has created the Berlin crisis as a lever to gain them:

1. The Soviet Union wants the three Western Powers to get out of West Berlin. It ultimately wants the entire city to be under complete Communist control.

2. She wants to use the Berlin crisis to force the Western Powers to negotiate an all-German settlement favorable to the Soviet Union. She prefers a united Germany tied closely to the Communist bloc. She will settle immediately for two Germanys. In other words, the status quo with East Germany the Communist state under firm Soviet control and influence. The least acceptable alternative that the Soviet appears willing to consider is a neutralized and denuclearized Germany which she hopes eventually to swallow up, by one means or another.

3. The Soviet Union sees in the Berlin crisis an opportunity to split the Western alliance. We must never forget that the primary objective of Soviet policy in Europe is to weaken NATO and to divide the United States from her allies. We cannot permit any of these Soviet objectives to be fulfilled. It is inconceivable that we would retreat from West Berlin. To do so would be to forfeit world leadership and in fact to become a second-rate power. I am convinced that the Soviet Union prefers to gain its political objective in Europe without nuclear war, and I know that the United States and our allies want to avoid a nuclear Armageddon.

We should make every effort to avoid getting into a position where we would be required to use force first. I am sure our Government will do everything possible to avoid a provocative or hostile act. We should, however, make it crystal clear that we will not be forced out of Berlin, nor be denied access to or in any way accede to any effort to starve into submission the West Berlin population. It must be clearly understood by Moscow and East Germany that we are prepared to take any action necessary in support of these policies and commitments.

U.S. POLICY OF RESOLUTE FIRMNESS

Last November I stood in West Berlin with its able and courageous mayor, Willy Brandt. I vowed then, and I vow today, to support a policy of firmness, to uphold the right of France, Britain, and the United States to maintain garrisons in West Berlin until a legitimate peace treaty is signed.

This is the position and policy of our Govment. We can all be grateful that we do not stand alone. Britain, France, and the 12 other members of the NATO alliance stand with us. We will not surrender. We will not be pushed out.

What does standing firm mean? It does not mean holding fast inflexibly to old positions which have helped to produce the present unhappy stalemate. The real issue, said Walter Lippmann recently, is "whether to stand pat on positions that have become untenable or to move to new positions from which the Western allies can recover the political initiative." Standing firm means that we must match our firmness with imagination, courage, and a willingness to negotiate with the Soviet Union. It means firmness in our fundamental position and flexibility in our strategy and tactics. Standing firm and willingness to negotiate are not, as some people suggest, contradictory policies. They are two elements in any viable policy in the Berlin crisis. We must stand firm in order to negotiate effectively. And we must have solid bases for negotiation if we want to stand firm.

It is imperative that the best minds of our country—those persons qualified as experts on the problems of central Europe and Germany as well as Soviet policies and tactics—be called upon at once for intensive consultation directed toward policy formulation.

In the weeks between now and May 27, we, in concert with our allies, must explore every possible honorable means of negotiation that can ease this crisis and point in the direction of a just and equitable settlement.

It is not enough just to negotiate and talk. We must have clearly in mind the objectives we seek, and the means and ways of achieving those objectives without bargaining away the rights of others, or in any way weakening our own security.

The Berlin crisis is both a danger and an opportunity. It is a danger to world peace if we display signs of weakness, indecision, or appeasement. It is an opportunity if we recognize the sharpness of the crisis and proceed to explore every means of peaceful settlement, not only of the Berlin and German situation, but indeed the relationships between the United States, its allies, and the Soviet Union in all of central Europe. Wise, prudent, and courageous statesmanship is needed now as never before. We must be prepared to follow the course that may be tedious, frustrating, and characterized by insults, threats, and abuses for months to come. The war of nerves has been intensified.

In this struggle, the victory will come to those who clearly understand the relationship between power and principle, maneuver and objective. We cannot afford to be found wanting in any of these.

Make no mistake about it, a policy of firmness with negotiation, is the only policy that will avoid surrender on the one side, and minimize the risks of war on the other.

COOPERATION WITH ALLIES AND RESTRAINT URGED

We must act in harmony with our allies, Britain, France, and West Germany. This means more than coordinating our pronouncements about standing firm. It means hammering out a unified policy and strategy to give us strength for bargaining, and to undergird our determination if negotiation should break down.

If we had worked a bit closer with our allies and had strengthened the consultative process within NATO during the past 5 years, perhaps we would be in a better position than we are today. But let bygones be bygones. If we ever needed the wisdom, strength, and counsel of trusted allies we need them now.

THE MACMILLAN VISIT TO THE U.S.S.R.

The entire world is indebted to the Prime Minister of Great Britain, Mr. Macmillan, for his visit to the U.S.S.R. and his talks with the Soviet leaders. Prime Minister Macmillan has again demonstrated those great qualities of character which have marked the British people through their great history. With characteristic British good manners, he has consulted with Soviet officials in a spirit of understanding and patience which reveals great courage and statesmanship. He has exemplified friendliness to the Russian people, courtesy and proper diplomatic conduct to Soviet officials. He has patiently explored areas of possible agreement between the Soviet and the Western nations. He has been conciliatory without appeasement. He has been firm and resolute without being stubbornly obstinate.

The British through their Prime Minister have demonstrated what we mean when we say firmness and negotiation are not in anyway contradictory.

At the very time that our own leadership seems to be faltering and the Secretary of State was stricken down with serious illness, thereby limiting the role of American leadership, we see again the advantage which comes from being associated with our NATO partners.

France under the leadership of DeGaulle displays new strength and firmness. Chancellor Adenauer rightly insists that Germany be a part of the European community and not separated from the stream of democratic and free institutions.

British statesmen explore every area of negotiations, and the President of the United States, speaking for the American people, reminds friend and foe that we will not retreat, appease, or fail to fulfill our commitments.

Yes, these are dangerous days and the situation is explosive. But these are also great and challenging days where spiritual and brainpower may save us from the dangerous alternative of the use of firepower.

The alternative to war is peace and it is in the pursuit of peace that we will find our greatness and fulfill our destiny.

MARCH 2, 1959.

OIL IMPORTS

Mr. JAVITS. Mr. President, it is most unfortunate that while we deal with the vitally important increases in the U.S. contribution to the International Monetary Fund and the World Bank we face the problems of an Executive order establishing mandatory restrictions on oil imports. For this order is an unfortunate development in our international trade and is hurting our relations with friends abroad, including Canada and Bolivia. Indeed, it may tend to weaken the economies of some of the very countries which the proposed increase in the International Monetary Fund is meant to promote and strengthen.

Yesterday Senator AIKEN led a chorus of objections to this recent order establishing mandatory import quotas on petroleum and petroleum products. I wish to join him in expressing my concern about this order after I and a number of other Senators had called attention to the serious domestic problem that would be created for home owners and apartment dwellers who we said may well have to pay higher fuel bills, unless the sellers exercise self-discipline. I had hoped at least that the imports of residual fuel oil would have been exempted from the order, since over one-third of the homes and apartments in the Northeastern States are heated by oil and heating costs represent up to 4 percent of the cost of living.

At a time when we are doing our utmost to keep prices down in every area, it seems particularly unfortunate to get into a course of action which gives the chance of increased living costs for so many families. Indirectly, fuel oil price increases would affect every one of us for part of the price of each product we buy reflects the cost of fuel used to heat the factories, generate the electricity and run the machines used in manufacturing.

The justification given for this order and for its provision in the Reciprocal Trade Agreements Extension Act is national security. The domestic oil industry has put out statistics to point up how the discovery of new reserves has lagged behind U.S. oil production, and that therefore it is necessary to encourage exploration in the industry domestically. Is it not paradoxical that we should use up our own oil reserves at an increased rate supposedly in the interests of national security instead of conserving our reserves and using foreign oil while it is readily available? The contradiction becomes even more marked when the exclusion also applies to Canadian oil to which none of the national security arguments about vulnerability of sealanes can apply.

To a large extent, the reasons given to justify this order are similar to those given to support the 27½-percent oil depletion allowance. This provision also was supposed to foster oil exploration and the growth of reserves for national security reasons. However, the result of this allowance has been to give important tax concessions to a limited sector of the economy and has led to a growing sentiment in Congress to reduce this special benefit.

A restrictive move of this type, which appears strongly protectionist to the rest of the world, is particularly regrettable right now when we are spending billions of dollars abroad to develop economies, particularly in the underdeveloped areas of Africa, the Middle East and South America, many of which are oil producers.

In light of the protests already received from a number of nations in opposition to the mandatory restrictions, I sincerely hope that the President will reconsider the terms of this order or at the very least, its amendment in order to exempt from its provisions residual fuel oil. Also, I hope every seller of oil contemplating price increases will think about it many times before imposing such increases on the people and the national economy.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H.R. 2294. An act for the relief of the Ellis Timber Co.; and

H.J. Res. 198. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution.

UNEMPLOYMENT IN DEPRESSED AREAS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 99, S. 722.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment, and underemployment in certain economically depressed areas.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with amendments.

Mr. JOHNSON of Texas. Mr. President, I am prepared to ask the Senate to remain in session as late today as Senators may wish to stay in order to discuss the bill, and to have the Senate meet tomorrow to discuss it further. I have talked with the minority leader about the matter. I am not aware of how much discussion is desired. If need be, we shall be glad to have a Saturday session to accommodate Senators who wish to make speeches on the bill.

I hope we may have an understanding that there will be no votes on the bill for the remainder of this week, and that we will try to reach a vote on the bill sometime late on Monday.

There is also a resolution providing funds for the Joint Economic Committee, as to which I have given notice that it is planned to call it up on motion as soon as action has been concluded on the bill now before the Senate.

If there are no Senators who desire to discuss the bill, there will be no need for a Saturday session, or, for that matter, a Friday session. If the minority leader will canvass Senators on his side of the aisle, I will speak with the Senator having the bill in charge, the Senator from Illinois [Mr. DOUGLAS], and will try to estimate how much discussion is desired, and will be guided accordingly.

I have had several inquiries as to when a vote on the bill may be expected. If it is possible to do so, I should like to enter into an agreement that there will be no votes this week, and try to arrange to vote on the bill on Monday next.

Mr. DIRKSEN. Mr. President, I had expressed to the majority leader the hope that after this evening the Senate could go over until Monday, and that we could come in early on Monday and agree upon a certain amount of time for debate on each amendment, and then on the bill, and to finish action on the bill on Monday. That would give Senators a chance to catch up with the work in their offices. I am frank to say that these days get pretty long when committees are in session and Senators try to be on the floor and also in committees. I think Senators are entitled, in the interest of better and more efficient work, to have their weekends free to get the decks cleared.

I hope the majority leader will press for agreement to his unanimous-consent request. I told him it was entirely agreeable to me. I utter the hope that there will be no objection to it. The bill has been available to Senators for some time. The report and the hearings also are available. A similar bill has been before the Senate previously. I think it would be an ideal situation if an arrangement could be made so that the weekend could be free for the benefit of all Senators.

Mr. JOHNSON of Texas. Would it be agreeable to the minority leader if the Senate met tomorrow, so as to give Senators an opportunity to speak if they desired to do so; and if Senators desired to speak longer, a session could be held on Saturday, with the understanding that there will be no votes during the remainder of the week, and that an attempt will be made to reach an agreement for a limitation of time on amendments and on the bill, to be effective following the morning hour on Monday?

Mr. DIRKSEN. I am agreeable to that; or the unanimous-consent request could be proposed now.

Mr. JOHNSON of Texas. Mr. President, on behalf of the minority leader and myself, and with the approval of the Senator in charge of the bill, the Senator from Illinois [Mr. DOUGLAS], I submit a proposed unanimous-consent agreement and ask that it be read.

The PRESIDING OFFICER. The proposed agreement will be read for the information of the Senate.

The legislative clerk read as follows:

Ordered, That, effective on Monday, March 23, 1959, at the conclusion of routine morning business, the Senate shall proceed to the consideration of the bill, S. 722, the area redevelopment bill, and debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. DOUGLAS. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I may say to the distinguished senior Senator from Illinois that what has been proposed is that the Senate have tomorrow in which to discuss the bill. If any Senators so desire, the Senate will be asked to meet on Saturday so that they may discuss the bill. We should like to have an understanding that there will be no votes either on Friday or Saturday, so far as the leadership can control the voting.

It is proposed, further, that at the conclusion of the morning hour on Monday, the Senate proceed to the consideration of the bill with a limitation of 1 hour of debate on each amendment, and that at the conclusion of the disposition of all amendments there be a limitation of debate of 2 hours on the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DOUGLAS. This arrangement is completely satisfactory to me. I think it provides ample opportunity for discussion and debate. May I inquire of the majority leader whether it is his intention to have the formal discussion of the bill begin this afternoon?

Mr. JOHNSON of Texas. At any time that is agreeable to the Senator from Illinois. Senators may speak as long as they desire today, tomorrow, and Saturday. On Monday, the limitation of debate would be in effect.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. In the best interests of all Senators, I feel that a Saturday session should be eliminated. I do not think it is necessary to have one. As the ranking minority member of the Committee on Banking and Currency, having an understanding of the bill, and knowing the Senators who are opposed to it and the Senators who favor it, I think it would be most unfortunate to have a Saturday session in order to consider the bill, particularly when there will be the rest of today and all day tomorrow to discuss it; and then to debate it under a unanimous-consent agreement on Monday. If the agreement shall be entered into, there will be 1 hour for debate on each amendment. That means, of course, that any Senator can offer all the amendments he wishes and take 1 hour on each amendment. But I think it would be unfortunate to have the Senate meet on Saturday.

Mr. JOHNSON of Texas. I have no desire for a Saturday session unless some Senator desires it.

Mr. CAPEHART. I ask that the unanimous-consent agreement be changed.

Mr. JOHNSON of Texas. It does not provide for a Saturday session. I simply made the statement that the Senate would meet if any Senator desired to make a speech on the bill on Saturday.

Mr. WILLIAMS of Delaware. Mr. President, I object.

Mr. DOUGLAS. Mr. President, so far as the proponents of the measure are concerned, I feel certain that we will not take a disproportionate share of the time to conclude our argument. I should like the majority leader to know that I did give every opportunity to the minority to offer amendments. I am reassured by the statement of the Senator from Indiana [Mr. CAPEHART] that he probably will not prolong the discussion to great length. But if he has a large number of amendments which he intends to offer, I shall be very glad to come in on Saturday and listen to him with great interest and attention.

ORDER FOR ADJOURNMENT UNTIL 12 O'CLOCK NOON TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SENATE AND THE CAUCUS—DEMOCRACY OR TYRANNY IN THE SENATE

Mr. NEUBERGER. Mr. President, in recent weeks the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] has discussed in this Chamber, on two separate occasions, the function of leadership within the Democratic Party in the United States Senate. He has presented a number of suggestions which he contends would improve the machinery through which this leadership is exercised, and has declared that implementation of these ideas would result in increased party responsibility and accountability of individual Members.

Mr. PROXMIRE. Mr. President, will the Senator yield at the outset of his speech?

Mr. NEUBERGER. I yield.

Mr. PROXMIRE. I merely desire to say to the Senator that I have read his speech. At the very outset, I wish to say that it is an extremely constructive speech. I shall listen to it carefully. But I wanted to make one minor—perhaps the Senator would consider it a major—suggestion at this point, where I think it would be more constructive.

Mr. NEUBERGER. The Senator from Wisconsin did not permit me to begin my speech before he rose and asked me to yield. What does he want me to do?

Mr. PROXMIRE. I simply asked if the Senator from Oregon would yield at this point.

Mr. NEUBERGER. I am happy to yield, but I must say that it is very early in my address to yield.

Mr. PROXMIRE. I recognize that it is early. I think the Senator will make a fine, constructive speech. I am delighted that he is doing so. The reason I asked him to yield is that at the outset of his speech the Senator from Oregon said that I had "declared that the implementation of these ideas would result in increased party responsibility and accountability of individual Members."

At this point I wish to make clear that the principal purpose of the argument I made for a caucus and for my other suggestions was to try to secure more democracy in the Senate in our party—in other words, for an opportunity for all Senators to have something to say, in some way, about our policy and our program.

Incidentally, I think that in having such greater democracy, we would also secure a greater degree of party responsibility and accountability.

Mr. NEUBERGER. Mr. President, before the Senator from Wisconsin makes his third speech on this subject, I should like to make mine, if I may.

Mr. PROXMIRE. Certainly.

Mr. NEUBERGER. I wish to be permitted to deliver some portion of my speech before the Senator from Wisconsin comments for a third time on the question.

I intend to point out that, good though the intentions of the Senator from Wisconsin may be regarding democracy in the Senate, I fear that the proposals he has made in his two previous speeches would point back toward tyranny in the Senate, toward what the late, great Senator Bob La Follette, Sr., of Wisconsin, has described as "King Caucus." To that point I shall address my remarks today.

Mr. President, one of the suggestions of the Senator from Wisconsin deals with the caucus. Today, I wish to consider briefly that particular proposal and all its implications.

The Senator from Wisconsin has asserted—and has done so very ably—that we should have more Democratic Party caucuses, and that such caucuses should be used to formulate party policy. He has stated that he does not desire a binding caucus, and would not himself be bound by the decisions of a caucus. He has indicated, however, that he believes that the majority leader's actions should be ruled by expression of the will of the majority, as evidenced by vote or discussion; and he suggested that if the majority leader disagrees with the position of the majority, he should step aside.

Mr. President, so that the RECORD be clear on these points made by the Senator from Wisconsin, I ask unanimous consent that there be printed at this point in the RECORD, as a part of my remarks, the text of the exchange of views between the Senator from Wisconsin [Mr. PROXMIRE] and me, as reported in the CONGRESSIONAL RECORD of March 9, 1959, on pages 3565 and 3566.

The PRESIDING OFFICER (Mr. MCGEE in the chair). Is there objection?

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Oregon.

Mr. NEUBERGER. I should like to obtain some information from the Senator from Wisconsin.

I gather that the Senator from Wisconsin is seeking more democracy in the Senate. I, too, should like to see more democracy in the Senate. When the Senator says that "the formulation of such an overall budget and fiscal policy to support the passage of a particular bill is an appropriate, in fact an indispensable, function of a party caucus," what does he mean? Does he mean that the party caucus should take a vote?

Mr. PROXMIRE. I think it would be desirable if the party caucus could take a vote, although that would not be essential.

Mr. NEUBERGER. How would a policy be formulated unless the caucus took a vote? Suppose the party met in caucus for 3 hours. Unless the caucus took a vote, how would a policy be formulated?

Mr. PROXMIRE. I am sure the junior Senator from Oregon has been present at meetings at which policies have been formulated without a vote. I do not pretend that in connection with something as important and controversial as the policy we are discussing, agreement can inevitably be reached without a vote. However, it is possible to obtain an expression from most of the members present, which shows what the general sentiment is. I agree that if a precise expression of sentiment is desired, there must be a vote; but not always.

The point is that a caucus is a desirable way to find out what the Democratic Party in the Senate thinks—whether or not it favors a balanced budget, for example. Suppose there were a vote on that question. It seems to me that would be a precise, logical, understandable subject on which there could be a vote.

Mr. NEUBERGER. Let us find out what the Senator is really talking about. I have read very carefully his speech of several weeks ago. I have been quite unable to determine just what policy the Senator wishes. First, I should like to ask this question: Does the Senator honestly believe, and will he state for the CONGRESSIONAL RECORD, that 64 men can meet and formulate a policy without voting upon it? The Senator used the word "formulate."

Mr. PROXMIRE. Under most circumstances, I think that is probably correct. Under most circumstances, it would be necessary to have a vote. However, as I previously stated—and I think it is perfectly sensible and consistent—there are certain subjects with respect to which a vote would not be necessary. If we had a caucus on some question like the Berlin crisis, I think it is perfectly understandable that it would be possible to obtain some kind of consensus that would be unanimous, without a vote. It may be that such circumstances are rare.

The distinguished Governor of a great State—not the State of Wisconsin—told me that whenever his administration had a bill or proposal which was considered to be essential, a caucus of the party in the State legislature was always called. He told me that never once did the party lose a vote on the floor. He said that it was not a matter of voting or binding the members of the caucus, but rather a matter of explanation, a question of all members of the party understanding what the position of the leadership was, and being informed as to the situation.

I agree that under many circumstances it would be desirable to have a vote.

Mr. NEUBERGER. I should like to pursue the inquiry a little further. The Senator is shifting the scenery on us. I am not talking about the Governor of a State, or a State legislature. I am talking about the language in the Senator's own speech. What I wish to know is how a Democratic Party caucus would formulate a policy on the budget, for example, or on other fiscal questions, without voting on such a policy. I wish the Senator would explain that to me.

Mr. PROXMIRE. I will tell the junior Senator from Oregon that we probably would have a vote upon it.

Mr. NEUBERGER. That is fine. There would be a vote. After the vote is taken, what is the situation? Let us assume that the vote might be to hold the line at $77 billion, or that $3 billion or $4 billion should be added to the budget. That is a purely hypothetical situation. After the vote is taken, is the majority leader bound to carry out the policy which has been formulated?

Mr. PROXMIRE. I should say that the majority leader can and should call a caucus whenever he thinks the situation is such that the party should reconsider or modify its position. I believe that the majority leader should not exercise his powers as the head of the party in the Senate unless he is reflecting the majority opinion of the Democratic Senators in caucus.

Mr. NEUBERGER. So the majority leader should carry out the policy which has been

formulated, to use the Senator's own words. Is that correct?

Mr. PROXMIRE. That is correct.

Mr. NEUBERGER. What about individual Democratic Senators? What about the other 64 Senators, including the Senator from Illinois [Mr. DOUGLAS], the Senator from Wisconsin [Mr. PROXMIRE], the junior Senator from Oregon——

Mr. PROXMIRE. Let me say, in that connection, that I think the majority leader has every right—and this has been the practice in many State legislatures—to disagree with the position taken by the majority of members of his party. However, what he does under such circumstances is to step aside. He no longer acts as majority leader. The assistant majority leader takes over. He directs and leads the majority position on the floor. The majority leader votes in any way he desires. His conscience is not imposed upon. He votes according to his conscience. He is free to do so, as are all other Senators.

Mr. NEUBERGER. Does the Senator believe that when a caucus takes a vote in formulating a policy, that vote should be binding on members of the caucus?

Mr. PROXMIRE. I do not.

Mr. NEUBERGER. On February 23 the Senator cited to us with great approval the policies followed by the Democratic Party under Majority Leader John Kern, when Woodrow Wilson was President.

Mr. PROXMIRE. At the time I did so. I believe I said that it would be unwise for us to follow the practice of binding members in caucuses.

Mr. NEUBERGER. Let me read what the Senator said:

"I think Senators can hardly do better than go back to the period from 1913 to 1916 and consider how the Democratic majority operated; and it was a thin majority at that time. It was a majority which did not have the vast superiority we now have, a superiority, virtually, of two to one. The majority at that time was very close. It was also a majority having dissident groups, just as ours has, perhaps more so.

"The majority of that time was a majority confronted with a tremendously difficult situation, including a change in the Presidency. But it was a majority which fulfilled its responsibility by passing some of the most significant legislation this Nation has ever seen. The entire New Freedom program of President Wilson was passed in the period from 1913 to 1916. There were not occasional caucuses; there were frequent caucuses. The Democratic Senators operated as a unit. The Democratic leader, John Kern, who was a splendid majority leader, took his direction from the unified decision of all Democratic Senators."

The Senator goes on to cite with glowing approval that every Democratic Senator in that period, unless I am mistaken, was bound by the decision of the caucus.

Mr. PROXMIRE. I have said that. I have also said that I did not believe that under the present circumstances it would be practical, possible, wise, or necessary for the Democratic caucus to so bind Senators.

Mr. NEUBERGER. Why, then, did the Senator say we should take a lesson from that period?

Mr. PROXMIRE. Because they used the caucus. While I do not approve of everything they did in caucus, I approve of the general fact that all Senators should have an opportunity to express their position on the question of the leadership position, because the leadership position expresses the opinion of Democrats as a whole. I took exception to the technique that was used to bind all Members.

Mr. NEUBERGER. Is it not possible that the technique was at the root of the success that was achieved?

Mr. PROXMIRE. That is possible. However, there have been caucuses which have been effective without binding the Members. We had caucuses in the legislature in Wisconsin. We held them at weekly intervals. Toward the end of the session we held them daily. As a result, every Democratic pledge in the platform was introduced as a bill and was voted on by the legislature, and every one of them was supported by a majority of the Democrats. However, they were not bound under those circumstances.

Mr. NEUBERGER. I have read the Senator's earlier speech with interest, and I have read his present speech with interest.

Mr. PROXMIRE. I thank the Senator for reading my speeches. That is a real compliment.

Mr. NEUBERGER. It is commendable that this issue should be discussed by the Senator. However, I believe—and I hope my mind will be changed—that although the Senator hopes to have more democracy in the Senate, I feel that a return to a caucus system which would bind all Members would result in infinitely less democracy in the Senate. I believe it to be a system which the great liberals like the elder La Follette, from the Senator's State, and George Norris, who was the greatest modern Senator, and perhaps the greatest Senator of all time, have denounced as "King Caucus." I am saying this from memory, but George Norris, I believe, many times was critical, in speeches on the floor of the Senate and before civic bodies, of what he described as "King Caucus." I hope the Senator from Wisconsin is not proposing to take us back to what the illustrious liberals of the past fought so strenuously against.

Mr. NEUBERGER. Mr. President, I have no quarrel with the right—and even the responsibility—of the Senator from Wisconsin to express his opinions regarding the nature and operation of the internal organization of the Democratic Party in the Senate, nor do I dispute his contention that it might be desirable to have more frequent caucuses or conferences by our party. I have previously expressed the latter position on the floor of the Senate.

However, I think that the attitude which the Senator from Wisconsin has adopted with respect to the caucus, places him in the position of urging adoption of a system designed to better secure party responsibility, but rejecting, as repugnant to individual conscience, the very factor—namely, a binding commitment—which makes this system effective. In essence, the Senator from Wisconsin suggests adoption of the type of party organization and operation which is in effect in a number of Western countries operating under the parliamentary form of government—for example, Great Britain; but he would provide for elimination of the discipline which makes the method workable. I, myself, do not propose such discipline; but I emphasize that without it, the recommendations of the Senator from Wisconsin become both unfair and unworkable.

Furthermore, I believe that the procedure outlined by the Senator from Wisconsin would place a heavy restriction on the majority leader, without imposing a similar responsibility upon the members of our party in the Senate.

Mr. President, what does the proposal of the Senator from Wisconsin with regard to caucuses actually mean?

NONBINDING CAUCUS IS INEFFECTIVE

The efficacy of the caucus as a method of formulating party policy has historically rested with its ability to bind its members. Weakening of this power tends to erode the cohesive effect of these meetings. While the nonbinding caucus may perform a valuable function, by providing an opportunity for discussion and receipt of information, the nonbinding caucus can achieve only infrequent success in uniting behind a particular bill the party's widely diversified membership. The tendency to submit to the group more vague proposals, in order to arrive at language which would be acceptable to a majority of the members, would result in broad, but meaningless, policy statements.

This quality of the caucus is apparent in the experience of parliamentary countries. For instance, between 1946 and 1952, the British Labor Party suspended party discipline of this nature, with the idea of improving morale and teamwork. A number of serious violations of this discipline occurred; members were expelled; and the binding rules were restored.

I share the conviction of the Senator from Wisconsin that each Senator's fundamental duty is to his conscience. But I suggest that when the Senator from Wisconsin urges that all Democratic Senators play a part in the formulation of policy, through participation in the caucus, he ignores the responsibility which such participation would entail if his plan were to be effective.

The nature of the Senator's oversight is indicated in a statement made by Senator Fessenden in 1867:

> You may not go into a consultation—call it a caucus or what you will—where the implied obligation is that the question under consideration is to be settled by a majority, and not only debate but vote, and then, finding yourself in a minority, say "I am not bound."

POLITICAL SCIENTISTS FAVOR BINDING CAUCUS

If we accept the view that a Senator's conscience is his final guide in matters of legislation, thus eliminating the possibility of a binding caucus, the caucus becomes merely a discussion group, and cannot be the effective instrument for the formulation of policy which the Senator from Wisconsin claims it to be.

It is true, as the Senator from Wisconsin has stated previously, that a number of students of government have in recent times urged increased use of the caucus as a means of formulating policy in a manner which will insure a greater degree of party responsibility. But they invariably point out that, to be effective, such meetings must be binding.

For example, the distinguished political scientist, Dr. George B. Galloway, of the Library of Congress, in his study "Congress and Parliament", dealing with the American and British systems of government, reported that:

> Party organization in Parliament is evidently much more tightly knit and strictly disciplined than in Congress. The Parliamentary Labour Party's rigid code of discipline may sometimes stifle the public expression of honest differences of individual opinion, but these find an outlet in the private meetings of the PLP. If revived in Congress with power to bind its Members,

the party caucus could go far toward clarifying party policy.

Dr. Galloway, in summarizing his comparison of the Congress of the United States and the British Parliament, suggested that one of the lessons which Congress might learn from Britain was the value of a binding caucus. Dr. Galloway stated:

More responsible and effective party organization in Congress could be developed by tightening up the internal organization of the congressional parties in both Houses, through the merger of their various leadership groups, the holding of frequent meetings of the entire membership of each party in each House, the adoption of party standing orders, including provision for binding caucus decisions, and the assumption of majority party responsibility for planning and guiding the legislative agenda, making committee assignments, and selecting committee chairmen. Party discipline could be strengthened by reviving the party caucus with binding decisions, the skillful use of patronage and promotions for the faithful and committee demotions for the disloyal, and the expulsion of serious offenders from the congressional parties.

A close student of British political parties, R. T. McKenzie, has noted that the British system since 1867 has resulted in increased rigidity in party relationships and decreased individual freedom.

The Senator from Wisconsin has previously declared that in considering the function of leadership in the Democratic Party in the Senate, we could "hardly do better than go back to the period from 1913 to 1916 and consider how the Democratic majority operated." The Senator from Wisconsin declared that:

The majority of that time was a majority confronted with a tremendously difficult situation, including a change in the Presidency. But it was a majority which fulfilled its responsibility by passing some of the most significant legislation this Nation has ever seen. The entire new-freedom program of President Wilson was passed in the period from 1913 to 1916. There were not occasional caucuses; there were frequent caucuses. The Democratic Senators operated as a unit. The Democratic leader, John Kern, who was a splendid majority leader, took his direction from the unified decision of all Democratic Senators.

Mr. HAYDEN. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. Yes, Mr. President; I am happy to yield to the Senator from Arizona.

Mr. HAYDEN. I happened to be in the Congress during the years 1913 to 1917, as a Member of the House of Representatives.

The first important measure taken up was the Underwood tariff bill, which was based upon recommendations made by President Wilson. We asked the Republicans to go away, and to take their time about coming back, until the Democrats could agree upon the terms of that bill.

That was a very remarkable measure because Republican protective tariff laws had been in effect practically since the Civil War. It was the first time a Democratic Congress and a Democratic President could make a change in tariff policy.

We met for days in a Democratic caucus—under what conditions? Under the conditions that we would be bound by what a majority of the caucus agreed upon. A Member could be excused from that obligation only if he had previously made to his constituents, pledges concerning some particular item in the bill.

That is why the Louisiana Democrats, who were opposed to reducing the tariff on sugar, were able to vote against that part of the bill and still remain good Democrats, because they had previously pledged themselves to their people that they would carry on. With that exception, everyone was bound. The result was, when we finally brought the bill to the floor, that numerous amendments were offered on the Republican side. They were all defeated, and the bill was passed just as it had been approved by the Democratic caucus.

In the Senate, in 1917, rule XXII was adopted as the result of a binding caucus on the Democratic side and a binding caucus on the Republican side. In that caucus it was agreed that the Senate would adopt a limitation on debate. If the Senator will read the proceedings, he will see that a Senator, who was absent when the caucus was held, sought to amend the proposed rule. He withdrew his amendment when told that a rule, providing that two-thirds of those present could bring debates to an end, had been agreed to in both caucuses.

Mr. NEUBERGER. I thank the able Senator from Arizona, who, of course, is in a better position to make an observation, based on his own knowledge and wisdom, on this particular period in our history than is any other Member of Congress, because, if I am not mistaken, he has served in both Houses longer than has anybody else in the entire chronicles of the Congress.

As I recall, the late Senator Norris told me he protested against this particular method of binding members of a caucus on a tariff bill. In the various biographies of the late Senator Norris, one of which I was privileged to coauthor, these objections of Senator Norris are mentioned.

I thank the Senator from Arizona for bringing out what happened in that particular period of American history.

Mr. President, I believe that it is very important to note that during the period which the Senator from Wisconsin recommends as a model for the Democratic Party in the Senate to follow today, the legislative caucus was revived, and decisions made with respect to legislative action were binding upon the entire membership of the party and controlled their votes. However, the Senator from Wisconsin has asserted that he does not wish a binding caucus of this nature.

Mr. President, of course, the binding quality of the caucus I have cited has been confirmed by the Senator from Arizona, who has just discussed this question on the Senate floor out of his own experience and service at that time.

Mr. President, in connection with this discussion of caucuses and the necessity of insuring that they be binding if they are to be employed effectively in the formulation of policy, I think it is of interest to note the remarks of the Senator from Wisconsin on February 23 when he called to the attention of the Senate the report "Toward a More Responsible Two-Party System," prepared by the committee on political parties of the American Political Science Association. At that time he said:

"What is perhaps the most authoritative statement by outstanding professional experts on this subject was made by the committee on political parties of the American Political Science Association in a report in 1950 entitled "Toward a More Responsible Two-Party System."

The Senator from Wisconsin then read to the Senate the following recommendation from the report:

Whether they be called caucuses or conferences, more frequent meetings of the party membership in each House should be held. Otherwise there can be no real discussion of party positions and no real participation in or check upon the decisions of the party leadership. Without such discussion and participation, efforts to make party operations more responsible will be futile.

The Senator from Wisconsin then declared:

Mr. President, let me repeat that quotation because I believe it is extremely important that the Democratic Members of the Senate recognize that the words I have quoted are the considered judgment of the top political scientists.

And then the Senator from Wisconsin read in the Senate that particular quotation again, for emphasis.

In his remarks following this reference to the APSA report, he urged more regular caucuses as a method of aiding policy formation by the leadership but indicated that he would not be bound by any vote taken at such meetings.

Mr. President, I recall this language today so that I may inform the Senate of that portion of the committee's recommendation with regard to the caucus which the Senator from Wisconsin curiously neglected to quote.

I should like to read to the Senate the entire text of the APSA recommendation dealing with caucuses or conferences. This recommendation appears on pages 60–61 of the report, as published as a supplement to the September 1950 issue of the American Political Science Review, in the chapter entitled "Party Organization in Congress." The report states:

Whether they be called caucuses or conferences, more frequent meetings of the party membership in each house should be held. Otherwise there can be no real discussion of party positions and no real participation in or check upon the decisions of the party leadership. Without such discussion and participation, efforts to make party operations more responsible will be futile.

That is the part the Senator from Wisconsin quoted. Now I proceed, and I am quoting again:

There is no formula to tell how often a caucus or conference should be convened merely to discuss matters and how often it should be held for the purpose of voting upon a position binding on the members. Nor is it possible to prescribe in other than general terms either the conditions under which a party membership may be released from

abiding by a caucus decision or the consequences to be invoked upon those who disregard the decision without release. Three points, however, are rather clear.

The first is that a binding caucus decision on legislative policy should be used primarily to carry out the party's principles and program. Such a decision should not be used merely to support the views of the President or of congressional party leaders when their views do not rest on stated party policy, except in exigencies affecting the public record of the party.

The second is that members who generally stand behind the party program should have reason to know that their service is appreciated by the party leadership. Rewarding party loyalty is a proper way of fostering party unity. On the other hand, when Members of Congress disregard a caucus decision taken in furtherance of national party policy, they should expect disapproval. They should not expect to receive the same consideration in the assignment of committee posts or in the apportionment of patronage as those who have been loyal to party principles. Their conduct should be brought before the eyes of the public. Their voters are entitled to know about it.

The third is that the party leadership committees should be responsible for calling more frequent caucuses or conferences and developing the agenda of points for discussion.

Mr. President, the report to which the Senator from Wisconsin has referred in a previous speech does, indeed, recommend more frequent caucuses. But it also states that the caucus should be binding on individual Senators with respect to decisions on legislative policy to carry out the party's principles and program.

Mr. President, I do not favor a binding caucus. I am pleased that the Senator from Wisconsin also holds this view, although I wish he had not quoted so selectively from ASPA documents. But what would be the effect of a nonbinding caucus with regard to the formulation of policy in the manner suggested by the Senator from Wisconsin?

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I shall be happy to yield to the Senator when I reach the next page of my prepared text. I should like to finish through one paragraph on page 6 before I yield.

RESTRICTS LEADER, BUT NOT MEMBERS

In his discussion on the Senate floor March 9, the Senator from Wisconsin indicated that he thought the Democratic Party caucus should be binding upon the majority leader but nobody else. This was the purport of his statement that the majority leader should step aside as majority leader when the caucus formulates a policy with which he is in disagreement. No other Senator should be bound to this extent, according to the Senator from Wisconsin.

Consider, for a moment, the implications of such a proposal. Let us suppose that the Democratic Party caucus formulates a policy against high Federal price supports on corn and cotton. If the majority leader is in disagreement with this policy, he must step aside. What if all 10 Democrats on the Agriculture and Forestry Committee likewise disagree with the policy of the caucus? Must they step aside, too? The Senator from Wisconsin evidently thinks not, for he has said repeatedly that no Senators should be bound by the caucus, save and alone the majority leader.

Yet, who has greater control over farm price support legislation, the majority leader or the chairman and all the Democratic members of the Senate Agriculture and Forestry Committee? In other words, the majority leader could not defy the policy adopted by the caucus on farm policies, but all the Democratic members of the Agriculture and Forestry Committee could do so.

Apply this same reasoning to proposed civil rights legislation. If the Democratic caucus formulates a policy favoring strong civil rights bills, the majority leader must step aside if he is in disagreement, according to the program outlined by the Senator from Wisconsin. But what about the Democrats on the Judiciary Committee, where the fate of civil rights bills is decided? Are they free to defy the policies "formulated" by the caucus, to use the word of the Senator from Wisconsin? What, then, has he accomplished, if he binds LYNDON B. JOHNSON and lets 63 other Democrats, no matter how powerful or strategic they are on various committees, repudiate the policies of the Democratic caucus virtually at will?

I am now happy to yield to the able Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I should like to repeat what I said before, when the Senator from Oregon started his speech. I think it is a constructive speech. I think the tone is excellent. I very much appreciate that, because this whole type of discussion and controversy could easily become a discussion of personalities, which would be most unfortunate.

I should like to say that of course it appears to be a contradiction to be arguing for a caucus on the one hand and arguing against a binding caucus on the other. It is true, as the Senator from Oregon very well stated, that outstanding political scientists who have favored more caucuses have also, by and large, favored binding caucuses. It is true that throughout most of the 19th century and the 20th century in the Senate there were generally binding caucuses.

I do not think, however, the fact that one rejects binding caucuses necessarily means one cannot have any kind of a caucus for effective and democratic organization, to give some sort of direction and influence to the leadership.

I should like to point out that in the report of the Committee on Reorganization of the Congress, the La Follette-Monroney committee report, there was a great deal of consideration of this matter. In the first place, they recommended that some instrumentality be established to enable the platforms of the two parties to be put into effect. They recommended party caucuses emphatically and distinctly and said that these would be useful. They also recommended policy committees. However, they had to cope with the difficult problem of how one can have an effective influence on a policy committee or on a caucus and still not have it binding upon the membership. This is the recommendation they came up with:

> On issues where party policy is involved the decisions of these policy committees would be formally announced in proceedings of Congress, and formal records would be kept of such decisions. No member of either party would be required to follow such announced party policy except as he chose to do so. Each member would be free to vote as he saw fit, but the record of his action would be available to the public as a means of holding both the party and the individual accountable.

I recognize, of course, that this particular recommendation is directed toward policy committees. It seems to me it would be constructive, helpful, and perfectly possible to have that kind of recommendation carry over for the caucus itself.

I should like to point out to my good friend from Oregon that this is a practice which is followed in many State legislatures. In my own State legislature in Wisconsin we had frequent party caucuses, weekly or even daily, toward the end of the session. These caucuses were not binding, but they did instruct the leadership. They were very effective. We had a very large number of platform promises, all of which were approved by the caucus, introduced and supported by a majority of Democrats.

I realize this is a long interruption, but there were some very interesting and challenging statements made by the Senator from Oregon, and I should like to comment on some of them at this time.

Mr. NEUBERGER. I am happy to yield further to the Senator at this time.

Mr. PROXMIRE. The Senator asked, "Who has greater control over farm price support legislation—the majority leader or the chairman and all the Democratic members of the Senate Agriculture and Forestry Committee?"

I think, so far as the overall policy is concerned, speaking in terms of whether we have a farm bill, for instance, it can be said that the leadership does—that the majority leader would have a greater influence. I think it is possible that if all of the Democrats on the Agriculture and Forestry Committee would get together—which I think is most unlikely—they could prevail. The fact is, however, that the leadership of our committee generally tends to come to the majority leadership to learn whether a farm bill in the session is a practical possibility. That decision is generally a leadership decision. Of course, the outstanding Democrats on the committee are consulted.

I think that policy decision as to whether we should have a farm bill now is the kind of decision which might be made by a caucus.

There is one further point I wish to make. The Senator from Oregon says:

> What, then, has he accomplished, if he binds LYNDON B. JOHNSON and lets 63 other Democrats, no matter how powerful or strategic they are on various committees, repudiate the policies of the Democratic caucus virtually at will?

I am sure the Senator from Oregon indicated, as he said in a previous part of his speech, that I do not intend to

bind LYNDON B. JOHNSON. It is very important to note that I do not intend to bind any individual as an individual. I intend only to bind the majority leader, as such. If he disagrees with the policy which has been formulated, he has the same right as any other Senator to speak out and vote against the position of the majority. But I suggest, under those circumstances, that the majority leader step aside and that the assistant majority leader act in his stead.

Mr. NEUBERGER. What if the assistant majority leader does not agree with the policy "formulated" by the caucus proposed by the Senator from Wisconsin?

Mr. PROXMIRE. That is an easy decision. This is not something impracticable or starry eyed. It is a problem which we have in the Wisconsin Legislature, and a problem which is encountered in other legislatures. The chairman of the committee or some other leading Democrat could step into the position of leader for the time being.

Mr. NEUBERGER. Suppose the chairman of the committee disagrees? The question I am asking the Senator goes to the root of the proposals which he has brought before the Senate. It is the Senator from Wisconsin who has raised the entire question. The Senator from Wisconsin, in previous speeches and discussions on the floor with other Senators, has proposed a caucus in which Democratic Party policy will be "formulated." He has admitted that this policy would have to be determined by a vote.

Mr. PROXMIRE. It would have to be determined in some cases by a vote of the Democrats in the caucus.

Mr. NEUBERGER. It would have to be decided upon by a vote. Obviously we could not tell how 64 Senators felt with respect to a highly complex question, unless there were a ballot.

After the ballot is taken in the Democratic Party caucus, if the majority leader is in disagreement with the policy thus "formulated" the majority leader shall step aside, according to the Senator from Wisconsin.

The point I am emphasizing is this: It seems to me that the Senator from Wisconsin has brought before us nothing that gets at the root of what he claims to seek, because substantive legislation comes only from the standing committees of the Senate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. This is probably the most foolish thing I have ever done since I was elected to this body. I am intervening in a dicussion between two good friends, with whom I am almost always in accord. In the end, I shall probably find myself berated by both of them.

However, I suggest to my good friend from Oregon that it does not seem to me to be feasible in any way, in the present condition of the Democratic Party, to have a binding caucus.

I say to my good friend from Wisconsin that I do not think he ever thought we could have a binding caucus, because our party is not in a position of adequate unity. So it would not make the slightest sense to try to bind any individual. Therefore I suggest, with all deference to my very good friend from Oregon, that perhaps he is creating a straw man and knocking him down. I do not believe anyone wishes to have a binding caucus in the Democratic Senate majority as it exists today.

On the other hand, I must say that I agree with my friend from Wisconsin that it would be very helpful if we could talk these matters over with the leadership a little more freely than the present procedures make possible.

Next week there will come before us the question of temporary unemployment compensation legislation, a subject of vast importance to my State. I should like to have the opportunity to present my views and those of 17 other Senators from States which are equally concerned with this problem, one of them being the State of Oregon. In that way we could determine whether or not it would be possible or feasible to have the majority of Democrats support legislation providing temporary unemployment compensation.

However, that is not a feasible method of procedure. I have had conferences with the majority leader on the subject. He has been very kind and considerate. He has agreed to meet later with a group of Senators who feel as strongly as I do.

But all this is not in accordance with normal procedure. With all deference to my friend from Oregon, I believe it would be a good thing for party morale, and for the formulation of party policy in accordance with the party platform, if we had a regular mechanism, such as our friends across the aisle have, for considering these questions.

I do not believe the Senator from Wisconsin ever had in mind—although he may inadvertently have used some language which might be construed as pointing in that direction—that any of us should be bound by what is done in a caucus.

I note the presence in the Chamber of my good friend, the senior Senator from Florida [Mr. HOLLAND]. He and I agree upon many questions, but we also disagree on many others. I should not wish to go into a caucus where I would be required to sustain the position of the Senator from Florida if I disagreed with it.

With all due deference to my good friends, let me say that probably it was quite unwise for me to take the floor. However, I believe my friend from Oregon is pressing my friend from Wisconsin a little further than he ever intended to go.

Mr. NEUBERGER. I am very happy that the Senator from Pennsylvania has made this contribution to the discussion.

But let us presume that there is a party caucus on the question of unemployment compensation legislation; and let us assume that the Democratic Party caucus favors greatly expanded unemployment compensation benefits. I am sure the Senator from Pennsylvania would be pleased by such action. I am sure the Senator from Oregon would like to see unemployment compensation benefits expanded. Oregon happens to be a State which, unfortunately, has had rather high unemployment rates in recent years.

Let us assume that the majority leader is in disagreement with the policy agreed upon by the caucus. Under the formula presented to us by the Senator from Wisconsin, the majority leader must then step aside.

Mr. CLARK. I think not. However, I will let my friend from Wisconsin speak for himself. I did not so interpret his remarks.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. PROXMIRE. In reply, let me say that in most cases the Senator from Texas [Mr. JOHNSON] and the majority would be together. There would be a few cases in which they would not be. When they were not together, I think we would find an accommodation, a far greater understanding, and a better degree of unity, if my suggestion were adopted. However, there is the possibility to which the Senator from Oregon has referred, that the assistant majority leader might be in disagreement with the caucus. I am sure that in most cases the Senator from Montana [Mr. MANSFIELD] would support the position of the majority. In a few cases, perhaps, neither the majority leader nor the assistant majority leader would. In such a case perhaps the Senator from Alabama [Mr. HILL], chairman of the Committee on Labor and Public Welfare, might assume the leadership. It would not matter how far down in seniority we might have to go. Eventually we would find a Senator who could act as floor manager.

Under most circumstances there would be an opportunity for the leadership and the members of the majority party to get together and agree on policy. I believe that under many circumstances—perhaps under most circumstances—the decision of the caucus would be that there should be no party policy. I think that would be a constructive decision to arrive at. We would come from the caucus with far greater understanding, and with a recognition of the fact that we do not expect to direct our leadership, because there is too much division in the party.

It seems to me that the Senator from Oregon is inventing a hypothetical situation which is not likely to occur very often. Such a conclusion, as I have stated, is in line with the practice which is followed so frequently in other legislative bodies, and with very great success.

I conclude this part of the colloquy by saying that I think we could get together, in the first place, by beginning with the party platform. With respect to many bills, we might decide that we do not wish to formulate a policy. We might decide, in a few cases, that certain bills are of sufficient importance to the country, the Democratic Party platform, and our promises that we should have a party position. Under such circumstances there would be extensive discussion to see if we could arrive at a consensus as to the timing of the legislation, and,

roughly, what our position should be. We would not have any detailed bill formulated. That is a committee project. But I believe that if we were to follow such a procedure, Senators would have far better understanding, and there would be a greater degree of unity. I believe the country would have the benefit of more positive legislation, and certainly more representative of all Democratic Senators and therefore of the interests of the country as a whole.

Mr. NEUBERGER. Mr. President, the scenery has been shifted very rapidly since the earlier recommendations were made. I have based my remarks today on earlier speeches made by the Senator from Wisconsin. In his earlier speeches, including some television programs which were transcribed and distributed on our desks, he very sharply challenged the decision taken by the Democratic Party leadership as being out of step with the views of a majority of Democratic Senators.

Now he says that there would be very few situations in which the leadership and the majority of Democrats would disagree.

Mr. PROXMIRE. My answer to that——

Mr. NEUBERGER. Please let me finish. There have been a number of long interruptions.

Secondly, in his earlier speeches the Senator from Wisconsin constantly referred to the caucus as a place where the party policy would be "formulated."

Now he tells us that there would be very few instances where the caucus would make policy. Then I am told by both the distinguished Senator from Pennsylvania [Mr. CLARK] and the distinguished Senator from Wisconsin that I misunderstand the situation if I interpret the earlier remarks of the Senator from Wisconsin to imply that the majority leader must step aside if he is in disagreement with the decision formulated by the caucus. In that connection let me quote the language of the distinguished Senator from Wisconsin which appears in the RECORD of March 9:

> Let me say, in that connection, that I think the majority leader has every right—and this has been the practice in many State legislatures—to disagree with the position taken by the majority of members of his party. However, what he does under such circumstances is to step aside. He no longer acts as majority leader. The assistant majority leader takes over, and he directs and leads the majority position on the floor. The majority leader votes in any way he desires. His conscience is not imposed upon. He votes according to his conscience. He is free to do so, as are all other Senators.

That is what I should like to ask the distinguished Senator from Pennsylvania. Let us assume that the majority leader does not agree with the decision of the caucus to expand unemployment compensation benefits. Under the formula presented by the distinguished Senator from Wisconsin—and I have quoted his exact words—the majority leader would step aside. May I ask which committee has jurisdiction over legislation dealing with unemployment compensation? I believe it is the Committee on Finance.

Mr. CLARK. The Senator is correct.

Mr. NEUBERGER. The senior Senator from Virginia is chairman of the Committee on Finance. Is that correct?

Mr. CLARK. That is correct.

Mr. NEUBERGER. Committee chairmen have great power and authority in the Senate, unless I am mistaken.

Mr. CLARK. The Senator is correct.

Mr. NEUBERGER. Does the distinguished senior Senator from Virginia have to step aside, as the chairman of the Committee on Finance, if he is in disagreement with the decision of the caucus to expand unemployment compensation benefits?

Mr. CLARK. Let me answer the Senator's question in this way. We have no rules of germaneness in the Senate, and the Senator from Oregon is therefore speaking in the time of the area redevelopment bill. I do not object to it. But I say—and I believe he and I are in accord on this point—that a rule of germaneness in the Senate would be a good thing.

Mr. NEUBERGER. The Senator from Wisconsin, in two lengthy speeches in the Senate, spoke when other proposed legislation was pending. If there is to be a rule of germaneness, it should apply to 98 Senators, not merely to 1.

Mr. PROXMIRE. I should like to add at this point, in order to clear up the situation, that on both occasions when I spoke there was no proposed legislation pending. I have checked the matter with the Parliamentarian, and I have been informeed that no proposed legislation was pending on either occasion.

Mr. CLARK. To get back to the question of the Senator from Oregon, the chairman of the Committee on Banking and Currency, the distinguished junior Senator from Virginia [Mr. ROBERTSON] is opposed to the area redevelopment bill, and voted against it in committee. He stepped aside and turned the bill over to the Senator from Illinois [Mr. DOUGLAS] to manage it on the floor. That is what the Senator from Virginia should have done, and I honor him for doing it.

Mr. NEUBERGER. That was after the bill had been reported by the committee. Is that correct?

Mr. CLARK. That is correct.

Mr. NEUBERGER. I must say that my good friends certainly shift the scenery very quickly. What I am asking about is the consideration——

Mr. CLARK. The Senator asked me about the Senator from Virginia [Mr. BYRD].

Mr. NEUBERGER. I am asking about what would happen in a certain situation. Let us take the question in proper sequence, to see what the Senators' proposal means. We have arrived at the situation where the majority leader has stepped aside because the Democratic policy caucus has voted for expanded unemployment compensation.

Mr. CLARK. No; I have not gotten that far yet. I have never suggested that we should have a binding vote on unemployment compensation legislation. I believe we should have a caucus in which to talk it over, but not a binding vote.

Mr. NEUBERGER. In other words, the Senator from Pennsylvania is in disagreement with the Senator from Wisconsin that the conference should formulate party policy in caucus, and that can be determined only by a vote.

Mr. PROXMIRE. Not a binding vote.

Mr. NEUBERGER. The Senator from Pennsylvania says he does not favor a vote on it, but the Senator from Wisconsin says a vote should be had on it.

Mr. CLARK. The Senator from Oregon—and I am sure he will excuse me for saying it—is apparently putting words in our mouths. I have never said that we should have a binding commitment on unemployment compensation bills, for example. I believe we should take the sense of the caucus. The Senator from Wisconsin will speak for himself, but I am sure that neither he nor I favor binding votes in a caucus, to bind all Members of the Senate.

Mr. NEUBERGER. The Senator from Wisconsin has said in speeches and discussions that policy should be formulated—those were his exact words—by the Democratic Party caucus. He has said that a vote would be desirable. He said that if the majority leader does not agree with the decision taken by that vote, he should step aside. I ask the Senator from Wisconsin if that is not correct.

Mr. PROXMIRE. What I said was that the caucus should formulate policy. When I said that, I meant of course that the caucus should decide first whether or not it wanted to formulate policy on particular issues or whether the Senate policy committee or the majority leader should do so.

The whole argument that I am making is that we should have a regular, systematic opportunity for all Democrats to meet together, preferable weekly, but at least monthly, so that we can decide.

Mr. CLARK. Just as the Republicans do.

Mr. PROXMIRE. Yes. So we could decide at regular intervals whether we should attempt to influence our leadership, or whether we merely want the leadership to explain to us what it was doing, and why. I do not mean that on every bill the Democratic caucus should say what the leadership position should be, but I believe it should have an opportunity if it chose to do so to use its inherent authority.

Mr. NEUBERGER. May I ask the Senator from Wisconsin a question on that point?

Mr. PROXMIRE. May I first answer the questions the Senator has asked me, or has implied I should answer, when he turned to the Senator from Pennsylvania to make further statements? The first question, I believe, was whether it was not true that when I spoke on television about this situation and discussed it that I said there were many serious disagreements with the majority leader. I said there were serious disagreements, but I did not say many serious disagreements. I am convinced that on some of those serious disagreements the caucus might come to a position which might contradict the position of the majority leader.

In the second place, the Senator from Oregon implied that I should answer the question of how I square my statement that the Democratic Party caucus should make policy with my present statement that in few instances it would make policy. I say regular caucuses would give Democrats the opportunity to make policy when they chose to do so.

To begin with, I suppose in many cases the Democrats meeting in caucus would decide that the policy committee or the leadership should make the decision, and that all the Democrats together should not try to arrive at a united position.

The third question the Senator from Oregon has asked, has already been answered.

Mr. NEUBERGER. When the able Senator from Wisconsin read the report of the American Political Science Association, or at least excerpts from the report, dealing with a responsible two-party system, he repeated one paragaph twice. It was the paragraph which recommended more frequent party caucuses, and in which he lauded the top scientists who made the recommendation. Why did he not read the next paragraph which made a recommendation for binding party caucuses and the disciplining of dissenters from the caucus?

Mr. PROXMIRE. I am delighted that the Senator should raise that point. I did say that in the 1913–16 period caucuses were binding. I made no pretense that I was reading the entire quotation from the American Political Science Association report.

Mr. NEUBERGER. It was in the next paragraph.

Mr. PROXMIRE. I said, "Whether it be called a conference or a caucus, every Senator should be given an opportunity to express himself." I believe that what the Senator has read indicates that the American Political Science Association feels that caucuses would be desirable whether members vote to bind other members or not.

Mr. NEUBERGER. The only thing I can say is that, in the report, the political scientists take a definite stand on binding caucuses, and even state that members should be disciplined who dissented from the caucus.

I am simply pointing out to the Senator that he quoted extremely selectively from this report, which he himself heralded so lavishly in his speech before the Senate.

Mr. PROXMIRE. I think this is one of the exceptions which somehow seems hard for the Senator from Oregon to understand, namely, how I can agree with some persons on some part of their position and not agree on another part.

As to the part of the proposal made by the distinguished political scientist that there should be caucuses, the scientist made sense. I think the compromise made by the La Follette-Monroney committee that kept this part, that is, holding caucuses, and provided the pressure of publicity to secure unity from those caucuses also made sense.

Mr. NEUBERGER. But the Senator does not recommend that we have binding caucuses.

Mr. PROXMIRE. No; I made it clear that I disagreed with the proposal to have binding caucuses, as I do now. The distinguished Senator from Oregon has repeatedly talked about there being no need for a caucus. The Senator from Pennsylvania and I have asked for a democratic—with a small "d"—caucus. That is a very important distinction. We do not ask for a caucus binding on anyone's conscience.

Mr. NEUBERGER. Except that of the majority leader.

Mr. PROXMIRE. No; we say that the majority leader can step aside and speak in any way he wishes.

Mr. NEUBERGER. I emphasize again that substantive legislation comes from the standing committees of the Senate. The majority leader can be asked to step aside, perhaps, but in the end it is the standing committees of the Senate where legislation originates. They still have the same personnel and the same membership.

Mr. PROXMIRE. The Senator from Oregon on February 23 said:

> I think there should be more party caucuses.

Today he started off by saying, in the body of his speech, that he favors more party caucuses.

Mr. NEUBERGER. I do not deny that. I have said it a number of times. I say that the Senator from Wisconsin has come before the Senate on his own initiative and has taken the lead in discussing this matter. He has proposed a situation in which the Democrats would have a caucus which was binding on only one man, namely, the majority leader. That seems to indicate very clearly to me that the Senator from Wisconsin has no really specific proposal for "democratizing" the procedures of the Senate.

COMMITTEES ORIGINATE SUBSTANTIVE LEGISLATION

The Senator from Wisconsin and I share a fervent interest in Federal aid to schools. I am pleased to be in allegiance with him on this very important issue. Let us presume that the Democratic Party caucus formulates a policy favoring Federal aid to schools. I trust a Democratic caucus would do that. What, then, happens? Will the Senate Committee on Labor and Public Welfare forthwith report a bill providing for Federal aid to schools? If it does not do so now, why would it do this after such a policy had been formulated by the Democratic Party caucus? According to the concept of the caucus advanced by the Senator from Wisconsin, not a single member of the Senate Committee on Labor and Public Welfare is bound to report a bill for Federal aid to schools, even after such a policy has been formulated by the party caucus which he advocates.

Mr. PROXMIRE. May I answer the Senator from Oregon at this point?

Mr. NEUBERGER. Certainly.

Mr. PROXMIRE. The situation which has obtained, in the very brief time I have been in the Senate, both in the Committee on Banking and Currency and in the Committee on Agriculture and Forestry is, on the rellay big measures, that the initiative, by and large, has been taken, according to my understanding, by the leadership. Perhaps that is as it should be. The leadership indicates when they want a farm bill or a housing bill. I think that is perfectly proper. It is necessary to have leadership in the Senate.

My proposal simply is that the Democrats, meeting in caucus, should have an opportunity to decide whether they want to influence the majority leader on a particular decision. It may be that although the majority leader wants a farm bill or a housing bill, the Committee on Banking and Currency or the Committee on Agriculture and Forestry will decide that he will not get it. That would still be true.

I would not modify the powers of the standing committees, but I should say that the opportunity or the power to make policy, which, by and large, resides in the majority leader, could properly be shared and democratized by all Democrats meeting in caucus.

Mr. NEUBERGER. Does the Senator from Wisconsin mean policy with respect to substantive legislation? I think that is a key question.

Mr. PROXMIRE. I think it is a key question, as I tried to indicate in my second speech. This is a policy which I think the caucus could make fruitful, but which largely is not being made now at all. For instance, in fiscal policy, the Committee on Banking and Currency may report a housing bill. It is very difficult for all members of the committee, in all conscience, as Democrats and as Senators, to relate the bill to the Nation's total financial responsibility.

Mr. NEUBERGER. Does the Senator say that the caucus should make policy in the fiscal realm?

Mr. PROXMIRE. I think that might be a good area which the caucus might like to consider. I favor it.

Mr. NEUBERGER. Would the caucus vote on it?

Mr. PROXMIRE. At the beginning of a session, particularly since the Democrats have an overwhelming majority in the Senate, a great responsibility attaches to us. I think we should give very careful consideration to the President's budget. On the basis of such consideration, I think we could reach a conclusion as to whether we favored a balanced budget at some level, at least tentatively.

Mr. NEUBERGER. How would the caucus reach such a conclusion? The Senator said earlier he did not think the caucus should vote on such matters. How would he have the caucus reach such a conclusion?

Mr. PROXMIRE. I did not say we should not vote. I said perhaps the caucus would want to vote; perhaps it would not. I think the caucus would reach a conclusion as it would on any other issue.

Mr. NEUBERGER. By voting on it?

Mr. PROXMIRE. No; not necessarily, but by studying the matter with great care; by listening to all the discussion in good faith; and then perhaps deciding by a vote, if that is necessary.

Mr. NEUBERGER. Now, at least, the Senator is talking about reaching a vote. The scene has been shifted again. First he would vote; then he would not vote; now he would vote again.

Mr. PROXMIRE. The scene has not been shifted one bit.

Mr. NEUBERGER. How do 64 Senators decide questions of fiscal policy, unemployment compensation, Federal aid to schools, or even when they should go out to lunch, unless they vote?

Mr. PROXMIRE. First, it must be decided if there is a consensus.

Mr. NEUBERGER. Now we are coming to votes.

Mr. PROXMIRE. There could very well be a situation such as existed when the majority leader was elected this year. It was obvious to everyone that he was the unanimous choice, so without objection, he was elected. Technically, there had been a vote.

I think the caucus might reach a decision as to a balanced budget. There may be some persons who say we should not have a balanced budget.

Mr. NEUBERGER. One minute the Senator from Wisconsin is in favor of voting. The next minute he is not in favor of voting. The next minute he quibbles whether there should be a voice vote or not. We might even have an electrical device for recording votes, such as is used in some State legislatures.

But when the Democratic caucus has formulated the policy, to quote the Senator's own words, how can that policy be substantively translated into a bill by a standing committee of the Senate when only the majority leader is to be bound by the policy thus formulated?

Mr. PROXMIRE. The way that would be done is this: The party would decide in caucus what the position should be. That position is participated in by the members of the committee. The members of the committee may or may not agree with it. I would hope that the position of the majority of the Democrats would have some influence. If it would not have any influence, there would be no way to get favorable recommendation by the committee, any more than if the majority leader had no influence on the committee, he could not get the committee to make a favorable recommendation.

I submit that the decision, the vote, the determination of all the Democratic Senators in caucus, would be persuasive with many Democratic Senators, including myself. I might often disagree with the decision of the caucus; but on occasion I would find that perhaps I should reexamine my position, or perhaps I should change it. The decision of the caucus would have great influence on me, and I think it would be a salutary influence.

Mr. NEUBERGER. In other words, in the caucus a vote would be taken. Suppose the vote taken in the caucus were on a measure dealing with schools. What would happen in the Committee on Labor and Public Welfare, to which such proposed legislation is referred? Many Federal aid-to-school bills have been referred to that committee; but, unless I am mistaken, very few of those bills, if any, have emerged from that committee. Does the Senator from Wisconsin expect that the policy formulated would change their minds?

Mr. PROXMIRE. I think it might. I think it would have great influence with them. It certainly would with me. If not, it would fail—just as the position of the majority leader fails, although very rarely.

My position is that that policy would have a chance to work, just as it does in State legislatures, and just as it has in the past in the Senate—although frequently in the Senate, as the Senator from Oregon has so ably pointed out, those caucuses have been binding.

Mr. NEUBERGER. The Senator from Wisconsin said: "Under no circumstances would I consider myself bound by the unit rule in any vote of the caucus."

Mr. PROXMIRE. That is correct.

Mr. NEUBERGER. The Senator from Wisconsin also said: "I have stated that the purpose of the caucus was to give guidance to the leadership and to let the leadership know how the rank-and-file Democratic Senators feel."

That has been the whole emphasis of the remarks of the Senator from Wisconsin—namely, that the leadership must step aside. But we have standing committees, and committee chairmen, and there are 63 other Democratic Senators. However, according to the entire emphasis of the speech of the Senator from Wisconsin, there is to be no stress or duress on them to follow the policy thus formulated.

Mr. PROXMIRE. Oh, I think there would be enormous influence on them to follow that kind of a policy. Of course there would be—just as in the case of any democratic body—enormous influence.

If the 64 Democratic Senators voted 40 in favor versus 24 opposed, on the question of having the committee report to the Senate an aid-to-education bill, the bill still might not be reported by the committee; but I think that would be a tremendously strong and very constructive weapon in the direction of getting the bill reported, and passed, too. It would constitute a real moral force on the committee.

Mr. NEUBERGER. If the Democratic caucus voted to endorse the 27½-percent depletion allowance in the case of the oil companies, would the Senator from Wisconsin be influenced by that vote?

Mr. PROXMIRE. Of course not. Often I would not agree.

Mr. NEUBERGER. A few minutes ago the Senator from Wisconsin said the decision of the caucus would have great impact on him.

Mr. PROXMIRE. It would have impact on me.

Mr. NEUBERGER. Except on the issues on which the Senator from Wisconsin has convictions.

Mr. PROXMIRE. No. There are issues on which I have deep convictions; and no doubt other Senators are in a similar position. Perhaps I would reexamine my position, although it would be very unlikely that I would change it on the depletion allowance.

Mr. NEUBERGER. In other words, the Senator from Wisconsin would expect to have Senators bound, except upon issues on which they have very deep convictions.

Does not the Senator from Wisconsin think the chairman of the Senate Committee on the Judiciary [Mr. EASTLAND] has very deep convictions on civil rights legislation?

Mr. PROXMIRE. Yes, very deep convictions; and I respect him for that.

Mr. NEUBERGER. Does not the Senator from Wisconsin think that the Senator from Virginia [Mr. BYRD] has deep convictions on deficit spending? He is chairman of the Finance Committee.

In other words, the caucus would have relatively little impact except on some minor issues on which Members did not have strong feelings.

Mr. PROXMIRE. Let me make clear that I do not say I would change my position.

However, it seems to me that it would have tremendous influence on whether I would vote to report the bill. I think I would be very much persuaded to vote to report even a bill which would go sharply against my convictions, if a majority of the Democratic Senators wanted the bill reported. I think in that case I would vote to report it, although I would fight it on the floor of the Senate. Perhaps I would fight against it, but I think I would be very much influenced by the decision of such a caucus.

Mr. NEUBERGER. In other words, if the Democratic caucus formulated a policy, then, no matter whether the Senator from Wisconsin was in disagreement with the policy, he would vote to report such a bill to the Senate, would he?

Mr. PROXMIRE. I have not said that. I have said that I probably would be greatly persuaded, and I would most likely vote to report the bill. There might be a few instances in which I would not vote to report the bill to the Senate.

But I think this would be an excellent way in which all Democratic Senators would have a voice on the policy. I think the majority leader has that power now. When the majority leader—whom all of us respect and like a great deal—comes to us, and says he wants a particular bill reported from committee, I think a majority of us say "Certainly." Those Senators may not favor the bill; and when the bill comes up on the floor of the Senate, they may speak against it, and may vote against it. But the majority leader has enormous prestige and influence.

Mr. NEUBERGER. In other words, the Senator from Wisconsin believes we should have a caucus in which we would vote——

Mr. PROXMIRE. Neither the Senator from Pennsylvania [Mr. CLARK] nor I have ever said we should not have a caucus in which a vote is taken. We have said it would not be binding. I repeat that it would not be binding.

Mr. NEUBERGER. I thought the Senator from Wisconsin said we would vote very seldom.

Mr. PROXMIRE. I said perhaps the caucus would not vote.

Yes; I think the initial caucus would rarely vote. I think during the first year, at least, we would vote on a few—perhaps on many, perhaps on none; but my guess is that we would vote on only a few.

I do not think these things are always fixed and always the same. One begins with a certain kind of institution; and it changes considerably.

I think this one would change as the Democrats found it could be used as an instrument.

Mr. NEUBERGER. How would it be used as an instrument—by voting on party policy?

Mr. PROXMIRE. Indeed it would.

Mr. NEUBERGER. That is somewhat different from the position previously taken by the Senator from Wisconsin. I gathered then that he did not favor voting on party policy.

Mr. PROXMIRE. I do not think that contradicts my earlier position at all.

Mr. NEUBERGER. Well, I believe the RECORD will show as to that.

Mr. PROXMIRE. Certainly; I think it will, too.

Mr. NEUBERGER. Mr. President, the majority leader cannot originate substantive legislation. That can be done only by the standing committees of the Senate. What is accomplished if the majority leader must step aside, but if the substantive committees remain the same?

Mr. President, if the Senator from Wisconsin wishes to assist those of us who strive for greater democracy in the Senate, I suggest that he use his great talents to see correction of the seniority system. This, in my opinion, would be a far more useful goal than a return to "King Caucus." Let me explain why.

Mr. PROXMIRE. Mr. President, at this point will the Senator from Oregon yield?

Mr. NEUBERGER. Mr. President, I prefer to continue at this time. I have already yielded a great deal.

Mr. PROXMIRE. Very well; fine.

Mr. NEUBERGER. Mr. President, under the seniority system, service as committee chairmen—with their vast authority and power—is virtually denied to the Senators representing the great two-party States where is centered the political vitality of the Nation. New York, for example, may pay over 20 percent of Federal taxes, but New York rarely has a Senator who is committee chairman, under either Democratic or under Republican majorities. This is because New York's healthy two-party political system seldom leaves a Senator in office long enough to enable him to acquire sufficient seniority to attain the chairmanship of a major Senate committee.

SYSTEM PENALIZES TWO-PARTY STATES

Thus, the seniority system penalizes the States with political vitality; it rewards the States where one-party politics is often in safe control.

I believe that by challenging the seniority system, the Senator from Wisconsin would be doing far more to democratize the Senate than by his recommendations that we consider a return to the discredited caucus of the past.

Mr. President, this is no new proposal with me. In the New York Times magazine for April 7, 1957, I contributed an article in which I questioned the wisdom of the seniority system, especially in its denial to the great two-party States of their rightful major role in Senate proceedings, and I suggested that there be efforts to relate committee assignments in Congress far more to geography and to specific State problems than to seniority; to permit committee members to elect chairmen by secret ballot, rather than by having this decided only by seniority; and to encourage real two-party political competition in all the States. I ask unanimous consent that the article containing my views on this subject be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

PRINCIPLES VERSUS PERSONALITIES

Mr. NEUBERGER. Mr. President, the recent speeches of the Senator from Wisconsin have been widely portrayed in the press as an attack upon the majority leader of the Senate, Senator LYNDON B. JOHNSON of Texas. In addition, there have been many public charges that the Senator from Texas uses retaliatory measures against Senators who do not heed his wishes or demands.

I cannot comment upon the experience of others. However, I wish to emphasize that I, myself, have encountered no such circumstances. I believe I have voted quite consistently on the liberal side of most issues—especially the civil-rights question, which is so controversial here in the Senate.

Furthermore, in 1957, we in the Senate had a very heated argument over appropriations for the U.S. Information Agency. The Senator from Texas [Mr. JOHNSON] had presided over an investigation of USIA and he was determinedly opposed to the size of the appropriation requested by the Eisenhower administration for the Agency. The Senator from Texas urged me strenuously to support his position on this issue. After listening to all the evidence, I came to the conclusion that the request of the administration was reasonable and fair. On the yea-and-nay vote, I believe I was the only Democratic Senator who voted for the administration's funds, and against the position taken by the majority leader of the Senate.

CONSTRUCTIVE CRITICISM BENEFICIAL

Surely, this was a situation in which retaliation might be forthcoming, if such were the customary practice of the Senator from Texas, as has been alleged by some.

Although I had pending many legislative matters of importance to my State, there was no instance in which they were not duly scheduled for the Senate Calendar. The majority leader may be given to the vindictiveness charged by his critics; but I have not experienced it, even under circumstances in which I differed quite spectacularly, and alone among Democratic Senators, from the views of the majority leader.

I think it is extremely important, Mr. President, that any discussion of democracy in the U.S. Senate be confined to the issues involved, and not be permitted to degenerate into an ad hominem attack on any one person. Liberalism has been responsible for many great advances, because it has been confined to principles; it has been kept above personalities.

One of the reasons why I have made this address here today is that the Senator from Wisconsin came before the Senate with this proposal, which involves very great criticism of the Democratic leadership, and suggested a party caucus. Yet when it was all narrowed down, the discipline involved descended on only one man, the majority leader. He had to stand aside if he was in disagreement with the policy formulated by the caucus. The other 63 Democrats, no matter how powerful or strategic their position, were not to be touched in any way. They did not have to stand aside. They did not have to abandon a single perquisite, a single ounce of authority or power. It seems to me this kind of proposal is not a practical one to change procedure in a great legislative body like the United States Senate.

When a Senator confines the whole impact of a policy drawn up by 64 persons to one man, what kind of a proposal is that? Again I say our legislation, substantively, is drafted and passed upon and sent to the Senate by the standing committees of the Senate. What kind of proposal is it that says to one man over there in the chair on the aisle, "If you were in disagreement with the policy formulated by our caucus you, Mr. Majority Leader, step aside," and that the other Members are free to go their own way on it and to exercise whatever power or authority they have?

The standing committees are the same. The chairmen are the same. The special committees are the same. Nothing has been changed except that one man, the majority leader, has to step aside. That is the reason why I put this particular paragraph in my address, and I repeat it:

I think it is extremely important, Mr. President, that any discussion of democracy in the United States Senate be kept on the issues involved, and not permitted to degenerate into an ad hominem attack on any one person. Liberalism has been responsible for many great advances because it has been confined to principles; it has been kept above personalities.

Mr. President, I do not hold with those who say that public discussion of the organizational machinery of the Democratic Party in the Senate is improper and that such debate should take place only behind closed doors. Such matters are of importance to the entire Nation. I believe that the recent speeches of the Senator from Wisconsin and the comments which they have stimulated, including my own, represent a healthy interchange of ideas. Constructive criticism offered with a genuine desire to

stimulate reassessment of existing practices and procedures is beneficial to the democratic process. It is in this spirit that I offer my comments today.

I am pleased they could be presented in the open arena of the Senate rather than behind the locked doors of a party caucus.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield.

Mr. PROXMIRE. My good friend from Oregon has asked me, in substance, why I do not spend my energies on the seniority system, to which he objects. I would call the attention of my good friend from Oregon to the fact that on February 23, the junior Senator from Wisconsin stood up on the floor and this is what he said:

> Later today or tomorrow an order will be entered which will automatically pass this body designating new chairmen of the Foreign Relations Committee and the Banking and Currency Committee.
>
> Mr. President, I object to this order. I object because its passage will mean that the chairmen of 10 of the 15 major standings committees of the Senate will be from the 11 States of the Old South.
>
> I make this objection without any derogation of the excellent character and the obvious competence of the Senators who will assume these chairmanships.
>
> Under the entrenched Senate custom of seniority these Senators are automatically entitled to their chairmanships.
>
> Mr. President, I think it is time this body took a clear, open-eyed, public look at the consequences of following seniority on committee chairmanships.

Then I went into specific objection to the seniority system. I pointed out how and why I wanted it changed.

My good friend from Oregon is an excellent writer. He is one of the greatest in the country. He is recognized throughout the country as an extremely able writer. His article in the New York Times has made a great contribution. However, I think in all honesty he would have to agree that there is a great difference between writing an article for the New York Times and coming on the floor of the Senate, before Senators one likes and respects, and disagreeing with a system that has given some of them great power. That fact should be recognized. I welcome the Senator from Oregon in this battle on the seniority system, which has been limiting and undemocratic.

I should like to say also that my good friend from Oregon twice read a paragraph the implication of which was that I had engaged in an ad hominem attack on the majority leader. I have done everything I could, and I think if my good friend from Oregon will read my speeches he will be constrained to agree—though perhaps not—that I have stated I admired the abilities of the majority leader I have stated that he is a man of outstanding character and integrity. I simply disagree with a system which has centered so much power in the hands of one man. This is in no way in derogation of the majority leader, and I do not see how it can be construed as an attack on him.

I should like to make one more point. The Senator from Oregon has said that the gist of my argument is that the majority leader is singled out as the man whose prerogatives alone should be limited by the caucus. It should be underlined and emphasized that the majority leader, as the Senator from Texas, would be perfectly free to speak and vote his conscience under the proposal I make. But the majority leader as such, by the very nature of the title he bears, is representing the Democratic Party in the U.S. Senate. I do not see how we could possibly have any kind of policy formulated by a caucus and have the majority leader, acting as the majority leader, carry out a policy which disagreed with the ideas of a majority of the Democrats.

Mr. NEUBERGER. The Senator from Wisconsin has just referred to the fact that he protested on the Senate floor the confinement of committee chairmen to a comparatively small number of States. I presume he means, from the position he has taken, the chairmen of committees are extremely powerful. Am I correct?

Mr. PROXMIRE. The Senator is correct. I protested against the seniority system which permitted that. I made what I thought was a moderate proposal that the policy should be modified.

Mr. NEUBERGER. The Senator does not think that committee chairmen should step aside if they are in disagreement with the position taken by the caucus, does he?

Mr. PROXMIRE. No; only if one section of the country has more than 50 percent of the chairmanships.

Mr. NEUBERGER. The Senator from Wisconsin thinks the majority leader should step aside when he is in disagreement with the caucus, does he?

Mr. PROXMIRE. We cannot have a majority leader who is supposed to represent a majority disagreeing with that majority after a majority of the Democratic Party has decided in caucus how it should act. I do not see how he can do that and act as the majority leader.

Mr. NEUBERGER. But the Senator from Wisconsin does not think the chairmen of the committees in that particular situation would have to step aside, does he?

Mr. PROXMIRE. That is correct. I should like to conclude by saying to my good friend from Oregon that in his initial statement he made one of the finest inversions I have ever heard of Voltaire, who said, "I disagree with everything you say, but I will fight to the death for your right to say it." In that speech the Senator from Oregon seemed to agree with the need for more caucuses, but seemed to think I had no right to break out on the floor, in view of the fact that I had commended the majority leader and, in effect, had bitten the hand that fed me.

Mr. NEUBERGER. I regret that the Senator has raised this issue again. I did not intend to discuss it today or to allude to it, but inasmuch as the Senator from Wisconsin has mentioned this issue I think it ought to be referred to.

Mr. PROXMIRE. That is fine.

Mr. NEUBERGER. After the initial speech of the Senator from Wisconsin on February 23, I had some research made in the pages of the CONGRESSIONAL RECORD, as to what was said since the Senator from Wisconsin became a Member of the Senate. I will make the statement, without fear of successful contradiction, that no Member of the U.S. Senate in any comparable period of modern times for which records are available, so lavished praise on another Member of the United States Senate, as the Senator from Wisconsin did with respect to the present majority leader of the Senate, the Senator from Texas [Mr. JOHNSON]. I am sure the Senator would not deny that.

Mr. PROXMIRE. Of course I deny it. Of course I deny it. In the first place, neither the Senator from Oregon nor the Senator from Wisconsin has been here since the beginning of the Senate. When I came to the Senate there were Senators from all States praising the majority leader, and he deserved the praise. I do not begrudge the majority leader that praise.

Mr. NEUBERGER. Was it one-tenth as much as the praise of the Senator from Wisconsin?

Mr. PROXMIRE. Of course, and the Senator from Oregon knows he is beating a dead cat.

Mr. NEUBERGER. Why did the Senator bring that issue to the floor, if it is a dead cat? The Senator raised the issue. I did not raise it.

Mr. PROXMIRE. I am raising it because my good friend from Oregon has now at least resurrected Voltaire. Having inverted Voltaire—having said that he would literally fight to the death against my right to say something, although he agreed with it—he now says he disagrees with my position on the caucus. That is the burden of the Senator's speech, which ends with a very fine paragraph to say that my speech was desirable, it was a healthy interchange of ideas, and the criticism was constructive.

I am delighted that my good friend from Oregon has at last taken that position, which I think is the correct position for a great liberal from Oregon. I commend the Senator and thank him.

Mr. NEUBERGER. Mr. President, in conclusion I should like to read an excerpt from the book entitled Robert M. La Follette, written by Belle C. La Follette and Fola La Follette. The excerpt is from page 473 of the book.

> In a signed editorial entitled "King Caucus," he [La Follette] protested that this method of legislation meant that the bill would be debated "behind closed doors" where secret votes could be taken which would be considered binding upon all Democratic Senators when the measure came before the Senate. Bob thought revising a tariff bill or any other bill in party caucus was secret control of legislation. "Trades, deals, dicker and corruption thrive best in the dark," he said. "To take the public business into a corner to be transacted under a seal of confidence is the first step toward public betrayal," he wrote.

That is an excerpt from page 473 of the biography of the great liberal Senator from Wisconsin, whose portrait was recently unveiled, along with those of four other great Senators chosen from the annals of our country.

Mr. ANDERSON. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I am happy to yield.

Mr. ANDERSON. I rise to commend the Senator from Oregon for keeping his good disposition throughout the discussion. I am happy to see the Senator defend the majority leader and express his viewpoint. I hope the Senator will continue, in the months to come, to keep his temper in good shape.

One of our famous writers said at one time that trouble was like hot weather, it sours milk and sweetens apples. The Senator from Oregon has had some trouble, as have some of the rest of us occasionally, with respect to his health. I was anxious this afternoon that the Senator not overdo himself in exertion on the floor.

I wish to commend the Senator from Oregon for keeping his disposition good, as has the Senator from Wisconsin. I commend the Senator further for speaking out as to what he believes is best for the Senate. I am happy the Senator's health is good enough that he feels competent to engage in this sort of discussion.

After a few years of experience, I advise the Senator to take care as to how he exerts himself, and to be sure he keeps the sweet good nature he has displayed today.

Mr. NEUBERGER. I thank the Senator from New Mexico, whom I admire so greatly, for commenting so generously about my disposition. I wish to tell the Senator that I would not undertake this task today—what might be called a self-imposed assignment—unless it were within the discretion, wisdom, and permission of my doctors.

I have found, since returning to the Senate, there is one way to fulfill a complete legislative calendar, and I think the Senator from New Mexico may be interested in this, so I will state it before I conclude.

My doctors advise me to live a normal life and to maintain a normal schedule, but not to overdo it. I have found that I can undertake all of the legislative tasks which come to me if I curtail the innumerable social events which are foisted upon every Member of the Senate—the institutional banquets, the cocktail parties and receptions every evening, and being asked to take delegations to Statuary Hall, to the Capitol Dome, and all around the Capitol grounds. By doing away with the so-called fringe responsibilities I find I can attend to my real legislative responsibilities.

I certainly appreciate the consideration for my health voiced by the Senator from New Mexico. And I again want to thank the Senator for his generous comments about my disposition. After one has had the experience and ordeal I have had, one is really not angry with anyone. I certainly am not.

Mr. President, I yield the floor.

EXHIBIT A

[From the New York Times magazine, Apr. 7, 1957]

A SENATOR'S CASE AGAINST SENIORITY

(By Hon. RICHARD L. NEUBERGER, of Oregon)

WASHINGTON.—Although I have served in the Senate only since January 1955, it has become my firm conviction during this period that seniority should not continue to be the sole determinant of congressional sovereignty and influence as reflected in committee chairmanships and committee assignments. As I see the question, seniority is wrong on three fundamental counts:

(1) It attaches little or no significance to the special abilities and experience of an individual, but only to the duration of his service.

(2) A committee chairman never can be removed, even if the national interest is jeopardized by his continuance in that post.

(3) Seniority rewards those States with one-party systems and, conversely, penalizes States in which two robust and equally matched political parties fight it out at the ballot box.

The reasons for these objections to seniority are so obvious, it seems to me, that they can be regarded as practically self-explanatory. What can be said for a method of operating Congress that will give an ordinary layman with long political tenure a greater opportunity to serve on the Joint Committee on Atomic Energy than a famous nuclear physicist who might come newly to House or Senate? A man may be a leader of the bar in his State, but will he attain the Judiciary Committee if he lacks seniority? Senator THRUSTON MORTON, of Kentucky, was President Eisenhower's Assistant Secretary of State, but the inexorable rule of seniority has given him a seat on the District of Columbia Committee rather than on the Foreign Relations Committee, where his training in the State Department could be put to practical use.

After their defeats for the Presidency, both Thomas E. Dewey and Adlai Stevenson were surrounded by rumors of senatorial ambitions. Why should men of their distinction and oratorical gift not aspire to the Senate Chamber? Yet, it later was reported that they had decided against essaying the humble and unrewarding roles of freshmen Senators. Surely the decision of men of their caliber not to try for the Senate was a loss to the whole Nation. Under a similar system in England, Winston Churchill would have had to be content with back-bench status after he dropped out of Parliament for a time and thus relinquished his seniority.

In these days of crisis, Government must be flexible to meet new situations. The earth is moving at a mad pace. Emergencies are omnipresent. Never so true was the couplet from James Russell Lowell's "The Present Crisis":

"New occasions teach new duties,
Time makes ancient good uncouth."

Yet the congressional rule of seniority is the direct antithesis of this. It is rigid, inflexible, and unyielding—particularly in the vital realm of committee chairmanship. An isolationist may head the Armed Services Committee at the height of American involvement in a worldwide conflict, and in that post he stays if seniority put him there. If seniority installs a foe of conservation as chairman of the committee charged with protecting America's dwindling supply of natural resources, draft horses and wainrope cannot drag him out of this seat. And if the allies or beneficiaries of special interests become the heads of key committees responsible for regulating those same special interests—well, that is seniority.

Ought Congress be laced into such a straitjacket? If Senators can be trusted to pass on matters as crucial as war and peace, why is it unsafe to let them pick their own committee chairmen?

This is not to claim that able men of integrity rarely rise to congressional dominance through the seniority system—far from it. For instance, Senator JAMES E. MURRAY, of Montana, an ardent conservationist at the age of 80, presides today over the Interior Committee. I have been amazed at the details concerning fiscal matters known to Senator CARL HAYDEN, of Arizona, 79, who wields the gavel in the vital Appropriations Committee.

But the point is that, even if Senator MURRAY were not so ardent a conservationist and if Senator HAYDEN possessed far less familiarity with the Federal budget, they still would head the Interior and Appropriations Committees, respectively. Their qualifications are secondary to their seniority. I wonder if this is a wise set of priorities, particularly when we consider that men critically ill have ruled strategic committees for years in absentia. As long as breath remained in their bodies, the seniority rule could not be breached. They had to retain their chairmanships.

Furthermore, under such an arrangement, seniority often becomes an end in and of itself. Electorates are told that they must keep in office a certain individual not necessarily because he is sound on the burning issues confronting America and the rest of the world, but simply because he has so much seniority on deposit in Senate vaults.

In 1954, when I ran for the Senate as a Democrat in a State which had not elected a Democratic Senator for 40 years, my opponent was an incumbent Republican who, through the inexorable workings of the seniority process, had become chairman of the Interior Committee. This is the most powerful Senate committee in dealing with problems affecting the Western States. The special advantages and benefits to Oregon of my opponent's seniority became a leading issue of the campaign. Indeed, at times it subordinated all other issues.

I shall never forget a conversation I had with an enlightened and able editor of a small-town daily newspaper whose support I was seeking. This man is an internationalist and a fervent defender of civil liberties. I cited to him my opponent's rollcall votes in the Senate against ratifying the North Atlantic Treaty Organization, against extending reciprocal trade, against point 4, against any moves toward rebuking Senator McCarthy, against confirming such appointees as CHESTER BOWLES and David E. Lilienthal, against positive Federal action in the realm of civil rights.

"Everything that you charge about your opponent's voting record is undoubtedly true," said the editor, whom I long have respected and admired. "I can't defend that record. Yet I still would hate to see our State lose all that valuable seniority in the U.S. Senate, as well as on some of its most important committees."

And, near the climax of the campaign, this internationalist, liberal-minded editor endorsed for the Senate an isolationist and adversary of civil rights.

I am convinced that such incidents are by no means uncommon. Yet an endless and self-serving circle is thus created. A one-party State produces seniority for its Senators because they serve without serious challenge to their tenure. Then, this seniority is relied upon as an all-persuasive argument for continuing the State's one-party standing.

This constitutes my principal complaint against the seniority system. It provides an argument and shield for people who fear the real workings of democracy. Despite all our vaunted devotion to the two-party system, grassroots competition between strong political parties is virtually unknown in approximately half the States of the Union. In fact, the absence of genuine political competition in so many States may be at the root of the undue emphasis on prolonged tenure in office. Such tenure is inevitably a byproduct of one-party rule.

Occasionally some of the one-party States may be breached by a Presidential nominee of the other party who possesses overwhelming personal popularity or glamour—Franklin D. Roosevelt or Dwight Eisenhower, for example. In some distressing cases, as with the religious bigotry of 1928 directed against Alfred E. Smith, a one-party State may reverse itself.

But these exceptions seldom register any lower on the ballot. Mr. Hoover, once, and Mr. Eisenhower, twice, successfully invaded much of the Deep South. Yet they brought to victory with them not a single Republican Senator from that region. Mr. Roosevelt carried Oregon decisively four times, but the State never elected a Democratic Senator on such occasions. For offices like U.S. Senator or the governorships, no fewer than 28 States may be regarded as nearly impregnable strongholds of one party or the other. These are the States which ascend most often to dominance in Congress under the seniority system.

What is a one-party State? I admit the term is susceptible to no hard and fast definition. Yet some specific standards of measurement are possible.

I have based this measurement on Senate seats because they are generally the offices fought over the hardest and national significance is most likely to attach to the results. I have gone back only to 1914, when some States first began to experiment with the direct election of Senators. Prior to that time all Senators were chosen by State legislatures, with railroads and timber companies and steamship monopolies often more influential in the choice than the will of the electorate.

With this in mind, I believe it is fair and accurate to describe as a one-party State any in which one party has held, since 1914, a preponderance of senatorial election victories of 3 to 1, or more.

I find that in 28 States the nominees of one party have regularly won Senate seats in 3 elections out of 4 or better. This is considerably more than half the States of our Nation. Some of these one-party States, especially in the South and Southwest, have been traditionally Democratic. Other States, particularly in New England and in the Corn and Wheat Belts of the Middle West, have been steadfastly Republican.

In only 20 of the States have Senate seats been divided somewhat evenly between the two parties since the direct election of Senators began to replace the appointment method. They are: Colorado, Connecticut, Delaware, Idaho, Illinois, Indiana, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, New Mexico, New York, Ohio, Rhode Island, Utah, Washington, West Virginia, and Wyoming.

It is true that these States today hold 5 chairmanships among a total of 15 permanent Senate committees. But it also is true that the chairmanships belong to the five among the two-party States that are the closest to being one-party States. In this category in New Mexico, whose senior Senator serves as chairman of the Public Works Committee. New Mexico has had its senatorial seats occupied by Democrats for a 13 to 5 supremacy during the past 43 years. This is narrowly below the 3 to 1 ratio which would add New Mexico to my list of one-party States.

Furthermore, States where the two parties are as closely matched politically as New York and Illinois have not held major Senate chairmanships for a considerable number of years, despite their vast populations and their importance to the national economy. I can think of no more compelling reason for modifying the seniority rule than the manner in which seniority must inevitably discriminate against great two-party States such as these.

Fortunately, there has been some slight recent erosion of seniority. This has occurred not in the disposition of committee chairmanships, but in the place where reform ought logically to begin—in the assignment of new Senators to committee seats.

Some weeks ago, Representative STEWART L. UDALL, of Arizona, in an able defense in this magazine of the seniority rule, stressed the change in the method of committee assignments as a hopeful sign that seniority is losing its ironclad aspects. I agree with his satisfaction over this development. However, Representative UDALL neglected to point out that this curtailment of seniority has applied thus far to only one of the two major political parties.

Upon becoming Democratic leader of the Senate in 1953, Senator LYNDON JOHNSON laid down the policy that no member of the party, regardless of his seniority, would receive a second top committe seat of his choice until every Democratic Senator had been given at least one such assignment. Up to that time, senior Senators had monopolized nearly all the prized committee posts. Newcomers were relegated to minor committees, which usually meant Rules or Post Office or District of Columbia. This is still often the fate of junior Republican Senators, because the Johnson doctrine has yet to spread across the center aisle after 4 years of operation.

Immediately after their elections, Senators MIKE MANSFIELD, or Montana, and STUART SYMINGTON, of Missouri, were seated by the Democrats on the Foreign Relations and Armed Services Committees, respectively, because of their long backgrounds in those fields. Senator WAYNE MORSE of Oregon, who once taught international law, received a Senate Foreign Relations Committee place from the Democrats even while he was still an Independent. Yet no Republican seat on the committees operating in the realm of diplomacy has gone to Senator JOHN SHERMAN COOPER of Kentucky, even though he has come to the Senate fresh from experience as President Eisenhower's Envoy to India.

Two years ago I entered the Senate as a freshman and was assigned by the Democratic leadership to the Interior and Public Works Committees, both vital to natural-resource management in my Pacific Northwest constituency. By contrast, Senator CLIFFORD CASE, of New Jersey, an Eisenhower Republican who entered the Senate with me, has been given only such typically minor berths as Post Office and District of Columbia because members of his party senior to him had laid claim to all the committee chairs of his preference.

What is to be done about this whole thorny question of seniority in Congress and of the penalty it imposes upon two-party States?

Stubborn issues rarely respond to easy or pat solutions. However, I have three specific remedies to propose:

(1) Relate committee assignments in Congress far more to geography and to specific State problems than to seniority.

(2) Permit committee members to elect a chairman by secret ballot, rather than having this decided only by seniority.

(3) Convert as many of the present one-party States as possible into two-party States.

Let me explain what I mean by the first proposal.

The people of the State of New York pay about 20 percent of all the taxes collected by the Federal Government. There should always be one Senator from New York on the Finance Committee, where taxation matters are decided. The Agricultural Committee should be balanced as fairly as possible among members from the cotton States of the South, the grain States of the Middle West and the specialty-crop States on both seacoasts. This balance does not prevail today. Among the committee's 15 members there is not one Senator from the immense rural area between the Great Plains and the shores of the Pacific Ocean.

It is my belief that, once assignment to committees has been removed from the realm of seniority, it soon will follow that each committee will be able to elect its chairman. In the Senate committees on which I serve, the chairman thus selected undoubtedly will be the same Senators who have occupied the head chair through seniority. But this would not be automatically the case in every committee, and the two-party States would find themselves at least participating in the choice; their total exclusion from such decisions might end.

My third suggestion may seem illusory and farfetched. How do you change a one-party State into a two-party State? Let me offer my own State as a prime demonstration that the feat can be accomplished.

While Franklin Roosevelt was President, only three States—Maine, Vermont, and Oregon—failed to elect Democratic Senators or third-party Senators alined with the Democrats. The last Democratic Senator from Oregon had been elected in 1914, the last Democratic Governor in 1934, and two of Oregon's four Houses seats had never in history been won by Democrats. Today, Oregon has two Democratic Senators, a Democratic Governor, and three out of its four congressional seats are occupied by Democrats.

The significant feature of Oregon's emergence from entrenched one-party status is the circumstance that two out of three Democratic senatorial victories have occurred in 1954 and again in 1956. Oregon never elected a Democratic Senator during the 12 years that the White House was occupied by Franklin D. Roosevelt, most popular of Democratic Presidents. Paradoxically, Oregon today has two Democratic Senators who were elected during the 4 years that the White House has been the residence of Dwight D. Eisenhower, most popular of Republican Presidents.

What was responsible for this?

The principal ingredient in the political upheaval in Oregon has been the refusal of the Democrats to be daunted by the deeply rooted political monopoly of the Republicans. Democratic leaders in every Oregon county decided there was no valid reason why Oregon should be the exclusive property of the Republican Party. Spirit and persistence accounted for the change.

I discuss Oregon merely as a case in point. There are other one-party bastions and they, too, can be carried by a formidable political assault. Pennsylvania, with a 14-to-4 preponderance of Republican senatorial victories throughout its modern history, is succumbing to change. JOSEPH S. CLARK, JR., is the first Democratic Senator from Pennsylvania in many years. And, now that President Eisenhower himself has twice breached many of the Democratic redoubts in the South, his party is looking southward for victories at other levels on the ballot.

Any invasion of a political stronghold, be it Republican or Democratic, is to the eventual advantage of democracy and progressive government. As one-party citadels fall, seniority will lose much of its attraction and influence in Congress. And as seniority is gradually modified, there will be less temptation for a State to continue suppliantly in

the clutches of one political party. Both of these changes will help the Nation—inside the Halls of Congress as well as far beyond the Capitol dome.

LIMITATION OF DEBATE—UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order previously presented to the Senate today in connection with the pending business be entered with respect to the time limitation; that there be no votes on Friday or Saturday and that we begin the time limitation on Monday at the conclusion of the morning hour.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

ORDER FOR CONVENING ON MONDAY NEXT

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. McGEE in the chair). The Senator will state it.

Mr. JOHNSON of Texas. No order has been entered for the time of convening on Monday, I believe.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate convenes on Monday it convene at 12 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that this colloquy be printed in the RECORD after the conclusion of the remarks of the Senator from Oregon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

UNEMPLOYMENT IN DEPRESSED AREAS

The Senate resumed the consideration of the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The pending business is the bill relating to unemployment in depressed areas.

Mr. BYRD of West Virginia. Mr. President, we of the 86th Congress are now considering one of the most important pieces of legislation to come before us. We are approaching the hour when we must decide what program, if any, is to be undertaken in an effort to pump new life into the areas of chronic unemployment which are constituting a drag upon our Nation's prosperity and which are undermining our national security. We are nearing a showdown on the question of whether this country—the richest, most powerful, and most highly industrialized in the world—is capable of dealing with her own economic sore spots. We soon must give one of two answers—either that America is strong and resourceful enough to impart new vitality into regions of lingering or mounting joblessness, or that our Nation is powerless or at least unwilling to cope with the problem and to offer hope to the millions of Americans now living in the affected areas.

Mr. President, in my addresses to the Senate during the past week I have stated what I believe to be the wiser course. I sincerely feel that only the most forceful and most comprehensive plan of action is adequate to come to grips with this national problem. And I feel with equal sincerity that there is only one piece of legislation now before the Congress which embodies such a plan—namely, Senate bill 722, the Area Redevelopment Act, introduced by the Senator from Illinois [Mr. DOUGLAS].

I am very grateful to the distinguished Senator from Illinois for permitting me to address this body at this time in regard to the proposal before the Senate. His profound work of legislative ingenuity and insight, which has now been approved by the Committee on Banking and Currency, is in my estimation the most practicable, most feasible, and most reasonable approach to this grievous situation that has yet been suggested. So I compliment the distinguished Senator from Illinois on the excellent work he has performed in connection with this legislation. I compliment him for the diligent and untiring effort he has put into the creation of this legislation and into the hearings which have been conducted upon it. I feel that before many days Congress, in its good judgment, will present this legislation to the President for his signature.

Mr. President, before I direct my remarks to the provisions of S. 722, I should like for a little while to discuss again the need for legislation to provide Federal assistance to areas suffering from substantial and persistent unemployment. There is in my State much suffering and hardship, and I am concerned about the desperation and the despair which generally prevails in regions where unemployment has persisted at its worst for many months. Little children are hungry. They and their parents, having exhausted unemployment compensation payments, live upon a meager allotment of surplus commodities. They are without hope. Lawlessness is on the increase as fathers have begun to steal food and clothing for their families. Men have roamed from State to State in a fruitless search for employment, and others have become too destitute to afford travel away from their habitats. During the course of the field hearings which I conducted in West Virginia 2 weeks ago, by authorization of the Senate Committee on Banking and Currency, I received testimony about the desertion of families by husbands in order that the wives and children might become elegible for State welfare assistance.

I would be remiss in my duty were I not to express my gratitude to the chairman of the Senate Committee on Banking and Currency and to the chairman of the Subcommittee on Production and Stabilization, for having made it possible for this subcommittee to go into West Virginia and conduct field hearings there, thus enabling my people to present pertinent testimony for the record. I believe that hearings in the field serve a very useful purpose. I am of the opinion that they are needful; and I want my people to know that I feel we are indebted to the chairman of the subcommittee and to the leadership of this body for making it possible for the subcommittee to go into the area and obtain first-hand information concerning the need for legislation of this nature. We learned some disturbing things.

Some schools are bankrupt because of the number of free lunches being too great, and within the next 30 days, one of the school principals of Raleigh County, my home county, testified more schools will close their lunch programs unless additional help is forthcoming. Over half of the lunches served in some of the schools are free lunches. In many of the schools, over 50 percent of the students have unemployed parents, and the remaining parents are employed only a part of the time. Is it any wonder, Mr. President, that some of our school surveys show that children in these depressed areas are below average? Let us ask ourselves this question: What do we think of if we are hungry? We think of something to eat. My subcommittee was told that some of the unemployed men have turned to moonshining to earn money.

I have mentioned these facts once or twice already on the floor of this body, but I think the people should know that such conditions exist in our own country, where warehouses are bulging as they bulged in the days of Joseph, and where there is the highest standard of living in the world. I think it is important that the country become aware of the fact that there are people living in our Nation who are hungry, ill-clothed, and poorly sheltered. We talk a great deal about giving millions and billions to our friends around the world, whose national debts, when combined, do not equal our own national debt. When we give assistance to other countries, we are exemplifying the Christian attitude. At the same time, it is most important that we be aware of the pockets of poverty, privation, suffering, and hunger within the boundaries of this America which we love so much.

For this reason I have spoken of the situation again and again. Today I again call to the attention of the country, the President, and others in the executive branch these facts, which trouble me, and which trouble my senior colleague [Mr. RANDOLPH] and other Members of this body.

Hundreds of small businessmen have closed their stores and shops due to slumping sales and mounting debts. We have heard again and again that economic conditions in the depressed areas are as bad as those which afflicted our Nation during the depression of the early thirties. Mr. President, of course,

this situation is not general throughout the Nation, as it was a quarter of a century ago. But where it exists, it is, in many instances, as bad. I came up the hard way, Mr. President, and I lived in those days of the depression. I wore tennis shoes in the snow.

There are children living today in West Virginia who have had no shoes to wear in the snow.

In late December I visited the mining town where my father used to load coal.

I talked with some of the families there. It hurt me deeply to see the equipment being brought out of the mines, to see the abandoned machine shop, to see the idle tipple in a community where mines still could produce good coal. I visited the company store where I used to work, and the inventory of goods was almost completely depleted. During the depression we sold a great deal of food and clothing in that store, but it is practically a closed operation now. Everything in the community is on the downgrade. The houses are sinking and deteriorating. Many of the windows in the houses are boarded over, and everything is in ill repair. The houses in that community have not felt the touch of a paint brush in many summers. The very atmosphere seems to be weighted down with dread and hopelessness and bleak despair.

The people have exhausted their unemployment compensation payments. The only food available in home after home which I visited was "mollygrub," the term used for commodities distributed from Government stockpiles of food surpluses accumulated under the price support program. I visited one family in which there were 9 children, and I was told by the husband and father that the family had received, as a 30-day supply of rations, 6 pounds of butter, 6 pounds of rice, 40 pounds of meal, and 5 pounds of flour. That amount of food had to do for 90 meals.

Christmas had just passed, and family after family spoke of Christmas baskets of food that had been donated by local unions and people in other communities, but Christmas baskets were gone. Through the generosity of others, these poor families had been granted a brief respite in their fight against hunger.

Mr. President, I have seen more penury and more privation and more hopelessness and more despondency and more want in 1958 than I saw in the early 1930's. Then I did not see idle tipples, and company stores closed down or open only perhaps an hour out of every 24 hours, or 1 day a week. I cannot begin to describe the lowered morale which exists in these depressed areas. It is a lower morale than I, as a lad, witnessed in the same communities a quarter of a century ago.

Mr. President, little children feel this bleak atmosphere of despondency and lowered morale. Men who are unemployed feel it and they try to find something to take their minds off their helpless, distressed situation. Some of them turn to drink, and it is a very poor subterfuge. But it is no escape from reality; it is only an escape from the frying pan into the fire. Now and then one will commit suicide. These are people with pride and people who do not want to be humiliated. These are people who have given of their fortunes, some of them of their children, in order that this country might be a great country, that it might be a free land, and that it might continue to be the hope of the world. They are good citizens. I should very much regret their seeing this proposed legislation fail of passage or receive a Presidential veto. I wonder what they would then think of the Government which they have served valiantly and for which they have given much.

As I have already said, these are people with pride. They love their country. They love their Government. They love their State. They love their communities. They love their families. They are people who do not want to be humiliated. Yet they see their children doing without clothing and doing without food, and eating out of garbage cans.

What is this situation doing to the children? Childhood is such a sensitive time. The little humiliations through which a child goes rankle in that child's bosom, and as it grows to manhood or womanhood, the child who has experienced humiliation, unfairness, and want grows up with a bitterness and a resentment against society. He will then go out and commit crimes. Immorality is bred by poverty and unemployment:

I took a piece of plastic clay
And idly fashioned it one day

And as my fingers pressed it still
It moved and yielded to my will.

I came again when days were past,
The bit of clay was hard at last.

The form I gave it, it still bore,
And I could change that form no more.

I took a piece of living clay
And gently formed it day by day,

And molded with my power and art
A young child's soft and yielding heart.

I came again when years were gone,
He was a man I looked upon.

He still that early impress wore,
And I could change him nevermore.

Mr. President, there are many thousands of little pieces of human clay growing up in these depressed communities. I am sorry to say I feel that unless we do something, and do it quickly, precious time will be lost. The time will come when these children will have grown into maturity and when they will have been hardened against the society which denied them the necessities of life.

Mr. President, as I recall these homes of extreme poverty, I think I see the explanation for the retarded educational development of many of these children. They cannot absorb the rudiments of mathematics and they cannot concentrate upon the fundamentals of science, when they are preoccupied with the distressing conditions surrounding their home life and when they have a gnawing in their stomachs.

My senior colleague and the House Members of the West Virginia delegation and I sat down this morning to a breakfast of "mollygrub," consisting of butter, flour, meal, dried milk, and rice. As I tried to partake of that food, I thought of my own two daughters and of how discouraging and sad it would be were they forced to depend upon such a meager ration for life itself. Then I thought of the many children who perhaps are not so fortunate as my own children, and who go day after day wanting enough food, and better food with which to fill their little stomachs. There are many children in West Virginia, and in other States, who will go to bed hungry tonight, children who went to bed hungry last night and who went to bed hungry a month ago last night.

So, Mr. President, warped personalities, crime, retarded physical development, declining morality, blighted mentality, and lowered morale are parts of the vicious chain of unemployment and poverty. These are the humanitarian aspects of the problem, but they are the things which so often fail to be adequately considered and properly developed in legislative bodies such as this. Not that the members of legislative bodies are out of tune with the needs of human beings, not that they are unsympathetic; but in the mad rush of things our thoughts are so often concentrated upon the effect that this or that will have upon the budget, the effect that it will have upon the national debt, the effect that it will produce in this direction or that direction, or in some other direction. Too often, the more important things are overlooked, such as the effect upon the personality, character, attitudes, mores, morale, and so on. Yet, these are, after all, the more important things, the things that shape men's souls, encourage their love for fellow creatures, strengthen their faith in fellow human beings, underlie and undergird their respect for the laws of society, and provide the anchor of their trust in Government. These are the things that are effaced and eroded when boys and girls are reared under conditions that deny them food, clothing, and opportunity, and which confront them daily with humiliation, frustration, and despair.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to my distinguished colleague from West Virginia, a Member of this body who has joined in cosponsoring the bill; one who is just as much concerned with its passage as I am; one who has diligently worked to bring it to fruition.

Mr. RANDOLPH. It is with reluctance that I interrupt the compelling presentation of my sincere colleague. I do so at this time to emphasize what he has so well said in the Senate. But I desire to reinforce the argument which he is so effectively bringing to our attention.

Figures are important. But in this instance the Senator from West Virginia is attempting, and is doing it splendidly, to clothe figures with faces. Silver dollars have two sides. One side is the side which is used as an exchange in the marts of trade. But turn the dollar over and search out its human side. There must be a human side to each and every dollar. Surely we will find these values to which my esteemed colleague

from West Virginia calls attention. Let us search out these human values and make them our own. There will then be additional votes in this body for S. 722.

I express the hope that on the morrow individual Senators, who have other commitments at this hour which are legitimate and are understood, will have the opportunity to read what the distinguished junior Senator from West Virginia has been saying and to evaluate further the import of his presentation.

I commend the Senator from West Virginia. I have often done so, not simply for the sake of saying pleasant words, even though the Bible tells us that pleasant words are as a honeycomb, breath to the soul, and health to the bones.

The Senator from West Virginia is speaking about the souls of men, women, and children—yes; about the bones of little boys and girls.

I appreciate the Senator's allowing me to interrupt him at this point.

Mr. BYRD of West Virginia. I thank my colleague.

The Bible says:

A word fitly spoken is like apples of gold in pictures of silver.

My colleague spoke fitly when he indicated that there are human faces, human desires, human aspirations, human dreams, and ambitions back of these statistics.

It was Emerson who said:

Not gold, but only men can make a nation
great and strong;
Men who for truth and honor's sake stand
fast and labor long;
Real men who work while others sleep,
Who dare while others fly.
They build a nation's pillars deep
And lift them to the sky.

We are considering legislation which deals with men; legislation which will affect the lives of our people; legislation which will enable them to use their talents and their energies to achieve the best that is within them.

Our people ask nothing more than the opportunity to labor honestly and to provide for their loved ones, and to give of their best to the upbuilding of their country.

At this point, Mr. President, in order to convey a better impression of the economic picture of at least one depressed area, I wish to read a few passages from testimony which was taken 2 weeks ago in West Virginia by the Banking and Currency Committee's Subcommittee on Production and Stabilization. In giving his evidence to our subcommittee, the Governor of West Virginia, the Honorable Cecil H. Underwood told of the suffering of many unemployed families; and then he said:

In some areas of our State, the entire economy is almost at a standstill; in others, it will shortly come to such an impasse, unless we take immediate and positive action. We are not in a general depression; instead, we are in an era of unparalleled change. In fact, we are in an industrial revolution * * * West Virginia is faced today with the stark aftermath of rapid technological advance, primarily in the coal industry. The entire State has been affected, it is true, as evidenced by a 10-year decline in population. But this change in mining practices is fundamental. Economic forces beyond man's control dictated this transformation. Had coal taken any other course, it would no longer be in the competitive fuel market. * * * We must accept the cold fact that industry in this State, as elsewhere, will continue to improve production and reduce manpower needs proportionately. * * * The first sharp increase in current unemployment occurred in November 1957. This trend continued to deepen during the winter months, reaching its peak in May 1958. Since that time, unemployment has gradually decreased. In the last 20 months, more than 50,000 workers in West Virginia have exhausted their regular unemployment benefits. Since the beginning of the Temporary Unemployment Compensation program, June 27, 1958, more than 36,000 workers have qualified for its benefits. More than 18,000 persons have exhausted these temporary payments.

The Governor's explanation as to the source of the problem was echoed by Dr. Henry L. Ash, director of the West Virginia Department of Employment Security. Dr. Ash testified that the number of coalfield jobs is no longer adequately reflected by figures on coalfield production; and he said:

To me two things are crystal clear about the coal industry in West Virginia. The first of these is that coal will remain a very vital part of our economic life in this State; the second is that mechanization has and will continue to decrease the number of employees needed. To me this is not an argument against mechanization, but a fact to reckon with. Mechanization or automation, whichever you choose to call it, has been a significant force in our economy. We have a scientific Frankenstein yet to be harnessed. We cannot and would not stay mechanization. We must learn and act to live with it and enjoy the fruits of man's ingenuity.

Finally, I should like, Mr. President, to read a few sentences from the testimony of Dr. Leo Fishman, head of the department of economics at West Virginia University. Dr. Fishman pointed out that the unemployment rate at Morgantown—the location of the university—is now 18 percent. Then he said:

The extensive and protracted unemployment in Morgantown is in large measure the result of deep-rooted structural changes in the national and world economies. These changes have led to a sharp restriction in output and employment in the basic industry of the Morgantown area, namely the bituminous coal industry. Simultaneously, technological advances in bituminous coal mining, desirable though they may be from other points of view, have aggravated the situation by causing employment to drop even more sharply than output.

The bills now being considered by the Senate Committee on Banking and Currency for the purpose of alleviating conditions of substantial and persistent unemployment and underemployment in economically depressed areas differ more in detail than in principle. My own preference is for Senate bill 722, introduced by Senator PAUL H. DOUGLAS. It impresses me as the one which is most carefully drafted and most likely to achieve the results for which it is intended.

There we have the opinion of the man who is regarded as perhaps the most learned economist in West Virginia. He believes that only a measure as forceful and imaginative as Senate bill 722 can approach being an answer to today's serious economic need. I believe that his judgment should be taken into consideration by each of us as we ponder this most vital legislation.

Mr. President, the provisions of the bill have, of course, been carefully studied in the committee, and they are explained in the committee report, which is available to all Members of the Senate. But I wish to refer to them here.

Under the provisions of Senate bill 722, there will be established, within the executive branch of the Government, an Area Redevelopment Administration. Such Administration shall be under the direction and control of an Administrator appointed by the President, by and with the advice and consent of the Senate. To advise the Administrator in the performance of functions authorized by the act, an Area Redevelopment Advisory Board would be created. The Board would consist of the Administrator as Chairman, and the Secretaries of Agriculture; Commerce; Defense; Health, Education, and Welfare; Interior; Labor; and Treasury. Also on the Board would be the Administrators of the General Services Administration, the Housing and Home Finance Agency, and the Small Business Administration, together with the Director of the Office of Civil and Defense Mobilization.

The Administrator would appoint a National Public Advisory Committee on Area Redevelopment, composed of 25 representatives of labor, management, agriculture, and the public in general. This Committee would make, to the Administrator, recommendations relative to the carrying out of his duties under the act.

The Administrator could also call upon representatives of interested governmental departments and agencies, together with representatives of transportation and other industries, including agriculture, for the purpose of conferring about problems creating unemployment or underemployment.

In the act are set forth certain criteria whereby the Administrator would be guided in designating certain areas as industrial redevelopment areas and rural redevelopment areas. The Administrator would have access to pertinent studies, information, and data collected or compiled by departments, agencies, and instrumentalities of the Federal Government, State, and local governments, universities and land-grant colleges, and private organizations.

The Administrator would be authorized to make loans to industrial redevelopment areas for the purchase or development of land or facilities, including machinery and equipment, for industrial usage. Loans could also be made to such areas for the construction, rehabilitation, alteration, conversion, or enlargement of factory buildings for industrial use. Such financial assistance could not be extended for working capital or to assist establishments relocating from one area to another when such assistance would result in substantial detriment to the area of original location, by increasing unemployment. A revolving loan fund of $100 million would be created for these purposes,

these funds to be borrowed by the Administrator from the Treasury.

In the making of such loans the Administrator would determine that the project involved would be reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment, and no loan assistance would be extended unless the financial assistance applied for was determined not to be immediately available on reasonable terms from private lenders or other Federal agencies. The Administrator would advance such loans only after making a determination that a reasonable assurance of repayment existed. Loans would be made for periods of up to 30 years; and the Administrator would be permitted to extend such loans for a period of not to exceed 10 additional years, if such extension or renewal would aid in the orderly liquidation of such loan. The loans would bear a low interest rate, a rate that would not be greater than the current average yields on outstanding marketable obligations of the United States of comparable maturities, plus one-half of 1 percent per annum, of which one-fourth of 1 percent per annum would be allocated to a sinking fund to cover losses on loans. This would result in a rate of about 4½ percent. Such loan assistance could not exceed 65 percent of the aggregate cost to the applicant; and a minimum of 10 percent would be required to be supplied by the State, or any instrumentality, or political subdivision thereof, or by a community or area organization, in the form of equity capital or loan capital. Nongovernmental sources would be required to provide not less than 5 percent of the aggregate cost of the project. The security for Federal financial assistance would be subordinate to the liens securing other loans made in connection with a project.

A similar $100 million revolving loan fund, created by borrowing from the Treasury, would provide loans to projects in rural redevelopment areas.

A third $100 million revolving loan fund, such moneys being borrowed from the Treasury, would be created for the purpose of making loans to areas needing construction, rehabilitation, alteration, expansion, or improvement of public facilities. These moneys could also be used in financing the purchase or development of land for public facility usage. These loans would carry an interest rate of one-quarter of 1 percent per annum above the rate equal to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury. These loans would mature not later than 40 years after the date such loans were made.

It is obvious that certain redevelopment areas throughout the country would be unable to qualify for loans for public facilities, thus excluding the possibility of their undertaking certain industrial projects. In these instances, the Administrator would be authorized to make grants if he found that the project would provide more than a temporary alleviation of unemployment or underemployment in the area, and if such financial assistance would improve the opportunities in such area for the successful establishment or expansion of industrial plants.

A $75 million appropriation is authorized by the bill for the purpose of making such grants.

The Administrator would be authorized to provide technical assistance to redevelopment areas, and for this purpose appropriations are authorized by the bill in an amount not to exceed $4½ million annually. Such technical assistance would include studies evaluating the needs of, and developing potentialities for, economic growth of the areas.

Other important features of this bill are the vocational retraining provision and the subsistence payments provision. The bill provides for the vocational training or retraining of unemployed individuals residing in, or who were last employed in, redevelopment areas. The Secretary of Labor would determine the needs and cooperate with the Secretary of the Department of Health, Education, and Welfare, and with existing State and local agencies in charge of existing vocational training programs for the purpose of assuring that the facilities and services of such agencies were made available. When additional facilities or services are needed in the redevelopment areas to meet the vocational training needs, the Secretary of the Department of Health, Education, and Welfare, after having been advised by the Secretary of Labor, would give assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of the necessary additional facilities or services.

Under section 17(a) of S. 722 the Secretary of Labor, in consultation with the Administrator, would enter into agreements with States in which redevelopment areas are located, under which the Secretary of Labor would make payments to such States for the purpose of enabling the States to make weekly retraining payments to unemployed individuals not entitled to unemployment compensation and who were undergoing vocational training and retraining under the act. The original bill provided that these payments would be made for a period not exceeding 13 weeks, but I introduced an amendment in the committee to extend the payment to a maximum of 16 weeks, and the amendment was adopted. Such payments would be made only during the period in which the individual was receiving vocational training or retraining under the act.

Ten million dollars is authorized by the bill for the subsistence payments. The Secretary of Labor and the Administrator are authorized to prescribe the necessary rules and regulations to carry out the provisions of the section.

Mr. President, S. 722 would achieve the humanitarian ends which we all desire—but it would do it, not through a giveaway program, but through a sensible, practical effort, an effort to revitalize the entire economy of the blighted sections. S. 722 goes deep into the heart of the American philosophy of government, for it is sound, hard-headed and businesslike. S. 722 would support private enterprise and community growth and rehabilitation. S. 722 would create wealth, not just spend it. The bill would cut down the inflationary process and promote productivity. It would not hand out government largesse, but would, instead, have the Government serve as a banker with insistence upon getting its money back, with interest.

It is my sincere belief that S. 722—instead of being a big spending bill, as some have called it—actually would save money in the long run for the American Government and the American people. Think of the staggering sums now being paid out across the Nation for unemployment compensation benefits and the other heavy expenses that are incurred when the solvent citizens must support the insolvent. During 1958 alone, the amount spent to support the unemployed was well over $4 billion. That figure includes $3.5 billion paid through State unemployment compensation programs, $318 million in the Federal temporary unemployment compensation program, $81 million in the two unemployment programs for veterans, $452 million in payments to unemployed Federal workers, and almost $230 million in payments to unemployed railroad workers. There is still more cost—an amount almost impossible to calculate—in the added burden which joblessness places upon other welfare programs not directly connected with unemployment.

Therefore, if the redevelopment program of S. 722 is put into effect, each new job created by it will mean a saving to the taxpayers, through a lessening of the tremendous expense of unemployment compensation and other welfare programs. It would mean a saving for the public, for industry, for government, and for the Nation as a whole.

To illustrate the inroads of unemployment compensation costs, I should like to read a paragraph from testimony which was gathered in my own State of West Virginia 2 weeks ago in public hearings of the Subcommittee on Production and Stabilization. In the opening testimony of the series of hearings the Governor of West Virginia said:

> During the calendar year of 1958, West Virginia paid unemployment compensation benefits totaling nearly $59 million. Payments in this volume have a marked effect on the department of employment security trust fund, and on the State's industry. During the month of January of this year (1959), 12,225 workers filed initial claims and drew their first unemployment payments. These disturbing numbers indicate the lingering effects of our industrial change and point even more dramatically to the need for a permanent solution.

Do these words not show part of the crushing burden of unemployment? And would it not be preferable for the taxpayers of America to join in a loan program to stimulate new jobs, rather than continue to support, with no hope of getting their money back, the expenses incurred through unemployment and welfare payments. To me, it seems just plain good common sense to reason that it is better to give men a chance to work,

rather than support them when they are out of work.

Mr. President, S. 722 would permit the Federal Government to help distressed areas to help themselves. It is important to our national welfare, because it would enable those depressed areas which have sound economic potential to transform themselves into productive communities enjoying a standard of living comparable to that enjoyed by the country as a whole. No longer would these vital human resources be wasted. I do not say that this bill is a panacea nor do I maintain that its beneficial results would immediately accrue on the day of its passage. The effectiveness of the measure will depend, in considerable part, on local initiative in the communities affected. The people in the depressed areas, in the final analysis, will have to help themselves, but this measure provides the key whereby the door to risk capital may be secured.

Throughout the field hearings which I conducted, I heard testimony again and again which expressed the need for long-term, low-interest capital. I can point to page after page of testimony in the printed hearings stating that risk capital—long-term, low-interest-rate capital—is simply not available to the people of West Virginia. In our State of West Virginia we do not have a single bank with total resources of $100 million. I am informed that 80 percent of the banks of West Virginia have total resources of $5 million or less.

This bill is needed to provide the financial resources with which persons in these communities, who have determination, resourcefulness, and imaginative vision, can lift themselves up by their own bootstraps. S. 722 provides the bootstraps. I contend that it is a good piece of legislation which, if properly administered, will help in the long run to remove these economic eyesores and prevent them from becoming malignancies on the body politic.

It will be an investment in America, an investment in productivity, an investment designed to bring economic life and vigor to areas that are blighted, an investment which will give new hope to despondent peoples.

Carlyle once said these words:

> Our grand business undoubtedly is, not to see what lies dimly at a distance, but to do what lies clearly at hand.

Surely the moral conscience of the country, its economic health, our world prestige, and our duty to our own people demand that S. 722 be passed—and quickly.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. DOUGLAS. I thank the junior Senator from West Virginia for one of the most moving addresses I have ever heard. It is made from a background of a wealth of personal testimony indicating the seriousness of the unemployment situation in his own beloved State of West Virginia.

The junior Senator from West Virginia and his colleague [Mr. RANDOLPH] have been most helpful in this entire effort. As the Senator stated, from time to time he and his colleagues conducted hearings in West Virginia on this issue.

As appears from page 1042 of the hearings, that there was introduced into the testimony a report filed by Dr. Laird, of Montgomery, which I find most impressive, and which I should like to read, after which I wish to ask the Senator from West Virginia a question or two about it. I believe Dr. Laird is in charge of the Laird Memorial Hospital at Montgomery. He filed a report which reads as follows:

> On December 8 a man was brought to the hospital in a state of absolute collapse. He was hardly more than a skeleton covered with skin. The emaciation was absolutely shocking. The diagnosis was starvation. He was almost completely dehydrated. After 24 hours' hospitalization, he was still weak and almost helpless, even though intravenous feedings were being administered. A few days after admission he died. The cause of death was recorded as starvation.

I ask the Senator from West Virginia if Dr. Laird is regarded in West Virginia as a reliable witness and a man of probity.

Mr. BYRD of West Virginia. Dr. William R. Laird is regarded as one of our foremost citizens, one of our finest medical men, and one of our truly great West Virginians.

He has sacrificed a great deal for his State and his people. He is a doctor who has contributed much of his own personal fortune to the building of medical clinics and institutions. Throughout the years I have known him I have found him to be one of the most highly respected, admired, and revered men in West Virginia, not only among members of the medical profession, but throughout the entire citizenry.

Mr. DOUGLAS. Would the Senator say that there is no possibility that he would exaggerate the situation or misstate this particular case?

Mr. BYRD of West Virginia. He would not.

Mr. DOUGLAS. I was also impressed by other testimony. Among such testimony I find that of Mrs. T. R. Fulton, a social worker in the Monongalia County Health Department, at Morgantown, W. Va. I read from her statement, beginning on page 1333 of the printed record of hearings:

> I have known about 700 children in the health department. I work only one-third of a week, and half of that time is in clinic. I have been in those homes, and these are the things I see: People living in houses without heat, houses without roofs, houses without utilities. I see children going to school without shoes and without warm clothing. I see houses and homes where children have nothing to eat except surplus commodities and the canned goods which their parents put up in the summer that they got from the fields and the bushes.
>
> I know the schools can tell you how many children are going on the free-lunch program and how many can't get on it because they haven't money in the free-lunch program to take care of it.
>
> Senator BYRD. Has the situation deteriorated from, say, what it was 2 years ago, 3 years ago?
>
> Mrs. FULTON. It has deteriorated badly. This is as bad as I saw in 1932 and 1934 in Baltimore. This is the first time I have seen children actually without shoes in the snow. It is worse.
>
> I see illness untreated because of persons who are so ashamed of having no money they are not willing to ask a doctor, who has given him more than he should of medical care, for more medical care. They can't get operations, and they can't get medicine. I know this is true.
>
> I see young people leaving school because they are embarrased at how they look and what happens to them. I see them wanting to get work and not being able to find it. I see them trying to get in the Army, and they can't get in the Army. They can't pass the physical tests. They are so hungry and they have been without proper food so long they just don't meet any of the eligibilities.
>
> I see fathers leaving home and bad things happening to their families while they hunt for work. If they are lucky enough to work, then there isn't near enough money to move a family of 6 or 7 or 8 to a new town where the rent is 10 times as much. There isn't enough money to pay for room and board and to send something home to take care of the wife and children.
>
> And when you add to this that our legislature hasn't appropriated enough money to any of our public assistance programs that we can give them enough to eat and enough to manage on, and when you add to that, that this county is so poor that the United Fund can't make its goal, and there is no voluntary money, you see people in very bad circumstances.
>
> You can take what I say and multiply it by five with the public health nurses who visit all the time. They have been in 15 times as many homes as I have been in. And we know, because we see every week children whose illness stems more from being hungry than from any functional disease.

May I ask if Mrs. Fulton is regarded as a competent witness?

Mr. BYRD of West Virginia. She certainly is. She is a very reputable person and a witness who, I believe, gave the committee very telling testimony. It was a privilege to have had the opportunity to hear this lady speak, out of the great storehouse of her experiences.

Mr. DOUGLAS. We tend to become insulated here in Washington. There is poverty all about us, but it is hidden from us. A great deal of the publicity which has issued from the official departments downtown has been to the effect that we are rapidly getting out of the recession, and that there are no real human problems with which we must deal. An attempt is being made to more or less anesthetize the conscience and awareness of the American people.

I wish every Member of the Senate could have been present tonight to listen to the able Senator from West Virginia. It is true that those who are not physically present usually read the RECORD, and they will know second hand, at least, something of the very moving testimony which the Senator has produced.

I wish that this message might in some way be brought to the attention of the President of the United States. I can remember when the President of the United States made a most eloquent plea in 1946 for the extension of the United Nations Relief and Rehabilitation Administration, to aid the children and families of the allies who had suffered during the war. It was a very humanitarian move on the part of the President. At that time my wife happened to be a

member of the Foreign Affairs Committee of the House, and UNRRA, as it was called, was under very severe fire.

The present President of the United States, then Commander in Chief of the Armies, left his sick bed, where he had come down with the flu, to give eloquent testimony as to the need for UNRRA. I believe it was his testimony which was largely successful in obtaining the authorization and the appropriation from Congress.

So there is no question that the President of the United States, if he could be reached, would be found to have a warm heart. But unfortunately the President of the United States is surrounded by people who are not alert to these conditions—people with either hard hearts or impenetrable ignorance.

I hope the message of the Senator from West Virginia may get to the President, and that marked copies of the CONGRESSIONAL RECORD may be sent to him with the plea "Please read the statement of the Senator from West Virginia."

I hope the financial reporters who like to say that we are now in the 11th month of recovery may study the speech of the Senator from West Virginia. It is true that things began to look up last April; but the question is, How far have they gone?

There is a great deal of unemployment not only in West Virginia, but also in Kentucky, as the noble Senator from Kentucky [Mr. COOPER] will shortly testify, I am sure. From the coal mining regions of my own State of Illinois and from Pennsylvania, as well as from a multitude of other localities all over the country, this testimony is coming in. I hope those who at the moment are unconvinced may read and may study and may investigate. If they do that, I am sure they will become convinced.

As the Senator from West Virginia was making his very eloquent speech, my mind turned back to the English poet Thomas Hood, who a century and a quarter ago tried to penetrate the conscience of Victorian England with his account of the suffering of the working people of England. In his "Song of the Shirt" he spoke of the woman who had to work so hard and was paid so little that she virtually was starving to death. I was reminded of the lines with which Thomas Hood tried to pierce the conscience of England:

O God! that bread should be so dear,
And flesh and blood so cheap!
In poverty, hunger, and dirt,
And still with a voice of dolorous pitch,
Would that its tone could reach the rich,
She sang this "Song of the shirt!"

I congratulate the Senator on one of the finest addresses I have ever heard in what promises to be a magnificent senatorial career.

Mr. BYRD of West Virginia. I thank my beloved and delightful chairman of the subcommittee for the kind things he has said concerning me. It does not matter a great deal whether I am heard or not. I am doing the very best I can to bring to the attention of this body the facts concerning conditions as they exist in the depressed areas in West Virginia. Words do not adequately portray these conditions. I have some pictures. They are on the table behind my desk. I trust that Members of the Senate will look at them during the remaining days that we are considering the bill. They are pictures of abandoned machine shops, deteriorating houses, idle coal tipples, and so on. They are pictures of families who are without food now and without any hope of adequate sustenance in the future.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to the Senator from Kentucky, one of the authors of the pending bill, who represents a State which, like my own, is suffering from unemployment and privation.

Mr. COOPER. Mr. President, I wish to express my appreciation for the very forceful and compelling argument the able Senator from West Virginia has made this afternoon in support of S. 722. Like him and others, I can bear witness to the conditions in the mining sections of West Virginia which he has so movingly described with sadness this afternoon, because the same conditions exist in the eastern area of Kentucky, the section in which I live.

I am saddened that the Senator found it necessary to speak as he did, but I am glad that he emphasized the human aspects of the present persistent unemployment and want and suffering and hunger, which actually exist. I think it is very difficult for many people in this country to realize that these conditions exist. They do exist. I have seen them in recent months in eastern Kentucky and in some parts of western Kentucky.

I know that what the Senator has said this afternoon is true. I know the Senator will agree that even if there were a general economic recovery in the coal-producing areas of our country, these conditions would not be completely solved.

Mr. BYRD of West Virginia. That is correct.

Mr. COOPER. My reason for my joining as a cosponsor of the bill under the able direction and leadership of the Senator from Illinois [Mr. DOUGLAS], and choosing this bill in preference to the administration bill, is that I know it will take a bill of at least the sweep of this measure to make any impact upon such areas as the Senator from West Virginia has described this afternoon.

Therefore, I join others in commending the Senator upon a true presentation of the condition in his State, comparable to conditions which exist also in many other States in the Union.

Mr. BYRD of West Virginia. I thank the distinguished Senator from Kentucky. I should like to say, in regard to the comment that was made a few minutes ago by the Senator from Illinois, that I agree with him, and I believe that the President of the United States, were he to view with his own eyes the conditions I have described, and were he to be confronted with them as some of us have been confronted with them, would understand. I think he is a man of compassion and understanding.

I join with my colleague in feeling that the President may be surrounded by persons who perhaps are not in tune with the situation, and who really think that some of the things we are saying are exaggerated. The statements I have made are not exaggerations. They are statements of fact, as I have seen the conditions.

I trust that in the hours which lie just ahead, the Senate and the House of Representatives will act to pass S. 722, and thus make it possible for the President to have the opportunity to sign it.

The President is very strong in his support of the mutual security bill, legislation which will provide assistance to other countries. As a member of the House Committee on Foreign Affairs for 6 years, I recognize the need for our country to give assistance to some of the other countries of the world. But I cannot believe that it is necessary for the United States to continue to pour out its fortune in 64 countries, as it did in the last year. I feel very strongly that the time has come when we should give attention to those areas in our own country which are just as badly in need of assistance as are some of the countries which are the recipients of our foreign aid moneys.

Mr. President, I ask unanimous consent to have printed at the end of my remarks the names of the persons who appeared during the 3 days of field hearings in West Virginia, and who gave testimony to the subcommittee.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BYRD of West Virginia. Mr. President, I express my gratitude to those fine leaders and citizens of West Virginia, the men and women who came from all walks of life, from industry, agriculture, and the ranks of labor, and who spoke out of their hearts to the subcommittee. I know that they spoke with confidence that this great body would respond, as I am hopeful and as I feel certain it will respond within a very short time, by enacting S. 722, the area redevelopment bill.

Mr. CARROLL. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield.

Mr. CARROLL. I join with those who have commended the very great, humanitarian, heart-warming speech which the junior Senator from West Virginia has given today. The subject matter of Senate bill 722 is one which has been worked on by the distinguished senior Senator from Illinois [Mr. DOULAS] since I first came to the Senate as a very junior Senator 2 years ago. He has been unrelenting and unremitting in his efforts on behalf of this type of legislation, because he knew then, as we know now, that such legislation is necessary in all areas of the country.

There are areas in my State of Colorado which are not nearly so desperate as those in the depressed areas of West Virginia or Pennsylvania or other States. The bill does not really cover some of the areas of my State which need help. My point is not that Colorado does not need help; but Colorado is perhaps more fortunate than the other States whose conditions have been described to us by both

the distinguished Senators from West Virginia.

Although the bill does not specifically apply to my State, I know of the suffering, poverty, unemployment, and heartbreaking conditions of many people throughout the Nation. I sincerely hope that there will be such an overwhelming vote for the passage of the bill that the executive department will recognize the importance of it to the people of the Nation.

I again commend the very able and clear presentation made by the distinguished junior Senator from West Virginia.

Mr. BYRD of West Virginia. I share the hope which has been expressed by the able Senator from Colorado that the measure will pass by such an overwhelming majority that it will impress itself in such a manner upon the Chief Executive of the Nation that he will not hesitate to attach his signature to it. I appreciate the fact that even though Colorado has not experienced the kind of suffering which the people of West Virginia are undergoing, nevertheless the Senator intends to support the measure.

I feel very strongly that if there were not a single unemployed person in West Virginia, I would support legislation of this kind, because I am, first of all, a Senator of the United States; and if there is suffering anywhere in the country which contributes to the weakened security of the Nation, I should help to alleviate it. I do not feel that simply because suffering and unemployment may be confined to a few areas, we should not be mindful of the fact that the country as a whole is affected.

The bill is important to the security of of our Nation. It is important to the national defense. If people are to defend themselves, they must have the heart and soul, the backbone and courage, to do so. If they are hungry and have lost confidence in their Government, they will not have the determination and the willpower which are so necessary to stand firm when the chips are down.

Mr. RANDOLPH. Mr. President, will my colleague yield again?

Mr. BYRD of West Virginia. I gladly yield.

Mr. RANDOLPH. The Senators who have spoken, all conscious of the problem we face, and working cooperatively to bring about a sensible solution, have demonstrated a togetherness which I hope will be reflected in a substantial majority early next week when votes on amendments and the vote on the passage of the bill will be taken.

It has been indicated that the President, if the matter is properly brought to his attention, will respond affirmatively. I shall only reinforce what certain Senators have so well said that this is more than a West Virginia problem, more than an Illinois problem, more than a Kentucky problem. It begins, to a very considerable degree, to spread to other areas of the country. The President himself recognizes this fact, because he has invited at least eight Governors to a conference next Monday concerning the matter of unemployment. He apparently believes serious problems are coming to the surface, and to an extent which he had not recognized before.

So I say to my able colleague from West Virginia that we hope the ground swells are moving in, not to blow this subject out of proportion, but to bring it into true focus.

Mr. President, those of us who are here will long remember the speech of the Senator from West Virginia [Mr. BYRD]. We shall recall his graphic portrayal of existing conditions. In his presentation of them, he has not overstated the case. He has submitted to the Senate factual evidence, in no wise exaggerated.

The lights will be dimmed in a few minutes in this Chamber. A speech such as that which Senator ROBERT BYRD has given tonight will keep aglow this forum. Let us leave here with a determination to secure the passage of S. 722.

When the doors are closed this evening, the words which the junior Senator from West Virginia has spoken will not be closeted. These sentiments will linger to stimulate and challenge.

Mr. BYRD of West Virginia. Mr. President, I thank my colleague for his compliments. I do not feel that I deserve them.

I have only done my best, and in doing my best, I have done my duty.

I yield the floor.

EXHIBIT 1

Anderson, E. W., mayor, Princeton, W. Va.
Anderson, Harry, managing director, Beckley (W. Va.) Chamber of Commerce.
Angotti, S. J., for the mayor, Morgantown, W. Va.
Arnold, Gilbert E., Terra Alta, W. Va.
Ash, Henry L., director, West Virginia Department of Employment Security.
Beacom, J. Patrick, city director, Fairmont, W. Va.
Bean, Ralph J., president, Senate of West Virginia.
Bennett, Hunter, attorney, Weston, W. Va.
Bozman, A. S., Retail Business Bureau, Morgantown, W. Va.
Bragg, L., Raleigh County, W. Va.
Brown, Bonn, attorney, Elkins, W. Va.
Brown, Charles H., Kingwood, W. Va.
Chambers, Howard B., sheriff, Mingo County, W. Va.
Chenoweth, Rev. R. J., Methodist Church, Oak Hill, W. Va.
Clary, Lt. Marshall, Salvation Army, Morgantown, W. Va.
Clemens, Clifford, Marion County, W. Va.
Comstock, Jim, Richwood, W. Va.
Cook, Rev. Dr. Alvin J., West Virginia's Governors Committee on Employment of the Physically Handicapped.
Crislip, Don, executive director, West Virginia's Industrial and Publicity Commission, accompanied by Stanley Higgins.
Cuppett, Herbert G., recording secretary, Local 13200, United Mine Workers, Morgantown, W. Va.
Cutlip, Dock, Webster Springs, W. Va.
Davis, Dustin F., general manager, Mountain State Fabricating Co., Clarksburg, W. Va.
Dean, Summers I., Huntington District Labor Council.
Douglas, Gus, assistant commissioner of agriculture, State of West Virginia.
Eavenson, Donald, president, Local 13200, United Mine Workers, Morgantown, W. Va.
Egbert, Thomas R., director, Department of Public Assistance, West Virginia.
Eichelberger, Glen, councilman, Davis, W. Va.
Enrico, Gasper, Morgantown, W. Va.
Evans, Joseph, Grafton, W. Va.
Ferris, Si, Rowlesburg, W. Va.
Field, John A., Jr., tax commissioner, State of West Virginia.
Fishman, Dr. Leo, professor of economics and finance, West Virginia University.
Frankel, Harold, mayor, Huntington, W. Va.
Fulton, Mrs. T. R., social worker, Monongalia County Health Department, Morgantown, W. Va.
Garrett, A. I., Charleston, W. Va.
Gillespie, Forest B., Raleigh County, W. Va.
Gills, J. P., Bluefield, W. Va.
Gilmore, Clarence H., mayor, Davis, W. Va.
Glover, Charles S., Marion County, W. Va.
Goldman, Phil, president, Elkins (W. Va.) Independent Development Corp., Elkins, W. Va.
Haddad, M., Summersville, W. Va.
Hamilton, Pat R., Oak Hill, Fayette County, W. Va.
Hartong, John C., Magneday Electric Products Corp., Beckley, W. Va.
Hash, Mrs. John W., president, Kanawha Welfare Council, Inc., Charleston, W. Va.
Hechler, Ken, a Representative in Congress from the State of West Virginia.
Henderson, Virgie, Morgantown, W. Va.
Henderson, W. K., Marion County, W. Va.
Henry, Andrew L., Greater Fairmont (W. Va.) Development Association.
Horvath, Nick J., field representative, District 50, United Mine Workers.
Housman, B. B., Bluefield, W. Va.
James, Ernest W., mayor, Clarksburg, W. Va.
Johnson, J. T., commissioner of agriculture, State of West Virginia.
Johnson, Truman, Northern West Virginia Coal Association, Fairmont, W. Va.
Kennell, Richard, West Virginia State labor commissioner.
Lewis, Raymond, District 17, United Mine Workers.
Lightburn, Miss Mary D., employment counselor, western office, West Virginia Department of Employment Security.
Linger, C. B., Terra Alta, W. Va.
Manchin, A. James, Webster Springs, W. Va.
Martin, Ray L., Raleigh County, W. Va.
McCartney, James R., managing director, chamber of commerce, Morgantown, W. Va.
McCoy, J. E., Bluefield, W. Va.
McSpadden, M. L., West Virginia Department of Employment Security.
Miller, Harry, Manheim, W. Va.
Over, Orville F., city manager, Clarksburg, W. Va.
Pantoplus, Clarence, Magneday Electric Products Corp., Beckley, W. Va.
Pauley, Harry R., speaker, House of Delegates, West Virginia.
Polan, Dr. L. M., Polan Industries, Inc., Huntington, W. Va.
Prince, Elmer W., city manager, Morgantown, W. Va.
Randolph, Jennings, a U.S. Senator from the State of West Virginia.
Russell, Thomas W., editor, the Sentinel, Grafton, W. Va.
Sellman, Marc, president, Nonpartisan Association, Clarksburg, W. Va.
Shannon, Mary, Huntington, W. Va.
Smith, Calvin, administrator, City Hospital, Grafton, W. Va.
Smith, Robert, Richwood, W. Va.
Smith, S. G., county commissioner, Kanawha County, W. Va.
Smyth, Howard, Morgantown, W. Va.
Spencer, Sterling, Richwood, W. Va.
Spiker, Lynn, Lewis County agricultural agent, Weston, W. Va.
Squires, Ray, president, Lewis County Court, Weston, W. Va.
Stanley, Miles C., president, West Virginia Labor Federation, AFL–CIO.
Stout, Allen L., secretary, Parkersburg, W. Va., Building Trades Council.
Thurmond, Walter R., Charleston, W. Va.

Titler, George J., president, District 29, United Mine Workers.
Trembly, C. E., Terra Alta, W. Va.
Trotter, James F., president, Northern West Virginia Coal Association, Fairmont, W. Va.
Tsutras, Frank G., managing director, Tug Valley Chamber of Commerce, Williamson, W. Va.
Underwood, Cecil H., Governor, State of West Virginia.
Urbaniak, Cecil J., president, District 31, United Mine Workers.
Van Gilder, Merl, Marion County, W. Va.
Walker, C. E., president, Raleigh County, W. Va., Educational Association.
Williams, Delbert E., West Virginia branch manager, Small Business Administration.
Winkler, Grant, Webster Springs, W. Va.

During the delivery of the speech of Mr. BYRD of West Virginia on the area redevelopment bill:

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I am delighted to yield to the Senator from Pennsylvania.

Mr. CLARK. I very much appreciate the courtesy of my friend from West Virginia.

Mr. President, I ask unanimous consent that my remarks may appear at the end of the prepared address of the Senator from West Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, the distinguished junior Senator from West Virginia has just made an outstanding and very moving address on the pending bill, for which I should like very much to commend him. He has said so eloquently what some of the rest of us feel about this measure that I can be quite brief in my remarks.

Both political parties have endorsed the principle of aid to areas of heavy and chronic unemployment in their platforms. The President has endorsed the objective. The Congress last year passed a bill by decisive majorities.

So the issue is no longer one of principle or objective. The issue is one of detail—of the means to the end on which there is broad and general agreement.

The question is whether S. 722 is soundly conceived and properly drawn.

I submit that it is an excellent bill. It will do the job for which it is designed. It is an economical bill, which will save the taxpayers more money than it will cost. In its details, it has been improved over the bill we passed last year, and some adjustments have been made to meet some of the objections stated in the President's veto message.

Mr. President, this bill means perhaps as much to Pennsylvania as will any bill which will come before the Congress this year. To us, it is the difference between giving hope to our hard-hit communities or condemning them to wither away.

The question is whether we appropriate some Federal money—most of which is in the form of loans to be paid back—or whether we tell these communities that it is national policy to let them become ghost towns.

I say, let us preserve these communities and their homes and schools and churches. Let us avoid the enormous social waste of forcing people to pull up stakes and leave. Let us save the heavy economic cost of unemployment compensation and public assistance in these islands of distress.

Mr. President, Pennsylvania does not come to the United States like a mendicant, cup in hand, asking for a handout. Quite the contrary, Pennsylvania appeals to you today as a Commonwealth whose people are undertaking heroic measures of self-help and whose State government is setting the pace for all of the States of the Union in its own appropriations to assist in developing industry.

Our communities have raised millions of dollars by popular subscription and payroll deductions which have literally built our funds dollar by dollar. Our Commonwealth has appropriated $10 million of State funds, and the Governor has asked for $10 million more in the budget now pending before the legislature. But this combined effort has not been enough—and will not be enough—to fill the employment vacuum created by the decline of the coal industry, the decline of the textile industry in the North, and the loss of jobs through increased output per worker in such basic industries as steel. The Federal Government has a responsibility too.

The Governor of Pennsylvania, the Honorable David L. Lawrence, has presented to both the Senate and the House Banking and Currency Committees a full report on the problems of Pennsylvania's unemployment areas and on what our Commonwealth and its people have done to help ourselves.

I ask unanimous consent, Mr. President, that the statement of Governor Lawrence submitted to the House committee this week, which brings up to date the testimony presented earlier to the Senate committee, be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF GOV. DAVID L. LAWRENCE OF PENNSYLVANIA

First, I want to thank the subcommittee and its distinguished chairman, Mr. PATMAN, for this opportunity to present the Pennsylvania position on Federal area redevelopment legislation.

In the short time I have been Governor of Pennsylvania, I have presented statements before committees of the Congress three times—once on the desperately needed housing and urban renewal legislation, and now, for the second time, following my recent appearance before the Senate committee, on the equally desperate need for legislation on Federal aid for area economic redevelopment.

There is nothing pending before the Congress of greater direct importance to Pennsylvania than the proposals for Federal aid on urban redevelopment and area redevelopment of our distressed areas, the latter of which is the subject of your hearings today.

In preparing this statement I have reviewed the provisions of the area redevelopment bills introduced by the eminent chairman of your parent committee, Mr. SPENCE (H.R. 3505) and Mr. FLOOD (H.R. 3466). I note that they are identical with respect to all major points, and I want to endorse them wholeheartedly. I note, also, that they take the same line as the bill introduced by Senators DOUGLAS and CLARK and a very large number of their colleagues from both parties.

Pennsylvania is proud that two of her own leaders in the Congress, Senator CLARK and Representative FLOOD, have taken so aggressive a role as proponents and authors of this program, and that others of our Pennsylvania congressional delegation are identified with proposals which, while differing on major and minor points, nonetheless are solidly behind the need for Federal legislation in this matter.

I do believe, however, that the provisions of the legislation as proposed by Mr. SPENCE and Mr. FLOOD (carried also in the Douglas-Clark bill) are to be preferred, and this statement is in support of those provisions and the action program that would ensue from them.

We cannot emphasize too strongly our concern with Federal area redevelopment legislation. Such a program is vital to the economic well-being of our Commonwealth. Today, Pennsylvania has more than its share of areas of chronic economic distress. It faces no greater problem than finding a cure for this long-term unemployment.

The passage by Congress of a Federal area redevelopment program during the previous session was most encouraging to the people of Pennsylvania. The President's veto was a bitter disappointment. We hope the Congress will pass a really effective bill in this session, and that the President will see his way clear to sign it.

Pennsylvania is no Johnny-come-lately in the matter of the distressed area problem. It has lived with it for a long time and is still living with it. Over 500,000 workers are jobless; 11 percent of its labor force is unemployed. This in a State that ranks second in manufacturing and the production of coal and third in population.

Even in 1957, a year of national prosperity, one-fifth of our people lived in areas of substantial labor surplus.

When things are bad nationally, they are worse in Pennsylvania.

Why? For two reasons:

First, the long term decline in our basic industries has left communities and workers stranded.

Second, we're a heavy manufacturing State, and heavy manufacturing was hardest hit in the recent recession.

Coal was king, but no more. Thirty years ago, production of anthracite was at its peak; 150,000 men were at work. Last year, only 20,000 jobs were left. But hard coal is still the hard core of the economy in these northeastern counties. There is little agriculture, and not enough plants where a man can work. The switch from coal has cut away the economic base.

Bituminous coal forms the rest of our coal picture. Production has held up better than anthracite. Yet employment here also has consistently declined. Mine mechanization and the growth of surface or strip mining has resulted in the output of more coal with fewer workers. Our central and southwestern counties, which comprise our bituminous area, continue to be depressed. This chart shows the radical decline in jobs in the entire coal industry.

What has happened to coal has happened to railroads. Railway shop and maintenance employment was the backbone of communities such as Altoona, Renovo and Dunmore. The arrival of the diesel engine and heightened competition from other sources drastically reduced employment.

We have also lost 60,000 jobs in the textile industry. And 36,000 in the steel industry in the last 8 years, thanks to modernization of steelmaking processes.

As you can see, we have lost jobs in our four major industries during a period of rapid economic and population growth for the Nation as a whole, and not enough new industry has come in to take up the slack.

Since the beginning of the recent recession 11 additional areas in Pennsylvania—6

of them major metropolitan areas—have been classified as areas of substantial labor surplus. This brings to 23 the number of areas so classified.

This map, showing the location of these classified areas, also shows other smaller areas which would qualify as areas of substantial labor surplus. Only 9 of Pennsylvania's 67 counties do not have a labor surplus.

Of the 23 classified areas, 12 would qualify for assistance under this legislation.

These 12 areas are:

Major areas: Altoona, Erie, Johnstown, Scranton, Wilkes-Barre-Hazleton.

Smaller areas: Berwick-Bloomsburg, Clearfield-Du Bois, Lewistown, Lock Haven, Pottsville (Schuylkill County), Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville.

Unemployment in these areas runs as high as 24 percent in Uniontown and Connellsville—one out of every four workers. The severity of unemployment in each of these areas is shown on this chart. (Charts omitted in RECORD.)

Pennsylvania's disproportionate unemployment has cost the Federal and State taxpayers billions of dollars. Between 1950–58 $1.6 billion was paid out in unemployment benefits, and another billion dollars was doled out in public assistance.

A substantial part of these payments went into these hard-hit communities. Only one-sixth of the labor force lives in these areas, yet 30 percent of all payments went to them.

Unemployment compensation and public assistance in our 12 major areas alone totaled $558 million. If unemployment in these areas had been reduced to 3 percent of the labor force, $306 million in unemployment compensation benefits and $67 million in public assistance payments could have been saved. Thirty-one million dollars of this $67 million came from the Federal Government.

It costs far less to create new jobs by one-time investments than it does to underwrite joblessness by continuing subsidies.

As you can see from these figures, the unemployment bill in our State alone for the last 5 years could have financed the Douglas bill for the entire country.

It is for all these reasons that Pennsylvania is here making a plea for Federal aid for area economic redevelopment. It is for these same reasons that Pennsylvania is already deeply involved in a program of self-help on this same problem. Pennsylvania does not believe it would be proper to come here with this plea without being willing to carry her share of the burden, and without having, first, done her best to lick the problem on her own.

Avoiding tedious detail, here is the story of Pennsylvania's effort to cope with the problem of distressed areas:

1. Between the end of World War II and September of 1956, 52 Pennsylvania communities financed the construction of 151 factory buildings costing $54 million that in normal times employ 31,000 factory workers. They did it with a combination of mortgage loans from banks and funds raised in local subscription drives. Virtually all of these plants are in distressed areas;

2. Beginning in September 1956, the State, itself, through the new Pennsylvania Industrial Development Authority, joined with distressed area community groups, banks and insurance companies, in more of this same kind of financing. Since that time they have jointly financed, or are in the process of financing, 77 additional plants and plant expansions, costing almost $30 million, creating just over 13,500 new factory jobs; in this period of just under 3 years, the State has appropriated $10,200,000 for these industrial loans, and another $10 million appropriation for the same purpose is presently before the general assembly in my recommended budget;

3. We now have 43 slum-clearance-urban-redevelopment authorities, created by Pennsylvania municipalities and counties to eliminate urban blight. Most of them are in our distressed areas, where tax revenues have not been adequate to maintain modern facilities and services, and where unemployment and underemployment has left us with extensive residential blight. The State makes cash grants to these local authorities for slum clearance work. Since 1949 the State has appropriated $12 million toward this work, $8 million of it during the past 3 years. My present budget recommendations propose another $10 million for the purpose. We are most grateful for past Federal aid in this program, each State and local dollar being matched 2 to 1 with Federal funds; we have made an earnest plea that the Federal program, which broke down last year, be resumed, expanded and made a continuing thing upon which municipalities can count for the next several years;

4. We have almost 100 communities—most all of them in our distressed areas—at work, under the Federal urban planning assistance program, making comprehensive planning studies to eliminate the results of topsy-turvy growth, slums and the like, and make themselves efficient and attractive for industrial expansion and better living.

But these efforts have not been enough. In coal, in railroading, in steel technological and market changes are displacing more and more of our people from employment. There is a grave shortage of job opportunities for on-coming youth. Even where production rises substantially, as in steel, fewer workers are required. We are attracting many new industries. We are no longer losing industries, except in rare instances. But we continue to lose jobs in our existing basic industries. And our gains in new jobs coming directly and indirectly from expanding and new industries is simply not enough to balance our job losses and pull us out of the red and on the way toward our complete, Statewide economic redevelopment.

We are completely convinced that we shall achieve that goal, in our distressed areas and statewide, only with a special program of Federal aid of the type Messrs. SPENCE and FLOOD have projected. Their proposals deal directly with the practicalities of the problem, as we see that problem.

We note with real interest that this is not a program for urban centers of economic distress alone. It is also a rural program. Most of our agriculture in Pennsylvania is prosperous. But not all of it. We have many areas where a rural population, once hard at work at lumbering and farming, now finds itself in the low-income levels mentioned in the proposed bills, and without the alternative job opportunities new industry can provide. Yet, industry has not come into those areas. We believe the provisions for industrial loans proposed for such rural redevelopment areas will create the incentives and inducements that will bring industry to such areas.

Accordingly, I have these specific comments on major provisions of the legislation:

1. The bills I am discussing provide $100 million for industrial loans in urban redevelopment areas and a like sum for such loans in rural redevelopment areas. This proposed $200 million will at least assure an all-out attack on the problem. Too often in Federal programs of the past we have done "too little too late," with the result that precious Federal tax dollars have been dissipated in ineffectual projects and programs. If the Federal Government is to enter this field, it should do so on an adequate basis. Further, the wisdom of the $200 million of funds that would be available under this legislation assure that there will be continuity in the program over the initial years when it will meet its severest test; funds in this amount remove the danger of uncertainty stemming from year-to-year appropriations during that period.

2. We especially endorse the provision that Federal industrial-loan assistance be limited to 65 percent of the cost of projects, with the balance from other governmental, private, or civic sources. As I have indicated, our own communities and the State itself have done and stand ready to do their share of financial participation in this type of industrial financing.

3. We have found, too, that our banks, within the limits of their resources and regulatory requirements, will enter into industrial financing in distressed areas. We think the provisions of the leigslation that require private financing to be used wherever and to the extent available are extremely wise; the provisions for subordination of Federal loans, both as to repayment and security, will tend to assure the maximum flow of private investment funds into this redevelopment program.

4. In the State community bank type of industrial financing we have under way in Pennsylvania, we have found that the low interest rates on the nonbank segment of the financing of a given project has been a very real, tangible factor in encouraging companies to enter our distressed areas with new production facilities. We are, therefore, highly encouraged to see that the proposed legislation would establish an interest rate policy providing this same kind of inducement factor.

5. I do not believe that the distressed areas of Pennsylvania can finance the public facilities they need in order to attract and accommodate industry without special Federal aid. Their declining revenues have left them without the tax base, the tax revenues, or the private borrowing capacity to do that financing. They are doing and will do what they can. For the rest, they are in dire need of access to the new source of credit and liberal borrowing terms that would be available in the $100 million authorized for public facilities loans under the proposed legislation—and they will need, also, access to the $75 million authorized for outright Federal grants for public facilities;

6. Almost by definition, the problem of our distressed areas is a problem of people transferring from occupations in declining industries to occupations in types of industrial and business pursuits for which they are not trained. I therefore heartily endorse the provisions of the legislation looking toward special Federal assistance in vocational training and retraining.

7. I have referred to the planning and urban renewal activities under way in a very large number of our Pennsylvania distressed area communities, and the extensive problem of residential and other blight they face by virtue of their past and present economic difficulties. The limitations of the present Federal urban renewal program, in its emphasis on the residential aspect of the matter, present a roadblock to full and adequate urban renewal in these communities. They have areas of industrial and commercial—as well as residential—slums that need to be cleared. And in many instances the reuse of these areas can and should go into sorely needed new industrial and commercial projects. We are therefore highly pleased to see these limitations lifted, as to distressed areas, under the proposed legislation.

At the outset of this statement I trust I made clear that unemployment is a desperate problem in Pennsylvania, not only now, when we have such an enormous volume of recession unemployment, but chronically, over the years, because of readjustments in our basic industries.

Pennsylvania is a very large and great State faced with a problem that is beyond the power of private enterprise and State and local government to solve alone. It is part and parcel of our American system that people

and areas caught up in the throes of such a situation turn to their Federal Government.

But Pennsylvania is not alone in this. I note that the record of the hearings on this matter carry accounts of distressed areas in other parts of the Nation—in sections of the South, in New England, in Michigan, Illinois, Indiana, Kentucky, West Virginia.

In all sincerity, I suggest that the sum of these problems in the several States adds up to a problem for the Nation itself, and a most proper object of concern for the Congress and the executive branch. Moreover, it is not a new problem. For several years there have been bills and hearings on the matter in the Congress.

The Nation is late in getting around to the problem of her distressed areas. In the meantime, those areas create a heavy drain on the financial resources of State and local government. They involve enormous losses in wasted manpower and unused resources. Most of all, their plight brings intense misery and suffering to thousands of people, through no fault of their own, misery and suffering from which they cannot possibly escape in their own in sufficient numbers to solve the problem.

For all these reasons this legislation has our wholehearted endorsement. But may I also thank its authors and this committee for the realistic hope they have given us that finally distressed areas may be about to receive Federal assistance on their problem.

Mr. CLARK. Mr. President, I also ask unanimous consent to have inserted in the RECORD at this point a tabulation of public assistance benefits paid in 12 areas of chronic labor surplus in Pennsylvania.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total amount of public assistance benefits paid in 12 Pennsylvania chronic surplus labor areas by source of funds—State and Federal, 1953–58

	Total	State	Federal
1953	$23,380,000	$11,924,000	$11,456,000
1954	26,485,000	15,096,000	11,389,000
1955	30,699,000	17,191,000	13,508,000
1956	29,291,000	15,524,000	13,767,000
1957	30,681,000	15,954,000	14,727,000
1958	33,192,000	17,260,000	15,932,000
Estimate of benefits which would have been paid annually if unemployment had been reduced to 3 percent of the labor force	17,746,000	9,494,000	8,252,000
Estimate of total amount which would have been saved if unemployment had been reduced to 3 percent of the labor force	67,252,000	35,985,000	31,267,000

Mr. CLARK. Mr. President, this table, prepared by the Director of the Bureau of Employment Security, shows the cost of public assistance in the past 6 years, with an estimate of the savings which would have been achieved if the rate of unemployment had been 3 percent. The savings to the Federal Government would have been $31 million, and to the State $36 million.

The $31 million saved for the Federal Government in these 6 years alone would, according to the estimates of the Commonwealth, have amounted to more than the prospective volume of loans which would be available to Pennsylvania under the pending bill—and I repeat that these loans are ultimately no cost at all, because they would be repaid, with interest.

Moreover, this comparison of cost and savings does not take into account the annual return to the Federal Government in increased income taxes from the economic activity that is created.

I can summarize this section of my remarks, Mr. President, by saying these figures prove what is really self-evident: That there is no economic waste greater than unemployment. It is a burden on our economy. It is a burden on public budgets at every level—Federal as well as State and local. It is a burden on our whole society. When we pass a bill that creates jobs through loans, we are passing a bill which represents true economy and a net gain in every way. S. 722 is that kind of bill.

Mr. President, I now want to turn briefly to some of the arguments that have been used against this bill, and I take as my text the minority views contained in the committee report signed by six of our distinguished colleagues. With all due respect, these minority arguments just do not stand up under analysis.

The distinguished minority argues, first, that the bill discriminates in favor of only a few of the unemployed of the United States. The answer is, of course it does. It should. The area redevelopment bill has never been conceived as a measure to relieve all unemployment in the United States. When national unemployment levels reach as high as 6 percent or more, as during this recession, obviously measures of general application must be taken.

But after national measures are taken, and unemployment nationally is reduced to a minimum level, there will still be areas which have unemployment at recession and depression levels, because of local circumstances. These areas were depressed before the recession. They were depressed during the recession. They will still be depressed after the recession is history. Their problem is chronic, not temporary. This bill is designed for that specific problem of localized, chronic unemployment. It cannot be dealt with except through such a special measure.

Second, the minority report presents cost estimates ranging up to $5 billion. This figure is ridiculous. It is based upon assumptions which were thoroughly refuted in the hearings. I only wish that my able colleagues had either attended or read the hearings before they lent their names to any such inaccurate figures.

They arrived at their total by multiplying three figures—$10,000 to $15,000 per job, 65 percent as the Federal share, and 390,000 jobs to be created. All three of these figures are wrong. The $10,000 to $15,000 figure includes working capital and inventories, which the bill clearly and specifically excludes from Federal help. The Commonwealth of Pennsylvania has found the aggregate cost of land and buildings to be slightly over $2,000 in the projects which we have aided. While S. 722 would permit assistance also for machinery and equipment, the extent to which loans for this purpose would be sought is problematical.

The 65 percent Federal share which the minority uses as a flat figure is a maximum, not an average. I would expect that this maximum would rarely be utilized, and the average would be far lower. Again, our experience in Pennsylvania shows that private capital normally can be found for 50 percent of the land and building cost of these projects. Moreover, States and local communities would continue to participate for a part of the remaining 50 percent.

Finally, the 390,000 figure includes every single new job required in a community to reduce its unemployment to 6 percent. This ignores the fact, which was fully discussed in the hearings, that industrial jobs automatically create service and other non-industrial jobs at a ratio in the neighborhood of 1 to 1.

When one re-computes the cost of the basis of sensible figures, drawn from the testimony, one comes out in the neighborhood of the $100 million provided in S. 722 for industrial areas. This figure may turn out to be slightly on the low side, but remember that the fund revolves, and repayments will be coming in to offset future requirements. Certainly, the $100 million will suffice for a considerable period of time to come, after which we can re-appraise the situation.

With an appropriation of $10 million, the Commonwealth of Pennsylvania has assisted in the creation of 13,500 jobs in 77 new plants. This shows how a little money can go a long way.

In any case, the minority will have to concede that if the $100 million is too little, as they contend, the more limited figure provided by the Administration bill would be even less adequate.

Third, the minority contends that we are including communities suffering not from chronic, but from cyclical, unemployment. They also object that the criteria for eligibility are arbitrary.

I admit that the criteria are a bit arbitrary. They have to be, because we do not want to place the Administrator in the position of having to use his own judgment in deciding who should and should not be included. We feel he should be relieved of that kind of pressure.

But the so-called arbitrary standards are very well designed to distinguish between areas which are temporarily distressed and those which are chronically distressed—which is our purpose. These standards reflect one of the major adjustments made in the bill to bring it more closely into accord with the Administration views. We adopted the Administration's own formula, with some modification.

Fourth, the minority views, on page 41, discuss a project for relocating a plant, as though this would be a typical project. This appears to be a subtle trap for the unwary. Everyone who has studied the bill knows that the bill is not intended for plant relocation—the money would not be used for that purpose, and the legislative history is perfectly clear on that point.

Fifth, the minority argues that the bill's basic defect is that it runs counter to the precepts of the private market mechanism. That market mechanism, it is held, should allocate industry among locations, and if that means ghost towns in Pennsylvania or Massachusetts or perpetual rural poverty in the Appalachians and the Ozarks, then so be it.

This, of course, is a legitimate philosophic position. It happens to be in disagreement with the expressed view of the Republican Party, the Democratic Party, the executive branch of the Government, and the legislative branch as expressed in our action last year. It is an obsolete philosophy, but I suppose it can be honestly held.

If the market mechanism worked perfectly to serve human welfare, this bill would never have been introduced. Every time this body attempts to deal with any aspect of the social evils of unemployment and poverty, we are infering with the private market mechanisms. But if the private economy left to itself does produce social evils, then it is the business of an intelligent, self-governing society to improve on that private economy. I dread to think what this Nation would be like if we refrained from all such action.

Sixth, the minority repeatedly suggests that any growth brought about in the unemployment areas would be at the expense of other areas. But this is not the case. What we are talking about in this bill is promoting additional new growth in the economy. Our economy should not be static. It should be constantly growing. This bill will help it grow faster, and steer some of the new growth into areas where the most idle resources exist. Resources otherwise wasted would be put to work.

Finally, the minority speaks of duplication of the Small Business Investment Act. There is no duplication. That act is of national application. For reasons which I have stated, the areas of chronic unemployment need to be dealt with through an act of local application. To the extent to which the Small Business Investment Act does succeed in assisting the depressed areas, of course, the Area Redevelopment Administration will be relieved of that much burden. I hope it will help some. But we all know it will not solve the problem by itself.

Mr. President, this bill is not a bill for handouts. It is a bill to make the free-enterprise system work.

It is not socialism. It is free enterprise in action.

It is not charity. It is a bill to help people help themselves.

It would create wealth. It would eliminate doles.

When we bind up social and economic wounds, we help the whole body of the patient, the whole economy. No blood is taken away from any other part.

We are utilizing the brains and ingenuity and know-how of the American people to create something that did not previously exist.

So I say, Mr. President, this is a bill in the tradition of America. It is a free enterprise bill. It is a bill which should pass, and pass by a resounding majority.

TRIBUTE TO THE LATE WILLIAM (BILLY) McNICHOLS, OF DENVER

Mr. CARROLL. Mr. President, last week one of the great and respected citizens of Colorado, William H. (Billy) McNichols, Denver city auditor from 1931 to 1953, passed from this mortal scene. Requiem high mass was sung last Wednesday; and more than 800 persons from all walks of life paid their final respects to this man, who played such a prominent part in the political and business life of Denver and of Colorado.

At this time, I desire to pay my tribute to Billy McNichols as a kindly man, a conscientious public servant, a sincere fighter, and a dynamic individualist.

He was the father of Stephen L. R. McNichols, present Governor of Colorado, and of the Governor's secretary, William H. McNichols, Jr. He took great pride in the activities of his sons. His sage political advice was heeded by many who have held high positions in the political life of Colorado.

The Right Reverend Monsignor Gregor Smith expressed it well at the funeral service, when he said:

> The fact that Governor McNichols is such a fine Governor indicates that he had a fine father * * *; and never was a father prouder of his son.

For more than two decades, Billy McNichols was city auditor in Denver. He was known as "the watchdog of the treasury." He was a careful guardian of the public funds, and that often entailed battles with mayors of Denver, for he believed it was his duty to protect the money of the taxpayers.

Ill health forced his retirement in 1953, after an illustrious career in public office.

Billy McNichols was 84. He was a native of Iowa. At an early age he came to the booming mining camp of Aspen, Colo.; and he resided there for many years. Before moving to Denver, in 1909, he was treasurer of Pitkin County.

He served as secretary of the Colorado Senate, as a member of the State land board, as deputy State auditor, and as deputy Colorado secretary of state. For many years he was secretary of the Denver Democratic club. He was past grand exalted ruler of the Elks, and he was active in the Knights of Columbus.

Billy McNichols had a distinguished career as a public servant. But, more than that, he was a trusted and valued friend of many, many thousands of people of Colorado.

His death leaves a great void in my home State of Colorado. I will be among the many who will miss the kind and wise guidance of my long-time friend, Billy McNichols.

Through these years of service to the people of Denver and Colorado, he had the wise and patient counsel of his faithful wife, who aided him in his steadfast course for the common good. I and my family join with the rest of Colorado's congressional delegation in expressing to Mrs. McNichols, their sons and their daughters, our deepest and most sincere sympathy in their hour of grief.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, following my remarks, an article entitled "'Watchdog' Billy McNichols Leaves a Host of Friends."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Denver Post, Mar. 7, 1959]

"WATCHDOG" BILLY McNICHOLS LEAVES A HOST OF FRIENDS

(By John Buchanan)

Memories—so many of them stood in line to wait their turn—rushed through our mind this week when we learned of the death of William H. McNichols, former auditor of our city.

Watchdog of the city pocketbook, Mr. Mac, Uncle Billy.

These and other words came to mind.

Warm friend. Treasured hours of conversation. Gay fighter. Dynamic individualist. Shrewd politician. Proud husband and father. Idealist. Truth teller. Conscience perched on the shoulder of city government. Conscientious public servant, who gave much of himself and his life to the stream of good government.

It was just a little more than a dozen years ago when on our first day as a city hall reporter we walked through the third floor double doors with the name "auditor" on the transom.

Mr. Mac smoked a cigar. And on the scales of physical appearance he outweighed them all that day: handsome, piercing eyes, gay smile, tweed suit of fibers imported from his Irish homeland, venerable white mane.

This was the giant in public office who kept close watch on city affairs.

It never ceased to be a thrill to a reporter to find, someday, Mr. Mac sniffing the air like the veteran watchdog that he was, sensing an issue that demanded his action.

It usually meant strong black headlines that marched through the composing room until they found their place on page 1 of our paper.

Just as carefully as Mr. Mac sniffing for issues, city hall reporters learned to sniff for the blue smoke of his ever burning cigar as they approached the auditor's office.

A thin, Indian-summer haze drifting from the inner office meant that the gears of city government were in mesh, and running smoothly. Thick, blue smoke meant—ere you stepped across his threshold—that the signals of a fight were being lifted.

He was never more alert; his wit never sharper; his step never brisker; his verve never higher, than during these battles, when the watchdog came roaring out of his door, biting and slashing at the things which had offended his credo.

He could "work with" as well as fight, and he did both with Mayors Stapleton and Quigg Newton.

He had many a tussle with the impatient, young Newton. Newton thought the world of him. On meeting in the halls, or at affairs of state, Newton would often place his hand on the auditor's shoulder and ask: "How are you, Billy?"

We remember when we first learned that Newton, a political neutral, finally registered as a Democrat.

We rushed up to Mr. Mac's office to obtain a quote from him on the fact that the man with whom he'd often tussled was now a member of the McNichols party.

He drew a couple of puffs on his cigar, and a smile crept over his lips.

"Well, he joined the right party."

Where do a reporter's memories stop on a man like Billy McNichols? They don't, and of course they never will.

A great personal loss. A great loss to his host of friends. But the beginning of a legend.

INTERVIEW WITH ISRAEL'S AMBASSADOR ABBA EBAN

Mr. CARROLL. Mr. President, a distinguished statesman, one of the world's great orators, and certainly one of the foremost thinkers of the day on the international scene, is Israel's spokesman to the world, Abba Eban, Ambassador to the United States, and Israel's permanent representative to the United Nations.

On Friday, March 20, Ambassador Eban will speak in Denver. I sincerely regret that I cannot be in Denver on that occasion, not only to meet the Ambassador personally, but also—as always—to receive the benefit of his great brain.

I am informed that Ambassador Eban is about to leave the United States to return to Israel. That is very significant, to me, in the light of recent international events, which always—or, at least, recently—have been foreseen by Ambassador Eban.

Mr. President, I ask unanimous consent to have printed in the RECORD a television broadcast, entitled "Celebrity Parade," which is an interview with the Israeli Ambassador by Mr. Joseph McCaffrey, one of the distinguished newspaper, radio, and television men of the Nation's Capital.

I make this request because in the interview there are set forth Ambassador Eban's vision and prophecy in regard to what is happening today in Iraq and what is happening to Nasser. I believe the interview will be well worth the reading of all Members of the Senate and all Members of the other body, as well, and also all others who have access to the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

CELEBRITY PARADE

(Interview with the Israeli Ambassador by Mr. Joseph McCaffrey)

Mr. MCCAFFREY. Good afternoon. Welcome once again to Celebrity Parade. It's indeed a privilege and an honor to have as our guest today one of the world's outstanding diplomats, Mr. Abba Eban, who is the Israeli Ambassador to the United Nations and the United States. Mr. Ambassador, nice to have you here.

Ambassador EBAN. Nice to be here, Mr. McCaffrey.

Mr. MCCAFFREY. I think probably before we start talking we ought to take a look at the map of Israel and I think our listeners will get a better understanding of the problems your country faces. Here is Israel, which is bordered by Jordan for 330 miles; by Egypt for 165 miles; Lebanon, 49 miles; and bordered by Syria for 47 miles. I've always thought, Mr. Ambassador, that of all the tinder spots we have in the world today, that probably the one that might explode into a great war might be the Middle East situation. I was just wondering, in your opinion, how tensions along Israeli borders lessened, let us say, in the last year.

Ambassador EBAN. Mr. McCaffrey, I don't believe that the Arab-Israel conflict is the most dangerous of those that confront the world today. The recent crisis over the Formosa Strait, the present tension over Berlin, are, I think, more crucial for world peace. There will not be any world war arising from Israel's relations with her neighbors, nor do I think there will be a local war. On our frontiers, which are embattled and tense, there has been more tranquillity in the past year than ever before. Since the Sinai campaign there has been relative quiescence—an occasional eruption at a dangerous point, but nothing to indicate that any of the governments concerned plan any sustained renewal of conflict.

Mr. MCCAFFREY. Mr. Ambassador, is this because perhaps there is lessening of hostility on the part of your Arab neighbors?

Ambassador EBAN. Well, there is no evidence of a lessening of hostility. Their leaders still articulate the dream of our extinction. But I think that thoughtful Arabs must be increasingly impressed with the manifest spectacle of our permanence and stability. I doubt if any intelligent Arab, any man of capacity, could really believe that we are going to disappear.

Mr. MCCAFFREY. Well, is Nasser the focal point of Arab hostility, in your opinion?

Ambassador EBAN. Yes; but whether he believes it or not, it is he who articulates and expands and exploits the hostility to Israel, and it is his constant agitation on that sphere that keeps the Arab-Israel conflict alive.

Mr. MCCAFFREY. It seems to me, on the basis of what we have seen in the last 12 months, let us say, that the Arabs are having trouble among themselves. Is it possible for the Arabs to ever unite against Israel on that one particular issue?

Ambassador EBAN. Well, I think you are quite right there. The tensions between the Arab States, themselves, have recently been far more acute than their tension with us. They have been so busy jumping at each other's throats that they have hardly had any time for preoccupation with us. The issue there is a simple one. Shall each Arab State and each Middle Eastern State have a right to its free and separate existence, or shall they be forced under the domination of Cairo? That is the issue which now agitates the Arab world, and the Arab world is so absorbed in that historic issue that it seems to have its attention diverted from us. The only things that unite them, unfortunately, are negative objectives, such as hostility to Israel. But, at present, I should say that their disunity, the fear of Nasser on the part of his neighbors, these are so acute that they show no signs of cooperating for any purpose, even a negative purpose, such as an assault upon Israel.

Mr. MCCAFFREY. This might not be a diplomatic question to ask a diplomat, but do I gather, then, that you think that Nasser is bound to fail eventually?

Ambassador EBAN. I think that in the last 6 months, especially since the crisis of the summer, it has been revealed that Middle Eastern States are not desirous of being swallowed up in a Nasserist empire. There has been one success for this concept of Arab union—Syria has celebrated its union with Egypt. I think it's rather like the kind of unity that our ancestor Jonah celebrated with the whale, and the gastric rumblings from Damascus and Cairo prove that the digestion has been neither smooth nor effective. But in Tunis, in Libya, in Sudan, in Jordan, in Lebanon, even in Iraq, one finds resistance to this concept of other states giving up their sovereignty to Nasser and being preoccupied by that position. Feeling also the dangers perhaps of a one-sided alinement in international politics with the Soviet Union, Nasser has fallen into troubles and there is a kind of torment and anguish about his policy today.

Mr. MCCAFFREY. How much influence has communism in the Middle East, would you say, in your appraisal?

Ambassador EBAN. Well, communism has an easy arena in which to play amongst the impoverished, depressed Arab masses. But the issue isn't so much communism, it's the tendency of Arab States, in their revolt against Western control, against the memories of imperialism, to exploit the great power conflict, and to enter into these very close alliances and acts of collusion with the Soviet Union. I think it's relations between the Arab Government and the great powers which are of greater importance than the question of communism within Arab States themselves.

Mr. MCCAFFREY. Of course, one of the many trouble spots in the Middle East is that the Arabs are afraid the Israelis will attack them and the Israelis are afraid the Arabs will attack them. On the basis of what happened in 1956, when Israel did move out, isn't it your thinking that perhaps the Arabs might have reason to fear Israel?

Ambassador EBAN. Well, we did not start a war in 1956. They started a war in 1948. They maintained it ever since. In 1956 they intensified it by blockade and by commando raids, and the Sinai expedition was our reaction to this intensification of a state of war which they have maintained continuously the whole time. They need have no fear that we will initiate conflict. We are prepared to renounce state of war, and indeed to enter into peace treaties immediately, based upon the existing territorial structure of all the states of the Middle East.

Mr. MCCAFFREY. Mr. Ambassador, looking back now for almost 2½ years, do you regret the Sinai campaign, or do you think there have been some benefits accruing to Israel from it?

Ambassador EBAN. I think the position has cleared since then and has improved. I think the legend of Nasser's military superiority has been destroyed, and not only Israel but other states in our area breathe more freely. We have open access now to the continents of Asia and Africa through the Gulf of Aqaba. There is a more peaceful situation near Gaza than there was before, and the world has awakened, I think, to the genuineness of Israel's grievance, surrounded by these hostile neighbors. I think there have been tangible gains for Middle Eastern stability since the Sinai expedition.

Mr. MCCAFFREY. Isn't there still a segment of public opinion in Israel that advocates preventive war, even at this point?

Ambassador EBAN. Well, there is no authoritative policy in that direction. Those who advocate either war or expansion have been repudiated by more than 80 percent of our people in its previous elections, and I think would be repudiated again. We are prepared for peaceful consolidaton based on the existing territorial and political structure.

Mr. MCCAFFREY. We have been talking about the military threats involved in the Middle East, but actually, isn't the great threat of Israel in the Middle East its economic threat? As Israel progresses and improves living conditions, isn't that a threat to the existing states in the Middle East where the Arab is pretty downtrodden?

Ambassador EBAN. Well, perhaps backward, reactionary governments might see a threat in our social dynamism. But surely for the peoples of the Middle East the spectacle of our social and economic and cultural progress should be an encouragement to them. Perhaps we set an example which they could well emulate, and if not in the Arab world, at least throughout Asia and Africa there are States who see a great hope, a great vision, in Israel's swift, purposeful, dynamic advance in the social and economic fields.

Mr. MCCAFFREY. Whenever we talk about the problems in the Middle East, we come to the problem of the some 900,000 refugees from Israel. Let me ask you first a very general question. Let us say that overnight we could solve the problem of the 900,000 refugees. Would that immediately bring sweetness and light to the Middle East?

Ambassador EBAN. I think it's the other way about, Mr. McCaffrey. If the Arab States wanted peace with us they would not see any advantage in artificially maintain-

ing this refugee problem, because they, with assistance from the world community and some assistance from Israel, could easily solve it in their huge territories with their abundant supplies of water and oil and manpower, and with their priceless gift of Arab societies in which these refugees could be loyally integrated. The maintenace of the refugee problem is a result, a consequence of their refusal to make peace. I think it could be solved, but its solution requires a subjective change of attitude on their part.

Mr. McCAFFREY. What, in your opinion, could be done to solve the refugee problem?

Ambassador EBAN. I think the solution lies along the road which your own Government and most other Western governments, and the Government of Israel have for long upheld—the resettlement of these refugees in the expanding economic labor markets of the Middle East in the Arab countries to which they are akin and loyal, and not their forcing back into Israel, to which they are alien and hostile.

Mr. McCAFFREY. Your Government has made a series of offers over the years to sit down and talk this problem over, haven't you? In fact, just recently, I think, you have made some offer?

Ambassador EBAN. Yes, we have made progress in our compensation offer, and we would also contribute to a resettlement program. But what is needed is a decision by Arab governments to stop obstructing these solutions.

Mr. McCAFFREY. Do you think the day is coming when they will stop obstructing the solutions, or do you think it is to their political advantage to maintain the refugee problem as an active and continuing sore point?

Ambassador EBAN. Well, they seem to take the latter view. I think it's a wrong view and that the rest of the world is getting tired of the artificial perpetuation of the problem and would like to see it solved, but I see no immediate light on the horizon.

Mr. McCAFFREY. Many people say that the refugees are the problem of Israel because Israel had caused the refugee problem.

Ambassador EBAN. Well, our answer is that the problem was not caused by the establishment of Israel, it was caused by the attempt to destroy Israel by force. It was the result of a war. If there had not been a war, there would not have been the refugee problem, and therefore those who caused the war, namely the Arab governments, are responsible for the creation of the problem.

Mr. McCAFFREY. Let's talk a little about Israel, itself. I noted the other day, for example, that Meyer Levin, the author, is living now in Israel where he is completing a novel. What is this great attraction that Israel has?

Ambassador EBAN. I think it's the sense of growth. The feeling that everything is in its beginning, in its infancy. A kind of exhilaration which must have existed in this country in the early period of your national formation. The sense of being rooted in the future. The swift expansion of agriculture, industry, culture. To see something being born and grow has a special thrill which does not belong to the contemplation of societies which are already firmly established.

Mr. McCAFFREY. Actually, you are not a native. You came from South Africa, I believe, and then London.

Ambassador EBAN. Yes; I would say that 80 or 90 percent of our population are immigrants. As you walk the streets of our cities and villages, three out of every four people were not there on that immortal and incomparable day when our independence was proclaimed 10 years ago.

Mr. McCAFFREY. Many people say, Mr. Ambassador, that Israel can never be self-supporting, and especially because there are so many people moving in there almost every year, every month, for that matter. Will the day come when Israel could be self-supporting?

Ambassador EBAN. I always avoid using the word "never" in political and historical processes. We are progressing toward self-support. The gap in our balance of payments is growing less. To give an example, our population has increased by 29 percent in the last 10 years—in the last 7 years—whereas our production, the national product, has increased by 76 percent. People are not simply consumers—they are also producers. They are the best raw material that a nation can have. In the short run they may be a burden, but, as I think your own people can testify, no country that has ever accepted immigration has failed to be strengthened by immigration. In the modern world absorptive capacity is not a function of space. It depends on the industrial and scientific development of a nation. There are other peoples in Europe, Holland, Belgium, Denmark, which have created a high standard of living: Switzerland, on small areas; and I think we can follow their example.

Mr. McCAFFREY. One out of every nine Israelis is an Arab, and the Arabs are reproducing about twice as fast as the Israelis. Is the Arab minority a problem or potential problem in Israel, Mr. Ambassador?

Ambassador EBAN. I hadn't realized that they were increasing at such a fast rate. They are not a problem. They have equal rights before the law. They have a higher standard of economic development and educational and social progress than their neighbors in Arab countries. I don't think they form a real problem.

Mr. McCAFFREY. In your opinion, and again, perhaps not a diplomatic question to ask a diplomat, but do you think the United States is doing as much as it can, or as you believe it should, to ease the Middle East tensions and perhaps aid your country?

Ambassador EBAN. We are very grateful to the United States for its massive infusion of aid into our economy, society, and culture. I think the United States supports the integrity and independence of Middle Eastern States. Perhaps that policy could be given greater publicity and solemnity but we think the United States is a stabilizing element in our region, both by supporting the integrity and independence of States, including Israel, and by these very enlightened programs of economic and social assistance.

Mr. McCAFFREY. Is there still more or less an arms race in the Middle East?

Ambassador EBAN. There is, I am afraid, but we are no longer being left behind. We are finding easier access now to the equipment that we need. The Western Powers especially are much more responsive than they used to be to our requests. And I think that we have now a strong deterrent power and a good defensive posture, although we should like to have to devote less of our resources than we do to military progress.

Mr. McCAFFREY. Is your military budget reaching a point where it is a drain on your economy?

Ambassador EBAN. It is a drain but I was relieved to hear that even in a country as great as yours you face that problem. We would like to see it reduced but we can see no early possibility of reducing it.

Mr. McCAFFREY. Let me ask you this, Mr. Ambassador. As a diplomat, do you believe that diplomacy is keeping up with modern, atomic-age weapons of war, or do your think diplomacy is being left behind by space and all these other things?

Ambassador EBAN. I think, unfortunately, the great discoveries in nature, the new forces that have been liberated and revealed, have not yet been brought under a system of international restraints. The greatest task which faces international diplomacy is to establish control of law and a system of accepted restraints over these vast forces. That has not yet been done, and I think it's the greatest task which faces the United Nations. Disarmament, control of outer space, control of nuclear energy. The great task of diplomacy today is to meet the challenge of the scientific revolution.

Mr. McCAFFREY. You are an Ambassador to the United Nations and of course a very keen observer at the U.N. There seems to be, unfortunately, I think, a growing segment in America that is disillusioned with the United Nations, that think it hasn't done enough, that it has been rather impotent. What is your appraisal of the United Nations?

Ambassador EBAN. I can understand a feeling of frustration, as you listen to these long, tedious, sometimes hostile speeches. But there ought to be a sense of perspective, I think, Mr. McCaffrey. It took a long time for tribes to develop into villages, villages into cities, and cities into states, and what we are trying to do in the United Nations is to establish community attitudes between sovereign states. I think there is growing up a habit of intercourse, of responsibility, of mutual accountability, in which you can see the seed of a system of law founded on justice and peace, and therefore in the long perspective I believe that such an attitude of disillusionment is not justified.

Mr. McCAFFREY. A hypothetical question: Where would we be today in this modern age if we had no United Nations or a counterpart to it?

Ambassador EBAN. Well, we'd be sitting down, working out a method of creating it, because with all its defects you do need a universal platform in which all states confront each other on a basis of sovereign equality. You need a parliament, you need a bridge, and I think that with all its imperfections that it is an indispensable part of our world and one of the restraints which pulls us back from the abyss of disaster.

Mr. McCAFFREY. We're now in what someone calls the "delicate balance of terror." Do you believe that the world can avoid an all-out atomic war, Mr. Ambassador?

Ambassador EBAN. I think so. I believe that the very facts of the scientific revolution are a safeguard against war, for good or for ill, but in any case irrevocably science has placed us on a crossroads from which two roads converge, the one leading to catastrophe and the other to abundance. I think the sheer desire of the human race for survival will act as a brake upon the policies of the atomic powers and that this instinct of self-preservation, if nothing else, will hold us back from the abyss. Now, if we can produce a period of tranquility, perhaps a more affirmative opportunity for diplomacy will be created. But I think that in the long run the scientific revolution will turn out to be a benefit to our generation and will not be the source of doom.

Mr. McCAFFREY. As an interested observer, do you believe that the present visit of Mikoyan may lessen cold-war tensions?

Ambassador EBAN. I think that any process of mutual intercourse between the atomic power is vital and I think any understanding by them of each other's policies and attitudes and preoccupations is a contribution, although one shouldn't exaggerate by thinking that the basic conflicts between them will be alleviated by such encounters.

Mr. McCAFFREY. You are basically a very optimistic man, aren't you?

Ambassador EBAN. I am, and I am optimistic not only as an individual but as an Israeli. As we look back over the past 10 years, we divide our problems into two categories: Those problems that we have solved in the past, and those that we are going to solve in the future.

Mr. McCAFFREY. Of course, optimism seems to be inherent in Israel. All Israelis are very optimistic that their troubles with the

Arabs are going to work out all right. Looking back over your very brief history, do you hold this optimism that everything eventually will work out all right?

Ambassador EBAN. I think so. Nobody would have imagined 10 years ago that this little community of 650,000 would now be over 2 million. Nobody who looked at our landscape then would have envisaged the transformation that has come over it since. And I think that with time and patience the Arab States will get used to our existence and will awaken to the sheer compulsion of the future to be shared with us in peace.

Mr. MCCAFFREY. Speaking domestically, and forgetting your borders and the problems involved there, what would you say is the one great need in Israel today?

Ambassador EBAN. Well, the great need is to find economic resources with which to integrate our growing population. We now have renewed immigration from central and eastern Europe and the greatest concern of our government now is to maintain economic dynamism with which to absorb the great blessing of this new infusion of manpower into our economy, society, and culture.

Mr. MCCAFFREY. For many years there have been Israeli bonds sold here in the United States. How helpful have they been to your economy, Mr. Ambassador?

Ambassador EBAN. Quite indispensable, indispensable. Without that $360 million of capital investment we should have never been able to make these advances, the advances which have earned such international applause throughout the 10 years of our existence, and applause which reached its climax during the anniversary celebrations last year.

Mr. MCCAFFREY. Mr. Ambassador, could I ask you one more question? What are your own personal plans? There has been some talk that you probably will be leaving us within the year.

Ambassador EBAN. Mr. McCaffrey, there are no such things as indiscreet questions, there are only indiscreet answers. My present plans are to continue with my work. Tomorrow I hope to be discussing these matters with the Secretary of State. Then I shall be at the Soviet Embassy with Mr. Mikoyan, and so my work continues. There is an election in Israel at the end of October or early November, and I do not exclude the prospect that I might there seek some broader sphere of responsibility, but there is nothing officially decided in that connection as yet.

Mr. MCCAFFREY. We'll endorse you. You say that tomorrow you will be meeting with Secretary Dulles. Have you found, as an individual, that you have received cooperation on all the levels that you have worked with here in this country?

Ambassador EBAN. Yes. Whether or not we always agree on the fundamental points, we do agree that we have always found a courteous reception and our discussions with your Government are always conducted on a high level of intellectual and moral sympathy.

Mr. MCCAFFREY. I thank you very much. I've enjoyed this chat a great deal. Very glad that you dropped around.

Ambassador EBAN. Thank you very much.

ADJOURNMENT

Mr. DOUGLAS. Mr. President, in accordance with the order previously entered, I now move that the Senate adjourn until tomorrow at 12 o'clock noon.

The motion was agreed to; and, at 7 o'clock and 6 minutes p.m., the Senate adjourned until tomorrow, Friday, March 20, 1959, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate March 19, 1959:

IN THE REGULAR AIR FORCE

The following-named officers for promotion in the Regular Air Force under the provisions of section 8298, title 10, United States Code. All officers are subject to physical examination required by law:

SECOND LIEUTENANT TO FIRST LIEUTENANT

Line of the Air Force

Fletcher, William E., 48326A.
May, Curtis D., 29583A.
Field, Edsel R., 29582A.
Simmons, Albert P., 29830A.
Tollefson, James L., 29584A.
Hanson, Jack L., 48328A.
Teague, Reily R., 48327A.
Yates, Mannifred, 31909A.
Nummon, Guy A., 2d, 29600A.
Twark, John M., 29598A.
Turoski, Richard F., 29599A.
Todt, William E., 48329A.
Carbaugh, Carol C., 48333A.
Smith, Thomas J., 3d, 48331A.
Mulhauser, Harvey, 48330A.
Stewart, William M., 3d, 48332A.
Tobiason, Kenneth F., 48334A.
Stone, Charles H., 29601A.
McLaughlin, Daniel P., 29703A.
Evans, Donald L., 48337A.
Hejde, Daniel I., 48336A.
Morgan, Clark R., 48339A.
Jefferis, Joe A., 48340A.
Carwile, Elford L., 48343A.
Taylor, Edward G., 48341A.
Philler, William J., 48344A.
Dean, William F., Jr., 49664A.
Hornbarger, Harold A., 48342A.
Mease, Robert D., 48345A.
Greseth, Benoyne S., 29734A.
McComb, Leo E., 29735A.
Luttrell, James H., 48346A.
Bendell, Donald D., 29695A.
Slater, David A., 29736A.
Peterson, Allen B., 29737A.
Beasley, Billy J., 29912A.
Hand, Harry E., 48347A.
Plumb, Glenn E., 48348A.
Barker, Ronald L., 48349A.
Van Leuven, Dean R., 29602A.
Pladars, Zigurds, 48350A.
Gangol, Anthony J., 29603A.
Volz, Donald H., 48351A.
Ford, Tim C., 29604A.
Sakry, John F., 48355A.
Stallings, Joe B., 48356A.
Gober, James L., 48353A.
Flentje, Stanley K., 48357A.
Williams, Tony G., 29605A.
Coryell, Kendrick S., 48359A.
Terrell, James E., 48358A.
Daily, James H., 29738A.
Jackson, George G., 29739A.
Van Zandt, Richard D., 48360A.
Applebaugh, Robert G., 29696A.
Brug, Walter J., Jr., 29740A.
Sibson, Donald A., 29744A.
Freund, Thomas C., 29741A.
Sweeney, James E., 29743A.
Jassmann, Franklin E., 29742A.
Grosh, Karl H., 48361A.
Moore, Hayden C., 48363A.
Trapp, John C., 48362A.
Willis, Arthur R. D., 48369A.
Moss, Carlton H., 48370A.
Walker, Donald E., 48371A.
Miller, Edward D., 29697A.
Wiltse, George A., 29746A.
Hering, David J., 29747A.
Weibel, Donald L., 29745A.
Land, Charles P., 29748A.
Toljanic, Anthony J., 48373A.
Schnucker, Paul H., 48374A.
Weseman, Henry E., 29607A.
Brown, Bevan H., 29608A.
Kerr, Henry F., Jr., 48376A.
Knox, Lawrence E., 48378A.
Marler, Donald D., 29704A.
Sidwell, Edward N., 48381A.
Hollis, Donald R., 48379A.
Davis, Frank R., 29698A.
Musgrove, Richard W., 48382A.
Hanks, Kenneth G., 48383A.
Stewart, Robert A., 29230A.
Denson, Lee A., Jr., 29045A.
Schwartz, Marvin F., Jr., 29211A.
Ackerman, Don E., 28984A.
Park, Robert E., 29183A.
Kelly, John D., 29130A.
Cecil, Robert S., 29020A.
Anderson, B. Conn, Jr., 28987A.
Alser, Donald J., 28986A.
Wallace, Bruce M., Jr., 29249A.
Studdard, Otis P., 29234A.
Piske, Andreus A., Jr., 29190A.
Tucker, Richard P. 29242A.
Flaherty, Dundas I., 29067A.
Kamm, John M., Jr., 29125A.
Gollehon, George B., 29082A.
Smith, Richard E., 29224A.
Johnson, Douglas S., 29122A.
Hallisey, Alfred J., 29097A.
Warren, Richard H., 29251A.
Daleski, Richard J., 29036A.
Waters, Joseph P., 29252A.
Ernst, Fred H., 29061A.
Dunsavage, William P., 29054A.
Kirchgessner, Thomas E., 29132A.
Chavarria, Charles N., 29022A.
Beyer, Robert C., Jr., 28999A.
Schoep, John C., 29210A.
Stockham, Leo W., 29232A.
Maio, Armand D., 29155A.
Stroface, Joseph F., 29233A.
Cannon, Howard R., 29018A.
Eggert, Duane C., 29057A.
Holmquist, Harold G., 29112A.
Tindall, John B., Jr., 29240A.
Buckelew, Jesse W., 29011A.
Hanna, Hugh E., Jr., 29100A.
Armstrong, Spence M., 28990A.
Parent, Edward J., 29182A.
Denezza, Eugene J., 29043A.
Olson, James K., 29180A.
Wetzel, Robert, 29258A.
Nicolais, Mario A., 29175A.
Missler, Charles W., 29168A.
Robertson, Charles W., 29200A.
Dowell, Richard P., 29053A.
Dwyer, Michael J., Jr., 29055A.
Smith, Perry M., 29223A.
Jacobson, Ralph H., 29118A.
Ross, Thomas E., Jr., 29203A.
Niles, William H., 29176A.
Krutz, Robert D., 29135A.
Mayer, Irwin B., 29159A.
Karas, John, 29127A.
Berger, Lawrence W., 28998A.
Lake, Jerome G., 29137A.
Brandt, Thomas C., 29006A.
Smith, Mark E., 3d, 29222A.
Dander, Vernon A., 29037A.
Peterson, Clifford D., 29186A.
Harris, Lyell F., 29105A.
Flood, Donald T., 29069A.
Olds, Ernest A., 29179A.
Reinhardt, Thomas E., 29197A.
Schaefer, John E., 29207A.
Black, William H., 29000A.
Collins, John B., 29026A.
Shortridge, James C., Jr., 29220A.
Head, Richard H., 29106A.
Van Ry, Charles D., 29244A.
Kamp, James J., Jr., 29126A.
Werbel, Jerome H., 29256A.
Fleming, Raymond J., 29068A.
Davis, Joe R., 29038A.
Lewis, Reed H., 29144A.
Hamm, Charles R., 29098A.
Dougherty, Joseph M., 29051A.
Detore, James V., Jr., 29047A.
Spaeni, Herbert H., Jr., 29226.
Alexander, Michael H., 28985A.
Wolverton, James R., 29267A.
George, Benjamin W., 29079A.

Sheridan, Robert B., 29218A.
Young, Romain A., Jr., 29270.
Leonard, George F., 29142A.
Filbey, Hugh L., 29066A.
James, Edward C., 29120A.
Torrey, Charles C., 29241A.
Bryant, Richard G., 29010A.
Gromek, John M., 29089A.
Quinn, Matthew J., Jr., 29194A.
Van Vonderen, Vernon R., 29245A.
Eri, James P., 29059A.
Lyle, Roger H., 29150A.
Mushalko, George, 29172A.
Shannon, William C., 29213A.
Loggins, Aaron B., 29146A.
O'Hara, Mark A., Jr., 29178A.
Curtis, Charles G., 29034A.
Wilson, Powell J., Jr., 29266A.
Haddad, Albert G., 29093A.
Lynch, George P., Jr., 29151A.
Koerkenmeier, Leo J., 29133A.
Sager, Walter C., 29204A.
Rosenhauer, George L., 29202A.
Sharkey, Jack J., 29214A.
Buddle, James W., 29012A.
Petch, Kenneth M., 29185A.
McChristian, Lester S., Jr., 29160A.
Johnston, Jerry R., 29123A.
Faurer, Theodore M., 29063A.
Noonan, David J., 29177A.
Colman, Thomas M., 29027A.
Sheehan, Leo J., 29217A.
Zehnder, Robert E., 29271A.
Faust, Donald O., 29064A.
Green, Merrill A., Jr., 29086A.
Boshoven, Bernard W., 29003A.
Burhans, Edmund D., 2d, 29015A.
Wolff, Marc T., 29115A.
Luft, Neale M., 29149A.
Delgado, Arsenio L., 29042A.
Shaud, John A., 29215A.
White, Frank D., 29261A.
Marr, Lawrence O., 29156A.
Masterson, Jerry P., 29157A.
Lynch, Thomas C., 29152A.
Burgk, Norman A., 29014A.
Rensvold, Rand E., 29199A.
Arnold, Steven W. N., 28992A.
Burd, Frank A., Jr., 29013A.
Grassberger, Robert E., 29085A.
Butler, Dennis L., 29016A.
Conway, John E., 29028A.
Kendall, Lisle G., Jr., 29131A.
Greene, Robert M., 29087A.
Schaumberg, G. Richard, 29209A.
Block, Emil N., Jr., 29002A.
Palmer, David L., 29181A.
Stein, Robert K., Jr., 29229A.
Dent, Frederick R., 3d, 29046A.
Jakus, Paul A., 29119A.
Debus, David L., 29040A.
Myers, Barton, 3d, 29173A.
Bruno, Nicholas J., 29009A.
White, George T., 29262A.
Sutherland, John S., 29236A.
Sanders, Joe E., 29205A.
Chartrand, David P., 29021A.
Kauffman, Richard H., 29128A.
Kautz, James G., 29129A.
Schwartz, Thomas, 29212A.
Williams, Oscar E., Jr., 29265A.
Weisner, Thomas L., 29254A.
DeVoll, Nathaniel O., 29048A.
Hansen, Charles J., Jr., 29101A.
Thelin, Alan L., 29239A.
Wetzel, William T., 29259A.
Piatt, Raleigh E., Jr., 29188A.
Lansing, Samuel M., 29140A.
Kotellos, Harry, 29134A.
Murphy, Donald P., 29170A.
Dye, Albert J., 29056A.
Lorey, Richard W., 29147A.
Verfurth, Jan E., 29247A.
Cody, Thomas J., Jr., 29024A.
Gardella, Stephen G., Jr., 29075A.
Widner, Ronald L., 29264A.
Murray, Carl H., Jr., 29171A.
Hetland, Joel S., 29109A.
Campis, Joel R., 29017A.
Forbrick, John W., 29071A.
Cook, James A., 29029A.
Reagan, George, 29196A.
Sheehan, Donald E., 29216A.
Meader, Stanley H., 29165A.
Mackey, James B., 29153A.
Groner, Sheldon L., 29090A.
Hadley, Franklin R., 29095A.
Mitri, Charles L., Jr., 29169A.
Soltesz, Stephen A., 29225A.
Higgins, John H., 3d, 29110A.
Vallentiny, Edward, 29243A.
Prossner, Leslie T., 29193A.
Linden, James A., 29145A.
McMahon, James S., 29163A.
Hagenmeyer, Willard H., Jr., 29096A.
Hubert, Lawrence J., 29114A.
Clonts, Darold W., 29023A.
Gossens, Gerry F., 29084A.
Harbold, Norris B., Jr., 29104A.
Coker, Charles F., 29025A.
Peterson, George W., Jr., 29187A.
Bowen, Stuart W., 29004A.
Ferriter, Peirce G., 29065A.
Ernst, Donald L., 29060A.
Brown, Robert J., Jr., 29008A.
Renshaw, Alan B., 29198A.
Ankenbrandt, Gerald D., 28989A.
Cusick, Paul B., 29035A.
Pitzer, George E., 29191A.
Gibson, Jerry L., 29880A.
Anderson, Darrell L., 28988A.
Satterfield, Donald W., 29206A.
Warner, Glenn A., 29250A.
Skatvold, Jerald H., 29221A.
Crum, William P., 29032A
Crase, Roland B., 29030A.
Francis, Bob L., 29072A.
Lang, Kenneth E., 29139A.
Westerhausen, J. Walden, 29257A.
Brown, Robert E., 29007A.
Greisen, Paul H., 29088A.
Swanenburg, Richard, 29237A.
Shewchuk, Richard G., 29219A.
Carey, William C., 29019A.
Herz, Robert T., 29108A.
Medley, Porter N., Jr., 29166A.
Stewart, William H., 29231A.
Hugdahl, Donald L., 29116A.
Bowman, Alfred C., Jr., 29005A.
Weltman, Bernard I., 29255A.
Blocher, Robert M., 29001A.
Hansen, Walter, 29103A.
Dougherty, Paul G., 29052A.
Gaude, Henry R., 29077A.
Pilcher, Chester A., 29189A.
Culberson, Henry F., Jr., 29033A.
Schannep, John D., 29208A.
Textor, George P., 29238A.
Barrett, Robert T., 28995A.
Barker, James N., 28993A.
Pearson, Robert L., 29184A.
Mavrotheris, Nicholas A., 29158A.
Creighton, Terry W., 29031A.
Barlow, Allen E., 28994A.
Benzi, Leonard F., 28997A.
Hoffman, Alfred, Jr., 29111A.
Decell, George M., 3d, 29041A.
Ragland, Joseph E., 29195A.
Gauthreaux, Stephen E., Jr., 29078A.
Stebleton, Lawrence A., 29227A.
McPeek, William C., 29164A.
Denham, Walter S., Jr., 29044A.
Hampton, John A., A29099A.
McClung, William W., 29161A.
Heidrich, George C., 29107A.
Irwin, Gerald L., 29117A.
Arnold, James R., 28991A.
Pope, Joe D., 29192A.
Lajeunesse, David W., 29136A.
Nelson, John F., 29174A.
Magagna, John F., 29154A.
Sullivan, Philip L., 29235A.
McIntyre, John R., Jr., 29162A.
Vaselenko, Robert F., 29246A.
Haddock, Harold A., 29094A.
Dillon, William M., 29049A.
Steele, Ben L., 29228A.
Elliott, John E., 29058A.
Hopewell, Fred M., 29113A.
Guest, Richard P., Jr., 29091A.
Hackeling, Charles C., 29092A.
Garges, Daniel T., 29076A.
Frankenberg, Raymond, 29073A.
Lally, John J., 29039A.
Fales, Philippe B., 29062A.
Wood, John E., 29269A.
Levis, Charles A., 29143A.
Romero, Richard S., 29201A.
Mercuro, George J., 29167A.
Jones, Robert D., 29124A.
Hansen, Edmund E., 29102A.
Bauduit, Harold S., 28996A.
Frith, Norman L. H., 2d, 29074A.
Weigold, George W., Jr., 29253A.
Whitaker, William E., 29260A.
Godstrey, Kenneth H., 29081A.
Visage, James R., 29248A.
Allfrey, William D., 31910A.
Metcalf, Charles D., 48368A.
Richmond, Earl H., 29609A.
Everman, Russell D., 29700A.
Belden, David L., 29701A.
Mandell, Harold, 29699A.
Dopler, Edward F., Jr., 29749A.
Maupin, Robert E., 48384A.
Pavik, Alvin L., 48385A.
Holmquist, Carl F., 48386A.
Tillotson, David, Jr., 48387A.
Preyss, Albert E., 48390A.
Kerby, Robert L., 48388A.
Monczewski, Matthew E., 48392A.
Knagenhjelm, Ludvig W., Jr., 48389A.
Panczyk, Raymond K., 48391A.
Bockelman, Harold L., 29661A.
Moore, Richard P., 29856A.
Swanson, Thomas I., 48393A.
Austin, Larry M., 29610A.
Moore, Joseph D., 29832A.
Walters, Alan B., 29834A.
Cleveland, Stuart E., 29833A.
Davis, Robert F., 29831A.
Holley, Tilden S , 48394A.
Hillier, Ronald L., 29750A.
Hays, Cloyd A., 48395A.
Smith, Clarence T., 29821A.
Maggard, Harold C., 29820A.
Pelto, Ernest E., 48399A.
Geiger, Robert B., Jr., 48398A.
Pulos, Christo D., 48205A.
Stinson, Thomas W., 48400A.
Avery, Beatrice B., 48397W.
Gilman, Daniel T., Jr., 29835A.
Seaman, Raymond A., 29836A.
Schoonmaker, Richard W., 50070A.
Williams, Bob F., 29662A.
Eibling, Joseph H., 48403A.
Gaetz, Charles J., 48402A.
Gardner, Lorin R., 48404A.
Perrine, Robert K., 29663A.
Hendrickson, Richard A., 29664A.
Paulsen, William C., Jr., 48406A

Medical Service Corps

McKinney, Vernor L., 49119A.

Nurse Corps

Heath, Lois M., 49736W.

(NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

CONFIRMATIONS

Executive nominations confirmed by the Senate March 19, 1959:

UNITED NATIONS

Thomas C. Mann, of Texas, Assistant Secretary of State for Economic Affairs, to be the representative of the United States of America on the Commission on International Commodity Trade of the Economic and Social Council of the United Nations.

DISTRICT OF COLUMBIA REDEVELOPMENT LAND AGENCY

Francis F. Healy, to be a member of the District of Columbia Redevelopment Land Agency, for a term of 5 years, effective on and after March 4, 1959.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 19, 1959

The House met at 11 o'clock a.m.

Rev. Paul J. Harrell, Memorial Baptist Church, Arlington, Va., offered the following prayer:

God is not far from each of us, for in Him we live and move and have our being.—Acts 17:27–28.

Eternal God, our Heavenly Father, whose mercies are many and whose saving grace is from everlasting to everlasting, reveal Thyself as we approach Thee in prayer, that we may have the confidence that Thou art the rewarder of all those who diligently seek Thee.

We acknowledge Thee as Supreme Ruler of the universe, from whom proceedeth all power and dominion in heaven and on earth. In Thee we trust. We praise Thee for the history and heritage of this Nation; that through Thy providence it was established in freedom and preserved in union.

We bear up in our intercession before Thee Thy servants whom Thou hast counted worthy to be called to positions of trust. We pray for the President of the United States, for the Speaker and Members of this body now in session. Imbue them with the spirit of wisdom, goodness, and truth. Guide them by Thy counsel to the end that the safety, honor, and welfare of this Nation may be advanced.

In the name of Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 2294. An act for the relief of the Ellis Timber Co.; and

H.J. Res. 198. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 46. An act for the relief of Ben Chassin;

S. 102. An act for the relief of Stanislawa Wojczul;

S. 110. An act for the relief of Yaeko Inouye;

S. 175. An act to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska, and between Hyder, Alaska, and other points in the United States outside Alaska, either directly or via a foreign port, or for any part of the transportation;

S. 191. An act for the relief of Marie Silk;

S. 192. An act for the relief of Clarinda da Veiga;

S. 210. An act for the relief of Pantaleon Ibarra, also known as Elmo Gomes Arcibal;

S. 244. An act for the relief of Alexander Antoniou;

S. 319. An act for the relief of Theodore Burtzos;

S. 320. An act for the relief of Sofija Laica;

S. 322. An act for the relief of Dr. Stasys Sereika;

S. 323. An act for the relief of David Forbes;

S. 324. An act for the relief of Johann Kalatschan;

S. 327. An act for the relief of Cwy Pinkusiewicz;

S. 328. An act for the relief of Ellen B. Mueller;

S. 330. An act for the relief of Erminio Neglia;

S. 331. An act for the relief of Jakob Liblang, Jr.;

S. 332. An act for the relief of Martin Albert;

S. 333. An act for the relief of Ethel Auth;

S. 355. An act to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies or private detective agencies of names, emblems, and insignia to indicate Federal agency;

S. 381. An act for the relief of Peter E. Dietrich;

S. 425. An act for the relief of Klarchen Huebner and her minor children, Carl Johann and Marine Claire;

S. 458. An act for the relief of Maria Bogatkin Manea;

S. 459. An act for the relief of Penelope Carnavas Kafos;

S. 460. An act for the relief of Gorjana Grdjic;

S. 501. An act for the relief of Balbina Borenstein;

S. 537. An act for the relief of Benedict Eremenko (Ben Zuke), Victor Tartarnikov (Victor Kalin), Mikhail Ivankov-Nikolov (Michael Nikolas), and Victor Solovyev;

S. 607. An act for the relief of the estate of Sinclair G. Stanley;

S. 624. An An act for the relief of Girolamo Naselli;

S. 633. An act for the relief of Yasuko Kitano;

S. 667. An act for the relief of Pauline D. Kimbrough;

S. 726. An act to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes;

S. 758. An act for the relief of Viktors Neimanis;

S. 869. An act for the relief of Konstantinos A. Kostalas;

S. 947. An act for the relief of the estate of Verentes Bent, deceased;

S. 1207. An act for the relief of Rosette Sorge Savorgnan; and

S.J. Res. 19. Joint resolution authorizing the Architect of the Capitol to present to the Senators and Representative in Congress from the State of Alaska the official flag of the United States bearing 49 stars which is first flown over the west front of the U.S. Capitol.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States No. 59–7.

SUBCOMMITTEE ON INDIAN AFFAIRS OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs may have permission to sit this afternoon during general debate on the bill, H.R. 5805, the appropriation bill for the Treasury and Post Office Departments.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CALL OF THE HOUSE

Mr. FLYNT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 18]

Bolton	Hall	Philbin
Broyhill	Harmon	Pilcher
Carter	Holifield	Porter
Celler	Keith	Powell
Curtis, Mo.	McIntire	Rivers, S. C.
Dingell	Mack, Wash.	Taylor
Foley	Martin	Teague, Tex.
Frelinghuysen	Miller,	Thompson, La.
Gallagher	George P.	Wilson

The SPEAKER. On this rollcall 402 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1960, AND SECOND SUPPLEMENTAL APPROPRIATION BILL, 1959

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow to file reports on two appropriation bills, one the Interior Department appropriation bill, 1960, and the other the second supplemental appropriation bill, 1959.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JENSEN reserved all points of order on both bills.

AMENDMENTS TO FEDERAL AIRPORT ACT

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1011) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 1011, with Mr. METCALF in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentle-

man from Illinois [Mr. SPRINGER] in the nature of a substitute.

The Chair recognizes the gentleman from Illinois [Mr. SPRINGER] for 5 minutes in support of his amendment.

Mr. SPRINGER. Mr. Chairman, in view of the fact that this will be the real fight on what is voted on, whether we shall take the bill H.R. 1011 or the administration's substitute, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Chairman, for the benefit of those who were not here when we adjourned yesterday, we were discussing the bill under consideration, H.R. 1011. Just before we were ready to adjourn at the end of the reading of the first paragraph I offered a motion to substitute what is substantially the administration bill, which was under discussion yesterday.

That is what I wanted to talk about this morning.

Mr. HARRIS. Mr. Chairman, will the gentleman yield for a point of explanation so that everyone may understand. The gentleman just mentioned that his substitute is substantially the administration bill. Yesterday, when the gentleman offered his substitute, I asked him if it was the administration bill, and I understand the gentleman said it was.

Mr. SPRINGER. It is.

Mr. HARRIS. Is your substitute identical with H.R. 3267 offered by the gentleman from Michigan [Mr. BENNETT]?

Mr. SPRINGER. It is. The administration bill is H.R. 3267 introduced by the gentleman from Michigan [Mr. BENNETT] on January 26, 1958. I believe there are two features which this House would be interested in in the Bennett bill.

In the first place, the administration bill will cost only $200 million. That is the figure requested in the budget. That is the figure which was testified to by Mr. Quesada who is the Administrator of the Federal Aviation Agency and who, under both direct and cross examination said that figure would be adequate and that he could do the job with $200 million. The bill under discussion calls for $297 million. That is a substantial difference and the first and biggest difference between the bill presently before us and the administration bill—$97 million. Now, there is a second feature which I believe would be more helpful to those communities who are likely to get the lion's share of this money. In the administration bill, the Administrator asks that the money be divided into two parts, and that 50 percent of this be administered or distributed in accordance with a formula. The present law is that it shall be distributed 75 percent in accordance with the formula and 25 percent to be in what is known as the discretionary fund. The administration asks that that be put in a 50–50 arrangement whereby 50 percent would be administered by the Federal Aviation Administrator in accordance with this formula and 50 percent would be in the discretionary fund that he could allot in accordance with what he believed ought to be done in some of the more critical areas.

The gentleman from California [Mr. ROOSEVELT] raised a question yesterday about Los Angeles. In my opinion, it would be much more possible in his particular instance to get the funds which he needs under a 50–50 arrangement than it would be under a 75 percent–25 percent arrangement, and since there will only be about 50 communities, which will probably get at least nearly 95 percent of all this money. I think you can see giving the Administrator at this point flexibility makes it possible for him to give out to some of the airport authorities a larger sum where it is actually needed in order to prepare for the jet age. It is true that of the 3,000 airports in this country, only about 500 to 600 could possibly benefit from the bill. Most of this money which would come from this legislation would go to 50 larger communities. We are attempting to prepare for the jet age. About 25 of the 75 large airports in the country already can comply with the regulations of the Federal Aviation Administration with reference to safety and length of runways at the present time. There are about 50 which would need these funds. So may I say if there is any thought on the part of any Member of this House that his community is likely to get any money under this bill, I think it is a foregone conclusion that it would not.

May I repeat, if there are Members on this floor who believe they are likely to get any money from this bill, let it be said that they are most likely not to, because practically all of this money, in my estimation, will ultimately land in 50 large communities in this country who are getting ready to go into the jet age.

From a financial standpoint the average Member of the House has very little interest in the bill insofar as getting any dollars in his own district is concerned.

There are many on this floor who are under the impression that the money contained in this bill is an appropriation or authorization of some kind for the Federal Aviation Agency current expenses. May I disillusion those in the House who do believe that, because undoubtedly you are going to be asked later on to approve the expenditure of about $560 million to carry on the current operations of the Federal Aviation Agency. The money contained in this bill only has to do with airport construction. I am talking about the actual physical construction of airports themselves.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. Yes, I yield.

Mr. HARRIS. The gentleman does not contend that this would go principally to airport terminals?

Mr. SPRINGER. I would say this, that under this bill, as I said yesterday, to whatever extent those agencies were housed in the terminal, the funds contained in his bill would go to the terminal.

Mr. HARRIS. But primarily, even the gentleman's bill or the committee bill is not a bill that would permit a 50–50 construction of terminal buildings as such?

Mr. SPRINGER. No; because undoubtedly most of these terminals are built, but it would take in all of the expansion of the terminal facilities, like the one in Los Angeles the gentleman was talking about.

Mr. HARRIS. The gentleman does not contend there is any authorization to put any of this money into terminal facilities?

Mr. SPRINGER. For whatever Federal facility is housed there.

Mr. HARRIS. But only to that extent?

Mr. SPRINGER. That is correct. To that extent. The bill which I am presenting to the House does not contain any feature like that, and that is a local responsibility.

Mr. HARRIS. The gentleman does not want to be incorrect.

Mr. SPRINGER. I do not yield further. The gentleman has his own time and he can explain it then.

Mr. HARRIS. It is my intention to correct it as soon as the gentleman gets through.

Mr. SPRINGER. Now there has been raised by the majority leader the question of a motion to recommit, with instructions to report this bill back to the House. I personally, if given the opportunity, intend to make this motion to recommit with instructions to report my bill back, and I intend to support it and vote for it, because it contains only $200 million. I think it is a substantial and substantive amendment that goes to the heart of the question of how much money we are going to devote to this particular problem.

We are now arriving at a time, may I say, Mr. Chairman, when I think we ought to withdraw this type of Federal subsidy except what is called the door-to-door policy, where our requirements of Federal financial assistance shall be in the form of safety to the person who enters an airplane and ends when he gets off the airplane.

Mr. Chairman, I believe this amendment which I have offered is in the best interests of all the country. It provides a definite philosophy of our approach to the entire question of airport grants and subsidies for the future, and I recommend it to the House.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 2 minutes for the purpose of asking him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. HARRIS. With reference to the authority in the bill regarding the application of these funds for terminal buildings, does the gentleman have a copy of his substitute before him?

Mr. SPRINGER. I do.

Mr. HARRIS. Will you please turn to page 2?

Mr. SPRINGER. Yes; I am at page 2.

Mr. HARRIS. And on line 6, with reference to utilization of this program, we find the following language:

but excluding construction, improvement, alteration or repair of any building or portion thereof, other than those required to house air traffic control activities, weather reporting activities and communications activities related to air traffic control.

To that extent, the gentleman's substitute permits funds to be utilized in connection with the terminal structures.

Mr. SPRINGER. Not of terminals; I do not understand it that way. I beg to disagree with my chairman. This refers to other buildings.

Mr. HARRIS. The gentleman had better read the language of his own bill.

Mr. SPRINGER. I nave read the language; I am familiar with it.

Mr. HARRIS. That is precisely what the language says.

Mr. SPRINGER. There is quite a distinction there. It applies to buildings used to house these facilities other than those in any terminal.

Mr. HARRIS. If they are housed in terminals.

Mr. SPRINGER. That is right.

Mr. HARRIS. I have read the language of the gentleman's bill. I will now read the language of the committee bill, found on page 7, line 14:

(d) Notwithstanding any other provision of this Act, to the extent that the project costs of an approved project represent the cost of constructing, altering, or repairing that portion of any airport building required to house air traffic control activities, weather reporting activities, communications activities related to air traffic control, or any other activity of the United States with respect to which the Administrator determines that it is in the best interests of the Government to provide facilities.

There you have the identical provision in the two bills.

Mr. SPRINGER. I disagree with the gentleman that the provisions are identical.

Mr. MACK of Illinois. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I must say, quite frankly, that I favor a more liberal bill than either of the two proposals before us.

Let me call the attention of my friend and colleague from Illinois to the fact that his district has been treated very well under the Federal Airport Construction Act. At this very time his hometown of Champaign has a project which has been placed under agreement to construct a terminal building, with utilities, control tower with utilities, and to relocate a beacon. Therefore, I cannot understand how the gentleman can be opposed to the construction of terminal buildings when he has one constructed in his hometown.

I want to tell the House my feeling about the question of separation of control towers from the terminal buildings. I happen to know a little about aviation; I have done a modest amount of flying myself.

It is ridiculous to think that the Congress would require the Federal Aviation Agency to locate separate facilities for control towers. The proper place to locate a control tower is on top of the terminal building. It gives the tower elevation, they have the rest of their facilities nearby below the control tower, they have their traffic centers and air traffic control so that they can coordinate their activities. It is ridiculous to think that the Congress would inaugurate a program to require them to construct separate control facilities. This certainly would not be in the interest of aviation safety.

Mr. Chairman, I have heard many of my colleagues come down to the well of the House and tell us what an authority General Quesada is on aviation and particularly civil aviation. We have had Member after Member come down into the well here and say he is going to support the Quesada bill which, I understand, has been offered by my friend from Illinois and state that he is a great authority on civil aviation, therefore they want to follow his advice on this matter. May I say that if I am going to follow the advice of an authority on aviation I am going to follow the advice of my chairman, the gentleman from Arkansas [Mr. HARRIS], a man who helped write all of the aviation legislation that we have had since 1940, a man who helped write the original Airport Act of 1946. He understands the problems confronting us.

I have nothing against General Quesada personally, but I want to use a fact sheet here that he wrote himself, so it must be accurate, about his background. General Quesada entered the Army in 1924. Soon after, he entered the air service primary flying school. He was commissioned as a second lieutenant and served continuously from 1927. He retired with the rank of lieutenant general in 1951. This man did not know that the airport program was underway until he got out of the Air Force. How can he be a great authority on civil airport construction and tell the Congress how to vote on this airport construction bill? As a said before, if I am looking for a leader I am going to look in the opposite direction from General Quesada.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MACK of Illinois. I yield.

Mr. BENNETT of Michigan. Is it not a fact that the chairman himself reduced his own bill from $100 million in the first year to $63 million for fiscal 1960, which is $2 million below the figure that General Quesada recommended? There was no action in the committee on that. The chairman of his own volition took $37 million out of his own bill for fiscal 1960. He admits that General Quesada is right for 1960. Why is General Quesada wrong in his estimates for succeeding years?

Mr. MACK of Illinois. I did not hear him say that General Quesada was right, but I think the gentleman is making a wonderful argument in favor of this bill and that is we are going to save money by taking the committee bill because the Quesada bill will cost us more money the first year. It will cost us more money every year that that act is being administered because we are going to have to start paying through the nose for all of the Federal facilities throughout the country. If I understand General Quesada's argument correctly, he wants us to start paying for the military planes which land at these airports.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

By unanimous consent (at the request of Mr. MACK of Illinois) he was allowed to proceed for 1 additional minute.

Mr. MACK of Illinois. At the present time every military plane in the country can land free at any airport constructed under the Federal Airport Act. Now, if I understand General Quesada's testimony correctly—and I must admit that it is difficult—then in the future he wants us to start paying, reimbursing these airports for what the Government uses in all of these areas, and eventually, as I understand it, he wants the military to start paying for their landings at all these fields. I know the Baltimore-Friendship Airport is used by military planes, with ILS approaches, instrument approaches, touch-and-go landings. It is a Federally constructed airport. It does not cost our Government one penny, and that is a real investment and it is a saving for America if we go along with the committee bill.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. BENNETT of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. MACK] may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENNETT of Michigan. Mr. Chairman, the gentleman is not saying that the cost of military use of these airports ought to be chargeable to civilian appropriations, is he? Now, there has been some confusion on that. It is my understanding—and I think it is borne out not only by our record but in the record of the Armed Services Appropriations Committee—that when the military need an extension of a jet runway on a civilian airport, they pay for it. They have plenty of money in their budget for that purpose.

Mr. MACK of Illinois. They should pay it.

Mr. BENNETT of Michigan. It is a military obligation and they ought to pay for it. What we are talking about here is a civilian airport program.

Mr. MACK of Illinois. That is correct.

Mr. BENNETT of Michigan. And it ought not to be confused with the military.

Mr. MACK of Illinois. The gentleman is absolutely correct. Every time we have a military installation, with the joint use of an airport, the military will pay for their portion of the expansion. But, the point that I made still stands. That is that the military planes land at civilian airports throughout the country which were constructed under the Federal Airport Act, and they do so without charge to the Federal Government.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in yesterday's remarks I took occasion to say that in the consideration of this bill we will have an opportunity, in one of the first measures coming along, to see who the people are who want to spend more money and who the people are who want to save some money. There has been a lot of lip service given to the balancing of the budget and, as indicated yesterday, everyone seems to be for it, but I think all thoughtful people realize that continued deficit spending can only lead to severe economic tragedy. I have listened to the debate as it has gone along, and I must say that those who are opposing this substitute are those who insist on spending more money. Maybe some are a little disturbed at the fact that the responsible people in charge of this program have not asked for as much money as some would like to spend. To me, that may be for some a novel experience, but I think it is a mighty good one. General Quesada, who has been appearing before the committee, who has talked with us individually, in my opinion is one of the most knowledgeable and dedicated men that I have ever seen in the public service. And, when he told me once that he has flown all sorts of airplanes in and out of all sorts of airports, that he had been in a lot of bad weather, and a lot of difficult situations, but that he had never longed for a fancy terminal building, believe me, that struck home with me.

Now, then, actually here is a substitute that follows the proposal of the administration. It will cost over the next 4 years $97 million less than the committee bill, the bill which it seeks to supplant. I want us to have a teller vote on this amendment to see from whence come the votes to save $97 million in the upcoming 4 years. Now, that is not as large an amount as will be involved in some of the bills that are coming along, but it is a very substantial amount. Now, I want to make another thing crystal clear. In the debate yesterday they had us all on the banks of the Wabash, they had us all wondering about new starts and various other things that I did not think had very much to do with this bill.

But some of us believe that it is about time to think of the taxpayers who are putting up the money, and to think of the fiscal solvency of our Government. And if that means the political destruction of my party, all right; but I am going to stand on that.

This substitute is offered in good faith. It is no legislative sneak. It does provide for an airport program of sufficient dimensions to meet the reasonable needs of the foreseeable future. If it does not meet them, we can always appropriate more money for more programs. But why this great rush now to appropriate $97 million more?

Now with reference to the motion to recommit, first of all this amendment is the amendment that will determine whether you want to spend more money or less. If this amendment does not carry then, as has been suggested, we will have a motion to recommit. And may I say again that that is not a legislative sneak. And I say this for the benefit of some of the newer Members who have asked me just what it means. The motion to recommit would provide that the bill be referred back to the committee with instructions to report back forthwith with the amendment which has been offered. And when you vote for that, you do not vote against anything. You vote for an airport program. If that motion to recommit carries, or if this amendment carries, immediately you are voting for that program. But with particular reference to the motion to recommit, if it prevails, the bill actually would not have to go back to the committee. The chairman would rise and move to amend the bill in accordance with the instructions contained in that motion to recommit, and as quickly as the roll could be called, you would have an airport program on the way to being on the books. That is no legislative sneak. That has been the practice here through all the years, and it is a good practice.

As far as I am concerned, I said yesterday that when I vote for the motion to recommit I shall be voting for an airport program that is adequate.

There was a lot of talk here about the blood being on the hands of those who do not vote for a larger amount. I suppose it would not make any difference how much money were spent—and, believe me, we spend hundreds of millions of dollars every year for navigational aids for air transport; this is just a small part of it. But you could spend all you wanted and you would still have people dying in airplane accidents. The question is, what is reasonable?

After I have voted for the motion to recommit I say that I have voted affirmatively and positively for an adequate airport program. And if that motion to recommit does not prevail, it will not bother me to vote against the bill, because it provides for spending too much money, and in other instances, is not good for the country.

I want everyone to understand, particularly the Members on my side, that when they vote for that motion to recommit, even as when they vote for this amendment, they are voting for an airport program; they will have put themselves on record for an airport program, but they would not be participating in the spending of more money than is necessary for the needs before us.

Mr. WILLIAMS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the record I have made in my 13 years in Congress in the interest of economy and against spending bills will compare favorably with that of the distinguished minority leader.

I might add, with respect to my distinguished friend, the minority leader, that while he is straining at this gnat today I would predict that by the time OTTO PASSMAN gets through with the foreign-aid appropriation bill, a couple of months hence, he will be trying to persuade the House to swallow a foreign aid camel.

Seriously, the difference in the allocation formulas for airport construction in the committee bill and the substitute bill is a matter which should give us all concern; much more than the difference in the amounts carried in the respective alternatives.

In the substitute bill, it is provided that only 50 percent of the money will be distributed to the States under the existing and well-established formula. The other 50 percent, or $100 million, will be turned over to the Administrator to allocate at his discretion. When this money is turned over to the Administrator, it is quite obvious, according to the testimony before the committee, that most of this money will go into the large city airports. Very little will go into the so-called general, or smaller, airports.

About 2 months ago, in the State of Mississippi, four military jet aircraft were caught in bad weather. They found themselves running low on fuel. There was not a large airport within 70 miles. But fortunately there had just been completed a small municipal airport in the vicinity of where these planes were flying. They did not have enough gas to go the additional 70 miles to Memphis, so they had to make an emergency landing at this small airport; one which had just been completed with the assistance, of course, of the Federal Government under this program.

It is quite obvious, if this airport had not been built, these four jets obviously would have been lost to the Federal Government, not to mention the possibility of injury or death to the men who were flying them. The cost of these four jets alone amounted to more than the entire Federal contribution that had gone into constructing this particular airport.

Undoubtedly funds for this type airport will be reduced to a minimum under the disproportionate discretionary authority given to the Administrator in the substitute bill.

The committee bill is the product of hard work on the part of this committee. It has been reduced from its original figure of some $465 million to $297 million. It represents the collective and considered judgment of a majority of the committee. However, the mere amount of money provided is secondary in importance to the issues presented in the legislative language of the two versions.

With respect to the terminal building situation, as my distinguished chairman pointed out to one of the Members on the minority side a few minutes ago, both bills provide authority for the Federal Government to participate in terminal-building construction to the extent of the space being used by the Federal Government itself. The committee bill makes it discretionary with the Administrator, when he feels that in the interest of economy it would be better for the Federal Government to contribute its share of space than having to lease it at a high rate of rent. If you will turn to page 58 of the hearings, you will find that I mentioned to General Quesada that I could conceive of a situation where it would

be cheaper in the long run for the Federal Government to contribute a part of the cost of the terminal and receive office space free in return than it would be to withhold any contribution and have to pay rent. I asked him if he did not feel that the committee should give some consideration to giving him some kind of discretionary authority in this regard, particularly when the interests of economy could be served. His answer was in the affirmative. The committee bill carries out his wishes in that respect.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. FLYNT. Mr. Chairman, I move to strike out the last word.

Mr. FLYNT. Mr. Chairman, stripped of all the legislative phrases and language in the committee bill, and in the administration substitute offered by the gentleman from Illinois [Mr. SPRINGER] the basic difference boils down to two primary features. The first of these is the difference in the monetary amount. The amount of the committee bill is $297 million and the amount of the administration substitute is $200 million, a difference of $97 million.

The second and more important major difference in these proposals is the manner in which these funds are allocated. Under the committee bill 75 percent of the total funds, the funds are allocated according to a formula and 25 percent is placed in the discretionary fund. The formula gives a guide to the local authorities by airports which they can plan and know the minimum amount they can expect in order that they may most wisely, most efficiently, and most economically use their own funds which are matched on a 50–50 basis by Federal funds. Under the administration proposal, $100 million, 50 percent of the entire amount, is to be expended at the discretion of the Administrator without any advance information to the local authorities upon which they can preplan and adequately plan how to spend the money which will be provided under the terms of this bill.

A few moments ago, the distinguished minority leader said that the difference between these two bills was an effort on the part of the administration to save $97 million. Only on yesterday, as reported in the press this morning, one of the committees of the House granted the request of the administration to increase the U.S. subscriptions to the World Bank and International Monetary Fund by a total of $4,300 million or more than 46 times the amount of the difference in the administration substitute for the committee bill here today.

I sincerely hope that the minority leader and those of his party will join with those of us who actually and sincerely are trying to cut down on wasteful financial Federal expenditures, and oppose this increase of $4,300 million, when it comes to the floor of this House.

I might ask him if he intends to join with us to oppose the President's request for $3,930 million in foreign aid authorization and appropriation which the administration has asked for in fiscal 1960. Those two matters put together make a total of $8,230 million, more than 85 times the amount he says he is trying to save in this administration substitute which is offered for the committee bill.

I hope that this committee will be realistic and separate the wheat from the chaff and evaluate and appraise these two measures for what they really are. The committee bill is one which is offered in a sincere effort to let the States and other local political organizations know how much they can expect in the coming fiscal year. The committee bill, in spite of the fact that it is $97 million higher than the substitute, is one which is based on a sound fiscal policy, and which will result in the saving of millions of dollars in the construction of airports in the coming fiscal year.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. FLYNT] has expired.

Mr. ARENDS. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, however long one is a Member of this body, he will never be able to understand inconsistency. The inconsistency of talking one way one day and another way the next day is something I cannot understand. It does not make sense to talk about economy one day and the next day argue for more spending.

We have not had a factual explanation from any Member of this House as to why, when the administrator of any agency or any department downtown says they can do a job for a certain number of dollars, we in Congress insist on giving them more dollars than they have asked for. That happened not too many years ago, to the tune of about $900 million dollars. When we forced this extra money on the Defense Department they said they had no need for it and they did not spend the money.

Here today, at this very moment, subcommittee after subcommittee of the Appropriations Committee is sitting, and from the information I can get from them, they are striving to cut the budget requests of the department heads on the money to be made available for their respective departments. At the same time we are today saying, "We are going to give you more money than you really want." To me it is inconsistent to have one committee trying to save and another trying to spend.

I cannot get an answer to the question as to why we are trying to force the Federal Aviation Agency to take more money than they are asking for.

What will be the value of our savings for the education of our children? What will be the value of Government bonds when they are ready for college if we continue this procedure of appropriating more money than we should? We are following a course that reduces the value of the dollar.

Consider what we are doing to future generations when we pile deficit upon deficit. Oh, you can talk about an eleven- or twelve-billion-dollar deficit we likely will have this fiscal year, 1959.

Let me say to you that deficits are the accumulated result of what the Congress of the United States has done in the starting of this project and that project. The program grows and grows, and we of the Congress are responsible.

To be sure, under this bill, there will not be much impact on the budget this coming fiscal year. It is, in general, a good bill as it came from the committee, except for the dollar amount. But the effect of this additional $97 million above the budget and the other additions that might be made during the session of Congress to various programs cannot but result in more spendings, more debts, and less value to the dollar.

A couple of days ago I visited with some young pilots working for one of the corporations of this country. As we sat down and discussed this particular bill they brought to me very important angles of concern to them.

One said to me: "Congressman, we are not concerned about the luxuries of the airport to which we are destined. We are concerned whether they have the runways, that they have the proper information, that they make the proper reports, and also that we are properly equipped in our planes. There are many things that can be done to make flying safer. The passengers are not the only ones concerned about safety, so are the pilots."

You cannot make flying safe with money alone, any more than you can expect a doctor to be able to cure all ills. You cannot do everything with money alone. So the story these boys brought me impressed on me deeply the actual air-travel problem we Members of Congress have to meet. Certainly we are not going to solve it just by pouring in additional sums of money as is proposed in this bill. Putting more money into the hands of those who are to administer this program who do not need it and cannot use it is not the answer.

I urge you this afternoon, in the interest of the economy of this country and in the best interest of our country's future, that we stop spending our people's money for things not essential.

Mr. MOSS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am going to tell you why I as a member of the committee am voting and urging you to vote to give to the administrator of this program more money than he requested.

I directed a question to General Quesada. I asked:

> I note that you arrive at the conclusion that all of the needs in these stations in the various studies are vastly overstated. Who has the responsibility for formulating the national airport policy to advise us as to the type of facilities, the location of facilities, generally, whether adequate for our national network of airways?
>
> Mr. QUESADA. We, the Federal Aviation Agency, are required to develop each year a national airport plan.

They are required by law to advise us as to the needs of this Nation, and they submitted to the committee a study of a plan, and here is their evaluation of that plan. I asked:

> Mr. MOSS. Have we that plan, is that encompassed in the $1,290 million?
>
> Mr. QUESADA. That is the plan.
>
> Mr. MOSS. It is of little use if it is so badly overstated.
>
> Mr. QUESADA. I agree.

Here we have the Administrator coming to the responsible committee of Congress and telling us that the studies he gave us were so largely overstated, so deficient, as to be meaningless and have no value for the purposes of making a decision.

Mr. DEROUNIAN. Mr. Chairman, will the gentleman tell us how long General Quesada has been in his position as Administrator?

Mr. MOSS. I am glad the gentleman asked that question. He has been in office very briefly, he is not the great authority, the distinguished authority we have been told. He is a very capable gentleman, but he is not the distinguished authority in this field. He is not the distinguished authority in this field that some would have you believe.

Mr. DEROUNIAN. Did the gentleman express his preference for or against him at the recent confirmation over in the Senate? Did he tell his Senator not to confirm him, as the Senator did?

Mr. MOSS. Mr. Chairman, the President nominated the gentleman. I think he is competent, I think he will do a good job, given time to get a grasp of his responsibilities. But at this moment I do not regard him as the best authority in this field. I will take the consensus of opinion of those who daily operate the airports around this Nation, who came to the committee and told us:

"Gentlemen, the administration's request is too low, it does not meet our needs."

That is the type of opinion I will take, far more compelling, far more informative, and I think based up on a much broader experience in the field of civil aviation.

Mr. Chairman, it is time also that we recognize that the attempt to obscure the facts here and to lead us to believe we are appropriating for some luxurious terminal facilities is just not the case. We are not providing in either the committee bill or the substitute proposed by the gentleman from Illinois to undertake the construction of terminal facilities. We provide only a discretion in the Administrator to underwrite that portion of our physical plant which is required by the Federal agencies. We are not providing any docks for passengers, any waiting rooms, or things of that type. This is the minimum program.

It is not a question of who are the savers and who are the spenders. But I say to the minority leader, if he wants to brand me as a spender for using my best judgment, then go ahead, because they did that to me in my last campaign and I beat my opposition overwhelmingly. I will bear that cross again and not be frightened one bit.

You are not saving dollars here; you are shifting from one taxpaying group to another a part of the cost. These are going to be publicly constructed facilities whether they come from the dollars of the small homeowner or from the broader Federal tax base. Most of these airports are financed by general obligation bonds.

The time of the gentleman from California has expired.

(By unanimous consent (at the request of Mr. Moss) he was allowed to proceed for 1 additional minute.)

Mr. MOSS. Mr. Chairman, the bonds which constitute a lien on all of the property in an area are involved here. So this is not a case of saving dollars. Do not buy that sort of a story. The men who are urging a larger program are in every sense as responsible, in every sense as able, and sense as sincere as those who urge the lesser figure.

Mr. YOUNGER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, unless we adopt this substitute, we are going to be in a very untenable position, unfortunately.

In the first place, we are trying to force on the Administrator additional funds. He is charged with administration of the Federal Aviation Agency.

We are creating a record here by a bitter attack on General Quesada. Only last year the general came before our committee and recommended for the administration the establishment of the Federal Aviation Agency. Our committee, the House, and the other body accepted that recommendation gladly. We recognized at that time that Mr. Quesada was a man of competence; that he was an authority in this field, and we gladly accepted that recommendation. But, what has happened now? Whether for political reasons or otherwise I do not know, but this bitter attack on General Quesada as to his competence, I think, is entirely uncalled for, and it puts the administration in a position where, out of self-respect, they cannot accept the committee bill. We are creating a record here against a man which is unjustified. Even those members of our committee who have voted against every amendment to reduce this bill come up now and make a bitter attack upon the general. I think it is most uncalled for and most unfortunate that this debate has sunk so low, as we are losing complete observance of what this substitute bill is intended to do. Every member of our committee, including the chairman, has said that they do not believe that this is a permanent program and that it ought to be phased out, yet the committee not only does not phase it out, but it balloons the payments to a point where it would leave the inference that this is a program that will continue and the people can expect it, yet I doubt whether there is a member of our committee who thinks it is. I know our chairman said so, that he did not consider this was to be a permanent program.

So, for that reason, I am going to support this substitute bill. I want to say again that I think the debate here is most unfortunate as to this bitter attack by men who never lifted a hand to go over to the other body to tell the committee not to approve him. He was one of the President's nominees who was approved promptly by the Members of the other body. And, at no time has anybody ever come before our committee attacking General Quesada, the Administrator, for incompetence.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. Yes, I yield to my chairman.

Mr. HARRIS. I did not understand any Member who has spoken on this matter to make any bitter attack on General Quesada. As I understood, each Member who spoke highly complimented General Quesada, and certainly I do not recall anyone attacking him on the basis of incompetency. They said he was an outstanding man but did not consider him the most outstanding authority. Now, that is not a bitter attack.

Mr. YOUNGER. I am not going to yield any more, but I shall let the record speak for itself. The record is there. Anybody who reads what has been said on this floor and does not consider it a bitter attack upon General Quesada, then I do not understand what the English language means.

Mr. HEMPHILL. Mr. Chairman, I move to strike out the last word.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman.

Mr. MOSS. Mr. Chairman, in connection with the remarks of my distinguished colleague, the gentleman from California [Mr. YOUNGER], I should like to make this observation. I shall not change one word of the statement I made on this floor. But for anyone to attempt to construe it as an attack and a bitter attack is, I think, somewhat of a departure from reality, because my statement was that I do not regard him—General Quesada—as the outstanding authority. When asked by the gentleman from New York [Mr. DEROUNIAN], why I did not oppose his nomination I said the President had nominated him, and I regarded him as an able, competent man who, when he had a full grasp of his job, would do an outstanding job. I change no part of that statement.

Mr. HEMPHILL. Mr. Chairman, I believe my vote here for the past 2½ years has been as conservative as that of any Member of this House. Yet I rise in opposition to the amendment of the gentleman from Illinois [Mr. SPRINGER]. I am not interested in the merits or demerits of the question whether or not there has been any attack on General Quesada. I recognize none, except necessary reference in the ordinary course of debate. But the facts have not all been brought out.

On page 7 of the report we find the following information, which is information of importance to this Committee:

In 1946, the Nation's domestic scheduled airlines carried 12,213,000 passengers nearly 6 billion miles. The CAA estimated that in 1958 this figure increased to about 49 million passengers who flew more than 26 billion passenger-miles.

Let me call this to your attention, as indicated in the report. It is estimated that in 1965 you will have 107,000 civilian aircraft. So what we are dealing with today is not a question of whether or not there is a subsidy. It is a question whether or not we are going to sacrifice safety for political expediency, because we have to recognize the fact that this is not a yearly handout. This is not something that is handed out every year.

An airport is not built in a year. And if we find ourselves in the jet age with insufficient airports; if we find 107,000 aircraft in the air, what good are the $2 or $3 billion that we spend for navigation aids when the plane finds, as it gets ready to take off or comes in to land, that it has not sufficient room?

So what we are subsidizing, if we are subsidizing anything, is the safety of the American people. And if the number of passenger-miles has run up from 6 billion to 29 billion in 10 years, with the increase in air travel, what will it be in 1968?

Let me call this to your attention. This is an investment in America. This is an investment in the local airport, in the city, or the town. We have spent money to build airports all over the known world. Here we are trying to give the American people a little more safety, somewhat better airports, and guarantee our ability to compete in the jet age of the future. And still we are quibbling about $97 million, when the lives of American people are at stake.

If anyone has ever witnessed one of these air crashes or has visited the scene of one after it occurred, he will recognize the helplessness of Americans riding in either civilian or military aircraft. He will recognize the fact that the person who pays the fare has the right to ask that he be carried safely. The law recognizes that. Then what is it that is up to the Congress to do?

In the first instance, the first appropriation for 1960 is within the budget. The amounts we have provided for future years are for this purpose: We in the committee feel, under the testimony given to us, that it is necessary for this Congress to say to the Federal Aviation Agency and to say to those whose estimates we are not satisfied with, "We are going to give you the money, and then we demand of you the kind of program the American people deserve."

That is what is at issue here today, not whether or not somebody is a spender. I am no spender.

The question is whether or not on the anvil of expediency you will cut these necessary funds which this committee has voted on, whether or not you are willing to make an investment in Ameria, because these airports are not going to be given away; they will be there tomorrow and you will land on them. They will be there tomorrow when your constituents take off and land in the jet age. They will be there tomorrow as an investment which you as a Member of Congress either voted or did not vote for the American people. A vote for the committee bill is a vote for better safety, better service for the American people. And who owns the airports? Not the airlines. The American people own the airports through the governmental subdivision which has charge of the airport. We are saying to the Federal Aviation Agency: Now give us the best in safety and service in the jet age. Our American people deserve the best and the safest.

Mr. BENNETT of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. BENNETT of Michigan. Mr. Chairman, I regret that my friend who has just spoken used the term "political expediency." Despite what has been said here on the floor by the majority and minority leaders, I do not regard this bill as being a political measure in any sense of the word. This program has had for all practical purposes the unanimous support of our committee since it was first started back in 1946. The only essential difference of opinion between us today is a matter of dollars and cents—whether we accept the recommendations of the people in the Agency which will administer this program or whether we take some figure out of the air, as our chairman has in this instance, and say, "What you are proposing, Mr. Administrator, is completely inadequate, and therefore we need more."

As an indication of the fact that the Agency itself is correct in its estimate of the needs for this program let me call your attention to this: Our distinguished chairman, Mr. HARRIS, of his own volition reduced his bill from $437 million to $365 million. He had $37 million in it for the remainder of this fiscal year. He took that out. The committee did not ask him to take it out, he took it out voluntarily because I think he was convinced that the Agency was right when they said they did not need the money. Actually they have on hand some $11½ million in unexpended funds for this fiscal year.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. In addition, the gentleman voluntarily took an additional $37 million out of his bill for the fiscal year 1960; that is the coming year. So without any committee action he brought the bill down to $2 million less for the coming fiscal year than General Quesada had asked for. I am sure the gentleman will say that he did so because he recognized that $63 million was completely adequate for the program each year.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Michigan. I yield to the gentleman from Arkansas.

Mr. HARRIS. Before the gentleman gets too far away from the statement that I consider to be erroneous that he made about my position, I said yesterday I requested the $37 million that was in the original bill for this fiscal year be deleted simply because the bill was not going to get through in time for it to be programed for this fiscal year. That is the practical situation.

Mr. BENNETT of Michigan. All right; then what about the $37 million the gentleman took out for the fiscal year 1960?

Mr. HARRIS. That was the $37 million I am talking about. That was the $37 million for the fiscal year 1959.

Mr. BENNETT of Michigan. No; the gentleman is mistaken. He took out two sums. First of all he took out $37 million for the fiscal year 1959. In addition, he took out of his bill $37 million for fiscal 1960. In other words he reduced the amount from $100 million, which was in his bill for 1960, to $63 million. Why did he do that?

Mr. HARRIS. Simply because in the development of this matter before the committee, during the course of the hearings, it was quite apparent that if the terminal building was not going to be continued to the extent that the members of the committee had indicated heretofore they wanted, that much money would not be needed. That is precisely the reason. A little later I am going to give the gentleman facts and figures as to why it was reduced to the present figure of $297 million.

Mr. BENNETT of Michigan. Mr. Chairman, the fact remains that the chairman of our committee, the author of the bill, was willing to accept the recommendation of the Agency and, in fact, go below it in 1960 and that makes his argument and similar arguments unsound and inconsistent as they relate to his present recommendation for the fiscal years subsequent to 1960. There are adequate funds in General Quesada's bill for this program. Of course, $97 million does not sound like much money. I desire to state very candidly, Mr. Chairman that I have on a number of occasions voted for funds over the President's budget recommendation. I will do so again whenever there are sound and compelling reasons for it. But, why fly right in the face of undisputed facts? There is nothing of substance in this record, as I pointed out yesterday, except the unverified estimates submitted by airport operators to justify the chairman's bill. The fact that $97 million is involved may not be important. I do not regard $97 million as a sum that will be the straw pushing our Government into bankruptcy. But, when we do not need $97 million; and when we have nothing in the record of these hearings or anywhere else to justify it; then I say, ladies and gentlemen of the House, why should we put the $97 million extra in the bill? Do you not think that there will be dozens of other measures before this House where $97 million will be of vital importance to a critical program?

Mr. Chairman, there is one further thought that I have in conclusion. There has been a great deal said here about the needs of civilian jets for additional runway space. What about the obligation of the airlines to assume some part of this cost? What would this Congress say if a railroad came here when they inaugurated a new type train and said that because of additional safety factors required for operation of the new train that Congress should provide them with a new right-of-way for that purpose? Why, they would be laughed out of the Halls of Congress, and justifiably so. And, yet, the very subsidies that we have been providing for the airlines over the years have been in large measure responsible for putting the airlines in a better competitive position with relation to the railroads. In the last 10 years, railroad employment has gone down from 1,600,000 to about 800,000. Does that not mean anything in the continuation of these subsidies? This unfair competition is being accelerated by the constant subsidizing of the airlines by the Federal Government in programs such as this. Are we going to continue

forever to assume the primary obligations of this one phase of the transportation industry to the exclusion of all others?

Mr. Chairman, there is no essential difference in the two bills before us except the amount of money, and it has been demonstrated on the record that there is nothing of substance to support the $297 million figure.

Mr. Chairman, I hope the substitute amendment will be approved.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment be concluded at 1:30 p.m. and that I may be recognized for the last 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BOGGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened since last year to the charges made by the minority leader, and others, about wild spenders, and inflation, and so on.

Now, as Al Smith used to say, "Let's take a look at the record."

Insofar as the present bill is concerned, I have complete confidence in the gentleman from Arkansas [Mr. HARRIS], chairman of the committee. He is a fair man. He is certainly not a radical man. He is anything but a wild spender. As one of the authors of one of the bills before the committee, I suggest that he has done a thorough job, a sound job, and, as far as I am concerned, I am honored and pleased to accept his proposal rather than the substitute proposal.

I might say that if the sole issue was the saving of money, then it would be equally distasteful, it would seem to me, to vote for the substitute, because in both instances a commitment is made to spend money.

I want to talk a little about this wild spending business. Every fairminded person knows that this Congress has demonstrated sound leadership over the years. Let us take a look at the total amount requested by President Eisenhower since he has been in the White House. The Congress over that period of time has consistently reduced those requests. As a matter of fact, in the first session of the 85th Congress, if my memory does not fail me, we cut something like $5 billion from the requests made by President Eisenhower, which were sent to this Congress.

Now what happened this year, fiscal 1959? Is the $13 billion deficit the result of appropriations made by the Congress or is it the result of something else? If you will take the trouble to examine the testimony before the Joint Committee on the Economic Report, you will find that at least half of this is the failure to produce the revenues estimated by the Treasury Department. Why? Because of the recession. Why the recession? We might argue about that for the rest of the day, but in any event we had it, and it was not the appropriations made by Congress that brought about this $13 billion deficit.

We are now in a tremendous argument about wild spending and fiscal responsibility. A few years ago, when this administration came into power, we were paying less than $5 billion a year interest on the national debt. Today we are paying almost $9 billion interest on the national debt. That has been an increase of almost $4 billion. As a matter of fact, you talk about inflation. As far as I know, this is the first time in the modern history of the American Government where American business and American people are showing more confidence in the common stocks for sale on the stock market than they are in the securities of the American Government.

All of you know what the bond situation is confronting this Government today. Let us not try to call black white and white black and try to confuse people. Let us admit it is the administration themselves that brought about this lack of confidence in the securities of the Government of the United States.

Talk about spending. Look at the farm problem. That is a good one. Seven billion dollars for Mr. Benson's farm program in the current estimate for 1960. As far as I know, there is not a farmer in the United States pleased with it. God knows the consumers are not pleased with it.

So I say, Mr. Chairman, if I may, that it is all very well and good to throw these scare words around. to talk about fiscal irresponsibility, to brand the chairman of this committee as a wild spender in this attempt to bring forward here a sound constructive program which does project us into the jet era; and whether we like it or not, we are in that era. I believe that the American people will again repudiate this business of trying to make the facts something they are not.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Illinois [Mr. SPRINGER].

I am taking this time to pursue further the question raised yesterday by the distinguished chairman of the Manpower Utilization Subcommittee of the Post Office and Civil Service Committee, the gentleman from Georgia [Mr. DAVIS], relative to application of Public Law 801 of the 84th Congress to this proposed legislation.

As a member of the Manpower Utilization Subcommittee for the past 4 years, I have grown somewhat weary—as I am sure the able chairman and our colleagues on the subcommittee also have—of the standard alibi offered by departmental witnesses whenever we have questioned the increases in civilian personnel and in payroll costs of the Federal Government.

That standard alibi has been that the additional personnel was a direct and unavoidable consequence of the mandate of Congress and that the mandate was inherently enacted by the Congress creating new, additional, or expanded functions, activities, or authority.

Perhaps, in all candor, one reason for the irritation with this explanation was the fact that it contained an element of unpleasant truth, to wit, that the Congress, in exercising its authorizing and appropriating powers, failed to give appropriate consideration to the manpower and payroll implications of proposed legislation.

The fact was—and apparently still is—that in most instances no one bothers even to inquire as to what the manpower implications of the proposed legislation might be.

With a view to correcting this situation, the Congress, in May 1956, enacted Public Law 801, requiring that any agency or department recommending or reporting on proposed legislation, entailing an estimated expenditure in excess of $1 million in appropriated funds, provide the Congress with information on the estimated maximum additional man-years of civilian employment and expenditures for personal services involved in the proposed legislation.

Now, Mr. Chairman, it seems to me we face the question as to whether either the departments or the Bureau of the Budget—from the executive side of the picture—or the legislative committees or the Members of Congress—from the legislative side of the picture—regard Public Law 801 with any seriousness or concern. To put it bluntly, there is a question whether there is even any interest in obeying the law.

The present legislation offers a perfect case in point, and I hope the distinguished chairman of the House Committee on Interstate and Foreign Commerce will recognize that I am being critical with complete impartiality as between the executive and the legislative branches.

So far as I can determine, there was no move made by the committee to comply with Public Law 801 or to determine whether this law was applicable with respect to this legislation until the matter had been brought to the attention of the chairman of the legislative committee by the chairman of the Manpower Utilization Subcommittee on February 18.

Thereafter, on February 23, the chairman of the Interstate and Foreign Commerce Committee directed a letter to the Federal Aviation Agency requesting the information, which information had not been received at the time of the colloquy yesterday between the gentleman from Arkansas [Mr. HARRIS] and the gentleman from Georgia [Mr. DAVIS].

The other side of the story, of course, is that there had been no evident effort whatever on the part of the Federal Aviation Agency to comply with Public Law 801 prior to the February 23 inquiry from the chairman of the legislative committee and there is no evidence that the Bureau of the Budget, which presumably has some policing responsibilities, had made any move to see that the Federal Aviation Agency complied with Public Law 801.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. JOHANSEN. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. JOHANSEN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 minutes on his motion.

Mr. JOHANSEN. Mr. Chairman, I am reluctant to take this step, but we have not been permitted to discuss this very clear disregard of the law.

Nor is that all. I am firmly convinced that, if the question had not been raised by the gentleman from Georgia yesterday, and, if I may be pardoned for saying it, if I had not myself thereafter contacted the Federal Aviation Agency, there would have been no information supplied this House relative to the manpower implications of this legislation and pursuant to Public Law 801 prior to action by this House on this legislation.

That is to say, there would have been, for all practical purposes, a complete failure on the part of both the executive and legislative branches to comply with the clear provisions of Public Law 801. This is scarcely an admirable example for our fellow citizens.

Now, what is the upshot of the matter so far as the manpower implications of this legislation are concerned?

I am advised by telephone—and I understand that this same information has been similarly transmitted to the chairmen of both the legislative committee and the Manpower Utilization Subcommittee—that the $200 million program called for in this substitute amendment would involve no additional personnel.

I am advised that the committee bill would involve 10 to 20 additional personnel or, since this is a 4-year program, 40 to 80 additional man-years.

I am further advised that, under the bill adopted by the other body, the increase would be some 60 personnel or 240 additional man-years.

I am also advised that the estimated cost per person per year of increase in the number of personnel would be $10,000.

This involves a possible annual increase of $200,000 per year under the committee bill and of over half a million dollars a year under the bill passed by the other body.

Mr. Chairman, it seems to me that this is all information which the Members of this House ought to have and need to have to pass judgment on the alternative legislative proposals. Even more to the point, this is the type of information which the law says we must have before acting on such a legislative proposal. Here is the key to the burgeoning of Federal civilian personnel which has been sufficiently serious to prompt the creation of a special subcommittee to combat the problem. Here is one reason why the Federal civilian payroll has increased from $940 million a month 2 years ago to $1.1 billion a month now. Here is one of the reasons we now have 2,320,000 employees on the Federal payroll. Here is one of the reasons the distinguished chairman of the Committee on Appropriations has urged an even more radical reduction of Federal personnel through the nonfilling of vacancies than that which has been proposed by the Manpower Utilization Subcommittee.

Why then, Mr. Chairman, is it like pulling teeth to secure from the agencies the information which the law decrees that they must provide and why, Mr. Chairman, is it like pulling teeth to get the members of the legislative committees of this House to take seriously the mandate of the law which passed this very House under the consent calendar on May 21, 1956?

I share the concern of the distinguished chairman of my subcommittee and of my colleagues on that subcommittee regarding this problem and I share their determination to continue to battle for obedience of the law by both the executive and legislative branches, in respect to Public Law 801.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the gentleman's motion.

Mr. Chairman, I may say to the gentleman that I share his concern about the continuous requirements of increased costs due to manpower requirements. I am fully aware of the provisions of the law that the gentleman has referred to. The chairman of his own subcommittee has contacted our committee about this problem and, by direction of the subcommittee I am sure, he wrote a letter to our committee about it. That letter was transmitted to the Federal Aviation Agency for a report. As I advised the House yesterday, we have not received a report. I did have a telephonic report that the Agency has not yet completed a detailed report on the request, merely because there are so many proposals before the Agency. There was a report to the extent that under the committee bill and the substitute bill there would not be any requirements for any change, particularly in the manpower field, more than the present program or what the program has been for the last few years.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Do I understand the gentleman to say that his information is that under neither the committee bill nor the substitute there would be any additional personnel required?

Mr. HARRIS. That is true, because under the present program and as it has been for the last 4 years there is an authorization of some $63 million a year. The committee bill does not increase that authorization or allocation to the States. It merely provides some increases in the discretionary fund, therefore it would not require any change in the manpower requirements.

Mr. JOHANSEN. Of course, I am not quarreling with the gentleman's statement or with his informant. My informant gave me different information regarding the committee bill. I suggest that points up the importance of having the information as required by law at least during committee hearings and in time to have consideration on the floor of the House.

Mr. HARRIS. I do understand that if the larger amount passed by the other body were to be approved, then that would have some effect on the manpower requirements.

Mr. JOHANSEN. Would the chairman agree that it is fundamentally desirable that the House conform to the law and that we have the information during debate on the floor?

Mr. HARRIS. I certainly think that the gentleman is entitled to the information and, so far as the House is concerned, that is part of its legislative responsibility. And, if the program is needed in the public interest and it requires additional personnel, then it is up to the House to make that determination.

Mr. JOHANSEN. I am not quarreling with the gentleman about the merits or faults of the respective proposals. I am merely raising the question as to whether the gentleman does not agree that it is desirable that on all legislation of this type we conform to Public Law 801.

Mr. HARRIS. I think it is desirable for the House to get all information that can be had about any project that comes before it.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. JOHANSEN].

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I think we are seeing, my colleagues, the error of writing or trying to write legislation that includes both the authorization and appropriation. Half of the arguments that we hear on the floor are devoted to the authorization aspects of this legislation while at the same time the other remarks are devoted to the details of appropriations. Now, the danger in this sort of procedure is that we do not do an adequate appropriation job.

I was somewhat surprised when the gentleman from Mississippi, who is a cosigner of the additional views in the committee report, took the floor to argue for the bigger bill, inasmuch as the gentleman does agree that there should not be this back-door method to appropriations. Here is why I say so to the gentleman: We are talking in this bill about appropriations beyond the fiscal year 1960. Apparently, for 1960 it is $2 million below the appropriation bill requested by the President. So, what we are really talking about is an appropriation for 3 years hence, and I think it would be a great act of wisdom on the part of this House, if it has a choice, to at least use the smaller amount today and come back next year if more is needed. But, by all means, let us get this appropriation back under the Committee on Appropriations. Then, I think, we are going to write sounder legislation and really give the money that is necessary and can be utilized.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. May I say that the gentleman has not read the administration bill very carefully. It is in identical form with our bill.

Mr. CURTIS of Missouri. I have read the administration's bill and the gentleman is correct in saying that in respect to the failure to separate out the appropriation aspects of this legislation the two bills are identical and equally faulty. However, the administration bill has a lower sum escaping the proper review of the Appropriations Committee and to that extent I would think the gentleman would believe it is an improvement over the committee bill.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

The Chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, in view of the remarks of the gentleman from Illinois, we should set the record straight. Under the 50–50 formula of the substitute the Administrator would have $100 million in his discretionary fund. Under the committee bill he would have $98½ million. So the gentleman is not offering us much, if any, more, even if we believed the FAA would be generous to us. Certainly the committee bill will raise more matching funds, local participation to which I thought the minority was devoted. No, Mr. Chairman, this is an attempt to raise a hobgoblin of fear instead of meeting a vital need. To prove it I submit a telegram to me signed by the mayor of Los Angeles, a former Republican Member of this House and the president of the airport commissioners, a respected leader of the business community:

LOS ANGELES, CALIF., *March 18, 1959.*

The Honorable JAMES ROOSEVELT,
House Office Building, Washington D. C.:

Yes; Los Angeles International Airport is operating at a good profit, but under our city charter all income from the airport, except operating expenses, must be used to pay interest and principal on our municipal airport bonds. This year, for instance, we will pay for bond redemption and interest approximately $2,941,000. As we stated before the Harris committee, we thoroughly agree that after local bond issues are retired, we are willing to repay future matching funds less appropriate deductions for space used by Federal agencies such as FAA control tower, Communications, Weather Bureau, Customs, Immigration, Public Health, and Agriculture and for landing area use by the military. Also as you suggested, Poulson and I are wiring Republican Congressmen from California as follows: "Understand there is question about Los Angeles International Airport request for matching funds when maximum to any city has been limited to $1 million in any year. Wish call your attention that this is a regulation of Administrator and not part of the act. Administrator has already indicated in testimony that he wishes to put larger amounts where they are vitally needed, such as critical jet airport developments. Los Angeles International is going to bid in a few months on $32 million work which is reason why we are vitally concerned with passage of H.R. 1011 and its matching fund provisions. It should be noted that while matching fund provisions of the existing act permit 54 percent participation by the Federal Government, the Los Angeles percentage to date, now stands at 15.7 percent which is lower than other airports. We sincerely hope you will support the bill." Best regards.

NORRIS POULSON,
Mayor of Los Angeles.
DON BELDING,
President, Board of Airport Commissioners.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Chairman, this debate has gone on now for 2 days. I do not think we are going to change any votes from here on out. But there is one matter I should like to bring to your attention. If you can see this chart, I should like to have you see what has happened by way of increase in air passenger traffic. From January of 1938, when we had less than 2 million paid passengers and now 1958, we find 48 million passengers that were hauled on our commercial airlines.

Let us think about that for just a minute. We are not going to reconcile these two figures on how much money is needed. On one side of the aisle we think it is $200 million that is enough. On the other side of the aisle they are asking for nearly $300 million. My point is this. The airlines are providing a preferential service for those persons who use the airlines. Why cannot the people who use the airlines pay for that preferential service instead of putting it on the back of the taxpayer? I think that reasoning is sound and logical. Why should the farmers in Kansas, a great many of whom never get on an airplane, help to subsidize the airlines? Why should the automobile worker who does not ride an airline very often help to subsidize them, any more than we are already doing? It seems to me, if we would add $1 to each passenger fare, it would pretty nearly make up the deficit. Certainly the people who are the recipients of this preferential service should be paying for it. Nobody, I think, can argue against the logic of that.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, I probably could cover what little I know about aviation in 2 minutes, so I am not going to complain about the amount of time that has been allotted me.

I am confused from the debate; I think there are a number of Members of the House who are confused over what ought to be done with this bill. All of us, I am sure, want to do the right thing. Aviation is important to our economy and all of us desire to see it move forward in keeping with the times. On the other hand we certainly do not want to overspend. We are living in an era of inflation, much of which is attributable to Government spending.

Originally the bill introduced in the other body called for $575 million. They passed a bill over there which provided for something like $465 million; I don't recall exactly how much, but it was a lot of money. Then the chairman of the House committee, whom I regard very highly, introduced a bill calling for $400 and some odd million. The committee reported out a bill calling for $297 million. The administration has asked for $200 million. So I am not sure what the need is.

It is very difficult to determine the need. Should it be $575 million or $200 million? The debate hasn't afforded a very good answer. Hence, the confusion.

I would be more impressed with the position advanced by the minority if I did not think there was something of a sneaker in the 8 pages of language that was required to make up the amendment. The big issue of the debate up to now has been over the difference between $200 million and $297 million. I hold in my hand the minority amendment which they say simply reduces the spending by $97 million. If so, then why all of these 8 pages of language? Very frankly, I am suspicious of what this unexplained language may do. Undoubtedly there is something in it that is quite different from the language contained in the committee bill. Undoubtedly it confers some other authority on the administrators of the program; otherwise the minority amendment would not require 8 pages to reduce the committee bill by $97 million. A proper draft would merely require a substitution of figures.

I would deeply appreciate it if someone in the minority who is supporting the amendment would arise and tell us what these 8 pages will do other than reduce the spending by $97 million.

Up until now they have very carefully avoided an explanation of the new language. I have been told that it confers broad powers on the administrators which would permit them to play a little politics, if they saw fit, with the program.

I wish to make it perfectly clear that I favor reducing the spending by $97 million but I don't wish to be made to accept some lengthy unexplained language along with it. Unless there is a satisfactory explanation made of the language then I shall vote with the committee and against the amendment.

I do hope, however, that before the day is concluded that we will have an opportunity for a straight vote on the question of reducing the spending by $97 million. The administrators say the amount of $200 million is adequate and I am willing to take their word for it. Although somewhat confused, I remain unconvinced that there is a need for more.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I have listened carefully to the gentlemen on both sides of the aisle. I have heard many fine arguments, and I have seen a number disproved. These are my conclusions, for whatever they are worth.

First. I think the time has come to taper off Federal airport aid.

Second. There is less need for Federal aid because of the revenue-producing aspect of terminals, which has not been sufficiently stressed, in debate, though covered somewhat in the hearings. Wherever there are airports, there are revenue-producing businesses, and the more of that we have, the less need for more Federal aid.

Third. The FAA is going to have $600 million appropriations in addition to these funds for airport construction.

Fourth. Whenever the Government comes here and says they can do a job with a certain amount of money, in this case $200 million, for us to cram more money down their throats is absolutely inconceivable to me.

Fifth. I am convinced there is no safety factor involved in this bill whatsoever because of the lesser amount under this substitute bill. Money for safety measures is covered by the $600 million FAA appropriations bill.

Sixth. I am for less, not more, Federal spending wherever possible.

Lastly, I am ready to vote for less money or none at all as compared with voting for more. Therefore, I may vote against both. But if I have to vote for one of the two, I am for the lesser amount.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MACK].

Mr. MACK of Illinois. Mr. Chairman, I take this time to restate what I had to say about General Quesada. I do not know whether or not the gentleman from California was referring to me a few minutes ago. Certainly I did not bitterly attack General Quesada. I stated that he was a military man, I believe one of our great military heroes, but he just is not very well informed on the civilian phase of aviation and certainly not informed on the Federal aviation program under the Federal Airport Act. I think if you read the hearings you will soon find that General Quesada is not really well informed on his own bill. I quote from page 55 of the hearings:

> Mr. WILLIAMS. Then do I understand that the Federal Government would be able to contribute the cost of the control tower and the facilities to be occupied by Federal agencies?
>
> Mr. QUESADA. No, sir, it doesn't. It limits it to control towers.
>
> Mr. WILLIAMS. To control towers?
>
> Mr. QUESADA. Yes, sir.
>
> Mr. WILLIAMS. Where the terminal itself may house the local FAA office, for instance, or your weather station, there are no provisions whereby the Federal Government can participate in that?
>
> Mr. QUESADA. No, sir.

I think that indicates that the General does not know too much about this legislation. If he is correct in the statement he has made, I should like one of the opponents of the bill or the proponents of the substitute to explain just what this substitute would do.

There is one very important point, and I am glad the gentleman from Mississippi [Mr. ABERNETHY] brought out the point about the discretionary fund. There is also another very important point, and that involves the safety of air transportation. How are you going to get these communities to build control towers so vital to safety of air navigation when the Government will not participate or contribute anything to the cost of construction?

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, the longer I serve in the Congress the more disillusioned I become. Everybody talks about economy and no one seems to do much about it. Here we are again busting the budget to the tune of $97 million. Everyone who has served in this body any length of time knows full well that when this bill gets over to the Senate it will be increased perhaps to the $450 million mark, or whatever it may be. The question, therefore, naturally arises, whether we really want an airport bill. I am not here to speak for the President of the United States, but it is my personal opinion that with this reckless spending program being inaugurated so early in the session you are really running a chance of not having an airport bill at all. The $97 million figure we have been talking about is not justified, and that alone should justify a vote for the administration substitute.

The American people are way ahead of the Congress. They want economy in Government. Our national debt today is more than the national debt of all the nations of the world put together. We are having difficulty, as has already been stated, in selling U.S. bonds. Is not this a warning sign? Do you want to flirt with inflation? Are we going to live within our means so we may look forward to some tax reduction?

Let us support the administration substitute. This will be the best assurance that we will actually have a bill which can be enacted into law.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I would like to address some thought to this proposition of how much the local governments, and I mean the States, counties, and cities, have spent on the airport program in the last 10 years. I think the figures will show that at the end of 1955 out of $579 million that have been spent in 19 of 21 major hub areas, local sources accounted for about $338 million. I think also it can be shown that the local sources get far less than the Federal Government in tax revenues. How anyone can say that an airport is strictly a local proposition, I simply cannot see. Every airport is a part of a national system, and today with jet air transportation, they are a part, defensewise, of an international system. I think the passenger who is boarding a plane at the Washington National Airport should have the same assurance that he is not going to be penalized so far as safety is concerned regardless of where that plane in which he is riding may land. Safety must be adequate regardless of the financial ability of local government.

Recently, we had a very serious accident at La Guardia Airport in New York. I certainly would not presume to say that it could have been prevented by having an additional protective runway. But the fact remains that the runway on which that Lockheed Electra was sought to be placed was not an adequately protected runway. It only had threshold and boundary lights and did not have any high intensity lights or guide beams.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in support of the substitute bill. First, I refer to the statement just made about the accident at La Guardia Airport, because I think there is some misconception in this House that the purposes of this bill go to skyway safety devices. There is no question but that the main provisions for safety on the skyways are in another bill for which large amounts will be appropriated by the House later in the year. I would like to quote a statement from an authoritative source about the New York accident:

> The adequacy of electronic navigation and landing systems may be involved at La Guardia. This is a vital safety question and should be thoroughly aired.
>
> But such systems are provided by separate legislation recommended by the President, which is in no way related to the purposes of the Airport Act.

Mr. Chairman, we have here one of these difficult questions of Federal aid which involves State sharing of funds. The President in his veto message last year said that the time has come for more local responsibility in this field. I agree with that, and I think that that objective will be better achieved if this House votes for the smaller of the two figures that are now before us.

The Federal Government has no money to apportion around to the States except that which it first taxes from the people of the States. But when the apportionment takes place, some States which have contributed less get more, and others which have contributed more get less. Massachusetts, as a high taxpaying State, usually fairs badly under this system. Many of us support the principle that there should be greater local responsibility, and that we should not build up a governmental colossus in Washington. Here is a field where greater local responsibility can and should be assumed. I believe that the Congress should support the President in this objective. I hope that the House will vote for the substitute bill.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that all Members may have leave to extend their remarks on this substitute proposal at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. CRAMER. Mr. Chairman, I support the Springer substitute to H.R. 1011 which amendment would provide for $200 million for Federal aid to airports for the next 4 years and which would have made this money available principally for safety purposes which I think is the priority responsibility of the Federal Government in the field of aviation. If a choice must be made between safety features and terminal facilities, which appears to be the case, then I, of course, support the expenditure of Federal funds for safety purposes first. The Springer amendment would accomplish this objective and, in my opinion, knowing that there is a limita-

tion of funds that can be made available for airport improvement purposes if we are to balance the budget, I support this safety-first approach.

I personally am convinced that the committee bill will not meet with the President's approval and, therefore, cannot become law. I am for a reasonable airport improvement program consistent with these expressed views. Undoubtedly, the other body will insist on making substantial increases in the House bill in conference and if the past pattern is to apply, which I think it will, then the House figure of $297 million will be increased substantially, guaranteeing a veto. To vote for the committee bill, H.R. 1011, as reported by the committee thus, in my opinion, would have the ultimate effect of denying any Federal aid to airports which I am the first to admit is needed for safety purposes and I, of course, have been a supporter of justified Federal assistance in that it involves interstate commerce.

I hope the House approves the Springer amendment which can become law but if it does not, I will feel compelled to vote against the committee bill which means no bill at all. Legislation that can become law is critically needed with the fast growing air traffic and the advent of the jet age. It is unfortunate that politics is being played with this legislation. I refuse to be a part of those politics in the interest of providing needed Federal assistance for air safety in the gate-to-gate airport development program throughout the Nation. I further refuse to join the free-spenders who are supporting spending the $97 million more contained in the committee bill.

I trust that should the President veto the bill as finally passed, that Congress will measure up to its full responsibilities and will report out a bill that can become law.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ABERNETHY. The gentleman heard my remarks a few moments ago. What concerns me about the substitute is that it contains eight pages of language to which none of the debate has been directed. What does that language do?

Mr. HARRIS. Let me tell the gentleman.

We are going to vote on a very important proposition for the American people in about 5 minutes.

I can well appreciate the attitude of Members regarding this proposal. It has been obvious from the beginning of this year; as a matter of fact since last year, when the bill at that time was vetoed, that this was going to be a political vehicle by which it was going to be brought to the American people to show who is trying to spend a lot of money. I hope this legislation will not be decided on that basis. It is too important. The committee has worked out a bill by the will of the committee, working with the information it had before it. Yes; the gentleman is concerned about eight pages in the bill.

First let me tell you that the substitute bill and the committee proposal on the question of terminal facilities, those facilities utilized 100 percent by the Federal Government, are substantially the same. The treatment of Alaska, and now Hawaii, is identical. The question is not $297 million versus $200 million. No. Let me emphasize to the gentleman from Mississippi, here is the issue today: The issue is, Are we going to throw overboard this formula for the allocation of funds for the construction of airports, that has existed since 1946, and give to an administrator of an agency, a bureau, twice as much to use at his discretion? That is the issue. That is the eight pages the gentleman is referring to. Today under the law, and it has been throughout, 75 percent of the total to be allocated to the States is for the State programs, 25 percent to the Administrator to take care of emergencies. This substitute bill proposed by my friends on the minority would destroy the longtime formula, and you would take twice the amount and give it to one man to distribute and allocate as he chooses, as he sees fit. That is the issue we have got today. They say they are going to liberalize the Los Angeles Airport program with less money. The gentleman is right. It cannot be done. How ridiculous can you get?

In trying to propose that, it seems to me it is the greatest lip service to economy that has ever been offered to the American people. It has been said we arrived at a figure not justified by the record. I say the figure is justified by the record, notwithstanding the attack on the airlines. Yes, we subsidized the railroads. We subsidized the highways. We subsidized the waterways. Why the attack on the airlines that are providing service to the American people? Why the attack on the Airport Operators Council? Why the attack on the National Association of State Aviation Officials and others who supported this program, to try to make the American people believe that we are getting something by simply a reduction of $97 million? No; the issue here is, Are you going to give more power to one man or are you going to require him to follow the 1946 law? This is a good bill, worked out on the basis of the record. I urge that the substitute be defeated and that the committee bill be supported.

The CHAIRMAN. All time for debate on this amendment has expired. The question is on the substitute offered by the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. SPRINGER and Mr. HARRIS.

The Committee divided, and the tellers reported that there were—ayes 144, noes 181.

So the amendment was rejected.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: Page 4, line 24, strike out "for" and all that follows down through the period in line 1, page 5, and insert the following "for the fiscal year ending June 30, 1960, the sum of $29,800,000 for each of the fiscal years ending June 30, 1961, and June 30, 1962, and the sum of $29,700,000 for the fiscal year ending June 30, 1963."

Mr. DAVIS of Georgia. Mr. Chairman, I want to express the appreciation which I feel to the committee for reducing the figure to the amount now contained in the bill. I feel, however, that $200 million, the amount which is stated by the head of the Agency to be sufficient, ought to be the amount which this bill carries. I have therefore offered this amendment which deals with nothing but the amount of money in the bill. It reduces the amount from $297 million, which is provided in the bill, to $200 million.

The reduction is effected in the following manner:

There is no reduction for 1960. The bill leaves an authorization of $62.1 million for fiscal year 1960. This amendment affects the paragraph beginning on page 4 of the committee bill, beginning on line 15 and ending over on line 5 of page 5. For fiscal year 1961 the reduction is $32.3 million, leaving an authorization of $29.8 million. For 1962 the reduction is $32.3 million, leaving an authorization of $29.8 million, and for 1963 a reduction of $32.4 million, leaving an authorization of $29.7 million. That will cut the amount in this bill down to $200 million.

Mr. Chairman, I think this is a fair proposal, and I think that this amendment should be adopted. I do not think that the bill as it finally passes the House is the one which will go to the White House for signature, anyway. There is going to be considerable maneuvering and negotiating when this bill goes to the committee of conference. To effect this cut today will put us in a bargaining position where I think that the final bill which comes out will be one of which we might be proud and that all of us could support and feel that equity is done and that an adequate bill will be sent to the White House. This amendment does not affect the proposal on page 6 of the committee bill which deals with the additional discretionary fund. It does not present any of the difficulties which were involved in the substitute which was just voted upon. It simply authorizes a cut of $97 million, and I think that it is a fair proposal. I solicit your support for it.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have had rather full debate on this question. I ask unanimous consent that all debate on this amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

Mr. COLMER. Mr. Chairman, reserving the right to object——

Mr. HARRIS. I withdraw it.

The CHAIRMAN. Very well.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment. As I have stated, we have had a rather full discussion on this question. I fully realize the feeling that has been expressed throughout the country and the Congress on this question of reducing the

budget. It seems to me, however, it is rather unfortunate that at the outset we take one of the most important programs for the interest and the safety of the American people for the application of this principle. There is no question but what the record shows that to meet the requirements of local sponsors that the Federal Government's share would be approximately $477 million. Now, that was information developed during the course of hearings in our committee. In 1955 the question arose as to whether or not the Federal Government should share in the construction of terminal buildings. The Congress approved a policy that terminal buildings were a part of the national airport program. Now the question arises to what extent terminal buildings shall become part of it. It was apparently the overwhelming sentiment of the committee, from the hearings that we had, that we should not fully share in the 50–50 matching in connection with terminal buildings. Then it developed that some 30 to 35 percent of the total sponsors estimated would be needed would have gone into the terminal buildings program. Therefore the committee first reduced the amount to $363 million before cutting out the terminal building program, except for the space used by the agencies themselves. Then in a later move, there was a further reduction, through an amendment offered by one of the members of the committee, so that it was reduced to $297 million on reconsideration. That was arrived at in this way. You take 35 percent of the estimated needs to meet this program from the $477 million and you get approximately $300 million. That is the way the committee arrived at this figure of $297 million. So that under the present law, working out the formula under the allocation, we have a uniform airport construction program that the committee felt would meet the needs during the next 4 years.

Mr. Chairman, I will say to my colleagues that there has been no greater consideration given to any legislation in this Congress than this committee has given to this bill to try to justify the needs, and yet to meet the requirements that are necessary to carry out the national airport plan.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I have two questions. Does the gentleman feel that the figure $297 million or thereabouts—$1 million or so either way—will be adequate to carry out the objectives of the bill?

Mr. HARRIS. I think the $297 million may ultimately prove to be a little low. But we feel that with the sponsors of those programs making special efforts, we can fairly do the job.

Mr. ABERNETHY. Mr. Chairman, I want to ask the gentleman one other question. I realize in asking it that he cannot answer for somebody else. But there is concern in this Chamber on both sides of the aisle regarding the financial structure of our country. I am sure the gentleman is concerned about it; in fact, I know he is.

Does the gentleman feel that if this bill is passed with this figure, that there will be sufficient strength and force behind it to get the other body to accept it in conference?

Mr. HARRIS. Let me say to my friend from Mississippi that I appreciate the compliment he has paid me. I am concerned about the budget. That is the reason I made the suggestion to the committee that we live within the budget that was sent down to us by the White House. We are $2 million under the budget figure in this bill we have. If we could get the solid support of this House to back up this committee, in my humble judgment we could go a long way toward convincing the other body that this is something like the figure that, No. 1, is needed and justified and, No. 2, would fairly well meet the requirements. But if the gentlemen, as they have indicated over there, admit defeat to start with and send me to conference with that kind of mandate, I do not know what we will be able to do. I am asking the House to back up the committee in what it has done in its reduction of these figures and give us your solid support. I think we can get a bill that will go to the White House within the budget, and surely, surely reasonableness would dictate its approval.

Mr. COLMER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not like to inject myself into this debate for several reasons. One is the very high regard and the great personal affection I have for the chairman of this committee, the gentleman from Arkansas [Mr. HARRIS]. But, Mr. Chairman, if we are ever going to begin to do something about this deficit spending, if we are ever going to do anything about trying to stop the fire of inflation, we must begin now to do it on these authorization and appropriation bills.

We are all of course interested in airports and in airways, but the thing I am most concerned about now is where we are going if we do not start applying the brakes.

We have seen some partisan exhibitions here today and probably yesterday. I want to just tell you people over here on my left and you people over here on my right that I am not so much concerned about the future of the Republican Party or the Democratic Party in this country, the thing I am most concerned about is the future of the Communist Party in this country, because once you destroy the value of the dollar and the credit of the Government the Communists are going to move in. That was the prescription the original Communist—Lenin—blueprinted when he said the way to destroy America, the chief potential enemy, was to make it spend itself into bankruptcy.

I ask you, where are we headed?

I was talking with the Secretary of the Treasury, Mr. Anderson, the other day. When I started that conversation I was worried about the future of my grandchildren, but when I got through talking with this man, who knows more about it than I do, I was worried about myself, not about my grandchildren. I am worried as to what the future is going to be in my time if we continue this deficit spending. I would like to see this amendment adopted.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I will have to yield to my devoted friend.

Mr. HARRIS. I share the gentleman's concern about deficit spending, but the gentleman does realize that the bill we are presenting to you here is within the budget that was presented to the Congress by about $2 million.

Mr. COLMER. I just got through telling my friend that I am not concerned about the President's budget or whether it is realistic, or phony as it is sometimes charged. What I am concerned about is the spending of Federal money, inflation, the soundness of the dollar and the future of the Republic. Why, do you know that President Roosevelt and I came to Washington together. We both ran at the same time on an economy platform. We charged Hoover with being a spendthrift because he was spending a little better than $4 billion a year. Today, after President Roosevelt and President Truman and President Eisenhower, we are spending twice that much to service the national debt. How long can we go on with this type of Federal spending without somewhere down the line reaching the day of reckoning? I repeat—once you destroy the credit of the U.S. Government, then everything will be gone and then the Communists are going to move in. So let us cut down on expenditures a little bit here. Certainly if we cannot live within our income now in an alltime high period of peacetime economy and a record high level of peacetime taxes we will never do so.

Mr. Chairman, I am sure that my position here today comes as no surprise to my colleagues, particularly the older Members. I have been expounding this same philosophy for many years. In this connection, I am submitting herewith for the RECORD a speech which I made on this subject almost exactly 7 years ago. The speech is as follows:

HIGH TAXES RESULT OF UNBRIDLED SPENDING

Mr. COLMER. Mr. Speaker, I call up House Resolution 578 and ask for its immediate consideration.

Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that, I yield myself 15 minutes at this time.

Mr. Speaker, for the past two decades this splendid young Republic has been going through one crisis after another; some were real, others mere political creations advanced to perpetuate those in control of the government in power. Today we are faced with another crisis, a real crisis, a crisis that threatens to destroy the fiscal foundation of the Republic. We are on the brink of the precipice of national bankruptcy. More and more thoughtful citizens throughout the country are realizing and fully appreciating the dangers ahead if this unbridled governmental spending is permitted to continue.

Today we, the representatives of the people, are given an opportunity to apply the brakes and thus make a further contribution toward reversing the trend in extravagant governmental spending.

This rule makes in order the consideration of H.R. 7072, the annual independent offices appropriation bill, a bill appropriating funds for the next fiscal year for most of the Federal bureaus. The President, through his Budget Bureau, requested of the Congress a total of $2,085,097,390 for these bureaus. The Appropriations Committee, under the able leadership of its subcommittee chairman, the gentleman from Texas [Mr. THOMAS], has cut that request by a total of $700,048,695. In every case the committee has made substantial reductions excepting, of course, such items which are fixed and not susceptible to reduction.

As one who has long been interested in this economy drive, I desire now to express, in the premises, on my own part and on the part of my coworkers, the gratitude of all economy-minded Members of this body for the committee's efforts. While further efforts will be made in the form of appropriate amendments to make even further economies, I apprehend that determined efforts will be made by those Members of the House who consider themselves liberal minded to restore the reductions made by the committee in an effort to continue the spending spree. This effort must not prevail. The line must be held.

BALANCED BUDGET

Mr. Speaker, I have been alarmed for the past several years over the dismal picture presented of the country going deeper and deeper each year into the red while the Federal Government digs deeper and deeper into the pocket of the American taxpayers. More than a year ago a little band of southern Democrats, with the aid of others, in this body got together and agreed to accept the President's challenge to cut his budget. Last year we succeeded in trimming that budget several hundred million dollars. This year others have joined our group and the work continues. We have reason to believe that, with the addition of more and more converts to the cause, the budget can be balanced this year in spite of the $82 billion request of the President with the resultant $14 billion proposed deficit. If the economy line is held on this bill and the succeeding appropriation bills yet to come before us, there will be no necessity for any deficit. We can place ourselves on a pay-as-you-go basis. Therefore our immediate objective this year should be a balanced budget.

It is as obvious as the noonday sun that if we cannot balance the budget now, with an all-time high national income of cheap money together with an all-time high taxing program, the hope of ever balancing the Nation's budget is indeed dim. In fact, prudence suggests that under such conditions we should be retiring a part of our gargantuan debt and fortifying our fiscal condition for the eventual rainy day.

FANTASTIC GROWTH OF NATIONAL DEBT

Mr. Speaker, the growth of our national debt and the fantastic amount of taxes extracted from our people has caused me to do a little research. I thought it might be well to call the attention of the Congress and the country to some comparative figures of taxes and expenditures by our Federal Government at 25-year intervals over a period of the past 160 years of the country's history. The startling results are as follows:

Period	Total expenditures	Net receipts	Change in public debt
1789 to 1813	$219,233,000	$221,816,000	[1] $6,024,000.00
1814 to 1838	534,759,000	644,634,000	−71,053,000.00
1839 to 1863	2,232,812,000	1,130,702,000	1,109,339,000.00
1864 to 1888	8,833,181,000	8,881,529,000	264,858,000.00
1889 to 1913	12,701,857,000	12,787,468,000	−191,584,000.00
1914 to 1938	124,883,429,000	89,393,932,000	35,971,693,000.00
1939 to 1952 [2]	638,131,389,000	419,494,298,000	260,193,628,740.39

[1] 1790 to 1813.
[2] To Mar. 13, 1952.

To say that the figures are startling is an understatement. It is significant to note that in the first period of the country's existence, when the Jeffersonian principle that the people who are least governed are best governed was in full bloom, and prior to the growth of the doctrine of paternalism that the poor young striving Republic actually had a substantial balance of more than $6 million in the Treasury. Compare that figure with the national debt of more than $260 billion today and one is compelled to question the oft-repeated statement that the country today is more prosperous than ever before in its history. Moreover, I desire to again call the attention of my colleagues to the fact that the Government is no different in its fiscal affairs from the individual or a corporation. The management of Government is a business matter. The fact that Government is big business makes no difference. And I repeat what I have often stated on the floor of this House, "There is a bottom to the Government's meal barrel as well as to the individual's or the corporation's."

INCONCEIVABLE DEBT

Mr. Speaker, we have been lulled into complacency so long by the so-called liberal thinkers and have been so accustomed to appropriating the taxpayers' money in denominations of billions that it is impossible to comprehend what a billion really is. Some mathematician, in an effort to comprehend a billion dollar figure, has come up with this startling illustration:

"If a person had started in business in the year A.D. 1 with a billion dollar capital, and if he had managed his business so poorly that he lost $1,000 each day, in 1952 he still would have enough capital left out of his original billion to continue in business, losing $1,000 a day, for almost an additional 800 years, or until the year 2739."

Now in order to attempt to get some conception of how long it will take us to retire the present national debt of over $260 billion let us assume that we are frugal and prudent and start retiring that debt at the rate of $500 million a year, 520 years would be required to retire the debt.

Moreover, Mr. Speaker, if further emphasis is desired on our financial status one needs only to refer to the fact that it now requires more than $6 billion per annum in the form of interest to service this enormous debt. The Treasury has now asked for and we appropriated last week an increase of $300 million to take care of the increased interest on that debt over last year. In other words, the interest alone on our national debt is costing the taxpayers now about 1½ times as much as the total expenditures for 1 year of the Federal Government in the period 1914–38.

DARK BUT NOT HOPELESS

Mr. Speaker, that, sir, is the fiscal condition of the greatest business in the world, the United States of America. It is an unpleasant picture. It cannot be passed off lightly with the explanation that we are in a global warfare against communism, another crisis. Neither can we comfort ourselves into further complacency by adding to that the fact that we have recently emerged victoriously from a global strife with Nazi Germany and totalitarian Japan. The fact is that the country has been victorious in other contests at arms and through other crises throughout its history without serious impairment of its financial structure. Those crises, prior to World War II and prior to the Soviet Russian menace, were serious, too, in their day. Can it be logically reasoned that the situation in this country for the past 6 years has been so grave as to require the extraction of more taxes from the American people than was taken from them in the first 156 years of the country's existence? I think not.

Permit me to again point out to my colleagues what I have repeatedly pointed out on the floor of this House during the past 6 years that so far as the masters of the Kremlin are concerned they want neither war nor peace. Their main purpose, in my humble judgment, is to conquer this country, as they have conquered all others, by the simple procedure of bleeding us white in the destruction of our economy. They would accomplish this here as elsewhere through fear, infiltration, by prodding us into national bankruptcy, and taking over in the resultant confusion of chaos and hunger. No one realizes more than the Kremlin strategists that a hungry belly cares little about the type of government it lives under. In substantiation of this I call your attention to the well-known fact that more than 600 million people have been drawn behind the Iron Curtain without the firing of a single gun by a Russian soldier.

When the blank checks, running into untold billions, are requested of the Congress for national defense and military and economic aid to foreign countries, we of the Congress, the representatives, and spokesmen for the American taxpayers, must stop and ponder. We must approach these requests realistically, giving due weight to the probability of the correctness of this view. For, it must be obvious to all that we Americans cannot indefinitely continue to arm and feed half the world. America is a rich Nation but there is a limit even to the resources of this great Nation. As one who made an on-the-spot study of world conditions in 13 foreign countires immediately following the war, I have always recognized the necessity for a helping hand to those who were making an honest effort to resist the plague of communism. But I have always consistently opposed the enormous amounts involved and advocated a more realistic contribution. It is unthinkable that we should now comply with the President's request for another $8 million contribution.

CONGRESSIONAL RESPONSIBILITY

Mr. Speaker, the solution to our financial problem and the responsibility therefor are strictly up to the Congress. More than that it is up to this House to see that the dangerous trend is reversed. I need not remind you that the wise men who founded this Government provided that because we of the House must originate all taxes and appropriations we should be elected every 2 years. We cannot hide behind the Chief Executive or complain of the traditional policy of the other body to increase appropriations. Certainly, at best the responsibility is twofold, the President and the Congress. Furthermore, I should like to refresh your memories today by calling your attention to the fact that the people of America are tax conscious as never before. The income tax, originally designed and practiced as a soak-the-rich tax, has become so enlarged that it now digs into the pockets of the smallest business man, the white-collar worker, and the day laborer. The policy, under the Fair Deal program, of everybody "touching" the Federal Government has likewise developed into the policy

of the Federal Government "touching" everybody. Even the humblest citizen now realizes that the Federal Government is no Santa Claus. In fact, we have reached the saturation point in taxation. With the tax rate as high as 90 percent in the upper brackets, the incentive for businessmen to make money scarcely exists, while the day laborer and the middle class find it difficult to live under the high rate of their own taxes.

Yes, Mr. Speaker, the people, the overburdened taxpayers of this country, are looking to us, as their representatives, to at least balance the budget. In fairness to those who founded this Republic and to the generations of future Americans yet unborn, we can do no less.

SOLUTION

Mr. Speaker, I fear that I have been boresome, and that I may even be charged with pessimism, in this long recital in an effort to emphasize the seriousness of the situation. It is serious. America is at the crossroads in its fiscal policy. If we do not change that policy we become a bankrupt people. If we destroy the faith and credit of the Government we lose everything, our economy, our standard of living, yes, even our cherished liberties.

If the Congress is to regain its constitutional control of the purse strings; if the budget is to be balanced; if we are ever to liquidate this enormous debt, I respectfully suggest and urge that the following formula be adopted:

First. Our legislative committees, as well as Committees on Appropriations, must cease reporting out bills except those which are absolutely essential to our economy and national defense.

Second. Every Member of this body must recognize that the objective of balancing the budget is his most important assignment.

Third. Sectionalism, partisan politics, responsiveness to highly organized minorities, must give way to the national need for a sound financial policy.

Fourth. Every dollar appropriated must be considered as carefully as if it were coming out of the pockets of the Members themselves, as indeed the Members' proportionate share is.

Fifth. Our congressional committees, particularly the Appropriation Committees, must be staffed with an adequate staff of experts equal in efficiency to the staffs of the various governmental agencies who appear before them seeking appropriations.

Sixth. The Congress and the country must recognize that financial solvency is as important as military might in preparing ourselves against any potential foreign aggressor, a fact which our military captains should be made to understand.

Seventh. Our foreign friends must be made to understand that there is a limit to the resources of America.

Eighth. The system of permitting the carryover of unspent funds from the current fiscal year into the new year must be abandoned. A meticulous study of the 1,200 pages of the President's budget this year will show that the carryover of unspent funds from the current fiscal year will exceed $60 billion.

Ninth. The procurement of military requirements, which constitute more than 50 percent of our expenditures, must be placed in the hands of trained civilians who appreciate the value of the dollar.

Tenth. And, finally, the citizens of the Republic, now conscious as never before of the burdens of taxation, must practice the doctrine of States responsibility as well as States rights. The practice of looking to Washington for Federal aid in civil responsibilities of their own must cease. They must realize that there is no State, county, or city whose financial statement is not sounder than that of the Federal Government.

Finally, Mr. Speaker and Members of the House, this budget can be balanced and must be balanced this year. Whatever it takes to balance it must be done. A $14 billion deficit under the President's budget recommendations is unthinkable. If this country, the last fortress and haven of a free people, is to survive our fiscal policy must be placed on a sound basis. The time is now. Next year may be too late. Now is the time to place the country above party.

In the name of the Founding Fathers who gave the country its birth, in the name of the untold thousands who have died to preserve it, in the name of free peoples everywhere, I beseech you to save the Nation from bankruptcy and thus perpetuate this, the most glorious form of free government ever conceived by the minds of men.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Georgia. I thought I was going to have something to say, but the gentleman from Mississippi got up in the well of the House before me and said it for me in a much better way than I can say it. We have all been disturbed, as the country is disturbed by the tremendous expenditures that are pending in this Congress. I guess we have all written to our constituents and told them how much we are interested in getting a balanced budget and a sensible fiscal situation during this present Congress. We have already been labeled as a spending Congress. Here is your opportunity to let it be known which side of this thing you are on. I think this is the first large authorization bill that we have had. We have some more pending and they are going to be coming along pretty soon, gentlemen, and then you are going to have your opportunity to see which side of this fence you are on. I am deeply disturbed about the fiscal situation of this country. I remember last year by reason of the tremendous expenditures of the last Congress, it was necessary for us to increase the debt limit twice in one year, and now we are told that before this good year of our Lord expires, we will again have to increase the debt limit. Yet, when it comes down to specific measures that may affect us a little bit back home in our own districts, we have that natural inclination to just go along with this one, but "We are going to do better on the next one." Gentlemen, here is the opportunity—here is the opportunity to demonstrate whether you propose to cut these expenditures this year or not. Remember this—there is some talk about the President's budget—the President's budget is not even a balanced budget. It is teetering on a very small balance and you all know that it is not going to stick. Remember another thing, gentlemen, that your Government bonds have reached such a point where they have disturbed the financial institutions of the country and your interest rate has been increased and is increasing. Your bonds are becoming difficult to sell on the open market—we might as well admit it. What are you going to do when we reach the point where you cannot sell your Government bonds—if we do reach that point—and I hope that we never do. But we are drifting in that direction.

Now, for one time, let us demonstrate that we are going to cut these things down as they come along, and perhaps in the end the committees will recognize that it is necessary. I do not say this in criticism of the committee that brought this bill in, because I think they did a good job. They cut it quite a bit. But we all know that the tremendous bill passed in the other body, even if we adopt this amendment, when it goes to conference you will spend more money by a considerable amount by the time the usual compromise is made than the agency that has got to carry this thing on says it needs. If the agency which knows the situation says they do not need the money and cannot use it, why should we insist upon voting more money than is needed for the project?

Mr. MOSS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me that the amendment before us is being offered not on its merits, but with a force of reasoning which is designed to frighten us. I point out that this Nation is today on the threshold of the jet age; that we have moved very rapidly in recent years, and that we should now talk about the perfecting of the necessary national network of airways. I point out to you that this network is essential to the growth of the economy of this Nation. Mark my words. The $97 million being authorized by the committee's action, over the figure proposed in the amendment before us, if you measure it in percentages of the budget, is an infinitesimal portion. An important portion, however. But if we are so desperate, if we are to the point where this $97 million over a period of 4 years is going to push us into some form of fiscal panic, then I suggest that this Congress apply its talents to searching out the waste and inefficiency in the military program; in the program of economic assistance, and of military assistance, which every one of us knows full well exists. If we want to apply those talents we can dig up not only this $97 million but many times as much. I think we should concern ourselves with the objectives of this legislation, the objective of giving some stimulus to the governmental units who are obligated just as much by financial problems as are we who have a much narrower base from which to seek other revenues, who are not permitted to regulate the commercial air industry. Then, if we followed the advice of the gentleman from Michigan and levied a $1 tax on each passenger, it would not put 1 cent into the hands of the local governments in the use of this program. The Federal Government controls this whole activity. It lays down the standards. Then we say to local governments: "You are taking a free ride." "You should look yourselves to meeting the needs of this Nation in this area, where the construction of adequate programs not only contributes to our country but contributes to our ability to defend ourselves."

Mr. HARRIS. Mr. Chairman, I think the Members of the House realize that under the amendment offered by the gentleman from Georgia [Mr. DAVIS]

after the first year there would be $29 million, as I understand, for each year, to be utilized in the airport construction program. Under the law 25 percent of that is discretionary with the Administrator, as it has always been. That means that only 75 percent of $29 million can be allocated to the States during each of the next 3 years. I think you should know there will be only about $21 million to be allocated for airport construction to the States for this program. Consequently there would not be enough for any airport program after the first year, and you might as well recognize that fact. Some of the smaller States of the country would get practically nothing at all.

Mr. MOSS. I thank my chairman, and I would urge all members of this Committee to vote with the confidence we must have in this case to meet the problems of our Nation, and not from fear. We are not going under on the basis of this airport program. If we want to seek the opportunity to save there are many areas where we can save much more.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The question was taken and the Chair announced that the noes seemed to have it.

Mr. SPRINGER. Mr. Chairman, on that I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. DAVIS of Georgia and Mr. HARRIS.

The Committee divided, and the tellers reported that there were—ayes 168, noes 157.

So the amendment was agreed to.

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: On page 5, line 5, immediately before the quotation marks, insert the following:

"Notwithstanding any other provision of this Act, no amounts may be obligated pursuant to this subsection or subsection (b) of section 6 of this Act in any fiscal year by the execution of grant agreements pursuant to section 12 of this Act until appropriations have been made for the liquidation of such obligations, which appropriations are hereby authorized."

Mr. WILLIAMS. Mr. Chairman, I have three additional amendments at the Speaker's desk, all of which are directly related to the amendment just offered, merely carrying out the purpose of this amendment as related to other parts of the bill, and I ask unanimous consent, Mr. Chairman, that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: On page 6, line 3, immediately before the quotation marks, insert the following:

"Notwithstanding any other provision of this Act, no amounts may be obligated pursuant to this subsection in any fiscal year by the execution of grant agreements pursuant to section 12 of this Act until appropriations have been made for the liquidation of such obligations, which appropriations are hereby authorized."

Amendment offered by Mr. WILLIAMS: On page 6, line 20, immediately before the quotation marks, insert the following:

"Notwithstanding any other provision of this Act, no amounts may be obligated pursuant to this subsection in any fiscal year until appropriations have been made for the liquidation of such obligations, which appropriations are hereby authorized."

Amendment offered by Mr. WILLIAMS: On page 9, after line 25, insert a new section, as follows:

"Sums appropriated pursuant to this Act with respect to any fiscal year beginning after June 30, 1959, shall remain available until expended."

Mr. WILLIAMS. Mr. Chairman, the purpose of these amendments is to provide for congressional control over the expenditure of the funds authorized in this bill.

First, may I say this: I know that quite often when someone offers an amendment of this type he is accused of being against the bill or attempting to gut the bill. Quite often he is asked the question if his amendment is adopted, or not adopted, will he support the bill. May I say that I am for this bill; I intend to support it whether these amendments are adopted or not. However, it is my belief that the amendments which I have offered should be adopted by the House. Otherwise, we will simply be handing over to the Administrator of the Federal Aviation Agency a signed blank check to draw on our account.

I have never felt that it was a good practice for Congress to authorize executive agencies to obligate the Congress or the Treasury in advance of appropriations. In this bill, as it came from the committee, Mr. Quesada's agency may obligate the expenditure of these funds; and, while it is true that he must have an appropriation from the Congress, the action of the Congress is more or less ministerial, and comes, in a manner of speaking, "after the fact." In any event, by the time it reaches the Appropriations Committee, it is too late for anything to be done, as the contract has already been made and the Congress committed. It becomes a matter over which the Congress has no control and no alternative but to pay the check drawn against the people's account, over which we are responsible as trustees.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from West Virginia.

Mr. BAILEY. When the appropriation comes up for economic aid abroad, will the gentleman offer the same qualifying amendment?

Mr. WILLIAMS. I should be delighted to do that, and then I shall vote against the whole bill, along with the gentleman from West Virginia. Now there is where we can effect some real economy. I thank the gentleman for mentioning that, and I hope other economy-minded Members will take the same kind of dim view of that as he and I do.

I know there are ample precedents for the type of contract authority carried in this bill. But the mere fact that there are precedents, and that it has been done in the past, is not—by any means—a justification for it. Such procedure is merely an abdication of the congressional responsibility that we, as elected Representatives of our people, are presumed to exercise and are charged to perform by the American Constitution.

This is what we have heard called a "backdoor approach" to the Treasury. We are delegating authority to the Aviation Agency Director, Mr. Quesada, in effect, to commit public funds without any control by the Congress, the elected Representatives of the people who must pay the bills.

If we enact the bill in its present form we will find that these expenditures cannot be budgeted by the President in line with, and with regard to, the general overall condition of the Treasury. Rather, he will have no alternative but to send us the exact amount which has previously been obligated by the Federal Aviation Agency. The language presently in the bill is a "gimmick", a means of bypassing the Appropriations Committee's authority, and would be an act of delegating a constitutional responsibility which we, ourselves, are obligated to assume.

I feel that we would be guilty of exercising gross fiscal irresponsibility by delegating spending authority to an appointed agent of the executive branch. This amendment offers the Congress an opportunity to regain control to some extent over the financial operations of the Government through the elimination of the language that opens the back door to the Treasury.

Mr. YOUNGER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. YOUNGER. Mr. Chairman, I rise in support of this amendment. We have a rather peculiar situation facing us in regard to the Aviation Agency. If you will notice, in the budget for 1960 there is a total of $760 million. Only $65 million of which does not have the annual review of the Committee on Appropriations. That is the amount that we just passed for aid to airports.

The capital investment, which is $145 million, comes from the Appropriations Committee.

Operations and maintenance, $328 million, comes from the Appropriations Committee.

Research and development, $63 million, comes from the Appropriations Committee.

Subsidy for airlines, $61 million, comes from the Appropriations Committee.

Service mail pay, $77 million, comes from the Appropriations Committee.

Aviation weather, $18 million, comes from the Appropriations Committee.

Every one of these items is annually reviewed by the Appropriations Committee. If we do not adopt the amendment offered by the gentleman from Mississippi, the Appropriations Committee will have no right to review annually that money for aid to airports. The Administrator can commit all of these funds over the period, and all the Appropriations Committee can do is appropriate the money to pay for an obligation already committed in the name of the Government.

I think it is highly essential, if the House is to regain control of the purse strings, for us to depend on the Appropriations Committee. I submit to you that this is a test vote of whether we want an orderly process by the Congress in appropriating funds. I certainly heartily support the amendment submitted by the gentleman.

One other item: This will not in any way prevent the Administrator from planning, because there is a provision that funds appropriated shall remain available until expended. So this amendment does in no way infringe on the ability of the Administrator to make his plans for the future.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I suggest to my colleagues that if you want to finish the airport bill it could be done by adopting this amendment. We tried the proposed procedure following 1946. As I indicated yesterday in the general debate, there was an appropriation of $45 million the first year, less the second year, and so on until in 1953 there was exactly nothing. The Appropriations Committee had a reason for it. The reason was that it takes a long time to prepare plans. The advance program for airports could not be developed in order to present a budget to the Appropriations Committee that would justify appropriations.

Let me describe to you for just a moment how this program works. Both the bill presented by the committee and the substitute bill of the administration which was offered and considered, carried this contract obligation authority. I would like to describe just how this program works. In the first place, under the authorization at the beginning of each year there is a distribution made by the Administrator of the amount authorized to the various States. That is the first step. The second step is the developing of plans by the sponsors in the various States through the regional offices. That requires time. It takes not 1 year but sometimes 2 or 3 years. The sponsors have to go in and arrange for local financing, perhaps by a bond issue. Everyone knows that that takes time.

The third step is for the Federal Aviation Agency to put the project in the program, which means funds are earmarked for that project. In the next step you obligate the money under grant agreements. Then, after the obligation and the grant agreement is entered into, the sponsor then makes a construction contract. That in itself requires time. After the work has been done, the sponsor comes to the FAA for payment and payment is made from funds appropriated by Congress in accordance with the provisions of the amendments to the Federal Airport Act made by the 84th Congress, which authorizes appropriations necessary to liquidate the obligations incurred.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HARRIS. Mr. Chairman, I think it is very important to understand just what this procedure is. Each year the administrator makes an estimate of what will be needed to meet these obligations during the next fiscal year. Then the budget comes to the Congress. It goes to the Committee on Appropriations.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. WILLIAMS. What the gentleman is saying is true except that the money has already been obligated by the time it reaches the Budget and by the time it reaches the Congress, and Congress has no alternative but to pay the bill. The gentleman knows that.

Mr. HARRIS. I cannot agree with that at all. That is not the necessary procedure and it is not the law, and I disagree with my distinguished colleague as to the procedure. The Committee on Appropriations can slow this thing down to zero if it wants to by reviewing it because these obligations and authorizations are pretty well agreed to. It is the responsibility of the Committee on Appropriations to review and report to this Congress and appropriate the amount necessary to meet these obligations.

Mr. WILLIAMS. If it was done the way the gentleman says it is done, then my amendment would not be necessary. The fact is all of the language in the bill would not be necessary to bypass the Appropriations Committee. The point is that this money is already obligated under the authority of this act before it is budgeted and sent to the Congress.

Mr. HARRIS. The gentleman has stated that three times. I am trying to explain how this program works. You have to have something that the sponsors themselves can depend on. They cannot make their plans in 1 year. No Appropriations Committee is going to appropriate money in anticipation that 3 years from now a program will be worked out. The program has to be worked out first. The local financing is second. Then we have to have the application, and the programing by the FAA and the signing of the grant agreement, and then we have to enter into a contract, and then appropriate the money. The last step is to draw a voucher on the Treasury, just like the Constitution provides.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. HARRIS] has expired.

Mr. JONAS. Mr. Chairman, I rise in support of the amendments.

Mr. Chairman, once funds have been obligated legally, the Appropriations Committee has no choice but to grant the appropriation.

In support of this proposition, I would like to cite House Report No. 216, which was filed in the first session of the 85th Congress. This was a report prepared by a special subcommittee appointed by the distinguished chairman of the House Committee on Appropriations. That subcommittee gave some study to this very problem, and it filed its report, as I have indicated, in 1957. The title of the report is "The Administration Plan To Improve Congressional Control of the Budget."

The distinguished gentleman from Texas [Mr. MAHON] was chairman of that subcommittee, and if I may have the attention of the distinguished chairman of the House Committee on Interstate and Foreign Commerce, apropos of his comment toward the conclusion of his remarks, I would like to read what Mr. MAHON and his subcommittee said with respect to this proposal. I am reading from page 9 of House Report No. 216, made to the 1st session of the 85th Congress:

> It may come as a surprise to many to know that while the last session of Congress was reducing the President's requests for "appropriations" in appropriation bills by $257 million, it was at the same time, in other than appropriation bills, increasing the President's requests for other types of obligating and spending authority about $1,736 million. These types of authority result in expenditures from the Treasury just as do expenditures from appropriations.

Then the chairman of this very important subcommittee listed the items that made up that $1,736 million in increased spending authority over and above budget requests and over and above appropriation bills, and then he said this:

> The practice continues to grow. Recent examples in point indicate the trend. The multibillion dollar Federal aid highway grant program figures have dropped from budget totals. The law actually appropriates the receipts to a so-called trust fund for the next 16 years, to be obligated through contract authority, removing approximately $2 billion a year from determination in the annual appropriation process. In 1955—

And this is point I would like for the chairman to hear—

> In 1955, contract authority ($63 million a year for 3 years) for airport-construction grants was enacted in basic legislation for the first time. In the annual budget Congress is presented with the bill and has no choice but to grant the appropriation.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Does the gentleman understand that if this amendment is approved and we apply a similar amendment to the mutual aid appropriation bill that it will automatically kill $5,800 million authorization for which the Congress has so far made no appropriation? Does the gentleman think the President would approve the bill?

Mr. JONAS. I do not know whether the President would approve the bill; I am simply saying that here on these amendments offered by the gentleman from Mississippi the Congress is being given another opportunity to put an end to this practice of authorizing executive agencies to obligate the credit of the United States by bypassing the budget and appropriating processes. It is not a good practice; I think it ought to be discontinued.

I have just pointed out how in one session of the Congress we increased

spending authority over and above appropriation bills—in one session of Congress alone—by $1,736 million.

Just a few weeks ago the gentleman from Virginia [Mr. GARY], pointed out on this floor how last year, during another single session of Congress, we did the same thing except that last year the sum amounted to more than $4 billion, and the other body passed bills authorizing spending outside of appropriation bills in an amount that totaled $9 billion.

I do not think that is a proper way for Congress to discharge its traditional and constitutional authority and responsibility to exercise control over Government spending. It is, in my judgment, an unwise practice and should be discontinued. We can make a start today in the direction of regaining some congressional control over spending by adopting the pending amendments. I urge the committee to adopt them.

Mr. FLYNT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I am glad to yield to my chairman.

Mr. HARRIS. I hate to interrupt the gentleman or take any of his time, but I have to do it in order to answer the gentleman from North Carolina. I would like to advise, Mr. Chairman, that a letter from the Administrator to the committee, dated February 19, on this very program states that during the fiscal year of 1957 Congress appropriated $30 million in order to meet obligated contractual programs; in 1958 the Congress appropriated $25 million, $5 million less than the year before. In 1959, the Congress appropriated $30 million for the purpose. Therefore, the Appropriations Committee and the Congress does each year review and appropriate the funds for this program.

Mr. FLYNT. Mr. Chairman, on this amendment offered by the gentleman from Mississippi, I regret to find myself in a position contrary to that of my distinguished chairman. However, I supported the Williams amendments in committee and for the same reasons.

I now support the amendment offered by the gentleman from Mississippi. I believe with the adoption of this amendment we will provide more in the way of airport improvements than would be provided by the funds authorized in the bill without the amendment.

Any time that the Congress gets two opportunities to find out if money is being spent in violation of law we save tax money from going down ratholes and gutters in wasteful and extravagant expenditures. Let me give you just one example of cost analysis. This is very close to me, for it is within my district. There was a General Services Administration invitation to bid put out on a 3-year lease basis.

There was no suitable building in this city to house the Federal agency. So a building had to be built. The regional office of the General Services Administration entered into a contract with the builder of this building at an annual rental rate which is reported to me to be sufficient to pay for the entire cost of construction in 3 years' time. It is the worst example of short amortization I have ever had reported to me. If there had been a subsequent requirement for that Administrator to come back before the Committee on Appropriations so that the Congress could see how this money was wasted, I believe that the United States Government and the taxpayers of this country could have been saved as much as 50 percent of the cost of this 3-year lease agreement.

The same thing can just as easily apply in the administration of the Federal Airport Act. I have no apprehension along the line expressed a while ago by the chairman of our committee when he said there would be unconscionable delays and that the program would fail. I do not believe that this Congress would ever fail to appropriate a single dollar that was properly spent by the Administrator under the authorizing authority contained in this bill if the amendment offered by the gentleman from Mississippi is adopted.

If there are any abuses in the administration of this act, assuming adoption of the amendment offered by the gentleman from Mississippi, and I hope it will be adopted, those abuses can be corrected when the Administrator comes back before the Congress to obtain an appropriation to pay the money that has been authorized. On the other hand, if you reject this amendment, he can squander, waste, or illegally spend as much as 40 to 50 percent of this money and there would be no way on earth under the law to prevent it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent (at the request of Mr. FLYNT) he was allowed to proceed for 2 additional minutes.)

Mr. FLYNT. Mr. Chairman, in this connection we must realize that while responsible officials will be required to appear before the Congress each year and request funds to pay for the financial obligations previously created under the authority of this bill, the annual appropriation action by the Congress will be merely ministerial in nature and will come too late to provide any safeguards or any control over illegal expenditure of the tax money.

Mr. Chairman, I believe the adoption of the pending amendments will strengthen this bill. It will in no way weaken it, it will in no way affect the application of the act, it will not slow down airport construction, but I do think it will provide an unmistakable guarantee against corruption, against waste, and against the illegal expenditure of money.

Mr. Chairman, I ask the Committee of the Whole to adopt the amendments offered by the gentleman from Mississippi.

The CHAIRMAN. The question is on the several amendments offered by the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HARRIS and Mr. WILLIAMS.

The Committee divided, and the tellers reported that there were—ayes 169, noes 154.

So the amendments were agreed to.

The CHAIRMAN. The Clerk will read.

Mr. HARRIS: Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The remainder of the bill follows:

SEC. 2. Section 5(b) of the Federal Airport Act, as amended (49 U.S.C. 1104(b)), is amended to read as follows:

"(b) For the purpose of carrying out this Act with respect to projects in Puerto Rico and the Virgin Islands, there is authorized to be obligated by the execution of grant agreements pursuant to section 12 of this Act the sum of $2,500,000 for the fiscal year ending June 30, 1956, and the sum of $3,000,000 for each of the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959, and the sum of $900,000 for each of the fiscal years ending June 30, 1960, June 30, 1961, June 30, 1962, and June 30, 1963. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized, and shall continue to be so available until so obligated. Of the sum of $900,000 authorized by this subsection for the fiscal year ending June 30, 1960, and for each of the following fiscal years, the sum of $600,000 shall be available for projects in Puerto Rico and the sum of $300,000 shall be available for projects in the Virgin Islands."

SEC. 3. Section 5 of the Federal Airport Act, as amended (49 U.S.C. 1104), is amended by adding at the end thereof the following new subsection:

"ADDITIONAL DISCRETIONARY FUND

"(e) In addition to the sums authorized in subsections (a) and (b) of this section, the Administrator is authorized to obligate in his discretion the sum of $20,000,000 for the fiscal year ending June 30, 1961, and the sum of $15,000,000 for the fiscal year ending June 30, 1962, and the sum of $10,000,000 for the fiscal year ending June 30, 1963, which sums shall be available to pay the United States share of costs of any approved project, and shall be administered as a separate fund without regard to the provisions of section 6 of this Act. Each of the sums authorized to be obligated under this subsection shall become available for obligation beginning July 1 of the fiscal year for which it is so authorized, and shall continue to be so available until so obligated."

SEC. 4. Section 6 of the Federal Airport Act, as amended (49 U.S.C. 1105), is amended as follows:

(1) Strike out the second sentence of subsection (a) and insert in lieu thereof the following: "Each amount so apportioned for a State shall, during the fiscal year for which it was first authorized to be obligated and the fiscal year immediately following, be available only for grants for approved projects located in that State, or sponsored by that State or some public agency thereof but located in an adjoining State, and thereafter any portion of such amount which remains unobligated shall be transferred to and become part of the discretionary fund provided for by subsection (b)."

(2) Strike out subsection (c).

SEC. 5. Section 10 of the Federal Airport Act, as amended (49 U.S.C. 1109), is amended by inserting immediately after subsection (c) the following new subsection:

"FACILITIES USED FOR UNITED STATES ACTIVITIES

"(d) Notwithstanding any other provision of this Act, to the extent that the project

costs of an approved project represent the costs of constructing, altering, or repairing that portion of any airport building required to house air traffic control activities, weather reporting activities, communications activities related to air traffic control, or any other activity of the United States with respect to which the Administrator determines that it is in the best interests of the Government to provide facilities therefor, the United States share shall be not to exceed 100 per centum of the allowable costs of such facilities. The United States share shall not include any amount attributable to the cost of constructing, altering, or repairing any other portion of an airport building, or any amount attributable to that part of a project intended for use as a passenger automobile parking facility."

SEC. 6. Section 4 of the Federal Airport Act, as amended (49 U.S.C. 1103), is amended by inserting "(a)" after "SEC. 4." and by adding a subsection to read as follows:

"(b) It shall be the duty of the Administrator to make public by January 1 of each year the proposed program of airport development intended to be undertaken during the fiscal year next ensuing."

SEC. 7. (a) Section 2(a) of the Federal Airport Act, as amended (49 U.S.C. 1101(a)), is amended as follows:

(1) In paragraph (7), strike out "the Territory of Alaska, the Territory of Hawaii, or Puerto Rico and the Virgin Islands" and insert "Puerto Rico, or the Virgin Islands".

(2) Amend paragraph (12) to read as follows:

"(12) 'State' means a State of the United States, the District of Columbia, or the Territory of Hawaii."

(b) Section 3(a) of such Act, as amended (49 U.S.C. 1102(a)), is amended as follows:

(1) In the first sentence, strike out "the Territory of Alaska,".

(2) In the third sentence, strike out "the Territories, and".

(c) Section 7 of such Act, as amended (49 U.S.C. 1106), is amended as follows:

(1) Strike out "in the Territory of Alaska, in the Territory of Hawaii, or".

(2) Amend the section heading to read as follows:

"AVAILABILITY OF FUNDS FOR PROJECTS IN PUERTO RICO AND THE VIRGIN ISLANDS"

(d) Section 9(c) of such Act, as amended (49 U.S.C. 1108(c)), is amended by striking out "the Territory of Alaska, the Territory of Hawaii, Puerto Rico and" and inserting "Puerto Rico or".

(e) Section 10(c) of such Act, as amended (49 U.S.C. 1109(c)), is amended as follows:

(1) Strike out "the Territory of Alaska and".

(2) Amend the subsection heading to read as follows: "Projects in the Virgin Islands".

SEC. 8. The amendments made by this Act shall not apply with respect to projects for which amounts have been obligated by the execution of grant agreements before July 1, 1959, or the date of the enactment of this Act, whichever is the later date, and, with respect to such projects, the Federal Airport Act shall continue to apply as if this Act had not been enacted.

Mr. HARRIS. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Page 6, line 21, insert "(a)" after "SEC. 4."

Page 7, after line 9, insert the following subsection:

"(b) Notwithstanding the amendments made by subsection (a) of this section, if prior to the date of the enactment of this act a reapportionment was made to a State under section 6(c) of the Federal Airport Act, as heretofore in effect, and the fiscal year for which the reapportionment was made has not expired, any unobligated portion of the amount so reapportioned to such State shall remain available for obligation, only for grants for approved projects located in that State, or sponsored by that State or some public agency thereof but located in an adjoining State, until the end of such fiscal year, but any portion of such amount which still remains unobligated at the expiration of such fiscal year shall be transferred to and become a part of the discretionary fund provided for by section 6(b) of such act."

Mr. HARRIS. Mr. Chairman, I offer this amendment as a technical amendment in order to clear up one problem in connection with the reapportionment of funds under this bill. Section 6 of the bill repeals the provision of the present law which provides for reapportionment of funds. However, under the present law reapportionments are made for a period of 1 fiscal year, and it is likely that as of the enactment date of this legislation States will have to their credit, as the result of a reapportionment, obligational authority which but for the repeal of the reapportionment provision they would continue to have until the end of the fiscal year for which such reapportionment was made.

The bill does not clearly provide for what is to happen to this particular obligational authority.

The purpose of the amendment is merely to make it clear in any such case, (1) that the State will continue, until the end of the fiscal year for which the reapportionment was made, to have the authority to obligate such funds for approved projects, and (2) that any such obligational authority which remains unused at the end of such fiscal year shall be transferred to the discretionary fund provided for by section 6(b) of the present law.

This is to clear up the status of the reapportioned funds which go back under this bill to the discretionary fund instead of being apportioned under the formula.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. BENNETT of Michigan. As I understand it, the purpose of the amendment is to make it clear that if this bill becomes law before the end of the fiscal year, before July 1, the unallocated funds of this fiscal year will not be affected?

Mr. HARRIS. That is correct.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ROGERS of Colorado. The amendment proposes to keep in effect allocations heretofore made. As an example, it was pointed out yesterday that there were 14 States which have not made complete use of the allocations under the old formula. Section 8 of this bill provides in effect that unless there is an executed grant agreement before July 1, 1959, this money would not be available. Do I correctly understand that the gentleman's amendment clarifies this so that any allocation heretofore made under the old law will be available regardless of whether or not a grant agreement has been entered into on or before July 1 of 1959?

Mr. HARRIS. Yes; until the time it reverts to the fund.

Mr. ROGERS of Colorado. A reversion, however, would not go to the reapportionment as existed heretofore?

Mr. HARRIS. No, it would not; that is right.

Mr. ROGERS of Colorado. It would go to the discretionary fund and still be available?

Mr. HARRIS. Yes.

Mr. ROGERS of Colorado. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The amendment was agreed to.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to philosophize for a few minutes on how you can sort out the spenders from the savers. Presumably if there is a separate vote asked for on the Davis amendment, and I understand there will be, and you vote for it, you are a saver, and if you vote against it you are a spender.

I would be interested to see how the leadership on the side of the gentleman from Missouri [Mr. CURTIS], who just now made some inaudible comment, vote when the foreign aid bill comes up, because in that bill this same administration that is talking about the spenders and the savers is asking for enough money for three Caribbean nations, whose leaders right now are talking about going to war with each other, to put landing lights on a thousand airports. I suppose if we vote for that we are statesmen, but if we vote to light up an airport to save 57 or 59 lives, like those who were lost recently in New York, we are spenders. If that is the way you have to be judged, if that is the way you have to decide how to be a saver or a spender, I am going to be a spender.

There is almost enough money that went down the drain in Iraq in past foreign aid bills to equal as much money as the Davis amendment will save. Now let us make no mistake about it. I have supported the foreign aid bills for the 10 years, which is the total number of years I have been in this body. If the committee takes enough of the junk out of it this year before it gets to the floor, I am going to support it again. If they do not, I am going to try to take some out on the floor and hope then that I will be able to support it. But, I think it is only fair, especially for the new Members of the House, to point out that since this airport bill has been made a political issue and since we are talking about balancing the budget that there is more than one way to balance the budget. I hope the Davis amendment will be defeated. Then I will help you to take enough of the junk out of the foreign aid bill to more than balance the amount that has been kept in by defeating the Davis amendment.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: On page 9 immediately below line 2, insert the following:

"(3) In the third sentence, insert immediately before 'and such other considerations' the following: 'the advantages and

disadvantages of airport sites and proposed airport sites, as shown by studies conducted through flight simulator tests and otherwise of en route, holding, and approach air traffic patterns, the desirability of promoting safety in aviation by minimizing interference between civilian and military air operations,'."

Mr. HARRIS. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Arkansas reserves a point of order against the amendment.

The gentleman from Michigan is recognized.

Mr. MEADER. Mr. Chairman, I offer this amendment for improved planning of airports by the Federal Aviation Agency.

I submitted a statement to the Committee on Interstate and Foreign Commerce which appears on page 42 of the hearing on the bill before us. That statement explains my proposal in detail.

The amendment simply requires the Federal Aviation Administrator in formulating the national airport plan to take into account two objectives in addition to the three now contained in the Airport Act.

Under section 3 of the Federal Airport Act, the Administrator is required to take into account the following things in formulating a national airport plan:

One. The needs of both air commerce and private flying.

Two. The probable technological developments in the science of aeronautics.

Three. The probable growth and requirements of civil aeronautics and such other considerations as he deems appropriate.

My amendment, if adopted, would require the Administrator to take into account two additional things:

First, the proper siting or location of airports with reference to en route, holding and approach patterns so that we do not get airports too close together, and

Second, the need for minimizing interference between military and civilian flying.

Those of us who have been aroused by the disastrous crashes and the near misses between military aircraft and civilian air carriers realize it is important to avoid conflict between military and civilian flight operations.

One way of minimizing such conflicts is to avoid locating a civilian airport in the vicinity of a military air base. An airport is an intersection and one intersection should not be located on top of one another.

Shall we blindly commit money—both Federal and local—to the building of airports on the pattern of today, which has grown like Topsy without plan and without reference to other activities which, as we have seen, can tend to limit the capacity and usefulness of the airport?

Or, are we going to take a hard look at the future, assessing critically and scientifically the immediate and future demands on airspace, both military and civilian, and establish principles for airport construction to permit this explosive industry to grow and to develop, free from the shackles of habit and short-sighted capital investment?

I wish I didn't feel that Congress has abdicated its authority to so-called experts—in what used to be the Office of Airports of the Civil Aeronautics Administration. I wish I had more confidence in the judgment of those experts.

In the 84th and 85th Congresses, I was privileged to serve on the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, which over a 3-year span studied the Federal Government's role in aviation. The committee held hearings in June and July 1956 and again in May and June 1958. It issued reports—House Report No. 2949, 84th Congress, 2d session, and House Report No. 2679, 85th Congress, 2d session. Those hearings and reports are, of course, available to your committee.

I have excerpted, however, from that material some passages I believe are pertinent to our consideration of the airport aid program. That evidence compels the conclusion that persons responsible for airport planning and the allocation of airport aid funds have lacked imagination, foresight, and aggressiveness in planning and developing the airport pattern of the United States.

The subcommittee on pages 6 and 7 of its 1956 report—House Report No. 2949, 84th Congress, 2d session—found:

Airport planning has been on a hit-and-miss basis. Congress, in the Federal Airport Act of 1946, as amended, directs the Secretary of Commerce, after consulting with other Government agencies, "to prepare and revise annually a national plan for the development of public airports taking into account the needs of both air commerce and private flying, the probable technical developments in the science of aeronautics, the probable growth and requirements of civil aeronautics."

The subcommittee recognizes and approves the role of municipalities and local governments as well as the States in the development of airports to serve communities. However, the Federal Government alone is capable of making the studies on a nationwide and international basis to provide direction and planning for a national airport plan to meet the rapid growth of air transportation. On that subject the Harding committee report said:

"Cities and local communities should be advised of traffic requirements which their airports should be prepared to meet in 1960, 1965, and in 1975 so that airports will not become bottlenecks of an improved aviation facilities system. They should be provided with continuously revised estimates of plane movements in order that ample terminal facilities and handling space can be provided; the operating characteristics and tire footprint pressures of future aircraft, etc., in order that land acquisition, runway lengths, and weight bearing characteristics will be adequate. Plans for nearby military and civil airports should be coordinated in order that runways may be properly located and traffic control procedures properly integrated."

Said the Honorable Edward P. Curtis, then special aviation adviser to the President in 1957:

Airports are an integral part of the system of aviation facilities. However, unlike other elements of the system, airports are designed, built, financed, and operated by local authorities. The increase in overall traffic will require a modernization of airports and an increase in their numbers. This imposes the necessity for coordinated national and local effort to insure that airports do not become a neglected element of the system, and thus be a future bottleneck.

The Federal Government should carry out airport research and experimentation so that local planning for new airports can be done on a sound basis. (P. 16, Aviation Facilities Planning, a Report by the President's Special Assistant, May 10, 1957.)

Gen. Milton W. Arnold, vice president of the Air Transport Association, testified before our subcommittee July 2, 1956, in response to my question:

Mr. MEADER. Just to close up this business of the airport fund allocations, do you feel that the CAA in exerting its influence on the airport pattern and character of airplanes, has been looking ahead into the future of flying, or have they simply gone along on the pattern of allocations that they have had in the past?

Mr. ARNOLD. I think your last statement is correct, that they have gone along with the way the wind is blowing, and I don't think they have done any concerted development in airports. I think it is a factual statement that the airports today are further behind in relationship.

In other words, our feeling, Mr. Chairman, is the airplane is ahead of the air traffic control system and the facilities available.

Yet the air traffic control system is far ahead of our airports. So, the weakest link in this chain I think is in the capacity and operation of the airport. (P. 197, Federal Role in Aviation, 1956, hearings before a subcommittee of the Committee on Government Operations, House of Representatives, 84th Cong., 2d sess.)

Further, July 30, 1958, Mr. E. Thomas Burnard, executive director of the Airport Operators Council of Washington, had this to say:

In the early years of the Federal airport program, funds were appropriated not only for financial assistance to airport sponsors but also to provide for Government planning and research useful both to the local sponsors and to the Federal agency designated to administer the act. This basic planning data, however, reached a peak in the years 1948 to 1950. Through lack of funds appropriated by the Congress, and through lack of forceful leadership and adequate planning by the Federal agency, this data and information has become obsolete and inadequate for present and future planning.

We believe that CAA Administrator Pyle and his staff are working overtime now trying to make up for this deficiency, but much remains to be done.

In the matter of jet planning, for instance, even today, in July 1958, with only a few months remaining before jet transports are scheduled to go into service, few reliable facts have become available from any source on such vital matters as airports to be served, runway lengths, ramp handling, passenger and baggage loading, and other terminal facilities needed. (Pp. 309–310, the Federal Role in Aviation (1958), hearings before a subcommittee of the Committee on Government Operations, House of Representatives, 85th Cong., 2d sess.)

Mr. Burnard continued:

We believe that many of today's problems can be minimized and many of tomorrow's may be eliminated if a coordinated systems approach is made to aviation's problems. Expedience has been the only approach to date, both in Government and in industry.

Aircraft designers and manufacturers, spurred by military requirements, have designed and built aircraft with little or no regard for the support facilities required to keep them operating. The whole ground and air environment, both in military and

civil operations, has been expected to adjust with each new development, but the time is fast approaching, if it has not already been reached, when aircraft development must be integrated with support services development. Investments in ground services, which no doubt exceed investments in airborne equipment, cannot, in civil transport service, be jeopardized without good reason. They don't need to be if a proper planning relationship is established between the aircraft producers, the aircraft users, the airport providers and the providers of traffic control, navigational aids, communications, weather services and the like.

Ideally, such coordination would be done voluntarily and at an early stage of development of significantly different aircraft. History has shown that it has not been done voluntarily, so it becomes important that the Federal Government assures coordination.

Research and development on airport design, configurations, and capacity has been the most neglected of all aviation subjects. Huge sums of money are spent annually by governments, universities, and industry on aerodynamics, propulsion, communications, navigation, air traffic control, and other basic elements of aviation, and tremendous progress has been made.

Among the more urgent of these technical problems on which research is needed are the following. They relate primarily to the increase or determination of airport capacity and include:

(a) Runway and taxiway configurations.
(b) Visual aids.
(c) Ground traffic control.
(d) Multiple airport configurations.
(e) New airport locations.
(f) Airport layouts.

In this connection * * * I might say that on the first item, that of runway and taxiway configurations, we are still trying to find out from some authoritative source just how far apart parallel runways should be.

It has not been possible to date to get from the CAA or any other official source an authoritative answer on just how far apart parallel runways should be to obtain maximum utilization of those runways (pp. 315–316).

Later on, Mr. Burnard had this to say:

Because airports must be financed on a long-term basis of 20 to 30 years, it is imperative to know reasonably well in advance what developments to expect in order to build in appropriate safeguards and expansion possibilities. It is a sad fact that, among airport operators, each new major terminal development, which takes years to achieve, is dedicated with the realization that it is probably obsolete or too small on dedication day. After the aeronautical needs are determined, it takes years to arrange the financing and construction. The airport facilities needed for the jets of tomorrow should have been known at least 3 to 5 years ago (p. 319).

Mr. Burnard added further:

Our basic philosophy is not to stymie all progress in aviation and say, "Well, now here's an airport; never build an airplane that won't fit that." But what we do say is, "If you're thinking about building a new airplane, let us in on what you are talking about and let's see if we can't fit the ground facilities to the airplane to the benefit of all; but don't let's wait and bring a plane out and say, all of a sudden, we must change all our ground facilities and air traffic control system, etc., to fit the airplane."

Mr. PLAPINGER. Well, then, is your complaint not with the aircraft manufacturers but rather with the CAA at that stage?

Mr. BURNARD. I don't know that you'd call it a complaint; it is a basic deficiency in our overall aviation planning in this country. It is a dynamic industry. The aviation designers and builders in private enterprise are building the best aerodynamically conceived vehicles. They have done a wonderful job; there is no question about that. The airline operators have been dynamic and have served a very useful purpose and try, as good businessmen should, to make the vehicle pay. We as ground-facility providers have in our own way tried to provide the best facilities to make the operation of the airports most efficient. But, frankly, it gets a little difficult when we are told on a sunny October morning in 1955 that airplanes twice as big as anything we have seen heretofore, which may require runways half again as long and may require them half again as strong, are going to be dropped in our laps in 1958 or 1959 with no advance planning or coordination on the subject.

Mr. MEADER. Well, that is where I would like to get into the act with the Civil Aeronautics Administration. What did they know about the design of the aircraft and their requirements for airports, and how did they gear that into their expenditure this—what is it, 4 times 63?

Mr. BURNARD. The present program?

Mr. MEADER. Yes; a quarter of a billion dollars?

Mr. PLAPINGER. Two-hundred-some-odd million.

Mr. MEADER. Did the CAA, in your judgment—were they alert to these developments and did they in their allocation of airport-aid funds encourage the construction of airports to meet the jets?

Mr. BURNARD. Frankly, we feel that a far better job could have been done (pp. 332–333).

I do not believe it is too much to demand that the "experts" in the Federal Aviation Agency keep abreast of developments in aviation and use that information in planning airports adequate for air traffic, not only for today but for the future as well.

I do not overlook the fact that the Federal Government does not have complete control over airport construction. Of course, this is one of the grant-in-aid programs in which the Federal Government must work with State and local governments and I am not suggesting that method of handling airport development be changed. Yet a municipality or a State does not have the opportunity to watch closely new developments in airplane characteristics or traffic control. Only the Federal Government and specifically the Federal Aviation Agency, has access to the vast body of data and information necessary on which to base a sound airport program.

Only the Federal Aviation Agency has facilities for conducting experiments and studies in the field of aviation and has access to information in other agencies of the Federal Government, notably the Department of Defense, which have an important bearing on possible future civilian aircraft, and other segments of our civil aviation system.

I am disturbed at what appears to be waste in the expenditure of Federal tax dollars for airport construction. But I think even more serious is the wasting of funds of States and municipalities, already finding it ever more difficult to raise sufficient tax revenue for their own day-to-day operations. But perhaps even more important than the wasting of money, whether it be Federal or local, is the creation of bottlenecks and restrictions in air transportation in the future because of poorly planned capital investments in airports right now.

It is because I believe the record of airport planning in the past has been poor that I am disturbed that the Congress now seems to contemplate vesting vast new authority and huge sums of money in the same agency which has failed to exhibit foresight in the past. Congress, on the other hand, has a very good record in support of aviation but now seems bent on taking itself completely out of the picture. The very least we can do is to require the Federal Aviation Agency to show that it is alert to aviation requirements in the future and what airports we will need, not today, not 5 years from now, but 10 and 20 years from now, before we entrust them with this vast power over air transportation of the future.

These questions ought to be answered before additional grants of power are made to those so-called experts in the FAA:

First. What standards or criteria have been developed for airport construction since the Airport Design Manual of CAA of 1949?

Second. What use, if any, is made by the Office of Airports in allocating airport funds, of the air route, holding and approach patterns, studies made by the Technical Development Center of CAA?

Third. What, if any, consideration is given to military bases and military flight operation in the location of civilian airports?

Fourth. What consideration is given to vested interests in airspace in its relation to operations in and out of airports?

Fifth. What studies have been made of soil conditions, runway strength, weather conditions, proximity to present and future centers of population, the highway network, residential areas, runway and rapid turn-off design, runway direction, multiple, directional runways, proximity to other airports, and a multitude of other technical problems that ought to be considered in the location, design, and construction of an airport.

Mr. Chairman, so far as I know only one airport in the United States was originally located pursuant to a study by simulator test of en route, holding and approach patterns, and that is the Chantilly Airport now being built to serve the city of Washington.

It would seem to me only commonsense that studies of the en route, holding and approach patterns which would affect the capacity of an airport to handle traffic would automatically be given consideration before municipalities are encouraged to build an airport or to expand an existing one. Yet there seems to be no regulation requiring this information to be taken into account either in the formulation of the national airport plan or in the approval of sites for airports. Correspondence bearing on

this subject is incorporated at this point in my remarks:

HOUSE OF REPRESENTATIVES,
LEGAL AND MONETARY AFFAIRS
SUBCOMMITTEE OF THE COMMITTEE
ON GOVERNMENT OPERATIONS,
Washington, D.C., December 9, 1958.

Hon. J. T. PYLE,
Administrator, Civil Aeronautics Administration, Washington, D.C.

DEAR MR. PYLE: The report received by the subcommittee from Congressman MEADER makes us all extremely anxious to accept your repeated invitation to visit your Technical Development Center at the earliest opportunity.

Mr. MEADER's description of the simulator and your remarks on this device at our July hearings suggest that it may be capable of significant contribution not only in air traffic matters but as well in airport planning.

We would be interested in your advice as to what CAA procedures, regulations or practices, if any, require the utilization of the simulator with respect to air traffic matters, including holding and approach patterns and to what extent CAA regulations, procedures or practices require that results of simulator tests be brought to the attention of the Office of Airports and be given consideration in the allocation of Federal-aid airport funds by that office.

We would also appreciate it if examples were cited of the use of simulator test results in prescribing or revising air traffic patterns and in airport aid allocations, during the past 5 years.

With kind personal regards.

Sincerely yours,

JOHN A. BLATNIK,
Member of Congress, Chairman.

FEBRUARY 2, 1959.

Hon. JOHN A. BLATNIK,
House of Representatives, Washington, D.C.

DEAR MR. BLATNIK: The following information is submitted in reply to your letter of December 9, 1958.

The dynamic simulator at the Federal Aviation Agency's Technical Development Center in Indianapolis, Ind., has been used in many studies relative to air traffic control problems throughout the United States. During the past 5 years, the simulation program has included 13 individual terminal area studies which have contributed to better handling of greater volumes of air traffic at our airport complexes. Most of the studies have resulted in a rearrangement of navigation aids and traffic patterns which have permitted the airports to serve additional traffic with less delays.

For example, simulation of the Fort Worth-Dallas terminal area brought forth new procedures which expedited departing aircraft and provided general relief to the overall traffic-control problem. In another study, one of several of the Washington, D.C., area, procedures were developed which permitted a smooth transition from nonradar control to radar control when radar equipment became available. Based on a simulation study of the New York area, new twin-stack, radar approach control procedures and a realined route structure were implemented, permitting a considerable gain in air traffic capacity at La Guardia Airport and improvements in traffic handling at Idlewild and Newark Airports. Similar benefits were obtained for the San Francisco-Oakland complex, where new radar procedures, an improved route structure, side feeder fixes independent of departure routes, and preferential departure and arrival routes were the result of a simulation study. From a simulation study of the Chicago area, a dual approach system to be used by the new airline jet aircraft operating from O'Hara Field was developed, as well as control procedures to be used as O'Hara becomes the second major airport in the Chicago terminal area.

With regard to airport development projects, the Manual of Operations covering Federal-aid airport program activities requires that all airport construction projects be coordinated by regional airports' chiefs with other FAA operating segments. Studies of air traffic problems, where they relate to or affect airport configurations or siting, are thus brought to the attention of airports' personnel. Findings from all those studies, included among which are air traffic simulations, are thus included in project analysis and programing recommendations.

As an example of the use of a simulator study and its effect on airport development, reference is made to the investigation of O'Hare Field previously mentioned. This study led to recommendations by the airports division regarding revision of the airport master plan layout to provide optimum runway configuration and phasing of runway development proposed for accomplishment under the Federal-aid airport program.

In addition, simulation studies have been conducted for the purpose of siting proposed airports in such a way as to enhance the capability of the Federal Aviation Agency to provide adequate air traffic control services. The location of the new Chantilly Airport is a prime example of the results of many studies conducted in an effort to obtain the optimum location for a major terminal. The proposed Tacoma, Wash., airport was considered in the Seattle simulation study completed on December 4, 1948. Siting problems for new airports in the Detroit, Mich., and Annapolis, Md., areas were also given careful consideration during simulation studies of those areas.

The Technical Development Center simulator is scheduled to operate 16 hours a day, 8 hours for the Bureau of Research and Development and 8 hours for other FAA activities. More requests for simulation are received than can be scheduled each year, resulting in some areas being without the benefit of new techniques that would be available if adequate simulation time was possible.

The Federal Aviation Agency plans to increase the simulation capacity by a considerable amount to cope with the increasing simulation requirements.

Sincerely yours,

E. R. QUESADA,
Administrator.

It is significant to note in the reply of Mr. Quesada, above quoted in full, the assertion that studies of traffic patterns are taken into account at the regional level, but the letter carefully fails to state that there is any regulation requiring consideration of traffic pattern studies by the Office of Airports in allocating airport aid funds.

I hope the committee will adopt my amendment at this time, but in case it is rejected, I hope the Interstate and Foreign Commerce Committee will study and hold hearings on my bill H.R. 3913 which contains the same text as that of my amendment. An adverse vote on the amendment should not be construed to mean that the Federal Aviation Administrator ought not to seek to minimize interference between military and civilian aviation in formulating a National Airport plan or that he should disregard studies of en route, holding and approach patterns in approving the location of airports.

Mr. Chairman, with reference to the bill itself, on which we will vote shortly, I intend to support the bill if the Davis and Williams amendments stay in the bill. If they are rejected, I intend to vote against the bill in the hope that before this session of Congress adjourns we will have an opportunity to vote on a reasonable and proper airport bill which does not contain the objectionable features of the committee bill.

The CHAIRMAN. Does the gentleman from Arkansas insist on his point of order?

Mr. HARRIS. I withdraw the reservation of a point of order.

I rise in opposition to the amendment, Mr. Chairman.

Mr. Chairman, this has to do with the formulation of a National Airport plan, which is required by law. However, I would question the amendment being in the interest of the airport plan. We provided authority in the Federal Aviation Act that was enacted last year for the Administrator to try to minimize those differences between the civilian and military programs. I question whether it would be in the interest of the airport plan and the operation of both civil and military planes to further make such requirements in the formation of our airport plans.

Obviously the gentleman's amendment must have some reference to a specific program in his area, which has been before us some time.

I respectfully ask that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. WOLF. Mr. Chairman, I feel very strongly the need for air safety. I am supporting the committee bill. The undisputed statement of the chairman, the gentleman from Arkansas [Mr. HARRIS], was that the additional $97 million goes completely for air safety.

As air travel increases the problems of air safety will greatly increase. It is the responsibility of Congress to provide for the safety of the people of this country.

The overwhelming testimony of the men who operate airports from coast to coast before the committee proves the need for a tremendous increase in money for air safety.

Several very tragic air crashes have been traced directly back to length of runways and lack of adequate electronic equipment. Mr. Chairman, who can judge in money the value of a single life, yet here hundreds have been forfeit.

Those who oppose this bill do so because it will upset the budget, they say. Mr. Chairman, I would suggest they ask to remove from the President's budget some $77 million which was suggested for executive aircraft. Let these executives ride now existing aircraft to save this sum of money, and devote it instead to air safety which is the primary program involved under the committee bill.

Mr. McGINLEY. Mr. Chairman, in voting against this bill, H.R. 1011, I want to make it clear that I am aware of the great demand on the part of small communities and cities for an orderly development of air service facilities.

However—despite the demand that exists—it does not appear evident to me that a competent study has been made to determine the ability of local units to finance airport development. It appears to me that in this bill we are trying to make funds available in wholesale lot on the basis of the maximum improvements desirable for the expanding air age, rather than on the basis of maximum improvements likely or possible on a year-to-year appropriation basis.

I feel sure that Congress can go along with a 4-year plan for airport improvement and development but also refrain from authorizing amounts now that are to be spent in fiscal years beyond 1960.

Therefore, my protest is against the method used by this bill in making public funds available for necessary progress in our expanding air age, rather than the refusal to acknowledge the need.

I am sure that the people expect Congress to be responsive and assistive to our air-age development, but I also am sure that the people want Congress to exercise a wise restraint in their methods of meeting the problem.

Mr. FLYNT. Mr. Chairman, it is my fervent desire to see a Federal Airport Act passed by both Houses of Congress and signed into law by the President. A few minutes ago in the debate on the administration substitute to the committee bill I opposed the administration's substitute because the substitute would have destroyed the formula for allocation of funds which has been in effect since, I believe, 1946. During the debate on the substitute, it was brought out that the only two major differences between the committee bill and the substitute proposals were: First, the monetary difference between $297 million and $200 million; second, the committee bill provided for continued use for the allocation formula and the Administration proposes to abandon the formula and put 50 percent of the total amount into the discretionary fund.

This amendment, which has been well explained by its author, my distinguished colleague from Georgia, differs substantially from the substitute proposal in this request: It reduces the monetary amount in the bill from $297 million to $200 million, but it retains intact the formula for allocation by States.

The Administrator of the Federal Aviation Agency has testified before the House Committee on Interstate and Foreign Commerce that the Agency can judiciously, efficiently and economically expend $200 million during the next 4 fiscal years. Since he was a spokesman for the administration, we have every reason to believe that a Federal Airport Act providing $200 million might be favorably received and will reconcile all existing differences between the Congress and the executive branch of the Federal Government. I am sure that all of us are confident that if more money is needed and the need is clearly demonstrated and justified, that the amount can be increased at any time during the 4-year life of the Federal Airport Act of 1959.

It is with a real desire to obtain final passage and enactment into law of a Federal airport act during this year that I support the Davis amendment and urge its adoption. My position in supporting this amendment should not be construed as an action designed to weaken this legislation, because I am in favor of the bill in principle and in substance. I take this position in an effort to bring about reasonable reconciliation between the Congress and the executive without compromising principle to the slightest extent. I believe that adoption of this amendment will mean that this legislation will be enacted into law before June 30, 1959.

Mr. Chairman, I urge the adoption of the amendment offered by my colleague from Georgia.

Mr. REES of Kansas. Mr. Chairman, I regret that I do not support the legislation proposed by the committee, being for the sum of $297 million. The agency's report states that $200 million is adequate. I see no reason for voting more money than is requested by the Government itself. I am in favor of sufficient funds to take care of any and all safety devices, runways, and other things that may be required for the airports of our country.

I realize too that because air service is growing, these obligations are increased. I do not believe it is necessary for the Federal Government to provide buildings and equipment belonging thereto. These should be paid for by local municipalities.

I just do not believe the American taxpayers should be charged with items other than those needed for the welfare and safety of the traveling public. I believe the amount provided in the administration's proposal is sufficient. I shall vote for $200 million, but shall vote against $297 million.

Let me repeat, local authorities and airlines should take care of the cost of terminal sites, buildings, restaurants, theaters, private clubs, cocktail lounges, garages, hotel rooms, parking lots, and other similar items. We ought not to expect our taxpayers to take care of these expenditures. Our Government has already spent millions of dollars for facilities that ought to be charged either to the municipalities or the airlines or both. If additional funds are needed beyond those furnished by the Federal Government and municipalities and airlines, then let the traveling public pay a share of the additional cost rather than charge such items to the Federal Treasury.

Mr. PASSMAN. Mr. Chairman, I am supporting this bill—which, wisely, has been consideraly modified and greatly reduced in amount from the proposal as originally introduced—because I am convinced that in preponderant measure the aid which it authorizes for airport improvement and development is of vital importance to the welfare of our Nation.

This bill is not, contrary to the claims of its opponents, a "spending bill," nor does it provide an unwarranted Federal subsidy. What it does provide, however, is authorization for an investment in the safety and general improvement of civil air travel and other transportation, the utmost importance of which no person can successfully discount or dispute.

It should be noted that the outlay of cash under this bill for fiscal 1960 is less than the amount that would be expended under the administration's proposal. It should also be noted that many who oppose this bill, which makes possible something very worthwhile for America, will vote, nonetheless, in favor of financing from U.S. Treasury funds, at a cost much more than the amount here in question, numerous civil aviation projects in many foreign nations of the world.

My own record, Mr. Chairman, in opposing waste and supporting sound fiscal policies in the operation of our Government has been firmly established through the years; and it is a record which I have no intention of changing. In supporting this bill, I act in good conscience, not as a waster or wild spender of public funds, but with confidence that I am making a sound and important contribution to the public interest.

Mr. COFFIN. Mr. Chairman, I rise in support of H.R. 1011. This legislation, as reported by the committee, represents a sound investment in the economic development of our Nation. It is directed toward the whole Nation, taking into account the needs of large cities with airports designed to handle continental and international aircraft in the jet age, and small communities providing needed air service in areas remote from urban centers.

I have received five telegrams from town officials in five counties in my district, a telegram from the Governor of the State of Maine, and a telegram from the executive secretary of the Maine Municipal Association in support of this legislation. In fact, several officials preferred the Senate bill, with recommendations for the full $100 million annual authorization.

One month ago, Scott K. Higgins, director of the Maine Aeronautics Commission, advised us that the minimum amount to meet rockbottom rural State needs would be a $65 million authorization.

Recent studies indicate that 50 airports are needed for general and commercial aviation needs in the State of Maine. Thirty-nine of these airports are in existence and 11 new fields should be constructed. The total estimated cost is $9,928,400.

The bill which is before us today falls within the President's budgetary proposals. In fact, as reported by the committee, it is $2 million less than the President's proposal for fiscal year 1960.

We have then a bill which will provide for a basic and much-needed program to maintain, modernize, and improve airport facilities in all areas of our country. We can do this within the most conservative estimates of our fiscal requirements. If we do take this necessary step we will be making an investment in improved and safer transportation along the air-

ways of the United States. I urge adoption of H.R. 1011 at least at the minimum level recommended by the House Committee on Interstate and Foreign Commerce.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. METCALF, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1011) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, pursuant to House Resolution 215, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

Mr. HARRIS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. HARRIS. Mr. Speaker, I ask for a separate vote on two amendments; first the Davis amendment, and later the Williams amendment.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 4, line 24, strike out "for" and all that follows down through the period in line 1, page 5, and insert the following: "for the fiscal year ending June 30, 1960, the sum of $29,800,000 for each of the fiscal years ending June 30, 1961, and June 30, 1962, and the sum of $29,700,000 for the fiscal year ending June 30, 1963."

The SPEAKER. The question is on the amendment.

Mr. HARRIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 194, nays 214, not voting 26, as follows:

[Roll No. 19]

YEAS—194

Abbitt	Byrnes, Wis.	Glenn
Abernethy	Cahill	Griffin
Adair	Canfield	Gross
Alexander	Cannon	Gubser
Alger	Casey	Hagen
Allen	Cederberg	Haley
Andersen, Minn.	Chamberlain	Halleck
	Chenoweth	Hardy
Arends	Chiperfield	Harrisor
Ashley	Church	Henderson
Auchincloss	Collier	Herlong
Avery	Colmer	Hess
Ayres	Conte	Hiestand
Baker	Corbett	Hoeven
Baldwin	Cramer	Hoffman, Ill.
Barden	Cunningham	Holt
Barry	Curtin	Horan
Bass, N.H.	Curtis, Mass.	Hosmer
Bates	Curtis, Mo.	Hull
Baumhart	Dague	Jackson
Becker	Davis, Ga.	Jensen
Belcher	Derounian	Johansen
Bennett, Fla.	Derwinski	Johnson, Md.
Bennett, Mich.	Devine	Jonas
Bentley	Dixon	Jones, Mo.
Berry	Dooley	Judd
Betts	Dowdy	Kearns
Boland	Downing	Keith
Bolton	Dwyer	Kilburn
Bosch	Fallon	Kilgore
Bow	Fenton	Kitchin
Bray	Fisher	Knox
Breeding	Flynt	Lafore
Brewster	Ford	Laird
Broomfield	Forrester	Landrum
Brown, Ohio	Garmatz	Langen
Budge	Gary	Lankford
Burleson	Gathings	Latta
Bush	Gavin	Lennon
Levering	O'Konski	Simpson, Pa.
Lindsay	Osmers	Smith, Calif.
Lipscomb	Ostertag	Smith, Kans.
McCulloch	Pelly	Smith, Va.
McDonough	Pillion	Springer
McDowell	Pirnie	Stratton
McGinley	Poage	Teague, Calif.
McSween	Poff	Thomson, Wyo.
Mahon	Quie	Tollefson
Mailliard	Ray	Tuck
Marshall	Reece, Tenn.	Utt
Mason	Rees, Kans.	Van Pelt
Matthews	Rhodes, Ariz.	Van Zandt
May	Riehlman	Wainwright
Meader	Riley	Wallhauser
Merrow	Robison	Weaver
Michel	St. George	Weis
Miller, N.Y.	Saylor	Westland
Milliken	Schenck	Wharton
Minshall	Scherer	Whitener
Moeller	Schwengel	Whitten
Moore	Scott	Widnall
Mumma	Short	Williams
Murray	Sikes	Winstead
Nelsen	Siler	Wright
Norblad	Simpson, Ill.	Younger

NAYS—214

Addonizio	Granahan	O'Brien, N.Y.
Albert	Grant	O'Hara, Ill.
Anderson, Mont.	Gray	O'Hara, Mich.
	Green, Oreg.	O'Neill
Andrews	Green, Pa.	Oliver
Ashmore	Griffiths	Passman
Bailey	Halpern	Patman
Baring	Hargis	Perkins
Barr	Harris	Pfost
Barrett	Hays	Pilcher
Bass, Tenn.	Healey	Polk
Beckworth	Hébert	Powell
Blatnik	Hechler	Preston
Blitch	Hemphill	Price
Boggs	Hogan	Prokop
Bolling	Holifield	Pucinski
Bonner	Holland	Quigley
Bowles	Holtzman	Rabaut
Boykin	Huddleston	Rains
Boyle	Ikard	Randall
Brademas	Irwin	Reuss
Brock	Jarman	Rhodes, Pa.
Brooks, La.	Jennings	Rivers, Alaska
Brooks, Tex.	Johnson, Calif.	Rivers, S.C.
Brown, Ga.	Johnson, Colo.	Roberts
Brown, Mo.	Johnson, Wis.	Rodino
Burdick	Jones, Ala.	Rogers, Colo.
Burke, Ky.	Karsten	Rogers, Fla.
Burke, Mass.	Karth	Rogers, Mass.
Byrne, Pa.	Kasem	Rogers, Tex.
Carnahan	Kastenmeier	Rooney
Celler	Kee	Roosevelt
Chelf	Kelly	Rostenkowski
Clark	Kilday	Roush
Coad	King, Calif.	Rutherford
Coffin	King, Utah	Santangelo
Cohelan	Kirwan	Saund
Cook	Kowalski	Selden
Cooley	Lane	Shelley
Daniels	Lesinski	Shipley
Davis, Tenn.	Libonati	Sisk
Dawson	Loser	Slack
Delaney	McCormack	Smith, Iowa
Denton	McFall	Smith, Miss.
Diggs	McGovern	Spence
Dingell	McMillan	Staggers
Dollinger	Macdonald	Steed
Donohue	Machrowicz	Stubblefield
Dorn, N.Y.	Mack, Ill.	Sullivan
Dorn, S.C.	Madden	Teague, Tex.
Doyle	Magnuson	Teller
Dulski	Metcalf	Thomas
Durham	Meyer	Thompson, N.J.
Edmondson	Miller, Clement W.	Thompson, Tex.
Elliott		Thornberry
Everett	Miller, George P.	Toll
Evins		Trimble
Farbstein	Mills	Udall
Fascell	Mitchell	Ullman
Feighan	Montoya	Vanik
Fino	Moorhead	Vinson
Flood	Morgan	Walter
Flynn	Morris, N. Mex.	Wampler
Fogarty	Morris, Okla.	Watts
Foley	Morrison	Wier
Forand	Moss	Willis
Fountain	Moulder	Wolf
Frazier	Multer	Yates
Friedel	Murphy	Young
Fulton	Natcher	Zablocki
Gallagher	Nix	Zelenko
George	Norrell	
Giaimo	O'Brien, Ill.	

NOT VOTING—26

Alford	Broyhill	Daddario
Anfuso	Buckley	Dent
Aspinall	Carter	Frelinghuysen
Hall	Mack, Wash.	Taber
Harmon	Martin	Taylor
Hoffman, Mich.	Monagan	Thompson, La.
Keogh	Philbin	Wilson
Kluczynski	Porter	Withrow
McIntire	Sheppard	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Taber for, with Mr. Keogh against.

Mr. Hoffman of Michigan for, with Mr. Daddario against.

Mr. Wilson for, with Mr. Anfuso against.

Mr. Freylinghuysen for, with Mr. Buckley against.

Mr. McIntire for, with Mr. Thompson of Louisiana against.

Until further notice:

Mr. Dent with Mr. Broyhill.

Mr. Carter with Mr. Withrow.

Mr. Hall with Mr. Taylor.

Mr. Porter with Mr. Mack.

Mr. Monagan with Mr. Martin.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the Williams amendment.

The Clerk read as follows:

On page 5, line 5, immediately before the quotation marks insert the following:

"Notwithstanding any other provision of this Act, no amounts may be obligated pursuant to this subsection or subsection (b) of section 6 of this Act in any fiscal year by the execution of grant agreements pursuant to section 12 of this Act until appropriations have been made for the liquidation of such obligations, which appropriations are hereby authorized."

On page 6, line 3, immediately before the quotation marks, insert the following:

"Notwithstanding any other provision of this Act, no amounts may be obligated pursuant to this subsection in any fiscal year by the execution of grant agreements pursuant to section 12 of this Act until appropriations have been made for the liquidation of such obligations, which appropriations are hereby authorized."

On page 6, line 20, immediately before the quotation marks, insert the following:

"Notwithstanding any other provision of this Act, no amounts may be obligated pursuant to this subsection in any fiscal year until appropriations have been made for the liquidation of such obligations, which appropriations are hereby authorized."

On page 9, after line 25, insert a new section as follows:

"Sums appropriated pursuant to this Act with respect to any fiscal year beginning after June 30, 1959, shall remain available until expended."

The SPEAKER. The question is on the amendment.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. WILLIAMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 191, nays 216, not voting 27, as follows:

[Roll No. 20]

YEAS—191

Abbitt	Ashmore	Baumhart
Abernethy	Auchincloss	Becker
Adair	Avery	Belcher
Alexander	Ayres	Bennett, Fla.
Alger	Baker	Bennett, Mich.
Allen	Baldwin	Bentley
Andersen, Minn.	Barden	Berry
	Barry	Betts
Andrews	Bass, N.H.	Boland
Arends	Bates	Bolton

Bosch	Halleck	Norrell
Bow	Halpern	O'Konski
Bray	Harrison	Osmers
Brock	Henderson	Ostertag
Broomfield	Herlong	Pelly
Brown, Ohio	Hess	Pillion
Budge	Hiestand	Pirnie
Bush	Hoeven	Poff
Byrnes, Wis.	Hoffman, Ill.	Quie
Cahill	Holt	Rabaut
Canfield	Horan	Ray
Cannon	Hosmer	Reece, Tenn.
Cederberg	Huddleston	Rees, Kans.
Chamberlain	Hull	Rhodes, Ariz.
Chenoweth	Jackson	Riehlman
Chiperfield	Jensen	Riley
Church	Johansen	Robison
Collier	Jonas	St. George
Colmer	Jones, Mo.	Saylor
Conte	Judd	Schenck
Cook	Kearns	Scherer
Corbett	Keith	Schwengel
Cramer	Kilburn	Scott
Cunningham	Kirwan	Selden
Curtin	Kitchin	Short
Curtis, Mass.	Knox	Sikes
Curtis, Mo.	Lafore	Siler
Dague	Laird	Simpson, Ill.
Davis, Ga.	Langen	Simpson, Pa.
Derounian	Latta	Smith, Calif.
Derwinski	Lennon	Smith, Kans.
Devine	Lindsay	Smith, Va.
Dixon	Lipscomb	Springer
Dooley	McCulloch	Steed
Dorn, N.Y.	McDonough	Teague, Calif.
Dorn, S.C.	McGinley	Thomas
Dowdy	Mahon	Thomson, Wyo.
Downing	Mailliard	Tollefson
Dwyer	Marshall	Tuck
Fenton	Mason	Utt
Fisher	Matthews	Van Pelt
Flood	May	Van Zandt
Flynt	Meader	Wainwright
Ford	Michel	Wallhauser
Forrester	Miller, N.Y.	Weaver
Fountain	Milliken	Weis
Gary	Minshall	Westland
Gathings	Moeller	Wharton
Gavin	Moore	Whitener
Glenn	Mumma	Whitten
Griffin	Murray	Widnall
Gross	Natcher	Williams
Gubser	Nelsen	Winstead
Haley	Norblad	Younger

NAYS—216

Addonizio	Doyle	Karsten
Albert	Dulski	Karth
Anderson, Mont.	Durham	Kasem
	Edmondson	Kastenmeier
Ashley	Elliott	Kee
Aspinall	Everett	Kelly
Bailey	Fallon	Kilday
Baring	Farbstein	Kilgore
Barr	Fascell	King, Calif.
Barrett	Feighan	King, Utah
Bass, Tenn.	Fino	Kowalski
Beckworth	Flynn	Landrum
Blatnik	Fogarty	Lane
Blitch	Foley	Lankford
Boggs	Forand	Lesinski
Bolling	Frazier	Levering
Bonner	Friedel	Libonati
Bowles	Fulton	Loser
Boykin	Gallagher	McCormack
Boyle	Garmatz	McDowell
Brademas	George	McFall
Breeding	Giaimo	McGovern
Brewster	Granahan	McSween
Brooks, La.	Grant	Macdonald
Brooks, Tex.	Gray	Machrowicz
Brown, Ga.	Green, Oreg.	Mack, Ill.
Brown, Mo.	Green, Pa.	Madden
Burdick	Griffiths	Magnuson
Burke, Ky.	Hagen	Merrow
Burke, Mass.	Hardy	Metcalf
Burleson	Hargis	Meyer
Byrne, Pa.	Harris	Miller,
Carnahan	Hays	Clement W.
Casey	Healey	Miller,
Celler	Hébert	George P.
Chelf	Hechler	Mills
Clark	Hemphill	Mitchell
Coad	Hogan	Montoya
Coffin	Holifield	Moorhead
Cohelan	Holland	Morgan
Cooley	Holtzman	Morris, N. Mex.
Daniels	Ikard	Morris, Okla.
Davis, Tenn.	Irwin	Morrison
Dawson	Jarman	Moss
Delaney	Jennings	Moulder
Denton	Johnson, Calif.	Multer
Diggs	Johnson, Colo.	Murphy
Dingell	Johnson, Md.	Nix
Dollinger	Johnson, Wis.	O'Brien, Ill.
Donohue	Jones, Ala.	O'Brien, N.Y.
O'Hara, Ill.	Roberts	Sullivan
O'Hara, Mich.	Rodino	Teague, Tex.
O'Neill	Rogers, Colo.	Teller
Oliver	Rogers, Fla.	Thompson, N.J.
Passman	Rogers, Mass.	Thompson, Tex.
Patman	Rogers, Tex.	Thornberry
Perkins	Rooney	Toll
Pfost	Roosevelt	Trimble
Pilcher	Rostenkowski	Udall
Poage	Roush	Ullman
Polk	Rutherford	Vanik
Powell	Santangelo	Vinson
Preston	Saund	Walter
Price	Shelley	Wampler
Prokop	Shipley	Watts
Pucinski	Sisk	Wier
Quigley	Slack	Willis
Rains	Smith, Iowa	Wolf
Randall	Smith, Miss.	Wright
Reuss	Spence	Yates
Rhodes, Pa.	Staggers	Young
Rivers, Alaska	Stratton	Zablocki
Rivers, S.C.	Stubblefield	Zelenko

NOT VOTING—27

Alford	Hall	Monagan
Anfuso	Harmon	Philbin
Broyhill	Hoffman, Mich.	Porter
Buckley	Keogh	Sheppard
Carter	Kluczynski	Taber
Daddario	McIntire	Taylor
Dent	McMillan	Thompson, La.
Evins	Mack, Wash.	Wilson
Frelinghuysen	Martin	Withrow

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Taber for, with Mr. Monagan against.

Mr. Hoffman of Michigan for, with Mr. Daddario against.

Mr. Wilson for, with Mr. Carter against.

Mr. Frelinghuysen for, with Mr. Porter against.

Mr. McIntire for, with Mr. Dent against.

Until further notice:

Mr. Alford with Mr. Martin.

Mr. Harmon with Mr. Broyhill.

Mr. Evins with Mr. Taylor.

Mr. Hall with Mr. Withrow.

Mr. Thompson of Louisiana with Mr. Mack of Washington.

Mrs. BLITCH and Messrs. RIVERS of South Carolina, ASHLEY, EVERETT, LOSER, and CHELF changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed, and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. HARRIS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 272, nays 134, not voting 28, as follows:

[Roll No. 21]

YEAS—272

Abernethy	Baldwin	Boland
Adair	Barden	Bolling
Addonizio	Baring	Bonner
Albert	Barr	Bowles
Alexander	Barrett	Boykin
Anderson, Mont.	Bass, N.H.	Boyle
	Bass, Tenn.	Brademas
Andrews	Beckworth	Bray
Ashley	Belcher	Breeding
Ashmore	Bennett, Fla.	Brewster
Aspinall	Blatnik	Brooks, La.
Bailey	Blitch	Brooks, Tex.
Baker	Boggs	Brown, Ga.
Brown, Mo.	Hogan	Oliver
Burdick	Holifield	Passman
Burke, Ky.	Holland	Patman
Burke, Mass.	Holt	Pelly
Byrne, Pa.	Holtzman	Perkins
Canfield	Hosmer	Pfost
Carnahan	Huddleston	Pilcher
Casey	Hull	Polk
Celler	Ikard	Powell
Chelf	Irwin	Preston
Chenoweth	Jarman	Price
Clark	Jennings	Prokop
Coad	Johnson, Calif.	Pucinski
Coffin	Johnson, Colo.	Quie
Cohelan	Johnson, Md.	Quigley
Cook	Johnson, Wis.	Rabaut
Cooley	Jones, Ala.	Rains
Corbett	Jones, Mo.	Randall
Curtin	Karsten	Reuss
Daniels	Karth	Rhodes, Pa.
Davis, Ga.	Kasem	Riley
Davis, Tenn.	Kastenmeier	Rivers, Alaska
Dawson	Kee	Rivers, S.C.
Delaney	Kelly	Roberts
Denton	Kilday	Rodino
Diggs	King, Calif.	Rogers, Colo.
Dingell	King, Utah	Rogers, Fla.
Dollinger	Kirwan	Rogers, Mass.
Donohue	Kitchin	Rogers, Tex.
Dorn, N.Y.	Landrum	Rooney
Dorn, S.C.	Lane	Roosevelt
Downing	Langen	Rostenkowski
Doyle	Lankford	Roush
Dulski	Lennon	Rutherford
Durham	Lesinski	Santangelo
Edmondson	Libonati	Saund
Elliott	Lindsay	Scott
Everett	Loser	Selden
Evins	McCormack	Shelley
Fallon	McDowell	Sheppard
Farbstein	McFall	Shipley
Fascell	McGovern	Sikes
Feighan	McMillan	Sisk
Fino	Macdonald	Slack
Flood	Machrowicz	Smith, Iowa
Flynn	Mack, Ill.	Smith, Miss.
Flynt	Madden	Spence
Fogarty	Magnuson	Staggers
Foley	Mailliard	Steed
Forand	Matthews	Stubblefield
Forrester	Merrow	Sullivan
Fountain	Metcalf	Teague, Tex.
Frazier	Meyer	Teller
Friedel	Miller, Clement W.	Thomas
Fulton		Thompson, N.J.
Gallagher	Miller, George P.	Thompson, Tex.
Garmatz		Thornberry
Gathings	Mills	Toll
George	Mitchell	Tollefson
Giaimo	Montoya	Trimble
Granahan	Moore	Ullman
Grant	Moorhead	Vanik
Gray	Morgan	Van Zandt
Green, Oreg.	Morris, N. Mex.	Vinson
Green, Pa.	Morris, Okla.	Wainwright
Griffiths	Morrison	Walter
Gubser	Moss	Wampler
Hagen	Moulder	Watts
Haley	Multer	Whitener
Halpern	Murphy	Wier
Hardy	Natcher	Williams
Hargis	Nix	Willis
Harris	Norblad	Wolf
Hays	O'Brien, Ill.	Wright
Healey	O'Brien, N.Y.	Yates
Hébert	O'Hara, Ill.	Young
Hechler	O'Hara, Mich.	Zablocki
Hemphill	O'Konski	Zelenko
Herlong	O'Neill	

NAYS—134

Abbitt	Byrnes, Wis.	Ford
Alger	Cahill	Gary
Allen	Cannon	Glenn
Andersen, Minn.	Cederberg	Griffin
	Chamberlain	Gross
Arends	Chiperfield	Halleck
Auchincloss	Church	Harrison
Avery	Collier	Henderson
Barry	Colmer	Hess
Bates	Conte	Hiestand
Baumhart	Cramer	Hoeven
Becker	Cunningham	Hoffman, Ill.
Bennett, Mich.	Curtis, Mass.	Horan
Bentley	Curtis, Mo.	Jackson
Berry	Dague	Jensen
Betts	Derounian	Johansen
Bolton	Derwinski	Jonas
Bosch	Devine	Judd
Brock	Dixon	Kearns
Broomfield	Dooley	Keith
Brown, Ohio	Dowdy	Kilburn
Budge	Dwyer	Kilgore
Burleson	Fenton	Knox
Bush	Fisher	Lafore

Laird	Norrell	Simpson, Pa.
Latta	Osmers	Smith, Calif.
Levering	Ostertag	Smith, Kans.
Lipscomb	Pillion	Smith, Va.
McCulloch	Pirnie	Springer
McDonough	Poage	Stratton
McGinley	Poff	Teague, Calif.
McSween	Ray	Thomson, Wyo.
Mahon	Reece, Tenn.	Tuck
Marshall	Rees, Kans.	Udall
Mason	Rhodes, Ariz.	Utt
May	Riehlman	Van Pelt
Meader	Robison	Wallhauser
Michel	St. George	Weaver
Miller, N.Y.	Saylor	Weis
Milliken	Schenck	Westland
Minshall	Scherer	Wharton
Moeller	Schwengel	Whitten
Mumma	Short	Widnall
Murray	Siler	Winstead
Nelsen	Simpson, Ill.	Younger

NOT VOTING—28

Alford	Gavin	Monagan
Anfuso	Hall	Philbin
Ayres	Harmon	Porter
Bow	Hoffman, Mich.	Taber
Broyhill	Keogh	Taylor
Buckley	Kluczynski	Thompson, La.
Carter	Kowalski	Wilson
Daddario	McIntire	Withrow
Dent	Mack, Wash.	
Frelinghuysen	Martin	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Taber against.

Mr. Daddario for, with Mr. Hoffman of Michigan against.

Mr. Anfuso for, with Mr. Wilson against.

Mr. Frelinghuysen for, with Mr. Bow against.

Mr. Buckley for, with Mr. McIntire against.

Mr. Thompson of Louisiana for, with Mr. Ayres against.

Mr. Dent for, with Mr. Gavin against.

Until further notice:

Mr. Alford with Mr. Martin.

Mr. Monagan with Mr. Broyhill.

Mr. Harmon with Mr. Mack of Washington.

Mr. Porter with Mr. Taylor.

Mr. Hall with Mr. Withrow.

The result of the vote was announced as above recorded.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, strike out all after the enacting clause, and substitute the bill just passed, H.R. 1011.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Strike out all after the enacting clause and insert the provisions of H.R. 1011, to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, as passed.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H.R. 1011) were laid on the table.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AMENDING BRETTON WOODS AGREEMENTS ACT

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 217, Rept. No. 233) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4452) to amend the Bretton Woods Agreements Act, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ANNOUNCEMENT

Mr. ASPINALL. Mr. Speaker, I was necessarily absent from the Chamber when the roll was called on the Davis amendment to H.R. 1011. Had I been present I would have voted "no."

TREASURY AND POST OFFICE DEPARTMENTS AND THE TAX COURT OF THE UNITED STATES APPROPRIATION BILL, 1960

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1960, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from New Jersey [Mr. CANFIELD] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5805, with Mr. BLATNIK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. GARY. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this is one of the most important bills to come before this Congress. It is the second largest appropriation bill that will be presented this year.

Let me call your attention to the fact that the bill now before the committee appropriates $26,947,494,000. I hasten to say, however, that of that amount $8,775,166,000 is for the permanent indefinite appropriations, the largest single amount of which is $8 billion for the interest on the public debt. The amounts of the permanent indefinite appropriations are fixed and are not subject to annual appropriation action by the Congress.

In addition, the trust funds appropriated under this bill amount to $13,544,231,000. The largest single items in that amount are the Federal old-age and survivors insurance, for which the estimate for 1960 is $10,456,515,000; Federal disability insurance, $1,055,969,000, nd unemployment compensation, $2,017,612,000. The payments of those amounts from the trust funds are fixed by law and therefore cannot be changed by our committee.

This leaves a balance of $4,628,097,000 for the Treasury and Post Office Departments and the Tax Court of the United States over which the committee does have jurisdiction.

The appropriation request for the Treasury Department for fiscal year 1960 was $787,712,000. The appropriation for 1959 to date—and I say "to date" because there are some supplementals pending which will be acted on by the House next week—the appropriations for 1959 to date were $706,277,000. Our committee recommends in the bill before you $779,402,000. This is an increase of $73,125,000. But, let me say to you that of that amount approximately $51 million is for mandatory increases which are required by the increased salary bills, the increase in postal rates, and the 1 day additional service next year, 1960, being a leap year. The amount recommended by the committee is a decrease of $8,310,000 below the budget request.

The appropriation for the Treasury Department is broken down into a number of different items. First is the Office of the Secretary, and in that item there has been no change other than to allow the mandatory increases. No additional money was requested beyond the mandatory increase and the amount requested is recommended.

For the Bureau of Accounts the committee recommends an increase of $354,000, but $292,000 of that was for mandatory increases and the balance was to take care of an additional workload.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. If this is an inappropriate point to interrupt, I apologize, but in going over the report there

seems to be a substantial reduction in the appropriation for the Coast Guard, and I wondered whether that made for any diminution in protection for the Great Lakes region.

Mr. GARY. It did not, but I will be glad to discuss that when we get to the Coast Guard appropriation.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. FULTON. Mr. Chairman, I want to congratulate the gentleman on his comprehensive knowledge of this subject, and then I should like to ask a question. When I first came to Congress I thought that I would be able to vote on the record on various items of appropriation, and then add them up and see what the total budget was that I voted for that year. When we come to a bill like this, we are given a double loaf and told that there is so much money money here provided for the Treasury Department and so much for the Post Office Department.

Would it not be a good idea to have a series of amendments sponsored by the committee that would show what particular major items of appropriation we Members favor and which items we might vote to reduce? Why is there not that kind of a series of amendments offered so that we can have a vote on appropriations?

So many times, the bill is passed by a voice vote and there is no record vote on major appropriations, so that I do not know how much I voted for. For example, in the last session of Congress I voted on 13 out of 14 small appropriations, comparatively negligible, and then there were a couple of big ones that just went through by voice vote. So that I really voted for a budget lower than that voted by Senator BYRD of Virginia, but it does not show here.

Mr. GARY. I am trying to tell the House at the present time that we have cut the budget estimates. All appropriations for the Federal Government are contained in the budget, except those bills passed by the Congress, which are not recommended by the President. The President presents his budget for the year and we can very easily measure what the Congress is doing by comparing the amounts voted by the Congress in each bill with the amount requested in the budget. In the case of the Treasury Department we have cut the President's budget request $8,310,000.

Mr. FULTON. Will we have a record vote to approve or disapprove that budget cut below the President's request? Is there not some way we can get on record here as ordinary Members to show what was the total budget that we voted for, so that they can add it up in our home district?

Mr. GARY. The gentleman may ask for a rollcall vote, and if it is ordered by the House, he will get a rollcall vote.

Mr. FULTON. I have tried that once or twice in connection with certain committees.

Mr. GARY. Frankly, I will say to the gentleman that I am not going to ask for a rollcall vote. Let me say this further. We bring to the House a unanimous report. The report on this bill was unanimously agreed upon in our subcommittee that worked on the bill, and it was also unanimously approved by the Committee on Appropriations. We hope that our committee has done its work so well that when we get through explaining the bill, the Members of the House will be entirely satisfied with it and will be willing to approve it without a record vote.

Mr. PASSMAN. Mr. Chairman, will the distinguished gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that the information which the gentleman from Pennsylvania [Mr. FULTON] has requested can be found in the report? There are six pages in the report detailing each item of the budget request, showing by how much it has been reduced. The gentleman will find a very complete table in the back of the report.

Mr. FULTON. If the gentleman will yield to me for a moment, I will say to the gentleman from Louisiana and the gentleman from Virginia that they both do a good job. But how does an ordinary Member on the floor show how much he has voted for in a particular year? It is impossible under the present system. I might vote for maybe one elephant, one donkey, and a whole bunch of rabbits if the bill is passed by voice vote, and nobody knows about it. For the average Member, this method of voting on budgets is crazy, because we do not know how much we are voting for in a particular year.

Mr. GARY. I shall point out as well as I can to the gentleman just what he is voting for in this bill because I think the House ought to know what it is voting for.

Mr. FULTON. May I say that on this bill, I shall be voting in accordance with the gentleman's judgment, although it may not be a record vote.

Mr. GARY. To the division of disbursement, which is the division that issues all the checks for most of the Government agencies, we allowed an increase of $4,219,000, $3,033,000 of which was for the mandatory increases demanded by law. We reduced the budget estimate $780,000. Government checks have tremendously increased in number, as everyone knows. This division sends out the checks for Social Security, the Veterans Administration, and various other departments of the Government. We felt that they needed some additional funds because of the increased workload, but we have cut them down believing that they can shave their expenses to the point that they can live within the appropriation.

The Bureau of the Public Debt this year asked for an increase in appropriations of only $1,500,000, and their mandatory increases were $1,272,000.

We reduced them $500,000 in the hope that they could save that amount by the use of the improved machinery they are using. They are using electronic machines wherever practical, which enables them to do a much larger volume of work with less manpower.

There was a reduction in the amount requested by the Office of the Treasurer. A large part of this appropriation is for printing the currency of the United States. While we were sitting we were told by the Bureau of Printing and Engraving that they were going to reduce the unit cost on that printing this year. The President sent over a supplemental appropriation request for the Office of the Treasurer reducing the original request $900,000 for the year 1960. The reduction in the unit cost of printing the currency goes into effect immediately. We felt that the Treasurer could save at least $250,000 this year and thereby build up their inventory, which would enable them to cut their expenditures by that amount next. We have therefore recommended an additional cut of $250,000.

The next item is one of the larger items, the Bureau of Customs. Its appropriation for 1959 was $48 million. They requested $53,865,000, which was an increase of $5,865,000 over their 1959 appropriation, $4,453,265 of which was a mandatory increase. We allowed the total amount requested in this instance because there has been a tremendous increase in the volume of the workload of the Bureau of Customs due to the increase in our foreign trade and travel.

Our committee suspended its hearings to go to New York to visit the Customs installations there. They are doing a magnificent job. Anyone who will go to the Idlewild Airport and look at the improvements they have put in at that airport will certainly take his hat off to the Bureau of Customs. One day we went to one of the wharves to see the unloading of an incoming steamer, and the next day to Idlewild. You cannot imagine the contrast. On the wharf there were practically no facilities. The baggage was on the floor. The customs officers were examining it as people sat around with practically no facilities at all. Whereas, at Idlewild they had counters set up with adequate facilities so that the people could just pass through and have their baggage checked immediately and go right on out. Notwithstanding these improvements, they do have a backlog of work and, consequently, we have allowed them the full amount of their request.

The next item is the largest division of the Treasury, the Internal Revenue Service. Their appropriations in 1959 were $325,500,000. The estimate for 1960 was $365,500,000. Our committee allowed them $363 million which is an increase of $37,500,000 over the 1959 appropriation. But, of that the mandatory increase was approximately $32 million. We recommend that the budget request be cut $2,500,000.

Some of you will remember that not too long ago a fellow townsman of mine, Mr. T. Coleman Andrews, was the Commissioner of Internal Revenue. Mr. Andrews advised our committee that the Internal Revenue Service needed 5,000 additional employees and he stated that he was going to ask for a thousand each year, until the 5,000 had been added to the rolls. He felt that the increase would justify itself because, they tell us,

that for every dollar they spend for a revenue agent, they get from $10 to $20 in additional revenue. But, of course, eventually you are bound to reach the point of diminishing returns. Just exactly where that point is, nobody knows. But, we allowed at that time about 2,000 additional employees. Then Mr. Harrington came in as Commissioner. He told our committee that he was going to consolidate the gains that had been made and that he was not going to ask for any additional personnel for the time being. He carried on with the personnel available, and apparently got along very nicely. Now we have a new Commissioner, Mr. Latham, and he is asking for an increase of $8 million over and above the mandatory increase. We felt that was quite a substantial increase and yet we felt that they might need a few more men in view of the large increase in the number of tax returns. We, therefore, allowed them about half of the increase requested in personnel and more than half of the funds requested over and above the mandatory increase.

The next item is the Bureau of Narcotics. Our committee was very much gratified over the report of Dr. Anslinger, the Commissioner of Narcotics. He presented charts showing a tremendous decrease in the number of dope addicts in this country today. Dr. Anslinger has been in that bureau for a number of years and is one of the outstanding administrators in the Government, in my judgment. He attributes the decrease in the number of addicts to the more stringent laws that the Congress and a number of the States have enacted, increasing the penalties for violations of the narcotic laws. He did not ask for any increase over 1959, other than the mandatory increase, and we gave him everything he asked for.

In the case of the U.S. Secret Service, they asked for a few more men to guard the President and Vice President. Realizing that we are separate and independent branches of the Government we never challenge the request of the administrative branch for the men necessary to protect the President of the United States, the Vice President, and the others whom they are required by law to protect. We think that is a matter which should be left to the Secret Service. Consequently, we allowed the additional manpower they requested for that purpose.

The Secret Service is also having a great deal of difficulty with counterfeiting. I suppose many of you read in the papers just a few days ago that they have just broken one of the greatest counterfeiting rings that ever existed in this country. It extended practically throughout the United States. Their workload has tremendously increased. They asked for some additional men for the work; we allowed them an increase of $539,000 of which the mandatory increase was $259,886.

We cut them only $100,000.

The Secret Service White House Police: At the present time the White House is using some rooms over in the Executive Office building across the street from the White House. They have never used White House Police outside the White House grounds, but they are using a portion of the Executive Office building for White House officials and they have some very highly classified files there. They thought they needed the protection of White House Police. We do not want to take any chances with those files, so we allowed their request. The Secret Service guard force is practically the same amount as last year.

The Bureau of the Mint: There were no changes over last year's appropriation.

Now we come to the U.S. Coast Guard. The appropriation for operating expenses of the U.S. Coast Guard in 1959 was $171,700,000. The estimate for 1960 was $190,780,000. The committee recommends $189 million, which is an increase of $17,300,000 over 1959. The mandatory increase is $8,081,000. The decrease below the budget estimate is $1,780,000.

Now I shall be very glad to answer the question of the gentlewoman from Illinois with reference to the Coast Guard.

Mrs. CHURCH. I greatly appreciate the courtesy of the chairman of this subcommittee. I have no reason to suspect that he would do anything but justice in connection with the Coast Guard, but those of us around the Great Lakes who have become increasingly aware of the danger to life and limb as well as to property through increased boating, are much concerned over this cut of $1 million, and I was wondering if the gentleman could satisfy or assure me that there would be no increased danger because of the diminution of Coast Guard activities in that area.

Mr. GARY. I will assure the gentlewoman from Illinois that there will be no decrease so far as the Great Lakes are concerned in the service that the Coast Guard is rendering.

This is true: You will recall that last year the Congress passed the Federal Boating Act. That act has to be coordinated with the activities of the various States. The Coast Guard did not ask for any appropriation to implement the act that we passed last year, because their program has not been sufficiently formulated. I would be unfair to the House if I did not tell you that they will probably come in for a supplemental appriation later on for the necessary funds to implement the Federal Boating Act which was passed last year.

That act raises certain funds through the licensing of small boats, so we do not know yet what the act will cost, but so far as small boats are concerned there will probably have to be some money which we hope will be covered by increased receipts paid into the Treasury. The regular Coast Guard activities, we feel, are fully provided for.

Mrs. CHURCH. I thank the gentleman.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I want to preface my remarks by commending the gentleman for his presentation. I observe he remarked that many of the increases in the respective items are due to pay increases voted in the Pay Act of last year.

I should like to ask the gentleman, since I am sure he is aware of the provision in that act, of which I happen to be the author, calling for absorption as far as possible of the cost of this increase through the nonfilling of vacancies, and I am sure the gentleman is also aware of the Executive order for a 2 percent reduction in personnel also through nonfilling of vacancies for the purpose of absorbing that cost. I should like to ask the gentleman if in the budget request and in the studies that his able subcommittee has made he has detected any evidence whatsoever of conformity either to that legislation or to that Executive order that is reflected in any savings in the matter of pay increase costs?

Mr. GARY. I may say to the gentleman that we have gone into the question of personnel very carefully in connection with each agency. But this country is growing, and consequently the workload of practically every agency of the Government is increasing annually, particularly in the case of the Treasury Department. You cannot handle these increases in service without having some increase in personnel. We have not been able to cut off all increases in personnel because of the fact that we are faced with greatly increased workloads in many of the divisions.

Mr. JOHANSEN. I understand completely the gentleman's point that many of the services in this particular bill reflect the growth of the country; on the other hand, am I to assume that the gentleman says there are no cases in which due to duplication of activities or functions there cannot or has not been some possible reduction, even though not net overall made possible through a reduction?

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Is it not proper to point out to the gentleman from Michigan that in the Treasury Department today, quoting last December figures, there were 14,000 fewer employees than there were 7 years ago? That is in the Treasury Department alone.

Mr. GARY. I thank the gentleman.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from North Carolina.

Mr. ALEXANDER. May I add for the information of the gentleman from Michigan that the amount absorbed by administrative action in the Treasury Department alone in the current fiscal year will be $4,096,233. I am sure the gentleman will be interested in that.

Mr. JOHANSEN. I am happy to hear that. Do I understand by that statement the gentleman implies part of that is through the nonfilling of vacancies in employment? In other words, that is a part of the administrative action?

Mr. ALEXANDER. That is true. This figure I gave was the saving in 1959.

Mr. JOHANSEN. I thank the gentleman.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. This very point that has just been brought up I was going to ask some questions on, but in the other direction. I refer to the Internal Revenue Service. I note in the committee report the statement:

> The amount recommended is sufficient for adequate administration of the tax laws, and will permit the service to proceed with approximately one-half the requested augmentation of employment.

My Committee on Ways and Means is right now conducting hearings on the administration of the Bureau of Internal Revenue. There has been a considerable reorganization of that bureau during the past few years, which has resulted in considerable diminishing of personnel. But, now, having done that, the Treasury is requesting an additional $40 million instead of the $37,500,000 that the committee has granted because, they are telling you, they can use it now. The concern I am expressing is this: We are right now at the very nub of collecting the revenues, and the Treasury officials have informed me, Mr. Chairman, that with this additional $2.5 million which you have cut out, if you were to put that back in, they could collect several million dollars over and above that with this additional personnel.

Mr. GARY. I will say to the gentleman that this is not a new story. We have been told that every year since I have been on this committee, and that has been about 10 or 12 years. But, we feel that additional revenue agents should not be recruited too rapidly because the Department ought to get the very best men they can for that service and they ought to be adequately trained. We believe that we have allowed a sufficient number of men for them to select and train during the year 1960. We have allowed about half of the number requested.

Mr. CURTIS of Missouri. The gentleman does realize that this is one service, the Bureau of Internal Revenue, that the Committee on Ways and Means, of course, is particularly concerned with, and the administration of that service, and has been for many, many reasons. Now, the gentleman does recognize that there was a considerable reorganization.

Mr. GARY. Yes, we recognize that.

Mr. CURTIS of Missouri. Let me get this point in. I think the record will show that we have in the service some 7,000 or 8,000 less employees today than we had some 8 or 10 years ago when we were collecting only a fraction of the revenue now collected. So, you are talking about a service that has, with the help of your committee, I might say, taken a new look at this but are now coming in here and telling you that with this additional personnel we can get more revenue right now; not tomorrow, but right now.

Mr. GARY. Let me say to the gentleman that is true of the entire Treasury Department. The Treasury Department has had a management committee in operation since the days of Secretary Snyder. He set up a management committee when he was Secretary of the Treasury, and they have kept it there since that time, working permanently on methods of reorganization so as to get greater efficiency and economy, and I personally feel that it is the most economically, and most efficiently operated department in the entire Government of the United States.

Mr. CURTIS of Missouri. Well, I thank the gentleman. I want to say this. This is a very unusual role that I am taking, because I highly appreciate the work that the gentleman and the members of the Committee on Appropriations do. This is something, though, that our committee has been following closely, and I know we are concerned about this particular cut.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. I call the gentleman's attention to the language in the report at the bottom of page 13 and the top of page 14 dealing with payment for public services and ask him why the committee saw fit to castigate those of us on the House Committee on Post Office and Civil Service and those on the same committee in the other body for taking the position that we did in support of this.

Mr. GARY. That relates to the Post Office Department. If the gentleman will wait until we get to the Post Office Department, I will have some more to say about that.

Mr. BOWLES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Connecticut.

Mr. BOWLES. The gentleman has always been one of the very best friends of the Coast Guard Academy at New London, Conn. He was one of the Board of Visitors last year that reported on the problems of the Coast Guard Academy with the greatest sympathy and understanding. The commission that was set up recommended certain new buildings, a new auditorium and facilities for classrooms and dormitories, and I would like to know if you would like to comment on that, because it is not in the bill.

Mr. GARY. I will say to the gentleman that I have had the privilege of serving on the Congressional Board of Visitors of the Coast Guard Academy for the past 4 years. Every year we have gone over the plant very carefully. We have noted certain needs of the Academy, and I will say that some of those needs were very vital. The most vital need, however, was for the replacement of wooden temporary dormitories in which the men were housed. Last year the House appropriated $2 million to replace these temporary barracks. The work is now just about ready to begin. They had to get plans drawn, but they have been working steadily on it. The construction of those new barracks will start very shortly. Those barracks will be sufficient to house the entire Academy.

In addition to the Academy, we did have on the Academy grounds, placed there during the war when they had to devise, hastily, means of training officers for the war emergency, the Coast Guard Officer Candidate School. They were housed in wooden barracks but no request was made to change those because that arrangement has never worked satisfactorily. In other words, those boys had graduated from other schools. They were older than the regular Academy boys. They would take their 6 months of training and get their commission. They sort of look down on the Academy boys as school kids. The boys at the Academy were going to college for the first time. On the other hand, the Academy boys would say, "Well, these fellows come up here, take a 6 months course and get a commission. We have to work 4 years for ours." They overlooked the fact that those boys had already spent 4 years in college.

So the arrangement has never worked satisfactorily. The Coast Guard looked all over the country, on the west coast, the gulf coast, the Atlantic coast, to find a proper place for that school. It just so happened, shortly before Christmas, the Navy was abandoning a mine warfare school at Yorktown, Va. The Coast Guard found that it could acquire that site which was ideally suited for the training of these Reserve officers. So they are moving that unit to Yorktown which will enable them to dispense with the use of the rest of the temporary buildings at the Academy.

The Coast Guard Academy has other needs. They need a new auditorium. They need some improvements in the gymnasium. Our committee did not feel that we should undertake those improvements this year when they already have a $2 million construction program planned. But I will say to the gentleman that our committee is sympathetic toward those needs, and I hope we can get around to them next year after we have finished this other project.

Mr. BOWLES. I am very grateful to the gentleman for his assurances; I know they will be appreciated in New London.

Mr. GARY. There is one item in connection with the Coast Guard to which I should like to call attention. That is what we in the committe have called Operation "Guinea Pig." Some of you will remember that last year we passed a bill, H.R. 8002. A bill was recommended by the Hoover Commission. Information was sent out all over the United States that this bill would save the taxpayers of the Nation $4 billion. We did not pass the bill as presented, but a substitute bill designed for the same purpose was passed.

This year they began to put it into effect and let me tell you to what extent it has been put into effect. They applied the annual accrued expenditure limitations to six items of the budget. Those six items were: One for the Veterans' Administration, one for General Services, two for the Army civilian functions, and two for the Coast Guard.

The total amount of those appropriations is $341,286,000, or forty-four one-hundredths of 1 percent of the total

budget. You will never save $4 billion in that way.

They applied it to the Coast Guard which is recognized as one of the most economical divisions of the entire Government. They propose to limit their expenditures because they are efficient.

Our committee did not feel that the Coast Guard ought to be made the guinea pig of this experiment, and consequently we struck the limitation from the bill.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that they applied this limitation to items for which in all probability there would be no carryover and those items would otherwise be expended?

Mr. GARY. That is absolutely correct. Moreover, no one who appeared before the committee could tell us where one single dollar would be saved by the process. We asked the specific question of those appearing as to how much it would cost, how many additional employees it would require, and we were told by the Coast Guard that they estimated it would take one additional employee for each Coast Guard accounting center, and there are 16 centers; so we would have to provide 16 additional employees and get absolutely no benefit from the experiment.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from California.

Mr. LIPSCOMB. I think it would be only fair if the gentleman would explain that the reason more items were not included in this budget on the accrued expenditure limitation basis is that we do not have adequate accounting systems throughout the Government to put this plan into effect. The reason the Coast Guard was chosen as one of the best agencies to put H.R. 8002 into operation was that they had an excellent cost accounting system, and this was the agency of Government where the executive branch could prove to the Congress and to the people that this was a program that could do some good. It is not that only 45/100th of 1 percent of the budget is involved. It is that this is the best place we can try it. As the gentleman knows, the Department of Defense has the biggest portion of the budget, over 50 percent, but they do not have an adequate accounting system to put this into effect yet. It is estimated it may take 6 or 7 years to get such an accounting system.

Mr. GARY. Our committee felt it would cost money, and we would not save anything by it. Therefore, it has been stricken out.

Mr. PASSMAN. If the gentleman will yield further, may I say that our distinguished chairman is unduly modest. It was the chairman's brother who, as chief of the accounting staff of the first Hoover Commission, recommended this cost accounting procedure and subsequently installed it in the Coast Guard. The system has worked so well that it has come to be accepted not only as outstanding for the use of the Coast Guard, but as a model for other agencies of the Federal Government.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. ROGERS of Florida. May I say that I understand the gentleman's position. I have read the report and the hearings. I must admit I am somewhat disappointed at the attitude of the committee, since I felt it was the will of Congress by passing this bill H.R. 802 with a vote of 311 to 87 in the House alone. I realize the gentleman did not favor that bill, and I understand his reasons, but I felt that after a very fair discussion we might at least give it a try for a year, which was what the Treasury Department was asking. As I understand, they did pick the Coast Guard because they do have a very fine cost accounting system. They have been on cost accounting for 3 years now, and they felt they could best show it in operation. I hope the committee will take a look at it to see if we cannot at least give it a try.

Mr. GARY. When we reach the point where we can make a real trial of it, that might save the country some money, I will advocate a trial run. If at any time it can be demonstrated to me that it will save money I shall certainly be for it.

Mr. ROGERS of Florida. I appreciate the gentleman's attitude, and am glad to know he is willing to give it a trial.

Mr. LIPSCOMB. Mr. Chairman, if the gentleman will yield further. I want to be sure it is clear to the agencies and departments of the Government that the language that is contained in the report of the committee in no way gives them any authority nor should they interpret this as a directive to retard the efforts they are making to improve the accounting systems throughout the Government under Public Law 863, 84th Congress.

Mr. GARY. That is absolutely true. May I say that our subcommittee has led the fight for better accounting procedures in the Government agencies. As a matter of fact, it was our committee that really sponsored the investigations that caused the setup of the Joint Accounting Committee of the Treasury, the General Accounting Office, and the Bureau of the Budget. That Committee is in operation today trying to get adequate systems installed in the various departments. Our committee is very much interested in the work of that Committee and has given them our full cooperation and shall continue to do so. This has absolutely nothing to do with setting up proper systems within the departments. But, until they do set them up, we see no reason for making the Coast Guard a guinea pig for this experiment. When they get enough systems installed to make an experiment worthwhile, if we can gain something by the bill, H.R. 8002, then I will take off my hat to the gentlemen who have sponsored it.

Mr. Chairman, in the case of the Post Office appropriation the request for 1959 was $3,402 million. The estimate for 1960 is $3,889,080,000. We recommend in the bill $3,847,160,000. That is an increase over the 1959 appropriation of $445,160,000. Of that, the mandatory increase is $272,820. In other words, we cut the request $51,920,000. Let me say those cuts were based on the fact that we thought the Post Office had overestimated its increase in volume, and we believe that it can handle the volume of mail that it will have without any difficulty with the appropriation we are recommending.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. McDONOUGH. I notice in the item on the Post Office here in your bill there is the item of postal modernization which is a new item. As I read the hearings and the report, included in that item is modernization of existing buildings.

Mr. GARY. That is right.

Mr. McDONOUGH. I have an unusual situation in a very large post office which is one of the largest post offices of the Nation where air ventilation and air conditioning is very urgently needed. That is in the terminal annex post office in Los Angeles. Do I understand that under this item that this could be considered by the Building Department of the Post Office to installing such a facility in that building?

Mr. GARY. Funds for air conditioning are included in the program and will not be disturbed by the cut we are recommending.

Mr. McDONOUGH. The gentleman means then that it is understood that air conditioning will be installed in that building?

Mr. GARY. Yes; the funds are not disturbed by our cut and the Post Office Department could consider installing that facility as part of its modernization program.

Mr. McDONOUGH. I thank the gentleman.

Mr. MACDONALD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. MACDONALD. I notice on page 13 of the report there is set out the volume of mail pieces, and so forth, and that the estimate is that it is going up 4.3 percent by 1960. I was wondering if the gentleman knew how much of this volume in small pieces is due to fourth-class mail.

Mr. GARY. We probably have that figure. Let me say with reference to that that they are estimating a 4.3-percent increase.

Mr. MACDONALD. That is right.

Mr. GARY. In 1956 they estimated an increase of 3 percent; the actual increase was 2.19 percent. In 1957 they estimated the increase to be 2.64 percent and in that year we had an unusual situation and the increase was 4.67 percent. In 1958 they estimated a 2.82-percent increase and it was 1.78 percent. We do not think they are going to have as large an increase as estimated this year. It will be an increase of about 2.5 percent, according to our estimates.

Mr. MACDONALD. Does the gentleman happen to know how much the Post Office loses on this fourth class handling of mail?

Mr. GARY. That information is available to our committee.

Mr. GROSS. Mr. Chairman, if the gentleman will yield. Fourth-class mail is parcel post, and I believe the gentleman is referring to some other class of mail.

Mr. MACDONALD. No; I am not.

Mr. GARY. I am very sorry, but my time has expired. I must leave time for members of my committee to make their presentation to you, Mr. Chairman. Of course, I am very glad to give any information that I can, but I feel that I must leave some of the time at my disposal to other members of my committee. I regret that I have already consumed more time than I should.

Mr. GARY. Mr. Chairman, I ask unanimous consent that the gentleman from South Carolina [Mr. HEMPHILL] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HEMPHILL. Mr. Chairman, when I read the report on H.R. 5805, it immediately came to my attention that perhaps we have here a back door approach to legislation which is the province of another committee. Too often we have heard of a back-door or side-door approach to appropriations.

The policy of the Post Office Department, is characterized by its place in the American scene of yesterday, today, and in the future. The original concept of the postal service was a concept of service, service to the American people. It was early recognized that, in the interest of a high standard of living, and in the promotion of good ideas and good organization, that the Post Office Department must give service, and help same organization. To give you some examples—the American Legion, V.F.W. and DAV magazines—all serving high purposes—the Presbyterian Survey—the Baptist Courier—all get special treatment, and well they should. The Post Office Department cannot deny this service.

Are we to abandon the concept of service as the first purpose of the Post Office Department.

I was not only shocked with the refusal of the committee to grant the administration's request for public services, but I believe the language contained in the report is wholly misleading. Based on my experience on the House Post Office and Civil Service Committee, I am inclined to believe this language was written by the Post Office Department, itself. It smacks of their illogical and erroneous contentions that have previously been presented to the committee, of which I am a member.

I just want to ask one question: Is this an example of an Executive department undercutting the President's budget, of which we have heard so much lately?

For my purposes, I should like to take some bold words that refer to postal policy. The report refers to public services in this bill, and for that matter the basic law set forth in Public Law 85–426, as quoted: "a defective concept, unwisely conceived and inaccurately priced."

Is it a defective concept to say that the total losses on free and nonprofit services should be brought out in the light where the public can view them? Is it a defective concept to say that free-in-county mail, which costs the taxpayers $15 million a year, should be identified so that the taxpayers know that this type of service is provided free? I have listened to the Post Office Department many times in committee and know that they would place a public service value of approximately $1 million on this item representing rate concession, which I note was used in the report. The simple question remains: Who will pay the additional $14 million loss?

Likewise, the nonprofit newspapers and magazines, items for which the present administration has never requested a rate increase, the total loss on this is someplace over $63 million. Should this item not be fully identified and set out so the public can view it? If we are not going to seek rate increases for this category of mail, who then will pay it? Likewise, the many other free and low-cost items which the Congress has repeatedly approved for many years. Is this a defective concept? I think not. In my opinion, it is a deceptive concept not to bring these to the attention of the American public.

The Post Office and Civil Service Committees of both Houses have worked on this matter of postal policy for many years now and I am shocked that a committee of Congress would label their work as "unwisely conceived." I recognize that in the bargaining processes of democracy many compromises are necessary—we would not have it any other way. I, for one, felt that Public Law 85–426, which raised postal rates, granted pay increases and set forth a modern concept of postal policy, was a very sound piece of legislation.

I ask the Members of this House if public services as submitted by the administration were inaccurately priced. I note from the report that the Post Office Department was granted an increase of $445 million over 1959. If the administration's public service items were inaccurately priced, how can we trust any other figures that were submitted in this budget?

In the last Congress the Postmaster General appeared before the Senate Appropriations Committee on public services for 1959, the total of which amounted to more than $171 million. At that time he submitted an estimate similar to the one he submits to this Congress, and I am advised that he had the full cooperation of the General Accounting Office on this matter. Does the House Appropriations Committee wish us to believe that he misled both the Senate committee last year and the House committee this year?

I do not think it was a question of erroneous or inaccurately priced figures, I think this whole matter is a question of the Post Office Department's deliberately defying the provisions of law in order to return to a less accurate system that will continue to hide from the American public the real subsidies involved in certain free and low-priced services.

Back in 1954 the Senate committee, under the leadership of Senator FRANK CARLSON, engaged the firm of Price, Waterhouse & Co. to make a study of public services, and they found at that time a total of $274 million representing free and low-cost services in the interest of the national welfare. Since that time the Senate committee has developed other computations based on the Post Office Department's own cost ascertainment system. If you accept the mandate set forth in Public Law 85–426, then the computations submitted under that law to the Congress of the United States should also be accepted.

The Post Office Department omitted in its submission, total losses on third- and fourth-class post offices and the star route system, saying it could not possibly determine the loss. Yet on page 214 of the hearings before the House Appropriations Committee this year, it is very confident of the fact that each time they close a fourth-class post office they save $1,400 annually on each one. They cannot determine the public welfare costs on fourth-class post offices, and yet in practically the same breath they ask us to accept this figure.

Mr. Chairman, I would remind the House that back in 1954 Price, Waterhouse & Co. found a loss of $23 million on fourth-class post offices alone and a loss of over $7 million on delivery of mail by star route contract. These determinations were made after a full study in the Post Office Department of that Department's figures.

I am of the opinion that the Post Office Department will only supply figures when such figures serve their interests. I am deeply shocked that after many years of hard work on the need for identification of public services in the Post Office Department, this work has resulted in naught because the Post Office Department did not agree with the legislative will of Congress. This is not the first time the Post Office Department has defied the Congress and the law.

I, for one, believe that in the national interest, the public service functions of the Post Office Department for the small county newspapers, for the nonprofit church and fraternal groups, for the blind, for our libraries and educational institutions, and yes, for the fulfillment of certain international obligations, should be set out where the American public can properly review and pass judgment on them.

Mr. Chairman, I would like to insert at this point a speech made by Hon. RICHARD L. NEUBERGER, of Oregon. I disagree with that gentleman in many areas but his speech on the public service feature of postal operations is a good one:

REMARKS BY HON. RICHARD L. NEUBERGER, OF OREGON, MEMBER OF SENATE COMMITTEE ON POST OFFICE AND CIVIL SERVICE, TO MEMBERS OF OREGON NEWSPAPER PUBLISHERS ASSOCIATION, IN PORTLAND, OREG., ON DECEMBER 6, 1957

I am happy to have this opportunity to discuss with you the pending postal rate increase bill now before the Congress. Undoubtedly, you are generally familiar with the proposals in H.R. 5836. They call for

substantial increases in the rates to be charged for the several classes of mail. But before discussing with you the proposals and philosophy contained in the new postal rate increase bill, I should like to review, in a broad way, the indispensable place the post office has in our economy and the close, personal importance it holds for each of us.

Our postal service has had a vital part in the growth and development of America. History records the fact that the postal service was substantially responsible for the creation and growth of our merchant marine; that the fundamental need of our people for adequate postal service contributed heavily to the growth and development of our vast system of railroads. Until recently, our postal service provided substantial subsidies essential to the growth and development of the airlines. If there is any question in your mind having to do with the vital part the postal service contributes to the continuing operation of the railroads, we need look no further than the frantic protests raised when a branch rail line is proposed to be discontinued as a result of the cancellation of an existing mail-carrying contract with a railroad.

Beneficial postage rates have given many an infant business its start in life to grow, to employ people, to pay taxes, to help make America strong and great. Fair postal rates have greatly aided in making Americans the best informed people on the face of the earth, have broadened and strengthened our cultural and spiritual heritage. There is no doubt in my mind that the postal service of the United States provides a tremendous bulwark to all the many phases of our national life and, as such, is an essential public service.

The 83d Congress in 1954 gave full confirmation to the public service concept when the Senate Post Office and Civil Service Committee, under the leadership of Senator FRANK CARLSON, Republican, of Kansas, through its advisory council, declared: "The Post Office Department is fundamentally a public service to the people of the United States, and should be so considered."

More recently this year, under the leadership of Senator OLIN D. JOHNSTON, Democrat, of South Carolina, a citizen's advisory council filed with the Senate committee a substantial and detailed report entitled "The Post Office as a Public Service." The council declared its finding that the total public service values that could be definitely pinpointed in cost figures were greater in total than the deficit stated as having been established by the Post Office Department for fiscal year 1955. It is in the area of public service, in the identification and cost of the several items of public service, that we come into bona fide conflict with the present administration and its postal philosophy.

The present Postmaster General has referred to the Post Office Department as a public utility, or as a business which should be fully self-supported through postal fees paid by users of the mails. That sounds fine as a superficial theory, until the Postmaster General's theory runs head on into the practical consideration of the large deficits on specific public service items for which the Congress has declared low beneficial postal rates.

For example, the hundreds of nonprofit magazines and newspapers of this country have a large annual circulation. They serve principally religious, fraternal, and scientific groups. These publications incur a postal deficit of approximately $50 million per year, that is, the difference between postal revenues and allocated expenses. In the several rate bills proposed by the present administration since 1952 there has been no effort made to increase the below-cost postal rates on this type of publication. It is my belief Congress was wise in authorizing beneficial below-cost postal rates for such public service cultural publications. But, when questioned on postal revenue losses in this area of service, the Postmaster General has been distinctly evasive.

To be consistent in his contention that the Post Office Department should be on a pay-as-you-go basis, why has the Postmaster General not asked for substantial increases in postal rates for this particular category of mail? The Postmaster General's testimony to Congress gives clear impression that he feels these losses from below-cost postal rates in the public service should be borne by other mail users through excessively high postal charges. Such a policy is practically punitive in its effect, particularly on small businesses. I don't think we have reached a point in this country where we are going to ask businesses—which must make a profit or perish—to underwrite such public service postal losses, particularly as such nonprofit publications compete for advertising with the "in-business-for-profit" newspapers and magazines.

Another type of desirable public service in the field of publishing, which has substantially contributed to our national advancement, is the free-in-county newspapers. These cost the Post Office a net revenue loss of approximately $14 million a year. To be consistent in its pay-as-you-go philosophy, the Post Office Department should charge full cost for this kind of service. But, to put that service on a pay-as-you-go basis, would sound the death knell of many of our fine and valuable county newspapers. There are many other types of public services which could be enumerated to emphasize the point.

Rural free delivery is one of these. Rural free delivery was established in 1896. Today, it serves approximately one-fifth of the Nation. R.F.D. carriers deliver mail to more than 35 million of our people, to our approximately 9½ million farm and suburban families. This year, the citizens' advisory council reported that approximately $95 million was the cost of the public welfare service provided in rural free delivery. Were the Post Office to insist on a pay-as-you-go basis for rural free delivery, farm families would pay much more for postal service than they do now. Frequently it costs 10 times more to deliver a letter on a remote rural route than in a crowded city. The rural free delivery system was established to provide our farm and suburban folks with benefits equal to those of the city dweller. Without rural free delivery, families in lonely rural areas would be heavily penalized.

Consider, too, America's parcel post service, which annually carries upwards of a billion small packages to even the most remote regions of our country. Parcel post is a constant and personal part of the life of each of us—businessmen, farmers, householders. We're all particularly aware of that fact right now in sending and receiving our Christmas packages.

But the essential national function of parcel post, a self-supporting service with rates set by the Postmaster General and the Interstate Commerce Commission and not by Congress, is being curtailed.

Throughout the Nation's legislative history in the development and growth of our great postal service, there is constant, frequent reference to the fact that adequate postal communication should be provided to all Americans, everywhere, without primary considerations of cost or profit to the Government of the United States. Postal service has always been considered primarily and basically a vital public service.

These examples are cited to demonstrate the fallacy of the present administration's philosophy that the Post Office is a public utility, or should be considered as a business on a pay-as-you-go basis. Carrying the administration's philosophy to the ultimate would mean that we would have to pay much more for postal services. Such higher postal rates would be manifestly unfair in many respects, because the ordinary mailer would thus also be carrying the burden of losses on public service items. Or it would mean the elimination of uneconomic operations as is the practice in private business which, in turn, would deny many of our citizens an adequate mail service.

I am not afraid to vote general taxes to help make up any postal operating deficit which is due to an adequate and efficient postal system which serves the American public at fair and equitable rates. Our Federal Government consists of some 10 major departments and hundreds of lesser bureaus. There is no valid reason why the Post Office should be singled out for operation at a profit, while all the others can incur large deficits which amount up to many billions of dollars.

Postal rates could be raised to a point where they hampered and choked off many legitimate business undertakings. This might be necessary for a profit-making postal system. Yet would it be wise?

I have not subscribed to the so-called Hoover Commission theory that "those who get governmental services should pay for them." It sounds persuasive. When adapted to our postal system, it demands stiff rates from certain users. Yet, apply it to other spheres of Government and see what happens.

Would not this theory exempt from school taxes all families without children of their own? What about local fire protection? Would not the Hoover theory result in billing a household for turning out the hook-and-ladder to douse an attic fire? If an elderly woman faints on the sidewalk, should her family be billed for the hourly wages and motor vehicle costs of the patrolman who drives her to a hospital or doctor's office? These are questions implicit in the whole idea of "those who get governmental services should pay for them."

I consider the Post Office a service institution. I want revenues to be as near as possible to postal costs and expenses. But I do not want a false standard raised for fusing these two areas. We could balance the postal budget at the cost of impairing the Nation's economy, particularly to the detriment of the less favored users of our mail system.

You have commented considerably, pro and con, in your columns on the current postal rate controversy. I know the American Newspaper Publishers Association has declared it wants no subsidies, and that the association has resisted postal rate increases until publishers may know precisely what the costs are. Unfortunately, much of the Post Office Department propaganda has found its way into newspaper columns. Much of it is so misleading that the average American finds it difficult to arrive at a sound judgment. For example, the Postmaster General has frequently referred to the fact that the Post Office Department incurs a $250 million annual loss on second-class mail. Second-class mail, as you know, is the category including newspapers and magazines.

Recently, in a nationwide telecast, Mr. Summerfield said that the loss on second-class mail amounted to $250 million per year, and further commented that "the newspapers are responsible for a small portion of the total loss of second-class mail." In short, he placed most of the blame squarely on the backs of the magazine publishers. But what is the actual truth?

In the cost ascertainment report for 1956, the Post Office shows the total loss on second-class mail as amounting to $269 million. Of this loss, the newspapers account for approximately $104 million, and that is making no allowance for that portion of exempt publications which is used by newspapers.

Despite Mr. Summerfield's statement that the newspapers are responsible for a small portion of this alleged loss, his own accounting facts reveal that they are responsible for approximately 50 percent of this alleged loss. I do not make this statement as being critical in any essential of our newspaper industry but, rather, as showing the confusion that exists in the public mind as a result of misleading information and inaccurate statements.

I referred to the $269 million as an alleged loss. This alleged loss, and others, are based on mere cost ascertainment determinations, and the Post Office Department has repeatedly warned the Congress that to use cost ascertainment exclusively as a ratemaking device is a fallacy. Accordingly, the Post Office Department has modified cost ascertainment by making certain provisions for the usual allocation of costs based on standard ratemaking factors, such as priority and preferment of service, value of product, ability to pay, and other intangible factors. When this formula is applied to Post Office Department costs, an amazing result is revealed. The alleged second class deficit of $269 million, so glibly asserted by the Postmaster General in publicity statements, suddenly shrinks to $102 million. That is a reduction of $167 million. And the $102 million still remaining includes many items of public service for which the Post Office itself has requested no increase.

If second-class mail is to be placed on a pay-as-you-go basis, then many publishers of newspapers and magazines would be required to foot the bill for much free and privileged mail, some of which is in direct competition with your industry.

The forthcoming session of the 85th Congress will see great pressures being exerted for the enactment of a postal rate increase bill. This undoubtedly will be used by the administration as a basis for approving Federal and postal employees' pay increases. I am thoroughly opposed to linking pay increases with rates, for it doesn't make sense.

There are now over 2 million employees in the Federal Government. Approximately one-fourth of these work for the Post Office Department. Is it the administration's contention that mailers, through increased postal rates, should bear the brunt of employee pay increases for the entire Federal Government? Certainly, the Federal Government is not asking for increases in visitors' fees to the national parks, for increases in Patent Office fees, for increases in airline fees for use of airway facilities, nor for increases in payment for other public services provided by the Federal Government.

I support a fair and adequate pay increase for Federal and postal employees. But such pay increases should be considered strictly on their own merits, with no relation whatsoever to rates or fees to be charged the American public for services provided by the Federal Government.

I wonder how often we tend to forget that in the early days of the postal service the recipient paid for the transmission of mail at the time he received it. The high rates imposed, and the difficulty of collecting, led the Congress early to enact lower beneficial postal rates in the public interest.

In 1792 George Washington mde the following statement to the Congress: "In consequence of the rate of postage imposed on the transmission of newspapers by the Post Office law, many persons in Virginia who had heretofore taken newspapers from this city had declined receiving them any longer; and that many others declared that they had only continued to take them under a full persuasion that the rates of postage would be reduced during the present session of Congress, and that if such reduction would not take place they would desire their printers to stop their papers." The public service obligations of our postal system to the American people were obvious then as they are now.

For a moment or two let us analyze the rate bill as it passed the House. You will recall that it provides for a 1-cent increase in first-class mail—that is letter mail; a 1-cent increase in airmail, and increasing the postal card rate from 2 cents to 3 cents. The bill provides for an increase of 60 percent on second-class mail, spread over a period of 4 years. It also provides that the 5,000-press-run newspapers will be exempted from the rate increase. There is also a provision limiting the subsidy to any one publication to $100,000 based on the Post Office Department's cost ascertainment figures.

For third-class mail, the bill provides for immediate hiking of the bulk minimum per piece rate from 1½ cents to 2½ cents.

The House bill also carries, as title II, a postal policy which is not only inconsistent with the Post Office Department's own philosophy respecting postal rates, but does nothing to resolve many of the public service problems of the Post Office Department. A policy provision such as the one contained in this bill is not self-executing, and needs revision if it is to provide a workable and equitable basis for present and future postal rate action.

I do not favor the postal rate bill as passed the House. I believe there is much work still to be done before we can properly or fairly solve the perennial postal rate dilemma.

First of all, Congress should adopt a modern postal policy enumerating the public services properly to be paid for out of the general tax funds as expenditures in the public welfare. The present bill does not include such essential policy provisions.

As I have mentioned, the present postal rate bill provides that the 5,000-press-run newspapers shall be exempted from postal rates increases. This may be a valid provision, although certain newspaper groups have strenuously objected to it. But my point is this: if this provision remains in the bill, then I insist it is incumbent upon the Congress to put a dollar value on the subsidy involved, and provide that it be borne from the general tax funds. It should not fall upon other postal customers. Depending upon which set of figures is used, this subsidy could run anywhere from $10 million to upward of $20 million or more per annum.

At the present time, postal rates are being determined by the Post Office Department, the Interstate Commerce Commission, and the Congress of the United States. Once the Congress has adopted a much needed postal policy, I believe that all postal ratemaking authority should be vested in the Congress, so as to insure continuing consistency with postal policy.

With respect to the proposed increase in first class mail, for years this category has shown a substantial profit. Now, under the present Post Office formula, costs have been shifted so that it carries a substantial loss. However, the Post Office formula was adopted without benefit of a congressional policy enactment, which makes their findings inconclusive and possibly inaccurate.

The proposed rate increases for second class mail, in my opinion, would tender to foster monopoly. Bear in mind that there are 25,000 publications equally divided between newspapers and magazines entered as second class mail. Unquestionably, some of the larger publications could stand a 60 percent increase in rates spread over 4 years, but what about the smaller publications whose profit margins are declining, and whose struggle to stay in business would end if faced with a 60 percent increase? Are we ready in this country to turn our press over to the hands of a few, and vest it in a quasi-monopoly? Under such circumstances I doubt if our press would be any longer free.

Would it possibly dare to call to the attention of our people the shortcomings of the present administration with respect to our scientific race with other nations? Would the publication Aviation Weekly have told us, as it did in a recent edition, that the technological and scientific developments of Russia have been observed for a period of 2 years through our radar installations in Turkey?

Our press discharges the obligation our forefathers placed upon it when it brings to public light mistakes and inconsistencies of our leaders, who are held responsible for action which benefits the general welfare.

I recognize that many daily newspapers have found other ways to distribute their mail than through the post office. Editor and Publisher recently reported a 11 percent decline in the use of the mails for newspaper distribution since the last 30 percent increase went into effect in 1951. But many weekly newspapers and magazines, totally dependent on mail for delivery, may not be able to withstand the impact of a drastic rate increase such as is currently proposed; 60 percent added to present second class mail rates would mean a total increase of 108 percent since 1951. I believe this is a cost factor far in excess of the increases in other business costs.

You have perhaps given some thought to the so-called Rhodes amendment, which limits the subsidy of any one periodical to $100,000 per annum to be determined by cost ascertainment findings of the Post Office Department. Just a word on that. In the first place, the Post Office Department itself has condemned cost ascertainment as a sole basis for postal ratemaking. Secondly, it seems to me the Rhodes amendment would vest in the Postmaster General a power over the free press perilous to our country's welfare.

The proposed arrangement would permit one individual, the Postmaster General, to set varying costs on competing publications. He could give preferment to one publication over another. Bias could enter into such judgments. The implications of such a dictatorship are obvious. Even the present Postmaster General admits the Rhodes amendment is unworkable. I, for one, am reluctant to support it.

The proposal to raise the per piece rate on third-class mail from 1½ cents to 2½ cents is far too drastic. It would cause widespread damage to small business, which is already in sore straits. Many small businesses in this country find third-class mail essential as an effective and economical means of advertising and selling their products. These are the small businesses which cannot afford the substantial cost of advertising through radio, television and the press.

I feel that the U.S. Government owes small business every possible encouragement to prosper and grow. There has been testimony before the committees of Congress that small businesses dependent upon the mails could not survive this large increase proposed in postal rates. Bear in mind that there are 225,000 third-class mail permits in existence today. It is estimated that the users of these permits have built up a total of about $15 billion annual business. I, for one, would want to approach the matter of increasing third-class mail rates with exceeding caution, and with the full knowledge of the great damage to the national economy which could easily result from ill-considered congressional action.

The present administration is asking our people to pay more money for less service. It is asking us to pay a premium for built-in waste and inefficiency. The Oakland Tribune of Oakland, Calif., in an editorial dated August 20, 1957, asked that we bring back the pony express, and stated: "The truth must

be faced: Whatever the reason, mail service in the bay area is little better than in the days of its infancy."

There is general complaint that the mail service is deteriorating throughout the Nation. Senator OLIN D. JOHNSTON of South Carolina, who is chairman of the Senate Post Office and Civil Service Committee, has offered a bill to provide modernization of postal facilities. He proposed to borrow $2 billion from the Federal Employees' Retirement Fund. He believes this will provide better service to the American people at drastically reduced costs. I shall support him in this effort.

The Postmaster General has laid the blame on Congress for not providing sufficient money for modernization and technical improvement. But the Congress has given him practically every dollar he has requested. Last year, for example, he asked for $22,200,000 for administration and research, of which $4 million was actually for research. Initially he got $20,500,000 of this, plus another $2 million in the form of a supplemental request. Of $229,500,000 which he requested for buildings and facilities, Congress initially voted $220 million, and added $17 million in a supplemental appropriation.

The Senate Post Office and Civil Service Committee has spent many thousands of dollars investigating these postal problems. I don't want to see this substantial expenditure of the taxpayers' money wasted. I am thoroughly convinced it will be possible in the next session of Congress to develop a modern postal policy so greatly needed. Once Congress has accomplished this, I feel we will then be in a position to act intelligently and constructively on postal rate increases and other crucial postal matters.

Mr. CANFIELD. Mr. Chairman, I yield myself 20 minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I have had a great many protests and letters from postal workers regarding the number who will probably lose their jobs because of mechanization or automation, or whatever it is called by the Post Office Department. They are very anxious. I know the great interest the gentleman has in postal workers. Can he give me any information about that?

Mr. CANFIELD. Briefly. I shall be glad to read to the gentlewoman from Massachusetts a paragraph in a newsletter distributed last week by the United National Association of Post Office Craftsmen. This paragraph reads:

> Those attending our meeting were taken on a tour of the modernized and mechanized Washington Post Office and were astounded at what they saw. All agreed that such modernization must come.

May I say to the gentlewoman from Massachusetts that over the years the volume of mail steadily increases. It is projected in the new fiscal year covered by this bill more than 12,000 new postal workers will have to be taken on, this with all the new automation. So generally speaking, I believe that the postal workers of the Nation need not fear the effects of automation at this time.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I shall be glad to yield to the gentleman from Tennessee, a member of our committee.

Mr. EVINS. I thank the gentleman. We serve on the same committee. I did not have a chance to have my question answered earlier. It is on the same subject. Quite a number of Members attended the opening of the most modern postal installation in the world. I notice that in the bill $75 million is carried for modernization. The work will continue in the District of Columbia. I am concerned that all of this fund be not expended in the District of Columbia, but that portions of it be allocated on a fair basis throughout the United States. I hope the gentleman from New Jersey will assure us that that will be done.

Mr. CANFIELD. I can assure the gentleman on that score.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield further?

Mr. CANFIELD. I shall be glad to yield later.

Mr. Chairman, I am very glad to be a member of the Gary subcommittee of the House Appropriations Committee. It is a hard-working committee and it does an outstanding job.

I wish to discuss at this time, Mr. Chairman, two items in the Treasury phase of the bill now before us. One is Customs. While the amount allowed in this bill for Customs has not been cut, we know that over a period of years, the Bureau of the Budget has denied Customs additional funds sought for port protection and antismuggling activities.

It was most unfortunate that Customs, overexpended in expenditures, was forced during the 2-day Christmas period of last year to take a calculated risk and to cut out the port patrol service of our seaboard cities. Ports were unguarded because the record of previous years showed there were no records of smuggling or seizures on Christmas. One of the ports was Philadelphia, another was New York, another was Boston. The resultant publicity caused great concern.

The New York Times on March 2, 1959, editorialized as follows:

> In the last 15 years the antismuggling responsibilities of the Customs Service in the port of New York have been carried out by a steadily declining staff. During the war years there were approximately 800 enforcement men in this important arm of the Treasury Department. After the war the roster was reduced to about 500 men. Now it is less than 250. The 5-day week means that it is no longer possible to maintain constant surveillance on the hundreds of piers where ocean vessels dock. Nowadays on the average pier there is no regularly assigned Customs man to check ships and their seamen against illicit imports, including narcotics. New York is an obvious target for every heroin-smuggling ring serving as a transmission belt from Europe or Asia. The potential apparatus for smuggling includes many of the 12,000 ships that come into this port every year.

Mr. BYRNE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Pennsylvania who has been so rightfully upset about the Customs personnel action last Christmas.

Mr. BYRNE of Pennsylvania. I would like to compliment the gentleman from New Jersey [Mr. CANFIELD] for the statement be made, which is true. The port of Philadelphia was not covered by a single port patrolman on the whole river front of the Delaware River in Philadelphia during the Christmas and New Year holidays. The collector of the port just released figures for the port of Philadelphia for the year 1958 which would show that $57 million was collected at the port of Philadelphia customs.

We in Philadelphia were annoyed, we are still annoyed over the fact that our port is not protected on holidays and weekends. I know that the gentleman, with the delegation from Philadelphia, has called to the attention of Mr. Kelley, the Commissioner of Customs, that this system must be broken up.

Mr. CANFIELD. Mr. Chairman, when customs officials were before us this year, they testified that the funds now reported in this bill today would give them 30 additional plainclothesmen for their customs agency which would improve coverage of waterfront areas, notably those in New York. Commissioner Kelley then said:

> We will see how effective they are in making seizures on these piers which lately are not completely guarded.

He went on to say that Customs was now in an exploratory stage of a new type of enforcement work and if the new group was successful, more people would be requested.

It is my feeling that there is definite need now for a larger group of customs agents, trained to apprehend those who deal in the devious arts of smuggling and the illicit narcotics traffic and more attention must be paid the matter of port protection.

I am today proposing that the staff of the House Appropriations Committee be directed to make a thorough study of the adequacy of customs enforcement, in our major ports with reference to port security and smuggling. I live in the metropolitan area of New York and it disturbs me no end that the Commissioner of Narcotics, Dr. Anslinger, tells us that 43 percent of all drug addiction in the United States is to be found in New York City. Organized dope gangs, with headquarters in foreign countries, are still getting this awful stuff to our shores.

Now, Mr. Chairman, I desire briefly to touch on another Treasury item which I do not think is being given proper attention at this time because of what it means to the maintenance of our fiscal system and our economy. I refer to the Internal Revenue Service.

No one, perhaps, will ever know what vast sums are lost to the Treasury of the United States through ignorance, neglect, evasion, and fraud.

When the new Commissioner of Internal Revenue was before us a few weeks back, I asked him what he thought about the number of people who should know better and who were simply not filing tax returns. His answer was: "Congressman, it is amazing."

Commissioner Latham told us this year that 93.5 million returns were filed during the calendar year, 1958, 33 million of which called for refunds. The audit force, he went on to say, had completed the examination of 2.6 million

returns, which audit provided for the Government $1.5 billion additional revenue. Very properly I think, he went on to say he proposed within the limitation of the budget to step up the number of returns audited each year and he warned the public to realize that the Service does not have a set pattern in the matter of auditing returns. It is pursuing a trial-and-error method with changes each year.

Some years back, authorities of the Internal Revenue Service indicated to us that the then examination of returns might possibly be reaching a point of diminishing returns insofar as the Treasury is concerned but today this is not the testimony of our Treasury chiefs. Mr. Rose, Assistant Secretary of the Treasury, told us this year every dollar spent on enforcement this year would probably bring upwards of $10 and Mr. Latham himself said that his latest appraisal indicated $13.

This being so, I cannot help but wonder if we are serving the best interests of the Treasury and all the taxpayers of the United States if we do not provide realistic sums for enforcement and collections.

I am proposing, therefore, that the House Appropriations Committee staff make a thorough study to ascertain the facts so that the Congress can properly determine whether or not additional funds for enforcement purposes would enhance the Treasury and do justice to those honest taxpayers who carry their full burden of taxation.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I rise simply to make this observation, that the Committee on Ways and Means has been conducting such a study over the period of the past 2 to 3 years, and beginning 2 days ago we went into executive session hearings with the Director of the Bureau of Internal Revenue and the other Treasury officials concerned with this. I think that such a study as the gentleman has mentioned is available, and I think what is needed is some coordination between the Committee on Ways and Means who have been conducting this study and the gentleman's committee. I am going to urge, just as soon as I can get around to it, tomorrow morning, that the chairman of the Committee on Ways and Means consult with the chairman of this committee to gain the benefit of what our studies have shown to date. I might say that our studies to date certainly bear out the request of the Bureau of Internal Revenue, and my preliminary conclusion would be, as the gentleman has suggested, that it would be really a loss in revenue right at the front line not to be able to have the manpower to do the job.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand this bill calls for the spending of some $29 billion?

Mr. CANFIELD. Yes; that is true. But, as the chairman well pointed out a few moments ago, the major dollar figures in that sum are chargeable to indefinite expenditures, such as the $8 billion plus item for interest on our public debt and trust fund items. We have no control outside of the Treasury items, Post Office and Tax Court items in this bill. They aggregate, roughly, $4,600 million.

Mr. GROSS. Mr. Chairman, there cannot be over 30 Members on the floor. I think we ought to have more Members here to hear the arguments in favor of a $29 billion bill. Therefore I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLATNIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, had come to no resolution thereon.

DAVID ABSHIRE

Mr. CURTIS of Missouri. Mr. Speaker, on behalf of the gentleman from Illinois [Mr. ARENDS], I offer a resolution—House Resolution 213—and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That pursuant to the Legislative Pay Act of 1929, as amended, one of the minority employees authorized therein shall be the following-named person, effective March 1, 1959, until otherwise ordered by the House, to-wit: David Abshire, to receive compensation at the basic rate of $4,500 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL LOTTERY

Mr. FINO. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, while we in Congress persist in refusing to capitalize on the natural gambling spirit of the American people, and while we continue to ignore the tremendous revenue-producing features of a national lottery, billions of American dollars leave our shores every year in support of foreign-operated lotteries and other gambling activities.

Because of our blind stubbornness in refusing to take full advantage of this human betting urge of our American people, we have become the principal contributors to many of these foreign lotteries.

Mr. Speaker, a few days ago the official list of the numbers drawn for the 95th Irish sweepstakes was published in our newspapers. Thousands of Americans across the country will be anxiously awaiting the results, which in some cases will mean the happy fulfillment of a dream.

Mr. Speaker, I wonder how many of the Members of this House know what the total proceeds were from the world-wide sale of these Irish sweepstake tickets? A record high of over $15¼ million. I also wonder how many of you know what part of this amount represents our own American dollars? Probably $12 million of the total.

Mr. Speaker, unfortunately, our loss is Ireland's gain. The Irish Government, 410 hospitals, and the Irish Red Cross fund will again be the beneficiaries of an additional $6½ million—most of it painlessly and voluntarily donated by our American wage earners.

Mr. Speaker, a majority of the American people want to know how long are we going to permit and allow hypocrisy to blind us from the obvious? How long are we going to continue our reluctance to recognize a known fact that the urge to gamble is deeply ingrained in human beings?

Mr. Speaker, judging from the millions of dollars that pour into Ireland, which has a population of less than 3 million people, and into other countries, it would not be difficult to conclude that a national lottery in America would bring into the coffers of our Government $10 billion a year in additional revenue.

Mr. Speaker, are we ever going to banish hypocrisy? Or are we willing to content ourselves with the collection of only income taxes from these sweepstake and foreign lottery winners?

AWARD OF YOUNG AMERICAN MEDAL FOR BRAVERY

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, I rise to invite the attention of the House to an award that has been made to a young man who lives in my district. William Joseph Steury, of Bluffton, Ind., has been given the Young American Medal for Bravery for the year 1957. The Committee recommending the award to the Attorney General is composed of J. Edgar Hoover, Director of the Federal Bureau of Investigation, Chairman; Solicitor General J. Lee Rankin; and Luther A. Huston, Director of Public Information. The medal will be presented to Steury by President Eisenhower at the White House.

The medal itself was established by the Congress in 1950 to be awarded to boys and girls who prior to their 19th birthdays performed outstanding acts of bravery. Recommendations for the awards must be submitted by the State Governors. In the case of Steury, the recommendation of Governor Handley of In-

diana was supported enthusiastically by a great many other individuals and organizations.

The recipient, who is now a student at the University of New Mexico, is the son of Mr. and Mrs. Amos Steury, of Bluffton. The award was made for saving the life of Rev. Wayne Piety, who while fishing upon the ice of Kunkel Lake, broke through and was in imminent danger of drowning. Young Steury with great bravery and presence of mind crawled out on the treacherous ice and extended a tree limb across the hole in the ice so that Reverend Piety could hang on and keep his head above water. Thereafter, Steury assisted him in such ways as he could until the State police and local firemen arrived with equipment which would permit them to get on the rotten ice and remove Reverend Piety from the water.

His home community, our congressional district and, I am sure, the entire Nation are proud of this young man and pay tribute to the courage and presence of mind that he displayed.

OCEANIC RESEARCH

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include two newspaper articles.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. OLIVER. Mr. Speaker, for approximately a week during the month of February, the attention of the entire country was focused on the need for expanded research into our oceanic depths. Scarcely a newspaper or magazine failed to include an article on the National Academy of Sciences, Committee on Oceanography, report recommending a vigorous national program of oceanic research. The report among other things dealt with the greater military importance of the ocean depths when compared with outer space; the need for developing the protein sources of the ocean depths; the possibility of controlling weather through a more thorough understanding of oceanic phenomena; the possibilities of the development of underseas mineral resources and many other practical and essential objectives.

Today, less than a month later, we have increased demands for additional funds to increase expenditures in the field of outer space; while the demands for additional research expenditures in oceanic research are still being unanswered. Even if we should ignore all other aspects, we cannot ignore the fact that Russia has some 105 research vessels presently engaged in oceanic research, to say nothing of her frenzied efforts to expand in this area, while we have only 45 ships, for the most part seriously outmoded, now in research operations.

What is more significant is that we appear to be unwilling to maintain the status quo. The Bureau of Commercial Fisheries recently announced the deactivation of the *Albatross III*, a converted fishing trawler, on the grounds of inefficiency of operation. The Bureau plans to replace the *Albatross III* with privately chartered fishing vessels. The Bureau's Director admits that the use of fishing trawlers will result in the curtailment of some of the research activities of the laboratory, but further states that these curtailments are required in the light of budgetary limitations. Because of these same budgetary limitations, the present Commercial Fisheries budget does not request funds for the construction of a new research vessel to replace the *Albatross III*. Thus, it seems to me that the Bureau of Commercial Fisheries has replaced one inefficient operation with another still more inefficient operation. The obvious necessity of providing a substitute vessel for the *Albatross III* is not demanded. To me, this is an example of the worst type of penny wise, pound foolish economy. We know that this research field is essential to our security now and in the future. We know that Russia is extremely active and expanding in oceanic research. It is not my intention to detract from the importance of space research, but it is just as important that we do not delude ourselves through apathy or neglect as to the true importance and necessity for intensive concentration on oceanographic research. Since we all are agreed that more rather than less fiscal expenditures are required for additional exploration into outer space, it seems obvious that additional funds should and must be appropriated to enable our country to not only overtake but surpass the Soviet Union in the field of oceanic research. To do less can prove disastrous.

A nation's defense posture is only as good as its weakest link. Billions of dollars spent on research in the field of outer space may be completely wasted if we fail to adequately prepare ourselves with a defense against underseas attack. Only through increased concentration on oceanographic research activities can we hope to plug this highly vulnerable weakness in our country's defense.

As a means of documenting my contention, I would like to insert in the RECORD the first in a series of articles which originally appeared in the New Bedford Standard-Times in March of 1958. I also am including an article describing the views of one of our foremost naval leaders, Vice Adm. C. B. Momsen, retired, concerning the pressing necessity for additional oceanographic research.

[From the New Bedford Standard-Times]

SEA BATTLE 1958—KEY TO SURVIVAL, I—UNITED STATES IS LOSING TO RUSSIA IN VITAL RACE TO HARNESS OCEANS

(By Everett S. Allen)

The United States is losing to the Soviet Union the biggest and most important sea battle in mankind's history, the contest to unlock the ocean's secrets for use in peace or war. Principally by default, American oceanography is surrendering the lead in a half-dozen marine science fields to a Russia that is better equipped, spending more money, and able to put many more capable scientists on this particular assignment.

Further, since Russia is largely a landbound country, it has been suggested her primary interest in the sea might well be for aggressive purposes.

It is noteworthy in this respect that the Soviet Union's chief target in either a hot or cold war, the United States, has the largest coastline of any nation in the world.

REDS GAIN RAPIDLY

Soviet oceanography 10 years ago was provincial. Today, it is worldwide in scope and progressing rapidly. Russia has initiated a crash program in ocean study comparable to the rocket-outer-space effort that produced sputnik.

For it is increasingly accepted in scientific circles that whoever controls the seas and whoever knows most about them, not only from coast to coast, but from top to bottom, as well, could conceivably control the world, the effect of airpower notwithstanding.

These are the concerted views of America's leading oceanographers, qualitatively among the world's best, who have been interviewed exclusively by the Standard-Times to find out how the United States stands in a scientific race on which the world's survival could rest. For the future depends upon the sea, which covers three-fourths of the earth's surface, and contains the answers to most of its pressing problems.

By comparison, they say, rocketry, missiles, space transport and the like are essentially adventures in gadgetry. That is why most oceanographers, seriously concerned at the prospect of Russia establishing a long lead in the earth sciences, warn:

"Spend all of America's might and money on rockets, and you will still lose the war with Russia, whether it be cold or hot."

SEAS TO BE DECISIVE

To the degree to which the Soviets gain a lead in oceanography, the possibility of war increases. If there is war, there is sound reason to believe the seas—not the air or outer space—will be the decisive theater of military operations.

As weapon systems evolve the submarine-launched missile will prove to be the most effective, for it will be extremely difficult to tell where it came from, and it can be launched close to the target, allowing little time for defense tactics. By contrast, the intercontinental ballistics missile will allow defenders several thousand miles worth of reaction time before it arrives in the target area.

The ocean also is the medium over which America must carry supplies and support to its allies if the free world is to stand. Further, in the modern concept of atomic war, the seas' depths are the most effective hiding place for concealing both offensive and defensive action.

If there is cold war only, there still remains the present struggle for balance of power in the world. Of tantamount importance in this East-West contest for alliances are the underdeveloped have-not nations, which require such basics as food and fuel. Also torn between necessities and loyalties are many of the more developed countries, which are in pressing need of cheap power and new sources of minerals and metals when petering-out mines are exhausted.

OCEAN HOLDS KEY

In the ocean lies the answer to all of these things, fundamentally important in peace, critical in war. Either Russia or the United States will find the keys to these secrets, since no other nation is making anything like the deepwater scientific effort of these two—and the Soviet effort is several times that of America's.

The nation that does score an eventual breakthrough on any of these principal marine fronts will be in a greatly enhanced position, through prestige, politics, and persuasion to tip the worldwide balance of power.

As an example, which way would India's hungry millions look for leadership, East or West, if Russia first found a practical means of providing limitless quantities of fish protein for 1½ cents a pound or less to Nehru's money-poor country? Protein is a principal lack of the Indian diet, and this question will be answered one day.

FUNDAMENTAL PROBLEMS

Here are a few of the fundamental problems that oceanography and its allied sciences will help to solve, and it is the growing prospect of their solution that has caused the Soviet Union to place new emphasis on basic research in the earth sciences:

1. Dr. Edward Teller, prominent U.S. physicist, has suggested Russia might conceivably be able to halt rainfall in the United States for a 2-year period, or otherwise control its weather so that Americans possibly would be willing to surrender without a shot having been fired. An apparent major key to weather control lies in the circulation and surface action of the earth's oceans.

2. Prof. Harrison Brown, California Institute of Technology geophysicist, predicts oceans eventually will provide power in quantity because man will extract its hydrogen for fusion energy. Both British and United States Governments have announced initial step laboratory successes in this direction; the goal is electrical power virtually as inexhaustible as the seas themselves.

"HARNESSED" SUNLIGHT

3. Dr. Clifford C. Furnas, chancellor of the University of Buffalo, says the seas eventually will give up zinc, gold, vanadium, titanium, and unique liquid fuels, the latter formed by the photosynthesis of "harnessed" sunlight in the oceans. There is mounting interest in possible undersea oil deposits which one day might supplement diminishing petroleum supplies on land; southern California offshore wells are only "surface scratchers" compared with sources that might be developed.

4. Gigantic undersea mountain ranges, vast plains, submarine valleys hundreds of miles in extent, swift currents like rivers that flow across the ocean bottom at speeds up to 75 miles an hour, all of these phenomena, discovered relatively recently, point up the fact that the undersea world's contour has much in common with our own.

Militarily, there is an obvious advantage to being able to feel at home in this new world, to be able to cruise, fight, and hide at depths up to 2½ miles, over an extended period. The United States, and undoubtedly Russia as well, already has started making hydrographic charts of the undersea such as now are available for surface navigation.

5. Earth populations are soaring; millions already are chronically hungry. The sea will become the principal source of the additional foods mankind is going to need.

THREAT TO LIFE SEEN

6. Through industrial and domestic uses of fuel, principally coal, man has injected into the atmosphere increasing amounts of carbon dioxide since 1900. This may be jeopardizing his way of life, if not his existence, and the oceans apparently contain the first clue to this possibly grim riddle.

7. The shortest East-West distance in a hot war is over the pole, across the Arctic wastes. Adm. Donald B. MacMillan, and other Arctic and military experts long have predicted that if the Russians come, they will come that way. Successful Arctic offense or defense requires knowledge of this still little-known area, which is principally ice-filled ocean.

8. If it is proved that waters in the great ocean depressions do not rise to the surface in less than decades, or even hundreds of years, these depths may offer a partial solution to the problem of disposal of radioactive wastes. Europe, urgently seeking a new power source to replace diminishing coal and oil supplies, is face to face with this problem right now.

In the light of all this, America's top oceanographers watch the administration and Congress apprehensively, comparing last year's modest national budget of $6 million for basic ocean study with the billions now scheduled for missiles, rockets and outer space effort.

FUNDS UNCERTAIN

The Navy, which relies heavily on oceanography, and would be critically dependent upon its efforts in an undersea war, has to parcel out funds to ocean scientists from year to year, usually with "worry periods" in between. Just prior to each contract termination, the scientists do not know whether their jobs, plans and ideas will be perpetuated or dumped into the discard.

"Why on earth can't you guarantee financial support to us over a period of 5 years, or even 2?" a pleading geophysicist asked the Government. "Contractors, grocers, anybody in business has to be able to make long-range plans.

"Suppose we work a year to put together a competent team of specialists. Then the funds are cut off, the team scatters, because its people have to find other ways to earn a living. What the team learned in its brief study is largely lost. A few months later, the Government decides it wants the work continued, and you find you can't get the team together again.

"Right now," the scientist predicted, "if the Government wanted to double its effort in oceanography, which probably should be done—it would be virtually impossible to get the people to do it."

[From the New York Times, Mar. 15, 1959]

OCEAN, NOT SPACE, HELD MAN'S HOPE—ADMIRAL MOMSEN FORESEES VAST EXPLOITATION AND USE OF SUPER SUBMARINES

ARLINGTON, VA., March 14.—To Vice Adm. C. B. Momsen the emphasis on space is a bit ridiculous. Man's future, he insists, is on this planet, in and below the ocean.

The retired admiral, who has studied the sea for years, foresees the following:

Submarines carrying hundreds of passengers will speed from the United States to Europe at 225 miles an hour—quietly, cheaply and safely.

Cargo submarines will cross the top of the world under the North Pole at 70 miles an hour. Behind them will trail a mile-long chain of sausage-like rubber containers, filled with 12 million gallons of oil.

Fish farms in the ocean depths will supply most of the world's food.

The force of ocean tides, currents and waves will be converted into electricity in giant underwater power plants.

Submarine mining camps will sweep the ocean floor, harvesting a wealth of minerals. Extracting plants will process the limitless acres of sea water for gold, copper, magnesium and dozens of other essential elements.

Vast reservoirs of oil and natural gas beneath the ocean floor will be tapped.

Sea water will be converted to fresh water, pumped inland, and used to transform desert regions into garden spots.

THIRTY-EIGHT YEARS IN FIELD

Science fiction? All that is feasible, the admiral says, and will come about as soon as man is willing to put forth the time, money and effort.

The oceans, their power and resources have been Admiral Momsen's business for 48 years. He was graduated from the Naval Academy in 1919, and 2 years later went into the submarine service. He stayed there until his retirement in 1955. Since then he has served as a consultant to several companies interested in underwater travel or resources.

If his name sounds familiar, it is probably because he gave it to the Momsen lung, which he helped develop as an escape apparatus for men trapped in sunken submarines. The device is still used by navies all over the world.

He also had a hand in developing the diving bell that saved the lives of 33 men trapped in the submarine *Squalus* off Portsmouth, N.H., in 1939.

"We've all gone a little crazy about this outer space business just to keep up with the Joneses," he says. "The ocean is the place where we should be putting our efforts in order to provide for future generations.

"The population of the world is expanding at a tremendous rate. Within a few hundred years at the most, people will have to look elsewhere for the things they need. And they'll find them all in the sea, the world's last great unexplored frontier."

Submarines cannot go below 1,000 feet now, he notes, but one is being developed that should be able to go down 10,000. That would hit bottom 75 percent of the time, although the maximum depth of the ocean is known to be about 36,000 feet.

When the atomic *Nautilus* sailed under the North Pole last August, new vistas were opened in the field of underwater commerce. Here was a route that would cut nearly 5,000 miles off the 11,200-mile journey from London to Tokyo.

United States Rubber, a company for which Admiral Momsen is consultant, has been developing for more than 15 years rubber containers for transporting liquids. The company visualizes the day when cargoes will be hauled around the world by submarines towing a series of containers, 20 feet in diameter and 400 feet long. Each container would hold a million gallons, and each submarine could haul a chain of them 5,000 feet long.

About 75 liquids—acids, oils and alcohols—could be transported that way, plus a variety of such items as dry lime, grains and fertilizers.

Big oil tankers cannot get into shallow harbors to unload. However, a submarine cargo train could surface outside a small harbor, cut a container loose and let it be towed into the harbor.

AMENDMENT TO AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ALGER. Mr. Speaker, on September 9, 1958, an eminent jurist, T. Whitfield Davidson, whose experience on a Federal bench is exceeded by few, if any, serving in the judiciary today, handed down a decision which simply confirmed and reasserted the right of an American to do what he pleases with his own property so long as he disturbs the rights of no one else in the process.

On February 24, 1959, the Supreme Court summarily reversed Judge Davidson in these words—and this is the sum total of these comments:

The judgment is reversed. *Wickard* v. *Filburn* (317 U.S. 111).

What infraction of law was here involved? J. Evetts Haley, Jr., who operates a 1,600-acre cattle ranch in Oklahome and who has never applied for nor accepted any kind of Government subsidy, grew 43 acres of wheat which he fed to his own cattle on his own ranch. He asked for Government loans on none of it. He sold none. But he was assessed a fine of $506.11—for planting wheat during 1956 when he had no wheat acreage allotment from the Agricultural Stabilization Committee; for planting wheat, mind you; not selling it.

The learned Judge Davidson, in finding for the defendant, cited ample judicial precedent for excluding Haley's act of simply producing something—of itself quite legal from the jurisdiction of Congress in the first place. "He has marketed nothing; he has sold nothing; and he has entered nowhere into the marts of commerce." But as other Federal jurists have been wont to do, he took judicial notice of other authorities, not essentially judicial, but nonetheless authoritative, on this subject of men's basic rights.

I quote the judge:

> Nineteen hundred years ago, a man uttered these words: "I have a right to do as I will with mine own." * * * The 10th amendment says: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people."

On September 9, 1958, judgment was entered in favor of the defendant.

On February 24, 1959, without a hearing:

> The judgment is reversed. *Wickard* v. *Filburn* (317 U.S. 111).

The decision of Judge Davidson is thus repudiated. Are the authorities he cited repudiated as well? Since, as a nation, we have not yet repudiated one of those authorities and we cannot the other, I have today introduced a simple bill aimed at bringing the Agricultural Adjustment Act of 1938 in a little closer conformity with both. Whatever effect this little amendment might have on the grandiose schemes of the planners, however far it might set back the managerial revolution, this bill would simply permit an American to plant wheat on his own land to be consumed on his own farm, free of interference by anybody. Where Americans ever lost that right, I am not sure, but I urge your support in restoring it to them.

THE FUTURE OF THE ST. LOUIS GLOBE-DEMOCRAT NEWSPAPER

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, the St. Louis Globe-Democrat, one of the two daily newspapers published in my home city of St. Louis, has been closed for almost 4 weeks as a result of a strike by the St. Louis Newspaper Guild.

One week after the strike started the Globe-Democrat management announced an agreement with St. Louis Post-Dispatch providing for sale of the Globe-Democrat's physical plant to the Post-Dispatch and for the printing of the Globe-Democrat by the Post-Dispatch in the future.

I have no wish to intrude upon the dispute between the Globe-Democrat and the Newspaper Guild, except to express the hope that the strike will be settled equitably in the near future and that the Globe-Democrat will be back in the business of printing the news.

I have found, however, both in St. Louis and in Washington, some confusion about the Globe-Democrat's situation as a result of its recent transaction with the Post-Dispatch, the other daily newspaper in St. Louis.

I am making this statement in response to the questions which have been put to me, and I am happy to do so because the facts of the situation will, I am sure, be most reassuring.

The basic fact is that the action represents simply a consolidation of the physical plant and equipment of the two newspapers. It represents nothing more than that.

I can state categorically in the strongest possible terms that the St. Louis Globe-Democrat will continue as an independent, competitive newspaper. Mr. Richard H. Amberg, publisher of the Globe-Democrat, has declared publicly and repeatedly that the Globe-Democrat "will continue as a completely independent newspaper in every sense of the word" and that it will do so "forever."

Mr. Amberg has also stated "the sale is of the physical property only. The editorial, advertising, circulation and business departments of the two newspapers will be entirely separate."

He has also pointed out that "consolidation of mechanical operations between competing newspapers finds great precedent in many cities throughout America," as a means of coping with a rising trend in the mechanical costs of publishing daily newspapers.

I should also point out that the St. Louis Post-Dispatch has also stated repeatedly in its columns that the transaction affects only the mechanical operations of the two newspapers and does not lessen in any way their independence with respect to editorial, advertising, circulation, and business matters.

As a matter of fact, I feel confident that the economies that will flow from the physical consolidation will tend to make possible an even higher degree of competition between two newspapers which in the past have always been vigorous rivals.

I am also happy to be able to state that I have received assurances that there is no chance whatever of any change in the present ownership of the Globe-Democrat.

Mr. Amberg has pointed out that Mr. S. I. Newhouse, owner of the Globe-Democrat, has purchased 13 newspapers throughout the United States over the years and has never sold or even entertained a proposal to sell any single one of them.

The present ownership is determined to retain the Globe-Democrat and, once the strike is settled, to bend every effort to regain the new heights of greatness the paper enjoyed during the past few years.

A metropolitan area of the size of St. Louis deserves two separate independent, competitive newspapers, and it is good news, indeed, for St. Louis and for the Nation that we will continue to be served by both the Globe-Democrat and the Post-Dispatch.

They often differ in their viewpoint, and this makes it all the more important that both newspapers continue as vigorous organs of news and information.

The Globe-Democrat, with an illustrious record of 107 years of public service, has gone forward to new levels of achievement during the past 4 years of its present ownership. It has been especially active in the field of public service, conducting numerous campaigns for special civil projects and improvements for the benefit of the general public in the area it serves.

A few months ago, for example, the Globe-Democrat was honored by receiving an award from the Inland Daily Press Association for distinguished community service. The Globe-Democrat was selected out of 510 newspapers located in 20 States. Only today it was announced that the Globe-Democrat has won the national headliners award for distinguished reporting for 1958. I am confident more such honors will come to the Globe-Democrat and its staff in the months and years ahead.

All of us who in normal times read the Globe-Democrat regularly have sorely missed our daily friend during the weeks of the strike. All of us look forward to the time when the Globe-Democrat will be back with us every morning.

AIRPORT MAIL FACILITIES

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, yesterday I had introduced H.R. 5749, a bill which would provide that postal employees who are assigned to airport mail facilities would be placed in postal field service level 5 in recognition of the specialized handling they give to a premium class of mail under frequently adverse conditions.

Everyone who has ever traveled by airplane knows the complexity of arranging connecting airline schedules. Each of us has seen airline ticket attendants pore over schedules to determine the best routing. Each letter is, in effect, an airline passenger when it bears airmail postage. It is quite amazing to see these skilled distributors flipping letters into cubicles as quickly as their eyes can read the destinations.

Mr. Speaker, I have a very deep respect for people who are able to master general schemes of the Post Office Department. My constituents tell me that recent changes made by the Post Office Department in its schemes have served to make those study assignments more difficult rather than more simple.

Most complex of all are the air schemes which are mastered perfectly by clerks of the postal transportation service functioning in airport mail facilities at the country's major airports. Because of that complexity, and because we expect our people handling the premium type of mail to have a better than average skill and speed in handling, my bill suggests that all clerks at airport mail facilities be placed in postal field service level 5.

Anyone who has made a connection between airlines at a major airport terminal knows the problem of effecting that connection. Arrivals are frequently late and departures are irregular. Because of this situation, airport mail facilities are established as close as possible to the ramps or loading platforms at the airports.

Because of these specialized conditions, airline employees keep in constant touch with airport mail facility people to insure that dispatches are not missed and that each dispatch is made at the last possible moment to insure a maximum payload.

It is because of this added stress of meeting moment-to-moment changes in airline schedules, because of the need to try and effect for mail matter the same type of first-class connection that would be available to a traveler who is able to think for himself and to seek guidance, that I feel a higher level of pay for these people is warranted.

Furthermore, airline travelers know that to an increasingly greater extent airline terminals are being moved away from the center of town. To cover this type of assignment, private industry frequently establishes isolation differentials to compensate more adequately the employees it inconveniences. This is still another reason why I feel airport mail facility clerks are entitled to level 5, and it is for this combination of reasons that I hope my bill will be brought up for speedy action in the Committee on Post Office and Civil Service, and that my colleagues in the House will support the bill when it reaches the House floor.

RESEARCH INTO INCIDENCE, CAUSES, AND POSSIBLE CURES FOR CYSTIC FIBROSIS

The SPEAKER. Under previous order of the House, the gentlewoman from New Jersey [Mrs. DWYER] is recognized for 10 minutes.

Mrs. DWYER. Mr. Speaker, on a recent trip home to my district I had three visitors—or perhaps I should say three very special visitors. They were children, all three of them—attractive, bright-eyed, well-behaved. But there was something about them that set them apart from other children I had seen. That something was cystic fibrosis.

I had heard about cystic fibrosis through some of my constituents. I had been told of its tragically serious nature. I knew that this disease ravages 7,000 of our American children each year, and that of those thousands only a few have a chance of living to adulthood. I had learned that cystic fibrosis—or CF, as it is often called—usually shows severe digestive and respiratory symptoms from the very early months of life. The child develops a tremendous appetite. He eats and eats, as if he could never get enough, yet he loses weight rather than gains it.

Because his pancreas fails to secrete certain enzymes necessary to the digestion of food, the child's body cannot utilize the food it receives. The unused food passes out as waste material, leaving the child debilitated and often badly dehydrated. Only prompt, expert therapy with a high protein diet, large doses of vitamins, and special dietary supplements to aid digestion can free the child from the hazards of severe malnutrition. With this proper care the digestive problem can usually be controlled, and the cystic fibrosis child may gain weight and appear to thrive.

Until the respiratory problem strikes, that is. In seeing a cystic fibrosis child, one is often conscious of labored breathing and a strange, unproductive, hacking cough. All of you know how the lungs are constructed, with air passages resembling the branches of a tree. For proper, easy breathing these passages must be free of obstruction. But in a cystic fibrosis child all the mucus secretions of the body are thick and sticky. This sticky mucus plugs up the air passages, one by one, until the child is left with a completely inadequate breathing mechanism. Not only does this make it difficult for him to breathe, but it greatly increases his susceptibility to pneumonias of all types.

Most cystic fibrosis children are kept constantly on large doses of antibiotics and some are given inhalation therapy which helps to clear some of the mucus from the lungs; but even with these precautions it is impossible to protect the child adequately from respiratory infections. Fifty percent of all cystic fibrosis children die before the age of five years. Thirty-five hundred small lives snuffed out each year.

That is a shocking statistic, but it ceases to be just a statistic when you stand as I did, laughing and talking with three beautiful children—three children who have cystic fibrosis; three who may within the next year or two become part of that awful fatality statistic.

What can we do to save the lives of my very special visitors and the thousands of youngsters like them? My deepest concern has always been for the welfare of the youth of our country. From the children and young people of today must come our leaders and our workers of tomorrow. Never has our country's need for clear-thinking leadership been so great. Never have we needed so urgently to strengthen our second great line of defense: a healthy citizenry. We simply cannot afford to lose 3,500 young citizens each year to a cruel, senseless disease like cystic fibrosis. We must take prompt, effective steps to halt the march of this child killer and substitute the march of life-saving research.

The picture is not entirely black, nor is it by any means hopeless. Tremendous amounts of research into the diagnosis, causes, and care of cystic fibrosis patients have been done in the past few years; and each year encouraging progress is made. Each year more of the known cystic fibrosis are shepherded through periods of severe crisis and given a chance to live a little longer. Each year new facts about the basic nature of this disease are learned, and each year more effective therapies are developed.

Much of this research has been done in the great medical centers which stand like beacon lights across our country from New England to California. Much of it, also, in the past 4 years has been done in the magnificent National Institutes of Health in Bethesda.

Many of our colleagues will remember that the Congress last year specifically directed the Institutes to devote a portion of their increased appropriation for expanded research into the incidence and treatment of cystic fibrosis. This directive was due to the enlightened attitude of the members of the Committee on Appropriations—especially its Subcommittee on the Departments of Labor and Health, Education, and Welfare, headed by our distinguished friend, the gentleman from Rhode Island—people who have recognized the urgent need to support on a steady and continuing basis every worthwhile effort to expand our understanding of the causes and treatment of disease.

As the committee reported last year, cystic fibrosis research has provided further evidence of the unity of disease studies. As studies in a variety of disease fields are pursued, the fundamental links between them become more evident.

In the case of cystic fibrosis, medical science has reason to believe it is in all probability a metabolic disease. Some kind of genetic, inherited defect prevents the production of enzymes necessary to the digestion of food and produces other pitiful symptoms. Even though cystic fibrosis is fundamentally metabolic, however, it can presently be treated only by very large doses of antibiotics.

For some time to come, as the committee has noted, it will be necessary to study the reactions of cystic fibrosis children to antibiotics. And there are other problems: why, for example, does cystic fibrosis rarely occur in Negroes and never in oriental races; why should there exist in cystic fibrosis such a wide array of symptoms that cannot be related to each other?

The importance of these questions was starkly underlined when the committee reported that, and I quote:

> It appears that this disease is more important than diabetes, poliomyelitis or rheumatic fever as a cause of death among children in this country.

As they indicated in their report, the committee expected that progress would be made during the past year in determining the facts on incidence of cystic fibrosis, and in developing firm plans for a research attack through a cooperative effort among the Institutes.

But 1 year—as I know our colleagues understand—is not enough. We in the Congress will not now shrug off our responsibility and feel we have done our duty toward the young ones, past, present, and future, who suffer from cystic fibrosis. We are painfully aware, as our committee stated last year, that progress and research breakthroughs come only with sustained effort.

As long as cystic fibrosis children continue to face a doubtful future, our obligation continues. We cannot pigeonhole them in our minds. This year and each succeeding year we must see to it that the National Institutes of Health have adequate funds to devote to cystic

fibrosis research, and we must keep ourselves actively interested in the progress the fine research people of NIH are able to report to us.

This is not a matter of interest to a few. Probably every Member of the House and the Senate has cystic fibrosis children in the area he represents: Cystic fibrosis children who will die at far too early an age unless a cure for this disease is found. We must all work together on this. We must all show the NIH that we believe in the value of what they are doing, and we must show our constituents that we are deeply concerned with the need for medical research on this problem.

I, for one, shall do all I can to encourage and support this research. I hope to see my very special visitors again. When I do, I want to be able to say to them and to their parents, "We believe in these children." We believe in our country's vital second line of defense, an alert, healthy citizenry—and we mean to see that these children, fighting now so bravely against the handicap of cystic fibrosis, will one day be free enough of illness that they may assume the full and splendid obligations of citizenship.

NEED FOR INCREASED APPROPRIATIONS FOR WATER RESOURCES DEVELOPMENT IN EASTERN KENTUCKY

The SPEAKER. Under previous order of the House, the gentleman from Kentucky [Mr. PERKINS] is recognized for 30 minutes.

Mr. PERKINS. Mr. Speaker, the situation with respect to economic conditions and unemployment in eastern Kentucky is one of the worst in the entire country. Employment in our coal mining industry has been falling off drastically over the years. We have suffered a considerable decline in population. Despite the efforts of the people of the area to help themselves, the obstacles are too great for individual solution. The development of the abundant water resources in this section of the country as a means of increasing our industrial diversification would provide a basis for the economic development so badly needed at this time.

In addition to our economic problems caused by unemployment many communities in eastern Kentucky are continually threatened with disastrous floods. Two years ago, tributaries of the Big Sandy River, which flows through the Seventh District, overflowed, causing one of the worst floods in history. Damage was widespread. At that time, I pointed out that flood control reservoirs which would have gone a long way toward controlling this flood were authorized in 1938, but that only one had been constructed and planning on the others had not even been started. Since then, some work has been accomplished on advance engineering and design of two additional reservoirs. These two projects, the Fishtrap and the Pound Reservoirs, will not only alleviate flood damages in the Big Sandy River Basin, but will help furnish additional water supplies for municipal and industrial use during periods of low flow.

Naturally, it is more than disappointing that the administration appears to be dragging its feet on these projects that are so urgently needed, and that the President has proposed a "no new starts" policy that, if followed, would postpone construction of any of the projects at least 1 or 2 years. Such an arbitrary budgetary policy, which totally disregards not only the urgent needs of distressed areas, but the entire Nation's ever-increasing needs for water resource development projects, cannot be accepted by the Congress if we are to carry out our responsibilities in this field.

Let me cite the Fish Trap Reservoir on the Levisa Fork of the Big Sandy River as an example of how the President's "no new starts" policy is holding back economic development in the district I represent. Although this project was authorized by the Flood Control Act of June 28, 1938, as a part of the comprehensive plan for flood control and other purposes in the Ohio River—and the floods early in 1957 demonstrated the urgent need for the project—the President's "no new starts" policy prevented the Corps of Engineers from asking for funds to initiate the planning. Finally, last year we were able to add $140,000 to the President's budget request to start the planning for this project during the current fiscal year. An additional $494,000 will be required after June 30, 1959, to complete the planning. However, the President's budget for next year fails to take account of the urgent need for action on this project and recommends only $200,000 for continuing the planning. At this rate, it would take several years before the planning could be completed and construction undertaken. The Corps of Engineers has advised that it could use considerably more funds than the budget recommends for next year. The need for action is so urgent that I believe the full amount required to complete the planning must be made available, and some construction money, so that construction can start at the earliest possible date.

Mr. Speaker, the areas which I represent are some of the worst labor surplus areas in the United States. The President's Economic Report shows unemployment in November 1958, of 5.6 percent of the Nation's total labor force. The areas of which I speak have unemployment ratios of 15 to 20 percent and higher. For example, in the Pikeville-Williamson area, 22.8 percent of the total labor force was unemployed in November. And the situation is not getting noticeably better. People are being forced to abandon their homes and move elsewhere to seek employment. Of the 20 counties of eastern Kentucky which comprise the district I represent, the population of all but 2 decreased from 1950 to 1956; in some counties the decrease is more than 20 percent. Overall, the decrease was from 487,180 to 432,685, or 11.19 percent. Hardest hit, of course, is the coal mining industry. From 18,000 in 1949, the number of coal miners in the 7th Kentucky district has decreased to about 8,000 today.

In the light of conditions such as my people face, we must reject the shortsighted inadequacies of the President's budget policies. Planning and construction on the water resources projects which will permit broadening our industrial base must be stepped up. Along with the flood control projects which, in addition to the alleviation of flood hardships, will provide an incidental benefit of great importance through making water supplies available during periods of low stream flow for municipal and industrial purposes, we need to continue to improve navigation facilities in the Big Sandy Basin.

Fortunately, we are well under way on the improvement of the Ohio River navigation structures, which serve the northern edge of my district. But here again the penny-pinching nature of the President's budget is exposed. Construction on four of these great new locks is well under way. And experience has shown that once construction on these major projects is started, it is best to continue at the orderly rate of construction scheduled by the engineers. To lengthen the construction period leads not only to costly delays and increased construction, supervision, and administrative costs, but postpones the time when the benefits from the projects can be realized. And yet, the President's budget proposes a reduction from the maximum amount which the Corps of Engineers could use on every one of these projects. The Corps of Engineers has informed me that it could use $12 million on lock and dam 41 at Louisville; the budget proposes only $10,300,000; on the Markland lock and dam, the corps could use $12,500,000; the budget provides only $11,627,000; on New Richmond, $12 million could be profitably used; the budget figure is only $9,300,000; and lastly, on Greenup lock and dam, which is on the edge of my district, the $10,500,000 which the corps states could be used has been reduced to $10,265,000.

	Amount which the Corps of Engineers states could be used	President's 1960 budget estimate	Reduction
Greenup lock and dam	$10,500,000	$10,265,000	$235,000
New Richmond lock and dam	12,000,000	9,300,000	2,700,000
Markland lock and dam	12,500,000	11,627,000	873,000
Lock and dam 41	12,000,000	10,300,000	1,700,000
Total	47,000,000	41,492,000	5,508,000

And now I come to the cut that shows the least foresight and the least understanding of the problems of my eastern district. This is in the amount for continuing work on the comprehensive report on the Big Sandy River. We have

an interim report on the flood control features only, which is completed and is under review by the States and will be transmitted to Congress very soon. Last year, the corps advised me that after completion of the interim report they would need $35,000 to resume work on the comprehensive report on the development of the Big Sandy, including the navigation features. The budget provides only $10,000 for work on this survey.

The Greenup lock and dam will provide a good navigation channel in the lower reaches of the Big Sandy, and with the low water flows that can be provided from the flood control reservoirs, it appears to me that improvement of navigation in the Big Sandy should show a high ratio of feasibility. Such a channel would permit some of the largest and best deposits of Pocahontas coal in the Nation to be economically moved by water to the coal-using industries along the Ohio River, and would provide just the impetus we need to get most of our unemployed off relief and on payrolls. And yet, it now appears that a further delay in this report is in prospect, just for the sake of a trifling $25,000 reduction in the budget.

Mr. Speaker, the Congress cannot afford to sit by and permit these short-sighted policies expressed in the budget to stifle our economic growth. Adequate amounts for water resources development must be added to the budget to aid areas such as my district to get back to normal and resume their growth.

Mrs. KEE. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentlewoman from West Virginia.

Mrs. KEE. Mr. Speaker, I fully associate myself with the sentiments so ably expressed by the distinguished gentleman from Kentucky [Mr. PERKINS].

Mr. Speaker, the conditions of unemployment, which have been gradually growing worse since 1953 in the Fifth Congressional District of West Virginia, are grave.

In areas of critical unemployment throughout the United States—where our citizens are anxiously seeking jobs in order to support their families—I strongly feel that it is economically sound and to the best interest of our Nation for the Congress to appropriate—at the earliest possible moment—funds for the fully justified flood control projects which have been authorized by the Congress.

Because of the urgent need for flood control protection, as well as job opportunities, and because the following flood control projects in the Fifth District of West Virginia have been fully justified and authorized, I respectfully plead for the necessary funds in order to avoid undue delay.

BRUSH CREEK FLOOD CONTROL PROJECT AT PRINCETON, W. VA.

Princeton is the county seat of Mercer County. In Mercer County more than 18 percent of its entire population is dependent in whole or in part upon the distribution of surplus commodities in order to avoid actual starvation. Princeton is located in a critically distressed section of Mercer County. Our citizens are desperately in need of productive employment.

In this connection, not only has the Congress of the United States authorized the Brush Creek flood control project in Princeton, but has, in addition, last year appropriated $55,000 for the pre-engineering and preconstruction of this vital flood-control project. As a matter of fact, the district engineer has nearly completed this work. Of the total cost of $1,277,000, the Federal expenditure is $917,000 and the non-Federal cost is $360,000—benefit-cost ratio 1.80. If we are fortunate enough to have the necessary Federal funds appropriated during this session of the Congress, the district engineer will be ready to let contracts by the 1st of September. It would provide productive employment for our unemployed. The local interests are fully prepared to assume the non-Federal cost. My late husband and I have diligently worked on this project since prior to June 1, 1948. In my opinion, the need for this project is amply sufficient to justify the appropriation.

MEADOW RIVER FLOOD CONTROL PROJECT AT EAST RAINELLE, W. VA.

East Rainelle is located in Greenbrier County. Sixteen percent of the entire population in Greenbrier County is dependent in whole or in part upon the distribution of surplus commodities for subsistence. As a matter of fact, unemployment in Greenbrier County is primarily concentrated in this area. The total estimated cost is $823,500, of which $708,000 is Federal expenditure and $115,500 is non-Federal cost. The unusually high benefit-cost ratio is 2.1. Our local people have done everything within the limits of their resources to fulfill their obligation. My late husband and I have labored hard on this project since prior to March 9, 1948.

Not only has the Congress authorized this fully justified flood-control project, but has, in addition, during the 85th Congress appropriated $40,000 for the pre-engineering and preconstruction work. The district engineer has nearly completed his work. If we are able to obtain the necessary appropriations during this session of the Congress, the district engineer will be ready to let contracts by the 1st of September, and it would provide productive employment for our unemployed.

WILLIAMSON FLOOD WALL PROJECT AT WILLIAMSON, W. VA.

Williamson is the county seat of Mingo County, where we have more than 41 percent of its entire population dependent upon surplus commodities. This entire area was also designated as a national disaster area by the President of the United States following the flood of record in January 1957. Last year the Congress authorized the construction of this fully justified project. The total estimated cost is $665,000, including Federal expenditure of $625,000 and non-Federal cost of $40,000. The benefit-cost ratio is 1.20.

Mr. Speaker, I am advised that an appropriation of $71,000 will be required for the preconstruction and preengineering work on this project. In view of the fact that Williamson is the trading center for this section of West Virginia and a part of Kentucky, it is important that we obtain this requested appropriation during the present session of Congress in order that we may be in position to request construction funds during the 2d session of the 86th Congress. Our unemployed in this extremely critical area do now and will next year desperately need the employment this construction will provide.

SURVEY OF BIG SANDY RIVER

For several years the U.S. Corps of Engineers has been conducting a resurvey of Big Sandy River and Tug and Levisa Forks, in Kentucky, West Virginia, and Virginia, with a view to determining the advisability at this time of providing improvements for navigation, flood control, water supply, and hydroelectric power, as authorized by section 103 of the Rivers and Harbors Act approved September 3, 1954, and two congressional resolutions adopted April 24, 1954, and July 29, 1954. While this entire area was also designated as a national disaster area by the President of the United States following our flood of record in January 1957, this same area is also an extremely acute distressed labor area.

In this connection, I understand that $75,000 and a period of 2 years will be required to complete this survey. In December 1958 I requested Maj. Gen. Emerson C. Itschner, Chief of Engineers, to request $37,500 to be used during the coming fiscal year, in order to complete half of the job that remains to be done. I am advised that the item of $9 million under "General Investigations, Civil Works Program," of the Army engineers, fiscal year 1960, included in the President's budget, provides only $10,000 to further this resurvey of the Big Sandy.

In view of the urgent need for job opportunities in this area, and since there is no foreseeable indication that the coal industry will be able to provide substantial additional employment, I most respectfully urge the Appropriations Committee to have this $10,000 item increased to $37,500 in order that this resurvey may be completed without undue further delay.

Thank you, Mr. Speaker.

Mr. PERKINS. I thank the gentlewoman. I wish to state that we will work together on the Williamson and Big Sandy projects.

Mr. BURKE of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Kentucky.

Mr. BURKE of Kentucky. Mr. Speaker, at the outset I wish to commend the gentleman from Kentucky [Mr. PERKINS] for his indefatigable efforts to aid the district he represents in the solution of its serious economic and social problems. We have during the past several weeks heard eliquent presentations by various of our colleagues delineating the need for action in the field of depressed area relief. It is perfectly natural that those gentlemen from whom we have heard have been those who represent the so-called depressed areas. My particular purpose in making these brief remarks is to emphasize that the solution of the

needs of these areas is essential to the well-being of the United States generally. I do not represent a depressed area. I have, however, from experience in State and local government, had some opportunity to observe the nature of the needs of some of these areas.

As a particular illustration of one aspect of needed action, I shall discuss briefly the need for flood control in eastern Kentucky. In principle, if not in detail, these remarks would be equally applicable to areas in West Virginia, Pennsylvania, Ohio, Indiana, and other States where we know that floods have demanded an awesome toll during this very year.

I make this point for the reason that it is self-evident upon mature consideration that many of these areas need to have the basic problems of flood control and highway construction solved before any other sort of legislative or administrative action will bear full fruit in economic relief.

For example, in the district of the gentleman from Kentucky [Mr. PERKINS], in the basins of three rivers—the Kentucky, the Big Sandy, and the Licking—flood damage calculated by the U.S. Army Engineers exceeded $50 million in the last 10 years, an average of over $5 million a year. This, of course, does not include the millions of dollars spent by other agencies, local governments, private firms, and individuals from all parts of the country; and, of course, there is nothing to prevent as much or more damage being done by floods during the next 10 years.

It is not surprising then to learn that in this geographical area, as well as in other flood-threatened places, businesses are unwilling to risk investment despite the presence of raw material and an adequate labor force and other inducements which might be offered when every year they are threatened with inundation and in some instances total destruction by flood.

There are short-sighted people who will say these flood-threatened areas cannot be saved, but the cold record of experience in other areas completely disproves this economic analysis.

For example, in the Ohio River Basin, the flood-control projects which have been completed largely since 1938 cost about $300 million. These projects have demonstratively and irrefutably prevented flood damage to this good date in excess of $640 million. In other words, these flood-control works—and they are not yet complete—have already prevented damage equal to more than twice the cost of the improvements. On the basis of accumulated costs in areas exposed to flood damage it is a provable fact that it is cheaper in terms of dollars and cents for government at all levels, State, Federal, and local, to prevent floods than it is to clean up after them.

We are playing upon ourselves a cruel joke when we delay flood-control work under the self-delusion that we are saving money and, of course, dollars are not all that are involved. In terms of hunger, sickness, poverty, and human misery, the heart-breaking results of this neglect to prevent floods are equal in horror to those resulting from the ravages of war.

Once the threat of flood has been removed from many of these areas, the provision of adequate highways can reasonably and economically follow. With these two keys, the economic and social future of many of the Nation's depressed areas can be opened. Without such basic improvements, these regions' economic outlook, I reluctantly conclude, must continue to be bleak. To those of my colleagues, who like myself, do not represent depressed areas, I call the attention of the great seal of Kentucky. On that seal there stands a frontiersman and a city man; they are clasping hands and each with his free hand on the other's shoulder; these men are encircled by the words and the sentiment, "United we stand, divided we fall." This spirit must underlie the solution of the problems in our depressed areas.

Mr. PERKINS. Mr. Speaker, I am delighted that my colleague has developed these pertinent facts, and I am glad he has mentioned the Licking River. Our people are entitled to have these rivers developed and to be protected by the construction of flood control reservoirs. At least we must do our part and I am hopeful that we will be able to overturn the arbitrary policy of the Budget Bureau.

Mr. Speaker, the election of my colleague to this body not only has been a great addition to the Kentucky delegation, but his contributions here will be great. The gentleman from Kentucky [Mr. BURKE] is a great lawyer, and was an outstanding member of the Kentucky General Assembly before coming here.

BUSINESS GROUP TAKES OVER FUNCTION OF CONGRESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PATMAN. Mr. Speaker, the jurisdiction of Congress is being invaded.

One of the most important functions of Congress is being taken over by a group of businessmen, and I must say that this is by default of Congress itself.

This business group, the Committee for Economic Development, is having an investigation made which the House of Representatives has, within the past 5 years, twice specifically refused to make.

The CED is spending a million dollars for the privilege of doing what the House of Representatives voted down in 1955 and in 1957. The Republicans voted solidly each time against the resolution. A handful of Democrats joined them each time, resulting in the defeat of the resolution. In 1957 a change of 25 votes would have caused the resolution to pass the House. In the election of 1958, 49 Republicans who voted against it were defeated by Democrats who will likely vote for it.

The CED has set up a commission to investigate the Nation's money and credit system—a matter which has not been investigated for 50 years—yet this is a matter which is in the province of Congress. The Constitution of the United States assigns to Congress the duty of issuing money and regulating its value.

THE CED IS SPENDING $1 MILLION TO INVESTIGATE THE NATION'S MONETARY SYSTEM

When the CED announced that it was about to set up a commission to make this study, its chairman, Mr. Donald K. David, stated that $1 million had already been raised to make the investigation and more financing is expected to be required and is being sought. Of the original $1 million committed to this investigation, half was contributed by the Ford Foundation. The other half, according to Mr. David, was to be supplied by CED and other cooperating organizations.

Why would the conservative businessmen and bankers who run the CED spend such a large sum of money to investigate the Nation's money and credit system? Are these people in the habit of throwing away a million dollars on frivolous projects?

The answer in a nutshell is that they have set about to investigate and study a matter which is crucial to the functioning of the whole economic system. This is a matter which is raising the most pressing questions for all segments of our society. Yet an investigation or review of our money and credit system has not been made for 50 years.

But it is not my purpose to state my own reasons why such an investigation should be made. I wish merely to call the Members' attention to the reasons which have been stated by the chairman of the CED. These reasons, as Mr. David has stated them, are most persuasive. I do want to point out, however, that all of the reasons Mr. David has given as to why a private group should investigate the Nation's money and credit system are doubly strong reasons why Congress should also make its own investigation.

CED STARTED INVESTIGATION AFTER TWO HOUSE RESOLUTIONS FAILED

The CED undertook this investigation after the House in both the 84th and 85th Congresses had specifically refused to make such an investigation. In 1955, the House considered a resolution introduced by me which would have had the committee of the House make the investigation. The House voted down that resolution. The argument made against it at that time was that no investigation was needed and, in fact, such an investigation might upset the delicate balance of our economic system which was then, the opponents said, working so well. On that occasion our Republican colleagues who led the opposition compared the proposal to investigate to tampering with a delicate watch that is working well and keeping perfect time.

The House considered and voted down a similar resolution introduced by me in early 1957. By this time it was clear to the people back home, and practically everybody else, that such an investigation was needed, and needed badly.

The country had had then the experience of almost 2 years of the tight-money policy and an increasing credit squeeze. In December of the previous year, a Joint Economic Committee subcommittee, of which I was chairman, had held some preliminary hearings because of the vigorous demands then being made by people all over the country that have information about what was happening to them and why. Homebuilders, small business people of all kinds, and State and local authorities were up in arms.

Before my resolution came to the floor for debate, however, the administration adopted a new technique to defeat the resolution. The President suddenly came forward with a request to Congress that he be given authority to appoint a committee of private citizens to make the investigation. That request appears to have been thought up pretty hastily because obviously an investigation by private citizens, which the President already had authority to appoint, would not satisfy the responsibilities of Congress in this matter. After all, this is a field in which Congress has primary responsibility. The Constitution of the United States reserves to Congress the power and duties of creating money and regulating the value of money.

THE ADMINISTRATION STOPPED THE HOUSE FROM INVESTIGATING, BUT NOT THE CED

So the President's request was later amended with a proposal to put Members of Congress on the investigating commission. The amended proposal would, however, have permitted the President to stack the commission with members solidly committed to one point of view or solidly committed to a whitewash.

Nevertheless, the resolution to have a committee of the House investigate was voted down, on the argument that the investigation should be made by a body with broader representation. And, of course, after the resolution was defeated the administration promptly forgot about the need for any investigation. The President made no further request or suggestion on this subject. In fact, at the end of that legislative session he called in the press to announce that he was disappointed with the Congress, and the White House assistants handed out a prepared list of things which the President had requested and about which Congress had disappointed him. No monetary investigation was on the list; the White House had even forgotten it had asked for such an investigation.

I will not repeat here the record of the efforts put forth by the administration to prevent an investigation in the House in the 84th and 85th Congresses. That record is pretty well known and is reviewed at some length, for those who do not know it, in my statement in the CONGRESSIONAL RECORD, volume 103, part 12, page 16314.

My point is simply that the GOP high command set tremendous forces in motion to prevent a House investigation. It made no effort to prevent the CED investigation, yet it could have done so by merely a frown or a nod.

I do not suggest that it would be appropriate for the administration to interfere with the CED investigation. But then it was not appropriate for the administration to interfere in the Congress either.

BIG-BUSINESS CONSERVATIVE SAYS MONETARY INVESTIGATION MORE IMPORTANT THAN RESEARCH IN SCIENCE AND TECHNOLOGY

Now what are the purposes of this investigation by a CED commission?

First of all, it is to obtain information and understanding where ignorance now prevails, surrounding a social institution—money—which functions as the heart, arteries and veins of our economic system. Let Mr. David speak. He said:

I think it no exaggeration to say that such a study will have more impact for the good of us all in the next decade or two than the expected advances of knowledge in science and technology.

BUSINESS GROUP TO "EDUCATE" CONGRESS

In case anyone has doubts about Mr. David's conservative point of view, I might point out that he was for many years Dean of the Harvard Business School. You cannot find a more certain hallmark of big-business philosophy than that. Besides, Mr. David is a director of the General Electric Co., Ford Motor Co., Aluminium, Ltd., and R. H. Macy & Co., Inc., and has a number of other big-business connections including membership in the Union League, Brook Club, and the Somerset Club, and in the Blue Ribbon Business Advisory Council of the Department of Commerce.

But is the purpose of this study by a private group simply to inform the members of the CED? No, it is for the purpose of informing Congress and informing the general public. When Mr. David announced this study, he emphasized what he calls the educational activities and duties of the CED, saying: "We have set the dissemination of knowledge—education—on a par with research and policymaking."

And speaking of this particular study, he said it will "illuminate some dark corners for the Executive and for the Congress" and be part of "the educational proces which would create breadth of public understanding and acceptance which will be necessary." Finally, he has said, this monetary commisson will "face the facts and then so educate all of us that we will willingly go down the roads indicated, whatever they may be."

Here, then, we have a body of private citizens setting out to investigate matters of great public interest which are primarily the responsibility of Congress, and have a body of private citizens setting out to educate Congress and the public on what it is they think we ought to know. When the investigation is all done, we will be under tremendous pressures to accept and act on the findings of this commission. We will be the targets of an "educational campaign," much as we have been targets of campaigns on behalf of the Hoover Commission recommendations and those of other private groups.

CONGRESS MUST EDUCATE ITSELF ON MATTERS WHICH "INVADE THE LIFE OF EVERY CITIZEN"

Yet Congress will not itself have the facts. It will not have learned the facts for itself firsthand and will have no record of the hearings. It will only have the conclusions and recommendations of this body of private citizens, and we will not know whether we are being educated or led down the right road or the wrong road.

The CED investigation is a good thing. It steps into the province of Congress to try to do something where Congress has so far failed to do anything. The businessmen and bankers should do everything they can to develop new knowledge and educate themselves in this important field. And it is a good thing for the two labor representatives, the one farm organization representative, and the others appointed to this commission to educate themselves on these matters. After all, these are matters which are of proper concern to everybody. As Mr. David has said, the CED Commission study "invades somewhere the life of every citizen." And he has also said that human knowledge in these fields contains "vast areas of ignorance."

But I suggest that there is still room in this area for Congress to carry out its own responsibilities, and I suggest that the fact that the CED Commission is making an investigation does not make it less necessary for Congress to investigate. Rather, this makes it more imperative that Congress investigate.

Furthermore, the old argument that Congress is incompetent to perform its function is not made here. No claim is made that only the experts know the answers to questions about our money and credit system. On the contrary, it is admitted that the ignorance of this field is shared all around. Here then is a vital matter affecting the whole public interest which Congress can investigate and start on even terms with the self-made experts. I urge, as I have many times before, that Congress investigate without further delay.

CED CHAIRMAN STATES THE REASONS WHY INVESTIGATIONS MUST BE MADE

Coming now to Mr. David's address, which I hope the Members will read with great care, I will begin with the relevant portion. The opening part of this statement which I will omit deals with the history of the CED and is not especially pertinent to the arguments made on behalf of the money and credit commission.

Mr. David is here speaking of the lesson to be learned from the first Russian sputnik which had been launched only shortly before this address was made to the CED Board of Trustees, at their 15th annual meeting on November 21, 1957. He said:

MORE THAN SCIENCE

The true lesson is the importance of applying systematic thought and knowledge to the solution of major national problems. The hard sciences—physics, chemistry, etc.—are a major sector of this systematic thought and knowledge. But they are not all of it. And they alone cannot solve all our problems.

Behind sputnik we see a rocket and behind the rocket we see advanced science and technology. However, there is something more behind this. There is a social system of human institutions that, in this case, has made the correct decision about what was important to achieve and has motivated and organized efforts to achieve it.

But I do not intend to compare the scientific achievements or the social institutions of the United States and of the Soviets. In-

stead I want to direct your attention to one of the most fundamental and pervasive of social institutions and to the need for intensive research to make it serve us better. That institution is money.

It may seem a long way from money to the man-made moon. But surely that is a mistake, at least in the sense in which I am talking about money. I am talking about money not as an object to be made or saved as alternative to real things, but about money as an instrument that permits the real work of the world to be done.

The invention of money made modern life possible. But it could not be called into existence and left to run itself. It has to be managed.

We are all to some degree aware, for example, of the unstabilizing consequences—deflationary or inflationary consequences—of a defective monetary system and policy.

We are perhaps less aware than we should be. But at least since the end of World War II some of us have begun to ask sharp questions about how this system works, where it has gone wrong, what government and private citizens can do to make it work better. In order to find satisfactory answers we need to know more—much more—than we do right now.

Questioning our public and private monetary system is not new, nor is the search for answers. But, strangely enough, there has not been an overall review of this extremely complex and frighteningly involved subject since the Aldrich commission 50 years ago, in spite of the fact that there have been vast changes in the entire financial structure of the United States.

Out of that inquiry emerged the idea that eventually resulted in the creation of the Federal Reserve System in 1913. Since that historic event, there have been various congressional studies made. Some of them—I think of the Douglas and Patman committees' reports and studies, particularly—have added much badly needed data to our store of monetary knowledge.

GRAVE QUESTIONS RAISED

For almost all the 15 years of CED's existence these vast areas of our ignorance have been a subject of our deep concern. We played an important part in creating the climate in which the Employment Act of 1946 was created. Through that act the mandate to maintain high employment and economic stability was written indelibly into public policy and became the continuing concern of Government. But the part that monetary policy can and must play in the processes necessary to achieve these essential goals has never yet been clearly written out.

There have been other fundamental changes, some dating back to the legislation of 1934 and 1935, that have directly or indirectly affected our money and financial systems. All of them have raised grave questions. Only today has sufficient time elapsed so that we can begin to give them adequate appraisal.

The question is asked, for instance, if the legislation of the 1930's, which so enormously increased the central powers of the Federal Reserve System, went too far. Also, some suggest that a degree of autonomy should be restored to regional banks in order to make it easier for the authorities to meet regional and local situations.

These are not easy questions to answer in a manner that is objective and devoid of self-interest. Yet, sooner or later, they must be answered that way.

The time has come when we must acquire constructive knowledge about our financial institutions and their policies. An economy that has grown from a gross national product of $88 billion in 1911 to one of $440 billion cannot afford to postpone a basic restudy any longer. This would be true even if we did not face today's unprecedented challenge from the Soviet Union.

We have to look into the workings of our public institutions. But the private ones, too, will bear scrutiny. I think it no exaggeration to say that such a study will have more impact for the good of us all in the next decade or two than the expected advances of knowledge in science and technology.

These latter, with their bombs and satellites, will be more dramatic. But increased knowledge in the field of public and private finance may make available a greater source of humanly valuable energy than even potentially exists in atomic energy as such.

Those of you who know CED well must realize I am in effect saying nothing that CED has not been preaching for most of its brief existence. We have set the dissemination of knowledge—education—on a par with research and policymaking. Following this precept 9 years ago next month CED first urged the creation of a nonpartisan and nonpolitical monetary commission to do what still needs to be done. An amenable Senate passed a bill (S. 1559) which would have created such a body. But the House rejected the proposal.

Many asked then, and have continued to ask, why CED itself did not undertake such a study. The answer is that then CED was too limited an organization to undertake such a huge task, involving extensive fact-finding and long, continuous staff work and study. Many questions, it was felt, could better be studied by a commission with the prestige and authority of both congressional and Presidential backing.

Today the questions have grown more pressing. At the same time CED has grown in prestige as an organization devoted to objective and disinterested research. It is a nonpolitical organization, removed from the influence of politicians. But it still is an organization of businessmen. It must be apparent that any lastingly worth-while study of money and credit must have a broader base from which to operate than CED affords.

In discussing the need for a broad survey of the whole financial terrain, a distinguished student of our institutions not long ago put it well when he called for the creation of a board of "competent, objective citizens divorced from partisan public and special private interests, and shielded as far as possible from the pressures and noise of what may be current controversy." Such a group, he said, would not only be able to "illuminate some dark corners for the Executive and for the Congress, it would also be part of the educational process which would create the breadth of public understanding and acceptance which will be necessary if changes of magnitude and range in our financial institutions and practices prove to be desirable."

I am happy to announce that the board of trustees of CED, by a special ballot, has authorized the creation of just such an independent board of competent and objective citizens to explore the whole financial terrain. I am happy also to announce that the Ford Foundation has set aside half a million dollars for the use of this independent, national Commission on Money and Credit. In addition, another half million dollars will be supplied to the commission by CED and other cooperating organizations. More financing is expected to be required and is being sought.

I stress the word "independent." This commission will not be a strictly CED, and certainly not a Ford Foundation project. The latter has merely supplied funds necessary to launch so momentous an undertaking and will have no further say about how it operates. The Committee for Economic Development will organize the commission to assure its independence. It will perform necessary administrative functions and make other contributions in service. It will go no further than that.

Working independently of CED or the Ford Foundation, the Commission will consist of from 9 to 18 members selected from the ranks of business, labor, agriculture, and education, and from the fields of research and administration. A special selection committee, comprising the chief executives of educational and research organizations, all with some knowledge of the Commission's broad mandate for study, will advise me in the selection of the Commission. They are: Arthur F. Burns, president, National Bureau of Economic Research; Robert D. Calkins, president, the Brookings Institution; Everett Needham Case, president, Colgate University; Charles W. Cole, president, Amherst College; Morris A. Copeland, professor of economics, Cornell University; August Heckcher, director, the Twentieth Century Fund; Pendleton Herring, president, Social Science Research Council; J. E. Wallace Sterling, president, Stanford University; H. Christian Sonne, chairman, National Planning Association; and Herman B. Wells, president, Indiana University.

The CED trustees have adopted bylaws for the Commission. Like those under which CED has functioned for 15 years, they are firmly designed to assure that the Commission's research will be thoroughly objective in character and that all work done by the Commission will be approached from the standpoint of the general welfare and not from that of any special political or economic interest.

A FULLY FREE COMMISSION

This Commission will be given full freedom to choose its own lines of examination of our monetary and credit institutions. But its members will, if they follow the rules, have this as its main directive: To provide a broad, factual and analytical basis to assist the Congress and such other committees and agencies as may have, under our form of government, the responsibility for monetary policy and legislation. They will be free, if I may quote CED's 1948 statement, to pursue the problem of Federal financial policy wherever it may lead.

I need not say that this broad directive may lead—indeed should lead—in many directions. But before I venture into those dangerous and unexplored (or only partly explored) territories, may I touch briefly upon some history? As we all know the last full-scale monetary investigation was that of the Aldrich Commission between 1908 and 1911. But there is a better precedent for a private inquiry of the type which the Commission will undertake.

Away back in 1897 there was a monetary commission created by a convention of businessmen and industrialists called by the Indianapolis Board of Trade. This, too, was without legislative or executive sanction. But many of its private recommendations were later embodied in the 1900 Currency (Gold Standard) Act. And this, in its day and generation, did much to change and even reform our monetary system.

Today this new private enterprise commission has many fields in which it can conduct presumably salutary inquiries. I will attempt to summarize only a few of those which have in the past been mentioned in CED policy statements, well aware that there are many others of equal importance.

This Commission can ask, for example, whether the growth of nonbank financial intermediaries, both private (such as savings and loan associations, finance companies, and insurance companies) and public (such as the Federal National Mortgage Association), have impaired the effectiveness of Federal Reserve action to promote economic stability.

It can ask how the impact of general monetary restriction is distributed among different classes of borrowers and lenders: Is this distribution discriminatory, unfair, or bad for the economy, especially in comparison to the alternatives—inflation, higher

taxes, selective controls? How could the distribution of the burden of inflation control be improved?

Or, we may ask, what criteria should be followed by the Federal Reserve in deciding when to tighten or relax credit? This question alone opens up a huge volume of related questions, crying for answers. Or again—take the question of consumer credit. Should authority be delegated to a Federal agency to control the terms of consumer credit—and should similar authority be extended to other types of credit? If so—when and how?

CED did not enter lightly into this decision to establish this Commission on Money and Credit. Its trustees have talked with scores of leaders in all walks of life, in the administration, in Congress, in business, among consumers, everywhere. During the course of these talks many other questions have been asked—with the hopeful idea that the Commission might find the answers.

Some have asked whether the supply of savings is adequate to meet the needs of our growing economy. Some have suggested that perhaps Federal policies with respect to financial institutions, taxation, and other fiscal and monetary matters, be modified to increase the supply of savings.

I could continue asking these questions for almost the 3 years that the Commission is expected to be seeking the answers. In the long run, for example, just what reliance should be placed upon fiscal and monetary policies to achieve economic stability? Are the existing arrangements for coordinating monetary and credit policies, and for assuring consistency of these policies with other economic policies of the Government, satisfactory?

TOUCHES EVERY CITIZEN

I have only touched upon the surface. The study which this Commission should undertake is so broad in its scope that it invades somewhere the life of every citizen. It should not be—and under the terms under which it will operate will not be—just another study by businessmen to develop a business point of view. It will be a commission, separate from CED but inspired by CED's standards, that is representative of the widest available variety of talents and experience and background. It will be national in scope. It will not be confined by any geographical representation. It will be broad in its approach, but—and this is of utmost importance—it will not be encumbered with delegates from particular and self-interested groups. It will be forward in its outlook, but not lacking in experience and knowledge of the past history of our financial institutions and their economic environment.

To its councils will come, I hope, all shades of opinion from all parts of the country; and from the information thus gathered will emerge—again, I hope—studies and findings that will have been shaped solely in the public interest.

This is an undertaking of vast magnitude. It could, I venture to suggest, make history. But CED offers it in all humility—as an experiment in private enterprise, as an experiment in education, as a guide to the future of our private-enterprise system.

I think it would only be fitting to close these remarks with a paraphrase from a statement by Paul Hoffman, CED's first chairman, and to say that the trustees of CED hope that this newly created Commission on Money and Credit will think of itself as neither right nor left, conservative nor radical, but as responsible. That it will, under its broad and free charter of independence, get at the facts about the way our monetary and credit policies function, and face the facts, and then so educate all of us that we will willingly go down the roads indicated, whatever they may be.

AN EPISCOPAL LAYMAN WRITES TO HIS PRESIDING BISHOP CONCERNING THE MISUNDERSTANDING OF THE FRIENDLY RELATIONS BETWEEN THE RACES IN THE SOUTH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. BOYKIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOYKIN. Mr. Speaker, I regret immeasurably the persistent and widespread misunderstanding of the friendly relations between the races in the South and the preference of an overwhelming majority of the members of both races of good will in that area for continuance of those relations free from the unwarranted and unwanted pressures and conflicts which have been set in motion, and if successful, would make that relationship wholly impossible.

I do not believe that there can be any informed doubt that splendid progress has been made in educational facilities and in economic opportunity for Negro pupils and adults; and to me it is a matter of personal and common knowledge that there has existed between the white families in the South and Negroes of like good will the most cordial sympathy and understanding where that relationship has not been imperiled by synthetic pressure for integration.

Every adult of average intelligence understands the political motives underlying this pressure in its civil aspects but it is a tragic thing that practically all of the churches have by their national organizations joined in the misguided propaganda as if it were a Christian duty, totally overlooking this friendly relationship which has existed and can exist only in the atmosphere of friendly social segregation so characteristic and universal in the South.

A recent letter to an eminent churchman, presiding bishop of his church, has pointed out this grave misunderstanding of the facts and the disservice, both to civil good will and to the church, from the bishop's announced program for church participation and leadership in a program for total integration.

The author of that letter, long a member of the church and a prominent member of the bar of Alabama, forcibly presents the tragic consequences both to interracial relations and to the work of the church if the bishop's objective should succeed.

Since substantially all of the national church organizations have committed themselves to similar uninformed and ill-considered policies, the writer of this stern and solemn warning does not believe that by its publication his church would be unduly singled out for this grave and tragic mistake. He advises that since the assured disaster has become a direct threat to the church itself that he has submitted the letter and a summary of the replies to the Diocese of Alabama as a function and responsibility of the church and states that he cannot devote the time which would be necessary in the event of further responses to the letter.

For that reason he requests that in giving it publicity his name be omitted.

The letter follows:

LETTER TO THE PRESIDING BISHOP OF THE EPISCOPAL CHURCH PROTESTING HIS ANNOUNCED PROGRAM FOR CHURCH PARTICIPATION AND LEADERSHIP IN PRESSURE FOR TOTAL INTEGRATION, CIVIL, CHURCH AND SOCIAL

BIRMINGHAM, ALA., *January 17, 1959.*

THE MOST REVEREND ARTHUR K. LICHTENBERGER,
New York, N.Y.

DEAR SIR: As a member of the Episcopal Church for more than 70 years and with warm recollections of bishops and rectors who have served in my parish or the diocese, the writer of this protest was inexpressibly shocked on reading your recent interview, immediately prior to your induction as presiding bishop. That interview committed you and undertook to commit the Episcopal Church to active leadership in a program for total racial amalgamation, with all its implications and its assurances of disaster. It also acknowledged your advocacy, at one of the most sensitive periods in southern history, of punitive and summary process designed for mass action and prosecution of civil rights proceedings by the Attorney General.

The Associated Press quoted you on January 15 as making a series of declarations to the ends stated, each of which is authoritarian, desperately ill advised, contrary to church and public interest and to interracial good will; and is beyond any authority vested in any executive officer of the church.

You would not only commit the church to active participation in this bitterly controversial political issue and to sponsorship of these punitive judicial procedures, in clear violation of the principle of separation of church and state. You would array the church in support of an objective which would be revolting to the parents of every white family in the South free from cant, hypocrisy, and psychosis; and you would compel regionwide discord in every southern church in which the program you advocate would find any support whatever.

The program would not only make certain interracial ill will and disorder. It would assure bitter personal intraracial resentment and rigid ostracism of those acquiescing or attempting to practice your proposal for social amalgamation.

As an individual you would be justified in ignoring these grim conclusions as a voluntary communication from a single layman, involving a matter of difference of opinion as to which you are entitled to your own; but I feel sure that as presiding bishop you will recognize that you are under an express as well as a moral obligation to give consideration to pertinent facts and warnings presented to you before you commit the church or its council to a program of such assured consequences.

Permit me to say at the outset that it is a tragic thing that on your way to the cathedral to be consecrated for an 11-year term your sole message to the world should ignore the vast domain of human and spiritual needs urgently ahead and should single out and emphasize an intended program which, if processed by the church a single step beyond its initial expression by you as a totally misconceived formula of religion, would not only contribute to the infinite civil disaster which I here point out but might well, and should, assure a major and permanent disunion among the 75 dioceses of the church.

Because of these ominous factors there must be no misunderstanding as to what you announced or soft-pedaling of the grim reasons for this protest.

You were quoted as advocating not only as a personal conviction but as an obligatory function and duty of the church, this program:

First. That the church should be among the leaders in establishing an integrated society and taking steps toward elimination of all racial barriers. I repeat: "all racial barriers," a term which, of course, necessarily includes the home and marriage.

Second. You stated that this program for total desegregation is basically a moral issue and is, therefore, we must assume, not only intrinsically sound but is a function and obligation of the church and that you intend as presiding bishop to process that obligation.

Third. You made it clear that you would favor legislation by Congress to permit the Attorney General to make use of the process of blanket injunction in civil rights prosecutions; a procedure which, of course, is summary, punitive, authoritarian, invites mass action, and would be administered by one of the most blatant and belligerent officials ever to hold the office.

(As you should well know before plunging the church into legislative and judicial functions, if you do not know, every individual citizen under existing law has full recourse to judicial process to protect his own civil rights, including recourse to injunction, but you advocate legislation granting to the Attorney General the right, which he eagerly seeks, to demand and make use of the mass as well as the individual injunction.)

Aside from the monumental misuse of church function to sponsor these political and judicial processes, it is unbelievable that any one who may be assumed to have specialized in the sensitive domain of religious and spiritual values could be so indifferent to the imperatives and Christian principle, to be stated below, underlying social segregation in the South among all people of the utmost good will toward the Negro; and it is amazing that any clergyman could so expand and distort the Christian obligation of sympathy, understanding, and good will toward all people into a mandate for the removal, to use your words, of "all social barriers"; in short, for interracial access to the home and its every implication and relation, including courtship and marriage, notwithstanding the grim genetics and statistics which I shall summarize.

It is tragic that you do not distinguish the misused term "discrimination" from "brotherhood," as if discrimination were practiced or brotherhood violated by insistence on segregation where it is necessary (1) to avoid a lowering of social, moral, and educational standards; (2) to the enjoyment in the church of religious service and expression on a level above the primitive excitement of the Negro; and (3) at the same time and as its fundamental purpose is indispensable to protect a family's genetic capacity for spiritual concepts and for human progress from mongrelization.

Any bishop or priest who would argue that they advocate just a little amalgamation in the South for a beginning in that benighted area, on the march toward the total ultimate goal, as your interview suggests, wholly underestimates the resentment, ill-will and disaster which will be as fatally triggered by a little rift in the social barrier, as a confessed part of the total formula, as would be an atomic bomb by its little trigger. What you are proposing for the South is to fasten the bomb in the foundation of every vestry and every white home, light a longer fuse and forbid its removal unless the objective is accepted.

You know little of the grim determination of the anti-South junta and the jungle response of the genuine Negro to their incitations to mass action now filling every issue of the daily press if you think that both your mild and grossly underestimated apprehension of regional discord and your pious ultimate objective can both be soothed and salvaged by a "little integration" along Tobacco Road.

Lest it be contended that a program for integration and the removal of all barriers in church and school might not necessarily involve social access into the home and its relations, let it be said bluntly that anyone pressing for integration in church and school must know that these relations are not the contacts of the streets, stores and buses, or even segregated seats in a church gallery, ending there; and that without unqualified social contact among pupils and parishioners both school and church and every service and activity of those institutions would be a dry and barren formula. Any priest, bishop or parishioner who would piously profess and practice social inclusiveness in the church and school and would then bolt the door of the home would, I am sure you will agree, be a sanctimonious hypocrite.

For these reasons and before I state the South's imperative for segregation, and as a member of an Episcopal Church from a time before you were born, may I be permitted respectfully but bluntly to protest your assumption of authority to commit that church to the program you propose, and to assure you of the mass exodus from any church in the South maintained by white families which might, as a church, respond to or tolerate your proposal.

If that response should result in control and ownership of the church property, that result would be repudiation analogous to legal fraud as to a vital understanding under which that church was established. You may be assured of determined controversy to avoid that result.

In stating our imperatives, let me mention at the outset a certain background fact which is wholly discounted or unsuspected in the North; namely, that until synthetic, organized, and relentless propaganda and fomented litigation began to impair the relationship between the races, there has existed the most extraordinary sympathy, understanding, and good will on part of the white people of the South toward the Negro. They have responded increasingly and in recent years magnificently to the provision and support of Negro schools of modern capacity and design, although the Negro's contribution to tax revenue is everywhere negligible and his normal response to competent facilities and curriculum is nominal or limited. And I have no doubt whatever that if the incitations of Negro preachers now basking in national publicity and acclaim would leave them alone, a decisive majority of Negroes in the South would welcome a continuation of the old and friendly relationship and the continued patronage of their own schools and churches.

(To me personally, this crisis in race relations is a matter of deep regret. My friendly understanding and relation to Negroes, in time and scope doubtless beyond that of any bishop of the church (probably greater than that of all bishops north of the Ohio) began with my nurse and my father's Civil War body servant, who visited us regularly. Some of these old contacts still write us after 30 years; and I cannot recall ever having spoken unkindly to or intentionally wounded the dignity of a Negro.)

As for the possible salvage from impending disaster of this relationship of sympathy, understanding, good will, and helpfulness I cannot too often say to you from intimate knowledge of conditions in the South that social segregation is the only atmosphere in the South in which that relationship can possibly survive.

Because of this friendly sympathy and understanding the southerner, mistakenly it now appears, has been reluctant to give expression to the organic reasons for the South's immutable opposition to your formula for total social integration.

In order, in this crisis, that you and those who see nothing but mean prejudice in the South's mandate for segregation may understand its unalterable basis, it becomes necessary to state the organic reasons for that mandate. Those reasons are final and indisputable.

There is a dominant principle in ethics underlying every religion consistent with human progress, which compels essential social segregation in the South under existing and foreseeable conditions.

That principle can be stated in these words: The most exalted impulse of man, implicit in any worthwhile survival of the human species, is to assure the dignity, the integrity and the progress of his family and descendants, consistently with the general welfare. No religious, political, or ethical formula could possibly stand the test of the divine plan and its intent and design for human progress which might challenge or oppose or tend to impair that basic and primary mandate.

In addition to exposure of the family to the genetic aptitude of the Negro and his normal lack of self-discipline, summarized below, responsive to primitive and rural conditions, there is constantly increasing exposure in modern areas of Negro congestion resulting from the genetic incapacity of the Negro to cope with modern tensions. This is further emphasized by his reaction to the current mass incitations for total social integration; all of which is reflected in the sharply increasing statistics of Negro crime and disorder. In the face of this exposure, not only existing but assured for the foreseeable future, any acquiescence whatever in the pressure for total social amalgamation which you propose would be a shocking betrayal by white parents, not only of this primary mandate for human progress, inherent in the privilege of parenthood and in the very process of life itself and indispensable to the dignity of the family, but obligatory as a matter of the most rudimentary as well as the most exalted personal affection and concern.

With this statement of the inflexible principle of family responsibility, I pass to the indisputable facts which confront that principle, in view of which it can be stated, without any exception known to me, that I do not believe that there is one white father native to the South who would not prefer that a daughter, however devoted and blessed their relationship, had not survived rather than have her married to any Negro.

In proceeding to the compelling facts underlying an adamant social barrier against integration as a race, a statement of the ingrained, homogeneous, racewide characteristics of the Negro race and their reflection in the life, economy and morality of today are indispensable.

As to the genetic and all inclusive characteristics of the Negro these facts are beyond question.

1. Until the Negro's incredibly sluggish and indifferent response to 3 centuries of contact with the races which have contributed to human progress, during which imitation alone might have had better results but for the dominant apathy of the Negro toward all progress, this genetic development of the Negro left him, on his own and in his native habitat, even in a rich and vast continent with every diversity of climate and raw material to encourage response, with such a total aptitude for content with the most primitive barbarism that no single member of any Negro race ever discovered a letter or a written word, ever refined a metal, invented a plow or wheel, ever discovered a principle of science, ever imagined a system of philosophy or religion or gave evidence of any aspiration beyond the current satisfaction of his

primary physical senses on the level of the adjacent jungle.

2. Although possessed of normal physical tonal capacity, the Negro in his native habitat never invented a chord or a scale or composed a song above the bark of the hyena, nor ever invented a musical instrument above the jungle drum. When Mozart and Haydn were thrilling the souls of men with their symphonies, the Negro, in his native habitat and on his own, was still without spiritual reaction to harmony, restricting his emotion to the beating of his drum and yelps of excitement or fear in the forest or in the presence of his human sacrifices to voodoo.

3. Until his contact with other races he never used a stone to build a communal habitation or fabricated that primary distinction between the human and the animal, the home, except from the leaves and logs of the forest.

4. After the Negro's three centuries of contact with the current flow of white civilization, no person competent to serve in any executive capacity with any public organization in America can be ignorant of the Negro's basic lack of inherent aptitude for self-discipline or instinctive morals, with the net result reflected in his inevitable and frightfully increasing criminal statistics and in his nominal economic and tax response—as to the latter so astonishingly below and as to crimes so increasingly above all relation to his population ratio everywhere.

5. As a brief cross-section of conditions which are so obviously genetic, you are advised that within a recent (December) period of just 10 days the daily press of this city (clippings enclosed) announced the following local items:

(a) The removal of two young Negroes to the death row, pending appeals, convicted of unprintable rapes of white women, along with a third convicted of nothing more than conventional murder.

(b) The escape of a third rapist of a white expectant mother.

(c) The desperate but successful escape of a fourth married white woman from a similar attempt.

This chilling sample is sufficient to make clear that the continuous incitation of Negroes to demand and assert rights on all fronts rather than that they be encouraged to recognize and exercise discipline over their genetic aptitudes, and justify citizenship, is having its desperate effect.

6. This nauseating and continuous formula of incitation had its counterpart and springboard in the discovery by the Supreme Court that in order to avoid embarrassment to Negro psychology and impairment of his id, or whatever Freud might call the current urge or result of his genetics, the Negro must be given access not merely to comparable school facilities and curricula, as had been held by that Court for three generations sufficient to satisfy the 14th amendment, but is entitled to attend the same schools in order that he may have access to the daughters and other children of the white families. That formula for the schools was fathered before the Court by NAACP which is now (press, January 8) through a headquarters lawyer litigating an effort to extend the doctrine to include immunity for a Negro gang of juveniles which seized and forced a humiliating gesture on a little 6-year-old white girl.[1]

7. Other blunt aspects of this problem include the fact that in a number of Southern States interracial concubinage and intermarriage is and has been for generations a felony, now punishable in Alabama, on conviction, by imprisonment up to 7 years (Code of 1940, title 14(360)).

This statute, which stands in massive and punitive repudiation of your program, is of vast accrued significance in view of the domination of racial agitation by NAACP and its domination, in turn, in the South and elsewhere by mulattoes ashamed of their Negro origin and determined to have race consciousness not only parroted as a sin but have its practice or even its statistical expression or consideration in employment made a crime in broad areas.

Lest it be hastily assumed that the parentage of mulattoes has, to the extent of their ratio to the entire Negro race, diluted to that extent the genetic aptitude for primitive content of the genuine Negro and might point the way through degenerating genocide of the white race toward the ultimate beneficiation of the Negro, let this blunt fact be remembered, viz: that every interracial conception in any State having the prohibitory statute above mentioned has been a felony in which both participants were not only guilty of the felony but were selectively degenerate in morals. That certainly affords no discernible amelioration of the objection of white families to amalgamation with the resulting offspring.

In the light of these blunt and basic facts as to the Negro's genetic aptitude and its reflection in current expression and statistics, could any father having an atomic trace of self-respect whose family is surrounded by this potential inundation be expected to abandon the imperative of essential social segregation?

Perhaps the boundaries of your own attitude and your proposed policy as presiding bishop can be more clearly understood by this down-to-earth premise and this question which your public interview justifies:

Life itself and evolution and the privilege of parenthood remain a divine mystery in primal aspects; but God in His plan for human progress has permitted us to understand the basic genetic process for all creatures and it is incredible that any exponent of religion could dare to blaspheme that infinite privilege by insisting that it is accompanied by a divine injunction to mongrelize it. No breeder of stock on the millions of farms in civilized areas would intentionally downbreed to a defective or uneconomic type. That is his response to intelligent understanding of the processes of life under the divine plan. The bald question facing your program is whether it is any more a sin for the white families in the South to be as concerned to avoid downbreeding for their grandchildren as would be a farmer for his cattle.

8. The question of your authority to commit the church to your program or the propriety of your action in assuming the authority are minor aspects of the potential consequences of this desperate proposal. Genocide, alas, too soon because of its horror fading into the distance, was no less frightful because technically mandated by current civil authority; but these comments as to authority are plainly pertinent as having a practical bearing on the future course of the church and the reaction and procedure of the dioceses which will not accept the program if activated.

First. I find nothing in canon 4 to authorize anyone to commit the church or spend its funds or use its organization in aid of any political or judicial function or procedure involved in your program.

Second. While church membership of all denominations has been confused by the misuse of the terms "discrimination" and "brotherhood," as meaning more than the acceptance of the ethical and truly religious duty of sympathy, understanding, goodwill, and helpfulness, neither that clear duty nor those misused terms require total social integration and it is viciously misleading to refer to protective segregation as a sin wherever the danger, in the honest and rational judgment of those exposed to it, is clear or potential.

Third. Nor is there anything in the effective terms of the Convention resolution to authorize any policy except "to work together, in charity and forbearance, toward the establishment without racial discrimination of full opportunities in fields such as education, housing, employment, and public accommodations."

While, as is to be expected whenever sin and piety are suggested, however irrelevantly, there is always compromise to avoid finger pointing and controversy, there is nothing in the quoted resolution to justify your undertaking to lead an effort to declare protection of the family a sin, to abolish "all racial barriers" or to sponsor a move to arm with extraordinary and unprecedented punitive power the Attorney General of the United States.

I have searched in vain for technical justification in the minutes of the convention. I have definitely noted the text and express rejection of the resolution of the House of Bishops advocating but expressly limited to advocating compliance with the school decision, and have noted the protests from the floor of the convention against broad implications which resulted in the Virginia resolution above quoted. As a result, I find no molecular justifications for your announced program, even if the convention had been willing to invite disunion.

So much for the question of authority. Attitude is another matter.

May I, in closing, refer with affectionate memory to another bishop in another time of crisis in the South. When Federal troops and hordes of carpetbaggers were sent into Alabama after the Civil War, including a nonresident Tammany henchman placed on the Federal bench, Bishop Richard H. Wilmer staunchly omitted from the ritual the prayer for the President of the United States who, as such, was also Commander in Chief of the Federal troops punitively hectoring the public in the occupied area. Their commanding officer, incensed at this reaction to flagrant abuse of military power (the bishop's pastoral letter pointed out that there was no civil government in Alabama and that there was no religious obligation to pray God to grant health, prosperity, and long life to a military commander) issued General Order No. 38 on September 20, 1865, ordering Episcopal churches closed until this attitude of contumacy should be abandoned. On being curtly admonished that military force would be used to enforce the order, religious services were held in private homes wherever troops were stationed until the order was rescinded, in insulting terms, on January 10, 1866. During this period services in a home (Hamner Hall), typical of the procedure in military areas, there and elsewhere, "was preemptorily forbidden by a military official bringing verbal orders to that effect from headquarters and the little private assembly, broken up on the ground alleged that it was an evasion of the aforesaid military edict, was dispersed by soldiers at the point of the bayonet."

Through it all, then and always, Richard Hooker Wilmer continued on his dedicated way and remains forever a magnificent memory.

With that precedent in the diocese of Alabama before us may I, without offense, respectfully ask you to advise when it became a function of any bishop or group of bishops in America to declare the protection of the family and of a regional civilization to be a sin and to advocate legislation for summary process of blanket injunctions for Federal

[1] And known to every person who reads the daily press is the social miasma overhanging the schools of the District of Columbia, in which you made public your program.

executive agencies, supplementing troops, to process that dogma.[3]

That proposed program would be fully reminiscent of another crisis which once contributed to certain misunderstandings with George the Third because of his parliamentary and executive despotism, denounced by Edmond Burke:

The people remain quiet, said Burke in 1771, when they are assured "that the sacred fire of an eternal constitutional jealousy, which is the guardian of liberty, law, and justice, is alive night and day and burning in this House" (Works, vi, 158).

As I recall history the protests of the colonists were satisfactorily resolved without authoritarian condemnation from the clergy of the colonists as sinners or propaganda in support of the royal procedure or insistence that the pronouncements of a king and his ministers is God's law.

SUPPLEMENT TO LETTER DATED JANUARY 17, 1959, TO THE MOST REVEREND ARTHUR K. LICHTENBERGER; AS PRESIDING BISHOP, AND REFERENCE OF THAT LETTER (AND SUMMARY OF CERTAIN RESPONSES RECEIVED) TO THE DIOCESE OF ALABAMA, ITS STANDING AND EXECUTIVE COUNCILS AND ITS PARISHES

FEBRUARY 16, 1959.

The responses received make it clear that the church authorities proposing to crusade against social segregation in the South are, on the whole, vitally unaware of the imperative reasons for segregation, wholly unrelated to prejudice, and of the sympathy and friendly understanding heretofore existing and possible only in an atmosphere of protective segregation.

The responses, except one frank enough to concede but nevertheless willing to advocate it, indicate a mental block against admission of the assured disaster not merely to the entire range of culture and ethical standards in the South but against recognition of the resentment within and against the church itself if sponsoring any such program and result.

This memorandum acknowledges the courtesy of responses not only from the presiding bishop to whom the above-mentioned letter was addressed, but from other bishops who were good enough to acknowledge receipt of a copy sent them and to express their views although not requested to go to that trouble.

The responses indicate sufficient general accord with the presiding bishop's press interview (as to his advocacy of active church leadership in the pressure for total integration) to require that the result be laid before the Diocese as evidence of intent not only to sanction the pressure of the Federal authorities in the civil domain but as clear evidence of a threatened crisis for the church so grave as to become no longer a matter of individual remonstrances however numerous. The crisis and the implications of the procedure for processing the program, in the absence of any vestige of authority to bind any church or diocese, as publicly asserted become a function of the diocese, its responsible councils, its vestries, and its general membership, not only parish by parish but in convention for final action if the pressure should be continued in the name of the church.

1. The grim intent of certain of the advocates of the program, notwithstanding admitted realization of the disaster to be expected from the proposed inundation in the South of 10 million Negroes into every social contact and aspect of life, may be weighed by the admission of disaster and the grim counterpart of that admission by one of its advocates. His letter stated that as a matter of principle he was 1,000 percent for the bishop's program and that "only a total commitment, despite its desperate sacrifice, can suffice."

Another bishop, as justifying his position refers approvingly to the October resolution of the House of Bishops, although that resolution was affirmatively rejected as a basis for action by the convention, which adopted the Virginia resolution. The effective part of that resolution was quoted in the abovementioned letter of January 17 and did not invite the proposed program either for church or total integration. The resolution of the bishops primarily advocated acceptance of the school decision and called for "church and civil" leaders to direct their people away from what the resolution, plainly pointing a finger at the South, contemptuously referred to as the "easy standard of local expediency."

In short, however admittedly desperate the sacrifice, involving as it would the culture of the region, exposure of family and social life to the intolerable prospect stated in the letter of January 17 and making interracial good will impossible, that result must be pressured upon us by the church as a matter of principle not only directly but indirectly by sanctioning political and civil action, as was urged or implied in the bishop's resolution. Although rejected for action by the convention, it disclosed the attitude of indifference of the concurring bishops as to the desperate problem of the South.

The bishop referred to above, who is 1,000 percent for the presiding bishop's program, did express some doubt as to the immediate tactics in certain areas facing that assured invitation to disaster. In short, a principle to which he is so anomalously committed (10 times the mathematical maximum of 100 percent) might be compromised with his conscience by some tactical delay in benighted areas where, it may be assumed, judicial blackmail by the Supreme Court and fiscal blackmail by the Government's proposal to withhold Federal aid from all segregated schools and housing projects (with old age homes and every other charity in the line of fire) and mass prosecutions by the Attorney General, are all active in the good work of genocide of southern moral and family standards and any possibility of interracial good will.

As for this reluctant indulgence, the South wants no compromise of principle, even when a bishop is willing to give to the South a limited time to confess sin. The South totally repudiates the theory that protective segregation, maintained as a matter of desperate necessity and heretofore in an atmosphere of sympathy, understanding, and helpfulness, is nevertheless sin.

Nor does the South want this continuing lecture on its easy standard of local expediency even if that distortion of its attitude is piously sanctioned by vote of a majority of bishops whose cultural standards, whose children and whose social and family relations would have only token and remote exposure to Negro inundation and its consequences.

It is significant (1) that not a single reply challenged the genetic facts or the economic and criminal statistics underlying the necessity for protective segregation nor the existence of sympathy, understanding and good will toward Negroes made possible only by segregation; and it is significant (2) that all those who replied defended their position as being justified by the bishop's rejected resolution or the action of the general convention. That unique sidestepping of the dogma of synthetic sin and the justification for the program were based not on its inherent ethics but on these so-called doctrinal resolutions, wholly without any authority in the church constitution. That position of evasion calls for analysis.

First, no monitory mandate whatever to abandon protective social segregation appeared in the resolution proper adopted in October. As if reliance were placed upon the preamble the presiding bishop's reply quoted the "whereas" clauses in the preamble, which disclose the usual effort to induce concurrence by conciliatory recitals, one of which repeated the ancient and most nebulous myth of an anthropomorphic God creating man in His own image; hence any distinction as between races as they confront us in 1959 is a reflection on the God-form man or man-form God and is therefore sacrilege and sin.

Resisting the temptation to comment on the literal emphasis on the hypothesis, it nevertheless stands out that the 15 million years of barbarian genetics which have elapsed since Adam and Eve and the grim statistics of 1959 are ignored in applying the hypothesis to the problem of today. It did not occur to the writer of the letter of January 17 that bishops functioning under a church constitution substantially as adopted in October 1789 would, like the Supreme Court of the United States, discover a social mandate that Negro psychology and the God-form principle require total amalgamation regardless of consequences.

But giving full scope to the image of God hypothesis the imperative distinction is not made in the South because of the Negro's God-image form but his 15-million-year genetic and spiritual characteristics, or the lack of them; not his arms, legs, head, brain or tonal capacity or any visible or audible attribute or image. That distinction in the South is, of course, based on horizontal, homogeneous, and unanimous content with barbarism at the end of 15 million years of his possession of the God-image, by every living member of every Negro race.

For this reason, however dangerous the literal application of that morphology of the God-man is to the conception of a spiritual God, it would be totally inapplicable here as as basis for a charge of sin. That is, unless the manufacturers of this synthetic sin insist that God gave the original Negro or his aboriginal progenitor not only the similitude of God's form and image but included also God's own spiritual attributes.[3]

If any rational mind could suggest any such hypothesis it would seem to be not only a sacrilegious burlesque or travesty of the divinity of creation, but totally inconsistent with the basic concept of free will and individual responsibility underlying every worthwhile system of religion or ethics.

The sublime wonder which makes life worth living is, of course, the certainty that under the divine plan, ordained in the process or in the result of creation and innate in every human is the individual power, by sincere and individual response to a sound system of ethics, completed and sanctified and made understandable for all time by the Nazarene, to assure not only the maximum serenity of the individual and his maximum contribution to his own and to his family's and to human welfare of which his mental energy and self-control is capable, but also to meet the desperate need for strength to face the inevitable and unavoidable adversities and tragedies of human life, including the approach or potential of death itself.

Crises of human life are not found in its hardships, its misfortunes and its external tragedies but in the failure of individuals, magnified by mass multiples, to respond with

---

[3] The plan of the politician and South hater in the North is, of course, to condemn any racial distinction in employment, housing, and in any unity of policy as to any relation whatever, public or private.

[3] And perpetuated them for all time against genetic erosion.

self-control and endless analysis and determination to this basic challenge.

It was not the purpose of the original letter or this final memorandum to engage in a teleological controversy with bishops, in full cry to discover and denounce sin. But for the sin aimed at here the discovery of sin cannot possibly rest on disrespect for the human morphology of God or the God-like morphology of man, however little or literally the ancient notion may be sponsored by bishops and accepted by laity.

There is, however, one evidential aspect, having no relation to the genetic aptitudes or the 1959 statistics of the Negro, which symbolizes the problem and dictates the field for application of the imperative for social segregation. Its reluctant expression here, as in the case of the blunt but indispensable statement in the letter of the reasons for segregation, is compelled by those who force the issue and the crisis. This aspect refers to the bearing on social relations of the startling physiognomy of the genuine Negro.

Pathetically homely and distinctive, that characteristic of the millions of genuine Negroes in the South has never, in the atmosphere of basic social segregation, impeded, on the contrary that characteristic physiognomy has furthered, friendliness, sympathy and understanding accompanied by an extraordinary minimum of offense and ill will from normal contacts in that atmosphere. But let it be understood as inevitable that if and wherever social integration is pressured or forced by law beyond token bounds (temporarily endured) or asserted as a matter of right or compulsion by any Negro, then the crudeness and pathos of genuine Negro physiognomy will lose its appeal for friendly acceptance. It will become a symbol not only of the Negro's ever-present potential response to his genetic aptitudes but of judicial and legislative coercion, and of church authoritarianism if this program of lectures and taunts continues.

Any bishop who can fail to visualize, in a family or other social or intimate gathering in the South, the effect of Negro faces in hilarious commune with white friends, family and daughters—but why finish a sentence that completes itself?

While understandable in the Lambeth Conference as a political gesture in the ominous problem of colonialism and vital trade, so tragic is the emphasis by American Bishops on God's human-like form as the main basis for their charge as to the sin of segregation that it seems in order and germane to point out the infinitive damage to Christian ethics and to this church involved in the shockingly literal and nonspiritual emphasis on the human-form God, since likeness must be reciprocal. This intimate physical morphology, and doctrine of external intervention has been recently advanced to an all time high by one of the most tireless and aggressive exponents of total integration—of course with total lack of understanding of the facts and statistics or sympathy for the South's opposition to that turmoil and disaster.

That bishop's formula for transfer of man's primary individual responsibility from himself to God is defined in an article entitled "How To Pray," to which attention was called by a churchman shocked both by its text and its proximity. No reflection is here intended as to the author of the article nor any criticism except as to its literal overemphasis on the sort of misleading morphology now challenging the concern of southern families for the protection of the culture, their standards and serenity and their families. The articles appeared in a sex emphasis pocket size magazine between (a) a series containing fully nude photographs of African women in their traditional state of culture and nature, with thatched huts in the background, (b) another article entitled a "Preview of the New Kinsey Report," and (c) a fully illustrated article on "Literature's Sexiest Young Heroine" on one side of the article on how to pray and, on the other (a) French etchings of totally nude female torsos with uninhibited details and (b) a spirited defense of alcohol entitled "Drink Up. It's Good For You," extolling alcohol as a blessing.

As was to be expected from this proximity in a magazine whose readers were apparently not expected to be searching for spiritual substance, the article of the learned dean, now bishop, necessarily emphasized the anthropomorphic notion of access to and response of divinity and asserted that if framed according to the author's formula the prayer "will always be answered" (the emphasis on "always" being the learned dean's). This guaranty was illustrated by account of his interview with a man who asked if it was all right to pray for a particular job. Assured that it was if he should pray for it in the right way the learned dean gave the aspirant a formula of prayer for the new job. This procedure was also stated as applicable to prayer for specific things: "Just as in the case of an earthly parent, it is the father's pleasure to give you good things."

If this were an appropriate time for irony it might be added that the article did not advise whether the job thus prayed for was obtained or what would happen if there were two applicants and the present incumbent also prayed to retain the job, all using the guaranteed formula.

Irony aside, it is tragic that the basic threat to cultural and to social welfare and interracial good will should be threatened not merely in civil life by coercion of Federal authority but that the same disservice should be extended into the church itself and distort the sublime appeal of Christian ethics by a program taunting church members in the South with the synthetic sin of segregation, predicated on resentment of a man-imaged God pictured on the spiritual level of a grantor of jobs and things.

LEGALITIES

The Episcopal Church in the United States was organized as an unincorporated association by the adoption of a constitution in Philadelphia in 1789. The present articles of religion approved in 1801 affirmed the propriety and acceptance of diversity of traditions and ceremonies, adapted to the diversity of countries, times and men's manners.

In providing for certain changes in the liturgy of the Church of England the American general convention of 1789 referred with approval (continued in the preface of today) to the assertion by the English church, in its preface in 1689 to the Book of Common Prayer, that changes by the church from time to time would be proper which according to her best understanding might most tend to peace and unity in the church.

If there is pressure to ignore those ancient standards of unity and tradition by proposing to legislate a finding of sin in a tradition in effect since 1689 confirmed by the American church in 1789, and essential in the South to prevent atomic social disaster, there is nothing in the constitution or canons or any possible valid amendment of either which would be binding upon any diocese or any parish or which could interfere with the ownership and use of the church property or prevent severance of further affiliation, if that action should become necessary.

MR. ROBERT C. VANCE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. DADDARIO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DADDARIO. Mr. Speaker, in New Britain, Conn., this afternoon, the Department of the Army will award a citation and medal to Mr. Robert C. Vance, editor and publisher of the New Britain Herald.

Mr. Vance is one of Connecticut's outstanding citizens. Some years ago, in the establishment of antiaircraft defenses in the Northeast sector, a Nike unit was located in the New Britain area. Connecticut is not accustomed to having many regular military units within its borders. Aside from the Coast Guard Academy and the New London Submarine Base, there are few installations of any size. My colleagues who have many such years of experience with posts, camps, or stations within their districts will know that it often requires a sizable adjustment in the thinking of both civilian and military when they find mutual problems that demand sympathetic understanding.

In such circumstances, the work of one man who knows the problems of the military and who knows his community can be most valuable. Mr. Vance, who served with both the French and American forces in World War I and has always maintained strong ties with the American Legion, made it a point to see that the public relations of the military group were given every consideration. The award that is being made today is in recognition of his efforts and the way in which he has contributed to the successful carrying out of a military mission.

PAKISTAN

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. POWELL. Mr. Speaker, today I wish to salute the country of Pakistan of its independence on this 12th anniversary and its leaders, President Mohammed Ayub Khan, Aziz Ahmed, the Ambassador to the United States. Five months since President Ayub took over the reigns of Government is too early to assess the worth, the direction and true meaning of the revolution which occurred on October 7, 1958. However, we in the United States have hopes that the new regime will succeed in establishing law and order, in raising the standards of living, and in stabilizing relations in that part of the world thus adding the country's strength to universal peace.

Present leaders of the Pakistan Government are eager that we of the United States understand the problems which handicapped progress and advancement in their country prior to the revolution of last fall. They explain that the ineffectiveness of democracy was attributable in a large measure to the feudalistic

pattern of the economy where large land holdings in the hands of the few rendered political rights to the people null and void. Thus power in the hands of a few landlords let to Government corruption and further oppression of the masses. Such deterioration placed Pakistan under the old regime, leaders report that it was necessary for a new government and different leaders with sufficient power to overrule the feudal lords and restrain political corruption for under President Ayub, we are informed, land is now being redistributed.

The matter of land redistribution was urgent, for West Pakistan, about the size of Texas and Okahoma with most stretches of desert, must support a population estimated at 39 million and East Pakistan, about the size of Louisiana, with so many rivers and marshes that only about 25 million acres are cultivatable, must accommodate 47 million. Moreover, the population is increasing by about 1.2 million persons a year while food production over the past 10 years has remained static.

Although Pakistan received 800,000 tons of wheat and rice as part of American aid for the year ending in 1956, the country still had to spend its own scarce foreign exchange to import an additional 465,000 tons.

The first challenge to the new government in this regard is to retrieve those lands which have gone out of cultivation as a result of salinity and waterlogging and prevent the 70,000 to 80,000 acres, in addition, from annually going out of cultivation. The second challenge is the removal of the obstructive force of absentee landlords whose holdings are so large and their incomes so enormous that they do not have to worry about low yields. The third problem facing the Pakistan administration is how to keep food prices from soaring further and how to offset the drift toward economic bankruptcy. A fourth challenge was the establishing of civil government to replace the vanishing law and order, that people might move about in peace.

President Ayub, we are informed, has directed that undistributed irrigated land in West Pakistan be settled within 3 months and has ordered that all cultivatable fallow land in East Pakistan be brought under the plow within a similar period. In the economic sphere the present government appears to be tearing down sagging, outdated, exploitative elements. Blackmarketing has disappeared, prices have been stabilized, and the value of foreign exchange and the rupee is improving. It is believed that the improvement in the economy of the country should contribute very directly to a decreasing of dependence upon outside help and thus relieve the friends of the country from endless demands for assistance.

However, Pakistan, like other undeveloped countries, must have outside help for a time to speed the urgent development that the bursting population now demands. American industrial know-how and investment capital are invited for establishing industries in steel, in diversified jute production and other industries. The Government, in return, offers incentives such as reparation of profits and capital at any time investors might wish to withdraw from the Pakistan economy. The leaders add, America is faced with tremendous competition from the Communist countries and can become economically barricaded in the very near future unless she begins to think along different lines. Of note here is the importance of facing the dilemma of overpriced American-made goods ultimately clashing with the lower priced Communist market and being squeezed out in the process. To offset this dilemma the United States can invest capital on the spot where labor is sufficiently cheap to compete successfully with the market of the Communists whose economic influence is becoming an increasing threat. To offset Communist gains through trade and assistance, it is very important that American capital set out now for Pakistan.

Although under the previous regime there was the framework of representative government it was ineffective for the reason that mass participation was limited by the poverty and ignorance of the people. As pointed out earlier, the landholdings were in the hands of the few and only about 15 percent of the Pakistanis were educated. The leaders of the country explained that democracy in their country as elsewhere cannot be developed in ignorance where the potential voters are lacking in a developed civic sense. Voting undertaken in the social and economic conditions of the present nature of things they maintain would be but a sham. Therefore, they report the need of undertaking some necessary preliminaries as precaution for advancement, for representative government, for democracy, that justice and equality may be extended to all.

Under the previous administration, the Pakistan leaders report, there was in force a confused judiciary system which represented a poor copy of the English law. This system, they insist, made justice and civil rights so expensive that the poor were unprotected and their rights unsure its application. Justice, they add further, must not only be cheap but in a shape that has meaning for the masses of people. Thus the immediate objective of the present government is not representative government but the establishment of the conditions for representative government.

Work on a Constitution in preparation for election will begin later this year. It is expected that representative government will take the form that it did in the early United States—probably a limited franchise with an electoral college consisting of persons with minimum educational requirements. If plans for representative government move according to expectation a representative form of government may be in operation in about 2 years. As to external relations, President Ayub has expressed his grave concern for the settlement of disputes with India and has already received a general from that country. The Pakistanis are eager to promote understanding and establish peaceful relations with its immediate neighbors and in the world at large. They have no hostility to America, we are told, and regard us as friends. Moreover, the leaders assert, "with malice toward none," they will go with the West as far as possible. The above rather long explanation of the aspirations and techniques of a new government of the Afro-Asian family has been submitted as officially reported without editing, for few there are among us who can capably pass judgment and assess the problems or offer the intangible materials needed to fill social and political and economic vacuums which occur and recur in the wake of retreating Western occupation. Certainly sound thinking on social and political evolution, which must of necessity pertain, if these countries' development is to approximate that of the more advanced in the very near future. Therefore, we must sympathetically examine the facts of life in the nations that are emerging or the basis of facts presented by them from all sides and points of view rather than through a telescope of western origin fashioned according to our degree of stabilization and standards. To do so deepens the misunderstanding of our country and besides, it is unfair to them.

I have read in Foreign Affairs a scholarly article by Charles Burton Marshall, visiting research scholar at the Carnegie endowment for international peace, and though I bitterly disagree with his expressions of Western superiority and right of final determination of the world's political direction, I do support his conclusions our country's foreign policy as regards Pakistan and wish to include them in the RECORD for future reference.

As for U.S. policy toward Pakistan, developments give new point to some old questions. They supply another demonstration of the folly—at least the perils—inherent in contracting with ingroups in politically underdeveloped states on the assumption that we are dealing with national governments really endowed with contractive capabilities. They supply new data on the fallibility of the strong-man myth underlying some of our undertakings and expectations regarding the fledgling states. They supply a new occasion of inquiring into the relationship of a military buildup to stability in underdeveloped areas. It is time to find out more about the implications of building up a military establishment hugely beyond the level of developments of its country—especially, as in the case of Pakistan, a military establishment not national provincial in its roots. It is time for a new perspective on our alliances and military strength, we are not giving too little regard to deeper political requirements.

The concern of the United States for the underdeveloped countries should at all times concentrate on the direction of government and the dedication of leaders throughout to raising the standards of its people in as peaceful and orderly fashion as possible rather than whether the techniques applied are copies of our system or are capable of advancing our interest. For it may come to be that

imposing or introducing our interest may conflict with theirs, on securing ourselves may make them insecure. Therein lies potential and ultimate rupture of relationships which may be weakened when they should be strengthened.

REREFERRAL OF H.R. 4147 AND H.R. 5746

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the bills (H.R. 4147) to establish the Rural Electrification Administration as an independent agency, and for other purposes, and H.R. 5746 to amend Reorganization Plan No. 2 of 1953, which were referred to the Committee on Agriculture be referred to the Committee on Government Operations.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tonight to file a report of its Subcommittee on Government Information relating to the availability of information from Federal departments and agencies, including additional views.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATIONAL SECURITY AND POWER EQUIPMENT IMPORTS

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, for the 10 years that I have had the honor and privilege of serving my district in the Congress of the United States, I have vigorously and constantly supported the reciprocal trade agreements program and the promotion of two-way trade between ourselves and others. These broad general programs are needed as important means for strengthening our allies and for increasing standards of living throughout the free world. They also serve to eliminate suspicion and distrust among nations. I will continue to support these programs and these efforts.

The Trade Agreements Act, as passed and amended by the Congress, contains important exceptions which must be safeguarded and protected. Just as a majority is not permitted to override the rights of a minority, broad principles must not be permitted to ride roughshod over fundamental and essential exceptions. The Trade Agreements Act and most other laws are made possible because of the exceptions they contain. The national security amendment to the Trade Agreements Act is a critical exception set forth in the act. It first appeared in the Trade Agreements Extension Act of 1955. It has been expanded and strengthened for good and sufficient reasons under the Trade Agreements Extension Act of 1958, the present law under which we operate. I rise this morning to defend this important exception to the Trade Agreements Act.

On January 1, 1959, our Federal Government decided that a contract to supply two hydraulic turbines for the Greers Ferry Dam, under construction by the U.S. Corps of Engineers, should be awarded under the Buy American Act to an American manufacturer, the Baldwin-Lima-Hamilton Corp., even though a lower bid had been received by a British manufacturer, the English Electric Co. Our Government has made this decision in order to protect essential national security interests. The furor that has been raised in protest against this award and the assertions that it abuses the trade agreements programs is out of all reason. Facts have been misused, bruised, and abused. I do not presume to know all the facts which have entered into the Government's decision in this case. Undoubtedly, considerable of this data is contained in secret documents. However, I do have a number of facts that do shed light on this important problem and will, I hope, serve to bring this matter into proper focus.

A basic responsibility of government is to protect and safeguard the people it serves. This fundamental principle must be ever present in everything that our Federal Government does, legislative, executive, or judicial branch. Perhaps it is redundant to observe then that the administration of our trade agreements program must give first consideration to our Nation and its people. The Trade Agreements Act need contain no clause to this effect. However, the Trade Agreements Extension Act of 1955 authorizes the President to "take such action as he deems necessary to adjust the imports of such articles—an article imported into the United States in such quantities as to threaten to impair the national security—to a level that would not threaten to impair the national security."

As noted above, the Congress expanded and strengthened this authority in the Trade Agreements Extension Act of 1958. For 4 years, the exception has authorized the President to take any action whatsoever, even to the exclusion of all imports of a commodity, if he considered such action necessary to protect the national security. He can take this action for such period of time, indefinitely if necessary, as he considers appropriate. Thus the authority is complete and permits the most drastic action. However, we are called to account by the British Ambassador and the British press for protecting our national security on the Greers Ferry contract award, which is made in the first place under the Buy American Act, which requires the purchase of domestic articles, and in conformity with the Trade Agreements Act, which permits the President to exclude all imports if he considers that national security is threatened.

In answer to this sharp criticism that has been raised on this matter, the Secretary of State has stated the following in part:

> There is the fact that the general principles about liberalizing trade are in every country subject to certain exceptions and qualifications. That applies to the United Kingdom and it applies to almost every country in the world. You cannot take a generality and apply it literally clear across the board. We do also have a requirement that certain types of activity which are determined to be essential to the vital security of the United States shall be kept alive and given a certain measure of protection. Now, in this case there was a finding to that effect in relation to these turbines by the Office of Civil Defense Mobilization, which has the responsibility to do that under the law.

This is the way in which the New York Times of January 28, 1959, reported the statement to the press which the Secretary made on January 27, 1959.

This is by no means the first time that a Federal contract for hydraulic turbines has been awarded to an American manufacturer over a much lower bid of a foreign producer in order to protect essential national security interests. More to the point, this is not the first time that the Federal Government has recognized the important contributions made to national security by the American hydraulic turbine manufacturing industry.

As the industry has stated in a letter to the Director of the Office of Civil and Defense Mobilization, dated February 9, 1959:

> During periods of war or emergency, the large machine tools in the American hydraulic turbine industry have been at a premium and at no time operated less than 7 days per week, 24 hours per day, on critical items required during such periods. In this case, it was not necessarily anticipated how the Government would use these machine tools. However, the Federal Government completely controlled and directed the use of these tools under high priority.

In 1953, as part of the tax amortization program designed to increase defense production facilities, the Federal Government established expansion goal 73 to increase facilities for the manufacture of hydraulic turbines. Expansion goals were also established for facilities to generate electricity and for the manufacture of various types of prime mover and electric power equipment.

The domestic hydraulic turbine manufacturing industry appealed to the President of the United States on March 21, 1956, for a careful review of the problem which the industry faces and the relationship of this problem to national security and defense.

The President did arrange for the establishment of an Interagency Committee on Hydraulic Turbines. An official of the Office of Defense Mobilization served as Chairman of the Committee. Representatives from the Departments of State, Defense, Army, Interior, and Commerce, and from the Federal Power Commission served on the Committee.

The Interagency Committee studied this problem for nearly a year and then made its recommendations to the Director of ODM.

On March 8, 1957, the Director of ODM came to the following conclusion:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D.C., March 8, 1957.

Mr. WILLIAM J. RHEINGANS,
Chairman, Hydraulic Turbine Section, National Electrical Manufacturers Association, New York, N.Y.

DEAR MR. RHEINGANS: Thank you very much for your many letters and oral information submitted to me and to the Inter-Agency Hydraulic Turbine Committee in the course of the consideration of your request for a ruling under section 3(d) of Executive Order 10582, that Federal purchases of hydraulic turbines should be limited to American manufacturers.

As you know, Executive Order 10582 was issued by President Eisenhower to establish uniform standards and procedures to be applied by all Federal agencies in administering the Buy American Act. Section 3(d) of that order permits the head of a Federal agency "to reject any bid or offer for materials of foreign origin if such rejection is necessary to protect essential national security interests after receiving advice with respect thereto from the President or from any officer of the Government designated by the President to furnish needed advice." In the memorandum in which President Eisenhower designated me to furnish advice to executive agencies pursuant to section 3(d), he stated that it was his conviction that exceptions under this provision of the Executive order should be made "only upon a clear showing that the payment of a greater differential than the order provides is justified by considerations of national security." To insure that all aspects of the U.S. essential security interests pertinent to your request would receive appropriate consideration, an interagency committee was established to study all available information and to submit a report to me.

On the basis of the Committee's findings and my own study, I do not believe the present situation justifies a ruling that would recommend to Federal procurement agencies that all contracts for hydraulic turbines should be limited to U.S. suppliers.

In reaching this conclusion I have been influenced strongly by the fact that section 3(d) of Executive Order 10582 clearly envisages that exceptions under that section will be made on a case-by-case basis. Therefore, I recommend that decisions regarding procurement of hydraulic turbines continue to be made on a case-by-case basis. However, in view of the importance of the engineering, skills, and tools in the hydraulic turbine industry, I have instructed the Office of Defense Mobilization staff and the Interagency Committee to keep future developments in the industry under close study.

I appreciate the opportunity of meeting with you and other representatives of the industry and want to assure you that each future case referred to this Office for advice under section 3(d) of the order will receive our most careful and objective consideration.

Sincerely yours,
ARTHUR S. FLEMMING,
Director.

Since that time, three cases involving lower bids by foreign manufacturers have been referred to ODM and its successor, the Office of Civil and Defense Mobilization—OCDM. It should be noted that the Federal Government awards only a very few hydraulic turbine contracts each year. The annual average over the last 10 years has been 11. Not all of these contracts involve bids by foreign manufacturers. On all three contracts the Federal Government decided that the contract should be awarded to the lowest domestic bidder in order to protect essential national security interests, even though a foreign manufacturer had submitted a substantially lower bid in each case. The third case was the Greers Ferry award.

It is quite apparent that the engineering and skilled manpower, tools, and facilities of the hydraulic turbine industry must be preserved to protect our national security. They are important, as stated in official rulings, because of the important defense items which this industry produces during national emergencies. The manpower and the tools in this industry are unique and rare even in our highly industrialized economy. The industry must be preserved, by drastic action if necessary, because national security is directly and critically involved.

There is yet another aspect to the defense essentiality of the American hydraulic turbine industry and of the manufacturers of various other types of power equipment. Hydroelectric energy, produced by hydraulic turbines and the various types of electric power equipment, is essential to our defense mobilization base and is essential to our national security and defense. The Joint Congressional Committee on Defense Production has repeatedly pointed to this fact. For example, in its fifth annual report, the Joint Committee stated:

> Your committee has repeatedly emphasized that industrial production must be backed by an adequate and unfailing supply of electric power, one of the vital resources of the country for which there is no present substitute.

The British themselves have taken necessary precautions to protect their national electricity supply. Since its establishment in 1947, the Central Electricity Authority of Great Britain—CEA—an agency of the British Government, has limited its procurement of prime mover and power equipment to domestic suppliers because as the CEA has stated to the Parliamentary Committee of Inquiry into the Electricity Supply Industry of Great Britain:

> It would be unwise for the electricity supply industry (of England and Wales) to be dependent upon foreign manufacturers for spares and maintenance.

British officials, British manufacturers, and the British-American Chamber of Commerce have sought to bury all references to this policy under a rug of subterfuge. The American hydraulic turbine builders have brought to light on this side of the Atlantic Ocean the following pertinent facts and observations on this matter in their brief to OCDM on "National Security and Defense Production and American Hydraulic Turbine Manufacturing."

This is not a new problem on our horizon. I would like to refer briefly to a portion of the remarks which I made to the House on this subject on June 28, 1954:

> Electric power is the basis for our whole industrial economy. It is also absolutely necessary to the national defense and to national security. Without unlimited and uninterrupted supplies of power, we cannot build and keep our atomic installations going; we cannot produce airplanes, guns, tanks, and all the other defense weapons we need; communications and transportation depend on it—in a word, without our electric-power supply we are powerless. The quickest way for a potential enemy to put us out of action would be for him to put our powerplants out of action. Further, our power-producing potential is hard put to it to keep pace with the growing peacetime demand for new power sources. In the event of a national emergency there would be a tremendous new demand. The powerplants the Government is now building, and the dams and plants for which the Federal Power Commission is now issuing licenses to public and private utilities must be ready to meet this demand without unnecessary delay. Turbines, generators, governors, and similar equipment to be installed in these powerplants are as essential to the peacetime or wartime production effort as the atomic weapons, planes, and tanks for which they provide production power are to actual military operations. We would not for one minute consider letting contracts to build munitions to any foreign firm. And yet we are now buying power-producing equipment from foreign countries with the most careless disregard for the same security considerations which prevent us from placing reliance on any foreign manufacturer for our weapons of war.
>
> Construction and delivery of heavy electrical equipment is not an overnight proposition. They are not mass production items. Each separate machine must be designed and built from scratch to meet special requirements. The process is a matter of months and years. Any interruption in production or delivery could mean an irreparable time loss in getting these powerplants into operation. With world conditions as critical as they are, we certainly can have no assurance that foreign suppliers, either in Europe or in Japan, can deliver on contracts calling for deliveries during the next several years, as is the case on contracts now being awarded. Yet because of pressures from the State Department we are awarding such foreign contracts in increasing numbers to the extent that during 1953 foreign firms received contracts with a dollar value of almost 65 percent of those awarded to American firms. And the trend is increasing so that, if the policy is continued, it will not be long until foreign manufacturers are supplying our Government with more of this type of equipment than we buy at home. It is time we put a stop to the practice if we value our lives. (CONGRESSIONAL RECORD, volume 100, part 7, page 9090.)

At that time, I introduced legislation designed to correct this problem. Shortly thereafter the situation seemed to improve somewhat, temporarily making legislation unnecessary. Recent developments, however, indicate a substantial worsening of this problem. An increasing number of Federal contracts for power equipment are being awarded to foreign producers. American equipment manufacturers and their employees are being critically affected.

I am keenly aware of this problem as it affects American hydraulic turbine builders, companies and employees together. This is an American industry of over 100 years standing. During the

past year, some 682,000 man-hours were expended in this particular industry in San Francisco and 79 percent of these man-hours were directly connected with the production of hydraulic turbines. My own personal background in the American labor movement naturally inclines me to fight vigorously for the protection of hard-won rights and benefits enjoyed by the laboring men in this country. This urge is triple strength when the threat is aimed at both the industry and its employees and at the security of our Nation. Employees in this American industry earn wages which are double, and in a number of instances considerably more than double, wages paid to employees in the same industries overseas. Even a casual study of International Labor Office data, as published in the United Nations Statistical Yearbook, gives full support to this fact. But hydraulic turbines are highly engineered products.

Earnings of labor are a critical factor in the design and manufacture of hydraulic turbines. Many man-hours of skilled and technical personnel go into the design and building of this equipment. American labor and American industry in this type of situation cannot possibly compete on a dollar for dollar basis with foreign workers and foreign industry. Our National Government has long recognized this fact as it relates to shipbuilding. Our Government long since took appropriate action in a number of statutes beginning with the Merchant Marine Act of 1936 to protect our Nation's security and American labor and business in the shipbuilding industry from the ravages of low-wage competition. Thanks to this farsighted legislation, we still have today shipbuilders and a shipbuilding industry. Without such action, we would not have this essential industry today. Just witness what is happening in the American watch industry. American manufacturers are becoming importers. American skills are being lost so that now we find the electronic industry is importing skilled labor from overseas, persons with the type of skills once available in our own American watch industry.

Now we must act before we lose our hydraulic turbine industry—trained manpower, engineering, know-how, specialized production facilities, and elephant machine tools. This small industry must be safeguarded against destruction. Only four companies in the entire United States have the necessary trained manpower and facilities to manufacture hydraulic turbines. Average annual sales of the industry are less than $27 million.

Our Federal Government has a direct and major share of the responsibility for its preservation. Right today, under a policy designed to encourage private power development, the Federal Government is still purchasing approximately 60 percent of the industry's domestic sales of hydraulic turbines. In previous periods, the Government's share amounted to more than 72 percent. Furthermore, policies and procedures which our Government follows in its procurement of hydraulic turbines influence all other domestic buyers.

I would like to expand on this a little more fully. It is hard for me to understand how some well-meaning people can possibly propose that our own Federal Government should grant to overseas organizations work that is not only essential to national defense but is essential for the bread and buttter of our economic prosperity. This is done in the face of unemployment that has remained stable at 5 million and could conceivably continued upward. Many areas in our country have been officially cited by the Department of Labor as distressed areas. Right now too many skilled craftsmen who will be needed in times of national emergencies are out on the street or working in another job that will in no way keep them up to date and experienced in their particular trade. It is these thoughts that go through my mind when I think about the protests and objections that have been raised against the OCDM recommendation and our Government's decision to award the Greers Ferry hydraulic turbine contract to an American manufacturer. This should be standard, normal, day-to-day, routine operating procedure for the Federal Government to award hydrauiic turbine contracts to American producers. Actually the Buy American Act requires it. Yet, because of the outbursts by British officialdom against a practice which they follow for themselves, we find ourselves in a position of commending and supporting the Director of OCDM for taking action to protect his own Nation.

There is now before the OCDM a request submitted by the hydraulic turbine industry which would protect this industry and the workers in these plants from seeing their hard-won gains and highly skilled production efforts go flying out the window when overseas companies are awarded these contracts. I am hopeful the Director of the Office of Civil and Defense Mobilization will act with wisdom and, thinking of our own depressed areas, grant this request.

I am sure, knowing the feeling of those workers in my district in San Francisco, this act would be hailed as farsighted and an act of vision that would save us from being kicked in the teeth by overseas competition and would preserve a vital industry so necessary in these days of tension and cold wars. I am hopeful this will be done, under the authority provided by act of Congress in the Trade Agreements Extension Act of 1958.

EPICURE OF THE HIGHWAYS

Mr. NATCHER. Mr. Speaker, with the death on March 15 of Duncan Hines in my home town of Bowling Green, Ky., the world lost one of its great authorities on good eating. So eagerly sought after by proprietors of restaurants and inns and so widely followed by the public were his recommendations on good places to eat that the statement "Recommended by Duncan Hines" has passed into the language and is synonymous with the highest degree of epicurean pleasure.

Mr. Hines, who came from a prominent southern family and was accustomed to gracious living and excellent cooking, began his hobby of seeking out superior restaurants in the 1930's when he and his wife were living in Chicago and traveling extensively about the United States. They decided to share their experiences with their friends, and at Christmas in 1935 sent out a list of their favorite eating places. The response was so enthusiastic and the demand for lists so tremendous, both from friends and strangers who had heard of the list, that Mr. Hines published his first book, "Adventures in Good Eating." It went into 40 editions. This was followed by "Lodging for a Night," "Adventures in Good Cooking and the Art of Carving in the Home," and "Duncan Hines' Vacation Guide." Three of these guidebooks have sales totaling 500,000 copies a year and are devoted to recommendations of restaurants, hotels, and motels. What had started as a pleasant avocation soon burgeoned forth into a full-time business, and in 1938 Mr. Hines left his job as a printing salesman and devoted all his time to traveling, investigating, and eating.

In 1949, Mr. Hines together with Roy H. Park of Ithaca, N.Y., formed Hines-Park Foods. Later they established the Duncan Hines Institute. These organizations publish Mr. Hines' books and also carry on food research. Although the institute and Hines-Park Foods were later acquired by Procter & Gamble Co. both Hines and Park continued to work with the organizations.

In 1943, Mr. Hines set up the Duncan Hines Foundation which awards scholarships annually to college students in hotel and restaurant management. The foundation also has supported sanitation research.

Mr. Hines was more of a gourmet than a gourmand and although he frequently tasted six meals a day he kept his trim figure. Early in life he acquired a love of fine food from his grandmother who reared him and whom he considered the first of thousands of good cooks he was to know. Duncan Hines had a unique method for trying out a new restaurant. First he would go around to the back to see what the garbage situation looked like. If that was bad, he would go to the kitchen, and if he smelled rancid grease he backed out. However, if the kitchen met with his approval, he would then go into the dining room and order perhaps six of the eight entrees listed on the menu. If these dishes pleased him, he listed the restaurant as "recommended" in his book.

Until quite recently, Mr. Hines traveled 55,000 miles a year to do his own testing and investigating. He was aided by some 400 volunteers who regularly sent him tips on new places and checked the standing of places already listed.

Mr. Hines returned to his native town of Bowling Green, Ky., where he lived with his wife in a plantation-style home. Here they amassed one of the largest cookbook collections in the United States.

All America has benefited from Duncan Hines hobby and every time a diner feels the satisfaction and glow that results from an excellent repast he can be grateful to Mr. Hines for recom-

mending the restaurant that prepared the meal. Duncan Hines was truly an epicure of the highways.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. O'HARA of Illinois, for 60 minutes, on Tuesday, April 7, and Wednesday, April 8.

Mr. POWELL (at the request of Mr. MCCORMACK), for 60 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RIVERS of Alaska.

Mr. MADDEN to include an editorial and also a speech.

Mr. KEARNS in two instances and in one paying tribute to the late Honorable Joe Farrington, Delegate from Hawaii, and also a report of the Air Force Symphony Orchestra on its recent tour to South America.

Mr. BENTLEY and to include extraneous matter.

Mr. HOFFMAN of Michigan (at the request of Mr. BENTLEY) and to include extraneous material.

(At the request of Mr. CURTIS of Missouri, and to include extraneous matter, the following:)

Mr. OSTERTAG.

Mr. LANE.

Mr. WAMPLER.

(At the request of Mr. MCCORMACK, and to include extraneous matter, the following:)

Mr. POWELL.

Mr. ROOSEVELT in two instances.

Mr. CELLER in two instances.

Mr. ROGERS of Colorado.

Mr. ZABLOCKI.

Mr. GATHINGS.

Mr. BURKE of Massachusetts.

Mr. METCALF.

Mr. SHELLEY.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 46. An act for the relief of Ben Chassin; to the Committee on the Judiciary.

S. 102. An act for the relief of Stanislawa Wojczul; to the Committee on the Judiciary.

S. 110. An act for the relief of Yaeko Inouye; to the Committee on the Judiciary.

S. 175. An act to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska, and between Hyder, Alaska, and other points in the United States outside Alaska, either directly or via a foreign port, or for any part of the transportation; to the Committee on Merchant Marine and Fisheries.

S. 191. An act for the relief of Marie Silk; to the Committee on the Judiciary.

S. 192. An act for the relief of Clarinda da Veiga; to the Committee on the Judiciary.

S. 210. An act for the relief of Pantaleon Ibarra, also known as Elmo Gomes Arcibal; to the Committee on the Judiciary.

S. 244. An act for the relief of Alexander Antoniou; to the Committee on the Judiciary.

S. 319. An act for the relief of Theodore Burtzos; to the Committee on the Judiciary.

S. 320. An act for the relief of Sofija Laica; to the Committee on the Judiciary.

S. 322. An act for the relief of Dr. Stasys Sereika; to the Committee on the Judiciary.

S. 323. An act for the relief of David Forbes; to the Committee on the Judiciary.

S. 324. An act for the relief of Johann Kalatschan; to the Committee on the Judiciary.

S. 327. An act for the relief of Cwy Pinkusiewicz; to the Committee on the Judiciary.

S. 328. An act for the relief of Ellen B. Mueller; to the Committee on the Judiciary.

S. 330. An act for the relief of Erminio Neglia; to the Committee on the Judiciary.

S. 331. An act for the relief of Jakob Libiang, Jr.; to the Committee on the Judiciary.

S. 332. An act for the relief of Martin Albert; to the Committee on the Judiciary.

S. 333. An act for the relief of Ethel Auth; to the Committee on the Judiciary.

S. 355. An act to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies or private detective agencies of names, emblems, and insignia to indicate Federal agency; to the Committee on the Judiciary.

S. 381. An act for the relief of Peter E. Dietrich; to the Committee on the Judiciary.

S. 425. An act for the relief of Klarchen Huebner and her minor children, Carl Johann and Marie Claire; to the Committee on the Judiciary.

S. 458. An act for the relief of Maria Bogatkin Manea; to the Committee on the Judiciary.

S. 459. An act for the relief of Penelope Carnavas Kafos; to the Committee on the Judiciary.

S. 460. An act for the relief of Gorjana Grdjic; to the Committee on the Judiciary.

S. 501. An act for the relief of Balbina Borenstein; to the Committee on the Judiciary.

S. 537. An act for the relief of Benedict Eremenko (Ben Zuke), Victor Tartarnikov (Victor Kalin), Mikhail Ivankov-Nikolov (Michael Nikolas), and Victor Solovyev; to the Committee on the Judiciary.

S. 607. An act for the relief of the estate of Sinclair G. Stanley; to the Committee on the Judiciary.

S. 624. An act for the relief of Girolamo Naselli; to the Committee on the Judiciary.

S. 633. An act for the relief of Yasuko Kitano; to the Committee on the Judiciary.

S. 667. An act for the relief of Pauline D. Kimbrough; to the Committee on the Judiciary.

S. 726. An act to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes; to the Committee on the Judiciary.

S. 758. An act for the relief of Viktors Neimanis; to the Committee on the Judiciary.

S. 869. An act for the relief of Konstantinos A. Kostalas; to the Committee on the Judiciary.

S. 947. An act for the relief of the estate of Verentes Bent, deceased; to the Committee on the Judiciary.

S. 1207. An act for the relief of Rosette Sorge Savorgnan; to the Committee on the Judiciary.

S.J. Res. 19. Joint resolution authorizing the Architect of the Capitol to present to the Senators and Representatives in Congress from the State of Alaska the official flag of the United States bearing 49 stars, which is the first flown over the west front of the U.S. Capitol; to the Committee on House Administration.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2294. An act for the relief of the Ellis Timber Co.; and

H.J. Res. 198. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Friday, March 20, 1959, at 12 oclock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

743. A letter from the Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during February 1959, under Public Law 480, 83d Congress, submitted pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

744. A letter from the Assistant Secretary of Defense (Properties and Installations), relative to the Department of the Navy requesting approval to proceed with a project for the restoration and development of a pier facility at South Portland, Maine, at an estimated total cost of $50,000, pursuant to Public Law 85–685; to the Committee on Armed Services.

745. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1960 involving an increase in the amount of $45,500 for the legislative branch and reductions in the amount of $6,150,000 for the U.S. Information Agency (H. Doc. No. 100); to the Committee on Appropriations and ordered to be printed.

746. A letter from the Comptroller General of the United States, transmitting a report on the review of selected supply and related disposal and procurement activities of the 8th U.S. Army (EUSA), Korea; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARDEN: Committee on Education and Labor. H.R. 451. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable; with amendment (Rept. No. 229). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GRANAHAN: Committee on Post Office and Civil Service. H.R. 4597. A bill to provide for the training of postmasters under the Government Employees Training Act; without amendment (Rept. No. 230). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. H.R. 4599. A bill to provide certain administrative authorities for the National Agency, and for other purposes; with amendment (Rept. No. 231). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 5247. A bill to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program; with amendment (Rept. No. 232). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 217. Resolution for consideration of H.R. 4452, a bill to amend the Bretton Woods Agreements Act; without amendment (Rept. No. 233). Referred to the House Calendar.

Mr. DAWSON: Committee on Government Operations. Second report pertaining to availability of information from Federal departments and agencies (Air Force, refusal to the General Accounting Office) (Rept. No. 234). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 5839. A bill to amend section 313 of the Veterans' Benefits Act of 1957 to extend the presumptive period with respect to service connection of multiple sclerosis for an additional 5 years; to the Committee on Veterans' Affairs.

By Mr. ALGER:

H.R. 5840. A bill to amend the Agricultural Adjustment Act of 1938 to provide that wheat fed on the farm shall not be included in computing marketing penalties; to the Committee on Agriculture.

By Mr. BONNER:

H.R. 5841. A bill to repeal and amend certain statutes fixing or prohibiting the collection of fees for certain services under the navigation and vessel inspection laws; to the Committee on Merchant Marine and Fisheries.

By Mr. BYRNE of Pennsylvania:

H.R. 5842. A bill to amend the Fair Labor Standards Act of 1938 to establish a $1.25 minimum hourly wage, and for other purposes; to the Committee on Education and Labor.

By Mr. DULSKI:

H.R. 5843. A bill to afford an additional opportunity to those World War II veterans who did not pursue education or training under the Servicemen's Readjustment Act of 1944 because they were in the active military, naval, or air service on the applicable delimiting date for commencing a course under that act; to the Committee on Veterans' Affairs.

By Mr. FORAND:

H.R. 5844. A bill to amend the Internal Revenue Code of 1954 to provide the same treatment for prepaid dues income received by a nonprofit motor club as is provided for prepaid subscription income; to the Committee on Ways and Means.

By Mr. GIAIMO:

H.R. 5845. A bill to amend section 12 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H.R. 5846. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

By Mr. IKARD:

H.R. 5847. A bill to amend the Internal Revenue Code of 1954 so as to provide accounting procedures whereby dealers in personal property may exclude from gross income amounts withheld by banks and finance companies on notes purchased from such dealers employing the accrual method of accounting; to the Committee on Ways and Means.

By Mr. OSMERS:

H.R. 5848. A bill to provide for the granting of a nonquota immigrant status to certain immigrants who are the brothers, sisters, sons, or daughters of citizens of the United States; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 5849. A bill to amend the act of July 7, 1958, providing for the admission of the State of Alaska into the Union, relating to selection by the State of Alaska of certain lands made subject to lease, permit, license, or contract; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H.R. 5850. A bill for the relief of the Borough of Ford City, Pa.; to the Committee on the Judiciary.

By Mr. SHIPLEY:

H.R. 5851. A bill to amend chapter 113 of title 18, United States Code, so as to make it a crime to transport stolen farm animals in interstate or foreign commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H.R. 5852. A bill to facilitate the recruitment of trained and experienced employees in Departments of Government; to retain trained employees in Government, and to correct inequities under the Civil Service Retirement Act through crediting service under Federal-State cooperative programs or certain Federal programs financed directly or indirectly, in whole or in part, by Federal funds; to the Committee on Post Office and Civil Service.

By Mr. WAMPLER:

H.R. 5853. A bill to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953; to the Committee on Government Operations.

By Mr. BONNER:

H.R. 5854. A bill to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BOYLE:

H.R. 5855. A bill to provide for the conveyance of certain lands known as the Des Plaines Public Hunting and Refuge Area to the State of Illinois; to the Committee on Armed Services.

H.R. 5856. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to the Committee on Education and Labor.

By Mr. DINGELL:

H.R. 5857. A bill to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GLENN:

H.R. 5858. A bill to facilitate administration of the act authorizing cooperative research in education; to the Committee on Education and Labor.

By Mrs. GRANAHAN:

H.R. 5859. A bill to provide compensation for extra duties assigned to postal employees; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of Colorado:

H.R. 5860. A bill to repeal section 1001(f) of the National Defense Education Act of 1958; to the Committee on Education and Labor.

By Mr. JOHNSON of California:

H.R. 5861. A bill to amend the Tariff Act of 1930 with respect to the dutiable status of wood moldings; to the Committee on Ways and Means.

By Mr. JUDD:

H.R. 5862. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer under certain circumstances a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Ways and Means.

By Mr. KEARNS:

H.R. 5863. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. MACDONALD:

H.R. 5864. A bill to amend section 204(d) of the Postal Rate Revision and Federal Employees Salary Act of 1948 to limit, with respect to recordings, the applicability of the special postage rates under such section to recordings having educational or cultural value; to the Committee on Post Office and Civil Service.

By Mr. MOULDER:

H.R. 5865. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. OSMERS:

H.R. 5866. A bill to amend section 13a(1) of the Interstate Commerce Act, as amended, relative to the discontinuance or change of the operation of certain trains or ferries; to the Committee on Interstate and Foreign Commerce.

By Mr. WAINWRIGHT:

H.R. 5867. A bill to amend the National Defense Education Act of 1958 to provide that the English language, for certain purposes of that act, shall be considered a modern foreign language; to the Committee on Education and Labor.

By Mr. BARRETT:

H.R. 5868. A bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage from $1 to $1.50; to the Committee on Education and Labor.

By Mr. GEORGE P. MILLER:

H.R. 5869. A bill to extend the provisions of the so-called Davis-Bacon Act to certain contracts to provide services; to the Committee on Education and Labor.

By Mr. THOMSON of Wyoming:

H.R. 5870. A bill to place in trust status certain lands on the Wind River Indian Reservation in Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. FOGARTY:

H.J. Res. 316. Joint resolution encouraging the expansion of teaching in the fields of speech and hearing through grants to certain institutions of higher education for the training of persons to equip them with special skills in such fields and for the acquisition of special equipment necessary for such training, and for other purposes; to the Committee on Education and Labor.

By Mr. CARNAHAN:

H. Con. Res. 107. Concurrent resolution calling for a convention of delegates from the NATO countries to explore methods of achieving more effective and democratic unity in advancing their common interest; to the Committee on Foreign Affairs.

By Mr. ZABLOCKI:

H. Con. Res. 108. Concurrent resolution calling for a convention of delegates from the NATO countries to explore methods of achieving more effective and democratic unity in advancing their common interest; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States that our great new State of Alaska be "welcomed with warmth, interest and sincere cooperation as a sister State of Idaho and as the 49th State of these United States of America, with all the glory, honor and acclaim which she so rightly and richly deserves as a great State"; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting the reaffirmation of national policy of Federal financial support for education; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARR:

H.R. 5871. A bill to provide for the extension of design patent No. 133,870 issued September 22, 1942, to Mrs. Beulah Hill, relating to a bootlette; to the Committee on the Judiciary.

By Mr. BOYLE:

H.R. 5872. A bill for the relief of Mirhan Gazarian; to the Committee on the Judiciary.

By Mr. BROOKS of Louisiana:

H.R. 5873. A bill for the relief of Clara H. Hall; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 5874. A bill for the relief of Angella Zuccarello; to the Committee on the Judiciary.

By Mr. JACKSON:

H.R. 5875. A bill providing for the extension of patent No. 2,307,396, issued January 5, 1943, relating to a sliding tabletop construction; to the Committee on the Judiciary.

H.R. 5876. A bill for the relief of Eugen Joseph Weber; to the Committee on the Judiciary.

By Mr. JUDD:

H.R. 5877. A bill for the relief of Hugo Robert Baversjo; to the Committee on the Judiciary.

By Mr. KARTH:

H.R. 5878. A bill for the relief of Song Song Tai; to the Committee on the Judiciary.

By Mr. CLEMENT W. MILLER:

H.R. 5879. A bill for the relief of Mrs. Yukiko Pluard; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.R. 5880. A bill for the relief of Nels Lund; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

118. By Mr. ADAIR: Petition of 125 citizens of American Legion Post No. 47, Fort Wayne, Ind.; Berne American Legion Post No. 468, Berne, Ind.; Albion American Legion Post No. 246, Albion, Ind.; and Angola American Legion Post No. 31, Angola, Ind., expressing their support for the continuation of the House Un-American Activities Committee; to the Committee on Rules.

119. By Mr. CARNAHAN: Petition of the Board of Administration, Missouri Department, Veterans of World War I, United States of America, Inc., at its regular meeting, held in Jefferson City, Mo., March 7 and 8, 1959, requesting the Congress to grant an age pension to veterans of World War I; to the Committee on Veterans' Affairs.

120. By the SPEAKER: Petition of the city clerk, Portsmouth, N.H., requesting that consideration be given to an equalization of salaries of employees at the Portsmouth Naval Shipyard to that paid employees at the Boston Shipyard; to the Committee on Armed Services.

121. Also, petition of the county clerk, Wailuku, Maui, T.H., expressing sincere appreciation to the Congress of the United States for admitting Hawaii as the 50th State; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Unfinished Business Outdoors

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES

Thursday, March 19, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a very fine article by the distinguished junior Senator from Oregon [Mr. NEUBERGER] entitled "Unfinished Business Outdoors," from the New Republic of March 9, 1959, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNFINISHED BUSINESS OUTDOORS

(By RICHARD L. NEUBERGER)

Jefferson may have ruminated on the incredible outdoors as he rode his stallion Eagle through the Virginia woods, but there was then time for such contemplation. Franklin D. Roosevelt could identify each tree in his green arboretum at Hyde Park. When he was in the outdoors he said he felt exactly like Antaeus, the mythical giant of old, who gained strength just by touching the earth again. Yet would F.D.R. have felt this way had he not been bound to a wheelchair?

Today, a public personage must worry about headlines and press releases, about TV shows and shaking the right hands, about banquet speeches and political rallies, about using every moment at cocktail parties for a contact which will further his career. Who can think of robin redbreasts or prong-horned antelope? Teddy Roosevelt might have been a man who liked to ride his favorite mustang counting the few remaining bison of the plains; he even could make a lonely bivouac in the Yosemite with bearded John Muir—while his Secret Service guards had been banished to the inn, far away. But there were sophisticates who insisted that Teddy Roosevelt never really grew up.

True, President Eisenhower likes to cast a dry fly and flush a covey of quail, but not under the circumstances required of most of those who put him in the White House. The private hunting preserves and exclusive ranches of his wealthy friends have been the locale of most of Mr. Eisenhower's forays into the outdoors. The average fellow would be a poacher if he invaded these precincts. The President, for all his love of the open sky, likes to be back at a candle-lit manor house by nightfall. His is not the language of the man who must share a crowded public campground, stake to stake with the other fellow's pyramidal tent.

For some inscrutable reason, the question of conservation lacks glamor. It may be that protecting birds and bees is too unsophisticated for the editors, columnists and VIP's by whom most politicians set great store. The fate of a salmon pilgrimage, waterfowl flock or spruce forest looms as pallid fare to people who think they carry the fate of nuclear testing or a balanced budget on their shoulders. One rarely can cause a ripple at a Washington reception by expressing concern over the destiny of moose grubbing for algae in an upland lake. Indeed, I rather fear that a political leader who talked about such things might be written off as a backwoods yokel by those who have custody over who gets banner headlines or billings on the TV panel shows.

Yet the issues in the outdoors mean a great deal to many less exalted citizens. Last year 59 million people visited the national parks and 68 million migrated to the more numerous national forests. Some 20 million Americans hold fishing licenses; 15 million having hunting licenses. Despite the inevitable duplication in such compilations, the totals are impressive. And to these must be added the millions active in the Audubon Society, garden clubs, Boy and Girl Scouting and similar projects. Izaak Walton League chapters in my State often have more sustained attendance at meetings than either chambers of commerce or trade unions.

I remember the grizzled Idaho frontiersmen in the Lochsa River country who told me how they had killed off the mountain lions that were devouring their herds and flocks. With the lions gone, deer multiplied astronomically. When the forage ran out, the multitude of deer was driven to eating bushes and young saplings. Flash floods surged off the denuded hillsides, destroying infinitely more livestock than ever the mountain lions had taken. Nature's delicate balance had been upset.

The issues are of far greater complexity today than on the old frontier. Can we safeguard crops from insects without eliminating birdlife? If adequate financing is not assured for dams and reservoirs, will we make effective use of our cheapest and most perpetual source of energy—plumes of tumbling water? If we sacrifice the outdoors to subdivisions and supermarkets, where will 200 million Americans take their leisure in 1975? Are television sets and concrete stadiums to be our sole recreation?

And always there is the specter of the Soviet Union—with forests and mines that have never been tapped, with four dams under construction to surpass our own Grand Coulee, with its trunkline railroads being electrified in order to save precious petroleum, with fisheries and waterfowl marshes beyond measurement.

If I were one of the politicians who aspired to lead the United States during the next 8 years (which I am not), these are a few of the issues in the realm of conservation which I would be thinking about very intently:

Some 68 million Americans camp, fish, or hike each year in our national forests. Yet, when private lands surround these public preserves, people have been assessed entrance

fees as high as $25 to enter their own domain. The Government has authority to prevent this, and it should be used. More than 1.5 million acres in Colorado alone are dominated by private interests, and similar situations exist in other Western States.

Such pesticides as dieldrin have been effective in destroying plant pests like fire ants, but often all birds and small game animals perish in the process. Doves, bobwhites, rabbits, and even deer are dying with the gypsy moths. Dieldrin is said to be five times as deadly as DDT, which already had caused concern over its lethal impact on geese, ducks, quail, and similar birdlife. A lot of research by Federal agricultural scientists is required because some rural counties are literally being saturated with pesticides sprinkled from planes and helicopters. The Boston Herald has warned that these poisons may do more harm than good.

President Eisenhower's famous $77 billion budget is bad news for the American outdoors. Funds are cut for grants to clean up stream pollution, although pure water supplies are an ever-increasing national need. Forest Service funds for recreation and public use have been reduced 15 percent, despite more extensive pressure than ever on campgrounds, roads, and trails. Cooperative tree-planting funds, between Federal and State agencies, are trimmed in the President's budget by approximately 33 percent. Fisheries research is given only a lick and a promise, although migratory salmon runs are in constant peril.

The wilderness preservation bill, which would give statutory protection to the relatively few scenic acres still as primitive as when Lewis and Clark went west, deserves earnest consideration by the Senate and House. Senator MURRAY and I held hearings in the Western States on this legislation last November. Its support came mainly from recreationists, the opposition from those who would fell the trees or mine the land within wilderness solitudes. The bill needs modifying amendments but its purpose is right. Why not spare a few museum pieces of the original America? Central Park might bring a lot of money to city hall's coffers if sold for real-estate promotion, but what New Yorker sound of mind would trade Central Park for such a quid pro quo?

After a terrific battle with the outdoor-advertising lobby, Senator KUCHEL, of California, and I were successful last year in having adopted a bill to provide a bonus for any State which would accept Federal standards for safeguarding scenery along the 42,000-mile Interstate Highway System. This struggle has now shifted to State legislatures, where the signboard owners and their trade-union associates continue high-pressure tactics. Despite our victory in Congress, this will be meaningless unless legislatures take the carrot of the one-half of 1 percent bonus offered for keeping Federal-aid roads free of the clutter of billboards.

The great river-valley experiment along the Tennessee is in danger of stagnation because the administration has been loathe to recommend the appropriations necessary to build steamplants to keep pace with load needs. A self-financing bill sponsored principally by Senators HILL and GORE passed the Senate last year but was held up in the House Rules Committee. Renewal of this legislation is essential to survival of the Tennessee Valley Authority.

In the Pacific Northwest, where the mighty Columbia River contains 40 percent of the country's latent hydroelectricity, a somewhat similar program is urgent. This would be a Columbia River Regional Power Corporation bill, permitting the system of Federal dams like Grand Coulee and Bonneville to use their own revenues for the purpose of adding new and desperately needed powerplants. In spite of the fact that existing dams on the Columbia have collected gross revenues to date of more than $500 million, they still must go hat-in-hand to the Budget Bureau for funds. This has retarded development, and has caused the country's highest rate of unemployment in a region which should have unlimited quantities of low-cost power for new industrial payrolls.

Senator HUBERT HUMPHREY's Youth Conservation Corps bill, creating a revival of the CCC, would furnish a contingent of young Americans to help restore the facilities which furnish recreation in the outdoors. Our National Parks and Forests received their greatest rehabilitation a quarter of a century ago when F. D. R. organized the Civilian Conservation Corps and sent them into the western fastnesses with trail-building equipment and mobile kitchens.

The agenda of unfinished business is long, but I believe these few items are illustrative. Even a bus driver in Brooklyn, who may never see the Yosemite or Mount Hood, does not want such places defiled or exploited. He feels better about his country when he knows that these places exist and are protected. Both in 1952 and 1956, some of my friends and I tried to get a major role for conservation speeches on the agenda of the Democratic National Convention. Obviously, we failed. Yet, I think it would have been good for the country, and it might even have been good politics.

Dr. Flemming's Famous Formula

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. METCALF. Mr. Speaker, as you know, the Secretary of Health, Education, and Welfare, Dr. Flemming, has developed what he claims is a formula for solving the nationwide classroom shortage. In order for the Flemming formula to work, however, some States would have to amend their constitutions; some would be forced to raise their statutory debt ceilings; some would have to change basic tax concepts.

Daily, for several weeks, I have been calling to the attention of my colleagues that Dr. Flemming was wasting his talents operating in only a single field—that his famous formula, which would work if only we change the rules, has a much wider application.

I applied the Flemming formula to the Agriculture Department, and developed a square egg that would be easy to store in the refrigerator and would not roll off the table when the children were coloring it for Easter. We developed a cow that only required milking once a day, 5 days a week, so our dairy farmers could have their weekends off. And we applied the Flemming formula to our lagging space program—and showed how, by announcing a new ratio of translation between Soviet kilograms and American pounds, which by a simple shift of two decimal points would make the U.S. payloads heavier than the Soviet performance.

All these wonders, and many more, could be accomplished by changing rules, and constitutions. These changes Dr. Flemming says are minor obstacles when he seeks to apply his formula to the States in connection with classroom construction.

Yesterday I got a close look at the new penny—and I was gratified to note that Dr. Flemming also realizes that his formula has a much broader application. That he has been down at the mint is evident from the inscription on the back of the new penny. It reads "UNITED STATES oF AMERICA." With application of the Flemming formula to the rules of capitalization, we capitalize the last letter of a word instead of the first.

North Atlantic Treaty Organization Convention

EXTENSION OF REMARKS
OF
HON. CLEMENT J. ZABLOCKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. ZABLOCKI. Mr. Speaker, I am today joining with several other Members in introducing a resolution proposing the calling of a convention of delegates from the North Atlantic Treaty Nations to explore how the NATO nations may, acting within the framework of the United Nations and in accordance with the basic principles of the Constitution of the United States, achieve more effective and democratic unity in advancing their common interests.

The governments of the NATO nations have been seeking greater unity since NATO was founded 10 years ago.

The communiques of the North Atlantic Council have shown the importance which our governments have given to this vital objective.

The legislators of the NATO nations have likewise sought to bring about greater unity since 1955, meeting each year for this purpose in the NATO Parliamentarians' Conference.

Meanwhile the need for closer unity has grown, not diminished. The Communist threat to the United States and to NATO has become political and economic as well as military with accelerating speed ever since the death of Stalin.

This resolution would extend the quest for greater unity among NATO nations to a third level, the level of their peoples. It would bring about a comprehensive survey of this overriding problem conducted by the best minds among our peoples. It can be expected to produce some constructive recommendations, and even chart a fresh approach to the solution of this problem.

This exhaustive survey by a body of leading citizens from the NATO countries would complement the efforts which our governments and our legislators are making; it would neither conflict with them nor interfere with them. The convention proposed in this resolution could in no way commit our governments to any action; its function would be solely to study and report.

Mr. Speaker, in our own country we often turn to a body of distinguished citizens when we have a complex problem to solve, appointing a commission to study the problem and report its recommendations. The convention proposed in this resolution may be likened to such a commission on an international scale, on a NATO scale, which takes account of the disparity in size of the NATO countries.

The Berlin crisis and the periodic crises which have preceded it in recent years have demonstrated that our unity within NATO needs to be preserved and strengthened if we are going to successfully meet, and properly deal with, Communist pressures.

It is high time that we enlist leading citizens among our nations in this crucial search for greater unity, realizing, as we do, that effective unity among democratic nations must be based on their peoples.

Kennedy-Roosevelt Bill "Ambushed" by a Western Editor

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. ROOSEVELT. Mr. Speaker, I believe my colleagues will agree with me that the many lengthy, detailed and technical proposals that are introduced in Congress offer problems of interpretation and understanding by our fellow citizens, although many of them are indeed proficient in analyzing measures. But, in any event, I would venture to say that none of us becomes annoyed or disturbed by letters from individuals accusing us of legislative intent quite apart from the real intent or purpose of a given proposal. Personally, I am more than pleased to have the opportunity to clarify the issue and gratified to see public interest in a given matter.

However, I do not think I am alone in this body when I say I am duly concerned about and disturbed by misrepresentation of proposed legislation by a person, group or organization that has the responsibility to know better, and, to compound the dilemma, is in a position to foster misconceived conclusions or misrepresentations through the means of public media.

I make this point because on March 12 a community paper in Los Angeles County, the Whittier News, carried an editorial in which it presented erroneous information about the Kennedy-Roosevelt bill to increase the minimum wage and expand coverage under the Fair Labor Standards Act.

The editorial claims that our proposal would make it impossible for a lad of less than 16 years to be gainfully employed in many businesses. Of particular concern to the editor, based no doubt on his own hasty conclusion, was that this meant no newspaper carrier boys could be less than 16 years old.

As I explained in a letter to the editor, this bill in no way precludes ambitious youngsters under 16 years of age from engaging in the proud American tradition of helping to distribute the words of the free press. Unfortunately in this instance the words were not true. Nor does the bill prevent a lad less than 16 years old from mowing lawns or from engaging in other activities in which young boys have long excelled.

I am bringing this matter to the attention of my colleagues who may be receiving inquiries on this or similar points made about the bill and to allay any future misinterpretation that may possibly be generated through the mass media.

Mr. Speaker, I hereby submit for insertion in the RECORD the complete text of the editorial and my reply to the editor:

[From the Whittier News, Mar. 12, 1959]

GIVE THE BOY A CHANCE

For a long time it's been a firm conviction with a lot of people that a busy boy is not likely to end up among the delinquents. Keep a young fellow busy doing something he likes to do and, even though he has only limited parental guidance, or possibly none, his chances of getting in with the wrong crowd are considerably lessened.

This is the principle upon which many of the youth organizations and welfare groups base their programs. They keep boys and girls busy doing things and thus curb delinquency.

Furthermore, under the American system by which we've been living for a long time, it has been proven wise to introduce youngsters to the free enterprise system as early as is practicable. This means getting jobs and earning money. Once the thrill of such achievement stirs a youngster, he often has no time left for dillydallying.

Such facts are what make the current efforts of a couple of famous Americans despicable, in our opinion.

The famous Americans are Senator KENNEDY, of Massachusetts, who aspires to be President of this country, and Congressman ROOSEVELT, of California, who owns a fairly well-known name.

They have introduced identical bills in Congress to expand the coverage of the Fair Labor Standards Act. Such extension would, in many instances, be helpful.

But one of their proposals would make it impossible for a lad of less than 16 years to be gainfully employed in many businesses. We happen to know about it because, among others, no newspaper carrier boys could be less than 16 years old. The principle is the same whether it's carrier boys or grocery boys or errand runners or lads ambitious enough to mow lawns.

This business of saying that no person less than 16 years of age may be gainfully employed is a bunch of rot.

The movement has already gone so far that many youngsters even now seek employment in vain until they pass the magic mark of 16. Ask the parents of 12- to 15-years-olds what they think of such legislation.

Misguided do-gooders who think they are still saving children from sweatshops need to reevaluate their crusade. Thousands of communities throughout the country could be aided in their campaigns against juvenile delinquency by a repeal of the laws that make work impossible for many under 16, rather than an extension of this foolishness.

Many of today's business leaders weren't hampered by such rules and they have done fairly well.

MARCH 18, 1959.

MR. MYNATT SMITH,
Editor and associate publisher, the Whittier News, Whittier, Calif.

DEAR MR. SMITH: One of your readers was good enough to send me your editorial of Thursday, March 12, 1959, which attacks certain portions of my proposal, and that of Senator JOHN KENNEDY, to increase the minimum wage and extend coverage under the Fair Labor Standards Act.

I am gratified to note that regarding the extension of coverage, you state that "such extension would, in many instances, be helpful."

However, I am dismayed by the fact that you apparently have not carefully read the proposal because you come to the following conclusion, and I quote from your editorial:

"But one of their proposals would make it impossible for a lad of less than 16 years to be gainfully employed in many businesses. We happen to know about it because, among others, no newspaper carrier boys could be less than 16 years old. The principle is the same whether it's carrier boys or grocery boys or errand runners or lads ambitious enough to mow lawns."

I am enclosing a copy of the proposed minimum wage bill, and I direct your attention to section 9 (c) and (d), page 12, which you may have read but inadvertently misinterpreted. One line 5 you will observe that reference is made to provisions of section 12 of the present act (Fair Labor Standards Act of 1938, as amended), which attempts to prevent oppressive child labor practices.

Reading further, you will note that the child-labor provisions, as set forth in section 12, shall not apply to children employed in agriculture "outside of school hours for the school district where such employee is living while so employed, or to any employee employed as an actor or performer in motion pictures or theatrical productions, or in radio or television productions." Certainly this does not in any way preclude a youngster under 16 years of age from engaging in such activities.

I think the real confusion lies in the fact that the language regarding newspaper delivery employees was not carefully read and analyzed. It was never my intention to preclude youngsters under 16 from participating in the proud American tradition of helping to distribute the words of the free press.

Starting on line 15, page 12, of the bill, you will note that provisions of certain sections of the present act shall not apply to those engaged in the delivery of newspapers to consumers at their residences. These provisions of the present act cover minimum wage, maximum hours, and child labor, respectively. I call your attention to the fact that section 12 (the child labor provisions of the present act), according to the language of the bill, shall not apply (1) to any employee engaged in the delivery of newspapers to consumers when such an employee is employed outside of school hours, and (2) to such employee if he is 16 years old or older.

This language is important because it in no way states that a child under 16 cannot deliver newspapers. It merely states that a person over 16 would not come under the child-labor provisions of the present act, and those under 16 would come under the said provisions of the act and thus would be protected from oppressive child-labor practices.

Since your editorial was a complete misinterpretation of certain sections of the measure, which certainly would not prohibit an ambitious youngster under 16 from delivering newspapers, mowing lawns, delivering groceries, or running errands, I felt it necessary to write to you so the public record will be set straight in this matter.

I realize that this letter is somewhat lengthy, but I am hopeful that it may be printed in your newspaper in its entirety.

Sincerely yours,

JAMES ROOSEVELT.

The U.S. Air Force Band Good-Will Tour to Latin America

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. KEARNS. Mr. Speaker, I wish to congratulate the U.S. Air Force Band for making what is probably the most effective goodwill contribution ever made in the history of United States-Latin America relationships. Having recently completed a 3-week, 18,000 mile tour of Latin America, this visit proved to be the best example of the worthiness of President Eisenhower's people-to-people program for creating better international understanding. The overwhelming success with which this great musical organization has met in terms of strengthening the ties of friendship between the people of the Americas must be recorded as being a most positive, lasting, and vital one.

Although the record books show that the U.S. Air Force Band has previously made 8 preeminently successful tours of 44 different countries on 4 continents, its most recent one stands in a class by itself and is unquestionably the most triumphant one it has ever made. The fact that it took place at a crucial time when renewed or reawakened friendship with our Latin American neighbors is of utmost importance, its tremendous impact is doubly valuable.

Commencing in Rio de Janeiro, Brazil, on January 31, and continuing through Ascuncion, Paraguay; Montevideo, Uruguay; Santiago, Chile; Lima, Peru; Quito, Ecuador; Bogota, Colombia; Managua, Nicaragua; San Salvador, El Salvador; and Panama City, Panama, the tour was an unvarying series of cultural triumphs and friendship-winning manifestations. Playing to a total of 243,500 people of divergent racial, economic, and political backgrounds, the tour was made conspicuous by the absence of jeers or reference to "gringos." Instead, America's musical ambassadors of good will were referred to as the "band of friendship" and were received with a sincere and unprecedented enthusiasm at each point on their itinerary.

A typical example of the prevailing enthusiasm was demonstrated at Santiago, Chile. Col. George S. Howard, the band's eminent conductor, and his airmen-ambassadors-musicians arrived in that most delightful city at a most inopportune time. Pro-U.S. sentiment was at a low ebb due to a most unfortunate circumstance which had occurred the previous week. An inferior basketball team representing the United States had suffered an ignominious defeat at the hands of a superior Russian team. Since the game of basketball was invented and first played in the United States, the sight of a U.S. team taking such a humiliating beating from the Russians was more than some Santiagoans could bear. Accordingly, they booed the North American team. To make matters worse, a leftist Santiago newspaper editorialized:

Whether it comes to shooting baskets or sputniks, the United States just cannot keep up with Russia.

Such was the atmosphere in Santiago at the time of the band's arrival. That condition notwithstanding, the Air Force Band drew a total of 105,000 people during its 3 performances. However, that only tells part of the story because the important issues were how was the band received and what did Santiagoans think of its performances? As for the former, I have been assured by both officers and enlisted men alike that the organization has never played before a more wildly enthusiastic audience. Not only were its ovations tumultuous but their regard for the individual bandmembers bordered on hero worship. Upon the conclusion of its concert before 50,000 people at the National Stadium, a huge throng swarmed on the field to get a closer look at the players. Some of them sought autographs. Some of them just wanted to touch the North Americans. But most of them wanted some souvenir or memento of the occasion.

In most cases this amounted to a fragment of paper torn from the program but they would not depart until they had received it. One of the string bass players told me that it took him 1 hour to get his string bass case which was some 50 feet away. As for their opinions of the performances, here is what their music experts said:

Our people which is authentic, uncontaminated, spontaneous, virile, and cultured, applauded with enthusiasm the interpretations of the "Band of Friendship." They left a mark of pleasant sentiment and memories. Chile and the United States are joined by a new tie, the soft emotions of the spirit.—El Diario Ilustrado. The beautiful spiritual success of the USAF Band has forged delicate but strong threads of union.—La Nacion. We all come out ahead and the friendly ties which has always united us with the United States has been greatly strengthened.—Ultimas Noticias.

These well-deserved plaudits are not peculiar to Santiago alone. In Asuncion, according to our official State Department report, the U.S. Air Force Band's appearance is generally regarded here as the most successful cultural event ever presented by the United States in Paraguay. Of their Managua performance, the official report says:

Embassy personnel have been told by many Nicaraguans that this was the finest entertainment they had seen on the part of touring U.S. talent.

In Montevideo, where 5,000 people tried to break down the doors of the concert hall in an attempt to gain entry, a high-ranking government official told a large radio audience upon the conclusion of the program that the U.S. Air Force Band was the best of goodwill ambassadors.

As our Air Force ambassadors continued to play themselves into the hearts and minds of country after country, the results of their efforts were from time to time observed by highly qualified U.S. citizens. One of these, an American businessman with financial interests in Latin America had this to say in Lima:

I've been coming down here at least three times a year for the past 10 years. In that time I have seen many efforts on the part of the United States to assist our southern neighbors and to win their respect, admiration, and friendship. I can truthfully say that in my opinion, none mean as much to them as what they had seen and heard tonight.

In Santiago, a visiting American newspaper editor from Pittsburgh expressed himself this way:

This is the greatest thing I have ever witnessed. We should do more of it. If I could be certain the money would be spent for efforts like this, I would pay my taxes much more happily.

In the final analysis, though, it is the impression that these efforts make on foreign nationals is what counts. That this impression never fails to be an ideal one is best exemplified by an editorial in the same Santiago leftist paper which 1 week earlier made the United States-Russian, basketball-sputnik rejoinder. Only this time it had this to say:

We hope that the change over from arms to violins, clarinets, and so forth, continues to grow and that the men of the world, and a French poet once called for, form a circle around the earth hand in hand united by music, and that luck accompany these aviator-musicians who travel around the world with melody and good will.

Michigan's Eighth District Opinions

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. BENTLEY. Mr. Speaker, under leave to extend my remarks, I would like to insert the results of my annual questionnaire which was mailed to 30,000 of my constituents. I was very pleased to have a return of about 30 percent—9,314 replies—which I feel speaks very well for the interest my constituents have in national affairs. I believe all Members of the House will find these results of considerable interest:

Out of some 30,000 questionnaires which were sent out in January, 9,314 were returned for a gratifying percentage of 30 percent. Here is the way the Eighth District voted:

1. Do you believe that continued prosperity requires continued inflation? Yes, 6.8 percent. No, 88.7 percent. No answer, 4.5 percent.

2. To combat inflation, would you favor price, wage and rent controls? Yes, 51.1 percent. No, 40.3 percent. No answer, 8.6 percent.

3. Do you think the Federal Government should spend more for welfare pensions?

Yes, 22.6 percent. Schools? Yes, 38.6 percent; housing, 13.7 percent; hospitals, 22.9 percent; agriculture, 8.7 percent; veterans, 17.6 percent. No answer, 25.7 percent.

4. If tax reduction becomes possible where should it come first? More liberal treatment for small business? Yes, 41.5 percent. Cut individual rates? Yes, 43.8 percent. Cut corporate rates? Yes, 6.2 percent. Cut excises? Yes, 20.7 percent. Do you believe any present rates should be increased? Yes, 6.3 percent. No answer, 23.7 percent.

5. Would you favor a national sales tax collected at the manufacturer's level (except food, clothing and medicine) if additional revenue is needed? Yes, 44.8 percent. No, 37.8 percent. No answer, 17.4 percent.

6. Do you agree with those people who say that organized labor is becoming too powerful? Yes, 81.2 percent. No, 13.1 percent. No answer, 5.7 percent.

7. Do you favor extension of coverage and increase in the minimum wage? Yes, 38 percent. No, 48.4 percent. No answer, 13.6 percent.

8. Do you favor hospital and surgical care for social security beneficiaries with an increase in the wage basis for social security taxes to $6,000? Yes, 42.6 percent. No, 46.4 percent. No answer, 11 percent.

9. Do you favor Federal aid to education in school construction grants and teacher pay? Yes, 39.8 percent. No, 51.8 percent. No answer, 8.4 percent.

10. Instead of a Federal aid to education program, would you prefer permitting taxpayers to take a credit against their Federal income tax for new or additional school taxes paid? Yes, 51.6 percent. No, 32 percent. No answer, 16.4 percent.

11. Do you feel that the small businessman needs more and bigger loan programs, protection and benefits to aid him to compete? Yes, 59.3 percent. No, 26.9 percent. No answer, 13.8 percent.

12. Do you feel that Federal action is needed in these fields? More guarantees of larger mortgages at lower interest rates? Yes, 30.6 percent. Public housing for middle as well as low income families? Yes, 24.7 percent. Problems of social delinquents in slum areas? Yes, 38.4 percent. Aid to the elderly? Yes, 47.4 percent. Aid to the handicapped? Yes, 54.3 percent. No answer, 30.5 percent.

13. Do you think that support prices on farm commodities should be tied more closely to market prices? Yes, 60.6 percent. No, 17.7 percent. No answer, 21.8 percent.

14. In foreign aid would you favor more emphasis on economic and less on military assistance? Yes, 64.3 percent. No, 17.9 percent. No answer, 17.8 percent. Do you favor gifts and sales of surplus farm commodities to underdeveloped countries? Yes, 73.6 percent. No, 15.9 percent. No answer, 10.5 percent.

15. In the field of public versus private power would you favor expansion of TVA? Yes, 16.4 percent. Large-scale Federal construction of power projects? Yes, 16.9 percent. More public projects in the development of atomic energy? Yes, 41.7 percent. Would you favor legislation to relax Federal controls over independent natural gas producers? Yes, 24.3 percent. No answer, 40.4 percent.

16. Do you think that more federally administered programs should be turned back to State control? Yes, 62.6 percent. No, 19.7 percent. No answer, 17.7 percent. Do you favor more Federal grants-in-aid? Yes, 16.6 percent. No, 52.3 percent. No answer, 31.1 percent. Do you believe that the State and local governments should have more powers? Yes, 49.2 percent. No, 24.3 percent. No answer, 26.5 percent.

17. Do you favor repeal of section 14–B of the Taft-Hartley Act which permits the States to enact right-to-work laws? Yes, 36.5 percent. No, 50 percent. No answer, 13.5 percent.

18. Do you favor Federal spending programs such as long-term, low-interest Federal loans for local public works or Federal aid to centers of chronic unemployment for plants and public works to attract new industry? Yes, 61.9 percent. No, 25 percent. No answer, 13.1 percent.

Fair Trade

EXTENSION OF REMARKS
OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 19, 1959

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the statement I made before the Committee on Interstate and Foreign Commerce in the House of Representatives on H.R. 1253 and related fair trade bills, on March 18, 1959. The statement follows:

I want to thank the committee for this opportunity to testify on H.R. 1253 and the related bills which would have Congress enact a Federal fair trade law. Since these bills will have a direct effect on the distribution of virtually every commodity purchased by the consuming public, your hearings are very important. Before Congress takes any action, it is essential that there be a thoroughgoing study of the impact of fair trade legislation on the public welfare.

In my view these bills contain a complete reversal of congressional policy on resale price maintenance. They will have the effect of an atomic bomb on long established principles that support a competitive free enterprise system.

As you know, I have long been an opponent of the system of price fixing that is permitted by the so-called fair trade laws. The present collapse of fair trade, its repudiation by many States and its rejection by manufacturers that formerly supported it, vindicate the position I have taken.

Notwithstanding our experience with fair trade, however, its advocates persist in their efforts to have the Federal Government assure their private profits at the expense of the consumers and efficient economic progress. Their persistence is all the more amazing in the face of the fact that fair trade, because it shackles wholesalers and retailers to prices that have been established by manufacturers for their own purposes, has been demonstrated in the long run to be detrimental to the best interests of the very groups that support it.

The history of fair trade in the American economy has been a history of failure. Before World War I and for more than 20 years associations of brand-goods manufacturers, led by the American Fair Trade League, unsuccessfully sought a Federal fair trade law. Although Federal price maintenance bills were introduced in every session of Congress from 1914 to 1930, none were passed.

In the panic of the depression years, leadership of the fair trade movement was taken over by wholesale and retail merchant associations, primarily the National Association of Retail Druggists, who concentrated their effort at the State, rather than the Federal, level. By organizing a powerful lobby of druggists under captains in each district, in the 10 years following 1931, the NARD was able to pressure 45 States into accepting its draft of a fair trade bill. Only three States out of the first 32 that passed the druggists fair trade act had held public hearings.

In 1937, however, the NARD lobby contended to Congress that the States had carefully considered the issues and had adopted fair trade to support the public welfare. Congress nonetheless refused to exempt fair trade practices from the antitrust laws in a separate bill. The NARD was only able to secure enactment of the Miller-Tydings amendment to the Sherman Act through the device of attaching it as a rider to the appropriations bill for the District of Columbia.

After World War II the proponents of resale price maintenance received one setback after another. In 1951, the U.S. Supreme Court in the Schwegmann case ruled that Congress in the Miller-Tydings amendment had exempted only those price fixing arrangements which had been agreed upon by the parties. The coercive provisions in the state laws to control the prices of sellers who refused to sign fair trade contracts could not be enforced. Although Congress in 1952, in the McGuire Act, expressly exempted the nonsigner clause, fair trade since has been repudiated in an increasing number of States and abandoned by the manufacturers that were its strongest adherents. At the present time, the Supreme Courts of 16 States have stricken down all or part of their fair trade laws on the ground that they contravened fundamental principles guaranteed by their State constitutions.[1] When you add the States that never did accept fair trade (Vermont, Missouri, and Texas), there is a total of 19 States opposed to this type of subsidy, which is exacted from the general consuming public.

The principal evil that results from fair trade—the maintenance of artificially high consumer prices—has been exposed in State after State. After the Supreme Court of Ohio ruled the nonsigner clause unconstitutional, for example, prices on automatic coffee-makers quickly dropped from the $39.95 fair trade price to a $29.97 competitive price. Electric frying pans, which had a list price of $19.95 were reduced to $13.87. After an initial flurry of reduced price sales, in Ohio as in the case of other states that outlawed fair trade, the market soon became stable. The dire consequences that had been predicted by the fair traders—widespread business failures, increased concentration, and predatory excesses by monopolists—did not occur. The only result was that the consuming public received the benefit of having prices settle in the competitive market at about 20 percent lower than the former fair trade list prices.

During the debate in the House on the McGuire Act in 1952, I compared prices of identical articles purchased in Peoples Drug Stores in the District of Columbia, a nonfair trade area, and Arlington, Va., and Montgomery County, Md., fair trade areas. This statement shows prices are 20 to 50 percent higher in fair trade stores and is appended to my statement.

Legal rulings, however, have not been the primary causes that have led to the abandonment of fair trade. Consumer resistance to high prices, mounting unemployment, warehouses stocked with unsold merchandise, and the relentless pressure of substitute merchandise from competitive distribution channels were equally important. Fair trade simply doesn't work. The enormous costs involved in comparison shopping, legal fees and policing fair trade enforcement, alone, have been major causes for its abandonment by the manufacturers.

---

[1] Arkansas, Colorado, Florida, Georgia, Indiana, Louisiana, Michigan, New Mexico, Oregon, South Carolina, Utah, Kansas, Kentucky, Ohio, West Virginia, and Nebraska.

Fair trade essentially is a system of price-fixing at the retail level which is directly contrary to Federal antitrust principles. As the Supreme Court said in the Schwegmann case, unless expressly exempted by Congress, all fixing of retail prices, whether by agreement or by coercion through the nonsigner clause, is inherently an unreasonable restraint of trade. For this reason the Congress has never permitted fair trade to operate in the District of Columbia.

All that Congress has ever done in the past for fair trade is to enact enabling legislation to suspend the Federal antitrust laws in those instances where the States have permitted fair trade. To overcome the manifest failure of fair trade at the State level, now its supporters, again led by the National Association of Retail Druggists, seek to override the States and have the Federal Government proscribe fair trade on a nationwide basis. In this effort they are resurrecting attempts at Federal legislation for resale price maintenance which were abandoned in 1930 after nearly 20 unsuccessful years. This new effort would have Congress enact for the first time, a substantive Federal fair trade law.

H.R. 1253, for example, would amend section 5 of the Federal Trade Commission Act by adding express authority for a manufacturer "* * * to establish and control, by notice to his distributors, stipulated or minimum resale prices. * * *" In addition, H.R. 1253 makes it unlawful "* * * for any distributor with notice * * * to sell, offer to sell, or advertise * * *" at a different price from the stipulated price or at a lower price than the minimum resale price. In this bill an inherently unreasonable restraint on trade, complete foreclosure of price competition at the retail level, would become an integral part of substantive Federal law. It would repeal the basic antitrust policy that has been embodied in more than half a century of Sherman Act enforcement. It would overturn and sweep away a multitude of court decisions. Even more significant, departures from prices fixed at the whim of manufacturers would constitute a positive violation of Federal law. We cannot scuttle the antitrust laws and abandon the very source of this country's economic well-being to gratify the misguided yearnings of the retail druggists.

Another consequence of H.R. 1253 is that it subjects the Federal Trade Commission to an untenable position. This bill makes the FTC responsible for preventing both unfair methods of competition and deceptive trade practices and, at the same time, for maintaining the prices fixed by all the manufacturers subject to its jurisdiction. H.R. 1253 makes unfair methods of competition and departures from the manufacturers' stipulated or minimum resale price equally unlawful under section 5 of the Federal Trade Commission Act. Despite the averments of the NARD to the contrary, how can there be any doubt that the FTC would be obliged to enforce and police the fair trade prices authorized in this bill?

It is indeed anomalous that an agency created by Congress to protect and preserve competition should, after a life of 45 years, be converted to an instrument to police and perpetuate unreasonable restraints on trade. And what of the cost? How much is Congress expected to appropriate to enable the FTC to maintain manufacturers' fair trade prices?

It is no answer to say that the FTC would have discretion as to the extent of its activities under the provisions of H.R. 1253. Can there be any doubt that the supporters of fair trade and this bill would severely criticize the FTC in the event it did not discharge its responsibilities as to all of the business conduct the bill makes unlawful?

H.R. 1253 also contains confusing contradictions that will require many lawsuits to resolve. In the bill, section 5 of the FTC Act, as amended, contains the enabling provisions of the McGuire Act, carried forward in subsections 5(a)(2), (3) and (4). At the same time, subsections 5(a)(5), (6), (7), (8) and (9), superimpose the provisions that make it a violation of Federal law for a retailer to vary the price charged to the consumer from the price fixed by the manufacturer. There is no indication in the bill as to whether the State law or Federal law is to prevail. If the State law has been held to violate the State constitution, will the Federal law be operative? Can a manufacturer select some States in which he will fix prices and select others in which he will not fix prices? Must the price he fixes be the same in every State, or can he vary it State by State, or even fix differing prices within one State?

The bill authorizes the manufacturer to "* * * establish schedules of resale prices differentiated with reference to any criteria not otherwise unlawful." Does this permit a manufacturer to discriminate between different types of stores in the same State or city on the basis of size, volume of purchases from his competitors, location, or for a host of other reasons?

It is clear that enactment of H.R. 1253, in addition to its price-fixing evils, will open a Pandora's box for litigation. Years would be required to define the commercial and governmental relationships that are affected by this bill.

In addition to the incorporation of resale price maintenance into Federal law for the first time, H.R. 1253 has another innovation that is even more dangerous. The bill delegates to private parties the determination of the content of Federal law as well as the determination of the acts that constitute a violation of Federal law.

H.R. 1253 is tantamount to making the breach of a private commercial contract a Federal offense. The bill would punish those who sell beneath prices established by private individuals.

Under H.R. 1523, the manufacturer is delegated the power to make illegal today what was legal yesterday. Since he can impose or remove fair trade on his goods at his sole discretion by the mere giving of notice, the manufacturer can determine when the retailers' actions are lawful or unlawful. Federal law is made a matter of the will and whim of any manufacturer who makes branded merchandise. The manufacturer can determine whether this particular retailer is to be bound by Federal law, but that another is not to be bound. Moreover, the FTC, an agency of the Federal Government, will have its jurisdiction dependent upon the uncontrolled discretion of mere private parties, the manufacturers.

Surely such a sweeping delegation of the commerce powers of the Congress will never be permitted. Its mere proposal is shocking.

Although the power of Congress under the Constitution to regulate interstate commerce is plenary, I do not think we have the power to abandon its regulation to the extent permitted by H.R. 1253. I believe the factual situation in this instance is comparable to that presented to the Supreme Court when it considered the constitutionality of the National Industrial Recovery Act. Under NRA, legislative power had been delegated "* * * not to a public official responsible to Congress or the Executive, but to private individuals in the industries to be regulated."[2] The Supreme Court ruled: "Such a delegation of legislative power is unknown to our law, and is utterly inconsistent with the constitutional prerogatives and duties of Congress."[3]

When Congress was considering the McGuire Act in 1952, the Judiciary Committee conducted extensive hearings on the effects of fair trade. In this investigation I found that resale price maintenance has the following results:

"1. Concentration of economic power is promoted. The small merchant, with his prices rigidly fixed by fair trade, cannot meet the competition offered by his powerful competitors, the chains, the department stores, and the mail-order houses. Fair trade aids big business at the expense of small business, promotes the growth of monopoly power, and relegates the independent merchant to a subservient position in the economy.

"2. Violations of the antitrust laws, particularly boycotts, intimidation, and discrimination are fostered. Manufacturers have been coerced to maintain fair trade by campaigns to put the offender's merchandise under the counter. Price-cutting outlets have been persuaded by organized pressure to revise their policies. Wholesalers have been exhorted in trade publications to boycott retailers who refuse to conform. Even its stanchest advocates admitted that resale price maintenance programs cannot work effectively in the absence of collective action among retailers, and between retailers and manufacturers.

"3. The consumer is treated unfairly and is required to submit to the artificially high price umbrella that protects the inefficient retailer."

In the face of all these facts, why do the advocates of fair trade want this legislation? They claim they want it to prevent loss-leader sales. Just how extensive are loss-leader sales? The District of Columbia has no fair trade law, but I have heard no complaints that retail business here is jeopardized by sales below costs. Small business failures in the District of Columbia are no higher than in the States that have fair trade.

There have been no serious studies of the extent of loss-leader selling in the United States in recent years. In 1955 the Canadian Restrictive Trade Practices Commission, however, conducted an extensive investigation of this problem in markets which are comparable to those of the United States. The Canadian Commission found:

"That the practice of selling articles at prices below net purchase cost is not prevalent in any of the lines of trade for which information was obtained in the inquiry. In fact, it appears that sales on such a basis are made infrequently and the evidence does not suggest in any way that selling of this sort is a practice in any line of trade, even among a minority of the dealers."[4]

The cry of "loss-leader" is no more than an epithet applied to a person who sells below the high fair trade markup. There is no evidence that sales below actual cost of acquisition are frequent in either fair trade or nonfair trade States. The high markups of 40 percent to 50 percent on some fair trade goods, however, are notorious. Protection of these high markups from the competition of efficient retailers who are willing to do a profitable business on a lesser margin, is the real objective of fair trade, not the eradication of the loss-leader sellers.

In any event, it is not necessary to impose the fair trade straitjacket on all business to meet this problem. It would be sufficient to pass a law that restricted price cuts on goods to some minimum markup over invoice cost if the real objective was to solve the loss-leader problem.

In conclusion, I want to emphasize my opposition to fair trade and to the enact-

---

[2] *Yakus* v. *United States*, 321 U.S. 414, 424 (1944).

[3] *United States* v. *Schechter Poultry Corp.*, 295 U.S. 495, 537 (1935).

[4] Restrictive Trade Practices Commission, "Report on an Inquiry Into Loss-Leader Selling" (1955) p. 244.

ment of these bills that would include it in Federal law. I believe fair trade is bad for the consumer, and for the small retailer. A Federal fair trade law would negate the most fundamental principles that have sustained our economy under the free enterprise system.

Mr. CELLER. Mr. Chairman, I am going to read from remarks I have made which were the basis of a minority report on fair trade submitted by certain members of the Committee on the Judiciary. I am going to read in part from that minority report.

"While resale price maintenance injures competition and promotes the concentration of economic power, its most immediate impact is felt by the consumer. Any comparison shopping tour will readily disclose the large savings which can be had on purchases made in the District of Columbia, as against those made across the District line in the fair trade jurisdictions of Virginia or Maryland. Numerous studies have been made which bear these conclusions out. The consumer will no doubt be surprised to discover that Congress intends to prohibit efficient retail establishments from reducing prices on his wares. It will also certainly appear anomalous to the voters of the United States for Congress, during a severe inflationary period, which has necessitated rigid governmental controls to prevent prices from going up, seriously to consider legislation which, under the penalties of Federal law, prohibits the prices of many important commodities from coming down."

I went on one of those shopping tours referred to, and I want to give you the results, in terms of the prices of certain ordinary articles that are purchased at a drugstore, and indicate to you how the public is getting a rooking from so-called fair trade.

I purchased 10 cubic centimeters of U. 40 protamine zinc Lilly insulin, used by diabetics. The price in the District of Columbia was 98 cents. The price in Maryland was $1.29. The Maryland price was 32 percent above the District price. In Virginia, in Richmond, for example, the same article, Lilly's insulin, was sold at $1.48. If you can tell me that the public is protected by fair trade, I would like to know why those differences in prices.

I purchased a BD Yale 26-gage, one-half-inch hyponeedle, used to inject insulin into a sick person's body. In the District of Columbia the price was 15 cents. In Virginia the price was 20 cents—33 percent higher in Virginia. In Maryland the price was 23 cents—53 percent more in Maryland.

I purchased 100 Bayer aspirin tablets in Virginia, Maryland, and the District of Columbia. In the District of Columbia, the price is 46 cents. What was the price in Virginia? The price was 59 cents. I paid 28 percent more for the same article in Virginia. What was the price in Maryland? Fifty-nine cents. Again, I paid 28 percent more for the same article in Maryland.

I purchased some 12-ounce bottles of Phillips milk of magnesia. Here are the bottles. In the District of Columbia, the price was 34 cents. In Virginia, it was 14 percent higher, or 39 cents. Similarly, in Maryland it was 14 percent higher, or 39 cents.

I purchased some large tubes of Ipana toothpaste. See the difference in these purchases. I paid 27 percent more for the Ipana toothpaste in Virginia than I did in the District of Columbia. In the District of Columbia, the price was 37 cents. In Virginia, the price was 47 cents; and likewise in Maryland, it was 47 cents.

I purchased packages of 20 Gillette blueblades. In the District of Columbia, the price was 87 cents, whereas in Virginia I paid 11 percent more, or 98 cents, and also 11 percent more in Maryland, namely, 98 cents.

I purchased 50 cubic centimeters of Mead's Oleum Percomorphum. These are baby vitamins which are very essential to the health of infants and growing children. It is a very, very important product. I paid in the District of Columbia $2.63. When I went to Virginia I had to pay not $2.63 but $3.29, or 25 percent more. In Maryland I had to pay 32 percent more, or $3.49.

Take a laxative like Ex-Lax. In Virginia the price was 25 cents, and in the District of Columbia the price was 19 cents. In Maryland, the price was 28 cents. To take a laxative costs you 47 percent more in the State of Maryland than it does in the District of Columbia. And it costs you 32 percent more in the State of Virginia.

Here are some Dr. West toothbrushes. They were the same price in all three States, an indication that I am not guilty of any particular selectivity to indicate deliberately that the prices are more in one place than in another. When it came to Dr. West's toothbrushes, the price in all three locations was 59 cents.

Now, take the large-size Mennen baby powder. Here they are. In the District of Columbia, the price was 47 cents. In Virginia it was 49 cents, and in Maryland 49 cents.

Mr. Chairman, these are 10 ordinary articles that are everyday needs for housewives, diabetics, and others. The total price in Virginia is $8.23. The total price in the District of Columbia is $7.05; and the total price in Maryland is $8.80. On these 10 articles in Maryland, I paid 25 percent more than I did for the 10 articles when purchased in the District of Columbia. When I went into Virginia I paid 17 percent more for these very same articles that I had purchased in the District of Columbia.

Here is a recapitulation:

Item	Virginia price	Virginia percent increase over District of Columbia price	District of Columbia price	Maryland price	Maryland percent increase over District of Columbia price
10 cubic centimeters U. 40 protamine zinc Lilly insulin	$0.98 [1] 1.48	0 51	$0.98	$1.29	32
BD Yale 26-gage, ½-inch hypo needle	.20	33	.15	.23	53
100 Bayer aspirin	.59	28	.46	.59	28
12 ounces Phillips milk of magnesia	.39	14	.34	.39	14
Large Ipana toothpaste	.47	27	.37	.47	27
20 Gillette Blueblades	.98	11	.87	.98	11
50 cubic centimeters Meads oleum percomorphum (baby vitamins)	3.29	25	2.63	3.49	32
18 Ex-Lax	.25	32	.19	.28	47
Dr. West toothbrush	.59	0	.59	.59	0
Large size Mennen baby powder	.49	4	.47	.49	4
Total	8.23	17	7.05	8.80	25

[1] Richmond, Va.

Now I hesitate to place in the well of the House two whisky bottles that I purchased, but I did purchase the whisky, and I have the bottles in this basket.

Mr. GROSS. Mr. Chairman. will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Iowa.

Mr. GROSS. On the items you have just mentioned, did that include tax, or was that the price without the tax?

Mr. CELLER. That, I understand, is without tax.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. KLEIN. Did the gentleman ever hear of the expression "loss leaders"? I might call the gentleman's attention to the fact that it is the practice in many, many stores, not only in the District of Columbia but throughout the country, in order to induce people to come in and purchase in that store, to have articles on which they obviously lose money. I would like to call the gentleman's attention to the fact that on many other articles in the same store the purchaser pays a great deal more.

Mr. CELLER. I am going to offer a substitute which gets at the evil of loss leaders, but let us not burn down the house to roast a pig. Let us not indulge in price fixing, which in contrary to the very concept of our antitrust and antimonopoly laws, just to get at loss leaders. In these bills you have a cure worse than the disease. To get at loss leaders you usher in all the evils of price fixing, an evil for worse than loss leaders. In other words, make a direct attack on loss leaders. Do not seek to protect those who want to garner in these huge profits by virtue of vertical as well as horizontal price fixing. Horizonal price fixing is permitted indirectly under the provisions of this bill.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Arkansas.

Mr. HARRIS. I do not want to interrupt the gentleman, but on that particular point the gentleman has for the first time just advised the House that he proposes to offer a substitute in which he will get at loss leaders. Now, the gentleman is chairman of the Judiciary Committee. Has he at any time proposed any such bill to get at loss leaders?

Mr. CELLER. Of course. The bill has been in the hopper for a long, long time. Certainly I have offered it, and it has been considered. The bill is H.R. 6986, and was introduced on March 11, 1952, some 2 months ago.

As to the whisky, I will not exhibit it. The bottles may disappear too rapidly. But, in any event I purchased a fifth of Black Label Schenley whisky in the District of Columbia at $3.23. What did I pay in Maryland, just across the border, for the same identical bottle? I paid $4.32, a difference of $1.09. So that where fair trade prevails for that particular article, the public has to pay $1.09 more. If you can tell me there is anything fair in that kind of practice, I fail to see it. If you can call that fair trade, then I do not know what the meaning of fair trade is nor does anyone else.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Tennessee.

Mr. PRIEST. Does the gentleman have any information indicating whether a part of that difference was due to the State tax in the State of Maryland?

Mr. CELLER. No. That has nothing to do with that tax. This was on a straight retail. I am not saying there is no license tax. Naturally, you cannot buy without paying the Federal tax. The Federal taxes are uniform. The Federal and State taxes are involved, but the State tax in those States is of no consequence. Actually the tax in the District of Columbia is 15 cents a fifth,

in Maryland the tax is 19 cents a fifth—just 4 cents difference—the total retail price difference due to fair trade is $1.09.

Mr. PRIEST. But the gentleman knows there is a difference in the State taxes.

Mr. CELLER. A very trifling difference, only 4 cents a fifth.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Would the gentleman mind yielding to let the gentleman from Arkansas tell what the difference is?

Mr. CELLER. I am agreeable to having him tell it.

Mr. HARRIS. I will get that and give it to the gentleman.

Mr. CELLER. I will put the information in the RECORD; namely, that the Maryland tax is only 4 cents higher.

I do not care what the tax is; the difference is so inconsequential as to nullify any argument that we are helping the general public by this kind of legislation.

Who Does a Congressman's Work?

EXTENSION OF REMARKS
OF
CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. HOFFMAN of Michigan. Mr. Speaker, certainly the Congressman does not do all of it. The workload varies with the district, depending not only upon the number of people in the district—from 159,099 to 806,701—but upon the characteristics of those who live within the district—their nationality, the kind of activities in which they are interested and engaged, the varied interests in local and national affairs, upon many, many things.

Every congressional office must have at least one—sometimes several—expert stenographers and typists. There must be assistants who can keep up with the news, determine, digest and classify that which is worth while. There must be someone who can file not only correspondence but the result of the research, and file it where it can be instantly located when wanted. There must be someone to meet lobbyists, casual visitors, and friends, someone whose temper cannot be ruffled, who always has a smile and a kind word. There must be someone who keeps track of proposed legislation, probable amendments, and its possible effect, if enacted. Contact must be maintained with other Members, both those favorable and those who are opposed to the thinking of the Congressman. In one way or another, someone must maintain contact not only with the desires but with the economic and political philosophy of constituents. Someone must watch the Committee and House Calendars, know when hearings will be held, legislation discussed or acted upon.

Do I hear your query, "If all these things are competently done for the Congressman, what in the world does he do, if anything?" Well, he does some of everything. With two thoughts ever in his mind, first, "What do his people want?" and second, "What is the right thing to do?"—having in mind the welfare of the country as a whole he tries to evaluate all that comes to his attention, then do the things which he believes will best serve his people and their interests.

Now for the question as to how your Representative—I prefer the term "hired man"—can get a worthwhile job done. Here is one answer. He is given a stated sum each year to hire assistants, limited at present to eight.

I have been able for a little over 24 years to get along without—except in 2 or 3 instances—spending all the money available for clerk hire, and then only for 2 or 3 months when the necessity arose because of illness in the office. Never have I had eight.

In all that period, there have been just 5 months when there were on my payroll two in-laws—one was on for a longer period. For their employment I have no apologies, for they have been competent.

It would be difficult to find anyone employed by me either now or during the past 40 years I have maintained an office who did not earn every dollar paid. Probably, there have always been legislators and executives who have employed relatives and overpaid them.

Relatives employed by Congressmen have usually rendered competent service, earned what they were paid. Two conspicuous examples are Jack Garner, former Congressman and Speaker of the House, later Vice President, whose wife was his assistant before he was elected and until he refused to longer accept office.

A present example is the Democratic leader of the Senate, LYNDON JOHNSON, whose brother is on the payroll and who earns all he receives.

The long and the short of it is that no one, for either moral or legal reasons, is required to discriminate because of relationship. If a Congressman cannot be trusted to properly and efficiently use the sums provided for the carrying out of his official duties, do a good job, he should be defeated.

Joe Farrington, Pioneer for Hawaiian Statehood

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. KEARNS. Mr. Speaker, last Thursday, March 12, 1959, I voted for statehood for Hawaii. I did so partly because of my marvelous memories of one of the finest Members ever to sit on the floor of the House of Representatives—the Honorable Joseph Rider Farrington, Jr.

The vote last week culminated the groundwork that had been laid over the years by one whom I consider the real pioneer of statehood for Hawaii, Joe Farrington, assisted by his lovely wife, Betty, who also served as a Delegate in Congress from Hawaii.

Fortieth Anniversary of the Founding of the American Legion

EXTENSION OF REMARKS
OF
HON. HAROLD C. OSTERTAG
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. OSTERTAG. Mr. Speaker, one of the Nation's outstanding organizations is celebrating its 40th birthday this week. I am speaking of the American Legion which was organized in Paris in March 1919, by men from all ranks and from all services in the AEF of World War I. They dedicated their organization to God and country, and the American Legion has honored this dedication ever since that day.

From this little group in 1919 the American Legion has grown to be the largest veterans' group in the world with more than 17,000 community posts throughout the world. In many of these communities the American Legion post is the center of patriotic, civil and social activities. Its members are in all walks of life: educators, lawyers, laborers, scientists, industrialists, farmers, athletes, clerks, clergymen, and, yes, Congressmen. Along with a number of my colleagues in the Congress, I have had the privilege and honor of being a Legion member since the time it was founded.

In its relatively short history, the American Legion has served admirably as the champion of the veterans of our wars, and has served just as admirably the best interests of the Nation as a whole. It pioneered in obtaining deserved rehabilitation assistance for those who suffered physical disabilities in military service. It led the fight for deserved assistance to widows, orphans, and dependents of those who gave their lives in military service. It obtained increased educational and training opportunities for veterans with its sponsorship of the GI bill of rights for World War II veterans and the Korean GI bill. And, of course, the American Legion played a prominent role in the creation of the Veterans' Administration in 1930.

Very well known, too, are the American Legion efforts to maintain adequate national preparedness for our Nation, and its efforts in opposition to communism. Though these are perhaps the best known of the Legion programs, it has promoted many other activities, too, in the interest of better America. The Legion is in the fore of programs of child welfare, the training of youth for good citizenship and leadership, and the support of national medical programs. The American Legion spends about $8 million a year for its child welfare programs alone. Its youth training program is one of the Nation's largest, including junior baseball, sponsorship of Boy Scout troops, Boys State and Boys National government, and oratorical and essay contests on patriotic themes.

The American Legion has established an outstanding record of service to God and country during its 40 years of existence and looks forward to many more years of leadership and service. Though its founders knew the destructiveness of war, the American Legion is a vital force for building and strengthening the human resources of our country.

Importation of Crude Oil and Residual Oil

EXTENSION OF REMARKS
OF
HON. JAMES A. BURKE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. BURKE of Massachusetts. Mr. Speaker, the effect of the President's action a week ago on imposing drastic curbs on the importation of crude oil and residual oils has resulted in widespread criticism throughout New England. The unsympathetic attitude of the present administration toward my own State of Massachusetts has been evident for many months. The administration is engaged in a policy of creating unemployment on one hand and now we find the President making a decision that will result in increased fuel costs to industry in my area.

The pleas made by Massachusetts Congressmen including myself have fell on deaf ears. Responsible businessmen have made their feelings known to the administration. The leading newspapers in the Greater Boston area have written sound editorials pointing out the fact that this act of the President will do more harm to the New England area than any other by the administration.

It is my firm belief that the President should reconsider his action on this matter. Certainly, decisions of this kind which have such a far-reaching effect on the economy of the entire New England area should be given full consideration.

My responsibility is to the people of my district. I strongly object to the action of the President. If he were a member of my political party I would be sitting on the steps of the White House waiting to inform him in no uncertain terms of my strong feelings on the matter.

The time has come for the present administration to take a look at New England and readjust its views toward its economy.

Under leave to extend my remarks in the RECORD, I include the following editorials, telegrams, and letters:

[From the Quincy (Mass.) Patriot-Ledger, Mar. 9, 1959]

POOR REPRESENTATION

New England Members of Congress have failed miserably to protect the welfare of their region.

From all indications, President Eisenhower is going to extend restrictions on oil imports—this time by making voluntary ones permanent.

To be sure, New England Members of Congress have protested. They have even begged. But still they have failed.

Few, if any other, measures undertaken by the Eisenhower administration have done as much harm to the northeastern United States as the imposition of oil import quotas.

And the tragedy is they cannot be justified on any grounds.

Disregard, for the moment, any arguments about the need to preserve domestic oil for national defense and to trade with other countries.

If oil import restrictions could create more jobs in Texas and Oklahoma than they jeopardize in New England, the Eisenhower administration would have a case.

But this is not the situation at all. Texas and Oklahoma oil producers simply want to market all the petroleum they can find.

They claim that it is necessary for the United States to have a large oil producing capacity in case of war.

This is merely propaganda to conceal their desire for bigger and bigger profits.

The United States has sufficient oil producing capacity right now for a big war. For if a big war were started, it would be over quickly.

In case of a limited war, the United States would not be cut off from all foreign oil sources. In fact, in the case of oil from Canada, it is piped in and therefore free from enemy action on the high seas.

As long as foreign oil is available, the United States should burn as much of it as possible in order to conserve the domestic supply.

Defense purposes aside, the existence of a large supply of domestic oil prevents foreign suppliers from raising their prices unnecessarily.

The relatively few jobs oil import quotas may provide in Texas and Oklahoma are being far outweighed by the penalty forced upon New England.

New England has few natural resources. Its only indigenous source of energy is waterpower and this is not sufficient when converted to electricity to run all its factories.

If New England is to avoid decay, it must have another inexpensive source of power. Fuel oil meets this requirement better than coal. And energy from atomic power at competitive prices is still a long way off.

Oil import restrictions force New Englanders to pay higher prices for fuel to heat homes and run factories.

We do not know if New England Members of Congress could have persuaded Mr. Eisenhower to change his mind on this matter.

But we believe that they could have tried harder.

Little attention appeared to be given by New England Congressmen until Mr. Eisenhower extended the temporary restrictions briefly until permanent ones were ready.

Various explanations have been given for Mr. Eisenhower's stand. Cynics say that he is still paying off his election debts to Texas oil interests.

It is true that Texas does wield a great deal of influence in Washington. Both Houses of Congress are controlled by Texans.

President Eisenhower must deal with Senator LYNDON JOHNSON and Speaker SAM RAYBURN in order to get his legislative program through Congress.

But we believe that if New England had an impressive spokesman, particularly in Republican ranks, the administration would have had a difficult time maintaining its position.

Granted there would be fewer jobs in the oil industry in Texas and Oklahoma if there were no restrictions on petroleum imports.

But this is more than counterbalanced by any one of the number of elements in the picture.

The United States must trade with other nations if it wants to check the spread of Russian influence and to raise its own standard of living. We know of no better commodity to import than oil.

In order to appease Texas oil interests and their representatives in Congress, the Eisenhower administration hurts relations with friendly foreign nations, permits the depletion of U.S. reserves, and harms the economies of densely populated seaboard States.

Ineffective as they have been to date in this field, New England Members of Congress must continue to fight oil import restrictions.

Their region's very economic health depends upon their removal.

[From the Quincy (Mass.) Patriot Ledger, Mar. 17, 1959]

FIGHT MUST CONTINUE

It is probably belaboring a point to continue to protest the oil import restrictions that the Eisenhower administration has seen fit to perpetuate.

Spring is around the corner and soon New Englanders who use fuel oil to heat their homes will forget about the price of petroleum.

Nevertheless, the long-range effect of these oil import restrictions upon New England is so serious that every member of this region's congressional delegation should be working to get rid of them.

Congressman SILVIO O. CONTE, Republican, of Massachusetts, is not exaggerating when he says that New England could become the Nation's No. 1 economic problem if the Federal Government's economic policy continues to work to the disadvantage of this region.

No realistic person can expect the speech Mr. CONTE prepared for House delivery this week will change the situation.

The Congressman from the westernmost district in Massachusetts, is only a freshman lawmaker.

Moreover, he has spoken after the Eisenhower administration has made up its mind to continue these oil import restrictions.

His speech will take its place in the CONGRESSIONAL RECORD next to hundreds of other offerings from Members of Congress that are presented on any given day when Congress is in session.

It is significant, however, that a Republican Congressman has attacked a decision of a Republican President. This shows that the issue transcends party lines.

As far as Massachusetts is concerned, the persons who should be in the forefront against this outrageous action of the Eisenhower administration are Senators SALTONSTALL and KENNEDY.

Of the two, SALTONSTALL should be in the stronger position since he is not only a Republican but also a Republican up for reelection next year.

At one time or another every section of the United States has asked Congress to pass legislation that is detrimental to the welfare of the Nation as a whole.

New England has been as guilty of this practice as Texas and Oklahoma have been in the case of oil import restrictions.

New England, for example, has sought Federal action to protect the textile industry from foreign competition when such protection could not be justified.

Members of Congress from New England have intervened on the behalf of New England shipyards that were being underbid by more enterprising shipyards in other parts of the country.

But in the case of oil imports, New Englanders have no apologies to make.

As we pointed out in an editorial March 9, a day before the Eisenhower announcement, oil import restrictions cannot even be defended on the grounds they protect more jobs in Texas and Oklahoma than they imperil in New England.

In the long run, New England will only prosper if there is freer trade among nations. New England does not have many natural resources. It does not produce a basic farm

crop, with the possible exception of potatoes in northern Maine.

If it is to support large numbers of people, New England must import raw materials and engage in manufacturing that requires relatively high degrees of skills.

The New England textile industry, for example, cannot even compete with other sections of the country much less the Japanese because it is not a skilled manufacturing process.

New England does have a great asset in its seacoast. This enables it to import raw materials from all over the world cheaply.

New England should be allowed to import oil without restrictions as long as the domestic oil producers are not suffering.

And, rest assured, the domestic oil producers are not suffering. They merely want to increase their profits at the expense of the rest of the country and to the detriment of American foreign relations.

We congratulate Congressman CONTE for placing himself on record against the Eisenhower oil import restrictions.

We hope that other Members of Congress from New England will show signs of waking up.

They will get nowhere if they limit their efforts to roundrobin letters sent to the White House at the last, futile minute.

FEBRUARY 26, 1959.

ADMINISTRATOR,
Office of Civil and Defense Mobilization,
Washington, D.C.

DEAR SIR: Enclosed is a copy of a telegram received from the vice president of the New England Council with reference to the proposed action of including residual oil in import quota restrictions.

I would like to go on record as being strongly opposed to this proposed action.

Would you keep me advised as to the developments on this matter.

With kindest regards, I am,

Sincerely yours,

JAMES A. BURKE, *Member of Congress.*

[Enclosure.]

BOSTON MASS.,
February 19, 1959.

Hon. JAMES A. BURKE,
House of Representatives,
Washington, D.C.:

Rumored that Office of Civil and Defense Mobilization and Gerald Morgan, White House staff, now planning inclusion of residual oil in import quota restrictions. New England Council opposes such inclusion and urges your help.

GARDNER A. CAVERLY,
Executive Vice President,
New England Council.

WELLESLEY, MASS.,
March 4, 1959.

Hon. JAMES A. BURKE,
House of Representatives,
Washington, D.C.:

Understand White House presently considering mandatory restrictions on imports of residual fuel oil. At the least this will be an economic blow to New England due to increased fuel costs. One percent shortage in winter of 1947–48 drove New England fuel costs up at rate of at least $100 million annually. In addition with domestic oil industry incapable of making up artificially created shortages and oil burning equipment unable to use substitute fuels parts of New England may be completely without suitable fuel. Urge your intervention to prevent this action which could seriously damage New England economy.

JOHN P. BIRMINGHAM,
President, White Fuel Corp.,
Boston, Mass.

THE NEW ENGLAND COUNCIL,
FOR ECONOMIC DEVELOPMENT,
Boston, Mass., February 11, 1959.

To: New England delegation.
From: Gardner A. Caverly, executive vice president.
Subject: Residual fuel oil importation.

I am enclosing for your interest and information a copy of a recent letter to Mr. Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, concerning residual fuel oil importation.

As you will note from the letter, the membership of the New England Council is deeply concerned about this matter and vigorously opposed any restrictions on the importation of residual oils.

If we at the council may be of any help to you in this matter, please do not hesitate to contact us.

[Enclosure.]

THE NEW ENGLAND COUNCIL,
FOR ECONOMIC DEVELOPMENT,
Boston, Mass., February 10, 1959.

Re: Residual fuel oil importation.
Mr. LEO A. HOEGH,
Director, Office of Civil and Defense Mobilization, Washington, D.C.

DEAR MR. HOEGH: We are advised that your office is once again conducting an investigation of imports of crude oil and products and their impact on national security. We would appreciate your including this statement in the RECORD.

The New England Council, a nonpolitical, privately sponsored economic development organization for the six-State area, and composed of approximately 3,000 members, has been historically opposed to any restrictions curbing the importation of residual fuel oils. Our area is one of the most heavily industrialized sections of this country and one of the largest users of residual oils.

The following statistics on the consumption of residual oil in New England are taken from U.S. Bureau of Mines:

State	Barrels	Percent of New England
Connecticut	12,712,000	21.0
Maine	5,063,000	8.0
Massachusetts	28,744,000	48.0
New Hampshire	2,096,000	3.5
Rhode Island	11,114,000	18.5
Vermont	380,000	1.0
Total, New England	60,109,000	100.0

District 1, the east coast, consumes approximately 289,324,000 barrels of residual oil annually. Of this amount, New England alone consumes almost 30 percent. Total U.S. sales of residual oils amount to 540,460,000 barrels and district 1 consumes roughly 54 percent of the U.S. total. It is obvious, therefore, that the economy of the six New England States is extremely sensitive to any price fluctuations or differentials of residual oil.

Because of the multiplicity of our small industrial concerns and our great distance from fuel sources, the cost of fuels are a real factor in our economy.

We would like to quote for the record, the following policy statement concerning residual fuel oils, adopted by the board of directors of the New England Council on September 12, 1957.

"The economy of New England is heavily dependent upon an ample supply of fairly priced fuels. These fuels are vital to the healthy condition of this area, which has long suffered a substantial rail and freight disadvantage for its raw materials and manufactured goods.

"Therefore, the New England Council vigorously opposes artificial controls which tend to increase the price of fuels or curtail the amount of fuels entering New England. The council specifically opposes any restrictions curbing the importation of residual oils."

Sincerely yours,

GARDNER A. CAVERLY,
Executive Vice President.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF CIVIL AND DEFENSE MOBILIZATION,
Washington, D.C., March 5, 1959.

Hon. JAMES A. BURKE,
House of Representatives,
Washington, D.C.

DEAR MR. BURKE: This will acknowledge your letter of February 26 with enclosure, expressing your interest in the oil imports matter. Your views have been made a part of the record.

Careful consideration has been given to the problems of the citizens and of industry in the New England area during the course of our investigation.

My findings and recommendations have been presented to the President. He has directed a continuation of the voluntary oil import program so that he may study the report. Any information must emanate from the White House.

Sincerely,

LEO A. HOEGH.

Limitation on Advancement of PTS Substitutes

EXTENSION OF REMARKS
OF
HON. KATHRYN E. GRANAHAN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 19, 1959

Mrs. GRANAHAN. Mr. Speaker, on March 5, 1959, I introduced H.R. 5337 which would remove from the Postal Classification Act a serious inequity affecting only a very small group of postal employees. That group is the Postal Transportation Service substitute, whose position is allocated to salary level PFS–5 as a distribution clerk in a railway or highway post office.

When the Postal Classification Act became law in 1955, all Postal Transportation Service substitutes were limited to step 4 of level 5. In November 1957, the Post Office Department placed some Postal Transportation Service substitutes in postal field service level 4, and gave them dual appointments.

A few weeks ago, the Post Office Department again found that the limitation on advancement would not apply to Postal Transportation Service substitutes performing service as transfer clerks under key position 15.

The opposition by the Post Office Department to amending Public Law 68 by striking out this limitation has centered upon a fear that if Postal Transportation Service substitutes were able to advance to the top step of level 5, they would be reluctant to accept regular positions, and that this would be particularly true if the position to be accepted was assigned to postal field service level 4.

In view of the fact that the Post Office Department by its own actions has now very notably moved away from its

original conclusion about the problems that would be developed, the restrictions are not now appropriate. Further, in view of the fact that by giving dual appointments to the top step of level 5 in some cases, and to the top step of level 4 in other cases, there is no longer any sound reason for withholding advancement to the top step from substitutes in railway and highway post offices.

I hope that my bill can be brought up for speedy action in the Committee on Post Office and Civil Service, and that my colleagues in the House will support the legislation when it comes to the floor.

Closure of Bristol Bay Salmon Fishery

EXTENSION OF REMARKS
OF
HON. RALPH J. RIVERS
OF ALASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. RIVERS of Alaska. Mr. Speaker, the recent announced intention of the Department of the Interior to close the Bristol Bay Salmon Fishery is a severe blow to the residents of the Bristol Bay area in southwestern Alaska. This is so because fishing is the principal means of livelihood for the people of that area. They are in deep economic trouble and understandably indignant and angry. They have helplessly watched the fine resource of the Bristol Bay red salmon runs decline through the years because of Federal mismanagement and resultant overfishing. They have watched the situation get progressively worse since the Japanese started their high-seas fishery for salmon in the north Pacific, in 1952. Although only 2 million fish were taken by the Japanese in that year, their activity grew rapidly until they took 64 million salmon in 1955, and the catch has fluctuated between this figure and about 40 million since then. Although only a portion of the salmon caught by the Japanese are spawned in American streams, the area in which the Japanese fishing is conducted is an area in which there is intermingling of Alaska spawned salmon and Asian spawned salmon. This has been ascertained through scientific research by Canada, Japan, and the United States under the terms of the North Pacific Convention entered into between those countries 5 years ago. This is the treaty wherein the Japanese agreed not to fish east of 175° west longitude and which treaty will not expire for another 5 years. Although this dividing line is admittedly provisional and subject to modification by mutual agreement of said three countries on the basis of knowledge obtained through research, there is nothing in the treaty which would compel the Japanese to agree to any change. Thus, by staying on their own side of the line they are living up to the letter of the treaty, but not the spirit thereof. Furthermore, their miles of seines with mesh too small for conservation purposes are catching over 1 million immature salmon every year which were spawned in the streams flowing into Bristol Bay. Accordingly, the treaty also needs changing to avoid the destructive effect of catching immature salmon.

As a result of these events, including the bumper catch by the Japanese in 1955, the U.S. Fish and Wildlife Service estimates a low-cycle return of salmon into Bristol Bay during the coming 1959 fishing season, so small, in fact, as to not allow the catching of any salmon by American fishermen in Bristol Bay this summer. Unless estimates change, all of the salmon which reach Bristol Bay during the pending season must be allowed to go up the streams to spawn in order to perpetuate and improve this great American resource.

From what I have said, it is apparent that unless the Japanese relent and cooperate in negotiating a new abstention line at least 5° farther west than the present line, along with improved conservation standards, the United States will be in the position of doing all the conserving while the Japanese catch all the fish.

The only alternative, if the present arrangements persist, would be for the United States to decide to let the tail go with the hide, so to speak, and let our American fishermen participate in the virtual liquidation of this otherwise great replenishable resource. In that event the Japanese would be in the position of having improvidently forced the destruction of a vitally valuable asset, as important to them, if properly conserved, as it is to us.

This statement would not be complete without my saying that a research program still in its infancy shows that salmon from our west coast other than those spawned in Bristol Bay, and other than red salmon, also mingle in the same north Pacific feeding grounds about which I am speaking and it might well be that the entire west coast salmon fishery all the way from Oregon to Alaska's Seward Peninsula on the Bering Sea is being adversely affected.

In view of the fact that this untenable situation is of national importance, Congressman THOMAS M. PELLY from the State of Washington, and others have joined with me in the introduction of bills which would ban the import into the United States of Japanese-caught salmon until such time as the Japanese cooperate with our State Department in renegotiating the North Pacific Fishery Convention for the long range mutual benefit of all concerned. As the situation now stands, and unless there is an early change for the better, it is going to be necessary in the national interest to enact such legislation.

In closing, I wish to say that I am not of the school of thought which advances the idea of terminating the treaty with Japan and Canada either by mutual consent or unilaterally, for to do so would remove the abstention line now existing and open the way for the Japanese to fish all the way to our 3-mile limit. We must vigorously press for adjustment of that line and better conservation restrictions in accordance with existing knowledge on the subject, which knowledge was not available at the time the treaty with Japan and Canada was consummated.

Indian Economic Development and U.S. Aid

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Thursday, March 19, 1959

Mr. HUMPHREY. Mr. President, in connection with the current efforts of the Government of India to secure from $650 to $800 million in loans from the United States, the World Bank, the United Kingdom, West Germany, Canada, and Japan, to underwrite the hard currency requirements of its second 5-year development plan, I ask unanimous consent that my article, "Indian Economic Development and U.S. Aid," which appeared in a special India supplement of the New York Times, January 25, 1959, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIAN ECONOMIC DEVELOPMENT AND U.S. AID
(By the Honorable HUBERT H. HUMPHREY)

India is a land of great economic and industrial potential. Her vast natural resources fairly cry out for development. Her people are willing and able to work. And her Government recognizes the economic and political necessity of raising living standards through greatly increased production.

In November 1957, Prime Minister Nehru said that India's second 5-year plan would help her to move out of the cow dung age into the sputnik age. When Mr. Nehru speaks of the urgent need for basic economic development he is expressing the authentic aspirations of his 380 million fellow countrymen.

India is at the crossroads. She has chosen democratic institutions to govern her life and her leaders have twice taken their policies to the people in the largest free elections in the world. But if her current 5-year plan fails, one of history's greatest experiments in government by consent may fail. This would be a disaster for India, for Asia, and for the entire free world.

PIVOTAL POSITION

Mainland China has cast her lot with the Soviet Union. Japan has cast her lot with the West. India is in a pivotal position as the most powerful and influential Asian nation unalined in the cold war. This does not mean that India is neutral in the struggle between totalitarianism and democracy, because a strong, democratic and genuinely independent India is an asset to the free world, to international peace and security and to the United States.

If India is to remain free and become economically strong, her second 5-year plan, now in its third year, must suceed just as her first plan succeeded. India's first 5-year plan proved that she was capable of steady economic growth by establishing a sound economic base in which the private sector plays a large and expanding role and by avoiding an excess of governmental regimentation and controls. She succeeded in creating a healthy environment for economic development without employing the totalitarian controls. In India's drive for development she placed primary emphasis on moving toward agricultural self-sufficiency and she made substantial progress in that direction. In contrast, China emphasized heavy industry. China put steel before rice, machines before men.

Placing men and machines in proper balance, India was able to increase her national income by 18 percent, 5 percent beyond the target, by 1956 when the 5-year period ended. In the same period her per capita income rose in spite of a continuing rise in population. Educational opportunities were also extended.

During the first 5-year plan the United States provided about $300 million in aid to India in addition to the special wheat loan of $190 million and World Bank loans totaling about $30 million.

SECOND 5-YEAR PLAN

Today the second 5-year plan is in great peril. It cannot succeed without substantial help from the United States. This presents the American people with a challenge and an opportunity. In the face of India's great need our compassion and our national self-interest impel us to respond with generosity and realism.

In March 1958 the Department of State announced that the United States had agreed to lend to the Republic of India $225 million to help finance its second 5-year plan. Of this amount $150 million was to be made available by the Export-Import Bank and the remaining $75 million was to come from the Development Loan Fund established by Congress.

This is good as far as it goes, but it does not go far enough. The second 5-year plan will breathe a little easier because of it, but it does not guarantee success. Late in 1957 when the Indian Finance Minister visited Europe and the United States he was seeking $600 million in immediate foreign credit to save the plan. The practical alternative to such credit was and is the abandonment of much of India's projected development, with all of the tragic consequences which might follow. Our $225 million loan falls far short of the demonstrated need.

India launched her present 5-year plan in April 1956, at an estimated cost of $15 billion. Of this amount, $12 to $13 billion was to be raised within India in local currency. The remaining $2.5 billion was to be in hard foreign currency which is needed to purchase machinery and supplies from abroad. In the remaining 3 years of the plan $1.4 billion is the absolute minimum required from foreign sources if the plan is to meet its 1961 goals. Not all of this, of course, would have to come from the United States, but much of it will.

In May 1958 the Government of India announced that the second 5-year plan would have to be substantially cut back, perhaps as much as 15 percent, for lack of funds. One of the projects that will suffer in the cutback is the quietly revolutionary community development program which is raising the standards of farming, health, and education in the villages. Since the goals for agriculture—by far the most important sector of the economy—had not been reached in the first 2 years of the present plan, it was announced that food production for 1957–58 would be 2 million tons less than in 1956–57.

ISSUES AT STAKE

The issues at stake are so crucial that an effort on the scale of the Marshall plan is required over and above the aid provided by the mutual security program, the Development Loan Fund, and the Export-Import Bank. The task is beyond these agencies, separately or together.

There are two problems confronting the second 5-year plan. The first and most important problem is the critical need for the foreign exchange necessary for basic industrial development. This will be necessary until India can reduce substantially her present balance of trade deficiency. The second problem is to find a solution for the continuing food crisis in India. Fortunately the United States has the resources and the instruments for helping to solve both of these problems.

Using the rockbottom estimate of a $1.4 billion gap in foreign credits over the next 3 years, it is clear that much remains to be done. After allowing for the $225 million loan announced in March, the possible conversion to rupees of the 1952 wheat loan, additional aid which can be granted through existing U.S. channels and possible funds from non-American sources, there still remains a gap of $900 million.

The U.S. Senate on June 6, 1958, acknowledged the problem when it added to the Mutual Security Act of 1958 a statement of policy declaring that the "Congress recognizes the importance of the economic development of the Republic of India to its people, to democratic values and institutions, and to peace and stability in the world. Consequently it is the sense of the Congress that it is in the interest of the United States to join with other nations in providing support of the type, magnitude, and duration, adequate to assist India to complete successfully its current program for economic development."

This bipartisan Senate declaration is to be commended, but it will become as a sounding brass if it is not translated into bold action by the administration and Congress. I have proposed on the floor of the Senate that the United States attempt to help meet this $900 million deficit by a judicious mixture of direct economic loans and grants. It is clear that if these funds are to be utilized effectively they must be allocated sooner rather than later. In this connection it is encouraging that the Government of India itself seems to prefer working on the basis of long-term low-interest loans than on the basis of grants. Whatever method is used, however, must involve amounts larger than any assistance currently contemplated. I hope that the administration will come up with appropriate proposals and the necesssary leadership to insure their careful consideration.

INVESTMENT ATMOSPHERE

Supplementing all types of aid provided by The U.S. Government, everything possible should be done to build an investment atmosphere in India that will attract private capital from abroad. The Government of India should be commended for the recent steps it has taken to deal with this problem. Modern investors should know by now that they cannot and should not make a killing by putting their money in less developed areas. But any investor has the right to expect a reasonable return for the risks he takes. I believe India has the stability which will make private investment increasingly attractive, especially in certain heavy industries, although friendly governments will need to provide direct loans for some time to come.

Industrial expansion in India depends upon the expansion of basic transportation and communication facilities. These things cannot be accomplished by private enterprise alone any more than the Erie Canal could have been built by American private capital, or our transcontinental railroads built without heavy Government subsidy in the form of land grants. Further, much American industrial development depended upon substantial private investment from abroad.

FOOD SURPLUSES

The United States is also uniquely endowed to help meet India's food crisis. Blessed with a surplus of food and fiber, we can use our surpluses to help fill the need for food and thus contribute to the economic stability necessary for the most effective utilization of the aid we provide.

Many times I have suggested that we transform our domestic surplus problem into a constructive foreign policy asset. Some time ago the Senate passed a bill, which I sponsored, to extend and broaden our agricultural export program under Public Law 480. Unfortunately the House has not yet acted because many of its Members want to make their decision in the context of overall domestic farm legislation.

DOUBLE OPPORTUNITY

The double crisis facing India's 5-year plan presents us with a double opportunity. What we need is a dramatic new Marshall plan of funds and food for India. This plan will contribute both to agricultural and industrial recovery in the United States at a time when our own economy needs a shot in the arm. A substantial portion of any credit extended to India will return to the United States to purchase the tools of economic development. Today a Marshall plan for India will benefit the United States as much as India, just as the European recovery program helped us and our allies. Enlightened self-interest bids us to accept the challenge before us.

Statement by Hon. Fred Wampler, of Indiana

EXTENSION OF REMARKS
OF
HON. FRED WAMPLER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. WAMPLER. Mr. Speaker, under leave to extend my remarks, I am including a statement which I made today before the House Committee on Banking and Currency in support of my own area redevelopment measure and all similar measures.

The statement follows:

STATEMENT BY THE HONORABLE FRED WAMPLER BEFORE THE HOUSE COMMITTEE ON BANKING AND CURRENCY IN SUPPORT OF THE BILL H.R. 4048 AND SIMILAR MEASURES, TO ESTABLISH AN EFFECTIVE PROGRAM TO ALLEVIATE CONDITIONS OF SUBSTANTIAL AND PERSISTENT UNEMPLOYMENT AND UNDEREMPLOYMENT IN CERTAIN ECONOMICALLY DEPRESSED AREAS

Mr. Chairman, I am appearing before your distinguished committee today in support of my bill, H.R. 4048, and all identical measures, which would establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in the economically depressed areas of the United States.

The bill, H.R. 4048, Mr. Chairman, is identical to the bill, S. 722, authored by Senator DOUGLAS of Illinois, which was approved by the Senate Banking and Currency Committee, March 11, 1959, and ordered reported to the Senate with certain amendments which I understand do not affect the essential features of the program.

The program proposed in both measures is, I'm sure, quite familiar to all. However, in the interest of a complete record, the program, in brief, contemplates the establishment of three revolving loan funds of $100 million each to assist private firms and public agencies in their industrial redevelopment activities, both in urban and rural areas. In addition, a $75 million fund would be set up to make Federal grants to areas which are so underfinanced that they cannot contribute their share to the loan program. The measure also authorizes $10 million for subsistence payments for vocational retraining, and $4.5 million for providing technical assistance, that is, technical information,

market research, etc., to economically depressed areas.

Under the terms of the bill, the Federal Government would provide up to 65 percent of the cost of each area project—land, buildings, equipment, and machinery, etc.—and the State or locality would contribute 10 percent; private sources would make available 25 percent of the costs; at least 5 percent must come from non-Government sources.

Loans made from two of the $100 million revolving funds—one for industrial projects in industrial redevelopment areas and the other for industrial projects in rural redevelopment areas—are to be made for 30-year periods. Loans made from the third $100 million revolving fund, to be established to improve and develop depressed area community facilities so as to enhance the opportunities in the area for the attraction or expansion of industrial or commercial plants and facilities, will run for 40 years.

Loans made will bear interest at the rate of one-half of 1 percent above the Treasury's borrowing cost.

I have been informed by the Department of Labor, Mr. Chairman, that in the State of Indiana there are 12 labor market surplus areas which, as of March 18, 1959, based on January 1959 ratings, suffer from a 6-percent-plus ratio of unemployment to the total labor force.

These 12 areas, which I feel would surely benefit extensively from the proposed area-redevelopment program, are at the moment areas classified in Department of Labor categories D, E, and F, and are, therefore, sufficiently depressed to meet the requirements for designation as areas of substantial labor surplus, or areas of substantial unemployment for purposes of Defense Manpower Policy No. 4, the policy on accelerated tax amortization for labor surplus areas, and Executive Order 10582, implementing the Buy American Act.

Labor Department area classification criteria places a surplus labor market area in class D when the ratio of unemployment to the total labor force stands at 6 percent or more, when jobseekers are in excess of job openings and that situation is expected to continue during the succeeding 4 months. Class E areas fall in the 9 to 12 percent unemployment ratio category, and class F in the 12 percent or more ratio group.

Major and smaller labor surplus areas in the State of Indiana include Evansville, with 9.7 percent of the total labor force unemployed; Fort Wayne, where 7.4 percent are unemployed; South Bend, where 7.4 percent are unemployed; and, Terre Haute, where 10.5 percent of the total labor force is unemployed. In Anderson, the unemployment ratio stands at 8.9 percent; in Columbus, at 7.0 percent; in Connersville, at 8.9 percent; in the Michigan City-La Porte area, at 10.9 percent; in Muncie, at 10.3 percent; in New Castle, at 13.3 percent; in Richmond, at 7.6 percent; and, in Vincennes, at 9.6 percent.

I think the extreme economic seriousness of the Nation's unemployment problem and the necessity for effective, farsighted remedial action can be graphically illustrated and understood when one reduces to bread and butter terms the daily privation and distress faced by America's 4,724,000 jobless, but potential breadwinners who comprise 7 percent of the Nation's total labor force of 67,430,000.

By comparison, of Indiana's total labor force of 1,725,900 7.3 percent or 126,400 are unemployed.

To take the illustration a step farther, Mr. Chairman, in 1950 the Census Bureau estimated that the median annual income in the Nation was $1,917, and the median annual income in the State of Indiana was $2,116. The Bureau informs me that the national annual median income for 1957, of persons who had income, was $2,452. By arithmetically projecting these figures, the annual median income in Indiana for 1957, of persons with income, is computed to be $2,706. Now assuming that the State of Indiana's total labor force was active, or that the 126,400 Hoosiers currently jobless were gainfully employed, Indiana payrolls would be expanded by the sum of $341,938,400, or, in other words, practically the entire cost of the proposed area-redevelopment program, estimated to be $389.5 million.

Granted, Mr. Chairman, that full employment represents the ideal labor picture, that full employment is perhaps a bit utopian; it is nonetheless exactly what we are striving for. And, when the above formula is applied on a nationwide scale, the total loss in gross national income and economic strength, is absolutely staggering.

The Department of Commerce has announced that personal income, which is a measure of the dollars people receive, jumped $1.5 billion in February, to a yearly rate of $364.5 billion. However, it is reported that there are strong indications that that one-half of 1 percent gain is due largely to fatter dividend checks and more overtime pay. Thus, leading many economists to the conclusion that merely regaining old output levels won't have much effect on current unemployment levels.

As I've stated before, Mr. Chairman, I wish to express my unqualified support for this and all similar measures introduced by Members of both bodies, from both sides of the aisle.

These distressed communities in Indiana, and elsewhere in the country, are in dire need of assistance if they are to regain their economic health and thereby be in a position to contribute materially to our national industrial strength.

Thank you, Mr. Chairman, for this opportunity to be heard.

James S. Hunter, Legislative and Civic Leader

EXTENSION OF REMARKS
OF
HON. RAY J. MADDEN
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. MADDEN. Mr. Speaker, on Monday evening of this week, I attended a testimonial dinner in the city of East Chicago, Ind., for Hon. James S. Hunter, one of Indiana's outstanding legislators. Representative Hunter has served the Calumet industrial area of Indiana for over 20 years and during this period of time he has been recognized by State legislators of both parties from districts throughout the State as an honest, conscientious, and sincere public servant.

At the mammoth testimonial banquet in East Chicago last Monday evening, leaders of both political parties, businessmen, labor officials, and other citizens paid much deserved tribute to his record as a public official. Mayor Walter Jeorse of East Chicago was toastmaster of the banquet and he joined with others in reviewing Jim Hunter's record as a public servant and recalled the great debt that the citizens of East Chicago and Indiana owed to Representative Hunter for his service, not only as a State representative but as a member and director of the Public Welfare Board of Lake County for a great number of years.

Governor Handley of Indiana in his message stated: "It can truly be said that James S. Hunter loves his fellow man."

Other tributes to the guest of honor were paid by Mr. Fred Steininger, director of public welfare, State Senator William Christie, Mr. Lester Thornton, director of AFL–CIO, State Representative Howard Steele of La Porte, Ind., and Mrs. Jessie Jacobs of Indianapolis, Ind. East Chicago Councilman James L. Dent introduced the Honorable Mercer Mance, superior court judge of Indianapolis. Other guests were introduced by Mr. Henry Walker, prominent East Chicago lawyer. Mr. Benjamin J. Wilson, lawyer and Gary City councilman introduced the main speaker of the evening Mr. Robert C. Weaver, educator, lecturer, and author, and also a resent member of New York's Governor Harriman's cabinet. Congressman J. EDWARD ROUSH of Indiana's Fifth District, who served with Representative Hunter in Indiana State Legislature, paid the following tribute to the guest of honor:

I learned with great interest that the folks of Lake County are giving a testimonial dinner for my good personal friend Jim Hunter. I have known Jim for over 10 years, having first met him during my term in the Indiana Legislature in 1949.

He was one of the finest legislators of that session, commanding the respect of people from both sides of the aisle. We all respect his intelligence, common sense, his great knowledge and humble spirit. Certainly the honor which Lake County is bestowing upon Jim Hunter could not come to a finer man.

In honoring this man I have the feeling that you are honoring the things which he stands for, namely good government, integrity in government and political honesty. I join with his many friends in wishing him well in the years to come feeling that his contributions have not yet ceased and that we will all benefit, as we have in the past, by his future services.

Hon. George Chacharis, mayor of the city of Gary, Ind., in presenting a plaque of appreciation to Representative Hunter, made the following remarks during his presentation address:

This is a great occasion.

It represents a tribute to a great man.

But it is not greatness alone that we acknowledge tonight.

Present with us tonight, as suggested by the character of our honored guest, are other qualities also—wisdom, compassion, and self-sacrifice.

Here in America, we stress service as the principal purpose of government. That is why we are here tonight. We have come to honor service as embodied by a man.

We are saying to him that you served with dedication, that you served the highest purposes of democracy.

And that the people of Lake County and Indiana rise tonight to express their heartfelt and their immeasurable gratitude.

Not infrequently and often erroneously, it is said that a membership in the State legislature is a minor political office, that it is of no consequence, that it is unimportant.

That evaluation has been rejected by James S. Hunter.

He feels, as I do, that there is no such thing as an unimportant office—that any public honor conferred by the votes of the people is a solemn one, a sacred one, one

which at all times calls for devotion and understanding.

Because he gave it the strength of his character, because he invested it with his heart and soul, because of his unsparing sacrifice of energy in the fulfillment of his duties, James S. Hunter brought meaning and dignity to the tasks he performed.

Working for the people was the most important job in the world for him.

Ours is a profound, and irredeemable debt to him. His achievements in economic, social, and educational legislation brought assurance of greater security and the promise of a brighter future to 4 million people in Indiana.

To speak of James S. Hunter, we need to rely, with some variation, on the superb language of Winston Churchill:

Never has one done so much for so many.

And now, godspeed, Jim. May your future abound in the blessings you labored to bring to others in the past.

Now, may I present you with this plaque, which will give permanence to the words in our hearts here tonight.

We present it as a token of our esteem and appreciation for statesmanship and eminent public service.

Inscribed on this plaque are these words:

"To James S. Hunter, dean of Lake County's State representatives. In grateful appreciation of 20 years outstanding service to his county and State.

"Presented by Mayor George Chacharis on behalf of the citizens of Gary, Ind. Dated: March 16, 1959."

H.R. 3505: The Area Redevelopment Act

EXTENSION OF REMARKS
OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 19, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the Banking and Currency Committee in favor of H.R. 3505:

STATEMENT OF HON. THOMAS J. LANE, OF MASSACHUSETTS, BEFORE THE HOUSE BANKING AND CURRENCY COMMITTEE IN FAVOR OF H.R. 3505, THE AREA REDEVELOPMENT ACT, MARCH 19, 1959

Mr. Chairman, seasonal unemployment in the rural areas, and brief layoffs in the industries that are usually located in cities and towns, have gone hand-in-hand with the development of the American economy. We adjusted ourselves to these variables, and took it for granted that there would always be a low level of unemployment due to shifting changes within the labor market.

In fact, unemployment compensation was conceived and put into operation for the purpose of providing some income for people who were inbetween jobs. Since the end of World War II, however, we have been confronted with a new economic problem; namely that of areas where unemployment has far exceeded the normal level, and has persisted for a long time.

These are not temporary, local recessions. They indicate serious weaknesses in the basic economies of these areas. New economic problems require new remedies.

Communities where people live and work, were never intended to be unchanging clusters of factories and stores and homes and public buildings and utilities and services. They are living organisms, responding to change and challenge, or failing to adjust themselves to economic realities because of reasons beyond their control.

Buildings and factories grow old and die. Industries come and go. Through its slum clearance and urban renewal programs, the Federal Government has recognized its responsibilities. Communities are being encouraged and assisted in tearing down and rebuilding the deteriorated areas that are no longer fit for human habitation or for retail enterprise.

It owes a similar responsibility to help in the reconstruction of those ancient, rundown, and abandoned industrial areas of those communities where there is a chronic labor surplus, in order to revitalize their economies.

The decline of some local industrial economies followed by the tragic inertia of heavy unemployment, is a postwar problem that cannot cure itself. It continues, in spite of national prosperity, and this fact alone should convince us that the problem is not transient, and that time alone will not solve it.

Some of the affected communities, based upon an older industry that is steadily contracting, or has moved away, or has simply died, have been bogged down in the labor surplus category for the past 7 years. Meanwhile, the empty and obsolete multistoried factory buildings are a drag upon the life of the whole community. Modern industry will have no part of these ancient plants. The small and struggling enterprises that sometimes avail themselves of this space, usually pay substandard wages.

Our experience with this problem has proved that local groups and local initiative, despite valiant and partially successful efforts, cannot complete the heroic task of redevelopment without help from outside. Show me just one community, suffering from prolonged labor surplus, that has managed to lick this problem entirely by itself. Neither municipal government, nor private groups, are equipped to do this job.

The danger of industrial blight is one that, sooner or later, could affect the economic health of any community. That is the fundamental reason why we must have a national policy and national legislation, providing adequate remedies, to help the distressed areas of tomorrow as well as those in need of immediate assistance.

The older textile, coal mining, and railroad centers, have been in the doldrums for some time. Statistics from the Bureau of Employment Security reveal unemployment in these communities considerably in excess of 6 percent for year after year. And these figures do not reflect the unknown thousands who have exhausted their unemployment benefits, and have had little or no opportunity to build up reentitlement, because there are no work opportunities for them.

The depressing effect on business is a natural consequence. Check along the main streets of these communities and you will find a number of empty stores. Check with the local governments and their shrinking tax base. Observe that some recovery has been made, through local effort alone, but that it has not been enough, because local resources, unaided, cannot cope with the whole problem.

Look at the middle-aged displaced workers in these communities who have given most of their lives to an industry that has gone. It is inhuman and unrealistic to suggest that they should move to another community where the invisible barrier of age-discrimination would stand in the way of reemployment. These people need new and growing industries in their own communities, and a program of retraining to fit them for new occupations.

If there is a fault in the proposed legislation, it is the failure to recognize and to eliminate the prejudice that will operate against the employment of middle-aged or older workers, in the new plants that will be built in labor-surplus areas, as a result of a redevelopment bill.

These people are the chief victims of the economic-readjustment problem. Due to the intricacies of insurance and pension plans, they will be politely discriminated against when they seek employment in the industries that are encouraged to locate in the areas we intend to help. The occupations to which they have given two-thirds or more of their lives have vanished. Some of these people in their late forties or early fifties, will be artificially considered as unemployable by replacement industries, and will have to wait out the years until they become eligible for social-security benefits—a burden to their families and crushed by the loss of their own self-respect—unless, through this bill we make provisions that will give them a fair share of the jobs that become available.

Social scientists are aware that we must reduce the hours of the workweek in order to spread employment opportunities because of our increasing population and the development of automation which is ever reducing the number of workers required by industry.

This is a longer range problem on the national level, but I bring it to your attention because it is affecting—right now—the middle-aged displaced workers who must be our primary concern in this area redevelopment problem. As long as they cannot get work, we shall achieve only partial success in our efforts to put these areas and their people, back on their feet again.

You see, gentlemen, why local resources do not have the capacity to meet all angles of this problem. Any political or economic system that neglects this problem, or fails to solve it, is suffering from a basic weakness that could hurt larger areas of our economy. As slums spread the cancer of deterioration, so too can rundown and obsolete industrial areas affect other enterprises in their neighborhood.

When I first introduced an industrial redevelopment bill in 1953, due to the collapse of the textile economy in my home city, the suggestion for remedial action was slow to win support. There was the understandable hope that so-called natural economic forces would bring about a short and painless transition to the replacement industries that would move in and take up the slack.

Within a few years, however, as the problem continued to plague a number of other communities, public opinion has awakened to the fact that energetic measures are required to restore these areas to economic health.

A pledge to enact legislation along these lines was written into the Democratic and Republican Party platforms. In 1958 the House and the Senate passed an area redevelopment bill that was vetoed by the President. Events since then have but reinforced the need for this pioneering type of legislation. The only question is: "How soon and to what extent?"

This is not a bill to help communities suffering from seasonal or temporary unemployment. That is a separate and far less critical issue. The yardsticks determining eligibility under this bill are clear and definite. Its purpose is to help only those communities where unemployment is a nagging and chronic problem. It calls for a gradual but major shift in the economic base of these areas so that they will have the diversification necessary for programs. In the past, they were built around one industry and were completely dependent upon its ups and downs. We have learned that communities

cannot afford to put all of their eggs in one basket, and through the proposed legislation we intend to help them toward a new economic life that will be productive and prosperous in its variety.

The administration proposes a $53 million program which is hardly better than no program at all. The target of $389 million is far more realistic.

The latest available information indicates 23 major areas, and 110 smaller areas with substantial and persistent unemployment, that would be helped by S. 722 and H.R. 3505. In Massachusetts alone, we have four major areas that have been in this category for a number of years. More than half the States have one or more areas with substantial and prolonged unemployment.

The Area Redevelopment Act faces this problem squarely and realistically. It limits eligibility to those areas that cannot find any other way out of their predicament. When its mission has been accomplished, and economic recovery has been achieved, there will be no need of further Federal participation. Bear in mind also, that the major emphasis is on loans, which, as they are repaid, will revolve to assist other affected communities in the future.

This is the type of legislation that proves the values of cooperation.

I am convinced that the Area Redevelopment Act, H.R. 3505, will assist depressed communities so that they will share as equals in our national progress.

The Need To Do Something About Our Classroom and Teacher Shortages

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. ROOSEVELT. Mr. Speaker, under leave to extend my remarks, I wish to include in the CONGRESSIONAL RECORD the text of my statement, "In Support of the School Support Act of 1959," presented to the General Education Subcommittee of the House Committee on Education and Labor, March 6, 1959:

STATEMENT OF HON. JAMES ROOSEVELT BEFORE THE GENERAL EDUCATION SUBCOMMITTEE OF THE HOUSE COMMITTEE ON EDUCATION AND LABOR FRIDAY, MARCH 6, 1959

Mr. Chairman and members of the General Education Subcommittee, I am pleased to have the opportunity to join with my other colleagues who have appeared before you to ask for a realistic approach to offset national educational deficiencies in the richest Nation in the world.

The need to do something about our classroom and teacher shortages existed before Sputnik I beeped overhead, but it is apparent that this scientific achievement spotlighted the need. Last year, the United States Commissioner of Education undertook an on-the-spot study of the Soviet Union. He offered this telling observation:

"We are today in competition with a nation of vast resources, a people of seemingly unbounded enthusiasm for self-development, and fired with conviction that future supremacy belongs to those with the best-trained minds, those who will work hard and sacrifice."

Yet, notwithstanding the views or observations of one of its own top officials, the administration has failed to offer leadership in meeting this challenge on the education front. Thus, the conclusion is obvious: This Congress must alone carry the full responsibility to fill an unfortunate void created by the administration's inaction and failure to present a workable program—the plan offered by the administration and made public February 9 of this year is not a workable, realistic program and in my mind is a means to go on record that the administration is concerned, while at the same time offering a program that is destined for defeat. It is a program aimed not at helping financially destitute States and communities, but rather one aimed at helping moneylenders. Its features would require constitutional amendments by many States that have constitutional limitations on bonded indebtedness. State action to overcome this would be most difficult; thus the administration's proposal to underwrite bond issues would be of no help to such States.

It is unfortunate, to put it mildly, that the state of the Union message does not contain a solitary word on the critical classroom shortage; a shortage that States and communities have not been able to alleviate properly, not because of a lack of concern and effort, but because of a lack of adequate public finances. As a matter of fact, the President evaded the whole issue in his message by the less than concrete remark that the Nation's schools "conform to no recognizable standards."

Equally disturbing is the intent of the administration, as expressed in the budget message, to work toward eliminating or cutting Federal funds to education in fields where Federal participation is well established. The message calls for ending in fiscal 1961 the Federal grants for vocational education, although a $63 million grant is proposed to continue Federal participation in this and other areas through fiscal 1960. If the vocational education program is worth keeping in fiscal 1960, why not in fiscal 1961 and thereafter? I think it is worth keeping and improving. With automation forging a new technological revolution, it seems imperative that workers learn new skills in order to be gainfully employed. Presently, vocational education programs in most local communities are inadequate in intent and scope, but even these inadequate programs will suffer materially if present limited Federal funds are denied.

And a most alarming suggestion of the President, contained in the budget message, is to cut off aid to impacted areas. This would be a grave mistake. Many cities are plagued by the increase in school enrollment resulting from Federal employees coming in to work on Federal projects. The problem of increased school enrollment is compounded by the fact that Federal property is tax exempt, so the city is forced to stretch its tax income not only to take care of the additional burden on its schools but to expand its city facilities to serve the new residents.

In view of these proposals, it really should come as no surprise that the administration has offered no budget item for Federal aid to education.

With its fixation on classical economics, the administration has retrogressed on its approach to education, at least as the approach appeared to be some 2 years ago. It will be recalled that at that time the President's White House Conference on Education called for Federal aid in the field of education, and when Sputnik I made known its presence in the ether, the administration noted the need for Federal action; congressional programs were advanced by members of both parties.

And 2 years ago, the administration's Department of Health, Education, and Welfare highlighted the crisis proportions of our educational plant deficiencies when it noted the Nation was short some 159,000 classrooms. At this time the need to do something was further accented by the assertion of the National School Boards Association that a new classroom was needed every 10 minutes to meet the Nation's growing population requirements.

Now 2 years later—1959—despite record building at the local level, the problem is still with us and crying out for solution. The January 28 report of the U.S. Office of Education gives factual testimony that this is the case. The States reported they needed 140,500 more instruction rooms; of these, 65,300 are needed to take care of enrollments in excess of normal capacity to handle, and 75,200 to replace unsatisfactory or obsolete school facilities.

Because this committee is well apprised of further data in this regard, I shall not press the point, but I do wish to stress that the teacher shortage has reflected itself in all too many instructors teaching on substandard credentials. The reason is that we have failed to offer financial incentive and security and due recognition to the teacher in the community.

The fact that the Metcalf bill covers both the school plant and teacher shortages makes it the most comprehensive approach offered to date. Parenthetically, I wish to point out that another school construction measure which I have also introduced in no way conflicts with the Metcalf proposal which I cosponsored—rather, it supplements the Metcalf bill by providing for a general authorization for Federal financial assistance to build schools, with no amount specified.

If the issue is going to be joined on monetary considerations, I think then that it is important to point out that the present position of the administration is based on false economy. To economize at the Nation's expense—at the expense of both parents and their children—is a classic example of sophistry. Federal expenditures for assistance to education would be the soundest, safest investment the Government of the United States could make, for it would bring in dividends from the Nation's economic, cultural, and social progress that would ensue. Not to invest in an adequate school program is a dangerous risk.

The "economy" brigade—and I use the term "economy" advisedly—in the administration has its supporters, of course. Prominent among these is the U.S. Chamber of Commerce. I only wish that this organization would declare that it objects to Federal aid to education because it doesn't want to see the money expended, rather than using the old bromide that Federal aid means Federal control of education at the local level. Neither the intent of the supporters of the Metcalf proposal nor the intent of the measure itself is to bring Federal policy into school administration, curriculum, etc. And I have an idea the chamber of commerce really knows this.

I think the chamber of commerce ought to have the courage of its convictions to tell the American people and schoolchildren now attending half-day sessions or crowded into classrooms like sardines that Federal funds should not be spent to help them because it would upset the economy, create inflation, ad infinitum. At least the education bill now before the committee could be argued on its merits, its real effect on the economy and fiscal policy, rather than becoming the means to evade the central issue by using it as an example of Federal usurpation of local education.

Since this perennial argument is still with us, I think it might be well to note, in brief fashion, that Federal aid is not a new or startling concept. A check into history will prove this. Such a check would show, for example, that Federal aid has existed in one form or another since the year 1785, 2 years

before the adoption of our Constitution. Other facts to note:

1. In the 1930's the Federal Government aided in the building of many needed schools under the PWA and WPA programs.

2. In the 1940's more aid was given under the Lanham Act.

3. In the 1950's Public Laws 815 and 874 continued the principles of the Lanham Act under which aid is given for the construction, maintenance and operation of schools in federally impacted areas.

Can the opponents lay claim, much less prove, that any of these measures resulted in Federal control of education? I think not.

Mr. Chairman, in addition to the need to meet the Communist challenge by educating our young people in adequately constructed, well-spaced facilities with a sufficient number of well-qualified teachers, I think there is another compelling reason for enactment of Federal legislation that will permit this objective to become a reality. And this reason is a positive one; I say "positive" because it is not based on our reacting to another nation's actions, but rather the reason stems from our concept that a free, well-informed citizenry is the prerequisite for the survival of democratic institutions. This is part of our thinking; this is part of our proud heritage. This whole concept was set forth with clarity in 1830 in "A Plea for Public Education," prepared by the Philadelphia Working Men's Committee:

"The original element of despotism is a monopoly of talent, which consigns the multitude to comparative ignorance and secures the balance of knowledge on the side of the rich and the rulers. If then the healthy existence of free government be * * * rooted in the will of the American people, it follows as a necessary consequence, of a government based upon that will, that this monopoly should be broken up and that the means of equal knowledge (the only security for equal liberty) should be rendered, by legal provision, the common property of all classes."

It is my hope that our concept of the importance of public education will be implemented by the passage of legislation based on this concept: the Metcalf proposal.

India

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 19, 1959

Mr. POWELL. Mr. Speaker, I wish today to salute the people of India, their Prime Minister, Jawaharlal Nehru, and His Excellency the Ambassador to the United States, as that country moves into its 12th year of independence.

Though only half the size of the United States, India is the home of every sixth person in the world, ranking it as the second most populous nation. Its people present a colorful mosaic of races, religions, and cultures. Centuries before the birth of Christ, India gave to the world the first discoveries in science, mathematics, and metaphysics; the first classics in literature, art, and law. Five thousand years ago a highly developed civilization flourished in India, and there is evidence today of once well-planned cities, sanitary underground drainage, baths, wide roads, and houses made of burnt brick. Moreover, findings reveal that the Indian people even then were skilled in many arts and crafts and had developed a form of writing.

If modern India is viewed today against this historical background rather than its past independence, development, and maturity the richness of her philosophy and the significance of her tradition will offer greater meaning to a disordered world.

India has never embarked on a war of conquests, her leaders maintain. Moreover, they add, through all the centuries of her life, India has usually lived at peace with her neighbors, and her only relationship with them has been one involving an exchange of culture through pilgrims and peaceful delegations. This is not to imply invaders have not come to India and effected conquests, but the Indians remind they have been absorbed by her and have become Indians.

So when India came face to face with the community of nations for the first time in 1947, she presented a curious blend of the old and young: old because of the traditional values which direct successfully her destiny through the ages and young because she was free of a background of aggressive conquest or any other such inherited legacy of behavior. Thus, Nayantara Sahgal, the daughter of Madame Pandit, wrote in 1953:

> Hers was the unique and happy position of launching into international affairs with a blank slate, of regarding the whole world with friendship, and announcing that her own moral sense and no other consideration would be her future guide in matters of policy.

Madam Sahgal admits, however, the handicap that is India's, having so recently awakened in a highly industrialized world climate and finding herself so far behind her Western neighbors in many important respects. She is concerned with immediate survival—food, housing, health, and education of her people with which she must cope while attempting at the same time to pull her weight around with the politically mature and highly industrialized nations while attempting to adjust herself to the international scene.

In response to Western demand for India's abandonment of neutralism that the countries of its hemisphere may successfully grapple with "the resulting disturbance in that carefully contrived centuries-old balance of power, the author gave the following response:

> When a European or an American friend asks me, "Where does your country stand?" I can only reply, "Just where your country stood at the dawn of her nationhood, with perhaps many similar problems." I would say to America, for example, "In 1776 you became a sovereign, independent nation. Yet it was 1917, and three-quarters of a war involving the entire world was over, before you allowed yourself to be drawn into it. Up to that time you were occupied in consolidating your frontiers and your independence. Are you not better equipped than any country to understand India's position?"

India, with her reverence for her own traditions and culture, has at the same time a tremendous admiration for the scientific acumen of the Western nations. She sends her young people abroad to study medicine, science, and technology. She employs foreign experts and seeks foreign advice for her irrigation and other large-scale projects. She invites foreign investment and welcomes foreign aid. The self-sufficient attitude is not hers. She is an active member of the United Nations, and her helping hand has been outstretched wherever it could be of service. Her good neighbor policy extends around the globe, for in this atomic age every country is a neighbor.

But the spirit of satyagraha which accomplished a unique revolution is a justly proud spirit. It seeks friendship rather than favor, it wishes to learn but not to imitate; it will take advice but not dictation. It will continue to work out its salvation in its own serene way, and by its example, perhaps, accomplish an even greater revolution—that of making nonviolence as real and workable a creed on the international plane as it has proved in India's national life. Only if this comes to pass, will the world have taken its first step toward making peace an abiding reality.

If the above quotation of this, the brilliant young Indian woman, becomes a part of our thinking when discussing policies and devising programs for not only India but all other members of the Afro-Asian bloc nations, we will become increasingly enlightened and the world may know peace everlasting.

One can hardly touch any aspects of India without absorbing particles of the noble ideals of Mohandis K. Gandhi and the aspiration for peace which motivates the Prime Minister. For today we have chosen two such reminders:

From Gandhi:

> Hatred ever kills, love never dies. Such is the vast difference between the two. What is obtained by love is retained for all time. What is obtained by hatred proves a burden in reality, for it increases hatred. The duty of a human being is to diminish hatred and to promote love.

From Nehru:

> We have seen in the last year or two that it is not easy for even great powers to reintroduce colonial control over territories which have recently become independent.

Whatever we may think about it, we have arrived at a stage in the world when an attempt of forcible imposition of ideas on any large section of people is bound ultimately to fail. In present circumstances, this will lead to war and tremendous destruction. There will be no victory, only defeat for everyone.

Prime Minister Nehru's remarks before the British House of Commons January 22, 1947, grow in meaning with the years—we want to be friendly to all. We want to be friendly with the British people and the British Commonwealth of Nations. What I would like this House to consider is this: when these words and these labels are fast changing their meaning—and in the world today there is no isolation—you cannot live apart from the others. You must cooperate or you must fight. There is no middle way. We wish for peace. We do not want to fight any nation if we can help it. The only possible real objective that we, in common with other nations, can have is the objective of cooperating in building up some kind of world structure, call it

One World, call it what you like. The beginnings of this world structure have been laid in the United Nations Organization. It is still feeble; it has many defects; nevertheless, it is the beginning of the world structure. And India has pledged herself to cooperate in its work.

India can add meaning, give directions to a world adrift—maybe not in things, but ideas. After all, "Man cannot live by bread alone."

DAV Services in Colorado

EXTENSION OF REMARKS
OF
HON. BYRON G. ROGERS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. ROGERS of Colorado. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Colorado citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Colorado, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war. Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger, its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris, all located at its national service headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff, of any veteran organization, of fulltime trained national service officers, 138 of them, who are located in the 63 regional and three district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The DAV national service officers in Colorado are Mr. Frank M. Cain and Mr. Lowell McGowan, located in the VA Center, Denver Federal Center, Denver, Colo. VA hospitals coming under the jurisdiction of this office are: A 530-bed GM hospital at Denver, a 681-bed NP hospital at Fort Lyon, and a 152-bed GM hospital at Grand Junction.

The offices of the Department of Colorado, Disabled American Veterans, are located in room 116, State Office Building, Denver, Colo.

During the last fiscal year, the VA paid out $60,101,000 for its veteran program in Colorado, including disability compensation to its 20,440 service disabled veterans. These Federal expenditures in Colorado furnish substantial purchasing power in all communities.

Only about 29 percent—6,002—are members of the 26 DAV chapters in Colorado.

This 29-percent record is the best among all States but, nevertheless, not good enough in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Colorado veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimate)	56,243
Claims folders reviewed	46,869
Appearances before rating boards	22,166
Compensation increases obtained	4,982
Service connections obtained	1,553
Nonservice pensions	899
Death benefits obtained	385
Total monetary benefits obtained	$2,950,547.20

These above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Colorado veterans, their dependents and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guaranteed loans for homes, farms, and businesses and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult, too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 1 percent—.0099—of such discontinuances and reductions have probably occurred as to disabled veterans in Colorado with a consequent loss of about $2,677,200 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed.

I urge every disabled veteran in Colorado to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nation-wide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag (miniature automobile license tags) project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1 million owners of sets of lost keys have received them back from the DAV's Idento-Tag Department, 6,029 of whom, during the last 8 years, were Colorado residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nation-wide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all "serviced" claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund ranging from $100 to $1,000, equivalent to about $4 per DAV member.

As a DAV life member, I am pleased to enroll as one of the benefactors on the memorial honor roll of the DAV Service Foundation, with the realization that only the interest earnings therefrom will be available for appropriation to the DAV for its use in continuing to maintain its national service officer setup in my State of Colorado.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Colorado by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such "serviced" claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations, and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice, the DAV.

Bank Merger Legislation

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a statement I made before the Committee on Banking and Currency, U.S. Senate, on S. 1062, Thursday, March 19, 1959. The statement follows:

STATEMENT BY HON. EMANUEL CELLER, OF NEW YORK, BEFORE THE SENATE COMMITTEE ON BANKING AND CURRENCY, ON S. 1062, MARCH 19, 1959

INTRODUCTION

I appreciate the opportunity to present to this distinguished committee my views concerning S. 1062 which would provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking. I would point out that the views I express are based in considerable part on extensive studies, hearings, and reports of the House Judiciary Antitrust Subcommittee, dealing with the competitive aspects of bank mergers. To summarize my position, I recommend favorable consideration of S. 1062 provided it is amended in the following respects:

First, by prohibiting the appropriate Federal bank supervisory agency from approving any bank merger or consolidation where, in any section of the country, the effect may be substantially to lessen competition or tend to create a monopoly;

Second, by requiring the appropriate Federal bank supervisory agency to give notice to the Attorney General of a proposed merger and to enable him to intervene or offer his views respecting the competitive phases of the transaction;

Third, by requiring notice with opportunity to be heard to the appropriate supervisory authority of the interested State in the event the transaction involves State banks;

Fourth, by adoption of a so-called antitrust savings clause for a merger between banks similar to that governing a merger between a holding company and a bank under section 11 of the Bank Holding Company Act of 1956, thus making it clear that applicable provisions of the antitrust laws pertaining to banks are not to be superseded;

Fifth, by adoption of provisions for a hearing on the record.

As background for these legislative recommendations, I propose to discuss first the trend of bank merger activity and the resulting concentration in banking facilities; second, the present provisions of Federal law dealing with bank mergers; and finally, the reasons why the recommended changes in the bill are necessary.

CONCENTRATION OF BANKING FACILITIES

At the outset I would emphasize that enactment of S. 1062 with the recommended amendments is the minimum necessary to maintain a sound, vigorously competitive unit banking system in this country and to arrest a trend which is concentrating control of the Nation's banking business into the hands of fewer and larger financial institutions. At the present time, while there are approximately 13,500 commercial banks in this country, the 100 largest control approximately 46 percent of the Nation's total bank assets, and more than 48 percent of the bank deposits. In 10 of the Nation's 16 leading financial centers, 4 banks own more than 80 percent of all commercial assets. Furthermore, in nine of these financial centers, two banks own more than 60 percent of all commercial bank assets. Again in each of the 16 leading financial centers, as indicated by the following table, the first 2 banks own more than 40 percent of all the commercial assets, the first 4 banks 60 percent.

Percentage of total assets owned by largest banks in principal financial centers

	4 largest	2 largest	Largest
New York	60	41.6	22.0
Providence	98	93.3	87.7
Pittsburgh	87	79.2	61.0
Minneapolis	87	76.0	39.7
Cleveland	97	72.3	74.7
Boston	83	71.6	52.2
Chicago	84	66.9	34.1
Detroit	90	65.9	46.5
Dallas	84	64.9	32.8
Atlanta	92	63.9	33.2
Richmond	84	55.9	33.2
Kansas City	75	53.7	34.3
St. Louis	68	53.5	28.0
Baltimore	77	44.9	24.0
Philadelphia	69	44.6	24.7
Washington	60	43.0	26.3

Source: Superintendent of Banks, New York State. See interim report of the Antitrust Subcommittee, House Committee on the Judiciary on "Corporate and Bank Mergers," p. 30 (84th Cong., 1st sess.). See also House Judiciary Rept. No. 1417 on H.R. 5948, "Bank Mergers," p. 8 (84th Cong., 1st sess.).

Further indicating the degree of concentration is the following table (CONGRESSIONAL RECORD, vol. 103, pt. 3, p. 3705) show-

ing as of June 30, 1956, the proportion of assets for each of 54 cities which are classified as central reserve and reserve cities by first, the largest commercial and second, the 5 largest commercial banks:

Assets of (1) the largest commercial banks, and (2) the five largest commercial banks as percentages of the total assets of all commercial banks in Central Reserve and Reserve cities—1956

City	Percentages as of June 30, 1956	
	Largest bank	5 largest banks
Birmingham, Ala	63.35	99.33
Little Rock, Ark	33.92	99.38
San Francisco, Calif	58.71	92.95
Los Angeles, Calif	39.19	93.44
Denver, Colo	22.48	75.80
Pueblo, Colo	50.42	100.00
Washington, D.C	30.51	74.41
Jacksonville, Fla	34.76	94.90
Atlanta, Ga	35.19	93.71
Savannah, Ga	69.15	97.33
Chicago, Ill	25.78	66.61
Indianapolis, Ind	41.09	96.54
Des Moines, Iowa	31.17	91.09
Cedar Rapids, Iowa	66.04	100.00
Sioux City, Iowa	25.63	94.05
Kansas City, Kans	24.15	69.37
Topeka, Kans	28.73	92.37
Wichita, Kans	47.60	94.37
Louisville, Ky	30.70	88.93
New Orleans, La	39.93	100.00
Baltimore, Md	23.14	86.53
Boston, Mass	54.03	90.20
Detroit, Mich	46.23	96.68
Minneapolis, Minn	38.31	87.95
St. Paul, Minn	55.65	83.95
Kansas City, Mo	34.79	78.80
St. Louis, Mo	27.79	73.21
Helena, Mont	55.85	100.00
Omaha, Nebr	47.93	93.92
New York, N.Y	20.99	65.84
Buffalo, N.Y	52.72	100.00
Charlotte, N.C	56.21	97.30
Cincinnati, Ohio	33.77	97.50
Cleveland, Ohio	46.91	97.74
Columbus, Ohio	53.46	97.26
Toledo, Ohio	59.12	97.61
Oklahoma City, Okla	48.31	88.19
Tulsa, Okla	42.27	92.20
Portland, Oreg	47.83	99.78
Philadelphia, Pa	25.23	79.66
Pittsburgh, Pa	60.04	93.19
Memphis, Tenn	45.73	98.97
Nashville, Tenn	38.58	99.62
Dallas, Tex	35.84	90.75
El Paso, Tex	47.10	100.00
Fort Worth, Tex	37.39	88.33
Houston, Tex	32.90	83.07
San Antonio, Tex	27.72	81.91
Ogden, Utah	67.54	100.00
Salt Lake City, Utah	24.47	92.64
Richmond, Va	29.60	92.64
Seattle, Wash	49.14	99.67
Milwaukee, Wis	48.19	83.10

Source: Office of the Comptroller of the Currency.

The increase in banking concentration has been coupled with a comparative contraction in the credit extended to borrowers by the banking system. As banks have grown larger, they have tended to have fewer dealings with smaller businesses. A study conducted by the Federal Reserve Board demonstrated that the very large banks with deposits of $500 million or more had the least number of loans with small business of all classes of banks, the next to lowest dollar volume of loans with small business, and the smallest percentage of dollar volume of all loans will small business.[1] Considering the decrease in the proportion of small banks in the financial community, the overall drop in credit extended, and the frequent resort to Government agencies for funds, it seems likely that the increasing trend toward concentration has at times entailed credit shortages especially for smaller enterprises.[2]

[1] See Bank Mergers and Concentration of Banking Facilities, a Staff Report to Subcommittee No. 5 of the House Committee on the Judiciary, p. 48 (1952).

[2] Ibid.

Moreover, the present degree of concentration is contrary, I think, to the fundamental premise that the banking system of the United States should rely for its vitality on vigorous competition by a multitude of independent banks, locally organized, locally financed, and locally managed. Unlike other countries, such as Great Britain and France, where a few mammoth institutions control nearly all the banking facilities, the American system is based on unit banking—that is, strong, growing community banks which provide a wide range of financial services to the people in the area. It is the unit banking system which has played a key role in the economic development of this country. And it is this kind of system, premised on independent banks effectively competing with each other that must be perpetuated and preserved. For independent banks not only act as a necessary balance wheel to offset the power of big business, they tend to provide a much healthier basis for effective community organization than does the absentee ownership of giant banking institutions. In fact, the independent bank—not the mammoth financial house—provides in many cases the new ideas from which widespread innovations originate.

I am constrained to conclude that unless additional legislative precautions are taken of the kind here recommended to preserve the competition that still exists, there is the very real possibility that banking credit will be dominated to an ever-increasing extent by a small, tightly knit group.

BANK MERGER ACTIVITY

Largely responsible, in my judgment, for the concentration that now characterizes the banking system, has been a rapidly accelerating trend toward bank mergers which has been a major development in banking over the past 8 years. As shown by the following table, in the period 1950 through 1958, some 1,330 of the Nation's commercial banks have disappeared by way of mergers and consolidations:

Decreases in number of commercial banks because of consolidations and absorptions

	Number
1921	305
1922	394
1923	329
1924	373
1925	363
1926	462
1927	567
1928	534
1929	636
1930	769
1931	798
1932	433
1933	322
1934	231
1935	160
1936	176
1937	186
1938	100
1939	119
1940	96
1941	59
1942	89
1943	86
1944	72
1945	79
1946	93
1947	84
1948	75
1949	77
1950	91
1951	82
1952	100
1953	116
1954	207
1955	232
1956	189
1957	162
1958	151

Source: Federal Reserve Board.

Of these 1,330 mergers and consolidations, 731 or over one-half involved national bank transactions approved by the Comptroller of the Currency. Total resources of the banks absorbed in these national bank mergers amounted to $11,303,146,733.

Another matter that I know is of interest to this committee is the gradual decline in the total number of banks in the Nation. During the last 35 years the banking population of the Nation has been reduced by more than half; in 1921 there were more than 30,000 banks serving the Nation's creditors and depositors as compared to approximately 13,500 at the present time. True, a large share of the Nation's losses occurred prior to 1933 because of the depression when approximately 9,000 banks were forced to suspend operations during the 4-year period between 1930 and the end of 1933. However, as Chairman Martin of the Federal Reserve Board testified "since 1933 the merger movement has been the major factor in the gradual decline in the total number of banks."[3]

The fact is that the banking population of our country is at a 35-year low despite the postwar boom, despite the 286 percent growth in bank assets, despite the new high level of loans and deposits, despite the greatly increased use of banking services, and despite the enormous growth in the number of depositors.

The continued downtrend in the number of the Nation's banks is even more striking when examined on a regional basis. In New York State, for example, where New York City is widely recognized as the financial capital of the world, there were 611 State-chartered banks in 1926. The State's banking structure weathered the depression with the loss of less than 100 banks between 1929 and 1933, and by 1935 New York State had 471 chartered banks in operation. Yet the number of banks kept decreasing until there are now less than 380, a loss almost as severe as that suffered in the depression years.

Let me make it clear that I would not quarrel with the reduction in the number of independent banks, if thereby only weak banks were eliminated. The fact is, however, that the banks that have been absorbed in merger activity during the past number of years have not been for the most part the financially weak. Nor have they been, in the main, the specialized, the poorly organized, or the inefficiently managed. On the contrary, most of the banks that have been absorbed have been growing, efficient, profitable, vigorously competitive banks taken over at peak earning capacity. In short, the merger pattern is not predominantly a situation where two or more small, inadequately financed or managed banks, falling behind in the competitive race, seek by merging to form a big integrated institution, able to compete on equal terms. Indeed, a large percentage of mergers involved one or more giant banks having assets of $100 million or more. And a large percentage of the absorbed banks had assets in excess of over $50 million.[4] Furthermore, many of these mergers have been primarily

[3] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on Current Antitrust Problems, p. 2177 (84th Cong., 1st sess.).

[4] For a list showing the resources of each bank absorbed in a merger transaction approved by the Comptroller of the Currency in the period 1950–56, see hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), pp. 146–171 (85th Cong., 1st sess.). See also hearings before House Banking and Currency Committee on S. 1451 and H.R. 7026 (Proposed Financial Institutions Act of 1957), pp. 581–614 (85th Cong., 1st sess.).

the outgrowth of a deliberate effort on the part of certain banks to expand their banking facilities, add to their capital and depositors, and, in general, increase their overall financial strength in the economy.

Take New York City, for instance, where there occurred in 1955 the three largest mergers in the history of the country in terms of total deposits. In March of that year the Chase National Bank with total assets of $5,669 million merged with the Bank of Manhattan Co. with assets of $1,629 million, and the Bronx County Trust Co. with assets of $76 million. This merger provided the new entity, the Chase Manhattan Bank, with total assets of $7,374 million or 21.7 percent of the total assets of all banks in New York City and jumped it to first place in New York City and second place in the Nation.

Also in March 1955 the National City Bank of New York, previously the second largest bank in the United States, with assets of $5,767 million, took over the First National Bank of New York, which had total assets of $713 million. The new combination, the First National City Bank, then ranked second in the area, with assets of $6,480 million, or 19.1 percent of the total.

Less than a month later the Bankers Trust Co., with assets of $2,207 million, acquired the Public National Bank & Trust Co. of New York, which controlled assets comprising some $562 million. This was only the last of a series of acquisitions by Bankers Trust Co., which has been taking over other banks at a rapid rate for the last several years. Thus, since 1950 Bankers Trust has absorbed such substantial banking institutions as the Title Guarantee & Trust Co., Lawyers Trust Co., Flushing National Bank, the Commercial National Bank & Trust Co., and the Bayside National Bank.

In December 1954 the Chemical Bank & Trust Co., with assets of $2,081 million, combined with the Corn Exchange Bank & Trust Co., which had assets of $821 million, to form the Chemical Corn Exchange Bank, which now has total assets of $2,902 million.

In part, because of this merger activity, New York City now has only 56 commercial banks, whereas at the opening of the century it had 127. Further, the city's 4 largest banks control 61 percent of all deposits, whereas in 1900 the 4 largest had only 21 percent of the total deposits.

Nor is merger activity in New York City at an end. Of great competitive significance is the proposed merger between the Guaranty Trust Co. of New York and J. P. Morgan & Co., both of which are engaged in commercial banking in the city of New York, primarily as wholesale banks. Guaranty Trust is the 9th largest bank in the Nation, while J. P. Morgan is the 22d largest. This merger not only would result in the new entity becoming the fourth largest bank in the Nation; it would accelerate the merger trend among other city banks. As reported in Business Week of January 10, 1959, "New York bankers predict that if and when [this] merger goes through, a series of competitive realinements will result that won't end until a new 'balance of power' is established among New York banks."

I would emphasize that the New York situation is by no means a local phenomenon. Other leading financial centers have likewise experienced a similar rash of bank-merger activity. In Philadelphia, Pa., for example, the Pennsylvania Co. for Trusts & Banking, the second largest bank in the area, with total assets of $805 million, merged with the First National Bank, which was fifth in size, with total assets of $218 million. The consolidated bank had total assets of about $1,023 million, making it the largest banking institution in the area, with control of 25.3 percent of total banking assets. Prior to that, in 1953, the Tradesman's National Bank & Trust Co., with total assets of $139 million, merged with the Land Title Bank & Trust Co., which had assets of $96 million. Also in 1953 the Girard Trust Corn Exchange Bank, with assets of $579 million, acquired the National Bank of Germantown, with assets of $39 million. The Girard Trust Corn Exchange Bank itself resulted from a merger in 1951 between the Girard Trust Co., one of the hundred largest banks in the United States, and the Corn Exchange National Bank & Trust Co., another leading bank.

In Pittsburgh, Pa., the Mellon National Bank & Trust Co. has risen after a long series of mergers to a point where it has assets of $1,861 million representing 61 percent of the total assets in that area. Between January 1950 and the end of 1954, Mellon National had absorbed at least 13 other banks, many of them small, independent banks which had previously served depositors and borrowers in the suburban communities in the Pittsburgh area. In 1948, eight banks had merged or consolidated by Mellon National and in 1947 it had absorbed two large banks in Pittsburgh and seven banks in the adjacent suburbs.

In Providence, R.I., the Industrial Trust Co., with assets of $312 million, merged in 1954 with the Providence Union National Bank, with assets of $168 million, which gave the resultant Providence Industrial National Bank control of some 57.7 percent of all banking assets in that city.

In California the First Western Bank & Trust Co., of San Francisco, a subsidiary of Transamerica Corp., absorbed 14 other California banks in 1954 and increased its assets in the process from $333 million to $798 million.

Many other cities have also experienced analagous bank-merger activity in the last several years; for example, Boston, Cleveland, Dallas, Kansas City, Mo., Cincinnati, Baltimore, Washington, D.C., Houston, Indianapolis, Hartford, Portland, Oreg., and Wilmington, Del.[5]

As a result of the depletion in the ranks of the country's banks through mergers, competition among banks has been lessened in communities throughout the Nation. What is more, over 76 counties in the United States have no commercial banking facilities whatsoever, while more than half the counties in the United States have only three or fewer banks serving the needs of the community. Hundreds of small, rural American communities have become bankless towns and many others are served by only one bank in place of two or three which existed in the 1920's.

The conclusion is inescapable, as the Federal Reserve Board testified before our Antitrust Subcommittee, that the bank merger trend is a matter of deep concern. This is particularly true since competition is one of the strongest factors safeguarding a sound banking system. To quote from the testimony of the Chairman of the Reserve Board in June 1955:[6]

"The CHAIRMAN. And would you say, as a very distinguished and very efficient head of the Federal Reserve Board that this merger movement is a matter of deep concern to you and your colleagues on the Board?

"Mr. MARTIN. It is, indeed, Mr. Chairman. As we note in a later paragraph, it is a matter that we have given a great deal of thought to."

Mr. Martin added:

"I would like to reiterate, Mr. Chairman, that this is a trend which has given us very serious concern. * * *"[7]

In March 1957, Mr. Martin of the Reserve Board again emphasized that the bank merger trend was a matter that gave the Board very serious concern.[8]

PRESENT PROVISIONS OF FEDERAL LAW DEALING WITH BANK MERGERS ARE INADEQUATE

Under the National Banking Act, approval of the Comptroller of the Currency is required for any merger between national banks, or between a national bank and a State bank, where the resultant institution is a national bank.[9] In addition, the Federal Deposit Insurance Act[10] requires that approval of certain mergers must be obtained from the Federal Deposit Insurance Corporation, the Comptroller of the Currency or the Federal Reserve Board, as the case may be, but only where the capital stock or surplus of the resulting bank will be less than the aggregate stock of the two institutions combined. Also, approval of the Federal Deposit Insurance Corporation is required for mergers between insured and noninsured banks.[11] None of these Federal banking statutes applicable to mergers, deals substantively with competition in the field of banking, and in no case is the competitive impact of the merger a necessary element to be considered by Federal banking officials in deciding whether or not to grant approval.

Bank mergers are also circumscribed by the provisions of the Sherman Act of 1890 which prohibits combinations in restraint of trade, attempts to monopolize, or monopolization of trade or commerce. Illegality is established by proof that the merger has actually resulted in an unreasonable lessening of competition; it is immaterial whether the merger was accomplished by stock or asset acquisitions.

Section 7 of the Clayton Act of 1914, on the other hand, deals specifically with corporate and bank mergers and bans those achieved by stock purchases where there is a reasonable probability of a substantial lessening of competition or a tendency to monopoly. Responsibility for enforcing the section insofar as banks are concerned is vested concurrently in the Attorney General and the Federal Reserve Board.

Section 7 was designed to stop mergers beyond the reach of the Sherman Act, but its failure to include mergers accomplished by asset acquisitions resulted in a loophole which so far as nonbanking corporations are concerned was closed by passage of the Celler-Kefauver Act of 1950. However, because of revisions made in subsequent versions of various antimerger bills, it became impracticable to include within the scope of the Celler-Kefauver Act corporations other than those subject to the jurisdiction of the Federal Trade Commission. This left asset acquisitions by banks unaffected by the new law, since authority to enforce the provisions of section 7 dealing with banks is vested in

---

[5] See Interim Report of the Antitrust Subcommittee, House Committee on the Judiciary on Corporate and Bank Mergers, pp. 28–30 (84th Cong., 1st sess.).

[6] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on Current Antitrust Problems, p. 2159 (84th Cong., 1st sess.).

[7] Id., p. 2165.

[8] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), p. 229 (85th Cong., 1st sess.). For a contrary view that the merger trend is not a matter of serious concern, see testimony of Comptroller of the Currency before House Antitrust Subcommittee in March 1957. Id., p. 182.

[9] 40 Stat. 1043, Public Law 420, 65th Cong., 2d sess. (1918), 12 U.S.C. 33; 44 Stat. 1224, Public Law 639, 69th Cong., 2d sess. (1927), 12 U.S.C. 34a. Approval of the Comptroller of the Currency is not required where a national bank leaves the national system by consolidation or merger with a State bank.

[10] 64 Stat. 873, Public Law 797, 81st Cong., 2d sess. (1950), 12 U.S.C. 1828(c).

[11] 64 Stat. 873, Public Law 797, 81st Cong., 2d sess. (1950) 12 U.S.C. 1828(c).

the Federal Reserve Board and not in the Federal Trade Commission.

Beyond this, virtually all bank mergers are accomplished by asset acquisitions by virtue not only of provisions of Federal law prohibiting member banks of the Federal Reserve System, with a few exceptions, from purchasing corporate stocks, but also of various State statutes prescribing similar limitations. For these reasons, section 7 of the Clayton Act has little value in coping with the mounting trend of bank merger activity. In fact, since section 7 was adopted in 1914, only one proceeding has been instituted—that a case brought by the Federal Reserve Board against the so-called Giannini group controlling Transamerica.

To close this loophole in section 7 and provide Federal enforcement agencies with the same authority to move against bank mergers accomplished by asset acquisitions, I introduced H.R. 5948 in the 84th Congress. This bill was adopted by the House without dissent on February 6, 1956, but was not brought up on the Senate floor for vote.[12] I might add that the measure was in accordance with the President's recommendations submitted to the Congress in 1956 and repeated in 1957, 1958, and 1959, calling for revision of antitrust legislation to cover bank mergers accomplished by asset acquisitions.[13]

One month after House passage of H.R. 5948, the Acting Secretary of the Treasury transmitted to the Senate and House proposed legislation to amend the banking statutes (specifically sec. 18(c) of the Federal Deposit Insurance Corporation Act) so as to give Federal banking agencies sole jurisdiction to approve or disapprove bank mergers. This Treasury Department recommendation was designed, I believe, to head off Senate passage of H.R. 5948. Moreover, it was contrary to the President's recommendation seeking revision via antitrust legislation to cover bank mergers accomplished by asset acquisitions as envisaged by H.R. 5948. In any event, a Senate bill embodying the Treasury proposal was adopted by the Senate in the 84th Congress and again in the 85th Congress as section 23, chapter 5, title III of the proposed Financial Institutions Act of 1957. S. 1062, the subject of the present hearings, is identical with these earlier proposals.

Let me make it clear that despite the foregoing considerations, amendment of the banking laws in this area would not be inconsistent with amendment of the antitrust laws to cover bank mergers accomplished by asset acquisitions provided that changes as here recommended are made in S. 1062. Indeed, to assure against the Judiciary and the Banking Committees working at cross-purposes with each other in respect to this problem, the Antitrust Subcommittee of the House Judiciary Committee is deferring temporarily consideration of H.R. 4152, a bill I introduced last month which would plug the banking loophole in section 7 of the Clayton Act.

SUMMARY OF S. 1062

It is against this background that I turn to S. 1062. That bill would, first, expand provisions of existing law so as to require prior approval by the appropriate Federal bank supervisory agency for every merger or consolidation involving insured banks. Second, in granting or withholding consent, the Comptroller of the Currency, the Federal Reserve Board, or the Federal Deposit Insurance Corporation, as the case may be, would be required to consider not only the usual banking factors, but also to "take into consideration whether the effect (of the proposed transaction) may be to lessen competition unduly or to tend unduly to create a monopoly." Finally, the appropriate supervisory agency would be required to consult the other two Federal banking agencies on the question of competition and "may also request the opinion of the Attorney General with respect to such question," although there would be no requirement to do so.

COMPETITIVE CONSIDERATIONS ARE VIRTUALLY IGNORED

Under the bill, competitive considerations would be only one of the various factors that would have to be taken into account by the appropriate Federal banking agency in scrutinizing a proposed bank merger. Beyond this, an entirely novel test is proposed, namely, whether the acquisition "may lessen competition unduly or tend unduly to create a monopoly." Indisputably this proposed standard is far weaker than that of section 7 of the Clayton Act which applies to other businesses and prohibits any merger where the effect of the acquisition may be substantially to lessen competition, or to tend to create a monopoly. Moreover, in the 69 years since passage of the Sherman Antitrust Act no suggestion has been made that its provisions designed to prevent clogs on competition did not apply equally to banking and nonbanking corporations. Nor are the characteristics of the banking industry so unique as to justify such departure. As the Comptroller of the Currency has testified, "It is no less important to have competition in banking, when this can be done soundly, as it is in other fields of commerce and industry."[14] In these circumstances, I must view with the utmost gravity a proposed standard that would provide for the banking industry a preferred and favored position.

It will be recalled that the term "substantially lessen competition" has been imbedded in Federal jurisprudence for 45 years in the course of which it has received judicial content via numerous court interpretations. If we discard this standard for the vague[15] and novel standard of "unduly," we would find ourselves in a sea of trouble. It took years and years to determine through court interpretations what the term "substantially to lessen competition" means. Should S. 1062 be adopted in its present form, not only would the courts have to start all over again in interpreting a vague and untested term, there would be created—and without justification—a dual standard, one for banks, another for nonbanking corporations. The force of these considerations was noted by the Chairman of the Federal Reserve Board. He testified:

"We recognize * * * that you have a legal groundwork for substantial lessening competition already in the framework of the law and that it may not be possible to use unduly lessening competition."[16]

Indeed the present Comptroller of the Currency testified before our Antitrust Subcommittee as follows:

"We have no objection to the principle that the acquisition of one bank by another through purchase, merger, or consolidation should not be permitted if the effect of the acquisition may be substantially to lessen competition. It is no less important to have competition in banking, when this can be done soundly, as it is in other fields of commerce and industry."[17]

Beyond that, it must be recognized that if the Congress should adopt the standard here proposed and proscribe only bank mergers which tend unduly to monopoly, then the Congress in effect, would, be placing its imprimatur of approval on mergers which tend to monopoly. Stated otherwise, adoption of the unduly standard would mean that it is the policy of Congress that a bank merger which tends to monopoly is in the public interest; that only if it tends unduly to monopoly should it be banned. Apt in this connection is the comment of Judge Barnes, former head of the Antitrust Division: "I think that when we talk about 'tendency unduly to create a monopoly' it seems akin to speaking of a man that is not 'unduly dishonest.' I think that we have to pause a little bit to consider if that is exactly what we mean."[18]

Pertinent in this regard also is testimony by the Comptroller of the Currency before our subcommittee:

"The CHAIRMAN. Mr. Comptroller, as I get it, you would proscribe a merger which tends unduly to monopoly.

"Mr. GIDNEY. Yes.

"The CHAIRMAN. Is that right?

"Mr. GIDNEY. Yes.

"The CHAIRMAN. Then, the converse, it strikes me, would be true: that in your judgment, then a bank merger that tends to monopoly only, is in the public interest.

"Mr. GIDNEY. I don't——

"Mr. KEATING. Watch out.

"Mr. GIDNEY. I hear something I don't understand too well.

"The CHAIRMAN. I want you to watch out and listen very carefully. You would proscribe or prevent a merger that tends unduly to monopoly——

"Mr. GIDNEY. Yes.

---

[12] During the 84th Congress, I sponsored a subsequent bill dealing with premerger notification (H.R. 9424) which incorporated the provisions of H.R. 5948. H.R. 9424 was passed by the House without dissent on April 16, 1956, and was reported favorably by the Senate Judiciary Committee on July 27, 1956, too late for final Senate action.

[13] See Economic Report of President, January 23, 1956, pp. 78–9; Economic Report of President, January 23, 1957, p. 51; Economic Report of President, January 20, 1958, p. 64; Economic Report of President, January 20, 1959, p. 53.

[14] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 5948 (bank mergers), p. 71 (84th Cong., 1st sess.). Similarly, in radio and television broadcasting, while licensing by the Federal Communications Commission is required as a condition of entry and while the Commission has detailed statutory power of regulation over broadcast stations, the antitrust laws are fully applicable. See *U.S.* v. *Radio Corporation of America* (U.S. Supreme Court, Feb. 24, 1958) holding that approval by the Commission of a station exchange does not bar the transaction from attack by the Attorney General under the antitrust laws.

[15] The following illustrates the vagueness of the proposed standard: The Comptroller of the Currency was requested to supply the Antitrust Subcommittee with a list of the types of bank merger situations his Office would approve under a test based on a statutory provision requiring that consideration be given to whether the effect thereof may be "to lessen competition unduly or to tend unduly to create a monopoly" but would not approve under a test based on a provision reading "substantially to lessen competition or to tend to create a monopoly." In reply the Comptroller advised the subcommittee that after having studied the matter carefully, "it was not feasible to supply such a list in the form suggested." Hearings before the Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), p. 194 (85th Cong., 1st sess.).

[16] Hearings before Antitrust Subcommittee, Senate Committee on the Judiciary on S. 3341 et al. (Premerger Notification, p. 52) (84th Cong., 2d sess.).

[17] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 5948 (Bank Mergers), p. 71 (84th Cong., 1st sess.).

[18] Hearings before Antitrust Subcommittee, Senate Judiciary Committee on S. 3341 (Premerger Notification), p. 157 (84th Cong., 2d sess.).

"The CHAIRMAN. Then it strikes me if that is sound, then the converse must be true: that in your judgment a bank merger that only tends to a monopoly is in the public interest?

"Mr. GIDNEY. Well, we merely have to find it is not contrary to the public interest, don't we?

"The CHAIRMAN. Yes, you have got to find it; but when you say it is 'unduly,' then it is against the public interest——

"Mr. GIDNEY. Yes; that is right.

"The CHAIRMAN. If it is not 'unduly,' then it is in the public interest and you let it go on.

"Mr. GIDNEY. Well, do we have a neutral position somewhere there? Are we——

"The CHAIRMAN. At least you do not take any action then.

"Mr. GIDNEY. That is right. We have a certain amount of free enterprise, even in the banking system, and if it is not against the public interest, why should we——

"The CHAIRMAN. In other words, you figure that in the interests of free enterprise, you would allow the thing to go along, even if it tends to monopoly so long as it does not 'unduly'——

"Mr. GIDNEY. I won't accept that, because my difficulty is this 'tends' business.

"Mr. CHAIRMAN. Is that not what you really say? You say you only prevent it when it 'unduly' tends to monopoly.

"Mr. GIDNEY. That is to give us——

"The CHAIRMAN. Therefore, if it does not 'unduly' tend to a monopoly, then in the interests of free enterprise you let it go on without taking any action, even if it only tends to a monopoly and does not tend unduly to a monopoly.

"Mr. GIDNEY. Well, things are a matter of degree. I think we want the word 'unduly' in there so that this 'tends' word is something that we can live with and understand. In other words, we can have——

"The CHAIRMAN. Then your answer is 'Yes,' is that it?

"Mr. GIDNEY. I don't think I want to say 'Yes' on that, sir. I don't understand it well enough." [19]

In these circumstances, I am constrained to agree with the Attorney General who testified on a previous bill identical with S. 1062:

"First, the proposed banking legislation prescribed for bank mergers would weaken section 7 standards. The factor of competition would be only one of numerous considerations to be taken into account by a banking agency in scanning a merger. Beyond that, the competitive considerations of section 23 specified, whether the acquisition may 'lessen competition unduly or tend unduly to create a monopoly' are completely novel and are intended simply to be less stringent than those specified by the Clayton Act, section 7 for other American business. As the result, not only does that proposal prescribe pale antitrust standards, but even that lesser standard is only one of many factors banking agencies must consider. All told, then, that proposal does little more than give 'lip service' to insure competitive enterprise in banking. Banking agencies themselves recognize inherent difficulties in construing this jerry-built standard. While relevant language of the Clayton Act, section 7, has been on the books for almost a half century, proposed section 23's 'unduly' phrasing is completely novel." [20]

The short of the matter is that as former Assistant Attorney General Barnes testified the "proposal does little, if anything, to insure competitive enterprise in banking. Any pretense that it does seems to me hardly more than sham." [21]

The contention has been made that a test of "undue lessening of competition" would provide greater flexibility by permitting the approval of mergers and consolidations which for particular reasons would not be contrary to the public interest. It must be recognized, however, that in some circumstances a transaction may not be contrary to the policy of the antitrust laws even though it may lessen competition. Thus, in the *International Shoe Co.* case (280 U.S. 291), the Supreme Court held that where the concern acquired is: "a corporation with resources so depleted and the prospect of rehabilitation so remote that it faced the grave probability of business failure * * * the purchase of its capital stock by a competitor (there being no other prospective purchaser), not with a purpose to lessen competition, but to facilitate the accumulated business of the purchaser and with the effect of mitigating seriously injurious consequences otherwise probable * * * does not substantially lessen competition or restrain commerce within the intent of the Clayton Act."

On the same principle, the acquisition by a bank of the assets of another bank would not be precluded under the "substantially" test where otherwise there would be a reasonable probability of the ultimate failure of the acquired bank or where, because of inadequate management, the acquired bank's prospects for survival seem dim.[22]

In addition to the acquisition of a bank which otherwise would be faced with a possibility of failure, there are other circumstances in which, from a banking standpoint, the acquisition of a bank by another bank may be in the public interest. For example, where the acquisition is the most practicable means of dealing with a problem bank having inadequate capital or unsound assets or where the acquired bank has not adequate provision for management succession. Also, where several banks in a small town are compelled by an overbanked situation to resort to unsound competitive practices which may eventually have an adverse effect upon the condition of the banks, the merger of two or more of the banks may well be in the public interest. The same principle applies where there are not adequate banking facilities. These various situations are illustrative of the circumstances where the consummation of the transaction would not be contrary to the public interest and not be banned under the "substantially" test. However, should there be any doubt in this respect, I would recommend that the report of this committee on the proposed legislation make this crystal clear.[23]

Manifestly, therefore, these banking factors do not make necessary abandonment of the "substantially" test. In addition to that, adoption of "unduly" would mean that there would be one standard for bank acquisitions by other banks, another for bank acquisitions by holding companies even though there is no real distinction between the two kinds of transactions. It will be recalled that under the Bank Holding Company Act, section 3,[24] the applicable standard for bank acquisitions is whether in any line of commerce in any section of the country the effect of such acquisition may be substantially to lessen competition or to tend to create a monopoly. This is indicated by the following extract from a letter which the Vice Chairman of the Federal Reserve Board sent to me on January 18, 1957:

"Section 11 of the Bank Holding Company Act of 1956 provides that nothing therein shall be interpreted as approving any action which may be in violation of existing law, nor is anything herein to constitute a defense to any action or proceeding on account of any prohibited antitrust action or conduct. Also, as you indicate, under the Celler-Kefauver amendment to section 7 of the Clayton Act the test is whether the effect of the acquisition may be substantially to lessen competition or to tend to create a monopoly in any section of the country.

"Section 3(c) of the Bank Holding Company Act requires the Board, in passing upon each application by a bank holding company for approval of its acquisition of bank stock, to consider certain specific factors, including whether or not the effect of the proposed acquisition would be to expand the size or extent of the holding company system beyond limits consistent with the public interest and the preservation of competition in the field of banking. The concept involved in this factor is a broad one, and in the Board's opinion adequate consideration of the facts in this regard necessarily involves consideration of the standards mentioned in section 7 of the Clayton Act; that is, whether in any line of commerce in any section of the country the effect of such acquisition might be substantially to lessen competition or to tend to create a monopoly." [25]

On the other hand, the test for an acquisition of one bank by another would be whether the effect of the transaction may be to lessen competition unduly or to tend unduly to create a monopoly. Beyond the fact that there is no basis for such distinction, the Federal Reserve Board would be faced with the grotesque task of having to administer dual standards involving similar types of transactions. Thus, in the case of a merger where the resulting institution is a State member bank, the Board, as the appropriate Federal supervisory agency, would be obliged to follow the "unduly" test. But in the case of a merger involving a bank holding company, the Board would be obliged to follow the "substantially" test. The short of the matter is that confusion would be compounded on confusion.

There is yet another consideration, namely, that the proposal would weaken the

---

[19] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), p. 73 (85th Cong., 1st sess.).

[20] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143, p. 73 (84th Cong., 1st sess.). To similar effect, see testimony of Assistant Attorney General Hansen, hearings before House Banking and Currency Committee on S. 1451 and H.R. 7026 (Proposed Financial Institutions Act of 1957), p. 1031 (85th Cong., 1st sess.); testimony of Assistant Attorney General Barnes, hearings before Antitrust Subcommittee, Senate Judiciary Committee, on S. 3441, et al. (Premerger Notification), p. 156 (84th Cong., 2d sess.).

[21] Hearings before Antitrust Subcommittee, Senate Committee on the Judiciary, on S. 3341 et al. (Premerger Notification), p. 157 (84th Cong., 2d sess.).

[22] The Department of Justice has given firm assurance that such mergers would be permitted under the "substantially" standard. See testimony of Assistant Attorney General Hansen before House Banking and Currency Committee on S. 1451 and H.R. 7026 (proposed Financial Institutions Act of 1957), pp. 130–131 (85th Cong., 1st sess.) See also testimony of Attorney General Brownell, subcommittee, Senate Banking and Currency Committee, on proposed Financial Institutions Act, p. 1014 (85th Cong., 1st sess.).

[23] See House Judiciary Report No. 1417 on H.R. 5948 (Bank Mergers), pp. 5–6 (84th Cong., 1st sess.).

[24] Proposed Financial Institutions Act of 1957, subsec. (c), sec. 54, ch. 9, title II (p. 141).

[25] See opinion of the Federal Reserve Board In Matter of Application of Firstamerica Corporation, Docket No. BHC–46, pp. 22 et seq. See also dissenting statement of Gov. J. L. Robertson.

competitive standards which the Comptroller of the Currency now professes to follow with respect to bank mergers. As previously indicated, approval of the Comptroller of the Currency is required in all cases of mergers between national banks, or between a national bank and a State bank where the resultant institution is to be operated under a national charter. I point out that the Comptroller of the Currency has stated on numerous occasions that before granting merger approval, he will determine whether its effect in any section of the country may be substantially to lessen competition or tend to create a monopoly; that he will determine, in short, whether the transaction is violative of the policy of the Celler-Kefauver Act. Moreover, the Comptroller has stressed that he would not approve any bank merger or consolidation which he thinks would be a violation of the principles of this act. Thus, in a letter to me dated March 14, 1955, the Comptroller of the Currency stated in part:

"In determining whether the approval of this Office will be given to any merger or consolidation, the Comptroller considers, among other things, how the proposed merger will affect the particular banks involved, the soundness of the national banking system, and the convenience and needs of the community concerned. There may be a technical question as to the specific application of section 7 of the Clayton Act to these mergers. However, it has been the practice of the Comptroller before giving his approval to determine whether the effect of the merger, 'in any section of the country * * * may be substantially to lessen competition, or to tend to create a monopoly.'" [26]

Again in March 1957, the Comptroller testified as follows:

"Mr. MALETZ. Is it your practice * * * not to approve any bank merger where the effect may be substantially to lessen competition or tend to create a monopoly?

"Mr. GIDNEY. I say, that has been our practice. We have not approved any where it could be.

"Mr. MALETZ. That is your practice?

"Mr. GIDNEY. We have not approved where it could be shown." [27]

The fact is, however, that from 1950 through 1958, the Office of the Comptroller approved 731 bank mergers and consolidations involving in respect to banks absorbed total resources of approximately $11 billion.[28] During the period from 1950 to May 1955, that Office did not disapprove a single merger application on the basis of competitive considerations. The report of our Subcommittee on Corporate and Bank Mergers issued in December 1955, made the following comment in this connection:

"Comptroller of the Currency Ray M. Gidney has indicated that before giving his approval to any bank merger or consolidation coming within his jurisdiction, he will determine whether its effect in any section of the country may be substantially to lessen competition or tend to create a monopoly; in short, he will determine whether the merger is violative of the policy of the Celler-Kefauver Antimerger Act. Mr. Gidney has stressed that he would not approve any bank merger or consolidation which he considers to be in violation of the principles of this act. But what does the record show? It shows that from 1950 to May 1, 1955, the Comptroller and his predecessors have approved 376 bank mergers and consolidations involving total resources of $7,464 million. It also shows that since 1950 the Comptroller's Office has not disapproved a single merger application on the basis of a possible substantial lessening of competition. This is not surprising since the Comptroller's Office has 'not issued anything specific to the examiners' in regard to considering anticompetitive factors; it has never notified national bank examiners or 'given them any specific admonition' that it is the Comptroller's policy to disapprove any bank merger violative of the Celler-Kefauver Act. Nor has it required examiners to make findings of fact with regard to competitive considerations in recommending approval or disapproval of proposed bank mergers." [29]

It should be added that within a few weeks after issuance of this report in December 1955, the Comptroller's Office promulgated standards for considering the competitive consequences of bank mergers.[30] Furthermore, after the subcommittee hearings, the Comptroller's Office in June 1955, for the first time, informally disapproved a merger application because of competitive considerations and followed that up in November 1955 by refusing, for similar reason, to approve certain proposed mergers in cases involving 11 banks. However, in 1955 the Office approved 126 bank mergers involving, in respect of banks absorbed, resources of $2,015,225,452. In 1956 it approved 105 bank mergers involving banks absorbed having total resources of $2,380,816,965 and informally disapproved 8 applications for competitive reasons.[31] In 1957 it approved 83 mergers involving banks absorbed having resources of $1,142,000,000, without disapproving any application for competitive reasons. In 1958 it approved 83 mergers involving banks absorbed having resources of $1,704,000,000 while disapproving 2 mergers for competitive reasons.

In sum, during the period from 1950 through 1958, the Comptroller of the Currency approved 731 mergers and disapproved 22 for competitive reasons. This is indicated in greater detail in the following table:

Year	Mergers approved by the Comptroller of the Currency [1]		Mergers disapproved by Comptroller of the Currency on basis of competitive considerations	
	Number of absorbed banks	Total resources of absorbed banks	Number of cases	Total resources of banks which would have been absorbed
1950	52	$576,464,143	0	0
1951	30	384,389,647	0	0
1952	59	517,662,108	0	0
1953	67	523,680,925	0	0
1954	126	2,058,262,234	0	0
1955	126	2,015,225,452	12	$182,712,000
1956	105	2,380,816,965	8	355,018,675
1957	83	1,142,000,000	0	0
1958	83	1,704,645,259	2	198,985,000
Total	731	11,303,146,733	22	736,715,675

[1] See hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), pp. 146–171, 171 (85th Cong., 1st sess.). Data for 1958 was supplied to the Antitrust Subcommittee by letter from the Comptroller of the Currency, dated Mar. 16, 1959.

Source: Comptroller of the Currency.

Without in any way singling out the present incumbent—my remarks are applicable to his predecessors as well—it would appear, as the Attorney General has testified, that the office of the Comptroller of the Currency has tended to give little or no consideration to the question as to whether or not competition would be substantially lessened.[32]

THE APPROPRIATE FEDERAL BANK SUPERVISORY AGENCY MUST BE REQUIRED TO GIVE NOTICE TO THE ATTORNEY GENERAL

The obvious reason for failure to take competitive considerations adequately into account is lack of expertise in the antitrust field on the part of Federal bank supervisory agencies. The Comptroller of the Currency has stated and I quote him: "I have no competency in that (the antitrust) field. I do not know what the courts have done." [33]

Similarly, the Chairman of the Federal Reserve Board pointed out that administration of the banking laws was in an entirely different sphere than enforcement of the antitrust laws. He testified:

"The principal functions of the Federal Reserve System lie in the field of monetary and credit policy and bank supervision. The prosecuting and adjudicatory functions involved in the enforcement of the antitrust laws are only indirectly related to the Board's principal responsibilities. They are of a character quite different from the functions normally exercised by the Board in passing upon particular transactions in the bank supervisory field. In other words, enforcement of the antitrust laws and the function of bank supervision represent, we

[26] See CONGRESSIONAL RECORD, vol. 101, pt. 3, pp. 3307–3308. See also hearings before Antitrust Subcommittee on Current Antitrust Problems, House Committee on the Judiciary, pp. 452–453, 493 (84th Cong., 1st sess.).

[27] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), p. 143 (85th Cong., 1st sess.).

[28] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on Current Antitrust Problems, p. 451 (84th Cong., 1st sess.). This information has been brought up to date in a letter I received from the Comptroller of the Currency dated March 16, 1959.

[29] Interim Report Antitrust Subcommittee, House Committee on the Judiciary on Corporate and Bank Mergers, p. 36 (84th Cong., 1st sess.).

[30] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), pp. 175–176 (85th Cong., 1st sess.).

[31] Id., pp. 171–172. Attorney General Brownell testified on this point as follows:

"Senator DOUGLAS. Mr. Brownell, when the same proposal was up before us last year I gathered some figures from the records of the Comptroller of the Currency on approving and disapproving mergers since 1950. My figure showed that there were 6 years, from 1950 to 1955, inclusive, in which he had approved 460 mergers, had formally disapproved 9, had informally disapproved 13; therefore, he had approved between 96 and 98 percent of all mergers during those 6 years.

"Could you tell me if these figures which I collected are approximately accurate, according to your knowledge?

"Mr. BROWNELL. Yes; they are. And I am not so sure that the 22 that were turned down were turned down on the ground of competitive factors."

Hearings before subcommittee, Senate Committee on Banking and Currency on Banking Laws, Financial Institutions Act of 1957, p. 1027 (85th Cong., 1st sess.).

[32] The Attorney General testified in part as follows:

"Senator DOUGLAS. In other words, up to date the Comptroller of the Currency has tended to give little or no weight to the question as to whether or not competition would be substantially less?

"Mr. BROWNELL. I believe that is a fact. And I think his own testimony indicates that."

Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), p. 177 (85th Cong., 1st sess.).

[33] Hearings before Antitrust Subcommittee, Senate Committee on the Judiciary on S. 3341 et al. (Premerger Notification), p. 80 (84th Cong., 2d sess.).

believe, different spheres of governmental operation." [24]

As the Department of Justice has observed, failure to insure informed advice on competitive factors could have effects far beyond the banking field. Without (the Department's) right to intervene in bank mergers there might be as many different views of section 7 standards and scope as there were agencies charged with this enforcement. The result could well be disparities in view, which in turn, spell real enforcement inequities. Enforcement effectiveness as well requires some procedure for (the) Department's intervention. Otherwise in its overall responsibility for section 7's enforcement—outside of the banking area—(the) Department would be bound by bank merger precedents (it) had no voice in picking or shaping." [25]

In these circumstances, it would be little short of folly to require the appropriate Federal bank supervisory agency to obtain the views of the other two banking agencies, but not impose the same requirement in respect to seeking the informed advice of the Department of Justice—the agency specifically charged by Congress with responsibility for examining into competitive implications of proposed mergers. Actually, the Comptroller of the Currency testified before our subcommittee that he didn't really object to a provision requiring him to obtain the opinion of the Attorney General as to the antitrust implications of a proposed merger, provided it was submitted promptly or within a designated period.[26]

Furthermore, on the basis of past experience, unless a requirement of mandatory consultation with the Department is written into law, there is little, if any, likelihood that the Federal banking agencies will seek the informed advice of the Attorney General. Consider, for example, that although the Office of the Comptroller of the Currency approved some 731 mergers in the period from 1950 to 1958, many involving acute competitive problems, in only one instance did the Comptroller seek the Department's advice on the competitive effect of a particular bank merger problem. This was made clear in a letter from Assistant Attorney General Hansen to me, dated March 20, 1957, which reads as follows:

"In Attorney General Herbert Brownell's appearance before your subcommittee on March 6, 1957, it was requested that the Department furnish you with instances in which Comptroller of the Currency Ray M. Gidney sought advice from the Antitrust Division as to whether the effect of a given merger may be substantially to lessen competition or tend to create a monopoly. We have reviewed our records and find that in only one instance was the Department's advice sought on the competitive effect of a particular bank merger problem. In that instance, members of the Comptroller's staff conferred informally with the Division around the end of September 1956 on the proposed acquisition of the Peoples Saving Bank of Port Huron (Mich.) by the Michigan National Bank. This proposed acquisition has been subject to a rather thorough investigation because of Sherman Act as well as Clayton Act problems.

"In two other instances, the Comptroller's Office has forwarded information to the Division on bank mergers. On August 8, 1956, the proposed merger of Farmers & Merchants National Bank of Los Angeles and Security First National Bank of Los Angeles was brought to the Division's attention before the Comptroller had given his approval. It was with respect to this merger that I personally talked to Mr. Gidney on the telephone. Lack of section 7 jurisdiction because this transaction was consummated by an acquisition of assets precluded the Department from considering this matter under section 7. On August 17, 1956, the Comptroller called the Division's attention to his approval of the merger of the Delaware Valley Bank & Trust Co. of Bristol (Pa.) and the Philadelphia National Bank of Philadelphia.

"In three other instances, our records show that the Comptroller's office was notified of our interest in certain bank merger problems. Notice was given on January 5, 1955, on the Chase-Manhattan Bank merger; March 7, 1955, on the National City-First National Bank merger, and around the 1st of December 1956, on the pending New York bank holding company formation which is now before the Federal Reserve Board for approval. In the Chase-Manhattan and National City-First National Bank mergers, this Department specifically requested from the Comptroller's Office information or data relating to competitive aspects of these mergers. In the pending holding company problems, our requests for information have been mainly channeled through the Federal Reserve Board, the agency with primary jurisdiction over this matter under the Bank Holding Company Act of 1956. However, a recent information request has been made directly to the Comptroller's Office." [27]

As the Comptroller himself stated in a letter to me dated March 16, 1959:

"We have no established procedure with respect to obtaining the views of the Antitrust Division of the Department of Justice concerning the competitive consequences of bank mergers, but have on occasion, written to the Department. Should a situation arise in which we deemed it necessary to consult the Antitrust Division we would address a letter to it setting forth the facts. This Office would seek the views of the Department of Justice in respect of competitive considerations in cases in which it appeared that there might be involved a violation of the antitrust laws. During the years 1957 and 1958, we had no liaison with the Department of Justice with respect to competitive consequences of a proposed transaction."

WHERE THE CONTINUING INSTITUTION IS TO BE A STATE BANK, NOTICE TO THE STATE BANK SUPERVISOR SHOULD BE REQUIRED

The foregoing considerations are equally applicable in respect to obtaining the views of the appropriate State banking supervisor when the continuing institution is to be a State bank. In such cases it is as necessary to obtain the views of the appropriate local official as it is to obtain the views of the other two Federal banking agencies since the State supervisor usually will have special knowledge of local banking and other matters—factors which are of the highest degree of relevance to a determination as to whether final approval should be granted or withheld. Consequently, I deem it important that the bill be amended to require notification to the appropriate State bank supervisors where the proposed merger will result in creation of a State bank.

NEED FOR ADOPTION OF AN ANTITRUST SAVINGS CLAUSE

Section 11 of the Bank Holding Company Act provides that:

"Nothing herein contained shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct."

Purpose of this section is to insure that no provision of the Bank Holding Company Act is to supersede any provision of any other Federal law, particularly those "designed to control monopoly or break up trusts." To quote from the Senate report on the bank holding bill:

"The bill provides that none of its provisions are to be construed as approving any act, action or conduct in violation of existing law. It also provides that nothing in the bill shall constitute a defense to any action, suit, or proceeding pending or later instituted on account of any prohibited antitrust or monopolistic act, action or conduct. In the opinion of your committee, approvals granted and action permitted under the provisions of this bill are not to supersede the provisions of other Federal laws, particularly those designed to control monopoly or break up trusts. For example, the Clayton Act has been judicially determined to apply to banks. Under the provisions of that act, the Federal Reserve Board has an administrative role to play in determining whether banks comply with the requirements of the Clayton Act. Under the provisions of this bill, any action taken by the Federal Reserve Board in accordance with its terms is not to interfere in any manner with the performance by the Board of such functions as may be assigned to it under the Clayton Act." [28]

Unless this same antitrust savings provision is made applicable to bank mergers, the contention would be advanced that S. 1062 has nullified the strictures of the Sherman Act forbidding any bank merger which results in an unreasonable restraint of trade or monopoly.

What is more, absence of such provision might perhaps render nugatory action that might be taken by the House Judiciary Committee in recommending legislation to plug the loophole in Clayton Act, section 7 so as to cover bank mergers accomplished by asset as well as stock acquisitions. This would necessarily follow if failure to include a savings clause was construed to mean that section 7's provisions dealing with bank mergers had been superseded by the present legislation.[29]

THE BILL SHOULD CONTAIN PROVISIONS FOR PUBLIC HEARINGS

In its present form, the bill, S. 1062, makes no provision for public hearings upon applications which may be filed. I am strongly of the opinion that the bill should be amended to include such a provision, at least in cases of disagreement between interested governmental bodies.

---

[24] Id., p. 49.

[25] Testimony of the Attorney General before subcommittee, Senate Committee on Banking and Currency on Proposed Financial Institutions Act of 1957, p. 1032 (85th Cong., 1st sess.). See also testimony of Assistant Attorney General Hansen, hearings before House Banking and Currency Committee on S. 1451 and H.R. 7026 (proposed Financial Institutions Act of 1957), p. 131 (85th Cong., 1st sess.); testimony of Assistant Attorney General Barnes, hearings before Antitrust Subcommittee, Senate Judiciary Committee, on S. 3341 et al (Premerger Notification), p. 160 (84th Cong., 2d sess.); testimony of Attorney General Brownell, hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), p. 74 (85th Cong., 1st sess.).

[26] Hearings before Antitrust Subcommittee, House Committee on the Judiciary on H.R. 264 and H.R. 2143 (Premerger Notification), p. 131 (85th Cong., 1st sess.).

[27] Id., pp. 25–6.

[28] Senate Banking and Currency Rept. No. 1095, p. 10 (84th Cong., 1st sess.).

[29] See hearings, House Committee on Banking and Currency on S. 1451 and H.R. 7026 (proposed Financial Institutions Act of 1957), p. 134 (85th Cong., 1st sess.). See also hearings before subcommittee, Senate Committee on Banking and Currency on proposed Financial Institutions Act of 1957, p. 1034 (85th Cong., 1st sess.).

The role of the public hearing in modern regulatory procedure is so fundamental as to require a little exposition or defense. A public hearing serves as a safeguard against arbitrary action; it assures interested parties of an opportunity to present their views, consonant with the dictates of due process; it provides a basis for evaluating the manner in which an agency applies the statutory standards under which it acts; it tends—especially in the circumstances envisaged by this bill, in which three different agencies will simultaneously carry out the objectives of the act—to encourage the development of uniformity in decisions. Most important, a public hearing provides the only adequate basis for judicial review—a testimonial record. In these respects, a public hearing both protects applicants against discriminatory denial of meritorious applications and safeguards the public interest against erosion of vital national principles.

Without provision for hearings, the public is deprived of its only practical opportunity for appraising the quality of regulation; interested parties may or may not be adequately heard; uniformity of regulatory policy is most difficult to achieve, and effective judicial supervision of agency action is greatly hampered. Arbitrary decisions could flourish virtually unchecked. Congress could have no assurance that the standards it promulgates would be administered in accordance with the congressional intent.

Presumably for all these reasons, the Bank Holding Company Act of 1956 does provide for public hearings in cases in which a governmental body expresses disapproval of a proposed acquisition of bank shares or assets. The provision for public hearings of the Bank Holding Company Act of 1956 should, I believe, be adapted to and included in S. 1062. As so amended, S. 1062 would provide that the Federal banking agency with which the application has been filed shall notify both of the other Federal banking agencies, the appropriate supervisory authority of the interested State, and the Attorney General, and that if any of these bodies or officials within 30 days disapproves the application in writing, the agency before which the application is pending shall schedule a hearing, at the conclusion of which it shall by order grant or deny the application in writing, the agency before which the application is pending shall schedule a hearing, at the conclusion of which it shall by order grant or deny the application upon the hearing record.

In conclusion, I am enclosing as an appendix to my testimony an amendment which contains the changes which I have recommended.

APPENDIX—RECOMMENDED AMENDMENT OF S. 1062

On page 2 strike out the entire sentence beginning with the words "In the case of a merger," on line 11 and insert in lieu thereof the following: "; and for that purpose shall give notice to the other two banking agencies referred to herein and to the appropriate supervisory authority of the interested State if the resulting bank is to be a State member bank (except a District bank) or a State nonmember insured bank (except a District bank) and shall allow thirty days within which the views and recommendations of such supervisory authorities may be submitted. The Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall not grant consent under this section to any merger, consolidation, acquisition of assets, or assumption of liabilities, where in any section of the country the effect thereof may be substantially to lessen competition, or to tend to create a monopoly, and shall not approve any merger, consolidation, acquisition of assets, or assumption of liabilities without first obtaining the views of the Attorney General with respect to such question. In each case the Attorney General shall submit his views and recommendations to the appropriate agency within thirty days.

"If either or both of the other banking agencies or the appropriate supervisory authority of the interested State or the Attorney General disapproves the application in writing within thirty days, the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall notify in writing the applicant and the disapproving agency or agencies, or authority, or Attorney General of the date for commencement of a hearing by it on such application. Any such hearing shall be commenced not less than ten nor more than thirty days after the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, has given written notice to the applicant of the action of the disapproving agency or agencies, authority, or Attorney General. The length of any such hearing shall be determined by the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, but it shall afford all interested parties a reasonable opportunity to testify at such hearing. At the conclusion thereof, the Comptroller, the Board of Governors of the Federal Reserve System, or the Corporation, as the case may be, shall by order grant or deny the application on the basis of the record made at such hearing.

"Nothing herein contained shall be interpreted or construed as approving any act, action, or conduct which is or has been or may be in violation of existing law, nor shall anything herein contained constitute a defense to any action, suit, or proceeding pending or hereafter instituted on account of any prohibited antitrust or monopolistic act, action, or conduct."

Address by the Honorable John F. Kennedy, of Massachusetts, Before the National Association of County Officals

EXTENSION OF REMARKS
OF
HON. JOHN F. SHELLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 1959

Mr. SHELLEY. Mr. Speaker, on Wednesday morning of this week, the National Association of County Officials was privileged to have Senator JOHN F. KENNEDY, of Massachusetts, address them on the very vital subject of urban problems and the place of the county in helping to solve these problems. I would like to call the attention of the Members to this address and urge them to give serious consideration to the proposals contained in the talk.

Under leave to extend my remarks in the RECORD, I am very happy to include this distinguished address by the Honorable JOHN F. KENNEDY, of Massachusetts:

REMARKS OF SENATOR JOHN F. KENNEDY, DEMOCRAT, OF MASSACHUSETTS, BEFORE THE NATIONAL ASSOCIATION OF COUNTY OFFICIALS, WASHINGTON, D.C., MARCH 18, 1959

It is a real privilege and a great honor to have this opportunity to participate in the Nation's first urban county congress. I know that this historic meeting will be of tremendous benefit to our Nation, its county government, and its urban citizens—and I am grateful that your executive director, Bernard Hillenbrand has asked me to participate in this meeting with you. I particularly appreciate your hospitality at this hour of the morning—in Massachusetts such a gathering would not be possible on the morning after St. Patrick's Day. But I will do my best to turn my attention from the old days in County Cork to the new problems of county government.

I do not, however, pose here today as an expert on the intricacies and organization of county government. In my own State of Massachusets, local government is more prominent at the town and city level than in the county. And much of my life is spent here in the District of Columbia—which is not only countyless but voteless. In short, there is much I want to learn from you, in my visits with you today, about the problems and needs of county government.

But the entire Congress is particularly concerned this year with the problems of our metropolitan regions. No more difficult challenge confronts us on the domestic scene. The need for new legislative programs—to meet the growing problems of our growing cities—is becoming increasingly pressing. Already, 60 percent of all Americans live in urban counties—more than 100 million people. By the year 2000, it is predicted that this figure will rise to more than 300 million. The problems created by this tremendous population explosion, with literally hundreds of thousands of people spilling over from the cities into the counties, constitute a formidable challenge for the 86th Congress.

Thirteen million housing units occupied today by American families—living mostly in urban areas—are judged by objective census criteria to be substandard, unsafe, or unsanitary. In city after city, traffic is strangled—public transportation offers less service for higher cost—schools, hospitals and public health clinics are dangerously overcrowded—the air we breathe and the water we drink are dangerously polluted—and so on down a long list already familiar to you.

The growth of urban areas, spreading into the counties—and the growth of urban problems, also spreading into the counties—are both reflected in the dull, dry but revealing statistics of county government in this country. We see it in the tremendous increase in your payrolls with the great bulk of employees engaged in such activities as health and hospitals, highways, public welfare, police and correction, parks and recreation, libraries and education. Many county governments have for the first time been forced to borrow money—learning to their sorrow that it now costs more to obtain such funds while the money doesn't go as far when it is spent.

This means many services are cut back and others denied at a time they should be expanding. It also means long hours and low pay for yourselves and your associates and your employees.

The Congress is aware of these problems, though not always sufficiently aware of their magnitude. And those of us in the Congress who come from urban areas have worked on programs to aid our cities in the solution of these problems. But the point I want to make today is that these are no longer strictly city problems. The Congress should no longer think in terms of city needs alone. We must look also to the county and to combined city-county cooperation.

For the stream that pollutes the city's health pollutes the county as well. The airport that serves the city also serves the surrounding area. The deadly blight we call slum housing spreads slowly but inexorably to the city limits and then to the suburbs. The decline of public transit harasses commuters from the country as well as shoppers

in the city. The highway clogged in the city is soon clogged out in the county. Hospitals, libraries, parks, schools, clinics, and civil defense programs—these and other important governmental services concern needs which extend beyond outmoded city limits.

In short, it is only on the TV western that a city can solve its problems by ordering a gunman to be outside the city limits by sundown. Pushing a problem outside the city limits is no longer a solution. For today the city and the county are inextricably linked—they face the same problems and the same pressures. We can no longer collect garbage in the city and dump it in the county. We can no longer use tax gimmicks in the county to bring industries out from the city. Neither our cities nor our counties can avoid their problems by shifting them upon the other—the problems must be faced together or not at all.

Certainly the primary responsibility cannot rest upon our State legislatures, which have proved themselves to be too frequently unresponsive to the needs of our urban areas; for in the absence of real and effective reapportionment our gerrymandered State legislatures will continue to reflect the rural dominance of the 19th century. Nor can complete responsibility be placed upon the Federal Government, which will never be as effective as local government in meeting your needs or even in being alert to them.

In short, it is clear that our city governments cannot always assume the sole responsibility for the solution of these pressing urban problems. I repeat, they cannot, our State governments will not, the Federal Government should not, and, therefore, you on the county level must. It is up to the counties and similar area governments to play a more important role in the solution of these urban problems.

The exact nature and design of those solutions have already been thoroughly discussed in your earlier meetings. The question remaining is: what will be the role of the Federal Government in helping you on the local level meet these pressing needs? You are already familiar with the restrictions placed on your efforts by State governments.

Similar problems are encountered on the Federal level. Federal aid funds, which are largely raised by taxes in these very urban areas, are not always distributed fairly to such areas on the basis of need and numbers. Federal and State governments combined have preempted the best sources of tax revenue—our counties are still largely dependent upon the property tax, with all its limitations—and, to add insult to injury, the continuing growth of Federal installations at the same time removes the property from your tax rolls while as yet no equitable method of payments in lieu of taxes has been devised. I hope this Congress will come up with an equitable payment in lieu of taxes proposed, and end this constant confusion and inequitable hardship for once and for all.

But how large a role should the Federal Government play? I recognize the complaints among local government officials against centralization in Washington. I myself am not a believer in the omnipotence of Federal bureaucracy. I see no magic attaching to tax money which has flowed to Washington and then back again. But whatever current political arguments may rage about spenders versus savers, about balanced budgets versus deficits, I believe any objective student would agree with this one basic premise—a premise which has been true through the years regardless of which party is in control—and that is that Congress assumes responsibility for only those problems which State and local governments have been unable or unwilling to handle themselves.

In short, if we are to obtain a greater degree of responsibility for local government, then it is up to you on the local level to demonstrate that you are able and willing to assume that responsibility. It is not enough to say that you are willing to take on new assignments. The Congress will not yield vital public functions affecting our Nation's strength to uninterested State legislatures—they will not yield them to ineffective, hamstrung city governments—and neither will they yield them to inefficient county governments.

For I know that you will be the first to agree that there are too many county governments in this country that were designed by their legislatures for a simpler rural atmosphere. There are too many counties in this country which are organized in an almost headless and formless fashion, with no single executive responsibility for effective coordinated administration. There are too many counties in this country where—just as 50 years ago—the spoils system is still rampant, the voters are still indifferent and the public business is still neglected.

I realize that the fault lies more with our State legislatures than with the county governments themselves. And I realize that it is up to the voters of each State to demand for themselves the kind of efficient, well-organized government they deserve. But I am addressing this appeal to you—because your attendance here demonstrates your enlightened leadership in the solution of these problems. You are demonstrating that county governments can be alert to the needs of its citizens—that it can plan for the future growth of this Nation—that it can emphasize cooperation, instead of duplication, with other counties and other levels of government. If this same kind of spirit can prevail throughout the more than 3,000 counties of this Nation, then we will be well on the road to achieving a larger role for local American Government.

In short, it is not enough to complain on the State and the local level about the growth of Washington bureaucracy—about the size of the Federal deficit—or about the number of hands through which each tax dollar must pass. For the answer to these problems to a large extent rests with our State and local governments, themselves, and their ability to adapt themselves to the challenge of the mid-20th century. I know that those of you who are here today will do your utmost to live up to your trust and meet this challenge.

Let me conclude by emphasizing one point. These problems of streamlining our Government, making the most of our potential growth, strengthening the core of our Nation and building a better, wiser, stronger America—these are not merely questions of party politics or even governmental philosophy. Today they affect the very question of survival itself.

That, after all, is the real question of our time. The hard, tough question for the next decade—for this or any other group of Americans—is whether any free society—with its freedom of choice—its breadth of opportunity—its range of alternatives—can meet the singleminded advance of the Communists.

Can a nation organized and governed such as ours endure? That is the real question. Have we the nerve and the will? Can we carry through in an age where we will witness not only new breakthroughs in weapons of destruction—but also a race for mastery of the sky and the rain, the ocean and the tides, the far side of space and the inside of men's minds?

We travel today along a knife-edged path which requires leadership better equipped than any since Lincoln's day to make clear to our people the vast spectrum of our challenges.

In the words of Woodrow Wilson: "We must neither run with the crowd nor deride it—but seek sober counsel for it—and for ourselves."

SENATE

FRIDAY, MARCH 20, 1959

Rev. Father Joseph F. Thorning, D.D., pastor of St. Joseph's Church, Carrollton Manor, Md., offered the following prayer:

Heavenly Father, author of life and of love, let the light of Thy countenance shine brightly upon the Presiding Officer of the Senate and all the Members of the U.S. Congress.

Impart, we beseech Thee, Thy best blessings to the President of our beloved country, and to all the peoples and governments united to uphold freedom, genuine social progress, and the precious values of our Judaeo-Christian heritage.

In an hour of peril, grant that Thy inspiration and the example of the Founding Fathers of this Republic may strengthen us to endure the gravest hardships, rather than to abandon our friends to a slavery that, if we quail, will be our own destiny.

In our devotion to these ideals, dear Saviour, we implore new gifts of wisdom, courage, resourcefulness, and imagination, characteristic of men and women of prayer, that we may grow in Thy friendship and in our love for one another.

We humbly seek Thy daily graces, in the name of our Lord and Saviour, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 19, 1959, was dispensed with.

TRIBUTE TO THE REVEREND FATHER JOSEPH F. THORNING, D.D.

Mr. MANSFIELD. Mr. President, I wish to express my personal appreciation that the Reverend Joseph F. Thorning, one of America's greatest experts in the field of Latin American affairs, gave the invocation in the Senate today. He is a man of widespread reputation throughout the Americas. He has made many contributions to better understanding between the states which comprise the hemisphere; and I believe we are indeed fortunate that this distinguished scholar and world-famous priest has delivered the invocation in the Senate today.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its

clerks, announced that the House had passed the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Constitutional Rights Subcommittee of the Committee on the Judiciary, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary, and the Committee on Government Operations were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON REVIEW OF SUPPLY AND PROCUREMENT ACTIVITIES OF THE EIGHTH UNITED STATES ARMY, KOREA

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected supply and related disposal and procurement activities of the 8th United States Army, Korea, dated March 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON ACTIVITIES OF, EXPENDITURES BY, AND DONATIONS TO LIGNITE RESEARCH LABORATORY, GRAND FORKS, N. DAK.

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on the activities of, expenditures by, and donations to the Lignite Research Laboratory, Grand Forks, N. Dak., for the calendar year 1958; to the Committee on Interior and Insular Affairs.

REPEAL OF HONORARIUM PROVISION OF SECTION 4 OF COMMUNICATIONS ACT OF 1934

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting a draft of proposed legislation to repeal the honorarium provision in subsection (b) of section 4 of the Communications Act of 1934, as amended (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO PRESENTATION IN CERTAIN CASES

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting a draft of proposed legislation to amend section 409(c) of the Communications Act of 1934, as amended, with respect to presentations in any case of adjudication which has been designated for a hearing by the Federal Communications Commission (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Senate of the State of Utah; to the Committee on Interior and Insular Affairs:

"S. R. 5

"Resolution objecting to limitation of public lands

"Whereas under the Recreation Act of June 14, 1926, as now amended and in effect, the Secretary of the Interior is limited to not more than 640 acres of the public lands of the United States which may be conveyed to any one grantee in any one calendar year; and

"Whereas this limitation is a severe handicap to the State of Utah and to the Utah State Park and Recreation Commission in the development of its planned State park system, and in the acquisition, preservation, and protection of areas which should be incorporated into and protected by said State park system: Now, therefore, be it

"Resolved by the Senate of the 33d Legislature of the State of Utah, That the President of the United States and the Congress of the United States be memorialized to amend the Recreation Act of June 14, 1926, as amended, to authorize the Secretary of the Interior to convey to a State, without acreage or other limitation, any public lands within such State for State park and recreation purposes; be it further

"Resolved, That certified copies of this resolution be transmitted by the secretary of state to the President of the United States, to the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, and to the Senators and Representatives from the State of Utah."

A resolution of the House of Representatives of the State of Utah; to the Committee on Interior and Insular Affairs:

"H.R. 5

"Resolution memorializing Congress and the President to remove the limitation on the number of acres of public lands which the State may acquire

"Whereas under the Recreation Act of June 14, 1926, as now amended and in effect, the Secretary of the Interior is limited to not more than 640 acres of the public lands of the United States which may be conveyed to any one grantee in any one calendar year; and

"Whereas this limitation is a severe handicap to the State of Utah and to the Utah State Park and Recreation Commission in the development of its planned State park system, and in the acquisition, preservation and protection of areas which should be incorporated into and protected by said State park system: Now, therefore, be it

"Resolved by the House of Representatives of the State of Utah, That the President of the United States and the Congress of the United States be memorialized to amend the Recreation Act of June 14, 1926, as amended, to authorize the Secretary of the Interior to convey to a State, without acreage or other limitation, any public lands within such State for State park and recreation purposes; be it further

"Resolved, That certified copies of this resolution be transmitted by the secretary of state to the President of the United States, to the Presiding Officer of the United States Senate, to the Speaker of the House of Representatives, and to the Senators and Representatives from the State of Utah."

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

J. Allen Overton, Jr., of West Virginia, to be a member of the United States Tariff Commission.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STENNIS:

S. 1477. A bill to authorize the improvement of Natchez Harbor, Miss.; to the Committee on Public Works.

By Mr. EASTLAND:

S. 1478. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture and Forestry.

S. 1479. A bill to amend title 38 of the United States Code so as to permit payment of pension to the widow of a Civil War veteran who remarried if such remarriage has terminated; to the Committee on Finance.

S. 1480. A bill to amend section 7 of the War Claims Act of 1948; to the Committee on the Judiciary.

By Mrs. SMITH:

S. 1481. A bill to authorize certain improvement of the Stonington Harbor, Maine; to the Committee on Public Works.

By Mr. CARLSON:

S. 1482. A bill relating to rates of postage on third-class matter mailed by certain nonprofit organizations; to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY:

S. 1483. A bill for the relief of John C. Matlon; to the Committee on the Judiciary.

By Mr. CARLSON (for himself, Mr. MORSE, Mr. MAGNUSON, Mr. NEUBERGER, Mr. CURTIS, Mr. CASE of South Dakota, Mr. JACKSON, and Mr. CHAVEZ):

S. 1484. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. CARLSON when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 1485. A bill to place in trust status certain lands on the Crow Creek Indian Reservation in South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. MARTIN:

S. 1486. A bill to modify the project for the Coralville Reservoir on Iowa River in Iowa in order to provide for a highway bridge across Coralville Reservoir; to the Committee on Public Works.

By Mr. COOPER:

S. 1487. A bill to amend section 9 and 40 of the United States Employees' Compensation Act, as amended; to the Committee on Labor and Public Welfare.

By Mr. MANSFIELD (for himself and Mr. MURRAY):

S. 1488. A bill providing for payments as incentives for the production of manganese; to the Committee on Interior and Insular Affairs.

By Mr. KEATING:

S. 1489. A bill to amend title 28 of the United States Code to provide for certain judicial review of administrative removals and suspensions of Federal employees; and

S. 1490. A bill to permit judicial review of decisions of the Administrator of Veterans' Affairs; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bills, which appear under separate headings.)

PRINTING AS A SENATE DOCUMENT THE PROCEEDINGS AT ACCEPTANCE OF STATUE OF JOSEPH WARD

Mr. CASE of South Dakota submitted the following concurrent resolution (S. Con. Res. 18), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and acceptance of the statue of Joseph Ward, to be presented by the State of South Dakota in the rotunda of the Capitol, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such Senate document shall be prepared under the supervision of the Joint Committee on Printing.

SEC. 2. There shall be printed three thousand additional copies of such Senate document, which shall be bound in such style as the Joint Committee on Printing shall direct, and of which 100 copies shall be for the use of the Senate and 1,200 copies shall be for the use of the Members of the Senate from the State of South Dakota, and 500 copies shall be for the use of the House of Representatives and 1,200 copies shall be for the use of the Members of the House of Representatives from the State of South Dakota.

THANKS OF CONGRESS TO STATE OF SOUTH DAKOTA FOR STATUE OF JOSEPH WARD

Mr. CASE of South Dakota submitted the following concurrent resolution (S. Con. Res. 19), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the statue of Joseph Ward, presented by the State of South Dakota, to be placed in the Statuary Hall collection, is accepted in the name of the United States, and that the thanks of the Congress be tendered said State for the contribution of the statue of one of its most eminent citizens, illustrious for his leadership as author of the State's motto, framer of the Territorial School Law, founder of the first college, and outstanding churchman in the founding of Christian churches among whites and Indians; and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of South Dakota.

WHEAT STABILIZATION ACT OF 1959

Mr. CARLSON. Mr. President, on February 19, 1959, I introduced Senate bill 1140, which might be cited as the Wheat Stabilization Act of 1959. The bill was cosponsored by Senators MORSE, MAGNUSON, NEUBERGER, CURTIS, CASE of South Dakota, JACKSON, and CHAVEZ.

Some changes and corrections should be made in this bill, in order to conform to a similar bill which was introduced in the House of Representatives. Therefore, on behalf of the same cosponsors, and myself, I introduce a new bill in lieu of the bill heretofore introduced, and ask for its appropriate reference. I also ask that consideration of the previously introduced bill be postponed indefinitely.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The bill will be received and appropriately referred; and, without objection, Senate bill 1140 will be indefinitely postponed.

The bill (S. 1484) to amend the Agricultural Adjustment Act of 1938, as amended, introduced by Mr. CARLSON (for himself, Mr. MORSE, Mr. MAGNUSON, Mr. NEUBERGER, Mr. CURTIS, Mr. CASE of South Dakota, Mr. JACKSON, and Mr. CHAVEZ), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

JUDICIAL REVIEW OF EMPLOYEE DISCHARGE CASES

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to provide procedures for judicial review of administrative removals and suspensions of Federal employees.

Under the law today all Government employees must go to the district court in the District of Columbia for review of decisions affecting their employment. In my opinion, these people, who are scattered all over the country, should not be forced to travel all the way to Washington to appeal their cases. My bill would give all Federal district courts jurisdiction to review decisions involving employees residing in that particular district.

The bill is designed to correct another glaring defect in the procedure for reviewing discharges of Government employees. At present, a discharged employee, who has reason to believe his discharge was arbitrary, must go to the district court for a determination of whether he should be reinstated, but that court cannot award him back pay even if it holds in his favor. The employee must bring a separate suit for back pay in the Court of Claims. That has meant duplication of effort and expense not only to the employee but to the Government. And since neither court is bound by the decision of the other, inconsistent results have been reached in the identical case.

My bill would remedy this situation by giving the Federal district court jurisdiction to consider both reinstatement and the claim for back pay all in one action.

The bill would in no way encourage the courts to sit as a sort of super Civil Service Commission. It is not the function of the Federal courts to determine the suitability or competency of an employee for a particular position. These have always been regarded as administrative matters and nothing in the bill would alter this concept.

This bill is simply designed to implement procedural rights already granted Federal employees by many congressional enactments. Certainly such statutory rights should be safeguarded by the courts when necessary. Enactment of this measure would remove the obstacles which now render difficult the effective judicial review of employee discharges.

Mr. President, I request that the text of the bill be printed following my remarks in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1489) to amend title 28 of the United States Code to provide for certain judicial review of administrative removals and suspensions of Federal employees, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 85 of title 28 of the United States Code is amended by adding at the end thereof the following:

"§ 1361. Removal and suspensions of Federal employees

"The district courts of the United States, the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands shall have jurisdiction of appeals of civilian employees in the executive branch of the Federal Government (1) for reinstatement or restoration to duty following final action by the appropriate administrative authority for the removal or suspension without pay from the service or (2), concurrently with the Court of Claims, for compensation as provided by law for the period of such removal or suspension, or (3) for both such reinstatement or restoration and compensation.

"Any such appeal shall be filed within sixty days after the date of the final administrative action in that court within the jurisdiction of which the employee is employed or in the District Court for the District of Columbia.

"Action for such appeal may be brought against the appropriate officer or agency of the United States and service of process upon such officer or agency may be made at any place in the United States.

"The administrative record of the case, except for matters which are privileged or confidential, shall be filed with the court by the officer or agency concerned.

"The decision of any such court shall be subject to review as provided for such court in this title.

"Nothing contained in this section shall affect the scope of review of any court in actions under this section."

JUDICIAL REVIEW OF DECISIONS OF VETERANS' ADMINISTRATION

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to permit judicial review of decisions of the Administrator of Veterans' Affairs.

Under the present law, judicial review of such decisions is denied on the ground that the benefits accorded to veterans under various Federal laws are mere bounties or gifts. I do not accept that theory. The benefits accorded veterans, many of whom have placed their lives in jeopardy in the service of their country, should not be regarded as a matter of munificence. It is true, of course, that the granting or withholding of such benefits is a matter within the discretion of Congress itself, but it does not follow from this that the administration of these benefits should be left to the un-

challengeable discretion of any Government bureau.

The proceedings for judicial review under this bill parallel those applicable to the review of other administrative agency determinations. They are designed to afford expeditious judicial consideration of decisions of the Veterans' Administration without overburdening the courts with the necessity for rehearing the evidence presented.

The very least we can do for our veterans is to give them a day in court when they become involved in controversies with Government agencies.

This bill should receive early consideration in the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed following my remarks in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1490) to permit judicial review of decisions of the Administrator of Veterans' Affairs, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, any person aggrieved by any final decision of the Administrator of Veterans' Affairs (hereinafter referred to as the "Administrator") which has been rendered by the Board of Veterans Appeals, may obtain a review thereof by filing a petition for review in the court of appeals for the circuit in which the petitioner resides or in the Court of Appeals for the District of Columbia within ninety days after the mailing of notice of the decision to the aggrieved party. A copy of such petition shall forthwith be served upon the Administrator. Within fifteen days after the receipt of service, or within such additional time as the court may allow, the Administrator shall certify and file with the court a transcript of the record upon which the decision complained of was based. Upon the filing of such transcript the court shall have exclusive jurisdiction to review the decision, and to affirm, modify, or reverse it in whole or in part. The findings of the Administrator as to the facts, if supported by substantial evidence, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the proceedings before the Administrator, the court may order such additional evidence to be taken before the Administrator upon such terms and conditions as the court may deem proper. The Administrator may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken. He shall file with the court a transcript of the additional record, with his modified or new findings, which, if supported by substantial evidence, shall be conclusive, and his recommendation for the affirmance, modification, or reversal of the original decision. The judgment and decree of the court affirming, modifying, or reversing, in whole or in part, any decision of the Administrator shall be final, except that it shall be subject to review by the Supreme Court of the United States as provided by title 28, United States Code, section 1254.

SEC. 2. Notwithstanding any other provision of law, the court may determine and allow such reasonable fees as it may deem proper for services rendered by an attorney for any private party to the proceeding. Any person who charges or receives any compensation for such services, except such compensation as may be allowed by the court, shall be punished by a fine of not more than $500 or imprisonment for not more than one year, or both.

COMPETITIVE BIDDING IN PROCUREMENT OF PROPERTY AND SERVICES BY ARMED FORCES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 12, 1959, the names of Senators BUSH, SCHOEPPEL, BUTLER, WILEY, AIKEN, FREAR, CASE of New Jersey, CARLSON, JAVITS, and KEATING were added as additional cosponsors of the bill (S. 1383) to require the use of competitive bidding to the greatest practicable extent in the procurement of property and services by the Armed Forces through the establishment by the Secretary of Defense of specific standards governing the use of negotiated contracts for such procurement, and for other purposes, introduced by Mr. WILLIAMS of Delaware (for himself and Senators BRIDGES, ALLOT, MANSFIELD, and DWORSHAK), on March 12, 1959.

AUTHORITY OF STATES TO CONTROL WATER WITHIN THEIR BOUNDARIES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 16, 1959, the names of Senators BENNETT, CASE of South Dakota, MUNDT, DWORSHAK, and HRUSKA were added as additional cosponsors of the bill (S. 1416) to recognize the authority of the States relating to the control, appropriation, use, or distribution of water within their boundaries, and for other purposes, introduced by Mr. Moss on March 16, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DODD:

Address delivered by Senator JOHNSON of Texas at Jefferson-Jackson dinner, Hartford, Conn.

By Mr. HUMPHREY:

Address entitled "The Works of Peace," delivered by him before the National Council of Jewish Women in Washington on March 10, 1959.

DISPOSAL OF PERSONAL PROPERTY OF GOVERNMENT EMPLOYEES IN FOREIGN COUNTRIES

Mr. MANSFIELD. Mr. President, in June of 1958, I made public a letter to the Honorable William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations. In that letter I called attention to certain press reports from Pakistan. Those reports indicated that MAAG, ICA, and State Department personnel and others directly or indirectly employed by the Government had engaged in the disposal of their personal property on the markets of Pakistan at prices vastly exceeding the value of the articles. At that time I asked for a detailed report covering the nature and extent of oversea disposal of personal property.

Since June, the Department of State has, from time to time, made available to me such reports. I ask unanimous consent that my entire correspondence with the Department of State concerning this practice be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, this correspondence shows that during the 12-month period from January 1 to December 31, 1957, 186 U.S. Government employees sold a total of almost $678,000 worth of personal property in Pakistan—an average of $3,644 per employee. Similar data for the 11-month period from January 1 to November 30, 1958, reveal that a total of 275 employees, leaving Pakistan during that time, sold personal property in the amount of $565,000—or an average of $2,054 per employee. Recently, I received the figures for December 1958, which indicate that 30 employees departing Karachi converted rupees totaling $15,185, for an average of $506 per employee.

When dubious practices regarding personal property disposal were brought to its attention, the Department of State showed a commendable initiative in recognizing the considerations of foreign relations which are involved in this matter. The Department established an interdepartmental committee to study the subject, and this study has resulted in a report entitled "Guide for Use in Developing Uniform Regulations for a Particular Country Relative to the Importation and Disposal of Personal Property, the Acquisition and Conversion of Local Currency and the Importation, Operation, and Disposal of Motor Vehicles." The report points the way to a sensible procedure for official employees to follow regarding disposal of personal property which they do not desire to take with them when they leave a post abroad. I hope it will result in worldwide improvement of the dubious practices of personal property disposal which, as I pointed out in my initial letter, have heretofore existed in many countries.

Mr. President, for my part I consider this matter closed. I express the hope that the Department of State will continue to maintain a watchful eye on this situation, not only as it involves employees of that Department, but also as it involves military and all other official U.S. personnel abroad, as well as employees of contractors engaged by this Government for work abroad.

Mr. President, on this occasion I wish to commend the Honorable William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations, and the Department of State for their attitude in regard to this matter, and for their efforts and endeavors to bring about a rectification of a situation which could do nothing but bring harm to our country.

EXHIBIT 1

JUNE 13, 1958.

HON. WILLIAM B. MACOMBER, JR.
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Recent press reports have suggested that U.S. Government employees serving abroad and U.S. citizens employed abroad under contracts financed by the U.S. Government have from time to time been able to reap windfall profits by the expedient of selling on the local markets goods which they have imported from the United States. Apparently this practice is indulged in especially when such persons terminate their tours of duty, or, in some instances when they import duty-free items in excess of their personal needs.

I have in mind in particular press reports from Pakistan to the effect that MAAG, ICA, and State Department personnel and contractors' employees have from time to time disposed of personal property on the markets of Pakistan at prices vastly exceeding the value of the articles sold and that the foreign currencies received from these articles have then been converted into dollars for deposit in the United States. I know from personal observation, however, that similar practices exist in many countries.

It seems to me that trading of this kind detracts from the dignity with which Americans abroad should conduct themselves and therefore has an adverse effect on the conduct of our foreign policy. Furthermore, in many countries the local demand and resultant high prices for American goods is attributable in part to import controls which the United States has encouraged so that scarce foreign currencies in those countries can be utilized to promote much needed economic development. Thus, Americans who dispose of their personal American goods on local markets at inflated prices in effect are circumventing the very controls which the United States as a matter of official policy wishes to encourage.

As you know, outbreaks of anti-American sentiment in foreign countries have become increasingly common in recent years. Although some of these outbreaks are attributable to Communist inspiration, I have little doubt that some of this anti-Americanism can be traced to such factors as the number of Americans serving abroad, the ostentation with which some of our citizens live, and practices of the kind reported from Pakistan and elsewhere.

I would appreciate it if the Department of State, because of our Ambassadors' overall responsibility at missions abroad, would take the initiative in preparing for me a report covering the nature and extent of the overseas disposal of personal property by all officially employed Americans and a separate such report with respect to contractors' employees. Such report should include, post by post, figures or estimates, if precise figures are not available, of the U.S. dollar value of personal property sold during the past calendar year, broken down to show the reasonable resale value in the United States of such items in contrast with the prices received for sale abroad.

I should also be interested in receiving the Department's comments on whether profits of the type covered in this activity are taxable, whether the Department believes these practices are of such a nature and extent as to require remedial action or legislation, and, if so, what remedial action the Department proposes to take or what legislation the Department would recommend.

Sincerely yours,

MIKE MANSFIELD,
Chairman, Subcommittee on State Department, Organization and Public Affairs.

DEPARTMENT OF STATE,
Washington, July 1, 1958.

HON. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR MANSFIELD: Your letter of June 13, 1958, in which you refer to recent press reports suggesting that certain U.S. Government employees and contract personnel serving abroad have profited unduly from the sale of personal property, has been received and noted.

At most posts abroad no record is kept of sales of personal property of Foreign Service or other U.S. agency personnel. However, in countries where the currency is controlled and export is forbidden, as in Pakistan, records are necessarily maintained as exchanges of local currency for dollars are made through the Embassy disbursing officers. Therefore, it would be possible to obtain records from such posts.

If problems exist along the lines suggested by the press, the Department of State in its role of coordinator for all foreign affairs activities, will indeed be most anxious to ascertain evidences of any questionable practices, regardless of which agency is represented, and will endeavor to take steps to stop such practices. It is believed, at this point, that any malpractices which may exist can be controlled by administrative procedures.

In this connection I am attaching for your information the following regulations which are designed to control practices such as those you question: 1 FSM IV, section 626; 1 FSM V, section 370. Our Embassy in Karachi has already taken steps to reinforce the application of these regulations and add such additional restrictions as may be required by the local situation. There is also attached a set of pertinent regulations issued by the American Embassy in Karachi. Also, the Embassy has been asked for complete records on all exchanges of rupeees for dollars resulting from sale of personal property by U.S. Government employees and contract personnel serving in the Karachi area.

A report will be forwarded to you as soon as it can be prepared.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,
Assistant Secretary.

(Enclosures: (1) Foreign Service Regulations (omitted); (2) Embassy Karachi Regulations (omitted).)

JULY 9, 1958.

HON. WILLIAM B. MACOMBER, JR.,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Thank you for your letter of July 1, 1958, telling me of the Department's activities in connection with reports of questionable practices regarding the acquisition and disposal of personal property by U.S. employees serving overseas. I appreciate very much the vigor with which the Department seems to be pursuing this matter.

I had contemplated bringing this matter to the attention of the Secretary of Defense with the thought that he might wish to have the Inspector General examine the situation with respect to activities of military personnel overseas. I have not done so as yet. If you think a request of this kind might be helpful, I would be glad to do so.

Sincerely yours,

MIKE MANSFIELD,
Chairman, Subcommittee on State Department, Organization and Public Affairs.

DEPARTMENT OF STATE,
Washington, July 28, 1958.

HON. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR MANSFIELD: Reference is made to your letter of June 13, 1958, and to my letter of July 1, 1958, relating to your request for information and a report concerning the sale of personal property by U.S. Government employees and contract personnel serving abroad.

As you know, the Department of State for many years has had an established policy and appropriate regulations to govern the disposal of personal property overseas by employees of the U.S. Government and their dependents. The regulations are designed to provide a general code of ethics and to require that such sales not reflect adversely on the United States or its employees or adversely affect our relations with other nations or provide propaganda advantages for nations unfriendly to the United States. Policies and procedures similar to those promulgated in Karachi, which I sent you with my letter of July 1, are in effect at all of our oversea posts where local conditions resulting from general inflation, declining foreign exchange, and scarcity of imported items require administrative regulations including currency controls to assure adequate control over the sale of personal property by U.S. Government employees or their dependents. As is the case in Karachi, these regulations generally authorize sales only when a person is scheduled to leave the country permanently and require proof that a particular item was imported for the owner's personal use and was in his possession for a specific period of time.

In connection with your review of the Karachi regulations, I wish to point out that as a result of certain apparent excessive requests for permission to sell personal property which were called to Ambassador Langley's attention in March, our Embassy in Karachi conducted a detailed study of the practices of U.S. Government employees and their dependents in selling personal property at that post. The amended regulations issued on April 24, 1958, resulted from this study and modified previous regulations to require (a) the offer through publication in the Karachi Daily Bulletin (a publication for U.S. Government personnel) of sale of personal property to Government personnel at prices comparable to those pertaining to secondhand articles of the same type in the United States, plus shipping charges; (b) procurement of "no objection certificates" from the Government of Pakistan on all sales made to the Pakistanis and the payment of custom duties and sales taxes, as well as the presentation to the Embassy of a bill of sale sworn to before the consul by both buyer and seller; and (c) limiting the sales of personal property to those items which would be sold under more usual resale conditions than those prevailing in Pakistan and specifically prohibiting the sale of luxury items and items of small size and relatively high value such as cameras, shotguns, silver, etc.

It is generally recognized that in countries such as Pakistan, American personnel find it necessary to import articles such as refrigerators and other heavy items of electrical equipment and certain types of fur-

niture which are primarily adaptable to a specific country and therefore, oftentimes not of particular use in other countries. Also, in several countries climatic conditions, inadequate maintenance and repair facilities and fluctuating or inadequate local electrical current quite frequently result in unusual wear and tear and more rapid deterioration than in the United States and some other countries.

In response to your request of July 1, there is enclosed a summary of the information which we have obtained from our Embassy in Karachi relating to the volume of sales for calendar year 1957 and the number of individuals involved in such sales. There are also enclosed sample lists of cars and household items sold in 1957. Based on a review of the classified advertising pages of a recent edition of a Washington and a New York paper it appears that generally items sold in Karachi bring from two to four times more than they would if sold in the United States. However, such sales overseas do save the Government the cost of return transportation of such goods.

As you know, the greatly increased responsibilities which this Government has in the conduct of its foreign relations has made it necessary for the United States to send more American officers and employees abroad to man our embassies, missions and consulates. These increases have been augmented in some countries by sizable numbers of American personnel employed by other Government agencies, including the military, which in the instance of command troops is not subject to Embassy regulations. It might be noted as far as Karachi is concerned that there are 1,600 people in the official U.S. colony. This increase in the number of official Americans abroad who with few exceptions take with them as much as possible of the American way of life and standard of living, obviously has inevitably resulted in an increase in the importation of American goods for personal use by U.S. Government employees.

In view of the important foreign policy considerations which can become involved in the importation and sale of personal property and related transactions in local currency, an interdepartmental committee has been studying this subject since April. This committee is chaired by an Assistant Secretary of State and is comprised also of officers of the Department of Defense, the U.S. Information Agency, and the International Cooperation Administration. Representatives of other agencies concerned have also been invited to participate as appropriate. The primary purpose of the committee's study is to review current policies and practices and to develop and present to interested agencies further guides for use in developing uniform regulations and standards for particular countries relative to the disposal of personal property by U.S. employees. If you are interested, I should be happy to inform you of the committee's conclusions when its study is completed.

While a question of interpretation of the provisions of the Internal Revenue Code of 1954, as amended, is more properly for the determination of the Internal Revenue Service, it is the Department's understanding that a gain realized from the sale abroad of personal property by an officer or employee of the U.S. Government is includible in the vendor's Federal income tax return as a part of gross income, pursuant to the provisions of 26 United States Code 61(a)(3), and consequently, is taxable.

We have also carefully reviewed the need for further remedial action or legislation as suggested in your letter of July 1. We believe that the existing departmental and individual post regulations provide adequate controls and make it unnecessary for the Department to take further remedial action or to recommend any specific legislation at this time. Should the report of the interdepartmental committee now studying this problem indicate that existing regulations should be modified, appropriate action will be taken.

We appreciate very much the interest which you have taken in this matter and will be glad to furnish you with additional information which may be required in connection with your study.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

(Enclosures: (1) Summary; (2) Sample lists (2).)

Conversions, Jan. 1–Dec. 31, 1957

	Number of individuals	Total dollar conversion	Average per employee
U.S. Government	186	$677,773.27	$3,643.9423
Contract	32	106,208.46	3,319.0143
Total	218	783,981.73	

Exchange rate 1957 equals 4.75 rupees to $1.00.

Sample items sold in 1957

Car	Year import	Year sold	Net dollar sale price
Chevrolet, Bel-Air	1955	1957	$4,113.90
Do	1955	1957	3,649.80
Do	1956	1957	4,430.38
Chevrolet, 210	1954	1957	3,205.60
Do	1955	1957	3,585.86
Plymouth station wagon	1952	1957	2,649.37
Nash Rambler	1952	1957	1,898.73
Buick Roadmaster	1956	1957	6,329.11
Pontiac sedan	1955	1957	4,746.84
Ford Mainline	1956	1957	4,641.35
Mercury sedan	1956	1957	5,907.17
Oldsmobile sedan	1956	1957	5,553.00
Volkswagen, deluxe	1956	1957	2,160.13

Sample items sold in 1957

Household items	Year import	Year sold	Net dollar sale price
Deep freezer:			
10 cubic foot Coldspot	1955	1957	$611.81
11 cubic foot Coldspot	1956	1957	675.11
17 cubic foot Hotpoint	1956	1957	654.00
Refrigerator:			
11 cubic foot Westinghouse	1955	1957	485.23
9 cubic foot Frigid	1955	1957	400.00
12 cubic foot Philco	1960	1957	485.23
Washing machine:			
Kenmore	1955	1957	147.67
Do	1956	1957	179.32
Apex	1955	1957	168.77
Electric oven: Westinghouse	1955	1957	126.58
Steam iron: Westinghouse	1955	1957	23.21
Mixmaster: Sunbeam	1956	1957	52.74
Air conditioner:			
Mitchell ¾-ton	1955	1957	611.81
Remington	1957	1957	632.91
Hi-fi console: Grundig	1957	1957	722.57
Radio/phono console: Grundig	1955	1957	632.91
Tape recorder: Revere	1956	1957	379.74

NOVEMBER 5, 1958.

Hon. WILLIAM B. MACOMBER,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Your letter of July 28, 1958, supplying me with information concerning the sale of personal property by U.S. Government employees and contract personnel serving abroad was most helpful.

I am happy to note that specific remedial steps have been taken in Karachi, but I wonder if these are sufficient particularly in view of the large number of official Americans in Karachi. I must say, I was startled by your figure of 1,600 people in the official U.S. colony and also by your statement that some of them are not subject to Embassy regulations. I had thought we had won the battle to make the Ambassador the unquestioned chief of U.S. functions abroad.

I wonder if you could clarify the table attached to your letter, entitled "Conversions—January 1–December 31, 1957." Is this the average number of dollars converted into rupees by the personnel of the Embassy at Karachi during that period?

Since I am most anxious to obtain as clear an understanding of the Karachi situation as possible, would you be good enough to send me a statement (broken down by month) of the number of employees who left Karachi from the period January 1, 1958, to August 1 1958, and the total rupees converted into dollars by them. For purposes of comparison, I would like to receive a similar monthly statement beginning September 1, 1958.

I hope that the interdepartmental committee to which you refer will assure itself that similar conditions do not arise elsewhere. Your offer to inform me of the conclusions of the interdepartmental committee when it has completed its work is appreciated and I await those conclusions with interest, I hope they will not be too long delayed.

Sincerely yours,

MIKE MANSFIELD,
Chairman, Subcommittee on State Department, Organization and Public Affairs.

DEPARTMENT OF STATE,
Washington, November 21, 1958.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate

DEAR SENATOR MANSFIELD: Reference is made to your letter of November 5, 1958, in which you request additional information concerning the sale of personal effects by U.S. Government personnel at Karachi and resulting conversions of local currency to U.S. dollars.

You have requested that the table attached to my letter of July 28 entitled "Conversions—January 1–December 31, 1957," be further clarified. The table in reference reports conversions of local currency to U.S. dollars for the period reported. As reflected therein there were 186 conversions on behalf of U.S. Government employees and 32 conversions on behalf of U.S. contract personnel. These conversions totaled $783,981.73, or an average conversion of $3,643.94 for U.S. Government employees and $3,319.01 for contract personnel. It should be noted that the 186 Government employees includes all agencies of the U.S. Government located in Pakistan during the reporting period, and not just those of the Embassy which comprises a small segment of the official American colony.

The Department is seeking the additional information from Karachi which you requested concerning the number of employees who have departed Karachi since January 1, 1958, and the total rupees converted into dollars by those employees, broken down by month. This information will be furnished to you when it is received from Karachi.

The deliberations of the interdepartmental committee studying the conduct of American employees abroad have been concluded and a copy of the report entitled "Guide for Use in Developing Uniform Regulations for a Particular Country Relative to the Importation and Disposal of Personal Property, the Acquisition and Conversion of Local Currency and the Importation, Operation, and Disposal of Motor Vehicles" is enclosed. There is also enclosed a copy of Circular Instruction No. 4025 of October 31, 1958, which comprises a joint State, Defense, ICA, USIA instruction concerning the implementation of the guides.

You will note that both documents are classified "Official Use Only."

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

(Enclosures: (1) Circular Instruction 4025, dated October 31, 1958, "OCG Guides for Use in Developing Uniform Regulations Relative to the Importation and Disposal of Personal Property, the Acquisition and Conversion of Local Currency, and the Importation, Operation, and Disposal of Motor Vehicles," marked for "Official Use Only" (omitted); (2) OCB Guides (omitted).)

DEPARTMENT OF STATE,
Washington, December 30, 1958.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR MANSFIELD: Reference is made to your letter of November 5, 1958, and to my reply of November 21, 1958, concerning the sale of personal effects by United States Government personnel at Karachi and resulting conversions of local currency to U.S. dollars.

As indicated in my letter in reference, the Department requested from our Embassy at Karachi the additional information you desired. This information has now been received and I am enclosing a statement showing the number of U.S. Government personnel departing Karachi, the dollar value of local currency converted and the average amount of such conversions. This information is broken down by month and covers the period January through November 1958. Similar information for the month of December 1958 will be forwarded to you at such time as it is received from the Embassy.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

[Enclosure: Statement.]

Conversions, Jan. 1,–Nov. 30, 1958

Month	Number of U.S. Government personnel	Total dollar conversion	Average conversion
January	11	$31,198	$2,836
February	14	23,646	1,689
March	15	48,781	3,252
April	24	36,854	1,536
May	54	87,859	1,627
June	28	70,098	2,504
July	38	107,372	2,825
August	36	70,569	1,955
September	11	38,174	3,470
October	29	33,070	1,140
November	15	15,132	1,009
Total	275	564,753	2,054

FEBRUARY 2, 1959.

Hon. MIKE MANSFIELD,
Chairman, Subcommittee on State Department Organization and Public Affairs, Committee on Foreign Relations, U.S. Senate.

DEAR SENATOR MANSFIELD: Reference is made to my letter of December 30, 1958, and previous correspondence concerning the sale of personal effects by U.S. Government personnel at Karachi and resulting conversions of local currency to U.S. dollars. With my letter in reference I forwarded to you a statement showing by month for the period January through November 1958, the number of U.S. Government personnel departing Karachi, the dollar value of rupees converted to dollars and the average amount of such conversions.

The Department is now in receipt of similar information for the month of December 1958 which reveals that 30 U.S. Government employees departed from Karachi converting rupees totaling $15,185 for an average of $506.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

SUPREME COURT DEFENDED

Mr. KUCHEL. Mr. President, the U.S. Supreme Court is the constitutional defender of American liberties which the Constitution of our country guarantees to all our people. Our unique, tripartite system of government is one reason for the strength of our cherished freedoms; and the judicial branch is an indispensable part of that system. I very much regret the intemperate abuse and vilification which some people, in and out of government, have heaped upon our country's highest tribunal. This is not the first time in our long history that the Court has been so abused. But it stands—and it will continue to stand—as a bulwark of American liberty.

With my voice and with my vote, I have opposed proposals to weaken and undermine the Court. Thus, I deem it most unfortunate that one of my votes in the Senate was on several occasions, misinterpreted by some. I believe that misinterpretation has now been corrected. In that connection, I ask unanimous consent that there be printed in the body of the RECORD certain comments which I have made in the Senate and also by letter, certain newspaper articles and editorial comments, and some correspondence which I have received, all bearing on this subject.

There being no objection, the excerpt, articles, editorials, and correspondence were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, vol. 104, pt. 15, p. 18919]

Mr. KUCHEL. Mr. President, as a matter of good, sound, American public policy, I believe that the States of the American Union, as well as the Government of the United States, should—indeed, must—have the right to legislate in the field of antisedition and antisubversion legislation. As a Member of the U.S. Senate, I am prepared—indeed, I am quite anxious—to be given an opportunity to vote in favor of the pending bill, unfettered by amendments, and which, in making specific reference to Federal antisubversion legislation already enacted, states specifically and unequivocally that the Congress does not intend to preempt the field of protecting American Government, State and Federal, but, to the contrary, welcomes the partnership of State laws in ferreting out and punishing those who conspire to overthrow any segment of American Government by force or violence.

No Member of this body whether lawyer or not, has, thus far, risen to condemn the proposed bill as being illogical, untenable, unconstitutional, or susceptible of the imperfect construction.

[From the Los Angeles Times, Mar. 6, 1959]

KUCHEL CHARGES MOSK MISREPRESENTED HIS VOTE

SAN FRANCISCO, March 5.—Senator KUCHEL (Republican, California) states that California's attorney general, a Democrat, in a speech here misrepresented KUCHEL's vote on a proposal to curb powers of the U.S. Supreme Court.

The Commonwealth Club, before which Attorney General Mosk spoke February 6, confirmed today receipt of a letter from KUCHEL in Washington.

KUCHEL, who became a Senator by appointment of Governor Warren, now Chief Justice, said Mosk was quoted in the speech as saying KUCHEL voted to curb the court's powers.

"Judge Mosk is completely wrong in his statement on my position," KUCHEL wrote the Commonwealth Club.

"The fact is that I voted against the Jenner-Butler legislation on a roll call vote in the Senate, recorded in the CONGRESSIONAL RECORD, volume 104, part 15, page 18687." The bill lost by one vote, 41–40.

Stuart R. Ward, executive secretary of the Commonwealth Club, said its board of directors, after getting a report on the letter, voted to invite Senator KUCHEL to address the club on any date convenient to him.

Mosk, in Los Angeles today, said: "He, Kuchel, surprises me a great deal. I think the record will not bear him out. I'm certain he and Knowland (then Senator Knowland, Republican, California) both voted for the Jenner-Butler bill."

KUCHEL'S STATEMENT

EDITOR:

Creditable California newspapers, in reporting a speech by State Attorney General Stanley Mosk to the Commonwealth Club on February 6, attribute the following quotation to him:

"When these diverse forces, goaded by a forthright judiciary, united behind legislation to strip the Supreme Court of some of its authority—partly symbolically, partly an actuality—they dreamed up the Jenner-Butler bill of the last congressional session. Here was a readymade opportunity for the lawyers of America to repeat their heroism of the 1930's.

"By and large they failed to awaken society to the gravest danger experienced by the judiciary since its role was established by John Marshall. Oh, yes, Jenner-Butler was defeated. But the vote was a whisker-close 40 to 41. And ironically favoring this punitive measure against the Earl Warren court were two Warren appointees, both of them California Senators: Knowland and KUCHEL.

Judge Mosk is completely wrong in his statement of my position. The fact is that I voted against the Jenner-Butler legislation on a rollcall vote in the Senate, recorded in the CONGRESSIONAL RECORD, volume 104, part 15, page 18687. Even a most cursory research by Judge Mosk would have demonstrated the complete inaccuracy of the statement he made concerning my vote.

I am proud to have been appointed to the U.S. Senate by Gov. Earl Warren, now the Chief Justice of the United States. The Chief Justice is a man of great capacity, courage, and independence. He possesses the highest judicial integrity. Like all good citizens, I vigorously object to the intemperate and unwarranted abuse which some people have heaped on the Supreme Court. What is more important, I have demonstrated my objection in the Senate by voting against legislative proposals, like the Jenner-Butler amendment, designed to subvert or weaken our Nation's highest Court.

THOMAS H. KUCHEL,
U.S. Senator.

WASHINGTON, D.C.

[From the San Francisco Chronicle, Mar. 11, 1959]

KUCHEL AND THE COURT

In a letter to the editor, which we publish today, Senator THOMAS H. KUCHEL fully clears himself, we think, of a disagreeable charge of having favored punitive legislation against the U.S. Supreme Court.

On February 6, in a speech to the Commonwealth Club here, Attorney General Stanley Mosk charged KUCHEL with having voted in the Senate last summer for the Jenner-Butler bill, which he described as intended to strip the Supreme Court of some of its authority. (The bill would have forbidden the Court to review most State disbarment proceedings.)

Mosk was completely wrong, since the record shows that KUCHEL voted to table the Jenner-Butler bill. In the light of the fact that Mosk, the State's chief lawyer, had plenty of time to get his facts right, the inaccuracy of this imputation becomes the more glaring.

It is true that the Attorney General has since acknowledged that KUCHEL voted to table the Jenner-Butler bill. In a telegram to the Commonwealth Club mentioning this, however, he went on to task KUCHEL with having voted, the very next day, August 21, 1958, in favor of a Bridges-Eastland comparable measure reflecting upon Supreme Court decisions. * * *

"It appears to me," Mosk added, "Senator KUCHEL was trying to vote both for and against respect for the Court on successive days, a curious basis for protest at this late date."

This accusation is unworthy of the Attorney General. A vote for the Bridges-Eastland bill cannot fairly be inferred as a vote against respect for the Supreme Court. This bill was aimed at explicitly permitting States to pass and enforce antisedition laws. It was intended to express the intent of Congress. Its passage had been urged by the Attorney General of the United States, and it was a bill that any Senator was entitled to favor, without having his attitude toward the Supreme Court brought into question.

MARCH 3, 1959.

Hon. STANLEY MOSK,
Attorney General, Library and Courts Building, Sacramento, Calif.

DEAR STANLEY: From a number of friends, I have received clippings from newspapers about your recent speech at the Commonwealth Club and particularly your remarks about my vote on the Jenner-Butler bill last summer.

I have taken the liberty of writing the Commonwealth Club a letter about this vote, a copy of which I am enclosing for your information, in the hope that its members may receive the true facts about how I stood on that proposition.

Since you apparently did not see it, I also am enclosing a photostatic copy of an editorial from the Sacramento Bee which correctly reflects my position.

Sincerely yours,

THOMAS H. KUCHEL,
U.S. Senator.

DEPARTMENT OF JUSTICE,
Los Angeles, Calif., March 6, 1959.

Hon. THOMAS H. KUCHEL,
U.S. Senator, Washington, D.C.

DEAR TOM: Thanks for your thoughtfulness in sending me your letter of March 3 and a copy of your communication addressed to the Commonwealth Club.

You are technically correct and I am pleased to set the record straight with a telegram addressed to the Commonwealth Club. A copy is herewith attached.

Sincerely yours,

STANLEY MOSK,
Attorney General.

Mr. STUART WARD,
Commonwealth Club,
San Francisco, Calif.:

I understand Senator KUCHEL has objected to reference in my address before Commonwealth Club February 6 to his voting with Senator Knowland in support of the Jenner-Butler bill. While it is true that he voted on August 20, 1958, to table Jenner-Butler, he spoke and voted on the very next day, August 21, 1958, in favor of a Bridges-Eastland comparable measure reflecting upon Supreme Court decisions and it was the latter measure which was recommitted to committee and thus defeated by a mere 40 to 41 vote. It appears to me Senator KUCHEL was trying to vote both for and against respect for the court on successive days, a curious basis for protest at this late date.

STANLEY MOSK,
Attorney General.

SACRAMENTO, CALIF., *March 11, 1959.*

Hon. THOMAS H. KUCHEL,
U.S. Senate, Washington, D.C.

DEAR TOM: In view of the San Francisco Chronicle editorial of today, which I am sure has been called to your attention, you may be interested in my response. A copy is enclosed.

Sincerely,

STANLEY MOSK,
Attorney General.

DEPARTMENT OF JUSTICE,
Sacramento, Calif., March 11, 1959.

Mr. CHARLES DE YOUNG THIERIOT,
Editor, San Francisco Chronicle,
San Francisco, Calif.

DEAR MR. THIERIOT: With regard to your editorial entitled "KUCHEL and the Court," while I could debate with you on the effect, both legally and symbolically, of the Bridges-Eastland bill, I am willing to cry "Uncle." It is comforting that Jenner-Butler has become such a dirty word as to stimulate this controversy.

Your criticism was essentially sound, and I accept it. Touché.

Many years ago Chief Justice Taney in an opinion (5 How. 504) cited numerous reasons for recanting a previously announced position and then added: "If there are other ways of gracefully and good naturedly surrendering former views to a better considered position, I invoke them all."

And, to quote from a more current source, one Casey Stengel, "I ain't mad at nobody."

Cordially yours,

STANLEY MOSK,
Attorney General.

[From the Sacramento Bee, Aug. 23, 1958]

JENNER-BUTLER BILL GETS A WELL-DESERVED BURIAL

The Jenner-Butler bill which proposed to put sweeping restrictions on the powers of the U.S. Supreme Court received a merited burial in the U.S. Senate.

The measure, originally spawned by Senator WILLIAM E. JENNER, of Indiana, with amendments by Senator JOHN M. BUTLER, of Maryland, was inspired by a motive which does no credit to its authors—retaliation against the Court for certain decisions with which they violently disagreed.

Only because extremist right-wing Republicans and extreme anti-integrationist southerners make up a majority of the Senate Judiciary Committee did the bill even get to the Senate floor.

It was shocking to see California's Senator William F. Knowland lined up with this group against the motion to table. Happily this State's other Senator, THOMAS H. KUCHEL, voted to kill the legislation.

One of the provisions of the measure, which was most objectionable, proposed to forbid the Supreme Court from ruling on the pertinency of questions asked of witnesses summoned before congressional investigating committees or on their liability for contempt in not answering them.

What would this have meant? The inquisitorial power of the committees would have become absolutely unchecked by the Bill of Rights or any law to prevent abuses.

What would be the effect of such a situation on traditional American freedoms?

And there were other provisions just as dangerous and just as redolent of police state methods.

Senator THOMAS C. HENNINGS, JR., of Missouri, whose motion to table killed the bill, well characterized it as stemming from the low instinct to kill the umpire.

Such foul play, had it been successful, could have hurt Congress in the end more than it would have injured the Court.

The defeat of the Jenner-Butler bill will have a healthy influence in putting an end to all like ill-conceived threats to the usefulness and independence of the Federal judiciary.

[From the Washington Post, Aug. 30, 1958]

SEDITION BILL

In his column of August 27, Drew Pearson erroneously cast me with the enemies of Chief Justice Warren, by reason of my vote on a recommittal motion in the Senate. I regret his unfair comment, particularly since I have the highest esteem for the Chief Justice as a great jurist and as a great American. Please permit a brief comment on the background of the vote to which Mr. Pearson refers.

The Pennsylvania Supreme Court in Commonwealth v. Nelson, 104 At. II 133 (1954), found that it was the purpose of Congress, in passing the revised Smith Act (1948), to preempt the field of sedition. It held its own Pennsylvania sedition law to be superseded and rendered inefficacious by the Federal statute. The U.S. Supreme Court agreed.

There then arose a question of legislative policy: Should the congressional purpose as found by the Court be changed by amending the Smith Act so as to permit States to adopt sedition laws? The U.S. Attorney General urged such a change, and I concluded to support a bill to accomplish it. A motion to recommit the bill to committee, and thereby to kill it, carried 41 to 40. I voted against the motion.

I believe, and I said in the Senate, that it is good public policy to let both the Federal Government and the States legislate in the sedition field. Since Congress failed clearly to spell out that policy in the 1948 statute, I wanted it to do so at this session.

I am a citizen and a Senator who has a profound respect for the U.S. Supreme Court, and particularly for its splendid Chief Justice Earl Warren. That respect is shared, I think, by the great majority of the American people.

I deeply resent the intemperate abuse which has been heaped upon our highest tribunal. And I displayed my resentment by opposing those legislative proposals designed to traduce or to weaken it.

THOMAS H. KUCHEL,
Senator from California.

WASHINGTON.

THE PROUD AND HAPPY COWS OF NEW JERSEY

Mr. WILLIAMS of New Jersey. Mr. President, it is a well-known fact that New Jersey folks are slow to anger when criticized for personal failings. We accept the fact that not everyone has a firsthand knowledge of the true beauty, artistic achievement, and industrial might of the Garden State. We realize that a quick transit of the New Jersey Turnpike does not always make these

facts crystal clear to visitors from other States.

As I have said, we do not mind abuse when it is directed at ourselves. But we cannot countenance criticism of our cows. They are not sacred cows, but we would like to keep them contented cows.

Yet, Mr. President there is afoot a small movement to rile them—or their owners, at least.

I am referring to an advertising campaign now underway in the Washington, D.C., area. Milk producers are debating about their marketing procedures; and some radio announcements criticize what is called "tired old milk" shipped here from other States.

It so happens that some of the imported milk is coming from the Camden area of New Jersey, according to one newspaper account. I cannot allow that charge about "tired old milk," therefore, to stand unchallenged.

New Jersey cows are a proud lot, and with very good reason. The State department of agriculture is continually working to make our cows even happier, and capable of even greater production.

Our consumers have not complained about any "tired old milk."

In short, we are quite convinced that New Jersey milk is, if we can twist the metaphor a little, alert and young in quality, not "old" or "tired."

So far as I can see the only sad thing is that apparently the consumers in the Washington area will consume it only for a limited time during the present conflict. The Garden State is always happy to share its good things with its near neighbors, despite the unfortunate charge made against our good and gentle provider, the cow.

AUSTRIA DEDICATES BOOK ON AUSTRIAN ECONOMIC RECOVERY TO GENEROSITY OF TAXPAYERS OF UNITED STATES

Mr. NEUBERGER. Mr. President, ever since I came to the Senate I have supported the requests of the President and the Secretary of State in the realm of foreign aid. I believe I am among the few Members of the Senate to have done so this consistently. I have reasoned that, when men like Dwight D. Eisenhower and John Foster Dulles continue a program begun by their political opposites like Harry S. Truman and Gen. George C. Marshall, that program must contain real merit for our country and the free world.

Most of my mail from Oregon criticizes me for supporting the administration on foreign aid. Much of this mail charges that other nations are ungrateful, that they never appreciate what America has done for them.

Today, I note with satisfaction that the Austrian Government has published a 368-page volume telling how the Marshall plan enabled Austria to rebuild from the ruins and devastation after the bombings of World War II. The book is dedicated to our American taxpayers. This is the text of the dedication, Mr. President:

Dedicated to the unknown American taxpayers to whose tax contributions the Austrian economy owes the millions contributed in good will toward its reconstruction.

And elsewhere the book adds this accurate and encouraging note:

It is to the historic credit of the United States to have recognized the vital importance of creating healthy economic conditions as an essential prerequisite for a lasting peace.

Mr. President, I also have read the report of the Draper Commission, which cites foreign aid as being essential in our own self-interest. This Commission, composed of outstanding civilian and military leaders, has reported to President Eisenhower that the sole alternative to foreign aid would be an isolationist retreat to Fortress America, there to await the worst. And how can we be isolationist in an era when intercontinental ballistic missiles, bearing terrible hydrogen warheads, can span the Atlantic Ocean more quickly than I drive in my 1954 Ford sedan from the Potomac Plaza Apartments to my office at 348 Senate Office Building?

I ask unanimous consent, Mr. President, to include in the CONGRESSIONAL RECORD a dispatch from the New York Times of March 18, 1959, entitled "Austria Thanks U.S. Taxpayers." In addition, I submit for inclusion in the RECORD an informative editorial on foreign aid from the Oregonian of Portland of March 14, entitled "Key to U.S. Security," and a persuasive column in support of our mutual security program by the syndicated editor, David Lawrence, which appeared in the Oregon Daily Journal of Portland on March 17. All of these materials confirm the wisdom and merits of the foreign-aid program in general, despite certain specific criticisms which fail to go to the roots of the undertaking.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 18, 1959]

AUSTRIA THANKS U.S. TAXPAYERS—VOLUME MARKING 10 YEARS OF RECOVERY IS DEDICATED TO MAN IN THE STREET

WASHINGTON, March 18.—America's man in the street was thanked by the Austrian Government today for his contribution to that nation's reconstruction through the Marshall plan.

Dr. Wilfried Plazer, Austrian Ambassador, gave President Eisenhower a 368-page volume entitled, "Ten Years of European Recovery Program in Austria, 1948–58." The book describes the Marshall plan's contribution in rebuilding the Austrian economy.

The book carries this dedication:

"Dedicated to the unknown American taxpayers to whose tax contributions the Austrian economy owes the millions contributed in good will toward its reconstruction."

Five forewords by members of the Austrian Government precede the dramatic story of the economic reconstruction and psychological rebirth of Austria after the collapse of Hitler's Germany.

CHANCELLOR'S STATEMENT

Chancellor Julius Raab wrote:

"Wherever and in whatever manner we celebrate the anniversary of Austria's rescue from economic collapse, we should be mindful of the fact that the means for our reconstruction were contributed by the American taxpayer in pursuance of a broadly conceived generous plan of his Government. To him, America's man in the street, Austria owes its thanks."

Foreign Minister Leopold Figl wrote the following:

"None of the political steps which Austria took in the past decade would have been possible without the economic help of the United States within the framework of the European recovery program.

"Austria's gratitude has manifested itself in its clear intervention for all peaceful goals and in its maintenance and protection of the dignity of the human individual. Austria has proven this attitude towards hundreds of thousands of refugees. It is proud of the fact that the aid which was granted to it was so well used that Austria itself could become a help to others."

A chapter entitled, "The U.S.A. Rectifies History," says:

"It is to the historic credit of the United States to have recognized the vital importance of creating healthy economic conditions as an essential prerequisite for a lasting peace."

In a review of the book, the Austrian Embassy said:

"This story should convince the American taxpayer, who often may have worried about the effectiveness of his sacrifice to foreign aid, that his investment in Austria through the European recovery plan has paid ample dividends."

[From the Oregonian, Portland, Mar. 14, 1959]

KEY TO U.S. SECURITY

President Eisenhower's message to Congress supporting his budget of $3,390 million for U.S. assistance to 70 nations is so undeniable in its logic that it can only be answered by demagoguery. The attack on foreign aid usually takes the line of "America First"—or why give money to foreigners when we need it for public works and military improvement at home?

The meat of the matter is that the United States is no more secure than the weakest of our allies or other friendly nations. We have reached a condition of world affairs when this country cannot, in its own interest, allow other nations to be swallowed by the Communist world conspiracy by political, economic, or military means. We cannot sacrifice other nations to buy time, for each loss weakens us. The United States could not survive for long should the rest of the world fall under the rule of communism.

Instead of waiting until other free nations are crushed by an imperialist power—as in World War I and World War II—before inevitably joining combat to hurl back the enemy of all freedom, the United States for 13 years has been working to strengthen other nations to resist the Communist aggressor.

There is a latitude for debate in Congress in the details of foreign aid, the division between military and economic assistance, and the fulfillment of the bargain by nations we help. But there is no justification for the meat-axe kind of "economy" which has as its goal the diversion of foreign aid funds to porkbarrel domestic projects to buy votes for Members of Congress.

The strength of the United States to forestall Communist conquest cannot be measured in the military and economic power of this single nation. It must be measured, if it is to meet the test of survival, in the combined strength of the non-Communist part of the world. Our foreign aid program is not designed to buy good will alone. It is designed to assure freedom for Americans as well as freedom for other peoples from an aggressive conspiracy which will make its major play within the next decade.

[From the Oregon Journal, Mar. 17, 1959]

THE COST OF FENDING OFF WAR—CRITICS OF FOREIGN AID CALLED BLIND TO HEAVY OUTLAY IT SAVES NATION

If the American people could express in a single sentence their most important wish today, it would be: "Keep us out of war at any cost."

Yet, when out of a national budget of $77 billion, the President asks for $3,930,000,000 to keep American boys from fighting abroad, and calls for a mutual security program to bolster our allies, this is derided as a "foreign aid" program or a "give-away."

The label is wrong. It's really a keep-us-out-of-war program.

Few of the critics realize the explosive situation that exists in the world today or how interrelated America's fate is with the other free countries—or, if they do realize it, they fail to see how many billions more our defenses would cost if America had to do the job alone. That's why President Eisenhower's television address last night was so important to the country.

For the President had no sooner announced last week that he was asking Congress for $3,930,000,000 when from Capitol Hill—mostly from Democrats—came predictions that the expenditure would be cut by a billion dollars. Acting Secretary of State Herter promptly said that if any such reduction were made it would "serve notice on the world that we are weakening in our determination."

Just why some of the legislators regard any money spent abroad as either a gift or a throw-away is hard to understand unless they think the American people really can be misled by such distortions. Certainly, as sometimes charged, there's waste in the spending of American funds in other countries, because the United States cannot always control how other governments disburse the money they receive. But, conceding that there is some waste, it is a fact that in war itself there is even greater waste. The true test is whether, on the whole, war is prevented, and thus far the United States has managed with the help of strong allies to keep us out of a third world war.

It sometimes isn't realized how much America's own allies have been spending since the close of World War II. Rather, the impression is fostered by the critics that the United States is putting up all the money for international defense or mutual security. The President in his message to Congress a few days ago said:

"Over the years of our combined effort, these allies and friends have spent on these forces some $141 billion, more than six times the $22 billion we have contributed in military assistance. During calendar year 1958, they contributed $19 billion of their own funds to the support of these forces.

"Without the strength of our allies, our Nation would be turned into an armed camp and our people subjected to a heavy draft and an annual cost of many billions of dollars above our present military budget."

What perhaps isn't generally understood in America is that economic assistance plays a vital role in maintaining the stability of other nations. If there were no stable governments among our allies, America would not have strategic bases overseas. The President said on this point:

"Through the mutual security program our friends among the free world nations make available to us for the use of our forces some 250 bases in the most strategic locations, many of them of vital importance. They support ground forces totaling more than 5 million men, stationed at points where danger of local aggression is most acute, based on their own soil and prepared to defend their own homes. They man air forces of about 30,000 aircraft, of which nearly 14,000 are jets, 23 times the jet strength of 1950 when the program started. They also have naval forces totaling 2,500 combat vessels, with some 1,700 in active fleets or their supporting activities."

Dissenting Members of Congress often concede that the military program is logical, but they claim the economic support abroad is questionable and this they would cut. In doing so, they would strike a blow at the morale of the countries affected. For without economic stability, political chaos ensues, and then the Communists find fertile ground for exploitation or even overthrow of existing governments. The Communist intrusion in Iraq lately, for example, has unsettled the entire Middle East. The Communist tactics in Africa, Asia, and Latin America have been supported by Soviet measures in the economic field.

So it's a dangerous international situation which calls for American expenditures to bolster here and abroad our defenses—politically, economically, and militarily. From a strong alliance, moreover, comes firmness in a crisis as is the case today when Moscow is testing the West. The President says the West will not surrender. He can say this convincingly because the Western Alliance in the last 10 years has been built on a strong foundation. It is to maintain that strength that the mutual security program, or what might better be called a keep-us-out-of-war program, is really directed.

ETHICS IN GOVERNMENT AND CONFLICT OF INTEREST

Mr. NEUBERGER. Mr. President, on March 9, I was pleased to join with the able senior Senator from New Jersey [Mr. CASE] in introducing S. 1332, a bill designed to utilize the principle of full disclosure to aid the public in assessing the conduct of top Federal officials and Congressmen.

S. 1332 has four major provisions. It would:

First. Demand full disclosure of the financial interest of all Members of Congress, civil or military officers, and employees of the executive or legislative branches who earn in excess of $12,500 a year. Annual reports would show all income received in the year, value of all assets held, all dealings in securities or commodities, and all purchases of real property.

Second. Require that all communications in regard to a pending case, whether by letter or by word of mouth, to a regulatory or semi-judicial agency, be made part of the public record in the case.

Third. Insure itemized expense accounts for all travel by members or staff of congressional committees, the accounts to be published in the CONGRESSIONAL RECORD.

Fourth. Establish a Commission on Legislative Standards to study and make recommendations concerning problems of conflicts of interest confronting Members of Congress as well as their relations with executive and other agencies.

As the distinguished Senator from New Jersey pointed out in presenting this legislative proposal, secrecy surrounding these matters frequently serves to reinforce adverse stereotypes of public officeholders. I share his belief that the provisions of S. 1332 would not only supply a public source of information against which to judge possible "conflict-of-interest," "junketing," and "influence-peddling" charges, but through full disclosure of financial and political interest would assist materially in destroying the cynical attitude which many persons now profess to hold with respect to Federal officials and Congressmen. I think that such reports would indicate that in the main these men and women are individuals of high integrity.

Last year I introduced a measure which would have extended application of existing conflict-of-interest laws with respect to members of the executive branch to Members of Congress and, in addition, provided for disclosure of outside sources of income and financial interests by both Congressmen and major appointees of the President. This bill, S. 3979, was an attempt to resolve a dilemma which has disturbed students of Government in the United States for many years: How Congress can demand of the officers of executive agencies higher standards of ethics and disinterestedness than Congress is willing to set for itself. My proposal was aimed at applying to Congress the same code with respect to corporate holdings, equities, private business transactions, and related matters which presently is imposed on members of the executive branch. It was an effort to set up a system of "policing the policeman." Mr. President, I ask unanimous consent that a portion of my remarks in the Senate on June 11, 1958, relative to this bill, be included in the RECORD at the conclusion of my remarks.

Because of my belief that Congress must establish for itself codes of conduct at least as rigorous as those used to judge persons in other Federal positions, I was particularly gratified to join with the able Senator from New Jersey in sponsoring S. 1332. Enactment of this bill would be a highly meaningful step in encouragement of public trust in Government officials, elected or appointed, and insurance that equal scrutiny is given the interests and activities of individuals in all branches of Government.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR RICHARD L. NEUBERGER IN U.S. SENATE, JUNE 11, 1958

Mr. President, many of us have been concerned for quite a while over the broad general question of who polices the policeman. Committees of Congress require Cabinet appointees of the President of the United States to divest themselves of stockholdings in corporations that have business dealings with Federal departments which these appointees will administer. Yet, Members of the Senate and House can own shares or partnerships of businesses that are directly affected by legislation which these Senators or Representatives are drafting and voting upon.

This does not, of course, necessarily prejudice or corrupt their judgment on the merits of the issue before them, any more than the judgment of executive officials is necessarily prejudiced or corrupted in comparable situations. It should be clearly understood that the overwhelming majority of both elective and appointive officials are persons of exceptionally high standards of honesty and integrity who make the policy choices and decisions that come before them on the basis of their best judgment of the public interest.

The unfortunate truth, however, is that this fact is not clearly and universally understood to be the case. And, the inconsistency between the rules which Congress, with a

great show of righteousness, applies to executive officials and its failure to apply identical rules and standards to its own Members undoubtedly has reflected adversely on the reputation of Congress in the public mind.

Members of Congress are, I repeat, as honest, ethical, and as self-sacrificing as any other class of persons in our society, and yet it has often been remarked that comparatively Congress is the object of much skepticism and cynicism. Why have we thus presented an inaccurate and unflattering image in public opinion?

One reason, I believe, is that Congress never has submitted itself to the objective standards of disinterestedness, of full disclosure, and of other procedures which Congress righteously demands of executive officials and everyone else.

LAWS MAY BE DEFICIENT

I wish to emphasize, Mr. President, that in introducing this bill I am definitely not passing upon the wisdom, adequacy, or desirability of the existing conflict-of-interest statutes which Congress has seen fit to enact for observance by officials of executive departments and agencies. In my opinion, some of these provisions might well be reviewed and analyzed with a critical eye. However, I do not wish to engage in such a review in connection with my present bill in order to avoid complicating the simple question of extension of conflict-of-interest coverage to Congress. What I am saying today is this—as long as these standards are applied to the executive arm of Government, then they should apply equally to the legislative arm of Government. That is the purport of the bill.

I also desire to stress once more that introduction of this proposed legislation implies absolutely no criticism on my part of any Member of the Senate or the House. For instance, Mr. President, a few Senators and Representatives have been singled out from time to time for public comment because they are more affluent or financially successful than the rest of us. Their private wealth has been discussed in the press, and their holdings in industries influenced by legislation or regulation have been searchingly analyzed. Yet I think the record shows that this misses the point and may often be unfair to them. Actually, there are very few of us here in Congress who can be said to be wholly isolated from any and all situations that lend themselves to a charge of conflict of interest somewhere along the line.

To begin with, political campaign contributions from the owners and managers of business corporations and from trade-union, political-education funds involve, in and of themselves, a built-in role for money in politics which pertains to and colors all our elections. After all, nearly all these business and labor organizations are heavily involved in legislative matters every day that Congress is in session.

Secondly, Members of Congress are necessarily men and women who have private lives and careers in the communities from which they come prior to their entry into full-time, professional, public life. Like everyone else, they must either make a living at some form of business or professional pursuit or they must own sources of productive wealth. They may be farmers, property owners, or businessmen. In any case, they normally have some economic stake and interest in their communities when they become candidates for Congress, and it is not expected of them that they should wholly sever these interests in the economy which, after all, involves the ultimate interests and wealth of all of us. Nevertheless, we must recognize that the maintenance of such an economic stake in specific types of property on the part of Members of Congress may give rise to exactly the same questions about ethics and disinterestedness as Congress so often raises with respect to men who are drawn from the economic life of the community into executive positions.

To mention another point, many Senators and Representatives receive handsome speaker's fees from groups and organizations with many legislative interests. This has become necessary to the pocketbooks of many Members without substantial private means, in view of the heavy expenses of maintaining two separate residences—as almost all of us must do—and of meeting the needs of our offices beyond those now provided for by appropriations. My bill would seek to have information about such speaking and writing fees and other sources of outside income made public each year, so as to forestall public feeling that there is no check on possible abuses in this practice.

LEGISLATIVE PROGRAM

Mr. KUCHEL. Mr. President, will the distinguished Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. Is it correct to assume there will be no votes today?

Mr. MANSFIELD. I am glad the acting minority leader has raised that question. We will proceed with the business which was laid before the Senate yesterday. There will be no votes in the Senate today, but I wish to put all Members on notice that on Monday very likely there will be votes.

I will say to my distinguished colleague the senior Senator from California, this was an agreement reached by the minority leader [Mr. DIRKSEN] and the majority leader [Mr. JOHNSON of Texas] on yesterday.

Mr. KUCHEL. I will ask my friend a further question. Am I correct in understanding that the pending business is the bill relating to unemployment in depressed areas?

Mr. MANSFIELD. The Senator, as always, is correct.

Mr. KUCHEL. I thank my able friend from Montana.

REFUSAL OF THE PRESIDENT TO RECEIVE REPRESENTATIVES OF THE INDIAN CONGRESS

Mr. LANGER. Mr. President, I rise to express my deep regret that the President of the United States yesterday did not receive the Indians who went to the White House to see him.

The Indian Congress represents practically every Indian tribe in the United States. Those Indians have a just complaint. They are citizens of the United States. As such citizens, they have the authority, under the Constitution of this country, to petition.

Of course the President had a perfect right not to see the Indians if he did not want to see them, but I reiterate that these Indians really have a just complaint. All the Indians wanted to do was to shake hands with the Great White Father and present their claims later to Glenn Emmons, the Commissioner of the Bureau of Indian Affairs.

Mr. President, in this connection I ask unanimous consent to have printed in the RECORD a letter written by the Honorable Clyde Duffy, former president, North Dakota Bar Association, and one of its foremost citizens and a former Lieutenant Governor of the State of North Dakota.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DUFFY & HAUGLAND,
Devils Lake, N. Dak., March 16, 1959.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: I have just encountered what appears to me to be a horrible example of how Indian allotment should not be handled. One hundred and sixty acres was allotted to Susie Tatiyopa, Devils Lake Sioux Allottee No. 505. She died many years ago and her descendants have increased and increased until now there must be at least a thousand Indians who have an interest in this land. The Fort Totten Agency has a list showing approximately 150 interested parties but I am advised that many of these are now deceased and that their shares have been divided into 20 or more shares, in some instances. Some of the shares shown on the agency records, for instance, are Francis John Azure, share 2/10584, address unknown.

What brought this to my attention was the fact that a Canadian national came down to see about his interest in this property and that again shows how interesting this thing can become in time. Hdahiyayewin, a Canadian national, inherited 13/192 share. She died 42 years ago and left a husband and three children. The husband died about a month after the wife did. The three children were Lucy Peoples, Mrs. Charlie Cuwiyuksa, and Joe Doota. Mrs. Cuwiyuksa died in 1937, leaving as her heirs Mrs. Kenneth Eastenon, Mrs. Agnes Younge, and Lanes Duncan. Joe Doota died in 1951, leaving as his heirs John Doota, Joe Doota, Jr., and Pat Doota. All of these people are Canadian nationals except Lucy Peoples.

To clear title, as far as these Canadian nationals is concerned would necessitate about four probate proceedings in State court. Of course, their interest is not worth the cost.

It is a little difficult for me to understand what good an allotment of 2/10584 interest in 160 acres might do anybody. Undoubtedly there are hundreds of cases similiar to this. I would think that before these things get more involved, it would be desirable to sell the land (preferably to an Indian who could make use of it) and divide up the money. I am certain that the cost of keeping track of what possible income there might be from this land and apportioning it to the multitudinous heirs must be several times the value of the income.

I don't know whether there is anything that can be done but I thought you might deem it worthwhile making some suggestions to the Indian Bureau.

Yours truly,

CLYDE DUFFY.

Mr. LANGER. Mr. President, in the letter it is stated that one of the greatest complaints the Indians have is the fractionalization of the lands or allotments they have. In the letter it is also stated that the question of the title to, say, a quarter section of land, 160 acres, which has passed from person to person through the years by descent, poses a very serious problem. As Mr. Duffy says, in order to get clear title to the land it is sometimes necessary to probate four estates, and perhaps some Indians in Canada own two ten-thousandths of a quarter section, the cost to probate and quiet title would exceed the value of the land.

This is a problem which the Senator from Tennessee [Mr. KEFAUVER] and I investigated. We went from one State to another, and we found this problem existing in a great many places in this country. Sooner or later something must be done about the situation.

In our recommendations in 1954 we embodied one in that regard, along with a great many others.

I ask unanimous consent that those recommendations be printed in the RECORD at this point in my remarks.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

IV. CONCLUSIONS AND RECOMMENDATIONS

The Indian problem in the United States is not a new one and it is one that will confront the Federal Government and a number of the States for many years to come. A relationship of paternalism has evolved with the passage of time since the colonization of America began. The development of this relationship was the result of the changing ethical concept toward the exploitation of the Indian's lands and his acceptance as a human being.

While the Subcommittee to Investigate Juvenile Delinquency held hearings and studied the segment of the problem of juvenile delinquency among Indians, it was found that there are interrelated economic, social, and political factors that contribute to juvenile delinquency among the Indians living on the reservations and those enrolled with the Bureau of Indian Affairs of the Department of the Interior.

The subcommittee does not presume to have prepared a comprehensive study of the entire Indian problem. It does believe, however, that in the course of the four hearings in North Dakota, the hearings in Phoenix, Ariz.; Palm Springs, Calif.; and Washington, D.C., facts were brought out that warrant making certain recommendations. These recommendations, if acted upon, would go far toward reducing the incidence of juvenile delinquency among the Indian population. The incidence of juvenile delinquency was found in many instances to be higher among the Indians than among the non-Indian population of the United States.

It was found that poverty and economic want among Indian families have a causal relationship in contributing to delinquency among their children. While realizing that the task of raising the economic level of the thousands of Indian families is a formidable one, there are suggested plans which, if carried through, would contribute to that objective. The suggestions include:

1. An intensified relocation program to enable more families to leave reservations and locate where employment is available. Such a program should provide for both temporary economic aid which might be required by a family making such a relocation, and the guidance and counseling services which may be needed in making possible the family's adjustment to the changed environment.

2. The development of a comprehensive program providing for direct loans to Indians to enable them to secure the capital needed for farming and ranching enterprises.

3. Intensification of public employment services to stimulate more extensive employment opportunities for Indians. It is necessary to combat the resistance of many employers to hiring Indians.

4. The establishment of Federal and State work projects on or near Indian reservations.

5. The providing of better housing for the Indians. Both the Federal Housing Act and the Farmers' Home Act contain provisions which prevent those who are enrolled as Indians but do not live on the reservations from securing the benefits under those acts. The subcommittee recommends that these acts be amended so that such restrictions would be eliminated. It is urged that low-cost rental housing projects be undertaken on the reservations. The housing project put in operation by the Ute Indians in Colorado should be studied as a model project for all Indian reservations.

6. There is a need for more expeditious handling of land and lease transactions by the Indian Bureau. The delays have resulted in financial loss to the Indians.

7. Legislation should be enacted by Congress to deal with the problem of fractionated land interests. This would improve the economic condition of many Indians.

8. Study should be devoted to the problem of water supply in the Indian reservations. The lack of water for farming and ranching on the Pima Reservation has adversely affected the income of the Indians on that reservation. The area of this reservation once included some of the most fertile lands in Arizona which are now barren because of the loss of their prior water rights.

9. The economic status of the Colorado River tribes has been seriously affected by the Department of the Interior's legal interpretation as to the title to certain lands. The Colorado River tribes had considered that they held title to those lands since 1876, when reservation lines were determined by a series of Executive orders under an act of Congress passed in 1864. This cloud on land titles has prevented the Colorado Indians from obtaining valuable leases which would help to raise their income level.

The need for improved social and welfare services on the Indian reservations can scarcely be overemphasized. One of the greatest needs on the reservation is for expert community organization workers. Such personnel could aid in developing firmer and better organized leadership within the Indian group itself. The placement of such workers on reservations would be fully consistent with the democratic and desirable principle that people are best aided who are helped to help themselves.

There is also keen need for enlarged and invigorated child-welfare services. Many State welfare departments are attempting to give service on reservations but meager funds for this purpose result in a service which, where existent, is on a too little and a too late policy. Special Federal appropriations for the development of adequate child-welfare services on Indian reservations would, in the long run, save the still larger sums which will be required to pay the costs which will be involved in caring for neglected youngsters after they have become grossly inadequate adult citizens.

It is recommended that additional Federal appropriations be made to insure adequate community and child-welfare services on reservations. It is the view of the subcommittee that responsibility for the administration of these services should be shifted to the respective States. As rapidly as this can be accomplished, funds so appropriated should be allotted to the respective States for the development or to insure the continuation of such services.

It is essential, in connection with the welfare of both Indian youth and adults, that the States assume responsibility for the care of those mentally ill. It is recommended that the Indian Bureau enter into the appropriate agreements with States as rapidly as possible.

A serious lack was found in provisions for the granting of general economic assistance to families in real need. The recommendation has been made that additional funds be appropriated to meet that need. It is the opinion of the subcommittee that responsibility for the administration of such assistance should be transferred to the established public-welfare agencies of the several States as soon as the change can be made.

Adverse health conditions may contribute to juvenile delinquency in various respects. The subcommittee believes that greatly enlarging the scope of public-health programs should be a priority to improve the health of Indians on reservations. Recently the Bureau of Indian Affairs inaugurated, on an experimental basis, a health plan on Indian reservations in the State of Washington. The results have been gratifying and it is recommended that sufficient funds be appropriated to establish such a health plan for the benefit of the Indians on all the reservations throughout the United States. The need is especially apparent among the tribes in Arizona which show high incidence of tuberculosis and pneumonia.

It is recommended that the Indian Bureau encourage and propagate more effective action in determining the parentage and the ordering of support payments for illegitimate children. Passage by Congress of Senate bill 1955, better known as the runaway father's bill, would aid in this problem. It is also recommended that desertion by fathers be included in the so-called 10 major crimes covering Federal jurisdiction in the matter.

Additional funds should be appropriated to provide ambulances and mobile health units for those reservations in areas such as Arizona where the Indian settlements are remote from the Indian hospitals. The Indian hospital in the Papago Indian Reservation at Sells, Ariz., should be restored.

A number of the recommendations point to the need for new legislation at both the State and Federal levels, while other recommendations are directed at ways and means of improving coordination and teamwork among the tribal, State, Federal governmental, and other agencies and organizations dealing with Indian affairs.

Two of the very important governmental responsibilities toward the Indians are in the areas of education and the maintenance of law and order. They are both of paramount importance in relation to the problem of juvenile delinquency.

The carrying out of the responsibility for improving educational standards and the furthering of educational opportunities among the Indians would assist substantially in preventing delinquency among the Indian children. To achieve this objective in a practical manner, the subcommittee recommends:

1. Establishment of a comprehensive program which would provide for scholarships for Indian youth, similar to the educational provisions that have been offered under the veterans' benefits. This would enable them to pursue courses of advanced study and training.

2. Additional special courses in vocational and technical training should be provided in both public and Indian schools for adults as well as for youths residing on Indian reservations. This program should include part-time continuation school programs for those unable to attend full-time classes.

The subcommittee recommends that the Bureau of Indian Affairs provide immediate facilities for the education of the 6,000 Navaho children. These children are between the ages of 6 and 18 years, who have not as yet attended any school. Provision for schools is also necessary at certain other Indian reservations, even though they are not confronted with as serious a problem as that found at the Navaho Reservation.

The subcommittee is of the opinion that present efforts to transfer the educational activities of the Indian Bureau to State authorities are sound. If such cannot be accaccomplished under provisions of the Johnson-O'Malley Act, then special legislation should be enacted to achieve this goal.

Laxity in law enforcement contributes to crime and delinquency in both children and adults on Indian reservations. The Congress should consider Federal reimbursement to

the States for the cost of administering law and order if and when the States assume jurisdiction over offenses committed by or against Indians on the reservations, under Public Law 280, which delegated civil and criminal jurisdiction over Indian lands (excepting jurisdiction relative to the so-called 10 major crimes) to the States in which these lands are located, if certain conditions relative to the assumption of such jurisdiction by the States were met. These conditions include the adoption of legislation by States necessary to the exercise of such jurisdiction.

In order to further improve law enforcement on Indian reservations, the subcommittee recommends that the following steps be taken:

1. Allocation of Federal funds to States to assist them in securing the enlarged personnel and additional facilities necessary to their assuming responsibility for law enforcement on Indian lands under Public Law 280.

2. Codification of Federal laws, including treaties and special agreements pertaining to American Indians.

3. Adoption, through legislative enactment, of uniform definitions as to "who is an Indian" and "what is Indian country."

It is the belief of this subcommittee that much could be accomplished through invigorated and extended efforts to bring into being a continuing program of community planning in relation to the local problems on each reservation area. Through such programs involving tribal, county, State, and Federal personnel and efforts, a variety of local activities might be stimulated. With reference specifically to youth, for example, such activities might include their participation in the programs of the Future Farmers of America, 4–H Clubs, and other programs. It might also result in the formation of other types of leisure time as well as in the provision of other recreational outlets.

The Indian Reorganization Act (84 Stat. 984) provided for the organization of Indians into tribal groups with constitutions and charters approved by the Department of the Interior. Not all tribes, however, were thus organized. Several difficulties have developed in these tribal organizations. One of the difficulties relates to questions regarding the effectiveness and adequate representation of the governing bodies on the several reservations.

It is recommended that a thorough reexamination of the Indian Reorganization Act and an evaluation of the self-governing operations of each Indian tribe be made in order to determine if further legislative action is necessary to correct the difficulties encountered.

The subcommittee believes that positive action upon a part of the foregoing recommendations would ameliorate those problems which were found to be contributing to delinquency among Indian children in the United States.

Mr. LANGER. Finally, Mr. President, I wish to say I think this is a strange proceeding. It is very strange to me, because in the Republican platform, when candidates were running for office, it was their position that they would see citizens who called on them. It was said, "Whenever the farmers want to come to see us we will be glad to see them personally." When certain cattle growers got together in a cavalcade to come to Washington they were told by the Secretary of Agriculture to turn back. When the REA people held conventions five different times, the President of the United States declined to address them. This year the President finally did so.

We now observe the spectacle of members of the Indian Congress, which represents all Indians from all over this great country—somewhere between 350,000 and 400,000—not being able even to get an opportunity to shake the hand of the President of the United States.

I merely say in closing that in my opinion if we had a President of the United States, with truly humanitarian instincts toward the Indians, he would have taken 3 or 4 minutes to shake hands with their leaders.

ORDER OF BUSINESS

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Has the morning hour been concluded?

The PRESIDING OFFICER. Morning business has not been concluded as yet.

Mr. STENNIS. Mr. President, I wish to seek the floor after the morning business is concluded.

RED CHINA TODAY—ARTICLES BY DR. SRIPATI CHANDRASEKHAR

Mr. CHURCH. Mr. President, a few weeks ago a series of articles was published in the Washington Star on "Red China Today." These were prepared by Dr. Sripati Chandrasekhar, of India.

Such reports as we are getting from Red China are foreboding. On January 23, I had printed in the RECORD an article from the Wall Street Journal showing that 1958 food production was double that of a year earlier, and that an additional 80 million acres of land was brought under irrigation.

If 300,000 mess halls gather 98 percent of the rural Chinese together for their daily meals, it is small wonder that there is success in dinning into the minds of 650 million Chinese, a hatred for the United States, and a conviction that America is the greatest menace to peace.

Mr. President, the significant thing is that we are receiving but fragmentary reports of a revolution which ought to have our closest attention. A part of the reason for this, I believe, has been our policy of restricting and discouraging American newsmen from going to Red China. We do not have a William Shirer or a Vincent Shean reporting the hard, unvarnished facts of Red China's gigantic and frightening revolution. Closing our eyes and ears to it will not make it go away.

I ask unanimous consent that two of the articles of Dr. Chandrasekhar, which were published in the Star on February 20 and 22, be printed in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Feb. 20, 1959]

RIGID CONTROL AND LACK OF SOLITUDE MARK LIFE IN BURGEONING COMMUNES

(By Dr. Sripati Chandrasekhar)

Hard work is the order of the day in the Chili Yin people's commune which I visited during my travels in Red China. The evening brings a dash of recreation—and large doses of Communist training.

After the day's toil in the fields and factories of this pioneer commune in Honan Province, all attend regular classes. There they listen to the radio, which pours out the latest editorial from the People's Daily, the latest production figures from agriculture and industry, the latest government measures to liquidate Chiang Kai-shek, figures on how China has surpassed Britain in the production of various industrial goods.

SELF-CRITICISM

Then here is a movie or a play or an acrobatic show. And last is the party meeting, which every worker attends. Here the matchless art of self-criticism is practiced.

People rise up and confess their drawbacks and failings, criticize their colleagues and swear to increase production if only to regain Formosa, the island bastion of the Nationalist Chinese. Thereafter, everyone retires for the compulsory 8 hours' sleep.

Nursing mothers and those of ailing children can visit the public nurseries or kindergartens, though this is not necessary as children are under the care of trained nurses and teachers. Parents can give up their bourgeois emotional attachments and stop worrying about their youngsters.

SIXTEEN GUARANTEES

This commune which I described is popularly called the commune of 16 guarantees. Everybody, according to the age group and sex of the individual, is given 16 guarantees. They are:

1. Clothing (clothing is still a problem because of the cold climate. Heating is poor).
2. Food.
3. Housing.
4. Transportation (from residence to place of work).
5. Maternity benefits. Expectant mothers are given 45 days' leave and a quantity of red sugar, which is a must for expectant mothers in China.
6. Sickness leave and free medical aid.
7. Free old-age care.
8. Free funeral and burial. The director of the commune told me that they would like to give up burial for cremation but the people were prejudiced in favor of traditional interment. So they are adopting what is now called deep burial. The body is buried at least 10 feet deep so that they can use the land, which otherwise might be a graveyard, for orchards.
9. Free education.
10. A small marriage grant and a free reception for the couple.
11. Twelve free haircuts a year.
12. Twenty free bath tickets a year. (Hot water baths.)
13. Free bringing up of children.
14. Free recreation.
15. Free tailoring.
16. Free electricity.

INCENTIVES CITED

After reciting these benefits—a kind of cradle-to-grave insurance—in return for unquestioning, lifelong hard labor, the director asked me, "What more can one want?"

"Nothing," I confessed, "but can you obtain a pack of cigarettes, for instance?"

"We have not overlooked that," the director replied happily. "Though we have abolished the need for money, we have provided certain incentives to enable a person to earn 5 yuan a month." That is, if any worker shows tremendous integrity and ability, or perfects a new technique, he gets a reward of 1 to 5 yuan a month. (In purchasing power, 1 yuan is about equal to 1 Indian rupee. The rupee is worth about 27 cents.)

"This is a kind of bonus," the director added. "Though no one has yet earned the full amount."

LACK OF PRIVACY

This is the commune where human beings are reduced to the level of inmates in a zoo. But there is a difference. The animals in a zoo do not have to work hard, and, what is more, they don't have to listen to the quasi-compulsory radio.

The lack of peace and quiet in the countryside where no one can retire and reflect, and the lack of privacy and solitude is to me more terrifying than all the hells put together.

PRODUCTION RISING

Communist Party Chairman Mao Tse-tung had hoped that the whole nation would become one big commune in a few years, but there seemed to be some doubt and resistance among the leaders themselves. Time alone can tell what lies ahead for China and the millions confined in her communes.

However, agricultural production is rising, though no one can swallow without a grain of salt the astronomical figures reeled out by officials. The methods adopted to achieve this great leap forward in agricultural production are:

All arable land (except in uneasy Tibet) has been brought under the plow; constant irrigation; deep plowing, 3 to 6 feet deep (on an experimental farm I visited they are plowing by detonating small bombs under the ground); close planting; and dumping enormous amounts of manure, night soil, green leaves, compost, and bacteria—layer after layer interspersed with good earth.

Communist China has solved the problem of food supply for its teeming millions, but it is difficult to check the figures on agricultural production. It is possible that they are generalizing from successes on small experimental farms. It is possible that their bookkeeping may be faulty.

Or, maybe, China's soil has joined the Communist Party's big leap forward campaign. It is anybody's guess.

[From the Washington Sunday Star, Feb. 22, 1959]

CHINESE GET CONTINUAL BLASTS OF ANTI-U.S. TALK

(There was a time when mainland China considered the United States one of its best friends. That time seems remote now—and receding steadily through Peiping's continuing hate-America campaign as reported first hand by a noted Indian social scientist. This article, based on 6 weeks' travel through Red China, is distributed exclusively outside India by the Associated Press. Among other things, it weighs the Communist Chinese challenge from an Indian standpoint.)

(By Sripati Chandrasekhar)

An intriguing, if disconcerting, aspect of the contemporary Chinese scene is the tremendous nationwide political propaganda concerning who Red China's friends and enemies are.

The whole nation has been taught that there is one great Socialist friend of China—the "selfless" Soviet Union—and one irreconcilable "imperialist enemy"—the United States.

The first is understandable, for it is the leader of the Communist camp. It is also true that this friendly Soviet Union, whether selfless or not, is responsible for 90 percent of the heavy machinery, an overwhelming majority of all technical experts and almost all the blueprints of China's industrial progress.

In fact, the Russians are almost exclusively responsible for such industrialization as has taken place in China in recent years.

It is no wonder that Russians receive special, preferential treatment all over China. The Chinese are now building special hotels for Russians so that they can have their own life without meeting or mingling with other foreigners from within or without the Communist world.

At every hotel in which I stayed during my 6 weeks in Red China, from Canton to Harbin in Manchuria, I found that my fellow guests belonged to some Soviet delegation or other. These delegations range from geological teams and steel experts down to acrobats and dancers. China is being rapidly Russianized in dress and manners, language and culture.

RUSSIAN LANGUAGE PUSHED

The only foreign language recognized in China is Russian. From menus to theater notices, from directions at stations and airports to travel information, I found only two languages—Chinese and Russian.

Today Russian is taught at most universities in place of English, French, and German. The English language was fairly widespread as a means of instruction before the Communists took over.

I have heard Chinese speaking Russian, but I discovered that English-speaking Chinese preferred speaking in Chinese rather than English. I have seen students using Russian textbooks in medical colleges and technical universities. All libraries that I visited were filled with Russian books, mostly technical.

In every factory I visited I was told the same story of the selfless help of the Soviet Union in giving technical aid and machinery. Whether it is the heavy machine tool factory in Harbin or the iron and steel complex at Wuhan or the great new bridge on the Yangtze River linking the north and south of China with the triple cities at Wuhan—all have been accomplished with Soviet assistance.

The Russians draw up the plans, bring the machinery, and raise the plant with, of course, the help of Chinese engineers and workers. But the Russian engineers stay behind the scenes and one sees only Chinese manning the machines and directing the factories.

RUSSIAN CULTURE ADVANCES

Russian literature, Russian ballet, Russian teaching, and Russian thinking have invaded China from Mukden to Canton. In every city of importance the Chinese have erected massive structures in honor of Sino-Soviet cooperation, and these buildings usually house permanent exhibitions of the Soviet Union's technological achievements, which are extremely impressive.

The Communists have gone about this business of Russianizing China in a thorough fashion. In a word, China is fast becoming an image of Russia.

On the other hand, there is the painful contrast of China's attitude to America. America has acquired the permanent adjective of "imperialistic" in the Chinese language. Everyone, from a village schoolgirl to a cabinet minister, will tell you that China's enemy No. 1 is the United States.

In every town the visitor is greeted, at the station or in the market place or a busy thoroughfare, by a huge poster—some 40 by 60 feet—showing a picture of Communist China crushing America and Secretary of State John Foster Dulles.

The most common of these posters were of three kinds. One showed molten steel pouring out of mainland China on Mr. Dulles and President Chiang Kai-shek of Nationalist China on the fast-sinking island of Formosa. The second type showed an American GI being pierced to death by a Chinese soldier's bayonet. The third showed a cringing Chiang and a shivering Dulles hanging from a Chinese noose.

UNITED STATES DEPICTED AS MENACE

All mass media—press, platform, radio, and the inevitable loudspeaker—have been harnessed to din into the Chinese that America is the greatest menace to peace and prosperity. One can see films and exhibits purporting to show American interference, espionage, and subversive activities on the mainland.

And, I believe, they have largely succeeded in training a nation of 650 million to hate the United States.

Various American campuses have been renamed, and the American-educated Chinese staff has been de-Americanized. After going round in Tsing Hua University in Peiping I asked whether this was the campus run with the Boxer Indemnity Fund. I was told that only a paltry few thousand dollars had been spent on that campus in the past, but that this was just as well, as Tsing Hua trained only "lackeys of American imperialism."

They have also closed down the Peiping Union Medical College—donated and run by the Rockefeller Foundation for a number of years. This institution, by all accounts, rendered valuable service to the people, but it had to be closed to erase the memory of its past connection with America.

I visited Union Medical and found that the college was no more, but that the attractive hospital had grown enormously and continues to minister to the ill. The Union Medical College has now become the Chinese Academy of Medical Sciences.

I met a few members of the staff—Chinese graduates of American medical colleges. In our talks I discovered that none had any warm recollection of the United States. (This surprised me considerably, for I can remember how happy most of my Chinese fellow students at American universities were and how much they seemed to appreciate the warm and generous treatment they received on American campuses.)

WHY THEY DISLIKE US

But what is China's case against the United States? It is a simple one. America should withdraw the 7th Fleet and get out of Formosa so that the Communists can occupy it. To them, the Formosa issue is purely a domestic problem.

"Taiwan (Formosa) is an internal problem. It is a continuation or an extension of our civil war, if you like. We know how to deal with Chiang Kai-shek. We may appoint him a governor or liquidate him for his past criminal acts. But the Americans are in the way." This, I think, correctly sums up their attitude.

The second grievance is that the United States is preventing China from taking her place in the U.N. These twin grievances stem from the basic fact of America's nonrecognition of Communist China. If communism is the barrier, they ask, then how is it that America has recognized the Soviet Union, Czechoslovakia, Poland, etc.?

It is obvious that all this ignores numerous historical factors which account for the two Chinas of today, and even more basic is the recognition of regimes which come to power through force, violence, and bloodshed.

At any rate, the psychological need for creating anti-American hysteria is evident, from the Communist point of view. The creation of an external enemy, who threatens to destroy the very existence of China, is a powerful force to cement internal unity and secure support for the existing regime—a regime which is not entirely loved by all the 650 million Chinese.

It is interesting that one hears very little in China about the British possessions of Hong Kong, Kowloon, and the New Territories or Portugal's of Macao. Maybe the time is not ripe officially to brand them as "imperialists" and agitate against them on a national scale. It must be added, though, that the Chinese "spontaneously" agitated against Britain when her troops landed in Jordan during the Middle East crisis.

THE FORMOSA PROBLEM

There is no denying that the Chinese Communists feel strongly about their dispute

with the United States. Peace in Asia may well be threatened by the way the Formosa problem is solved.

There are three ways to dispose of it. One is to declare the island independent and let the people of Formosa choose whatever government they like. The second is to make it a United Nations trust territory, as suggested recently by Lord Attlee, former British Prime Minister. The third way out is to hand it over to the Peiping regime.

Whatever the ultimate solution, the need for preserving peace in the area is imperative. Here is an area where India can exert its energies to enable the parties to reach agreement. But then, there is no guarantee that peace will endure, for the Communists may open the question of Kowloon, Hong Kong, and Macao.

Supposing that these issues are also settled, there is always the instinctive urge on the part of the Communists to spread their tentacles into other parts of Southeast Asia, "to liberate the poverty stricken masses from their bourgeois, capitalistic, and reactionary native masters."

Before we in India realize what is happening, Red China may be breathing down our neck. And whether it will be the healthy breath of a welcome friend or the scorching breath of a Chinese dragon will perhaps be decided by the firmness with which we state our belief in freedom and democracy and the fervor with which we are able to build up our free institutions.

THE AGRICULTURAL SUPPORT PROGRAM

Mr. YOUNG of North Dakota. Mr. President, I was very much pleased to note the interest in problems of agriculture on the part of the Daniel F. Rice Grain Co., with home offices in Chicago.

Their analysis of the agricultural problem, and particularly the budget, is to be commended.

Mr. President, I ask unanimous consent to have their four recent commodity letters printed in the RECORD as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMODITY LETTER OF FEBRUARY 18, 1959

The time has come in matters of agricultural legislation to get on one horse and ride off in one direction. It has been clear to us for a long time that an agricultural support program cannot be all things to all people; that it cannot repeal the immutable laws of supply, demand, and price. If a price program is designed to support prices above levels that would otherwise exist it has to have enough teeth in it to command the supply so that the price can be put where it is wanted.

This simple principle has either not been clear to the administration and the Congress or they have chosen to ignore it. The Congress has tried to gallop off in two directions at once—toward higher prices than would prevail in the market place and unlimited production. The Department of Agriculture has thrashed about in all directions at once. They have advocated lower price supports but have never wanted to go the whole hog and eliminate supports as the reasoning of their position would dictate. They have argued that lower supports would cut production and have sat for 6 years with the same argument while prices went down and production up. They have taken huge quantities of grain off the market through loans to support prices and at the same time have sold huge quantities which have weighed very heavily on prices. The Department tried a soil bank scheme. It was never clear whether this was to cut production or to improve land so that we could get more production.

The result of all of this confusion has been lower prices, the accumulation of huge stocks, expenditure of vast sums of public funds, and reduced farm income. In early 1953 when this administration took office wheat was selling for $2.45 per bushel, corn $1.65, oats 92 cents, and soybeans $3. Now wheat is $2, corn $1.20, oats 68 cents, and soybeans $2.24. By way of contrast the Dow-Jones industrial stock price was 287 in January 1953 and now is 590. The agricultural situation is becoming critical. How long farmers can continue to take the kind of economic punishment that they have been submitted to in recent years is conjectural. There is no doubt that justice calls for an immediate reversal of the recent trend.

During this session of Congress the agricultural problem is getting more than the usual amount of attention. Three things appear to be behind this interest: (1) attempts to capture the farm vote, (2) concern over the high cost of farm programs, and (3) concern over the ineffectiveness of existing programs. The administration continues to beat the same old drum for lower supports. With regard to wheat they seem to think that some varieties and qualities would go as low as $1.12. The Congress is kicking around two price proposals. One is for direct income deficiency payments on the amount of the commodity used domestically and the other is a scheme to use food as an instrument of peace. The second presumably means to increase our export dumping programs. One wonders if there are any more ways to dump than are already being used.

None of the suggestions get to the point of a fair price in the marketplace. There is no reason to think that a fair price to farmers cannot be determined and production and inventories adjusted and managed so that this fair price can be maintained. There is no reason why agriculture cannot be run as a business so that it produces when there is a profit and does not produce when there is a loss. There is no reason why farmers should be expected to subsidize consumers, both domestic and foreign, and why Government should in turn be forced to heavily subsidize farmers.

To put agriculture in a profitable position a four-step program needs to be adopted:

1. Establish fair prices for the main agricultural products. A new system needs to be developed to take into account new technology and new methods.

2. Establish production goals that will result in the desired prices. These goals need to be established by a board of nonpartisan experts.

3. Enforce multiple cross compliance. No system of control will work if land is taken out of one crop and put into another, creating a problem somewhere else. Land taken out of one crop has got to go out of production.

4. Freeze existing surplus stocks. When production and use are brought into balance these stocks can be appraised and their disposition determined. We may want to keep them as a reserve against atomic attack. Stocks can be frozen. If one bushel of corn in Crossroads, Iowa, needs to be sold because it is going out of condition, CCC can buy a bushel at Crossroads to replace it.

This program cannot be compromised and made to work. Either we adopt this program or we return to a non-Government situation. We cannot continue to ride two horses in opposite directions.

COMMODITY LETTER OF FEBRUARY 26, 1959

The price supports for 1959 crops were announced and fell on commodity markets like a load of bricks. A similar impact on farm income will be felt when 1959 crops start to market. With the huge carryover and the extreme willingness of Commodity Credit Corporation to sell in competition with farmers, the result will be a further reduction in the already low income of grain farmers.

Crop	1959 loan rate	1958 loan rate	1947–56 bushels per acre	Gross at 1959 loan	Gross at 1958 loan	Change	
						Dollars	Percent
Wheat	$1.81	$1.82	17.7	$32.04	$32.21	−$0.17	−1
Corn	1.12	1.06	38.8	43.46	41.13	+2.33	+6
Soybeans	1.85	2.09	20.3	37.56	42.43	−4.87	−11
Oats	.50	.61	34.3	17.15	20.92	−3.77	−18
Barley	.77	.93	27.2	20.94	25.30	−4.36	−17
Rye	.90	1.10	12.8	11.52	14.08	−2.56	−18
Grain Sorghums	.85	1.02	19.6	16.66	19.99	−3.33	−17

Gross income reductions ranging up to 18 per cent per acre are of ruinous proportions. Agriculture cannot survive under this load. The Secretary of Agriculture has just about had his way in the matter of flexible price supports. The results of the flexible program have now come home to roost.

The impact of this reduction on net farm income is a bitter measure. It costs about $38 per acre to produce corn, if we leave out return on money invested in land, land taxes, and labor. For soybeans, that cost is $32.50, and for oats, barley, and grain sorghums the cost of production is about $26. Under these circumstances a farmer does a little better than breaking even on wheat, corn, and soybeans, if he throws in his land and labor free, and is forgiven his land taxes. If land taxes must be paid, he is just about able to meet out of pocket costs. For the other grains there is no hope of avoiding a loss. It is no wonder that in every quarter we hear from farmers who are up in arms about the new loan rates. How long does this have to go on?

The infinite wisdom of the Department of Agriculture is shown in the apparent changes in relationship among the various grains. Most of the decreases in loan rates are in those commodities that have the smallest stocks in CCC inventory. The decrease in wheat, however, is very small, while there is an increase in corn. The largest inventories in CCC's larder are wheat and corn. A medium sized problem exists in soybeans, so there is a medium sized decrease in soybean support.

The effect of these changes in the relationships of anticipated gross returns on the various crops can be clearly foretold. Much of the fall planted rye will be plowed up and planted in corn. The acreages of barley, oats, and grain sorghums will shift to soybeans and corn.

Before this latest onslaught, soybeans and corn were on a fairly even footing. Now the scales are heavily balanced in favor of corn. Land that was in soybeans on corn acreage allotment farms, it is anticipated, will shift to corn. Add to this the land in the discontinued acreage reserve and it becomes clear that a major increase in corn acreage is to be expected.

This behavior of the Government makes it seem that every action is bottomed on a deliberate plan to increase the already bulg-

ing grain bins, to expand the Government's domination of every phase of grain marketing, as well as continually to drive farmers' income down. Every action is in contradiction of the avowed wish of the administration to return to free markets and free prices.

For 7 years the production of corn has been greater than consumption. The powers seem to be trying their best to make it 8 years. When will Washington understand that something must be done to turn off the deluge of production from farms?

COMMODITY LETTER OF MARCH 6, 1959

The urban press of the United States has unleashed a vicious attack on agricultural programs by repeatedly talking about the high cost to the taxpayer. The Congress and the general public appear to be taken in by this. The Department of Agriculture has taken hold of this tool to help push through its policy of liquidating price support programs and with them the liquidation of the American farmer.

Truly astronomical figures are bandied about. The lowest estimate of agriculture costs one hears these days is on the general order of 7 billion. It is not unusual to hear 12 or 13 billion mentioned. Another look needs to be taken. These are gross exaggerations and not much of it goes to farmers.

Agricultural appropriations for fiscal 1959 (millions of dollars) were:

Regular activities:			
Agricultural Research Service	$160.6	C	
Extension Service	63.2	C	
Farmer Cooperative Service	.6	C	
Soil Conservation Service	128.6	C	
Agricultural conservation program	235.0	C	
Agricultural Marketing Service (includes school lunch)	146.0 (110.0)	C	
Foreign Agricultural Service	4.0	S	
Commodity Exchange Authority	.8	P	
Soil-bank programs	809.5	F	
Commodity Stabilization Service	115.7	P	
Federal crop insurance programs	6.4	F	
Rural Electrification Administration	9.0	C	
Farmers' Home Administration	29.1	F	
Forest Service	130.3	C	
General overhead	7.9	C	
Subtotal			$1,846.7
Restoration of CCC capital	1,760.4	P	1,760.4
CCC administrative expense	35.4	P	35.4
Permanent appropriations:			
Removal of surplus agricultural commodities (30 percent of customs receipts)	235.9	T	
Other	61.9	T	
Subtotal			297.8
Loan authorizations	594.0	L	594.0
Special activities:			
Agricultural Research and Marketing service activities	20.1	C	
Emergency relief	125.8	S	
Public Law 480 and barter	1,509.7	S	
Soil bank programs	567.5	F	
Subtotal			2,313.1
Grand total			6,847.4

All of these costs in fiscal 1959 are keyed with a letter showing who really benefited. C-consuming public, F-farmers, S-State Department as part of our foreign policy, L-loans, repayable and bearing interest, P-price programs, and T-transfer of funds. Under the C there is $892.3 million. This went for research, teaching, disease eradication, monopoly control, school lunch, etc. Some of these programs are as old as the Land Grant College Act of 1862. These activities have enabled farmers to make the production increases that have enabled food production to keep up with population. Under the S there is $1,639.5 million that went to feed hungry people throughout the free world and advance our interests against communism. Under the L there is $594 million, sound and repayable and shouldn't be changed. Under the T is $297.8 million that is mainly customs and forest lands receipts, not costing taxpayers a dime. Under the P there is $1,796.6 million. This went to support a vast bureaucracy, pay storage to nonfarmers on a mountainous inventory, and to take losses on commodities sold. A well-run program would cost only a fraction of this amount. By no stretch of the imagination can over $850 million be considered as benefiting farmers. This leaves $1,412.5 million under the F. At the outside high, programs for the benefit of farmers costs $2.3 billion dollars. Of this, $1,377 million was for the soil bank, most of which has now been discontinued. The real cost of farmers to the taxpayers stands at about $1 billion.

Farmers got about a billion, and the consuming public got about a billion. Where did the rest go? We believe that at this time, Congress, the press, and the public should recognize the true facts concerning the farmers and realize that the prosperity of the farmer is the backbone of the Nation.

COMMODITY LETTER OF MARCH 13, 1959

What happens to the price of corn and other grains between now and summer depends on the sales policy of CCC. Any relationship between what CCC does and what Congress intended by its enactments is purely coincidental. The present price of corn to farmers, for example, is below the legal loan. There is enough corn going into the loan system, however, to force prices up to the loan level plus an amount at which redemption will be profitable.

If CCC would stop selling corn now, the price of corn would be under the control of farmers where it belongs. The price would go up to a point at which farmers would be willing to sell.

CCC, as administered by the Secretary of Agriculture and his staff, seems to have gained a stature above and beyond the law. The law says that Government inventories can be sold only when the price is 105 percent of the support price, or the grain is non-storable or in danger of becoming non-storable, or is for export under special programs. CCC continues to undersell corn that grades No. 2 yellow. This corn is not out of condition or in danger of going out of condition. These sales of corn can be very sharply reduced anytime CCC is forced to comply with the law.

Not only is perfectly good corn being sold, but it is being sold in locations that wreak the greatest havoc in the price structure. The two groups who are most important in setting the commercial price of corn are processors and exporters. The processors of corn in the United States know they do not have to carry inventories or go into the market and bid for farmers' corn to be assured of a supply. They can sit with their bins full of CCC corn stored at the get-rich-quick Government rate and know that all they have to do when they need supplies is to make an offer to CCC and get high quality corn right where they want it. CCC policy has made it possible for processors to make fabulous profits. If they were required to carry their own inventories they would incur interest and storage costs. Much of the excess profits now realized would disappear.

The exporters deal in payment in kind script that lets them have high quality corn in locations where sales will have the maximum price depressing result. Possibly the subsidy in kind program should be eliminated in favor of a subsidy in cash arrangement, since the subsidy in kind program has permitted CCC to oversell commercial centers by providing not only the normal export subsidy, but also has provided additional grain available at less than the normal market differentials, thus providing an additional transportation subsidy.

When one looks at the way CCC inventories are used to depress prices, one must conclude that either the people running the program are incompetent or are in league with processors and exporters. A faint indication in that direction may be gained by reviewing current business affiliations of former high-ranking officials of the Commodity Stabilization Service.

The responsibility for the administration of the law rests with the Secretary of Agriculture. Apparently, Mr. Benson doesn't like the Washington climate. He spends most of his time stumping the country, speaking to all and sundry who will listen, on matters of high policy. It is time that he stayed home and kept the store.

The grain inventory programs can be run for the benefit of farmers as the law intends. The Secretary of Agriculture should appoint an advisory committee to plan sales and reconcentration programs in such a way that disposal programs will have minimum market depressing effects. Such a committee could force merchants and processors to go into the market place and pay harvest prices for their supplies.

The ultimate responsibility for administration of the law rests with Congress. The duties of Congress do not end when the law is written. Congressional committees should call officials of the Commodity Stabilization Service on the carpet frequently and force them to establish that every single sale of grain made during the past 12 months was in compliance with law. Congress should appoint an independent grain committee: (1) To investigate sales of all alleged out-of-condition corn to see how much of it really needed to be sold, and (2) to point out to the CCC how sales could be made with the least market effect.

Anyone looking at the inner workings of the Government inventory programs must conclude that those programs are run by, for, and of the grain merchants, exporters, and processors, rather than for the farmers as the law intends. The Congress is derelict in its duty until it straightens this situation out.

REPRESENTATIVE LESTER JOHNSON'S FIGHT FOR LIFTING BARRIERS FOR INTERSTATE MARKETING OF WISCONSIN MILK

Mr. PROXMIRE. Mr. President, at this time I desire to publicly commend and endorse the efforts which are being made by Wisconsin's distinguished Representative, LESTER JOHNSON, to establish an orderly and open nationwide market for fluid milk.

The principal instrumentality for creating a national market for milk is adoption of a uniform national milk sanitation code. Representative JOHNSON is the principal author of legislation to accomplish this in the present Congress, as he was in previous years. I am proud to be a cosponsor, with the senior Senator from Minnesota [Mr. HUMPHREY], my senior colleague from Wisconsin [Mr. WILEY], and the junior Senator from Minnesota [Mr. MCCARTHY], of the Senate companion bill to LESTER JOHNSON's milk sanitation bill. This bill would provide the basic foundation for a national milk market. It would provide that milk which meets the U.S. Public Health Service sanitation code cannot be barred from any local market in the country where there is someone who wants to buy it.

It is extremely unfortunate, in my opinion, that the organization of local dairy farmers which enjoys a favored position in respect to the Washington,

D.C., milk market, has chosen to misrepresent the merits of Wisconsin milk and of the U.S. Public Health Service code. This is grossly unfair to Wisconsin and other Western producers of milk—who produce some of the finest, most wholesome milk, and other dairy products in the world. It is grossly unfair to consumers, who are entitled to know that they can place complete confidence in the U.S. Public Health Service and its uniform milk sanitation code.

Mr. President, LESTER JOHNSON has performed a tremendous service to his District, to his State, and to the Nation, in the able way in which he has sorted out the misrepresentations and excesses which have been injected into the dispute over whether to allow Wisconsin milk to be sold in Washington, and kept the record clear and straight.

In his speech in the House on this subject recently—March 9—LESTER JOHNSON touched on one matter of great importance which I should like to call again to the attention of the dairy farmers in the Washington milkshed.

Mr. JOHNSON noted that he was the author of a dairy bill in the other House in the last session—H.R. 13800—which would provide a way in which all dairymen could get together to develop nationwide bargaining power. This was an excellent dairy bill; I was the author of very similar legislation in the Senate.

Mr. President, the dairy farmers of Wisconsin realize full well that they will not find their economic salvation by destroying the bargaining power of other dairy farmers. It is not Representative JOHNSON's intent, nor mine, nor of any important group of dairy farmers anywhere in Wisconsin, to wreck the Maryland-Virginia Milk Producers' Federation, or any other cooperative owned and controlled by dairy farmers. The Maryland-Virginia dairy farmers work hard for their livelihood; they produce good, wholesome milk, and they are entitled to an adequate return on their labor and investment.

But Wisconsin dairy farmers are entitled to adequate returns on their labor and investment also, and they are not getting them now. In fact, because Wisconsin is located far from the major markets for fluid milk, its farmers suffer a severe economic disadvantage in comparison with producers located closer to markets. Wisconsin and other distant milk producing areas are forced to bear most of the surplus burden for the entire national milk industry.

In the long run, milk producers in Wisconsin and those in Maryland and Virginia, and elsewhere throughout the Nation, must work together for the mutual welfare of all before they can secure a stable and orderly basis for decent returns for farmers anywhere. They must be brought together through a program which gives full consideration to the public interest, such as is provided in the national dairy legislation which has been proposed by LESTER JOHNSON and myself and other Members of Congress.

A uniform national milk sanitation code is an indispensable part of any effective, sensible milk marketing system of the future for this great country.

Only through such a national dairy program based on legislation such as we have proposed can Wisconsin and Minnesota and other surplus burdened areas be assured of equitable access to the Nation's market for milk, on a regular, orderly basis.

And in the long run—even in the fairly short run—the only real security for milk producers in Maryland and Virginia and in the other great milk consuming areas of the eastern seaboard, lies in the establishment of a national dairy program to give milk producers nationwide bargaining power.

In no other way can dairy producers anywhere hope to obtain and hold a favorable market situation without the constant threat of competitive pressure from other sections which enjoy less favorable market conditions.

PANAMA CANAL: PROTECTION AND DEFENSE

Mr. MARTIN. Mr. President, the problems of protecting and defending the Panama Canal, dramatically brought into public focus by recent overthrows of Caribbean governments and revolutionary agitations in the area near the Canal Zone, are matters to which I have devoted much time and study, with numerous resulting statements in the CONGRESSIONAL RECORD.

Thus, it was with keen interest that I read in the February 22, 1959, issues of the New York Times and the Washington, D.C., Sunday Star, two significant news stories, quoting Lt. Gen. Ridgeley Gaither, Commander in Chief, Caribbean, and giving some details of this complicated and important task.

In this connection, it is well to note that there are two problems involved: First, normal police protection of the Panama Canal and its installations under direction of the Governor of the Canal Zone; and, second, their defense against aggression under the military commander, but with both efforts aimed at maintaining the security of the waterway.

I ask unanimous consent that the news stories I have cited be printed at this point in the RECORD.

Without objection, the stories were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 22, 1959]

ONLY 3,000 GUARD THE CANAL ZONE—ECONOMY AND STRATEGY CUT U.S. FORCES—NAVAL AND AIR POWER LACKING

(By Jack Raymond)

QUARRY HEIGHTS, C.Z., February 21.—Economies and strategic policy have reduced the U.S. forces protecting the vital Panama Canal Zone to a single reinforced battle group, about 3,000 men.

There were 65,000 troops in the Canal Zone during World War II.

The Army here has no missiles such as the Nike-Hercules, which guard the key cities of the United States and overseas military installations with nuclear warheads.

The Caribbean Command's area of responsibility is the entire land mass of Central and South America south of Mexico. But it has no airpower and no war vessels, although it has headquarters on paper for air and sea operations.

"We are phasing down now and are as low as we can get," Lt. Gen. Ridgeley Gaither declared today. "If we went any lower we would be out."

PROBLEMS OF SECURITY

General Gaither, commander of the Caribbean forces, discussed canal security and related problems at his headquarters here. His comments related to joint Army-Air Force maneuvers in this region.

Although the war games were held in an atmosphere of political tension in the Republic of Panama, General Gaither's remarks were directed to a possible outside enemy such as the Soviet Union.

The Panamanian crisis, which involved a protest against alleged corruption on the city council of nearby Panama City, had no effect upon the maneuvers.

At the peak of the political crisis, United States soldiers were within the Canal Zone. The maneuvers in the Rio Hata region, 75 miles from here, were not affected.

The maneuvers, dubbed Exercise Banyan Tree, were designed to test the United States capability in limited war operations. More than 1,300 paratroopers flew 2,000 miles from Fort Bragg, N.C., and jumped to battle positions here ready to fight.

Although General Gaither said he hoped his command would be reinforced with missiles of atomic capability, he responded to questions about the security of the canal with a wisecrack.

"Having enough security is like your wife having enough dresses," he said with a laugh.

LOW MILITARY PRIORITY

General Gaither, who is a veteran paratrooper, appeared resigned to the low order of military priority assigned to this area by the Joint Chiefs of Staff in Washington.

The three-star general called attention to the absence of any direct contact with Soviet forces that face United States military positions.

"We are surrounded here by friendly countries," he said.

General Gaither stressed that the protection of Panama Canal, completed in 1914 and jealously guarded by the United States since then, was the primary mission of his command.

General Gaither said that last year, of some 4,000 vessels that crossed the Atlantic Ocean, more than half has used the 50-mile waterway across the Panamanian Isthmus.

General Gaither stressed the significance of the Banyan Tree war games. The smoothly completed combat jump by an airborne battle group of the 82d Division after a 7-hour flight showed that his forces could be bolstered in a day, he said.

Aircraft and shipping could quickly be brought here to protect the canal in the event of hostilities, he added.

[From the Washington (D.C.) Sunday Star, Feb. 22, 1959]

LACK OF MISSILE DEFENSE ON CANAL EXPLAINED

(By Elton C. Fay)

PANAMA, February 21.—The Panama Canal once ringed by the most modern of weapons, today has no missile defenses.

Moreover, there seems little air of urgency in establishing missile defenses for the U.S. Canal Zone—in an era when rocket weapons are becoming of major importance.

Why is the primary defense of the Canal Zone still based on antiaircraft guns not much different from those of World War II?

It doesn't necesarily mean that the Joint Chiefs of Staff in Washington question the value of missiles.

KEY REASONS GIVEN

Military commanders stationed here or visiting the area for recently concluded exercises point to some of the factors back of

the policy. And there are other obvious ones which they do not mention.

1. The assumption is that an enemy would aim at seizure rather than destruction of the canal. For a conquering nation it would have high economic value. Its military value to the United States is lessened in these days by the fact that the U.S. Navy now is a two-ocean fleet. Destruction of the canal could be more probable through sabotage of dams and locks than through air or missile attack.

2. The canal, at this time, is well removed from the area of Soviet threat. Lt. Gen. Ridgely Gaither, chief of the combined Army-Navy-Air command for the Caribbean, said today: "My command is not bellied up against any Communist or satellite country; we are in the midst of friendly countries."

3. Because defensive tactics apparently might be needed more against attempted seizure of the canal than its attempted destruction by overt attack, the need is for ground, air, and sea forces to repel invaders.

GUNS VALUE DUBIOUS

Today the resident garrison of the Canal Zone, about 3,000 troops, is smaller than in any year since World War II. The big coastal guns of other wars are gone. In their place are 90 and 120 millimeter antiaircraft guns. They are good against slow-moving propeller-driven aircraft, but of doubtful value against jets.

How would the Caribbean commander repel an attempt to capture the Canal Zone?

During the past week the military has tested out, again, its plan. In exercise Banyan Tree, two organizations for coping with small wars and similar aggressive efforts were used—the Army's Strategic Army Command (STRAC) and the Air Force's composite strike force.

Seven hours after taking off in big C130 turboprop transports from a base in the United States, 1,300 paratroopers parachuted into mock battle in the light jungle 70 miles north of the Canal Zone.

REFUELED IN AIR

Flying with them was an Air Force composite strike force of light jet bombers and fighters. The bombers are able to carry tactical size atomic weapons. Tankers planes refueled the jets in flight, extending their range to match the 2,000 miles flown by the big transports.

It could be asked: Exercise Banyan Tree demonstrated the capability to put a battle group of 1,300 men into the canal area, but what about putting in a bigger force, say an airborne division of 12,000 men?

Maj. Gen. Robert F. Sink, commander of STRAC forces, thinks that, as an example, the 82d Airborne Division (of which the battle group now here is a unit) might be moved to Panama from its Fort Bragg, N.C., station in 4 or 5 hours more than the time required for bringing down just the battle group.

SEVEN HUNDRED PLANES NEEDED

But there are some reservations. The 21 planes which brought the 1,300 paratroopers to the jump zone at Rio Hato obviously couldn't have a whole division. General Sink's estimate is based on the idea of using approximately 700 four-engined, long range planes to airlift a division of troops.

The Air Force's tactical air command doesn't have that many planes ready at all times for immediate use. But by diverting big transports from other services and borrowing from other Air Force units it might be possible to muster that total.

ROY WILLIAM HEBARD: ENGINEER, EXPLORER, AND BUILDER

Mr. MARTIN. Mr. President, one of the most satisfying compensations for public life is its occasional opportunities for participating in great undertakings and in the friendships such efforts bring forth. This is notably true of my work in the Congress having to do with the Panama Canal, which has brought me in touch with many leaders in the several fields concerned with the construction, operation, maintenance, and protection of that vital waterway.

Of these leaders, I have been tremendously impressed with the great stature attained by the distinguished graduates of the construction era of Panama Canal history, many of whom, after leaving canal service, achieved continuing fame in other pursuits.

In 1954, when the Panama Canal problem needed a forthright clarification, a number of them rose to the occasion in a ringing memorial to the Congress of the United States, a paper that contributed materially toward authorization of the Isthmian Canal investigation now being conducted under the direction of the Committee on Merchant Marine and Fisheries of the House of Representatives. One of the signatories of that memorial was Maj. Roy William Hebard, of White Plains, N.Y. A celebrated construction engineer, he started his distinguished career in engineering work during construction of the Panama Canal under the inspiring tutelage of John F. Stevens, historically recognized as its basic architect.

He was known to thousands over two American continents. Thus his death on February 5, 1959, is a matter of hemispheric interest.

Mr. President, I ask unanimous consent that an admirably written obituary, published in the Reporter Dispatch, of White Plains, N.Y., on February 6, 1959, be printed at this point in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

MAJOR HEBARD DIES—HELPED BUILD THE PANAMA CANAL

Maj. Roy William Hebard, of 204 Soundview Avenue, who founded the construction engineering firm, R. W. Hebard & Co., Inc., in 1909 when in his middle twenties and who had previously spent 5 years as a resident engineer on the Panama Canal construction, died yesterday at his home. He was 85.

His interest in Latin America continued through his lifetime. In April 1954, he was given the Gold Medal of the Pan American Society of the United States for "distinguished services in developing and improving United States-Latin American relations and better understanding with the American Republics and people." Major Hebard had been a member of the society since its founding in 1912 and for more than 30 years had served as officer and director.

Major Hebard was also president of R. W. Hebard Associates in New York, agents for Brazilian mining interests. He had lived in White Plains many years and when not in Latin America had been a commuter from this city to New York since 1919. In 1956 he wrote to the Westchester Board of Supervisors recommending the requested fare boost of the New York Central, calling the railroad service "the best of its kind in Greater New York, or in fact, the United States."

Major Hebard and the thousands who had worked on the Panama Canal project expected that its inauguration on August 15, 1914, would be an occasion for appropriate recognition throughout the civilized world.

But as Major Hebard related later in an address, "Fate is not always kind to the engineering fraternity. Instead of hitting the front pages of the world's newspapers, the news of the canal was thrust in an obscure spot on an inside page and confined to a few lines. The front pages all told of the victorious march of the Kaiser's armies into Belgium. It was the irony of fate that World War I should have erupted in Europe almost on the day that the first ship passed in a man-made canal between the two great oceans, the Atlantic and Pacific."

SERVED AEF WITH DISTINCTION

Major Hebard had his chance to get back at the Kaiser for stealing the headlines. When the United States entered the war in 1917, Major Hebard and most of his associates volunteered for duty with the U.S. Engineers Corps, all serving with distinction in the AEF. Major Hebard was commanding officer of an engineering regiment and attained the rank of major.

In Latin America Major Hebard was regarded much the same way as Henry Kaiser was in this country for a time. He both tackled and mastered gigantic projects.

Major Hebard's company did pioneering work in primitive sections of both Central and South America, building roads, railroads, airports, communication systems, sanitation projects and buildings. From 1925 to 1931 his company worked on engineering and construction projects in seven countries, employing a labor force of more than 12,000 men.

The initial contract after the incorporation of Hebard & Co. was the construction of the first electric tramway ever built in Panama, together with a modern powerplant.

In 1911 Major Hebard met Minor C. Keith, brilliant American builder and entrepreneur in Latin America, an event that was to influence his entire future. The two men hit it off famously from the start, in spite of a great age discrepancy, and Mr. Keith and his associates took a substantial financial interest in the Hebard company.

STUDIED COLOMBIA'S TRANSIT

A New York banking group engaged Major Hebard in 1919 to make a study of transportation in Colombia. After a survey Major Hebard's company carried out highway and railroad work there and designed plans for water supply and sanitation in many important Colombian cities. Later the company located and constructed the famous Carreteraal-Mar (highway to the sea), a mountain road that required the heaviest construction ever undertaken in South America up to that time.

The Guatemala-Salvador Railway, the initial rail connection between any two Central American Republics, was built by the Hebard company.

During World War II the company was engaged on military installations for the U.S. Army at Panama and also built the Asuncion, Paraguay, airport, one of the most modern in South America. The company also served as consultants for Pan American World Airways airports on the north coast of Brazil. They played an important part in aerial transportation between Brazil and Africa during World War II.

Born in Augusta, Wis., Major Hebard was a graduate of the University of Wisconsin. He had lived in White Plains about 40 years and was a member of the White Plains University Club, the Westchester Hills Golf Club, and honorary member of the White Plains Hospital board of governors. During World War II, Major Hebard was active in civil defense.

AN ELECTOR

He was also a past president of the Panama Canal Society, a member of the American Brazilian Association, and treasurer and director of the Pan-American Society of New York. Major Hebard was an elector for the State of New York for the election of President Eisenhower.

Major Hebard leaves his wife, Mrs. Anita Hebard; a daughter, Mrs. Francisco deSola, of San Salvador; two sons, Roy F. Hebard, of Glen Ellyn, Ill., and Richard K. Hebard, of Scarsdale; 10 grandchildren, and a sister, Mrs. Ward Byers, of Kansas City, Mo.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

The Chair lays before the Senate the unfinished business.

UNEMPLOYMENT IN DEPRESSED AREAS

The Senate resumed the consideration of the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

MILITARY RETIRED PAY INCREASES

Mr. STENNIS. Mr. President, there has been introduced proposed legislation which would authorize pay increases for the military personnel retired prior to June 1, 1958, under current pay laws. This increase would be accomplished by permitting those persons to recompute their retired pay in accordance with the new scales for military basic pay. As the Senate knows, the Congress in the recent Military Pay Act did not adopt the view now being urged. Instead, the act contained, with slight modification, a flat 6 percent increase for those retired prior to its effective date of June 1, 1958.

In August of 1957 I was appointed by Chairman RUSSELL as chairman of a subcommittee to conduct hearings on the military pay legislation then pending in the form of proposed amendments to the Career Compensation Act. This legislation embodied the recommendations of the Cordiner report. The subcommittee held extensive hearings not only on this measure, but the legislation passed by the House. The subcommittee in April of 1958 reported a bill which was adopted without change by the full committee of the Senate, and with a slight modification was finally enacted into law.

This year, especially in view of the recomputation bills, S. 269 and S. 541, which constitute proposals rejected in the new Military Pay Act, many have requested me to present for the record the legislative history and some of the issues involved with respect to the new military pay law and the pending proposed amendments.

In response to these requests and with a sense of continuing obligation to the Senate on the subject, I shall briefly review the highlights of this subject.

POSITION OF CORDINER REPORT

Mr. President, an appropriate place to begin is the Cordiner report on military pay, which provided most of the basic concepts for the recent military pay bill. This report, which was issued in May 1957, did recommend that those already retired under current laws should be allowed to recompute their pay in accordance with the increased scales recommended for active duty personnel. It should be noted, however, that under this approach there would have resulted large increases, ranging as high as 58 percent, for the upper commissioned ranks of those retired. For the retired enlisted personnel and for the lower grade officers there would have been substantially no increase.

POSITION OF MR. CORDINER

Mr. President, Mr. Cordiner himself had reservations about this feature of the pay report. He stated during his testimony before the Military Pay Subcommittee that the retired pay feature was one of the weakest things in the Cordiner report and that it would be very difficult to make it consistent with other portions of the report's recommendations.

There was a difference of opinion among the Cordiner Committee members on his question, although Mr. Cordiner noted that the issue did not go so far as to result in a minority report.

POSITION OF THE EXECUTIVE BRANCH

Mr. President, thereafter there was introduced legislation that would have implemented the pay recommendations of the Cordiner report. The Department of Defense in commenting on this legislation opposed applying the increased pay scales to those on the retired list. The Department of Defense indicated that the primary objective was to provide increased incentives to retain personnel on active duty. The Department indicated that "it is not considered appropriate to reflect these compensation changes to personnel already retired," and, moreover, that "disproportionate increases would accrue to some and none to others," and furthermore, the Cordiner report and bill was not "the proper approach to the retired pay system." As I have already indicated, if recomputation had been permitted there would have been little or no retired pay increases for those in the enlisted and lower commissioned grades, but substantial increases for the higher commissioned grades.

Thereafter the Department of Defense submitted its own military pay legislation that embodied with slight modifications the concepts of the Cordiner committee. This legislation, however, provided that there would be no increase for persons already retired. During hearings on this proposed legislation the Department of Defense testified that the fairest approach to the whole retired list would be to award a flat across-the-board percentage increase.

During the Senate hearings, Mr. President, the House passed its own military bill. This measure, although a redraft of the administration's bill, was aimed at accomplishing the same improvements in the military pay system. The House, with a slight modification, provided a flat 6-percent increase for those already retired. The Military Pay Subcommittee, of which I was chairman, requested the precise views of the executive branch on the House bill. Mr. Quarles, Deputy Secretary of Defense, in responding to this request, had the following to say with respect to retired pay:

> With respect to the action of the House of Representatives in providing in section 4 of H.R. 11470 a 6-percent increase in the retired pay of personnel currently retired, the Department of Defense does not oppose this provision; however, the Department of Defense recommends against any amendment of section 4 of H.R. 11470 which would further increase the pay of personnel currently retired.

It is my clear understanding that the President of the United States himself carefully reviewed and approved the letter stating this position.

HOUSE AND SENATE ACTION

Mr. President, the House bill, as I have indicated, provided, with one exception, a flat 6-percent increase for those already retired. The Senate adopted the 6-percent feature that became a part of the act. The exception related to the retired pay of those of three- and four-star rank whom the House would have permitted to recompute under the new scales on the premise that no pay scales for the O–9 and O–10 pay grade existed previous to the new act. The Senate deleted three- and four-star feature. As the bill was agreed to in conference and signed by the President, those of the three- and four-star rank were not permitted to recompute under the new scales. They were, however, allowed to add to their retired computation base the amount of $100 a month for three-star, and $200 a month for the four-star which had already been a part of the active pay for these ranks.

RESULTS OF RECOMPUTATION ON THE PAY BILL

Mr. President, I should now like to consider the results, if a recomputation provision had been adopted under the scales as finally enacted in the new pay law rather than a 6-percent provision. There would have been the extremes of a 74-percent increase in the top pay bracket of an O–10 general officer ranging downward to no increase for those retired in the lower commissioned and enlisted grades. Except for the usual saving clause some retired enlisted personnel and lower grade officers would have suffered a reduction in pay. Specifically, the increase would have been as follows: O–10, former Chief of Staff, 74-percent increase; O–10, general, 58-percent increase; O–9, lieutenant general, 39-percent increase; O–8, major general, 26-percent increase; O–7, brigadier general, 22-percent increase; O–6, colonel, 22-percent increase; O–5, lieutenant colonel, 15-percent increase; O–4, major, 6-percent increase; O–3, captain, 2-percent increase; O–2, first lieutenant, reduction of 8 percent except for saving clause; O–1, second lieutenant, reduction of 16 percent except for saving clause.

With respect to enlisted men: E–7, master sergeant, 9-percent increase; E–6, technical sergeant, 1-percent increase; E–5, sergeant, reduction of 7 percent except for saving clause; E–4, corporal, reduction of 13 percent except for saving clause; E–3, private 1st class, reduction of 14 percent except for saving clause; E–2, private, reduction of 19 percent except for saving clause; E–1, recruit, reduction of 2 percent except for saving clause.

The cases cited are typical of the grades concerned, that is, those who

complete the average years of service before retirement.

Mr. President, let us examine the reason for these disproportionate percentages. The fact is that this new pay legislation was not the usual type extending a flat percentage increase to all grades. On the contrary, it was a broad and basic revision of the entire military pay structure designed principally to provide an incentive system which would attract and retain qualified personnel. It was to form the basis of a merit system aimed at properly encouraging progress and achievement. Specifically, these changes included for the first time two new officer and enlisted pay grades, proficiency pay systems for enlisted personnel, responsibility pay system for officers, and a substantial reduction in the importance of longevity increases.

In view of these disproportionate percentages resulting from changes in the system and in view of the need for recognizing the increase in the cost of living, the question therefore presented was whether it would be best to adopt recomputation, with the result that thousands of retired enlisted men and junior officers would receive nothing and those in the higher ranks would at the same time be awarded large increases.

The 6-percent feature was adopted as providing the most equitable treatment for the entire retired list in an attempt to provide a cost-of-living increase for all concerned.

FLAT PERCENT USUAL METHOD OF INCREASE FOR OTHER RETIREMENT SYSTEMS

Mr. President, for the reasons I have outlined, the 6-percent feature was adopted. This was a departure from the usual method of granting retired increases for those retired under current laws. I point out, however, that rather than recomputation the flat percentage has been applied in the past to a category of some thousands on the retired list. These are the persons retired under the laws in effect prior to 1949. The Military Pay Act of 1955 awarded this group a flat 6 percent and did not permit them to recompute.

Moreover, Mr. President, I should like to emphasize that the usual method of extending retired-pay increases under other retirement systems is some form of a cost-of-living percentage increase not involving recomputation. This is certainly true with respect to the increases granted to retired civil service employees and retired Members of Congress.

By way of example, I will review what has occurred with respect to increases for retired Members of Congress. All of these have been purely cost-of-living increases. I am advised that in 1952 there was a maximum increase of $324 a year, in 1955 a maximum of $410 a year, and in 1958 a maximum limitation of $500 a year.

I refer to these examples to show that recomputation has certainly never been used for the retired civil service employees and retired Members of Congress, and, furthermore, I know of no industrial or private systems where automatic recomputation is a feature. The issue is, therefore, presented as to why recomputation should necessarily be a part of the military system alone, keeping in mind also the disproportionate results that would have occurred under the current pay legislation.

RESULT OF REPEATED RECOMPUTATION

Mr. President, there are some members retired prior to June 1, 1958, who, after they received the 6-percent increase, are today receiving more retired pay than they ever received in the form of basic pay while on active duty. Moreover, there are some retired members in this group whose retired pay today, with the 6-percent increase, is greater than the highest pay they ever received on active duty, including all allowances.

If recomputation were extended over and above the 6 percent, there would, of course, be an increase in the number in these groups. The various systems with which I am acquainted compute the pay of the retired person on the salary he earned, with subsequent increases being based on the cost-of-living and separate action or legislation.

EFFECT OF INCREASES UNDER PENDING LEGISLATION

Mr. President, the 6 percent increase has already been granted. If the pending bills permitting recomputation should be enacted, the great preponderance of increases would still go to those in the upper grades, ranging from 39 percent for the top O–10 grade, down to 9 percent for the O–5 lieutenant colonel. Those in the lower commissioned grades would receive no increase. The E–7 enlisted grade would receive a 3-percent increase. Except for this slight adjustment all of the thousands of other retired enlisted personnel would receive no increase. The bills contain a saving clause that prevents any reductions in pay. Except for these provisions, however, there would be substantial reductions in retired pay in the lower grades. I point this out merely to show the effect of an outright recomputation.

Mr. President, the figures I have discussed are based on the pay grades for typical persons retired on the basis of length of service. I am inserting in the RECORD a somewhat detailed chart, setting forth each of the examples which are typical because of the fact that they represent the normal years of service before retirement in the various grades. Column 9 of the inserted chart indicates the percentage of increases which would be granted under this proposed legislation to those retired prior to June 1, 1958, with normal years of service.

Mr. President, I ask unanimous consent that the chart be printed in the RECORD at this point in my remarks.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Typical examples of military retired pay under the Career Compensation Act nondisability retirements

Grade	Pay grade	Years of service	Paid prior to June 1, 1958		Paid after June 1, 1958				Percent increase compared to old pay scale		Percent increase for recomputation compared to Jan. 1, 1959, retired pay [1]	
					Retired before June 1, 1958		Retired after June 1, 1958 [2]		Retired before June 1, 1958	Retired after June 1, 1958 [2]	With saved retired pay	Without saved retired pay
(1)	(2)	(3)	(4)		(5)		(6)		(7)	(8)	(9)	(10)
			Monthly	Annual	Monthly	Annual	Monthly	Annual				
Chief of Staff	O–10	30	$807	$9,684	$1,015	$12,180	$1,406	$16,872	26	74	39	39
General	O–10	30	807	9,684	1,015	12,180	1,275	15,300	26	58	26	26
Lieutenant General	O–9	30	807	9,684	935	11,220	1,125	13,500	16	39	20	20
Major general	O–8	30	807	9,684	856	10,272	1,013	12,156	6	26	18	18
Brigader general	O–7	30	725	8,700	769	9,228	881	10,572	6	22	15	15
Colonel	O–6	30	608	7,296	645	7,740	739	8,868	6	22	15	15
Lieutenant colonel	O–5	27	453	5,436	480	5,760	523	6,276	6	15	9	9
Major	O–4	26	385	4,620	408	4,896	410	4,920	6	6	0	----------
Captain	O–3	25	322	3,864	341	4,092	[3] 328	3,936	6	2	0	−4
1st lieutenant	O–2	25	258	3,096	274	3,288	[3] 238	2,856	6	[4] −8	0	−13
2d lieutenant	O–1	27	253	3,036	208	3,216	[3] 212	2,544	6	[4] −16	0	−21
Warrant	W–4	27	347	4,164	368	4,416	388	4,656	6	12	8	5
Do	W–3	24	257	3,084	272	3,264	292	3,504	6	14	7	7
Do	W–2	24	233	2,796	247	2,964	264	3,168	6	13	7	7
Do	W–1	24	212	2,544	224	2,688	234	2,808	6	10	4	4

[1] Applicable only to persons retired prior to June 1, 1958, and receiving retired pay at Career Compensation Act rates.

[2] Cols. 6 and 8 also indicate the amounts and percentages which would result from recomputation for those retired prior to June 1, 1958, except for those in the enlisted and lower commissioned grades who would be affected by the saved-pay provision.

[3] If those in these grades had completed at least 4 years' active enlisted service the figures would be O–1, $270 instead of $212; for O–2, $281 instead of $238; and for O–3, $334 instead of $328.

[4] This result would occur except for 1 relatively small percentage of individuals on saved active duty pay. Even those on such pay would receive less than those retired before June 1, 1958.

Typical examples of military retired pay under the Career Compensation Act nondisability retirements—Continued

Grade	Pay grade	Years of service	Paid prior to June 1, 1958		Paid after June 1, 1958				Percent increase compared to old pay scale		Percent increase for recomputation compared to Jan. 1, 1959, retired pay	
					Retired before June 1, 1958		Retired after June 1, 1958		Retired before June 1, 1958	Retired after June 1, 1958	With saved retired pay	Without saved retired pay
(1)	(2)	(3)	(4)		(5)		(6)		(7)	(8)	(9)	(10)
			Monthly	Annual	Monthly	Annual	Monthly	Annual				
Master sergeant	E–7	23	$184	$2,208	$195	$2,340	$201	$2,412	6	9	3	3
Technical sergeant	E–6	23	166	1,992	176	2,112	167	2,004	6	1	0	−5
Staff sergeant	E–5	24	155	1,860	164	1,968	144	1,728	6	4–7	0	−12
Sergeant	E–4	25	137	1,644	145	1,740	119	1,428	6	4–13	0	−18
Corporal	E–3	25	102	1,224	109	1,308	88	1,056	6	4–14	0	−19
Private 1st class	E–2	24	80	960	84	1,008	65	780	6	4–19	0	−23
Private	E–1	23	61	732	65	780	60	720	6	4–2	0	−8

Mar. 10, 1959.

POSSIBLE CHANGES IN SYSTEM

Mr. STENNIS. Mr. President, because of the custom of recomputation I can well appreciate the feeling of the particular individuals retired prior to June 1, 1958, who now receive less than a person retired after that date in the same grade. For the entire retired list, however, a 6 percent feature was adopted as the fairest approach.

With respect to those retired after June 1, 1958, the only way to prevent some particular grades from receiving more than others who retired prior to June 1, 1958, would have been to change the entire retirement system for those retiring in the future.

I might add at this point, Mr. President, that these differences work both ways. There are some persons who will retire in the future who will receive less than those retired prior to June 1, 1958, with the same rank and service. This result is caused by the changes in the pay system I have already referred to.

It was, of course, not practical, during the limited period of the pay hearings, to attempt to reexamine the basic rules for those retiring in the future.

There were a number of alternatives which the committee might have considered. These include, first, a phase-in system for the future whereby minimum periods of service would have been required in order to retire under the higher scales; and, second, a change in the method of computation whereby the retired pay would be based upon the average earned in the past 5 years rather than the pay of the rank held on the day of retirement.

I might point out, Mr. President, that the current laws provide that in the case of the Navy, an officer may be retired in the highest grade in which he satisfactorily served, even though he may not have held that grade at the time of retirement. This rule also applies to the Army and Air Force, except that the officer must serve at least 6 months in the higher grade.

Third. The requirement of some personal contributions to the military retirement pay system if it were proven that such would assist in reducing the ultimate cost. Possibly these or other alternatives might be considered in the future. They would necessarily require intensive study.

If the recomputation bills are to be considered, the three above alternatives, as well as others, should be studied and considered as possible statutory changes in the present system of retired compensation. A major revision of the entire military retired pay system doubtless would result. I want to emphasize, Mr. President, that I am not implying that hearings should be held on the recomputation bills.

RELATED ISSUES

Mr. President, I should now like to discuss certain other issues which are directly related to this entire military retired pay matter.

A. COST OF PENDING LEGISLATION

Mr. President, the total estimated cost of enacting the legislation permitting recomputation would be approximately $400 million. That is in accordance with the terms of the bills which have been introduced.

For the first year the estimated cost would be about $27 million, a figure that diminishes throughout succeeding years for the lifetime of the group.

Mr. President, as I have already noted, the pending legislation does not permit recomputation for all those retired, but only those retired under current pay laws. If those retired under the old laws were permitted to recompute, the total cost would be increased by about $50 million, or a complete total of about $450 million.

The military pay legislation of 1955 did not permit those retired under the old laws to recompute, but awarded them a flat 6 percent increase.

B. INCREASING RETIRED COSTS

Mr. President, a fact that Congress must recognize is the tremendous increase in the cost of retired pay. In fiscal year 1950 the cost was $219 million. This amount had been growing annually. In fiscal 1958 it was $561 million; in fiscal 1959 it will be $640 million. The pending defense appropriation requests $715 million for fiscal year 1960. Within the next few years this figure will cross the billion dollar mark, going up in terms of annual cost. These figures and estimates are undoubtedly on the low side since they are based only on current military pay scales. In the years ahead there will probably be additional military retired pay increases. I might note that the legislation enacted last year was the fifth military pay act since the end of World War II.

C. EARLY RETIREMENT PROBLEM

Mr. President, I shall now speak about the matter of early retirement. By this term I refer to the present arrangements that relieve a man from active duty at the prime of his career when his services could still be effectively used. This is accomplished under either the 20-year retirement law that permits an officer to voluntarily apply for retirement, or the mandatory retirement laws that eliminate most people after about 30 years of service. We continually observe the fact that many able officers, in the higher ranks of colonel and general, voluntarily retire in their early or middle forties in order to take positions in defense or some related industry. It is to the advantage of these officers to retire, since they can receive both retired pay and private remuneration at the same time. These officers should not necessarily be censured, since the laws offer this advantage, and it is certainly to their personal gain.

With respect to the 30-year statutes I should like to note that a man completes 30 years at about age 53. Many of these officers, especially those with professional qualifications, such as doctors and lawyers, are forced to leave the services at the prime of their experience and when they could render further valuable service.

These remarks, Mr. President, are not intended to imply that an officer should be retained who cannot fully meet the required physical and mental standards.

There is also the added fact that early retirements generally result in increasing substantially the cost of military retirement. This result is due principally to the fact that early retired pay, even though reduced because of fewer years of service, will be received over a longer normal lifetime.

Early retirement admittedly presents a complex problem. As we know, the promotion system in the services operates on what is generally called the flow system. The argument is therefore made that unless there are substantial retirements, there will be no vacancies to which to promote the able young men

from lower grades. Nevertheless, despite all these factors, there remains the question of whether on balance this continued retirement policy is in the overall best interests of the services.

Mr. President, I know of no retirement system, such as the military, where a person, after no contributions, may retire without regard to age on one-half of his basic pay after only 20 years of service. We must exercise some caution, in view of the very liberal nature of the law, to make certain that military retirement does not become an end in itself, rather than a means of providing adequate compensation after the conclusion of a career of useful service.

Mr. President, I hope that these remarks will serve to clarify the legislative history and some of the complex questions involved in this matter.

Mr. SALTONSTALL. Mr. President, as ranking minority member of the full Committee on Armed Services, and also as ranking minority member of the subcommittee which reported the military pay legislation last year, I should like to add a few facts in addition to those expressed by the Senator from Mississippi [Mr. STENNIS] on the question of whether pay increases should now be enacted for those retired prior to June 1, 1958, beyond those already provided for in the Military Pay Act of last year. I shall discuss the reasons for granting a 6 percent increase rather than providing for recomputation, with its disproportionate results.

First. It was felt that the 6 percent cost-of-living increase was the fairest method for the entire retired list. As the Senator from Mississippi has already pointed out, if instead of a 6 percent increase the committee had allowed recomputation, there would have been extreme increases in the upper grades, with practically no increases for the junior officers and for the retired enlisted man. These extremes would have resulted from the fact that the pay legislation changed to a large degree the entire military pay system.

Mr. President, we could not equitably ignore the cost-of-living element, for thousands of retired persons who would have received no increase under outright recomputation.

Second. The flat cost-of-living percentage increase is the normal method of increase under most retirement systems. As the Senator from Mississippi has pointed out, this is the method used for both retired civil service employees and also retired Members of Congress. Those retired under military laws are certainly not penalized when compared to those retired under other retirement systems.

The argument has been advanced that by making a 6 percent increase in retired pay last year, Congress set a precedent which will operate to reduce retired pay in the future of personnel now on active duty. It should be noted that if a flat percentage increase in retired pay were to be made in the future by Congress, it might provide a greater increase in retired pay for some than recomputation would provide, just as occurred in the new Military Pay Act. It all depends on which particular rank is in question.

For example, if a future military pay bill carried no increase or a very small increase in basic pay for high-ranking personnel, a flat percentage increase in retired pay might be greater than recomputation would provide.

The vital consideration in any retired pay increase is that all those then on the retired list be treated equitably. Congress must deal with each pay bill on its merits. Many times the requirements for the active forces are greatly different from those which apply to the retired list.

I feel certain that in each pay bill which may be considered in the future Congress will do its utmost to deal equitably with all retired personnel.

Third. The pay bill as it passed the House, Mr. President, provided a flat 6 percent increase, except for the slight modification mentioned by the Senator from Mississippi [Mr. STENNIS]. The executive branch also advised the Senate committee that it would support the 6 percent feature of the House bill, but would oppose any further increase.

Mr. President, we now have pending proposed legislation proposing further retired pay increases by permitting those retired prior to June 1, 1958, to recompute under the new pay scale. The only persons who would benefit thereby would be those who would receive more pay by recomputation. The persons who would benefit by this legislation are those in the high commissioned grades. There would be no increases for typical retired enlisted personnel or junior grade officers. Therefore, this means that the Congress is now being asked to reverse itself, after it passed what it considered to be the fairest method for retired pay increase.

Mr. President, I should like to add that if further retired pay increases are to be reconsidered, that might certainly open up the whole question of major and fundamental revisions in the entire military pay system.

One item which the Congress cannot ignore is the growing cost of retired pay. In the fiscal year 1950, the cost was $219 million. The pending appropriations bill contains a request for $715 million for the fiscal year 1960. Within a few years, this figure will cross the billion dollar mark, and the annual cost will continue to increase. The pending proposed legislation would add a total estimated cost of $400 million, over the lifetime of the entire retired pay group.

Mr. President, I hope my remarks will serve to clarify some of the questions involved in this issue, and to supplement the remarks made by the able Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, will the Senator from Massachusetts yield briefly to me?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. SALTONSTALL. I yield.

Mr. STENNIS. Mr. President, I remember very well, during the long hearings and consideration of this very voluminous and most difficult measure, the extremely fine cooperation and very constructive suggestions and efforts of the Senator from Massachusetts, who almost always was present for the entire hearings and the consultations on the bill. I remember well his approach of absolute fairness and sincerity and his deep concern that, as nearly as could be, equity be done the individuals involved, and that at the same time a sound system be evolved.

I remember that one day he and I summed up our thinking as follows: We were convinced that there had to be a new pay scale for those on active duty, and that a career incentive feature had to be placed in the legislation. With the latter's being one of the primary objectives, we also agreed that the growing cost of the retirement system for the military—approaching $1 billion within a few years—is a factor of growing concern. So we adopted, after considering all the elements involved, the cost-of-living increase as the fairest and also the soundest approach.

Mr. President, I know that perhaps some who have retired under either system may be receiving too much, and there are some who are not receiving enough. But we cannot legislate for every individual; we had to recommend a system. That is what we tried to do.

Again, I wish to thank the Senator from Massachusetts for his very fine, constructive contributions to our labors.

And let me say that I appreciate very much the sentiments he has expressed.

Mr. SALTONSTALL. Mr. President, in reply, let me say that I appreciate the statement of the Senator from Mississippi. He was extremely conscientious and extremely thorough in his work on the bill, which was most difficult to develop because of its many computations which might lead to unfairness in certain ways.

As the Senator from Mississippi has said, what we tried to do was develop a bill which would provide sufficient incentive to retain in the services good men who would make lifetime careers of the military services, and at the same time be fair to those who had retired, although not to make the latter the subject of our principal concern. Therefore, we provided the increases called for by the bill. The contributions made by the Senator from Mississippi were extremely valuable.

Mr. President, I appreciate very much, indeed, what the Senator from Mississippi has said.

I yield the floor.

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXCESSIVE NUMBER OF LIMOUSINES IN EXECUTIVE AGENCIES

Mr. DOUGLAS. Mr. President, we should seek to prevent waste wherever

it can be found. Some administrators, however, excuse excessive luxuries and loose practices—which are paid for by the taxpayers—on the ground that they do not cost very much. By this, they generally mean that the taxpayers are not gouged by any one practice by more than a few hundred thousand or a few million dollars. But it is out of the accumulation of such waste that enormous sums are lost. We should be careful with the millions, as well as with the billions.

Like most Members of Congress, I have been appalled by the traffic jams created on Capitol Hill when the administrative officials and the "high brass" of the Pentagon come to the Senate or House on business. Our streets and parking areas fairly swarm with huge limousines, each with its stone-faced chauffeur.

All this costs large amounts of money which someone has to pay. It excited my curiosity, as I am sure it has excited the curiosity of others. So, some time ago, I requested that the Budget Bureau furnish me information in regard to the number of Government limousines—7-passenger Cadillacs, Lincolns, or comparable vehicles—which are assigned to administrative officials in the Washington area, and to which office or official they were assigned.

I have since received from the Director of the Bureau of the Budget a reply which shows that some 99 limousines or comparable heavy sedans are assigned to administrative officials or agency heads in the Washington area. These limousines are in addition to some 1,450 Government-owned passenger automobiles which were in the Washington area as of June 30, 1958.

After analyzing the facts, I have come to several conclusions.

NUMBER OF LIMOUSINES COULD BE GREATLY REDUCED

First, the number of limousines or equivalent automobiles in the Washington area could be greatly reduced. I believe we could quite properly reduce the total number from 99 to 35, or a reduction of 64.

At the present time, not only do the President, the Secretaries of the Departments, and the members of the Joint Chiefs of Staff have limousines, but the Pentagon has a total of 37, of which 14 alone are assigned to various Assistant Secretaries.

I may say, in this connection, that the present administration has created an administrative monstrosity in the Pentagon. In the previous administration there were, I believe, some 13 Secretaries, Under Secretaries, and Assistant Secretaries. There are now 31 Secretaries, Under Secretaries, Deputy Under Secretaries, Assistant Secretaries, and Deputy Assistant Secretaries; and, of course, there are assistants to Deputy Under Secretaries and assistants to Deputy Assistant Secretaries. The situation which now exists in the Pentagon is largely matched by that in the State Department, and also to a large degree, by that in the Department of Agriculture. This system carries with it, as among the prerequisites of many of these officials, elaborate Cadillacs and Lincolns.

I may say here that while we, the Congress, are not always perfect, and often are subjected to severe criticism on some of these matters, we are not all that bad. If we were to follow the practice of the Pentagon, each of the 98 Senators would be assigned a limousine and a chauffeur.

We also find that every member of the Atomic Energy Commission, as well as the director or chairman of a great many agencies below Cabinet level, such as the Director of the Bureau of the Budget himself—the man who is supposed to watch over economy in the Government—the Director of the Federal Mediation and Conciliation Service, the Administrator of the Veterans' Administration, the Director of the National Gallery of Art, and the Governor of the U.S. Soldiers Home all have limousines assigned to them.

Quite frankly, this is excessive, and the numbers should be reduced. I think that an administration which has labeled the passage of legislation to clear the slums as inflationary and reckless should begin to practice what it preaches.

I think, too, that a President who believes that compensation to the unemployed can rightly be curtailed or limited at a time when 4.7 million are fully unemployed should be able to get along with a lesser number than the eight limousines which are now assigned to the White House.

I propose that the total number of the limousines be cut from 99 to a total of 35.

I would cut the number of White House limousines from eight to six. I think the President could get along with six limousines.

I would cut the number of limousines now assigned to the Pentagon from 37 to 11, or a reduction of 26.

I think it quite adequate for the total to be limited to six limousines for the President, and one each for his Cabinet officials, Secretaries of the Departments of the Army, Navy, and Air Force, the Commandants of the Marine Corps and Coast Guard, as well as the Chiefs of Staff of the services, and perhaps the Chairman of the Atomic Energy Commission and the Director of the Central Intelligence Agency.

Since the patients at St. Elizabeths Hospital are now assigned a 1947 Chrysler limousine, I believe that its age is such that it should not be denied to them for their transportation and enjoyment.

However, except for the limousines for the White House, Cabinet officials, the Chiefs of Staff and Commandants, the heads of the Atomic Energy Commission, and Central Intelligence Agency, and the patients at St. Elizabeths Hospital, the others should be relinquished and the officials who now ride in them should learn to live more simply and to help us save money and balance the President's budget.

BELOW-COST RENTALS RAISES SERIOUS QUESTIONS OF PROPRIETY

Secondly, Mr. President, the practice of renting limousines for the President and his Cabinet officials should be discontinued.

Apparently some 39 limousines are now rented by private industry to the Government for a yearly fee of $500 each—which includes maintenance, but not gas and oil—for the use of our top officials. I may say that the depreciation alone on these cars is certainly in excess of $500 per year.

According to the Bureau of the Budget, the limousines which were provided on a rental basis included 24 Cadillacs—manufactured, of course, by General Motors—2 Imperials, 5 Lincolns, 7 Chryslers, and 1 Buick. Thus, General Motors, Ford, and Chrysler were all renting limousines to the Government at below cost and for only nominal fees.

Personally, I believe that this is a bad practice and one which raises serious questions of propriety. One should note that these companies have huge Government contracts amounting to many millions of dollars a year. In these circumstances, I believe that the top officials of our Government should not be in a position of receiving services from these companies which are very costly, but for which the officials and the Government are not properly charged. I do not believe that our Government should be forced to exist on handouts from General Motors.

I would note also, in passing, that such service was not provided either by American Motors or by Studebaker-Packard.

Mr. President, much has been made in recent weeks of the so-called back-door financing of Government expenditures. Now I desire to raise the issue of hidden financing. I would note that while we in the Congress are not perfect in all of these matters, it is true that the limousines which are provided for the legislative branch are all provided by specific authority in an appropriation bill. Further, we require that each agency include a statement in the budget of proposed obligations for purchase and hire of passenger motor vehicles for the fiscal year involved.

Yet it is to be noted that nowhere in the budget for the Executive Office of the President or for the various departments and agencies are these rented automobiles listed. There is thus no obvious check on them as there is for the number of passenger automobiles which are provided for the legislative branch, or which are purchased by direct appropriation.

Thus, while on page 27 of the fiscal year 1960 budget there is a specific item for the Vice President's automobile—as well as those for the President pro tempore and the majority and minority leaders of the Senate—the money for the automobiles which are rented for the White House is not listed at all, and is hidden away under the object classification "other contractual services" for the White House budget.

In this respect, the legislative branch—with all its faults—does a good deal better than the President and the White House who have made such a hue and cry about back door financing, but who here are practicing hidden financing.

At this point, I should like to read an article on the subject of limousine rentals which appeared in the Washing-

ton News of April 22, 1957. It reads as follows:

SUMMERFIELD GETS A CADILLAC

Three days before he stopped mail service because he didn't have enough money, Postmaster General Arthur Summerfield took delivery of a new 1957 Cadillac, furnished him as a Cabinet officer. Cost of the car was $8,900, but the Government didn't pay that much.

The Post Office Department has an arrangement with General Motors to rent a Cadillac each year from the company at $500 a year. GM keeps the car in repair. The Government buys gas and oil.

SUMMERFIELD USED TO BE A CHEVROLET DEALER

What does General Motors get out of it? Well, publicity (such as this).

HOW CUTS COULD BE MADE

Mr. President, it should also be noted that the Federal Government has 20 limousines which were originally obtained by seizure or forfeiture. Most of these are now used by the Treasury.

What could be done is this:

Reduce the number of limousines which are now rented from 39 to none because of the possible conflicts of interest.

Reduce the number which are now purchased from 40 to 15, or a drop of 25.

The 15 which are purchased could be assigned to the White House and Cabinet officials according to rank. Of the remaining 20, which were obtained by seizure or forfeiture, 15 could be used to supply the remaining Cabinet and very top military officials and the patients at St. Elizabeths with a limousine, in lieu of those now rented or purchased.

The remaining five limousines could be pooled for use by the State Department, the ICA, the USIA, or other agency heads when an ordinary Chevrolet, Ford, or Plymouth or—in the case of need for seven-passenger vehicles—a low-priced seven-passenger station wagon could not be used, when these officials would need, in their opinion, to be equipped with magnificent cars in keeping with the high station to which they have been appointed.

CONCLUSION

In this way, Mr. President, the number of limousines now assigned to administrative and military officials could be reduced from 99 to 35, and a considerable savings could be made; a possible conflict-of-interest situation could be avoided; our top officials in the administration could begin to practice what they preach about inflation and economy; hidden financing could be avoided, and all of those but the very top and most important officials could demonstrate in their official actions that they try to live simply and act frugally with the taxpayers' money, as those who serve the people should try to act.

A rough estimate would seem to indicate that from $400,000 to $500,000 a year, including chauffeurs' salaries, could be saved in the cost of providing transportation to administration officials by the reforms I have suggested. This estimate is based on an average hourly wage of $2 for chauffeurs and the price of from $8,000 to $9,000 for a limousine.

I commend this matter to the attention of the administration and of Congress. In later brief speeches, from time to time, I shall point out other wastes and inefficiencies in the administration of our affairs and indicate further economies.

I ask unanimous consent that the detail sheets supporting the statements which I have made be printed in the RECORD at the conclusion of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Summary sheet, limousines and heavy sedans in custody of Federal agencies (executive branch) in Washington, D.C., area

Department or agency	Type of vehicle		Agency total	Acquired by—			Assigned to—		Department or agency	Type of vehicle		Agency total	Acquired by—			Assigned to—	
	Limousines [1]	Heavy sedans [2]		Purchase	Rental	Other [3]	Office of agency head	Other officials [4]		Limousines [1]	Heavy sedans [2]		Purchase	Rental	Other [3]	Office of agency head	Other officials [4]
Agriculture	1		1		1		1		Civil Service Commission		1	1			1	1	
Commerce	1	1	2		2		1	1	Export-Import Bank		1	1	1			1	
Defense:									Federal Mediation and Conciliation Service		1	1	1			1	
Office of Secretary	5	5	10	7	3		1	9	GSA		2	2			2	1	1
Air Force	2	6	8	5	3		1	7	ICA	1		1		1		1	
Army	3	6	9	7	2		1	8	National Gallery of Art		1	1			1	1	
Navy	3	4	7	5	2		1	6	Office of Civil and Defense Mobilization [5]		1	1			1	1	
Marine Corps	1	2	3		3		1	2	Selective Service System		1	1	1			1	
HEW	1	2	3		1	2	1	2	U.S. Information Agency		2	2		2		1	1
St. Elizabeths Hospital	1		1	1				1	U.S. Soldiers' Home		1	1	1			1	
Interior	1	2	3	2	1		1	2	Veterans' Administration		1	1	1			1	
Justice	2	1	3	1	2		1	2	White House	6	2	8		8		8	
Labor	1	3	4	2	1	1	1	3	Total	36	63	99	40	39	20	37	62
Post Office	2	1	3	1	2		1	2									
State	3		3		3		1	2									
Treasury	1	9	10		1	9	1	9									
AEC		5	5	3	1	1	1	4									
Bureau of the Budget [3]		1	1			1	1										
Bureau of Census [3]		1	1			1	1										
CIA	1		1	1			1										

[1] Limousine, 7-passenger sedan, generally with glass partition separating passengers and driver.
[2] Heavy sedan, other than limousines—Cadillac, Lincoln, Imperial (all models); also Chrysler (New Yorker), Buick (Roadmaster), Oldsmobile (98 series), and Packard (except Clipper).
[3] Generally acquired by seizure or forfeiture originally.
[4] Generally Under Secretaries, Deputies, Assistants, or offices of such officials.
[5] Rented from the General Services Administration.

Detail sheet—Limousines and heavy sedans in custody of Federal agencies (executive branch) in Washington, D.C., area

Department or agency	Make	Year	Type of vehicle [1]	Total	Assigned to—	Acquired by—
Agriculture	Cadillac	1958	L	1	Secretary	Rental.
Commerce	do	1958	L	2	Office of Secretary	Do.
	Buick	1958	H.S.		Federal Highway Administrator	Do.
Defense:						
Office of Secretary of Defense	Cadillac	1959	L	37	Secretary	Do.
Do	do	1959	L		Deputy Secretary	Do.
Do	do	1959	L		Chairman, Joint Chiefs of Staff	Do.
Do	do	1951	L		Representation NATO Group	Purchase.
Do	Chrysler	1950	L		Office of Secretary of Defense	Do.
Do	Imperial	1958	H.S.		Assistant Secretary (Comptroller)	Do.
Do	do	1958	H.S.		Assistant Secretary (Health)	Do.
Do	do	1958	H.S.		Assistant Secretary (Public Affairs)	Do.
Do	do	1958	H.S.		Assistant Secretary (Properties and Installations)	Do.
Do	do	1958	H.S.		Assistant Secretary (Supply and Logistics)	Do.
Army	Cadillac	1950	L		Secretary	Rental.
Do	do	1958	L		Chief of Staff	Do.
Do	Chrysler	1950	L		Military District of Washington Motor Pool	Purchase.
Do	Imperial	1958	H.S.		Under Secretary	Do.
Do	do	1958	H.S.		Vice Chief of Staff	Do.

[1] Limousines (L); heavy sedans (H.S.).

Detail sheet—Limousines and heavy sedans in custody of Federal agencies (executive branch) in Washington, D.C., area—Con.

Department or agency	Make	Year	Type of vehicle [1]	Total	Assigned to—	Acquired by—
Defense—Continued						
Army	Imperial	1958	H.S.		Assistant Secretary (Manpower, Personnel, and Reserve Forces).	Purchase.
Do	do	1958	H.S.		Assistant Secretary (Financial Management)	Do.
Do	do	1958	H.S.		Assistant Secretary (Logistics)	Do.
Do	do	1958	H.S.		Director Research and Engineering	Do.
Air Force	Cadillac	1959	L		Secretary	Rental.
Do	do	1959	L		Chief of Staff	Do.
Do	Imperial	1958	H.S.		Under Secretary	Do.
Do	do	1958	H.S.		Vice Chief of Staff	Purchase.
Do	do	1958	H.S.		Assistant Secretary (Fiscal)	Do.
Do	do	1958	H.S.		Assistant Secretary (Material)	Do.
Do	do	1958	H.S.		Assistant Secretary (Research and Development)	Do.
Do	do	1958	H.S.		Commander (Air Force-Research and Development Committee).	Do.
Navy	Cadillac	1959	L		Secretary	Rental.
Do	Chrysler	1955	L		Chief, Naval Operations	Do.
Do	do	1955	L		Vice Chief, Naval Operations	Purchase.
Do	Imperial	1958	H.S.		Under Secretary	Do.
Do	do	1958	H.S.		Assistant Secretary (Material)	Do.
Do	do	1958	H.S.		Assistant Secretary (Air)	Do.
Do	do	1958	H.S.		Assistant Secretary (Personnel)	Do.
Marine Corps	Cadillac	1959	L		Commandant	Rental.
Do	Chrysler	1958	H.S.		Assistant Commandant	Do.
Do	do	1958	H.S.		Chief of Staff	Do.
Health, Education, and Welfare	Cadillac	1958	L	4	Secretary	Do.
Do	do	1955	H.S.		Secretary's staff	Other.
Do	Chrysler	1954	H.S.		do	Do.
St. Elizabeths Hospital	do	1947	L		Patients	Purchase.
Interior	Cadillac	1958	L	3	Office of Secretary	Rental.
Do	Chrysler	1958	H.S.		do	Purchase.
Do	Cadillac	1946	H.S.		do	Do.
Justice	do	1958	L	3	Attorney General	Rental.
Do	Lincoln	1958	L		Attorney General's staff	Do.
Do	Imperial	1958	H.S.		do	Purchase.
Labor	Cadillac	1958	L	4	Secretary	Rental.
Do	do	1956	H.S.		Under Secretary	Purchase.
Do	do	1954	H.S.		Secretary	Other.
Do	do	1947	H.S.		Secretary's Office	Purchase.
Post Office	do	1958	L	3	Postmaster General	Rental.
Do	do	1951	L		Postmaster General's staff	Purchase.
Do	Lincoln	1958	H.S.		do	Rental.
State Department	Cadillac	1958	L	3	Secretary	Do.
Do	do	1958	L		Under Secretary	Do.
Do	do	1958	L		Under Secretary (Economic Affairs)	Do.
Treasury	Imperial	1958	L	10	Secretary	Do.
Do	Cadillac	1956	H.S.		Office of Secretary	Other.
Do	Lincoln	1956	H.S.		do	Do.
Do	do	1956	H.S.		do	Do.
Do	Chrysler	1955	H.S.		do	Do.
Do	Cadillac	1952	H.S.		Commandant Coast Guard	Do.
Do	do	1952	H.S.		Assistant Commandant Coast Guard	Do.
Do	Lincoln	1956	H.S.		Commandant's Office	Do.
Do	Cadillac	1953	H.S.		Internal Revenue Service	Do.
Do	do	1955	H.S.		do	Do.
Atomic Energy Commission	do	1955	H.S.	5	Commissioner's use	Do.
Do	do	1958	H.S.		Chairman	Rental.
Do	Lincoln	1957	H.S.		Commissioner's use	Purchase.
Do	do	1957	H.S.		do	Do.
Do	Buick	1959	H.S.		do	Do.
Bureau of Census	Cadillac	1951	H.S.	1	Director	Other.
Bureau of the Budget	do	1955	H.S.	1	do	Do.
Central Intelligence Agency	do	1957	L	1	do	Purchase.
Civil Service Commission	do	1952	H.S.	1	Chairman	Other.
Export-Import Bank	Oldsmobile	1956	H.S.	1	Chairman and Members of Board	Purchase.
Federal Mediation and Conciliation Service	Lincoln	1957	H.S.	1	Director	Do.
General Services Administration	Cadillac	1953	H.S.	2	Administrator	Other.
Do	do	1951	H.S.		Not assigned	Do.
International Cooperation Administration	Chrysler	1956	L	1	Office of Director	Rental.
National Gallery of Art	Cadillac	1950	H.S.	1	Director	Other.
Office of Civil and Defense Mobilization	do	1955	H.S.	1	do	Do.
Selective Service System	Lincoln	1957	H.S.	1	do	Purchase.
U.S. Information Agency	do	1958	H.S.	2	do	Rental.
Do	do	1958	H.S.		Deputy Director and others	Do.
U.S. Soldiers' Home	Buick	1956	H.S.	1	Governor	Purchase. [2]
Veterans' Administration	Cadillac	1958	H.S.	1	Administrator	Purchase.
White House	do	1959	L			
Do	do	1959	L			
Do	do	1955	L			
Do	do	1955	L			
Do	Chrysler	1955	L	8	President, official guests, parade cars	Rental.
Do	do	1955	L			
Do	do	1956	H.S.			
Do	Lincoln	1958	H.S.			
Total				99		

[1] Not general funds.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it adjourn until Monday next, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNEMPLOYMENT IN DEPRESSED AREAS

The Senate resumed the consideration of the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

Mr. RANDOLPH. Mr. President, I rise to associate myself with my many colleagues in this body who are in support of S. 722. We heard last evening the factual and eloquent presentation of the subject by the junior Senator from West Virginia [Mr. BYRD], who now presides over the Senate. I pay deserved tribute to the effective efforts he has put forth on behalf of the proposed legislation, which has for its purpose needed area redevelopment.

Later this afternoon and early next week we shall hear statements from other Senators who advocate the passage of the

bill, S. 722. Among the Senators will be our esteemed and able colleague from Illinois [Mr. DOUGLAS]. The Senator from Illinois will indicate forcefully the contribution this measure can make to the potential redevelopment of our Nation, to the strengthening of the economy of the State of West Virginia and of the other States of the Union.

I should like, Mr. President, to offer some reflections of my own which will have a somewhat different emphasis from those set forth so well by my colleague from West Virginia.

We hear much talk, Mr. President, about the mandate which the people gave to the Congress of the United States in November of 1958. This bill affords the 86th Congress the opportunity, in line with its responsibility, to apply that mandate in decisive terms; if necessary, in terms which will override a possible Presidential veto such as that which resulted when the Congress passed similar legislation in the 85th Congress, and the Chief Executive of the United States saw fit on that occasion to use the pocket veto.

We hear much talk also on the question of balanced budget. I may say I am not a spender per se. I believe it is the responsibility of an individual Member of the Senate to check objectively those items on which moneys could be saved and those on which moneys should be expended, but we should now attend to the budget of human misery and want, to the budget of deprivation and despair—afflictions visited upon so many of our communities in West Virginia and throughout many other States by reason of chronic unemployment.

I say to my colleagues in the Senate that I was privileged for 2 days to sit in the hearings conducted in West Virginia in regard to the bill, which hearings were under the chairmanship of the diligent junior Senator from West Virginia [Mr. BYRD].

We listened to the grim recital of stories that are rivaled only by memories of the Great Depression of the 1930's; stories of men who have been without work, not for weeks and months, but for years; stories of children kept from school for lack of clothes to wear; stories of desertion of their families by fathers so that the wives and children might go on relief; and reports of thievery by other fathers so that their children might eat. And some of those, Mr. President, who have not stolen have starved.

This is a shocking revelation to America in a time of so-called high prosperity. We understand full well that our people are in dire distress. Their plight is pitiful.

It is not easy for a West Virginian to speak of his State and of its people in these terms, but I say that tonight, as was true this morning and as is true this noon, the unwelcome guest at the tables of tens of thousands of West Virginia families will be hunger.

Almost 300,000 of our people are living on what they call—and perhaps it is an expressive word—"mollygrub"—though existing is perhaps a better word than living. I think perhaps they do not live, they but exist. That is a better and more correct word.

For almost 300,000 West Virginians this term stands for a life of bare subsistence on surplus commodities. For a family of four it represents a monthly food ration of 10 pounds of flour, a 5-pound bag of cornmeal, 4 pounds of powdered milk, 2 pounds of rice, and 2 pounds of butter. According to State health department officials, for almost 300,000 West Virginians the term stands for a life of slow starvation.

The distinguished Senators who have spoken before me have referred to the cost of unemployment throughout the Nation, and the earnest junior Senator from West Virginia last night set forth the statistics for my own State. Economists and legislators must deal with figures and statistics; but I say the figures must be clothed with faces and the statistics must be pointed up in human values. So, as we consider the bill, let us remember that the figures about which we speak are mere abstractions of human beings who stand behind them. We must remember that $50 million spent in unemployment compensation in the State of West Virginia last year is a mere abstraction of human costs for which we can never compensate.

We can measure much of the effects of unemployment, such as the costs of compensation, the man-hours lost in work, and the gross product loss as a result of an idle labor force; but we cannot measure the effects on the lives of the people thus involved.

I have known the able Senator from Wisconsin [Mr. WILEY] for many years. I say to the Senator from Wisconsin, because of his intense interest in humanity, that last year in the campaign which I was privileged to carry forward to a seat in this Chamber I remember very well that on one occasion I talked to three men who were sitting on the steps when I went to a company store in a coal camp which was practically inoperative. I shook hands with these three men. I asked their names.

They said, "Mr. RANDOLPH, what are we going to do? We cannot find work." I asked the men how long they had been unemployed. I say to Senators present, particularly to the Senator from Wisconsin [Mr. WILEY] that those men had been unemployed for an average of a year and one-half—one man for almost 2½ years. I emphasize the fact that those men want to work. West Virginians are hardy and self-reliant. They want the opportunity to work.

This is a situation which causes me, frankly, to be a little slower in my speech than I would ordinarily be, because I feel the tug of the memory of the occasion to which I have referred, and which was repeated over and over again.

We cannot measure the spiritual impoverishment in the men and women who face a life of unrelenting physical poverty.

We cannot evaluate the erosion of morale in the parents who daily face the imploring eyes of their children.

We cannot determine the despair of men bound by the iron chain of circumstance.

I saw hundreds of men with dull eyes, fighting against the enforced tedium of unemployment. We need to consider these facts when discussing the provisions of Senate bill 722. These are some of the human facts, Mr. President, of which the figures are mere shadows and abstractions.

The facts of urban unemployment in West Virginia have already been ably presented by my distinguished colleague.

I remember that last night as he stood here, he talked about the human values. I repeat and reemphasize that there are human facts, of which the figures are the mere shadows and abstractions. Therefore, I can add but little to the statement of my colleague in that respect.

Therefore, I focus my remarks upon the provisions in the pending bill for rural redevelopment and the increasing problems of chronic rural poverty. These are problems, Mr. President, that are national and endemic, and they must be treated on a national rather than a local basis, with attention to the causes rather than the symptoms of distress. It is in this respect that S. 722 shows one of its chief advantages over the administration bill as well as the so-called compromise bill, S. 268. For, while the administration proposal offers nothing for rural redevelopment, and S. 268 offers only $50 million for rural areas, the Douglas-Cooper bill, cosponsored by many other Senators on both sides of the aisle, offers $100 million. This is hardly an extravagant sum to apply to the widespread and chronic conditions of rural poverty.

There are in the United States 562 counties which the Department of Agriculture characterizes as serious low-income areas. The Department uses three criteria in establishing the classification: first, economic areas with less than $1,000 average residual income to operator and family labor on commercial farms.

I digress to say that the family farm must be rebuilt. We need more emphasis upon the family farm than we have given it in the past few years. I speak of the necessity for the family farm because the able and distinguished Senator from Kansas [Mr. CARLSON], who has just entered the Chamber, has given much thought to that subject.

The second category includes economic areas with level of living index the lowest fifth of the Nation; third, economic areas having 50 percent or more of commercial farms in which the annual sales are $2,500 or less. If all three of these conditions are met the area is classified as serious; if two conditions are met it is classified as substantial; if one, it is classified as moderate. The entire State of West Virginia falls in one category or another.

According to the census of Agriculture of 1954, there were in West Virginia, 41 counties of a total of 55, in which one-third or more of the commercial farms sold products whose gross value was less than $1,200. There were nine additional counties in which 35 percent or more of the commercial farms sold products whose gross value ranged from $1,200 to $2,500. That is gross value, Mr. President, not net income. Thus, there were

only 5 counties in West Virginia which did not come under one classification or the other. While in the United States as a whole there were 458 counties in the first classification and 500 counties in the second.

In hearings before the Joint Committee on the Economic Report in 1955, an Under Secretary of Agriculture, Hon. True D. Morse, stated:

> There are large numbers of rural people with incomes so low they cannot afford the goods and services most of us take for granted. Many of them need special assistance if they are to improve their standard of living.
>
> The poverty existing among some of our people, in good times and bad, has a weakening effect on the entire Nation. Production lost because of lack of education and skills, poor health, and insufficient employment, can never be recovered. It is gone for good. The social conditions arising from low production and low incomes often generate an apathetic attitude.
>
> Community, education, religious, and civic affairs suffer. Confronted with the overwhelming handicaps of chronic poverty, many people with very low incomes see no possibility of improvement using the inadequate resources and few opportunities available to them.
>
> The development of agriculture's human resources is one of this Nation's most important economic and social problems. Very low incomes, that is, incomes in the range of less than $1,000 a year, are concentrated in agriculture. Less than one-fifth of the farmers in areas of low rural income produced and sold $2,500 worth of products in 1949. Investment in land and buildings is only about one-third of what it is elsewhere. Average schooling of adults on farms is 7 years. There are few outside jobs, and little use of machinery on low-income farms.

This statement, Mr. President, is from a high official of the very administration which today claims there is no need for, or that the budget cannot support, funds for rural redevelopment. I would ask the supporters of the administration bill, in the name of what concept of fiscal responsibility can they deny the provision of $100 million in loan funds, while continuing to accumulate the deficit in human resources described by the Under Secretary of Agriculture?

What concept of budget, Mr. President can justify such a policy? Surely it demonstrates the old nursery rhyme of the battle lost for want of a nail. And though I do not fear the outcome of the battle to extend to the farmers the full benefits of our society, this administration's policy in respect to the bill before the Senate would most assuredly create needless casualties among America's farm families.

The kind of relief offered by S. 722 to rural poverty is long overdue, Mr. President. We violate the faith of the farmers of America if we fail to act now. For, within the field of agriculture there are approximately 1 million families with an annual income of less than $1,000, while in West Virginia the average farm income is substantially less than $1,000.

Perhaps even more important than the substandard income level, Mr. President, is the fact that these people have little prospect of improving their situation, little hope of new opportunities in the field of agriculture.

Generally speaking, these are the families who also have inadequate farming resources, insufficient capital, little credit, and land too depleted to provide full-time productive use of their labor under modern farming conditions.

Thus, off-the-farm employment is becoming increasingly important as a source, not only of supplemental income, but frequently as the chief source of income. With continued technological developments in farming, and with the attendant process of larger and larger farm units being operated by fewer and fewer people, off-the-farm employment will continue to grow in significance.

I say to the distinguished Senator from Illinois [Mr. DOUGLAS], who sits next to me, that I have read on the ticker a United Press-International news story to the effect that the figure for the Nation's unemployment was approximately 25,000 greater in February than it had been in January. A Government spokesman said this was insignificant. I say to the Senator that the loss of a job to the man who needs the job is significant to him. Ten jobs are significant; 100 jobs are significant. Certainly 25,000 jobs, to the people who lose them, are significant. The loss of a job is never insignificant.

We hear not infrequently the expression of the view that these people are inefficient and marginal producers anyway, and should therefore leave the farms and seek employment in the city. That would seem to be the view held by this administration, if one might infer it from the policies of Secretary Benson. But, apart from the disregard of human values implied by such policies, they are impractical and unrealistic.

How is the farmer to prepare himself for skilled employment in urban areas? And how, when we already have almost 5 million men and women unemployed, is he to find work, especially when he is often over age and underskilled? If he fails, then he and his family become one more increment to the dispossessed urban slum dwellers—thus creating new burdens for public welfare and blighting more lives that otherwise would hold promise.

Although S. 722 does not presume to supply a complete solution to this grim and depressing problem, it offers promise of a constructive beginning. Not only should such a rural redevelopment program engage our support for humanitarian reasons, but by enabling currently underemployed farmers to seek full time off-the-farm employment it would decrease the surplus production of some commodities to that extent.

Finally, Mr. President, by relieving the political pressures from large numbers of underemployed farmers it would help create conditions favorable to the development of truly constructive and effective farm programs for the Nation.

Mr. President, I turn now to a brief consideration of the range and intensity of the continued unemployment in nonagricultural areas of West Virginia.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. DOUGLAS. Before the Senator touches upon that point, I wish to commend him for going into the question of rural underemployment and rural poverty, because sometimes this feature of the problem is neglected. We have placed at the rear of the Chamber a map which attempts to show, in red, the counties of the country which, as the Senator from West Virginia has said, suffer from all three defects. Those shown in red include a large portion of West Virginia, counties in eastern Tennessee, eastern Kentucky, western North Carolina, the coastal regions of South Carolina, most of Georgia, northern Florida, most of Alabama, most of Mississippi, a large part of Arkansas, eastern Oklahoma, eastern Texas, and western New Mexico.

Those shown as having two of these characteristics, represented in yellow, include large sections of Pennsylvania, Virginia, West Virginia, South Carolina, Louisiana, Arkansas, Oklahoma, west Tennessee, northern Michigan, Washington, Oregon, and northwestern Montana.

Those having one of those serious characteristics, shown in blue, include virtually the remainder of West Virginia, a large section of Missouri, a large section of Louisiana, eastern Arkansas, southern Alabama, northwestern Georgia, Minnesota, and large sections of northern Michigan.

So the idea that the American rural population is living in luxury is simply a complete misapprehension. I thank the Senator from West Virginia for making this fact abundantly clear.

Mr. RANDOLPH. I thank the Senator from Illinois. I remember an old poem:

> The doctor heals, the lawyer pleads,
> And the miner follows precious leads.
> But, this or that, what ere befall,
> The farmer feeds them all.

I think that is the substance of the poem as I knew it 25 years ago.

Mr. President, the figures from the 21st annual report of the West Virginia State Department of Employment Security, covering the period from July 1957 to July 1958 reveal quite clearly that our problem is not merely that of a temporary downswing, nor is it one of localized soft spots.

The distinguished Senator from Michigan [Mr. MCNAMARA] knows that in his State such a statement as I have made would apply with equal emphasis as it would in West Virginia.

Mr. MCNAMARA. And in many other States.

Mr. RANDOLPH. Yes, and in many other States, also.

The President of the United States has called a conference for next Monday to consider unemployment. At least eight Governors will come here to counsel with him about these matters. I am glad the conference will be held. I think perhaps it should have been held many months ago. But it is an indication that the President wants information on this subject. Perhaps he recognizes the importance of hearing first hand from the Governors of the States.

I have stated that this problem is chronic and endemic. For example, all major manufacturing industries in West Virginia registered losses in employment during the past 12-month period, ranging from 2,400 in chemicals to 3,500 in primary metals.

Included among those reporting losses were: Food, 200; petroleum and coal products, 200; textiles, 400; fabricated metals, 500; apparel, 300; lumber, wood products, furniture, and fixtures, 900; machinery, 1,900; and stone, clay, and glass, 3,300.

We know what the picture is in Michigan, even with the so-called good production of automobiles. Nevertheless, unemployment continues to exist.

Nonmanufacturing industries in West Virginia showed a combined employment loss during this period of 30,200, with mining heading the list at 16,200; transportation, communications, and public utilities, 8,000; trade, 4,000; contract construction, 3,100; and finance, insurance, and real estate, 100.

Only services and Government showed increases, with 900 and 400, respectively.

Even in Texas there are some problems which justify the need for a close look at the situation. I have talked on occasion with the distinguished junior Senator from Texas [Mr. YARBOROUGH] about these matters.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. YARBOROUGH. I express my appreciation to the distinguished Senator from West Virginia for his interest in these problems, not only in West Virginia but in all the States of the Union. It is a privilege to work with him on this matter and to support the bill which he has done so much to further in the Senate.

The Senator has referred to my home State. I am very familiar with the 36 counties which, unfortunately, are in the red area on the map displayed on the floor of the Senate. Those counties were among some of the first settled by the Colonial American settlers in my State. I was born and reared in that area, where my people have lived for more than 110 years. I have been in each and all of those counties a good many times.

The labor supply in that area is among the best in the United States. Actually the problem is one of wornout land, because of which farmers are being forced to go to the cities and other areas, especially to the gulf coast, to seek the means of earning their livelihood. It is land having abundant water resources and timber resources, together with an abundant labor supply. It simply needs a touch of organized capital, which the bill would provide. The area is favored with a mild climate and plenty of water, which most of our State does not have.

It is a pleasure to support the bill. I commend the distinguished Senator from West Virginia [Mr. RANDOLPH], and the distinguished Senator from Illinois [Mr. DOUGLAS], and other Senators, who have given so much leadership to the Senate and the country on this measure.

Mr. RANDOLPH. Mr. President, the Senator from Texas speaks with characteristic knowledge of his own State. We appreciate the support which he is giving in a vigorous way to the bill.

The current situation shows no improvement. According to the West Virginia Department of Employment Security, in January of this year the estimated civilian labor force of the State was 657,500, of which an estimated 89,700 were unemployed. In other words, approximately 15 percent of the State's labor force were ready to work but were unable to find employment. The estimate I have given includes, of course, those covered by unemployment compensation as well as those who are not covered.

Yet these figures themselves do not depict the full scope of our problem; for while the population of other States has been increasing, West Virginia registered a decline of 100,000 from 1950 to 1954. A disproportionate number of these emigrants are comprised of our sturdiest and most vigorous young men, as evidenced by the fact that 40 percent of the Korean bonus payments were sent to veterans living outside West Virginia.

There are bleak figures which represent widespread conditions of hunger, humiliation, and human misery. This situation will continue in West Virginia and in many other States if the Federal Government, in concert with the States, does not accept its responsibilities of alleviating the situation. It is idle rhetorical chatter of a theoretical and abstract sort of talk about principles of local responsibility and local resources when families are without adequate food, clothing, and shelter, and entire communities are near bankruptcy.

The people of West Virginia and the Nation demand deeds, not dogmas. Their need is for action, not idle doctrine.

I hope I shall not be misunderstood. I remember serving in the House of Representatives in the 1930's with men whom I see in the Chamber this afternoon. I shall not speak in partisan vein, but I shall say to Senators that I was a militant Member of Congress in those years when action came on Capitol Hill. I do not want to raise a hand to overdramatize, but I say that the President of the United States then, Franklin D. Roosevelt, was a man of action. He enunciated programs which were carried forward with the approval and vigorous support of Congress.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. RANDOLPH. I will yield; but before yielding, I may say that I remember the Senator from Texas saying in this body a few weeks ago that apparently the administration wants to wait. Sometimes this administration also seems to say, "It can't be done."

I am sorry that I took that moment, but I remember how moving the Senator's remarks were on that occasion. I yield.

Mr. YARBOROUGH. I congratulate the Senator from West Virginia again. I should like to compare the dramatic action taken by a great American leader, which he has just described, with the present attitude of no new starts. I ask the Senator from West Virginia, who is a historian as well as a Senator, what, throughout our history of expansion, the attitude has been of Americans of dramatic action, as contrasted with the "Don't do anything" attitude of the present administration.

Mr. RANDOLPH. In reply, let me say to the Senator from Texas that our Nation was founded by the bold, and it cannot be maintained by the timid. I realize that some of us disagree on the budget and on the nature of the budget. Yet I shall say—I had no desire to say it earlier, and perhaps it has no bearing here, but I wish to say it now—that my colleague has spoken of President Franklin D. Roosevelt in terms of precious memory, and I remember him in that way, too. He was unable to walk, but he placed the Nation on its feet.

I think it important that today the membership of the Congress rekindle that spirit of action, in which I participated a quarter of a century ago, on Capitol Hill. I know that some of us differ in our approaches. But I say that the people of the States want action. They are not interested now in weak explanations.

Mr. BYRD of West Virginia. Mr. President, will my colleague yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from West Virginia yield to his colleague?

Mr. RANDOLPH. I yield.

Mr. BYRD of West Virginia. Mr. President, my senior colleague has spoken most succinctly and cogently today concerning the need for action in alleviating the poverty, the suffering, and the unemployment which exists in West Virginia and in some of the other States of the country.

It was Benjamin Franklin who said:

> He that riseth late shall trot all day, but shall scarce overtake his business at night.

Mr. President, I join my colleague in urging that action be taken quickly upon this proposed legislation.

A little earlier my colleague spoke about the decline in the manufacturing industries in West Virginia. I think it pertinent to read into the RECORD at this time a portion of a statement which was submitted during the testimony taken recently in West Virginia at our hearings, to which I have referred upon several occasions within the past week or 10 days. The following statement was made by Dr. Henry L. Ash, director of the West Virginia Department of Employment Security:

> To me, two things are crystal clear about the coal industry in West Virginia. The first of these is that coal will remain a very vital part of our economic life in this State. The second is that mechanization has and will continue to decrease the number of employees needed. To me, this is not an argument against mechanization, but a fact to reckon with.
>
> In the area of the production of natural gas in West Virginia, it is worth noting that the peak year of production was 1917, when 309 billion cubic feet was produced. In 1958 the production totaled only 187,300 million cubic feet. Then, if we may turn to the production of oil, in 1958 West Virginia produced 2,185,000 barrels of crude petroleum as against 12 million barrels in 1912, the peak

year. In other words, between 1912 and 1958 the production of crude petroleum in West Virginia fell to one-sixth of its former production.

In 1924 West Virginia produced 1,017 million board-feet of lumber. In 1958 the production was scarcely more than one-fourth of what it was 34 years before.

Mr. President, if I may impose for a moment further upon the time of my colleague, I should like to point out to the Members of the Senate who are present today the diastrous effects upon the revenues of our State government of this decline in the industries I have mentioned.

I think it most appropriate that I quote words which were spoken to the subcommittee during the field hearings; I shall quote now from the testimony given by the tax commissioner of West Virginia, the Honorable John Field:

The tax commissioner's office does not reflect the total State revenue, but it does reflect, I think, those sources of revenue that indicate the economy of the State and the condition of its economy.

That was the reflection on June 30 1957. By December 31 of that year we showed only a gain of $9,600,000 over the previous calendar year, so our attrition was beginning to appear.

Then at the end of the fiscal year, on June 30, 1958, we showed only a gain of $3,373,000.

So we realized that we were shipping water fast.

That trend continued, and at the end of the calendar year 1958 we showed a loss of general revenue through our office of $4,400,000 compared to the calendar year 1957.

With that picture in mind, the board of public works in the latter part of December felt called upon to invoke the statutory reserve of 5 percent, and that, of course, curtailed every participant of the general revenue appropriation 5 percent of its overall appropriation for the fiscal year.

I know my colleague will agree with me when I say that a State is in bad condition when it has to cut 5 percent from the budget of every department.

The tax commissioner went on to say:

Since we had only 6 months to go, in fact, it amounted to a 10 percent curtailment from that time on out.

Of course, while it creates difficulties in State agencies and State departments, by far the most serious effect of that is in our country schools.

I know that this matter is particularly close to the heart of my colleague, because of his long and useful experience in teaching in our public schools, and also because of his experience in serving as a member of the governing groups of higher institutions of learning.

Mr. RANDOLPH. Let me interrupt my colleague to point out that there is a possibility that in West Virginia a special session of the legislature will be called, to deal with the unemployment situation. I believe that is a possibility, even though the legislature closed its regular session on Monday of this week. The possibility of the calling of such a special session at this time indicates the seriousness of this problem.

Mr. BYRD of West Virginia. Mr. President, in his testimony, the Tax Commissioner of West Virginia further stated that "the State of West Virginia is now faced with that loss of State aid, and many counties may have to curtail their school term to 8 months or curtail their activities and their curriculum," because of the cutback to which I have already referred.

So, Mr. President, I say—and I shall not impose further on the time of my able colleague—that the State of West Virginia is in a most serious condition. Unemployment there is exceedingly high, and the State's revenues are diminishing in the face of increasing expenditures which are so very much needed.

I compliment my colleague on his excellent presentation. I trust that his words will not go unheeded by the other Members of this body and the Members of the other House and by those in the executive branch of the Government.

I think my colleague has made valuable contributions today. I know he is very sincerely and very conscientiously dedicated to the furtherance of legislation of this nature, because we see in it some hope—certainly in the long run—for our suffering constituents in West Virginia.

Mr. RANDOLPH. I thank my colleague.

Mr. KEATING. Mr. President, will the distinguished Senator from West Virginia yield to me?

Mr. RANDOLPH. I yield to my friend, the Senator from New York.

Mr. KEATING. On the map displayed in the rear of the Chamber, does the white area indicate the part of the country which would not share in this program?

Mr. RANDOLPH. That is correct.

Mr. KEATING. And that, I know, includes the State of New York. I appreciate the position of both distinguished Senators from West Virginia who have been speaking, and I am sympathetic with their position. It is one which it is only natural for them to take. I know that West Virginia has suffered probably more than any other State in the Union—at least, it is one of the very hardest hit. I am not a member of the committee, and I speak with some reticence on the subject, but as I envision and study the bill, it would cover about 16 percent of the total number of unemployed in the Nation. If I am in error in that statement, I shall be happy to have the Senator set me straight. If the statement is accurate, is it not a rather difficult thing to call upon all the taxpayers to put up some $390 million, which I think is the amount involved, in order to aid such a relatively small proportion of the areas of the country?

Mr. RANDOLPH. I know the Senator is familiar with the loan features of the proposed legislation—not the outright grants, but the revolving loan which will have to be repaid. I go back 25 years, and I remember that when we loaned men and women money with which to hold their homes together, $1 billion was provided. I remember the opponents of such aid at that time said the money would not be repaid. I remind the Senator that the money was repaid. I remind the Senator that, while it is true that States such as West Virginia, and other areas, which need help will be given help under the bill, I think there is a oneness in this country and in our responsibilities to the people of the Nation. I certainly would attempt to aid the State of New York if it needed aid, just as I am sure, if the Senator were convinced of the merits of the proposal, he would want to aid the State of West Virginia.

We must not think of legislation as sectional; we must think of this country as a nation of people who are knit together. Sometimes the poverty existing in one area today may exist in another area tomorrow. No one knows what next year may bring to industrial sections of New York, some of which are already beginning to feel the pinch.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. DOUGLAS. Is it not true that the labor market areas of Amsterdam, Auburn, and Gloversville, N.Y., are areas of high unemployment and would be eligible under the provisions of this bill?

Mr. RANDOLPH. That is correct.

Mr. KEATING. So, there are three small areas in New York which would be eligible for assistance, if they are properly represented by the chart in the rear of the Chamber.

Mr. RANDOLPH. That is correct.

Mr. KEATING. The Senator from West Virginia is concerned about his area, and properly so; and I am concerned about the State of New York, and I believe properly so.

Mr. RANDOLPH. Yes.

Mr. KEATING. I am very worried about the provision on page 9, lines 20 through 24 of the bill, which sets forth that the financial assistance shall not be used to "assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

That would be a very difficult provision to administer. It would be very difficult to determine in advance whether there were going to be unemployment in one area if an industry moved to another area. I would not want to support a measure which would further draw industry away from New York, even if it should go to the State of West Virginia, notwithstanding the affection I hold for my colleague. If such legislation were placed on our statute books, I think certainly the basic purpose of it could not be served if we allowed any funds to be used to assist establishments in relocating in one part of the country rather than in another.

We in the Northeast, and in the State of New York, have suffered seriously from the removal of industries to other areas. I would not want to feel that I was sitting idly by and permitting legislation to be enacted which would further that process, and leave it to a board or bureau to determine whether it would give aid to an industry in West Virginia, or North Carolina, or some other area, before the situation developed.

I should like to hear the views of the Senator on that question. I believe there may be an amendment offered to cover that situation. I do not know what the views of the Senator are on

that question. I would appreciate hearing them.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to the Senator from Illinois, who is one of the leading sponsors of the bill.

Mr. DOUGLAS. I am interested in the comment which has been made by the Senator from New York. It seems to imply that New York does not have much unemployment; it is the other sections of the country which are in trouble.

I should like to remind my good friend from New York that, as of last February, 385,154 workers in New York were insured for unemployment; and, in addition to that, there were large numbers of other workers unemployed who were not insured.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. DOUGLAS. I would further remind my good friend that there were 269,265 persons in New York receiving surplus foods.

Mr. KEATING. Will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. KEATING. If those persons were covered by this bill, I would feel quite differently about the bill, but they are not eligible under its provisions.

Mr. DOUGLAS. They might well be.

Mr. KEATING. A very small number are eligible.

Mr. DOUGLAS. They might well be eligible tomorrow or next year.

Mr. KEATING. The taxpayers of New York will have to put up money, under the provisions of the bill, in order to help those in other areas. If the benefits of the bill were evenly and equitably divided among all the people of our country, I would be in favor of it; but I do not think the provisions of the bill are fair to the people of a State like New York.

The PRESIDING OFFICER. The Senator from West Virginia has the floor. Does he yield further; and if so, to whom?

Mr. RANDOLPH. Mr. President, I say in all good humor that the Senator from New York is not provincial; the Senator from New York, I am sure, is broad gaged. But I would remind those who are on the floor that those who today live on the ragged edges of an economic area which is depressed, as West Virginia is, may be joined by literally hundreds of thousands of other persons in a similar situation within a few weeks or a few months.

No one can suggest a cutoff point in connection with this problem.

The State of West Virginia alone, Mr. President, has needs which would almost exhaust the paltry provisions of the administration bill, if they were all to be met. For, according to the executive director of the West Virginia Industrial and Publicity Commission, to reduce unemployment in West Virginia to the national average of 6 percent would require the construction of 250 new plants employing 100 workers and a capital expenditure of $75 million.

Of course, not under this bill nor any other bill do we expect such accomplishments. West Virginians do not expect miracles; nor do they seek manna from heaven in the form of Federal handouts. They do, however, expect—and they have a right to expect—responsiveness from their elected officials, at the Federal, as well as the State level, at a time of desperate need. They have a right to expect constructive leadership from the Federal Government in giving the necessary stimulus to redevelopment.

Senate bill 722 offers the provisions for such a stimulus. I need not repeat its provisions, which have been presented so clearly by those who have spoken on the matter. However, there is one facet of the bill which may bear more relevance to West Virginia's problems than those of some other areas. I refer to the proposal for vocational retraining, and the authorization of $10 million for the purpose of subsistence payments to unemployed who are being retrained and are not entitled to unemployment compensation.

I stated a moment ago that this provision has particular relevance to the conditions in West Virginia because, due to the heavy reliance of our State economy on coal mining and the railroad industry, the inevitable technological developments in those fields have had an unduly harsh effect in the displacement of our workers. Thus, West Virginia, more than any other State, has felt the impact of technological unemployment. Those workers who are still young enough to transfer to other types of employment can benefit immensely from vocational retraining and the subsistence payments authorized under this bill. West Virginia has a laboring force of high skills and native intelligence, Mr. President, and to allow these abilities and capacities to atrophy, to wither away through neglect, is not only to deny the right of the individual to a creative life, but to deny the Nation itself the fruits of his creation. It should not be necessary to remind ourselves, when we are faced with the prospect of total mobilization of resources in the relentless contest with the Soviet Union that such a denial constitutes a shameful and wanton waste of human resources.

Mr. President, I address a few words to the opponents of this bill—not to personalities, but to their philosophy of government responsibility in regard to this measure.

The stark truth is, Mr. President, that there is no private enterprise willing or able to occupy the vacuum against which this bill is directed. This is a bill to assist private enterprise and to make more viable a national economy based upon private enterprise. Only the most fanciful and fantasy-ridden doctrine could interpret S. 722 as governmental usurpation of the domain of private enterprise. On the contrary, S. 722 is an imaginative, creative, and realistic proposal to extend the domain of private enterprise where it is most needed.

Nor should we be distracted by the contention that area redevelopment is the sole function of State and municipal authority. For, as the Senator from Illinois [Mr. DOUGLAS] indicated during the hearings, the same interests who oppose Federal action when contemplated and advocate placing the responsibility upon the States and municipalities, then in turn oppose State and local governmental action on the ground of private responsibility. The results of such arguments are there for all of us to see in the pinched faces of hungry children, in the long lines before the employment security offices, and in the dazed and stricken looks of men who are willing to work but can secure no work.

I am ready to conclude, Mr. President, but before I do so I wish to make one additional statement: I do not desire to overstress my feelings, but I believe this is the time when the Senate needs to have not only purpose but also perhaps a little prayer in its heart. I feel we have the opportunity to serve, but also that perhaps some Senators, who think in terms of their own constituencies rather than the Nation, might well think a little of sacrificing something in the interest of the whole Nation.

I trust Senate bill 722 will be brought to very speedy passage in this body.

Mr. PROXMIRE and Mr. DOUGLAS addressed the Chair.

Mr. RANDOLPH. I yield first to the Senator from Wisconsin.

Mr. PROXMIRE. First, I wish to congratulate the distinguished Senator from West Virginia for his excellent, effective, and dramatic speech. I think the State of West Virginia is extremely fortunate in having the kind of Senators it has, both of whom have made such strong speeches in favor of a bill which means so much to the State they represent.

To carry on a little bit the colloquy I began the other day with the distinguished junior Senator from West Virginia [Mr. BYRD] the present occupant of the Chair, I think the main point of the bill is that it is designed to help people who are located in an area in which there is no other way for them to get help.

Mr. RANDOLPH. The Senator is correct.

Mr. PROXMIRE. The fact is that these people are not going to be aided by seasonal work which may come along, or by cyclical work. These people are not in an area or a community where help can be provided them, because the industry of the area in which the community is organized has largely disappeared. These people are not in a State which can assist them. These are people who cannot help themselves at all.

A great Republican, perhaps the greatest of all, Abraham Lincoln, said:

> The legitimate object of Government is to do for the people what needs to be done, but which they cannot by individual effort, do at all, or do so well, for themselves.

Mr. RANDOLPH. The Senator is correct.

Mr. PROXMIRE. If ever there as a bill before the Congress which fitted Lincoln's standard to a "T" it seems to me this bill does, because if we do not help the needy people of West Virginia the fact is they are going to continue to be destitute and to be without work. They are going to continue to be anxious to work, who have the ability to work,

and who want to work, but who simply cannot find work. They need the work and they want the work.

I congratulate the senior Senator from West Virginia for an excellent speech.

I should like to add one further point. In the course of the colloquy which took place between the distinguished junior Senator from New York [Mr. KEATING] and the senior Senator from West Virginia [Mr. RANDOLPH] the Senator from New York raised the point that the bill might result in increasing unemployment in New York because it might take industries from New York and give them to West Virginia. In the course of that colloquy there was no opportunity to reply to the Senator from New York.

I point out that on page 9 of the bill, in line 20, the following language occurs:

> Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

That language was put into the bill for precisely the reason which was voiced by the Senator from New York, that is, to make sure that the national economy as a whole is not damaged in any way, and that no section or area of the country will be damaged by the bill.

Mr. RANDOLPH. That is a protective amendment, as the Senator has well said.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. CARLSON. The senior Senator from West Virginia has very ably discussed a very important subject, of concern not only to West Virginia, but to many other areas of the country, including some sections of my own State.

While the picture he has painted seems dark, there are also some bright spots in the State of West Virginia. One of them, which he should have mentioned, is West Virginia's basketball team. It so happened that Kansas State was the No. 1 team in the Nation, but it had some difficulty in a regional contest, in which it was eliminated. Our team cannot now win. I not only assure the Senator from West Virginia that we are proud of his team, but I hope it will win the national championship.

Mr. RANDOLPH. I thank my colleague. Tonight at Louisville we hope the Mountaineers of West Virginia will win, and go on to the finals in tomorrow night's contest.

One of the boys on that team is Jerry West. He is 6 feet 5 inches tall. Returning to the subject, let me say—not facetiously—that we in West Virginia want all of our people to stand tall. We believe that the proposed legislation, if it is passed and properly administered, will help us to help ourselves. If it becomes law it will not only return the original monetary investment, but it will also return dividends in the form of an improved economy and a strengthened morale.

Mr. SCOTT. Mr. President, it is my intention, at the appropriate time—and when the vote is taken on the area redevelopment bill, S. 722—to offer S. 268, which I introduced on January 14, as an amendment in the nature of a substitute.

I do not ask to have S. 268 reprinted as an amendment to S. 722, because I do not think it is necessary. Copies of S. 268 are available, and I have had a brief summary mimeographed for the use of the Senate. I ask unanimous consent that the summary may be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF ANALYSIS OF AREA REDEVELOPMENT BILL INTRODUCED BY SENATOR HUGH SCOTT

(Intended to be offered as amendment in nature of a substitute to S. 722)

1. Authorizes appropriation of $200 million for a revolving loan fund: $100 million to industrial areas; $50 million to rural areas; and $50 million to public facilities.

2. Provides for Federal loan participation of 50 percent, with State, local government or nongovernment sources providing matching 50 percent.

3. No outright grants for public facilities.

4. Provides for loans over period of 30 years.

5. Places program under Department of Commerce.

6. Authorizes Secretary of Commerce to determine realistic rates of interest on all loans.

7. Authorizes loans to industrial areas with following unemployment levels: 15 percent unemployment for 6 months, or 12 percent unemployment for 1 year, or 9 percent for 15 out of 18 months, or 6 percent for 18 out of 24 months, preceding date of application.

8. Contains special urban renewal section to permit Housing and Home Finance to give financial assistance to urban renewal projects in municipalities, without regard to predominantly residential requirement.

9. Contains Davis-Bacon Act provision to assure prevailing wage and 40-hour week on contracts.

10. Authorizes technical assistance of $3.5 million for surveys and evaluation studies.

11. Requires State or its instrumentality to establish local redevelopment plans.

12. Establishes Cabinet-level Advisory Board and 25-member public advisory committee.

Mr. DOUGLAS. Mr. President, I rise to speak on the area redevelopment bill, S. 722, which I reported 2 days ago on behalf of the Senate Committee on Banking and Currency. I shall discuss the desperate need for action, our national responsibilities in this regard, how S. 722 would help, the European experience with area redevelopment programs, and the background of attempts to establish such a program in this country.

THE DESPERATE NEED FOR ACTION

It is only with the greatest difficulty that one can discuss this measure. Were I to talk about the issue purely from my heart, I fear that many of my colleagues would mistakenly think I was exaggerating. On the other hand, were I to analyze the bill in cold statistics and pure economic reasoning, I would lose its basic purpose.

The hard fact is, however, that in this, the richest and most powerful Nation the world has ever known, the specter of prolonged unemployment and poverty still stalks the streets and the rural routes in numerous and vast areas of the country. This joblessness is no short-run affair. It is not made up of workers temporarily between jobs. Like a heavy, acrid smog, it has lingered for years over the entire State of West Virginia, as the two distinguished Senators from that State have made clear, stifling initiative and morale, smothering hope itself. It has pervaded huge sections of New England, the Middle Atlantic, and the South. And it has invaded sections of the Midwest, the Southwest, and the Far West.

This specter of prolonged unemployment does not walk alone. In its presence we often find hunger, disease, and mental anguish. It is visible in the wan faces of hungry and ill-clad children, relatively helpless as their parents slip deeper and deeper into the abyss of utter despair. Stouthearted womenfolk fight back only to be met with defeat after defeat. Jaunty, good humored, hardworking fathers have been worn down by enforced idleness.

Breadlines? There are few breadlines. But in West Virginia, a quarter of a million people line up for free food from surplus commodities. In some counties, 40 percent of the population is on relief. Twenty-five percent is common.

Not only in West Virginia, but all over the country, large numbers of people are receiving surplus foods. In January of this year no fewer than 5,605,824 people were receiving the barest amount of surplus foods, such as cornmeal, cheese, powdered milk, a little butter, and a little flour.

The two Senators from West Virginia pointed out that in that State approximately 283,000 people were in receipt of surplus commodities. In Pennsylvania no fewer than 851,000 persons are in receipt of surplus foods; in Oklahoma 252,000; in the State of New York 369,000; in the State of Mississippi 408,000; in the State of Michigan 534,000; in the State of Kentucky 267,000; and in the State of Arkansas 279,000. This is indicative, in some measure, of the great need which exists all over the country.

I ask unanimous consent to insert at this point a table showing the number of persons receiving surplus foods in the various States as of January 1959.

There being no objection, the table was ordered printed in the RECORD as follows:

Number of persons receiving surplus foods January 1959

Alabama	130,118
Arizona	42,221
Arkansas	278,852
California	67,333
Colorado	25,845
Connecticut	1,246
District of Columbia	37,000
Georgia	43,307
Illinois	80,549
Indiana	101,338
Iowa	93,513
Kansas	11,476
Kentucky	267,016
Louisiana	170,465
Maine	59,442
Maryland	47,006
Massachusetts	4,303
Michigan	533,914
Minnesota	46,960
Mississippi	407,756
Missouri	117,548

Number of persons receiving surplus foods January 1959—Continued

Montana	11,031
Nebraska	2,107
Nevada	1,301
New Hampshire	8,289
New Jersey	21,965
New Mexico	42,159
New York	369,265
North Carolina	964
North Dakota	11,299
Ohio	68,883
Oklahoma	252,301
Pennsylvania	851,203
Puerto Rico	602,749
Rhode Island	12,777
South Carolina	2,248
South Dakota	39,307
Tennessee	165,415
Texas	142,446
Utah	25,453
Vermont	13,924
Virginia	37,765
Washington	7,494
West Virginia	282,575
Wisconsin	55,902
Wyoming	8,959
Trust territories	5,835
Total—United States	5,605,824

SOURCE.—Department of Agriculture

Mr. DOUGLAS. How can this be? Nationwide there is somewhat more than six percent unemployment, which is far higher than it should be when we take into consideration involuntary part time, but it would not seem in itself to be disastrous. The output of goods and services is rising. Total personal income and profits are heading up. How can we have this destitution in the midst of what is sometimes said to be an affluent society? The answer is simple. Averages and totals cannot tell the true story.

Suppose the average income of five families is $5,000 a year. This would seem to indicate that they are not in dire need. But suppose one of the families makes $25,000 and the other four families make nothing at all. Their average income is still $5,000, but the fact is that 4 out of 5 of these families are poverty-stricken.

The latest figure shows that 4.7 million persons in the United States are walking the streets hunting work. This is a little more than six percent of all workers. That is seemingly not disastrous. However, in addition to those persons, there are the involuntary part-time workers. These would amount to an equivalent of approximately a million full-time unemployed workers, making a total average of around 7½ percent of the labor force. But let us part the curtains and look behind the totals, for we often fail to see the trees for the forest, as well as the other way around.

HIGH DEGREE OF UNEMPLOYMENT IN MANY AREAS

In the Altoona, Johnstown, Scranton, and Wilkes-Barre areas in Pennsylvania, one worker out of six has failed to find a job. In the areas of Beckley, Bluefield, Logan, Morgantown, and Welch in West Virginia, the proportion was nearer to one out of every five.

Almost 13 percent of all workers in the areas of Bristol, Norwich, and Thompsonville, Conn., were without work.

I should like to call these latter figures particularly to the attention of the senior Senator from Connecticut [Mr. BUSH]. Unemployment hovers around 17 percent in the Harrisburg, Herrin, Murphysboro, and West Frankfort areas in my own State of Illinois. Unemployment is also high in the southernmost tip counties of Illinois around Cairo, and in those counties are included the labor market area across the river in Kentucky. The Jasper, Ala., area, had more than 13 percent unemployed, as did the Muncie and New Castle areas in Indiana.

I am stating the areas, not merely the towns.

In the Kentucky areas of Corbin, Hazard, Madisonville, Middlesboro, Paducah, Paintsville, and Pikesville, the rate of unemployment ranged from 12 to nearly 23 percent. Maine, Maryland, Michigan, Missouri, Montana, New York, North Carolina, and Tennessee all had areas with over 12 percent unemployment.

I have mentioned only some of the areas with currently high rates. But unemployment, as such, is not disastrous, if it continues for only a brief period of time. What is disastrous is being without a job for a year, 2 years, or even longer.

Now let me refer to a chart I have had prepared, which indicates the persistence of unemployment in the major areas of employment.

This is indicated, for the major areas, in the third chart in the back of the Chamber, and for the minor areas in the fourth chart.

In the Terre Haute, Ind., area, unemployment has ranged from 6 to over 12 percent every month for 4 solid years. The same is true of the areas of Lawrence, Mass.; Johnstown, Scranton, and Wilkes-Barre, Pa.; Providence, R.I.; and Charleston, W. Va. These are the so-called major areas of substantial labor surplus. There are also numerous smaller areas in the same situation. Southern Illinois areas have been in grave difficulties for many years on end.

In the southern Illinois communities, unemployment has been more than 16 percent for at least 4 continuous years, and more than 20 percent for a large portion of the time.

Mr. President, in conjunction with the moving addresses which have been delivered before I took the floor, I hope we shall have established the need for a sound program to combat joblessness in the many distressed areas of the Nation.

Yesterday the distinguished junior Senator from West Virginia [Mr. BYRD], who is now in the chair, presiding over the Senate, produced a great mass of evidence regarding West Virginia. The Senator from Kentucky, who will follow me in a few minutes, will produce equally strong evidence affecting the people of his State. This evidence could be multiplied by various other sections of the country. I could go on with the growing evidence of malnutrition, rickets among children, actual death by starvation; of family desertions by defeated fathers; of growing crime rates—the stealing not so much of money as of food; of children trudging to school through snow in worn-out tennis shoes. Our committee hearings are replete with proof of the human misery in these areas this very day.

I regret that the national press so largely ignores these facts, and that national officials so largely ignore them. I shall, however, dwell no longer on these deep human needs, which the press and national officials so largely ignore. However, let us never forget what is going on as we struggle to enact a program to deal with this situation.

OUR NATIONAL RESPONSIBILITIES

I know that some will ask a question at this point, and it is a logical one. Why do these people stay in these places? Why do they not leave and seek work elsewhere? The answer is that they do. That is why unemployment rates are 12 instead of 25 percent, or 20 instead of 40 percent. But migration cannot solve the problem.

In the first place, many of the persons thrown out of work are over 40 or 50 years of age and face discrimination because of their age when seeking a job. They leave their families only to return more defeated than before. Second, they lack training for the available jobs in other areas. We must remember moreover that there is a ceiling on jobs in the other localities. The total number of employed in manufacturing is diminishing. The number of job opportunities elsewhere is limited.

Fourth, the roots and homes of these people are in these areas. They keep up their hopes for the future in these areas. It is hard for a man to give up all he has worked for in his home, his neighborhood, church, and local groups, especially after investing most of his life in them.

Fifth, some families have gone deeply in debt and do not like to run out on their obligations. Moreover, those who migrate and find jobs are, because of low seniority in their new employment, the first to be laid off in a recession. So they head back home.

There are other reasons. But the basic answer to the question "Why do not more persons in these areas move?" is that they would if they could but they cannot.

The next question, also logical, might be "Well, what can we do about it? Why send good money after bad? What good would it do? Anyway, is this not a local rather than a national problem?" The overtones of this argument were heard a few minutes ago when the distinguished junior Senator from New York, who has recently joined us, implied what does New York have to do with the unemployed people of West Virginia?

Mr. President, we are one Nation. We cannot keep these pockets of distress isolated from the rest of the Nation any more than we can keep cancer cells isolated from the rest of the body. Once the cancer begins to move and to concentrate, it will spread. I say it is in the interest of the Nation to try to eliminate cancerous areas of high and persistent unemployment.

In some cases, perhaps, little can be done. For the program envisaged by our area redevelopment bill is not a handout or a dole. It is not a relief measure. Rather, it is a program of long-term investment in repayable loans to help these areas to help themselves.

The fact is that many of these areas have natural resources, strategic locations, and an available labor supply. They are ripe for new industries, but private capital is not available. In such depressed communities local capital is normally limited and less venturesome than in places where greater prosperity prevails.

Furthermore, a long period of unemployment will have drawn down local savings and other local funds in local banks. Local capital is less venturesome because there has been a long period of decline.

NEED FOR ADDITIONAL CAPITAL

Moreover, outside capital is reluctant to enter these communities. Insurance companies do not want to put money into areas which are distressed and where employment and production have been on the downgrade. Investment bankers do not wish to make loans. What is needed in these localities, among other things, is credit on favorable terms and at low rates of interest, so that they can both develop their public facilities so as to make them more attractive to new industry, and establish new enterprises to create new jobs in the area. The Federal Government can be most helpful in assisting such communities, with the cooperation of private lending institutions and State and local governments, to raise the funds necessary to expand the economic base. A long-term loan at a low rate of interest granted by the Federal Government in some cases may be just the added incentive necessary for the unleashing of other private capital to develop many of these areas.

In a sense, what we are proposing is to provide a locality with "seed capital" which can help start new enterprises around which local capital, local community facilities, outside capital, and all the rest, can cluster.

Failing to aid badly distressed areas which might recover with a little help would be a waste of valuable resources. What is a prolonged depression? A prolonged depression in an area means the gradual disintegration of community facilities—schools, stores, hospitals, banks, office buildings, homes, churches, paved streets, sidewalks, sewer and water supply systems, and all of the community services which were required at great expense and which are now wasting away. Moreover, a successful area redevelopment program would serve to reduce public outlays for unemployment compensation, relief, and various other forms of public assistance—payments for which no current production is received in return. The best remedy for unemployment is work and jobs. That is the purpose of this bill, S. 722.

S. 722 IS NOT INFLATIONARY

The Employment Act of 1946 declares that the Federal Government should promote maximum employment. But there is a limit to the effectiveness of broad-scale programs to alleviate joblessness. Many—probably most—of the cities of the United States are not badly depressed. Moreover, a nationwide program to alleviate joblessness and poverty, which affects all areas alike, might create inflationary pressures by causing new investments where unemployment is small. In these cases, there would be no slack, or little slack, for the additional expenditures to take up, and pouring new money into such areas would tend to bid up prices instead of actually increasing production.

Channeling investments into areas of high unemployment or underemployment is, however, a different matter. Large reservoirs of idle manpower would be put to work and production would increase. This added output would offset in whole or in large part the extra monetary purchasing powers added to the industrial sector of the country, and hence cannot be called inflationary.

The other day I placed in the RECORD an algebraic formula which describes the quantity theory of money. I pointed out that "P," the general price level, is equal to MV plus M'V' over T, or

$$P=\frac{MV+M'V'}{T}.$$

"M" is the symbol for the cash; "V" is the velocity of circulation of the cash. "M'" is the quantity of bank credit or demand deposits. "V'" is the velocity of circulation of bank deposits. The denominator "T" is the symbol for the physical production or real national income.

The unimaginative interpretation of the quantitative theory of money is that if the numerator is increased, it necessarily means that P must increase. So it would, if the denominator T were not increased at the same time.

But if by adding additional bank credit and monetary purchasing power, idle labor is put to work, together with resources which otherwise would be unemployed and idle, the denominator T would be increased at the same time that M' is increased.

The consequent increase in T would certainly diminish the increase in P which would otherwise result, and might indeed compensate for the increase in M' and prevent any increase in the price level at all.

I invite the naive advocates of the quantitative theory of money to read the CONGRESSIONAL RECORD tomorrow morning and examine this equation. If they do, they will find that what I have said is correct. The trouble is that many so-called orthodox folk who think that every time bank credit is increased prices will necessarily be increased, assume that such an increase will have no effect whatsoever upon production. But to the degree the increase in the circulating medium does cause the volume of production to increase, this serves as an offset, in whole or in part, for the increase in the quantity of money or credit.

This is one of the greatest weaknesses, I may say, in the economic reasoning of the so-called orthodox school. They assume full employment and the full utilization of resources. Under such conditions, if the labor supply and resources are fully employed, then if more purchasing power is added, it does overflow and spills over in an increase in the price level.

But if there are idle resources and idle labor, the addition of monetary purchasing power may put to work labor which otherwise would be idle, and thus increase the real national income. So let there be no talk about the inflationary effects of the bill by exponents of the half-baked orthodox quantitative theories.

Thus, the area redevelopment bill reported by the Committee on Banking and Currency would reduce unemployment and poverty where they are the worst. The minority, in their views, complain because the program is not distributed evenly over the Nation. The junior Senator from New York [Mr. KEATING] seemed to be complaining about this point. The bill is intended to reduce unemployment in areas where unemployment is the worst. That is the purpose of the bill.

We believe also that the bill will have a beneficial effect upon the Nation, because it will build up purchasing power in the distressed areas, and the people in those areas will then buy products from other sections of the country, and reduce unemployment there, or prevent conditions from getting worse there; moreover there will not be the same pressure for the migration of labor which there otherwise would be.

Let me make it clear, this is not a program designed to cure either great industrial depressions or seasonal unemployment. We do not claim that; we never have claimed it. But it would reduce the persistent and deep pockets of the unemployed, and hence decrease so-called structural unemployment. General monetary and fiscal policy cannot reach structural unemployment, due to shifts of demand, diminishing natural resources, and improved technical methods, and other factors, which have left so many American families stranded.

Unemployment in the depressed areas cannot be reduced appreciably by a general monetary or fiscal policy. It is necessary to have a sound plan designed specifically for the situation, and that, we believe, is what S. 722 would provide.

HOW S. 722 WOULD HELP

Senate bill 722 proposes the establishment of an Area Redevelopment Administration, headed by an Administrator with power to designate redevelopment areas and allocate help to them in the form of loans and assistance. To be eligible for help, an area would have to qualify under certain criteria. There would be two types of areas—industrial and rural.

As of January of this year, the Department of Labor designated 76 major areas located in 25 States as "areas of substantial labor surplus," namely, those with unemployment in excess of 6 percent. One hundred and eighty-three smaller areas in 35 States fell into this category.

I wish to emphasize that these are areas, not merely towns. On the map, we have had to designate them at the

location of the towns on which they are centered; but the labor areas cover not only the towns, but also the surrounding regions of indefinite extent. So the designation applies not only to the towns, but also to the regions which surround them.

In general, this means that after making allowances for temporary and seasonal changes, those seeking work in the area and unable to find it must account for at least 6 percent of the total working force.

Mr. President, I ask unanimous consent to have a list of these areas printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AREAS OF SUBSTANTIAL LABOR SURPLUS, JANUARY 1959

MAJOR AREAS

Alabama: Birmingham, Mobile.
Connecticut: Bridgeport, New Britain, New Haven, Waterbury.
Illinois: Chicago, Joliet.
Indiana: Evansville, Fort Wayne, South Bend, Terre Haute.
Kentucky: Louisville.
Maine: Portland.
Maryland: Baltimore.
Massachusetts: Brockton, Fall River, Lawrence, Lowell, New Bedford, Springfield-Holyoke, Worcester.
Michigan: Battle Creek, Detroit, Flint, Grand Rapids, Lansing, Muskegon, Saginaw.
Minnesota: Duluth-Superior.
Missouri: Kansas City, St. Louis.
New Jersey: Atlantic City, Newark, Paterson, Perth Amboy, Trenton.
New York: Albany-Schenectady-Troy, Binghampton, Buffalo, New York, Syracuse, Utica-Rome.
North Carolina: Asheville, Durham.
Ohio: Canton, Lorain-Elyria, Toledo, Youngstown.
Oregon: Portland.
Pennsylvania: Allentown-Bethlehem-Easton, Altoona, Erie, Johnstown, Philadelphia, Pittsburgh, Reading, Scranton, Wilkes-Barre-Hazleton, York.
Puerto Rico: Mayaguez, Ponce, San Juan.
Rhode Island: Providence.
Tennessee: Chattanooga, Knoxville, Memphis.
Texas: Beaumont-Port Arthur, Corpus Christi.
Virginia: Roanoke.
Washington: Spokane, Tacoma.
West Virginia: Charleston, Huntington-Ashland, Wheeling-Steubenville.
Wisconsin: Racine.

SMALLER AREAS [1]

Alabama: Alexander City, Anniston, Florence-Sheffield, Gadsden, Jasper, Talladega.
Alaska: Anchorage.
Arkansas: Fort Smith.
California: Eureka, Ukiah.
Colorado: Pueblo.
Connecticut: Ansonia, Bristol, Danbury, Danielson, Meriden, Middletown, Norwich, Thompsonville, Torrington, Willamantic.
Georgia: Toccoa.
Illinois: Canton, Centralia, Decatur, Harrisburg, Herrin-Murphysboro-West Frankfort, Litchfield, Mount Carmel-Olney, Mount Vernon.
Indiana: Anderson, Columbus, Connersville, Michigan City-La Porte, Muncie, New Castle, Richmond, Vincennes.
Iowa: Ottumwa.
Kansas: Coffeyville-Independence-Parsons, Pittsburg.
Kentucky: Corbin, Hazard, Hopkinsville, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Owensboro, Paducah, Paintsville-Prestonsburg, Pikeville-Williamson.
Louisiana: Opelousas.
Maine: Biddeford-Sanford, Lewiston.
Maryland: Cumberland, Frederick, Westminster.
Massachusetts: Fitchburg, Greenfield, Haverill, Marlboro, Milford, Newburyport, North Adams, Pittsfield, Southbridge - Webster, Taunton, Ware.
Michigan: Adrian, Allegan, Ann Arbor-Ypsilanti, Bay City, Benton Harbor, Escanaba, Holland-Grand Haven, Ionia-Belding-Greenville, Iron Mountain, Jackson, Marquette, Monroe, Owosso, Port Huron, Sturgis.
Mississippi: Greenville.
Missouri: Cape Girardeau, Flat River-De Soto-Festus, Joplin.
Montana: Butte, Great Falls, Kalispell.
New Jersey: Bridgeton, Long Branch, Morristown-Dover, Plainfield-Somerville.
New York: Amsterdam, Auburn, Batavia, Corning-Hornell, Elmira, Glens Falls-Hudson Falls, Gloversville, Jamestown - Dunkirk, Kingston, Newburg - Middletown - Beacon, Olean-Salamanca, Oneida, Watertown, Wellsville.
North Carolina: Fayetteville, Kinston, Mount Airy, Rockingham-Hamlet, Rocky Mount, Rutherfordton-Forest City, Shelby-Kings Mountain, Waynesville.
Ohio: Ashtabula-Conneaut, Athens-Logan-Nelsonville, Batavia-Georgetown-West Union, Cambridge, Defiance, East Liverpool-Salem, Findlay-Tiffin-Fostoria, Kent-Ravenna, Kenton, Marietta, New Philadelphia-Dover, Portsmouth-Chillicothe, Springfield, Zanesville.
Oklahoma: Ardmore, McAlester, Okmulgee-Henryetta.
Oregon: Albany, Coos Bay, Eugene, Pendleton, Roseburg.
Pennsylvania: Berwick-Bloomsburg, Butler, Clearfield-DuBois, Lewistown, Lock Haven, New Castle, Oil City-Franklin-Titusville, Pottsville, Sayre-Athens-Towanda, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, Williamsport.
Rhode Island: Newport.
Tennessee: Bristol-Johnson City-Kingsport, La Follette-Jellico-Tazewell.
Texas: Laredo, Texarkana.
Vermont: Burlington, Springfield.
Virginia: Big Stone Gap-Appalachia, Radford-Pulaski, Richlands-Bluefield.
Washington: Aberdeen, Anacortes, Bellingham, Bremerton, Everett, Olympia, Port Angeles.
West Virginia: Beckley, Bluefield, Clarksburg, Fairmont, Logan, Martinsburg, Morgantown, Parkersburg, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch.
Wisconsin: Beliot, Eau Claire-Chippewa, La Crosse, Oshkosh, Watertown.

[1] These areas are not part of the regular area labor market reporting and area classification program of the Bureau of Employment Security and its affiliated State employment security agencies.

Source: Department of Labor.

Mr. DOUGLAS. Mr. President, in order to qualify for help under the terms of Senate bill 722, an area must have been subjected to persistent as well as high unemployment; and the 6 percent test is an absolute minimum. In addition, the joblessness of an area must have been 50 percent above the national average for 3 out of the 4 years, or 75 percent above for 2 out of the 3 years, or 100 percent above for 1 out of the 2 years immediately preceding its application. These criteria have been criticized by our friends of the minority. Of course, it is very interesting that these criteria are the same as those used by the administration in its objections to the bill. These criteria were adopted by the committee in a move to meet one of the administration's objections to the bill. These are the same as those proposed by the administration, except that the qualifying time periods were reduced by one year.

In other words, Senate bill 722 would make eligible for loans only the most hard-hit industrial areas among those already classified as having substantial labor surplus.

Of course, if we attempted to apply this program to everyone, the minority would say we were trying to spread it too thin over the entire Nation. But now that we propose to apply it only to the areas most in need, the minority says we should apply it to the entire Nation. In short, when one deals with the minority, one cannot win, because the minority will say that the proposal is either too thick or too thin, too hot or too cold, too young or too old. So in dealing with the minority, one simply cannot win; according to the minority, a Democrat is never correct.

According to the best estimates of the Department of Labor, 112 industrial areas spread over 26 States qualify for the designation of "industrial redevelopment area" under the terms of Senate bill 722.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of these areas.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AREAS WHICH MAY QUALIFY FOR FEDERAL ASSISTANCE AS AREAS WITH SUBSTANTIAL AND PERSISTENT UNEMPLOYMENT UNDER S. 722,[1] MARCH 1959

MAJOR AREAS [2] (23 MAJOR AREAS)

Indiana: Evansville, South Bend, Terre Haute.
Massachusetts: Fall River, Lawrence, Lowell, New Bedford.
Michigan: Detroit, Flint, Grand Rapids, Muskegon.
New Jersey: Atlantic City.
North Carolina: Asheville.

[1] This listing is preliminary and tentative, and is based largely on bimonthly or semiannual data compiled from area labor market reports prepared in connection with the Bureau of Employment Security's program for the classification of areas according to relative adequacy of labor supply. Data used cover a 2 to 5 year period extending through the closing months of 1958; early 1959 data, now becoming available for some areas could result in several changes in the above listing. A more comprehensive review of area data on a monthly—rather than bimonthly or semiannual basis, and in the light of whatever criteria may be included in the bill finally enacted, would be required to determine which areas are eligible for assistance as areas with substantial and persistent unemployment.

[2] Major areas are areas included in the Bureau of Employment Security's regular area labor market reporting and classification program. This program covers 149 of the country's leading employment centers. Unemployment and labor force data for these areas are generally available on bimonthly basis.

Ohio: Lorain-Elyria.[4]

Pennsylvania, Altoona, Erie,[3] Johnstown, Scranton, Wilkes-Barre-Hazleton.

Rhode Island: Providence.

Tennessee: Knoxville.

West Virginia: Charleston, Huntington-Ashland.[4]

SMALLER AREAS[5] (89 SMALLER AREAS)

Alabama: Florence-Sheffield, Jasper, Talladega.[3]

Alaska: Anchorage.

Connecticut: Bristol, Danielson, Norwich.[3]

Illinois: Centralia, Harrisburg, Herrin-Murphysboro-West Frankfort, Litchfield, Mount Carmel-Olney,[3] Mount Vernon.

Indiana: Michigan City-La Porte, Muncie, New Castle,[4] Vincennes.

Kansas: Coffeyville-Independence-Parsons,[3] Pittsburg.

Kentucky: Corbin, Hazard, Hopkinsville, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Owensboro, Paducah, Paintsville-Prestonsburg, Pikeville-Williamson.

Maine: Biddeford-Sanford, Lewiston.[3]

Maryland: Cumberland.

Massachusetts: Milford,[3] North Adams, Southbridge-Webster, Taunton.[3]

Michigan: Adrain, Bay City, Escanaba, Ionia-Belding-Greenville,[4] Iron Mountain, Marquette, Monroe, Owosso,[4] Port Huron.

Missouri: Joplin.

Montana: Butte, Kalispell.[3]

New Jersey: Bridgeton, Long Branch.

New York: Amsterdam, Auburn,[4] Gloversville.

North Carolina: Fayetteville, Mount Airy, Rockingham-Hamlet, Shelby-Kings Mountain.

Ohio: Portsmouth-Chillicothe, Springfield,[3]

Oklahoma: McAlester.

Oregon: Coos Bay.[3]

Pennsylvania: Berwick-Bloomsburg, Clearfield-DuBois, Lewistown, Lock Haven, New Castle,[4] Pottsville, Sunbury-Shamokin-Mount Carmel, Uniontown-Connellsville, Williamsport.

Tennessee: LaFollette-Jellico-Tazewell.

Texas: Texarkana.

Virginia: Big Stone Gap-Appalachia, Radford-Pulaski.

Washington: Aberdeen, Anacortes, Bellingham, Everett, Olympia, Port Angeles.

West Virginia: Beckley, Bluefield, Clarksburg,[4] Fairmount, Logan, Morgantown, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch.

Mr. DOUGLAS. Mr. President, there is, in the Chamber, a chart which indicates the degree and persistence of unemployment in the major areas covered by S. 722. I ask unanimous consent, at this point, to insert a table in the RECORD which indicates the degree and persistence of unemployment in the smaller areas.

[3] Borderline.

[4] Appears eligible solely on the basis of unemployment 100 percent above national average for 1 of the preceding 2 years.

[5] Smaller areas: Areas with a labor force of 15,000 or more which are officially classified as "smaller areas of substantial labor surplus" by the Bureau of Employment Security. Data for such areas are generally available on a semiannual basis. Information for smaller areas which are not classified, or for areas with a labor force of less than 15,000, is not available in Washington on a consistent basis.

Source: U.S. Department of Labor, Bureau of Employment Security, Office of Program Review and Analysis, Washington, D.C., Mar. 13, 1959.

There being no objection, the table was ordered printed as follows:

Degree and persistence of joblessness in smaller areas covered by S. 722

Key: x=6 to 10 percent
X=over 10 percent
--=not available

	1954		1955		1956		1957		1958	
Alabama:										
Florence-Sheffield	x	x	x	x	x	x	x	x	X	X
Jasper	--	--	X	x	x	--	x	--	X	X
Talladega	x	X	x	--	--	--	--	X	X	X
Alaska: Anchorage	--	--	--	--	--	--	X	x	X	x
Connecticut:										
Bristol	--	--	x	--	--	--	x	X	X	X
Danielson	--	--	X	x	--	--	x	x	X	X
Norwich	--	--	--	--	--	--	x	--	X	x
Illinois:										
Centralia	--	--	--	--	--	--	x	X	X	X
Harrisburg	X	X	X	X	X	X	X	X	X	X
Herrin-Murphysboro-West Frankfort	X	X	X	X	X	X	X	X	X	X
Litchfield	X	X	X	x	x	--	x	x	X	x
Mount Carmel-Olney	--	--	x	x	--	x	x	x	x	x
Mount Vernon	X	X	X	x	X	x	x	x	X	X
Indiana:										
Michigan City-La Porte	X	X	X	x	x	x	x	--	X	X
Muncie	--	--	x	--	x	X	X	x	X	X
New Castle	--	--	--	--	--	--	--	--	X	X
Vincennes	X	X	X	X	X	X	X	x	X	x
Kansas:										
Coffeyville-Independence-Parsons	--	--	--	x	x	x	x	x	x	x
Pittsburg	X	X	X	X	X	x	x	x	X	x
Kentucky:										
Corbin	X	X	X	x	X	X	X	X	X	X
Hazard	X	X	X	X	X	X	x	X	X	X
Hopkinsville	--	--	--	--	--	x	--	x	X	x
Madisonville	X	X	X	x	X	x	X	x	X	X
Middlesboro-Harlan	X	X	X	X	X	X	X	X	X	X
Morehead-Grayson	X	X	X	X	X	x	X	X	X	X
Owensboro	X	X	x	x	x	x	x	x	X	X
Paducah	--	--	--	--	--	--	X	x	X	X
Paintsville-Prestonsburg	X	X	X	X	X	x	X	x	X	X
Pikeville-Williamson	X	X	X	X	X	X	X	X	X	X
Maine:										
Biddeford-Sanford	x	x	X	X	X	x	x	X	X	X
Lewiston	--	--	--	--	--	--	x	--	X	x
Maryland: Cumberland	X	X	X	X	X	X	X	X	X	X
Massachusetts:										
Milford	x	x	x	--	--	--	x	x	X	x
North Adams	x	x	--	--	--	--	x	x	X	X
Southbridge-Webster	X	X	X	x	--	--	--	X	X	X
Taunton	--	--	--	--	--	--	x	x	X	X
Michigan:										
Adrian	x	x	--	--	--	--	--	X	X	X
Bay City	x	X	x	--	--	x	x	x	X	X
Escanaba	--	--	X	--	x	--	x	X	X	X
Ionia-Belding-Greenville	X	--	--	--	--	--	--	x	X	X
Iron Mountain	X	X	X	x	x	x	x	x	x	X
Marquette	--	--	x	--	x	x	x	x	X	X
Monroe	x	x	x	--	x	x	x	x	X	x
Owosso	x	x	--	--	--	--	--	X	X	X
Port Huron	x	X	x	--	x	x	x	x	X	X
Missouri: Joplin	x	--	x	--	--	--	--	x	X	x
Montana:										
Butte	--	--	--	--	--	--	x	X	X	X
Kalispell	--	--	--	--	--	--	--	X	x	X
New Jersey:										
Bridgeton	--	--	x	x	x	x	X	--	X	x
Long Branch	--	--	x	x	x	--	x	--	x	x
New York:										
Amsterdam	X	X	X	x	X	--	x	X	X	X
Auburn	--	--	x	--	--	--	--	x	X	X
Gloversville	X	x	X	--	--	--	--	x	X	X
North Carolina:										
Fayettville	--	--	x	x	x	x	X	X	X	X
Mount Airy	--	--	x	x	x	x	x	x	X	x
Rockingham-Hamlet	--	--	--	--	--	--	X	X	X	X
Shelby-Kings Mountain	--	--	x	x	X	x	X	X	X	x
Ohio:										
Portsmouth-Chillicothe	--	--	--	--	--	x	X	x	X	x
Springfield	x	x	x	--	--	--	X	x	X	X
Oklahoma: McAlester	x	x	x	x	x	x	X	x	x	X
Oregon: Coos Bay	--	--	--	--	--	--	x	--	X	x
Pennsylvania:										
Berwick-Bloomsburg	x	X	x	x	X	x	x	X	X	X
Clearfield-DuBois	X	X	X	X	x	--	x	x	X	X
Lewistown	--	--	x	--	x	x	--	x	X	X
Lock Haven	X	X	X	x	--	x	x	X	X	X
New Castle	X	x	X	--	--	--	--	--	X	X
Pottsville	X	X	X	X	X	X	X	X	X	X
Sunbury-Shamokin-Mount Carmel	X	X	X	x	x	x	x	--	X	X
Uniontown-Connellsville	X	X	X	X	X	X	X	X	X	X
Williamsport	x	x	x	--	--	--	x	x	X	--
Tennessee: La Follette-Jellico-Tazewell	X	X	X	X	X	X	X	x	X	X
Texas: Texarkana	x	x	x	x	x	x	X	x	x	x
Virginia:										
Big Stone Gap-Appalachia	X	X	X	X	X	x	x	x	X	X
Radford-Pulaski	x	X	x	x	x	x	x	x	X	x
Washington:										
Aberdeen	--	--	--	--	--	--	X	x	X	x
Anacortes	--	--	--	--	--	--	X	--	X	X
Bellingham	--	--	--	--	--	--	X	--	X	x

Degree and persistence of joblessness in smaller areas covered by S. 722—Con.

Key: x=6 to 10 percent
X=over 10 percent
--=not available

	1954		1955		1956		1957		1958	
Washington—Continued										
Everett	--	--	--	--	--	--	X	--	X	x
Olympia	--	--	--	--	--	--	X	x	X	x
Port Angeles	--	--	--	--	--	--	X	X	X	x
West Virginia:										
Beckley	X	X	X	X	X	x	x	x	X	X
Bluefield	x	X	X	x	x	--	x	--	X	X
Clarksburg	X	x	x	--	--	--	--	X	X	X
Fairmont	X	X	X	x	x	x	x	x	X	X
Logan	X	X	X	x	x	x	x	x	X	X
Morgantown	X	X	X	--	--	--	--	x	X	X
Point Pleasant-Gallipolis	X	X	x	x	x	x	--	X	X	X
Ronceverte-White Sulphur Springs	X	X	X	x	X	x	x	x	X	X
Welch	x	X	X	x	x	x	X	X	X	X

Mr. DOUGLAS. Mr. President, about 6.3 million workers, or roughly one-tenth of the total national civilian labor force, are located in these areas. However, the same areas account for about 17 percent of total national unemployment. In addition, 12.2 percent of the work force—or one worker out of every eight—in these 112 areas is unemployed, a rate twice as high as the current national average. Thus, it becomes apparent that Senate bill 722 strikes directly at unemployment only where help is needed most. This bill also strikes at it indirectly over a much wider area.

The needs of the low-income rural areas are no less urgent than those of the industrial areas with surplus manpower. Available data indicate that some rural areas have not shared during recent decades in the growth of the country as a whole. In many rural counties in the United States, the average per capita income is as little as one-fourth that of the average person in the United States.

Under the terms of Senate bill 722, the Administrator of the program could designate "rural redevelopment areas" from among those with the largest number of low-income farm families, taking into account also "the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, the availability of manpower in each such area for supplemental employment, and the proportion of the population of the area which has been receiving public assistance."

Mr. President, as the senior Senator from West Virginia [Mr. RANDOLPH] has stated, the Department of Agriculture has prepared lists of the 500 counties in the United States with 100 or more commercial farms which ranked, according to the 1954 Census of Agriculture, lowest in terms of level of living for farm-operated families. The Department has also prepared lists of the 500 counties with the highest proportion of the commercial farms having gross sales of farm products of less than $2,500. A total of 336 counties appeared in both lists. These areas would probably pro-

vide the core of the low-income rural areas which would be eligible for assistance under Senate bill 722.

I ask unanimous consent to have printed at this point in the RECORD a table showing the incidence of such counties in the several States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Counties with lowest farm income and levels of living, by State, 1954

State	500 counties with lowest level of income		500 counties with highest percentage of commercial farms having sales of less than $2,500		336 counties appearing in both lists	
	Number	Percent of total	Number	Percent of total	Number	Percent of total
Total	500	100.0	500	100.0	336	100.0
Alabama	51	10.2	48	9.6	44	13.1
Arkansas	56	11.2	35	7.0	32	9.5
Florida	15	3.0	4	.8	4	1.2
Georgia	50	10.0	40	8.0	14	4.2
Illinois	2	.4	3	.6	2	.6
Kentucky	38	7.6	41	8.2	35	10.4
Louisiana	23	4.6	21	4.2	16	4.8
Michigan			5	1.0		
Minnesota			2	.4		
Mississippi	71	14.2	64	12.8	59	17.6
Missouri	15	3.0	15	3.0	11	3.3
New Mexico	4	.8	1	.2		
North Carolina	32	6.4	28	5.6	16	4.8
Oklahoma	16	3.2	15	3.0	11	3.3
South Carolina	20	4.0	28	5.6	11	3.3
Tennessee	43	8.6	66	13.2	39	11.6
Texas	28	5.6	20	4.0	12	3.6
Virginia	19	3.8	23	4.6	13	3.9
West Virginia	17	3.4	37	7.4	17	5.1

Source: Bureau of the Census. 1954 Census of Agriculture.

Mr. DOUGLAS. Mr. President, three revolving loan funds of $100 million each would be created by Senate bill 722. These would be devoted to loans for first, industrial areas; second, rural areas; and third, public facilities in both industrial and rural areas where such facilities would encourage economic development.

In addition to the three revolving-loan funds, the bill provides authorization for $75 million in grants for public facilities in areas which cannot repay loans.

Loans for private projects in industrial and rural areas could be used for the purchase or development of land and facilities, including machinery and equipment, for industrial purposes. Maximum Federal participation would be 65 percent of the total cost of such projects, although, of course, it is hoped that the Administrator will be able to get the new enterprises under way with less than a 65-percent loan. State or local participation must be at least 10 percent, and private participation at least 5 percent, of the total cost of the project.

Of course, I think it follows that the private groups would have to be prepared to furnish at least 25 percent of the entire amount, since the Federal Government would provide 65 percent, and the State and local governments would provide at least 10 percent. So the private groups must be ready to furnish at least 25 percent of the amounts needed for land and buildings and machinery and equipment; and of course they must, in addition, be prepared to provide all the working capital—namely, the amounts needed for the purchase of raw materials, and to finance the wage bill, and so forth.

The loans to private industry could be made for periods of up to 30 years, with possible extensions to 40 years in some cases. This period was scaled down from previous proposals in another effort to meet the criticisms of the administration. The interest rate chargeable would amount to about 4½ percent, which would be the current average yield on outstanding marketable obligations of the United States of comparable maturities, plus one-half of 1 percent. Half of this added percentage would be allocated to a sinking fund to offset losses.

I may say that in the original bill we included a loading of only one-fourth of 1 percent. But in an effort to meet the administration more than halfway, we added another one-fourth of 1 percent as a sinking fund.

I also wish to remind the Senate that we have adopted the criteria the administration laid down, and we reduced from 40 years to 30 years the period for which the loans would normally be made. So we have leaned over backward in our efforts to meet the criticisms of the President.

Under the terms of Senate bill 722, applications for loans for private projects must normally be approved by an agency of the State, and the project must be consistent with an overall area development program approved by the Administrator.

The terms of the loans for public facilities would be similar to those applicable to private loans, except that the maximum period would be 40 years instead of 30 years. The interest rate would be the same as that for private loans, except that the added percentage would be one-fourth of 1 percent instead of one-half of 1 percent, taking as its base the average interest rate on Government loans for all comparable maturities; but the loading or added percentage would be one-quarter of 1 percent instead of the one-half of 1 percent as for the loans to new private enterprises.

Now I should like to say a word, if I may, about the purposes for which these loans for public facilities would probably be used. They would be used for facilities which would help a locality to attract and to hold industry. The two purposes which would be most common would be provision for industrial water, which is an absolute necessity to attract new industry today, and also provision for what are called industrial parks, whereby buildings are constructed which are capable of subdivision for use by a number of small concerns, and which have access roads, water, sewage, electric light, and telephone service connections, so that all a small business need do is move in. In certain other cases perhaps a water or sewage system might be eligible for such a loan, but, in the main, the emphasis would be on industrial facilities rather than community amenities.

In our report we point out that a depressed area may have many assets which can be used by industry, such as labor and water facilities, but it may lack one public facility by which all the others may be utilized; for example, adequate water supply for industrial use, adequate sewage facilities, or access to a navigable river or a railroad.

Let me touch, if I may, upon the subject of loans for rural development areas. The need for new industry in such areas is quite apparent, and is admitted by all students of the problem. There is a large supply of idle time in those localities—the idle time of farmers during off seasons and the idle time of members of a farm family. In fact, the idle time of farm workers in areas of low-income probably constitutes the greatest unused resource such communities have, if that idle time could only be translated into productive effort much good would result.

It is hoped and believed that these loans will permit the establishment of small plants, many of them processing plants to handle local farm products, thereby enabling labor in those areas to be more fully employed, and hence increase off-the-farm income.

This has been a recommendation of all students of agriculture. The Department of Agriculture has set up what it calls its rural redevelopment program, but the Department has insisted that each locality must finance its own efforts and there is to be no aid from the Federal Government.

The rural redevelopment program in the South has just been surveyed by a very distinguished committee of the National Planning Association, and I should like to read what the agriculture committee of the association stated about the program of the Department of Agriculture so far as it relates to rural redevelopment:

> The low-income rural problem is far too vast and deep seated to be solved by the rural development program as presently conceived. While the cautious grassroots approach of this program may have been

largely justifiable up to date, it will have to become much more sharply focused, better integrated and coordinated, much bolder in its objectives, and far better financed if it is to make significant inroads in reducing the South's widespread rural poverty. Emphasis has been placed too exclusively on only one essential ingredient of progress—local initiative and enterprise. The other essential ingredient—outside financial and technical assistance, both public and private—has been too often ignored and neglected. Such a one-sided approach—

I take it they are referring to the program of the Department of Agriculture—

(a) seriously obscures the basic fact that, given their own very limited resources, low-income rural communities cannot solve their problems with the best of local leadership and cooperation; and (b) reinforces the unfortunate cultural heritage and narrow sociopolitical outlook of many State and local leaders, thereby tending to preserve rather than to change the status quo in low-income rural areas. Particularly needed are large increases in Federal appropriations and grants-in-aid for improved general and vocational education, for a much greater amount of supervised farm credit, for more special agricultural research and extension services, for more adequate labor market information and employment services, and for better health facilities, in rural areas. Costly though such programs would be, they could be easily financed by diversion to this purpose of a relatively small part of the amounts now expended on farm price-support programs. In view of the present stupendous waste of human resources in our low-income rural areas, can we afford to do any less?

Mr. President, who do you suppose were the members who issued that report? Were they extreme radicals or left-wingers? Not at all. The chairman of the committee was Mr. Lauren K. Soth, editor of the editorial pages of the Des Moines Register and Tribune, the central newspaper of the great Cowles chain, which publishes a newspaper in Minneapolis, and has given to the world Look magazine.

Vice chairman of the committee was Donald R. Murphy, director of Editorial Research, Wallaces' Farmer and Iowa Homestead.

Another vice chairman of the committee was A. C. Hoffman, vice president of Kraft Foods Co.—a large food processor.

Other members of the committee were: John App, of the Seabrook Farming Corp.; John A. Baker, director, legislative services, National Farmers Union; Murray R. Benedict, professor of agricultural economics, University of California—an extremely conservative agricultural economist; John D. Black, professor of agricultural economics, Harvard University; Robert K. Buck, Waukee, Iowa; Harry W. Culbreth, vice president, Nationwide Insurance; John H. Davis, director, program in agriculture and business, Harvard University; Arval L. Erikson, economic adviser, Oscar Mayer & Co.—a distinguished packing firm in my own city of Chicago; Oscar Heline, Marcus, Iowa; Frank W. Hussey, vice president, Maine Potato Council—his name ought to strike a soft spot in the hearts of the representatives from Maine; E. W. Kieckhefer, farm editor, the Courier-Journal; Herschel D. Newsom, master, National Grange; R. J. Odegard, of the O. J. Odegard Potato Co.; William H. Nicholls, chairman, department of economics and business administration, Vanderbilt University; James G. Patton, president, National Farmers Union; and Theodore W. Schultz, chairman, department of economics, University of Chicago.

This is a group of trained men who are saying that the program of the Department of Agriculture is vitally defective in that it does not provide for outside national aid and financing to help improve the condition of the low-income farms and counties of the United States.

The depressed Indian reservations and communities would also be eligible for such redevelopment loans. This would help many additional groups in numerous other States.

In addition to the three revolving loan funds other services are provided by the bill. There is an outright one-shot grant of $75 million to be parceled out to communities which cannot fully repay the loans which might be made to them. This amount would be supplementary to the loans for especially hard-pressed communities. In addition, information available to the Government would be supplied to the designated areas and to Government procurement divisions, and an authorization for appropriation of $4,500,000 a year would permit the Administrator to make technical assistance grants to designated areas.

The Housing and Home Finance Agency would be enabled to give additional financial assistance to municipalities in industrial redevelopment areas, and urban planning grants would be made available to designated areas having a population of 25,000 or more.

The bill would provide for Federal assistance for vocational training in designated areas, and as has been mentioned several times, a fund of $10 million for the purpose of making subsistence payments to unemployed persons being retrained and not entitled to unemployment compensation.

THE EUROPEAN EXPERIENCE

The enactment of S. 722 would not result in a radical new program which has never been tried. As a matter of fact, the countries of Western Europe have had similar programs in effect for some time, and part of the financing for such programs has undoubtedly been made possible by U.S. foreign aid dollars. Certainly, I would never question the wisdom of such aid. Marshall plan dollars have helped the nations of Western Europe to recover their economic potential and thus stave off the onslaught of communism. Nevertheless, we can hardly blame the unemployed worker and the hard-hit businessmen in our own depressed areas if they wonder why, if we help Europe do it, we cannot help our own people.

I have always defended the program of foreign aid. I have believed in it. I have supported it. I have voted for it.

In 1954 when I was a candidate for reelection I spoke on the floor of the Senate for the foreign aid program, and voted for it on every yea and nay vote, only to be immediately attacked by my Republican opponent, who denounced me for supporting the President's program. Then the President paid me the courtesy of making a special trip to the State of Illinois to plead for my defeat. Nevertheless, I was reelected by a majority of 241,000. This may indicate why some of us feel a little pained at the pleas of the administration that we should not cut a dollar from the foreign aid program. For, when a Democrat supports the administration to the hilt on this issue, he is immediately attacked by the followers of the administration, and the national administration indeed "eggs" its followers on to attack those who have supported it. This apparently is the administration's way of cooperating in the field of foreign policy.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MANSFIELD. The administration not only asked for $3.9 billion for foreign aid, but 2 days later, when the interim Draper committee report came in, an additional $400 million was asked for.

Mr. DOUGLAS. I am struggling to control myself.

I think it is a monstrous thing for an administration which demands aid for people in other countries to refuse to provide proper aid for starving people in this country and to condemn as "wild spenders" those who would feed hungry Americans and provide work for the American unemployed.

I may end up by voting for foreign aid, and if I do, I suppose the administration and its followers will once again pay me the compliment of denouncing me with all the strength they have. If so, I will welcome the denunciation.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Kentucky.

Mr. COOPER. The distinguished Senator knows I am supporting him fully with respect to the bill now under consideration.

Mr. DOUGLAS. I am well aware of that.

Mr. COOPER. I agree with every argument the Senator has made in support of the bill. Would not the distinguished Senator agree, however, that the two measures about which he has been talking are separate? One deals with support and aid for our own people, and that is closer to my own heart than aid and support for any other people. The other measure deals with our foreign policy and with the defense of this country. Those ought to be separate problems.

Would the distinguished Senator not agree that we should make our fight for this measure, which the Senator has introduced and which I have supported, and for all the measures to help our own people, because helping our people is our first concern, but that we should consider aid to other countries upon the merits of that issue?

Mr. DOUGLAS. I agree with my friend.

Mr. COOPER. Yes.

Mr. DOUGLAS. But I find it hard to understand the President of the United States, who, on the one hand, says, "You cannot give aid to the people at home," and, on the other hand, says, "You must lavish assistance on people abroad." I cannot understand an administration which puts the needs of people abroad far above the needs of people at home, and condemns equally those who try to relieve the need at home and those who think some economies could be made in expenditures abroad. I cannot understand that psychology. I cannot understand the reasoning behind it.

Mr. COOPER. I do not wish to minimize the importance of the bill we are considering today. I am in favor of it with all my heart.

Mr. DOUGLAS. I know that.

Mr. COOPER. Without question, when it comes to the point of considering whether we should take care of our own people or of the people in another country, the people of our own country come first. There can be no question about that.

I agree also with the Senator that it would be much easier, for all of us who have supported foreign aid because we believe it has a connection with the defense of our country and its security, if the administration showed more interest in the welfare of the people of our country. I must make that statement, although I am a Republican and a member of the minority party. That would make it much easier for us. For myself, though, I approach each one of these proposals upon the merits of the case for each of these great programs.

Mr. DOUGLAS. I appreciate the position of the Senator from Kentucky, which is characteristically high-minded. I do not think the Senator suffers quite as much, however, as those of us on this side of the aisle, who, when we support the administration on proposed foreign aid legislation, are immediately denounced by the followers of the administration, and who then find the administration also coming forward to attack us. For instance, I voted in favor of every foreign aid proposal in the last session. I then went back to my State of Illinois, and I found that the Republican State Committee had primed people to get up and say, "On so many rollcalls you voted against economy." I found that the rollcalls they were citing were the foreign aid rollcalls, in connection with which I had supported the administration.

In other words, the administration condemns us in Washington if we do not support it, and the Republicans condemn us at home if we do support it. I object to this schizophrenia—not on the part of the Senator from Kentucky, because he is a well-integrated, noble man—but on the part of the Republican Party, at least in the Middle West. Some of us with the best will in the world are becoming sick and tired of these tactics. Some day the cheek will turn. We cannot be expected to be Christians all the time, while the other group holds us around the neck and pummels the life out of us.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. COOPER. I cannot, of course, pretend to suffer the same anguish as does the Senator from Illinois.

Mr. DOUGLAS. The toad underneath the harrow knows the sharpness of the blade, whereas the man who rides in the seat does not know quite what is happening.

Mr. COOPER. I think I have had some experience with the problem, because I am a Republican from a Democratic State.

Mr. DOUGLAS. I think the people of Kentucky recognize the qualities of my good friend. But I say that the administration shows both poor judgment and hardheartedness in opposing measures for the relief of Americans.

Mr. President, I had not intended to discuss this other subject, but my emotions are very deep.

Now, may I turn to this foreign experience.

GREAT BRITAIN

Great Britain has had the longest and most rounded experience with legislation to aid depressed areas. The U.S. Department of Labor study, "Experience With Development Areas in Great Britain," by Flexner and Ritter—Monthly Labor Review, May 1957—and the article by Prof. William H. Miernyk—Industrial and Labor Relations Review, October 1958—summarize the British legislation and experience from 1934 through 1956. Mr. Sar A. Levitan, of the Legislative Reference Service of the Library of Congress, has reviewed these and other studies for me, and I am grateful for his help.

In the black 1920's and 1930's, unemployment was concentrated in the depressed areas of coal, steel, and textiles in South Wales and the industrial north. I was twice in England at that time and went through these areas. The people and the Government seemed at their wits end, not knowing what to do about the situation.

The first legislation was passed in 1934 to "facilitate the economic development and social improvement" of four areas suffering from unemployment, commissioners were empowered to make plans, to assist or start industrial projects in cooperation with local and national agencies and private groups, and to distribute grants for these purposes. Later, amendments strengthened these efforts. In 1945, the Distribution of Industry Act was adopted to apply to four large areas or, more accurately, regions.

In July 1958, following the rise of unemployment in England, the British Parliament—again under Tory control—amended the Distribution of Industry Act which has been summarized in the two articles previously referred to. Instead of designating special regions as eligible for aid, the new act qualified for preferential treatment any community having a high rate of unemployment which was likely to persist.

The amendment also widened the scope of the act by extending aid to trade establishments as well as industrial undertakings locating in the depressed localities.

In defending the amendment and the vigorous application of the distribution of industry—industrial finance—bill befor the House of Commons, the spokesman for the Government asserted that the most effective means to combat unemployment is to concentrate allocation of economic resources in areas where chronic unemployment prevails, and pledged that the fight to reduce unemployment in these areas would not be frustrated for want of capital. He also pleaded for the enactment of a flexible program, which would permit the Government to "act swiftly in any locality where serious unemployment had arisen and was likely to persist"—London Times, May 1, 1958.

The amended act brings the British approach closer to the legislation proposed in S. 722. The original act specified eight regions which were qualified for assistance, while the present legislation makes assistance available on a labor-market basis, the same as S. 722. It should, however, be noted that under S. 722 only areas having an unemployment rate of over 6 percent are eligible for assistance, which is 50 percent greater than the British requirement of a 4-percent rate of unemployment, which qualifies communities for assistance.

The Labor Department study does not attempt to evaluate the effectiveness of the British Distribution of Industry Act, but Prof. Ben W. Lewis, in a study for the Twentieth Century Fund, concluded in 1952 that the British measures to aid depressed areas broadened the economic base of these areas:

> Many new industries have started in the [depressed] areas bringing a diversification which should protect them in the future from concentrated employment. This is particularly true because many of these industries are of a new lighter type for which the prospects of expansion are great. ("British Planning and Nationalization," pp. 182–3.)

Prof. William H. Miernyk in his article, "British and American Approaches to Structural Unemployment," concludes that the British experience to reduce unemployment in depressed areas has been "impressive." He argues for the adaptation of similar policies in the United States.

Finally, an excerpt from the International Labor Review briefly summarizes existing provisions to combat chronic unemployment in several European countries and in the United States.

Mr. President, I ask unanimous consent to insert these articles in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the articles may be printed as requested.

(See exhibit 1.)

SPECIFIC BRITISH PROGRAMS

Mr. DOUGLAS. In the listd areas, the Distribution of Industry Act empowered the Board of Trade to improve sites and

to build factories; to acquire land, if necessary by compulsory purchase, for industrial sites or for access thereto; to acquire and improve derelict land either for industrial sites or for community facilities; to give financial assistance to local authorities or nonprofit agencies for such work. Government grants or loans were made available for basic services and facilities, for example, transportation, power, lighting, sanitation, and housing, necessary for industrial development.

With the consent of the Treasury, the Board could also make loans to nonprofit industrial or trading estate companies to provide industrial premises. In addition, the Treasury was empowered to give annual grants or loans to enable industrial undertakings, either already established or proposed, to pay interest on borrowed capital.

The Distribution of Industry Act also vested in the Board of Trade responsibility for securing the proper distribution of new industrial development throughout the country. All persons were required to notify the Board of Trade if they intended to erect an industrial building of more than 5,000 square feet and to furnish particulars of the type of production, floor space, and the number of workers to be employed. The Board of Trade then discussed with the industrialists where it would be to their interest, as well as to the advantage of the country, to locate the proposed building. Information concerning the economic structure of a large number of districts containing possible sites, and the availability of labor, power, transportation, housing, and other relevant matters was assembled by the Location Office of the Board of Trade to facilitate planning concerning industrial sites, both with the Government agencies concerned with planning and with the industrialists.

In 1948, the triennial review required under the Distribution of Industry Act was presented to Parliament by the Board of Trade. The Board estimated that between 1939 and 1948 there had been a net increase of 250,000 jobs in the 6 areas then scheduled, of which more than 104,550 were manufacturing jobs accounted for by firms moving into or expanding in the areas, as follows: 56,600 employed by 271 firms in Government munitions factories converted to peacetime uses; 17,750 in 210 new projects—factories or extensions—financed by Government; 14,100 in 233 new projects—factories or extensions—privately financed; and 16,100 in existing premises.

At the beginning of 1955, one and a half years before the Government's assistance to factory building in these areas was discontinued, employment in the assisted factories had reached 185,900, which was one-third higher than the employment anticipated by the Board in 1948, on the basis of plans then made.

I ask unanimous consent to have printed in the RECORD at this point a table showing the progress of unemployment declines in the affected areas.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Percent of insured employees registered as unemployed in Great Britain and 8 development areas, by sex, 1937, 1948, and 1955 [1]

Areas	Male			Female		
	1937	1948	1955	1937	1948	1955
Great Britain	11.0	1.6	0.9	7.0	1.0	1.1
Northeastern	16.0	2.9	1.5	8.0	2.3	2.3
South Wales and Monmouthshire	22.0	4.6	1.2	12.0	6.3	2.3
Scottish	19.0	3.8	2.5	14.0	2.8	2.7
West Cumberland	28.0	3.1	2.1	10.0	2.1	1.9
Wrexham	19.0	3.3	1.1	10.0	8.6	2.3
South Lancashire	21.0	2.8	1.1	12.0	2.4	3.1
6 areas combined	19.0	3.6	1.8	12.0	3.3	2.5
Merseyside	(2)	5.3	2.5	(2)	2.0	2.0
Northeast Lancashire	(2)	1.3	2.1	(2)	.3	4.5
8 areas combined	----	3.8	1.9	----	3.0	2.5

[1] Data for 1937 relate to July; for 1948 and 1955, to June.
[2] Areas not scheduled until after World War II; separate data not available for 1937.
Source: Data for 1937 derived from Board of Trade, Distribution of Industry, Cmd. 7540, London, H.M.S.O., October 1948 (app. 4). Figures for 1948 and 1955 computed from data supplied by Ministry of Labor and National Service, London.

Mr. DOUGLAS. The table shows the rate at which unemployment was decreased in the affected areas.

I remember being in Great Britain in the 1920's and 1930's when the British were going through an industrial depression which left large areas of the country in a depressed state, similar to that in our depressed areas of the present day. I remember going into the South Wales coal fields, and into the steel towns, and into the textile sections of Yorkshire and Lancastershire, as well as into the coal, shipping, and steel sections of Northumberland. I found conditions there very similar to what they are now in this country. Yet they finally took constructive steps very similar to those which we are recommending for the United States.

ITALY

The experience of Italy in dealing with depressed conditions in the southern part of that country have been reviewed for me by Vladimir N. Pregelj, also of the legislative reference service of the Library of Congress.

During the first few years following World War II, the Italian Government was primarily concerned with the reconstruction of the war-torn economy as a whole and did not take any steps designed specifically for the development of its depressed southern sector, although this sector had—in addition to its generally depressed condition—also suffered most by the ravages of war. The Government did, however, within the framework of its existing policies, create industrial credit sections at the Banks of Naples, Sicily, and Sardinia to act as the main financing agents for the revitalization of the economies of the southern mainland, Sicily and Sardinia, respectively.

The earliest Italian legislative measure on area development was a legislative decree in late 1947, which was designed to stimulate the growth of Italian industrial capacity in southern Italy by means of various fiscal incentives, transportation subsidies, and financing facilitations granted for establishment of new industrial plants, and for reconstruction, reactivation or expansion of old ones. A few minor supplemental measures were enacted during the following few years.

By 1950, the measures put into effect by the legislation for the industrialization of the south were quite numerous. They comprised exemption from payment of customs duties and license fees on imports of construction materials, and of machinery and equipment required for construction and operation of industrial plants; 50 percent reduction of general sales tax on such materials and equipment; exemption from payment of income tax on earnings derived from new industrial investment; and reduction of fees for transfer and registration of title to real estate necessary for industrialization.

In 1950, first major advance was made in the active participation of the Government in the economic development of the Mezzogiorno—southern Italy. The Government created the fund for the south, a Government agency given the task of carrying out a large-scale plan of public works designed to create such environmental conditions as are indispensable for the formation and effective operation of new agricultural and industrial activities. This task has often been given the name of "pre-industrialization."

In 1957, the Government prepared a program of more extensive public industrialization measures designated as the provisions for the south. In addition to increasing the annual endowment payments, it authorizes a number of public grants, credits, and incentives of particular benefit to the industrial sector of the southern economy. It also extends the coverage of provisions contained in some earlier legislation, particularly to associations and consortia established for the pre-industrialization and industrialization purposes, and contains provisions especially favoring development of small industry and handicrafts.

Thus has Italy gained experience with area redevelopment programs.

Mr. President, I ask unanimous consent that Mr. Pregelj's study be inserted in full at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. DOUGLAS. I also ask unanimous consent to have printed in the RECORD at this point a statement outlining specific operations of the Italian program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SPECIFIC OPERATIONS OF ITALIAN PROGRAM

The 1957 Italian law creating the "Provisions for the South" contains a large number of provisions facilitating the financing of pre-industrialization and mostly industrialization projects. Thus, up to 40 percent of expenditures for the purchase and improvement of boats and fishing gear, for the establishment of oyster and mussel beds, and for the processing, refrigeration and transportation of fish and fish products, may be covered by the fund. The fund is authorized to

pay in full for the construction of water and sewerage systems in small communes of under 10,000 population, or to assume part of such costs for larger communes. In addition, postal savings system grants credits necessary for the financing of these public works projects whenever they are carried out by the fund. The fund is further authorized to make grants for the construction of electric powerplants and distribution systems in land improvement areas, and may also undertake the restoration of tourist sites of particular historic, artistic, or archeological interest.

In small communes of under 75,000 population, lacking industrial facilities, the fund for the south is authorized to make direct grants covering up to 20 percent of cost of establishment of small and medium industry, including construction of buildings, installation of machinery, and connections to existing roads, railroads, and water and power systems. Furthermore, up to 30 percent of expenditures for transformation, modernization, and mechanization of small industries may be covered by contributions granted by the fund.

The law also provides for the covering by grants of up to one-half of expenditures incurred by local consortia, the organization of which for the purpose of creating industrial zones is also authorized by the new fund law, in carrying out their pre-industrialization and industrialization projects. Such consortia are also given access to credits granted by the various semipublic insurance and credit institutions. In addition, the Cassa depositi e prestiti is authorized to grant to southern communes loans for the purchase of real estate for purposes of industrialization or employment increase.

In order to make it possible for the southern regional medium-term credit institutions, created by an earlier law, to expand their operations, the new fund law authorizes the fund to grant to these institutions subsidies to alleviate the cost of their bond issues which exceeds the interest charges on their loans. The law also authorizes the industrial credit sections of the banks of Naples and Sicily to utilize the repayments on their earlier loans for granting certain additional credits. Such credits may be used to supplement loans granted earlier by these sections, as medium-term developmental financing, not to exceed 50 million lire, of small and medium industries, and to enable medium and small industries to acquire stocks of raw materials and finished products.

Besides direct grants, expanding the availability of industrial credit, and extending fiscal exemptions, the new fund law provides for direct public investment for public works.

ATTEMPTS TO ESTABLISH AN AREA REDEVELOPMENT PROGRAM IN THE UNITED STATES

Mr. DOUGLAS. The problems which S. 722 is designed to meet have been recognized for several years. The Joint Economic Committee in the 84th Congress called for Federal action to help chronically distressed communities. Later, in its 1955 report, that committee urged that the public works program be speeded up, and that loans and technical assistance be extended to help these distressed communities to improve their economic conditions.

Also in 1955 the Joint Economic Committee made a careful study of low-income families in the United States under the direction of Senator SPARKMAN and called attention to the persistence of low income in various rural areas in the country, as well as the problems of depressed industrial areas. The committee urged a Federal program to combat the basic causes of economic distress both in depressed industrial areas and in low-income regions.

In 1956 the committee reiterated its conclusion that a Federal depressed areas program was needed, and the majority of the committee endorsed a comprehensive program which was embodied in a bill which I introduced, S. 2663, 84th Congress. That bill was the subject of long hearings by the Committee on Labor and Public Welfare. It was passed by the Senate during the last days of the session, but the House did not have time to act upon it before the 84th Congress adjourned.

I hold the hearings on this bill in my hand. We took testimony which covered nearly 1,200 pages. The bill was passed by the Senate during the last days of the session, but the House did not have time to act upon it before the 84th Congress had adjourned.

Both major parties called for Federal legislation to aid economically depressed areas in their respective 1956 platforms.

The Democratic Party platform stated:

> We pledge our party to support legislation providing for an effective program to promote industry and create jobs in depressed industrial and rural areas so that such areas might be restored to economic stability.

The Republican Party pledged to—

> Provide assistance to improve the economic conditions of areas faced with persistent and substantial unemployment.

In the 85th Congress, along with 39 cosponsors, I introduced S. 3683, which was referred to the Senate Banking Committee. This bill, with modifications, was passed by both Houses of Congress last year, but did not become law because of a Presidential pocket veto.

I charge the President and his advisers with responsibility for preventing this measure from going into effect. The record shows that is just what they have done.

Again in the 86th Congress, I introduced, with 38 cosponsors, similar legislation in the bill S. 722. This bill was the subject of committee hearings not only in Washington but also in Detroit, Mich., and in Charleston, Beckley, and Morgantown, W. Va. The committee has now reported S. 722 with amendments.

We have now taken over 5 years a total of 3,500 pages of testimony, in the Senate committees alone. I have been somewhat disappointed, execept for an interjection by the distinguished junior Senator from New York [Mr. KEATING], that the opposition has not shown its hand. It has remained silent. With the excepticn of one or two Senators, they have stayed off the floor. We do not quite know, aside from the minority views, what their objections are going to be. I have studied the objections which they have made in their minority views, indeed, I have studied them very thoroughly. I have studied the objections which have been advanced informally, and the objections which have been advanced by various financial journals. I should like to deal with some of them, before they are sprung on us on the floor on Monday.

One objection is that we are setting up a separate administration to deal with this subject. It is alleged that what we should do instead is to place it under the jurisdiction of the Department of Commerce.

Let me say that the Department of Commerce has been the determined and indeed the irreconcilable opponent of all programs for community development and adequate care for the depressed areas of the Nation. We do not confide a child to the tender care of a nurse who dislikes children. We do not use wolves to take care of sheep.

If we place the bill under the jurisdiction of the Department of Commerce, we can be certain that they will anaesthetize it, that they will refuse to administer it, that they will administer the program in the same way in which Ezra Taft Benson administers the farm program, namely, to besmirch it and to weaken it. These are harsh words, Mr. President, but I think they are truthful words. I regret to have to say them, but candor compels me to do so.

Another objection is that the criteria which we have laid down for the testing of the areas which are to be eligible are inadequate.

Mr. President, these criteria are the criteria advanced by the administration itself. Instead of taking absolute figures of unemployment, they wanted to use an absolute minimum but then to relate the unemployment in a given locality to the average for the country as a whole. That is the test which we have adopted. I am frank to say that this is a better test than the one which we originally provided. We are willing to learn from the administration when it presents something that is worthwhile. It seldom does, but when it does, we are willing to learn. Now that we have adopted their criteria, the opponents of the bill come forth and say, "Oh, those are not proper criteria."

In colloquy with the junior Senator from New York and in later discussion I believe we have made it clear that this bill is not intended to deal with all types of unemployment. By it we cannot deal with cyclical unemployment, when there is a scarcity of effective demand. It is not intended to deal with seasonal employment. It is intended, however, to deal with structural unemployment and to provide capital to start new industries in areas of substantial labor surpluses, provided the localities themselves also contribute, and provided private capital also comes forward and provides a large share of the fixed capital and all of the working capital.

I suppose that objectors will say: "Let private enterprise do it. Let the Government keep its hands off." In fact, this is about what is said in the minority views, at page 43, where it is stated:

> The basic defect of the approach of this bill is this: It runs counter to the precepts of what is still essentially a private market mechanism operating within a dynamic and growing economy.

This is the kind of talk we heard on the floor of the Senate in 1930, 1931, and 1932, and which had its repudiation by the people in 1932, 1934, and 1936.

It was said of the Bourbons that they learned nothing and forgot nothing. I would say that the industrial and economic Bourbons of this country do not seem to learn anything, but they seem to forget a great deal.

The purpose of S. 722 is to help to some extent, at least, to channel some of our growth of industrial capital into areas of substantial labor surplus. This is far better than to subsidize airlines, railways, the oil industry, ship builders, and other groups, who enjoy Government largess. It is far better than a protective tariff, which is advocated by many of those who are opposing the bill.

The idea that government must be essentially sterile and negative is a very limited idea. It sometimes is sterile, but it need not be.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. COOPER. I have read the minority views, and I too have been struck by the fact that only objections were made to the bill and that I could find no alternative affirmative suggestions toward meeting the problems which the bill seeks to meet. Did the minority suggest any remedies for the problems the Senator has been discussing?

Mr. DOUGLAS. I wish to be charitable in what I say. I did not find any constructive suggestions. All I found was negative criticism. Undoubtedly an amendment will be proposed by the able senior Senator from Connecticut [Mr. BUSH], which will be presented under the guise of preventing a transfer of a plant from one locality to another. Let me say that we have guarded adequately against that in the text of the bill, which the Senator from West Virginia has read. I shall read it again. It is contained in section 6(a) on page 9 of the bill:

> Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

We may quarrel about whether the language is tight enough. Certainly it is our intent to have it tight. It is spelled out on page 22 of the committee report, and I should like to read that part of the report. This report will have a persuasive influence upon the Administrator. Let me read the section of the report dealing with this subject:

> If the proposed transfer of a plant from one area to another will create as much unemployment in the area it leaves as it absorbs in the area it moves to, nothing has been gained from the point of view of the overall economy of the United States. The use of Federal funds for a transfer of this sort would not be justified. Expansion of existing firms and the creation and development of new business or new branches of firms in business elsewhere, without at the same time substantially reducing existing employment opportunities, is the aim of this Federal assistance. In an expanding economy ample opportunities can be found to develop the depressed areas without injury to other areas of the country.

The purpose of the bill is to channel economic growth, or to help channel a portion of that growth, into areas which otherwise would be neglected, not to transfer plants from one locality to another. That is the clear purpose of the present text of the bill. It is further reinforced by the report, and attempts to change the wording still further will simply be attempts to divide the forces which may be supporting the bill by conjuring up nonexistent dangers.

I understand an amendment will be offered by the very able senior Senator from New York [Mr. JAVITS], who is one of the finest Members of this body, to limit the loans which can be made to land and buildings, but to exclude machinery and equipment as bases of loans. I think I should make a statement on this point, so that it may appear in the RECORD, and so that Senators and the press may study it over the weekend and make up their minds about it.

The cost of land is relatively small in depressed areas because the area is depressed. The cost of the buildings will not be much either, because it is to be hoped that an existing old building will be taken over and rehabilitated with a relatively small amount of capital.

I think I can say, in this connection however that three- and four-story plant buildings are not very effective in modern industry, which increasingly moves into one-story buildings. But the consideration which really will make or break the deal is whether the new industry can finance the equipment and machinery which is the very heart of the whole enterprise.

It is unquestionably true that most machinery and equipment manufacturers are prepared to finance the sale of equipment on time loans with notes. But just as is the case when one buys an automobile on time over a 2-year or 3-year period through a finance company, so with the machinery and equipment: the interest rate which is charged is so very high that in many instances it will break the deal entirely, first, because of the large amount of capital equipment which is required to start the industry; and, second, because of the time payments and the notes by which it is financed carry too high a rate of interest.

As regards tying up money in specialized machines, I am certainly not an expert in the machine-tool business, but I had thought there were certain general-purpose machines, such as lathes and punch presses, and so on, which could be applied to a multitude of uses, and that, therefore, if a concern failed, such machines could be removed and either sold in the secondhand market or used by someone else.

I do not propose loans for highly specialized machines or for a steel mill requiring the investment of $50 million, or for a powerplant; but in certain industries, in which the ratio of capital to labor is not too high, generalized machines could be installed on the basis of these loans. Then if payments were not made, the machines could be repossessed.

Ordinarily, when machinery and equipment are placed in a factory building, it is done subject to someone else's mortgage. That is one reason why the interest rate is so high. When we come to this kind of situation, where there is one first mortgage, and then a second mortgage which covers the whole plant, equipment, and machinery, naturally, the interest rate will be lower. If one intends to sell a machine tool in Connecticut or Pennsylvania, he will have to place the machine subject to someone else's mortgage.

How would the Administrator determine what are reasonable terms for loans from private finance companies which would have to be refused by the financial institutions before granting such a loan? It occurs to me that he would have to use a certain amount of judgment and discretion. If the interest rate were around 12, 13, or 15 percent, as it usually is for these things, he would decide that it was not reasonable under the circumstances.

I am perfectly willing to leave this matter to his discretion. I do not think industries should be made to pay an exorbitant rate of interest.

In my judgment, the amendment to be proposed by the Senator from New York, while offered with the best motives in the world, will if it is made effective virtually kill the program.

Mr. President, I am about ready to yield the floor, but I wish to refer to one or two other matters. It is reported that another amendment may be offered which would restrict the application of the bill to so-called one-industry towns. This would miss the basic purpose of the program. Senate bill 722 is designed to help areas of persistent and substantial unemployment or areas of low income and underemployment. Areas such as the Huntington-Ashland area of West Virginia and Kentucky can be depressed by lack of work in the coal industry, although the area also has chemicals and steel. But it is still badly distressed and in need of help.

Moreover, a community could have two or more depressed industries, such as textiles, coal, and railroading. This, I think, is true of some Pennsylvania areas.

The Altoona area suffers for example not merely from a depression in the coal industry, but also from a depression in railroad repair work. The anthracite regions of Pennsylvania suffer not merely from a depression in the coal industry, but also from a depression in the textile industry.

Moreover, there are areas of general decline because of shifts of demand and shifts of plant locations. The one-industry concept would knock out these areas despite their genuine need.

In short, we aim to help distressed areas and low-income areas, not merely those with one industry, but those depressed from whatever causes. The one-industry concept would drastically restrict the program.

I have already dealt with the inflationary argument and have pointed out that

it is a very superficial argument. I have said that the use of additional capital would put idle labor to work producing commodities which otherwise would not be produced; and that hence the physical production or the physical volume of production would be increasing at the same time that the volume of the circulating medium was increasing. I have pointed out this might compensate in whole, but certainly it would compensate in part, for the increase in the circulating medium, and therefore there need not be an increase in prices.

I hope that before the session is concluded today, the opponents of the measure will take the floor and state their objections to it. I submit that on the record S. 722 should be passed by an overwhelming vote.

EXHIBIT 1

[From Monthly Labor Review, May 1957, vol. 80]

EXPERIENCE WITH DEVELOPMENT AREAS IN GREAT BRITAIN

(By Jean A. Flexner and Ann S. Ritter [1])

Areas of labor surplus persisting in certain parts of the United States during periods of high general employment have given rise to various legislative proposals, and suggest the need for a review of British assistance to distressed areas.

The British experience covers a quarter of a century. The first legislation was passed in 1934 to "facilitate the economic development and social improvement" of four areas which were suffering from exceptionally severe unemployment. Commissioners were empowered to make plans, to assist or start industrial projects in cooperation with local and national government agencies and private groups, and to distribute grants for these purposes. Later amendments provided special inducements which strengthened the commissioners' efforts to attract new industries into these areas.

After World War II, new legislation was passed incorporating much of the earlier acts. It was more comprehensive, giving the central Government a greater influence on the location of new industrial plants, in the interests of overall social, economic, and strategic planning. Government aid for these areas continued until June 1956, when, following a parliamentary inquiry, the Government announced that it would suspend grants for factory building in the development areas except in cases of special importance or emergency. The decision was protested by the Trades Union Congress, which feared that these areas had still not achieved balanced local economies although unemployment had reached a very low level.

The post-World War II period from 1945 to the present has been characterized in Great Britain by general shortages of labor, capital goods, buildings, and building materials. Industries which in the 1920's and 1930's seemed to have entered a permanent state of depression have been hard pressed to produce enough to satisfy the demands of the home and foreign markets. This transformation of the economy greatly complicates the task of evaluating effects of the Government's rehabilitation programs for the development areas.

It would be useful to know whether the plants which were steered into development areas by governmental policies have been able to operate without increasing their costs, for only if costs are truly competitive is there a likelihood of the industrial shift remaining permanent. Studies are being made by the National Institute of Economic and Social Research of Cambridge University on the economics of establishing branch factories, but those published thus far have not yielded definitive conclusions, partially because of the difficulty of making cost comparisons and partially because, during the entire postwar period, costs—both at branch plants and main works—were affected by shortages and bottlenecks of various kinds.[2]

Reviewing the period from 1934 to 1956, the British started with a limited program in respect to funds, assistance powers, and size of the areas. They ended with a much more sweeping program than was required to deal with the postwar state of unemployment. Meanwhile, the depression which had set the program in motion disappeared, even in the most depressed areas. However, dread of an eventual return to lower levels of economic activity kept the program going, although the danger of inflation had supplanted the danger of depression.

ORIGINS OF THE PROBLEM

During the 1920's and 1930's, basic industries such as coal mining, shipbuilding, and iron and steel, which were highly dependent upon export markets, suffered severely from depression. Areas where these industries constituted the chief source of employment suffered from severe and prolonged unemployment. In northeast England, particularly Durham and parts of neighboring counties, in western Cumberland, in South Wales and Monmouthshire, and in western and central Scotland, coal mining, iron and steel, shipbuilding, and marine machinery employed about half of the total labor force in the interwar years. The plight of these four areas was worsened by a scarcity of jobs for women. Lack of other work opportunities for those discharged from the principal industries reduced workers' spending power and, in turn, led to layoffs in other employment, including the service industries. In July 1932, unemployment ranged from 35 to 46 percent in the 4 areas, compared with 22.5 percent for all of Great Britain. (See table 1.) The unemployment rate in these areas was about twice the national average during the entire period 1929–39. The plight of these areas led to special investigations by the government in early 1934, which resulted in legislation.

Meanwhile, industries were expanding and new industries were starting in other parts of the country. Between 1932 and 1938, only 235 new factories opened in the 4 special areas and these were balanced by the closing of others. In Greater London and in the Midlands, on the other hand, there was a net gain. The result was migration from the north and Wales to the Midlands and the south. Between 1921 and 1937, half a million people migrated to the London area alone, and 300,000 left Wales and the northeastern counties, although the exodus was not sufficient to remove all the surplus workers.

PREWAR MEASURES

Under the 1934 act for development and improvement of the four depressed areas mentioned previously, Commissioners were appointed, one for Scotland and one for England and Wales, responsible to the Minister of Labor. Funds were placed at their disposal, and they were given a free hand in coordinated existing economic and social programs of national and local government and private agencies, or in initiating new ones. The Commissioner for England and Wales appointed district commissioners for each of his three areas, consulted with local government bodies, and with national associations of employers. Several ministries lent him staff and gave assistance, in particular those dealing with labor, health, unemployment relief, and agriculture.

Among the numerous projects aided by the commissioners were local public works for the long-range economic or social improvement of the areas and the settlement of unemployed persons on small farms or cooperative groups of farms. They also assisted in obtaining preference for the areas in the award of government contracts and, after 1936, of defense contracts, and in locating arsenals and munitions plants in the areas.

TABLE 1.—*Geographic area and number of insured employees, 1955, and percentage of insured employees unemployed, 8 development areas, 1932, 1937, and 1955*

Development area	Year designated	Size of area (square) miles)	Estimated insured employees,[1] 1955		Percent unemployed [2]		
			Number	Percent of total for Great Britain	1932	1937	1955
Northeastern [3]	1934	1,247	1,013,700	5	38	15	2
West Cumberland [3]	1934	767	57,200	(4)	46	26	2
South Wales and Monmouthshire [3]	1934	1,406	693,900	3	41	21	2
Scottish [3]	1934	3,849	1,197,200	6	35	18	3
Wrexham	1946	79	35,500	(4)	36	18	1
South Lancashire	1946	108	148,600	1	32	19	2
6 areas combined		7,456	3,146,100	15	38	18	2
Merseyside	1949	113	613,100	3	(5)	(5)	2
Northeast Lancashire	1953	67	94,300	(4)	(5)	(5)	3
8 areas combined		7,636	3,853,500	18	(5)	(5)	2

[1] The national insurance system covers the whole working population, including all employees.
[2] Data for 1932 and 1937 relate to July; for 1955, to June.
[3] Pre-World War II special areas which in 1945 were designated as development areas, with larger boundaries. The size in square miles is the 1945 area.
[4] Less than 0.5 percent.
[5] Not available.

Source: Data for 1932 and 1937 from Board of Trade, Distribution of Industry, Cmd. 7540, London, H. M. S. O., October 1948 (p. 44). Data for 1955 supplied by Ministry of Labor and National Service, London.

[1] Of the Bureau of Labor Statistics' Office of Labor Economics and Division of Foreign Labor Conditions, respectively. The authors wish to acknowledge the assistance of Mr. Joseph Godson, Labor Attaché, American Embassy, London, in securing unpublished data used in the article from the Ministry of Labor and National Service London.

[2] W. F. Luttrell, The Cost of Industrial Movement, Occasional Paper XIV, and D. C. Hague and P. K. Newman, Costs in Alternative Locations: The Clothing Industry, Occasional Paper XV, National Institute of Economic and Social Research, Cambridge University Press, 1952; D. C. Hague and J. H. Dunning, Costs in Alternative Locations: The Radio Industry (in Review of Economic Studies, 1954–55, vol. XXII (3), No. 59, Cambridge, England, pp. 203–213).

The commissioners wished to attract to these areas some of the expanding industries of the types that were developing in the Midlands and in the south of England, but they were handicapped by the lack of industrial premises in these regions and, in certain places, even by a lack of land suitable for building—e.g., in the narrow Welsh coal valleys where old underground workings had caused some of the land to cave in or to threaten to do so.

Outside the depressed areas, a type of industrial development called a "trading estate" had been set up with private funds. These estates bought land, erected or remodeled buildings, provided utilities, and rented premises to manufacturing firms. Thus, industrial enterprises were attracted to planned communities such as Welwyn Garden City (near London). Benefiting by the experience of the private companies, the commissioners, with Government funds, organized public nonprofit corporations to operate trading estates in the special areas.[3] Several large tracts were purchased, railroad sidings and roads built, power lines installed, and buildings erected, each designed for lease to several light manufacturing industries. Later, single sites for individual factories were prepared at Government expense and leased by the trading estate companies.

The first efforts to persuade industries to locate in the special areas met with almost complete failure.[4] In a period when raising industrial capital was not easy, banks and investors were particularly diffident about investing in the depressed areas. The need for more direct Government assistance was emphasized in the first three annual reports of the Commissioners for England and Wales. In 1936 and 1937, Parliament passed a series of amending acts, and under one of these, the Special Areas Reconstruction Association was formed in 1936 to make loans, for a maximum of 5 years, of up to £10,000 each to firms which had reasonable prospects of succeeding; shares in the association were subscribed by investment trusts, insurance companies, industrial undertakings, and the banks, headed by the Bank of England. The British Treasury agreed to guarantee a fourth of any losses the association might suffer and to reimburse it for administrative expenses. In 1936, also, the Nuffield Trust was established with private philanthropic funds to assist the development areas. The trustees decided to supplement the work of the association and the Treasury by subscribing to shares of capital stock in firms that intended to operate in these areas.

The Special Areas (Amendment) Act of 1937, enabled the Treasury to make direct loans to firms in the special areas, as well as in other areas of severe unemployment. In practice, the Nuffield Trust and the Treasury combined to assist large undertakings in the coal utilization and metalworking industries. The association assisted smaller firms.[5] The Commissioners were further empowered by the 1937 act to contribute toward rent and rates (local taxes) and to adjust income taxes of industrial undertakings for periods up to 5 years. The rent and rate contributions were varied in accordance with the needs of the area and the type of industry. The income tax provision was interpreted to exempt profits up to an average annual return of 4 percent on capital for a certain number of years. The Treasury, also, was authorized to exempt firms moving into the special areas from the special national tax on defense profits, in whole or in part.

The various sources described made the following expenditures for the establishment of new industry in the four development areas during the years 1934–40:

	Pounds	Dollars [1]
All sources	9,665,500	47,360,950
Government funds	6,715,500	32,905,950
Factory sites and buildings	5,500,000	26,950,000
Loans to manufacturing firms	1,160,500	5,686,450
Contributions to rent and rates	55,000	269,500
Private funds	2,950,000	14,455,000
Special Areas Reconstruction Association loans	750,000	3,675,000
Nuffield Trust, industrial capital	2,200,000	10,780,000

[1] Converted to dollars at exchange rate of £1=$4.90.

Source: Board of Trade, Distribution of Industry, Cmd. 7540, London, H. M. S. O., October 1948 (pp. 8–9).

TABLE 2.—*Percentage distribution of estimated number of insured employees in six development areas, by industry,[1] 1939 and 1955*

[Percent]

Industry	1939		1955	
	Male	Female	Male	Female
Total	100.0	100.0	100.0	100.0
Agriculture, forestry, and fishing	2.2	1.0	1.6	0.6
Mining and quarrying	24.9	1.6	16.0	.8
Manufacturing industries	28.8	36.2	43.0	40.2
Chemical and allied trades	2.3	1.2	3.6	2.1
Primary metal manufacture	7.3	.9	7.6	1.4
Shipbuilding, machinery, and electrical goods	8.6	2.7	14.4	6.7
Vehicles	1.3	.4	4.3	1.3
Fabricated metal products	1.4	1.3	1.8	1.8
Textiles	1.7	12.0	2.0	7.1
Clothing	.6	6.1	.6	7.0
Food, drink, and tobacco	2.2	6.6	2.7	6.2
Other manufacturing industries	3.4	5.0	6.1	6.6
Building and contracting	11.1	.6	9.0	.7
Transport, public utilities, and communications	10.9	2.2	12.5	4.8
Distributive trades	10.0	27.3	6.1	18.0
Professional and Government services	8.5	14.0	8.7	19.7
Miscellaneous services, including finance and banking	3.6	17.1	3.0	15.2

[1] Excluding Merseyside and Northeast Lancashire.

Source: Data for 1939 for men and women estimated from Employment for Women in the Development Areas, 1939–51, by J. H. Dunning (in the Manchester School of Economic and Social Studies, Manchester, September 1953, vol. XXI, No. 3, table III, p. 274). Data for 1955 provided by Ministry of Labor and National Service, London.

Beginning in 1936–37, Government expenditures for munitions factories in those areas greatly exceeded the subsidies for civilian factory sites and buildings.

Ministry of Labor manpower transference schemes helped young men and women to train for and to find jobs in other parts of the country. Between January 1936 and July 1939, 124,337 trainees and others were assisted in transferring from the special areas. The Government also paid for moving dependents of transferees and their household goods in 25,538 cases.

The Commissioners' report for 1938 noted as a new development that the Ministry of Labor had started training schemes to meet local needs as a result of progress in providing new employment opportunities. However, the Ministry's powers in respect to education were limited to courses for unemployed persons aged 18 or over. The Commissioners pointed out that training for 16- and 17-year-olds was needed and that it would be reasonable to require recipients of unemployment assistance (not insurance) to attend the Ministry's instructional centers or physical fitness classes.

At the outbreak of World War II, the special areas were more prosperous than at any time during the previous decade; however, their unemployment rate was still 13 percent—almost twice the national average. At that time, only 12,000 workers were employed in civilian factories built and leased by the Commissioners. The construction of many factories was still in progress. The improvement in the employment situation in these areas can be ascribed chiefly to the placement of Government contracts and the location of munitions plants and to the revival in basic industries caused by rearmament.

During the war, further employment opportunities were provided as additional war plants began operating in these areas; shipyards, coal mines, and agriculture were also straining to produce the maximum possible output. Moreover, industries were dispersed to these areas from more congested or more vulnerable regions. Employment rose to a peak in 1943, when it was about 200,000 above the 1939 level. A large part of the male population was in the Armed Forces.

POSTWAR MEASURES

The prewar programs for the rehabilitation of the chronically depressed areas merged after World War II into a broader policy aimed at obtaining a more rational distribution of industry and population. The resolve to deal effectively with the unemployment problems which had eluded solution during the interwar period crystallized during World War II and was implemented in a series of acts passed by the Labor Government in 1945 and subsequent years.

Planning for the location of industry and for a redistribution of population on a national scale, for economic, social, and strategic reasons, had been recommended by the Royal Commission on Distribution of the Industrial Population appointed in 1937. Its 1940 report stressed the disadvantages of "allowing the heavy influx of new industry into London and the Midlands to continue at the expense of the rest of the country."[6] In 1944, the wartime coalition Government announced its proposals for maintaining a future high and stable level of employment in the economy as a whole, and its intention to take special measures for the diversification of areas that had been too dependent on certain industries and were, therefore, particularly vulnerable to unemployment.[7] It promised (1) to steer new industries into these areas; (2) to remove obstacles to the transfer of workers from one area, or one occupation, to another; and (3) to provide facilities to train workers employed in declining industries for work in expanding industries.

The Distribution of Industry Act (1945) embodied recommendations from both reports and some features of the earlier legislation on special areas. However, the special-areas Commissioners were dropped and the Board of Trade became the Administrator. The term "development area" was substituted for "special area." The act ap-

[3] Trading estate companies were formed in the northeast and South Wales in 1936, in Cumberland in 1937, and in Scotland in 1937 and 1938. The 1934 act permitted Government assistance only on a nonprofit basis.

[4] Report of the Commissioner for Special Areas for 1937, Cmd. 5595, London, H.M.S.O., 1937 (pars. 58 and 231).

[5] See R. O. Roberts, Special Financial Facilities for Industry in the Depressed Areas with particular reference to the Experience of South Wales. (In the Manchester School of Economic and Social Studies, Manchester, January 1953, vol XXI, No. 1, pp. 39–61.)

[6] Report of Royal Commission on Distribution of the Industrial Population (Barlow), Cmd. 6153, London, H.M.S.O., 1940.

[7] Minister of Reconstruction, Employment Policy, Cmd. 6527, London, H.M.S.O., 1944.

plied to the four prewar special areas and redefined them to include districts large enough for economic and social development; it could also be applied, subject to the approval of both Houses of Parliament, to any area in which the Board of Trade found, after consultation with the local authorities, there "is likely to be a special danger of unemployment." The Board of Trade was directed to reconsider the list of areas within 3 years.

In the listed areas, the Distribution of Industry Act empowered the Board of Trade to improve sites and to build factories; to acquire land, if necessary by compulsory purchase, for industrial sites or for access thereto; to acquire and improve derelict land either for industrial sites or for community facilities; to give financial assistance to local authorities or nonprofit agencies for such work. Government grants or loans were made available for basic services and facilities, e.g., transportation, power, lighting, sanitation, and housing, necessary for industrial development.

With the consent of the Treasury, the Board could also make loans to nonprofit industrial or trading estate companies to provide industrial premises. In addition, the Treasury was empowered to give annual grants or loans to enable industrial undertakings, either already established or proposed, to pay interest on borrowed capital. The provision of the Special Areas (Amendment) Act of 1937 for subsidies on account of rent, income taxes, and local taxes was omitted. An amendment in 1950 enabled the Board of Trade to contribute to removal costs of firms going to development areas.

The Distribution of Industry Act also vested in the Board of Trade responsibility for securing the proper distribution of new industrial development throughout the country. All persons were required to notify the Board of Trade if they intended to erect an industrial building of more than 5,000 square feet [8] and to furnish particulars of the type of production, floor space, and the number of workers to be employed. The Board of Trade then discussed with the industrialists where it would be to their interest, as well as to the advantage of the country, to locate the proposed building. Information concerning the economic structure of a large number of districts containing possible sites, and the availability of labor, power, transportation, housing, and other relevant matters were assembled by the Location Office of the Board of Trade to facilitate planning concerning industrial sites, both with the Government agencies concerned with planning and with the industrialists.

The Town and Country Planning Act (1947) provided for coordination of the industrial planning activities of the Board of Trade with the control functions vested in local planning authorities, which were under the direction of the Ministry of Town and Country Planning. Regulations made under the Town and Country Planning Act (1947) required that, with minor exceptions all applications for licenses to erect or extend industrial buildings be supported by certificates from the Board of Trade stating that the development could be carried out consistently with the proper distribution of industry. Once a certificate was issued, a building license for developing a particular site was issued by a local government authority provided the project was in accordance with plans for the locality. (These locality plans were similar to zoning regulations in United States cities except that they could be reviewed by the Minister of Town and Country Planning, at his discretion.)

[8] Changed from 10,000 to 5,000 square feet by the Town and Country Planning Act (1947).

Operation of the postwar program: In 1946, two areas were added to the original four—both dependent on coal mining and on wartime munitions plants which had closed down: Wrexham in Wales, and the Wigan-St. Helens area in South Lancashire. In 1949, the Scottish Highlands (dependent on small farms and cottage industries) were added to the Scottish development area, and Merseyside, a port and shipbuilding district around Liverpool, was scheduled. In 1953, a small area was added; it consisted of several northeast Lancashire towns specializing in cotton weaving, where older mills had closed.

In 1948, the triennial review required under the Distribution of Industry Act was presented to Parliament by the Board of Trade.[9] The Board estimated that between 1939 and 1948 there had been a net increase of 250,000 jobs in the 6 areas then scheduled, of which 104,550 were manufacturing jobs accounted for by firms moving into or expanding in the areas, as follows: 56,600 employed by 271 firms in Government munitions factories converted to peacetime uses; 17,750 in 210 new projects (factories or extensions) financed by Government; 14,100 in 223 new projects (factories or extensions) privately financed; 16,100 in existing premises.

During 1948, many factories were still under construction or in the blueprint stage, and those completed were not yet fully staffed.

The other 150,000 jobs which had been added between 1939 and 1948 resulted from construction activities, expansion in Government services, and from a rise in service trades brought about by the higher consumer spending and the general revival of industries.

Included among the factories built by the Government in South Wales were 10 standard factories of 25,000 square feet each, called Grenfell factories,[10] which were rented to firms that agreed to employ a quota of men suffering from pneumoconiosis or other partial disability, equal to at least half of the total number of their employees. The firms received a rebate of half the normal rent. Sheltered workshops, called "reemploy" factories, were also operated by a Government corporation for men whose disability did not permit them to enter normal employment.

At the beginning of 1955 (1½ years before the Government's assistance to factory building in these areas was discontinued), employment in the assisted factories had reached 185,900, which was one-third higher than the employment anticipated by the Board in 1948, on the basis of plans then made. These were employed by 1,086 tenant firms, occupying 41.3 million square feet of factory space; 22.8 million square feet of space had been built since 1945; 13.3 million square feet was in converted munitions factories; and 5.2 million square feet represented war and prewar building by the trading estate companies.[11] A total of $158 million (at the current rate of exchange) had been spent by the Government since 1945 on this space. Most of the factory space, tenants, and employees were in three of the older areas (Northeastern, South Wales, and Scottish). Employment in assisted factories, constituted about 16 percent of all manufacturing employment in 1955 in these three areas.

[9] Board of Trade, Distribution of Industry, Cmd. 7540, London, H.M.S.O., 1948 (p. 19).

[10] Named for the chairman of the Working Party which made the recommendation, D. R. Grenfell, Member of Parliament.

[11] House of Commons Select Committee on Estimates 1955–56, Report on Development Areas, No. 139, session 1955–56 (p. 2). The conversion to dollars was made at the rate of £1=$2.80.

TABLE 3.—*Percent of insured employees registered as unemployed in Great Britain and 8 development areas, by sex, 1937, 1948, and 1955* [1]

Areas	Male			Female		
	1937	1948	1955	1937	1948	1955
Great Britain	11.0	1.6	0.9	7.0	1.0	1.1
Northeastern	16.0	2.9	1.5	8.0	2.3	2.3
South Wales and Monmouthshire	22.0	4.6	1.2	12.0	6.3	2.3
Scottish	19.0	3.8	2.5	14.0	2.8	2.7
West Cumberland	28.0	3.1	2.1	10.0	2.1	1.9
Wrexham	19.0	3.3	1.1	10.0	8.6	2.3
South Lancashire	21.0	2.8	1.1	12.0	2.4	3.1
6 areas combined	19.0	3.6	1.8	12.0	3.3	2.5
Merseyside	(2)	5.3	2.5	(2)	2.0	2.0
Northeast Lancashire	(2)	1.3	2.1	(2)	.3	4.5
8 areas combined	----	3.8	1.9	----	3.0	2.5

[1] Data for 1937 relate to July; for 1948 and 1955, to June.
[2] Areas not scheduled until after World War II; separate data not available for 1937.

Source: Data for 1937 derived from Board of Trade, Distribution of Industry, Cmd. 7540, London, H.M.S.O., October 1948 (app. 4). Figures for 1948 and 1955 computed from data supplied by Ministry of Labor and National Service, London.

Discontinuance of the program: In mid-1956, the Government decided to discontinue aid to factories in the development areas except in very special cases, on the grounds that restraints on investment were being imposed, that employment in the areas had reached satisfactory levels, and that private building, with a volume 3 times that of Government building since 1945, could be relied on to continue the rehabilitation program.

In criticizing the Government's decision, the British Trades Union Congress (TUC) noted that although unemployment ratios were low throughout Great Britain, in the development areas they still exceeded the national average. In addition, the TUC claimed that even though local industry in these areas is more diversified now than in the 1930's, they can still be considered particularly vulnerable to cyclical depression.

EMPLOYMENT AND UNEMPLOYMENT TRENDS

During the years 1934 to 1956, when Government programs for development areas were in operation, the employed labor force increased, the heavy dependence of these areas on certain basic industries lessened, employment opportunities both for men and women became more diversified, and the basic industries revived. Unemployment declined sharply in the development areas and throughout the country, but in 1955, almost 40 percent of all unemployed workers were in the 8 development areas.

In assessing the significance of the changes that occurred, the different industrial distributions of men and women must be taken into account.

EMPLOYMENT OPPORTUNITIES FOR MEN

The earliest year for which a comparable series of data on the insured population of six development areas has been estimated is 1939.[12] By that time, a considerable shift in

[12] British statistics show: (1) the insured employees, (2) those actually employed (including those on temporary layoffs), and (3) the registered unemployed (including those temporarily laid off, casuals, and wholly unemployed). We shall deal here primarily with the insured population—a measure of the wage-and-salary-earning labor force—and with the unemployed, both temporarily laid off and wholly unemployed. Data on age and duration of unemployment relate to the wholly unemployed.

A change in the statistical series on labor force and employment in 1948, resulting

male employment had already occurred. However, mining and quarrying (chiefly coal mining) still accounted for one-fourth of the insured male workers in six development areas; [12] in 1955, the proportion employed in mining and quarrying in these areas had declined to 16.0 percent, representing undoubtedly the most significant change that occurred in the employment of men in these areas. (See table 2.) Outmigration from the coalfields accounted for a considerable portion of the drop. In other parts of Great Britain, the number of men engaged in coal mining also declined, but not so steeply as in the development areas. The chief factor in the general decline was the diversion of young men and boys to other industries, either in the same area or in other parts of the country. The development areas did not succeed in attracting the type of industry which could offer many jobs to the older ex-miners.

Since the early years of World War II, efforts to rebuild the coal mine labor force have conflicted, to some extent, with development area policy. However, the Government was unwilling to sacrifice its industry diversification program. Instead of relying upon unemployment to recruit miners, it improved the miners' conditions of employment in order to attract recruits, and it planned to develop production in the better seams, which were mostly in other areas. Many of the poorer mines and exhausted seams were in the development areas.

TABLE 4.—*Unemployment in Great Britain and 8 development areas combined, by duration, age, and sex, June 1955*

Labor force status	Great Britain (number)	8 development areas combined	
		Number	Percent of total for Great Britain
MEN			
Insured employees	13,960,000	2,610,600	19
Unemployed, total	130,334	49,378	38
26 weeks or more, all ages	32,319	15,188	47
26 weeks or more, age 40 and over	26,888	12,076	45
WOMEN			
Insured employees	7,500,000	1,242,800	17
Unemployed, total	80,209	31,015	39
26 weeks or more, all ages	10,518	5,736	54
26 weeks or more, age 40 and over	5,834	2,871	49

Source: Ministry of Labor and National Service, London.

Manufacturing industries employed 28.8 percent of the insured male workers in 1939, and 43.0 percent in 1955. Shipbuilding, machinery, and electrical manufacturing constituted an important area of growth, with 8.6 percent of the insured male workers in 1939 and 14.4 percent in 1955. It would be revealing if the total for this group could be broken down; the increase for the whole group certainly meant an influx of new plants and considerable diversification of product. However, major credit for increased employment must go to the revival in shipbuilding. And for this, the world economic situation, and not the development area program was responsible.

Other industry groups in which employment of insured men increased over the entire period were: Primary metal manufacture; vehicles; miscellaneous metal fabricated products; food, drink, and tobacco; and textiles. In the nonindustrial sectors, gains occurred in professional services and government, and in transport, utilities, and communications.

From 1939 to 1955, the number of insured men in the six development areas increased by about 50,000, or almost 3 percent. Most of the increase occurred in the postwar years. During the entire period 1939–55, registered unemployment among men decreased almost 60 percent.

EMPLOYMENT OPPORTUNITIES FOR WOMEN

Opportunities for insured women workers showed more substantial gains than those for men. The net gain in the number of insured women from 1939 to 1955 in six areas was more than 300,000, or about 50 percent. (However, insured men in these areas still outnumbered women 3½ to 1 in 1955, whereas for the whole country the ratio was not quite 2 to 1.) Before World War II, industries employing large numbers of insured women were underrepresented in these areas, compared with all of Britain. This was, in fact, an important cause of distress because, if the men were laid off, there were no other breadwinners in the family.

The insured women's gains occurred in manufacturing industries, particularly in chemicals, metalworking industries, electrical products, vehicles, clothing, and other manufacturing. Very few manufacturing industries failed to show increases in the employment of women—among the exceptions was the textile industry. Many of the firms which were induced by government policies to open factories or branch plants in the development areas employed women as an important part of their work forces, for example, clothing, radio assembly, and fabrication of small metal products.

There were also large gain for insured women in communications, public utilities, and transportation, and in professional services and government. The striking increase in insured women's opportunties outside of manufacturing must be related to the general revival in the local economies. Unemployment among insured women was more than halved (from 56,000 prewar to 25,000 in 1955 in six areas).

UNEMPLOYMENT IN DEVELOPMENT AREAS

In June 1955, the average unemployment rate for Great Britain was 0.9 percent of all insured male wage and salary earners, and 1.1 percent of all female. In the eight development areas combined, the rates were 1.9 and 2.5 percent for men and women, respectively (table 3). However, at these low levels, the difference between the rates shrinks to insignificance. Realistically, the labor market in 1955 was generally so tight as to drain even the local pockets of unemployment in areas where it had been at its worst.

The hard core of unemployment (individuals reported as continuously out of work for 26 weeks or more), of which much was heard before World War II, remained larger in the development areas than in the rest of the country. (See table 4.) With 19 percent of the country's insured male workers in 1955, the eight development areas accounted for 47 percent of all of the unemployed men in Great Britain who had been out of work for 26 weeks or longer, most of them 40 years old or over. And, with 17 percent of the insured women workers, these areas had 54 percent of the long-jobless women, of whom half were 40 years or more of age.

Migration away from the hard-hit areas involved chiefly the younger workers, boys and young men, rather than women. If, in spite of the decline in available younger workers, and in spite of rising new industries and revival of trade, the older workers continued a vain search for work (and eventually many of them may have ceased to register as unemployed), this points to a problem which resisted solution.

---

from expanded coverage under social security, hampers comparisons with earlier years. However, estimates for 6 areas for 1939 have been used here, derived from the studies of a British economist, J. H. Dunning, on the development areas. Data for 8 development areas were supplied by the Ministry of Labor and National Service for 1948, 1951, and 1955. It was not possible to obtain data for the development areas on employment and unemployment for the same prewar year. In some tables, 1937 data had to be used, in others, 1939.

[12] Excluding Merseyside and Northeast Lancashire, for which 1939 data are not available.

[From Industrial and Labor Relations Review, October 1958]

BRITISH AND AMERICAN APPROACHES TO STRUCTURAL UNEMPLOYMENT

(By William H. Miernyk)

(In the continuing controversy in this country over the approach which should be taken to combat chronic unemployment in depressed industrial areas, little reference has been made to the experience of other countries in dealing with this problem. Yet, as early as 1934, the British Government was investigating the causes and extent of structural unemployment and since that time has enacted a series of measures which have proved highly successful in reducing this type of unemployment to relatively low levels. This article describes and compares the very different approaches taken to this problem by British and American policymakers and concludes that British experience has demonstrated that this country could and should take more effective steps to solve what the author calls "the most intractable unemployment problem of the post-war period."

William H. Miernyk is professor of economics and director, Bureau of Business and Economic Research, Northeastern University. This article was written while the author was visiting professor of economics at the Massachusetts Institute of Technology. He wishes to express his appreciation for helpful comments on an earlier draft to Professors William H. Scott of the University of Liverpool, Charles A. Myers and Abraham J. Siegel of M.I.T., and Myron J. Spencer of Northeastern University.—EDITOR.)

It has been more than a decade since the nations of the free world pledged themselves, separately and jointly, to the task of maintaining full employment.[1] In spite of this pledge, unemployment and underemployment remain serious problems in many undeveloped countries. While there is general agreement that the developed countries of the Western World have been largely successful in their efforts to maintain high and relatively stable levels of employment, many of these countries have nevertheless been confronted with the persistence of structural or chronic, localized unemployment.

There is no single and universally accepted definition of "full employment."[2] But whatever definition is accepted, no one expects every worker in an unplanned economy to be employed at a full-time job all the time. In free market economies, and even in those which are partially controlled, there is always a certain amount of frictional unemployment. This unemployment stems from job changes, temporary shutdowns, and according to some definitions, seasonal variations in the demand for labor. The distinguishing feature of frictional unemployment is that it is temporary. In an economy

---

[1] In Articles 55 and 56 of the United Nations Charter. See "National and International Measures for Full Employment" (New York: United Nations, 1949), p. 5.

[2] For a discussion of various concepts, see Albert Rees, "The Meaning and Measurement of Full Employment," in "The Measurement and Behavior of Unemployment" (National Bureau of Economic Research: Princeton University Press, 1957), pp. 13–55.

as large as that of the United States, more than a million workers might be frictionally unemployed even under conditions of full employment. But if this unemployment is truly frictional, the same individuals will not remain out of work for any significant length of time.

The full employment policies of Great Britain and the United States are compared in this article. In making such a comparison a number of questions arise: Does the concept of full employment have the same meaning on both sides of the Atlantic? What positive steps were contemplated in the two countries to achieve and maintain full employment? Are any steps being contemplated to reduce further the level of unemployment? Particular emphasis, however, is placed upon an analysis of what has been done in each country to combat structural unemployment, for this has been without doubt the most intractable unemployment problem of the postwar period.

DIFFERING CONCEPTS AND POLICIES

The American full employment policy was embodied in the Employment Act of 1946.[3] This act is brief and quite general. The declaration of policy states that:

"It is the continuing policy and responsibility of the Federal Government to use all practicable means * * * to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power." [4]

The remainder of the act deals with provisions for the establishment of the Council of Economic Advisers and the Joint Committee on the Economic Report, detailing their respective duties and functions. There is no discussion in the act of the causes, magnitude, or nature of the problems which it seeks to solve or avoid.

By way of contrast, the British white paper of May 1944 [5] discusses the causes of large-scale, chronic unemployment and spells out in considerable detail the policies which the coalition government at that time proposed to follow. There was explicit recognition of chronic, localized unemployment, which the Government proposed to attack in three ways:

(a) By so influencing the location of new enterprises as to diversify the industrial composition of areas which are particularly vulnerable to unemployment;

(b) By removing obstacles to the transfer of workers from one area to another, and from one occupation to another; and

(c) By providing training facilities to fit workers from declining industries for jobs in expanding industries.[6]

The program which evolved in Great Britain to combat localized unemployment will be discussed in considerable detail in a later section of this article. As indicated, no such program was proposed in the American Full Employment Act. The declaration of policy of the act contains only broad principles to which legislators with widely varying political philosophies could subscribe. In practice, monetary and fiscal policies and various built-in stabilizers have helped maintain the aggregate demand for labor at a high level during the postwar period. Also, not the least important among the factors contributing to full employment in the United States in recent years has been the steadily rising level of defense spending.

We turn now to some of the questions raised in an earlier paragraph. Does the concept of full employment have the same meaning in Great Britain and the United States? Speaking generally, full employment in any country means that the number of jobs, filled and open, is approximately equal to the number of workers employed or seeking work. There are various approaches to this ideal goal. One approach is to maximize the number of jobs by maintaining an adequate demand for the products and services of labor, and thus for labor itself, without intervention in the labor market, which is expected to match up idle workers and open jobs. This is the approach to full employment which has been followed in the United States. A second approach goes beyond the maintenance of a high demand for labor and includes positive measures to create new jobs in places where unemployment is high. The object of this approach, which has been followed in Great Britain, is to minimize unemployment. Under either approach there will be some residual unemployment, but the second approach will reduce unemployment to a lower level than the first.

Early discussions of full employment policy assumed a minimum level of frictional unemployment ranging somewhere between 4 and 5 percent of the labor force.[7] This still appears to be the generally acceptable minimum level of unemployment in the United States.[8] In Great Britain, however, there is widespread support of a more literal interpretation of full employment which would keep frictional unemployment between 1 and 2 percent of the labor force.[9]

If the best year in both countries during the decade preceding World War II is taken as a basis for comparison we find that in 1937 the rate of unemployment for insured male workers in Great Britain was 11 percent, and for females it was 7 percent. In the United States that year, unemployment averaged 14.3 percent of the labor force.[10] In 1955, a decade after the British full employment policy was adopted, unemployment of insured males in Great Britain had dropped to 0.9 percent, and for insured females it was 1.1 percent. In the United States, 1955 was a year in which employment, production, and incomes reached new record levels, but unemployment that year averaged 4 percent of the labor force.[11] In terms of the acceptable minimums of the two countries, there was full employment in both,[12] but unemployment rates obviously differed markedly. In part at least, this is due to differences in the two full employment policies and programs. In Great Britain there has been a coordinated, and largely successful, attack on structural or chronic, localized unemployment, while in the United States efforts to develop such a program have been frustrated by resistance to the concept of Federal aid to depressed areas.

THE BRITISH EXPERIENCE

As early as 1934, the British Government was investigating the causes and extent of unemployment in certain depressed areas.[13] These areas, which were dependent upon iron and steel production, coal mining, shipbuilding, and tin plate, were experiencing a higher level of unemployment than other areas with a more diversified industrial base. During the interwar period, an average of more than half of the insured labor force of the areas was tied to these exporting, raw material, and capital goods industries,[14] and these were the industries which suffered most during the depression. In certain communities in these areas, unemployment reached crisis proportions. In the town of Jarrow, in Durham, and in Methyr Tydfil, South Wales, unemployment at times totaled between 70 and 80 percent of the insured workers.[15]

The investigations into the plight of these areas led to enactment of the Special Areas Development and Improvement Act of 1934. Six of the seven areas investigated were designated as special areas, and commissioners were appointed to undertake the initiation, organization, prosecution and assistance of measures designated to facilitate the economic development and social improvement of the areas.[16] Two Commissioners were appointed, one for England and Wales, one for Scotland. Subsequently, the Commissioner for England and Wales appointed three district commissioners for the areas under his jurisdiction.

The Commissioners were able to aid the depressed areas in a number of ways, including public works and assistance in the settlement of the unemployed on farms. They were also able to obtain preference in the award of Government contracts and to attract some arsenals and munitions plants to the special areas. During this period the Government worked through "trading estates" operated by private, nonprofit companies, to aid in industrial development. These estates, which were similar to the local industrial development organizations currently operating in this country, were active both within and outside the depressed areas. However, under the prevailing conditions of a high level of national unemployment, "the first efforts to persuade industries

[3] See "Economic Report of the President" (Washington: GPO, January 1954), pp. 129–138 for a statement of the act as amended by the 83d Congress.

[4] Ibid., p. 129.

[5] "Employment Policy," Cmd. 6527, H.M.S.O. May 1944, published by the Macmillan Co. in 1945.

[6] Ibid., p. 11.

[7] See S. Please, "Structural Unemployment and Government Policy," International Labor Review, vol. 75, No. 2 (February 1957), p. 119.

[8] Although Robert S. Weinberg has suggested "a minimum acceptable level of frictional unemployment of 2.5 percent." See his article, "Full Employment 1955–60—A Feasibility Test," American Economic Review, vol. 43, December 1953, p. 863.

[9] Please, loc. cit. In the United States estimated unemployment is expressed as a percentage of the civilian labor force, while in Great Britain it is expressed as a percentage of the insured labor force. Since most workers in Great Britain are insured, however, discrepancies between the two measurements, if they exist, will be small.

[10] Jean A. Flexner and Ann S. Ritter, "Experience With Development Areas in Great Britain," Monthly Labor Review, May 1957, p. 6; and "Productivity, Prices, and Incomes," materials prepared for the joint committee by the committee staff (Washington: GPO, 1957), p. 87.

[11] Ibid.

[12] The difference in acceptable minimums is not an artificial distinction. In the United States when unemployment in a labor market area falls to less than 1.5 percent, it is classified as a "critical labor shortage area." See the Labor Market and Employment Security (Washington: U.S. Department of Labor, Bureau of Employment Security, February 1957), p. 10.

[13] See "Reports of Investigations in the Industrial Conditions in Certain Depressed Areas of: I—West Cumberland and Haltwhistle; II—Durham and Tyneside; III—South Wales and Monmouthshire, and IV—Scotland," Cmd. 4728, 1934. For an excellent discussion of the economic characteristics of these areas, see J. L. Fyot and J. Y. Calvez, Politique Economique Régionale en Grande-Bretagne (Paris: Librarie Armand Colin, 1956), pp. 46–239.

[14] Ben W. Lewis, British Planning and Nationalization (New York: The Twentieth Century Fund, 1952), pp. 167–168.

[15] Ibid, p. 167.

[16] Ibid, pp. 168–169.

to locate in the special areas met with almost complete failure." [17]

In 1936 the Special Areas Reconstruction Agreement Act was passed to provide financial assistance to companies which would locate in the special areas. Such assistance was limited to "firms which had reasonable prospects of succeeding." [18] A Special Areas Reconstruction Association was formed to administer the program, and the Treasury guaranteed approximately one-fourth of any losses which the association might incur. In the same year the Nuffield Trust was established through private philanthropy to aid in the rehabilitation of the special areas. Because this was a private agency it enjoyed more freedom of action than the Commissioners. It was able to assist directly in such ways as the purchase of shares in companies which located plants in the areas. The trust operated with a fund of £2 million.[19] The following year an equal amount was provided under the Special Areas (amendment) Act of 1937 to establish a fund to be used by the Treasury to provide financial aid to firms located in the areas. In addition, under this act the Commissioners were authorized to make limited contributions toward the rent and local taxes of these firms and to "adjust income taxes of industrial undertakings for periods up to 5 years." [20]

There was another significant development in 1937. In that year the Royal Commission on the Distribution of the Industrial Population, better known as the Barlow Commission, was appointed to "inquire into the causes which have influenced the present geographical distribution of the industrial population of Great Britain and the probable direction of any change in that distribution in the future." After exhaustive study the members of the Commission reported that the existing distribution of industry was one of the causes of localized unemployment. They also reached the significant conclusion that the problems thus engendered were national in character, and that solutions to the problems "must be sought along the lines of national inquiry and national guidance." [21]

After 1936, Government expenditures for munitions factories in the special areas increased. Also, the Ministry of Labor was empowered to assist in the retraining and transfer of unemployed workers from the depressed areas to more prosperous parts of the country. Almost 125,000 trainees were thus encouraged to move from the special areas to new jobs elsewhere during the period 1936–1939.[22]

Conditions in the special areas continued to show improvement as Great Britain moved ahead with its rearmament program. At the beginning of World War II these areas were "more prosperous than at any time during the previous decade; however, their unemployment rate was still 13 percent—almost twice the national average." [23] The principal causes of improvement, however, were not basic changes in the structural characteristics of the depressed areas. Only a limited number of new civilian job opportunities had been created as a result of the various activities pursued under legislation enacted to solve the problem of localized unemployment in Great Britain. Most of the new employment was directly or indirectly dependent upon the rearmament program, although it must be pointed out that the Commissioners were successful in obtaining preferential treatment for these areas in this respect. During the war years, of course, employment in the special areas rose further as war production increased, and unemployment continued to decline as young male workers entered the armed forces from these areas.

After the war there was again an upsurge of unemployment in the depressed areas. In 1946 two new areas dependent upon coal mining and munitions, Wrexham (Wales) and Wigan-St. Helens (South Lancashire), were added to the original special areas under standing board of trade powers conferred by earlier legislation. In 1949 the Scottish Highlands and Merseyside were also added to the list of areas to receive special assistance. In 1953, a number of communities in northeast Lancashire, heavily dependent upon cotton weaving, were also included, as textile mills in this area were liquidated.[24]

POSTWAR LEGISLATION

But while localized unemployment was rising during the early postwar period, the Government was not idle. In 1945 the Labor government passed the Distribution of Industry Act based in large part on the 1944 white paper on employment policy and the earlier Barlow report. This act was to provide the administrative machinery required to carry out the white paper's proposals for attacking the problem of localized unemployment. The commissioners who had administered the program during the prewar period were eliminated, and the board of trade took over administration of the new program.[25] In this legislation, too, the term "special area" was replaced by the more positive designation of "development area."

The Distribution of Industry Act gave the board of trade authority to construct factories, improve sites, acquire land on its own initiative, and also to provide financial assistance to local authorities for such activities. Grants and loans were made available to communities to assist in industrial development and in the procurement of basic facilities such as improved transportation, power, lighting, sanitation, and housing. An amendment to the Special Areas Act of 1937, passed in 1950, permitted the board of trade to contribute toward the moving expenses of firms locating in the development areas. In carrying out this program, the board of trade relied heavily on regional boards for industry for advice and consultation.[26]

Following the recommendations of the Barlow report and the white paper on employment policy, the Board of Trade was given a measure of responsibility for directing the location of new industry in an effort to achieve an optimum distribution throughout the country. A special location office was established by the board to collect and analyze information about industrial sites, labor supply, availability of power, housing, transportation, and other factors relevant to location decisions. All firms planning to construct new industrial buildings above a minimum size were required to register this information with the Board. Initially this minimum was 5,000 square feet, but this was later raised to 10,000 square feet.

The authority of the Board of Trade was considerably strengthened by enactment of the Town and Country Planning Act of 1947. Under this law, applications for industrial development certificates, which were required for the construction or expansion of industrial buildings, were granted only if approved by the Board. This again was consistent with the policies developed in the white paper which said: "On the one hand, power will be taken to prohibit the establishment of a new factory in a district where serious disadvantage would arise from further industrial development. On the other hand, the Government will be able to use their influence to steer new factory development into areas which call most urgently for further industrial diversification." [27]

A special committee, the Development Areas Treasury Advisory Committee, was established to review requests for financial aid. Members were drawn from banking, labor, management, and public administration. In all cases, Board of Trade approval was required before aid was granted, and there had to be a showing that any project aided would, in due course, be able to stand on its own feet as a successful business venture.[28]

In addition to the negative control over the location of industry granted the Board of Trade by the Town and Country Planning Act of 1947, various positive measures were taken to encourage or direct the location of new industry in development areas. In South Wales, for example, 10 Grenfell factories were built by the Government and leased to firms which agreed to fill at least half of their jobs with workers suffering from partial disability.[29] Other shops, called "reemploy factories," were operated by the Government to employ workers whose health did not permit them to accept normal employment.[30]

It is apparent that during the postwar period the British Government launched a many-sided attack on localized unemployment. The objective was not to provide palliatives, but rather to initiate a long-term program of development. This involved a planned redirection of earlier locational trends and both positive and negative measures to insure that the distribution of industry would conform to a pattern which would eliminate pockets of persistent unemployment. To do this the Government directed the location of industry to development areas through compulsory certification of new factory construction. The Government, on its own, constructed some factory space and made this available to private enterprise on a lease basis. Loans and grants were made to businesses which located in the development areas. A program of retraining for the unemployed was launched, and some unemployed workers were given financial assistance to migrate to other areas. In general, the Government followed Lord Beveridge's dictum that it is better to bring jobs to workers than to force workers to leave their homes in search of new employment. But it was not doctrinaire in this respect. In the main, new jobs were brought to the

[17] Flexner and Ritter, loc. cit., p. 3.

[18] Lewis, op. cit., pp. 170–171.

[19] In terms of the 1937 exchange rate, this amounted to $9.9 million.

[20] Flexner and Ritter, loc. cit., p. 3.

[21] Report of the Royal Commission on the Distribution of the Industrial Population, Cmd. 6153, 1940, p. 201. See also William H. Beveridge, Full Employment in a Free Society (New York: W. W. Norton & Co., 1945), pp. 166–169.

[22] Flexner and Ritter, loc. cit., p. 4.

[23] Ibid.

[24] For a discussion of the economic characteristics of these areas and the causes of their unemployment, see Fyot and Calvez, op. cit., especially pp. 51–55, 126–131, 182–188, 234–235, and 146–148.

[25] The Board of Trade is the British counterpart of the U.S. Department of Commerce. It has, however, more administrative power than the American agency.

[26] For a discussion of the relationship between the Board of Trade and the regional boards, see Fyot and Calvez, op. cit., pp. 29–37.

[27] "Employment Policy," p. 12. Even prior to 1947 there was some direction of new industry to the development areas through the activities of the Capital Issues Committee of the Treasury. A number of capital issues were used to finance new plant construction in the areas especially in the immediate postwar period.

[28] Lewis, op. cit., p. 181.

[29] These factories were named after the Member of Parliament, D. R. Grenfell, who first suggested their construction. They were of standardized design and covered an area of 25,000 square feet.

[30] Cf. Flexner and Ritter, loc cit., also Fyot and Calvez, op. cit., ch. II.

workers, but some workers were aided and encouraged to move to new jobs.[31]

In the earliest statement of its full employment policy, the British Government recognized that if the problem of localized unemployment was to be dealt with effectively, it must be attacked at the national level. This is not to say that there was complete acceptance of this principle from the outset. As steps were taken to put this policy into practice, opposition to the principle had to be overcome. During the debate in 1945 on the distribution of industry bill, for example, the opposition contended that the proposed legislation represented sectional rather than national interests, and the bill which finally became law was considerably modified over the original version.[32] Gradually, however, the view that such legislation was sectionalist in character waned, and by 1947 a majority of Members of Parliament accepted the nation that an effective national full employment policy must be concerned with the problems of persistent unemployment in local areas.

EVALUATION OF THE BRITISH APPROACH

How successful was this program of rehabilitating depressed areas? Was it possible for the Board of Trade, through persuasion, coupled with authority to deny permission for the construction of factories wherever builders might choose, to steer new industry to the development areas? The record shows that the overall program of the redevelopment of depressed areas was impressive. Lewis reports that more than half the new factories established in Great Britain between 1945 and 1950 were located in development areas. "By August 1950," he reports, "1,122 new factories and extensions had been built in the areas * * * and 249 were then under construction."[33] Government factories accounted for about 42 percent of the completed structures. The number of new jobs provided by factory employment alone up to that time was in excess of 200,000. "Whereas in 1932 the number of unemployed in the areas constituted 38 percent of the insured workers, the figure in February 1950 had fallen to 4 percent of a much larger insured population."[34] This, it is worth repeating, was the level suggested in early discussions of full employment as an acceptable measure of frictional unemployment.

But the program did not stop once unemployment had been reduced to this level. The Board of Trade continued to direct new industry to the development areas and, by the end of 1955, unemployment in the eight areas then classified as development areas had fallen to 1.9 percent of the insured male labor force and 2.5 percent of the female work force. This compares with national figures for that year of 0.9 percent (male) and 1.1 percent (female).[35]

By mid-1955, the Conservative government decided that unemployment in the development areas had been reduced to satisfactory levels, and the program of aid was discontinued. In support of this decision the Government reported that private building, with a volume 3 times that of Government building since 1945, could be relied on to continue the rehabilitation program.[36]

The Trades Union Congress criticized the Government for this action, but on the whole there was satisfaction with the progress which had been made up to that time. Not only was unemployment reduced to relatively low levels, but the industrial structure of most of the development areas had been altered. They were now more diversified industrial communities less susceptible to mass unemployment in the event of a downturn in activity in a single industry. There were, of course, other forces at work in Great Britain which contributed to the reduction of unemployment in the development areas. In addition to the growth of new, diversified industries in these areas, there was a revival of some of the basic industries upon which these communities had formerly depended for employment.

The rehabilitation of the depressed areas could not have been accomplished without a high level of employment in the nation as a whole. It does not follow, however, that the depressed areas would have recovered as they did even in the absence of the Government measures described above. Before these measures were enacted, a substantial shift in the location of British industry was under way. The third report of the commissioner for England and Wales had pointed out that "the drift to London was gaining in volume—while 213 new factories were established in London in 1935, only 2 new factories and 6 extensions were reported in the whole of the special areas."[37] It was this uneven growth of industry which led to the appointment of the Barlow Commission in 1937 and subsequently to an effective program for creating new jobs in the depressed areas of Great Britain.

There can be no doubt that many workers would have followed geographical shifts in industry if the earlier trends had been allowed to continue. But as Beveridge has pointed out, beyond a point there are obstacles to the geographic mobility of labor which cannot be overcome.[38] It is extremely unlikely that in the absence of steps to control the location of industry, unemployment in the development areas would have been reduced to the relatively low levels achieved in recent years.

The problem of localized unemployment in Great Britain has not been completely solved. In 1958 unemployment in some areas was as much as four times the national average. In Greenock and Port Glasgow, both tidewater communities on the south bank of the Clyde, unemployment rose sharply as the result of layoffs in shipbuilding and sugar refining and the displacement of dockers by mechanical unloading devices. The Board of Trade has already moved, however, to create new job opportunities in this area. The expansion of a business machines factory has been authorized, and a new drydock and ship repair facilities at Greenock are under consideration.[39]

Unemployment has also increased in south Wales due to the closing of more than 20 older tinplate and sheet-steel works and to the introduction of automatic processes in others. Trade union leaders have called for vigorous action to eliminate this unemployment and have urged that a proposed new integrated strip mill be located in this area.[40] Members of Parliament from this region are also urging Government action to revive industrial growth in south Wales. In the face of these pressures it is quite likely that the Government will participate more actively than it has since 1955 in the direction of new industry to areas with a substantial volume of unemployment.

One final question must be considered, if only briefly. Has the direction of manufacturing plants to the depressed areas of Great Britain led to the "uneconomic" location of industry? In other words, are the costs of operating these plants at their present locations higher than they would have been if market forces had been permitted to determine the selection of sites? These questions canot be answered definitively. Studies are currently under way in England which should shed some light on these important issues, but they have yielded no final results as yet.[41] Even if it should be found, however, that the direction of industry to the development areas has resulted in somewhat higher costs for individual plants, these must be set against the social gains produced by the reduction of structural unemployment. From the point of view of the economy as a whole, the added product and income and the savings in unemployment compensation payments resulting from these various government measures could outweigh by a considerable margin any net additions to manufacturing costs due to deviations from least-cost locations as determined by market forces.

THE AMERICAN EXPERIENCE

The British full employment program has included measures to deal specifically with the problem of chronic, localized unemployment. In the United States, however, there has been a different emphasis. We have depended upon built-in stabilizers and upon monetary and fiscal policies to help maintain a climate conducive to a high level of employment. We have not developed a national policy which would create new jobs for workers in areas of above average unemployment or to assist workers to move from such areas to other places with more promising job opportunities. Thus, while we have committed ourselves to the maintenance of a high level of employment in the aggregate, we have retained a strong faith that the market mechanism is the appropriate means to bring together idle workers and open jobs—on the assumption that job openings somewhere exist.

It would be unfair to leave the impression that the Federal Government has done nothing to bolster employment in surplus labor areas. Government contracts have been placed with firms in these areas,[42] and rapid tax amortization privileges have encouraged some firms to expand plant facilities in some of the areas.[43] What is lacking, however, is a coordinated Federal program designed to encourage the growth of new economic activities in the Nation's depressed industrial areas.

There are no statistical data to show the relative distribution of unemployment among local labor market areas prior to 1940, but there is no doubt that even during the depression some areas experienced greater unemployment than others. Unemployment was unusually severe in such communities as Providence, R.I., and Lawrence, Mass., where the exodus of textiles from New England had already begun. Also, the anthracite coal

---

[31] See Flexner and Ritter, loc. cit., p. 7.

[32] The original bill, for example, would have given the Board of Trade negative control over the location of industry via the power to prohibit new factory construction in certain areas. It was not until the Town and Country Planning Act was passed in 1947 that the board was given this authority. See Lewis, op. cit., p. 177. Cf. also, Fyot and Calvez, op. cit., p. 30.

[33] Lewis, op. cit., p. 181.

[34] Ibid., p. 182. Further evidence of the success of this program is given in a statement by the British Trades Union Congress in area redevelopment hearings before the Subcommittee on Labor, Committee on Labor and Public Welfare, U.S. Senate, 84th Cong., 2d sess., pt. 2, pp. 794–796.

[35] Flexner and Ritter, loc. cit., p. 6.

[36] Ibid.

[37] Lewis, op. cit., p. 172.

[38] Op. cit., p. 86. See also his discussion of earlier efforts to increase the mobility of labor on pp. 86–87.

[39] The Times (London), March 10, 1958.

[40] Ibid., March 3, 1958.

[41] Flexner and Ritter, loc. cit., p. 1.

[42] It has been reported that defense contracts amounting to more than $400 million were awarded to firms in 97 labor surplus areas in fiscal 1957. See the Manchester (N.H.) Union Leader, December 29, 1957.

[43] For a discussion of these and other Federal activities, see William H. Miernyk, "Depressed Industrial Areas—A National Problem" (Washington: National Planning Association, Planning Pamphlet No. 98, 1957), pp. 37–40.

areas of Pennsylvania were in particular distress during the depression. At that time, however, our concern was with the broader problem of nationwide mass unemployment.

During the war, labor shortages disappeared in most places, and during the "catching up" phase of the postwar period unemployment in the Nation remained below 4 percent of the labor force. With the recession of 1948–1949, the problem of localized unemployment reappeared. Between 1947 and 1951, for example, unemployment in the Nation ranged from 3 to 5.5 percent of the civilian labor force, but a study of 87 labor market areas in New England revealed that during that period 44 of these areas had an unemployment rate of 10 percent or more.[44] Much but not all of this unemployment was due to the secular decline of textile employment in the region. There were similar pockets of unemployment at that time in Pennsylvania, southern Illinois, the coal fields of West Virginia, and other areas scattered among a number of States.[45]

The Council of Economic Advisers recognized the existence of such structural or "spot" unemployment in its report of January 1955, but at that time the council eschewed measures to deal with the specific problems of the communities affected. Instead, its members concluded, "a large part of the adjustment of depressed areas to new economic conditions both can and should be carried out by the local citizens themselves."[46] The Council felt that the most effective contribution which the Federal Government could make to this problem was to pursue those policies "that promise a high and stable level of employment in the Nation at large."[47] This was a restatement of the view that if the aggregate demand for labor could be maintained at a sufficiently high level, unemployed workers and open jobs would be matched up through the operation of the labor market.

The Joint Congressional Committee on the Economic Report did not agree, however. In their report of 1955, the committee called for Federal action to aid depressed areas. In the same year, the committee conducted comprehensive hearings on low-income families in the United States which included an investigation of the causes and magnitude of localized unemployment in industrial and mining areas.[48] Somewhat earlier that year, the Committee on Labor and Public Welfare had held hearings on the causes of unemployment in specific industries and, in the course of these hearings, had touched upon the problem of depressed areas.[49]

In the election of 1956 the depressed area problem became a campaign issue. Both parties promised action to alleviate persistent, local unemployment. By January 1956 the Council of Economic Advisers had also come to the conclusion that the fate of depressed areas was "a matter of national as well as local concern."[50] It proposed a program of Federal assistance to depressed communities built upon four basic principles:

(a) Federal assistance should aim at helping communities to help themselves.

(b) The program should aim at lasting improvement of job opportunities by the establishment or expansion of productive industries.

(c) Federal assistance should be contingent on the active participation of governmental authorities who are close to the troubled community.

(d) Federal aid must not be extended to the community if the proposed project will create unemployment in some other area.[51]

The Council further suggested that an Area Assistance Administration be established in the Department of Commerce to administer a program of aid to depressed areas. This program, it was suggested, would include grants for the improvement of facilities, loans to firms which would locate in surplus labor areas, and technical assistance to communities qualifying for such aid.

THE DOUGLAS AND SMITH BILLS

A number of bills were introduced into the 84th Congress to provide Federal aid to depressed areas. One bill which embodied the suggestions made by the Council of Economic Advisers, and which was approved by the Eisenhower administration, was introduced by Senator H. Alexander Smith of New Jersey. Under this bill the Secretary of Commerce would have been authorized to make loans from a fund of $50 million for the construction of new factory buildings and the improvement of existing facilities in depressed areas. It also would have provided a fund of $1.5 million to support a proposed program of technical assistance.[52] The Secretary of Labor, had this bill become law, would have been authorized to assist local communities in establishing vocational retraining programs for unemployed workers, but no provision was made for payments to the workers while undergoing retraining.

A second bill was introduced by Senator PAUL H. DOUGLAS, of Illinois. This bill called for a separate agency under the executive branch of the Government to administer the entire program of Federal aid to depressed areas. It called for a revolving fund of $100 million to provide loans for the construction of new industrial facilities, and an additional $100 million to be used for loans and grants for public works. This bill would have provided supplementary unemployment compensation to workers undergoing vocational retraining. It also would have granted accelerated tax amortization privileges to firms locating in depressed areas and urged that Federal procurement contracts be granted to firms in these areas to the extent that this would not conflict with other procurement objectives.[53]

After these bills had been introduced, further hearings were held by a subcommittee of the Committee on Labor and Public Welfare under the chairmanship of Senator DOUGLAS. The report of these hearings was the most comprehensive discussion of the causes of chronic, localized unemployment published up to that time.[54] A majority of witnesses testified to the need for a program of Federal aid to revitalize the economies of surplus labor areas. Following this investigation the original bill introduced by Senator DOUGLAS was amended in a number of respects. The original bill, for example, had been concerned with depressed industrial areas only; the amended bill was broadened to include depressed rural areas as well. Total loan funds under the revised bill were raised to $275 million, with an additional $50 million to be used for grants for the improvement of public facilities. The revised bill did not contain provisions for rapid tax amortization, and the references to Federal procurement contracts contained in the original bill were also deleted.

A compromise version of the Douglas bill was passed in the Senate during the closing days of the 84th Congress, but administration leaders successfully prevented a vote in the House of Representatives. Undaunted, however, proponents of Federal aid to depressed areas (now called redevelopment areas) introduced new bills into the first session of the 85th Congress. Again there was one bill, similar to the earlier Smith bill, which had administrattion approval, and another introduced by Senator DOUGLAS. The latter was similar in its essential outlines to the Douglas bill introduced into the prior Congress.

Extensive hearings were once again held. Senators and Representatives from States with surplus labor areas, labor leaders, spokesmen for Indian tribes, State and local officials, and various others appeared before the committee in support of a program of Federal aid to communities with substantial local unemployment.[55] At the time of the hearing employment in the Nation was high; we had not yet entered the recession which started later in 1957. These are the conditions that would be most propitious for the launching of a successful attack on localized unemployment, but under such conditions it appears to be most difficult to enlist the required congressional support. As one business magazine put it, depressed area legislation in the 85th Congress became "lost in the economy shuffle."[56]

This does not mean that the problem of chronic, localized unemployment had been solved, nor has it been solved to the present day. In March 1957, the month which marks the beginning of the recession of 1957–58, 20 major labor market areas were still classified as substantial labor surplus areas. In that month there were also 59 minor labor market areas in the same category.[57]

It is true that there had been some improvement prior to the onset of the recession. In December 1956 a spokesman for the U.S. Chamber of Commerce could report jubilantly that no major continental labor market now suffers unemployment in excess

---

[44] Chronic Unemployment in New England from 1947 to 1951, Committee of New England of the National Planning Association, Staff Memorandum No. 2, May 1952, pp. 21–25.

[45] See Miernyk, op. cit., pp. 9–11; Sar A. Levitan, Federal Assistance to Labor Surplus Areas (Washington: GPO., 1957), pp. 9–13, and Louis Levine, "Unemployment by Locality and Industry," in the Measurement and Behavior of Unemployment (National Bureau of Economic Research: Princeton University Press, 1957), pp. 345–352.

[46] Economic Report of the President (Washington: GPO), January 1955, p. 57.

[47] Ibid.

[48] "Low-Income Families," hearings before the Subcommittee on Low-Income Families of the Joint Committee on the Economic Report, 84th Cong., 1st sess., November 1955.

[49] "Causes of Unemployment in the Coal and Other Domestic Industries," hearings before the Subcommittee to Investigate Unemployment of the Committee on Labor and Public Welfare, 84th Cong., 1st sess., March–April 1955.

[50] "Economic Report of the President," January 1956, p. 61.

[51] Ibid., pp. 61–62.

[52] Technical assistance includes such activities as market surveys and advice by specialists in the economics of location, cost accountants, engineers, and others who could assist local organizations in the redevelopment of depressed areas. For a more complete discussion, see Miernyk, op. cit., pp. 58–61.

[53] For further discussion of the two major bills introduced into the 84th Congress, see Miernyk, op. cit., pp. 43–50; Levitan, op. cit., passim; and Guy Waterman, "Federal Aid to Depressed Areas?" in American Economic Security, March–April 1956.

[54] "Area Redevelopment," hearings before the Subcommittee on Labor of the Committee on Labor and Public Welfare, 84th Cong., 2d sess., January–April 1956.

[55] For a report of these hearings see Area Redevelopment, Hearings before a Subcommittee of the Committee on Banking and Currency, 85th Cong., 1st sess., March–May 1957.

[56] Business Week, June 15, 1957, p. 79.

[57] "The Labor Market and Employment Security," U.S. Department of Labor, Bureau of Employment Security, April 1957, pp. 38–39. Areas with 6 percent or more of the total labor force unemployed are classified as areas of substantial labor surplus.

of 12 percent.[58] He might have pointed out, however, that nearly a score of the Nation's major labor market areas, had unemployment ranging from 9 to 12 percent, and more than two score of the minor areas in the country had this much or more unemployment at a time when unemployment in the Nation averaged only 3.7 percent. It is clear that a disproportionate share of the Nation's unemployed were concentrated in the depressed areas.[59]

These areas are also extremely sensitive to a cyclical downturn in employment. Since they begin with a fairly large base of unemployed, even a fairly modest downturn in economic activity is enough to move them into the surplus labor category. In March 1958, 70 major labor market areas were classified as substantial labor surplus areas. A number of these, including some of the textile areas of New England and the coal communities of Pennsylvania, have a history of persistent unemployment extending back for a decade.[60]

THE OPPOSING VIEWS

A coordinated program of Federal aid to depressed areas has thus far been rejected in this country.[61] To some this has appeared as a repudiation of our full employment policy. Indeed it can be argued that, the automatic stabilizers excepted, there has been little positive action to maintain full employment per se. To some extent monetary and fiscal policies have been directed to this end, but we should not ignore other policy ends which undoubtedly have been of far greater influence in determining the size of the Federal budget, tax policies, and other Government measures which have helped sustain the demand for labor at a high level. Our position of world leadership and the scientific and technological competition with the Soviet Union have called for a tremendous military budget. Also, since the end of World War II we have witnessed an enormous upsurge in private capital formation which to no small degree has resulted from technological changes, many of an exogenous character. The result has been a high level of employment nationally throughout most of the period since the adoption of our full employment policy.

The one challenge to what many would consider as effective full employment has been that of chronic, localized unemployment and we have chosen, as a matter of national policy, to ignore that challenge. As mentioned earlier, some defense contracts have been placed with firms in depressed areas, and a modest amount of plant expansion has been stimulated by the rapid tax amortization program. Also, the Area Development Office in the Department of Commerce and the Bureau of Employment Security of the Department of Labor have been able to provide some technical assistance to labor surplus areas. As Levitan has pointed out, however, "special assistance offered the labor surplus areas is a byproduct of broader programs."[62] A coordinated program designed specifically to aid depressed areas has not been acceptable thus far to our lawmakers.

Although opponents of Federal aid to depressed areas have recognized that many communities are faced with serious employment problems, they have insisted that these problems can and should be solved at the local level by the age-old standby of the market mechanism plus local industrial development programs.[63] Such opposition has come from local development groups, some local chambers of commerce,[64] the U.S. Chamber of Commerce, and the American Farm Bureau Federation. Some of the opposition has come from the areas affected. For example, the New England Council, a region-wide promotional and development organization, has publicly gone on record as opposing Federal aid to labor surplus areas.[65]

Instead of Federal aid, most of these groups or organizations argue that the rehabilitation of depressed areas should come through local industrial development activities. It has been estimated that there are about 3,000 community industrial development corporations in the Nation.[66] The vast majority of these are in communities which are not classified as surplus labor areas. A growing number of such organizations have been established in depressed areas, however, and in some cases have been quite successful. In others, their records have been less than impressive. Industrial development agencies in depressed areas are in competition with their counterparts in expanding areas, and often the latter have much more to offer in the way of locational advantages than many of the depressed areas can without developing new compensating advantages. The causes of chronic, localized unemployment are varied and complex.[67] They are often beyond the control of the citizens of a community. In spite of the best intentions, local action might not always be enough to solve localized unemployment problems.[68] Some communities lack the financial and technical resources required. The object of proposed Federal aid is to compensate for these deficiencies in an effort to assist the local communities to help themselves. Not even the most ardent advocate of Federal aid has suggested that it is the responsibility of the Federal Government to create jobs at any cost for all unemployed workers in depressed areas, nor has anyone suggested that it should be the sole responsibility of the Federal Government to rehabilitate these communities. This has often been implied, however, by opponents of proposed Federal assistance to depressed areas.[69]

SUMMARY AND CONCLUSIONS

The full employment policy of the United States may be described as one which attempts to maximize the demand for labor; that of Great Britain as one which attempts to minimize unemployment. Although the goal of each is to achieve full employment, as defined earlier in this article, the two policies are not identical.[70] The American policy strives to maintain an "adequate" demand for goods and services to insure a high level of derived demand for labor; it is up to the labor market to see that unemployed workers are directed to job openings. The British policy, however, goes beyond the maintenance of adequate demand; it includes the use of measures, when necessary, to direct the location of new private enterprises to areas of above average unemployment and to direct Government participation in the long-term economic development of such areas.

The British experience has shown that a high level of structural unemployment need not be tolerated in a free society. As the result of a concerted attack on this problem, the British have revised downward their estimates of what constitutes "frictional" unemployment. Indeed, as one eminent British economist, Colin Clark, has said: "We are likely to achieve much better results, both in knowledge and in action, if we make no claim about any supposed 'necessary minimum of unemployment,' but confine our efforts to gage the degree of overemployment to measuring it in a converse manner, by studying the number of unfilled vacancies recorded at labor exchanges."[71] It is also worth noting that Clark does not consider overemployment as a primary cause of inflation. While, in his opinion, overemployment "may be a persistent menace, we cannot blame it as the outstanding factor in forcing up prices and wages."[72]

It scarcely needs to be said that the difference between the full employment policies of the United States and Great Britain is a reflection of the different political philosophies in the two countries. Despite the increased importance of the Federal Government in the United States, ours remains essentially a free market economy, and this applies to labor as well as product markets. The price we pay for this is a relatively high level of unemployment even under conditions of "full employment." The British Government is committed to a greater amount of central planning in both product and labor markets. "Ten years' experience of rates of unemployment of around

---

[58] Guy Waterman, "Adjustment to Localized Unemployment," American Economic Security, November–December 1956, p. 27.

[59] Elsewhere I have estimated that in March 1955 surplus labor areas accounted for 10 percent of the Nation's labor force and 19 percent of national unemployment. See Miernyk, op. cit., p. 9.

[60] See ibid., pp. 10–11, and "The Labor Market and Employment Security," April 1958, pp. 7–8.

[61] Interest in the problems of these areas remains high, however. For the results of recent investigations, see Richard C. Wilcock, "Employment Effects of a Plant Shutdown in a Depressed Area," Monthly Labor Review, September 1957, pp. 1047–1052; and Vincent F. Gegan and Samuel H. Thompson, "Worker Mobility in a Labor Surplus Area," ibid., December 1957, pp. 1451–1456.

[62] Federal Assistance to Labor Surplus Areas, p. 2. For further discussion of Federal activities which have provided aid to depressed area, see Miernyk, op. cit., pp. 37–42.

[63] For typical expressions of this viewpoint, see Guy Waterman, "Federal Aid to Depressed Areas?" American Economic Security, March–April 1956; "Depressed Areas and Facts," ibid., July–August 1956; and "Adjustment to Localized Unemployment," ibid., November–December 1956. See also the statement of Robert P. Lee, representing the Chamber of Commerce of the United States, in Area Redevelopment, March–May 1957, pp. 613–642.

[64] Some local chambers of commerce, however, have supported a program of Federal aid to depressed areas. See, for example, Area Redevelopment, March–May 1957, passim.

[65] See William H. Miernyk, "The Problem of Depressed Areas," Monthly Labor Review, March 1957, p. 305.

[66] Waterman, loc. cit., p. 55.

[67] On this, see my testimony before the Subcommittee on Low-Income Families, in Low-Income Families, especially pp. 597–598.

[68] See the remarks of Senator DOUGLAS in Area Redevelopment, March–May 1957, pp. 624–625.

[69] For example, even the relatively moderate Committee for Economic Development has recently stated that "leaving area development to Washington would be wrong, expensive, and an abdication of private responsibility." Economic Developments, July 1957, p. 5.

[70] Nor are these terms used in the same sense as the "maximum employment" and "minimum unemployment" approaches described by Rees. In his study, Rees was concerned with the statistical measurement of full employment rather than with policy goals which are the subject of discussion in the present paper. Cf. Rees, loc, cit., pp. 16 and 29.

[71] Colin Clark, "The Cost of Living" (London: Hollis & Carter, 1957), p. 10. Some American economists, by way of contrast, might think that even the early estimates of fractional unemployment were too low. Clark Kerr, for example, has stated that a 5-percent level of unemployment appears to be "normal" for the American economy. See American Economic Review, vol. 41, May 1956, p. 221.

[72] Op. cit., p. 12.

1 and 2 percent have led, it seems, to a widespread belief that it is undesirable for the rate ever to rise above this very low level—a belief which both the major political parties in the United Kingdom would probably find it suicidal to repudiate."[73]

The proposals that have been made thus far for Federal aid to depressed areas in the United States are nevertheless entirely consistent with our present political philosophy. They envisage no government action which we have not seen before either on a temporary or continuing basis. The Federal Government has provided loans to business in the past, through the Reconstruction Finance Corporation. Technical advice and assistance is regularly provided to business by a number of Federal agencies. Loans and grants for public facilities are certainly not a novel suggestion. Vocational retraining would be carried on through established agencies and institutions. The nonrecoverable expenditures contemplated, incidentally, would represent only a slight fraction of the amounts we have spent to provide for an orderly decline in the agricultural sector of our economy.

In many ways the thinking of proponents of Federal aid to depressed areas has been comparable to that of the advocates of "pump-priming" measures during the early days of the New Deal. The thought has been that if the Government could stimulate a revival in these areas through loans, technical assistance, and vocational retraining, private investment could be counted on to complete the recovery.[74] While it is unlikely that this approach would reduce structural unemployment to the levels achieved in Great Britain, there can be no doubt that it would lead to improved conditions in the depressed areas of this country.

Why has Congress until recently failed to accept the relatively modest proposals for Federal aid to depressed areas advanced thus far? [75] For one thing, most of the surplus labor areas in the United States are concentrated in a small number of States. To many Senators and Congressmen the proposed legislation has undoubtedly appeared to be "sectionalist" in character.[76] Also, while our policymakers have accepted the principle of maintaining an adequate demand for goods and services, and thus a high level of demand for labor, they have been unwilling to experiment with a national policy designed to minimize unemployment.

[From International Labour Review, v. 74, July 1956:1-22]

EMPLOYMENT AND UNEMPLOYMENT: GOVERNMENT POLICIES SINCE 1950

UNEMPLOYMENT IN DEPRESSED AREAS

Unemployment in depressed areas is best considered separately from other types of unemployment. A part of the remedy for such unemployment may be found in measures to facilitate the movement of labor away from the depressed area. Many workers are, however, reluctant to uproot themselves and to disrupt family and social ties. Moreover, such measures may involve the heavy social costs of abandoning schools, land development, powerplants and other community facilities in depressed areas and expanding these facilities in the areas into which unemployed workers are moved. In many cases it is a better remedy to move capital into the depressed area rather than to encourage workers to move away from it, unless of course the area is considered hopeless for further development at a reasonable social cost even if more capital is moved into it.[1]

Especially in countries where unemployment is otherwise at a low level, interest in the problem of depressed areas has increased considerably in recent years. In the United States attention was called to this problem in the report of a joint committee of Congress. In testimony before the committee it was shown that unemployment was often substantial in textile-producing areas of New England and in coal-mining areas, especially in Pennsylvania. Unemployment is also high in some communities where railroad work is important. In his latest annual economic report the President of the United States recommended the organization of a new Area Assistance Administration for aiding communities that have persistent and substantial unemployment. This body would extend capital improvement loans for projects that promise to improve a community's longrun economic outlook but for which financing cannot be obtained on reasonable terms from private sources. The loans should be made in participation with the State or local government, acting either directly or through a proper community agency. The Federal loan should not exceed, say, 25 percent of the cost of the project, while the State or local share must not fall short of, say 15 percent. This loan program should be confined to communities that have had an unemployment rate of around 8 percent, or more during the greater part of the preceding 2 years. But the loans should be available for a wide range of projects, such as the construction of industrial facilities, the purchase and alteration of existing facilities, or the consolidation and development of tracts for industrial sites.[2]

In addition to this proposal there are a number of laws and administrative practices in the United States that provide for assistance to depressed areas. The Office of Defense Mobilization in the administration of the Defense Mobilization Act of 1950 is authorized to grant permission for rapid depreciation to firms engaged in defense work in areas that are certificated by the Secretary of Labor to have a "current or imminent surplus of labor." In the rules governing the procurement of supplies for Government agencies there are also provisions for assistance to areas with substantial unemployment. Where there are no differences in prices charged for supplies between areas of substantial unemployment and other areas, orders are required, if possible, to be placed in the former areas. When contracts for Government work are let out by competitive bidding, in case of tie bids between a firm in an area of substantial unemployment and some other firm the contract should be awarded to the former. In an executive order of the President issued on December 17, 1954, under the so-called Buy-American Act of 1933, the President has authorized the rejection of a foreign bid "in any situation in which the domestic supplier offering the lowest price for furnishing the desired materials undertakes to produce substantially all of such materials in areas of substantial unemployment." In a regulation of June 29, 1955, issued by the Secretary of Labor, criteria for the determination of areas of substantial unemployment were set out as follows: [3]

"1. The number of workers seeking employment in the area is in excess of currently available job opportunities, and this situation is expected to continue through the next 2- and 4-month period.

"2. Unemployment is 6 percent or more of the total labor force.

"3. Net nonagricultural labor requirements for 2 and 4 months hence indicate declining employment levels or no significant increase in labor requirements.

"4. The current or anticipated labor surplus is not due primarily to seasonal or temporary factors."

Special attention was given to depressed areas in Europe in the United Nations Economic Survey of Europe in 1954.[4] This survey pointed out that in some countries with a relatively high level of income and employment there were nevertheless some regions with substantial unemployment or a low level of income. These included Brittany and Massif Central of France; the Grisons and Valais in Switzerland; Northern Ireland in the United Kingdom; Schleswig-Holstein in Germany; Groeningen and Friesland in the Netherlands; and the northern parts of Norway, Finland, and Sweden. In Italy there is a great difference in the level of income and employment between the northern and southern provinces. This problem is, however, on such a scale that it may be considered a problem of economic development rather than a depressed area problem.[5]

Some of the measures taken in Europe against depressed areas may be summarized briefly. In the United Kingdom under the Distribution of Industry Acts of 1945 and 1950, the Government is empowered to gain possession of land and construct factories to be leased for private use and to extend financial assistance to industrial undertakings setting up or already established in so-called "development areas," which, among other things, are areas of high unemployment. The Town and Country Planning Acts of 1947 provide that any firm, before it can build a factory above a certain size, must obtain approval of the Board of Trade.[6] In practice these laws have been used to promote the growth of developments areas, of which there are eight in Great Britain, and to prevent further development of already overexpanded industrial areas. These development areas, in addition to having an initially high degree of unemployment, were selected with the requirement in view that they should be of sufficient size to provide

---

[73] Please, loc. cit., pp. 119–120.

[74] The revised Douglas bill called for termination of Government assistance when an area no longer met the requirements for original aid. In practice, this would mean that if unemployment could be reduced to less than 6 percent, the area would no longer be eligible for further Federal aid. See S. 964, 85th Cong., 1st sess., secs. 5 and 15, pp. 4–5 and 22–23.

[75] After this article had gone to press, Congress passed and sent to the President the Area Redevelopment Act (S. 3683) which calls for $279 million in loans and grants to surplus labor areas. At this writing, it is uncertain whether the President will sign this bill. While passage of the bill does not mean that our policymakers have fully accepted the principle of minimizing unemployment, this is an important step in that direction.

[76] We have long since recognized, however, that many allegedly sectionalist measures, the Tennessee Valley Authority, for example, have benefited the entire economy.

[1] In principle the problem of depressed areas differs from the problem of underdevelopment in that, within countries with depressed areas, unemployment can be overcome by reallocating some of the available supply of capital to the depressed area. In underdeveloped countries, per se, there is not enough capital to provide full employment even if capital is reallocated in the best possible way.

[2] Economic Report of the President, January 24, 1956 (Washington, 1956), pp. 61–62.

[3] U.S. Federal Register (Washington), Document 55–5419, July 6, 1955.

[4] Geneva, 1955, Ch. 6. See also Economic Survey of Europe in 1955, op. ct., pp. 148–150.

[5] There may be an overall shortage of capital rather than a problem of reallocating the existing supply of capital.

[6] These acts are based to a great extent on the reports of the Barlow Commission and the Uthwatt Committee. For a summary of these reports see Sir William Beverage: "Full Employment in a Free Society" (London, George Allen and Unwin, 1944), pp. 166–170.

an employment market large and diversified enough to enable the simultaneous development of several complementary industries. Special stress has been laid on avoiding overspecialization in any one industry in these areas. For Northern Ireland, where unemployment is considerably higher than in the rest of the United Kingdom, the Government has granted special subsidies for house building, and for the fuel and transport costs of agricultural produce.[7] Grants have also been made available by the Northern Ireland Government to finance part (usually one-fourth) of the cost of privately built factories and the reequipment of existing industries.

Since 1952 there has been in the Netherlands a regional development plan for eight development areas. The general aim of this development plan is similar to that of the development areas scheme in the United Kingdom. Development areas are selected regions where unemployment cannot be easily overcome by migration and where the costs of industrialization of the region are not unreasonable. The Government provides subsidies to local governments in development areas for investment in industrial land. Special stress is placed on the provision of necessary transport facilities, for which subsidies are also provided. The Government, for example, has paid 75 percent of the costs of building or improving certain roads, bridges, and wharfs and two-thirds of the cost of improving a number of canals and harbors. For new industrial establishments setting up in locations designated as "industrial nuclei" the Government provides, subject to certain conditions regarding size and construction costs, subsidies of 25 percent of the building costs provided that (a) at least 10 persons are hired in the new establishment, and (b) 1 unemployed worker is hired for every 50 square meters of floor space.

With respect to the Scandinavian countries reference has already been made to measures to aid the wood pulp industry in northern Finland. In Norway an 8-year plan for the northern part of the country was adopted in 1952. A development fund of 225 million kroner was set up, from which loans are granted or guaranteed under very favorable terms for the modernization and expansion of industry. Of special importance to the economic development of northern Norway is the expansion program of the Mo I Rana iron works.[8] The steel mill in Luleå in northern Sweden also contributed to the development of that area. In addition to the direct operations of the development plan, northern Norway has benefited from special tax privileges. As in the United Kingdom and the Netherlands, building licenses are used to influence the location of industry.[9]

In France the Commissariat du Plan has listed six regions that may be considered depressed areas. In the Durance region in the French Alps a combined power and irrigation scheme entailing heavy expenditure has been set up by a special regional committee.[10] A development plan is also being worked out by a regional committee for the Bas-Rhone-Languedoc area. In other parts of France less has been done to combat local unemployment and underemployment. The Government has, however, certain powers that enable it to act to overcome unemployment in depressed areas. For example, it may draw on the national land development fund in order to acquire land on which new industries may be established. By the decree of September 14, 1954, subsidies from this fund are provided for the establishment of new factories in depressed areas and to encourage the moving (or extension) to depressed areas of firms or plants that are now located in areas where industry is overconcentrated. In depressed areas new plants or extensions to existing plants are exempt from certain local taxes and from part of the taxes on property transfers. In order to encourage the expansion of industry in depressed areas rather than in the very heavily industrialized Paris area, a decree of January 6, 1955, provided that the building or extension of industrial firms above a certain size must be approved by the Ministry of Housing and Reconstruction.

In the Federal Republic of Germany during the years following the Second World War unemployment was aggravated by a very large influx of refugees. In recent years the situation has much improved but unemployment is still substantial in Schleswig-Holstein and the eastern parts of the Federal Republic. The West German Act of March 10, 1952, provided for the establishment of a tripartite Federal Institution for Placement and Unemployment Insurance.[11] At first the institution appears to have been intended to deal only with the administration of the unemployment insurance program and the improvement of the organization of the employment market. On August 4, 1953, however, the law was amended to provide that the powers of the institution might be broadened to include the extending of loans and subsidies. These funds are to be used for the development of regions of the country—mainly those with large numbers of refugees—where unemployment remains substantial. Financial assistance from the institution is required to be matched by at least equal contributions from the state governments involved.[12] Under this program aid has been extended to the Länder of Schleswig-Holstein, Bavaria, Hesse and Lower Saxony. The Federal Government also gives priority to depressed areas in the placing of public contracts. Another source of aid to areas in the Federal Republic with substantial unemployment is a special tax on property not damaged by war, the proceeds of which are used to aid those who have suffered war losses. Loans have been made in this way to firms that undertake to engage a certain number of unemployed workers, and by April 1955 a total of 280 million deutsche marks had been advanced to employers who agreed to provide about 82,000 new jobs.

In Ireland a special Government corporation known as An Fóras Tionscal was set up in January 1952. The Minister for Industry and Commerce with the approval of the Ministry of Finance may make grants not exceeding 2 million Irish pounds to the corporation. The corporation may make land available and provide half the cost of machinery and equipment for new enterprises in depressed areas. It may also recommend that the Minister of Industry and Commerce fix special rates for these enterprises on electricity and other public services. As in the United Kingdom, the Government of Ireland has used its licensing powers to encourage the establishment of new industries in depressed areas.

EXHIBIT 2

DEPRESSED AREAS IN WESTERN EUROPE—IL MEZZOGIORNO (SOUTHERN ITALY)

(By Vladimir N. Pregelj, Economics Division, Library of Congress, March 11, 1959)

SETTING OF THE PROBLEM

The unification which, in 1860, joined into a single Italian state the several kingdoms and principalities of the Apennine Peninsula, also gave the economy of this new state a headache which has plagued it ever since—the economically underdeveloped and chronically depressed Mezzogiorno (the south). The Mezzogiorno comprises the regions of Abruzzi and Molise, Campania, Puglie, Basilicata, Calabria, and the Provinces of Frosinone and Latina in the Lazio, as well as the islands of Sicily, Sardinia, and Elba, and covers, on the mainland, the area south of a line crossing the peninsula slightly above its narrowest part.

Through the centuries, the Mezzogiorno has been almost exclusively—and essentially still is—an agricultural economy. Its depressed condition is primarily due to physical causes, but was intensified by politico-economic factors. The predominance of mountainous terrain restricts the available arable land to 14 percent of the land areas as a whole, and to almost negligible proportions in some regions (Calabria). The growing demand for food has pushed cultivation to marginal lands, often denuded of their original forest vegetation. This deforestation has, in turn, had serious consequences for the already precarious condition of water resources.

The mountains of the south follow irregular courses and are very rugged, thus making construction of surface transportation routes difficult and expensive as well as giving a torrential character to the water streams of the region. The latter, coupled with concentration of precipitation during relatively short periods of the year, intensifies the erosion of high-lying lands and facilitates the depositing of detritus and mud by torrential waters in the plains.

Another natural factor, which makes agriculture in the south the more difficult, is the general lack of permanent surface streams aggravated by scarcity of precipitation and its seasonal concentration in the autumn and winter with its consequent erosive force. Lack of water is accentuated by the high summer temperatures, both resulting in extreme droughts limiting the growth of vegetation to early and late spring and late autumn. Thus intensive cultivation of pastures is impossible, and consequently, the number of livestock, sorely needed in an agricultural economy so lacking in mechanized equipment as that of the Mezzogiorno, is far from sufficient. The exigencies of extensive agriculture have also been one of the important factors in the establishment, years ago, of the feudal-like system of large, mostly absentee-owned "latifondi," which has in part persisted to this day, and substantially contributed to the exploitative nature of southern Italian agriculture.

Historically and politically the south has been, for many centuries, part of non-Italian states ruled by the Angevins, who decisively curtailed its financial autonomy, and by the Spanish Bourbons who treated Naples and Sicily more like colonies to be exploited than like Provinces to be governed with enlightenment. Foreign rule has also brought with it feudalism which left its mark in the form of the "latifondi." Although the Bourbon state had a fairly well balanced budget and a relatively low public debt, this equilibrium was one of poverty and scarcity.

The unification made the situation even worse, at least in a relative sense. The introduction of the Piedmontese system of personal taxation instead of that of real taxation in effect under the Kingdom of Naples placed on the south a burden disproportionately heavy in comparison with the wealth of the region, and the assumption by the new state of the public debts of the former principalities weighed much more upon the south, since, for example, the public debt of Piedmont, a region much smaller in area and population than the south, was almost 2½ times that of the former Bourbon Kingdom.

[7] "Economic Survey of Europe in 1954," op. cit., p. 162.

[8] See Iron and Coal Trades Review (London), Oct. 28, 1955, pp. 1007–1010.

[9] Economic Survey of Europe in 1954, op. cit., p. 163.

[10] Ibid., pp. 163–164.

[11] See I.L.O. Legislative Series, 1952 (Ger. F.R. 3).

[12] Bundesgesetzblatt, pt. I, Aug. 5, 1953, No. 43, p. 719.

In contrast, the per capita ratios of national revenues to expenditures which in some regions of the north were about 1 to 1, reached in the south 2 to 1 or even less favorable proportions, representing thus a constant drain on the wealth of the already depressed south.

Despite the fact that the economic misery of the south revealed itself in its earliest contacts with the other regions of the new state, long years had passed before any attempts were made to remedy the situation. In most cases, they did not go beyond the study stage; in some instances, where tangible results were achieved, these were too localized to have any significance for the general economic development of the south. Thus, despite some natural, though slow, progress the south found itself after World War II in essentially the same depressed condition which had plagued it through the centuries: Low-yield agriculture, lack of industry, inadequate transportation, widespread unemployment and underemployment and, in general, a very low living standard. As a result, over one-third of the natural growth of population migrated to other countries.

World War II brought greater disaster to the south than to the north and widened the spread between the economy of the south and that of the north.

GOVERNMENT MEASURES

During the first few years following World War II the Italian Government was primarily concerned with the reconstruction of the war-torn economy as a whole and did not take any steps designed specifically for the development of its southern sector, although this sector had—in addition to its generally depressed condition—also suffered most by the ravages of war. The Government did, however, within the framework of its existing policies, create industrial credit sections at the banks of Naples, Sicily, and Sardinia to act as the main financing agents for the revitalization of the economies of the southern mainland, Sicily, and Sardinia, respectively.

The earliest legislative measure limited the economic development of the Mezzogiorno was the legislative decree 1598 of December 14, 1947, which was designed to stimulate the growth of southern industrial capacity by means of various fiscal incentives, transportation subsidies, and financing facilitations granted for establishment of new industrial plants, and for reconstruction, reactivation, or expansion of old ones. A few minor supplemental measures were enacted during the following few years.

By 1950, the measures put into effect by the legislation for the industrialization of the south were quite numerous, although for the most part characterized by a rather passive nature of governmental intervention. In the fiscal field they comprised exemption from payment of customs duties and license fees on imports of construction materials, and of machinery and equipment required for construction and operation of industrial plants; 50-percent reduction of general sales tax on such materials and equipment; exemption from payment of income tax on earnings derived from new industrial investment; and reduction of fees for transfer and registration of title to real estate necessary for industrialization to a fixed rate of 200 lire.

In the field of transportation, the subsidies consisted of 10 to 50 percent reductions of low-speed freight charges on state railways for construction materials and machinery needed for industrialization of the south; and of 20-percent reduction of freight charges for such cargo on subsidized maritime lines servicing the island of Sardinia.

In the field of financing, industrialization credits totaling 10 billion lire were made available through the industrial credit sections of the banks of Naples, Sicily, and Sardinia, and guaranteed in full by the state treasury. These credits could not be used for reconstruction of industry damaged by the war, and borrowers had to provide at least one-third of the needed capital from their own resources. The interest rate on these loans was set at 3.5 percent above the official discount rate. However, the treasury was authorized to assume part of the interest charge up to a point where the burden on the borrower could be as low as .5 percent below the discount rate.

In addition, some sundry measures were enacted providing for exemption of southern industrialization projects from any other regulations applicable to new industrial plants; and giving such projects the power of expropriation over real estate needed for industrialization.

In 1950, first major advance was made in the active participation of the Government in the economic development of the Mezzogiorno. Law 646 of August 10, 1950, created the Cassa per opere straordinarie di pubblico interesse nell Italia meridionale (fund for extraordinary works of public interest in southern Italy), or with its shorter title Cassa per il Mezzogiorno (fund for the south), a Government agency given the task of carrying out a large-scale plan of public works designed to create such environmental conditions as are indispensable for the formation and effective operation of new agricultural and industrial activities. This task has often been given the name of "pre-industrialization."

Specifically, it involves such projects as regulation of river basins and courses, land improvement, irrigation, agrarian changes, including those falling under the land reform programs, construction of non-State ordinary roads, aqueducts and sewerage systems, establishing of plants for processing and marketing of agricultural products, and promotion of tourism. In fulfilling its task, the fund may delegate the execution of individual projects to appropriate governmental or local agencies, or—in specified fields—create subsidiaries for this purpose.

The financial means of the fund are derived primarily from annual endowments consisting principally of Treasury appropriations, but also of various earmarked revenues. Annual endowments, originally set at 100 billion lire, have been gradually increased to 180 billion lire, and aggregate endowment for the duration of the program rose from 1,000 billion lire for the originally planned 10-year term to 2,040 billion lire for the 15-year term based on a later extension of the program until June 30, 1965. The fund is also authorized to acquire additional funds necessary for the execution of its projects by issuing obligations or borrowing at home and abroad.

The fund is administered by a board of directors, and its activities are planned in general lines and supervised by the committee of ministers for the south, created by the organic law of the fund. This committee is responsible to the Parliament for the functioning of the fund and has been given considerable discretionary authority in regard to its operations.

In 1957, after the first phase of the industrialization program—the pre-industrialization—launched by the fund law had been, with more or less success, in operation for 7 years, the necessity of giving further impetus to the work of developing the economy of the south led the Government to prepare a program of more extensive public industrialization measures. This program was enacted as law 634 of July 29, 1957, designated as the "provisions for the south." This law is not an organic law, but primarily amends, extends, and above all supplements in great detail the existing legislation, especially the fund law of 1950. In addition to extending the life of the fund through June 1965 and increasing the annual endowment payments, it authorizes a number of public grants, credits, and incentives of particular benefit to the industrial sector of the southern economy. It also extends the coverage of provisions contained in some earlier legislation, particularly to associations and consortia established for the pre-industrialization and industrialization purposes, and contains provisions especially favoring development of small industry and handicrafts.

In the field of fiscal measures the new fund law provides for extension of all fiscal reductions and exemptions favoring the fund to all agencies acting on its behalf; for exemption of all materials used in the execution of the fund's programs from payment of the consumption tax (imposta di consumo); for partial or total exemption from industry and other taxes, including consumption taxes, of firms establishing or improving their plants in communes of less than 75,000 population; for limited exemption from income tax (class b imposta di richezza mobile) of profits reinvested in agricultural or industrial improvements; for the extension of the reduced 200 lire registry and mortgage fees to cover also instruments of incorporation of industrial companies and mortgages contracted in connection with transfer of real estate for the purpose of industrialization as well as industrialization capital increases, relative bond issues, and instruments connected therewith, reorganization of companies and normalization of irregular firms.

The new law contains a large number of provisions facilitating the financing of pre-industrialization and mostly industrialization projects. Thus, up to 40 percent of expenditures for the purchase and improvement of boats and fishing gear, for the establishment of oyster and mussel beds, and for the processing, refrigeration and transportation of fish and fish products, may be covered by the fund. The fund is authorized to pay in full for the construction of water and sewerage systems in small communes of under 10,000 population, or to assume part of such costs for larger communes. In addition, the Cassa depositi e prestiti (Postal Savings System) is obliged to grant credits necessary for the financing of these public works projects whenever they are carried out by the fund. The fund is further authorized to make grants for the construction of electric powerplants and distribution systems in land improvement areas, and may also undertake the restoration of tourist sites of particular historic, artistic, or archeological interest.

In small communes of under 75,000 population, lacking industrial facilities, the fund is authorized to make direct grants covering up to 20 percent of cost of establishment of small and medium industry, including construction of buildings, installation of machinery, and connections to existing roads, railroads, and water and power systems. Furthermore, up to 30 percent of expenditures for transformation, modernization and mechanization of small industries may be covered by contributions granted by the fund.

The law also provides for the covering by grants of up to one-half of expenditures incurred by local consortia, the organization of which for the purpose of creating industrial zones is also authorized by the new fund law, in carrying out their preindustrialization and industrialization projects. Such consortia are also given access to credits granted by the various semipublic insurance and credit institutions. In addition the Cassa depositi e prestiti is authorized to grant to southern communes loans for the purchase of real estate for purposes of industrialization or employment increase.

In order to make it possible for the southern regional medium-term credit institutions, created by an earlier law, to expand their operations, the new fund law authorizes the fund to grant to these institutions subsidies to alleviate the cost of their bond

issues which exceeds the interest charges on their loans. The law also authorizes the industrial credit sections of the Banks of Naples and Sicily to utilize the repayment on their earlier loans for granting certain additional credits. Such credits may be used to supplement loans granted earlier by these section, as medium-term development financing, not to exceed 50 million lire, of small and medium industries, and to enable medium and small industries to acquire stocks of raw materials and finished products.

In addition to making direct grants, expanding the availability of industrial credit, and extending fiscal exemptions, the new fund law includes some provisions for the direct public investment in the south. It stipulates that for the duration of the fund law the expenditures of the individual ministries for public works in the south must be in proportion with the population strength of the south. In addition, the agencies under the supervision of the Minister of Government Holdings (Ministro per le partecipazioni statali) are required to allocate to the south at least 60 percent of investment intended for the creation of new plants and at least 40 percent of their total investment.

Some general measures tending to regulate the economic progress of the south conclude the series of provisions for the south. Great emphasis is placed in the role of industrialization consortia, and many of the provisions applicable to the fund itself have been extended to apply to these associations, including the power of expropriation. For better efficiency, the development programs for the south of the fund and of the various Ministries are coordinated through the Committee of Ministers for the South; those applicable to the islands of Sicily and Sardinia must, in addition, be drawn up in agreement with the administrations of these islands. A final provision, a rider attached because of the pressure exerted by organized labor, requires all beneficiaries of provisions of the new fund law to grant their employees conditions not less favorable than those stipulated in collective bargaining agreements for identical types of work in the same area.

MEASURES TAKEN BY PRIVATE BUSINESS

Although the task of developing the economy of the Mezzogiorno is of such proportions that it cannot be solved without the direct and vigorous intervention of the Government, the private sector of the economy has not stood by idly expecting the solution of the problem to come solely through public action. As a matter of fact, it was the private business that undertook the first major program—even before any direct Government measures were taken on behalf of the south—designed to foster the economic development of the area.

On December 2, 1946, a group of 45 Italian enterprises established the Associazione per lo sviluppo dell'industria nel Mezzogiorno-Svimez (Association for the Industrial Development of the South). The purpose of the association is to promote and conduct specialized studies of the economic conditions in the south and thereby provide the background for concrete programs and projects designed to create and develop industrial activities which would, in view of ascertained needs, provide the best remedy for the economic ills of the Mezzogiorno.

The membership in the association is open to all domestic and foreign firms and individuals interested in the economic development of the south. Each member contributes an annual quota varying according to its business capital. Originally, the quotas ranged from 250,000 lire for members with capital under 50 million lire to 3 million lire for those with over 1 billion lire of capital. In order to make the membership in the association possible for smaller firms and thereby increase the overall revenue, the annual quotas were successively reduced, and, since 1953, have ranged from 100,000 lire for individuals and firms with capital under 100 million lire to 1 million lire for those with capital over 5 billion. In addition to this regular membership, supporting membership with annual contributions of 3 million lire was established.

By the end of 1955 the membership of the Svimez had increased from 45 to 99 members, representing every sector of the national economy, and its revenue from annual contributions from 48,250,000 lire to 88,800,000 lire. Almost one-half of these funds was contributed by enterprises with national scope, slightly over one-fourth by those operating primarily in the north, and slightly under one-fourth by firms active predominantly in the south.

The association is strictly a research organization and is enjoined by its constitution from engaging in industrial or commercial activities. Its research and studies, the results of which have been widely drawn upon also by the public agencies, especially the fund for the south, follow two main directions. One is concerned with the general economic, and especially industrial, development of the south as a whole, the other with activation or reactivation of those individual economic sectors which appear to be best suited for the economy of the Mezzogiorno. While the studies of the former type take into account and, indeed, count upon outside aid, the studies of and expansion plans of the latter type are based primarily on locally available resources.

In practical terms, regional studies comprise essentially pre-industrialization projects, such as organic planning of public works (railroads, highways, transportation and communication lines, power and fuel distribution systems, water supply and sewerage systems, reclamation, regulation of streams, irrigation, reforestation, and many others), vocational training, enhancement of the position of the southern entrepreneur in relation to his northern counterpart through public subsidies, and similar. These studies involve not only the economic and social justification of the projects, but also the expenditures involved, the problems of investment and financing and their possible solutions.

The studies of economic sectors have been concentrated primarily in the field of agriculture, the traditional source of southern livelihood; they have, however, included also other sectors such as mining, manufacturing, commerce and tourism. Specifically, detailed analyses have been made of wine industry, production of olive and essential oils, fruit and vegetable growing and canning, and production of cork, wood, cellulose, and raw silk. The association also conducted extensive studies in regard to handicrafts and small industry as well as mineral prospecting and manufacturing of machinery.

In these studies the association utilized its own field research facilities as well as locally and nationally available sources of information, such as census data, chambers of commerce, associations of industrial firms, agencies of provincial administrations, and similar. The wealth and variety of collected information has prompted the association to publish not only voluminous reports on its industrialization studies, but also works about the south containing statistical and general information, such as statistical yearbooks and selected industrial statistics, and several editions of commentaries on legislative provisions in favor of the south. Monographic or annually published material is being kept up to date by weekly bulletins with monthly supplements dealing with problems of underdevelopment.

In addition to industrialization studies, the association has investigated other economic aspects of the south, such as regional and family incomes, required level of investment and its multiplier effect, and socioeconomic factors and effects of the industrialization program.

The association also acts as a clearing house for information on the south, runs a technical counseling and general information service, and participates in regional, national, and international conferences on the development of underdeveloped areas.

Although the Svimez is prohibited from engaging directly in industrial and commercial activities, it may organize and own stock in subsidiary corporations established for the promotion of industrial, technical, or experimental activities. Such a subsidiary, the Società per l'industrializzazione delle regioni meridionali—Sudindustria (Society for the Industrialization of Southern Regions), was established on July 22, 1947, with capital stock of 10 million lire, over half of which is owned by the parent organization. The field of activities of Sudindustria includes establishing experiment centers and industrial plants, preparing plant projects and submitting them to private enterprises for eventual materialization, fostering international agreements for the development of technical and commercial activities of the southern industry, assisting third parties engaged in activities falling within the scope of the society; in short, approaching the task of industrialization from the standpoint of action rather than study. After the launching of the governmental program for the industrialization of the south through the fund for the south, which coincided with and greatly expanded that of the Sudindustria, the society was liquidated in 1953.

During the years of its operation, the Sudindustria was instrumental primarily in setting up a network of fruit and vegetable growing and processing stations, in modernizing the olive oil industry, in establishing the mining company of Calabria for the purpose of mineral prospecting and exploitation, and in organizing the Southern Fishing Co., a fishermen's consortium.

Another subsidiary organized by the Svimez is the Unione Aziende Meccaniche Meridionali—UNAM (Union of Southern Machinery Enterprises). The purpose of this consortium is to increase production and sales of its members through technical and commercial measures designed to widen the markets, to strengthen technical cadres of the industry, and coordinate the activities within the industry.

Sources: Associazione per lo sviluppo dell'industria nel Mezzogiorno: Agevolazioni per l'industrializzazione e lo sviluppo economico del Mezzogiorno. 2d ed., Rome, 1950; Aggiornamenti al 1° Luglio 1952, 3d edition, Rome, 1952.

Associazione per lo sviluppo dell'industria nel Mezzogiorno: Relazione del consiglio di amministrazione al bilancio, 1947–55, Rome, 1948–56.

Banco di Napoli: Sezione Credito Industriale. Raccolta dei provvedimenti di legge e delle disposizioni ministeriali concernenti la ricostruzione industriale, la media e piccola industria e l'industrializzazione del Mezzogiorno. Naples, 1949.

Cassa per il Mezzogiorno: Bilancio, 1950–51 to 1956–57.

Cassa per il Mezzogiorno: La Cassa per il Mezzogiorno; primo quinquennio: 1950–55, Rome, 1955.

Italy: Laws, statutes, etc., Gazetta ufficiale della Repubblica Italiana, part 1, vol. 91, No. 200 (Sept. 1, 1950), pp. 2490–2494; vol. 98, No. 193 (Aug. 3, 1957), pp. 2912–2919.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I regret that I was not in the Chamber to hear the Senator's comments on the section of the bill

which relates to rural development areas, as I believe they are called.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Does this section of the bill tie in with the current program of the Department of Agriculture, which is known as the rural development program?

Mr. DOUGLAS. It does, but it makes a big improvement in that program, because the present program of the Department of Agriculture is based on the theory that there shall be no outside aid given to hard-pressed localities; that they must sink or swim themselves.

As the Senator from Minnesota well knows, the National Planning Association has said the Department of Agriculture program is grossly inadequate on this very point. Our bill aims to provide outside capital and outside technical assistance to help the hard-pressed areas to keep going and to help them provide for farm employment.

Mr. HUMPHREY. The situation with respect to rural development has been discussed in the Committee on Agriculture and Forestry, of which I am a member, and I have had considerable interest in it. As the Senator from Illinois knows, this program has been limited primarily, under the present administration, to a few pilot plants or pilot projects in selected counties. Actually, it has been, at best, a sort of "noble experiment" in the coordination of existing facilities.

Mr. DOUGLAS. I would say it is really a timid experiment.

Mr. HUMPHREY. Yes, it is. I used the words "noble experiment" in quotation marks. Certainly, the words "timid experiment" are better.

However, the program under this bill will tie in with the limited efforts which are being undertaken.

Mr. DOUGLAS. The bill will provide a revolving loan fund of $100 million with which to start new industries in underdeveloped rural areas.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield further to me?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. I am wondering whether the Senator from Illinois noticed, in last evening's Washington Star, an article entitled "Warning—Get Your Loan Now." The article was written by Miss Sylvia Porter.

Mr. DOUGLAS. No; I regret that I did not notice it.

Mr. HUMPHREY. I hold the article in my hand. In the article, Miss Porter states that the cost of borrowing money has once again risen, and no easing of credit is expected. She also makes some very interesting comments on the inflation in the money market, as a result of the administration's monetary policy. For example, the yields of Government bonds have risen, since 1952, by 44 percent; and the yields of top-grade corporate bonds have increased by 40 percent; and the yields of prime commercial paper, for 4 to 6 months, have increased by 43 percent; and the yields of 91-day Government bills have increased by 55 percent.

The general theme of Miss Porter's article is that in the case of a "fair-sized loan extending over a period of years, a rise of even a small fraction of a percent can run into real cash."

I read further from her article:

> On June 30, 1958, on August 21, and again on January 6, 1959, I reported that the cost of borrowing money was on the rise. And this has been the trend through all these months.

In the article, Miss Porter points out that a high borrowing charge is "in the cards" for the remainder of this year. She also writes that:

> If you're going to need a loan in the near future—to buy or improve your house, to expand or modernize your business, to finance a variety of personal activities—get that loan now.

Let me ask this question: With these rising interest costs, is it not true that in the case of the areas which are suffering from chronic unemployment or underemployment or in which industries have suffered because of trade practices or technological changes or advances, the rising interest rates, with no easing of credit, literally make it very difficult, if not impossible, for labor in those areas to be employed adequately?

Mr. DOUGLAS. That is correct; and also in those areas the interest rate is higher than in the rest of the country.

Mr. HUMPHREY. So there is a double effect.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. On the one hand, there is restriction of credit, because of the high interest rates. On the other hand, because in these areas risk is involved, chronic unemployment exists, and there are difficult economic problems, the private lending agencies expect to receive much higher interest rates on greatly reduced terms—all of which, in turn, makes it literally impossible for investments to be made and for job opportunities to be created.

Mr. DOUGLAS. Yes, Mr. President; the Senator from Minnesota, with his usual prescience, goes directly to the heart of the matter.

Our aim is to provide revolving loan funds, so as to enable the loans to be made at cost to the Government, plus a loading charge for administration and for risk, so that more credit will be available on terms which will enable new industry to start and to go forward.

Mr. HUMPHREY. Let me add that although it is possibly true that such a program as this one will result in some cost to the taxpayers, on the other hand the loss in property values, inventory values, and commercial values in the so-called depressed areas will be far in excess of any cost of such a rehabilitation or redevelopment program in these areas.

Mr. DOUGLAS. Furthermore, we believe that by giving this assistance to the people of these areas, we shall reduce relief costs, unemployment compensation costs, and crime costs; and we shall really put economic health into the communities, raise the tax revenues of the communities, and permit the communities to move forward.

Mr. HUMPHREY. As the Senator from Illinois knows, one of the areas listed in the committee report as being among the areas of substantial labor surplus is the Duluth-Superior area, in Minnesota.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Presently, considerably more than 14 percent of the total work force in that area is unemployed. In fact, I think the figure for the month of February is somewhat greater, according to the Minnesota Division of Employment and Security.

If one wishes to see what happens to property values and to municipal costs, which in turn have to be met by those who can pay taxes, one needs only visit one of these areas.

I have served in local government, as has the Senator from Illinois; and we know that the minute there is chronic unemployment in an area, the value of the real estate in the area falls sharply, and the value of tools and equipment falls sharply; and the whole area is depressed, not only economically, but also psychologically.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. And the cost of such depression is really very, very great—far beyond what rehabilitation generally costs.

So I am very happy to be associated with the Senator from Illinois [Mr. DOUGLAS], the Senator from Kentucky [Mr. COOPER], and all other Senators who have joined in sponsoring this bill, because it represents very thoughtful planning for economic rehabilitation. The bill does not call for a WPA, a PWA, or a giveaway. The program under the bill amounts to a supplementation of the private sources of credit and coordination of the technical facilities of government and of private agencies; and the bill offers a ray of hope to industrious people and to communities and to individuals who are willing to take a little extra risk in order to rehabilitate their areas.

On that basis, I associate myself with the Senator from Illinois.

It would be interesting to hear what the opposition has to say. I gather that, following reasonably short sorties, based on both verbal response and the response of conscience, the opposition will fade away.

I should like to ask unanimous consent to have printed at this point in the RECORD the article by Miss Sylvia Porter, if that will meet with the pleasure of the Senator from Illinois.

Mr. DOUGLAS. Certainly.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 19, 1959]

WARNING—GET YOUR LOAN NOW

(By Sylvia Porter)

If you're going to need a loan in the near future—to buy or improve your house, to expand or modernize your business, to finance a variety of personal activities—get that loan now.

Arrange for the details as soon as feasible for you. Do your shopping without delay for the most favorable terms to you among the various financial institutions.

For the cost of borrowing money is rising again on a broad front and borrowers, from the biggest and most established to the small and new, are going to feel the change. But the pressures of demand for money are still not so strong that they bar concessions to a credit-worthy and alert applicant.

The pressures could become quite formidable, though, as the year goes on. Then, there'll be no doubt that you'll be required to pay a higher rate to get money. On a fair-sized loan extending over a period of years a rise of even a small fraction of a percent can run into real cash.

On June 30, on August 21, 1958, and again on January 6, 1959, I reported that the cost of borrowing money was on the rise. And this has been the trend through all these months.

CREDIT TIGHTENING

Now once more, a move toward tighter credit is clearly underway. While against the interest rate level of last June loan costs are comparatively expensive today, they're likely to become more so.

What is happening is this:

A new burst of inflation remains the key fear of the Federal Reserve System. To combat the psychology and the inflationary forces, it is therefore using the one great anti-inflation weapon it has—its control over credit. By a series of maneuvers in the money markets it has been cutting the availability of money in the banking system. It also has just raised the discount rate and has thus given the signal to banks to raise their rates on loans to us. The theory is that as credit tightens and loans become more costly, inflation-breeding borrowing and spending programs will be postponed and pressures on prices will be curtailed.

MONEY DEMAND RISING

Simultaneously, the demand for money is slated to rise—from the Treasury, States, cities, businessmen, individual consumers. There are new indications that corporations will be increasing their spending on plant expansion later this year and if so, they'll be increasing their demands for credit. If buying of the new compact cars is heavy this fall, the demand for installment loans certainly will rise.

In short, the supply of credit in the banking system is being restricted; the demand for loans is heading upward; the Federal Reserve System is encouraging caution among lenders. It's a traditional combination for higher borrowing costs.

A higher borrowing charge is obvious when a lender simply asks you to pay an interest rate above what you would have had to pay on a loan a year ago. It is not so obvious when the lender offers the loan at no higher rate but asks you to keep some of the loan on deposit or takes out the interest due in advance. Either way, though, the cost is up.

For the fourth time since June 1958, I repeat—arrange now for that loan you know you'll need or want soon.

Mr. DOUGLAS. Mr. President, I wish to thank the Senator from Minnesota for his comments.

I, too, have waited for the opposition to come into the Chamber and offer its objections to the bill. But, aside from one shot which was fired here, the opposition has been silent. I shall await with keen expectation the presentation of the views of the opposition. I hope I may have a chance today to answer the opponents face to face, and not merely have to deal with their arguments when they are away.

Mr. President, I yield the floor.

Mr. COOPER. Mr. President, I speak in support of Senate bill 722, the area redevelopment bill, reported by the Senate Committee on Banking and Currency. The bill will provide assistance and will give hope and encouragement to the thousands of people living in the areas of our Nation which are suffering from chronic unemployment and underemployment. In 1958, I supported the area redevelopment bill sponsored by Senators DOUGLAS and PAYNE; and I am glad to be a cosponsor of Senate bill 722.

At the beginning of my remarks I must pay tribute to the distinguished senior Senator from Illinois [Mr. DOUGLAS] whose untiring efforts have been largely responsible for the proposed legislation we are discussing today. His name is identified in the public mind with the concept of assisting the people of the country's depressed areas in their efforts to achieve economic recovery and stability. He has done superb work, and he deserves our gratitude for his perseverance and his humane spirit.

I am proud to be associated with him in this endeavor. I pay tribute also to many others in this body, members of both parties, who have labored in this cause.

The committee report presents clearly the objectives of the bill, and its provisions.

Other speakers have explained its details, notably the Senator from West Virginia [Mr. BYRD] in an outstanding speech made yesterday, and just now we have heard the Senator from Illinois [Mr. DOUGLAS], who is the moving spirit behind this bill, give compelling arguments for its passage by the Senate.

Little can be added to these statements, but I have selected some points for discussion which hold significance to me.

It may appear unusual that as a member of the minority party, I am cosponsoring and supporting the committee bill, S. 722, rather than S. 1064, proposed by the administration. In my remarks I intend to develop the reasons which lead me to believe that S. 722 will meet more realistically and adequately the problems of the Nation's depressed areas.

To those who may oppose S. 722 and cry out against its expenditures, I will say that the need for a national legislative program of assistance to economically depressed areas has been recognized and admitted by the Congress and the President of the United States. In 1958 the Congress passed the Douglas-Payne bill, which was similar to S. 722, but which was later vetoed by the President.

The President of the United States on several occasions in the past few years has stated his agreement that Federal assistance is required. In his "Economic Report" to the Congress, submitted on January 20, 1959 the President stated:

Despite the forward economic strides of the Nation since the war, some communities have suffered substantial and persistent unemployment, when measured against national experience. Federal assistance to these communities is required not only to mitigate the hardships of individuals and families but also to provide for the use of underutilized resources, to the enhancement of the national welfare.

The issue before the Senate, therefore, is not whether there is need for a program of Federal assistance to these areas. It is whether the program we enact will work, whether it will actually provide assistance to hundreds of needy industrial communities and needy rural areas throughout the Nation.

I digress for a moment to say that the minority views on the bill did not even mention the principle that the President of the United States has stated, which is that there is a need for Federal assistance if this problem is to be met.

I support S. 722, rather than S. 1064, because I believe it will more likely give assistance to these depressed areas than will the administration bill. I support S. 722 because I want my vote to help our needy fellow countrymen.

The first reason for my support of S. 722 is that the $379½ million it would authorize for loans, grants, and technical assistance is a reasonable amount, even the minimum amount required to stimulate new economic activity in depressed areas.

The Department of Labor has declared that 76 major and 183 minor labor surplus areas existed on January 1, 1959. All of these would not qualify for assistance under S. 722 as areas of persistent underemployment, but these figures show the gravity of the problem with which we deal. Again, the Department of Agriculture has submitted a list of 500 counties in the United States with the lowest level of living standards for farm families, and of the 500 counties with the highest proportion of farms whose gross sales do not exceed $2,500 annually. Three hundred and thirty-six counties appear on both lists. It has been determined also that persistent, continued unemployment and underemployment is the rule in these areas. The level of unemployment in these areas is twice the average in other parts of the country.

These facts—documented and supported by the Departments of our Government, the Department of Labor, the Department of Agriculture, and I assume we have information from the Department of Commerce—lead me to believe that $379½ million, chiefly loans, is not an exorbitant undertaking by the U.S. Government to help these areas to help themselves.

Conversely, it is apparent to me that the $53 million authorized by the administration bill is wholly inadequate.

I give the second reason for my support of S. 722 in preference to S. 1064: In my judgment it is necessary, as provided in the Douglas bill to permit Federal participation to a maximum of 65 percent in loans for local economic undertakings. The limit of 35 percent imposed by S. 1064 would, in my judgment, make the bill ineffective.

I agree wholeheartedly with the principle that no Federal program is likely to be successful if it does not have the support and the active participation of

the local community. But I do not believe it can work, or that it will even get off the ground, if Federal participation is limited to 35 percent, and 65 percent participation is required of local communities. I say this because I know there are many communities in my State, Kentucky, and I am sure in other States, that simply do not have the local capital, public or private, to supply 65 percent of the necessary funds. The very deterioration of these communities has diminished local private capital, and local tax revenues which might otherwise be available. Furthermore, conditions in these areas have become so unattractive that risk capital from outside sources is unavailable. It follows that no new industries are likely to come to these depressed areas, and no new economic activities will be undertaken, if Federal participation in loans is limited to 35 percent.

It is unreasonable to expect a community whose tax revenues are steadily diminishing because of unemployment, whose people are out of work, whose businesses are suffering, to provide such a large proportion of the necessary capital. If the Congress passes this bill—and it will—it must be in a form that will enable the program to go into operation; otherwise, what we do will be a nullity.

A third reason why I support S. 722 is that it authorizes $75 million in grants to local communities for public facilities necessary for their industrial development. The administration bill has no provision for grants for public facilities. It has been pointed out to the Banking and Currency Committee that many communities seeking industrial development have been severely handicapped by their lack of adequate public facilities, such as water supplies, sewage disposal, and access to roads and railroads.

The arguments I have adduced in support of a maximum 65-percent loan participation by the Federal Government in local efforts are equally applicable to the necessity of including a provision for grants.

If a community is so poor and so beset by continuous unemployment that it is unable to provide any capital for public facilities essential to its development, shall the Congress, by refusing to make grants, deny it any possibility of advancement? Will we help the more fortunate communities and deny aid and hope to those in greatest need? It would be unconscionable to have a program which would leave out of its scope the neediest of all areas in the United States.

These are reasons which demand that grants be available. The grant provision of S. 722 will give the agency responsible for administering the redevelopment program sufficient authority and means to provide workable and successful programs. I have no doubt that the Administrator and his advisers will establish sound rules and criteria for the administration of such a program of grants for public facilities.

Mr. President, I believe even the legislation we consider today, if enacted, will not meet fully the problems of the areas of persistent unemployment. These regions can be called, appropriately, the underdeveloped areas of the United States. Their needs are for fundamental road systems, adequate water supplies, protection from floods, better housing, and vastly improved educational facilities. Federal-State programs for roads, river, airport, and housing development are now available, but large geographical areas, many of which are the same as the distressed areas with which S. 722 is concerned, are lagging far behind in the Nation's progress.

We should enact longer range comprehensive plans for these underdeveloped areas. Such an approach can be undertaken by joint Federal-State action, or by State compacts. If plans can be developed to define the basic minimum needs of the underdeveloped areas of the United States, perhaps the Congress will see fit to set aside a larger fraction of the total funds it appropriates for highway improvements, river development, airports, and the like, to bring these backward areas toward the level of other parts of our country.

I digress to say that although the Federal-State programs are valuable in dealing with problems of highways, river development, and airports, inevitably the greater portion of the funds is channeled into the more highly developed areas. The areas we are considering today are generally bypassed, and are left behind.

I point out as an example of Federal aid programs the great Interstate Highway System. There are certain criteria to be met, which inevitably lead those great roads into the better developed sections of our country.

Our programs for river development must meet standards such as the well-known cost-to-benefit ratios, which presuppose a higher industrial development or higher agricultural development than we find in many of the areas with which the bill presently under consideration would deal.

That is also true with respect to the airport program, and with respect to many other programs.

I therefore point out that the bill which the Senator from Illinois has developed so skillfully and with such perseverance is the only program before the Congress, or which is likely to be before the Congress, which will begin to assist areas of persistent unemployment and underemployment.

What I have been saying about the underdeveloped areas of Kentucky was clearly presented to the committee during the hearings by Mr. B. F. Reed and Mr. John Whisman, representing the Eastern Kentucky Regional Planning Commission. Their testimony should be read by everyone. It impressed the committee so much that there is embodied in the report a section entitled, "Proposal for Development of Underdeveloped Regions."

Mr. President, I ask unanimous consent to have the section printed in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

During the hearings, the committee received testimony from the Eastern Kentucky Regional Planning Commission favoring the designation of "underdeveloped regions" for assistance as well as depressed areas. It was pointed out that in some instances, basic developmental needs are regional and multistate in character, including such regional facilities as highways, water transportation, flood control, and water supply.

While the committee feels that the principles embodied in the proposed amendments are too broad and far reaching to permit inclusion in the bill, it is also felt that the suggestions deserve careful consideration and study in relation to future treatment of the national economy.

Mr. COOPER. Mr. President, we hear at times criticism to the effect that there should be a greater self-effort in the depressed areas. I should like to point out that in my own State—and I am sure this is true in many other States—the local communities and their citizens are devoting almost their full energies and resources to economic recovery.

The State of Kentucky has a department of economic development, with an industrial development division, concerned with and vigorously attacking these problems.

In eastern Kentucky, a regional commission, composed of some of our State's leading citizens, has been created and is doing an excellent job in charting the needs of the region, and a program of action.

The pending bill would authorize two $100 million revolving funds: one for industrial projects in industrial redevelopment areas, the other for such projects in rural development areas. It would also provide a revolving fund of $100 million for loans, for public facilities needed for the location of industry. As I have pointed out, it would authorize appropriations of $75 million for grants for public facilities, and $4½ million for technical assistance.

I know the passage of this bill will increase budget expenditures for fiscal year 1960—even though $300 million of the total authorized are revolving loan funds, a great part of which will eventually be repaid with interest.

I support the President in his objective that we exercise discipline and not make unnecessary expenditures. I do not include in the term "indispensable need" every desire of the Congress, or the people of the Nation. But I know the Congress will not permit the budget to restrict funds for national defense if we deem additional funds are needed.

The funds authorized by S. 722 would not in my opinion place an unbearable burden on our total economy. But I will go even further, Mr. President. Even if the program should place an additional burden on some segment of the national economy and even if it should unbalance our budget, I believe it is justified.

During the last 6 years the country on the whole has enjoyed unusual prosperity. Gross national product, individual income, wages and profits, have risen to new heights. Yet the very nature of our economy, its vitality and expansion, the rapid changes in technology, the shift of industry from one area of our country to another, international trade policies and other factors beyond the control of the people of the depressed areas, have left them behind, unem-

ployed, without money, without proper housing—and thousands are without sufficient food. Perhaps the most disturbing fact of all is that a general resurgence or growth in our national economy will not help these areas quickly, if at all.

I have great faith in our Nation's system of private enterprise, but when it is demonstrated in a time of great prosperity that whole areas of our Nation are excluded even from minimum-living standards, there is need to examine the causes and to attack the problem with all the resources of private industry, local resources, State resources, and certainly with the reasonable Federal assistance which this bill would offer.

Our country is rich and its economy will continue to surge ahead. For myself, I do not want to admit that our economy must leave unsolved the problems of the depressed and underdeveloped areas.

A few minutes ago I heard the distinguished Senator from Illinois ask the question, "Are these areas to be left to the operations of our private enterprise system?" It is that system which has made our country rich and great. I know that we never contemplate an equal distribution of wealth in this country. It is not possible. On the other hand, there may come a time when we begin to question the nature of an economy which, in a period of high prosperity, leaves hundreds of thousands of people without money, without jobs, cold, hungry, and in need.

So I believe that this reasonable effort on the part of the Federal Government, participating with local communities and private enterprise in an attempt to redress some of the imbalance, is certainly justified. And I believe the modest expenditure contemplated is also justified.

Mr. President, the continued unemployment, the underdevelopment with which this bill deals, are not restricted to any single State. I am glad that the committee has approached the problem from a national basis. Naturally, however, I am concerned by the situation existing in my own State of Kentucky. It is as desperate in the coal mining areas of eastern Kentucky, and even in other sections of my State, as during the depression of the 1930's.

Yesterday, I heard the graphic and moving speech of the Senator from West Virginia [Mr. BYRD] describing conditions in the mining areas of his State. I am familiar with these conditions—with the hunger, the want, the hopelessness of the people, which he so eloquently portrayed.

I live in the eastern section of Kentucky, near the coal mining sections of that part of my State. I have been in those sections again and again, and I know that the conditions which the Senator from West Virginia portrayed are the conditions which exist in my own State.

I make this personal comment from my own experience.

During the years from 1930 to 1937 I served as county judge of Pulaski County in Kentucky. It is my home county and is located in the southeastern section of the State. It was the time of the depression. For 8 years I talked and dealt daily with hundreds of people—heard their pleas—knew their needs—needs which thousands of people, perhaps millions of our countrymen, have never experienced and would hardly understand.

Last fall, and in the months that followed I visited again and again counties in Kentucky, particularly in eastern Kentucky, where the need for work, for housing, for clothing, and for food is as great as during the depression. The State, the county governments, charitable agencies, people from other States, have given them help—but it is not enough.

As the Senator from West Virginia said yesterday, those who live in this part of the country are fine, patriotic people. They are always the first to respond in time of war. I remember that in World War I, Breathitt County, in eastern Kentucky was the only county in the Union from which no soldier was drafted. Everyone was a volunteer; and the tradition continues.

Mr. President, Senate bill 722 offers honorable assistance to the people of Kentucky and other States. Many of us are fortunate. We can work, and at least we do not have to worry about food and clothing.

In closing, all I can say is that the spirit of humanity and common justice demands that our country make the effort which Senate bill 722 would make possible.

We must begin the work of developing the backward areas of our own country, and of lifting the living standards and hopes of the people who live in such areas—for they are our countrymen.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. DOUGLAS. I congratulate the Senator from Kentucky for the very excellent speech he has delivered, and for the magnificent cooperation he has accorded in the drafting of the bill and getting it to the floor of the Senate. The Senator from Kentucky dignifies, makes lucid, and ennobles everything he touches. He has done the same in connection with the pending measure.

Those of us on this side of the aisle who are interested in the pending bill have sought the cooperation of all men of good will, regardless of party. We are delighted that the Senator from Kentucky has become the second cosponsor of this measure. His name should appear in connection with the bill as high as that of the name of any other Senator. His concern is real. His help has been great; and I think it is really a fine experience when men of different political parties, believing in a common cause, can work together across party lines.

One of the main problems we have now is to be able to unite on all issues with respect to which we believe in a common cause, and dividing, in good spirit, on the issues with respect to which we differ.

The Senator from Kentucky has rendered exceedingly great help to us, and we are grateful to him. The country is very grateful to him. I thank him from the bottom of my heart.

Mr. COOPER. I thank the Senator for his very generous remarks. It is a great privilege to be associated with him in this common cause. I hope the bill will pass substantially in its present form.

One of the reasons why I wished to speak briefly on the bill was to distinguish, if I could, between the provisions of this bill and those of the bill which has been proposed by the administration. I speak also in the hope that after the passage of the bill it will be signed and become law.

Mr. DOUGLAS. I join the Senator in that hope.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll,

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SOVIET SYSTEM OF POWER

Mr. HUMPHREY. Mr. President, one of the leading students of communism Bertram D. Wolfe, has written an excellent article on the Soviet system of power entitled "The Deadly Enemy We Face," which appeared in the January 26 issue of the New Leader magazine. This is the finest article I have ever read on Soviet strategy, activities and tactics.

I ask unanimous consent that this analysis of the nature of the Soviet system be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEADLY ENEMY WE FACE

(By Bertram D. Wolfe)

The Soviet system of power, which is the enemy we face, can only be understood properly with the help of certain theoretical criteria of a socio-historical nature. Very briefly, we may say that the Soviet system is a closed, single-centered, modern totalitarian society, as distinguished from an open, multicentered society. A closed society is one with built-in staying powers which enable it to endure for a very long period of time; it is a self-conserving society, in that any changes that occur are within-system changes that leave the basic structure of power untouched. A single-centered society is one in which there is only one focus of power, the state, which does not tolerate the diffusion of power among any other relatively independent social institutions or groups. Finally, a modern totalitarian society, as distinguished even from an old-fashioned despotism, is one in which the state seeks to be coextensive with the whole of society and the whole of life, a society that is perpetually at war with its own people and with the rest of the world, and which uses modern technology and widespread literacy as weapons in that war.

Now, the Soviet Union is truly a great power—great in population, great in resources, great in technology, and great in military strength. Secondly, it has a great state machine which is in a condition of permanent semi-mobilization, and which attempts to keep its people mobilized. Finally, it is an enemy which is resourceful enough, wealthy enough, and determined enough to do what we have not had the determination to do (although we have had the resources

in the West in much greater abundance): namely, to keep simultaneously an atomic striking power and a massive conventional striking power in being. It has a definite advantage over us at this moment because it is geared to both types of warfare. It believes that both types are necessary and that they must be integrated into a single plan.

At the beginning of the 19th century, one European in seven was a Russian, or under Moscow rule. At the beginning of the 20th century, one European in four was under Moscow rule. At the middle of the 20th century, approximately one European in two is under Russian rule. This in itself is enough to give us pause—especially if we remember that there are 125 divisions in being in Russia, while we have approximately 15 and are engaged in cutting our forces further.

It is a deadly enemy. It is a deadly enemy because never for a moment does it abandon its two basic aims: To remake man, and to conquer the world. It is particularly our enemy—not because we so choose, but because it has chosen. It regards the strength and the way of life of the United States as the chief obstacle to its plan to remake its own people and to remake the world in the image of its blueprint. We have been picked as enemy No. 1.

No matter what Eisenhower says or does, no matter whether Dulles conducts himself with tact or tactlessness, no matter how well the tourist behaves when he goes to the Soviet Union for his 3 weeks—we will still be enemy No. 1. Whether our working class is prosperous, or hungry and jobless, or jobless and not hungry, we will still be enemy No. 1. Whether we treat American Negroes decently, or indecently—or somewhere in between, as we are doing at present—we will still be enemy No. 1. Whether we pull out of Berlin or Quemoy or do not pull out of Berlin or Quemoy, we cannot disengage ourselves from this enemy.

Let us not listen to the siren song of those who tell us that we can get a release of tensions and a little peace in our time if we only disengage ourselves. If we disengage ourselves, we leave another strip to be occupied, a new place from which battle will begin.

They know, to be sure, that they cannot conquer us. They know something about our strength. They do not covet for a moment the risks of all-out war with us. There are two things that they are determined with all of their might to avoid: One is all-out war, the other is all-out peace. They will keep us in between as long as they have the power to do so. They do not wish all-out war because they believe that time and history are on their side. When they consider how their system has been expanding, I must say it seems to them that they have some empirical confirmation for their belief that time is on their side.

Of course, they do not want all-out peace, for their two fundamental aims do not permit them to be at peace either with their own people or with the rest of the world. If our statesmen and experts wish to make a test of any fresh proposal of theirs to see whether it really intends peace, there is a simple test. When they are ready to make peace with their own people, then we will know—and only then—that they are ready for real peace with their neighbors and with us. Otherwise, when they use the word "peace" it is just one of the gimmicks in their waging of war. It is well to remember that Soviet Premier Nikita Khrushchev is said to have two sets of teeth, one to smile with and one to bite with. And the more dangerous of the two is the set with which he smiles.

My next point is that by the enemy we face, I do not mean the Russian people. The Russian people are not and have never been our enemies. They have not chosen and they do not choose their Government. They do not control its policies—except by their mute and silent pressure. And those who tell us that when the Russian people mature they will be able to control their Government and its policies, are deceiving themselves and us. No mere maturing of the Russian people will change their system, nor does their system allow them the organizational scope and independent activity, the genuine information and the right to judge which alone permit of maturing.

The Russian people are not unfriendly to us, only ill-informed, deeply curious, well-disposed toward us, and a little envious. If the gates were opened, they would vote with their feet by the millions in favor of our system. In fact, wherever they have had a chance to cross the line, they have crossed by the millions. Two-thirds of all the Chinese volunteers whom we took as prisoners during the Korean war refused to return to their native scenes, families, and lands, preferring the half-world of barbed-wire camps to returning to a country where their government makes unending war upon them.

The real reason for the Kremlin's endless hostility toward the United States, regardless of what we do, is that they regard us, and rightly, as the main obstacle to their underlying plan. This will not be changed if Khrushchev should come to New York and see our skyscrapers, or if he should then go to Detroit and see how many automobiles our workingmen have. The Russian leaders are ruthlessly friendly. They talk of easing of tensions. In our society, "tension" is a bad word. We can thank the Freudians for that, I suppose, for they talk of the age of anxiety and the age of tension. To anybody who comes with a panacea for easing tensions, we open our arms and our hearts. However, if every time they speak of easing of tensions you would substitute for the word "tension" the word "concern" (which is a more neutrally or differently colored word), you would see that what they are asking us to do is to stop concerning ourselves with the freedom of the world and with our own freedom. Then you would realize that we must hug our tensions to our breasts as long as the dangers exist which have caused the concern.

When I say that nothing we can do will change this, I do not mean to say that it makes no difference whether our workingmen are prosperous and employed or not, or that it makes no difference how we treat our colored population, for it does make a difference. But the difference is in the winning of allies, not alienating them; in winning the secret support of the Russian people; in strengthening our prestige with neutrals. However, we will not disarm or change the philosophy or the goals of a mortal enemy. Nor do I believe with those who think that if we but disarmed everything would be easy (of course that sentence is not complete: It would be easy for the men in the Kremlin). I have never believed that the best way to get thieves to reform is to remove the locks from our doors.

The world is in serious and even mortal danger now, as it was in Hitler's day. Every country in the East is in mortal danger from China, with its huge population. Every country in Western Europe, the cradle of modern thought and liberty, is in mortal danger. Every country on the Mediterranean, which was the cradle of western civilization and culture, is in mortal danger. The Near East, which was the cradle of our faiths, is in mortal danger at the present moment.

We have tried the gesture of "Let's be friends and see if that won't work"—we have tried it more often than our historical memories permit us to recall. I remember when Franklin Roosevelt said to Frances Perkins: "I really believe that I can get Uncle Joe to go along with me." Well, we tried it. So, at the end of the war, it turned out that there were three kinds of occupation zones. There were countries which Russia occupied (liberated) exclusively—they lost their freedom and were sucked behind the Iron Curtain. There were the countries which were jointly occupied—all of those except one have been partitioned, and the Soviet-occupied half of each is behind the Iron Curtain (North Korea, East Germany, and so on). One country was occupied exclusively by us, Japan, and there the occupied country is free to criticize and disagree with its occupiers and liberators. If the experience of those three types of occupation does not teach us not to play this costly game of seeing if we cannot hypnotize the men in the Kremlin into abandoning their blueprint or into just being nice, then nothing will ever teach us. In the end we will perish, and deserve to perish, for being fools incapable of learning.

They are now proposing (and have been proposing for some time) a unification of Germany. Unification consists, as they have made abundantly clear, in having the two Germanys linked together and then in seeing how Communist Germany can gradually take possession of West Germany as well. We tried that before, too. We tried it with the two Chinas during World War II, and we see how it turned out. We tried it with the two Koreas, and we also see how that worked out. Some poor fellows tried earnestly to cooperate with them in Eastern Europe. But the Communists took the key posts in the cabinets and popular-front governments; they took the Ministry of War, the Ministry of Interior and the Ministry of Propaganda (Education); and, in the end, they took the country, by what former Hungarian Communist boss Mathias Rakosi called "salami tactics," in which you slice off one slice, then another slice, and then another slice, until you have the whole salami sliced up.

If we are still tempted by poisoned semantics (one of their deadliest weapons) to believe that the word "peaceful" means "peace," and that "coexistence" means "mutual tolerance" and "live and let live," I don't know at this late date what I can say, except perhaps that I might offer a homely metaphor: The farmer is perfectly willing for the turkey to coexist with him until Thanksgiving Day. If we keep that in mind, we will have a general notion of what they mean by peaceful existence.

The mistakes which our public figures have made, our statesmen, experts, journalists, diplomats—and our military men as well when we were in a joint military effort with Russia—have all sprung from the same thing: the virtual incapacity of a people brought up in an open society to understand the nature of the system we have been examining, and the aims and plans of its rulers. I could illustrate that with errors made throughout the last 41 years, since 1917. But let us start with World War II and the "Grand Alliance." Not understanding that our ally of the moment had been, was then, and at the war's end would be also our enemy, we did not plan the peace during the war. We did not make it a self-enforcing peace, which we could only have done by planning our military conduct of the war to insure a decent peace by the position of our armies at the war's end. Therefore there has been no peace.

We have failed to understand that agreements with such an unrelenting and continuing foe are carried out only if there are deliberate provisions to make them self-enforcing. Such provisions involve the proper disposition of our military forces to insure enforcement.

Thus, when we say free elections for Germany, and they say free elections, it behooves us to remember that the elections they have in the Soviet Union are what they call free elections. We must spell out any agreement on free elections so as to include multiple

parties, a press owned by individuals, associations and parties not controlled by the government, empty prisons and closed concentration camps, and the like, and joint occupying troops in quantity in all sectors, to enforce the rights and liberties we mean by the thus-defined free elections.

When they say peaceful unification arranged between the East and West German Governments, we must remember that that is what they said of Korea, of Vietnam, of wartime China. Agreements that are not spelled out and self-enforcing are merely semantic poison to prepare and justify conquest.

Above all, we are not giving our own people a clear vision of this opponent, and the nature of our struggle. How often have I sat down in taxicab or train and been asked: "What is your racket?" I answer, "Russia." Invariably the taxi driver or traveling companion follows up with: "Tell me, is Russia really as bad as our newspapers say it is?" Always I must answer, "Much worse, man. Our newspapers are not doing a good job." That depressing and forever recurring question shows how our leaders have failed to make our people understand—because they do not really understand themselves—the nature of our self-appointed opponent. Since both our political parties must appeal and do appeal recklessly and demagogically to a people to whom they have not given decent leadership and proper political education, each party poses as the party of peace, while the enemy chooses to continue to make war on us. This is the most dangerous feature in our political life.

At the war's end, we demobilized our troops too soon, because we had not prepared our own minds or our people to remain mobilized until a decent peace was assured. We failed to make effective use of our then monopoly of atomic weapons in ways which would have furthered a decent peace and effective and controlled disarmament, not because this could not have been done—it probably could—but because we were not sufficiently aware of the need to do so, and too frightened by our awful preponderance of power to make wise and restrained use of it for bringing about genuine peace and genuine liberation of the liberated countries.

We left Korea without adequate defenses because we were afraid that the Koreans might use our arms to unify their country, and we did not have the understanding to realize that the puppet Government of North Korea would surely use Russian and Chinese Communist arms and forces for the peaceful unification of Korea, and the liberation of Korea from its independence. We even withdrew our troops and made the fatuous and inviting statement that Korea was not part of our essential defense perimeter. What could be expected from such a foe under such circumstances? When we finally had to fight to save Korea, we did an inspiring job. But under such self-imposed limitations that it was easy for Communist China to reconquer the northern half of the country, and restore the same impossible conditions that had brought us into war.

Our policy of containment has not contained; and our policy of liberation has not liberated; as our acceptance of the poison semantics of peaceful coexistence and the propaganda circus of summit conferences has given us neither genuine conferences for agreement on anything, nor peace, nor coexistence.

All these errors—and, alas, I could enumerate many more like them—come from a failure to understand the difficulties and intricacies of the problems, because of a failure to understand the nature of our enemy, his system, his power, his ruthlessness and unscrupulousness in negotiation and action, his aims, his determination, and the role of his ideology in his efforts to conquer the world and remake man. This failure of vision or understanding is at the root of our failures in action and omission and negotiation.

I have used the word "enemy" and I should like to explain my choice of this word. I recognize that it is not a nice or a pleasant word. But we ought not be afraid of it. We did not pick the men in the Kremlin as enemies; they picked us. We have tried not to believe their statement of their aims. They said "world revolution," but we preferred not to believe they meant it. We have tried many times to show our good will and friendship. We offered to help them with arms in 1918 to reestablish a front against the invading Germans, but all that came of it were the misunderstandings of intervention. During the so-called intervention, we helped them to get back Siberia after they had lost it, and we forced the Japanese by our pressure to give up their occupation of Siberia. When war and civil war and the follies of their socialization of every grain of wheat and every inkpot brought on universal famine, we helped to save millions of Russians from starvation by our generous famine relief. In the period of their forced industrialization, we sent them technicians and engineers, whole factories and machinery, and helped them to build dams and powerhouses.

In World War II, after they had made their pact with Hitler to divide Europe, and Hitler turned on them, our help was generous and unstinting. Instantly, not after Pearl Harbor, but as early as June 1941, Harry Hopkins flew to Stalin to offer planes and tanks and trucks and guns, and wool and meat and fuel and bread. When Stalin asked Harry Hopkins quite naturally: "What do you want in return for all this?" Again came the failure of vision and understanding. Harry Hopkins boasted: "I told him we were not interested in conditions. All we were interested in was getting them the planes, the guns, the tanks, and the other things they needed."

They have picked us as the enemy of the things they are trying to do to their people and to their neighbors. If we forget that for a moment, in any one of their maneuvers, we fail in leadership. Yet always, with each maneuver, we are prone to forget afresh. We have failed to learn from a monotonous multitude of repetitions. We have failed in understanding. We have failed in leadership and enlightenment of our own people and other peoples. We have failed in political courage. Above all, we have failed in vision—and here, truly, where there is no vision the people perish.

I would not have you understand that we have done nothing right in these 40 years, or recently. We have done many fine things. I do not count generosity among our errors, only the generosity which defeats and undoes itself.

A power which wishes to preserve peace and prevent an upsetting of the status quo by force is always at a disadvantage when dealing with a revolutionary power. I recognize that. Moreover, our life in this recent period has had its great moments: The first stage of the Korean war; the Berlin airlift; the Marshall plan—in which we even offered to include Russia if she would use it for genuine healing of the wounds of war. These have been noble moments, and there have been others like them.

But our vision is faltering, our understanding blurred; we are too easily deceived and too ready to deceive ourselves, to the world's detriment. My purpose in this analysis has been only a single one: to give such awareness of the nature of the Soviet system that the hand can be steadier, the vision clearer and more unflinching, so that each new maneuver of a tactical nature which the Soviet Government undertakes can be appraised in the light of a deeper, overall understanding of the nature of the system that torments its own people and is vowed to our destruction.

U.S. NUCLEAR TESTS AT HIGH ALTITUDES

Mr. HUMPHREY. Mr. President, this week the press carried extensive and highly interesting and informative articles regarding the nuclear tests of the United States carried out at altitudes of some 300 miles. These tests have tremendous implications for science both in technology for peaceful exploration of outer space and for military purposes. The tests also have given us valuable information about the detection of nuclear tests at high altitudes, something that must be included in any international agreement on the cessation of nuclear weapons tests.

I am endeavoring to learn more about the results of the tests particularly as they apply to the control system for detection and identification purposes in any test ban agreement. We do know that Explorer IV and rockets sent up by the United States detected the tests and identified their nature. This confirms testimony submitted to the Subcommittee on Disarmament by Dr. Hans Bethe, given in April 1958, and again in more detail on February 2, 1959. Dr. Bethe, on the basis of both theoretical calculations and experiments of Project Argus, testified that earth satellites in various orbits could detect and identify nuclear explosions at very high altitudes—much higher than experiments to date.

It will be necessary for the nuclear powers which are in the process of attempting to negotiate an agreement to end all nuclear weapons tests to agree to incorporate into the treaty methods for the detection and identification of nuclear tests conducted at high altitudes. The subject of high altitude tests was rather thoroughly discussed at the Experts Conference at Geneva and the Soviet scientists suggested and approved using earth satellites for detection purposes. Furthermore, the problems of detection of high altitude tests have been explored and studied by the Senate Disarmament Subcommittee.

Although the Geneva Conference of Experts did not recommend specific methods to be included in the control system for detection of high altitude nuclear tests, it did reach conclusions based on theoretical considerations as well as data gathered from the satellites put into orbit by the United States and the Soviet Union. I ask unanimous consent, Mr. President, to insert into the RECORD, the conclusions of the Geneva Conference on the detection of high altitude tests.

There being no objection, the conclusions were ordered to be printed in the RECORD, as follows:

CONCLUSIONS OF THE GENEVA CONFERENCE OF EXPERTS ON THE METHODS OF DETECTION OF NUCLEAR EXPLOSIONS CARRIED OUT AT HIGH ALTITUDE (MORE THAN 30 TO 50 KILOMETERS) ABOVE THE EARTH, 1958

The Conference of Experts has given theoretical consideration to the gamma radiation and neutrons resulting from a nuclear explosion and the conditions of recording them from earth satellites; and to optical phenomena and ionization of the air in the upper layers of the atmosphere in the case of a high-altitude explosion (altitudes above

30–50 kilometers) and has arrived at the following conclusions:

1. A kiloton nuclear explosion produces at its source delayed gamma rays from fission products, and prompt gamma rays and neutrons. The number of prompt gamma rays and neutrons depends upon the construction of the device and upon the materials surrounding it. The delayed gamma rays are insignificantly affected by these factors. At a distance of 10^4 kilometers in vacuo, typical quantities of radiation from a 1 kiloton fission explosion are: (a) Delayed gamma rays, 10^4 quanta/cm.^{2} during the first second; (b) prompt gamma rays,[1] 10^2 quanta/cm.^{2}, distributed over a time of about 10^{-7} second; (c) neutrons, 10^4 neutrons/cm.^{2}, distributed over a time of a few seconds.

The cosmic background at the height at which earth satellites orbit is under study at the present time, attention being paid to the quantity, nature, and energy of the particles; however, on the basis of preliminary data, it can be considered that the detection of an explosion from an earth satellite is possible, by means of registering the gamma rays accompanying the nuclear reaction, neglecting shielding, and also by means of registering the gamma rays of the fission products and the neutrons. If both prompt gamma rays and neutrons are registered, it is possible to get some idea of the distance to the explosion. The use of gamma rays from a nuclear explosion will make it possible to detect the explosion in cosmic space at a distance of the order of hundreds of thousands of kilometers from the earth. Estimate of the maximum distance for the detection requires data concerning the magnitude of the cosmic radiation at the orbit of the earth satellite. If there is an explosion at a height of 30–50 kilometers and above, and if the height at which the earth satellite orbits is some thousands of kilometers, one can neglect the absorption of gamma quanta in the upper layers of the atmosphere. The Conference of Experts considers that it is possible to use for the detection of nuclear explosions at high altitudes the registration of gamma radiation and neutrons with properly instrumented earth satellites.

2. In the case of an explosion at a great height light will be emitted at the point of the explosion and there will be luminescence in the upper layers of the atmosphere under the action of X-rays and fast atoms from the materials in the device. Light phenomena may be detectable from the surface of the earth in clear weather at night with the help of simple apparatus; in day time with the help of more sensitive apparatus. In cloudy weather the detection of optical phenomena from stations on the earth's surface would probably be extremely difficult.

The radiation from a nuclear explosion creates in the upper layers of the atmosphere a region of increased ionization which is detectable by the absorption of cosmic radio signals or by anomalies in the propagation of radio waves.

Our knowledge of the absorption of cosmic noise by ionospheric phenomena is not sufficient to determine the number of natural events similar to those resulting from a nuclear explosion.

The Conference of Experts considers that it is possible to use the recording of ionospheric phenomena, using appropriate radio techniques, and of optical phenomena for the detection of nuclear explosions at high altitudes.

3. The Conference of Experts has not considered the problem of the detection of nuclear explosions which might be conducted in cosmic space at distances of millions of kilometers from the earth.

F. The Conference has recommended the inclusion of the first four of those methods in the number of basic methods for detecting nuclear explosions by means of a network of control posts, and considers it possible to use several methods for detection of nuclear explosions at high altitudes as stated in IIE1 and IIE2.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to insert into the RECORD the papers on detection of high altitude tests presented by the scientists from the United States and the Soviet Union.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENTS BY SCIENTISTS ON DETECTION OF NUCLEAR EXPLOSIONS AT HIGH ALTITUDES MADE AT GENEVA CONFERENCE OF EXPERTS ON DETECTION OF VIOLATIONS FOR A POSSIBLE AGREEMENT ON SUSPENSION OF NUCLEAR WEAPONS TESTS, 1958

STATEMENT BY DR. LEIPUNSKI OF THE U.S.S.R., JULY 22, 1958

Mr. LEIPUNSKI (interpretation from Russian). We examined yesterday, and are again examining today, the radiation which occurs following explosions in the troposphere. We have heard a theory and we have heard of experimental results which have enabled us to note that the mechanism of electromagnetic radiation is such that signals may be detected at rather considerable distances. We have also adopted from the reports which have been submitted that this mechanism is such that in explosions at considerable altitudes under conditions of a vacuum, the electromagnetic radiation should not exist on the basis of the physical nature of the various mechanisms to which we have referred. Consequently, when there is no air, currents cannot exist and there can be no electromagnetic radiation. Therefore, in studying altitudes, we should pass from the conditions in which electromagnetic radiation is possible to those conditions in which such radiation is impossible owing to the various mechanisms which we have studied.

Neither Dr. Latter nor I indicated in our reports the altitude at which these mechanisms will no longer function. In the conclusion submitted by the Western delegations, there is a reference to the fact that the expected altitude is approximately 50 kilometers. We do not intend to challenge this figure. We can accept it as given here, but we should like to put the following question: What will occur if the height of the explosion is increased? What will happen in the more rarefied strata of the atmosphere when these mechanisms to which I refer will stop functioning, in other words at heights greater than 50 kilometers or even slightly greater than 50 kilometers?

This question has been studied by us and we have come to the conclusion that even at considerable altitudes electromagnetic radiation is still possible through another mechanism and in another range of waves. I should like to give very rough qualitative indications which might provide the electromagnetic picture at considerable altitudes under vacuum conditions as well as to indicate the evaluation of the basic parameter, the length of the wave and the amplitudes which occur.

I shall now refer to electromagnetic radiation in a vacuum. How is this radiation formed? It requires the appearance of currents which change with time. These currents are formed for the following reasons. Here we have a bomb [indicating], and in the case of a nuclear reaction, which is given exponentially here [indicating], there is a propagation of gamma rays which come out from the center in all directions. These rays will throw out electrons from the external layers of the bomb, and these electrons will continue their main movement together with the gamma rays away from the center. They will fight their way through a very thin layer whose length will be equal to the travel length of the electrons through the external material of the bomb, which might be iron. The law in this connection will be the same: it will increase exponentially with time. If we assume that the appliance which we use is not symmetrical in shape, we shall have a current of the electrons mainly in one direction.

This current will depend exponentially upon time. Consequently, there will occur a radiation, as the expression in time from the current will have a value different from zero. This is the bare physical picture.

Now, we can turn to the evaluation of the order of magnitude which flows from this physical picture. First of all, I should like to simplify the matter, and we should first consider the sum total of the current. We shall consider that the electrons are moving in one direction, a direction of symmetry, and that all electrons are moving with an average velocity equal to $1\frac{1}{2}$ times 10^{10} centimeters per second. This corresponds to the velocity of movement of electrons in the 1 megavolt range.

I should like to refer to another point which might prove to be useful later. As the electrons fly out from the device, there will be a plus effect, and the more electrons that are released, the greater will be the charge of the weapon or device, and the charge will become so big that any further exit of electrons becomes impossible.

The potential which corresponds to the charge will probably be close to the energy of gamma quantum—I do not think it is necessary to say exactly how much, but probably several megavolts. Let us take an arbitrary figure of 3×10^6 electron volts—although I cannot guarantee that that is the figure, it is approximately that. This does not mean that there will be a halt in the movement of electrons; part of the electrons will return. There will be a slower movement, which uses a different law, but there will be an electromagnetic radiation with a considerably longer wave. This is a matter which we shall take up. We are interested in more intensive signals which refer to the length of the nuclear reaction and when there is considerable change in the electrons with time. In order to organize a quantitative evaluation, we should use a simple formula. Tension of the electromagnetic field in the wave is equal to—this is dipolar radiation—$RC^2 \times D2P/DT2$. This is a well-known formula in which it is the dipolar moment which occurs as the result of the picture which we are now discussing. The dipolar moment may be calculated in the following way—I am not going to do any calculations; I only want to give you the scheme as to how it should be done. The electrons which emerge over the positively charging external layer will have different travel lengths beyond the center. The time of the formation of the electrons is important in this connection. The electron which is formed at the very beginning of the reaction when Tau is equal to zero—the moment of the reaction being zero—up to the time this electron will travel the greatest length, and the length of this dipolar field will then be the following. The electron which is formed at the end of the reaction when Tau equals T evidently has just emerged and the length it has traveled is more or less zero. The path which it will have traveled will be equal to the average velocity multiplied by T less

[1] Special shielding of the exploding device can considerably reduce the gamma radiation accompanying the reaction, but cannot reduce the radiation from fission products. However, such shielding involves increasing by several times the weight of the whole device.

Tau. In other words, in order to find the sum total dipolar moment, we should check the elementary dipolar moments at the different stages. As far as the dipolar moment is concerned at time-T, formed by electrons which have emerged between T-time Tau minus D Tau, we obtain the field multiplied by the quantity of electrons which have emerged during the time period of Tau. We have the average velocity multiplied by the time which has elapsed and the index with Tau. The sum total dipolar moment will probably be at time-T and will be equal to the sum of all these elementary basic moments, or equal to an integral, Tau equals zero up to T, and the following, which you see on the blackboard. In order to get this, we should determine the reference to DK to Tau. We should use a coefficient of proportion of BE of Tau by D Tau. The coefficient can be determined if you go beyond the maximum charge possible. I am not referring to the way the B coefficient can be indicated and calculated—all these operations are rather elementary; I only want to refer to the end result. P actually will be found to be function FE at the Tau, and this magnitude will be included in the calculations.

After all these calculations, the second derivative in time from the dipolar situation will become, at a moment of time t, equal to t. The maximum value for the derivative of the second dipolar moment, the amplitude of the signal, will be equal to Q maximum, a maximum charge which the surface layer can receive as a charge. Or this will be equal to the maximum potential for the charge in the layer. The radius will be multiplied by theta and by u.

As to the tension of the electromagnetic field of this radiation, if we say that V is equal to 3 multiplied by 10^9 electron volts, C equals 100 centimeters, eta is equal to 3^{10} seconds—this, I think, is an acceptable magnitude—and u is ½ multiplied by 10^{10} centimeters per second. Then, for a distance R equal to 1,500 kilometers, we find that the amplitude of tension in the electrical field is equal—and the coefficient of asymmetry is important in this connection—if the coefficient of asymmetry is equal to 0.5, then we have 250 millivolts per meter. If the asymmetry coefficient is 0.025—the first asymmetry is a considerable one, and the second is a rather small one; I think that actually the asymmetry should be greater—in this second case, I say, we will have 12 millivolts per meter.

As to the length of the wave of the electromagnetic radiation, it will correspond in its magnitude to the result of the velocity of light multiplied by the time of the development of the reaction. In other words, this will be 100 centimeters.

Thus, from those evaluations and estimates, we can conclude that we can expect a short wage radiation within a range with a frequency of 300 megacycles and an amplitude of tension in the electrical field, at a distance of 1,500 kilometers, no less than 12 millivolts per meter. Twelve millivolts per meter is not a small value; it is a value which fully permits recordings.

As we refer not only to questions of sufficient amplitude for reception and recording, but also to noise and interference, I should like to say that the greatest interference here will probably be the radiation from the sun and the stars. However, estimates have shown that even a considerable radiation of the sun in this range will still produce an energy which is decreased by the order of 4 or 5. The other radiations which are possible in this connection are not substantial at all and cannot become difficult kinds of interference.

That is all that I wish to say as to this particular case. The moral of the story is that a signal at considerable altitude, in those cases where the methods earlier referred to cannot be used, should be based upon a different mechanism, which has been presented to you now, and that the magnitude will be such that reception will be possible at a distance of 1,500 kilometers or even more.

I do not refer to the technical side of this matter, to the equipment which is necessary for recording such a signal. The equipment may be rather complicated: I do not deny it. But that is perhaps a matter of technology. I think that there should be nothing strange or difficult in the recording of such signals so far as modern radio technology is concerned.

That is all I want to say in connection with explosions at high altitudes.

STATEMENT BY DR. HANS BETHE OF THE UNITED STATES, JULY 22, 1958

Mr. BETHE. In the field of high altitude explosions our knowledge is even smaller than in the case of underground explosions. Experimental data are lacking and we have to rely entirely on theoretical calculations.

I shall first discuss the standard methods of detection. Two of the standard methods of observing nuclear explosions are not available to high altitude explosions. The seismic signal from a high altitude explosion will be extremely small and, presumably, not observable. The nuclear debris will be produced in the stratosphere and, therefore, will in general not come down either to the ground or to normal airplane altitudes for a very long time. Therefore, these two methods are not applicable.

The other two standard methods, the acoustic and the electromagnetic, can, in principle, be used. I have not considered the very interesting and original method of obtaining an electromagnetic signal, which Dr. Leipunski has discussed today. Instead, I have considered two more standard methods of producing an electromagnetic signal. As Dr. Leipunski pointed out yesterday, the bomb emits gamma rays which produce Compton electrons, and the current of these Compton electrons produces an electromagnetic signal. In the case of a high altitude explosion, many of the gamma rays go down into the atmosphere and will then produce Compton electrons at some relatively low altitude, let us say, 15–30 kilometers. This [indicating] is the height which I calculated as reasonable from the observation coefficient of the gamma rays. In agreement with Dr. Leipunski, I have found a logarithmic dependence of the signal on the yield in my calculations. An important difference between high and low altitude is that the ionization due to high altitude explosions is distributed over a very large volume. The gamma rays go not only straight down, but also in other directions, and the region where the Compton electrons are important forms some shape like this [indicating] going over distances which are comparable with the altitude of the explosion.

We may then expect that, at moderate distances from the explosion, let us say at 100–300 kilometers—horizontal distance—the dominant wavelength in the electromagnetic signal is of the order of 2 pi times the height of the radiation layer above the ground, that is, 2 pi times 15 to 30 kilometers [indicating]. This means a frequency of 1.5 to 3 kilocycles. These frequencies are considerably lower than those obtained from low altitude explosions. This will make it much more difficult to distinguish these electromagnetic signals from those produced by lightning. Probably the frequencies are now just in the same range as those from lightning strokes. Here again, actual observations would help greatly. Of course, now, after your presentation of today, we might hope to get two signals from high frequency short signal, and then, followed by this longer period signal, and this might make it possible to use that method.

At larger distances, let us say 2,000 kilometers or more, the shape of the electromagnetic signal will again be determined chiefly by the characteristics of the wave guide and will be essentially indistinguishable from that produced by lightning. In summary then, let me say that the electromagnetic signal can be used, but even more for low altitude explosions, it can only be a secondary indication supplementing some other method.

The acoustic method is also applicable but is likely to be even more degraded compared to low altitudes. I expect that a considerable fraction of the energy released by the explosion will still go into acoustic waves. Furthermore, the atmosphere acts as a wave guide for sound waves, as was pointed out by Dr. Brekhovskikh in one of the early sessions.

Under normal conditions, the velocity of sound in the atmosphere depends on altitude about like this.

I have plotted the sound velocity in this direction [indicating], and the altitude vertically. The intermediate maximum of sound velocity is about 50 kilometers, and at great altitudes the sound velocity becomes very great. There are two sound channels separated by a maximum of sound speed at about 50 kilometers, and for this reason I think that it is convenient to choose 50 kilometers as the limit between low and high altitude. That is really the reason why we mentioned this figure earlier, in other drafts. Acoustic waves generated in the upper sound channel, above 50 kilometers, can penetrate into the lower sound channel and thus become observable at sea level, provided they have a sufficient vertical component of velocity to penetrate this layer [indicating]. The fact that the explosion generates originally shock waves which propagate faster than sound waves helps the penetration into the lower sound channel. Therefore, I expect that sound waves will be received from a high-altitude explosion.

However, it is likely that those sound waves will be mostly of very low frequency. One reason for this is that the energy of the explosion spreads over a very large volume when the air has low density. This in itself would favor long waves. Second, the propagation has to take place essentially in both sound channels simultaneously, and this again is easier for long sound waves. I have not made a complete analysis of this problem.

For a large explosion, in the megaton range, we expect long waves also if the explosion is near the ground. Therefore, for large explosions the detection of the acoustic waves should not be very different whether the explosion is set off at high altitude or at low altitude. But for an explosion in the low-kiloton range, the amplitude of the long waves will be rather weak. A one-kiloton explosion at high altitude will then give weak, low-frequency acoustic waves which are probably very difficult to distinguish from natural phenomena and very difficult to observe.

I believe, therefore, that the acoustic method will not be very useful for the detection of high-altitude, low-yield explosions. We, therefore, need an alternative primary method of detection.

Such an alternative method is suggested by the fact that considerable ionization is produced in the air by the radiation from the explosion. For the extremely low air densities you find at high altitudes, the large energies produced by nuclear explosions can be expected to radiate to very great distances. The interaction of this radiated energy with the air produces ionization additional to that normally existing in the ionosphere. This is similar to the sudden ionospheric disturbances which are believed to be of solar origin. These natural ionospheric disturbances are known to affect the dielectric properties of

the air, changing its conductivity and its dielectric constant. A similar effect may be anticipated as a result of the ionization produced by a nuclear high-altitude explosion.

We have attempted to estimate the magnitude of this ionization. We believe that one of the best methods to measure the additional ionization is by observing the absorption of the so-called cosmic noise—that is, the electromagnetic signals arising from the galaxy. Any estimates of the magnitude of the ionization and of the consequent absorption of cosmic noise are, of course, very crude. For one thing, the energy radiated by the explosion depends very much on the design of the bomb. For another point, the absorption of this energy depends sensitively on the altitude of the explosion. Third, the ionization will last for a shorter or longer time according to the mechanism by which electrons disappear from the air. Unfortunately, we do not very well know the cross-sections for the attachment of electrons to oxygen molecules, nor do we know the rate of recombination of positive and negative ions in air with any great accuracy. We believe that the recombination is fast compared with the attachment of electrons—that is, compared with O_2 plus electrons, giving O_2 minus—or the same with oxygen atoms. But on the cross-section of this attachment, various laboratory measurements differ by factors as large as 1,000.

For all those reasons, I can show only very crude estimates of the detection distances. These are the following.

For an explosion altitude of 30 to 50 kilometers and a yield of one megaton, the increased absorption of cosmic noise should be observable at about 200 kilometers from the explosion.

At 70 to 80 kilometers explosion altitude for a yield of 10 kilotons, observation should be possible, again, at 200 kilometers; and for a yield of 1 megaton, at 500 kilometers.

At greater than a 100 kilometer explosion altitude, for a yield of 1 kiloton, observation should be possible at 500 kilometers, and for 50 kilotons, observation should be possible at about 1,000 kilometers. If the distance of observation is 500 kilometers, this means that at 500 kilometers distance from the explosion the ionization is great enough to give an observable additional absorption of the cosmic noise. It does not mean that we need an observation station at 500 kilometers. If the station is, let us say, at 1,000 kilometers distance, we may have a radio telescope pointing to a region in the ionosphere which is 500 kilometers distant from the explosion. Therefore, you may have the explosion here [indicating], and here at 500 kilometers you have ionization, but you look at this ionization from a greater distance, for instance from 1,000 kilometers. Since the ionosphere, and also the ionization produced by the nuclear explosion, are at a height of about 100 kilometers above ground, it is relatively easy to see the ionization at this point [indicating] from a distance of 500 or more kilometers. It means that each observation station would have to be equipped with radio telescopes pointing in various directions.

I may add here that the same type of telescopes would be very useful to observe Dr. Leipunski's signal, because we are working with similar frequencies here in the cosmic noise and in Dr. Leipunski's signals.

The numbers in this table are based on the assumption that a moderate additional absorption of the cosmic noise might be detectable. I think this assumption is correct, but I do not know how often natural events may be confused with an explosion. However, it is clear that additional absorption of the cosmic noise is a useful means of detection. Also, I am sure that radio telescopes can be designed to make such measurements, and therefore should be included in a detection system.

The table shows that the absorption of cosmic noise is especially useful for explosions at altitudes above 100 kilometers and less useful for explosions between 30 and 100 kilometers.

The third point I want to discuss is observation from satellites. If an explosion is set off at high altitude, it seems reasonable to try to observe it also from high altitude. Indeed, above the 50-kilometer level, the total amount of air is only about 1 gr/cm², so that gamma rays and neutrons can easily escape into space. This suggests the use of satellites for the observation of such explosions.

In order to minimize the number of satellites required, I would suggest putting the satellites at a great elevation, let us say at twice the radius of the earth, or 6,000 kilometers above the surface. I realize that this requires considerable energy of launching, but I think that satellites at this altitude, especially if their weight is not too large, should be feasible in the very near future, especially if we can use the great development of satellite launching technique of the Soviet Union.

The best conditions are probably obtained if we observe the gamma rays from fission products emitted after the explosion. According to a well-known formula, the gamma ray intensity is given as: $t^{-1.2}$ Mev/sec fission, where t is measured in seconds. For a one kiloton explosion, this gives: 1.5 multiplied by 10^{23} multiplied by $t^{-1.2}$ Mev/sec.

Let me assume that the observing satellite is at a distance of 10,000 kilometers. Then the gamma rays observable at the satellite will be: 10^4 $10^{1.2}$ Mev/cm² sec. Since the energy per gamma ray is about 1 Mev, the number of gamma rays between 1 and 2 seconds is about 10,000, which gives us 10,000/cm². This compares with the cosmic ray intensity of about 1/cm². Therefore, these gamma rays should be very easily observable, and the cosmic ray background is essentially negligible. A possible complication may come from the particles which have been observed by Van Allen in counters in satellites. It is not known whether Van Allen's effect is due to X-rays generated by electrons of about 30 kilovolts or whether his effect is due to electrons of several millions of electron volts. Let us say 3 million electron volts, which may be floating around in outer space. In the latter case, somewhat elaborate experimental arrangements may be necessary to distinguish the gamma rays from an explosion from those present anyway.

I believe, despite this, that this is the simplest method to observe high altitude explosions. It has the advantage of being independent of the special structure of the weapon tested, and essentially independent of the altitude of the explosion, as long as the altitude is sufficiently high.

Thus, attention must, of course, be given to the design of the counters, of the batteries, and of the satellites themselves.

I have emphasized the gamma rays emitted after the explosion. There are also gamma rays emitted during the explosion in about equal number. However, at this time there is some material between the fissionable material and the detector, and, therefore, most of the gamma rays are absorbed. This absorption depends upon the structure of the bomb. While it is probably possible to observe these gamma rays in a satellite, this observation depends more on the particular type of weapon tested. However, these prompt gamma rays may be important for the detection of very clean bombs exploded at high altitudes.

Similar considerations apply to the neutrons emitted during the nuclear explosion itself. These also are numerous; they are also partly absorbed by the material surrounding the fissionable material, but they are still useful for detection. In general, the efficiency of detection of neutrons is somewhat lower than for gamma rays, but it can be made a few percent by suitable detectors.

Finally, I come to the light emitted by an atomic weapon. This may be another useful method. If the explosion takes place in the lower part of the high altitude region—that is, between 50 and 100 kilometers—it is expected that the light will be very intense. At higher altitudes the phenomena seem to be very complicated, and we have so far not been able to discuss them with any completeness. In any case, the light seems to depend strongly on the altitude of explosion and on the structure of the bomb. However, we have seen that the method of absorption of cosmic noise is especially good above 100 kilometers. Therefore, the cosmic noise method and the method of observing the light supplement each other in a desirable manner. Either one or the other will be useful.

At altitudes of 50 to 100 kilometers, the amount of light omitted may be of the order of 10 percent of the total energy released. This means that a 1 kiloton explosion would release 4 multiplied by 10^{13} ergs of visible light. At a distance of 1,000 kilometers, which is near the horizon, and for an elevation of the explosion of 50 to 100 kilometers, this gives a radiation intensity of 10^{-5} calories per square centimeter. The radiation from the sun is about 1/30th of a calory per square centimeter per second. This means that the light could be observed if one uses detectors recording the light every millisecond or so, and recording the light from only a fraction of the sky—not the whole sky, but let us say a few percent of the total sky for each detector. I believe that the light can then be observed even if there is cloud cover over the ground. The observation is much easier if the explosion is set off at night.

I have talked about explosions at altitudes of hundreds or thousands of kilometers. At very much higher altitudes, nuclear explosions will give effects reduced by a large factor at either the surface of the earth or at satellites of the kind described above. The propulsion systems necessary to achieve such large distances from the earth are not much more advanced than those now available. At a distance of several million kilometers, the detection of a nuclear explosion will be extremely difficult.

In conclusion, I want to emphasize once more that all the considerations which I have presented are purely theoretical, and that, so far, there is no confirmation by observation.

STATEMENT BY DR. LEIPUNSKI, JULY 23, 1958

Mr. LEIPUNSKI (interpretation from Russian). At the last meeting Dr. Bethe gave an extremely interesting presentation on the possibility of detecting nuclear explosions at very high altitudes in conditions which, as it seems to us, had not been realized so far and have not hitherto been the subject of experimental investigation. However, since our Conference is examining all the aspects of the detection of nuclear explosions it follows that this hypothetical aspect should also be examined, and that as a matter of fact was the subject of a very interesting and erudite report by Dr. Bethe. I had spoken already yesterday and said that we have approximately the same point of view on the subjects that he had broached, and before coming to the Conference we discussed in Moscow the question of the method of the detection of high altitude explosions and had tried to determine those physical phenomena which might be used when the known methods might not work any longer; in other words, methods of the practical vacuum; and our conclusions in most cases are identical with those to which Dr. Bethe referred. This makes it possible for me to make a report to you which will be short, and it would also therefore avoid the need for repeating what has already been stated in the previous presentation.

What are the phenomena which could be used customarily for the gathering of gamma rays and neutrons and then optical phenomena? The most long-range method is the recording of gamma radiations and neutrons, and in a table I shall presently show you the travel distances of gamma rays and neutrons at various altitudes. [The speaker illustrated his remarks with a table.] This is the first table. The second line is the height in kilometers, the top line is the density of the air, and this line [indicating] is the travel distance of gamma quanta and rapid neutrons. They are approximately the same. Therefore we see that close to the ground at a distance of 50 kilometers you have 250 kilometers, at 70 kilometers 2,500 kilometers, and at a height of over 100 kilometers the distance is already an enormous one, approximately 250,000 kilometers, so that there you need no longer take into account exponential absorption, and for this reason. The first place as a means of detecting gamma quanta and neutrons—which were not referred to at all in the case of surface explosions because this exponential absorption and this distance of 50 kilometers and the 250 kilometers—because it is an exponential value it precludes the possibility of using gamma rays under normal conditions. Therefore, at great altitudes these absorptions are not present and conditions become very favorable. Lower we have the travel distance of X-rays, 6 kilovolts, and in the next line we have X-rays of 3 kilovolts. Six and three kilovolts are of course those X-rays which use up the greatest amount of energy at the time closest to the explosion, and we see that under normal conditions this spreads out to 40 or 60 centimeters, when they are immediately absorbed in the vicinity of the explosion. This, as a matter of fact, governs the transfer of energy into the shock wave. At a high altitude of 100 kilometers, however, the travel distance of X-rays, where there is the greatest portion of the energy of the explosion, is very great, in other words 400 kilometers, and they too already can be used as a factor which would be useful for the detection of the explosion. This table, therefore, explains why this factor, which we had not mentioned at all in the case of the discussion of surface explosions, as a result of the small travel distances and exponential absorption becomes substantive and perhaps the only factor at great heights.

[The speaker illustrated his remarks with a diagram.]

This table I am showing you is a very wide one and it is necessary that I show you the left side of it first and then I shall move it to the right.

In order to make the proposition more concrete we have given, in this diagram, quantitative values regarding gamma radiations and neutron radiations which are emitted as a result of the explosion, with an energy of one kiloton at distances of 3,000 kilometers from the center of the explosion. It is not worth your asking me why we chose 3,000 as the figure; we must use some values so we used a value of 3,000. Calculations would be made on the inverse of the square of the distance, and that can be done too.

You see the following graphs: the first line refers to quanta emitted to debris fission.

The second line indicates the quanta emitted at the moment of fission, in other words, those quanta which accompany the chain reaction, and the quanta from the plastic dissemination as neutrons, as a result of the chain reaction.

Next [indicating] you have fast neutrons, then [indicating] X-rays and then [indicating] slow neutrons. In other words, you have all the forms of penetrating radiations.

The purpose of this diagram, of course, is to obtain a number of quanta or neutrons per surface unit at a given distance of 3,000 kilometers from the explosion, and to obtain a comparison of this figure with the cosmic background. Those data will be seen when I move the diagram to the right.

Here [indicating] you have the total amount of energy which is liberated by all these types of debris, that is 10^{23} megavolts, or something equal to the 23d quanta. As regards quanta fission and plastic dissemination, you would have 3×10^{21}; the quanta-of fission, as a matter of fact, will probably not come out. This gamma radiation which follows the chain reaction is mostly radiation from plastic dissemination of neutrons or plastic dissemination of outer particles. That is important; it is important that it follows, simultaneously, the chain reaction.

Here [indicating] you have these neutrons at 10^{21}, then [indicating] you have X-rays in ergs and in megavolts, and slow neutrons. In this column [indicating] you have the intensity, in other words, the number of particles which are emitted per unit of time.

On the right hand side of the diagram [indicating], in these two columns [indicating], we have given the amount of energy or number of particles per square centimeter at a distance of 3 kilometers. In this column [indicating], is the intensity of the corresponding type of emission, in other words the amount of energy, or number of particles per square centimeter per second, and here [indicating] you have the cosmic background. Speaking of gamma radiations of debris, it will be seen that the total amount is 10^5 megavolts or quanta—it depends on the values per square centimeter. The intensity is approximately 10^2 megavolts per square centimeter and the background is approximately 1½ per square centimeter per second. Thus we have an intensity of radiation which is 5 orders of magnitude greater than the background.

Here [indicating] you see the gamma radiations from plastic radiation and fission. The characteristic time is approximately 10^9 seconds and, therefore, the intensity is very great—10^{12} megavolts per square centimeter per second against a background of 1½ particles, or perhaps, 1½ megavolts per square centimeter per second.

Since most of this equipment has a time factor of 10^7, if we compare that, then, we have 3×3^{10} megavolts per square centimeter per second. This is considerably higher than the background. The neutrons have a slower intensity than the gamma radiations which accompany fission; neutrons also accompany fission and their intensity should be higher. Several neutrons have different intensities of gamma radiation for the same velocities and that is why neutrons will spread out and their times of arrival will be such that, per square centimeter per second, you will have a value far smaller than the gamma quanta. This exceeds the quanta of the background.

Here [indicating] you see X-rays and slow neutrons. From this diagram it will be seen that you can arrive at two conclusions, as at distances of 3,000 kilometers, or something of that order, the emissions from a nuclear explosion are several orders of magnitude greater in intensity than the background. This makes it possible to organize observations.

It is natural that those observations I just mentioned can be organized only by means of a satellite. As a result of the first launchings of our sputniks, the question immediately arose of using those for the purpose of control. This diagram shows that with the apparatus installed on the satellite we have a fairly reliable amount of intensity in order to make such a measurement in a realistic way. It will be seen that the intensity margin is of the order of 5 or 4 orders of magnitude. If you have a margin of four magnitudes you can increase the distance by two magnitudes which makes it possible to go farther away from the explosion. That is why we consider that, from observations made from satellites, it could be said that the reliable limit of distance from a nuclear explosion should be of the order of 300,000 kilometers.

In addition to the factor of the intensity which enables signals to be received, we must examine the question of the identification of the signal—in other words, the question of reliably distinguishing the signal from the cosmic background. Here, we must consider the fact that a nuclear explosion will necessarily give rise to several signals of very definite sequence and origin. First, there will be the intense signal from the gamma quanta of fission and the gamma quanta from the inelastic dissemination of the neutrons. This will come in a very small period of time—10^{-8} or 10^{-7} seconds. It can be recorded quite easily with appropriate instruments. After that, the gamma radiation will come from particles and debris from fission. This occurs within a matter of seconds. Immediately after that signal, it will be possible for a few seconds to receive signals from gamma radiation from the debris of fission. Then, after one-tenth or possibly two-tenths of a second—depending upon the distance from the explosion—neutrons will be received. The velocity of neutrons is approximately ten times slower than that of light. This will govern the time interval between the signal from the gamma rays and the signal from the neutrons. The signal from the neutrons will spread over a long period of time because, in addition to the fast neutrons, hot neutrons will arrive and these have an energy of several kilovolts.

Thus, there will be a characteristic sequence: signals from the gamma quanta accompanying fission, signals from the gamma quanta of particles and debris, and signals from neutrons.

Attention should also be drawn to the fact that it will be possible to set up instruments that will not only detect neutrons but also measure the total number of neutrons—particularly slow hot neutrons—that arrive. In the case of an explosion, the neutrons are not absorbed in the periphery; they are simply slowed down. By measuring the total number of neutrons, one can estimate the number of fissions—in other words, the energy of the explosion. Thus, through an examination of gamma rays and neutrons, one can determine the fact that an explosion has taken place, the distance of the explosion and its energy. In other words, from a satellite it is possible in this manner to obtain all the necessary data to confirm the fact that a nuclear explosion has taken place.

I should now like to say a few words about the cosmic background.

Of course, the physicists here will understand that if the signal which is observed is greater, even by one order of magnitude, than the background, it will be possible to set up instruments that will reliably distinguish the signal from the background. I shall therefore not go into the engineering details of such instruments. I shall limit myself to referring to the relationship which I have already mentioned: that of the signal to the background.

In order reliably to distinguish the signal from the background, one can depend not only on the highlighting of the signal above the background, but also on the fact that gamma radiation from an explosion constitutes a parallel stream, whereas in the case of competing gamma radiation from other sources there is a narrowly divergent stream; this is another criterion to be used in making the distinction.

Calculations have shown that through a proper rearrangement of the computers on a satellite it is possible to insure that the possibility of not distinguishing the signals from the background will be very slight—in

other words, this could be brought to one operation every 10 years. It follows that measurements from a satellite are quite capable of detecting a high-altitude explosion.

I should now like to refer to the question of the distance at which this can be done and to the question of the altitudes of the explosions.

If the explosion takes place at an altitude of less than 30 kilometers, one can use all the earlier methods of detection. Such an explosion should not be regarded as a high-altitude explosion. What we are interested in now is an explosion taking place at an altitude of more than 30 kilometers. Here, a simple geometric calculation shows that if one sends satellites up to a distance of 6,000 kilometers from the surface of the earth, the magnitude of observation will be such that five or six satellites will be needed to cover the entire earth. One satellite covers approximately one-fourth of the total surface of the earth.

With satellites at the distance from the earth that I have indicated, the greatest distance between the explosion and a satellite would be 10,000 kilometers. You will recall that the table which I showed was based on a distance of 3,000 kilometers and a margin of intensity of several orders of magnitude. It will therefore be seen that the reception of signals at a distance of 10,000 kilometers will not present any technical difficulties whatsoever, because all the signals will be substantially higher than the background. Dr. Bethe has already mentioned that the background measured by our sputniks and the American satellites was somewhat higher than the background measured at a height of 250 kilometers. But, as I have mentioned on an earlier occasion, all the physical considerations indicate that this background refers to soft electrons and therefore can be entirely screened. Even, however, if we take this literally, the intensity will still be adequate.

Thus it is possible to conceive of a service for the detection of high altitude explosions which would consist of 5 or 6 satellites, at a distance of 6,000 kilometers, which would rotate around the earth and, by means of quite standard telemetric equipment, they would transmit their signals to the earth; and the result would not depend upon whose satellites they were—whether they belonged to the United States or to the Soviet Union—as both would provide an equally good source of observation. At this point, our sputniks have certain advantages. They can rise with 900 kilograms, and 900 kilograms affords, of course, the installation of a rather generous amount of equipment. However, this equipment could be so simple that it could be installed in satellites of smaller size.

This is all that I wish to add to what was said yesterday by Mr. Bethe regarding the use of satellites for the detection of explosions.

Now I should like to say a few words on optical observations. The optical effects will be produced in the case of an explosion in vacuum. They will be weaker than in the case of an explosion occurring at lower altitudes. From the work carried out by our physicists, it has been established that the yield in such cases could be in the magnitude of 10^{-4} or 10^{-5}, and the other figures are correspondingly lower. The illumination which is formed in the case of a distance of, say, 1,000 kilometers will form, during the period illumination, 10^{-3} lux; but, as the time element here is 10^{-4}, the illumination then will be about 100,000 lux. However, I think this is considerably less than the illumination produced by the sun and I think that it is not one which can be used for founding an accurate system of detection—during a cloudy period in a day, this certainly will not be possible, although it might be possible at night. Therefore, perhaps it is not a direct effect of the explosion which should be borne in mind, but indirect optical signals which occur and are due to the products of the explosion.

First of all, we should like to stress two sources of optical events. At explosions at considerable height, the energy of the explosion transforms itself into roentgen radiations, on the one hand, and into a hydrodynamic velocity of propagation of products, on the other hand. Thus, propagation is effected into the less rarefied layers of air, and the necessary absorption is effected. therefore, in the upper reaches of the atmosphere there will be a creation of a disk of this type within which the extra radiation will be absorbed. The absorbed energy will be illuminated as a visible area, so that this illuminated disk can be seen. But this radiation will be of very short duration as the fading of the illumination is very rapid. Thus, the length of the illumination will be of the order of 10^{-7} seconds.

Apart from this source of illumination, there is another, a weaker one, but longer in duration. The products of the explosion which propagate themselves are of very high velocity, which can be established in hundreds of kilometers per second, and when the molecules which have such high velocities enter the less rarefield layers of the atmosphere, this will lead to a drop in the illumination. There is less intensity in the illumination in such cases, but the period of illumination is longer. It depends upon the distribution of the velocities of the moving molecules, which distributions are regular and can stretch over a period of one second. Thus, we can expect, in the case of a high altitude explosion, the appearance of a luminous cloud, but the eye will detect it and its duration will be one-tenth of a second. Then there will be a second appearance, weaker in intensity, but of longer duration, lasting for one second. This illumination, as has been pointed out, if it occurs at night will be 250,000 times clearer in a cloudless sky, and only 100 times weaker than the light of the day. This is a quite visible and concrete phenomena insofar as the night is concerned. During the day, one would not be able to see it with the naked eye, and the luminosity is then lower, but a device with rapid action, such as a photo-element, could certainly observe this fact. These are my observations in connection with the optical methods.

Gamma radiation—that is to say, X-rays and gamma rays—as Mr. Bethe has pointed out, will lead to ionization in the lower regions of the atmosphere—lower than those to which I have just referred. This is due to the fact that the gamma rays travel farther than the X-rays and, as a result, the ionization from the gamma rays will be found at a height of from 30 to 40 kilometers. This ionization can be utilized in a different way. In other words, as Mr. Bethe pointed out, it can be used for the absorption of cosmic noise or in connection with the reflection of the cloud formed in such an event. This cloud is lower in altitude and its appearnace can easily be noted. From what Mr. Bethe pointed out yesterday, and from what I have said today, it can be noted that there are such physical events in the case of high altitude explosions which allow detection of such explosions. At present, these events are recorded generally as a result of calculations, but we should not forget them because, if we utilize available data—for instance, as a result of the use of certain satellites—I think that we can consider this method both useful and secure, and one which would need perhaps only constructive application.

As to optical readings and the use of changes in the electrical properties of the atmosphere, I think that reference should be made here to the possibilities in principle. We are at present still too far from the provision of a technical solution of the problem or of the possibilities of this factor for control purposes. I think that additional work is required in this connection. However, everything that has been said points to the fact that we are far from being without the necessary arms in connection with high altitude explosions and shows, as well, that we have the technical means for carrying out the detection of such explosions and confirming the possibility of violations of an agreement on the cessation of such tests.

Mr. FEDOROV (interpretation from Russian). Are there any questions?

Mr. BETHE. I have a number of questions on this extremely interesting presentation. First, I have been very impressed by the much greater care with which Dr. Leipunski has considered these phenomena than I had yesterday. However, in connection with his observations about satellites, I am still worried about the background of low-energy electrons.

The experiments by Van Allen showed that this background may be a thousand or more times the cosmic ray background. You stated today, as well as yesterday, that you felt sure that these electrons were really low-energy electrons of a few tens of kilovolts. If I could be convinced of this, then I would agree with you that it would be very easy to eliminate those electrons. However, I do not understand how you prove that these are electrons of tens of kilovolts rather than electrons of millions of volts. If they were electrons of millions of volts, then it would be much more difficult to eliminate them in the counters. Could you, therefore, go into some detail on your proof of the low energy of the electrons which are floating in space?

Mr. LEIPUNSKI (interpretation from Russian). The results in this connection are rather recent, and for this reason we lack direct experimental confirmation of the fact that these electrons are of that type. I have not this information in the available research material. However, I do know this. First it is clear that the increase in the background is not one thousandfold, but smaller. Dr. Virnow, for example, who undertook readings on the second sputnik of the magnification in this connection, in a conversation with me estimated that it was approximately 30 times greater. There is no argument as to the fact that there is a magnification; there may be an argument as to whether or not it is a thousandfold. Dr. Virnov obtained information related to the fact that the background forms approximately one particle per square centimeter per second. There is no doubt as to the accuracy of that information. If the background increases with a rise into the altitude by 30 times, this means that the particles which form the background cannot travel this distance—they cannot cross the magnetic barrier which deflects the electrons. Megavolt electrons should be able to reach such heights as 250 kilometers. As the electrons did not pass through but were stopped, their energy must be low.

Basically, that is all that can be said concerning this question.

Mr. BETHE. I still do not understand this point. I am not an expert on thermonuclear power, but I thought that the question whether electrons can come to a low altitude was not very dependent on their energy. If they have greater energy then their orbits will simply be larger in size. Whether they are reflected at one altitude or another seems to me to depend on the orientation of the orbit relative to the magnetic field lines rather than on the size of their orbit. I think that the higher energy electrons will have as their only difference the fact that they can live longer at a given altitude than the lower energy electrons. Since we do not know anything about the manner in which those electrons get to the high altitudes, I do not think that we have any evi-

dence on the time which they spend at high altitudes, going back and forth along the magnetic lines. Therefore, I do not think we have any evidence so far on their energy. If you have some other evidence, I would be very happy.

It seems to me that this is a question which can be solved only by further experiments conducted in satellites. By placing various absorbers between the counter and the outside, one can undoubtedly find out in the next few months in further satellites whether these particles are low energy or high energy. Would you agree to that?

Mr. LEIPUNSKI (interpretation from Russian). I think that we are now discussing very recent experimental results which have not yet been determined qualitatively. For example, there is the difference in views between Van Allen and Virnov as to magnification. All of this naturally points to the fact that final conclusions will be possible through additional study. I agree with you that there is no proof, but there is at least room for discussion. This background does exist even though its size is still being discussed. In addition to the thousandfold increase which is referred to by Van Allen, we have the other figure of a thirtyfold increase which is given by Virnov. The latter view offers the possibility of using the sputnik to effect readings at a distance of 10,000 kilometers, even if the background is 30 times greater.

Mr. BETHE. I think we agree that we need further experiments. The difference between 30 and 1,000 disturbs me rather than comforts me because it might mean that, if we go from a 1,000-kilometer height to a still greater height, we might find still more electrons. We will have to find out how much background there is and what the nature of this background is before we make very definite statements about the capability of the satellite for detection of high-altitude explosions. I agree that, even if the background is 1,000 times, one still has a good margin and one can still detect high-altitude explosions, certainly at a 10,000-kilometer distance, and one can certainly improve the working by putting in suitable shielding and a suitable arrangement of detectors. But, it seems to me, here is a field where we have to learn more before finally designing the system.

I have another question. You have stated that one can determine the distance of the satellite from the explosion by observing the travel time of the neutrons as compared to the travel time of the gamma rays. This, it seems to me, would be right if you knew the energy of the neutrons. If the explosion were a thermonuclear explosion, then some of the neutrons would have an energy of 14 million electron volts, and in that case the neutron signal would set in sharply at a certain time—and from this I could deduce the distance with fair accuracy. If, however, the explosion were an ordinary fission explosion, then it seems to me that the neutron spectrum extends over a very wide range of energies and that therefore any conclusion on the distance from the explosion will be very uncertain. The same, it seems to me, is true when you come to the thermoneutrons because, from one bomb to another, the temperature will certainly vary considerably, and you therefore cannot tell with any assurance what the energy and the velocity of the thermoneutrons are. Do you agree with these remarks?

My third question refers to the use of the ionization in other ways than absorption of cosmic radio noise. We have also considered such other use. We have also considered the influence of ionization on the propagation of radio signals which are transmitted from one station to another. One point, however, I did not understand. Do you think that the ionization will serve to reflect a radio signal which is emitted by one station and observed at another station? This means: Do you think that the ionization will give reflection of radio waves or do you think that the ionization will give absorption of radio waves? In the latter case, the way one might use this in observation in a system would be to have a radio transmitter at one station, to have a radio receiver at another station, and to observe normally reception of the radio signals because they are reflected by the ionisphere. But if additional ionization is produced, and particularly if such ionization is produced at low levels, such as 30 kilometers, then this transmitted radio signal may be absorbed by the additional ionization created. In other words, my question is this: Do you think that the ionization will absorb a signal which is normally reflected from the ionosphere, or do you think that this ionization will reflect a signal which normally would not be reflected?

My fourth question refers to the high frequency signal which you mentioned yesterday. I have not fully understood the signal, and I have some doubts about it. The first doubt about the signal concerns the asymmetry of the bomb which is exploded. If you have a violator who wishes to make a nuclear explosion in violation of an agreement, and if he chooses to do so at high altitudes, he would perhaps try to avoid giving the signal which you mentioned, and I think he might do so by making the bomb very symmetrical. It seems to me that this is not difficult; that, with a good machinist, you can make a bomb which is symmetrical to 1 part in 10,000. In that case, your signal would be reduced to a fraction of a millivolt per meter. That is one comment. The other comment is that the signal which you talked about contains many different frequencies—it is not just one definite frequency—and, as the signal goes through the natural ionosphere, the different frequencies have slightly different refractive indices. This means dispersion, and I have calculated that this dispersion will spread out your signal, which originally is a sharp pulse, into something like 20 waves.

When this is done the magnitude of the signal again is reduced by a large factor. I therefore believe that this signal will in practice be extremely small, or at least can be extremely small, if care is taken to make the bomb symmetrical.

My fifth question is: What is the mechanism of direct emission of light which you referred to in your talk today? I think it would be nice to hear a little more about this.

That is all.

Mr. FEDOROV (interpretation from Russian). Are there any further questions to the speaker? For the time being there are no more. May we ask Professor Leipunski to answer these questions?

Mr. LEIPUNSKI (interpretation from Russian). Professor Bethe asked a number of questions which could be the subject of a very interesting physical conference on the special phenomena in high altitude, high atmosphere. Undoubtedly these questions are legitimate and will call for a detailed answer, although at this stage I will be unable perhaps to answer in great detail.

The question regarding the definition of distance is made difficult by the fact that the neutrons are not monochromatic, whereas in a hydrogen or thermonuclear explosion you have a number of monochromatic neutrons and therefore it would be relatively easy to determine the distance. In the case of normal explosions the neutrons are not monochromatic and it is difficult to do this. Then you also have thermal neutrons, which have an undefined temperature. If we speak in general terms, all this is of course quite true, but questions of degree of accuracy and degree of uncertainty are at stake and those calculations and observations which are available in connection with the spectrum of neutrons in the case of normal nuclear explosions show a great homogeneity in the spectrum both in relation to fast neutrons and thermal neutrons—in other words neutrons with energy of one kilovolt—that is that group of neutrons stuck in the periphery and assuming the temperature of the periphery. In the case of explosions at a high altitude we will have a train of neutrons which will reflect the spectrum of neutrons—in other words, we will have the characteristic of the spectrum of the neutrons, and I do not anticipate any great difficulty in evaluating the distance to the point of the explosion. So that Professor Bethe is quite correct that this result will depend upon the spectrum of neutrons, but this neutron spectrum is not so valuable that it will be possible to say that we could not assess the distance by means of observations of neutrons.

Regarding ionization, Professor Bethe asked how we visualize this method—in the form of interference with the dispersion of rays reflected from the ionosphere or in the form of an independently acting cloud which would constitute a sort of newly formed ionosphere. Both are possible, you can do it one way or the other, although neither version is very easy to achieve from the point of view of instruments.

Then comes the question of the high frequency signal in the case of an explosion in a vacuum which of necessity is related to the asymmetry of the bomb: what will happen if the bomb is made symmetrical? As I have already said, if the bomb is going to be symmetrical, nothing is going to happen. In other words, the whole point lies in the question to what extent it is possible to make a symmetrical bomb. I believe you are placing a very high requirement before the machinists if you think they can achieve a symmetry of one-thousandth. That is hardly possible and I have my doubts about it. But even one-thousands is a very arbitrary figure and of course it would constitute possibly 250 microvolts per meter. That is difficult but is within the limits of possibility, but to achieve a symmetry of one-thousandth is an extremely complicated procedure. These frequencies in the meter range, at least from what is known of the passage of radio signals, are not absorbed to such an extent in the ionosphere, therefore I think this evaluation of the decrease of the signal as 20 times is perhaps a little magnified. We do not expect such a high decrease in this signal.

Now, what is the machinery for the direct emission of light? I think this is a highly physical question and might perhaps be set aside for a private talk.

That is all.

Mr. FEDOROV (interpretation from Russian). Are there any further questions?

Mr. BETHE. I think I have not made myself clear about the attenuation of the high-frequency signal in going through the ionosphere. I do not mean that the signal is absorbed; I agree with you that the absorption for these high frequencies is extremely small. However, the signal is dispersed. That is, if you have an exponential signal of 300 megacycles this really contains all frequencies from, let us say, 100 to 500 megacycles. The 100-megacycle radiation has a large refractive index; the 500 megacycle radiation has a refractive index near one; and this gives a difference in the time of transit for the two different frequencies. That means that when the signal arrives at the surface it will have changed its shape completely and it will be resolved into some high-frequency signal coming first and lower frequency later on, with the result that this lengthening of the wave train has reduced the amplitude of the wave wherever the wave arrives. That is the point.

On the other point of how to use the ionization, I agree that it is somewhat difficult to design technically a system which makes use of this. I do think, however, that one can tell right away that ionization produced at 30 kilometers height and even up to about 100 kilometers height will give essentially only absorption and not reflection, and only ionization produced at greater height than 100 kilometers can give reflection. Most of the ionization by gamma rays and some of the ionization by X-rays is produced at lower altitudes than 100 kilometers, and therefore I believe that absorption is the method to look for, is the phenomenon to use, if one wants to make use of the ionization in a detection system for high altitude explosions.

Mr. FEDOROV (interpretation from Russian). Are there any further comments on the report presented by Dr. Leipunski?

Mr. LEIPUNSKI (interpretation from Russian). I should like to make a short reply concerning ionization. The fact is that the ultimate result of the selection of possibilities between work on reflection and work on absorption will depend to a very large extent upon the concentration of ions and therefore upon those constants which we take into account in calculations for defining the concentration of ions in a cloud. I was very cautious when I spoke of this because these constants are not very well known.

Mr. FEDEROV (interpretation from Russian). Are there any further questions or comments in connexion with this theme?

Mr. SEMENOV (interpretation from Russian). I would like to say that, even if we bear in mind that the number of these particles forms 1,000—or 10^3—this is not a handicap for detection from this sputnik. We have noticed at a distance of 10,000 kilometres the number of particles per square centimetre will be 10^4, and even if it will be 10^3, the increase as compared to the background will be considerable, so that the question might arise at a much greater length, 100,000 kilometres. If we use the direct gamma quanta released by a bomb after a quantum fission which occurs as a result of a nonelastic propagation of neutrons, and if the yield of neutrons is in the range of 10^{-7} of a second, then we should have an even better ratio. For 100 kilometres we shall have 10 kilometres. At 10 kilometres we shall have 100 particles per square centimetre during 10^{-7} second, whereas in the case of the background the background in the same period of time 10^{-7} second, will give only 10^{-4} particles. For this reason I think the method for determining a nuclear explosion through this method from a height of 10,000 kilometres and at even greater heights, can be viewed as one which can certainly be utilized.

For this reason it seems to me that the question of the background does not play any substantial practical role. The whole question depends upon the equipment installed, but a time of 10^{-7} second is not something which creates an impossibility in our work.

As to the question of symmetry, do you think it is possible to organize an absolutely symmetrical explosion—absolutely symmetrical? I think that is rather complicated.

Mr. FEDOROV (interpretation from Russian). Are there any further comments on the subject under discussion?

Mr. BETHE. I have been reminded by one of my colleagues that Van Allen found not 1,000 times the cosmic ray background but into the fifth times. This makes the discrepancy between his measurement and the Russian measurement even larger. I do not understand the discrepancy, but if the number of slow neutrons is really 10^6 we would have difficulty in observing at least the delayed gamma rays in the way Dr. Leipunski and I have proposed.

Mr. FEDOROV (interpretation from Russian). Are there any further questions or comments which the speaker would answer immediately? If there are none, I will call on Dr. Leipunski.

Mr. LEIPUNSKI (interpretation from Russian). If we increase the background 1,000 times—which, as I have said, is dubious—then for the slower process the conditions of observation will be more difficult. However, I have referred to a number of methods with which you can detect from an earth satellite a nuclear explosion. It is sufficient to have 1 secure method; you do not have to have 10; so that in the use of a large intensity of gamma rays following the explosion there is no handicap which is created for them by the background. Dr. Semenov has just referred to it. The possibility remains in all cases. I repeat, nevertheless, that the amount provided for the background is one which lends itself to further discussion.

Dr. FEDOROV (interpretation from Russian). Are there any further comments?

Mr. BETHE. I like the gamma rays which come out from the fission products because they are independent of the design of the bomb. If you have to rely on the prompt gamma rays, then somebody who wishes to carry out such tests in violation of an agreement might put some lead around the bomb so that these prompt gamma rays do not come out. Similar devices could be used to reduce the number of prompt neutrons. Therefore it seems to me that we would have a very much more secure detection possibility if we could be sure of detecting the delayed gamma rays.

I do agree with Professor Semenov and Dr. Leipunski that the prompt gamma rays and prompt neutrons stand out much better against the background than the delayed one; and I think I find no disagreement with the figures that Dr. Leipunski has presented. However, there is more possibility of making trouble if someone wishes to make trouble, and in the case of the delayed gamma rays people just cannot make any trouble.

Mr. FEDOROV (interpretation from Russian). Are there any further comments on this question? There being none, may I say a few words myself?

First, the difficulties to which Dr. Bethe has referred arise more particularly from the possibilities which seem to be offered to the violator. One can, of course, consider a number of possibilities in this connection, but the possibility of screening a bomb from the gamma rays generated by the explosion would require quite a sizable shell or casing. I think that even without such a casing or shell the cosmic field today is such—I refer to a distance of several thousand kilometers from the earth—that the lifting of such a weight, of many hundreds of kilograms of tons, into that distant area—we have thought of tons in many cases—would be viewed today as a great scientific achievement of which any country could be justly proud and which it certainly would not hide.

Thus, it seems to me, that the possibilities of detection, as of now, are greater to a considerable extent than the possibilities of violation. I speak of the purely technical possibilities. Your earth satellites and ours are flying about, and the equipment of the type which we need is in operation. It is not something sensational, from the point of view of equipment. If we use discrimination—which is always possible—or discrimination from the point of view of the intensity of the flow, well, from these points of view, the equipment is not that fantastic.

The energy of the gamma rays which we plan to register possess a specific value, whereas the energy of other particles which propagate themselves around the world do not seem to have as clear a range, or do not lie in a range of that type.

Furthermore, even if we have a one kiloton explosion near the moon, in the first portion of the gamma rays we shall have about five gamma quanta per square centimeter per second. Therefore, even if we accept the fact that the entire background discovered by your scientists by now is of five quanta per second, then we have five particles in the 10^{-7} seconds. Well, this sort of operation can be detected against a background of one-thousandth of a particle in a microsecond, so that the background here will not be a handicap. If the explosion is not too far away from the earth, say 30, 50 or 1,000 kilometers, then the general radiation of gamma rays will be sufficient. If, however, we consider the explosion of a small bomb at a considerable distance, then the first portion of the radiation will be highly concentrated and will have five particles to the 10^{-7} seconds. This question can certainly be settled on the basis of energy discrimination. For these reasons I think the possibilities are quite good and they improve very rapidly. The science of measurement from the earth satellites is developing very rapidly both in your country and in ours and I think it will certainly, and continuously, exceed the possibilities of violation. On the other hand, the placing of the bomb and the entire experimental device is still fraught with considerable complications if one considers really great distances. I will not refer to some of the other details—symmetrical explosion is a difficult matter of course. What I would like to do is to attempt to summarize the trends of the very interesting reports which we have heard from Professor Bethe and Professor Leipunski.

It seems to me that we are in complete agreement that gamma radiation following an explosion made at a considerable height, say from 30 to 50 kilometers up to hundreds of thousands of kilometers, may be recorded with considerable certainty by the equipment installed on the earth satellites. The creation of such equipment is a problem which can be solved at the present time, I think; it is a soluble problem for us all. Dispatching of earth satellites will be, I think, a very possible feat in the future. You, and we, are sending up several earth satellites a year and will probably continue to do so in the future, thus furthering the possibilities of control. I do not believe that the equipment necessary for the recording of gamma radiation, insofar as its parameters are concerned, is widely different from that which we use in the Soviet Union, or that you use in the United States for the recording of cosmic rays. It is not necessary to install the equipment on an earth satellite of great size. Such equipment can be supplied with energy from solar debris; it is possibly the simplest equipment and one which is most readily available and is of a type already in use in artificial earth satellites. I do feel that, in this particular field, hardly any differences of opinions exist between us. For that reason, I think we can recommend to our respective governments a regular placing of earth satellites, fitted with equipment for the recording of gamma radiation, or perhaps of other types of radiation, but primarily for the recording of gamma radiation which might be produced by an explosion. As I say, we can recommend this as being one of the most basic and reliable methods of control.

Originally such a proposal might have been regarded as a trifle too vast, as regards its possibilities. However, we must examine it. You see, it is possibly one of the easiest methods of control, and one of the cheapest. If you, and we, split the responsibility and send up two or three earth satellites a year, this could not create any difficulties. This system could be applied to any other important experiments. I really do believe that we can recommend this type of control; it is possibly one of the best.

We have looked into other possibilities of control, and I am very glad to note that, generally speaking, they seem to show a sim-

ilar trend. I refer in this connection to Professor Bethe's and Professor Leipunski's reports. I think this fact indicates to us that, in our various countries, we have been thinking independently along the same lines and have arrived at similar results.

It seems to me that these possibilities relate to the change in the ionosphere. We all understand that the explosion creates certain violent changes in the ionosphere which can take the form of either an individual cloud or a lowering of the general ionosphere. In any case, the ionosphere is changed, so to speak. We know that a number of methods are being applied by scientists. For instance, an ionosphere service is in existence which is operated by the ion stations which carry out soundings, from below, upwards. Then, there is a system of recording ionospheric noises.

We must also take into account the possibility of observing optic signals, both those that are elementary—such as the flash of an explosion—as well as those that are secondary, such as the luminosity of the atmosphere after the appearance of X-rays, gamma-rays, and so on.

Then there is the possibility of making use of regular data concerning the condition of the ionosphere which can be obtained by making use of the means already in existence for checking the lines of communication. A service of this kind is in use throughout the world. I think it can be said that the changes which occur in the ionosphere can, in principle, be used by the control service.

However, it seems difficult at present to indicate exactly which method of control should be used. I think that this question can be settled later. I believe that we should refer to this method as being possible in principle. We should note, again in principle, that a possible method exists in connection with the observation of bursts, the illumination of the atmosphere, the influence of gamma rays and other agents on the atmosphere, and so forth.

I would suggest that we should not go into this matter too deeply, since there is no possibility of rapidly putting it into effect. A great deal depends in this case upon the weather. If it is cloudy, it is very difficult for surface stations to operate or to obtain readings from the earth.

I therefore think that we should refer to the possibility, in principle, of using certain optical methods for detecting some of the events which occur. I think that our conclusions could refer to these various possibilities.

I do not claim that I have given an exhaustive picture of this situation, but I believe that the various points to which I have referred could be included.

Does anyone have comments on this matter?

Mr. FISK. We have, of course, considered the various techniques which you have mentioned, Mr. Fedorov. We would propose that in due course these techniques, and perhaps others, should be drawn together into a set of conclusions, or perhaps recommendations. I do not believe that we are ready to do that today, but perhaps we should consider doing it later this week.

Mr. FEDOROV (interpretation from Russian). I am not proposing that we should now draw up the conclusions on this point—that is, on the point of high-altitude explosions—but, since we do still have some time today, it would be desirable to have further comments, particularly as regards the use of gamma radiation from explosions as observed from satellites. We believe that this particular question is sufficiently concrete and clear. Should we include it in our conclusions, or are there valid and serious reasons for not including it? Is there any doubt about the value of this method?

Mr. BETHE. I agree entirely with your conclusion that gamma rays observed by satellites are a very direct, and probably a quite reliable, method of detection. I would say that, if we adopt this conclusion, we should at the same time recommend that research be done into the nature of the background of electrons, so that we know how to design our apparatus and what reliability this apparatus will have.

Mr. FEDOROV (interpretation from Russian). I think that Dr. Bethe's desire is quite reasonable, particularly since it is already being realized. On our third sputnik, we have instruments which apparently will give substantial additional data on the nature of the radiations being recorded. It is possible that early in August some results will be presented during the Moscow conference to be held in connection with the Geophysical Year. I think that American geophysicists and specialists in cosmic radiation are also developing interesting and highly important data on the increase in background. I believe that we can thus say that this is an interesting method. Even if we do not do that, scientists are studying the matter in order to come to a solution rather rapidly. Without any knowledge of the nature of this question, but assuming that there are completely unknown particles that number, let us say, 1,000 or 5,000 per square centimeter per second, the detection of explosions is possible if we use certain simple methods of selection. This relates only to explosions which occur higher than 10,000 kilometers, because at distances of less than 10,000 kilometers intensity is sufficient.

Mr. FISK. We shall, of course, discuss and give further thought to this method; perhaps we shall have some suggestions for draft conclusions in this respect. Apparently, however, there are no further questions at the moment.

Mr. FEDOROV (interpretation from Russian). In that case, I think that we may consider that we have concluded our discussion of the possibility of detecting explosions carried out at very high altitudes or in cosmic space. We must proceed to a discussion of draft conclusions on this subject. I think that it would be desirable to prepare such draft conclusion, so that if there is time tomorrow we might examine them. On our side, we shall be prepared tomorrow to present draft conclusions on this method. approximately on the lines that I have just indicated but with perhaps a few additions.

Mr. HUMPHREY. Mr. President, these papers have not been made available to date because the Department of State has not yet published the verbatim records of the Geneva conference of experts. However, I believe in view of the recent disclosure about the U.S. high-altitude tests, these papers should be made part of the record so that many observers, particularly those concerned with the problem of detection, might know the type of discussions carried on at Geneva. We must have access to information relating to tests and detection. The information coming from these experiments relates directly to our national security, our negotiations, and the ability of the Senate to give advice and consent on proposed treaties and agreements. The Atomic Energy Commission and the Department of Defense are not promoting effective and responsible cooperation between the executive and legislative branches by their leaks and piecemeal, delayed, and tardy release of vital information. The need and right to know is not a slogan; it is a basic requirement of responsible democratic government.

It is my intention to continue to pursue this matter so that the public will know the significance of the high-altitude explosions for a possible treaty on the discontinuance of nuclear weapons tests and, I might add, so that the people will know the significance of these high-altitude tests, insofar as our national security is concerned.

THE BERLIN CRISIS

Mr. BYRD of West Virginia. Mr. President, a specter is haunting Europe. This announcement was made a hundred years ago. It was made by the Communist League, in the "Manifesto" written by Karl Marx and Friedrich Engels. That specter is still haunting Europe. It has changed in character, it has gathered force, and it has won victories. Today the great powers are engaged in a test of strength and principle; they have committed their prestige and power; they approach the edge of war in apparent determination to resolve the issue or dissolve each other.

The center of crisis is Berlin, but it is not the center of conflict. Berlin is the most visible surface of the deep undercurrent of conflicting interests between East and West. It is, like the apex of a pyramid, the focal point of all converging forces of dissension and strife, extending down to the base where lie the many diverse and fundamental differences. Berlin is the center of the present crisis, but the conflict is over the future control of Germany, and thus the European Continent, both of which shall in turn determine the balance of world power.

In Berlin, the Russians have thrown down the gauntlet; the West has picked it up. Now the world anxiously watches the evolving crisis.

Before discussing the current situation, however, I should like to examine briefly the genesis of the Berlin problem. In 1944, the Allies reached agreements on the division of Berlin into zones of occupation. Subsequently, agreement on the general occupation of Germany was confirmed at the Yalta Conference. Among themselves, the Allied commanders, including the Russians, made arrangements during the following months to establish their authority in Berlin and specific routes of communication between West Germany and Berlin after the withdrawal of Western forces into their specific zones.

These agreements were reached and arrangements made when the Western Powers and Soviet Russia were in a desperate struggle to defeat Hitlerian Germany. The spirit of the Grand Alliance prevailed, at least among the Western Allies. All were determined in their course to prevent a resurgent Germany from ever again becoming a threat to the peace of the world. In brief, Allied policy was directed toward the containment of Germany. It is understandable, therefore, that the West did not, apparently, question the wisdom of holding such an exposed position as it did in Berlin. The Western Powers fully expected that a German peace treaty

would be concluded, ending the temporary occupation of Germany as a whole and establishing genuine peace and security in Europe.

But the West had completely miscalculated Soviet intentions at the close of the war and during the early postwar period. The world soon became divided into two major contending ideological blocs as the Soviet Union consolidated its hold over Eastern Europe in violation of its pledged word and stirred up a global campaign of hatred against the West. Immediately, Germany became a battleground of the cold war. Hopes for concluding a peace treaty, slowly dissipating by early 1946, were almost completely dashed by the time Stalin had established the Cominform in 1947. The direct challenge to the West's position in Europe, particularly in Germany, came with the Berlin blockade of 1948–1949. Soviet Russia's brash action set into motion forces that brought about a complete shift in Allied policy toward Germany. Countermeasures had to be taken against growing Soviet power in East Germany and throughout Eastern Europe. Thenceforth, the West was determined upon a course to bring West Germany into the North Atlantic Alliance system. This was finally accomplished in 1955.

During the years of growing tensions since 1945, West Berlin unavoidably became more and more a vulnerable outpost of the West lodged in the heart of Communist Eastern Europe. The Berlin blockade of 1948–1949 demonstrated that the Western position was maintained only on the sufferance of the Soviet Union. The supply corridors through Eastern Germany have always provided a convenient source for harassing the West. And, the Soviets have never been reluctant to avail themselves of this opportunity. On the other hand, West Berlin, emerging from a mass of war ruins, prosperous and genuinely democratic, contrasted markedly with the dismal failures of the Soviets in the East Sector. Mass riotings in 1953 and the constant stream of refugees, pouring from East to West, attested to the high degree of uncertainty of life in the Communist Zone and underscored dramatically the powerful influence emanating from West Berlin.

West Berlin was a monument of freedom and democracy along the outer periphery of the Soviet Empire; it was a rebuke to communism and all its works; it was a defiant reminder to the Soviet Union of our pledged word to our allies and of our determination to oppose communism.

The situation in Berlin has been fairly tranquil during the period from the harassments of 1955 to last autumn. As Senators know, Khrushchev then precipitated the issue in notes to the Western Powers. Subsequent exchanges of notes between Moscow and the Western capitals have increased tensions. Mutual recriminations, charges and countercharges, threats and counterthreats have created an atmosphere of fear and frustration, anxiety, and anger. The very nature of communism suggests that this is the desired political atmosphere in which to press the present Kremlin demands. Nathan Leites, in "A Study of Bolshevism," 1953, alerts us to the attitudes and methods of our adversaries as follows:

> To Bolsheviks, high tension is the normal state of politics. They do not experience it as something that just cannot go on, but rather as something that necessarily persists. What Westerners call a real agreement seems to Bolsheviks inconceivable. It is often predicted in the West that if particular issues * * * could be settled with the Politburo, an easing of the overall tension might ensue. For Bolsheviks, this does not follow. There might be less noise, but the basic situation—the presence of two blocs attempting to annihilate each other—would be unchanged.

Shifting Soviet lines on the German question reflected in recent exchanges and in statements by Khrushchev have confused the issue, compounded the complexities, and created a climate of crisis. Leites refers to the alacrity and purpose with which the Soviets are able to change position. He says:

> Westerners have often commented that there is, in negotiating with the Soviet Union, no common search for a solution to common problems, no discussion in the Western sense of the term; the Soviet delegates elaborate or change their position in strict isolation and then present it in dogmatic fashion. They rarely take account of the views and objections of the other side.

From the maze of confusion, however, discernible lines of policy and intended action emerge which involve four centers of power: the Soviet Union, Great Britain, an evolving alliance between France and West Germany, and, finally, the United States.

Let us first examine the Soviet position. Fundamental to current Soviet policy in Germany is the demand for Western acceptance of the long-held Soviet plan for reunification to be accomplished through a confederation of the two Germanys with eventual reunification under Soviet terms—terms, it should be added, which would insure the communization of all Germany. Khrushchev now demands that the West give up its position in West Berlin and sign a peace treaty with the two Germanys, which would then take the first step toward confederation. If the West refused, Soviet Russia would sign a separate treaty with East Germany, then, in open defiance of agreements on Germany, turn over to the East Germans control of the Western supply lines to Berlin. During the past few days, however, Khrushchev has changed his position on Berlin, but not fundamentally. The Soviet Premier now holds that the West could maintain some troops in West Berlin, if the Soviets could do likewise. The intractable Mr. Khrushchev calls this modification a compromise. At least, he, apparently, is retreating from the extreme position he had at first taken in November. But we must be ever wary concerning what may appear to be a concession or a modification of position or a retreat. In this connection, Lenin wrote:

> Revolutionary parties must go on learning. They have learned how to attack. Now it is time for them to realize that this knowledge must be supplemented by acquiring a knowledge of how best to retreat. We have got to understand (and a revolutionary class learns this by bitter experience) that victory can only be won by those who have learned the proper method both of advance and retreat. (Works, Russian edition, vol. XVII, p. 121.)

Stalin, in one of his lectures in 1924, explained the purpose of such retreat in this way:

> The object of such strategy is to gain time, to scatter the forces of the enemy while consolidating our own for a future advance.

The Western position in this crisis is not yet solidly united. While the range of difference is far from clear, it does seem to shape up into three separate approaches. I think it is fairly obvious that the British Government is moving toward a position that the West should negotiate with the Russians and earnestly try to find new ways to ease tensions over Berlin and settle the problem of European security. On returning to Britain from visiting the Soviet Union, Prime Minister Macmillan placed special emphasis upon the need for negotiations within a broader context and in a mood of greater flexibility. Presently, he is engaged in a series of missions to the Allied capitals, trying to seek an adjustment, and at this time he is visiting with the leaders of our own Government. Apparently, the Prime Minister will urge negotiations with Soviet Russia on the German question, even at the summit, and also suggest the possibilities of some form of demilitarization or of "disengagement" of military forces in Central Europe.

We must not permit ourselves to forget, however, the awful sequel to the course of appeasement followed less than a quarter of a century ago by another learned British Prime Minister, Neville Chamberlain. While the present Prime Minister must be commended for his noble efforts to find a way out of the present crisis, nevertheless he appears to disregard the lessons which the free world should long ago have learned regarding Communist methods and tactics, and the zeal with which Communists use these techniques to further their expansionist aims. The modern student of history and economics will have little difficulty discovering for himself where Communist theory departs from the most elementary aspects of reality, and he will readily perceive that the tools of Communist thought are complex devices which are completely foreign to the tools of thought ordinarily used by freemen. With a little effort they can be understood, in the light of past history. So it is little short of amazing to find that apparently some of our British friends continue to measure the Soviet leaders according to Western standards of values. If the West is to deal successfully with the intricate twistings and turnings of Marxist strategy, there must be an understanding of Communist tools of thought, philosophy, and motive.

On the other end of the allied spectrum are the French and West Germans. General de Gaulle and Chancellor Adenauer do not subscribe to the apparent optimism of Mr. Macmillan in negotiating with the Soviets. Both have not concealed their displeasure at the British attitude since the Prime Minis-

ter's Moscow trip. It is now apparent that the French and the West Germans are drawing closer together in a common policy of resistance to any scheme for disengagement which, in the view of Dr. Adenauer, would be disastrous for Western Europe.

Where the United States stands within these disparate positions of its allies is difficult to determine. On the one hand, the President and other leaders in our government have asserted their determination to hold fast in Berlin until the German question and the problem of European security are acceptably resolved. That the United States will risk war to maintain its position of no retreat in West Berlin has been unequivocally stated by the President. Yet, the administration seems determined to avoid the appearance of inflexibility, and has been searching for a basis of negotiations to end peaceably the stalemate. While presently the United States appears to lean toward the British view of reaching an understanding with the Russians, the Americans are less sanguine than the British about the fruits of such a discussion.

As expressed in the February note to the Soviet Government, the Western position is clear, at least on basic principles: All reject the Soviet proposals for making West Berlin a free city and ending the Western occupation, and concur in the view that a foreign ministers' conference should be called to discuss the broad, general problems of Germany and European security, with representatives of both East and West Germany present. But the responses to the recent Soviet note and methods contemplated in approaching the problem are, however, not quite so clear. On their part, the Soviets have countered with the proposal for a foreign ministers' conference, limiting the discussion to only the Soviet plan for demilitarizing Berlin and the signing of a peace treaty with the two Germanys. As yet, the West has not responded to these proposals. The notes are in preparation; but clearly the West cannot accept wholly the Soviet demands, since acceptance of an agenda so circumscribed would, in effect, mean capitulation to the Soviets and complete disintegration of the Western position in Germany.

In a discussion of this matter, the question naturally arises, Why did Khrushchev provoke the crisis in the first place? I think it is clear that the Soviet Premier acted out of fear of both Germanys—East and West—and their particular relationship to the Soviet bloc. In the first place, the Russians have a pathological fear of the resurgence of German military power. The main thrust of the Soviet political line in the last decade has been aimed at thwarting the rearmament of West Germany, although the Soviets had provoked such responses from the West by their militarization of East Germany. The Russians worked desperately in trying to bring global opinion to bear, through their propaganda apparatus, hoping to prevent the agreement that brought West Germany into NATO. When in May 1955, that development proved inevitable, Moscow launched a vigorous peaceful coexistence campaign to shift the Western trend, highlighted by concluding the Austrian treaty and meeting the West at the summit in Geneva. The failure to change the mood of the West provoked the Russians to attack strenuously the plans of NATO to establish nuclear missile bases in West Germany and throughout Europe. The failure to deter the West from German rearmament appears to have compelled Khrushchev to force a settlement of the German question by provoking the Berlin crisis.

Still, fear of Eastern Germany also seems to have entered into Khrushchev's motivations. It has long been known that East Germany is seething with discontent. The riots of 1953 demonstrated its vast dimensions; and, surely, the Hungarian and Polish crises of 1956 must have added considerably to Soviet anxieties over their uneasy satellites. According to recent reports from London, Prime Minister Macmillan realized for the first time, in his talks with the Russians, the depth of Soviet fears. The Prime Minister apparently came away from his meeting with Khrushchev convinced that the stabilization of the Soviet hold in East Germany was one of the top priorities, if not the top priority, for Moscow. Only when the West has withdrawn from West Berlin and when all Berlin has been made the capital of the East German Republic would the Russians, apparently, feel secure in their position in East Germany, and have less anxieties over the political incorruptibility of their satellites in east-central Europe.

By provoking the Berlin crisis, Khrushchev could make the allies come to terms—perhaps not on all Soviet terms, but at least on the question of Berlin. This appears to be his short-range objective. But the long-range objective seems to be the settlement of the German question, again largely on his terms. In one sense, the Berlin crisis is a subtly contrived psychological thrust intended to set off a chain of responses that would lead to broader settlements on Germany and European security. Khrushchev cleverly created the extreme situation in his demands of November 1958—demands the West probably never thought he would make. He shocked the Western nations into thinking about negotiating an immediate settlement. He gave the West only one alternative: the use of force, an alternative the West would be reluctant to use, since force in Berlin could lead to nuclear war. The next phase of his tactics appears to have already begun—that is, to lessen the extremity of the situation, in this case the ultimatum of May 27, at which time the issue would be clearly drawn, by seeming to offer reasonable points for negotiation. Khrushchev seems to be searching for means to relax the crisis he had purposely created by offering apparent compromises which shall stop at a line far in advance of any position the West had ever been willing to accept before. And the West, seeking to avoid an open clash over Berlin which imposes the risk of nuclear war, shall no doubt be compelled by existing limited alternatives to accept if not all what the Soviets will bargain for, at least far more than what they were ever before willing to concede.

Khrushchev's dangerous maneuver in Berlin is a cleverly contrived form of diplomatic blackmail in which he has all the advantages: position, maneuverability, and irresponsibility.

Furthermore, Khrushchev wants a summit conference. That seems to me to be an obvious motivation in his provoking this crisis. A summit conference would provide him with a vast public platform from which to influence and enlist world opinion in settling the German question on his terms. It will be difficult for the Western Powers to persuade world opinion that their legal rights in West Berlin and Western Germany, are just and legitimate, assuming that world opinion is important in international relations, while Khrushchev is able to make the simple appeal: Let the Germans solve their own problems. Also, even limited success at a summit conference would be a crowning achievement for Khrushchev. He could then no doubt command stronger loyalties from the Soviet people and most certainly could advance another step in establishing his uncontested authority over the entire Soviet system.

Mr. President, I think we must be extremely cautious of the dangers involved in a summit conference. I am not a member of the Senate Foreign Relations Committee, but I have had 6 years of service on the House Committee on Foreign Affairs. Perhaps I should even disregard this limited experience, and say that I speak as an average citizen of the United States and for the average citizen. Speaking in this capacity, I am concerned about the many suggestions that are again being made that we go to a summit conference. The pressure for another summit meeting finds substantial support in Britain and, as I have already indicated, it is already rearing its ugly head in our own country. Our record at previous top-level conferences with the Soviet Union strongly suggests the inadvisability of another venture at the peak. At Teheran and Yalta certain agreements were made, many of which were subsequently broken by the Soviet Union, and some of which we lived to regret. At Potsdam there was another summit parley. Again some of the agreements made were broken by the Russians, and others were regretted by the United States. Former President Truman, in Wednesday's Washington Post, refers to the Potsdam Conference and he voices his misgivings regarding the prospects of a future meeting at the summit, and I desire to quote him at this point:

> I hope that a foreign ministers' meeting can be held in an effort to make a fresh start to deal with the problems of Berlin and Germany. If a meeting at the summit is for the purpose of affirming and furthering the constructive actions taken at the foreign ministers' level—all well and good.
>
> But since the Potsdam Conference where the agreements made were immediately violated by Stalin, meetings at the summit have proved useless.

Mr. President, these are the words of one who, by his vast experience in dealing with the Soviet leaders, learned long

ago that they cannot be trusted and that their agreements are worthless.

Most fresh in our minds, of course, is the Summit Conference of the Big Four in Geneva in July 1955. This high-level parley in the diplomatic Alps engendered great expectations among the peoples of the free world.

The single most specific agreement made at Geneva was on the German question. The Four Powers declared it was their purpose to settle "the German question and the reunification of Germany by means of free elections" which "shall be carried out in conformity with the national interests of the German people and the interests of European security."

As Mr. Dulles has said, the Soviet Union has failed to keep this solemn pledge, and on November 16, 1955, the Foreign Ministers of France, the United Kingdom, and the United States said that negotiations on the German question had reached a deadlock because the Soviet Foreign Minister insisted on a German policy "which would have involved the continued division of Germany as well as the eventual dissolution of the Western security system." In a letter dated February 28, 1958, the Soviet Foreign Minister Gromyko tore up the final scrap of the Geneva agreement when he said the German question "is a question of relations between the two existing German States."

Mr. President, I was unalterably opposed to our participation in the 1955 Geneva Summit Conference. The Scriptures admonish us in this fashion:

> Be ye not unequally yoked together with unbelievers, for what fellowship hath righteousness with unrighteousness and what communion hath light with darkness?

Yet, this is exactly what we were permitting ourselves to become a party to. The Soviet leaders are atheists, and I was taught a long time ago, when I stood at my mother's knee, that one simply cannot do business with the devil. Nevertheless, some of our leaders felt otherwise. Some writers were able to whisk us out of the atomic and cobalt age and into the glorious age of rose-colored glasses. Everything was suddenly sweetness and light. There had virtually been a recognition of the status quo; the bear was not really a bad bear after all; everybody was buddy-buddy; and, following the summit conference, some of our British friends were of the opinion that "there ain't gonna be no war." A magic had been exuded from the conference which far excelled anything that could be found in the Arabian Nights and, borne upon the wings of soft breezes drifting down the slopes from the sunset summit, occult powers completely overcame some of the crystal gazers who were felled at a single stroke of the wand. Like a breath of fresh air, however, it was satisfying to find that a few writers refused to follow the white rabbit into the land of imagery; on the other hand, they showed a determination to study the facts realistically and relate the real results of the conference to the American people.

To those who may suffer the illusion that the real nature of international communism can be changed by any new show of amiability and affability put on by a Russian delegation at a summit conference, one might only point to the announcement, which came on the heels of the 1955 Geneva adjournment, that the Soviets were increasing their military forces in East Germany. Then, too, the Israeli plane disaster, in which more than 50 persons were shot down by Bulgarian Communists, only conformed to the Russian pattern of committing overt, violent acts in order to demean the United States before the eyes of the world. "So sorry," said the Bulgarian Communists, and they felt that they had atoned for their trigger-happy brutality. One must not forget, too, that it was virtually on the eve of the Geneva Conference that the Russians shot down one of our American planes over international waters, inflicting severe burns upon a number of American boys, scars which some of the victims will carry to their graves. In that instance, the Soviets quickly assumed the partial responsibility, a development, based upon past experience, that warranted the sound conclusion that they knew it was their full responsibility. Our State Department made a hasty agreement, accepting the Soviet offer to pay for the damages.

I merely mention these incidents at this juncture to point up the sorry standards of measurements we are using in our official dealings with the Russians and to stress the fact that our sincere desire for peaceful relations with the Communists will carry us into serious danger unless we base our reckonings and policies on realism.

Mr. President, the American people, without regard to political party, would literally have thrown their hats in the air with joy, if the Geneva Summit Conference in 1955 had produced any real, sound basis for peace in our day. But all of the smiling and hail-fellow-well-met show at the summit failed miserably to alter the totalitarian Soviet structure. The satellite peoples are just as captive after Geneva as they were before the 1955 Summit Conference. There is no plan for the Soviet lifting of the ban against freedom of worship. The loved ones of the thousands upon thousands of politically imprisoned foreign nationals have less hope now for the release of their relatives than they had before the 1955 Summit Conference. No edict was issued by the Kremlin for its subversive agents everywhere to cease and desist in their foul efforts to undermine national governments throughout the free world.

What really emanated from the Geneva meetings, Mr. President, was a vast flood of propaganda, all aimed at showing that the prospects of peace were soaring because Bulganin and his company exhibited party manners, that good fellowship was generated with the aid of cocktails and caviar, that a new climate had been produced, and that from there on everything was going to be "just ducky."

Once we had gotten out from under the terrific barrage of propaganda bilge, we discovered that the all-vital, all-important problem of German unification still was unsolved, and it is unsolved today. Mr. President, it is most disturbing to look back upon the fruitless Geneva Conference of 1955 and to wade one's way through the sea of phony claims being made for another summit conference. America has always gone to international conferences with good intentions, but only too often she has returned with scraps of paper, agreements which have been violated and broken by the totalitarian signatories. Intelligent realism is the need of today. I regret to say that, despite the vast library of unhappy examples to the contrary, there appears to be a substantial number of our policymakers who still mistakenly believe that a submissive type of conciliation promotes reasonable responses from the Communists. The plain fact is that the Communists—always and everywhere—mistake reasonableness for weakness; they have only contempt for softness, and they ruthlessly exploit anything that looks like indecision and vacillation.

The Russian dictum on all of this is plain and has been plain for a long, long time. The Marxian dogma and the policies of Lenin and Stalin are firmed to unremitting war on the democracies, not necessarily a war in the military sense, but a war of doctrinal tactics, of infiltration and subversion, of economic piracy, and the stimulation of moral chaos. For Lenin has said:

> We are living not merely in one state but in a system of states; and the existence of the Soviet Republic side by side with the imperialist states for a long, long time is unthinkable. One or the other must triumph in the end.

The Russian leaders, of course, change their tactics from time to time, as I have already indicated. But they have never departed from their historic objective of world domination. In 1923, Lenin, the high priest of Communist strategy, described the struggle between communism and the non-Communist world in these words:

> In the last analysis, the outcome of the struggle will be determined by the fact that Russia, India, and China, etc., constitute the overwhelming majority of the population of the globe. And it is precisely this majority of the population that, during the past few years, have been drawn into the struggle for its emancipation with extraordinary rapidity—there cannot be the slightest shadow of doubt what the final outcome of the world struggle will be—the final victory of socialism (communism) is fully and absolutely assured.

That was 35 years ago. Lenin prophetically foresaw the importance of China and India in the world struggle, perhaps more clearly than we saw it.

On December 26, 1922, in his report to the 10th All-Russian Congress of Soviets, Stalin declared that the decision to form a Union of Soviet Republics was "another decisive step toward the amalgamation of the toilers of the whole world into a single world Socialist republic." A few years later, Dimitri Manuilsky stated the objectives as follows:

> War to the hilt between communism and capitalism is inevitable. Today, of course, we are not strong enough to attack. Our time will come in 20 or 30 years. To win we

shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard-of concessions. The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will leap at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fist.

The handbook of Marxism sets forth the Communist objective in the section on the program of the Communist International. It says:

Thus, the dictatorship of the world proletariat is an essential and vital condition precedent to the transformation of the world capitalist economy into Socialist economy. This world dictatorship can be established only when the victory of socialism has been achieved * * * uniting the whole of mankind under the hegemony of the international proletariat organized as a state.

Lenin outlined the modus operandi for this objective of world domination. He said:

First we will take Eastern Europe, then the masses of Asia. Then we will surround America, the last citadel of capitalism. We shall not have to attack. She will fall into our lap like an overripe fruit.

Quoting Lenin, Stalin has said:

Lenin never regarded the Republic of the Soviets as an end in itself. To him it was always a link needed to strengthen the chain of the revolutionary movement in the countries of the East and the West, a link needed to facilitate the victory of the working people of the whole world over capitalism.

And Stalin supported the view:

For the victory of the revolution in one country, in the present case Russia * * * is the beginning of and the groundwork for the world revolution.

And with the death of Stalin, Malenkov—notwithstanding his professions for a new order of coexistence—revealed his faith in Soviet destiny. He said:

We know firmly that the victory of democracy and socialism throughout the world is inevitable.

I do not wish to labor the point, but it is clear; and, irrespective of changes in strategy, irrespective of current rulers, the key objective of world domination has remained constant.

Mr. President, in his speech to the American people on Monday night, the President of the United States referred to a summer meeting at the summit, and I was pleased to note that such a summit meeting will likely materialize only if future developments justify such a conference. In other words, the President seemed to say that a summit meeting would only occur if it becomes obvious, as a result of lower level meetings, that lasting and beneficial results might accrue from such a conference. If this situation should evolve, then, and only then, would it become worthwhile for us to explore the possibilities of another meeting at the summit. I am doubtful, however, that the Soviets are really prepared for serious negotiation at the summit—or anywhere else—if by negotiation we mean what negotiation has always meant—a genuine give and take, a willingness to give up something in order to attain something of equal or greater value—a willingness, for example, to permit honest and free elections in East and West Germany for the larger objective of greater security in Europe. Since the Austrian peace treaty, what have the Russians been willing to give up in the interests of a larger settlement? They have made certain proposals about giving up nuclear tests and withdrawing their troops from certain central European countries in return for similar concessions from the United States. But upon closer examination these similar concessions are found to be quite dissimilar—they involve unequal sacrifice. Most of the Soviet proposals have been one-sided because they have required much more of us than of the Soviets themselves.

And so, Mr. President, I am not willing to be stampeded into any drive for a meeting at the summit. Of course, talks are necessary to explore the feasibility of negotiations, but if the Russians really want to negotiate, if they really want to engage in genuine give-and-take bargaining, they have countless opportunities through the normal diplomatic channels at the ambassadorial or lower levels. They also have the opportunity to make use of the channels provided by the United Nations.

Even if the Soviets were interested in serious negotiation at the summit or elsewhere, would they keep the agreements reached? The history of the last three decades suggests that they would keep those agreements which were in their interest to keep and would break those agreements which no longer served their interests, if they thought they could get away with it.

The long list of pledges broken by the Soviet Union leads almost inevitably to the conclusion that many of the agreements were entered into without good faith—that is, they were made to be broken like piecrusts.

Let us look at some examples from the sorry record of broken Communist pledges. At the Yalta Conference in February 1945, the United States, Great Britain, and the Soviet Union agreed to help the peoples liberated from Nazi control to solve their political and economic problems by democratic means. The U.S.S.R. has flagrantly violated the letter and the spirit of this pledge by installing Communist regimes in Bulgaria, Hungary, Poland, and Rumania. Also at Yalta, the Soviet Union agreed that the Republic of China should retain full sovereignty in Manchuria. The Russians flouted this agreement by tactics of obstruction designed to hand over Manchuria to the Chinese Reds.

At Potsdam in July 1945, the United States, the U.S.S.R., and the United Kingdom agreed that, subject to the requirements of military security, freedom of speech, freedom of the press, and freedom of religion would be respected in the occupation of Germany. As everyone knows, Soviet authorities in East Germany have curtailed genuine freedom of speech and press by imposing the totalitarian instruments of suppression, censorship, and secret police. Basic legal and political rights have been the victim of authoritarian edict and one-party control, with the inevitable result that a puppet regime has been installed.

On July 27, 1953, a Korean armistice agreement was signed by representatives of the Korean People's Army and the Chinese People's Volunteers on the one hand and the United Nations Command on the other. On July 11, 1955, the United Nations Command, after detailing seven pages of specific incidents, charged that the Communists had flagrantly violated every basic provision of the armistice agreement by a willful, deliberate, and illegal buildup of their military forces which demonstrated their aggressive intent of acquiring a favorable military position over the forces of the United Nations Command.

I have already referred to the German agreement made at Geneva in 1955, which the Soviets have thrown on the mounting heap of broken promises.

So I can only look with the strongest suspicion upon any new proposals for a summit conference with the Russians.

High-level conferences impose serious limitations upon genuine negotiation. In such public spectacles the diplomats are subjected to the shifting moods and emotions of the public and various pressure groups. Under these conditions, the diplomats are tempted to make propaganda speeches rather than to get into the hard bargaining which is the very essence of negotiation. Subject to the glare of publicity and to public pressure, it is difficult for the diplomats to make the necessary concessions for a viable settlement. This makes for rigidity and dries up any liquid assets the diplomat may have had at the outset of the negotiation.

Summit diplomacy tends to create unwarranted and unrealistic expectations in large segments of the public. When these great expectations go unfulfilled, the public mood often shifts from unjustified optimism to equally unjustified pessimism. The failure of an international conference tends to cast discredit not only upon the conference, but upon the diplomatic process itself. The Eisenhower administration and segments of the press must share the blame for the psychological backwash which resulted from their overselling of the Big Four Summit Conference in 1955.

Summit diplomacy tends to undercut the solid, steady, and quiet work of ambassadors and other members of the diplomatic corps. To be effective, negotiation must be continuous, confidential, and patient. Public diplomacy tends to be hasty, spasmodic, and public-relations conscious. Direct negotiation between heads of state, or even foreign ministers, has certain inherent weaknesses.

The noted British diplomatic historian, Sir Harold Nicolson, has this to say about summit diplomacy:

A minister who flies to a foreign capital to undertake negotiation is inevitably short of time, ill equipped in technical knowledge, subjected to great publicity, and inclined to conclude some vague and meaningless agreement rather than to return emptyhanded to his home. More misery has been caused to mankind by the hurried drafting of imprecise or meaningless documents than by all the alleged machinations of the cunning diplomatist.

These are a few of the perils in summit diplomacy. By adequate preparation it may be possible to avoid some of the pitfalls, but others are inherent in public diplomacy itself. At best, the risks are great. There is little need to elaborate further on the subject of the summit conference. I believe that the Russians would only use such a conference for propaganda purposes, and that it would be highly detrimental to the security of our own country and the future safety of the free world. Under such circumstances, and until the atheism of Communist leaders is replaced by belief in an omnipotent and omniscient creator and respect for human and divine laws, I must in all sincerity state that I am against a summit conference. If however, the leaders of our country finally determine that we shall participate in such a conference I beseech them that it only be held after prior lower level conferences and diplomatic activities have given reasonable assurance that agreements have been arrived at which will be kept and honored by the Communists, agreements which we as Americans can honorably and conscientiously adhere to, agreements which will give reasonable hope to the peaceful aspirations of freedom-loving peoples everywhere, agreements which will be dedicated to the ultimate renewal of liberty where it is now denied in Hungary, East Germany, Poland, and other subjugated countries. When such agreements, by prior lower level negotiations, can be assured, then, and only then, shall I favor a summit conference for the ratification of such agreements. I do not believe, however, that such assurance is forthcoming, for the class struggle, to the Communist, is not a struggle which can be negotiated. It is a struggle which cannot eventuate in peace until the capitalist class has been exterminated or liquidated. The conference table is just one more place where war is carried on, and it will be used by the Communists, as it has been used heretofore, as a place where they may maneuver themselves into the best available position for continuing war.

I compliment President Eisenhower for his exercise of restraint in approaching future summit conferences.

In the event, however, that a foreign ministers' conference and subsequently a summit conference are held, what are the alternative courses open to the West? For the West, two alternative courses exist in any discussion of the German problem and European security. I call one alternative, for the want of a better word, the soft line. This line has been identified with disengagement. The other alternative is what I call the hard line; that is, one of firmness and inflexibility and perhaps even a desire to maintain the status quo at worst and at best accept solutions only to the irreducible minimum of Western terms.

Let us first examine the principle of disengagement. Suggestions for disengagement have generally been focused on the idea of withdrawing military forces from an agreed zone, restricting nuclear weapons, and neutralizing the area under a system of guarantees. Plans for disengagement have been suggested by Sir Anthony Eden, Hugh Gaitskell, George Kennan, and Polish Foreign Minister Adam Rapacki. All vary in degrees of realism and acceptability. The Eden plan is the most reasonable and acceptable, since it links a genuine political settlement of Germany with a broader plan of disarmament. The others lack realism. The heart of the disengagement argument is as follows—and here I have in mind Kennan's ideas and those of others equally as unrealistic and unacceptable: Withdrawal of military forces from Germany and withdrawal of West Germany from NATO and East Germany from the Warsaw Pact would satisfy Soviet apprehensions over revival of German militarism and thus, by easing tensions in Europe, would prepare the way for a genuine settlement of European security. The German question, the central problem of our era, would be resolved by neutralization and denuclearization. Reunification could come about peacefully, perhaps, in the form of a confederation. As a consequence, Europe, would, presumably, enter a new era of peace, something akin to the Locarno spirit during the interwar period.

On the other hand, the alternative "hard" course collides directly with the notion of disengagement. Supporters of this course, among whom I align myself, would argue that the underlying assumptions of disengagement are based on an unrealistic appraisal of Soviet intentions and aspirations. It is assumed that disengagement is negotiable and is in the Soviet interest. It is difficult, however, to reconcile this assumption with the inevitable results of disengagement which compel Russia to sacrifice certain strategic positions in Europe, thus leaving its frontiers exposed to harassment by potential enemies. Clearly, Moscow would not negotiate away its security in such a cavalier manner. The Russians have now a solid *cordon sanitaire* in Europe by holding East Germany and the satellite states. It is hardly likely that they would feel more secure if this sensitive area were exposed to penetration by their only potential enemy, the West, in some scheme of neutralization. Disengagement also denies or ignores the deep-rooted ideological motivation of Soviet foreign policy which is inherently expansionist and aggressive and looks upon withdrawal as a strategic retreat in the face of inevitable defeat.

I should also like to stress the point that disengagement maximizes the danger of war rather than minimizes it. Neutralization is basically unrealistic. It would establish a dangerous power vacuum in the heart of Europe. Great powers, and certainly the U.S.S.R., are not self-denying when their interests are at stake, and power vacuums have a way of being filled by nations whose interests are most deeply involved. Doubtless, the days of any neutralization of central Europe would be numbered under any disengagement plan with Soviet Russia. Moreover, can one expect with any assurances that a guarantee of neutrality near the rimland of the Soviet Union would quiet Moscow's fears of insecurity and also negate four decades of ideological conditioning which has provided a paranoic dread of "capitalistic encirclement"?

Disengagement also assumes that neutralization is possible. Yet, I seriously question whether 161 million people in central Eastern Europe can be neutralized. The Germans and Slavs are dynamic peoples. Is it not unrealistic to expect that they would long tolerate a destiny of inactivity? Is it possible to quiet the turbulent political instincts of a people who for centuries have been the power centers on the European Continent? The case of Austria is often cited as a valid argument for neutralization. But, I submit, vital Soviet interests were not involved in the "Austrian solution," in anything approaching the degree that they exist in East Germany and its bordering states. Soviet Russia, apparently, conceded in Austria because such a solution suited the prevailing objective in Soviet foreign policy, that of advancing peaceful coexistence and, more specifically, promoting the Geneva Summit Conference.

Also related to disengagement are the political, logistical, and psychological obstacles that would no doubt have to be surmounted if U.S. military forces were to return after a period of withdrawal from Europe. The unfavorable psychological impact of withdrawal and return, and the problem that arises in democracies in manipulating mass opinion to support such a move, can create serious difficulties. Withdrawal would, moreover, probably strengthen those quasi-isolationist forces who advocate the "fortress of America" concept of defense.

Disengagement would also weaken the Western alliance system. Of this there can be no doubt. It would atomize Western Europe, weaken the will to resist collectively, and encourage false hopes of negotiating separately with Soviet Russia to seek an illusory advantage. No doubt it would also induce a false sense of security in Europe, an illusion of genuine peace and security which could lead to further demands in Europe, Africa, and elsewhere for the dismantling of American bases. I should also like to stress the point that in disengagement the United States gambles with the possibility of losing Western Germany as an ally. Basic to any effective Western defense system is enlistment of the great resources of manpower and material of West Germany. Neutralization would require withdrawal of West Germany from NATO. In this event, NATO would have lost its most formidable European ally, the ability of West Germany to defend itself against future Soviet aggression would have been radically reduced, and Eastern Europe would probably be irretrievably lost.

We could never take such dangerous risks that disengagement offers, and with no compensatory advantage.

The supreme irony of disengagement lies in the fact that it seeks to contain Germany. Fears of its supporters are focused upon the resurgence of German militarism at some future date. They are bedeviled by a myopic fixation that power relationships can never change

and that the enemy of yesterday can never be the friend of tomorrow. They do not seem to realize that the danger to the free world is not Germany; rather, it is the Soviet Union—the Soviet Union yesterday, the Soviet Union today, the Soviet Union tomorrow. Ironically, supporters of disengagement have actually been deluded by Soviet propaganda which in the past years has stressed again and again fears to European security with the revival of German military power.

As a practical policy, disengagement is dangerous; it offers no solution, but only an illusion. The struggle among powers cannot be suddenly resolved by some simple formula. This is a continuing struggle for basic interests that is rooted deeply in the relationships between man and his universe.

The other approach to the solution of the German problem and European security, which I call the "hard" alternative, gives the impression of apparent inflexibility and seeming acceptance of the dangerous status quo. Yet, is it not arguable that such a position, though not entirely accurately described, is broadly valid? We can never hope to solve the great problems of foreign policy by some magic formula such as the supporters of disengagement seem to believe. An intelligent, sound foreign policy is a matter of managing problems, seeking alternatives, and searching for ways to achieve our best interest. I am convinced that a firm policy in Berlin and West Germany is intelligent and sound and that we cannot accept any plan for demilitarizing Germany that is not linked with a genuine political settlement. Such a settlement must be consistent with the general principles of our postwar policy toward West Germany. It seems to me that we cannot deprive West Germany of its right to freedom, nor can we deny the West German people their right to accept a system of Government that conforms to their own wishes, nor can we deprive the West Germans of the natural right of self-defense. We cannot in all conscience accept a settlement in Germany which does not insure acceptance of these principles. To compromise on these principles is not a mark of flexibility; it is folly compounded by stupidity.

The illness of the Secretary of State complicates our role in this crisis. Until a decision is made upon Mr. Dulles' tenure, the lines of responsibility and authority will continue to be diffused and confused. It is regrettable that the Secretary is stricken at a time when his skill at negotiations, his breadth of vision, his depth of understanding, and, most of all, his realism in international relations—especially in evaluating Communist tactics—are so desperately needed. We are, however, presently suffering from the imprudence of personal diplomacy.

Mr. Dulles has failed to build up an adequate staff system in the State Department. We have been compelled to rely heavily upon Mr. Dulles and his solitary judgment in formulating policy. So has the President, and his present difficulties in grasping the details and implications of the Berlin crisis demonstrate the administrative weakness in the conduct of our foreign policy. Mr. Christian Herter has been trying to fill the administrative gap, but even here I have some serious misgivings on two counts. It is axiomatic that authority and responsibility cannot be divided; both must be fused in one person and in one office. The present arrangement violates this principle. Certainly, the results will place great strains on the formulation of policy. Another source of my misgivings is the report in the press that Mr. Herter is sympathetic to the British approach to the Berlin crisis and negotiations with the Russians. Now is the time for firmness, it seems to me, and I wonder what are the outer limits of flexibility in Mr. Herter's thinking on the German problem, and to what extent he will resist pressures from abroad.

Clearly, a balance of two forces exists abroad that adds further to the problems facing our policymakers. Both of these forces fit into the dual pattern of a "soft" and "hard" approach to the current crisis. Prime Minister Macmillan has been and will undoubtedly continue to be tempted to exploit the present situation for domestic political advantage. Domestic political pressures upon him are considerable in view of the coming British election. It may be that, in search for a dramatic issue to sustain the Conservatives in power, the Prime Minister may be willing to make concessions, not necessarily in principle, but for the purpose of conducting the negotiations. This may well have serious consequences; it may give the Russians unwarranted and mistaken optimism in the fragility of the Western alliance and thus encourage them to press a harder bargain; it may also endanger the unity of the West, indeed as the Prime Minister's conciliatory attitude is already doing.

The other ally to the Macmillan approach to the German problem is the Social Democratic Party of West Germany. In search of domestic political issues the Social Democrats have stressed the need for greater flexibility in dealing with the Russians. They have hammered away persistently at the Adenauer government on this point. Perhaps, it is unrealistic to expect them to do otherwise, for politicians thrive on power and the drive to attain it. Yet, the future of Germany and the West is at stake here. This issue, it seems to me, should transcend party politics. Pressure for flexibility generated by this group has undoubtedly had an effect upon the mood of the West German people. It has certainly influenced persons in the United States and Great Britain who seek allies for their disengagement argument. On the whole, they may well constitute a great pressure upon our State Department during this crisis.

At the other end of the diplomatic spectrum, counterbalancing the pressures for the "soft" approach, are the Adenauer and de Gaulle governments. It is refreshing to see the realism with which they have viewed this problem. Dr. Adenauer is a wise and thoughtful man. An elder statesman in the truest sense, the Chancellor has the perspective gained by living German history since the days of Bismarck. He has seen the glories and the tragedies of his people, and he is now determined that Germany shall play a constructive and positive role in international relations befitting a great nation. The Chancellor sees the folly of disengagement and negotiations on terms with Soviet Russia which would lead to the ultimate destruction of his nation, the subjugation of his people, and the loss of Germany as a free, independent, and democratic state. Wisely, the Bonn Government maintains the principle that any limitation of military forces must be linked with a genuine political settlement for all Germany.

Thus, our policymakers are faced with great difficulties. Three of our allies are at polar opposites in this crisis—the British at the one end, and the French and West Germans at the other. And although we are, apparently, inclining toward the British view, yet the alignment is still very much in a state of flux and shall not be firmly fixed for days or perhaps weeks. This raises the problem of coordinating and adjusting the differences among the Western Powers; and while they are not now insurmountable, they are, nonetheless, great, and, in some instances, profoundly deep.

The final danger facing our policymakers is inherent in the problem of military preparedness and the processes of negotiations. It is distressing that our extended commitment in West Berlin has not had equivalent support in military strength. Only last week, Gen. Maxwell D. Taylor, the Army Chief of Staff, underscored our lack of preparations before the Senate Preparedness Subcommittee. Viewing the problem realistically, the Russians have us militarily over a barrel. We have not the resources immediately available to carry out an effective defense of our commitments should an attack come on the ground or should trouble appear in other parts of the world.

Our reliance is almost totally upon massive nuclear retaliation. The President has already said that we would never fight a ground war against the Soviet Union, and he refused to rule out a nuclear war if hostilities developed over Berlin. Senators can draw their own conclusions.

But what alternatives are open to us if the East Germans and Russians provoke a nonnuclear limited war in Germany? Would we run the risk of exposing the United States to nuclear attack by massively retaliating against the Soviet Union in Germany or at some other point?

This is a serious matter and one which our leaders must face up to before the crisis goes beyond our control. That we are sorely unprepared militarily in West Germany is dramatically seen by the alignment of forces. According to Government sources, there are 315,000 Soviet troops in East Germany and 15,000 Soviet policemen; 75,000 East German troops and 45,000 East German policemen. On the other hand, the United States has 4,000 troops in Berlin; Britain and France have an additional 7,000. In addition, there are five U.S. divisions in

the rest of Western Europe, and in all, an estimated 21 divisions of NATO in Western Europe, as compared with 175 Soviet divisions in Eastern Europe. The great danger of our present military position is fairly clear. Yet, it is the effects of our unpreparedness that may well be disastrous for us. Owing to limited alternatives open to us in the Soviet challenge in Berlin, we may well be compelled to accept Russia's demands, not because we want to, but as the only rational and realistic alternative to unleashing a nuclear war. Failure to rely upon multiple deterrence has placed us in an awkward position in this crisis. We are now facing up to the awful consequences of unwise, shortsighted military planning.

Nor are the dangers inherent in negotiating with the Russians any less serious, though their consequences may be less direct and less deplorable. Our experience with the Russians has been sufficient to make us aware of their unreliability in keeping promises. It is a truism that the Russians will keep treaties only so long as they conform to their general political line. The Soviet attitude toward international law, treaties, and agreements is rooted in Marxist-Leninist ideology. According to this doctrine, international law is a part of the superstructure of Communist society, and contributes to the common objective of seeking to establish a universal Communist state. Soviet international law conforms to the prevailing political line, and is thus an instrument of politics. As Lenin once said, "International law is only continuation of domestic policy by other means." The Soviet leaders contemplate life through the prism of Communist theory, and what they see is the ultimate victory of communism and the complete destruction of Western capitalism. Thus, we of the West operate within an entirely different framework than do the Soviets. Our standards of international conduct and accepted customs vary widely. The Soviets have debased the coin of morality. Soviet international law and the Soviet conception of treaties and agreements are basically incompatible with accepted practices in the West. One might, at this point, ask the question: Is there no such thing as Communist morality? Let Lenin answer for himself, as he did in a speech to the Third All-Russian Congress of the Young Communist League, in 1920:

> For us there is no such thing as morality taken outside of human society. Such a morality is a fraud. For us, morality is subordinated to the interests of the class struggle.

To the Communists, then, only those acts are moral which contribute to the building up of a Communist society. When morality has once been defined as "class morality," promises become tactics; and tactics are subject to change without notice.

But, Mr. President, is there no such thing as Communist ethics based on moral and religious principles? Again, let Lenin speak as he spoke in 1920:

> We, of course, say that we do not believe in God and that we know perfectly well that the clergy, the landlords, and the bourgeoisie spoke in the name of God in order to pursue their own exploiters' interests. We repudiate all morality that is taken outside of human, class concepts. We say that this is deception, a fraud.

Mr. President, this is the infidel with whom we are dealing, lower than the rebel archangel, Lucifer, himself. What can one hope to gain by a summit conference and new agreements? Enough agreements have been reached already. They need only to be kept. An enlightening commentary on Soviet agreements is made, Mr. President, by Harry and Bonaro Overstreet in their new and interesting book, "What We Must Know About Communism." I shall read three paragraphs therefrom:

> The Soviet empire rests on broken promises. In 1932, for example, the U.S.S.R. signed nonaggression pacts with Estonia, Latvia, and Lithuania; and in 1934, these were extended for 10 years. Six years later, in 1940, all three countries were invaded and incorporated into the Soviet Union. The satellite empire is a vast monument to the Soviet's disregard of the Yalta Agreement. These are not isolated instances. It would not be an exaggeration to say that they could be multiplied hundreds of times over. For the Soviet Union, since 1917, has entered into literally hundreds of agreements, large and small, and has kept almost none of them.
>
> Even the ideological outposts of empire rest on broken promises. Thus, on November 12, 1933, Litvinoff gave a 4-point pledge to President Roosevelt—as a condition of the U.S.S.R.'s being officially recognized—guaranteeing that the Soviet Union would refrain from all propaganda and organized activity that had as its aim the overthrow of the U.S. Government or the undermining of our institutions. Five days later, however—with recognition accomplished—he released a statement which said, "The Third International is not mentioned in this document. You must not read into it more than was intended." A month later, the Comintern met in Moscow and adopted resolutions which instructed all parties—including the CPUSA—that there was no way out of the general crisis of capitalism other than the one demonstrated by the Bolshevik revolution.
>
> In the face of this record, we have no right to ask that our delegates to any summit or pre-summit conference negotiate an agreement with the Soviet Union—on disarmament or anything else—so binding, so proof against bad faith, that we can relax and call the problem settled. Neither do we have any right to ask that they sign any treaty so far-reaching in its terms, and so innocent of objective safeguards, that if the Soviet Union—having had a "breathing space" in which to gather its strength—broke the agreement while we were keeping it, the result would be catastrophic for ourselves and the whole free world.

Mr. President, experience has shown that only when power was equally balanced between the Soviets and their antagonists would they live up to agreements. I am convinced that the Russians can be expected to violate agreements with other States when they consider violation to be in their interest, but only when they can violate them with impunity. The viability of agreements with the Soviet Union would seem, therefore, to depend, in part, upon the capacity of the West to make violation unattractive. It behooves our policymakers, therefore, to be circumspect in negotiating with the Russians; for the promise to be virtuous is not virtue.

Great responsibilities press upon our Government in this crisis, and it is the duty of that Government to assume them responsibly and intelligently. Weeks are passing rapidly by, and yet indifference has seemed to prevail in the administration until very recent days. It is unwise, I know, to arouse the Nation to a point of heated frenzy. Our intentions could then be miscalculated by our adversary, and a massive popular upsurge might well demand action unwisely conceived and dangerous to our national existence. The administration can, however, go much farther than it has, I believe, to emphasize the seriousness of the Berlin crisis. I was very much pleased to hear that the President had finally decided to explain to the American people the nature of this crisis. An apparent abdication of will, a kind of passive fatalism, seems to have found its way into American thought. Consequences of this development could be serious in this current crisis, for once man ignores his God-given power to control his destiny, he lays himself open to manipulation, pressure, and harassment by his adversaries. Failure to face up to the crisis and failure to resist the Soviets in Berlin will, I believe, be the beginning of the end. Western prestige, influence, and strength—and, thus, power—will surely decline, while that of the Soviets will increase; for withdrawal from Berlin under pressure of Soviet blackmail will probably turn loose forces of disillusionment in Germany and elsewhere in the West—indeed, throughout the whole free world. The consequences of this could be disastrous for us.

I am pleased at the position taken by the President in his speech on Monday night, when he indicated that, while we are ready to consider all proposals, and are willing to listen to new ideas and are prepared to present others, we will not foresake the free people of Berlin, nor will we agree to any permanent and compulsory division of the German nation. The President has indicated his intention to stand firm; and, although I have sometimes been critical of him, I support him in taking a firm position. I support him today, Mr. President; I shall support him tomorrow; I shall support him so long as I have the breath and the strength to support him, if he stands firm.

In the present crisis we cannot yield. We cannot forego the challenge of this day for the illusion of peace for tomorrow. Sacrifices of principles now have no reward but the agonies of national disaster in the future.

Let us, therefore, steel ourselves in this supreme moment of challenge. We must be prepared for the worst, hoping that our posture of resolution and strength will deter the Soviets. We must be prepared militarily now, and not when the crisis has passed. Here is the heart of the whole problem: military preparedness. I deplore what I consider to be the complacency of the administration in this vital matter.

Mr. President, I realize that I am not an authority on military matters. But today I am speaking as an average cit-

izen, and for the average citizen. I sincerely believe there has been too much complacency, too much waiting, too much delay, in regard to the vital matter of military affairs. Regrettably, the administration has never understood the simple fact that the balance of world power is far more vital to us than the balance of our budget. Americans should also be more fully informed of the implications of the crisis, especially of the need to meet force with force. The Communists should never have reason to miscalculate the determination of the American people to resist their challenges, nor should they miscalculate the range of bipartisan support in times of national crisis. In a democracy, existence of an informed public opinion is vital; yet, if the administration fails to create an intelligent, informed opinion, it will have difficulty in gaining support for its policies when the time for decision is upon us. Failure to communicate in this way can also mislead the Communists into miscalculating not only the intentions of our Government but also the depth of support of our Government and its policies among the people.

Finally, let us hope that our policymakers will not submit to misguided domestic and foreign pressures to make concessions on Berlin and to accept the concept of disengagement as a solution to the German problem and European security. Now is the time for strength, not weakness; now is the time for determination, not irresolution; now is the time for sound judgment, not imbecility. History is strewn with tragedies of nations unprepared and irresolute in times of crisis. Failure to respond to challenges of crisis and of adversity has reduced the mightiest to impotence, propelling them precipitously down the road to decline and decay.

Mr. President, shall we meet this challenge of crisis now before us? We must decide soon, before it is too late. And, above all, we must prepare.

"When a strong man, armed, keepeth his palace, his goods are in peace."

Mr. YOUNG of Ohio. Mr. President, will the Senator from West Virginia yield to me?

Mr. BYRD of West Virginia. I yield to the distinguished Senator from Ohio.

Mr. YOUNG of Ohio. For some minutes, Mr. President, I had felt the impulse to get to my feet, but I waited until the Senator from West Virginia completed his statement. I have a couple of questions to ask of him; but first, I wish to say that today we have listened to a forthright address by the Senator from West Virginia, giving a profound, scholarly, and, in fact, magnificent statement of the situation confronting the American people at the present time.

I compliment him for the service he has rendered to our country in making this address. A few moments ago he asked the question, What alternatives are open to us if the East Germans and the Russians provoke a nonnuclear, limited war in Germany?

May I ask the Senator, Is not the only alternative confronting us to use nuclear weapons against the East Germans and the Russians in that area, and use them in such a manner as to repel and in the hope that they would repel the East Germans and keep West Berlin free, at the same time seeking, of course, to make such a nuclear war a limited war?

That leads me to another question. Coming from a neighboring State, I too, like the Senator from West Virginia, desire, in this type of crisis, to support the Commander in Chief of our Armed Forces. I listened with satisfaction and with a degree of pride to the President's statement to the Nation last Monday evening. The Senator from West Virginia stated, in a better way than I can, that politics ends at the water's edge, and we all want to support our Commander in Chief. Along with that feeling, however, I had the feeling notwithstanding the address of our Commander in Chief to the Nation, it was hinted that if the Communist dictators of the Soviet Union persisted in their attempt to drive us from Berlin we were giving notice that nuclear weapons would be used by us to fight back at them. I am wondering what the Senator from West Virginia has to say on that subject, because we can assume, from the magnificent address the Senator from West Virginia has delivered, that he has given the entire subject a great deal of thought.

Mr. BYRD of West Virginia. I thank the Senator from Ohio. I agree with him, and wish to state that I formed the same impression he formed from listening to the President's statement. I feel that the President has pretty clearly indicated that we would be compelled to fight a nuclear war. I have the distinct impression from his public statement—and I think most of the people throughout the country have the same impression—that we cannot hope to repel, cannot hope to overcome, with ground forces any attack which might develop in that area. The President made no bones about that. The clear implication was that we shall have to resort to nuclear war. The President himself has answered the first question of the Senator from Ohio.

I share with the Senator a strong feeling that the President should have stated categorically and in no uncertain terms that we are ready to meet the Soviets, if we must meet them, with nuclear weapons. I think the time has come when we must let these infidels, these atheists, these international murderers know that the American people are still made of the good pioneer stock which built this country, and which fought a revolution against tyranny. I think it is time to stand firm and speak up in such a manner that no one—the Russians, the British, the Germans, the people of the satellite countries or the people of America—will misunderstand where we stand and what we intend to do.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield further?

Mr. BYRD of West Virginia. I yield further.

Mr. YOUNG of Ohio. The Senator from West Virginia and I agree fully that the dictators of the Soviet Union respect and fear strength. The Senator and I agree fully that this Nation must by its strong action take its proper place of leadership of the free world.

I am sure the Senator feels there was a clear implication in the President's address to the Nation last Monday night. It is my hope there was that clear implication. It seemed to me, as I watched the Commander in Chief of our Armed Forces and listened to his address, that it was in the main a reiteration of what has been said time and again by him in connection with the various crises with which we of this Nation have been confronted because of the aggression of the dictators of the Soviet Union and because of the threats and the continuing cold war waged by the dictators of the Soviet Union.

I should like to ask the Senator from West Virginia a further question. In the judgment of the Senator from West Virginia, instead of having an implication or an inference from our Commander in Chief that at the time of the deadline the dictators have fixed, or at some future deadline they may fix, if they persist in what they have said they are going to do, would it not be better for the Commander in Chief to say to the world that this Nation will resort to nuclear weapons to keep West Berlin free? Would it not be better, in the judgment of the Senator from West Virginia, in the course of the present conferences going on with the Prime Minister of Great Britain, tomorrow or the next day, for the President of the United States as Commander in Chief of our Armed Forces to say in no uncertain terms that we will use nuclear weapons in the Berlin crisis to keep West Berlin free?

Mr. BYRD of West Virginia. Mr. President, I answer the question by saying "Yes." I am very pleased that my delightful friend, the distinguished and lovable Senator from Ohio, takes the strong position he has indicated.

I compliment the President of the United States for his speech of a few nights ago. I have long felt that the President was a man who could, if necessary, stand firm. I saw the evidence of that firmness as I watched the President on television. I think the President should speak out in more and more certain terms and put Soviet leaders on notice, so that there will be no danger of their miscalculating our intentions.

Mr. YOUNG of Ohio. Mr. President, I wish to say finally that as a Senator representing in part a neighbor State who listened to the Senator from West Virginia yesterday and who has listened to the Senator's magnificent address this afternoon in the Senate, I am very happy that the citizens of West Virginia sent him to Washington, D.C., to represent in part that State.

Mr. BYRD of West Virginia. I thank the Senator from Ohio. I assure him that I have no particular pride of authorship in these remarks, except, I wish to say, that they portray my sincere and very strong feelings on this important matter. There may not be very many persons who will even read these remarks of mine. That does not matter to me, from a personal standpoint, but I believe someone has to speak out to express the thinking of the man in the street.

I feel I am close enough to the man in the street to know that the American people, once they have been told the truth and once they have been alerted to the danger, are ready to stand firm.

I do not believe that the American people are going to be stampeded into adopting any policy of compromise or appeasement. I have often said that the people of America are 1 or 2 or 3 years ahead of their leaders.

I appreciate very much the kind words of the Senator from Ohio.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield to the Senator from Pennsylvania.

Mr. SCOTT. I wish first to compliment the Senator from West Virginia for an excellent, thoughtful, and very cogent address.

I am in agreement with the Senator as to the objectives which he so well states. His opposition to disengagement, to the Kennan theory, is a position which I share. His view that a summit conference should not be held without first having some adequate determination of Soviet intentions to make genuine agreements and assurances that they will keep such agreements is also a position of which I thoroughly approve.

I should like to ask the distinguished Senator from West Virginia a question with regard to his reference to Prime Minister Macmillan. I am not clear whether Prime Minister Macmillan is considering disengagement or some form of demilitarization.

I do know that in discussions with British officials from time to time they have taken the attitude with regard to the Soviet, and even with regard to the Red Chinese, that "We have dealt with rascals before. We are experienced. We know how to deal with rascals. You do not know how to deal with them; and, since we have such experience, we are willing to recognize Red China and we are willing to enter into various discussions with Soviet Russia."

My comment in reply to those distinguished British public officials, when they spoke of dealing with rascals, was: "Look at what it got you."

I have no evidence that we are actually considering seriously disengagement, or some form of demilitarization, even if Prime Minister Macmillan is considering it. Does the distinguished Senator know whether or not that is the position the Prime Minister is taking on his visit to this country?

Mr. BYRD of West Virginia. I cannot categorically state that that is his position. I do not think I have said so in my remarks.

Mr. SCOTT. I did not mean to infer that.

Mr. BYRD of West Virginia. I do not misunderstand the Senator.

I have the impression, from reading the reports in the press, that the Prime Minister is very desirous of finding a way whereby we can sit down with the Russians; and I have the impression that he is desirous of going to the summit.

I have the additional impression that he is willing to yield on many of the important points, to an extent which is certainly far beyond what our leaders have been willing to go in the past. I am afraid that he is traveling along the same disastrous path which has been traveled by one of his predecessors in our own time. I am much concerned lest we let ourselves fall prey to any suggestion that we do anything other than stand absolutely, strictly, and positively firm.

I believe that the Soviets are bluffing; and if they are not bluffing, we might as well get this thing over with now as some time later.

Mr. SCOTT. Mr. President, will the Senator from West Virginia further yield in order that I may pursue another thought, for purposes of clarification?

Mr. BYRD of West Virginia. I yield.

Mr. SCOTT. The distinguished Senator referred to the fact that the Eisenhower administration must share the blame, as the statement goes, for the psychological backwash which resulted from their overselling of the Big Four Summit Conference in 1955.

Aside from the fact that this was the first summit conference at which we gave nothing away, and that no nation or people lost their freedom at this summit conference, I agree with what the Senator has said, that we could not do business with the devil.

I further note that at this conference we did not sell any souls to him, either.

I point out what the Secretary of State said on the 13th of July 1955, at the beginning of the Geneva Conference:

> The Geneva Conference will be a beginning and not an end. It is not to be expected that great decisions of substance will be made there. What is to be hoped is that the Geneva Conference will implement our unceasing quest for a secure and just peace and breathe a new spirit into the future efforts needed to achieve that result.

That statement was made by the Secretary of State just before leaving for the conference. On July 15, 1955, President Eisenhower, far from encouraging any overselling—he having, in my experience, constantly warned against that danger, as he did in his press conference March 17, 1959—said:

> Now for these things there is no easy settlement. In the brief time that this conference can exist, it is impossible to pursue all of the long and tedious negotiations that must take place before the details of these problems can be settled. Our many postwar conferences have been characterized too much by attention to details. * * * Success, therefore, has been meager. Too often, indeed, these conferences have been mere opportunities for exploitation of nationalistic ambitions or, indeed, only for sounding boards for the propaganda that the participants want to spread to the world.

In the press conference of March 17, 1959, the President said particularly:

> The United States and its allies stand ready to talk with Soviet representatives at any time and under any circumstances which offer prospects of worthwhile results.

He further stated:

> We would never negotiate under a dictated time limit or agenda, or on other unreasonable terms. We are, with our allies, however, in view of the changed-tone Soviet note, concerting a reply to that note.
>
> It is my hope that thereby all of us can reach agreement with the Soviets on an early meeting at the level of foreign ministers.
>
> Assuming developments that justify a summer meeting at the summit, the United States would be ready to participate in this further effort.

I agree with the Senator that there should be no summit negotiations unless real and positive gains are made at echelons below the summit.

Mr. BYRD of West Virginia. Does the Senator not agree with me when I say that we shall have to view the statements or agreements arrived at in prior lower level conferences within the whole context, or certainly in the light, of the background of revealing statements of leading Communists through the years, and against the disappointing background of Soviet shattered agreements and Soviet broken promises.

Mr. SCOTT. I agree entirely with the Senator in that observation. I do not believe the Soviet Empire, from its inception, has ever been worthy of trust, or has ever at any time given evidence that it should be trusted.

In his address the Senator from West Virginia quoted statements dealing with events at the time when Mr. Litvinov defrauded President Roosevelt in order to gain recognition, and immediately reversed himself, having gained what he wanted.

The wonder is that we ever, at any time, seriously believed Soviet words when not accompanied by effective deeds in the interest of all men.

I close my comments to the distinguished Senator by saying that I agree with his conclusion, which is taken from the Bible. I note, as a matter of interest, that the President used that expression about the time of his inauguration. Therefore, we all support the Commander in Chief in the view that:

> When a strong man, armed, keepeth his palace, his goods are in peace.

It is not important that we agree in every detail or method, but none of us disagree on the question of seeking the best protection and security for our country.

That leads me to one final inquiry, with respect to which I am a little unclear. Does the Senator from West Virginia feel that there would be any useful purpose served by maintaining additional troops in Europe? We have heard talk about a ground war, or the impossibility of a ground war. Does the Senator see any way by which we could use troops in a ground war against the Soviet Government in Europe?

Mr. BYRD of West Virginia. First of all, I should like to say, in connection with the Senator's observation a little earlier, regarding the part played by the administration in creating a false impression in the minds of the American people about the Geneva Conference in 1955, it has been my position all along that Secretary Dulles is the one man in the administration who has understood the Soviet leaders from the beginning. I have maintained that he is the one man —although there may be others—who has understood them. Some people say

he is inflexible. If he is, maybe that is a good thing. Perhaps it is because he understands the objectives the atheistic, power-crazed men in the Kremlin are bent upon achieving. I do not mean to say for a moment that Secretary Dulles was fooled by Bulganin and company at the summit. I am not sure that the President was fooled. The President has been resisting any move for another summit conference. He may have had his fingers burned the last time.

So he is strongly resisting being pushed into another summit conference.

However, there are others in the administration, and certainly in the State Department, whose philosophy certainly does not agree with the philosophy of firmness which has been laid down and followed fairly consistently by the Secretary of State. I, for one, regret very much that he has been stricken at this critical moment in American and world history.

Mr. SCOTT. I agree with the distinguished Senator that the illness of Secretary Dulles is not only a personal tragedy but also a tragedy for the United States and for the free world. Without attempting to quote the President, I can certainly say that the Senator's comments are directly in line with those of the President in his feeling of skepticism as to what could be accomplished at this time by a summit conference.

I should like to add, however, that the Acting Secretary of State, Mr. Herter—and those of us who have served with him in the other body have had an opportunity to know him—does have the confidence of the American people and the confidence of the President. I believe he is carrying on well the duties of the Department of State.

Personally I am glad to note that the President himself is clearly and vigorously enunciating our foreign policy, particularly as it presently relates to Germany. I believe it is in good hands. I wished to say this lest failure to say it, in the course of tributes to Secretary Dulles, might be misunderstood.

Mr. BYRD of West Virginia. The President of the United States has the inclination, I think, to stand firm, but I believe he needs the strength and resolution of the American people behind him. He will have to provide the kind of leadership, however, which will awaken and nurture such resolution and such awareness on the part of the American people. I regretfully believe that the public has not been alerted enough to the situation and, moreover, I think that the people are hearing too much from the lips and reading too much from the pens of a few individuals who are virtually running over one another in their desire to be the first to reach the summit and start making concessions. I hope the President will continue to go to the people by radio and television, and I hope he will speak plainly about the crisis confronting them. If he does, he will engender and encourage the kind of strength and determination among the American people which will back him as I believe he needs to be backed, and which will help him to go in the direction which he wishes to travel.

Mr. YARBOROUGH, Mr. KEATING, and Mr. DODD addressed the Chair.

Mr. BYRD of West Virginia. Before I yield further I must attempt to answer the question asked by the Senator from Pennsylvania concerning the use of American ground troops in Berlin if we had more of them there.

Mr. SCOTT. Or in East Germany.

Mr. BYRD of West Virginia. I, of course, cannot answer that question. That is a question which only the men in the Pentagon can answer, or which perhaps only the Commander in Chief can answer. However, I feel this way about it: I am not too sure that Berlin will be the only thorny problem that will confront us when the showdown comes. Knowing the Russian rulers' methods, I am not certain that they will not manufacture additional problems or crises elsewhere. They seem to possess an ingenuity for doing that sort of thing. I maintain that we need more forces, ready to send to Iran or Lebanon again—who knows?—or to the Suez—we never know—or to Formosa. We need more forces in being, ready to counter the thrusts of our arch enemy wherever those thrusts may be launched.

Berlin may be only one point of challenge when May 27 arrives. But as to Berlin, if we were stronger in conventional weapons, and if we had not already weakened and reduced our military forces, we would not be put into a corner or straitjacket at this time and have to say, "It's all or nothing; it's nuclear war or surrender."

Mr. SCOTT. Would the Senator from West Virginia yield at this point for me to ask him whether he believes that 870,000 troops represent a serious depletion of our ground forces I do not undertake to know myself. I wonder whether 30,000 ground troops, the difference between 870,000 and 900,000, is the difference between security and the lack of it. At any rate, who should know better than the Commander in Chief?

Mr. BYRD of West Virginia. In terms of Soviet forces and Soviet might, of course, I think our own ground forces have been seriously depleted. How many troops did we send to Lebanon last year?

Mr. SCOTT. We sent fewer than 30,000 to Lebanon, I believe. I am not sure that I can advise the Senator how many, because I do not carry those statistics in my head. At any rate, the number was sufficient.

Mr. BYRD of West Virginia. Did we send 30,000?

Mr. SCOTT. If the Senator remembers, I hope he will enlighten all of us. I do not remember, but it is my impression that we sent far fewer than 30,000.

Mr. BYRD of West Virginia. That is my impression, also. Thirty thousand men in that instance, I sincerely believe, were the instrument or means by which peace was maintained for the moment in that area of the world. Who knows that an additional 30,000 men may not be very much needed on May 27 to send somewhere else?

Mr. SCOTT. I am not arguing that we should have an Army of 30,000. I am inquiring whether there is a need for an Army in excess of 870,000. I wonder whether the Commander in Chief is not the best one to answer that question. We have had 18 limited wars since World War II. We certainly need to have forces in being to cope with such situations.

Mr. BYRD of West Virginia. I would merely say, in answer to the Senator, that 30,000 more men may be very much needed. It would be far better to have them than not to have them. I, for one, believe we should not have cut our forces as we have in recent years. We ought to have greater strength rather than less strength as long as we are confronted with a grave menace to our country. As to whether or not the Commander in Chief is capable of being the supreme judge, I cannot say. I have considerable confidence in our President where military matters are concerned. However, he may be out of touch with things. For example, I served in the West Virginia Legislature a dozen years ago. I served in both houses. However, I am no longer in touch with the matters which come before that body.

I am not saying I am completely in touch with the problems which come before this body, but I hope to increase my knowledge of them as the days come and go. The President may not be so closely in touch with the situation as he once was. He evidently miscalculated the psychological effect which Sputnik would have upon the world, and he may miscalculate again, this time concerning the adequacy of our military preparedness. From reading the press, I have formed the impression that certain very competent military men in this country do not agree with the theory that we can afford to cut manpower in our Military Establishment.

Mr. SCOTT. The Senator is aware of the fact, is he not, that the service chiefs have all agreed that the total amount for our defense is an adequate sum, even though each of them has indicated his reservation along general lines that he would like to have more for his own service? But as to the total sum involved, they have agreed with the President, and the President has so stated, that they accepted the total figures as adequate to our defense needs, although they may not necessarily be receiving enough for their own respective services.

Mr. BYRD of West Virginia. I am sorry; was the Senator propounding a question to me?

Mr. SCOTT. I assume the Senator is aware of the statement by the President that the service chiefs had agreed that the total overall defense budget is an adequate budget for the purposes of the Nation and its security at this time. But the comment has been made by the President and the service chiefs that they individually, on behalf of their respective services, were not necessarily satisfied with the share of the total budget allocated to each service. It is natural that they should say so. I imagine that Hannibal used to complain to Hamilcar: "Where are those elephants? Why do we not have more elephants coming over the Alps?"

Mr. BYRD of West Virginia. I imagine there might have been some

agreement ostensibly, after the heat had been put on them.

Mr. SCOTT. I thank the Senator from West Virginia. I do not presume to have this knowledge within myself. I asked the Senator for his views. The Senator has made a very distinguished and excellent contribution to the sum of knowledge on this very difficult question.

Mr. BYRD of West Virginia. I do not presume to be omniscient; I can speak only from the impressions I have received in my efforts to follow this matter carefully day by day in the press.

Mr. YARBOROUGH. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield.

Mr. YARBOROUGH. I commend the Senator from West Virginia for the careful study he has given to this question. I know he will be impressed by the question asked by the junior Senator from Pennsylvania about Hannibal's plight. I certainly hope we will not be cut as short on manpower as Hannibal was on elephants, and that our heads will not be carried to Moscow as his was to Rome. I think that should be a warning to us not to reduce our Armed Forces now.

As I heard the speech of the Senator from West Virginia—and it is obvious that much study was put into it—it seemed to me that, boiled down, the Senator from West Virginia was saying to the President of the United States: "If you go to this conference to play strip poker with the Russians, keep your gun on, and don't let them take your shirt and pants and boots off and send you home in your sock feet."

Mr. LONG. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. LONG. I assume the Senator is aware that when the Bureau of the Budget recommends to the President that the manpower of the Army be cut from 925,000 to 870,000, the President tells his Chief of Staff: "This is what you will get." That Chief of Staff can either testify for that amount or resign. It is his choice. The same is true of the Chief of Naval Operations. When he is told that he will get three atomic submarines, and that is all, perhaps the Senator knows that the Chief of Naval Operations tells the committee only what he is free to say.

When the Chief of Staff of the Army tells the committees that he still thinks the Army should have 925,000 men, he can point out that there have been 18 wars since World War II which have been fought without thermonuclear bombs, and that we are not likely to use them; that the probability is that it will be a long time in the future before they are used.

It will be mutual suicide if nations resort to the use of such weapons. We know it, just as the Russians know it. I suspect that the Russians themselves are gambling as to when we will use such weapons. The only way we think the Russians have a possibility of winning is to resort to the method of mutual international suicide.

Mr. BYRD of West Virginia. I am glad the Senator from Louisiana made that point. We are being threatened again and again by the Soviets and their East German puppets with the destruction of our cities. They are telling us that America will be destroyed if war results from the present situation. I wonder if anyone among them believes that the Russian cities will be spared. Their cities will be destroyed, too, and their people are just as fearful of war as are our people. The Russian people have been subjected to the terrible effects of war time and again, and I am constrained to believe that the Russian people do not want war any more than the American people want war.

We Americans recognize the fact that some of our cities would be reduced to rubble, and we recognize the additional fact that some of us would not be around the next morning to crawl over the rubble. But at the same time, the necks of the Russians are in the noose, too, their cities are not bomb proof, nor their people immortal. If they want to call it the end, we might as well have it now as to have it in our children's day, or in the time of our children's children.

The Soviet rulers are out to gain the mastery of the world by hook or by crook, and they think they will get it without a war. But I believe that so long as we can convince them that they cannot have it without a war, they will not resort to war to secure it. I am certain the Senator from Louisiana will agree with me that the best way to peace is to be prepared for battle and refuse to be pushed around by these international hoodlums.

Mr. LONG. I certainly hope the Senator from West Virginia, however, will not fall into the trap of leaving the United States in the situation where the only way in which it can meet an emergency is to threaten to use thermonuclear bombs, which perhaps could destroy Russia but would doom this country to destruction, as well, or else to surrender.

There are many shades of possibilities in between to which we could resort. I do not believe the Senator from West Virginia will find that we will reach the stage when we will dare to rely entirely upon engaging in nuclear warfare. There are methods short of that which can be used. I believe that if we are wise, we will remain capable of using such methods again.

Mr. BYRD of West Virginia. I hope the Senator from Louisiana is correct. I fear we may have already fallen into the trap of having to resort to nuclear weapons if an emergency develops. I think we have already reached that stage perhaps and the President has literally said as much. I think that if the Russians really mean this time to carry through at all costs, we are there now. I do not think we can repel them with our conventional weapons and with the meager manpower establishment we have in comparison with theirs.

If the Russians are now calling a spade a spade, the only way to meet their threat is by nuclear weapons. I repeat that the President has as much as said so already. We might as well let the Russians know that we value life as lightly as they do, but that we value liberty a great deal more than they do.

Mr. SCOTT. Mr. President, will the Senator yield to permit me to comment upon his colloquy with the distinguished Senator from Louisiana?

Mr. BYRD of West Virginia. I yield.

Mr. SCOTT. The Senator from Louisiana has cautioned the Senator from West Virginia not to fall into the trap of believing, or seeming to believe, that there is no recourse available to the United States in the event of a crisis or a threatened catastrophe other than by resorting to nuclear weapons.

I would remind the Senator from West Virginia of what we were discussing a moment ago, namely, that, in fact, our country already has demonstrated twice within the last year or so that other resources are available to it. In fact, in Lebanon the forces of the United States, as manifested in its Navy and its Marine Corps, were used—without resort to nuclear war—to prevent the expansion or extension of danger beyond the shores of the Lebanon-Jordan area. We deployed the 7th Fleet in the Formosa Straits, in the Quemoy-Matsu incident, without resort to nuclear war, although at that time Members of both Houses of the U.S. Congress indicated that that could not be done, that it would not work, that it was the wrong course to pursue. But it did work.

I should like to indicate to the Senator from West Virginia that, in my opinion, those resources are still available to us. Our Navy is still deployed to maintain the freedom of the seas. Our Navy and our Marine Corps are prepared to move with the 6th Fleet in the Mediterranean, or with the 7th Fleet in Asian waters, short of nuclear warfare. Our air forces, including our Strategic Bombing Command, are available at any place in the world where they may be needed to protect the security of this country and its allies—all without forcing us to take the position that whenever danger comes, we can resort only to nuclear-war retaliation.

I hope the Senator from West Virginia agrees with me.

Mr. BYRD of West Virginia. Mr. President, I do agree with the Senator from Pennsylvania. But I hope the Senator will keep in mind that the men in our Armed Forces have not yet looked across their gun barrels at the 175 ready divisions of the Red Army.

Mr. SCOTT. Of course the Senator from West Virginia is correct in the inference that the 15 NATO divisions—which could be "beefed up" to only 17 or 18 divisions, if all the extra men we have been discussing were added—hardly could be expected to achieve success by hurling themselves at the 175 divisions the Soviets have east of the Urals and the 17 divisions in East Germany, to say nothing of the satellite divisions, if the Russians can depend upon them.

That is why I am of the opinion that a resort to ground warfare in Europe

would probably be our last recourse, and that any ground action would probably, at the most, be collateral to, or in connection with, other measures, which, indeed, would involve nuclear action, but also would involve blockade by our naval forces, other use of our naval forces, and the use of our air forces—all of which we hope will not be necessary.

Mr. DODD. Mr. President, will the Senator from West Virginia yield to me?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from West Virginia yield to the Senator from Connecticut?

Mr. BYRD of West Virginia. I yield to the distinguished Senator from Connecticut.

Mr. DODD. Mr. President, I wish to join my colleagues in complimenting my friend, the Senator from West Virginia [Mr. BYRD], on the studious, thoughtful address he has delivered today about the critical situation which confronts us.

I was privileged to serve with the Senator from West Virginia in the House of Representatives and on its Foreign Affairs Committee; and I remember very well—indeed, I am particularly reminded of it tonight—the manner in which he approached the problems which confronted us then, and of the great intellectual integrity and the thoughtfulness and patience he demonstrated. I feel that today he has offered yet another demonstration of those wonderful qualities.

I think his contributions have been good for the country. The more we can discuss these problems and the more we can inform the people of the United States, the better we shall be able, as a people, to arrive at the best possible solutions.

I was intrigued by the colloquy between the Senator from West Virginia [Mr. BYRD], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Louisiana [Mr. LONG]. I wonder whether I understood it correctly.

On the one hand, it has been suggested that we should try to limit to ground warfare whatever action may be required by the difficulties which may arise.

I also understood it to be stated, however, that we are not nearly well enough equipped successfully to defend ourselves on the ground—at least, I believe that is a fair interpretation of what was said—in view of the other side's 175 divisions, as against less than 20 in NATO.

In addition, it was suggested that if we have to fight with nuclear weapons, we—as well as the other side—will be destroyed.

If the Senators are correct, we may soon be faced with a horrible dilemma—a choice between subjugation and mutual suicide. We can avert ever having to make this painful choice by strengthening our conventional forces, and by giving our military leaders the men and equipment they need to carry out their assigned responsibilities for our defense. Perhaps the greatest service the Senator from West Virginia [Mr. BYRD] has rendered this afternoon is the service of bringing this dilemma squarely before the American people, with his usual candor, courage, and honesty.

Mr. BYRD of West Virginia. Mr. President, I value highly and I cherish greatly my friendship with the Senator from Connecticut [Mr. DODD].

He has spoken about our service together on the Foreign Affairs Committee of the House of Representatives. Over those years of service, I formed a very profound affection and admiration for the Senator from Connecticut; and I appreciate very, very much the kind words he has spoken concerning my feeble efforts here today.

I certainly want it understood that I hope we can work our way out of this situation.

What I have today sought to do—although I may fail in the effort—is to alert the American people who read the CONGRESSIONAL RECORD, to alert those in the State Department who read the CONGRESSIONAL RECORD, to alert those at the White House who may read the CONGRESSIONAL RECORD—to alert all of them to the fact, if they are not already aware of it, that we are dealing with men who will stop at nothing, men who intend to conquer the world; men who have no intention of changing their philosophies toward religion, freedom, capitalism, or anything else; men whose promises mean nothing, and who are absolutely devoid of scruples, principles, or conscience. Integrity is not a word to be found in the Communist lexicon.

Mr. President, "What can we expect in the future?" asked J. Edgar Hoover, in his book, "Masters of Deceit." Let Khrushchev himself answer: 'Those who expect us to abandon communism will have to wait 'until a shrimp learns to whistle.' "

There we have the answer from the leader of Soviet might and power. I repeat his answer: He has said there will be no change in Communist theory, method, or goal "until a shrimp learns to whistle."

The goal is communization of the world, and that includes the United States. That goal will be abandoned when a "shrimp learns to whistle." Let us not kid ourselves. Khrushchev meant what he said when he said, "We will bury you yet." He did not speak lightly when, in June 1957, he stated before a nationwide American television audience: "I can prophesy that your grandchildren in America will live under socialism."

Let us, then, be alert to the baldfaced ambitions of those with whom we are locked in struggle.

I would certainly have nothing to gain in a nuclear war or in any other kind of war. I expect to lose my life and my family, just as you, Mr. President, would expect to lose yours if total war should come.

But, Mr. President, America was not built by weak men and women or by those afraid to take a stand and remain firm.

The red stripes in the flag that stands at your shoulder, Mr. President, were not put there by the blood of cowards. The red is emblematic of the blood which was shed by men and women who were patriots and who dared accept the challenge to liberty whether at home or on foreign fields, on land or on sea. Mark my word, Mr. President, that flag will not long unfurl before the world as the symbol of freedom if we knuckle under and grovel in the face of totalitarian threats.

Mr. President, in a book "The Naked Communist," written by W. Cleon Skousen, there appears a statement from the thesis of the Sixth World Congress of the Communist International, November 28, 1926:

> The proletariat in the Soviet Union harbors no illusions as to the possibility of a durable peace with the imperialists. The proletariat knows that the imperialist attack against the Soviet Union is inevitable; that in the process of a proletarian world revolution wars between proletarian and bourgeois states, wars for the emancipation of the world from capitalism, will necessarily and inevitably arise. Therefore, the primary duty of the proletariat, as the fighter for socialism, is to make all the necessary political, economic and military preparations for these wars, to strengthen its Red army—that mighty weapon of the proletariat—and to train the masses of the toilers in the art of war.

The Russian apostles of communism know what they are after, and they know how to go about getting it. To them, the end justifies the means. They are preparing every day for the coming showdown.

William Z. Foster, former national chairman of the Communist Party of the United States, said:

> With him—
>
> Meaning the Communist—
>
> the end justifies the means. Whether his tactics be "legal" and "moral," or not, does not concern him, so long as they are effective. He knows that the laws as well as the current code of morals, are made by his mortal enemies.* * * Consequently, he ignores them insofar as he is able and it suits his purposes. He proposes to develop, regardless of capitalist conceptions of "legality," "fairness," "right," etc., a greater power than his capitalist enemies have.

Mr. President, I am asking to have developed in this country a power which cannot be excelled by the Communists—military power, moral fortitude and spiritual strength.

Our people need to be awakened and warned. They need to be reminded of the broken promises of the past and the threats of yesteryear. They then will not succumb to blandishments or threats in the days ahead. They will fully understand that the only way to avoid war is to be prepared for it, and to let the Communists know that we are willing to resort to it, if resort to it we must.

Mr. KEATING. Mr. President, will the Senator from West Virginia yield?

Mr. BYRD of West Virginia. I yield to the Senator from New York.

Mr. KEATING. I commend the Senator from West Virginia for the sturdy position he has taken in behalf of a policy of strength and firmness in our dealings with the Russians. He has demonstrated a realistic attitude in that respect. I was pleased to hear his commendation of the President and of Secretary Dulles for the firmness of their position.

However, I was a little bit disturbed—and perhaps the implication was not intended—by the Senator's reference to

the Acting Secretary of State, Mr. Herter, as implying that perhaps he would not be as firm and as strong in his position as would Secretary Dulles.

Perhaps the Senator did not intend to leave that impression. If he did, I think it would be a fair appraisal to say that Acting Secretary Herter has worked closely with Secretary Dulles. I have never known of serious differences between them on questions of method in dealing with the Communists. I feel certain that Mr. Herter is equally firm in his position that we must not back down in any way, and must stand up in this Berlin situation.

Mr. BYRD of West Virginia. I certainly do not mean to imply that I think he will yield, but I have expressed the fear that he might. I have yet to be shown that he will be as strong as has been Secretary Dulles, and I merely express the feeling, and with it, the hope.

Mr. KEATING. I realize that. I do not want to cast any improper implications on what the Senator said. I sincerely feel that the Senator's fears in that regard are groundless, and that Acting Secretary Herter is a man of sterling character and firmness of purpose, who would, under like circumstances, take a position alongside Secretary Dulles, with whom he has worked so intimately, and whose thinking and resolution in the case of this problem must be well known to the Acting Secretary. I, of course, hope, as does the Senator, that policy will continue in its present state.

Mr. BYRD of West Virginia. I remember the report in the press, somewhere and at some time in the recent past, that Mr. Herter was thought to be sympathetic with the British views on negotiation, and so forth. We followed the British will-o'-the wisp to the summit conference in 1955. The world followed the British will-o'-the wisp to Munich. I certainly have admiration for our British friends, and they are a great and noble people, but I am quite concerned about the attitudes that certain of their leaders seem to manifest in these days of severe trial. I hope that our leaders will not let them drag us to another summit conference unless, by prior lower level conferences, we have determined without any doubt that a summit conference could be useful and beneficial, and that its beneficial results would be lasting. We are going to have to demonstrate a little leadership of our own. By so doing we can maintain a unity of purpose among the Western Powers and it will be a firm purpose, unyielding on principles, and based upon realism.

Mr. KEATING. My understanding of the President's remarks is that that is exactly what he wants to be convinced of before going to any summit meeting.

Mr. BYRD of West Virginia. I am happy to say I understood his remarks in the same fashion. Mr. President, I thank the Senator from New York, the Senator from Pennsylvania, and other Senators for contributing to this discussion. I think that we are all in agreement that "eternal vigilance is the price of liberty" and I believe my colleagues will agree with me when I say that a few days spent in a good library studying Communist theories and tactics and reading the statements of Communist leaders would be very illuminating perhaps in revealing to us the future course we should pursue in dealing with them.

Mr. President, I yield the floor.

MANDATORY CONTROL OF OIL IMPORTS

Mr. LONG. Mr. President, on March 10 the President of the United States announced a plan for mandatory control of oil imports. Under the law, this was his plain duty. To have permitted oil imports to continue to increase would have seriously imperiled the defense capabilities of this Nation.

Those who are aware of the needs of national security know that this Nation must be able to provide its fuel needs at all times. Those of us who recognize this situation are well aware of the needs of foreign trade. We are just as much aware of the desirability of low consumer prices as anyone. As a matter of fact, many of us have voted for measures to permit increased imports of oil and other commodities produced in the areas from which we are elected in order that a vigorous trade program might expand.

Like all of those who are interested in a wise and sensible foreign trade program, however, we have recognized several concepts. One of those concepts is that the expansion of foreign trade should not be limited to a single commodity. No single industry should be required to stand the entire brunt of increased imports. Tariffs should not be so high that any high-cost American industry would be protected completely from foreign competition.

Those who have criticized the President's action fail to realize that they themselves voted for the law that required him to take this action.

The purpose and meaning of the defense amendment, which was contained in the Trade Agreements Extension Act of 1958, was clearly explained and well understood in both the House Committee on Ways and Means and the Senate Committee on Finance. This matter was explained on the floor of the House of Representatives and it was adequately discussed in the U.S. Senate.

At the time that the defense amendment was pending, every Senator and Representative had available to him the reports of the President's Committee.

The President's Cabinet Committee, in its report to the President, had spelled out quite clearly that an adequate supply of domestic oil and an American industry capable of supplying petroleum needs during times of emergency were essential to national security. It had further been explained that an expansion of oil imports beyond the ratio of 1954 would threaten to impair national security.

Since 1934, imports of foreign oil have increased by 5,000 percent.

Compared to the average American industry, the petroleum industry was absorbing five times its fair share of imports.

Through the period 1934 to 1939, the first 6 years of the Reciprocal Trade Agreements Act, oil exports exceeded imports by 6 to 1. During 1958, and the early part of 1959, the situation was just exactly the opposite. Oil imports exceeded oil exports by 6 to 1.

Foreign oil imports had become the No. 1 commodity to be imported into the Nation. The value of foreign oil imports exceeded even that of coffee, which is not produced in this country.

It comes with particular inconsistency that some Senators from areas which are protected by high tariff walls should be complaining when an industry which has watched more than 20 percent of its market turned over to foreign producers receives reasonable protection to which it is entitled.

Those who come from areas producing textiles have been heard to complain bitterly about the importation of foreign textiles. Many of us from oil-producing areas have been sympathetic to their problem. I, for one, have voted to extend protection to them. Yet, the last figures made available to me indicated that textile exports still exceed textile imports.

Those of us from Louisiana know something about the problem of maintaining a domestic industry. In spite of large-scale imports we have supported a sugar act which permits offshore producers to have more than 50 percent of the American market for sugar, although our State is the largest single cane sugar producer.

Historically, we have complained that our farmers were compelled to sell at world market prices while they were compelled to pay for commodities produced in a protected market. Because of our attitude toward expanding trade, we have been reluctant indeed to ask for protection while others from areas accustomed to this protection would have been screaming from the housetops.

I, therefore, suggest to my friends from areas which do not produce oil that they be as fair with us as we are willing to be with them. I suggest that they should forego the protection which they enjoy in terms of tariffs and quotas until foreign producers have taken at least 20 percent of their market and until the imports of commodities in which they are interested exceed exports by a ratio of 6 to 1.

I urge my friends from those areas to come up to the lick-log and shoulder their fair share of the burden. This would require that all tariffs should be reduced to 3 percent on an ad valorem basis until foreign imports are in a position to share 20 percent of the market of each commodity produced by American industry.

I am waiting for volunteers.

Mr. President, those of us interested in a strong fuel industry in America wish to keep the price of oil low. I am sure that the entire domestic industry feels the same way about this matter.

The President can expect wholehearted cooperation from the domestic petroleum producers. If the major oil companies which have used their influence to prevent the limitation of foreign oil imports will cooperate in

keeping prices low, there will be no problem.

I am frank to say that it is completely within the power of the larger oil companies to see that this result obtains. Nevertheless, it may be within the power of these same major corporations to sabotage the program, just as they used their influence for 5 long years to prevent a mandatory program from ever going into effect, while some of them fudged and cheated on the spirit of the voluntary import control program.

I have only today returned from a meeting of small independent producers of petroleum products at Evansville, Ind. At this meeting I felt it my duty to explain to those independent producers how the major oil companies of America have found it possible to make billions of dollars of profits from foreign oil and foreign oil imports while avoiding their share of tax liability to this Government.

I believe it is time that we demand a report explaining how the Arabian American Oil Co., for example, has escaped more than a billion dollars in taxes by taking full advantage of the foreign tax credit.

When this foreign tax credit proposition is understood, particularly insofar as it applies to the production of oil by American companies in areas outside the United States, it will make any criticism of the depletion allowance look like a mere tempest in a teapot. For any tax avoidance that may result from an application of the percentage depletion allowance, at least 10 times that much tax avoidance results from the operation of the foreign tax credit employed by the major oil companies in manners in which it was never intended by Congress. It is these companies, benefiting from fantastic profits, paying little or no taxes on those profits to the U.S. Government, who do not seem to be satisfied as long as they have competitors in their business.

Perhaps when the foreign tax credit is explored, they will be more content to settle for the billions of dollars of tax-free profits which they are enjoying.

Mr. President, the need of the mandatory program to limit oil imports has been long recognized. It is very long overdue.

Recently, I joined with 21 other Senators in requesting the President to put into effect such a program. I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a copy of the letter sent to the President on February 25, 1959, by the Senator from Montana [Mr. MURRAY] and 21 other Senators, asking that this program be put into effect.

The PRESIDING OFFICER (Mr. DODD in the chair). Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. LONG. And now, Mr. President, I have a suggestion to make: I suggest that the tariff on all products be lowered to the same 3 percent ad valorem equivalent to that presently being enjoyed by oil, until foreign imports share 20 percent of the domestic market of all products.

I invite my friends from other areas, and particularly those from New England, to join me in supporting such legislation.

Sometime next week I expect to discuss this subject in greater detail. At that time, I hope that Senators who are interested in this subject will make themselves available to join in the discussion.

EXHIBIT 1

FEBRUARY 25, 1959.

THE PRESIDENT,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: An increasing volume of foreign oil imports which continues despite 4 years of Government efforts of a voluntary nature emphasizes the need for early and effective steps if this critical situation is to be relieved.

In order to provide clear authority for corrective action in such cases, the Congress adopted the defense amendment (sec. 7, Trade Agreements Extension Act of 1955). Last year the Congress, having growing concern about the effect of imports upon essential domestic industries, further amended the defense amendmenst so as to strengthen the authority to limit such imports. Repeated assurances, in the past, that action would be taken to restrict excessive imports of oil and other essential commodities resulted in these amendments to the Trade Agreements Extension Act which were substituted for mandatory legislative controls on specific items. Despite these assurances, the volume of foreign oil imports has continued to grow.

In 1955 when this matter was before Congress, we were concerned about the 1954 rate of oil imports which were about 1 million barrels daily, amounting to 16.6 percent of domestic demand. During recent weeks, imports have averaged about 2 million barrels daily, amounting to almost 30 percent of domestic production. This trend is alarming.

Concern about this matter on the part of the Members of the Senate is not new. Members of the Senate have previously brought this matter to the attention of the executive branch of the Government. On July 30, 1955, and again on July 31, 1956, a group of Senators, many of whom are also signatory to this letter, wrote to the then Chairman of the Advisory Committee on Energy Supplies and Resources Policy, urging immediate steps be taken to curtail the volume of foreign oil imports which were so adversely affecting our domestic oil and coal industries. In those letters, we referred specifically to administration guarantees that oil imports would be held down.

Of particular concern has been the rapid increase during recent years in imports of petroleum products. In 1954 total product imports were less than 400,000 barrels daily. During 1958 product imports exceeded 700,000 barrels daily. It appears that during recent weeks imports of products have reached even higher levels. This increase in product imports has been dramatized by the press report of February 3 that a tanker of residual oil from Rumania is expected to be landed in New York shortly and may be a forerunner of the current Russian effort in foreign trade. History indicates that product imports will continue to increase unless restricted and it is our belief that products must be included in any new program if it is to be effective.

Changes made in the Trade Agreements Extension Act of 1958, in our opinion, contain a clear mandate from Congress to relieve essential industries from damage done by foreign imports. In directing the President to limit imports of strategic and critical materials which threaten to impair the national security, the defense amendment in the 1958 Act (sec. 8) specifies that he shall take action to adjust the imports of such article and its derivatives. Applied to oil imports, this means that all product imports as well as crude oil imports should be limited.

As Senators representing those States in which the major production of our domestic fuels is located, we urge that immediate action be taken to give substantive relief in this aggravating problem. It is further urged that such action provide mandatory limitations under the law, and that it be based upon the 1954 ratio of imports to domestic production.

We would appreciate advice as to when this action may be taken and in what form relief is anticipated. Further delay will result in more economic distress to essential fuel industries and their employees and, more important, it will cause further impairment of the national security.

Respectfully yours,

JAMES E. MURRAY and MIKE MANSFIELD (Democrats, Montana), WILLIAM LANGER and MILTON R. YOUNG (Republicans, North Dakota), ROBERT S. KERR and MIKE MONRONEY (Democrats, Oklahoma), DENNIS CHAVEZ and CLINTON P. ANDERSON (Democrats, New Mexico), ALLEN J. ELLENDER and RUSSELL B. LONG (Democrats, Louisiana), E. L. BARTLETT and ERNEST GRUENING (Democrats, Alaska), JENNINGS RANDOLPH and ROBERT C. BYRD (Democrats, West Virginia), ALAN BIBLE and HOWARD CANNON (Democrats, Nevada), JOHN L. MCCLELLAN (Democrat, Arkansas), and JOHN S. COOPER (Republican, Kentucky), FRANK E. MOSS (Democrat, Utah) and R. VANCE HARTKE (Democrat, Indiana), JOHN CARROLL (Democrat, Colorado) and GALE MCGEE (Democrat, Wyoming).

ADJOURNMENT TO MONDAY

Mr. LONG. Mr. President, in accordance with the order previously entered, I move that the Senate stand adjourned until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 7 o'clock and 34 minutes p.m.) the Senate adjourned, the adjournment being under order previously entered, until Monday, March 23, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 20, 1959

The House met at 12 o'clock noon.

Rev. Paul J. Harrell, Memorial Baptist Church, Arlington, Va., offered the following prayer:

God so loved the world, He gave His only Son.—John 3: 16a.

Our Father, Thou who hast proven Thy love by sending us Jesus Christ and hast illumined our human life by the radiance of His presence, we give Thee thanks for this Thy greatest gift.

Grant that our remembrance of the blessed Life that once was lived out on this earth may remain with us in all the duties of this day.

Let us remember His eagerness, not to be ministered unto, but to minister; His bravery in the face of opposition; His quickness and courage in making decisions; His meekness of bearing, so that, when reviled, He reviled not again; His serenity of spirit; His desire to do the will of the One who had sent Him.

Grant, O God, that these Members of the House of Representatives, elected by the people, may here and now elect to follow the Christ and the leading of His Spirit in all actions and decisions this day.

In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1094. An act to amend the Bretton Woods Agreements Act.

The message also announced that the Vice President had appointed the Senator from Massachusetts, Mr. KENNEDY, as an additional member of the Joint Economic Committee.

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs may have permission to sit during general debate in the House today.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

TREASURY AND POST OFFICE DEPARTMENTS AND THE TAX COURT OF THE UNITED STATES APPROPRIATIONS BILL, 1960

Mr. GARY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States, for the fiscal year ending June 30, 1960, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5805, with Mr. BLATNIK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Virginia [Mr. GARY] had 9 minutes remaining, and the gentleman from New Jersey [Mr. CANFIELD] had 40 minutes remaining. The gentleman from New Jersey had been recognized for 20 minutes and had consumed 15 minutes of his time. The Chair recognizes the gentleman from New Jersey for the remaining 5 minutes.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I shall be happy to yield to my colleague.

Mr. PELLY. I would like to ask a little more about the figure in the Treasury budget for interest on the national debt. We were told yesterday that it amounted to, as I recall, $8 billion. I wonder whether the committee has considered that and whether it is going to be enough.

Mr. CANFIELD. May I say to my colleague from Washington that the amount of the interest on the public debt for the new fiscal year 1960 is $8 billion. That amount, in fact, is really not carried in this bill. That is what we call an indefinite appropriation, as the result of permanent appropriation statutes of yesteryear. Our committee does not exercise jurisdiction over that particular item in the regular annual bills. What we are discussing today are funds to operate the Treasury Department, the Post Office Department, and the Tax Court.

Mr. PELLY. I thank the gentleman. If I might inquire further, I wonder if the gentleman would agree with me, though, that there is apathy toward buying Government bonds now, and the Secretary of the Treasury is having difficulty in refinancing and getting enough interest in exchanging bonds and whether or not the figure that is put in by the administration is actually going to be short of the amount that will be called for in fiscal 1960.

Mr. CANFIELD. I hope it is not. However, may I point out to the gentleman that this is an indefinite appropriation, and whatever amount is required is automatically available. The $8 billion we are speaking of is the current estimate.

Mr. PELLY. I agree with the gentleman, but I am very fearful that the estimate is inadequate.

Mr. CANFIELD. Mr. Chairman, I could start my remarks this afternoon with this expression "As I was saying late yesterday before I was grossly interrupted," but I shall not do that because I have too much respect for my friend and colleague, the gentleman from Iowa [Mr. GROSS].

Mr. Chairman, because the American people send and received two-thirds of the world's mail, the Post Office Department of the United States is one of the largest businesses to be found anywhere. It is a very unique one.

While the principal business of the Department is to deliver the mails for its customers, a staggering volume that may exceed 61 million pieces this year, it has no control over the postage rates it may charge for the service. To carry on this business it must employ hundreds of thousands of employees but it has no control over the salaries it must pay them. The total amount it may spend in any one year is fixed by law. While this amount is geared to workload estimated at the time of budget presentation, it cannot be increased without legislative action if actual workload experiences exceed the estimates.

In making up its budget, the Post Office Department must project its needs from 8 to 20 months in advance of expenditure. They must first estimate the volume of mail the public will call upon them to handle. The next step is to translate this workload into units of labor required to perform this function. This involves the utilization of over 540,000 employees; the operation and maintenance of over 41,000 vehicles owned by the Post Office Department; the use of 4,700 vehicles rented by the Post Office Department; the travel of over 1.6 million miles each day by 31,000 rural carriers; 48 airlines to fly the mail over 2.8 million miles each day; 2,400 mail-carrying trains which travel 1.4 million miles each day; highway vehicles which travel another 2.1 million miles each day to complement the delivery system within the United States.

To house these farflung activities, the Post Office Department rents approximately 24,000 buildings and uses 52 million square feet in about 3,300 Government-owned buildings. Here again they must plan and procure in advance the space they will need; provide new and replacement equipment, and through research develop mechanization and automation that will afford a more economical handling of the mail and the more expeditious movement of an ever-increasing workload.

Compare these problems with those of private enterprise. They, too, operate on a budget. But there the similarity ends. Their operating budget is tied directly to their volume of business. If their workload increases, their operation funds automatically go up. Variation from their original estimates may be as much as 25 percent, but this does not affect work schedules. Compare this with the Post Office Department which over the years has varied only a few percentage points at most from its estimates. Private business spends for modern space and equipment based on the economies involved; the Post Office can spend only what the Congress authorizes, regardless of what their real needs may be.

Mr. Chairman, it will be noted in the committee report accompanying the bill our committee has felt that the increase of 4.3 percent in volume projected by the Department months ago is too high and the committee feels that allowances for an increase of 2.5 percent will be sufficient in view of the best information we now have regarding the state of our economy. This clearly means, and there was considerable discussion in our committee on the point, that if the committee's figure proves to be unrealistic and a further volume increase develops, the Department through the President and the Bureau of the Budget can present new facts warranting appropriate consideration and action. Certainly the Department will want to reappraise the picture before the Congress adjourns later in the year and, of course, at the beginning of the second session next January. Meanwhile, as indicated in the report, the 5 percent transfer feature continued in the appropriation will present a safety factor.

The chairman has related the story of the Department's modernization program which has been developed at the request of the committee. With a 31 percent increase in population and a 131 percent increase in mail volume in the past 20 years, the Department has outgrown facilities available in thousands of communities. Surveys have indicated that approximately 2,500 federally

owned and 12,000 leased post office buildings need to be either remodeled or replaced and provided with modern equipment. Approximately $150 million allowed in this bill for capital and modernization programs is a real start on this mammoth undertaking.

The Washington, D.C. post office—now the world's most mechanized post office—is the latest answer to an ever-accelerating problem of moving an increasing volume of mail efficiently and rapidly through a big city post office. The reaction of employees to this and other types of automation in the Department has been very favorable.

Through the so-called Metro plan, more than 58 million Americans living withing 19 metropolitan areas are today receiving next-day mail delivery. During the 1959 calendar year, 40 more metropolitan areas will be embraced, the nationwide program to account for possibly 100 areas.

Mr. Chairman, if there are no questions at this time I shall proceed to yield time to those who have requested it.

Mr. Chairman, I now yield 10 minutes to my friend and colleague, the distinguished gentleman from Louisiana [Mr. PASSMAN], one of the members of our subcommittee.

Mr. PASSMAN. Mr. Chairman, I want to pay tribute to the distinguished chairman of the subcommittee, Mr. VAUGHAN GARY, and also the ranking minority member, Mr. GORDON CANFIELD, with whom I have been associated as a member of the committee for 11 years. I should like to say to you that when Mr. GARY and Mr. CANFIELD have finished with the examination of witnesses before the committee there is very little of real significance left for other members to ask, because they go into the subject so thoroughly.

This morning I was reading the Treasury statement for the fiscal year 1959. We have already withdrawn in excess of $8 billion more from the U.S. Treasury than we had withdrawn in the comparable period of the preceding fiscal year. We have gone completely wild on spending. I am moved to ask if the Congress has lost the will or the power to bring fiscal policies under control. I fear that this may be a fact. The administration is now requesting, for example, $8,700 million in deficiency appropriations applicable to the present fiscal year.

Even with very good management in the Post Office Department, this year there will be an operating deficit of $470 million, notwithstanding the fact that the Department today has fewer personnel employed than was the case 5 years ago. The Department, nevertheless, is doing an excellent job, and I certainly want to pay my respects to Postmaster General Summerfield and his able staff.

Mr. Chairman, sometimes we do not face factual realities in such a manner as we should. It costs a certain amount of money to carry the mails. We collect a certain amount of money in postage. We apply that credit to the total expense. Then we get a deficit or we get a credit. But for many years, because of our failure to increase the postage rates adequately, there has been a deficit, and certainly not a credit.

So far as I know, never before this year has there been a request for a nongovernmental supplemental appropriation. But this year a request came before the committee from the Director of the Budget for a $172 million supplemental appropriation to be applied to certain classes of mail. If we should recommend this $172 million subsidy, a nongovernment subsidy, it would have the effect of reducing the overall deficit, and present a more favorable picture for the classes of mail and for the publishers being subsidized. I think if we view this matter upon the basis of fiscal responsibility, we shall agree that this committee and the deficiency subcommittee acted wisely in declining to recommend this particular appropriation.

It is my understanding it is basic law that when the Government performs a personal service, as such, payment is required in return for that service. If a citizen writes to the Bureau of the Census, for example, for information, such as verification of birth dates, he pays for that personal service.

It costs a certain amount of money to carry the mail, and any deficit comes out of the pockets of the taxpayers of this country. So I think it is only proper that those who are using the mail should pay the freight.

Last year we were requested to raise the first-class postage rate to 5 cents, and we increased it only to 4 cents. This was the first increase at all since 1932. But had we been realistic and followed the upward climb in our economy with a rate of postage commensurate with that trend, the first-class letter rate would have gone up to 7 cents, and not 4 cents. I am personally prepared to support increase of the postage rate on first-class mail to 6 cents, and not 4 cents, because we are going to have to put the Post Office Department on a self-supporting basis or else we are going to have to ask all the people to make up the deficit. Why should all the people be subsidizing me in my business by carrying my mail for less than it actually costs the Government to handle it?

I want to see the Post Office Department put on a self-supporting basis, because its work is a personal service which is performed for the benefit of certain individuals. Therefore, I repeat, if I am given an opportunity to vote to increase the first-class postage to 6 cents, I am going to do so. Likewise, I am going to vote to remove the subsidy from these other classes of mail. Perhaps, this ought to be done gradually, over a period of years, so that the companies with heavy investments in the businesses involved will not be unduly damaged as the result of the loss of their subsidies.

Mr. Chairman, I think we have a sound bill before us, and I certainly hope that the committee will support it.

Mr. CANFIELD. Mr. Chairman, I yield five minutes to the distinguished gentleman from North Carolina [Mr. ALEXANDER], a member of the committee.

Mr. ALEXANDER. Mr. Chairman, it has been my pleasure to sit on the Subcommittee of the Post Office and Treasury of the Appropriations Committee and I have enjoyed the leadership and fellowship of our distinguished chairman and all of the members of this distinguished subcommittee on both sides of the aisle.

I feel the committee has done an outstanding job in going into the justification of all the requests and I wish to say here and now that I am going to support the recommendations of the subcommittee and vote with them on this appropriation bill.

I would also like to say that in my opinion the Departments whose requests we have scrutinized, such as Post Office Department, Treasury, Coast Guard, Customs, Internal Revenue, and Bureau of Narcotics, have all, generally speaking, done a workmanlike job with the funds which have been granted to them.

I would like to bring to the attention of the membership of the House, however, a trend which has been going on in government for sometime and that is the continual addition of Federal employees through Federal agencies. This has been done in spite of modernization and mechanization and facilities improvements, which have recently been increased to a large degree.

If I remember correctly the overall picture of the increase in Federal employment has been astounding; for example, on June 30, 1940, the grand total was 1,002,820 and on January 1, 1959, the total was 2,353,116. To break that down into the Departments which we are considering today, such as Post Office Department and Treasury—on June 30, 1940, the Post Office Department had 323,481 while on January 1, 1959, it had 542,551; the Treasury had 59,256 on June 30, 1940, and 75,801 on January 1, 1959. These figures were supplied by the Library of Congress and represent total employees as of the dates given.

The bill now under consideration will support additional increases in average employment in fiscal year 1960 of approximately 1,000 in the Treasury and more than 12,000 in the Post Office Department. This represents a reduction of approximately 500 from the request of the Treasury Department and more than 4,000 from the request of the Post Office Department, but still the trend continues upward.

We have appropriated money for modernization and mechanization in past years. The bill now before the House appropriates as much additional money for these modernization and mechanization programs as the committee believes can be wisely and economically utilized.

It is my hope that the Departments receiving appropriations under this bill will make every effort to restrict employment in every reasonable way and hold increases in employment to the most essential cases, and eventually that the modernization and mechanization improvements will allow the Departments to decrease, from year to year, total employment rather than continue in the present trend.

Mr. Chairman, I yield back the balance of my time.

Mr. GARY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the gentleman.

Mr. MORRISON. Mr. Chairman, I want to pay tribute to and commend the chairman of the Subcommittee on Appropriations and the members for the very excellent job they have done and for the diligence and tremendous amount of time and effort they have put forth on this bill in order to bring it to the floor today, but as ranking member of the House Post Office and Civil Service Committee, I cannot remain silent after reading the report of the House Committee on Post Office Appropriations. I am shaken to my very depths to find that this committee has taken it on itself to incorporate into an appropriations bill what amounts to a repeal of a law passed by the last Congress. I am referring to the 1958 postal rate increase act. I was one of the conferees on that measure, and I can assure my distinguished colleagues on the Appropriations Subcommittee that a decision on postal policy, which is to be voided by the pending appropriations measure, was not made lightly, nor was the language of that bill written in haste and without serious consideration of the import of every word and phrase.

I cannot understand the action of the Appropriations Subcommittee unless it wished to undo the postal policy provision of Public Law 85–426 since the postal policy section of the act does not, as the Appropriation Committee recognizes, call for any new appropriation of money. It merely sought to bring out into the open and allow for proper accounting of money being spent to maintain such public services as free mail for the blind, support of small-town newspapers, and other worthy causes approved by congressional action. The budget is not affected one way or the other by as much as one penny. The moneys appropriated in the bill before the House today are exactly the same amount which would have been recommended anyway. Only the ability of the post office to serve the people will be affected.

What the postal policy section was intended to accomplish and did accomplish was to highlight for the first time in a hundred years the various postal services that Congress provided below cost in the public interest, as well as the extensions and enlargements of service that were made because the national welfare was involved. These issues and many others were considered and made the basis of the statement of postal policy. No rates were changed by this section. No service was added or subtracted. No citizen received any special benefit or hurt because of it. What was intended, and in large measure accomplished, was a statement of national postal policy, just as we have in our laws a statement of national transportation policy.

Before this legislation was passed there were literally years of hearings and studies made by congressional groups on the need for a postal policy—most of them, to be sure, in the other body—the results, the background studies were freely available to Members of this body and in particular to the conferees who spent hour after hour trying to arrive at a clear and honest appraisal of the philosophy governing our postal system.

The action of the Appropriations Committee can only serve to distort the problem and might possibly lead to the curtailment of such vital services as post offices in smaller communities or make it impossible for some church organizations to raise missionary funds.

What Member here does not know of post offices in his own district that have been closed—a sacrifice on the altar of a phony deficit, despite the protests of the people it had served. Many fourth class offices, threatened with such extinction, have been saved only through the intervention of the Representatives of the districts involved. What Member is not aware of the great work done by the Scout groups, the various charities, and the fraternal organizations? Can we say that the below cost rates granted them are not a matter of postal policy? I could go on indefinitely but the time here is limited. I wish only to register my grief that legislation which culminated years of study and which passed both House of Congress after prolonged debate and which is the law today is to be thus uncermoniously dismissed and canceled—legislation killed within the framework of an appropriations bill.

Senator OLIN D. JOHNSTON, chairman of the Senate Post Office and Civil Service Committee, declared:

The House Post Office Subcommittee on Appropriations is attempting to cover up postal subsidies.

I am quoting Chairman OLIN JOHNSTON:

The action of the House Committee on Post Office Appropriations in refusing to earmark funds called for in title I of Public Law 85–426 is a refusal to recognize and to sell the public how much the free mailing privileges voted by the Congress is costing the Government. These very same members of this Appropriations Committee which have voted in the past to continue free in-county delivery of newspapers, free mail for the blind, preferential rates granted to so-called exempt or nonprofit publications, low rates on special services such as registered mail, money orders, and so forth, and who continue to bombard the Post Office Department with the request for extensions of rural free delivery routes and continuance of uneconomical 3d and 4th class post offices are apparently unwilling to tell the people of the Nation what this free service is costing the Government.

Senator JOHNSTON said this after reading the report of the House Committee on Appropriations released today.

Senator CARLSON, ranking Republican minority member of the Senate Post Office and Civil Service Committee, declared:

Notwithstanding the clear mandate set forth in Public Law 85–426 which enumerates in detail the items of postal service that should be earmarked as public service, the House Appropriations Committee is seeking to inflict the minority opinion upon the majority of a Congress that approved this principle last year. It is unfortunate that this subcommittee does not recognize the 5 years of hard labor that went into the development of this postal policy concept and the effort on the part of Congress last year to tell the American people why there is a postal deficit and who is receiving the so-called postal subsidies.

Both Senators declared an intention to personally appear before the Senate Appropriations Committee in an effort to see that the Senate recognizes its obligation under Public Law 85–426, and earmarks the $172 million requested by the administration as public service cost.

During the debate on Public Law 85–426, the bill to increase postage rates last year on the Senate floor, at least 4 days were consumed on title I—Postal Policy. The Senate Post Office and Civil Service Committee had recommended at least $300 million which included losses incurred by the Post Office Department in operating uneconomical third- and fourth-class post offices and star routes as well as rural free delivery routes. The Senate agreed in conference with the House to eliminate R.F.D. routes from the list of public service items that had previously been approved by the Senate.

The request of $172 million which the House committee was considering did not include losses incurred in operating third- and fourth-class post offices and star routes.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to my distinguished colleague from Minnesota.

Mr. WIER. I have listened with some interest, and I think the gentleman from Louisiana made the statement that in its deliberations the Subcommittee on Appropriations had repealed a public law, as I understand it, and he somewhat described what that repeal does. Now, that is what I am trying to have clarified in my own mind. What excuse or reason would there be for the repeal of any public law by the committee handling the appropriation? I thought that legislation came from the committee upon which the gentleman serves.

Mr. MORRISON. That is right; the gentleman is correct. And, this is a law that was enacted by Congress and is the law today. It was voted upon by a vast majority of the Members of Congress, and now the Appropriations Committee is attempting to actually repeal a law already passed by the Congress and signed by the President.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to my distinguished colleague from Louisiana.

Mr. PASSMAN. I took the position I did on account of reading the gentleman's own prepared statement, and I shall quote the last sentence from one of the paragraphs: No matter what anyone calls it, the appropriation is the same in that it neither adds nor subtracts 1 cent from the General Treasury. So, if we are giving as much money to carry the same amount of mail, then what does the gentleman's law propose to do other than to hide the actual deficit? Now, I am asking for information. If your statement here—and I am sure the gentleman meant that—is true, how can you point then, that we may take away some of the services?

Mr. MORRISON. My statement, a part of which you read is true and cor-

rect. Evidently the gentleman was not listening to my remarks that I made a few minutes ago, because I definitely stated that the law was passed on postal policy in the last session, and this is the law today. Your Appropriations Committee is attempting to abolish a law of the land without legally repealing it. This is not only unethical but it is illegal.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to the distinguished gentleman from Pennsylvania.

Mr. CORBETT. Is not the gentleman saying, and correctly so, that the provisions of the policy act of last year provide for a full and complete disclosure of where the money is allocated to public services or to postal deficit, and that if it is lumped simply as a deficit, there is no way of telling where it goes. It is just a big lump sum showing a deficit. So, without getting into the merits of whether or not it should be public service or deficit, this $172 million, certainly the law as passed last year provides for that full disclosure and earmarks it item for item.

Mr. MORRISON. The gentleman is exactly correct. I contend, and I think the vast majority of the Members of Congress contend likewise, that when this Congress passes a law, no committee, whether the Committee on Appropriations or any other, shall so attempt to erase it.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. CORBETT], a member of the House Committee on Civil Service and Post Office.

Mr. CORBETT. Mr. Chairman, a noted historian once said that the only certain thing he knew about history was that the people never learn anything from history. From time to time throughout the history of our Republic people have come forward with the notion that the Post Office should pay its own way, that the users of the mail should pay into the Treasury or into the Post Office Department an amount at least equal to that which it costs to handle the mail. Repeatedly throughout the history of the Post Office Establishment this has been proved to be not only unsound but decidedly unfair to the users of the mail. The reasons for that are quite obvious. I cannot read too much history to the committee today—I am going to read a little—but it comes down to this, if I can simplify it.

We, as Members of Congress and other Congresses have from time to time directed the Post Office to perform certain functions at a calculated loss. The clearest example is when Congress decided by law that all mail transmitted by the blind shall be free. We decreed that the Post Office Department render all kinds of services which cost, as a total, perhaps up to $300 million a year.

So the question comes to this: Should the users of the mail, or the Treasury, pay for these services which do not and cannot ever pay their own way? As I say, one example is free mail to the blind. That is a clear example of public service that should be chargeable to the Treasury.

When you get into the matter of third- and fourth-class post offices it becomes vague as to just what part of their total calculated loss each year is public service and what part is postal service used by the mailers. Certainly we know, I am sure no one will deny, that there is not a third- or fourth-class post office in the United States, not one out of some 28,000, that does not lose money. None of them makes a profit. If anyone wants to advocate that we close all the third- and fourth-class post offices, all right. The Carlson committee which made extensive studies of the rural free delivery service said that we lose in the neighborhood of $119 million a year, and they recommend that some portion of it—perhaps $70 million—be considered public service. This mail costs three times as much as ordinary mail to deliver.

If the Congress wants to put the Post Office on a pay-as-you-go basis, if they want to make it pay its own way, they ought to close every third- and fourth-class post office. They ought to shut down the rural routes, just as the American Express Co. would do if they were faced with that problem, or as any business would do.

You cannot just keep piling up the cost to the users of the mail because we keep piling up expenses against the Post Office Department. I say when people call this a dishonest policy they ought to say very frankly that we are taxing some segments of the public, some segments of American business, to finance the policies of Congress; that benefit somebody else.

Let us just take a moment of history. This is from Congressman Clyde Kelly's book "U.S. Postal Policy" published in 1935. He was one of the greatest chairmen of the Post Office Committee we ever had. He wrote a history of the Post Office. After pointing out how hard a time we had getting the postal service going he said that:

> In 1851 the Congress adopted the policy of service first and, although often vigorously assailed, that policy has continued, from that day to this, to guide the destiny of the Postal Establishment.

He goes on:

> It was no longer to be a question of arithmetic but of public good.
>
> The theory that postal progress must depend on receipts had been weighed in the balance and found wanting. The needs of a rapidly growing Republic doomed such a policy.

Later on that act of 1851 was attacked by politically appointed Postmaster Generals who did not know beans about the service or the establishment, and every time the self-sustaining policy was tried it resulted in almost a complete breakup of the Postal Establishment and had to be terminated.

May I say that this is a complex problem, and I am sorry the argument has got into a rather vitriolic tone.

The matter of the post office service involves the economy of the United States. If you want to study it carefully, I recommend to the Subcommittee on Appropriations that they look at some of the tens of volumes of testimony and reports and the years of history of this great debate on postal policy. They are very revealing. I think there is proper ground for compromise. I believe that the bill last year came close to that, and I think that whatever is the situation, I will agree that those things which are chargeable to the users of mail ought to be charged to them, and the things that ought to be charged to the Treasury because of acts of Congress ought to be charged to the Treasury. Then we could all feel that we were doing an honest job.

Mr. CANFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. LESINSKI], a member of the House Committee on Post Office and Civil Service.

Mr. LESINSKI. Mr. Chairman, I am not here advocating that second-class mail pay the same rate as first class, for it would tend to nullify second class. I believe, though, that we should be a little more careful as to what we say. Second-class mail today brings in a little over $65 million. If the second-class mail paid the same rates that first class does, we would be astounded, and we would have so much money left over in the Post Office Department that we would be able to build a lot of post offices and refund money back into the Treasury.

I have a letter from the Department dated in 1957, prior to the increase from 3 to 4 cents, and I will place the letter in the RECORD at this point.

SEPTEMBER 4, 1957.

Hon. JOHN LESINSKI,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN LESINSKI: This is in reply to your letter of August 22 requesting confirmation of an unofficial report that the amount of revenues which second-class mail would bring in at first-class rates would be between $1.2 billion and $1.3 billion.

Let me say at the outset, and I am sure you will agree, that in the event second-class rates were raised to the level of first-class rates, it would put an end to many of the publishers of the country, and in all probability produce little more revenues than are produced today.

If, for the purpose of answering your hypothetical question, we assume that present second-class volume will remain unchanged, it may then be said that the amount of revenues cited above is correct on a strictly arithmetical basis.

I trust that this answers your question fully, and if not, I will be happy to provide any additional information you may require.

Sincerely yours,

_____,
Deputy Postmaster General.

The letter states very simply that if the second-class mail paid first-class rates, it would bring in between $1,200 million and $1,300 million. The letter does not consider the additional increase of last year. I point that out not for the purpose of saying that second class should bear the same rates as first class, but to show the big discrepancy. Going back again into history, to Benjamin Franklin, second class received special rates. Congress has many times reiterated, if we check the record, that second-class mail is for the education of the American public or as stated for the dissemination of information.

Therefore the criteria is set by the laws and precedent preceding us. The American public is to be informed thoroughly on what is going on and second-class mail should be given special consideration. Do not forget in 1932 Congress raised second-class rates 30 percent and also raised first-class rates from 2 to 3 cents. In 1933 the second-class increase was repealed. In 1951 we raised second-class rates 30 percent and that rate was 18 years overdue at that time. When I tried last year to increase second-class rates an additional 10 percent a year to bring in additional revenue, I was a lone individual here with very little help. To criticize us on the Committee on Post Office and Civil Service and to say that we do not know what we are doing, I do not think is appropriate. We studied the problem thoroughly. We gave it full consideration. We have reviewed all the facts and figures. To say that in order to solve the problem, we should raise the first-class rate from 4 cents to 5 cents or even 7 cents is quite farfetched. First of all, they say the users should pay the freight. Then they say that first-class mail should be raised to 7 cents when, as a matter of fact, the second-class rates would have to be raised 20 times that to bring it up to the equivalent of the first-class mail.

To give you another idea briefly. I talked to a postmaster in the Detroit area. He claims that 100,767 copies of a paper were mailed out. The income from these papers was $592.29. That is just a little bit over a half cent per copy to pay for mailing. Many papers are sent for less and some for a little more depending on the weight and size. To give everyone an idea as to the differential of rates—why do not those who are criticizing the rates and advocating a first-class increase send a magazine like Life or any magazine first class? It now costs the publisher 1½ cents or thereabouts to send the same magazine.

Let us take a look at the following statistics showing the differences between first-class mail, which is used by the average American when he writes a letter, and second-class mail, which is used by the big magazine publishers. The figures are for the fiscal year 1958:

	1st class mail	2d class mail
Pieces handled	32,218,319,000	7,147,956,000
Total weight	921,402,000	2,695,076,000
Total revenue	$1,092,441,000	$65,622,000

Total income from all classes of mail, $2,314,038,000.

Therefore, of the total income to the Post Office Department in fiscal year 1958—which, incidentally, was before the 4-cent rate went into effect—first-class mail was already producing over 47 percent while the big business users of second-class mail contributed only a little over 2 percent. Add airmail revenue of $136,580,000 to first-class mail revenues and you will see that the everyday users of the 4-cent and 7-cent stamps are the ones who are carrying the burden of postal costs, while the postman who delivers your mail has to shoulder the burden of one-third of a pound on an average for each piece of second class mail, but only one thirty-second of a pound for each average piece of first-class mail.

I believe that all of us would do well to devote our efforts toward closing the tax loopholes and special concessions to big business in order to get additional revenue for the Federal Government, instead of constantly trying to milk the small individual taxpayer and small businessman.

Mr. GARY. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I simply want to state the position of the committee on this question of public service. Last year, you will recall, when Public Law 426 was passed, which is the law increasing postal rates, it was first passed by the House and then went over to the other body which added this provision defining public services. It was not in the bill as passed by the House. It came back to this body right at the close of the session and was referred to a committee of conference. The conference committee worked over it and it was brought to the floor of the House, as I recall it, on the last day of the session of the Congress. Everything was in a state of confusion. The chairman of the legislative committee on Post Office and Civil Service said that he was opposed to it on the floor of the House. I expressed myself also as being opposed to it, but under the circumstances we agreed to the conference report. Now, what did it provide? It provided that the definition of public services should include the loss on star routes and on third- and fourth-class post offices. If anybody can tell me why the losses on third- and fourth-class post offices are a public service and the losses on first- and second-class post offices are not a public service, I would appreciate enlightenment.

I am perfectly willing to admit that the entire postal service is a public service; otherwise the Government of the United States would have no business operating the postal system.

But when you begin to single out certain parts of the service and say "This is public service, and this is not," it is absolutely ludicrous, in my judgment.

The President said that the Post Office Department could not determine the loss for star routes and third and fourth class post offices; therefore, nothing was included in the budget for that item.

Mr. CANFIELD. Mr. Chairman. Will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I wanted the gentleman to yield to me to express the President's position on signing Public Law 426 of the 85th Congress. The President said this:

> There are in the bill several matters which cause me grave concern. The first is the excessive amount of postal services costs which are assessed against the U.S. Treasury. Certain items identified as "public services," such as the star-route system, are not services at all but are basic components of the system of moving mail between post offices. The consequence of this misconstrual of the public services performed by the Post Office Department is to burden the Treasury annually with $100 million or more of operating costs which logically and equitably should be paid by the users of the mails by means of proper rates of postage. The concept of public service which is inherent in the bill is clearly in error and without precedent. The true measure of the cost of the public services performed by the Post Office Department is the loss of revenue arising from specific rate concessions made under the law to certain subclasses of mail users.

Mr. GARY. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. CANFIELD. Mr. Chairman, I yield the gentleman 2 additional minutes.

The CHAIRMAN. The gentleman from Virginia is recognized for 2 additional minutes.

Mr. GARY. Now, let me read you what Mr. Sessions, the Deputy Postmaster General, had to say about this matter. You will find it at page 105 of the hearings. He said:

> Mr. SESSIONS. My personal convictions are the public services concept is a most dangerous vehicle, and if it is carried out to its possible logical conclusion, I feel it can destroy the ability of the Post Office Department to operate on a pay-as-you-go basis. I foresee that successive sessions of Congress will be beset by pressure groups seeking to be included as beneficiaries of this concept.
>
> This will make it difficult for the Post Office Department to charge for its services which it is now giving.

We have been accused of a possible interference with the delivery of mail. Does the gentleman think that the Deputy Postmaster General would have condemned the public service concept if he had thought that it would help the postal service? The Post Office Department has expressed itself as opposed to the definition of public services as set forth in Public Law 426.

There is one other item I wish to mention, and that is the appropriation of $172 million to cover this so-called public service in handling free mail which is still in the bill. Instead of figuring the loss on the basis of what that free mail would pay if it were not free, in other words, because of the differential in rates between free mail and what it would pay, they are estimating the entire cost of carrying that free mail. The differential in rates would be only a difference of about $30 million. Therefore, under no circumstances should this item be considered as an item of $172 million. At the most it would be $30 million. But our committee was unwilling to recommend the appropriation of funds for a defective concept, unwisely conceived and inaccurately priced, and we struck the entire item from the bill.

Mr. CANFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Chairman, postal policy is a matter that concerns me. I want at this time to say that I think the report of the Committee on Appropriations is correct. I believe it is inadequate and wrong to charge as part of the postal policy, charge to the individual taxpayer the cost of such services as third- and fourth-class post offices and the star-route system.

We all recognize that this is an integral part of the entire system.

One of the things that concerns me about charging too much to postal policy

is this: The $172 million, as I understand it, will not really reflect the true deficit of the Department. In other words, if approximately $350 million, which is the deficit now, and the $172 million of public service are added up it reaches a total of something over $500 million of actual and real deficit to the Department.

I am concerned about charging too much to postal policy because I realize that when we come to facing a $350 million deficit it will not reflect the true deficit. We find very little sentiment to do anything about increasing the rates to make up that part which we claim is not public service yet shows up in the deficit. That is one of the things that concerns me because I believe when we face these rate problems we should take a look at the overall deficit of the Department.

There are some legitimate charges to public service, for instance, the mail of the blind, certain mail that is handled for nonprofit organizations. There are some real legitimate charges that can be made to public service, but I fail to see how we can justify $172 million. If we continue from year to year to increase the amount that we are going to charge for public service, then, in my opinion, we are going to put off inevitably or at least beyond a reasonable length of time when we will again face the very facts that rate increases are necessary.

What class of mail they should go on is a matter for the legislative committee to undertake to decide. It seems to me we are going overboard on this public service item, and unless we pare it down to something reasonable we are very apt to be in trouble. As I said before, I have no objection to legitimate public services being charged to the Public Treasury, but when we continue with deficits in the Post Office Department of something like $500 million a year, then I think we better take a good look at the situation.

I would like to say that even if we went for this $172 million for public services, what about the $350 million deficit that still exists? No one seems to be very much concerned about that. There is where the taxpayer picks up at least twice as much as is being charged to public service and I think that is wrong.

Mr. CANFIELD. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, I thank the gentleman for yielding to me. I simply want to support the statement made by my able colleague from Michigan [Mr. CEDERBERG], who served on the Committee on Post Office and Civil Service.

I want to call the attention of the House to the fact that during the 2 or 3 years that I served on the committee, during which the matter of postal rate increases was being considered, we were being constantly bludgeoned over the head with this argument of setting up some set of pubilc service standards. We were told continually that there should not be any rate increase until that was done. In other words, this whole concept which the gentlemen from the Committee on Appropriations have rightly identified was used for 2 or 3 years in an effort to forestall any rate increases. If it becomes established, and particularly on the scale that was proposed, as a permanent fixture, I am confident it will be used again and even more effectively as a device for preventing an equitable distribution of the cost of the postal service to the users of the service.

I commend the subcommittee for the stand it has taken.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, namely:

TITLE I—TREASURY DEPARTMENT

Office of the Secretary

Salaries and Expenses

For necessary expenses in the Office of the Secretary, including the operation and maintenance of the Treasury Building and Annex thereof; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed $50 per diem; and the purchase of uniforms for elevator operators; $3,300,000.

Bureau of Accounts

Salaries and Expenses

For necessary expenses of the Bureau of Accounts, $3,464,000.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, $21,500,000.

Bureau of the Public Debt

Administering the Public Debt

For necessary expenses connected with any public-debt issues of the United States, $47,000,000.

Office of the Treasurer

Salaries and Expenses

For necessary expenses of the Office of the Treasurer, $17,500,000.

Bureau of Customs

Salaries and Expenses

For necessary expenses of the Bureau of Customs, including purchase of seventy-five passenger motor vehicles for replacement only, of which forty for police-type use may exceed by $300 each the general purchase price limitation for the current fiscal year; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and awards of compensation to informers as authorized by the Act of August 13, 1953 (22 U.S.C. 401); $53,865,000.

Internal Revenue Service

Salaries and Expenses

For necessary expenses of the Internal Revenue Service, including purchase (not to exceed one hundred for replacement only, of which forty for police-type use may exceed by $300 each the general purchase price limitation for the current fiscal year) and hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; $363,000,000.

Bureau of Narcotics

Salaries and Expenses

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and hire of passenger motor vehicles; $4,080,000.

United States Secret Service

Salaries and Expenses

For necessary expenses of the United States Secret Service, including purchase (not to exceed thirty-seven, of which twenty-five are for replacement only, including ten for police-type use which may exceed by $135 each the general purchase price limitation for the current fiscal year) and hire of passenger motor vehicles, $4,000,000.

Salaries and Expenses, White House Police

For necessary expenses of the White House Police, including uniforms and equipment, and for performing such protective duties in the White House areas of the Executive Office Building as the Secretary may prescribe, $1,055,000.

Salaries and Expenses, Guard Force

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, including purchase, repair, and cleaning of uniforms, $338,000.

Bureau of the Mint

Salaries and Expenses

For necessary expenses of the Bureau of the Mint, including purchase and maintenance of uniforms and accessories for guards; purchase of one passenger motor vehicle for replacement only; and not to exceed $1,000 for the expenses of the annual assay commission; $4,300,000.

Coast Guard

Operating Expenses

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for, including hire to passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of not to exceed thirty-two passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; recreation and welfare; and uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); $189,000,000: *Provided,* That the number of aircraft on hand at any one time shall not exceed one hundred and thirty-two exclusive of planes and parts stored to meet future attrition: *Provided further,* That amounts equal to the obligated balances against the appropriations for "Operating expenses" for the two preceding years, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation: *Provided further,* That except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236–244), this appropriation shall be available for expenses of primary and secondary schooling for dependents of Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of $250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

Acquisition, Construction, and Improvements

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); $22,000,000, to remain available until expended.

Retired Pay

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Uniformed Services Contingency Option Act of 1953, $29,500,000.

Reserve Training

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U.S.C. 751–762; 37 U.S.C. 231–319), including direct expenses and repayment to other Coast Guard appropriations for indirect expenses, for regular personnel, or reserve personnel while on active duty, engaged primarily in administration and operation of the reserve program; purchase of not to exceed two passenger motor vehicles for replacement only; and the maintenance, operation, and repair of aircraft; $15,500,000: *Provided*, That amounts equal to the obligated balances against the appropriations for "Reserve training", for the two preceding years shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation.

Liquidation of corporate assets

The Secretary of the Treasury is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available therefor and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1960 for the following functions, except as hereinafter provided:

Limitation on Administrative Expenses, Reconstruction Finance Corporation Liquidation Fund

Not to exceed $90,000 (to be computed on an accrual basis) of the funds derived from functions transferred to the Secretary of the Treasury pursuant to Reorganization Plan No. 1 of 1957 (22 Federal Register 4633) shall be available during the current fiscal year for administrative expenses incident to the liquidation of said functions, including use of the services and facilities of the Federal Reserve banks: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices: *Provided further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the expenses of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services; and all administrative expenses, reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts shall be made in accordance with generally recognized accounting principles and practices.

This title may be cited as the "Treasury Department Appropriation Act, 1960".

TITLE II—POST OFFICE DEPARTMENT

Contribution to the postal fund

For administration and operation of the Post Office Department and the postal service, there is hereby appropriated the aggregate amount of postal revenues for the fiscal year ending June 30, 1960, as authorized by law (39 U.S.C. 786, 79-2a), together with an amount equal to the difference between such revenues and the total of the appropriations hereinafter specified and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General, for the following purposes, namely:

Current authorizations out of postal fund

Administration, Regional Operation, and Research

For expenses, not otherwise provided for, necessary for administration of the postal service, operation of the inspection service and regional offices, uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), and conduct of a research and development program (including current increases in prior year contracts thereunder), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); management studies; not to exceed $25,000 for miscellaneous and emergency expenses; rewards for information and services concerning violations of postal laws and regulations, current and prior fiscal years, in accordance with regulations of the Postmaster General in effect at the time the services are rendered or information furnished; expenses of delegates designated by the Postmaster General to attend meetings and congresses for the purpose of making postal arrangements with foreign governments pursuant to law, and not to exceed $15,000 of such expenses to be accounted for solely on the certificate of the Postmaster General; and not to exceed $20,000 for rewards for information and services, as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate; and settlement of claims, pursuant to law, current and prior fiscal years, for damages, and for losses resulting from unavoidable casualty; $71,500,000.

Operations

For expenses necessary for postal operations, not otherwise provided for, including uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); for repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service, and for other activities conducted by the Post Office Department pursuant to law; $2,988,000,000: *Provided*, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "Administration, regional operation, and research", shall not be increased by more than $1,000,000 as a result of such transfers: *Provided further*, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations: *Provided further*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of Post Office Department operations.

Transportation

For payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal years settlements with foreign countries for handling of mail, $524,000,000.

Facilities

For expenses necessary for the operation of postal facilities, buildings, and field postal communication service; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); procurement of stamps and accountable paper, postal supplies, and equipment; and storage of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government; $188,660,000: *Provided*, That this appropriation shall be available for the repair, alteration, and improvement of the mail equipment shops at Washington, District of Columbia, and for payment to the General Services Administration of such additional sums as may be necessary for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, including improved lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes.

Postal modernization

For postal modernization as authorized by title III of the Act of May 27, 1958 (72 Stat. 144), $75,000,000: *Provided*, That the funds herein appropriated shall be available for payment to the General Services Administration for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, including improved lighting, color, and ventilation for the specialized conditions in space occupied for postal purposes, and for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

This title may be cited as the "Post Office Department Appropriation Act, 1960".

TITLE III—TAX COURT OF THE UNITED STATES

Salaries and expenses

For necessary expenses, including contract stenographic reporting services, $1,535,000: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This Act may be cited as the "Treasury-Post Office Appropriation Act, 1960".

Mr. GARY (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been hearing a lot, the last couple of days especially, about balancing the budget, and I certainly am in favor of balancing the budget. And, we have been hearing a lot also about the postal deficit or the deficit in the Post Office Department, and certainly we want to do what we can to eliminate any wasteful expenditures in that regard. But, I do think there is a big difference between investing three-tenths of a billion dollars in the future of America and some of these expenditures that are being made by the executive department that are going down the rathole, and I

am talking about some of the featherbedding in the upper echelons of the administrative branch of the Government. The real spenders are those who are featherbedding the upper echelons of the Government, and I will give you an example of just what I am talking about. We find that in the Post Office Department, in the position of postal supervisor, which is nonproductive work—this has nothing to do with the clerks and carriers—in the year 1952 there were 20,864; in 1953 there were 21,481; in 1954 there were 21,632; in 1955, 22,107; in 1956, 22,771; in 1957, 23,255; in 1958, 24,792; in 1959, 26,007; and request for 1960, 26,961. Figures are as of June 30 for each year.

Now we have a proposal for 26,961 in 1960, an increase of 6,097 nonproductive workers since 1952, and the cost of those additional nonproductive personnel is almost $50 million per year. Now, I think we should give more attention to the featherbedding in the upper echelons of this Government by the administrative branch of this Government and we should consider those expenditures much different than the investments in the future of America, such as dams on our rivers, airports for our ever-expanding and fast-moving transportation system, and housing for the citizens of our country.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Is the gentleman suggesting that all supervisory personnel be eliminated from this bill?

Mr. SMITH of Iowa. I am suggesting that the additional 6,000 that have been added, that are not producing any additional service for the Post Office Department, should be eliminated.

Mr. LAIRD. Are you offering an amendment to eliminate them?

Mr. SMITH of Iowa. I am preparing to take care of the matter through the regular channels.

Mr. LAIRD. It would be in order to reduce the appropriation if the gentleman wants to eliminate those positions.

Mr. SMITH of Iowa. I want to make sure the executive department does not lay off productive personnel. The way they have been operating, they would probably lay off productive employees instead of reducing the number of upper echelon nonproductive employees.

Mr. LAIRD. It could be stated in your amendment that the reductions apply to that particular area.

Mr. SMITH of Iowa. I am also speaking here of the future appropriations that will come up for the different departments of the executive branch of Government.

Mr. LAIRD. Then, the gentleman has no amendment to offer at this time?

Mr. SMITH of Iowa. I am also taking the matter up with the Government Operations Committee, of which I am a member.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Massachusetts.

Mr. BATES. Has the gentleman determined the number of postmasters we have today compared with 1952?

Mr. SMITH of Iowa. I know this, that in the big post office in Des Moines there has been an addition of a good many postal supervisors, and I have been told that they produce nothing in the way of making the postal service better. As a matter of fact, the principal thing some of them do is to interfere with some of the work that is being done.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from North Carolina.

Mr. WHITENER. I might undertake to answer the question of the distinguished gentleman from Massachusetts that, if they had been abolishing postmasters in his district like they have in mine, there would be a great many less postmasters than we had some 6 years ago.

Mr. SMITH of Iowa. I might say I am referring also to those other department appropriations which have not come in yet. Some have new consultants, so-called, nonproductive people, at $15,000 per year; some of which are getting $10,000 from the Government retirement fund at the same time.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I represent a district with 12,000 post offices. They have abolished 12 of them. And I have endorsed the program every time, because it has been established that they get better service by abolishing these post offices, and, as a usual thing, the patrons are better satisfied. And so in the interest of economy, I shall continue to support the Post Office Department in abolishing these useless post offices in my district where adequate service can be rendered by RFD.

Mr. SMITH of Iowa. It does not do any good to abolish post offices if you are going to turn around and put on nonproductive personnel in the administrative branch. That does not excuse the expenditure of additional millions of dollars per year for nonproductive upper echelon personnel, and I say again that the featherbedding by the administration of the upper echelons of the departments should be stopped.

Mr. MOSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to address myself to the question of postal policy because I have been rather interested in the remarks I heard as I came into the Chamber a little earlier.

I had the opportunity of serving for 4 years as a member of the Committee on Post Office and Civil Service at a time when the question of rates was an annual experience, and I think that the committee, in its wisdom, made a very important forward step when it directed that appropriations should annually be made for public service costs.

I want to deal with just what those costs are, in my opinion. I think, first, they are the cost of handling as determined by the only yardstick employed in the Department, that of the cost ascertainment system, of the classes of mail which by law travel at less than cost, and the many free services, the activities the Department carries on for other agencies of the Federal Government, the maintenance of obviously nonpaying activities, or, at least, activities which cannot be expected to fully recover their costs from rates.

I have reference to the maintenance of many admittedly uneconomic post offices. We have them because it has been the policy of our Government to maintain them in order to bring about the widest dissemination of information and intelligence in this Nation.

We have the rural free delivery system which, in its very name, carries with it a part of the public service determination, a free system of delivery in rural areas. Never was it expected that the rates assessed would cover the cost of maintaining that system.

We have the free-in-county mailing privilege for newspapers, and the cost of free-in-county mail is not what it would have produced at lower than cost rates, but the actual allocable cost of handling. That is the cost and the public service cost is the difference between what a rate would produce and the actual cost of handling it. Because we cannot, by any rational approach, say that the man who mails a first-class letter—and this seems to be the policy being now pursued—the man who mails a first-class letter should not only underwrite all of the costs properly allocated to the handling of first-class mail, but should also pick up the deficits incurred in the free services of the Department and the less-than-cost services of the Department.

If it is to be the studied policy of the Congress of the United States as the Board of Directors for the Post Office to give service at less than cost, then it is my contention that that is properly a charge against the revenues of this Government and not against the other users of the mail.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I am happy to yield to the distinguished chairman from Virginia.

Mr. GARY. Would the gentleman say that the fact that the Department is carrying magazines and newspapers and other commercial mail at less than cost would make that a public service?

Mr. MOSS. If that is the determination of the Congress, that the rate should be at less than cost, it is then a public service. It certainly is not properly a charge against the other users of the mail. I think there is where we have the exercise of congressional discretion, and we have long since determined that we would have subsidized rates.

Mr. GARY. In other words, if the lobbyists can successfully hold the rates down on those classes, we should call it a public service?

Mr. MOSS. Would the gentleman now respond to a question? Where would you look for the revenue? If it is the policy of the Congress which sets the

national policy that the rate not produce its full share of the cost, do you then look to the other rate users?

Mr. GARY. I would impose it on the people who are getting the benefits, and that is all we are trying to do. I think this move is to try to relieve them from paying the proper rates.

Mr. MOSS. The entire American public gets the benefit. The man who buys the magazine is not necessarily the one who mails the letter.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

Mr. ARENDS. Reserving the right to object, Mr. Chairman, and I am not going to object, may I say that we have several bills we want to complete before this evening is over.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. I think it was unfair to imply that Congress has been yielding to the pressure of the lobbyists in the establishment of postal rates.

Mr. MOSS. I think that each of the Members of this body can speak only for himself. In stating my position I am speaking my personal conviction. I am convinced that our second-class rate is subsidized, but I do not think the man who uses the mail to send a first-class letter is responsible for that subsidy. I do not think his first-class rate should pick up the subsidy because the man who gets the magazine may never write a letter. They are not the same group of users, but they are all part of the great American public. That is the public policy determination, that we have subsidized rates, and then they should properly be charged against the general governmental revenues of this Nation and not against just the users of the mail.

Mr. GROSS. I want to associate myself with the statements made by the gentleman from Louisiana [Mr. MORRISON], the gentleman from Pennsylvania [Mr. CORBETT], and the gentleman from California [Mr. Moss], who now has the floor, in support of the policy statement that was contained in the legislation enacted last year. I regret that the Subcommittee on Appropriations saw fit to scuttle, in effect, this policy by refusing to earmark the money to implement the policy that was established by law.

Mr. MOSS. I want to thank the gentleman and acknowledge the fact that during my 4 years of service on the committee I was privileged to work closely with him in an effort to bring about a policy statement, one which had long been needed in this Government. This Department, the Post Office, has operated far too long without adequate definition as to what constitutes its public service functions and those things which constitute its purely commercial functions.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I do not want to take the gentleman's time, but I would be remiss not to point out to this Congress that the gentleman now addressing the House has been 4 years doing exactly what I recommended to the Subcommittee on Appropriations, namely, trying honestly and conscientiously to find the proper definition of public service and to implement it as it ought to be done and as attempts have been made to do. I simply want to point out to the House that the gentleman from California did that job and did it well. I commend him for his efforts.

Mr. MOSS. I want to acknowledge the help of the gentleman from Pennsylvania, because it was a material contribution in our first pioneering effort to bring about a statement of postal policy.

I should like to point out to the members of this committee that the policy being pursued by our Government in connection with the operation of its Post Office is not one of consistency. We say that for many purposes our cost ascertainment system is inadequate, that it cannot be used and that it should not be regarded at all as a tool for the setting of rates, and yet by law we require the employment of that system in the setting of rates for fourth-class mail. We expect that one group of users to cover fully the allocable costs of handling their type of mail. So we have here a clear inconsistency and rather than avoiding the question of a clear definition of postal policy, we should bend our efforts and use the best of our intelligence to arrive at a really definitive statement of postal policy.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

I have asked for this time as I am a member of the appropriations subcommittee handling this bill. We are certainly not trying to repeal any law which has been recommended by any other committee. But, we know that even under the bill now before us, there is going to be a Post Office Department deficit for the fiscal year 1960 of $470 million. Under the legislation that we are discussing, there would be an appropriation of $172 million so as to make the deficit appear that amount less than the actual deficit. I should like to ask if there has been any other instance in the postal operations where request has been made for an appropriation for a nongovernmental subsidy.

Mr. CORBETT. I would like to reply to the gentleman in this way. The gentleman spoke earlier about a nongovernmental subsidy. Who gets this subsidy?

Mr. PASSMAN. Will the gentleman please answer my question? We do not have time to debate the question as the time is limited. Do you know of any instance where the Congress has appropriated money for a nongovernmental service? I am not arguing the merits; I am just asking the question, which can be answered "Yes" or "No."

Mr. CORBETT. The answer is that this is not a nongovernmental subsidy—certainly not like a subsidy to keep up the price of peanuts or tobacco.

Mr. PASSMAN. This is an appropriation that will serve to reduce the annual deficit though; is that not true?

Mr. CORBETT. The money is expended in any case. The question is as to the allocation.

Mr. PASSMAN. But the record would then show a deficit of $172 million less than if we had not followed such procedure.

Mr. CORBETT. You can call it a deficit, if you insist on calling it that.

Mr. PASSMAN. I am speaking of the record. Does it not stand to reason that if you could cover $172 million of the deficit by this vehicle, in subsequent years someone could come in with more legislation and cover, say, an additional $200 million; and finally get the entire matter under the rug to such an extent as to be showing the Post Office Department as being self-supporting, whereas there might actually be a $700 million or $800 million subsidy?

The time has come for us to recognize that there are 175 million Americans, all of them interested in the postal service. We are not going to carry the mail at any less cost by making one group subsidize another one. The time has come to let each user of the mail pay for his own postage. I hope that, in due time, the committee with the jurisdiction over such legislation will present a bill that will give us an opportunity to vote for measures that will serve to make the Post Office Department self-supporting.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to my colleague.

Mr. MOSS. I want to associate myself completely with the statement of the gentleman when he says that the time has come today, and I will just make this modification—that we have to look to each class to cover fully, if that is the determination of the Congress, the cost of handling its class of mail.

But so long as there is a deficit as a result of the considered ratemaking policy of this body, then that is a public service underwriting and not a deficit.

Mr. PASSMAN. That is the gentleman's own view. I say it is an attempt to reduce the annual deficit. If we should follow this policy we would be covering up annual deficits. I am not going to make myself a party to doing this.

Mr. DADDARIO. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we in Connecticut are particularly concerned about the Coast Guard Academy, and for some period of time the Connecticut delegation has concerned itself with living conditions of the cadets who are located there and the officer candidates who go there for training during the course of the year. We have been proud of the way the Academy has been conducted, and proud of the men who have participated in the operation.

I notice on page 622 of the hearing that the Officer Candidate School will be moved from New London, Conn., to Yorktown, Va. I note also that the question was asked of Admiral Richmond if this is a more expensive operation. Admiral Richmond said "Yes; it is."

Then he was asked what would be the annual cost, and his answer was: "The

annual increased cost would be about $950,000."

We are under considerable pressure to reduce governmental costs; yet in this instance we are being asked to add almost a million dollars a year to the budget. This was the recommendation of Coast Guard and Treasury officials—the same Treasury officials who have warned of the debt problem. The admiral explained that there was a problem of enlisted men and cadet relationships, but I have examined the report of the 1958 Board of Visitors carefully and I find no such concern expressed to us previously. Indeed, one of the recommendations of that Board of Visitors was that plans be made to replace the present wooden barracks for the Officer Candidate Indoctrination School at New London.

I am not persuaded that there is sufficient urgency about this proposed move to make it necessary. There will be a slowup in the number of men trained if we take on this base. An initial cost of $500,000 to outfit the Yorktown base must be diverted from other, more essential Coast Guard programs. Then an added cost of almost a million dollars a year must be faced, in the duplication of personnel and the provision of added maintenance. I find that when Yorktown was first suggested as a base, the suggestion was not followed up rapidly, and it is implied in testimony before the appropriations subcommittee that this lack of interest also cost the taxpayer some money, since the Navy was removing some facilities that will have to be replaced. I find that the Coast Guard has not looked at a prospective site in Massachusetts that is highly recommended.

It seems to me there is no reasonable and satisfactory explanation that we should have added to the cost of Government and particularly to the cost of the Coast Guard Academy expenditures and overhead an item of $1 million per year when the situation is certainly satisfactory the way the job is being done at one location. This increase of $1 million a year is entirely unnecessary.

Mr. Chairman, I yield back the balance of my time.

Mr. SISK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitate to get into this postal argument and the matter of cost. I am not an expert and I have never been a member of the Committee on the Post Office and Civil Service or of the Appropriations Committee, but I am concerned about just what our policy is.

I apparently have constituents who are somewhat different from those of my friend from Louisiana.

I would have to go along with the closing of every fourth-class post office in the United States if it is going to be the policy of this Congress, but I would like to ask a question of the gentlemen of the Appropriations Committee as to whether or not that is the policy we are talking about.

Mr. GARY. I will say to the gentleman that it has been the policy of the Post Office Department for a number of years to close fourth-class offices wherever possible. The postal system, as the gentleman knows, was established during the horse-and-buggy days. In those days a man could not drive more than 4 or 5 miles a day to the post office and back to get his mail. The Post Office finds that today, under modern conditions, with modern roads and modern transportation, they can give very much better service at much less cost by using the rural routes than they can with fourth-class post offices. Therefore, they have abolished and will continue to abolish a great number of fourth-class offices all over the United States.

I will say to the gentleman that he is not being favored by this policy at all; every other Member has closings in his district. They have adopted a policy of closing these post offices in most cases when there is a vacancy in the office of the postmaster or where there is a consolidation of offices.

Mr. SISK. That is the very point I want to get to. The gentleman mentions the economic aspects of it, but I am concerned about the part that politics play in these closings. I agree that there are some being closed all over the country, but I know there are thousands of them open in various areas yet. I have had a number of closings in my district, and my constituents are very unhappy about it and I might say that I have raised a bit of Cain with the Department about it. Maybe I am not in as good a situation as is the gentleman from Louisiana. I am insisting on some type of uniform policy. As I say, if it is going to be the policy of this Congress that we once and for all say that all fourth-class post offices are to be closed, let us consider legislation to establish the policy.

Mr. GARY. I agree with the gentleman most heartily that there should be a national policy. That policy should be carried out impartially and any attempt whatever to make political capital out of the closing of a post office would be reprehensible.

Mr. SISK. I agree with the gentleman in that statement 100 percent.

Mr. PASSMAN. I did not mean to infer I have received special consideration. The consideration has been in favor of closing up these post offices in my district. Where they substitute a service equally as good, then I do not protest; in fact, I endorsed the program. There was no favoritism. Let us get that straight. I did not want the gentleman to think we were not out in the open on this matter.

Mr. SISK. The gentleman from California did not mean to intimate that at all. I want to get quickly to this idea. It is my understanding that the reasons given for the closing of these fourth-class post offices has always been upon the economic factor. Then they say we are going to replace them by rural or star routes. I understand there are certain deficits and certain losses that were discussed here, showing a large deficit on these route operations. Actually, when you consider the deficit and the reasons for it in the Post Office Department, the small amount of deficit attributable to these fourth-class post offices is insignificant when compared to the deficit created by the carrying of a lot of this mail at less than cost. We have a situation here where certainly the tail is wagging the dog if we are simply going to resort to closing a lot of little post offices which are the heart of a lot of our rural villages across the country. This action will destroy thousands of our small towns across the Nation. That is the reason I am concerned so much about this matter.

The reason for my taking the floor today is because as late as this morning I have directed a letter to the Postmaster General requesting full information on the closing of post offices in California since 1955, with a designation of the congressional districts in which they were located.

I am vitally concerned with the community welfare of such towns in my district as Nippinawasee, Irwin, and Volta, and I want to find out whether or not they are being singled out to lose their post offices on any basis of political reprisal. I note that one of these offices was kept open, after an announced closing, until after the election of last November, and then was closed. Why?

It has been the established policy of this Nation since its founding that its postal service has been operated on the basis of public service. Now it appears other considerations are more important. I realize this is not solely a problem of the district I represent, but I want to find out what standards and policies we are now pursuing and whether or not those standards and policies are being equally applied with no political considerations involved.

Mr. PASSMAN. In many instances you will find that the R.F.D.'s pass in front of a fourth-class post office and the patrons can get better delivery by R.F.D. than through the post office. Some of these post offices may have only 10 or 15 patrons. The R.F.D. would render equally as good a service or even a better service.

Mr. GARY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLATNIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5805) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. GARY. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

INCREASE READJUSTMENT PAY TO CERTAIN RESERVISTS

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 211 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5132) to amend title 10, United States Code, with respect to active duty agreements for reserve officers, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and myself such time as I may consume.

Mr. Speaker, House Resolution 211 makes in order the consideration of H.R. 5132, authorizing an increase in the amount of readjustment pay payable to Reserve personnel involuntarily released from active duty. The resolution provides for an open rule and 2 hours debate.

The proposed legislation has two main objectives; first, to raise the critically low rate of retention of Reserve officers beyond their obligated tours of active duty with the Armed Forces; and second, to provide for more equitable treatment of those Reserve officers who supplement the regular corps but who may not be continued on active service long enough to be entitled to retirement. These objectives will be realized by providing a substantial increase in the amount of readjustment pay made payable to Reserve officers involuntarily released to inactive duty.

After the Reserve officer completes his obligated service he is continuously subject to involuntary release. In the event of such release, the only compensation he would receive would be from the Readjustment Pay Act of 1956 which provides that for those officers involuntarily released after extended active duty in excess of 5 years, a readjustment payment amounting to one-half month's basic pay for each completed year of active duty. Unfortunately, this amount of readjustment pay has proven inadequate to eliminate the high degree of insecurity now felt by Reserve officers on active duty.

Out of the 40,000 young officers who complete their obligated service each year, the Defense Department has estimated it requires a minimum of 15,000 of these officers to remain on active duty beyond their obligated service to meet the annual needs of the Armed Forces. However, during the last year only 10,000 of this group of 40,000 indicated a desire to remain on active duty.

Another significant consideration relating to the high rate of turnover in junior Reserve officer personnel is the fact of training costs. For example, it is estimated that a newly acquired military pilot represents an investment ranging from a minimum of $80,000 to a maximum of $120,000. Therefore, if 1,000 Reserve officer pilots who would otherwise leave the Armed Forces upon completion of their obligated service, were induced to extend their period of active duty another 6 years, it would reduce significantly the requirement for training new pilots, with the consequent savings in training costs.

In addition to training costs, a reduction in the turnover of junior Reserve officers would create significant savings in transportation costs necessarily incurred in the processing of junior Reserve officers on entrance to and separation from active duty.

Because of the questionable career status of senior Reserve officers, the average junior Reserve officer, regardless of his motivation and desire to continue on active duty, has been forced by prudent judgment not to permit himself to remain on active duty beyond his obligated service.

Although the Congress, under the terms of Public Law 676, of the 84th Congress, did provide a lump-sum readjustment payment for Reserve officers involuntarily released to inactive duty, the provisions of this law have admittedly proven inadequate to provide sufficient inducement for junior Reserve officers to continue on active duty.

I urge the adoption of this resolution.

Mr. BROWN of Ohio. Mr. Speaker, H.R. 5132, which is made in order under the rule, is a bill which would correct an evident inequity which has existed in the Reserve Officers Incentive Act in the past and has the support of the members of the Committee on Rules and I think, if I am correct, the unanimous support of the entire Committee on Armed Services.

Mr. Speaker, I have no requests for time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LOAN OF NAVAL VESSELS TO THE GOVERNMENTS OF ITALY AND TURKEY

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 213 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3366) to authorize the extension of loans of naval vessels to the Governments of Italy and Turkey. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and myself such time as I may consume.

Mr. Speaker, House Resolution 213 makes in order the consideration of H.R. 3366, authorizing the extension of loans of naval vessels to the Governments of Italy and Turkey, with the committee amendment to include the Republic of China. The resolution provides for an open rule and 1 hour of debate.

The purpose of this legislation is to authorize the extension of the existing loans of two submarines each to the Governments of Italy and Turkey and two destroyers to the Republic of China. The extension would be for a period of 5 years.

This proposal is designed to assist our country in carrying out its responsibilities in the North Atlantic Treaty area implementing recommendations of the Joint Chiefs of Staff concerning support of allied forces under the mutual defense assistance program. In view of the unstable situation in the Middle East, both Turkey and Italy are in vital positions to support the NATO organization and the 6th Fleet, if required. It is always important that our forces be placed at strategic locations prior to the outbreak of hostilities.

The Navy, under the delegated authority of the President, pursuant to Public Law 188 of the 83d Congress, loaned two destroyers to the Republic of China, the term of the loan being for a period of 5 years. The Government of the Republic of China has asked for renewal of the loan for an additional 5 years. In drafting the original agreement the renewable clause was inadvertently omitted, and it is for this reason that clear authority has been inserted in this bill.

Title to the ships remains in the United States even though the ships may be placed under the recipient Government's flag. Possession of the ships will not be relinquished without consent of the United States, and no claims arising as a result of transfer and operation of the ships may be assessed against the United States. Our Government may repossess these ships at any time if necessitated by its own emergency defense requirements. At the expiration of the loan, the ships will be returned in the same condition as when loaned, except for fair wear and tear.

This bill is a part of the legislative program of the Department of Defense for the 86th Congress and has the ap-

proval of the Bureau of the Budget. Since this legislation will involve only the extensions of existing loans, enactment would involve no additional cost to the Government.

I urge the adoption of House Resolution 213.

Mr. BROWN of Ohio. Mr. Speaker, this is a unanimous report of the Committee on Rules. I have no requests for time on this side.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INCREASE READJUSTMENT PAY TO CERTAIN RESERVISTS

Mr. RIVERS of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5132) to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5132, with Mr. JONES of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, it is with pleasure that I rise in support of H.R. 5132, which if passed, will be known as the "Reserve Officers Incentive Act of 1959." This bill is the product of lengthy study and consideration by the Committee on Armed Services and the Department of Defense. Representatives of the Reserve Officers Association have wholeheartedly endorsed this measure. It deals with a problem which is of great importance to our Armed Forces in an era that is dominated by the continuing precarious international situation.

Since World War II and particularly since the Korean war it has been necessary for us to maintain a greatly expanded National Defense Establishment and the prospect is that this necessity will continue for the foreseeable future. Because there are not nearly enough Regular career officers to lead our Armed Forces large numbers of Reserve officers in the lower ranks are required to meet this essential need. During the past 2 decades the Reserve officer has taken his place beside his professional counterpart to render faithful and competent service. Indeed, he has made himself indispensable and it is now clear that his continued service is vital to our national defense posture.

Although this need has long been recognized—for the reservist actually constitutes the great majority of the officer corps—little has been done to make extended active duty attractive or rewarding for the loyal and competent reservist. He currently has no career security but can be released to inactive status at any time a fluctuating policy calls for a diminution in strength or change in character of the Armed Forces. Thus, the Reserve officer who is released is compelled to readjust to a new civilian career under difficult conditions, often on very short notice. This unfortunate circumstance was rather dramatically illustrated several years ago when thousands of Reserve officers were released from active duty pursuant to a substantial reduction in force. The return to civilian life after years of faithful service imposes in many cases a real hardship accompanied by a trying period of readjustment. As a result of this past experience and the ever-present prospect of repetitions of the same in the future there has developed a great reluctance on the part of young Reserve officers to serve beyond their initial obligated tour of 2 years' active duty. The natural consequence has been a critical shortage of the junior reservists who are so urgently needed to supplement the regular officer corps.

The present bill is designed to deal with this increasingly serious problem by providing for the reservist a limited measure of career security as well as certain other incentives so that a sufficient number will remain on extended active duty to meet the minimum needs of the services.

Thus, this proposed legislation therefore has two main objectives: First, to raise the critically low rate of retention of Reserve officers beyond their obligated tours of active duty with the Armed Forces, and second, to provide for more equitable treatment of those Reserve officers who supplement the Regular Corps but who may not be continued on active service long enough to qualify for retirement. These objectives, I believe, will be realized by providing a substantial increase in the amount of readjustment pay made available to Reserve officers involuntarily released to inactive duty.

These objectives are accomplished by five main features which highlight the bill as follows:

First. It makes contracts mandatory rather than permissive for Reserve officers on active duty after the first 2 years of commissioned service, but eliminates the present one-half month pay for these first 2 years.

Second. If he completes a contract, a Reserve officer would receive 2 months' basic pay for each year served under that contract, whether he is released involuntarily or not. Under present law he receives one-half of 1 month's basic pay for each year served, but receives nothing if he leaves the service at his own request.

Third. If the Reserve officer, while rendering satisfactory service, is involuntarily released during the term of the contract, he would, under this proposal, be paid 2 months' basic pay for each year that he has served under contract. In addition, he would receive 1 month's basic pay and allowances for each year of the uncompleted contract. Under the present law if he is involuntarily released during the term of a contract, he can receive only one-half of 1 month's basic pay for each year served, or 1 month's basic pay and allowances for each year of the uncompleted contract, but not both.

Fourth. As a transitional measure for those presently on duty who would be eligible for a contract under this proposal and who may be separated involuntarily, the bill would provide more equitable treatment for those who have served on active duty for more than 10 years by increasing the present rate from one-half of 1 month's basic pay per year to 2 months basic pay per year beyond the 10-year mark.

Fifth. Finally, this proposal would provide that if a Reserve officer has rendered satisfactory active commissioned service for a period of 14 years, he will either be given a Regular commission, be released from active duty with appropriate readjustment pay or given a contract that will carry him to retirement eligibility. Such a Reserve officer who has served 12 years under contract would, if released, receive the equivalent of 2 years basic pay as would a Regular officer with 14 years of service if involuntarily released.

Although the bill as originally recommended by the Department of Defense—H.R. 3369—appeared to be basically sound it did possess several weaknesses which the Committee on Armed Services resolved. These significant changes which have been incorporated into H.R. 5132 are as follows:

First. The bill failed to address itself to the possibility of a Reserve officer remaining on active duty beyond the 10-year period. Although the Department of Defense witnesses indicated that the bill was not to be construed as a prohibition against retaining a Reserve officer on active duty beyond the 20-year period they agreed that language should be inserted to clearly indicate this possibility. The bill was changed accordingly.

Second. The bill provides a grace period of 1 year for implementation. The committee recognized the administrative difficulties involved in initiating a contract program to allow Reserve officers to remain on active duty and therefore did not consider this unreasonable. However, since no provision was made for those officers presently on active duty who will on the date of enactment of the bill complete 14 years of active duty, the point in service at which the service department must resolve a reservist's future, the committee felt that these individuals should be protected from the possibility of a general reduction-in-force action. Accordingly the committee prepared an amendment to the bill which would provide all such individuals with a constructive contract of such duration to permit them to go on to retirement. It should be noted, however, that this action does not force the armed services to retain these officers on active duty but does provide the Reserve officer with the protection afforded by a written contract.

In this connection the Department of Defense witnesses stressed the fact that at the present time there are no plans for a reduction-in-force of Reserve personnel for now or the foreseeable future.

Witnesses for both the Departments of the Army and Air Force indicated that as a matter of departmental policy the bulk of their Reserve officer personnel will be provided an opportunity to continue on to retirement. On the other hand, the witness for the Department of the Navy indicated that because of the unusually high percentage of Regular officers in the higher grades in the Navy it was contemplated that approximately one-half of the 1,200 officers presently in the 14- to 18-year group would possibly not be given an opportunity to continue on to retirement. In view of these assurances the Committee on Armed Services will scrutinize most carefully further Defense and individual service policies in respect to involuntary release of Reserve officers, and the committee therefore wishes to emphasize that H.R. 5132 is in no way intended to provide the service departments with a statutory vehicle to effect a major reduction-in-force for Reserve personnel.

Third. The bill as written addressed itself to commissioned officers. The Committee on Armed Services felt that this bill should not be discriminatory and should apply also to warrant officers. Accordingly the Committee on Armed Services effected the necessary changes to accomplish this purpose.

Fourth. The Department bill provided that an officer, who once having completed a contract of any duration, would be entitled thereafter to voluntarily leave the service and benefit by being able to collect readjustment pay from the inception of his active service. This would be true after the effective date of the act for all officers who complete a contract agreement and included those officers who might have completed 14 years or more of service. The committee believes this particular feature might be an inducement for the trained, seasoned officer, whose services were critically necessary to the Armed Forces, to request voluntary release from active duty to permit him to take advantage of the large readjustment payment available to him. The committee felt that in such a case the service needs should prevail and if this officer were offered the contract to continue beyond the 14-year period and he refused to accept such a contract he should be penalized by not being given readjustment pay. However, the committee also felt that there might be an instance where an officer because of good and sufficient reason, such as extreme personal hardship or family difficulties should not be penalized under this rule. Therefore, the committee further amended this section of the bill to provide that under such regulations as may be prescribed by the Secretary of Defense exceptions may be made for the officer with over 14 years of service leaving the service voluntarily to permit him entitlement to readjustment pay.

Fifth. The committee also found that the language of the Defense Department bill was difficult to understand and accordingly large portions of the bill had been rewritten.

Sixth. The committee felt that the bill should properly be given a title and accordingly the bill has been named the "Reserve Officers' Incentive Act of 1959."

Seventh. Under the terms of the defense bill, individuals who may be awarded retired pay subsequent to their receipt of readjustment pay would be required to repay such readjustment pay as deductions from their monthly retired pay. The committee felt that title III retirees—reservists at age 60—should be exempted from this requirement since any effort made to recoup such readjustment pay from this group would, in addition to being difficult to administer, be inequitable since the recoupment feature would not affect those not ultimately awarded the benefits of title III retirement at age 60. Thus, this provision would for practical purposes treat the readjustment payment as a loan payable at age 60, a point in time when such individuals could least afford such payment. The bill was therefore amended to exclude from the repayment requirement reservists who may become eligible for modest retirement benefits at age 60.

After incorporating the foregoing changes to H.R. 3369, the Committee on Armed Services agreed to draft a clean bill in lieu of amending H.R. 3369 and accordingly reported the subject matter of this legislative proposal as H.R. 5132, the bill presently under consideration.

In conclusion, Mr. Chairman, I wish to emphasize that this bill is not a hastily contrived scheme to provide Reserve personnel serving on active duty with a handsome lump-sum payment in event they are involuntarily released to inactive duty—it is rather a most carefully designed legislative effort to provide some stability in the career service performed by Reserve personnel and to recognize that in event such reservists may be released to inactive duty prior to retirement—they be provided with monetary benefits similar to those available to members of the Regular forces similarly situated.

For the foregoing reasons I urge unanimous support of H.R. 5132 by the House.

Mr. VAN ZANDT. Mr. Chairman, I yield myself 10 minutes, and rise in support of H.R. 5132.

This bill is long overdue. It satisfies a most pressing need—namely the statutory recognition that at the present time and for the foreseeable future large numbers of Reserve personnel will be required on extended active duty to supplement the Regular forces in the defense of our Nation.

Historically, since the Revolutionary War and every war thereafter, we, as a Nation, have been content to maintain a small Regular armed force secure with the knowledge that in the event of future hostilities we could mobilize our Reserve and Regular forces in sufficient time to properly defend our Nation.

This policy has therefore been evidenced in all our military legislation, and traditionally therefore the statutory benefits provided for members of the military have always been based on the acknowledged concept that, except in times of hostilities, the members of our Military Establishment will consist solely of Regular career personnel.

During World War II, our Regular forces were augmented by millions of citizen soldiers and sailors so that at the end of World War II we had increased the strength of our Armed Forces from less than one-half million to more than 12 million men.

However, once again after World War II we attempted to return to our traditionally small Regular military organization but suddenly discovered, to our dismay, that the world had changed and because of the precarious international situation we were forced to maintain a large standing military organization composed of both Regular and Reserve personnel.

Today, we have approximately 2½ million men on active duty with the Defense Establishment. A significantly large percentage of this number are necessarily Reserve personnel who have remained on continuous active duty with the military departments since World War II. For example, at the present time over 180,000 of the 322,000 officers on active duty with the Armed Forces are Reserve personnel. Thus, we are confronted with the stark fact that although approximately 60 percent of all officers presently on active duty are Reserve personnel, we have failed to acknowledge that these officers as a group have no statutory career status.

This failure to acknowledge the reality that since World War II, Reserve officers had represented from 60 to 90 percent of all officers on active duty, has resulted in the inequitable treatment accorded our Reserve personnel as outlined by my colleague and has given rise to the circumstances which today forced the Department of Defense to request corrective legislation.

In 1956 we made an effort to partially satisfy this need to provide equitably for our Reserve members on active duty and accordingly enacted legislation which provided a Reserve member involuntarily released to inactive duty, a readjustment payment of one-half month's basic pay for each year served on active duty and we also enacted legislation which required the armed services to maintain on active duty those Reserve officers who had completed in excess of 18 years of active service.

However, neither of these legislative efforts faced the problem squarely—since they failed to acknowledge that Congress must in fact establish an integrated and coordinated statutory basis for a limited-career status for Reserve officers. This legislation being considered by you today, I believe, goes far toward accomplishment of this purpose.

It will for the first time acknowledge that in troubled times such as these we must continue to augment our Regular Establishment with large numbers of Reserve personnel and therefore to insure that such reservists will volunteer for such extended active duty in consonance with the ever-changing needs of our Defense Establishment—we must provide them with a bill of rights which will assure them equitable treatment in any event.

I sincerely believe H.R. 5132 accomplishes this purpose, for it contemplates both the possibility of a limited career and a full career for reservists on extended active duty and assures such reservists equitable treatment in either case.

For these reasons I urge that the House unanimously approve H.R. 5132.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Chairman, it is with genuine conviction that I rise in support of H.R. 5132. I wholeheartedly endorse the statements made in support of this proposal by my colleagues.

I am certain all of you received an abundance of mail because of the unfortunate release of thousands of fine Reserve officers several years ago. You will recall that these capable officers were suddenly and on very short notice forced to leave the profession that they had chosen and sent back to civilian life. For some there was hardship. For many there was inconvenience. For all there was a necessary period of readjustment. At that time these individuals received, under the present law, one-half of 1 month's basic pay for each year of service provided they had at least 5 continuous years of service on active duty. This certainly was not adequate compensation for these loyal, efficient officers who were summarily separated at great inconvenience and personal hardship. Nor is it equitable when compared with the severance benefits paid to the Regular officer involuntarily separated who receives 2 months' basic pay for each year of active duty if he is separated before retirement.

We all know from firsthand knowledge, from our correspondence, and, I dare say, from personal inquiry, that the Reserve officer serving side by side with the Regular is vital to our national security and therefore should be treated with the same degree of equity as the very fine Regular. This measure does just that. I think it also is a forward step both for the career Reserve officer serving on active duty and for the Military Establishment itself that this measure requires the military departments to give contracts to these officers.

The Defense Department supports this bill and the Reserve Officers Association supports it. They feel, as I do, that this measure will have a great morale effect and bring greater stability to the Reserve officer structure. Furthermore, it has another most important salutary benefit. The Defense Department convincingly stated, and showed us statistics, which indicated that most of the Reserve officers who enter the services under the ROTC and other officer-procurement programs are not disposed to continue on active duty beyond the 2-year obligated tour. One of the important reasons for their not continuing is the fact that they have not been guaranteed even limited tenure. They were further discouraged because their readjustment pay was wholly insufficient to provide the necessary financial incentive. The Department of Defense has testified that this measure will induce many of these fine young Reserve officers who are returning to civilian life after their 2 years of mandatory service to remain on active duty. Yet the need for their retention beyond their first 2 years is vital to the maintenance of effective Armed Forces.

Testimony indicated that the Reserve officer with from 3 to 12 years of service is the one who is needed to lead our troops in combat if war is thrust upon us. Because there is a shortage of Reserve officers on extended active duty in this age group, the military services are forced to assign this important responsibility either to the young officer with less than 2 years of active service or the older officer who has had World War II experience. Thus, we are confronted with the problem of having our combat troops led and trained by officers who are either too young and inexperienced or too old and lacking in the vitality necessary for the rigors of combat. This measure will materially help us to get the right officer who is both youthful enough and experienced enough to fill the very important role of the combat leader. According to Defense Department testimony the bill's enactment is absolutely essential to the solution of this pressing problem.

I concur wholeheartedly with my colleagues and commend this measure to you as a forward step in the strengthening of our Defense Establishment. I would like to see it passed unanimously by this body, and hope that it then receives favorable and expeditious consideration in the Senate of the United States.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield such time as he may desire to the distinguished chairman of the Committee on Armed Services, the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, I rise in support of H.R. 5132 and urge its passage by this body.

BACKGROUND

This legislative proposal is the result of extensive hearings conducted by the Committee on Armed Services in connection with a legislative recommendation made to the Congress by the Department of Defense and introduced as H.R. 3369. This legislative proposal by the Department of Defense was largely based upon recommendations of the Defense Advisory Committee on Professional and Technical Compensation, more commonly referred to as the Cordiner Committee, and was designed to establish a program of adequate incentives to retain Reserve officers on active duty.

H.R. 3369 was subsequently modified and redrafted by the Committee on Armed Services on the basis of information obtained during the course of hearings on the problem and the legislative proposal was therefore reported out as H.R. 5132, the bill presently being considered by this body. However, I wish to emphasize that the bill as modified retains the basic recommendations made by the Cordiner Committee and the Department of Defense in respect to this problem.

The Cordiner Committee in its study of the need for adequate incentives for noncareer Reserve officers made the following observation:

As previously noted, there exists a pronounced and, in fact, unique lack of security for the noncareer officer. Although the services have a great need for officers to serve for periods beyond obligated service but short of qualification for retirement, they are unable to provide an adequate incentive for such service. The basic officer pay proposal dealt with up to this point is designed to attract young officers for a full career, and for this reason does not hold particular appeal for the Reserve officer who considers his chances for a full career extremely slight. The Committee is convinced, therefore, that an inducement over and above the modest pay rates proposed for the lower officer grades is necessary to attract and retain the quality and number of officers required to supplement the career corps in the lower ranks.

As a consequence of this analysis of the problem the Cordiner Committee recommended the adoption of:

A Reserve officers term retention incentive plan to retain adequate numbers of qualified Reserve officers on voluntary active duty following obligatory service, with the following features:

(a) A contract for active service beyond obligated service.

(b) An additional payment at time of release from service equal to 2 months' base pay multiplied by the years of commissioned service creditable for term retention payments, restricted to a maximum payment of 2 years' base pay.

These recommendations are concurred in by the Committee on Armed Services and included in this proposal.

THE PROBLEM

At the present time a Reserve officer, after completion of his obligated service, is continually subject to involuntary release. In event of such release the only compensation he would receive is that afforded by the Readjustment Pay Act of 1956, which amounts to one-half month's basic pay for each year of active service performed as an officer.

Over 70 percent of the officers who complete obligated service return to civilian life immediately. Some of these officers would not choose to serve in the Armed Forces for any incentive. However, many who would like to remain on active duty are deterred because of lack of adequate job security.

As a consequence of this almost complete lack of job security the average junior Reserve officer refuses to remain on extended active duty.

The Department of Defense has pointed out that approximately 40,000 young officers complete their obligated service each year. However, the armed services have been able to induce only 10,000 of this group each year to remain on extended active duty despite the fact that they require approximately 15,000 of these officers to meet their annual need for junior officer personnel.

Furthermore, the Department of Defense has pointed out that at the present time because of the size of our Military Establishment approximately 60 percent of all officer billets must be filled by Reserve officers. Therefore, since junior officers of proven professional competence refuse to remain on extended active duty in sufficient numbers to satisfy

these needs, a critical shortage of experienced Reserve officer personnel has developed in respect to these billets which must be filled by officers with 3 to 12 years of military experience.

Because of the critical need for the services of these officers, the Armed Forces accepted almost all of this group of 10,000 officers and, therefore, were precluded from exercising any degree of selectivity in respect to the quality of the individual Reserve officers retained. It is, therefore, evident that a continuation of this downward spiral in the number, experience, and quality level of junior Reserve officers on extended active duty with the Armed Forces can only result in unacceptable reduction in the overall combat effectiveness of our Armed Forces.

TRAINING COSTS

Another significant consideration relating to the high rate of turnover in junior Reserve officer personnel is the factor of training costs. For example, it is estimated that a newly acquired military pilot represents an investment ranging from a minimum of $80,000 to a maximum of $120,000. Therefore, if 1,000 Reserve officer pilots who would otherwise leave the Armed Forces upon completion of their obligated service were induced to extend their period of active duty another 6 years, it would reduce significantly the requirement for training new pilots, with the consequent savings in training costs.

SUMMARY

The question may arise, Isn't readjustment pay as enacted in 1956 designed to accomplish the same end as the term retention pay provided in H.R. 5132?

The Readjustment Pay Act of 1956 was designed to meet a particular problem which already existed for thousands of Reserve officers serving on active duty without an obligation. A great percentage of these officers faced involuntary release at some time before earning retirement. The readjustment pay provided in 1956 was, therefore, designed to tide over an officer so released until he found civilian employment. As such, it is not so much a positive incentive as it is a kind of financial cushion in time of need.

The term retention payment provided in this bill, however, is designed to attract some of the many high-quality young reservists who leave active duty each year. It must be of sufficient magnitude to encourage them to delay the commencement of their civilian professions. Therefore, the retention pay provided in this bill can be compared to the reenlistment bonus provided enlisted personnel and is primarily designed as a positive inducement to retain an officer who would otherwise leave the service at his first opportunity.

CONCLUSION

In conclusion, it is my firm conviction that the problem of retaining adequate numbers of qualified Reserve officers on extended active duty can best be met by legislative action which incorporates the basic recommendations of the Cordiner Committee and the Department of Defense. I, therefore, urge your support of H.R. 5132, which in fact embodies these recommendations in a manner which provides the statutory incentives necessary to encourage junior Reserve officers to remain on extended active duty and also provides equitably for those Reserve officers presently on active duty who may be denied the opportunity of remaining on active duty until retirement.

Mr. VAN ZANDT. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, I want to review here very briefly certain phases of the pending bill. Prior to the military buildup immediately prior to World War II practically all officers in the U.S. armed services on extended active duty were members of the Regular services.

At the present time that situation has changed. A very large majority of the officers in the military services are reservists. There has been over the years a certain protection, and rightfully so, for Regular officers as to retirement and many other features. But the majority of officers on duty today are neither fish nor fowl. They are considered Reserve officers but in every other sense of the word they are Regular officers and have been for a period of many years.

This legislation in no way benefits the Reserve officer who goes on for his 2 or 3 years' active duty, fulfilling his military obligation; in fact, he does not get quite the compensation under this bill that he previously had or will have if this becomes law. The Reserve officer now on duty for his first 2 years receives no severance pay if he only remains for 2 years. Today he would get at the termination of his 2 years, 1 month's extra pay.

Under this legislation he gets nothing. So, this is not trying to change the status of the officer who merely comes in to do his duty for a 2- or 3-year stretch. As I stated earlier, there has been no, what we call, bill of rights, adequate bill of rights, for the Reserve officer on extended active duty. Not only has that been detrimental to him, but it also has been detrimental to the Government, because there are not enough in number of the 2-year officers—I am talking about those who only serve 2 years—remaining in the service to take care of the present needs of our Defense Department. The purpose of this bill is to change that situation and to encourage those whom the Government wants and needs, to sign up for additional duty.

Now, very briefly, I will explain the specific changes this legislation makes. It makes contracts mandatory rather than permissive for Reserve officers on active duty after the first 2 years of commissioned service, but eliminates the present one-half month pay for those first 2 years. Now, if this officer completes a contract, he would receive 2 months' basic pay for each year served under that contract. If he has a contract for 4 years, he would receive 8 months' basic pay when he finished the termination of that contract. That would encourage him to take these contracts if the Government needs him. Under the present law he receives one-half of 1 month's pay for each year served but receives nothing if he leaves the service at his own request. Now, if a Reserve officer who renders satisfactory service is involuntarily released during the term of the contract, whether it be 2, 4, or 6 years or whatever it is, he would be paid 2 months' basic pay for each year he served under the contract plus 1 month's basic pay and allowances for each year of the uncompleted contract. You see, in no way do we intend to make this a WPA project. We do not want the Government to use officers that they do not need, but we do insist—and this legislation, I believe, will help bring that about—that the Government make long-range personnel planning to take care of this situation.

Under this legislation those presently on active duty who have served more than 10 years and are separated involuntarily are entitled to one-half of 1 month's pay for each of those 10 years plus 2 months' pay for each year beyond the 10 years.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Iowa.

Mr. GROSS. Is that consecutive service or may that be broken service?

Mr. BRAY. I believe it could be broken service. The contract itself, however, must be continuous service.

Now, there is another provision in this bill that I believe is quite important. It would require the Government, for every officer who has completed 14 years of satisfactory active duty, to either take that officer into the Regular service, or to provide that officer with a contract which would enable him to complete the necessary additional service to make 20 years or to release him to inactive duty with appropriate severance pay, computed as previously indicated.

Now, we have in this legislation fixed two arbitrary divisions as to length of service. First as to 10 years. We thought that if an officer had served 10 years and the Government after 10 years released him he should get an additional rate of compensation. Also it would cause the Government in the future to take a rather careful look as to whether they want to keep him beyond that time. Also up to 10 years the officer does have a better opportunity to go back into private life. So if the Government keeps the officer beyond 10 years and then discharges him before allowing him to reach retirement the Government is going to pay him 2 months' pay for each of those years beyond 10 years.

Then we pick a time of 14 years. If the Government has kept the officer beyond 14 years, they must either give him a contract to finish his 20 years of duty or take him into the Regular service; or, they could discharge him. Let us say that he served 15 years. Then they would have to give him a contract for the remaining 5 years. If they broke the contract they would have to pay him one-half month's pay for each month of the remaining time for the 20 years plus the termination pay due him for the time served.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield.

Mr. GROSS. Is this bill retroactive?

Mr. BRAY. It is not, only insofar as a person is already in service at the time the bill becomes effective. He would benefit by it. But the officer who went out yesterday or last month or will go out tomorrow, would not be affected.

Mr. GROSS. It would do nothing for the several thousand officers who were caught in a reduction in force 2 or 3 years ago, is that right?

Mr. BRAY. That is correct. We have not tried to remedy the situation that already existed. There has been great harm done. There has been legislation in the past that took care of that to a certain degree. But we are trying to take care of the situation in the future. We could see nothing that we could do in this legislation to take care of past injustices without endangering our chances of working out a good bill here.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman.

Mr. VAN ZANDT. The gentleman knows that under Public Law 676 of the 84th Congress we did take care of many Reserve officers who were separated from active duty.

Mr. BRAY. That is the legislation I was referring to in my discussion with the gentleman from Iowa [Mr. GROSS]. We have in the past attempted to take care of this situation. But we have not taken care of it to the degree that we have in this legislation.

Mr. VAN ZANDT. If this bill is enacted into law the benefits of it will not apply to the reservists who have already been separated from the service?

Mr. BRAY. That is correct.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. BRAY. I yield.

Mr. GROSS. I think some legislation in this regard is necessary. I am not fully acquainted with the provisions of this bill, but I do think some legislation is necessary. Will the gentleman give us some idea of the cost?

Mr. BRAY. Yes. Of course, frankly, in legislation of this kind it is difficult to make a very accurate estimate, as the gentleman understands.

Mr. GROSS. Yes.

Mr. BRAY. For the fiscal year 1960 it will cost something over $3 million. For the fiscal year 1961 it will cost something over $7 million. For the fiscal year 1962 it will take almost $10 million. For the fiscal year 1963 it will take about $12.5 million. And beyond that about $12 million a year, assuming that the present planned strength continues.

Mr. GROSS. So it will cost some money?

Mr. BRAY. Yes, it will. The costs will increase, and the best estimate we can get up until the fiscal year 1963 is that it will reach $12.5 million. Then we think it will drop back to $12 million and continue at that rate.

Mr. GROSS. I do not predicate my support for or opposition to bills on whether or not it is supported by the Department of Defense. But I note in the report that the Department of Defense has not indicated its position in regard to this bill. I wonder if the gentleman would comment briefly on that.

Mr. BRAY. Yes; I shall try to explain that situation. We have been trying to get the Department of Defense to send over a recommendation for more than 2 years. Just before adjournment last year they told us they had been working very hard, spending the midnight hours, trying to bring out some plan, but had failed to do so. So then we passed a bill last year which we knew would not have time to get through the Senate, but we did it to show our determination to do something.

This year the Department of Defense brought over a proposal which is materially different from the bill which we have here. I will not have time to go into all that the Department of Defense proposed, but I believe every Member of the House would agree that this bill is fairer than the bill they brought over. However, as far as an official position by the Department of Defense on the matter is concerned, we do not have it.

Mr. GROSS. Since this is going to cost a fairly substantial amount of money, I wonder if I could urge on the Committee on Armed Services that they go thoroughly into flight pay and a few other things that are going on around here and save the money necessary to take care of this expenditure in what I think is a proper direction.

Mr. BRAY. I hope we can find an opportunity to take care of this. I can assure the gentleman we will try.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield.

Mr. CURTIS of Missouri. Along the line of thinking the gentleman from Iowa has developed, as I understand this piece of legislation, in following out the recommendations of the Cordiner report, the object is to stop this tremendous turnover of reserves so that we will not lose the money we are presently losing in training. I notice the report states that this would reduce significantly the requirement for training new pilots, with consequent savings in training costs. I wonder if the gentleman will develop that thought.

Mr. BRAY. Frankly, I believe that this bill is an excellent approach to the problem and will save many times the money it will cost. I think any military man will tell you that the one real failure in World War II was the handling of personnel problems. We may as well face the fact that many of the complaints of the Reserve officers are that they have been released in order to make room for the promotion of Regular officers. There is nothing that we can do in regard to that. But the Reserve officer who stays in the service should know exactly where he stands. This legislation is going to encourage the Reserve officers that we need to stay, and it will encourage the military to get rid rapidly of those they do not need. I think it will promote efficiency in the end and save a great amount of money.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. The Department of Defense told the committee that the annual turnover is around 90,000 officers, and among the 90,000 officers are 40,000 younger officers. We were further told that to train a pilot for our aviation, whether Air Force, Navy, or Army, costs from $80,000 to $120,000 a year. So if we retain 1,000 young officers we can see what we will save. Therefore, it is impossible to establish what we will save and apply it against the cost of this bill.

Mr. BRAY. If it encourages, or really forces the services to make long-term personnel plans, it will be well worth all the effort.

Mr. GROSS. My reference to flight training goes particularly to overaged officers who are not going to be flying the jet planes, who should not be flying jet planes, many of them, particularly lieutenant generals. What business has a lieutenent general drawing flight pay if his work as a lieutenant general does not involve flying.

Mr. BRAY. I have some very strong opinions on that matter myself, and I feel something is going to be accomplished by the committee along that line.

Mr. VAN ZANDT. If the gentleman will yield further, is it not true that the Committee on Armed Services has a subcommittee which has the responsibility of studying the manpower question? I am sure the matter the gentleman from Iowa brings up will have the attention of that subcommittee.

Mr. BRAY. That is correct. I am not on that subcommittee, but I have discussed some problems with members of that subcommittee.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, it is a privilege for me to address the Committee of the Whole in support of H.R. 5132. First, I would like to congratulate my colleagues on the Armed Services Committee and particulary our able and distinguished chairman of our subcommittee, Mr. RIVERS, who have labored long and tirelessly to bring before you today a measure which will be known as the Reserve Officers Incentive Act of 1959.

To supplement the persuasive presentation of my coworkers on this measure I would like to take just a few moments to point out another very important aspect of the bill which has been mentioned briefly but which I believe should be emphasized in greater detail. Some of you undoubtedly are wondering about the additional costs that will be involved. Costs should be an important factor in every measure considered by this body. According to the revised figures supplied to the committee by the Department of Defense for fiscal years 1960 through 1963, estimated expenditures will be modest and certainly justifiable in view of the great benefit which this measure will promote in strengthening our national security. For fiscal year 1960, the costs estimated by the Department of Defense as to original Department of Defense bill, H.R. 3369, are $3,053,000;

UNIVERSITY OF MICHIGAN LIBRARIES

for fiscal year 1961, $7,167,000; for fiscal year 1962, $9,833,000; and for fiscal year 1963, $12,509,000. And the committee report indicates there will be no significant increase in cost of enactment of H.R. 5132 over H.R. 3369.

Having in mind these modest cost figures, I would like to discuss a point which impressed the committee. The Department of Defense stated that a Reserve officer on active duty for 2 years spends approximately 1 year in training and 4 months in orienting himself to his several assignments and in travel time. Actually then, his productive time during the first 2 years' active duty amounts to about 8 months. In contrast with this the Department of Defense pointed out graphically that an officer who is retained on active duty for 6 years would have a productive time of 4 years and 8 months. Therefore, the productive time of seven officers serving 2-year periods is required in order to equal the productive time of one officer serving for 6 continuous years. Thus, it can readily be seen that if more young officers remain on active duty after their obligated tours there will be a substantial increase in the productive time of such officers at a lower cost to the taxpayer. Of equal importance will be the greater efficiency and reduction in the training load.

The Armed Forces require approximately 15,000 young officers each year. Only about one-fourth of the 40,000 who complete their 2 years' obligatory service apply for further active duty. Therefore, almost all of those who apply must be utilized. However, witnesses for the Department of Defense pointed out that there is a need for 15,000. Inasmuch as this measure will undoubtedly produce many more applicants for active duty beyond the initial period of 2 years it will result in a more efficient young officer corps than we have at present. The more selectivity we have, the higher will be the efficiency and capability of the officer corps.

Therefore, I am certain you will agree with me that the small increase in the overall defense budget that this bill entails will be more than justified by the resulting benefits to our national defense stature. I also agree with my able colleagues that this bill will be instrumental in establishing a more equitable position for our Reserve officers. Therefore, I urge favorable consideration by this illustrious body.

Mr. RIVERS of South Carolina. Mr. Chairman, we have no further requests for time.

Mr. VAN ZANDT. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reserve Officers' Incentive Act of 1959".

SEC. 2. Section 679 of title 10, United States Code, is amended to read as follows:

"§ 679. Active duty agreements.

"(a) Before ordering a member of an armed force under his jurisdiction to active duty (other than for training) as a reserve officer with his consent for a period of three months or more, or before retaining him on active duty with his consent for such a period, the Secretary concerned shall make a standard written agreement with that member requiring him to serve for a period of active duty that the Secretary considers is necessary to meet the needs of that armed force, but not more than six years. An active duty agreement may not be made in time of war, or of national emergency declared by Congress or the President after July 1, 1953, and an active duty agreement already in effect terminates at the beginning of a war or such an emergency.

"(b) Subsection (a) does not apply—

"(1) to an officer of the Medical Corps or Dental Corps of the Army or Navy;

"(2) to an officer of the Veterinary Corps of the Army;

"(3) to a medical, dental, or veterinary officer of the Air Force;

"(4) to an officer who has not completed at least two years of active duty as an officer;

"(5) to an officer who is hospitalized or under investigation, or against whom proceedings of a courtmartial or board of officers are pending;

"(6) to any officer authorized by the Secretary of Defense or the Secretary concerned subject to such policies as may be prescribed by the Secretary of Defense, to serve on active duty in connection with a special project or special assignment, or to serve on a board;

"(7) when the Coast Guard is not operating as a service in the Navy, to any officer of the Coast Guard authorized by the Secretary of the Treasury to serve on active duty in connection with a special project or special assignment, or to serve on a board; or

"(8) to an officer who has completed the minimum service required for retirement under section 1293, 3911, 6323, 6327, or 8911 of this title, or section 232 of title 14, as the case may be.

Notwithstanding clause (4), a written agreement may be made at any time with a person who agrees to serve on active duty as a reserve officer for a period of at least one year upon completing his first two years of active service as an officer. Such an agreement becomes effective on the first day after he completes those two years of active service.

"(c) Except in the case of an officer who has completed at least 13, but not more than 14, years of active service as an officer, and except as provided in subsection (d), no agreement may be made under subsection (a) for a period of active duty that is less than one year. However, no active duty agreement may be made with an officer who has completed less than 14 years of active service as an officer if that agreement would expire after the officer has completed 14 years of that service.

"(d) Each reserve officer who is eligible for an active duty agreement under subsection (a), and who has completed at least 14 years of active service as an officer, shall, except in time of war or of national emergency declared by Congress or the President after July 1, 1953, be released from active duty unless he is appointed as a regular officer or is offered and accepts an active duty agreement under that subsection. If such an agreement is made with an officer who has not yet completed the minimum service required for retirement under section 1293, 3911, 6323, 6327, or 8911 of this title, or section 232 of title 14, as the case may be, the agreement shall provide that it expires on the earlier of the following dates:

"(1) The date on which he completes the minimum service required for retirement under that section.

"(2) The date on which he is otherwise required by law to be removed from an active status.

"(e) Agreements made under this section are subject to such policies, procedures, and controls as may be prescribed by the Secretary of Defense for the armed forces under his jurisdiction or by the Secretary of the Treasury for the Coast Guard when the Coast Guard is not operating as a service in the Navy. The policies, procedures, and controls prescribed by the Secretary of Defense and the Secretary of the Treasury shall be uniform so far as practicable.

"(f) If an agreement made under this section terminates, under subsection (a), at the beginning of a war or national emergency, the officer concerned may be kept on active duty, without his consent, as otherwise provided by law."

SEC. 3. Section 680(b) of title 10, United States Code, is amended by renumbering clauses (4) and (5) as clauses "(5)" and "(6)", respectively, and by inserting the following new clause after clause (3):

"(4) discharged from his reserve appointment because of failure to achieve the standards of performance prescribed by the Secretary concerned;".

SEC. 4. Section 265 of the Armed Forces Reserve Act of 1952 (50 U.S.C. 1016) is amended—

(1) by striking out the first sentence of subsection (a) and inserting the following in place thereof: "Except for an officer covered by clause (1), (2), or (3), a member of a reserve component who is released from active duty after the enactment of this amended sentence and after having completed immediately prior to such release at least five years of continuous active duty (except for breaks in service of not more than 30 days) as either a commissioned officer, warrant officer, or enlisted person, is entitled to a lump-sum readjustment payment computed on the basis of one-half of one month's basic pay in the grade in which he is serving at the time of release from active duty for each year of active service ending at the close of the eighteenth year and (unless he is discharged from his reserve appointment or enlistment because of failure to achieve the standards of performance prescribed by the Secretary concerned) an additional one and one-half month's basic pay in that grade for each year of active service in excess of 10 years ending at the close of the eighteenth year. An officer who would otherwise be covered by the preceding sentence and who—

"(1) is serving under, or has at any time completed a period of service under, an active duty agreement under section 679 of title 10, United States Code, and is not covered by clause (3), is entitled to—

"(A) two months' basic pay for each year of active service as an officer that he served after June 30, 1959, under such agreement, except an agreement from which he is released at his own request;

"(B) one-half of one month's basic pay for each year of active service, ending at the close of the eighteenth year, that is not covered by clause (A); and

"(C) one and one-half month's basic pay for each year of active service in excess of 10 years, ending at the close of the eighteenth year, that is not covered by clause (A);

"(2) is not serving under, and has at no time completed a period of service under, but who is eligible for, an active duty agreement under that section, is entitled to—

"(A) two months' basic pay for each year of active service as an officer that he served after the first two years of such service and after June 30, 1959, while he was so eligible;

"(B) one-half of one month's basic pay for each year of active service, ending at the close of the eighteenth year that is not covered by clause (A); and

"(C) one and one-half month's basic pay for each year of active service in excess of 10 years, ending at the close of the eighteenth year, that is not covered by clause (A); or

"(3) is discharged from his reserve appointment because of failure to achieve the standards of performance prescribed by the Secretary concerned, is entitled to—

"(A) two months' basic pay for each year of active service as an officer that he served after the first two years of such service and after June 30, 1959, under any agreement under that section that is completed before his discharge;

"(B) one month's basic pay for each such year under the agreement under which he is serving at the time of discharge; and

"(C) one-half of one month's basic pay for each year of service, ending at the close of the eighteenth year, that is not covered by clause (A) or (B).

No person covered by this subsection may be paid a total of more than two years' basic pay in the grade in which he is serving at the time of release.";

(2) by amending subsection (b)(1) to read as follows:

"(1) A person who is released from active duty at his own request, other than an officer who has less than 14 years of active service and who has at any time completed an agreement under section 679 of title 10, United States Code, or any other officer who has completed such an agreement and whose release is approved under regulations to be prescribed by the Secretary of Defense.";

(3) by amending the second sentence of subsection (b)(5) to read as follows: "However, such a person is entitled—

"(A) to receive readjustment pay under this section even though he is also entitled to be paid under section 680 of title 10, United States Code; and

"(B) with respect to severance pay to which he is entitled under any provision of law other than section 680 of that title, to elect either to receive that severance pay or to receive readjustment pay under this section, but not both.";

(4) by amending subsection (c) to read as follows:

"(c) Under regulations to be prescribed by the Secretary concerned or the Administrator of Veterans' Affairs, as the case may be, there shall be deducted—

"(1) from the monthly retired pay of an officer who has received readjustment payments under the second sentence of subsection (a) and who qualifies for retired pay under any provision of title 10, United States Code, except chapter 67 thereof; or

"(2) from the monthly compensation of an officer who has received readjustment payments under the second sentence of subsection (a) and who qualifies for compensation under any law administered by the Veterans' Administration for a disability incurred during a period for which he has received that readjustment payment;

an amount sufficient to recover, during the life expectancy of the officer, that part of the readjustment payment based on service performed after June 30, 1959. However, the deduction may not be more, in any one month, than 25 per centum of the officer's monthly compensation. There shall be deducted from any severance pay to which an officer who has received readjustment payments under the second sentence of subsection (a) is entitled under section 1212, 3303(d)(3); 3786(b), 6382(c), 6383(f), 6384(b), 8303(d)(3), or 8786(b) of title 10, United States Code, an amount equal to that received as readjustment payments. However, in place of the deduction described above, a reserve officer who has received readjustment payments under the second sentence of subsection (a) may elect to have deducted, from the years of service with which he would otherwise be credited in determining his eligibility for retired pay and in computing the amount of his retired pay, all periods for which he received readjustment payments under that sentence."; and

(5) by repealing subsections (e) and (h).

CV——305

SEC. 5. Except with the consent of that member and the Secretary concerned, section 679 of title 10, United States Code, as amended by this Act, does not apply to any member who, on the effective date of this Act, has not served the full term of his agreement, entered into before that date, to serve a specified minimum period of active duty. However, upon completing that period of active duty, he is thereafter subject to that section, as amended by this Act.

SEC. 6. During the one-year period following the date of enactment of this Act, the actions otherwise required by section 679(a) (1st sentence) and (c) of title 10, United States Code, are permissive and not mandatory. However, each reserve officer serving on active duty (other than for training) on that date, and who is determined to be qualified by the Secretary concerned and is otherwise eligible for a contract under that section, shall, if he has at least 14 but less than 18, years of active service as an officer and does not decline to serve under a contract or is not tendered an appointment as a regular officer of the armed force concerned, be considered to have accepted and to be serving under a contract under that section of such duration to enable him to complete the amount of service required to qualify him for retirement under section 1293, 3911, 6323, 6327, or 8911 of title 10, United States Code, or section 232 of title 14, United States Code. Section 680(a)(2) of title 10, United States Code, does not apply to an officer covered by this section if he is twice passed-over for promotion to any grade.

SEC. 7. Section 679(b) of title 10, United States Code, does not require an agreement to be made with a person who, before the date of enactment of this Act, has agreed to serve on active duty as a reserve commissioned officer for a period of at least three years upon being appointed as a commissioned officer. Such a person shall, for the purposes of section 679 and 680 of title 10, United States Code, and section 1016 of title 50, United States Code, be considered as having made an agreement under section 679 of title 10, United States Code, for the period he so agreed to serve in excess of two years.

Mr. RIVERS of South Carolina (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and that it be printed in the RECORD, at this point in full and that it be open to amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to compliment my friend, the gentleman from South Carolina, and his Subcommittee on Armed Services for the action which is theirs in bringing this bill to the floor of the House for consideration at this early date in this session of the Congress. This is a bill which is worthy of the attention of the Congress, and it is a bill which should be enacted at a very early date in this session. This matter is not a new one. It represents the age-old problem between the regulars and the reservists. It represents the problem of the regular who makes a career in the armed services and the problem of the reservist who may be called temporarily to active duty and decides to attempt to make the service a career. In the fluctuations of the personnel of the services up and down, many hardships have occurred. The RIF program developed from this.

It was my privilege and pleasure to work for a long time on this particular problem with these able gentlemen of the subcommittee who are handling this legislation at this time. I can recall some 10 years ago that I assisted in developing the program of offering to the reservists under certain circumstances a contract of employment. At the termination of that contract, the reservist would be released back into civilian life. The idea then was to relieve some of the hardships attendant with the return of the reservist from the military to civilian life. I am sorry to say that after we authorized the use of a contract under certain limited conditions and for a limited period of time—think it was 5 years—that the use of this procedure was discarded to a large extent by military departments and it fell into disuse.

We did not have an aggravated problem until about 2 years ago when there was a great reduction in the personnel of the armed services and the RIF program came into being, as you people will remember. At that time many thousands of very competent and capable Reserve officers were returned almost without notice to civilian life. These Reserve officers in many instances had completely weaned themselves away from civilian life and were not prepared to go back to civilian life and pick up again under the competitive conditions existing in civilian life which some of them had forgone not once but twice and some even three times when they entered our military services.

The purpose of the bill which the gentlemen of the committee have brought in is very simple. It is to relieve these conditions so that when a Reserve officer who has been in for a certain extended period of time wants to remain in the armed services and through no fault of his own he has been riffed and returned to civilian life, you will cushion his return. I think it is a very meritorious proposition and certainly should be passed.

I am not going to go into the details of this bill because the members of the committee know the details as I do, but it does seek to tie the Reserve service closer to the provisions of the Retirement Act so that a Reserve after he has been on active duty for 14 years, with such a contract, will know that he will go through in active service to the retirement to which he is entitled after being on active duty for such a long period of time.

It also seeks to tie the service of the reservist closer to the provisions of Public Law 810 which is our Reserve Retirement Act.

The problem of the young reservist who goes in for 2 years or 3 years as an ROTC officer is somewhat different from that of the career reservist. The latter is the reservist who wants to make a career out of the armed services after a certain period of time.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

UNIVERSITY OF MICHIGAN LIBRARIES

(By unanimous consent Mr. BROOKS was allowed to proceed for 2 additional minutes.)

Mr. BROOKS of Louisiana. The services are very anxious to retain these younger officers. They are never going to have a large percentage of applications from them, because many of these Reserve officers are called into active duty because they have no election. The service calls them because they have the ROTC obligation to serve on active duty. If some of the young men can be induced to stay in, however, and make a career of the military it will save this country a great deal of money. That feature should not be overlooked.

All in all, the program is a good one. It should have passed last year. We needled the Pentagon last year every 30 days to get in a bill they would recommend. Finally they came in 5 days before adjournment and handed me a bill that they would recommend, a bill of this kind. Now they come up with more changes. It is time to act, and I certainly think this bill should go through.

The CHAIRMAN. If there are no amendments, under the rule the Committee rises.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. JONES of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5132) to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes, pursuant to House Resolution 211, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTEND LOANS OF NAVAL VESSELS TO CERTAIN GOVERNMENTS

Mr. RIVERS of South Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3366, to authorize the extension of loans of naval vessels to the Governments of Italy and Turkey.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3366), with Mr. JONES of Missouri in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from South Carolina [Mr. RIVERS] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. VAN ZANDT] for 30 minutes.

Mr. RIVERS of South Carolina. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. RIVERS of South Carolina. Mr. Chairman, this bill, H.R. 3366, would authorize the extension of the loan of two submarines to the Government of Italy and the extension of the loan of two submarines to the Government of Turkey.

The original loans will expire during 1959 and 1960, respectively.

The extension in each instance will be for not to exceed 5 years, and no authority is provided for any extension beyond that date.

Formal agreements similar to the original agreements will be entered into with the Governments and will contain all of the normal limitations and restrictions placed in such agreements.

For example, the agreement will provide for the return of these ships at an earlier date than the normal expiration date of the loan if such return is necessitated by the defense requirements of the United States.

The committee amended the bill to include the extension of the loan of two destroyers to the Republic of China. The requirement for this amendment raised an interesting legal question. The situation with respect to China is as follows:

In the same legislation which authorized the loan of the destroyers to China, authority was also granted for the loan of destroyers to Japan and Korea. In the case of Japan and Korea, the loan agreements were drafted in such form as to permit an original 5-year loan and a 5-year extension. In the case of China, however, through what was apparently a drafting error, the agreement was made for 5 years and without any language relating to the loan being renewed.

The authority of the President to make the actual transfer of these ships expired on December 31, 1956. The question, therefore, arose as to whether the President's authority to lend the ships had been exhausted.

Since it was the intention of the Navy to lend these ships for 5 years and to be able to renew the loan for an additional 5 years, the amendment to the bill merely is making legally certain an authority which is somewhat doubtful.

I know that every Member is aware of the importance of these ship loans in our total defense picture. It is obviously important that our forces be placed at strategic locations prior to the outbreak of hostilities. This bill will accomplish this very thing in that it will continue to keep these ships in operating condition in critical areas.

They will be ready and able to join us in any conflict which may arise and there will be no requirement that they be taken from mothballs, placed in operating condition, and then brought half-way round the world to their operating positions.

The course that is being followed in all of these ship loans has the further advantage of keeping the military personnel of our friends and allies currently informed with respect to operating procedures of our own Navy. Because of this, when they join in exercises with our fleet or join with us in any conflict, their contribution will be greatly increased in effectiveness.

So, in summary, the bill authorizes the extension of three loans—two of them involve two submarines each and the other, two destroyers.

Mr. VAN ZANDT. Mr. Chairman, I yield myself such time as I might require.

Mr. Chairman, the gentleman from South Carolina [Mr. RIVERS] has given a clear and concise description of what this bill will do.

Actually, all the bill will do is repeat what the Congress has already done in the past, and that is, extend loans which Congress has previously authorized.

Although we are, of course, most anxious to assist our friends and allies in any way that we can, I feel I am fully correct in saying that in the last analysis, it is our own defense position which is most assisted by the loaning and strategic positioning of these vessels.

It might be stated analogously that we are handing our friends weapons which they can use to help us if the occasion arises where this is necessary.

We are doing no favor to anyone. We are serving our own self-interest and the interest of all the free world. Quite obviously we have the choice of letting our friends help us with some of our equipment—in this case, ships—or placing our own men in these ships and positioning them in the far corners of the world.

It seems entirely clear to me the better choice here is to let our friends help us while at the same time assisting themselves in their own training of personnel and increasing their own ability to fight on our side.

I would like to draw attention to the report on this bill because it sets out the answers to many questions which might arise. A few of the highlights in the report are as follows:

On page 2, under the heading "Prior Legislation," the specific ships which are involved are described as is the manner in which they became available to the friendly foreign nations.

Just below that heading, are set out the basic considerations—which I have already dealt with in less detail—which dictate the wisdom of lending these vessels.

Further, on page 3, are set out in clear and unmistakable language the many mutual advantages which will flow from the extension of these loans.

On page 4, you will find the manner in which agreements are entered into with the recipient countries and there is even set out a form of typical agreement with the foreign country. In this typical agreement, it is clear that the interests of the United States are well protected in that there is a definite limit to the time of the extension of the loan. It also sets out the fact that the United States may recover these vessels at any time whatsoever if our defense requirements so dictate.

At the top of page 6 are set out some recent laws relating to the loan of vessels to friendly foreign nations and from this, it is clear that we are establishing no precedent in this legislation but merely carrying out, and furthering a matter which has become an essential element of our defense policy.

With respect to costs: the cost of taking these ships from mothballs, readying them for operation, and training the crews has already been paid for years ago. The continuing costs of operating

the vessels come out of mutual security funds which have already been appropriated.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Iowa.

Mr. GROSS. As I remember it, we made an aircraft carrier available to the French. Not long ago the French announced that they were not pooling their naval forces with the NATO naval force. If we continue the lending of these warships, is there anything in the agreement by which they must pool these vessels with NATO, or could the Italians tomorrow withdraw these vessels from the NATO force?

Mr. RIVERS of South Carolina. We can get these battleships back at any time we make a demand on the country for them.

Mr. GROSS. We could withdraw that carrier from the French tomorrow then?

Mr. RIVERS of South Carolina. If our Government so decides, it can get these ships back tomorrow or the next day or the next day after that.

Mr. GROSS. I thank the gentlemen on both sides of the aisle.

Mr. RIVERS of South Carolina. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding section 7307 of title 10, United States Code, or any other law, the President may extend the loan of two submarines to the Government of Italy, and may extend the loan of two submarines to the Government of Turkey, on such terms and under such conditions as he deems are appropriate. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this Act.

SEC. 2. The extension of the loan to Italy authorized under this Act is an extension of the loan made under the authority granted by the Act of August 5, 1953 (67 Stat. 363). The extension of the loan to Turkey authorized under this Act is an extension of the loan made under the authority granted by the Act of August 7, 1953 (67 Stat. 471).

SEC. 3. Extensions shall be for periods of not to exceed five years and shall be made on the conditions that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

SEC. 4. No loan may be extended under this Act unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that such extension is in the best interest of the United States. The Secretary of Defense shall keep the Congress currently advised of all extensions made under authority of this Act.

With the following committee amendments:

Page 1, line 5, insert a comma following the word "Italy" and on lines 5 and 6, strike the words "any may extend".

Page 1, line 6, insert a comma after the word "Turkey" and add the following language: "and the loan of two destroyers to the Government of the Republic of China".

Page 1, line 11, change the word "loan" to "loans"; and on

Line 11, following the word "Italy", insert the words "and the Republic of China".

Page 2, line 1, strike the words "is an" and insert in lieu thereof the word "are"; and on

Line 1, change the word "extension" to "extensions"; and on

Line 1, strike the word "the" where it first appears; and on

Line 1, change the word "loan" to "loans".

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES of Missouri, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3366) to authorize the extension of loans of naval vessels to the Governments of Italy and Turkey, pursuant to House Resolution 213, be reported back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate voted demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "A bill to authorize the extension of loans to the Governments of Italy, Turkey, and the Republic of China."

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR NEXT WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if he will kindly announce the program for next week.

Mr. McCORMACK. The program for next week is as follows:

On Monday we will take up the Interior Department appropriation bill for 1960. If that is disposed of in time, we will take up H.R. 2575, authorization, pan-American games at Chicago. If that is not completed on Monday, then it will follow the second supplemental appropriation bill for 1959, which comes up on Tuesday. After the disposition of that bill and the pan-American games bill, that is, if that bill is not disposed of on Monday, the Bretton Woods Agreements Act, increase of funds, and after that a bill relating to the meeting in connection with the International Radio Consultative Committee. Then there is the usual reservation that if there is any further program, it will be announced later, and I will do that as quickly as I can. I want that reservation in case anything should arise. I might say that there are some bills to come up Monday out of the Committee on Ways and Means by unanimous consent. They have cleared the leadership and they are unanimously reported out of the Committee on Ways and Means and the chairman will ask for unanimous consent for consideration of them on Monday.

Mr. ARENDS. I thank the gentleman.

RECONVEYANCE OF CERTAIN LANDS AT THE JOHN H. KERR DAM AND RESERVOIR

Mr. ABBITT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. ABBITT. Mr. Speaker, on Wednesday, I introduced a bill, H.R. 5775, which provides for the reconveyance of certain lands at the John H. Kerr Dam and Reservoir, in southern Virginia and northern North Carolina. The bill directs the Secretary of the Army to release certain lands there which are excess to the necessary requirements of the project. This is the land above the 320 foot contour line around the reservoir. Preference to purchase this land at fair market value would be given to the former owners and provisions are made for the orderly disposal of the land along well-defined lines of procedure. At the same time, the Government would be protected to the extent of reserving necessary flowage easements over the lands which would be sold under the bill. The former owners could reacquire their land at fair market rates, determined by the Department of the Army, by making application with the proper authorities.

This is a most important matter to many citizens of Mecklenburg County, which is in my congressional district, as well as to other taxpayers in adjoining areas. Not only is it important to those whose land is directly involved but to all citizens of the area concerned. When the Government purchased this land for the construction of the dam, considerably more land was taken than

UNIVERSITY OF MICHIGAN LIBRARIES

was necessary for the proper functioning of the project. Experience thus far has shown this to be true and all indications are that the land now in question will not be needed for the fulfillment of the project's purposes.

The John H. Kerr Dam project has been of great benefit to our area and the people of this vicinity are well aware of it. They take pride in this project and feel it is a big asset to them. There is, however, a feeling that the land which the Government acquired in excess to its needs should be returned to the former owners. This excess land is lying idle, of no benefit to anyone, bringing in no revenue to the State and localities and, in my opinion, should be disposed of to private individuals and thus put back on the tax rolls and into effective use.

ANSWER TO KHRUSHCHEV'S CHALLENGE

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, the Associated Press dispatch of yesterday stated that "Khrushchev challenged the West today to come up with concrete ideas for a summit conference to blunt the threat of war over Berlin and Germany."

I have prepared concrete guideposts which I have forwarded to the Department of State, which I strongly suggest as guidance to President Eisenhower in the event that he again participates in a so-called summit meeting.

It appears that the Foreign Ministers will meet in May. The purpose of that meeting should be clearly stated to be (a) exploratory, and (b) to establish in advance an agenda which the heads of state can then take up.

There was no agreed-upon agenda at the so-called summit meeting held in Geneva in 1955. The consequences of that meeting were—that the position of the free world has been weakened, and the Communist leaders have become more aggressive, bold, and demanding.

The Foreign Ministers Conference must be examined and analyzed in the light of our experience with the summit meeting in 1955. If the Russian delegates are unyielding and are willing only to talk on the basis of our surrender, then a summit conference does not make any sense. If, however, they display some good will and agree to discuss really important problems at a summit conference, that will represent before world public opinion an obligation on their part. If the Russians, at the Foreign Ministers Conference, are not willing to consider the causes of the tensions which have created the cold war, there is no necessity for a summit meeting. It would be futile to have a repetition of the clinking of cocktail glasses of 1955.

Subsequent to the brief period of sweetness and light which followed the Geneva Conference, 12 million people in Indonesia were delivered to Communist slavery in North Vietnam.

I strongly suggest the following as guidance if President Eisenhower participates in another summit conference:

First. We must regard such a conference as nothing more than an opportunity for us to spell out for the entire world what we stand for and what we stand against. In this connection, we should make it clear that we stand for the rights of all nations, large and small, to national self-determination, and the natural rights of all people to the basic freedoms. We should make it equally clear that we stand unqualifiedly against any form of colonialism or imperialism and in particular, we will never acquiesce to the new Russian colonialism which is being carried out under the camouflage of Communist imperialism.

Secondly, a logical followup to this first condition, we must demand that the Communist-enslaved non-Russian nations be permitted to determine their own destiny by the use of free elections, including multiple political parties, the secret ballot, together with international supervision to guard these basic requirements. If we fail so to do, the good people of Estonia, Latvia, Lithuania, Poland, Czechia, Slovakia, Hungary, Rumania, Bulgaria, Albania, Ukraine, Byelorussia, Georgia, Turkestan, Idel-Ural, Armenia, Azerbaijan, Cossackia, and Russia will look upon any U.S. participation in a conference at the so-called summit as the failure of the last great hope of mankind and a sellout of all those moral and political principles which the United States has stood for during the 183 years of our national existence.

This also applies to Yugoslavia, which is generally considered as an independent country, but whose Communist rulers are actually pursuing the same domestic policy of ruthless oppression and the same foreign policy of Communist imperialism as Moscow and Peiping.

Thirdly, the Russians must agree to dismantling and completely removing the Iron Curtain which they have constructed from the Baltic Sea to the Pacific Ocean. They must remove the minefields, the barbed wire, the vicious dogs, the special squads of machinegunners, and all other unnatural barriers which the Russians have concocted in order to divide the world into separate parts.

Fourthly, we must abide by the proven principle of "open covenants openly arrived at." There can be no secret understandings reached at such a conference. To insure against this possibility, the administration should avoid being party to any joint communique being issued from such a conference because the constant Russian demand for unanimity would mean that any joint communique would serve primarily the Kremlin interests. President Eisenhower would be wise to issue his own communique on a day-to-day basis, covering developments and any successes or failures that might come out of such a conference.

If the administration does engage in such a conference as is now contemplated and if it does act within the spirit of these recommendations, I would have no reservations on our entering into such a conference because the possibility of a sellout will have been eliminated. Moreover, such a formula as I have here outlined would assure us an outstanding success in putting across to all the people of the world those principles for which we stand and those evils we are dedicated to fight against. Such a victory as would be ours by pursuing the course of action I strongly urge, would provide a badly needed stimulant and well-deserved encouragement for the forces of freedom which exist in every nation of the world today.

FEDERAL ASSISTANCE FOR AIRPORTS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, in the President's budget which came down to this Congress a few weeks ago, the President requested $200 million for Federal assistance to airports for the fiscal year beginning July 1, 1959.

The Senate, a few days after that, passed a bill providing for $465 million for Federal assistance to airports.

The bill which was heard by the House yesterday provides for $297 million in the form of Federal assistance for airports. Mr. Quesada, Administrator of the Federal Aviation Agency, who will have charge of the administration of these funds, has said that the President's request for $200 million is adequate, and that a good job can be done by his Agency with that amount of money.

Mr. Quesada has been the Administrator of the Federal Aviation Agency for almost a year. He is by far the best qualified man in the entire country on the needs of his Agency. Just how ridiculous can we become here in the Congress when we insist that he shall spend more than the $200 million he has requested—that he must spend in addition under the House bill an additional $97 million, or under the Senate bill, if adopted, an additional $265 million.

If we take the Senate bill of $465 million as an example, we are pushing through the budget ceiling by $265 million, or just a little over 2½ times the figure that the President and his Administrator have requested. The Federal budget as set by the President is $77 billion. If every other item in the budget was multiplied proportionately by the Senate figure for Federal assistance to airports, our budget would have to be in excess of $160 billion to meet the needs of the country.

Mr. Speaker, here is an issue squarely of the budget balancers versus the budget busters. How can we expect people back home to believe that we are retaining some kind of financial sanity in Government when we say to an Administrator that he must spend over twice as much as he believes is necessary to carry on the functions of his job? In short,

in this bill adopted yesterday, we are saying "Bust another hole in the budget. The sky is the limit."

We do not build railroad stations, truck warehouses or bus terminals for those forms of transportation. We did subsidize airports in the beginning in order to get the program started. We did the same thing for railroads a hundred years ago, but we did phase out that assistance after a reasonable length of time. I point this out because I believe it is important to the overall picture of transportation today.

However, the overriding issue yesterday was whether we should vote only the $200 million which the Administrator of the Federal Aviation Agency said is necessary, or whether we should cram down his throat additional millions which he says is not needed and he does not want.

The House in adopting H.R. 1011 exceeded budget figures by almost 50 percent in the first balloting between the budget balancers and the budget busters; the budget busters prevailed. I do think they will hear from the people back home when the implications of this bill is fully understood by the ordinary taxpayer.

We still have a long way to go in this session, and those of us who stood for some kind of financial responsibility on this bill can continue to make ourselves heard.

LESS-THAN-HONORABLE DISCHARGES

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a letter from the Veterans of Foreign Wars.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, I take this brief time of the House to report on the subject of less-than-honorable discharges in our military establishments; on which subject, more than 30 Members of this distinguished body have already filed identical bills, and which bills are now in the Pentagon under consideration.

Since most of these bills were filed in this House early in January 1959, and since virtually the same bill as H.R. 88, and companion bills, passed the House during the 85th Congress by the overwhelming vote of 226 to 8, it would appear, would it not, that it should not take very many days longer for the Military Establishment to send its report, either favorable or unfavorable, or with or without suggested amendments, back to the House Armed Services Committee so that said distinguished committee can again have the early opportunity to act upon it and, I anticipate, send it to the floor of the House of Representatives again with approval.

In the 85th Congress it seemed so clear to me that there was unnecessary delay and delay in the Pentagon on this matter that I then told them so, and I now again inform the House that I hope it does not take any real effort to get a timely report from the Pentagon back to the Halls of Congress so that we can act at a very early date upon it. Hardly a day has passed in the last 30 days but that one or more Members of this body have asked me the status of the subject matter.

The bills this session, we believe, are a decided betterment on the same subject. I cannot but feel that the bills are entitled to most cordial and emphatic approval by the Military Establishment. For, Mr. Speaker, it is not legislation which will mean an increase in the budget. It is a distinctly humane bill. It deals with the human destiny of several thousand American young men who committed comparatively minor wrongs, errors or mistakes, or violation of either military regulations or of law during their short stay in the military and then were discharged—too many of them I would say—without courts-martial and without anything but administrative action. Nevertheless, Mr. Speaker, these lads, who were not criminals and who were not found guilty of committing crimes, carry though their lives as result of the type of discharge they received, a stigma and sentence of condemnation in their respective communities in our Nation for their entire lives. If they had committed similar wrongs and errors in civilian life, comparable to those for which they were given less-than-honorable discharges, to which these bills refer, they would have been given a comparatively short sentence or been put on probation for from 1 to 3 years, and then if they made good with exemplary conduct they would have been free of the burden. So, these bills of which I speak today are designed primarily to do two things, to wit, first, to remove at least a little of the stigma and the life sentence which the military type of discharge has stigmatized them for life with; and, second, to help them to some degree at least, to obtain more ready and remunerative employment for themselves and their families.

These bills do not propose a change in the type of discharge. They do not propose any Government benefits for the men. They do provide, however, that lads who make good in civilian life for not less than 3 years by proven exemplary conduct, shall have an opportunity to present adequate proof of that exemplary rehabilitation conduct and reputation in their communities for not less than 3 years to the Military Establishment. Even further, Mr. Speaker, the bills do not make it mandatory on the Military Establishment to issue such applicants anything whatsoever; not even the exemplary rehabilitation certificate proposed in the bills. It leaves it optional with the military. But, the bills and the authors thereof will expect that if the bills are passed again and become the law, that the Military Establishment will in good faith issue to any applicant who adequately proves he has made good by exemplary conduct for not less than 3 years, a certificate of exemplary rehabilitation. The bill last year proposed that applicants be given a general discharge limited. This is the one real difference between the legislation of the 85th Congress and this 86th Congress.

I repeat that this is humane legislation.

Granting that if the legislation becomes law, it will mean an additional amount of clerical work and some investigative effort in some cases by or for the Military Establishment, it would appear crystal clear, would it not, that the application for these exemplary rehabilitation certificates from the lads who undertake to prove they are entitled to them, after living exemplary lives in civilian life for not less than 3 years, should apply to the Military Establishment from which he was fired; in like manner should be entitled to receive the certificate of rehabilitation in civilian life from the Military Establishment. Heretofore I have informed the House of the fact of there being several thousand a year.

On behalf of the 30 or more Members of the House, who have already filed the same bill as H.R. 88, I cordially state that if any other Members of the House have cases in their respective congressional districts, they are welcome to take the same bill and file it in their own names. From my knowledge of the situation last year and this year to date on the subject, it would appear to me we have a right to expect that the Pentagon report, either for or against, should be back to the attention of the Armed Services Committee very, very soon. I repeat, this is a humane bill. It is strictly so. I further state, it is my firm conviction they should also continue to be charged with the responsibility of being definitely interested in rehabilitation of their personnel; not only during the time they are in the military uniform, but in those who make comparatively minor mistakes while in the military and then make manifestly good in their civilian experience so that their minor mistakes will not hang onto them all their lives.

I am fully and gratefully aware that in the last 2 years since the close of the public hearings by the special subcommittee of the House Armed Services Committee on the subject of less-than-honorable discharges the military has made some significant advancements in related fields. I congratulate them upon doing so. But, Mr. Speaker, they have not yet been willing to undertake to assume any responsibility for changing their procedures materially enough so that the rank and file of these lads can be given a definite procedure whereby they can present the facts of their rehabilitation in civilian life to the military, and then receive from the military at least some kind of a paper which will at least clear some of the onus from their life sentence and also help them get a dignified job.

Under the present military policy on such discharges all of these lads who receive a discharge less than honorable, unless the military is shown that it was the one that made the error or mistake, just simply will not change its mind or record. So in effect a lad once fired from the military even for a comparatively minor cause is discarded once and forever by the military because he has gone into civilian life. A theory of these bills

UNIVERSITY OF MICHIGAN LIBRARIES

is that these lads are still American citizens; they are still valuable assets to the Nation; they may again be called upon to fight for the security and very existence of our beloved Nation. They are not like so much junk or waste material. No boy who rehabilitates himself for mistakes or errors or minor violations of law is invaluable or worthless.

Furthermore, Mr. Speaker, we believe there is plenty of evidence to the fact that in some percentage of these cases about whom we are concerned the military itself may have made serious mistakes in what they did.

When I was for several days in the Mediterranean Sea on official business for the Armed Services Committee I was a guest of Adm. Charles Brown, commander of the Sixth Fleet in the Mediterranean area and he authorized me to say in public or otherwise that he was for H.R. 88 and the companion bills; that he also, in his early days of naval training at the Academy, made serious enough mistakes there for which he would have been given a less-than-honorable discharge of some type if he had actually then been in the U.S. Navy. But, he authorized me to say he was put on probation for a year and before the year was up he rehabilitated his attitude and actions so that he was kept at the Naval Academy and, of course, we all know how very proud all American citizens are of his great and distinguished service in our U.S. Navy. There are many other Charlie Browns in the United States of America who can make similar adjustments in their own individual rehabilitation. We ask the Military Establishment to consider the principle involved in these bills and to cordially and promptly cooperate in making the principle involved effective in part of our national consciousness, experience, and pride.

Here, Mr. Speaker, follows the list of the Members of the House who have already filed the same bill on this subject:

Bills identical to H.R. 88

Bill No.	Introduced by—	Date
H.R. 88	Mr. Doyle	Jan. 7, 1959
H.R. 2243	Mr. Burns	Jan. 12, 1959
H.R. 2457	Mr. Berry	Jan. 16, 1959
H.R. 2462	Mr. Bosch	Jan. 15, 1959
H.R. 2470	Mr. Dollinger	Do.
H.R. 2478	Mrs. Granahan	Do.
H.R. 2498	Mr. Philbin	Do.
H.R. 2509	Mr. Widnall	Do.
H.R. 2543	Mr. Holifield	Do.
H.R. 2576	Mr. Zelenko	Do.
H.R. 2810	Mr. Wilson	Jan. 19, 1959
H.R. 2968	Mr. Bow	Jan. 21, 1959
H.R. 3023	Mr. Lane	Do.
H.R. 3073	Mr. Saund	Do.
H.R. 3182	Mr. McDonough	Jan. 22, 1959
H.R. 3184	Mr. McFall	Do.
H.R. 3201	Mr. Santangelo	Do.
H.R. 3340	Mr. Metcalf	Jan. 26, 1959
H.R. 3718	Mr. Farbstein	Jan. 29, 1959
H.R. 4281	Mr. Libonati	Feb. 9, 1959
H.R. 4324	Mr. Ashley	Feb. 11, 1959
H.R. 4368	Mr. Healey	Do.
H.R. 4417	Mr. Westland	Do.
H.R. 4503	Mr. Holland	Feb. 16, 1959
H.R. 4532	Mr. Roberts	Do.
H.R. 4998	Mr. Fulton	Feb. 25, 1959
H.R. 5057	Mr. Herlong	Feb. 26, 1959
H.R. 5780	Mr. Celler	Mar. 18, 1959

In closing I am pleased to present the exact text of a letter dated March 17, 1959, signed by the director, national legislative service, Veterans of Foreign Wars of the United States, Washington, D.C.:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Kansas City, Mo., March 17, 1959.

Hon. CLYDE DOYLE,
Member of Congress, U.S. House of Representatives, Washington, D.C.

DEAR MR. DOYLE: This is in response to your letter of February 16, 1959, with attached copy of H.R. 88 which proposes to amend present law to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges and Dismissals which give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge and dismissal in determining whether or not to correct certain discharges and dismissals and to authorize the award of an Exemplary Rehabilitation Certificate.

The Veterans of Foreign Wars is on record as having endorsed in principle H.R. 8772 of the 85th Congress and we gave this bill our full support. We shared your keen disappointment when the bill failed to move forward in the Senate and died with the adjournment of the 85th Congress. It is noted that H.R. 88 is almost identical to H.R. 8772, with one major exception: For those meeting the requirements of this legislation an Exemplary Conduct Certificate will be issued rather than a General Discharge Limited as was proposed in H.R. 8772.

The VFW wholeheartedly agrees with the principle of issuing an Exemplary Certificate based solely on the record of rehabilitation after service with no change in discharge—solely because of such rehabilitation. We endorse the proposal that an Exemplary Certificate is much more preferable and appropriate than General Discharge Limited. As has been pointed out this bill is not designed to grant or change Discharge Certificates but rather is intended to remove the stigma that attaches, sometimes for life, to a veteran with a less than honorable discharge certificate.

We certainly will lend our full support to the principles and objectives of H.R. 88. If further hearings should be scheduled with respect to this legislation, the Veterans of Foreign Wars will be deeply appreciative of being advised so that a representative from this office may be present and testify in behalf of our organization.

Thanking you for inviting the views of the VFW concerning this most meritorious legislation, I am,

Respectfully yours,
OMAR B. KETCHUM,
Director.

HON. ALBERT COHN, DECEASED

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BUCKLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BUCKLEY. Mr. Speaker, I include an address by Presiding Justice Bernard Botein, Appellate Division, Supreme Court, at memorial service for the late Honorable Albert Cohn, at the Hebrew Home for the Aged at Riverdale, N.Y., Sunday, March 1, 1959:

"His life was gentle, and the elements so mix'd in him that Nature might stand up and say to all the world 'This was a man!'"

These lines might have been penned of Albert Cohn, whose life and memory we honor this afternoon.

It is quite appropriate that we speak of him in this home, to which he was so devoted and to whose growth and present enormous stature he had contributed so much, as honorary chairman and in other capacities. And it is also appropriate that a former associate of Judge Cohn on the Appellate Division deliver this address. I daresay that aside from his family no one has had the opportunity to know him, appreciate him and love him as well as the small group of men who served on that court with him for so many years—day in and day out, and most weekends too.

Every Monday morning, over the span of two decades, Albert Cohn and six other judges would assemble in the courthouse conference room. There they would discuss and vote their decisions in the cases they had studied so exhaustively and heard argued the week before. In the fire of passionate but friendly argument, in the cold logic of objective, scholarly analysis, sham and pretense, virtues and vices, could not long be hidden from one's associates. I know I echo the sentiments of every judge who has sat in the Appellate Division for the past twenty years when I say that none has ever been loved more devotedly by his fellows, none more appreciated, respected and reverenced, than Judge Cohn. And these were sentiments faithfully forged in the fire of the most revealing fellowship any group of men has ever enjoyed.

He was unsparingly generous in offering his ripe experience and sound scholarship, his great fund of commonsense and resourcefulness to those less favored. I, who as a neophyte judge sat at his feet, was the recipient of innumerable kindnesses and sage advice—particularly on the many occasions when he graced our bench as the justice presiding.

Despite his devotion to this institution, his preoccupation was not entirely with the elderly. His faith in youth embraced law students, fledgling lawyers, young judges, perplexed young people from every walk of life, who surged through his door—and were never turned away. There is a legion of judges, public officials, and outstanding lawyers who proudly count themselves proteges of Judge Cohn. In a sense he continued throughout his life the teaching career that he followed for a few years after his graduation from City College. Perhaps his early struggles, before he hoisted himself onto the first rung of the ladder of success by dint of sheer willpower and self-sacrifice, gave him such sympathetic and perceptive insights into the problems of the young. He attended New York Law School while teaching in the public schools, practiced law for a few years; and then, in 1917, he was appointed an assistant district attorney in Bronx County, and his brilliant public career was launched. The rest is legal history—county judge, supreme court justice, and then, in 1936, associate justice of the appellate division.

He retired a few years ago because he had reached the chronological age of 70. His unabated mental and physical vigor, his buoyancy and spring make a mockery of the statutory retirement provisions. I have always felt that it was his absorption with young people that kept him so young, that stimulated and regenerated him.

This youthful spirit was reflected in his very outlook on life. He was never one to retreat from the onrush of new generations, or new ideas. He has never one to draw a curtain on the complex problems posed by a modern society—nor to refuse to reconsider old attitudes moulded in a horse-and-buggy era.

He had infinite faith in the law of which he was so superb a craftsman, particularly in the timeless capacity of the common law to cope with ever-changing economic and social conditions without sacrificing by one

jot its essential integrity and values. He brought an eager, inquiring mind into the contemplation of new or novel cases. Also, he was never one to run with the crowd that carried the aloof premise that legal principles are the thing, and not the people whose lives those principles shaped. His first concern was with the people whose destinies hung on the issues presented in the cold print of briefs and records—but never at the sacrifice of sound legal principles and the uniformity required of the law. He was always the champion of the poor and the underprivileged. How often he brought his extraordinary arsenal of learning and resourcefulness into play to convince us that we could do justice, as he saw it, without violating the established legal rules.

And yet, warm and kindly as he was, his judicial efforts never descended to mawkish sentimentality—and certainly never to a bid for personal popularity. Sentimental he was, however, in his personal relationships, although he liked to think of himself as practical and hardheaded even in extra-legal areas. And he was a fiercely loyal friend—for which many persons should thank their lucky stars.

There was a simple, unpretentious but nevertheless very real dignity about the man and his works. This evidently communicated itself to the bar, which clasped him to its bosom with informal delight and undisguised affection. Lawyers felt easy and comfortable in the presence of this soft-spoken, down-to-earth man, in court or in chambers; and yet never transgressed the proprieties because they also sensed the firmness behind the velvet. Best proof of the regard in which he was held is the fact that for many years he was chairman of the judicial and lawyers division of both the United Jewish Appeal and the Federation of Jewish Philanthropies—and the keen, practical gentlemen who direct the destinies of those organizations were obviously seeking the judge most highly esteemed by lawyers and judges. Lawyers and litigants left his courtroom with faith in democracy bolstered, reassured in spirit that a man of his caliber had been selected to sit in judgment on their affairs.

He was learned in the law, although not as one who made a touchstone of technicalities. He could have reaped much greater financial rewards in the practice of the law and rejected many attractive offers to join law firms because his heart and entire way of life were with the bench. Also, a wise, loving wife realized this, and encouraged him to remain where his happiness lay—although this decision meant great sacrifice on her part. When he no longer had any choice in the matter he practiced law brilliantly and successfully in t he few years vouchsafed him after his retirement as a judge.

Only in the past few months he won a stunning victory in the case of Schuster against the City of New York. You may recall that 3 weeks after supplying information leading to the arrest of Willie Sutton, one Arnold Schuster was murdered in Brooklyn. Schuster had notified the police that his life had been threatened. Arguing before the court of appeals on behalf of the Schuster family, Judge Cohn secured a decision that the city could be held liable in damages for negligence. This ruling is a most important milestone in the development of the law. But then, his own opinions as a judge, illuminating the pages of scores of volumes of the official "Miscellaneous and Appellate Division Reports," are in themselves eloquent, learned testimony of the progress of the law in this State for the past generation.

He also served his profession well as a trustee of New York Law School, which honored him with a doctorate of laws, as a director of the New York County Lawyers Association, and as chairman of the judiciary committee of the Bronx County Bar Association.

I hesitate to poach on the preserves of the eminent Rabbi Kramer who spoke of Judge Cohn as a Jew. I shall content myself with saying that we worshipped in the same synagogue, and I always knew him as a deeply religious man in the finest sense of the term, without cant or affectation. And I shall not even try to do justice to his relationship with his family. To those who did not know him, I cannot hope to convey the measure of the love and tender devotion he shared with Dora, or his deep pride in his son, Roy, and their profound understanding and attachment. For those who did know Judge Cohn, I need not elaborate upon the warm and simple beauty of the home life enjoyed by this tightly knit family. He gave much to the two mainstreams of his life—his family and the law; and it is comforting to remember how much he in turn received during his lifetime. I kow how he was nourished by the love and devotion of his wife and son.

We who are gathered here this afternoon to do honor to his memory are thankful that we were privileged to know him. As his former associate, I count myself doubly fortunate in having enjoyed a rewarding and lasting experience in personal relationship. We mourn the loss of Albert Cohn, lifelong educator, dedicated public servant, loyal friend, devoted hubsand and father. May his soul rest in peace.

TENNESSEE VALLEY AUTHORITY TURBINE GENERATOR PURCHASE

Mr. MILLIKEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MILLIKEN. Mr. Speaker, on February 27, the Tennessee Valley Authority issued a statement in defense of its much-criticized award of a $12 million order to a British firm for the largest steam turbine generator ever purchased for installation in the United States.

I have noted that the General Electric Co. and Westinghouse Electric Corp. have each filed petitions with the Office of Civil and Defense Mobilization asserting that the purchase of this large generator from a foreign company threatens to impair the national security of the United States. Based upon the information in these petitions, I would say this award is the biggest step yet in the steady trend toward making important segments of America's vital electric power network dependent on foreign repairs and maintenance—repairs which might be completely cut off in case of war.

In its defense of this award, TVA makes a number of statements which, if erroneous as some believe, should not be allowed to go unchallenged. Because of my interest in the operation of section 8 of the Trade Agreements Extension Act of 1958, and my interest in fairness to all concerned when public affairs are in controversy, I have inquired regarding the points raised by TVA.

Perhaps most serious of the TVA charges are those implying that the American companies which bid for this contract—Westinghouse and General Electric were the lowest domestic bidders—are seeking exorbitant profits and that cheap foreign labor does not account for the difference in bids between the C. A. Parsons Co. of England and the American companies.

Some people, in fact, have said that all the American firms need to do is cut their prices to meet this foreign competition. I have no interest in defending the pricing or profit policy of any company, but it is very simple indeed to look at the annual reports of these American companies to determine whether they are making exorbitant profits or not. In the case of Westinghouse, evaluated by TVA as the low domestic bidder in this instance, that company's net income in 1957 and 1958 was reported as less than 4 percent. Does this indicate that Westinghouse could cut its prices more than 40 percent to meet these foreign bids?

While TVA did not deny that American electrical manufacturers pay wages at least two and one-half times greater than the English firms, they claim that the difference in labor costs between Parsons and the American companies on this steam turbine job would be only $1.5 million, while the difference in bids amounted to between $5 million and $6 million.

It is apparent here that the TVA people merely took a stated manhours figure which covered just the direct factory labor that would be affected by possible lay-offs and multiplied this portion of a total labor cost by the U.S. electrical industry's average hourly rate of pay.

A further check on this calculation reveals that the stated manhours of work used by TVA included only the time of the people in the factories who would have been directly and exclusively employed on this order—people whose jobs are now jeopardized by the loss of this order. The figure did not include the supporting service people in the factories who would have been assigned only part time to this order, such as crane operators, material handlers, boiler house operators, plant guards, inspectors, production clerks, purchasing, industrial relations, and supervisory personnel.

And the cost of such service personnel in these plants is approximately double the direct labor cost. Consequently the total labor cost in the factory alone is approximately three times the direct labor rate. And the average direct labor rate in these factories for the highly skilled labor involved is well above the electrical industry average which TVA used as its multiplier.

More than this, the manhours of labor stated by TVA obviously did not include the cost of research and development people whose efforts have kept American-made electrical apparatus ahead of its foreign competition in quality and efficiency. Such expense as this, along with many other types, are all true items of labor cost which a manufacturer must recover in price, over and above the labor cost of the people in the factories who are directly involved in producing a specific order.

To pretend that an American firm which is underbid nearly 50 percent need only "shade its prices" to get the order is ridiculous, particularly when competition

UNIVERSITY OF MICHIGAN LIBRARIES

is as keen as it is in the American electrical industry.

The TVA statement claims also that the British firm of C. A. Parsons is equipped to provide promptly repair service and replacement parts which may be necessary during the life of the machine. It claims further that Parsons maintains service facilities and personnel in Canada.

The facts just do not support these claims at all.

Parsons has no manufacturing plant in Canada. Parsons stated in their bid that they have only three service engineers in Toronto to service their equipment on the North American continent. A firm like Westinghouse, in contrast, has over 1,000 field service engineers plus many more at a number of factories throughout the United States.

What about this matter of using Canadian facilities for major repairs of steam turbine generators? Actually there is no Canadian plant whatever, capable of satisfactorily performing a major repair on a turbine generator like the one TVA has ordered from Parsons. A major repair job requires the facilities of the mother plant of the builder 9 times out of 10. This means Parsons would have to ship the unit back to England or receive major parts from overseas—if overseas transportation were available, which it might not be in time of war.

TVA asked why GE and Westinghouse did not include in their bids a provision for liquidated damages—a provision whereby the company would pay a large amount for each day that delivery might be late. It seems that this is the first time TVA ever included a liquidated damages clause in a steam turbine generator bid.

The reason the American firms did not include such a clause in their bids is simply that such a provision requires miles of red tape and needless detailed record-keeping just to protect the company from unjust claims of delay. This adds to the cost of production unnecessarily. It is not the normal way of doing business. And it would have been strictly a one-way street. TVA offered no bonus clause for achieving early delivery.

It is significant that the British Central Electricity Authority does not buy foreign-made heavy electrical apparatus because they know they cannot depend on foreign supply for spares and maintenance in time of emergency.

TVA's statement presents some very tortuous reasoning and "assumptions" intended to prove that despite loss of American jobs in this case, the American working man really will benefit through these dollars that will come back to him in the long run from overseas.

Can anyone really believe that awarding $12 million of business to England will create more prosperity at home than to award an $18 million order to an American manufacturer?

And, finally, TVA says the money for the Parsons equipment will not come from taxes. I ask, is there any real difference between payment from taxes than from revenue or profits developed by investing the American public's tax payments?

But these economic arguments are needless. Why not take a leaf from the British book of policy which shows that on the basis of the national security issue alone there is no question but that such heavy electric power apparatus as this should be bought from American manufacturers.

ESTABLISHMENT OF MINUTE MAN NATIONAL HISTORICAL PARK (MASSACHUSETTS)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a bill which I am introducing today.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am today introducing a bill to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes.

Senator SALTONSTALL has introduced a similar bill in the Senate.

I have been asked to introduce this bill in the House and I do so with great pleasure.

In 1955 the Congress created the Boston National Historic Sites Commission and authorized this Commission to undertake a study of historic objects, sites, and buildings in Boston and the surrounding area to determine the advisability of establishing a coordinated program by Federal, State, and local governments and private historical societies for the preservation of the important colonial and Revolutionary properties in that area which form a part of America's historical heritage. In its report to the Congress, the Commission has recommended the establishment of a national historical park to preserve the last relatively unspoiled section, about 4 miles, of the historic Lexington-Concord Battle Road, which was the scene of the opening events of the American Revolution on April 19, 1775.

Mr. Speaker, I believe that the establishment of this park is indeed a fitting way of memorializing and preserving for future generations the site at which the War for American Independence was born. The proposed park to be established under the terms of this bill would consist of two tracts of land in Lexington, Lincoln, and Concord along the route traversed by the British on their march from Boston on the morning of April 19, 1775, and used by the minutemen and Provincial militia to rout the British into a fighting retreat.

The larger part of the proposed park would form a stretch of about 4 miles of the historic Battle Road from Lexington to Meriam's Corner in Concord. Part of this route was covered by Paul Revere in his famous ride to alert the countryside and includes the site of his capture by the British. The smaller part would consist of properties adjacent to the battleground at the North Bridge in Concord, scene of the first attack on the British by the minutemen and Provincial militia and location of the famed minuteman statue. Authority is urgently needed for immediate acquisition of the vacant parcels of land in both parts, as well as for the establishment of a long-range program for acquisition and preservation of other sites in the proposed park area. This area has been undergoing rapid development and is threatened with more. As recently as 1957 the Air Force proposed to use for a military housing project a relatively unspoiled roadside parcel of 8 acres through which the Battle Road passes in Lincoln. The march of the British from Boston to Concord covered a distance of more than 20 miles.

The establishment of this park is indeed a fitting way of memorializing and preserving for future generations the site at which the war for American independence was born. The proposed park to be established under the terms of this bill would consist of two tracts of land in Lexington, Lincoln, and Concord along the route traversed by the British on their march from Boston on the morning of April 19, 1775, and used by minutemen and Provincial militia to rout the British into a fighting retreat. All of these towns are in my congressional district, as are others mentioned in the bills. The larger part of the proposed park would form a stretch of about 4 miles of the historic Battle Road from Lexington to Meriam's Corner in Concord. Part of this route was covered by Paul Revere in his famous ride to alert the countryside and includes the site of his capture by the British. The smaller part would consist of properties adjacent to the battleground at the North Bridge in Concord, scene of the first attack on the British by the minutemen and Provincial militia, and location of the famed minuteman statue. Authority is urgently needed for immediate acquisition of the vacant parcels of land in both parts, as well as for the establishment of a long-range program for acquisition and preservation of other sites in the proposed park area. This area has been undergoing rapid development and is threatened with more. As recently as 1957 the Air Force proposed to use for a military housing project a relatively unspoiled roadside parcel of 8 acres through which the Battle Road passes in Lincoln.

I shall speak to the House again on this vitally important matter.

The bill which I have introduced follows:

A BILL TO PROVIDE FOR THE ESTABLISHMENT OF MINUTE MAN HISTORICAL PARK IN MASSACHUSETTS, AND FOR OTHER PURPOSES

Whereas the outbreak of the War of the American Revolution was essential and prerequisite to the achievement of American independence and the creation of a Federal Government; and

Whereas the events relating to the beginning of Revolutionary hostilities on the 18th and 19th of April 1775, and associated with Paul Revere, the Minute Men, and the British are of great importance in American history; and

Whereas a number of historic properties, buildings, sites, and objects in Boston, Massachusetts, and the vicinity thereof, including the road and roadsites between Lexington and Concord, are intimately connected with the events that opened the war, and conse-

quently merit preservation and interpretation in the public interest as prime examples of the Nation's historical heritage: Therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit of the American people certain historic structures and properties of outstanding national significance associated with the opening of the War of the American Revolution, Minute Man National Historical Park is hereby authorized to be established in the Commonwealth of Massachusetts.

The park shall comprise not more than seven hundred and fifty acres as may be designated by the Secretary of the Interior from within the area beginning at Fiske Hill and thence lying along Massachusetts Avenue, Marrett Road and Marrett Street in the town of Lexington, along Nelson Road, Virginia Road, Old Bedford Road, and North Great Road or State Route 2–A in the town of Lincoln, and along Lexington Road, Monument Street, Liberty Street and Lowell Road in the town of Concord to and including the North Bridge and properties on both sides of the Concord River in the vicinity of the North Bridge.

SEC. 2. The Secretary of the Interior is authorized to acquire by donation or with donated funds, or to acquire by purchase with funds hereby authorized to be appropriated, lands and interest in lands within the area designated for the park. Administrative jurisdiction of Federal lands lying within the area designated for the park shall, with the concurrence of the Federal agency involved, be transferred to the Secretary of the Interior for administration as a part of the park.

The park shall be established as Minute Man National Historical Park by notice in the Federal Register when the Secretary of the Interior finds that sufficient lands within the designated area have been acquired to warrant such establishment.

SEC. 3. To provide further for the preservation and interpretation of historic sites, structures, and properties lying along the entire route or routes where significant events occurred on the 18th and 19th of April 1775, in the cities of Boston, Cambridge, Medford, and Somerville, and the towns of Arlington, Brookline, Concord, Lexington, and Lincoln, including the area generally described in section 1 as lying between Fiske Hill and the North Bridge, the Secretary of the Interior is authorized, in accordance with the purposes of this Act, to enter into cooperative agreements with the Commonwealth of Massachusetts, political subdivisions thereof, corporations, associations, or individuals, and to erect and maintain tablets or markers, in accordance with provisions contained in the Act approved August 21, 1935, entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes" (49 Stat. 666).

SEC. 4. The Secretary of the Interior is authorized to appoint an advisory commission of five members to advise him on the development of Minute Man National Historical Park, to consist of one member to be recommended by the selectmen of each of the towns of Concord, Lexington, and Lincoln, Massachusetts; one member to be recommended by the Governor of the Commonwealth of Massachusetts; and one member to be designated by the Secretary.

SEC. 5. When established pursuant to this Act, the park shall be administered, protected, and developed by the Secretary of the Interior in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1–4), as amended and supplemented, and the Historic Sites Act of August 21, 1935 (49 Stat. 666; U.S.C. 461–467).

GALLUP POLL ON SCHOOL INTEGRATION

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. FORRESTER] is recognized for 10 minutes.

Mr. FORRESTER. Mr. Speaker, on March 13, 1959, the Gallup poll released the results of its survey in the North and South to determine the attitude of white parents in both sections regarding school integration.

Mr. Gallup says the northern parents had very little objection to integration "as long as only a few of the children are Negro." However, "the proportion of northern white parents who would have no objection to sending their children to a school where more than half of the children are colored is only about one in three," according to the poll.

I commend this survey as a thought-provoking document for honest people everywhere. As long as the mixing of races is token mixing, very little objection is heard in the North, but when these northern parents come to grips with cold facts presented by integration on a 50–50 basis, they react exactly the same as white southerners. Mr. Gallup refers to the reaction by the northern parents as prejudice. I think Mr. Gallup is wrong there. The objections are not based on prejudice but on intensely real evils that they now know integration brings. The more experience our northern friends have with this problem, the more united they will be in their objection to integration and the more they will be satisfied that God Almighty was right when he segregated us in the first place.

The Gallup Poll result is no surprise to me. It is reliable information. It is information that public servants need to know because segregation is getting quite popular wherever real integration has had the opportunity to prove itself wrong. Candidates for office in the North are waking up to the fact that segregation is becoming more popular than integration.

The article released by Gallup reads as follows:

THE GALLUP POLL: PROPORTIONS ALTER VIEWS ON SCHOOL INTEGRATION

(By George Gallup)

PRINCETON, N.J., March 13.—Despite the collapse of Virginia's policy of "massive resistance" to comply with the court's ruling on integration, survey evidence shows that Southern white parents of school-age children are still not basically sold on the idea.

Nor is prejudice limited to the South. Many northern parents, if faced with a similar problem to that which exists in the deep South, express misgivings over integration.

Their attitudes on integration are greatly influenced by the proportion of Negro children to white children, in a school, the survey finds.

Sentiment among northern whites is overwhelmingly on the side of integrated schools as long as only a few of the children are Negro. But the proportion of northern white parents who would have no objection to sending their children to a school where more than half of the children are colored is only about one in three.

Gallup poll reporters put this series of questions to an accurate sample of white parents of school children in all areas of the country—both North and South:

1. "Would you, yourself, have any objection to sending your children to a school where a few of the children are colored?"

The replies of white parents:

NORTH	*Percent*
Yes, would object	7
No, would not	92
No opinion	1
SOUTH	
Yes, would object	72
No, would not	25
No opinion	3

Of interest is the fact that although sentiment among southern white parents on this question shows virtually no change from a survey in September of last year, there has been a change of sentiment among northern white parents.

The number of northern whites who say they would object to sending their children to a school where a few of the children are colored has dropped about half—from 13 percent in September to 7 percent today.

The next question:

2. "Would you have any objection to sending your children to a school where half of the children are colored?"

NORTH	*Percent*
Yes, would object	34
No, would not	63
No opinion	3
SOUTH	
Yes, would object	83
No, would not	12
No opinion	5

The September survey showed 39 percent of northern white parents objecting, compared to 81 percent of southern white parents.

The third question:

3. "Would you have any objection to sending your children to a school where more than half of the children are colored?"

NORTH	*Percent*
Yes, would object	53
No, would not	35
No opinion	7
SOUTH	
Yes, would object	86
No, would not	8
No opinion	6

The September survey showed the same proportion, 58 percent, of white parents in the North objecting as today, while sentiment among southern white parents was 84 percent opposed in September, compared with 86 percent today.

MANDATORY QUOTAS ON OIL IMPORTS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOLAND. Mr. Speaker, I was extremely disappointed this morning with the reply I received from the White House rejecting my plea of last Monday to President Eisenhower that

UNIVERSITY OF MICHIGAN LIBRARIES

he reconsider his March 10 decision imposing mandatory quotas on oil imports of crude unfinished and finished oil products, including residual oil.

OIL PRICE INCREASES WILL COST NEW ENGLAND DEARLY

I had asked the President to exempt New England from these import quotas, which, it is estimated, will result in increased oil costs for New England consumers of approximately $100 million yearly. This is the reply I received from the White House today, signed by Mr. Gerald D. Morgan, the Deputy Assistant to the President:

DEAR MR. BOLAND: The President asked me to acknowledge and thank you for your telegram on the oil import matter. After the most careful consideration, the President decided that he had no alternative but to put into effect a system of mandatory controls, being convinced that the present level of imports was threatening to impair the national security. A copy of the Proclamation and Statement which the President issued on March 10 are enclosed for your information. The President appreciated your wiring.

With kind regards.

Sincerely,

GERALD D. MORGAN,
The Deputy Assistant to the President.

BLOW TO NEW ENGLAND ECONOMY

Mr. Speaker, New Englanders are suffering enough due to the recession and its consequent unemployment, and the loss of industries that have been moving to other sections of the country for the last 15 years, without having this further discrimination imposed upon them. New England depends upon imports if it is to maintain a healthy and competitive economy. The President's mandatory oil import edict imposes a 400,000 barrel a day quota for residual oil which is so much in demand by New England industries, power plants, colleges, schools, and the State and municipal institutions and buildings. By placing a ceiling on the quantity of foreign residual oil that may enter this country, New Englanders will be forced to buy domestic oil at higher prices.

OIL IMPORTS DO NOT IMPAIR NATIONAL SECURITY

Mr. Speaker, I disagree with the administration when it says that the present level of oil imports "was threatening to impair the national security." On the contrary, as the respected Senator AIKEN, of Vermont pointed out yesterday, the imposition of mandatory oil import quotas will result in a drain on the limited American oil supplies that would be useful to this country in time of war.

I agree with Senator AIKEN when he says that these mandatory oil quotas will not only encourage domestic oil price increases, but will harm our relations with neighboring Canada and friendly oil producer nations, and will work to the disadvantage of American industry competing in world markets.

Mr. Speaker, under animous consent I include with my remarks an editorial that appeared in the Washington Post and Times Herald this morning:

MR. AIKEN INDICTS

Senator AIKEN has delivered a courageous and comprehensive indictment of the administration's recent clamp-down on oil imports to which, by their ineffectual replies, the President's defenders in Congress have conceded there is no good answer except politics. As Senator AIKEN noted in his devastating critique, the import quotas discriminate against regions of the country dependent upon imports, encourage price increases, harm our relations with Canada and other friendly producer nations, disadvantage American industry in world markets and drain limited domestic oil supplies that would be useful in event of war.

To this, Minority Leader DIRKSEN was able to say only that President Eisenhower's decision was a considered one and that the quotas for lead and zinc, imposed last year, had established a precedent. These were, in our judgment, similarly ill advised. For the United States to preach freer trade when it doesn't affect a politically powerful home industry and practice flagrant protectionism when the interests of the strategically represented producer States like Texas are involved is the worst kind of foreign policy. It is not only narrowly nationalistic but inconsistent. It is not only a policy in aid of one particular industry but a policy that harms other American business and the consumer. Senator AIKEN has spoken well and wisely, and his counsel should be heeded.

ASSISTANCE TO RAILROAD AND FERRY COMMUTERS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. DANIELS] may address the House for 1 minute and revise and extend his remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DANIELS. Mr. Speaker, today I have introduced a bill to amend section 13a(1) of the Interstate Commerce Act which would prohibit carriers—ferry or train—from discontinuance of service until a hearing is completed and the Interstate Commerce Commission comes to a decision, no matter how long it may be. It would also do the following:

First. Investigation and hearing made mandatory.

Second. Thirty days' notice prior to hearing required to be made by ICC to Governors.

Third. Time limitation, in which ICC must dispose of application, is stricken.

Fourth. Seven days' notice instead of 10 days' notice prior to time of discontinuance of service would be given the railroads by the ICC that service must be continued.

Fifth. Service shall be continued during the period of investigation and hearing.

The enactment of this bill would assure that the commuter groups and other interested agencies have a hearing in every instance of a discontinuance or change. It would also assure that the service be continued until the hearing is completed and the Commission comes to a decision, however long that may take.

The bill was prompted by the continuing problem of train and ferry discontinuance and how it affects commuters in New Jersey and other parts of the country.

A bill has also been introduced in the Senate by Hon. HARRISON A. WILLIAMS, JR., Democratic Senator from New Jersey, to attain the same result.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ASPINALL, for the week of March 23, 1959, on account of illness.

Mrs. KEE (at the request of Mr. ALBERT), for March 20 to 23, on account of official business in West Virginia.

Mr. MULTER (at the request of Mr. ADDONIZIO), for Friday, March 20, 1959, on account of illness.

Mr. FOLEY (at the request of Mr. FALLON), for today, on account of official business.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. FORRESTER, for 10 minutes today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. DIXON.

Mr. LINDSAY (at the request of Mr. ARENDS) and to include extraneous matter.

Mr. WALTER.

Mrs. KEE and include a newsletter.

Mr. MCCORMACK and to include extraneous matter.

(At the request of Mr. STRATTON, and to include extraneous matter, the following:)

Mr. BOWLES.

Mr. GALLAGHER.

Mr. HOLTZMAN.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H.R. 2294. An act for the relief of the Ellis Timber Co.; and

H.J. Res. 198. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p.m.), under its previous order, the House adjourned until Monday, March 23, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

747. A letter from the Chairman, Federal Communications Commission, transmitting

a draft of proposed legislation entitled "a bill to repeal the honorarium provision in subsection (b) of section 4 of the Communications Act of 1934, as amended"; to the Committee on Interstate and Foreign Commerce.

748. A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation entitled "a bill to amend section 409(c) of the Communications Act of 1934, as amended, with respect to presentations in any case of adjudication which has been designated for a hearing by the Federal Communications Commission"; to the Committee on Interstate and Foreign Commerce.

749. A letter from the Assistant Secretary of the Interior, transmitting a report on the activities of, expenditures by, and donations to the Lignite Research Laboratory, Grand Forks, N. Dak., for the calendar year 1958, pursuant to the act of March 25, 1948 (62 Stat. 85); to the Committee on Interior and Insular Affairs.

750. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "a bill to provide for the appointment of additional circuit and district judges, and for other purposes"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Government Operations. H.R. 1321. A bill to amend Reorganization Plan No. 2 of 1953; with amendment (Rept. No. 235). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. House Joint Resolution 300. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States; without amendment (Rept. No. 236). Referred to the House Calendar.

Mr. KIRWAN: Committee on Appropriations. H.R. 5915. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 237). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Appropriations. H.R. 5916. A bill making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; without amendment (Rept. No. 238). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 5881. A bill to provide that the Secretary of the Army shall make certain payments to the counties of Mecklenburg, Halifax, and Charlotte, State of Virginia, from the proceeds of sales of timber located on that portion of the land within the John H. Kerr Reservoir, Va. and N.C., situated in the State of Virginia; to the Committee on Public Works.

H.R. 5882. A bill to provide that the Secretary of the Army shall make certain payments from the proceeds of sales of timber cut from land acquired by the United States within a State for flood control, navigation, and allied purposes, to the counties in which such land is situated; to the Committee on Public Works.

H.R. 5883. A bill to provide that the Secretary of the Treasury shall make certain payments to the counties of Dinwiddie, Nottoway, and Brunswick, State of Virginia, based upon the proceeds of sales of timber located on land within Camp Pickett, Va.; to the Committee on Armed Services.

By Mr. BROCK:

H.R. 5884. A bill to provide economic assistance to the American Indians; to the Committee on Interior and Insular Affairs.

By Mr. DORN of New York:

H.R. 5885. A bill declaring Good Friday in each year to be a legal public holiday; to the Committee on the Judiciary.

By Mr. HAGEN:

H.R. 5886. A bill to amend the act of June 5, 1948, relating to the Meat Inspection Service of the Department of Agriculture and to permit recognition of the meat inspection services of the various States; to the Committee on Agriculture.

By Mr. KEITH:

H.R. 5887. A bill to amend the Tariff Act of 1930 to place ground, powdered, or granulated seaweeds on the free list; to the Committee on Ways and Means.

By Mr. McCORMACK:

H.R. 5888. A bill to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Mass., in exchange for certain other lands; to the Committee on Armed Services.

By Mr. McMILLAN:

H.R. 5889. A bill to provide for the representation of indigents in judicial proceedings in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGNUSON:

H.R. 5890. A bill to amend the Internal Revenue Code of 1954 to make it clear that the tax on transportation of persons does not apply to ferry service provided by State-operated ferryboats; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 5891. A bill to provide for the recognition of the Polish Legion of American Veterans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mrs. ROGERS of Massachusetts:

H.R. 5892. A bill to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RUTHERFORD:

H.R 5893. A bill to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes; to the Committee on Public Works.

By Mr. SIMPSON of Pennsylvania:

H.R. 5894. A bill to clarify the application of section 7(c) of the Trade Agreements Extension Act of 1951; to the Committee on Ways and Means.

H.R. 5895. A bill relating to the treatment for income tax purposes of certain redemptions of paid-for preferred stock; to the Committee on Ways and Means.

By Mr. WALTER:

H.R. 5896. A bill to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 5897. A bill to amend section 13a(1) of the Interstate Commerce Act, as amended, relative to the discontinuance or change of the operation of certain trains or ferries; to the Committee on Interstate and Foreign Commerce.

By Mr. DANIELS:

H.R. 5898. A bill to amend section 13a(1) of the Interstate Commerce Act, as amended, relative to the discontinuance or change of the operation of certain trains or ferries; to the Committee on Interstate and Foreign Commerce.

By Mr. FLYNN:

H.R. 5899. A bill relating to the observance of holidays occurring on Saturday; to the Committee on Post Office and Civil Service.

By Mr. FORAND:

H.R. 5900. A bill to correct injustice by providing for the payment of certain amounts of compensation to officers who were found under the provisions of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 to have been removed from the active list of the Army without justification and who were subsequently restored to the active list; to the Committee on Armed Services.

H.R. 5901. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit hospitals from certain excise taxes; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 5902. A bill to amend the Internal Revenue Code of 1954 to provide that employment taxes paid under the Federal Insurance Contributions Act by two or more employers with respect to the same individual shall constitute overpayments to the extent that the aggregate compensation paid to such individual during any one calendar year exceeds $4,800, and for other purposes; to the Committee on Ways and Means.

By Mr. GRANT:

H.R. 5903. A bill to control the preparation, distribution, importation and exportation of virulent hog cholera virus, and for other purposes; to the Committee on Agriculture.

By Mr. GUBSER:

H.R. 5904. A bill to amend section 3914 of title 10 of the United States Code to provide for the granting of retired pay to certain former enlisted members of the Armed Forces discharged after having served 20 or more years on active duty; to the Committee on Armed Services.

By Mr. HOLTZMAN:

H.R. 5905. A bill to grant civil-service employees retirement after 30 years' service; to the Committee on Post Office and Civil Service.

By Mr. McDOWELL:

H.R. 5906. A bill to amend section 13 of the Fair Labor Standards Act of 1938, as amended, to provide an exemption from the minimum wages, maximum hours, and child labor provisions of such act with respect to homeworkers engaged in the making of natural holly, pine, cedar, or other evergreen wreaths; to the Committee on Education and Labor.

By Mr. MACDONALD:

H.R. 5907. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for making payments in lieu of taxes with respect to certain industrial manufacturing plants owned by the United States; to the Committee on Government Operations.

By Mr. SCOTT:

H.R. 5908. A bill to provide for the disposition of certain lands above the 320-foot contour of the John H. Kerr Dam and Reservoir to the former owners, and for other purposes; to the Committee on Public Works.

By Mr. KIRWAN:

H.R. 5915. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

By Mr. THOMAS:

H.R. 5916. A bill making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes.

UNIVERSITY OF MICHIGAN LIBRARIES

By Mr. FULTON:

H. Res. 219. Resolution creating a select committee to conduct an investigation and study of the feasibility of relating the office allowances of Members to the workload of their offices; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States relative to requesting passage of legislation that will admit Hawaii to the Union on an equal footing with the other States; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to remove the limitation on the number of acres of public lands which the State may acquire; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States relative to objecting to limitation of public lands; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FULTON:

H.R. 5909. A bill for the relief of Charles H. Stype; to the Committee on the Judiciary.

H.R. 5910. A bill for the relief of Zelda Glick; to the Committee on the Judiciary.

By Mr. KEITH:

H.R. 5911. A bill for the relief of Omer W. Guay; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 5912. A bill for the relief of Henry Y. C. Huang; to the Committee on the Judiciary.

H.R. 5913. A bill for the relief of Florence May Cox; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 5914. A bill for the relief of Dr. Radboud Louwrens Beukenkamp; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

122. The SPEAKER presented a petition of James O'Leary, Wellsboro, Pa., relative to a redress of grievance relating to a World War I pension, which was referred to the Committee on Veterans' Affairs.

EXTENSIONS OF REMARKS

The Works of Peace

EXTENSION OF REMARKS
OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, March 20, 1959

Mr. HUMPHREY. Mr. President, it was my privilege to address the National Council of Jewish Women here in Washington on March 10, 1959. I ask unanimous consent that my address, entitled, "The Works of Peace," be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

EXCERPTS OF REMARKS BY SENATOR HUBERT H. HUMPHREY BEFORE THE NATIONAL COUNCIL OF JEWISH WOMEN, MARCH 10, 1959, WASHINGTON, D.C.

Even as we demonstrate to the world that we are utterly determined to resist Communist aggression, in this latest Soviet-precipitated crisis over Berlin we must be alert to the opportunities to wage peace—consistently, vigorously, and dramatically.

We must constantly seek to express the American dedication to people, peace, and progress throughout the world—not only in the words of peace, but in the very deeds and works of peace.

American foreign policy must recapture the initiative. And it must be reoriented to make better use of America's natural advantages.

With our magnificent food and fiber production in a hungry world, with our leadership in medicine in a world filled with disease and suffering, we are in a magnificent position to spearhead an international drive to feed the hungry, clothe the naked, heal the sick, and to teach the illiterate.

The works of peace: Food for peace, health for peace, education for peace, science for peace, atoms for peace.

The works of peace ought to be as conspicuous in American foreign policy as the Washington Monument in our Capital City.

We must hammer away on this theme unrelentingly—and develop a whole series of specific, concrete programs to implement—generalities are not enough.

The Senate will shortly take favorable action on one such concrete program—the proposal by LISTER HILL, myself, and others, to establish an International Medical Research Institute.

Here again is an example of constructive programing, with dramatic impact—the kind of action and program that cannot be effectively disparaged or destroyed by the most virulent Communist propaganda attacks.

As another example of how we could dramatically underline a constructive American foreign policy founded on health and education and food for peace, we could develop with a small expenditure of funds a new American white fleet of hospital ships and disaster relief vessels—as a dramatic symbol of American intentions and American concern with the well-being of other peoples.

I intend shortly to introduce legislation to provide two such white fleet task groups of presently mothballed U.S. Navy ships—designed to be operated partially by Government and partially by voluntary agencies—as disaster relief and technical assistance units along the coasts of Africa and Asia.

For a maximum cost of between $10 million and $15 million per year, the United States could provide effective—and vivid, easily recognized—relief to coastal areas which are the victim of earthquakes, floods, hurricanes, famine or disease epidemics; and in between they could carry on a dramatic program of medical and public health training and technical assistance.

Each of these white fleet task groups—composed perhaps of one 800-bed hospital ship, two cargo vessels for emergency supplies and food, and a converted electrical power ship, could throw into an emergency situation 800 to 1,000 hospital beds, operating facilities and laboratories, power for a good-sized city, and emergency rations for 300,000 to 500,000 people for a full week.

An earlier American White Fleet was used by President Theodore Roosevelt to dramatize to the world the emergence of the United States as a world power. Today a white fleet of mercy, armed with food, clothing, and medicine, literally stretching out the hand of friendship and compassion to other peoples, would do more to bring home to the peoples of Asia and Africa the real spirit of the American people than 10 years of broadcasting of American good intentions. Outstanding progress of health and medicine in Israel is one of the great achievements of the Jewish culture—a vivid example of what can be done through the works of peace, a dramatic beacon light to encourage similar achievement throughout Asia and Africa.

OUR SENATE WORLD HEALTH STUDY

As you know, it is my privilege to serve as chairman of a Senate subcommittee which is making a study of international health. We have invited judgment of the great medical leaders of the world.

Included in the responses have been many messages from outstanding medical leaders of Israel, including, of course, from the famed Weizman Institute and other facilities.

Israel has, as you know, perhaps the greatest and most favorable ratio of doctors to population anywhere in the world. It has a reservoir of scientific talent which is proportionately unmatched in almost any other country.

I know that Israel is going to play a great role, therefore, in expanding international medical research. Expansion of research was my topic in testifying this very morning on our farsighted bill to create a new International Institute of Medical Research. I know, too, that in the International Public Health and Medical Research Year, commencing in mid-1961, Israel can become a great radiating center of health works of peace.

SEPTEMBER 1959 CANCER MEETING IN ISRAEL

Let me cite a specific illustration. In September of this year, there will be held an International Symposium on Cancer Causation. The International Union Against Cancer has an International Cancer Research Commission which is the sponsor of this meeting. This commission selected the Weizmann Institute as the site for the symposium. Eleven countries will be represented, including: Canada, Great Britain, France, Finland, India, West Germany, Holland, New Zealand, U.S.S.R., Israel, and ourselves.

A moving figure in the plans for the symposium is the distinguished head of the experimental biology department of the institute, Prof. Issac Berenblum.

I cite this symposium as one excellent illustration of what the United States and Israel can and should do to multiply the works of peace.

Here in the United States, cancer wipes out a quarter of a million lives a year. In the Soviet Union, as I pointed out in Moscow to the Soviet authorities in December 1958, another quarter of a million lives are snuffed out by cancer. In the State of

Israel, a somewhat proportionate toll is taken. And the Arab States as well, are hardly immune to cancer.

What I am saying, in effect, is that Israel can spearhead international medical research.

It can also spearhead international medical assistance. Why? Because it is one of the few nations which has a relative surplus of doctors which it can make available to other less fortunate countries.

You are all familiar with Israel's technical assistance program which is already under way—ranging from its agricultural help to Burma, to its maritime help to Ghana.

I would like to see Israel's medical technicians working throughout the developing world. And I envision the day when its medical know-how will become available throughout the Arab countries as well. You and I are aware that today the Arab population within Israel receives the benefit of Israel's high health standards. This should become just as true within the Arab countries themselves.

But this is more than a matter for Israel itself; it is a matter for action throughout the free world.

PHILANTHROPIC TRADITION IN JEWISH FAITH

Welfare work is a special tradition of the Jewish people and of Jewish women, in particular.

I need not remind you of the hundreds of hospitals, homes for the aged, organizations for the orphaned, for the blind which Americans of Jewish faith, yes, which you of this audience serve in your respective communities.

The dedication to philanthropy is a deep tradition among the Jewish people, and I say that the world is in great need of further like-minded efforts among all faiths.

From the standpoint of American foreign policy, however, it is absolutely essential that we make available more of the scientific, medical, educational talent from the free countries to the underdeveloped world.

You and I read each day of riots sweeping Africa, Nyasaland, the Belgian Congo, and other areas.

The answer to riots and rioters is not clubs and police; the answer is housing and doctors and schools and jobs and equality and basically freedom.

I want the U.S. Government to help make available this answer to Africa and south Asia.

HOW TO AVOID MORE DYNAMITE IN AFRICA

Colonial Africa will explode in more violence unless the fuse is put out and unless the TNT of bitterness and frustration and fear are converted into a new and more stable type "chemical."

I refer to the chemistry of hope and growth, fulfillment and pride. This is the social chemistry from which will come not explosions, but peaceful development and building.

I point out, therefore, to the colonial powers that they may keep the lid on temporarily if they fly in more armed troops and tear gas and if they fly out into exile more native leaders.

But this is not the answer to statesmanship. It is not a permanent answer, nor one compatible with the Judaeo-Christian heritage.

Colonial Africa needs more point 4, not pointblank fire of water hoses or rifles. It needs additional responsible leaders, and not to be deprived of the few native leaders which it already has.

It needs the spirit of Tom Jefferson and Abe Lincoln and Chaim Weizmann—builders, creators, men of uplift and inspiration, not overseers of downgrading and repression.

This, then, is the challenge to the United States and to all like-minded nations.

Keenotes

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 20, 1959

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD I include copy of my newsletter for this week:

KEENOTES

(By Representative ELIZABETH KEE)

What is it like to dine on surplus agricultural commodities—the sole source of food supply for about 300,000 unfortunate West Virginians?

Members of the West Virginia congressional delegation found out at its weekly delegation breakfast in the Vandenburg Room of the Capitol recently. The meal was prepared exclusively from the food items which are now available to recipients of surplus commodities.

Each breakfast consisted of 1¾ ounces of flour, three-quarters ounce of meal, two-thirds ounce of powdered milk, one-third ounce butter and one-third ounce of rice. But the breakfast served to each of the two Senators and six Members of the House was equivalent to a one-meal ration for an entire family up to three persons.

As I ate the breakfast I could not help but think of the thousands of families who have nothing more to look forward to each day than the skimpy meal which can be prepared with available commodities. And I was further reminded of how tragic it must be for a family of three to have to make an entire meal from the amount which I was eating for breakfast.

The diet of surplus commodities is wholly inadequate, especially for growing children. It provides only 26 percent of the needed calories, 36 percent of the necessary protein, and 46 percent of the necessary calcium.

Yet, many families have to depend entirely upon the commodities made available to them from Government warehouses. They do not have the means to supplement them in any way.

Members of the delegation hoped, by dining on the surplus commodities, to dramatize the plight of so many of our people. It is a part of our campaign to convince leaders in the executive branch of our Government and in the Congress of the need to start a coordinated program to provide both immediate and long-range help to West Virginia.

We have hammered away at this one thing ever since Congress reconvened. We are working as a team to bring flood control and other public works projects to the State to create desperately needed jobs. We are demanding that other commodities be added to the list which is now available to our unfortunate families. And more importantly, we want an economic redevelopment program under which West Virginia can attract new industries and businesses to provide permanent jobs for our people.

It is tragic that with warehouses literally bulging with surplus commodities of all kinds a more adequate diet cannot be provided to people who are unable to find employment. This is not a problem confined to West Virginia. Other States, in all sections of the country, are also suffering from substantial and persistent unemployment.

In West Virginia able-bodied men simply cannot find work. At the end of January 67,928 active applications for employment were on file. Regular State unemployment benefits had been exhausted by 47,432 of our people, and 19,468 unemployed had exhausted benefits under the temporary extension program. Thousands of others have joined them in the last 3 months.

People should not be permitted to go hungry in this land of plenty. I am more convinced than ever now that people who must live on the skimpy diet surplus foods provide are hungry citizens. And I am afraid that their children will carry through life the effects of the insufficient diet they are now forced to eat.

Lt. Gen. Joseph M. Swing, Commissioner of Immigration and Naturalization

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, March 20, 1959

Mr. LINDSAY. Mr. Speaker, Lt. Gen. Joseph M. Swing is a man to whom the country owes a vote of thanks. For the past 6 years Joseph Swing has held one of the most difficult posts in Government—Commissioner of Immigration and Naturalization. This is a job in which there are only heartaches, headaches and brickbats. It takes a man with a tough skin and a steady hand. Such a man is Gen. Joseph M. Swing.

What is little known about this man, however, is that he has a heart as big as an elephant and has administered a difficult law liberally, fairly, and with as much compassion as the law will allow. He showed his toughness and his ability to get a job done when he took by the horns an appalling situation along the Mexican border where the so-called wetback invasion had assumed unbelievable proportions. The Commissioner, acting swiftly but carefully, and without additional cost to the taxpayers, reversed this avalanche and not only stopped a tide that was daily in the thousands, but made it possible for Mexicans here illegally to return to Mexico of their own accord and without penalty. In the summer of 1954 about 65,000 illegal aliens returned to Mexico of their own accord. This was a situation which nobody liked and which demanded correction and control. The Mexican and the U.S. Governments both have been grateful to General Swing for bringing this unhealthy situation under control.

This man is responsible, probably more than anyone in Government, for taking action at all levels to facilitate travel—all to the advantage not only of the United States but also commerce and industry, including, of course, the transportation industry.

There is much left to be done in this regard and I assure my colleagues, Mr. Speaker, that Commissioner Swing is not resting on the improvements thus far achieved. Within the executive branch of the Government he has fought to eliminate redtape and senseless procedures which have proven so embarrassing and annoying to international travelers. His efforts contributed to a change in the law permitting a

waiver of the fingerprinting requirement of people coming temporarily to or through the United States. He is presently seeking to obtain a waiver of the visa requirements for tourists and visitors coming to the United States, as permitted by law in certain cases with respect to neighboring countries and contiguous islands. He lent support to legislation enacted by the 85th Congress which corrected a number of hardships that had been encountered in the administration of the immigration laws.

When the October revolt broke out in Hungary, General Swing was among those in the forefront pressing for the immediate participation of the United States in a crash program designed to relieve the misery of anti-Communist refugees and escapees from Hungary and pressures on Austria. He was quickly on the spot in Austria and Germany and took extraordinary measures to expedite the processing of emergency admission of 30,000 deserving Hungarians to this country.

General Swing is a West Point classmate of President. Eisenhower. Although he was the youngest member of this distinguished class he achieved in his career preeminence and excellence in his chosen profession. It would take far too long, Mr. Speaker, for me to recount to this Chamber the whole history of General Swing's professional achievements. It is enough to point out that he achieved distinction as one of the foremost experts in this country on airborne tactics. In December 1943, he planned and conducted the first airlift by planes and gliders of an entire division. Thereafter, in the Pacific theater, General Swing proved himself one of the most skillful, effective, and courageous combat officers of World War II.

General Swing has been awarded the Distinguished Service Cross; Distinguished Service Medal; Silver Star with two oak leaf clusters; Legion of Merit; Bronze Star Medal with one cluster; Air Medal with one cluster; French Legion of Honor; and Chief Commander, Philippine Legion of Honor.

I had the pleasure of working with Commissioner Swing in my capacity as executive assistant to the Attorney General of the United States in 1955 and 1956. He is a devoted and effective public servant. All who strive toward the improvement and betterment of the public service can look to men like Joseph M. Swing for inspiration and leadership.

Connecticut's Stake in Area Redevelopment Legislation

EXTENSION OF REMARKS

OF

HON. CHESTER BOWLES

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. BOWLES. Mr. Speaker, there is a growing interest in Connecticut over the area redevelopment legislation now under consideration in the House Banking and Currency Committee.

This morning the Connecticut General Assembly's Joint Committee on State Development held public hearings on a resolution relating to the legislation. I prepared the following statement for that hearing. It deals with the general aspects of area redevelopment legislation, the situation in Connecticut, and how our State would benefit from the proposed legislation.

This statement expands the testimony I gave to Subcommittee No. 3 of the House Banking and Currency Committee yesterday and includes up-to-date statistics on Connecticut unemployment.

STATEMENT BY CHESTER BOWLES ON AREA REDEVELOPMENT LEGISLATION TO CONNECTICUT JOINT COMMITTEE ON STATE DEVELOPMENT IN HARTFORD, MARCH 20, 1959

I am very glad that the Joint Committee on State Development is undertaking a study of area redevelopment legislation at a time when hearings are being held in Washington with widespread interest in the legislation developing here in Connecticut.

Because of its great importance to us in Connecticut, I shall go into the legislation in some detail.

I shall describe what I believe are the broad merits of my bill, H.R. 3450, what the situation is here in Connecticut and how it would benefit from the legislation. I shall also take up some of the questions and objections that have been raised concerning the legislation.

A FEDERAL RESPONSIBILITY

The extent of our recovery from last year's recession is a debatable point. For the nearly 5 million people still unemployed, the recovery has been very slight, indeed.

This bring us back to one of the main pieces of legislation passed since World War II—the Employment Act of 1946. This legislation recognized the responsibility of the Federal Government to help assure maximum full employment.

This new area redevelopment legislation—which Senator PAUL DOUGLAS introduced in the Senate and which I and others introduced in the House—recognizes our responsibility to alleviate unemployment of a persistent and chronic nature wherever it exists.

The President, too, has given verbal support to this responsibility in his economic reports to the last three Congresses. The administration bills that have been offered to Congress have accepted the principle, though the effort to make the principle an actuality is a very limited one.

Very simply the motivation of this legislation springs from a natural instinct to help eliminate innocent suffering.

In my mind, there is a close analogy between the reasons for extending Federal aid to communities stricken by the sudden disaster of a flood or tornado and the reasons for extending aid to communities stricken by a more gradual disaster—whether it be the exhaustion of a coal mine that had previously been a primary source of employment, or the closing of a railroad line or the transfer of a textile mill hundreds of miles away.

In both situations, the men and women in these communities are faced with suffering and hardship through no fault of their own.

In eastern Connecticut and in other parts of the State, many people have lost their jobs because a textile mill closed down.

These are people who have worked for many years, who have developed very high skills. They have sunk deep roots into their communities. Their children are in school, their homes are paid for, their friends and relatives live nearby.

Yet all of a sudden they find themselves out of work. And they wonder what happened to the opportunity and bright future they had dreamed about.

Sometimes you hear the statement that in time these problems will work themselves out, that the people will sooner or later move elsewhere and find work.

I reject that philosophy. I think we have moved far beyond the harsh laws of economics reflected in statements of this sort. Such an answer to our problems would not only inflict great hardship on the individuals involved and uproot their lives, but it would also foster a costly and totally unnecessary wasting of human and material resources that have been built up over the years. It would be a waste of the potential and skills of the people, and it would be a waste of the schools, stores, hospitals, banks, office buildings, homes and churches.

THE ECONOMIC ADVANTAGES

When you look at the economic side of this situation, the reasons for area redevelopment legislation become even more compelling.

With the threat to our security from the Soviet Union growing more critical and with the needs for schools, roads, hospitals in this country becoming increasingly great, we cannot afford the continued wasting of our vital human and material resources.

By attacking this problem of chronic unemployment head on wherever it exists, we can greatly increase our national productivity and job opportunities.

At the same time, by putting our idle plant and human capacity to work, we can greatly increase the tax revenue needed to keep our economy on an even keel. Consider how much revenue we are losing by allowing 10 percent of our plant capacity and 6 percent of our human capacity to lie idle.

By putting these wasted resources to work, we can also cut down on the amounts that the Federal, State and local governments now have to spend in providing unemployment compensation and other relief measures.

CONNECTICUT CONDITIONS

Now let me briefly sketch the situation here in Connecticut.

This is, of course, a highly industrialized State with one of the most progressive administrations in the country. Under the dynamic and farsighted leadership of Gov. Abraham A. Ribicoff, we have made tremendous strides in improving our living and working conditions which, in turn, have attracted many new industries to the State.

Our roadbuilding, slum clearance, law enforcement, and unemployment compensation programs are among the most progressive in the country, and the citizens of Connecticut can be justly proud of their accomplishments.

Yet, like many other States, we have problems that require Federal assistance to bolster our vigorous State and local efforts.

One of the most pressing of these problems is that of alleviating the chronic unemployment that has been caused by our hard-pressed textile and related industries.

At present, the three areas having the most serious difficulties are those of Danielson, Norwich, and Bristol, including the surrounding communities. Danielson, which is in my own district, has been the hardest hit of all for the longest period of time.

In 1955 the population of the Danielson area—which includes Putnam, Brooklyn, Canterbury, Eastford, Killingly, Plainfield, Pomfret, Sterling, Thompson, and Woodstock—was a little more than 47,000. The textile industry provided more than 40 percent of the total manufacturing employment of 11,460.

Since 1955, however, the area has been practically denuded of this vital industry with the closing of more than 18 textile plants.

As a result, the per capita income has dropped in this area to the lowest in the

State and this has caused a decline in business generally throughout the area. Fewer new homes are being built and fewer cars are being bought. Unemployment, as of this last January, was twice as high as the national average.

The people of Norwich, many of whom I know very well, have had similar though less severe difficulties.

In 1954 the textile industry accounted for more than half of the manufacturing employment in that area—which includes Bozrah, Colchester, Franklin, Griswold, Lisbon, Preston, Sprague, and Voluntown.

In the last 10 years, the textile employment declined from 6,500 to 2,200. Here too the total unemployment is nearly twice the national average.

Bristol has been hard hit by the decline in the nonelectrical machinery, brass, instruments, and clock industries. By last January its unemployment had risen to almost three times the national average, with 16.7 of the labor force out of work.

Other areas are also suffering similar difficulties. The Thompsonville area, for instance, lost nearly 1,000 jobs with the closing of the wool, yarn, and velvet carpet mills of the Bigelow-Sanford Carpet Co.

BENEFIT TO CONNECTICUT

Now how would this area redevelopment legislation help us?

There has been some talk that Connecticut cities and towns would benefit very little from the legislation.

This depends on which bill is passed.

Under the administration bill, only two areas—Danielson and Bristol—would qualify.

However, under my own bill, which is similar to the one introduced by Senator DOUGLAS, Connecticut would be eligible for much greater assistance.

If this bill is passed and signed, more than half of those now unemployed—48,400 people—would be included in the cities and towns that would be eligible for assistance by this July unless there is a marked upturn in employment between now and then.

Looking at it another way, Connecticut is made up of 18 labor market areas. By July 14 of them would be eligible for assistance.

Right now, according to the Connecticut Development Commission, 55 Connecticut cities and towns are eligible under my bill. These communities are included in 8 labor market areas designated by the Department of Labor as: Ansonia, Bridgeport, Bristol, Danielson, Meriden, New Britain, Norwich, and Torrington.

Unless employment improves by July, 78 more communities will have been added. These are the communities surrounding the labor market areas designated as Danbury, Middletown, New Haven, Thompsonville, Waterbury, and Willimantic.

From this standpoint, Connecticut's stake in the program makes the legislation a matter of vital State interest.

PROVISIONS OF THE BILL

Briefly, this is what the legislation would provide:

Loans of $100 million for the construction and expansion of factories and other industrial projects in the eligible urban areas.

Loans of another $100 million to communities for the construction of public facilities. This would help these communities with land acquisition and the development of such facilities as access roads and sewer and industrial water supply systems to make the communities more attractive to new industries.

Loans of $100 million for the development of rural areas.

An additional $75 million in grants for the construction of public facilities.

Grants of $4.5 million for technical assistance to help communities and businessmen plan for coordinated development and growth.

Finally, it would provide $10 million in subsistence payments for 13 weeks to those undergoing vocational retraining.

At this point, I would like to call attention to a provision which I have also introduced and which I believe is of the utmost importance in speeding the development and revitalization of our hard-pressed areas.

This is a provision which would give tax relief to those manufacturers in the eligible areas who are willing to invest their own capital in expanding their facilities.

It would allow them to amortize the cost of expanding and constructing new facilities over a period of 5 years rather than over the useful life of the building, which may run to 40 or 50 years.

This rapid tax amortization provision is similar to the incentive now available to defense industries.

I have talked with a number of industrial leaders from my district and all of them have told me that of all the suggested methods of help, tax incentives would be the most effective.

Such a provision, it seems to me, would greatly encourage the investment of private capital. It would give the manufacturers greater flexibility. I believe we would get much quicker results and, in the long run, we would be more than compensated by steadily increasing tax revenues. Therefore, I plan to press for the inclusion of this provision in the final bill as hard as I can.

These, then, are the main provisions, and they are substantially greater than those provided by the administration bill.

At the same time, three quarters of the money that would be expended under the provisions of my bill are in the form of loans. These loans would be fully repaid over a period of 30 years with interest.

In other words, the bill is not a dole; it is an investment in the future.

It would go a long way toward helping these communities to help themselves to a brighter future in an economy that is constantly expanding with a population that is increasing by nearly 3 million a year.

QUESTIONS ABOUT THE BILL

This brings me to some of the fears and questions that have been raised concerning this legislation.

Some people have expressed a belief that aid to one community will only hurt some other community.

I think this is a baseless fear. It seems to me that we should be worrying whether these people who have been capriciously thrown out of work will be able to fully share in the expanding opportunities that lie ahead.

They have worked hard, and so have the local and State governments, to adapt to changing economic conditions. Area redevelopment legislation would help them realize their full potential, which might otherwise go to waste.

Second, it has also been said that many of our local communities which would be eligible for help are not now prepared to participate in the program under the formula stipulating that the State and local governments must contribute a share to any loan that is made.

This is, of course, no reason to oppose the legislation. Certainly our Connecticut communities are just as well prepared to take advantage of the program as the communities in any other State. What we should be doing is making plans to get prepared, rather than spending our time fretting about the difficulty.

Third, there is a suspicion that Connecticut might not get as much aid as the other States, so that any Federal assistance would work to our disadvantage.

I covered this point earlier with the fact that 14 of our 18 labor market areas would probably be eligible for assistance by July. You couldn't ask for much more. It is obvious that Connecticut would be as eligible for as much aid for urban industrial development as any other Northern State, and far more than any Southern State.

Finally we come to an argument that apparently has caused some confusion here in Connecticut.

ANTIPIRACY PROVISION

This has to do with the so-called antipirating provision of the legislation. Very simply, it is argued that if we pass this bill, other States, particularly those in the South, will use the Federal assistance to steal industry away from Connecticut.

I must say here that this is a completely irrelevant concern.

In the first place, all the proposed area redevelopment bills, including my own, contain antipirating provisions which would prohibit the use of Federal funds to assist industries in relocating when such assistance would result in a detriment to the original area by increasing unemployment.

Now there have been some semantic arguments over exactly how this provision should be worded. Many of the proponents of the bill are worried that some of the amendments that have been proposed would invite a lawsuit each and every time someone makes an application for a loan. If this happened, the whole program might be wrecked.

But the worry that the bill would allow other States to steal industry from Connecticut is groundless on the face of it.

Of course, there are going to be a certain number of transfers of industry from one State to another. There always have been in this competitive world of ours, and there probably always will be.

But the allocation of funds under this area redevelopment program is not going to encourage industries to leave New England or Connecticut one bit. On the contrary, the bill can only work to our advantage.

In the first place, our State has more to offer than any other I can think of. We have progressive and friendly State and local governments. We have many cities with excellent facilities, many beautiful communities to live in, and an abundance of every kind of skilled labor. For these reasons alone, there is every reason to face the future with confidence.

The provisions of the area redevelopment bill would only enhance the prospects of a bright future for us in Connecticut.

The whole purpose of the bill is to help us restore and revitalize industrial and public facilities in certain handicapped communities, to make them once more attractive places in which to live and work.

By so doing, we will encourage, not discourage, the location of new industries in Connecticut. By improving our community conditions, the bill would also provide an incentive for our existing industries to stay and expand their operations.

Looking at it from another angle, I mentioned before that $100 million would be available for the development of urban areas. Another $100 million would be available for the development of rural areas.

Now almost all the eligible urban areas are located in the Northern States, and I have already pointed out that Connecticut would participate as fully as any other Northern State. Only a very few eligible urban areas are located in the Southern States.

On the other hand, most of the eligible rural areas are located in the South, with only a few in the North. So that the South, of course, would receive most of the $100 million for rural development, to enable them to form farm cooperatives, or develop timber resources, or limestone quarries, or what have you.

The important fact, however, is that almost all of the funds for industrial development would go to the Northern States.

UNIVERSITY OF CALIFORNIA LIBRARIES

With this being so, how can anyone say that the area redevelopment program would help the South in an effort to steal industry away from Connecticut? It just isn't so.

I hope this clears up some of the misunderstandings and questions that may have arisen over area redevelopment.

The legislation is perfectly sound in its conception, generous and sympathetic in its motivation, and fair in its application.

Last year the legislation received broad bipartisan support in Congress and from our Connecticut Representatives. It would be deeply unfortunate if such support should be lost through political division.

Connecticut has too much to gain from this legislation to let this happen.

Following is a list of the Connecticut cities and towns which are, or may be, eligible for area redevelopment assistance, and three tables showing the unemployment in the major labor market areas:

The labor market areas now eligible, according to the Connecticut Development Commission, are: Ansonia, Bridgeport, Bristol, Danielson, Meriden, New Britain, Norwich, and Torrington.

These areas include the following surrounding communities:

Shelton, Derby, Oxford, and Seymour in the Ansonia area; Easton, Fairfield, Monroe, Stratford, and Trumbull in the Bridgeport area; Plymouth in the Bristol area; Brooklyn, Canterbury, Eastford, Killingly, Plainfield, Pomfret, Putnam, Sterling, Thompson, and Woodstock in the Danielson area; Southington and Wallingford in the Meriden area; Berlin and Plainville in the New Britain area; Colchester, Franklin, Griswold, Lisbon, Preston, Sprague, and Voluntown in the Norwich area; and Burlington, Hartland, Barkamsted, Canaan, Colebrook, Cornwall, Goshen, Harwinton, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Salisbury, Sharon, and Winchester in the Torrington area.

The following areas will have become eligible by next July if unemployment does not improve: Danbury, Middletown, New Haven, Thompsonville, Waterbury, and Willimantic.

These areas include the following surrounding communities:

Bethel, Brookfield, New Fairfield, Newtown, Redding, Ridgefield, Sherman, Bridgewater, Kent, New Milford, Roxbury, Warren, and Washington in the Danbury area; Chester, Clinton, Cromwell, Deep River, Durham, East Haddam, East Hampton, Essex, Haddam, Killingworth, Middlefield, Old Saybrook, Portland, Westbrook, and Marlborough in the Middletown area.

Bethany, Branford, East Haven, Guilford, Hamden, Madison, North Branford, North Haven, Orange, West Haven and Woodbridge in the New Haven area; East Windsor, Enfield, Suffield, Windsor Locks, Ellington, Somers, Stafford, Tolland, Union, Vernon, and Willington in the Thompsonville area; Bethlehem, Thomaston, Watertown, Woodbury, Beacon Falls, Chesire, Middlebury, Naugatuck, Prospect, Southbury and Wolcott, in the Waterbury area; and Lebanon, Andover, Columbia, Coventry, Hebron, Mansfield, Ashford, Chaplin, Hampton, Scotland, and Windham in the Willimantic area.

TABLE I.—*Connecticut.—Ratio of unemployment to the labor force in distressed areas* [1] *1957–59*

Labor market area	January	February	March	April	May	June	July	August	September	October	November	December	Annual average
Smaller:													
Bristol:													
1957	7.6	6.5	6.5	6.8	5.9	5.9	7.9	7.2	6.6	8.1	9.5	11.3	7.5
1958	17.1	16.7	18.0	21.8	20.9	23.4	27.8	19.0	17.9	16.5	14.5	13.1	18.9
1959	16.7												
Danielson:													
1957	7.7	7.1	6.5	6.7	6.0	6.5	10.7	8.9	7.8	9.2	11.8	12.4	8.4
1958	13.7	14.5	14.4	15.0	15.3	14.7	15.4	12.3	10.7	10.2	9.5	9.7	13.0
1959	12.3												
Norwich:													
1957	7.1	4.6	4.3	4.9	4.9	5.9	6.3	5.1	5.0	5.9	7.7	10.0	6.0
1958	10.9	11.0	12.3	11.4	10.3	12.9	13.8	11.1	10.0	9.1	10.5	10.0	11.1
1959	11.9												

[1] Eligible for assistance under the Douglas bill, i.e., unemployment of 6 percent or more in at least 18 of the previous 24 months or 9 percent for 15 out of 18 months.

Source: Connecticut Department of Labor.

TABLE II.—*Connecticut—Ratio of unemployment to the labor force in areas of labor surplus, 1957–59*

Labor market area	January	February	March	April	May	June	July	August	September	October	November	December	Annual average
Major:													
Bridgeport:													
1957	3.2	3.0	3.1	2.7	2.9	3.2	4.1	3.5	4.1	4.7	6.1	7.4	4.0
1958	9.3	10.7	10.0	10.8	12.4	13.0	12.2	12.1	11.0	10.0	9.5	9.4	10.9
1959	11.3												
New Britain:													
1957	3.3	3.8	3.6	4.0	2.9	2.6	3.9	4.4	3.4	4.4	5.0	6.4	4.0
1958	8.6	9.8	10.4	11.0	12.9	14.4	13.6	12.8	11.2	10.1	10.1	9.2	11.2
1959	10.5												
New Haven:													
1957	2.8	2.4	2.2	2.1	1.8	2.2	3.1	3.0	2.2	2.5	2.9	4.3	2.6
1958	5.4	6.2	6.6	7.1	7.3	8.5	8.6	7.7	6.9	6.5	6.2	6.5	7.0
1959	7.9												
Waterbury:													
1957	5.8	5.9	5.7	6.7	4.5	4.8	6.4	5.4	4.7	4.8	5.2	6.5	5.5
1958	9.5	9.6	10.5	13.2	13.4	13.9	13.7	11.9	10.2	9.8	9.0	8.2	11.1
1959	10.5												
Smaller:													
Ansonia:													
1957	4.4	3.6	3.6	4.3	3.6	4.3	5.5	6.6	4.8	4.8	5.2	6.7	4.8
1958	9.5	11.4	11.9	13.8	13.7	14.7	14.7	14.4	12.4	12.0	10.5	10.8	12.5
1959	14.8												
Danbury:													
1957	4.6	4.0	3.9	4.3	4.0	3.3	4.1	3.7	3.6	4.3	5.4	6.4	4.3
1958	9.3	9.7	9.6	9.3	7.9	9.0	9.4	6.7	5.9	6.5	5.8	6.1	7.9
1959	9.6												
Meriden:													
1957	3.5	3.3	3.2	3.5	3.6	3.6	5.0	4.9	3.8	6.0	7.5	8.5	4.7
1958	9.8	11.3	11.8	13.0	12.5	13.8	17.9	12.1	9.9	11.9	9.2	9.2	11.9
1959	10.8												
Middletown:													
1957	4.2	3.6	2.9	2.8	2.4	2.5	3.7	4.0	3.4	4.0	5.0	6.1	3.7
1958	7.7	9.4	9.1	10.1	9.4	10.1	10.1	9.4	7.8	7.7	8.3	8.5	9.0
1959	10.2												
Thompsonville:													
1957	2.2	2.4	2.3	2.8	2.8	2.8	3.4	3.5	3.5	4.6	7.2	8.2	3.8
1958	8.2	8.4	8.5	12.6	11.6	12.5	12.3	10.3	9.7	9.5	9.9	8.7	10.2
1959	11.4												
Torrington:													
1957	4.1	4.0	3.8	3.3	3.4	4.5	5.2	4.4	4.1	4.9	6.0	8.2	4.7
1958	11.2	12.5	13.4	14.2	14.7	15.1	15.9	11.4	10.1	10.3	9.5	9.9	12.4
1959	12.9												
Willimantic:													
1957	2.9	2.5	2.4	2.5	2.8	3.4	4.5	4.2	2.8	2.7	5.2	6.5	3.5
1958	9.8	10.4	10.5	9.8	10.6	11.3	14.1	9.1	8.7	7.5	7.5	7.2	9.7
1959	10.5												

NOTE.—4 labor market areas were not in surplus category as of January 1959: 1. Hartford. 2. New London. 3. Norwalk. 4. Stamford.

Source: Connecticut Department of Labor.

TABLE III.—*Connecticut.—Labor force and unemployment in labor market areas January 1959*

Labor market area	Labor force total	Unemployment total	Number in excess of 6 percent
A. State, total	1,045,200	92,300	
B. Distressed areas [1]	57,100	7,800	4,374
Smaller	57,100	7,800	4,374
Bristol	19,800	3,300	2,112
Danielson	15,400	1,900	976
Norwich	21,900	2,600	1,286
C. Other labor surplus areas	598,000	61,800	25,920
Major	409,700	40,500	15,918
Bridgeport	141,000	16,000	7,540
New Britain	46,700	4,900	2,098
New Haven	145,000	11,500	2,800
Waterbury	77,000	8,100	3,480
Smaller	188,300	21,300	10,002
Ansonia	20,300	3,000	1,782
Danbury	28,000	2,700	1,020
Meriden	39,000	4,200	1,860
Middletown	30,500	3,100	1,270
Thompsonville	28,900	3,300	1,566
Torrington	26,300	3,400	1,822
Willimantic	15,300	1,600	682
D. Other labor market areas	390,100	22,700	
Hartford	248,200	14,900	
New London	39,400	1,900	
Norwalk	34,000	2,400	
Stamford	68,500	3,500	

[1] Eligible for assistance under the Douglas bill, i.e., unemployment of 6 percent or more in at least 18 of the previous 24 months or 12 percent for 12 months.

Source: Connecticut Department of Labor.

Congratulations to the Allentown Morning Call, Allentown, Pa.

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, March 20, 1959

Mr. WALTER. Mr. Speaker, at a time, in our history and the affairs of the world when it was never more important that the American people be well informed, it is regrettable that the number of daily newspapers in the United States has been declining.

As the result of high costs of production and newsprint, as well as competition for the advertisers' dollar from other media of communication, many newspapers have ceased publication or been merged with others, in spite of the country's increasing population.

In view of this situation, Mr. Speaker, it is particularly heartening to note a landmark in the history of the Morning Call and Evening Chronicle, of Allentown, Pa.

The Call-Chronicle newspapers have just passed a mark of 100,000 in their daily net paid circulation—a position achieved by less than 10 percent of all daily newspapers in the Nation, either individually or in combination.

This puts Allentown with Philadelphia, Pittsburgh, and Harrisburg as the only communities in Pennsylvania, with newspapers that reach more than 100,000 homes.

The paper is subscribed to by thousands in the Lehigh Valley. We have many common interests in the welfare of the entire Lehigh Valley and I am happy to congratulate the management of the Call-Chronicle upon its achievement.

May it continue to prosper and serve the people of this area for many long years to come.

Speech by Congressman Carl Albert, Democratic Whip, Third District, Oklahoma, at Grover Cleveland Democratic Club, Bethlehem, Pa., March 17, 1959

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, March 20, 1959

Mr. McCORMACK. Mr. Speaker, on the evening of March 17, 1959, at Bethlehem, Pa., in the district represented by our outstanding and distinguished colleague from Pennsylvania [Mr. WALTER], the Grover Cleveland Democratic Club held a banquet at which the distinguished Democratic whip, the gentleman from Oklahoma, made a truly great address.

In my extension of remarks I include the address made by our friend, the gentleman from Oklahoma [Mr. ALBERT].

SPEECH BY CONGRESSMAN CARL ALBERT, DEMOCRATIC WHIP, THIRD DISTRICT, OKLAHOMA, AT GROVER CLEVELAND DEMOCRATIC CLUB, BETHLEHEM, PA., MARCH 17, 1959

Ladies and gentlemen, I am honored to be here tonight.

I am honored to be a part of this meeting in a great Democratic community in a great Democratic State.

I am happy because we are meeting on the feast day of St. Patrick, the great patron saint of Ireland. No segment of our population has contributed more to the spirit and vitality and life of our country, or more to the leadership of the Democratic Party, than the sons of St. Patrick.

I am happy to be here, too, because this is a great club honoring the name of Grover Cleveland, and meeting on the eve of his birthday.

I am happy to be here because this is the congressional district of my distinguished colleague, your great Congressman FRANCIS WALTER.

You people of Pennsylvania's 15th District know as well as his colleagues in the Congress the quality of this man who has spent 26 years in your service.

You have recognized the mettle of a man who spotlighted the Communist Party as an international conspiracy designed to overthrow democratic government.

You have recognized the compassion of a man who fought for quota-free entrance of alien wives, husbands, and children of United States citizens.

You know the intellectual stature of a man who fused into a single statute the 200 existing laws dealing with immigration.

You know the tolerance of a man whose determination broke down the final barriers of discrimination against admission of Asiatics to the United States.

As chairman of the great Committee on Un-American Activities, and ranking Democrat of the powerful Committee on the Judiciary, your Congressman is one of the great leaders in the House of Representatives.

Author of the Administrative Procedures Act of 1946, the Internal Security Act of 1950, and the Immigration and Nationality Act of 1952, he has given this country some of its most monumental landmarks of statutory law.

Big enough and strong enough to hold any position in the Congress, or in any other branch of the Government, your Congressman is not only an outstanding legislator, he is one of the great Americans of our time.

We meet on the eve of the birthday of one of our greatest Presidents, Grover Cleveland, author of modern American democracy. Cleveland applied Jeffersonian principles to new problems. It was he who bridged the gap between the agrarian democracy of Jefferson and Jackson and the industrial democracy of Wilson, Roosevelt, and Truman. His policies are current policies. His influence transcends his time and is manifest in the dominant position of the Democratic Party in the statecraft of this country today.

The success of a political party in the final analysis depends upon the extent to which it serves the interests of the people. That means you and you and you and your families.

The 86th Congress has the largest Democratic majority of any Congress in more than 20 years because the 85th Congress wrote the finest legislative record for you and you and you than any Congress in more than 20 years.

The 85th Congress has been heralded editorially across the country as a do-something Congress, and indeed it was.

It passed the first Department of Defense reorganization bill in more than 10 years.

It admitted a new State to the Union for the first time in more than 40 years.

It passed the first civil rights bill since reconstruction days.

It created a new science agency and a new space agency.

It passed the first general aid-to-education bill in all history.

It passed a new social security bill, a new atomic energy bill, a new public works bill.

It appropriated more money for national defense than any Congress since the Korean war and more money for public roads and highways than any Congress in history.

Another page in this record of constructive service for you and you and you is being written in the 86th Congress. The job is under way. The Hawaiian statehood bill has already passed. The 50th star will be added to Old Glory before the 49th star is an official part of the American flag.

A new and far-reaching airport bill may well become law by Easter.

A new gigantic omnibus housing bill will be sent to President Eisenhower in a matter of weeks if not, indeed, of days.

In the 86th Congress we are going to extend unemployment benefits.

We are going to enact an area redevelopment bill.

We are going to pass a labor reform bill and not a labor persecution bill such as Republican spokesmen are demanding.

We are going to pass a new school bill.

We are going to pass a new civil rights bill.

We are going to provide adequate funds for both the development and the defense of our country.

These things and many more we are going to do in the 86th Congress, and we are going to do them in spite of the Eisenhower administration and the Republican leadership in Congress.

Ladies and gentlemen, while the 86th Congress is thus engaged in a constructive program on behalf of the American people, what is the Republican Party offering? What is the Eisenhower administration doing? Let's look at the facts:

On the home front the administration has been blind to the problems of unemployment and to the growing crises which now exist in many depressed areas. With nearly 5 million unemployed, and with over 400,000 jobless workers facing the loss of their unemployment benefits by April 1, this administration has not even attempted to offer a solution.

The gray specter of hunger and deprivation persists in many States. What has President Eisenhower done about it? He vetoed the area redevelopment bill by a pocket veto in September 1958. Although the depression has deepened in many areas in almost every State in the Union, his administration has not offered one single recommendation to cope with this economic blight. In many communities people are out of work. Their needs are not satisfied by the administration's claim that we are on a curve of rising prosperity. These words smack of Hoover days. They remind us of the days when prosperity was just around the corner. They bespeak a callousness to the welfare of human beings, American men, women, and children, unbecoming to the role of any administration charged with the responsibility of governing this great Republic.

This lack of leadership pervades every facet of the Eisenhower administration. It enfeebies our military posture. It cripples our diplomatic leadership. When President Truman was in the White House he met the Communist threat with vigor and imagination on every front. Not one important new idea has been added in over 6 years of the Eisenhower administration.

Herein lies our great problem, our principal difficulty. Our trouble at home and abroad is not with our scientists or military leaders. Our trouble is at the summit. It is the lack of effective leadership at the top management level of the Government.

The experts tell us that defensewise we are in mortal danger. Yet defense since World War II has cost us over $441 billion. Our strength or lack of it cannot be measured in terms of dollars spent. The only realistic way to measure our defense is in terms of the power of our potential enemy. During the last 3 or 4 years warnings have been sounded by scientists, military men, and congressional investigating committees that we were falling behind Russia in the race for ballistic missiles. These warnings failed to jolt the White House or the Secretary of Defense into action.

In 1952 the combined military strength of the United States was greater than that of any other nation. Today we are winning the race for second place. On every single day during the Truman administration the lead time of American arms over Russia was maintained on the side of our own safety. Every day since the Eisenhower administration took over, Russia has been closing the gap.

The Roosevelt and Truman administrations developed the A bomb, the H bomb, the atomic cannon, the jetplane, sonar, radar, and proximity fuses. They developed guided missiles and atomic submarines. They made outstanding advances in landing craft and in aircraft carriers.

In 1952 the United States was the undisputed leader of the world in scientific knowledge. Today we find ourselves wearing an international dunce cap, while the rest of the world concludes that our shortsighted policies have almost given the game to the Kremlin.

The mounting crisis in Berlin reemphasizes the importance of our military preparedness or the lack of it. We agree with President Eisenhower that this country must stand firm and united in this crisis. We insist, however, that our firmness must be predicated upon strength and not upon weakness. In the Berlin exchanges, Khrushchev has displayed a cool confidence and singlemindedness which did not characterize his past dealings. It may be that he has mistaken debate for division. We make this unmistakably clear to Mr. Khrushchev that Democrats in Congress will cooperate with the President in resisting Kremlin ultimatums anywhere in the world. Where we differ from this administration is in our conviction that firmness should be supported by preparedness.

Our position is the position of the Senate Armed Services Committee which has recommended that we put more emphasis on the missile program and on increasing the strength of the Strategic Air Command by adding more B–52's, B–58's, and tanker planes. Our position is the position of our military leaders who believe that our Army, Navy, and Marine Corps should not be reduced. Our position is that an ounce of prevention is worth a pound of confidence to the Western Powers in their discussions on Berlin and in other clashes between the free world and the Kremlin.

Ladies and gentlemen, meeting in these perilous times as we do tonight on the eve of the birthday of a great American President of another day, we cannot help but be reminded that the age-old differences between the two major political parties still exist. The same differences still distinguish the followers of Jefferson on the one side and of Hamilton on the other. It is the never-ending struggle between action and reaction—between government devoted to the few and government dedicated to the many. Our party since its foundation has been the party which, in each succeeding generation, has adopted the principle of positive action on behalf of the American people. It was the Democratic Party in the time of Thomas Jefferson that gave us our Bill of Rights. The Hamiltonians opposed the Bill of Rights. Had it not been for Thomas Jefferson you would have had no habeas corpus or trial by jury. You would have had no right to freedom of speech or to freedom of the press. You would have had no right to petition Congress, no right to religious freedom.

It was the Democratic Party in the time of Andrew Jackson that rescued control of the Government from the banking interests and gave it back to the people to whom it belonged.

Let me say to the members of this great Grover Cleveland Democratic Club that it was the Democratic Party in the time of Grover Cleveland that gave us our first antitrust laws, the forerunners of the great social and economic reforms of the generations that were to follow.

It was the Democratic Party in the time of Woodrow Wilson that carried this country through World War I and with the League of Nations gave us the chance to avoid World War II.

It was the Democratic Party in the time of Roosevelt and Truman that brought this country out of the deepest, darkest depression in history, strong enough to win World War II. From soup lines to production lines, from relief rolls to pay rolls, from closed banks to guaranteed deposits, was the indisputable record of the Roosevelt-Truman administration.

This country needs Democrats in public office throughout the land. This country needs a Democratic President in 1960. This is the answer to Republican ineptitude. The Democratic Party and the Democratic Party alone can supply the leadership, the formula, and the program that will make this country strong and will keep this country free, prosperous, and at peace.

Address by Hon. Lyndon B. Johnson, of Texas, at Jefferson-Jackson Dinner, Hartford, Conn.

EXTENSION OF REMARKS

OF

HON. THOMAS J. DODD

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, March 20, 1959

Mr. DODD. Mr. President, last night in Hartford, Conn., our great majority leader, LYNDON JOHNSON, was the principal speaker at the annual Jefferson-Jackson dinner of the Democratic Party in Connecticut. This was his first public appearance in New England, and the reception which he reecived there must have cheered him greatly because it was further evidence of the esteem in which he is held all over the country.

From the moment of the announcement that Senator JOHNSON would appear, the success of this important fundraising dinner was assured. The Democrats of Connecticut stood in line to pay $100 to hear LYNDON JOHNSON speak.

More than 1,600 persons crammed into every nook and cranny of the great ballroom of the Statler-Hilton and overflowed into all other dining rooms. This crowd surpassed by far any dinner attendance in the history of either party of Connecticut, and the hotel management announced that it was the greatest turnout of any kind in its history.

From the moment the Senator from Texas entered the banquet hall, the reception accorded him was tumultuous. Hundreds crowded close to the head table to shake his hand and wish him well.

Connecticut newspapers report this morning that Senator JOHNSON captivated with his warm personality the largest political gathering of this kind ever assembled in Connecticut, and that he then moved and inspired it with a masterful address. His speech was perhaps the most eloquent statement of principle and policy that I have heard. In it he sets forth, in words which will not be forgotten, the goals of our country and our party.

I ask unanimous consent that Senator JOHNSON'S compelling address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE WAY OF STRENGTH

(Address by Senate Democratic Leader LYNDON B. JOHNSON at Jefferson-Jackson Dinner, Hartford, Conn., March 19, 1959)

Governor Ribicoff, Senator Dodd, Chairman Bailey, fellow Democrats, Thomas Jefferson was a partisan. So was Andy Jackson. The world barely remembers what they were against. The world will never forget what they were for.

This lesson is eternal. History measures men by what they support, not merely by what they oppose. It is by this standard that we should measure what we do—and what we say.

RESPONSIBLE PARTISANSHIP

This is a partisan gathering. I come with a partisan title. It has always been my be-

lief—and my guide—that the first rule of responsible partisanship is responsible citizenship. By this rule the Democratic Party has served and by this rule we now shall abide.

No one man speaks for the Democratic Party.

One man does speak for the United States.

In those concerns of war and peace—addressed to other nations—his voice is our voice and the voice of all Americans.

We want neither our friends to misunderstand this nor our enemies to misinterpret this.

For those vital meetings under way now, our President has our support as Democrats, Mr. Macmillan has our warm welcome as Americans, and the statesmen of the free world have our prayers as free men.

FREEDOM'S DEADLINES

Tonight the world is little concerned with Democratic headlines.

The world is much concerned with freedom's deadlines.

It is to this concern we speak, for there is before us all a fundamental decision of our times:

Shall free men live their lives under deadlines?

This is not complex or complicated.

The choice it presents is simple.

Which do we value most?

Western freedom or Khrushchev peace?

THE ROAD TO BUDAPEST

Like all tyrants before him, Khrushchev offers the peace of darkness. We know that to accept it we would have to put out the candles men have lighted through centuries past—and stumble blindly down whatever road Khrushchev might lead.

That road would not be the road to Berlin.

It would be the road to Budapest.

This is not a road down which free men of the free alliance will ever turn. I say it is not a road down which we are forced to turn.

THE WAY OF STRENGTH

There is another way—a way more worthy of the West.

That is the way of strength. I speak not alone of the strength of arms but, in a greater sense, of the strength of freedom unbound.

Men speak of lost initiative, of new approaches, of flexibility. These would seem to be the consuming anxieties of Western freedom today. I do not believe this needs to be—if we face squarely the basic fundamentals.

Freedom has no flexibility when it has no strength.

Give freedom strength and it will make again the approach no tyranny has ever successfully resisted.

Give freedom strength and it will have again the initiative that has remade and reshaped the world.

The point is this: When we add strength to our freedom, most of the anxieties which consume us disappear.

This is the way the West must choose. This is the way we must walk once more—proudly and uprightly—with confidence in ourselves and faith in our cause.

BERLIN: OUR IMMEDIATE CONCERN

Our immediate concern is Berlin. None can know and none can presume to say what will be the ultimate consequences of the trial we face. I will say what we have learned from the expert witnesses who have testified before our Senate Preparedness Subcommittee.

Our best military minds believe we now have in the Armed Forces of the United States the strength that will be necessary to meet any situation in Berlin.

The Commander of NATO wants more of our strength deployed to his command. If he wants such strength, I believe it is the will of the American people that he should have it.

It is a fundamental beyond debate that freedom is going to remain in Berlin.

Finally, we are going to maintain the men, equipment, supplies, and, above all, the will to support the foreign policy of the United States.

These points relate to the present. They deal with Berlin.

But I would emphasize the point that is often overlooked.

BEYOND BERLIN

Free men—if they are to respect their freedom—must think and plan beyond Berlin. If we do not, the drama being enacted now will become the continuing serial of the world stage.

We have now the capacity for one Berlin. But the Communist nations have the capacity to impose upon us a dozen Berlins—or more.

We can respond, and will respond, with strength at Berlin. As we do so, we leave the position of freedom at its other outposts exposed and freedom stands at those points not by the strength of its defenders but the grace of its foes.

Neither freedom, nor free men, can long live in such a world. There are limits to the advantages prudent men can afford to concede to their enemies, and there are limits to the concessions proud men will ever make against their freedom.

I do not believe that the people of the West, and most certainly the people of America, are prepared to concede first place in strength to the Communist powers.

I will say to the Communists, and I will say to our own allies, that whatever the race, Americans reject second place as our goal.

Most assuredly in the building of missiles, and the maintaining of strength, we reject the conception that for a decade or for a day second place can be the place of freedom.

FIRST PLACE IS OUR GOAL

The fundamental truth, beyond Berlin, is that the sights of America and the sights of the free world must be raised.

What is first in our hearts must be first in our policy.

Freedom is first in our hearts. The strength of freedom must be first in our policy always.

This raises a basic point. The strength of tyranny is always, and only, the strength of arms. With freedom this is not so, for freedom draws on many sources for its strength. This we must never forget.

We and our allies are partisans of freedom. As such we must remember that history will measure us by what we support, not merely by what we oppose.

We talk now at length of what we oppose. At home we are against recession and depression, against inflation, against unbalanced budgets, and unsound dollars. Abroad, all members of the free alliance are against war and aggression, and beyond question against retreat and surrender.

Of these things there has never been doubt and there is none now. Of all issues we might choose to debate, these are the least rewarding, for on these there are no differences among us, and our debates in no way delineate what we are for.

The statesmanship of the times is not the reaffirming of what needs no affirmation. The leadership of the West is not to extricate ourselves from the impossible but to involve ourselves in the probable.

NEW DIMENSIONS OF FREEDOM

I say let us willingly and enthusiastically involve ourselves in the probability that freedom is the way the world will choose if free men give to freedom the fullness of its meaning.

We have united against aggression.

Let us unite now as well against poverty, against illiteracy, against disease, against injustice. Let us unite to trade, unite to educate, unite to offer opportunity. Let us add new dimensions of freedom by adding new dimensions to our treaties and make them into treaties of prosperity and compassion and human dignity.

It is with works like this—as well as with armed strength—that we should give our answer to Mr. Khrushchev.

Yes, this is new. This is a new reach. I would call to mind, though, a brief stanza which Dr. Frederick Brown Harris, the Chaplain of the Senate, recently quoted:

> "Some men die by shrapnel,
> Some come down in flames;
> But most men perish inch by inch
> Who play at little games."

Free men must not in these times play at Mr. Khrushchev's little games, for if we do we shall perish inch by inch.

The outer limits of human freedom remain unexplored. The challenge there awaits. For our times—beyond Berlin—we must have a sense of adventure to carry us across the threshold of glory—not to leave us standing, wondering if this is the doorstep of bankruptcy.

I say free men must act because they want to act—not merely because they are forced to act. This is the creed by which the West must now live.

WHY SAY THESE THINGS?

Why do I say these things at a party meeting now? There are two reasons. I have tried, first, to speak as an American, not as partisan, because that is the only context in which we should speak tonight.

Secondly, I remember 20 years ago—in 1940—a great American President called me to the White House. He said, "LYNDON, I have accepted an engagement for you—to keynote the convention of Young Democrats at Louisville, Ky. What I want you to tell those young people is this: There will be no danger to freedom in America if young Americans are as fanatical about freedom as Hitler's young Germans are about nazism."

That I believe remains true today. We face a resolute and zealous foe. We and all free men must match that resoluteness and that zeal with a sense of adventure into the new dimensions of freedom.

In these things, there is no party and no partisan concern.

The line we defend is not the line across the heart of Berlin. It is the line across the heart of free men—the eternal line between freedom and serfdom, honor and shame. As we will not retreat a literal inch in Berlin, so we will not retreat a figurative inch from the line across our hearts.

LET US MOBILIZE FOR PEACE

There is no thought of retreat in the minds of free men and no room for retreat in their hearts. We know that and we want the world to know it. But the world must know something more.

Standing against retreat is not the only stance of freedom.

Freedom is more than a fortress. Freedom is the fountainhead of peace—and free men must stand willing and able to carry forward the cause of honorable peace.

This is our cause and this is our calling.

Let the free nations of the world, in this hour of challenge, respond as only they can respond. Let us now mobilize our resources and our strengths and our will in a grand mobilization for peace. Peace is the work of all. Let us make room in this work for all our people—every veteran, every parent, every man, every woman, every child.

That is the real statesmanship of the West in these times.

To a waiting and watching and wondering world, let us—and all free nations—offer the

leadership only we can offer by uniting our forces in a great adventure for peace.

Mobilize for peace—mobilize all that we have, our talents, our minds, our spirit as well as our force—and this generation will be honored in history as responsible partisans of freedom.

DAV Services in New Jersey

EXTENSION OF REMARKS
OF

HON. CORNELIUS E. GALLAGHER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 20, 1959

Mr. GALLAGHER. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of New Jersey citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations which have State departments and local chapters in New Jersey is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war. Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer N. Freudenberger; its national director of claims, Cicero F. Hogan; and its national director of employment relations, John W. Burris—all located at its national service headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff of any veteran organization of full-time trained national service officers—138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration and in its central office in Washington, D.C., They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The DAV national service officers in New Jersey are Mr. John W. Bill, Mr. Alexander M. Zbylut, and Mr. George Gregor, located at the VA regional office, 20 Washington Place, Newark. The department commander is Mr. David W. Smith, 63 Circle Place, Red Bank, and the department adjutant is Mr. William J. Dodd, War Memorial Building, Trenton. The VA hospitals coming under the jurisdiction of the national service office are a 950-bed general medical hospital at East Orange and a 2,009-bed neuropsychiatric hospital at Lyons.

Mr. James F. Patten, 1075 Maurice Avenue, Rahway, is NEC from the second district and Mr. Joseph Burke, 38 East 34th Street, Bayonne, is a past national commander.

During the last fiscal year, the VA paid out $141,671,000 for its veteran program in New Jersey, including disability compensation to its 76,150 service disabled veterans. These Federal expenditures in New Jersey furnish substantial purchasing power in all communities.

Only about 7 percent—4,919—are members of the 67 DAV chapters in New Jersey.

This 7 percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officer in behalf of New Jersey veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimated)	118,057
Claims folders reviewed	98,381
Appearances before rating boards	45,752
Compensation increases obtained	6,538
Service connections obtained	2,513
Nonservice pensions	1,252
Death benefits obtained	276
Total monetary benefits obtained	$3,773,424.18

These above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for New Jersey veterans, their dependents and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel and assistance extended to all of the claimants who have contacted DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms, and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civic service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 3 percent—0.036—of such discontinuances and reductions have probably occurred as to disabled veterans in New Jersey, with a consequent loss of about $840,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge

every disabled veteran in New Jersey to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54.00 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1 million owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 428 of whom, during the last 8 years, were New Jersey residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member.

As a DAV life member, I am pleased to enroll as one of the benefactors on the memorial honor roll of the DAV Service Foundation, with the realization that only the interest earnings therefrom will be available for appropriation to the DAV for its use in continuing to maintain its national service officer setup in my State of New Jersey.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in New Jersey by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

Retirement of Federal Civil Service Employees

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, March 20, 1959

Mr. HOLTZMAN. Mr. Speaker, I am introducing today in the House of Representatives a bill which will provide for retirement for Federal civil service employees after 30 years of service, regardless of age.

Much consideration has been given during the past few years to a liberalization of retirement benefits. However, at the present time an employee must have reached the age of 60 before he can qualify for a full retirement annuity after 30 years of service.

In checking into the situation we find that many employees started their Government careers immediately after completion of their schooling, and would thus actually be eligible for retirement after 30 years' service before they reach the age of 60. Of course, under the present law, they can retire between the ages of 55 and 60 after 30 years' service, but on a reduced annuity. In this day and age, with increased living costs, it is neither practical nor possible to attempt to live comfortably and securely on such an annuity.

In addition, statistics show that the percentage of older citizens is steadily growing, and that within a period of 20 years we will have over 20 million Americans over the age of 65. Another factor to be given serious attention when studying this problem is the increasing labor force in this country. With more young people and women becoming available on the labor market, our industries cannot absorb all these potential workers without the necessity for some adjustments. We hear many suggestions urging early retirement, and our older workers are encouraged to retire from private industry as quickly as possible to make way for the younger employees. The Federal Government could take the lead in setting such an example by permitting retirement of its employees after 30 years' service.

May I urge my colleagues to give this matter serious consideration, with a view toward enacting such legislation in the very near future.

That All May Learn To Survive and Stay Free—Junior Colleges: One Answer to Higher Education for All

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Friday, March 20, 1959

Mr. DIXON. Mr. Speaker, the American Association of Junior Colleges held its 39th annual convention last week in Long Beach, Calif. Representatives from colleges all over the Nation were present at this convention to discuss how to realize the ideal of providing higher education for all and the best methods for accomplishing this.

Junior colleges, registering with the office of education, have grown from 10 in 1920 to 667 today. One out of every four college students is enrolled in a junior college, with the total junior college student body at over a million students.

Considering the practical, economical and varied education the junior college is able to provide, it is easy to understand the reason for this unprecedented growth and why this type of college will be one of our major solutions to providing higher education for the flood of students which will soon converge upon the colleges.

The dream of the ages has been to establish a society of cultural achievement and economic abundance with individual liberty. Our Western civilization has nearly succeeded in converting this

dream into a reality, but only through a series of bold revolutions and hard-won victories over ignorance and autocracy.

WESTERN CIVILIZATION IS IN PERIL

Now Western civilization, so worth saving, faces by far its most perilous challenge—that of communism. We have been able to withstand the Dunkirks and Pearl Harbors of the past, but whether we can withstand disciplined men in a far superior geopolitical position who are armed with the best tools and weapons tyrants have had in the history of the world, will depend on our ability to learn to survive.

In the national monument area near Vernal, Utah, archeologists dig up the fossil remains of the dinosaur. His tragic story is that he was unable to adjust to a new set of conditions and a new environment. He did not learn to survive. He became extinct in spite of an advantage he had in the structure of his central nervous system. The curator at the monument told me years ago that the dinosaur had a brain in his cranium and one at the base of his spinal column, so when an idea missed his first brain he had a saving afterthought.

Many pessimists say that Western civilization, like the dinosaur, is in the Mesozoic Saurian era of man and that centuries from now whatever is left of civilization may be picking over our remains and pondering our downfall.

This is not hard to imagine in light of Communist accomplishments to date and Khrushchev's dramatic threat to the West that, "We will bury you." Since this has been the cry of Communist doctrine for more than a century, it would be a grave error not to take this threat to Western civilization seriously.

THE IDEOLOGICAL CHALLENGE

The lethargy and indifference on the part of many leads me to think there is altogether too much truth in the challenge that one of the Red leaders threw at us, when he said:

> In Christianity you of the Western World have a far better and nobler philosophy than we have in atheistic communism, but we will prevail nonetheless for wherever there is a Communist there is a dedicated ambassador of communism. Western civilization lacks both this vitality and dedication.

With this missionary-like zeal, backed by military force, the Communists have made great strides.

Dr. Daryl Chase, president of Utah State University, recently asked an alumni group:

> What will historians record as the most important world development in the next 50 years? Will it be man's mastering the weather or perhaps learning to reap prodigious quantities of food from the sea?
> Neither—

Was his answer.

> It will be whether freemen continue to be free. In only 40 years Communists have taken control of 1 billion of the earth's people. There has never been anything like it.

THE MILITARY CHALLENGE

While Western civilization is in peril, I do not believe we are in imminent danger of a military attack. Our power of mass retaliation is still far too great for that. But we cannot shut our eyes to the Russian military crash program designed to surpass the United States in atomic power or to the fact that they have surpassed us in the thrusting power of their jet engines and are apparently ahead of us in intercontinental ballistic missiles and intermediate range ballistic missiles.

THE CHALLENGE OF ECONOMIC WARFARE

I believe, too, that the Reds still think they can bring us to our knees through other means, such as destroying capitalism and free enterprise through an economic war.

I observed their efforts in this regard first hand a month ago when I went to the Far East as a representative of the House Agriculture Committee at a conference of U.S. agricultural attachés at New Delhi, India.

Most Far East countries secured their independence at one sudden blow within the last 15 years without the century and a half of preparation that America had before we obtained independence. Though they fear communism, they detest even more the colonial nations which kept them in bondage and suspect the motives of Western countries. They have not the widespread literacy, education, technical training, and the capital to step up their productivity and living standards, but their people are demanding these high living standards. So they are restive and the countries are in turmoil.

The Communists exploit this great unrest by promising pie in the sky if the people will accept their political belief. I saw evidence of this wherever I went.

I saw countries in the Soviet orbit dumping products into the Far East markets at prices much lower than we can produce them in the United States just to strangle our trade—determined to capture our markets at any cost.

I saw Russians trading arms to eastern countries. These arms are followed by thousands of Russian technicians who in turn believe in the Soviet doctrine as strongly as men of the Western World believe in their way of life.

I saw evidence that Russia had provided India with 500 trained steel technicians, when at the same time we had promised 700 but could furnish only 100.

I saw American private industry virtually at a standstill in the Orient, whereas it used to be expanding. Soviets will step in where our firms fear to tread. They will risk heavy economic loss for strategic political gains, whereas our private industry cannot take such losses. If the Reds are selling at a loss, all they need do is to make their people, virtually in servitude already, work longer hours, accept less food and fewer of the necessities of life. They can cut the costs of production in ways that our private industry could not and would not do.

I saw Red China playing with Hong Kong as a cat toys with a mouse. Red China is the source of nearly all Hong Kong wood for fuel. China cut off the source completely without warning. In desperation Hong Kong business people ordered shipments of wood from Borneo and other places. Upon the arrival of this wood, the Red Chinese flooded the market at prices so low that it bankrupted many of the Hong Kong merchants who had come to the rescue of their people.

I saw Chinese textile workers slaving 12 hours a day, 7 days a week, every day of the year except two holidays for Chinese new year's, in textile mills every bit as modern and mechanized as the best we have in America and for a smaller weekly wage than we pay for a single day. At the same time our labor leaders are calling for a 35-hour week and vastly higher minimum wage laws.

EDUCATIONAL CHALLENGE

We are far ahead of Russia educationally. However, her program is moving ahead at a faster rate than ours, especially with respect to producing exactly the sort of trained men her rulers want for achieving scientific and technological supremacy.

Rickover says our educational perils are as follows:

First. Russia has virtually wiped out illiteracy in 20 years. Twenty years ago her educational system was in ruins and at the time of the revolution 70 percent of the country was illiterate.

Second. Russia puts a larger percentage of her smaller income into education than does America. We spend 3.5 percent, while Russia spends 6 percent.

Third. The European high school graduate has learned more fundamentals than most of our college graduates. An hour at school means an hour of uninterrupted serious work; here there are assemblies, errands, play, short school year, and the teacher spends too much time helping dullards and neglecting the capable.

Fourth. Russia has made the rewards of scholarship so attractive that her children are working their heads off to keep up with an extraordinary tough curriculum—often at the cost of their health.

Fifth. Russia has few substandard teachers. Their standards are high. Their load is heavy. Their honors and pay are high. In America the beginning salary of the college teacher is the same as a factory worker. In Russia it is eight times as great. In America a full college professor averages twice as much as the beginning teacher. In Russia a successful professor can be paid 15 times as much as a beginner.

Sixth. In America the major share of research has gone into making life pleasant and comfortable and increasing the material well-being of the individual. In Russia research goes into physics, chemistry, astronomy, and missiles. Chemists are diverted from research to cure diseases to studies which can improve metals.

Seventh. In America we discourage young men from scholarly pursuits by calling scholars "egg heads, "long hairs," and "little men with the beards." In Russia scholars are the best paid and most revered men in the community.

I could go on at great length on the Communist challenge, pointing out for instance the fact that in the 40 years since the revolution Russian production

has doubled 22 times, but I am sure the facts presented prove that the peril to Western civilization is real.

WE CAN LEARN TO SURVIVE AND STAY FREE

As Shakespeare says, "We are living, we are walking in an age of awful time. But to be living is sublime." In facing the Communist threat we must not lose our heads. We must learn to live with the danger and overcome it.

Our situation calls to my mind a conversation between two Negroes in a Nashville, Tenn., barbershop during World War II when I was teaching at Peabody College. One of them said, "We sho am in a crisis." The other replied, "This ain't no crisis, it's only a crissis."

"Well, what's the difference?" asked the first.

"Here's the difference," said the second. "A crisis is when yo' all loses yo' heads—a crissis is when yo' all puts yo' heads togedder."

In the last great war our armed services had to teach men how to live in new circumstances and under extreme conditions. Aviators had to be taught how to live if shot down at sea. Soldiers had to be taught survival techniques in the jungle, in Alaska and in the Arctic.

We can take to heart some of the survival instructions given to our boys in desperate situations in World War II. I recently gleaned a few cryptic statements from these little survival pamphlets:

First. Read this booklet—it may save your life.

Second. Size up the situation and plan your course of action. Avoid panic and use your head.

Third. If they can do it, you can too.

Fourth. Take inventory yourself, don't let George do it. It is you who may be cold and hungry.

They learned to survive, and I have the unshaken conviction that Western civilization can learn to survive if we are willing to pay the price. The desperation of the Japanese threat in World War II forced industrial and military miracles; the Russian threat might well stimulate miracles, too.

SLOWNESS OF DEMOCRATIC ACTION

In sizing up the situation and planning our course of action in America we face the anomaly where the slowness of democratic action is possibly a hazard to freedom in time of stress and crisis. Yet, at the same time, this slowness is a protection to our freedom.

One of our great historians has said:

> A totalitarian state is like a full-rigged ship which moves with great speed majestically out of the harbor, but if it hits a rock it sinks. Democracy is like a raft. It doesn't move so fast, but neither does it sink. But—darn it—your feet are always wet.

For instance, America's public schools are in the hands of local school boards where the State has slight control and Federal help is mistrusted. When I was in the schools, there were some States that had from 1,000 to 3,000 school districts and almost as many school board members as teachers. It is almost impossible to get through these thousands of boards and administrators anything like a national policy to meet an emergency.

Admiral Rickover says that Russia does not have this problem of ponderous slow-moving action.

> One man can institute a crash program for his government—

He said—

> and force the immediate support of the schools, the public and the scientists. The cost in time and money of congressional government is eliminated * * *. Authoritarian control and the low standard of living make the running of the civilian sector simple and cheap. There is no need for attractive stores, service industries, advertising—no chain of service stations, garages, auto dealers—only a few cars for the elite.

Such a government presents a real challenge to a free people who nurture the individual not alone for the contribution he may make to the national welfare but for the realization of his own potentialities and desires as well.

Since a free society cannot commandeer action, our fate rests on how well we can educate the people to act of their own accord. All groups must work together in informing citizens of the gravity of the Communist threat to Western civilization, in inspiring them with a sense of common purpose and in influencing them to subordinate individual desires temporarily to the welfare of the Nation.

CULT OF EASINESS

It has been frequently stated in recent months that some of our most discerning critics are uneasy about current aspirations and values of Americans.

The president of Notre Dame has said:

> I think we have a kind of cult of easiness today. There is an easy way to cook a meal; there is an easy way to drive a car; there is an easy way to get a vacation; there is an easy way to pay your bills; there is an easy way to save your soul.

Recently the editor of Life magazine stated:

> Leaders in the United States are worried about Americans—undereducated, overentertained, tossing uneasily in sophisticated vulgarity.

He infers that we have forms of a free society but maybe the spirit is dying and wonders if a nation that consumes more drink and tranquilizers than any nation in history and a nation glued to television is not simply at a disadvantage before the iron pioneers of the new collective society.

The Reds cannot stay glued to radio or television, because they must work 12 hours a day. Even if they could stay glued to these instruments, they would have blasted in their ears over the radio and television the importance of the 7-year program, winning the war for scientific and economic supremacy and crushing capitalism.

How does this cult of easiness handicap the schools? Principal Edwin Anderson of the Prosser, Washington, High School recently made a survey after a lot of parents had complained because of the failing marks their children were getting.

His findings—an educational mixture too rich with gasoline. Of seniors with A and B grades, only 11 percent owned cars or had the use of them regularly. Among C grade seniors 33 percent had cars, and 62 percent of the C-minus to failing seniors were motorized. Cars owned by juniors with A and B grades, none; with C grades, 31 percent; and with C-minus to failing grades, 39 percent. The University of Virginia faculty is grounding 77 percent of last year's car-owning students.

This cult of easiness, combined with the small group consciousness of the segments of our economic society and the greedy habits of individuals and groups whose major question too frequently is what can they get out of our country instead of what can they give constitutes a serious threat. This must be altered if we are to survive and stay free.

BETTER TO LIGHT A CANDLE

Secretary Flemming of Health, Education, and Welfare tells about leaving their children with a babysitter. When they arrived home, the babysitter appeared disturbed because the power had gone off, leaving the place in darkness and frightening the smaller children.

One small boy came downstairs and screamed:

> There is too much dark here.

The older children, however, scurried about looking for candles and flashlights. The old Chinese proverb says:

> It is better to light a candle than to curse in the darkness.

The Psalmist said:

> I will lift my eyes unto the hills from whence cometh my help. My help cometh from the Lord who made heaven and earth.

The Lord has not failed this Nation. Neither will he ever fail it if we look to him. And how does the Lord give us help? It is through Christian education and Christian living which made men free and will keep men free. I have unbounded faith that the candle of Christian education definitely will dispel the gloom caused by the perils which threaten our free society.

For this reason in this crisis it is to the teachers, more than any group, that we look to light the candle of the Lord to help us learn to survive. It is in the classrooms, home, and churches that the future of the world is largely going to be determined.

This is why we must look our times and our school system searchingly in the face. This is why we must reexamine our objectives, our methods, and our facilities in light of the crucial role teachers are called upon to play.

Let us define specifically what the objectives of education in a democratic society should be. A statement which appeared in the May 1957 issue of the Junior College Journal defines it very beautifuly, I believe:

> It is to teach the people to understand. It is to teach the people the real meaning of freedom, for it is a complex concept to master, not a simple one. It is to equip the people to govern themselves, for govern they must. It is to charge them, at least at the college level where the most significant learning must occur, with a meaningful acquaintance with the history of our civilization, with the nature of free government under

law, and with a general knowledge sufficiently broad to induce them to discharge intelligently their responsibilities as free citizens.

People ask me the question:

"Why should we pay taxes to support public education?"

The answer is, briefly, to develop an enlightened citizenry. American schools do not give this aim sufficient priority to make it stand out in letters of gold before the public.

I recall a reliable study in which more than 6,000 high school graduates were asked the question:

What does America mean to you?

The vast majority defined America in terms of its blessings and what they get from the country. Only a very few defined it in terms of what they should give in return. This notion of all getting and little giving to our country is so prevalent even among adults that it imperils our society. It all goes to show that every class period should in some way contribute to a deeper love for our country and a greater willingness to sacrifice to keep it free.

EQUAL EDUCATIONAL OPPORTUNITY

Fortunately for America our concept of equality of educational opportunity is a far cry from the program of European universities which are essentially concerned with preparing youth for the learned professions and whose student bodies are a highly select group. The selection begins toward the close of the elementary school at which time not more than 20 percent of any age group is privileged to attend the pre-university schools and thence to college and the selection is often influenced by the class system. The remaining 80 percent, except for a comparatively few, go to work and complete their full-time education at age 14.

As a result only one out of very five or six European boys and girls attends college, whereas one out of approximately every three American boys and girls attends college.

Dr. James Conant in his splendid book, "The American High School Today," points out the tremendous waste in undeveloped talent in Germany, France, Italy and Switzerland as a result of the selective character of their student population. This is a waste which America cannot afford. In fact we cannot afford the waste of our own present system in which fully one half of the top 25 percent of our high school graduates never attend college.

Equality has come to mean in America not only political equality but equality of educational opportunity as far as the individual can profit from such opportunity.

The story is told about Lincoln stopping on a crowded street to pick up a beetle that was on its back and struggling to get on its feet. When he was chided by his companion for causing such a scene on a crowded street, he said, "I wanted to give that beetle the same opportunity as all other beetles."

This great emancipator not only detested African slavery, but the far commoner bondage—that of ignorance. That same Abe Lincoln during the Civil War in 1862, when the Union defeats were pressing the North, signed the Morrill Act (which Buchanan had vetoed because the Nation could not afford more colleges and because the land grant colleges would compete with the liberal arts colleges) and founded the land grant college for the liberal and practical education of the industrial (as distinguished from the professional) classes.

Dr. John A. Widstoe, former president of Utah State University and the University of Utah, said:

For the first time in the history of the world the common man, to which class we all belong, was given access to the great heritage of learning of the ages, and for the first time an attempt was made to lift the common, necessary pursuits of life to a professional dignity.

The American junior community college program and philosophy conforms very closely to the program and philosophy of the land grant colleges—namely the liberal and practical education of the common man and constitutes the second great legal step in that direction.

THE JUNIOR COLLEGE MEETS THE CHALLENGE

People all over the Nation agree that the junior colleges are destined to grow rapidly both in number and in size. Predictions are that by 1970 they will enroll more than half of the Nation's total freshmen class—even last year they absorbed one out of every four students who entered higher education. In 1920 there were only 10 junior colleges and in 1929, 129. Today there are 667 junior colleges with an enrollment of more than a million students.

The Truman Commission said that the junior college should absorb the bulk of the increased college enrollment during the next decade. At the time the Commission was accused of being starry-eyed and visionary, when it predicted that by 1960 there would be 2.9 million students. It now appears that by 1960 enrollments will exceed 4 million.

The church-supported junior colleges, bless them, are carrying a great share of the load and are doing a most effective job in developing enlightened citizens and furthering Christian education. They, too, are growing.

While in Honolulu recently I visited the $3 million junior college under construction by the Church of Jesus Christ of Latter-day Saints. I was so taken up with the beauty of this institution and the vision of its sponsors that I wrote their commissioner, my former student president, Ernest Wilkinson, for the present enrollment and expenditures of the church's junior colleges and the projected expenditures and enrollment.

At the present time the Mormon church has 1,275 students enrolled in two junior colleges and is spending $991,000. Commissioner Wilkinson estimates that the proposed Ricks College in Idaho, the proposed junior college in Salt Lake City and four junior colleges in areas of large church population will enroll 30,000 students by 1975. He says within the next 5 years the church will probably spend $10 million on the construction of junior colleges and by the year 1975 will likely have spent $30 million on junior colleges.

As a result of their surveys, authorities give five chief reasons why 50 percent of the top 25 percent of the high school graduates never attend college. These reasons are: first, lack of finances; second, lack of motivation; third, distance from college; fourth, ineligibility for matriculation; and, fifth, the nature of the college program.

THE JUNIOR COLLEGE MAKES HIGHER EDUCATION FINANCIALLY AVAILABLE

The present distribution of family income reveals sobering inequalities. Seventy percent of the families of the United States have an income of $5,000 or less and 15 percent have a total income of under $2,000 which you will admit barely covers necessities. How many of their children, I ask you, can they send away to college these days on such a salary?

A U.S. Office of Education study shows that trends in tuition charges and fees increased 89 percent in public colleges and 83 percent in private institutions between 1940 and 1957. For example, tuition costs at Yale have jumped from $645 to $1,250 a year and total cost per student went from $1,557 to $2,300 per year. At Harvard tuition jumped from $400 in 1945 to $1,000 in 1959, with total costs $940 to $2,300 per year. Columbia tuition in 1945 was $380—in 1959, $974, with total costs increased from $1,090 to $2,084.

Student costs are much less in the junior college. W. Hugh Stickler made one of the most reliable studies of student costs, in which he included tuition, fees, room rent, board, books, supplies, clothing, transportation, and miscellaneous expenditures. His results are as follows: Public senior college, $1,304 per year; public junior college, $1,062; private senior college, $1,531; and private junior college, $735.

In other words it costs the student about $242 more per year to attend a public senior college than to attend a public junior college and $800 more per year to attend a private senior college than to attend a private junior college.

Further evidence that the community college makes college available to more people is produced by Coleman Griffiths in his book, "The Junior College of Illinois."

He found that only 19.7 percent of high school graduates went on to college when there was no junior college in their community as against 53.5 percent when the junior college was present. In the latter case also 46.7 percent of the graduates of lower income status families were found to be attending the junior college.

Strayer found that nearly four times as many children of families in the lower income bracket attended college where there was an institution at home as attended when they were required to go away to attend college. By attending college at home the student is also able to find part-time work with his friends and neighbors and combine education and work.

I believe that it costs the public or the church much less money to build and operate a junior college than a senior institution. A considerable por-

tion of the expense of the senior institution is spent in research. The junior college does not have this expense. Again the senior institutions must spend huge sums to build dormitories and dining halls. These on the contrary are not necessary in most junior colleges because the students come from a nearby area and live at home. Journalist Louis Cassel cites Government studies which reveal costs of $6,000 per student for necessary buildings in a senior institution while comparable buildings costs in the community college are $3,000.

TRANSITION FROM HIGH SCHOOL TO JUNIOR COLLEGES MORE EASY

Students do not experience the strangeness and homesickness when they live at home and go to a local institution that they suffer in entering a huge institution away from home.

THE JUNIOR COLLEGE CATERS TO A WIDELY DIVERSIFIED STUDENT POPULATION

It requires an IQ of approximately 115 to get a "C" grade in the professional courses of the senior institutions of the United States. Approximately two thirds of the American college youth have not IQ's that high. That is one reason why one half of the students are eliminated from the universities by the end of the sophomore year.

The Truman Commission found that at least 32 percent of our population has the ability to complete an advanced, liberal or specialized professional education. And, after spending thousands of dollars to calibrate the Army test scores of 10 million servicemen into college aptitude indexes, the Commission said further:

> At least 49 percent of our population has the mental ability to complete 14 years of schooling (the junior college program) with a flexible curriculum of general and vocational studies that should lead either to gainful employment or further study at a more advanced level.

The junior colleges, therefore, offer educational opportunity to about 17 percent more American youth than even our senior institutions.

If the colleges are to educate the great body of our country's youth, they must provide programs for the development of other abilities than those involved in academic aptitude and they cannot continue to concentrate on students with one type of intelligence to the neglect of youth with other talents.

Special artistic ability, creative genius, mechanical skills and abilities not measured by our verbal tests represent valuable abilities not fully recognized by the traditional university. This is another cause of our large student mortality. The technical curriculum of the junior college on the other hand is designed especially for the semiprofessions and the highly skilled occupations. American industry and our defense plants are crying for these people. We can use five semiprofessional engineers for every graduate engineer.

THE JUNIOR COLLEGE HAS WORKED MIRACLES IN ADULT EDUCATION

The junior college goes into all of the homes that do all of the work of the community and with its diversified program and practical bent teaches the parents, as well as the youth, to do that work better and to live more happily in those homes.

THE JUNIOR COLLEGE HELPS PROVIDE THE WILL TO LEARN

Psychologist Flemming says, "Show me a boy's IQ and I will tell you roughly what he might be able to do. But show me what he wants to do and I'll tell you what he will do." In order that all may learn to survive and stay free we must develop in them the will to learn.

The will to learn is influenced to a considerable extent by family tradition, but family tradition is changing rapidly. Families are finding out now that it requires education beyond the high school to understand the front pages of the newspaper, to understand our international relations, our new hopes, our new fears, our new political developments, and even to get a job.

NEW HELP IS COMING FROM THE FEDERAL GOVERNMENT

Education has always been of uppermost importance in achieving political and moral objectives in Western civilization, but never have we looked upon it quite as we do now in terms of our very survival. So it is not strange that these crucial times have resulted in the Federal Government taking more of an interest in the Nation's schools and playing an increasingly important role.

One good example that the Federal Government has recognized that education, as well as missiles, is essential to our national security was the enactment last session of Public Law 85–864, the National Defense Education Act, authorizing something over $1 billion in Federal aid. In its 10 titles it touches every level of education, public and private, from the elementary school through the graduate programs.

The success of the college student loan plan, which we substituted for a scholarship program, has surprised even educators. Before, many college loan funds had gone begging. In the first 4 months after the bill was passed, 1,230 colleges and universities applied for participation asking for $62 million. Congress had appropriated $6 million to get the program started this year.

Of the 1,227 institutions which have received college loan funds, 224 have been junior colleges, technical institutions or normal schools offering 2, but less than 4, years of work beyond the 12th grade. According to the Office of Education, they have received $354,883.

In addition to the $6 million for the student loan section of the bill $20,350,000 was provided for science, mathematics, and foreign language, $800,000 for national defense fellowships, $7,400,000 for guidance, counseling, and testing, $800,000 for advanced training in foreign areas and languages, $500,000 for educational media research, $3,750,000 for grants to States for area vocational programs and $400,000 for grants to States for statistical services.

Supplemental appropriation requests for $75,300,000 for the National Defense Education Act are now pending before Congress.

Other areas in which the Federal Government is participating or is expecting to participate are school construction, aid to rural libraries, providing surplus commodities—such as tools for technical training—to the schools and Public Law 480 which makes foreign currencies available for such things as the financing of chairs in America studies in foreign universities, exchange of persons, workshops presented by American leaders abroad and assistance to American schools abroad.

Some suggested ways in which we might speed up our educational efforts and at the same time develop more enlightened citizens are:

First. Decide now to have a far superior school system and declare our willingness to pay the price. The sacrifice would be small in proportion to the returns. For example, the automobile industry spends $1½ billion every year to bring in its new models with different colored paint and styling so the American people will be enticed to spend 10 percent of their entire income for cars. If the money saved by bringing out a new model every second year, instead of every year, were given the public colleges and universities, it would increase their income by three-fourths.

Second. Reorganize and streamline the present slow moving, ponderous school system. The further consolidation of small, inefficient, expensive school districts would be a good beginning. Encourage American education to join together to form large research institutes and coordinate their research efforts. Also, State coordinated programs of higher education which will save money, help prevent wasteful competition, and keep higher education better aware of its aims should be encouraged.

I hope that Congress will soon pass H.R. 5467, which I have introduced, to stimulate State action to meet burgeoning needs in higher education by appropriating $2½ million to the States to enable them to survey present facilities and make plans for future higher education needs.

Third. Speed up the educational process by lengthening the school year on all levels—as they do in Europe—by using school buildings where necessary for more than one school shift—as they do in Russia—and by inviting gifted teenagers and the unemployed to college adult evening classes.

Fourth. Make the program tougher for the gifted students. While we cannot educate young people by merely scowling at them, I think Rousseau's advice to young Emile is still good advice today. He said:

> Think like a philosopher and work like a peasant.

Fifth. Either improve the present school situation by eliminating some of the more enjoyable and time-consuming offerings in favor of the more demanding mental disciplines or establish institutes which will challenge the gifted.

Sixth. Provide better counseling and guidance on both levels of the secondary school and at the university to screen out and give special encouragement to the diligent and the superior student.

Seventh. Reverse the present trend where teachers and counselors spend an unwarranted amount of their time and the State's money polishing cobblestones and dimming diamonds.

Eighth. Take greater advantage of the ability of the junior college to provide a general and practical education at home for all youth at considerable less expense to the student and the public. Our times demand even more 2-year technically qualified graduates than graduates of the professional schools.

Ninth. Establish more private, industrial and State fellowships, jobs, loans, awards and incentives to attract gifted youth to college and keep them longer in college. If the former are not adequate, Federal help may also be necessary.

Tenth. Exalt the role of the outstanding teacher by according him greater social prestige, better salary and tax deduction on money spent for professional improvement. It took a terrific struggle to get this deduction, but even that encouragement will help to transform many a teacher's attitude.

I have injected in my remarks the element of fear. I have done this to make the challenge more urgent and more purposeful. Extrinsic motivation, such as fear, punishment or rewards, is usually not as abiding as intrinsic motivation which springs from a love of the cause itself. One should act not because he is afraid not to or feels he ought to, but because he wants to.

Western civilization is definitely in peril. Our greatest defense is Christian education. But this system of education has many weaknesses and there is some room for fear that we cannot learn to survive in time to avert disaster. But people adjust to fear very readily. The fear of sputnik was partly displaced by the fear of the recession and the loss of jobs and now by the fear of a conflagration over East Germany. So we cannot place too much reliance upon fear alone causing us to enlist in a crusade to eliminate the weaknesses of our system in order that all might learn what they should learn.

Our school system is not a second rate affair. It is by all odds the best system known anywhere or at any time. The great reason is easy to be found. It is thousands of dedicated people who have made it their first love and the center of their lives.

They didn't teach—

Says Secretary Arthur Flemming—

to become wealthy but for the love of their neighbor and their country. We can be indicted for penalizing our teachers for their loyalty.

Secretary Flemming says further that the great commandment, "Love thy neighbor as thyself," does not mean that we like him or that we even agree with him in all instances. It does mean that we love him enough to help him realize his greatest possibilities.

Jesus of Nazareth was confronted with terrible trials and sorrows; yet he triumphed over far greater obstacles than we ever dream of. He said:

My soul is troubled and what shall I say? Father deliver me from this hour—but for this cause come I unto this hour.

He forgot himself in His great dedication to the cause of His Father.

And a vision appeared unto Paul in the night. There stood a man of Macedonia and praying him saying: "Come over into Macedonia and help us."

That is what Western civilization and its youth are saying to educators today.

SENATE

MONDAY, MARCH 23, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of all grace: Entering this holy week of the passion through the lowly gateway of penitence, we would come, with pilgrims whom no man can number, seeking—with them—light and love and the beauty of holiness. Although joined by a multitude, we know we cannot be lost in the crowd. We stand singly in the white radiance of Thy holiness, to whom every heart is open, and from whom no secrets are hid.

Forbid that we individually should sweep through this searching week in buoyant exultation, as if there were no shame upon us, nothing to repent of, nothing for us to fear.

By some small symbols let us bear witness that we know something of the solemnity of being alive, the dreadfulness of sin, the struggle of repentance.

Even though our symbols may be very feeble, our sackcloth may be lined with silk, and our ashes scented with the perfume of roses, steel our wills to do something that will break the monotony of complacent living.

We ask in the name of the One whose victory makes these days forever holy, as He turned the mocking robe of derision into the crimson garments of sacrifice and into the white vestments of love. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 20, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT OF RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

In compliance with the provisions of section 10(b)(4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12(1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith, for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 23, 1959.*

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5(a) of Public Law 307, 73d Congress, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 23, 1959.*

REPORT ON PROGRAM FOR DISCOVERY OF MINERAL RESERVES—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the report of the Secretary of the Interior prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its Territories, and possessions by encouraging exploration for minerals, and for other purposes."

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 23, 1959.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 3366. An act to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China;

H.R. 5132. An act to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes; and

H.R. 5805. An act making appropriations for the Treasury and Post Office Departments,

and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 3366. An act to authorize the extension of loans of naval vessels to the Governments of Italy, Turkey, and the Republic of China; and

H.R. 5132. An act to amend title 10, United States Code, with respect to active duty agreements for Reserve officers, and for other purposes; to the Committee on Armed Services.

H.R. 5805. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nomination on the calendar will be stated.

U.S. TARIFF COMMISSION

The Chief Clerk read the nomination of J. Allen Overton, Jr., of West Virginia, to be a member of the Tariff Commission for the remainder of the term expiring June 16, 1962.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the 18th Ward Unit of the Republican Party of the State of Wisconsin, relating to the efforts of the senior Senator from Wisconsin [Mr. WILEY] to prevent further diversion of the waters of Lake Michigan through the Chicago drainage canal; to the Committee on Public Works.

JOINT RESOLUTION OF ILLINOIS LEGISLATURE

Mr. DIRKSEN. Mr. President, I present a copy of Senate Joint Resolution 9, adopted in the 71st General Assembly of the State of Illinois, as certified by Charles F. Carpenter, secretary of state, memorializing the Congress to take favorable action on proposed legislation to authorize a 1-year trial study to be conducted of the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, for navigation and other purposes.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 9

Whereas the effect of diversion of water from Lake Michigan into the Illinois Waterway has long been a source of dispute; and

Whereas House Resolution 1 now pending before the 86th Congress proposes that an additional 1,000 cubic feet per second be permitted for 1 year; and

Whereas such additional flow will permit a proper survey and evaluation to be made by the Secretary of the Army; and

Whereas House Resolution 1 expressly prohibits any diversion during times of flood in the Illinois, Des Plaines, Chicago, or Calumet River; and

Whereas existing facilities at the point of diversion are adequate to control the proposed increased flow, and are beneficial to marine life by reason of providing added oxygen; and

Whereas the preservation of public health is vitally involved in this proposal: Therefore be it

Resolved by the Senate of the 71st General Assembly of the State of Illinois (the House of Representatives concurring herein), That we respectfully request the Congress to pass House Resolution 1; and that a copy of this preamble and resolution be sent by the secretary of state to every member of the 86th Congress from the State of Illinois.

Adopted by the senate, February 26, 1959.

JOHN WM. CHAPMAN,
President of the Senate.
EDWARD E. FERNANDES,
Secretary of the Senate.

Concurred in by the house of representatives, February 26, 1959.

PAUL POWELL,
Speaker of House of Representatives.
CLARENCE BOYLE,
Clerk of House of Representatives.

FEDERAL AID TO EDUCATION—JOINT RESOLUTION OF MONTANA LEGISLATURE

Mr. MANSFIELD. Mr. President, prior to adjournment of the 36th Legislature of the State of Montana, it went on record in behalf of Federal aid for classroom construction and improvement of teachers' salaries.

I am especially pleased with the action taken by the State legislature, because the two chief sponsors of this proposed legislation in this Congress are my two distinguished colleagues, the senior Senator from Montana [Mr. MURRAY], and the able Representative of the First District, LEE METCALF.

I have cosponsored this measure, as have a number of my colleagues here in the Senate; and I hope it will not be too long before we are able to consider this important proposed legislation on the floor of the Senate.

I ask unanimous consent that senate joint resolution 4 be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the joint resolution was referred to the Committee on Labor and Public Welfare, and, under the rule, was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 4

Joint resolution of the Senate and House of Representatives of the State of Montana to the President of the United States; to the Congress of the United States; to Senators JAMES E. MURRAY and MIKE MANSFIELD, from the State of Montana; to Congressmen LEE METCALF and LEROY ANDERSON, from Montana; requesting the reaffirmation of national policy of Federal financial support for education

Whereas we (the Montana State Legislature) recognize the education of our youth as the most important responsibility of our local, State, and National governments, if our national defense, our system of free enterprise, and our devotion to the ideals of American democracy are to endure; and

Whereas despite earnest efforts on the part of the several school districts of the State of Montana to meet the cost of providing adequate school facilities for an ever expanding enrollment and despite the continued increase in State funds to help meet the cost of supporting public elementary and secondary schools, there continues to be a widening gap between need, and funds to meet the need; and

Whereas the financial resources of the counties and the States are increasingly overburdened by using school costs and enrollments, to the neglect of other essential county and State responsibilities; and

Whereas there continues to be a shortage of qualified teachers, since, despite all efforts to the contrary, teachers' salaries in Montana are inadequate to recruit and retain a sufficient number of good teachers

to serve all the children: Now, therefore, be it

Resolved, That the Montana State Legislature petition the U.S. Congress to provide sufficient funds through the proposed School Support Act of 1959 (sponsored by Senators MURRAY, MANSFIELD, and others, and introduced by Congressman LEE METCALF and others, including Congressman LEROY ANDERSON) in order that local and State control of education may be continued by providing, by means of the more equitable taxing authority of the Federal Government, a share of the Federal income to the several States in amounts sufficient to supplement State and local financial resources for this most important of all State services; and be it further

Resolved, we hereby respectfully petition the Congress of the United States to reaffirm the national policy of Federal financial support for education which has ample precedent in the school land grants given to this and other States nearly 100 years ago and without which even the present inadequate programs of public education could not survive; and be it further

Resolved, That copies of this resolution be submitted by the secretary of state of the State of Montana to the President of the United States; to the Congress of the United States; to Senators JAMES E. MURRAY and MIKE MANSFIELD, from the State of Montana; to Congressmen LEE METCALF and LEROY ANDERSON, from Montana.

PAUL CANNON,
President of the Senate.
JOHN J. MACDONALD,
Speaker of the House.

RESOLUTIONS OF ORGANIZATIONS OF THE STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD, resolutions adopted by sundry organizations of the State of New York.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE CITY COUNCIL OF WATERTOWN, N.Y.

Resolved, That—

Whereas there has been introduced in the U.S. Congress a bill (H.R. 5096) which would subject municipal housing authority bonds to Federal taxation; and

Whereas this would constitute a tax on municipal securities: Now, therefore, be it

Resolved, That the City Council of Watertown, N.Y., hereby states its objection to the proposed taxation of municipal housing authority bonds, or, any other municipal securities, and asks its Representatives in Congress to oppose such legislation.

RESOLUTION OF THE NEW YORK YOUNG REPUBLICAN CLUB ADVOCATING REPEAL OF THE CONNALLY AMENDMENT TO THE STATUTE OF THE INTERNATIONAL COURT OF JUSTICE

Whereas the United States, in accepting the jurisdiction of the International Court of Justice, has reserved to itself the right to exclude from the Court's jurisdiction cases which the United States unilaterally determines to be within its domestic jurisdiction; and

Whereas the United States was the first country to adopt such a reservation, and this action has led other countries to adopt similar reservations thus weakening the effectiveness of the Court in peacefully resolving international disputes; and

Whereas the reservation adopted by the United States can work to its detriment, because any country sued by the United States is entitled to invoke the reservation of the United States to prevent the United States from maintaining an action before the Court; and

Whereas amendment by the United States of its declaration to eliminate the right unilaterally to exclude matters from the Court's jurisdiction would demonstrate the United States leadership in promoting peaceful settlement of international disputes and would promote the use of judicial processes to lessen international tensions: Now, therefore, be it

Resolved, That the board of governors of the New York Young Republican Club petition the President and Senate of the United States to amend its declaration accepting the compulsory jurisdiction of the International Court of Justice to eliminate therefrom the reservation (commonly called the Connally amendment) whereby the United States may determine unilaterally that a matter is not within the jurisdiction of the Court because it is within the domestic jurisdiction of the United States, and instead permit the Court to determine whether a matter is excluded from the Court's jurisdiction.

NEW YORK STATE ASSOCIATION OF PLAINTIFFS' TRIAL LAWYERS,
New York, N.Y., March 1, 1959.

The membership of the New York State Association of Plaintiffs' Trial Lawyers, an organization representing about 1,250 practising lawyers, at a meeting on Thursday, February 26, 1959, in the U.S. District Courthouse, Foley Square, New York City, cast an overwhelming vote in favor of the following resolution, upholding the Supreme Court of the United States against current attacks:

"Whereas there have been repeated attacks on the U.S. Supreme Court; and

"Whereas such attacks appear to be growing in virulence, to the detriment of the public and the administration of justice; and

"Whereas it is the sense of this association that the practicing lawyer has great confidence in the Supreme Court as an institution and believes that any limitation of the ambit of its jurisdiction is detrimental to the administration of justice and civil liberties of the public: Now, therefore, it is hereby

"*Resolved*, That this association, the New York State Association of Plaintiffs' Trial Lawyers, hereby record their complete confidence in the Supreme Court of the United States and in the jurisdiction which it now exercises; and it is further

"*Resolved*, That this association is unalterably opposed to any measures seeking to limit the jurisdiction of the Court or to override recent decisions made by it in the field of civil liberties; and it is further

"*Resolved*, That this association take any and all measures to apprise the public and other bar associations of our unfailing purpose to support and protect the Court against unwarranted pressures and attacks."

RESOLUTION 74

Resolution opposing the proposed McDonough amendment, H. R. 5096, to the pending urban renewal, slum clearance, and housing bill which would subject local housing authority bonds to Federal taxation.

Whereas Representative GORDON L. MCDONOUGH has introduced H.R. 5096 in the Congress of the United States which bill would subject municipal housing authority bonds to Federal taxation and has further announced his intention to offer the substance of his bill as an amendment to the urban renewal, slum clearance, and housing measure which has already cleared the Banking and Currency Committee of the Congress of the United States and is now pending before the Rules Committee: and

Whereas the passage of such bill would have a deleterious effect on the various municipalities throughout the United States who are engaged in an urban renewal, slum clearance, and housing program; and

Whereas aside from the aforesaid effects on the municipal slum clearance programs the adoption of such a bill would open the door to Federal taxation on all State and local securities and the question is one of basic constitutional principle and it is the opinion of this council that the proposed bill is inconsistent with the constitutional tax immunity of State and municipal bonds and will affect the salability of such bonds and is an opening wedge in an attempt to destroy the fundamental constitutional principle of immunity of State and municipal bonds and the issue is basic and of tremendous import to the States and municipalities and may seriously affect the future solvency and sovereignty of the States and their political subdivisions: Now, therefore, be it

Resolved, That the Council of the City of New Rochelle declare its opposition to the proposed McDonough amendment—H.R. 5906—to the pending urban renewal, slum clearance, and housing bill which would subject local housing authority bonds to Federal taxation; and be it further

Resolved, That a copy of this resolution be forwarded to Hon. JACOB K. JAVITS, Hon. KENNETH B. KEATING, U.S. Senators representing the State of New York in the Senate of the United States, and to Hon. EDWIN D. DOOLEY, congressional Representative of this congressional district in the Congress of the United States and to the U.S. Conference of Mayors; and be it further

Resolved, That this resolution shall take effect immediately.

Authenticated and certified this 18th day of March 1959.

GEORGE VERGARA,
Mayor.
CHARLES U. COMBES,
City Clerk.

RESOLUTION 16: DAY CARE SERVICES FOR CHILDREN

Whereas day care services for children can provide valuable educational and social experiences, and contribute to healthy physical and emotional development of children; and

Whereas such services are particularly beneficial to and needed by children of working mothers (the Census Bureau estimates that over 2 million mothers of children under 6 years are working; no more than 15 percent of such children are able to receive the benefits of day care centers; approximately 2½ million children, 6 to 11 years old, require after-school care); and

Whereas experience shows that neither voluntary agency funds nor State appropriations are in themselves adequate to meet this need; and

Whereas a bill was introduced in the 85th Congress, entitled S. 4067, to authorize the Secretary of Health, Education, and Welfare to make grants to the States to assist in the provision of facilities and services for the day care of children: Therefore be it

Resolved, That the American Public Health Association endorse the principle of such legislation.

RESOLUTION OF THE AMERICAN LEGION, DEPARTMENT OF NEW YORK, WESTCHESTER COUNTY

Whereas cognizance must be taken of the visit of Anastas Mikoyan, of Soviet Russia, to these United States during January 1959; and

Whereas it seems self-evident that his visit of Anastas Mikoyan, of Soviet Russia, increasing trade with the Soviet Union either on a reciprocal trade basis or a lend-

lease arrangement, or both: Now, therefore, be it

Resolved, That the American Legion of Westchester County, N. Y., go on record as opposing any trade concessions or increase in trade with the Soviet Union and that a copy of this resolution be forwarded to the Department of New York for appropriate action; and that it be further

Resolved, That a copy of this resolution be forwarded to each of the two Senators of the State of New York and to each of the two Representatives of Westchester County.

I hereby certify that the foregoing resolution was duly adopted at the regular monthly meeting of the American Legion, Westchester County, N.Y., held at Charles N. Bajart Junior Post No. 1122, Yonkers, N.Y., on the 11th day of March 1959.

Dated: March 11, 1959.

WILLIAM L. WISE,
Adjutant, Westchester County Organization, the American Legion, Department of New York.

AUTHORIZATION FOR FINANCE COMMITTEE TO SUBMIT REPORT ON HOUSE BILL 5640—SUPPLEMENTAL VIEWS

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to report, up to midnight tonight, the bill, H.R. 5640, to extend the time during which certain individuals may continue to receive temporary unemployment compensation; and also that any members of the committee who may desire to submit supplemental views, be granted permission to do so.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING REPORTS OF THE COMMITTEE ON THE JUDICIARY

Mr. DOUGLAS. Mr. President, on behalf of the Committee on the Judiciary, I ask unanimous consent that the time for filing reports pursuant to Senate Resolution 230, Senate Resolution 232, and Senate Resolution 237, 85th Congress, as extended, be extended to April 20, 1959.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 264. A bill for the relief of Athena Nicholas Euteriadou (Rept. No. 124);

S. 451. A bill for the relief of Mohammed Ali Halim (Rept. No. 125); and

H.R. 2589. An act for the relief of Elizabeth Lucie Leon (also known as Lucie Noel) (Rept. No. 134).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 201. A bill for the relief of Chiyoko Korematsu and Aiko Korematsu (Rept. No. 126);

S. 211. A bill for the relief of Aurelia Marija Medvesek-Pozar (Rept. No. 127);

S. 313. A bill for the relief of Collingwood Bruce Brown, Jr. (Rept. No. 128);

S. 449. A bill for the relief of Clarita Martinez (Rept. No. 129);

S. 461. A bill for the relief of Androula Neofitos Stephanon (Androula Kyriacou Stephanou) (Rept. No. 130);

S. 634. A bill for the relief of Grace C. Ream (Rept. No. 131); and

S. 701. A bill for the relief of Arie Abramovich (Rept. No. 132).

By Mr. EASTLAND, from the Committee on the Judiciary with amendments:

S. 1143. A bill for the relief of Harvey Hiroaki Horiuchi (Rept. No. 133).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

S.J. Res. 61. Joint resolution to amend Public Law 305 of the 85th Congress relative to the establishment of a commission to commemorate the 100th anniversary of the Civil War, to authorize the manufacture and sale of a Civil War Centennial Medal (Rept. No. 136); and

S. Con. Res. 9. Concurrent resolution extending a welcome to the Inter-American Bar Association (Rept. No. 121).

By Mr. O'MAHONEY, from the Committee on the Judiciary, with an amendment:

S. 949. A bill for the incorporation of the Ladies of the Grand Army of the Republic (Rept. No. 123).

By Mr. BYRD of Virginia, from the Committee on Finance, with an amendment:

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation (Rept. No. 135).

Subsequently, under the authority previously granted, Mr. DOUGLAS (for himself, Mr. GORE, Mr. MCCARTHY, and Mr. HARTKE) submitted supplemental views on House bill 5640, which were ordered to be printed.

REPORT ENTITLED "ACTION BY THE 85TH CONGRESS ON THE SECOND HOOVER COMMISSION REPORTS" (S. REPT. NO. 122)

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, I submit a report entitled "Action by the 85th Congress on the Second Hoover Commission Reports," prepared by the Subcommittee on Reorganization and International Organizations. I ask that the report may be printed.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Minnesota.

REPORT ENTITLED "SCIENCE PROGRAM—86TH CONGRESS" (S. REPT. NO. 120)

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, I submit a report entitled "Science Program—86th Congress," prepared by the Subcommittee on Reorganization and International Organizations. I ask that the report be printed.

Mr. President, these are two reports of the subcommittee of which I am privileged to be chairman, and I feel that my colleagues will find them to be very helpful.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Minnesota.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOLLAND:

S. 1491. A bill for the relief of Nicholas D. Vergis and his wife, Zafiro Vergis; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 1492. A bill authorizing the transfer of certain property of the Holston Ordnance Works (at Kingsport, Tenn.) to the State of Tennessee; to the Committee on Armed Services.

By Mr. GREEN:

S. 1493. A bill to amend title 10 of the United States Code in order to provide for the establishment of certain military bands by law; and

S. 1494. A bill to amend title 10 of the United States Code so as to exempt the leaders of certain military bands from mandatory retirement on account of age; to the Committee on Armed Services.

(See the remarks of Mr. GREEN when he introduced the above bills, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 1495. A bill to consolidate and revise the laws relating to employment of aliens in the several States and the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON (by request):

S. 1496. A bill to amend the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended; and

S. 1497. A bill to amend the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended; to the Committee on Interior and Insular Affairs.

By Mr. AIKEN:

S. 1498. A bill to amend the Internal Revenue Code of 1954 with respect to the situs of the home, for income tax purposes, of members of State legislatures; to the Committee on Finance.

(See the remarks of Mr. AIKEN when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 1499. A bill to provide full parity price support for basic agricultural commodities, limit support for basic and nonbasic commodities to $10,000 per producer, and repeal authority for marketing quotas; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 1500. A bill for the relief of Yee You Gee; to the Committee on the Judiciary.

By Mr. MCCARTHY:

S. 1501. A bill to permit Federal employees to repay indebtedness to or purchase shares of Federal credit unions through voluntary payroll deductions; to the Committee on Banking and Currency.

By Mr. SPARKMAN:

S. 1502. A bill to provide for adjustments in the annuities under the Foreign Service retirement and disability system; to the Committee on Foreign Relations.

By Mr. LANGER:

S. 1503. A bill for the relief of P. M. Eide; and

S. 1504. A bill for the relief of Junior Dale Lohr; to the Committee on the Judiciary.

S. 1505. A bill to require that provision be made in certain public buildings for the establishment of vending stands to be operated by blind persons, and for other persons; to the Committee on Public Works.

By Mr. SMATHERS:

S. 1506. A bill to provide increases in annuities of certain individuals retired prior to April 1, 1948, under the Civil Service Retirement Act of May 29, 1930, as amended, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON (by request):

S. 1507. A bill to make the Interstate Commerce Act, as amended, applicable to transportation by water between ports in the State of Alaska and other ports in the United States, and for other purposes;

S. 1508. A bill to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes; and

S. 1509. A bill to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. WILEY:

S. 1510. A bill to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ (by request):

S. 1511. A bill to provide for the annual audit of bridge commissions and authorities created by act of Congress, for the filling of vacancies in the membership thereof, and for other purposes; to the Committee on Public Works.

By Mr. ELLENDER (for himself and Mr. AIKEN) (by request):

S. 1512. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes; and

S. 1513. A bill to clarify the status of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the United States and its officers and employees, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. ELLENDER when he introduced the above bills, which appear under a separate heading.)

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 1514. A bill to amend the act of August 9, 1955 (69 Stat. 618); to the Committee on Interior and Insular Affairs.

By Mr. KEATING:

S.J. Res. 80. Joint resolution to invite the Chief Justice of the United States to address a joint session of Congress annually; to the Committee on Rules and Administration.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO CERTAIN MILITARY BANDS AND THEIR LEADERS

Mr. GREEN. Mr. President, I introduce, for appropriate reference, two bills to amend title 10 of the United States Code.

One of these measures would provide for the legal establishment of the U.S. Army Band, the U.S. Army Field Band, and the U.S. Air Force Band. These fine military bands are now established administratively by the Secretaries of the respective services, whereas the U.S. Navy Band and the U.S. Marine Band are established by statute. This bill would provide equal legal standing for all the major bands within the Military Establishment.

The second measure would provide that the band leaders of the major military bands, having attained the mandatory retirement age, may continue their services at the discretion of the President.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. GREEN, were received, read twice by their titles, and referred to the Committee on Armed Services, as follows:

S. 1493. A bill to amend title 10 of the United States Code in order to provide for the establishment of certain military bands by law; and

S. 1494. A bill to amend title 10 of the United States Code so as to exempt the leaders of certain military bands from mandatory retirement on account of age.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO RESIDENCE RULE OF MEMBERS OF STATE LEGISLATURES

Mr. AIKEN. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code so as to provide a realistic residence rule for business expense deductions of members of State legislatures.

The present law permits a member of a State legislature to deduct as business expenses his travel and living costs while away from home on legislative business. However, under the regulations and decisions, "home" is defined as the place where he engages in his regular business or profession, regardless of whether his place of abode is in the same locality. Therefore, if a legislator has no regular business, his service in the legislature is considered his principal business, and the State capital becomes his "home" for business expense deductions on his income tax.

This rule strikes particularly at persons who are in retirement, and directs a double blow at those who are receiving social security benefits. Let me give an example of what is happening in my own State of Vermont. It must be occurring in other States as well. A completely retired person—under age 72—who is receiving social security benefits can stay at home, do nothing, and continue to enjoy those benefits. Because of his standing in the community and his desire to perform a public service, he may be elected to the State legislature. Then his troubles begin. He pays the added living and travel costs as a legislator away from his home town, but cannot claim them as business deductions because the law has moved his "home" to the State capital. Hence the compensation which Vermont pays him as reimbursement for expenses becomes taxable income. Then comes the second blow. Because this compensation—without deductions—exceeds $1,200, though by not very much, the social security laws withdraw his old age benefits for that year.

The net practical result is that his legislative service costs him the amount of his withdrawn old age benefits and the income tax paid on the amounts intended to cover added living and travel costs.

My bill would correct this by placing the retiree-legislator on the same expense deduction basis as his colleagues who maintain business connections in their home towns and, probably, can better afford the costs of public service.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1498) to amend the Internal Revenue Code of 1954 with respect to the situs of the home, for income tax purposes, of members of State legislatures, introduced by Mr. AIKEN, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF AGRICULTURAL ACT OF 1949, RELATING TO PARITY PRICE SUPPORT FOR BASIC AGRICULTURAL COMMODITIES

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill which, in my opinion, if approved by the Congress and enacted, will go far toward solving the problems of the farmers of this country in such a fashion as to appeal to both the farmer and the consumer and to help the Government get out of the business of farming.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1499) to provide full parity price support for basic agricultural commodities, limit support for basic and nonbasic commodities to $10,000 per producer, and repeal authority for marketing quotas, introduced by Mr. MUNDT, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title I of the Agricultural Act of 1949 is amended to read as follows:

"TITLE I—BASIC AGRICULTURAL COMMODITIES

"SECTION 1. (a) The Secretary of Agriculture (hereinafter called the 'Secretary') is authorized and directed to make available through loans, purchases, or other operations price support to producers for any crop of any basic agricultural commodity at the parity price of the commodity.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401(b) hereof.

"(c) As a condition of eligibility for price support under this section for any commodity produced on any farm, the acreage on such farm devoted to crops for which price support is available shall be reduced during the calendar year in which such commodity

is harvested below the acreage normally devoted to such crops on such farm by an acreage determined as provided in this subsection. The Secretary shall for each calendar year on the basis of the past production of the farm, crop rotation practices, and other relevant factors, determine—

"(1) the acreage on the farm required to be devoted to crops for which price support will be available if the gross income for the farm from such crops is to equal $10,000; and

"(2) the acreage on the farm which normally would be devoted to such crops.

"The amount of reduction required by this section shall be 10 per centum of the acreage by which the acreage determined under clause (2) of this subsection exceeds the acreage determined under clause (1) of this subsection. The Secretary shall notify the farm operator of the amount of reduction required by this section, the acreages determined under clauses (1) and (2), and the crops for which price support will be available as early as practicable before the planting season. For the purpose of this subsection, acreage determined by the Secretary to have been diverted from the production of any commodity in order to carry out a contract entered into under the conservation reserve program shall be considered (A) acreage normally devoted to that commodity, and (B) acreage diverted from the production of that commodity. If the Secretary does not give notice or announce that price support will be available for a crop prior to the time such crop is planted on the farm, such crop shall not be regarded as one for which price support is available for the purposes of this subsection with respect to such farm."

SEC. 2. Title IV of the Agricultural Act of 1949, as amended, is amended by adding at the end of such title a new section as follows:

"SEC. 421. The total amount of price support made available under this Act to any producer for any year (including any price support made available to any other entity to the extent of such producer's beneficial interest therein as determined by the Secretary) shall not exceed $10,000."

SEC. 3. Subtitles B and C of title III of the Agricultural Adjustment Act of 1938 are repealed.

SEC. 4. This Act shall become effective beginning with commodities produced in 1960.

Mr. MUNDT. Mr. President, we read much in our newspapers and in many national publications these days about our ever-growing surpluses which the Federal Government is storing at the cost of $1.5 million per day. We hear and read much also about recommendations from various individuals and organizations about plans which would solve the problem of the family farmer. I hope this Congress will take the necessary action to face up to this problem and send to the President legislation which will help the family farmer attain the full parity of income to which he is entitled and which will start making realistic progress toward the permanent solution to our farm problem.

I introduce a bill which I feel would achieve these objectives. It will primarily benefit the family farmer and the family-size farmer only, but its overall effect should be helpful to farmers generally. I have long felt that our present and preceding programs, while giving support to all farmers, often made their greatest contribution to the well-being of those large farm operators who needed the least amount of help.

The bill which I am introducing provides price support at full parity on the basic crops, but limits price support on all commodities for any one producer for any one year to $10,000. Any commodities which the farmer sells over that amount would be sold on the open market and without the direct benefit of price supports. In other words, the small family-size operator would receive full parity price supports for $10,000 of his basic commodity production, which I believe is about the average income for what is known as a typical family-size farm operation.

My proposal would also do away with the many rigid rules and regulations on allotments and quotas which have been a source of irritation to our farm operators. In order to participate in the price-support program up to $10,000, the farm operator must agree to take out of production of price-supported crops at least 10 percent of the acreage by which the acreage normally devoted to such crops exceeds that required to produce $10,000. This acreage can be placed in the conservation reserve, or if not in the reserve, it must be diverted to non-price-supported crops. By taking this acreage out of production, there will not be unlimited planting and a continuous increasing of the surplus. By permitting the commodities to be sold on the market after the amount under support is cared for, farmers can expand their income by additional production once they have met their obligation of retiring 10 percent of their acres from production of price-supported crops. This should also aid in building a larger foreign market for American farm products. I hope, Mr. President, that the Senate Committee on Agriculture and Forestry will give consideration to this legislative proposal which, in my opinion, will maintain financial stability for the family farmer and make the bounty of our producers available for consumption instead of for storage. It should reduce the cost of the farm programs to the Government, while at the same time definitely increasing the net income of family-type farmers.

REGULATION OF TRANSPORTATION IN INTERSTATE AND FOREIGN COMMERCE TO, FROM, AND BETWEEN POINTS IN ALASKA

Mr. MAGNUSON. Mr. President, by request I introduce for appropriate reference a bill to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes. I ask unanimous consent to have printed in the RECORD a letter from the Chairman of the Interstate Commerce Commission requesting the proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1509) to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., March 6, 1959.

The Honorable WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: In reply to your letter of July 23, 1958, requesting the Commission's views concerning the regulation of transportation in interstate and foreign commerce to, from, and between points in Alaska upon its becoming a State, former Chairman Freas advised you by letter dated August 7, 1958, that the Commission would be able initially to administer the Interstate Commerce Act, and related acts, without the need for urgent legislation, that it would continue to study the matter, and, at a later date, submit recommendations for legislation which it deems necessary and desirable in the public interest, including a recommendation that the Government-owned Alaska Railroad be made subject to regulation by the Commission with respect to rates, service, and safety of operation. The Commission also stated on page 135 of its 72d annual report that it was keeping itself currently informed of the situation by means of continuing surveys, and that at a later date it would submit its recommendations, together with draft bills, to the Congress for its consideration.

As you may know, in the latter part of August the Commission sent a survey team, headed by Commissioner Walrath, to Alaska where in the principal cities and towns members of the team held conferences and open meetings with public officials, carriers, shippers, and other interested persons. The Commission, on November 1, 1958, also opened a field office in Anchorage to advise carriers, shippers, and interested public officials with respect to Federal regulation of motor transportation. In addition, an information bulletin was issued by the Commission for the guidance of those who would become subject to the Interstate Commerce Act, and related acts, upon the admission of Alaska as a State. A copy of that bulletin was transmitted to you for your information on November 14, 1958.

As a result of our further survey and studies we are convinced more than ever that there can be no effective regulation of surface transportation in interstate and foreign commerce within Alaska and between Alaska and the other States unless such transportation is subject to the same uniform regulation as similar transportation within and between all of the other States. In our previous correspondence and reports on this subject we pointed out that the Government-owned-and-operated Alaska Railroad, the principal transportation facility in Alaska, was not subject to regulation by any regulatory agency and that it would not become subject to the Commission's jurisdiction, nor, presumably, to that of the new State upon its admission into the Union.

We also pointed out in our prior communications that, under the Alaska Statehood Act, the Commission would have no jurisdiction over water transportation between ports in Alaska and other ports in the United States upon the admission of the Territory as a State. It further appears that the Commission also has no jurisdiction over

water transportation in interstate commerce between ports in Alaska over the high seas. Under the Statehood Act water transportation between Alaska and the other States by regular-route common carriers continues to be regulated by the Federal Maritime Board. The Federal Maritime Board does not issue certificates or permits authorizing water carrier operations. In fact, the Board exercises no regulatory jurisdiction over contract carriers by water nor over irregular-route water common carriers. A regulatory void therefore continues to exist with respect to water transportation between Alaska and other U.S. ports, and between Alaskan ports over the high seas, insofar as these carriers are concerned.

During its trip the Commission's survey team was unable to find any trace of freight forwarding or motor-carrier brokerage operations in Alaska. Thus, while one small rail carrier, the White Pass and Yukon Railroad (a Canadian carrier operating about 20 miles in Alaska) and water carriers operating in interstate commerce within Alaska (except over the high seas) are subject to the Commission's jurisdiction, and for all practical purposes motor transportation in interstate and foreign commerce is the only important operation in Alaska which has become subject to the Commission's jurisdiction since its admission to statehood. We believe it also important to point out in this connection that, insofar as we can determine, there are no present plans for the regulation of intrastate transportation by the new State, except possibly the transportation of persons by motor vehicle which was subject to some measure of regulation by the Territorial government.

With the competitive struggle between the Alaska Railroad and the motor carriers for the limited amount of traffic moving in Alaska, it is our view that there can be no effective or equitable regulation of surface transportation in the new State as long as one of the major competitive modes is subjected to a full measure of regulation while its chief competitor remains completely free from any regulatory control, either Federal or State. To allow this situation to persist is not, in our opinion, in the public interest since it will encourage and tend to perpetuate destructive competitive practices, contrary to the national transportation policy, and will have a serious adverse effect on the Alaska economy.

Failure to provide for regulation of a major competitive operation coupled with split or only partial jurisdiction with respect to two other modes is not conducive to simple or uniform regulation. Under the law as it now exists, a number of unusual and complex problems arise in connection with the movement of the bulk of the traffic between Alaska and the other States. On some of the traffic the Commission has jurisdiction over the motor movement at both ends or over the rail movement at the southern end, but none over the intervening water movement. On other traffic it has jurisdiction over the movement by water to ports at the southern end, but none (except to a limited extent over rail-water rates) over the subsequent water movement to Alaska and none over the movement by the major rail facility in Alaska. Within Alaska itself the Commission has jurisdiction over motor movements and water movements (except over the high seas) in interstate and foreign commerce, but none over movements by the Alaska Railroad. Contract carriage and irregular-route common carriage by water between Alaska and the other States, and between ports in Alaska over the high seas, like traffic over the Alaska Railroad is not, as indicated above, subject to economic regulation by any governmental agency.

It is highly doubtful that the public interest will best be served by such a regulatory patchwork. We therefore recommend to the Congress that all forms of surface transportation, and all carriers constituting parts of routes between Alaska and the other States, be brought within the same regulatory scheme under the Interstate Commerce Act. Draft bills designed to give effect to our recommendations in this connection (designated as draft bills A and B respectively) are submitted herewith for your consideration for introduction.

Draft bill A would, in brief, transfer from the Federal Maritime Board to the Commission jurisdiction over regular-route water common carriers operating in interstate commerce between ports in Alaska and other U.S. ports, and between ports in Alaska over the high seas. It would also subject to Commission regulation contract carriers and irregular-route common carriers by water operating between those ports. Since the Maritime Board regulates as water carriers certain persons who do not operate vessels, but who appear to be in the category of freight forwarders as defined in part IV of the Interstate Commerce Act, the proposed amendments are also designed to place each operator in its proper category. "Grandfather" rights are provided for the protection of such carriers and persons.

Draft bill B would amend the so-called Alaska Railroad Act (48 U.S.C., sec. 301) to provide that, effective 180 days after the enactment of the proposed amendment, the Alaska Railroad shall become subject to the provisions of part I of the Interstate Commerce Act, and related acts, except that the Commission's approval would not be required for the extension of its lines or for the issuance of securities. The proposed amendment would also subject the Alaska Railroad to acts relating to the safety of railroad operations and the statute commonly known as the Transportation of Explosives Act (18 U.S.C., secs. 831–835).

Also submitted herewith is draft bill C, in respect of which we particularly urge your early consideration for introduction and for early action by the Congress. This proposed bill would provide grandfather rights for motor carriers and freight forwarders operating to, from, and within Alaska in interstate or foreign commerce, and for water carriers operating in interstate commerce within Alaska, except for water carriers operating between Alaskan ports over the high seas. These are the carriers which became subject to the Interstate Commerce Act and related acts upon the advent of Alaskan statehood. Except for seasonal operations or interruptions in service over which a carrier had no control, the critical date of the grandfather provisions is August 26, 1958, the date on which the people of Alaska voted in favor of statehood.

With the exception of freight forwarders, ever since the enactment of the Motor Carrier Act, 1935, it has been the consistent policy of the Congress to provide grandfather rights to existing carriers whenever the Interstate Commerce Act has been extended to additional carriers. It is our opinion that similar grandfather provisions should be enacted for the protection of those carriers, including freight forwarders, which became subject to the Interstate Commerce Act, and related acts, by reason of the admission of Alaska to statehood.

Draft bill C is also designed to clarify the status of motor carriers operating between points in Alaska and the other States through Canada. In addition, it would amend section 418 of the Interstate Commerce Act to authorize freight forwarders to utilize the services of the Alaska Railroad and water carriers operating between ports in Alaska and other ports in the United States, and between ports in Alaska over the high seas, which they cannot lawfully do under existing law.

The Commission would appreciate your assistance in introducing these bills and giving them early consideration. If there is anything further the Commission can do in this respect, please advise.

Sincerely yours,

KENNETH H. TUGGLE,
Chairman.

INCREASED EXPENDITURES, FISCAL YEAR 1959, UNDER SPECIAL MILK PROGRAM

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

Mr. President, I have been informed by my colleague from Wisconsin in the House, Representative JOHNSON, that the House has passed H.R. 5247, an identical bill, to increase the maximum expenditure for special milk programs not to exceed $75 million for 2 fiscal years.

Mr. President, I ask unanimous consent that the bill introduced by me and excerpts from the House committee report be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and excerpts from the House report will be printed in the RECORD.

The bill (S. 1510) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85–478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed $78,000,000, and for each of the two fiscal years thereafter, not to exceed $75,000,000 of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

The excerpts from the House report presented by Mr. WILEY are as follows:

PURPOSE

The purpose of this bill is to increase by $3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program authorized by section 201(c) of the Agricultural Act of 1949 and Public Law 85–478. The law now authorizes the use of not to exceed $75 million of CCC funds for this program during the current fiscal year. From a survey just completed by the Department of Agriculture, it appears that somewhat more money will be required to continue the program at its present level for the remainder of the fiscal year. This bill, accordingly, authorizes the Secretary to use up to $78 million of CCC funds for the program during this fiscal year. It is to be noted that the authorization is permissive. The Secretary will use the additional funds only to the extent necessary to continue the program at its prevent level.

HISTORY OF THE PROGRAM

The special milk program was first authorized in the revised dairy price support pro-

visions of the Agricultural Act of 1954 which was enacted into law in August of that year. The details of the program were announced by the Department in early September, as schools were about to open for the fall term. Despite the short time available to State educational agencies and individual schools to lay plans for a new or enlarged milk service, over 41,000 schools entered the program that first year. Almost 450 million half pints were distributed under the program and expenditures totaled $17.1 million.

The original program was limited to schools, and after consultation with both dairy and school officials, major modifications were made in the program for its second year of operation. These modifications were undertaken, first, to permit a more effective use of CCC funds in reducing prices to children and, second, to provide for additional simplifications in records and reports at the school level.

The modified program was immediately successful and the volume of milk moving under the program increased more than threefold in the second year—to almost 1.4 billion half pints. The number of schools increased from 41,000 to 62,000 and the expenditure of CCC funds rose from $17.1 million to almost $46 million in fiscal year 1956.

The program provisions for schools—where milk is sold as a separately priced item—has continued unchanged since the second year of operation. Within the maximum rates established by the Department, these schools are reimbursed for reducing the selling price to children below the cost of the milk and for the expenses they incur in distributing the milk (such as the purchase of milk service equipment, labor, straws, etc.). From the outset the maximum rate of reimbursement has been 4 cents per half pint for schools participating in the national school lunch program, but they do not receive any payment for the half pint of milk that is served as part of a type-A lunch. Schools not participating in the national school lunch program can receive up to 3 cents per half pint for the milk served to children.

The legislation passed in 1956, which continued the program through June 30, 1958, also extended it to nonprofit summer camps, settlement houses, and other child-care institutions. About 3,000 camps participated in the program last summer and reimbursements totaled about $650,000. Although camp and institutional operations are small in relation to the school program, the program has made it possible for these groups to provide a much more adequate milk service for children.

The following table shows the growth of the program from its inception through fiscal year 1958. It is estimated that there are approximately 80,000 schools and other outlets participating in the program in the current (1959) fiscal year.

It is the belief of the committee that some States may not use quite all the funds available to them so that there will be some small amount which can be allocated to other States, thus permitting the full program to be carried out with the $3 million additional authorization contained in the bill as amended, although the State estimates add up to a deficit of approximately $380,000 more than that amount.

The committee emphasizes that the additional $3 million is merely an increase in the authorization and will be used only to the extent that the Secretary finds it necessary in order to carry out the program as presently scheduled.

DEPARTMENTAL POSITION

Witnesses for the Department of Agriculture appeared at the hearing on this matter and frankly outlined the rapid growth of the special milk program and the apparent need for more funds than presently provided to carry out this year's program. They did not request the additional authorization contained in this bill but held out the hope that the program could be contained within the present maximum authorization by adjustment or, if necessary, curtailment of the State programs.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

PUBLIC LAW 85-478, 85TH CONGRESS, S. 3342, JULY 1, 1958

An act to continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for [each of the three fiscal years in the period beginning July 1, 1958, and ending June 30, 1961] *the fiscal year beginning July 1, 1958, not to exceed $80,000,000, and for each of the two fiscal years thereafter,* not to exceed $75,000,000 of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. Amounts expended hereunder and under the authority contained in the last sentence of section 201(c) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price-support program.

PROPOSED LEGISLATION RELATING TO FARM CREDIT

Mr. ELLENDER. Mr. President, on behalf of myself and the senior Senator from Vermont [Mr. AIKEN], I introduce, for appropriate reference, two farm credit bills, one relating to the Federal land bank system and the other to the status of all farm credit banks—Federal land banks, Federal intermediate credit banks, and banks for cooperatives—and their employees under various Federal laws.

The bill relating to the Federal land bank system provides for the transfer of the responsibility for making appraisals for land bank loans from the Farm Credit Administration to the Federal land banks. After more than 40 years experience, it is believed that the land banks are ready to assume this responsibility and that their doing so will improve the efficiency of their lending service. There would also be transferred to to the land banks the staff of appraisers now employed by the Farm Credit Administration, except for a small number who would be retained by the Farm Credit Administration to establish appraisal standards and to see that the bank appraisers follow those standards in making their appraisals. The other bill would simply clarify the status of the farm credit banks and their employees in relation to the various laws relating to the United States and its employees. The need for this has been commented upon by both the Comptroller General and the Civil Service Commission.

The proposed legislation would give the boards of directors and officers of the farm credit banks in each of the 12 districts greater responsibility and authority for the management of the banks, in accordance with the policy of the Farm Credit Act of 1953. The 1953 act established two important objectives for the cooperative Federal farm credit system: First, to encourage and facilitate increased borrower participation in the management, control, and ultimate ownership of the farm credit banks and local associations of the system; and second, to provide means for the retirement of the remaining Government capital in the system. The Farm Credit Acts of 1955 and 1956 provided most of the legislation needed to accomplish those objectives. These two bills are needed fully to carry out the objectives which the Congress set for itself in 1953, to improve the efficiency of the lending service and to clarify the application of certain Federal laws.

With a few exceptions, the appraisers who would be transferred under the land bank bill are now in the competitive civil service and all of them are covered by the civil service retirement program. Upon their transfer to the Federal land banks, the appraisers would be subject to the same employment conditions as other bank employees and would continue under the civil service retirement program as long as they work for the banks. The appraisers involved in the transfer are now located in the field and each would continue to work in the same farm credit district in which he is now located. The appraisers would be transferred at their present salaries and all leave accumulations would be transferred with them. Thus, the bill itself would preserve the rights of those appraisers involved in the transfer.

The second bill would clarify the present uncertain status of the employees of all farm credit banks. They are now regarded as Federal employees for purposes of some Federal laws and not for others. They are presently in schedule A of the excepted civil service and are under the civil service retirement program. Their salaries, however, are paid directly by the banks from their earnings and not from U.S. Treasury funds.

This bill would declare the farm credit bank employees to be non-Federal, except that all those covered by the civil service retirement program on the effective date of the legislation would continue under such retirement program as long as they are employed by the banks. Thus, no employee of these banks would be denied any retirement or related rights under the terms of the bill. On the contrary, their present uncertain status under the civil service retirement program would be resolved so as to assure their continued coverage thereunder.

Under present law, the banks and their employees are federally supervised by the Farm Credit Administration, the Federal agency responsible for overall supervision of the farm credit system. Such responsibility for supervision would continue undiminished under the terms of these bills.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. ELLENDER (for himself and Mr. AIKEN) (by request), were received, read twice by their titles, and referred to the Committee on Agriculture and Forestry, as follows:

S. 1512. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes; and

S. 1513. A bill to clarify the status of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives and their officers and employees with respect to certain laws applicable generally to the United States and its officers and employees, and for other purposes.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1959— AMENDMENT

Mr. MCNAMARA (for himself, Mr. CLARK, Mr. HART, Mr. MURRAY, Mr. MANSFIELD, Mr. MORSE, Mr. NEUBERGER, Mr. GREEN, Mr. GRUENING, Mr. BYRD of West Virginia, Mr. RANDOLPH, Mr. HUMPHREY, Mr. MCCARTHY, Mr. DOUGLAS, Mr. KENNEDY, Mr. WILLIAMS of New Jersey, Mr. PASTORE, and Mr. HARTKE) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, which was ordered to lie on the table and to be printed.

NEED FOR BETTER STATE PARK SYSTEMS IN PUBLIC LAND STATES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 16, 1959, the names of Senators BIBLE, CANNON, and ALLOTT were added as additional cosponsors of the bill (S. 1436) to amend section 1 of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C., sec. 869), introduced by Mr. BENNETT on March 16, 1959.

INCORPORATION OF AGRICULTURAL HALL OF FAME—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of March 18, 1959, the name of Mr. CASE of South Dakota was added as an additional cosponsor of the bill (S. 1449) to incorporate the Agricultural Hall of Fame, introduced by Mr. CARLSON on March 18, 1959.

STANDING COMMITTEE ON VETERANS' AFFAIRS—ADDITIONAL COSPONSORS OF RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent that at such time as the resolution (S. Res. 19) to establish a Standing Committee on Veterans' Affairs in the Senate, submitted by me on January 12, 1959, is reprinted, the names of the Senator from New Jersey [Mr. CASE], and the Senator from New York [Mr. JAVITS] may be added as cosponsors.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CHANGE OF REFERENCE

Mr. DOUGLAS. Mr. President, Senate bill 1188, for the relief of Herman E. Tenzler, Ernest Gallo, and Julio R. Gallo, is now pending before the Committee on the Judiciary. At a recent meeting of the committee this bill was considered and, as a result thereof, the committee authorized and directed the chairman to request that the Committee on the Judiciary be discharged from further consideration of this bill since it involved tax matters and certain specifically named sections of the Internal Revenue Code of 1954, which more properly comes within the jurisdiction of the Committee on Finance.

Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of S. 1188, a bill for the relief of Herman E. Tenzler, Ernest Gallo, and Julio R. Gallo.

Mr. KEATING. Mr. President, reserving the right to object, that matter has been cleared, I take it, with the committee?

Mr. DOUGLAS. Yes, that is correct.

The PRESIDING OFFICER (Mr. DODD in the chair). Without objection, it is so ordered.

PRINTING AS A SENATE DOCUMENT THE PRELIMINARY REPORT OF PRESIDENT'S COMMITTEE TO STUDY MILITARY ASSISTANCE PROGRAM (S. DOC. NO. 18)

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed as a Senate document, the preliminary report of the President's Committee To Study the Military Assistance Program, together with the letter of transmittal.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF REVIEW ON KEWAUNEE HARBOR, WISCONSIN, (S. DOC. NO. 19)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated February 2, 1959, from the Chief of Engineers, Department of the Army, together with accompanying papers and an illustration, on a review of report on Kewaunee Harbor, Wisconsin, requested by a resolution of the Committee on Public Works adopted May 24, 1956. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JOHNSON of Texas:

Letter from Representative JAMES C. WRIGHT, JR., carrying an Easter message.

By Mr. CAPEHART:

Newsletter on four major problems facing the Nation, released by him on March 23, 1959.

By Mr. PROXMIRE:

Press release concerning address delivered by Representative REUSS, of Wisconsin.

SENATOR JAMES E. MURRAY, CHAMPION OF THE AMERICAN INDIAN

Mr. MANSFIELD. Mr. President, many of us here in the United States Senate represent constituencies partially made up of Indian populations. The Indian tribal groups in this country have the greatest heritage of any ethnic group in the United States, yet they are in many instances forced to live under the most impoverished conditions and because of the social strata in which they live they have not had the opportunity to improve themselves.

The present Federal Indian policy has not, in my estimation, done too much to improve this situation; that policy has been one of trying to push termination and relocation too fast and too soon. Too little attention is being given to economic development and improvement of health standards.

In recent months Federal Indian policy appears to have shifted into lower gear. But if Senate Concurrent Resolution 12 can be adopted, the future for the American Indian will become brighter. The leader and undisputed champion of the rights and interests of our Indians is the distinguished senior Senator from Montana and chairman of the Senate Interior and Insular Affairs Committee, JAMES E. MURRAY.

Senator MURRAY has for many years been the counselor and confidant of the Indian Tribes in our State of Montana, as well as the entire West. Under his leadership much has been done to improve living conditions on reservations; and under his continued leadership, with the excellent cooperation of the able chairman of the Senate Interior Subcommittee on Indian Affairs, the junior Senator from Oregon [Mr. NEUBERGER], they will see that greater opportunities are offered to our Indian brothers. The Indian is America's first citizen, and Senator MURRAY will do his utmost to see that the Indian people can assume this role with pride and confidence.

A recent comprehensive study of Indian land sales is only one example of the fine reappraisals of our Federal Indian policy under the guidance of Senator MURRAY.

Mr. President, I ask unanimous consent to have a portion of the February 1959 issue of Indian Affairs, entitled "Senator MURRAY Reports," printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SENATOR MURRAY REPORTS

Conspicuous among the men who are trying to make Federal Indian policy conform to Indian aspirations are Senator JAMES

MURRAY, of Montana, chairman of the Senate Committee on Interior and Insular Affairs, and Asisstant Secretary of the Interior, Roger L. Ernst. We invited each of them to speak in this newsletter. Senator MURRAY sent us the article which appears as our lead story. We are privileged to print it. Secretary Ernst was in Arizona when we asked his office for a communication for our readers. Through his office we received the statement that we are happy to print on our editorial page.

Individual Indian trust land alienation is passing out of Indian ownership at a potentially disastrous rate.

Under a Federal policy of recognizing and speeding applications for sale of lands allotted to Indians more than 70 years ago, the past 10 years have seen a decrease in individually owned Indian trust land of 3,307,217 acres, while tribal trust land increased by 1,213,307 acres. The net loss of trust land to the American Indian was 2,093,909 acres. More than 1 million acres were lost in the Billings, Mont., and Aberdeen, S. Dak., areas alone. Also, of 529,991 acres set aside for Indians in the United States 140,350 acres are not being used for the benefit of the Indians. During the 10-year period, 1954 was a peak year for sales of individual Indian trust land, when nearly 600,000 acres were removed from all trust status.

These facts emerge from an 800-page report, "Indian Land Transactions: An Analysis of the Problems and Effects of our Diminishing Indian Land Base, 1948–57," published December 1 by the Committee on Interior and Insular Affairs. The report was in the form of a memorandum of the Honorable JAMES E. MURRAY, of Montana, Chairman of the Senate Committee on Interior and Insular Affairs to the whole committee.

Senator MURRAY'S statement points out that few studies seem to have been made at the Bureau of Indian Affairs' level on the subject of the effects of its land policy; that bureau field officials do not follow uniform procedures in passing on applications by individual Indians for the sale of their land, and that this situation is not in keeping with the Federal Government's and the Bureau's position as caretakers of Indian trust land. The MURRAY statement also said that Indian tribes should have the benefit of competent advice and competent studies by the Bureau's professional staff.

Twelve pages of charts are included, illustrating removal of land from all trust status in the various area offices of the Bureau of Indian Affairs. Data in tabular form are also available on the answers to the questionnaire on the subject of land sales sent to area directors and superintendents in April last year. For purposes of the questionnaire a moratorium on land sales was granted on May 28 by the Bureau for the balance of the congressional session.

Analysis of committee data was made by the Legislative Reference Service of the Library of Congress.

A STATEMENT BY HON. JAMES E. MURRAY

"To the Members of the Senate Committee on Interior and Insular Affairs:

"During the past 4 or 5 years there has been grave concern over the increasing alienation of Indian lands from trust status. I was keenly aware of the situation in my own State of Montana and was informed that a similar situation existed in other States. The major apprehension is that decreases in the Indian land base will seriously impair the effective use of Indian tribal and individual trust land in terms of economic land units.

"Finding that detailed statistics on the extent of Indian trust land disposals were not available in Washington, I arranged for the formulation of a questionnaire which would provide the committee with the necessary data for more adequate study. On April 17, 1958, the questionnaire was sent to 52 agency offices and the tribual organizations of those agencies.

"On May 13, 1958, I requested the Secretary of the Interior to declare a moratorium on Indian trust land sales until such time as this committee might complete its investigation of the situation and initiate recommendations for legislation or other measures. On May 28, 1958, Acting Secretary of the Interior Hatfield Chilson informed me that the requested moratorium would be in effect for the balance of the congressional session. The moratorium would not apply to the Klamath Reservation of Oregon because the trust status of all allotted lands would terminate there on August 13, 1958, and the termination law specifically provides for departmental assistance to these Indians in the sale of their heirship lands.

"The preliminary committee study elicited some of the most detailed statistical data that has been collected in recent years concerning Indian trust land. Tribal trust land increased by 1,213,307.41 acres during the 10 years studied (1948–57), while individual trust land decreased by 3,307,217.38 acres, resulting in a net loss of 2,093,909.97 acres of trust land to our Indian population. The greatest losses took place within the Billings and Aberdeen areas with Billings alone accounting for a loss of over 1 million acres of individual Indian trust land.

"The study did not stop at this point but showed the various means by which the land was removed from trust status. Total acreage removed from individual trust (3,307,217.38) included lands that were sold to the tribes and presumably remained in trust status, thus not representing a direct loss to our Indian population. The prime objective of this study concerned the individual acreage removed from all trust status, so the statistics were refined to include only 'sales to fee' and 'fee patent,' indicating complete removal from trust. Lands in these categories are individually owned trust lands. Under 'sales to fee' the land is sold directly from trust status with the fee patent issued to the buyer. On the other hand, lands categorized as 'fee patent' are those for which the Indian owner was issued a fee patent. In both cases the Bureau of Indian Affairs' responsibility ceases with issuance of the patent. During the 10-year period studied (1948–57), 2,595,413.66 acres of individual trust land were completely removed from all trust status. After subtracting the land acreage in the category of 'takings for public purposes,' the figure emerges as 2,174,517.85 acres removed from individual trust status through actions or approvals of the Bureau of Indian Affairs. Therefore, at the outset the questionnaire verified two major points: (1) An alarming acreage of individual Indian trust land has been removed from that category during the 10-year period and (2) 'takings for public purposes' and 'sales to tribes' were not the major areas of removal. After dividing the period under study into two 5-year segments I found that while 804,763.84 acres were removed from 1948 to 1952, inclusive, the period from 1953 to 1957 alone shows 1,790,649.82 acres were removed. This shows that my concern at the outset of this study was well founded—individual Indian trust land alienation is climbing at a potentially disastrous rate. The statistics by year for Indian trust land removed from that status are as follows:

"1948	99,121.36
1949	152,175.11
1950	100,546.84
1951	295,000.64
1952	157,919.89
1953	302,650.44
1954	575,778.41
1955	388,777.89
1956	235,627.72
1957	287,815.36

"The magnitude of these removals raises a question as to whether the Indian Bureau has exercised its authority wisely in granting so many applications for sales and patents. Has the Bureau fully considered the possible adverse effects on both the tribe and individuals in each case? I feel this question can only be satisfactorily answered by further investigation of the committee.

"One of the important aspects of the Indian land problem concerns key tracts generally considered Indian trust lands, which, if sold, would reduce the value and use of surrounding Indian trust land. In view of the fact that sale of key tracts has a direct and important bearing on the entire Indian land problem, the inadequacy of the Bureau returns were quite discouraging. Major problems encountered on this point were: (1) Lack of clarity in the Bureau returns, (2) varied understanding as to the meaning of the term 'key tract' by Bureau officials, (3) lack of sufficient returns from the tribes, and (4) confusion over the responsibilities of Bureau versus tribal personnel. Answers to various questions on the subject such as '* * * since 1953 there were not very many,' are impossible of interpretation. However, as stated in the Library of Congress analyses '* * * a much clearer picture is needed of the problem and methods of ascertaining accurate data from which a more conclusive analysis can be made.' I suggest the committee use this information as the basis for future consideration of the problem.

"Another aspect concerning the general land problems of our Indians concerns those Federal lands acquired since 1930 for the use and benefit of our Indian population. As you know, part of our questionnaire was intended to develop not only the total acreage of such lands still in Federal ownership but how much is actually being used for the benefit of Indians at this time. There are 529,991.17 acres of such land now set aside for the Indians, and of this acreage 389,640.80 acres are currently being used by our Indian population, leaving a balance of 140,350.37 acres not being used expressly for the Indians' benefit.

"Bureau of Indian Affairs

"Applications for sale to fee status or patents-in-fee filed by individual Indians are a source of concern not only to the various tribes, but to fellow Indians owning nearby trust land. It is at this stage that our problems of tribal land acquisition programs and key tracts enter the picture. It is at this point also that the effectiveness of Bureau operations is most felt, since its decision is so all important to other Indian owners of trust land. Reforms to our questionnaire show that the Bureau field officials do not follow the uniform procedures in passing on an application for sale or fee patent. In some cases a fairly detailed study is made, while in others the application is simply brought to the attention of the tribe. This is not in keeping with the position of the Federal Government, and the Bureau of Indian Affairs in particular, as guardians and caretakers of Indian trust land. Primary responsibility for decisions in this area resides with the Bureau of Indian Affairs, and while the tribes should certainly be made aware of all such action they should also have the benefit of advice and competent studies of the Bureau's professional staff. The committee might consider recommendations to the Commissioner of Indian Affairs concerning more specific instruction and regulations for the guidance of field officials. Such regulations would help to bring about a more adequate assumption of their guardianship responsibilities by Bureau field officials and would undoubtedly be of assistance to the tribes.

"While the Bureau's stated policy has been to study the 'key tract' problem, our material indicates a very confused situation among

Bureau field officials who seem to have varying interpretations of what is meant by the term. It is my thought that the committee consider suggesting to the Commissioner of Indian Affairs that a much more specific definition of the term is needed for the guidance of field officials. Such definition might take into consideration tracts that may be 'key' to (1) tribal land acquisition programs, (2) surrounding tribal trust land, and (3) adjacent individual Indian trust land. It would seem appropriate that such a definition would be formulated with the most beneficial utilization of surrounding tribal and individual Indian trust land in mind.

"I might bring it to the committee's attention that the study shows Bureau field officials and employees are diligently striving to assist the Indians, but are operating under somewhat of a handicap for lack of more specific direction from both the area and central offices. While I understand that regulations cannot be so stringent as to leave the field official entirely without necessary flexibility, nevertheless, they should not be so vague that various agencies are operating by entirely different methods and standards. Perhaps the committee should consider recommendations to the Commissioner which would lead to more specific regulations concerning Indian land sales activities of the Bureau. Such a coordination of Bureau activities would undoubtedly assist in creating a closer cooperation between tribal and Bureau officials at the agency level.

"Tribal councils

"While I found that some tribes had organized land acquisition programs and active real-estate committees, many others had not. The committee might consider the possibility of recommending that tribal councils organize such activities and also make a study of individual trust lands in their area. These actions could serve several purposes: (1) The Congress would have adequate up-to-date information concerning tribal land problems and planning, (2) the Bureau of Indian Affairs would have a guide indicating the objectives of the tribe in rounding out their land base, (3) the tribe and the Bureau would profit by agreeing on key tracts before individuals apply for fee patents or sales to fee status, (4) a closer cooperation and understanding of each other's problems would result between tribal and Bureau officials. It is hoped that should the committee make such a recommendation the Bureau of Indian Affairs will assist the various tribes in their planning and also cooperate with them in all future transactions.

"Committee

"I strongly recommend that the committee continue this valuable study and develop more fully the problem areas that have been brought to light.

"JAMES E. MURRAY,
"Chairman."

FEDERAL POLICY IN LOWER GEAR

With a hardly perceptible whirring of bureaucratic machinery, the Bureau of Indian Affairs by January of this year was obviously being shifted to a new, lower gear in its movement toward termination of Federal protection of Indian tribes.

A softening of its regulations on credit to tribes seeking to consolidate land programs to improve cattle operations, and to develop other economic opportunities for themselves was one indication of a Federal stay of a paternal hand which had been pushing the tribes so rapidly toward pseudosolutions of their economic problems that it was doubtful Indian communities could continue to survive.

Indian-interests organizations, and some reservation officials of the Indian Bureau still hoped for a comprehensive, down-the-line enunciation of the Bureau's new overall goal. As it was, they were still having to depend upon recent isolated evidences of an Indian policy change as confirmation of Interior Secretary Fred A. Seaton's statement last September that:

"No Indian tribe or group should end its relationship with the Federal Government unless such a tribe or group has clearly demonstrated, first, that it understands the plan under which such a program would go forward; and, second, that the tribe or group affected concurs in and supports the plan proposed."

The evidences of policy softening were discernible in a December grant of $500,000 from the Indian Bureau's revolving loan fund to the Rosebud Sioux Tribe of South Dakota for their land consolidation program, and a similar grant promised soon thereafter to the Oglala Sioux at Pine Ridge. Then, on December 17 came announcement of an increased loan program to help Alaska natives modernize their fishing fleets, followed on December 31 by word from the Secretary of the Interior that protection of Indian land would be extended for an additional 5 years. Since 1951 such extensions had been limited to 1 year.

The Bureau of Indian Affairs had made plain in a statement on May 15 by Commissioner Glenn L. Emmons that that agency was aware of the poverty of many tribes which makes it impossible for them, unaided, to use their land and other resources to the fullest extent possible, and this statement said, explicitly.

"Many, perhaps most of the tribes, do not now have the financial resources needed for a substantial land purchase program. The Department and Bureau are now working to develop legislative proposals which we believe will go a long way toward eliminating these deterrents."

This policy statement on regulations governing the sale of Indian lands was one of the first indications that a modification was in process of the Interior Department's 5-year-old contention that it had no responsibility to help the tribes preserve the land base of their communities by buying up land that poverty was forcing individual Indians to sell. As recently as this spring the Department had told one destitute tribe which applied for such help that the Government could not solve the problem of individual Indian land sales, and had advised the tribal leaders to persuade their needy people to be public-spirited and not convert land into cash.

At that time there was no public evidence that the Department was coming to accept the idea that loans from the revolving loan fund could be used to help tribes preserve land in Indian ownership without violating the right of individual Indians to sell it.

In that same month of May 1958 Senator JAMES E. MURRAY, of Montana, had asked for and received from the Department of the Interior a moratorium on sales of Indian lands in order to circularize the tribes and Indian Bureau superintendents with a questionnaire on the effects of the sales of reservation land over a 10-year period, from 1948 to 1957, upon the economy of the Indian reservations. The results of the questionnaire, published elsewhere in this newsletter, have just been released. Unquestionably, even the fact that the study was under way has had the effect of making the Department of the Interior top echelon officials look more closely at the interpretation of Government Indian policy by its Bureau of Indian Affairs.

The association had already expressed hope after the September policy enunciation of Interior Secretary Fred A. Seaton, that subsequent events would prove him to be master in his own house, but warned that the policy would have to be tested. In the latest Interior Department pronouncement (Dec. 31) on the subject of termination, extending trust restrictions from 1 to 5 years, a release from the Department points out:

"Secretary Seaton said the new order reemphasizes the Department's recent reiterated policy of taking all precautions against ending Federal supervision over Indians before they are competent to end their status as Federal wards."

As Senator MURRAY's new report, "Indian Land Transactions" to the Senate Committee on Interior and Insular Affairs revealed, there was, in his opinion, good cause to question the judgment of the Indian Bureau in permitting so much of the land base of the Indian tribes to be dissipated, or to lie idle and unproductive for the Indian economy. Possibly stemming from that criticism, the December release of the $500,000 grant to the Rosebud Sioux from the Bureau's revolving loan fund pointed up the fact that ability to obtain credit for land, cattle, and other business operations is crucial to the success of any Indian endeavor to plan for a community future, and that the Government recognizes this fact.

Avenues of credit open to the reliable non-Indian are closed to many Indian land and cattle operators, particularly if expansion of their enterprises threatens to compete with that of a neighboring non-Indian operator.

The Bureau of Indian Affairs' order on December 31, extending for 5 years the period of trust over Indian lands, gave to Indians a long-wished-for surcease from the fear which has mounted at each year's end in the hearts of the tribes under executive control, when the question of continuation of their previous 1-year renewal of restrictions against immediate alienation of their lands came up for review. Lands protected by the Indian Reorganization Act were already under trust restrictions, but for allotted Indian lands on which restrictions were scheduled to expire in 1959, the order was an unexpected reprieve from the fall of the bureaucratic ax.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I am glad to yield.

Mr. JOHNSON of Texas. Mr. President, I wish to associate myself with everything the distinguished junior Senator from Montana has said. One of the really enjoyable things about serving in the Senate is to observe the relationship between the very able, progressive senior Senator from Montana [Mr. MURRAY] and the delightful, intelligent junior Senator from Montana [Mr. MANSFIELD].

As all of us know, no person who serves in this body is more beloved than JIM MURRAY; and it always pleases me to see his junior colleague [Mr. MANSFIELD] recognize the great contributions that JIM MURRAY makes to the Senate as an institution and to the country as a nation.

Mr. MANSFIELD. Mr. President, I wish to express my thanks to the distinguished majority leader for his remarks, and also to thank him for his recognition of the talents, ability, and leadership shown by my distinguished colleague, the senior Senator from Montana [Mr. MURRAY].

Mr. MURRAY. Mr. President, I wish to thank the junior Senator from Montana [Mr. MANSFIELD] for his generous remarks regarding my efforts on behalf of the rights and interests of our Indians. I also thank our leader, the Senator from Texas [Mr. JOHNSON], for the very kind remarks he has made concerning my efforts on behalf of our Indian citizens. I

feel quite overcome by the generosity of his statement.

I assure him that I am merely trying to do what is right and fair and just, and in this effort I have the fine cooperation and support of my colleague [Mr. MANSFIELD]. I am sure he approved of everything I have tried to do for the Indians; and I thank him for the able advice and help he has contributed in this field.

THE WILDERNESS ACT AND INDEPENDENCE OF THE MONTANA CHAMBER OF COMMERCE FROM THE CHAMBER OF COMMERCE OF THE UNITED STATES

Mr. MURRAY. Mr. President, I rise to salute the Montana Chamber of Commerce for declaring its independence from the U.S. Chamber of Commerce.

A letter I have just received from the executive vice president of the Montana Chamber of Commerce states the following:

> Regarding the U.S. chamber references showing their statements on the Wilderness Act and outdoor resources study, I will again clarify our position in relation to this national organization. The Montana Chamber of Commerce is not dominated by the U.S. Chamber of Commerce and does not give them a blanket endorsement of their policies. In fact, we have written them to the effect not to include a mention of us only as we authorize a statement. On many issues we may agree. On quite a few, however, we have disagreed with the national chamber. Our own policies are set by our own board or membership on each issue as we are able to study it. We have taken no position as yet on the Wilderness Act. I review this so you will not associate us with any statement made by the U.S. Chamber of Commerce except as authorized by us. They do not express our policy on the outdoor resources study.

I know for a fact that many of the fine members of local and State chambers of commerce do not realize that the U.S. chamber sometimes expresses views which the local and State leaders do not endorse. Perhaps other Members of Congress may wish to ascertain whether the U.S. Chamber of Commerce speaks also for their State chambers.

A SOUND U.S. ECONOMY IS THE BULWARK FOR THE DEFENSE OF THE FREE WORLD—ADDRESS BY SENATOR BUTLER

Mr. BUTLER. Mr. President, the Amen Corner of Pittsburgh includes in its membership many of the leading business and professional men in the tri-State area of which Pittsburgh is the center.

It was my privilege to address its annual dinner on Saturday, March 21. My remarks included some discussion of the Federal taxes paid in 1957 by the 44 largest industrial corporations, which were ranked by sales in the July 1958 issue of Fortune magazine, as these taxes related to the financing of our mutual security program.

Since 1957 there has been a marked decline in the tax liabilities of American business; and perhaps today it would require a great many more than 44 of our larger corporations to meet these costs.

I ask unanimous consent to have printed at this point in the body of the RECORD the speech which I had the pleasure to deliver before this distinguished gathering, and immediately thereafter the tabulations upon which my comments with respect to the taxes to finance mutual security expenditures are based.

There being no objection, the address and tabulations were ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR BUTLER

It is a great honor for me to address this distinguished gathering representing the business and professional leaders in the tri-State area centering on Pittsburgh.

I take great satisfaction in coming here to participate in your annual program, since you have demonstrated what private enterprise can accomplish through its own efforts in the redevelopment of a community. The magnificent new buildings which have been erected in Pittsburgh in recent years and the great plans which you have made for the future are a tribute to the leadership and foresight of your industrialists, citizens, and the Government administrators of both political parties.

There are many proposals before the Congress to establish programs involving huge grants for urban renewal which would call for large expenditures by the Government with a minimum of local participation. Your achievement in eliminating blighted areas and in the reestablishment of your municipal tax base shows that urban renewal must begin at home rather than in Washington. To be sure, there are some contributions which can properly be made by the Federal Government, but they are limited. The planning and the initiative must be provided at the local level if real progress is to be made.

The United States, for the first time in its history, is confronted with competition by a foreign power admittedly dedicated to the destruction of everything we hold dear. Khrushchev has made the blunt statement that he will bury us.

During recent weeks the President has submitted a budget which provides for appropriations approximating $77 billions to operate the Federal Government during the coming fiscal year. By any standards, $77 billion is a fantastic sum of money; yet there are those who describe this budget as penny-pinching and utterly unrealistic in relation to the threats which confront us.

May I remind you that in 1930 the total national income was less than $77 billion. The gross national product last year was less than $438 billion. So in effect, a $77 billion budget represents more than 17 percent of our entire output of goods and services. However, the budget as submitted by the President does not begin to measure the cash outflow of the Federal Government. Because of trust fund operations for highways, social security and other programs, during the 1959 fiscal year, the President estimates that payments by the Federal Government to the public will total approximately $95 billion. This is almost 22 percent of our gross national product.

Then we must face the fact that every one of our State and local communities must meet its own budgetary expenditures which impose additional demands upon all of us. The crisis in Michigan is now well known. That great State has ceased paying its vendors and is barely meeting its payrolls. The State of New York has just increased income taxes as well as excise taxes.

It would be difficult for me to begin to compute the portion of our total production which is now devoted to government in one form or another. In other words, we have rapidly reached the point where, rather than provide for the needs of the future in an expanding economy, we are committing large portions of our future income to meet the needs of government on a pay-as-you-go basis far into the future and in the case of Michigan, unfortunately, on a pay-as-you-have-gone basis. This perhaps provides a lesson for other States to ponder.

Every Federal project for highways, schools, housing, and similar purposes based on a Federal-State matching program not only increases the Federal budget but encourages the States and local communities to either go into debt or to increase their own taxes in order to receive their share of the supposed Federal bounty.

It is obvious that every dollar which is returned to the States from the Federal Treasury is taken from the States and is returned less the overhead costs of collection and transmission.

On Friday, March 13, President Eisenhower requested the Congress to approve $4 billion in additional funds for the mutual security program. I believe that it is essential for us to assist our allies in strengthening their defenses to meet the onslaughts of atheistic communism; however, very few of our citizens comprehend the magnitude of the President's request.

Fortune magazine in its July 1958 issue ranked America's leading industrial corporations in terms of their sales. On the basis of this list, I find that the taxes paid in 1957 by 44 of our largest industrial corporations do not equal $4 billion. In fact, they paid taxes to the Federal Government in the amount of $3,811 million. These taxes in turn were predicated on sales of $91 billion worth of products. The production of these goods required the use of assets costing $73 billion. The production to furnish these taxes required the employment of more than 4 million employees. These taxes merely support the foreign-aid program. Remember, this leaves nothing for our own defense expenditures, interest on the public debt, veterans, agriculture, reclamation, education, slum clearances, public housing, urban renewal, and the countless other programs suggested for our own economic development.

I might add that the 44 corporations I have listed obviously include many whose headquarters are centered in Pittsburgh, such as the United States Steel Corp., Westinghouse, the Aluminum Co. of America, the Jones & Laughlin Steel Co., and Gulf Oil, as well as other leading firms such as General Motors, Ford, Chrysler, General Electric, Du Pont, and the major oil companies.

I fear that too few people realize that the taxes from the so-called giant corporations cannot support new welfare programs, since they are inadequate to even meet the mutual security program.

It is ironic that at a time when the Government is the principal participant in industry's profits, attacks are being made on bigness in business, although those who decry it are constantly proposing an even larger sphere for the Federal Government.

If we are again forced into armed conflict, the Defense Department will have to look to these same large companies, whose profits are financing the mutual security program, to provide the materiel for the defense of the free world.

Within a few short months the industrial leaders of Pittsburgh will be confronted with one of the major economic decisions of our time—namely, the negotiation of a new contract with the steelworkers' union, which will set the pattern not only in steel but in aluminum and many other industries as well.

Ever since World War II, wage increase has followed wage increase with little regard for the consequences in terms of inflation and our position in world markets. Throughout the postwar period, European political leaders, including those generally identified with labor, have realized that the stability and the very existence of their countries demanded some restraint in preventing inflationary cost and price increases, since they were operating on a relatively tight gold and dollar

balance which required that their products be competitive in world markets. During this same period with a large domestic demand, American labor leaders pressed for wage increases which in many cases were granted because the domestic market could absorb them. All the while our costs and price structure in relation to that of the world has become increasingly less competitive.

President Eisenhower, in this press conference statement, on Wednesday, February 25, said:

"Now, ideally, we know that * * * in each country in the world * * * the country ought to produce that thing for which itself is best suited and where its market is the most available. And then, it should buy those things it doesn't produce so well and sell these things in which it has great efficiency."

Let me quote the President's punch line—which should be ours:

"I believe that above everything else the United States should keep its cost down and try to liberalize trade. I believe that the reason we are having so much trouble competing with the other countries, other producing countries, not only within the neutral markets but right here at home, we can't compete with them. Our costs are just too high. We cannot continue to increase these costs and have the kind of foreign trade that will make our own country prosperous."

This indicates a recognition of this problem at the highest possible level of Government.

American labor leaders in formulating their wage demands have become increasingly concerned with take-home pay. Yet, the actual wages which must be factored into the costs and prices of all goods and services must include the cost of Government.

There is only one way that these costs can be met, namely, through taxation which ultimately must be reflected in the price of every product as well as in the wages and salaries of all our employees. Insofar as the United States is forced to assume a disproportionate share of the effort to preserve the free world, its prices are less competitive than they otherwise might be.

Until recently Western Germany has had no sizable military budget, and this has been an important factor in enabling her producers to operate with lower costs and hence quote lower prices in the world's competitive markets.

It is apparent to any observer of the Washington scene that it will be a miracle if the President's proposed budget for the 1960 fiscal year, which starts July 1, will survive the onslaughts of those who are determined to authorize public works programs, public housing, and many other desirable projects, without any consideration as to how we are to pay for them without destroying our economic base.

For years to come it will be necessary for American producers to be far more productive than their foreign competitors merely to maintain their share of our own market, while we undertake the many tasks to which we are committed in the world struggle against communism.

There is only one way whereby we can raise living standards and assume the burdens which have been placed upon our generation—namely, to increase the physical product, and I use the word "physical," advisedly. We have been so bemused with monetary symbols that many of us have forgotten that improved living standards are based on a greater production of goods and services rather than the receipt of more paper dollars. Such increased production, in turn, is predicated on workers being provided with better tools and equipment, which in turn necessitates increased capital investment, on better methods and managerial techniques, on more advanced research, and in the last analysis, a greater dedication to hard work by everyone in the community.

During the course of recent hearings before the Joint Economic Committee, I have listened to economic theorists suggest that we must strive for a rate of growth approximating 5 percent a year in order that we might maintain our position in the competitive struggle with the Russians. I do not pretend to know whether the rate of growth should be 2 percent, 5 percent, or 10 percent. I do know that it must be measured in physical units of production and not in dollars. I know that if we continue to grant inflationary wage increases, which in turn must generate inflationary price increases, the Communists will have achieved their expressed ambition—to conquer the world without having fired a shot.

In his book entitled "The Economic Consequences of the Peace," the widely-known British economist, John Maynard Keynes, commented: "Lenin is said to have declared that the best way to destroy the capitalist system was to debauch its currency." Then after detailing some of the harmful effects of currency debasement, Keynes added: "Lenin was certainly right. There is no subtler, no surer means of overturning a society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which one man in a million is able to diagnose."

Some of Keynes' economic theories are highly unacceptable to me, but it would be extremely difficult for anyone to put up a valid argument against this thesis.

Last December my colleague the senior Senator from Minnesota, Mr. HUMPHREY, had an 8-hour interview with Mr. Khrushchev. He described his experience in an article which appeared in the January 12 issue of Life magazine. Senator HUMPHREY asked Mr. Khrushchev about Red China's experiments with the new compulsory communal living that Mao Tse-tung was forcing upon Red China. Mr. Khrushchev, according to Senator HUMPHREY, said:

"They are old-fashioned, they are reactionary. We tried that right after the revolution. It just doesn't work.

"You know, Senator, what those communes are based on? They are based on that principle, 'From each according to his abilities, to each according to his needs.' You know that won't work. You can't get production without incentive."

The tables are slowly being turned. The Russians are adopting our capitalistic concepts while we are slowly embracing Marxism.

The Joint Economic Committee is about to embark on an extensive study of inflation. The Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee is also reviewing this field, and is attempting to attribute inflation to the exorbitant profits of large industrial firms.

During the past week I have read with a great deal of interest the 1958 Annual Report of the United States Steel Corp., which was released on Wednesday, March 18. The following statement from that report is significant to all of us. It said:

"The fact is that over the past decade there has been a sharp downward trend in the relative position of profit in the American economy. This trend has already cut the profit incentive approximately in half. Thus corporate profits just before and shortly after World War II ranged from about 12 to 14 percent of the Nation's employee compensation. Since then the percentage has shrunk to about 7 percent. Most employees realize that the only true job security they have is that their employers can make profits and so continue to hire them. In terms of this measurement the margin for job security has been cut about in half.

"Almost everybody 'believes in' our competitive enterprise system. But many have misconceptions of its nature and function and so lend at least passive encouragement to those who would either bargain away, tax away or regulate away profits, all of which efforts have something to do with the undermining of the profit incentive which has taken place."

Economic Indicators, a publication by the President's Council of Economic Advisers, shows the national income for each year from 1948 through 1958. During that decade the national income increased from $224 billion in 1948 to $361 billion in 1958, an increase of $137 billion. Without any great knowledge of economics, it is not difficult to find where this increased national income went. Compensation to employees rose from $141 billion in 1948 to $254 billion in 1958, an increase of $113 billion, or 82 percent of the increase in national income. A comparison of corporate profits, before taxes, over this same period is even more revealing. In 1948 they totaled $33 billion, and in 1958 only $36.4 billion, an increase of $3.4 billion or less than 2½ percent of the total increase in national income. But remember, that 52 percent of this increase of $3.4 billion, or $1.8 billion, was paid to the Federal Govrenment in income taxes.

The statistics I have just quoted clearly show that if prices had not been increased industries would be bankrupt and our economy would have been destroyed.

As an aside, let me also mention that high interest rates, or the so-called tight-money policy can hardly account for inflation.

In 1948 net interest totaled $4.2 billion. In 1958 it totaled $13.2 billion, an increase of $9 billion, or only 7 percent of the increase in the national income.

We cannot meet the Communist challenge by devising ways to raise our economy by our bootstraps and produce higher monetary incomes while we shorten hours and enjoy more leisure.

We also cannot continue to assist the underdeveloped countries in raising their living standards through continued grants from the Public Treasury. The present American economy was built by the savings of individuals and corporations over many generations. There can be no short cuts to this process. Again, using the economic indicators prepared by the President's Council of Economic Advisers I find that in 1958 the total gross private domestic investment in the United States totaled $54.4 billion. This investment was added to an already well-developed industrial plant. Yet, we have visionaries who suggest that by spending a few billion dollars annually through the United Nations we can provide improved living standards for the teeming millions of Asia and Africa. This is a cruel hoax.

There are, roughly speaking, about 400 million people in Western Europe, North America, Australia, and New Zealand who have an average income of around $1,000. In the so-called underdeveloped countries, excluding Red China, there are about a billion people with an average per capita income of about $60 a year.

Many believe that the living standards of the world's people can be improved if the Congress appropriates sufficient funds. They fail to realize that higher living standards can only result from the more effective use of materials and energy.

The advancement of a people's welfare requires an increase in their productivity. Our high productivity and standard of living are closely related to a high per capita consumption of energy. In the United States we have substituted inanimate energy, chiefly mineral energy, for the muscular power of humans and animals. In many parts of the globe much of the world's work is still dependent on muscular power.

In the last 100 years our per capita use of energy to provide motive power in economic production has increased sixfold. As late as 1850, 65 percent of all energy consumed in the United States was contributed by animals and humans. By 1950, over 98 percent of all energy employed was inanimate.

We take pride in the fact that with only 7 percent of the world's population and 6 percent of its area, we are responsible for 50 percent of its total production. We generate 46 percent of its electrical power, have 55 percent of all telephones in use, and 70 percent of all the automobiles in the world. The corollary to these facts is that the rest of the world with 93 percent of its population has much lower living standards than our own.

The extent of a country's industrial development can be measured in terms of its per capita consumption of steel. According to the United Nations, in 1954 the per capita consumption in the United States was 1,052 pounds. In Egypt it was 23; in Peru, 22; in India, 13; and in Indonesia, less than 7. If these countries industrialize, this per capita consumption must be raised, and again I need not tell industrialists that this process cannot occur in a short space of time. A balanced economic development requires a concurrent expansion in the usage of nonferrous metals and energy sources.

The economic advancement of underdeveloped countries presents one of the greatest tasks which will confront industry's technical personnel for years to come. Some idea of the magnitude of this problem is again available from a United Nations' study where it has been calculated that to supply all Asians wih $2,000 worth of machinery and tools per worker would cost three times the U.S. national income or to express the problem in another way, to give all Asians the same capital per worker as the Japanese were using prior to World War II would require 150 percent of our national income.

The industrialization of underdeveloped countries will produce tremendous demands upon the world's resources. While today we are concerned with apparent surpluses of many commodities, in the long run, there can be no question that we shall have to use all of our ingenuity to utilize more effectively the resources available to us.

A permanent U.S. mutual security program or a United Nations' program based on grants and soft loans from the United States will not solve the needs of these people. They can only be met by the development of a sound, indigenous free enterprise economy which provides incentives for savings and hard work by the people who live in these countries.

American free enterprise can play an important part in this development through private investment, but such investment will not take place unless there is favorable climate which is predicated on a realization of the need for economic, political and social stability.

The so-called backward nations cannot be catapulted into the 20th century by magic, and all of the financial mumbo jumbo will not accomplish the building of plants and modern facilities.

The Russians know this. Their economy, in spite of their propaganda, has been devised to use all of the incentives of capitalism. The building of steel mills and other productive facilities takes precedence over consumer goods. There are no free markets. The state determines what shall be built and provides incentives for managers and technicians who can accomplish what is required. Only a limited amount of money is set aside in wages to pay for consumer goods produced by the state—thus inflation is controlled. We certainly do not want to emulate such a system, but we can return to the precepts which have made Western civilization great. Basically they are very simple—thrift and hard work.

Our tax system deters thrift. In these days, when the Government requires the maximum possible revenue, progressive tax rates which exceed the point of diminishing returns represent fiscal irresponsibility at its worst. What is not generally recognized is the fact that our progressive income taxes apply particularly to investment income from the private sector of our economy. Anyone can readily secure a yield of 3 percent through the purchase of tax-exempt bonds which finance State and local enterprises of many kinds.

An investment in a corporate enterprise must produce at least 7.8 percent before taxes to provide an equivalent yield to a person with a taxable income of only $2,000. If the income of an individual is $10,000 the yield from a private corporate venture must exceed 10 percent before taxes to equal the 3-percent yield he can obtain from a tax-exempt security. If he happens to be in the top Federal tax bracket the equivalent yield from a private corporate investment must be more than 69 percent. This is an absurdity.

I do not have to belabor the point with this audience that there are few individuals in the upper-income brackets who are interested in financing new risk enterprises under such conditions. I hope, as a member of the Senate Finance Committee, to make a contribution toward the restoration of some sense to this utterly unrealistic progressive tax structure which was designed to punish success rather than to raise revenue. Mr. Khrushchev would not have made this mistake.

American citizens are not permitted to convert paper dollars into gold; however, foreigners have this opportunity. In recent years we have been providing them with dollar resources to enable them to draw on our gold balances. Unless we maintain competitive prices in world markets and bring about a balance in terms of our international payments our economy is headed for serious trouble.

In 1948 U.S. gold stocks reached a postwar high of $24.6 billions. At the end of last year they stood at $20.6 billions, a decline of $4 billions. The reduction in 1958 alone totaled $2.3 billions. In fact, the monthly figures show a falling gold stock for every month since January 1958. While a $20 billion gold stock provides an adequate base for our currency, it must be self-evident that a decline of about 10 percent a year can no longer continue without completely destroying our own economic system. This, perhaps, is the best way for us to fully appreciate the impact of unsound economic policies, since an excess of demands for dollar payments abroad over purchases from us will sooner or later be reflected in our monetary reserves.

Our country has faced and met great problems in the past. I have every confidence that our leaders in industry, labor, and Government are capable of meeting the difficulties which confront us today. They can, and will be met by a rededication by each of us to those ideals which guided our Founding Fathers in writing the Constitution and our Bill of Rights.

We must reinstill these virtues in our youth, because it is quite apparent that our opponents behind the Iron and Bamboo Curtains are developing the willingness to sacrifice immediate pleasures in order to achieve their objectives. We must meet this challenge while retaining freedom. It is more difficult for us to impose self-discipline upon ourselves than to permit dictation by the State, but if we are true to our heritage, this is what we shall do.

The table ordered to be printed in the RECORD is as follows:

Federal taxes paid by the 44 largest industrial corporations, ranked by sales, are required to finance 1959 expenditures for international affairs and finance

[Dollar amounts in thousands]

Company	U.S. income taxes paid in 1957	Sales	Assets	Invested capital	Employees
General Motors	703,221	10,989,813	7,498,008	4,905,108	508,160
Standard Oil (New Jersey)	*53,000	7,830,250	8,712,387	5,755,611	160,000
Ford Motor	84,048	5,771,275	3,347,645	2,149,474	191,759
United States Steel	406,000	4,413,806	4,372,770	2,997,819	271,037
General Electric	248,718	4,335,664	2,361,319	1,231,273	282,029
Chrysler	128,700	3,564,983	1,496,605	732,308	136,187
Socony Mobil Oil	[1] *80,100	2,976,104	3,105,252	2,378,925	77,000
Gulf Oil	133,459	2,730,085	3,240,571	2,190,299	61,100
Bethlehem Steel	175,000	2,603,713	2,260,340	1,586,792	166,859
Swift	3,338	2,542,238	544,690	377,514	71,900
Texas Co	39,000	2,344,177	2,729,095	2,053,369	53,340
Standard Oil (Indiana)	*26,348	2,010,115	2,535,023	2,012,260	50,845
Westinghouse Electric	66,800	2,009,044	1,400,683	821,350	128,572
Du Pont (E. I.) de Nemours	272,120	1,964,324	2,755,547	2,342,599	90,088
Shell Oil	35,284	1,764,602	1,407,444	977,566	40,000
Standard Oil of California	*40,100	1,650,823	2,246,296	1,858,900	39,206
Boeing Airplane	39,090	1,596,509	491,029	178,901	94,998
General Dynamics	47,550	1,562,539	570,605	225,278	91,700
National Dairy Products	37,750	1,432,319	553,604	341,576	46,332
Goodyear Tire & Rubber	50,285	1,421,850	928,951	455,962	101,386
Union Carbide	120,175	1,395,033	1,456,353	839,664	64,247
Sinclair Oil	*21,000	1,251,069	1,480,616	962,351	25,240
North American Aviation	35,102	1,243,767	349,623	170,448	54,660
United Aircraft	55,223	1,232,919	451,459	252,784	61,688
Republic Steel	89,600	1,227,258	980,379	697,207	65,110
International Harvester	31,280	1,171,389	1,021,117	773,440	68,864
Radio Corp. of America	38,500	1,170,905	751,644	288,382	78,000
Firestone Tire & Rubber	40,635	1,158,884	780,420	459,349	88,323
Procter & Gamble	58,880	1,156,390	737,774	462,097	29,367
Phillips Petroleum	36,400	1,131,794	1,519,631	980,348	26,838
Douglas Aircraft	35,450	1,091,366	407,213	168,836	78,400
Cities Service	16,988	1,046,360	1,292,561	615,930	19,300
Continental Can	33,350	1,046,267	664,125	393,703	53,886
American Can	42,468	1,006,305	790,974	487,723	50,838
International Business Machines	97,000	1,000,432	1,153,969	622,518	60,281
General Foods	45,100	971,335	404,467	256,676	21,300
International Paper	55,507	940,428	850,056	718,811	48,306
Borden	21,539	931,221	353,437	221,095	35,058
U.S. Rubber	20,961	873,583	592,935	289,109	60,136
Sperry Rand	26,215	871,047	708,536	336,848	93,130
Aluminum Co. of America	[1] 69,000	869,378	1,315,569	670,531	54,640
Lockheed Aircraft	17,120	868,315	419,024	115,932	54,781
Jones & Laughlin Steel	39,271	837,568	799,289	512,623	43,943
Eastman Kodak	94,509	798,283	775,034	587,188	50,300
Total	3,811,184	90,805,529	72,614,069	47,456,477	4,029,139

[1] Includes U.S. and foreign income taxes.

NOTE.—All data from July 1958 Fortune Directory of the 500 Largest U.S. Industrial Corporations except U.S. income taxes which was taken from Moody's 1958 Industrial Manual (asterisks indicate data was taken from corporation's annual report). Western Electric, which ranked No. 11, was omitted as its data are consolidated with American Telephone & Telegraph, a public utility. Armour, which ranked No. 16, was omitted since it paid no Federal income taxes.

UNIVERSITY OF MICHIGAN LIBRARIES

ADMINISTERED PRICES ARE NOT INFLATIONARY

Mr. BUTLER. Mr. President, during the 86th Congress it will be my privilege to participate in studying what is undoubtedly the Nation's most important domestic problem—namely, the maintenance of a competitive price structure—through my membership on the Senate Finance Committee and the Joint Economic Committee.

During the last session of the Congress, I devoted considerable effort to this problem, particularly with reference to examining the views expressed by some economists who attributed the increase in our cost and price structure to so-called administered prices. These prices have been defined as those having two characteristics: First, that they are set by administered action; and, second, that they are maintained for a period of time.

Such pricing methods of necessity are today employed in large segments of our economy. In fact, the economists who appeared before the Senate Antitrust and Monopoly Subcommittee during its 1957 hearings freely stated that administered prices were essential. Dr. Gardiner C. Means, the originator of the term "administered prices," testified as follows:

> Administered prices should not be confused with monopoly. The presence of administered prices does not indicate the presence of monopoly nor do market prices indicate the absence of monopoly.
>
> If administered prices are present in a major part of our economy and since they exist in a great many areas which are not monopolized but in which there is active competition between a few units, it is clear that they do not necessarily reflect monopoly conditions but something more widespread—namely the reduction in the number of competing units in many industries.

Dr. Edwin G. Nourse, former Chairman of the President's Council of Economic Advisers, stated:

> It is my considered opinion that the economic institutions and business practices described as "administered pricing" grow naturally and properly out of the conditions of modern industrialism and that they may be so used as to promote both economic growth and business stability vigorously and consistently.

Prof. J. Kenneth Galbraith, professor of economics at Harvard University, and who, incidentally, is a member of the Democratic advisory committee, stated:

> The analysis of the effect of this ability to administer the prices of an industry has been greatly handicapped by the conviction that it is somehow improper. Actually, such administration is not only possible but also inevitable when an industry is in the hands of a relatively small number of firms.
>
> And it is equally inevitable that a great many industries will be conducted by a comparatively small number of large firms. That is the nature of capitalism wherever it is found. A large amount of price administration by private firms is thus part of the system. Those who deplore it are wasting their breath. The problem is to understand it and to live with it.

I have been interested in the fact that in recent months a number of major firms whose prices would fit the definition of administered prices have announced that they would protect the consumer against price increases for an extended period of time. This protection would undoubtedly continue even further were it not for the fact that costs may rise later this year in these particular industries when wage agreements are reopened.

On November 2, 1958, the American Can Co. announced a new pricing policy. A newspaper item which appeared in the New York Times said:

> The American Can Co. announced yesterday a new pricing policy, which it said would result in lower can prices for most of its customers. William C. Stolk, president, estimated the saving to consumers at more than $9 million.
>
> Effective January 1 the company will establish a separate f.o.b. (free on board) price at each of its 68 plants. At present it is the industry practice to have two general pricing areas for east and west of the Rocky Mountains. The prices do not reflect actual transportation costs.
>
> Under the new policy, American Can's prices will be based on actual transportation costs of steel and tin plate delivered to the company's plants, as well as the cost of delivery to the company's customers. Mr. Stolk said American Can would hold the line on its new prices until October 1, 1959, "except for adjustments that may be necessary to reflect any increases the steel companies might make in their tin plate prices."

On December 5, 1958, the Aluminum Co. of America announced that its published prices as of that date would apply to all products ordered or shipped prior to July 1, 1959. Mr. Donovan Wilmot, vice president of the Aluminum Co. of America, said by assuring customers of today's published prices on all products shipped before next July 1, Alcoa makes it unnecessary for them to hurriedly place large blanket orders, the specifications of which continually would have to be changed. The latter course, he said, could not fail to result in confusion and disorder in the necessary administrative procedures. It also could create price discrimination as between customers in the event of subsequent price changes.

Customers have been told that Alcoa will invoice, on the basis of today's published prices, all new and existing orders for products covered by its published price schedules against which shipment is made prior to July 1, 1959. The company already has in effect, through July 31, 1959, a similar policy covering electrical conductor products.

Shipments made against new or existing orders on or after next July 1 will be invoiced at the price in effect at the time of shipment.

These actions by two firms with administered prices should dispel some of the confusion which has arisen that such pricing methods tend to be inflationary.

It is apparent that economic writers who have reviewed Congressional hearings on this subject are aware of the fact that there is no reason to link inflation to administered prices. Mr. President, I ask unanimous consent that three articles by nationally recognized commentators may be printed in the RECORD at this point. The first is by Ted Lewis, and was published in the New York Daily News of January 22, 1959. The remaining two articles were written by the eminent and distinguished business and financial editor of the New York Herald Tribune, Mr. Donald I. Rogers, and were published in the January 23 and January 25 issues of that newspaper.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Daily News, Jan. 22, 1959]

CAPITAL CIRCUS

(By Ted Lewis)

WASHINGTON, January 21.—ESTES KEFAUVER, Democrat, of Tennessee, is about to kick off a series of Senate hearings which Democratic Party leaders hope will nail down the "party of the people" label for the duration of the 1960 presidential campaign.

This political design does not, to be sure, show on the surface. The hearings, starting Friday by KEFAUVER's antimonopoly subcommittee, will simply lay the groundwork for the thesis that big business is the villain in the battle against inflation. The investigation will then concentrate on such consumer-interest matters as the price of bread, milk and vitamin tablets in New York and other big cities.

Soon after last November's election, those politicians who really run the Democratic Party decided that the line in the new 86th Congress should be concentrated on the KEFAUVER kind of committee investigation, and that the continuing probes of labor racketeering and Communist infiltration should be pushed quietly into the shadows.

After all, every one of the Nation's 175 million people is a consumer—so let's go after the consumer vote in a big way.

This is really important political planning on a broad vote-seeking basis. It is certainly wiser than the nonsensical debate out in Des Moines, Ia., where Republican leaders today were trying to determine whether their party needs a face-lifting or simply a few more vitamins.

How do you appeal for this consumer vote? Well, you simply blame big business for inflation, get a few economists to go along with you and tell the consumer how much he suffers because of what he has to pay for essentials.

A favored example in this cheap political game is the increase in bread and milk prices; a pound loaf of bread up 3 cents since 1953, a quart of milk up about 2 cents.

IT'S A SLICK, IF SLIMY, SIMPLIFICATION

Then you leave the impression that these hikes are due to bigger profits by the bakery trust and the milk combine—bigger profits condoned by the Ike administration which is thereby put in the corner of the coupon clippers and industrialists.

This is a very elegant, if basically slimy way of simplifying the most complicated problem in the world today—how to halt the wage-price cycle.

ESTES KEFAUVER, with his instinct for fairness, simply says that "the high cost of living which represents the No. 1 domestic problem to the American consumer is due in no small part to the upward manipulation of prices by big companies in administered price industries."

This is a form of gobbledygook, for KEFAUVER'S idea is that no industry which tends to follow the price level of the top dog in the industry—United States Steel for example—will sacrifice a big profit for a smaller one.

THERE'S A BOOMERANG TO LOOK OUT FOR

ESTES is, of course, hipped on this subject, especially in view of the fact that no one disputes that in last year's recession it was the tendency of prices in concentrated industries to rise, while production and employment fell.

The Democratic Party leaders have given KEFAUVER a green light on this probe but they had better be warned right now that a boomerang is possible. What we guess is that they have accepted at face value ESTES' refusal to count himself out of the 1960 presidential race.

But, once dreamed of, the dream becomes your master. After all, there is now talk of Adlai Stevenson, two time loser, and ESTES was Adlai's running mate only once. Probably no one in America has ever shaken so many hands and yet produced so few votes.

WANTS A CABINET POST FOR CONSUMERS

And KEFAUVER, always willing to try, try, try again, is smarter than he sometimes appears. For example, he is anxious to be the champion of the American consumer right down the line.

He has a bill to set up a Federal Department of Consumers, Cabinet level. His idea is that the Interior Department, the Commerce Department, along with the Labor and Agriculture Departments represent segments of the American people in their capacity as producers—so why not a Cabinet setup representing all the people in their capacity as consumers?

In his quiet folksy way he packs a wallop. He is the favored hillbilly type of speaker when it comes to acquainting the public with certain partisan beliefs and he is hard to answer. We can point out it is strange that while tax levels have remained the same for both individuals and corporations, the take from individuals has risen 33 percent since 1953 while the take from corporations remains the same despite mighty good profits.

IT'S STILL HARD TO PLACE THE BLAME

But even KEFAUVER's colloquial type of talk cannot convince many Americans that any single segment of our economy should take the rap for inflation. This business about the wage-price cycle—which comes first in the inflation spiral—is something always to be argued about.

All we know is that President Eisenhower at his press conference today refused to blame inflation and the continued threat of more inflation on anybody. And his honest statement ought to be considered by everyone. Here is what he said about inflation:

"You cannot excuse anybody in Government from responsibility. You cannot excuse the business leader, the labor leader. Indeed, scarcely can you excuse any citizen. All of us have a problem to meet and to help solve."

[From the New York Herald Tribune, Jan. 23, 1959]

PACKED INFLATION JURY

(By Donald I. Rogers)

The powerful Senate Antitrust and Monopoly Subcommittee today will start 3 days of hearings and proposals to combat price inflation as part of its investigation of administered prices—prices used universally throughout business which do not change from transaction to transaction. The witnesses to appear (by invitation of the subcommittee) have been hand-picked because they share the subcommittee's notion that there is something insidious about this commonplace way of pricing goods. America's public interest, in other words, is being represented by a packed jury.

The man behind this movement—an activity which should be scrutinized by other Senators who are not associated with the committee—is not even a lawmaker. He is the chief economist of the subcommittee, favorite of its chairman, Senator ESTES KEFAUVER, and disciple of the avant garde economist, Dr. Gardiner C. Means, the fellow who invented the term "administered prices." He is Dr. John M. Blair, the same man who foretold the collapse of the American enterprise system in his book "Seeds of Destruction," (Corvici-Friede, $4). It is Blair who selected the hearing's witnesses and asked them to appear and express their views.

In May 1957, this writer performed what he considered a public service by revealing in a series of five columns that Dr. John M. Blair, by his own writings, is a mistruster of big business and a man who believes that, if allowed to grow larger, business will reduce employment and lower wages.

Dr. Blair is entitled to his opinions. He is not entitled as an economist working for Senator KEFAUVER to rig a public hearing to display his beliefs in solitary splendor to the detriment if not the exclusion of opposing views.

HANDPICKED WITNESSES

It was Blair who singled out the witnesses to appear, starting today. He picked them after attending the annual meetings of the Joint Allied Social Science Association (where he also spoke) in Chicago, December 27 through December 30. Curiously, four of the five witnesses were present at the program in Chicago.

Other noted economists spoke at the Chicago meetings. They either were not invited or elected not to appear at these hearings. Their views are divergent. They have not expressed undue concern about administered prices.

Scheduled to speak as witnesses today are Dr. Edwin Nourse, former chairman of the Council of Economic Advisers, and Dr. Ben Lewis, of Oberlin College, Oberlin, Ohio. Tomorrow the witnesses will be Dr. Gardiner C. Means, of Washington, and Dr. Walter S. Adams, of Michigan State University, Lansing. Monday the subcommittee has scheduled Dr. Corwin Edwards, of the University of Chicago.

These witnesses all share the same view on prices. Gardiner Means is one of the pioneers in the effort to abolish administered prices. Nourse has something close to a phobia on the subject of management and prices. (He believes that management has a social responsibility to reduce prices whenever sales turn down.)

LEWIS PREDICTS

Dr. Lewis, of Oberlin, said just last month: "My own prediction (and I stress that I am predicting, not prescribing) is that the years ahead will see a great increase in conscious, collective, governmental controls and of governmental enterprise; and that bigness will be a major focal point of the development. The development will reflect a growing, intensified concern over the private possession of economic power so vast that even its possessors are frightened by the implications of their holdings."

And so on. * * *

Last year the Blair-Kefauver combine made the mistake of inviting Prof. Richard Ruggles, of Yale University, to be a witness at similar hearings. Prof. Ruggles made out a strong case against the theory that administered prices cause inflation. He was not invited back this year.

Nor were any other economists who have an opposing point of view.

More on these farcical hearings and of the attack on administered prices on Sunday.

[From the New York Herald Tribune, Jan. 25, 1959]

HEARING OR WITCH HUNT?

(By Donald I. Rogers)

A majority of those who study the quasi-science of economics are agreed that an administered price—a price set by a producer which does not vary from transaction to transaction—is the most sensible and economical way of doing business and is, in the main, fairest to the consumer. The few who object to this system are working through John M. Blair, chief economist of the Senate Antitrust and Monopoly Subcommittee, thence through its chairman, Senator ESTES KEFAUVER, to stimulate some legislation against administered prices.

There is the lingering suspicion in all such activities of the Blair-Kefauver combine that it is part of a campaign directed not so much against administered prices themselves as against big business in general. For it is the big businesses, the automobile manufacturers, appliance producers, clothing makers and such, who most frequently use the device of administering the prices of their products.

Dr. Blair and Senator KEFAUVER are certainly entitled to their opinions, but, as pointed out in this space Friday, they have rigged their public hearings in Washington so that those economists who are outspoken against administered prices are appearing as witnesses before the subcommittee. Their utterances will become part of the public record to be pumped through the congressional system—a flanking attack against big business.

There is another angle here. Both members of the Blair-Kefauver operation say they are intent on scouting out the causes of inflation. That's the announced purpose of their hearings. What they're actually trying to do, however, is prove that bigness in business causes inflation.

This, any qualified economist will tell you, will be might hard to prove, though with rigged hearings such as the kind going on in Washington now (they'll continue tomorrow) Dr. Blair and Senator KEFAUVER are making it easier for themselves to present a case to the people.

Inflation is the transcendir g economic problem facing America. Its causes are clear, though its solutions are not. Neither Dr. Blair nor Senator KEFAUVER is contributing an iota of help in defining the solution to the Nation's foremost economic problem. Rather, it seems to this writer, they are beclouding the issues in their efforts to press their own interests—Dr. Blair to further his attack against big business, and Senator KEFAUVER to advance his unflagging political ambitions.

Dr. Blair has lined up five economists to speak at these hearings. All five have in the past made some declarations which express some doubts about the value of administered prices. Four of them participated with Dr. Blair in the annual meetings of the Joint Allied Social Science Associations in Chicago last month. It might be suspected that it was at those meetings that Dr. Blair invited them to appear as witnesses at the hearings, so-called.

John Blair is a clever writer and speaker. He is also, it can be assumed, a sincere man. He has sincere reservations about the function of the free enterprise system as it exists. He has sincere desires to invoke some changes in that system.

This is his right as an American.

However, he holds a position of considerable power, not alone because of his job as chief economist to the subcommittee, but because of the implicit faith Senator KEFAUVER places in him and the latitude the Senator allows him in the conduct of the subcommittee's affairs.

Thus John Blair's rights as an American citizen concern all Americans.

If I were a Senator, whether a member of the subcommittee or not, I'd like to know a great deal more about the moves of this KEFAUVER probe into antitrust and monopolistic practices.

It might not be an objective investigation these fellows are conducting. Indeed, scrutiny might show that they're hell-bent on proving an untried and generally discredited theory.

UNIVERSITY OF MICHIGAN LIBRARIES

CONVENTIONAL WARFARE VIS-A-VIS PUSHBUTTON WARFARE

Mr. BUTLER. Mr. President, "some of our planners are so hipped on pushbutton war that they are prone to overlook the fact that the international Communists with vast manpower and raw material resources are actually continuing preparations for a 'modernized' conventional warfare."

This awesome conclusion by the distinguished journalist, Constantine Brown, so impressed me that I request unanimous consent that his article entitled "'Conventional War' Capability," as appearing in The Washington Star on March 11, 1959, be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Mar. 11, 1959]

"CONVENTIONAL WAR" CAPABILITY—U.S. ANTISUBMARINE BUREAU CURBED ON FUNDS IN FACE OF RED FLEET OF 475

(By Contantine Brown)

The sooner some our our policymakers get over the idea that the next worldwide conflict—if it ever occurs—will be fought by pushbutton machines, the better it will be for all.

The best post-World War II military minds who have been studying the preparations of the free world's enemies point out that while much noise and spectacular headlines center around the "massive" advantages of the Russians in guided missiles, the Communist would-be aggressors are working overtime to increase and improve their conventional warfare capabilities.

In the face of this, the administration is advocating further important cuts in the strength of our ground forces and in the Navy which may have to bear an important part of the brunt in any future conflict.

The Russians are known to have at least 475 submarines—the bulk of them ocean-going. Hitler almost won the last war in its early stages with fewer than 50 ocean submarines. Our best naval minds are sure the Russians are not building these submarines because they like to play with them. They are intended to cut off the United States, in the event of a major conflict, from both our Pacific and Atlantic allies. They are intended to interrupt the flow of essential raw materials and all seaborne communications with Asia and Europe.

The antidote to the long-range Soviet underseas fleets is, of course, antisubmarine preparedness by the U.S. Navy. Studies have been made and important new devices discovered to offset the likely efficiency of the Russian submarines. Yet the antisubmarine bureau in the Navy Department can hardly function because of lack of funds. The Budget Bureau in its great wisdom apparently has recommended that the funds for such developments were a luxury for the Navy. It believes, apparently, that the old type cans dropped overboard from a destroyer proved pretty effective in two world wars and sees no reason why they should not be effective in a possible new conflict.

If international communism decides to unleash another world conflict, the U.S. Navy will have a burdensome role, principally because the navies of our allies have been reduced. The powerful British Navy is being cut down drastically, compared to what it was at the end of the last war. The French Navy is increasing in strength, but is still far from being an important adjunct in the event of an early world conflagration. The other navies are token forces which would not face alone the power of the Soviet fleets.

The Baltic Sea has become of real importance in the strategy of another world war. The NATO members—Germany, Denmark, and Norway—are supposed to prevent the Russian submarine and surface forces from breaking out through the Skaggerak and Kattegat Straits into the Atlantic. The naval forces of these 3 countries consist of 37 destroyers, 14 submarines, 107 minesweepers, 53 motor torpedo boats, and a few other minor auxiliaries. These forces, regardless of how efficient and self-sacrificing they may be, can hardly be more than a small bite for the Soviet Baltic fleet commanded by 53-year-old Admiral Charmalov, whose high competence as a naval commander is matched only by his ruthlessness.

Charmalov, who has under his orders 40 Red admirals, commands the most powerful of Soviet fleets. The Baltic squadron is composed of 6 heavy cruisers of the *Sverdlov* or *Frunze* class, 150 submarines, 70 destroyers, and upward of 450 auxiliaries. An air force of 1,200 craft is always in readiness to support these naval forces. There is no doubt that, should a major conflict break out, American carriers and other naval vessels would be compelled to reinforce the present NATO Baltic forces whose mission, besides that of interdicting an outbreak of the Soviet submarines into the Atlantic, also is to "restrict Soviet supply operations by sea above small-craft transport for Red ground forces and to neutralize enemy operations on land, by sea, and in the air directed against Danish islands."

There are no effective naval forces available to put into effect the NATO high command directions except the U.S. Navy. In the event of war, units will have to be sent from our Atlantic bases, and they will have to go through the submarine barrage of the Russians.

The problem could be licked by our highly advanced (but still in blueprint) antisubmarine operations and devices. These are working now at less than 20 percent preparedness efficiency because of lack of necessary funds.

Some of our planners are so hipped on pushbutton war that they are prone to overlook the fact that the international Communists with vast manpower and raw material resources are actually continuing preparations for a modernized conventional warfare.

INFLATION, THE NATION'S NO. 1 PROBLEM

Mr. BUTLER. Mr. President, for a few years after the end of World War II, the demands of the American market were so great that it was possible to raise costs and prices and still sell all the products our industry could produce.

Today, it is becoming increasingly clear that foreign competition is not only invading our overseas markets but is becoming an increasingly important factor in our domestic markets.

President Eisenhower in his "Economic Report" said:

It is not the function of Government in our society to establish the terms of contracts between labor and management; yet it must be recognized that the public has a vital interest in these agreements. Increases in money wages and other compensation not justified by the productivity performance of the economy are inevitably inflationary. They impose severe hardships on those whose incomes are not enlarged. They jeopardize the capacity of the economy to create jobs for the expanding labor force. They endanger present jobs by limiting markets at home and impairing our capacity to compete in markets abroad. In short, they are, in the end, self-defeating.

Self-discipline and restraint are essential if agreements consistent with a reasonable stability of prices are to be reached within the framework of the free competitive institutions on which we rely heavily for the improvement of our material welfare. If the desired results cannot be achieved under our arrangements for determining wages and prices, the alternatives are either inflation, which would damage our economy and work hardships on millions of Americans, or controls, which are alien to our traditional way of life and which would be an obstacle to the Nation's economic growth and improvement.

In these statements when the President refers to productivity, he is referring to the productivity of the economy as a whole and not to the productivity of any particular firm or industry.

However, in recent weeks, it has been disturbing to note the same "rocking chair" economists have urged wage increases which they allege would generate purchasing power for other industries. In effect, they suggest that we attempt to raise ourselves by our bootstraps.

More and more we are face to face with the fact that our price and wage structure is becoming less competitive in terms of world markets. Before this year is over the steel industry, for example, will once again negotiate a new contract with its employees. Two editorials from the American Metal Market are therefore worthy of the attention of my colleagues, and I ask unanimous consent that they may be printed in the body of the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From American Metal Market, Jan. 29, 1959]

FRUSTRATING AND DISTURBING

There is something utterly frustrating and disturbing about the reaction in the highest echelons of organized labor to the President's Economic Message. With racketeers ensconced in high labor offices openly defying public indignation and arrogantly daring the Congress to do its damndest, and with demands for stratospheric wages and for basic hours that constitute little less than subsidized idleness, running almost rampant, one might have hoped for a different response to the President's urgent recommendations, from the more respected officials of the labor movement. The integrity of these latter officials is deservedly undisputed, but the irresponsibility of their criticism strongly suggests that the country may have more to fear from their sophistry than from the palpably unsavory elements who almost unfailingly overreach themselves.

All during the postwar years the country has heard business admonished on prices with as much or greater severity than labor has been urged to be temperate in its demands. In fact, the usual pattern has been for our highest officials to plead with business and labor to be moderate—after labor has exacted concessions from business. This appearance of impartiality has inevitably misled millions to blame business alone for price increases. Among this unsuspecting multitude, labor has escaped even contributory responsibility for price increases, because labor has already got theirs before officialdom in Washington has expressed its concern, whereas the price increases forced by cost increases have followed the appeals.

A conspicuous example of a congressional contribution to this deceptive practice was the hearings held last spring in anticipation of steel price increases after last July 1. The investigators carefully ignored the scheduled substantial wage increase that was automatically to go into effect on that date, pursuant to the agreement of July–August, 1956. They also piously refused to consider the possible effects of the already-demanded wage increases in the automobile industry (which had not by then been granted) and which, if denied, would have deprived the industry of justification for the price increases of last fall that followed the ultimate granting of the uninvestigated wage demands.

This seeming immunity of labor to accountability for the effect of higher wage costs on the national economy would appear to have led the leaders of the labor movement to expect continuing exemption from official comment in advance of their obtaining current demands. Restrained as the President's admonition was, it has been bitterly resented, not only because it would obviously forestall the additional demands on industry that are clearly in the making but because, at long last and for once, the President has sought to brake the inflation at its source, before the spiral is launched.

There will be virtually no one, outside the small circle of labor leaders and the advocates of some constant inflation, to dispute the fact that, in the effort to stop the corrosion of the dollar and the destruction of savings, "leaders of labor have a particularly critical role to play, in view of the great power lodged in their hands." Nor is it to be doubted by any impartial observer, that "the terms of agreements * * * will have a critical bearing * * * in attaining * * * economic growth with stable prices." Nor will any informed person be likely to dispute the assertion that "increases * * * not justified by the productivity performance of the economy are inevitably inflationary."

Yet the leadership of our most powerful unions declares that stable prices mean stagnation and perhaps depression and that the unions' drives for wage increases will go forward. Mr. McDonald, president of the United Steel Workers, has publicly appealed to the automobile industry to support his forthcoming demands, so as to provide his membership with $1 billion to buy automobiles. Yet, if the past is any guide to the future, Mr. McDonald will hold that the steel industry will have no excuse to raise prices if it raises wages by $1 billion. One marvels at the mental process which can conceive of an industry supplying another with $1 billion of undiluted purchasing power without first having to earn it. Obviously, the application of this logic, by which wages would be arbitrarily raised in industry after industry to provide purchasing power for the goods of other industries, would soon reduce the value of the dollar to that of trading stamps. In its arrogance, labor leadership has come to the stage where it preempts the right to tell management and industry to augment productivity by whatever margin is needed to compensate for the demands it chooses to impose from year to year. It not only assumes the capacity of management to accomplish this miracle, but it takes for granted labor's exclusive right to all the fruits of increased productivity (in practice it demands even more), and denies the right of management, of ownership and of consumers to any share in the greater abundance brought about by the greater efficiency of industry, in which greater efficiency labor, per se, plays so infinitesimal a part in a modern plant. If this is not a very clear indication of the great power lodged in the hands of labor leadership, there is no explaining it. And it is frustrating and disturbing that this great power should be exercised with such irresponsibility, in defiance of all known methods for operating a solvent economy, by those from whom the public have a right to expect enlightened and responsible leadership.

[From American Metal Market, Feb. 27, 1959]

THAT BILLION DOLLAR BUNDLE

The contract between the steel industry and the 1¼ million employees marshaled under the banners of the United Steel Workers still has another 4 months to run. In these changeable times, it would be hazardous this far in advance, to attempt to say just what the issues will have proved to be when the contract is extended. But it is certain that the billion dollar bundle will loom large in the negotiations, because Mr. McDonald and his associates have deliberately put it "on the line" already.

In costly and widely distributed full-page newspaper advertisements, the USW has been propagandizing other industries, the ranks of labor and the general public to support its demand for this additional purchasing power from the steel industry. They have painted alluring pictures of what they would do with this new income, buying automobiles, building new homes, buying groceries, patronizing moving picture houses and generally administering a blood transfusion to the U.S. economy. There will, unfortunately, be many who will think it a good idea—and not necessarily only those who would benefit directly. But, of course, as has already been asked, if this is a sound idea, why should Mr. McDonald and his partners want to keep it to themselves? Isn't this being a bit selfish? Why shouldn't all of us workers get in on this so-simply created prosperity? Why not, as the chairman of the United States Steel Corp. asked the other day, cut everybody in, take care of all 65 million gainfully employed workers on the same basis, and create not $1 billion of new money, but $52 billion so all might enjoy the good times?

These are questions well worth asking. It would be a mighty good idea if they were asked of every Tom, Dick, and Harry that thinks the "picayune" $1 billion proposition is a good idea. Possibly, in that way, some of the effects of this proposal might be brought home to those who still think that it is, and should be, only necessary for labor to demand in order to receive. It cannot be expected that those who swallow the specious arguments behind the demand will be impressed with orthodox refutations, based on the time-proven economic principles which have confirmed again and again, since time immemorial, that you can't get something for nothing. But there are a couple of other relevant points that we would like to bring up at this time.

The first is to ask just what have the steelworkers done to justify an increase of $1 billion a year in wages and benefits? Isn't that a fair question? Or has money become so inconsequential that a group leader is entitled to ask for a handout of any figure that first comes into his head—particularly if it has a lilting sound to the ear, like a billion dollars? When he has done so, are we not to anticipate that the next step—possibly following a diffident hesitation by industry, instead of yielding with alacrity—will be to accuse industry of endangering industrial peace by being unreasonable? Where have we seen such tactics worked by others in a different field of negotiation? They are identical with the practices of another group also having power that is much too great for their own good, in international affairs. Time was, of course, that most people felt they had to perform some useful service to justify better recognition. Is this billion-dollar bundle not suggestive of the idea that industry is no longer built up and conducted with some consideration for those who have directed and financed an operation, but that it exists primarily to meet the demands—whatever they may be—of those who control the working staff? Have we arrived at this concept of what industry really is?

Secondly, Mr. McDonald and his friends are not looking for any token or symbolic advantages. They want something substantial—something that will buy automobiles, build houses, and provide their members with genuine purchasing power. Although one would never think it to be the case from USW propaganda, this implies that the steel industry has this additional $1 billion current purchasing power available for distribution—for the asking. Now it so happens that automobiles are made mostly of steel and that in order to get what it takes to make the cars Mr. McDonald says his boys will buy, the automobile makers will have to come to the steel mills for supplies (just as the steel mills have to go to the coal mines, the iron mines, the limestone quarries, the railroads, and many other sources for raw materials to make steel).

The question naturally arises as to whether, after providing Mr. McDonald's boys with $1 billion in new money, the steel mills are to supply steel to the auto companies at old prices, so that the boys will not find a higher cost of steel reflected in the price they pay for all those new cars? Or does he expect the steel companies to get the $1 billion from the auto companies, without having them include the higher steel cost in the price of the cars the boys buy?

If it is one case or the other, what he is asking is that his boys be given the billion dollars, at the expense of others. That is, if he sincerely believes that the $1 billion (or the $52 billion, if all the workers are counted in) can be magically produced from the ether without impairing the purchasing power of everybody's dollar and without ultimately bankrupting industry. We are quite confident that everyone knows that every one of the USW leaders knows better.

THE SALTONSTALL FAMILY TREE

Mr. CHAVEZ. Mr. President, the Constitution of the United States does not have anything to say about racial background or national background in connection with American citizenship. It happens that my colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL], is a descendant of a family which originated in England. It happens that I am descended from one who served Ferdinand and Isabella, of Spain. But both the Senator from Massachusetts and I are Americans, by the grace of God.

Mr. President, a very fine resident of my State, Stella Dysart, who happens to be a descendant of the Saltonstall family, has sent to me a beautifully prepared chart of the Saltonstall family in the United States.

On the chart, we find that the first entry is for Sir Richard Saltonstall, 1586–1661, who first lived in England, and later lived in Watertown, Mass. In 1609, he married Grace Kaye. Of that marriage was born Richard—1610–94—of England and Ipswich, Mass., who married Muriel Gordon. Of that marriage was born Nathaniel Saltonstall—1639–1707—of Haverhill, Mass. Nathaniel married Elizabeth Ward, also of Haverhill, Mass.

One of the children of that marriage, Richard, married a Miss Wainwright, also of Haverhill, Mass. When we follow down that branch of the family, eventually we come to LEVERETT SALTONSTALL,

UNIVERSITY OF MICHIGAN LIBRARIES

the present senior Senator from Massachusetts, who married Alice Wesselhoeft.

Mr. President, the young woman in my State who belongs to the Saltonstall family is Stella Dysart. She has sent me the tree of the Saltonstall family. I ask unanimous consent of the Senate to present it to our good friend, the senior Senator from Massachusetts, so he may know that we in New Mexico also have a great deal of fondness and respect for the Saltonstalls of England and Massachusetts.

Mr. SALTONSTALL. Mr. President, I shall not delay the Senate, except to say to the Senator from New Mexico that I appreciate very much his giving me this family chart, which was prepared by a lady in New Mexico. I thank my colleague very much.

THE KORKOSZ BROTHERS AND THE MUSEUM OF SCIENCE HAYDEN PLANETARIUM

Mr. SALTONSTALL. Mr. President, the people of Massachusetts are proud and the people of Greater Boston are grateful for the work done by the Korkosz brothers, Frank and John, in building the planetarium projector now in operation in the Museum of Science Hayden Planetarium in Boston, Mass. This planetarium projector has involved the personal efforts of the Korkosz brothers for several years. In it there are many new developments. One is that brighter stars show as such. This has made possible more advanced teaching of the astronautical sciences in this planetarium than is available elsewhere. In a national emergency, this planetarium would be available for the training of our navigators and scientists. In peacetime it is available to instruct the youth of Boston and of Massachusetts in the wonders of our physical world.

The city of Chicopee has good reason to be proud of the Korkosz brothers and it gives me great pleasure to inform the Senate, Mr. President, that I share this pride.

CLARE BOOTHE LUCE—AMBASSADOR TO BRAZIL

Mr. BUSH. Mr. President, there recently appeared in the press articles and translations regarding Mrs. Clare Boothe Luce, of Connecticut, recently appointed Ambassador of the United States to Brazil. I ask unanimous consent that the originals and the translations be printed in the body of the RECORD.

There being no objection, the articles and translations were ordered to be printed in the RECORD, as follows:

[From O Globo, Mar. 9, 1959]

A NOVA EMBAIXADORA DOS ESTADOS UNIDOS

Seria muito lamentável que a vinda da Sra. Claire Booth Luce, como embaixadora dos Estados Unidos no Rio de Janeiro, pudesse ser prejudicada pelos recentes episódios relacionados com a divulgação, pela revista "Time," de uma reportagem de graves repercussões na Bolivia. Figura marcante de intelectual, a antiga embaixadora norte-Americana na Itália teve a sua designação acolhida com calor e simpatia, tão pronto se tornou o ato conhecido. As manifestações de aprêço ocorridas nos setores mais diversos da vida brasileira deixam claro que a Sra. Claire Luce logrou, antes mesmo de chegar ao Brasil, um ambiente de amizade que certamente muito há de contribuir para o êxito de sua missão.

Telegramas chegados dos Estados Unidos fazem referência à possibilidade de não vir a nomeação a efetivar-se. E, embora não seja o fato dito de maneira expressa, a razão seria o receio de que a embaixadora viesse a sofrer os reflexos da atitude desastrada da popular revista. Desde logo, não procedem tais receios. Mesmo admitindo que a versão de "Time" sôbre a situação na Bolivia represente uma deturpação e assim haja justificado a reação dos bolivianos, não há como aceitar a pretendida vinculação. Até aqui, ninguém ousou pretender que a Sra. Claire Luce tivesse qualquer responsabilidade na desastrada publicação. Por isso mesmo, não é de admitir que o fato possa, de qualquer maneira, impedir ou retardar a vinda da diplomata.

[Translation from O Globo, Mar. 9, 1959]

THE NEW AMBASSADRESS OF THE UNITED STATES

It would indeed be lamentable if the appointment of Mrs. Clare Boothe Luce as Ambassadress of the United States in Rio de Janeiro should be prejudiced by the recent episodes related to the divulgation by the review Time of a report which had grave repercussions in Bolivia. An exceptionally intelligent person, the late Ambassadress to Italy, as soon as her appointment was known, found that this was welcomed with warmth and sympathy. The manifestations of appreciation which took place in the most varied sections of Brazilian life made it clear that Mrs. Luce, even before her arrival in Brazil, has managed to create a friendly feeling, which will certainly contribute greatly to the success of her mission.

Telegrams which have arrived from the United States refer to the possibility of the nomination not being made effective. Furthermore, although the fact is not expressly stated, the reason would be the fear that the Ambassadress might suffer the reactions of the unfortunate attitude of the popular review. Such fears have absolutely no basis. Even admitting that the version presented by Time regarding the situation in Bolivia is a deturpation and that, for this reason, there is justification for the reaction of the Bolivians, the pretended connection between the two things cannot be accepted. Up to now nobody has dared to presume that Mrs. Clare Luce had the slightest responsibility for the disastrous publication. For this reason it cannot be admitted that the fact should, in any way, impede or delay the coming of the diplomat.

[From O Cruzeiro, Mar. 21, 1959]

CLARE: UMA DAMA PARA O BRASIL

Os Estados Unidos têm novo Embaixador no Brasil: Clare Booth Luce. Essa designação, que permitirá ao atual Embaixador Ellis Briggs partir para Londres via Washington, teve excelente ressonância tanto lá quanto cá. Clare será a primeira dama já enviada por Washington a um país latino-americano. Jornalista (foi diretora de "Vanity Fair" aos 29 anos de idade), espôsa de jornalista (seu marido, Henry Luce, é o diretor-geral da emprêsa de "Life", "Time" e "Fortune"), escritora (produziu "The Women" para o teatro e "Come to the Stable" para o cinema) e católica (convertida do protestantismo), Clare Booth Luce já foi também parlamentar e diplomata. Representou Connecticut em Washington de 1943 a 1947 e representou os EE.UU. na Itália de 1953 a 1956. Embaixador, teve erros de início, "falhas de julgamento." Mas seu poder de reação foi tão grande, as lições tão bem aprendidas, que só saiu de Roma por motivo de doença—envenenamento causado por tinta na Embaixada que ela própria mandara pintar—e deixou o importante pôsto diplomático com o respeito, a admiração e as homenagens de tôda a Itália. Disse "Washington Post" confiar em que "os brasileiros considerem uma deferência a nomeação dessa personalidade vivaz." Consideramos, sim. E afirmou Clare à imprensa americana: "Sinto-me particularmente feliz por ir ao Brasil." Nós também nos sentimos, Clare. Seja bem-vinda.

[Translation from O Cruzeiro, Mar. 21, 1959]

CLARE: A LADY FOR BRAZIL

The United States has a new Ambassador in Brazil: Clare Boothe Luce. This appointment which will permit the actual Ambassador Ellis Briggs to leave for London via Washington, has had an excellent reecho, both there and here. Clare will become the first woman ever sent by Washington to a Latin-American country. A journalist (she was the director of "Vanity Fair" at 29 years of age), wife of a journalist (her husband, Henry Luce, is the director-general of the enterprise which owns "Life," "Time" and "Fortune"), an authoress (she produced "The Women" for the theater and "Come to the Stable" for the cinema), she is a Catholic (converted from Protestantism), Clare Boothe Luce has already been a Congresswoman and a diplomat. She represented Connecticut in Washington from 1943 to 1947 and represented the United States in Italy from 1953 to 1956. As an ambassadress she committed a few initial errors, "faulty judgment." But her ability for reaction was so great, the lessons were so well learned, that she only left Rome because of illness—poisoning caused by the paint in the embassy which she had herself—and she left the important diplomatic post with the respect, admiration and homage of the whole of Italy. The Washington Post said that it trusted that "the Brazilians would consider the appointment of this lovely person as a deference." We do consider this to be so. Clare stated to the American press. "I feel particularly happy to go to Brazil." We also feel this, Clare. Welcome.

APPROPRIATIONS FOR THE JOINT ECONOMIC COMMITTEE

Mr. BUSH. Mr. President, I received a message that the majority leader wished to bring up immediately the appropriations for the Joint Economic Committee.

Mr. JOHNSON of Texas. I said that at the conclusion of the morning hour, we would bring it up by motion.

Mr. BUSH. I am sorry I misunderstood; my message was that the Senator from Texas wished to bring it up during the morning hour.

Mr. JOHNSON of Texas. The minority leader needed to be away. I told him that, without objection, we would take it up after he had gone.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ADDITIONAL FUNDS FOR JOINT ECONOMIC COMMITTEE

Mr. JOHNSON of Texas. Mr. President, has morning business been concluded?

The PRESIDING OFFICER. Morning business has been concluded.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of order No. 107, Senate Concurrent Resolution 13.

The PRESIDING OFFICER. The concurrent resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. Senate Concurrent Resolution 13, to provide additional funds for special study by the Joint Economic Committee.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution? The Chair hears none.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. JOHNSON of Texas. Mr. President, this resolution is one of the most important that will come before this Congress during this session.

For some time, experts and laymen alike have realized that there are trends in our economy which are very disturbing. They are trends which are not really understood—even though they are discussed heatedly and passionately.

This resolution represents an effort to lift an issue from the realm of conversation to the area of meaningful discussion. It is the first step in attempting to resolve an issue—the step of finding out just what is happening and what can be done.

We are living in a period which presents a strange spectacle of inflation and recession at the same time. Prices rise constantly, even though more than 4½ million of our people cannot find jobs.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. Some prices rise constantly.

Mr. JOHNSON of Texas. I agree with the Senator.

This resolution would provide the tools with which our experts can probe this enigma. The resolution represents a modest investment from which we can anticipate fruitful returns.

Inflation has imposed a cruel burden upon our people, particularly those who must depend for their livelihood upon fixed incomes. This has led to arguments which have generated a great deal of heat, but have shed little light.

There are some who blame inflation on so-called deficit spending. But the history of our country over the past 40 years casts grave doubts upon this theory.

In the 1920's we had Federal surpluses and stable prices ending in a crash.

In the 1930's we had Federal deficits and low prices.

In the early forties we had Federal deficits and rising prices.

In the late forties we had Federal surpluses and stable prices.

In the early fifties we had Federal deficits and rising prices.

In the middle fifties we had Federal deficits and stable prices.

And now in the late fifties we had had both Federal surpluses and Federal deficits—accompanied by rising prices.

I do not suggest that there is no relationship between the Federal budget and the price level. But I do believe that we do not understand that relationship, and we must find out what it is if we are to act intelligently.

Some people claim that inflation can be blamed upon labor. But labor insists it is merely trying to keep up with inflation.

Some people blame rising prices upon business. But business insists that it is merely trying to keep abreast of the times.

Because of our lack of knowledge, our only Federal policy is to drift with the economic currents. This has been demonstrated most sharply in one cost increase which has struck at every small business man and every farmer in America and every worker—the rising cost of money.

Instead of taking strong steps to keep interest rates down, the Government's policy has been to pull them up piecemeal—a step at a time.

We are told that the interest rates on REA loans must be raised to meet prevailing interest rates.

We are told that interest rates on housing must be increased to meet the general level of interest rates.

We are told that interest rates on farm loans must be increased to meet the general level of interest rates.

To my mind, this philosophy represents surrender without a struggle.

I have never believed in pouring gasoline upon a burning house just because no water was available. It has been my experience that if intelligent, reasonable men think through a problem, intelligent, reasonable men can come up with a solution.

We have the opportunity in this resolution to take the steps that will bring us the answer. We can display the same type of economic statesmanship that was displayed in the work of the temporary national economic committee.

The TNEC—as it was known popularly—was a monument created by the distinguished senior Senator from Wyoming [Mr. O'MAHONEY]. It represented an inventory of our economic system—an inventory which supplied us with information that we are using to this day.

But it has been 18 years since that Committee concluded its work. We have fought two wars in that period. We have seen the spread of aggressive communism. Trade patterns have changed on a global basis.

It is time for another national inventory.

We are fortunate in having available to conduct that inventory one of the distinguished economists of our time, the senior Senator from Illinois [Mr. DOUGLAS] Chairman of the Joint Economic Committee. He and his able colleagues from both the House and the Senate will be presented with the task of inquiring into every aspect of our economic situation and reporting to us reasoned and reasonable conclusions which I hope can serve as a basis for action by this Congress.

The issue of inflation is second only to the issue of national survival. It arises in the work of this Congress at every turn. It is a factor in almost every decision we make, and in almost every legislative matter that comes before us.

The scope of this resolution embraces all current aspects of the economic policy of the Federal Government. It includes interest rate policies, it includes money supply, it includes financing the activities of the Government.

It is a resolution which is badly needed, and I hope it will be approved quickly so that we can proceed to an urgent task.

Mr. BUSH. Mr. President, I rise to support the concurrent resolution. I shall speak very briefly with regard to it.

Mr. President, I have listened with interest to the comments of the distinguished majority leader regarding the resolution for the appropriation for the Joint Economic Committee hearings and general investigation. The Senator has correctly outlined some of the major problems which are before the committee.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD a newspaper clipping from the New York Times of March 21, under the headline "Economist Urges a Budget Deficit," and, following that, an article from the Washington Post and Times Herald, by Roscoe Drummond, entitled "Budget Blur," which was published this morning. I ask unanimous consent that the two articles be printed at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. DODD in the chair). Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

(See exhibit No. 1.)

Mr. BUSH. Mr. President, I also ask unanimous consent to have printed in the RECORD, following the other insertion, pages 115 and 116 of the transcript of the hearings before the Joint Economic Committee of March 20.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

(See exhibit No. 2.)

Mr. BUSH. Mr. President, these latter items relate to the testimony of Dr. Slichter before the committee, and to his description of inflation as a tax.

I support the report of the Committee on Rules and Administration regarding the special study by the Joint Economic Committee, which calls for an authorized expenditure of $200,000. We discussed this matter in some detail in the committee, and while there was a considerable body of opinion in the committee that the sum was too large, the committee members pledged themselves to work together with the thought that we probably would turn back a substantial part of the authorization. That is not a new practice among the committees of the Senate, and there were Senators present at the meeting

UNIVERSITY OF MICHIGAN LIBRARIES

who referred to previous examples where such action had been taken.

It is very difficult, Mr. President, to budget for this kind of a committee procedure. It is likely that the hearings will continue throughout the present session of the 86th Congress, and may very well continue after the Congress adjourns sine die in the summer, if indeed it does adjourn—and I hope it will. For that reason, the committee was unanimous in agreeing that the appropriation of $200,000 was a legitimate and proper request, and Senators will observe on page 3 of the committee report an estimate as to how the money may possibly be spent. The committee will not be held to spending the money in exactly those ways, but this is an estimate of how perhaps the money may be spent in connection with the hearings during the months ahead.

We have in the Joint Economic Committee what we regard as a very capable staff. Most of the staff members are professional economists, and we believe we should use the staff to the fullest in connection with the investigation. We will do that, but it is not unlikely—in fact, it is almost certain—that we will need additional members of the staff during the months ahead, so that is provided for in the table Senators will observe on page 3 of the report of the Committee on Rules and Administration.

Mr. President, I recommend to the Senate that it adopt the concurrent resolution.

EXHIBIT No. 1

[From the New York Times, Mar. 21, 1959]

ECONOMIST URGES A BUDGET DEFICIT—SLICHTER ALSO TELLS INQUIRY UNIONS ARE MAJOR CAUSE OF INFLATION TODAY

WASHINGTON, March 20.—A congressional investigation into the problems of the economy opened today with a witness whose position sharply contradicted pet theories of both liberals and conservatives.

The witness was Prof. Sumner H. Slichter, a Harvard University economist. After 2 hours of his testimony the chairman of the Joint Economic Committee, Senator PAUL H. DOUGLAS, Democrat, of Illinois, called it refreshing, and continued:

"I don't think there was a single sacred cow that was not kicked at one time or another, on both sides of the aisle and all sections of the country."

Dr. Slichter took these iconoclastic stands today:

The budget in the next fiscal year beginning July 1 ought to be unbalanced by about $3 billion, not balanced.

Labor unions are much the most important cause of modern-day inflation, but a general wage increase is just the right medicine for the economy in its present state.

A slow inflation is an inescapable cost of a desirable rate of economic growth, and it is nonsense to contend such an inflation will eventually turn into a galloping inflation.

The Federal Reserve's monetary policy is too tight at the moment.

Nonetheless, the interest ceiling of 4¼ percent on Government bonds should be raised to enable the Government to compete for investment funds.

While it is probably impossible to stop slow inflation, the biggest single step the Government could take to halt it would be to abolish all tariffs and import quotas over a 10-year period.

SUBSIDIES DENOUNCED

In the course of his testimony Dr. Slichter also took swipes at shipping subsidies (perfectly ridiculous) and the present policy of tolerating high unemployment (wasteful and inhuman).

Dr. Slichter's basic theme in his prepared paper was that a high rate of economic growth was urgent for a number of reasons; that a slow rise in the price level is an inescapable cost of the maximum rate of growth; and that the effects of a slow inflation are by no means as disastrous as they are frequently described.

He noted, for example, that Federal old-age pensions had risen far faster than the cost of living since the end of World War II. He also denied that the United States was pricing itself out of world markets, denied that slow inflation discouraged saving, and argued from experience in this and other countries that creeping inflation had in no case turned into a gallop.

The immediate problem of getting greater economic growth is different from the long-run problem, he said. The immediate problem is inadequate demand to put the resources of the economy back to work, he argued.

After examining all possible sources of greater demand, he concluded that the most hopeful was higher wages, though he contended that the Federal Government should supply some additional demand by spending more and unbalancing the budget.

Representative HENRY S. REUSS, Democrat, of Wisconsin, said he was confident that Dr. Slichter did not favor a deficit as such.

"I think I do," the professor replied, to a burst of laughter in the committee room.

BUDGET BLUR: DEMOCRATS AREN'T MEETING ISSUE HEAD ON

(By Roscoe Drummond)

Are the Democratic leaders going to be willing to face the Eisenhower balance-the-budget issue head on, and soon, in order that the voters may have some say in the outcome?

They are not doing it so far.

The effect of Democratic speeches and Democratic maneuver is to blur the issue, confuse the issue, and so delay the issue that it will be difficult to determine who has unbalanced the budget, where, and for what reason. And it will come so late in the session that public opinion will have little chance to make itself felt one way or the other.

If the Democrats are going to meet the Eisenhower hold-the-line budget issue and give the voters a chance to support or reject an alternative policy, they must do two things:

1. They must quit jiggering the budget piecemeal, adding a hunk here, chipping off a corner there, and, instead, offer Congress and the country a coherent, total spending program which they can look at whole and decide whether they want it.

2. Do it soon enough so that the consequences of the Democrats' national budget—good or bad—can be seen and judged in comparison with the Eisenhower national budget.

When the President sent his budget to Congress—precariously balanced, but still balanced, with an estimated $70 million surplus—he was beginning to point up a real, fundamental, and philosophical difference between the Democratic and Republican Parties.

Mr. Eisenhower, even in the face of a $40 billion defense program was proposing to hold the line on a great deal of Federal spending; he was freezing some programs, cutting others, and proposing little in the way of new or increased public services. He emphasized balancing the budget as a vital end in itself and as a measure to hold inflation. If he could get a surplus, his priority was to use it either to reduce the debt or cut taxes.

Here, at last, there appeared to be in the making a basic party divergence of both principle and practice. Most of the Democrats said they wanted to spend more for defense, more for housing, health, aid to education, airports, roads, and aid to distressed areas where unemployment is still high. At the same time many Democrats argued that more Federal spending would promote economic growth and that an unbalanced budget might even be beneficial.

There is no doubt, I think, that a pretty sizable gulf spreads out between the two parties on this budget-spending issue. But so far it is being fogged by a piecemeal approach and the prospect is that it will be cleared so late in the session that neither Congress nor the country will quite know what's happening before it is too late.

Either by default or by design, the Democrats are tending to conceal the issue rather than clarify it.

Obviously the very methods of congressional operation contribute to blurring the issue. By long habit and by the jealously guarded division of authority between committees, Congress always considers and acts upon the spending side of the budget item by item—and never in total and never in relationship to revenue.

The appropriation committees and the tax revenue committees consider spending and revenue separately—never together.

This means that in the upcoming airport and housing bills, which the Democrats have somewhat cut back under White House pressure, the Democratic majority is already in process of unbalancing the budget—but no one will know for sure until Congress is nearing adjournment. The reasons will be blurred, responsibility will be blurred.

The only way Congress and the country can intelligently choose a Democratic Party alternative to the Eisenhower budget is to have a chance to look at it whole soon.

It seems to me that the Democratic majority—or the Democratic advisory council—owes it to the country to show openly what they want the public to approve rather than to remake the budget piecemeal behind the curtains.

EXHIBIT No. 2

Senator BUSH. Dr. Slichter, I just want to go back briefly to the question of inflation and then I want to move over for a few moments about your argument in favor of reducing tariff barriers. First on this question of inflation, I confess I find it very difficult to follow your logic or your reasoning on this, although I recognize the integrity of your views thoroughly. I want to read you a little short paragraph by Kenneth Galbraith, who I believe is a colleague of yours at Harvard University, a man who is certainly recognized as being as able as you are, who said this about inflation. I am reading about your advocacy not only before this committee, but elsewhere, of the so-called creeping inflation philosophy: He says:

"Inflation, progressive, unremitting, and unending inflation, is not a pleasant prospect. It undermines all the arrangements that civilized man makes and maintains with the greatest difficulty. Schools, hospitals, churches, public services, law and order, care of the sick and the aged, all suffer. By contrast, speculators, promoters, all who are knowledgeable about making money, do well."

This is from an article by Galbraith which appeared in the Atlantic Monthly on February 1957.

Do you and he ever discuss these matters together? Do you disagree with what I just read?

Mr. SLICHTER. Yes; I disagree.

Senator BUSH. You disagree?

Mr. SLICHTER. Yes. I disagree that inflation causes problems for a lot of institutions such as educational institutions, hospitals, individuals, but these problems are not new problems. We have been living under inflation most of the time for the last several centuries. We must not suddenly say that we are confronted with insurmountable problems. I don't think that slow creeping inflation is an encouragement to speculation so much as an encouragement to enterprise. One good thing about creeping inflation to be said over against the problems it causes is that it is a tax, and it is a tax that falls on everyone. It is not a bad kind of tax in many respects. One thing I like about it is that there are no exemptions. Under our present income tax, 30 percent of the adjusted personal income reported is tax free because of exemptions. Another 12 to 15 percent is tax free because of deductions. I don't object to the deductions because they go to charity. Exempting 30 percent seems to me to be wrong. With a $600 exemption a family of three children, man and wife, pays nothing on the first $3,000 of income. Fortunately under inflation they pay a little tax on everything. Nobody puts any exemptions in there to please this, that or the other group.

Mr. KEFAUVER. Mr. President, I join with the majority leader and other Senators in expressing gratification that a concurrent resolution has been submitted to authorize the Joint Economic Committee to make a study of the problem of inflation. I have been stating for some time that to my mind inflation is our No. 1 domestic problem at the present time, and undoubtedly any investigation conducted and any light which can be thrown on the subject will do much good. It will at least inform the people, so that public opinion can exert its influence. It will inform the Congress, so that any proposed legislation in Congress can be considered, and, I hope, passed. It will also inform the executive branch of the Government, which has an important part to play with respect to solving the problem of inflation.

I think the study will be very helpful. I invite the attention of the Senate—and I am sorry the chairman of the Joint Economic Committee is not present in the Chamber—to the fact that many of the seven specific suggestions as to what the committee is to investigate have been the subject matter of study by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary over a period of the past several years. We began a study some years ago of the effect of monopolistic and quasi-monopolistic practices upon prices, profits, production, and employment.

That is item 3, which the Joint Economic Committee will consider.

Two and one-half years ago we began a study, which is continued at the present time, of the effect of increases in wages, salaries, and the prices of personal services, together with union and professional practices, upon prices, profits, production, and employment.

There is no harm, of course, in duplicating any of these studies. We have conducted specific studies in connection with steel, automobiles, petroleum, milk, and a number of other specific commodities. Such studies have been in line with the proposed studies. We shall conduct other studies of specific industries in addition to hearing from witnesses generally as to the effects of monopolistic and quasi-monopolistic practices. We are continuing a study of the effect of administered prices and wages in connection with the subject of inflation. We have been making a study, particularly so far as the oil business is concerned, of point 6 as set forth in the resolution—"international influences affecting prices, production, trade, and employment."

It is our hope that there may be the closest cooperation between the Joint Committee and the Antitrust and Monopoly Subcommittee in repect to subjects in which both committees have an interest, and will both be making studies.

It is my opinion that the hearings and staff reports of the Antitrust and Monopoly Subcommittee may be of considerable benefit to the staff and members of the Joint Economic Committee. We have been engaged in the general study of the question of monopolistic influences on prices for a period of 5 or 6 years. More specifically, for the past 2½ years we have been studying the problem of administered prices.

Our hearings and our reports during the past 2½ years have been largely directed at the problem of inflation, to determine what kind of inflation we have, why we have it, and what we can do about it.

We welcome the entry of the Joint Economic Committee into the very field we have been studying; and I express the hope that there will be the fullest exchange of information, and that we will work in cooperation with one another.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. AIKEN. Would the Senator agree that the recent mandatory restrictions on oil imports are likely to have a highly inflationary effect on the U.S. economy?

Mr. KEFAUVER. I have been in favor of substantial importation of fuel and residual oil. Undoubtedly there will be an inflationary effect. I do not think the picture is all black or all white. It is necessary for the economy that we have a good, sound coal industry. I think a happy balance should be struck; but undoubtedly in many parts of the country further restriction of importations will be inflationary.

Mr. AIKEN. Is the Senator aware that as the result of such restrictions the price of crude oil to manufacturing countries other than the United States has been reduced, thereby putting our industries and our farm population in the position of being victims of a double-edged sword—one edge increasing costs of production at home, while the other edge will have the effect of decreasing costs of production in competing countries?

Mr. KEFAUVER. I have seen that statement, and I am aware that that is happening to some extent. As to the extent and importance of it, as related to our overall economy, I am unable to say, because I have not studied the subject sufficiently. But basically what we have been having has been a situation in which prices have been fixed by the administrators and by the leaders in certain concentrated businesses.

Prices are also fixed by the leaders of unions in certain industries. We have been on a merry-go-round of price-wage increases. I should say that the price increases have been more than sufficient to take care of the wage increases—sometimes several times as much as has been necessary.

But whether the cause is prices, whether it is business, or whether it is labor, the way things are going now is not doing anyone any good.

That is what is at the bottom of the administered price study we have been making. I believe that the lack of action, and in some cases, the kindling of the fire by governmental policies, have played an important part.

This is a wide field, in which many committees can operate effectively and in the public interest. I certainly shall support the pending resolution, but I wish to make a record of the legislative history of what we are doing, so that there may be coordination between the two committees in this field.

Mr. DOUGLAS subsequently said: Mr. President, earlier today the Senate passed Senate Concurrent Resolution 13 unanimously. At this time I want to say that I appreciate the remarks made on behalf of the resolution by the majority leader [Mr. JOHNSON] and by the ranking minority member of the committee in the Senate, the Senator from Connecticut [Mr. BUSH.]

I believe that the American people desire that our economy meet three tests; namely, providing maximum employment, an adequate rate of growth, and maintaining relative price stability and preventing both inflation and deflation.

There are some who would either openly or secretly subordinate maximum employment and growth to the maintenance of price stability, and there are others who openly or secretly would be willing for us to suffer instability in the price level, and hence inflation, if it would bring full employment and a more rapid rate of growth.

I believe that the real purpose of this study is to attempt to rationalize these three goals of our economy and to find ways and means by which we can achieve maximum employment, an adequate rate of growth, and relatively stable prices. I do not believe that we must subordinate one goal in order to achieve the others.

In this connection we shall go into the following subjects:

First. Historical and comparative rates of unemployment, production, and prices;

Second. Inflation and deflation caused by increases and decreases in the effective supply of money and credit and the effects of these and of interest rates on growth, employment, and economic stability;

Third. The effect of monopolistic and quasi-monopolistic practices upon prices, profits, production, and employment;

UNIVERSITY OF MICHIGAN LIBRARIES

Fourth. The effect of increases in wages, salaries, and the prices of personal services, together with union and professional practices, upon prices, profits, production, and employment;

Fifth: The effect of governmental expenditures, taxation, and budgetary surpluses and deficits and of monetary and debt management policies upon price levels, production, and employment.

Sixth. International influences affecting prices, production, trade, and employment; and

Seventh. Constructive suggestions for reconciling and simultaneously obtaining the three objectives of maximum employment, and adequate rate of growth, and substantial stability of the price level.

I think that these subjects can be pursued in an objective manner. I believe that no partisanship will prevent our committee from agreeing on the procedures to be followed and a statement of the facts, even though it may follow that we may disagree to some extent on the meaning and analysis of the facts. However, if we do no more than agree to the facts and develop them thoroughly, we shall have made considerable headway.

However, I believe that we shall do a great deal more than that, and I can say that the committee is united in the spirit in which this study is to be undertaken.

I appreciate the support of the majority leader, the minority spokesman, and of the Senate, in both urging and agreeing to this study. We shall try to be both objective and frugal, and to produce reports, hearings, and recommendations which will make a contribution to our knowledge and to our economy.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 13) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Economic Committee, or any duly authorized subcommittee thereof, as authorized by the Employment Act of 1946, as amended, is authorized and directed to conduct a full and complete study of and investigation into the problems of providing maximum employment and an adequate rate of economic growth, as well as maintaining price stability and preventing inflation, including, among others, the following subjects.

(1) Historical and comparative rates of unemployment, production, and prices;

(2) Inflation and deflation caused by increases and decreases in the effective supply of money and credit and the effects of these and of interest rates on growth, employment, and economic stability;

(3) The effect of monopolistic and quasi-monopolistic practices upon prices, profits, production, and employment;

(4) The effect of increases in wages, salaries, and the prices of personal services, together with union and professional practices, upon prices, profits, production, and employment;

(5) The effect of governmental expenditures, taxation, and budgetary surpluses and deficits and of monetary and debt management policies upon price levels, production, and employment;

(6) International influences affecting prices, production, trade, and employment; and

(7) Constructive suggestions for reconciling and simultaneously obtaining the three objectives of maximum employment, an adequate rate of growth, and substantial stability of the price level.

SEC. 2. For the purposes of this resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized through January 31, 1960 (1) to appoint and fix the compensation of such experts, consultants, or organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable; and (2) to hold such hearing, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. Subpenas shall be issued under the signature of the chairman or vice chairman of the joint committee and shall be served by any person designated by them.

SEC. 3. The joint committee shall from time to time report its findings and recommendations to the Senate and the House of Representatives and shall make its final report at the earliest practicable date but not later than January 31, 1960.

SEC. 4. The expenses of the joint committee under this resolution, which shall not exceed $200,000, through January 31, 1960, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BUSH. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. JOHNSON of Texas. Mr. President, I ask that the unfinished business be laid before the Senate.

UNEMPLOYMENT IN DEPRESSED AREAS

The PRESIDING OFFICER. Under the unanimous-consent agreement heretofore entered, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. At what time does the unanimous-consent agreement become effective?

Mr. JOHNSON of Texas. It is in effect now. I am prepared to yield time to Senators for insertions in the RECORD. Morning business was concluded before the Senate proceeded to consider Senate Concurrent Resolution 13, the inflation resolution. It was taken up by unanimous consent.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Delaware.

THE EXPENSIVE FARM PROGRAM

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Millions for Growing What No One Needs: The Expensive Story of the Farm Scandal," published in the Charleston, W. Va., Gazette of March 10, 1959.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MILLIONS FOR GROWING WHAT NO ONE NEEDS: THE EXPENSIVE STORY OF THE FARM SCANDAL

It was Senator WILLIAMS, Republican, of Delaware, whose patient kindling finally built a fire under the Internal Revenue Service. It was a model investigation and produced the evidence which sent a number of embarrassed officials to jail.

Using much the same methods—the painstaking addition of fact to fact—Senator WILLIAMS has now taken on the farm program. His theme is that the farm program, as it is loosely called, does not do what it is supposed to do. That is to say that it does not protect the small, family-type farm. And in it the lavish expenditure of funds serves as little more than a governmental guarantee on the operation of corporate type farming.

What Senator WILLIAMS means is this: Last year the Delta and Pine Land Co., of Scott, Miss., received $1,167,000 in farm subsidies on its cotton crop.

Delta and Pine led the list, but not by much. Producer's Farms, Inc., of Stuttgart, Ark., drew $1,460,000 on its rice crop, and Westlake Farms, Inc., Stratford, Calif., walked off with $854,450 in cotton subsidies.

These three corporations, says Senator WILLIAMS, received in support payments more than the total amount received in all crops produced in 1957 by all farmers in Delaware, Maryland, Pennsylvania, and New Jersey.

And just to clinch the point Senator WILLIAMS entered in the CONGRESSIONAL RECORD the names of 51 other farms and farmers who received in excess of $100,000, mostly in support of cotton, corn, rice and wheat.

These are not, as many people believe, the small, independent family-type farms which support American citizenship at its historical best. They are vast and efficient operations which cultivate the Government's support program as industriously as they cultivate the soil.

This does not mean that the corporate farm is an evil. It does mean that there is no more reason to subsidize them than there is to subsidize General Motors or United States Steel.

TRIBUTE TO WILLIAM H. HILL, OF BINGHAMTON, N.Y.

Mr. KEATING. Mr. President, will the Senator yield 1 minute to me?

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from New York.

Mr. KEATING. Mr. President, today marks the 83d birthday of the elder statesman of New York State Republican politics, former Congressman William H. Hill, of Binghamton. It provides me with a most welcome opportunity to pay tribute to a man who has literally devoted his entire adult life to public service and to helping better the lot of his fellow men.

At the tender age of 21, Billy Hill became president of his home village of Johnson City, N.Y. In the years since then, he has served as a member of the New York State Senate, as a Member of Congress, and as a member of the New York State Parks Commission. He has been a delegate to numerous Republican

National Conventions and has for years stood as the most highly respected and powerful political figure in New York's southern tier.

As publisher of the Binghamton Sun, Billy Hill has turned his energies to community betterment and to the many causes in which he deeply believes.

His activities in all phases of his busy life have consistently been characterized by integrity, vision, and wisdom. He has exemplified the supreme consciousness of public trust which should guide all men in public service. His inspiring career, devoted selflessly to helping other people, has etched his name irrevocably in the history of his area and his State.

Through it all, Billy Hill has gained in stature and respect. The number who call him friend has grown steadily. There can be no higher tribute to the caliber of this man.

Mr. President, I am proud to salute this kind and good man and to join with his many friends, regardless of political persuasion, in wishing him many more years of happiness, health, success, and continued usefulness to his fellow men.

I thank the majority leader.

LEGISLATIVE PROGRAM—EASTER ADJOURNMENT — ACCOMPLISHMENTS OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, I yield myself such time as I may require.

I wish to state for the RECORD that it is planned to adopt a concurrent resolution which will come over from the House. Under the provisions of the concurrent resolution the Senate will not be in session from Thursday of this week until Tuesday, April 7, which is a week after next. It is not planned that there shall be any rollcalls on that Tuesday. The first day upon which it is planned to have any rollcalls is Wednesday, April 8.

I have had a conversation with the minority leader. I believe the House concurrent resolution provides for an adjournment from Thursday of this week, March 26, until a week from following Tuesday, April 7. However, we will have no rollcalls on the Tuesday when we return.

Mr. President, this adjournment has been made possible by the understanding and the diligence and the intelligent cooperation of each Member of the Senate. There are 98 Members of the Senate, and it is rather unique that before Easter we should have been able to pass the volume of legislation which has been handled. It has been made possible because we have cooperated with each other and have reasoned together.

The action on the concurrent resolution just adopted is an example. The distinguished Senator from Connecticut [Mr. BUSH] is present. He is a member of the committee which reported it, and he is interested in it. He cooperated fully. Congress has acted intelligently, I believe.

In addition, we have amended rule XXII of the Senate.

We had been talking about Hawaii becoming a State for 40 years, and we finally admitted Hawaii into the Union, by action of the Congress, after 4 or 5 hours of discussion in the Senate.

We passed a housing bill providing for $2.7 billion. Some persons believed that to be be too small an amount. Some felt it to be too much. The House has yet to act on the housing bill. However, the Senate faced up to the problem and the bill the Senate passed represents the views of a majority of Senators.

We also passed a draft extension act. The President wanted an extension of 4 years. Some persons proposed an extension of 2 years. Some did not want any extension. However, the Senate, by a vote of 90 to 1, passed it exactly as it had been requested by the administration.

The Senate also passed supplemental appropriations for the space program. It was emergency legislation. It was reported exactly as it had been requested, and was passed by the Senate by a vote of 90 to 7.

The Senate also passed the airport bill, providing $465 million over a 4-year period. That was not a Democratic measure, nor a Republican measure. The administration favored one type of measure. The Senate committee went a little further. The Senate did not go quite so far. The Senate passed the bill. The House has acted on the bill, and we will resolve the differences in conference.

Then there was the World Bank bill. There was some discussion as to which fiscal year should be used. The Senate by an overwhelming vote took the leadership and passed that proposed legislation. It was important that we did so.

The Senate also passed a bill amending the Clayton Act and adopted the concurrent resolution to which I have referred.

The depressed-areas bill involves approximately $390 million. It may be amended on the floor, but we will come to a vote on it today.

All this has been made possible by the cooperation of all the Members of the Senate. Therefore, we will be able to go along with the House and take a recess for Easter, and go back home and talk to our constituents. I hope we will come back after the Easter recess enlightened and determined to do what is good for America.

I ask unanimous consent to insert in the body of the RECORD a memorandum on legislation which has been enacted by the Senate since January 7 of this year, the beginning of the session.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LEGISLATIVE ACHIEVEMENTS FROM JANUARY 7, 1959, THROUGH MARCH 23, 1959

Cloture: Liberalized the cloture rule by providing that two-thirds of the Senators voting may close debate on any measure, including rule changes; and affirms the fact that the Senate is a continuing body.

Hawaii: Provides for admission of Hawaii as a State.

Housing: Provides for a $2.7 billion housing program over a 6-year period, emphasizing low-cost housing, urban renewal, and a more realistic building program for the elderly.

Draft: Extended for 4 years, or until July 1, 1963, the induction provisions of universal military training, provisions suspending the personnel strengths of the Armed Forces; and authority to draft physicians and dentists.

NASA: Authorized a supplemental of $48,354,000 for the National Aeronautics and Space Administration for salaries and expenses, research and development earmarked entirely for Project Mercury, and for construction and equipment to develop and test a new rocket engine.

Airports: Authorized $465 million over a 4-year period in Federal aid for airport construction.

World Bank: Increased the resources of the International Monetary Fund by 50% and the capital of the International Bank by 110%.

Clayton Act: Amended the Clayton Act to fill an enforcement void which existed for many years by providing that orders issued by the Federal Trade Commission and other agencies under section 11 are to be finalized in the same manner as orders issued under Section 5.

Depressed areas: Authorized a new Federal program with an initial authorization of $389,500,000 aimed at alleviating unemployment and underemployment in depressed areas.

Economic: Providing $200,000 for the Joint Economic Committee to use in making an economic inventory of the United States.

Mr. BUSH. As I understand, the depressed areas bill is the pending business before the Senate.

Mr. JOHNSON of Texas. The Senator is correct.

Mr. BUSH. I should like to observe that I agreed to the unanimous-consent agreement to limit debate with the understanding that the bill would be the pending business at the conclusion of the morning hour today, which I envisioned would be at 2 o'clock. I find it exceedingly embarrassing—and this includes the minority leader and other Senators—to have the bill the pending business at this time, because the Senate may come to a vote on it——

Mr. JOHNSON of Texas. No, no.

Mr. BUSH. We may come to a vote on it rather suddenly.

Mr. JOHNSON of Texas. No, no; we are not going to do that.

Mr. BUSH. If there are no speakers, what will we do?

Mr. JOHNSON of Texas. We will have rollcalls. I have assured the minority leader that we would not come to a vote that quickly. I also gave him such assurance before the unanimous-consent agreement was entered into. I assured him that we would not expect to have a vote before 3 o'clock this afternoon.

Mr. BUSH. I thank the majority leader.

Mr. JOHNSON of Texas. I stated to the minority leader earlier in the day that we would have discussion of the bill.

Mr. BUSH. I thank the majority leader.

Mr. JOHNSON of Texas. The unanimous-consent agreement provided that the bill should be taken up at the conclusion of routine morning business.

Mr. BUSH. Yes.

Mr. JOHNSON of Texas. We will protect the minority leader in every sense.

Mr. President, I ask unanimous consent that I may yield such time as the

UNIVERSITY OF MICHIGAN LIBRARIES

Senator from Vermont [Mr. AIKEN] may desire, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I make the same request for the Senator from South Dakota [Mr. MUNDT], the Senator from Nebraska [Mr. CURTIS]; 3 minutes for the Senator from New Hampshire [Mr. BRIDGES]; 2 minutes for the Senator from New York [Mr. JAVITS]; and 5 minutes for the Senator from New Mexico [Mr. ANDERSON].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. JAVITS. Will anything be done about the temporary unemployment compensation bill before the Easter recess?

Mr. JOHNSON of Texas. Yes; it has been reported by the committee, and it will be taken up before the Easter recess. What will be done about it will depend on the wishes of the majority of the Senate.

Mr. JAVITS. I thank the Senator.

Mr. JOHNSON of Texas. I thank the Senator from Vermont, and I express my gratitude to him for his cooperation. He is always courteous.

OIL IMPORTS

Mr. AIKEN. Mr. President, I thank the majority leader for the time he has allowed me, because I am sure he does not agree with the matters I am asking to have placed in the RECORD. I ask unanimous consent to have printed in the body of the RECORD an editorial from the Montpelier Evening Argus of March 21, 1959, entitled "Restraint on Competition"; an editorial published in the Burlington Free Press entitled "Senator AIKEN Opposes Oil Import Quotas"; an editorial published in the Rutland Daily Herald entitled "Oil 'Mess-take' "; and an editorial published in the Boston Globe of March 19, 1959, entitled "How To Alienate Friends."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Montpelier Evening Argus, Mar. 21, 1959]

RESTRAINT ON COMPETITION

From every conceivable standpoint, the Federal Government's imposition of a mandatory system of import quotes on crude oil, gas, and other principal petroleum products is as irresponsible as it is unwise and unnecessary. It is clearly a decision made in homage to a group of special interests—some of the purely domestic oil companies—at the expense of the general welfare.

It will undoubtedly lead to an oil and gasoline price increase, thus furthering the pressures of inflation—which the Federal administration, incidentally, is supposed to be fighting on other fronts.

It can do nothing but harm to our already damaged foreign trade and foreign relations programs, being, as it is, a restraint on free world trade and competition.

It may well lead to further interference by the Government in economic controls, if the administration's promise to "police" the program is carried out.

The Government, which sounded more than a little embarrassed at its own decision, gave off with some sop about this being in the interest of national security. This is red herring nonsense, and smells as such.

That statement completely ignores the fact that the restrictions apply equally to Canada. How, now, could there be any interception on U.S.-bound oil on the sea in this case? Canadian officials had protested the decision even before it was made as another example of breaking down friendly relations between the two countries.

And in neutral countries overseas how does the Government think this decision will be interpreted? How else but a contradiction of our high and mighty sounding phrases about international cooperation and free trade? And, in all honesty, what else is it?

The blow may well hit New England harder than other parts of the country, since the import restrictions apply also to residual oil.

President Eisenhower included this in the compulsory program despite repeated protests from the New England delegations in Congress and from others in this part of the country.

Instead of listening to these entreaties, the Government went ahead with a decision that can only result in increased oil prices in New England and give inflation a further impetus all over the country.

[From the Burlington Free Press, Mar. 20, 1959]

SENATOR AIKEN OPPOSES OIL IMPORT QUOTAS

Senator AIKEN criticizes President Eisenhower for placing mandatory quotas on oil imports. The Senator has a lot on his side.

One of the subjects the British Prime Minister is expected to discuss with the President during his current visit to Washington is trade policy.

There is a great deal of uneasiness in Britain and elsewhere about a U.S. tendency to deny its markets to foreign producers.

Canadians are unhappy about quotas on oil, lead, and zinc. Australia doesn't like the lead and zinc quotas.

As Senator AIKEN notes, tariff barriers and import quotas protect domestic producers from competition and push U.S. consumer prices upward. In other words, they tend to be inflationary.

President Eisenhower's order on oil import recognizes this by saying price increases will be watched closely and that imports of cheaper foreign fuel will be accepted in larger volume to control prices, if necessary. This is a new price-control wrinkle.

A restrictive trade policy works against objectives of the President's foreign aid program when nations who depend on sales of textiles, wood products, foodstuffs, and other items of trade are denied American markets.

Foreign aid is aimed at helping other countries help themselves, but trade barriers prevent them from helping themselves by producing things and selling them in the American market.

The one overriding argument for tariffs and import quotas in maintenance of strong defense industries. America would not want foreign competition to weaken its petroleum industry to the extent that the country would be in a hopeless position if denied foreign supplies.

Employment for American workers, protection of the investments of American stockholders, and general economic stability are other considerations.

It is the President's job to weigh the welfare of foreign friends against national security—to decide whether the preservation of jobs devoted to items of domestic consumption would be offset by loss of jobs for those engaged in production for export—to balance the disruptive effects of foreign competition on one industry against the inflationary effects of eliminating that competition.

The President's decisions regarding oil, lead, and zinc may be sound and they may not be. There is room for argument.

To the extent that these decisions represent a trend toward protecting more and more industries whose labor costs and other costs are pricing them out of markets, we fully share Senator AIKEN's misgivings.

[From the Rutland Daily Herald, Mar. 21, 1959]

OIL MESS "TAKE"

It will be difficult, at least for most New Englanders, to disagree with Senator GEORGE D. AIKEN's charge this week that the Federal order limiting imports of crude oil and its principal products is "a classic in contradictions." It is ever more difficult today than on Wednesday, when the charge was made in a Senate speech, for current figures show oil inventories at a more favorable level than a year ago and on Thursday a leading oilman gave further confirmation to estimates that demand for petroleum and its products is on the rise.

This past winter—it is, technically, past now since spring arrived at 3:55 a.m.—has been one to remind everyone of the part fuels play in determining the cost of living and doing business, especially in this part of the country which lacks mineral fuel resources.

Add the other five points in the Senator's indictment—besides these two of regional discrimination and inflation—and the import restriction order seems definitely a mistake: a "mess-take," one might say.

It won't help employment, even in the oil fields: Texas has just ordered a cut in April's allowable production, below the March level.

It won't help our relations with other oil-producing nations.

It won't help U.S. industry compete in foreign markets.

It won't help our national security.

It won't help stem the trend toward Government controls of industry—all industry—and people.

The reference to national security seems particularly important. Why, in these perilous times, should we use up our not unlimited fuel reserves when distant supplies are readily available and purchase of them actually helps the overall economy of the friendly nations?

[From the Boston Globe, Mar. 19, 1959]

HOW TO ALIENATE FRIENDS

News emphasis on Prime Minister Harold Macmillan's stopover at Ottawa yesterday, on his way to Washington, naturally focused on the Berlin question. But another subject highly important to Canadian-American relations, also occupied the attention of Britain's leader and Premier John Diefenbaker: the worsening relations between Ottawa and Washington.

Few on this side of the border realize the situation created for Canada by the latest jolt to her economy and pride—abrupt imposition of import restrictions on foreign oil by the United States. This step, taken in the overworked name of "national security," makes little sense insofar as Canada is concerned. The result is smouldering anger in Ottawa.

The cutback on Canadian oil exports to the United States is but the latest episode in a lengthening list of grievances which are impairing relationships on this continent. The dumping of our surplus wheat abroad is another. Refusal of our military procurement authorities to grant Canada a significant share in production orders for defense equip-

ment mutually employed, continuing interference with Canadian subsidiaries of American corporations in the trade field, are others.

Last year, when this evolving situation stirred public attention, Washington indicated a desire to order things better. Apparently correctives have made little progress. As a consequence, Canada is in serious trouble in her export trade and her sense of nationalism has been fired anew.

Neglect, snubs, and inattention are bad diplomacy. They should end. Perhaps the Canadian Week seminar in Boston next month (which the Globe is sponsoring), may stimulate greater realism. The real corrective needed is a Canadian-American economic covenant. That is overdue.

PAKISTAN INDEPENDENCE DAY

Mr. BRIDGES. Mr. President, today is Pakistan Day, a day of great significance to one of our stanchest allies in all of Asia.

On this date in 1940 the political ideal of a separate nation on the vast subcontinent of India was born. And on this same date 3 years ago, Pakistan ceased to have the dominion status which it had acquired at the time of partition in 1947, and officially became an independent republic.

It is, therefore, an important day, and a proud day, to the people of this struggling young nation.

I think this might be an appropriate occasion on which to set the record straight on the recent change of government in Pakistan. It appears that the picture may have been deliberately distorted by those who would like nothing more than to see the Government of Pakistan fail.

In this respect, I refer to recent speeches made by the newly appointed Indian Ambassador to the United States.

Mr. M. C. Chagla, the new Ambassador from India, told the India League of America that the United States is—

pouring millions and billions of dollars into India to help her to organize herself industrially. At the same time, by giving arms to countries hostile to us, she is compelling us to spend more and more on our defense and this diverts our resources from being used for the good of our people to building up arms and armaments.

Obviously, in referring to countries "hostile to us" the Ambassador meant Pakistan. He went on to refer to the present governing regime in Pakistan as a naked military dictatorship.

In the first place, it is obvious to anyone who has carefully followed events in Pakistan since Gen. Ayub Khan assumed the Presidency 5 months ago that his temporary regime appears to be nothing of the sort. Since he took over last October, he has bent over backward to avoid any repetition of the revolting spectacle in Iraq or, more recently, the bloody exhibition of drumhead justice in Cuba. Not a single shot has been fired. The transition has been orderly.

Ayub, moreover, has won widespread commendation for the sensible and constructive steps which he has taken to give Pakistan political and economic stability. One of the most recent—and most vital—is a sweeping land reform program in which landlords will receive compensation in the form of interest-bearing bonds and former tenants will be able to purchase their own land on easy terms.

In this respect, I should like to quote from an editorial which appeared in the New York Times, January 26:

As the plans have been outlined, there appears to be a high regard for both human and property rights and an attempt to safeguard them. The reform is needed, and the President is committed to it and has acted boldly. He is deserving of congratulation and of success.

After 11 years of struggling under the burden of a multiparty political system, the people of Pakistan seem to have greeted the administration of Gen. Ayub Khan as a breath of fresh air. Sick of haggling politicians—some of them hoarders and blackmarketeers—Pakistanis were on the verge of total disillusionment when Ayub took over. In his own words, the so-called professional politicians had made a laughing stock of the country.

I point out that our own country struggled for 11 years before it evolved a Constitution to supplant the Articles of Confederation.

Pakistan's struggle has been no less difficult.

Gen. Ayub Khan has given every assurance that once certain urgent reforms have been instituted and a practical and effective constitution has been drafted, he will step down and free elections will ensue. American observers in Pakistan have had no reason to doubt his word.

I also point out that his present provisional cabinet includes eight men drawn from the professions and only three military men. This does not appear to constitute a naked military dictatorship.

Firmly committed to the West through its membership in the Baghdad Pact—as well as by definitely anti-Communist inclination—Pakistan is a genuine friend of the United States.

I believe that in the event the Soviet Union ever made an overt move of aggression in that general area, the United States could rely upon Pakistan to accept the challenge. While the relative armed strength of Pakistan is, of course, minute, I point out that the area which is now west Pakistan traditionally supplied the finest fighting men to be found in the old Indian Army. Pakistan's jet pilots today are rated by our own military observers to be among the best in the world. In the event of war, it seems to me that Pakistan could be counted on to give a valiant account of itself.

The Indian Ambassador claims that by our giving military aid to Pakistan we are compelling India to divert its resources for arms. I should like to state that this may be typical of some of the Indian doubletalk we have had to endure for the last decade.

Nowhere in his speeches does Mr. Chagla point out that the strength of the Indian Army is 280 percent that of Pakistan.

Nowhere does he mention that thousands of well-armed Indian troops are poised on the borders of Pakistan.

Nowhere does he mention that 80,000 Indian troops are stationed in the disputed area of Kashmir alone.

Nowhere does he mention India's arbitrary attitude concerning the canal waters dispute—the end result of which could be much of Pakistan turning into desert.

Neither does the Indian Ambassador refer to the consistent position of the United Nations Security Council as regards a plebiscite in Kashmir.

Mr. President, on the occasion of Pakistan Independence Day, it is well for us to recognize officially in the Senate of the United States this struggling young Republic, which is one of our truer allies. I hope the occasion may have the attention of the people of the Nation.

USE OF NUCLEAR WEAPONS

Mr. BRIDGES. Mr. President, I have been shocked, as have many of my colleagues, at the theory held by many Americans that the United States must never use nuclear weapons unless this country has already been victimized by such a nuclear attack.

On a recent television program, I stated strongly my opposition to this unrealistic thinking. In an editorial which was published in the March 17 edition of the Manchester, N.H., Union Leader, Publisher William Loeb sets forth a striking analysis of this situation. I ask unanimous consent that this penetrating editorial be printed in the RECORD, and I commend it to the attention of all Senators.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FIRST BLOW COULD BE THE LAST

Senator BRIDGES became properly angry in a national television program last Sunday when he criticized the ridiculous idea held by some namby-pamby Americans that the United States must never use hydrogen or atomic bombs first, but must politely wait until the enemy drops a bomb on us and then retaliate.

People who have this let-them-hit-us-first theory are not only immoral, they are also stupid. They don't seem to care that their theory will condemn to death some hundred million Americans who will die in a few moments after the first salvo of Russian hydrogen bombs drop on the United States.

They are back in the horse-and-buggy age with their thinking. In those days you could afford to allow your enemy to hit the first blow, after which you retaliated.

The first blow in a hydrogen bomb war could very well be the last.

The Democratic majority leader of the House of Representatives also has attacked the idea that we should accept the first blow from our enemy.

On the other hand, the Russians aren't so stupid. In 1955 official Russian strategy, through the influence of Nikita Khrushchev, was changed to the idea of attacking a potential enemy first. As David Lawrence, famed Washington correspondent, points out, the Soviet calls such a first blow "preemptive war." Lawrence adds: "This policy has been fully set forth by high military officials of the Soviet Union in its military journals."

As Lawrence says: "Preemptive war should now also be adopted by the United States for its own self-preservation."

Senator BRIDGES deserves great credit for having pointed out the fantastic absurdity of the theory that the United States must always accept the first blow and then attack.

When the history of these days is written, as this newspaper has said before, Senator

UNIVERSITY OF MICHIGAN LIBRARIES

BRIDGES will seem to have heen one of the few leaders of the U.S. Government who could see the extent and could fully grasp the nature of the Russian threat to the survival of the United States.

DEVELOPMENT LOAN FUND

Mr. JAVITS. Mr. President, I support the request of the President of the United States to Congress for a supplemental appropriation of $225 million for the development loan fund. This bill is likely to be the first foreign aid test of the 86th Congress. In the other body, the appropriation appears to be traveling a very rocky road. I think it is only fair that the appropriation be supported in the Senate.

I also believe we must consider the importance of this appropriation to the Berlin crisis, for in the Berlin crisis the American people show solid support of the President, as is evidenced by a survey published in the New York Timcs. I ask unanimous consent that the article entitled "A Spot Check: Public Firm on Berlin, but Ill Informed," written by James Reston, and published in the New York Times of today, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SPOT CHECK: PUBLIC FIRM ON BERLIN, BUT ILL INFORMED

(By James Reston)

(This is a report from a New York Times team that made a nationwide spot check of public opinion on the Berlin issue. Team members included Harrison E. Salisbury, Austin C. Wehrwein, Richard J. H. Johnston, Claude Sitton and Gladwin Hill. Part-time correspondents of the Times also assisted in the survey. James Reston summarizes the findings.)

WASHINGTON, March 22.—President Eisenhower's no retreat policy on Berlin has overwhelming popular support in the Nation though many Americans know little about the history of geography of the crisis.

This is the essence of a nationwide spot check of public opinion conducted in the last few days by correspondents of the New York Times.

In interviews with about 470 persons across the United States, the correspondents found general confidence that the Berlin issue would be settled by negotiation rather than by war.

One hundred and eighty-five of those interviewed, or about 39 percent, did not know that Berlin was an enclave in Communist East Germany 110 miles from the West German border. This group was equally uninformed on many other aspects of the problem.

CONCERNED BUT NOT FEARFUL

The spot check, made in urban, suburban, and rural areas, also suggested the following conclusions:

The American people are concerned but not frightened, ill informed but trustful of the administration and particularly of the President, nonpartisan in their approach and confident that somehow this crisis will pass like those in Lebanon, the Suez area and Quemoy and Matsu.

Many believe the Russians are bluffing and will come to terms if the United States stands steady.

Teenagers and college students—those who would have to enter the armed services—are better informed and more concerned than their elders.

There is widespread support for trying to negotiate a settlement at a heads-of-government meeting. (In Los Angeles only about half of those interviewed thought such a meeting would do much good.)

Finally, there seems to be a feeling in the Nation that modern policy issues like Berlin, disarmament, and the state of the Armed Forces are too complicated for popular understanding and therefore must be left to the experts.

The crisis over Berlin arose last November, when the Soviet Union announced it would turn its control of Western Allied access to the city's western sectors over to the East Germans if its proposals for the city's future had not been accepted by the end of May. The Russians called for the establishment of a free city from which the Western occupation forces would have been evacuated.

The West has rejected the Soviet proposals and insisted that it would maintain its rights in the city, by force if need be. Moscow has indicated recently that its May deadline was flexible and that the status quo might remain if East-West talks on Berlin and German issues got underway.

PUBLIC AWARE, PRESIDENT SAID

In his latest news conference, on March 11, President Eisenhower was asked whether "the American public is sufficiently aware of the possibility of war in this situation?" He replied:

"I personally think that the American public is more soberly aware of the true situation than a lot of people around this town.

"This country knows it's a serious situation. They wouldn't be voting this kind of money for defense forces * * * unless they knew it was serious. * * * But what I decry is: Let's not make everything such an hysterical sort of a proposition that we go a little bit off half-cocked. We ought to keep our steadiness."

The Times survey, while turning up much ignorance and misinformation, also found considerable seriousness and steadiness and no hysteria.

"A persuasive gravity marked interviews here," the report from San Francsco said. "No flip answers this time; everyone seemed genuinely concerned. But optimism was quick, sure that all will work out."

This, incidentally, is not much different from the reaction of the experts in Washington who are working on the crisis and on whom the national confidence rests. They, too, are grave and genuinely concerned, and while they do not yet see precisely how the crisis will be resolved, they are confident that in some unforeseen way, some uneasy interim accommodation between East and West will avoid a war.

THE QUESTIONS ASKED

All the questioners in the survey asked the same things: Are you familiar with the Berlin crisis? Do you know whether Berlin is in East Germany or West Germany? Are you interested in the crisis or do you think it is not of great importance? Did you hear or read the President's television speech on Berlin last Monday? If so, do you support his policy? Do you think there will be a war over Berlin?

In general the interviews elicited replies indicating that most people were interested in the crisis and had either watched the President on television or read summaries of his speech on Berlin last Monday, that the speech had made them more familiar with the factors in dispute, but few outside of intellectual or governmental circles claimed any detailed knowledge of politics or strategy involved.

A surprising number—about 75 percent—of those questioned in and around New York did not know that the main strategic problem was that the former German capital was in Communist-controlled territory.

Twenty-three percent of those questioned in the Middle West did not know this, 24 percent in Los Angeles, 56 percent in the San Francisco Bay area, and 58 percent in the Southeastern States.

Following are regional reports in the survey:

EAST—NEW YORK AREA

The public in the metropolitan area betrays no sense of urgent crisis over the Berlin situation.

At all levels of opinion reached, the most common expression was one of generalized concern; rarely were there fears that the situation might produce war. The tension that accompanied previous crises appears to be absent.

Many persons lacked an understanding of the issues involved. Of the 50 to 60 persons interviewed in the area, about 75 percent did not know Berlin's location or precisely the arrangements concerning its status.

The most interested group appeared to be the teenagers and college students. There was an awareness of the problem among college professors, newspaper editors, and those with intellectual pursuits. There appeared to be no great concern in financial circles.

Suburban housewives indicated only vague concern. Taxicab drivers reported no conversations with passengers about Berlin. Tavernkeepers and barbers said they had heard little about the subject.

There appeared to be little interest in Berlin, in Harlem, and in the Puerto Rican segments of the population.

Here are some samples of opinion:

Tony Salvidore, taxicab driver: "No; my fares don't talk about Berlin. Not when they are riding in my cab, they don't. All they talk about is business. Making money. No; I didn't hear the President. I got four kids. All they want to hear on TV is rock 'n roll, rock 'n roll. You think I got a chance to hear the President even I should want to hear him?"

Samuel Silverberg, proprietor of a cigar store in New Canaan, Conn.: "I hear no talk about war. Did they listen to Eisenhower? That's like asking if kids like lollipops. In this community 99 percent of the people are Republican. Of course they listened. But I heard no remarks about the talk. Lots of people are coming back from Europe these days. They say that the United States is the only place they hear this war talk."

Tim Costello, Third Avenue tavern keeper: "Sure, you hear them talking about Berlin, but you can't make much out of it. It's nothing that you are going to understand hanging around a barroom."

Hans Heineman, staff economist: "War could happen, but the general opinion in the financial community is that it will not. People are talking about investments in Europe, making decisions to put large sums of money into European investments. They would not do this if they thought there was real danger of war resulting from Berlin."

James Booker, reporter for the Amsterdam News: "There seems to be very little interest among the people I meet. Much more interest in the Nyasaland situation and Africa than in Berlin. I don't get the impression that anyone thinks there is likely to be a war. I didn't listen to the President. Out of a dozen persons I asked, only one said he heard him. There is great apathy on the question."

About three of every four persons interviewed in the Nation's Capital on the Berlin crisis seemed to be moderately familiar with the problem or more so.

A large part of the 45 persons questioned supported the President's stand in his speech

last Monday. Eleven did not know that Berlin was well inside East Germany.

Most of the persons questioned said the crisis interested them. Somewhat fewer said they had at least mentioned it in discussions with friends or associates.

While the President's declaration that the United States would not forsake West Berlin had the backing of 75 percent of those questioned, others offered a variety of comments, such as the following:

"I think it a misleading statement of the issues."

"That's a nice thought. I'd like to think this is the best policy. Personally, I think peace is the main issue."

Many heard the President

About three-quarters of those interviewed said they had heard or read all of the President's speech.

Questions as to what should be done brought a variety of opinions.

Some persons did not know. Others thought the West should "keep talking and negotiating, whether at the summit or at some other level."

An unemployed typist suggested: "The State Department should straighten that out. They get us into things and they should straighten us out."

Washington's daily newspapers are firm backers of the U.S. policy.

The Evening Star called the President's speech "admirable." The Post and Times Herald found it a "nicely balanced combination of firmness and flexibility."

While the Post had criticized the U.S. position for lack of initiative and imagination, it finds it "grounded on sound principles."

Jack Goulette, a telegrapher, said there was but one thing to do—"Stand pat; don't budge." He thought the issue was not provocative enough to cause war.

Dale Kloat, a Government information officer, suggested: "We should try some fresh approach and be more willing to negotiate than it appears up to date." He did not think the crisis meant war because "people would fear the use of atomic weapons, in which case the world would be pretty much done in and no one would win."

A Democratic Party worker supported the President's statement but noted that he had not offered a concrete solution. She thought that his willingness to negotiate was hopeful but that there was always the possibility of an incident that would cause war.

A worker at the Republican National Committee called for a continuation of "patient negotiation." She foresaw no war, saying: "Already there has been a certain amount of softening in the Soviet attitude."

Summit talks favored

Some other comments:

"Certainly there should be top-level discussions with the Soviet Union. I believe the reason that we are reluctant to talk is that the President doesn't trust his own mental and physical powers in such discussions."

"Don't give in to Soviets. Don't go back on official statements."

"Definitely hold a top-level meeting or meetings."

"Approach a summit conference constructively, but with resolution to do our duty to free world."

"Negotiate a solution consistent with no foresaking of the free people of Berlin and other free peoples of Europe."

"We should begin thinking and should encourage fresh and imaginative approaches by our experts."

"The only conceivable thing is summit proposals. If peace is the criterion, negotiation is the only thing it has on its side."

MIDWEST—CHICAGO

In the great stretch of States from Indiana to the Rockies, the people appeared to be 100 percent behind President Eisenhower in the matter of the Berlin situation. They professed to be ready, if necessary, to go to war over Berlin—even if they were a bit hazy about the diplomatic moves involved.

The general feeling was that Premier Nikita S. Khrushchev was bluffing on the issue and that if the United States refused to back down, perhaps the Berlin crisis could be talked away.

The television speech by President Eisenhower appeared to have clarified the issue for a great many people in the Middle West. His use of a map to illustrate the talk appeared particularly helpful.

In Chicago and in Gary, Ind., 9 persons of 50 interviewed did not know that Berlin was in East Germany. In interviews in Denver; Fargo, N. Dak.; Minneapolis; Madison, Wis.; Indianapolis; Sheboygan, Wis.; Des Moines; Bloomington, Ind.; Salt Lake City; Great Falls, Mont.; and Omaha, 25 of 108 persons did not know how Berlin was situated.

Kansas City views given

Of 46 persons interviewed in the Kansas City area, 32 said that they had watched the Eisenhower telecast and that the speech and map had cleared up whatever vagueness existed about where Berlin lay. The 14 who had not seen the program appeared to have only a vague notion of where the city is in relation to West Germany. Most expressed astonishment that it is more than 100 miles from the West German border.

It appeared that middle westerners had been ahead of their leaders in Washington for some time in their willingness to see a heads-of-government conference.

A Great Falls banker said: "While I agree with the President in part, I think the position taken by certain Senators that we should be willing to be flexible has considerable merit."

Nonetheless there was a certain ambivalence. Many spoke cooly (usually without emotion) in favor of a firm stand and not backing down. At the same time, they favored negotiations and seemed to think that these could be conducted without concessions.

"Bluffnik"

The thought was expressed again and again that the Russians were bluffing. As a woman employee in the Sheboygan City Hall put it: "Bluffnik. That's what I call Russia's threats about Berlin."

A woman business-machine operator in Chicago said: "All we can do is to try to talk them out of it. You have to talk. I think it should be talked out. If we win out in the talking line, we don't have to go to war."

The interviews also brought out the point that because the Berlin crisis was looked upon as a complex diplomatic issue, it was one on which the people were willing to put their complete faith in the President. There were few partisan overtones.

A bartender in Des Moines said 90 percent of his customers backed President Eisenhower "to the hilt." A Des Moines waitress said: "It was the best speech that Ike has made. He should have got tough a long time ago."

In Salt Lake City a German immigrant said: "I feel the President is correct ideologically, that we must not back down lest we have another Munich. But taking account of all the people I still know in Germany, I perhaps feel that we should move very softly. I have great fear of atomic war, which would wipe out all Europe. One thing is certain. The United States must make its intention crystal clear."

A Minneapolis correspondent for the Times reported that Minnesotans stood firmly behind the President, citing as an example, a farm wife who said "I hate the consequences, but I don't believe in appeasement."

Omaha united on issue

In Omaha, a Times correspondent reported that "never have the people of the Omaha area been more united behind President Eisenhower than in his current stand on the Berlin issue."

A housewife there said: "We're morally obligated. We shouldn't appease or give in."

From Denver it was reported that, despite fear of war, residents of Colorado were "almost solidly behind the President's pledge that the United States will make good its obligation to the people of free Berlin even at the cost of war."

A variety of views was expressed in the Kansas City area.

A small businessman remarked: "I guess we'll have to take it as it comes. There has been just one crisis after another since the war ended and there will be more. You just can't keep laying awake at night worrying about these things. You'd go nuts."

A woman from Shawnee, Kans., was skeptical about negotiating with the Soviet Union.

"In the past years," she said, "we have had conferences with Russia. Out of these conferences have come 53 agreements or treaties. Of these 53 agreements the Soviet Union has broken 50. The Indians have a wise maxim: 'Paleface cheat Indian once. Shame on paleface. Paleface cheat Indian twice. Shame on Indian.'"

Optimism is voiced

As for the possibility that war might result from the Berlin crisis, the people of the Middle West were generally optimistic.

The typical comment was along these lines: "I can't really believe that the Russians want to get into an atomic war that probably would destroy both of us. It doesn't make any sense."

Most persons interviewed did not think that there would be a war, but the majority hedged by saying, "I hope there won't be a war."

A lawyer in Great Falls said he hoped war could be avoided and added: "We shouldn't put a chip on our shoulder and taunt the Reds to knock it off. A boner on either side, a reckless challenge, a foolish stand can precipitate a thermonuclear war."

A Chicago working woman said: "I have a feeling war is coming. In the back of my mind it is a nagging thing that keeps bothering."

A young Chicago clerk said he felt war was inevitable. One of his coworkers felt sure there would be a limited, but not an atomic, war over Berlin.

In Omaha a livestock feeder said: "We can't back up forever. Maybe we've waited too long already."

Reader interest held low

The press in the Midwest has given the situation good coverage by local standards. At the Salt Lake Tribune, an editor said, however, that reader interest was "far higher on the issues of taxes and schools and highways."

In an editorial the Denver Post said: "The American people are alarmed about Berlin. They want to know what is expected of them in the crisis."

The editor of the weekly Star Farmer in Kansas said he had not received a single letter on Berlin from his more than 375,000 rural readers since the crisis developed. The editor said there was a lively flow of mail during the Suez and Lebanon crises.

An interview with a Kansas farmer helped explain this lack of interest.

"You just can't keep getting excited every time the Russians start a little hell-raising," the farmer said. "I suppose folks are figuring that the Berlin thing is just another one of these Russians noises."

SOUTH—ATLANTA

Although most persons surveyed in the South thought the Berlin crisis was of grave

UNIVERSITY OF MICHIGAN LIBRARIES

importance, there was no widespread understanding of the issues involved.

It was found also that the President had solid backing in the press and among the public for his standfast policy on Berlin. A conference at the summit also met with favor among southerners.

Will war result? Most southerners surveyed thought the Russians were bluffing. Although war was regarded as a possibility, few really believed it would come.

Interviews were conducted with 50 persons, 30 of them city dwellers and the rest rural residents. Eleven States were represented and the occupations of those questioned ranged from utility executive to porter.

Of the 50 persons questioned, only 21 could pinpoint Berlin geographically. The rest had no idea as to its whereabouts or thought it was in West Germany. Many, ashamed of their lack of knowledge, said concern over local problems was responsible.

"That's the trouble with the world today, I suppose," the publisher of the Quitman (Ga.) Free Press said. "We're all so wrapped up in our own little problems that we don't have time to give the big ones the considerations they should have."

A parking-lot attendant in Atlanta said: "I'm a working man. I don't have much time to read about these things."

A Greenville, S.C., waitress said, "If it comes to war, I guess we would be interested."

A major influence

But even those with scant understanding thought the crisis was a matter of grave significance. Only 2 of the 50 said that Berlin and what happened there were of little importance to the United States.

Little Rock's city manager commented: "What is done in Berlin will have a major influence on what happens to peace in the world in the future. It is of very great importance. I feel that it parallels the situation we ran into over Quemoy and Matsu, where a firm stand against possible aggression will pay."

In Mississippi, a regional representative of the national democratic executive committee contended that in Berlin "the future peace of the world is at stake—we'll either be at war by June 1 or we'll have a long period of peace."

S. Walter Martin, president of Emory University in Atlanta, said that a great deal of concern over Berlin had been expressed among young people, both university and high school students.

Of the 50 persons, 40 had either heard or seen President Eisenhower on radio or television or read accounts of his address. Of the 50, 41 said they supported his stand. One was undecided, five were indifferent and three were opposed if such a proposition would lead to war.

The wife of a Canton (Miss.) farmer said that in general she was willing to leave the decisions on Berlin to the President. "That's what he was elected for," she said.

Hungarian crisis recalled

An airline ticket agent in Atlanta was of the opinion that the United States should stand firm on Berlin. "We would lose face if we pulled out," she said, "just like we did in the Hungarian situation."

A Marietta (Ga.) railroad conductor concurred. "We should stand pat and not back up an inch," he said.

Those surveyed thought almost to a man that the answer to the problem lay in negotiations. Sixteen pinned their hopes on a summit conference; a number of such opinions were expressed in areas where local newspapers had favored such a meeting.

With few exception those questioned thought that a withdrawal from Berlin would only postpone a showdown. There was no sympathy for appeasement.

A woman civic leader in Birmingham, Ala., said that every possibility for negotiations should be explored. Like the others she opposed any retreat, however.

"This time," she said, "we've to call Khrushchev's bluff. The talking stage has just about reached the end."

The editor of the Warren Sentinel in Front Royal, Va., said the United States should seek "much closer liaison with our allies toward setting up a strong European policy" and "definitely explore every possibility for talks with Russia."

"Too often in the past we've overlooked chances to explore some means of agreement with Russia," he added.

An Atlanta building porter agreed. "Negotiations," he said, "that's the best thing for all of us."

A Little Rock lawyer made the point that more than Berlin was involved.

"It's not just West Berlin that they're after," he said. "It's a matter of a chess game with an advantage to be pressed wherever possible. If we're forced to relinquish West Berlin, it will give them a wedge to be used to propagandize the so-called softness and fear of the Western Powers."

Face-saving device

A vice president of a Wilkesboro, N.C., bank thought a summit conference "might give the Russians a face-saving way out of this difficulty and perhaps give our crowd more room in which to maneuver."

On the matter of whether the Berlin crisis would result in war, seven persons thought it was either highly likely or would definitely occur. Twenty-one thought there would be no war and 21 said that they did not know.

"I think Russia wants the world, but I don't think it wants it through a war," a Kissimmee, Fla., veterinarian said.

"Khrushchev realized much better than we how unreliable the satellites are," a radio commentator in Thomasville, Ga., said. "Do you think he would start his land armies moving knowing that they would get a burst of machinegun fire in their backs?"

The wife of a university professor at the University of Georgia, in Athens, said, "I think that both sides will be able to talk themselves out of war."

A textile mill spinner from Kannapolis, N.C., expressed the opinion that there would be no war because U.S. defenses were strong.

The survey in the South found that up to the time of the President's speech the press did not give much space to news about Berlin. With the speech, however, the crisis has been featured and has been given more space.

FAR WEST—LOS ANGELES

In the Far West 110 persons were surveyed. Almost all supported the Eisenhower administration's stand on Berlin, favored negotiations, and thought there would be no war.

Broadly the survey indicated that the public is moderately (but not too well) informed on the Berlin situation. In the southern California area, 36 of 60 persons interviewed knew Berlin is in East Germany. In the rest of the areas surveyed, 22 of 50 knew where the city is.

There was virtual unanimity in southern California about standing firm, and about half those interviewed thought that conferences with the Russians were a way toward a solution. Seven thought conferences would be useless.

Of the 60, only 2 said that they had watched the full Eisenhower telecast. Only two suggested the United Nations as an avenue through which the crisis might be resolved.

One person favored a preventive military attack, while another said that even Soviet domination would be preferable to nuclear hostilities.

Only one person, a gasoline station operator, suggested more cultural exchanges as a promising avenue to better relations with the Soviet Union.

"Kept me awake nights"

A public-relations man for a college said that he felt that the situation seemed so critical to him "it has actually kept me awake nights."

Only one person in southern California suggested that the situation had been made to appear more dangerous than it actually was. A suburban city official said: "People are talking like this was Armageddon. I don't think it's nearly as important as junctures like Korea, when we had both sides engaged in actual warfare."

Six persons blamed faulty U.S. foreign policy for the present situation. Five of these blamed the Eisenhower administration and the Truman administration.

Again, six thought the United States should carry out its policy of "standing firm" to the point of using force if necessary.

In the interviews elsewhere on the west coast, a persuasive gravity was noted. No flip answers this time, everyone seemed genuinely concerned. But optimism was general, quite sure, that all would work out.

Here are some samplings of opinions in the San Francisco area.

An attorney: "One side or the other has to back down and this time it will have to be the Russians. I think it will work out all right if our diplomats can accomplish this and make it look like a Soviet victory."

An employee of an automobile rental service: "Ike's speech was really sharp, the best thing he's done in a long spell. We can thank our diplomatic corps for keeping the situation from already boiling over."

A bank clerk: "There's always a crisis. I think it's just to keep the country on its toes."

"That's all it takes, talk"

A liquor store clerk: "This whole thing can be settled by a lot of talk. That's all it takes. Talk."

A curio shop manager: "I agree wtih Mr. Macmillan. I think we need a more open mind. I wish Mr. Eisenhower would listen to Mr. Macmillan's ideas on Berlin."

A hotel owner: "The Russians don't want war any more than we do. I think they'd like to have this whole thing simmer down a bit, and that's why we should have a summit conference."

A barber: "I don't think there'll be a war any time soon—maybe in 2, 3 years. But not now."

Editorially the Los Angeles Times, a Republican newspaper, has commented: "Something is going to happen concerning Berlin and the Germans before the year is out. We are more sure than ever of two things. It won't be: (1) Evacuation of Berlin, and (2) war."

The Phoenix (Ariz.) Republic, another Republican newspaper, said: "As long as the United States stands firm, the Reds will not embark on military adventures."

An independent newspaper, the Albuquerque Journal, commented: "The likelihood of any shooting as a result of the Berlin crisis within the foreseeable future [been] greatly diminished [by] President Eisenhower's offer to attend a summit conference."

Mr. JAVITS. Mr. President, the survey shows that the American people feel that the Russians have profound respect for the capabilities of the United States to carry on a cold or a hot war.

The President of the United States himself has equated foreign aid and its maintenance with the military defense of the United States. Certainly it must be equated with what is called a firm posture on the part of the United States.

If Congress indicates that it does not intend to back the President on the Development Loan fund I believe such action will be regarded as evidence of a lack of confidence in foreign aid, whether military or economic, and of a strong position generally in furtherance of the foreign policy of the United States. So I agree with Mr. William H. Draper, Jr., who was chairman of a group which surveyed the foreign aid policies of the United States, and who said it would be a tragedy if the $225 million request were rejected, because the vote on this proposal will be the first vote on the foreign aid picture at this session.

Finally, Mr. President, if we needed anything to buttress our determination in this field, and to show how shortsighted it would be for us to seriously damage the only program which really is an effective American offensive in the foreign field, we learned it from yesterday's newspapers, which informed us that the Soviet Union is now becoming a formidable rival of the United States in the foreign-aid field. The Soviet Union is paying the United States the flattering compliment of imitation.

We now learn that last year the Soviet Union expended more than $1 billion in foreign aid. That represents a vast increase in what the Soviet Union has previously done.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 22, 1959]

REDS' FOREIGN AID TO 18 COUNTRIES UP BILLION IN 1958—BUT ECONOMIC ASSISTANCE IS FOUND TO LAG BEHIND AID PROVIDED BY THE UNITED STATES

(By E. W. Kenworthy)

WASHINGTON, March 21.—The Communist bloc signed aid agreements with 18 underdeveloped countries last year totaling $1 billion, according to the State Department.

This marked a sharp stepup in the bloc's economic offensive. However, even in the areas in which the Communist concentrated their offensive, their total aid program lagged behind that of the United States.

The Communist drive did not get underway until 1955. Up to the end of 1958, the bloc had signed agreements with 18 underdeveloped countries to provide $2,373 million in grants and credits for military and economic aid.

Of this total, $1.591 million was for economic aid and $782 million for military.

U.S. PROGRAM LARGER

By contrast the United States over the same period extended grants and credits to the same countries amounting to $4,442 million. Of this $3,304 million was in economic aid and $1,138 million for military.

The disparity in the Communist and U.S. programs is greater if account is taken of what the United States has extended since 1948.

Over the 11 years, the United States has extended to these 18 countries loans and grants totaling $8,628 million, of which economic aid amounted to $6,005 million and military $2,623 million.

The Communist bloc is also stepping up its technical assistance program. During the last 6 months of 1958, 2,809 technicians spent at least a month in one or another of 19 countries. This compared with 1,600 a year earlier. In addition, there were 1,200 military technicians serving in these countries.

FIGURES NOT COMPARABLE

Figures for U.S. technicians are not comparable because they do not move in and out as do the Communist advisers. As of December 31, 1958, there were 2,333 U.S. economic aid experts in the same countries.

The Soviet aid program began in 1954 with a $11 million credit to Afghanistan. Since then the yearly aid totals were as follows: 1955, $339 million; 1956, $718 million; 1957, $287 million; 1958, $1,029 million.

Of the nearly $2,400 million extended by the bloc, the Soviet Union has offered $1,600 million, the Eastern European satellite countries $650 million, and Communist China $120 million.

A relatively small amount of the Communist aid has actually been delivered—only about $900 million, of which more than half is military.

Aid has been concentrated in the United Arab Republic (Egypt and Syria), Iraq, Afghanistan, India, Indonesia, Argentina, and Yugoslavia. The aid to Yugoslavia was delivered before Communist Party relations betweed the Soviet bloc and Yugoslavia cooled again in 1957.

The Soviet Union moved into Iraq with offers of aid after last summer's revolution. It granted a military aid credit of $120 million. A few days ago negotiations were completed for economic aid credits of $137 million.

Virtually all Communist aid is in credit form; grants have been negligible.

For the past year, most development aid extended by the United States has been in loans repayable in local currency. Export-Import Bank loans are repayable in dollars. Technical assistance is in grants, and so, usually, is aid extended from special assistance or contingency funds for budgetary support of countries with shaky economies.

U.S. military aid is in grant form, and this is true also of defense support aid to enable countries to maintain larger military forces than they could otherwise afford.

The following table compares Communist bloc commitments and U.S. obligations and authorizations for economic aid from 1955 through 1958 in millions of U.S. dollars:

	Soviet bloc	United States
Afghanistan	$116	$62
Argentina	102	285
Brazil	2	551
Burma	34	58
Cambodia	34	125
Ceylon	58	32
Egypt	311	22
Ethiopia	2	45
Iceland	5	17
India	304	954
Indonesia	194	143
Iran	3	153
Iraq	0	10
Nepal	13	14
Syria	195	0
Turkey	13	431
Yemen	42	0
Yugoslavia	163	402
Total	1,591	3,304

Mr. JAVITS. Mr. President, that amount of foreign aid by the Soviet Union represents a vast increase in what the Soviets previously have done, and tends to rival our own efforts in the same field.

Mr. President, we must bear in mind that, because the Soviet Union is a dictatorship, it has the capability of massing its efforts at any particular point, in the most vexatious possible way—for example, in an area so inflammable as the Middle East—whereas the United States has to spread its foreign aid around through the free world.

Mr. President, the foreign-aid program of the United States, undertaken back in 1947–48, represents the offensive capability of our country to induce especially the underdeveloped areas not to try to improve their economies by the rule of force, secret police, and privation—which is the Communist system—but to proceed by the rule of the development of the individual, investment of savings and of a private economic system and of the working power of free men—which is our system. However, that cannot be done effectively without financing and credit.

The United States is the main source in the entire world of financing and credit. If we threaten to seriously reduce a necessary element of such credit because we are shortsighted and do not see clearly our own interests, I think the world may read into that action the idea that our words about firmness in Berlin do not mean all they seem to say, because we are not ready to back them up fully with deeds. Especially is this so in view of the fact that the Draper group, to which I have referred, asks us to back up our foreign military assistance with $400 million more a year—thus saying, in effect, that our country is not doing enough.

So, Mr. President, let us be sure that we do not design major foreign policies and then do something to imperil our own program.

Mr. GRUENING. Mr. President, let me inquire of the Senator from New York whether the amount requested is to be charged to next year's budget.

Mr. JAVITS. I think it is to be charged to this year's budget, under a supplemental appropriation bill.

Mr. GRUENING. I wonder whether it should be charged to next year's budget.

Mr. JAVITS. This request is properly charged to this year's budget, as a supplemental appropriation item. As a matter of fact, the President has requested $700 million for the same purpose, to be charged against the 1960 budget.

The $225 million is needed, because I believe the Development Loan Fund has received approximately $1,350 million of legitimate requests, but is practically out of money at this time.

So this item is truly and really a supplemental appropriation request, properly applicable to this year's budget.

Mr. GRUENING. I thank the Senator from New York.

THE DANGER OF ATOMIC FALLOUT

Mr. ANDERSON. Mr. President, the problem of fallout and its danger to the peoples of the earth is one which has been with us for a long time.

The members of the Joint Committee on Atomic Energy, in an effort to supply some of the answers to the questions that came pouring to them and to other Members of the Congress, held hearings in June of 1957. The hearings were conducted by the Honorable CHET HOLIFIELD, a Member of the House of Representatives from the State of California and chairman of the special Subcommittee

UNIVERSITY OF MICHIGAN LIBRARIES

on Radiation of the Joint Committee on Atomic Energy.

One of the difficulties in those long hearings was that there seemed to be very little agreement among scientists. Some chemists and physicists seemed to discount the importance of fallout and tossed it away with casual comments as if it had no greater hazards to society than do luminous wrist watches.

A group of geneticists was tremendously interested in the possibility that radioactive fallout might result in a serious threat to generations yet unborn. One of them calculated that even though the problems of radioactive fallout might affect only a few people out of every million, yet, when those few were measured against the hundreds of millions who occupy the globe, they represented a substantial number of deaths or deformities each year, and as such they should be taken seriously.

The Joint Committee has continued its interest in this subject, and has scheduled for next May additional hearings, again under the chairmanship of Representative HOLIFIELD.

As is now well known, there seemed to be a disposition to keep any new fallout data from getting into the hands of the public. The Joint Committee released for the Sunday morning newspapers unclassified versions of recent classified correspondence from the Defense Department and the Atomic Energy Commission. At the time of its release, I issued a statement, the text of which ought to be available in connection with the letters. I, therefore, ask unanimous consent that the release be printed at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

In commenting the other day on the Defense Department leak of classified information on the Argus shots (high altitude shots in the South Atlantic in September 1958), I pointed out that it was curious that the Defense Department at the same time was gagging the Joint Committee on making public some important data on fallout from weapons tests.

The Defense Department and the AEC have now released their fallout correspondence with classified deletions, and it is made public in the attachments. First is a letter to me dated February 19, 1959, by the Defense Department revealing new data from classified sources on the residence time of fallout in the stratosphere, and the areas of maximum drip-out. Next is a letter from the AEC spokesman, Dr. W. F. Libby, commenting on the Defense Department letter and research project on which it was based. Then there is a transmittal letter from AEC stating their official reservations. Finally there is a brief chonology of our attempts to make this information public.

The process of making public the Argus and fallout information is an example of how difficult it is to make available to the public the information it is entitled to have.

The February 19 Defense Department letter states that their measurements indicate that the radioactivity in the stratosphere has a residence half-life of 2 years, instead of 7 years as had previously been assumed by AEC. It also indicates that there is a latitude band of maximum dripout of the fallout from the stratosphere which occurs from 35° to 50° north or south. This area includes the northern part of the United States, and the letter states that "the concentration of strontium 90 on the surface of the earth is greater in the United States than in any other area in the world."

"In layman's language," Senator ANDERSON stated, "it looks like strontium 90 isn't staying up in there as long as AEC told us it would, and the fallout is greatest on the United States. Perhaps this information may account, in part, for the recent high readings of radioactivity in soils and plants.

"This new data appears to further contradict the official doctrine of AEC spokesmen as to residence time of fallout in the stratosphere and the theory that stratospheric fallout tends to drip out uniformly throughout the earth. The AEC letter of February 27, 1959, ought to be checked for consistency with the speech of the same AEC spokesman on March 13, 1959, at Seattle.

"The Joint Committee will look into these matters when it holds its fallout hearings in May of this year under the chairmanship of Congressman CHET HOLIFIELD, of the Special Subcommittee on Radiation."

Mr. ANDERSON. Mr. President, with that statement several letters were released along with a chronology. I ask unanimous consent that the following be printed at this point in the RECORD: First, a letter from Gen. Herbert B. Loper, Assistant to the Secretary of Defense—Atomic Energy, dated February 19, 1959, addressed to the chairman of the Joint Committee on Atomic Energy; second, a letter from Dr. W. F. Libby, Commissioner of the Atomic Energy Commission, to Gen. Herbert B. Loper, indicating the differences which he might have, but also pointing out that he, himself, is "in complete agreement" on many other points of the letter, particularly about the importance of more experimental and collecting programs on the amount of fallout deposited locally from a low height of burst.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., February 19, 1959.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy.

DEAR MR. CHAIRMAN: The following is a brief status report outlining the present programs for analyzing and evaluating the radiation hazards resulting from atomic detonations.

Fallout reports from Operation Redwing (1956), Plumbbob (1957), and Hardtack (1958) are currently under preparation.

The hazards of local contamination from nuclear weapon detonations have been fairly well delineated. However, the difficulty in accurately predicting the rapidly varying atmospheric condition results in uncertainties as to the area of fallout. Predictions of local fallout contours from enemy bombs must be based on a large number of assumptions such as the type of weapon, height of burst, and yield. These unknowns do not allow accurate prediction of fallout from enemy bursts during wartime. Delineation of contaminated areas by airborne radiac instruments after deposition of the fallout is presently practicable and will be of considerable military and civil value during wartime.

The deposition of worldwide fallout or worldwide surface contamination is now beginning to be accurately measured. [Classified portion deleted.] Recent indications are that the radioactivity in the stratosphere has a residence half-life of 2 years (in contrast to the previously assumed value of about 7 years) and the present amount of strontium 90 in the stratosphere would be maintained by the injection of about 6 megatons of fission products per year. The concentration of the strontium 90 on the surface of the earth is greater in the United States than in any other area of the world. The danger of carbon 14 and cesium 137 has been examined and the immediate probability of any one individual being affected is about 1 in 500,000.

The risk of damage resulting from the testing of weapons is therefore extremely small and much less than other common day occurrences such as X-rays, automobiles, chemical contaminants, household cleaners, etc. However, the probable casualties attributable to radioisotopes from weapons testing when summed over the populations of thousands of years create a moral issue that could be of considerable propaganda importance.

The distribution of the radioactive debris in the stratosphere as a result of detonations to date is not clearly defined as to its altitude and latitude variation. The altitude dependence partially determines the drip-out rate and the latitude dependence influences the extent to which the worldwide fallout is uniform over the earth. Tentative conclusions to date indicate that three-tenths of the quantity of radioactive debris leaves the stratosphere each year, that the north, south diffusion of radioactive particles in the stratosphere does exist, and that in both hemispheres, there is a latitude band of maximum drip-out which is from 35°–50° north or south.

There is a need for more experimental and collecting programs in the following areas of the effects and behavior of fallout from nuclear weapons:

(a) Amount of fallout deposited locally from a low height of burst.

(b) More accurate determination of the drip-out rate of radioactive particles from the stratosphere.

(c) Further define the estimate of the amount of radioactivity formed per KT of fission yield.

(d) The refinement of measuring techniques to account for all radioactivity produced from a nuclear yield.

(e) Advancements in the knowledge of fireball chemistry, physics, and particle behavior.

(f) Response of biological systems to radiation.

Sincerely yours,

HERBERT B. LOPER,
Assistant to the Secretary of Defense (Atomic Energy).

FEBRUARY 27, 1959.

Hon. HERBERT B. LOPER,
Chairman, Military Liaison Committee.

DEAR GENERAL LOPER: In connection with your letter to Senator ANDERSON of February 19, 1959, concerning radiation hazards resulting from atomic detonations, I have just complete a study of data * * * which you kindly made available to us last December. I am sorry that, because of the complexity of the problem and my preoccupation with other duties, I have been so slow in finishing my consideration of the data and in sending on my comments. * * *

I think your letter to Senator ANDERSON is an excellent exposition of the present position we are in. There are, however, one or two points you make on which I believe further words are necessary in order to resolve some questions.

The extensive data that have already been published by Project Sunshine and the United Kingdom study group, together with your beautiful * * * work, still leave us, despite their great volume and complexity in some uncertainty, as you say, as to the distribution of the radioactive debris in the stratosphere to both altitude and latitude variation. Since the altitude variation deter-

mines in part the drip-out rate and thus the residence half-life in the stratosphere, this quantity is left in some doubt. My own present conclusion is in agreement with yours as stated in your letter, in that my previous value of 7 years for this important number is too long and that it should be reduced. In a restudy of this question, being released March 13 in Seattle, a copy of which will be sent you as soon as it is printed, a new value of about 4 years rather than the earlier 7 is arrived at. I find it difficult to push it down to the 2 years you give as an indicative value.

On the amount of strontium 90 in the stratosphere, at the present time there is a somewhat larger difference in our estimates which may be due to your not having included the Russian series of last October which in itself alone, according to my estimates, increased the stratospheric inventory by about 50 percent. * * * You give the present inventory as requiring 6 MT (megatons fission equivalent) per year to be maintained at its present level. For a half-life of 2 years this corresponds to only 17 MT total and appears to leave too little room for the injections from tests before last October, which I estimate still have left some 25 to 30 MT in the stratosphere for a total at present of about 42 MT and a corresponding required rate of injection for steady maintenance of about 7 MT per year. The closeness of this figure to your 6 MT per year number shows how badly we need further information on the actual stratospheric content.

You indicate that the stratospheric fallout occurs at maximum rates in the 30°–50° bands of latitude in both hemispheres. This old argument still is not quite settled, I believe, although the evidence in favor of your conclusion is increasing. My principal difficulties with it at the moment are that we know that a considerable part of the peak in observed fallout in these latitudes in the Northern Hemisphere is due to tropospheric or local fallout which was never in the stratosphere and the evidence for a corresponding peak in the Southern Hemisphere seems to be rather weak.

With respect to the carbon 14 and cesium 137 hazards, the laboratories measuring radiocarbon dates in various parts of this country, in Europe, and New Zealand have sent me data on the present increase in the carbon 14 content of living matter which amounts to about 10 percent of the natural level of carbon 14 from the cosmic rays which in itself corresponds to about 1.5 milliroentgen per year—about 1.5 percent of the average total natural dose rate. Turning to cesium 137, Dr. E. C. Anderson in the Health Division at our Los Alamos laboratory has just reported data on the human level in the United States and Europe for the late summer and early fall of last year which amounts to an average of about 75 micromicrocuries per gram of body potassium for an internal dose rate of about 3 milliroentgens per year. The total cesium 137 fallout in the United States now amounts to about 50 millicuries per square mile. This adds about 1 mr/yr of external dose for a total of about 4 mr/yr due to cesium 137 which is about 3 percent of the natural average radiation dose rate from natural radioactivity and the cosmic rays. I can't tell whether these numbers are in strict keeping with your estimate that the immediate probability of any one individual being affected by bomb test carbon 14 and cesium 137 is about 1 in 500,000 but I think your estimate looks reasonable.

On the many other points in your letter I find myself in complete agreement, particularly about the importance of more experimental and collecting programs on the amount of fallout deposited locally from a low height of burst. Since it may be that we will not again have the opportunity to test devices, at least above ground, it is particularly important to consider whether we may not collect more information on this point from past tests. I believe there are some possibilities of doing this and I suggest that we undertake such a program jointly right away.

Sincerely yours,

W. F. LIBBY,
Commissioner.

Mr. ANDERSON. Mr. President, next I submit a copy of a letter sent by Gen. A. R. Luedecke to the Joint Committee on March 21. His letter was in response to a Joint Committee letter to the Atomic Energy Commission, requesting the Commission's views on the report, and asking to what extent the difference affected previous assumptions and statements. The letter from General Luedecke was a reply; and I ask unanimous consent that it be inserted at this point in the RECORD, together with a brief chronology of action by the Joint Committee on Atomic Energy to make public this important new information. I wish to have the latter also included in the RECORD, as some very interesting items resulted from it.

There being no objection, the letter and the chronology were ordered to be printed in the RECORD, as follows:

(Copy of letter to the Joint Committee, received March 21, 1959, from the AEC)

This is in reply to your letter of March 9, 1959, by which you forwarded a copy of General Loper's letter to Senator ANDERSON dated February 19, 1959, and requested our comments thereon.

Commissioner W. F. Libby has written his comments to General Loper in a letter dated February 27, a copy of which was sent to Senator ANDERSON at that time. For your convenience another copy of Dr. Libby's letter is attached.

The revised estimates of stratospheric burden and the residence time presented by General Loper are consistent both with the data referred to by General Loper and with the "Ash Can" data obtained by the Atomic Energy Commission in its balloon sampling up to 90,000 feet. However, it should be kept in mind that knowledge of the stratospheric content alone is not sufficient to determine retention time. In addition one needs the knowledge of either the stratospheric injection or of total stratospheric fallout as a function of time. Within the range of accuracy with which fallout has been measured, observed fallout to date is not incompatible with General Loper's estimate of the injection rate which would be required to maintain the present stratospheric burden.

The two main reasons for the uncertainty in the stratospheric burden and residence time are (1) that the entire stratosphere has not been adequately surveyed from pole to pole and up to altitudes beyond which the overlying radioactive debris can be confidently neglected and (2) that the data obtained at the higher altitudes by balloon only are subject to sizable sampling errors, uncertainties of collection efficiency of the sampling filters, and radiochemical analysis errors due to the small amounts collected.

As a consequence of these uncertainties we do not consider that the data now available are sufficiently decisive to resolve the differences between the estimates of stratospheric content and retention time made by General Loper and the higher estimates given by Dr. Libby in his letter to General Loper. It may be observed that on the basis of the estimates made by General Loper the total worldwide fallout of long-lived radioactive fission products anticipated from all tests up to date would be roughly two times the total deposition so far and that on the basis of Dr. Libby's estimate the total would be roughly three times.

We concur with General Loper in recognizing the need for further investigations along the lines suggested in his letter. We plan to continue our efforts in all these fields. In particular, we hope to be able to differentiate Operation Hardtack surface-burst debris and high-altitude debris, by analysis of tungsten and rhodium isotopes respectively, and, in turn, to distinguish these from the recent U.S.S.R. debris. In this way it should be possible to obtain a much better picture of the actual patterns and rates of spread of stratospheric debris originating in different latitudes and altitudes.

The information bracketed in red on the first page of the attached copy of Dr. Libby's letter of February 27, 1959, is considered by the originating agencies to be confidential defense information. With these deletions Dr. Libby's letter is declassified.

Sincerely yours,

———— ————,
General Manager.

BRIEF CHRONOLOGY OF ACTION BY JOINT COMMITTEE ON ATOMIC ENERGY TO MAKE PUBLIC DEFENSE DEPARTMENT REPORT ON FALLOUT

December 1958: Dr. Libby furnished new data by Defense Department indicating that the radioactivity in the stratosphere has a residence half-life of 2 years instead of previously assumed value of 7 years.

February 20, 1959: Joint Committee received fallout report by the Department of Defense dated February 19, 1959, classified "confidential—restricted data."

February 27, 1959: Confidential letter sent to Defense Department by Dr. Libby with copy to Joint Committee chairman in which Dr. Libby arrived at new value of 4 years instead of previous 7 years.

March 9, 1959: Joint Committee by letter this date to the Defense Department questioned the reasons for the "confidential" classification of the report and inquired as to what extent the information could be discussed in public without compromising classified information.

A separate letter this date was also sent to the AEC requesting the Commission's views on the report and to what extent the conclusions affected previous assumptions and statements.

March 13, 1959: Restudy by AEC of worldwide stratospheric fallout released at Seattle, Washington, in which no mention of Defense Department study is made and which maintains position of a residence time of 5 to 10 years, selecting 6 years as the mean residence time of stratospheric fallout. Results of another AEC analysis, Project Ash Can which indicated a residence time of 3 years was discounted as being doubtful. No mention was made that the Department of Defense conclusions of residence half-life of 2 years tended to support results of Project Ash Can.

March 18, 1959: By letter, the Defense Department advised the Joint Committee that only one sentence in the report contained classified information and after identifying it went on to state:

"Although the remainder of the letter is unclassified; the Department recommends that it not be discussed in public because there is not full agreement as to the interpretation of the data that has been obtained so far. We believe it would be far better before the data and conclusions are made public that there be a close agreement amongst the investigators concerned. Therefore, we believe that until the results are more than preliminary, the 'confidential' classification should remain on the letter."

March 20, 1959: Letter received by Joint Committee from the Defense Department advising the report could be made public with deletion of the one classified sentence.

UNIVERSITY OF MICHIGAN LIBRARIES

March 21, 1959: Letter received from AEC stating what portion of Dr. Libby's confidential letter of Feb. 27, 1959 to the Department of Defense does not contain classified information.

Letter and report released by Joint Committee after deletion of classified information.

Mr. ANDERSON. Mr. President, the New York Times published in full the entire correspondence. I regard its publication as a public service of the highest order. All over the country there are anxious people who have been trying to learn all they can about the question of fallout and the suppression of fallout data. The action of the New York Times in printing the correspondence in full was a splendid step, and I commend that publication for its fidelity to the interests of the public in this regard.

The Washington Star published a very good article on Sunday, also. I do not believe that all of it needs republication, but I ask that a portion of the article by Richard Fryklund be printed at this point in the RECORD.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

ANDERSON SEES FALLOUT REACHING FASTER RATE—BUT NEW DATA DISCLOSED BY SENATOR MAY MEAN TOTAL QUANTITY IS SMALLER

(By Richard Fryklund)

Radioactive strontium 90 may be falling from the stratosphere at a faster rate than the public hitherto has been told, and the fallout may be greatest over the United States, Chairman ANDERSON of the Joint Atomic Energy Committee said yesterday.

But, on the other hand, new data released by Senator ANDERSON also indicates that total future fallout appears to be half what had been expected.

This is another episode in a long dispute between Senator ANDERSON and Atomic Energy Commission policy and Pentagon secrecy. The significance to the public of the new data is still a matter of controversy—a controversy further complicated by admissions by all scientists concerned that they really do not know enough about radioactivity to say positively what the fallout danger is.

Senator ANDERSON'S data is in the form of a series of letters to the committee from Maj. Gen. Herbert B. Loper, assistant to the Secretary of Defense for atomic energy; Dr. Willard F. Libby, Atomic Energy Commissioner and the only scientist on the Commission; and A. R. Luedecke, General Manager of the AEC.

With the letters was an interpretation by Senator ANDERSON, who said:

"In layman's language, it looks like strontium 90 isn't staying up in there as long as AEC told us it would, and the fallout is greatest on the United States. Perhaps this information may account, in part, for the recent higher readings of radioactivty in soils and plants.

"This new data appears to further contradict the official doctrine of AEC spokesmen as to residence time of fallout in the stratosphere and to the theory that stratospheric fallout tends to drip out uniformly throughout the earth."

Mr. ANDERSON. Mr. President, the Washington Post has a special science reporter, Edward Gamarekian, whose writings on atomic energy have been unusually competent. It is hard to reduce a scientist's words to a layman's language; but I think Mr. Gamarekian in reporting in that fashion, has done an excellent job. I ask that his article, entitled "Defense and AEC Clash on Fallout Rate" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEFENSE AND AEC CLASH ON FALLOUT RATE

(By Edward Gamarekian)

A sharp disagreement between Defense Department and Atomic Energy Commission experts on the question of fallout was brought to light yesterday by a series of letters made public at the insistence of the Joint Congressional Committee on Atomic Energy.

The controversy involves the manner in which the radioactive atomic bomb debris now in the stratosphere is "dripping" down to earth.

The correct answer will be important since the fallout mechanism will determine the amount of strontium 90 and other radioactive elements that appear in milk and other foods during the next 5 or 10 years.

The first letter, dated February 19, was from the Defense Secretary's atomic energy adviser, Gen. Herbert B. Loper, to the Joint Committee chairman, Senator Clinton P. ANDERSON, Democrat, of New Mexico. In it, Loper informed the Joint Committee that fallout measurements during the past three years indicate the debris in the stratosphere is falling out at a much faster rate than predicted.

He also stated that most of it is concentrating in the Northern Hemisphere between the 35 and 50 degree latitudes—the band in which the northern part of the United States is situated.

The rate of fallout, he added, is such that half of the amount now in the stratosphere will drip out in 2 years, half of the remainder in the next 2 years, and so on.

His conclusions were based on measurements of the Defense Department and differ from the conclusions arrived at by the AEC's leading fallout expert, Commissioner Willard F. Libby.

The second letter, dated February 27 was written by Libby to General Loper, with a copy to the Joint Committee chairman. In his letter the AEC Commissioner admits that his previous estimate of 7 years for 50 percent fallout was too high, and lowers it to 4 years.

"I find it difficult," he said "to push it down to the 2 years you give as an indicative value."

Libby maintained his position that the atomic end products now in the stratosphere are well distributed and are coming down uniformly over the entire surface of the earth. He conceded, however, that there appeared to be increasing evidence in favor of a heavy concentration in the middle latitudes of the Northern Hemisphere.

Although there is no argument over the fact that most of the fallout that has occurred so far has been concentrated in this band, Libby believes that this fallout is mostly from the atomic debris that never reached the stratosphere. He contends that it remained in the lower atmospheric layer, called the troposphere, and came down to earth in a relatively short time—a matter of weeks or a few months at most.

Because winds blow essentially in an easterly or westerly direction, this fallout showed up in the middle latitudes of the northern half of the earth, where most of the tests have been held, the AEC Commissioner contends.

Libby's belief that the debris in the stratosphere takes longer to come down than indicated by Loper follows logically from his assumption that the radioactive material is uniformly distributed in the upper atmosphere. Since the amount of fallout measured in the Southern Hemisphere is low, uniform distribution would lead to the conclusion that less has come down.

If Loper is correct, the strontium 90 that turns up in milk and foods during the next decade will be higher than that anticipated by the Atomic Energy Commission. Neither the AEC nor Defense Department has given any estimates recently, however, on what levels might be reached. Before last year's tests, they estimated that the strontium 90 that had already accumulated in the soil would increase two to three times within the next 5 to 10 years, if no further atomic tests were held above the earth's surface.

The AEC has put Libby's concept forward on a number of occasions, the most recent being March 13, but the Defense Department's findings were kept secret until yesterday.

When Senator ANDERSON attempted to make the Defense Department results known by including the substance of Loper's letter in a speech a few days ago, the military censors deleted one sentence which included some classified material, but then, on the request of Libby, asked that the letter not be used at all.

They wrote the following to the Joint Committee on March 18:

"Although the remainder of the letter is unclassified, the Department recommends that it not be discussed in public because there is not full agreement as to the interpretation of the data that have been obtained so far.

"We believe it would be far better before the data and conclusions are made public that there be a close agreement amongst (sic) the investigators concerned.

"Therefore, we believe that until the results are more than preliminary, the confidential classification should remain on the letter."

When Senator ANDERSON charged the Defense Department with gagging the Joint Committee on data important to the American people and demanded that the confidential classification be removed, Loper's letter was made available. Libby's letter to Loper was also declassified after some deletions were made for security reasons.

The Joint Committee accused the AEC of discounting the measurements of fallout made in its Project Ash Can because they did not confirm the theories of long-term fallout. These measurements showed a 50-percent fallout in 3 years, which tended to support the Defense Department finding, the committee stated.

It pointed out further than neither the "Ash Can" nor Defense Department results were mentioned in Libby's March 13 speech which was very detailed and contained 24 pages of charts and graphs.

Mr. ANDERSON. Mr. President, the above article has one inaccuracy in the very last paragraph which I would like to correct. It mentions that the Joint Committee "pointed out further that neither the 'Ash Can' nor Defense Department results were mentioned in Libby's March 13 speech which was very detailed and contained 24 pages of charts and graphs."

Dr. Libby's March 13 speech did mention the "Ash Can" results but he cast doubt on them and indicated the weight of evidence supported his values. What the Joint Committee pointed out was that although Dr. Libby had the results of the Defense Department report which supports those of Project Ash Can, Dr. Libby made no mention of the Defense Department report in his March 13 speech.

Mr. President, this morning the Washington Post published an article entitled "New Fallout Data Puts AEC's Libby on Spot." This article, by Mr. Gamarekian, is extremely revealing in connection with the other articles; and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW FALLOUT DATA PUTS AEC'S LIBBY ON SPOT)

(By Edward Gamarekian)

The set of letters and statements on fallout released Saturday through the efforts of the Joint Congressional Committee on Atomic Energy have put the Atomic Energy Commission's leading expert on fallout, Commissioner Willard F. Libby, on the spot.

They show:

First, that Libby's prediction on how fast the radioactive atomic debris in the stratosphere is coming down and where it is coming down were wrong, because they were based on incorrect assumptions.

Second, that Libby attempted to suppress the fallout measurements of the Defense Department until he could revise and publish his own calculations to bring them into better agreement.

DATA RELEASED IN SPEECH

Because the Joint Committee was pressing hard for the release of the Defense Department findings, Libby apparently decided to make his revised calculations public as soon as possible.

His first opportunity was a speaking engagement that was scheduled for March 13. It turned out to be a lecture-concert series at the University of Washington. It was a most unusual speech. It read more like a scientific report, and the prepared text had 24 pages of tables and charts attached to it.

Libby made no mention of the Defense Department findings but dropped his estimate of the time for 50 percent fallout from 7 to 4 years.

He did mention a theory of E. A. Martell, who predicted that the atomic end products from the 1958 Soviet tests would come down in a year. Libby showed that fallout measurements fitted his own predictions more closely but did not make a comparison with the Defense Department estimate of 2 years for the 50 percent fallout.

The speech came none too soon, for only 4 days before the Joint Committee had taken formal action to obtain release of the information. The committee asked the Defense Department in writing why the data had to remain classified and what portions could be made public.

The committee also wrote the AEC asking it to explain and comment on the differences between its calculations and the findings of the military.

ASKED FOR LOPER'S LETTER

After Libby's March 13 speech, Senator CLINTON P. ANDERSON, anxious to make the Defense Department results public as soon as possible, decided not to wait for the official release of all the data. The chairman of the Joint Committee asked for the immediate release of a February 27 letter from Maj. Gen. Herbert B. Loper to the committee in which the Defense Department findings were summarized.

There was again an attempt to suppress the information. Loper, the Defense Secretary's atomic adviser, refused permission to use the letter. He disclosed later that he refused to release it because Libby was opposed to making it public on the grounds that he (Libby) was not in full agreement with the Defense Department findings.

The AEC evidently was unhappy about the extent of disagreement which still existed between Libby's results and those described in Loper's letter.

The AEC General Manager, Alvin R. Luedecke, in a letter to the Joint Committee last Saturday, attempted to cast doubt on the accuracy of the Defense Department measurements.

Incredibly, Luedecke admitted that the AEC results from its own measurements during Project Ash Can were consistent with the results described in Loper's letter. He then proceeded to discredit the AEC data.

On the insistence of Senator ANDERSON, Loper's letter was released last Saturday with one sentence deleted for reasons of security. With it came the publication of the letters of Libby and Luedecke.

DOUBT CAST ON ESTIMATES

Some Congressmen said yesterday that this entire episode may throw considerable doubt on Libby's revised estimates and his predictions of the future fallout pattern. Libby has been the AEC's leading expert and theoretician on fallout.

This episode also throws into confusion previous predictions on the amount of strontium 90 which will be deposited on the United States over the next decade as well as its rate. Both are important, since a faster fallout means it will come down hotter.

Previous estimates indicated the strontium 90 in the soil would increase two to three times during the next 5 to 10 years. These figures are now too low because the Russian tests almost doubled the quantity of atomic debris in the stratosphere and the new Defense Department findings indicate this debris is not being distributed throughout the stratosphere but is coming down in the middle latitudes of the Northern Hemisphere.

Libby agreed with Loper's statement that the effects of this fallout would be small, and that only 1 out of 500,000 would probably be affected by the radioactive cesium 137 and carbon 14. However, both used the curious term "immediate probability" when it is well known that most of the effects will show up only after long periods of time and in succeeding generations. They also talked in terms of external radiation and omitted the internal radiation produced by the ingestion of radioactive atomic end products.

Loper mentioned strontium 90, but gave no figures, saying only that the fallout of this radioactive element is greater in the United States than in any other area of the world. Libby did not refer to it at all.

Mr. ANDERSON. Mr. President, finally, the Washington Post has published today an editorial entitled "Faster Fallout." It is a good statement of the situation that existed, and it is to be commended. I ask unanimous consent that the editorial may be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FASTER FALLOUT

The news that radioactive fallout drops from the stratosphere at a far more rapid rate than previously calculated is hardly a cheerful disclosure. But no less distressing is the fact that once again the Atomic Energy Commission has used a secrecy stamp to try to prevent the public from learning this and other data vital to the health and safety of the Nation. Senator ANDERSON, chairman of the Joint Congressional Atomic Energy Committee, has expressed outrage at this attempt to smother information. The file of correspondence which the committee has released seems fully to support his complaint.

According to the committee's records, the Defense Department furnished AEC Commissioner Libby in December with data showing that half the deadly radioactivity now in the stratosphere comes down in only 2 years rather than the previously assumed 7 years. This faster fallout means that harmful particles descend to earth far more quickly and in a much "hotter" state than previously thought. Surely this is the kind of information that the country has a right to know. But apparently because Dr. Libby disagreed with the findings, the report was filed with the Joint Committee on a classified basis. After repeated prodding, the Defense Department informed the committee that only one sentence in a letter summarizing the report contained classified material. The sentence was deleted and finally the news is out.

Manifestly, the new information should not cause any panic. The Defense Department estimates that the chances of an individual being immediately affected is about 1 in 500,000. Yet the new disclosure clearly affords no grounds for smug proclamations that fallout may possibly be good for everyone. There is also something deeply distressing about a Pentagon spokesman's cool notation to the committee that the long-run damage of fallout creates a "moral issue that could be of considerable propaganda importance." Isn't it conceivable that safeguarding mankind from the malignant effects of fallout might be of more than mere propaganda importance?

Mr. ANDERSON. Mr. President, I have placed these numerous items in the RECORD because I believe the people of the United States are entitled to know what the fallout situation is, insofar as it can be gaged by the scientists. We have no way of measuring what effect fallout will have on generations yet unborn, because we would have to have scientific data based upon a series of births which might occur 50, 75, or 500 years from now.

But we do know that many persons are very seriously worried about this situation. We know that in our own country, as well as in many other countries all over the world, the fallout of strontium 90 is apparently heavier than it is in other areas; and we have a right to know whether that situation poses any unusual problems to the people of the United States.

It is quite significant to have the Department of Defense release a study which states that fallout is dropping from the stratosphere 3½ times faster than had been calculated.

Finally, it is also quite significant to have the admission that it does not fall equally all over the world, as has frequently been asserted, but does fall heaviest on the United States.

That statement is of interest because some person were referring to the fallout in certain South American countries and saying, "If that is all there is there, that is all there is anywhere, because it falls equally all over the earth." That was said despite the fact that in Wales it was discovered there was a fallout of strontium 90 far above what it was in other sections of the earth. We have known that there seems to be a belt in the northern part of the United States that receives more strontium 90 fallout than is received at the equator, for instance. Therefore, it becomes important to have the Defense Department information on record.

UNIVERSITY OF WASHINGTON LIBRARIES

I was surprised and disappointed that although the information sent to the Joint Committee on Atomic Energy was unclassified, that there was an admonition that the committee should keep the information to itself and treat it confidentially. I know of no obligation on the part of the Joint Committee on Atomic Energy to withhold the truth about fallout from the people of the United States. So far as it may be my responsibility on the Joint Committee, particularly as chairman of the Joint Committee, I intend to see that the essential facts are made available to the American people for their independent judgment as to their importance.

I regard it as extremely unfortunate that so many statements have been made that seem to indicate fallout is something nobody has to worry about, that people can walk ankle deep in strontium 90 and not be bothered at all. It may be somewhat difficult to prove, but I suggest to the Senate and to the people of the United States that it would be very well indeed to read these reports, and to read them, insofar as possible, in full.

I hope that in the hearings before the Joint Committee on Atomic Energy, which will begin in May, we may have the cooperation of scientists from all over the earth, so that they may help us in making available to the American people information for the protection of the position for which they have stood.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Minnesota [Mr. HUMPHREY] be given 10 minutes, and that it not be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I rise to join in the discussion this morning of the very important problem of radioactive fallout, which has been given such thoughtful and constructive consideration by the distinguished Senator from New Mexico [Mr. ANDERSON]. I wish to join with him and to associate myself with him this morning, as I have on other occasions.

During the past few weeks a number of articles have appeared in the press regarding the rising levels of radioactivity in soil, water, milk, and foodstuffs.

I commented on this matter about 2 weeks ago, and assured the Senate I would attempt to collect what limited information was available to the Subcommittee on Disarmament and make it a part of the total record of the Joint Committee on Atomic Energy.

We are beginning to receive reports of studies being made on the amounts of radioactivity in soil, water, milk, and foodstuffs generally. In some cases the studies are only preliminary because heretofore we have not analyzed or tested our foodstuffs very thoroughly. And in the case of most foodstuffs and in most areas the studies have only scratched the surface.

The State of Minnesota, not waiting for action by the Atomic Energy Commission, initiated an analysis of samples of wheat. I may add that the Governor of the State of Minnesota has appointed a statewide atomic energy commission for the purpose of working with the Federal Government in studies of the peaceful uses of atomic energy, as well as keeping a watchful eye on the problems which are inherent in the use of atomic energy.

The result of the analysis in Minnesota was a sobering reminder that our knowledge of the radioactivity problem was woefully incomplete.

In an effort to obtain a better understanding of the question of rising levels of radioactivity I requested that the staff of the Disarmament Subcommittee prepare a summary memorandum of the recent reports that have been discussed of late.

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks the following:

First. A memorandum from staff of the Disarmament Subcommittee concerning recent data on radioactive fallout.

Second. Letters of February 9, February 28, and March 4, 1959, from Dr. Maurice B. Visscher, of the University of Minnesota.

Third. A statement by Dr. Maurice B. Visscher, February 6, 1959.

Fourth. A statement on strontium 90 in Minnesota wheat made before the Joint Committee on Atomic Energy, February 7, 1959, by Willard F. Libby, member, U.S. Atomic Energy Commission.

Fifth. A Survey of Radioactive Residues in Foods Before and After 1945: Evidence of Possible Fallout Contamination, by Edwin P. Laug and Wendell C. Wallace, Food and Drug Administration. Excerpts from Health and Safety Laboratory Strontium Program Quarterly Summary Report, February 24, 1959, published by Atomic Energy Commission.

Sixth. Excerpt from letter from official in Public Health Service concern-in strontium 90 levels in cistern water.

Seventh. A series of articles in the Washington Post by Edward Gamarekian entitled "Radiation and Cancer," Washington Post, January 21, 1959; "A-Fallout Piling Up in U.S. Soil," Washington Post, March 3, 1959; "Strontium 90 in Diet," Washington Post, March 7, 1959; "Health Service Urges Program to Measure, Control All Radiation," Washington Post, March 11, 1959; and "Peril in 'Acceptable' A-Radiation," Washington Post, March 12, 1959.

These are not the same articles the Senator from New Mexico introduced.

Eighth. An article entitled "Radioactive Fallout Confusion Caused by Lack of Responsibility," by Lillian Levy, from the Washington Sunday Star, March 15, 1959.

Ninth. Release of February 27, 1959, by Public Health Service on Radioactivity in milk.

Tenth. Excerpts from article entitled "The Milk All of Us Drink," Consumer Reports, March 1959.

I ask unanimous consent that these documents may be made a part of the RECORD at the end of my remarks.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. I am happy to yield.

Mr. ANDERSON. I wonder if the Senator from Minnesota would mind my pointing out that the work of the Disarmament Subcommittee, which he heads, and which he has served so effectively, is affected, in a way, by the series of studies made by the Defense Department. For example, if when we talk about disarmament and ignore the hazard from strontium 90 fallout, then we are dealing only with its psychological factors.

Mr. HUMPHREY. Yes.

Mr. ANDERSON. But when we discover that the rate of fallout is three times faster than it was contemplated it would be, and therefore the fallout comes to the earth "hotter," and when we realize the heavier fallout is in the Northern United States, then the question of nuclear testing of weapons takes on a new aspect. Then perhaps what the Senator from Tennessee [Mr. GORE] and the Senator from Idaho [Mr. CHURCH] have suggested should be considered, namely, the testing of atomic weapons either underground or at a very high level, so as to escape the effects of "drip-out" of strontium 90 and other radioactive material.

I think I speak for all the members of the Joint Committee on Atomic Energy when I commend the Senator from Minnesota for trying to keep this question before the American people, in its right frame of reference. We certainly have had proof that it is a subject which should be discussed, and that more discussion of it is needed.

Mr. HUMPHREY. I thank the Senator from New Mexico. I again assure him, as I have on other occasions, that the efforts of the Subcommittee on Disarmament will be closely coordinated with those of the Joint Committee on Atomic Energy. The main responsibility obviously lies with the Joint Committee on Atomic Energy, but the Subcommittee on Disarmament has a role when it comes to the consideration of dangers from fallout resulting from bomb testing and, indeed, from war itself. I think our committee has an interest in that. This subject is important enough to command a great deal of interest. We know the Senator from New Mexico has interested himself in it, and the statements he made 1, 2, and 3 years ago, as to the lack of information made available to the Atomic Energy Committee on this very important subject of fallout, have been vindicated.

Even a preliminary gathering of material on recent studies on radioactivity suggests that certain measures ought to be taken in the immediate future.

I understand that the Joint Atomic Energy Committee is planning to update this spring its studies on radioactive fallout and its effects on man. This will be extremely helpful, because the hear-

ings held by the joint committee in 1957 have given us the best compilation of information and opinion yet on the problem. After these hearings I am sure we will have a better understanding of the measures which should be taken to protect our health and the health of our progeny.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to my distinguished colleague from Texas.

Mr. YARBOROUGH. I wish to commend the distinguished senior Senator from Minnesota, as well as the distinguished Senator from New Mexico, for the work they have done and for the leadership they have shown in this field of study of the problems of radioactive fallout. We have read many scientific opinions with regard to this new grave danger to the human race—a danger in the unknown incidence of and increase of cancer in young people and children, caused by the increase of strontium 90 in the soil, from fallout from nuclear explosions. I do not think this body should stand idly by, because someone is "trigger-happy" with atomic tests, and fail to do something about the matter. The studies should continue, and information should be given to the people of the entire Nation. What this country needs is executive leadership in administration, leadership in negotiation, and leadership in a move to save the human race, not from sudden extermination by one bomb, but from the slow mass suicide of the race by the constant pollution of the air with materials which scientists say cause cancer in babies, children, and young people.

I again commend these distinguished Senators for the leadership they are showing, and I pledge my support to them in the fight to see that we have accurately determined, by scientific evidence, and have given fairly to the people, a scientific opinion on the extent of the danger. It is time to seek the full facts and the full truth about radioactive fallout, and that we act on that knowledge.

Mr. HUMPHREY. Mr. President, I should like to make some further observations and suggestions, but first a wish to thank the junior Senator from Texas. His remarks were generous, but at the same time they remind us of the gravity of the situation.

On the basis of the information now available, I should like to make the following observations and suggestions:

First. It is becoming apparent that the Atomic Energy Commission, with its important and primary interest in the field of atomic weapons and the production of atomic power, is not the best agency to conduct research on fallout and its effects on human health and heredity. This research should be lodged in another Government agency, one which has adequate funds to do its job and one which can be completely independent in reporting its findings. I suggest that this agency might properly be the U.S. Public Health Service with some assistance from the Food and Drug Administration and the Department of Agriculture. Of course, the valuable data and techniques and talent of the Atomic Energy Commission should not be ignored. The Commission's material and personnel should be called upon but the primary responsibility should rest with the Public Health Service.

I say this, Mr. President, because I am convinced the Atomic Energy Commission has been playing down the dangers of radioactive fallout as it pursued its weapons program. While we need the atomic weapons as a shield of defense, we also need to be considerate of the lives of human beings now on the face of this earth and those yet unborn.

It is very interesting to note that in recent months the Atomic Energy Commission has finally come to recognize that there is a serious problem. I notice that Dr. Libby is a much more concerned man outside the Commission than he is in the Commission. I notice that he is now making many more statements about radioactive fallout.

Second. The Public Health Service obviously does not have sufficient funds to do a thorough job. This year the Health, Education, and Welfare Department had $634,100 for research and control measures in radiation. That is slightly more than a half million dollars to protect the lives of the people of this country and of the world. The request of the Secretary of Health, Education, and Welfare, Arthur S. Flemming, for an increased appropriation of $1,439,100 plus $2 million for radiation studies under the National Institutes of Health should be granted, and a careful examination should be made to determine whether these sums are adequate.

Third. It has been suggested by a fellow citizen from Minnesota, Dr. Maurice B. Visscher, head of the department of physiology of the University of Minnesota Medical School, that the Atomic Energy Commission should contain a biological scientist as a Commissioner in addition to having a nuclear scientist. At the present time the Commission is composed of three businessmen, a lawyer, and a physical scientist. After June 30 there will be two vacancies, including the post now held by Dr. Libby, the physical scientist. These two vacancies present an opportunity for the appointment of a biological scientist as well as a physical scientist. This suggestion has real merit and ought to be given serious consideration by the Commission and the Joint Committee on Atomic Energy.

Fourth. Since the problem of radioactive fallout is a worldwide and not solely a national problem, it is imperative that the United Nations Scientific Committee on the Effects of Atomic Radiation be given complete records on the results of these recent studies. At the present time the Atomic Energy Commission and Department of State screen all material on this subject to decide what would be useful to the U.N. committee.

Mr. President, I am not satisfied with having political bodies of this Government screen materials relating to the lives of the people. I have seen enough of such screening through the so-called censorship apparatus. We are not given the information we need even for our national security, much less for our physical well-being. I rise to protest this kind of self-styled secrecy on the part of agencies of this Government when it involves atomic energy information.

It is important that all relevant material on the health effects of radiation be submitted regardless of whether it confirms or casts doubts on Government statements and conclusions regarding the extent of the danger.

I am of the opinion that a good deal of the material could be held back if it cast doubt on some of the earlier statements of Government officials. I am not willing to let statements of Government officials be considered more important than the lives of my children or the lives of children yet to be born. We find ourselves today with an overwhelming body of evidence coming forth day after day as to the problems involved in bomb testing and as to the dangers of radioactive fallout. There does not seem to be the kind of deep concern in the high councils of this Government that there should be.

Furthermore, it is becoming apparent that an agency like the World Health Organization ought to play a larger role in coordinating research on this problem in many parts of the world.

I talked to the World Health Organization officials about this matter, and I suggested that as one of the topics of advance research on the part of the World Health Organization, a program which is now being designed in the field of research, there should be a special category of research in the field of radioactivity and radiation medicine. I spoke with Dr. Candau about this subject while I was in Geneva.

To date the activities of the World Health Organization related to radiation have been concerned primarily with radiation from peaceful uses of atomic energy. It is clear that the Department of State ought to raise at the next session of the World Health Organization the question of broadening the frame of reference to include the effects of radioactive fallout. This is a phase which I will explore in my capacity as Chairman of the Senate Government Operations Subcommittee which is studying world health.

Fifth and finally, it is one thing to conduct more research so that we know more of the complete effects of radioactivity on man and his environment. It is another thing to try to see that this rising radioactivity does not rise further. This means that the efforts to halt nuclear weapons testing must continue to be pursued vigorously.

The Senator from New Mexico [Mr. ANDERSON] told this body today that the northern parts of the United States happen to fall within an area in which the radioactive fallout seems literally to gush down upon us, and fall all over us. Because of geography, we happen to be the victims of a larger dose of radioactive fallout than other parts of the world.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. President, the five recommendations and suggestions above occur to me as a result of reviewing the memorandum and articles that I have submitted for the RECORD today. I hope that the administration will see fit to act on them. If not, further investigation by committees of the Congress become a vital necessity.

I assure my colleagues today, as I have done before, that I stand ready to do everything in my power, as chairman of two subcommittees, one on disarmament and the other on matters relating to world health, to study the danger of radioactive fallout in meticulous detail. This is something with which we cannot trifle.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I commend my colleague from Minnesota for the leadership he has shown in the Senate with regard to the nuclear testing program.

As he knows, I appeared before his subcommittee several weeks ago and expressed my great concern. I also expressed serious criticisms of officials at the Pentagon and the State Department.

Today I wish to add that in my judgment the President of the United States is not giving the people the leadership to which they are entitled with regard to the serious potential danger involved in the continuation of nuclear tests by my Government.

I have asked for a memorandum on this subject. We are apparently proceeding with the development of one missile which will contain within it material which, if it escapes into this hemisphere, will release a shocking amount of nuclear danger to mankind.

I repeat, as I have stated before the Senator's subcommittee, that it is time that the United States of America, as well as Russia, should be held to some moral standards on this issue. In my judgment, my country, as well as Russia, is guilty of immorality in regard to the matter of continuing nuclear testing. It is about time to lift the ban of secrecy in connection with this subject and tell the people of the country what their Government is doing in regard to the problem of threatening the health of mankind for generations to come by a continuation of nuclear testing. It is about time to call the issue on this administration, and to bring to an end at least our responsibility for a continuation of this immoral conduct.

Mr. HUMPHREY. Mr. President, I conclude by asking my colleagues to read most carefully the staff memorandum which was developed by the very competent staff of the Senate Subcommittee on Disarmament, based upon recent data on radioactive fallout. I shall not take the time of the Senate to read it, because it is a very complicated material, and it would undoubtedly not result in the kind of discussion which would be as helpful as I would wish.

Suffice it to say that from 1954 to 1958 the number of microcuries of strontium 90 deposited per square mile in the soil has doubled, and the cumulative effect is nothing to brush aside as being inconsequential. When my colleagues from the great food-producing areas of America look at what has been happening to some of the foodstuffs, particularly in terms of milk and dairy products, they will see what the problem amounts to, not only in terms of health but also in terms of economics.

EXHIBIT I

MEMORANDUM

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
March 18, 1959.

To: Senator HUMPHREY.
From: The staff, Subcommittee on Disarmament.
Subject: Recent data on radioactive fallout.

In response to your request for an analysis of the recent data on radioactive fallout, the following summary analysis has been prepared:

There are several reasons for the recent increase in concern over fallout. First, the results of last year's intensive testing by the nuclear powers are beginning to be evident in measurements of many different elements. Second, in some cases monitoring and measuring systems are just getting into full sway so that for the first time we know more precisely how much radioactive material is being absorbed. Finally, since the talks at Geneva have not made rapid progress, many citizens fear that tests may be resumed with a further increase in fallout levels as a result. Even if nuclear tests are not resumed, however, fallout from past tests will continue as well as man-made radiation from other sources such as X-rays. Further study of the effects of fallout and radiation and methods to minimize health damage appears essential.

NEW DATA ON FALLOUT LEVELS IN RECENT WEEKS

In the past few weeks statistics have been published showing not insignificant levels of radioactive material in several elements essential to man's physical well-being including air, water, soil, and milk.

Most of the danger to health appears to stem from the single element, strontium 90, which is long lived and is absorbed like calcium into bones causing such diseases as bone cancer and leukemia.

Not yet apparent in statistics are the effects of this fallout on the genes and chromosomes which determine the characteristics of future generations. However, we do know, in the words of Warren Weaver, chairman of the Committee on Genetic Effects of Atomic Radiation of the Academy of Sciences before the Subcommittee on Disarmament on January 16, 1957: "Radiation produces mutations; mutations are bad; the amount of mutations is proportional to the total accumulated dose. There is no radiation dose which is too small to count from the point of view of genetics."

WHEAT

The substance which has most recently come to attention as being jeopardized by the rising levels of radioactive fallout is wheat. The State of Minnesota has been responsible for gathering important information on this problem. The Minnesota Governor's committee on atomic energy development problems stimulated research on this problem which might otherwise not have been undertaken. Dr. Maurice Visscher, head of the department of physiology of the Medical School of the University of Minnesota, reported that studies of environmental contamination by radioactive materials in the Plains States and the Northwest Central region were initiated by the Governor's committee. Preliminary results of these studies indicated unexpectedly high levels of radioactivity in certain areas, and it was decided that more precise measurements were needed. Subsequently the Atomic Energy Commission agreed to analyze certain materials for the committee. The results of the AEC's wheat analysis have only recently been made public, and it is from this data that the new concern arises.

Samples of wheat from the 1956, 1957, and 1958 crops from 10 different localities were obtained from the Institute of Agriculture of the University of Minnesota and analyzed for strontium 90 content. The average of the amounts of strontium 90 content were 107 micromicrocuries per gram of calcium in 1956, 152 in 1957, and 155 in 1958. In one sample in 1957 a level of 606 micromicrocuries per gram of calcium was found, but this was excluded from the average. However, it is this sample which the AEC considers above the maximum permissible limit. According to Dr. Visscher, "to interpret these figures, it must be pointed out that it is generally agreed that the maximum tolerable level for strontium 90 in food for a population is not more than 100 micromicrocuries per gram of calcium in the diet. Therefore, anyone who derived all of his calcium from whole wheat of the type analyzed would exceed the maximum tolerable limits. Fortunately, however, two factors reduce the hazard to people using wheat. The first is that a majority of the calcium and, therefore, the strontium 90, is in the bran and is milled out of the white flour. The second fortunate circumstance is that we ordinarily get only 5 to 10 percent of our calcium from cereal grain products in the average American diet. Thus, even if there is an excess of strontium 90 in one foodstuff, it need not be hazardous unless one lives on it as one's major food. However, here the problem is complicated by our ignorance. There are not available today adequate figures on the strontium 90 content of other foods."

It is ironical that the removal of the wheat germ to make white flour, long deplored by dieticians because the nutritive value of the wheat germ is taken out, decreases the danger of strontium 90 problems. One mother wrote that after working for years to get her family to eat wheat germ and whole wheat bread, she finally succeeded only to find that she may have increased the amount of strontium 90 going into the bones of her children.

Levels of strontium 90 in foods which furnish the rest of the calcium in our diet are not now known. Recent data covering a wide geographical area and the gamut of foodstuffs which compose the American diet is not available. The studies have either not been made, or have not been completed or published. Only milk has been studied to any significant extent.

MILK

Last month new figures were also released showing rising levels of strontium 90 in milk. The Public Health Service, which has what it calls a pilot study to measure radioactivity in milk, published the results of its analysis of samples from 10 different locations. With the maximum permissible level for strontium 90 in milk for lifetime exposure considered to be 80 micromicrocuries per liter, the December levels ranged as high as 15.6 mmc per liter in St. Louis, and this was a fluctuation downward from 20 in November. In other words, in November in St. Louis the level of strontium 90 in milk was more than a quarter of the maximum permissible limit. In Fargo, N. Dak., the level was 12.3; in Atlanta, Ga., it was 10.2. In 6 of these cities the program has been under way long enough to show 12-month averages, which are considered the most significant figure in interpreting public health effects because of monthly fluctuations. These showed a slow but steady rise everywhere, except Sacramento, Calif., when a slight decline in the yearly average from October to November was noted.

In powdered milk from Mandan, N. Dak., the level of strontium 90 was 26.74 micromicrocuries per gram of calcium in July 1958.

WATER

Radioactivity and strontium 90 levels in rainwater and running water in general appear to vary according to the amount of nuclear tests being conducted at the time. An analysis of strontium 90 in New York City tapwater, which has been measured since 1954, shows a constant fluctuation, with the highest level ever measured in June 1958 of .38 micromicrocuries of strontium 90 per liter. The latest measurement was for November 1958 at which time the level was down to 0.066 micromicrocuries per liter.

The more serious problem apparently concerns collections of water, for example in cisterns or stockponds, which do not have the advantage of certain natural forces to reduce the amount of radioactivity and strontium 90. In these collections the radioactive elements may be accumulated rather than absorbed or evaporated. As a result, in areas where people depend entirely on cistern water and hence could get a significant portion of the strontium they ingest from water, the Public Health Service is monitoring, or advising local authorities to monitor, strontium 90 levels. According to the Public Health Service, it would be possible to take measures to remove the strontium if the levels indicated this was necessary.

MISCELLANEOUS FOODS

In January 1957 the Food and Drug Administration began analyzing various samples of food predating 1945 and comparing it with similar samples of post-1945 foods. The conclusion of this study, published on October 15, 1958, but based largely on food produced prior to the intensive nuclear testing of last year, was that "compared to food samples produced prior to 1945 this survey shows that the great majority of post-1945 samples do not carry significant burdens of radioactivity. Notable exceptions are certain sea foods, dairy products, and tea."

The largest increase noted, according to this study, was in tea. On this item the study said "It could * * * be possible that many of the tea samples examined contain strontium 90 in excess of the present tolerance of 80 micromicrocuries per kilogram, but analyses of strong tea brews revealed that only about 17 percent of the radioactivity was extracted. It can be concluded therefore that the beverage as commonly consumed would not contain overtolerance amounts of strontium 90."

However, this analysis does not appear to be completely up to date.

SOIL

Still another report just issued by the Atomic Energy Commission indicated that strontium 90 is accumulating in the soil of the United States and other countries at an increasingly rapid rate. New York City is the only area which has been measured for a significant length of time. It has been measured since 1954. In 12 other cities it has been measured since the end of 1956. The New York City measurements show in 1954, 7.2 microcuries of strontium 90 were deposited per square mile; 1955, 9.2 microcuries of strontium 90 were deposited per square mile; in 1956, 11.3 microcuries of strontium 90 were deposited per square mile; in 1957, 11.6 microcuries of strontium 90 were deposited per square mile. In first 11 months of 1958, 14.04 microcuries of strontium 90 were deposited per square mile.

Thus the cumulative number of microcuries per square mile has steadily increased to 53.3 in November 1958.

PHILOSOPHY TOWARD RISKS OF ATOMIC AGE

In summary, all the latest results of studies undertaken on the amount of radioactive fallout and the level of radioactive strontium show an upward movement, upward closer and closer to what are currently considered maximum permissible levels. It is important to note the words "currently considered," for as our knowledge of the effect of these levels on our health and heredity increases, these levels may be changed. And the change will probably be downward. Dr. Warren Weaver now sounds prophetic in what he told the Subcommittee on Disarmament about the strontium 90 problem 2 years ago, before this country had undertaken much study of it. He said:

"The limit which one puts down as being tolerable and the concentration which one finds, unfortunately, are moving toward each other. The limit which one accepts as tolerable tends to decrease, and the concentration which we actually find existing, tends to increase."

The gap is narrowing, and when this gap is closed we may be faced, not with a small increase in certain diseases or a few days shortening of our life span which will go unnoticed, which is the current risk, but with health hazards which are significant and noticeable by any standards.

We have been told that we must adopt a new philosophy for the atomic age. For example, Dr. Lauriston S. Taylor, chief of the Atomic and Radiation Division of the National Bureau of Standards, recently said that the establishment of permissible levels of radiation exposure is not basically a scientific problem. He added:

"It is more a matter of philosophy, or morality, and of sheer wisdom. The problem centers about a philosophy to which mankind is well accustomed; it may be called a philosophy of risk."

He stated that there were risks on "virtually any mode of transportation from boat or bicycle to the airplane, but without these, life today would be very different indeed."

However, it is only sensible to make every effort to reduce the risk as much as possible. It would be as foolhardy to ignore blithely potential danger signals in the nuclear age as it would be to ignore oncoming traffic while driving a car. We should reduce the risks of the atomic age just as we work to reduce the hazards of driving.

UNIVERSITY OF MINNESOTA,
THE MEDICAL SCHOOL,
Minneapolis, February 9, 1959.

Senator HUBERT HUMPHREY,
Senator EUGENE MCCARTHY,
Senate Office Building,
Washington, D.C.

DEAR HUBERT AND GENE: I have a new job for one of you. I don't know whether either of you is willing to take it on, but I know it needs doing. I am enclosing copies of a statement I prepared for the Governor's committee on atomic energy development problems. From it you will see that we have been greatly misled by the AEC as to the absolute safety of strontium 90 levels in the country. The really shocking thing to me is that the AEC itself has no other significant number of analyses of wheat. This I learned by telephone from Dr. Ira B. Whitney in the New York office of the AEC last Tuesday.

The fact is that the AEC has not done its practical job in the biological and medical area very well. It is not that Congress has not appropriated enough money to do it. The trouble may be that the AEC is run by Commissioners who are primarily in the weapons business and don't really know enough about the biological and medical sides of things to have informed opinions as to policy in those areas.

There is a job for some congressional committee investigation here. The Congress had every right to expect that its appropriations to the AEC would be used to investigate the strontium 90 hazard in soils, plants, animals, and man, and that by now, 10 years after the secret Project Sunshine was started, we would have all the basic facts necessary to meet the hazard that exists today. Actually, we know almost nothing of practical value as to protection on the biological side. Hundreds of millions of dollars, exactly how much I don't know, have been spent on biological research under AEC auspices, but it has gone mainly into things almost totally unrelated to the practical problems. I would not object at all to the fact that many millions of Federal money have gone into basic studies of genetics, metabolism, etc. I only object to the fact that the AEC has not done the job the public thought it was doing and needed to have done.

What I am suggesting is an investigation looking toward congressional action to induce the AEC to do a better job in acquiring the simple facts about radioactivity levels in soil, water, plants, animals, animal products such as milk and eggs, and in man. They should also make greater efforts to get information about the factors that determine the amounts of strontium 90, uranium, plutonium, and other important elements, that are taken up by plants and animals, including man.

The AEC has been so concerned about reassuring the public that there is no harm in what it has been doing in the bomb-testing area that it has failed to devote enough attention to finding out the facts even as to what the levels of radioactivity in foods are.

I should tell you that there are some very competent people now on the AEC Advisory Group for biology and medicine. Harland Wood, Bentley Glass, and James Horsfall are all very sound. They are, I believe, recent appointees. I do not know whether this Advisory Group has actually had much influence, however.

Another thing that should be looked into is why the Plains States and our region should be made to take the brunt of so much fallout burden if we are to continue bomb testing. I think all of the Senators and Congressmen from those areas might get together and get stoppage of further contamination of this region. Some other region might take the brunt if testing must continue. It would be only fair to spread the load.

So much for the job I hope one of you will undertake.

There is another matter that I have been thinking about for some time. You may be able to use the idea some time. I really cannot see that the use of our scarce scientific and technical manpower on bomb development is compatible with achieving our greater need which is to get better ICBM's. Every million dollars we spend on bomb development takes hundreds of men from the pool otherwise available to work at missile development. There are only so many scientists in the country and if you appropriate money to employ them in one area they are not available in another.

Isn't this perhaps our most compelling military reason for stopping the bomb development and testing business? We already have enough bombs, and cleaner or smaller ones are not going to make us less vulnerable to being wiped out by the Russians. I would feel more secure if we had some working ICBM's with which to stand off Russian threats in the next few years. We are not getting them as fast as we could if we were to quit wasting manpower on bomb development and let it work on missiles.

Sincerely yours,

MAURICE B. VISSCHER.

UNIVERSITY OF MINNESOTA,
THE MEDICAL SCHOOL,
MINNEAPOLIS, *February 28, 1959.*

Senator HUBERT HUMPHREY,
Senate Office Building
Washington, D.C.

DEAR SENATOR HUMPHREY: The strontium 90 levels in wheat samples analyzed by the

UNIVERSITY OF MINNESOTA LIBRARIES

AEC for the Minnesota Governor's committee on atomic energy problems have created considerable public discussion and some concern. The findings of increasing levels of such radioactivity from averages of 105 in 1956 to 155 strontium units per gram of calcium in 1958 wheat demonstrates a rising level which might become serious.

The AEC has cooperated with the Minnesota committee in these studies, and this cooperation is much appreciated. I find no fault with the general interpretation of the AEC findings as explained by Dr. Willard Libby on February 27. In fact, these interpretations are in large part identical with those I gave in releasing the data in a conference with Gov. Orville L. Freeman on February 6, 1959. I pointed out that the major source of bone mineral for man in the U.S. is milk, and that cereal grains are ordinarily minor sources for the human. It should be noted that for economic animals a quite different situation prevails.

However, I do find several faults in the past, and so far as I know, the present, AEC program. I see no valid excuse for the failure of the AEC to have strontium 90 data on all of the major foodstuffs in the American dietary, on a much more comprehensive scale than has previously been undertaken. Such data should be made fully available to the public.

Second, I am distressed by the fact that estimates as to the rate of rise in strontium 90 contamination in foodstuffs in the United States have been proven by experience to be in error. The rate of rise was considerably underestimated.

Third, I am disappointed that the AEC has not devoted a larger fraction of its research attention to methods of ameliorating potential strontium 90 hazards. Much more attention should be paid to devising methods of decreasing the strontium 90 uptake by plants, and diminishing the proportion of that ingested by man and economic animals which is absorbed into the body itself and stored in the bones.

I congratulate the AEC for devoting attention to numerous other biological problems. Some of the best basic biological research today is being supported by the AEC, but it would surely be an evidence of public irresponsibility if the AEC did not devote energy equal to that which it puts into its offensive weapons program upon research aimed at protection of the American public against the radioactivity which will be present if any of the devices which it or its Russian counterpart are producing should ever be used, or if bomb testing continues in the places and at the pace that has been in practice over the last six years.

Sincerely yours,

MAURICE B. VISSCHER.

UNIVERSITY OF MINNESOTA.
THE MEDICAL SCHOOL,
Minneapolis, March 4, 1959.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: I believe that the composition of the Atomic Energy Commission itself is a grave defect in its ability to operate in the way that the Congress and the American people believed it would operate. It is to be noted that there is no biological scientist among the members of the Commission. This oversight is hard to understand since the hazards of use of nuclear energy are primarily biological. In peace as in war, the blast, the burn, the immediate and the delayed radiation damages to living things are of greatest importance.

It is not enough to have an Advisory Committee on Biology and Medicine, although it is better than nothing. Life would seem to be important enough to the country so that the Commission itself might have at least one, and preferably more, persons appointed to it by the President who have expert scientific knowledge about biological phenomena. The U.S. Senate has a responsibility in this matter because it must confirm any Presidential appointment. I respectfully suggest that no new appointments be confirmed until at least one biological scientist is included on the Commission.

Sincerely yours,

MAURICE B. VISSCHER.

STATEMENT BY MAURICE B. VISSCHER,
FEBRUARY 6, 1959

The Governor's committee on atomic energy development problems has initiated studies of environmental contamination by radioactive materials in this general region. In one study in the spring of 1958, soybean plants from various areas were studied for their gross radioactivity levels, and in another, numerous samples of wheat from North and South Dakota and Minnesota were studied. The results showed unexpectedly high levels of radioactivity from various areas, and the range of values was very large. Because these preliminary results indicated that the Plains States and the Northwest central region in particular might have a problem in connection with environmental radioactive contamination of its food supplies, either now or in the future, it was decided to have some more precise measurements made. Since strontium 90 was considered to be in all probability the most serious hazard, it was studied first. The State department of health undertook early last summer to assay strontium 90 in milk, and last spring, the U.S. Atomic Energy Commission agreed to analyze certain other materials for the committee.

Samples of wheat from the 1956, 1957, and 1958 crops from several localities, obtained from the institute of agriculture of the University of Minnesota, were analyzed by the AEC and the results have just been received. The findings indicate that some further action is necessary in connection with atomic energy problems, especially in regard to the establishment of a permanent State commission and in connection with appropriation of funds for its work. There are probably serious economic as well as health implications to the entire North Central and Plains region including Minnesota in the data we are presenting.

The AEC findings on strontium 90 content of wheat in this region are as follows:

Strontium 90 content micromicrocuries per gram of calcium

Location	1956 crop	1957 crop	1958 crop
1	163	150	124
2	169	146	191
3	88	187	184
4	82	200	(1)
5	82	(1)	111
6	74	[2] 606	213
7	94	105	129
8	(1)	124	120
9	(1)	(1)	158
10	(1)	(1)	169
Averages	107	152	155

[1] No sample.
[2] Exclude from averages.

The locations were chosen to obtain as great a variety of soil types as possible. These results are the only ones available in the United States today on wheat from a number of locations over a period of 3 years.

To interpret these figures, it must be pointed out that it is generally agreed that the maximum tolerable level for strontium 90 in food for a population is not more than 100 micromicrocuries per gram of calcium in the diet. Therefore, anyone who derived all of his calcium from whole wheat of the type analyzed would exceed the maximum tolerable limits. Fortunately, however, two factors reduce the hazard to people using wheat. The first is that a majority of the calcium and, therefore, the strontium 90, is in the bran and is milled out of white flour. The second fortunate circumstance is that we ordinarily get only 5–10 percent of our calcium from cereal grain products in the average American diet. Thus, even if there is an excess of strontium 90 in one foodstuff, it need not be hazardous unless one lives on it as one's major food. However, here the problem is complicated by our ignorance. There are not available today adequate figures on the strontium 90 content of other foods. The U.S. Public Health Service has released figures on strontium 90 in milk from the areas of St. Louis, Mo., and Fargo, N. Dak., which show that in the fall of 1958 the values there averaged 14 and 17 micromicrocuries per gram of calcium in the two cities. The values in some other parts of the United States are as low as 2. An "educated guess" as to Minnesota levels is that they are not less than 8 micromicrocuries per gram of calcium. Milk provides more than three-quarters of the calcium in the American dietary, consequently, the amount of strontium 90 contaminating it is of greatest practical importance. However, if plant foods contain as much as 600 micromicrocuries per gram of calcium, they could be very important in raising the average level to the so-called maximum tolerable limit even if they supplied a minor fraction of the total intake.

One further point should be mentioned. It is usually agreed that strontium 90 is more hazardous for children than for adults. No one knows positively what is the minimum amount of strontium 90 that will do damage to growing children. Some recent studies indicate that it may be much less than 100 micromicrocuries per gram of calcium. However, only a very small fraction of a population will sustain any obvious injury from small doses.

Bone cancer and leukmia are believed to be the main diseases which may result in an individual from eating small amounts of strontium 90. These are fortunately relatively uncommon diseases. According to the State board of health, there are about 33 deaths per year in Minnesota from the first and 300 due to the second, out of total deaths of somewhat under 30,000. Increases in the above rates 10 or 20 years from now might be expected to occur as a result of increased radioactivity.

This report is being made because it seems obvious that the State of Minnesota, in common with all its neighboring States, has an interest in doing two things. First, it must learn more about what its strontium 90 and other radioactive contamination problems are. Milk, meat, fish, poultry products, and vegetables require study in all areas. Second, it must be prepared to apply corrective measures since there may be some localities where all the foodstuffs, including milk, are heavily contaminated, and because if bomb testing continues throughout the world, the situation will undoubtedly become progressively worse. It seems essential to be able to protect children now against food containing as much as 600 micromicrocuries per gram of calcium. To do this one must have more analytical information. At least as important as this is to initiate researches on methods of lowering the strontium 90 content of the plants themselves and of diminishing the amount of strontium 90 retained in the human body after food containing it is eaten. Scientists already have some clues as to how these objectives might be attained.

It is the responsibility of the State legislature to decide whether to make a serious effort to minimize these health and economic hazards. It can do so by establishing the commission that Governor Freeman is requesting and by providing it with funds to operate.

It is appropriate to note that Governor Freeman's foresight in setting up a committee to study and report upon these problems is responsible for the fact that Minnesota is the first State in the Union to obtain information of the type reported at this time.

There will be some people who will say that these findings should have been kept secret, so as not to disturb people. Their false logic would be that what people don't know, doesn't hurt them. In any dictatorial society that is the rule that would be followed. It is our philosophy that in a democratic society people not only have a right to know, but must know the facts if they are to act intelligently. The role of the scientist is to provide a sober interpretation of facts, to allow people to take precautionary and preventive measures before it is too late. Fortunately, we have a Governor whose policy it is to give the people the facts so that they may act intelligently through their legislature. The present situation is not one to become panicky about. It is, however, one that requires increased information to avoid a panic situation in the future.

STATEMENT ON STRONTIUM 90 IN MINNESOTA WHEAT MADE BEFORE THE JOINT COMMITTEE ON ATOMIC ENERGY DURING THE AUTHORIZATION HEARINGS, FEBRUARY 27, 1959, BY WILLARD F. LIBBY, MEMBER U.S. ATOMIC ENERGY COMMISSION

The strontium 90 content of wheat is a matter of real concern to us. There is nothing good about radioactive fallout, and it has been our constant effort to reduce it to the minimum in keeping with necessary weapons development programs. We welcome the interest of everyone willing to help us study it and have a system of publication and dissemination of the information which we hope is good. A particularly comprehensive document was issued recently. It is a nearly complete summary of U.S. data up till about last summer and is available through the Department of Commerce Office of Technical Services. It is the Health and Safety Laboratory Report, No. 42, entitled "Environmental Contamination From Weapons Tests."

The high levels found sometimes in wheat and rice and other grasses and vegetables apparently are due to a particular circumstance. These plants apparently pick up more fallout from the rain falling directly on the leaves than from the roots and the soil. As a consequence, their level depends more on the rate of fallout than it does on the total accumulated fallout in the soil, though I hasten to add that there definitely is soil pickup. The soil pickup, however, does not lead to the large fluctuations with seasons of the year that are found in these grasses and lies at lower values than the peaks which direct leaf pickup can attain during a period of intense nuclear weapons testing when the rate of fallout can be particularly high for a short time. In other words, a high value may be followed by lower values if the rate of fallout is lower during the later growing seasons due to the timing of nuclear tests.

We are very concerned, however, by the amount of strontium 90 found in these products and by the fact that occasionally samples are found which exceed the levels which are generally acceptable for a steady diet. Actually, of course, the general average food level is the important matter and we can say that this level is well below the maximum permissible level as given by the National Committee on Radiation Protection.

To summarize, then, the high values in wheat probably are due largely to surface pickups from particular rains and are not expected to show a steady rise, except for the relatively smaller soil pickups, unless rates of testing exceeding the very heavy ones of last year occur again, and I assure you that it is our policy to do everything to keep radioactive fallout outside the test areas to the very minimum.

It will be 2 years in June since your committee held its important hearings on radioactive fallout and we would be pleased to discuss the situation as it exists at present with you at any time you wish.

[Excerpts from Health and Safety Laboratory, Strontium Program, Quarterly Summary Report, Feb. 24, 1959, Published by Atomic Energy Commission]

A SURVEY OF RADIOACTIVE RESIDUES IN FOODS BEFORE AND AFTER 1945; EVIDENCE OF POSSIBLE FALLOUT CONTAMINATION

(By Edwin P. Laug and Wendell C. Wallace, Food and Drug Administration, U.S. Department of Health, Education, and Welfare)

This report covers results of a survey conducted over the past 2 years to determine to what degree foods may have become contaminated with radioactive fallout. It has been assumed that no significant manmade radioactive contamination could have occurred prior to 1945, the year the first experimental and military nuclear devices were exploded. Foods produced before and after this critical date have therefore been examined for total radioactive content adjusted for the presence of potassium 40, a widely distributed naturally occurring radioactive isotope. It is possible that other naturally occurring radioactive substances may contribute to the total. This contribution is extremely small, and while it may vary from food to food there is no reason to expect it to vary with time. Consequently if we consider the radioactive content of all pre-1945 foods as a base line, any increase over this in food produced since 1945 can be interpreted as manmade radioactive contamination. This contamination is presently contributed mainly by fallout from weapons testing, but it can be expected also to reflect the presence of nuclear power plants and other applications.

In January 1957, in response to an appeal by the Food and Drug Administration, nearly a thousand samples of food antedating 1945 were submitted. These foods came from private homes and the food industry; some even from the caches of the Shackleton and Byrd Antarctica expeditions dating back to 1906. In addition, an equal number of post-1945 samples were collected mostly from retail outlets. The program is now current, with certain items under more intensive surveillance than others.

The following categories were examined for total radioactivity: vegetables, fruits, fruit juices, sea foods, dairy products, bread, meat products, wheat, sugars, jams and jellies, cocoa and cocoa beans, tea. Nearly half of the samples analyzed were fruits and vegetables.

RESULTS

I. Vegetables: Analyses of the following number of samples of different vegetables, about half of each of which were produced before 1945, revealed that the post-1945 samples showed no significant increase in total radioactivity: potatoes, 29; corn, 90; beans, 132; peas, 92; beets and turnips, 40; carrots, 30; spinach, 27, and miscellaneous 90.

II. Fruits: Analyses of the following number of samples of different fruits, about half of each of which were produced before 1945, revealed that the post-1945 samples showed no significant increase in total radioactivity: pears, 48; cherries, 61; peaches, 89; apricots, 28; plums, 61; tomatoes and tomato products, 134; berries, 74; fruit juices, 78; and miscellaneous, 57.

III. Seafood: Fifty-one samples of miscellaneous fish varieties and 32 samples of oysters and clams, half of each of which were canned after 1945, exhibited a trend toward higher radioactivity. However, individual shellfish values showed a significent rate of increase when plotted by years since 1944. Other types of seafood such as shrimp, lobster and crabs showed no trend whatsoever.

IV. A number of unrelated items were also examined for total radioactivity. Analyses of the following numbers of samples revealed no increase in total radioactivity: meat products, 26; wheat, 47; sugar and jams, 38. In the case of bread where there were unfortunately no pre-1945 samples available there was no evidence of total radioactivity that could not be accounted for by the potassium content. On the other hand in cocoa and cocoa beans there was a radioactive content greater than could be accounted for by potassium. Without comparison with pre-1945 samples it could of course not be determined whether this excess radioactivity had been caused by fallout contamination.

V. In consonance with the findings of other investigators, the analyses of dairy products consisting chiefly of fresh fluid milk, evaporated milk, milk powder and cheese, show a statistically significant increase in total radioactivity in those products produced since 1945.

VI. The largest increase noted was in tea. While the examination of 36 pre-1945 samples showed no radioactivity on the average in excess of that accountable by potassium, 78 post-1945 samples chiefly from 1956 and 1957 harvests showed radioactivity that averaged about 30 times greater, with 6 individual samples ranging as high as 109 to 135 times greater. In terms of micromicrocuries per kilogram of tea leaves the average value for the 78 samples was 13,500. While no specific isotopes have been identified we may assume that at least 1 percent of this activity could potentially be strontium 90. It could therefore be possible that many of the tea samples examined contain strontium 90 in excess of the present tolerance of 80 micromicrocuries per kilogram, but analyses of strong tea brews revealed that only about 17 percent of the radioactivity was extracted. It can be concluded therefore that the beverage as commonly consumed would not contain over-tolerance amounts of strontium 90.

CONCLUSION

Compared to food samples produced prior to 1945 this survey shows that the great majority of post-1945 samples do not carry significant burdens of radioactivity. Notable exceptions are certain seafoods, dairy products and tea.

EXCERPT FROM LETTER FROM OFFICIAL IN PUBLIC HEALTH SERVICE CONCERNING STRONTIUM 90 LEVELS IN CISTERN WATER

Our interest in total activity and strontium 90 levels in cistern water supplies stems from the fact that rainfall is the major contributor of fallout activity to the environment. As you know, cistern waters are generally collected directly from the roofs into tanks for household use. The levels of activity encountered directly reflect the levels of activity in rainfall inasmuch as there has been little or no opportunity for natural agents to reduce this activity.

When rain falls on the soil or grass some of the material in suspension will be filtered out as the raindrops percolate through the vegetation cover and the soil below. In addition, some of the dissolved material will be exchanged on the soil particles or absorbed by the vegetation. As a result of this, the amounts of activity reaching our surface streams along with normal runoff may be much lower than the levels that we encounter in cistern water supplies.

Another parallel to cistern water supplies would be waters collected from surface stock

UNIVERSITY OF MINNESOTA LIBRARIES

ponds or small lakes which have no outlet. Here the activity falling with the rainfall will be collected and retained in this confined basin. There will be some loss of activity due to uptake on biological life normally encountered in such stock ponds or lakes and there will be some loss due to absorption on bottom muds and to deposition of activity associated with particular matter. However, particularly in the case of animals, if they step into the stock pond to drink they can stir up some of this deposited activity thus consuming higher levels of activity than that contained in the water alone.

During periods of low rainfall, the quantities of water in these stock ponds, and also in cisterns, will be reduced and there will be a very significant addition to the total volume with the next large rainfall. Thus there is a constant change in the levels of activity related to the water usage and the activity contained in subsequent rainfalls.

One other point that may be of interest is that activity levels in streams are generally transient; in other words, a given quantity of water remains in a given location for a relatively short period of time. This is of considerable significance because if high levels of activity are encountered, one can suggest that for a day or two no water be taken from this source thus providing time for this activity to go on to some downstream location. Obviously this cannot be done in the case of a stock pond or a cistern unless one goes to some other source, as for example, a well water supply.

We have determined strontium 90 in some cistern water supplies in the Cincinnati area and find strontium 90 levels ranging from approximately 0.3 to 7.5 $\mu\mu$c/l. These levels may be compared with the currently accepted maximum permissible concentration of strontium 90 in water of 80 $\mu\mu$c/l. It must be remembered, however, that where one is consuming water containing this amount of strontium 90, we must also add to his daily intake the strontium 90 coming from all other sources of the environment including air, milk, and foods. As an example, considering the situation in Cincinnati alone, and assuming that a person is consuming cistern water having a strontium 90 content of 7.5 $\mu\mu$c/l, milk with a strontium 90 concentration of 8.5 $\mu\mu$c/l, and food materials containing a concentration of strontium 90 ranging from approximately 0.2 to 12 $\mu\mu$c/kg, the actual intake of strontium 90 per day in micromicrocuries would be: water, 16.5; milk, 8.5; and foods, 7. This would indicate that this person is getting about half of his daily strontium 90 intake through the cistern water supply. If we accept the fact that the daily intake of strontium 90, not to exceed the body burden stipulated by the National Committee on Radiation Protection, amounts to 176 $\mu\mu$c/day (arrived at by multiplying the 80 $\mu\mu$c/l strontium 90 maximum permissible concentration value in water by the daily intake of 2.2 liters of water), it can be seen that the total strontium intake from these three mediums amounts to 32 $\mu\mu$c/day, or approximately 18 percent of the permissible intake.

Cistern water supplies have one additional advantage and that is that comparatively simple devices (for example, ion exchange resins, which are used on many household water supplies at this time for softening water) are quite effective for removing the radioactive material that may be dissolved in water. Our purpose, therefore, in following cistern water supplies is to determine when it would be reasonable to suggest that such supplementary devices be installed on these supplies to reduce the levels of radioactivity in such waters and the exposure of individuals from such supplies.

If we can be of any further assistance to you in providing additional information, please do not hesitate to get in touch with us.

Very sincerely yours,

CONRAD P. STRAUB,
Chief, Radiological Health, Research Activities Division of Radiological Health.

[From the Washington Post and Times Herald, Jan. 21, 1959]

RADIATION AND CANCER: SOME ATTACK PROPOSAL FOR STUDY

(By Edward Gamarekian)

A number of scientists are beginning to attack a recent proposal for a 20-year study of the relationship between natural background radiation and the incidence of leukemia and other cancers in Denver and San Francisco.

Many of them are afraid it may be used to show that radiation from the fallout produced by atomic weapon tests is not harmful and may, in fact, be beneficial. This argument is already being used by some proponents of continued atomic testings.

The study, to cost $15 to $30 million, was proposed a few weeks ago by the Committee on Pathologic Effects of Atomic Radiation, a unit of the National Academy of Science and the National Research Council—two top-level scientific bodies.

It will now be discussed at a meeting set up by the Atomic Energy Commission at the Argonne National Laboratory early next month.

Shields Warren, chairman of the committee which proposed it, told reporters that detailed recommendations would be made within a year to the Public Health Service, the Atomic Energy Commission and the Department of Defense. Either of these organizations might sponsor the project, he stated, although the Public Health Service would be the ideal agency for supervising it.

Warren, a professor of pathology at Harvard University, said such a study would provide valuable data on the effects of low-level radiation on man. The two cities have different background radiation levels, he pointed out, and should show if these levels produce cancer.

Both sides in the developing controversy admit that a study of the effects of background radiation will indicate the effects of the fallout from atomic tests because of the following:

The background level in Denver is reported to be twice that in San Francisco. It is higher in Denver because that city, at an altitude of 1 mile, is not as well protected from cosmic rays. The difference is greater than the external effect now being produced by the radioactive fallout, but is comparable to the internal effect being produced by the strontium 90 in the fallout.

This radioactive substance finds it way into milk and ends up in the bones of people, particularly growing children.

Opponents of the proposed study point out that statistics already indicate how the study may turn out. These figures show that the incidence of leukemia (blood cancer) and bone cancer was lower in Denver than in San Francisco in 1947–48, showing that a little radiation is not harmful and may, indeed, be healthful.

But the argument is phony, they contend, because a comparison of these cities with eight other metropolitan areas covered in the 1947–48 study, shows no such correlation. A comparison of Denver with Pittsburgh, for example, indicates the opposite. It makes background radiation appear harmful.

The unknowns and variables of cancer formation are so great they obscure the small effects produced by differences in altitudes, many scientists contend.

Who is pushing the proposed study? Warren and AEC Commissioner William F. Libby. Both are strongly and outspokenly opposed to the stopping of atomic weapon tests. Both feel that new and improved atomic weapons are needed to prevent an all-out nuclear war that would kill millions.

Warren's announcement came as a surprise to several members of his committee who said it was premature. The idea had been discussed, they stated, but needed further examination by experts in such fields as genetics and epidemiology before it could be put forward as a proposal. In fact, a meeting was set for the first of next month to consider this idea and similar ones.

Why the public announcement of the proposed study? Several scientists in the AEC's Division of Medicine and Biology said it was made to achieve a fait accompli since opposition to the study was building up. They also guessed it was done to win outside support from people who, at first glance, might consider such a study valuable.

One scientist in a high-level position, clearly disturbed, stated: "I am going to fight this thing as much as I know how."

The proposed study, almost everyone agrees, is becoming a hot political issue within the AEC.

AEC Chief John A. McCone said he knew nothing about it. It is undoubtedly impossible for one individual to keep tabs on everything going on in the $2.4 billion-a-year operation.

Several scientists described Libby as one of the chief advocates of the study. Libby, the only one of the five Commissioners with a scientific background, stated last week that he was in favor of it. It might be "difficult" and "perhaps impossible," he said, but "worth trying."

The AEC Commissioner himself has used the San Francisco-Denver figures several times. He gave them in a speech delivered at the University of New Hampshire on April 11, 1957, which he put into the record at a congressional hearing on radioactive fallout a few months later. After citing the numbers he said, "Our data may not be too significant (since the number of cases is small) but these figures do point to a definite tangible evidence of a margin of safety." The figures were later published in a book by Edward Teller, another proponent of continued nuclear testing.

Libby's figures came from the 1947–48 survey of 10 metropolitan areas. When asked why he didn't mention the cancer incidence in other cities, the AEC Commissioner said he did not know they had been covered in the survey.

The wheels were set in motion for the proposed study during the Atoms for Peace Conference in Geneva last fall when Libby asked Warren to look into the idea.

[From the Washington Post and Times Herald, Mar. 3, 1959]

A-FALLOUT PILING UP IN U.S. SOIL—GROWING DEPOSITS OF STRONTIUM 90 REPORTED BY AEC

(By Edward Gamarekian)

A report just issued by the Atomic Energy Commission indicates that the strontium 90 from atomic weapons tests is accumulating in the soil of the United States and other countries at an increasingly rapid rate.

New York City is the only area in which the fallout has been measured over a long enough period to obtain a picture of the buildup, but short-term data from 12 other U.S. cities show a similar pattern.

The strontium 90 deposited in the New York City area since measurements began in early 1954 was 53,310 microcuries per square mile. The rate of fallout in 1958 was double that in 1954.

Richmond, Calif., received a larger short-term dose than any other U.S. city. Two samples collected during the 2-week period beginning last March 20 showed a fallout of 3,000 and 4,470 microcuries per square mile.

The fallout during the Los Angeles scare last October 30 was not given in the AEC report. The latest data for Los Angeles are the August figures.

• • • • •

The maximum permissible concentration of strontium 90 in milk (80 micromicrocuries per liter) is the concentration which will deposit somewhere in the order of 0.1 microcurie in the human skeleton over the long term.

Most of the strontium 90 in milk comes from the fallout deposited directly on the fodder eaten by cows. Studies on the strontium uptake from the soil are now under way in many parts of the world.

Practically all of the strontium 90 in the fallout is retained by the top 6-inch layer of soil. More than half of it is caught in the top inch. As a result, the quantity of this radioactive element in the soil is steadily accumulating. Some scientists feel it is approaching an alarming level even though its effects on human beings cannot be accurately evaluated as yet.

The Atomic Energy Commission did not begin measuring the fallout of strontium 90 in cities other than New York until the end of 1956.

AEC measurements in 15 other countries indicated that the fallout has been higher in the United States than elsewhere. Retiring AEC Commissioner Willard F. Libby pointed this out in a speech last year.

The fallout was even higher in this country than in Japan, which was between the United States and Russian testing grounds.

Measurements in 13 U.S. cities during the past 2 years show that the fallout has been the highest over Westwood, N.J. During the 12-month period ending in October of 1958, 15,030 microcuries of strontium 90 per square mile were deposited on that city.

The other cities in the network which received large amounts of fallout during 1958 were:

New York City: 14,600 for the 12 months ending last November.

Coral Gables, Fla.: 13,400 for the 12 months ending September 6.

Tulsa, Okla.: 12,540 for the first 8 months of 1958.

The fallout in the District of Columbia area is not being measured, but data from the cities around it indicate it is of the same order of magnitude as the figures already cited.

Measurements made in New York during the past five years show the increasing rate of fallout. During 1954, 7,200 microcuries of strontium 90 were deposited per square mile. During 1955, it increased to 9,200; in 1956, it was 11,300, and in 1957, 11,600. The first 11 months of 1958 already show a fallout of 14,040 units.

In Japan, the strontium 90 fallout was 10,860 in Nagasaki and 10,340 in Hiroshima during the 12-month period ending last August.

Figures for Austria were incomplete, but they showed monthly levels as high as 3,510 units last summer.

The fallout in Formosa and Southeast Asia was much lower.

The fallout in the countries below the equator was much lower than that in the countries above because most of the tests have been in the northern hemisphere and wind movements are predominantly easterly and westerly.

AEC officials said yesterday that there was no way of distinguishing the fallout from Russian and U.S. tests.

During the Russian series which apparently began August 22, 1957, and continued to the end of the year, five explosions were detected. During the spring series from February 23 to March 22, 1958, at least nine test shots were detected. The Russians said they would conduct no further tests unless the U.S. did. After the U.S. tests last summer, the Soviet Union exploded at least 16 more bombs. This series was held between September 30 and November 3.

The United States announced 16 test explosions of bombs over 20,000 tons in size (TNT equivalent) in the Pacific between March and August of last year, but the Russians reported they detected at least 32. This figure appeared to be more accurate when U.S. military leaders charged the Russians with spying.

The United States announced 19 tests of bombs under 20,000 tons during September and October at the Nevada test site.

[From the Washington Post and Times Herald, Mar. 7, 1959]

STRONTIUM 90 IN DIET: FIGURES LACKING ON TOTAL INTAKE IN UNITED STATES

(By Edward Gamarekian)

Despite the steady rise in radioactivity in food stuffs, no one seems to be keeping tabs on the amount of strontium 90 that is finding its way into the total diet these days.

In some parts of the country, the strontium 90 in milk has crept up to 20 to 40 percent of the maximum permissible concentration recommended by the National Committee on Radiation Protection, but the Atomic Energy Commission and the Public Health Service continue to assure the public that it is still not dangerous.

They point to the fact that the levels are well below the permissible limit. This limit, however, is based on the premise that no strontium 90 will be taken into the body from other sources.

Last week, reports on the strontium 90 in Minnesota wheat showed that the levels had climbed to the maximum permissible concentration, going 50 percent higher in one batch. The public was again reassured that all was well.

AEC Commissioner Willard F. Libby told the worried Congressional Joint Committee on Atomic Energy that the increase was due to direct fallout on the wheat and not to pickup from the soil, in which strontium 90 is steadily accumulating.

He assured the committee that the radioactive strontium in the wheat would decrease now that the tests were over, "unless rates of testing exceeding the very heavy ones of last year occur again."

"Actually, of course, the general average food level is the important matter," he added, "and we can say that this level is well below the maximum permissible level."

One would have to eat a ton of Minnesota wheat at one sitting to obtain the permissible limit of strontium 90, he declared.

The AEC Commissioner neglected to point out that strontium 90 accumulates in the bones and remains radioactive for a long time. This element has a half-life of about 25 years; that which is taken up by the bones today will still have half its radioactivity 25 years from now. Some of the strontium 90 deposited in the bones will slowly be eliminated by normal biological processes, but the amount is not accurately known yet.

The average person in the United States eats about a ton of cereal products (bread, cake, breakfast foods, and so forth) every 10 years, according to figures published by the Department of Agriculture. A ton of wheat, therefore, is not a very large amount when one doesn't attempt to eat it at one sitting.

How about the additional strontium 90 from milk, fish, vegetables, tea, and all the other foods in which strontium and other radioactive elements are beginning to appear?

The most recent U.S. study of the strontium 90 in the total diet is based on the concentrations measured in foods back in 1956 and 1957. The Lamont Geological Observatory of Columbia University calculated there were about 6.5 strontium units in the total diet. This appears to be a safe level when compared with the maximum permissible concentration of 80 units.

An examination of the Lamont figure shows it is based on a level of 6 strontium units in milk, 15 in cereals, and 10 in vegetables.

The levels today are much higher. Public Health Service and AEC studies show that milk has gone up as high as 40 units in Mandan, N. Dak., and 20 units in St. Louis, with the average levels ranging from one-third to one-half this amount.

A recent Consumers Union report shows the level in Washington, D.C., was 9.8 units last July and August.

The wheat in Minnesota went well over 200 units, far above the 15 figure used by Lamont in its tabulation. (These figures, based on the calcium content of the wheat, do not disagree with figures published last week that were based on the total weight of the wheat.)

A study of 1957 foods by the West German Institute of Milk Research showed mixtures of U.S. and German wheat were up to 80 strontium units, rice was up to 150, and rye was as high as 128.

Vegetables were also well above the figure of 10 strontium units used by Lamont. The West German study showed levels of 45 in asparagus, 40 in potatoes, 80 in tomatoes, and 50 in dried peas.

The Lamont calculations are clearly obsolete. Yet they are being used to assure Americans, and the rest of the world, that there is nothing to worry about.

[From the Washington Post and Times Herald, Mar. 11, 1959]

HEALTH SERVICE URGES PROGRAM TO MEASURE, CONTROL ALL RADIATION

(By Edward Gamarekian)

A broad program to control and measure the total radiation being received from fallout, medical treatment, and industrial atomic devices in this country is being sought by the Public Health Service.

A Public Health Service advisory committee has concluded that the "maximum permissible concentrations" of radiation that are being used by many as "safe" limits are both useless and misleading.

"There is no such thing as a safe radiation level," committee Chairman Russell H. Morgan stated yesterday. Although the effects may be small and acceptable by some, he added, these effects are related to the radiation dose and will increase as the dose increases.

A program of measurement and control should have been started 15 years ago, the Johns Hopkins University professor of radiology declared.

Morgan also disclosed in testimony before the Senate-House Atomic Energy Subcommittee that the Public Health Service control proposal will be publicly recommended in the next few days.

It is "unfortunate," the scientist noted, that the responsibility for health and safety is in the agency which is developing atomic energy—the Atomic Energy Commission.

Morgan appeared with other radiation experts before the Joint Atomic Energy Subcommittee at the first day's hearing on radiation hazards in the atomic energy industry and workmen's compensation in radiation cases.

Representative MELVIN PRICE, Democrat, of Illinois, chairman of the subcommittee, said his group was not only interested in insuring the health and safety of atomic workers but had the complex task of writing laws affecting compensation for injuries which may show up many years after an excessive dose of radiation.

There was some discussion during yesterday's session on the effect of the administered dose of radioactive gold on Secretary of State John Foster Dulles.

UNIVERSITY OF MICHIGAN LIBRARIES

Dr. Shields Warren, director of the Cancer Research Institute at the New England Deaconess Hospital in Boston, told the committee that the ability of this radioactive isotope to help in cases of Dulles' type was not yet certain. He confirmed previous reports that the dose was a heavy one which produced enough external radiation to require the restricting of visitors.

The former director of the AEC's Division of Medicine and Biology also indicated there was an extremely slight possibility the Secretary of State may develop leukemia as a result of the radiation from the gold. In cases like this, the total effect is the guiding consideration, he stated.

Members of the committee hammered hard on the meaning of the term "maximum permissible concentration," or MPC, of radiation. Since 1934, the MPC for atomic workers has been drastically reduced from 100 rems per year to 5.

A rem is a dose of radiation that has the same biological effect as an X-ray dose of one roentgen. A diagnostic chest X-ray is about one-tenth of a roentgen. A local dose to check cancer may run into the thousands, although a dose of 1,000 to certain critical organs is enough to be fatal.

The MPC recommended for the general population is now about five-tenths rem per year, one-tenth that for atomic industry personnel.

These levels have been set up by the National Committee on Radiation Protection (NCRP), an independent group of Government and non-Government scientists who are recognized authorities in their fields.

Lauriston Taylor, Chairman of the NCRP, told the Congressmen that the levels have been steadily lowered because of an improved knowledge of the effects of radiation and a more conservative approach.

[From the Washington Post, Mar. 12, 1959]

PERIL IN ACCEPTABLE A-RADIATION

(By Edward Gamarekian)

The American people are led to believe, erroneously, that foods with less than the maximum permissible concentration of radioactivity are not dangerous

Estimates in scientific publications show, however, that if the strontium 90 alone reaches the permissible limit in the human body, it may increase the incidence of leukemia by more than 20 percent—2,600 more cases a year on top of the present annual rate of 11,400.

The effect of strontium 90 and other radioactive atomic products on the incidence of other diseases would be added to this toll.

Although the Atomic Energy Commission and the other agencies involved cannot be charged with concealing these figures, they have made virtually no attempt to make them generally known to the public.

CLIMB EFFECT MINIMIZED

Instead, they have used such expressions as "acceptable," "negligible," "protective," and "statistically unobservable" when the levels of radioactivity climbed in milk, wheat, vegetables, and other foods.

They have pointed out that the permissible concentration of strontium 90 in the bones would produce only about twice the amount of natural radiation that comes from cosmic rays, uranium in the soil, and so on.

Humans have got used to this level, they argue, but they neglect to point out that 10 percent, and perhaps more, of the number of new leukemia cases each year are attributed to the background or natural radiation.

The "maximum permissible concentrations," or MPC's, are recommendations set by the International and U.S. Committees on Radiation Protection. These committees have just revised their handbook of MPC's for the various end products of atomic reactions.

HANDBOOK QUOTED

Although the new values have not yet been released, they are reported to be close to the present ones. The following statement was quoted from the new handbook during the current hearings before the Congressional Joint Committee on Atomic Energy:

"The permissible dose for an individual is that dose * * * which in the light of present knowledge carries a negligible probability of severe somatic or genetic injuries.

"Furthermore, it is such a dose that any effects that ensue more frequently are limited to those of a minor nature that would not be considered unacceptable by the exposed individual and by competent medical authorities."

The words "negligible" and "unacceptable" depend, of course, on the user.

When AEC Commissioner Willard F. Libby testified before the Joint Committee a few weeks ago on the radioactivity of Minnesota wheat, he referred to the MPC's as "levels which are generally acceptable for a steady diet."

DECLARED WORTHLESS

Even the Public Health Service has indicated everything was all right by stating that the MPC's listed were "for the protection of the general public."

Two days ago, however, the Chairman of the Advisory Committee on Radiation of the Public Health Service lowered the boom, declaring the MPC'S worthless, meaningless, and "based on something other than scientific fact."

"Nowhere is there a concerted effort being made to obtain sound scientific data to obtain answers to the problems," he went on. "It is questionable whether we can continue long in this framework." He indicated the Public Health Service would seek to set up an integrated system of measurement and control, taking this function out of the Atomic Energy Commisison.

The Advisory Committee Chairman, Russell H. Morgan, is a radiology professor at Johns Hopkins University and the radiologist in chief at the Johns Hopkins Hospital.

Morgan blasted the theories being put forth by some scientists on the existence of a safe threshold below which there are no radiation effects.

"There is ample evidence that there is no safe level," he said, "and that biological effects begin above zero."

[From the Washington Sunday Star, Mar. 15, 1959]

RADIOACTIVE FALLOUT CONFUSION CAUSED BY LACK OF RESPONSIBILITY

(By Lillian Levy)

There is real fear that division of responsibility will retard the necessary progress in keeping up with the dangers of radioactive fallout on public health and safety.

The need for a unified program for the measurement, evaluation, and control of radiation from manmade atomic sources was stressed last week in testimony before the House-Senate Joint Atomic Energy Research and Development Subcommittee.

What the committee was called to discuss was workmen's compensation growing out of radiation hazards in industry. It went far afield, however, bringing out in the clearest form yet the confusion among Government agencies involved in the radiation problem.

The committee first received a proposal that the Public Health Service of the U.S. Department of Health, Education, and Welfare become the monitor of atomic dangers. The author of this proposal is Russell H. Morgan, professor of radiology at Johns Hopkins University and Chairman of the Advisory Committee on Radiation of the Health Service.

Professor Morgan said monitoring of the fallout should not be left to the Atomic Energy Commission since the Commission is established to develop atomic energy for military and peacetime uses. He said the weapons responsibility of the AEC is in conflict with the responsibility to protect the public from resulting radiation hazards from its testing program.

This conflict was acknowledged by Willard F. Libby, scientist-member of the AEC, who told the committee earlier, "There is nothing good about radioactive fallout and it has been our constant effort to reduce it to the minimum in keeping with the necessary weapons development programs."

Most of the monitoring of atomic fallout in this country has been left to the AEC despite the fact that this agency does not have the official responsibility for protecting the public from radiation hazards. The Atomic Energy Act of 1954 made the AEC responsible only for guarding the health and safety of those employed either on its installations or in plants licensed by the AEC.

The Department of Health, Education, and Welfare is the Federal agency established to promote public health and safety. It also does a share of monitoring fallout through the Public Health Service and the Food and Drug Administration.

Consequently, when the question of food, soil, or air contamination from fallout arises, judgment on the peril to the general public may be pronounced by the AEC, or the Department of Health, Education, and Welfare through the Public Health Service or Food and Drug Administration.

Adding to the confusion is the fact that the judgments pronounced by any Government body are based on standards set up by a National Committee on Radiation Protection and Measurements. This is a semiofficial body operating under the Bureau of Standards of the Department of Commerce. And these standards or tolerance levels of which the scientists speak are, at best, estimates rather than tested and proved values.

For example, when Dr. Maurice Visscher, a Minnesota scientist, made public the high strontium 90 content in Minnesota grain crops, the AEC used the estimates set up by the radiation committee as a firm measuring stick to assure Congress and the public that the grain radiation levels presented no peril. They said this level is well below the maximum permissible level.

SCIENTIFIC BUCKPASSING

This scientific passing-the-buck is, perhaps, best illustrated by the case of the *Tancred* cargo of tea.

Not since the Boston Tea Party has a cargo of tea brewed up such a storm of controversy as the 540 chests of Japanese tea brought to the port of New York by the freighter *Tancred* some months ago. This time radiation was the issue.

The controversy began when New York's longshoremen refused to unload the *Tancred* after the U.S. Coast Guard had announced that it found evidence of slight radioactivity in its cargo. Food and Drug Administration inspectors allayed these fears when their field-type Geiger counters failed to reveal any radioactivity. The ship was then unloaded and 160 of the chests of tea were transshipped immediately to Canada.

Subsequently, it was discovered that the type of Geiger counter used was not sensitive enough to detect very slight contamination and the tea was, in fact, radioactive. The FDA so notified Canadian authorities. The remaining chests of tea remained in New York harbor pending a more thorough examination of the cargo by the FDA. The FDA stated that from a public health standpoint the purpose of the examination was to determine primarily the amount of strontium 90 (a known cause of bone-cancer and leukemia) present in the tea.

George P. Larrick, FDA Commissioner, announced that the testing showed that the amount of strontium 90 in the *Tancred* cargo was "well below the established tolerance." The tea was pronounced safe, and by authority of the FDA was released for sale in the United States.

From Commissioner Larrick's statement, it could be assumed that the harmful concentration of strontium 90 had, at last, been fixed with sufficient certainty to be acceptable by this distinguished Government agency charged with the protection of the public against adulterated foods and drugs.

THE TOLERANCE LEVEL

Yet testimony presented to the Joint Atomic Subcommittee underscored the fact that no legally established tolerance level for strontium 90 exists. The established tolerance to which both FDA Commissioner Larrick and Commissioner Libby of the AEC referred is only a standard recommended by the Radiation Committee.

The Committee includes in its membership scientists from Government, industry, and the academic world. It does not use the word "safe" in discussing estimated values that, in its opinion, cause no obvious injury.

Further, there is growing evidence that the present "guesstimate" for strontium 90, as well as other radioactive elements, may be too high. Many competent scientists appearing before the Joint Committee questioned whether there is any value for strontium 90 below which no physical harm would occur.

There is a growing feeling here that one agency should bear the responsibility of coordinating all measurements for fallout, evaluating them and making judgments known. The suggestion that this be done within the framework of the Health, Education, and Welfare Department, whether by the PHS or the FDA, is one that will have the consideration of the Joint Atomic Energy Committee.

The argument is that the AEC could continue to take measurements which it must to discharge its legal and moral responsibility to employees in atomic industries. The PHS could maintain and expand its facilities to measure the radiation in milk, water, and air throughout the United States, which it has initiated. The coordinating agency would have the sole responsibility of collecting this data, evaluating it and judging the danger level to the general population.

EXCERPTS FROM ARTICLE ENTITLED "THE MILK ALL OF US DRINK," CONSUMER REPORTS, MARCH 1959

By testing samples of milk purchased over store counters in 50 widely distributed places in the United States and in Canada, Consumer's Union has sought to extend the work done by the Government agencies. The results serve to check the relatively scant data on milk published by the AEC and the PHS, and to extend their coverage to include many more areas. That a private organization of limited means can carry out such a program suggests that an expanded monitoring network should be economically feasible under Federal, State, or even community or dairy auspices.

Consumer's Union goes further. Though the interest of the PHS in the matter has led it to equip and staff some very competent laboratories, it is still true that the overall problem has remained the province of the AEC. But it is hard to see why judgments on matters of public health should have to depend primarily on the reports of the very agency charged with the responsibility of manufacturing nuclear weapons, rather than on those of an agency whose specific job is to safeguard the public health. Without reflecting in any way on the AEC's competence or integrity, Consumer's Union would support measures which would lead to thorough and independent investigations (as well as routine surveillance) by the Public Health Service on fundamental biological and control problems, wherever there is concern with fallout.

The fact is that fresh clean milk, which looks and tastes just as it always did, nevertheless contains (wherever you get it these days) an unseen contaminant, a toxic substance known to accumulate in human bone.

* * * * *

So far some 200 pounds of strontium 90 have been carried aloft by the churning hot gases of the mushroom explosions. It has spread worldwide. It falls out of the upper atmosphere, in a manner not yet fully understood. It comes down slowly with rain and snow, on river and reservoir, plant leaf, and soil. Some of it is taken up chemically through the roots of plants to become part of grass or seed, and eventually part of the glass of milk or the rice in the bowl. In the United States, about 80 percent of the minute quantity which enters our bodies comes to us in our milk. In Japan more than two-thirds comes from rice. Unpolished or whole wheat, unfiltered rain water, and similar items of diet, such as vegetables, may also contribute a significant amount of strontium 90. If there never are any more explosions, the fallout from tests already made will reach a maximum about 1970, rising to two and a half or three times its present value, and then will decline slowly for a generation or two.

* * * * *

Among all the scores of constituents of fallout, strontium 90 is especially hazardous because it is released in considerable quantity (it forms a few percent of all radioactive products of fission), it seeks the bone, and it stays there a long time. Some of the other radioactive products decay so quickly that they cannot pass through the long chain of events to reach the target; some which have a long life do not accumulate in the body; but strontium 90 lasts on the average about 40 years and it accumulates in bones.

What will strontium 90 do in bone? Both general theory and direct animal experiments (with rather heavy doses) suggest that the longer-ranging rays of strontium 90 (and its radioactive decay product yttrium 90) are in fact only one-fifth or one-tenth as damaging as radium rays, energy for energy. On the other hand, the concentration of strontium 90 may show "hot spots," in the same way as does radium. And localized damage will tend to reflect not the average but the maximum insult done to living cells. Prudence dictates that we increase our estimate of damage by a factor of 5 or 10 to take into account the possible effect of the concentrating tendency; that is the practice of both the ICRP and the UN.

It appears that 1 S.U. contributes about one-fifth of a rad in a 70-year residence in bone. Various experiments suggest that children whose bones are being formed from current milk supplies are retaining strontium 90 at a level between one-half and one-fourth of the S.U.'s in their milk. On the basis of these facts we can set a rough maximum "permissible" burden of strontium 90. If we follow the argument already made for radium, which seems the one closest to the real situation, we could allow a burden of nearly 150 S.U. before reaching the 30 rads which we set as a rough "permissible" burden for the bones of an average individual. The use of somewhat arbitrarily selected factors at several stages in such calculations may be viewed as suggesting that a maximum "permissible" dose might lie somewhere in the large range from as little as a fifth of the 150 S.U. to as much as 10 times that.

It does not seem safe, however, to apply to the poorly known and highly variable bone burden, affecting the whole world's people, any smaller safety factor than that used for external radiation. In this case one would again set the limit at something near 30 rads, several times the natural internal burden. This gives us our 150 S.U. again, which agrees well enough with the ICRP limit of 1955, put at 100 S.U.

But it must be emphasized that any permissible level obviously is predicated on the assumption that there is a threshold dose for strontium 90 below which any effects are insignificant. The absence of a threshold would mean that bone damage would be proportional to the dosage in any amount, and the concept of a tolerance dose would then imply accepting as socially tolerable an unknown number of radiation-diseased individuals.

Consumer's Union milk samples were gathered from 48 cities scattered across the United States and from 2 in Canada close to the U.S. border. Several considerations went into the selection of these sites. Foremost of these was the requirement for a good extensive sampling network, with emphasis, wherever feasible, on the larger centers of population. Various distinctive soil regions of the United States, as classified by the Department of Agriculture, were also included since soil conditions may be considered as the integrated end products of climatic, topographical, and geologic effects, all of which are important in affecting the strontium 90 content of soil, which in turn affects the strontium 90 content of pasture, cow, milk, and man.

All areas whose soils had been found by AEC studies to be high in strontium 90 also were included, as well as several sites whose milk had been tested previously by the PHS and the AEC.

At each of the cities selected, Consumer's Union shoppers purchased 8 quarts of fluid milk each week, for a period of 4 weeks. Generally, two separate across-the-counter purchases were made each week of 1 quart from each of four major local dairies. Four-ounce portions from each of the 32 quarts thus purchased were composited to provide a total of 1 gallon of milk for testing from each sampling site. The pooled composite thus obtained represented a major part of the milk supply of each of the cities sampled for the period from mid-July to mid-August 1958. A total of approximately 1,600 quarts were purchased for these tests.

Analyses for strontium 90 were made for Consumer's Union by a consulting laboratory which specializes in such work, and whose reliability had been established by check sample data provided by the AEC as well as by Consumer Union.

In drawing up its program for sampling and testing milk, Consumer's Union consulted the Lamont Geological Observatory, the Atomic Energy Commission, the U.S. Department of Agriculture, and the U.S. Public Health Service, and gratefully acknowledges the suggestions made by these organizations.

RESULTS

The data obtained by Consumer Union, together with some related results from other laboratories, are shown in the table on this page. Consumer's Union data, it should be emphasized, provide breadth rather than depth of coverage. Any trend or variation of strontium 90 content with time or other factors cannot, of course, be noted by a one-period sampling and analysis. The best data available for observing the progressive change in milk's strontium 90 content probably are the monthly figures of the PHS.

From these and other studies, there is incontrovertible evidence that the strontium 90 content of milk has been increasing since 1954. The average rate of increase was estimated by the AEC in 1957 to be between 0.5 to 1.0 S.U. per year for past years. The overall average of 48 U.S. cities sampled by Consumer's Union is 8.0 S.U.; the average of

UNIVERSITY OF MICHIGAN LIBRARIES

the 10 cities covered by the Public Health Service for approximately the same period is 7.6 S.U., a figure that is in good agreement with that found by Consumer's Union, considering the differences in the sites sampled and in the nature of the samples. For purposes of noting change, an overall estimate of the strontium 90 content of milk in 1957 may be obtained by averaging figures published by the Public Health Service for five cities sampled that year (4.35 S.U.) or by taking the average which was published by Lamont (6.1 S.U.). It would appear from these figures that the strontium 90 content of milk in mid-1958 was more than 2 S.U. greater than it was in 1957, which is at least double the AEC estimate for the annual rate of increase over the last few years. This more rapid rate of increase must be considered tentative, since data for all of 1958 are not yet available. The summer months, when cows graze on the open range, are more likely to yield milk with a higher strontium 90 content than winter months, when cows are fed on stored hay and fodder. Offsetting to some degree such an anticipated drop in the strontium 90 content of milk for the latter half of 1958 will be the effects of fallout from the stepped-up rate of weapons testing during the period August to November 1958. Because of this testing, it may be assumed reasonably that the average strontium 90 content of milk as currently consumed in the United States is about 8 to 10 S.U., and will likely be closer to the higher figure during the coming summer.

However, an average may be falsely reassuring. Local meteorological conditions and other factors conceivably could create conditions resulting in high concentrations in relatively small areas that embrace large numbers of people. Consumer's Union's tests, a range from about 2 S.U. to almost 16 S.U. was found in the composited samples. It has been estimated that a factor of five applied to the average found would encompass most of the variations that might be expected for all factors. In such hot areas the concentration of strontium 90 in milk might be about 50 S.U.—more than half the currently recommended maximum permissible concentration.

In its tests of samples collected in July and August 1958, Consumer's Union found that the strontium 90 in the milk supplies of several cities was about twice the average of the others. These seven cities were:

	S.U.
New Orleans, La	15.6
Bismarck, N. Dak	14.1
Boston, Mass	13.9
Pittsburgh, Pa	13.7
Memphis, Tenn	13.6
Quebec, Canada	13.6
Chicago, Ill	12.6

Several other cities were well above average, though not so much as those above:

	S.U.
Duluth, Minn	11.5
Rapid City, S. Dak	11.2
St. Louis, Mo	11.1
Norfolk, Va	10.6
Des Moines, Iowa	10.6
New York City	10.5
Seattle, Wash	10.1

As was to be expected, most of these cities are in the northern part of the country; several high-count areas were found in the southern part of the United States, too. Ten of the thirteen U.S. cities just listed are not included in the present PHS test network. It appears to Consumer's Union that the PHS would do well to extend its testing to include at least these 10. Furthermore, it appears to be desirable to investigate the milk supplies of all other areas, which have not been included up to now in any study, in order to locate any other areas whose milk is abnormally high in strontium 90. It is further suggested that the study of milk supplies might profitably include provision for more representative sampling than has been the practice in the past.

INFLATION—THE COLD WAR ON THE DOMESTIC ECONOMIC FRONT

Mr. GOLDWATER. Mr. President, there is much interest today—and rightly so—in the subject of inflation. At the present time the Vice President has a special commission to study this subject.

The Joint Committee on the Economic Report, under the able leadership of the distinguished Senator from Illinois [Mr. DOUGLAS], who now presides over the Senate, is also conducting hearings into this subject.

There are many factors contributing to the present inflation. They are discussed in two articles which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks. The first, entitled "The Cold War on the Domestic Economic Front," was written by James J. Butler and published in the February 14, 1959, issue of the magazine of Wall Street. The second article touching on the same general subject is entitled "Who Makes Inflation?" and was written by Henry Hazlitt and published in Newsweek for February 9, 1959.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From Wall Street magazine, Feb. 14, 1959]

THE COLD WAR ON THE DOMESTIC ECONOMIC FRONT

(By James J. Butler)

The battering ram of strikes is punching gaping holes in the national economy in a cold war which cries out for the attention of Congress but is being temporarily put aside by concentration on how to insure national security within the capacity and willingness of the people to pay.

It should be clear that any labor-management legislation adopted in the reactivated Capitol Hill "crusade" must fall short of the objective unless there first is action to cure an elemental weakness: No one has fully marked out the problem to be overcome; specifically, no one (in Government or industry) has focused the enormous and avoidable economic loss due to strikes.

Since Congress has not used its mechanisms of discovery as fully as it should, and private business doesn't possess the machinery for a full canvass, only public demand upon Washington has the power to stir action. Meanwhile, Congress is launching another "labor law" sortie without the weaponry of fundamental facts: What is the cost, and who bears it? Union dominated legislators who equate the right to strike with the right to destroy, would find upon objective inquiry that the cost and the inconvenience borne by labor and the public outweigh the damage inflicted on the intended target in many situations. What is suggested here is more a bill for labor than a "labor-management bill." With the blindfolds off that fact stands out.

The opportunity, the duty, of Congress to explore is presented in two actions which have been initiated, one in each House. The most publicized of recent strikes, and the ones creating the greatest mischief-laden waste and defiance of the rights of the public, have been against airlines, and newspapers.

PROTECTING LABOR FROM ITS LEADERS

Senator GEORGE SMATHERS of Florida, has a program afoot to put a halt to airline stoppages; Rep. FRANK CHELF of Kentucky, is moving along similar lines to block invasion of the constitutional guaranty of free press which he finds basic in strikes which shut down newspapers.

SMATHERS and CHELF are friends of organized labor. It is in that role that they are moving. Theirs is an effort to save workingmen—union men—from the economic prostration being visited upon them.

An example: Several months ago, 13 web pressmen on Washington, D.C. newspapers walked out in a labor contract disagreement and made more than 1,000 employees of publishing companies jobless. The number of persons adversely affected was multiplied in the distributing trades, the truckers, the newsboys, and the newstand operators. The Nation's Capital, with more than 1 million persons within the circulation area of the papers was left without printed news. Department and other stores felt the impact in sharply curtailed patronage of sales events. Because of 13 strikers.

Many more illustrations are at hand to point up some of the fruitful fields of investigation in which Congress can bestir itself. Take the rash of airline strikes which have just been settled one at a time.

Here are the revenue losses to companies resulting from December strikes of mechanics and pilots: Eastern, $28 million; American, $18 million; TWA, $13 million; Capital, $11 million. Total, $70 million. The question whether other lines may assist the struck carriers (out of added revenue which came their way) has been answered affirmatively.

But there is no appeals board and no recapture possible for working pilots who were mulcted of $500 assessments each month that other pilots were grounded by their own decision. The assessment is payable at the rate of $125 a week.

This reduced the income of the nonstriking pilot, and it left the striker with a fraction of his normal take-home pay. The striker will not repay his benefactor, whose only compensation is the hope that if he strikes later he will be similarly supported. On short rations, to be sure, as pilot salaries go, but supported.

A lesson could have been learned (evidently was not) from the strike against Phelps-Dodge at Bisbee, Douglas, and Morenci, Ariz. About 4,765 employees were idled for 30 working days, losing a total, for the 30-day strike period, of $2,503,050.

Settlement of the strike brought an average increase in wages of 15 cents an hour, but since the employees were offered an averaged increase of 12½ cents an hour before the strike, the actual gain was 2½ cents an hour.

Dividing the total lost wages ($2,503,050) by the daily increase for all 4,765 employees ($935), it appears that the employees must work 2,626 days to make up their lost wages out of their actual gain. If we figure a 5-day week that means 10 years of work just to break even.

PROVISIONS INADEQUATE

Under the provisions of the Taft-Hartley Act, whenever the national health, safety or welfare is imperiled by threat of strike, the Government has the power to take effective action to cope with the situation. But railroad and airline industries are exempt from the provisions of the Taft-Hartley Act. They come within the jurisdiction of the Railway Labor Act, which has no comparable authority to move against stoppages. Under existing law there are no provisions which can assure transport operations during periods of negotiation between management and labor. Yet the airline industry is a quasi-public utility and its employees are per-

forming a service essential to the public welfare. The industry is Government licensed, Government supervised, Government protected and, in some instances, Government subsidized. All of this being true, the Congress has a greater responsibility than it has with respect to ordinary business and industry.

Senator SMATHERS proposes that the utility coloration be taken into consideration that both strikes and lockouts be declared illegal during contract negotiations. The Floridian finds this no substantial extension of existing attitude: "The Government has even limited competition in this field and when it becomes nonoperational a substitute for its activities is not at hand."

Under the Smathers program, this agreement ultimately reached between management and labor could carry retroactive provisions. This is suggested as a means of fulfilling a governmental responsibility to the public while doing equity to both management and labor involved. Unless existing law is revised, Senator SMATHERS sees the public continuing the role of innocent, but victimized, bystander.

GETTING DOWN TO BRASS TACKS

The share-the-grief program of airlines as approved by the Civil Aeronautics Board permits companies which have been struck to be compensated by operating lines in the amount of computable additional revenue diverted to them by the strike. It will apply only in situations where the stoppage was in defiance of recommendations of a Presidential Board, of the Railway Labor Act, or when the union has not exhausted available remedies under the RLA. It is immediately apparent that this arrangement, as approved by CAB, cannot go to the root of the trouble. It is palliative, not cure; it is directed to a labor abuse but it is not preventative, coming into existence after-the-fact—after a strike is in force.

POT CALLS THE KETTLE BLACK

In the voluminous record of testimony, briefs and exhibits filed with CAB, there appears to be no emphasis on the fact that labor unions, as normal practice, assist one another with loans and gifts designed to prolong strikes by relieving the economic pressure on one side—the striking union's. The distinction between this form of aid and the airline agreements was not apparent. One of the objections to the company plan gleaned from the stack of briefs was a possible violation of the antitrust laws. Why unions have seen fit to make this point raises interesting questions. It comes at a time when the business community is pleading with Congress to look to the equities of labor-management affairs and place labor under the Sherman and Clayton Acts. It could be that the laborites have reviewed the past record of Capitol Hill and see nothing to fear from Congress.

If CAB ruled against management and its mutual assistance pact, a telling point would have been scored for making the same principle statutorily applicable to the unions, and in the most practicable way—by inclusion under the antitrust laws.

A FAIR PROPOSAL

Representative CHELF'S thinking on the subject of newspaper strikes meshes with the expressions by Senator SMATHERS. Neither proposes a no-strike bill. Each envisions a cooling-off proposition except that no time limit is specified within which negotiations must culminate in an agreement, or failing that a strike may be called. The circumstances of each case would control. If either side fails to pursue bargaining in good faith, all bets would be off: a strike would be legal if management commits the departure; if the union becomes recalcitrant or evasive and uses its own dereliction as an excuse for strike, it might find itself heavily penalized in money damages, with each day of non-compliance a new offense, adding to the penalties.

How this legal machinery can be made to operate effectively is a lesson John L. Lewis and his Mine Workers learned when they had a multimillion dollar fine slapped on them by Judge T. Alan Goldsborough of the District of Columbia District Court.

The Smathers and Chelf proposals touch identified lines of business, each of which is in a public interest classification not common to labor disputes. But the precedent would be of monumental importance. With refinements to cover all cases such laws might very well represent the most important labor-management legislation of the current session if not, in fact, the only venture into the area of labor laws.

Before going into the circumstance of James Hoffa's contumacious proposal to organize police and firemen in unions with Hoffa-like view toward morality (a type of labor weapon certain to be covered by the Smathers-Chelf recommendations), it might be well to consider the Kentucky Congressman's motivation. Chelf spoke up after the New York City newspaper strike had idled thousands and mounted losses of many millions of dollars, most of it wrung from people who were not even consulted about the strike. He conceded his proposition plays two legal tenets against each other: One, the constitutional guarantee of a free press; the other, the court-upheld right to strike. But Chelf asks:

"If a strike against a newspaper isn't suppressing the press or the news and with it the freedom of thought, I wonder what is?"

Warming to his subject the Kentuckian submitted: "In my judgment it is just as serious to shutdown a newspaper by strike as it is by order or an edict of the roughest dictator. Both methods have the same end result: The newspaper is deprived of expressing itself in its editorial columns because there are none allowed to be printed—if printed, not allowed to be circulated or delivered."

New York City's $50 million newspaper blackout ended December 28, 1958, after 19 days. Involved was a labor contract with the deliverers' union but in spite of openly expressed condemnation by other unions, members of those crafts refused to cross picket lines. Circulation of the struck papers totals 5.5 million daily and 8.5 million on Sundays. Some of the more direct costs have been compiled. They make interesting reading:

The papers lost $25 million in anticipated revenues, based on normal business plus the Christmas advertising emphasis. Merchants associations counted their economic hurts and translated the result into another $25 million, irrevocably lost. Employees furloughed by the publishing companies without pay lost an estimated $5 million—the combined wages of 17,000 payrollers about 90 percent of whom weren't asked whether there should be a strike or on what basis it should be settled.

"The cost outside the newspaper business has been in incalculable millions of dollars," said Chairman Barney G. Cameron, of the Publishers Association of New York. "The effect of the strike has been felt in industry, trade, cultural life, and almost every element of our society."

This does not overstate the case. Theaters unable to publicize their billings suffered a 50-percent cut in box office in greater New York. Print paper manufacturers dropped $820,000 a week. Department stores, especially those relying on heavy telephone business, furloughed most of their telephone operators. No ads; no calls.

To the extent that international unions were called on to contribute, locals all over the Nation paid for a strike in New York City. American Newspaper Guild ladled out $100,000 a week. ANG financial officers protested they were going broke in the process and raised dues to 5 percent of the weekly paychecks of its members.

AND NO GAINS FOR WORKERS

Here is the point that cannot be stressed enough in presenting to the rank and file of union workmen the cost they pay for the arrogant bravado of their chiefs: The offer that ended the strike was the same one that had repeatedly been made by the publishers to the union, and twice formally rejected.

The Reverend William J. Smith, director of St. Patrick's Institute of Labor Relations, Jersey City, N.J., issued a statement that the strike could not be morally justified. An eminent, respected authority in the field of labor, Father Smith placed his finger on the weakness which the Smathers-Chelf proposals and like measures would cure. He said: "To date, no law, board, or code has been established to prevent such strikes." Then he offered a list of five conditions which must be met, he said, if any strike is to have moral justification. The guides are:

1. The cause must be just.
2. The means used in the execution must be morally good.
3. The good anticipated from the strike must be at least equal to or exceed the damage that can be anticipated.
4. There must be a solid hope of success before action is taken.
5. The strike is a last resort to be used only when every other means of peaceful settlement either failed or proved futile.

Point 5 will be recognized as the heart of the bills due to come before Congress.

Before leaving the subject of newspaper strikes in New York City (the most costly one ran for 17 days in 1945), some of the economic damage suffered by unions last December may be examined with interest. The data, more comprehensive than most, is certain to engage the attention of Congress.

UNION TREASURIES EMPTIED BY STRIKE BENEFIT PAYMENTS

While publishers were offsetting against their losses, payroll money which was not disbursed, and $2 million worth of newsprint paper saved, the unions—most of them not involved in the labor dispute—were dipping into their treasuries in painful depth. Some were literally scraping the bottom of the till for money to pay members strike benefits. These are the innocent bystanders SMATHERS and CHELF hope to save from their picket-happy leaders.

The International Typographical Union thinned its bank account for between 2,500 and 3,000 idle members—$88.80 a week for heads of families, $63.50 for single men. The Stereotypers Union distributed about $50,000 a week among 400 members whose union pledge forced them to obey the picket line block. The Photoengravers Union with $126,000 in its treasury when the strike began had to ask the international union to advance $50 a week to each member, making the weekly benefit $87.50. Paper handlers went to their international union and wangled $25 a week in order to pay 350 idled men $50 a week. The Mailers Union members received $72.70—all of it by tapping the international.

HOFFA'S CONTEMPT FOR CONGRESS

Tied in with the economic costs of strikes but inestimably more damaging from the standpoint of national safety was Hoffa's declaration of war on the New York City Police Commissioner's labor policy. This obviously was a gimmick on Hoffa's part to dramatize his announced plan to bring State and municipal workers into the Teamsters Union. But he made a fatal blunder. When he boldly proclaimed that police stations and fire houses would be picketed, essential

UNIVERSITY OF MICHIGAN LIBRARIES

supplies would not be delivered by the Teamsters Union, the public awakened to a peril greater than that imposed by the cold war and the conquest of outer space.

If he were to succeed in organizing the policemen and the firemen and placing them under his code, the decision whether property and lives might be saved from destruction would rest with Hoffa. By the single command, "Strike" he would be in a position to turn the United States into a lawless jungle that would make the Cuba of recent days appear idyllic in comparison. The President of the United States and the Armed Forces at his command would be rendered powerless by the expanse of the crisis.

In that situation, Jimmy Hoffa might as well move right into the White House. But he wouldn't; his palatial Teamsters union building is a more modern, better equipped, and a more costly structure than the White House itself. Then, too, it looks down upon the Senate and House Chambers literally, and possibly in other respects.

Has Hoffa taken "one step backward, in order to take two steps forward" in imitation of the Communist formula? Yet it would be grievous error to overstate the extent of this retreat. He backed down on calling a national convention to ratify his dictatorship over the Teamsters Union. That ducked a test of authority between Hoffa and the Federal judicial system. He canceled his challenge to law, order, and public safety which was implicit in the plan to picket the protection departments of New York City. But the simile of the wounded jungle beast is apt, for people of the Hoffa stripe are most dangerous when they have been badly, perhaps mortally hurt.

Congress this time was quick to respond to the threat. While the Smathers-Cheif approach seems made to order to put down Hoffa's ambitious expansion moves as they arise, Senator JOHN MCCLELLAN, of Arkansas, invited his colleagues to join him in seeing to it that they do not arise. The chairman of the Labor Rackets Committee has prepared legislation to prevent the Teamsters from making alliances with any other transport unions, and indicated he looks favorably upon the even stricter proposal that none but teamsters (vehicle drivers and helpers) be permitted to join the union Hoffa now heads. The latter approach was suggested to the Kefauver committee's opening session this year, by Edwin G. Nourse who was chairman of the Council of Economic Advisers in the Truman administration. Its effectiveness is immediately apparent.

Meanwhile Hoffa's purpose is made clear in his call to IBT members to launch public employee organizing campaigns this year: "It is high time that informal understandings, verbal and written, which exist in too many Governmental agreements, be eliminated and replaced by strong, positive union contracts. Our international union negotiates such contracts."

We single out Hoffa because we believe him to be the most dangerous individual in our country today. Dangerous to the sound expansion of our economy—the well-being of the union worker—and to maintaining our free system of Government. All labor excesses seem to be concentrated in the activities of this single union leader. And there is no question that if we clip his wings the entire labor movement will benefit and be reestablished on the sound basis and goals of Samuel Gompers, its founder—for the benefit of the workers—so that they can benefit financially and economically—be subject to no man, and retain the freedoms to which they are entitled as citizens of these United States.

Our country stands at the crossroads economically and politically. That Mr. Hoffa believes this to be so, is clearly evidenced by his hot pursuit of every advantage—his testing of every opening that leads to personal power. And the inadequacies of the labor law are his opportunity.

The struggle against this cold war at home must be resolved, if we are to have the strength needed to win the cold war abroad.

With a large number of major labor contracts expiring in 1959 (negotiations have already begun on several of them) Congress must act with firmness and speed if it is to prevent shutdowns, dislocations and economic problems, already looming on the horizon. And it won't be too soon.

That is the challenge the new Congress faces today. Are they going to bicker and stall? Or will our lawmakers give us the legislation necessary for survival? That is the question of the hour. For history will be made by the 86th Congress, and future generations will know where and upon whom the blame falls if Congress is remiss in this crisis in our affairs—and in stabilizing our ship of state.

Major labor contracts expiring in 1959

Industry and companies	Union	Expiration date	Number of employees
Aircraft:			
Boeing (Washington, Florida)	Machinists	May [1]	37,800
Boeing (Kansas)	do	July [1]	15,000
Curtiss-Wright	United Auto Workers	September	13,500
Aluminum:			
Alcoa	Aluminum	July	10,600
Alcoa, Kaiser, Reynolds	United Steel Workers	do	33,000
Apparel: Cloak and suit manufacturers	ILGWU	May	50,000
Communications:			
Northwestern Bell Telephone	Communications Workers	January	20,000
Bell Telephone of Michigan, New Jersey, Ohio, Pacific Telephone & Telegraph, and 4 other telephone companies.	do	February	120,000
Southern Bell Telephone	do	May	55,000
American Telephone & Telegraph Long Lines	do	June	25,000
Container: American Can, Continental Can	United Steel Workers	September	37,000
Food products:			
California Packing	Teamsters	February	12,000
California Processors and Growers	do	do	60,000
Major meat packers	Packinghouse; Meat Cutters	August	100,000
Mining: Anaconda and Kennecott	Mine, Mill Workers	June	18,300
Paper:			
International Paper	Three unions	May	11,000
Pacific Coast Association of Pulp & Paper Manufacturers.	Papermakers and Pulp Workers	June [1]	19,000
Petroleum: Major oil companies	Oil Workers	do	100,000
Rubber: Firestone, Goodrich, Goodyear, United States Rubber.	Rubber Workers	April	94,000
Rail equipment: General American Transportation, Pullman.	United Steel Workers	August	11,500
Railroads:			
All class I railroads	All railroad unions	October	1,000,000
Railway Express	Clerks	do	35,000
Shipbuilding:			
Pacific Coast Shipbuilders	Metal Trades	June	15,000
Bethlehem Steel	Marine	July	12,000
Shipping:			
Pacific Maritime Association	West Coast Longshoremen	June	15,000
New York Shipping Association	East Coast Longshoremen	September	30,000
Steel: Bethlehem, Republic, United States Steel	United Steel Workers	June	300,000
Textiles:			
Dan River	United Textile Workers	May	9,000
American Viscose	do	June	11,000

[1] Contract does not expire this year but can be reopened for wage demands.

THE PRESIDENT'S PROPOSALS FOR LABOR-MANAGEMENT LEGISLATION

1. All unions to file detailed reports with the Department of Labor, to furnish information on their financial operations to their members and such reports to be open to the public.

2. All unions to file with the Labor Department copies of their constitutions, bylaws, and procedures.

3. All unions to be required to keep proper records which are open for examination by Government and union members.

4. Unions and employers to report any payments, transactions or investments which create conflicts of interests or interfere with statutory rights of members and employees.

5. To require that union officers administer union funds and property solely for the benefit of the union members and to make this duty enforceable in any court in a suit for an accounting by the union or by members.

6. Unions to observe minimum standards for election of officers, including periodic elections, secret ballot, the right of any member to run for office and a ban on use of union or employer funds to promote candidates for union office.

7. Union to observe minimum standards in supervision and control of subordinate bodies; such control to be limited to correcting corruption or disregard of democratic procedures.

8. The administration of this legislation to be vested in the Secretary of Labor, with appropriate and adequate authority to compel compliance.

9. Criminal penalties for willful violation of the act, concealment or destruction of records, bribery between employers and employee representatives and embezzlement of union funds.

10. Present remedies under State or Federal law to be preserved for union members.

11. To amend the secondary boycott provisions of the National Labor Relations Act, so as to cover direct coercion of employers to cease doing business with other persons; and inducement of individual employees to refuse to perform services with the object of forcing their employers to stop doing business with others.

12. To make it illegal for a union, by picketing, to coerce an employer to recognize it as bargaining agent, where the employer has recognized another labor organization in accordance with law, or where a representation election has been conducted within the last 12 months or where it cannot be demonstrated that there is sufficient interest on the part of employees in being represented by the picketing unions.

13. To authorize the National Labor Relations Board to decline to take cases where the effect on commerce is insubstantial and to permit State agencies to act in these cases.

14. To eliminate the prohibition barring certain strikers from voting in representation elections, leaving their voting eligibility to the National Labor Relations Board for determination.

15. To authorize the Board under certain conditions to certify building and construction trades unions as bargaining agents without an election.

16. To allow the Board to speed up representation elections without prior hearings, where no substantial objection is made.

17. To extend the non-Communist affidavit to employers as well as unions.

18. To make clear that parties to a collective bargaining agreement need not negotiate during the life of the agreement, unless the agreement so provides.

19. To authorize the President to designate an Acting General Counsel of the Board when vacancies occur.

20. To require that the Board be bipartisan in composition by providing that not more than three members be of the same political party.

[From Newsweek, Feb. 9, 1959]

WHO MAKES INFLATION?

(By Henry Hazlitt)

The Economic Report of the President reflects the same schizophrenic attitude toward spending versus economy, inflation versus dollar integrity, as his budget message. At one point he declares: "An indispensable condition for achieving vigorous and continuing economic growth is firm confidence that the value of the dollar will be reasonably stable in the years ahead." But most of the report endorses policies that would clearly undermine this confidence.

Describing governmental actions that helped "to bring about a prompt and sound recovery" he says: "Monetary and credit policies were employed vigorously to assure ample supplies of credit. Legislation was enacted to lengthen temporarily the period of entitlement to unemployment benefits. Numerous actions were taken to spur building activity. Steps were taken to accelerate Federal construction projects already underway and to speed up projects supported by Federal financial assistance. Activities under a number of Federal credit programs, in addition to those in the housing field, helped counter the recession. And the acceleration of defense procurement * * * exerted an expansive effect."

WHO PRINTS MONEY?

Every one of these policies was inflationary. All of them meant pouring new money and credit into the system, increasing the supply of dollars, reducing their individual purchasing power. In a later part of the report it is admitted that the Federal Reserve policies enabled the commercial banks "to add nearly $10 billion in loans and investments to their assets," largely by "additions to their holdings of U.S. Government securities." This in turn added $13.6 billion to the total money supply (including inflated time deposits), and helped to boost living costs.

Yet the President's report blurs responsibility for inflation and tries to shift it on to consumers, business, and labor. The individual consumer is advised to shop carefully for price and quality—as if he couldn't be depended upon to do that without urging. The Government in effect is saying to consumers: "Here are $10 billion or more additional paper dollars; but don't be reckless enough to spend them, because it will make you responsible for raising prices." Businessmen are told they must wage a ceaseless war against costs—as if self-interest and self-preservation did not insure that. But nothing is said about Federal labor laws (including compulsory exclusive bargaining) which render the employer all but impotent in resisting excessive demands. And leaders of labor unions (after having been granted monopolistic bargaining powers by law) are urged not to ask as much as they can get under these conditions. This means that they would not last very long as labor leaders.

THE REAL CULPRIT

The President goes on to declare: "If the desired results cannot be achieved under our arrangements for determining wages and prices, the alternatives are either inflation, which would damage our economy and work hardships on millions of Americans, or controls, which are alien to our traditional way of life and which would be an obstacle to the Nation's economic growth and improvement." What the President seems to be saying is that it is consumers, businessmen, and labor leaders who threaten to bring inflation by lack of self-discipline and restraint, and that they may force Government controls. But the real culprit is Government. Government must stop deficit spending, stop flooding the country with more paper dollars, and stop encouraging monopoly in the labor field while blaming our free competitive economy for rising wages and prices.

Perhaps the most important recommendation in the Economic Report is that Congress "amend the Employment Act of 1946 to make reasonable price stability an explicit goal of Federal economic policy, coordinate with the goals of maximum production, employment, and purchasing power now specified in that act." Well, if the mischievous Employment Act of 1946 is to be retained, this amendment on net balance would probably make it less mischievous, because the act has been constantly interpreted as a directive to inflate. But an immensely better solution would be to repeal the act altogether.

ROLE OF TELEVISION IN THE AIR AGE

Mr. GOLDWATER. Mr. President, in this anything but pacific age of aviation, radio, and television fill the air, while the pages of newspapers and magazines overflow with reports of missiles, jets, rockets, and all the other assorted, terrifying hardware of pushbutton warfare.

The public is hammered incessantly by the rapidly burgeoning vocabulary of this rapidly changing aeronautical era.

All of this causes me to wonder if we are losing sight of the invaluable human element—the one element that remains constant in this state of scientific flux. So, I ask: Are the American people able to appreciate the contributions made by the men of our Nation's Air Force, who have pioneered and will always continue to blaze the way in the great conquest of sky, space, and outer space?

I am happy to say, Mr. President, that there is currently a project dedicated to our well-deserved appreciation of human deeds in aviation's miraculously short half-century of history. This project is a television film series, entitled "Flight," produced by California National Productions, a subsidiary of the National Broadcasting Co. "Flight" presents in well-documented dramas the aspirations and exploits of the men who are largely responsible for our air progress. Episodes of this brilliant series range from the days of the primitive experiments at Kitty Hawk to today's launchings at Cape Canaveral, with most of their thrilling television half-hours dramatically devoted to the heroic achievements of our military flyers in World War II and the Korean campaign.

Host and narrator for "Flight" is Gen. George C. Kenney, U.S. Air Force, retired, whose own brilliant career closely parallels the development of this country's air strength. He enlisted as an air cadet in World War I, when our military aviation was relegated to a small section of the Army's Signal Corps. In World War II, as Chief of the Allied Air Command in the Pacific, General Kenney masterminded our air offensive against Japan. He later became head of our Strategic Air Command. Although he is now retired from active military affairs, General Kenney continues to serve his country and the cause of aviation by taking part in the "Flight" project—a mission which deserves the gratitude of the American people.

The "Flight" series is being broadcast on television stations throughout the United States to ever-increasing numbers of viewers. Here in the Capital, where it is particularly important for all of us to see it, "Flight" is telecast over Station WRC–TV.

In that connection I invite the attention of my colleagues to the episode which will appear on that station on April 3. It is entitled "The Snark."

I wish to commend all those who have contributed to this splendid program's success: among them, the U.S. Air Force, the Civil Air Patrol, the Air Force Association, General Kenney, and especially California National Productions, for having had the foresight and sense of national dedication to produce such a costly television film series. I am confident that the general public's and advertiser's response will justify its efforts.

Mr. President——

The PRESIDING OFFICER. The Senator from Arizona.

RETIREMENT PAY IN THE ARMED SERVICES

Mr. GOLDWATER. Mr. President, I have one more item to present. Strangely, it touches upon a part of the remarks I have just made, in which I ask the American people if we are not losing sight of the human element in our Military Establishment, forgetting that it requires men to push buttons, forgetting that man's brain is the best computer ever devised.

Last year on this floor, acting upon proposed legislation reported from the Committee on Armed Services, in accordance with the Cordiner report, we enacted legislation which raised servicemen's pay in nearly all categories. Our action took care of most of the Cordiner report, except the important area covered by retirement pay.

Mr. President, I have introduced a bill, S. 269, which has a number of cosponsors. The Senator from Washington [Mr. JACKSON] has introduced an identical bill, with additional cosponsors. We are hopeful that the Committee on Armed Services will see fit in the near future to take up this important oversight in the legislation passed last year.

In relation to this subject, I ask unanimous consent to have printed in the body of the RECORD at this point an editorial published in the Washington Sunday Star of January 25, 1959, entitled "Rank Discrimination."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RANK DISCRIMINATION

There are gratifying indications in Congress that a highly discriminatory provision in the 1958 military pay law will be eliminated at this session. This provision, in effect, set up an "inferior" and a "preferred" retired list for pay purposes. Relegated to the inferior list were all officers who retired prior to June 1, 1958, the day the law became effective. They were limited to a retirement pay increase of 6 percent. All officers retiring after that date are on the preferred list. They are entitled to a much larger increase, based on the traditional relationship between active duty and retired list pay scales.

Among the penalized "inferior" group are many of the combat leaders of two World Wars and the Korean war. They have been cut off arbitrarily from the benefits which they justifiably had expected under a century-old formula. Yet officers retired since last June 1 and those hereafter to be retired are entitled to the full benefits of this formula (50 percent of present base pay of rank for officers with 20 years' service, 75 percent for those with 30 years' service). The unfairness of this so-called "economy" measures may be seen by the fact that a major general or rear admiral with 30 years of service who retired the day after the law became operative receives $1,884 more a year than an officer of like rank and service who had the misfortunate to retire on the previous day.

The storm of protest which has arisen among active as well as retired officers of the three services is based not only on the inequity of the plan but on fear that departure from the established formula last year may set a precedent for future congressional "economy." As the Cordiner report on armed service pay persuasively pointed out, the relationship between active duty and retired pay has been a vital force in stabilizing the military career service over many years. To abandon this relationship is to impair morale by holding over the services the threat of an unstable retirement-pay structure.

Hence, it is encouraging that nearly 30 Senators and numerous Representatives have sponsored identical bills at this session to "equalize the pay of retired members of the uniformed services." This legislation, involving amendment of the 1958 pay law, merits early passage—in the interest of a more stable and stronger Military Establishment.

ORDER OF BUSINESS

Mr. CHURCH addressed the chair.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Chair will inform the Senate that the previous occupant of the Chair ruled that the transaction of morning business had been concluded and that it would be necessary for Senators to ask unanimous consent to proceed to the transaction of further morning business, with the additional request that the time consumed be not charged against either side on the pending business. The Chair will recognize the Senator from Idaho [Mr. CHURCH].

Mr. HUMPHREY. Mr. President, I request on behalf of the Senator from Idaho and myself that we may speak and that the time be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GENEVA CONFERENCE

Mr. CHURCH. Mr. President, on March 2, I made an address on this floor entitled, "The Geneva Conference, A Proposal for the Eleventh Hour." In it, I urged the United States to seek a ban on nuclear weapons tests in the earth's atmosphere only, within the framework of an adequate international detection and control system, should it prove impossible to reach agreement banning all types of nuclear tests. I made this proposal in the hope that it might salvage the conference now deadlocked for many weeks, and produce the ground for a treaty that would both put an end to the accumulating pollution of the air, and take the first step toward establishing international safeguards over atomic power.

I am happy to say that the reaction of the American press, or such part of it as has taken note of my proposal, has been favorable. Last week I placed in the RECORD a number of editorials from American newspapers.

This morning I should like to include in the RECORD an English reaction to the proposal, as published in the Economist, of March 14, 1959. This splendid summation of the fallout hazard as it relates to the Geneva Conference, and synopsis of current thinking in this country regarding the whole problem, is contained in an article by Mr. Brian J. Beedham, captioned "Fallout Falls In."

I ask unanimous consent that the article may appear in the RECORD following these remarks:

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Economist, Mar. 14, 1959]

FALLOUT FALLS IN

WASHINGTON, D.C.—The words "eleventh hour" have been heard in Washington in the last couple of weeks not, as might be expected, in connection with Berlin—most Americans remain trustfully Micawberish about that problem—but in connection with the negotiations at Geneva for stopping tests of nuclear weapons. Those who want these talks to succeed have realized that they have reached a deadlock at the stage which is ideal for those who would be happy to see them fail. If the Americans and the British want to point an accusing finger as they walk out of the conference room, now is the best time, when the Russians are at their most mulish about giving the control organization any effective powers to police tests. Mr. Dulles, whose absence from the State Department makes liberals' hearts grow daily fonder of him, is no longer there to whisper "persevere" in one of the President's ears as the Defense Department and the Atomic Energy Commission say "desist" into the other. It was he who overruled the original reluctance of these agencies to enter into the atomic negotiations at all.

As the rumors that the administration is moving toward breaking off the talks revived this week, those who want to forestall such a decision have been rather desperately searching for new ideas to keep the negotiations going, spurred by recent suggestions that portions, at least, of the earth's surface are getting a heavier dusting of dangerous strontium 90 from fallout from tests than can be comfortably ignored. Samples of wheat gathered in Minnesota in the last 2 years have almost all contained more than half of what is usually regarded as the maximum safe amount of strontium 90 and samples from places as far apart as Germany and Chile have exceeded the permissible level. Now the Atomic Energy Commission itself has disclosed that in several American cities the strontium content of milk, which along with its products is the vehicle for three-quarters of the strontium that gets into human bones, has recently been many times above what was assumed to be the national average only 18 months ago; in North Dakota milk has contained up to a third of the maximum acceptable dose.

It is true that, as Dr. Libby of the AEC has pointed out, one meal of an excessively strontium-laden food is no cause for alarm; the maximum permitted levels are those which, if consumed regularly over a long period of years, would result in a risky concentration of strontium in a man's bones. It is also likely that the strontium which has produced the worst of these statistics is that which has fallen directly upon wheat ears or cows' fodder—and has thus had a "one-shot" contaminating effect—rather than that which has settled in the topsoil and may poison successive crops. Nevertheless, the scientists who have been critical of the AEC's complacency feel that the new data have strengthened their argument.

For one thing, since the present system of sampling for strontium content is, to put it mildly, a patchy affair, it is possible that some even more poisonous local concentrations have gone unobserved. Secondly, there are reasons for taking a closer look at the figure which is normally cited as the maximum permissible concentration. At present the custom is to fix this, by what is admittedly pure rule-of-thumb, at one-tenth of the level permitted for industrial workers exposed to hazards from radiation. A substantial number of American scientists think the permissible concentration ought to be cut by, say, a half. With two such areas of doubt, it is not surprising that some observers fear the onset of that "combination of unusual circumstances" in which, according to a report published by the AEC, "it is possible that fairly large numbers of people in some localities may accumulate strontium 90 in their bones * * * above the permissible limit for large populations." A group of scientists is now drafting a proposal to put the Public Health Service in charge of a revised—and closely monitored—code of radiation safety.

Some of those who have talked to the Russians at Geneva believe that it may yet be possible to coax them into signing a treaty to halt all atomic tests. One of the ideas being circulated in Washington is to offer to increase the number of neutral representatives on the control commission in the hope that the Russians will withdraw their demand for a veto; another is to set an annual ration of on-site inspections so as to lull Soviet fears that roving control teams might indulge in indiscriminate prying. This approach assumes that the technical problems raised by the American underground tests last autumn are not as great as the administration has suggested.

These tests, by revealing that underground nuclear explosions produced smaller seismic disturbances than expected, made the skeptics fear that only the bigger bangs—from 15 to 20 kilotons upwards—could be distinguished from earthquakes without recourse to extensive on-site inspection. But new evidence presented to Senator HUMPHREY's disarmament subcommittee last

month suggests that the problem is not insoluble. By measuring surface waves, for instance, and burying seismographs in holes to reduce the "background noise," it may become easier to distinguish between man-made and natural concussions. If the number of suspicious events calling for on-site inspection is reduced enough, the Russians may be persuaded, some think, to put up with patrols in principle.

Quite possibly, however, they may never accept mobile control teams. It is generally assumed in Washington that the suggestion which Mr. Macmillan put to Mr. Khrushchev in Moscow involved the "threshhold" concept; this, by legalizing underground tests below a certain size, dodges the worst of the problem of on-site inspection. As Mr. Eisenhower has said, there are technical snags in this too. It is difficult for the tester to forecast exactly what the yield of his explosion will be, so that he may violate the "threshold" by accident. The size of the signal recorded on the seismographs also varies according to the kind of rock in which the explosion takes place. The more radical suggestion made last week by young Senator CHURCH of Idaho avoids all these complexities. He would simply confine the ban on tests to explosions in the earth's atmosphere, which could be adequately monitored from fixed observation posts.

The Russians may reply that, for a treaty limited purely to tests in the atmosphere, a gentleman's agreement supervised from outside their borders will be enough. If they do not, this proposal has an attractive simplicity. It would stop the contamination of the air. It would provide the rudiments of an international control system, even if on-site inspection would not be called for. Since underground tests (which have no fallout of radiation) would continue to be free for all, the Atomic Energy Commission would be able to go on with its experiments with "clean" bombs and explosions for peaceful purposes, such as obtaining petroleum from oil shale. The Defense Department would be less happy, since it is more interested in measuring the effect of explosions and in fitting a bigger bang into strategic warheads, both of which seem to require tests above ground. But, if the President decides that the world cannot afford to see the last glimmer of negotiation at Geneva snuffed out, some of the generals—both American and Russian—will have to be disappointed. If it is impossible to agree on full inspection, Senator CHURCH's intelligent idea deserves the State Department's study.

FAMINE IN HAITI AND THE SCHOOL-LUNCH PROGRAM IN THE DISTRICT OF COLUMBIA

Mr. HUMPHREY. Mr. President. in this morning's papers there appeared a most distressing report on a famine in Haiti which is affecting some 45,000 men, women, and children. This present food crisis has been caused by a drought which has lasted for more than a year. A French priest reports that things have become so desperate that the people have lost hope. Even if the rains come, they ask, who has any seed left with which to plant? Who has any animals left to sell to get money to buy seed?

A Baptist minister reports starvation conditions among his parishioners—"potbellied children with spidery legs, sagging skin, and haggard eyes."

Right here in the District of Columbia we find people living lives of terrible poverty. It is estimated that some 7,000 children in our grade schools have inadequate diets. Yet, we have no school-lunch program for such children. Washington citizens have become so alarmed and so frustrated over the refusal of the Congress to act that they have undertaken a private fundraising campaign to help ease the hunger of schoolchildren in some of the lowest income areas of the city.

Mr. President, something is seriously wrong when we have so much food in our land that it is pouring out of our ears, and yet children right here in the District of Columbia are going hungry and famine haunts so many parts of the world.

We cannot be complacent in the face of such tragedy. We have a moral obligation to share our great abundance with the less fortunate.

Some people have called our food abundance a curse. To me, Mr. President, it seems rather a blessing, and it should be treated as a blessing. The present Holy Week is a most appropriate time to reflect upon the words of our Lord that we feed the hungry.

Let us put to full use our surplus foods to aid those both here and abroad who are living on inadequate diets. Public Law 480 is an example of an intelligent and imaginative way in which our huge food surpluses may be used. This program should be expanded and it will be expanded.

I understand that the problem in Haiti is that the food can be put ashore at the port cities, but that there is no transportation available to take the food from the ports to the hinterland, where the food is needed.

Mr. President, there are enough trucks in the surplus depots of the U.S. Army to move this food across Haiti back and forth 10 times. It is about time for the Government of the United States to extend its helping hand to voluntary organizations, in this case the Catholic Welfare Agency, who are attempting to help feed the hungry people of Haiti. I ask the Secretary of Defense to get in touch with the Secretary of Agriculture. There are still telephone lines operating in the District, tapped or untapped. I suggest that the Secretary of Defense call on the Secretary of Agriculture and inform him that the facilities for moving the food supplies will be made available to the organizations which are taking care of it.

In order to meet crises such as that which has arisen in Haiti, I have suggested that we demothball a number of U.S. Navy ships and form them into a task force for peace. I have called this a white fleet which would carry food and supplies to disaster-stricken areas in Asia and Africa. It could be sent to the scenes of famine, earthquake, floods, and epidemics. Such a fleet would serve as a dramatic symbol of our desire to aid in alleviating suffering and deprivation.

This is but one proposal as to how we may more effectively make use of our food surpluses and great wealth in a spirit of brotherhood and to aid in building a better world. I am confident that the Congress will act with intelligence, generosity and imagination to help bridge that gap between poverty and wealth.

I ask unanimous consent that the article on famine in Haiti which appeared in the Washington Post of March 23 be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 23, 1959]

FORTY-FIVE THOUSAND AFFECTED—FAMINE KILLS 200 IN NORTHERN HAITI AFTER MORE THAN YEAR OF LITTLE RAIN

(By Bernard Diederich)

JEAN RABEL, HAITI, March 22.—Famine is affecting some 45,000 people in this and 2 adjoining districts along the rim of northwest Haiti.

A member of the Catholic Youth Organization, which conducted a house-to-house survey, estimated that famine has caused 200 deaths in the coastal region reaching from Anse Rouge through Baie de Henne to Jean Rabel and in the interior mountains.

Famine is no stranger here. The Haitian farmer of the northwest ekes out a living on an average of a half-acre plot of land. During the dry season it is not uncommon for some areas to be reduced to a diet of green mangoes.

But this is no ordinary dry spell. Little rain has fallen for more than a year. A slight shower wet the ground in December, and farmers hastily scattered seed in their gardens. But it dried up.

The Reverend Marcel Cornet of the Roman Catholic parish here says the most discouraging sign is that people have lost hope. Even if rain comes, who has any seed left? Who has any animals left to sell to get money to buy seed?

The French priest pointed to one family in which four persons died of typhoid. Dispensaries in the area are short of medicines.

Four miles back in the hills from Jean Rabel is the small tin church of the Reverend Wallace Turnbull, the Baptist mission of Poirier.

Pastor Turnbull, who came to Haiti more than a decade ago from Los Angeles, reported starvation conditions when he discovered among his own parishioners potbellied children with spidery legs, sagging skin and haggard eyes.

The Catholic Welfare Organization and the Protestant World Service Organization handle U.S. Government emergency aid. They have 6,000 tons of foodstuffs to distribute in Haiti this year.

The Haiti Government is supposed to pay transportation costs from the port of entry. But appeals from Jean Rabel, isolated by poor or nonexistent roads, appear to have been lost in redtape.

Mr. HUMPHREY. Mr. President, if there is a lack of legal authority for our Government to help feed the needy children in the District of Columbia, Congress, as the city council of the District of Columbia, needs only the recommendation of the Commissioners or the executive branch of the Government to enable it to take action.

If there is a lack of legal authority to aid in the feeding of the people of Haiti, who are only a short distance from the shoreline of the United States, I suggest that the executive branch of the Government send a recommendation to Congress to remedy the situation. Action will take place. It certainly does not look very good to see headlines about a famine in the Caribbean area, in the area of the Americas, when there is $8½ billion worth of food in surplus storage and when, I venture to say, there are several thousand surplus trucks and

moving vans available for the distribution of the food. In this instance the voluntary church organizations are providing the manpower free of charge to take care of it. Their problem is transportation and supplies.

HUMPHREY ON COLLEGE TEACHING

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the junior Senator from Minnesota [Mr. McCARTHY] be permitted to proceed for 1 minute and that the time be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an address on the subject "College Teaching in Today's World," delivered by the senior Senator from Minnesota [Mr. HUMPHREY] on March 3, 1959, at the 14th National Conference on Higher Education, held in Chicago, and sponsored by the Association for Higher Education.

I share my colleague's conviction in the importance of education and on the need to resist pressures seeking to weaken our tradition of liberal education in favor of purely scientific and technological training. Of particular interest is the Senator's proposal that we develop an "education for peace" program to take its place beside the "food for peace" and the "health for peace" programs already initiated as a positive and practical effort in American foreign policy.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

COLLEGE TEACHING IN TODAY'S WORLD

(Address delivered at the banquet session of the 14th National Conference on Higher Education, sponsored by the Association for Higher Education, Chicago, March 3, 1959, by the Honorable HUBERT H. HUMPHREY, U.S. Senator from Minnesota)

Clearly one of the mainstreams of Western thought—cradled in the life of the great Western colleges and universities—has been the principle of balance, of equilibrium, of symmetry.

How vital it is today that this Aristotelian principle should shape American planning and policy.

Yet how far from balanced, how free from distortion many of our national policies are today.

There is, for example, a gross underemphasis on the need for expanded national productivity, particularly in the public-service area.

Domestically, we are currently failing to assign a sufficiently high priority to housing, to school and hospital construction, to basic research, to education in general.

There is a striking dependence today on short-run, makeshift solutions, an unwillingness to program boldly ahead, and a fixed idea that, while corporate planning is somehow good, government programing is invariably bad.

In our foreign policy we have developed a dangerously distorted pattern—a general overemphasis on the importance of preserving the status quo, a habit of overreaction to moves of the Soviet bloc, and in recent years a failure to institute broad but flexible programs to deal with the infinitely complex problems of a world in the process of rapid and often violent change.

A crisis mentality has developed a pattern of drift, crisis, and drift again. Each flareup is met by sudden hasty improvisation, followed almost invariably by an almost total relapse into drift again.

Throughout the vast emergent areas of Asia and Africa, we have too often sought only defensive military alliances. We have, thereby, missed sweeping opportunities to win the cold war by taking the struggle to the higher plane on which we have greatest chance of success—the fight against hunger and disease, the struggle for knowledge and human dignity.

We seem forever on the defensive, forever standing firm, forever reacting to a new Soviet-created crisis.

Standing on the defensive, we have failed to come to grips with the underlying economic and social problems of the world on which communism feeds and grows.

While the emergent peoples of the world are vitally interested in the great East-West struggle, they are primarily engrossed in their own struggle to find a way up—at almost any cost—from the mire of famine and disease, from the filth and rags of native quarters, from degrading ignorance, from their outcaste, almost subhuman status assigned to them by a civilization which stumbled into the industrial revolution two or three centuries before they did.

There are three words—"people, progress, and peace"—that belong to the lexicon of democracy, and that uniquely represent the democratic tradition. They are powerful words—so important and so powerful that the enemies of freedom have attempted to take them to their bosoms—literally to steal them away.

There is a plethora of Communist peoples republics.

The Communists are determined to demonstrate to the new and rising nations that communism means economic and social progress.

And we have permitted the Communists very nearly to appropirate the word "peace"—to pose as the peacemakers and to tag us with the label of "warmongers."

Like it or not, the Communists have been "getting away with" ideological piracy. They have been quicker than some of our own leaders to recognize the real battleground of the world—the struggle for men's minds—and swifter to understand the surging drives that are toppling kings and emperors and colonialist powers throughout Asia and Africa.

But we do not know our own strength. At least we have failed to mobilize it.

We urgently need to design and launch a broad-gaged and affirmative foreign policy on the natural strengths of our Nation—yes, to harness to the plow of foreign policy our tremendous industrial capacity, our dominant capital, our technical knowledge, our agricultural abundance, our wealth of trained educators, agriculturists, administrators, technicians, doctors, and students.

Why have we not done it?

I would suggest that the cause may be found in part in the lack of status of the intellectual in our midst, and in the habit which a nation of producers has developed of judging the worth of a man or of an idea in terms of annual salary or dollar cost.

There appears today to be too narrow a circle from which the political leadership of the country tends to draw its advice and ideas.

Valuable as may be the counsel of financiers and manufacturers and military officers—and the experience of these groups of men is useful and valuable—the Government's fundamental policy decisions might well be predicated upon a wider base. I am convinced that the counsel of men and women broadly representative of agriculture, of labor, of the press, of the scientific community, of the legal and medical professions, of the clergy, of the teaching profession—yes, and of the arts—should be sought out and given intense consideration by the responsible political leaders of the Nation.

Firmer, stronger, more freely flowing lines of communication must be set up to channel the ideas and enthusiasms of intellectual America into the Halls of Congress and into the mind and heart of each man who occupies the Office of the Presidency.

I am not one of those who believe—nor do I think that anyone in this audience believes—that all the problems of the world can be solved by education.

But I am deeply impressed with the value and the power of education—its value as an end in itself, for its key role in the freeing of man's spirit and the enrichment of his life—and its power to shape the destinies of nations.

There is increased public attention to education today—reflected in its most dramatic form in the passage by the Congress of the National Defense Education Act last year. Congress in this act explicitly recognized the worth and the importance of a broad-based educational system—and did not plunge the country into a lopsided effort in behalf of scientific and technical training alone.

We specifically encouraged young people to go into teaching, through a provision permitting the writing off of a portion of the federally guaranteed college student loan. We singled out language training for special emphasis, because of the really appalling gaps in our language abilities. But we made a conscious effort to write legislation which would preserve the essentially balanced and symmetrical character of American education.

Because I am a former college teacher myself, and because I have consciously made an effort to keep open the lines of communication between the community of scholars and the political leadership of the Nation, perhaps you will permit me to make one or two suggestions to you, my respected friends in the colleges and universities.

I would like to put before the House a few ideas for feeding some of the brainpower of the American educational system into the machinery of American foreign policy.

One suggestion which I respectfully advance is that more of our American colleges and universities should encourage searching and frankest discussion and debate of current political, economic, and social problems.

While there is a role for the colleges to play as "islands of contemplation," there is a concurrent responsibility to prepare the individual for the day-to-day participation that the democratic process requires.

Secondly, I would urge you to resist the demands that we cut down on our efforts to provide liberal education, in favor of more training of scientists and engineers. To be sure, we need more scientists and engineers. But I am of the opinion that we can afford an educational establishment great enough to train all the scientists and engineers we can conceivably use, without cutting back on the vital effort toward liberal education. They are not mutually exclusive at all.

I have only one suggestion to make insofar as the college curriculum is concerned. There is a need, I feel as a man in public life, for a much clearer understanding on the part of college graduates of the mainsprings of national power and the motivations of national conduct. Too often a student can emerge from a series of courses in economics and history and government without a real understanding of their interrelationship, without, making the kind of synthesis that will prepare him to face and help to solve the problems of his society and his nation.

These are modest suggestions, and humbly put. For I have profound respect for the character and the achievements of American higher education. Americans take great pride in the vigor, the stability, and the integrity of our colleges and universities.

My principal question tonight is not how we can improve our American educational system—but rather what we can do to more fully utilize the great example and the great strength of American education in a more constructive and affirmative foreign policy.

The work of peace—as well as the words of peace—are imperative in American foreign policy.

Yes, we must broaden and intensify the existing programs for the use and distribution of our vast food abundance. The generous and planned use of food and fiber has already made a historic contribution to the social and economic well-being of many nations. This is the national effort I call food for peace. It can be the foundation for a series of works of peace.

A second and parallel effort is in preparation—health for peace. I have joined with Senator LISTER HILL, of Alabama, in proposing an International Health and Medical Research Act. We are hoping to mobilize the medical and scientific resources of America behind a massive assault on disease, pestilence, malnutrition and pain.

I invite your consideration tonight of a third major work of peace—what I shall call an education-for-peace program.

If education has been one of our cherished American ideals, it is also one of the deepest hopes and needs of people everywhere.

In Sicily there are towns where the farmers after a long day in the fields will go to school for three hours a night, five nights a week, to try to learn to read and write. In India, young children, lacking even paper and pencils, squat for hours in a makeshift schoolroom and never take their eager eyes off the teachers. In Haiti parents have literally sold the fillings out of their teeth to get money for their children to go to school.

Education is a powerful personal ideal to people in the underdeveloped countries. It is also indispensable to their economic progress and national independence. At one time, it was the rather simple belief that the reason some countries were poor and laggard was simply that they lacked necessary capital and know-how. But we are coming to understand that money and techniques are not enough.

The one resource most of the needy countries have in ample quantity is manpower. But it is untrained, unskilled manpower. In fact, unless the have-not countries can develop the men needed to make effective use of the funds and knowledge provided by the more developed countries, much of the aid will inevitably be wasted.

The Communist leadership has recognized this interrelationship very quickly and has taken vigorous steps accordingly. The achievements of Soviet science have a prodigious educational effort behind them. Throughout the Communist nations new universities are cropping up, new buildings, new laboratories, and very large scholarship programs for talented students. In the student dormitories throughout the Sino-Soviet bloc, thousands, in fact tens of thousands, of university students are studying—from families and from remote towns from which until a few years ago no one had ever gone to a university.

It may be that the Communist leaders are creating a force of freedom which may some day tear apart the Communist system by educating masses of people. But for the present they are winning the loyalty and deeply felt gratitude of students and parents.

In too many of the countries of the free world educational systems are impoverished and stagnant. It was in the great countries of the West that the university idea was born and where a great university tradition has been built over the centuries. But some of these schools today are suffering from too much history. They are burdened with traditionalism. In some cases they are still living and thinking in the seventeenth or eighteenth century.

In the newly independent countries the problem is different. There, without a highly developed educational system and lacking in a scientific and academic tradition, they are often building from scratch. Where they do have universities, they are in too many cases poor imitations of the most antiquated models from Western Europe. Their graduates are frequently mistrained in terms of the needs of the country—the result, large numbers of unemployed and unemployable university graduates forming a core of disgruntled, resentful intellectuals.

In both old and new free world countries when it come time to divide up the budget, the Ministry of Education is too frequently put at the end of the line.

To cite just one case in point. In Greece, a country with some seven million people, the Government offers about 350 scholarships a year to excellent graduates of secondary schools to go on to the university. But across the border in Communist Yugoslavia with roughly double the Greek population, that Government offers more than 30,000 scholarships a year for students to go to the university.

It is only a question of time before that educational gap will begin to create an economic, military, and political power gap.

We are, of course, not completely ignoring this educational gap. As you know, on a limited scale the United States has been giving some help to education and educational exchanges internationally. The Fulbright program has been a great act of creative statesmanship. It has brought our academic community into closer contact with the world of foreign scholarship than ever before. Through our atomic energy program we are training foreign scientists in our research institutions. In our economic development programs we are bringing foreign technicians here every year for training. The State Department is bringing over leaders in many fields. And, of course, our great private foundations have been giving assistance to foreign educational institutions and have been assisting educational and scientific exchange for many years. All these efforts are to be applauded.

But all these efforts together fall far short of the need and the opportunity. Their first defect is that they are too small in scale.

Their second defect is that they are focused on only narrow details of the total problem of free world educational development—namely, exchange activity, technical and vocational training. They have not emphasized the general strengthening and expansion of the foreign educational systems themselves—the indigenous schools and universities.

The third defect is that what we have done has been undertaken in a spasmodic, left-handed, and half-hearted manner totally lacking in drama, and impact.

I propose that we launch a broad program of world educational development—a plan of education for peace.

The first step would be for the Congress of the United States to declare to the free world that we share their beliefs in the values of education and that we are ready to work with them in building up their own educational systems to train their own people. We should declare our readiness to support a 10-year, $3 billion effort for worldwide development of democratic education—on condition only that our friends bring to us sound plans for self-help and mutual help.

We do not propose to interfere in the control or direction of their educational systems; they should and must direct their own patterns of educational growth.

The second step should be for us to draw together the many loose ends and separate efforts we are now supporting into one agency in Washington. This body—perhaps in the form of a quasi-independent international educational development foundation—would be responsible for leadership and focus in our international educational efforts. It is important that such an agency stand on its own feet—not as a subordinate part of a propaganda program, nor of a military program, nor even of an economic development program. In its long-term potentiality for American prosperity and security, and for the strength and stability of free nations everywhere, such an education effort would not be second to any of the other assistance programs we are supporting. It should therefore be not only visible but prominent among our international agencies. But what about the money. Where are funds of this magnitude to be found? If it were necessary to propose the appropriation of dollars to this effort, I would still recommend this step, because I am convinced of the importance of education for peace and progress.

But this may not be necessary. As a result of the major programs of assistance in food and materials which the United States has given to friendly nations in the past, we now own considerable balances of foreign currencies abroad. The present total is in the neighborhood of $2 billion, and the total is increasing as our food shipments and other kinds of help continue. By agreement with the recipient countries, these funds can be used only for mutually agreed upon development projects. My recommendation is that we earmark a significant portion of these funds specifically for educational development.

In addition, we now have made several billion dollars worth of loans to allied countries which are repayable in foreign currencies. I recommend that we also earmark a portion of these loan repayments for educational purposes. Such funds may not alone be enough—for there are several countries, particularly in Africa, where such funds are not available. In those cases, consideration should be given to the appropriation of additional dollar funds.

Now it is obvious that all the educational problems in the world cannot be shouldered by the United States. We have huge educational needs of our own, and these should and must come first. The development of foreign educational systems must be a primary responsibility of each country.

But think of the great gain to the United States and to all mankind if we were to become clearly identified in the eyes of the world with physical symbols of friendship and progress like schools, universities, libraries, and laboratories.

The program I propose would involve grants for laboratories and facilities, for the endowment of professorships, institutes, and research projects. Scholarships and fellowships would be granted after annual competitions in every region, every locality of every recipient country. It is difficult to imagine a more penetrating and meaningful way to identify Americans with individual opportunity, social democracy, and international fraternity.

I ask you for your consideration of this proposal. If you will give it your thoughtful criticism and your intelligent support, we may be able to help our country take another long step toward a more balanced and vital foreign policy and eventually a stable, just, and serene peace.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Alabama [Mr. SPARKMAN] be permitted to proceed for such time as he may need, and that the time be not charged to either side.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

FOREIGN PURCHASE OF GENERATING EQUIPMENT FOR TENNESSEE VALLEY AUTHORITY

Mr. SPARKMAN. Mr. President, recently the Tennessee Valley Authority has been criticized for the purchase of some generating equipment outside the United States. Not long ago the Chelsea, Mich., Standard attacked the TVA because of this purchase. The attack was answered by Gen. Herbert D. Vogel, Chairman of the Board of the Tennessee Valley Authority. I ask unanimous consent that the article, published in the Chelsea, Mich., Standard of January 22, 1959, together with the answer by General Vogel, be printed in the RECORD.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

BY CHAIRMAN HERBERT D. VOGEL: RINGING DEFENSE OF TVA IS ANSWER TO MICHIGAN CHARGE

An attack on the Tennessee Valley Authority by the editor of the Chelsea (Mich.) Standard recently met with a ringing defense of the Authority from the pen of Gen. Herbert D. Vogel, Chairman of the TVA Board, which deserves to be read by every American citizen.

Permission to reproduce the correspondence has been granted the Tri-Cities Daily and the Florence Times by General Vogel.

The anti-TVA editorial and General Vogel's answer follow in full:

The Chelsea Standard, Chelsea, Mich., January 22, 1959:

"TVA PURCHASING POLICY INVITES DISASTER IF ALLOWED TO CONTINUE

"TVA, our tax-fed, electric power octupus, has just bough three new 54,000 kilowatt hydroelectric generators at a cost of $2,637,135 U.S. tax dollars—dollars which were bundled up and shipped to a foreign manufacturer in Baden, Switzerland.

"Three American firms who bid on the generator purchase were left out in the cold simply because they pay their workers too well to be able to compete with overseas producers for the business of their own Government.

"If, however, the TVA directors had elected to follow the spirit of the 'Buy American' set—rather than the destructive interpretations imposed by executive order and the council of foreign economic policy—the generator contract would have gone to Allis-Chalmers Manufacturing Co., of Milwaukee, Wis., the lowest U.S. bidder.

"That Allis-Chalmers and Milwaukee needed this business is apparent from the fact that the firm had laid off some 2,300 employees, who might have been restored to the payrolls in the final weeks before Christmas. That these workers felt entitled to consideration is understandable since, in the 25 years of TVA operation, they and their fellow citizens of Wisconsin had contributed nearly $26 million of their tax money to this Federal impediment to free enterprise.

"Both the company and the unions representing these unemployed workers spoke up promptly (even though unsuccessfully) in their behalf: 'We thought,' said Allis-Chalmers, 'that the people of Milwaukee and the citizens of the United States should be aware of what was happening. We felt they had a right to know how their tax money was being used abroad and by so doing, taking work away from our American wage earners * * *. It is quite evident that no American firm can compete in the heavy electrical equipment market with foreign bidders whose labor costs are one-third those in the United States.'

"Union leaders demanded that the TVA directors be fired for being 'calloused and indifferent to the plight of unemployed Milwaukee workers,' and protested TVA's failure to give Congress time to investigate before awarding the contract.

"But nobody heard—any more than they heard the ranting of John L. Lewis against TVA in 1954, when he charged that body with abusing its economic power in purchasing millions of tons of coal 'at starvation prices' and in utter disregard of 'safety standards and health conditions.'

"It is high time that the people, whose authority ranks even that of TVA, demand reversal of a Federal policy that can only destroy one American industry after another—and ultimately, the economic system that is the taproot of national strength and independence."

General Vogel's answer to charges, January 26, 1959:

"Mr. WALTER P. LEONARD,
"Editor and Publisher,
"The Chelsea Standard,
"Chelsea, Mich.

"DEAR MR. LEONARD: I have just received and read my copy of the Chelsea Standard dated January 22, 1959, containing an editorial entitled 'TVA Purchasing Policy Invites Disaster if Allowed To Continue.' Since I am both the Chairman of the Board of TVA and a native of Chelsea, I feel that you deserve a personal answer to that editorial.

"The best way to proceed, I think, is by discussing your editorial paragraph by paragraph, starting with your reference to 'TVA, our tax-fed electric-power octopus.' TVA was indeed built with dollars from the American Government, whether from taxes or borrowings—more than 2 billion of them. Some $1.4 billion have been invested in power, of which $250 million has been offset by payments to the Treasury and bond redemptions from power revenues. The difference between $1.4 and $2 billion has paid for developing the Tennessee River for navigation and flood control and for developing new and more efficient types of fertilizers, some of which are being used on Michigan farms. The improvements for navigation and flood control are similar to those which have been effected in every part of the country.

"In the Nation as a whole we have spent a total of about 17 billion dollars since 1820 in improving our rivers and harbors. These improvements, stretching from east coast to west and from Canada to Mexico, have formed the basis for the development of all our commerce and industry. For the 17 billion dollars I have mentioned, we, as a Nation, built the Panama Canal, many of the great hydro power installations of the West and Northwest, flood control projects for hundreds of cities, including not only small localities but also industrial areas such as Pittsburgh, Dallas, and Los Angeles, together with adjacent farm lands. The Mississippi, Ohio, Allegheny, Monongahela, and dozens of other rivers have not only been brought under control but have also been made navigable—in many cases by locks and dams—to serve the needs of a great and ever-growing national economy. I could go on and on about this, but I think a little reflection on your part will convince you that the 17 billions spent on river and harbor development (which, incidentally, includes all the harbors of the Great Lakes and the locks at the Soo) have yielded returns far in excess of costs. Compare them, if you will, the 17 billions spent since 1820—the bases of our commerce and industry—with the current national budget of 77 billions. Should any American begrudge this?

"But you were talking primarily about power, and I have told you that 1.4 billions of dollars from the Federal Treasury have been expended on the TVA power system for the building of hydro and steam plants and for transmission lines to distributors. TVA, I might add here, is only a producer and wholesaler of electric power. It sells directly to only a few large industries and Government installations, including the Atomic Energy Commission. Individuals in communities and on farms are supplied by 150 organized distributors. At this point I should add further that 50 percent of all power produced by TVA is sold to AEC and other defense installations at prices that result in many millions of dollars saved the taxpayers annually.

"But getting back to the 'tax-fed' idea—the money invested in TVA by appropriations is being repaid at the average rate of 2½ percent per year so that in 40 years from the date each element has gone into service the Government will be fully repaid. We are considerably ahead on those payments.

"Out of our earnings, which average about 4 percent annually of the basic investment, we pay all the costs of maintenance and operation and of depreciation. We pay to States and counties a sum in lieu of taxes which amounts to 5 percent of gross sales in those respective areas, except sales to the Federal Government.

"For the past 5 years we have received no appropriations from Congress, and our construction of new facilities has been from earnings. This is the kind of money we are using to buy the generators that Allis-Chalmers would like to sell—not tax dollars at all.

"You may not have heard, but we have been trying desperately ever since I have been with TVA, which is 4 years, to get authority from Congress to self-finance ourselves by the sale of revenue bonds. These bonds would be obligations against power revenues and would not be backed by credit of the United States, so would not be reflected in the national debt. We would pay interest at going rates on the U.S. investment and would continue to pay off that investment. When paid off, TVA would still remain the property of the United States. Not really a bad deal for the people of the country when you stop to think about it.

"Now as to the word 'octopus' which seems to imply a reaching out for new territory, all I can say on that is that for the past 14 years TVA has not expanded nor do we seek to expand now into new territory. We are growing vertically though at the rate of about 12 percent a year, a similar growth is taking place everywhere. We have to build new generating plants just to meet the growing needs of a region which is vital to the economy and defense of the Nation as a whole.

"There is a lot more I could tell you about TVA, but maybe I can do that by including a brochure on our 25th anniversary and copies of a couple of speeches I made recently.

"What you want to hear about is why we have bought generators from Switzerland instead of from Milwaukee. Through the years we have bought many millions of dollars worth of equipment from Allis-Chalmers, General Electric, Westinghouse, and others so that the case in point represents but a tiny percent of our total purchases. Incidentally, TVA has spent $64 million in Wisconsin, the home State of Allis-Chalmers, and more than $22 million in Michigan. Last year, interestingly, Allis-Chalmers reported huge sales to foreign countries.

"The Buy American Act, as implemented by Executive order, requires that purchases be made from domestic concerns when their bids are within 6 percent of foreign bids, including excise duties and transportation. A recent amendment to the order increased the differential to 12 percent in labor-distressed areas. The bids as received were $4.2 million from Allis-Chalmers (the American low bidder) as against $2.6 million from Brown Boveri. Furthermore, the Allis-Chalmers bid provided for escalation upward which the Brown Boveri bid did not. Also the Brown Boveri bid included all transportation charges and duties. The Federal Government collects the latter.

"Now, with a $1.6 million difference—and perhaps more—between the bids, do you think that the TVA Board could make a decision to award to Allis-Chalmers? I have always felt that I may throw away my own money as I please, but other people's money is a different thing. Whether that money comes from taxpayers or from electrical consumers makes no difference. It is still other people's money, and it is my job to buy as much with it as may be possible.

"I presume you got the information in your editorial from Allis-Chalmers, and no doubt they wanted the business. It would seem to me, however, that they are indulging in doubtful business practices in attacking a good customer, and certainly it is not one designed to produce the best customer relationship.

"Some part of the difference in bids between Allis-Chalmers and Brown Boveri is, no doubt, the result of differences paid to labor. Allis-Chalmers would have you think that it is all the result of the labor differential, but that is not true. Even if it were, however, American industry has a responsibility of resisting labor increases and of devising better engineering methods to offset the increased costs.

"We are moving more and more into the field of international competition, and there is an increasing challenge to American industry. The problem cannot be solved by subsidizing industry or by industry's simply passing on increased costs to the consumer. That is the inevitable pathway to inflation.

"It is true that union leaders—specifically the boilermakers' union—sent a long telegram to a number of Senators demanding that 'TVA directors be fired.' That telegram was based on representations made by Allis-Chalmers. Later we received a letter from the president of the union, copies of which were sent to all who had received the telegram, and in that letter it was stated that the telegram had been sent without knowledge of all the facts. In view of information later received, the union requested that its objections be withdrawn.

"Now let me comment on your reference to John L. Lewis and the coal people. TVA is the largest power utility in the United States and the largest single buyer of coal. We buy all our coal by competitive bidding. and we try to keep prices down. If we did not act conscionably on this, I think you can see what the results would be all over the country. As we let coal prices soar, prices everywhere would go up and the electric utility supplying you would pay more. Now the price of power is directly related to the price of coal because it takes about three-fourths pound of coal in a modern plant to produce a kilowatt-hour of electricity. If we acted carelessly with respect to coal purchases, the cost of your power, even in Michigan, could go up and you yourself would be forced to write a larger check every month.

"The coal producers and John L. Lewis have really been pressing in direction of getting TVA to relax its standards and even indulge in welfare buying to aid particular regions. I cannot subscribe to that, and I know the good people of Chelsea could not. I lived too long as a boy and young man in Chelsea to have any illusions about the way people think who live there.

"I can assure you that my principles with respect to all the things I have talked to you about are the same as I grew up with. I see nothing wrong about trying to operate a business as efficiently and economically as possible in order to pass on the savings and benefits to the consumer. Nor do I see anything wrong with seeking to accomplish that end by employing the principle of seeking competitive bids.

"In effect, that is the American way of doing things; and if we are to establish a reasonably stable economy in the future, all people responsible for the conduct of industry must begin to think of themselves as servants of the consumers, who are also taxpayers.

"As to whether or not the Government should have established TVA as a power utility, I see no point of argument. The fact is that TVA exists, and it exists by virtue of law. It could not be abolished any more than the clock can be turned back to regain time that has been lost.

"In the future this Nation will need electric power in ever-increasing amounts. Both private and public utilities will be required to do the job. Philosophically speaking, there is nothing new or unique in a public utility, nor does it represent a form of socialism. I can well imagine the indignation of my father if anyone had suggested that it was socialistic of him to motivate construction of the old Chelsea powerplant back in the early years of this century. It would be difficult to find a more rugged individualist than my dad, who promoted the plant along with Jabez Bacon, and others; or Pete Boehm, who ran and managed it. Their idea was to provide a service to the community in order that the community might grow. America, fortunately, has always had men who were more interested in service and progress than in the label that might be put on their efforts.

"If you find time to read all this and the other things I am sending you, there may still be questions in your mind. If so, please let me know, and I will give you as straightforward an answer as I can.

"Sincerely,

"HERBERT D. VOGEL,
"Chairman of the Board.

"HDV:PLE:WK

"Enclosures (5)—11–24–58 news release remeeting with Allis-Chalmers officials; 25th anniversary booklet; Tennessee Press Association speech, 1–16–59; Georgia Engineering Society speech, 9–15–58; American Power Conference speech, 3–22–56."

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senator from North Dakota [Mr. LANGER] be permitted, out of order, to present certain material for the RECORD, without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

EMPLOYMENT AT TURTLE MOUNTAIN, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "The Turtle Mountain Situation," published in the Minot, N. Dak., Daily News of March 14, 1959.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE TURTLE MOUNTAIN SITUATION

As much as anyone we would like to see some brave new start made, with Federal backing, to establish near-home industries which will employ all the Turtle Mountain people able and desiring work.

The jewel plant at Rolla, now operating, is an example. But the payroll there includes only about 100 persons. Estimates vary as to how many people there are on the Turtle Mountain Reservation, one figure being 4,000.

Some knuckle rapping is justified if it is true, and it ought not to be difficult to ascertain whether it is, that the Indian Bureau has failed to provide winter subsistence in realistic amount.

The Turtle Mountain people have been, in some respects, really neglected. A series of news articles and pictures in the News a few years ago pointed up this fact. They have lived, many of them, in such impoverished condition that health and self-respect have been undermined. Besides that, they have developed, quite understandably, a very unhealthy state of mind.

In our opinion about half their trouble stems from the fact that so many poor and unemployed people have been hanging tenaciously to a thin thread of false hope. It is the hope that one day the Federal Government would recognize their claim to millions of dollars for land allegedly taken from them.

If the U.S. Court of Claims eventually does allow some kind of payment to the Indians on the basis of these claims, we see little likelihood that the money is going to help them much. The legal basis for such claims is involved, and it should be recognized as such. It is a matter for the properly constituted courts. Should it happen that some day the claims are recognized as the basis for some kind of payoff by the Federal Government, the relief is likely to be temporary. It is likely to leave the Indians as far from salvation as ever. For these people ought to be working, instead of waiting for remittances.

Al LaFontaine of Minneapolis has whooped up, in an irresponsible way, a new wave of public attention to the plight of the reservation dwellers, though he has told us nothing which had not been brought to light before. Definitely, he does the Turtle Mountain people a disservice to fire their imaginations with claims of tangible title to 9 million acres of North Dakota land. If he supposes he or they can get anywhere by holding such claims over the head of the State of North Dakota as a threat, he is ill advised.

Let the peculiar needs of the Turtle Mountain people for sympathetic understanding and help, and for programs of extraordinary action, be considered on the merits of these needs. Why prejudice the case with imaginary claims to property? The appeal to the American conscience had better be made on humanitarian grounds than on implied accusations of theft.

How far would anyone get, do you think, with a movement to revamp the title to downtown real estate in New York City, with a view to granting an equal share to any and all lineal descendants of the original Dutch settlers?

UNEMPLOYMENT IN DEPRESSED AREAS

The Senate resumed the consideration of the bill (S. 722) to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, and that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President——

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Indiana may be allowed to proceed for 1 minute.

Mr. CAPEHART. Mr. President, I believe it will take me a little longer than 1 minute to make my statement. I wish to discuss the pending bill. Is an amendment pending?

The PRESIDING OFFICER. The Chair understands that the Senator from West Virginia [Mr. BYRD] has the floor. The Senate is operating under a time limitation, in connection with its consideration of the area redevelopment bill.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from Indiana may proceed for as long as he wishes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, I shall not need more than 5 minutes to make the statement I wish to submit.

Mr. BYRD of West Virginia. In addition, Mr. President, I ask unanimous consent that the time used by the Senator from Indiana not be charged to the time available to either side under the unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, I thank the Senator from West Virginia for yielding to me.

Mr. President, the provisions of this bill are completely unworkable and inequitable, and the intended benefits will never reach many of the communities which really need them.

In committee, I tried to incorporate in the bill provision for means by which such benefits would reach communities where no job opportunities exist, and never can unless new plants or facilities are built, and where economic conditions warrant possible consideration of outside assistance.

However, the proponents of the bill declined to accept such changes in the provisions of the bill, and preferred to continue with provisions directed toward an end that cannot possibly be attained by means of the provisions now included in the bill.

Mr. President, we have knowledge of small industrial areas with high unemployment due to discontinuance, because of various economic conditions, of industrial operation. These areas are left without any potential job opportunities, because of the lack of sufficient additional industrial activity.

Many of these areas are also left without sufficient investment capital to attract new business.

For example, Mr. President, what I am referring to is this: I want to help this bill, and I would vote for proposed legislation which would assist a town or community which needed aid, provided that such legislation simply applied to a town or community in which one or two, or even a few plants, or in which had a coal mine, or any other kind of mine, had been completely abandoned. I mean that the plant or mine had been closed, and it was obvious even to a 12-year-old child that never again could there be jobs provided in those communities unless new businesses, plants, or facilities were established; or, secondly, that the community was too far away from places of employment so that people living there could not commute back and forth.

If the criteria were so limited, I think the bill would be worthwhile. I would like to help needy communities; but to make an effort to help communities only on the basis of the criterion that there must be unemployment, would never work. An administrator would have imposed upon him a task which he could never perform. In cities where there are many factories, or processing plants, or in communities where there are mines which have not exhausted their minerals, there are periods when employment rises or falls. It might well be that in a 6-month period communities or towns might qualify under the criteria established by the pending bill, but communities could cure the situation themselves, if it were obvious that there were sufficient opportunity for employment or employment in nearby communities, or if there were a population which would support industry.

The Senator from West Virginia [Mr. BYRD], who is on his feet, has, I am sure, a number of towns in West Virginia which would qualify 100 percent under the criteria I have discussed. They are areas where mines have become completely exhausted and the people are going to have to move away because there is no possible source of jobs there.

I should like to help in such cases, but I think it would be unwise to attempt to help cities such as Detroit, New York, Chicago, Milwaukee, Indianapolis, South Bend—I am mentioning towns in my own State—for the reason that there is not enough money in the Federal Treasury to do that sort of thing.

So my position is that if we limit the provisions of the bill to the obvious needs of towns and communities in which it is apparent there are not going to be employment opportunities unless someone builds a new plant or facility, the bill would be workable and worthwhile. However, as it is written, I cannot support it.

There are many other factors about the bill which I think are not good, but which we might correct in time, if the criteria were limited to those I have mentioned.

Some may make the argument that since the criteria, under the provisions of the bill, are based upon unemployment, the towns or communities I have mentioned would be included, because there will have been unemployment in them over a period of years. That assumption might well be correct, but such communities would have continuing unemployment for many months before they might qualify for help. Under my idea, a community might qualify within 10 days, if the factory previously operating within it had closed or if the mine in that area had been abandoned. Such communities would receive immediate help, not help 2 or 3 years later, during which time they might well dry up and rot away, waiting for the terms of the legislation to take effect. Under the pending bill, help could not be obtained in those communities for a period of time. I think perhaps the quickest help might be available under the pending bill would be 2 years.

I think that is the most serious weakness of this proposed legislation. I tried to correct that defect in committee a couple of times. I tried last year, when the bill came before the Senate. I tried again this year.

Now, Mr. President, I wish to complete my statement, and then I shall yield the floor.

This bill will place the small, capital-needing area in competition with the large industrial center, which has great potential investment capital, for the Federal offer of investment capital.

What I mean by that statement is that a small community of the type I have described, which needs help, would be placed in competition with a large city, such as Cleveland, for example. If that were done, the money would be spread too thin. Great as the United States is, there is a limit to the amount of money which can be used for that purpose. Smaller communities would be placed in competition with large cities.

My purpose is to limit the aid provided to small towns and communities such as I have indicated, so that some real good may be accomplished. As the bill is written, in my opinion, the money would be spread so thin that no one would be helped, or possibly very few would be helped.

The onetime thriving coal mining areas and the onetime busy railroad centers where much of the labor force worked for a single industry are now the prime examples of communities in need of investment capital to restore their economies to a proper living level.

They are the people whose hopes are bound to be lost in the race for the investment capital provided in this bill.

The approach to this problem has been wrong in every respect—the legislative approach, the sentimental approach, the economic approach, and the political approach.

Anyone familiar with the manner in which industry determines relocation or expansion will scorn the thought of the bill's sponsors that investment capital is the lone factor in the success of a business enterprise.

It is not. It is possibly the least factor to be considered, if a new business is to be established, because the person going to the location needs other things besides money. He already has the money, or will soon get it.

The bill ignores such important business factors as business climate, proximity of raw materials, marketing areas, and so forth.

I know that every Senator is anxious to extend a helping hand to those communities needing some help in order that they may help themselves, but it should be done on a sound and business-like basis—not by entangling a set of unemployment figures with a mass of discretionary powers in the hands of an agency Administrator.

Let us determine first what the basic causes were that transformed these onetime prosperous communities into depressed areas.

Let us measure the potential of the community to support a new form of

industry and the kind of industry it might support.

Let us consider the raw materials and marketing factors so important to successful business.

The establishment of a business in a depressed area, through the use of Federal investment capital, should be assured of success; else we would be doing the area an injustice rather than a favor.

The fly-by-night approach which is being taken by this bill is raising false hopes of innocent people, who are being led to believe the pending legislation will cure their unemployment problems immediately. If it does at all, it will take many, many months, and possibly years.

I had a telephone call this morning from a man in a town interested in the proposed legislation. He said, "Vote for the bill so that we can immediately get some relief in our town."

First, the town would not qualify under the provisions of the bill.

Second, even if the town did qualify, it would take 5 or 6 months to pass the bill, to have it signed into law by the President—if the President should sign it at all—and to have the organization set up to start work. Then the town would have to qualify under the criteria or under the formula. Of course, it would be necessary to find someone who wanted to invest some capital in that town. The shortest time within which anyone could get any relief under the provisions of the bill would be a year, and in my best judgment it would be 2 years.

I suspect there are no more than 25 communities in the United States—there may be more and there may be less—in the obvious situation I mentioned a moment ago, such a situation that even a 12-year-old child knows that never again will jobs be available in the town or community unless someone establishes a new facility. We should afford help in those situations immediately. I am fearful we will build up in great many people hopes which we will be unable to fulfill.

A limited amount of money is to be provided. While the bill provides for $389 million, I believe only $100 million is provided for loans. That is a small amount when we consider furnishing work for those who are unemployed. I think the average investment today in a job is in the neighborhood of from $12,000 to $20,000 per man.

There is another $100,000 designed for farm relief, and some for other purposes.

Likewise, we would start another scheme for placing the Federal Government into the investment business, into private enterprise. We would set up another bureaucracy in Washington. We would establish more offices under the Government, but we would not accomplish what is desired.

A much better plan would be to study the problem existing in the 25—perhaps a few more or perhaps a few less—communities or towns in the United States I described a moment ago in which there will never be another job, so that we may discover what is the best thing to do with the people in these communities, and how best we may serve them.

Mr. President, I wish I could support the proposed legislation, but I cannot support it in the form in which it is written.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill so amended be considered as an original text for the purpose of other amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. DIRKSEN. Mr. President, what was the request?

Mr. DOUGLAS. I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as so amended be considered as an original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 1, line 3, after the word "Act", to insert "may"; on page 5, line 9, after the word "time", to strike out "There shall be included among the areas so designated any industrial area in which there has existed unemployment of not less than (1) 12 per centum of the labor force during the twelve-month period immediately preceding the date on which an application for assistance is made under this Act, (2) 9 per centum of the labor force during at least fifteen months of the eighteen-month period immediately preceding such date, or (3) 6 per centum of the labor force during at least eighteen months of the twenty-four-month period immediately preceding such date. Any industrial area in which there has existed unemployment of not less than 15 per centum of the labor force during the six-month period immediately preceding the date on which application for assistance is made under this Act may be designated as an industrial redevelopment area if the Administrator determines that the principal causes of such unemployment are not temporary in nature." and insert "There shall be included among the areas so designated any industrial area—

"(1) where the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in subparagraph (2) below; and

"(2) where the annual average rate of unemployment shall be included among the areas so designated any industrial area—

"(1) where the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in subparagraph (2) below; and

"(2) where the annual average rate of unemployment has been at least—

"(A) 50 per centum above the national average for three of the preceding four calendar years, or

"(B) 75 per centum above the national average for two of the preceding three calendar years, or

"(C) 100 per centum above the national average for one of the preceding two years.

Any industrial area in which a substantial part of the employment is or most recently was in an industry adversely affected by the reduction of trade barriers under the Trade Agreements Extension Act of 1951, as amended, with respect to which the President has reported to the Administrator under subsection (f) of this section, and meeting the standards of unemployment set forth in this section shall be entitled on application to a priority of consideration by the Administrator for designation as an industrial redevelopment area."; on page 7, line 3, after the words "United States", to strike out "in which he determines that there exist the largest number and percentage of low income families, and" and insert "which he determines are among the highest in numbers and percentages of low-income families, and in which there exists"; in line 16, after the word "area", to strike out "and"; in line 18, after the word "employment", to insert a comma and "and the proportion of the population of each such area which has been receiving public assistance from the State or States in which such area is located or from any municipality therein"; on page 8, after line 19, to insert a new subsection, as follows:

"(f) In any case in which the President is required (1) under the provisions of subsection 4(a) of the Trade Agreements Extension Act of 1951 to transmit a message to the Congress identifying an article with respect to which a trade agreement has caused or threatened to cause serious injury to a domestic industry, or (2) under the provisions of subsection 7(c) of such Act to submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate stating why he has not made such adjustments in the rates of duties, imposed such quotas, or made such other modifications, as are found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to a domestic industry, he shall notify the Administrator and shall send him a copy of such message or report."

On page 16, after line 21, to insert a new subsection, as follows:

"(e) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake."

On page 17, at the beginning of line 10, to strike out "(e)" and insert "(f)"; on page 19, after line 18, to insert a new subsection, as follows:

"(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake."

On page 20, at the beginning of line 6, to strike out "(d)" and insert "(e)"; on page 31, line 25, after the word "Act", to strike out "Such payments shall be made for a period not exceeding thirteen weeks," and insert "Such payments shall be made only during the period the individual is receiving vocational training or retraining under section 16 of this Act, but not in any event to exceed sixteen weeks,"; on page 34, line 3, after the word "of", to strike out "Expenditures" and insert "Expediters"; at

the top of page 35, to insert a new section, as follows:

"RECORD OF APPLICATIONS

"SEC. 20. The Administrator shall maintain as a permanent part of the records of the Administration a list of applications approved, which shall be kept available for public inspection during the regular business hours of the Administration. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan for which application is made, (3) the purposes for which the proceeds of the loan are to be used, and (4) a general description of the security offered."

At the beginning of line 14, to change the section number from "20" to "21"; on page 36, at the beginning of line 5, to change the section number from "21" to "22"; at the beginning of line 22, to change the section number from "22" to "23"; on page 37, at the beginning of line 2, to change the section number from "23" to "24"; and, after line 14, to insert a new section, as follows:

"RECORDS AND AUDIT

"SEC. 25. (a) Each recipient of assistance under section 6 or 7 of this Act shall keep such records as the Administrator shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6 or 7 of this Act."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Area Redevelopment Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing facilities and resources without substantially reducing employment in other areas of the United States.

AREA REDEVELOPMENT ADMINISTRATION

SEC. 3. In order to carry out the purposes of this Act, there is hereby established, within the executive branch of the Government, an Area Redevelopment Administration. Such Administration shall be under the direction and control of an Administrator (hereinafter referred to as the "Administrator") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate of $20,000 per annum.

ADVISORY BOARD

SEC. 4. (a) To advise the Administrator in the performance of functions authorized by this Act, there is authorized to be created an Area Redevelopment Advisory Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: the Administrator as Chairman; the Secretaries of Agriculture; Commerce; Defense; Health, Education, and Welfare; Interior; Labor; and Treasury; the Administrators of the General Services Administration; Housing and Home Finance Agency; and Small Business Administration; and the Director of the Office of Defense Mobilization.

The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

(b) The Administrator shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such Committee the Administrator shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Administrator relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(c) The Administrator is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry, including agriculture, which has been a primary source of high levels of unemployment or underemployment in the several areas designated by the Administrator as redevelopment areas. The Administrator may also call upon representatives of interested governmental departments and agencies, together with representatives of transportation and other industries, to participate in any conference convened under authority of this subsection whenever he determines that such participation would contribute to a solution of the problems creating such unemployment or underemployment. The representatives at any such conference shall consider with and may recommend to the Administrator plans and programs to further the objectives of this Act with special reference to the industry with respect to which the conference was convened.

REDEVELOPMENT AREAS

SEC. 5. (a) The Administrator shall designate as "industrial redevelopment areas" those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area—

(1) where the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in subparagraph (2) below; and

(2) where the annual average rate of unemployment has been at least—

(A) 50 per centum above the national average for three of the preceding four calendar years, or

(B) 75 per centum above the national average for two of the preceding three calendar years, or

(C) 100 per centum above the national average for one of the preceding two years.

Any industrial area in which a substantial part of the employment is or most recently was in an industry adversely affected by the reduction of trade barriers under the Trade Agreements Extension Act of 1951, as amended, with respect to which the President has reported to the Administrator under subsection (f) of this section, and meeting the standards of unemployment set forth in this section shall be entitled on application to a priority of consideration by the Administrator for designation as an industrial redevelopment area.

(b) The Administrator shall also designate as "rural redevelopment areas" those rural areas within the United States which he determines are among the highest in numbers and percentages of low-income families, and in which there exists a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Administrator shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, the availability of manpower in each such area for supplemental employment, and the proportion of the population of each such area which has been receiving public assistance from the State or States in which such area is located or from any municipality therein.

(c) In making the determinations provided for in this section, the Administrator shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies, and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

(d) Upon the request of the Administrator, the Secretary of Labor, the Secretary of Agriculture, and the Secretary of Commerce are respectively authorized to conduct such special studies, obtain such information, and compile and furnish to the Administrator such data as the Administrator may deem necessary or proper to enable him to make the determinations provided for in this section. The Administrator shall reimburse, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(e) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Administrator as an industrial redevelopment area or a rural redevelopment area, and may include one or more counties, or one or more municipalities, or a part of a county or municipality.

(f) In any case in which the President is required (1) under the provisions of subsection 4(a) of the Trade Agreements Extension Act of 1951 to transmit a message to the Congress identifying an article with respect to which a trade agreement has caused or threatened to cause serious injury to a domestic industry, or (2) under the provisions of subsection 7(c) of such Act to submit a report to the Committee on Ways and Means

of the House of Representatives and the Committee on Finance of the Senate stating why he has not made such adjustments in the rates of duties, imposed such quotas, or made such other modifications, as are found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to a domestic industry, he shall notify the Administrator and shall send him a copy of such message or report.

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Administrator is authorize to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including machinery and equipment) for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, or to assist establishments relocating them one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

(b) Financial assistance under this section shall be on such terms and conditions as the Administrator determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in industrial redevelopment areas shall not exceed $100,000,000, and (B) with respect to projects in rural redevelopment areas shall not exceed $100,000,000;

(2) Except as provided in subsection (c), such assistance shall be extended only to applicants, both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision;

(3) The project for which financial assistance is sought is reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the revelopment area wherein it is, or will be, located;

(4) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

(5) No loans shall be made unless it is determined that an immediate participation is not available;

(6) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

(7) Subject to section 12(5) of this Act, no loan, including renewals or extensions thereof, may be made hereunder for a period of exceeding thirty years and no evidences of indebtedness maturing more than thirty years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Administrator as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of ten years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

(8) Such loans shall bear interest at a rate equal to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 9 of this Act, plus one-half of 1 per centum per annum: *Provided*, That an amount equal to one-fourth of 1 per centum per annum of the outstanding principal amount of any loan made under this section shall be allocated from the payments received by the Administrator in the form of interest on such loan to a sinking fund to cover losses on loans under this section;

(9) Such assistance shall not exceed 65 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities (including machinery and equipment), and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

(B) That not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization which is nongovernmental in character, as equity capital or as a loan;

(C) That in extending financial assistance under this section with respect to an industrial or rural redevelopment area, the Administrator shall require that not less than 5 per centum of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources;

(D) That any Federal financial assistance extended under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any Federal financial assistance extended under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Administrator an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

(c) If there is no agency or instrumentality in any State, or political subdivision thereof, qualified to approve applicants for assistance under this section as provided in paragraph (2) of subsection (b), the Administrator shall, upon determining that any area in such State is a redevelopment area, appoint a local redevelopment committee (hereinafter referred to as a "local committee") to be composed of not less than seven residents of such area who, as nearly as possible, are representative of labor, commercial, industrial, and agricultural groups, and of the residents generally of such area. In appointing any such local committee, the Administrator may include therein members of any existing local redevelopment committees. Financial assistance under this section in connection with projects located in a redevelopment area, for which a local committee has been appointed under this section, shall be extended only to applicants, both private and public (including Indian tribes), which have been approved by such local committee.

(d) Of the funds authorized to be raised under section 9 of this Act, not more than $100,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in industrial redevelopment areas, and not more than $100,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in rural redevelopment areas.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area or part thereof, the Administrator is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

(4) there is a reasonable expectation of repayment.

(b) No loan under this section shall be for an amount in excess of 65 per centum of the aggregate cost of the project for which such loan is made. Subject to section 12(5), the maturity date of any such loan shall be not later than forty years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 9 of this Act, plus one-quarter of 1 per centum per annum.

(c) In making any loan under this section, the Administrator shall require that not less than 10 per centum of the aggregate cost of the project for which such loan is made shall be supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan. In determining the amount of participation required under this subsection with respect to any particular project, the Administrator shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redevelopment area, within which such project is to be located.

(d) Any loan made under this section in connection with a particular project shall be repayable only after other loans made in connection with such project and in accordance with this section have been repaid in full. If any loan made under this section is secured, its security shall be subordinate and inferior to the lien or liens securing other loans made in connection with the same project.

(e) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing

public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

(f) Of the funds authorized to be raised under section 9 of this Act, not more than $100,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) The Administrator may conduct studies of needs in the various redevelopment areas throughout the United States for, and the probable cost of, land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of useful public facilities within such areas, and may receive proposals from any State or political subdivision thereof, Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, relating to land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any such area. Any such proposal shall contain plans showing the project proposed to be undertaken, the cost thereof, and the contributions proposed to be made to such cost by the entity making the proposal. The Administrator, in consultation with such entity, is authorized to modify all or any part of such proposal.

(b) The Administrator, pursuant to a proposal received by him under this section, may make grants to any State, or political subdivision thereof. Indian tribe, or private or public organization or association representing any redevelopment area, or part thereof, for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute; and

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section.

The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under section 7 of this Act) for such project, and the amount which is necessary to insure the completion thereof.

(c) The Administrator shall by regulation provide for the supervision of carrying out of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it is prepared to undertake.

(e) There is hereby authorized to be appropriated not to exceed $75,000,000 for the purpose of making grants under this section.

FUNDS FOR LOANS

SEC. 9. To obtain funds for loans under this Act, the Administrator may, with the approval of the President, issue and have outstanding at any one time notes and obligation for purchase by the Secretary of the Treasury in an amount not to exceed $300,000,000. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator with the approval of the Secretary of the Treasury, and shall bear interest at a rate determined by the Secretary of the Treasury, but such rate shall not be greater than the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

INFORMATION

SEC. 10. The Administrator shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Administrator shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

TECHNICAL ASSISTANCE

SEC. 11. In carrying out his duties under this Act, the Administrator is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this Act. Such assistance shall include studies evaluating the needs of, and developing potentialities for, economic growth of such areas. Such assistance may be provided by the Administrator through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $4,500,000 annually.

POWERS OF ADMINISTRATOR

SEC. 12. In performing his duties under this Act, the Administrator is authorized to—

(1) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and define their authority and duties, provide bonds for them in such amounts as the Administrator shall determine, and pay the costs of qualification of certain of them as notaries public;

(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Administrator;

(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this Act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(5) further extend the maturity of or renew any loan made under this Act, beyond the periods stated in such loan or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this Act;

(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this Act. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Administrator. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute, in the name of the Administrator, deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Administrator pursuant to the provisions of this Act may be exercised by the Administrator or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary

or appropriate to the conduct of the activities authorized in sections 6 and 7 of this Act;

(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this Act;

(10) to such an extent as he finds necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classifications laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

(11) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

SEC. 13. Whenever the Administrator shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such area shall not be considered a redevelopment area: *Provided,* That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Administrator determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Administrator that such area no longer qualifies as a redevelopment area. The Administrator shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

URBAN RENEWAL

SEC. 14. (a) Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

"SEC. 112. (a) When the Area Redevelopment Administrator certifies to the Administrator (1) that any county, city, or other muncipality (in this section referred to as a 'municipality') is situated in an area designated under section 5(a) of the Area Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110(c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided,* That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further,* That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105(b).

"(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Redevelopment Act."

(b) The next to the last paragraph of section 110(c) of such Act is amended by inserting after "such projects" the following: "(including projects assisted under section 112 of this title)".

URBAN PLANNING GRANTS

SEC. 15. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words "decennial census which": "(i) are situated in areas designated by the Area Redevelopment Administrator under section 5(a) of the Area Redevelopment Act as industrial redevelopment areas, or (ii)".

VOCATIONAL TRAINING

SEC. 16. (a) The Secretary of Labor, in consultation with the Administrator, shall determine the vocational training or retraining needs of unemployed individuals residing in, or who were last employed in, redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided,* That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman, and other job training needed in the area: *Provided further,* That any vocational training or retraining provided under this section shall be designed to enable unemployed individuals to qualify for new employment in the redevelopment area in which they reside or were last employed.

RETAINING SUBSISTENCE PAYMENTS

SEC. 17. (a) The Secretary of Labor in consultation with the Administrator shall, on behalf of the United States, enter into agreements with States in which redevelopment areas are located, under which the Secretary of Labor shall make payments to such States for the purpose of enabling such States, as agents of the United States, to make weekly retraining payments to unemployed individuals residing within such redevelopment areas who are not entitled to unemployment compensation (either because their unemployment compensation benefits have been exhausted or because they were not insured for such compensation) and who have been certified by the Secretary of Labor to be undergoing vocational training or retraining under section 16 of this Act. Such payments shall be made only during the period the individual is receiving vocational training or retraining under section 16 of this Act, but not in any event to exceed sixteen weeks, and the amounts of such payments shall be equal to the amount of the average weekly unemployment compensation payment payable in the State making such payments.

(b) The Secretary of Labor and the Administrator shall jointly prescribe such rules and regulations as they may deem necessary to carry out the provisions of this section and section 16 of this Act.

(c) There are hereby authorized to be appropriated such sums, not in excess of $10,000,000, as may be necessary to carry out the provisions of this section.

PENALTIES

SEC. 18. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefore, or for the purpose of influencing in any way the action of the Administrator, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(b) Whoever, being connected in any capacity with the Administrator (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Administrator or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Administration, makes any false entry in any book, report, or statement of or to the Administrator, or without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Administrator, or (4) gives any unauthorized information concerning any future

action or plan of the Administrator which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Administrator, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 19. No loan shall be made by the Administrator under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Administrator the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Administrator for assistance of any sort, and the fees paid or to be paid to any such person; and (2) execute an agreement binding any such business enterprise for a period of two years after any assistance is rendered by the Administrator to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee of the Administration, occupying a position or engaging in activities which the Administrator shall have determined involve discretion with respect to the granting of assistance under this Act.

RECORD OF APPLICATIONS

SEC. 20. The Administrator shall maintain as a permanent part of the records of the Administration a list of applications approved, which shall be kept available for public inspection during the regular business hours of the Administration. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant and, in the case of corporate applications, the names of the officers and directors thereof, (2) the amount and duration of the loan for which application is made, (3) the purposes for which the proceeds of the loan are to be used, and (4) a general description of the security offered.

PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

SEC. 21. The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects undertaken by public applicants assisted under this Act (1) shall be paid wages at rates no less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than forty hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed.

ANNUAL REPORT

SEC. 22. The Administrator shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1960. Such report shall be printed, and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Administrator, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Administrator such information as may be necessary for the purposes of this section.

APPROPRIATION

SEC. 23. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

USE OF OTHER FACILITIES

SEC. 24. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this Act, the Administrator shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

RECORDS AND AUDIT

SEC. 25. (a) Each recipient of assistance under section 6 or 7 of this Act shall keep such records as the Administrator shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6 or 7 of this Act.

Mr. DOUGLAS. Mr. President, I further ask unanimous consent that members of the committee staff in addition to the number permitted by the rule be privileged to be present in the Chamber to give help and advice to Members of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I yield 30 minutes to the Senator from Connecticut [Mr. DODD] on the bill.

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from Connecticut is recognized for 30 minutes.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. DIRKSEN. If it is agreeable to the Senator, I should like to offer my amendment in the nature of a substitute at this time, so that it will be before the Senate.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the amendment be printed in the RECORD without reading.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

The amendment offered by Mr. DIRKSEN is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Area Assistance Act of 1959'.

"DECLARATION OF PURPOSE

"SEC. 2. The Congress declares that, even during periods of prosperity for the Nation as a whole, some of our communities suffer substantial and persistent unemployment; that such unemployment causes hardship to many individuals and their families and detracts from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment to take effective steps in planning and financing their economic development; that Federal assistance should enable communities to achieve lasting improvement and decrease economic vulnerability by the establishment of stable and diversified local economies; and that new employment opportunities should be created rather than merely transferred from one community to another.

"AUTHORITY OF SECRETARY OF COMMERCE

"SEC. 101. (a) The Secretary of Commerce, hereinafter referred to as the Secretary, may designate as an area of substantial and persistent unemployment any area certified as eligible for such designation by the Secretary of Labor.

"(b) To assist areas in the United States designated as areas of substantial and persistent unemployment, the Secretary is authorized—

"(1) to make grants for technical assistance for such areas in accordance with the provisions of section 106 (a) of this Act; and

"(2) to provide loans for such areas in accordance with the provisions of section 107 of this Act.

"(c) The Secretary is also authorized—

"(1) to extend the full cooperation of the Federal Government to all areas in the United States (including Puerto Rico) in promoting the more effetcive use of local resources, in the establishment of new industries based on local resources, and in the expansion of existing industries; such cooperation to be provided through technical advice and consultation and, when necessary, through the conduct of special studies;

"(2) to decrease, through grants made in accordance with the provisions of section 106(b) of this Act, the economic vulnerability of towns predominantly dependent on one industry, small towns which could serve as centers for economic diversification of rural areas of underemployment, and rural low-income areas by helping them develop manufacturing, processing, and other activities calculated to diversify and improve their economics; and

"(3) to coordinate his functions under this Act with those of the Secretary of Agriculture and other officials administering Federal programs affecting local economic conditions.

"(d) As used in this Act: (1) The term "United States" includes the several States, the Territory of Hawaii, and the District of Columbia; (2) the term "State" refers to an individual State, the Territory of Hawaii, or the District of Columbia; and (3) the term "loan" includes loans, immediate participation in loans, and purchase of evidences of indebtedness.

"AUTHORITY OF SECRETARY OF LABOR

"SEC. 102. (a) The Secretary of Labor shall from time to time, or upon the request of the Secretary, certify the existence of areas eligible for designation as areas of substantial and persistent unemployment whenever he finds on the basis of available labor force data, or studies which he initiates when he deems necessary, that—

"(1) the rate of unemployment in the area, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum and has averaged at least 6 per centum for the qualifying time periods specified in (2) below; and

"(2) the annual average rate of unemployment in the area has been at least—

"(A) 50 per centum above the national average for four of the preceding five calendar years, or

"(B) 75 per centum above the national average for three of the preceding four calendar years, or

"(C) 100 percentum above the national average for two of the preceding three calendar years; and

"(3) nonagricultural employment in the area has declined, or has shown a smaller increase than in the country as a whole, during the preceding five calendar years: *Provided*, That no area shall be excluded by the requirement of this subsection if the annual average rate of unemployment in that area for three of the last four years exceeds 8 per centum.

"(b) In the case of labor market areas for which appropriate historical labor force data have not been compiled, the Secretary of Labor shall certify as eligible for designation as areas of substantial and persistent unemployment those areas in which the unemployment rate and duration, based on a survey of available labor force data, generally equals or exceeds the rate and duration specified in section 102 (a).

"(c) The Secretary of Labor may also certify under subsection (a) or (b) of this section the existence of eligible areas upon request of any appropriate State government agency, instrumentality, or political subdivision.

"(d) The Secretary of Labor is authorized upon request and whenever he determines that such studies are needed, to undertake, or to provide assistance to others in studies of the size, characteristics, skills, adaptability, occupational potentialities, and related aspects of the labor force of an area certified under section 102.

"(e) When skills of the labor force in an area designated under section 101 are not such as to facilitate full utilization of the human resources in such area, the Secretary of Labor is authorized to provide advice and technical assistance in developing and carrying out a program to improve the utilization of such labor force.

"(f) Whenever the Secretary of Labor finds a need for vocational education services in an area designated under section 101 and when such area has an economic development program as provided in section 107 (b) (9), he is authorized to assist interested agencies to determine the vocational training needs of unemployed individuals residing in the area, and he shall notify the Secretary of Health, Education, and Welfare of the vocational training or retraining requirements of the area. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, is authorized to provide assistance, including financial assistance when necessary or appropriate, to the State vocational education agency in the provision of such services in the area.

"AUTHORITY OF HOUSING AND HOME FINANCE ADMINISTRATOR

"SEC. 103. Title I of the Housing Act of 1949, as amended, is amended by adding the following new heading and section at the end of title I:

"'AREAS OF SUBSTANTIAL AND PERSISTENT UNEMPLOYMENT

"'SEC. 112. (a) When the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (referred to as 'municipality' in this section) is situated in an area designated by the Secretary of Commerce pursuant to the Area Assistance Act of 1959 as an area of substantial and persistent unemployment, and (2) that there is a reasonable probability that with assistance provided under the Area Assistance Act of 1959 and other undertakings the area will be able to achieve lasting improvement in its economic development, the Administrator is authorized to extend financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"'(b) The Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110(c) of this title that the project area be clearly predominantly residential in character or that it will be predominantly residential under the urban renewal plan.

"'(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structures suitable for rehabilitation under the urban renewal plan for the area.

"'(d) Notwithstanding any other provisions of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area, designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land to such public agency or corporation under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further*, That the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed in conformity with the requirements of section 105(b) hereof.

"'(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested under this section for the completion of such project notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an area of substantial and persistent unemployment.'

"SEC. 104. The first sentence of section 202(c) of title II of the Housing Amendments of 1955 is amended to read as follows:

"'(c) In the processing of applications for financial assistance under this section, the Administrator shall give priority first to applications of counties, cities, and other municipalities and political subdivisions for financing needed public facilities in areas determined to be areas of substantial and persistent unemployment under the Area Assistance Act of 1959: *Provided*, That the Secretary of Commerce certifies there is reasonable probability that with assistance made available under the Area Assistance Act of 1959 and other undertakings such areas will be able to achieve lasting improvement in their economic development; and, second, to applications of smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need.'

"SEC. 105. The second sentence of section 701 of the Housing Act of 1954, as amended, is amended by adding the following in clause (2) after the words 'decennial census which': '(i) are situated in areas designated by the Secretary of Commerce under the Area Assistance Act of 1959 as areas of substantial and persistent unemployment or (ii)'.

"GRANTS FOR TECHNICAL ASSISTANCE

"SEC. 106. (a) In carrying out section 101 (b) (1), the Secretary is authorized to make grants for technical assistance including studies evaluating the needs of, and developing potentialities for, economic growth of areas designated under section 101(a). These grants may be made without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529). Appropriations are hereby authorized for these grants in an amount not to exceed $1,500,000 annually.

"(b) In carrying out section 101(c)(2), the Secretary is authorized to make similar grants for the benefit of towns and areas described therein. Negotiations taking into account the financial ability of the grantee and other relevant considerations shall be made for contributions to costs of projects undertaken hereunder. These grants may be made without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and appropriations therefor are hereby authorized in an amount not to exceed $1,500,000 annually.

"LOANS

"SEC. 107. (a) In carrying out section 101(b)(2) of this Act, the Secretary is authorized to aid in financing any project for the purchase or development of land and facilities for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such loans shall not be extended for working capital, for purchase of machinery or equipment, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(b) Loans made under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) The total amount of loans outstanding at any one time shall not exceed $50,000,000;

"(2) Such loans shall be extended only to applicants, both private and public, approved by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed shall be located;

"(3) No such loan shall be extended hereunder unless the financial assistance applied for is not otherwise available from other lenders on reasonable terms;

"(4) No direct loan shall be made unless it is determined that an immediate participation is not available;

"(5) No loans shall be made unless it is determined that there is a reasonable assurance of repayment;

"(6) Each loan shall bear interest at a rate not less than the interest rate currently payable under section 108(e) on advances from the Treasury plus additional amounts deemed adequate to cover administrative expenses and a reasonable reserve for losses;

"(7) No loan, including renewals or extension thereof, may be made hereunder

for a period exceeding twenty-five years: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal or additional periods, not to exceed, however, a total of ten years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

"(8)(A) Not less than 15 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities, and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project shall be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan repayable only after the financial assistance hereunder has been repaid in full according to the terms thereof and, if such loan is secured, its security shall be subordinate and inferior to the lien or liens securing the financial assistance hereunder;

"(B) Of the remaining 85 per centum of the aggregate cost, 35 per centum of the aggregate cost may be loaned by the Secretary under the terms of this Act and security for such a loan may be subordinate and inferior to the lien or liens which secure any loan or financing other than funds required by section 107(b)(8)(A).

"(C) Loans shall not be available hereunder unless other funds are available in an amount which, together with assistance provided hereunder and funds provided under section 107(b)(8)(A), shall be sufficient to pay such aggregate cost; and

"(9) No such loan shall be extended unless there shall be submitted and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which loans is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

"AREA ASSISTANCE FUND

"SEC. 108. (a) There is hereby authorized to be established in the Treasury of the United States a revolving fund to be known as the area assistance fund (hereinafter referred to as the 'fund'), which shall be available to the Secretary for the payment of all obligations and expenses in connection with the loans authorized under section 101(b)(2).

"(b) When requested by the Secretary, advances shall be made to the fund from the appropriations made therefor. There is hereby authorized to be appropriated for the purpose of making advances to the fund, without fiscal year limitation, an amount not exceeding $50,000,000.

"(c) Receipts arising from the loan program shall be credited to the fund.

"(d) Any moneys in the fund determined by the Secretary to be in excess of current needs shall be credited to the appropriation from which advanced to be held for future advances to the fund.

"(e) There shall be paid into miscellaneous receipts of the Treasury at the close of each fiscal year interest on advances to the fund at a rate which shall be determined by the Secretary of the Treasury after taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to loans made by the Secretary.

"(f) Contributions shall be made from the fund to the civil service retirement and disability fund, on the basis of annual billings as determined by the Civil Service Commission, for the Government's share of the cost of the civil service retirement system applicable to employees (and their beneficiaries) performing activities authorized under section 101(b)(2). Contributions shall also be made to the employee's compensation fund, on the basis of annual billings as determined by the Secretary of Labor, for the benefit payments made from such fund on account of employees performing activities authorized under section 101(b)(2). The annual billings shall also include a statement of the fair portion of the cost of the administration of the respective funds, which shall be paid by the Secretary into the Treasury as miscellaneous receipts.

"BUDGET AND AUDIT

"SEC. 109. In the performance of and with respect to the functions, powers, and duties vested in him by section 107 of this Act, the Secretary shall—

"(a) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended; and

"(b) maintain a set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That the Secretary, with respect to the program of financial assistance authorized by section 101(b)(2), shall determine the character of and the necessity for obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations.

"AREA ASSISTANCE ADMINISTRATOR

"SEC. 110. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Assistance Administrator in the Department of Commerce, who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary may assign.

"POWERS

"SEC. 111. In the performance of, and with respect to, the functions, powers, and duties vested in him under this Act, the Secretary may—

"(a) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and define their authority and duties;

"(b) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(c) under such regulations as he may prescribe, make such findings and determinations as may be required for the proper administration of this Act and such findings and determinations, together with those required to be made by the Secretary of Labor pursuant to section 102, hereof, shall be final and shall not be subject to review in any court by mandamus or otherwise: *Provided*, That with respect to the validity, effect, and enforcement of section 101(b)(2) hereof or security taken thereunder, statutes, rules, and regulations pertaining generally to suits by and against the United States shall be applicable;

"(d) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans granted under this title, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such loans until such time as such obligation may be referred to the Attorney General for suit or collection;

"(e) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of loans granted under this title;

"(f) pursue to final collection, by way of compromise or other administrative action prior to reference to the Attorney General, all claims against third parties assigned to the Secretary in connection with loans made by him. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made under this title if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Secretary deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein acquired by the Secretary pursuant to the provisions of this title, may be exercised by the Secretary or by any officer or agent appointed by him for the purpose;

"(g) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in section 101(b)(2) of this Act; and

"(h) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made or securities acquired under the provisions of this title: *Provided*, That no attorney's services shall be produced by contract in any office where an attorney or attorneys are or can be economically employed full time to render such service.

"ADVISORY BOARD

"SEC. 112. To advise the Secretary in the performance of functions authorized by this Act, there is authorized to be created an Area Assistance Advisory Board, hereinafter referred to as the 'Board', which shall consist of the following members, all ex officio: The Secretary, as Chairman, the Secretaries of Agriculture, Health, Education, and Welfare, Labor, and Treasury, the Administrators of the Housing and Home Finance Agency and of the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the Executive Branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

"DEPOSITARIES AND AGENTS

"SEC. 113. The Federal Reserve banks are authorized and directed to act as custodians and fiscal agents for the Secretary in the general performance of the powers conferred by this title. Each Federal Reserve bank

shall be entitled to be reimbursed for all expenses incurred as such fiscal agents. Any banks insured by the Federal Deposit Insurance Corporation, when designated by the Secretary of the Treasury, may act as custodians and depositaries for the Secretary.

"PENALTIES

"SEC. 114. With respect to financial assistance authorized by this Act:

"(a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(b) Whoever, being connected in any capacity with the Secretary (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Secretary makes any false entry in any book, report, or statement of or to the Secretary, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(c) As used in this section, the term 'Secretary' shall mean, with respect to the lending activities of the Housing and Home Finance Administrator authorized under this Act, the Housing and Home Finance Administrator.

"USE OF OTHER FACILITIES

"SEC. 115. (a) To avoid duplication of activities and minimize expense in carrying out the provisions of this Act, the Secretary shall to the extent practicable and with their consent use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

"CONSULTANTS

"SEC. 116. The Secretary is authorized to obtain services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55(a)), at rates not to exceed $75 per diem for individuals.

"ANNUAL REPORT

"SEC. 117. The Secretary shall make a comprehensive annual report of his operations under this Act for the fiscal year ending on the preceding June 30, to the President, for transmission to the Congress as soon as practicable in each year, but in no case later than the third day of the following January.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 118. In addition to appropriations specifically authorized by sections 106 and 108, appropriations are further authorized for the carrying out of other provisions and purposes of this Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. CAPEHART. Mr. President, I should like to ask the Senator a question. The amendment is the same as the bill which was considered by the Senate Committee on Banking and Currency, introduced by the able minority leader, the Senator from Illinois [Mr. DIRKSEN], is it not?

Mr. DIRKSEN. The Senator is correct.

Mr. CAPEHART. It is normally called the administration bill?

Mr. DIRKSEN. The Senator is correct.

Mr. CAPEHART. The amendment is a complete substitute for the pending bill, is it not?

Mr. DIRKSEN. The Senator is correct.

Mr. CAPEHART. And the amendment is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. LANGER. Mr. President, I was a cosponsor of S. 722, a bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas. I now offer an amendment intended to be proposed by me which states as follows:

On page 6, line 13, after the period, add the following new sentence:

The Administrator shall also designate as rural redevelopment areas each State the civilian income from manufacturing of which is less than 50 per centum of the average income from manufacturing of the States of the United States.

The reason for my offering the amendment is that the amendment would definitely be beneficial to 13 States whose civilian income from manufacturing is less than 50 percent of the national average. Those States and their percentage of income from manufacturing are as follows: North Dakota, 3.1 percent; Nevada, 5.3 percent; South Dakota, 6.8 percent; Wyoming, 8.5 percent; Montana, 10.1 percent; New Mexico, 10.2 percent; Florida, 10.9 percent; Arizona, 11.4 percent; Nebraska, 14.1 percent; Colorado, 14.6 percent; Utah, 14.8 percent; Idaho, 14.8 percent; and Oklahoma, 15.4 percent.

Mr. President, I have received correspondence from the Honorable Lawrence A. Schneider, director of the Economic Development Commission, State of North Dakota, in which he urges the adoption of the proposed amendment. He states:

If the amendment and the bill are passed, it would make possible the borrowing of funds by our States and communities so that they, too, could interest and develop the expansion of manufacturing into the above 13 States.

Mr. President, this bill is a resubmission of the depressed areas bill of the recession. However, I should like to impress upon my colleagues that when this bill was introduced in the previous session, our Nation was on the road to one of the highest levels in the history of our economy. The gross national product and the earnings of our people generally were going up and did reach their highest level after the depressed areas bill was reintroduced in the 85th Congress on January 29, 1957. If there was—and beyond doubt there was—a great need for such a measure as a depressed areas bill in 1956–57, there certainly is a far greater need today when we are about to vote on this bill, since we all know that our Nation has been in the throes of a recession, which became evident in March 1958, when unemployment reached a peak of over 6.5 million people—a tremendous increase in unemployment over the time when the bill was introduced in the 84th Congress and reintroduced in the 1st session of the 85th Congress.

More than a decade ago, Congress recognized its responsibility to utilize the country's resources and shape its policies to establish conditions which would assure that maximum employment, production, and purchasing power would prevail throughout the United States. The Employment Act of 1946 was passed with this thought in mind. However, in view of this legislation and in view of the tremendous surge of our national economy through 1956 and into 1957, there still remain a large number of communities that fail to share in the prosperity which has prevailed generally throughout the country. Chronic unemployment and underemployment of the type weighing upon so many American cities, communities, and rural sections tend to stifle the economic life of entire areas. This, of course, has an impact on community institutions and living standards of many persons. It affects their education, health, and welfare problems. This, of course, increases the taxpayer's burden for welfare and assistance costs.

I strongly believe that Senate bill 722, with my amendment will provide for redevelopment of these areas by providing a flexible and adaptable program to meet the needs of the many communities, both industrial and rural, which have suffered from chronic unemployment and underemployment. My great State of North Dakota and other States of similar size and population will receive great benefits from my proposed amendment which provides that—

The administrator shall also designate as rural development areas each State the civilian income from manufacturing of which is less than 50 percent of the average income from manufacturing of the States of the United States.

Mr. President, I am certain that after all the facts in the matter are seriously considered, the Members of the Senate will vote favorably on S. 722 and my proposed amendment.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated March 17, 1959, which I have received from Martin N. Gronvold, director of the North Dakota Unemployment Compensation Division.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTH DAKOTA WORKMEN'S COMPENSATION BUREAU,
Bismarck, N.Dak., March 17, 1959.

The Honorable WILLIAM LANGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR LANGER: In response to your letter of March 12, please be advised that insured unemployment averaged 10.4 percent in North Dakota for the week ending February 21, 1959.

The areas having the highest percent of unemployment were:

1. Mandan area—21.9 percent. (Includes the counties of Grant, Mercer, Morton, Oliver, and Sioux.)
2. Jamestown area—14.7 percent. (Includes the counties of Dickey, Foster, LaMoure, Logan, McIntosh, Stutsman, and Wells.)
3. Bismarck area—11.8 percent. (Includes the counties of Burleigh, Emmons, Kidder, McLean, and Sheridan.)
4. Minot area—11.5 percent. (Includes the counties of Bottineau, McHenry, Pierce, Renville, Rolette, and Ward.)
5. Grand Forks area—10.3 percent. (Includes the counties of Grand Forks, Steele, and Traill.)

By way of comparison, the Fargo area, which includes only Cass County, had an insured unemployment rate of 4.2 percent.

I should stress that the above rates of unemployment relate only to those workers which are covered by unemployment insurance, which in North Dakota includes only those nonagricultural establishments which have four or more employees. While we have no information available regarding agricultural employees, it is assumed that the rate of unemployment among this group of workers would be much higher than that of nonagricultural employees at this time of the year.

As you know, the large part of our unemployment problem stems from the seasonality of our economy. Each year our rate of insured unemployment will range from one of the lowest in the United States in the summer months to one of the highest during the winter months.

If we can be of any further service to you in this connection, please do not hesitate to call upon us.

Sincerely yours,
NORTH DAKOTA UNEMPLOYMENT COMPENSATION DIVISION,
MARTIN N. GRONVOLD, *Director.*

Mr. DOUGLAS. Mr. President, I assume the time consumed by my friends and colleagues from Illinois, North Dakota, and Wisconsin will not be taken from the time of the Senator from Connecticut.

The PRESIDING OFFICER. That is the understanding of the Chair.

The Senator from Connecticut is now recognized for 30 minutes.

Mr. DODD. Mr. President, for the past 20 years our country on the whole has enjoyed a prosperity previously unknown anywhere in the world.

To be sure, there have been three serious recessions during this period. Fortunately, their effect was limited, and we have succeeded in avoiding a major depression. But millions of our fellow Americans, living in many areas of the country, have not shared in this growing prosperity. For them there has been nothing but hard times, which have lingered on year after year.

As the general level of economic well-being has improved, conditions in these areas have continued to deteriorate.

The blight of chronic unemployment has spread its withering tentacles across whole regions of this country.

In West Virginia 300,000 families have been reduced to such a point that hunger is a day-to-day reality and in many cases only the distribution of Federal surplus foods is preventing actual starvation.

In Pennsylvania alone, almost a million people are dependent on these surplus food distributions, inadequate and deficient as they are.

In Kentucky, large areas are slipping into a swamp of poverty and despair that is as bad and in some cases worse than the darkest days of the 1930's.

In New England, economic disaster has spread from one textile center to another, leaving mass unemployment, ruined towns, and depressed conditions in its wake.

And so the story goes in other pockets of permanent depression spread throughout the country.

Each of these depressed areas is an economic cancer eating away at the fabric of our national prosperity. These regions could be contributing richly to the wealth of our country, furnishing markets for goods, providing sources of national strength, and adding greatly to our productive power. But instead, they constitute a source of national weakness and of economic loss; and they lay a heavy toll on our whole economy.

Of far greater importance, however, is the price paid in terms of human misery, of ruined lives, of broken families, of lost opportunities, of ignorance and of degradation which inevitably accompany grinding and prolonged poverty. The extent of this impoverishment in depressed areas has been documented again and again in this Chamber by other Senators. In a series of memorable speeches, the distinguished Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH], day in and day out have brought before the Members of the Senate the tragic situation in West Virginia and other areas. Other Senators have done the same. The facts are all in the record. We can no longer plead ignorance.

We know these conditions exist. And we know that in this great land of plenty there is no justification for allowing such conditions to continue. There is no excuse for it, economically, politically, or morally.

The Douglas area redevelopment bill proposes a many-pronged attack on the problem of depressed areas. It calls for the establishment of a Federal agency, which working in close cooperation with local authorities and private industry, would provide a wide variety of assistance to these regions.

Under the provisions of the Douglas bill, S. 772, Federal loans would be available for the establishment of industry in depressed areas. The bill calls for additional loans for building public facilities necessary to the establishment of industry, such as sewers, roads and drainage systems. And direct assistance grant for the construction of other public facilities are included; in order that conditions in depressed communities may be made more livable for their people, and more attractive for outside industry.

Technical advice would be furnished to local communities by competent authorities; programs to teach the unemployed new skills would be set up. Subsistence would be provided for workers learning these skills. Thus, these communities would be given the tools to work out their own problems.

What of the cost? The cost is $300 million in loans that would be paid back with interest. The cost is $89 million for Federal grants.

This is a small price to pay for helping to bring about prosperity when compared to the cost of continuing poverty. In 1958, the cost in unemployment compensation payments from all sources was $4½ billion. Representative PATMAN has pointed out that if unemployment in depressed areas could be reduced to the national level of unemployment, a saving of $450 million annually in unemployment compensation payments would be effected. The cost of supplying Federal surplus food distribution to areas of high unemployment has amounted to $1.2 billion during the past 6 years. These are only small indexes of the total cost which we shall be actually levying upon ourselves if we refuse to take action to overcome chronic unemployment.

The Douglas bill proposes the same kind of assistance to our own people that we have been providing at a cost of billions of dollars to peoples all over the globe. We have before us what I call a point 4 program for aid to depressed and underdeveloped areas of our own country. Many of those who oppose this bill, support foreign aid, as I do; and I say that what is right for the peoples of other countries is right for the people of our own country.

A number of objections have been raised against this depressed area legislation. It is argued that this is not a task for the Federal Government; that Federal funds should not be used to aid in the establishment of private enterprises; that new jobs created in depressed areas are jobs taken away from prosperous areas; that for geographical or economic reasons, large areas of the country will inevitably suffer permanent depressed conditions; and that the answer to this problem is not Federal aid but mass migration of the populations involved to more prosperous regions. And it is said that, although the present program may be a modest one, it is bound to expand in years ahead, and therefore, it should be strangled in its infancy.

In the face of the gravity of the problem of depressed areas, the enormity of the suffering involved, and the tragedy of the loss in human and economic terms, these arguments seem to me nar-

row and flimsy, even if they were in some respects valid. But I do not think they are valid.

Why is this not a proper and legitimate area for Federal endeavor?

The problem involves millions of people in a score or more of States. It is a problem too vast to be solved by individuals or by local or State governments. And the continuation of these conditions involves an injustice which can no longer be tolerated by the American people.

The need for Federal help is clear. The means for Federal help are at hand. The responsibility can no longer be avoided.

We cannot accept the reasoning that a new job in a depressed area is a job taken away from some other area. Such reasoning assumes that we have a static economy, that there is a fixed number of jobs, a number far below the available manpower.

The advocates of depressed-area legislation believe in the concept of a growing economy, sometimes called an expanding economy. We believe that new jobs create other jobs; that grinding poverty in one place endangers prosperity in all places; and that in the long run, progress and economic growth anywhere helps us everywhere.

The idea of mass migration for the unemployed may seem appealing to someone sitting in a comfortable office surrounded by charts and graphs, someone to whom unemployment and poverty are mere statistics. But when one goes out into the depressed areas in Connecticut, Pennsylvania, West Virginia, and other States, he immediately sees the absurdity and cruelty of this suggestion. Vast areas of the country are involved. Millions of people are involved—people who, in most cases, are relatively unskilled, or people whose skills are no longer in demand. Where will they go? Can whole counties and regions be abandoned? To ask these questions is to answer them.

All of the areas covered by the bill were at one time growing and prosperous. All of them have been in the past a source of national strength and of economic strength. We believe that they can be again and that they will be, if only we give them a chance.

Some agree that the program being discussed today is modest and acceptable, but they say it is bound to expand and become extravagant and that, therefore, it should be choked off before it gets started.

If we were to apply this philosophy to every grave problem before us, our country would soon become paralyzed. We cannot refuse to attempt to solve the problems of our time because we fear the incompetence and extravagance of future administrations or future Congresses. We can only try to meet effectively the demands of our time and our hope that our successors will do the same in their time.

There are other objections which I cannot deal with properly in the limited time available but I can say this: To those who oppose this bill on the grounds that it is too small to do what its advocates hope it will do, we say, "Come forward with your amendments and proposals to make this bill more effective and greater in scope and we will support them."

To those who say that the bill is unfair because it deals with only a certain portion of the unemployed, to the exclusion of others, we say, "Join with us on this bill; and then bring forward your own suggestions for helping the unemployed you refer to, and we will join with you."

To those who say that the bill is administratively unworkable, we say, "Come forward with proposals that will make it more workable and we will support them."

Opponents of this type of legislation in my own State have raised doubts as to the effectiveness of the Douglas bill as far as Connecticut is concerned. Some go further, and say that the bill could have an adverse effect on Connecticut through encouraging a shift of industry to other States that would otherwise have remained in, or located in, Connecticut.

I dispute this contention.

Connecticut has a real and a continuing need for this proposed legislation. We have almost 100,000 unemployed workers. All our industrial cities will soon become eligible for aid if depressed conditions continue. This is one of the strange features of the situation. The cities of Bristol, Danielson, and Norwich already qualify. In a few months, based on present unemployment figures, Ansonia, Bridgeport, Meriden, New Britain, and Torrington will become eligible for some form of aid. And 4 months later, Middletown, New Haven, Thompsonville, Waterbury, and Willimantic will qualify.

These cities form the industrial heart of Connecticut; and I cannot understand opposition to this bill on the grounds that it would provide only insignificant aid to our State. Nor do I believe that this bill will result in a loss of industry to other States.

I share the belief of Governor Ribicoff of Connecticut that because of the proximity of our State to the great markets of the Northeast, Connecticut stands to gain greatly from the establishment of branch plants, if only some extra inducements can be provided, inducements which are provided in the Douglas bill.

I have been urged to oppose this bill on the grounds that some States will obtain greater assistance than will Connecticut. This argument, which is not a new one, but which has often been used, is advanced often in a State such as mine, which has high standards of per capita income, health, education, and public facilities. It does not seem to matter whether the question is highways, education, urban renewal, unemployment compensation, or something else; someone is sure to point out that Connecticut is better off than many other States, and that therefore we should oppose any Federal help anywhere in the United States until other States have drawn even with Connecticut. I reject this view: It runs against the grain of my political philosophy, and as a practical matter it gets Connecticut nowhere.

Certainly we are more fortunate than many other States in many fields. I do not say this boastfully, but rather because I have a point to make. However, we also have problems which we cannot solve without the help of other States. We will not get such help, and we will not deserve it, if we adopt a selfish, narrow attitude toward the needs of our sister States.

I believe I have documented the fact that Connecticut has great need for depressed area legislation and stands to benefit greatly from its provisions. I have pointed out that Connecticut has almost 100,000 unemployed and that factories are closed in every one of our industrial cities. But even if there were not a single unemployment worker in Connecticut, even if there were not a single factory or shop shut down, I would still support this bill because it is good for the country. If there are representatives in this Chamber from States that have no economic problems, surely they cannot be indifferent to the plight of millions of their fellow Americans.

The depressed areas of today were once thriving. The thriving areas of today and this is something to remember—may someday be depressed. We cannot go wrong by doing what is good for the whole country.

Long ago we, as a Nation, decided that Federal funds should be used to combat economic problems which were national in scope. I do not believe anyone questions that decision now. There is no longer any fundamental division between our two political parties on this question. Both the administration and Democratic congressional leaders have submitted programs for aid to depressed areas. Therefore, we need not argue the appropriateness and feasibility of Federal aid in this case. That question has been decided and is now, for all practical purposes, a closed issue.

The question before us is which proposal for Federal aid to depressed areas shall we adopt? I support the Douglas bill, S. 722. I support it because it is broader in scope, because it provides more assistance, and because it provides better organization and better tools to accomplish an enormous responsibility.

For many years the great senior Senator from Illinois [Mr. DOUGLAS] has acted as the conscience of the Nation in keeping before us the plight of the forgotten men of our time, the victims of depressed areas.

I have watched for many years with growing admiration the way in which month by month and year by year the Senator from Illinois [Mr. DOUGLAS] has kept the plight of the people of the depressed areas before the Nation and has, bit by bit, won approval for his enlightened program. The Senator from Illinois has walked a long and, I think, a lonely road that has been filled with disappointments. He has seen his bill passed by the Senate and fail in the House. He has seen it passed by both Houses, only to be vetoed by the President.

I hope and believe that we are now on the threshold of final victory for depressed area legislation.

I am glad that the Senator from Illinois is on the floor. Let me say to him and to my other colleagues on the floor that as each depressed area of our country is converted to a prosperous and thriving community, it will be only another monument to the foresight, the courage, and the perseverance of the great man who is the father of the legislation before us today. I congratulate the Senator from Illinois and I wish to say of him publicly what I often feel privately. The whole country is the better and the stronger for having this remarkable scholar, this dedicated humanitarian, and this true statesman in the United States Senate.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. DOUGLAS. First, I wish to thank the Senator from Connecticut for his very generous statements about me, which are undeserved but which I appreciate very much. I congratulate the Senator from Connecticut for the very broad and statesmanlike attitude he is taking. Is it not also true, as the Senator from from Connecticut has stated, that the pending bill would be of present benefit to a number of Connecticut areas which would be eligible for assistance, notably the Bristol, Danielson, and Norwich areas?

Mr. DODD. Yes.

Mr. DOUGLAS. Is it not also true that the current rate of unemployment in such large industrial centers of Connecticut as Bridgeport, New Britain, New Haven, and Waterbury is above 6 percent?

Mr. DODD. Yes.

Mr. DOUGLAS. Unless conditions are improved very greatly in the near future, these same areas will be in need of assistance. Is that not true?

Mr. DODD. Yes. That is correct. I brought that point out in my statement a few moments ago. It appears from the best evidence available that these areas will be eligible very soon.

What is significant, I believe, is the fact that the areas where unemployment is occurring are not areas which have been affected or are now affected primarily by cycles of unemployment or seasonal unemployment. There is something far more at fault. It has been a paralyzing fault. I wish I could take my colleagues to the northeastern section of Connecticut to which I am referring. I am not speaking rhetorically or overstating the case when I say that we have experienced hard times in these areas. These people are not able to help themselves. Many of them are people with skills which are no longer usable. Unless something of this kind is done for them they will be cast on the trash heap of life, so to speak.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DODD. I shall be glad to yield as soon as I have finished my comment in further answer to the question of the Senator from Illinois. We have this condition in parts of Connecticut. However, I hope the Senator from Illinois heard me say also that if not even one man or woman was out of work in Connectiuct in one factory or shop, I would still be in favor of the bill, because it is in the best interest of the whole Nation. We are one Nation, we are one Union and we must think and act as one united people. The times, the conditions, and the welfare of all require, yes demand, that we cast off our narrow, ancient attitudes and pull together at home, even as we are urging our friends to do with us abroad.

I heard the Senators from West Virginia [Mr. BYRD and Mr. RANDOLPH] describe to the Senate day after day the plight in their State. I have heard the same situations described by others. My State has been prosperous. Generally speaking, it has made great advances. However, I do not believe we should view the general situation in that light. All of us should be deeply distressed by the plight of the people in our sister States. What I have said about the situation is right. What is good and what is salutary for the country—and this is a great, dynamic program—will prove in some considerable measure the solution of many of our serious economic troubles.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. DODD. I yield.

Mr. DOUGLAS. While it is true that the exurban county of Fairfield is a prosperous county, where prosperous New Yorkers live, and while it is true that the great insurance city of Hartford is prosperous, nevertheless, as the Senator from Connecticut has brought out, even within the generally prosperous State of Connecticut there are areas of great need. Is that not correct?

Mr. DODD. Yes; mine is a small State but it is a great and strong State. Geographically, it is a very small State. Nevertheless, it has pockets of unemployment, even though much of our State is prosperous. I shall be glad to yield to the Senator from Indiana [Mr. CAPEHART] now if he wishes me to yield. If not, I am ready to yield the floor.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. BYRD of West Virginia. I compliment the junior Senator from Connecticut on having made a very clear and cogent analysis of the purposes of the bill. I am very grateful to him for his reference to the situation which exists in my State of West Virginia. I am very much pleased that he and other Senators have continued to recognize the situation which confronts my suffering State every day.

I appreciate the fact that the junior Senator from Connecticut has rendered a very great service today not only to the people of his State, but also to all the people of the country. I especially commend him for taking the exemplary position that were there not a single unemployed person in his State of Connecticut, he would favor the bill. Someone has said:

There is a destiny that makes us brothers;
None walks his way alone.
All that we send into the lives of others
Comes back into our own.

I think the Senator from Connecticut has taken the position which today all Americans should take. I feel certain that every Member of the Senate will take that position. Some of us may not see eye to eye on the bill. Perhaps there is a considerable area of disagreement about the purposes of the bill or about the results which will accrue from it. Nevertheless, I believe every Senator feels as does the Senator from Connecticut about his country.

I again congratulate the Senator from Connecticut.

Mr. DODD. I thank the Senator from West Virginia.

Mr. DOUGLAS. Mr. President, I yield 5 minutes to the junior Senator from Alaska on the bill.

Mr. GRUENING. Mr. President, the bill, S. 722, now before the Senate, tends, as do so many economic measures, to become beclouded in a welter of economic statistics, charts, and tables.

I concede, of course, that these are necessary in order that we may be in a position to judge the economic impact of such measures.

But we should never overlook the fact that what is involved also is the ability, or lack of ability, of men, women, and children to feed, clothe, and house themselves. We are talking about our fellow American citizens who, although trying desperately to find work, cannot do so and who then face the heartrendering problem of wives and children at home who are cold and hungry.

When the acting Governor of Alaska telegraphs me, as he has, that unemployment in Alaska is 20 percent of the working force, that cold statistic has great and sobering economic significance. But it has even greater impact when translated into specific examples of the human want and misery which it represents.

It would be well, Mr. President, as we debate the merits of S. 722 and of the proposals which are made to cut back drastically on the size of this economic shot in the arm, to keep clearly in mind that what we do here will be directly translated into food, clothing, and shelter.

This, then, is what our discussions about area redevelopment, about unemployment compensation, or about the myriad of economic measures which will come before us during this session amount to in real terms.

We are discussing measures which will prevent men, women, and children from going hungry, from being inadequately clothed—and all this in an America about whose might and wealth we justly boast.

The needs which S. 722 seeks to meet are acute and compelling.

This is self-help on a new and enlightened scale. The appeal to statesmanship in S. 722 is not in the relief it offers, however vital that is. Neither does its appeal lie in its potential as a cure for a lingering economic evil which has struck some areas of the United States even during a period of relative prosperity.

For me, the appeal of S. 722 is that it seizes upon an economic ill, traces it to its source, and, while eliminating the cause of the ailment, replaces it with new

and effective materials for growth and success.

This has, of course, a very special meaning for Alaska which still retains many of the qualities of strength combined with underdevelopment that we commonly associate with the American frontier. Alaska is now an integral part of the American Union. Its possibilities for growth and the promise of contribution to the Nation's total wealth are beyond anything known to American history since the Louisiana Purchase.

Those who are indulging in the present budget balancing obsession regardless of consequences make their biggest mistake when they seek to strike down any proposal for Federal financial commitment greater than that contained in the President's budget without regard to the purpose of the proposed expenditure.

There is a vast difference in how we view, or should view, capital investments as opposed to expenditures for day-to-day operating expenses.

Senate bill 722 should, as a matter of fact, have great appeal to the budget balancers, because it seeks, through capital investments, to increase America's productivity.

This is a wealth producing, not a wealth exhausting, proposal.

It is no secret that there is incomparable potential treasure in fisheries, in minerals, and in industry in Alaska. But for years the treasures in my State have been permitted to rest neglected and remain fallow for lack of use and development. Had they been aided in development, the results would now be showing up in increased tax revenues and in increased gross natural product. As it is, our fishing communities are in a disastrous plight, a result in large part ascribable to the mismanagement of the Federal agency which has had our once great fishery under its exclusive control. Our fishing communities badly need the help which this depressed areas bill will afford.

It is similarly a case of bad statesmanship to permit decay and bankruptcy to strangle whole regions inside the borders of our own States which have already been developed. To permit an economic ghost to seize upon what had once been a prosperous and productive area and reduce it to economic decay is unconscionable indecision.

Yet all that is proposed in S. 722 is economic help which, for the most part, will be repaid with interest. It is a businesslike plan, not a plan derived from motivations of sentiment without regard for the economic facts of life.

The regions to be helped are already equipped with the materials for rehabilitation: physical plan, industrial and commercial resources, and human beings whose dislocation could be immensely more expensive than having restored to economic health on location.

I urge us not to be men of little vision.

We should, I firmly believe, bear constantly in mind the words of the distinguished senior Senator from Kentucky [Mr. COOPER] who said in the Chamber on a recent evening that his reason for supporting S. 722 as reported was that it will take a bill of at least the sweep of this measure to make any impact upon those areas which today find themselves economically depressed, with Americans being forced to seek their daily bread from garbage cans.

Such a case was illustrated the other day by Walter Reuther, who told a moving story about a veteran in Detroit, a man who had served in Korea for 13 years. The man was out of work. He had vainly sought employment. He had exhausted all his unemployment compensation and other resources. He was taking garbage out of a can. He was arrested for vagrancy.

When he went before the judge, he said, "I am not a vagrant. I have a home here."

He was asked what his home was. He said his home was a pup tent. He was asked how he could live in a pup tent in temperatures which had dropped, as they had in Detroit, to about 20 below zero.

He said, "I have a big shaggy dog I cuddle up with when it is that cold."

Mr. President, that did not happen in a foreign country; it happened in the United States of America. When there are examples like that, I do not see how we can hesitate to take very seriously the kind of action which will relieve such conditions and relieve them permanently.

I commend the junior Senator from Connecticut [Mr. DODD] for his very eloquent presentation on behalf of the bill, and for the very generous characterization he made of the senior Senator from Illinois [Mr. DOUGLAS] who is leading our battle for the bill.

Mr. President, I join with many of my colleagues in urging the Senate not to follow a policy of too little, too late. The times call for an all-out effort. If we provide less, we shall be shirking our responsibilities. We shall not be bringing to bear upon the problem the remedies called for, and which it is within our power to provide.

I hope most earnestly that the bill will pass without crippling amendments.

Mr. BUSH. Mr. President, I yield 5 minutes to the senior Senator from Vermont on the bill.

Mr. AIKEN. Mr. President, no one is more unhappy than I am to see unemployment, whether it be among individuals or in whole communities. No one would like to help cure this situation more than I would. However, I do not believe the bill before the Senate would have the salutary and beneficial effects which its promoters feel it would have.

The purpose of the bill should be to create new employment opportunities, rather than to transfer industries and jobs from one community to another.

This measure promotes industry seduction with Government assistance, which could create new depressed areas as old ones are eliminated.

There are, at present, no detailed area studies of the forces underlying chronic unemployment, so the administrator of the act would have to make discretionary judgments in favor of some areas and to the detriment of other areas.

Mr. President, the proposed legislation ignores the fact that American industry, like agriculture, is going through a technological revolution. The only real and lasting corrections will be found by industry itself, through research. Research produces new ideas for new things; and the resulting new demands must be filled by means of the creation of new industries and new jobs. The emphasis should, therefore, be placed on industrial research, rather than simply on shifting plants from one locale to another. It would not be wise to move existing plants to new areas simply because the people of one area happen to be unemployed, and desire to have established in the area in which they live plants which presently are operating in other areas.

Mr. President, there are alternatives to this proposed legislation. I shall briefly review a few of them.

First. Instead of setting up a new bureaucratic agency to create more Federal jobs and, consequently, more Federal waste, any program of this kind should more properly be placed in the Area Development Division of the Department of Commerce. If that Division is not being conducted properly at the present time—although I believe this Division has done much good—Congress should see to that it does work properly. That Division already has had considerable experience in helping communities solve their economic problems, and I believe the work of the Area Development Division could efficiently be expanded to include large population areas.

Second. The basic Morrill Act legislation should be implemented by establishing an extension service for industrial development, along the lines of the present agricultural extension service.

Third. The rural assistance program under Senate bill 722 should be replaced by enlargement of the present rural development program of the Department of Agriculture. The latter would be far more adaptable to the depressed rural areas. Again I say that if the present rural development program of the Department of Agriculture is not working properly at the present time, Congress should take steps to see that it does work properly and adequately.

Fourth. Vocational training should be expanded, so that more skilled labor may be developed. That would enable individuals to sell their services more effectively, either in their own communities or elsewhere. At the same time, a skilled labor force is a specific asset in attracting new industry to a community or in generating new industry.

Fifth. The Small Business Investment Act is a good step toward filling the gap in our investment structure, which heretofore made it difficult for small businesses to obtain long-term credit and equity capital. The principles embodied in the pending legislation could be expanded in order to provide similar funds for the development of new industrial effort in areas of chronic unemployment.

Mr. President, if the Small Business Investment Act is presently not adequate to meet the need, Congress should see to it that that act is made adequate.

The PRESIDING OFFICER. The time yielded to the Senator from Vermont has expired.

Mr. AIKEN. Mr. President, will the Senator from Indiana yield an additional minute to me?

Mr. CAPEHART. Mr. President, I yield 1 additional minute to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 additional minute.

Mr. AIKEN. I thank the Senator from Indiana.

Mr. President, a sixth alternative is that unemployment compensation benefits can be made more adequate either by the States or, in the event the States refuse to do so, by the Federal Government.

Personally, Mr. President, I think the formula for qualification, as set forth in the old Douglas bill, was vastly preferable to the one contained in the pending bill.

Mr. DOUGLAS. Mr. President, will the Senator from Vermont yield 1 minute to me?

Mr. AIKEN. Yes; if the Senator from Illinois will yield me an additional minute.

Mr. DOUGLAS. Mr. President, I yield an additional minute to the Senator from Vermont.

Let me say to him that what we did was adopt the criteria of the administration; but now the Senator from Vermont is reproaching us because we have adopted the Republican criteria. Evidently we cannot please him, no matter what we do.

Mr. AIKEN. Oh, yes; the Senator from Illinois can please me. He can please me by going back to the old Douglas formula, because I am just as much dissatisfied with the administration's formula as I am with the formula set forth in the pending bill. Neither of them is good. Under no foreseeable circumstances could any community in Vermont or New Hampshire qualify under the formula now advanced by the administration or under the formula contained in the new Douglas bill—which, unfortunately, is not as good as the formula contained in the old Douglas bill. All communities in Vermont would be subject to seduction by communities in other areas which now have unemployment, and thus could qualify under the formula of the pending bill.

The PRESIDING OFFICER. The additional time yielded to the Senator from Vermont has expired.

Mr. CAPEHART. Mr. President, I yield 1 additional minute to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 additional minute.

Mr. AIKEN. Mr. President, it is possible that some communities in Massachusetts and Connecticut could qualify under the provisions of the pending bill. But, on the whole, I believe even they would lose more than they would gain if the bill were enacted, and if it were to go into effect.

Mr. President, I may vote for the administration bill as an amendment in the nature of a substitute for the Douglas bill. But if I do, I will not thereafter vote for the administration bill, on the question of final passage. I hope that this statement will make the Senator from Illinois feel better, because, from my standpoint, the administration bill has the same faults that the present Douglas bill contains, with its unfortunate change in the formula.

The PRESIDING OFFICER. The additional time yielded to the Senator from Vermont has expired.

Mr. THURMOND. Mr. President——

Mr. CAPEHART. Mr. President, I yield 12 minutes to the able Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 12 minutes.

Mr. THURMOND. Mr. President, in May of 1958, the Senate considered Senate bill 3683, which contained provisions almost identical to those of Senate bill 722. At that time I spoke in opposition to those proposals; and my remarks at that time are equally applicable to the provisions of Senate bill 722. Therefore, I ask unanimous consent that my statement of May 13, 1958, be printed at this point in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT IN OPPOSITION TO SENATE BILL 3683, DELIVERED BY SENATOR THURMOND ON THE FLOOR OF THE SENATE ON MAY 13, 1958

Mr. President, the bill before this body today represents one of the longest strides toward state socialism that the Senate has considered in recent years. It is a step toward a system of Government-controlled industrial production in which efficiency is the least of the objectives. It is an attempt to defy the laws of economics. These are strong statements, and I shall elaborate on them in a few moments.

I congratulate the members of the committee who prepared the minority report. In a few short pages, they have pointed up more defects in the bill than I had thought conceivably could exist in one piece of legislation; yet, if they erred in their remarks, it was on the side of leniency.

As the minority report points out, the bill is plainly discriminatory. It would benefit only those living in certain arbitrarily designated geographic areas. Of the 4,494,000 unemployed in January 1958, according to the Bureau of Employment Security, only about 1 in 8 lived in the areas which would have been covered by the provisions of this bill had it then been in effect. The bill commits the Federal Government to a program of improving the economic welfare of the residents of these areas at the expense of the residents of other areas.

The bill also poses insurmountable administrative difficulties. The program overlaps existing programs in the Department of Commerce and the Department of Agriculture. It provides retraining subsistence payments to unemployed persons that are, for all practical purposes, supplements to the existing unemployment compensation programs; a supplement which lacks, however, the sound financial approach of existing programs. Efforts of State and local organizations in this field are brushed aside, apparently in the belief that in the spending of the Federal taxpayers' dollar lies the solutions to the problems with which these groups have been struggling.

One of the most unnecessary and abominable features of the bill is the part that undertakes to supplement the Community Facilities Act so recently passed by this body. To the billion dollars there authorized, the proponents would have us add authorization for additional funds to be administered by a different agency within the same agency.

This is administrative duplication turned back inside of itself, like a snake swallowing its own tail.

We should understand clearly that this is not a temporary program. The committee report sets that fact on the record plainly. It is a bill for the aid of chronically depressed areas, or, as the committee has said, those that "have suffered from a high level of unemployment and underemployment, year after year, in good times and bad."

There is a corollary to be drawn from this fact. The authorization for the outlay of $380 million asked in this bill is only the beginning. It is highly unlikely that the sum will meet the immediate demand, and a dead certainty that it will not begin to meet the demand that will continue year after year.

The problem of chronically distressed economic areas is not a new one. We have always had areas which have been less prosperous, year in and year out, than other areas. It is a problem which has had the careful attention of many groups, in State and local government and in the business and financial community. Yet, significantly, the location of private industry is an area in which the Federal Government has no backlog of experience on which it can rely.

As for the portion of the program that deals with the revitalization of rural areas, I can only conclude that this portion of the bill was written in the hope that it would attract some support for this legislation in rural areas. It selects for rural redevelopment the 300 counties that appear to be, by the arbitrary criteria written into the bill, those most in need of developing. As it happens, these are primarily agricultural areas, and mainly in the southern part of the country.

In view of the setbacks which agriculture has suffered in recent years, it is important that more industries be located in our rural areas. The task of locating industries in our rural areas, however, should be the job of local communities, their development boards, their chambers of commerce, and private industry. The Federal Government should not be permitted to spend and lend the money of all the people for the purpose of favoring any one area over another with industrial development. This is another case of the right idea with the wrong approach.

All of these objections, and many others, the minority report clearly indicated. There are others which are not enumerated by the minority report.

An outstanding example is the inclusion of the Davis-Bacon wagefixing provisions in the bill. Surely we are not still unaware that this very provision has upset and damaged more local economies than this bill could possibly remedy, even were it feasible otherwise.

I am of the opinion, then, that the bill is discriminatory, administratively unworkable, and extremely expensive. These alone would be reasons enough for me to oppose it.

However, the main reason for my opposition, as I stated at the outset of these remarks, is that the program envisioned by this bill would encourage a system of State socialism, and the most inefficient form of socialism at that.

Mr. President, I was impressed particularly by two sentences in the committee report, in which the framers of the bill stated the manner in which money would be allocated for the construction of public facilities:

"The organization requesting the grant must contribute to the cost of the project in

proportion to its ability to contribute. The grant would be limited to the amount necessary to assure completion of the project."

The same thought was put more succinctly by Karl Marx in 1875 in his famous maxim of communism, "from each according to his abilities, to each according to his needs."

What are the roots of the problem? If an area is economically depressed, if the people there fail to make a decent living, year after year, there must be some reason for it. Chronic hard times do not happen by chance.

One of the principal reasons for chronic economic distress is the loss of industry because of technological changes. For example, at the present time, we find distress in some areas where the economy is dependent on the mining of coal. Some communities that have depended solely on the textile industry for their economic base have suffered by the impact of the long-term depression which that industry has suffered—with very little sympathy from the Federal Government—since the end of World War II. Several resort cities are on the list of the chronically afflicted; they do not have the industrial base which makes for a sound economy.

The stories are different in every case, but they all have one thread in common. The communities that are suffering the most are the ones that have lacked diversification in industry.

The problem suggests its own answer, and it is an answer which the sponsors of this bill have apparently seized without fully weighing the consequences. If a community lacks diversification of its economy, they have reasoned, let the Federal Government help it to diversify.

But why the Federal Government? There is no shortage of investment capital in the United States. Why do not American industrialists, with all of their supposed ingenuity and foresight, build plants in the areas where labor is in surplus? Why will they require the guidance and urging of the Federal Government?

I think we must face the harsh fact that there are areas which are, for one reason or another, unsuitable for further industrial development at this time. They may be too far removed from their natural markets, they may be lacking in raw material, the local tax structure may be unsound, or the local labor market may be priced too high to meet competitive conditions in a particular industry.

There are many reasons why an industrialist may not be anxious to move into a given community. Fortunately, local citizens can do much, by imaginative and concerted effort, to remove some of their handicaps. Industrial development boards are in operation in many communities. Local and State chambers of commerce play an important part. Local government, too, can encourage the advent of new industry by careful tax planning.

I will not deny that some communities are handicapped by natural factors that cannot be brought under control by human intervention.

Mr. President, the effect of S. 3683 is to give those economically ailing communities a transfusion of Federal money with the hope that it will bring about a cure.

The principal fallacy of the bill is that this kind of treatment does not strike at the roots of the malady. It merely eases the symptoms, and encourages the patient to return for further treatment over an indefinitely extended period of time.

The bill encourages industry to move into areas where it is not inclined to go, because, under normal circumstances, industry could not make a profit in those areas. I doubt that the bill, if passed, will be very successful in this endeavor. The inducements offered are not enough to bring a hard-headed businessman into an area in which he will operate under a serious handicap in competition with his competitors.

Indeed, the bill may have an effect of a kind opposite to that which is intended. One of the general problems of industry in the United States is that we are at a point where Federal taxation threatens to dry up the reservoir of capital with which industry expands. The proposal to embark on this new program carries with it the clear implication that it will be supported and expanded through taxation. To the extent that the cost of the program falls on industry, it will inhibit the ability of industry to expand through its own efforts.

Assuming that the bill does achieve its purpose, to some limited degree, it will bring about new problems far worse than the ones it is supposed to solve. It will provide the stricken community with a hand-to-mouth existence, encourage it to borrow beyond its means for public construction, and, in the long run, encourage the development of an economy based on a Federal dole.

The end result of such a Federal policy can only be the senseless one of locating industry in the areas least suitable for its growth. This is no way to foster the economic development of the United States. We will all be better off—those in the chronically depressed areas as well as those in other areas—if we follow, in this country, a policy of locating industries in the places best adapted for industry.

The most effective way to aid areas where the economy is depressed is through measures that will stimulate the whole of our American economy. We need some revisions in our foreign trade and foreign aid programs, which have operated to the serious detriment of vital segments of American business. We need to practice strict economy in every department of Government, with the aim of removing some of the heavy burden of taxation with which our economy is saddled. We need to remove some of the heavy burden of Government regulation which requires the businessman to make a multitude of complex and expensive reports to a whole host of Federal agencies.

I am in sympathy with the residents of areas with chronic economic problems, but I am convinced that this legislation does not contain any solution to their dilemma. It could only frustrate the efforts being made to solve the problem on a sensible basis.

I do not favor socialism. Even if I did, I would not favor this bill. It is a socialistic bill with so many defects in it that even the dubious advantages of socialism would not be attained.

Mr. THURMOND. Mr. President, there can be no argument over the premise that the Federal Government has a definite responsibility in promoting the fullest possible employment. But there is as great a difference between a sensible implementation of this principle and the proposals of Senate bill 722 as there is between free enterprise and socialism.

Our Government is uniquely designed to foster the operation of private enterprise, as distinguished from government enterprise. Our Constitution fairly shouts the word "opportunity," by enunciating the framework of a government with a minimum of the fetters of regulation. Our standard of living and our productivity are undeniable proof of the superiority of free enterprise as a means of providing material goods within the economic reach of the maximum number of people.

Involved economic theories are not necessary to explain the success of free enterprise under a system of government which permits it to exist. On the contrary, its success is obviously due to the fact that it provides an incentive for efficiency in the form of profits, while insuring the elimination of inefficiency.

Efficiency, in this instance, can be said to be the ability to produce goods at a cost which the maximum number of people can afford to pay and are willing to pay. In the case of any industry which is a component of our economy, its efficiency is controlled by a great variety of variable factors. Three primary and initial prerequisites are capital, business judgment, and a market for the product produced. If we assume these to exist in sufficient quantities, the efficiency of the particular industry will depend on such factors, among others, as proximity to market and raw materials, cost of power, cost of labor, cost of raw materials, adequacy and cost of transportation, climate, and local and State fiscal policies and practices, not only as they apply to the particular industrial effort, but also as they apply to its competitors. These are some of the factors which will determine whether any particular industrial effort will succeed or fail; and, just as surely, they will influence the determination of the question of whether there will be substantial unemployment in the area of the industry's location.

To be efficient, and therefore competitive, industry must be responsive to changes in all these factors, and others, which affect its efficiency. A slow response can be fatal. In some instances, response is impossible—as, for example, where the market ceases to exist, or where available capital is insufficient to enable the industry to keep abreast of technological developments. Thus occur industrial failures and the resulting unemployment. Such unemployment can be permanently relieved only by the expansion or inauguration of other industry, often at a different location, in order to avoid the adverse factors which created the unemployment in the first place.

Business success is the answer to full employment; it can only lie through bold, confident, and rapid decisions by those who undertake the business venture, and then only when they have the capital to implement their decisions.

Our Government can best contribute to full employment by creating an attitude of confidence on the part of businessmen, and by adopting policies which will permit the existence of capital to implement that attitude.

Senate bill 722, is a step in the opposite direction. Our Government is ill equipped to substitute its judgment for that of the entrepreneurs who have built our free enterprise system. A representative, deliberative type of government intentionally sacrifices efficiency and speed in the interest of stability and cautious protection of individual rights. Although ours is an ideal system for government, it is not at all capable of efficient operation of a business.

Nothing could prove the point more conclusively than Senate bill 722. Thousands of development boards have been

created by States, cities, and communities; and most, if not all of them, have diligently set about creating the conditions conducive to industrial efficiency, so that industry, recognizing these assets, would locate and thrive in the community. Senate bill 722, on the other hand, would substitute Government funds for the lack of conditions which would insure the ability of industry to be efficient and competitive. Not only would the subsidy of taxpayers' funds seek to promote the establishment of industry where it could not be competitive without subsidy, but it would discourage industries which finance themselves, and also those commendable efforts of development boards all over the country.

This Federal area redevelopment program would encourage communities to borrow funds unwisely, which they hope to repay from increased tax sources. True, employment may be temporarily boosted, but as soon as the competitive advantages created by the subsidy have been exhausted, the initial factors which left the community without employment in the first place will reassert themselves. The alternative will then have to be faced of either continuing the subsidy or leaving the community where it was, but for the additional burden of a staggering addition to the public debt.

We have an excellent opportunity to assist in securing full employment, although the course of fulfillment certainly does not lie through programs such as those proposed by Senate bill 722. On the contrary, it lies through the adoption of a policy of fiscal responsibility, and a reduction of Federal regulations, which bind our industrial sinews.

Our present program of fiscal unbalance neither encourages an attitude of business confidence, nor leaves much hope for the continued existence of the capital necessary for industrial expansion. Only by reducing Government spending to a figure within its income, can we encourage an attitude of confidence that the whims of legislators will not consume the very capital essential to industrial expansion. Only through the reduction of spending can we make possible a reduction in taxes—and if there be any doubt that this is the true course to industrial expansion, one need but look at the 8 percent increase in gross national product which followed the $7.5 billion tax reduction of 1954.

If our industrial expansion is to continuously keep pace with our growing population, we must cease our unnecessary regulation of business, which now approaches a state of regimentation. We should continue, of course, to prevent abuses of the free enterprise system, but this does not necessitate the creation of burdensome reports and regulations which encumber every business effort and discourage new business ventures.

Mr. President, let us realize at this late hour, before it is too late, that the Government is contributing to unemployment, with its irresponsible deficit spending and its creation of unnecessary regulations, which apparently reflect a sort of hostility to business. Such socialistic schemes as S. 722 will only further compound the problem.

Mr. CAPEHART. Mr. President, I wish to correct the RECORD, and I am sure the able Senator from Illinois would like to have me do it. The committee did not accept the administration's criterion. The committee accepted the administration's formula. The administration's criterion was 50 percent above the national average for 4 out of the 5 preceding years, or 75 percent above the national average for 3 out of the preceding 4 calendar years, or 100 percent above the national average for 2 of the preceding 3 years.

The bill, as the Senate is now considering it, provides a criterion of 50 percent above the national average for 3 of the preceding 4 calendar years, or 75 percent above the national average for 2 of the preceding 3 calendar years or 100 percent above the national average for 1 of the preceding 2 years.

The committee accepted the formula, but not the criterion.

Mr. DOUGLAS. We accepted the formula, but cut the period of time provided by 1 year in each case.

Mr. CAPEHART. I wanted to correct the RECORD because I was sure the Senator from Illinois would not want to leave the impression that the committee adopted word for word the so-called administration criteria. The committee adopted the formula. While I am against even the administration's criteria, I congratulate the Senator from Illinois for adopting the administration's formula. But the committee did not adopt the number of years proposed by the administration.

Mr. AIKEN. Mr. President, in discussing the proposed administration formula a few moments ago, I was referring to the formula applying to the benefits. When I read the criteria, I realized I was against the bill, anyway, as long as it contained those criteria.

Mr. CAPEHART. I was sure the Senator from Illinois did not want the RECORD to show that the committee had copied word for word the administration's criteria. The committee still took the formula.

Mr. DOUGLAS. Whenever the administration comes up with a good idea—which is not very often—we Democrats are very glad to accept it.

Mr. CAPEHART. It is too bad the Democrats did not accept more good ideas during the past 20 years. Perhaps the country and the people would be in a better position today.

Mr. DOUGLAS. But the Republicans have good ideas so seldom.

Mr. CAPEHART. We have had many ideas which have not had an opportunity to be put into practice during the last 20 or 25 years.

Mr. DIRKSEN. Mr. President, I make a point of no quorum, but I ask unanimous consent that the time taken in calling for a quorum be not taken from the time of either side. I think we should alert our colleagues, because, so far as I am aware, the first action taken will be on the substitute I have proposed. I shall not take much time on it.

The PRESIDING OFFICER. The clerk will call the roll and, without objection, the time taken for calling the roll will not be charged to either side.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, what is the pending question?

The PRESIDING OFFICER. Has the Senator yielded back his time on his amendment?

Mr. DIRKSEN. Mr. President, I think the pending question is the substitute amendment I offered, which is presently at the desk. Has the amendment been stated?

The PRESIDING OFFICER. It has been ordered printed in the RECORD.

Mr. DIRKSEN. Mr. President, for the benefit of the membership of the Senate, I do not propose to labor the question involved very long. The whole matter has been before the Senate and before the House of Representatives at other times. I wish to review only a little of the background, and a few highlights of the substitute.

In January of 1956—to be exact, the 9th of January 1956—the first administration bill on this subject was introduced by former Senator Smith of New Jersey. At that time 25 Senators joined in sponsorship of the bill.

There were two bills presented at that time. One was introduced by my distinguished colleague [Mr. DOUGLAS], which was referred to the Committee on Labor and Public Welfare, and I believe the Smith bill was referred to the Committee on Banking and Currency.

I testified with respect to the bill in January of 1956. At the time I pointed out that insofar as I knew, on the basis of data made available by the Committee on Labor and Public Welfare, there were eligible 10 major and 74 minor areas, embracing about 190 counties in the United States. Interestingly enough, 123 of the 190 counties are in 7 States. The reason for that was quite simple. The State of Illinois was one of the States. I think in the main our problems spring from the fact that in the coal areas mines have been abandoned because the cost of production is too high, or for other reasons, and so there has developed a chronic or semichronic unemployment condition. That is true in Kentucky, Illinois, and West Virginia.

The administration has certainly been mindful of the so-called distressed area problem, and prior administrations also have been mindful of it. I believe interest in the problem extends back to 1946, 13 years ago. There was area redevelopment activity in the Department of Commerce at that time under a subagency known as the Business and Defence Advisory Service. The program may have had another name at that time, but it does not make too much difference. The fact is that for the past 13 years, certainly, a variety of activities have taken place in that field. They took the form of surveys, the form of technical assistance to those areas, and the form of defense contracts.

I believe I pointed out in my remarks to the Committee on Labor and Public Welfare that some 25 defense facilities

were located in those areas, at a total cost of nearly $210 million.

I think it is very clear that over a long period of time there has been a manifestation of interest in the problem of chronic unemployment and the distress which besets some of the areas in which that condition has developed, because their resources and facilities at no time admitted of any high degree of industrial prosperity.

There were other aids and other activities as well. The Small Business Administration has been helpful. There was a program for rapid tax amortization to help facilities which would locate in such areas. There was the distribution of surplus food. There was also special advice and technical assistance given to the State development corporations, which were also mindful of the problem.

In another field, of course, the administration was mindful of the need for a rural development program. In fact, that was formalized after a number of individual conferences with officials of the Department of Agriculture.

Insofar as I can tell, the program which began in 1955 is now operative in 102 counties. In addition to that, the States on their own initiative have set up a corresponding program in another 80 counties. The program, therefore, is rather dynamic in character. It is moving along. It has almost doubled as the result of State initiative. Those areas have been receiving assistance and advice from the Agricultural Extension Service and the Soil Conservation Service, and also have been benefited by Farmers Home Administration loans.

Since the bill which was passed by both the House of Representatives and the Senate was vetoed by the President, I have introduced, and I support, the substitute amendment on which the vote will first occur, because it is an expression of the administration's viewpoint.

The criteria are rather simple. An area must have had an unemployment situation 50 percent above the national average for 4 of the last 5 calendar years; or 75 percent above the national average for 3 of the last 4 calendar years; or 100 percent above the national average for 2 of the last 3 calendar years; and there must have been unemployment in excess of 6 percent for that period of time. That is a reasonably simple criterion on which the administration proposal is based.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SCOTT. Am I correct in my understanding that the present status of S. 722, the Douglas bill, is that it includes the criteria from the substitute offered by the distinguished Senator from Illinois?

Mr. DIRKSEN. I am not sure the provisions are quite identical. I think some change has been made.

Mr. SCOTT. May I ask for clarification?

Mr. DIRKSEN. Yes. I think the senior Senator from Illinois can probably answer the question.

Mr. DOUGLAS. We have adopted the administration criteria, but we have cut the number of qualifying years back by one in each case.

Mr. DIRKSEN. That would mean the unemployment would have to be 50 percent above the national average for 3 out of the past 4 calendar years instead of 4 out of the last 5 calendar years.

Mr. SCOTT. That is the 50-percent provision.

Mr. DIRKSEN. Or 75 percent for 2 out of the last 3 calendar years.

Mr. DOUGLAS. Two out of the last 3 calendar years.

Mr. DIRKSEN. Or 100 percent for 1 out of the last 2 calendar years.

Mr. DOUGLAS. For 1 out of the last 2 calendar years.

Mr. DIRKSEN. The Senator is correct.

Mr. SCOTT. Let me say to the junior Senator from Illinois that I am very much concerned. These criteria still would not cover the area of Philadelphia and the degree of unemployment there. I am not certain, but they do not appear to cover the large unemployment area around Pittsburgh. For that reason I desire to indicate that, after the vote on the amendment in the nature of a substitute offered by the junior Senator from Illinois, I shall seek recognition and offer Senate bill 268 as a substitute, because in my judgment it goes much further toward establishing the criteria necessary to solve some of the problems in my State beset as it is by unemployment and chronically distressed areas.

I thank the Senator for yielding.

Mr. DIRKSEN. Trying to develop static criteria for a problem of this kind is difficult; and it is doubtful whether we can lay down in words, criteria which will cover every situation. The distinguished Senator from Indiana [Mr. CAPEHART] raised that question at a conference session several weeks ago, and I think the distinguished Senator from Connecticut [Mr. BUSH] did likewise. For aught I know, they may deal with it. I merely cite the criteria in the administion proposal.

With respect to relief, assuming, of course, that under these criteria certain areas would become eligible for whatever relief and whatever remedies are provided in the bill, let me skeletonize the provisions. There would be 25-year loans at the market rate, provided the money was not available elsewhere at reasonable rates.

There would be a limit of 35 percent on Federal participation. That means, of course, that States and localities would carry the larger share of the burden.

There must be some expectation of repayment. This, I think, is one of the important features of the proposal.

The loan must result in more than a temporary alleviation of unemployment. I think that is the crux of the situation. We may go into a given area and build a city hall, a hospital, or a gymnasium for a high school; and when we are through, we are back where we started. So the question is, in every case, Is there an assurance that the relief will be more than mere temporary relief?

I had that in mind in January 1956 when I appeared before the Committee on Labor and Public Welfare. At that time I said:

> Any solution worthy of the name must be durable. Merely to scratch the surface and provide temporary employment in these depressed areas will not meet the problem.

Coming back to the relief which is provided, there will be no aid where relocation of an industry moving from one area to another might hurt the area from whence it comes, even though it might benefit the area to which it might go.

The substitute provides for no rural loans and no loans or grants for public facilities. There is a total of $50 million involved in loans, and about $3 million for administrative and technical assistance. So the criterion, of course, is what is believed to be something more than a temporary alleviation of the problem. I think that is the basic thesis—to encourage self-help and to follow a proven basis.

It might be said that I appeared before the committee and suggested certain amounts higher than those in the pending bill. That is true. I did. But open confession is good for the soul; and I never mind making it, whether it be on the floor of the Senate or elsewhere. The figures were estimates. I had no concrete experience on which to base them, and it was not until sometime later that the Pennsylvania experience, under a board created by the Pennsylvania Legislature, became available. I laid that information before the Senate Committee on Banking and Currency when I testified in connection with the pending bill.

There is no use going into detail, but there was an experience at the State level, with some 64 projects, which shows what can be done under given circumstances.

The administration bill, drafted by the Department of Commerce, is geared to what happened in Pennsylvania and elsewhere at the State level. It undertakes to cure the degree of employment which represents the percentage over and above the national level. If it could be done with a rather modest investment at the State level, obviously a well-managed program at the Federal level could do the same thing.

It is not proposed in the substitute to establish an independent agency. This activity has been carried on at higher or lower levels for a number of years, under the present administration and prior administrations. They have done a good job. Unfortunately, 2 years ago when the agency asked for about $390,000 to carry on in this field, Congress saw fit to cut back the appropriation to $120,000, and crippled the activity to that extent. But it has been going on; and I see no reason why, under the circumstances, an independent agency should be created.

The amendment contains, in substance, the administration's proposal. It is within the terms of the 1960 budget, and is geared to the budget. I hope, therefore, that it will commend itself to the good thinking of the Senate, and will be favorably received.

With that I rest the case, and yield the floor so that other Senators who desire to discuss the question may do so.

Mr. JOHNSON of Texas. Mr. President, I wonder if it would be possible to obtain an agreement as to a time for voting on the Dirksen substitute. I understand that the Senator from Pennsylvania [Mr. CLARK] desires 5 minutes. The Senator from Illinois [Mr. DOUGLAS] wishes 7 minutes.

I ask unanimous consent that the vote be taken in 20 minutes, 12 minutes to be controlled by the senior Senator from Illinois [Mr. DOUGLAS] and 8 minutes by the junior Senator from Illinois [Mr. DIRKSEN].

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. DOUGLAS. Mr. President, I yield 5 minutes to the senior Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, I have listened with great interest to the comments just made by the distinguished minority leader with respect to his reasons for advocating the administration bill. In the course of his comments he undertook to testify with respect to the situation in my home Commonwealth of Pennsylvania.

I have the highest regard for the distinguished minority leader, but I am afraid that in this instance someone has led him down the garden path so far as the situation in my native State is concerned.

As I sat and listened to him, I understood him to say that the principal reason for our problems in Pennsylvania was that the coal business was not so good as it used to be. I turn to page 6 of the minority views, where are to be found listed the areas of labor surplus as of January 1959, and read for the record the following Pennsylvania labor surplus areas, in which not 1 ton of coal has ever been mined: Allentown, Bethlehem, Easton, Altoona, Erie, Philadelphia, Pittsburgh, Reading, York, Oil City, Franklin, Titusville, Sayre, Athens, Towanda, and Williamsport.

It is true, of course, that the hard coal areas have been badly hit by the depression, but to say that our problems are due to the failure of the coal industry, and that adequate steps are being taken in other areas to remedy that distressing situation, I state, with all due deference to my friend the junior Senator from Illinois, is not entirely in accord with the facts.

The distinguished junior Senator from Illinois also had occasion to talk about our fine State efforts to remedy this condition in Pennsylvania. Those efforts have been fine, and they have resulted in a measurable amount of good; but it is as clear as the nose on anyone's face that the Pennsylvania effort, by itself, is entirely to meet the need in my Commonwealth.

The Governor of Pennsylvania so testified. The secretary of labor and industry so testified. The secretary of commerce so testified; and a number of witnesses coming from different parts of the Commonwealth told us that Pennsylvania had bled itself white with its State effort to remedy unemployment; and that the effort had been helpful but was entirely inadequate. The secretary of commerce for the Commonwealth of Pennsylvania testified as follows before the Senate Commitee on Banking and Currency:

> Senator CLARK in a release the other day made an estimate that in order to bring our unemployment down to the 6-percent level in 17 areas of Pennsylvania, which is high enough, we would need to create 72,800 jobs. And the assumption was that half of those would have to be in manufacturing and the balance generated in the services, and so forth.
>
> * * * * *
>
> If we say that in Pennsylvania in utilizing these loan funds we were to average out at not the full 65 percent on all of them but say 35 percent, we would need in Pennsylvania on the basis of that calculation alone, according to my figures, $47,756,800.

In other words, Mr. President, my own Commonwealth of Pennsylvania, using the 35 percent rate which is contained in the administration bill, would use up practically all the money in one State. That is a pretty good measure of the utter inadequacy of the administration bill, calling, as it does, for $53 million, as opposed to $389 million in the Douglas-Cooper-Clark bill.

I am sure, Mr. President, Senators will note that to adopt the substitute, excluding the availability of funds for loan purposes for public utilities, would destroy the purpose of the bill, because hard-pressed areas cannot raise money in the open market or by taxes to take care of such situations as the construction of streets, water works, sewage systems, and industrial parks, which are necessary to bring industry into the unfortunate areas.

So, Mr. President, with the provision for $100 million of rural loans taken out of the bill, by the administration's substitute, we have in the pending amendment a proposal which is not only too little and too late but also is close to being a fraud on the American people because of the inadequacy of its provisions.

I yield back the remainder of my time.

Mr. CAPEHART. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. Eight minutes remain on the substitute.

Mr. CAPEHART. How much time remains on the bill?

The PRESIDING OFFICER. Forty-one minutes remain on the bill.

Mr. CAPEHART. I yield myself 3 minutes on the bill.

Mr. President, in order to keep the record straight, although the bill is intended to be a $389 million bill to help unemployment, I am afraid it does not so state.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CLARK. I have just finished stating it.

Mr. CAPEHART. Yes; but I am afraid that the statement is not quite in accordance with the record. One hundred million dollars is provided for industrial loans, which would create, we hope, permanent jobs. Another $100 million is provided for public facilities, which would create temporary jobs while the public facilities were being built. However, that would not create any permanent employment.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Many loans for public facilities could most certainly help to create jobs. An industrial water project, for example, could be created, and industrial parks constructed which would make it possible for industries to locate in those areas and thus create permanent jobs.

Mr. CAPEHART. Yes; but I want the RECORD to be clear that there is only $100 million in the bill for creating permanent jobs.

Mr. DOUGLAS. There would also be $100 million for industrial loans in rural areas where incomes are low, and there is underemployment as well. These loans could help create jobs.

Mr. CAPEHART. I have not as yet reached that point. There is another $100 million provided, of course, for rural areas where people are supposedly underpaid. However, that creates no new jobs.

Mr. DOUGLAS. I beg the Senator's pardon. This amount is for loans to start new industries in rural areas where the income is low and where there is a great deal of underemployment and unemployment.

Mr. CAPEHART. The purpose is primarily—and it is so stated—it help areas where there is low income.

Mr. DOUGLAS. And where there is underemployment.

Mr. CAPEHART. Perhaps so, but primarily—and the bill so states—it is for the benefit of areas where the workers are paid very little. The point I wish to make is—and I make this point so the RECORD may be kept clear and so that people throughout the Nation will not be misinformed—so far as industrial jobs in the cities are concerned, there is only $100 million involved, not $389 million, for permanent jobs. One hundred million is to be divided among all the industrial centers in the United States. Another $100 million is to be used to create jobs in so-called rural areas where there is underemployment. Then there is another $100 million, of course, for public utilities, which, of course, would create jobs to build the public utilities, but not permanent jobs.

Mr. President, I yield myself 3 additional minutes on the bill.

That portion of the bill probably does not belong in the bill at all, because it has nothing to do, particularly, with depressed areas. The $100 million which has to do with the rural areas ought to be handled by another department, and should not be included in a new bill.

Therefore, so far as jobs in the cities are concerned, and so far as the really depressed areas in towns are concerned, there is $100 million in the so-called Douglas bill; and we are now talking about $50 million in the so-called Dirksen-administration bill, which is the substitute under consideration.

The substitute on which we are about to vote contains no money at all for rural areas. It has no money in it, of course, for public facilities, primarily for

the reason that under the Housing Act funds are provided and an organization is set up to handle public utilities.

Therefore, about the only difference between the two bills, so far as creating jobs in industrial centers is concerned—I mean permanent jobs—is $50 million. That is about the only difference between the two bills so far as the city folk, so-called, are concerned, and so far as permanent jobs are concerned.

There is another $100 million in the Douglas bill to build public utilities, such as waterworks, and so forth. I doubt if that provision should be in a depressed areas bill.

I can understand the need for providing water in a small town, for example, so that a plant can be built there, but we must remember that there is already a law in existence to take care of such a situation. It is contained in a section of the Housing Act, which grants that kind of relief. In connection with that part of the pending bill, we would merely be adding another piece of legislation to do what the Housing Act has been doing for many years. The authors of the section of the Housing Act designed to grant loans to towns for public utilities, was introduced by the late Senator from South Carolina, Mr. Maybank, and myself. That has been a part of the Housing Act for many years.

COMPARISON OF DIRKSEN SUBSTITUTE FOR S. 722 AS REPORTED

Mr. DOUGLAS. Mr. President, the administration is proposing to kill the rural redevelopment bill with a poisoned kiss. On the one hand, it says it is in favor of the idea, but on the other hand, it would appropriate so little money and attach so many crippling conditions to the small appropriation it does propose, that the program would be of no real value.

The Dirksen amendment in the nature of a substitute would replace the provisions of S. 722 with those of the Dirksen bill, S. 1064, which embodies the proposals of the administration. The committee very carefully considered this proposal, and the bill which we have reported has made a number of concessions designed to meet the objections of the administration. But there are several features of the administration's bill which would so severely restrict its application that it would be completely ineffective.

AMOUNTS OF MONEY

The administration bill provides for only $50 million for loans to industrial areas. The committee bill provides for $100 million for loans to industrial areas, and also $100 million for loans to rural areas, and $100 million in loans for public facilities. During the committee hearings, it was testified that the State of Pennsylvania alone would be eligible to use $47 million in loans in order to bring unemployment in that State down to the national average. Although other factors such as the economic potential of an area and the prospective repayment must be taken into account, it is still obvious that $50 million would be completely inadequate for the Nation as a whole.

With respect to the $100 million loan fund for community facilities, the committee felt that these were often necessary before industrial development could possibly get underway in many situations. For it is often true that before an industry can locate in an area, it must have adequate water supplies, sewage systems, access roads, and other public facilities before it will be possible to locate in such an area. It should be remembered that these are repayable loans.

In addition to public facility loans, the committee also provided for a $75 million fund to make grants to areas for public facilities where industrial development needs such facilities but the community concerned does not have the wherewithal to repay such loans. The administration bill provides nothing in this regard. Yet it is true that such grants will in some cases be necessary before industrial development can take place.

Moreover, the problem of unemployment and underemployment in rural areas is perhaps just as real as that of industrial areas, and it is only fair that we provide equal treatment for that segment of our population.

It is perfectly clear that all the administration is proposing to do is to make a nominal authorization for $50 million for some of the hard-pressed industrial areas. The administration does this reluctantly in order to head off the $100 million which we advocate. It proposes nothing for rural areas which suffer from poverty and underemployment. Nothing is provided, except the promise that it can be taken care of under the rural development program of the Department of Agriculture.

That program has been surveyed, as I pointed out the other day, by a distinguished nonpartisan committee. The vital criticism which that committee makes of the so-called rural development program of the Department of Agriculture is that no outside financial aid is given to the hard-pressed rural communities. We believe in a program which will strike at persistent unemployment and persistent underemployment, both in the industrial and the rural areas of the country.

We also know that in order to attract industry to such areas, it will be necessary to provide industrial water, access roads, water and sewage systems, and, in some cases, industrial parks. That is the purpose of the third revolving loan fund of $100 million and the one-shot grant of $75 million.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. RANDOLPH. We who believe in the proposals contained in Senate bill 722 are cognizant that the spirits of the men and women who till the soil, as they do that job, are either high or low in relationship to the substance which is built in between. The provision of the bill, as the Senator has said, is for aid to rural folk in West Virginia in the amount of $1,000 or less, per farmer, of farm income a year. Those people need such assistance.

Mr. DOUGLAS. I thank the Senator from West Virginia. The map which is displayed in the rear of the Chamber shows the farm counties throughout the Nation which could be benefited by the program we are suggesting.

ADMINISTRATION OF THE PROGRAM

There is another crucial weakness in the administration's proposal. It would give the administration of the measure to the Department of Commerce, whereas our bill calls for its administration by a separate agency. It might look better on an organization chart to have the administration of the program in the Department of Commerce; but we know that that would be fatal to the program itself. The Department of Commerce has been a persistent, unrelenting foe of all such programs as this. It is well-known that it was the Department of Commerce which advised the President to veto the bill which Congress passed last year. While the Secretary has changed, the attitude of the Department remains the same.

We would not give to a nurse having homicidal tendencies the care of infant children; nor would be put wolves in charge of the care of sheep.

The only way to have such a program as this properly administered is to place it under a new agency, one which may have some enthusiasm in its work and will not use the measure to strangle and to kill it.

GRANTS FOR TECHNICAL ASSISTANCE

The committee bill provides for an authorization of $4½ million a year for grants to provide technical assistance in redevelopment areas. The administration bill provides for $1½ million a year for the designated areas, and another $1½ million a year for towns predominantly dependent on one industry.

Many people feel that the technical assistance aspects of this program are extremely valuable, and it would seem that $4½ million will be a very modest amount in this regard. It would be a shame to cut this figure by a third as the administration bill would do.

GRANTS FOR VOCATIONAL RETRAINING SUBSISTENCE PAYMENTS

The committee bill provides a $10 million grant for subsistence payments to those being retrained and who are not entitled to unemployment compensation. The administration bill provides nothing. In this respect, the question is how are many of the unemployed persons who have exhausted their unemployment compensation payments going to exist while undergoing retraining which will be necessary for them to qualify for the jobs which might be available with industrial redevelopment. This is a humane feature of our bill which we feel to be absolutely necessary.

RESTRICTIONS ON LOANS

The committee bill would permit Federal participation in industrial loans up to a maximum of 65 percent, while the administration bill would not permit such participation to exceed 35 percent. There would probably be many cases where the 35 percent figure would be adequate, but such a restriction would knock out many projects which could otherwise go forward under the terms of the committee bill.

The administration bill would also require minimum State or local participation of 15 percent, rather than the 10 percent provided in S. 722.

In short, the administration's proposals with respect to Federal and State or local participation are much more restrictive than those of S. 722, and hence would act as a depressing factor in carrying out the program.

MACHINERY AND EQUIPMENT

The administration bill would not permit loans on machinery and equipment whereas S. 722 would permit such loans. The cost of land is relatively small in depressed areas, simply because they are depressed. The cost of buildings will not be much either, because in many cases it would be possible to take over an existing building and rehabilitate it with a relatively small amount of capital. Thus, the thing that can really make redevelopment possible would be the financing of equipment and machinery which lies at the heart of the whole enterprise.

Now, there are two main arguments which might be raised against the inclusion of machinery and equipment. First, it may be said that, because of obsolescence, we should not finance machinery for such a long period of time as 30 years. I would agree with this, but the 30-year period is a maximum, and I would expect the Administrator to provide for a realistic period in the case of loans for machinery and equipment. Depending on the nature of the machinery or equipment, this might run from 5 to 15 years. Second, it may be said that making loans on machines is dangerous, because if the loans cannot be repaid, the Government would lose its investment. However, there are many general-purpose machines such as lathes and punch presses which can be applied to a great variety of uses. Thus, it is not necessarily true that the Government would lose its investment were the loan to go into default.

MAXIMUM PERIOD OF LOANS

In the bill passed last year, the maximum period for industrial loans was 40 years. In a further effort to meet some of the objections of the administration, the bill reported by the committee provides for a maximum of 30 years with a provision for an extension of 10 additional years only in certain cases where the Administrator determines its advisability. The administration bill provides for a maximum period of 25 years, with a 10-year extension possible which may not be enough in some cases.

APPROPRIATIONS VERSUS BORROWING AUTHORITY

S. 722 provides that the three loan funds be borrowed from the Treasury, whereas the administration bill would require that such funds be appropriated.

Where a program involves new authorization for funds from year to year, I would agree that appropriations would normally be preferable. I believe this to be true because times change over the years, and where new funds are being made available, these should be subject to periodic review by Congress.

However, the loan funds in S. 722 are a one-shot authorization and are in amounts which the committee feels necessary to get the program underway. The bill does not provide for additional authorizations from year to year. Were additional authorizations to be made, therefore, they would automatically be subject to the scrutiny of Congress.

Providing that the funds be appropriated rather than borrowed from the Treasury simply means that they would have to run the gauntlet of authorization twice, rather than once; to go through two committees rather than one. The Senate Banking Committee authorized and the Congress enacted a Federal flood insurance program. The Senate twice voted an appropriation to put the program into effect. The House Appropriations Committee, however, refused to authorize any appropriation for this program, and now it has fallen by the wayside. We certainly do not want that to happen in the case of area redevelopment legislation.

S. 722 does provide for appropriation of technical assistance, public facility grants, and retraining grants.

SUMMARY

There are other minor differences between the administration bill and S. 722, but I think I have covered the major differences. In general, the administration bill would be completely inadequate to deal with the real needs for area redevelopment, and it will be a grave mistake for the Senate to substitute it for the bill as reported by the committee.

The committee voted to report S. 722 by a vote of 9 to 6. It should be recognized, however, that this is not representative of the differences between S. 722 and the administration bill. I believe that I am correct in saying that most of the six votes against in reporting would be opposed to the administration bill as well as to S. 722.

I have seen very little support for the administration's bill. It was introduced by Senator DIRKSEN, who as minority leader, is the logical person to introduce administration measures. However, when he introduced it, it lay on the table for 2 days to permit anyone who desired to cosponsor it to do so. There were no takers. S. 722, on the other hand, has a total of 39 sponsors.

There may be a legitimate issue as to whether or not we should have an area redevelopment program, but the enactment of the administration proposal would result in a program so inadequate that there might as well be no program at all as to pass such a measure.

I hope the administration's proposal will be defeated by a resounding vote, a tremendous vote, one which will serve notice on the Department of Commerce and the White House that this country wants an effective bill, not a sham bill.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. GORE. Last week I addressed the Senate on the general subject of the economic challenge which the United States faces. A part of that economic challenge is the lack of adequate growth of our economy and the lack of employment opportunities.

In the course of the address, I inquired about the policy of the Democratic Congress to meet this challenge. I take it that the bill before the Senate is not intended as an answer to the entire challenge; but does not the able Senator from Illinois think that the restoration of productivity to the depressed areas constitutes an important part of the answer to that challenge and that question?

Mr. DOUGLAS. I certainly do. It would deal with what is termed "structural unemployment" by furnishing seed capital to start new private enterprise in areas of high and persistent unemployment. By putting unemployed persons to work producing commodities which otherwise would not be produced, the inflationary effect would be reduced to very little, and might possibly be completely removed.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. DOUGLAS. I yield.

Mr. GORE. The Senator is aware, I am sure, that there has been but a very slow and, I contend, a very inadequate growth in our national economy since the end of the Korean war.

Mr. DOUGLAS. That is correct.

Mr. GORE. A serious part of that lack of growth has been in cities or communities which it is hoped will be helped by the pending bill.

Mr. DOUGLAS. That is correct. We aim to utilize the greatest unused resource of the American people—namely, the idle time of workers.

Mr. GORE. If we succeed in restoring to productivity the resources, human and material, of the depressed areas alone, will not that make a significant contribution to the growth of the economy?

Mr. DOUGLAS. Yes; and it will reduce the tax burden for unemployment compensation, relief, surplus foods, and the rest.

Mr. GORE. I congratulate the Senator from Illinois upon his leadership in this field. I express the wish that other legislative committees will bring forth, in rapid-fire order, programs of action to meet the economic challenge, which in the long run is as serious as either the political or the military challenge we face.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MONRONEY. Is it not true that the administration substitute virtually destroys the very carefully worked out and carefully studied broad gage program which the committee has reported?

Mr. DOUGLAS. That is correct.

Mr. MONRONEY. As I understand, the administration program not only drastically reduces the amounts which will be available for the rehabilitation of depressed areas, but ignores completely the erosion of human resources which has taken place in the small towns and agricultural areas.

Mr. DOUGLAS. That is correct.

Mr. MONRONEY. And the areas where large numbers of people have been on relief for many years.

Mr. DOUGLAS. That is true.

Mr. MONRONEY. In other words, to qualify under the sole test of the administration substitute, the number of unem-

ployed must have accumulated, it might be said, in the past 12 months, in order to constitute an effective statistic; but those areas which were given knockout blows by the shifting of industry, the closing of mines, or the collapse of agriculture over a period of 10 years have not necessarily had an increase in unemployment, but have been depressed for some 10 or 12 years. So without the committee bill, we would be voting only a feeble straw to move against what has become almost a nationwide plague of pockets of continuing, hopeless unemployment areas, both rural and urban.

Mr. DOUGLAS. The Senator has stated the situation correctly.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. CAPEHART. Mr. President, I yield myself 1 minute.

I think we should keep the record straight. The answer to the able Senator from Oklahoma ought to be that the Senator having the bill in charge, the Senator from Illinois [Mr. DOUGLAS], accepted the administration's criteria. He said so a number of times on the floor of the Senate, in stating how he arrived at the number of areas to be helped. So if anything is wrong, it is not the administration's fault; it is the fault of the able Senator from Illinois for having accepted the administration's criteria. One cannot have his cake and eat it, too. Does the Douglas bill embody the administration's criteria or does it not? If it does not, the Senator from Illinois must change his answer to the Senator from Oklahoma.

Mr. DOUGLAS. First, the administration bill makes no provision for rural areas.

Mr. CAPEHART. The Senator from Oklahoma was not talking about that.

Mr. DOUGLAS. Oh, yes, he was. As I have said many times, every standard for industrial areas is related to the average for the rest of the country, but we have cut the period back 1 year.

Mr. CAPEHART. I know how zealous the able Senator from Illinois [Mr. DOUGLAS] and the able Senator from Oklahoma [Mr. MONRONEY] are to have the record straight. I know that from having served with them for many years. I know they are very grateful to me or to anyone else who may try to correct misinformation which they may give.

Mr. DOUGLAS. We are grateful to the Senator from Indiana when he brings out accuracies, which is not always the case.

The PRESIDING OFFICER. The time of the senior Senator from Illinois [Mr. DOUGLAS] on the amendment has expired.

There remain 8 minutes under the control of the junior Senator from Illinois [Mr. DIRKSEN].

The question is on agreeing to the amendment of the junior Senator from Illinois [Mr. DIRKSEN], in the nature of a substitute for the bill.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. CAPEHART. Mr. President, I ask unanimous consent that immediately following the quorum call, the vote on the pending amendment be taken.

Mr. LONG. Mr. President, reserving the right to object, is it possible to have a quorum call and then to vote immediately thereafter?

The PRESIDING OFFICER. The Chair is advised that the Senator from Indiana has 5 minutes remaining under his control. Obviously, that is a sufficient length of time in which to have a quorum call.

Mr. LONG. Mr. President, if all the remaining time is not to be yielded back, I would feel compelled to object.

Mr. DOUGLAS. Mr. President, I yield back all time remaining under my control.

Mr. DIRKSEN. Mr. President, I yield back all the time remaining under my control.

Mr. CAPEHART. Mr. President, I withdraw my suggestion of the absence of a quorum, and I also withdraw my request.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the junior Senator from Illinois [Mr. DIRKSEN], in the nature of a substitute for the pending bill.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll; and Mr. AIKEN voted in the affirmative, when his name was called.

Mr. DIRKSEN. Mr. President, has a vote been cast?

The PRESIDING OFFICER. Yes.

Mr. DIRKSEN. Then I assume that it is now too late to propound a parliamentary inquiry.

The PRESIDING OFFICER. Silence suggests that it is now too late.

Mr. DIRKSEN. Very well.

The PRESIDING OFFICER. The clerk will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

The result was announced—yeas 43, nays 52, as follows:

YEAS—43

Aiken	Dworshak	Morton
Allott	Eastland	Mundt
Beall	Ellender	Prouty
Bennett	Ervin	Robertson
Bridges	Frear	Saltonstall
Bush	Goldwater	Schoeppel
Butler	Hickenlooper	Smathers
Byrd, Va.	Holland	Stennis
Capehart	Hruska	Talmadge
Carlson	Jordan	Thurmond
Case, N.J.	Keating	Wiley
Case, S. Dak.	Kuchel	Williams, Del.
Cotton	Lausche	Young, N. Dak.
Curtis	Martin	
Dirksen	McClellan	

NAYS—52

Anderson	Cannon	Clark
Bartlett	Carroll	Cooper
Bible	Chavez	Dodd
Byrd, W. Va.	Church	Douglas
Engle	Kefauver	Neuberger
Gore	Kennedy	O'Mahoney
Green	Kerr	Pastore
Gruening	Langer	Proxmire
Hart	Long	Randolph
Hartke	Mansfield	Scott
Hayden	McCarthy	Smith
Hennings	McGee	Sparkman
Hill	McNamara	Symington
Humphrey	Monroney	Williams, N.J.
Jackson	Morse	Yarborough
Javits	Moss	Young, Ohio
Johnson, Tex.	Murray	
Johnston, S.C.	Muskie	

NOT VOTING—3

Fulbright	Magnuson	Russell

So Mr. DIRKSEN's amendment, in the nature of a substitute, was rejected.

Mr. DOUGLAS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Illinois to reconsider.

The motion to lay on the table was agreed to.

Mr. SCOTT. Mr. President, I call up for consideration, and offer as an amendment in the nature of a substitute for the pending bill, my bill, S. 268; and on the amendment I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. SCOTT. Mr. President, I ask unanimous consent that the reading of the amendment may be dispensed with and that the amendment may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

The amendment in the nature of a substitute offered by Mr. SCOTT is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act be cited as the 'Area Redevelopment Act.'

"DECLARATION OF PURPOSE

"SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment which causes hardship to many individuals and their families and detracts from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government in cooperation with the States, should help areas of substantial and persistent unemployment to take effective steps in planning and financing their economic development; that Federal assistance should enable communities to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies; and that new employment opportunities should be created rather than merely transferred from one community to another.

"AREA ECONOMIC REDEVELOPMENT ADMINISTRATION

"SEC. 3. To assist areas in the United States designated hereinafter as redevelopment areas, the Secretary of Commerce is authorized to take such action as may be necessary to carry out the provisions of this

Act. To assist the Secretary of Commerce (hereinafter referred to as the 'Secretary'), there is hereby established within the Department of Commerce an Area Economic Redevelopment Administration which shall be headed by an Administrator who shall be appointed by the Secretary and who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce. The Administrator shall perform such duties in the execution of this Act as the Secretary may assign.

"ADVISORY BOARD

"SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this Act, there is authorized to be created an Area Economic Redevelopment Advisory Board (hereinafter referred to as the 'Board', which shall consist of the following members, all ex officio: The Secretary, as Chairman; the Secretaries of Agriculture; Health, Education, and Welfare; Labor; and Treasury; the Administrators of the Housing and Home Finance Agency and of the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

"(b) The Secretary shall appoint a National Public Advisory Committee on Area Redevelopment which shall consist of twenty-five members and which shall be composed of representatives of labor, management, agriculture, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee therof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

"(c) The Secretary is authorized from time to time to call together and confer with representatives of the various parties in interest from any industry in which employment has dropped substantially over an extended period of years and which in consequence has been a primary source of high levels of unemployment in several areas designated by the Secretary as redevelopment areas. Conferences convened under authority of this subsection shall consider with and recommend to the Secretary plans and programs with special reference to any such industry to carry out the purposes of this Act.

"REDEVELOPMENT AREAS

"SEC. 5. (a) The Secretary shall designate as 'industrial redevelopment areas' those industrial areas within the United States in which he determines that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any industrial area in which there has existed unemployment of not less than (1) 15 per centum of the labor force during the six-month period immediately preceding the date on which application for assistance is made under this Act, (2) 12 per centum of the labor force during the twelve-month period immediately preceding such date. (3) 9 per centum of the labor force during at least fifteen months of the eighteen-month period immediately preceding such date, or (4) 6 per centum of the labor force during at least eighteen months of the twenty-four-month period immediately preceding such date.

"(b) The Secretary shall also designate as "rural redevelopment areas" those rural areas within the United States in which he determines that there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection, the Secretary shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are to the total farm families of each of such areas, the relationship of the income levels of the families in each such areas to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each such area for supplemental employment.

"(c) In making the determinations provided for in this section, the Secretary shall be guided, but not conclusively governed, by pertinent studies made, and information and data collected or compiled, by (1) departments, agencies and instrumentalities of the Federal Government, (2) State and local governments, (3) universities and land-grant colleges, and (4) private organizations.

"(d) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, and the Director of the Bureau of the Census are respectively authorized to conduct such special studies, obtain such information and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Secretary shall reimburse, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

"(e) As used in this Act, the term 'redevelopment area,' refers to any area within the United States which has been designated by the Secretary as an industrial redevelopment area or a rural redevelopment area, and may include one or more counties, or one or more municipalities, or a part of a county or municipality.

"LOANS AND PARTICIPATIONS

"SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (including immediate participations therein) to aid in financing any project for the purchase or development of land and facilities for industrial usage, for the construction of new factory buildings, for rehabilitation of abandoned or unoccupied factory buildings, or for the alteration, conversion, or enlargement of any existing buildings for industrial use. Such financial assistance shall not be extended for working capital, for purchases of machinery or equipment, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

"(1) The total amount of loans and loan participations (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in industrial redevelopment areas shall not exceed $100,000,000, and (B) with respect to projects in rural redevelopment areas shall not exceed $50,000,000;

"(2) Such assistance shall be extended only to applicants, both private and public, approved by the State (or any agency or instrumentality thereof concerned with problems of economic development) in which the project to be financed shall be located;

"(3) No such assistance shall be extended hereunder unless the financial assistance applied for is not otherwise available from private lenders or other Federal agencies on reasonable terms;

"(4) No loan shall be made unless it is determined that an immediate participation is not available;

"(5) No evidences of indebtedness shall be purchased and no loans shall be made unless it is determined that there is a reasonable assurance of repayment;

"(6) No loan, including renewals or extension thereof may be made hereunder for a period exceeding thirty years and no evidences of indebtedness maturing more than thirty years from date of purchase may be purchased hereunder: *Provided*, That the foregoing restrictions on maturities shall not apply to securities or obligations received by the Secretary as a claimant in bankruptcy or equitable reorganization or as a creditor in other proceedings attendant upon insolvency of the obligor, or if extension or renewal for additional periods, not to exceed, however, a total of ten years, will aid in the orderly liquidation of such loan or of such evidence of indebtedness;

"(7) Such assistance shall not exceed 50 per centum of the aggregate cost to the applicant (excluding all other Federal aid in connection with the undertaking) of acquiring or developing land and facilities, and of constructing, altering, converting, rehabilitating, or enlarging the building or buildings of the particular project and shall, among others, be on the following conditions:

"(A) That other funds are available in an amount which, together with the assistance provided hereunder, shall be sufficient to pay such aggregate cost;

"(B) That not less than 10 per centum of such aggregate cost be supplied by the State or any agency, instrumentality, or political subdivision thereof, or by a community or area organization, as equity capital or as a loan repayable only after the financial assistance hereunder has been repaid in full according to the terms thereof and, if such loan is secured, its security shall be subordinate and inferior to the lien or liens securing the financial assistance hereunder; and

"(C) That in making any loan under this section with respect to an industrial redevelopment area, the Secretary shall require that not less than 5 per centum of the aggregate cost of the project for which such loan is made shall be supplied by nongovernmental sources.

"(8) No such assistance shall be extended unless there shall be submited and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided*, That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

"(c) Of the funds authorized to be appropriated under section 8 of this Act, not more than $100,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in industrial redevelopment areas, and not more than $50,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section with respect to projects in rural redevelopment areas.

"LOANS FOR PUBLIC FACILITIES

"SEC. 7(a) Upon the application of any State, or political subdivison thereof, or private or public organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make loans to assist in financing the pur-

chase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities within any redevelopment area, if he finds that—

"(1) the project for which financial assistance is sought will provide more than a temporary alleviation of unemployment or underemployment in the redevelopment area wherein such project is, or will be, located, and will tend to improve the opportunities in such area for the successful establishment or expansion of industrial or commercial plants or facilities;

"(2) the funds requested for such project are not otherwise available on reasonable terms;

"(3) the amount of the loan plus the amount of other available funds for such projects are adequate to insure the completion thereof; and

"(4) there is a reasonable expectation of repayment.

"(b) No loan under this section shall be for an amount in excess of 50 per centum of the aggregate cost of the project for which such loan is made. Subject to section 11(5), the maturity date of any such loan shall be not later than thirty years after the date such loan is made.

"(c) In making any loan under this section, the Secretary shall require that not less than 10 per centum of the aggregate cost of the project for which such loan is made shall be supplied by the State (including any political subdivision thereof) within which such project is to be located as equity capital, or as a loan repayable only after the financial assistance provided under this section has been repaid in full, and, if such loan is secured, its security shall be subordinate to the lien or liens securing the financial assistance provided under this section. In determining the amount of participation required under this subsection with respect to any particular project, the Secretary shall give consideration to the financial condition of the State or local government, and to the per capita income of the residents of the redevelopment area, within which such project is to be located.

"(d) Of the funds authorized to be appropriated under section 8 of this Act, not more than $50,000,000 shall be deposited in a revolving fund which shall be used for the purpose of making loans under this section.

"APPROPRIATION FOR LOANS

"SEC. 8. There is hereby authorized to be appropriated not to exceed $200,000,000 to provide funds for loans under this Act.

"INFORMATION

"SEC. 9. The Secretary shall aid redevelopment areas by furnishing to interested individuals, communities, industries, and enterprises within such areas any assistance, technical information, market research, or other forms of assistance, information, or advice which are obtainable from the various departments, agencies, and instrumentalities of the Federal Government and which would be useful in alleviating conditions of excessive unemployment or underemployment within such areas. The Secretary shall furnish the procurement divisions of the various departments, agencies, and other instrumentalities of the Federal Government with a list containing the names and addresses of business firms which are located in redevelopment areas and which are desirous of obtaining Government contracts for the furnishing of supplies or services, and designating the supplies and services such firms are engaged in providing.

"TECHNICAL ASSISTANCE

"SEC. 10. In carrying out his duties under this Act, the Secretary is authorized to provide technical assistance to areas which he has designated as redevelopment areas under this Act. Such assistance shall include studies evaluating the needs of, and development potentialities for, economic growth of such areas. Such assistance may be provided by the Secretary through members of his staff or through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purpose. Appropriations are hereby authorized for the purposes of this section in an amount not to exceed $3,500,000 annually.

"POWERS OF SECRETARY

"SEC. 11. In performing his duties under this Act, the Secretary is authorized to—

"(1) adopt, alter, and use a seal, which shall be judicially noticed; and subject to the civil service and classification laws, select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this Act, and define their authority and duties, provide bonds for them in such amounts as the Secretary shall determine, and pay the costs of qualification of certain of them as notaries public;

"(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

"(4) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans made under this Act, and collect or compromise all obligations assigned to or held by him in connection with the payment of such loans until such time as such obligations may be referred to the Attorney General for suit or collection;

"(5) further extend the maturity of or renew any loan made under this Act, beyond the periods stated in such loan or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan;

"(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with the payment of loans made under this Act;

"(7) pursue to final collection, by way of compromise or other administrative action, prior to reference to the Attorney General, all claims against third parties assigned to him in connection with loans made under this Act. This shall include authority to obtain deficiency judgments or otherwise as in the case of mortgages assigned to the Secretary. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Secretary as a result of loans made under this Act if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Secretary deeds of conveyance, deed of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein acquired by the Secretary pursuant to the provisions of this Act may be exercised by the Secretary or by any officer or agent appointed by him for that purpose without the execution of any express delegation of power or power of attorney;

"(8) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in sections 6 and 7 of this Act;

"(9) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions, including the procurement of the services of attorneys by contract, determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise administratively dealing with or realizing on loans made under this Act;

"(10) to such an extent as he finds necessary to carry out the provisions of this Act, procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classifications law, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5); any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses; and

"(11) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

"TERMINATION OF ELIGIBILITY FOR FURTHER ASSISTANCE

"SEC. 12. Whenever the Secretary shall determine that employment conditions within any area previously designated by him as a redevelopment area have changed to such an extent that such area is no longer eligible for such designation under section 5 of this Act, no further assistance shall be granted under this Act with respect to such area and, for the purposes of this Act, such area shall not be considered a redevelopment area: *Provided*, That nothing contained herein shall (1) prevent any such area from again being designated a redevelopment area under section 5 of this Act if the Secretary determines it to be eligible under such section, or (2) affect the validity of any contracts or undertakings with respect to such area which were entered into pursuant to this Act prior to a determination by the Secretary that such area no longer qualifies as a redevelopment area. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the designation of any area.

"PROCUREMENT BY GOVERNMENTAL AGENCIES

"SEC. 13. Each department, agency, or other instrumentality of the Federal Government engaged in the procurement of any supplies or services for use by or on behalf of the United States shall—

"(1) use its best efforts to award negotiated procurement contracts to contractors located within redevelopment areas to the extent procurement objectives will permit;

"(2) where deemed appropriate, set aside portions of procurements for negotiation exclusively with firms located in redevelopment areas, if a substantial proportion of production on such negotiated contracts will be performed within redevelopment areas and if such firms will contract for such portions of the procurement at prices no higher than those paid on the balance of such procurements;

"(3) where deemed appropriate and consistent with procurement objectives, after the expiration of the period during which bids for any procurement are permitted to be submitted and if the lowest of such bids was submitted by a firm in an area other than a redevelopment area, negotiate with firms in redevelopment areas with a view to ascertaining whether any such firm will furnish the services or supplies with respect to which bids were theretofore submitted for an amount equal to, or less than, the amount of the lowest bid theretofore submitted for the furnishing of such services or supplies, and if such firm can be found, award the contract for the furnishing of such services or supplies to such firm;

"(4) assure that firms in redevelopment areas which are on appropriate bidders' lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified and on which small business joint determinations have not been made, but whenever the number of firms on a bidders' list is exclusive, there shall be included a representative number of firms from redevelopment areas;

"(5) in the event of tie bids on offers on any procurement, award the contract to the firm located in a redevelopment area, other things being equal;

"(6) encourage prime contractors to award subcontracts to firms in redevelopment areas; and

"(7) cooperate with other departments, agencies, and instrumentalities of the Federal Government in achieving the objectives set out in this subsection.

"URBAN RENEWAL

"SEC. 14. Title I of the Housing Act of 1949, as amended, is amended by adding at the end thereof the following new section:

"'INDUSTRIAL REDEVELOPMENT AREAS UNDER THE AREA ECONOMIC REDEVELOPMENT ACT

"'SEC. 112. (a) When the Secretary of Commerce certifies to the Housing and Home Finance Administrator (1) that any county, city, or other municipality (in this section referred to as a "municipality") is situated in an area designated under section 5(a) of the Area Economic Redevelopment Act as an industrial redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economic development, the Housing and Home Finance Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

"'(b) The Housing and Home Finance Administrator may provide such financial assistance under this section without regard to the requirements or limitations of section 110(c) that the project area be clearly predominantly residential in character or that it be redeveloped for predominantly residential uses; but no such assistance shall be provided in any area if such Administrator determines that it will assist in relocating business operations from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

"'(c) Financial assistance under this section may be provided for any project involving a project area including primarily industrial or commercial structure suitable for rehabilitation under the urban renewal plan for the area.

"'(d) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land under this section shall be made at not less than its fair value for uses in accordance with the urban renewal plan: *And provided further*, That the purchasers from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations imposed under section 105(b).

"'(e) Following the execution of any contract for financial assistance under this section with respect to any project, the Housing and Home Finance Administrator may exercise the authority vested in him under this section for the completion of such project, notwithstanding any determination made after the execution of such contract that the area in which the project is located may no longer be an industrial redevelopment area under the Area Economic Redevelopment Act.

"'(f) Not more than 10 per centum of the funds authorized for loans under section 102 or for capital grants under section 103 shall be available to provide financial assistance under this section.'

"URBAN PLANNING GRANTS

"SEC. 15. The second sentence of section 701 of the Housing Act of 1954 is amended by adding the following in clause (2) after the words 'decennial census which': '(i) are situated in areas designated by the Secretary of Commerce under the Area Economic Redevelopment Act as industrial redevelopment areas, or (ii)'.

"VOCATIONAL TRAINING

"SEC. 16 (a) The Secretary of Labor shall determine the vocational training or retraining needs of unemployed individuals residing in redevelopment areas and shall cooperate with the Secretary of Health, Education, and Welfare and with existing State and local agencies and officials in charge of existing programs relating to vocational training and retraining for the purpose of assuring that the facilities and services of such agencies are made fully available to such individuals.

"(b) Whenever the Secretary of Labor finds that additional facilities or services are needed in the area to meet the vocational training or retraining needs of such individuals, he shall so advise the Secretary of Health, Education, and Welfare. The Secretary of Health, Education, and Welfare, through the Commissioner of Education, shall provide assistance, including financial assistance when necessary, to the appropriate State vocational educational agency in the provision of such additional facilities or services. If the Secretary of Health, Education, and Welfare finds that the State vocational educational agency is unable to provide the facilities and services needed, he may, after consultation with such agency, provide for the same by agreement or contract with public or private educational institutions: *Provided*, That the Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeship, journeyman, and other job training needed in the locality.

"PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

"SEC. 17. The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on projects undertaken by public applicants assisted under this Act (1) shall be paid wages at rates no less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of August 30, 1935 (Davis-Bacon Act), and (2) shall be employed not more than forty hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed.

"PENALTIES

"SEC. 18. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security thereof, or for the purpose of influencing in any way the action of the Secretary, or for the purpose of obtaining money, property, or anything of value, under this title, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(b) Whoever, being connected in any capacity with the Secretary (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to him or pledged or otherwise entrusted to him, or (2) with intent to defraud the Secretary or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Secretary makes any false entry in any book, report, or statement of or to the Secretary, or without being duly authorized, draws any order or issues, put forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Secretary, or (4) gives any unauthorized information concerning any future action or plan of the Secretary which might affect the value of securities, or having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Secretary shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

"SEC. 19. No loan shall be made by the Secretary under this Act to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, or other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, and the fees paid or to be paid to any such persons; and (2) execute an agreement binding any such business enterprise for a period of two years after any assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent or employee of the Secretary occupying a position or engaging in activities with which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

"ANNUAL REPORT

"SEC. 20. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending June 30, 1960. Such report shall be printed, and shall be transmitted to the Congress not later than January 3 of the year following the fiscal year with respect to which such report is made. Such report shall show, among other things, (1) the number and size of Government contracts for the furnishing of supplies and services

placed with business firms located in redevelopment areas, and (2) the amount and duration of employment resulting from such contracts. Upon the request of the Secretary, the various departments and agencies of the Government engaged in the procurement of supplies and services shall furnish to the Secretary such information as may be necessary for the purposes of this section.

"APPROPRIATION

"SEC. 21. In addition to appropriations hereinbefore specifically authorized, there are further authorized to be appropriated such sums as may be necessary to carry out the provisions and purposes of this Act.

"USE OF OTHER FACILITIES

"SEC. 22. (a) To avoid duplication of activies and minimize expense in carrying out the provisions of this Act, the Secretary shall, to the extent practicable and with their consent, use the available services and facilities of other agencies and instrumentalities of the Federal Government on a reimbursable basis.

"(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

"RECORDS AND AUDIT

"SEC. 23. (a) Each recipient of assistance under section 6 or 7 of this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6 or 7 of this Act."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Pennsylvania [Mr. SCOTT]. On this question the yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I am informed by the minority leader that the Senator from Pennsylvania and those who support him would be agreeable to a limitation of 10 minutes for them and 10 minutes for the opponents. Is that agreeable?

Mr. SCOTT. That is agreeable. I have had no request for time.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there be a time limitation with respect to this particular substitute amendment, 10 minutes to each side, the time to be controlled by the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Illinois [Mr. DOUGLAS].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. JAVITS. Mr. President, I have asked the Senator from Pennsylvania for a little time. Could I be given 5 minutes?

Mr. BUSH. Mr. President, I should like to ask the minority leader if he will ask now for a yea and nay vote on one more amendment to be offered jointly by me and by the distinguished Senator from New York [Mr. JAVITS]. In the interest of saving time, which the majority leader has requested, we have agreed to merge out two amendments into one and present them as one amendment. We should like to have a yea and nay vote on the amendment.

Mr. JOHNSON of Texas. I will say to the Senator that at the time his amendment is pending I will support him in his request for the yeas and nays.

The PRESIDING OFFICER. The Senator from Texas has asked unanimous consent for an agreement as to a time limitation with respect to the pending amendment.

Mr. JOHNSON of Texas. It is 10 minutes to each side, to be controlled, respectively, by the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Illinois [Mr. DOUGLAS].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Pennsylvania.

Mr. ALLOTT. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BENNETT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BENNETT. What was the final determination as to the amount of time assigned to each side?

The PRESIDING OFFICER. Ten minutes to each side, the time to be controlled, respectively, by the Senator from Pennsylvania [Mr. SCOTT] and the Senator from Illinois [Mr. DOUGLAS].

The Senator from Pennsylvania is recognized.

Mr. SCOTT. Mr. President, there is no basic difference of opinion as to the continuing need for economic assistance to depressed areas throughout the Nation. We have only to look at the mounting unemployment figures to realize that serious economic illness persists—in the face of accelerating recovery and a new high level of prosperity.

We have the highest level of employment in our history, yet unemployment mounts. We have income at its highest peak and production booming, yet the family breadwinner in industrial and mining communities in Pennsylvania is walking the streets unemployed—a drain upon the unemployment compensation and public assistance rolls.

Technological changes, migration of industry, shifts in demand, depletion of resources—all have contributed to the complexity of this problem, and leave irreplaceable human resources in the backwash of the rising tide.

We cannot be healthy as a nation with sagging pockets of unemployment and underemployment, as unpleasant reminders of our lack of action, or inability to set our economic house in order.

Depressed areas are an expensive burden, which our country cannot afford to carry.

Mr. President, the urgency of the situation makes it a matter of prime importance that an area redevelopment bill be enacted; that it contain sufficient means for stimulating local and community efforts; and that it not face the ultimate hazard of a veto.

I do not mean to imply that our efforts to legislate should be overshadowed by such a possibility, but I am very aware of the time which has been lost in suffering that action last year.

No, I have no crystal ball whereby I can foresee what the President will do either with regard to the pending bill, or the substitute which I offer.

However, I am mindful of the message of disapproval, and my own conviction that we should not lose further time.

I am also mindful, Mr. President, of the possibility of a veto. I fear the Douglas bill may prove to be unrealistic by being in an amount greater than may gain approval, exactly as I fear the administration bill may be unrealistic by being in an amount less by far than necessary to meet the need.

My amendment calls for an appropriation of $200 million for revolving fund loans. The emphasis is on loans from appropriated funds, as opposed to loans financed by borrowing from the Treasury.

My amendment calls for $100 million for industrial redevelopment; $50 million for rural redevelopment; and $50 million for public facilities, all on a loan basis. The pending bill would establish three $100 million loan funds for the same purpose, plus $75 million in outright grants for public facilities.

My amendment provides for a maximum Federal loan participation of 50 percent, with local, State or outside sources taking over the remaining 50 percent responsibility. The Douglas bill maintains 65 percent Federal participation.

My amendment calls for a maximum loan period of 30 years—the Douglas bill could go as far as 40.

My amendment would place the administration of the program in a separate administration established within the Department of Commerce. I am glad to note that the Douglas bill has departed from the idea of setting up an Area Redevelopment Administration as a constituent agency of Housing and Home Finance. A new separate administration will take time for organization and staffing. I believe that Commerce is the logical Department to have the major responsibility for coordination of this program. Its organization is geared to deal with problems of business and industry.

Mr. President—my amendment provides a practical and reasonable approach to this problem—hitting, as my able friend the senior Senator from Illinois stated on one occasion—a middle-of-the-road position.

I admit that it is middle-of-the-road, between the extremes of S. 722 on the one hand, and the inadequacy of the funds provided in the administration proposal.

I trust that the vote on my amendment in the nature of a substitute for Senate bill 722 may be favorable, for the reason that I believe it would have a far better chance of approval by the administration than the Douglas bill, and because I believe that it would be more effective than the administration bill in meeting the needs of the times in my State and other States.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief analysis of my amendment to the area redevelopment bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

BRIEF ANALYSIS OF AREA REDEVELOPMENT BILL, INTRODUCED BY SENATOR HUGH SCOTT, INTENDED TO BE OFFERED AS AMENDMENT IN NATURE OF A SUBSTITUTE TO S. 722

1. Authorizes appropriation of $200 million for a revolving loan fund: $100 million, industrial areas; $50 million, rural areas; $50 million, public facilities.

2. Provides for Federal loan participation of 50 percent, with State, local government, or nongovernment sources providing matching 50 percent.

3. No outright grants for public facilities.

4. Provides for loans over period of 30 years.

5. Places program under Department of Commerce.

6. Authorizes Secretary of Commerce to determine realistic rates of interest on all loans.

7. Authorizes loans to industrial areas with following unemployment levels: 15 percent unemployment for 6 months, or 12 percent unemployment for 1 year, or 9 percent for 15 out of 18 months, or 6 percent for 18 out of 24 months, preceding date of application.

8. Contains special urban renewal section to permit Housing and Home Finance to give financial assistance to urban renewal projects in municipalities, without regard to predominantly residential requirement.

9. Contains Davis-Bacon Act provision to assure prevailing wage and 40-hour week on contracts.

10. Authorizes technical assistance of $3.5 million for surveys and evaluation studies.

11. Requires State or its instrumentality to establish local redevelopment plans.

12. Establishes Cabinet-level Advisory Board and 25-member Public Advisory Committee.

Mr. SCOTT. Mr. President, I desire to yield at this time to my good friend the distinguished senior Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, I desire to express my support for the substitute offered by the Senator from Pennsylvania [Mr. SCOTT], on the grounds, as he has stated, that it is a fair middle-of-the-road proposal.

The PRESIDING OFFICER. Did the Senator from Pennsylvania indicate how much time he wished to yield to the Senator from New York?

Mr. SCOTT. I yield 2 minutes. How much time have I left?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. SCOTT. I yield 2 minutes to the Senator from New York.

Mr. BUSH. Mr. President, may I have 1 minute?

Mr. SCOTT. I will yield 1 minute to the Senator from Connecticut.

Mr. JAVITS. Mr. President, I point out that what is sought here is to do something in connection with the very vexing problem of the domestic areas with chronic unemployment.

As one who constantly supports a foreign aid program, which I consider indispensable to the American scene, I feel it my duty to support a meaningful program for our own distressed areas. I think this is the minimum meaningful program. Therefore, consistent with the idea of budget balance, as nearly as it can be attained considering our national needs, I support the amendment offered by the Senator from Pennsylvania.

I point out further that this is a hard-headed proposal. I believe that the 50-percent participation is all that it should be, and that it is not necessary to go to the 65-percent limitation in the Douglas bill.

Finally, I point out that the amendment excludes machinery and equipment. I think that is a very desirable change. I shall have another opportunity to argue that question, because the Senator from Connecticut and I will offer an amendment which would incorporate that idea, and would save up to $100 million in connection with this bill alone.

I believe that the amendment in the nature of a substitute offered by the Senator from Pennsylvania is a fair approach for those who are trying for some kind of balance between income and outgo in Government funds, and who, at the same time, wish to help strike a blow in areas of chronic unemployment, of which there are a considerable number in my own State of New York.

Mr. SCOTT. I now yield 1 minute to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I subscribe to what the distinguished Senator from New York has said about the merits of the amendment of the Senator from Pennsylvania [Mr. SCOTT], as distinguished from Senate bill 722. I shall vote for the amendment of the Senator from Pennsylvania, not because I would vote for it on final passage, which, indeed, I would not. I would oppose it; but because I think it is an improvement upon Senate bill 722, the pending business of the Senate, I shall vote for the amendment.

Mr. SCOTT. Mr. President, I believe I have 1 minute left. I should like to reemphasize what I pointed out in an earlier colloquy, namely, that the formula under the administration bill does not cover several of the most populous areas of my State. I suspect that is true of other States. The Douglas measure has accepted a formula somewhat similar to that in the administration bill. Therefore, certainly for my State, and perhaps for many other States, I believe the amendment which I offer more nearly meets the problem and the needs which the problem presents.

Mr. President, I yield back the remainder of my time.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, it is with considerable regret that I find myself opposed to the position taken by my distinguished colleague from Pennsylvania. We see eye to eye on many matters, despite the fact that the aisle separates us. However, on this occasion I must urge the Senate to reject his amendment. I do so for the following reasons:

Not only in my State of Pennsylvania, but elsewhere, my junior colleague's amendment would not do the job. He would reduce the grants in rural areas from $100 million to $50 million. That would be unfair, because as a result of the cutback twice as much money would go to industrial areas as to rural areas.

The amendment of my colleague would reduce the loans for community facilities by half. That is not fair, because the most hard-pressed communities are those which need community facilities and are unable to obtain credit on the open market to build them. Without community facilities, such as sewers, industrial water supply, roads, and parks, it would be impossible to induce industry to locate in a depressed area.

The amendment of my colleague would eliminate $75 million in grants for communities which are in such dire financial straits that they are quite unable to make loans which could be repaid. That would be unfair because it would prevent the most depressed areas from qualifying for this relief.

The amendment of my colleague would place the administration of the bill under the Department of Commerce. That would mean that we would never get the program under way, because the former Department of Commerce chief and the present Secretary of Commerce are both opposed to the provisions of the bill.

My colleague calls upon the Secretary of Commerce to determine realistic rates of interest. Note those words—"realistic rates of interest." That means high interest and tight money. For that reason the amendment of my good friend from my home State would come pretty close to reducing the efficacy of the bill more than half, just as he would cut in half the amount of money to be appropriated for hard-pressed areas.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield if I have the time.

Mr. SCOTT. First of all, it is regrettable that we differ on this question. My provision for interest is intended to meet the market rate for interest, in order to be realistic. My purpose in proposing a lesser amount than the senior Senator from Pennsylvania supports is that, among other things, I think my proposal would have a far better chance of approval.

My objection to an independent agency is that it would require more than a year to put such an agency into operation. We are operating under an emergency situation; and long before the Senator's independent agency could

ever become effective, unemployment would have become very much worse.

I believe the Department of Commerce would faithfully execute any instructions given to it by the legislature.

Mr. CLARK. Mr. President, like Voltaire, I thoroughly disagree with what my distinguished colleague says, but I would defend to the death his right to say it.

Mr. SCOTT. Then, as Voltaire counsels, let us both cultivate our garden and hope that some action will be taken.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the able Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, I shall require more time than that.

Mr. CAPEHART. Mr. President, I yield 12 minutes to the able Senator from Virginia on the bill.

Mr. CLARK. Mr. President, I understood that the time for debate had expired.

Mr. ROBERTSON. I shall need 2 minutes on the amendment and 12 minutes on the bill; 14 minutes altogether.

The PRESIDING OFFICER. On the bill itself, that is.

Mr. ROBERTSON. Yes.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Is there not a unanimous consent agreement in effect that the vote on the pending amendment would come after the expiration of 10 minutes of debate on each side?

The PRESIDING OFFICER (Mr. Moss in the chair). The Chair is advised that the agreement simply stated that 10 minutes would be allotted on each side on the amendment. However, there was no stipulation as to a vote.

Mr. CLARK. The second part of my inquiry is this. Is my understanding correct—and I see the majority leader on the floor—that as much time can be used on the amendment, allowed from the time on the bill, as Senators may request?

Mr. JOHNSON of Texas. Oh, yes. Some Senators must leave the Chamber to attend a meeting with the Prime Minister of Great Britain at 6 o'clock. I hope we will not talk the bill to death in the meantime.

Mr. CAPEHART. Mr. President, I yield 12 minutes on the bill and 2 minutes on the amendment to the Senator from Virginia [Mr. ROBERTSON].

Mr. DOUGLAS. I, too, yield the time to the Senator from Virginia. He now appears under double auspices. [Laughter.]

Mr. ROBERTSON. Mr. President, so far as the disagreement between the two distinguished Senators from Pennsylvania is concerned, I must side with the senior Senator from Pennsylvania. I do not understand how any Member of the Senate who believes in the philosophy of the bill—and the junior Senator from Virginia does not believe in it—can fail to recognize that one of the weaknesses of the bill is that not enough money is provided by the bill to do what is sought to be done. The amendment would make it only half as effective as it would otherwise be. Anything less than $389½ million would be worthless, in my opinion, from the standpoint of those who favor the enactment of the proposed legislation.

Mr. President, the Committee on Banking and Currency reported S. 722 by a vote of 9 to 6. The minority, of which I was a member, consisted of three Democrats and three Republicans. I wish to call the Senate's attention to the minority views, which consist of pages 39 through 46 of the committee report. I ask unanimous consent that the minority views be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ROBERTSON. Mr. President, on Friday, March 20, the Washington Daily News published an editorial entitled "Distress Compounded," in which the editors refer to the minority report. I ask unanimous consent that this editorial be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. ROBERTSON. Mr. President, I also wish to call attention to the fact that on September 6, 1958, the President issued a memorandum of disapproval of S. 3683, the area redevelopment bill which had been enacted by the last Congress just prior to its adjournment.

I digress here to say that those of us who voted against that bill just before Congress adjourned at the last session were very much encouraged by the fact that the vote on the substitution of $53 million in place of nearly $400 million was substantially large and the bill last year was about $100 million less than the bill we have before us and on which we expect to complete action before adjournment tonight.

This bill called for the expenditure of $279.5 million, or $110 million less than the $389.5 million proposed in the bill now before the Senate. I ask unanimous consent that a copy of this memorandum of disapproval be inserted in the RECORD following the insertions which I have previously requested.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. ROBERTSON. Mr. President, I do not intend to speak at length on the measure. All Senators are familiar with it, I am sure, and we wish to finish consideration of it before 6 o'clock this evening.

I am willing to stand on the record made by the minority views. I do wish to call attention, by way of emphasis, to a few defects of the bill.

The bill, S. 722, is an arbitrary and discriminatory one, contrary to the basic principles of a free economy in which flexibility rather than rigidity is a necessary attribute. By injecting the power and resources of the Federal Government into the so-called distressed areas, the bill would offer incentives to industrial plant location in those areas. The inducements which are proposed to be offered are extremely attractive. A new factory building, complete with all necessary machinery and equipment, on a choice location, supplied with all necessary public facilities, would be available. Moreover, the workers for the factory would be trained for their new jobs at Government expense for 4 months.

It is ironic that, through the Federal income-tax system, the more prosperous communities would be forced to subsidize competitive industries in less prosperous communities. There can be no justification for the use of Federal funds to help certain communities attract new industries at the expense of other communities that receive no Federal aid.

Instead of attempting to find a real solution to the complex problems of chronic unemployment and underemployment, the proponents of this proposed legislation have taken the easy course of attempting to find a new channel into which to pour Federal funds. Federal loans and grants may provide temporary relief in a few localities, but a lasting solution of the problem can come only through local leadership and local initiative.

The bill creates a new permanent Federal agency, in addition to existing agencies already engaged in related programs, with no limitation on the new Agency's number of employees.

The bill provides for the financing of $300 million of the $389.5 million through the well known back-door approach to the Treasury. These funds would not be subject to the appropriation procedures, but borrowed from the Treasury, with no provision for the repayment or termination. The funds would revolve and, no doubt, would be vastly increased by the pressures of later demands.

The proponents of this bill have themselves admitted that even the vast amount of money provided in the bill is inadequate. The Senator from West Virginia [Mr. RANDOLPH] has described the bill as "offering promise of a constructive beginning"—CONGRESSIONAL RECORD, March 20, 1959, page 4748. I call special attention to those portions of the minority report which indicate that the cost of providing jobs for only 8 percent of the Nation's unemployed under this program, at $10,000 to $15,000 per job, would amount to from $3.9 billion to $5 billion. If it is true, as the Senator from West Virginia says, that the program is a beginning, the total amount necessary to do the total job staggers the imagination.

In taking a position in opposition to this bill, I do not wish to appear unaware of the unemployment problem or to suggest that I lack interest in its solution. However, any attempt at a solution which does violence to our system of free competitive enterprise is a disservice, not only to those whom it is designed to assist, but to all our people, and to those who will follow after them in generations to come.

Certainly those of us who attribute to our system of private enterprise the credit for per capita wealth, income, and standards of living, excelling those of all other nations, would be unwilling to admit that in this country private enterprise is beginning to fail. We deny that the remedy for what ails it is to make

the Government a partner in the production of goods and services. Throughout the remarkable technological developments of the 20th century there have been recurring dislocations inevitable, as a matter of course, when a nation moves in a relatively brief period from what is called the "horse and buggy days" to the motor age. Implicit in any system of economic freedom is the freedom to fail as well as the freedom to succeed. It is through these freedoms that private enterprise makes its adjustments to technological advance. And if, as I have said, we believe that our present overall economic strength is due more to our American system of free competitive enterprise than to any other factor, we should prefer that any program to sustain prosperity include the careful judgment of private enterprise concerning future prospects of production in a climate favorable to its success. The present bill makes unemployment the test, ignoring the reasons for unemployment in a given area, and, in fact, selecting areas for development by reason of the very fact that their economies have deteriorated.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. In the course of the hearings were the causes for the blighted areas or depressed areas developed? Was specific inquiry made as to why the present depressed areas have developed in some States?

Mr. ROBERTSON. Of course, it is quite evident that when the production of coal went down from 600 million tons of coal to 400 million tons, in the southwestern area of Virginia and in West Virginia and in parts of Pennsylvania, work was lost to the extent of one-third, and that has been the condition ever since.

Mr. LAUSCHE. Was there developed the thought that some States, because of their governments, have created an unfavorable business climate and have driven enterprises out of their States?

Mr. ROBERTSON. That was not stressed in the hearings, but I have just referred to it when I said that I wanted the advice of private enterprise on locations which would be favorable to such enterprise and to successful operations. That was simply the other side of the picture. No one who favored the bill would admit that one reason why there was unemployment was that the local climate was not favorable to private enterprise.

Mr. President, the bill is a radical departure from my concept of the proper role of the Federal Government. It is costly, inflationary, arbitrary, and unworkable. I hope it will be defeated.

I yield back the remainder of my time.

EXHIBIT 1

MINORITY VIEWS OF MR. ROBERTSON, MR. FULBRIGHT, MR. FREAR, MR. CAPEHART, MR. BENNETT, AND MR. BUSH

INTRODUCTION

The committee has voted, 9 to 6, to launch a new Federal program in a new Federal agency, with an initial authorization of $389,500,000, plus administrative costs, aimed at alleviating conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

We do not deny the existence of serious problems in certain areas, but we believe the bill, S. 722, is fundamentally wrong in its approach and unworkable in its terms and its administration.

The sponsors of this bill have proposed a complex program which is basically discriminatory and unworkable. The tragedy in this bill is not only the fact that the Federal Government would be involved in wasteful and discriminatory expenditures, but more significantly, by initially labeling certain areas as depressed areas, the Government would raise false hopes for economic redevelopment in a program that is impossible to administer equitably.

ADMINISTRATION INEQUITIES AND OBSTACLES

Discrimination in favor of few

Careful scrutiny of the table in the appendix and the bill's provisions shows that only a very small proportion of the Nation's unemployed would be singled out as eligible for the alleged benefits of the program, and it should be noted that the selection process is based on purely arbitrary criteria.

As of November 1958, the number of unemployed in 23 major labor areas and 89 minor areas that would qualify for assistance under S. 722 was 768,800 or only 16 percent of the total volume of the Nation's unemployed. Furthermore, since the proposed program is presumably geared only to the goal of eliminating unemployment in excess of 6 percent in these areas, it would focus essentially on eliminating only 390,800 from the ranks of the unemployed, or 8 percent of total national unemployment.

The bill proposes that the Federal Government loan $100 million in depressed industrial areas and $100 million in low-income rural areas. These funds would be available for construction or renovation of factory buildings and equipping them with machinery. The committee has received evidence indicating that an investment of from $10,000 to $15,000 is required to support an industrial job. Thus, to provide jobs for the 390,800 unemployed who are the prospective beneficiaries of the bill would cost from $3.9 billion to $5 billion, of which the Federal share could be 65 percent. The proponents themselves agree the amounts provided in the bill are inadequate. But, we believe, once this program is started, these additional amounts will be demanded.

Criteria: Arbitrary and unworkable

The criteria used for selecting such a small proportion of unemployed are clearly arbitrary in nature. They provide little basis for distinguishing between cyclical unemployment, the elimination of which is not the purpose of the proposed legislation, and chronic unemployment, presumably the primary target. The weakness of the criteria is clearly evident in the apparent selection of two major areas and six smaller areas made eligible for assistance solely on the basis of unemployment 100 percent above the national average for one of the preceding 2 years. The major areas are Lorain-Elyria, Ohio, and Huntington-Ashland, W. Va. The smaller areas are Newcastle, Ind.; Ionia-Belding-Clarksburg, W. Va.; Greenville, Mich., and Owosso, Mich.; Auburn, N.Y.; and New Castle, Pa. How is the Administrator to determine that these areas are suffering no more than a slow recovery from a cyclical recession?

Under the provisions of the proposed bill, an area may automatically be stamped a "redevelopment area" despite a pronounced improvement in its percentage of employment. South Bend, Ind., for instance, would be eligible for assistance under the bill despite the fact that its percentage of unemployment has declined from more than 16 percent in May of 1958 to around 7 percent in January 1959. Conversely, other areas, now ineligible may be moving toward distress. Fixed unemployment percentages and time periods do not provide an adequate basis for appraising the direction of change in the unemployment picture.

What is the rational basis for arbitrarily selecting a 6 percent volume of unemployment as the basic cutoff point in eligibility considerations? Are we to assume that all unemployment above 6 percent for a specified period reflects chronic conditions, while a lower unemployment percentage for the same time span reflects only frictional or short-run phenomena? Clearly, the evidence available does not support such a distinction. Differentials in unemployment percentages may suggest differentials in severity of unemployment but certainly furnish no insights as to the basic factors underlying unemployment in a given area nor any basis for placing the official "redevelopment area" stamp on particular areas and not on others with slightly lower percentages of unemployment.

The criteria for eligibility, by their nature, impose an impossible burden on the administration of the program. In the absence of detailed area studies of the forces underlying high unemployment, the Administrator is placed in an unenviable position of making discriminatory judgments, in favor of some unemployed, and against others, without having a clear-cut basis for his decision.

Furthermore, once having made his determination of eligibility, how does the Administrator ration admittedly inadequate funds as noted heretofore to solve all the needs of each eligible area?

It will be impossible to meet the demands of all the areas, industrial and rural, eligible for assistance. Pressure will be applied to the Administrator of the program and to Members of the Congress by local communities seeking aid. Since the criteria for eligibility give little or no consideration to economic or business standards, the Administrator may well be forced to choose among the applicants on the basis of favoritism and political expediency. The procedure for processing applications by State or local government departments and by private local committees, if there is no appropriate governmental unit, offers no protection in this regard and, in fact, would intensify the competition among applicants. The situation is further aggravated by the fact that there is no limitation on the amount of funds that may be loaned or granted in any one State.

The bill also provides authorization for $75 million in PWA-type grants for up to 100 percent of the cost of public facilities, with the amount of the community's contribution left solely to the Administrator's discretion. This provision opens up even greater possibilities for politics and favoritism in the distribution of this huge amount of money. However, municipalities who think they see in this grant program a new source of funds for enlargement or improvement of needed public facilities, may also be disappointed to learn that such enlargements in improvements must be related to a private industrial or commercial development which will provide additional permanent employment.

Discrimination within industries

Moreover, not only would the bill promote discrimination by the Federal Government in favor of some areas at the expense of others, it would also promote such discrimination to benefit some companies within a given industry at the expense of competitors.

Assume a situation in which several companies have plants in various parts of the country, none of which are in a so-called "depressed area."

Company A, employing 250 persons, is at a competitive disadvantage because it has not kept pace with the industry as a whole

in modernizing its factory and improving machinery.

A community eligible for redevelopment under the bill builds and equips a factory with Federal assistance, and induces company A to relocate.

A double discrimination, promoted with Federal funds has thus taken place: Discrimination against the area of original location of company A and discrimination against company A's industrial competitors.

Administrative difficulties compounded in rural program

Most of what we have said about the defects of this bill, and the fundamental approach which it takes, has been directed at the "industrial redevelopment areas" classification. These are those areas which have had industrial development in the past and, because of the flexibility and mobility of industry, depletion of natural resources and technological change, have deteriorated. The bill also attempts a program of rural development. At least superficially, the bill attempts to equate the benefits between the two types of areas. In the predecessor bill, S. 3683, 85th Congress, this precept, was also included, but the number of rural counties eligible for development was limited to 300, or 10 percent of the 3,000 counties in the country. This bill eliminates that restriction. However, the criteria for selection are virtually the same, and open up endless possibilities for pressures to be exerted on the Administrator to be political or capricious in his decisions. The very vagueness of the criteria, based upon data which is neither adequate nor current, has led many representatives of rural areas to assume mistakenly that their areas will be selected for development.

The map, entitled "Labor Market Areas Which May Qualify for Assistance Under S. 722, February 1959, and Low Income and Level of Living Areas in Agriculture, 1955" which appears opposite page 110 in part 1 of the hearings and facing page 58 of this report, shows a total of 1,209 counties—more than we believe even the proponents would contend could possibly meet all the criteria of this section of the bill. The map is based on 1955 data, so far as the rural areas are concerned.

We are interested in rural development and in the balancing of the farm economies in many rural areas with industrial development. We favor this because of the high costs and other deficiencies of farm programs, particularly as they affect low-income farmers.

However, the political impetus behind this bill is clearly derived from the deteriorated industrial areas which seek to return to the status quo ante. Believing, as we do, that the administration of the program is bound to be affected by this political bias, we also believe that the development of rural areas promised by this bill will not be fulfilled. On the contrary, we think that their progress toward development will be deterred. Their location with respect to expanding markets, their proximity to natural resources, and other advantages which they would have under private market decisions would be subordinated. Overriding these considerations would be political pressures or arbitrary decisions taking their impetus from industrial areas which seek to return to their former status.

How long is aid to be continued in a particular area? The bill provides no benchmarks for terminating Federal assistance. Since revival cannot be guaranteed, it would always appear that Federal aid was not enough. The proposed bill provides no protection or safeguards against the inevitable pressures from those seeking aid and those fighting against the termination of such aid.

The dilemma of antipirating restrictions

The complete unworkability of the proposed legislation is clearly illustrated by the atempt of its proponents to meet the so-called runaway shop or industry-pirating problem.

The bill includes a so-called antipirating provision stating that Federal loans shall not be made to assist "establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

While we differ as to the effectiveness of the proposed language, we agree that the proponents of the bill have placed an impossible burden upon the Administrator, who would face this dilemma:

If areas are to be redeveloped to the maximum extent possible, the inducements offered by the Federal Government in cooperation with other public and private agencies, are bound to encourage the transfer of jobs and facilities from one area to another. The very essence of growth and development involves movement of resources. A manufacturing firm with a branch plant built under a depressed areas program will want to remain free to allocate production among its various plants in future years. Communities in almost every State and congressional district are interested in attracting new industry and jobs. Clearly, under an unrestricted area redevelopment program, communities are certain to feel the impact of any redistribution of resources and jobs induced by the availability of Federal money to areas which are currently depressed. Thus, the danger arises that new depressed areas may be created in an attempt to eliminate those now existing.

On the other hand, if the proposed legislation places severe restrictions on the entry of firms into depressed areas in an effort to guard against the so-called industry-pirating problem, the program of redevelopment may well be seriously handicapped.

In short, the Administrator's problem, under the bill, is one of either building up some areas at the expense of others or attempting to comply with a legislative standard which is unenforceable. There are no criteria for determining the amount of unemployment that might be regarded as inflicting substantial detriment upon a community. Would the relocation of an industry providing 100 jobs from Detroit to another State result in sufficient additional detriment to a community with 217,000 already unemployed to be reckoned as substantial? How and when would the Administrator ascertain that redevelopment in one area violates the apparent intent of the Senate to avoid pressures in other areas?

IMPROPER INTERFERENCE WITH PRIVATE MARKETS

The basic defect of the approach of this bill is this: It runs counter to the precepts of what is still essentially a private market mechanism operating within a dynamic and growing economy.

Resource allocation in a private economy

In such an eonomy, the decisions of what to produce, how to produce, how much to produce, and where to produce are guided by relationships between prices and costs and what such relationships suggest as to existing and anticipated profits.

If buggy whips are no longer desired, the effective demand falls, the profits disappear and resources tend to shift to other commodities and regions where demands relative to supply are much stronger. If automobile manufacturers expand too rapidly, and overshoot the mark because they have miscalculated the absorptive capacity of the automobile market, some companies will retrench or disappear under the pressure of falling returns. Surplus resources in such a situation tend to move to other economic fields and possibly, and properly, to other regions. It is to be expected that in the course of change and growth, some commodities, particular occupations, and certain regions will decline in economic significance, while others will increase in significance. This is the normal process of adjustment which takes place in a free dynamic economy. There is nothing in the free enterprise system to suggest that a geographical region should continue to have the same economic significance it has always had. There is nothing in a private market economy to suggest that a heavily industrialized area such as Detroit can maintain the rapid rate of growth it enjoyed in the past.

The effective operation of a private market economy does suggest the importance of flexibility in the allocation of resources. Adjustment to changes introduced by technology, demand shifts, etc., require a high degree of mobility of resources, including labor and entrepreneurial ability. The strength of the United States to a great degree is attributable to the fluidity of its resources among such areas as could use them most efficiently. Unlike the economies of other continents, the economy of the United States has been able to distribute its resources into their most efficient uses without regard to State boundaries or regional areas. This has always been an essential strength of our political system—that it permitted these adjustments.

The high cost of Government interference

The proposed bill contradicts the basic prerequisites of our economy by placing the Federal Government in the dangerous position of attempting to induce resources into a region already labeled by market forces as economically unattractive.

The determination of eligible areas is based primarily upon arbitrary criteria—the percentage and duration of unemployment. These criteria entirely ignore the reasons for the unemployment and underemployment in a given area, and the potentialities for redevelopment of the area. The areas are selected for redevelopment by reason of the very fact that their economies have deteriorated. They are selected for redevelopment notwithstanding the fact that private investors do not consider them as attractive as other areas. Whether or not the private judgment is correct, it is artificial and paradoxical to use the very fact of deterioration as the basis for a Federal decision that these areas are the ones to be selected for redevelopment. If any conclusion is to be reached because of their deterioration and inability to attract private investment, it would seem to be that—for any number of reasons—their redevelopment is not economically feasible when compared to other areas. These areas have attracted private investment in the past; they do not attract it now.

The bill's efforts to restore a given area by means of low-cost loans and grants only contributes to a weak and uncertain foundation for that area and to substantial detriment to other areas not eligible for Federal assistance.

What the sponsors of the bill fail to recognize is that redevelopment of certain distressed areas may be obtained only at a high real cost—namely, the goods and services lost to the economy by forcing an allocation of resources which does not permit their most efficient utilization. If Detroit is now suffering from the excesses of industrial overexpansion relative to existing markets, we solve no fundamental problem by inducing resources to such an area, when such resources might be used more appropriately elsewhere.

The Employment Act is cited by the proponents of this bill as an argument for this type of Federal intervention. We do not deny the responsibility of the Federal Government to assist in maintaining maximum employment and purchasing power. We do dispute the contention that the Federal Government, in disregard of economic facts, can

and should restore, in selected areas, employment and purchasing power to levels experienced in the past. The Federal Government's responsibility under the Employment Act is general in nature and should never be construed as an effort to preserve the status quo in every segment, industry and area of the economy.

If we are to have overall economic growth with a minimum of inflationary cost increases, we must strive to maintain flexibility, not rigidity, in the allocation of our resources. We believe the policy objective enunciated in the Employment Act is not merely the full utilization of resources, but, rather, the full and most efficient use of resources so as to provide the maximum volume of goods and services at a minimum of cost. The decision of where to locate a particular industry should be a private one—without any intervention by the Federal Government, so long as we depend upon the private market mechanism as the one which makes the most efficient decisions in this respect.

FAILURE TO RECOGNIZE EXISTING PROGRAMS

The devices established in the bill to carry out its objectives are defective in the failure to recognize existing programs, thus causing a duplication of efforts. The bill proposes to create a new agency. The creation of this new agency completely ignores the existence of the Area Development Office in the Department of Commerce and the rural development program in the Department of Agriculture.

During the last Congress the Small Business Investment Act was initiated. Although the sponsors of this bill, S. 722, have deprecated the progress made in implementing the Small Business Investment Act, the solution to that problem is not to ignore it, nor to pass legislation which would duplicate its functions in the apparent hope that the duplicating of functions will, somehow, cure the lack of progress complained of. The duplicating functions provided in S. 722 undoubtedly will involve longer delays in implementation, if only because they involve the creation of a new agency.

The thesis behind the Small Business Investment Act (Public Law 85–699) was that there was an institutional gap in our economic structure which made it difficult, or unduly expensive for small businesses to obtain long-term credit and equity capital. This conclusion was founded upon a study conducted by the Federal Reserve Board. Neither this study, nor the legislative hearings and reports, indicated in any way that this credit gap was limited to particular areas of the country. On the contrary, as an institutional defect, the inadequacy of long-term and equity facilities, was found to be nationwide.

It was found that this defect was being met, in part, by the mushrooming of State and local development corporations—now some 3,000 in number—which needed additional funds to lend to small business concerns. They were made eligible for long-term loans. The act also provided for assistance in financing (and another act provided tax incentives) for privately organized small-business investment companies, with a large part of their funds coming from private sources. These companies, in turn, will make long-term loans and equity-type investments in small business concerns. The loans and investments would be based upon private judgment of the entrepreneurs, with some risk and some possibility of profit, with minimum interference from the Small Business Administration. Two hundred and fifty million dollars was authorized for loans to and investments in State and local development corporations and small-business investment companies, wherever located.

The program provided in S. 722 is an unwarranted duplication of the provisions of the Small Business Investment Act, and because of its dependence upon artificial criteria for area eligibility, is the least desirable of these duplicating programs, as it puts the Federal Government in the position of influencing the location of industry.

CONCLUSION

We oppose S. 722 because it is arbitrary, discriminatory and antithetical to the basic tenets of a free economy in which flexibility, not rigidity, is essential in the allocation of resources. The bill, if successful, would tend to freeze our economy in a fixed pattern on the basis of criteria which do not take into account reasons for economic deterioration and potentialities for development.

The cost of the program is excessive, particularly in terms of the projected benefits. The initial authorization of $38.5 million at $10,000 to $15,000 per job would not begin to provide jobs for even the 390,800 unemployed who are the prospective primary beneficiaries of the bill. (This is the number of unemployed in the eligible areas whose joblessness makes these areas eligible.) To provide jobs for this number, at $10,000 to $15,000 per job, would cost from $3.9 billion to $5 billion. Thus, the undertaking of this program creates precedent and pressures for immense additional expenditures of Federal money. Yet the projected benefit is to provide jobs for only 8 percent of the Nation's unemployed.

The bill provides for $75 million in grants for public facilities, for up to 100 percent of cost, the communities' contributions to be fixed at the Administrator's discretion, opening up great opportunity for abuse.

The bill creates a new permanent Federal agency in addition to existing agencies already engaged in related programs, with no limitation on the new agency's number of employees.

The bill provides for the financing of $300 million in loans, such money not to be appropriated, but borrowed from the Treasury, with no provision for repayment or termination. The funds will revolve, and in view of their acknowledged inadequacy, there will be great pressure for expansion.

By approaching the problem of unemployment on a local or area basis, the bill puts the Federal Government in the position of influencing the location of industry without adequate safeguards to existing developed areas and to the detriment of previously underdeveloped areas which are progressing toward industrial development.

While we are aware of the problems confronting the people of depressed areas, we are equally aware of the necessity for opposing all programs which strike at the general efficiency of our private economy. We also believe that the program is unworkable in its terms and administration and, therefore, that it will be a disservice to these people to falsely raise their hopes of relief by this means.

A. WILLIS ROBERTSON.
J. W. FULBRIGHT.
J. ALLEN FREAR, JR.
HOMER E. CAPEHART.
WALLACE F. BENNETT.
PRESCOTT BUSH.

APPENDIX

Labor force and unemployment in areas of substantial labor surplus [1]—Major and smaller areas

State and area	Areas probably eligible for assistance under [2]— S. 722	S. 1064	Estimated labor force	Unemployment Number	Unemployment Percent of labor force	Date of information on labor force and unemployment
Alabama:						
Major areas:						
Birmingham	------	------	265,750	17,550	6.8	January 1959.
Mobile	------	------	118,170	7,300	6.3	Do.
Smaller areas:						
Alexander City	------	------	19,770	2,275	11.5	August 1958.
Anniston	------	------	34,245	3,480	10.2	Do.
Florence-Sheffield	X	X	45,535	4,775	10.5	December 1958.
Gadsden	------	------	33,666	2,960	8.8	July 1958.
Jasper	X	X	17,150	2,450	14.3	October 1958.
Talladega	X [3]	------	20,440	2,280	10.9	November 1958.
Alaska, smaller area: Anchorage.	X	------	23,860	1,720	7.2	August 1958.
Arkansas, smaller area: Fort Smith.	------	------	31,400	1,850	5.9	December 1958.
California:						
Smaller areas:						
Eureka	------	------	39,800	1,200	3.0	September 1958.
Ukiah	------	------	23,400	800	3.4	Do.
Colorado, smaller area: Pueblo.	------	------	38,904	2,750	7.0	November 1958.
Connecticut:						
Major areas:						
Bridgeport	------	------	142,300	16,000	11.1	January 1959.
New Britain	------	------	47,300	4,900	10.3	Do.
New Haven	------	------	145,200	11,500	7.8	Do.
Waterbury	------	------	78,000	8,100	10.0	Do.
Smaller areas:						
Ansonia	------	------	20,630	2,200	10.7	December 1958.
Bristol	X	X [3]	19,900	2,600	13.1	Do.
Danbury	------	------	27,800	1,700	6.1	Do.
Danielson	X	X	15,200	1,500	9.9	October 1958.
Meriden	------	------	39,820	3,600	9.0	December 1958.
Middletown	------	------	30,000	2,600	8.7	Do.
Norwich	X [3]	------	22,180	2,200	9.9	Do.
Thompsonville	------	------	27,680	2,800	10.1	Do.
Torrington	------	------	26,070	2,600	10.0	Do.
Willimantic	------	------	15,400	1,100	7.1	Do.
Georgia, smaller area: Toccoa.	------	------	17,870	1,240	6.9	September 1958.
Illinois:						
Major areas:						
Chicago	------	------	2,787,800	210,000	7.5	January 1959.
Joliet	------	------	60,600	4,300	7.2	Do.

[1] Areas classified as areas of "substantial labor surplus" in January 1959.

[2] This listing is preliminary and tentative, and is based largely on bimonthly or semiannual data compiled from area labor market reports prepared in connection with the Bureau of Employment Security's program for the classification of areas according to relative adequacy of labor supply. Data used cover a 2- to 5-year period extending through the closing months of 1958; early 1959 data, now becoming available for some areas could result in several changes in the above listing. A more comprehensive review of area data on a monthly—rather than bimonthly or semiannual—basis, and in the light of whatever criteria may be included in the bill finally enacted, would be required to determine which areas are eligible for assistance as areas with substantial and persistent unemployment.

[3] Borderline.

APPENDIX—Continued

Labor force and unemployment in areas of substantial labor surplus [1]—Major and smaller areas—Continued

State and area	Areas probably eligible for assistance under [2]— S. 722	S.1064	Estimated labor force	Unemployment Number	Unemployment Percent of labor force	Date of information on labor force and unemployment
Illinois—Continued						
Smaller areas:						
Canton			14,650	950	6.5	August 1958.
Centralia	X	X	22,500	2,700	12.0	November 1958.
Decatur			47,600	3,600	7.5	October 1958.
Harrisburg	X	X	25,475	4,650	18.3	September 1958.
Herrin-Murphysboro-West Frankfort.	X	X	70,575	11,800	16.7	August 1958.
Litchfield	X	X	24,750	2,300	9.3	Do.
Mount Carmel-Olney	X [3]		20,650	2,050	9.9	December 1958.
Mount Vernon	X	X	24,050	3,500	10.4	October 1958.
Indiana:						
Major areas:						
Evansville	X	X	84,200	7,900	9.7	January 1959.
Fort Wayne			91,600	6,900	7.4	Do.
South Bend	X	X	94,900	6,900	7.4	Do.
Terre Haute	X	X	44,400	4,600	10.5	Do.
Smaller areas:						
Henderson			48,280	4,280	8.9	October 1958.
Columbus			21,580	1,520	7.0	September 1958.
Connersville			23,600	2,090	8.9	September 1950.
Michigan City-LaPorte	X	X	35,000	3,900	11.1	July 1958.
Muncie	X	X	39,230	5,400	13.8	Do.
New Castle	X		15,230	2,030	13.3	October 1958.
Richmond			28,880	2,200	7.6	September 1958.
Vincennes	X	X	14,753	1,420	9.6	August 1958.
Iowa, smaller area: Ottumwa.			18,110	1,230	6.8	Do.
Kansas:						
Smaller area:						
Coffeyville-Independence-Parsons.	X [3]		28,030	2,250	8.0	November 1958.
Pittsburg	X	X	22,675	2,200	9.7	September 1958.
Kentucky:						
Major area:						
Louisville			300,800	24,400	8.1	January 1959.
Smaller areas:						
Corbin	X	X	27,050	3,450	12.8	September 1958.
Hazard	X	X	21,850	3,900	17.9	Do.
Hopkinsville	X		28,100	2,700	9.6	October 1958.
Madisonville	X	X	27,700	3,350	12.1	September 1958.
Middlesboro-Harlan	X	X	27,500	4,450	16.2	Do.
Morehead-Grayson	X	X	21,700	4,300	20.2	Do.
Owensboro	X	X	27,750	2,850	10.3	October 1958.
Paducah	X	X	43,150	5,850	13.6	November 1958.
Paintsville-Prestonsburg.	X	X	24,050	3,650	15.2	September 1958.
Pikeville-Williamson	X	X	24,150	5,500	22.8	October 1958.
Louisiana, smaller area: Opelousas.			24,430	2,250	9.2	December 1958.
Maine:						
Major area:						
Portland			63,300	6,200	9.8	January 1959.
Smaller areas:						
Biddeford-Stanford	X	X	29,200	3,600	12.3	August 1958.
Lewiston	X		35,200	3,200	9.1	Do.
Maryland:						
Major area:						
Baltimore			717,400	56,700	8.1	January 1959.
Smaller areas:						
Cumberland	X	X	40,600	5,350	13.2	August 1958.
Frederick			24,125	1,550	6.4	October 1958.
Westminster			16,850	1,375	8.2	December 1958.
Massachusetts:						
Major areas:						
Brockton			57,080	4,700	8.6	January 1959.
Fall River	X	X	57,220	6,620	11.3	Do.
Lawrence	X	X	57,350	5,350	9.5	Do.
Lowell	X	X [3]	54,350	6,100	11.5	Do.
New Bedford	X	X	67,150	8,550	12.9	Do.
Springfield-Holyoke			198,840	17,000	8.6	Do.
Worcester			121,350	11,800	9.7	Do.
Smaller areas:						
Fitchburg			42,290	3,350	7.9	July 1958.
Greenfield			17,570	1,500	8.5	Do.
Haverhill			21,620	2,250	10.4	August 1958.
Marlboro			19,410	1,280	6.6	December 1958.
Milford	X [3]		20,240	1,970	9.7	Do.
Newburyport			14,220	1,550	10.9	Do.
North Adams	X		17,670	2,860	16.2	August 1958.
Pittsfield			32,300	2,520	7.8	December 1958.
Southbridge-Webster	X	X [3]	22,700	2,450	10.8	Do.
Taunton	X [3]		26,490	3,320	12.5	July 1958.
Ware			14,340	1,450	10.1	Do.
Michigan:						
Major areas:						
Battle Creek			53,800		7.0	January 1959.
Detroit	X	X	1,521,000		14.6	Do.
Flint	X		141,300		7.0	Do.
Grand Rapids	X		140,000		9.8	Do.
Lansing			84,800		5.9	Do.
Muskegon	X	X	57,600		11.8	Do.
Saginaw			69,400		6.4	Do.
Smaller areas:						
Adrian	X		29,500	3,900	13.2	August 1958.
Allegan			15,500	1,225	7.9	September 1958.
Ann Arbor-Ypsilanti			67,700	7,000	10.3	Do.
Michigan—Continued						
Smaller areas—Continued						
Bay City	X	X [3]	36,500	4,700	12.9	December 1958.
Benton Harbor			51,800	3,200	6.2	Do.
Escanaba	X	X [3]	14,900	2,000	13.4	Do.
Holland-Grand Haven			42,500	2,800	6.6	September 1958.
Ionia-Belding-Greenville.	X		30,900	5,700	18.4	August 1958.
Iron Mountain	X	X	15,600	2,400	15.4	December 1958.
Jackson			47,400	3,200	6.8	Do.
Marquette	X		16,900	2,600	15.4	Do.
Monroe	X	X	23,100	2,100	9.1	November 1958.
Owosso	X		18,200	2,300	12.6	September 1958.
Port Huron	X	X	34,600	3,900	11.3	December 1958.
Sturgis			16,900	1,400	8.3	July 1958.
Minnesota, major area: Duluth-Superior.			69,800	9,400	14.1	January 1959.
Mississippi, smaller area: Greenville.			23,934	1,934	8.1	August 1958.
Missouri:						
Major areas:						
Kansas City			428,200	28,200	6.5	January 1959.
St. Louis			842,100	63,500	7.6	Do.
Smaller areas:						
Cape Girardeau			18,550	1,300	7.0	November 1958.
Flat River-De Soto-Festus.			46,425	6,200	13.3	August 1958.
Joplin	X		36,050	2,950	8.2	November 1958.
Montana:						
Smaller areas:						
Butte	X	X	19,200	2,400	12.5	December 1958.
Great Falls			27,600	2,500	9.1	Do.
Kalispell	X [3]		15,960	1,875	11.7	Do.
New Jersey:						
Major areas:						
Atlantic City	X	X	63,100	11,600	18.3	January 1959.
Newark			921,800	80,500	8.9	Do.
Paterson			506,100	45,900	9.1	Do.
Perth Amboy			140,000	11,100	8.0	Do.
Trenton			166,500	14,900	8.9	Do.
Smaller areas:						
Bridgeton	X	X	50,700	4,100	8.1	October 1958.
Long Branch	X	X	119,000	11,100	9.3	November 1958.
Morristown-Dover			91,850	6,000	6.5	Do.
Plainfield-Somerville			82,200	5,200	6.3	Do.
New York:						
Major areas:						
Albany-Schenectady-Troy.			244,800		8.9	January 1959.
Binghamton			93,200		7.7	Do.
Buffalo			583,100		12.3	Do.
New York			5,463,700		8.3	Do.
Syracuse			177,300		8.1	Do.
Utica-Rome			138,200		11.8	Do.
Smaller areas:						
Amsterdam	X	X	25,050	4,500	18.0	July 1958.
Auburn	X		28,000	4,200	15.0	September 1958.
Batavia			23,100	1,700	7.4	Do.
Corning-Hornell			39,000	4,100	10.4	December 1958.
Elmira			41,400	4,800	11.7	August 1958.
Glens Falls-Hudson Falls.			37,700	3,400	9.0	November 1958.
Gloversville	X	X [3]	23,400	3,200	13.7	August 1958.
Jamestown-Dunkirk			62,900	6,100	9.7	September 1958.
Kingston			45,350	3,250	7.2	July 1958.
Newburgh-Middletown-Beacon.			78,400	7,630	9.7	December 1958.
Olean-Salamanca			31,450	2,450	7.8	August 1958.
Oneida			17,850	2,150	12.0	October 1958.
Watertown			35,900	3,650	8.5	September 1958.
Wellsville			15,400	1,450	9.5	October 1958.
North Carolina:						
Major areas:						
Asheville	X	X [3]	51,000	4,300	8.3	January 1959.
Durham			48,145	3,500	7.4	Do.
Smaller areas:						
Fayetteville	X	X	34,500	3,620	10.5	September 1958.
Kinston			22,165	1,005	4.5	October 1958.
Mount Airy	X		22,650	1,910	8.4	December 1958.
Rockingham-Hamlet	X		15,430	2,850	18.5	October 1958.
Rocky Mount			43,285	1,540	3.6	Do.
Rutherfordton-Forest City.			16,615	1,315	7.9	November 1958.
Shelby-Kings Mountain.	X	X	25,250	2,500	9.9	August 1958.
Waynesville			16,750	900	5.4	October 1958.
Ohio:						
Major areas:						
Canton			132,000	7,800	6.0	January 1959.
Lorain-Elyria	X		62,700	7,100	11.3	Do.
Toledo			195,900	15,200	7.8	Do.
Youngstown			229,300	20,000	8.7	Do.
Smaller areas:						
Ashtabula-Conneaut			30,400	2,300	7.6	November 1958.
Athens-Logan-Nelsonville.			20,900	2,000	9.6	September 1958.

APPENDIX—Continued

Labor force and unemployment in areas of substantial labor surplus [1]—Major and smaller areas—Continued

State and area	Areas probably eligible for assistance under [2]— S. 722	S. 1064	Estimated labor force	Unemployment Number	Unemployment Percent of labor force	Date of information on labor force and unemployment
Ohio—Continued						
Smaller Areas—Con.						
Batavia-Georgetown-West Union.			25,600	2,500	9.8	August 1958.
Cambridge			17,200	1,500	8.7	Do.
Defiance			29,000	2,400	8.3	July 1958.
East Liverpool-Salem			32,500	2,400	7.4	September 1958.
Findlay-Tiffin-Fostoria			42,750	2,600	6.1	November 1958.
Kent-Ravenna			21,300	1,600	7.5	October 1958.
Kenton			16,200	1,000	6.2	Do.
Marietta			16,600	1,400	8.4	September 1958.
New Philadelphia-Dover.			38,300	2,900	7.5	December 1958.
Portsmouth-Chillicothe	X		61,700	5,100	8.3	November 1958.
Springfield	X [3]		44,900	5,300	11.4	August 1958.
Zanesville			33,500	2,300	6.9	November 1958.
Oklahoma:						
Smaller areas:						
Ardmore			15,175	1,075	7.1	August 1958.
McAlester	X	X	13,310	1,450	10.9	July 1958.
Okmulgee-Henryetta			16,725	1,700	10.0	September 1958.
Oregon:						
Major areas: Portland			327,400	27,900	8.6	January 1959.
Smaller areas:						
Albany			24,235	975	4.0	August 1958.
Coos Bay	X [3]		19,675	1,215	6.2	Do.
Eugene			56,050	2,710	4.8	Do.
Pendelton			16,045	1,315	8.2	November 1958.
Roseburg			24,000	1,075	4.5	August 1958.
Pennsylvania:						
Major areas:						
Allentown-Bethlehem-Easton.			214,200	21,800	10.1	January 1959.
Altoona	X	X	53,700	7,700	14.4	Do.
Erie	X [3]	X [3]	99,100	16,900	16.9	Do.
Johnstown	X	X	99,400	16,500	16.8	Do.
Philadelphia			1,823,800	150,600	8.4	Do.
Pittsburgh			982,900	117,000	12.0	Do.
Reading			119,600	9,400	7.8	Do.
Scranton	X	X	102,700	17,400	16.9	Do.
Wilkes-Barre-Hazleton	X	X	136,600	25,000	18.0	Do.
York			103,500	9,000	8.7	Do.
Smaller areas:						
Berwick-Bloomsburg	X	X	21,650	2,700	12.5	November 1958.
Butler			34,950	4,600	13.2	September 1958.
Clearfield-Du Bois	X	X	36,900	5,000	13.6	Do.
Lewistown	X		22,000	2,500	11.4	November 1958.
Lock Haven	X	X	15,500	1,800	11.6	November 1958.
New Castle	X		37,300	5,600	15.0	September 1958.
Oil City-Franklin-Titusville.			30,000	3,200	10.7	Do.
Pottsville	X	X	78,300	12,400	15.8	November 1958.
Sayre-Athens-Towanda			20,700	2,000	9.7	September 1958.
Sunbury-Shamokin-Mount Carmel.	X	X	64,750	6,650	10.3	Do.
Uniontown-Connellsville.	X	X	47,700	11,300	23.7	November 1958.
Williamsport	X		42,950	5,550	12.9	July 1958.
Puerto Rico, major areas:						
Mayaguez			32,300	4,300	13.2	January 1959.
Ponce			38,800	4,900	13.0	Do.
San Juan			177,000	18,100	9.8	Do.
Rhode Island:						
Major area: Providence	X	X	338,700	43,200	12.4	Do.
Smaller area: Newport			16,140	1,000	6.2	September 1958.
Tennessee:						
Major areas:						
Chattanooga			117,750	8,450	7.3	January 1959.
Knoxville	X		143,550	11,500	8.1	Do.
Memphis			242,500	15,700	6.7	Do.
Smaller areas:						
Bristol-Johnson City-Kingsport.			97,367	6,547	6.7	September 1958.
La Follette-Jellico-Tazewell.	X	X	16,350	2,250	13.8	October 1958.
Texas:						
Major areas:						
Beaumont-Port Arthur			97,336	11,050	10.8	January 1959.
Corpus Christi			74,773	5,840	7.6	Do.
Smaller areas:						
Laredo			22,192	1,940	8.7	September 1958.
Texarkana	X	X	39,709	2,875	7.2	November 1958.
Vermont, smaller areas:						
Burlington			26,100	1,400	5.4	December 1958.
Springfield			13,750	850	6.2	November 1958
Virginia:						
Major area: Roanoke			66,775	6,800	10.2	January 1959.
Smaller area:						
Big Stone Gap-Appalachia.	X	X	19,675	2,300	11.7	October 1958.
Radford-Pulaski	X	X	44,550	4,350	9.8	July 1958.
Richlands-Bluefield			33,800	2,300	6.8	November 1958.
Washington:						
Major area:						
Spokane			99,000	10,700	10.9	January 1959.
Tacoma			96,200	8,500	9.0	Do.
Smaller area:						
Aberdeen	X		26,880	2,600	9.7	August 1958.
Anacortes	X	X	22,050	2,480	11.2	Do.
Bellingham	X		28,350	2,180	7.7	Do.
Bremerton			28,280	1,990	7.0	September 1958.
Everett	X		42,260	3,670	8.7	August 1958.
Olympia	X		39,880	3,640	9.1	Do.
Port Angeles	X	X	14,550	1,430	9.8	Do.
West Virginia:						
Major areas:						
Charleston	X	X	112,500	13,200	11.5	January 1959.
Huntington-Ashland	X		91,600	13,350	14.5	Do.
Wheeling-Steubenville			142,750	18,450	12.9	Do.
Smaller areas:						
Beckley	X	X	24,360	6,000	25.6	August 1958.
Bluefield	X		23,110	4,220	18.3	December 1958.
Clarksburg	X		27,300	4,050	14.8	October 1958.
Fairmont	X	X	25,200	3,950	15.7	Do.
Logan	X	X	22,150	5,040	22.8	August 1958.
Martinsburg			19,750	1,250	6.3	October 1958.
Morgantown	X		19,800	3,550	17.9	Do.
Parkersburg			39,780	3,330	8.4	December 1958.
Point Pleasant-Gallipolis.	X	X	36,620	4,800	13.1	August 1958.
Ronceverte-White Sulphur Springs.	X	X	16,600	2,020	12.2	Do.
Welch	X	X	22,600	5,020	22.2	December 1958.
Wisconsin:						
Major area: Racine			53,150	3,185	6.0	January 1959.
Smaller areas:						
Beloit			18,780	2,135	11.4	July 1958.
Eau Claire-Chippewa			38,585	2,640	6.8	December 1958.
La Crosse			30,600	2,845	9.3	July 1958.
Oshkosh			23,755	1,905	8.0	Do.
Watertown			18,300	1,145	6.3	January 1959.

NOTE.—Major areas are areas included in the Bureau of Employment Security's regular area labor market reporting and classification program. This program covers 149 of the country's leading employment centers. Unemployment and labor force data for these areas are generally available on bimonthly basis.

Smaller areas: Areas with a labor force of 15,000 or more which are officially classified as "areas of substantial labor surplus" by the Bureau of Employment Security. Data for such areas are generally available on a semiannual basis. Information for smaller areas which are not classified, or for areas with a labor force of less than 15,000 is not available in Washington on a consistent basis.

Source: U.S. Department of Labor, Bureau of Employment Security, Office of Program Review and Analysis, Washington, D.C., Mar. 10, 1959.

EXHIBIT 2

[From the Washington Daily News, Mar. 20, 1959]

DISTRESS COMPOUNDED

Now before the Senate, following a squeaky OK by the Senate Banking Committee, is another one of those hurry-up, patch-up, prop-up bills supposed to cure the economy of some of its ills.

This measure melodiously is known as the Area Redevelopment Act. It is a bill to bail out a hundred or so communities listed as victims of chronic unemployment.

The question is not whether these communities are hard hit. No one denies that. The question is whether the bill, if enacted, would be any help.

Six members of the committee (three Democrats and three Republicans) shoot it full of holes in an unusually lucid minority report. They say the bill is unlikely to do any of the things it promises, and besides would be harmful to the country generally and the areas it is supposed to assist.

It flies straight in the face of a free-swinging flexible economy. Its ponderous machinery would raise unfounded hope. And its ultimate cost—like most such Washington proposals—would range far beyond its most optimistic prospect of usefulness.

It is discriminatory, the minority points out, because at the most it would affect only a small fraction of the unemployed, while probably creating more unemployment in other areas. The initial outlay of less than $400 million eventually would run to $4 billion or $5 billion.

It would create another sprawling Government agency, added to others already in this field.

The bill is founded on the identical illusions which led to 25 years of subsidies for a few special farm products. It will lead to exactly the same result—disrupted markets, billions of taxpayer money wasted and an economy blighted by Government interference.

EXHIBIT 3

MEMORANDUM OF DISAPPROVAL

I am withholding my approval from S. 3683, the area redevelopment bill.

Every year for the past 3 years I have strongly urged the adoption of a program of Federal assistance to communities of substantial and persistent unemployment for the purpose of assisting those communities to develop a sounder and more secure economic base. I regret that no action along these lines has been taken by the Congress until this year and, needless to add, I am greatly disappointed that I find myself unable to approve the present bill.

My disapproval need cause no unnecessary delay in initiating a sound area assistance program. Even the unsound program contemplated by S. 3683 could not be of immediate help to any community because the Congress, before adjournment, failed to provide any money to carry out the bill's purposes. Until the next session of the Congress, the needs of areas of severe and persistent unemployment can be met in part through the new program of loans to State and local development companies under the Small Business Investment Act of 1958 which I recently approved.

The repeated recommendations of the administration recognized that the major responsibility for planning and financing the economic redevelopment of communities of chronic unemployment must remain with local citizens if Federal programs are to be effective. The present bill departs from this principle, and would greatly diminish local responsibility. In doing so, and in including other undesirable features, it defeats any reasonable chance of giving effective help to the communities really in need.

S. 3683 provides for less local participation in the costs of local development projects than is proper or necessary to stimulate and assure the continuing interest and support of local governmental and private interests. The administration recommended loans, for periods of 25 years, in amounts not exceeding 35 percent of the cost of redevelopment projects. S. 3683, on the other hand, provides for loans for such projects for periods of 40 years, at artificially low interest rates, in amounts up to 65 percent of the total cost of a project.

S. 3683 proposes in addition a program of Federal grants for public works in redevelopment areas under which it would be possible to have no local participation whatever. Moreover, the criteria for making these grants are so loosely drawn that, without indiscriminate use of funds, administration of these provisions would be almost impossible. This is a field in which, if the Federal Government participates at all, it should be able to rely upon local judgments backed by significant local contributions.

S. 3683 is also defective in my judgment because its assistance in certain instances, would be available in areas in which unemployment is traceable essentially to temporary conditions. Federal assistance to communities where unemployment is not clearly chronic would necessarily mean the assumption of responsibility by the Government for the direct support of local economies—an assumption of responsibility that would have the most profound consequences.

I also believe it would be a grave mistake to establish, as this bill would, an area assistance program in the Housing and Home Finance Agency. Such a program should be lodged, not with an agency concerned with residential housing and related matters, but rather with the Department of Commerce which has primary responsibility for business and industrial development and a long experience in extending to local areas technical aid for economic development.

S. 3683 also contemplates a Federal redevelopment assistance, including loans, in rural areas. There is serious question as to whether Federal loans for the construction of industrial buildings in rural areas would be a proper or effective approach, much less a permanent one, to the problems of surplus labor in essentially agricultural communities.

It is my intention next January when the Congress reconvenes to request the Congress to enact area assistance legislation more soundly conceived to carry out the purposes which I have repeatedly stressed as being in the national interest. It is my hope that Congress at that time will move with all possible speed to enact such an area assistance program.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *September 6, 1958.*

Mr. DOUGLAS. Mr. President, will the Senator from Indiana yield back the remainder of his time?

Mr. CAPEHART. I yield back the remainder of my time and ask that the roll be called.

The PRESIDING OFFICER. All time for debate has been yielded back. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Pennsylvania [Mr. SCOTT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Washington [Mr. MAGNUSON] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is detained on official business. If present and voting, he would vote "nay."

The result was announced—yeas 24, nays 70, as follows:

YEAS—24

Aiken	Curtis	Mundt
Allott	Hruska	Prouty
Bridges	Javits	Saltonstall
Bush	Keating	Schoeppel
Capehart	Kuchel	Scott
Case, N.J	Lausche	Thurmond
Case, S. Dak.	Martin	Wiley
Cotton	Moss	Young, N. Dak.

NAYS—70

Anderson	Gore	Mansfield
Bartlett	Green	Monroney
Beall	Gruening	Morse
Bennett	Hart	Morton
Bible	Hartke	Murray
Butler	Hayden	Muskie
Byrd, Va.	Hennings	Neuberger
Byrd, W. Va.	Hickenlooper	O'Mahoney
Cannon	Hill	Pastore
Carlson	Holland	Proxmire
Carroll	Humphrey	Randolph
Chavez	Jackson	Robertson
Church	Johnson, Tex.	Smathers
Clark	Johnston, S.C.	Smith
Cooper	Jordan	Sparkman
Dirksen	Kefauver	Stennis
Dodd	Kennedy	Symington
Douglas	Kerr	Talmadge
Dworshak	Langer	Williams, N.J.
Eastland	Long	Williams, Del.
Ellender	McCarthy	Yarborough
Engle	McClellan	Young, Ohio
Ervin	McGee	
Frear	McNamara	

NOT VOTING—4

Fulbright	Magnuson	Russell
Goldwater		

So Mr. SCOTT's amendment in the nature of a substitute was rejected.

Mr. DOUGLAS. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. BUSH. Mr. President, I call up my amendment identified as "3–19–59–C," and also the amendment, submitted by the Senator from New York [Mr. JAVITS], which is identified as "3–19–59–B."

Mr. President, my amendment is offered on behalf of myself, the Senator from Utah [Mr. BENNETT], and the junior Senator from New York [Mr. KEATING]; and the amendment of the Senator from New York [Mr. JAVITS] is offered on behalf of himself and myself.

We wish to combine the two amendments and to have them considered as only one amendment.

The amendment submitted by Mr. BUSH, on behalf of himself, Mr. BENNETT and Mr. KEATING, is as follows:

On page 2, line 19, strike out all after the word "created" through line 22, and substitute the following: "rather than merely transferred from one community to another."

On page 9, line 22, insert a period after the word "another" and strike out the remaining language in line 22 through line 24.

On page 28, line 12, insert a period after the word "another" and strike out the remaining language in line 12 through line 14.

The amendment submitted by Mr. JAVITS, on behalf of himself and Mr. BUSH, is as follows:

On page 9, line 15, after the parenthesis "(" and before the word "including", insert the word "not".

On page 12, line 12, after the parenthesis "(" and before the word "including", insert the word "not".

Mr. BUSH. Mr. President, I ask unanimous consent that we may have the privilege of combining these two amendments; that they may be considered together; and that the time available on the two amendments be limited to 40 minutes to a side, rather than to 1 hour to each side, as we would be entitled to have under the agreement which is in effect.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. CAPEHART. Will the Senator from Connecticut ask for one vote or two votes?

Mr. BUSH. We shall ask for one vote on the two amendments. We shall also ask that the yeas and nays be had on this question.

Mr. JOHNSON of Texas. Mr. President, first, may be have an agreement to limit debate on this question to 30 minutes to each side? If that is done, it will permit us to conclude by 5 minutes to 6.

Mr. BUSH. I shall do so if the Senator from Texas will allow me as much as 5 minutes tolerance.

Mr. JOHNSON of Texas. Certainly.

Mr. President, I ask unanimous consent that the debate on this question be limited to 30 minutes to a side. If such consent is given, I shall yield additional time on the bill to the Senator from Connecticut, if necessary.

Mr. CAPEHART. As a substitute, I propose a limitation of 40 minutes to a side.

Mr. BUSH. Mr. President, I appreciate the courtesy of the Senator from Indiana in that connection. But the majority leader is very anxious to keep an engagement to meet with the Prime Minister of England, and so forth and so on; and I am trying to accommodate myself to the exigence of the moment.

Mr. JOHNSON of Texas. Mr. President, let me say to the Senator that the opponents do not plan to use their 30 minutes.

Mr. BUSH. I understand.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that not to exceed 30 minutes be allowed to each side on this question, with the time for the proponents to be controlled by the Senator from Connecticut [Mr. BUSH] and the time for the opponents to be controlled by the Senator from Illinois [Mr. DOUGLAS].

Mr. BUSH. Mr. President, I shall accept that proposal, with the understanding that our side may have as much as 5 minutes additional.

Mr. JOHNSON of Texas. I understand; and I have said that we would, if necessary, yield that much additional time from the time available on the bill.

The PRESIDING OFFICER. Is there objection to the request, as modified? Without objection, it is so ordered.

Mr. BUSH. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. BUSH. Mr. President, it is with genuine regret that I oppose Senate bill 722, because I share with the sponsors of the bill a desire to contribute to a solution of a serious and tragic economic problem—namely, the persistence of chronic unemployment in various areas of the Nation during a time of general prosperity.

We must never forget that in discussing unemployment, we are talking about people, and about people who find themselves in a distressing situation.

A. H. Raskin, in an article published in the New York Times of Monday, March 16, has effectively made this point in the following paragraphs:

Unemployment is people—the individual hardship and heartache of 4,749,000 Americans, willing and able to work but unable to find suitable jobs.

Unemployment is the husky, fresh-faced college graduate, with 3 years of Air Force duty behind him, being told he is too old for a job with a future—at age 26.

Unemployment is the breezy, blustery executive, accustomed to an income of $50,000 a year, trying to pay his bills on a State job insurance check of $40 a week—an amount he once spent on taxis and cigars.

Unemployment is the head shipping clerk, stranded when his textile plant moved from New York to North Carolina, subsisting on odd jobs of heavy cleaning and reading an inspirational pamphlet. Its title, "Get Rich in Spite of Yourself."

Unemployment is the rhinestone setter, with all her State and Federal benefits drawn, watching a giveaway show on television and murmuring, "It makes me feel bad to see people getting all these nice things."

Unemployment is the electrical worker, fearful that automation has permanently wiped out his chances for reemployment, wondering whether he can volunteer for a space flight to the moon.

I commend Mr. Raskin's article to the attention of my colleagues; and I ask unanimous consent, Mr. President, that the article may be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, I believe that those of us who are opposing this bill are as sensitive to the human tragedies involved in unemployment as are those who support it.

Why, then, do we oppose it?

The reasons advanced by five other members of the Senate Committee on Banking and Currency and myself are contained in the minority views which appear on pages 39 through 52 of the committee's report on the bill.

I shall not detain the Senate by reading the minority views in their entirety, but I do wish to bring to the attention of Senators the following paragraph:

The sponsors of this bill have proposed a complex program which is basically discriminatory and unworkable. The tragedy in this bill is not only the fact that the Federal Government would be involved in wasteful and discriminatory expenditures, but more significantly, by initially labeling certain areas as depressed areas, the Government would raise false hopes for economic redevelopment in a program that is impossible to administer equitably.

There is the basic objection to the bill. Not only will it not work, but it will arouse false hopes in the unemployed, in the communities throughout the Nation, who have been led to believe that this bill will solve their problems.

Mr. President, I had intended to ask unanimous consent that the minority views on Senate bill 722 be printed in the RECORD following these remarks, but I understand the Senator from Virginia has already made such a request. Therefore, I shall not ask that they be printed again.

Mr. President, I now desire to invite the attention of the Senate to the "runaway shop" or "industry pirating" problem which the sponsors of the bill recognize, but have failed to solve.

On page 22 of the report of the committee majority appears the following statement, which I heartily endorse:

If the proposed transfer of a plant from one area to another will create as much unemployment in the area it leaves as it absorbs in the area it moves to, nothing has been gained from the point of view of the overall economy of the United States. The use of Federal funds for a transfer of this sort would not be justified.

However, nothing in the bill would prevent the use of Federal funds to assist in shifting industries and jobs from one area to another.

So-called antipirating language has been incorporated in S. 722, but the difficulties it raises have been described in the following paragraphs contained in the minority views, at pages 42 and 43:

The complete unworkability of the proposed legislation is clearly illustrated by the attempt of its proponents to meet the so-called runaway shop or industry-pirating problem.

The bill includes a so-called antipirating provision stating that Federal loans shall not be made to assist "establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

While we differ as to the effectiveness of the proposed language, we agree that the proponents of the bill have placed an impossible burden upon the Administrator, who would face this dilemma:

If areas are to be redeveloped to the maximum extent possible, the inducements offered by the Federal Government in cooperation with other public and private agencies, are bound to encourage the transfer of jobs and facilities from one area to another. The very essence of growth and development involves movement of resources. A manufacturing firm with a branch plant built under a depressed-areas program will want to remain free to allocate production among its various plants in future years. Communities in almost every State and congressional district are interested in attracting new industry and jobs. Clearly, under an unrestricted area redevelopment program, communities are certain to feel the impact of any redistribution of resources and jobs induced by the availability of Federal money to areas which are currently depressed. Thus, the danger arises that new depressed areas may be created in an attempt to eliminate those now existing.

On the other hand, if the proposed legislation places severe restrictions on the entry of firms into depressed areas in an effort to guard against the so-called industry-pirating problem, the program of redevelopment may well be seriously handicapped.

In short, the administrator's problem, under the bill, is one of either building up some areas at the expense of others or attempting to comply with a legislative standard which is unenforceable. There are no criteria for determining the amount of unemployment that might be regarded as inflicting substantial detriment upon a community. Would the relocation of an industry providing 100 jobs from Detroit to another State result in sufficient additional detriment to a community with 217,000 already unemployed to be reckoned as substantial? How and when would the Administrator ascertain that redevelopment in one area violates the apparent intent of the Senate to avoid pressures in other areas?

I am convinced, as is the distinguished senior Senator from Utah [Mr. BENNETT], that the language now in the bill is completely ineffective. For that reason we have filed individual views, appearing at page 53, which I shall read for the information of the Senate:

We endorse the views expressed by our colleagues in the minority, but desire to state more fully our opinions with respect to the runaway shop or antipirating problem.

As described in the minority views, the authors of S. 722 recognize that the problem exists, but fail to meet it squarely.

On the contrary, they have used vague and slippery language in the bill which is intended to give comfort both to those who would enthusiastically welcome Federal funds for relocating industry from one area

to another, and to those who oppose the use of Federal funds for that purpose.

To our minds, the use of Federal funds to help some areas attract industries and jobs from other areas is unconscionable and must be prohibited without any qualifications.

If such a prohibition is not written into S. 722, the people of industrial States may be forced to underwrite with their Federal tax dollars the export of jobs to competing areas.

The bill must be confined to the purpose stated in President Eisenhower's economic report to the 86th Congress, namely, "to create new job opportunities instead of merely transferring jobs from one locality to another."

The same thought is expressed in the policy declaration of the administration bill, S. 1064, as follows: "new employment opportunities should be created rather than merely transferred from one community to another."

Regrettably, the draftsmen of S. 1064 failed, in another section of the bill, to carry out the President's thought. Instead, they fell into the same "substantial detriment" trap contained in the Douglas bill.

To bring this issue squarely before the Senate, we propose amendments to S. 722, as follows:

On page 2, line 19, strike out all after the word, "created" through line 22 and substitute the following: "rather than merely transferred from one community to another."

On page 9, line 22, insert a period after the word "another" and strike out "when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

These amendments will draw a clean-cut issue between Senators who wish Federal funds used to assist the relocation of industries and jobs from one area to another, and those who believe, as we do, that such intervention of the Federal Government in competition for industries and jobs among States and communities violates basic principles of the Federal system and is highly improper, unfair and indeed unconscionable.

I hope the Senate will adopt the amendment which is now before it. Without the amendment, I believe the bill is a snare, a sham, and an illusion, and I believe it will work many disadvantages on many parts of the country, including Connecticut.

EXHIBIT 1

[From the New York Times, Mar. 16, 1959]

SURVEY OF THE UNEMPLOYED: PEOPLE BEHIND THE STATISTICS IN FIVE MAJOR JOB AREAS—VICTIMS PUZZLED BY THEIR PLIGHT—FAMILY DEBTS RISE DESPITE INCREASES IN PRODUCTION AT MECHANIZED PLANTS

Puzzlement is more apparent than anger in the attitude of men and women who have tramped the streets, month after weary month, with nothing to show for their efforts but holes in their shoes and a growing pile of debts.

In Detroit, capital of the automobile industry, one worker in seven is jobless and cutbacks in the output of some 1959 models threaten to add thousands to the idle lists in the next few weeks. Pittsburgh, crossroads of steel and coal production, is worried that large-scale unemployment will become a chronic drag on its economic well-being.

In the mine regions of West Virginia the specter of permanent pools of idle workers is even more tragically present. Mechanization has cut the need for manpower so drastically that 68,000 men now dig more coal than 125,000 did 10 years ago. The displaced, returning from futile job-seeking expeditions to Cleveland, Columbus, or Detroit, are less disposed to be philosophical about their plight than most of the country's uncomplaining unemployed.

Surplus food—mollygrub is what they call it in the Kanawha Valley coalfields—has become a mainstay in the diets of tens of thousands of families, not only in West Virginia but also in every other State. In December, 5,230,000 persons benefited from the Federal dole of butter, flour, cornmeal, and other surplus commodities. The food lines were almost twice as long as they had been a year earlier.

Yet, by the standards of mass misery that prevailed in the great depression of the thirties, privation is a minor problem. What bears most raspingly in today's jobless is the sense of uselessness that comes with being unwanted and unneeded in the world's richest and most productive Nation.

The corrosive effect has been acute among youngsters—high school and college graduates, ex-GI's, and others in the 20 to 35 age group—locked in their first real bout with hard times and deprived of the community of suffering that helped preserve the fabric of self-respect in the depression years when everyone was in trouble.

YOUNG MAN'S RECESSION

In many ways this was a young man's recession, especially in factory industries operating under rigid seniority systems. The most recently hired were the first to feel the layoff ax. Now science, moving with the same breathtaking speed in the improvement of industrial technology as it is in the conquest of the atom and of outer space, is making the day of recall to work more remote.

The harnessing of electronic brains to mechanical muscles has made it possible to produce more goods with fewer workers. Men with 10 to 12 and even 15 years of seniority remain on the surplus list while their companies climb past the production peaks they set in the preautomation days.

To make the outlook gloomier, other employers hesitate to hire them for fear that their desire to safeguard their pension equities and priority status in their old jobs will cause them to quit when and if the recall whistle sounds.

For men and women of more advanced age among the unemployed, the calendar is an enemy. The piling up in New York and other States of statutory prohibitions against discrimination based on age has brought no abatement in the conviction of those past 35—and even a good many under that age—that their biggest handicap is the years in which they acquired their maturity and skill.

There is little tendency to clutch for the comforts of the welfare state. Confronted with the necessity for going on relief, most workers will grab a job at half or less than the standard they used to enjoy. And there are plenty of employers ready to capitalize on this preference for staying independent of a government handout.

RELIEF LOAD UP 3 PERCENT

In small machine shops, dry goods warehouses and other small businesses, the calls are for work at only a few cents above the legal minimum of $1 an hour. Only in the large standardized industries and those under stringent union policing is there no move to pull down pay scales or trim fringe benefits. There the movement is still up—in both prices and wages.

In this city, where 50,000 workers have drawn all the Federal and State unemployment insurance they could get in the last 14 months, fewer than 100 a month have turned to the department of welfare for relief after their insurance ran out. The total public assistance caseload here has gone up less than three percent in the last year, and not all of this slight rise is attributable to unemployment.

In contrast to the economic trough of the thirties, when one-fifth of the city's population was on home or work relief, the ratio now is 1 in 23. And many of the family heads now on the rolls are unemployable even by the relaxed tests that would apply in the rosiest flush of full employment.

In Detroit and other centers of "productivity unemployment," the relief rolls have risen more rapidly. But everywhere the idle, without insurance or other sources of support, echo the remark of the Detroit mother of five, who told a reporter:

"Accepting money from welfare, I feel we're down to the last notch. I don't want the children to grow up with the idea of welfare aid. My parents back in Arkansas raised me never to lean on welfare."

Here are some reports on what unemployment has meant to workers and their families:

NEW YORK-NEW JERSEY

The New York-New Jersey metropolitan area, with its incredible diversity of finance, commerce, entertainment, publishing and manufacturing, is enjoying the seasonal upswing that always accompanies the pre-Easter rush in its largest single field of employment, the needle trades.

But the face of joblessness in the metropolis has so many visages that improvement even in a multi-billion-dollar area leaves hundreds of thousands untouched. The last official estimate in mid-January showed 375,000 workers, or 1 in 12, looking for jobs in the 5 boroughs.

A reporter who toured unemployment insurance offices, welfare agencies, union hiring halls and armories where the idle queued up for Federal food came away with the impressions as diverse as the people he talked to. Visits to the jobless in their own homes merely reinforced his feeling that no shortcut cure, by Government or industry, would eradicate the economic sores behind the gleaming new skyscrapers, the flourishing theaters and restaurants and the other badges of New York's opulence.

Waiting in the "T" line

Walk into the job insurance office at 259 West 54th Street and chat with some of the men and women on the "T" line. This is the State labor department's shorthand for temporary unemployed compensation, the emergency program the Federal Government finances for the long-term jobless.

Here is James Matthews a tall, handsome man of 36, with a shy smile, who won a Rhodes scholarship and studied at Oxford and the Sorbonne after graduating from Columbia. He had 4 years of wartime duty on Navy combat ships and was receiving officer's training when V–J Day came.

He entered the State Department's career Foreign Service and held posts in Europe and the Far East until he resigned in 1953 to become an international marketing specialist for a Standard Oil affiliate overseas. An expert in six languages, he was on his way to a European assignment for International Goodrich last summer when a dip in rubber sales wiped out his $200-a-week job.

His pavement-pounding has convinced him that employers want men in their mid-twenties, not midthirties. What depresses him even more is that so many of those he sees going abroad are men whose interest in their foreign trade missions seems to him largely confined to the prospect of hanging around the American bar.

In the meantime Mr. Matthews has a somewhat less global concern. He has just made the transfer from the State insurance lists, where he drew his full quota of 26 $45 checks, to the Federal list. This week red tape connected with the shift will limit his benefit to $11. That means he will have to send a distress signal to his parents in Texas for a fresh loan.

"If Congress doesn't extend the Federal program beyond its present March 31 closing

date, I will really be in the soup," he says. His savings are all gone, but his job insurance and help from his family have enabled him to keep quarters at the Columbia Club, 4 West 43d Street.

A few places down the line is Mrs. Sydonia Goodstein, of 340 West 57th Street, an imperious woman in black caracul. She has the air of a grand dame, as befits a couturiere whose shop used to make costly dresses for Saks Fifth Avenue, Bergdorf Goodman, Neiman-Marcus and other fine stores.

The business she started in 1921 never recovered from a fire that gutted the building 2 years ago. Now, her lease gone and her job insurance expiring this week, she is looking for work. This is her report on her first telephone call in response to a help wanted advertisement:

"The employer said I sounded young and asked how old I was. I am a rabbi's daughter and do not lie, so I said 65. He told me, 'Lady, why don't you go sit in the park?' It reminded me of a book I once read about an uncivilized island where they burned everybody at 50. I thought it was savage, but it doesn't seem so savage now."

The next man asks that his name be kept secret, but it could be Willy Loman, the hapless hero of Arthur Miller's "Death of a Salesman," whose goal in life is to be well liked. He is a jolly, talkative man of 55, whose sales talent made him head of a ladies' belt business with 80 employees, an annual volume of more than $1 million and profits in the $50,000 to $60,000 range.

A bankrupt company he bought for tax-loss purposes and then tried to run, plus the advent of the beltless chemise, proved his downfall. The home he owned in Harrison is gone and the lease on his $230-a-month apartment in Riverdale runs out in June. He has been borrowing on the $100,000 in personal insurance he used to carry, but the end of that is in sight.

Future looks bleak

"I keep telling my wife it's fortunate that I was born with a strong heart and a weak mind," he says with a melancholy attempt at a salesman's laugh. "But I'm really at the end of my rope. I've been selling all my life; I have a wonderful reputation in the field. It doesn't seem possible I can't get connected. But after 14 months of tramping around the future looks very, very bleak."

Drop in on Michael Azzata, a well set-up youth of 26, with glossy black hair and dark, earnest eyes, in his parents' neat apartment in a neat row of identical tan-brick houses at 30-27 41st Street, Long Island City, Queens.

He enlisted in the Air Force after he got out of high school at the height of the Korean war. When he went to Columbia under the GI bill of rights, he took seriously the advice of industrialists and educators that it was wise for young men to get a well-rounded general training in liberal arts, instead of concentrating on specialized technical courses.

Now, with a bachelor of arts degree, he finds himself being told by job interviewers that he lacks the specific instruction or experience they require and that he is too old to get into an executive training program.

It does not help, psychologically, that his own inability to get a job with a future, even at $50 a week, forces his 74-year-old father to keep working at Pennsylvania Station as a bootblack. He will probably settle for a night job as a restaurant supervisor and go back to Columbia to take a master's degree in business administration.

PENNSYLVANIA PUZZLE

(By Stanley Levey)

PITTSBURGH, March 13.—Up and down the river valleys of western Pennsylvania smoke is shooting once again from steel mill stacks. After 2 years of recession and unemployment, it is a signal read in various ways by various persons.

"Look at that smoke," says the owner of a shoe store in Homestead. "Isn't it beautiful?"

"Went back to the mill last week," says a laborer in Ambridge. "First day's work in 14 months. I never thought I'd be so glad to see the lousy place. But after looking at all that television, I really was."

"The recession is over," says a steel company official.

"I don't know," says a forge man in New Castle. "I hear the recession's over and I know a lotta guys have gone back, so I guess maybe it is. But not me, they don't call me back, and sometimes, mister, I don't think they ever will."

ELEVEN PERCENT IDLE IN JANUARY

Halfway across the State in Harrisburg, the capital, in the new sleek building of the department of labor and industry, analysts have compiled statistics and drawn graphs and curves. This is the story they tell:

At the end of January 508,000 Pennsylvanians (or about 11 percent of the work force) were idle. The figure for the country was 6 percent. At the bottom of the recession last June, 520,000 persons were jobless in the State. This was 10.9 percent of the work force. The comparable national figure then was slightly more than 7.5 percent.

What worries the analysts (and workers, union leaders, merchants, and businessmen) is that increased production has not been accompanied by a corresponding increase in employment. Does this tendency mean, they wonder, that new pools of chronic unemployment are in the making—in the steel areas, for example?

"Is Pittsburgh in danger of becoming another Scranton?" asked an economist in the Bureau of Employment Security.

Thirty years ago Pennsylvania's heavily populated hard coal regions about Scranton and Wilkes-Barre employed 150,000 miners. By 1937 the total was 32,000. Today it is probably even lower. Scranton has tried desperately and effectively to attract new industry, but the area's economic base has been almost completely destroyed. Ten thousand new jobs have been provided but the rate of unemployment is about the same.

"Scranton has been running like hell to stand still," said the economist.

The basic cause of high production with fewer workers is automation—the use of machinery to run machines. During the recession many mills have introduced new equipment, discontinued using inefficient plants and eliminated jobs.

Bruce Alexander, district staff member of the United Steelworkers of America in McKeesport, predicted that many workers would never regain their jobs.

"This fellow comes in to see me," Mr. Alexander recalled last week. "He's got his kids with him—three of the cutest kids you ever saw. And he says, 'I'm down to nothing. I got no family to help me. I'm on public assistance and I don't think I'm ever going to get my job back. What's going to become of me?'"

Mr. Alexander lifted his palms in a gesture of helplessness. "What could I tell him?" he asked. "I didn't have any answers. It's rough. Oh, we don't let him hurt. We help him, we get him food and like that. But we can't mislead him and tell him we can get his job back for him."

Actually while the recession has resulted in distress, it has not produced disaster. A reporter looking for signs of political protest or starvation in Pennsylvania would come away with an empty notebook. Tom Leslie, a 42-year-old hammer operator from Beaver Falls with 20 years in the industry, illustrates the reasons why this is so.

In the good days he made as much as $200 a week and averaged $6,000 a year. He saved some money, but not much. He bought a home and has $4,000 still to pay on it. He installed storm windows last year but owes a substantial balance. He still drinks a bottle of beer when he feels like it but not so often as formerly. His wife and three children eat regularly.

WIFE'S WORK IS KEY

"How do you manage it?" he is asked.

"My wife works as a bookkeeper," he says a little sheepishly.

This answer is heard in various forms throughout the steel area:

"My wife does day work."

"My wife got a job as a nurse's aid."

"My son brings home a little money."

"My wife and I moved in with my mother."

"My folks help us out."

Tom Leslie has got by for several other reasons. He has worked occasionally with a friend who owns a truck. He has picked up odd carpentry and repair jobs. He has drawn $35 a week in State unemployment compensation. Under the State-Federal program he is entitled to 45 weeks of payments.

Finally under the supplementary unemployment benefits program negotiated 3 years ago with the steel industry by the union, he has been receiving benefits that started at about $20 a week. They will run for a year. He has only one major complaint.

"Too damned much housework," he said.

Tom Leslie is joined by others who think the benefits may have saved the day. These include merchants in steel towns who were lukewarm about the welfare program when it was broached back in 1956.

A member of the Beaver County Public Assistance Commission reported that in 2 years only 10 steel workers had applied for relief.

"Without supplementary unemployment benefits," he said, "there would have been relief lines all over the country."

In the union's district 15 area, Bruce Alexander and Paul Hilbert, the district director, organized a community services program to help steel workers in distress. Banks were asked to grant moratoriums on mortgage payment, and 150 agreed. Members were told how to obtain public assistance and surplus food. Medical and hospital service were obtained for men whose benefits had lapsed because of prolonged idleness.

But the picture has its shadowy corners, too. George Combs, a burner in the Clairton plant of United States Steel, has been out of work for thirteen months. He says he has not had "eight hours work since I was laid off." His benefits will run out in a few weeks. He owes a $400 furniture bill. The store is waiting. He has not been able to pay his $42-a-month rent for an apartment in a county housing project. The project is waiting.

He receives a relief check for $4 every two weeks. He sought surplus food and was told he was ineligible. Now he finds other men with his seniority called back to work. He is getting uneasy about providing for his wife and three children.

"TAKE JOB ANYPLACE"

"I'll take a job any place," he said. "After more than a year this place don't look so good to me."

In that judgment, George Combs is not typical. Despite unemployment, steel workers are reluctant to strike out to new frontiers. Their homes, their families, their roots keep them clustered about the mills. In Beaver Valley, Wilbert Berarducci, 22 years old and unemployed since July 23, 1957, drove West a few weeks ago with his wife in his 1946 automobile.

Almost as soon as he arrived in California, he received a telegram from his mother, summoning him back home. He had been called back to the mill, she said. Without funds and unable to rely on the old automobile for another trip across the continent, he hitchhiked home in five days only to find there had been a mixup and no job awaited him.

"Why did you come back?" he was asked. "Why didn't you stay out in California and look for a job?"

"Why," he said without hesitation, "this is my home and I'm a steel worker."

WEST VIRGINIA GRIM

(By Homer Bigart)

CHARLESTON, W. VA., March 10.—Thousands of unemployed coal miners have used up their "rockin' chair money" and are living on "mollygrub" in the coalfields of West Virginia.

"Rockin' chair money" is the miner's term for unemployment compensation. "Mollygrub" is the monthly dole of Federal surplus foods.

With about 15 percent of its work force idle, West Virginia is the blackest spot among the Nation's areas of economic distress.

The statistics are grim enough: 45,000 workers have exhausted their unemployment benefits; 280,000 to 300,000 persons are subsisting mainly on "mollygrub."

A tour of coalfields south of Charleston revealed that the human tragedy was not yet as stark as in the 1930's when children fainted in schoolrooms for lack of food. This time the schools are providing free lunches for the desperately poor. And at home the surplus food dole, while deficient in protein and in bulk is generally enough to support what the natives call a "cornbread livin'."

There are no signs of desperate physical distress, not even in Big Coal River Valley, where the expiring communities of Edwight and Highcoal present ghostly rows of boarded-up shacks. In the half-deserted streets and in the tiny yards of ramshackle dwellings, children play who look as least as robust as children in urban slums.

Tensions and despondency bred by long idleness are evident in the hopeless complaining tone of minors who have returned in disgust from job-hunting expeditions in Cleveland, Columbus and Detroit. The added complaint of racial discrimination was raised by Melvin Smoot, a Negro miner, in Highcoal. "A mine superintendent told me he ain't hiring any colored," Mr. Smoot said.

The mine at Highcoal blew out (shut down) more than a year ago, throwing 82 men out of work. They were the last of a gradually reduced force of about 500. Mr. Smoot, 37 years old, with eight children, was laid off December 31, 1957, the night his wife gave birth to twins. He has had no work since then. He drew the maximum of 24 weeks, plus a special extension of 12 weeks, in unemployment payments last year. Payments in reduced amounts ($21 a week) were resumed a few weeks ago, but Mr. Smoot said he had to use his first two checks to pay the utilities bill.

NO RENT SINCE JULY

The Smoot dwelling is a gray, soot-crusted four-room house renting at $16 a month. But Mr. Smoot said he had not paid rent since last July. Nor had he been able to buy tubes for his television which failed Christmas eve.

His monthly "mollygrub" included 30 pounds of flour, 5 pounds of butter, 10 pounds of rice and a small quantity of meal. This was not enough for 3 weeks, he said. Supplementing the Federal dole was a windfall of canned milk, canned peas and a little sugar from Charleston churches following an exposé of Highcoal's plight in the Charleston Gazette.

Despite the dismal outlook, Mr. Smoot said he would remain in the dying town because jobs were scarce in Ohio cities and because "they claim there's going to be a lot of roadbuilding around here."

But up the road in the white community, Carl Harris had decided to quit the mines and try farming. He had gone to Lincoln County to look for a farm. Meanwhile, Mrs. Harris, carried away by visions of bucolic plenty, had bought 100 pullets for $2. They were cheeping in the kitchen as Mrs. Harris told of the impending move to Lincoln County.

"They do right smart farmin' down there," she said. "They got some little bitsy old mines but mostly farms."

Still, she hated to leave Highcoal. "I like the people here: they're friendly," she said.

In near-by Whitesville, shopping center for Big Coal Valley, Quentin Barrett, principal of Whitesville Elementary and Junior High School, summoned his teachers to an emergency meeting.

"Starting tomorrow," he announced "all children who are completely destitute and look undernourished will be given a cup of cocoa and a hot biscuit at the start of school each morning in addition to the regular hot lunch. Maybe some scrambled eggs, too."

He asked the teachers how many children came to school without having had any breakfast at home. They reported a total of 65. The school has an enrollment of 700.

FREE LUNCH TO DESTITUTE

For the hot lunch the school charges 25 cents. But families on relief pay only 15 cents and the lunch is given free to those described as "penniless and destitute."

The Reverend Jack Weller, director of the mission project of the United Presbyterian Church, said conditions were particularly grim in Edwight, a few miles up the valley. He said the land company that owned the miners' houses had recently turned off the street lights, adding to the tension, and there were reports the water supply would be shut when the village school closed at the end of the spring term.

He estimated that "at least 1,800 persons in the valley aren't getting a balanced diet." He recalled that the Whitesville Fire Department, in making up its Christmas list, found that 300 families in the area had no income at all.

In Charleston, Raymond Lewis, brother of John L. Lewis and president of District 17 of the United Mine Workers Union doubted that many miners now out of work would find jobs again in the industry.

He called the current crisis "a lot worse" than the depression of the 1930's.

"The 1930's depression was just the end of a boom period. It was not caused by technological advances but by overproduction. This one here is a different story, an industrial revolution like the one that hit England when the spinning jenny was invented."

Mr. Lewis said scarcity of labor during World War II forced operators into mechanization. "By 1949 new equipment began to come in. Thereafter there was a steady decrease in miners and an increase in production.

"In 1948, West Virginia had 125,000 coal miners. Last year there were only 68,000 men in mines."

Sheriff T. H. McGovran, of Kanawha County (Charleston) said the number of men arrested for nonsupport had risen steadily during the last 14 months of deepening unemployment.

He suspected that in some cases the man was driven by desperation to seek a jail sentence for nonsuport so that his wife could then apply to the State Department of Public Assistance for benefits. "A man who can't support his wife can do it by going to jail," the sheriff explained.

DETROIT DESPERATE

(By Damon Stetson)

DETROIT, March 11.—Mrs. Charles Lawrence listened quietly as her husband, a carpenter, sat in the living room of his small Oak Park home and told about his futile efforts to get a job.

His unemployment benefits had run out and the immediate future looked grim for a couple in their early thirties with two children.

Suddenly Mrs. Lawrence, a brown-haired woman wearing a pink jersey and black skirt, leaned forward and said grimly:

"I think the situation here in the Detroit area is just as desperate as if we'd been hit by a tornado. It's just as much a disaster for us if we lose our house as if a tornado struck us—except that the kids are safe. But if a tornado hit, the whole country'd be ready to help us.

"As it is," she continued, "the bill collectors keep saying the recession is over. For whom, I'd like to know?"

"For me," Mr. Lawrence said "it's no recession. It's a depression."

FIFTEEN AND FOUR-TENTHS PERCENT IDLE IN AREA

The Lawrences are probably luckier than thousands of other unemployed people in this hard-hit area. They have been getting $49 a week in unemployment benefits, plus $55 a month as a veteran's disability pension.

Mr. Lawrence has some hope of getting work when the weather improves, although his disability is likely to force him to give up carpentry. But this couple were able, in a few words to articulate the plight of the 229,000 people, 15.4 percent of the labor force, now out of work in Detroit.

In Michigan, 364,000 people, or one worker in eight, are without jobs. Last year 242,800 of the unemployed exhausted their jobless benefits. By April 1 about 145,000 will have exhausted their temporary additional benefits.

You begin to sense what has been happening when you pass a store on Charlevoix Street where the featured items are smoked hocks at 19 cents a pound, neck bones at 15 cents and spare ribs at 10 cents.

A visit to the welfare department's surplus commodities division at 8300 Woodward provide further insight. A thousand people a day line up there to get their allotments of dry milk, rice, corn, meal, flour and butter. Last month 130,112 persons got surplus food at this center and 154 grocery stores, where the commodities are also distributed.

Robert Feagin, a 38-year-old auto worker, was laid off at Chrysler's Jefferson plant in 1957. He has a wife and three children, and long ago exhausted his unemployment benefits. Lately he has been getting $69 every 2 weeks from welfare.

"JUST CAN'T GET A JOB"

"They tell me at the plant there's no chance of getting back unless a miracle happens," he said. "I've been looking for work all over but I just can't get a job. I hate being on welfare. Its enough to make a man jump into the river. But right now I've got to see about getting some blood. My wife's expecting and I'm afraid she's going to need some help."

Roy Case, a thin, bespectacled man who lives in a three-room flat among drab, closely packed houses, was laid off in January, 1958. He has not worked since. He has a wife and one child. They have been living on $41.45 every 2 weeks from welfare since their unemployment benefits stopped. Of this, $20 goes to Mr. Case's landlord for rent.

"I went to Chicago once looking for a job," he said, But I didn't have any luck. Around here all you get is 'no' when you ask for a job. It's the worst I've ever seen it."

Harvey Sampson, an auto worker with 12 years' seniority, has been getting $44 a week

in unemployment compensation plus $9.14 in supplementary unemployment benefits since he was laid off last year.

He has a wife and three children and has to pay $55 a month in rent for his six-room flat.

"We're not living," he said. "We're existing. I can't find anything. If I go to an employer and ask for a job, he says he doesn't want to hire me because I have 12 year's seniority and he's afraid I'll be called back."

A boom in the auto industry would do more than anything else, probably, to resolve Detroit's and Michigan's unemployment problems.

But the overconcentration on manufacturing in Michigan, especially in automotive production, means that the State's economy is unusually sensitive to economic dips and consequent declines in the purchase of durable goods.

The long term answer to Michigan's unemployment problem, competent analysts of the situation say, is greater diversification to insure a better balance and less dependence upon the economic fate of one or two major products. Additional defense work, drastically reduced here since the emphasis has been on missiles, would perhaps provide more immediate help.

Mr. SALTONSTALL. Mr. President, will the Senator yield for an insertion?

Mr. BUSH. I had promised to yield first to the distinguished Senator from New York, but I yield 30 seconds now to the Senator from Massachusetts on the amendment.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 30 seconds.

Mr. SALTONSTALL. Mr. President, I shall support the amendment of the Senator from Connecticut and the Senator from New York, but I am opposed to the bill. I have prepared a speech. Because of the pressure of time, I shall not try to deliver the speech, but I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SALTONSTALL

I rise to express serious misgivings about S. 722, the area redevelopment bill which is now before the Senate.

First, I wish to express my confidence in the sincerity of concern for a real problem which has been expressed by the Senator from Illinois, Mr. DOUGLAS, who introduced S. 722, and by many other Senators who joined Mr. DOUGLAS in sponsoring this bill. I share their concern about any conditions of unemployment which now or may in the future exist in the United States. We have experienced in Massachusetts and in New England our share of industrial depression in many communities. I am deeply sympathetic with the plight of our citizens in communities in my own State who have been affected in recent years by localized chronic unemployment. My objection to this measure in no way reflects a lack of concern nor do I differ with the basic objectives of aiding depressed areas. Rather, in my judgment, this bill offers an unsound approach to these problems and generally would not assist us in Massachusetts. We have in Massachusetts met our adversities with imagination and industry.

We have local industrial development commissions in almost every industrial center in the State. The story of Lawrence's industrial redevelopment has been given nationwide publicity. The city has earned the admiration of all for the manner in which it has shouldered its responsibilities and regained its industrial strength. In Lowell, Mass., the local officials and civic-minded citizens have worked together to restore thousands of jobs in diversified industries after textile mill closings brought about a severe depression. The city built and housed new plants and attracted new industry. Cities such as Quincy, Mass., have undertaken a number of ambitious civic projects which have kept the city strong and I am pleased that Quincy is today among those areas not classified as labor surplus. Fall River as a civic project constructed a modern manufacturing plant and attracted an industry from outside to use it. Other communities in Massachusetts are taking equally imaginative and vigorous steps to aid their own local economies.

Moreover, the bill is highly discriminatory as it affects many of our communities. It would aid some of our depressed areas but fail to aid others. It fails to seek out the basic causes of our difficulties and establishes arbitrary standards whereby the citizens of one community subsidize transfer of their livelihood to other communities which, on fundamental analysis, may not be as seriously affected as their own.

The bill fails to take into account the fact that many of our communities, and I speak now of Massachusetts cities and towns with which I am familiar, have already borrowed to their debt limits. In our case in Massachusetts this would necessitate permission of the State legislature before further borrowing could be undertaken.

Insofar as Massachusetts is concerned, this bill would only hold out false hopes for our depressed communities.

Fundamentally, I am opposed to the program in the bill before us today for the reason that it would not operate, as proposed, to cure much to be deplored unemployment thereby making the economy healthier. Rather, it would seek to cure unemployment in certain areas while simultaneously creating unemployment tendencies elsewhere.

This measure would establish a program under which States like my own and others with long histories of industrialization, would be forced to contribute to the erosion of their own substance. This Federal program to subsidize the establishment of new industrial enterprises cannot operate but to injure Massachusetts. We have already suffered from the migration of our industry to States with lower wage levels, lower cost programs of public welfare, less costly public utility services and lower property and income taxation. We have suffered through the operation of Federal programs frankly designed to help other parts of the country. Examples of these are the subsidies given to American producers of raw materials and manufactured products needed in New England industry and commerce. These subsidies include import barriers on foreign produced fishing vessels, petroleum products and wool and artificially supported raw cotton prices. Moreover, Massachusetts contributes far more in Federal taxes than she received back in Federal grants and services.

Massachusetts and other similarly situated States will only suffer further disadvantage from the Area Redevelopment Act which openly proposes to industrialize large quantities of rural areas at our expense and with the inevitable effect of attracting industries and jobs from our communities.

The principle underlying this bill is that Paul can be paid by robbing Peter—a totally indefensible proposition.

The bill by implication concedes that it involves the risk of helping depressed areas at the direct cost of reducing employment in healthier areas by providing the new jobs should be created in depressed areas "without substantially reducing employment in other areas." Nowhere does the bill provide a definition or a standard for defining what constitutes "substantial" reduction of employment outside the depressed areas. Amendments which would attempt to guard against the transferring of jobs from healthier areas to depressed areas have been rejected. The best explanation for this refusal is that the program provided in the bill can only help the depressed areas at the expense of healthy areas.

In all American history, our Nation has never been more dynamic; our work force has never been more qualified. And yet we are asked to consider a bill which would bring the mountain of industrial facilities to the Mohammed of arbitrarily selected numbers of unemployed persons. And we are supposed to credit the notion that this process will not retract substantially from the employment opportunities of areas to which no such mountain will be brought.

A third reason for my opposition to the bill is that the program it would establish is arbitrary in application, without clear criteria or standards for its operation and unrelated to the underlying conditions which it is intended to cure. The definition of eligibility for the loans and grants provided in the bill would exclude from any assistance vast numbers of the Nation's unemployed by the application of purely statistical criteria which are in no way designed to take account of the causes of unemployment involved nor to give any recognition to areas in which conditions of unemployment are eliminated or averted through the application of local initiative and effort. The citizens in such areas and those in healthy areas will not only not benefit under the terms of this bill, but they will be forced to contribute tax revenues which may by their applications in some instances constitute a subsidy or reward for imprudent or mistaken behavior by business men, labor leaders, and local governments whose actions have caused or contributed to the conditions of unemployment which would be eligible for help under the bill.

Fourth, the bill would in effect establish a policy completely at odds with the basic principles of our competitive enterprise economy. Its operation can only weaken rather than strengthen private initiative.

Fifth, there is no evidence of which I am aware that the loan assistance provided in this bill for the financing of industrial facilities goes in any way to meet a genuine need in depressed industrial areas.

Jobs cannot be created simply by building and equipping a factory. Beyond that is needed a product with consumer demand which can be produced and distributed to compete successfully against similar products which are already being made and sold. With respect to these imperative needs in the creation of new industrial employment, the bill provides only for the duplication, under a cumbersome new administrative arrangement, of technical advice and assistance which is already effectively provided by or available from a host of competent existing private and public sources.

In this respect then, S. 722 is a deceiving illusion. It offers assistance of a character that is not needed—capital for industrial facilities—and adds nothing with respect to what may be the crucial needs to what is already available. It assumes that Federal funds will somehow create new products and the jobs to make the products.

Ten years ago a wise and able citizen of Massachusetts who rendered exceptional service to our Nation, Vannevar Bush, wrote as follows:

"The search for security by action of a paternalistic government * * * is * * * one in which muddled thinking abounds.

"One result of that kind of thinking appears to take the form of a belief that the Federal Government has a pipeline to some

inexhaustible treasury on the moon; that it has income in addition to what it gets from the people in taxes; that the national income each year consists of something in addition to such total annual national products as we can produce. This kind of thinking looks at dollars, at money, as something significant in itself, rather than as to what it is—a mechanism, a mirror that reflects tons of coal, tons of steel, bushels of wheat, and so on.

"• • • We still conceive that money in some strange ways gives birth to more money, or that money can merely be printed.

"• • • Money does not make money. But money combined with judgment, courage, and risktaking can and does."

Federal Government money will not create a permanent net increase in industrial employment by the program called for by S. 722.

This brings me to my final point. This bill would create large new Federal welfare enterprise, which would strike a heavy blow against local initiative and effort both public and private. Local initiative applied to public problems must be strengthened rather than thwarted.

This concerns me very greatly.

The most significant development of our generation in the political structure of America is the diminishing responsibility of local government.

As one who has served in city government, the legislative and executive branches of State government, and for 14 years in the United States Senate, I believe in the importance of strong local government which this bill would tend to diminish.

I want to make it clear that I am greatly troubled by this development. Local government is very important. It should be nourished and strengthened. It should not have functions and responsibilities which it is capable of performing effectively usurped by either the State or the Federal Government.

The reasons for the diminishing significance of local government appear to me to include the following:

First, many of the tasks and problems of government have gotten too large and complex to be dealt with by local government. This has been a natural and perhaps inevitable corollary of the increase in the size of our population, the increase in the complexity and integration of our economy, and the manifold changes which these increases have helped to induce in the relationship of our Nation to the rest of the world. In addition, we have developed a more acute and larger sense of social responsibility which has contributed to the shift in relative significance from local to National Government.

Examples of the challenges to its feasibility which local government has not been able to meet either in terms of institutional capability or financial capacity include:

Public safety in the areas of civil defense and internal security.

Public utility services which are shifting to county, district, and metropolitan institutions; atomic energy has been absolutely federalized.

Transportation services including roadbuilding, and local railroad, bus, and subway services.

Regulation of industry and commerce including quality, weight, measure, shipping standards, and other conditions of manufacture, and distribution of goods and performance of services.

Construction of public school facilities which has already been shifted to being in part a State government responsibility may be on the threshold of a further partial shift to a responsibility of the Federal Government.

There are doubtless some further necessary attritions ahead for untrammeled local government responsibility. A view of the road ahead may be accurately depicted by Prof. Robert C. Wood of Massachusetts Institute of Technology in his interesting recent book, "Suburbia, Its People and Their Politics."

Second, dissemination of information to the public is dominated by news media which are addressed to such large masses of people that they must focus public attention on tasks and problems of government of the broadest interest—the ones which are dealt with by the Federal and to a lesser extent the State government.

Third, our educational institutions have followed the lead of the mass media in concentrating their focus and the attention of their students on the tasks and problems of the Nation and the world and away from local public concerns.

Fourth, the conditions described in 1-3 tend to orient the vast majority of people who are best qualified and most strongly motivated for public service to render service in the Federal Government, thus negating State and local government needs.

All the foregoing conditions are operating to diminish the significance of local government. We cannot afford further erosion in the substance of this vital level of our political institutions.

There are a great many tasks and problems of a public character which are best undertaken at the local level—matters such as zoning and land use planning, establishment of private building standards, furnishing library services, supervision of the content and administration of public education, administration of real property tax assessment and collection, provision of programs of recreation for youth and the aged, to mention only a few.

The importance of strong and effective local governments to deal with these matters lies in their unique qualification to preserve precarious local characteristics which inhere in them. The greater the geographical area and the larger the number of people for which a standardized government solution to a problem must be found, the narrower is the range of permissible individual deviation which can exist for that area or population. Local individuality must inevitably be curtailed as problems are transferred to higher levels of government.

A further essential characteristic of local government is the opportunity which it affords for effectively fixing responsibility for the sound and efficient management of public services.

Because Senate bill 722 would operate to curtail further the responsibility of local government with respect to a task which is inherently within its capacity to undertake in cooperation with existing activities of State governments and the Federal Government, I cannot support it in the form in which it was reported to the Senate by the committee.

In summary, I oppose S. 722 because:

1. The communities in my State by local effort, initiative and imagination have done much to cure their own economic ills, and the bill offers practically nothing which is not now already available either from private or public sources.

2. Although I have great concern for the economic welfare of many communities in Massachusetts, this measure is discriminatory in that it forces our citizens to subsidize the development of some areas selected on arbitrary standards, while neglecting other areas.

3. The bill would encourage piracy and would draw industries away from those areas which with their own investment have already industrialized. It would create an arbitrary economic advantage for rural areas without justification.

4. The bill is vague and ambiguous.

5. It overlooks the basic causes of unemployment and creates the illusion that by the mere construction of factories jobs can be created.

6. It is at odds with our basic competitive enterprise system.

7. Finally, it would tend to weaken further the responsibility and authority of local governments where effort of this nature should best be managed.

Mr. BUSH. Mr. President, I yield 2 minutes to the distinguished Senator from Utah [Mr. BENNETT].

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. BENNETT. Mr. President, I have prepared a statement with respect to the amendment sponsored by the distinguished Senator from Connecticut and myself, and a short statement with respect to the equipment amendment offered by the Senator from New York. In the interest of saving the Senate's time, and as an accommodation, I ask unanimous consent at this time to have those statements printed in the RECORD without my reading them.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENTS BY SENATOR BENNETT

ANTIPIRATING SECTION IS WEAK AND VAGUE

Section 2

A. The dilemma of antipirating restrictions: The complete unworkability of the proposed legislation is clearly illustrated by the attempt of its proponents to meet the so-called runaway shop or industry-pirating problem.

The bill includes a so-called antipirating provision stating that Federal loans shall not be made to assist—"establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

While we differ as to the effectiveness of the proposed language, we agree that the proponents of the bill have placed an impossible burden upon the Administrator, who would face this dilemma:

If areas are to be redeveloped to the maximum extent possible, the inducements offered by the Federal Government in cooperation with other public and private agencies, are bound to encourage the transfer of jobs and facilities from one area to another. The very essence of growth and development involves movement of resources. A manufacturing firm with a branch plant built under a "depressed areas" program will want to remain free to allocate production among its various plants in future years. Communities in almost every State and congressional district are interested in attracting new industry and jobs. Clearly, under an unrestricted area redevelopment program, communities are certain to feel the impact of any redistribution of resources and jobs induced by the availability of Federal money to areas which are currently depressed. Thus, the danger arises that new depressed areas may be created in an attempt to eliminate those now existing.

On the other hand, if the proposed legislation places severe restrictions on the entry of firms into depressed areas in an effort to guard against the so-called industry-pirating problem, the program of redevelopment may well be seriously handicapped.

In short, the Administrator's problem, under the bill, is one of either building up some areas at the expense of others or attempting to comply with a legislative standard which is unenforceable. There are no criteria for determining the amount of unemployment that might be regarded as inflicting "substantial detriment" upon a community.

Would the relocation of an industry providing 100 jobs from Detroit to another State result in sufficient additional "detriment" to a community with 217,000 already unemployed to be reckoned as "substantial"? How and when would the Administrator ascertain that redevelopment in one area violates the apparent intent of the Senate to avoid pressures in other areas?

B. Discrimination within industries: Moreover, not only would the bill promote discrimination by the Federal Government in favor of some areas at the expense of others, it would also promote such discrimination to benefit some companies within a given industry at the expense of its competitors.

Assume a situation in which several companies have plants in various parts of the country, none of which are in a so-called depressed area.

Company A, employing 250, is at a competitive disadvantage because it has not kept pace with the industry as a whole in modernizing its factory and improving machinery.

A community eligible for redevelopment under the bill builds and equips a factory with Federal assistance, and induces company A to relocate.

A double discrimination, promoted with Federal funds, has thus taken place: Discrimination against the area of original location of company A and discrimination against company A's industrial competitors.

C. Senator DOUGLAS and I went to Detroit and held a hearing. The mayor of Detroit told us on his own—on its own—the city government has raised $2 million and purchased 17 acres of land and torn the buildings down and they were redeveloping it. And later that afternoon in came a representative of the city of Jackson, Mich., who did a little arithmetic and said, "Those 17 acres are costing the city of Detroit $118,000 an acre." And he said, "The best place for me to pirate industry is not outside of Michigan, it is in the city of Detroit."

In other words, with this kind of language remaining in here, we can actually envision a situation where communities both using Federal funds are in a position to pirate industry away from each other, and we will set up an industry with Federal funds in community A, Detroit, and then the fellow from Jackson will come over and take it away because he said, "We can furnish them industrial land for $350 an acre, not $118,000."

D. Individual views of Mr. BENNETT and Mr. BUSH: To our minds, the use of Federal funds to help some areas attract industries and jobs from other areas is unconscionable and must be prohibited without any qualifications.

If such a prohibition is not written into S. 722, the people of industrial States may be forced to underwrite with their Federal tax dollars the export of jobs to competing areas.

The bill should be confined to the purpose stated in President Eisenhower's "Economic Report" to the 85th Congress, namely, "to create new job opportunities instead of merely transferring jobs from one locality to another."

On page 2, line 19, strike out all after the word "created" through line 22 and substitute the following: "rather than merely transferred from one community to another."

On page 9, line 22, insert a period after the word "another" and strike out "when such assistance will result in substantial detriment to the area of original location by increasing unemployment."

These amendments will draw a clean-cut issue between Senators who wish Federal funds used to assist the the relocation of industries and jobs from one area to another, and those who believe, as we do, that such intervention of the Federal Government in competition for industries and jobs among States and communities violates basic principles of the Federal system and is highly improper, unfair, and indeed unconscionable.

E. Let us suppose that in a period of rising demand, a manufacturer established a branch or second plant in a depressed area with Federal assistance in financing. Let us further assume that he occupied his new plant for a few years and during the next dip in the business of the firm he had to cut back some operations—reduce output.

If he reduced the work force in his original plant and held the full force in the new one, would this represent a transfer of jobs?

If he finally had to close one plant for lack of business—would it be a violation of his loan agreement if he closed the old one? If so, would the Federal Government call his loan and maybe put him completely out of business?

If, in a new plant established through this program, business suffers due to poor management or good management and a poor market condition, can the Government then stop helping the project it started?

Is there a moral obligation to continue subsidy to a business venture in the first instance nurtured through subsidy?

Questions of this sort are difficult to answer. Experience with agricultural subsidies, for instance, illustrates the difficulty of terminating any program of Federal aid once it has become established. Can we let this happen to the American manufacturing industry? It is the first steps that seem so mild, so meritorious, that begin such unwise programs.

LOANS FOR EQUIPMENT UNJUSTIFIED AND UNFAIR

1. Thirty-year loans are okay for land and buildings, but have no relationship to the life of equipment. Equipment would be depreciated several times over that long a time.

2. Any enterprise brought in on the basis of land and buildings should be able to finance the equipment. If the firm can't finance equipment itself, it is doubtful that the community would want such a business risk.

(NOTE.—This applies to nonfixed equipment not attached to the building.)

3. This is an unreasonable public subsidy of business. You are doing more than just trying to aid areas with chronic unemployment.

4. It gives a major competitive advantage to those so subsidized.

Mr. BUSH. Mr. President, I yield to the Senator from New York [Mr. JAVITS] as much time as he may need.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I shall take but a few minutes to explain what I consider to be an important point.

Mr. President, may we have order? This is an important bill, and this happens to be an important point about the bill, though I have no illusions of being able to convince a good many of our friends on the other side of the aisle; but this point at least ought to be listened to.

The PRESIDING OFFICER. The Senate will be in order.

Mr. JAVITS. Mr. President, what the Senator from Connecticut is proposing is that there should not be raiding, under the guise of this bill, on the big industrial States. I do not see how anyone can argue with that desire, if the honesty of the bill is to be maintained.

What I am proposing is the exclusion from financing, under the provisions of the bill, of machinery and equipment. There either would be made available another $80 million or $100 million, or the amount provided by the bill would be reduced by that amount. If another $80 million or $100 million should be made available we should take into consideration the objections made by the chairman that the cloth is not adequate to go around.

Those who wish to make reductions in the amount available will find it possible to reduce, legitimately, the amount provided. Why do I say "legitimately"? The classic pattern followed in the sections which have been hurt by chronic unemployment and unemployment because of technological reasons has been financing through tax avenues and through acquisition of land in a community and the construction of buildings. One of the most notable examples of the rehabilitation of a community under self-help programs is the fantastic job done in the Utica-Rome area, which was one of the most depressed areas. It has been restored economically by the technique of making it possible to buy machinery on fairly liberal terms, under a self-financing plan. Machinery can become obsolescent or perishable. Then it is mostly a drug on the market for a particular community. Hence that kind of program should not be connected with this type of rehabilitation program. It costs a great deal of money. It takes much out of the bill.

In the testimony of the Department of Commerce, which is to be found at the foot of page 400 of the record of testimony on this bill, it is stated: "Machinery and equipment exceeds the investment in land and buildings by 4 to 1."

A survey by the Department of Commerce of industrial establishments under new construction showed that machinery and equipment constitute 43 percent of the total cost of building those establishments.

When that fact is coupled with the fact that the proposal is completely outside the tradition with respect to area rehabilitation, the very large amount provided in the bill which will go to machinery and equipment will cause legitimate suspicion on the part of great industrial States that an attempt will be made to raid them, using this very provision for machinery and equipment as bait. That factor would place a great handicap in the bill, unless the amendment were adopted.

I say to the friends of the bill—not those against it, but its friends—if they are really serious about the purposes of the bill, as they have expressed them, and wish it passed to assist their States, they should accept, not oppose, this particular amendment.

Mr. DIRKSEN. Mr. President, I should like to ask the Senator a question. Would the proposed amendment cut any money from the bill, or would it simply eliminate the use of funds for machinery and equipment, so that the funds would be intact and could be used only for renovation, construction, and so forth?

Mr. JAVITS. As I and the Senator from Connecticut designed the amend-

ment it would cut no money from the bill.

Mr. DIRKSEN. The amount of money in the bill as reported by the Committee on Banking and Currency would remain intact?

Mr. JAVITS. Exactly. However, if we are successful it would be legitimate to move to reduce the amount, and the same purpose could be accomplished, or we could accomplish 40 percent more if we left the amount intact.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BUSH. I believe the amendment, as merged, would severely restrict the use of these funds. That is the purpose of my amendment.

Mr. JAVITS. That is the purpose of my amendment.

Mr. BUSH. The money could not be used for financing the transfer of an industrial organization from one State to another. The use of Federal funds would be prohibited in that regard.

Mr. DIRKSEN. But the amendment inserts the word "not" so that the money would remain intact at the level reported in the Douglas bill, but could not be used for machinery and equipment.

Mr. JAVITS. The Senator is correct.

Mr. DIRKSEN. The money would remain in the bill at some $380 million-plus.

Mr. JAVITS. Except that it would be susceptible to a reduction of from $80 million to $100 million, without changing the purpose of the bill.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. BUSH. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. BUSH. Mr. President, I yield myself 2 additional minutes.

I simply wish to say I endorse all my distinguished friend from New York has said regarding the amendment. I want to thank the Senator for the suggestion that we merge the two amendments, which I think are not conflicting, but rather are complementary. I believe if the amendment is agreed to by the Senate, it will make the bill much more palatable to a great many areas of this country. I strongly urge the Senators who believe that the pirating of industry should not be done at the expense of the Federal Government to support the amendment.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the very able junior Senator from Connecticut.

Mr. DODD. Mr. President, I am reluctant to enter the debate on the amendment, because my distinguished colleague, the senior Senator from my State sponsored the amendment. There are many occasions when I find myself in agreement with my friend and colleague from Connecticut, but I feel compelled to differ with him on this amendment for two or three reasons which I should like to make clear on the record.

I speak in opposition to the pending amendment which would, in my judgment, make this bill unworkable and endanger its passage.

I fully agree that funds under this bill should not be used for simply moving industries from one place to another. We are all in agreement on this point.

However, I am convinced that the antipirating clause now in the bill provides reasonable and adequate protection against this practice. There are many controversial points in this legislation, but the antipirating clause is one point upon which there is preponderant agreement. The clause in the Douglas bill, S. 722, is the same as that in the administration bill, S. 1064, and in fact it was taken from the administration bill. The clause in the Douglas bill has the support of the administration, the Banking and Currency Committee, and has substantial backing from both sides of the aisle. It has this support because it is the best clause that reasonable and conscientious men can agree upon.

The philosophy behind the pending amendment seems to be that Connecticut cannot compete successfully with other States for new businesses. I do not share this view. I think our State has more to offer new business than any State I can think of. Our State finances are sound. We have a great deal of skilled labor of all kinds; the level of health and education and of public facilities in our State is high and we are located right in the midst of the great consumer market of the Northeast.

There have always been, and always will be, transfers of business from one locality to another. Of necessity, redevelopment requires a degree of flexibility, a margin for discretion, in order to tailor each project to the needs of a particular area. To prevent any relocation of industry, to remove the necessary margin of discretion from the hands of the Administrator would destroy this bill.

The rigid amendment that my colleague the Senator from Connecticut proposes would make the administration of this bill impossible, invite countless lawsuits over its application, and cost the whole bill the support of many who now favor it.

Congress learned long ago that it can make the laws but not administer them.

The wording of this bill is clear. The legislative intent as spelled out in the hearings and in the floor debate is clear. Congress is on record, completely and adequately, against use of this bill for purposes of industrial pirating.

We must depend on the executive branch to administer any law faithfully and conscientiously. We cannot administer it ourselves. We know that the amount of money available under this bill is not nearly enough to meet the requests that will flood in from all areas of the country. I believe we can rely on the integrity and the dedication of those administering this act to see to it that only those requests which best square with the intent of Congress will be granted.

Over the years in this as in all bills of this kind, we shall probably find provisions which need tightening or loosening.

This may prove true of the antipirating clause. But for now, the present clause in the Douglas bill, which has substantial support from all sides, should be given a chance. I oppose the present attempt to amend it.

Mr. DOUGLAS. Mr. President, I ask for the defeat of the amendment. The Bush portion of the amendment has already been adequately taken care of in the bill itself, and is covered in the report. To have further binding language would hurt our friends of the South. The amendment is, in a sense, an anti-southern amendment; and though I come from the North, I do not wish to sponsor or support such an amendment. The Javits portion would be too restrictive.

BUSH ANTIPIRATING AMENDMENT NOT NECESSARY

At page 9, line 20 of the bill as reported, it is stated:

> Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

Then, on page 22 of the report, it is stated:

> Section 6 expressly provides that loans made under it for industrial projects must not be granted to assist establishments relocating from one area to another, when such assistance will result in substantial detriment to the area of original location by increasing unemployment. This provision reflects the declaration of purpose of the act, to create new employment opportunities by developing and expanding facilities and resources without substantially reducing employment in other areas of the United States.
>
> If the proposed transfer of a plant from one area to another will create as much unemployment in the area it leaves as it absorbs in the area it moves to, nothing has been gained from the point of view of the overall economy of the United States. The use of Federal funds for a transfer of this sort would not be justified. Expansion of existing firms and the creation and development of new businesses or new branches of firms in business elsewhere, without at the same time substantially reducing existing employment opportunities, is the aim of this Federal assistance. In an expanding economy ample opportunities can be found to develop the depressed areas without injury to other areas of the country.

Now this, I submit, is sufficient protection against the use of Government funds to finance so-called runaway plants. The main objection to plant relocation is that it causes substantial unemployment. We are not trying to freeze in the status quo. If that were to be a relocation into a depressed area, and if the relocation did not cause substantial unemployment, I see no reason that it should not be permitted.

I further submit that the bill and the report is sufficient to guide the Administration in allocating loans. Were he to grant a loan to finance a plant relocation which hurt an area, he would clearly be in violation of the intent of the act.

I am firmly convinced that the Bush amendment is so rigid as to virtually destroy sound administration discretion and flexibility.

Moreover, the Bush amendment would cause many of our southern friends to oppose the bill in the belief that it would finance businesses in staying where they are and not creating new employment opportunities in the South. Its adoption would cause the bill to lose support without picking up any new support. For example, even if we adopted it, I doubt that the senior Senator from Connecticut would support the bill as amended.

We have discussed and worked on this problem for nearly 5 years. We have reached the agreement embodied in the bill. Thus I will certainly oppose efforts to upset this agreement.

JAVITS PROPOSAL TO EXCLUDE MACHINERY AND EQUIPMENT TOO RESTRICTIVE

The Javits portion of the amendment would restrict the loans to lands and buildings, and would make the program largely ineffective.

The cost of land is relatively small in depressed areas, simply because they are depressed. The cost of buildings will not be much either, because in many cases it would be possible to take over an existing building and rehabilitate it with a relatively small amount of capital. Thus, the thing that can really make redevelopment possible would be the financing of equipment and machinery which lies at the heart of the whole enterprise.

Now, there are two main arguments which might be raised against the inclusion of machinery and equipment. First. It may be said that, because of obsolescence, we should not finance machinery for such a long period of time as 30 years. I would agree with this, but the 30-year period is a maximum, and I would expect the Administrator to provide for a realistic period in the case of loans for machinery and equipment. Depending on the nature of the machinery or equipment, this might run from 5 to 15 years. Second. It may be said that making loans on machines is dangerous, because if the loans cannot be repaid, the Government would lose its investment. However, there are many general-purpose machines such as lathes and punch presses which can be applied to a great variety of uses. Thus, it is not necessarily true that the Government would lose its investment were the loan to go into default.

Therefore, Mr. President, I hope very much that the Bush-Javits amendments will be defeated.

Mr. BUSH. Mr. President, I yield myself 2 minutes for the purpose of observing it is delightful to see my friend, the Senator from Illinois, show so much consideration for our friends of the South. I am sure they appreciate his concern very much, indeed.

In regard to what my distinguished colleague from Connecticut [Mr. DODD] said, I wish to observe that the northeastern part of our State, to which he referred in his remarks earlier in the day, has suffered for many years from an unemployment factor, although that has not always been the case. In 1956 that section pretty well attained full employment. Nevertheless, the area has been seriously affected by the moving of industry from our State.

I simply wish to say that I am indeed concerned about the effect of the bill, since it would facilitate the movement of industry from my State into other sections of the country. I object very strongly on behalf of my State to the use of Federal funds for that purpose. The whole purpose of the so-called Bush-Bennett amendment, and I make no apology for it, is to prevent such a thing happening.

I believe if the sponsors of the bill believe sincerely what they have written into the bill, namely:

> Such financial assistance shall not be extended for working capital, or to assist establishments relocating from one area to another—

They should stop there and say so, rather than permit the bill to be "weasel worded" in such language as—

> when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

I ask Senators if they can tell anyone what constitutes "substantial detriment." I say that is an impossible term to define, and therefore the bill itself would be unworkable and impossible to administer.

Mr. KEATING. Mr. President, will the Senator yield on that point?

Mr. BUSH. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. KEATING. I need only 1 minute to ask the Senator a question.

The junior Senator from Connecticut [Mr. DODD] raised the point that the amendment would make the bill difficult to administer. One of the great merits of the amendment offered by the Senator is that it would make it possible to administer the bill. With the wording—

> when such assistance will result in substantial detriment to the area of original location by increasing unemployment.

The terms are so vague as to make it impossible for any administrator to construe them. Does the senior Senator from Connecticut agree with that statement?

Mr. BUSH. The Senator from New York is absolutely correct. That is the whole point of the amendment.

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield to the Senator from Colorado.

Mr. ALLOTT. Is it not a fact that the language on page 9, which language is sought to be stricken, could be interpreted to mean, in actual practice, that the Administrator could move a business from one area to another area if fewer people would remain unemployed in the former area than would be put to work in the latter area?

Mr. BUSH. Exactly. The purpose of the amendment is to simply prohibit entirely the use of Federal funds for the purpose of relocating an establishment from one area to another.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. Am I correct in my understanding that under the language of the bill Congress would say to one area, "You can get Federal money for the purpose of damaging a community in Ohio and benefiting yourself."

Mr. BUSH. That is correct.

Mr. LAUSCHE. "Unless it is shown that you propose to damage it substantially, that money will be available to you."

Mr. BUSH. That is correct. But who is to determine what is "substantial detriment"? The poor Administrator? I submit to the Senator from Ohio that he would have an impossible assignment.

Mr. LAUSCHE. In my opinion, that provision, in effect, would serve notice upon communities, "Come to the Federal Government and receive Ohio taxpayers' money, and with that money draw away from Ohio those industries and businesses which it has developed through good government and good service, and locate them in other communities."

Mr. BUSH. The Senator has stated the case better than I possibly could.

Mr. President, unless some other Senator wishes to speak on this amendment, I am prepared to yield back the remainder of my time.

Mr. DOUGLAS. Mr. President, I yield back the remainder of the time on our side.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BUSH] on behalf of himself, the Senator from New York [Mr. JAVITS], and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mr. MAGNUSON] would vote "nay."

The result was announced—yeas 33, nays 60, as follows:

YEAS—33

Aiken	Cotton	Martin
Allott	Curtis	Morton
Beall	Dirksen	Moss
Bennett	Dworshak	Mundt
Bridges	Goldwater	Prouty
Bush	Hickenlooper	Saltonstall
Butler	Hruska	Schoeppel
Capehart	Javits	Scott
Carlson	Keating	Wiley
Case, N.J.	Kuchel	Williams, Del.
Case, S. Dak.	Lausche	Young, N. Dak.

NAYS—60

Anderson	Ellender	Jackson
Bartlett	Engle	Johnson, Tex.
Bible	Ervin	Johnston, S.C.
Byrd, W. Va.	Frear	Jordan
Cannon	Gore	Kefauver
Carroll	Green	Kennedy
Chavez	Gruening	Kerr
Church	Hart	Langer
Clark	Hartke	Long
Cooper	Hennings	McCarthy
Dodd	Hill	McClellan
Douglas	Holland	McGee
Eastland	Humphrey	McNamara

Mansfield	Pastore	Stennis
Monroney	Proxmire	Symington
Morse	Randolph	Talmadge
Murray	Robertson	Thurmond
Muskie	Smathers	Williams, N.J.
Neuberger	Smith	Yarborough
O'Mahoney	Sparkman	Young, Ohio

NOT VOTING—5

Byrd, Va.	Hayden	Russell
Fulbright	Magnuson	

So the amendment offered by Mr. BUSH, for himself, Mr. JAVITS, and other Senators was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. DOUGLAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I am informed that there are two amendments to be proposed which are acceptable to the committee. I believe no discussion of them will be necessary. Then, I understand, the Senator from New York [Mr. KEATING] has a very brief statement to make on the bill. We can have a vote on the passage of the bill this evening if that is agreeable to the Senate. If there is to be a prolonged discussion of the bill we shall have to delay the final vote on the bill until tomorrow, because there is an important meeting to be held at 6 o'clock this evening which some Senators must attend. If the chairman of the subcommittee is agreeable to accepting the Kerr-Monroney amendment and the Bennett amendments we can get action on those amendments at this time.

Mr. DOUGLAS. I shall accept the Kerr-Monroney amendment and the Bennett amendments.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from New York will not take more than 2 or 3 minutes, because I should like to assign similar time to the Senator from Kentucky.

Mr. ALLOTT. Mr. President, I should like to have a few minutes on the bill. I realize the time schedule the leaders face. However, if I cannot have some time on the bill I shall have to object to a vote at this time.

Mr. DIRKSEN. I most respectfully suggest to the majority leader that perhaps we should delay the vote on the passage of the bill until tomorrow.

Mr. JOHNSON of Texas. Mr. President, may we have the amendments stated and accepted?

The PRESIDING OFFICER. The clerk will state the amendments offered by the Senator from Utah.

The LEGISLATIVE CLERK. On page 31, it is proposed to strike out lines 3, 4, and 5 and through the comma in line 6.

On page 31, after line 10, it is proposed to insert the following:

(c) The Secretary of Labor shall arrange to provide any necessary technical assistance for setting up apprenticeships and to promote journeyman and other job training in the area.

On page 32, lines 10 and 11, it is proposed to strike out "and section 16 of this Act".

Mr. DOUGLAS. Mr. President, I accept the amendments on behalf of the committee.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendment offered by the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY] will be stated.

The LEGISLATIVE CLERK. On page 7, line 19, it is proposed to insert after the words "public assistance", the words "from the Federal Government and/or".

Mr. DOUGLAS. Mr. President, on behalf of the committee, I accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. KERR. I thank the Senator from Illinois.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CAPEHART. Mr. President, I merely wish to say one thing about the bill. It proposes bad legislation. I like to help unemployment. I do not believe that the bill will do that in the long run. Under a socialistic form of government, of course, the government accepts the responsibility for providing employment.

The enactment of the bill would establish the precedent of the U.S. Government furnishing jobs. I believe that under the bill the Federal Government would accept the responsibility of furnishing jobs in the United States even where they were not needed. I wish to go on record as saying that in my opinion the legislation which is here proposed is bad. The bill should be voted down. If we enact the proposed legislation embodied in the bill we may well live to see the day when we will socialize the United States and have the Government accept the responsibility of providing jobs. The bad feature of the bill is that we are accepting the responsibility of furnishing jobs in the United States. I think that is a bad precedent to establish.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill, S. 722, was ordered to be engrossed for a third reading and was read the third time.

Mr. JOHNSON of Texas. I yield to the Senator from New York such time as he may desire.

Mr. KEATING. Mr. President, the declaration of purpose of the bill before us today, S. 722, contains the worthy and laudable statement that "under the provisions of this act new employment opportunities should be created by developing and expanding new and existing facilities and resources without substantially reducing employment in other areas of the United States."

The provisions of S. 722, however, cannot and will not approach this objective. It is, in fact, a bill which will aggravate the very problem it seeks to solve, a bill which will lead to the creation of additional depressed areas.

I am certain that each Member of this body is concerned over the conditions which exist in economically distressed areas of this Nation. But let us make sure that our diagnosis is correct and that the cure we propose will not lead to worsening conditions in other sections of the country.

One of the major causes of unemployment in parts of the Northeast has been the migration of industry. The provisions of S. 722 cannot help but contribute to the acceleration of such movement. Despite the language which purports to prevent relocation of industry, it would be unrealistic to assume that business firms would not take advantage of the inducements which are offered, or to assume further that substantial detriment to the area of original location can be determined administratively. What will be the criteria for such determination? Shall it be the loss of 300 jobs, or 500, or 1,000 before there is substantial detriment? It would be detrimental to place legislation on the books which would be responsible for the loss of even one job in one part of the country while attempting to create employment opportunities in other areas.

As a result of the loss of industry, the termination of defense contracts and other factors, there exist pockets of substantial unemployment in my State, ranging from over 8 percent of the labor force in the Syracuse area to over 12 percent of the labor force in the Buffalo area. None of these areas would be eligible for assistance under the legislation which has been proposed. Among the smaller areas of substantial labor surplus in my State, only 3 of 14 would be considered under the provisions of S. 722. This situation can be multiplied in other States.

In other words, under the terms of this bill, New York taxpayers will be required to shell out large sums to relieve unemployment in other areas without any benefit whatever in New York. We do not want to appear selfish or unsympathetic to the needs of other communities but our New York taxpayers have serious problems right at home which are bound to constitute a drain on their resources at the State and local level.

I bring these facts to the attention of the Senate not to urge the broadening of the aid provided under this legislation, but to point out what I believe to be a serious defect in this proposal as presented to us. It is designed to aid a few communities at the expense of all.

I am deeply concerned over the unemployment picture in various sections of my own State. I cannot in good conscience support efforts which not only will not help New York but will actually aggravate our situation.

When I pointed out on the floor of the Senate last Friday that S. 722—even if workable—could render aid to only a small portion of the unemployed of this country and would be in effect nonexistent as far as the unemployed of my State were concerned, I was duly informed by the Senator from Illinois that these people of New York State might well be eligible tomorrow or next year.

I dislike to believe that such is the philosophy behind this proposed legislation. I dislike to believe that we are being asked to contribute our tax dollars

at this time and wait until our unemployment picture becomes so aggrieved as to become eligible for this proposed aid tomorrow or next year.

In any event, this bill is unfair and discriminatory to those States which are bearing the costs of programs to alleviate their own unemployment problems and are now being asked to shoulder additional burdens. It is unfair to those States which are exerting every effort to maintain and attract business and which would be faced with the loss of such industry under the inducements written into this bill. And lastly and probably most unfortunately, it is unfair to the very people it purports to help, the unemployed of this Nation, few of whom will ultimately be the beneficiaries. Millions will think they are getting something but less than 10 percent of them, under the most favorable circumstances, will benefit and at the same time, by the very terms of the bill, the unemployment problem will be rendered more acute elsewhere.

Let us not evade our responsibilities to the unemployed in depressed areas; but let us pursue a course which would provide the help which is needed without inflicting damage elsewhere.

Mr. ALLOTT. Mr. President, I wish to join my colleague, the junior Senator from New York, in the statement he has just made in opposition to the pending bill.

The bill, as written, is a misguided attempt to help those areas which have suffered from unemployment chronically throughout the years. I do not oppose this simply because it leaves my own State out of any possible benefits from the act, except those which are too nebulous to attract even the most guileless person.

I oppose it because:

First. As written, the program creates a precedent and pressures for immense additional expenditures of Federal money.

Second. The bill would not begin to provide jobs for even the 390,000 who are supposed to be the primary beneficiaries of the bill.

Third. By approaching the problem of unemployment on a local or area basis, the bill puts the Federal Government in the position of locating and influencing the location of private business in this country.

Fourth. The refusal to adopt the Bush-Javits amendment leaves the bill wide open to the most pernicious practice of all; that is, the pirating of business from one community to the other. Under the phrase, as used on line 22, page 9, and subsequently in the bill, "when such assistance will result in substantial detriment to the area of original location," the way is open wide for the pirating of business from one area to another. The bill does not set up standards by which the Administrator is to make such decisions. For example, under this bill it is possible for the Administrator to assist a chronic area even though it will result in unemployment in another area, if the total unemployment thus produced could not be considered substantial in the latter area. Or, to put it another way, if the amount of unemployment in the pirated area produced by moving a business was not substantial with relation to the total population, businesses could be pirated, not only with the assistance of the Government but with the Government supplying the money.

I look with great sympathy on the areas of this country which the sponsors of this bill say they are trying to help. I am anxious to try and assist them. But such assistance can never come within the straitjacket of this concept which is here before us again today in an even worse form than ever before.

Since the bill cannot help but set in motion a chain of events detrimental to communities now healthy, and cannot begin to do the job which its proponents claim, I am forced to oppose it.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Kentucky as much time as he may desire.

Mr. COOPER. Mr. President, I have supported the committee bill, S. 722, and opposed the administration bill. I spoke at some length on this subject on last Friday. In the short time now available, I want to say simply that I have done so because I believe S. 722 will meet more adequately the desperate situation existing in the distressed areas or our country.

Federal responsibility and Federal action have been admitted by the administration bill, the amendment in the nature of a substitute offered by the distinguished Senator from Pennsylvania [Mr. SCOTT], and, of course, by the committee bill, S. 722. Unless one opposes all bills in principle, the only question before us, is the adequacy of the bill.

There is no question in my mind that S. 722 will cope more adequately with the problems of depressed areas than any other bill before us.

We do not know precisely what effect the passage of the bill will have on the budget. It will undoubtedly increase expenditures. Nevertheless, along with the defense of the country I can think of no greater obligation than to help persons out of work and hungry, in the depressed areas of our country such as S. 722 proposes. It is the only measure before Congress which offers any permanent help. For these reasons, I am glad to cosponsor and support S. 722.

Mr. DOUGLAS. Mr. President, I yield 2 minutes to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I hope the Senate will pass the pending bill by a majority large enough to insulate it from any veto.

All of us know that if a community is to attract industry that community must offer good living as well as good business.

It takes more than a new factory building ready for occupancy. It takes roads, schools, sewers, playgrounds, plus all the other things which make any town a proper place in which to live and work.

Can communities do this by themselves? Let us be realistic. Local government finances in many of our localities have been drained by the recession until there is barely enough left to meet their own payrolls. How, therefore, can they afford, on their own, to make the additional investment needed to attract industry?

Where necessary and right, loan capital should be furnished by the Federal Government. And that is exactly what this area redevelopment bill will do.

In addition, S. 722 has the following features which make it worthy of our support:

First. It helps both rural and industrial areas.

Second. It is primarily a loan program, rather than a program of outright grants.

Third. The community lending procedure is so safeguarded as to avoid competition with private banks.

Fourth. It is directed primarily toward revitalizing and modernizing private enterprise, rather than toward substituting Government business for private business.

This is not a spending bill; it is an investment bill. Any businessman knows the difference between current operating expenditures and capital investment in plant and equipment. This distinction is equally true here.

Unemployment is not cured by unemployment compensation and other such benefits, necessary as they are. These are symptoms, not causes.

This bill attacks the causes. It is such investments today that will make sure chronic unemployment does not persist in the future. Only by investments of this type can we make sure that we will in the future operate our economy on a full production basis and thereby meet the great economic challenge posed to us by the Communist world.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD just prior to the vote on the area redevelopment bill a statement prepared by me in regard to the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

Today in Washington and throughout this Nation of ours we hear and read the slogan "Balance the budget." Those who question the wisdom in reducing needed Federal Government programs which a balanced budget would require are branded as spenders. Yes; everyone who wants a school lunch program for all the hungry children is, according to the Republican administration, a wild eyed radical spender. To be a saver or a good boy according to 1959 Republican Party standards, you have got to be against unemployment compensation, slum clearance and low-rent public housing.

I for one and the overwhelming majority of my Democratic colleagues will not be scared off by this flow of unsupported and unsupportable political propaganda. I want to balance the budget, too. But first, like President Roosevelt, I want to balance the budget of human needs. Sometimes I find it difficult to believe that the Republican Party can so underestimate the basic good sense of the American people. All last year the President and his supporters talked about the Nation's good economic health and how a clever advertising campaign was all that was needed to help us regain the jobs lost because of the recession. We Democrats in Congress last year passed over strong administration opposition an area redevelopment bill. The President vetoed this bill which would have helped local distressed areas to help themselves. Well, the voters

voted dozens of the President's fellow Republicans out of Congress last November.

To me the voters of the Nation spoke in clear and simple terms last November. They told the Congress and others in the Government that they were tired of confused lectures on how their Government was unable to meet the challenges of our time. The people of America told us by their votes that they were fed up with governmental officials who because of an apparent obsession with fears of the present or ghosts of the past could not or would not see the America of the future as a great and expanding country.

Everyone of us regardless of political affiliation is determined that the peoples of the world be free. That means we are not going to stand back and permit the Communist leaders of the Soviet Union to take over and strangle freedom in America or any other free nation. Therefore, we must remain strong enough to deter or discourage the Soviet leaders from going to war. There should be no doubt left in the minds of any would-be aggressor that we have the might and determination to win any kind of war they might start.

We all look forward to the day when the threat of war will lessen and permit the direction of our present military expenditures into programs to accelerate the progress toward a better life for all mankind. But we need not—and indeed we will not—wait until military expenditures are reduced before turning our attention to the relief of individual and community distress and the improvement of our economic structure.

EXPANDED ECONOMY URGED AS PREFERRED WAY TO BALANCED BUDGET

The United States can't afford to merely stand still.

We cannot be content with business activity only approaching a level we had already reached in 1956.

We cannot have a model T economic program in the jet age. If we do, the world will soon rush by leaving us by the wayside as a second-rate nation.

In view of our expanding industrial capacity, a constantly rising work force, and an increasing population, in order to maintain a healthy economy it is necessary that there be steady and solid economic growth and development.

A high level of unemployment and the widening gap between our industrial capacity and actual output is a tragic waste of men and equipment.

It cannot be condoned when we have so many unfilled needs here at home, when we should be giving greater assistance to underdeveloped nations so as to raise their standards of living, and when our defenses need strengthening so badly.

If we are to remain as the leader of the free nations of the world, it is imperative that we have a strong, growing, and dynamic economy. We cannot afford idle men and machines at so crucial a time in world history.

The President's budget is not geared to a healthy, expanding economy which can produce the goods and services we need if we are to maintain both a prosperous America and also maintain adequate defenses.

The President's budget is designed to limit economic growth on the theory that this is the only way to hold down prices and stop inflation. However, the facts are that in the past 3 years while our economy has stood still we have had the sharpest rise in the cost of living in the peacetime history of the country.

The answer doesn't lie in a stagnant economy, but rather in an expanding and growing economy whereby our manpower and machinery is effectively utilized.

We are all for a balanced budget. There is no earthly reason why a country as rich as ours should have to operate at a deficit in these times. I am for a balanced budget.

But there are three ways to balance the budget.

One way is to simply slash public spending to the level of expected income, regardless of the importance of the programs.

A second way is to raise taxes.

And the third way—which I favor—is to meet the costs of necessary public spending through fiscal and monetary policies designed to stimulate economic growth and larger incomes, which in turn means larger tax revenues.

This third alternative seems to me the only one which makes real sense.

There are a number of programs we can and should undertake now both as necessary to present needs and essential to future progress. Redevelopment of depressed areas is absolutely necessary to put our economy on a sound footing so that we can all move ahead together.

Major areas in the United States have suffered high levels of unemployment for the past several years. The causes for this are easily ascertained by a review of the economy in each of these areas. During the war years West Virginia produced the fuel that put the guns, planes, and ships into the hands of the fighting men of the United States and her allies. Production was stepped up to a point far beyond the need for coal when the war effort was cut off. Then, too, came automation. Coal is mined with more machinery and fewer hands. Other fuels came into the market.

The evidence before us in the Senate is that the need for area redevelopment is found in every region of the Nation. When we read down the list of cities where substantial unemployment has persisted for months and years we find communities that were once flourishing communities with thriving industry and people. Charleston, W. Va.; Providence, R.I.; Erie, Pa.; Buffalo, N.Y.; Detroit, Mich.; Durham, N.C.; Knoxville, Tenn.; Jaspar, Ala.; Kenosha, Wis.; and Texarkana, Tex., are now among the distressed. But they were among the leading communities in America's economic development. These are the distressed communities of today, but they can be the bulwark of tomorrow's economic growth.

The problems of these depressed areas are not new. Until 1954 there was some hope that national full employment would spread itself around and pull up the economies of the depressed areas. However, by 1954 we could see that the problem required special attention. Many of us in Congress called for a program to promote economic rehabilitation in the urban and rural areas which had been passed over by general prosperity. It was 5 years ago that we in Congress pointed out that the Government of the United States had in the Employment Act of 1946 pledged itself to policies which would promote maximum employment. The Employment Act of 1946 did not say that this pledge was not to cover Charleston, W. Va., or Scranton, Pa., or Buffalo, N.Y., or Detroit, Mich., or Duluth, Minn., or any other city where unemployment was at a high level. No; the pledge of the Government of the United States is to follow policies to promote maximum employment in the Nation as a whole. Here we are, 5 years later, still trying to get the administration to act.

When we in Congress first put forward proposals to meet the specific problems of the depressed areas, the administration ignored the proposals. The serious recession of 1957 and 1958 added to the human deprivation of those who live in the areas of chronic high-level unemployment. So the administration can no longer ignore the problem. They cannot just say it doesn't exist—the facts have been called to the attention of the American people. The people know that children are hungry. The people know that in hundreds of communities children are unable to attend school because they have no shoes. The people know that hundreds of thousands of men, ready, willing, and able to work, have been unable to find jobs. And what is even more important is that the American people know these conditions will not correct themselves. Therefore, the proposals in Congress to encourage the redevelopment of these depressed areas have received wide support among our people.

Even the administration now knows that these proposals can no longer be ignored. Yet, instead of supporting the effort to promote area redevelopment, they continue to oppose any real action.

The President vetoed the area redevelopment bill Congress passed last summer, and the people of America showed their disapproval by vetoing more Republican candidates for Congress than at any time since 1936. Unfortunately, the administration still opposes the area redevelopment proposals which would do the long-overdue job.

The Republican administration now admits that there may be some distress in a few areas of the Nation, but they propose that the State and local governments do whatever is required. The administration takes the position that the Government of the United States just can't afford to help families and communities to recover and redevelop their economic potential.

I think the Congress, with the full support of the American people, should and will tell the administration that there are some things more important than a balanced dollar budget. That food, clothing, decent housing, medical care, and adequate education are necessary to a balanced human society. And that in the long run our whole way of life—our liberty, freedom, and high standard of living—depends on the willingness of each generation to assure expanding opportunities. The question should be, How can the free people of America best utilize their human and natural resources? To force able and willing men and women to stand by unoccupied because of the lack of jobs is unpardonably wasteful. To deny today's children the necessities of life is to wantonly destroy our greatest future resource. But the men of little vision in the administration can only talk about the budget. And they say our depresesd area redevelopment program is too expensive.

What have we proposed? We who have joined in the sponsorship of area redevelopment legislation, and there are more than 40 Senators on the bill, would authorize low-interest loans for private industry and public projects and grants for public facilities, in addition to informational, planning, and technical assistance to help State and local governments and development groups increase the number of permanent jobs in depressed areas. Also, we would permit an unemployed worker to continue to draw subsistence payments if he enters into a training program to acquire a skill which would help him get a job. The total cost of this entire program would be about $390 million, with $300 million of the total being in the form of repayable loans. The total cost to the Federal Government would be less than $90 million or about one-tenth of 1 percent of the Eisenhower budget for 1960. Still the administration says "No, we can't afford it."

Let me tell you that there are expenditures included in the Eisenhower budget which we must pay, but which were unnecessarily incurred. I refer to the increase in interest on Government bonds—an increase of $2,200 million. This increase of the interest rate, which will cost $2.2 billion in the 1960 budget, was deliberately planned and engineered by the Eisenhower administration. What is more they are planning even more interest increases. This increased debt service charge is an expense which will recur each and every year. So here we find the same administration

which says: "No, we can't afford area rehabilitation and the encouragement of job opportunities. We just don't have the $90 million that the program would cost. But we will pay $2.2 billion more in interest on Government bonds."

In 1960 this high interest policy will cost the American taxpayer 25 times that requested for the area redevelopment bill.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD, immediately preceding the vote on the area redevelopment bill, a statement explaining my position.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD OF VIRGINIA

The pending area assistance bill would establish WPA-type programs involving Federal and local money and possibly State money in areas where unemployment is found to be persistent.

The bill would authorize expenditure of $389.5 million in Federal money. The administration proposed a similar program with expenditure authorizations totaling $53 million. The bill would exceed the administration request by $336.5 million.

As reported by the Senate Banking and Currency Committee the bill would authorize expenditure directly out of the debt, outside of appropriation control, of $300 million. It would authorize other spending authority which may be either contract authority or authority to appropriate totaling $89.5 million.

Provisions of the bill would:

1. Set up new independent agency in executive branch—the Area Development Administration.

2. Set up new loan program with two revolving funds for industrial and rural areas—to aid and participate in purchase, construction, rehabilitation, etc., of facilities for industrial uses; and it specifies that security for the Federal portion of the loans is subordinate.

3. Set up new loan program in another separate revolving fund for purchase, construction, rehabilitation, etc., of public facilities, which are unlimited in the absence of a definition in the bill.

4. Set up new grant program for planning, construction, rehabilitation, etc., of public facilities.

5. Direct the Administrator to promote and encourage participation in the program by providing information and assistance to any interested parties.

6. Authorize $4½ million annually for technical assistance to designated areas, including studies, evaluations, etc., either directly or under outside contracts.

7. Broaden the urban renewal program to allow areas covered by the bill to get and use urban renewal money.

8. Authorize new vocational training and retraining program in the Department of Health, Education, and Welfare.

9. Provide grants to States by the Secretary of Labor for subsistence payments to individuals being trained or retrained. Payments would be made to individuals not receiving unemployment compensation, and would be for a 16-week period.

10. Make provisions of the Davis-Bacon Act applicable to all construction under the bill.

11. According to the committee report, implement the so-called Full Employment Act.

12. Make adverse effect on an industry resulting from Trade Agreements Act the basis for high priority consideration under the program.

The following table shows area assistance funds provided under S. 722, as reported by the Senate Banking and Currency Committee, compared with the administration requests:

Area assistance funds provided under S. 722 as reported by the Senate Banking and Currency Committee, compared with administration request

	Authority to expend from public debt receipts		Contract authority and other authority to appropriate		Total	
	Administration request S. 1064	Reported by Senate S. 722	Administration request S. 1064	Reported by Senate S. 722	Administration request S. 1064	Reported by Senate S. 722
Loans:						
For industrial projects:						
In industrial redevelopment areas		$100,000,000	$50,000,000		$50,000,000	$100,000,000
In rural redevelopment areas		100,000,000				100,000,000
Subtotal, industrial projects		200,000,000	50,000,000		50,000,000	200,000,000
For public facilities		100,000,000				100,000,000
Total, loans		300,000,000	50,000,000		50,000,000	300,000,000
Grants and payments:						
For public facilities				$75,000,000		75,000,000
For technical assistance [1]			3,000,000	4,500,000	3,000,000	4,500,000
Retraining subsistence payments [1]				10,000,000		10,000,000
Total, grants and payments			3,000,000	89,500,000	3,000,000	89,500,000
Grand total		300,000,000	53,000,000	89,500,000	[2]53,000,000	[2]389,500,000

[1] Authorizations for annual appropriations in the amounts shown.
[2] Exclusive of administrative and other cost which would require additional appropriations annually.

Mr. DOUGLAS. Mr. President, in the interest of saving time I ask unanimous consent that a summarizing statement I had intended to make on Senate bill 722, be printed in the RECORD prior to the final vote.

There being no objection, the statement was ordered printed in the RECORD, as follows:

STATEMENT BY SENATOR DOUGLAS ON S. 722

I should like to make a few final remarks before the rollcall on final passage of S. 722, the area redevelopment bill.

AREA REDEVELOPMENT PROGRAM NEEDED NOW

There are many areas in the United States which have fallen prey to substantial and extended unemployment and underemployment, a condition which has existed for some time. These areas have been especially hard hit during recessions and, even during periods of recovery, they have often remained in a depressed state. This has caused hardship to many families and is a waste of vital resources. S. 722 would help these distressed areas with a program of self-help.

S. 722 would help those depressed areas which have sound economic potential, to strive more effectively for recovery. The areas, industries, and individuals in these areas should thus be able to achieve lasting improvements and create new employment opportunities.

Continued over a long period, depressed conditions cause disintegration of community physical resources—schools, stores, hospitals, banks, office buildings, homes, churches, and other community services. Moreover, carrying out the purposes of S. 722 would serve to reduce public outlays for unemployment compensation, relief, and various other forms of public assistance.

The needs of the low-income rural areas are also pressing. Rural areas have not shared during recent years in the growth of the country. In many rural counties in the United States, the average per capita income is as little as one-fourth that of the average person in the United States.

Funds provided by S. 722 would represent an investment in increasing productivity. Dollars spent to promote production by otherwise idle or inefficiently employed resources do not have the same inflationary effects as those which are spent under conditions of relatively full employment. Indeed, by making possible an increase in productivity in the Nation's distressed areas, the loans by the Federal Government contemplated under S. 722 might actually have anti-inflationary effects.

HOW THE BILL WOULD HELP

S. 722 proposes the establishment of an Area Redevelopment Administration headed by an Administrator appointed by the President with the advice and consent of the Senate. To be eligible for assistance, it would be necessary for areas to qualify under certain criteria and be designated by the administration as a redevelopment area. Two types of areas, industrial and rural, would be involved.

In the case of industrial areas, the Administrator would have the discretionary authority to designate any area with substantial and persistent unemployment over an extended period of time. When an area meets the specific criteria set forth in the bill, it would automatically become eligible for assistance.

The bill would also permit the Administrator to qualify rural areas for assistance in the case of those rural areas which have the largest numbers and percentages of low-income families, persons receiving public assistance, and where substantial and persistent unemployment or underemployment prevails.

Three revolving loan funds of $100 million each would be created. These would be devoted to loans for (1) industrial areas, (2) rural areas, and (3) public facilities in both industrial and rural areas where such facilities would encourage economic development.

In addition to the three revolving loan funds, the bill provides authorization for appropriations up to $75 million for grants for public facilities in those areas which cannot repay loans.

An authorization for appropriation of $4,500,000 a year would permit the Administrator to make technical assistance grants to designated areas.

Upon the request of the Administrator, the Housing and Home Finance Agency would give financial assistance to municipalities in industrial redevelopment areas without regard to the residential requirements in current urban renewal legislation. In addition, urban planning grants would be made available to designated areas having a population of 25,000 or more.

The bill would provide for Federal assistance for vocational training in designated areas which would be furnished through State vocational education agencies where it can provide the facilities and services needed. If this is not possible, such training

could be furnished through public or private institutions.

There would also be a fund of $10 million for the purpose of making subsistence payments to unemployed persons being retrained and not entitled to unemployment compensation.

AREAS AFFECTED

According to the best estimates of the Department of Labor, 112 industrial areas spread over 26 States qualify for the designation of "industrial redevelopment area" under the terms of S. 722.

About 6.3 million workers or roughly a 10th of the total national civilian labor force are located in these areas. However, these same areas account for about 17 percent of total national unemployment. In addition, 12.2 percent of the work force in these 112 areas is unemployed, a rate twice as high as the current national average.

With respect to rural areas, it should be noted that the Department of Agriculture has prepared lists of the 500 counties in the United States with 100 or more commercial farms which have ranked, according to the 1954 Census of Agriculture, lowest in terms of level of living for farm-operating families and the 500 counties in the United States with the highest proportion of the commercial farms having gross sales of farm products of less than $2,500. A total of 336 counties appeared on both lists. It may be assumed that these areas provide the core of the low-income rural areas which would be eligible for assistance under a comprehensive Federal-assistance program aimed to alleviate underemployment.

REFUTATION ARGUMENTS AGAINST S. 722 IN THE MINORITY REPORT

Let us consider some of the main arguments against S. 722 which appeared in the minority report.

1. Discrimination in favor of a few: The minority report (p. 39) states that "only a very small proportion of the Nation's unemployed would be singled out as eligible for the alleged benefits of the program, and it should be noted that the selection process is based on purely arbitrary criteria." It further points out that the program would focus only on those unemployed in the designated areas which are in excess of 6 percent.

In effect, this says that an unemployed worker is not helped if he lives in an area which does not qualify for help.

This point fails to take into account the fact that an unemployed worker has less chance of a job if he lives in a depressed area. If the unemployment rate is small and of relatively short duration, he has less competition in getting a job than does a worker who lives in an area of high and persistent unemployment. This is one of the main reasons that, for the country as a whole, we become more concerned about unemployment at a high rate than when the rate is low. Dealing with nationwide unemployment requires a broad program. S. 722 is aimed at alleviating local rather than national depressions.

2. Arbitrary criteria: The minority report (p. 40) says that the criteria for area eligibility is arbitrary and unworkable.

Any standards laid down can be called arbitrary. The report asks, Why select 6 percent unemployment as a base? In establishing any standards, we have to draw the line somewhere. We also need to permit discretion on the part of the Administrator. An area with 7 percent unemployment may, for a variety of reasons, be in worse shape than an area with a 9-percent rate. That is why discretion is necessary.

As to fixing a minimum rate of 6 percent, this was based on testimony at various hearings held on the measure. We have to draw the line somewhere. Government programs which establish standards where a so-called arbitrary line has to be drawn are too numerous to list, but I will mention a few examples. The social security work clause stipulates that an annuitant cannot receive payments if he makes more than $1,200 a year in covered employment. Why not $1,000 or $1,400? Many universities require 120 credit hours for graduation. Why not 115 or 125? Most States require that a person be 21 years of age before being able to vote. Why not 20 or 22?

I could go on ad infinitum, but I hope I have shown how ridiculous it is to attack a program as being arbitrary merely because it sets specific standards.

The minority report also states that the program would be unworkable. We have given the Administrator criteria for the designation of redevelopment areas. He would have a Cabinet-level advisory committee and a 25-man public advisory committee to help him. The committee report has indicated the congressional intent that the program is to be based on economic soundness. I suppose that we could go on and on with further restrictions and directions, but that would destroy the flexibility of the program. Unfortunately, it is always necessary in the final analysis to assume that a Government administrator will have at least a modicum of common sense. If not, we have congressional committees with the power to investigate and change laws if the operation of a program proves unsatisfactory.

3. Interference with private market: The minority report states (p. 43) that "the basic defect of the approach of this bill is this: It runs counter to the precepts of what is still essentially a private market mechanism operating within a dynamic and growing economy."

Surely the signers of the minority report are not advocating a return to a strict interpretation of Adam Smith economics. The purpose of S. 722 is to help, to some extent at least, to channel some of our industrial growth into areas of substantial labor surplus. The degree to which this would be an interference in the private economy should certainly be no greater than subsidizing airlines, railroads, the oil industry, shipbuilders, or other groups currently enjoying the Government's largess. Moreover, it is obvious that subsidizing cotton primarily subsidizes agriculture in the South; that subsidizing corn helps the Midwest; that subsidizing wool helps the West. So that even the concept of helping an area is by no means new.

4. Failure to recognize existing programs: The minority report states (p. 45) that "the devices established in the bill * * * are defective in the failure to recognize existing programs, thus causing a duplication of efforts." It cites, as duplication, small offices concerned with development which are existent in the Department of Commerce and the Department of Agriculture. It also cites the Small Business Investment Act.

So far as I am concerned, I would be glad to have whatever minor programs there are in Commerce and Agriculture to be put into the new Area Redevelopment Administration proposed by the bill.

With respect to the Small Business Investment Act, the minority report itself admits that this was designed to fill an "institutional gap" in our economic credit structure; namely, the difficulty in small business enterprises to securing adequate credit. But the SBIA is designed to help small business as such, whether in a depressed area or an area of great prosperity. It is designed to help small business as such.

To the degree that the facilities of the SBIA could be used to create new industry in depressed areas, that would be done since the Administrator of the area redevelopment program cannot allocate loans when they are available from other sources. Moreover, the development of industries in the depressed areas will often involve big business as well as small business.

SUMMARY

The problems which S. 722 is designed to meet have been recognized for several years. The Joint Economic Committee in the 84th Congress called for Federal action to help chronically distressed communities. Later, in its 1955 report, that committee urged that the public works program be speeded up, and that loans and technical assistance be extended to help these distressed communities to improve their economic conditions.

Also in 1955, the Joint Economic Committee made a careful study of low-income families in the United States under the direction of Senator SPARKMAN and called attention to the persistence of low income in various rural areas in the country, as well as the problems of depressed industrial areas. The committee urged a Federal program to combat the basic causes of economic distress both in depressed industrial areas and in low income regions.

In 1956, the committee reiterated its conclusion that a Federal depressed areas program was needed, and the majority of the committee endorsed a comprehensive program which was embodied in a bill which I introduced, S. 2663, 84th Congress. That bill was the subject of long hearings by the Committee on Labor and Public Welfare. It was passed by the Senate during the last days of the session, but the House did not have time to act upon it before the 84th Congress adjourned.

Both major parties called for Federal legislation to aid economically depressed areas in their respective 1956 platforms.

In the 85th Congress, along with 39 cosponsors, I introduced S. 3683, which was referred to the Senate Banking Committee. This bill, with modifications, was passed by Congress last year, but did not become law because of a Presidential pocket veto.

Again in the 86th Congress, I introduced, with 38 cosponsors, similar legislation in the bill S. 722. This bill was the subject of committee hearings. The committee has now reported S. 722 with amendments. This is the bill now before us for a vote.

The area redevelopment bill now before us would help to reduce unemployment and poverty where it is the worst. It is not a program designed to cure great industrial depressions nor seasonal unemployment. But it would reduce the persistent and deep pockets of unemployed and hence decrease so-called structural unemployment, which general monetary and fiscal policy cannot reach.

I hope from the bottom of my heart that we can get legislation in the very near future. In this way, we shall have ample opportunity to consider the measure again if the President should veto it for a second time.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Illinois [Mr. DIRKSEN] will yield back the remainder of his time, I will yield back the remainder of my time.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on the passage of the bill. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness.

I further announce that, if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "nay."

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Washington [Mr. MAGNUSON].

If present and voting, the Senator from Arkansas would vote "nay," and the Senator from Washington would vote "yea."

The result was announced—yeas 49, nays 46, not voting 3, as follows:

YEAS—49

Anderson	Hart	Morse
Bartlett	Hartke	Moss
Beall	Hayden	Murray
Bible	Hennings	Muskie
Byrd, W. Va.	Hill	Neuberger
Cannon	Humphrey	O'Mahoney
Carroll	Jackson	Pastore
Chavez	Johnson, Tex.	Proxmire
Church	Kefauver	Randolph
Clark	Kennedy	Smith
Cooper	Kerr	Sparkman
Dodd	Langer	Symington
Douglas	Mansfield	Williams, N.J.
Engle	McCarthy	Yarborough
Gore	McGee	Young, Ohio
Green	McNamara	
Gruening	Monroney	

NAYS—46

Aiken	Ellender	Morton
Allott	Ervin	Mundt
Bennett	Frear	Prouty
Bridges	Goldwater	Robertson
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd, Va.	Hruska	Scott
Capehart	Javits	Smathers
Carlson	Johnston, S.C.	Stennis
Case, N.J.	Jordan	Talmadge
Case, S. Dak.	Keating	Thurmond
Cotton	Kuchel	Wiley
Curtis	Lausche	Williams, Del.
Dirksen	Long	Young, N. Dak.
Dworshak	Martin	
Eastland	McClellan	

NOT VOTING—3

Fulbright	Magnuson	Russell

So the bill (S. 722) was passed.

Mr. DOUGLAS. Mr. President, I move that the vote by which the bill has been passed be reconsidered.

Mr. SPARKMAN. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

LEVYING AND COLLECTION OF TAXES AND ASSESSMENTS

Mr. DOUGLAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 643, to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

My purpose in making the motion is to have the bill made the unfinished business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 643) to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

FISCAL SOUNDNESS

Mr. THURMOND. Mr. President, on March 17, 1959, the distinguished senior Senator from Virginia [Mr. BYRD] delivered a very timely and able address before the National Taxpayers Conference at the Sheraton Park Hotel in Washington, D.C. In his address this great fiscal expert and chairman of the Finance Committee has issued a solemn warning to all American taxpayers that they must demand a return to fiscal sanity by our Government if we are to survive as a nation. The importance of the distinguished Senator's address is pointed up by the following two sentences which appear on page 1:

With fiscal soundness I would have no fear for the future—economically or militarily. Without it there will be neither solid economic progress nor security with military preparedness.

This address has received favorable attention in two columns in the Washington Evening Star of March 19 and 20, 1959. The distinguished columnist and magazine editor, Mr. David Lawrence, refers to Senator BYRD's plea for a balanced budget as "significant news." Another distinguished writer, Mr. Gould Lincoln, winds up his favorable comments with this paragraph, which I heartily endorse:

The Senator's voice has been raised against huge Government spending—deficit spending—for more than a quarter of a century. With the Federal debt approaching the $300 billion mark, it is time the people and the Government should listen.

I wish, Mr. President, that—contrary to what some may have wished once upon a time—we had more HARRY BYRDS in the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD following these remarks, this excellent address, and the columns by Messrs. Lawrence and Lincoln, previously referred to.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDRESS DELIVERED BY SENATOR HARRY F. BYRD, DEMOCRAT, OF VIRGINIA, BEFORE THE NATIONAL TAXPAYERS CONFERENCE, SHERATON-PARK HOTEL, WASHINGTON, D.C., 8 P.M., TUESDAY, MARCH 17, 1959

Development of our great resources through free enterprise democracy is the source of this Nation's strength. With atomic energy, rocketry, etc., we are entering a new era. Our population is increasing. We have unduly exploited our resources, but they are still tremendous. Our productive know-how and capacity are yet unsurpassed. These are elements on which free enterprise democracy should thrive soundly, and proceed constructively for the good of all mankind.

Our free enterprise democracy is the greatest system the world has ever evolved. But there is one controlling requirement, and this must never be overlooked. The system is based on solvent government and sound money. With fiscal soundness I would have no fear for the future—economically or militarily. Without it there will be neither solid economic progress nor security with military preparedness. We have allowed ourselves to grow weak in the requirement for solvent government and sound money. Assurance of fiscal soundness in the future does not now exist.

Deficit financing has been the rule—not the exception—for more than a quarter of a century. Current Federal spending and deficit have been exceeded only in the peak years of global war emergency. Federal debt set its alltime record January 23, this year. It exceeded the World War II peak by more than $6 billion. Best experts concede that deficit financing in present circumstances is a heavy factor in continuing inflation.

We have reached a point of serious reluctance to invest in the bonds of the U.S. Government. The fiscal situation deteriorated faster during the past year than in any comparable peacetime period to my knowledge. In 6 months we moved from estimates of virtually balanced budgets in fiscal years 1958–59 to combined deficits of $15 billion. In the process we were forced to raise the statutory debt limit twice in the same period. At the present rate, Federal agencies would spend more than $400 billion in 5 years.

Contrary to general understanding, recent great increases in Federal spending have not been for defense or foreign aid. The tremendous increases have been for domestic-civilian programs. Since 1954 expenditures outside of defense, atomic energy, and foreign aid categories increased from $19.1 billion to $34 billion estimated in the current year. This is an increase of $14.9 billion, or 78 percent.

There is terrific pressure in the current session of Congress for enactment of more nonessential spending programs. Almost invariably these new spending programs involve multiyear or permanent commitments for heavy spending in the future.

Much of the domestic-civilian spending is for subsidies; and by subsidies I mean nearly all kinds of loans, grants and payments out of the Federal Treasury to special beneficiaries. Many of these subsidy programs are bottomless pits for Federal spending and contribute to sky-high inflation. The Federal Government of the United States can not now pay its bills except by increasing debt and inflation. Revenue at present tax rates does not meet our commitments.

Interest on the Federal debt is taking approximately one-tenth of all taxes collected. Chronic inflation has reduced the purchasing power of our money 52 percent. The American dollar is now worth 48 cents by the 1939 index. Inflation destroys fixed incomes, provident investment, prudent business, sound financing, national security, and democratic government. More than 20 years of destructive inflation in this country to date have led to continual demands for increased Federal subsidization. The Federal Government is now subsidizing business, industry, private finance, agriculture, transportation, power, health, education, States, localities, individuals, etc.

By the process of cheapening our money and centralizing power in the Federal Government, we have descended to a level of state socialism which is obvious, if not admitted. Social democracy is a subterfuge for sound government and constructive enterprise. Its evils are historically documented wherever nations have stooped to it. The Federal position alone is bad enough, but it is epidemic. It has spread to State and local governments. It has permeated our whole economy. It has dangerously changed our attitudes—public and private.

Total public expenditures in this country—Federal, State, and local—this year will reach nearly $150 billion. Federal, State, and local governments this year will take $130 billion or more out of the pockets of American taxpayers in revenue receipts from

all sources. In their annual budgets Federal, State, and local governments this year will run deficits totaling $15 to $20 billion. Public debt—Federal, State, and local—this year will approach $350 billion. Private debt now runs at more than $500 billion.

In short, we have nearly a trillion dollars of debt on our backs. That figure is beyond ordinary comprehension. When individuals become insolvent they take bankruptcy and dispose of their obligations. When governments become insolvent their money becomes worthless and they go through a revolution wringer. The nature and process of the revolutions may vary, but invariably the form of government is changed. There is no reason to think free enterprise democracy as we have known it could survive. I concede, of course, the necessity for deficits in extreme national emergencies.

For the first 150 years of our history we met our emergencies when they arose. But when they were over we promptly restored sound financing, characterized by balanced budgets, and began paying off the debt. Under this practice, combined with our wealth and natural resources, this Nation grew great in the short span of a century and a half. But in our time we have not only continued exploitation of our resources; we have abandoned our traditional policy of fiscal soundness. We have sapped our strength and undermined our form of government with continual deficit spending, rising debt, and spiraling inflation.

There can be no doubt that we have allowed ourselves to become weak in the fundamental requirement for fiscal soundness. Effects of this weakness to date are bearing down heavily upon us in all private and public pursuits. Privately they are tangible in the form of inflation. Publicly they are manifest in Federal fiscal frustration at all levels of government. The situation will continue to grow worse unless there is drastic action in the immediate future.

In the process of centralizing power, the Federal Government is usurping State and local revenue sources. At the same time it is encouraging greater spending at all levels. And through expanding paternalism, great segments of business, labor, agriculture, and taxpaying individuals are being brainwashed with Federal subsidy. States have been pushed to a point where they are having difficulty paying the bills. Highway programs are examples.

Localities also are running out of funds and sources. They will be in Washington this week asking for Federal payments in lieu of taxes on federally owned real estate.

Taxpayers, caught in the pinch of levies at all levels, are driven to search for tax loopholes and avoidance, and coming to Government with hands out for payments of all kinds. Once we are on this merry-go-round, we are riding an endless circle.

On the other side we find States sacrificing their sovereignty through increasing efforts to push more costs on the Federal Treasury. Public assistance and unemployment payments are examples. Localities are sacrificing their autonomy in the same way. For instance, they are now demanding that the Washington Government underwrite the bill for slum clearance and urban renewal in privately owned, locally taxable districts.

Individuals, business, agriculture, etc., are sacrificing their traditional American independence for Federal subsidy in forms which are legion. Nearly 40 million people will receive direct payments from the Federal Treasury. this year. With their families these 40 million people could reach a number equivalent to half the population of the United States. Nearly $87 billion is outstanding at this moment under so-called Federal credit programs for housing, veterans, agriculture, commerce, defense production, small business, etc. There are now 77 programs for State and local subsidy. Payments to State and local governments are now totaling $7 billion.

Some of these programs are not generally referred to as subsidies, but they are Federal payments to special beneficiaries just the same. There are others under other programs, and called by other names. There are some that do not meet the eye such as the postal deficit, foreign trade, and development programs. Government contracts under which beneficiaries demand that the level of Federal expenditures be maintained or increased, needed or not. Fiscal frustration is evident at every turn in the Federal Government. Our debt is the highest the world has ever known, and we are right up against the highest peacetime debt ceiling of all time. We engage daily in deficit financing, and there is reluctance in the purchase of Government bonds. Tax revenue is insufficient, but tax rates are near the point of diminishing returns. Cynics advocate more inflation to produce more revenue, but it increases the cost of everything the Government buys.

The President says balance the Federal budget, and the spenders say spend more. Sometimes the frustration descends to complete fiscal irresponsibility. In the Senate during recent weeks we have heard the spenders say: "Disregard the budget when it interferes with our projects; resort to a capital budget and hide the spending; and do away with the budget, if you just spend enough the revenue will increase."

This kind of fiscal irresponsibility is inherent in efforts to use the Federal budget to turn the economy on and off like a spigot. Fiscal irresponsibility is just as inevitable in efforts to use the Federal budget to force social reform. Fiscal irresponsibility is at its worst when effort is made to use the Federal budget as a tool of the so-called Full Employment Act.

Those of us working simply to achieve constructive reduction in Federal spending to preserve solvent government and sound money have our own difficulties with the budget. But they are of a different kind.

We find billions to be spent through back doors and out of unexpended balances which are outside of annual appropriation control. We find billions more to be spent under previous commitments in foreign agreements, Federal-State formulas, contracts with those dealing in Government purchases, and promises to pay in scores of subsidy programs.

The staff of the Joint Committee on Reduction of Nonessential Federal Expenditures has just completed a study of the $77 billion expenditure budget for the coming fiscal year, beginning July 1. It found that only about one-third of the $77 billion in expenditures scheduled for fiscal year 1960 can be effectively or practically reached in appropriation bills to come before Congress in the current session.

Preservation of fiscal soundness in governments of the United States will not be easy. There are no short cuts.

It is a grave responsibility which rests upon the President, the Congress, and every citizen of the Nation acting individually and through all organizations with which he may be affiliated. It will take constant, unrelenting effort by all of those willing to practice unselfish patriotism for the preservation of our form of government.

I am here tonight because I know you represent the kind of people upon whom we must rely. If we are to preserve the solvency of our Government and the validity of our money—in short, our way of life—let's summarize what we have to do now.

First. We must support the President in his efforts to reduce Federal expenditures. If he is forced to veto appropriation or other legislation authorizing expenditures, the need for our support will be even greater.

Second. We must oppose all new legislation for nonessential Federal spending with all means at our disposal at all stages of the legislative process.

Third. We must constantly urge the President to hold down Federal spending under administrative control of Federal agencies, including spending out of balances in prior appropriations.

Fourth. We must support all current proposals to recapture congressional control over the annual rate of Federal spending.

Fifth. We must constantly urge State governments, local governments, organizations representing segments of the population such as business, labor, agriculture, veterans, etc., and individuals themselves to reduce demands on the Federal Treasury, and eliminate abuses in Federal programs in which they are involved.

Sixth. We must constantly demand that the Federal Government withdraw from programs which usurp State sovereignty, local autonomy, and individual independence.

Seventh. We must constantly demand that the Federal Government, in withdrawing to its constitutional sphere, return to other levels of government the sources of revenue it has usurped.

The Federal Government now owns more than 455 million acres of land in the United States. This is nearly 25 percent of our national confines. The staff of the Joint Committee on Reduction of Nonessential Federal Expenditures has just been ordered to make a survey of Federal property which should be returned to local tax rolls. Your State organizations could be extremely helpful in this matter. If you can ferret out idle Federal areas which could be developed as taxable property, please let us know. We should like to work with you to the best of our ability.

With respect to Federal payments to States, localities, business, individuals, etc., the joint committee staff has started also a study of Federal subsidies. Here again you could be extremely helpful, if through your State organizations, you could bring influence to bear on State and local governments, and organizations representing individuals, in an effort to reduce demands on the Federal Treasury. Federal subsidies are ugly words to many people. But I can assure you that the committee study will treat the subject in its broadest definition. Reduction in the cost of these programs can be accomplished by tightening up at the source—by elimination of abuses.

As you know, Congressmen SMITH and CANNON, and Senator THURMOND and I, and others, have introduced resolutions designed to recapture congressional control over the annual rate of Federal spending. Your support of these measures will be helpful.

The President is asking you to support his efforts to hold down Federal spending. I know you will comply. I join you.

Beyond this, I think you believe that, in view of the tremendous debt we are carrying, a balanced budget is not enough. We need a substantial surplus. We would be far safer if, in the coming year, Federal expenditures were held below $72 billion. Such a figure would allow for a reasonably good recovery from last year's decline in receipts. It would offer relief from excessive deficit spending. It would require some slow-down in the rapid rise in domestic civilian expenditures. But you are forewarned that such a reduction in the coming year would require more than action on current appropriation bills alone.

Some reductions applying to fiscal year 1960 can be made in the forthcoming appropriation bills. But for other reductions, such as those in expenditures from balances in appropriations enacted in prior years, we must rely on the President. For still other reductions in such expenditures as public

assistance and urban renewal, we must urge State and local governments to hold down demands.

And, finally, there must be cooperation by business with Government in tightening up policies with respect to subsidies and more efficient performance on contracts; and those on Government subsidy and payment rolls must be urged to eliminate abuses in the programs. That is a large order, but realistically I do not look for substantial reductions until those participating in the high cost of Government begin to cooperate with unselfish patriotism. Organizations such as yours could render no greater service than to take the lead in such a crusade. Personally I shall support the President's effort to reduce Federal expenditures.

In addition, I believe the best interests of this Nation and our allies would be served if the $77 billion expenditure estimate for the coming fiscal year were reduced by $5 to $6 billion or between 7 and 8 percent. I know this could be accomplished without the impairment of a single essential function. From long experience I know public demand could force such reductions.

The voice of the people of this country, if it is loud enough, will overcome selfish and highly organized minorities and will prevail. This is the great virtue of our constitutional democracy as contrasted with dictatorship. So the job is up to you and me and every other citizen.

We must remember that the very foundation of our democracy rests upon the fact that people support the Government; it is not the purpose of the Government to support the people.

The national interest must come ahead of private gain. To achieve our objective there must be sacrifice all down the line.

Federal expenditures, fiscal years 1954–59, broken categorically to show national security, foreign aid, etc., and domestic-civilian

[In millions]

	Actual					Estimated, 1959
	1954	1955	1956	1957	1958	
National security:						
Military functions	$40,336	$35,532	$35,791	$38,439	$39,062	$40,800
Stockpile and defense production	1,045	944	588	490	625	378
Atomic energy	1,895	1,857	1,651	1,990	2,268	2,630
Subtotal, national security	43,275	38,334	38,030	40,918	41,955	43,808
Foreign aid:						
Military assistance	3,629	2,292	2,611	2,352	2,187	2,312
Economic and other	1,511	1,960	1,616	1,686	1,909	3,321
Subtotal, foreign aid	5,140	4,252	4,227	4,038	4,096	5,633
International affairs	221	221	231	290	325	387
Total, other than domestic-civilian	48,636	42,807	42,487	45,246	46,376	49,828
Domestic-civilian:						
Veterans' services and benefits	4,256	4,457	4,756	4,793	5,026	5,198
Labor and welfare	2,485	2,575	2,821	3,022	3,447	4,380
Agriculture and agricultural resources	2,557	4,389	4,868	4,526	4,389	6,775
Natural resources	1,315	1,202	1,104	1,296	1,543	1,708
Commerce and housing [1]	817	1,420	2,142	3,392	3,816	6,421
General government	1,235	1,199	1,627	1,787	1,353	1,673
Interest	6,470	6,438	6,846	7,308	7,689	7,601
Allowance for contingencies						200
Total, domestic-civilian [1]	19,136	21,679	24,165	26,124	27,267	33,955
Grand total [1]	67,772	64,486	66,652	71,370	73,643	83,873

[1] Since 1954 expenditures for Federal National Mortgage Association and highways have been dropped from the general fund budget and converted into so-called trust funds—FNMA in 1955 and highways in 1957. Commerce and housing figures and affected totals above are adjusted to include these figures throughout for complete and accurate comparison over the period.

[From the Washington Evening Star, Mar. 20, 1959]

(By David Lawrence)

A WARNING TO CURB SPENDING—SENATOR BYRD IS PRAISED FOR URGING DRASTIC ACTION TO AVERT INSOLVENCY

If you're one of the spenders in Congress and you ridicule the idea of a balanced budget, you get plenty of attention. But if you're a saver and want to keep the American dollar from being forced down to a value of 10 cents, then you're old fashioned and not in tune with the times.

Senator HARRY BYRD of Virginia happens to be chairman of the Senate Finance Committe. He also happens to be a member of the Democratic Party, so many of whose members are trying to make a virtue of bigger and bigger spending by Government. Yet, when he spoke Tuesday night at the National Taxpayers Conference here, his words got scant attention.

"Contrary to general understanding," said Senator Byrd, "recent great increases in Federal spending have not been for defense or foreign aid. The tremendous increases have been for domestic-civilian programs."

This alone seems to be a worthwhile piece of news. For, in the speeches emanating from Capitol Hill, President Eisenhower is repeatedly being accused of trying to balance the budget at the expense of national defense in the battle against Communists. The purpose of the crusade for more spending is of course, to break the faith of the public in budget balancing by using defense as an excuse, so that all sorts of subsidies and grants can be made in the guise of social reform. The Virginia Senator says:

"Since 1954, expenditures outside of defense, atomic energy and foreign aid categories increased from $19.1 billion to $34 billion estimated in the current year.

"This is an increase of $14.9 billion, or 78 percent. There is terrific pressure in the current session of Congress for enactment of more nonessential spending programs. Almost invariably these new spending programs involve multiyear or permanent commitments for heavy spending in the future.

"Much of the domestic-civilian spending is for subsidies—and by subsidies I mean nearly all kinds of loans, grants and payments out of the Federal Treasury to special beneficiaries. Many of these subsidy programs are bottomless pits for Federal spending and contribute to sky-high inflation.

"The Federal Government of the United States cannot now pay its bills except by increasing debt and inflation. Revenue at present tax rates does not meet our commitments.

"Interest on the Federal debt is taking approximately one-tenth of all taxes collected

"Chronic inflation has reduced the purchasing power of our money 52 percent. The American dollar is now worth 48 cents by the 1939 index.

"Inflation destroys fixed incomes, provident investment, prudent business, sound financing, national security, and democratic government.

"More than 20 years of destructive inflation in this country to date have led to continual demands for increased Federal subsidization.

"The Federal Government is now subsidizing business, industry, private finance, agriculture, transportation, power, health, education, States, localities, individuals, etc.

"By the process of cheapening our money and centralizing power in the Federal Government, we have descended to a level of state socialism which is obvious, if not admitted.

"Social democracy is a subterfuge for sound government and constructive enterprise. Its evils are historically documented wherever nations have stooped to it.

"When individuals become insolvent, they take bankruptcy and dispose of their obligations.

"When governments become insolvent, their money becomes worthless and they go through a revolution wringer.

"The nature and process of the revolutions may vary, but invariably the form of government is changed. There is no reason to think free enterprise democracy as we have known it could survive."

Senator BYRD said he concedes the necessity for deficits in extreme emergencies, but that in its first 150 years America met her emergencies and then promptly restored sound financing, she balanced the budget, and began paying off debt. He points out that nearly 40 million persons are getting direct payments from the Federal Treasury this year and that, with their families, this could reach a number equal to half the population of the United States. He appeals to his colleagues in Congress to stop the spending. He says "cynics advocate more inflation to produce more revenue, but it increases the cost of everything the Government buys." The Virginia Senator adds:

"The situation will continue to grow worse unless there is drastic action in the immediate future."

This plea by the chairman of the Senate Finance Committee—who, though a Democrat, supports the President's efforts to balance the budget—is significant news.

[From the Washington Star, Mar. 19, 1959]

GET OFF UNCLE SAM'S BACK

(By Gould Lincoln)

Senator HARRY F. BYRD, of Virginia, chairman of the powerful Senate Finance Committee, has issued a call for Americans to get off Uncle Sam's back and save our present democratic form of government. The Virginia Democrat has produced an alarming array of figures and facts, which show that the Federal Government is being rapidly shoved into a state of insolvency. He shows, too, that State and local governments and the people and their businesses are doing their share to bring about an intolerable financial situation, cheapening the dollar and causing more and more inflation. Addressing the National Taxpayers Conference Tuesday the Senator warned:

"When governments become insolvent, their money becomes worthless and they go through a revolution wringer. The nature and process of the revolutions may vary, but invariably the form of government is changed. There is no reason to be-

lieve that our free-enterprise democracy as we have known it could survive."

Senator BYRD also said: "By the process of cheapening our money (the dollar is now worth 48 cents by the 1939 index) and centralizing power in the Federal Government, we have descended to a level of state socialism which is obvious, if not admitted."

In support of this contention, he pointed out that the Federal Government is now subsidizing business, industry, private finance, agriculture, transportation, power, health, education, States and localities.

THREE HUNDRED AND FIFTY BILLION DOLLARS PUBLIC DEBT

The Senator said that total public expenditures in this country—Federal, State, and local—will reach the staggering total of $150 billion this year, with the Federal Government spending slightly more than half of the total. He predicted that deficit spending of the governments will total $15 to $20 billion in the same period, and that public debt will approach $350 billion. Private debt, he said, now runs at more than $500 billion.

The Virginia Senator did not mince words in speaking about the spenders in his party in Congress who are seeking—and apparently accomplishing their end—to upset President Eisenhower's precariously balanced $77 billion Federal budget. He accused them of cynicism and worse in their proposals to spend the country out of debt. Instead, Senator BYRD urged that the Democratic-controlled Congress and the President combine to cut the Federal budget by some $5 billion or $6 billion below $77 billion. He insisted that such cuts could be made in Federal spending for the next fiscal year without impairing any of the essential Government services to the people.

Senator BYRD's economic philosophy differs radically from that of the free spenders in Congress and from that of the Democratic Advisory Council and the Americans for Democratic Action. More and more, it appears certain that the issue of fiscal responsibility in Government will go into the national political campaign next year. And the Democratic Congress can and apparently is bent on making it an issue. Senator BYRD sums up the situation this way:

"The President says balance the budget and the spenders say spend more. Sometimes the frustration descends to complete fiscal irresponsibility. In the Senate during recent weeks we have heard the spenders say: Disregard the budget when it interferes with our projects; revert to a capital budget and hide the spending; do away with the budget—if you just spend enough, the revenue [of the Government] will increase."

PROPOSED STEPS

The only way to halt our march along the road to financial ruin, in Senator BYRD's opinion, is for public opinion to exert itself in opposition to this ever-increasing demand for bigger and bigger Government expenditures. The first step, the Senator said, is to support President Eisenhower in his battle for a balanced budget. Other steps he outlined are opposition to all new legislation for nonessential Federal spending, pressure on the President to hold down spending under administrative control of the Federal agencies, and pressure on all State and local governments, on business and labor organizations, on agriculture and veterans organizations and on individuals themselves to reduce their demands on the Federal Treasury.

Senator BYRD called attention to the fact that, contrary to the general belief, recent great increases in Federal spending have not been for defense but for domestic civilian programs sometimes called "social programs." To prove his point, Senator BYRD said that expenditures outside defense, atomic energy and foreign aid, since 1954, increased from $19.1 billion to $34 billion estimated in the current year.

The Senator's voice has been raised against huge Government spending—deficit spending—for more than a quarter of a century. With the Federal debt approaching the $300 billion mark, it is time the people and the Government should listen.

KEEPING PERSPECTIVE AND FAIR ATTITUDES ON THE QUESTION OF NEPOTISM IN THE SENATE AND THE HOUSE

Mr. NEUBERGER. Mr. President, all Members of the Senate and the House have followed the excitement over nepotism in Congress. I think it is certainly sound that the public know who are on public payrolls. I would support a resolution providing that Senate payrolls be open to the press and the public.

However, Mr. President, when a Member of Congress employs a relative, it does not follow that the relative is incompetent or undeserving of such employment. We all know that many famous and outstanding Members of Congress have hired their relatives—for example, Senator Harry S. Truman, Senator Arthur H. Vandenberg, Senator Irving M. Ives, Speaker John N. Garner, and many others.

No relative serves on my payroll, although my wife performs many valuable services at my Senate offices. Yet I would never criticize a Senator because he chose to hire a relative. If the relative were without merit, that would be different. But it never follows that a relative is, per se, underserving of being on a payroll.

One of the most thoughtful editorials I ever have read on the whole question of nepotism was published on March 18, 1959, in the Oregon Daily Journal, in my home city of Portland, Oreg. The editorial sets the issue in perspective, and points out that many sons of corporation presidents become vice presidents and the stockholders foot the bill. So let us be fair when we consider the nepotism question.

I ask unanimous consent, Mr. President, that this able editorial from the Oregon Journal be published in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KEEP PERSPECTIVE ON NEPOTISM

Like congressional junkets, congressional nepotism is a favorite target for critics. And like junkets, there is nothing wrong with the practice so long as it does not get out of hand and so long as the public gets its money's worth.

The term "nepotism" has taken on unpleasant connotations, much like the term "politician"—a development which isn't altogether fair to those who practice it.

The Oregon Legislature might be cited as an example of nepotism run rampant. Wives in great numbers show up on the State payroll as secretaries to their senator or representative husbands. There have been times when a particular wife couldn't distinguish a page of Gregg pothooks from a page of braille, and occupied the secretarial seat on house or senate floor only on occasions of great moment when seating space was at a premium.

No one has raised great objection to this, and certainly not to the wife who actually works. We pay our legislators a pittance, we deny them any living expenses and, as a consequence, the wife has to go to work if a legislator is even to come close to breaking even.

And Federal Senators and Representatives, even at $22,500 a year, find the job is not exactly a money-making proposition. The criterion should be not whether the congressional employee is or is not a relative, but whether he or she is doing a job commensurate with the salary.

When the spotlight swings to the payroll in a Congressman's office, it is inevitable that the innocent as well as the guilty will get hurt.

For example, the Associated Press published a list of Representatives who had persons with the same or similar family name on their January payroll.

This brought cries from the Smiths, the Browns, and the Joneses. FRANK SMITH (Democrat, Mississippi), for example, took the floor of the House to "raise one voice in opposition to this great self-righteous crusade which the press of the country has taken upon itself to conduct against the House of Representatives * * * concerning relatives and alleged relatives on the payroll."

The Representative from Mississippi went on to say he would be glad to claim kinship with all the Smiths in the country but could not and that the young woman in his office, whose surname is Smith, unfortunately is not a relative.

And so it goes. Undoubtedly, there are abuses in this field as there are in the matter of congressional junkets and the occasional glare of publicity probably has a salutary effect. But let's keep our perspective, and for those who would throw stones at all public officeholders, let's not forget that private business has its favorite sons who become vice presidents overnight, and the stockholders foot the bill.

TRIBUTE TO ROBERT G. BAKER FOR FURTHERING PASSAGE OF HAWAIIAN STATEHOOD BILL

Mr. GRUENING. Mr. President, the House of Representatives of the Territory of Hawaii, being very appreciative of the action recently taken by the Congress, has adopted House Resolution 100, entitled "Resolution Extending to Robert G. Baker Warmest 'Mahalo Nui Loa' and 'Aloha' for His Interest and Activities in Behalf of Statehood for Hawaii."

I should like to read two paragraphs of this admirable resolution, as follows:

Whereas Robert G. Baker, often referred to as the third Senator from South Carolina, is secretary to the majority in the Senate of the Congress of the United States, and as such is the right-hand man for the majority leader of the Senate, Hon. LYNDON B. JOHNSON; and

Whereas Robert G. Baker has favored the admission of Hawaii as a State, and has actively pushed for statehood and used his prestige and influence with the Members of the Senate; and

Whereas his activities on behalf of statehood for Hawaii have very materially assisted the passage of the Hawaii statehood bill: Now, therefore, be it

Resolved—

I ask unanimous consent that the entire text of this admirable resolution be printed in the RECORD, following my remarks; and I should like to take this occasion to say that the people of Alaska feel no less appreciative to Mr. Baker for

his services last year in behalf of statehood for Alaska.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 100

Resolution extending to Robert G. Baker warmest "mahalo nui loa" and "aloha" for his interest and activities in behalf of statehood for Hawaii

Whereas Robert G. Baker, often referred to as the third Senator from South Carolina, is secretary to the majority in the Senate of the Congress of the United States, and as such is the right-hand man for the majority leader of the Senate, Hon. LYNDON B. JOHNSON; and

Whereas Robert G. Baker has favored the admission of Hawaii as a State, and has actively pushed for statehood and used his prestige and influence with the Members of the Senate; and

Whereas his activities on behalf of statehood for Hawaii have very materially assisted the passage of the Hawaii statehood bill: Now, therefore, be it

Resolved, That the House of Representatives of the 30th Legislature of the Territory of Hawaii hereby extends to Robert G. Baker its warmest "mahalo nui loa" and "aloha" for his interest and activities in behalf of statehood for Hawaii; and be it further

Resolved, That the Honorable JOHN A. BURNS, Delegate to Congress from Hawaii, be requested to personally present a certified copy of this resolution to Robert G. Baker; and be it further

Resolved, That to accomplish this purpose, two certified copies of this resolution be forwarded to the Honorable JOHN A. BURNS.

We hereby certify that the foregoing house resolution was this day adopted by the House of Representatives of the 30th Legislature of the Territory of Hawaii.

ELMER F. CRAVALHO,
Speaker, House of Representatives.
HERMAN T. F. LUM,
Clerk, House of Representatives.

INVITATION TO CHIEF JUSTICE OF THE UNITED STATES TO ADDRESS A JOINT SESSION OF THE CONGRESS ANNUALLY—INTRODUCTION OF A JOINT RESOLUTION

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a joint resolution to invite the Chief Justice of the United States to address a joint session of the Congress annually.

The purpose of the joint resolution is to provide a simple and direct method whereby the head of the judicial branch of the Government can report to the legislative branch of the Government. The word "invite" is specifically used, because there is nothing mandatory in the resolution. If the Chief Justice felt that it was unnecessary to report for any particular year, he could decline the invitation.

The Attorney General of the United States, the Honorable William P. Rogers, has declared that the most effective way to focus public attention on the judiciary would be through such an address to the Congress.

An annual address by the Chief Justice would provide a bridge between Congress and the judiciary. The Chief Justice could advise Congress of any needed legislation affecting the courts and the judicial function which he might want it to consider. He might also wish, at that time, to review in brief the work of the Supreme Court during the preceding period, possibly explaining some of the important decisions. An authoritative explanation as to what the Supreme Court is doing on the frontiers of constitutional law from time to time, especially in the light of some of the recent controversial decisions of the Court, could prove extremely helpful both to the Court and to Congress.

Finally, the Chief Justice might see fit to give Congress the benefit of some of his longer range observations and experiences. Neither Congress nor the President possess the permanency of tenure of the Chief Justice. He holds an office and speaks for an institution which maintains its continuity through all the vicissitudes of politics. I believe it would be greatly in the public interest to have his observations and suggestions formally and publicly made, not only for the benefit of the Congress, but also for the benefit of the rest of the Nation.

Mr. President, I ask unanimous consent that the full text of the joint resolution be printed in the RECORD following my remarks.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 80) to invite the Chief Justice of the United States to address a joint session of Congress annually, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That as soon as practicable after the beginning of each regular session of the Congress, the Chief Justice of the United States shall be invited to address the Congress with respect to the state of the judicial branch of the Government and related matters. Upon his acceptance of the invitation, a joint session of the Senate and the House of Representatives shall be convened to hear his address at a suitable time after the delivery by the President of the state of the Union message to the Congress.

ADJOURNMENT

Mr. DOUGLAS. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 11 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, March 24, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 23, 1959:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. Maxwell Davenport Taylor, O14898, Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. James Dunne O'Connell, O14965, Army of the United States (major general, U.S. Army).

IN THE NAVY

Rear Adm. Ralph K. James, U.S. Navy, to be Chief of the Bureau of Ships in the Department of the Navy for a term of 4 years.

CONFIRMATION

Executive nomination confirmed by the Senate March 23, 1959:

U.S. TARIFF COMMISSION

J. Allen Overton, Jr., of West Virginia, to be a member of the U.S. Tariff Commission, for the remainder of the term expiring June 16, 1962.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 23, 1959

The House met at 12 o'clock noon.

Rev. Charles W. Holland, Jr., pastor, Fountain Memorial Baptist Church, Washington, D.C., offered the following prayer:

The Psalmist has said, Psalms 27: 14: *Wait on the Lord: be of good courage, and He shall strengthen thine heart.*

Heavenly Father, God, we know Thou art solicitous about the affairs of this great Nation. Because of this we know Thou art concerned about every law that is made by this great body.

Because Thou art Lord of Lords and King of Kings teach us patience. So many times when we endeavor to make momentous decisions we eliminate from our thinking divine guidance. In our eagerness to come to a conclusion we fail to wait on the Lord.

Dear God, as decisions are made in this great body, discipline and increase the faith of Thy children by directing the Holy Spirit to entreat them to wait on the Lord.

This petition we make in the name of Jesus our Lord and Saviour. Amen.

The Journal of the proceedings of Friday, March 20, 1959, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries.

INVESTIGATION OF INDUSTRIAL MOVEMENTS OUT OF ESTABLISHED AREAS

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I have today introduced a House resolution designed to create a select committee of the House to investigate the reasons behind the movement of industries out of well-established industrial locations, and also the hardship that is caused as a result of these movements.

No problem, with the exception of strengthening our national defense, is more urgent on the agenda of this 86th Congress than the problem of unemployment. We have authorized an extension of unemployment compensation benefits and we will soon be debating the provisions of the distressed areas bill. But much of the unemployment to which these measures are addressed has been caused by the gradual shift of established industries out of one section of the country and into other sections of the country.

A lot has been said about the reasons for these movements, which have been taking place in my State of New York and in other portions of the industrial Northeast. We are told, for example, that our States do not possess a "favorable business climate," and that is the reason for the move. Other people have other explanations. But so far, Mr. Speaker, no careful scientific study of the real causes of these shifts and of the tremendous hardship which they create has ever been made.

How can we intelligently provide a satisfactory answer to this problem unless we make some thorough study of the causes of these movements?

I urge the adoption of my resolution as a necessary part of the legislative package dealing with unemployment which this Congress has a responsibility to adopt. Let us get this serious problem out into the open once and for all, so that we may know exactly what steps to take to correct it.

PUBLIC FACILITY LOAN PROGRAM

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I am introducing today a bill which would expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency. This bill would authorize up to $1 billion of direct Federal Government loans to water supply and sewage disposal projects, public and nonprofit hospitals, and public nursing homes. Two hundred and fifty million dollars is earmarked for cities of 35,000 population or less. This program is linked to the local health and employment needs. It will also strengthen the existing program for pollution control of our waters.

We cannot in good conscience continue to be apathetic or indifferent toward the great need for the construction and improvement of the water and sewer facilities of our cities and towns.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Arkansas [Mr. HARRIS], I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PROVIDING PROGRAM FOR DISCOVERY OF MINERAL RESERVES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the report of the Secretary of the Interior prescribed by section 5 of the Act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its Territories, and possessions by encouraging exploration for minerals, and for other purposes."

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 23, 1959.*

REPORT OF RAILROAD RETIREMENT BOARD FOR FISCAL YEAR ENDED JUNE 30, 1958—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In compliance with the provisions of Section 10(b) (4) of the Railroad Retirement Act, approved June 24, 1937, and of section 12(1) of the Railroad Unemployment Insurance Act, approved June 25, 1938, I transmit herewith for the information of the Congress, the report of the Railroad Retirement Board for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *March 23, 1959.*

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY FOR FISCAL YEAR ENDED JUNE 30, 1958—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5(a) of Public Law 307, 73d Congress, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

The WHITE HOUSE, *March 23, 1959.*

ONE HUNDREDTH ANNIVERSARY OF ESTABLISHMENT AND EXISTENCE OF SUPERIOR COURT OF MASSACHUSETTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the concurrent resolution (H. Con. Res. 109) extending the felicitations of the Congress to the Commonwealth of Massachusetts on the 100th anniversary of the establishment of the Superior Court of Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Whereas July 2, 1959, marks the 100th anniversary of the existence of the Superior Court of Massachusetts; and

Whereas the open and impartial administration of justice is the firmest bulwark of a free society; and

Whereas the Superior Court of Massachusetts, throughout its long and distinguished history, has functioned in harmony with the highest ideals of American judicial procedure; and

Whereas, in these critical times, when justice is made a mockery in so much of the world, it is of the utmost importance that we in America cherish and preserve our legal heritage: Now therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress extends its greetings and felicitations to the Commonwealth of Massachusetts upon the occasion of the 100th anniversary of the establishment and existence of the Superior Court of Massachusetts, and expresses the appreciation of the American people for its outstanding leadership in the never-ending struggle to achieve the ideal of liberty and justice for all.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

TRADE FAIR ACT OF 1959

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5508) to provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions, and for other purposes.

The Clerk read the title of the bill.

Mr. BAILEY. Mr. Speaker, reserving the right to object, will the gentleman from Arkansas give the Members of the House some idea of the contents of this legislation?

Mr. MILLS. I will be glad to do so, Mr. Speaker.

As the gentleman from West Virginia will recall, the Committee on Ways and Means has in the past had before it a number of individual bills designed to accomplish the purpose of providing for the free importation of articles for exhibition or use at trade fairs in the United States. As an example, in the 85th Congress we enacted into law nine such bills. This is a general bill unanimously reported by the Committee on Ways and Means to obviate the necessity of continuing to pass these individual bills providing for the free importation for use at each of the trade fairs and exhibits in the future.

Mr. BAILEY. Would the gentleman answer this question? Does the bill provide for the importation of certain things to be used in construction?

Mr. MILLS. It does not have anything to do with any particular commodity; it limits the use of these commodities to these trade fairs or exhibitions. In the event any of these articles should subsequently be offered for sale then the import taxes would apply.

Mr. BAILEY. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Short title.

This Act may be cited as the "Trade Fair Act of 1959".

SEC. 2. Designation of fairs.

(a) IN GENERAL.—When the Secretary of Commerce is satisfied that the public interest in promoting trade will be served by allowance of the privileges provided for in this Act to any fair to be held in the United States, he shall so advise the Secretary of the Treasury, designating (1) the name of the fair, (2) the place where the fair will be held, (3) the date when the fair will open and the date when it will close, and (4) the name of the operator of the fair.

(b) DEFINITIONS.—For purposes of this Act—

(1) The term "fair" means any fair, exhibition, or exposition designed by the Secretary of Commerce pursuant to this section.

(2) The term "closing date" in the case of any fair means the date designated pursuant to subsection (a)(3) as the date when the fair will close, or (if earlier) the date on which such fair actually closes.

(c) REGULATIONS.—The Secretary of Commerce may prescribe such regulations as he deems necessary or appropriate to carry out the provisions of this section.

SEC. 3. Entry of articles for fairs.

Any article imported or brought into the United States—

(1) which is in continuous customs custody, covered by a customs exhibition bond, or in a foreign trade zone, and

(2) on which no duty or internal revenue tax has been paid,

may, without payment of any duty or internal-revenue tax, be entered under bond under this section for the purpose of exhibition at a fair, or for use in constructing, installing, or maintaining foreign exhibits at a fair.

SEC. 4. Disposition of articles entered for fairs.

(a) ENTRY UNDER GENERAL CUSTOMS LAWS, ETC.—At any time before, or within 3 months after, the closing date of any fair, any article entered for such fair under section 3 may be sold or otherwise disposed of within, or may be removed from, the area of such fair. This subsection shall apply only if, before such disposition or removal—

(1) the article, after the entry for such fair under section 3, has been entered under any provision of the customs laws, and

(2) any applicable duties and internal revenue taxes are paid on such article in its condition and quantity, and at the rate in effect, at the time of such entry as if such article were imported or brought into the United States at the time of such entry.

(b) DISPOSITION WITHOUT PAYMENT OF DUTY.—At any time before, or within 3 months after, the closing date of any fair, any article entered for such fair under section 3 may, without the payment of any duties or internal revenue taxes, be—

(1) exported,

(2) transferred from such fair to other customs custody status or to a foreign-trade zone,

(3) destroyed, or

(4) abandoned to the Government.

(c) MANDATORY ABANDONMENT TO GOVERNMENT.—If any article entered under section 3 is still in customs custody, under such entry, at the expiration of 3 months after the closing date of the fair for which it was entered, such article shall thereupon be regarded as an article abandoned to the Government and shall be subject to sale or destruction of the article and disposition of the proceeds of sale in the manner provided for in sections 491, 492, and 493 of the Tariff Act of 1930. For purposes of this subsection, any duties or internal-revenue taxes on the article shall be computed on the basis of its condition and quantity at the time it becomes subject to sale.

(d) PERIOD FOR PERFORMANCE OF CERTAIN ACTS.—Whenever any article entered under section 3 is transferred pursuant to subsection (b)(2) or entered under subsection (a), the period prescribed for the performance of any act required by the provision governing the status to which the article is transferred, or under which the article is entered, shall run from the date of such transfer or entry.

SEC. 5. Marking, packaging, and labeling.

(a) CUSTOMS LAWS.—Articles entered under section 3 shall not be subject to any marking requirements of the customs laws, except that when any such article is entered for consumption under section 4 it shall not be released from customs custody until the marking requirements of the customs laws have been complied with.

(b) INTERNAL-REVENUE LAWS, ETC.—Articles entered under section 3 shall not be subject to the packaging, marking, or labeling requirements of the internal-revenue laws or of the Federal Alcohol Administration Act, except that any such article failing to comply with such requirements—

(1) shall be conspicuously marked prior to exhibition "Not labeled or packaged as required by law—not for sale", and

(2) when entered for consumption under section 4, shall not be released from customs custody until such packaging, marking, and labeling requirements have been complied with.

The application of the permit requirements of the Federal Alcohol Administration Act and the occupational taxes prescribed by chapter 51 of the Internal Revenue Code of 1954 shall be determined without regard to this Act.

SEC. 6. Responsibilities of fair operator.

(a) SOLE CONSIGNEE AND IMPORTER.—Each fair operator designated by the Secretary of Commerce pursuant to section 2 shall be deemed the sole consignee and importer of all articles entered under section 3 for the fair for which such operator has been designated.

(b) EXPENSES OF CUSTOMS CUSTODY, ETC.—The actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, custody, abandonment, destruction, or release of articles entered under section 3, together with the necessary charges for salaries of customs officers and employees in connection with the accounting for, custody of, and supervision over, such articles, shall be reimbursed to the United States by the operator of the fair for which they are entered. Receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1524).

SEC. 7. Regulations.

The Secretary of the Treasury may prescribe such regulations as may be necessary or appropriate to carry out the provisions of this Act (other than section 2 thereof).

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] and I may extend our remarks with regard to each of the bills to be called up this morning.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, H.R. 5508, designated the "Trade Fair Act of 1959," has been unanimously reported by the Committee on Ways and Means. The bill has one purpose and that is to provide, under explicit safeguards, for the free importation of articles for exhibition or use at trade fairs in the United States.

The Committee on Ways and Means has in the past had before it individual bills designed to accomplish this purpose with respect to individual trade fairs and expositions in the United States. For example, in the 85th Congress nine such bills were enacted into law. There are presently pending before the Committee on Ways and Means two bills and one resolution relating to individual trade fairs.

In order to facilitate the free entry of imported goods for exhibition at trade fairs your committee felt it desirable to report general legislation that would not require the specific enactment of individual bills. The experience over the years with the individual trade fair bills has shown that they have operated well and that there is no need for the repetitious work involved in individual enactments by the Congress, nor for the Treasury Department to issue individual regulations implementing each of these individual enactments.

The provisions of H.R. 5508 are patterned closely on the provisions of the individual trade fair bills enacted in the past. Instead of requiring a special enactment in each case, H.R. 5508 designates the Secretary of Commerce as the officer of the United States Government responsible for determining which trade fairs should be accorded the privileges contained in the bill. He will make this decision if he finds that the public interest will be served by so doing. The Secretary of Commerce will then advise the Secretary of the Treasury of the name, location, opening, and closing dates, and the name of the fair operator.

As in the case of the individual trade fair bills, H.R. 5508 would authorize articles to be admitted free of duty under bond for exhibition or for use in con-

structing, installing, or maintaining foreign exhibits at the fair. Also in line with the individual bills, H.R. 5508 would permit the sale or other disposition for consumption in the United States of such articles subject, however, to payment of applicable customs duties and internal revenue taxes and compliance with the usual marking and labeling requirements. Such duties and taxes would be based on the condition of the article and the rate in effect at the time of its disposition.

In order to permit articles entered for one fair to be transferred to another fair the bill specifically provides for such transfer and also provides for the transfer of such articles from a fair to customs custody or to a foreign trade zone and then to another fair.

Enactment of H.R. 5508 would therefore establish a general procedure as a substitute for individual enactments of bills. It would serve to reduce the legislative burden on the Congress and would result in a considerable saving in time and manpower for the customs service.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, it has been the practice of the Congress in the past to enact legislation as the occasion arose authorizing the duty free importation of articles for exhibition at specific trade fairs. To avoid the necessity for individual bills dealing with each trade fair the administration has recommended to the Congress the enactment of general legislation on this subject. H.R. 5508 would constitute permanent legislation permitting the free entry of exhibition articles at fairs approved by the Secretary of Commerce. Under the legislation when the Secretary of Commerce is satisfied that the public interest will be served by approval of an application, he will so inform the Secretary of the Treasury so that appropriate steps may be taken by the Bureau of Customs to observe the duty free status.

The legislation contains the necessary safeguards to prevent abuse of the privilege of duty free importation. The Committee on Ways and Means was unanimous in approving this legislation and I have joined with the distinguished chairman of the committee in urging the House to take favorable action with respect to it.

The bill was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NET OPERATING LOSS CARRYBACKS

Mr. MILLS. Mr. Speaker, I ask unanmous consent for the immediate consideration of the bill (H.R. 2906) to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts.

The Clerk read the title of the bill.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitations with respect to net operating loss carrybacks) is amended by inserting before the period at the end of the first sentence thereof the following: "; except that if a net operating loss carryback is created by the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later".

(b) Section 322(b)(6) of the Internal Revenue Code of 1939 (relating to special period of limitations with respect to net operating loss carrybacks) is amended by inserting before the period at the end of the first sentence thereof the following: "; except that if a net operating loss carryback is created by the elimination of excessive profits by a renegotiation (as defined in section 3806(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later".

(c) The amendment made by subsection (a) shall apply with respect to claims for credit or refund resulting from the elimination of excessive profits by renegotiation to which section 6511(d)(2) of the Internal Revenue Code of 1954 applies. The amendment made by subsection (b) shall apply with respect to claims for credit or refund resulting from the elimination of excessive profits by renegotiation to which section 322(b)(6) of the Internal Revenue Code of 1939 applies, but only with respect to claims resulting from renegotiations of excessive profits received or accrued for taxable years ending after December 31, 1952.

With the following committee amendments:

Page 1, beginning in line 7, strike out "that if a net operating loss carryback is created by" and insert "that, with respect to an overpayment attributable to the creation of or an increase in a net operating loss carryback as a result of".

Page 2, beginning in line 8, strike out "that if a net operating loss carryback is created by" and insert "that, with respect to an overpayment attributable to the creation of or an increase in a net operating loss carryback as a result of".

The committee amendments were agreed to.

Mr. MILLS. Mr. Speaker, the general rule provided by the Internal Revenue Code with respect to claims for credit or refund provides that such claims must be filed within 3 years from the time the return giving rise to the credit or refund is filed or 2 years from the time the tax is paid, whichever period expires later. However, net operating losses create a special problem and a special rule is now provided by the Code to take care of this problem. Thus, existing law provides that if a claim for credit or refund relates to an overpayment of tax arising from the carryback of a net operating loss, the period in which such claim may be filed is that period ending 38½ months following the end of the taxable year in which the net operating loss arose. Generally speaking, this special period is adequate to protect taxpayers in the ordinary net operating loss carryback situation. However, in cases where the net operating loss arises as a result of the restoration of excessive profits pursuant to renegotiation, the period is not adequate, since renegotiation and the appeals resulting therefrom to the Tax Court of the United States, and under the bill of last year extending the Renegotiation Act to June 30, 1959, to the courts of appeals, the period during which the taxpayer is at risk with respect to a net operating loss can and will often exceed 38½ months. Since it is unfair that the Government should require the restoration of excessive profits on the one hand and deny the taxpayer a credit or refund of the taxes paid with respect to such profits, your committee's bill, as amended, provides a new rule for both the Internal Revenue Codes of 1939 and 1954 stating that, in the case of a net operating loss which is created or increased as a result of the elimination of excessive profits by renegotiation, the period for filing a claim for credit or refund shall not expire until 12 months after the month in which the agreement or order for the elimination or the excessive profits becomes final. It is to be noted that the amendments made by the bill apply only to that portion of the overpayment for any taxable year which is attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by renegotiation. Thus, there will be no extension, by reason of this legislation, for any portion of the overpayment which is not so attributable.

The Committee on Ways and Means was unanimous in ordering H.R. 2906 favorably reported. I urge its adoption by the House.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just been approved by the membership of the House extends the period for filing claims for credit or refund of overpayments of income taxes where such overpayments result from renegotiation findings with respect to Government contracts. Under the bill the period for filing a claim where the overpayment is attributable to a net operating loss carryback resulting from renegotiation procedures is not to expire prior to the end of 1 year after the month in which the renegotiation finding becomes final.

Present law provides a special period somewhat in excess of 3 years for filing a claim for credit or refund where net operating loss carrybacks are present. In general this special period has been found to be adequate. However, a circumstance has recently been brought to the attention of the Committee on Ways and Means where the existing period was not adequate and hardship resulted. The case involves a renegotiation procedure in which final action was not taken until after the special period had run with respect to the year in which the net operating loss arose.

This legislation which was unanimously reported by the membership of the Committee on Ways and Means would correct this tax inequity.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE TAX DEDUCTION FOR CERTAIN CHARITABLE TRANSFERS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 137) to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2053(d) of the Internal Revenue Code of 1954 (relating to deductions from the gross estate for certain State death taxes) is amended to read as follows:

"(d) CERTAIN STATE AND FOREIGN DEATH TAXES.—

"(1) GENERAL RULE.—Notwithstanding the provisions of subsection (c)(1)(B) of this section, for purposes of the tax imposed by section 2001 the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary or his delegate) of—

"(A) any estate, succession, legacy, or inheritance tax imposed by a State or Territory or the District of Columbia, or any possession of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055 or 2106(a)(2), and

"(B) any estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country, in respect of any property situated within such foreign country and included in the gross estate of a citizen or resident of the United States upon a transfer by the decedent for public, charitable, or religious uses described in section 2055.

The determination under subparagraph (B) of the country within which property is situated shall be made in accordance with the rules applicable under subchapter B (sec. 2101 and following) in determining whether property is situated within or without the United States. Any election under this paragraph shall be exercised in accordance with regulations prescribed by the Secretary or his delegate.

"(2) CONDITION FOR ALLOWANCE OF DEDUCTION.—No deduction shall be allowed under paragraph (1) for a State death tax or a foreign death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106(a)(2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in section 2055 and 2106(a)(2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106(a)(2) are required to pay.

"(3) EFFECT ON CREDITS FOR STATE AND FOREIGN DEATH TAXES OF DEDUCTION UNDER THIS SUBSECTION.—

"(A) ELECTION.—An election under this subsection shall be deemed a waiver of the right to claim a credit, against the Federal estate tax, under a death tax convention with any foreign country for any tax or portion thereof in respect of which a deduction is taken under this subsection.

"(B) CROSS REFERENCES.—

"See section 2011(e) for the effect of a deduction taken under this subsection on the credit for State death taxes, and see section 2014(f) for the effect of a deduction taken under this subsection on the credit for foreign death taxes."

SEC. 2. Section 2014 of the Internal Revenue Code of 1954 (relating to credit for foreign death taxes) is amended by adding at the end thereof the following new subsection:

"(f) ADDITIONAL LIMITATION IN CASES INVOLVING A DEDUCTION UNDER SECTION 2053(d).—In any case where a deduction is allowed under section 2053(d) for an estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country upon a transfer by the decedent for public, charitable, or religious uses described in section 2055, the property described in subparagraphs (A), (B), and (C) of paragraphs (1) and (2) of subsection (b) of this section shall not include any property in respect of which such deduction is allowed under section 2053(d)."

SEC. 3. Section 2011(e) of the Internal Revenue Code of 1954 (relating to limitation on credit for State death taxes) is amended—

(1) by striking out "imposed upon a transfer" and inserting in lieu thereof "imposed by a State or Territory or the District of Columbia, or any possession of the United States, upon a transfer";

(2) by striking out "for which a deduction" in paragraph (1) and inserting in lieu thereof "for which such deduction";

(3) by striking out "the deduction authorized by" each place it appears in paragraph (2) and inserting in lieu thereof "such deduction authorized by".

SEC. 4. The amendments made by the preceding sections of this Act shall apply with respect to the estates of decedents dying after the date of the enactment of this Act.

With the following committee amendments:

Page 2, beginning in line 9, strike out "Columbia, or any possession of the United States," and insert "Columbia".

Page 2, line 11, strike out "public" and insert "public,".

Page 2, line 15, strike out "country" and insert "country,".

Page 2, line 18, strike out "States upon" and insert "States, upon a".

Page 4, line 7, strike out "adding at the end thereof" and insert "relettering subsection (f) as subsection (g) and by inserting after subsection (e)".

Page 5, beginning in line 1, strike out "Columbia, or any possession of the United States," and insert "Columbia".

The committee amendments were agreed to.

Mr. MILLS. Mr. Speaker, as Members of the House will recall, prior to the enactment of Public Law 414 of the 84th Congress, a pyramiding of estate taxes resulted in instances of a gift by a decedent for charitable purposes which qualified for deduction under the Federal estate-tax law but which did not so qualify under the provision of applicable State law. This pyramiding came about as a result of the following rules. The amount allowable as a deduction for purposes of the Federal estate tax was limited to the amount payable to the charity. This amount was, of course, reduced by the amount of the State taxes imposed on the value of the gift. The combination of the two taxes, and the resulting pyramiding, could result in the Federal estate tax being increased by much more than the estate tax on the bequest and in a considerable reduction in the amount of the transfer to charity. To prevent this, Public Law 414 granted a deduction to the estate for the amount of the State death taxes imposed upon a charitable transfer in cases where the net decrease in Federal estate taxes resulting from the deduction inured solely to the benefit of a charitable transferee or the entire Federal estate tax is equitably apportioned among all of the transferees of the decedent. However, the rules thus provided do not extend to foreign death taxes, and the pyramiding sought to be avoided by Public Law 414 still results in cases where a foreign tax is imposed upon a gift made to charity where the decedent is subject to the Federal estate tax.

To place such gifts on a parity with gifts subject to the death taxes of a States, the District of Columbia, or the Territories of the United States, H.R. 137 provides that an executor may elect to take a deduction for any foreign death tax actually paid with respect to property situated within the foreign country if such property is included in the gross estate of a citizen or resident of the United States. However, as is presently the case with respect to the deduction for State death taxes, the deduction for foreign death taxes will be allowed only if the decrease in Federal estate tax resulting from the deduction inures solely to the benefit of public, charitable, or religious transferees or if the entire Federal estate tax is equitably apportioned among all of the transferees of the decedent which received property included in the gross estate.

The Committee on Ways and Means was unanimous in ordering H.R. 137 favorably reported. I urge its adoption by the House.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the legislation which has just passed the House relates to the Federal estate tax and would allow a deduction with respect thereto in the case of certain charitable transfers which are subject to foreign death taxes. This bill would make the deduction allowed with respect to foreign death taxes comparable to the present law treatment of deduction for State death taxes.

The effect of the bill is to prevent a pyramiding of Federal estate taxes where foreign death taxes are imposed on a charitable bequest. An executor would be granted an election to take a deduction for an estate, succession, legacy, or inheritance tax paid to a foreign country with respect to property located in that country provided the property is included in the gross estate of a U.S. citizen or resident and is property which would otherwise be transferred for public, charitable, or religious uses.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOCIAL SECURITY COVERAGE FOR CERTAIN SCHOOL EMPLOYEES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate

consideration of the bill (H.R. 213) to provide that certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees without regard to the existing limitations upon the time within which such a modification may be made.

The Clerk read the title of the bill.

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 104(f) of the Social Security Amendments of 1956 is amended by striking out "prior to July 1, 1957."

With the following committee amendment:

Page 1, before the period in line 4, insert "and inserting in lieu thereof 'prior to January 1, 1962,'."

The committee amendment was agreed to.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 213, which was introduced by our colleague, the gentleman from Texas [Mr. PATMAN], is to provide an additional period of time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees. This bill would reinstate, until January 1, 1962, a provision of the Social Security Amendments of 1956 under which eight specified States and the Territory of Hawaii could provide old-age, survivors, and disability insurance coverage for certain nonprofessional school district employees without a referendum and as a group separate from the professional employees who are in positions under the same retirement system. The provision in question was in effect for less than a year and the Committee on Ways and Means has been advised that at least some of the States named in the provision did not secure the desired coverage before the provision expired. Because of the relative shortness of the period during which the provision was in effect, and because the objectives of the legislation were not accomplished during that period, it is desirable that a temporary reinstatement of this provision be made in order to give the specified States additional time in which to obtain coverage under the provision. Since some of the specified States may need State enabling legislation in order to obtain coverage under the provision, and since the legislative bodies of almost all of these States meet only in odd-numbered years, the bill would reinstate the provisions until January 1, 1962.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation, H.R. 213, would allow the modification of certain State agreements entered into with the Secretary of Health, Education, and Welfare so as to provide old-age and survivors insurance coverage for nonprofessional school district employees. This would be accomplished by providing an additional period of time for the modification of these agreements. The prior authority for such modification was in effect for less than a year and expired on July 1, 1957 with the result that certain States did not take timely action to achieve this extension of coverage to the school district employees affected. To provide sufficient time the bill which has just received favorable House consideration would extend the modification authority until January 1, 1962.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title of the bill was amended to read: "A bill to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees."

ESTATE TAX TREATMENT

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1219) to amend section 2038 of the Internal Revenue Code of 1954—relating to revocable transfers.

The Clerk read the title of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2038 of the Internal Revenue Code of 1954 (relating to the treatment of certain revocable transfers for purposes of the estate tax) is amended by adding at the end thereof the following new subsection:

"(c) EFFECT OF DISABILITY IN CERTAIN CASES.—For purposes of this section, in the case of a decedent who was (for a continuous period beginning not less than 3 months before December 31, 1947, and ending with his death) under a mental disability to relinquish a power, the term 'power' shall not include a power the relinquishment of which on or after January 1, 1940, and on or before December 31, 1947, would, by reason of section 1000(e) of the Internal Revenue Code of 1939, be deemed not to be a transfer of property for purposes of chapter 4 of the Internal Revenue Code of 1939."

SEC. 2. The amendment made by the first section of this Act shall apply only with respect to estates of decedents dying after August 16, 1954. No interest shall be allowed or paid on any overpayment resulting from the application of the amendment made by the first section of this Act with respect to any payment made before the date of the enactment of this Act.

Mr. MILLS. Mr. Speaker, under present law the gross estate of a decedent, for purposes of the Federal estate tax, includes property held in trust if the grantor of the trust reserves the right to change the trust beneficiaries even though in all other respects he has no interest in the corpus of the trust. Under the 1939 code, in the case of trusts created prior to January 1, 1939, a retained power to change beneficiaries could be relinquished if done so on or after January 1, 1940, or on or before December 31, 1947, without the imposition of a gift tax. In addition, as a result of the Technical Changes Act of 1953, in the case of mentally incompetent decedents who died after December 31, 1950, no Federal estate tax was imposed with respect to the corpus of a trust with a retained power to change beneficiaries if such property would have been free of gift tax had the power been relinquished under section 1000(e) of the 1939 code. This latter rule is applicable if the decedent was under a mental disability for a period beginning at least 3 months prior to December 31, 1947, and continuing to the date of his death. The rule of the Technical Changes Act of 1953 was extended by Public Law 414 of the 84th Congress to decedents dying after December 31, 1947.

Because of the limitations contained in the Technical Changes Act of 1953, and Public Law 414 of the 84th Congress, notwithstanding the incompetence of the decedent to relinquish a power, such decedent's gross estate would include all property with respect to which he had a retained power if the decedent was mentally incompetent for a period 3 months or more before December 31, 1947, and continued so until the date of his death if his death occurred after August 16, 1954. To place the estates of such decedents on a parity with estates of decedents dying in years to which the 1939 code applies, H.R. 1219 provides that the term "power" is not to include a power, the relinquishment of which during the period January 1, 1940, to December 31, 1957, would have been free of the gift tax imposed by the 1939 code as a result of section 1000(e) of such code. This new exception for mentally incompetent decedents will apply under the bill to all years from 1947 on so long as the decedent is mentally incompetent from October 1, 1947, to the date of his death.

This bill was unanimously reported by the Committee on Ways and Means, and I urge its adoption by the House.

Mr. BENTLEY. Mr. Speaker, I would like to speak on behalf of my bill, H.R. 1219. My bill would amend section 2038 of the Internal Revenue Code of 1954, which relates to the treatment of revocable transfers under the estate tax, and it will limit its application in the case of certain mentally incompetent decedents.

Under section 2038 of the 1954 Internal Revenue Code, there is required to be included in the gross estate of the decedent—as an interest passing out of him at death—for estate tax purposes certain property held in trust where the trust grantor reserves the right to change beneficiaries of the trust, although he has otherwise divested himself of interest in the trust property.

My bill adds a provision to the 1954 code relating to persons who have been mentally incompetent for a period beginning at least 3 months prior to December 31, 1947, and who remain so until the date of their death. My bill provides that any powers such persons have at the date of their death to change beneficiaries of a trust they created are not to result in such property being included in their gross estate for estate tax purposes.

This legislation would extend under the 1954 code the same relief as existed under the 1939 code. The section involved in the 1939 code—section 811(d)(4)—was not carried over into the 1954 code. The relief granted by the 1939 code was limited to decedents dying before August 17, 1954. My bill amends

the 1954 code to extend exactly the same estate tax relief provided under the 1939 code to estates of decedents dying after August 16, 1954.

Thus as a result of this bill, the exception for mentally incompetent persons will apply to all years from 1947 forward so long as the decedent involved is mentally incompetent from October 1, 1947, to the date of his death. I feel certain that had the decedents involved been mentally competent they undoubtedly would have relinquished their powers within the prescribed period, and as a result would not have had property in question included in their gross estate for estate tax purposes.

I certainly hope the House takes favorable action on this badly needed legislation.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, existing law requires that for Federal estate tax purposes there be included in the gross estate of a decedent property held in trust where the grantor of the trust has reserved the power to redesignate the beneficiaries even though in all other respects the grantor has fully divested himself of any interest in the trust property. The bill H.R. 1219 would alleviate a hardship that results under existing law where a person vested with a power of appointment fails to exercise that power because of his becoming mentally incompetent. Thus, under the bill any powers that a person may have at the date of his death to change beneficiaries are not to result in such property being included in his gross estate where the failure to exercise the power is attributable to mental incompetency.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF PROCESSING TAX ON PALM OIL

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 147) to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations or mixtures thereof.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the tax imposed under section 4511(a) of the Internal Revenue Code of 1954 shall not apply with respect to the first domestic processing of palm oil, palm-kernel oil, fatty acids derived therefrom, or salts thereof, or of any combination or mixture solely because such combination or mixture contains a substantial quantity of one or more of such oils, fatty acids, or salts, during the period beginning with the first day of the first month which begins more than 10 days after the date of the enactment of this Act and ending with the close of June 30, 1960.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the bill, H.R. 147, which was introduced by our colleague on the Committee on Ways and Means, the gentleman from New York, the Honorable EUGENE J. KEOGH, and which was approved unanimouly by the Committee on Ways and Means, corrects an inequitable competitive situation arising from Public LAW 85–235 which suspended through June 30, 1960, the tax of 3 cents per pound imposed upon the first domestic processing of coconut oil.

The tax on the first domestic processing of coconut oil is imposed by section 4511 of the Internal Revenue Code of 1954. This same section imposes the same 3 cents per pound tax on the first domestic processing of palm oil, palm kernel oil, and fatty acids or salts derived therefrom. All of these oils are used for broadly similar purposes such as in the production of soap. The temporary suspension of the tax on coconut oil had the unintended result of placing palm oil and palm kernel oil at a serious competitive disadvantage. This bill provides that the temporary suspension of tax through June 30, 1960, presently provided for coconut oil will be extended to palm oil and palm kernel oil.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 147 would provide for the suspension of the 3-cent-per-pound tax on the first domestic processing of palm oil and related products. This legislation would improve the competitive position of the oils affected by the bill with other oils on which Congress has suspended the tax otherwise imposed on the domestic processing.

FREE IMPORTATION OF TOURIST LITERATURE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph 1629 of the Tariff Act of 1930 is hereby amended by adding at the end thereof a new subparagraph to read as follows:

"(d) Tourist literature containing historical, geographic, timetable, travel, hotel, or similar information, chiefly with respect to places or travel facilities outside the continental United States, issued by foreign governments or departments, agencies, or political subdivisions thereof, boards of trade, chambers of commerce, automobile associations, or similar organizations or associations."

(b) This Act shall be effective as to merchandise entered for consumption or withdrawn from warehouse for consumption on or after the day after the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 2411, which was introduced by our colleague from the State of Washington, the Honorable DON MAGNUSON, is to amend paragraph 1629 of the Tariff Act of 1930, a free-list provision, by adding at the end thereof a new subparagraph covering tourist literature issued by certain groups and which relates chiefly to places or travel facilities outside the continental United States.

The basic statutory language in the tariff schedules of the Tariff Act of 1930 does not specifically mention tourist literature. In the schedules of that act such literature is embraced within broader tariff provisions in several paragraphs, chiefly paragraph 1410. Certain classes of tourist literature have been carved out of the broader statutory provisions as a result of trade-agreement concessions and are presently dutiable at reduced rates of duty. Thus, the type of tourist literature that is principally covered by this bill is presently dutiable at the rate of 3¾ percent ad valorem if of bona fide foreign authorship and at the rate of 6¼ percent if not of such authorship. Paragraph 1629 provides for the free entry of public documents issued by foreign governments, and this provision has been held to include tourist literature issued wholly by or at the instance and expense of a foreign government or subdivision thereof. The purpose and effect of H.R. 2411 is to simplify the tariff treatment of such tourist literature and to extend the application of the duty-free treatment to a broader class of tourist literature.

During the course of consideration of an identical bill which was reported favorably to the House last year, and which passed the House unanimously, the Committee on Ways and Means was assured that this bill would not affect or in any way alter existing statutory controls on the importation of so-called subversive or propaganda material.

Favorable reports on this legislation were received from the Departments of State and Treasury, as well as an informative report from the Tariff Commission.

The committee is unanimous in recommending the enactment of H.R. 2411.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, this legislation would amend the Tariff Act so as to provide for the free importation of tourist literature relating to places or travel facilities outside the continental United States.

The Committee on Ways and Means was unanimous in approving this amendment to the Tariff Act.

PROVIDING FOR THE FREE ENTRY OF CERTAIN CHAPEL BELLS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3681) to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to admit free of duty twenty-five chapel bells, which are more particularly described as two fully chromatic octaves, twenty-five bells, in the key of C, number 22 size, imported for the use of the Abelard Reynolds School Numbered 42, Rochester, N.Y.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 3681, which was unanimously reported by the Committee on Ways and Means, is to authorize and direct the Secretary of the Treasury to admit free of duty 25 chapel bells imported for the use of the Abelard Reynolds School, No. 42, Rochester, N.Y. The Committee on Ways and Means was advised, during the course of consideration of an identical bill which was reported favorably to the House last year, that the bells range from 2 to 8 inches in diameter, and would be used for the musical training and appreciation of students at the school, remaining the property of the school. The committee was further advised that these bells are not manufactured in the United States.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, as explained by the distinguished chairman of the Committee on Ways and Means, the legislation which has just passed the House would permit the importation duty free of a set of chapel bells for the use of the Abelard Reynolds School, No. 42, in Rochester, N.Y.

In the consideration of this legislation the Committee on Ways and Means was informed that bells of the type that would be authorized for importation under this legislation are not manufactured in the United States. The Committee on Ways and Means was unanimous in approving this legislation.

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES—TREATMENT OF ACCRUED ANNUAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3472) to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

Mr. MARSHALL. Mr. Speaker, reserving the right to object, I would like to ask a few questions about this bill.

I wonder if the chairman could tell me in connection with this particular bill what the attitude of the committee is in reference to it.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 3472, which was introduced by our colleague on the Committee on Ways and Means, the gentleman from Rhode Island, the Honorable AIME J. FORAND, is to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal civilian employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws.

Title XV of the Social Security Act, which established the Federal employees' unemployment insurance program, provides for the administration of that program by the States under agreements with the Federal Government. Section 1505 of this title, however, presently provides that no compensation may be paid to a Federal employee during a period subsequent to separation from Federal service when he is being paid for accrued annual leave. This bill, by repealing section 1505, would make the award of unemployment compensation to a separated Federal civilian employee while he has accrued annual leave depend upon the provisions of the appropriate State unemployment compensation law.

The Federal civilian worker would then be treated in exactly the same manner as workers in private industry who receive similar annual leave payments upon separation.

Favorable reports on similar legislation last year were received from the Departments of Labor, Treasury, and Health, Education, and Welfare, as well as an informative report from the U.S. Civil Service Commission.

This bill was unanimously reported by the Committee on Ways and Means.

The committee reached the conclusion it did about the bill because the Federal civilian worker would then, under this bill, be treated exactly in the same manner, with respect to annual leave payments, as workers in private industry who receive similar annual leave payment upon separation.

Mr. MARSHALL. Can the gentleman tell me whether or not in some States employees are eligible to collect annual leave and unemployment compensation for the same period of time?

Mr. MILLS. There are some States that provide that a worker who is not a separated civil service employee of the Federal Government but who is a worker in private industry may receive unemployment compensation during the time he is receiving his annual leave payments; that is, upon separation from his private employment. Section 1505 of the Social Security Act prevents a Federal civilian employee, in a State where this may occur with respect to private employees, from receiving the same treatment as the employee in private industry. We were trying to equalize the situation between private and Federal employment in those States where private employees receive this treatment.

Mr. MARSHALL. Will not this make it possible for inequities in the treatment of Federal employees as between the different States of the union?

Mr. MILLS. Now, the gentleman from Minnesota recognizes, I am sure, that unemployment compensation is largely based upon State statutes. It operates in each and every State upon the basis of the State statutes, and the State statutes in the several States vary with respect to many points. Now, some States do allow this separated private employee to receive these benefits while his accrued leave is coming to him. In those States we thought it was fair, since the State law is controlling—because we want to leave the responsibility on the States—that we let our Federal employees be treated just as other employees are presently being treated and that we not prohibit by Federal statute this benefit from being received for this limited period of time by the Federal civilian employees.

Mr. MARSHALL. Is there any possibility that this may lead to a wholesale transfer of Federal employees in order that they may be transferred into States in order to collect their unemployment compensation and annual leave on the same basis?

Mr. MILLS. The gentleman's judgment on that point I would have to take, because I have no information whatsoever that leads me to believe that the Federal Government would precipitously transfer an individual in Washington or some other State into one State just in order for him to receive unemployment compensation at an earlier date than he would otherwise receive it. Now, the period we are talking about, annual leave, the gentleman from Minnesota knows, is not for an extended period at best.

Mr. MARSHALL. Could the distinguished chairman tell me about how much it is anticipated that this will cost the Federal Government?

Mr. MILLS. We asked that question when we had this matter in the committee. We did not get a firm estimate of the cost. It could only involve that period of time for which the individual, the separated Federal civilian employee, is drawing annual leave. He would get his benefits for a certain duration under State law, anyway. Now, if the State law provided for him to receive 26 weeks of benefits, let us say, at $30 a week, he would generally get that amount if he remained unemployed whether we enact this provision or not. This action here does not mean that he would get any more than $30 for that number of weeks. That is all he can get. That is determined by State law. It is just a question of whether or not the commencement of the benefit payment under State law for the prescribed duration period will begin while he is receiving annual leave or whether it will commence after he has exhausted his annual leave. I do not see that it could add any material amount, because we are not extending it. We are not saying that the Federal Government will pay more. We are just saying that the State can begin this payment at perhaps an earlier date than it would under the provisions of existing law, in the light of section 1505.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Rhode Island.

Mr. FORAND. I would like to emphasize that this is not separation pay, but it is annual leave accrued to the individual to which he has a right. If he takes a vacation, all right, his time is used up. If, instead, he continues to work but has accrued that vacation period credit, he is entitled to that whether he is receiving unemployment compensation or not. The two are separate and distinct. The point we are trying to clear up is the discrimination now existing against Federal employees who live in States where the State recognizes that an individual in private employment is entitled to unemployment compensation, whereas the same kind of treatment should apply to a Federal employee.

Mr. MARSHALL. I appreciate what the gentleman from Rhode Island is trying to do and I am sympathetic to a certain extent with what he is trying to do. It seems to me that the problem we face on this proposition is that this is a matter of Federal employees getting a different interpretation as between the different States. I realize that some of that is beyond the gentleman's control, because it is a State matter. But there is another feature that is not being considered here, but is tied in to it. In a number of States we are now paying unemployment compensation to Federal employees who are collecting their annuities. That is costing us up into the millions of dollars. It seems to me that that is decidedly unfair. I appreciate that that is separate from what the gentleman is trying to do here. But it does seem to me that this does create some discrepancy.

It was my intention today to point the matter up as far as the Congress is concerned in order that we may have a clearer understanding of it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective only with respect to benefit years which begin more than thirty days after the date of enactment of this Act, section 1505 of the Social Security Act (42 U.S.C. 1365) is hereby repealed.

With the following committee amendment:

Page 1, after line 6, insert:

"SEC. 2. Section 1511(f) of the Social Security Act (42 U.S.C. 1371 (f)) is amended by striking out 'section 1505 applies' and inserting in lieu thereof 'section 1505 continues (without regard to its repeal) to apply'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, H.R. 3472 would amend the Social Security Act so that accrued annual leave for Federal civilian employees would be treated in accordance with State law in determining the employee's eligibility for unemployment compensation.

The Committee on Ways and Means was unanimous in approving this legislation. It is an appropriate amendment to the law because unemployment compensation is intended to maintain in part an employee's purchasing power during a period of temporary unemployment whereas the accrued annual leave of the employee is predicated on the concept that employees earn vacation rights as a result of their employment.

I am happy to have joined in supporting the favorable House action just taken on this legislation.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the authors of these various bills just passed have permission to extend their remarks in the RECORD following the passage of each bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SPECIAL MILK PROGRAM, FISCAL YEAR 1959

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOEVEN. Mr. Speaker, reserving the right to object, and I shall not object, will the gentleman please explain the bill for the information of the House?

Mr. JOHNSON of Wisconsin. Mr. Speaker, it was brought out by a survey in the Department of Agriculture by the people administering the special milk program that up until July 1 of this year there would be a shortage in some 37 States of about $3 million for the carrying out of this program. I introduced legislation that would have increased the appropriation to $5 million for fiscal 1959, and another bill for $10 million for fiscal 1960 and 1961. But the bill was amended unanimously in the committee, which lowered it to $3 million. All this bill does is increase the authorization $3 million from commodity credit fund for the special school milk program. That takes it up to July 1959.

Mr. HOEVEN. Mr. Speaker, this is the popular school milk program which was first proposed by our late colleague, August H. Andresen, of Minnesota. The program has been carried on successfully since that time. It is true, as the gentleman has stated, that the original bill called for an appropriation of $80 million for the current fiscal year. The committee unanimously agreed upon a figure of $78 million for this fiscal year. Although the Department of Agriculture testified that $75 million might be sufficient to carry on the program this year, surveys as to needs might possibly show an expenditure of $77.1 million would be necessary. In order to meet any contingencies, the committee raised the figure to $78 million.

May I ask the gentleman whether or not the expenditure of the money is permissive as far as the Secretary of Agriculture is concerned?

Mr. JOHNSON of Wisconsin. That is right. The Secretary does not have to spend the money, but if it is needed to carry out the program, he has the right to do so.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. HOFFMAN of Michigan. I know that the gentleman has complete and accurate knowledge of the situation with reference to milk, but what I was interested in was whether this had anything to do with the monopoly that the Maryland and Virginia Milk Producers have in the situation here?

Mr. HOEVEN. All we know about the supposed monopoly, I will say to the gentleman——

Mr. HOFFMAN of Michigan. Supposed? It is a monopoly; we all know that. Surely the leader knows that.

Mr. HOEVEN. The only thing I know about it is what I read in the newspapers.

Mr. HOFFMAN of Michigan. Does this bill help out these Wisconsin milk producers and those over in Pennsylvania and that milk that is coming in from New Jersey?

Mr. HOEVEN. I would say this bill certainly benefits the milk producers of Wisconsin, Michigan, and other areas. If it is going to make the continued flow of this milk into school channels possible, and an added appropriation can authorize you to carry on the work.

Mr. HOFFMAN of Michigan. Let us see about that now.

The SPEAKER. The Chair was advised that this bill would be considered under a unanimous-consent request and was not going to take much time. If this bill is going to take much time, the Chair will be compelled to ask the gentleman from Wisconsin to withdraw the bill, at least temporarily.

Mr. HOFFMAN of Michigan. Can I not get permission for either one of them to yield for a minute?

The SPEAKER. The gentleman may.

Mr. HOFFMAN of Michigan. I mean, may I try?

The SPEAKER. The gentleman may try.

Mr. HOFFMAN of Michigan. Who has the time?

The SPEAKER. The gentleman from Wisconsin. The gentleman from Iowa has taken his seat. The gentleman from Michigan reserves the right to object.

Mr. HOFFMAN of Michigan. Yes; and I do object. I want to ask the gentleman just what I asked in the first place. If he had answered, we would have been way along on our way. My question is whether this proposed legislation has anything to do with this monopoly that the Maryland and Virginia dairymen have on the supply that goes into the District.

Mr. JOHNSON of Wisconsin. None whatsoever. This affects the whole country.

Mr. HOFFMAN of Michigan. It does not prevent the Wisconsin or Pennsylvania fellows from getting their milk in here?

Mr. JOHNSON of Wisconsin. This affects the schoolchildren of the whole country.

Mr. HOFFMAN of Michigan. Then I am as a milk consumer here to pay that same high price?

Mr. GROSS. Reserving the right to object, Mr. Speaker, will this have anything to do with permitting the bringing into the District of any of that so-called "tired" milk from Wisconsin or Iowa?

Mr. JOHNSON of Wisconsin. This is so the schoolchildren all over the country will have milk in the special school-milk program for the balance of fiscal 1959.

Mr. GROSS. It will be very nutritious milk, even though it is "tired" milk.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, I fully support the legislation pending before the House today to make additional funds of the Commodity Credit Corporation available to meet the needs of the special milk program for the remaining months of the 1959 fiscal year.

According to the table submitted by the Department of Agriculture, well over half of the State agencies feel they do not have sufficient funds to operate the program in schools throughout the end of the school year and to take care of the June operations in summer camps. I understand the point made by the Department of Agriculture that some of the States subsequently may spend less, but States must plan on the basis of their best expectations.

Gordon Gunderson, who heads up the program for the State department of public instruction in Wisconsin, in testimony before the House Agriculture Committee, indicated the actions open to State agencies which anticipate a deficit. Any one of those actions, it seems to me, means curtailed consumption this year and next year, too.

My own bill, H.R. 5413, would have increased the authorization to $80 million this year and then provide an additional $5 million for each of the next 2 fiscal years. There is an immediate need to reassure States that funds will be available to meet all of this year's needs. But, we need also to take early action with respect to the program for next year. School people do not start to plan their programs when school opens in the fall—they must be all set to begin operations by that date. Actually, I would think that the Department of Agriculture should be in a position to outline next year's program to the States by late April.

This program has been remarkably successful. Milk service is now available to about three out of every four children in school and that about half the children in school are regularly drinking milk with the school lunch or under the special milk program. That is a fine record, but it also means that we have not yet exhausted the full potential of the program. It is no time to be trying to reduce or even stabilize it. As long as the Department needs to buy surplus dairy products, we should continue full efforts to move that milk in fluid form to our young children. That is much better for children and much better for dairy producers.

The 2 billion half-pints of milk that moved under this program last year had a healthy influence on children, helped reduce Government purchases of manufactured dairy products, widened fluid markets, and helped form the milk-drinking habit among our young people.

The Congress needs to take early action to see that these benefits are continued in full effectiveness. I am cooperating fully with my friend the gentleman from Wisconsin [Mr. JOHNSON] in securing passage of this temporary legislation today.

I realize the urgency of this request to take care of the remaining portion of the year 1959. The gentleman, I am sure, is also aware of the fact that we do have a problem as far as the fiscal year 1960 is concerned. The program for 1960 is such that it will be necessary for the States to make their plans within the next 2 months. It was my hope we would be able to give consideration to the next year's program at an early date. We should also give some consideration to placing this program on a direct appropriation basis. I will introduce legislation this afternoon to take care of next year's program and will place the milk program on a permanent direct appropriation basis.

Mr. JOHNSON of Wisconsin. I am very hopeful that the Dairy Subcommittee will hold hearings on fiscal 1960 and 1961 special milk program right after the Easter recess. I have been promised by the chairman of that subcommittee that hearings will be held right after the Easter recess.

I might say to the gentleman from Wisconsin [Mr. LAIRD] I also have introduced a bill that would take care of the possible shortage for fiscal 1960 and 1961; but to be sure that the special school milk program was not cut, I agreed to wait and take care of the immediate problem before the Easter recess so no reduction would be had in this worthy program.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85–478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed $80,000,000, and for each of the two fiscal years thereafter, not to exceed $75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

With the following committee amendment:

Page 1, line 5, strike out "$80,000,000" and insert "$78,000,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent that I may extend my remarks at this point in the RECORD and include extraneous matter, and that all interested Members may extend their remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, on March 4, 1959, I introduced two bills in the House of Representatives that would increase the amount of Commodity Credit Corporation funds which could be used for the special milk program for schools and summer camps. My first bill, H.R. 5247, proposed that the authorization for the program for the fiscal year ending June 30, 1959, be increased from $75 million to $80 million. The second bill, H.R. 5248, provided for future expansion of the program as well as a temporary increase for fiscal 1959. Under the provisions of this bill, $80 million would be authorized to carry the program through this fiscal year, and the funds would be increased to $85 million for both 1960 and 1961.

The urgency of the situation is illustrated by the fact that 37 States and the District of Columbia will be forced to curtail operations in this field unless additional funds are authorized soon. According to a survey made by the U.S. Department of Agriculture, the total deficit for the fiscal year ending June 30, 1959, would be $3,378,569 if the program was carried on at the current level until the end of that time. My home State of Wisconsin has an indicated deficit of $102,097.

California will fall $680,936 short of meeting its estimated milk fund needs. As our population increases, the school enrollment naturally keeps going up. These health programs for our young people must be expanded to keep pace with that growth.

Last June, Congress authorized a 3-year extension of the special milk program with an annual authorization of $75 million. This is already proving insufficient. And unless we increase the authorization soon, those 37 States and the District of Columbia will have to tell their schools to cut down the milk supply to children who need it. In addition, the uncertainty over funds will seriously hamper the summer camp milk program, for now is the time when camp managers are making their food plans for the coming season.

Mr. Speaker, because the situation called for immediate action, Congressman COOLEY scheduled hearings March 17 by the House Agriculture Committee on my bills and similar ones which had been introduced by several of my colleagues. In order to secure a unanimous report in favor of my emergency bill, H.R. 5247, the committee adopted an amendment cutting the proposed increase for fiscal 1959 from $80 million

to $78 million. This was done at the insistence of the U.S. Department of Agriculture, which opposed any increase at all. My long-range bill, H.R. 5248, will be studied further by the Dairy and Poultry Subcommittee of the House Agriculture Committee after Congress reconvenes following the Easter recess.

I would like to read a telegram from R. W. Fenske, superintendent of schools at Wisconsin Dells, Wis. He said:

Anything you can do to assure passage of these bills will be appreciated.

He and other educators know that the special milk program is one of the most successful programs of the U.S. Department of Agriculture. If adequate funds are available, over 2 billion half-pints of milk will be consumed under the plan. Added to the 2 billion half-pints used in the school lunch program, this represents about 3.5 percent of all the fluid milk consumed by our nonfarm population. Around 80,000 schools are taking part in the milk program, and about 22 million children are drinking milk at school either under the school lunch program or at recess breaks as part of the special milk plan.

Mr. Speaker, the 80,000 figure does not include the summer camps using the program. If you recall, I introduced the bill to extend the special milk program to the summer camps, and it became a law in 1956. The following year, 2,220 camps participated. In 1958, the number increased to 3,026. I would like to see this worthwhile program continue to expand, but it will not—it can not—unless enough funds are made available.

Although the funds for the special milk program come under the U.S. Department of Agriculture budget, I do not feel it is fair to charge the cost of the program to the farmers. This is one of the farm programs which does as much good for city folks as it does for the farmer. That's why the cost of this humanitarian program should not be lumped with the cost of Government purchases of surplus food, as is now being done. This kind of accounting presents an untrue picture of the expense of the price support program, a picture which is grossly unfair to our farmers.

Mr. Speaker, I can think of no finer investment than one which insures that this country's children continue to receive the full benefits of the special milk program. Few responsibile citizens will quarrel with the idea that the kids of this Nation are entitled to an adequate supply of the world's most complete food—milk. It seems to me that it is far better to use Commodity Credit Corporation funds to encourage children to drink more milk than to use the money to buy surplus butter, cheese and dry milk. When it comes right down to it, that's the choice we are facing—more money for the special milk program or more price support purchases of dairy products.

When the hearings were held on H.R. 5247 and H.R. 5248, Gordon W. Gunderson, administrative assistant to the Wisconsin State superintendent of public instruction, came to Washington, D.C., to testify in support of my bills to expand the special milk program. Mr. Gunderson is a native of Colfax, Wis., which is in my home District, the Ninth He has a long and outstanding record of public service to the people of our State.

Mr. Speaker, during the depression of the 1930's. Mr. Gunderson served as director of the Wisconsin Home and Farm Credit Administration, which undertook a special program of refinancing farm and home loans in order to put an end to the widespread foreclosures then taking place. After this emergency was over, Mr. Gunderson, as a State representative of the U.S. Department of Agriculture, helped establish the school lunch program in Wisconsin. During World War II, he served as State director of the War Food Administration and had under his direction the administration of all war food orders affecting food processing and so forth.

With the transfer of school lunch activities to the department of pubic instruction in 1946, Mr. Gunderson was employed by that department to supervise the school lunch program in Wisconsin. Approximately a year later, the U.S. Department of Agriculture turned over to the State the distribution of commodities to schools, and he took on this additional job. The special milk program in our State has been under his supervision since 1954.

Mr. Gunderson appeared before the House Agriculture Committee in behalf of the American School Food Service Association and the Wisconsin Department of Public Instruction. Under leave to extend my remarks, I want to include his testimony in the RECORD:

STATEMENT BY GORDON W. GUNDERSON ON THE SPECIAL MILK PROGRAM BEFORE THE HOUSE AGRICULTURE COMMITTEE, MARCH 17, 1959

I greatly appreciate the opportunity to testify before this committee on behalf of the special milk program.

I am here today representing the American School Food Service Association—an organization of some 16,000 members including State school lunch directors, county and district school lunch supervisors and managers of individual school lunch programs. I am also representing the Wisconsin Department of Public Instruction. In this department, I am the supervisor of the school lunch, special milk, and commodity distributing program.

The special milk program is now drawing to the close of its fifth year of operation. From the time that Lodi, Wis., the first school in the Nation to begin the operation of the program, served special school milk to its 530 pupils in September of 1954, there has been a steady growth at an ever-increasing rate to reach a total of more than 19 million children in 76,000 schools and child-care institutions and a consumption of more than 1.9 billion half pints of milk in 1958. This astounding achievement is in line with the objectives desired at the time of the enactment of the legislation and all through the 5-year period, even up to the present time.

During the 1954–55 school year numerous federally financed research projects were undertaken in many of the States to discover problems which might hinder the rapid and extensive expansion of the program and to explore new and more effective ways of increasing milk consumption in schools. These projects included experiments concerning effect of new times of service in schools; milk handling practices and temperature controls; use of milk vending machines; use of container sizes other than the usual one-half pint; the serving of flavored milk; and the effect of various levels of price reduction. In Wisconsin we cooperated in the study of price reduction. Other studies were undertaken in at least 11 other States. The data which were gathered was published by the U.S. Department of Agriculture and submitted to all of the State agencies administering the special milk program in order that they might take advantage of any new or improved ideas in milk service to the end that there might be a rapid gain in milk consumption throughout the Nation. In its preface to the "Service Guide for States," dated February 1959, the U.S. Department of Agriculture has stated: "The Department of Agriculture believes that a many-sided approach is necessary to realize the potentialities of the program. It hopes that the program will:

"(1) Make the service of milk possible to schools or eligible child-care institutions not now serving milk;

"(2) Encourage a larger percentage of children to drink milk in those schools and child-care institutions where milk is now available; and

"(3) Offer an opportunity to those children now drinking milk, to drink more milk, if they so desire.

"Reimbursement funds available under the special milk program will make possible reductions in the price at which milk is offered to children and enable schools and institutions to make more milk available for consumption by children. * * * The Department recognizes that a price reduction is but one of several ways in which increased milk consumption can be encouraged; other ways include the establishment of new times for and their method of serving milk, and continuing efforts to better acquaint children with the importance of drinking adequate amounts of milk. Planning for increased efforts along these lines necessarily must rest largely in the hands of interested State and local groups * * *. The special milk program provides another opportunity to assist in local efforts to improve the diets and health of children."

It is evident that this has consistently been the policy of the U.S. Department of Agriculture since the foregoing quotations are almost word for word identical with those in the preface to the "Service Guide" issued in November 1956. State agencies having the responsibility for the administration of the program have accepted this policy at its face value. They have sought and have obtained the cooperation and services of farm organizations, milk distributors and national, State, and local agencies and organizations concerned with the health and welfare of children. These united efforts have made possible the expansion of the program to the point where it appears that the funds available for the current fiscal year will not be adequate to meet obligations under the terms of the agreements which have been entered into with participating schools. In Wisconsin we have approved 131 new applications during the current school term. On the national basis, the increase is approximately 7,000 schools over last year.

In the division of Federal funds among the States for the financing of the program for the current year, the U.S. Department of Agriculture has set aside a reserve for each State equivalent to 112 percent of the State's estimated expenditure during fiscal year 1958. Any funds needed by an individual State in excess of this reserve could be provided only to the extent to which funds could be recaptured from States not utilizing their full reserve.

Information published by the U.S. Department of Agriculture shows that 38 States indicate a deficit totaling $3,060,250. In addition, four of the five area offices of the

U.S. Department of Agriculture indicate a deficit of $318,310.

What will be the effect of this shortage of funds in these States? The respective State agency will be obligated to take one or more of the following actions:

1. Immediately reduce rates of reimbursement to all participating schools to a point which would enable the continuation of the program to the end of the school year, or

2. Continue payments at the contractual rates until funds are exhausted and then terminate all contracts.

3. Reject all new applications for participation for the remainder of the school term.

4. Curtail or eliminate completely participation by summer camps for children.

Certainly any curtailment in the program before the end of the school term would have a devastating effect upon the program not only for the current year but for the years that lie ahead. The major effects would be:

1. An immediate reduction in consumption of milk.

The Wisconsin experiment concerning the effect of price reductions upon consumption of milk by schoolchildren proved conclusively that:

(a) The greater the price reduction, the greater was the increase in consumption.

(b) Reduced prices resulted in increased numbers of children drinking milk in school.

(c) The increased milk consumption at school was new consumption, not the replacement of home consumption.

2. Total exclusion from participation, or reduced consumption by children from low income families.

The St. Louis study conducted in 1955–56 showed that "pupils in elementary schools serving low income districts drank about 171 percent more milk, other than with meals, and students from the middle income districts drank about 157 percent more during the 1955–56 school year than in the previous year. * * * Pupils in schools serving high income districts increased their consumption by only 44 percent * * * the increase demonstrates a greater effect on those in the lower income school districts when price is reduced."

3. Dissuasion from participation in the coming year. Whether or not any school faced with a reduction in reimbursement rate or cancellation of the contract at this time of the school year will even consider renewing its contract for the coming year without a guarantee of continuous payment at full rate throughout the year is problematical, to say the least. Certainly it will act as a serious deterrent to participation by new schools.

The significance of the program becomes extremely interesting and vivid when we convert the millions of half pints of milk consumed into terms of butter, cheese, and powdered milk. Applying the formula that 100 pounds of 3.5 percent milk will produce 4.2 pounds of butter plus 8.5 pounds of nonfat dry milk solids, or 9 pounds of American cheese, we can readily determine that the more than 1.9 billion half pints of milk consumed by our schoolchildren in the past fiscal year would have produced more than 43 million pounds of butter plus more than 72 million pounds of nonfat dry milk, or more than 92 million pounds of American cheese. I believe it is reasonable to assume further that much of this would have found its way into Government warehouses. But the additional butter and powdered milk or American cheese would not have been eaten by American schoolchildren since they have already consumed these products from Government donated stocks at a maximum rate.

It appears to me, therefore, that we face the problem of providing additional funds with which to finance the special milk program or face the probably even greater problem of purchasing and disposing of additional surplus dairy products.

We would support the proposition that the needed funds be made available for the continuation of the special milk program at full capacity and at full rate of reimbursement for the remainder of the current year and for the next 2 years as a health-giving, sound economic program for all concerned.

From an overall fiscal viewpoint, I think we should remember that the special milk program has not utilized the total funds made available in any previous year, so that in the aggregate the expenditure has been less than anticipated. The additional funds required for the current year, plus addition amounts for each of the next 2 years are authorizations and set maximum limits. Only to the extent that the program needs additional funds would CCC funds be called upon. If full use of the authorized funds is not needed in the program, there would be no call on CCC for the funds.

INTERIOR DEPARTMENT APPROPRIATION BILL, 1960

Mr. KIRWAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; and, pending that, I ask unanimous consent that general debate on the bill be limited to 1 hour, one-half the time to be controlled by the gentleman from Iowa [Mr. JENSEN] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5915, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. KIRWAN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman and Members of the Committee, every year that I come down here to present this bill to the House, I make the same statement, and I will make it again today. I only regret that this bill is not for about $1 billion. If ever there was a country that could afford to spend a billion dollars on itself, it is this country and its Territories—and I mean that sincerely. In the district that I happen to represent, they evacuated people twice in zero weather in the month of February within a short space of 2 weeks. The people had to be taken out of their homes in row boats. There was $10 million worth of damage done just in that little bit of river. So, I repeat again, if there was ever a nation that we should spend money on, it is this Nation. But, the President has asked for a balanced budget of $77 billion. We have before us today the request of the Department of the Interior. I think this committee, that reported this bill out unanimously, did a sound job, and I am going to make every effort to explain to you the basis for the committee's action.

The committee found certain inconsistencies in the budget estimates as well as provision for many items for which there can be no valid justification in these critical budget times. For example, the budget included large increases for national parkways and acquisition of additional park lands and at the same time proposed a decrease of $2 million for forest roads needed for access to timber, the sale of which would increase receipts to the Federal Treasury.

Forest receipts for the current fiscal yeare are estimated at over $100 million, and yet the budget proposed to reduce the funds for access roads that would make possible even greater timber receipts.

The budget also proposed an appropriation of $836,400 in this bill for river basin studies being financed currently by transfer from other agencies without any apparent comparable reduction being made in the 1960 requests of the latter.

While the present Mission 66 plans for improvement of the national parks call for appropriations of over $500 million between 1960 and 1966, or $72 million a year, the 1960 budget request was only $47,600,000. Certainly the public is being misled about this Mission 66.

Every national park and every monument that you go to in the United States has a big sign on it that tells you Mission 66 improvements are to be completed by the year 1966, $500 million more would be required to accomplish this. This year when they should have asked for $72 million, all they asked for was $47.6 million. Yet, included in this amount is $3,250,000 for the acquisition of still another 10,000 acres of park land, the purchase of which would only generate still greater Federal expenditures for construction and operation and maintenance. This request includes $1,250,000 representing the initiation of a 5-year plan to acquire 9,442 additional acres of Civil War battlefield land at a cost in excess of $5 million. Committee review disclosed there are already 18,000 acres in Federal ownership, representing an adequate coverage of the battlefield sites.

Despite the critical budgetary situation, the budget estimates included over $9 million for park and parkway land acquisition and construction projects in the District of Columbia and the nearby areas of Virginia and Maryland with an estimated cost to complete of over $135 million after 1960. Included again in this 1960 request were funds to initiate the scenic parkway in Prince Georges County with an estimated Federal cost of $10 million. This project has twice been disallowed by Congress in the last 2 years.

The total estimated funds available for this fiscal year including the Pay Act request, are $513,449,736.

The budget estimate for 1960 is $491,101,400.

This bill is for $472,198,800.

The reduction from 1959 is $41,250,000, or 8 percent.

The amount of the bill below the budget request is $18,902,600, or 4 percent.

Revenues from items in the bill are estimated at $385 million for fiscal year 1960.

The committee has made decreases in the budget estimate totaling $23,788,600 as follows:

In Pay Act costs (10 percent cut)	−$1,575,000
To hold construction of parkways and Indian schools and roads to level of 1959 appropriations	−10,600,000
Acquisition of park land (including Civil War battlefields and George Washington ton Memorial Parkway)	−4,853,000
Indian items, including Johnson O'Malley contracts, relocation, and road maintenance	−1,432,000
River basin studies (continue to finance under Reclamation and Engineers)	−836,400
Transfer of administration of Alaska fish and game laws to State of Alaska on Jan. 1, 1960	−1,100,000
Disallowance of one-half of increases for management and maintenance of parks (large increases granted in recent years)	−1,203,500
Use of some unbudgeted balances of permanent appropriations under Fish and Wildlife	−1,123,750
Minerals exploration program	−400,000
Geological Survey—water resources studies—(large increase this year)	−500,000
Other minor changes	−164,950

Only three increases were made in the budget, totaling only $4,220,000. These are for:

Additional campground, trailer, and picnic facilities in parks	+$1,550,000
Forest access roads (to keep 1959 level)	+2,000,000
Fish and wildlife construction	+670,000

Major budget increases allowed, totaling $16,230,000, were as follows:

For land management leasing and disposal, cadastral surveying, and fire control	+$1,112,000
Additional care of Indian children in boarding school dormitories, increased enrollment, and additional Indian welfare assistance, law enforcement, and resources management	+3,296,000
Increased management and maintenance requirements in the National Parks	+1,100,000
Expanded operation and maintenance of hatcheries and wildlife refuges and wildlife research	+1,030,000
Expansion of commercial fishing research and marketing studies	+429,000
Additional loans to the fishing industry	+3,000,000
Administration of the Territories	+1,069,000
Expansion of national forest timber sales	+2,800,000
Acquisition of land for the District of Columbia Park and Playground System (reimbursable)	+1,924,000
Saline water program	+470,000

In reference to the District of Columbia Stadium, we learned during the hearings that the Park Service, beginning in fiscal year 1961, planned to spend $3,400,000 of national parkway funds for a parking area for the stadium. There is no authority for such an expenditure out of parkway or any Federal funds. The committee report on the District of Columbia Stadium Act and the floor debate made very clear that the stadium was to be built with a bond issue and was not to be a burden on the Federal taxpayers. The Stadium Act clearly defines construction of the "stadium" to include "necessary motor-vehicle parking areas" and provides for the payment of all costs, including the parking lots, from the operating fund to be set up from the issuance of the bonds. The only Federal assistance authorized was for a long-term lease of the land. This has been done with a rental charge of only $100 a year.

Again let me say that I know of no committee that has brought in a better bill in the many years I have served on it, now 17, than this year's committee. We tried to do what the Department requested. There were, however, many requests in here from the budget that should never have been requested. I am asking the members of the Committee of the Whole today to do some constructive thinking when this bill is before you for amendment, and should amendments come along, make sure you understand what the amendments are all about. I mean that, because we owe a greater national debt today than all the rest of the world put together. Six of our major allies that are in league with us today followed the same path. Greece was the first to lead the world; then came Rome; and Spain, the wealthiest country in all the world when they were hauling gold to her by the boatload. But look at Spain after the Second World War, with people praying in the streets of Madrid for bread. Then came France, England, Germany, and now us. Those nations led the world each for a couple of centuries. We have been cast in this role only since the Second World War, yet there never existed a nation that has gone down the trail as fast as we are going down it.

I repeat, that our national debt exceeds that of all the rest of the world put together. We have all heard some foolish people say: "Why, we owe it to ourselves." Certainly we owe the debt to ourselves. Yet I have not seen many people in this country of 170 million souls who, when they passed on to the next world, said they were leaving any money to wipe out some of the bonds owed by the Government. I know of only two who left anything to the Treasury of the United States. Oliver Wendell Holmes was one and a rural mailman who left a couple of thousand dollars of his estate to the Federal Government. Yes, they leave it by the millions to universities, and I am for that; they leave it to erect monuments, they leave it to hospitals, and I am certainly for that. But very few times has it been recorded that any money was left to this Nation, the greatest country in the world. That is why I tell you this is a Nation that is to be pitied and taken care of. That is what I say when I look at streams, mountains, forests, the minerals and all the natural resources that God put into this country. What have we done with it? We have burned our forests. I remember, as I have told you many times on this floor, that in order to get at a tree that it took God 200 years to grow they burned a tree that it took God 100 years to grow. We have wasted all our resources and now we have to get many of our requirements from foreign countries. We made no effort to conserve, and that goes for all of our minerals and all of our forests. Our streams are polluted and filled up with debris.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Washington.

Mr. WESTLAND. I want to compliment the chairman of the subcommittee and the committee for bringing in what I consider to be a very excellent bill. It seems to me the gentleman from Ohio has always presented a businesslike approach to these many problems that come to our Interior Department. I am particularly pleased that the committee saw fit to restore $2 million for forest access roads. I know the subcommittee chairman's approach to this subject has been the same as mine throughout the years. Without adequate forest access roads we cannot harvest the timber. By harvesting the timber the Federal Government shows a profit.

Mr. KIRWAN. Yes; it made about $100 million.

Mr. WESTLAND. Besides that, 25 percent of the gross receipts go to the various counties in which these forests are located for the construction of roads and schools. That is also correct?

Mr. KIRWAN. Yes.

Mr. WESTLAND. Therefore, I am particularly happy that the chairman of the subcommittee saw fit to restore those funds.

I would like to ask the gentleman just one further question. As working hours get shorter, as roads get better, and people have more leisure time, we find that our parks and our forests must provide more recreational facilities for our people. Does the gentleman feel this bill carries adequate provision for the construction and maintenance of adequate recreational facilities in the country?

Mr. KIRWAN. Yes. The committee added over one and a half million dollars for facilities in the parks, such as camp sites, tables, and so forth. There are not enough accommodations in our parks today, so we increased the budget to take care of such things in parks throughout the Nation and decreased the request to buy more land. We should take care of what we have before we start expanding and it will cost $500 million just to provide for present plans under Mission 66.

Mr. WESTLAND. I cannot agree more with the chairman. We should adequately take care of our present facilities and wait a while until we get those fixed up before we buy more.

Mr. KIRWAN. Yes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Iowa.

Mr. GROSS. I want to commend the gentleman for the statement he has made particularly with reference to the

economy of waste policies which we have practiced in the past and which are now coming back to haunt us. In reading some hearings in connection with the Bureau of Reclamation, held before the House Interior and Insular Affairs Committee, I noted there are some 37 Bureau of Reclamation employees detailed to oversea projects. I wonder if the gentleman can tell me what happens in the Bureau of Reclamation when 37 top-flight employees are sent overseas?

Mr. KIRWAN. The Bureau of Reclamation does not come under this bill.

Mr. GROSS. I am curious to know whether these 37 top employees are replaced by others in the Bureau, and, if and when this foreign giveway program is ever ended what disposition will be made of these 37 top employees.

Mr. KIRWAN. If the gentleman will pardon me, let me try to answer the gentleman this way. That does not come under this bill.

Mr. GROSS. You do not have the Bureau of Reclamation in this bill?

Mr. KIRWAN. Not in this bill. That comes under the Public Works Subcommittee. But, to answer the question about replacement, I can say this, that the various agencies made a request in this little bill—it is, comparatively, only a little bill, half a billion dollars—they made a request for 1,330 additional employees. We not only reduced the requested by 1,330, we cut 155 more out of this bill.

Mr. GROSS. I commend the gentleman. When the Public Works Committee comes before the House with a bill dealing with the Bureau of Reclamation, I will be prepared to seek further information.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Missouri.

Mr. BROWN of Missouri. Mr. Chairman, I want to commend this distinguished gentleman from Ohio and this committee. I think this is one of the best examples I have ever seen of how to be conservative without being shortsighted, and how to be liberal without being foolish. This bill gets right at the heart of the problem. It seeks to keep abreast of the growth that this country must have, and I commend the committee for it.

Mr. Chairman, I ask unanimous consent to extend my remarks at this point about something that particularly concerns our people in southwest Missouri.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BROWN of Missouri. Mr. Chairman, I am sure you have heard of our Ozarks, their picturesque beauty and the fine, clear fishing waters, and so forth. In the past 20 years we have become one of the favored vacation playgrounds of the Middle West, but we have just begun to scratch the surface of this vast potential. We are constantly trying to improve our facilities to accommodate the influx of vacationers. One of the biggest stimulants we have had is the completion of the Table Rock Dam, a major project, and one of the largest units on the White River Basin chain. It is almost 100 percent complete and will be dedicated this year.

In addition, we have Bull Shoals Reservoir, Lake Taneycomo, Roaring River, and many other fishing waters in the Arkansas-Missouri - Kansas - Oklahoma area.

We have streams to fish, and every year we are getting more fishermen.

People who go fishing like to catch fish; and we need more fish.

The only Federal fish hatchery in Missouri, and one of the oldest of the 101 in America, that is still in operation, is located in our southwest Missouri area at Neosho, Mo. This station was authorized in 1888. Except for a few alterations completed under the WPA and PWA days and the customary maintenance work, the Neosho hatchery is basically what it was in the 19th century. Only a minimum amount of maintenance has been done, such as the painting of the buildings and patching of concrete ponds.

The hatchery puts out approximately 25,000 pounds of fish a year, which includes both trout and warm-water or pond fish such as bass, blue gill, and channel cat, but by revamping the station and bringing in some additional water, the output can be doubled. For this reason, there is $320,000 in this bill to rehabilitate the Neosho fish hatchery.

Due to the age of the buildings—practically all are wooden structures at the Neosho fish hatchery—this involves a major replacement program. It is a badly needed, justifiable investment.

Mr. KIRWAN. I thank the gentleman.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to ask the distinguished gentleman if you have firm figures for the reduction you are making in the Johnson-O'Malley Act. When our Committee on Education included a lot of the activities now carried out under the Johnson-O'Malley Act concerning school legislation, I made the prediction that it would lead to a sharp reduction in the Johnson-O'Malley funds. Upon what did you base that?

Mr. KIRWAN. Just what we are talking about, it was based on the Federal impact legislation, you had a hand in passing.

Mr. BAILEY. It came out of our committee.

Mr. KIRWAN. Yes; the Indian children are now eligible under the grants made under this new legislation and those funds are appropriated to the Department of Health, Education, and Welfare.

Mr. BAILEY. I thank the gentleman.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Montana.

Mr. METCALF. I, too, rise to compliment the chairman of the subcommittee of the Committee on Appropriations for bringing out a forward-looking and progressive bill, one which conserves our natural resources. I especially want to commend the committee for the increase in forest access roads, because there is an investment that is good for the taxpayers; there is an investment of money that is good for local contractors and local labor and brings money into the Treasury. There is an increase that will genuinely help to balance the budget.

Mr. KIRWAN. I thank the gentleman from Montana.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I would like to ask the chairman of the subcommittee a question which had been asked of me. It deals with the appropriation level for the Office of Territories; the administration of Territories. During the past year both Alaska and Hawaii are being broken away from the Office of Territories, and yet the appropriation item, the budget estimate for 1960, has been increased by $506,000 over the 1959 appropriation level. I would like to know what the basic reason for that is.

Mr. KIRWAN. That increase is for the new jet airport on Samoa. The entire funds for the Alaskan Division in Washington and for the Governors office in Alaska, totaling about $135,000, have been eliminated.

In addition, the funds for Hawaii have been reduced by $78,500, representing the legislative expenses.

Mr. LAIRD. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I agree with my good chairman, the gentleman from Ohio [Mr. KIRWAN], that the time is long past due when we should stop wasting the taxpayers' money as we have been doing, not in this Interior Department program, but in many other programs that have come before this Congress. I hope that the leadership on the other side of the aisle will plead with the Members on their side of the aisle to help the rest of us, who have been trying and are still trying, to keep this great Nation of ours from going into bankruptcy, to the end that we will not spend a lot of money during this session of Congress which is not justified by any stretch of the imagination. I hope we can hold the budget, and further I hope that we will cut below the budget a considerable amount, and by so doing give the American people a shot in the arm, so to speak, so that they may have more confidence in their Government, and thus we shall preserve our great American form of Government, the free enterprise system.

I think there is a condition that exists in the minds of too many people that when we appropriate money here in Congress we are helping the wage earner, the so-called little fellow. But let us not forget that the wage earners of America, the so-called little people, with the people who have a set income, who are on pensions, social security, or welfare, comprise the greatest consuming group in America. And the ultimate consumer of the goods pays all the bill in the final analysis. Every dime that we spend, not only here in Congress, but that is spent by State governments,

county governments, municipal governments, is paid for by the ultimate consumer. And so when we spend money that should not be spent we are hurting the little fellow first and most.

The wage earners, the little fellows whom we are all concerned about—and I say I am concerned about them possibly more than a great many people who are always talking about spending money for the little fellows—they should be down here beating us over the head every day to stop unnecessary spending, because they are the people who are going to be obliged to pay the greater share of the bill—either they or their children, or their children's children. Let us not forget when you come here on the floor of the House and offer amendments to increase appropriation bills that these several subcommittees on appropriations have sat for weeks and possibly months hearing all of these people who come before us to justify their requests, and many times they come before the committee and ask that the budget request be increased to no end.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Florida.

Mr. HERLONG. May I congratulate the gentleman on the statement he is making about private enterprise. I live in a district where many of the people have to live on fixed incomes. They are retired. What the gentleman says about inflation is eminently true. Our inflationary tendencies are certainly spurred by unnecessary Government spending. It is robbing these people of money they have paid to try to live on, just the same as if a thief broke into a house and took the money out of their pocketbooks.

Mr. JENSEN. I thank the gentleman. He always contributes to a debate. He is a conservative wherever economy is needed but always willing to spend where money should be spent. I congratulate the gentleman.

My good chairman has told you that this bill comes to the floor by unanimous agreement of the committee, which is true. You will note that for the past many, many sessions of Congress this bill has come to the floor by unanimous agreement of the Subcommittee on the Department of the Interior. Why? Because we settle our differences in committee. There are times there is considerable difference of opinion among members of the committee, but we stay there until we settle those differences. However, I may say that such a condition does not exist too often, because we all want to appropriate for this great natural resource program which is so important to the people of America not only for today but for generations to come. Everything in this bill, every dime in this bill, is for the benefit of America and its Territories.

So I need not take much more time. The chairman of our subcommittee, the gentleman from Ohio [Mr. KIRWAN], has explained the bill. I do want to say that I have been on this subcommittee for the past 17 sessions with Mr. KIRWAN, Mr. NORRELL, and Mr. FENTON. We have now several new Members on both sides, comparatively new Members. The gentleman from Pennsylvania [Mr. FENTON] has been in charge of the Bureau of Mines and the Geological Survey for the minority side of the committee for the past many years. The gentleman from Wyoming [Mr. THOMSON], because of his service on the legislative Committee on Interior and Insular Affairs and because of his knowledge of the Federal domain and the Forest Service, I have asked to take charge of the minority side of the committee when such agencies are before the committee. So, I shall not take up more time except to say that this bill comes to the floor a well-rounded bill. I trust the Committee of the Whole House on the State of the Union will not permit any additional amendments to be adopted to this bill.

Mr. KIRWAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. QUIGLEY].

Mr. QUIGLEY. Mr. Chairman, I note with regret that the committee in its wisdom saw fit to delete from this bill the Department's request for funds for the acquisition by the National Parks Service of additional acres of Civil War battlefield lands. I note this particularly because included in the Department's request were funds for some 600 additional acres which make up the remaining unacquired acres of the battlefield at Gettysburg.

The second Battle of Gettysburg is currently being fought and I regret to report, Mr. Chairman, that it is not being won. This is the battle to preserve this historic site from the ever-growing encroachment of commercialism. I am afraid that the action of the committee in not providing the National Park Service with sufficient funds will mean that by the time the spotlight of the country and the world is focused upon Gettysburg in 1963 to commemorate the 100th anniversary of that most historic battle, we are going to suddenly discover, when it is too late, that the second Battle of Gettysburg has been lost and that this truly great American shrine has been completely desecrated by the onslaught and ever-expanding growth of commercialism. I intend to support the bill, Mr. Chairman, but I do regret that the committee has seen fit to delete this particular item. I trust the other body will correct this error.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. QUIGLEY. I yield.

Mr. VANIK. I would like to inquire of the gentleman, if the land is acquired at some future date, whether we have any assurance that it will not be used to build a new golf course out there.

Mr. QUIGLEY. I would merely comment on that by saying that the National Park Service assured me that the 600 acres they contemplated acquiring under this bill was the last and final request it would have to make and that this would have given to the Park Service all of the land they needed to preserve the battlefield area.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, the Committee on Appropriations for the Department of the Interior brings to you today a bill that has had the careful consideration of the subcommittee under the chairmanship of Mr. KIRWAN, of Ohio, and Mr. JENSEN, of Iowa, the ranking minority member. The hearings, I believe, gave the membership of the committee pretty fair insight of the work being done by the Department of the Interior. The Department of the Interior and related agencies presented a Bureau of the Budget estimate for 1960 of over $491 million.

Our committee reduced this to $472 million, or a reduction of about 4 percent. This reduction is modest and one we believe the Department of the Interior can live with.

Mr. KIRWAN. Mr. Chairman, I yield 8 minutes to the gentleman from Maryland [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, after considerable deliberation, and fully appreciative of the task confronting the committee to effectuate needed economies, I cannot accept the committee's decision to delete the sum of $1 million requested by the President for right-of-way acquisition for the uncompleted portion of the George Washington Memorial Parkway. It is my sincere belief that this action does not represent an economy, but rather it can only be considered a tragic loss to all the people of the United States that cannot be measured in terms of dollars.

At the appropriate time I shall offer an amendment restoring the President's request for right-of-way acquisition. I emphasize the words "right-of-way acquisition." This $1 million is to insure that this section of the Potomac shoreline, the last great natural scenic feature in the Washington metropolitan area, will still be available when construction money can be granted. If the House today upholds the action of the Appropriations Committee, then it is my belief that rising land values and the pressures of private development will destroy this 30-year dream since the ultimate cost will become prohibitive.

Twenty-nine years ago the Congress of the United States took official notice that the Capital of the Nation had outgrown the boundaries of the District of Columbia. Washington, D.C., had, in effect, spread to parts of Montgomery and Prince Georges Counties in Maryland and Arlington and Fairfax Counties in Virginia. If the capital was to continue to be a showplace worthy of the Nation it represents, some measure was required to assure that development in the adjacent counties did not grip the central city in a concrete and asphalt vise. To fill this need, the 71st Congress passed into law the so-called Capper-Cramton Act. What the Capper-Cramton Act said was this:

Because of proximity to the capital, the regions adjacent to Washington have responsibilities to the Nation not shared by other counties far removed from the Nation's capital. They owe it to the Nation at large to keep the capital area beautiful and to preserve the unique scenic, recreational, and historical features of the area.

If they are to meet these responsibilities—the act said, in effect—they will need help. The Nation as a whole therefore agrees to pay one-half the purchase price of lands needed for these purposes if the adjacent territories will pay the other half. The Nation then will develop these resources as required.

The one specific purchase and development program which the Capper-Cramton Act provided for was the creation of a memorial parkway along both shores of the Potomac River, from Mount Vernon to Great Falls on one side, from Fort Washington to Great Falls on the other. This parkway was not to be just another superhighway. It was to be a scenic route specially designed to preserve as much as possible of the shoreline of the Potomac for the enjoyment of all Americans who come to their capital and to link in a readily accessible manner the sites and monuments along the Potomac of national historical interest.

When the act passed the Congress in 1930, the Mount Vernon Memorial Highway from Arlington to Mount Vernon along the west bank of the river already was under construction. Upon its completion in 1932, it was incorporated into the parkway system, which became known as the George Washington Memorial Parkway. Today, 29 years later, some three-fourths of the parkway authorized by the Capper-Cramton Act either has been completed or is in process of construction. Only one segment, 7½ miles from Washington to Fort Washington in Prince Georges County, Md., remains totally unrealized.

The request for funds for the Prince Georges County segment has not been delayed because this section is any the less needed or desirable than the others. Indeed, the recent mass transportation survey for the National Capital region listed the parkway as an essential part of the area's road system. The delay comes from the fact that not until 2 years ago, in the face of indications that if the land soon was not purchased, private development would have pushed land costs to a prohibitive level, were Prince Georges County officials able to foresee their share of the costs. The Maryland House of Delegates authorized the county to enter into an indebtedness of $1 million as the bulk of the county's share for land acquisitions. At this point, in 1957, the National Capital Planning Commission asked Congress for the Federal share of the land costs. This request passed the House. But the Senate Appropriations Committee delayed it until the Interior and Insular Affairs Legislative Committee could study the proposal and determine if a project planned as long ago as 1930 still was advisable. By the time the Interior and Insular Affairs Committee had studied the project and endorsed it, it was too late for the proposal to be acted upon by the 84th Congress.

I would like to mention briefly the historical significance of the 7½-mile stretch to Fort Washington. First, Fort Washington itself, already federally owned and in the process of development, is one of the best examples extant of an early 19th century fort. It has been constructed, abandoned, and reconstructed several times and has almost a medieval atmosphere, with its drawbridge and moat. It is part of a 341-acre reservation that can provide unlimited recreational facilities.

Historic Harmony Hall and the ruins of Want Water, both dating from the early 18th century, are to be included in the proposed park. Washington frequently stopped to visit his friend, Colonel Lyles, at Want Water, on his way home from attending the Broad Creek Church nearby.

An excerpt from a letter which I received from the present owner of Harmony Hall very colorfully describes this general area and offers convincing evidence why we must not allow this rich historic region to be forever lost as a result of undesirable development. The excerpt reads as follows:

> This property is in the neighborhood closely associated with the life of George Washington. It is on the Maryland side of the Potomac. Directly across the river from Harmony Hall is Wellington, the home of Washington's secretary, Tobias Lear. It is situated on the original Mount Vernon estate.
>
> Washington ferried across the Potomac to the Maryland shore at Warburton Manor—now Fort Washington.
>
> Ancient Want Water adjoins Harmony Hall on the north. It was built before 1700 and was the home of Col. William M. Lyles, a personal friend and neighbor of Washington. It is listed in the Historic American Buildings Survey, as is Harmony Hall. Nearby is St. John's Church, which dates back to 1692. Washington frequently worshiped here. His pew is marked today with a silver plate along with that of Colonel Lyles.
>
> No part of the George Washington Memorial Parkway is more appropriate to the memory of Washington than the neighborhood of Broad Creek.

Without the completion of the Fort Washington Parkway, the lower Potomac project can never be completed. The largest natural open space around Washington is the broad Potomac. To take full advantage of that open space it is desirable to provide access to both sides at as many points as possible. Fort Washington, when its attractions are better known, will certainly become a powerful magnet for visitors from all parts of the country. The recreational values present in the area in question are sorely needed. Many opportunities for picnicking, hiking, bird watching, nature walks, boating, sports, and quiet enjoyment of rural scenery and woodlands will be provided. Americans are a nature-loving people. Each year thousands of young people are learning to use their eyes and ears with understanding as the bird and animal life, together with the tree and plant life, is brought to them through our national parks and forests.

The Potomac River is clearly one of our country's most famous, most scenic, most important rivers. I call upon the House today to complete the task begun 29 years ago. To do less would be a tragedy to be forever regretted by all the people of the United States.

Mr. JENSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, my experience of serving on this committee for the first time has been a particular pleasure. The programs and agencies covered in the bill do vitally concern all of America, but many are of immediate concern to certain geographical areas of the country more so than others, particularly the public lands areas.

In the consideration of this bill I have been more than impressed and cannot help but mention the familiarity, the interest, and concern that the chairman of this committee, the ranking Republican member, and all of the other members of the committee have shown. And, I have been particularly impressed with their understanding of the problems nationwide and the close watch which they have kept upon the activities of this particular department and its bureaus and related agencies. Being a bill for America, naturally there are many items that are left out in several districts that affect individual Members, and the same can be said and is true of the district which I represent. But, this is, I think, a time for restraint, restraint without interfering with vital programs, and this bill, I believe, fairly achieves that goal. I think that the fact that it is time for restraint also emphasizes the wiseness of the action of the committee in disallowing a major portion of the funds for acquiring additional land by the Park Service. The Park Service launched in 1955, with the help of this committee and many interested Members, the Mission 66 program. I would like to say that while serving as a member of the legislative committee I was continually concerned with the efforts to add to our national parks and with differentiating between that which was for local recreational needs or otherwise a local function and that which was truly national in scope. I would like to call the attention of the Members to page 469 of the hearings. It shows that on July 1, 1955, the the estimate for the development of our parks to put them in a state of good condition and make them adequate for 1966 as contemplated in Mission 66 was $459 million. It further shows that there have been added to that since that time projects not included in the original Mission 66 plan totaling almost $126 million, or additions equaling more than 25 percent of the original plan. So, I would emphasize that I think every Member of the Congress must, if we are ever going to bring our existing parks up to a minimum standard, exercise restraint in introducing or supporting proposals to add lands or new areas to the system. I certainly hope that the recommendation of the committee to curtail this land acquisition and to appropriate a large portion of this amount for urgently needed park improvements is not infringed upon. If we continue on this course of constant expansion of the park system, it has been well said, we will have something that we cannot take care of, and our parks will deteriorate to a similar or worse condition than they were in before Mission 66 was launched.

There is a particular problem upon which I believe I should comment. For a time, it appeared that the elk, one of the most magnificient of the North American game animals, would become

extinct. Through the cooperation of the State of Wyoming and the Fish and Wildlife Service of the Federal Government, this was prevented. A substantial elk herd has been built up in northeastern Wyoming in the areas around Yellowstone Park.

Hunters from all over the Nation draw for elk licenses and come to hunt in this area. The hunting season is in the fall and closes about the 15th of November. As hunting pressure is applied, elk are driven across the park boundaries into the protected area. They are trapped there by the snows which usually hit the high mountain passes before the hunting season closes, and are prevented from returning.

The Park Service contends that this has built up the herd in the park along the Lamar River to numbers in excess of what the range will carry. There is substantial dispute as to this and as to the number of elk actually in the Lamar herd. At any rate, in recent years the Park Service action has been to wait until the deep snow months, when the elk are down along the highway, and to shoot them, primarily from cars driving up and down the road. As this slaughter operation becomes known to the sportsmen and true conservationists of the Nation, I believe that they will object very violently and I think that they will be joined in their objections by the great majority of American citizens.

It is ridiculous that we should provide in this bill almost $17 million to the Bureau of Sport Fisheries and Wildlife for preservation and propagation of our fish and game, while another agency of government is carrying out a program such as this. It appears to be another case of the right hand not knowing what the left is doing.

A satisfactory solution must be found. Several possible solutions are available. One would be to feed the elk, such as is done at the elk refuge in Jackson Hole. As I am advised, the old Buffalo Ranch, right on the Lamar River, is capable of producing 1,000 tons of hay per year. Another possible solution would be to allow limited hunting in controlled areas along the borders of the park during the hunting season, so as to apply reverse pressure and keep the animals from being driven into the park; or to have the ranger crews do their hunting at this time of the year. Some people would say that this is breaching the time-honored covenant of not permitting hunting in the park. I can only say to them that it is not a question as to whether the hunting will be permitted, but one of whether it will be a sporting proposition or a slaughter operation. Another possible solution is to fence along the park boundary.

Undoubtedly there are other possible solutions. The thing is that the present situation is intolerable. I believe that the Park Service will devote its efforts to finding a solution. If one is not forthcoming, then I believe it is incumbent upon the Congress to consider the problem and to take appropriate action.

In the short time remaining available, I would like to comment on the overall aspects of this bill. The reductions made have been very modest. With regard to the Bureau of Land Management, Forest Service, which do a particularly fine job, the reductions have only been to take care of pay act adjustments. The bills in both instances provide for more funds than were appropriated in fiscal 1959 for these activities. As the hearings will show, we have been assured that the level of the program carried on in the fiscal year 1959 can be carried out in fiscal year 1960. The same is true of the Bureau of Mines, the U.S. Geological Survey and other vital agencies. This is what I think we must do in these days of budget stress. I believe it would be unbecoming, as much as we would like to have additional activities in these fields, to ask for additional money. I support this bill. It is a good bill, and the membership should see that it is passed without amendment.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I take this opportunity to ask either the chairman or the ranking Republican member of the committee whether or not there is anything in this bill for the Outdoor Recreation Resources Review Commission.

Mr. KIRWAN. That is not before us. That item will be submitted later.

Mr. JENSEN. Mr. Chairman, as the gentleman knows, I am sure, that item is represented by a budget request in the deficiency bill which will be considered tomorrow. In this bill there is considerable money for recreation projects in the different parks and services. We have many recreation activities, and funds for those purposes.

Mr. SAYLOR. Mr. Chairman, it seems strange that on June 26, 1957, the U.S. Senate unanimously passed the bill creating the National Outdoor Recreation Resources Review Commission and on June 16, 1958, under suspension of the rules with hardly a dissenting vote, the House passed and sent to the President a bill creating this Commission. Congress authorized the President to appoint a bipartisan commission, and directed that the Commission present its report not later than September 1, 1961.

The bill also authorized an appropriation of not more than $2,500,000 to carry out the purposes of the act, and such moneys as may be appropriated shall be available to the Commission until expended. There was the sum of $50,000 originally appropriated by this committee, but I notice that for fiscal 1960 there is nothing. This is an example of what so often happens when a commission is appointed by this Congress. The act creating the Commission has a termination date, the Commission is hampered by the lack of appropriations and cannot complete its work and must ask to be extended. Then in a very short time Members will rise and say that here is another example of a commission being appointed that does not terminate within the time originally established, and will oppose its extension. This Commission cannot do the work it was set up to do unless there is money appropriated to take care of its activities.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the gentleman from Wyoming.

Mr. THOMSON of Wyoming. I think the gentleman will find that the Outdoor Recreation Resources Commission, being set up as a separate commission, will be handled as an independent agency and will be incorporated in the independent offices bill. There was a request for $30,000 in addition to the $50,000 appropriated last year. That will come in the deficiency appropriation bill which is to be considered later in the week.

Mr. SAYLOR. That would be a deficiency for the current year, but there is nothing in here for next year. However I have been informed that there is nothing in the deficiency appropriation bill that we will consider tomorrow for this commission.

Mr. THOMSON of Wyoming. Next year it will be handled in the independent offices bill, because it is an independent commission.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Iowa.

Mr. JENSEN. I may say to the gentleman that the reason there is nothing in this bill for Outdoor Recreation Resources Review is the simple fact that the budget and the White House no doubt felt that it was necessary to put an item in the deficiency appropriation bill for fiscal 1959 and permit the Deficiency Subcommittee to operate on that item. But since the Deficiency Committee did not have all of the facts that were necessary to justify an appropriation for this purpose, I know the gentleman already is aware that there is no fund even in the Deficiency Committee bill.

Mr. SAYLOR. I am well aware there is nothing in the deficiency appropriation bill that will continue the work of this Commission and I hope to offer an amendment to cure that tomorrow.

Mr. JENSEN. The regular 1960 appropriation request for this item will be considered by the Independent Offices Committee in the regular bill for 1960.

Mr. KIRWAN. Mr. Chairman, I ask unanimous consent that all Members who so desire may be permitted to extend their remarks at this point in the RECORD on the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mrs. PFOST. Mr. Chairman, I would like to join with my colleagues in paying tribute to the Appropriations Committee for their careful and diligent study of the budget requests on the measure before us. I think their action on the appropriation for the Department of the Interior is the answer to those who are shouting to the country that the Congress is controlled by spenders. By increasing the funds for such self-liquidating items as forest roads and trails, the Committee is taking a realistic approach to Federal spending. Money

appropriated for forest roads is a sound investment which actually brings added revenue into the Treasury by stimulating timber sales through improved roads which reach into the timber-cutting areas.

By cutting out the administration's requested frills, and by careful, item-by-item scrutiny of the President's requests, the Appropriations Committee was able to increase such necessary items as money for forest access roads, allow the full request for timber sales, and yet they were able to cut $18,902,000 from the overall budget request.

I think the people of the country will appreciate this careful and studied appropriation of their money for essential Government services. It is a responsible and efficient way to control spending. It is budgetmaking in the best manner, without playing politics and without the meat-ax approach advocated by some in cutting Federal spending.

With this type of budgetmaking the 86th Congress will have a proud record to take to the people of the country, and the people will then know who has been responsible for the constantly increasing budgets over the past 6 years.

Mr. METCALF. Mr. Chairman, I am gratified that the Committee saw fit to vote increases of $2.8 million for expanding national forest timber sales and $2 million to maintain construction of forest roads and trails at the present level.

The budgets of the past few years have not permitted progress in timber sales. Montana national forests have an allowable cut of 825 million board feet. In the past 2 fiscal years, an average of only 47 percent, 377 million board feet, of the allowable cut has been sold. But the cut has averaged 457 million board feet. In other words, in the past 3 years, timber cut has exceeded sales by one-third of a billion board feet, and the sales have been at 47 percent of permissible levels.

The Committee wisely restored the administration $2 million cut in the appropriation for forest access roads. Instead of saving the taxpayers money, that cut would have cost them more than $2 million. Had it stood, the Forest Service would have stepped up road construction by timber purchasers—and the Treasury would have been out more than $2 million. When timber purchasers have to build these roads, public timber is sold in large blocks—too large for a small or medium-sized operator to handle. Then there is generally only one bid—at the appraised price, minus the estimated cost of the road.

The taxpayers stand to benefit, in cash on the timber, by having several bidders. They stand to benefit by having the main line road built under separate contract bid upon by roadbuilders; for experience shows that the roadbuilders generally offer to do the job for 10 to 20 percent less than the engineers' estimated cost. These large sales make it impossible for the smaller operators to secure timber. Since estimated cost of a road built by a timber operator is deducted from the price he pays for the timber, this means less money to the Treasury, and, in turn, less money for the rural school and road systems in the counties in which the forests are located. As you know, these counties share in the income from the national forests. In addition, road construction by timber purchasers is outside the control of Congress.

We lose all around when we don't appropriate the money for forest development roads. We lose millions of board feet of timber, deteriorating in inaccessible areas. We spend large sums, and risk the lives of parachuting firefighters, to control fires in these roadless areas. Smaller firms cannot buy timber if they are also burdened with expensive road construction, so they fold. The fewer the bidders, the lower the price the public gets for its timber. Road construction by the purchaser shuts out the road contractors, and the union labor they employ.

I call attention to another matter.

It is essential that funds be appropriated directly to the Fish and Wildlife Service for the investigation of projects in the vast water-resource program of the Federal Government and that under Federal license.

The change in this method of financing will not in itself cost the Federal Treasury one dime. It simply will represent a more orderly method of financing this important work.

This work is carried on under authority of the Fish and Wildlife Coordination Act. This act was strengthened by the Congress only last year when it enacted amendments supported by all national conservation organizations, the commercial fishing industry, and the Governors and fish and game directors of every one of the States.

Reductions made by the committee for this activity leaves the Fish and Wildlife Service with nowhere to turn to finance it in fiscal year 1960. The budgets of the Corps of Engineers and the Bureau of Reclamation have already been prepared, without provision for these transfers. Those budgets would have been higher by the amount of $836,400 if such provision had been made in them.

Unless provision for river basin studies is made here, there will be no river basin studies at all. No river basin studies here because the budget item is not allowed and no river basin studies under the Bureau of Reclamation and Corps of Engineers because this item is not budgeted for those agencies.

The Department of the Army itself is on record as favoring direct appropriations to the Fish and Wildlife Service.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, namely.

Mr. KIRWAN. Mr. Chairman, inasmuch as there is relatively little controversy over the bill, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

Are there any amendments?

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

FOREST DISEASE RESEARCH WORK IN THE LAKE STATES REGION

Mr. Chairman, today I want to talk about a problem of utmost importance to the forests of Wisconsin and to other States of our country—the problem of combating the tree diseases that take such heavy toll of our timberlands each year. I want to tell you about the need for more forest disease research in the Lake States—research that will enable us to solve this problem.

We have in the continental United States 484 million acres of commercial forests with large additional areas in our newest States of Alaska and Hawaii. These forest lands support more than 500 billion cubic feet of timber of all sizes.

The impact of diseases on this valuable resource every year exceeds 5 billion cubic feet. It is difficult for me to comprehend that big a loss, or even to visualize that volume of timber. But, when this is translated into local terms and I find in my home State of Wisconsin that more timber probably is lost to diseases each year than is harvested by our own wood-using industries, that I can understand.

This loss in Wisconsin is caused mostly by just one forest tree disease, a canker-type disease of aspen. This disease is prevalent throughout Wisconsin, Michigan, and Minnesota where it alone kills almost as much timber as is consumed by the pulp and paper industry in that tristate area. This must mean that the forests in these Lake States could support twice as big a pulpwood industry if just this one disease could be controlled. Unfortunately this same disease is prevalent throughout the aspen forests of the East and is also found, I am told, in the Rocky Mountain forests. Scientists know the cause of aspen canker but have not yet been able to devote enough attention to it to work out a feasible control.

Most of our forest diseases seem to follow a pattern; either the same disease or a counterpart occurs on different tree species in different parts of the country. In the Lake States, for example, dwarf mistletoe causes a serious disease of our black spruce forests. Other species of this same parasitic plant slow down the growth—often as much as 50 percent—deform and kill various of the conifers in our forests of the West. As another example, I have learned that the heartwood of all species, conifers and hardwoods alike, is subject to decay. These heart rots, working away inside the tree, are inconspicuous but they slowly continue to deplete our available timber supply at the rate of over 3 billion cubic feet per year.

Still other uncontrolled diseases are found in all parts of our country. It is my understanding that many of these

diseases take on added significance as more and more thousands of acres of forest plantations come into being in all parts of our country. This is because of the greater capital investment in planted stands and the frequently more favorable disease environment created when large acreages are planted uniformly to a single kind of tree.

The newest disease to threaten our forests is one called maple blight that was observed for the first time in Wisconsin in 1957. So far, this disease has been found only in a spot or two. But, over the 10,000 acres involved, this disease has killed all of the sugar maples, saplings to mature trees, on an area aggregating about a thousand acres. Industrial users are understandably alarmed by this potential threat, for sugar maple is one of our most valuable timber species and is found on over 9 million acres of Lake States forests. Industrialists are so alarmed, in fact, that $24,000 has been contributed by them to get a cooperative industry, State, and Forest Service research project underway at once. Time has as yet been too short for the research workers to have discovered the cause of this disease.

These small research programs are a help but certainly are not the full answer to the continuing needs for forest disease research if an effective control program is to be developed. The main reason we lack means of lessening the terrific disease losses I have brought to your attention here is because research has not been financed adequately to permit effective work on the many disease problems confronting us. I direct your attention to the Forest Service budget item for forest disease research for fiscal year 1960 which is $740,000. This amount is distributed over a great many problems throughout the country and thus Federal funds are not available to match the efforts the States and private industry are putting into the work on a new disease like maple blight. I hope this committee will give further consideration to the present inadequacies of the forest disease research budget and increase it to a more realistic figure. In my judgment no better investment could be made than to strengthen the forest disease research work in the Lake States region.

I wonder if any distribution was made of the $740,000 appropriated in this bill, or whether the distribution will be made on the basis of a priority set up by the Forest Service in the Department of Agriculture.

Mr. KIRWAN. The committee allowed the budget money. Whatever they requested we gave them, the same as they got last year.

Mr. LAIRD. Then it will be used on the basis of a priority set up by the Forest Service?

Mr. KIRWAN. They understand where to spend it and how.

Mr. LANKFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD: Page 34, line 24, strike out "$2,286,000" and insert in lieu thereof $3,286,000; page 34, line 25, strike out "$62,000" and insert in lieu thereof $1,062,000; page 35, line 6, strike out "$50,000" and insert in lieu thereof $173,000.

Mr. LANKFORD. Mr. Chairman, the amendment just read simply restores the $1 million requested by the President for right-of-way acquisition for the uncompleted portion of the George Washington Memorial Parkway. This portion extends from the District of Columbia down to Fort Washington in Prince Georges County, Md., and is a total of 7½ miles in length. It was authorized by the so-called Capper-Cramton Act of 1930 and reaffirmed by the Senate Interior and Affairs Committee in the 84th Congress.

In the 85th Congress the President's request for funds was denied by the Appropriations Committee on the grounds that roads in the area in question are already adequate. I cannot accept this argument inasmuch as it was never intended to be a highway but a "road through a park" acutely needed for the over 7 million visitors who annually visit our Nation's Capital.

In this Congress the committee, while recognizing the desirability of the parkway, termed it a nonessential project and then entered into a discussion of possible ultimate costs. If we believe in parks and parkways—and Congress has repeatedly expressed its approval of the preservation of our marvelous outdoor sights and historic points of interest—then this must be deemed an essential project. For this is the Nation's parkway. It is a living monument to the first President, visioned and created to do him honor.

During the recent hearings, a question was raised as to what Congressman Cramton and Senator Capper would say if they were faced with the ultimate costs of the project. I am in receipt of a letter from Congressman Cramton, who at age 84 is at present a member of the Michigan House of Representatives. I would like at this point to read his letter in its entirety as it so feelingly and movingly portrays the case of the parkway.

HOUSE OF REPRESENTATIVES,
Lansing, Mich., February 17, 1959.

Hon. RICHARD LANKFORD,
Member of Congress,
House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN: Having been largely responsible for passage of the so-called Capper-Cramton Act in 1930, I read with much interest your remarks in the RECORD February 5 concerning the George Washington Memorial Parkway. I am gratified to note that Maryland continues ready to do its part in the development of this most interesting, highly scenic and historically important parkway.

I still recall the very active and effective cooperation which the Federal Government received from the State of Maryland and local communities in our efforts at that time to extend Rock Creek Park, etc. I remember very satisfactory contacts at that time with Governor Ritchie, Senator Brooke Lee, and other important officials. For the Federal Government now to fail to do its part in the completion of this great project would be a tragedy forever to be regretted by American citizens who want their National Capital beautiful and interesting.

The so-called Capper-Cramton law was initiated and introduced by me in the House and after it passed the House was taken through the Senate by the leadership of Senator Capper. I very deeply hope that you may succeed in getting favorable action by the House Appropriations Committee and the House.

I am sending a copy of this letter to Hon. JAMES G. O'HARA, who has recently taken the place which I once occupied in the House, and to my friend, Senator HART, and also to Dr. Conrad L. Wirth, Director of National Park Services.

Sincerely yours,

LOUIS C. CRAMTON.

I urge the House to adopt my amendment and by so doing earn the gratitude of America and its generations to come.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD. I am glad to yield to my distinguished colleague from Maryland.

Mr. FOLEY. This money that we are seeking to restore for the George Washington Memorial Parkway—to what extent will it change the President's budget? Is it in the budget or will it exceed the budget?

Mr. LANKFORD. It was in the request as submitted to the Committee on Appropriations.

Mr. FOLEY. Is it my understanding then that there would be no change in the President's budget if the funds you are seeking to restore are restored?

Mr. LANKFORD. This is not to increase any request. This was requested by the President in his budget as sent to the Committee on Appropriations.

Mr. FOLEY. I thank my colleague.

Mr. KIRWAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. KIRWAN. Mr. Chairman, what the gentleman from Maryland said about the Potomac River and all the beauty down there, I agree with 100 percent. It is a beautiful site. But just this portion would cost the Federal taxpayers over $10 million.

When this parkway was authorized in 1930, the Members were assured during the floor debate that the entire project, both in Virginia and Maryland, would cost only $9 million. Already it has cost $20 million and it will cost over $50 million to complete. I wonder what Congressman Cramton and Senator Capper, sponsors of the bill, would say today if they were faced with this staggering figure for a scenic parkway?

Indian Head Highway adequately serves this area at the present time and it is planned to dualize it in the near future. In addition, a new freeway, is planned paralleling the Indian Head Highway.

The Federal Government now owns and maintains over 42,000 acres of park land in the vicinity of Washington. There are now over 400 acres at Fort Foote and Fort Washington, including about 3 miles of shoreline available to the public. The Government owns over 1,100 acres in Greenbelt Park over here in nearby Maryland and is developing this at a cost of over $3 million. Maryland also plans to come in for over $12 million to establish the C. & O. National Historical Park from here to Cumberland. We are now constructing the George Washington Memorial Parkway for Maryland from the District of Co-

lumbia to the Cabin John Bridge at a cost to the Federal taxpayer of $9,800,000.

The Federal Government has appropriated $1,500,000 to date for land for stream valley parks in nearby Maryland, and there is another $150,000 in this bill.

They say this is the only stretch left to complete the parkway from Mount Vernon to Great Falls on the Virginia side and from Great Falls to Fort Washington on the Maryland side. This is not true.

The parkway has not been built from the Cabin John Bridge to Great Falls on either side. Nor does Virginia want it built in this area. And it would cost another $10 million to build it on the Maryland side beyond the Cabin John Bridge. So what Maryland wants is really over $20 million. And the C. & O. Parkway she is after from Washington to Cumberland would cost another $13 million.

The portions of the parkway which are being built are justified because they are needed for transportation; that is to the CIA Building and the Cabin John Bridge on the Virginia side and from the District of Columbia to the Cabin John Bridge on the Maryland side. This Maryland stretch alone is now costing $10 million. These stretches tie in with the circumferential highway. No portions are being built which are purely for scenic purposes. That is what this stretch to Fort Washington is for.

New York pays billions in taxes, but cannot even get a reservoir. Ohio contributes $6 billion and does not have adequate flood control. Michigan is about bankrupt. Pennsylvania is raising taxes. There is difficulty in many States. Maryland is spending millions on roads. Let her spend the money and build her own highway.

When we started this debate today I asked you to do some real thinking about amendments. Here we are faced with this amendment for the George Washington Parkway to go down to Fort Washington. Let me read you something from a pamphlet put out by the Park Service:

> British war vessels, moving up the Potomac to cooperate with their land forces, reached Fort Washington on August 27th. Captain T. Dyson who commanded the position destroyed and abandoned the fort without offering resistance. The British fleet then sailed up the Potomac to Alexandria.

And that is the historic site they want us to spend $10 million on. I am thinking of a group of men under command of George Rogers Clark who captured Vincennes, Ind. They held their muskets up over their heads to keep them out of the water which was up to their necks. If it had not been for them we would probably still be the Thirteen Original States. There is only a small monument there to commemorate their great sacrifice.

Andrew Jackson has only a little monument to his memory and that of his brave men who went out in the swamps to stop the British.

Now here comes one of the wealthier States in the Union and wants $10 million to put in this scenic road to Fort Washington. I say this is one of those items we can certainly do without.

Mrs. BOLTON. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I ask the very careful attention of the Committee to this amendment because I think that very few Members who are opposing this item have the slightest idea of the consequences of possible negative action.

As the distinguished gentleman from Maryland [Mr. LANKFORD] has told us, the Capper-Cramton Act, creating the George Washington Memorial Highway, was indeed passed in 1930. This is not a Virginia highway nor a Maryland highway, Mr. Chairman; it is a national memorial to the first President of the United States which some 7 million people drive over each year.

With the National Capital situated on the Potomac River and Mr. Washington's home also on its banks, the Potomac cannot be considered less than a national waterway, even as the George Washington Memorial Highway is indeed a national memorial.

This Congress would do well to protect the banks of the Potomac and the highway itself from the encroachment of buildings which could not be built without the destruction of beautiful old trees. The distinguished Chairman of this Committee has spoken feelingly of the need to protect our trees and our rivers. I would remind you, Mr. Chairman, that it is God alone who can make a tree.

The amendment submitted by the distinguished Member from Maryland [Mr. LANKFORD] proposes to reinstate the sum of $1 million to be used for the acquisition of the land necessary for the construction of the last 7½ miles of the planned memorial highway. I submit that to be penny wise and pound foolish in this matter would be action not quite worthy of this House—to be greatly regretted at a future date.

I, therefore, hope that in its wisdom the House pass this amendment.

Mr. THOMSON of Wyoming. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, like everyone else, I dislike to oppose something that is of local interest, but I want to assure the membership of this House that we are not talking about any pennies. During general debate I pointed out that there was shown at page 469 of the hearings the increase in cost of the Mission 66 program since we embarked on the plan in 1955. To complete this program will require an additional $500 million. In the District of Columbia and the immediate environs in Maryland and Virginia, the cost to complete would be $135 million as shown by the table at page 513 of the hearings. Subtracting this from the $500 million, leaves $365 million planned for expenditure in the balance of the Nation. The amount for the area of the District represents over one-third of the amount we intend to spend in all the rest of the Nation. The estimate for the George Washington Memorial Parkway called for in the 1960 budget is $2,614,800 plus this $1 million for land acquisition. For this single item alone, to complete it would cost over $39 million after the 1960 fiscal year, so we are not dealing with pennies. This is something on which I think we should and must exercise restraint.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentlewoman from Ohio warned us not to be penny wise and pound foolish. I think she was right. But, she did not refer to the actual monetary aspects of this proposition. She referred to saving trees, which I think is proper and desirable. But, I think there is another slant that we ought to consider in connection with his particular amendment, and that is, what this undertaking is going to cost us in the long run. It is going to cost us a lot of money; I think we all know that. It has some highly desirable objectives; I think we all recognize that. I think if we follow on and be fair with ourselves, we should realize we are going to appropriate this money sooner or later. It is going to be done, gentlemen. This parkway should be built, and it will be built. The only question is when.

Mr. KIRWAN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. KIRWAN. Why not let the State do it? Maryland is not bothered with taxes like the rest of the States are.

Mr. POAGE. I was not greatly impressed with the argument that Maryland appears to run its business better than do some other States, that it should be penalized for doing so. My hat is off to any State that can run its business so that it does not have to look for additional money. I think they have done a pretty good job, and if they have so managed their affairs that they have a cash surplus, I do not think we ought to penalize them as a result.

Mr. KIRWAN. Just as soon as we dump the money over there, Maryland will be in the black. Why not treat them the same as the other States?

Mr. POAGE. I think they should be treated exactly as the other States. And I think we all recognize that we are going to build this road, this parkway, just exactly like we are going to go ahead and build the rest of these big improvements. We are going to do it. It may not be this year; it may not be next year; it may not be the next 5 years, but it is going to be done. We all want this Capital City to be the greatest in the world. The Federal Government is going to contribute half of the cost, somewhere down the line. Whether the gentleman feels we should do it or not, we are going to do it. I think every Member of this House knows that we are going to do it, and for my part I think we should do it, just as we promised. It will be a whole lot cheaper to do it right now than it will be to do it later. on. The costs of rights-of-way are going to increase tremendously as time goes on, even though only a part of the natural beauty which is now there remains to be purchased. I think that the lady from Ohio [Mrs. BOLTON] was right when she said "let us not be penny wise and pound foolish." We are going to pay

in pounds, gentlemen, somewhere down the line, unless we spend in pennies, or dollars, now.

The CHAIRMAN. The question is on the amendment submitted by the gentleman from Maryland [Mr. LANKFORD].

The amendment was rejected.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. PASSMAN. Mr. Chairman, the House tomorrow will probably be asked to consider a mutual security program supplemental appropriation for an item known as the Development Loan Fund. I think it is well that this matter should be brought to the attention of the House at this time so that Members may have an opportunity to do a bit of research relative to the suggestion which is being made to the effect that the action of the Appropriations Committee is disallowing the DLF supplemental request might be an invitation for another Pearl Harbor.

On July 2 of last year the House passed the Mutual Security Appropriations bill for the fiscal year 1959, and it then went to the other body. Fifty-three days later, or, to be exact, the night the Congress was adjourned sine die, we were informed from the other side of the "Hill" that the House Foreign Operations Appropriations Subcommittee members might come over for a conference. During the conference, in an effort to work out a reasonable compromise, the House conferees did agree to consideration this year of a possible supplemental request for MSP funds, but not specifically the DLF.

Thus far the Subcommittee on Appropriations which handled the mutual security program money bill has not had an opportunity to consider supplemental requests, because such requests now go to a Deficiency Appropriations Subcommittee. And there, according to the press, the DLF item has been, in the manner of the old railroadman's report to the stationmaster, "Off again, on again, gone again. Flannagan."

First, the subcommittee handling the request approved a figure of $150 million as a recommended supplemental appropriation to the DLF for fiscal 1959; then the figure was cut to $50 million; and later the subcommittee raised the recommendation to $100 million. However, when the bill reached the full Committee on Appropriations the DLF supplemental item was eliminated entirely. It is my view that the Deficiency Subcommittee's varied actions on the total to recommend, certainly indicate that there has been no real, definite justification or understanding as to actual additional needs.

I should like to state now, for the information of the committee, that on July 1 of last lear, at the start of the present fiscal year, a total of $15.6 billion was available in all categories of U.S. foreign aid. Furthermore, under the law, there can be transfers from one category into another, and from grants into loans, or loans into grants. Section 501 of the Mutual Security Act of 1954, as amended, provides that transfers into a category may be made by as much as 20 percent, with not more than 10 percent to be taken from any one category. Section 102 of the act provides for military assistance by either grant or loan, and section 105 provides for loans—unless otherwise specifically provided. So actually, either loans or grants can be made from practically any of the several categories of aid.

Mr. Chairman, I hope that the Members will go to the record for the facts. I am putting in the mail today for each Member of this House a certified copy of a memorandum showing the amount of funds available for the Development Loan program. I hope each Member will study these data, and will consider providing supplemental funds or withholding them, upon the basis of need as established, if such need can be established, and not upon the basis of political expediency.

Some public officials, including presidential aspirants, evidently would have us believe the Nation is literally in danger of being destroyed by another Pearl Harbor if we should endeavor to save for the taxpayers a few million dollars. These people, however, have not yet made a valid case to support their claims. Therefore, I ask you again to study the official record, and then reach your decisions accordingly.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am seriously concerned by the fact that there is before us in the Department of the Interior and related agencies appropriations for 1960 a recommendation for a cut in the cooperative tree planting program and no increase in the forest fire protection program. I had hoped that the subcommittee would see fit to recommend a material change in this picture.

It is difficult to understand why the administration is so anxious to save money at the expense of our State and private forests. Last year the administration recommended a cut in tree planting from $1,308,000 to $258,000 just after President Eisenhower and Secretary Benson posed for photographs planting a tree. The Congress appropriated $783,000. This year the administration recommended a cut from $783,000 to $290,000.

Now I recognize the fact that because of the soil bank program, which in itself is responsible for a great deal of tree planting, there are sound thinkers in the Congress and in the administration who feel that the program before you can safely be cut. This, however, is only a partial answer to the problem. There are many thousands of acres which are not eligible for planting under the soil bank program, and there are many, many small landowners whose landholdings are in most serious need of replanting who will be passed over if the action recommended in this bill is sustained.

During the past year the Department of Agriculture's Forest Service released the "Timber Resources for America's Future." Secretary Benson called it "The most complete appraisal of the timber situation ever made in the country." Speaking of tree planting this study says the Nation has 52 million nonproductive acres which must be planted if 11 percent of our commercial forest land is to produce timber crops again within a reasonable time.

With respect to protection from fire the "Timber Resources for America's Future" states that of the 673 million acres requiring protection in 1952, 82 million acres is not protected and further that 591 million acres has adequate protection only for the easy years. This study states further that efforts for prevention and control must be increased or we will experience heavy losses similar to those of the past which have included many tough years when we have sustained our heaviest losses. For example, I am thinking of a tough year—1952—when fire hit with such devastating effects in West Virginia, Kentucky, and Tennessee.

Also during the past year a study of the forest fire situation was made by the Battelle Institute of Columbus, Ohio. This study was called for by the administration. After a thorough investigation with an objective viewpoint the Battelle Institute recommends that the Federal Government provide a minimum of $30 million for the cooperative forest fire program. Yet the administration still recommends no increase in the present allotment of $10 million—the same figure it has recommended for 3 years although the States have increased their contribution from $33 million to $43 million.

I submit that these forestry items are of interest to Republicans and Democrats alike for forest resource management and protection knows no party lines. In fact about 30 Congressmen from both parties appeared before or wrote to the subcommittee which held hearings on these items and asked for the planting cut to be restored and for an increase in protection. I sincerely hope and am firmly convinced that reasonable increases will be made in these items in the Senate. When these increases are finally considered in conference committee meetings between the House and Senate I trust that they will be given favorable support.

In these days of missiles and rockets and space ships and billions for defense—all of which are urgently needed—it may seem to many that forestry is of minor importance and that forestry improvement is one of the things that can be postponed indefinitely. Some people might wish to join in the administration's efforts to cut tree planting and to avoid increasing our forest fire protection to the full authorization of $20 million with the idea that from one-half to ten and one-half million dollars saved here will help balance the budget. I urge that we look upon these items as investments rather than expenditures. Surely well planted and protected forests will provide future income. Forests are renewable resources. Why not take adequate steps to renew them for if well developed they will contribute much to national prosperity and strength.

Mr. KIRWAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MCCORMACK] having assumed the chair, Mr. PRICE, Chairman of the Committee of the

Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5915) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes, had directed him to report the bill back to the House, with the recommendation that the bill do pass.

Mr. KIRWAN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 13. Concurrent resolution to provide additional funds for special study by the Joint Economic Committee.

PAN AMERICAN GAMES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 214 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2575) to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan-American games to be held in Chicago, Illinois. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 214 makes in order the consideration of H.R. 2575, authorizing an appropriation of $500,000 for the third pan-American games to be held in Chicago. This resolution provides for an open rule and 1 hour debate.

The bill authorizes the appropriation of $500,000 for the purpose of promoting and insuring the success of the pan-American games to be held in Chicago, Ill., August 27 through September 7, 1959. Funds appropriated under this authority shall be expended in the discretion of the organization sponsoring the games subject to such audit as may be prescribed by the Comptroller General of the United States.

The pan-American games are held every 4 years under the direction of the Pan American sports organization. The member countries are those countries of the Americas whose national Olympic committees are members of the International Olympic Association. At present about 25 countries and possessions are eligible for participation in the games. It is anticipated that 2,000 athletes will participate in the games, including competitions for both men and women.

Sports facilities of the Chicago area will be used, including Soldier Field and the athletic facilities of Northwestern, Loyola, Chicago, and DePaul Universities.

It is anticipated also that in conjunction with the games there will be a great cultural event known as the Festival of the Americas in which the outstanding scholars and artists of the Latin American countries will participate.

Plans for the games are as yet incomplete and precise budget estimates of the use of Federal funds are not yet available. It is anticipated that a detailed justification will be submitted for consideration by the Committee on Appropriations before any funds will be appropriated pursuant to this authority. The sponsors of the games must assume the balance between the allowance of $3 per day per athlete for food and quarters and the estimated actual cost of $10 per day. A substantial part of the funds authorized will be used to pay the difference between the moneys received from the competing countries and the actual cost of furnishing food, lodging and transportation.

The bringing together in friendly sport of 2,000 of tomorrow's leaders of the Western Hemisphere is desirable from the point of view of U.S. foreign policy. The Department of State has indicated its approval of support of the games under the sponsorship of the city of Chicago in such amount as Congress deems appropriate.

The Committee on Foreign Affairs believes that the success of the pan-American games in Chicago this year will make a substantial contribution to the maintenance and improvement of friendly relations between the United States and other countries and territories in the Western Hemisphere.

I urge the adoption of House Resolution 214.

Mr. ALLEN. Mr. Speaker, I do not know of any opposition to the rule, but I can imagine there is going to be considerable opposition to the bill itself.

Personally, I cannot conceive of anything better in the field of public relations than permitting 2,000 athletes, who are idols in the Western Hemisphere, to come up here, and they are idols, in my opinion, any of them. They are more effective in the field of public relations than any other group of individuals. They will be treated fine in Chicago. They will have a marvelous impression of the United States, and those athletes, those idols, will go back to their countries and talk about their experiences here. So I say to you, Mr. Speaker, I cannot conceive of anything more effective. However, there is one thing that seems to spell out all the trouble and that is the part on line 8 of the bill. I think the gentleman from Illinois [Mr. YATES], the author of this bill, should be advised of it. That is on line 8 where it says: "and shall be expended in the discretion of the organization sponsoring said games,".

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield.

Mr. YATES. When general debate is concluded and the reading of the bill begins, an amendment will be offered to make the bill more specific in this respect. It will provide that the funds should be expended for lodging, food and transportation for participants and related personnel and shall be expended by the Department of State by way of advance or reimbursement to the organizations sponsoring said games subject to such controls and audit as may be prescribed by the Comptroller General of the United States. Any funds not expended under the said appropriation shall revert to the Treasury of the United States.

So this amendment will take care of that.

Mr. ALLEN. I thank the gentleman. I think the gentleman has taken care of that because some of us were wondering just what this organization you speak of is or who they are and how they are organized. I believe the gentleman has taken care of that question.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield.

Mr. GROSS. What is to prevent these athletic idols, as you call them, from coming to this country and participating without this bill? Is there anything to stop them?

Mr. ALLEN. They are coming.

Mr. GROSS. If we do not pass this bill, will they be barred from coming to this country?

Mr. ALLEN. I would say maybe not so many would come.

Mr. GROSS. Are they not interested in displaying their prowess unless subsidized by American taxpayers?

Mr. ALLEN. I would say that this is a good gesture and the money is well spent.

Mr. GROSS. I am glad the gentleman said this is just a gesture. I think it is, too—but it is an expensive gesture.

Mr. ALLEN. Mr. Speaker, I yield such time as he may require to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I have asked the gentleman from Illinois to yield to me, not because I am opposed to the adoption of this rule, but rather because I am opposed to the enactment of the legislation which the rule makes in order. About 2 years ago, if I remember correctly, or perhaps a little longer than that, we had this same sort of proposal,

but for a little more money, before the House to bring these same games to the city of Cleveland in the State of Ohio. We believed then, as we believe now, that if Cleveland was to act as the host city, a city in my own State, that the city should meet the expenses of holding these games there, rather than asking the taxpayers of the country to meet them. We opposed that legislation at the time it was up for passage, regardless of the fact that it did affect our own State of Ohio and that the games had been sponsored by one of our most prominent State officials. The authorization bill was opposed, but later the appropriation was rejected.

In my opinion, it seems to me this present legislation should not be enacted. I am perfectly willing for the great city of Chicago to have these pan-American games in their wonderful city. Right now we have the great city of Chicago asking the Republican National Committee to fix the city of Chicago as the site for the coming Republican National Convention, and offering to the Republican Party quite a handsome contribution in the way of funds, if it will just bring the delegates and the convention visitors to Chicago. It seems to me a matter of logic, especially in these days when we are having difficulty in balancing the budget, and when the taxes are so high, and we are running such great deficits in our Federal Treasury, that we should leave this very, very worthwhile endeavor of having these pan-American games in the the city of Chicago, and the financing of them, up to the very good and generous people of Chicago who, I am sure, will show the same interest in bringing these games to their fair city as they are now showing in attempting to bring the Republican National Convention there in 1960.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. JUDD. The gentleman will agree there is a great difference between this resolution and the resolution last year dealing with the proposed pan-American games in Cleveland because that resolution had in it $5 million for construction of a stadium and other facilities.

Mr. BROWN of Ohio. This bill is for $500,000.

Mr. JUDD. Those would be permanent improvements that naturally the people of Cleveland should pay for and not the Federal taxpayers. But does not the gentleman agree that the benefits of holding these games in Chicago will inure to the benefit of the whole United States and not just to Chicago?

Mr. BROWN of Ohio. I would certainly hope so, and I am sure they would inure especially to the benefit of Chicago.

Mr. JUDD. And Chicago is going to put a lot of its money into them.

Mr. BROWN of Ohio. I should think Chicago would be willing to help out the rest of the country, and make some contribution toward the good will which exists, and will exist, as a result of these games between the pan-American countries and the United States, by furnishing this $500,000. Chicago citizens are very able to collect money for different purposes and good causes; I am sure they can do it again in this particular case.

Mr. JUDD. But does not the gentleman feel that it will be of great benefit in all these countries of the Western Hemisphere to be shown by this act that the U.S. Government is behind this program and is participating wholeheartedly?

Mr. BROWN of Ohio. Yes; we can pass a resolution without an appropriation, saying we welcome the games coming to the United States, and thus show our good will; but when it comes to putting up the cold cash, the people who benefit, the State of Illinois and the city of Chicago, should pay the bill. As far as value to the community, or the benefit to the United States is concerned perhaps the Republican National Convention meeting in Chicago can contribute more to the welfare of America and the world than even the pan-American games.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. GROSS. I wonder if an amendment to the bill to provide that the $500,000 be provided from counterpart funds would meet with the approval of the gentleman from Minnesota who has helped create hundreds of millions of dollars of counterpart funds all over the world. I wonder if he would be for that?

Mr. BROWN of Ohio. I must say to the gentleman from Iowa that when we get involved in the intricacies of international finance, the way it has been complicated in recent years, I am lost.

Mr. JUDD. Of course, if the gentleman from Iowa can get the merchants and hotels of Chicago to accept foreign currency at its face value, I am sure the amount could be paid with counterpart funds.

Mr. GROSS. Why could they not be converted into U.S. currency, or even taken at face value?

Mr. JUDD. Because some of them are not convertible. If the people of Chicago will accept payment of their bills in the form of rupees, lire, yen, and so on, that would be fine.

Mr. GROSS. I am sure they would.

The SPEAKER pro tempore (Mr. McCORMACK). The question is on the resolution.

The resolution was agreed to and a motion to reconsider was laid on the table.

Mr. BURLESON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2575) to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games to be held in Chicago, Ill.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2575, with Mr. GEORGE P. MILLER of California in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Texas [Mr. BURLESON] will be recognized for 30 minutes, and the gentlewoman from Illinois [Mrs. CHURCH] for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. BURLESON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this matter was before the House the latter part of the preceding session, at which time, as I recall, the record vote was 200-odd to 60 in favor of the bill.

I think we all understand pretty well the purpose of this legislation. It was reported unanimously by the Foreign Affairs Committee on two occasions. During the consideration of the bill there were a number of witnesses who appeared before the committee, including the author of the bill, the able and persuasive gentleman from Illinois (Mr. YATES). The value of this type of legislation is difficult to estimate, but if we are to remain in the world and as a part of it, whether it be in trade of various kinds, the cultural arts or athletics, we are overlooking one of the greatest opportunities to have friendly, competitive relation with our friends to the south.

Mr. Chairman, I feel very strongly that this legislation should be adopted. We are spending great sums of money for purposes much more doubtful than for these athletic games. At least it is to be spent in the United States and the good will it should generate should be valuable.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman says that several witnesses were heard on this bill in hearings before the committee. May I ask the gentleman where I could obtain a copy of the printed hearings?

Mr. BURLESON. It was last year we had the hearings. That is what I intended to say, if I did not. As I recall, we had only several Representatives in the House before the committee; but last year we did have hearings.

Mr. GROSS. Then, as I understand it, this subject was given the once-over-lightly treatment in the committee this year. Is that correct?

Mr. BURLESON. It was not once over lightly last year. We went into it quite thoroughly.

Mr. GROSS. How about this year? There has been a change in the attitude of the people toward spending for unnecessary purposes.

Mr. BURLESON. The purpose of the legislation is the same this year as last year.

Mr. GROSS. That may be, but demands on the Public Treasury are apparently even more acute this year.

Mr. BURLESON. I do not know that it is any different this year from last year, or that it was any different the year before that. We are hearing a great deal more about economy this year than last, but conditions are not essentially different. Most of us are for economy in

places where it does not affect us, but I consider this an investment which should pay off in better relations. Not too good relations has cost this Nation a lot of money and will do so in the future unless we do something about it. This type of event is particularly important to our Latin American friends.

Mr. GROSS. I am glad to hear the gentleman say he thinks it is a good thing, but that does not answer the question as to the difference in the financial situation then and now. A year and a half ago we were not having nearly as much trouble selling Government bonds as we have had in the last few months.

Mr. BURLESON. There are many things which I favor postponing or rejecting, and I think my record for economy is about as good as anyone's in the House. I am very much concerned, as is my friend from Iowa, about the fiscal affairs of our country. This does not mean, however, that we can, even if we wished, withdraw into a shell of selfishness and seculsion in these matters of intercountry associations. It could be put off; we could ignore it, but I am not too sure at all that by ignoring it we are saving money.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Minnesota.

Mr. JUDD. Will not the gentleman from Texas confirm the fact that repeatedly we have had testimony before the Committee on Foreign Affairs that in some countries where we have made substantial contributions in food or in building powerplants or highways or even schools, we have not yet won the full understanding and good will that we hoped might come from those contributions, because sometimes the assistance was administered in a very efficient but rather rough way from the standpoint of the more easygoing tempo of the countries involved? Again and again the suggestion has been made—and sometimes it has been a strong criticism—that we have done very well with the tangible things; but we have often put too much of our money into things that you can see and not enough into the intangibles—such as building closer cultural relations, including the field of mutual interest with which this bill deals with—sports. Competitive individual and team sports are one of our most valuable American exports. Our athletes abroad and theirs who come here for contests or exhibitions are regarded as heroes. They have as great an influence upon the thinking and the attitudes of people around the world, particularly those already interested in sports, as anything that goes out from our country. Here is the kind of relatively inexpensive project that we have tended to underestimate. This bill gives the House an opportunity today to make a contribution, which in amount of money is very, very small, compared with other projects we are supporting; but which helps substantially in a field that the youth of Latin America are just as much interested in as are the youth of America, who oftentimes read first, not the report on a conference of the President with the Prime Minister of Britain, but rather the sports pages to see what happened the day before in basketball, hockey, or football. The bill authorizes a maximum of $500,000 to help make possible games that the youth of all the hemispheres are tremendously interested in, whereby great good will and a sense of closer relationship and fellowship can be created. Does not the gentleman agree?

Mr. BURLESON. I do agree with the gentleman. To say the least, this is something which takes place in our own country. The money will be spent in our own country. It will be spent in Chicago, and that, at least, is different than if it was spent some other place. So, I am influenced by that fact, also.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I have asked the gentleman to yield so that I may correct any impression that I may have given to the effect that the authorization bill was defeated in the House. I am not sure whether I said that, or whether I simply made the statement in my previous remarks that the Ohio delegation, or most of us, opposed the bill. However, I have checked the record and find that the legislation did pass, the $5 million bill, I think on July 22, if I have the right date, or the 26th, and was signed into law, but that later the appropriation was rejected, and Ohio refused to go ahead with the proposition, and, therefore, the games were not held in Cleveland. So I will correct my previous remarks if I did, by error, infer that the bill was defeated.

Mr. YATES. Mr. Chairman, if the gentleman will yield, the appropriation was defeated. The authorizing legislation was passed, but the appropriation was defeated.

Mr. BROWN of Ohio. I believe this explains the situation.

Mr. BURLESON. That is correct.

Mrs. CHURCH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the resolution which seeks an appropriation of $500,000 for certain specified purposes in connection with the pan-American games to be held in Chicago.

It is our dream that these games, carried on at a time when there is tension between ourselves and some of our neighbors in the Southern Hemisphere, will promote better understanding and the lasting friendship that arises from mutually shared interests.

Besides the athletic contests, Chicago is planning a collateral program of interchange in cultural achievement which will further add to our mutual knowledge and sympathy.

Never have the pan-American games been held in this country, although we have participated with our neighbors in these contests held in South America. The first pan-American games were held in Buenos Aires in 1951, and the second games were held in Mexico City in 1955. In each of these occasions, over 1,800 athletes participated. It is expected that more than 2,000 will take part in the games to be held in Chicago this August.

The bill calls, as stated, for $500,000 to be used solely toward the expenses of the participants from Latin American countries who otherwise would be deprived of this opportunity to intermingle with their neighbors. Whereas it might be argued that all participating countries should meet the expense of their own representatives, it can be said with equal force that this program is a valuable adjunct to the exchange of persons program which has proved to have value far beyond the mere monetary consideration provided.

I would point out with pride that the city of Chicago is able to provide and has provided gladly for the expenses involved in carrying on these games in Chicago. The necessary stadium already exists and the local community is gladly assuming and paying for the privilege of being host to these games. The city, in other words, has gone beyond the second mile in meeting the financial responsibility for that share of the expense of the program which can logically be called its own.

The main purpose of the bill today, I repeat, is to make it possible for the delegates to come who otherwise, because of financial hardship, would be deprived of the privilege of joining in this great demonstration of pan-American prowess and good will. It is not necessary to re-stress the importance of placing new emphasis on our spirit of neighborliness with our friends to the south in this hemisphere. It is our firm belief that the fellowship of these games and the better knowledge that will be spread of each other, not only among participants but among the huge audiences already anticipating the occasion, will go far toward building mutual respect and lasting good will.

The support for this measure was unanimous and completely bipartisan in our Committee on Foreign Affairs. As I said last year at the time when the House passed this measure—which unfortunately did not come up for a vote in the Senate before adjournment—it is not often that Chicago comes in and asks for cooperation of this kind. The amount we are asking is only $500,000. With this small appropriation, it will be possible for the great Midwest, which I always hold to be the heart of America and which is composed of thousands of happy Americans whose roots are to be found all over the world, will be able to welcome athletes and other representatives from Latin America in mutual exchange of customs, capacities, and understanding. Even though I belong to the group that holds tight the Federal purse strings, wherever soundly possible, I urge the House to pass this bill.

Mr. DOOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from New York.

Mr. DOOLEY. I rise to commend the gentle lady from Illinois on her astute evaluation and analysis of the proposed legislation and her conclusion as to what it will do if enacted to further better

understanding and better relationships with the pan-American nations.

Ever since Pierre de Coubertin reinstituted the Olympic games in 1896, international athletic contests have been a great source of better understanding among the people of competing nations.

The pan-American games are in effect a miniature or hemispheric Olympics and they will provide a wonderful opportunity for establishing rapport between the United States and the nations of South and Central America, as well as Canada.

The sum of $500,000 is very little to ask the host nation to provide in order to help with the transportation and living costs of the visiting athletes. Chicago, where the games will be held, has already promised to provide facilities which will cost them over a million dollars to refurbish in time for the games.

The episode between South Americans and our own Vice President a few months ago pointed up with poignant severity the need for better understanding among the peoples of this hemisphere.

When our great athletes, like the sprinter, Davis, and the weight lifter, George Anderson, traveled abroad they were welcomed as conquering heroes by the sports-loving people of other nations and it appears to me to be a certainty that the United States by demonstrating through its athletes the true significance of good sportsmanship can do a lot to convince other nations of our genuine good will, fairmindedness, and desire for friendship.

Mrs. CHURCH. I thank the gentleman. I hope that he and all the other Members of the House will come out to Chicago and share with us the benefit of the games.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Iowa.

Mr. GROSS. It seems to me it was only about 2 weeks ago, on another afternoon, that the House approved a bill containing authorizing language which eventually will call for the expenditure of $545,000. Does not the gentlewoman think that Chicago is coming to the fountain pretty regularly these days?

Mrs. CHURCH. If the gentleman's memory is good, and I know it is, he will recall that on that afternoon I pointed out that the benefits from that particular appropriation would not only affect the city of Chicago but indeed would affect the whole area around the Great Lakes and the whole area to the south adjacent to the Mississippi Waterway. So I think if the gentleman will divide the former amount among the people to be benefited by that earlier authorization, he will find that Chicago would have just a small share.

Mr. BURLESON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, there is little to be added after the eloquent address of the gentlewoman from Illinois. Certainly it needs no effort on my part to persuade any group of Americans as to the harmonizing effect of sports. We are all aware of how it builds up friendly relations between those who are participating. I need say little as to the standing in the community of the athletes of each of the countries. They are respected and esteemed. If such persuasion were needed, I point to this morning's Washington Post, to an article that appears in the sporting section, which describes the reception that was accorded to Alex Olmedo, the great Peruvian tennis player, when he returned to Peru:

The headline reads: "National Hero Olmedo Returns to Peru and Fantastic Reception."

Thousands upon thousands of people were at the airport to greet this national hero and to pay homage to him and to his fellow members on the U.S. Davis Cup team. That is how good athletes are regarded in their countries.

This is a simple bill but it is a far-reaching one. Its purpose is to foster warm relations between the United States of America and our neighboring countries to the south and Canada as well. Participating in these games will be approximately 26 countries.

Why is this appropriation needed?

The reason is twofold: One because Chicago is so far away from many countries in South and Central America. It is almost the most northern place where this contest might be held. A number of the countries in South America will find it difficult to raise sufficient funds to pay the transportation for their athletes. Secondly, the committees which are sending these athletic delegations are allotting only $3 per day for the food and for the lodging for each of the athletes. Those of us who live in urban communities know how unrealistic this allotment is. I would not have you believe, as has been implied here, that Chicago is going to depend entirely upon the largess of the Federal Government for supporting this great event. The city of Chicago itself is raising $500,000 by private subscription to pay the expenses of the games and, Mr. Chairman, the city of Chicago will expend over $2 million in connection with these games in organizing and constructing facilities and in payment of other costs.

Mr. Chairman, we need not point out how sensitive are our relations with the countries of South America. We need only to remember last year when our Vice President visited South America to know that our relations with our Latin American neighbors needs understanding and strengthening. When Dr. Milton Eisenhower returned from his visit to South America, he reported to the President as follows:

> The American Republics are uniquely important to one another. Our economic independence is immense; our political interdependence in a threatened world is notable; our cultural interdependence is growing rapidly; and our shared aspirations for freedom, independence, peace with justice, and rising levels of human well-being assure that the cooperative processes in the community of nations can work here.

Mr. Chairman, this is one of the finest cooperative endeavors that we can possibly organize to bring the peoples of the Americas together sharing in a series of competitive sports contests.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. CURTIS of Missouri. I do not believe there is any question on the part of those who have been asking questions about this as to the value of the pan-American games or the value of the Olympic games, and so forth. I think most Americans agree, and I certainly agree, that these games are of tremendous value. There is one issue involved: Does it need Federal money? In other words, these things have been done before and they have been done for many years and they have been very beneficial and they have been done without the use of Federal funds. So the sole question is this question of the Federal funds. I would like to ask these two questions: First. Many of these things actually make money. Many of these things are moneymakers and I presume that the city of Chicago and other communities that have promoted world fairs and other such things expect to make some money out of it. How much money will Chicago make out of this, or let us put it this way, if there happens to be money made out of it—is there any way the Federal Government can be reimbursed?

Mr. YATES. The money will first go toward the payment of expenses. Let me say, as I pointed out during the debate on the rule, that money will be expended by the Department of State pursuant to controls which will be established by the Comptroller General of the United States.

Mr. CURTIS of Missouri. No; I am talking about repayments now, in the event that money is made out of this.

Mr. YATES. I do not know the answer to the gentleman's question but I would assume that if the funds that are derived from the games are sufficient to pay for the expenses of the games, they would be used before Federal funds were used. I, too, would favor repayment of expenses out of such moneys before the Federal Government is called upon to make any expenditure.

Mr. CURTIS of Missouri. I thank the gentleman. I have one other question. The gentleman is a member of the Committee on Appropriations and that is one reason I ask him the question. Why is it not possible to use foreign currency generated, for example, under Public Law 480 which exists in many of these countries to pay for these travel expenses?

Mr. YATES. It may be possible to do that. I am under the impression, however, that most of the funds will have to be expended in the United States where foreign currencies cannot be used for lodging and for food. It may be that part of the funds of such currencies could be used for transportation.

Mr. CURTIS of Missouri. Perhaps, if that could be done, the people of Chicago would take those funds and encourage the people in Chicago to visit these countries down there and, thus, they would be getting a further benefit.

Mr. YATES. I would say that this could very well be one of the results of the games, to foster understanding and

friendliness between the countries so that all will want to visit with each other even more.

Mr. CURTIS of Missouri. I thank the gentleman.

Mrs. CHURCH. Mr. Chairman, I yield such time as he may need to the distinguished gentleman from Illinois [Mr. CHIPERFIELD].

(Mr. CHIPERFIELD asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CHIPERFIELD. Mr. Chairman, the pan-American games to be held in Chicago from August 27 to September 7, 1959, serve to provide the furtherance of understanding and friendship between the peoples of the Americas. The bringing together of some 2,000 young athletes from all the countries of the Western Hemisphere to engage in friendly competition in the heart of mid-United States is an enormous project undertaken by the city of Chicago. The city, serving as host for the games, becomes the United States in the eyes of thousands of visitors and participants. Nothing will be left undone to make this event the greatest in the history of Chicago.

The pan-American games are held every 4 years under the direction of the Pan American Sports Organization. The member countries are those countries of the Americas whose National Olympic Committees are members of the International Olympic Association.

Previous games were held in Buenos Aires in 1951 and in Mexico City in 1955. Approximately 1,800 athletes participated in the prior games. It is anticipated that 2,000 athletes will participate in Chicago.

Twenty sports are listed; in seven of them there will be competition for both men and women. All the sports facilities of the Chicago area will be used.

In addition, Chicago plans a month-long Festival of the Americas. Music and cultural activities will be carried on during the festival.

The people of Chicago are to be congratulated for their efforts to cement more friendly relations with our Latin American friends.

Mrs. CHURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I certainly concur in what has been said by practically every speaker on this bill so far, as to the merits of the games or the desirability that they be held in the United States; nevertheless, I think there are a few questions that members of the committee properly be informed about before being asked to vote on this particular legislation.

I wonder if the author of the bill, my friend from Illinois, could tell me whether or not I am correct in saying that there is no money in the Federal budget for this amount at this particular time.

Mr. YATES. The gentleman is correct; there is no money in the budget at this time.

Mr. BENTLEY. Can the gentleman also tell whether or not it is correct that the Department of State while endorsing the games being held in Chicago does not commit itself to any specific amount?

Mr. YATES. That is correct.

Mr. BENTLEY. The gentleman will also notice that on page 2 of the report the statement is made:

> Plans for the games are as yet incomplete and precise budget estimates of the use of Federal funds are not yet available.

In view of the fact that the games are scheduled to start in about 5 months I am wondering whether plans have advanced any further than they were at the time of the preparation of the report to the point where we know whether it will be $500,000 spread amongst two thousand athletes, or about $250 per athlete?

Mr. YATES. The reason for that statement in the report is the fact that the number of athletes who will compete depends in very great measure on whether or not the Congress of the United States passes this legislation. Part of the money will have to be used for transportation as well as for taking care of athletes while they are in the United States. If this legislation is passed they will have something definite to figure on and then can give a more positive estimate.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield.

Mrs. CHURCH. I would like to point out that following the statement which the gentleman has quoted on the second page of the report this sentence appears:

> It is anticipated that a detailed justification will be submitted for consideration by the Committee on Appropriations before any funds will be appropriated pursuant to this authority.

Certainly, before the appropriation is finally made, full figures and facts on the proposed program will be presented to the Appropriations Committee which will certainly scan such figures and facts with their usual care.

Mr. BENTLEY. Certainly I know the Appropriations Committee will also have to act on this, but the legislative committee should not abdicate its responsibility to the Appropriations Committee. I think we should be able to find out as much as we can just what this money is to be used for.

Mr. YATES. The gentleman is correct. As I pointed out, we cannot be more specific at this time for the reason that we do not know how many athletes will come previous to the passage of this legislation.

Mr. BENTLEY. Suppose we authorize $500,000; does that mean that 2,000 athletes will come, or how will the number be determined?

Mr. YATES. It means that approximately that number will come.

Mr. BENTLEY. Then you will have to arrive at a specific number and justify your request. Knowing what number will come it can easily be ascertained how much you will have to pay out, and the difference between what they are allowed under the Pan American Rules Committee's allowances and their actual expenses will give an idea of the cost.

Mr. YATES. I am informed by the Chicago committee that the estimated cost is $10 a day. The amount allowed to the athletes by the respective countries is $3 a day. The difference will be $7 per athlete per day.

Mr. BENTLEY. Am I correct in understanding that these games are actually being sponsored by the city of Chicago?

Mr. YATES. Yes, they are sponsored by a not-for-profit organization known as Pan American Games, Inc., which is the organization helping to organize and run the games for the city of Chicago.

Mr. BENTLEY. And it is an official organization, an official creature of the city of Chicago.

Mr. YATES. It is not an official organization, but it is not-for-profit organization and is the organization the city is using for this purpose.

Mr. BENTLEY. Are the deficits to be made good to the city of Chicago or to this organization?

Mr. YATES. To this organization under the direction and control of the Comtproller General of the United States.

Mr. BENTLEY. But the city has no responsibility for its own debt to see that the games are properly financed? The city has no financial responsibility as official host to those games?

Mr. YATES. I do not know the answer to that question, but I do know that this organization is subject to the control of the city of Chicago. The mayor's office will have some supervision over the expenditures.

Mr. BENTLEY. The gentleman mentioned a moment ago that the city of Chicago will spend $2 million on these games. Would the gentleman be able to give a breakdown of where that money is being spent by the city?

Mr. YATES. The gentleman can give you a rough breakdown as to where the money is to be sent. It will be spent in the building of swimming pools, in conditioning running tracks, in rehabilitating rifle ranges, in conditioning all of the necessary facilities, providing maintenance and employees and various facilities for that purpose. Many facilities will be used; the White Sox baseball field will be used, the Cubs baseball field, high school stadiums, and many other installations will be used. There will be roughly about 20 different organizations that will contribute their facilities. They will be paying the expenses of the operation of their facilities during the time the games are in progress.

Mr. BENTLEY. Is the city of Chicago building any private lodgings for these people?

Mr. YATES. To the best of my knowledge, no. The city of Chicago is raising a half million dollars, part of which or most of which, I think, will go toward payment of the expenses of lodging. I may say to the gentleman that we have sufficient facilities to house the participants in Chicago and also to take care of the delegates to the Republican National Convention if it comes to Chicago.

Mr. BENTLEY. But not at the expense of the participants, but at the expense of the Department of State?

Mr. YATES. Yes.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I am grateful to the gentleman from Iowa for asking the question if there has been any change in the last year to justify the pending resolution. I can inform the gentleman from Iowa that there has been. During the last year our public relations with the people of Latin America have worsened. We all are concerned by growing expressions of anti-American sentiments in countries of this hemisphere where we wish to have, as indeed for our security we need to have, our best and truest of all friends. During the last year the Communist drive to attract the young people of Latin America to visit the Soviet Union on tours financed by the Soviet has been intensified. I think the members of the Committee on Foreign Affairs had that very much in mind when they voted unanimously to report favorably this resolution.

I do not know of anything that the city of Chicago can gain from the expenditure of this money that is not shared in intensified measure by every State and by every person in our United States. We can have no security for our country unless there is a real hemispheric solidarity, a solidarity that is based, not upon military missions and physical things alone, but most of all upon the good will and the neighborly understanding that result when the approach is to the minds and hearts of men. Chicago, at her own expense is making plans for such an approach on an unprecedented scale. In connection with the holding of the pan-American games, which will put in spirited but friendly competition the athletic youth of the continent, Chicago is making elaborate plans for a Festival of the Americas to bring to our country the music, the drama, the dance, the literature, and the art of our Latin neighbors in their highest expression as interpreted by the great musicians, the great artists, the great poets, the great men and women in the Latin American cultural and artistic world. These are the undertakings, Mr. Chairman, that bring together the minds and hearts of peoples.

What has Chicago to gain that is not equally the gain of every other city, of every village and town, of every American family home when by reaching into the hearts and minds of our Latin neighbors we have built the enduring foundations of a hemisphere accord that will strengthen our security and encourage an ever-growing flow of commerce beneficial both to ourselves and to our neighbors?

Strictly on a business basis, and by the approved rules of the public relations departments of our largest corporations, the investment of $500,000 to help defray the expenses of bringing several thousand athletes, the pick of the crop in the countries to the south, to the pan-American games is the best investment the United States possibly could make at this time. For one person who reads the editorial page of a newspaper thousands read the sports pages. An athlete, who is an idol in his own country, can be our very best ambassador of good will on his return and, as the sporting pages are so much more widely read than the editorial pages, we can be sure he will get his message over.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. Certainly, I will be delighted to yield to my dear friend from Iowa.

Mr. GROSS. As I understand, there are athletes coming down from Canada to participate in these games. Are we going to take care of their expenses, when they have a sounder dollar than we have?

Mr. O'HARA of Illinois. I do not know why the gentleman would wish to discriminate against Canadians.

Mr. GROSS. Well, I do not. I am just asking the question.

Mr. O'HARA of Illinois. I am not discriminating against any of our hemispheric neighbors. That is not in the spirit of this resolution. To the contrary, its purpose is to prevent discrimination against the athletes from any country on the American Hemispheres. If his country cannot or for some reason will not bear his full expense of coming to the games he is not by that circumstance to be debarred from the games. I can think of nothing more in keeping with the American spirit of fairplay.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. Of course I yield to the gentleman representing the district where I was born.

Mr. HOFFMAN of Michigan. We are neighbors, are we not?

Mr. O'HARA of Illinois. Not only that; we have much in common and the good sense not to let conflicting politics and philosophies mix up friendship.

Mr. HOFFMAN of Michigan. Yes, a great deal. I go to Canada ever year when I have the money, to spread good will, and every year they make me spend 10 cents on the dollar to equalize the thing. Do you not think that is spreading good will?

Mr. O'HARA of Illinois. If the gentleman is willing to spread his wealth among the people of Canada, he is to be commended. The gentleman possibly remembers that Canada lined up with Michigan on Lake Michigan water diversion and gratitude is one of my friend's many virtues.

Mr. HOFFMAN of Michigan. No; I cannot help it. I do not part with it willingly.

Mr. O'HARA of Illinois. Mr. Chairman, I hope that this resolution is adopted by the House by unanimous vote. There was not a voice raised or a vote cast against it in the Committee on Foreign Affairs. I cannot conceive of any person in this Congress who does not realize the necessity of mending our hemispheric relations. By all means we must reach out to bring the peoples of this hemisphere into the fold of understanding with us. If we do not, no matter what we may build up in military might, we will have no real security either on this hemisphere or in the world at large.

Mrs. CHURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I want to thank the gentleman from Illinois for yielding me 5 minutes. Make no mistake about it, this bill is a blank check, and it is so stated in the report.

Plans for the games are as yet incomplete, and precise budget estimates of the use of Federal funds are not yet available.

And so forth and so on. Seldom do we get a bill accompanied by a report which is completely a blank check. Here we are called upon to spend $500,000 as a blank-check proposition.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Briefly.

Mr. YATES. In answer to what the gentleman has said, let me say that frequently an authorization bill is passed leaving it to the Committee on Appropriations to appropriate the exact amount that should be made available.

Mr. GROSS. On top of that, the amendment which the gentleman from Illinois says he is going to offer, bringing the State Department into this thing, does not enhance the aroma of it a bit so far as I am concerned.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Very briefly. Do not take all of my time.

Mr. YATES. This is addressed to the gentleman from Illinois. The original bill provided that the money be paid directly to a private organization rather than to a Government agency. For that reason the State Department has been brought into the picture for the purpose of controlling the expenditures.

Mr. GROSS. As I look at this proposition, it provides for subsidizing 2,000 athletes. The differential as between the $3 they are supposed to put up and the $10 that Chicago wants to take care of them is a difference of $7, and 7 times 2,000 is $14,000, if my arithmetic is correct. If my further computation is correct, they are to be in Chicago for 12 days, from August 27 to September 7, and multiplying $14,000 by 12 days we get $168,000.

Mr. YATES. May I say to the gentleman that the time period is 20 days, because you have a period of preliminaries to the actual games themselves.

Mr. GROSS. So we have $168,000. That is the best figure that I can get on the basis of the report. You could add a few days either before or after, to get them out of the country or for the preliminaries, as the gentleman calls them; but you would still have quite a lot of surplus Federal cash.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Yes.

Mr. YATES. As I compute the formula it would be the differential of $7 per day, as the gentleman has pointed out, for 2,000 athletes, over a period of 20 days.

Mr. GROSS. Mr. Chairman, let me ask the gentleman this question. I notice that athletes are to come from the Dominican Republic; is that correct?

Mr. YATES. That is correct.

Mr. GROSS. What business do we have subsidizing athletes from the Dominican Republic when the son of the President of that country is able to buy Jaguars, mink coats, and what-have-you for his American sweethearts?

Mr. YATES. May I say that the Dominican Republic will probably not be subsidized, because it has sufficient money to pay for its athletes who are coming here.

Mr. GROSS. Are there other countries that do not have to be subsidized? If so, please tell me about it.

Mr. YATES. Yes; I would say that Canada's athletes do not have to be subsidized. I would say that where the countries cannot pay for the transportation, food, and lodging for the athletes, they will be subsidized.

Mr. GROSS. I can only see $168,000 based upon the gentleman's own figures, and if you are going to eliminate countries that do not need to be subsidized, you do not need even that much money.

Mr. YATES. A system of controls and audits will be established by the Comptroller General of the United States to make sure that none of this money will be spent unnecessarily.

Mr. GROSS. Let us get that into this bill.

Mr. YATES. I have an amendment at the Clerk's desk now.

Mr. GROSS. I was not referring to the gentleman's amendment. Let us get those eliminations of countries into the bill, so that we will know what we are doing.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Am I to understand from the statement of the gentleman from Illinois [Mr. YATES] that this is to be on a needs-test basis, that there is to be discrimination between countries as to who will be entitled to benefit?

Mr. GROSS. I shall let the gentleman from Illinois answer that.

Mr. YATES. I do not think the question deserves any answer.

Mr. JOHANSEN. Mr. Chairman, just a minute——

Mr. YATES. The gentleman asked me if I would answer it, and I shall answer it. I think the distortions in the gentleman's remarks are sufficiently clear in themselves as not to warrant an answer.

Mr. JOHANSEN. May I say that there were no distortions in my statement, and the gentleman well knows it.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I am more intrigued now than I was when I first heard the bill read. I do not want to suggest a point of view here in opposition to this, because Minneapolis just recently, during the past year, was host to one of the international organizations, the World Health Organization, which brought great friendliness and educational attractions to the State of Minnesota in their stay of 2 weeks there. But I am very much confused here, and I would like to ask the chairman of of committee a couple of questions. This concerns not only the field of competitive athletics, but the matter of expositions and other cultural activities. I have an idea that the State Department makes all of these arrangements for these entries into the United States. Then I think I may assume that the State Department gives publicity to the competing cities who are in quest of these contests or conventions or expositions.

Then, if history repeats itself, there will be a Member of the House from the State which is seeking these athletic contests who introduces a bill. That bill, I suppose, generates out of some civic organization. I remember the case of Squaw Valley in California, which the gentleman from California [Mr. SISK] sponsored, and the Cleveland Games, which was sponsored under a bill introduced by the gentleman from Ohio [Mr. VANIK].

In this case, the gentleman from Illinois has filed a bill. I wonder where these bills generate, and if the State Department is promoting these exhibitions or contests why the Congress does not know something about it.

Mr. YATES. Mr. Chairman, will the gentleman yield for an answer as far as this bill is concerned?

Mr. WIER. I yield.

Mr. YATES. This bill did not come from the State Department. This bill was filed upon the request of the administration of the city of Chicago. Mayor Daley asked me whether I would file this bill because he said we needed help to put across the pan-American games. I said that I would be glad to do it.

Mr. WIER. I am thoroughly familiar with that kind of policy. I remember 2 years ago Congressman JUDD, and the two Senators from Minnesota brought in a resolution, because there was some competition by larger cities to have this World Health Organization meet in some other city. We had to provide a guarantee in the city of Minneapolis.

I expect to vote for this bill, but I would like to ask some money so that we could have the American Legion's National Convention in Minneapolis.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. WIER] has expired.

Mrs. CHURCH. I have no further requests for time, Mr. Chairman.

Mr. MORGAN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I should like to associate myself with the remarks of those people who want the pan-American games in Chicago and in America for the good it can do for international understanding.

Mr. Chairman, I had the great good fortune to be in Moscow, Russia, at the International Youth Festival in 1957, for a week. I saw the tremendous propaganda value that the Soviet Union has been able to gain from these International Youth Festivals. It was not only a matter of sports, it is a matter of music, speaking, many of the arts and sciences, also.

Each day's winner from all over the world would have his picture big and bold, and I think they printed many editions each day just so each one who had won an event would have an opportunity to see his picture on the front page of a Moscow paper. They even put out special papers. Each of these newspapers went home to the various countries from which these people had come. Each youth who had received a writeup in these newspapers went home with a very warm feeling toward Moscow. Not only did these newspapers contain pictures of the contest winners, they also contained much propaganda about the friendly intentions and peaceful desires of the U.S.S.R., no matter how untrue it was.

We can take some lessons in America from these master propagandists behind the Iron Curtain. Forty-five hundred young people from more than 140 countries left Moscow, warmed and pleased by what they found and the generosity they enjoyed from a highly subsidized Russian propaganda barrage.

Mr. Chairman, the whole of the United States profits by these pan-American games. Yes, even the whole free world enjoys a feeling of peaceful unity when America leads in the cause of peaceful understanding among our young people of the free world.

Mr. Chairman, when Mr. NIXON visited South America last year, as a representative of our country, we certainly had a demonstration that we have much work to do in the cause of international understanding. We are quibbling about $500,000 which will be used to sell Americana to the world.

I believe it only right that the U.S. Government endorse these pan-American games with whatever is needed within reason, to assure their complete success.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman, for many years before I came to Congress I was associated with the municipal government of the city of Chicago and during the years have been very close to the Honorable Richard J. Daley, now the mayor of Chicago. It is no exaggeration to say that Mayor Daley is one of the outstanding chief executives of a large city of all times. What he has accomplished for Chicago during the last 4 years is the talk of the Nation and has been the subject of much favorable comment in magazines and periodicals of national prestige and circulation.

I say this now so that my colleagues in consideration of the pending legislation can fully appraise the importance to our country of the pan-American games in Chicago. Mayor Daley is putting the full weight of his dynamic drive behind these games to bring into close understanding the peoples of the Latin countries and our own people.

It is because of his intense interest that Chicago is planning, in connection with the pan-American games, a series of events extending over a considerable period of time that will bring to the American people, on a scale hitherto unapproached, the song, the literature, the art and the drama of our Latin neighbors.

Into this undertaking, which is calculated to make a tremendous contribution to hemispheric understanding, the people of Chicago are expanding large sums of money. Not one cent of the appropriation authorized by this resolution will go to bear any part of the great expense. The money authorized by this resolution will all go to defraying the traveling expense and part of the living expenses of the athletes from Latin America. The people of Chicago will bear all the rest of the bill. In voting for this resolution my colleagues will, in effect, be placing their stamp of approval on the great and patriotic work that Mayor Daley is doing for all of America in binding in affection and understanding our people with our Latin American neighbors.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I rise in support of this legislation which would provide $500,000 to the city of Chicago as the Federal Government's share of financing the pan-American games this summer.

During the course of our proceedings in this body, we have heard much about how the United States can best effect better understanding between our own country and our South American neighbors. I can think of no greater contribution that this Nation can make toward hemispheric solidarity than through the promotion of this great sport activity which will be held in the city of Chicago this summer.

Chicago's reputation as a host city of the Nation has been established over the years. We know—and those Members of the House participating in this discussion know—that Chicago has a long tradition of hospitality and cordial treatment to all of its visitors. The pan-American games will attract more than 2,000 top athletes from the South American countries. We are asking for this $500,000 to help take care of these athletes during their stay in Chicago. There is little question that this money will help us encourage 2,000 South American athletes to be ambassadors of good will for the United States when they return to their respective home communities.

We all showed deep concern at the unfortunate incidents which greeted Vice President NIXON's recent tour through South America. There can be no question in our mind that a great deal of missionary work needs to be done if we are to preserve the traditional good friendship between the United States and South America. I am confident that the enthusiasm generated by the pan-American games in Chicago, and by those reading about the games throughout South America, will go a long way in solidifying our traditional friendship.

The city of Chicago, in the interest of hemispheric solidarity, is carrying most of the brunt of all expenses involved in putting on this spectacular sporting event. The businessmen of Chicago are contributing thousands upon thousands of dollars to make sure that the young South American athletes and other visitors from South American nations who will come to Chicago to observe the games, carry back with them nothing but the most pleasant and favorable memories. But the cost of an enterprise like this, as you can all well imagine, is staggering, and it is because the entire United States will benefit from the good will generated by these games that we call upon the Congress of the United States today to approve this appropriation as a supplement to our own local effort.

I can assure you, gentlemen, that this Nation could not spend its money more wisely than in promoting this very worthwhile international competition between our own country and our South American neighbors. It is for this reason that I urge we approve this appropriation and let the great mayor of Chicago, Richard J. Daley, and his staff proceed with their plans for a most effective hemispheric good will project.

I can assure you that the investment we make today in these pan-American games will yield dividends which could not be evaluated in terms of dollars and cents. This is a project that will strengthen the State Department's position in South America and will develop a greater respect by our South American friends for the United States.

I urge sincerely adoption of this measure.

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to extend my remarks as this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Chairman, I rise in support of bill H.R. 2575, of which the distinguished gentleman from Illinois is the author. This bill is identical with a bill which was passed by the House but which failed to pass the Senate during the final days of the last session.

This bill authorizes an appropriation of $500,000 for the purpose of promoting and insuring the success of the pan-American games to be held at Chicago, Ill., August 27 through September 7, 1959. The pan-American games are similar to the Olympic games, except that only nations of the Western Hemisphere participate. They have been held twice before: in Buenos Aires in 1951 and in Mexico City in 1955. The Governments of Argentina and Mexico provided substantial financial support in the organization of the games in their capitals. The games to be held in Chicago will be the first to be held in the United States.

The pan-American games are held every 4 years under the direction of the Pan American Sports Organization. The member countries are those whose national Olympic committees are members of the International Olympic Association.

At the present time, countries and possessions eligible for participation in the games are: Argentina, Bahamas, Bermuda, Bolivia, Brazil, Canada, Colombia, Costa Rica, Cuba, Chile, Dominican Republic, Dutch West Indies, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama, Uruguay, and Venezuela. The committee has been informed that it is probable that before the games take place, other eligible countries will be added to the list.

None of the funds authorized in this bill will be used to finance the building in Chicago of facilities which will be available for the recreational use of the city of Chicago after the games. The games program includes 20 sports, in 7 of which there will be competitions for both men and women. Sports facilities of the Chicago area will be used, including Soldier Field and the athletic facilities of Northwestern, Loyola, Chicago, and De Paul Universities.

The committee is informed that approximately 2,000 athletes will participate in the games. The Pan American Sports Organization, under whose leadership the games are held, prescribes that the competing countries shall pay to the sponsors of the games $3 per day per athlete for food and quarters. It is recognized that this allowance will be inadequate and it is estimated that the actual cost will be $10 per day. The balance of this cost must be assumed by the sponsors of the games. A substantial part of the funds authorized will be used to pay the difference between the moneys received from the competing countries and the actual cost of furnishing food, lodging and transportation. It is anticipated that a detailed justification will be submitted for consideration by the Committee on Appropriations before any funds will be appropriated pursuant to this authority.

President Eisenhower has recognized the pan-American games as a "clear opportunity to enhance our good relations with our neighbors in the hemisphere."

The State Department has approved this measure, and I urge its passage because I believe it will make a substantial contribution to the improvement of friendly relations between the United States and other countries and territories in the Western Hemisphere.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby authorized to be appropriated, out of moneys in the Treasury not otherwise appropriated, the sum of $500,000 for the Third Pan American Games (1959). The said appropriation shall be available for the purpose of promoting and insuring the success of the III Pan American Games to be held at Chicago, Illinois, and shall be expended in the discretion of the organization sponsoring said games, subject to such audit as may be prescribed by the Comptroller General of the United States.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Strike out lines 6 to 11 inclusive, and insert the following: "The said appropriation shall be available for the purpose of promoting and insuring the success of the III Pan American Games to be held at Chicago, Illinois, by providing funds for lodging, food, and transportation for participants and related personnel, and shall be expended by the Department of State, by way of advance or reimbursement to the organization sponsoring said games, subject to such controls and audit as may be prescribed by the Comptroller General of the United States. Any funds not expended under said appropriation shall revert to the Treasury of the United States."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. We feel that the amendment would strengthen the bill. The committee has no objection to it.

Mr. YATES. I thank the gentleman.

Mrs. CHURCH. Mr. Chairman, we have no objection to the amendment.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to address my remarks to the gentleman from Illinois. Before I do so, may I say that of course I have no quarrel with his supporting this bill. I understand his reasons for doing it and respect him for it. I am disturbed seriously, however, about this bill. I hope the gentleman attributes to me no desire to distort my understanding of the gentleman's statement.

It was my understanding from what the gentleman said, and I ask this not in any quarrelsome way, but in order to clarify the picture, that there is to be a discretionary authority vested somewhere on the basis of which certain countries or their representatives in these games might be determined to be eligible for funds from this money that we propose to vote and others not. I wonder if the gentleman would clarify that?

Mr. YATES. I would say to the gentleman that I anticipate that there will be such discretionary authority. I assume that there will be countries such as Canada which will not seek any of these funds that are proposed to be made available under this authorization. There will be other countries that will want to send their athletes to Chicago which do not have sufficient funds to do so and that is the reason for this authorization.

Mr. JOHANSEN. May I ask the gentleman whether he sees any danger in the exercise of discretion based on the judgment of the sponsoring committee or whoever it is that has the authority. Does the gentleman see some danger that ill will might be created or that jealousies might be created because some receive and others do not receive?

Mr. YATES. I would say to the gentleman I would think such a possibility exists, but not to a greater extent than exists under the present student exchange programs which are in existence between the United States and most of the countries of the world under which applications for scholarships are made to our country. The question as to eligibility then has to be determined and requires the exercise of discretion.

Mr. JOHANSEN. Could the difference possibly be, however, that the decision with respect to these scholarships or exchange grants are made by responsible representatives of the Federal Government whereas this is a decision the authority for which is vested in a non-Federal group or committee?

Mr. YATES. I would say to the gentleman the initial decision is made by the country which will send its athletes. If it does not have sufficient funds, it will apply to the organization which is sponsoring the games and then in consultation with the Department of State, that organization will review the application.

Mr. JOHANSEN. May I ask the gentleman one other question. I was called off the floor at the time this question was asked. Is it my understanding that this is the first time in the history of these games that a request for funds has been made?

Mr. YATES. The answer to that question is—yes, for the reason that this is the first time these games are being held in the United States. But, this is no precedent, may I say to the gentleman inasmuch as this Congress previously voted $4 million in funds to the organization handling the Olympic games in the State of California for the construction of a stadium at Squaw Valley and for the operating expenses of the games.

Mr. JOHANSEN. Of course, I do not accept that as binding on the gentleman from Michigan as a precedent.

Mr. YATES. I would agree. I would not want to bind the gentleman by that precedent.

Mr. JOHANSEN. I understand that. But, let me just make this observation. Mr. Chairman, it is a source of tremendous disturbance and concern to me that the sum of $500,000 is now regarded, and I think I use the word exactly as it was used on the floor, as being infinitesimal. Maybe, Mr. Chairman, that is what is wrong with the state of the finances and credit of the United States.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield.

Mr. GARY. Is it not true that the operation of these games is handled by an international committee just as the Olympic games are handled by the Pan American Sports organization?

Mr. YATES. That is true. The Pan American Sports organization is a part of the International Pan American games.

Mr. GARY. And they are held periodically in various countries; are they not?

Mr. YATES. They have been held for 4 years. The first of these games was held in Buenos Aires in 1951. The second was held in Mexico City in 1955. This is the first time the United States will be acting as host and we are presenting this bill because we want these games to be a valuable and never-to-be-forgotten experience for those who participate from other countries.

Mr. GARY. I will say to the gentleman that I think these games will prove to be such an experience, and I think this is one instance in which we can create some very good will for America by participating in this international competition at this time.

Mr. YATES. I thank the gentleman.

Mr. GARY. If we have anything in America, that we can be proud of, it is our sportsmanship and if we exhibit proper sportsmanship in these games and in the matter of arranging for these games to be held in our country, it seems to me that they will have a great effect among the nations of the world.

Mr. YATES. I agree with the gentleman. I thank the gentleman for his views.

Mr. BENTLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it seems that all of us are pretty much agreed upon the merit of holding the games and of holding them in the United States, the host country; nevertheless, there seems to be some concern over the fact that inasmuch as they are being held in the city of Chicago, that said city has not apparently done all it could to finance the games, and there seems to be some question of doubt in people's minds as to whether or not the city of Chicago might not be able to relieve the Federal Government of the responsibility of these expenses which we are debating this afternoon.

So I am wondering if my friend from Illinois—I see he is already on his feet—will tell us what the city is doing from that very standpoint of municipal funds and also from the standpoint of private contributions to the nonprofit organization of which the gentleman spoke a few moments ago, and why the city of Chicago or its citizens do not feel that they can undertake the entire financial burden of the expense of these games?

Mr. YATES. May I say to the gentleman that the people of the city are willing to assume the entire financial burden in connection with these games. It may be, may I say to the gentleman, that this Federal contribution may not be necessary. The Federal contribution is for the purpose of making sure the games will be a success in the event the funds are needed.

Secondly, in response to the gentleman's question, the city of Chicago is now engaged in laying out the actual physical facilities—and it is a tremendous program—which are necessary in order to hold the games. For example, the stadium at Soldiers' Park is now the scene of a great deal of activity in building up the running track. The cost of making this running track conform to the Olympic standards will be approximately $100,000.

Third, the city is constructing an Olympic swimming pool. The cost of the swimming pool, built in accordance with Olympic standards will be around $75,000. And other stadiums and other facilities are being prepared and brought into condition, being rehabilitated and renovated, at a total cost, as I told the gentleman, of approximately $2 million.

Then the citizens of the city of Chicago are at present engaged in a fundraising campaign, and they hope to receive approximately $6 million or more. That assures the success of the games.

Mr. BENTLEY. I thank the gentleman. I have asked these questions because I felt that the record of this debate should show exactly what the city of Chicago and the people of Chicago are doing and may be prepared to do further in this connection .

Now, would I be correct in saying that if the people of Chicago through private sources and voluntary subscriptions are able to raise this larger amount of money, then it is anticipated that part at least of this Federal appropriation will be returned to the Treasury.

Mr. YATES. Yes; I would say to the gentleman that is true, because the gentleman knows my amendment states that any funds not expended will be returned to the Treasury. We are confident they will be able to raise the funds but we need this Federal fund as a backlog to take care of the expenses of the games.

Mr. BENTLEY. May I assume that some of these neighboring countries might be a little reluctant to come to the games if they felt they had to depend on money that was being raised locally, and that the Federal authorization and appropriation is to give them the assurance that the money will be forthcoming to meet the expenses regardless of what may or may not be done in Chicago.

Mr. YATES. I would accept the gentleman's statement as being proper.

Mr. BENTLEY. Mr. Chairman, I yield back the balance of my time.

Mr. GROSS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the amendment offered by the gentleman from Illinois [Mr. YATES], writes "transportation" very definitely into this bill. The report emphasizes food and quarters; the gentleman's amendment writes "transportation" in as well.

Mr. YATES. As I remember the report—and I suggest the gentleman look at the report.

Mr. GROSS. I have read the committee report. Transportation is mentioned but given a kind of a once-over-lightly treatment. You emphasize the differential as between $3 and $10 a day as applying to food and quarters. Now you put transportation into it by virtue of your amendment along with food and quarters.

Mr. YATES. May I say to the gentleman from Iowa that the original bill provided for transportation as well, because the original bill did not have food, lodging, or transportation in it; it merely provided a guarantee by Congress.

Mr. GROSS. Yes, it was wide open on its face.

Mr. YATES. That is correct.

Mr. GROSS. So is this.

Mr. YATES. I take it the gentleman is in favor of my amendment.

Mr. GROSS. You simply give it a little window dressing to make it a little more palatable. I do not think it means anything and the gentleman cannot convince me otherwise.

Mr. YATES. The State Department is a public agency and the amendment recognizes the suggestion of a number of Members that funds of this sort should not be paid directly to a private organization.

Mr. GROSS. What is the magic of this $3 figure on the part of these foreign countries? Is $3 all they can contribute toward sending their athletes to this country?

Mr. YATES. I may say to the gentleman that is the amount that has been established by the Pan-American committee of each of the countries as being the amount to be provided. It may be that the countries will provide more funds for their athletes and for their participants than the $3, in which case it would not be necessary to use the Federal contribution. I will say to the gentleman that the Federal contribution is only to assure that the games will be a success, and I think it is essential that they shall be a success.

Mr. GROSS. There was a meeting of minds in these South American and Central American countries, that $3 was all they could pay?

Mr. YATES. The gentleman's imagination is running rampant now.

Mr. GROSS. All right, where did you get the $3 figure?

Mr. YATES. I will say to the gentleman that the Pan American Games Association was the one that established this figure.

Mr. GROSS. Well, then, there was a meeting of the minds and they said that "All we can put up is $3 a head."

Mr. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. BENTLEY. I think I can offer a possible explanation of the $3 figure. It is a permanent figure provided for the games wherever they may be held. Considering the fact they may be held and will be held in many other Latin American and Central American countries besides their own, the $3 figure was based on living costs in those countries at the time the games were held and has no relationship whatsoever to the living costs of our own country.

Mr. GROSS. How about the expenses of our athletes in South America last year?

Mr. BENTLEY. I would not have the slightest idea, but I would imagine our Government put up $3, and the rest may have been raised by private subscription. I am guessing on that because I do not know.

Mr. GROSS. The gentleman is not saying that the South and Central American countries put up the difference; is he?

Mr. BENTLEY. I would not have the slightest information on that. I may tell the gentleman one thing: On the basis of a little arithmetic I find that the differential of $7 a day for 20 days gives $140, times 2,000 athletes, will give a total amount of $280,000, and subtracting that from $500,000 there would be left $220,000 for transportation costs.

Mr. GROSS. The only difference is that I figured 12 days, the period during which the report says this meeting is to be held, August 27 to September 7. I use 12 days, you use 20. They are still asking for plenty, are they not?

Mr. BENTLEY. Yes; that is a lot of money.

Mr. GROSS. I think so too, and I am against the bill. I do not care how many track meets are held in Chicago as long as Chicago pays the bills. I do care when the taxpayers of Iowa and the rest of the Nation are called on to pay the freight. I opposed the bill to raid the Treasury to stage this athletic event in Cleveland, Ohio, and I oppose it now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GEORGE P. MILLER, of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2575) to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games, to be held in Chicago, Ill., pursuant to House Resolution 214, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken and there were—yeas 258, nays 108, not voting 68, as follows:

[Roll No. 22]

YEAS—258

Adair	Breeding	Dawson
Addonizio	Brewster	Denton
Albert	Brooks, La.	Derwinski
Alford	Brooks, Tex.	Dixon
Allen	Brown, Ga.	Donohue
Anderson, Mont.	Brown, Mo.	Dooley
	Burdick	Dorn, N.Y.
Andrews	Burke, Ky.	Dorn, S.C.
Anfuso	Burke, Mass.	Doyle
Arends	Burleson	Duiski
Ashley	Byrne, Pa.	Durham
Ayres	Canfield	Dwyer
Bailey	Cannon	Edmondson
Baldwin	Casey	Elliott
Baring	Celler	Everett
Barr	Chenoweth	Evins
Beckworth	Chiperfield	Fallon
Bennett, Fla.	Church	Fascell
Bentley	Clark	Feighan
Blatnik	Coad	Fenton
Boggs	Cohelan	Fisher
Boland	Collier	Flood
Bolling	Cook	Flynn
Bolton	Cooley	Fogarty
Bonner	Corbett	Foley
Bowles	Cramer	Forand
Boyle	Daddario	Forrester
Brademas	Daniels	Frazier
Bray	Davis, Tenn.	Friedel

Fulton	McGovern	Reece, Tenn.
Gallagher	McSween	Reuss
Gary	Machrowicz	Rhodes, Pa.
Gathings	Mack, Ill.	Rivers, Alaska
Gavin	Madden	Rivers, S.C.
George	Mahon	Roberts
Granahan	Mailliard	Rodino
Gray	Marshall	Rogers, Colo.
Green, Oreg.	Matthews	Rogers, Fla.
Griffiths	May	Rogers, Mass.
Gubser	Meader	Rooney
Hagen	Merrow	Roosevelt
Halleck	Metcalf	Rostenkowski
Hardy	Meyer	Roush
Hargis	Michel	Rutherford
Harmon	Miller,	Saund
Harris	Clement W.	Saylor
Harrison	Miller,	Selden
Hays	George P.	Sheppard
Hébert	Mills	Shipley
Hechler	Mitchell	Short
Hogan	Monagan	Simpson, Pa.
Holifield	Montoya	Sisk
Holtzman	Moorhead	Slack
Huddleston	Morgan	Smith, Iowa
Hull	Morris, N. Mex.	Smith, Miss.
Ikard	Morris, Okla.	Spence
Irwin	Moss	Staggers
Jackson	Moulder	Steed
Jennings	Murphy	Stratton
Johnson, Calif.	Natcher	Stubblefield
Johnson, Colo.	Nelsen	Sullivan
Johnson, Md.	Nix	Thomas
Johnson, Wis.	Norrell	Thompson, La.
Judd	O'Brien, Ill.	Thompson, Tex.
Karsten	O'Brien, N.Y.	Thornberry
Karth	O'Hara, Ill.	Toll
Kasem	O'Hara, Mich.	Trimble
Kastenmeier	O'Neill	Udall
Kearns	Oliver	Ullman
Kelly	Passman	Vanik
Kilday	Patman	Van Zandt
Kilgore	Pelly	Vinson
King, Calif.	Perkins	Wainwright
King, Utah	Pfost	Wallhauser
Kirwan	Pilcher	Walter
Kluczynski	Pirnie	Wampler
Kowalski	Poage	Watts
Landrum	Powell	Weis
Lane	Preston	Widnall
Langen	Price	Wier
Lankford	Prokop	Willis
Lesinksi	Pucinski	Wilson
Libonati	Quie	Wolf
Lindsay	Quigley	Wright
McCormack	Rabaut	Yates
McFall	Rains	Young
McGinley	Randall	Zablocki

NAYS—108

Abbitt	Dingell	Mumma
Abernethy	Dowdy	Murray
Alexander	Downing	Norblad
Alger	Ford	O'Konski
Andersen,	Fountain	Ostertag
Minn.	Glenn	Poff
Ashmore	Grant	Ray
Auchincloss	Griffin	Rees, Kans.
Avery	Gross	Rhodes, Ariz.
Bates	Haley	Riehlman
Baumhart	Henderson	Robison
Belcher	Herlong	Rogers, Tex.
Bennett, Mich.	Hess	Schenck
Berry	Hiestand	Scherer
Betts	Hoeven	Schwengel
Blitch	Holt	Scott
Bosch	Jensen	Siler
Bow	Johansen	Simpson, Ill.
Brock	Jonas	Smith, Calif.
Broomfield	Jones, Mo.	Smith, Kans.
Brown, Ohio	Kilburn	Smith, Va.
Budge	Kitchin	Springer
Bush	Knox	Taber
Byrnes, Wis.	Laird	Teague, Calif.
Cederberg	Latta	Thomson, Wyo.
Chamberlain	Levering	Tollefson
Chelf	Lipscomb	Tuck
Colmer	McCulloch	Utt
Conte	McIntire	Van Pelt
Cunningham	McMillan	Weaver
Curtin	Macdonald	Westland
Curtis, Mass.	Mason	Wharton
Curtis, Mo.	Miller, N.Y.	Whitener
Dague	Milliken	Whitten
Davis, Ga.	Minshall	Younger
Derounian	Moeller	
Devine	Moore	

NOT VOTING—68

Aspinall	Becker	Coffin
Baker	Boykin	Delaney
Barden	Broyhill	Dent
Barrett	Buckley	Diggs
Barry	Cahill	Dollinger
Bass, N.H.	Carnahan	Farbstein
Bass, Tenn.	Carter	Fino
Flynt	Kee	Polk
Frelinghuysen	Keith	Porter
Garmatz	Keogh	Riley
Giaimo	Lafore	St. George
Green, Pa.	Lennon	Santangelo
Hall	Loser	Shelley
Halpern	McDonough	Sikes
Healey	McDowell	Taylor
Hemphill	Mack, Wash.	Teague, Tex.
Hoffman, Ill.	Magnuson	Teller
Hoffman, Mich.	Martin	Thompson, N.J.
Holland	Morrison	Williams
Horan	Multer	Winstead
Hosmer	Osmers	Withrow
Jarman	Philbin	Zelenko
Jones, Ala.	Pillion	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Winstead against.

Mr. Morrison for, with Mr. Williams against.

Mr. Multer for, with Mr. Hoffman of Michigan against.

Mr. Hoffman of Illinois for, with Mr. Bass of New Hampshire against.

Mr. Buckley for, with Mr. Hosmer against.

Mr. Garmatz for, with Mr. Keith against.

Mr. Carnahan for, with Mr. Osmers against.

Mr. Green of Pennsylvania for, with Mr. Fino against.

Mr. Barrett for, with Mr. Lafore against.

Mr. Giaimo for, with Mr. Becker against.

Mr. Dollinger for, with Mr. Barry against.

Mr. Dent for, with Mr. Hall against.

Mr. Santangelo for, with Mr. Broyhill against.

Mr. Healey for, with Mr. Halpern against.

Mr. Delaney for, with Mr. Hemphill against.

Mr. Farbstein for, with Mr. Riley against.

Mr. Zelenko for, with Mr. Bass of Tennessee against.

Mr. Aspinall for, with Mr. Borden against.

Until further notice:

Mr. Jones of Alabama with Mr. Taylor.

Mr. Lennon with Mr. Martin.

Mr. Loser with Mr. Baker.

Mr. Boykin with Mr. Withrow.

Mr. Shelley with Mrs. St. George.

Mr. Thompson of New Jersey with Mr. Frelinghuysen.

Mr. Carter with Mr. Pillion.

Mr. Porter with Mr. Horan.

Mr. Polk with Mr. McDonough.

Mr. Philbin with Mr. Mack of Washington.

Mr. Sikes with Mr. Cahill.

Messrs. ABERNETHY and RHODES of Arizona changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

DESIGNATION OF APRIL 14, 1959, AS PAN-AMERICAN DAY

Mr. SELDEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 220.

The Clerk read as follows:

Resolved, That the House of Representatives hereby designates Tuesday, April 14, 1959, for the celebration of Pan-American Day, on which day remarks appropriate to such occasion may occur.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING JOINT ECONOMIC COMMITTEE TO CONDUCT CERTAIN STUDIES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 13.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Economic Committee, or any duly authorized subcommittee thereof, as authorized by the Employment Act of 1946, as amended, is authorized and directed to conduct a full and complete study of and investigation into the problems of providing maximum employment and an adequate rate of economic growth, as well as maintaining price stability and preventing inflation, including, among others, the following subjects:

(1) Historical and comparative rates of unemployment, production, and prices;

(2) Inflation and deflation caused by increases and decreases in the effective supply of money and credit and the effects of these and of interest rates on growth, employment, and economic stability;

(3) The effect of monopolistic and quasi-monopolistic practices upon prices, profits, production, and employment;

(4) The effect of increases in wages, salaries, and the prices of personal services, together with union and professional practices, upon prices, profits, production, and employment;

(5) The effect of governmental expenditures, taxation, and budgetary surpluses deficits and of monetary and debt management policies upon price levels, production, and employment;

(6) International influences affecting prices, production, trade, and employment; and

(7) Constructive suggestions for reconciling and simultaneously obtaining the three objectives of maximum employment, an adequate rate of growth, and substantial stability of the price level.

SEC. 2. For the purposes of this resolution, the joint committee, or any duly authorized subcommittee thereof, is authorized through January 31, 1960, (1) to appoint and fix the compensation of such experts, consultants, or organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable; and (2) to hold such hearing, to sit and act at such times and places, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. Subpenas shall be issued under the signature of the chairman or vice chairman of the joint committee and shall be served by any person designated by them.

SEC. 3. The joint committee shall from time to time report its findings and recommendations to the Senate and the House of Representatives and shall make its final report at the earliest practicable date but not later than January 31, 1960.

SEC. 4. The expenses of the joint committee under this resolution, which shall not exceed $200,000, through January 31, 1960, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, there is so much confusion and noise in the Chamber that I could not tell what the price of this is going to be. Can the gentleman tell

me what this is going to cost, and a little more about it?

Mr. PATMAN. Yes; I shall be very glad to inform the gentleman. This resolution comes to the House not only with the unanimous approval of the eight Members of the U.S. Senate and the eight Members of the House of Representatives, but it also passed the Senate this afternoon unanimously. There is no objection to it. It provides for $200,000 out of the Senate funds.

Mr. GROSS. Two hundred thousand dollars out of the funds of the other body?

Mr. PATMAN. Of the other body, yes.

Mr. GROSS. Well, I guess I can accept that.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMUNITY FACILITIES

Mr. KILBURN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KILBURN. Mr. Speaker, a new, needless billion-dollar-budget-busting assault is to be made on the Treasury of the United States. Under this new proposal of the spenders, announced today in the form of a community facilities bill, the Federal Government would be called upon to make $1 billion of long-term loans to municipalities at an interest rate of 2⅞ percent. This very day the Treasury of the United States is offering in the market $500 million of 10-year bonds at a 4 percent interest rate, and $1.5 billion of 4-year notes at a 4 percent interest rate. Borrowing at 4 percent to relend at 2⅞ percent is a sure way to go broke.

A press release in connection with the proposal states "already many of our cities are in serious financial straits." Only last week some Democrat Members on the floor of the House were contending that the Federal Government itself was in serious financial straits. If this is a sample of the legislation to be proposed by the spenders I can assure you that Federal finances will be placed in serious financial straits. This new proposal of the spenders establishes a new high in abandoning sound fiscal responsibility in Federal finances.

Certain facts stand out clearly:

First. The $7.4 billion of municipal financing in the private market last year was the greatest year's total of such financing for any year in our history. Currently the private market can, and easily does provide the funds for needed municipal financing.

Second. Most municipalities because of their privilege of selling tax-exempt securities can finance at a lower rate than can the Federal Government which must sell its own securities on a taxable basis. Even today most municipalities can finance under the 4 percent rate which the Government is currently paying on its new borrowings. For instance, last Monday the Dow-Jones yield index for 20 representative State and city bonds stood at 3.31 percent. That was the average interest cost at which representative municipal credit was selling in the private market.

Third. The proposed 2⅞ percent Federal loan rate is under the market today for the rate which most municipalities would have to pay. All that will happen is that municipalities will substitute Federal financing for the private financing they could readily do at reasonable rates in the private market.

Fourth. The substitution of Federal financing for private financing will not create any additional jobs. In the absence of Federal financing the projects would be built anyway with financing obtained from the private market.

I am amazed to learn that hearings are actually contemplated on this bill. It is high time the savers, and they are most of the American people, rise up against such unsound and unneeded billions for boodle proposals as this one. This Congress must be responsible with Federal finances.

ANTITRUST LITIGATION—A MATTER OF PUBLIC INTEREST

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, last year I introduced in the House H.R. 427, a bill to provide that 30 days before becoming final, the terms of all antitrust consent judgments or orders should be published in the Federal Register in order to give those who might be affected by such judgment or order the opportunity to file objections with the court or the Federal Trade Commission, as the case may be.

I am again introducing a similar bill for the reason that the best legal minds in the country have agreed that such a measure is necessary and would be highly meritorious. During the 1957 Judicial Conference of the United States such a bill was endorsed. The Judicial Conference is under the chairmanship of the Chief Justice and is composed of the chief judge of each U.S. Court of Appeals, a district judge from each of the 11 circuits, and the Chief Judge of the Court of Claims. Thus, the Conference provides a group representative of the Federal judiciary from all of the geographical areas of the country, whose experience enables them to comment authoritatively and effectively on practices and procedures in the U.S. courts.

The Judicial Conference gave its unequivocal endorsement to the bill and stated that it "would be very salutary." I refer to its 1957 report, pages 40–41.

During the last session of Congress, the Senate Small Business Committee, in its Report No. 1885, also urged that a similar measure be enacted. The House Small Business Committee, in its final report—House Report No. 2718, page 109—stated that H.R. 427 would be "an aid for the insurance of propriety of terms and provisions in consent orders and decrees."

It is not necessary, I am sure, to direct attention to the fact that a consent judgment is exactly what its name implies. It is arrived at by consent of both the particular defendant involved and Government counsel and stems from proposals and counterproposals. In short, it is the result of an "off the record" agreement.

Although consent decrees or consent judgments bind all parties and estop future de novo proceedings involving the matter covered, their provisions do not receive judicial scrutiny. It is a fact that in many antitrust proceedings consent decrees have been entered at the same time complaints were filed. It, therefore, seems clear that consent procedure permits no conclusion for independent court determination. From this lack of judicial scrutiny stems the need for corrective legislation, particularly in view of the fact that very many antitrust matters are settled by means of such consent actions. Just how prevalent this method of settlement has now become may be gaged from the records of the Department of Justice for the year 1957, which revealed that the Antitrust Division terminated by consent decrees 83 percent of all antitrust cases instituted—see eighth annual report, Senate Small Business Committee, page 38. However, during the period covering the years 1935 to 1955, only 72 percent of the Government's civil cases ended by negotiated settlements—Report, Attorney General, National Committee To Study Antitrust Laws, page 360.

Injury to any competitive business resulting from violation of any of the antitrust laws is an injury to competition and contrary to public policy. Unfortunately, it is an incontrovertible fact that in very important antitrust litigation, where sharp bargaining takes place, judgments and decrees arrived at by consent of the parties to the proceedings, are sometimes entered providing for less relief than was originally prayed for in the complaint. As a result, the impact of such consent orders upon the public generally and upon those segments of the economy that might be adversely affected thereby are usually overlooked. A striking example of this can be found in the consent judgment entered in the comparative recent case of United States against American Telephone & Telegraph Co.

The impact of consent decrees or judgments on antitrust enforcement through the medium of private litigation must be considered. Such judgments and decrees are, by statutory exception, not considered as prima facie evidence of antitrust violations which aggrieved and injured plaintiffs may introduce in private civil cases for damages.

Settlement of any antitrust litigation is a matter involving the public interest

and should not be a simple case of bargaining between the Department of Justice and a defendant, since the antitrust laws are correctly described as a charter for economic freedom.

It seems to me that the only way to adequately protect the interest of those who might be either directly or indirectly affected by consent procedure is to provide that any such court judgment or order issued by the Federal Trade Commission, under the provisions of antitrust laws or the Federal Trade Commission Act, should not become final for a period of 30 days. During that time these decrees and orders would be open for inspection by the public, and any person who may perhaps be aggrieved by any such proposed decree, judgment, or order, may then have an opportunity to voice his objection and have it considered by the court or the Federal Trade Commission.

It is for these reasons that I have today again introduced a similar measure which I urge be adopted and enacted into law in order to provide what seems to be a matter of elemental justice for those who might be affected. Indeed, it seems to be a matter, not only involving the parties directly concerned, but also one very much in the public interest. I, therefore, strongly urge its prompt passage.

FOREIGN TRADE POLICIES

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, the advocates, in the Congress, of our foreign trade policies received a rather severe jolt some days ago when Secretary Strauss, of the Commerce Department, broke the sad news to "one world" sympathizers that the U.S. export trade for the calendar year 1958 had dropped from approximately $20 billion in 1957 to $16½ billion for 1958.

The Secretary's efforts to explain why this great loss in our exports is easily the greatest sleight-of-hand performance in the National Capital in recent years.

After charging most of this export depreciation to the vicissitudes of international trade, he admitted that our nonmilitary exports had dropped on an average of better than 15 percent. I quote from the Secretary's recent Bulletin 3397–2–USCOMM–DC:

> The U.S. export decline far exceeded that in the exports of other industrial countries which showed little decrease. The U.S. decline, however, reflected sharp drops recorded in industrial materials and foodstuffs which bulk relatively large in U.S. export trade.

It is true that 1958 export total was slightly abnormal due to the Suez crisis, which required diversion of U.S. oil supplies to Europe. With the Suez Canal presently in operation, we face a further sharp drop in oil exports in 1959. We also face the possibility of a further sharp drop now that West Germany has set up tariffs to bar American shipments of soft coal.

The surplus of coal in both Germany and England, and in other nations belonging to the Common Market, means that there will be little, if any, volume of soft coal exports in 1959 and future years.

The Secretary more or less ignored the fact that a goodly portion of these declining exports were agricultural products, particularly cotton, where a two-price program giving a 20 percent break to foreign processors of American raw cotton failed to check the decline in cotton exports.

The situation, particularly in cotton exports, should be a deterrent to the State Department's grandiose scheme to stop the "squawking" of Dictator Nasser by building the Aswan Dam on the Nile River, which would irrigate 2 million acres of the world's finest long fiber cotton land.

This wild-eyed plan to have the American farmer-taxpayer foot the bill for this half-billion-dollar project, which would eventually destroy the American cotton export industry, is just another one of the vagaries of our complicated international trade policy which today is supported by certain "sacred cows" that are presently milching the American taxpayers.

The loss in American export trade has been on a worldwide level. Exports to our Canadian neighbors to the North are off 12½ percent. While the drop in trade volume with our Latin neighbors to the South has not been as great as the drop in Canadian shipments, the loss has been material, and I charge here and now that our unstable economy in great areas of chronic unemployment is due to our unfair and discriminatory trade policies.

One of these "sacred cows"—the big oil lobby—was deflated somewhat by the President's recent order fixing mandatory quotas on oil and oil products. It is amusing to listen to the "squawks" of some of their handpicked mouthpieces in the other body who are trying to start a backfire that will force the President to rescind his mandatory quota order.

It is a rarity, indeed, Mr. Speaker, for me to take the well of the House to comment favorably on any action taken by the present Republican administration. I think the President's action was a courageous one. The Congress, when it extended our Reciprocal Trade Act in the 85th Congress, gave the President the express authority to impose mandatory quotas. His action was his desire to carry out the mandate of the Congress. It will be interesting to note if he follows through on this policy and imposes a mandatory restraint on other imports that not only threaten the national security but our economic stability.

It is my intention, Mr. Speaker, during the life of the 86th Congress, to deflate some other sacred cows. I have in mind at present the total disregard by the administration of our Buy American Act. I deplore the nationwide indifference that has resulted in nullifying this necessary legislation. A continuation of this indifference would indicate that we also repeal the Full Employment Act of 1946.

The visit of Prime Minister Macmillan to Washington for conferences with President Eisenhower was not solely in the interest of arranging a summit conference to discuss the Berlin situation. It develops that the Prime Minister wants to remain in Washington a few days to discuss trade relations.

Mr. Macmillan seems to be perturbed over the possibility that British concerns will lose the remunerative contracts they have been receiving from the TVA, Army Engineers, Atomic Energy Commission, and other quasi-Federal bureaus.

This, Mr. Speaker, is a subject I referred to in a speech on the floor of the House on February 17 and designated it as one of the sacred cows supporting an international trade policy that will spell disaster to the American economy.

I mention the loan fund section of our mutual aid program as a contrast to the loan provisions of the distressed areas bill which President Eisenhower vetoed during the last session of the Congress. It is refreshing to note that the Congress can exercise a veto of its own by striking out certain Presidential recommendations that appear to discriminate against the public welfare.

ECONOMIC EXPANSION WITHOUT INFLATION

The SPEAKER pro tempore. Under previous order of the House the gentleman from Colorado [Mr. JOHNSON] is recognized for 60 minutes.

Mr. JOHNSON of Colorado. Mr. Speaker, I think there is general agreement that one of the most important issues facing this Congress and the American people at this time is how to secure adequate economic expansion without inflation.

I have three reasons for wanting to bring to the attention of the House my views on this very important question.

The first is, of course, the persistent concern about inflation, which I believe sincerely motivates Members on both sides of the aisle, and motivates the administration quite as much as it does the Congress. The concern for inflation has been most effectively expressed, however, in only two areas: the first is, of course, the administration's zealous concern to balance the budget. This opposition to certain appropriations, and the President's desire for certain tax increases, merely reflect a belief that somehow a balanced budget will be an important part of an anti-inflation program.

The second course of action being used by the administration in the battle against inflation is the monetary course. Very recently we have been reminded of the administration's willingness to pursue a hard money policy no matter how many other interests suffer. Thus we have raised interest rates on GI loans; we are reporting out a housing bill which has higher interest rates in it, and we are practically on notice that we may have to raise the maximum interest rate on Government bonds.

These courses of action also assume that high interest rates can somehow effectively stop inflation.

The second basic and persistent concern is that of unemployment. There are a number of measures pending before the Congress which are attempts to deal with some part of the problem.

The Banking and Currency Committee will shortly be reporting a distressed areas bill. The House has already passed a moderate unemployment compensation measure. There may also be public works legislation.

But the most important and persistent concern I have is with the impact of our economy on our foreign policy position. For we must seek to build and maintain peace in the world as well as prosperity here at home. Persistent unemployment is driving many people into attacks on our whole structure of international cooperation, especially in the fields of trade. The demand that we impose various restrictions against imports; that we impose quotas on certain foreign products; the demands for stronger buy American legislation; the attacks on TVA for having purchased a foreign generator; the attack on our foreign aid funds—these all show the effects of the current economic condition upon our foreign policy position.

Those who are concerned about unemployment at home become somewhat calloused or indifferent to the impact of domestic protectionism on foreign countries. As somebody said, when you step on your neighbor's toe, you do not feel the hurt.

Mr. Speaker, I believe it is very important to alert the country to the consequences of this drift. Only a handful of present Members of the Congress were here when the Nation tried the Smoot-Hawley Tariff Act. You know that extreme protectionism does not solve our problems, even though you understand the temptation to use such measures in defense of domestic industry.

It is my belief, Mr. Speaker, that if we fail to pursue vigorously adequate economic expansion without inflation, we will see further assaults on America's mutual assistance program; we will see growing attacks upon the whole United Nations structure; we will see a new isolationism in the United States.

I believe it is desperately important for the administration and the American people to recognize that a liberal foreign policy which seeks to build peace ultimately depends upon a strong and healthy domestic economy.

It is for these reasons, Mr. Speaker, that as an economist I rise to discuss how to secure economic expansion without inflation.

Mr. Speaker, the situation facing the Nation is no secret. The reports of our income, employment and unemployment are matters of general public knowledge. The Council of Economic Advisers prepares for the Joint Economic Committee a monthly report entitled "Economic Indicators," which makes it easy for the members to follow developments currently.

Not only is the budget of the country out of balance, it is apparent that the economy is out of balance. We have a growing population, a growing labor force, and growing productivity, and these require adequate economic growth if we are to maintain economic health.

Turning to page 11 of the Indicators, we find in the last 6 years the labor force has grown by about 5 million or from 66 million to 71 million. However, the employed labor force has increased by only about 2 million, and the unemployed labor force has increased by almost 3 million. There were less than 2 million unemployed in 1952; there are nearly 5 million unemployed today. In percentage terms there were 3 percent unemployed in 1952; there are 7 percent unemployed today.

Everyone recognizes that in a dynamic economy some unemployment is to be expected, and a great many observers of the economy believe that the community should expect something like 3 percent unemployed even in good times in order to account for mobility, for personal circumstances, seasonal influences, and all the other factors that are part of a dynamic society.

But it is hard to accept with equanimity the current rate of unemployment, which is officially admitted to be 7 percent; such a number should be viewed as intolerable for a healthy economy. When so large a number are unemployed, it is a sign of more fundamental distress in the economy, and in human terms it means that there is significant distress in the homes of unemployed American workers and their families.

It also means that the markets for the businessmen and manufacturers are suffering because you cannot do business with people who do not have any income to spend. The temptation is to view the rising rate of national income and personal income reported on pages 2, 3, 4, and 5 of the Indicators as evidence that we are climbing out of our trouble, but I find the answer to that unwarranted optimism in the chart on page 6, which deals with per capita disposable income. The dotted line shows the per capita disposable income in terms of 1958 prices, and there we find that there has been an increase registered in 1952 and an increase in 1955, but only stability or decline in the other years.

Our annual rate of growth per capita should be about 3 percent. This, together with a population growth of almost 2 percent, explains the calculation that our national income should grow by 5 percent. Let us assume that per capita income should have grown by 3 percent each year since 1952. Using 1958 price levels, we would have started in 1952 at about $1,650, and grown by more than $50 each succeeding year so that today per capita disposable income should be about $1,970, rather than the $1,790 reported by the Council.

Year	Per capita disposable personal income (dollars) [1]		At 3 percent annual growth
	Current prices	1958 prices [2]	
1952	1,520	1,654	1,654
1953	1,582	1,708	1,702
1954	1,582	1,701	1,753
1955	1,661	1,792	1,804
1956	1,727	1,835	1,858
1957	1,782	1,831	1,913
1958	1,790	1,790	1,970

[1] Income less taxes.
[2] Dollar estimates in current prices divided by consumer price index on a 1958 base.

Sources: Department of Commerce, Department of Labor, and Council of Economic Advisers.

This represents the real loss to the American people or represents a failure of the economy to grow at the rates at which we may expect it to grow in peacetime conditions. I submit, Mr. Speaker, that the economy has not had adequate economic expansion.

But it has had inflation. The Consumer Price Index for all items in the year 1952 and 113.5; it rose slightly in 1953 and then during the 1954 and 1955 recessions held relatively stable for 2 years, but climbed very sharply in 1956, 1957 and 1958, until it now stands at 123.8. The Consumer Price Index has gone up by more than 10 points, although the level of unemployment has risen at the same time.

The price index kept rising even after the onset of the recession in late 1957 and early 1958. It has only shown stability in the last 7 or 8 months. And that stability has been purchased at the expense of the American farmer, because the falling food prices have made up for the rise in the price of housing, rentals, apparel, transportation, medical care, personal care, reading and recreation, all of which have shown price increases during the succeeding months of 1958 and 1959.

[1947–49=100]

Period	All items	Food	Housing		Apparel	Transportation	Medical care	Personal care	Reading and recreation	Other goods and services
			Total [1]	Rent						
1948	102.8	104.1	101.7	100.7	103.5	100.9	100.9	101.3	100.4	100.5
1949	101.8	100.0	103.3	105.0	99.4	108.5	104.1	101.1	104.1	103.4
1951	111.0	112.6	112.4	113.1	106.9	118.4	111.1	110.5	106.5	109.7
1952	113.5	114.6	114.6	117.9	105.8	126.2	117.2	111.8	107.0	115.4
1953	114.4	112.8	117.7	124.1	104.8	129.7	121.3	112.8	108.0	118.2
1954	114.8	112.6	119.1	128.5	104.3	128.0	125.2	113.4	107.0	120.1
1955	114.5	110.9	120.0	130.3	103.7	126.4	128.0	115.3	106.6	120.2
1956	116.2	111.7	121.7	132.7	105.5	128.7	132.6	120.0	108.1	122.0
1957	120.2	115.4	125.6	135.2	106.9	136.0	138.0	124.4	112.2	125.5
1958	123.5	120.3	127.7	137.7	107.0	140.5	144.4	128.6	116.7	127.2
1957: December	121.6	116.1	127.0	136.7	107.6	138.9	140.8	127.0	114.6	126.8
1958: January	122.3	118.2	127.1	136.8	106.9	138.7	141.7	127.8	116.6	127.0
February	122.5	118.7	127.3	137.0	106.8	138.5	141.9	128.0	116.6	127.0
March	123.3	120.8	127.5	137.1	106.8	138.7	142.3	128.3	117.0	127.2
April	123.5	121.6	127.7	137.3	106.7	138.3	142.7	128.5	117.0	127.2
May	123.6	121.6	127.8	137.5	106.7	138.7	143.7	128.5	116.6	127.2
June	123.7	121.6	127.8	137.7	106.7	138.9	143.9	128.6	116.7	127.2
July	123.9	121.7	127.7	137.8	106.7	140.3	144.6	128.9	116.6	127.2
August	123.7	120.7	127.9	138.1	106.6	141.0	145.0	128.9	116.7	127.1
September	123.7	120.3	127.9	138.2	107.1	141.3	146.1	128.7	116.6	127.1
October	123.7	119.7	127.9	138.3	107.3	142.7	146.7	128.8	116.6	127.2
November	123.9	119.4	128.0	138.4	107.7	144.5	147.0	129.1	117.0	127.3
December	123.7	118.7	128.2	138.7	107.5	144.3	147.3	129.0	116.9	127.3
1959: January	123.8	119.0	128.2	138.8	106.7	144.1	147.6	129.4	117.0	127.3

[1] Includes, in addition to rent, homeowner costs, utilities, housefurnishings, etc.
Source: Department of Labor.

I yield to no man with respect to the firmness of my hostility to inflation. I do not share the dangerous conviction of those who believe that we can forever freely tolerate mild inflation. There is already a temptation to program for a modest inflation into the planning of business units and of governmental units.

This week the Committee on Government Operations will hold hearings on a measure which I have introduced—H.R. 3317—to add to the purposes of the Employment Act of 1946 just four additional words. I want to promote and maintain maximum employment, production, and purchasing power "at stable price levels."

I think it is terribly important for the Congress to call a halt to inflation. I think the way to do this is, first, to announce to the country that we, too, believe in stable price levels. I am opposed to the version of this bill which the administration has submitted, which calls for adding the words "at reasonably stable price levels." To say "at reasonably stable price levels" is to suggest that we are prepared to confess failure in our ability to stabilize the value of the dollar, and will tolerate some percentage increase each year as being "reasonably stable."

I do not believe in putting weasel words into such important acts of Congress, and therefore my version of what is needed is unequivocal. It calls for stable price levels.

I recognize in a dynamic society that some prices must rise. But there should also be prices which fall, and we ought not to allow any further erosion of the value of savings, the value of insurance policies, the value of pensions, the value of Government savings bonds, and other reflections of dollar values. If there are any Members who are in doubt of the consequences of inflation I invite them to view the history of European nations during the 1920's. As a matter of fact, there was one economist at Versailles who foresaw what inflation would do to the governments of central Europe, and who cautioned the world against it. His book, which is well worth reading, is called "The Economic Consequences of the Peace." His name is John Maynard Keynes, and he wrote the history of the period between the wars before it happened.

Mr. Keynes has taken much abuse at the hands of people who have not read him nor understood him, but no one can read his book, written on the heels of the peace conference, without receiving a sober reminder that inflation can indeed destroy a nation, and that it has destroyed many nations. For those who may have forgotten, I would remind them that in the closing days of Gen. Chiang Kai-shek in China it took 8 million Chinese dollars to buy 1 American dollar. Unchecked inflation may have done more to explain the recent history of China in the years before 1949 than all of the actions taken by this Congress and the previous administrations of the United States, although it has received far less attention.

I said, Mr. Speaker, that the administration has expressed its concern about inflation not merely in words but also in efforts to balance the budget and to pursue a hard money policy. I would call to the attention of the Congress that the administration not only has not succeeded in this approach but it cannot succeed in this approach. Mr. Gardiner Means in testimony before the Senate Antitrust and Monopoly Committee has spelled out the difference between the classical inflation of too much money chasing too few goods, that occurred during the years 1942 to 1947, and the inflation of the current period 1953 to 1958. His charts, reprinted in the Washington Post and Times Herald of February 8 of this year, dramatically summarize the difference between monetary induced inflation, and administered price inflation.

[From the Washington Post and Times Herald, Feb. 8, 1959]

INFLATION BESETTING US IS OF A NEW BREED

(By Bernard D. Nossiter)

A pioneering approach to the peculiar price inflation that marked our recent past is embodied in the strange looking charts at right.

They were put together by Gardiner C. Means, of Vienna, Va., a distinguished but lonely economist. He held a slew of Government posts in New Deal days and was recently an adviser to a relatively sophisticated business group, the Committee for Economic Development. Twenty-seven years ago, Means rocked economic thinking when he and Adolf A. Berle wrote "The Modern Corporation and Private Property."

What the Means charts show is that contemporary inflation is a very different animal from the classical demand inflation. The chief difference lies in whether big price increases come in competitive or concentrated industries.

In other words, what Means has done is violate a sacred taboo of economic thinking. He has actually gone and looked at where the price increases are taking place and asked whether the differences over separate periods of time aren't meaningful.

To compound his sins, he has married economic theory to economic fact. And as everybody in the business knows, the gulf between the "institutionalists" (fact men) and theoreticians is as wide as the breach between Montagues and Capulets.

Classical inflation is pictured in the top chart, covering the war and immediate postwar years. This was a money phenomenon, an increase in money demand which was not offset by an equivalent increase in goods—what Federal Reserve Board Chairman William McChesney Martin likes to call, "too much money chasing too few goods."

In drastically oversimplified form, this is what happened:

The staggering war expenses were paid by the Government through borrowing (deficit financing). To the extent that the Government borrowed (sold bonds) to commercial banks, the Government was simply printing money. The goods this money bought were shot off, exploded, dropped on cities or left to rot in military warehouses. So, when controls came off, the extra money in the hands of people and businesses bid up prices much more than it induced increased production. Even with the best will in the world, increased production could not come about quickly enough because resources of men and materials were almost fully employed—too much money was chasing too few goods.

According to Means' charts, the biggest price increases came in the highly competitive industries—lumber, farm products, processed foods, textiles. In these, producers can't control their prices which are set by those impersonal market forces so dear to Adam Smith.

But the concentrated industries with few producers—steel, autos, aluminum, electrical machinery—held back. They do have considerable discretion over price and didn't take full advantage of the big increase in money demand.

Now, the new inflation presents a different picture. All the price push comes from the concentrated industries. The competitive industries in several cases cut prices—textiles, farm products, miscellaneous. And there is a logic in this. The period under study, 1953 to October 1958 (the last month for which Means got data), was a time of much less than full employment. The period spans two recessions (1953–54 and 1957–58). The money supply did not zoom upward.

So, only industries who need not rely on impersonal market forces but have considerable control over their prices could make increases stick. And the charts show that they did.

Many economists will quarrel with Means' interpretation of his charts. They will contend that the ability to administer prices has nothing to do with whether an industry is competitive or concentrated. They will argue that all Means is showing in his new inflation chart is what you would expect in a period of investment boom—and the Nation certainly was enjoying one from 1955 through 1957—steeply rising prices in steel and other producer goods industries as the result of extra demand for producer goods.

This debate can't be settled in this space or anywhere else now because relatively little is still known about administered prices, or for that matter, concentration.

Let's take a closer look at the charts. The solid black bars are industries or industry groups which are highly concentrated—a handful of producers account for most of their production. The cross-hatched bars are mixed concentrated and competitive—chemicals, furniture, and the like. The light gray bars are the competitive industries with thousands of producers, no one of them big enough to affect prevailing prices or production.

The bars are two-dimensional, but that's not as scary as it sounds. The height of each bar measures the percentage of price increase or decrease at wholesale in each industry. For example, in the bottom chart, steel prices went up 36 percent between 1953 and October 1958; farm products prices went down 5 percent.

The width of each bar measures the industry's weight in the wholesale-price index—that is, the amount of sales of that industry in relation to the amount of sales of the other industries. If steel sales during 1953–October 1958 were $8 billion and farm products sales were $24 billion, then the farm products bar would be three times wider than the steel bar.

The height of any bar times its width is its area. In these charts, the height (price increase) times width (economic weight) gives a graphic picture of the economic impact of each industry on the price level. In other words, the area of each bar shows how much force each industry or industry group had on the price level.

We can see very quickly that the competitive industries accounted for almost all the pull in the war period. There is much more light gray than black in this picture.

But in the recent period, the push comes from the concentrated industries. Means figures that they account for 85 percent of the gross increase in the wholesale index. If they hadn't gone up in price, the wholesale index would have risen less than 1 percent instead of 8 percent. And this is what you would expect during a period when total output of goods is increasing little and so is the money supply.

There is one other point to note. In the bottom chart, Means has broken out steel and fabricated steel from the broad category

of metal and metal products. He did this to demonstrate the overwhelming force of the steel and steel-using industries (machinery and motive) in pushing up recent prices.

While Means appears to have demonstrated that the new inflation stems from the concentrated industries, he still hasn't answered the question agitating political debate: Is it the unions or is it the corporations?

Is it Roger Blough's United States Steel, Frederick Doner's General Motors, Ralph Cordiner's General Electric? Or is it David McDonald's United Steelworkers, Walter Reuther's United Auto Workers, James Carey's International Union of Electrical Workers? Or, have both sides embarked on an unspoken wage-price or price-wage collaboration?

The charts are of no help here. But Means, who prepared his material for the Senate Antitrust and Monopoly Subcommittee, went back into the committee's steel hearings for some arithmetic. After lengthy calculations, based on a series of arguable assumptions, he concluded that labor costs per ton went up $1.75 during 1956–57; prices went up $11 a ton.

This would appear to make United States Steel, the industry's price leader, the chief culprit. However, it must be repeated that Means' computation is derived from assumptions which can be debated. At best, his conclusion is suggestive.

Who are these concentrated steel and steel-using industries? They can be reduced to 10 corporations. In terms of ingot capacity, steel is United States Steel (29 percent); Bethlehem (16 percent), and Republic (9 percent).

The "motive" end of the "machinery and motive" category is: General Motors (51 percent of 1958 auto production), Ford (29 percent), and Chrysler (14 percent).

The machinery end is tremendously complicated by definitions. But electrical machinery is General Electric (owned 16 percent of the industry's assets in 1947, the last data year); Westinghouse (13 percent); Western Electric Co., an American Telephone & Telegraph subsidiary (13 percent), and Radio Corporation of America (6 percent).

Some policy implications flowing from Means' analysis were spelled out by Chairman ESTES KEFAUVER, Democrat, Tennessee, of the Senate subcommittee. If Means is right, then:

A tight money policy won't hold down prices without bringing on a recession because corporate giants are the least affected by a shortage of lendable funds. They raise their expansion money largely from profits, not borrowing.

A balanced Federal budget is irrelevant because this is not a money, but an "administered price," inflation.

To be sure, easy money and unbalanced budgets would, according to anybody's analysis, worsen the situation by piling a money inflation on top of an "administered price" inflation.

(However, a minority group of economists headed by Leon Keyserling paradoxically argues that easy money and budget deficits will stimulate an offsetting amount of extra production when, as now, men and resources are not fully employed.)

But what Means is really saying is that some new institutional devices must be invented to control concentrated industries and/or their unions if price stability is to be achieved.

What form the new devices should take might well be on the agenda of Vice President RICHARD M. NIXON's new Cabinet committee on inflation and the massive congressional study Majority Leader LYNDON B. JOHNSON, Democrat, Texas, once proposed for the Joint Economic Committee.

Many of us were taught to think about market behavior in terms of a classical picture of impersonal forces of supply and demand operating through so many sellers and so many buyers in a market, and that the action of no one buyer or seller could have any significant effect on the resulting price. But we now operate in a world in which a handful of firms are the chief buyers of certain commodities—what the economics textbook calls monopsonists or oligopsonists, and many markets are dominated by a handful of sellers.

We use the word "monopoly" carelessly and often erroneously, for it properly relates to a single seller who has sole control, and a truer representation would be of a handful of sellers cooperatively controlling the market in what should technically be called oligopoly.

But whatever we call it, and whatever the fine phrases of the economists may be, the facts are simple:

We have private control of prices. Prices can be set by a group of men meeting around a small table. Indeed, in some markets which follow the leader the decision of the largest single firm becomes in a matter of hours—sometimes a matter of minutes—the decision of all the other firms in the trade. The only area in which classical competition could be found would be in the field of agriculture, and even here not only Government controls but also vertical integration are disrupting what might otherwise be a free market condition.

If we are effectively to fight inflation, we must be prepared to do more than make anguished speeches against it. We must do more than trust the Federal Reserve; we must do more than talk about balancing the budget. The two policies urged by the administration are inadequate. The battle against inflation requires the use of other weapons as well.

What would be a program for adequate economic expansion without inflation?

It would be a composite of many decisions. There is no single highroad by which these goals can be served, and we are mistaken if we think that any one or two answers will suffice. Let me suggest in broad outlines the kinds of policies which must be used harmoniously to achieve these goals:

First of all, our monetary policy needs reexamination and reform. High interest rates tend to reduce the profit margins of business firms, and to discourage economic expansion and growth by those who must borrow the funds. High interest rates are more damaging to small businesses than to large enterprise because the large enterprises tend to be self-financed and do not have to go into the market place for their funds.

High interest rates discourage investment in basic capital plant that would expand the productivity of our economy. When borrowed funds can only be repaid over a long period of years, as is the case in public utility investments, in housing and apartment construction and other basic investment which has a low turnover ratio, the high interest rate greatly increases the cost of the investment and reduces the prospects for profits. High interest rates therefore reduce the volume of investment which would otherwise contribute to an expanding economy. Unhappily high interest rates do not deter consumer credit, but rather tend to funnel money into consumer use where it does not truly increase productivity. The user of consumer credit is more interested in the amount of the down payment and the length of the loan than in the interest rate. Indeed, because it adds to the cost of automobiles and refrigerators, it ultimately causes consumers to consume less rather than more because an increasing portion of their income must go to pay carrying costs rather than to buy goods and services. It diverts purchasing power from goods into interest payments. High interest has already doubled the cost of servicing the public debt. Congress is appropriating $8 billion to pay the interest on the public debt. There was not a budget during any of the years of the New Deal's attempts at recovery in the 1930's which for all purposes was as high as $8 billion.

This increased interest burden subtracts at least $4 billion too much from the pockets of the taxpayers and provides not 1 penny's worth of increased public service, but only increased income to money lenders. The raising of the public interest rates has caused private interest rates to rise in like fashion, and so the cost of housing to the young family, buying a home in recent years, has also gone up. Private debts in the aggregate are greater than public debts. The private debt is more than double the amount of the outstanding Federal debt, and so we have added much more than $4 billion a year to the interest payment burdens of those who must borrow.

High interest rates have not fought inflation; they have contributed to inflation. They have increased costs without increasing output; they have indeed reduced output. But you may say that at lower interest rates there might be a great expansion of the money supply. I submit that this ignores the many possible alternatives, some of which were used very constructively during and after World War II in an effort to hold the line against inflation. Reserve requirements can be used by the Federal Reserve effectively to hold in check the expansion of the money supply, and selective credit controls such as consumer credit controls can be used to discourage temptation of consumers to abuse low interest credit.

I would submit indeed that both in the months following the outbreak of hostilities in Korea, and again in 1955 and 1956 consumer credit rose by too large an amount. Turn to page 28 of Economic Indicators and you will note that during 1955 consumer credit rose by more than $6 billion, and it rose an additional $3,500 million in 1956. With these undue increases in consumer credit we bought not only too many cars; we bought inflation and helped buy subsequent depression. The administration in its single track pursuit of high interest rates as the sole device for rationing credit found itself unable as well as unwilling to deal with the problems of operating its monetary policy in a sound and constructive manner.

I submit that the economy would operate more productively and at higher levels of employment under monetary policies which are willing to use other weapons in the arsenal than merely high interest rates. It is quickly becoming evident that high interest rates feed upon themselves, and unless Congress and the administration join to call a halt the end is not yet in sight. We can cut interest rates, cut costs, and still keep the money supply in proper ratio to an expanding economy.

A second area in which policy should be reassessed and revised in order to encourage adequate economic expansion without inflation is the field of tax policy. Our present tax rates are too high; our present tax base is too small. The very high rates now applied to those who are caught by them encourage waste. Costs are not as carefully reviewed when the major share of the expense will be borne, in fact, by the Treasury.

Let me interrupt to tell one of the favorite wartime Washington stories. It seems that three Government contractors had lunch in the Hay-Adams, and the bill came to $10. The first salesman reached for the check and said, "This will only cost my company $5." The second salesman took it out of the hand of the first one, saying, "We are in the 90-percent excess-profits tax bracket, and it will only cost us $1." The third salesman took it out of the second man's hand and said, "We are in a cost-plus contract, and my company will make $1.50 on the deal."

Whether this story be apocryphal or true, it certainly reflects a prevalent condition. The administration is to be commended for showing an increased concern over the abuses of expense accounts. If our tax laws are not subjected to a thoroughgoing scrutiny and reform, we may well expect our major business firms will have succeeded in socializing consumption far more rapidly and lavishly than even the most devout Socialist could have imagined the Government might accomplish.

There are many forms of socialized consumption, subsidized by the Treasury, through the techniques of corporation clubs, paid vacations through attendance at national conventions held at vacation spas, plus housing, meals, transportation, and health insurance, not to mention retirement programs. These forms of socialized consumption do not constitute income for tax purposes and are well advanced. I submit that a more efficient and productive economy would result from reducing the incentives to much profligacy and waste.

The rates, as I said, are too high, but the base is too low. Not only do these forms of socialized consumption, if I may call them that, escape taxation, but many other forms of income receive special exemption or special treatment. The capital gains feature has become so valuable that all kinds of devices and dodges are developed in the effort to convert what ought to be regular income into capital gains in order to secure the tax benefits that flow from this.

Whether the resulting business decisions are the best decisions for the prosperity of the economy is a serious question, but one which can only be asked in the hopes that tax reform will be pursued. To plug the loopholes we must define income more broadly. Then we can operate the Government successfully at lower tax rates and meet the argument that high tax rates depress economic expansion by using lower rates.

It is only fair to note in passing that there are economists who have suggested that the high corporate tax rates may encourage businessmen to take risks which increase productivity. This may partially offset the losses of which I have been speaking. I doubt if they fully offset these losses.

A third area of policy involves the socialization of risk which the Congress has regularly approved in an effort to encourage business to be more enterprising. I refer not only to the risk of loss of bank deposits or the risk of loss on mortgage loans, but the risk on loans to businessmen and farmers through Federal credit instrumentalities. But the most important sharing of the risk is the carryforward and carryback of losses contained in the income tax. The Government becomes a nonvoting but otherwise participating partner in business losses as well as business gains through the operation of the corporate income tax laws.

By the passage of S. 57 in the next few weeks we will be encouraging the homebuilding industry to add materially to the housing supply of the United States. We will do this by authorizing the Federal Housing Administration to insure some mortgages and by authorizing the Federal National Mortgage Association if need be to buy some mortgages.

These programs have not really cost the taxpayer a cent. We have used the power of the Federal Government for the good of the economy without using tax dollars in these programs. Tax dollars have only been funneled into the very specialized programs of public housing, slum clearance, and urban renewal. This demonstrates that it is possible for a congressional action, effectively administered, to expand the economy without taking money from the taxpayers to accomplish this purpose.

You will note, Mr. Speaker, that I have been discussing policies that are in no way a burden upon the Federal budget. Indeed, many of them would help to relieve the Federal budget. Let me turn to programs that may influence the budget but are not a burden upon the taxpayers. I refer to the Government's loan programs.

Congress will no doubt approve the report of the Banking and Currency Committee for the passage of H.R. 4452, the amended Bretton Woods Agreement. We are going to increase the capital of the International Monetary Fund and the International Bank for Reconstruction and Development. It may be said that this sum is a burden upon the taxpayers, but the taxpayers are investing in assets which will not be destroyed because we know now that these programs are competently and honorably administered.

But just as we will approve making the loans abroad, so will we approve making loans at home. The money we spend improving the rural electric lines, improving rural telephone service, improving our public power facilities, all represent investments in the expansion of the economy. They increase our capacity to produce goods and services; yet these sums are repaid with interest by the borrowers. They represent no burden on the budget. They represent no waste of funds.

I would like to talk about the management of the public debt, but this topic was so ably covered by the distinguished gentleman from Wisconsin, who serves with me on the Banking and Currency Committee, and is a member of the Joint Economic Committee, Mr. REUSS, that I will refrain from commenting here about it except to say that wise management by the Treasury and Federal Reserve of the outstanding public debt can contribute to the necessary expansion of our economy without inflation. Note that I say "can"—I do not argue that it always has. I would argue that it always should.

Before I come to a question of expenditure policy, let me turn to one other area, the control of inflation.

For too many years we have said to ourselves first, that we are opposed to inflation, and second, that we are opposed to controls. I do not recommend controls for their own sake, but I think if we are absolutely opposed to public control we must be honest and admit that we are then going to tolerate without public review the existing private control of the matter.

A year ago the economists in Colorado and Wyoming in their annual meeting discussed this question, and I think agreed informally that the time has come to ask for public review of the private control of price. This private control can be found in our strongest labor unions as well as in the hands of the cooperative executives who sign contracts with them. It can be found in the hands of those executive who dictate the price policies for the basic pacesetting industries in American life. Either we must prove that we really want to prevent inflation, or we must confess that we will tolerate continued inflation rather than vote for the necessary public review of the private controls of price.

I am not here recommending the creation of a new Office of Price Administration and a Wage Stabilization Board. Rather I am simply raising the question as to whether this Congress should consider granting to the President some measure, if only the power of pitiless publicity, as a weapon whereby he might effectively fight against inflation. Even if the President's powers were merely standby powers over basic wage and price decisions, these would at least be some basis upon which he might call onto the White House carpet and before the bar of American public opinion those men whose decisions will, if not subject to review, serve to debase the currency of every American citizen.

I do not pretend to have ready for introduction a detailed bill suggesting the

line of attack. But I welcome the approval of the resolution empowering the Joint Economic Committee to hold hearings on this matter. I suggest that the President's Cabinet Committee Against Inflation should have the same willingness to examine this course of action or other strong courses of action, if in their judgment such courses of action are needed to fight inflation. I grow weary of being told that we must refuse to build our ports; we must refuse to clean up the Nation's streams; we must refuse to build housing units because this is inflationary, when I know that inflation will go on occurring so long as we tolerate the private control of price, the administered prices of monopolistic industry.

I think the American people have a right to ask us to let the deed support the word. I recognize that there will need to be price changes, and I would want a law that did not prevent changes which were actually necessary. But I would like a law and the administration of such a law that would assure the American people that upward changes in prices were indeed necessary.

This does not mean that there could be no further wage increases, for these can be granted so long as the wage increases are no greater than those which can be justified through increased productivity and increased output per man hour. The worker is entitled to a fair share of the increased efficiency which his labor makes possible. But business ought not to be allowed to use the alibi of a wage increase to promulgate a price increase which is far greater than needed to pay the wage increase. The testimony submitted by Gardiner Means suggests that this is happening. The oil industry is currently getting a restriction on imports, and raising prices.

So I would attack inflation directly and at the front door, without unlocking the back door. Naturally I would want our monetary policy to be administered in a fashion which did not create the classical type of inflation by permitting the money supply to increase more rapidly than the volume of increased business requires.

Let me come briefly to matters of budget policy. I will have more to say on that subject another day. Let me simply say here that our expenditure policy has been viewed almost exclusively in quantitative terms—it deserves to be viewed in qualitative terms. I was taught that expenditures could be divided into four basic, and basically different, categories.

The first is self-liquidating. I have already referred to the loans which are used for productive purposes, which will not only be repaid directly into the Treasury but which will be used to create a higher standard of living both at home and abroad.

A second basic category are those expenditures which are essentially reproductive. The money which we spend improving our highways, reduces the cost of transportation, increases the speed of transportation and communication, and enlarges the productivity of our economy. The money we spend on better health improves our people, and represents outlays which will lead to an expansion of our national income far greater than the amount of the outlay. Certainly the investment we make in the education of our children will be repaid many times over in higher standards of living for them, and even in higher tax payments by them out of the increased income the education produces. While you cannot tie the return to the Treasury or to the economy directly to each individual outlay, we all know that such outlays are reproductive. The people support and want an adequate school program.

There are those outlays which can be viewed as merely productive. They expand our well-being; they add new dimensions to our personal and cultural life. I have in mind our park and recreational facilities, the National Gallery of Art, and the Smithsonian Institution, many research services, many publication activities, certain welfare services, and so forth. To the extent that we can afford and want the particular service involved, we vote for it.

Finally there are services which are unproductive. At first blush one might say all of these could be eliminated, but sometimes they too, are necessary. Those which save lives and protect property and persons, and these involve our whole structure of courts, police, fire departments, and so forth, are necessary outlays. They are productive only in the sense that if we do not have them things might be worse, and therefore we pay for them.

They are a kind of social insurance of our well-being. So long as the Nation believes that its security is dependent upon the size of its Armed Forces and the number and type of its weapons systems, the Nation will support these outlays even though most of them are not productive in any economic sense. Yet we owe it to the people to examine all of these outlays to see that waste is avoided.

The quality of our national life will be affected by the quality of our budget. I shall not argue the thesis propounded by Mr. Galbraith in his book, "The Affluent Society," but certainly the questions that he has suggested that such a society ought to assure the education of its children without regard to poverty of the parents is a recognition which is as old as free public education.

I am not in love with the number 77. The decision by the administration to choose a magic number, one to conjure with, has become a great snare and a delusion. I am not sure but what the number may be too large. If we were to cut out the fat and leave the necessary bone and muscle we might find it possible to have a lower budget total.

I have already suggested that there is $4 billion too much in interest in the public debt alone. The important principle is that the budget should serve to help to balance the national economy. There are still a few who believe that Congress can and should be neutral with respect to the health and well-being of the economy. When the Federal budget itself represents more than 20 percent of the national income, it is obvious that the decisions of the Congress with respect to this single item are bound to have an influence upon the economy. We must be economically responsible, even in our fiscal responsibility.

The money machine was made an instrument of the Federal Government with the adoption of the Federal Reserve Act. The Congress cannot look the other way at the consequences of the behavior of one of its most powerful children. It is important for the Congress and for the administration, and for the American people, to understand that there will be consequences from whatever decisions we make here with respect to all these matters. It is our responsibility to act so the consequences serve to expand the economy without inflation, in keeping with the covenant of the Employment Act of 1946. We must pursue an intelligent balance of policy in our choices in these great areas of public policy so as to achieve these goals of maximum employment, production, and purchasing power at stable price levels.

The temptation has been to insist we should pursue the goal of adequate growth because the rate of economic growth in the U.S.S.R. is greater than the growth here. I would not deny the importance of this argument. I would simply say that my obligation as a Congressman under the Constitution always has and always will require me to promote the general welfare, and therefore require that I support those courses of action that I believe to be best suited to that marvelous goal.

In closing, let me repeat the point I made at the outset: the United States is a powerful country—one of the leaders of the free world. We have tried to pursue a policy which would strengthen that free world. If we continue to neglect here at home the necessity to strengthen our own economy by securing adequate economic expansion without inflation we not only imperil our leadership abroad; we imperil our domestic support for any effort to continue to exercise any leadership abroad.

I utter this warning as a note of sober caution. This is no time for cheap demagoguery. Political analysis encourages both sides to easy oversimplification. Statesmanship demands honest analyses of the whole complex of issues, and frank statement, even of the unpopular truth. How to secure and maintain peace and prosperity at home and throughout the world cannot be viewed as a little campaign issue. These are the fundamental issues facing this generation. We must find constructive answers. If we fail, we imperil the whole free world.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield.

Mr. RHODES of Arizona. I have been listening very intently to the remarks of the gentleman. I think they are very scholarly. By and large, I think they have done a very good job of presenting his ideas on this very important subject. May I probe a few of the ideas a little bit?

Mr. JOHNSON of Colorado. Surely.

Mr. RHODES of Arizona. As I understand, the first point the gentleman made was roughly to reexamine and reform the monetary policies of the country, with the idea of getting lower

interest rates. Is that paraphrase fairly accurate?

Mr. JOHNSON of Colorado. That would be a portion of the needed revision of the monetary policy; yes.

Mr. RHODES of Arizona. May I ask the gentleman how he expects to get lower interest rates? As I understand, the gentleman did not advocate increased credits. He did not advocate increasing the monetary supply. I was left dangling wondering how he was going to get lower interest rates if he was not going to do either of those.

Mr. JOHNSON of Colorado. There was a passing reference to the necessity for an increase in the monetary supply equal to that required by a growing economy, because a growing economy requires a growing money supply.

Mr. RHODES of Arizona. The gentleman's thought is, then, that the supply of money should be geared to having a certain fixed rate of interest throughout the years?

Mr. JOHNSON of Colorado. No; the point I am making is that we have had defended in these past 6 years a rising interest level as a device for fighting inflation. Notwithstanding this defense, we have had inflation. I would submit that we succeeded for the many years before 1953 in maintaining a relatively low rate of interest and a rapidly expanding economy.

Mr. RHODES of Arizona. But, with very, very high rates of inflation. The cost-of-living index went up very considerably between the years 1946 and 1953.

Mr. JOHNSON of Colorado. The high inflation we had was not necessarily the function solely of low interest rates. The Congress during the war years was asked, for example, to increase taxes very appreciably. I recall the Budget Bureau recommended to the President a $14 billion tax increase one year. The Secretary of the Treasury recommended a $9 billion increase. The Congress labored for a year and came up with a $2 billion increase. We borrowed too much of our way through the war and the increase in the money supply was not so much a function of the interest rate as a function of the timidity of the Congress to vote adequate funds during the war years to finance the war. Congress has been far more fiscally responsible since the end of World War II than it was during World War II.

Mr. RHODES of Arizona. I understand what the gentleman says as to the high interest rate being a weapon. I do not agree with him. I think the high interest rate we now have is a result rather than a weapon. I do not think anyone set out to use high interest rates as a weapon against inflation, but in the process we got high interest rates.

Mr. JOHNSON of Colorado. I should not presume to impute motives to the administrator and, therefore, shall refrain from doing so.

Mr. RHODES of Arizona. I thank the gentleman. Now, could the gentleman tell me again how he is going to get low interest rates?

Mr. JOHNSON of Colorado. I was suggesting that if we made it a part of our official policy to balance the budget, the other necessary policies to avoid inflation would include the selective use of consumer credit, a responsible tax policy with respect to a balanced budget at reasonably high levels, and possibly an overbalanced budget at high levels of employment, but a budget deficit, if need be, at low levels of employment—these policies taken together with the monetary policies would help. I would use, if need be, a higher reserve requirement. I would give the Federal Reserve greater power than it now has, if you want me to prejudge the outcome of the study that we just authorized a few minutes ago. But my present thinking without sitting on that committee, would be that I would be prepared if need be to vote the Federal Reserve additional powers over the size of the reserve requirement. We discussed the other day the wisdom of reviewing the accord made in 1951 by which the Federal Reserve got out of the position of helping to support the level of Government bond prices which, as the gentleman realizes, is the benchmark of all other interest rates. It is the basis on which the rest of the structure rests.

Mr. RHODES of Arizona. Of course, that uncertainty over the benchmark has been removed and the amount of interest the Government pays, is now the amount of interest which the market demands.

Mr. JOHNSON of Colorado. It is the basis, the market adds to that because no one normally lends to others for less than he lends to the Federal Government. Presumably, this is the best you can get.

Mr. RHODES of Arizona. The gentleman mentioned as far as the tax policy is concerned that the rates were too high and that the base was too small.

Mr. JOHNSON of Colorado. That is right.

Mr. RHODES of Arizona. I understand what the gentleman means when he says that the rates are too high, but what does he mean when he says the base is too small?

Mr. JOHNSON of Colorado. Congress has cheerfully or otherwise given out many exemptions. The House of Representatives the other day passed a further exemption and one which the Treasury noted in its report to the House may open the flood gates for a great many more requests for exemptions. I am hopeful that the Committee on Ways and Means will take a fundamental look at the whole tax structure again. What we did in 1954 was to pursue every little inequity into a new special class in the act, these become in effect new loopholes. Ultimately simplicity is as important a virtue in the tax laws as some uncertain thing called equity, particularly when no one can know what equity is because the laws are so complex. I am sincerely hopeful that I shall serve in a Congress that will try to get a simpler definition of the tax base.

I think we have a great deal too much use of the capital gains. We cut that base in half before we tax it and then we say the tax rate cannot go above 25 percent no matter how high the regular marginal rate will be. That is what I mean when I say the base is too small.

Mr. RHODES of Arizona. I will just ask the gentleman to yield for one more question: How would you end unemployment? The gentleman started out by talking about unemployment, and then, as I recall, it was left dangling.

Mr. JOHNSON of Colorado. I have only 1 hour this afternoon, and I do not presume to solve all the world's problems in that 1 hour.

Mr. RHODES of Arizona. I think the gentleman did a pretty good job at least in attacking all the world's problems in that hour.

Mr. JOHNSON of Colorado. I am a firm believer in encouraging private sectors of the economy, both business and consumers. They should use their funds to expand the output. High interest rates frequently divert funds which ought to go into expanding the economy into the relatively unproductive use of consumer credit. I decry the huge increase in consumer credit in recent years. What we need is greater capacity to produce goods and services. If it had gone into business expansion we would not have had the overzealous use of consumer credit. We did the same thing in 1950. I have sometimes quipped about the Korean incident that the "patriots" rushed out into the market to buy on credit before the "hoarders" got into the market. We had a billion dollars a month increase in consumer credit for 7 straight months from the onset of hostilities until Congress finally lowered the boom in February of 1951.

This was almost unconscionable. I am not being partisan by saying that both sides have failed to recognize that the interest rate alone will not do the job. We must give the Federal Reserve some control over consumer credit. I do not care whether the control is lodged in the Secretary of the Treasury, the Federal Reserve Board, or the Comptroller of the Currency; I am less concerned with the details than I am with the substance.

Mr. RHODES of Arizona. The gentleman spoke of private monopolization. I think those are my words.

Mr. JOHNSON of Colorado. Go ahead and use them; concentration would be a better word.

Mr. RHODES of Arizona. I think there is a tendency to feel that the monopoly laws, the Sherman Act and the Clayton Act are not now capable of dealing with this particular problem.

Mr. JOHNSON of Colorado. I do not know. I think tribute should be paid to this administration for going as far as it has in its pursuit of monopoly, but this administration did not go far enough. We have too long set it aside. In 1950 or 1951 the Congress passed an act to try to close the loopholes on the acquisition or the purchase of controlling interest by purchase of assets, but we put these weasel words into the law: Only if it is shown that there is "substantial monopoly", or similar language, does the law apply. It goes to the lower court and is so vague as to allow the court practically to write the law as it wants. And it puts a tremendous burden on an administrator who tries to prepare a case, trying to anticipate what line of

reasoning the court will take. We know that the problem exists.

Mr. RHODES of Arizona. As I understand, the gentleman would advocate some form of price control, at least standby control.

Mr. JOHNSON of Colorado. I would advocate standby control.

Mr. RHODES of Arizona. Under what circumstances do you think they should be put in force and become effective?

Mr. JOHNSON of Colorado. I envision something like this: The White House commands powerful publicity. If the President had standby price controls and called the oil companies in when they ask him for a reduction of oil imports, they would hesitate to suggest that they will thereafter raise prices.

As things stand at the present time, all the President can do is to say he will reconsider the oil import quotas. The oil companies say they have no intention of raising prices; yet the prices are inching up.

Where there is no price control available to the President the most he can do in a fit of anger is to withdraw the import restrictions. Even that might not necessarily work because you have a follow-the-leader price pattern in this area. The oil industry have their backs up on this thing and they can win. If the President were to call them in today, all he can do is to scold them, he could not stop their behavior, he could not prevent the results. If he had at least a shotgun in the closet and they knew he had a shotgun in the closet, he could call them in and have a pleasant little chat upon due inquiry into the facts. It is conceivable that, knowing he had the power to do more, they would yield to his request. He has "jawed" at them all these years and has gotten no results. I say, put a shotgun in the closet. We hope he will not have to use it, but I would rather he have it in the closet and not use it than not have it and need to use it.

There is a need for such power. Incidentally, when I have made these comments in both business and labor communities, I have found surprising support. I think the country is ahead of the Congress on this issue. I think they would be prepared for sober thought in the Congress and in the administration on this very issue.

Mr. RHODES of Arizona. I agree with the gentleman. The people of the country are tired of inflation. They do want the economy to grow, but they do not want the value of the dollar to go down, and I think that applies particularly to people on fixed incomes.

Mr. JOHNSON of Colorado. Yes. I have been working with this matter for many, many years.

Mr. RHODES of Arizona. The gentleman will understand that people like myself, and I am sure he shares this view, when we talk about inflation are thinking primarily of the things that happen to our people on a fixed income.

Mr. JOHNSON of Colorado. Yes.

Mr. RHODES of Arizona. We have a tight rope to walk, because I cannot think of anybody, and certainly no Member of this body, who wants to stifle our economy, but at the same time we do want it to grow and grow as systematically as possible without ruining the country by runaway inflation. I think the gentleman and I basically agree on what we want. I may say that we do not agree on the means of obtaining it. I certainly respect him for the very forthright manner in which he has explained his ideas and for his scholarly approach to the problem.

Mr. JOHNSON of Colorado. I invite the attention of the gentleman to my remarks on the budget. I hope to make more extended remarks on that subject at another time.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include tables and other extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

POWELL CALLS FOR IMMEDIATE NEW POLICY FOR AFRICA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 60 minutes.

Mr. POWELL. Mr. Speaker, today, I wish to call attention to the continuing revolution against colonialism that is now engulfing the continent of Africa—a revolution which we, in the United States, started in 1775. Although accounts appearing in the daily press keep us sufficiently informed on the nature of riots and killings that have occurred in French Equatorial Africa, the Belgian Congo, Italian Somaliland and, presently, Nyasaland and the extent of these eruptions, we are not so clear on the U.S. policies and programs for coping with the changes now taking place. We have heard nothing of future plans of meeting the challenge of a new Africa in the coming years.

Although in recent years attention has been directed periodically to the problems of the African continent, and though money has been appropriated by this body for a Department of African Affairs, and smaller sums for technical aid and the exchange personnel, the great majority of U.S. citizens and, particularly those of us charged with the responsibility of leadership in this country, do not know what our policy is toward Africa and the Africans. We need to know this badly. Moreover, there is concern that in the coming months U.S. action undertaken will increasingly be at variance with the will of many American people as well as the Africans.

A policy toward an area of such threatened volcanic eruptions cannot be trusted to time to work out. Confusion results as each outburst demands reaction in response to actions as they occur by applying a policy suitable only to the immediate occasion. In this area we can no longer ponder leisurely or trust to luck. Africa, as in the world at large, is an area that demands immediate attention one day with one kind of problem and issues, to be replaced the next day by another eruption as important as yesterday's seemed. As the conflict intensifies, as the struggle for freedom broadens, this country is inevitably going to have to operate from one base or the other on behalf of either the 200 million Africans struggling against every form of fascism on that continent or cast our lot with the 5 million departing Europeans determined to continue colonialism into the 20th century. At some point our leaders, armed with the U.S. policy and program, are going to have to make a decision as to which direction this country will go. Shall it be the road of freedom down through to the end of the 20th century, a road that leads to security, plenty, and brotherhood, or will it be backward in retreat and out of Africa's back door for all times together with the other Western powers who learned too little too late?

So intense has been our concentration upon the struggle of the Soviet-Western world that we failed to observe that a new world was being born. It is in this new world arena that the struggle for peace and freedom in our time is going to be waged and our very survival will depend on its outcome. Our survival, our freedom, our beliefs in the dignity of man are inextricably tied in with the ultimate outcome of the struggle against oppression in central Africa and the Union of South Africa. However much we of the West talk about the Union of South Africa's membership in the free world and the responsibility of the free world to close ranks to maintain that freedom, the African is fighting mad today for he knows it is freedom for whites only. So all of us of the United States in a holy crusade against communism that threatens our way of life are banded as one under the banner of freedom together with the Union of South Africa and other powers are ourselves subverting the cause of freedom in the eyes of the African people. Moreover, the entire Afro-Asian bloc expresses itself from time to time against Western indifference to the suffering there.

Nor is the unrest limited to certain geographical areas and certain tribes against a particular European military and political force. If that were the case we might pass a resolution here and take some positive action there on Nyasaland, on the Cameroons, on Algeria, on Egypt, on the Union of South Africa and be done with it. But it is not that simple. All over the vast continent of Africa in addition to the determination to remove the European rider from his back there is a revolution against the continuance of colonial traditions of any kind.

The 19th century and all that went with it is dead and a new chapter opens in the area of colonial and imperial activities. For Africans everywhere are determined to cram the revolution which has taken the West 500 years to accomplish into one generation.

Therefore, Africa is experiencing in one combustive outburst a revolution against old political ways, a revolution in economic techniques and social outlook and in values which affect the whole relationship of man's relationship and survival

on this globe. What we have achieved slowly and too painfully and at the expense of many suffering colored peoples, they are determined to do quickly with the greatest good for the greatest number.

As the struggle for African freedom expands vertically and horizontally, the polygamous relations of the U.S. marriages in the area since World War II will be increasingly exposed. Since the cold war began and the subsequent birth of NATO this country has been experiencing a growing dilemma over what policy to underwrite in Africa for Africans. For the United States, the leader and organizer of the forces of the West, has considered its obligations to its NATO allies of highest priority, but in this crusade against the imperialism of Russian anti-imperialism our strongest European backers were oppressing those who also wanted freedom. If we choose principles over interest in such cases, we then face the problem of possibly alienating the metropolitan powers in Europe—allies whose aid we have had to have and must of necessity continue to have in the critical times facing us. Moreover, we find it hard to champion the cause of freedom in lands where our strategic minerals are involved and where we have established bases for protecting our freedom. But we need reminding that Africans are people with feelings of personal dignity and loving concern for their children and they could not care less for our freedom at the expense of theirs. If the freedom in point which we extol so highly is composed of a world with the Union of South Africa and its ilk as an equal partner, the African will ultimately conclude that some people's meat is other people's poison and react accordingly. If America has any lesson to teach or to relearn itself it is that all men are created equal. Less we forget this fact, turn ye to the protestation of Jano Kenyatta from the tombs of incarceration and listen as he emphasizes the people's aspiration:

> Africans will never be satisfied until they enjoy full self-government, economic and social security, the realization of which can only be achieved in a nonimperialist social order.

Africa, four times the size of the United States, rich in minerals, with a potential of food production capable of eradicating hunger in this world, with 200 million proud people, suddenly makes its appearance on the kaleidoscope of history. We are bewildered and caught off guard for it is like the sun's thrusting a new planet into the atmosphere. This new world challenges our leadership, our energies, our aspirations.

To cope with this continental quake which is beginning to rock the universe, to meet the challenge of unrelenting Africans, the United States has no long-range policy with a consistent body of convictions and aims concerning Africa. In fact, a summary analysis of our platitudes and preachments and policies read like exercises in double talk which critics readily seize upon as proof of American hypocrisy. Moreover, the preachments of American leaders to Africans have the familiar ring of colonialism and Western supremacy of "Father knows best."

To be honest about it American policy is split down the middle by a stubborn and troublesome contradiction between immediate strategic and ultimate historic interest. In fact, politically we have been leading a polygamous relationship, consorting with our equals, the Europeans, to whom we are wedded in the big house while maintaining a relationship in the little house with the Africans down across the field. Such gettings together as have taken place in Accra recently with emphasis on the pan-African movement are a threat to our position for it exposes for all to see the contradictory operation of governmental, business, and even some religious enterprises.

To date our vacillating and undefined and unexposed system has been able to maintain itself without detection by the Africans. However, the question before us is not where we stand but how much longer can we occupy two different positions and pursue a dual program on the continent of Africa. Our concern should not be primarily directed toward where we are today but where we will be next year as regards Africa.

Today, when our Government is busy all over the globe trying to put out all sorts of fires—fires which are burning because we delayed too long in removing the plain dangers of combustion, or have been set off by the improper or unwarranted conclusions of our free press or that our selfish vested enterprises in foreign lands helped to kindle. Whether it is in Bolivia or Cuba or Iraq we have in recent years been continually beset by a series of dilemmas. As for Africa, I shall seek from the foregoing to pose the combination of dilemmas that will be ours if we continue to ignore the realities of the time, the revolution of rising eruptions abroad in this nuclear age.

First. We find it hard to champion the cause of freedom in lands where our bases and strategic minerals are involved. Therefore, it is to our interest to maintain the status quo however tired the Africans may have grown with that status quo.

Second. Whether to choose principle over interest in the numerous African-European controversies which are increasingly arising at the risk of alienating our NATO allies whose support must be at our command at all times if we are to meet the challenge of Russia successfully.

Third. What positions to take when the plaguing question of African freedom versus European oppression are thrown into the international arena of the United Nations. For sitting across and beside and behind our U.N. delegates are friends of the African people as determined as they that the African shall know freedom on their terms and in our time.

Fourth. What is to be our action? How can we steer successfully our international ship through the roughest waters of history, for we must get through the roughest waters of history, for we must get through any possible barricade they might consider erecting, for we must get along with the cold war. Yet our program in the cold war is related to the vast wealth in natural and human resources that is Africa's and success and final victory can be decided whether or not we shall continue to obtain strategic minerals or hold distant air and naval bases. What to do about the Africans in this regard when from the viewpoint of security against Communist military attack, maintained George Fielding Eliot in "Africa—Key to Western Security" we are concerned that all the principal NATO powers, Britain, France, Belgium, Portugal, our allies, holding African territory, shall maintain their present position in Africa so that African bases and African resources shall continue to be available for the defense of the free world.

Fifth. But in the above regard, if the United States and its allies are deprived of these African supplies by unwilling and uncooperating Africans, our fighting capabilities would be seriously crippled.

Sixth. With Africa now half slave and half free the question of whether to cast our lot with the slave area, the settled controlled areas of east, central, and South Africa directed toward serving America strategic and profitmaking prerogatives in the continent and utilizing and supporting the European system of control, or shall we have the courage and faith to identify our future now unqualifiedly with free Africa—Ghana, Sudan, Guinea, and others; shall we shift to a go-it-alone policy in areas where Europeans are no longer in the saddle, thereby enabling this country to speak in a loud, clear voice for freedom in the U.N. and in other areas of international controversy?

Seventh. As the white minorities of eastern, central, and South Africa move to close ranks in defense against the blacks and to maintain their profitable existence on the African Continent and as Africans in response solidify their positions through various pan-African movements, we are going to be forced to take sides.

I have attempted above to spell out the most obvious dilemmas which await us around the corner as we move to another position in this new world. It would be ironic, indeed, if we deliberately choose the losing side. For it is written, Africans will play a large role in our country's future, in fact, in the future of all the nations of the West. Have we forgotten that ultimate security depends on decisions made beyond the borders of the United States as much as on those made within our country?

We are challenged today and have but little time left to decide whether or not to abandon our double-edged policy in Africa, to decide whether to permit our sympathies for our European heritage to take precedence over the welfare of mankind even when there is clear recognition that the period of European ascendancy in Africa is drawing to an end.

To the dilemmas imposed we inquire again how long can we operate under a policy, "To be or not to be, to do or not to do" as a program of action?

Therefore, there is need at this point to refresh our memories on the current disasters, and atrocities, and oppression, and general negations of freedom that is the climate of occupied Africa.

I am informed that Africans wherever they live, whether in Capetown, in Cairo, Accra, or Nairobi are becoming increasingly suspicious of Western moves in and toward their continent. Moves of European settlers to federate white dominated governments as protective measures against black nationalism set off counter movements by Africans to work hard and fast for pan-Africa. Expressed or unexpressed in the continentwide meetings such as assembled at Accra recently are pledged to the realization of Africa for the African and, they are committed as one to fight until every vestige of colonialism and imperialism are removed from their lives. Freedom, self-determination or whatever we choose to call it is not directed alone against the remnants of 19th century colonialism, but toward all outside activities which would exploit the people and the continent itself or its resources. So increasingly the fight for freedom will be directed against business enterprises enjoying the blessings of local white settler governments as well as against the colonial domination of metropolitan governments. Like the Bolivians and many other nations Africans could conceivably come to identify U.S. business interest and U.S. policy as one and the same which prompts us again today to urge a new look at our country's relations with African questions involving the continent now before the United Nations, relations with metropolitan powers and their subsequent effect upon Africa and if possible locate the impact of domestic private enterprise and its strengthening effect upon European anti-African policies. For Africans everywhere, I have been informed, are beginning to feel that a huge vise for continuing the domination of Africa by the West is being fashioned, big and powerful enough for its prongs to extend from the tip of the Union of South Africa to the banks of the Suez Canal. That at the proper time friend and foe alike will spring the trap capturing the entire continent in a new system of economic imperialism made possible through the establishment of a series of programs of economic dependence and obligations and tie in with foreign business of various sorts.

Suppose we take a brief look at the brush fires, the eruptions, the bloodshed taking place over much of that continent and move swiftly from the tip up the eastern coast all the way to Cairo. In the Union the following stand out, even here in our press:

First. All nonwhites, 12 million of them, are forcibly separated geographically and every other way from the whites under a government system of "Apartheid."

Second. The nonwhites are denied any civil rights or participation in political activities of any kind or any expression for that matter of dissent to the policies of the Europeans.

Third. For those who dare resist the Fascist policies, are dubbed Communists, indicted and convicted as criminals.

Fourth. In order to enjoy any freedom of movement without arrest Africans must carry passes. While we freely decry the denials of freedom in China, behind the Iron Curtain, toward those 12 million suffering nonwhites in the Union we are absolutely silent or speak in unheard voices less we offend our colleague of the free world—the Union of South Africa—a government of Europeans only. During the long drawn out trials of 90 people charged with subversion against that government, we have as a Nation remained disgustingly silent carrying on business as usual with the Union itself.

Africans can but question the full operation of business men from the United States operating there and the impact they may have upon the asserted indifference this Government has taken to the conditions there. This beautiful paradise of the world, endowed with 99 percent of the world's industrial diamonds and otherwise rich in gold and other minerals is rapidly becoming the happy hunting grounds for new profiteers, for the economic exploitation of the U.S. business interest. In recent months we have seen in our press announcements of several Wall Street brokerage firms floating loans for the Union. Need we be reminded that such authority was derived from the European settlers, not from the Africans. I was interested in reading a couple of years ago a report of the Union's government to the effect that the U.S. business interests and investments had increased since the enactment of apartheid for it "stabilized their labor supply." Moreover, the Union maintained to those who questioned whether the denials to Africans might not drive away investment capital, that the U.S. enterprises had learned first hand at home how to cope with those of African descent.

Now moving across the border from the Union and up the eastern coast of Africa we come to the Federation of Rhodesia and Nyasaland where in recent weeks all hell has broken loose against the extension of Union-like policies into that territory, against the apparent operations of outside business interest, against the determination to turn that rich land into the world's largest plantation system with a few white settler overseers and millions of Africans in a slave relationship.

Sitting on the throne of white supremacy and ruling the vast terrain of Southern Rhodesia, Northern Rhodesia, and Nyasaland is Sir Roy Welensky, the Prime Minister. The career of the Prime Minister has significance to America for he is the son of the late Michael Welensky who made his first money and developed his frontier tactics in the Missouri-Mississippi Valley territory in the 19th century. Following the Civil War the elder Welensky departed for the Union of South Africa to continue his economic interest in a climate of slavery which continued there. So it is highly probable that the "Simon Legree" tactics which young Welensky is now exemplifying were inherited from his father. Is it any wonder that American Negroes are aroused in righteous indignation over the deaths, riots, and imprisonments which Mr. Welensky's government is applying to those who but dare to insist upon the freedom for which we all aspire? Every Protestant and Catholic leader has condemned Sir Roy.

All over America there should be resolutions and condemnation of Welensky's government and any other action undertaken to bring an end to the suppression there. Specifically, there should be loud protestation against the expulsion from Nyasaland of Dr. Hastings Banda, the leader of a passive resistance movement—a man who seeks to liberate his people in the spirit of Gandhi which we of the West now unashamedly extoll. The attack and suppressions in Nyasaland against Africans are spreading into Northern Rhodesia where the American Metal Co. enjoys great profits and prestige from its copper mining enterprises. This is but a summary report of the power and unlimited control that the 1 million Europeans exercise over 7 million Africans in the Federation. Is this the democracy of which we talk so much and fight so hard? Is this the kind of freedom we seek and trust Africans will accept? If not, it is time we made our kind of democracy known by expressing official condemnation against what is happening there. Maybe the application of economic sanctions such as applied in other areas outside Africa against those who deny human rights should be considered.

These conditions are repeated in the Congo where the equivalent of the total budget of Belgium, is met from the returns of the Belgian Congo.

Moving into Kenya, Jono Kenyatta, a Western trained scholar of renown and a nationalist leader, still languishes in jail after almost 7 years with promise of expulsion from his native land when his term of imprisonment is over.

It's time that we make up our minds, and there is not much time left, whether we are going to continue to behave during this transition in such a manner, that we too will be unwelcome in the new Africa aborning. Eruptions and brush fires, if they continue will ultimately engulf the whole territory in flames of destruction disastrous to the world and most particularly to our positions there. None save Russia can prosper if present conditions are allowed to continue. A report of confidence in Communist progress last week by the Polish Foreign Minister, Adam Rapachi, that "the balance of power in the world was changing in favor of socialism" undoubtedly had the changes and their consequences in Africa in mind. It is highly probable the Communists are considering the outcome of the struggle between the western Africa as the determinant of the balance of power in this cold war rather than Berlin.

So free Africans meeting with enslaved Africans in official and unofficial gatherings pledge their mutual energies to fight until every black brother is freed, to devise methods that the prongs of the vise shall not snap again, encasing them in a new trap whereby they shall continue in subservience and want and oppression. Africa cannot, they know,

remain indefinitely half slave and half free. We are informed that the steering committee of the All African Peoples Conference has moved to support the fight for freedom in central Africa by earmarking $38,000 to the freedom fighters of Nyasaland.

It seems to me that the time is at hand for a drastic appraisal of Western policies toward Africa and most particularly for our purposes here, that of the United States. We need to ask ourselves just what we in the United States offer to the dependent peoples—the African.

How will present independent African countries, now our friends and allies, view our vacillations and apparent indifference to issues and actions pertaining to their future well-being? As for me and many others of similar mind, I have been profoundly appalled by the apathy displayed by the United States in general and also in the United Nations; the failure to initiate discussions of these problems in Africa looking toward some long-range types of solutions. If we in the Western World do not awaken to our present opportunities and responsibilities, the Soviets, through economic penetration, expect to so dig their economic tentacles into the area that they may eventually exercise a stranglehold on the political institution there.

Who knows but that the present knocking of Africans on Western doors may not be the result of its 300 years of being ignored? And maybe convinced that further knocking is futile, they may turn to others.

Mr. Speaker, I conclude by reminding that we have suddenly come upon a crossroad in our relations with Africa and hereafter we are condemned to travel but one road toward one objective—forward toward total freedom and survival for ourselves in this nuclear age or to travel backward to the depth of degradation, thereby destroying the fruits of all our endeavors.

I wish to finally conclude this exhaustive presentation by stating my plans for presenting a followup report in which I am going to make some pertinent proposals as to the future course of action to be followed by the United States. We have passed from the ox-wagon to the jet age in less than one generation. Should not our progress in political advancement keep pace?

FREEDOM OF COMMERCE SHOULD APPLY TO MILK AS WELL AS POULTRY AND MEAT

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, in the March 22, 1959, St. Paul (Minn.) Pioneer Press, Al Stedman did some reminiscing about the days when succulent, golden-brown fried chicken was reserved for special occasions. Now, because of modern, sanitary, refrigerated transportation—and a Federal inspection system for poultry shipped in interstate trade—some 18 to 20 semiloads of southern fryers roll into Minneapolis and St. Paul every week. And since the fryers are so plentiful, they no longer have to be considered luxury food.

The Federal inspection system has been doing the same thing for the meat industry for the past 50 years. As a result, we are a Nation of meat eaters.

Mr. Stedman raised this question, "If the principle of freedom of commerce in wholesome food applies to meat and poultry, why shouldn't it apply to milk?" He also noted that my national milk sanitation bill—H.R. 3840—would apply that principle to the milk industry. Under leave to extend my remarks, I would like to include a copy of Mr. Stedman's editorial in the RECORD:

GEORGIA FRYERS

Remember when fried chicken was a luxury? When its fragrant brown succulence was for holiday dinners only? Well, flavor and the aromas linger, but gone forever are the luxury days.

Now the housewife can rub her eyes at the great buys being offered by the food ads in frying chickens.

Loss leader selling? Could be! For bargains in chickens or fresh milk are fine bait for attracting shoppers into a store. But also behind these prices is a mighty drama of the effects of a Federal guaranty of freedom of interstate commerce in wholesome food.

Though the trade calls them Georgia fryers, they come in fact from several Southern States. As with meat and milk, perishability was once thought to bar them from nationwide markets. But, also as with meat and milk, that problem is solved by modern sanitary, refrigerated transportation.

Eighteen to twenty semitrailer loads of these Georgia fryers roll into the Twin Cities each week from afar. By summertime, the arrivals will be up to about 30 refrigerated vans a week, each loaded with 7,500 or so 2- to 3-pound dressed chickens, all iced.

These birds are products of one of agriculture's great revolutions, known as integrated farming. Production, processing and selling are integrated under one management. One man may feed five batches totaling 60,000 a year of these broiler or fryer chickens.

A uniform Federal inspection system guarantees freedom of wholesome dressed poultry to cross State lines into the Nation's markets. It is mighty tough competition for our Midwest chicken raisers.

That's one story back of our housewives' bargains in fryer chickens. Another story is that this same Federal poultry inspection system is putting the foundation of free markets under our Midwest turkey industry. A third story is that our Midwest fryer industry, with advantages of a short haul and economical feed, is competing more and more strongly in our markets. Our housewives are getting good buys and more of our own homegrown chickens, too.

But the traffic of southern fryers into Milwaukee, Chicago, Des Moines and other Midwest Dairy Belt cities is still immense. And when we try to ship our wholesome milk in refrigerated tank trucks into those markets that so freely send us chickens, we are stopped by Federal, State or local bans in the name of sanitation. Even Washington is barring our milk, regardless of proved wholesomeness, on those ostensible grounds so as to serve local monopoly.

No industry or region can do well under such discrimination and the Lester Johnson bill in Congress would abolish it. The bill would apply to milk, the same principle of freedom of commerce in wholesome food the United States already applies to dressed meat and poultry.

For more than 50 years the Federal meat inspection system has been providing the equivalent of the Johnson bill for meat. A foundation of access to markets everywhere sustains the meat industry. We are a nation of meat eaters.

For dressed poultry, the equivalent of the Johnson bill went into effect on a voluntary basis last year and became compulsory for interstate commerce this year. At competitive prices, consumption of fryers and other dressed poultry has risen to break all records.

For many years the branch of Government most concerned with sanitation, the U.S. Public Health Service, has had a uniform sanitary code for milk. But the U.S. Department of Agriculture and eastern and southern States and cities won't accept this code. Behind their monopoly walls, high milk prices are enforced. U.S. consumption per person of milk since World War II has slumped.

The Johnson bill would let American consumers drink more milk at competitive prices. It would let the Nation's dairy industry share with meat and poultry the blessings of American freedom of commerce in wholesome food.

U.S. PUBLIC HEALTH SERVICE SHOWS RELIABILITY OF MILK UNDER U.S. MILK CODE

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, as a result of the Washington, D.C., milk situation, the U.S. Public Health Service has been getting questions concerning the reliability of the U.S. Milk Ordinance and Code. On March 20, 1959, the Public Health Service issued a statement pointing out why milk produced in accordance with the U.S. code is safe and of high quality. Because my national milk sanitation bill would make this code the quality yardstick for milk moving in interstate trade, I would like to include the Public Health Service's statement in the RECORD under leave to extend my remarks:

U.S. MILK CODE RESULTS IN TOP-QUALITY MILK

The Public Health Service said today that milk produced in accordance with the Public Health Service Model Ordinance and Code is safe and of high quality.

The statement was made in response to questions the Public Health Service is receiving as a result of the local milk situation.

Service officials explained that sanitary practices at dairy farms are designed to prevent disease producing bacteria getting into milk, with pasteurization applied as a final safeguard.

Most bacteria in milk are harmless, according to the Service. The standards recommended by the Public Health Service limit bacterial counts to a maximum of 200,000 per cubic centimeter in raw milk which is to be pasteurized. The District of Columbia Code prescribes a 100,000 limit. For pasturized milk delivered to the consumer, the Public Health Service standard has a maximum limit of 30,000 per cubic centimeter. The District of Columbia Code permits 40,000 per cubic centimeter.

The Public Health Service Model Ordinance and Code was developed with the aid of a national advisory committee of experts in public health, dairy, and veterinary science. Since the code was first established in 1924, it has been revised 12 times to keep abreast of modern techniques and new scientific knowledge. The Public Health Service standards are currently used by 1,900 communities and 35 States.

PROVIDING FOR THE REGISTRATION OF LEADERS IN INTERSTATE AGRICULTURAL EMPLOYMENT

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. KEARNS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KEARNS. Mr. Speaker, migratory agricultural workers are almost completely dependent upon their crew leaders for obtaining their transportation and employment and for securing adequate housing and other facilities. Frequently they are also paid either directly by or through their crew leaders. These workers are thus particularly vulnerable to exploitation and abuse by irresponsible crew leaders, and there is increasing evidence that the channels and instrumentalities of interstate commerce are being used to spread such exploitation and abuse. This bill is designed, through the exercise of congressional authority to regulate interstate commerce, to afford a method of correcting these abuses by mandatory registration in order to curb the activities of persons who, because of criminal records, misrepresentation or failure to deal honestly with members of their crews, should not be permitted to operate in interstate commerce as crew leaders. Compulsory registration would make the arrangements between crew leader and crew a matter of record.

The legislation would require any person, who for a fee is engaged in the recruitment, hiring, furnishing, or transporting of three or more migrant workers for interstate agricultural employment, to obtain a certificate of registration from the Secretary of Labor. No person could engage in such activities without a certificate. The submission of certain information to be prescribed by regulation is required, and a certificate may be denied or revoked upon the Secretary's finding of conviction of a felony, misrepresentation in application for a certificate, knowingly giving false information to workers in the crew concerning conditions of employment, failure to comply with the reported working arrangements with the crew, and failure to comply with the act or any regulations issued thereunder. Certificates would be renewable for each calendar year and revocation or refusal to issue would be upon notice and hearing in accordance with regulations prescribed by the Secretary. All administrative proceedings, conducted pursuant to the authority of the act, will comply with the provisions of the Administrative Procedure Act. Willful violation of the act is made a misdemeanor subject to a fine of $500 for each offense.

THE MEANING OF THE SPENDING SPREE

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HENDERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HENDERSON. Mr. Speaker, the recent demonstration of the House in passing an airport bill $97 million greater than the administration requested, $97 million greater than the Agency charged with the responsibility for carrying on the program says it needs, is a performance that will be difficult to explain to the people of the 15th District of Ohio. How can a responsible Congress, knowing the effects that increased and deficit Government spending can have upon inflation, upon the purchasing power of a dollar, continue to add fuel to the inflationary fire that is burning in America?

Since I have been in Congress, scarcely a day has passed in more than 4 years that has not found a letter on my desk from a constituent complaining about the decreasing value of the American dollar. In recent months the volume of such complaints has increased many fold.

I had a letter recently from an industrialist who explained that he had been requested, along with many other companies, by the Treasury Department to conduct a bond selling program among the employees of his firm. He asked me if I could give any real assurance that he could relay to his employees that those employees could purchase a savings bond from the U.S. Government with confidence that it could be redeemed at a later date in dollars that would have as great purchasing power as they have at the present time. I replied to him that it was my own opinion, based upon the disposition of this Congress to force a program of spending beyond revenue, that he could not give his employees the assurance that he sought. I stated in the honesty of my conviction that there is every sign that the inflationary spiral will continue to diminish the purchasing power of the dollar year by year. I concluded my letter with the suggestion that U.S. savings bonds would continue to be sold almost solely upon an appeal to the patriotism of American citizens.

Returning for a moment to the airport bill and its excessive authorization, it has been suggested that this $97 million is not the straw that will break the camel's back and that this figure alone will not contribute to the inflationary spiral. Nevertheless, it is disheartening to witness the enthusiasm with which the majority in this Congress increased the administration's request. The signs now point to the probability that on the other side of the Capitol, pressure will be brought to bear to send to the White House an airport bill which is even higher than the $297 million provided by the House bill. This and the volume of legislation calling for huge expenditures which will follow this bill lead me to believe that the spending spree is deliberate, intentional, designed and planned. This is in the face of requests, pleas, demands and insistence from the people back home that the Congress of the United States once again become a body responsive to their wishes and conduct itself so as to restore value to the dollar and stop the spiral of inflation which it has generated.

It is most strange that representative government as we know it seems to have broken down. I cannot understand how some of my colleagues can deliberately flaunt the wishes of the people whom they represent or have the courage to add to the economic burden of those of low income or fixed income—the social security annuitant, the veterans, the widows, the old-age pensioners—by taking a course of action deliberately designed to decrease the purchasing power of the meager dollars that they receive. This is, indeed, one of the most cruel by-products of what is being done here in this year's spending spree. There is no inclination on the part of those who would add burdens to the oppressed to provide for revenue to pay for the increased cost which they have placed upon our Government. For years the Congress has been content to finance this fantasy of spending with money which it has borrowed from its own citizens through the use of savings bonds. Now it appears that the easy money obtained in that way is slowing up, the spring appears to be going dry. People who have placed their savings in the hands of the Government find that they have been betrayed, that because of the depreciating value of the dollar their savings are needed in order to support themselves. Wage earners now appear to be reluctant to invest any surplus of wages which they may have in a falling dollar.

Where then can the Congress look for revenue to finance its spending policy? From whom can it borrow if it will not embark on a pay-as-you-go plan? There was a time when the full faith and credit of the United States was meaningful. Purchasers of bonds of the United States bought them gladly with the feeling often expressed that if these are not good, nothing else will be.

Today, the Congress seems motivated by a theory of economics which extolls the benefits of debt. This theory points to a fiscal way of life where the principle is to encumber the Government with debt because the dollars borrowed today will be paid back in cheaper dollars tomorrow. Therefore, the debt will be easier to repay. How long can this monstrous deception continue? How long can those entrusted with our legislative leadership continue to sell programs which assure eventual chaos for short-term political gain?

I have a suggestion for returning to a course of fiscal responsibility and of income sufficient to meet the needs of the U.S. Government. It is found in

one of the proverbs of Benjamin Franklin which every schoolboy knows, "A penny saved is a penny earned." Many of our colleagues in Congress seem to feel this philosophy is embarassingly naive, just as they have forgotten or ignored the words of wisdom of many of Franklin's contemporaries.

If the money spring is failing and we cannot return to it for funds with which to expand our expenditures, if we are reluctant to impose additional taxes upon American citizens, then we must learn to live within our income. We once thought of our Government as solvent only so long as its revenues exceeded its expenditures. Then someone suggested a new definition which included as assets the power of the Government to borrow. Thereafter America was considered solvent so long as it lived within its capacity to borrow. So far as I know, there can be no further watering down of that definition and we must face the stark realization that when the Government's capacity to borrow has become impaired then we are unmistakably reaching the point of insolvency.

It seems futile to argue the point further. Surely, the people back home have advised their representatives in Congress of their desire to stop the inflationary spiral and of their reluctance to invest in the depreciating dollar. If the Congress refuses to heed their pleas and their requests, then mine or those of my colleagues who feel as I do will scarcely be heard.

I can only conclude that for some reason not yet apparent to us, there is a desire, conscious, or subconscious, to bring the economic health of our Nation to the breaking point. Step by step, dollar by dollar, and vote by vote, this is being accomplished.

NEW CITIZEN EXPLAINS WHAT IT MEANS TO BE AN AMERICAN

Mr. PROKOP. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND. Mr. Speaker, one of the most heartwarming letters that I have received in a long time came into my office over the weekend from one of my new constituents. She was recently admitted as a new American citizen.

ONCE LIVED IN SOVIET UNION

Under unanimous consent, I ask to have the letter printed in the RECORD, so that my colleagues can read how a person, who lived in the Soviet Union and spent time in a displaced persons camp in Germany, feels about the benefits of American citizenship. Too often people in this country take these benefits in stride, never stopping to think what it means to be an American who is free.

NOW WANTS TO HELP AMERICA RESIST COMMUNISM

Natalia Logunow, of 116 Butler Street, Springfield, Mass., not only wants to enjoy the benefits of her new American citizenship, but she wants to use the freedom that citizenship imparts to help make her new country strong in its fight against communism.

The letter follows:

SPRINGFIELD, MASS., *March 19, 1959.*

EDWARD P. BOLAND,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. EDWARD BOLAND: I received your very kind letter, which you congratulated me to become an American citizen. You understand my situation well, because your father and mother were immigrants too.

I am very happy to be an American citizen, because I had very bad life in Soviet Union and later in DP camp in Germany. I am glad to have now a right and free life and I try to help my new country to be strong and to help her to oppose with Communist.

I can't yet speak and write English well, but I try to read American magazines and hope that year after year this will go better and better.

Excuse me, please, now my mistakes in this letter and receive assurance in my goodness to you as a Representative of Massachusetts.

Yours respectfully,

NATALIA LOGUNOW.

RESEARCH PROGRAM TO DETERMINE MEANS OF IMPROVING CONSERVATION OF GAME FISH IN FEDERAL RESERVOIRS

Mr. PROKOP. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. MCGOVERN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MCGOVERN. Mr. Speaker, good sport fishing has become increasingly important to millions of Americans in recent years. Greater leisure time, continual population growth, improved transporation, better physical facilities in fishing areas, and that intangible aspect—recreational enjoyment—have contributed greatly to the expansion of this type of fishing. The creation of reservoirs behind the large Federal dams in the Missouri River development program has enthusiastically awakened the people of South Dakota, as well as other Missouri Basin States, to the recreational and commercial benefits to be derived from these areas.

America now has 25 million anglers and a $2 billion sport fishing industry. By 1966 it is conceivable that 180 million man-days of angling will be experienced on U.S. Corps of Engineer projects alone. The Missouri River is being converted into a series of huge, clear-water lakes which will entail over a million surface acres of water. In South Dakota the water area along the Missouri will nearly double the natural water area of the State. South Dakota's interest in recreational fishing is illustrated, for example, by the successful efforts of South Dakota fishery biologist, Ted Shields, to include saugers as game fish to be listed in world record fish charts. They are the top game fish in the tailwaters and are asserting themselves rapidly in the main reservoirs. The 1958–59 paddlefish season in the Fort Randall Reservoir tailwaters alone attracted 3,870 fishermen who snagged an estimated 15 percent of the total paddlefish population.

RESERVOIR FISH PRESENT SPECIAL PROBLEM

Reservoir fishing presents special problems, however. While initial fishing in new reservoirs is usually phenomenal, the fishing yields in older reservoirs tends to taper off to a stable, and many times, undesirable level.

The problem of trying to maintain or improve fishing in reservoirs has been too great for State fish and game agencies. These State agencies have limited budgets spread so thin that it is impossible for them to deal adequately with this vexing question. There is great need for increased emphasis on basic research that must be met if the growing demand for good fishing is to be satisfied.

The Natio1. should be concerned with the decline in fishing yields as reservoirs age and develop conservation practices to offset or eliminate them. This will, of necessity, be a long-range project. Ten or 15 years will be required to complete the basic research. Aging must be studied over a period of years to develop a conservation program that will solve the reservoir aging problem. The cost of such a program of research is minute compared to the potential benefits that will accrue to the millions of sport fishing enthusiasts throughout the country and to the terrific economic impact on the area fished. Unlocking the secrets of reservoirs is an immediate need of the fishing public and those charged with providing good fishing in them.

Mr. Speaker, I am today introducing legislation authorizing a research program designed to solve the problem of declining reservoir yields. It would give the Secretary of the Interior authority to conduct a nationwide study of reservoirs—Federal, State, local, or private—to determine methods for maintaining and increasing fishery assets. Similar legislation has previously been introduced by Senator FULBRIGHT of Arkansas.

Under unanimous consent I include the text of the bill at this point in the RECORD:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall establish a program of research and experimentation in order to determine means of improving the conservation of game fish in dam reservoirs.

SEC. 2. For the purpose of carrying out the provisions of this Act, the Secretary of the Interior is authorized (1) to acquire by purchase, condemnation, or otherwise such suitable lands, to construct such buildings, to acquire such equipment and apparatus, and to employ such officers and employees as he deems necessary; (2) to cooperate or contract with State and other institutions and agencies upon such terms and conditions as he determines to be appropriate; and (3) to make public the results of such research and experiments conducted pursuant to the first section of this Act.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FLOOD, for March 24, 25, and April 7, 1959, on account of official business.

Mr. HOSMER (at the request of Mr. HOLT) indefinitely, on account of illness in family.

Mr. THOMPSON of New Jersey (at the request of Mr. ADDONIZIO), for Monday, March 23, 1959, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FERNÓS-ISERN, for 10 minutes, on tomorrow.

Mrs. WEIS, for 5 minutes, on April 8.

Mr. VANIK, for 5 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RAY.

Mr. BERRY.

Mr. JONES of Missouri (at the request of Mr. MAGNUSON) and to include a speech by Senator SYMINGTON.

Mr. PELLY and to include extraneous matter.

Mr. WALLHAUSER.

Mr. SIMPSON of Pennsylvania.

Mr. PASSMAN and to include a letter he addressed to each Member of the Congress.

Mrs. BOLTON.

Mr. LANE and to include extraneous matter.

Mr. IRWIN (at the request of Mr. JOHNSON of Colorado) in two instances.

The following Members (at the request of Mr. CHAMBERLAIN) and to include extraneous matter.

Mr. AVERY.

Mr. ALGER.

Mr. MAILLIARD.

Mr. CHAMBERLAIN.

(At the request of Mr. PROKOP, and to include extraneous matter, the following:)

Mr. TOLL.

Mr. EVINS.

Mr. WOLF.

Mr. MCCORMACK.

ADJOURNMENT

Mr. PROKOP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 52 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 24, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

751. A letter from the Comptroller General of the United States, transmitting a report on the review of selected supply operations of the Northern Air Materiel Area, Europe (NAMAE), Department of the Air Force, Burtonwood, England; to the Committee on Government Operations.

752. A letter from the Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of January 31, 1959, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

753. A letter from the Acting Postmaster General, transmitting a draft of proposed legislation entitled "A bill to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000"; to the Committee on the Judiciary.

754. A letter from the Acting Postmaster General, transmitting a draft of proposed legislation entitled "A bill to require information concerning the average of the number of copies of each issue sold or distributed to paid subscribers to be included in sworn statements relating to all publications, and for other purposes"; to the Committee on Post Office and Civil Service.

755. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to provide for the registration of crew leaders in interstate agricultural employment, and for other purposes"; to the Committee on Education and Labor.

756. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Foreign Agricultural Service, Department of Agriculture, covering selected activities of the agency to June 30, 1958; to the Committee on Government Operations.

757. A letter from the Chairman, Civil Aeronautics Board, relative to items 5, 6, 7, 8, and 9, relating to the Civil Aeronautics Board's legislative program; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FORRESTER: Committee on the Judiciary. H.R. 4345. A bill to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court; without amendment (Rept. No. 239). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. H.R. 4340. A bill to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C. 71, 62) to simplify the filling of referee vacancies; without amendment (Rept. No. 240). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H.R. 4692. A bill to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031), to provide for automatic adjudication and reference in certain cases; without amendment (Rept. No. 241). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H.R. 4693. A bill to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds; with amendment (Rept. No. 242). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 5610. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; without amendment (Rept. No. 243). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H.R. 5917. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivor's insurance benefits, to remove the limitation upon the outside income which an individual may earn while receiving social security benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. BERRY:

H.R. 5918. A bill to amend section 661 of title 18 of the United States Code to provide that the punishment for larceny of livestock shall be the same as the punishment for larceny of property of a value exceeding $100; to the Committee on the Judiciary.

By Mr. BONNER:

H.R. 5919. A bill to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BOSCH:

H.R. 5920. A bill to amend title II of the Social Security Act to provide that an individual who had maximum earnings for a year before 1951 shall be credited with four quarters of coverage for such year (with certain exceptions) in the same manner as is provided for years after 1950; to the Committee on Ways and Means.

By Mr. CELLER:

H.R. 5921. A bill to require jukebox operators to pay royalty fees for the use of the musical property of composers, authors, and copyright owners; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 5922. A bill to provide a tax incentive for the employment of physically handicapped workers; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 5923. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. DIXON:

H.R. 5924. A bill to punish the use of interstate commerce in furtherance of conspiracies to commit terroristic crimes and activities, and for other purposes; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H.R. 5925. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. FERNÓS-ISERN:

H.R. 5926. A bill to provide for amendments to the compact between the people of Puerto Rico and the United States; to the Committee on Interior and Insular Affairs.

By Mr. FORRESTER:

H.R. 5927. A bill to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base; to the Committee on Armed Services.

By Mr. HARGIS:

H.R. 5928. A bill to make an appropriation for the construction of the Elk City (Table

Mound) Dam and Reservoir, Kans.; to the Committee on Appropriations.

By Mr. HOEVEN:

H.R. 5929. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes; to the Committee on Agriculture.

By Mr. KEARNS:

H.R. 5930. A bill to provide for the registration of crew leaders in interstate agricultural employment, and for other purposes; to the Committee on Education and Labor.

By Mr. LAIRD:

H.R. 5931. A bill to amend section 612 of title 38, United States Code, to provide outpatient treatment for veterans of the Indian wars on the same basis as such treatment is furnished to veterans of the Spanish-American War; to the Committee on Veterans' Affairs.

H.R. 5932. A bill to increase and extend the special milk program for children; to the Committee on Agriculture.

By Mr. LANDRUM:

H.R. 5933. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. MEYER:

H.R. 5934. A bill to provide for the establishment of the Morrill Homestead National Monument at Strafford, Vt.; to the Committee on Interior and Insular Affairs.

By Mr. GEORGE P. MILLER:

H.R. 5935. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

By Mr. MORRIS of Oklahoma:

H.R. 5936. A bill to authorize the construction, operation, and maintenance of the Canton project, Oklahoma, by the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

By Mr. NORBLAD:

H.R. 5937. A bill to amend the act providing for a program to eradicate the dogfish shark on the Pacific coast in order to expand such program; to the Committee on Merchant Marine and Fisheries.

H.R. 5938. A bill to amend section 1(15) of the Interstate Commerce Act, so as to aid in alleviating shortages of railroad freight cars during periods of emergency or threatened emergency, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. POWELL:

H.R. 5939. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

H.R. 5940. A bill to extend the benefits of the Panama Canal Construction Service Annuity Act of May 29, 1944, to certain individuals; to the Committee on Merchant Marine and Fisheries.

By Mr. RAINS:

H.R. 5941. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROOSEVELT:

H.R. 5942. A bill to amend section 4 of the Sherman Act to prescribe a procedure with respect to consent judgments, decrees, or orders, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Mississippi:

H.R. 5943. A bill to amend title 38, United States Code, to provide pension for the remarried widows of Confederate forces veterans where the remarriage of the widow has terminated; to the Committee on Veterans' Affairs.

By Mr. SPENCE:

H.R. 5944. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. WILLIAMS:

H.R. 5945. A bill to authorize the improvement of Natchez Harbor, Miss.; to the Committee on Public Works.

H.R. 5946. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. BRAY:

H.R. 5947. A bill granting the consent and approval of Congress to the Wabash Valley compact, and for related purposes; to the Committee on the Judiciary.

By Mr. BURLESON:

H.R. 5948. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. ELLIOTT:

H.R. 5949. A bill to amend the Fair Labor Standards Act of 1938, as amended, to insure to farmers engaged in raising livestock an exemption for the employment in agriculture of certain of their employees engaged in other duties related to livestock auction operations; to the Committee on Education and Labor.

By Mr. FALLON:

H.R. 5950. A bill to amend the Federal-Aid Highway Act of 1958, as amended, to extend for 1 additional year the 1958 estimate of cost of completing the Interstate System as a basis for apportionment of authorizations therefor; to the Committee on Public Works.

By Mr. FASCELL:

H.R. 5951. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. FISHER:

H.R. 5952. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 5953. A bill to provide for loans to small business concerns which suffer economic injury because of federally aided urban renewal programs; to the Committee on Banking and Currency.

By Mr. FOUNTAIN:

H.R. 5954. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mrs. GRIFFITHS:

H.R. 5955. A bill to provide for the recognition of the Polish Legion of American Veterans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. PILCHER:

H.R. 5956. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. ABBITT:

H.R. 5957. A bill to provide for payments to States for the benefit of local governments based upon proceeds of sales of timber located on land within military and naval reservations; to the Committee on Armed Services.

By Mr. JOHNSON of Colorado:

H.R. 5958. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. McGOVERN:

H.R. 5959. A bill to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game fish in dam reservoirs; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H.J. Res. 317. Joint resolution to change the designation of Child Health Day from May 1, to the first Monday in October of each year; to the Committee on the Judiciary.

By Mr. SAUND:

H.J. Res. 318. Joint resolution directing the Secretary of the Interior to continue certain studies on the quality of water of the Colorado River and related matters and to report thereon to the Congress; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON:

H. Res. 221. Resolution creating a select committee to conduct an investigation and study of the causes and effects of the movement of industries out of established industrial areas; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. KING of Utah: Memorial of the Senate of the State of Utah urging the Congress and the President to remove the limitation on the number of acres of public lands which the States may acquire for State park developments; to the Committee on Interior and Insular Affairs.

Also, memorial of the House of Representatives of the State of Utah urging the Congress and the President to remove the limitation on the number of acres of public lands which the States may acquire for State park developments; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON: Memorial of Washington State House of Representatives memorializing the Congress of the United States and the President to take such action as is necessary to preserve and guard the interests of American fishermen through bilateral negotiations between Japan and the United States; to the Committee on Foreign Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States urging that consideration be given the questions involved with relation to the proper amendments to laws governing interstate commerce affecting the broad problems of transportation to, from, and within the newly created State of Alaska; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to decline passage of legislation creating a national wilderness preservation system or a National Wilderness Preservation Council, or any other legislation which does not carry out the long-established policy of wise multiple use of the federally managed property of the people of the United States; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to take such action as is necessary to preserve and guard the interests of American

fishermen through bilateral negotiations between Japan and the United States; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States to make provision for the inclusion of the convertible features during the initial construction of the new atomic reactor at Hanford, Wash.; to the Joint Committee on Atomic Energy.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States expressing the thanks and aloha of the people of Hawaii to the the House of Representatives of the Congress of the United States for admitting Hawaii into the Union; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Commonwealth of Puerto Rico, memorializing the President and the Congress of the United States to consider certain changes in the Federal Relations Act in order to clarify the legal nature of the Commonwealth and to modify certain aspects of its relationship to the Federal Union; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H.R. 5960. A bill for the relief of Andrew Main Duncan; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 5961. A bill for the relief of Sidina Walters; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H.R. 5962. A bill for the relief of Mrs. Hannah Mae Powell; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 5963. A bill for the relief of Ivy May Lee; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 5964. A bill for the relief of Eladio Aris (also known as Eladio Aris Carvallo); to the Committee on the Judiciary.

By Mr. SCOTT:

H.R. 5965. A bill for the relief of Mrs. Erika Elfriede Ida Ward; to the Committee on the Judiciary.

By Mr. WAINWRIGHT:

H.R. 5966. A bill for the relief of Mrs. Barbara Gluck Reuger; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 5967. A bill for the relief of Kim Yang Ja; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

123. By Mr. ANFUSO: Petition of 1,000 students of St. Bernardine of Siena College, Loudonville, N.Y., expressing their support of the resolution urging the U.S. Government to establish diplomatic relations with the Vatican; to the Committee on Foreign Affairs.

124. By Mr. HORAN: Petition of 270 citizens of Okanogan County, Wash., urging the Congress to confine their expenditures to existing sources and limits of revenue and not to increase taxes; to the Committee on Ways and Means.

125. By Mr. McGINLEY: Petition of 243 citizens of Custer County, Nebr., who are dependent, partially or totally upon the service rendered by the post office at Gates, Nebr., in opposition to any plan which the Post Office Department may have to close said Gates post office; to the Committee on Post Office and Civil Service.

126. By the SPEAKER: Petition of the president and others, National Railroad Pension Forum, Inc., Chicago, Ill., petitioning consideration of their resolution with reference to being in favor of passage of H.R. 3289, and being opposed to H.R. 1012 and S. 226; to the Committee on Interstate and Foreign Commerce.

127. Also, the petition of the conservation chairman, the Garden Club of Houston, Houston, Tex., petitioning consideration of their resolution with reference to supporting proposed legislation to make Padre Island a national park; to the Committee on Interior and Insular Affairs.

128. Also, petition of county clerk of Kauai Lihue, Kauai, T.H., relative to expressing deep gratitude and appreciation for having given Hawaii statehood; to the Committee on Interior and Insular Affairs.

129. Also, petition of the president, Associated Students of the University of Hawaii, Honolulu, T.H., petitioning consideration of their resolution with reference to expressing appreciation and thanks for the passage of the Hawaii statehood bill; to the Committee on Interior and Insular Affairs.

130. Also, petition of Apolonio M. Ontimare, Burauen, Leyte, Philippines, relative to a redress of grievance relating to property destroyed during World War II; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Press Release Relating to Address by Hon. Henry S. Reuss, of Wisconsin

EXTENSION OF REMARKS
OF
HON. WILLIAM PROXMIRE
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, March 23, 1959

Mr. PROXMIRE. Mr. President, I note that on Thursday the distinguished minority leader [Mr. DIRKSEN] commented on a brief newspaper account of a speech delivered recently by my Wisconsin colleage, Representative HENRY S. REUSS.

The minority leader used this five-paragraph news article, which appears on page 4585 of the RECORD for March 19, 1959, as a basis for defending the administration against Mr. REUSS' charges of "politics as usual." The fact is that the Reuss speech covered a good deal more ground than that.

I think the minority leader ought to have the opportunity to reply to the other points made by Representative REUSS. Also, the readers of the RECORD ought to have a more complete account of the speech.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of a press release issued by Mr. REUSS on March 11, 1959, covering his speech of that date.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

"UNITED STATES MUST GIVE UP ECONOMICS AS USUAL, POLITICS AS USUAL TO SURVIVE," CONGRESSMAN REUSS DECLARES

WASHINGTON, D.C., March 11, 1959.—"If the United States is to survive and to win in the mounting struggle of international competition, we have to give up two luxuries—economics as usual, and politics as usual," Congress HENRY S. REUSS, Democrat, of Wisconsin, said Wednesday morning.

REUSS spoke to the second annual National Workshop for Religious Liberals at All Souls Church in Washington.

"It is ironic that the administration which, quite rightly, declares itself ready to stand up to danger in Berlin, is so Milquetoastish about our own economy," REUSS declared.

"In practicing economics as usual, the administration is declaring itself afraid to try to make our economy work on the full employment-full production basis that is obviously required to meet our international responsibilities.

"It submits to some 5 million unemployed, and about one-fourth of our productive capacity at a standstill, and an annual growth rate in our economy of only 2 percent, while the Soviet Union advances at a rate of 8 to 10 percent a year.

"Growth through bold economic policies, not drift, is what the United States must have, both for our own defense and to make an effective contribution to the democratic advancement of the uncommitted, underdeveloped countries of the world," REUSS declared.

REUSS noted that Secretary Dulles, Undersecretary Dillon and other administration officials "have been saying, rightly, for some time that the Development Loan Fund needs $1 billion a year for 5 years, to do a good job."

"But what happens when Ike-the-Economizer gets through preparing his flimsily, fancifully balanced budget? The Development Loan Fund comes out at $700 million for 1 year—and that's all.

"This is but one example of economics as usual that has to be discarded. Just as worshipping the golden calf was almost the end of the children of Israel, so worshipping the unrealistically balanced budget may be the end of us."

Turning to "politics as usual," REUSS asserted that "American foreign policy needs a new face—the face of the ugly engineer and the Iowa chicken expert and the Wisconsin powdered milk master in the Ugly American.

"It's not enough to have a sound diplomatic, military and economic policy, even if we did. In addition to having policies, we must stress the character and quality of our American representatives abroad," REUSS said.

"We can't afford the luxury of having ambassadorships purchased with campaign contributions.

"We can't afford the luxury of refusing to appoint the best qualified man to head our foreign aid program because he's not a card-carrying Republican. (In passing, let's note that Paul Hoffmann was chosen Marshall plan chief by President Truman because he

was the best man. The fact that he was a Republican was no disqualification.)

"We can't afford the luxury of having the State Department becoming a wastebasket for schedule C political appointees, and having these spoils-seekers turn up later Wristonized into the Foreign Service where they can hurt us forever.

"We can't afford the luxury of encouraging two-way international trade, and having a reasonably sincere reciprocal trade program, and then kick low foreign bidders in the face when a Republican senatorial candidate says his election depends on giving the contract to an American high bidder.

"If we want loyal friends and allies, we must treat them with consistent fairness, not inconsistent churlishness. If we want to win the peoples of Asia, and Africa, and South America to our side, we must send out the kind of men Abraham Lincoln would have chosen for the job—humble, friendly, knowledgeable and eager to learn—instead of arrogant men such as King George sent to keep the Colonies under English control."

A Teenager Looks at Our Foreign Aid Program

EXTENSION OF REMARKS
OF
HON. DONALD J. IRWIN
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. IRWIN. Mr. Speaker, in virtually every edition of our newspapers there are ugly and disturbing stories about juvenile delinquency.

Yet, I have just received eloquent proof from my district not once, but twice that by and large there are far more fine, wonderful young teenage boys and girls who are serious-minded, clear-thinking, alert, good God-fearing and decent citizens.

For example, I have just received a letter from a young constituent of mine named Thomas M. Shaw of Greenwich, Conn. It was a letter on foreign aid, a subject hardly associated with the thinking of a juvenile delinquent.

Thomas is only 14 years old—yet in the intelligence of his thoughts and the forcefulness of his argument, he is quite mature.

This fine young man is very interested in government and is opposed to any cuts in foreign aid funds.

In his letter to me, Thomas wrote:

I was surprised to find out that a large part of this foreign aid is military aid. I do not think that we should place such an emphasis on military aid.

Starving children cannot eat guns and bullets, nor can farmers plow their fields to grow needed food with tanks and bombs.

I think such interest in government on the part of a 14-year-old boy is highly laudable and speaks volumes for those who feel, as I do, that the vast majority of young American boys and girls are fine, clean cut, and clear thinking.

Only a small, misguided few contribute to the juvenile delinquency harassing so many of our communities in the United States.

Then, Mr. Speaker, there is a young man from Bridgeport, Conn., named Neil Harding who is my second example of youth at its best.

Neil has just been selected as the North End Boys' Club Boy of the Year and will be honored by his Bridgeport friends at a dinner on April 9, at which I will be privileged to be one of the speakers.

This young man, 16 years old, is the choice from more than 3,000 other boys in the club. He is a third-year student at the University School in Bridgeport.

Neil has volunteered many hours of service to his club as an aid to the swimming instructor, teaching younger boys how to swim. And despite his youth, he has coached the club's swimming team, being active as a member of the basketball team, and is an officer of the club's senior council. Neil also serves as an altar boy at St. Patrick's Roman Catholic Church and is a member of its CYO group.

I do not think, Mr. Speaker, that America can have too many boys like Thomas Shaw and Neil Harding.

Boys of this caliber are in the vast majority among our youth and we need have no fears of their becoming juvenile delinquents so long as they maintain an intense interest in so many activities.

I want to extend my congratulations to these fine young men, Mr. Speaker, and to all the other millions of American boys and girls like them.

Youngsters like these are a credit to their families, their schools, their churches, and certainly to their country.

Senator Karl E. Mundt Salutes 40th Anniversary of American Legion

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday March 23, 1959

Mr. BERRY. Mr. Speaker, this past week the Nation saluted the American Legion in recognition of its 40th anniversary. Among those joining in the tribute was South Dakota's senior Senator, KARL E. MUNDT.

In view of the recent recognition of this notable occasion, and particularly since South Dakota's American Legion posts have made major leadership contributions through establishment of such youth programs as Boys' State and American Junior Legion baseball, I think it is appropriate to call attention to the remarks of Senator MUNDT and a letter from the American Legion to the South Dakota Senator.

Mr. Speaker, I ask permission to include at this point in the RECORD, the brief remarks of Senator KARL MUNDT and the letter to Senator MUNDT from the Honorable Preston J. Moore, National Commander of the American Legion.

SENATOR KARL E. MUNDT SALUTES THE AMERICAN LEGION

(By Senator MUNDT)

The American Legion has always been in the forefront of community activities and patriotic endeavor. All Americans can join in saluting this great veteran's organization on its outstanding record of achievement. The American Legion, along with other veterans organizations, has made tremendous contributions to the welfare of the Nation.

The 40th anniversary is particularly significant to South Dakota, because our State has been a national leader in American Legion affairs. Through able, imaginative, and dedicated leadership of South Dakota Legion members, the Boys' State program was developed. Junior American Legion baseball was also a South Dakota Legion invention.

South Dakotans can take pride in their 259 Legion posts for their many activities which reflect the devotion and recognition of Legion members to those fundamental principles which have kept America free.

The American Legion deserves the highest commendation for its many efforts to help America remain alert to the dangers of communism and the subversive agents in our midst.

The Legion has continually encouraged Americans to spend that amount of money and effort necessary to keep America strong in the realization that our only hope for peace is to remain strong.

The American Legion rightfully advocates that our strength is the convincing argument to dictators and potential enemies that war against freedom and America would be both futile and fatal.

Mr. Speaker, the letter from Comdr. Preston J. Moore follows:

THE AMERICAN LEGION,
March 20, 1959.

The Honorable KARL E. MUNDT,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MUNDT: Your generous letter of congratulations to the American Legion on the occasion of its 40th anniversary is sincerely appreciated by the officers and members of our organization.

South Dakota can well be proud of its part in pioneering several of the Legion's outstanding programs of youth training that exist in our country today.

Thanks to the vision of South Dakota Legionnaires, a million boys will be playing baseball on sandlots throughout the United States under the auspices of the Legion's junior baseball program. In addition, over 18,000 high school students will be attending Boys' State throughout the Legion's departments, learning the fundamentals of American citizenship and government.

These annual events are but a part of our basic Americanism program which for four decades has attempted to instill in all Americans a genuine love of country and a true appreciation for the sacred obligations of citizenship. The realization of these ideals constitutes a living memorial to the wisdom and foresight of the Legion's founders who met in Paris just 40 years ago this week.

I enjoyed seeing you during the affair at the Army-Navy Country Club, and was proud to have the Washington Post carry the picture of you, Ce Gunn, and myself.

Sincerely yours,

PRESTON J. MOORE.

Tabulation of a Poll

EXTENSION OF REMARKS
OF
HON. WILLIAM S. MAILLIARD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. MAILLIARD. Mr. Speaker, one out of every four registered voters in the

Fourth Congressional District of California was invited to respond to my annual questionnaire on some of the important problems confronting our Nation. To date over 15 percent have replied, including a considerable number of detailed comments indicating careful thought.

The following tabulation may be of interest to my colleagues:

1. The President's budget for the year beginning next July 1 calls for expenditures of $77 billion and an estimated income of $77.1 billion. Additional expenditures totaling several billions are being proposed by some Members of Congress. How would you vote on the following:

	Amount	Percent		
		Yes	No	No opinion
Aids to housing	$1,000,000,000	47	50	3
Added payments under Soil Bank	700,000,000	12	81	7
Increased payment to civil service retirement fund	600,000,000	33	62	5
Aid for school construction	480,000,000	69	29	2
Postal subsidy (above amount proposed in 1960 budget)	350,000,000	21	74	5
Payments to highway-building fund	250,000,000	51	44	5
Aid to minerals industry	160,000,000	21	73	6
Financing community facilities	150,000,000	27	68	5
Grants for airports	110,000,000	41	55	4
Aid to depressed areas	100,000,000	66	30	4

2. Of those who answered "yes" to one or more of the items listed above (88 percent), payment for the project(s) by an increase in taxes was favored by 62 percent. Adding to the national debt was recommended by 29 percent, while 9 percent expressed no opinion.

	Percent		
	Yes	No	No opinion
3. Do you favor a substantial reduction in the 27.5 percent oil and gas depletion allowance permissible under current tax laws?	45	37	18
4. Do you favor a freer flow of political leaders, students, farmers, businessmen, etc., between the United States and the Soviet Union?	68	29	3
5. Do you favor a trial test for pay TV?	34	62	4
6. Do you favor increasing the Federal gas tax from 3 to 4½ cents per gallon to maintain pay as you go in building Federal-aid highways?	62	36	2
7. Do you favor legislation providing that all quota numbers not used in any year shall be made available to immigrants in oversubscribed areas the following year?	45	52	3
8. The prices of 12 farm commodities (wheat, corn, cotton, etc.) are supported by Federal law at prescribed minimum levels. In general, do you approve of the support program?	20	78	2
9. Would you favor a national fair trade law permitting establishment of a minimum price on trademarked or brand-named merchandise?	26	71	3
10. Do you favor Federal legislation raising the minimum wage from the current $1 an hour?	60	37	3

Easter Letter From Representative James C. Wright, Jr.

EXTENSION OF REMARKS
OF
HON. LYNDON B. JOHNSON
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Monday, March 23, 1959

Mr. JOHNSON of Texas. Mr. President, one of the ablest Members of the Texas delegation in Congress is Representative JIM WRIGHT, of Fort Worth. Representative WRIGHT is making a fine record, not only by the farsighted, responsible way in which he is serving his district, but also through the outstanding newsletters which he sends each week to the people he represents. His most recent letter is such a beautiful and inspiring Easter message that I ask unanimous consent to have it printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WRIGHT SLANT ON WASHINGTON

EASTER WEEK, 1959

(A report from JIM)

Congress hurries to complete its work for a brief Easter adjournment. Like the long stream of generations before us, we seek throughout the land to review again the events of those 7 days which changed the world and split history into two clearly definable parts. It seems almost a sacrilege to write of other things.

Never before nor since has there been a week so fraught with meaning, so supercharged with drama, so interladen with pathos, and yet so tremendous in triumph as that first Easter week.

The familiar story never grows stale in the telling. Like springtime, it is always new. After 2,000 years it still has the power to arrest our thoughts and even change the pattern of our lives. Yet, but for the one exception, there is nothing unusual about the people who parade through the pages of the Easter story. They were real people, ordinary people, very much like you and me. Perhaps we can even see ourselves in some of them.

There were the crowds—the glad crowds that lined the streets and filled the temple square on that Palm Sunday—and the angry crowds that jostled one another in Pilate's courtyard on Friday. With wild abandon, they cheered the Carpenter of Nazareth as he rode into the city. They threw their clothing in the street and tore the branches from the trees to wave in tribute, and 5 days later some of the same people stood in front of Pilate's palace and shouted "Crucify Him! Crucify Him!"

They were real people all right. Like the people we know. Like the people we are. The public is still said to be fickle. Yesterday's hero is today's villain and tomorrow's forgotten man. Even today, the mob spirit that flamed them into unreasoning condemnation still smoulders about us at times, needing but a sudden breeze to burn afresh and to destroy whatever lies in its path. Like the people of ancient Jerusalem, we are susceptible to mass psychology. Like them, we sometimes find it simple and convenient to find a scapegoat to condemn without comprehending. It is easier than trying to understand. Have you ever been in that crowd? I am afraid that I have, at times.

And there was Judas Iscariot, the zealot, the treasurer of the little band, he who sold the hope of the world for 30 pieces of silver. History has dealt harshly with Judas, for deliberate treachery is a trait we universally condemn. Yet think of Judas for a moment. He wanted to overthrow the Roman invaders by force of arms. At last it became obivous to him that this was not the plan. He saw the powerful forces being arrayed against the Nazarene and his followers. He felt that the movement was doomed * * * a lost cause. The chief of priests and the leaders of his people were determined to destroy it.

How crass was his betrayal and how empty his reward. Yet in all of history practical men have abandoned lost causes, have deserted sinking ships. And this still goes on today.

Pontius Pilate was the procurator, his business to administer the Roman law. He didn't understand the people in this obscure province and didn't particularly care to. He'd rather be back in Rome, but his career had led him here. Little did he realize he was judging history's most famous case, or that by a strange twist of irony it was he himself who was being tried and found wanting.

As the accusers hurled their denunciations and spat out their poison stream of invective, there came to him the clear conviction that if ever in his life he had seen an innocent person, this prisoner who stood before him now with the strange light shining in His eyes was the most innocent of all. Three times Pilate tried to release Him, once to give Him an easy way out. But finally, confronted with the threat of being reported to Ceasar, his will crumpled like a heap of ashes. He took the course of least resistance and tried to wash his hands of the matter, allowing the Christ to be crucified.

Have you ever been cast in the role of Pilate? Have you ever been convinced in your mind that a thing was not right and yet reluctantly assented to it because everyone else seemed so determined? Have you ever known the right decision but found it too hard to make—and let others make it for you? Have you ever tried to wash your hands of a difficult situation by pretending it was not your responsibility—when you knew in your heart that it was? Could there be a lingering touch of Pilate even in you and me?

Not all of the characters of Easter week, of course, were villains. There were the faithful ones. There was Joseph of Arimathea, who provided a tomb for the lifeless body of the Son of God. Speculation has identified this Joseph as a member of the Sanhedrin. A legend has grown up connecting him with the rich young ruler who had been willing to go so far but only so far.

Now, at the last, the fire that burned in him had erupted to the surface. He offered to share his family vault with Him who had no place to lay His head. Is there the spirit of Joseph of Arimathea in us today?

Or of Mary of Magdala, who had been healed of her afflictions? The New Testament refers to her maladies simply as "demons." In our age, when mental illness has become a fad and the psychiatrist's couch the altar of its faith, we find it easy to believe that she had been beset by neuroses and

nervous disorders. It matters not at all the nature of her earlier life. What matters is only that she was healed, redeemed, and grateful with a boundless love. What matters is the adoration that brought her to the tomb that Sunday morning.

What matters is the unquestioning faith, as she stood there in the softly breaking dawn, to recognize Him risen, to see the transformation taking place and to feel that transformation in her own soul, and to return at His command with a shout of triumph to tell the glad news of the resurrection. Can you see yourself in Mary Magdalene?

Or in Simon of Cyrene, who bore the cross of Christ up the long, steep pathway to the hill of Golgotha?

Crosses still there are to bear. The hill we climb to a peaceful world where men may beat their swords into plowshares and each may know in his heart the peace of God that passes understanding, is a steep hill. The crosses of selfishness, of avarice, of hatred and revenge, are heavy crosses, and He staggers under their weight. Must He bear them unassisted, or can we see ourselves in Simon of Cyrene who picked up the burden and carried it?

In each of us there dwells the same human nature which motivated them in that Easter week in old Jerusalem. If He who was perfect should come to earth today, He might be crucified again.

Yet, even so, He would live again. And with Him would live the hopes and dreams of a better world which moves, ever so imperceptibly, nearer and nearer to fruition.

Four Major Problems Face the Nation

EXTENSION OF REMARKS

OF

HON. HOMER E. CAPEHART

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, March 23, 1959

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a copy of my Washington newsletter which has been released today.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

WASHINGTON REPORT

(By Senator HOMER E. CAPEHART)

In my opinion, four major problems face this Nation.

In these columns, on the floor of the U.S. Senate, in public addresses and a series of weekly radio broadcasts, it will be my purpose to analyze, discuss and present suggested solutions for each of them.

As I see these problems they are:

1. The threat of Russian communism, both military and economic.
2. The farm problem.
3. Labor problems.
4. Inflation.

These problems must be solved.

These problems, in one form or another and in varying degrees, have been with us for many, many years. Thus it would serve no purpose to attempt to place the responsibility for them on either of the major political parties. They are our problems, not partisan political problems.

Your Government, meaning the administration and those of us who represent you in the Congress, needs your help and your suggestions in arriving at solutions.

It will be my purpose to offer some concrete suggestions.

I hope you will help me, and through me the administration and the Congress, by presenting your ideas.

Certainly no one man is wise enough to have all of the answers.

I am so thoroughly convinced, however, that the future of this Nation and the free world depends upon sound solutions of these problems that I propose to seek out, with the help of others whose responsibility it is also to try to solve these problems, concrete programs aimed at their solution.

It is my duty to do so because that is what you elected me to do.

Some of my suggestions may be partly or wholly unsound. In any event I am going to speak out with my ideas and it will be the prerogative of those who read what I have to say or hear my broadcasts and telecasts to be the judges.

Someone must come up with the right answers and soon.

It is my best judgment that we just cannot go on as we have been without risking real difficulty.

I foresee the possibility of:

1. A third world war.
2. Ruinous inflation.
3. Unbearable taxes.
4. Huge governmental expenditures.
5. A bankrupt agriculture.
6. Chaos in labor-management relations resulting in great suffering on the part of our people.
7. The adoption of socialistic schemes.

Let me discuss in a little more detail the particulars involved in each of the major problems.

1. The threat of Russian communism, both military and economic, of course, involves the possibility of war.

(a) It likewise involves the possibility that Russia could force us through her cold war tactics to bankrupt ourselves with resultant socialism.

(b) Somehow, someway, the Berlin situation must be solved.

(c) So must the problem of the division between West and East Germany.

(d) So must the problem of the control of atomic weapons.

(e) Should we consider trade with Russia?

2. Our farm problem must be solved.

Look at these facts:

(a) Our agricultural program this year for every purpose will cost over $6 billion.

(b) Yet we have in storage $9 billion of surplus.

(c) It is apparent that the price support program yet has failed to accomplish the purpose for which it was intended.

(d) Farm prices today are much too low.

(e) We continue to involve farming, strictly a private enterprise, with politics.

3. The seriousness of our labor problem is generally recognized.

Look at these facts:

(a) Labor and management in many instances are not working together.

(b) Much of this difficulty is due to existing Federal laws and/or the failure of local law enforcement officers to enforce existing laws.

(c) Approximately 4 million are unemployed despite an otherwise very high level of economy.

4. Inflation is a real danger.

(a) We continue deficit spending.

(b) Governmental expenditures on all levels—local, State, and Federal—continue to increase.

(c) Taxes continue to go up and up—local, State, and Federal.

(d) The purchasing power of the dollar continues to decrease.

These are the problems I propose to attack. If you should disagree with me, as many of you will, I hope you will at least give me E for effort along with your own ideas.

The solution of these problems is the responsibility of every American, regardless of politics.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of March 21, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

MARCH 21, 1959.

H.R. 10 and 11, the Self-Employed Individuals' Retirement Act of 1959, to encourage the establishing of voluntary pension plans by self-employed individuals, passed after spirited debate. The bill permits an income-tax postponement on retirement savings. Thus the self-employed are given the retirement tax relief which employees now enjoy. Providing for one's own future is an old American concept, rooted in tradition and our forefathers' concepts of individual responsibilities and obligations. These are supported by the spiritual beliefs, out of which grew our Declaration of Independence and Constitution. This bill makes an interesting comparison to the relatively new concept of Federal social security, with the individual's increasing dependence on Government. A debate sprang up between those who felt the revenue loss to the Government of approximately $350 million was untimely and those who felt the inequity between employed and self-employed should be corrected. The latter view I shared, outweighing the former.

The temporary unemployment compensation (TUC) bill was passed terminating the Federal part of the program, except for the tapering off which permits those whose claims are recognized by the end of April to receive compensation. Since few emergency Federal activities are ever terminated, this action is surprising and refreshing. Only 17 States participated in the program. Texas was among those States decrying the need for Federal participation, maintaining this is a State function, to which view I subscribe.

The Federal airport bill amendment to continue Federal grants brought on the year's first knock-down political fight. By the time of final passage with debate and amendments completed, possibly a voting pattern for the year emerged. The debate centered about three aspects: (1) Would the amount of Federal money be $297 million or $200 million for 4 years; (2) would the formula for payout be 75–25 or 50–50, the 25 and 50 figures being the percentage amount of the total solely at the discretion of the FAA (Federal Aviation Agency) Administrator to allocate; (3) would the Congress insist on regular appropriation procedures or permit direct expenditures out of the Treasury. The first two were combined (becoming $200 million at the 75–25 ratio), making for a clear-cut choice of economy versus spending, since some Democrats disapproving the Republican 50–50 could now have both economy and the formula they preferred. So it was that 57 Democrats joined 137 Republicans for economy while 209 Democrats and 5 Republicans voted for bigger spending. The liberals or big spenders won. (Nine Texans, including myself,

voted for economy.) Secondly, on the vote for closing the door to the Treasury and returning to constitutional appropriation, 53 Democrats joined 138 Republicans for it, and 212 Democrats and 4 Republicans teamed up to defeat this one, too. Five Texans, including myself, voted for the amendment. The Democrat leadership worked hard on the floor to line up the votes, and succeeded. Since these amendments failed, I voted against the bill. The bill passed by a vote of 272 to 134. Seven Texans (out of 22) opposed the bill. The record is now clear as to who is for bigger spending and constitutional appropriation. The coalition of Democrats and Republicans at full strength no longer outnumbers the liberals or big spenders. Only a veto can save the day—there aren't yet enough votes to override the veto. This will be a rough year. This test demonstrates that the Democrat leadership is not worried about balanced budget, inflation, or preserving the value of our money.

The Joint Economic Committee Report on the President's 1959 Economic Statement establishes the battlelines between Republicans and Democrats as to economic philosophy and the role of Federal Government. No shred of conservatism remains on the Democrat side. A study of this report's majority and minority views should be mandatory reading for members of both parties in Texas.

An amendment to the agriculture bill was my legislative contribution this week. This bill would permit a farmer to grow wheat on his own land for his own use without Federal control or fine. This supports Judge T. Whitfield Davidson's decision concerning Evetts Haley, Jr.'s, right to grow wheat, a decision the Supreme Court summarily reversed. I join Judge Davidson and Evetts Haley in branding unconstitutional the Supreme Court decision. The attacks on the rights of property ownership have become all too similar to the aims of the Socialist and Communist doctrines.

Urban renewal repeats the attacks on property ownership in various ways. First, your property can be seized through eminent domain, the result of a redevelopment board's judgment of spiritual or esthetic values in community planning. Secondly, Government public housing, the antithesis of home ownership, goes along hand-in-glove with urban renewal. I presented a thorough study of urban renewal in the House this week. (Tuesday, Mar. 17, pp. 4363–4378, CONGRESSIONAL RECORD.) I forewarned Members of the heavy expenditures for urban renewal and public housing in housing bills now pending. Forecast: Bigger spending and inflation unless people demand economy of Senators and Representatives.

Bill To Correct Discrimination in Civil Service Regulations

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. PELLY. Mr. Speaker, yesterday my colleague from the State of Washington [Mr. TOLLEFSON] and I introduced companion legislation designed to correct what we feel is a weakness in the Civil Service Act which permits an agency to force the resignation of a Federal employee very possibly on personal or punitive grounds.

These bills, H.R. 6071 and H.R. 6062, were initiated by reason of the recent decision of the Civil Service Appeals Board denying the petition of one Joe King.

Very briefly, Mr. King appealed the right of his agency to force his resignation by eliminating his job in the Puget Sound Naval Shipyard and refusing him the opportunity of accepting similar employment in the same agency without competitive examination. Therefore, his only alternative was to accept a job at one grade lower by bumping a nonveteran civil service employee with some 20 years seniority. This, Mr. King, as a matter of principle, refused to do.

The King case received national publicity. Joseph Young, writing in the Washington (D.C.) Evening Star, devoted his entire column to a critical report of the Board's action the day the decision was handed down. However, while both Congressman TOLLEFSON and I feel that Joe King has been discriminated against by reason of a loophole in the civil service regulations, the primary purpose of our legislation is to change these regulations by legislative action to prevent any similar injustice in the future.

Aside from his personal popularity with his associates and subordinates in his own agency, one of the principal reasons Mr. King's case received national attention lies in the fact that thousands of Federal employees are visualizing themselves in the same situation, and with the precedent now established by the denial of his appeal every Federal employee in a similar situation is subject to the same discriminatory treatment.

Therefore, Mr. Speaker, in behalf of my colleague and myself, I urge immediate action on the part of the Post Office and Civil Service Committee on this urgent legislation to provide justice and to bolster employee morale.

TVA Yardstick Works Again in Measuring Costs

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. EVINS. Mr. Speaker, in connection with the recent interest in the award of a contract for turbo-generators to A. C. Parson, Ltd., I include in the CONGRESSIONAL RECORD my recent newsletter which comments on this award and its significance, and also an editorial comment by the Reporter magazine in its current issue on this award. My newsletter and the article follow:

TVA YARDSTICK WORKS AGAIN IN MEASURING COSTS

(Capitol comments by JOE L. EVINS, Member of Congress, Fourth District, Tennessee)

The TVA has served the public interest of the entire Nation in many ways since it was established 25 years ago. One of the greatest of these has been the yardstick measure of cost of producing electric power and also the cost of producing fertilizers with resulting savings to farmers, power consumers and others.

Recently we have seen another example of TVA's use of a yardstick measuring of costs. There are only three companies in the United States who manufacture large turbogenerators for powerplants; these companies are the giant General Electric Co., Westinghouse, and Allis Chalmers. During recent years these three companies have built not only all of the generators that TVA has purchased, but also all the big generators for the private utilities and for other Federal power projects. Almost one-third of all the funds the TVA has spent have gone to States in which these three companies are located, largely to pay for these turbogenerators. For example, $350 million has gone to New York, the home of the General Electric Co.; $190 million has gone to Pennsylvania, the home of Westinghouse, and some $64 million to Wisconsin, the home State of the Allis Chalmers Co.

The bids of these three companies have always been remarkably close—usually the spread between the lowest and the highest has been less than 1 percent—so close as to raise a suspicion in some instances of bid rigging. Over the last 8 years these firms have boosted their prices for these big generators by more than 50 percent although the average wholesale price for all commodities has increased by only about 5 percent.

In view of these facts, and especially the increasing costs, when the TVA last year was ordering one of the largest turbogenerators ever built in the world, the TVA decided to invite bids also from qualified foreign suppliers.

Under the terms of the Buy American Act, purchases may be made from competing foreign firms if the domestic prices are unreasonably high. Purchases are required to be made from domestic sources if the domestic price is no more than 6 percent higher than a foreign price, or 12 percent higher if the domestic bidder is in an area of substantial unemployment. Leaning over backward, the TVA said in its invitation for bids that it would accept an American bid if it was no more than 20 percent higher.

TVA received three bids: One from General Electric, one from Westinghouse, and one from A. C. Parsons, Ltd., the largest British manufacturer of turbogenerators. The bid of the Parsons Co. was the only legally acceptable bid because it was the lowest and the only bid responsive to the specifications in the invitation. The TVA has had much trouble with late delivery of turbogenerators in the past. As a result of late deliveries, the TVA has had to buy power from private companies at high prices. Therefore, the invitation for bids called for payment of damages in the event of delays in delivery. Only the Parsons Co. bid included this guaranteed prompt delivery. In addition, the American bids were some $6 million or 50 percent higher than the Parsons bid. American wages are higher than British—about 40 percent higher in this industry. But this difference in wage scale accounts for only about $1½ million in increased labor costs, and this difference the British firm has to make up by paying an import duty of the same amount.

One of the greatest problems in our economy, which in many instances is dominated by giant corporations, is that these giants no longer compete with each other in the old-fashioned free enterprise way. There exists a need for some device to measure their costs. In addition to all the other services TVA performs, this great agency is also providing a yardstick of cost in many fields—power, fertilizer, electric generating equipment—and, in keeping

costs down, benefits accrue both to the taxpayer, the consumer and the entire Nation.

[From the Reporter magazine]

THE YARDSTICK THAT WORKS

The Tennessee Valley Authority, whose continued growth our President once characterized as "creeping socialism," has gotten out its yardstick again, much to the embarrassment of certain leading private enterprisers. Last month, TVA awarded a contract for a half-million-kilowatt turbogenerator to the British firm of C. A. Parsons & Co., Ltd., after having received bids from General Electric and Westinghouse. The two American companies promptly announced they were appealing to Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, to invoke the Buy American Act and revoke TVA's purchase in the interest of national security. To their workers the two companies brought the sinister news that British labor, paid only 40 percent of the comparable American wages, was depriving them of more than a million man-hours of work. Rumbles of protest began to mount of Capitol Hill.

A short time ago TVA, whose Chairman, Brig. Gen. Herbert D. Vogel, is an Eisenhower appointee, issued an explanation of its decision to buy British. For some time TVA has been disturbed by the fact that over the last 8 years American firms manufacturing large turbogenerators have boosted prices by more than 50 percent, while the average wholesale price of all commodities has increased only about 5 percent. When it sought a foreign bid, TVA had announced that it would accept the lowest bid from a U.S. manufacturer if it did not exceed the lowest foreign bid by more than 20 percent. (The Executive order issued under the Buy American Act ordinarily requires only a 6-percent preference.)

But when the General Electric and Westinghouse bids, which fell within 0.4 percent of each other, were analyzed, it turned out that they were nearly 50 percent higher than the Parsons bid. The Parsons bid was the only one of the three not containing an escalator clause to provide for future price increases; it also was the only one to accept TVA's requirement of a penalty clause in the event of tardy delivery. By accepting the British bid, TVA stood to save over $6 million.

The TVA yardstick revealed still other interesting comparisons. Taking the General Electric and Westinghouse estimate for the wage differential and multiplying this by the number of man-hours involved in the project, the TVA analyst discovered that the British firm's saving in labor cost, in comparison with American wages, amounts to $1.5 million, which, incidentally, is the amount it will pay in U.S. import duty. There still remains a discrepancy of $4 to $5 million between American and British bids, once the labor-cost factor is eliminated. As the International Union of Electrical, Radio, and Machine Workers pointed out: "This means that if General Electric and Westinghouse had gotten their labor completely free, they would have had difficulty in competing."

This raises some interesting questions. Despite cutbacks in older plants in Schenectady and East Pittsburgh which have caused unrest among the workers, the capacity of the hydraulic-turbine industry in this country increased by 50 percent from 1950 to 1957. Sales of electrical equipment abroad have been running about 10 times our imports. Last year's third-quarter profits for General Electric were the highest for any third-quarter in its history; Westinghouse's third-quarter earnings were its second best. Neither company appears in imminent danger of collapse because of British competition.

The real problem for our private-enterprise economy is how to devise suitable yardsticks by which the performance of our industrial leviathans can be measured. In addition to all the other services it performs, TVA, which is one of the electrical industry's biggest customers, proves its usefulness in this respect, too.

Unless, of course, we decide that a nation's security is endangered whenever it buys generators from foreign firms. If this is true, General Electric, Westinghouse, and all the big exporting companies should try to sell as much as they can to China.

A Party of Principle

EXTENSION OF REMARKS
OF
HON. JOHN H. RAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. RAY. Mr. Speaker, I am glad to place in the RECORD the thoughtful and constructive address "A Party of Principle" which was delivered last Friday evening by the Honorable JOHN W. BYRNES of Wisconsin to a meeting of Republicans in the 15th District, N.Y., which I have the honor to represent.

A PARTY OF PRINCIPLE

As Republicans, we have been going through a period of critical self-examination. The crushing defeat we suffered in the national and State elections last fall requires a searching look at our party. The main emphasis of our studies and discussion has been on making our party a more effective political mechanism, on the organization we must create to win elections. Certainly there is much that must be done in this area.

I do not want my remarks tonight to be misconstrued as quarreling with that objective. As a partisan Republican, and an officeholder, I want our party to win elections, too, and I have been tremendously encouraged by the earnest enthusiasm which has gone into reorganization efforts since November.

My principal point tonight, however, is that the major concern of the Republican Party cannot be just to win the next election. Our principal job is, and must be, the preservation of our Nation and its institutions.

It is to that job we must dedicate our principal effort. For, if we fail in it, there will not be much need to worry about elections. And, if we succeed—by awakening the American people to a recognition of their peril—victory at the polls will follow.

We must bring to our task more than just an urge to take power. A political party enters this fray ill-equipped unless it is armed with basic principles—unchanging beliefs so precious they cannot be sacrificed for any political victory. Without such principles, a political party is nothing more than a gathering of office seekers and their friends. Without principles, a political party, in the words of our President, is only a conspiracy to gain power.

We must face up to the fact that a party without principles has captured control of the most important branch of our Government—the Congress. The Democrat Party today is a party, not of principle, but of expediency. Its method of gaining power is to divide the people into groups, to appeal to their special interest, promising special largess from their Government.

Such a party can have no principles, except to assert, in order to make good its promises, that the answer to any problem, real or fancied, is massive governmental action or massive Federal spending. Without principles to guide it, the Democrat Party cannot concern itself with preserving this Nation and its heritage. It is guided only by the day-to-day demands of its own lust for power.

The Republican Party, on the other hand, no matter what its other failings, is a party of deep-seated principles and it must remain so. It is true that any party representing a broad cross section of the American people will encounter differences of opinion as to details and method. That is true of our party. In fact, I suggest that we Republicans have permitted these differences to become so magnified in our own minds and the public mind that the principles which unite us have been forgotten or ignored. As a result there has been all too much talk about hyphenated Republicans—liberal-Republicans, conservative-Republicans, modern-Republicans. It is time—if we are to face the challenges that confront us—that we start thinking, talking, and acting as Republicans—period.

Let us heed the words of Lincoln when he said: "I'm afraid of the result upon organized action where great results are in view—if any of us allow ourselves to seek out minor or separate points in which there may be differences of views as to policy and right, and let them keep us from uniting in action upon a great principle in a cause on which we all agree."

Let us remember that our strength can stem only from the basic principles which unite us.

These principles are so deep and instinctive that we have unfortunately too often felt it either unnecessary or too difficult to put them into words. But they must be put into words; they must be enunciated over and over again. Our beliefs and principles must be articulated so clearly and forcefully that there can be no doubt as to where we Republicans stand and why.

Let me presume here tonight to make a modest beginning at putting into words what we so deeply and firmly feel.

We believe, we Republicans, that no generation can live solely for itself but rather that it has the heaviest of obligations to preserve the Nation and its institutions, strengthened and improved, for those who follow. We know that our heritage was won only by the sacrifice of those who preceded us. We have the high moral duty to sacrifice, if need be, to preserve and protect it.

We know, as we face the problems inherent in preserving our society, that the right way is not always the easy way, but that we have no choice except to take the hard way if it is, in truth, the right way. We recognize that we will find ourselves frequently bucking the popular tide, for we know, just as surely as the Democrats, that there is little political appeal in self-denial. If we accept the responsibility of leadership, however, and that is one of the functions of a political party, we must serve as stern guardians of the national common sense.

We accept, as part of the responsibility of leadership, the duty of making clear to the people that the easy way, if it is wrong, leads only to the misery of retraced steps or the finality of disaster. Championing what we believe to be right may at times lose us political battles; but we are supremely confident it is the only way to a clear conscience and ultimate victory.

We believe in a government of laws which have as a principal aim the prevention of the seizure of dominant power by any man, or group of men.

We believe that the political and economic strength of a nation depend upon the genius of its people and that genius cannot flourish wrapped round with the chains of an all-powerful state or an all-powerful minority.

We believe that liberty is man's most precious possession and that it includes the freedom to have an incentive to produce. This has led to our faith in the soundness of an economic system based upon man's universal urge to better his lot. We believe that success, if it is to be the incentive for all, cannot be mocked and scorned and discouraged in an appeal to the envy of others.

We believe in a limited government as the best means of preserving individual freedom and initiative, but this does not blind us to the legitimate needs of our citizens or the challenges which confront our Nation.

We insist, however, that the needs the Federal Government is called upon to meet be real needs which cannot be met by individual initiative or by the unit of government closest to the people, and particularly, that they are not needs manufactured by those looking for special advantage or power.

We believe that the challenges to our Nation's survival can best be met, not through ill-considered actions based on fear or emotion, but by a nation which itself is guided by basic principles, proceeding confidently because it is physically strong, morally right, and carefully prepared.

It is because of these beliefs, these principles, that the Republican Party is called upon by its own conscience to move vigorously to the task of preserving our Nation against the present-day threats to its survival.

In my book there are today three great threats facing us as a people and as a nation.

The threat of communism.

The threat of inflation.

The threat of the new monopolies.

Each must be met head on. Each must be fought relentlessly if what we call the American way of life is to survive.

The first threat is the most dramatic and the most apparent. It stems from the rapid rise of Soviet military and economic power. We have seen the Soviet Union ruthlessly trample on the rights of its people and other nations in its drive to rule the world. By concentrating on the means to produce military power, it has rapidly industrialized its economy and achieved far-reaching scientific advances, a combination which has made it a real threat to world security. We may deplore their methods, but we ignore, at our own peril, the presence of vast military and economic power in the hands of a small group of men imbued with a fanatic belief in the inevitability of communism's world conquest.

The reaction of the Democrats to the more dramatic evidences of Russian military power has been characteristic. Conditioned from habit, their immediate response has been that we outspend the Russians and achieve victory through sheer weight of the American dollar. Democrat spending bills followed quickly in the orbit of the first Russian satellite and every new announcement from the Kremlin quickens their flow.

It would indeed be wonderful if all we had to do to preserve our Nation against the Rusian military threat was to turn on a spending spigot. It is not that easy, and the political party which tells the American people that it is, is gambling recklessly with the future of our Nation. If, as a nation, we rely solely on scattering our national wealth to the winds in order to quiet every fear, we can lose this fight before we start.

We cannot meet the Russian military challenge by siphoning off and diluting our available resources, both of brains and materials. Yet, the numerous critics of our defense policies insist, when you put all their charges together, that we engage in just such a scatterbrained effort. The net effect of following the advice of a Symington who wants more money for one missile, a Johnson who wants more money for shooting at the moon, an Anderson who wants more money for one kind of airplane, a Vinson who wants more money for one branch of service, and a Jackson who wants more money for submarines, would be weakness through dissipation of our strength. It would be a defense based not on the best estimates of our National Security Council, the entire intelligence resources of the Nation, and the expert advice of our Joint Chiefs of Staff and our President, but on the worst fears of our most frightened politicians.

What it will take to beat the Russians at this gruesome game is a government and people ready, of course, to sacrifice whatever is needed for our overall superiority, but determined at the same time to proceed only on the basis of sound estimates, rational thinking, and carefully conceived plans which look not just to today but also to tomorrow. This is the hard road, and only a party of principle has the courage to stand up to the fearmongers and tell the American people it is the road we should follow.

It is clear, too, that only a party of principle can furnish the kind of leadership which stands fast against those Democrats who would sacrifice our world position in the face of the potent power of the Soviet Union. When it is all boiled down, the constant carping over the inflexibility of Mr. Dulles, the demands for a new approach to the Soviet Union, and the laments for the lack of viability in our foreign policy are nothing more than a frightened unwillingness to face up to the fact that you can't appease the Russian without losing your shirt in the process. We are confident the American people won't soon again be led down the so-called easy road of appeasement.

The second threat to our security as a nation is the insidious menace of inflation. Our response to inflation is not only significant in its own right but it cannot be divorced from the challenge of the Soviet Union.

No greater test of the principles of the Republican Party can be provided than in the fight against inflation. It cannot be successfully undertaken unless we are willing, as a nation, to think more of the future than of ourselves and to take the hard but right way so that our Nation and its institutions can be preserved.

As we move positively against the threat of inflation, we Republicans are accused of being preoccupied with balanced budgets, of being negative when we oppose unessential spending programs, and of having a narrow bookkeeping attitude toward the problems of our Nation.

I say to you: There can be no more positive programs, for our party or any party, than to try to save this Nation from the disaster which will take place if inflation, through habitual spending beyond our income, becomes the national way of life.

As we oppose programs which individually have vote appeal but which taken together lead swiftly and surely to national bankruptcy, we lay ourselves open, of course, to the demagog's cry. But what we seek is more important than any single spending program. Unless we can maintain the stability of our currency, we will not have the strength to support any governmental program, no matter how desirable—be it for defense, for scientific advance, or for human welfare. Bound up in the fight for a balanced budget is the question of whether our economy will have the strength and stability to maintain us in the battle for survival.

Let it be remembered that we have been living beyond our income in 23 of the last 28 years. The credit of the U.S. Government is at the breaking point.

It is not just the national budget that is involved in the Democrat spending programs. The personal budget of each and every individual and family is involved. An unbalanced national budget means unbalanced family budgets; it means loss of credit, of earnings and savings, insurance, pensions and annuities. When unbalanced national budgets and inflation become our national way of life, they all go down the drain together.

There is also a moral issue.

The time has come to end the completely immoral practice of passing on to our children the debts we incur for our own immediate benefit. We could at least have respect for the morality of the spenders if they would suggest that this generation pay, through higher taxes, for the cost of the programs they so glibly propose. They lack the courage for that, and in many cases, like the junior Senator from my State, they not only beguile the people with vast spending programs but promise simultaneous tax reductions. Let us call a spade a spade. Mortgaging our children's future is basically immoral.

There is the question of equity.

The first obligation of government is to treat its citizens equally. There is no equity when a government spends to provide special benefits for some of its citizens, because they are politically powerful, at the expense of all other citizens. But, the inequity is tragically multiplied when a government must borrow and inflate its currency to do so. For inflation does not strike all citizens an even blow; it hits hardest at the weak, the unorganized, at those who lack the means to protect themselves from its subtle and devastating robbery, the widow living on insurance, the aged living on pensions. No government which pretends to serve all the people can retain their confidence if it promotes wholesale inequity by choosing the easy road of unbalanced budgets.

There is the issue of survival.

I have spoken of the military challenge of Soviet Russia and the kind of response we must make to it. Will we have the sheer physical strength for that challenge—no matter how many missiles are on the launching pads—if our underlying base of a sound fiscal structure and a strong economy are rotted away by inflation?

The answer, of course, is no, but the Soviet challenge is more than military: it is a total challenge on the military, political, economic, and moral fronts. Can the United States meet that total threat with its currency debased, its credit gone, its economy in turmoil, its citizens divided and its morality compromised, if we adopt inflation as a way of life? Of course not.

Politically, can we hold ourselves up to the nations of the world as a shining alternative to communism if we are unable to keep our own house in order, if we display a fatal political weakness in our form of government by casting aside principle for the fatal charms of expediency? How can we be an example to the world if we cannot in times such as these even meet our current needs out of current income?

Can we meet the Communist economic offensive if through inflation we price our goods out of the world market and if the American dollar becomes a currency to be shunned rather than desired?

And morally, where does this Nation stand as opposed to immoral communism if it succumbs to the immorality of inflation?

Let no man tell you that those who fight against the unbalanced budgets which cause inflation are preoccupied with the mechanics of bookkeeping. We are preoccupied, but our preoccupation consists of the most urgent and positive program this Nation can undertake—the prevention of a national disaster. It is our job as Republicans, as a party of principle, to awaken the Nation to this clear and present danger.

The President has presented the Nation with a balanced plan for security and public welfare. He has presented a plan balanced as to income and expenditures. It is a truly Republican program. It is our job as Republicans to exert every effort to make this plan a reality.

I mentioned earlier that one of the basic principles of the Republican Party is the belief in a government of laws which have

as a principal aim the prevention of the seizure of dominant power by any man or group of men. Because of this principle, the Republican Party is called upon to meet the threat of the new monopolies, powerful labor organizations under the domination of a handful of men.

Under Republican leadership, this Nation met the challenge of the seizure of dominant power by a few industrialists and financiers a generation ago. It curbed the power of the trusts when in the public interest it enacted antimonopoly legislation under Republican leadership.

Today similar power rests in the hands of men who dictate the policies of our national labor unions. It consists of vast economic power, the power to cripple an industry or a nation. It is economic power which has reached out so successfully for political power that it has taken over, for all practical purposes, the Democratic Party and now controls the Congress of the United States. It is a combination of economic and political power which threatens the national interest because it is a power which places its own interest above the interest of all citizens.

Curbing the power of the new monopolies will be infinitely more difficult than dealing with the old industrial and financial monopolies, for the new monopolists have wrapped themselves in the cloak of the so-called common man. They have been careful to inculcate the doctrine that their monopoly interest is identical with the interest, only only of union members, but all working men and women. No attempt can be made to curb the power of the new monopolies without incurring their charge that it is a move against the public interest.

But the public—the consuming public—does not benefit from the exercise of naked monopolistic power to raise wages, and hence prices, beyond the level justified by increased productivity—nor from the extortions of a Hoffa made possible by the power his monopoly gives him.

The public—the union worker public—does not benefit when its dues are stolen, or frittered away, or spent for propaganda or political activity against its wishes.

The public—the taxpaying public—does not benefit when the political power of the new monopolies is used to extract special benefits from a pliant Congress or legislature.

The public—the small-business public—does not benefit when its choice, confronted with the overwhelming power of a giant union, is to accede to its demands or go out of business.

The public—the farm public—does not benefit when the new monopolies drive up farm costs far beyond the ability to increase farm prices.

Nor can the public—all of us as free citizens—benefit when dominant political and economic power rests in the hands of a few men, no matter how much they claim to have our best interests at heart.

Let there be no mistake about it. The evils which have arisen because of the emergence of the new monopolies are the result of the power they hold in their hands. We cannot eliminate the evils until we restore the balance of power and to do so, we must curb the powers of the new monopolies even as we protect the very legitimate rights of working men to organize for their own protection and own welfare.

As a party of principle, we cannot dodge this issue. The Democrats must avoid it at the peril of their extinction as a political force. They are incapable of going beyond what the new monopolies will permit, and this consists only of wiping the smudges off from the faces of those union leaders who have gotten dirtiest in their greed for power. It's up to us to take the lead in a sustained effort to curb this threat to the stability of our Nation. It will in the end earn us the gratitude of the vast majority of the American people who, even now, sense the danger involved in letting unbridled monopoly power run loose in our land.

In these great tasks, then, in meeting the Communist threat, in fighting inflation, in curbing the new monopolies, we Republicans have a job to do. At stake is the future of our Nation and the security and happiness of our people.

There is only one way we can go about this task and that is to devote our every resource to it. We cannot succeed, in the face of an overwhelming Democrat majority in the Congress, unless we arouse the American people to the dangers which confront them and unless we imbue them with a belief in the principles we uphold. We must, through them, make it politically impossible, for any party or group, to lead this Nation down the easy road to its downfall.

We need to make our party an effective political organization. We need to enlist in our ranks the millions who believe, as we do, in the principles we uphold. We need the devotion, discipline and dollars without which a party cannot function. We need to tell our story, clearly, unhesitatingly, forcefully so there is no man in this land who does not know our party's principles, program and goals. We need, in short, to get down to work.

And, as we set upon this noble task of saving a nation, should the path look dim, the goal remote and the obstacles insurmountable, we can do no better than take courage from the faith that: "Right makes might, and in that faith let us to the end dare to do our duty as we understand it."

Questionnaire Results From Michigan's Sixth District

EXTENSION OF REMARKS
OF
HON. CHARLES E. CHAMBERLAIN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. CHAMBERLAIN. Mr. Speaker, few of us have been so endowed with wisdom that we cannot profit by sound advice honestly given. For that reason, it is my practice to send each year, to as many homes as I can reach in my district, a questionnaire offering the people I represent an opportunity to give their opinions on some of the most important issues facing us here in Congress.

Under leave to extend my remarks, I want to share my findings with my colleagues by including in the RECORD the results of my poll. They will, I think, find much of interest and some of surprise in this consensus of a district which is evenly divided politically; which is industrial and yet maintains a considerable agriculture; which includes more UAW–CIO workers than any other congressional district in the country; and in which unemployment is at a critical level because of the slump in some parts of the automobile industry.

To me, some of the more interesting aspects of the results are the insistence upon a balanced budget, the unpopularity of present farm support levels—shared, incidentally, by farmers and nonfarmers alike—the nearly unanimous support of a firm stand on Berlin, the overwhelming demand for effective labor reform legislation, the general satisfaction with our missile and space efforts, the heavy backing for continuation of mutual security. I would also call the House's attention to the heavy preponderance in favor of repealing the 10-percent automobile excise tax which I am again sponsoring, and I suggest that any of my colleagues would find much the same result in his own district if any considerable number of his constituents own and drive automobiles, and I do not know of any horse-and-buggy districts.

I was deeply impressed by the flood of responses to this questionnaire in which more than half of the participants added their carefully considered additional comments on these and other issues. These polls, I am convinced, serve the double purpose of not only giving me the benefit of others' opinions, but in stimulating public interest in participating in our governmental processes.

The results of the tabulation are as follows:

Questions	Percent		
	Yes	No	Not certain
From information available are you satisfied with our missile and space efforts?	54	21	25
Do you agree with the President's "pay as you go" emphasis on having a balanced budget?	84	8	8
Do you approve of our firm stand with respect to Berlin?	91	3	6
Considering world tensions should we continue our mutual security military and economic aid to friendly nations?	66	12	22
Do you favor the general idea of broadening social security benefits to include medical services, to be financed by increased contributions by individuals and employers?	36	52	12
Do you favor statehood for Hawaii?	80	8	12
To provide necessary funds for Federal highways it is suggested that Federal gasoline tax be increased from 3 cents to 4½ cents per gallon. Do you favor this increase?	33	57	10
Do you favor repeal of the 10 percent automobile excise tax?	62	26	12
Has the Federal Government given sufficient attention to the problems of the small businessman?	18	48	34
Do you believe our civil defense effort is adequate?	32	36	32
Should labor reform legislation cover the problems of secondary boycotts and blackmail picketing?	82	7	11
With respect to education, should the Federal Government:			
Consider it a local and state problem?	64	24	12
Aid school construction?	42	42	16
Help pay teachers' salaries?	20	63	17
Last session, Congress approved flood control projects in both Lansing and Flint, but provided no funds. Considering budget problems, should we ask funds for:			
Flint River (cost $2½ million)?	26	46	28
Grand River (cost $13 million)?	21	45	34
Regarding farm price supports, should they be:			

	Percent
Increased	4
Decreased	62
Left unchanged	16
No comment	18

Results of 22d Congressional District of Ohio Opinion Poll

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mrs. BOLTON. Mr. Speaker, the results of my third annual opinion poll, which was recently sent to every household in the 22d Congressional District of Ohio, have just been tabulated. Replies to this questionnaire were received from 17,000 families which comprise a well-balanced cross section of the various economic, racial, political and religious groupings of the 22d Congressional District of Ohio. Since this district represents a sizable portion of the Greater Cleveland area, I believe the results of this poll will be of interest to the Congress in revealing public opinion on certain issues in one of our large metropolitan areas.

The fine response received from my constituents is deeply appreciated. The many detailed explanations and helpful suggestions received are very reassuring, and indicate the serious thought being given by my constituents to some of the vital domestic and foreign issues of our Government. The results of this poll follow:

	Percent		
	Yes	No	No opinion
1. Do you favor a relaxation of the trade barriers imposed by the United States against Soviet Union?	25.5	63.5	11.0
2. Would you favor diplomatic recognition by the United States of Communist China?	22.8	68.1	9.1
3. Do you favor continuation of our mutual security (foreign aid) program at approximately the same cost as the past several years?	43.0	45.7	11.3
4. Do you favor gifts of surplus farm commodities to underdeveloped countries?	76.9	17.4	5.7
5. Would you favor price, wage, and rent controls if our economy is faced with a period of accelerated inflation?	70.3	24.5	5.2
6. Do you favor Federal programs such as the proposed community services legislation to provide long-term, low-interest-rate, Federal loans for local public works projects?	59.0	29.4	11.3
7. Do you favor legislation to provide lower downpayments, and smaller monthly payments through larger and longer mortgages on FHA insured homes?	59.3	31.7	9.0
8. Would you favor larger Federal participation in local slum clearance and urban renewal projects?	51.6	41.0	7.4
9. Do you favor Federal aid to needy States for school construction?	61.4	33.2	5.4
10. Do you favor Federal aid to needy States for increased teacher pay?	49.4	43.4	7.2
11. Do you believe Federal aid to education will result in Federal control of education?	41.0	46.9	12.1
12. Do you favor continued Federal aid to local airports?	30.7	55.1	14.2
13. At present a person drawing social security benefits is prohibited from earning in excess of $1,200 yearly. Do you believe this limitation should be removed?	72.9	22.9	4.2
14. Do you favor a Federal program to provide hospital and surgical care for social security beneficiaries by increasing the wage base for social security taxes to $6,000?	48.5	38.9	12.6
15. Would you favor extension of coverage, and an increase in the $1 per hour minimum wage law?	62.3	27.1	10.6
16. Would you favor legislation during the present session of the Congress to grant statehood to Hawaii?	82.9	7.5	9.6

Our Mammoth Foreign-Aid Program

EXTENSION OF REMARKS
OF
HON. OTTO E. PASSMAN
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. PASSMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following information concerning our foreign-aid program:

MARCH 23, 1959.

MY DEAR COLLEAGUES: As chairman of the Foreign Operations Subcommittee on Appropriations, I feel that it is my duty to place in the hands of every Member of Congress as much official information as possible on our mammoth foreign-aid program.

On Tuesday, there may be an attempt to include in the supplemental appropriation bill additional funds for the development loan program for which there is no real need. The reaction of high public officials, including some 1960 presidential candidates, to the committee's action in disallowing the supplemental request would indicate that it was an act akin to another Pearl Harbor. Now, let us go to the record for facts and not be persuaded by oratory and last-minute departmental revisions intended to sway the Members.

The attached reproduced letter gives you factual information on the Development Loan Fund and the figures have been brought down to the last accounting period, February 28, 1959. Also it shows the total amount of MSA funds unexpended as of December 31, 1958.

I should like to point out the amount of foreign aid funds available in all categories on July 1, 1958, the first day of the present fiscal year. I quote verbatim from information furnished by the Office of Business Economics, U.S. Department of Commerce, and published by the Library of Congress: "Thus, the carryover funds of 9.5 billions, plus new funds of 6.1 billions, provided an estimated availability of 15.6 billions for foreign aid during fiscal year 1959."

Item 1 in the attached letter shows only MSA unexpended funds for foreign aid as of December 31, 1958. It does not include other categories such as Public Law 480 and overseas military construction, etc.

Expenditures for the foreign aid program in the postwar period through June 30, 1958, amounted to $71,551,940,000. Now, add the available as mentioned in the above paragraph for the total foreign aid funds expended and available.

Do you not agree that the foreign-aid program should be operated on the basis of need and not on the basis of bureaucratic demand or political expediency? We are the board of directors of a $75 billion annual business (the U.S. Government), representing 175 million stockholders. Should we not take into account that in this day of great prosperity, to some extent political expediency and bureaucratic demands for excessive spending prompt our action? Is it not true that during this fiscal year we will spend $13 billion more than revenues collected, or, as we would say in private business, more than the net profits?

Sincerely yours,

OTTO E. PASSMAN,
Member of Congress.

The U.S. Defense Policy—Where Do We Go From Here?

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I am pleased to include the transcript of the American Forum of the Air in which Congressmen JOHN W. MCCORMACK, of Massachusetts, and LESLIE C. ARENDS, of Illinois, participated, which deals with a very vital subject, "The U.S. Defense Policy."

TRANSCRIPT OF AMERICAN FORUM OF THE AIR, WITH CONGRESSMAN JOHN W. MCCORMACK AND CONGRESSMAN LESLIE C. ARENDS, SUBJECT: THE U.S. DEFENSE POLICY—WHERE DO WE GO FROM HERE?

The ANNOUNCER. The American Forum of the Air, produced by the Westinghouse Broadcasting Co. in association with Theodore Granik.

Tonights' guests are Congressman JOHN W. MCCORMACK, Democrat, of Massachusetts, and LESLIE C. ARENDS, Republican, of Illinois, who will discuss "The U.S. Defense Policy—Where Do We Go From Here?"

Our guests tonight are two of the most experienced and respected Members of the House of Representatives.

Congressman MCCORMACK is the Democratic majority leader and has been in Congress since 1928. He serves on the Government Operations and Space Committees.

Congressman ARENDS is the Republican minority whip in the House and has been a Member of Congress for 26 years. He serves on the House Armed Services Committee.

Mr. MCCORMACK and Mr. ARENDS are here tonight to discuss one of the major arguments of the 86th Congress, "Is our defense program adequate?"

Mr. SNYDER. Gentlemen, everyone in Washington seems to have taken sides on the running argument on our defense program.

Congressman ARENDS, as a veteran Republican Congressman, how do you feel about our defense program? Is it adequate?

Mr. ARENDS. I shall base my answer on my experience on the Armed Services Committee of the House of Representatives for many years.

During the session of Congress beginning in January, our committee set up hearings as to our military posture, our present-day defense forces.

We started by having the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the various chiefs of staff of the respective services who both on and off the record gave us a very factual and informative outlay of what our military posture is at the present time.

Frankly, let me say that I was reassured as to our capabilities in strength, that I feel today that we have the necessary military posture to carry out any assignment that may come to us for one reason or another.

In other words, putting it this way, I think we have the capabilities to combat any

such thing as a brush war, or we have the retaliatory forces necessary to combat an all-out war.

In other words, putting it in one sentence, I think that we are ready and able to meet any contingency that might arise at this particular moment.

Mr. SNYDER. Congressman MCCORMACK, I won't ask you to agree with Congressman ARENDS. I will ask you on what points do you disagree with him

Mr. MCCORMACK. I am not in sharp disagreement with Congressman ARENDS as of today, but there are some sharp differentiating considerations that must be borne in mind.

When you ask is our defense adequate, it is a relative term. Adequate in relation to whom? Little Liberia? Oh, it is too adequate.

We don't have it too strong in relation to Britain because we have no fear from Britain or France or any other country. Our military strength could be sharply reduced if it was relative to countries like that, but national defense is relative to the Soviet Union as everyone knows and the question is is it adequate in connection with the Soviet Union?

Now, I am one of those Members of Congress, and one of those Americans, whether one agrees with me or not, it is my sound judgment, and it is consistent with my conscience that I, in the world of today, believe the only thing the Communists respect is what they fear.

That is military power and strength greater than they possess themselves.

If I am going to err, I would rather err on the side of strength than on the side of judgment.

Now, my friend from Illinois has said we are adequate for brush wars. Well, the President ruled that out in his press conference the other day. He said, "We are not going to have any ground affairs."

Brush war means essentially foot soldiers, the Army and the Air Force in cooperation with the Army. It is therefore the objective analysis of what the President has in mind is, we are not going to commit ourselves against large masses like the Soviet Union, either in Europe where they have unlimited reserve strength from a military angle, or in Asia, so far as the Soviet Union and Red China is concerned.

Mr. SNYDER. Are you questioning the President's military leadership?

Mr. MCCORMACK. I am just commenting. You asked me the question, is our defense adequate? And therefore, it means that we are going into an all-out nuclear war from our angle. That is our policy now.

Now, the question is, are we adequate?

Well, it is known we are behind the Soviets so far as the intercontinental ballistic missile is concerned. I think with time we can catch up and go ahead of them, but as of today we are behind them.

Furthermore, we find our Army being reduced from 900,000 to 870,000. I honestly question that. If not from a military angle, from a psychological angle, at this particular time.

Mr. SNYDER. Congressman ARENDS, how do you feel about the reduction in forces?

Mr. ARENDS. Let me cover a couple of points my good friend, Congressman MCCORMACK, has made.

Mr. MCCORMACK. I have only started, of course, but go ahead.

Mr. ARENDS. I think what you say in part is true, but I do think there is still a possibility of some brush wars like we have had in the past and which we are capable to cope with almost immediately.

I think the thing we overlook in this question of whether we have sufficient missiles of one kind or another—and it is true that we possibly are behind to a small certain degree in the ICBM's—the fact remains that in the matter of defense as far as the United States of America particularly is concerned, it is a question of balance.

In other words, a balanced offense necessary at a particular time.

Now, in looking at both the Army, the Navy, the Air Force, the Marine Corps, we have that type balance in this country today which is so vital, I think, to prosecuting anything that might happen in the way of aggression on the part of, let's say Russia, and therefore I think the need for being comparable in every respect to them is not as great as it might be in their instance, and so with this balance defense, I think we are able to cope with this situation and will be able to cope with it.

Looking at these charts and the information that has been given to us, as I say, both on and off the record, I can visualize the picture as the Joint Chiefs of Staff see it as to their capabilities and really I must repeat, I feel better about it than I did prior to the time we had these hearings.

Mr. MCCORMACK. Well, of course, the Joint Chiefs of Staff are not happy. You know that, because they have all made reservations, every one of them now. They agree to the budget figures with reservations.

In other words, they said, "We have to agree to it, but we are making the record as to what we ought to have."

They are not satisfied, my good friend from Illinois, and you know it. Let's give the public the truth now because the American people ought to have the information.

Mr. ARENDS. As many years as I have been on that committee, never yet once have I heard any one of the chiefs of any single service say they had enough. That is true. But the chairman of the Joint Chiefs of Staff, through the respective chiefs, has said that they could and would do the job necessary under the provisions in this budget.

Mr. MCCORMACK. That is a different proposition. As good soldiers and good officers, they would say that if they are ordered to do a certain thing they will do the best they can. But they are not satisfied with it.

Now, the question was asked, Are you satisfied with the reduction in the Army from 900,000 to 870,000?—by our friend and I haven't heard you answer that yet.

Mr. ARENDS. I will be glad to answer just as quick as I can get the time.

I thought the President handled that very well the other day in his press conference, and I was pleased to have him state as he did, for the American people to learn and to understand what his position was; namely, that it is wholly impossible for us to fight a ground war in Russia.

In other words, we are not going to accept the type war that Russia might want us to fight.

Mr. MCCORMACK. So you agree with my interpretation that the only thing left is a nuclear war.

Mr. ARENDS. Let me complete if you will. In other words, we are going to fight the kind of war necessary to win a war if it comes about.

Mr. MCCORMACK. I am in accord with that.

Mr. ARENDS. Let's finish the other question first.

The reduction of the Army from 900,000 to 870,000, a matter of 30,000 people; in the Marine Corps a matter of 20 or 25 thousand which the reduction may be, as the President said the other day, how could you particularly use those people at this moment? How are we going to get them over there? What could they do?

If we are not going to fight a ground war, and these people are mainly ground soldiers, then what good are they at this particular time?

Now, I am not averse to building up the kind of defense we need in this country; in fact all of us do. We are all loyal, patriotic American citizens and we want to appropriate every dollar we need in this country to do the job. It is a matter of difference of opinion. And the other angle of it is, I certainly have a wholesome respect for the President because of his background, his ability—I don't think he knows as much about politics maybe as I do, but I certainly do not know as much about the business of being a military man as he does with 40 years background and experience, and I think he is trying to do the kind of a job that needs to be done in view of the world conditions as we see them at this moment.

Mr. SNYDER. There are many Congressmen questioning the President's military judgment.

Mr. MCCORMACK. There are more than Democratic Congressmen, too.

You rely on the President and, of course, I agree that the President is a great military man, but General Taylor is a great military man. He is the Chief of Staff of the Army. He says the Army ought to have 925,000 officers and men.

General McC. Pate is a great man, the commandant of the Marine Corps. He says the Marine Corps ought to have 200,000 officers and men.

Do you throw their views out the window, my friend?

Mr. ARENDS. Not entirely, no. And they sit around the table with the other members of the Joint Chiefs of Staff and they reach a final agreement as much as we do up here on the hill. Many times we pass pieces of legislation which we think are inadequate as far as the House is concerned; the Senate does likewise, and eventually around the table we reach a conclusion and a determination is made that although we do not get all we want yet this will suffice and do the job, and therefore we proceed and, as a rule, if it needs correction, later on it is corrected, the legislation.

So, I think what we are doing today in view of the whole world situation, in view of the situation we are in, as far as dollars and cents are concerned in this country, that we are on good sound ground and we are moving right ahead.

Mr. MCCORMACK. In other words, you are telling the American people that you are happy and you are pleased and you are contented, and they just simply sit back in their seats and say, "Don't worry, my friend, my fellow Americans, everything is all right."

Mr. ARENDS. I am not saying that at all.

Mr. MCCORMACK. Suppose President Eisenhower is wrong, my friend. When you rely on the judgment of one man wholly. I understand a man making a decision, but we now know that every Chief of Staff doesn't agree with him.

Mr. ARENDS. Without being too political, let me say this, Mr. McCormack.

Mr. MCCORMACK. There are no politics in this.

Mr. ARENDS. If we are going to question the President of the United States' capacity to make a determination on what is good militarily, certainly the individuals who may be candidates for the presidency or for public office, I would have the right to question them first.

Mr. MCCORMACK. Well, you are the only one who is throwing politics into this discussion at this time.

Mr. ARENDS. No, I don't mean to do that.

Mr. MCCORMACK. I said the President has to make a decision but there are the views of the others and you and I have got to consider all views.

Now, you talk about a balanced defense. There is a very nice, beautiful phrase. It is pretty much like when I read some

speeches made to the effect that "overall we are military strong" but the word "overall" is a word most of us overlook and which interests me.

Our balanced strength can disappear overnight in connection with the Soviet Union if they perfect the intercontinental ballistic missile, its reentry and hitting the target—and they are ahead of us, you know that—before we do and if at the same time they have a defense against our intercontinental bombers, and you know they are trying to prepare one, then we are in the defenseless position and they won't let us catch up and we can never let ourselves get in that position.

Mr. ARENDS. Let me say that your statement right now wholly disagrees with hat has been said by some of the Members before the Armed Services Committee as to our capabilities in the way of defense.

That goes to our standpoint of position of strength throughout the whole wide world. Our Air Force, our alertness of the Air Force wherever it may be; our flattops, wherever they may be; our submarines, wherever they may be, and which we on the Armed Services Committee happen to know about at this particular time, this whole program of being ready to do what has to be done, let me say that what you have just said, Mr. McCORMACK, in my humble opinion, is a contrary opinion to what these people have told us before our committee.

Mr. McCORMACK. Well now, Mr. ARENDS, you are just telling the people that I am wrong.

Mr. ARENDS. No.

Mr. McCORMACK. Well, you are just seriously mistaken because I have asked General White, I have asked everyone who appeared before the Science Committee of which I am a member. You were a member of the select committee last year, and we are a rather important committee—the Armed Services Committee, you know, hasn't got the omnipotence of brains in the Congress of the United States on military matters.

Mr. ARENDS. No.

Mr. McCORMACK. Some of us have a little commonsense and the Committee on Science has pretty much the same availability for executive session and public session testimony as your committee, and I have asked everyone the question, assuming—they admit that the Soviets are ahead today in intercontinental ballistic missiles.

They don't know how far they have gone in connection with defense against our bombers because our Central Intelligence hasn't ascertained that yet. They admit they are trying to perfect a defense.

Then I say, "Well, suppose they perfect their intercontinental ballistic missile before we do? And they perfect a defense against our bombers, and we lose our retaliatory power. Where are we?"

And they all admit we are in bad condition.

I think you will agree with me that we can never afford in America to lose a retaliatory power.

Mr. ARENDS. That is right.

Mr. McCORMACK. The ability to hit back.

Mr. ARENDS. That is right, and at this moment I don't think we are going to. I just don't think we are going to.

Mr. McCORMACK. I hope so and I agree. I agree with you that we have the men, we have the men and women, we have the brains, we have the facility in America, the facilities. What we need is coordinated leadership. We are talking as of today.

Now, we just have to be practical. Now, you are talking about tomorrow and that is a different proposition.

Mr. SNYDER. Gentlemen, I don't think there is any question now where each of you stand on this defense argument. Let's move on.

Mr. McCORMACK. Well, I know that my friend is one of the most powerful national defense men in the Congress. I think he knows I am. And might I give this message to the American people as the Democratic leader: Our country is in very fortunate condition because whatever differences of opinion there might be between the Democrats and the Republicans, the difference is not on the side of weakness where we Democrats are advocating weaker defense.

We are advocating greater defense. So I think our country is in a very fortunate position because we Democrats agree with the President, only we say a little more, plus.

Mr. SNYDER. I think that is an excellent and reassuring point.

Mr. ARENDS. I think I should interject here that that goes for the Republicans as well as for the Democrats because we are all motivated by the same thing necessarily: "Be prepared to do what has to be done. Pray God nothing happens."

Mr. McCORMACK. I thoroughly subscribe to that.

Mr. SNYDER. It is nice that you agree with each other. Let's move on to a topic upon which I am sure you will disagree again. Labor legislation.

Are you in favor, Congressman McCORMACK, of the Kennedy-Irvin labor bill and do you think it will get through the House this session?

Mr. McCORMACK. Why, yes. Of course, there are two bills there and they are separated. It is a question of whether there should be one bill or two bills. That is really the basic question.

I think the other questions involved could be quickly ironed out by reasonable Members in both branches and I think that the protection of the welfare funds is of such paramount importance that it might be wise to put through two bills, to put that one through first, because if you combine them all together, you are going to get into a lot of difficulties and it might end up with road blocks being thrown in the way to the point where nothing might come through. So I think Senator KENNEDY's approach to two bill is probably the best.

Mr. SNYDER. How do you feel about the Kennedy-Irvin bill, Congressman ARENDS.

Mr. ARENDS. It is always difficult to determine what the Senate may do. Last year the Senate passed the Kennedy bill by 88 to 1 and it came to the House and nothing was done.

Mr. McCORMACK. Oh, yes; something was done. We had a vote.

Mr. ARENDS. We failed to pass it under suspension.

Mr. McCORMACK. I voted for suspension.

Mr. ARENDS. And I voted against it because it did not incorporate all the things I felt were necessary to do the kind of job the American people expected to be done. Due to the revelations before the McClellan Committee, but over in the Senate this time I think there is some reason to believe as we read the press that they are trying to do a better job this time in perfecting the bill and incorporating therein certain amendments which are necessary if, I repeat, a good comprehensive bill is written.

Over in the House at this time I wouldn't even want to predict what our Labor Committee in the House is going to do and what will be in the bill if they report a bill, so I am just going to have to bide time on that and see what, I hope, if action is taken, if final conclusive action is taken in the Congress, that we write the kind of bill that will protect not only the workingman himself as to his rights, but also the public and just make a good fair bill out of it.

Mr. McCORMACK. I think that is as fair a statement as any openminded Member could subscribe to.

Mr. SNYDER. Gentlemen, there is another issue that is concerning the American people quite a bit these days. It doesn't involve legislation. It is this whole matter of nepotism.

There has been so much publicity lately about this subject. What message would you have for the American people in view of all these revelations that have come out?

Mr. McCORMACK. How much time is left on this?

Mr. SNYDER. One minute.

Mr. McCORMACK. It would take more than a minute to adequately answer that. I have no hesitancy in saying that I think it is perfectly all right for a publisher of a newspaper to hire his son or daughter or the editor of a newspaper to hire his son or daughter.

If I heard they refused to hire them because they are a son or daughter, I would say they are no good. I think it is all right for the president or vice president of a corporation to hire a son or daughter, and I think it is all right for a Member of Congress to hire a son or daughter.

Mr. SNYDER. Congressman ARENDS, what do you have to say on that?

Mr. ARENDS. I somewhat agree with Congressman McCORMACK.

If these people are hired by their parents to work in their office and they work there, well then, that is their business.

The ANNOUNCER. Thank you, Congressman JOHN McCORMACK and Congressman LES ARENDS for being our guests today on the American Forum of the Air.

Family Service Association of America

EXTENSION OF REMARKS
OF
HON. GEORGE M. WALLHAUSER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. WALLHAUSER. Mr. Speaker, our Nation's Capital will be the scene from April 1 to 3 of a biennial meeting of an organization that is outstanding in its contribution to the human welfare. I refer to the Family Service Association of America.

This is a growing federation of almost 300 family counseling agencies in the United States, Canada, and Hawaii, which annually serves nearly 1 million people. This service is rendered mainly through case work help for marital, parent-child, and other family-living problems.

The agencies are supported largely by local united community campaigns, and this is but another reason for all of us to take an active and intense interest in our local fund-raising campaigns conducted yearly by United Funds and others of similar goals.

The Family Service Association of America national headquarters, staffed as it is with highly trained professional people, provides a variety of central services to help local agencies and communities develop effective family service programs for strong family life.

If you have been privileged to observe the conscientious and never-ending efforts of the agencies to cope with the manifold problems of our complex existence, you could not help but be impressed by the devotion and skill of those who render this service.

Additionally, there are hundreds and hundreds of citizens who serve on the boards that direct the agencies' work,

without compensation other than a reward for contribution to better living.

It is my hope that these few words will in some small measure emphasize the very greatness of the Family Service Association of America and will point out to the devoted people who work so untiringly in its behalf that those of us who are in the Congress appreciate this great effort on the part of private citizens.

We salute the Family Service Association of America and wish it a very long and successful future career.

Area Redevelopment: Antidote for Unemployment

EXTENSION OF REMARKS
OF
HON. DONALD J. IRWIN
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. IRWIN. Mr. Speaker, on Friday, March 20, I was privileged to appear before a joint committee on State development of the Connecticut General Assembly in Hartford, Conn.

Along with some of my congressional colleagues from my home State, I was asked to present my views on area redevelopment legislation under consideration by this Congress.

This, Mr. Speaker, I was very pleased to do, for I believe strong area redevelopment legislation—legislation with substance—is needed to eradicate joblessness and to help remove economic waste.

I think that my colleagues in Congress would be interested in my comments before the Connecticut Assembly's Joint Legislative Committee on State Development, and, therefore wish to introduce my statement before that group into the CONGRESSIONAL RECORD.

STATEMENT OF CONGRESSMAN DONALD J. IRWIN, BEFORE JOINT COMMITTEE ON STATE DEVELOPMENT OF CONNECTICUT GENERAL ASSEMBLY, ON SENATE JOINT RESOLUTION 13, MARCH 20, 1959

It gives me special pleasure to appear before this committee to present my views on legislation now pending before Congress relating to redevelopment and the alleviation of unemployment in this country and in Connecticut and my district in particular.

As the congressional Representative from the Fourth District, which as of yesterday had 14,000 unemployed, I am vitally concerned with the passage of legislation that will help put these thousands back to work.

In the entire State of Connecticut, according to the March 19 figures released by the employment security division of the Connecticut Labor Department, there are presently 52,067 unemployed.

My district, with 14,000 jobless, therefore, has well over one-fourth of all the unemployed in this State.

Obviously, I am extremely anxious to do whatever I can, as their Representative in Congress, to put this vast number of idle people back to the business of drawing regular pay checks.

Legislation now before Congress which will stimulate area redevelopment unquestionably will contribute materially and effectively to the alleviation of such substantial and persistent unemployment as now exists in Fairfield County.

The city of Bridgeport, for example, second largest in this great State, has nearly 9,000 jobless walking the streets looking for work. Stamford, Danbury, and Norwalk—other cities in my district—have approximately 5,000 more of the unemployed in Fairfield County.

We must do something drastic to wipe out such situations as this—and I repeat that area redevelopment designed to eliminate economically depressed areas should go far toward achieving that goal.

I feel very strongly that the maintenance of the national economy at a high level is vital to the best interests of the Nation, the State, and, of course, my own district.

But only yesterday I heard of layoffs in three cities in my district. A transportation equipment manufacturer in Bridgeport laid off more than 100 people. There were 30 people idled in the hat industry in Danbury, while an electrical products firm in Norwalk furloughed 35 more.

And I think the mere fact that the House Banking and Currency Committee in Washington is plowing through some 50 bills calling for area redevelopment programs throughout the country is proof positive of the seriousness of the problem all over America and not only in Connecticut.

Before leaving Washington, I was informed that the House Banking and Currency Committee intends to conclude its hearings today on all these bills. A committee report will be forthcoming within a few days, I understand.

What will emerge from committee, undoubtedly, will be a compromise bill embracing, certainly, many of the provisions contained in H.R. 2969 and H.R. 3450, which are under discussion here today.

The Senate Banking and Currency Committee has already completed action on area redevelopment legislation and has voted 9 to 6 a bill authorizing $389.5 million for redevelopment of chronically depressed areas. This is a bill similar to the one which President Eisenhower pocket-vetoed in 1958.

I firmly believe the area redevelopment bill which will emerge from the House Banking and Currency Committee (in probability a compromised version of H.R. 2969 and H.R. 3450, sponsored by Congressman BOWLES) is must legislation to bring renewed industrial vitality and thus full employment to such surplus labor areas of Connecticut as Bridgeport, Stamford, Danbury, and Norwalk, where, as I have said, there are now 14,000 jobless.

Other surplus labor areas in Connecticut—Bristol, Danielson, Norwich, Ansonia, Meriden, New Britain, Torrington, Thompsonville, Waterbury, Middletown, Willimantic, and New Haven, to name them—will, of course, similarly benefit.

Proponents of Federal legislation to alleviate unemployment in economically depressed areas—and I am such a proponent—argue quite logically, I think, in claiming that the Federal Government has a clear-cut obligation to promote maximum employment, production and purchasing power.

This obligation, I maintain, is not being fulfilled, is not being met, so long as we have critical pockets of unemployment in communities such as Bridgeport and the other Connecticut communities I have mentioned.

I further maintain that unemployment such as now exists in Connecticut generally and in my district specifically is a threat to the stability of our entire economy.

A depressed area—such as the one in Bridgeport right now—is much like the proverbial acorn which grows into a big oak tree. The local depression, unchecked and unresolved, also can grow and spread to surrounding communities, since the purchasing power of residents in a depressed area is cut below adequate levels.

Something much more than a shot in the arm is needed to restore employment and to encourage the establishment of new industry.

The passage of appropriate legislation by Congress to alleviate unemployment in economically depressed areas will, I believe, provide the industrial stimulant necessary to revitalize the economic health of such cities as Bridgeport and other hard-hit communities of this State and my district.

My esteemed colleague, Senator PRESCOTT BUSH, has opposed area redevelopment legislation, I understand, because of fears that it would stimulate the highly unethical practice of industrial pirating.

H.R. 3450 contains an antipirating clause which, if retained in the final bill brought to the floor, should eliminate Senator BUSH's fears.

In section 6(a) of H.R. 3450 it is stated specifically that "financial assistance shall not be extended to assist establishments relocating from one area to another when such assistance will result in substantial detriments to the area of original location by increasing unemployment."

In summary, I would like to reiterate my belief that adequate area redevelopment legislation is required in the national interest.

The restoration of economically sick areas is essential to the national welfare. Putting these regions back on their feet is an urgent necessity. The Nation and Connecticut need their productive capacities to fight inflation and to maintain the posture of economic strength essential to our survival as a free country.

I maintain that we must not allow the Soviet Union to outstrip this Nation in economic progress.

Consequently, it is dangerous folly to consign millions of Americans to unemployment. Our country and our State must have their fruitful labors and appropriate area redevelopment legislation will go far toward putting the legions of jobless back into the Nation's work force.

Joblessness in large numbers is costly. It cuts heavily into tax revenues. It denies to the market billions of dollars' worth of goods and services. It accounts for large outlays of public funds for unemployment benefits and direct relief.

And vitally necessary as these programs may be, it would be much better for all concerned if the jobless had the opportunity for gainful employment.

We need strong area redevelopment legislation—legislation with substance—to eradicate joblessness and to help remove economic waste.

I thank you most sincerely for inviting me to appear before this committee and I hope my remarks have helped you understand why I feel substantial and appropriate area redevelopment legislation will be good for Connecticut generally and revitalizing for my own district in particular.

Address by Hon. Victor L. Anfuso Before Space Law and Sociology Conference, American Rocket Society

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. McCORMACK. Mr. Speaker, in my extension of remarks I am pleased to include a splendid address made by the gentleman from New York [Mr. ANFUSO] at a luncheon held on March 20, 1959, by the Space Law and Sociology

Conference of the American Rocket Society in New York City. The subject that my distinguished friend, Mr. ANFUSO, discussed is one in which he is well versed. There is no more serious Member of the Congress than the gentleman from New York, [Mr. ANFUSO], who, as a member of the Committee on Science and Astronautics, is rendering outstanding service to our country:

ADDRESS BY THE HONORABLE VICTOR L. ANFUSO, MARCH 20, 1959, BEFORE THE SPACE LAW AND SOCIOLOGY CONFERENCE, AMERICAN ROCKET SOCIETY, UNITED NATIONS PLAZA, NEW YORK

Fellow astronauts, it gives me great pleasure to address you on this historic occasion. This is the first instance, I believe, of formal participation by a congressional committee in a meeting of the American Rocket Society. This partnership of the American scientific and industrial community on the one hand and government on the other is a good augury for the succees of our efforts in creating an adequate space program and devoting its fruits, in concert with other nations, to peaceful purposes for the benefit of all mankind.

There is no need to repeat in this company that space development and exploration are important to the peace and prosperity of the world. Many of you, no doubt, believe as I do that they will inevitably become a joint international enterprise.

Space flight is inherently international. Many space activities require the cooperation of other nations for technical reasons, e.g., the use of tracking or telemetering equipment or geographically suitable launching sites. Costs which are too great for one nation can be shared with others. Human and other resources and facilities can be pooled in a common effort.

You are already familiar with the economic benefits to be expected from the peaceful use of space—for example, in communications, navigation, and weather satellites. There will doubtless be even greater savings and benefits than anyone can now foresee, just as radioisotopes resulting from the atomic energy program have yielded unexpected economies which already amount to roughly $500 million a year.

The peaceful exploration of space will also make possible many kinds of basic investigation—in geophysics, astrophysics, astronomy, and other fields of science. For example, Dr. Hynek of the Smithsonian Institution recently predicted that observations in outer space will do as much for astronomy as Galileo's original invention of the telescope. Dr. Alan T. Waterman, the Director of the National Science Foundation, has stated:

"There is no question whatever that scientific experiments and observations conducted with satellite and space probes will disclose a far-reaching understanding not only of outer space but of conditions upon the earth itself which will progress toward consequences of enormous importance to mankind."

Much of the benefit to be gained from the use of outer space will be lost, or at least limited, unless space development and exploration are carried out as a joint international enterprise. A military race to dominate outer space must be avoided. It will be far less likely if the use of space for peaceful purposes is international, so that national rivalries will not be extended to science or economics nor projected into outer space.

In this connection, let me say a few words about the prospect that within a matter of months the Soviet Union may launch a manned satellite and will represent it to world opinion as a great military achievement. I am not making any prediction out of my personal knowledge, nor am I the first to call attention to this possibility. Almost a year ago Dr. Walter Dornberger, of Peenemunde fame, stated that in 1½ years a spaceship could be built that would carry a man around the globe. In its space handbook the House Select Committee on Astronautics and Space Exploration predicted that the Soviet Union would put such a vehicle into orbit soon. In another report of the same committee, Dr. Frederick Durant expressed his belief that the U.S.S.R. would send a man into orbital flight and recover him several times during 1959. In a recent speech, Dr. Hugh Dryden, the Deputy Director of the NASA, referred to the same event, which he appeared to regard as probable. Earlier this month Dr. Fred Singer said the Soviet Union may put two men into orbit during the middle of the year.

In view of this chorus of opinion in qualified quarters, there seems to be a good chance that the prediction may be accurate.

Putting one or more men into orbit around the earth would certainly be an admirable achievement for which Soviet scientists and engineers and the brave men who first risk their lives in outer space would richly deserve congratulations. At the same time, such a feat, while involving great effort and expense and advanced technique, would not require any great extension of the state of the art nor have any direct military application. It is the responsibility of the ARS members, I suggest, and of others whose expert knowldge and experienced judgment in astronautics entitle their opinions to respect, to help prepare the American public for this possibility and to put the matter in proper perspective. I recognize that the Government shares this responsibility. It also behooves us all to consider appropriate means of preparing world opinion—which has shown itself to be too impressionable and too ready to ascribe immediate military significance to Soviet astronautical feats.

As an American, and especially as an elected official, I am happy to say that Congress and the administration have foreseen with approval the peaceful international development and exploration of outer space. As long ago as January 10, 1957, in his state of the Union message to Congress, President Eisenhower proposed mutual (i.e., international) control of space missiles and satellites. His suggestion was incorporated in formal disarmament proposals submitted by the U.S. delegate to the United Nations 4 days later, calling for the dedication of outer space exclusively to peaceful and scientific purposes and for international responsibility and control of satellites and space missiles. This proposal was sanctioned in December of 1957 by resolution of the General Assembly. In a letter dated January 13, 1958, to the Chairman of the Soviet Council of Ministers (at that time Bulganin), the President offered to agree that outer space be used only for peaceful purposes. Both Houses of Congress unanimously adopted a resolution (H. Con. Res. 332) in June of 1958 calling on all nations to join in the peaceful exploration of outer space. The National Aeronautics and Space Act itself expressly authorizes the Space Administration to engage in a program of international cooperation in peaceful astronautical activities.

More recently, as you know, the General Assembly of the United Nations has voted favorably on a U.S. proposal to establish a study committee on the peaceful uses of outer space. The opening statement of the United Nations resolution recognizes the common interest of mankind in outer space and proclaims that it is the common aim that it should be used for peaceful purposes only.

It is my firm belief that the United States must take the lead in a peaceful and productive international space program.

At present only the United States and the Soviet Union have made the quantum jump into outer space. Soviet cooperation in astronautics with countries of the Western World has been thus far limited, and it is my opinion that division in blocs is not justified when we are concerned with peaceful endeavors destined for the benefit of all. The Soviet Union has cooperated in the IGY program and has agreed to cooperate in the Committee on Space Research (Cospar), established in October 1958 by the International Council of Scientific Unions (ICSU).

We must continue to seek the Soviet Union's cooperation in the peaceful exploration of outer space for the benefit of all mankind. It is our hope that their cooperation will be more extensive in the future because of their invaluable knowledge and experience in this field. To give up hope at this time of reaching an agreement with such an advanced nation in the field of science and astronautics is to admit that a conflict is inevitable and that there is no hope for the world.

Certainly, the foregoing declarations of principles and intent by Congress, the President, and our actions of the United Nations manifest the willingness of the United States to join such a partnership. I believe that the scientists, engineers, technicians, industrialists, and industrial workers of the entire world would rather put their ingenuity to work for an abundant world than one reduced to shambles by total war.

An illuminating example is the nuclear burst in outer space announced yesterday. The American people would doubtless prefer to share the planning of such experiments—and the burden of their execution—with other nations for the benefit of mankind. The announcement of this great achievement, and the indication that its results will be released in accordance with the IGY Agreement, confirms again the willingness of the United States to cooperate as a partner in utilizing the limitless possibilities of outer space.

It is true that a good deal of work in astronautics is already underway in many countries of the free world. In general, however, high costs have deterred both Government and industry. Many foreign scientists and engineers looking for an outlet for their creative abilities and energies are hampered by lack of equipment, facilities and financial support, and are frustrated by lack of Government encouragement.

The situation is ripe for an internationally coordinated astronautics program. Initially, specific astronautical projects could be conducted as joint ventures utilizing the specialties of other countries in scientific talent or other facilities. Plans should soon be made for exchanges of scientific, engineering, and technical personnel among all countries willing to cooperate in a common space effort. American training facilities in the space sciences should provide increasing opportunities for talented foreign students.

Let me emphasize that the measures I have described would be no more than first steps. They can and should be taken now within the authority granted by the National Aeronautics and Space Act to engage in a program of international cooperation.

Beyond such immediate steps there is a clear need for a common space effort among free world governments, as well as among individual scientists and scientific societies. Sooner or later there must be an international organization for space development and exploration, open to all the world's scientists as working participants. I should think that an organization of this kind might develop under the United Nations, perhaps as a result of recommendations to be made by the study committee to the General Assembly in the fall of this year. I am hopeful that the Soviet Union and other bloc countries will cooperate in this great

humanitarian effort. Meanwhile, the free world should take the initiative and set an example in demonstrating the feasibility and fruits of international space cooperation, which will bring greater and greater benefits with every passing year to everyone on earth.

H.R. 5894, a Bill To Clarify and Strengthen the Escape Clause in the Trade Agreements Act

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. SIMPSON of Pennsylvania. Mr. Speaker, last week I introduced a bill, H.R. 5894, which will clarify and strengthen the escape clause in the Trade Agreements Act. Considerable litigation, uncertainty, and hardship have resulted and may continue to result from various attempts to interpret the language of the Trade Agreements Extension Act of 1951 with the many amendments that have been added since that time.

My proposal will, if enacted, make unnecessary costly and time-consuming reviews by the courts. It will clarify the escape clause and will remove serious legal clouds from the actions of the President with regard to past escape clause cases.

My bill in the nature of an amendment to the Trade Agreements Act is designed to do two things:

(a) Permit the President, as he has in the past, to reject the recommendations of the Tariff Commission, or to put them into effect in whole or in part, or to take other action aimed at the remedying of the injury found to exist.

(b) Permit the establishment of a firm date for the termination of escape clause cases so the Tariff Commission could entertain a new application. Under this amendment the Congress would be able to participate in escape clause decisions pursuant to the amendment in the 1958 extension legislation which gave to the Congress authority to apply the Tariff Commission recommendations if it could do so by a two-thirds majority. A third benefit that would result from this amendment is that affected industries would not be left indefinitely hanging in the balance wondering what the final decision, if any, might be.

Although these proposals are largely self-explanatory, I might say just a word about the circumstances that make these amendments necessary.

The President has, in a number of escape clause cases, followed the recommendations of the Tariff Commission only in part, or has used other measures not recommended by the Tariff Commission which he hoped would remedy an injury found to exist. All of these actions have now been brought under a legal cloud by a decision of the customs court which said, in effect, that the President had exceeded his delegated authority. Specifically, the President's action in the so-called bicycle case was held to be in excess of the powers granted to him by Congress in the Trade Agreements Act. That case is being appealed and in due time may be decided by the Court of Customs and Patent Appeals. In the meantime the validity of all similar actions by the President have been placed in question.

My amendment would remove this legal cloud on his current actions as well as those of the past. It would remove the necessity for much legal maneuvering. It is true that the administration has not accepted the finding of the customs court and hopes that the decision will be reversed. Such reversal is by no means certain, in fact some highly respected and experienced lawyers have indicated to me that the language of the present act would hardly permit a reversal. In any event a decision appears to be several months away.

Some of my colleagues may object to this possible broadening of the powers of the President with regard to the escape clause. I hope they will consider the great confusion that would result if the appellate court should uphold the lower court. I suggest they consider the probability that seldom, if ever, would any remedial action whatsoever be taken if the President had only the choice of accepting the Tariff Commission recommendations in full, or of doing nothing.

With regard to the second aspects of the proposed amendment—serious criticism has been directed toward the long delay in executive decision as to final disposition of specific escape clause cases. For example, in one recent rejection of an application for an escape clause study, the Tariff Commission asserted that it had no authority to initiate an investigation because a prior one on the same subject had never been concluded even though that investigation was already 2 years old. In this case the Commission had found unanimously that serious injury had resulted from a lowering of a rate of duty in a trade agreement. The industry had painstakingly proved beyond any doubt that it was being seriously injured and that the tariff reduction in the trade agreement concerned was the cause of the injury.

The President took no action. Neither did he close the case, but kept it open and asked the Tariff Commission for further study of the matter. Even if the President should eventually conclude the case, and even if, at that time, he should take some modified action aimed at remedying the injury, the customs court ruling could render such action an invalid one. If there were an appeal of such a decision an already suffering industry would be forced to go through a long period of further indecision, great expense, and, in the end, the possibility of losing everything.

Under existing law the President is granted 60 days to make up his mind in these cases—an ample time to review the Tariff Commission findings and recommendations and he should not be permitted to extend beyond that period the uncertainty.

We have another major problem in such cases. Such unilateral extension of the 60-day period might remove the Congress from participation in escape clause cases even though a year ago we definitely legislated so that Congress, by two-thirds majority, could put into effect the findings and recommendations of the Tariff Commission should the President refuse to act. Congress and the affected industry should be given clear opportunity to act at the end of the 60 days, and it should not be possible to block the entrance to a new action.

It is only in unusual cases where an industry would want to institute a new investigation immediately after one was concluded, but I have already mentioned one such case. My bill would not require the Tariff Commission to act unreasonably and begin a new study before there was time for any new information to be available. Nevertheless, in the interest of clearcut legislation, the Congress should require that executive action be taken within the time authorized.

I shall press for the consideration of this amendment to the Trade Agreements Act and hope my colleagues will join me in the clarification of what now seems to be serious problems in this area. In taking this action I am not unmindful of the fact that there are other defects in the trade agreement program.

As Republicans, How Do We Stand?

EXTENSION OF REMARKS
OF
HON. WILLIAM H. AVERY
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. AVERY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an excellent address by Secretary of the Interior Fred A. Seaton, at the annual banquet of the Kansas Day Club, Topeka, Kans., January 29, 1959. The address follows:

AS REPUBLICANS, WHERE NOW DO WE STAND?

The pessimists among us may answer: "These are days of black defeat—an unpalatable foretaste of what is to come."

I do acknowledge that not since the avalanche of 1936, when only 89 Republican Members of the House and 17 Republican Senators survived, has our party's representation in Washington been so shrunken.

A second view, hopefully expounded by our opposition, is that these are the days of the great divide—days when the Republican Party is hopelessly split between two wings, each at the throat of the other with such all-out ferocity as to preclude mutual understanding and combined effort.

Whatever the correct appraisal of our situation may be—and everyone is, of course, entitled to his own—I say this: "Where the Republican Party is today is the place to start, not the place to quit."

I refuse to believe that no matter what we do we can't win in 1960, or that we are so hopelessly divided as to make even the effort unworthwhile.

As Republicans, we can unite. Moreover, we've got to unite. We have no other choice if we are devoted to the salvation either of our party or of our country.

Of course, the job won't be easy.

According to a recent Gallup poll, if all American voters—including self-described independents—now were asked to register as party members, 54 percent would line up as Democrats and only 36 percent as Republicans. (Ten percent couldn't bring themselves to express even an academic preference for either party.) Yes, even with our 36 percent as a solid phalanx, our job as of today is rough enough. If that 36 percent were torn into shreds, our job, frankly, would be impossible.

A split party is a luxury only Democrats can occasionally afford. We Republicans can't afford it at all. In our party today a wing doesn't even have a prayer, much less a chance of victory.

We are in the third month of the campaign of 1960.

Now, how do we go about turning to advantage the instruction of defeat?

First, it seems to me that we have to revolutionize our thinking about politics and campaigning.

You and I know some Republicans to whom politics is a four-letter word. You and I know a lot of people who regularly vote Republican but won't run, work, contribute, or sometimes even talk Republican. Unfortunately, there is much to be said for the generalization that while many Democrats make politics a career, too many Republicans view it as a sacrifice.

We must begin now to recruit for every senatorial and congressional seat, for every governorship, and for every State and county office the most capable and articulate candidates we can find. Notwithstanding the fact that a good candidate does not necessarily insure victory, and that good Republican candidates were defeated last November (as witness what happened here in Kansas), it is an unassailable rule of politics to have the best candidates—if you can. Any political party owes that obligation to itself. It owes that to the country even more.

By revolutionizing our thinking about politics—by getting superior candidates and enthusiastic party workers into action day and night now—we can help make sure that we will have turned a dark 1958 into a much brighter 1960.

There is a second much-needed Republican revolution: the shift from negative to positive thought, from reverse to forward drive. We must not limit ourselves to telling people what we are against. We must also tell them what we are for!

Sure, we know our Party's purposes and our Party's accomplishments. We have kept the peace, we have kept the Nation's defenses strong. Since 1953, with the leadership of a Republican President from Kansas, the American people have earned more, built more, saved more, and invested more than ever before; they have enjoyed the biggest tax cut and the biggest advances in social security in American history.

If I may paraphrase a man who ought to know, George Meany, the head of the AFL–CIO, "We have never had it so good." Yet in political debate, what happens? Time and again we Republicans find ourselves cleverly maneuvered into seemingly supporting reaction and negation because of our valid and necessary resistance to the wild, even if oftentimes politically appealing, proposals of the Democrat opposition.

You know, it is a wonderful political advantage to be against nothing except higher taxes.

While it isn't even responsible politics, much less responsible government, it is a fact that up to now many—though not all—Democrats have seemingly found the royal road to political success in advocating just such a program.

The Democratic party's record is there for everyone to see if we just make it plain.

They are for more Federal airport money, road money, welfare money, small business money, urban renewal money, and agricultural price support money while they simultaneously advocate low Federal interest rates, lavish tax cuts, and a Federal budget always in the black. The Democratic National Advisory Council only the other day proposed that Federal interest rates be cut and inflation brought to a halt—simultaneously. It would be quite a trick if they could just do it. In fact, if their being allowed to try wouldn't be so disastrous to the country, it would be to our selfish political advantage to stand aside and let them make the attempt. That, of course, we simply can't do.

To sum it up, those opposition salesmen have been getting away with peddling a unique political model car—one which has two forward speeds, left and right, and a reverse; one which will go in all three gears, forward and backward simultaneously.

Do you remember the state of the Union message—not President Eisenhower's, delivered on January 9—but Senator LYNDON JOHNSON's own unique innovation, delivered 2 days earlier? As I understand his thesis, it was this: The President's spending proposals would be inadequate no matter what they turned out to be.

Self-convinced, the distinguished majority leader proposed a series of Federal programs, all without benefit of dollar figures or without indication of who would pay the bills, if indeed he had in mind that anybody would without resort to increasing the Federal debt and thus helping create more inflation.

In his speech, Senator JOHNSON charged that the President and the Republican Party suffers from a "deficit of vigor." Well, my answer is that Senator JOHNSON and his party have an unusual vigor for deficits.

Sure, you and I know the political flivvers of the opposition are phonies. But have we really proved it to the American people? The answer is obvious. We haven't—yet. Nor can we do it by simply digging in to resist one politically appealing spending scheme after another. That simply makes our opponents look great hearted and makes us look stingy. What we have got to do is to climb out of our defensive trenches, go over the top and launch an offensive onslaught of our own.

One thing is certain. If we are to get our message across, we must translate it into words and terms that are commonly understood. Above everything else, we must translate it into local terms—words and facts which make our thesis crystal clear in every locality in America.

After all, most people don't care what happens to the Republican Party as such, our job is to show that when we lose, they also lose.

For example, take the proposal for a Federal dam at the Hells Canyon site on the Snake River in Idaho. We are told that issue will be raised again in the new Congress, and raised for the sixth time.

The fact is, the proposal for a high Federal dam at Hells Canyon is the reclamation fraud of the 20th century. Not one single acre of irrigated land has ever been directly connected with it.

It would cost the taxpayers of America nearly $600 million, exclusive of any damage claims paid to the Idaho Power Co. Non-Federal development of the same stretch of the same river, which began in 1956, will produce roughly the same results in power production and all the flood control needed in that area, and it costs the taxpayers nothing.

Now, to some people an additional $600 million may not seem to be of much consequence when included in a Federal budget of billions. But consider it this way: $600 million would pay for the Almena Unit of the Missouri River Basin project nearly 40 times, it would pay for the Kanopolis Unit more than 40 times. It would buy more than 50,000 miles of Kansas primary highway or 15,000 elementary and high school classrooms.

Of course, you could save the $600 million altogether, use it to reduce the Federal debt or reduce taxes. Some would call that old-fashioned, but it's an idea, anyway.

When you put the facts that way, people understand what such wild spending schemes mean to them in terms of what they desire or need from Government.

Then ask them this: What happens if all these new and renewed spending proposals become law—those which are vital, those which are nice but not absolutely necessary now, those which are ludicrous?

Who pays?

You know the answer: Every man or woman who makes out a Form 1040 between January and April.

But suppose the greathearted spenders on Capitol Hill just don't have the heart to raise taxes? Suppose they just increase the Federal debt?

The answer's the same: We—you and I—will pay anyway, and our children will pay, and we'll pay in a rougher and more dangerous and costly way: Through inflation, plus more taxes in the end.

For a family or a government, it's always easy in the beginning to spend all your income and then go borrowing. What's hard is to stay in the black, to put something aside. If the Federal Government can't do so now, in a time of high and rising prosperity, when can we citizens hope for relief from the crushing burdens of an ever higher Federal debt or high taxes? You and I know the answer—never.

Time and again the President has put just that question to the American people and the Congress. It lies behind his presentation to the Congress of a 1960 Federal budget which is in balance.

He knows, as you and I know, that unless people throughout America wake up to the renewed threat to the buying power of their dollar which is involved in the Democrats' congressional program, a lot of Americans are going to get hurt, and the country is going to suffer, and deeply. That is just as inevitable as death and taxes.

Oh, yes, some people doubt the danger. Even some of those who stand to get hurt the most say: "Let prices go up, my union will protect me; I'm on an escalator clause." To be sure, there are 4½ million workers who have some such assurances that they can keep their heads above water—so long as their employers are in business—though they may not gain against the tide. But in the total civilian labor force, a worker on an escalator is 1 man or woman in 16. What about the other 15? For them, wages are on the ground, while prices will be in an elevator headed for the roof.

Not only that, all 16 workers will one day probably be living in part on social security payments: Already there are 14 million Americans receiving benefits under various Federal pension plans, plus another million and a half under private plans. When retirement time comes, escalator clauses are worthless. The dollar bill, I remind you, is neither Republican nor Democrat. When it goes sour, people of either political affiliation—or none—who are on fixed incomes, suffer.

The grim reaper also has no politics. One hundred twenty-four million Americans now own life insurance policies. If you, for example, should die tomorrow, would you want your wife and children to face certain inflation while subsisting on fixed payments from the insurance company, to have the digits on the monthly payment check never change and the prices on tags in every store keep increasing?

You know people who say, well, it did happen in Germany, and only recently in France; but it can't happen here.

Can't it? Think back to the Truman years, 1945–52. The Consumer Price Index went up 18 points. To be sure, that's a statistic. Putting it in plain, everyday language, what it means is that the price of a pair of overalls went from $2.10 to $3.46—an increase of 65 percent; that the price of a pound of white bread went from 9½ cents to 16 cents—an increase of 68 percent; that the price of a 10-foot two-by-four went from 45 cents to 84 cents—an increase of 88 percent; and the price of a two-bottom plow went from $136 to $255—another increase of 88 percent.

Price increases at the same rate, beginning now, would, within 7 years, take the pair of overalls to $5.77; the price of bread to 31 cents a pound; the price of lumber to $263 per thousand board-feet; the price of a plow to $525.

And I'm sure you remember another thing: The controls that went with this seemingly uncontrollable upward-thrust in prices. I'm sure you remember the Office of Price Stabilization, which fastened small white tags to items after item you had to buy—socks and shoes, toasters, and frying pans.

The Eisenhower administration, I can assure you, is still dead set against controls. And it's still dead set against the weakening of your dollar's buying power. It's against the return of either the disease or the proposed remedy.

That's why the President wants a balanced budget.

That's why, in his state of the Union message, he urged the Congress to amend the Employment Act of 1946 in order to declare it the continuing responsibility of the Federal Government to combat inflation.

That's why we in the administration will fight with all our ability against every spending proposal of those who think that now is the time to launch a new, New Deal.

By taking the offensive, we Republicans can show that contrary to some pundits of political persuasion, being for the dollar is often the best way of being for the man—including the wage earner, the farmer, the housewife, and their children.

What good are wage or profit rises if offset by continual price increases and more taxes? What good is it to talk about bigger and better insurance policies, or higher pensions, when their value is constantly being eaten away by the cancer of inflation?

Don't ever let anyone get away with saying that your party—the Republican Party—yields to any other on the face of this land in its concern for every working man and woman. Since 1953, all American wage earners, organized or not, have made unprecedented gains. And remember, with this record to run on in 1956, a Republican President, Dwight D. Eisenhower, won from 30 percent to 50 percent of the labor vote in one major industrial center after another—an even higher percentage than he had won in 1952.

If we'll just hammer and hammer and hammer those facts across; we shall go far toward victory in a third Republican revolution. By ripping off once and for all the false labels our opponents have pasted on us, we can reveal the true image of the Republican Party as the party of the American people—all 175 million of them.

Can we accomplish these three revolutions—the revolution in our attitude toward politics, the shift from negative to positive thought, the restoration of the Republican Party's true image? Of course we can. The unanimous adoption of the Des Moines conference last week of Chairman Alcorn's plan for revitalizing the party is a heartening indication we're already moving in the right direction.

Every Kansan surely remembers the Republican resurgence of 1952 with a man from Abilene leading the fight—Dwight D. Eisenhower.

We should never forget what he did that year under his leadership. Nor should we forget what happened in England the year before. The two, taken together, point the way for us between now and 1960.

Following the defeat of 1945, the British Conservatives rebuilt British conservatism. They got rank and file party members to make regular contributions to the party, invigorated its appeal to labor, to intellectuals, and to the young; and started campaigning the year 'round to bring to everyone its principal product, fact.

And in 1951 they won.

The moral for us is clear. Here in the United States in 1958, 1959, and 1960, we Republicans can and must build on fact for victory. We can and must put fight and heart into our party. Once we've accomplished that, we will win, and we will deserve to win.

The time to begin moving is now.

The Area Redevelopment Act

EXTENSION OF REMARKS
OF

HON. HERMAN TOLL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. TOLL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the Banking and Currency Committee in favor of the area redevelopment bill.

STATEMENT OF HERMAN TOLL, SIXTH DISTRICT, PENNSYLVANIA, BEFORE SUBCOMMITTEE NO. 3, HOUSE BANKING AND CURRENCY COMMITTEE, ON THE AREA REDEVELOPMENT ACT, MARCH 19, 1959

Mr. Chairman and members of the subcommittee, thank you for the opportunity of presenting this statement in behalf of the Area Redevelopment Act. I have introduced a companion bill (H.R. 5330) to the Douglas-Flood bill.

We hear again and again from the executive branch that cities and States should try to help themselves to the greatest extent possible. Unfortunately, the tax structure leaves to the cities only a small portion of the total tax dollars. The only method which would enable cities to take care of more of their problems is to give them a chance to increase their tax base—as the possibility of raising the tax rate or adding new taxes is virtually exhausted. The imaginative aid which would be given to my home city, Philadelphia, for instance, through the various provisions of the bill before us would do just that.

While it is true that Philadelphia, or for that matter any diversified metropolitan area, is not as badly off as the chronically depressed coal or textile areas, it is also true that Philadelphia is in a worse economic condition than the Nation as a whole. Among the reasons are that some industries, such as textiles, have left the city over time, that there are, among a large number of different industries in an old manufacturing center, always some which are in a weak competitive position, or are losing employment due to automation; and that manufacturing employment in an older area like Philadelphia declines due to its congestion, its built-up character, and the fact that it does not have space for industry to expand in, or for new industry to find attractive places in which to build new plants. This situation, as well as transportation difficulties and obsolescence, is particularly bad in and near the core of the city where small but intensive manufacturing establishments would like to locate from the point of view of their consumers, their suppliers, or their labor force. The decline of this type of manufacturing industry and of associated business services in the core of the city, which is serving the entire metropolitan area, endangers the function of the center as a cohesive force, and thus Philadelphia's entire tax base.

Section 5E of the bill is specifically designed to help this type problem by permitting not only entire metropolitan areas, not only entire counties, but clearly defined portions of an area, county, or municipality, to become eligible for help under the Area Redevelopment Act if the problem clearly lies within such a portion of the city. This should not be understood as giving an opening to arbitrary gerrymandering. The center city of Philadelphia, for example, where many of the problems lie for which the Area Redevelopment Act can provide some help, is clearly defined by the proposed expressway loop, as well as by certain economic characteristics. The importance of this provision lies in the fact that due to it an entire metropolitan area will not be judged ineligible just because the suburbs are sufficiently well off to balance the unemployment rate of the problem areas and thus put the total area beyond eligibility, while the problems are concentrated in one particular portion of the area, which need the help this bill can provide.

Philadelphia is typical of older cities which suffer from obsolescence and congestion. Neither the municipality nor private enterprise have the funds to tear down obsolete buildings at these expensive locations and make more room for existing industry, for expansion of off-street loading, for parking, and so forth. Yet the industrial slums created over time by increasing age and progressing technology near the center of cities must be eliminated and new industrial areas must be developed in order to give the city a tax base which can sustain the necessary municipal services without having to go hat in hand to the State and Federal Governments for emergency help just to keep up with current needs.

Section 14 of the bill, by explicitly removing some of the restrictions which have so far inhibited industrial redevelopment under the existing urban renewal legislation, makes it possible to do some redevelopment of industrial slums along with residential slum clearance. It will still be up to the local authorities to decide what the best balance should be between industrial redevelopment and other kinds of slum clearance; but the provision of this section gives the city a chance to redress this balance on the basis of its own best judgment and thus to make room for new industry and for an increased tax base.

Philadelphia has been consistently concerned over the last several years with the problem of a declining industrial base. It has done everything within its power to remedy that situation. The city administration has joined with the chamber of commerce in founding a nonprofit corporation for the retention of industry in the city, and the attraction of new industry into the city which, although it has only been in actual operation for a few months, has already shown some remarkable successes. The State has spent millions over the last few years for bringing industry into Pennsylvania, and Philadelphia has received a portion of this help. There again, however, the limits of available private and public funds are very evident.

The Area Redevelopment Act provides funds for all kinds of remedial action on this problem, and makes it possible to dovetail these remedies with particular problems involved. It provides, for example, for loans

for developing land for industry, for building plants, and even for machinery and equipment for industry. This last possibility is particularly important, as our experience shows that the financing of construction of new buildings and equipping it with the necessary new machinery presents a major stumbling block for attracting new industry or for giving a chance of new ventures to industry already here. As for the development of older industry, particularly in loft structures, which cannot afford or do not need entirely new buildings, the Area Redevelopment Act provides for loans for rehabilitation of old buildings, for their conversion or enlargement (section 6). The flexibility of this section is of signal importance for the complicated and varied needs of different industries within as diversified an area as Philadelphia.

The demands from many sides upon the capital expenditures of a city such as Philadelphia makes it very hard to support industry with the public facilities which are in many cases a prerequisite for enlarging the city's economic base. Section 7 provides for loans to any eligible jurisdiction for those public facilities needed to develop the land for industry, as well as for the alteration and improvement of existing public facilities for the successful establishment or expansion of industrial plants or facilities. Section 8 even provides for grants for this purpose. In many cases the improvement or extension of existing utilities must precede the successful location of industry. The building of parking lots or parking garages will make it possible for a large labor force to be available to new industry locating within the city. A new grid of streets adapted to truck use around an industrial area may be necessary before loans to industry are of practical use, etc.

Philadelphia, as mentioned before, has lost industry in the past. This leaves a number of workers with obsolescent skills. Under the present system these men retrain only if it can be proven that a job is waiting for them after their training period. Sections 16 and 17 of this bill provide for training and retraining of workers and for payment of subsistence to them while they train. This is also of great use for workers who lack industrial competence and the basic knowledge of working in an industrial society (because they come from rural areas, largely in the South). As the number of workers without skills or with obsolete skills in Philadelphia is great, this provision of the bill, which helps overcome the rigidity of the existing training apparatus, would make it possible for more workers to be equipped with the kind of skills useful in today's and tomorrow's labor market—which in turn makes the location a great deal more attractive to industry.

The Area Redevelopment Act would give Philadelphia a chance to fully use the great locational advantages and the splendid community spirit it has to offer to old and new industry, by making it possible to offer industry the public facilities, the necessary loans, the training of workers, etc., all of which adds up to a persuasive argument for old firms not to leave the city and for new firms to build plants here. It so happens that the city's efforts in this direction show clearly (and chapter and verse can be cited) that the best will in the world and great community efforts time and again flounder on the difficulty of obtaining financing for clearing out industrial obsolescence, of being unable to provide needed public facilities in time, etc.—all problems which in each case could be solved by the help promised in the Area Redevelopment Act. It is therefore not only of great importance for the chronically and deeply depressed areas of Pennsylvania, but also of vital importance to the well-being of the 2 million residents of the city of Philadelphia that this bill be passed.

Strontium 90

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 23, 1959

Mr. WOLF. Mr. Speaker, herein are certain letters to the chairman of the Joint Congressional Committee on Atomic Energy; letters that the Defense Department apparently wanted kept secret because they present certain disturbing facts; namely, that more fallout exists over the United States than any other country and that strontium 90 contaminates the earth at a faster rate than was originally conceived by scientists.

I might add in passing that one of the most insidious results of the continuing crisis with the Soviet Union is the subtle change that has occurred in the United States in the field of public information. The refusal of the executive branch to keep the public informed of scientific data concerning radioactive fallout and other science and defense subjects has resulted in an uninformed and unaware public in issues which are life and death matters to the public. We are all aware that rational decisions on science and defense policy can only be made when facts are available. If these facts are not available to the general public, the public cannot participate in making decisions which concern their destinies. Decisionmaking falls to fewer and fewer men who cannot be questioned or criticized because the people do not have the facts. This false security consciousness must be stopped before the public loses all power over its servant, the Government.

We in the United States have prided ourselves on our right to know, on freedom of the press, and on freedom from censorship. It is a terrifying thing to think that we may be losing the fight against tyranny internally because we are not forever aware and vigilant in protecting these basic rights.

The letters follow:

[From the New York Times, Mar. 22, 1959]

TEXTS OF DOCUMENTS MADE PUBLIC BY ANDERSON ON FALLOUT OF RADIOACTIVE MATERIALS

STATEMENT BY ANDERSON

In commenting the other day on the Defense Department leak of classified information on the Argus shots—high-altitude nuclear explosions in the South Atlantic in September 1958—I pointed out that it was curious that the Defense Department at the same time was gagging the Joint Committee on making public some important data on fallout from weapon tests.

The Defense Department and the AEC (Atomic Energy Commission) have now released their fallout correspondence with classified deletions, and it is made public in the attachments. First is a letter to me dated February 19, 1959, by the Defense Department revealing new data from classified sources on the residence time of fallout in the stratosphere, and the areas of maximum dripout. Next is a letter from the AEC spokesman, Dr. W. F. Libby, commenting on the Defense Department letter and research project on which it is based. Then there is a transmittal letter from AEC stating their official reservations. Finally there is a brief chronology of our attempts to make this information public.

The process of making public any fallout information is an example of how difficult it is to make available to the public the information it is entitled to have.

The February 19 Defense Department letter states that their measurements indicate that the radioactivity in the stratosphere has a residence half-life of 2 years, instead of 7 years as had previously been assumed by AEC. It also indicates that there is a latitude band of maximum dripout of the fallout from the stratosphere which occurs from 35° to 50° north or south. This area includes the northern part of the United States, and the letter states that the concentration of strontium 90 on the surface of the earth is greater in the United States than in any other area in the world.

In laymen's language, it looks like strontium 90 isn't staying up in there as long as AEC told us it would, and the fallout is greatest on the United States. Perhaps this information may account, in part, for the recent higher readings of radioactivity in soils and plants.

This new data appears to further contradict the official doctrine of AEC spokesmen as to residence time of fallout in the stratosphere and the theory that stratospheric fallout tends to drip out uniformly throughout the earth. The AEC letter of February 27, 1959, ought to be checked for consistency with the speech of the same AEC spokesman on March 13, 1959, at Seattle.

The Joint Committee will look into these matters when it holds its fallout hearings in May of this year under the chairmanship of Congressman CHET HOLIFIELD (Democrat, of California) of the special Subcommittee on Radiation.

DEFENSE DEPARTMENT LETTER

FEBRUARY 19, 1959.

DEAR MR. CHAIRMAN: The following is a brief status report outlining the present programs for analyzing and evaluating the radiation hazards resulting from atomic detonations:

Fallout reports from Operation Redwing (1956), Plumbbob (1957), and Hardtack (1958) are currently under preparation.

The hazards of local contamination from nuclear-weapon detonations have been fairly well delineated. However, the difficulty in accurately predicting the rapidly varying atmospheric conditions results in uncertainties as to the area of fallout. Predictions of local fallout contours from enemy bombs must be based on a large number of assumptions, such as the type of weapon, height of burst, and yield. These unknowns do not allow accurate prediction of fallout from enemy bursts during wartime. Delineation of contaminated areas by airborne radio instruments after deposition of the fallout is presently practicable and will be of considerable military and civil value during wartime.

The deposition of worldwide fallout or worldwide surface contamination is now beginning to be accurately measured * * * (classified portion deleted) * * *. Recent indications are that the radioactivity in the stratosphere has a residence half-life of 2 years (in contrast to the previously assumed value of about 7 years) and the present amount of strontium 90 in the stratosphere would be maintained by the injection of about 6 megatons of fission products per year. The concentration of the strontium 90 on the surface of the earth is greater in the United States than in any other area of the world. The danger of carbon 14 and cesium 137 has been examined and the immediate probability of any one individual being affected is about 1 in 500,000.

The risk of damage resulting from the testing of weapons is, therefore, extremely

small and much less than other common day occurrences such as X-rays, contaminants, household cleaners, etc. However, the probable casualties attributable to radioisotopes from weapons testing when summed over the populations of thousands of years create a moral issue that could be of considerable propaganda importance.

The distribution of the radioactive debris in the stratosphere as a result of detonations to date is not clearly defined as to its altitude and latitude variation. The altitude dependence partially determines the dripout rate and the latitude dependence influences the extent to which the worldwide fallout is uniform over the earth. Tentative conclusions to date indicate that three-tenths of the quantity of radioactive debris leaves the stratosphere each year, that the north-south diffusion of radioactive particles in the stratosphere does exist, and that in both hemispheres there is a latitude band of maximum dripout which is from 35° to 50° north or south.

There is a need for more experimental and collecting programs in the following areas of the effects and behavior of fallout from nuclear weapons:

(a) Amount of fallout deposited locally from a low height of burst.

(b) More accurate determination of the dripout rate of radioactive particles from the stratosphere.

(c) Further define the estimate of the amount of radioactivity formed per kiloton of fission yield.

(d) The refinement of measuring techniques to account for all radioactivity produced from a nuclear yield.

(e) Advancements in the knowledge of fireball chemistry, physics, and particle behavior.

(f) Response of biological systems to radiation.

Sincerely yours,

HERBERT B. LOPER,
Assistant to the Secretary of Defense (Atomic Energy).

LETTER FROM DR. LIBBY

FEBRUARY 27, 1959.

Hon. HERBERT B. LOPER,
Chairman, Military Liaison Committee.

DEAR GENERAL LOPER: In connection with your letter to Senator ANDERSON of February 19, 1959, concerning radiation hazards resulting from atomic detonations, I have just completed a study of data which you kindly made available to us last December. I am sorry that, because of the complexity of the problem and my preoccupation with other duties, I have been so slow in finishing my consideration of the data and in sending on my comments.

I think your letter to Senator ANDERSON is an excellent exposition of the present position we are in. There are, however, one or two points you make, on which I believe further words are necessary in order to resolve some questions.

The extensive data that have already been published by Project Sunshine and the United Kingdom study group, together with your beautiful * * * work, still leave us, despite their great volume and complexity, in some uncertainty, as you say, as to the distribution of the radioactive debris in the stratosphere to both altitude and latitude variation, since the altitude variation determines in part the dripout rate and thus the residence half-life in the stratosphere, this quantity is left in some doubt. My own present conclusion is in agreement with yours as stated in your letter, in that my previous value of 7 years for this important number is too long and that it should be reduced. In a restudy of this question, being released March 13 in Seattle, a copy of which will be sent you as soon as it is printed, a new value of about 4 years rather than the earlier 7 is arrived at. I find it difficult to push it down to the 2 years you give as an indicative value.

On the amount of strontium 90 in the stratosphere, at the present time there is a somewhat larger difference in our estimates which may be due to your not having included the Russian series of last October which in itself alone, according to my estimates, increased the stratospheric inventory by about 50 percent You give the present inventory as requiring 6 megatons (megatons fission equivalent) per year to be maintained at its present level. For a half-life of 2 years this corresponds to only 17 megatons total and appears to leave too little room for the injections from tests before last October, which I estimate still have left some 25 to 30 megatons and a corresponding required rate of injection for steady maintenance of about 7 megatons per year. The closeness of this figure to your 6 megatons per year number shows how badly we need further information on the actual stratospheric content.

Evidence increasing

You indicate that the stratospheric fallout occurs at maximum rates in the 30°–50° bands of latitude in both hemispheres. This old argument still is not quite settled, I believe, although the evidence in favor of your conclusion is increasing. My principal difficulties with it at the moment are that we know that a considerable part of the peak in observed fallout in these latitudes in the Northern Hemisphere is due to tropospheric or local fallout which was never in the stratosphere and the evidence for a corresponding peak in the Southern Hemisphere seems to be rather weak.

With respect to the carbon 14 and cesium 137 hazards, the laboratories measuring radiocarbon dates in various parts of this country, in Europe and New Zealand have sent me data on the present increase in the carbon 14 content of living matter which amounts to about 10 percent of the natural level of carbon 14 from the cosmic rays which in itself corresponds to about 1.5 milliroentgen per year—about 1.5 percent of the average total natural dose rate. Turning to cesium 137, Dr. E. C. Anderson in the Health Division at our Los Alamos Laboratory has just reported data on the human level in the United States and Europe for the late summer and early fall of last year which amount to an average of about 75 micromicrocuries per gram of body potassium for an internal dose rate of about 3 milliroentgens per year. The total cesium 137 fallout in the United States now amounts to about 50 millicuries per square mile. This adds about 1 milliroentgen per year of external dose for a total of about 4 milliroentgens per year due to cesium 137 which is about 3 percent of the natural average radiation dose rate from natural radioactivity and the cosmic rays. I can't tell whether these numbers are in strict keeping with your estimate that the immediate probability of any one individual being affected by bomb test carbon 14 and cesium 137 is about 1 in 500,000 but I think your estimate looks reasonable.

On the many other points in your letter I find myself in complete agreement, particularly about the importance of more experimental and collecting programs on the amount of fallout deposited locally from a low height of burst. Since it may be that we will not again have the opportunity to test devices, at least above ground, it is particularly important to consider whether we may not collect more information at this point from past tests. I believe there are some possibilities of doing this and I suggest that we undertake such a program jointly right away.

W. F. LIBBY,
Commissioner, Atomic Energy Commission.

AEC LETTER

(From the General Manager to the Joint Committee, received March 21, 1959.)

This is in reply to your letter of March 9, 1959, by which you forward a copy of General Loper's letter to Senator ANDERSON dated February 19, 1959, and requested our comments thereon.

Commissioner W. F. Libby has written his comments to General Loper in a letter dated February 27, a copy of which was sent to Senator ANDERSON at that time. For your convenience another copy of Dr. Libby's letter is attached.

The revised estimates of stratospheric burden and the residence time presented by General Loper are consistent both with the data referred to by General Loper and with the "Ash Can" data obtained by the Atomic Energy Commission in its balloon sampling up to 90,000 feet. However, it should be kept in mind that knowledge of the stratospheric content alone is not sufficient to determine retention time. In addition, one needs the knowledge of either the stratospheric injection or of total stratospheric fallout as a function of time. Within the range of accuracy with which fallout has been measured, observed fallout to date is not incompatible with General Loper's estimate of the injection rate which would be required to maintain the present stratospheric burden.

The two main reasons for the uncertainty in the stratospheric burden and residence time are (1) that the entire stratosphere has not been adequately surveyed from pole to pole and up to altitudes beyond which the overlying radioactive debris can be confidently neglected and (2) that the data obtained at the higher altitudes by balloon only are subject to sizable sampling errors, uncertainties of collection efficiency of the sampling filters, and radiochemical analysis errors due to the small amounts collected.

As a consequence of these uncertainties we do not consider that the data now available are sufficiently decisive to resolve the differences between the estimates of stratospheric content and retention time made by General Loper and the higher estimates given by Dr. Libby in his letter to General Loper. It may be observed that on the basis of the estimates made by General Loper the total worldwide fallout of long-lived radioactive fission products anticipated from all tests up to date would be roughly two times the total deposition so far and that on the basis of Dr. Libby's estimate the total would be roughly three times.

We concur with General Loper in recognizing the need for further investigation along the lines suggested in his letter. We plan to continue our efforts in all these fields. In particular, we hope to be able to differentiate Operation Hardtack surface-burst debris and high-altitude debris, by analysis of tungsten and rhodium isotopes respectively, and, in turn, to distinguish these from the recent U.S.S.R. debris. In this way it should be possible to obtain a much better picture of the actual patterns and rates of spread of stratospheric debris originating in different latitudes and altitudes.

The information bracketed in red on the first page of the attached copy of Dr. Libby's letter of February 27, 1959, is considered by the originating agencies to be confidential defense information. With these deletions Dr. Libby's letter is declassified.

Sincerely yours,

(S) A. R. LUDECKE,
General Manager.

CHRONOLOGY

Brief chronology of action by Joint Committee on Atomic Energy to make public Defense Department report on fallout:

December 1958: Dr. Libby furnished new data by Defense Department indicating that

the radioactivity in the stratosphere has a residence half-life of 2 years instead of previously assumed value of 7 years.

February 20, 1959: Joint Committee received fallout report by the Department of Defense dated February 19, 1959 classified "Confidential—Restricted Data."

February 27, 1959: Confidential letter sent to Defense Department by Dr. Libby with copy to Joint Committee chairman in which Dr. Libby arrived at new value of 4 years instead of previous 7 years.

March 9, 1959: Joint Committee by letter this date to the Defense Department questioned the reasons for the confidential classification of the report and inquired as to what extent the information could be discussed in public without compromising classified information. A separate letter this date was also sent to the AEC requesting the Commission's views on the report and to what extent the conclusions affected previous assumptions and statements.

March 13, 1959: Restudy by AEC of worldwide stratospheric fallout released at Seattle, Wash., in which no mention of Defense Department study is made and which maintains position of a residence time of 5 to 10 years, selecting 6 years as the mean residence time of stratospheric fallout. Results of another AEC analysis Project Ash Can which indicated a residence time of 3 years was discounted as being doubtful. No mention was made that the Department of Defense conclusions of residence of half-life of 2 years tended to support results of Project Ash Can.

March 18, 1959: By letter, the Defense Department advised the Joint Committee that only one sentence in the report contained classified information and after identifying it went on to state:

"Although the remainder of the letter is unclassified, the Department recommends that it not be discussed in public because there is not full agreement as to the interpretation of the data that has been obtained so far. We believe it would be far better before the date and conclusions are made public that there be a close agreement amongst the investigators concerned. Therefore, we believe that until the results are more than preliminary, the confidential classification should remain on the letter."

March 20, 1959: Letter received by Joint Committee from the Defense Department advising the report could be made public with deletion of the one classified sentence.

March 21, 1959: Letter received from AEC stating what portion of Dr. Libby's confidential letter of February 27, 1959, to the Department of Defense does not contain classified information.

Letter and report released by Joint Committee after deletion of classified information.

An Analysis of the Farm Situation

EXTENSION OF REMARKS

OF

HON. PAUL C. JONES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 23, 1959

Mr. JONES of Missouri. Mr. Speaker, under leave to extend my remarks, I am including herewith an address, given last week by the junior Senator from Missouri, the Honorable STUART SYMINGTON, at the annual National Farmers Union convention, held at Springfield, Ill.

Senator SYMINGTON, with a business background and with an illustrious record as a devoted public servant who rendered an outstanding service in many branches of the executive department of our Government, before being elected to the U.S. Senate, has within a very brief period become one of the recognized exponents of a sound agricultural program. He has a faculty of analyzing the problem, and then being capable of expressing this analysis in simple terms that can be understood even by those who have little or no knowledge of what is admittedly one of the more pressing problems of this era.

Mr. Speaker, it is for this reason that I have requested permission for the printing of this speech, which I hope all of the Members of Congress will read. It does point up the problem; it explains why we are in the position we now find ourselves, but more important it suggests some of the things that can be done to alleviate the situation.

It gives hope, as indicated in the very title of his address, which I am informed was enthusiastically received by these in attendance at the Springfield convention.

AN EFFECTIVE FARM PROGRAM POSSIBLE

It is a privilege to be with you at your annual convention—to see farmers here from all over the country, working together.

You have an ambitious schedule ahead for the next 4 days. I know you will be working hard to prepare a program which will meet the common needs of the farmers of America.

I wish I could stay with you all week, to hear your advice on what can be done in Congress to write a constructive program.

We of the Senate Agriculture Committee know that the members of the Farmers Union are dedicated to the service of farm families, first, last and always.

Your president, Jim Patton, and I have been friends for many years.

We served together in the National Security Resources Board. I found out then what we all know, that Jim is an experienced analyst on the farmers' problem, the finest type of leader American farmers could have.

I am also delighted to see your general counsel, my old colleague, Charlie Brannan.

Charlie and I used to work together for a great dirt farmer, a man people respect primarily because he respects people, the No. 1 citizen of my State, Harry S. Truman.

We of the Agriculture Committee also think a great deal of your Washington representative, John Baker.

John gets just about the most done, with the least words of anybody in Washington.

Before coming into Government most of my experience was in business. But my brother and I raised cattle for many years.

During that time I learned that, fundamentally, farming is a business too, involving such matters as inventory, and assets and liabilities, and of course profit and loss.

My State of Missouri is one of the largest farm States in the Nation.

Agriculture is our largest single industry—in fact, our only billion dollar industry.

One-fourth of the people of Missouri live or work on the farm.

When I came to the Senate, my mail proved that no people in our State have greater troubles than the farmers.

So it seemed right for me to work to get on the Agriculture Committee. I have been there now, for some years, watching the incredible approach of this administration toward the problems of the family size farm; and doing my best to correct them.

I try to look at this problem as a businessman; therefore from the standpoint of what we would call good business practice under sound accounting principles.

If any businessman tried to run his plant or office the way the Department of Agriculture has been run in recent years, he would promptly go broke.

Secretary Benson has spent nearly $30 billion of the taxpayers' money on a farm program that hasn't worked.

And they said the Brannan plan was expensive.

Since the Department of Agriculture was created in 1889, there have been 14 Secretaries of Agriculture plus Secretary Benson.

If Mr. Benson continues to operate at the present rate, by the end of the next fiscal year he will have spent more money than all his 14 predecessors combined.

Let some of the figures, his own figures, speak for themselves.

This Administration has raised the cost of administering the price support program from $34 million in 1952, to $364 million in 1958 an increase of 954 percent.

Twenty-two thousand employees have been added to the payroll.

What worries me more than the past, however, is the growing realization that the people now running the Department of Agriculture simply do not know where they are going.

As example, consider the current problem of Government farm inventory.

Any businessman knows that excess inventory can be his Achilles heel.

If a concern is to be successful, inventories have to be moved.

In 1952, the Commodity Credit Corporation owned some $1 billion of farm commodities.

Today, six years later, it owns over $5 billion.

But that is far from the whole story.

According to the President's budget message, by June, 1960, the total CCC investment—inventory and loans—will be over $10 billion.

And let me make this prediction today. Based on the current Government corn support policy, price supports on corn with no controls of any kind whatever—that inventory estimate of the President's is going to turn out to be plenty conservative.

A few weeks ago, when Mr. Benson came before our committee to ask for authorization for more billions, we asked him questions any banker would ask any businessman who requested a loan.

I asked him whether he had any definite plans to move this gigantic inventory out of Government warehouses.

The Secretary said he did not.

I asked him how much inventory he could move this year.

He said he did not know.

I asked him how long it would take to move it.

He said he didn't know that either.

On that basis, if it were your money, would you loan him any more?

But it is your money, and my money, and the money of millions of other Americans.

Maybe the men in charge of our farm policies are not good businessmen but they are very good advertising men.

They plant their propaganda into city newspapers and weekly magazines favorable to their cause. In this and other ways they have been highly successful in influencing city folks who do not have access to the facts.

If these people had been half as successful helping farmers as they have been spreading fairy tales about farmers, we would have a far better farm program today.

One of the stories these bureaucrats try to sell is that the farm problem is the result of the inefficiency of our farmers.

That is just not true.

American farmers are the most efficient and productive farmers in the world.

As illustration, here are a few figures.

Last year, average per acre yields on nearly every major commodity set new records.

We now produce the same amount of food and fiber on 57 acres that in 1940 we produced on 100 acres.

This Nation produces more pounds of meat, with less feed, than ever before.

Since 1944, milk production per cow has increased 39 percent.

And who have reaped the benefits of this great productivity?

Primarily the American consumers, the best-fed and best-clothed people on the face of the earth.

Another misconception, currently cultivated by some, concerns how hard farmers work.

I don't think the average city family has any real idea about the expense, the work, the risk that farmers put into the loaf of bread, or the thick steak, or the quart of milk which shows up so miraculously on the kitchen table.

It takes a lot more than pushing buttons on some automated farm gadget.

It takes hard work, 12, 14, sometimes 16 hours a day.

How many people know how it feels to lose a prize calf, or suffer prolonged drought, or see a whole year's investment destroyed by one June hailstorm, or one late-season frost?

And I am sure few of those city people have any idea what it is like, in terms of trial, tribulation, and heartbreak, to live through 6 years of Ezra Taft Benson.

There is a third misconception which stands in the way of public acceptance of a good farm program. It is that farmers occupy a privileged position in the Federal Government.

That is not true.

They are supported some, but so is every other segment of our economy.

And the supports are not nearly as much as the Department of Agriculture continues to assert and imply.

A study of the budget of this Department was made at the request of your and my good friend, Senator MILT YOUNG, of North Dakota.

This study showed that of the total expenditures of the Department in the fiscal year 1958, considerably less than half went primarily for the benefit of farmers.

The rest—some $2.8 billion—went for programs chargeable to everybody: overseas food programs, defense, milk for school and school lunches, research, meat inspection, forest management, and the like.

Reduced to its actual size then—$2 billion—how does the farm support program compare with supports or subsidies to other parts of our economy?

Since the end of World War II, this Government has allowed tax writeoffs and other tax privileges to mining and manufacturing industries which total $43 billion.

Many billions more have been earned by industry as the result of tariffs imposed against low-cost goods anxious to come in here from foreign lands.

In the last 10 years, this administration has given over $6 billion in subsidies to magazines and newspapers.

We have a minimum wage law.

We have a social security program.

We have unemployment compensation.

We have insured savings.

We have many other Government programs which assist and support other groups in our economy.

We know we can afford these other programs.

Surely therefore we can also afford a program which will give a fair return to those who produce our most important commodity—food.

The trouble with fairy tales is that, if they are retold often enough, people soon get to believe them.

And that is true about the fairy tale that the way to lower farm production is to reduce farm prices.

In fact, that tale has been the basic premise behind the farm programs of the past 6 years.

The programs have failed because this premise is 100 percent false, and here is the reason why.

We all know there are fixed costs connected with farming: payments on notes and mortgages, installment payments on equipment, out of pocket costs for fertilizer, seed, fuel, and such.

In recent years, these costs have been steadily going up.

To meet these fixed and out-of-pocket expenses, and at the same time take care of family expenses, a farmer must have a minimum income.

That income, of course, is derived from price times volume minus costs.

If your price goes down at the same time your costs go up—and that has been the case in recent years—you have only two choices: Increase your volume, or go broke.

In the past 6 years, nearly 4 million farm people have been forced off our farms.

But the rest of our farmers have taken the other course. You have taken advantage of every new technique of farming to vastly increase your production.

Let's look at the record.

During the past 6 years, farm prices have averaged 15 percent below the 1952 level.

But farm production has gone up in each of these 6 years; and is now 15 percent greater than in 1952.

So you can see that efforts to reduce production by reducing prices have failed completely.

The men behind this policy did not appreciate the strength and the determination of the ordinary American farmer to stay in business.

The present program has been bad for the farmer, bad for the consumer, and bad for the Government, because it has caused lower farm prices, higher food prices, and costly surpluses.

It is time this administration got back to sound economic principles.

Only then will we be able to get out of the mess we are in.

A basic principle of farm economics is that a relatively small increase in production and marketing causes a much larger drop in farm prices.

Some of the top farm economists, including Professor Cochrane, who will speak here later this week, tell us that a 1 percent increase in the total marketing of farm products results in a heavy drop in the farmer's price.

This concept has been the backbone of nearly every farm program that has ever worked.

Despite all the sweet talk about freeing the farmer to produce unfettered by controls, experience has proven the following:

For most farm products, price supports, without effective production or marketing controls, just do not make sense.

And we taxpayers now have this $8 billion inventory to prove it.

A good specific example is the corn program.

In 1956 the Department of Agriculture told farmers that in order to get the $1.50 support price, they would have to comply with acreage controls.

Later on they turned around and gave those who did not comply $1.25.

This was the beginning of the end for the corn program.

In 1957, compliers were given $1.50, noncompliers $1.10.

In 1958, compliers got $1.36 a bushel, noncompliers $1.06.

Is it any wonder that last year only 12 percent of our corn was produced under acreage allotment?

Last November 25, there was a corn referendum. To the farmers who had not been complying, the Agriculture Department said:

"Vote for our program and we will raise your price supports at least 6 cents a bushel.

"Vote against us and you won't get any support at all."

To the producers who had complied, the Department said: "If you don't vote for our program, we will cut your acreage and cut your price."

Secretary Benson's program carried, and he reported with pride that he had won a great vote of confidence.

Now Mr. Benson has his corn program.

But what is he going to do with it? If weather conditions are normal this year, he will end up with at least a billion dollars more corn to add to his already gigantic inventory.

My friends, when the American people come out of this farm binge, they are going to have a hangover the likes of which have not been seen.

This surplus hangover is going to be with us long after the present farm policies are buried.

It is going to prove a grave handicap to any new program, no matter how sound and effective.

That is why we should make the control and liquidation of this inventory our first order of business.

To do this, we first need an overall program designed to bring farm production more nearly in line with our needs.

We must begin to use the sound economic principles that have been ignored in recent years.

There are 5 million farms producing over 200 different commodities. Therefore no single, simple program will work.

For some commodities, the direct payment plan offers many advantages.

For other commodities, price supports through nonrecourse loans may still be the best answer.

The continued success in certain commodities of marketing orders, and marketing or bargaining co-ops, provides a base from which a similar approach might be extended to many other commodities.

Used properly and where best adapted, each of these can contribute to the ultimate objective.

What is that objective?

A situation in which farmers are able to compete favorably with the other, more closely organized segments of the economy—and thereby earn a return on their investment, labor and land comparable with the returns in other areas.

Any sound program must also provide for the varied and growing credit needs of farm families.

It must stress improved quality of product and more efficient, effective marketing.

It must deal with the special problems of the chronic underemployed, low income farm families.

These families need more than just the talk, plans, meetings and moral support now being provided under the Department's rural development program.

If time permitted, we could go into many other problem areas; such as the need for improved conservation of our natural resources, greater use of democratically elected county committees.

You members of the Farmers Union are familiar with these areas.

In nearly all cases, the legislative authority for a fair and workable farm program is now on the books.

But this does not guarantee that authority will be used.

The best farm program written into the law does not guarantee a prosperous agriculture.

You must have a sympathetic and understanding administration which believes in

farmers and will fight for the farmer's interests.

But even with a sound, effective farm program we must face up to the problem of moving the current huge and growing inventory.

Here are some suggestions.

Part of it should be set aside as insurance in case this country was ever attacked with modern weapons.

I have introduced a bill to stockpile food, medical supplies and other basic items necessary for survival.

Some of the inventory can be well used to alleviate hunger and malnutrition in our own country.

I was in West Virginia just last week, where conditions are truly tragic.

One hundred thousand children in West Virginia have only one-third of the calories and proteins they need.

We can do far more than we are doing to move our surplus food into our own areas of economic distress.

And last, but not least, we can and should use the productive genius of American farmers to promote our goals in the world.

What do all of us want more than anything?

A just and lasting peace.

We want the kind of world in which we can farm and raise our families, free from the dreaded fear of nuclear war.

We can have that kind of world if we use our national strength in the most effective manner.

This Nation is strong in many things—not only in faith, but also in food.

This food can be used to strengthen our ties with the underdeveloped countries of the world.

It has been suggested that the free nations set up a world food bank, in which storable food could be deposited, withdrawn, or loaned, in order to meet emergencies of member nations.

As long as we are going to be in the righteous business of strengthening countries to resist communism, why not do much of it with food, of which we have plenty, instead of dollars, with which we are having increasing troubles?

This is not only good foreign policy, it is the humane and right thing to do.

It is a sin to waste food when people are hungry.

But it is worse than a sin when this food could have been used to help build a peaceful world.

In closing, let me state my confidence that the farmers of America, with the cooperation of their Government, will develop an effective farm program at a greatly reduced cost to the American taxpayer.

The work you are doing here this week will contribute to that goal, to a strong America, and to a peaceful world.

SENATE

TUESDAY, MARCH 24, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, save us, we beseech Thee, from regarding this sacred week as a secluded cloister that shuts us away from the noisy, needy world.

By its still waters and green pastures may each of us find the deep and healing springs of inner renewal that will fit us to serve the present age.

Make us persons of brotherly love in an unbrotherly world. To others' faults, make us forgiving, as we would be forgiven. As our lives touch the lives of others, teach us to be gentle in our thoughts, just in our dealing, and generous in our judgments.

May the beauty of the Master of these days of the passion be seen in us, casting out all envy and uncleanness. Lead our minds in the quest of truth—even the truth of eternal life in the midst of our fleeting days.

In fearless dedication to the holy cause of human freedom, make us heralds of hope, even in the dense darkness as sure of victorious morning as we are that birds will sing at dawn and white clouds will grace the blue and children will wake to laughter and men, refreshed, will stride forth with faith to meet the new day.

We ask it in the name of the brightest and best of the sons of the morning. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, March 23, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con Res. 13) to provide additional funds for special study by the Joint Economic Committee.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes;

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palmkernel oil, and fatty acids, salts, and combinations, or mixtures thereof;

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees;

H.R. 1219. An act to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers);

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature;

H.R. 2575. An act to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games to be held in Chicago, Ill.;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.R. 3472. An act to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws, and for other purposes;

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.;

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program;

H.R. 5508. An act to provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions, and for other purposes; and

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 109) extending the felicitations of the Congress to the Commonwealth of Massachusetts on the 100th anniversary of the establishment of the Superior Court of Massachusetts, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes;

H.R. 147. An act to suspend temporarily the tax on the processing of palm oil, palmkernel oil, and fatty acids, salts, and combinations, or mixtures thereof;

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees;

H.R. 1219. An act to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers);

H.R. 2411. An act to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature;

H.R. 2906. An act to extend the period for filing claims for credit or refund of overpayments of income taxes arising as a result of renegotiation of Government contracts;

H.R. 3472. An act to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws, and for other purposes;

H.R. 3681. An act to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.; and

H.R. 5508. An act to provide for the free importation of articles for exhibition at fairs, exhibitions, or expositions, and for other purposes; to the Committee on Finance.

H.R. 2575. An act to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American Games to be held in Chicago, Ill.; to the Committee on Foreign Relations.

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program; to the Committee on Agriculture and Forestry.

H.R. 5915. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Governmental Organization for Space Activities, of the Committee on Aeronautical and Space Sciences, was authorized to meet today during the session of the Senate.

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to meet in executive session today during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT TO 12 O'CLOCK NOON TOMORROW

Mr. MANSFIELD. Mr. President, I wish to announce to the Senate that there will be no yea-and-nay votes today and that the Senate will meet at 12 o'clock noon tomorrow.

Mr. President, in that connection, I ask unanimous consent that when the Senate completes its business today it adjourn to meet at 12 o'clock noon tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. On tomorrow the Senate will take up Calendar No. 125, H.R. 5640, to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

Furthermore, it is possible that later this afternoon we shall take up noncontroversial bills which have received the clearance of the majority and the minority leadership. However, there will be no yea-and-nay votes, and no controversial legislation will be taken up. This announcement has been cleared with the minority leader.

Mr. JAVITS. Mr. President, may I ask the acting majority leader whether it is expected to hold the Senate in session tomorrow until voting on the bill on unemployment compensation has been completed?

Mr. MANSFIELD. That will depend on developments. The Senate will meet tomorrow and on Thursday. I hope we will finish consideration of the bill tomorrow, so that Members may be able to get away for the Easter recess, a day earlier, if they so desire, to return to their constituencies and find out what their people are thinking.

Mr. JAVITS. I have in mind whether there is likely to be a night session tomorrow. Giving notice on that point is always very useful to Senators.

Mr. MANSFIELD. I hope we will not have a night session. However, I am unable to state anything definitely on that point at this time.

Mr. JAVITS. I thank the Senator.

ORDER FOR MEETING AT 10 A.M. TOMORROW

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that when the Senate concludes its business it meet tomorrow at 10 o'clock a.m.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON REVIEW OF SELECTED SUPPLY OPERATIONS OF THE NORTHERN AIR MATERIEL AREA, EUROPE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected supply operations of the Northern Air Materiel Area, Europe, Burtonwood, England, Air Materiel Force, European Area, Department of the Air Force, dated March 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES IN FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of January 31, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF TITLE 28, UNITED STATES CODE, RELATING TO LIMIT FOR ADMINISTRATIVE SETTLEMENT OF CERTAIN CLAIMS

A letter from the Acting Postmaster General, transmitting a draft of proposed legislation to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000 (with an accompanying paper); to the Committee on the Judiciary.

APPOINTMENT OF ADDITIONAL CIRCUIT AND DISTRICT JUDGES

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to provide for the appointment of additional circuit and district judges, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

INCLUSION OF CERTAIN INFORMATION IN SWORN STATEMENTS RELATING TO ALL PUBLICATIONS

A letter from the Acting Postmaster General, transmitting a draft of proposed legislation to require information concerning the average of the number of copies of each issue sold or distributed to paid subscribers to be included in sworn statements relating to all publications, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Washington; to the Committee on Foreign Relations:

"HOUSE JOINT MEMORIAL 1

"To the Honorable Dwight D. Eisenhower, President of the United States, the President of the Senate and Speaker of the House of Representatives, and to the Senate and the House of Representatives of the United States, in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas acts of Japanese exploitation of the salmon on the high seas in the decade between 1930 and 1940 and again in the years 1954 through 1958 have proved to be a wrongful intrusion upon a great and valuable resource that rightfully should remain unmolested on the high seas. The manner and magnitude of these operations violate the laws of nature and unquestionably constitute a threat to the conservation of the North Pacific salmon and a great economic waste in that their harvest during 2 years of the life cycle of the species results in taking a large portion which have not reached maturity; and

"Whereas it is also known that the North Pacific salmon migrate during their growing period to wide areas of the sea; that if North American fishermen followed the same course of action as the Japanese in the ocean harvest of salmon, the stock of both Asia and America would be completely destroyed as a profitable venture within 4 to 10 years; and

"Whereas the taking of salmon at sea in the manner carried out by the Japanese fishermen creates a great economic loss in the taking of immature salmon, a large percentage of which will grow to double their size if left to their natural grazing at sea until they return to the coastal areas of their origin. In addition, a large percentage of salmon so taken with nets at sea in rough weather are lost from the nets, either dead or in a dying condition, to be lost to all fishermen; and

"Whereas these common stocks of fishes are taken by the Japanese on the high seas under conditions forbidden to American fishermen and then distributed to the U.S. domestic market, causing great financial and economic loss to the American fishermen; and

"Whereas the United States is a party to the North Pacific Treaty, with Canada and Japan, which treaty was designed to protect the migratory fishes of all nations in the areas of commingling upon the high seas, and which fixed the areas in which the Japanese would fish; and

"Whereas scientific research and study since the inception of this treaty demonstrates that the Japanese are fishing in waters where the stocks of Asian and North American salmon commingle upon the high seas; and

"Whereas the North Pacific treaty has not resolved the inequities that arise from a Japanese fishery that operates upon the immature salmon in the area of commingling upon the high seas:

"Now, therefore, your memorialists respectfully pray that the State Department take such action as is necessary to preserve and guard the interests of American fishermen through bilateral negotiations between

Japan and the United States to prohibit the taking of anadromous salmon in those waters of the Pacific Ocean where Asian and North American stock commingle, be it

"Resolved, That copies of this memorial be sent to the Honorable Dwight D. Eisenhower, President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, the Senators and Representatives of the State of Washington in Congress, and to the Governors of the States of Alaska, Oregon, and California.

"Passed the house February 3, 1959.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate February 26, 1959.

"JOHN A. CHERBERG,
"President of the Senate.

"I hereby certify this to be a true and correct copy of House Joint Memorial 1.

"S. R. HOLCOMB,
"Chief Clerk, House of Representatives."

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT MEMORIAL 8

"Joint memorial memorializing the Congress of the United States to decline passage of legislation creating a national wilderness preservation system or a national wilderness preservation council, as provided for by the various versions of the so-called wilderness bills under consideration by the 86th Congress, and to decline passage of any other legislation which does not carry out the long-established policy of wise multiple use of the federally managed property of the people of the United States

"Whereas there has been proposed in the Congress of the United States, various bills to create a national wilderness preservation system and a National Wilderness Preservation Council, the effect of which would be to establish policies and procedures whereby existing wild, wilderness, primitive, and roadless areas, as now established under administrative regulations, would be made more rigid and inflexible in management, and under which vast acreages of other Federal lands could be added to existing wilderness areas without regard for the necessity or desirability of reserving such large acreages for the single purpose of wilderness use; and

"Whereas the establishment of such inflexible restrictions upon the use of federally owned lands would unjustifiably impede the development of the water resources of the State of Colorado, upon which development the future growth and prosperity of the State of Colorado depends; and

"Whereas the establishment and maintenance of such inflexible restrictions on the use of federally owned lands denies access to vast areas which can and should be made accessible or developed for use by the vast majority of hunters, fisherman, and the vacationing public; and

"Whereas locking up of such vast areas prevents the discovery and development of many potential sources of minerals and other substances which may be vital to the security of the United States in time of international strife and space-age development; and

"Whereas maintenance of such areas as proposed makes protection of these areas against destruction by fire and other natural and man-made hazards difficult and expensive; and

"Whereas any extension of existing wilerness areas, or the establishment of more stringent regulation of existing areas, will unnecessarily and unwisely restrict the development and economic strength of many essential western industries, including the lumbering, mining, agricultural, oil and gas, tourist, and other industries; and

"Whereas there are presently in existence in the State of Colorado, under administrative regulation, wild, wilderness, or primitive areas containing 610,305 acres of land, and no showing has been made that even these areas are necessary or desirable for the single purpose of wilderness preservation, or that such areas have not been adequately administered as wilderness areas under existing policies and regulations; and

"Whereas the creation of another agency to duplicate the functions of existing land-management agencies of the Federal Government can serve no purpose other than to increase unnecessarily Federal expenditures of tax money; Now, therefore, be it

"Resolved by the House of Representatives of the 42d General Assembly of the State of Colorado (the Senate concurring herein), That it is the policy of the people of the State of Colorado, speaking through their elected representatives, to seek the wise and beneficial development of God-given resources for the greatest benefit of all the people, and that in order to carry out this policy, the Congress of the United States should be and it is hereby respectfully memorialized to: (1) decline passage of any of the presently proposed versions of the so-called wilderness bills; (2) decline passage of any legislation which would encourage the extension of, or increase the rigidity of regulation over existing wilderness, wild, or primitive areas; (3) decline passage of any legislation which would establish another Federal agency to duplicate existing functions of Federal land-administering agencies; and (4) decline passage of any legislation which would set aside any area of federally-owned land for a limited and restricted use regardless of the need of such areas for other wise and beneficial uses; and be it further

"Resolved, That copies of this joint memorial be transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the members of the delegation from Colorado to the 86th Congress of the United States, and all interested agencies and departments of the State of Colorado.

"CHARLES R. CONKLIN
"Speaker of the House of Representatives.

"ROBERT S. EBERHARDT,
"Chief Clerk of the House of Representatives.

"ROBERT L. KNOUS,
"President of the Senate.
"LUCILE L. SHUSTER,
"Secretary of the Senate."

A joint resolution of the Legislature of the Territory of Puerto Rico; to the Committee on Interior and Insular Affairs:

"JOINT RESOLUTION 2

"Resolution to propose to the Congress of the United States of America clarifications and modifications of the Puerto Rican Federal Relations Act

"Whereas the Commonwealth of Puerto Rico is a creative contribution to the American system;

"Whereas it is a basic characteristic of the Commonwealth of Puerto Rico to develop and perfect itself gradually within its new form of permanent association to the Federal Union;

"Whereas the Constitutional Convention of Puerto Rico unanimously approved the following in its Resolution 23: 'The people of Puerto Rico reserve the right to propose and to accept modifications in the terms of its relations with the United States of America, in order that these relations may at all times be the expression of an agreement freely entered into between the people of Puerto Rico and the United States of America.'

"Whereas the Special Commission of this High Body charged with consideration of amendments to the Federal Relations Act and the Constitution has held public hearings at which views about the clarification and modification of the part of the compact constituted by the Federal Relations Act have been amply expressed;

"Whereas such hearings point to the advisability of proposing to the Congress of the United States certain changes in the Federal Relations Act in order to clarify the nature of the Commonwealth and to modify its relationship to the Federal Union to the extent that experience shows is feasible and desirable: Now, therefore, be it

"Resolved by this legislative assembly—

"SECTION 1. To request the Resident Commissioner in the United States to propose to the Congress of the United States of America the following clarifications:

"1. The Commonwealth of Puerto Rico should be adequately described in the Federal Relations Act so that it may in no way be classified as a 'possession' or 'territory.'

"2. Consistent with the fundamental principle of full local self-government for the people of Puerto Rico, it should be made clear that Federal laws applicable in Puerto Rico shall apply in the same way as they may be made applicable in the several States.

"3. The Federal Relations Act should be cleared of all language which may result in any misunderstanding, or which may be confusing, inadequate, obsolete or inapplicable.

"SEC. 2. To request the Resident Commissioner to propose to the Congress the following modifications:

"1. All excise taxes collected in Puerto Rico on articles produced for export to the United States should be imposed by the Commonwealth of Puerto Rico; *Provided,* that if such excises were lower than those imposed by the Federal internal revenue laws on similar articles, the Federal Treasury shall collect the difference at the port of entry, so preserving a competitive equality between such products.

"2. A means should be provided by which the Commonwealth of Puerto Rico may, at its request, be included in or excluded from U.S. commercial treaties.

"3. An adequate formula should be devised by which the Commonwealth of Puerto Rico may gradually assume, as its resources may warrant, such Federal responsibilities as are compatible with the principle of permanent association.

"4. Judgments of the Supreme Court of Puerto Rico should be reviewed by the Supreme Court of the United States in the same manner as are the judgments of the State supreme courts.

"5. The debt margin provision, as proposed to the Congress of the United States of America in Joint Resolution 1 approved by the Governor of the Commonwealth of Puerto Rico on June 23, 1958, should be removed from the Federal Relations Act.

"SEC. 3. Copy of this resolution should be forwarded to the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to the Resident Commissioner of Puerto Rico in the United States.

"SEC. 4. This joint resolution shall take effect immediately after its approval.

"Approved March 19, 1959."

A joint resolution of the Legislature of the State of Alaska; to the Committee on Interstate and Foreign Commerce:

"HOUSE JOINT MEMORIAL 13

"To the Honorable Dwight D. Eisenhower, President of the United States; the President of the Senate and Speaker of the House of Representatives; and to the Senate and the House of Representatives of the United States, in Congress assembled:

"Your memorialist, the Legislature of the State of Alaska, in first session assembled, respectfully submits that—

"Whereas in the newly created State of Alaska, the future development of the State will depend upon the orderly development of transportation facilities to, from, and within the State of Alaska; and

"Whereas the Senate Interstate and Foreign Commerce Committee has held several hearings in Alaska concerning the problems of transportation; and

"Whereas in 1957 at the request of the Senate of the United States, the Interstate Commerce Commission made a comprehensive survey and analysis of the regulatory problems affecting transportation to, from, and within Alaska; and

"Whereas certain of the transportation facilities are now operating under the Federal statutes regulating transportation and subject to the jurisdiction of the Interstate Commerce Commission; and

"Whereas the Interstate Commerce Commission in its report to the Senate of the United States has recommended that the Alaska Railroad, a Government corporation, should be subject to the rate and service regulations of the Commission; and

"Whereas other transportation facilities in Alaska are not now subject to the same or similar regulatory procedures and control; and

"Whereas this lack of uniformity of regulation has permitted inequitable and discriminatory rate practices to the detriment of the shippers and receivers of freight in Alaska and such inequities and lack of uniformity will continue to exist until proper amendments to the Interstate Commerce Act have been promulgated by Congress: Now, therefore, be it

"Resolved, That we, the Senate and House of Representatives of the State of Alaska, do hereby respectfully present to the Congress of the United States and particularly to the Senate and House Committees on Foreign and Interstate Commerce that they give due and immediate consideration to the questions involved with relation to the proper amendments to laws governing interstate commerce affecting the broad problems of transportation to, from and within the newly created State of Alaska; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, the Honorable E. L. BARTLETT and the Honorable ERNEST GRUENING, Senators from Alaska and the Honorable RALPH J. RIVERS, Representative from Alaska, each Senator and Representative in Congress from the State of Washington, and to each member of the Senate and House Committees on Foreign and Interstate Commerce.

"Passed by the House March 6, 1959.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House.

"Passed by the senate March 10, 1959.

"WILLIAM E. BELTZ,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Certified true, full, and correct.

"ESTHER REED,
"Chief Clerk of the House."

A resolution of the House of Representatives of the State of Washington; to the Joint Committee on Atomic Energy:

"RESOLUTION, HOUSE OF REPRESENTATIVES, STATE OF WASHINGTON

"Whereas Congress, at the request of the Department of Defense, has authorized the construction of a new nuclear reactor for the production of plutonium at the Hanford Atomic Products Operation; and

"Whereas such a reactor generates a tremendous amount of energy which, in previous reactor designs, has been wasted as heat dissipated in the Columbia River; and

"Whereas this waste energy can be converted to usable electricity; and

"Whereas Congress has authorized design and engineering studies for making this new reactor eventually convertible to the production of electricity as a byproduct, but has not provided for the inclusion of these features in the construction of the reactor at the present time; and

"Whereas the immediate future will bring a need for more electrical power in the Northwest; and

"Whereas the Hanford operation itself consumes some 300,000 kilowatts of power from our Northwest power pool; and

"Whereas by the addition of these dual purpose facilities this new reactor could produce up to 700,000 kilowatts of firm power, thereby enabling the Hanford plant not only to release for domestic and industrial purposes the power it now consumes from our local sources, but enabling it also to add almost the equivalent of another Bonneville Dam to the Northwest power pool; and

"Whereas the inclusion of the convertible features in the initial stage of the reactor would save more than $10 million: Now, therefore, be it

"Resolved, That the house of representatives does hereby respectfully request Congress to make provision now for the inclusion of the convertible features during the initial construction of the new atomic reactor at Hanford; and be it further

"Resolved, That a copy of this resolution be transmitted to the President of the U.S. Senate, to the Speaker of the U.S. House of Representatives, and to every Member of the congressional delegation of the State of Washington.

"I hereby certify this to be a true and correct copy of resolution adopted by the house of representatives, March 12, 1959.

"S. R. HOLCOMB,
"Chief Clerk,
"House of Representatives."

A concurrent resolution of the Legislature of the Territory of Hawaii; ordered to lie on the table:

"SENATE CONCURRENT RESOLUTION 46

"Whereas after diligent study of the social, economic and political behavior of the people of Hawaii, the 86th Congress of the United States has in its wisdom seen fit to admit the State of Hawaii into the Union; and

"Whereas by this action the hopes and aspirations of the people of Hawaii for equal rights and privileges with other citizens of the United States have been realized; and

"Whereas it is altogether fitting and proper that the thanks and aloha of the people of Hawaii be given to the Senate of the United States: Now, therefore, be it

"Resolved by the Senate of the 30th Legislature of the Territory of Hawaii (the House of Representatives concurring), That the thanks and aloha of the people of Hawaii be and they are hereby given to the Senate of the United States for its action in approving the bill to admit the State of Hawaii into the Union; and be it further

"Resolved, That a certified copy of this concurrent resolution be forwarded forthwith to the President of the Senate of the United States, the Honorable RICHARD M. NIXON."

A petition signed by sundry members of the various railroad craft organizations and of the Salisbury-Spencer, N.C., Retired Citizens Clubs, praying for the enactment of legislation to increase benefits under the Railroad Retirement Act and Railroad Unemployment Insurance System; to the Committee on Labor and Public Welfare.

A resolution adopted by the Board of Supervisors of the County of Kauai, T.H., expressing appreciation for assistance given in granting statehood to Hawaii; ordered to lie on the table.

A resolution adopted by the Associated Students of the University of Hawaii, Honolulu, T.H., expressing thanks to the 86th Congress for granting statehood to Hawaii; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

S. 900. A bill to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes (Rept. No. 138);

S. 901. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years; (Rept. No. 139); and

S. 902. A bill to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes; (Rept. No. 140).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with an amendment:

S. 96. A bill to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in overseas areas, and for other purposes; (Rept. No. 141).

By Mr. CLARK, from the Committee on Post Office and Civil Service, with amendments:

S. 91. A bill to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes (Rept. No. 144).

By Mr. JOHNSTON of South Carolina, from the Committee on Agriculture and Forestry, without amendment:

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program (Rept. No. 143).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. Res. 48. Resolution establishing a committee to study the matter of the development and coordination of water resources (Rept. No. 145); to the Committee on Rules and Administration.

REPORT ENTITLED "JUVENILE DELINQUENCY" (S. REPT. NO. 137)

Mr. HENNINGS, from the Committee on the Judiciary, submitted a report entitled "Juvenile Delinquency," pursuant to Senate Resolution 237, 85th Congress, 2d session, as extended, which was ordered to be printed.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, I report favorably, with amendments, the bill (S. 144) to amend

Reorganization Plan No. 2 of 1953, and I submit a report (No. 142) thereon. I ask unanimous consent that the report may be printed, together with the individual views of the Senator from Indiana [Mr. CAPEHART].

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Minnesota.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Twelve postmaster nominations.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEATING:

S. 1515. A bill to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses; and

S. 1516. A bill to amend section 1621 of title 18 of the United States Code to provide for degrees of perjury and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bills, which appear under a separate heading.)

By Mr. LANGER:

S. 1517. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, to extend its operations for 5 years; to the Committee on Agriculture and Forestry.

S. 1518. A bill to exempt musical instruments from Federal excise tax when sold for use by students; to the Committee on Finance.

S. 1519. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. LANGER when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina (by request):

S. 1520. A bill to provide more adequate numbers of civilian positions required by the Department of Defense to carry out scientific research and development relating to the national defense and to improve the management of the activities of the Department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GORE:

S. 1521. A bill to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938; and

S. 1522. A bill to amend the Commodity Exchange Act, as amended; to the Committee on Agriculture and Forestry.

By Mr. KENNEDY (for himself and Mr. NEUBERGER):

S. 1523. A bill to amend section 212(d) of the Immigration and Nationality Act; to the Committee on the Judiciary.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina (for himself and Mr. LANGER):

S. 1524. A bill to provide that the wages, salaries, commissions, or other remunerations for personal services performed by certain employees shall be exempt from garnishment in the District of Columbia; to the Committee on the District of Columbia.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S.J. Res. 81. Joint resolution proposing an amendment to the Constitution of the United States granting to citizens of the United States who have attained the age of 18 the right to vote; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

Mr. HUMPHREY submitted a resolution (S. Res. 94) relating to the recognition of the jurisdiction of the International Court of Justice in certain legal disputes hereafter arising, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

IMPROVEMENT OF CONGRESSIONAL INVESTIGATORY PROCESSES

Mr. KEATING. Mr. President, I introduce, for appropriate reference, two bills designed to improve the effectiveness of congressional investigatory processes. The first would provide expeditious procedures for compelling the testimony of witnesses before congressional committees. The second would broaden the present perjury laws to make it clear that any false swearing before a congressional committee constitutes a crime. Both of these measures are urgently needed to deal with witnesses who take advantage of defects in the present laws to obstruct the work of Congress.

The present procedure for dealing with recalcitrant and contemptuous witnesses is notoriously cumbersome. As the law now stands, if a witness refuses to appear or to testify before an investigating committee, the subcommittee must first report the matter to the full committee, the full committee must then report the matter to the Senate or House, which must then resolve to cite the witness for contempt, after which the President of the Senate or the Speaker of the House, as the case may be, must refer the matter to a U.S. attorney, who in turn must present the case to a Federal grand jury. If an indictment is returned, a full scale trial must follow. Finally, months later—sometimes a year or more later—there may be a conviction and punishment. Meanwhile, more often than not, the original investigation has long since been closed without having obtained the desired testimony or evidence.

My first bill would immensely improve this situation by authorizing immediate resort to the courts for aid in requiring the attendance and testimony of a witness. Under the bill, should a witness refuse to testify, he could be required to appear, not months later, but that very day in the district court in whose jurisdiction the investigation is being conducted. At that point the witness would be subject to the jurisdiction of the court and any further refusal to testify in accordance with the order of the court could be punished forthwith as a contempt of court.

The fact that the witness could immediately be punished for contempt should induce an otherwise defiant witness to appear and testify and thereby expedite the committee hearings. At the same time, the proposed legislation represents a forward step in safeguarding the rights of the witness by leaving it up to the court and not to the committee to finally determine whether certain questions are material or relevant. The net effect of this procedure would be both to restrain unauthorized inquiries and to facilitate compliance with proper demands for information.

My second bill would add a new section to the present perjury law to cover all cases of false swearing. It is modeled after a statute which has been in effect in my own State of New York for more than 20 years. The main purpose of this legislation is to cover situations in which it is not shown that the inquiry satisfied the technical requirements of materiality required under recent interpretations of the present law.

While perjury should be more severely treated when the false testimony goes to a material issue, no person who lies to a congressional committee or other duly constituted tribunal should go completely unpunished. Such conduct cannot be condoned without causing serious injury to the integrity and prestige of our governmental processes. The Nation would do well to borrow from the experience of New York in dealing with this situation.

Mr. President, I have frequently pointed out the necessity for constructive congressional action to correct inadequacies in our laws disclosed by decisions of the courts. The legislation I am now proposing is an example of the general course I have recommended in this regard since there is no doubt that the very restrictive ruling of the Supreme Court in the Watkins case has contributed much to the need for these bills. It makes no difference whether the Court was right or wrong on the facts in that case. The important thing is that a weakness in the effectiveness of our laws has been disclosed which Congress can and must remedy.

I hope that these bills will be given early consideration by the Senate in order to quickly remove the unreasonable obstacles which now impede congressional investigations.

Mr. President, I ask unanimous consent that the two bills be printed in the RECORD.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). The bills will be

received and appropriately referred; and, without objection, the bills will be printed in the RECORD, as requested.

The bills, introduced by Mr. KEATING, were received, read twice by their titles, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S. 1515. A bill to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses; and

S. 1516. A bill to amend section 1621 of title 18 of the United States Code to provide for degrees of perjury and for other purposes.

The texts of the above bills are as follows:

S. 1515

A bill to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) either House, any committee or subcommittee of either House, and any joint committee of the two Houses of Congress may, by an affirmative vote of a majority of its actual membership, invoke the aid of the United States districts courts in requiring the attendance and testimony of witnesses and the production of evidence, in furtherance of any inquiry such House, committee, subcommittee, or joint committee is authorized to undertake.

(b) The United States district court for the district within which the inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any person by either House, any committee or subcommittee of either House, or any joint committee of the two Houses of Congress, issue an order requiring such person to appear (and to produce evidence if so ordered) and give evidence relating to the matter in question before such House, committee, subcommittee, or joint committee, as the case may be; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

(c) Attorneys of the Department of Justice shall furnish legal assistance in invoking the aid of the United States district courts under subsection (a) to either House, or any committee, subcommittee, or joint committee which requests it.

S. 1516

A bill to amend section 1621 of title 18 of the United States Code to provide for degree of perjury and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1621 of title 18 of the United States Code is amended to read as follows:

"(a) Whoever, having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed, is true, willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true, is guilty of perjury in the first degree, and shall, except as otherwise expressly provided by law, be fined not more than $2,000 or imprisoned not more than five years, or both.

"(b) Whoever commits perjury under circumstances not amounting to perjury in the first degree, shall be fined not more than $500 or imprisoned not more than one year, or both."

EXTENSION OF OPERATIONS OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. LANGER. Mr. President, I introduce, for appropriate reference, a bill to amend the Agricultural Trade Development and Assistance Act of 1954 to extend its operation for 5 years. This act, known as Public Law 480, permits the sale of farm commodities to countries in need of these agricultural products.

This law is presently operated on a year-to-year basis, and last year the law was allowed to lapse for a period of time, resulting in millions of dollars in surplus sales being lost, which had an unfavorable effect on our national farm economy.

The amendment proposed would assure that this program would operate on a 5-year basis rather than from year to year.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1517) to amend the Agricultural Trade Development and Assistance Act of 1954, to extend its operations for 5 years, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT, RELATING TO THE ADMISSION OF CERTAIN ALIENS

Mr. KENNEDY. Mr. President, on behalf of the junior Senator from Oregon [Mr. NEUBERGER] and myself, I introduce for appropriate reference a bill to make eligible for admission as immigrants into the United States husbands, wives, children and parents of residents and citizens, when such immigrants have tuberculosis. The bill would prevent the close relatives of citizens and aliens lawfully admitted for permanent residence from being excluded from the United States solely because they are afflicted with this disease.

This is not a new proposal. It was a part of the bill I introduced in the last Congress which, after enactment, became known as Public Law 85–316. We agreed at that time that the provision should not be made a part of the permanent law until we had an opportunity to observe its operations for a trial period. The trial period expires on June 30 of this year. From every point of view our experience has been completely satisfactory. There is no danger to the public health; the joy and satisfaction which accompanies the reuniting of families commends the perpetuation of the law, and there is no remaining question concerning the practicability or the feasibility of the proposal.

Under the regulations, each immigrant admitted under this provision must submit satisfactory assurances that, first, adequate medical treatment will be supplied to him in this country; second, that all financial arrangements for his care have been made; and third, that he will go directly to the specified hospital and submit to such examination, treatment, isolation and other medical regimen as may be required and will remain under this prescribed treatment until discharged. There have been 1,567 immigrants admitted thus far under this provision. In only six cases was there noncompliance with the regulations.

I am informed that both the Department of Justice and the Public Health Service are in favor of incorporating this provision in the basic immigration and nationality law. Although the provision does not effect a major change in the basic law, it is extremely important to those who will benefit from it. I urge that the bill be speedily considered so that we have no hiatus between the expiration of the old law and the effective date of the new law.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1523) to amend section 212(d) of the Immigration and Nationality Act, introduced by Mr. KENNEDY (for himself and Mr. NEUBERGER), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. NEUBERGER subsequently said: Mr. President, I am pleased to join with my good friend, the junior Senator from Massachusetts [Mr. KENNEDY], in sponsoring permanent legislation to admit under safeguards a restricted class of aliens who are suffering from tuberculosis. On the basis of the successful 2-year test of this proposal contained in section 6, Public Law 85–316, I believe this step is well merited.

Our bill is identical to the proposal sponsored by Representative FRANCIS E. WALTER, of Pennsylvania, the distinguished chairman of the Immigration Subcommittee. This proposal would carry out the recommendation of the President as contained in his budget message to Congress on January 19, 1959. The Surgeon General of the United States has written me that the favorable experience under Public Law 85–316 indicates that the public health can be protected if persons suffering from tuberculosis are admitted under safeguards to our country.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter dated March 23, 1959, from the Surgeon General reporting favorably the experience of the last 2 years under Public Law 85–316; a letter dated March 20, 1959, from the Deputy Attorney General to Hon. EMANUEL CELLAR, chairman, Committee on the Judiciary, House of Representatives, endorsing H.R. 3089, which is identical to our bill; and an article from the Oregonian, dated March 20, 1959, entitled "Waifs Win Over Disease," and explains the successful tuberculosis treatment for Korean orphan

children brought to the United States by Harry Holt at the famed National Jewish Hospital at Denver, Colo.

There being no objection, the letters and article were ordered to be printed in the Record, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., March 23, 1959.

Hon. RICHARD L. NEUBERGER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NEUBERGER: This is in reply to the March 13, 1959, letter from your office requesting information on our experience under section 6 of Public Law 85–316.

Since the passage of this act and as of March 16, 1959, a total of 1,567 persons had been admitted under the terms of this section and the regulations which had been promulgated to implement it.

These regulations, as issued and revised in April 1958, require: (1) That a statement be given by a State, Territorial, or local health officer, or by a director or staff physician of a hospital, that the necessary evaluation and treatment will be supplied; (2) that the alien must go directly to the hospital specified; (3) treatment may be given on an inpatient or outpatient basis in conformity with accepted local standards of medical practice; (4) the hospital or physician in charge of the case may discharge the patient without prior approval by the Public Health Service, but is requested to submit a final report in each case.

The responsibility for paying for any care that may be required must be assumed by either the sponsoring relatives of the alien or other responsible parties. These immigrants, like all others, must give assurance that they will not become public charges.

In those cases where the alien has not fulfilled the assurance he has given, the hospital or physician is expected to report the default to the proper official of the Public Health Service. The Service then attempts to obtain compliance and, if this fails, the case is reported to the Immigration and Naturalization Service.

The effectiveness of the procedures which have been developed is demonstrated by the fact that of these 1,567 persons only 6 are listed as not having complied with the requirements of the regulations. An additional four cases are reported as delinquent and further followup is under way. Based on experience, we expect that most of these four persons will eventually comply.

I believe that this favorable experience is ample assurance that if continuation of the provisions of section 6, Public Law 316, in the form of permanent legislation is effected, it can and will be administered in such a way as to protect the public health.

If there are certain points which you feel are not fully or adequately covered, we would be most pleased to receive your inquiry on those items.

Sincerely yours,

L. E. BURNEY,
Surgeon General.

MARCH 20, 1959.

Hon. EMANUEL CELLER,
Chairman, Committee on the Judiciary,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning the bill (H.R. 3089) "To amend section 212(d) of the Immigration and Nationality Act."

The act of September 11, 1957 (Public Law 85–316, 71 Stat. 640) provides that notwithstanding affliction with tuberculosis, an alien who is the spouse or child of a U.S. citizen, or of an alien lawfully admitted for permanent residence, or who has a son or daughter who is a U.S. citizen or an alien lawfully admitted for permanent residence, shall, if otherwise admissible, be issued a visa and admitted for permanent residence in accordance with such terms, conditions, etc., as the Attorney General may impose in his discretion. The Attorney General is required to report to Congress any case in which these provisions are applied. Existing law contains a time limitation, to wit: June 30, 1959, after which the Attorney General may not exercise this discretionary authority to waive affliction with tuberculosis as a ground for exclusion of an immigrant.

The bill would remove the time limitation in existing law and would add the waiver provisions to the Immigration and Nationality Act as a new paragraph to section 212(d)(9) of that act.

This proposal would carry out one of the recommendations made by the President in his budget message to the Congress on January 19, 1959. The provisions of existing law, which would be carried forward by this proposal, have operated satisfactorily and in the interest of the United States, because they are humanitarian in nature and of aid in keeping family units together in meritorious cases. The Department of Justice recommends the enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

LAWRENCE E. WALSH,
Deputy Attorney General.

[From the Oregonian, Mar. 20, 1959]

WAIFS WIN OVER DISEASE

Every one of the Korean children who were sent to the National Jewish Hospital at Denver for treatment of tuberculosis has recovered. Fifteen have been released in good health and two are to get out shortly. Two Korean tots who arrive Tuesday in the latest Harry Holt baby airlift are to be admitted to the hospital.

This report on the hospitalized Korean babies was made here by Martin Macman, the hospital's director of rehabilitation services. He is speaking on the hospital's famed research in tuberculosis treatment to professional and lay groups on the Pacific coast.

The hospital, which is financed by donations amounting to $3 million a year for treatment and research does not charge for care of the some 325 patients it looks after. These include those suffering from asthma and allergies and heart ailments amenable to surgery.

KOREANS GET AID

Macman said the hospital had staff members and patients who could speak Korean. Among its patients are foreign students who are not eligible to enter State hospitals. Any one who has means to pay for treatment is not accepted. Admission is limited to those for whom there is hope from good treatment.

The U.S. Public Health Service ranks the hospital as the greatest contributor in the country toward improved methods of caring for tuberculosis patients, he said.

In speaking before the Northwest Lions Club here Wednesday, Macman said that the hospital has pioneered active hospital life for patients which makes it possible for the new drugs to be more effective. He said the drugs work better when they have more germs to work on.

RESEARCH CONDUCTED

The Denver hospital is also conducting research in treatment of those patients who reacted unfavorably to taking of the some 10 modern drugs which are used.

Macman cautioned against assumption that tuberculosis is on the decline. He pointed out that the decline indicated may be simply the result of a letdown in early detection. There is no indication, he said, that the incidence is actually down. He pointed at the greater number of cases reported this year in Multnomah County.

PROPOSED AMENDMENT TO CONSTITUTION RELATING TO THE RIGHT TO VOTE AT AGE 18

Mr. KEATING. Mr. President, I introduce for appropriate reference a joint resolution proposing an amendment to the Constitution of the United States granting to citizens of the United States who have attained the age of 18 the right to vote.

The strongest reason for lowering the voting age is the political awareness of our young Americans. A Gallup poll has found that people between 18 and 20 are the best informed of any age group on basic political facts. The proposition that this group be given voting rights is perfectly logical; only hoary custom is against it.

As a veteran, I certainly subscribe to the theory that a man old enough to fight for his country is old enough to be entrusted with the ballot, although I think the most potent argument for reducing the voting age is the one I mentioned earlier, namely, that our young people are now more politically aware at the ages of between 18 and 20 and know what the issues in the country are than was true a generation ago.

The notion that the age of 21 marks the dividing line between immaturity and wisdom goes back to the Middle Ages, when a youth could be knighted only when he could bear the weight of armor and use it.

While I realize that this matter is controversial, it seems to me that the question is, When is a person mature enough to make an intelligent decision at the polls? I know my own daughter knew more about public events at 18 than I did at 21. I believe our young people take an earlier interest in these matters nowadays.

The merit of this resolution has already been proven in the three States where it is currently operating. I urge its early consideration by Congress.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed following my remarks in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 81) proposing an amendment to the Constitution of the United States granting to citizens of the United States who have attained the age of 18 the right to vote, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America

in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States.

"ARTICLE —

"SECTION 1. The right of citizens of the United States, who have reached the age of eighteen years, to vote shall not be denied or abridged by the United States or by any State on account of age. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Address on "Human Rights," delivered by him at the Chicago Conference for Brotherhood, on February 22, 1959.

By Mr. KEFAUVER:

Newsletter issued by Representative JOE L. EVINS, Fourth Congressional District of Tennessee, and published in the Johnson City (Tenn.) Chronicle of March 14, 1959.

EXTENSION OF TEMPORARY UNEMPLOYMENT COMPENSATION BENEFITS

Mr. WILEY. Mr. President, as we know, the unemployment problems still, regrettably, continue to plague this country.

According to reports, there are still about 4.7 million unemployed throughout the Nation. In Wisconsin, over 75,000 workers are still out of work. Even though the wheels of industry in many areas are again whirring at prerecession levels, there has not been a proportionate back-to-work movement. Consequently, the Nation faces a real challenge in creating new jobs for those who still are unemployed.

As we know, the Senate Finance Committee on yesterday approved the House-passed measure, House bill 5640, to extend the temporary unemployment compensation benefit measures passed by Congress last year.

We recognize, of course, that extending unemployment benefits will not solve the basic problem of creating new jobs. Nevertheless, it is important to take constructive action to assist the jobless workers and their families who continue to face increasing hardships because of lack of income during out-of-work periods.

Recently I have received a number of messages from individuals, unions, and others in Wisconsin who urge extension of the temporary unemployment compensation program. I request unanimous consent that the communications be printed at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

SHEBOYGAN COUNTY INDEPENDENT UNION COUNCIL,
Sheboygan, Wis., March 16, 1959.

Senator ALEXANDER WILEY,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR: We are very much concerned about the possibility of the temporary unemployment compensation law expiring.

According to the latest Wisconsin Employment Trends (a monthly bulletin put out by the Wisconsin Industrial Commission and the Bureau of Labor Statistics), there are still 75,000 workers unemployed in the State.

* * * * *

Temporary unemployment compensation is a real necessity in this period, and we strongly urge your support and vote for its continuous protection.

Will you please let us know how you plan to vote on this matter when it comes before the Senate?

Very truly yours,

CARL RIGOTTI,
Secretary, Sheboygan County IUC.

MARCH 11, 1959.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: I strongly urge you support action to extend Federal temporary unemployment compensation program.

I am yours very truly.

———, ———.

SUPERIOR, WIS., *March 9, 1959.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Termination of emergency unemployment compensation April 1 will create intense hardship this area and others. Special action urgently needed.

SUPERIOR FEDERATION OF LABOR,
PAUL AKERS, *Secretary.*

MINNESOTA RECREATIONAL FACILITIES

Mr. HUMPHREY. Mr. President, among the many reasons why we Minnesotans take such pride in our State are its excellent recreational facilities. To those who love the out-of-doors, Minnesota's fields, streams, woods, and lakes are a virtual paradise. We call Minnesota the land of 10,000 lakes. Actually, the number is closer to 30,000 lakes, and 11,007 of them are 25 acres or more in size. I may add that they are well stocked with fine fish.

In the April issue of the American Legion Magazine there is a fine article, by Erwin A. Bauer, entitled "Minnesota—Promised Land for Fishermen." I recommend the article to America's fishermen, but I warn them that after reading it they will not be happy until they, too, have had a chance to come to Minnesota and enjoy our fine natural playground.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Legion Magazine, April 1959]

MINNESOTA—PROMISED LAND FOR FISHERMEN

(By Erwin A. Bauer)

America's wandering anglers are finding superb sport in every corner of the country nowadays. And ranking with the very best of it is the premium fishing in a certain belt of northern real estate, half land and half water, hardly a day's drive from such Midwestern metropolises as Chicago, Milwaukee, Minneapolis, Omaha, and Des Moines. This, of course, is Minnesota, especially the northern part of it—the land of sky-blue waters, the land of 10,000 lakes. Natives like to call it Paul Bunyan Land.

With 90 percent of her people living within 5 miles of a lake, Minnesota is a promised land for outdoorsmen. Last year 1¼ million residents and their nonresident guests bought fishing licenses to catch 10,000 tons of fish in enough water to cover the whole State of Connecticut with some left to drip over.

When a Minnesota native, in his justifiable pride, says his State has 10,000 lakes he isn't telling the whole truth. Actually, the number is closer to 30,000 lakes, and exactly 11,007 of these cover 25 acres or more apiece. In addition to her wealth of lakes, Minnesota has so many miles of streams that they would reach around the globe if they were placed end to end.

There are two versions of how all this wet land was created, one romantic and one realistic. The romantic version—and the one preferred by chambers of commerce—is that the lake beds are simply the footprints made by Babe, the blue ox, when Paul Bunyan, the legendary Minnesota lumberman, led her across the unbroken wilderness. But a more scholarly version has the lake sites gouged out by the icy fingers of glaciers in prehistoric times. By either method, however, they're filled with sweet, clear water; and the water contains a dozen species of the gamest fresh-water fishes that swim. For the price of one admission—a license—the enterprising angler can enjoy the lot of them.

The Gopher State is more than just a fine fishing hole, although this may be recommendation enough. It's an air-conditioned, pine-scented vacationland, even during dog days. The atmosphere is virtually pollen-free; so much so, in fact, that this is headquarters for the Hay Fever Club of America.

This is a family playground; there are more than 4,700 resorts in the State. But fishing is still the No. 1 attraction of summer in Minnesota. The fishing comes in considerable variety—from deep-sea-type trolling to cane poling for panfish, and from plugging the lily pads to flycasting waist deep in a singing brook.

What fish should you try for in Minnesota? They include large- and smallmouthed bass, northern pike, muskies, walleyes, trout (lake, brown, brook, and rainbow), bluegills, perch, crappies, rock bass, and bullheads. Anyone can catch the walleyes and panfish. The pike, bass, and trout come a little harder. And the muskies are for the most serious anglers alone.

And you may as well relax, for no man, even fishing daily through his entire lifetime, could really cover the waters of northern Minnesota. He could make a career of fishing the 1,000-plus lakes in Ottertail County alone. Fishing headquarters for this region on the west side of the State is Fergus Falls. Here you can get tackle, licenses, bait, and information about the nearby waters.

But in the planning stage of your fishing trip for this area you may want to know of

some of the finest lakes in the area. These include Lida (for walleyes and northern pike), Silent (walleyes, largemouths), Star (walleyes, northerns, panfish), Big MacDonald (walleyes, northerns), Spirit (largemouths), Loon (crappies, northerns), and South Turtle (walleyes). East and West Lost Lakes, near Underwood, are hot spots for bass fishermen; but the truth is that the entire area provides fast enough fishing most of the time.

Just north of Fergus Falls is another county, Becker, full of lakes. No less than 400 of these lakes are within half an hour's drive of Detroit Lakes, the county seat, located on picturesque Big Detroit Lake. There's good fishing for all of the native species in this section. Some of the fastest fishing last year was for walleyes and crappies in Big and Upper Cormorant Lakes; both these lakes (which are connected) are unusually fine crappie producers. Ice Cracking Lake is small, but it has yielded some big northerns. So have Big Toad and Little Toad Lakes along Route 34. And to your list of the best fishing lakes add Island (walleyes), Pelican (crappies, bass), Height-of-Land (walleyes), and White Earth (northerns).

Brainerd, east of Fergus Falls and Detroit Lakes, has always been one of northern Minnesota's best-known fishing regions. And it's no wonder, for annually from these waters (which lie mostly north of Brainerd and the Mississippi River) trophy-size fish come wholesale. A local guide once bragged that his customers either catch fish or pay nothing and that he hadn't been skunked in 20 years of fishing.

Big Pelican Lake, just north of Brainerd, is excellent for walleyes (particularly early in the season) and for northerns, bass, and panfish as well. Just north of that is Upper Whitefish Lake, well known because of better than average walleyes and plenty of northerns. Long and Gull Lakes also have consistently good walleye fishing, but at times the nearby Mississippi River is the best producer of all. It also contains bass and an occasional big musky.

Mille Lacs Lake, about 20 miles east of Brainerd, is Minnesota's second largest lake (200 square miles). It is a vast, almost circular body of water ringed with sandy beaches. State fish biologists consider it to be one of the most fertile lakes in any of the Northern States. It has tens of thousands of acres of potential spawning area because it is generally shallow. It's hard to beat for walleyes and northerns, particularly walleyes. It's also hard to beat for the variety of accommodations for sportsmen and their families around its perimeter. Depending somewhat on the degree of plumbing, you can vacation here on a low budget, or live on a plush scale.

Actually, facilities in the Mille Lacs area are fairly typical of all of northern Minnesota in that they're designed to match any budget. They run from elaborate American-plan resorts with dim cocktail lounges on the side to shiny modern motels or simple housekeeping cabins. Few of the accommodations are pretentious, though. Regardless of how much he's paying for it, a visitor gets plenty of escape, freedom, and relaxation.

Walker is another beautifully located community in northern Minnesota. It's on the edge of the Leech Lake Indian Reservation, and so is handy to practically unlimited fishing. Many serious anglers consider giant Leech Lake the best in the State for muskies. It's also topnotch water for walleyes and northerns, probably because of its vast shallow weedy areas. Around nearby Remer are many other fine fishing lakes—Willow, Thunder, Big Boy, Birch, Upper Trelipe, Big Vermilion, and Inquadona.

It was Woman Lake, also in this vicinity, that once produced one of the alltime jumbo muskies, a 51 pounder. Musky fishing, however, is second here to the splendid pike and walleye fishing.

If you like to fish for walleyes, you'll want to check a number of other fine lakes just north of Leech Lake. The largest of these is Winnibigoshish, which also has muskies. Cass Lake is another good big one in this area. Cut Foot Sioux Lake, which connects to "Winni" is almost as colorful as its name. It's also home for many bragging-size northerns.

The towns of Bemidji (best known for its giant reproduction of Paul Bunyan on the shore of Bemidji Lake) and Park Rapids are also the crossroads of highways that lead into splendid fishing country. Some of the best known waters around Bemidji are Beltrami, Mud, Sugar, Plantaganette, Upper Sucker, and Steamboat Lakes. All have walleyes. Auginash, Bad Boy, Buckboard, and Solid Bottom Creeks contain brookies and brown trout.

Many of the best musky lakes are within easy reach of Park Rapids. Biggest of them is Mantrap. Others in the vicinity are Big and Little Sand, Bottle, Emma, Belle Tain, Boulder, Bad Axe, and Shinbogee. Other Minnesota musky waters (they're fairly widely scattered) are Lake Vermillion near Tower; Deer Lake north of Grand Rapids; the Rum River and the Mississippi near Grand Rapids; Deer Lake east of Effie; Little Fork River near Little Fork; Big Shoepac Lake south of Rainy Lake; and the celebrated Lake of the Woods, which is one of the finest musky lakes in North America. Some of the best musky water is on the Ontario side of the lake, though.

A number of lakes near Grand Rapids, Itasca County, have excellent walleye fishing. They include Pokegama, Shoal, Bass, and Rice Lakes. Accommodations for fishermen are numerous. Among these are a number of well-manicured campgrounds.

Itasca County is practically plastered with small trout streams. Some of the better streams for eastern brookies are Bruce, Hawkins, Matuska, Pancake, Pickerel, Rice, and Spring Creeks. It's best to hit most of them, early in the season. Parts of many of them, and their tributaries, are fairly remote; and it's well worthwhile to obtain a county map and go prospecting cross country. Usually the reward is a limit easily filled.

Northern Minnesota is wonderful country for the cook-out-under-canvas set. There are almost 200 approved and improved camping sites in this evergreen country alone. These include State parks, State forestry campgrounds, and U.S. Forest Service campgrounds. The annual fee for State park usage is $1; otherwise, all these facilities are free.

If there is an inland region anywhere in America made to order for boating and boating fans, it's Minnesota—from the winding Mississippi River (which forms much of the State's eastern boundary) and Lake Minnetonka (14,500 acres of exciting boating water only 20 minutes west of the Twin Cities) all the way north to Canada. Some of the waters are busy and craft of all kinds are numerous, but other waters are lonely and forgotten. In the latter there's high adventure for fresh-water sailors and their families. They can explore new places, enjoy new experiences, and rarely see another person. In other words, Minnesota is a good place to take a boat. It makes no difference whether it's a car top canoe, a runabout for water skiing, or an outboard cruiser towed behind the car on a trailer. There are launching sites or marinas on every lake of any size.

In a normal year summer weather in northern Minnesota is almost always pleasant. From June 1 to October 1 it's cool enough to be comfortable most of the time, but rarely too cool for pleasant camping. Even after October 1 the Indian summer weather may be of the brand that inspires poetry. There are dreary rain spells in autumn, to be sure, but usually the atmosphere is clear and crisp. No matter what the month, however, it's a wise angler who carries foul-weather gear and at least one outfit of woolen clothing. It's also sensible to carry insecticides, at least until July 15, because in the early summer mosquitoes, black flies, and deer flies can be troublesome.

You'll need no special or expensive tackle for Minnesota fishing. A single medium spinning outfit can do any job or catch any fish, except perhaps the largest of lake trout and muskies. Bait casting will handle these larger fish, and a fly-casting outfit is fine for trout and panfish. Just as it is elsewhere across the land, the jig (or "lead head" or Doll Fly) craze is invading northern Minnesota. Have a supply of them in the tackle box, because they're deadly both for walleyes and smallmouth bass. It's a good idea to have spoons for pike and underwater plugs for bass. An outboard motor is handy, too.

Speaking of smallmouths, one of the best spots for them is in the sprawling system of lakes, bays, channels, and islands known as Rainy Lake and lying along the international border. It is reached mostly by U.S. 53 to International Falls. Here is another more-water-than-land region that couldn't be thoroughly fished in several lifetimes, even though the effort would be pleasant. This is North Woods country at its lovely, magnificent best.

Besides the bass in the Rainy River-Rainy Lake system, there's superlative walleye and northern pike fishing. At times there's also remarkably good yellow perch fishing, and no fish are easier to catch than perch. The Little Fork River and the Rat Root River have pike. Namakan Lake is good for walleyes. Tiny (by comparison) Cruiser Lake contains lake trout and rainbows. Big Shoepac Lake has silver muskies, a musky-northern hybrid. Both of the last-named lakes are reached only by canoe portage or trail from Rainy or Namakan Lakes.

Just south of Rainy Lake and International Falls is Lake Kabetogama. Studded with hundreds of islands and many forgotten bays, it's one of the most scenic places in the whole north country. Take this one seriously if you're out for walleye fishing.

There was once extraordinary lake trout fishing along Minnesota's Lake Superior coast, but the recent invasion of sea lampreys claimed the trout as victims and has eliminated this fishery; anglers should not go there with lakers in mind. But don't skip over this section lightly, because it offers spectacular sport in many of the streams that empty into Superior along the north shore. There are brooks, browns, or rainbows, or some combination of the three.

Some of the best-known trout rivers in this region are: Beaver (at Beaver Bay), Baptism (near Iligen City), Manitou (at Little Marais), Caribou (north of Manitou River), Temperance (between Schroeder and Tofte), Onion (between Tofte and Lutsen), Devil's Track (north of Grand Marais), and Flute Reed (Hovland).

The Superior National Forest in the northeast corner of the State and the Quetico Park just across the border in Ontario together comprise the largest exclusive canoeing country in the world. To reach these thousands of lakes, you go by canoe and by foot. Canoe travel in this peaceful, little-disturbed country is almost a way of life. With paddles or small motors you cross the lakes, and between the lakes you pick up your gear and carry it over the trails. There are no roads or powerlines to guide you, and no airplane is allowed to invade the wilderness bush except in an emergency.

For the angler who wants to escape the hustle of the world of concrete or television, who wants to get away from everything but nature and fishing, this surely is

a paradise. There are few more beautiful wilderness regions in all of North America than this Superior National Forest which joins Quetico Park in Ontario to the north. A combined canoeing-camping-fishing trip in this region becomes a truly relaxing style of outing designed to rebuild a man's outlook on the working world and to strengthen him until he can return.

It's true that once canoe trips were no easy matter for beginners. Equipment was crude and heavy; you had to like it rough. But a canoe trip into the Superior bush today is such a safe and simple expedition that anyone or virtually any family can make a happy holiday of it. The whole community of Ely, Minn., on the edge of the forest, thrives on outfitting anglers and canoe-trippers.

A fisherman and his family can drive up to an outfitter in Ely and set out a few minutes later with all the equipment necessary for anything from a weekend to a 2-week trip—on a rental basis. And it's inexpensive too; figure $5 per person per day. Families can figure less than that per person for the full treatment, which includes rental on everything but toothbrushes and the mixings for a before-dinner martini. A nonresident fishing license will cost $4. Guides are available too, but their services add an extra $15 to $25 a day to the cost. With or without guide though, a wilderness canoe trip is an adventure long to be remembered by anyone who genuinely loves the outdoors.

There's pretty fair fishing in this superior country; and one individual who knows it better than most is Bill Rom, busy proprietor of Canoe Country Outfitters, the largest canoe caterer in Ely. Bill picks the following lakes as the best for fishing, year in and year out:

For walleyes: La Croix, Crooked, Basswood, Big Saganaga, Agnes, White Iron, Three, Gun, Cherry, Shell, Ensign, Alice, Insula, Little Saganaga, Kawishiwi, Ima, and Shagawa.

For northern pike: Basswood, Birch, Ensign, Crooked, Agnes, Fourtown, Knife, Spoon, Alice, Insula, and Adams. Add also the Isabella and Kawishiwi Rivers.

For lake trout: La Croix, Oyster, Knife, Cedar, Gabimichigami, Kekekabic, Wisini, Thomas, Snowbank, Gunflint, Big Saganaga, Little Saganaga, Bear, and Ima.

For bass: Basswood, Cummings, Crab, Knife, Birch, Ensign, Strup, and Wisini. You can pick your fishing spot in Minnesota from the tourist-fringed lakes to the deep wilderness waters. It isn't even necessary to venture far from the Twin Cities, which are completely surrounded by lakes. Here is the land of fine fishing and abundant water; and, try as you will, you'll never, within your allotted time, do more than take a fair sampling of Minnesota's good fishing spots. But don't let this distress you, for the Minnesota native himself can accomplish little more.

FEDERAL PAYMENTS OF TAXES OR IN LIEU OF TAXES

Mr. HUMPHREY. Mr. President, the past week it was my privilege, as a member of the Senate Committee on Government Operations, to preside at the hearings scheduled at the direction of the committee chairman, the Senator from Arkansas [Mr. McCLELLAN], to consider, in general, the important and troublesome problem of Federal payments of taxes or in lieu of taxes to State and local taxing authorities, and, in particular, the provisions of Senate bill 910, which I introduced on February 3, on behalf of myself and 32 other Senators.

As is well known, for many years State and local taxing authorities have been seriously concerned over the increasing acquisition by the Federal Government of various types of property, which acquisition has operated to remove such property from local tax rolls.

From time to time over the years, the Congress has acknowledged responsibility for reducing, to some extent, the adverse effects of these acquisitions by enacting numerous statutes which authorize payment by certain Federal agencies upon certain types of property. However, the great majority of Federal agencies have no general authority to make payments on their properties. Furthermore, existing provisions of law are quite diverse and result in different treatment for similar properties of various agencies. Thus, those provisions of law which do exist fail to present any clearcut uniform policy. On some classes of property, some agencies pay taxes; others make payments in lieu of taxes; and still others make no payments at all.

Senate bill 910 is a very modest attempt to deal with a problem which the Committee on Government Operations and other committees of the Congress have studied and considered for more than 10 years. It is identical to a bill, Senate bill 4184, which was drafted originally by this committee in the 84th Congress and reported favorably in 1956, following extensive hearings on a large number of proposals.

Senate bill 910 represents the culmination of many years of continuing efforts by the committee to develop a program which would afford some measure of relief to local communities which have suffered losses as the result of the presence of Federal tax-immune property in their jurisdictions, but which would not do violence to the principle of Federal tax immunity or constitute an undue burden on the Federal Treasury.

In essence, this bill would do nothing more than establish a 5-year program of payments in lieu of taxes and special assessments on a very limited category of real property which has been removed from the local tax rolls as a result of Federal acquisition. The major category of payments would be at the discretion of a Federal Board which would administer the program, and numerous additional safeguards have been included in order to insure against any undue or unjustifiable payments. It would also require the Federal Board established by the bill to conduct a comprehensive study and make a case-by-case analysis of virtually every phase of fiscal and related problems of local taxing authority arising out of Federal immunity from local real and personal property taxes, including the operation of all existing programs. The Congress would receive semiannual reports from the Board on the operation of the program, and, within 2 years from the date of enactment, a comprehensive report, accompanied by appropriate proposed legislation, detailing its recommendations for the necessity of a continuing policy.

I repeat now what I have said before—through the years, many hundreds of witnesses have been heard; many volumes of testimony have been compiled; and numerous reports have been made by interested groups and carefully studied by the committee.

I believe that the time has come for action. S. 910 satisfies neither the opponents nor the proponents of a Federal payment-in-lieu-of-taxes program. It represents, however, a sincere effort to solve a most perplexing problem and to pave the way, in a realistic fashion, for such improvements as may be needed, based upon the 5 years of experience provided for in this measure.

I believe that this bill represents the best legislation that is possible at this time. It will not authorize a giveaway program, it will not open the gates to unlimited and unrestrained payments by the Federal Government to local communities; and it is not discriminatory. It is my firm conviction, based upon my service as the mayor of a good sized city, as a member of the Committee on Government Operations, and at one time chairman of its Subcommittee on Intergovernmental Relations, and as a member of the Commission on Intergovernmental Relations and its Study Committee on Payments in Lieu of Taxes and Shared Revenue, that this bill is a modest attempt to deal with a very vexing problem.

I ask unanimous consent, Mr. President, that there be inserted in the RECORD at the conclusion of my remarks a Senate Government Operations Staff Memorandum, No. 86–1–11, dated March 17, 1959, which contains detailed information relative to the bill, its background and history. This analysis and report was prepared by one of the members of the fine professional staff of the committee, Eli E. Nobleman.

I hope Members of the Senate will look over this material, because a number of their constituents will be getting in touch with them. This measure has been endorsed by the American Municipal Association, the Conference of County Officers, Commissioners, and Supervisors, and a host of other governmental bodies.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

PURPOSE

S. 910 would establish a temporary program of payments in lieu of taxes and special assessments on a very limited category of real property which has been removed from the tax rolls as the result of Federal acquisition.

The bill would authorize, for a 5-year period, (1) a very limited program of payments in lieu of taxes on industrial or commercial real property acquired by the Federal Government after June 30, 1950; (2) payments of special assessments levied after the effective date of the act in urban or suburban areas, if such assessments were also levied on real property owned by other taxable persons; and (3) payments in lieu of taxes on the interest of the Federal Government in real property leased or sold to private persons under conditional sales contracts, if such property were owned by a taxable person.

The program would be administered by a five-member, bipartisan Federal Board for Payments to Local Governments, appointed by the President, subject to Senate confirmation. A taxing authority would be required to file an appropriate application, specifying

the Federal property involved, the basis of its claim, and the period for which the claim is made (not to include 12 months in any single application). The Board, after determining the existence of a probable basis for the claim, and conducting a hearing, if a basis is found to exist, would be required to determine and certify to the controlling Federal agency the amount of payment to be made to the local taxing authority.

In the case of industrial or commercial real property, however, the applicant would be required to make a showing that Federal acquisition of such property has resulted in a financial hardship to the community in question. The actual payment to be made would be based upon the amount of local taxes which would have been payable had the property been privately owned, increased by additional expenditures incurred by the taxing authority in furnishing services to the Federal property, and diminished by the aggregate amount of local-type governmental services furnished by the controlling Federal agency, further diminished by any additional credit against Federal liability resulting from any exemption, immunity, or reduction in the tax rate or amount, if such are available, under State or local law, to private persons as an inducement to engage in industrial or commercial activities within the territorial jurisdiction of the particular tax authority. The Board's decisions are made final and would be conclusive upon all tax authorities and Federal agencies, and may not be questioned by any court or Government accounting officer.

The bill provides further that payments made by Federal agencies under existing programs authorized by law would not be affected; that Federal property upon which payments are made under an existing program would be excluded from the coverage of this bill and would not be subject to additional payments for the same period; and that Federal payments on industrial or commercial property cannot exceed the amount of the tax which would be payable if such property had been developed and used by a taxable person for a typical private industrial or commercial use, either within the jurisdiction of that tax authority or in nearby comparable communities.

The Board, either on its own motion or upon application by a taxing authority, would be required to make various studies relative to (1) fiscal and other problems of local taxing authorities arising out of Federal immunity from real and personal property taxes; (2) the nature and extent of payments to local taxing authorities under other Federal programs, including grants-in-aid and revenue-sharing programs; and (3) the nature and extent of benefits derived by taxing authorities directly or indirectly through persons residing or employed upon Federal property and for or in connection with any property, trade, business, etc., situated or occurring upon Federal property.

The Board would be required to report semiannually to the President and the Congress with respect to its operations during the preceding period and to file, no later than 2 years after the date of enactment, a comprehensive report, accompanied by appropriate proposed legislation, detailing its recommendations on the necessity for a continuing policy for compensating local taxing authorities for losses sustained incident to the presence of Federal tax-exempt property within their jurisdictions, and with respect to the future treatment of properties for which payments are temporarily authorized by Public Law 388, 84th Congress, as extended by Public Law 85-579 (former RFC properties).

The Board would be authorized to employ personnel and procure the services of consultants at rates not to exceed $50 per day, to conduct hearings or investigations, and to examine witnesses and compel their attendance by subpena. It would be required to maintain an accurate stenographic record of all testimony taken, a transcript of which would be filed in the office of the Board. The Board would cease to exist on December 31, 1966, 2 years after the terminal date for the filing of applications for payment.

Finally, the bill would establish a 12-member advisory committee, composed of representatives of the Federal Government, State governments, and local taxing authorities, appointed by the President, which would be required to conduct studies of the administration of this act, as well as all other Federal legislation authorizing payments of taxes or in lieu thereof, by Federal agencies to local tax authorities, and problems arising in connection therewith. This committee would be required to consult with the Board, upon its request, in an advisory capacity in the solution of such problems, and transmit from time to time to the Board and to the President for transmittal to the Congress, a report summarizing the result of its studies, together with recommendations for administrative or legislative changes considered necessary or desirable for efficient, economical, and equitable administration of such provisions of law.

BACKGROUND

General

State and local taxing authorities have been seriously concerned, particularly since 1939, over the increasing acquisition by the Federal Government of various types of property which has operated to remove such property from local tax rolls. Local governments depend upon property taxes for more than half of their total revenues, so that they are particularly concerned when the Federal Government acquires real estate and thereby removes it from the property tax base while at the same time activities on or associated with the Federal property may impose service burdens upon these local governments.

The seriousness of the general problem appears to have been magnified by the outbreak of the Korean war in 1950, when large-scale Federal acquisitions of defense production facilities throughout the country resulted in the removal of substantial parcels of real property from local tax rolls.

From time to time, the Congress has acknowledged responsibility for reducing, to some extent, the adverse effects of these acquisitions upon local government revenues and fiscal structures by enacting numerous statutory provisions which authorize payments by certain Federal agencies and departments or upon certain types of property. However, the majority of Federal agencies have no general authority to make payments on their properties. Furthermore, existing provisions of law are quite diverse and result in different treatment for similar properties of the various agencies. Thus, those provisions of law which do exist fail to present any clear-cut uniform policy. On some classes of property, some agencies pay taxes; others make payments in lieu of taxes; and still others make no payments at all. At the present time, according to the latest available information, there are presently on the books some 55 laws dealing with Federal payment of taxes or in lieu of taxes, or shared revenue arrangements. Of this number, some 20 provide for a sharing of revenue between Federal and State and local governments; 18 authorize payments in lieu of taxes; and 17 authorize the payment of direct taxes.

STUDIES OF FEDERAL-STATE-LOCAL TAX RELATIONS

During the past 22 years, the fiscal problems of local governments resulting from Federal acquisition and control of real property, and the impact of Federal immunity from State and local taxation have been the subject of almost continuous study by governmental, quasi-governmental and private groups which have filed some 9 reports with recommendations. These efforts have been fully detailed and documented in Senate Report No. 2424, 84th Congress, filed by this committee on July 7, 1956.

The most recent major study was made by the Commission on Intergovernmental Relations which submitted a 311-page report with recommendations, which was accompanied by 15 additional volumes, totaling in all, approximately 2,200 pages. One of these volumes was a 197-page report entitled "Payments in Lieu of Taxes and Shared Revenues", which contained an exhaustive study of the entire subject, with detailed recommendations relative to future Federal policy with respect to payments to State and local governments for Federal property holdings located herein.

COMMITTEE ACTION—80TH–85TH CONGRESS

Since 1947, this committee has had before it various studies and a continuous stream of legislative proposals dealing with Federal-Stat-local relations, in general, and payments of taxes or in lieu of taxes, in particular. Large numbers of complicated bills were processed and numerous hearings were held.

In the 84th Congress, the committee had before it a total of 12 bills dealing with various aspects of payments of taxes or in lieu of taxes by the Federal Government to local taxing authorities. In July 1955, the committeee held a preliminary hearing on 7 bills then pending before it. Further action was deferred pending an opportunity to examine the report and recommendations of the Commission on Intergovernmental Relations and the receipt of the administration's comments on the bills then pending. Following these hearings, the staff prepared an exhaustive analysis of the pending bills and the pertinent findings and recommendations of the Intergovernmental Relations Commission and its Study Committee on Payments in Lieu of Taxes and Shared Revenues.

In 1956, the committee held further hearings on these bills. Following consideration of the testimony contained in the 477-page record of the hearings, the committee concluded that (1) because of the complexities inherent in the subject, the large number of variables involved, it was unable to recommend favorable action on any of the pending bills; (2) since the factual pattern varied in the 16,778 cities and the 3,049 counties in the United States which may possibly be affected by Federal tax immunities, the only approach which would furnish a measure of relief to those local governments which are hard pressed as a result of Federal acquisitions, was through a limited program of payments in lieu of taxes, coupled with a case-by-case consideration by an administrative board of the relative merits of individual cases; (3) any further legislative action would have to await the accumulation by such a board of information concerning specific local needs and situations, compiled on a case-by-case basis, following field studies; and (4) no amount of general study, unrelated to the specific variable factors in each individual case, would serve any useful purpose. In this conclusion, the committee was supported by the Bureau of the Budget and by a number of the sponsors of the major bills pending before the committee, who testified in the hearings that, in their judgment, bills proposing to establish broad comprehensive programs had not received favorable action over the years because such an approach was not feasible.

Accordingly, the committee drafted and reported favorably a committee bill, S. 4183 (S. Rept. No. 2424, 84th Cong.), identical to S. 910, the pending bill, providing for a 5-year program of payments in lieu of taxes and special assessments on a very limited category of real property; and permitting modest payments only to those taxing authorities which are able to show that, after

weighing the benefits resulting from the presence of Federal installations against the burdens imposed on local taxpayers and local taxing authorities, they were still suffering financial hardships. The major feature of this measure was a comprehensive study which the Board would have been required to make and the case-by-case analysis of virtually every phase of fiscal and related problems of local taxing authorities arising out of Federal immunity from local taxation, including the operation of existing programs; and the comprehensive report which was to be made to the Congress after 2 years, accompanied by appropriate proposed legislation, detailing its recommendations on the necessity for a continuing policy.

This measure failed of action on the floor of the Senate, following opposition and its temporary displacement to permit the transaction of further urgent business.

In the 85th Congress, the committee again had before it numerous bills dealing with this subject, including S. 967, identical in every respect to S. 4183, 84th Congress, and to the pending measure, S. 910, 86th Congress.

CONCLUSIONS

As previously indicated, S. 910 is identical in every respect to S. 4183 of the 84th Congress. It represents the culmination of more than 10 years of continuing efforts by the committee to develop a program which would afford some measure of relief to local communities which have suffered losses as the result of the presence of Federal tax-immune property in their jurisdictions, but which would not do violence to the principle of Federal tax immunity or constitute an undue burden on the Federal Treasury. Its provisions are based upon a careful study of the testimony of hundreds of witnesses heard by the committee through the years and upon many volumes of testimony and numerous reports.

S. 910 has the support of all of the major organizations representing State and local governments and taxing authorities, including the National Association of County Officials and the American Municipal Association.

Finally, S. 910 is based upon the conclusions of this committee, contained in its report on the earlier identical committee bill, S. 4183 that (1) there is an urgent need for immediate legislative action to relieve local taxing authorities from unjustified and inequitable burdens and hardships which have been imposed upon them as the result of large-scale Federal acquisition of various types of property which has operated to remove such property from the local tax rolls; (2) because of the extremely complex nature of the subject and the many variables which are involved, it is not possible to devise a comprehensive program which will operate in a fair and equitable manner, and which is not likely to involve high expenditures of Federal funds and possible windfall payments to communities which have actually been benefited rather than harmed by the presence of Federal installations; and (3) the only equitable type of program which is possible is one in which payments are based upon individual cases and situations as they are presented and documented, and as information relative to each situation is compiled, evaluated, and assessed on its merits (S. Rept. No. 2424, 84th Cong.).

The staff has been informed by representatives of the Bureau of the Budget that pending reexamination of the entire field of Federal-State-local fiscal relations, no report on the pending bill will be submitted at this time. However, it is expected that a report embodying their views will be completed early next month.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT

Mr. CLARK. Mr. President, within 2 weeks the Temporary Unemployment Compensation Act which Congress passed last year will expire. The House of Representatives has passed a bill which in effect permits the law to expire. No new person exhausting his regular benefits could be added to the temporary benefit program, yet the unemployment problem is virtually as great as it was when we passed the bill last year. The number of unemployed stands at 4,749,000, which is a recession level. Exhaustions of benefits are almost as high as they were last year, an estimated 200,000 in March of 1959 as compared to 254,000 when we passed the bill last June.

As a result, 18 Senators asked the Finance Committee for a hearing in order to present the case for a better bill than the one passed by the House of Representatives. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the letter which was signed by those 18 Senators and addressed to the eminent chairman of the Committee on Finance [Mr. BYRD of Virginia].

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 18, 1959.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate.

DEAR MR. CHAIRMAN: With the scheduled expiration of the Temporary Unemployment Compensation Act of 1958 on March 31, the Nation faces an emergency situation in regard to assisting the hundreds of thousands of workers whose regular unemployment benefits will expire after that date.

The latest official figures show 4,749,000 persons unemployed—only 13 percent fewer than last June when the Temporary Unemployment Compensation Act was passed. Unfortunately, there is little evidence that the number of unemployed is likely to drop rapidly after March 31. Industrial production has been rising at the rate of less than 1 percent a month, and employment is lagging behind production.

In short, the recession—as measured by unemployment—is continuing. There is as much reason for an emergency unemployment compensation program now as when the act was passed last year.

Under these circumstances, we feel that the measure passed by the House yesterday is almost totally inadequate. It would bar from the Federal program any worker whose benefits expire after March 31. It would force tens of thousands of self-respecting workers and their families to suffer the humiliation of going on the relief rolls.

We feel that during a national recession, unemployment must be accepted as a national problem. To throw the entire burden of assistance and relief upon the State and local communities at this time will result in hardship, suffering, and privation which it is the responsibility and duty of any civilized society to prevent.

We, therefore, respectfully request that brief hearings be scheduled by your committee, so that those who share our views may have an opportunity to state the case for a more adequate bill than the one passed by the House of Representatives.

JOSEPH S. CLARK, PAT MCNAMARA, PHILIP A. HART, WAYNE MORSE, RICHARD L. NEUBERGER, JOHN F. KENNEDY, THEODORE FRANCIS GREEN, JOHN O. PASTORE, HUBERT H. HUMPHREY, EUGENE J. MCCARTHY, JAMES E. MURRAY, MIKE MANSFIELD, HARRISON A. WILLIAMS, JR., VANCE HARTKE, PAUL H. DOUGLAS, JENNINGS RANDOLPH, ROBERT C. BYRD, ERNEST GRUENING.

Mr. CLARK. At that hearing the 18 Senators agreed upon testimony supporting, as cosponsors, the bill introduced by the distinguished Senator from Michigan [Mr. MCNAMARA], Senate bill 1323. I ask unanimous consent that that testimony be printed in the RECORD at this point as a part of my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF COSPONSORS OF S. 1323 BEFORE THE COMMITTEE ON FINANCE, U.S. SENATE, MARCH 20, 1959

Mr. Chairman and members of the committee, the following statement is submitted on behalf of the 18 Senators who have cosponsored S. 1323: Senators MCNAMARA, CLARK, HART, MURRAY, MANSFIELD, MORSE, NEUBERGER, GREEN, GRUENING, BYRD of West Virginia; RANDOLPH, HUMPHREY, MCCARTHY, DOUGLAS, KENNEDY, WILLIAMS of New Jersey, PASTORE, and HARTKE.

We have sought hearings before this committee because of our concern about the House bill, H.R. 5640, that is before you. H.R. 5640 would extend the present Temporary Unemployment Compensation Act of 1958, due to expire on March 31, 1959, to cover those who have established eligibility as of March 31, 1959. Our objections to this bill are based on two major premises.

First, the high unemployment of 1958, which prompted the enactment of the Temporary Unemployment Compensation Act, has almost been equaled in 1959. Complete unemployment figures are available only for January and February, but they show that unemployment nationally now stands at 4.7 million.

This unemployment figure is only slightly below that of the same date last year. In fact, unemployment in January of this year, 4.7 million, was the highest for any January since before World War II, and the February 1959 total was exceeded in that period only by February 1958.

Civilian unemployment and employment from January 1957 [1]

[Millions]

Month	Unemployment			Employment		
	1957	1958	1959	1957	1958	1959
January	3.2	4.5	4.7	62.6	62.2	62.7
February	3.1	5.2	4.7	63.2	62.0	62.7
March	2.9	5.2	------	63.9	62.3	------
April	2.7	5.1	------	64.3	62.9	------
May	2.7	4.9	------	65.2	64.1	------
June	3.3	5.4	------	66.5	65.0	------
July	3.0	5.3	------	67.2	65.2	------
August	2.6	4.7	------	66.4	65.4	------
September	2.6	4.1	------	65.7	64.6	------
October	2.5	3.8	------	66.0	65.3	------
November	3.2	3.8	------	64.9	64.7	------
December	3.4	4.1	------	64.4	64.0	------
Average	2.9	4.7	------	65.0	64.0	------

[1] Source: U.S. Bureau of the Census.

Civilian unemployment and employment [1] *in February 1953–59*

[Millions]

Year	Unemployment	Employment
1953	1.8	61.1
1954	3.7	60.1
1955	3.4	59.9
1956	2.9	62.6
1957	3.1	63.2
1958	5.2	62.0
1959	4.7	62.7

[1] Source: U.S. Bureau of the Census.

Furthermore, the number of persons who will exhaust their unemployment insurance

rights in fiscal 1960 is exceeded only by fiscal 1959. It should be noted that the chart below (chart II) is based on the most optimistic predictions—predictions which will depend for fulfillment on an almost miraculous about-face in the economy.

CHART II

[In thousands]

	State UI and UCFE exhaustions, fiscal year—			
	1957	1958	1959	1960
July	86.6	98.9	285.4	210
August	88.1	91.6	255.0	190
September	73.5	82.9	237.4	195
October	73.8	94.5	224.3	195
November	70.4	84.4	177.7	155
December	73.3	110.6	213.1	165
January	106.7	147.1	212.4	170
February	95.2	145.5	195.0	150
March	112.5	191.4	200.0	155
April	115.1	231.2	195.0	150
May	106.5	236.8	175.0	140
June	92.5	254.0	170.0	130
Fiscal year total	1,094.1	1,768.7	2,540.0	2,005

Second, there is no evidence that this situation is capable of self-improvement. Our experience in 1958 is valid testimony to that fact. All of the blithely optimistic statements that have been uttered about the passing nature of this problem will not restore one single unemployed person to work.

It is true that production in the latter months of 1958 showed some improvement. Unfortunately, this was not accompanied by a comparable increase in employment. Between April of 1958, the low point of last year's recession, and December 1958, 84 percent of the manufacturing production loss was recovered. However, there was only a 26-percent restoration of the manufacturing job loss.

The recession which we now face is one which hits all fields of employment. It is not a phenomenon peculiar to only several.

Unemployment rates for nonfarm wage and salary workers, by major industry group, January 1957 to 1959

[Percent of labor force in industry who were unemployed; not adjusted for seasonality]

Industry group	1959	1958	1957
Total	7.3	7.1	5.2
Mining	11.7	9.6	5.0
Construction	19.3	18.7	14.8
Manufacturing	7.9	8.9	5.0
Durable goods	8.2	9.9	4.5
Primary metal industries	8.2	11.2	2.6
Fabricated metal products	9.1	8.6	5.3
Machinery, except electrical	7.2	8.0	1.9
Electrical machinery	6.7	7.9	4.0
Transportation equipment	7.7	12.0	3.3
Automobiles	10.3	14.7	4.1
All other	5.6	9.6	2.7
Other durable goods industries	9.7	10.1	8.3
Nondurable goods	7.5	7.7	5.8
Food and kindred products	9.1	9.8	7.8
Textile-mill products	10.3	10.8	4.7
Apparel and other finished textile products	12.5	11.0	10.4
Other nondurable goods industries	5.3	5.7	4.7
Transportation communication, and other public utilities	6.2	5.5	3.5
Railroad and railway express	8.4	9.0	4.5
Other transportation	8.4	5.7	4.2
Communications and public utilities	2.8	3.0	2.2
Wholesale and retail trade	7.3	6.6	5.8
Service industries	4.7	3.5	3.2
Finance, insurance, and real estate	2.9	2.1	1.5
Professional services	2.8	1.8	2.0
All other service industries	7.6	6.0	5.4
Public administration	2.8	3.1	3.0

Of the 149 major labor market areas in the United States, 76 of them, more than half, have unemployment of more than 6 percent. The same level of unemployment is present in 183 of the Nation's smaller labor markets.

The economic downturn which has prevailed for a considerable period of time is somewhat unique. Perhaps the best summation of this fact can be found in the document entitled "Current Population Reports—Labor Force," published by the U.S. Department of Commerce. In the March 1959 issue, page 3, the following appears:

"The recent recession differs somewhat from the two earlier postwar downturns in the pattern of decline in unemployment. The recovery in 1958 was largely compressed into a short span of months in the second half of the year, with little change in unemployment since November except for seasonal fluctuations. As a result, some 10 months after the generally accepted turning point in the 1958 downturn, unemployment was just about halfway back to more typical postwar levels, whereas the job recovery was more nearly complete at the corresponding stage of the previous cycles."

It is apparent that the temporary unemployment measure that we passed last year did not solve the basic problem; it only provided welcome relief for those who were most affected by the continuing recession.

We who are before this committee today do not offer our bill, S. 1323, as a permanent solution to the basic problem.

The great majority of us are also cosponsors of a bill which would provide us with an effective attack on this problem of chronic national unemployment. That bill, S. 791, the Kennedy-McCarthy bill, would establish minimum national standards for unemployment insurance considerably more adequate than those standards now in existence throughout the 50 States.

We are of the opinion that the enactment of such legislation is essential. It is the only way to provide realistic protection against the rapid cycle of unemployment which we have experienced in the recent past. Unless we return to the basic philosophy of unemployment insurance that characterized its initiation in 1938—namely, that an unemployed person should receive benefits which equalled roughly one-half of his earnings, for a realistic period of time—we will never fully meet this problem.

That is what is intended under S. 791, and we will urge its enactment when the bill is before the Senate.

But the immediate problem before us is the hardship created by present unemployment. The statistics that we have already cited are not just the handiwork of an electronic computer. They are not digits over which men of good will can shake their heads and utter a few polite "tsk-tsks."

These figures are easily translated, and their translation does not make for easy reading. They represent hunger, illness, and degradation.

Each one of the unemployed who is counted in the total has problems which, fortunately, are unknown to most of us. Few of us have had to sit idle while our children go off to and return from school hungry. There is perhaps no crisis so disastrous as family illness which cannot be tended because of poverty.

Of perhaps equal gravity is the toll that has been taken of the pride and self-respect of millions of American working people. There are only a few alternatives left to a man without work and without unemployment insurance.

He can borrow from his relatives, who in most cases are only a short step away from his own perilous circumstances. He can beg from the local welfare agencies. We submit that begging is an accurate description in most instances, primarily because many State and local welfare funds have already been drained and can give relief only to those in a disaster classification.

He has another alternative, if he has children. He can desert his family and thereby enable his children to become eligible for the joint Federal-State program of aid to dependent children. It is ironic that we have by past action and inaction placed a premium on a father's desertion of his family. Yet in State after State, and in more cases than even the local agencies care to document, this is exactly what is happening.

That these are the several alternatives from which the unemployed can choose is appalling in a nation as wealthy as ours. We believe that we have the resources and the humanity sufficient for the establishment of another adequate alternative, which we discuss below.

We must, of course, face the issue of the budget. All of the Senators for whom I am speaking want to see a balanced budget in the fiscal year 1960. Some of us believe that the money which this bill costs can be met through economies elsewhere in the budget. Some of us believe that additional revenues should be obtained through closing tax loopholes and removing inequities in the tax structure—legislation which would be within the province of your committee. The answer may lie in a combination of the two approaches. But, in any case, all of us believe that we must balance the budget through other means than deserting the unemployed of this country in this time of great and urgent need.

We feel it is anomalous, to say the least, that the position of many persons in responsible positions appears to be that this great and rich country can afford to be humane—or even generous—until an arbitrary date on the calendar, June 30, 1959; and that after that date we must cease to have humanitarian impulses, must harden our hearts, must steel ourselves against the temptation to be compassionate, and must concern ourselves, beginning promptly at 12:01 a.m. on July 1, with reduction of Federal expenditures as the overriding objective of our national existence.

We turn now to the proposal before this distinguished committee.

H.R. 5640 would continue temporary benefits for all those who established their eligibility, under the 1958 TUC Act, before March 31, 1959. It would provide a measure of relief for the approximately 265,000 persons who will be drawing benefits as of March 31, plus those who established eligibility at a prior time, returned to work, and again became unemployed during the period March 31–June 30, 1959. The outside maximum number that would fall into the latter category is estimated to be 140,000 persons.

Thus, a maximum of 405,000 persons would be affected by H.R. 5640, or less than 10 percent of those now unemployed. The total cost, if 405,000 persons were benefited, would be $78 million.

In short, H.R. 5640 would take care of less than one-tenth of the problem that exists.

S. 1323 would provide a uniform 16 weeks of benefits for all persons who had exhausted their unemployment insurance eligibility under existing programs. It would provide similar benefits for all those who had substantial earnings records in the past 2 calendar years and who had not been in covered employment. The main provisions of the bill are, briefly:

1. Sixteen weeks of benefits for all those who exhausted unemployment insurance rights under any and all existing programs, including the TUC Act of 1958.

2. Sixteen weeks of benefits for all those who worked in uncovered employment and who (a) earned a total of $1,000 during either of the 2 calendar years, for which records are available, prior to application for benefits, and who (b) worked a total of four quarters during the 2-calendar-year period.

3. Benefit amounts would be determined as follows: (a) Exhaustees: weekly benefit

would equal that obtained under existing programs; (b) noncovered: weekly benefit would be equal to 1¼ percent of yearly earnings, with a maximum equal to the maximum granted under the State unemployment insurance program.

(These criteria would prevent the imposition of an undue administrative burden on the State agencies. The Bureau of Social Security has earnings records which would provide the necessary data, at a cost of 60 cents per application.)

4. A State would have the option to enter into that part of the program which provides benefits for those in uncovered employment.

5. All recipients must be ready and willing to work, and must accept reasonable employment openings obtained by th State employment agencies.

We estimate that approximately 3½ million people will gain relief under S. 1323. The bill, if enacted, would immediately benefit the 1.9 million who are now unemployed and who have exhausted their rights under existing programs or who have worked in uncovered employment. In addition, another 1.6 million persons who exhaust in the coming year would also receive benefits.

Assuming that recovery continues to lag, the total cost of this program would be $875 million. Of course, if the recession ends as rapidly as we all hope, this expenditure will be considerably reduced.

We would like to point out that an estimated $206 million of the $640 million which Congress appropriated last year for the TUC Act will be unspent as of March 31 of this year. This means that by carrying this money over into the expenditures for S. 1323, the total new money called for would be approximately $670 million.

The enactment of S. 1323 would accomplish two major and worthwhile objectives.

It would, first, provide substantial relief for those who need it most. S. 1323 is in no sense a dole. In fact, it is the opposite of a dole. If it is not enacted we will be faced with even greater public assistance expenditures than now confront us nationally.

S. 1323 will assist only those whose past work record should entitle them to better social insurance than is now provided under inadequate unemployment compensations programs.

I would, secondly, inject a sizable amount of money into an economy which, by all available evidence, could readily benefit by such action. The stimulus that would be provided cannot be statistically demonstrated, of course. But perhaps the main reason why the recession has not deepened has been the several public programs which take up the economic slack in a period of decreased production.

Unemployment insurance, even though inadequate, has been a major factor in maintaining a degree of purchasing power. The highway construction act has given additional impetus. We are hopeful that the airport and housing bills already passed by the Senate this session will help also.

Gentlemen, this Congress will be faced with many problems during the coming 18 months. We will be called upon to make decisions affecting the preservation of freedom itself.

Yet no institution such as ours can effectively deal with these grave issues if the problems of our domestic community remain unsolved. If our system of democratic capitalism is to prevail internationally, it must prove itself at home.

It is trite to demonstrate the past role that the Federal Government has fulfilled in making that system work at home. That fact is overwhelmingly apparent to this body which has been such a part of the creation of that role.

This is not the hour to turn our backs on the lesson of our recent domestic history. We urge your favorable consideration of the proposal we have placed before you—the enactment of S. 1323. We pledge you our support and cooperation in the enactment of a program which will meet this domestic challenge of unemployment.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a tabulation showing insured unemployment for the week ended February 28, 1959, by States.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Insured unemployment for week ended Feb. 28, 1959 (excluding railroad)

Alabama	41,120
Arizona	10,659
Arkansas	26,360
California	270,180
Colorado	14,208
Connecticut	49,352
Delaware	7,239
District of Columbia	9,800
Florida	31,461
Georgia	34,075
Idaho	9,800
Illinois	151,108
Indiana	56,883
Iowa	14,888
Kansas	15,515
Kentucky	39,365
Louisiana	37,734
Maine	18,790
Maryland	55,348
Massachusetts	106,396
Michigan	144,113
Minnesota	54,972
Mississippi	20,752
Missouri	46,038
Montana	15,037
Nebraska	10,340
Nevada	6,185
New Hampshire	7,762
New Jersey	133,046
New Mexico	6,398
New York	385,154
North Carolina	47,902
North Dakota	8,399
Ohio	129,619
Oklahoma	21,532
Oregon	33,880
Pennsylvania	334,672
Rhode Island	21,841
South Carolina	17,387
South Dakota	4,309
Tennessee	45,900
Texas	69,629
Utah	9,162
Vermont	5,046
Virginia	28,449
Washington	55,316
West Virginia	46,411
Wisconsin	43,972
Wyoming	5,086

Mr. CLARK. Mr. President, I ask also to have printed in the RECORD at this point as a part of my remarks a telegram signed by George Meany, president of the AFL–CIO, which, in effect, states that the House bill is practically meaningless, and urging our support of the bill of the senior Senator from Michigan, Senate bill 1323.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *March 23, 1959.*

Hon. JOSEPH S. CLARK,
Senate Office Building,
Washington, D.C.:

As reported by finance committee, H.R. 5640 would do absolutely nothing for any person exhausting unemployment compensation benefits after March 31 and for those unprotected by present State laws. Continuing mass unemployment with hundreds of thousands exhaustions monthly requires changes in H.R. 5640 along lines of S. 1323 which will be offered on Senate floor. AFL–CIO urges your support for S. 1323.

GEORGE MEANY,
President, AFL–CIO.

Mr. CLARK. The Governor of Pennsylvania, David L. Lawrence, sent a telegram to me which was presented for the record before the Senate Finance Committee, pointing out the critical situation with respect to unemployment in the Commonwealth of Pennsylvania. I ask unanimous consent that the telegram be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

HARRISBURG, PA., *March 19, 1959.*

Hon. JOSEPH S. CLARK,
Chairman, Senate Finance Committee, Senate Office Building, Washington, D.C.:

My I request your good offices in urging immediate passage of Senate bill 1323?

Without such action, 50,000 Pennsylvanians who now are receiving these payments would be arbitrarily dropped from the benefit rolls on April 1. Abrupt termination of this program would increase the already difficult situation in Pennsylvania since persons are not eligible to file claims under the temporary unemployment compensation program unless they have no State benefit entitlement. It would mean the cessation of income to this very sizable group of our unemployed citizens.

Pennsylvania's need is most urgent. As of February 15, 492,000 Pennsylvanians were without jobs. This is over 10 percent of the national unemployment and almost 11 percent of our State's labor force. Over the past 9 months, 237,000 people here have applied for benefits under this program and payments have totaled $66.7 million.

This very appreciable sum has not only served to relieve individual hardships but has been a very real factor in bolstering the purchasing power and the general economy of the State as a whole. This is not a highly restrictive program which benefits one small segment of our population, but a widespread and helpful program which reaches into every corner of our Commonwealth.

We believe it would be most damaging to Pennsylvania and its people if it were to be suddenly terminated while our unemployment total remains at such a high level. I am sure that all of our people who are unemployed, and their families, will be deeply appreciative of any efforts you may exert to extend this most worthwhile program.

Senate bill 1323 would allow new claims for temporary compensation for the more than 200,000 Pennsylvanians who already have exhausted their State benefits. These would not be eligible under the 3-month extension proposed in the bill which recently passed in the House unless they were currently drawing benefits. Provisions should be made for them.

DAVID L. LAWRENCE,
Governor of Pennsylvania.

Mr. CLARK. Finally, four able members of the Committee on Finance signed supplemental views on House bill 5640. I ask unanimous consent that the supplemental views be printed in the RECORD at this point as a part of my remarks.

There being no objection, the supplemental views were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL VIEWS ON H.R. 5640

The undersigned have voted with the majority of the committee to report H.R. 5640

in order to have before the Senate at the earliest possible time a proposal for some emergency or temporary extension of unemployment compensation.

In our opinion, however, H.R. 5640 falls far short of what is needed today. For the reasons we shall outline, therefore, we hope the Senate will approve the strengthening amendments which the undersigned presented in committee, but which were rejected by the majority.

The simple fact that there are today more than 4.7 million persons unemployed is ample proof that a measure offering scanty assistance to less than 10 percent of that total is wholly inadequate to meet the emergency.

This bill, H.R. 5840, would simply provide a continuation of the temporary unemployment compensation benefits for those who have established their first claim to such benefits prior to April 1, 1959. The new cutoff date would become July 1, 1959.

The bill would, at the very maximum, provide temporary benefits to approximately 405,000 unemployed. However, since this figure includes those who had established eligibility under the 1958 Temporary Unemployment Compensation Act and who have since returned to work, it is unlikely that enactment of H.R. 5640 would benefit more than 300,000 persons, and perhaps only as many as 265,000.

Some of these may be made eligible to draw as little as 1 additional week. Labor Department estimates set the probable average extension of benefits at only about 6 weeks.

There is no provision in H.R. 5640 to assist the 900,000 persons who have already exhausted their rights under existing temporary unemployment compensation programs, or the 1 million persons who were not engaged in covered employment. Nor does it provide any aid for the estimated 1.6 million persons who will exhaust their benefits under State programs during the balance of this year.

Assistance to the unemployed is a problem that must be viewed as a whole and not in such an arbitrary, fractional part as in H.R. 5640.

Results of unemployment—dissipation of savings, forced reliance on community welfare, injury to the overall economy due to decreased purchasing power—are not selective in that they affect only certain groups of jobless workers.

The worker who has exhausted his entitlements under the regular State plan and under TUC, and who is still unemployed through no fault of his own, has as many desperate problems, if not more, than the current TUC recipient whose benefits would be cut off on April 1 if no further action were taken.

Further, there is the too often overlooked fate of the jobless worker whose employment was not covered by regular State unemployment insurance. The hunger of this man and his family is just as great as that of the man who has covered employment; yet, his only recourse is to community welfare.

We think it is vitally necessary to assist the 265,000 to 405,000 persons who could draw meager benefits under the provisions of H.R. 5640. But we also believe that the fate of the several million other workers cannot be ignored.

It is for this reason that we support an emergency program such as is provided in S. 1323 and proposed it as a substitute for H.R. 5640.

This bill would provide up to 16 weeks of additional benefits for all persons who had exhausted their regular or emergency benefits as well as those unemployed who were not in covered employment. In this last category, however, it is important to note that S. 1323 would require such persons to have a substantial work record to be eligible for benefits, and to be ready and willing to work if suitable employment is offered. Benefit amounts would be based on those under existing programs. The extended benefits would be paid only under agreements with the States. The program would run to July 1, 1960.

If the recovery of the national economy does not materialize, and approximately the same number of persons remain unemployed during the year, it is estimated that the program envisioned by S. 1323 would cost $875 million.

However, an estimated $206 million remains under the TUC Act, thus reducing the total of new money needed under S. 1323 to about $670 million.

An emergency program such as this is by no means a "dole." For the administration to characterize it as such is to display a callousness that is shocking in a nation that has a high regard for human life and dignity as does ours.

The "dole" will come only after the Federal Government washes its hands of its responsibility by its failure to enact a truly meaningful emergency unemployment compensation program.

The "dole" will come as already overburdened communities are forced to spread their funds still more thinly to meet the bare living requirements of the unemployed.

This is not a problem that affects only a few isolated areas of our country. More than half of the 149 major labor market areas in the United States today have unemployment of more than 6 percent. Unemployment of the same magnitude also exists in 183 smaller labor markets.

Unemployment today truly is a national problem, begging for national solution.

One part of that solution is the enactment of a temporary program similar to that proposed in S. 1323. This would serve better to meet the current emergency and to provide a form of insurance for the next year as we wait for the long-expected pickup in the national economy.

A second part of that solution, just as vital as and closely related to the first, is the adoption of a program of minimum national standards for unemployment insurance. Only in this way can we effectively prevent the recurrence of the emergency needs encountered in 1958–59.

The preferable solution, of course, would be the adoption of programs of action to promote a full employment national economy. Undoubtedly, the unemployed would prefer jobs to unemployment compensation. So would we, but social justice requires emergency action now.

We urge, therefore, that the Senate consider and approve the objectives of S. 1323, through an amendment in the nature of a substitute. This would provide an emergency program of relief for those most severely affected by the present recession. The Congress, if the proposal in S. 1323 is enacted, will then be able to consider a more permanent improvement of our unemployment compensation laws and the other necessary long-range solutions for the economic problems which confront the Nation, in the assurance that those who now face economic disaster are, in some substantial measure, better provided for.

PAUL H. DOUGLAS.
ALBERT GORE.
EUGENE J. MCCARTHY.
VANCE HARTKE.

Mr. CLARK. Mr. President, this question will come before the Senate tomorrow. A number of the 18 Senators who joined in asking for hearings before the Finance Committee will present for the consideration of their colleagues amendments intended to make the House bill at least meaningful, to some extent, to those of us from States where unemployment is indeed serious. I hope other Members of this body will give these amendments their most earnest consideration tomorrow, and will ponder the documents which I have just placed in the RECORD.

GREEK INDEPENDENCE DAY

Mr. DIRKSEN. Mr. President, tomorrow will be Greek Independence Day. All independence day celebrations have their symbolic significance to each nation, but some mean more to certain peoples, and because of their distant antiquity, certain ones are surrounded with a sublime halo, and their celebrations have become something like sacred national festivities. This is particularly true of Greek Independence Day, for a number of reasons. In the first place, the idea of independence, as understood in the West today, had its birth in Greece, and Greeks were the first to appreciate and enjoy its benefits to the full. It is true that they lost it in the course of their long history, and were subjected to alien rulers for many centuries. Yet they never lost sight of its value, and remained among the first struggling for freedom and national independence.

In the second place, while their oppressors have suffered defeats and loss of prestige in the community of nations, they have maintained, even when subjected to the inhumanly oppressive yoke of their alien masters, their unquenchable yearning for freedom, and have always been ready to sacrifice their all for its attainment. Therein is the true greatness of Greeks against those who have held their sway over them for centuries and administered Greek affairs as that of a conquered province.

In 1821, 138 years ago, when a band of brave and patriotic Greeks staged the revolt against the Ottoman Turks, all Greece was suffering under the heel of its conquerors, and some thought that it was most foolhardy, almost suicidal, to challenge the authority of a powerful and ruthless government. But these Greeks, through their bravery and dauntless courage, proved that their critics were wrong, and they, in their fight for a sacred cause were right. For more than 6 years they carried on the fight for freedom and independence against heavy odds, and with the aid of their friends, they succeeded in attaining their goal. After the Battle of Navarino on October 20, 1827, Greece was assured its independence, and the last of Greece's invaders were finally expelled from Greek soil.

Today Greece still clings to the independence regained 138 years ago, and all Greeks stand guard in their beleaguered homeland against Communist totalitarianism. On the anniversary celebration of their independence day, I wish them power, peace, and prosperity, and firm resolution to fight the forces of evil as manifested by totalitarianism.

LEVYING AND COLLECTION OF TAXES AND ASSESSMENTS

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Morning business is concluded.

Mr. MANSFIELD. Mr. President, what is the unfinished business?

The PRESIDING OFFICER. The unfinished business is S. 643, which, under the rule, will be laid before the Senate at 2 o'clock. However, it can be taken up at this time by unanimous consent.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Is there objection? If not, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 643) to amend the act entitled "An Act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

HOLDING OF 1964 OLYMPIC GAMES AT DETROIT, MICH.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 111, Senate Joint Resolution 73.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The CHIEF CLERK. A joint resolution (S.J. Res. 73) extending an invitation to the International Olympic Committee to hold the 1964 Olympic games at Detroit, Mich.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (S.J. Res. 73) extending an invitation to the International Olympic Committee to hold the 1964 Olympic games at Detroit, Mich., which had been reported from the Committee on Foreign Relations, with amendments, on page 1, line 6, after the words "United States", to strike out "joins in the invitation of the United States Olympic Association to the International Olympic Committee to hold" and insert "would welcome the holding of", and, at the beginning of line 10, to strike out "at Detroit, Michigan;", so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, whereas the United States Olympic Association will invite the International Olympic Committee to hold the Olympic games in the United States at Detroit, Michigan, in 1964, the Government of the United States would welcome the holding of the 1964 Olympic games in the United States and expresses the sincere hope that the United States will be selected as the site for this great enterprise in international good will.

SEC. 2. The Secretary of State is directed to transmit a copy of this joint resolution to the International Olympic Committee.

The amendments were agreed to.

Mr. HART. Mr. President, unanimous support of this invitation to hold the 1964 Olympic games in the United States will be helpful to those who have spent much time and energy in the effort to obtain the invitation.

In these very troubled days, when it is sometimes difficult to make plans for the future, it is nevertheless well to look forward to the holding of the 1964 Olympic games at Detroit, Mich. One cannot guess what the world situation will be in 1964, but we hope that the Olympic games will be held in the United States then, and we in Michigan will be proud to act as host.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 73) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States."

ONE HUNDREDTH ANNIVERSARY OF ESTABLISHMENT OF SUPERIOR COURT OF MASSACHUSETTS

Mr. SALTONSTALL. Mr. President, after consultation with the minority and majority leaders, I ask unanimous consent to have the Senate consider at this time, without reference to committee, House Concurrent Resolution 109, commemorating the 100th anniversary of the establishment of the Superior Court of Massachusetts. I do so in the name of the junior Senator from Massachusetts [Mr. KENNEDY] and myself. The House agreed to the resolution yesterday.

The PRESIDING OFFICER. The Chair lays the concurrent resolution before the Senate. Is there objection to its present consideration?

There being no objection, the concurrent resolution (H. Con. Res. 109) was considered and agreed to as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress extends its greetings and felicitations to the Commonwealth of Massachusetts upon the occasion of the one hundredth anniversary of the establishment and existence of the Superior Court of Massachusetts, and expresses the appreciation of the American people for its outstanding leadership in the never-ending struggle to achieve the ideal of liberty and justice for all.

The preamble was agreed to.

INTERNATIONAL COURT OF JUSTICE

Mr. HUMPHREY. Mr. President, as I understand, morning business has been concluded and the Senate is now proceeding to the consideration of regular legislative business. Is that correct?

The PRESIDING OFFICER. The Senator from Minnesota is correct.

Mr. HUMPHREY. Mr. President, I desire to speak today on the need for strengthening the United Nations as an effective instrument of world peace, and to propose a way in which the United States may contribute to this end.

In these days of great world crisis and strife, with nations armed with deadly weapons of mass destruction, our attention must be focused on the peaceful means of settlement of international disputes.

I believe that the United Nations represents our greatest hope for a just and lasting peace and a world in which the rights of mankind are protected and nations will work together to elevate the living standards of the people.

The United Nations, since its chartering in 1945, has achieved a record of significant accomplishments. I have spoken on the fine record of the United Nations many times in the past several years, and I shall not review this record here today.

Rather, I wish to discuss one of the most disappointing aspects of the work of the United Nations. I refer to the United Nation's Court—the International Court of Justice. This Court, established as a forum whereby international disputes would be resolved by law, has had all too little opportunity to fulfill this function. In the 13 years since it was established, the International Court of Justice has in fact decided only 10 cases. I repeat, 10 cases in 13 years.

By any standard, this is somewhat less than an impressive record of accomplishment. Here is a court made up of 15 judges who are each paid $20,000 a year, and yet it has decided less than one case a year.

Of all the United Nations organs, the International Court of Justice has by far the least impressive record. To me this is indeed tragic. For in this day and age the rule of law in international affairs should be looked upon as one of the main ways of peacefully settling disputes between nations.

More and more people are coming to the realization that the terrible alternative to the settlement of international disputes by law is suicidal warfare.

The words of the President of the United States in his state of the Union message of this year deserve our careful and thoughtful consideration:

All peoples are sorely tired of the fear, destruction and the waste of war. As never before, the world knows the human and material costs of war and seeks to replace force with a genuine rule of law among nations.

It is my purpose to intensify efforts during the coming 2 years in seeking ways to supplement the procedures of the United Nations and other bodies with similar objectives, to the end that the rule of law may replace the rule of force in the affairs of nations. Measures toward this end will be proposed later, including a reexamination of our own relation to the International Court of Justice.

It is this rule of law and examination of our own relation to the International Court of Justice which I wish to discuss today.

As the leader of the free world nations, the United States has a major responsibility to give its full support to the United Nations. Indeed, without such support, the United Nations would be severely weakened as an effective instrument for the advancement of international peace, justice and cooperation.

That this is true is evidenced by the dismal record to date of the International Court of Justice to which I have already referred. A record due in large measure to the United States refusal to give full backing and support to the Court. The damage was done, I regret to say, by the U.S. Senate when in 1946 it added to the so-called Morse resolution, Senate Resolution 196, which

declared our acceptance of the compulsory jurisdiction of the International Court of Justice, six words—"as determined by the United States."

I want the RECORD to be quite clear, Mr. President, that the Morse resolution, the resolution for which the Senator from Oregon [Mr. MORSE] worked, did not contain those six words "as determined by the United States," so my reference to the Morse resolution is not to be considered in any way critical of that particular resolution, but rather of the amendment which was affixed thereto during the discussion on the floor of the Senate.

Before discussing in detail this 1946 resolution and the reservation clause, I believe it would be well to very briefly give some background information on the International Court of Justice.

The first court to settle international disputes on a worldwide basis was the Permanent Court of International Justice as established by the League of Nations. Forty-two nations accepted this Court's compulsory jurisdiction. Unfortunately, the U.S. Senate refused to accept such jurisdiction, thereby severely crippling the effectiveness of the Court in settling of international disputes.

Mr. President, it goes without saying that if an international instrument is to be effective, it must have the support of the great powers, and indeed it must have the support of the leader of the free nations, the United States of America.

In 1945, the United Nations Charter was approved. Chapter XIV of the charter provided for establishment of the International Court of Justice to replace the Permanent Court of International Justice. Under article 93 all members of the United Nations are ipso facto parties to the statute of the International Court of Justice. However, no member nation is bound by compulsory jurisdiction of the Court without a specific declaration accepting such jurisdiction.

Less than half of the 81 member nations of the United Nations have by declaration accepted compulsory jurisdiction of the Court in specified areas of international law stated in the statute of the Court. It is of interest to note that none of the Communist nations in the United Nations, including the Soviet Union, has accepted compulsory jurisdiction of the Court.

Senate Resolution 196, which gave the consent of the Senate to the United States accepting compulsory jurisdiction of the court, was introduced by the distinguished senior Senator from Oregon [Mr. MORSE], in November of 1945; it was cosponsored by 14 other Senators from both parties. On December 17, 1945, our present Under Secretary of State, Christian Herter, then a Member of the House of Representatives, introduced a joint resolution, House Joint Resolution 291, under which the President would be authorized and requested by the Congress to deposit a declaration with the United Nations accepting the jurisdiction of the Court as outlined in article 36 of the statute. The limitations imposed upon the grant of jurisdiction were in essence the same as those provided for in the Senate resolution offered by the Senator from Oregon [Mr. MORSE].

Hearings were held on Senate Resolution 196 in July of 1946 by a subcommittee of the Foreign Relations Committee. Not a single witness appeared before the subcommittee to oppose the resolution. Moreover, not a single letter or telegram was received in opposition to the resolution.

Strong support for the Morse resolution came from such organizations as the American Bar Association, the American Society of International Law, the Federal Bar Association, the Federal Council of Churches, the General Federation of Women's Clubs, the National Education Association, the National League of Women Voters, the American Association of University Women, the National Council of Catholic Women, and the National Council of Jewish Women.

It was against this backdrop of overwhelming public support that the subcommittee decided to report the resolution favorably to the full Foreign Relations Committee with only one minor amendment. On July 24, 1946, by a unanimous vote, the committee reported the resolution to the Senate for favorable action in exactly the form recommended by the subcommittee.

The resolution was considered by the Senate on August 1 and 2; it was approved August 2 by a vote of 62 to 2 and the Senate adjourned sine die some 2 hours later. During consideration of the resolution three amendments were adopted. The resolution as adopted by the Senate reads as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the deposit by the President of the United States with the Secretary General of the United Nations of a declaration under paragraph 2 of article 36 of the Statute of the International Court of Justice recognizing as compulsory ipso facto and without special agreement, in relation to any other state accepting the same obligation, the jurisdiction of the International Court of Justice in all legal disputes hereafter arising concerning—

(a) The interpretation of a treaty;

(b) Any question of international law;

(c) The existence of any fact which, if established, would constitute a breach of an international obligation;

(d) The nature or extent of the reparation to be made for the breach of an international obligation: *Provided*, That such declaration shall not apply to—

(a) disputes the solution of which the parties shall entrust to other tribunals by virtue of agreements already in existence or which may be concluded in the future;

(b) disputes with regard to matters which are essentially within the domestic jurisdiction of the United States as determined by the United States; or

(c) disputes arising under a multilateral treaty, unless (1) all parties to the treaty affected by the decision are also parties to the case before the Court, or (2) the United States specially agrees to jurisdiction: *Provided further*, That such declaration shall remain in force for a period of 5 years and thereafter until the expiration of 6 months after notice may be given to terminate the declaration.

The most controversial amendment, offered by former Senator Connally, added to paragraph (b) the words "as determined by the United States" to the language of the resolution which excluded from cases on which compulsory jurisdiction would be accepted "matters which are essentially within the domestic jurisdiction of the United States." This amendment was adopted by a vote of 51 to 12.

Referring to the action of the Senate in 1946 on the so-called Morse resolution, many observers at the time felt that this amendment, by reserving to the United States the right to decide whether or not a matter is essentially domestic, rather than having the Court make such determination, demonstrated a lack of confidence on our part in the competence and integrity of the new Court.

The Committee on Foreign Relations in its report on the Morse resolution, stated the argument against any such restrictive clauses as follows:

> The question of what is properly a matter of international law is, in case of dispute, appropriate for decision by the Court itself, since, if it were left to the decision of each individual state, it would be possible to withhold any case from adjudication on the plea that it is a matter of domestic jurisdiction. It is plainly the intention of the statute that such questions should be decided by the Court, since article 36, paragraph 6, provides:
>
> "In the event of a dispute as to whether the Court has jurisdiction, the matter shall be settled by the decision of the Court.
>
> * * * A reservation of the right of decision as to what are matters essentially within domestic jurisdiction would tend to defeat the purposes which it is hoped to achieve by means of the proposed declaration as well as the purpose of article 36, paragraphs 2 and 6, of the statute of the Court."

Mr. Dean Acheson, who was then Under Secretary of State, in testifying on this resolution expressed the same conviction when he said:

> The rule of law becomes effective to the extent that states agree to submit themselves to the decision of the Court in all cases involving questions of law. It cannot become effective if states may reserve this decision to themselves, regardless of the degree of good faith by which they govern their actions.

At the time it was predicted by some that the U.S. Senate by accepting the Connally amendment was setting an undesirable precedent. Our present Assistant Secretary of State for International Organization Affairs, Francis O. Wilcox, made just such a prediction in an article entitled "The United States Accepts Compulsory Jurisdiction," which appeared in the October 1946 issue of the American Journal of International Law. Here is what he said on this point:

> It is, of course, one thing for a state to accept the compulsory jurisdiction of the Court and exclude from the grant of authority those disputes which relate to domestic issues. But it is a horse of an entirely different color when a state reserves to itself the right to decide whether or not a matter is essentially domestic. For in such an event it may, by the simple expedient of labeling a dispute "domestic," set itself up as judge in its own case and successfully deny the jurisdiction of the Court.
>
> Particularly impressive to some is the argument that the United States—avowedly desirous of encouraging a regime of law and order in the world—has set an undesirable precedent. Now that the ice is broken other states no doubt will want to accept article 36 under much the same conditions. Or, if we may change the figure of speech, the pebble the United States dropped into the pond may

result in an ever-widening circle of states each claiming the right to determine for itself whether the Court has jurisdiction over cases in which it is involved. And it will be difficult indeed to establish a regime of law and order in the international community so long as each state reserves to itself the right to decide what the law is. Thus it may be said that the declaration of the United States has introduced a new political element into the concept of compulsory jurisdiction—an element which may tend to weaken the authority of the Court.

It should also be pointed out that the United States will be barred in any event from proceeding against other states in cases which they consider within their domestic jurisdiction. This result stems from the reciprocal nature of article 36 which has been discussed above.

Mr. Wilcox's dire prediction has, unfortunately, been fulfilled. Other nations followed our example and have gone on record with similar reservations.

The effect of such reserve clauses has been to seriously limit the role of the International Court of Justice in settling international disputes. As I have stated, the Court has decided only 10 cases in 13 years.

I hasten to add that this sorry record is not due to any fault of the Court itself. The 15 judges are competent and qualified men. The Court is ready and willing to aid in the settlement of international disputes. The reason for the ineffectiveness of the Court lies principally in the various reservation clauses contained in the declarations of nations which have accepted the jurisdiction of the Court.

The United States, and in particular the U.S. Senate, cannot escape responsibility for the Court's ineffectiveness.

The distinguished lawyer, Charles S. Rhyne, past president of the American Bar Association, and presently chairman of the committee on world peace through law of the American Bar Association, in an address delivered on March 10, assessed the blame quite candidly when he said:

I am therefore firmly convinced that one of the major causes for the empty court room of the United Nations Court is the Connally reservation which was created by the U.S. Senate, is maintained by the U.S. Senate, and can be removed by the U.S. Senate. * * * Every report I have seen by the many experts who have studied this situation agrees that the Connally reservation has emasculated the usefulness of the Court and rendered it impotent as an instrument for world peace. The cancerous effect of the Senate's action has spread as other nations have copied it; it has an everwidening scope. The tremendous responsibility of the U.S. Senate for continuing through this reservation to stifle use of the United Nations Court is a most serious one when one considers the value of and need for any mechanism which can aid in preventing war under present world circumstances. The Connally reservation is unsound in principle and effect and should be eliminated.

Mr. President, this is a strong statement indeed. A statement of a highly respected and learned lawyer—a man not given to making reckless or rash statements. Mr. Rhyne is a sound and realistic student of international affairs, and his views cannot be casually dismissed. Mr. Rhyne's forceful address indicates a realization of the peril we face in view of the lethal weapons of mass destruction, and the absolute necessity, in the name of self preservation, that we bolster the available means of settling disputes by means of law rather than force.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. I appreciate very much the courtesy of the Senator from Minnesota in yielding to me. I have been listening to his remarks with great interest. I think he is making an excellent presentation of a very important problem which we face.

I am obliged to leave the Chamber to attend another meeting. Therefore I very much appreciate the courtesy of the Senator from Minnesota in yielding to me for the purpose of introducing two bills.

(Mr. KEATING introduced two bills, which, together with remarks thereon, appear elsewhere under the appropriate heading.)

RECOGNITION OF JURISDICTION OF INTERNATIONAL COURT OF JUSTICE IN CERTAIN CASES

Mr. HUMPHREY. Mr. President, it is indeed unfortunate that our great Nation, which is genuinely dedicated to furthering understanding between nations and working toward a just and lasting peace, should bear responsibility for having created one of the major roadblocks to an effective International Court of Justice.

I believe that the time is long overdue for the Senate to remove this reserve clause in the Morse resolution, Senate Joint Resolution 196 of the 79th Congress, 2d session. I introduce at this time a resolution to amend the Morse resolution by deleting from paragraph (b) the words "as determined by the United States."

I do not claim that by eliminating this restrictive clause from the Morse resolution we will be assured of a peaceful world. There is no "cure all" remedy in today's troubled world. I do believe, however, that we cannot afford to leave a single stone unturned in our effort to develop the means for advancing international cooperation, understanding and peace. One of these means is through the strengthening of the international law through the International Court of Justice.

Mr. President, I believe that a nation which is based on the principle of law and on the rule of law, rather than the rule of men, surely should take the lead in establishing an International Court of Justice with the power of law.

In the absence of such action by the Senate, I fear that the International Court of Justice will remain an ineffective instrument of world peace without authority to dispose of certain disputes between nations by way of peaceful judicial determination.

It is time that we in the United States Senate acted to remove the shackles which restrict the United Nations Court. I hope most earnestly that prompt consideration will be given to this resolution I offer today.

I say most respectfully that I hope the administration will support my resolution. I hope that the State Department will come before the Committee on Foreign Relations and in its testimony offer its support to the resolution.

The resolution is submitted within the spirit of the state of the Union message of the President and is also submitted within the context of the words which the President spoke concerning the improvement of international law.

I ask unanimous consent that the resolution which I am submitting, along with the address of Charles S. Rhyne, delivered before the Ninth Annual Conference of National Organizations called by the American Association for the United Nations, on March 10, 1959, at the Statler Hotel in Washington, D.C., be inserted at this point in the RECORD.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution and address will be printed in the RECORD.

The resolution (S. Res. 94) was referred to the Committee on Foreign Relations, as follows:

Resolved (*two-thirds of the Senators present concurring therein*), That Senate Resolution 196 of the 79th Congress, 2d session, agreed to August 2, 1946, is hereby amended to read as follows:

"*Resolved* (*two-thirds of the Senators present concurring therein*), That the Senate advise and consent to the deposit by the President of the United States with the Secretary General of the United Nations, of a declaration under paragraph 2 of article 36 of the Statute of the International Court of Justice recognizing as compulsory ipso facto and without special agreement, in relation to any other state accepting the same obligation, the jurisdiction of the International Court of Justice in all legal disputes hereafter arising concerning—

"a. The interpretation of a treaty;

"b. any question of international law;

"c. the existence of any fact which, if established, would constitute a breach of an international obligation;

"d. the nature or extent of the reparation to be made for the breach of an international obligation.

"*Provided*, That such declaration shall not apply to—

"a. disputes the solution of which the parties shall entrust to other tribunals by virtue of agreements already in existence or which may be concluded in the future; or

"b. disputes with regard to matters which are essentially within the domestic jurisdiction of the United States; or

"c. disputes arising under a multilateral treaty, unless (1) all parties to the treaty affected by the decision are also parties to the case before the Court, or (2) the United States specially agrees to jurisdiction.

"*Provided further*, That such declaration shall remain in force until the expiration of 6 months after notice may be given to terminate the declaration."

The address presented by Mr. HUMPHREY is as follows:

THE CASE OF THE EMPTY COURTROOM: THE EFFECT OF THE CONNALLY RESERVATION ON THE INTERNATIONAL COURT OF JUSTICE

(Address by Charles S. Rhyne, chairman, Committee on World Peace Through Law, American Bar Association, before the ninth annual conference of national organizations called by American Association for the United Nations, Statler Hotel, Washington, D.C., March 10, 1959)

Being asked to address this Ninth Annual Conference of National Organizations called by the American Association for the United Nations is an honor I greatly appreciate. Your discussion of the opportunities for

U.S. leadership in the United Nations in 1959 is most timely and highly important to every American. U.S. leadership never has been more greatly challenged; for today the issue of war or peace depends in large part upon that leadership.

The United Nations has performed magnificently as the most meaningful organization of its kind in the history of mankind. Though never envisioned as an absolute tranquilizer for all world frictions, the United Nations still is man's best existing hope for a peaceful world. But the world of 1959 has somewhat outrun the United Nations Charter of 1945. This informed audience knows of the areas in which the United Nations has functioned well and those in which it is inadequate and outdated. Drastic revision and strengthening are required when so many crises—Berlin, for example—are being handled outside the United Nations. Today I should like to express one lawyer's view of the most frustrating and exasperating of all United Nations experiences, that is, the United Nations Court—the International Court of Justice—the Court with the empty courtroom.

Of all the organs of the United Nations, the International Court of Justice has—through no fault of its own—the poorest record. Conceived as a forum where law would be applied to resolve international disputes, it has had little opportunity to function as such.

When a Court of 15 judges—each paid $20,000 yearly plus certain expenses—decides only 10 cases in 13 years, something is wrong, and badly wrong. Any one of our own district judges often decides that many cases—and more—in 13 hours. Admittedly United Nations Court cases are sometimes complicated, yet in that 13-year period more than 13,000 cases—many of extreme complexity—have been docketed and disposed of by the nine judges of our Supreme Court. And they have heard oral argument in more than 1,300 of those cases.

There are many ways of advancing international cooperation and peace but none is more certain to achieve abiding success in the long run than the method of able and dispassionate judicial determination. A judicial determination creates a widespread sense of confidence and trust, for it connotes fairmindedness to all men. Despite almost universal agreement on this, United Nations members have not inclined toward use of the rule of law in the International Court of Justice.

Although the rule of law has played an almost insignificant part in the deliberations and actions of the agencies of the United Nations, it is the best method yet developed to bring order and stability to the affairs of man. This truth was long in realization by man. In the beginning of human history disputes between man and man were decided by brute force. Back through the unnumbered centuries fists, sticks, stones, and finally guns constituted the mechanism for decision. But in civilized nations today thousands of courts resolve disputes between man and man under the rule of law. Millions of cases are decided yearly by courts, local, State, and national. But internationally there is only the International Court of Justice, and it stands empty 99 percent of the time. Between nations brute force still prevails as the ultimate resolver of disputes. The International Court of Justice is the most unused instrumentality for peace that exists in today's world. The stark tragedy of this empty court, and its causes, and what should be done, are my story today.

Let me first sketch for you in outline form the history of international courts. We begin with arbitration courts, which at one time seemed to offer great promise. In 1794 England and the United States signed the Jay Treaty providing for arbitration of disputes arising under the treaty which ended the Revolutionary War. In the next 100 years arbitration as a method for peaceful settlement of disputes received worldwide acclaim and impetus, and 177 international disputes were thus resolved. In 1899 a Permanent Court of Arbitration was created at the Hague. It is not actually a court but a panel of 150 persons available for selection as arbiters to decide a particular dispute. In 1905 the Hay Treaties to implement this advance toward the rule of law were submitted to the U.S. Senate. The Senate refused to ratify the treaties without including a reservation requiring the submission to it for its advice and consent of the final agreement for each arbitration. Despite efforts of successive Presidents of the United States to persuade the Senate to give up this crippling requirement, the Senate adamantly refused. The Senate's action stultified the movement toward the use of arbitration and that movement has withered and almost died. Since 1899 the Arbitration Court has handled only 24 cases, and only 4 of these since 1931.

In 1920 the League of Nations established the Permanent Court of International Justice. This was the first judicial body with even putative jurisdiction over international disputes on a worldwide basis. Forty-two nations accepted this court's compulsory jurisdiction, but the U.S. Senate refused to accept the court's jurisdiction in any respect. This action of the U.S. Senate was an almost fatal blow to the court's prestige and usefulness. Service as judges on this court by Charles Evans Hughes, Frank B. Kellogg, John Bassett Moore, and Manley O. Hudson made up in part for the action of the U.S. Senate. This league court rendered 32 judgments and 25 advisory opinions.

In 1945 the International Court of Justice replaced the Permanent Court of International Justice. All United Nations members are automatically parties to the Statute of this Court. But only 33 nations, including the United States, are at present bound by declarations accepting compulsory jurisdiction of the Court in specified areas of international law stated in the Statute of the Court. The U.S. declaration, however, contains the important Connally reservation, which was attached to our declaration by the Senate. It excepts from the Court's jurisdiction disputes with regard to matters which are essentially within the domestic jurisdiction of the United States as determined by the United States of America. The Senate amendment thus reserves to the United States the right to determine unilaterally what is a domestic issue.

No one for one moment has ever urged, or ever should urge, United Nations Court jurisdiction over domestic questions. Under the terms of the United Nations Charter the Court has no jurisdiction over domestic matters. The Court itself would summarily decline jurisdiction over any domestic subject. It is the distrust of the Court implied in the U.S. Senate's words "as determined by the United States" which destroys the prestige of, and confidence in, that Court. There is an old maxim that "no man should judge his own case." Surely we can trust the United Nations Court to decide what is domestic and what is international rather than ourselves judging each case to which we are a party.

The United Nations Court, through its procedures and in its decisions, compares most favorably with the best national courts. The emptiness of the courthouse at The Hague is not, therefore, due to a lack of an adequate and competent court, nor can it be due to a lack of international disputes. Every day the page-one headlines of every newspaper demonstrate the existence of the latter. Nations avoid the United Nations Court not because they really prefer war to resolution of disputes in that Court, but because they lack confidence in their ability to get a decision there even if they file a complaint. This brings me back to the Connally reservation:

President Truman, in urging Senate ratification of the United Nations Charter, including the Statute of the International Court of Justice, said:

"When Kansas and Colorado have a quarrel over the water in the Arkansas River they don't call out the National Guard in each State and go to war over it. They bring a suit in the Supreme Court of the United States and abide by the decision. There isn't a reason in the world why we cannot do that internationally."

Kansas would hardly file a complaint against Colorado in the Supreme Court if Colorado could kill the complaint by advising the Court that Colorado had decided not to allow the Court to pass upon the issue. Yet, this is exactly the kind of thing for which the Connally reservation provides, and under the United Nations Court's statute this reservation is a two-way street. Any time any other nation is sued by the United States in the United Nations Court all the defendant nation need do is to notify the Court that it considers the complaint to be within its domestic jurisdiction, and the Court must dismiss the complaint. The most recent illustration was the complaint for $1,300,000 in damages filed by the United States in the United Nations Court against Russia for shooting down one of our unarmed airplanes over the Sea of Japan. Russia filed an answer saying this shooting was within her domestic jurisdiction. The U.S. complaint was then summarily dismissed by the Court. It is obvious that this boomerang effect of the Connally reservation is disastrous to the rule of law internationally. The crippling and blighting effect on the United Nations Court of this reservation is clear.

I am therefore firmly convinced that one of the major causes for the empty courtroom of the United Nations Court is the Connally reservation which was created by the U.S. Senate, is maintained by the U.S. Senate, and can be removed by the U.S. Senate. Such removal has been recommended by the American Bar Association and the Attorney General of the United States. Soon, I hope, the President of the United States, as promised in his state of the Union message, will send a similar recommendation to the Senate on this subject. Every report I have seen by the many experts who have studied this situation agrees that the Connally reservation has emasculated the usefulness of the Court and rendered it impotent as an instrument for world peace. The cancerous effect of the Senate's action has spread as other nations have copied it; it has an ever-widening scope. The tremendous responsibility of the U.S. Senate for continuing through this reservation to stifle use of the United Nations Court is a most serious one when one considers the value of and need for any mechanisms which can aid in preventing war under present world circumstances. The Connally reservation is unsound in principle and effect and should be eliminated.

No one can dispute the fact that as presently operated the United Nations Court does not live up to its full potential. Changes are essential to make it more acceptable, effective and useful. And there are reasons for its present situation other than the Connally reservation. These are chiefly things the Court itself could remedy.

The statute creating the Court allows it to sit—in its discretion—anywhere in the world, and in chambers of three or more judges. So far it has sat only at The Hague. The inaccessibility of the United Nations Court causes great expense for nations litigating at a distance. An informed estimate of at least $200,000 each was given recently as the probable cost for two Latin American countries to send lawyers, witnesses, etc., to The Hague. Lack of knowledge of the

jurisdiction, procedure, and precedents of the Court are also reasons why it is not used by nations to settle their disputes.

The Court should make known its willingness to sit elsewhere than at The Hague. The entire Court, or even a chamber of the Court, should sit more or less constantly at United Nations headquarters in New York. Its advisory jurisdiction would be used then more than it is now, and law would move more to the forefront in the deliberations of the United Nations. To save expense the Court should also announce that cases will be heard henceforth in or near the place where they arise.

The movement toward a true international rule of law, like other movements, will realize its objective only through the pressure of public opinion. Just think of the possibilities for calm and considerate use of law in the United Nations Court in disputes such as the Suez crisis, the border incident between Spain and Morocco, the fishing rights controversy off Iceland, and similar differences now fought out in the arena of power politics and backstage diplomacy or by armed might. The focused power of world opinion which forced an end to the use of arms at Suez could—if properly and justifiably directed—so crystallize as to force reluctant nations to take their disagreements to the United Nations Court for decision. The spotlight of public opinion must be cast upon the Court's potential so that people will cry out "Go to Court, not to war," when war-causing disputes flare up. At present, the public at large does not even realize that the Court exists. That situation must end.

Our world of today has outgrown many concepts of the past in the fields of science and technology, and so it is with law and court machinery. They too can grow to meet modern needs. In a world of disorder law can provide security. Law cannot be remote from reality. We must burst the bounds within which law has been applied in the past and thereby put bounds around war in a gradual way until it is erased. To put the rule of law above nations internationally is essential to peace in the world.

Making the United Nations Court more effective would be a giant step forward toward world peace. As the Court proves its usefulness in resolving disputes in the world community this experience will have an irresistible pull on the neutral and uncommitted nations of the world to take part in such an application of the rule of law. Substituting law in the Court for war's bloodbath is an idea that all men everywhere can comprehend and applaud. Underdeveloped nations want peace as they know war would obliterate their plans and hopes for quick economic and other progress. These nations will be greatly drawn to any system that can achieve and maintain peace, thus insuring the order and stability they need.

What about Russia? As a nation which operates under the rule of force, Russia has never welcomed application to her international disputes of the rule of law in courts. She has violated nearly every international agreement to which she is a party but never agreed to have the United Nations Court or any impartial body pass upon her violations. She relies upon a system of force, subversion, and blackmail threats of war. That system the application of the rule of law would destroy and she knows it. Russia constantly seeks prestige and respectability in the eyes of the world. If Russia failed to use international law courts when others were doing so, this failure would prevent Russia from achieving and maintaining that much desired status of respectability—and Russia knows that it would.

In visits with lawyers of Asia and Africa this January, I learned that Russia's propaganda aimed at these nations is being blunted and destroyed by the appeal of the rule of law. Law to these realists stands in stark contrast to what communism offers. These lawyers emphasize their recognition of the fact that Russia's plan to end war is to make the world 100 percent Communist. They scorn communism as a system built upon constant and continuous domestic and international conflict. Law to them means individual freedom, order, peace, and stability for all men who live under its rules. Communism offers slavery and constant turmoil. We must highlight this message in every possible way. One way is to spotlight the rule of law as our plan for peace.

Russia can, indeed, be stripped naked of friends by the powerful appeal of an effective plan for world peace through law. In fact this plan might even shrink or make a few holes in the Iron Curtain itself. When in Yugoslavia last summer we were led to believe that lawyers there respect and want to expand the rule of law, and increase use of the United Nations Court. While Russian lawyers and judges advised us during our visit there last July and August of their interest in exploring an expanded role for the U.N. Court they hardly spoke for the Kremlin. Lawyer influence is now small in the U.S.S.R. By snuffing our war-causing disputes among our friends and allies, by its pull on the neutrals and uncommitted, and by its undoubted adverse effect on the international Communist conspiracy an expanded role for the U.N. Court would be a success despite the Kremlin's opposition.

Nations which have been accustomed to settling their disputes by hard bargaining with little regard for justice or law must be made to realize that it is to their advantage in the long run to submit their disputes for decision by impartial judges under the rule of law. The idea of the supremacy of law over physical violence must ultimately be decisively accepted and put into practice by mankind.

The U.N. operates now as an alliance of sovereign nations with each nation maintaining its sovereign right to do exactly as it pleases. Nations by adopting the rule of law as the standard of conduct for nations internationally would not give up their cherished sovereignty but would exercise it affirmatively for the benefit of mankind. Sovereignty is therefore not a bar to the application of law in the U.N. Court to international disputes. In our shrunken world, unlawful action igniting war by any nation is something we can no longer afford.

Of all the ideas advanced for a peaceful world none has greater promise than the rule of law. Secretary of State Dulles, on January 31, 1959, in the last speech he made before his illness, called for "the substitution of justice and law for force," saying: "This is a relatively recent concept and even today many do not accept it." But the Secretary and many of the world's great men are urging acceptance of this concept to save the world from nuclear annihilation.

Mr. Henry R. Luce recently told the fellows of the American Bar Foundation:

"The people of the world feel—and feel deeply—that today's sinister balance of power, this peace-by-mutual-terror in which we live, is a dead end. Literally a dead end. And what question is more urgently asked—from New York to New Delhi, from Akron to Accra—than: Is there no way out?

"The rudely realistic answer, of course, is: No; there is no way out. The invention of the most horrible weapons of destruction is that fateful aspect of human ingenuity which is irreversible. The secrets unlocked can never be sealed again.

"But if there is no way out, there must be something else; a way forward. This must be a way that leads toward mastery and control, in the name of justice and liberty, over the new forces unleashed by science.

"This is the way of the law."

Mr. Luce's statement echoes the words of one of America's most revered lawyer-statesmen, Elihu Root, who in 1915 said:

"It was during the appalling crimes of the Thirty Years War that Grotius wrote his De Jure Belli et Pacis and the science of international law first took form and authority. The moral standards of the Thirty Years War have returned again to Europe with the same intolerable consequences. We may hope that there will be again a great new departure to escape destruction by subjecting the nations to the rule of law."

President Woodrow Wilson put our task well when he said:

"What we seek is the reign of law based upon the consent of the governed and sustained by the organized opinion of mankind."

President Eisenhower, in his state of the Union message of this year, said:

"All peoples are sorely tired of the fear, destruction, and the waste of war. As never before, the world knows the human and material costs of war and seeks to replace force with a genuine rule of law among nations.

"It is my purpose to intensify efforts during the coming 2 years in seeking ways to supplement the procedures of the United Nations and other bodies with similar objectives, to the end that the rule of law may replace the rule of force in the affairs of nations. Measures toward this end will be proposed later, including a reexamination of our own relation to the International Court of Justice."

Earlier the President, in a message to the International Law Association, said:

"The world no longer has a choice between force and law; if civilization is to survive, it must choose the rule of law."

We pride ourselves in the United States on being a nation which operates under the rule of law, a nation where law is supreme over government. We also pride ourselves on looking forward, not backward. If the world is to move forward from operation under the rule of force (that is, operation under the threat of nuclear extinction) to operation of governments of nations under the rule of law, the United States must take the lead. No other leader appears on the horizon to take up President Eisenhower's challenge and lead nations to a choice of the rule of law, rather than extinction of civilization through continuing to choose the rule of force. Certain it is that the Kremlin will never assume such leadership, as the rule of law and communism are antitheses. If the United States is unwilling to operate under the rule of law internationally, how can we persuade others to do so? Our promise of leadership must not be that we will keep on building more and more dreadful weapons to destroy the world. Our promise of leadership must be that we will develop the formula to place nations internationally under the rule of law.

This is said with full realization that we must keep on winning the arms race until something replaces arms as a preventive of world conflict. As Mr. Luce has said so well, law can be that preventive by providing mastery and control in the world community in the name of justice and liberty and humanity. Mankind yearns overwhelmingly for something more than even more horrible weapons for his destruction. Let us answer this yearning by concrete plans for world peace through law. And actions speak louder than words. One place for quick, meaningful action which will lead toward law and away from force is for the U.S. Senate to tell the world that at long last it has eliminated the Connally reservation. That would be a message to the people of the world that we are now willing to put our Nation under law both nationally and internationally. Other nations who sincerely desire peace, who have copied the Connally reservation,

would surely be inspired by our example to eliminate it, and law would begin to replace weapons before the current arms race ends—as have all such races—in the explosive holocaust of war.

The lawyers of the world are now engaged in the greatest concentrated effort in world history to formulate a program of substantive action to achieve world peace through law. No such worldwide marshaling of lawyer brainpower and manpower to put nations under law internationally has ever before been attempted. The American Bar Association's Committee on World Peace Through Law is cooperating with the legal profession of other countries in this great effort. Experts on language, literature, religion, education, architecture, art, science, and medicine have thought universally for many years. Lawyers are now doing the same. The meaning of this movement to mankind's future is incalculable.

The program to put nations under the rule of law internationally involves many more steps beyond the proposed first step, which is removal by the U.S. Senate of the Connally reservation as a barrier to the door of the U.N. Court. The world's lawyers are putting together a whole program of procedures and institutions which in sum total should enable nations to so exercise their sovereignty as to create a lawful world. We of the legal profession are wholeheartedly dedicated to this big push for peace through law. A concentration of technological and medical brains brought a cure for polio, split the atom, put satellites aloft, and accomplished many of the great scientific advances of our day. Who can say that the same technique in the field of law will not now achieve a breakthrough in man's age-old quest for peace?

I urge as a program for our 1959 U.N. leadership with respect to the International Court of Justice that:

1. The U.S. Senate be urged to remove from the Connally reservation the words "as determined by the United States."

2. The U.N. Court be urged to move to U.N. headquarters in New York.

3. The U.N. Court be urged to announce that henceforth all complaints will be heard in or near the country or countries where they arise.

Supremacy of the rule of law within nations has transferred sovereignty from ruler to the ruled and has created man's most cherished possession, individual freedom under law. Supremacy of the rule of law between nations—placing supremacy of law over supremacy of capacity to destroy internationally—can be a most meaningful exercise of national sovereignty to achieve freedom from the scourge of war. Let us hope and pray and work together for the arrival of a law day for the world—a day when law will replace weapons in the control of the fate of humanity.

Mr. JAVITS. Mr. President, I compliment my colleague from Minnesota on the speech he has just made and on the resolution he is submitting. I know Mr. Rhyne, former president of the American Bar Association. He has been for a long time a spokesman for the idea of rule of law in the world rather than the rule of force.

There are tremendous possibilities in juridical action in settling questions of dispute which perplex the world. Interestingly enough, the Russians themselves have a considerable interest in juridical matters and in the way in which courts determine controversies. There may be possibilities in that connection, even with them, which yet remain unexplored.

I am therefore delighted to note that my distinguished colleague from Minnesota, who occupies such an important place on the Committee on Foreign Relations, should raise this very important and interesting question. I hope we may all have an opportunity to cooperate and to help him in this effort.

Mr. HUMPHREY. It is my understanding that the State Department has demonstrated considerable interest in this kind of proposal. I believe it is a proposal which will receive vast public support in the United States.

At a time when the Soviet Union seems literally to be blackmailing its way with threats and forces in central Europe, it would be a good time to invoke the rule of law and obedience to law and justice through law.

That is exactly what Mr. Rhyne is attempting to do. I am deeply grateful to the distinguished Senator from New York, who is an outstanding attorney, for his very helpful and friendly contribution.

Mr. JAVITS. I thank the Senator from Minnesota.

Mr. HRUSKA. Mr. President, I should like to join with the Senator from New York in his words of commendation just spoken concerning the article and the viewpoint of Mr. Rhyne. When Mr. Rhyne was president of the American Bar Association, he carried this message of the rule of law to many bar associations, including that of Nebraska, incidentally, where I first heard him speak on this subject. It is heartening to know that he, and others with him, are taking this step into international spheres, where there is so much need for the type of philosophy he espouses and action based upon it.

HOW TO GET ELECTED TO CONGRESS

Mr. HUMPHREY. Mr. President, there were a good many highly interesting political campaigns last fall. One in particular was that of KEN HECHLER, who was elected to Congress from West Virginia's Fourth District. KEN HECHLER, in winning, had to overcome the distinct handicap of having lived in the State for little more than a year when he announced as a candidate in the Democratic primary against two native-born sons.

The story of KEN HECHLER's campaign to victory appears in the April issue of Pageant magazine. It is fascinating reading and should give encouragement to others who have wanted to take an active role in politics.

Last Saturday it was my privilege to address the Democratic Women's Day program in Charleston, W. Va. I always enjoy visiting the Mountain State. It is truly a lovely part of our country, and its people are warm and generous. West Virginia can be proud of the men and women who have represented the State in the Congress throughout the years. They can take special pride in our colleagues, Senator BYRD and Senator RANDOLPH, and of men in the House such as Representative KEN HECHLER.

I ask unanimous consent, Mr. President, that the article from Pageant magazine entitled "How To Get Elected to Congress" be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO GET ELECTED TO CONGRESS

(By Howard Cohn)

There is a theory that college teachers are cloistered, impractical men. Like theatrical critics who write no plays and book reviewers who write no books, they are suspected of being head-in-the-clouds idealists who could never successfully practice what they preach.

It is easy to visualize, then, the smiles that creased the faces of seasoned politicians in West Virginia early last spring when a lanky, effervescent political science professor named KEN HECHLER, who had lived in the area only a year and had never run for office in his life, boldly declared himself a candidate for the Democratic nomination for Congress in the State's Fourth Congressional District.

The skeptical smiles have since disappeared. For the professor is Representative HECHLER now, as the result of what one veteran newsman called "the shrewdest personal electioneering I've seen in 23 years of campaign coverage."

Mr. HECHLER went to Washington, where he is now starting his 2-year term, despite the absence of many of the qualifications practical politicians clutch closest to their hearts. He was a stranger in a section of the State where residents take deep pride in local ancestry. He was a plain-looking, bespectacled bachelor of 44 with no pretty wife or adoring children to parade before the television screens. He entered the primary against two native-born sons without the backing of any local politician and lacking the support of organized labor, which is a power in West Virginia Democratic circles.

Opposing HECHLER in the general election was a two-time Republican Congressman who was also a distinguished obstetrician. Dr. Will E. Neal had been bringing West Virginia babies into the world for more than 50 years. "I delivered the voters," the incumbent Representative would remind his campaign audiences. "It is up to you to deliver the votes."

Because HECHLER overcame all of these handicaps—and even managed to turn some into assets—it is safe to say that if he ever finds time to teach another class in political science, the front-row seats will be filled with hard-bitten politicians anxious to absorb knowledge from a person who proved that his theories about winning elections are as valid as their rules ever were.

KEN HECHLER—he never uses his baptismal name of KENNETH—says that the incredible idea of his running for Congress probably took root in the give and take of teacher-student discussions that have always featured his college classes.

He had come in January 1957 to Marshall College in Huntington, W. Va., as a substitute for a political science professor who was taking a one-semester leave of absence. HECHLER's arrival was greeted with interest because he already had a sturdy and rather picturesque reputation in academic circles.

Born in Roslyn, N.Y., of parents who were and are stanch Republicans, HECHLER received his bachelor's degree from Swarthmore College in 1935, and a master's the following year from Columbia University in New York. His master's thesis, titled "Will Roosevelt Be Re-elected?" is remembered at Columbia both for its great over-all length—350 typewritten pages—and the brevity of its final chapter, which contained the single word: "Yes."

In 1937 HECHLER became an instructor in political science at Columbia. A friendly, informal man, he made a practice—which

he continued throughout his teaching career—of developing unusual stunts to enliven his subject matter. One of his most popular gimmicks was making phone calls to leading political figures which his classes could overhear by means of an amplifier hooked onto the telephone.

While teaching at Columbia, the young instructor earned a Ph. D., making him Dr. HECHLER, and went on to aid Judge Samuel Rosenman, Franklin Roosevelt's principal speech writer, in compiling several long volumes of F.D.R.'s public papers and addresses. HECHLER already had left the party of his parents to become a confirmed Democrat.

HECHLER entered the Army as a private at the outbreak of World War II, earned a commission in the tank forces, and eventually became a major and combat historian in the European Theater of Operations. After the war he taught at Princeton where, again, his classes were tremendously popular. There followed, in succession, jobs as a researcher-writer on President Truman's White House staff, associate director of the American Political Science Association, and research director for Adlai Stevenson's 1956 Presidential campaign.

It was with this varied and impressive scholarly background that HECHLER accepted his temporary assignment at Marshall, a medium-sized, State-supported college in southwestern West Virginia. When surprised friends asked why, HECHLER replied that he had wanted for a long time to savor life in a small community. In his White House job, he had prepared briefs on every area the President planned to visit. West Virginia, with its mountainous scenery and natural resources, had struck him as a State with an undeveloped, potentially great future.

HECHLER quickly became a student favorite at Marshall. Though Dr. HECHLER in class, he was usually "KEN" outside.

"He was," says a fellow faculty member, "the type of professor students consider a regular guy. But while he may have won some of his popularity with gimmicks—once he served breakfast in class—he never forgot his role as a teacher. The students really worked for him."

HECHLER's cardinal principle as a political science instructor was to try to make his students active participants in the processes of government, regardless of which party they supported. "You are in politics whether you like it or not," he'd say. "If you sit it out on the sidelines, you are throwing your influence on the side of corruption, mismanagement, and the forces of evil."

"But as I urged my students to become active politically, my conscience started to bother me because I was not participating very directly myself," HECHLER says. "I liked Huntington and its people and had decided to settle in the city permanently. When a few students started suggesting—some laughingly and some seriously—that I should run for Congress, I brushed off the idea. Actually, though, I began to find the notion pretty appealing.

"I had been on the fringes of politics, except for the war interval, for almost 20 years without ever once experiencing the excitement that only a candidate for elective office can have. I felt I knew the congressional ropes because of my work in Washington, I had firm political ideas, and I frankly thought that I could be a valuable servant to the people of West Virginia if given the opportunity. Besides, I was intrigued by the possibility of seeing how well some of the theories I stressed as a teacher would work in a real campaign."

But under the pressure of earning a living, these thoughts almost faded from HECHLER'S mind in the autumn following the end of his teaching semester at Marshall. Settling down in Huntington as he had said he would, he served as a public affairs commentator on a local weekly television program. More important financially, he completed a book he had been writing about the dramatic crossing of the Ludendorf Bridge at Remagen, Germany, which gave Allied troops their first foothold on the east side of the Rhine in World War II.

"The Bridge at Remagen," published late in 1957, was an immediate success. A movie option was taken on it and it was sold to network television. With money coming along in sizable amounts, HECHLER began thinking again about politics. West Virginia was slated to be an important State nationally in the 1958 elections. There were two Senate seats at stake, in addition to the State's six seats in the House of Representatives.

HECHLER began suggesting to friends and local politicians that he might want to run for a House seat. They said the idea was crazy. Then, late in March 1958, with the primaries 4 months off and election day more than 7 months away, the Huntington Advertiser listed him as a possibility for the race.

HECHLER reviewed the situation briefly. He had lived in West Virginia only 14 months. He was barely known outside Huntington. No one, except for a few students, had shown any interest in seeing him run.

The day after the newspaper speculation appeared he gave the Advertiser a statement. "I never sat on the fence on any issue in my life and don't intend to start now," he said. "Sure I plan to run for Congress. That is definite. I will file for the Democratic nomination in the August primary."

The Fourth Congressional District of West Virginia sprawls over 10 counties in the western part of the State and touches both the Ohio and Kentucky borders. It is a diversified region of heavy and light industrial plants and a large farm population. Huntington, with some 90,000 residents, is by far its largest city and generally favors the Democratic line, but the district as a whole usually has gone Republican.

No sooner did he announce his intention to make the race than HECHLER proceeded to startle the district again by displaying the tireless energy of a professional basketball player. He was up every morning at dawn, rarely went to bed before midnight. In the long hours between, he toured every cranny of the 10 counties, ringing doorbells and stopping at stores, plants, on street corners to introduce himself to voters.

"Like everyone else," says Robert Burford, Democratic chairman of Cabell County, where Huntington is located, "I hadn't given KEN a chance for the nomination. Then one day in Charleston, I dropped in to chat with one of our candidates for State office. "Who in hell is this HECHLER?" he asked me. He went on to say the KEN had been dropping into creeks and hollows of his home county that no candidate for anything had bothered to visit in years. For the first time it dawned on me that he might win."

In some respects HECHLER was the prototype of the old-fashioned political campaigner. He toured the district in an attention-getting, red-and-white convertible covered with bold lettering announcing his name and candidacy. He had a campaign song to the tune of "Sugar in the Morning" that was as delightfully corny as campaign songs have been for generations. Sung usually by four Marshall coeds, it went in part:

"Put your 'X' on the ballot,
And if you do your part,
You'll have a darned good Congressman.
Who's for the young at heart."

There was no sense of conformity, however, in other HECHLER maneuvers. "I had always felt from my studies," he says, "that a candidate could win a good many more votes by stressing his own virtues than by leveling personal attacks on the opposition's character."

HECHLER not only refrained from attacking his opponents personally—he praised them. He described his two foes in the primary as "good, fine Democrats." In the general election HECHLER termed Republican Dr. Neal "an honest man of conviction. I respect him for his principles, even if I may not always agree with what he stands for."

HECHLER also took pains to stress his virtues in unique ways. By passing out hundreds of free copies of his book, "The Bridge at Remagen," he emphasized that he was an author of note. He ran newspaper ads carrying letters of praise from Harry Truman and former members of the White House staff to indicate his familiarity with national affairs. He referred again and again to his primary campaign as "the lonely battle" to point up the fact that he was running without any organized support, to win the sympathy he figured would be given an underdog. He produced character references showing that he had compiled a splendid war record and was an assiduous churchgoer.

The college professor who had launched his campaign without a prayer of success won the Democratic primary by carrying 7 of the district's 10 counties.

"And you know what he did the next morning?" says one surprised Huntington politician. "Why, he was standing outside a factory at 5 o'clock in the morning, thanking men who were reporting for work for voting for him and asking for support in the general election."

By winning the primary, HECHLER now had the backing of the regular Democratic organization and organized labor. He responded by forgetting his "lonely battle" to go straight down the line for the entire Democratic ticket.

Politically, HECHLER was a professed liberal Roosevelt-Truman Democrat who spoke frequently on the need to elect Democrats to cure "the Republican recession." And he still had a number of new tricks to unveil. He had campaign cards printed on the cheapest stock available. Printed under his name was the notation: "The recession makes it tough to print a better card."

When campaign funds ran low, he bought 10-second television spots instead of the 5-minute shows Dr. Neal was putting on. "We can't afford more television time," HECHLER would tell audiences solemnly in the few seconds at his disposal, "but I hope you'll vote for me anyhow."

The maneuvers brought appreciative smiles from the electorate. They also brought the kind of retaliation HECHLER expected and almost welcomed.

Early digs that he was a Johnny-come-lately, suitcase politician became more strident. In contrast to HECHLER's courteous references to Dr. Neal, the Republicans made it a point to misspell his name at times as "Heckler," and one GOP campaign song ran in part:

"Visitor Heckler, we've been thinking,
What a State we'd really be,
If all the New York office seekers
Came to save us just like thee."

Replied HECHLER sweetly: "Isn't it wonderful that we live in a country where we are able to circulate such poems about our present and prospective public officials?"

Late in October, a Republican woman member of the State legislature leveled the bitterest attack yet. Asserting in a statement "that New York already has 43 Congressmen; why should we give them another one?" She charged that HECHLER had been sent to West Virginia by Americans for Democratic Action, the extreme left wing of the Democratic Party, to run for Congress.

HECHLER answered with a paid newspaper advertisement. He was not, he said, a member of ADA, and no individual or group had sent him to the State to run for Congress or any other purpose. Moreover, he expressed deep regret that the lady, "who was not herself born in West Virginia," had seen fit "to make statements which becloud the real issues." He also managed to weave in the Biblical commandment: "Thou shalt not bear false witness against thy neighbor."

HECHLER believes that his statement caused the attack against him to backfire into one of the most effective issues of his campaign.

Undaunted, the Republican leadership saved their heaviest ammunition until 4 days before the election. Now it was the Governor himself, Republican Cecil Underwood, who called a press conference to cut HECHLER down to size.

An investigation had shown, said the Governor, that campaign literature for HECHLER and copies of his book had been stuffed into surplus food packages the State distributed to the needy. Calling this "the most despicable display of political chicanery I've ever seen," the Governor said that "anybody who would play on the hardship of our people for his own benefit isn't worthy of West Virginia citizenship."

HECHLER still feels badly about this particular attack. He thinks it was pretty rough politics of the sort that keeps too many capable people from seeking public office. But publicly, the would-be Congressman again treated observers to the value of the nice-guy, high-level reply.

First of all, HECHLER disclaimed responsibility for putting campaign literature in food packages. Then he said that the Governor was a very fine gentleman who unfortunately had stooped to using words thrust in his hands by mud-slinging ghost writers. Finally, he brought out an autographed picture Underwood had given him before he entered the congressional race. "To Dr. HECHLER," read the inscription, "with appreciation for intellectual leadership you are giving to West Virginia—Cecil H. Underwood, Governor."

HECHLER spent most of election night and morning sweating out the returns at the Democratic county headquarters in Huntington. For several hours the race seesawed, but around midnight HECHLER forged into the lead. The professor from New York who had launched his campaign with little more than his own ballot to count had received more than 60,000 votes and won by 3,500.

After the election, HECHLER was back on the road again. Now the signs on his convertible had been changed to read: "Dr. KEN HECHLER—Your Servant in Congress," and he was busy thanking voters and asking them about their problems. "He's the only successful candidate I know who spent as much time seeking out people after the election as he did during the campaign," says County Chairman Burford.

Excluding money he would have earned if he had been working rather than campaigning, HECHLER figures the election cost him about $5,000–$6,500 for the primary in which he did not receive a single financial contribution, and another $1,500 in personal expenses for his battle against Dr. Neal.

He considers that the money was well spent for what he terms "the most exciting adventure of my life." And now that he has won his seat in Congress, he says that the campaign taught him nothing that differed very greatly from what he had observed in his years as a political science professor.

"Sure you need luck to win an election, and I had my share of it," he says. "But I believe more strongly than ever that, whatever the odds against him, a candidate has his best chance of winning by waging a clean campaign; by anticipating and taking advantage of attacks which are made by the opposition and by remaining honest to himself and his personality."

HECHLER says his goal now is to be an effective representative for the people of West Virginia's Fourth District. "After what he showed us as a candidate," says Burford, "we're expecting he'll prove to be quite a Congressman."

KEN HECHLER'S 10 RULES FOR CAMPAIGNERS

1. Pay attention to the average person.
2. Be true to your own personality.
3. Be constructive and campaign cleanly.
4. Turn every attack on you into an asset. Couple an immediate answer with your own constructive approach to the problem.
5. Remember—your most effective workers are under 20 (they're enthusiastic) and over 60 (their word is respected).
6. Avoid "strategy meetings" that cause dissension, waste time.
7. Venture forth around the district every day. Don't be "deskbound."
8. Don't tie your hands with job promises.
9. Don't promise the moon to pressure groups.
10. Be able to laugh at yourself and enjoy it.

Mr. KEFAUVER. Mr. President, I join with the distinguished Senator from Minnesota [Mr. HUMPHREY] in congratulating Representative KEN HECHLER and to commend the fine article about him published in Pageant magazine. It was most fitting that Mr. HECHLER be recognized in this fashion, because he represents what a real citizen should be in this country of ours. KEN HECHLER, before he was elected to Congress from West Virginia, gained widespread recognition as a stimulating and outstanding professor in the field of political science.

Throughout his teaching career, he used the vivid device of making phone calls to leading political figures which his classes could overhear by means of an amplifier hooked onto the telephone. This was an effective method of breathing life into issues of the day and bringing political leaders and students into close contact.

Time and again, he pounded home the basic lesson of good citizenship to his students in many classes:

You are in politics, whether you like it or not. If you sit it out on the sidelines, you are throwing your influence on the side of corruption, mismanagement, and the forces of evil.

Then KEN HECHLER took his own advice and ran for office himself. His honest and forthright campaign won the respect of the voters in his district—and won him the seat he now holds. I have known KEN HECHLER personally for many years. His is an example of citizenship that is well worth the praise of his constituents, his fellow citizens all over America, and of his colleagues in Congress.

THE BUDGET

Mr. BUSH. Mr. President, I ask unanimous consent that there may be printed in the RECORD following my remarks an editorial from the Washington Post of March 24 entitled "Stop the Games—Now."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STOP THE GAMES—NOW

The obvious Democratic attempt to unbalance President Eisenhower's 1960 budget by deferring various supplemental appropriations for the current year does the party little credit. Superficially, this strategy would enable the majority to say, "We're not the 'spenders'—look at all the cuts we made in the 1959 program." Later on, with the 1960 budget unbalanced, the same politicians could say, "It's not our fault. All we did was appropriate what the President asked for."

This is all very clever but much too clever and too tricky to be good politics. The fact that the President invited such monkey-business by his tortuously contrived balanced budget proposal— which depends in part upon similar bookkeeping legerdemain—is no excuse. The way to have dealt with this was to expose it forthrightly, and to vote the funds—and the taxes—that are needed.

As might be expected, the appropriation items that lack a "constituency" are taking the biggest beating. Thus the District of Columbia is faced with an early school closing and a cutback in such essential services as police protection if the irresponsible House Appropriations Committee actions are not reversed. Of much broader importance, the Development Loan Fund which is charged with carrying forward a vital aspect of foreign policy in many critical areas of the world, is threatened with a virtual shutdown for half a year or more—and a probable loss of momentum that would take much longer to regain.

Similarly, the Senate's decision to charge the new American subscription to the International Monetary Fund to the 1960 budget rather than the 1959 budget, as proposed, reeks with shortsighted political motivation. To time this important move, which is to be taken in concert with other IMF member nations, for narrow partisan purposes is demeaning to the whole fabric of American foreign policy.

When the House takes up the badly butchered supplemental appropriations bill today it ought to be aware of the exceptional and questionable procedures by which it was prepared. Instead of obtaining the judgment of the various regular expert subcommittees on these requests, the usual practice, the Appropriations Committee rigged up a special subcommittee to handle all of them—apparently to insure that the aforementioned political strategy would be carried out without fail.

The result is a most unrealistic bill based on gross misconceptions and distortions. For example, much is made of the fact that the Development Loan Fund has not actually expended much of its present $700 million fund and that a third of it is not even technically "obligated." But many Federal programs, like this one, have a long leadtime built into them. The fact is that virtually every penny of the Fund's money is firmly committed and that applications, carefully screened, are on hand for many times the $225 million in new authority sought for the current year.

Some liberal Democrats who would ordinarily be expected to support economic development assistance apparently seek to "teach the President a lesson" by slashing foreign aid in retribution for budget cutbacks in certain domestic programs. This would be bad politics, too, for it bespeaks an all-around insincerity of purpose and unstable judgment. Speaker RAYBURN'S agreement of yesterday to seek elimination by the House of some of the Appropriations Committee's cuts is welcome—if sadly belated.

At best the sponsors of this political maneuver have succeeded in thoroughly confusing the public at large, while they have disgusted those who follow these matters in some detail. Although it is late to undertake a graceful retreat, the congressional majority has an obligation to the country that it can sidetrack no longer. It ought to

begin today to vote funds on a basis of what is required, program by program, and after due appraisal of the economic outlook, consider revenue measures to match. The country is in no mood for bookkeeping games.

Mr. HUMPHREY. I wish to say that I, too, have read the editorial, and that I think it makes a great deal of sense.

Mr. BUSH. I am delighted to hear the Senator say that.

FEDERAL COMMUNICATIONS COMMISSION DELAY IN BOOSTER INQUIRY

Mr. McGEE. Mr. President, on February 11 the Federal Communications Commission asked their staff to prepare proposals for a modified rulemaking which would look toward the licensing of low-power VHF booster and translator systems. The February 11 ruling also called for proposals to modify sections 318 and 319a of the Communications Act by further legislation if this proved necessary.

Six weeks have passed since this announcement was promulgated. Thousands of people throughout the Rocky Mountain West are waiting for action. When is it going to be undertaken?

I ask unanimous consent that the report of Commissioner T. A. M. Craven, submitted to the FCC on November 4, 1957, be printed in the RECORD so as to demonstrate that the Commission has for some time been aware of the inequity of their policy of making all booster systems illegal.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION
INTEROFFICE MEMORANDUM

For: TV agenda.
To: The Commission.
From: Commissioner T. A. M. Craven.
Subject: Television boosters.
Recommended action: Adopt suggestions contained herein.

1. This memorandum summarizes the oral statement made by me to the Commission at its meeting on Wednesday, October 30, 1957, at which time, based on information obtained during my recent trip to Denver, Colo., for the purpose of investigating the situation with respect to television boosters allegedly being operated in the State on an illegal basis, I made certain procedural and rulemaking recommendations.

2. I should state at the outset that this memorandum does not treat of those forms of boosters which are installed by station licensees or by entrepreneurs for the purpose of extending existing service or for providing service for hire. Rather, it deals specifically with so-called boosters which are utilized in mountainous country to bring television programs to those areas which are denied reception because of the rugged terrain.

3. In the company of Mr. Bruce Longfellow, Chief of the Commission's Technical and Allocations Branch, I conferred on the subject of television boosters with Governor McNichols, ex-Governor Ed Johnson, Colorado Television Broadcasters, representatives of television broadcasters from the States of Wyoming and Montana, the president of a community antenna association, and the Commission's resident engineers in the Denver Office. All of those persons and groups are vitally concerned, in one way or another, in this electronic device which has become so important to many areas of the West in the past 2 years, during which time the Commission has used all the means at its disposal to put these boosters off the air.

4. In the course of its drive to achieve this end, the Commission has plagued outstanding residents of many Western States with legal action and threats thereof, instead of recognizing the dire necessity which has inspired them to use their ingenuity to bring television to outlying areas, and instead of taking constructive steps to assist them in their endeavor.

5. The Commission's activities in this connection have aroused such resentment throughout 12 Western States that the Governors thereof have conferred in Denver and stamped the Commission's course of action in this regard as grievous error. The situation in Colorado has become so critical that its Governor has been driven to challenge the Commission's jurisdiction in this matter. Rightly or wrongly, he has asserted State jurisdiction and is now licensing these boosters.

6. Based upon my observations and conferences in Colorado, it is my opinion that the Commission's first approach to this problem was precipitous, unduly rigorous, unrealistic, and was based upon a narrow interpretation of the Communications Act. Unfortunately, even its present proposals for correcting the situation fall far short of the mark. I am forced to agree with the Colorado television broadcasters and their engineers whose opinion it is that the stringent rules proposed by the Commission, after it belatedly recognized the absolute need for television boosters in certain rugged terrain, are infeasible, unrealistic, and totally unacceptable to the public. In fact, as I see it, the present proposals are so unrealistic that they will do nothing toward solving the problem.

7. Because the Commission failed to recognize promptly the overwhelming public interest factor involved in providing practicable procedures for establishing television service to small communities in the mountainous areas of the West, it is my opinion that this agency has failed thus far to discharge its statutory obligation to make available, insofar as possible, to all the people in the United States, a rapid, efficient, nationwide radio system. Apparently, the Commission did not recognize soon enough that these low-power boosters are the only practicable way in which the people residing in these isolated areas can secure any television service whatsoever. We have been shortsighted in this connection, as remedial steps could have been and should have been taken long ago. If necessary, changes in legislation should be requested.

8. The Commission has approached the solution to this problem by insisting that these boosters be classified as television broadcast stations rather than essential elements of the receiving system. Actually, these boosters are of such low power that they approach (without quite achieving it) a restricted radiation device classification. It is true that, while the low-power television booster has interference capabilities in terms of a very few miles, the restricted radiation device permitted by the Commission has interference capabilities in terms of only a few hundred feet. However, properly installed and operated, the low-power booster should not cause harmful interference to interstate radio communications. It seems appropriate, therefore, to classify them as limited radiation devices.

9. Accordingly, I submit the following recommendations:

RECOMMENDATIONS

(1) Reclassify small power boosters into a special category of "limited radiation devices."

(2) The rules should confine the use of these limited radiation devices to mountainous areas and to the localities therein which do not receive direct radio service.

(3) The rules should provide for a simplified application form and for a certificate of authorization which is not classified as a "station license."

(4) The application form should require a certified statement from the broadcast station licensee whose programs are utilized by the limited radiation device that he has investigated the location, is familiar with the type of equipment proposed, and definitely is of the opinion that the proposed operation will not cause objectionable interference to the service provided by the licensee station.

(5) The station licensee of (4) above should state that he will designate a qualified engineer to make periodical inspections to the limited radiation devices authorized pursuant to the requests passed upon by each licensee.

(6) The proposed rules should provide for type acceptance for this equipment. The standards for these types of equipment should be moderate and should include only those restrictions which are deemed essential to insure safeguards against out-of-hand interference and to insure limited radiation.

(7) The proposed rules should recognize only cochannel limited radiation devices.

10. If the Commission is unable to construe the Communications Act of 1934 as I suggest, it is recommended that the Commission seek immediate remedial legislative action, and at the same time issue a press release informing the public of its action.

T. A. M. CRAVEN,
Commissioner.

THE ARAB REFUGEES—A KEY TO SOLUTION OF MIDEAST TURMOIL

Mr. JAVITS. Mr. President, following the visit of so distinguished a person as Prime Minister Macmillan, we have a new face in Washington, that of young King Hussein, of Jordan. It gives us an opportunity to welcome this colorful young king and also to consider Mid-East policy, which I think has been sort of blacked out in this country as a result of our preoccupations with Berlin. Indeed, there is some opinion that Berlin is a Communist diversion to distract us from the Mid-East. I must say I do not agree with that opinion. I think it is a very critical and intense issue on its own; nevertheless, it is an indication of the fact that we have not been considering Mid-East policy, while the Mid-East remains just as explosive, just as much a tinderbox, as it has been for a very long time.

The visit of King Hussein to the United States affords us one very important opportunity for a discussion of the Arab refugee question.

Arab refugees constitute about half the population of Jordan, some 517,388 being there now, and constituting the most volatile portion of the population of that strife-torn land.

Mr. President, I have a report of an investigation by a subcommittee of the Senate Committee on the Judiciary dated March 16, 1959. It was a special subcommittee to investigate the problems connected with refugees and escapees. I ask unanimous consent to have printed as a part of my remarks the reference in the report to the Arab refugee situation.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The refugee situation in the Middle East is the most critical in the world today. Mr. Henry Labouisse, the Director General of the Arab refugee program, has recently made a study and according to his figures, nearly 1 million uprooted Arabs are condemned to the grim death-in-life existence in refugee camps. These refugees from Palestine are distributed as follows:

Gaza	221,058
Jordan	517,388
Lebanon	102,586
Syria	92,524
Total	933,556

Mr. JAVITS. Mr. President, King Hussein has proved himself truly a monarch in his own land, but his enemies continue to endeavor to exploit the unrest among the Arab refugees as a means to subvert the Hussein regime. The best aid we can give this young king is to seek with him an early solution to the Arab refugee problem, which continues to be a most vexing question in the Mid-East.

The United States, as everyone knows, continues to have a prime interest in Mid-East peace.

We are beginning to understand a little better the picture which has surrounded the matter of peace in the Mid-East. President Nasser, in a speech broadcast from Damascus only the other day, chided the Iraqi regime of Premier Kassim for not joining with Nasser's armies to wage war against Israel late last year. This certainly contradicts the repeated propaganda contention of President Nasser that it is Israel which threatens the peace of the Mid-East.

Here we see President Nasser talking about plotting war itself in respect of this very area. This revelation follows closely on the heels of President Nasser's announced refusal to allow neutral ships passage through the Suez Canal in instances where they carry cargoes from or to an Israeli port, in violation of the principle of free passage through the Suez Canal.

The continued pressure by President Nasser on his brother Arabs in other states has confirmed that the Arab-Israel dispute is not the major issue which is the basis for Mid-East unrest. It rests, perhaps, on the ambitions of President Nasser himself. The Tunisians, the Sudanese, and the Jordanians have most recently, for example, rebuffed Egypt's own strong man.

The United Nations General Assembly will next meet in September of this year. It is expected that the General Assembly will at that time have in hand the study authorized by the Secretary General last year on the Arab refugee question in anticipation of the expiration of the United Nations Works and Relief Agency, now handling the Arab refugees, which expires on June 30, 1960. So the consideration of the Arab refugee question is most critical and most timely right now. Also, such consideration will be in keeping with the World Refugee Year, beginning in June 1959, which was established by a resolution of the United Nations General Assembly last December.

We should not avoid the consideration of the nettling problem of the Arab refugees simply by awaiting the results of studies and the fall meeting of the United Nations General Assembly. The intervening 6-month period allows too much time for the Communists to make further mischief in a sensitive area, as they have done in the past. The visit by King Hussein to the United States offers an excellent opportunity for a discussion of the problem. The fact that Congress is now in session, as it probably will not be in September, affords an excellent opportunity for the development of policy and for the enactment of legislation.

Settlement of the Arab refugee question is a step which can be achieved, and any step representing the initiative is important to us. Our great problem in international affairs is to take the initiative and act rather than to react to Communist pressure when it comes. By seizing the initiative in the Mid-East now, we can hope to overcome the handicap attributable to the Communist capability to strike with the totalitarian weapons of speed and surprise.

What is the situation with respect to Arab refugees? As I have said before, the United Nations Works and Relief Agency now handles Arab refugees. I am urging that the United States take the initiative and sponsor a resolution in the United Nations General Assembly calling for a resettlement agency to succeed the Works and Relief Agency when that agency expires on June 30, 1960; and that the maintenance of the Arab refugees thereafter, other than for resettlement, be made the responsibility of the Arab States in which the refugees are now located. I do not speak of the payments for maintenance. Payments for such maintenance, if any, would be made to these states by the new United Nations Resettlement Agency. The United States should make its contribution, as it has done before, to their maintenance. We are not talking about money; we are talking about responsibility. The reason for talking about responsibility is that that is the way in which to bring about a resettlement primarily in the Arab lands, where there is plenty of room, and where resettlement is not only practical but also constructive in economic terms.

I hasten to add that I believe, and believe very strongly, that Israel will need to make room for a fair portion of the Arab refugees. But not all the Arab refugees can continue to be sent to Israel now, as the Arabs have been contending all along.

A resettlement plan should have the following parts: First, it should require the Arab States to assume responsibility. Second, it should require Israel to assume responsibility. Third, it should require the world to take some responsibility.

Mr. President, it seems to me that just as heretofore we have tried to resettle refugees throughout the world by having various nations take their fair share, certainly we should try again in respect of the present situation, because that is the way in which we have successfully brought about resettlement in other cases—notably, in the case of the European displaced persons. I point with pride to the fact that in the Refugee Relief Act which we passed a few years ago we provided for the admission to the United States of several thousand Arab refugees from Palestine. So that inherent plan would also be the basis for some worldwide action, just as we acted in respect of the displaced persons of Europe.

Whatever may be the objections of Arab spokesmen to the proposition that the Arab refugees were made to leave what is now Israel by exhortations of the Arab leaders, who in 1948 asked them to get out of the way of the invading Arab armies in preparation for a triumphant return after the Jews had been pushed into the sea,—and that is a grim and ugly fact in connection with the 1948 exodus of the Arabs from Israel, who were induced to leave by the statement to which I have just referred—the unfortunate fact is that for 10 years there has been no Arab cooperation in their resettlement, and they have been used largely as a political dagger pointed at the heart of Israel. Recent reports indicate that 1,400 jobs for refugees went unfilled when exit permits were denied them by Arab host governments—host governments which also have rejected plans for extensive development programs for resettlement. Mr. President, there are other cases of embarrassment of the United Nations' agency—UNWRA—which is charged with the administration of this matter—for instance, when it was compelled by Syria and Lebanon to transport supplies for the refugees by railroad, rather than by the less expensive truck method—all directed toward making the work of the agency somewhat more difficult.

Mr. President, I believe it very proper that we recognize that a very much changed attitude is needed on the part of certain of the Arab governments. I repeat that the presence in the United States of King Hussein, who has aroused so much interest in our country, gives us an opportunity for discussion and reorientation in connection with this very important question. Such consideration and reorientation could be extremely valuable for us.

As I have stated, Arab refugees constitute almost half the population in Jordan, about 512,388 being there, with 221,058 in the Gaza strip, 102,586 in Lebanon and 92,524 in Syria, with an annual net increment of 25 to 30 thousand due to a continuing high birth rate. It is clear that the problem must be settled now.

The second most likely point of exploitation by the Communists in the Mideast is the shutting off of the vital oil supplies from that area which furnishes 80 percent of free Europe's imports. The West has had one dramatic lesson in this regard when the Suez Canal was blocked for 5 months; minor crises occurred when the oil pipeline was temporarily disrupted during the revolutions last July in Iraq and Lebanon. It is clear that establishment of alternative oil supply routes is absolutely necessary if we are to be free from the policy shifts

of President Nasser or the ferment stirred up by the Communists in the Near East area.

Israel has evidenced willingness to negotiate compensation for Arab properties, notwithstanding its heavy counterclaims against the Arab states which ejected 300,000 Jews since 1948 and deprived them of their property.

The problem of land could be quickly settled by the Arab governments, particularly Iraq, which has the resources in land and water and is underpopulated, and whose new revolutionary regime we have just recognized. A major effort by the United Nations and the United States to enlist its participation could prove most fruitful at this time.

Mr. President, let us consider, in turn, the various parts of the plan I have mentioned—first, in the case of the Arab countries themselves.

The problem of land could be quickly settled by the Arab Governments—particularly I may say, by Iraq, which has resources of land and water, and is underpopulated; and its new revolutionary regime has an opportunity to do new things in that country—things which perhaps the previous regime did not have an opportunity to do. A major effort by the United Nations, including the United States, to enlist the participation of the new regime in Iraq could prove most helpful at this time.

Also, in Jordan itself there are opportunities for public works, irrigation, and reclamation which can provide a basis for a fundamental resettlement of a very substantial number of the Arab refugees who are there.

Mr. President, I may say that all our efforts with respect of working out a suitably adapted and adequately financed Mid-East economic plan based on self-help and mutual cooperation can very well be tied into the whole matter of Palestine-Arab resettlement. For example, an Arab development corporation has been under discussion for a considerable period of time. It has not yet come to fruition. It seems to me that we cannot wait for that forever; and it may be necessary to start a new initiative in that regard and to cooperate with the Arab States which wish to cooperate in this effort, leaving the others, who did not wish to cooperate, out of any economic effort of this character. Somehow or other, the work must be gotten off the ground; and it is necessary to make a start with what we have.

As to Israel's position in this matter, I believe that Israel will take a reasonable number of Arab refugees suitable for repatriation, giving due consideration to the danger to its security by a possible fifth column.

Furthermore, it is estimated that as many as 100,000 former Arab refugees have, in one way or another, found their way back into Israel.

While we are on that subject, let me say that Israel has also evidenced its willingness to negotiate compensation for Arab properties, notwithstanding Israel's heavy counterclaims against the Arab States which have ejected 300,000 Jews since 1948, and have deprived them of their property.

Also Israel has already repatriated 25 to 30 thousand Arabs and in reuniting Arab families and by other means it is estimated as many as 100,000 former Arab refugees are now located in Israel.

Obviously the resettlement of the Arab refugees and providing alternate oil supply routes is not a complete policy for the Mid-East, but it is a key to unlock the door. It represents an initiative upon which the other elements of a policy even if more important can be built. The other elements of this policy should include the following:

First. A clear guarantee of Mid-East borders against direct or indirect aggression, preferably under U.N. auspices implemented by a U.N. peace maintenance force.

Second. A suitably adapted and adequately financed Mid-East regional economic plan based on self-help and mutual cooperation, and started with those who choose to cooperate even if this does not include all the Arab States.

Third. Special efforts to deal with the problem created by the nonviability of Jordan and by internal instability in Lebanon.

Fourth. Recognition of Israel as a strong Mid-East ally of the free world through an agreement under the Mutual Security Act allowing it to receive military assistance.

Fifth. Broad-scale activities in person-to-person exchanges and the establishment of technical training institutes and other institutions of higher education in the Mid-East.

One of the primary aspects of an initiative by the United States would be in respect of a regional economic plan for the area if this is taken up and implemented. There is every assurance that other governments will cooperate in the financing of such a plan. Notably, the United Kingdom, Italy, and Germany have already indicated their interest; and so has the International Bank for Reconstruction and Development.

It would also be essential to bring into Mid-East economic development and the resettlement of the Arab refugees the oil revenues of the Mid-East and the oil companies which pay them. These oil revenues aggregated $1.026 billion in 1957, and are an indispensable element of any Mid-East program.

Mr. President, it is argued, in conclusion, that the Arab States might not work with us, due to Arab nationalist pressure. However, in efforts to bring about regional economic development, and to settle the Arab refugees, we are not confined to the Arab States alone, but we should include the economic region involved, which would also bring in the cooperation of Iran, Libya, the Sudan, Tunisia, and Turkey, leaving the problems of an economic bridge to Israel to be solved for the present through the United Nations. Mr. President, I point out that the leaders of those other countries—Iran, Libya, the Sudan, Tunisia, and Turkey, which are outside the Arab bloc—have also led their peoples out of colonial status, yet with acceptance of their responsibilities in the civilized world, and without seeking to build personal power hegemonies.

Mr. President, I think that in connection with the present visit of King Hussein to the United States, the initiative which can be stimulated in respect of the resettlement of the Arab refugees—thus giving us a head start in connection with the situation which in September will be considered by the United Nations—is very valuable and very important; and not only do I hope very much that this matter will interest the administration, which will be conferring with the young King and his advisers; but I also hope it will again stimulate in our country an awareness and a discussion of our policy in the Mid-East, which still remains the tinderbox of the world and still is in a very serious condition. Mr. President, I trust very much that we shall not overlook it in our preoccupation with the real crisis which exists in Berlin or with other crises which the Communists may endeavor to foist upon the world.

CURRENT ECONOMIC POLICY

Mr. BENNETT. Mr. President, on March 18, the Senator from Tennessee [Mr. GORE] delivered a long and what I considered to be a very significant speech on the floor of the Senate. In the speech he indicated that he intended to have other things to say on the general subject of current economic policy; and he encouraged other Members of the Senate to make speeches in regard to this subject.

The speech of the Senator from Tennessee appears on pages 4440–4450 of the CONGRESSIONAL RECORD. Obviously his speech was very long. It covered a great many phases of our economic, fiscal, and monetary problems.

I am responding, in part, to his invitation to join in the discussion, and, in part, to my feeling that many of the things the Senator from Tennessee said in the course of his speech need amplification, and that as to many of them there are obviously differences of opinion.

The Senator from Tennessee indicated that he was anxious to have the problem discussed objectively. Certainly that is my basic approach.

As I read the 10 pages of the speech made by the Senator from Tennessee, I was impressed by the tremendous scope of subjects which is opened up by it. From reading the speech, it is understandable that the Senator from Tennessee did not have time for anything except generalities.

So I hope that in the weeks and months ahead the Senator from Tennessee will amplify and document his speech and, when necessary, will submit offers of proof for the material he presented.

Today, as I analyze the speech, it seems to me that it had three parts. Two related to each other, and the third was a kind of partisan political interlude. The first part of the speech was a statement of economic goals for our country as the Senator conceived them. The second part was a program he proposed for each of those goals.

Mr. President, I am happy to observe at this point that my friend from

Tennessee has come into the Chamber. I told him I was going to make this speech, and invited him to be present. I am happy he is here.

As I started to say, as I analyze the speech, part one was a statement of economic goals. Part two was a program to reach those goals. In between was material which, from my point of view as a Republican, was a more or less typical Democratic folk tale or fable. It was performed by a ballet, with chorus, with several other colleagues of the Senator joining in. As I get the plot of the fable, it is that the Republican "bad guys" used high interest rates to injure the little "good guys," whom the Democrats promised to rescue. That is particularly in character with the modern rage for "westerns" which separate the "good guys" from the "bad guys."

In making these observations, I should like to discuss first the objectives, then the proposed program to reach them, and, in the end, I wish to rewrite the folk tale and present my characterization of the "good guys" and the "bad guys."

The Senator listed three goals, with which I am in essential agreement. I quote from his own words. When I quote the remarks the Senator made during his statement, I shall not attempt to identify the page in the RECORD from which the quotation comes, since I have already identified the pages which contain the whole speech. The Senator stated as his first goal:

> A rate of economic growth sufficient to meet the requirements of national security and to provide full employment for our people.
>
> Second. The maximum degree of price stabilization and overall inflation control.
>
> Third. Efficient and equitable distribution of goods, income, and wealth.

In general, I think all Members of the Senate, and all officials of Government, and all private citizens would agree that these goals are significant, important, and worthy of the finest efforts of everyone who can make a contribution to them—growth, price stabilization, distribution of wealth—but I am sure the Senator from Tennessee will pardon me if I note that there are some significant omissions in these goals.

In goal 3, the distribution of wealth, there was no inclusion of the distribution of responsibility, the cost of government, the burden of production, and the general responsibility for creating the wealth which is to be distributed. I think those items belong properly in this general goal of distribution.

And more important than that, I feel the list of goals is incomplete without the addition of a fourth—the preservation of the American economic system, based on freedom and private capital, and on free markets, responding, to the greatest possible extent, to the law of supply and demand.

The only reference in the speech to free enterprise is toward the end, and comes in the Senator's comment on some remarks of the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Alaska [Mr. GRUENING], who were among those who interrupted.

In making this comment, the Senator from Tennessee [Mr. GORE] could be interpreted as having contradicted himself. He said:

> And while it (Government) is hampering the potential of the great free enterprise economy of our country, which, if released from such artificial and restrictive policies—

I underline the words "artificial and restrictive policies"—

> could grow and afford employment opportunities to our people.

On the one hand the Senator from Tennessee asks us to free the economy so it can grow, and on the other hand, as I shall show in other references to his speech, he proposes programs which would have the effect of putting more restrictions on the economy.

I realize that in a speech of this type, which again I say is an introductory speech, to be followed by others in a series, it is impossible for one to cover the whole waterfront; but I hope, if my friend is to make more speeches, he will consider my interest in the preservation of the free enterprise system as one of the fundamental goals of our economy, along with growth, stabilization, and distribution.

I should like to turn now to the eight-point program which the Senator from Tennessee suggests should be adopted to assure success in meeting these goals.

The first point of his eight-point program calls for the Government to "unequivocally assert its sovereignty in the monetary field."

Point 6 asks for Government regulation of the prices of basic metals.

In fact, every point of his program calls for increased Government intervention—at least, that is the way I read it. If I have misinterpreted the speech of the Senator from Tennessee, I shall be happy to correct my statement.

So I say to the Senator from Tennessee, on the one hand he wants the removal of governmental intervention, and on the other the interposition of more Government intervention. Or perhaps he wants a reshuffling of the areas and weight of intervention.

I think it is especially important that these points be cleared up. In the first place, the American people love freedom and want it preserved. Certainly, it is one of their basic goals.

Second, some of the things the Senator from Tennessee has said in connection with other ideas might, unless corrected, leave the wrong impression. For instance, in talking about the ideas of Government economists to fight inflation, the Senator from Tennessee mentioned direct credit, wage and price controls, and commodity allocations. I read the statement carefully, and the Senator from Tennessee did not openly endorse such a program. He was not clear as to whether he was advocating it. So I am somewhat puzzled as to whether the Senator from Tennessee supports this approach or whether he opposes it, as I do.

It is interesting that on the same date, on page 4408 of the RECORD, appears the introduction of a bill by the junior Senator from Oregon [Mr. NEUBERGER] to give the President standby controls over prices, wages, and rents. So perhaps before the session is over we shall be able to have an opportunity to vote on that issue.

I referred a moment ago to the statement the Senator from Tennessee made with respect to ideas of some persons whom the Senator identified simply as economists. As I said, the Senator from Tennessee did not advocate or indicate his lack of interest in these proposals.

The Senator from Tennessee said:

> A second method of fighting inflation, according to the economists, is by imposition of direct controls on credit, wages, prices, and commodity allocations. Some of these, such as regulation of installment credit, have proven effective but to some extent unpopular. For various reasons, including its unpopularity, the direct controls approach is not being tried.

I hope it will never be tried in peacetime, but there is a nebulous area which I hope the Senator from Tennessee in the future will attempt to clear up. The Senator does not say he agrees with and advocates these things, nor does he say he opposes them. The very fact that the Senator brought them up and did not include freedom and free markets among his goals leaves him wide open to the suspicion that perhaps these are a part of the program.

I am sure the people have not forgotten the evils which grew out of the hated controls when we moved from wartime to peacetime. I believe the people will oppose them, and in fact reject any attempt to impose them again, particularly in peacetime.

With respect to the three basic goals which the Senator does include in his proposal, there are no specifics. I hope the Senator will tell us, for instance, what he considers to be an adequate rate of growth in this country, both vis-a-vis Russia and also with respect to the needs of our growing population and our hope for maintaining an increasing standard of living.

One of the phrases which is kicked around a great deal these days is the concept of "full employment." I think that should be spelled out, if the Senator can do so, so that we can relate it to the problem of growth.

Another question which occurred to me is, how does the Senator rate these goals in order of importance? It is obvious there must be some contradiction among them. Which does the Senator consider to be paramount? There are many other questions.

I should like to move on now to the questions which have been raised in my mind by the Senator's program. I should like to read the eight points which were contained in the statement and then discuss the points separately.

The Senator from Tennessee first said:

> To begin with, the Government of the United States—and I mean here the legislative branch, the executive branch, and independent agencies—must unequivocably assert the sovereignty, the prerogatives and the constitutional responsibility of the U.S. Government in the monetary field. So long as the Government itself proclaims its helplessness, we can expect to be victimized.

The Senator then said:

There is no such thing as a free money market, and there cannot be so long as the Federal Government is faced with the problem of financing and refinancing a public debt of the present magnitude.

That is the first step. The second is that the Government can stabilize interest rates.

Next, it is absolutely necessary for the Government, the whole Government, not just one agency of Government, to adopt a policy of interest rate stabilization and to let it be known far and wide that this policy will be vigorously prosecuted. A firm policy for stabilization will, in itself, have a stabilizing influence. This, in itself, might be sufficient. Without it, nothing will suffice.

The third step in the Senator's program is: All Government agencies must cooperate and coordinate on interest rate policies.

Third. The interest rate on Government bonds cannot be considered in isolation. All Government agencies must cooperate; and Government policies, economic and monetary, must be coordinated toward the goal of stabilization.

* * * * *

When obligations of the U.S. Government, not only those connected with the FHA and veterans' home loan programs, but others also—and a number of Federal agencies issue interest-bearing securities or guarantee payment of securities—compete with one another rather than cooperate with one another toward a national goal, then we have instability instead of stability.

The fourth step is the reasonable control and regulation of credit.

Fourth. To avoid undue pressure on the monetary system while interest rates are being stabilized, some reasonable control and regulation of credit, particularly consumer credit, would, in my view, be a helpful, if not necessary, part of a program for monetary stabilization.

The fifth suggestion is a new direction for Federal Reserve Board powers.

Fifth. It may be necessary to establish new machinery for the implementation of the policy I have outlined. At the very least, it will be desirable to modify and give new direction to the exercise of the broad, sweeping, regulatory powers which the Federal Reserve Board has arrogated to itself in the general field of attempted economic regulation through monetary controls. Nothing short of this will properly satisfy the constitutional responsibility of Congress in the monetary field.

At this point let me say that I am very much interested in the use of the word "arrogated," because I am sure the officials of the Federal Reserve Board will contend they are doing nothing which is not within the powers and responsibilities conferred on them by the Congress. As I shall try to develop in a little greater detail later, if this situation needs a change we in the Congress should change it. This is not a matter within the whim of the present members of the Board.

The sixth idea is the utility regulation of basic metals iron and steel—

Sixth. The Congress should promptly consider the application of utility-type governmental regulation of the price of basic heavy metals. I refer particularly to iron and steel. I am not today prepared to suggest the details of procedure and guidelines of such a utility-type regulation of basic metals or to reach a final conclusion as to its advisability. Only a careful committee study of such a legislative undertaking could properly develop such guidelines and final conclusions. I do suggest that we have found such utility-type regulation of railroads, airlines, trucklines, and electricity in the national interest and that this might be an effective means of stopping the inflationary rise of administered prices in the field of basic metals.

Seventh, the Senator proposes to establish a Monetary Commission.

Seventh, I suggest the creation of Monetary Commission, composed of the best minds available, from the Congress, from the executive branch of the Government, and from various walks of life. Such a commission could, in due course, present recommendations for other or additional steps and procedures.

Finally, the Senator presented a proposal for tax revision.

Mr. President, now I come to the eighth suggestion, which concerns action which Congress should take—and take soon. The Congress should promptly consider appropriate tax revision, to assure sufficient revenue for essential Government expenditures.

Mr. President, I should like to comment on these proposals not exactly in the order in which the Senator from Tennessee suggested them, because many of them are so related to each other, covering the broad problem of monetary policy, that I think they should be considered together.

Nos. 1 to 5 and No. 7 all refer to monetary policy. No. 6 refers to the utility type regulation. No. 8 refers to tax revision.

No part of the proposed program is directly related to the goal of growth, or the efficient distribution of goods. I am sure the Senator from Tennessee may feel that, indirectly, all these factors impinge on growth; and I agree with him. But I hope that since growth was the No. 1 goal, in his later presentations he will consider the economic climate and the economic policies which are necessary to produce the most desirable rate of growth, in the light of other considerations.

Since the Senator from Tennessee did not mention the goal of the preservation of the typically American free economic system, obviously he had nothing directly bearing on that subject. I hope that subject also will be discussed later.

Having presumed to suggest that the goals needed amplification, I venture to suggest that the Senator's program might well have further amplification. Even in that part of the program which refers to the goal of price stabilization, which absorbs most of the program, I feel that there is a very important omission.

All economists seem to agree that Government fiscal policy affects inflation, just as monetary policy does. The proposed program makes no mention of Government fiscal policy, except that in part 8 the necessity of tax revision is referred to.

In another part of the speech, as a passing comment, the Senator from Tennessee suggests the need for tax increases to reduce spending and/or produce price depressing budget surpluses.

Then he proceeds to discuss—and, from my point of view, attacks—the President's balanced budget goal. This is a problem on which there has been, is currently, and will continue to be, a great deal of discussion. I know that balanced budgets are politically vulnerable, perhaps, and to some extent politically distasteful to some of our Democratic colleagues, because the President continually refers to them. I note, too, that it is more pleasant to borrow and spend than it is to save and pay back on the account.

Within the past 10 days the senior Senator from Illinois [Mr. DOUGLAS] and I had the privilege of appearing on an hour-long television program, in which we found ourselves discussing the question of balanced budgets. We did not agree as to the pattern in which the balance should be achieved, but we did agree that, over a period of time, the budget must be balanced, and that it must be balanced on the average. In other words, we cannot continue going downhill forever.

It is interesting to observe that only 5 times since 1932 has our Federal budget been in balance. If we leave out the actual war years of World War II, our average annual deficits for this period have been about $3 billion. That figure is arrived at after accounting for the surpluses, after the peacetime surpluses are figured in. The question which bothers me is, How long can we continue on that basis?

The budget has been balanced five times in 27 years, five times in 20 peacetime years. I think the American people realize that, while we can occasionally live beyond our income, the day of reckoning cannot be forever postponed. Sooner or later it will confront us. I hope that in a later speech the Senator from Tennessee will make clear to us what his feeling is as to how often, or over what period of time, or in what pattern, the budget of the Federal Government should be balanced.

I should like to discuss briefly the ideas of the Senator from Tennessee with respect to monetary policies. They are involved in parts 1 to 5, and 7 of his program. First I should like to discuss part 7. That suggests the establishment of a Monetary Commission, which I assume to mean a bipartisan commission.

I am sure the Senator from Tennessee knows that the President has been suggesting such a procedure for several years, and he has attempted to persuade Congress to follow his suggestion. The Senator from Tennessee and the Senator from Utah are members of the Finance Committee, and for parts of 2 years, we engaged in an investigation by that committee which evolved in part from the unwillingness of Congress to establish the kind of bipartisan commission which I think we both have in mind.

This is what the President said in his economic state of the Union message in January 1957:

Essential to the stable economic growth we seek is a system of well-adapted financial institutions. I believe that the time has come to conduct a broad national inquiry

into the nature, performance, and adequacy of our financial system, both in terms of its direct service to the whole economy and in terms of its function as the mechanism through which monetary and credit policy takes effect. I believe the Congress should authorize the creation of a commission of able and qualified citizens to undertake this vital inquiry. Out of their findings and recommendations the administration would develop and present to the Congress any legislative proposals that might be indicated for the purpose of improving our financial machinery.

At the moment the Joint Committee on the Economic Report is beginning an inquiry. But I assume that that does not meet the standards of the Senator's suggestion; nor does it meet mine. I think we may well have reached the point in our economic history where we need the kind of broad study which was conducted in the first decade of this century and which eventuated in the creation of the Federal Reserve System and some other changes.

I turn now to the first part of the Senator's program and reread this much of it:

To begin with, the Government of the United States—and I mean here the legislative branch, the executive branch, and independent agencies—must unequivocally assert the sovereignty, the prerogatives, and the constitutional responsibility of the U.S. Government in the monetary field.

I am one of those who feel that each of the respective agencies or parts of Government—the legislative, the executive, and the independent agencies, where they are involved—is trying to carry out the responsibilities given to it, either by the Congress or by the Constitution.

I believe that the executive department is sincerely trying to live up to its responsibility for the management of the debt, and for the balancing of the budget. I assume the Senator from Tennessee may not agree with me, but I am sure that if the situation were reversed and we had a Republican Congress and a Democrat in the White House, the Republicans would probably be critical of the manner in which the Democrats were managing our program.

It is my point of view that the Federal Reserve is also living up to its responsibility.

I am a little disturbed by the use of the word "arrogate." I am surprised that it would be recommended that we scrap the mechanism of the Federal Reserve System for one more responsive to public pressure.

It has always been a matter of regret to me that the Senator's party, which properly takes the major share of the credit for the judgment and foresight which went into the Federal Reserve Act, should now be so critical of it. I have no knowledge that the Federal Reserve Board has arrogated to itself any responsibilities not provided in the Federal Reserve Act.

Testifying before the Committee on Finance on August 13, 1957, Chairman William McChesney Martin stated:

Broadly, the Reserve System may be likened to a trusteeship created by Congress to administer the Nation's credit and monetary affairs—a trusteeship dedicated to helping safeguard the integrity of the currency. Confidence in the value of the dollar is vital to continued economic progress and to the preservation of the social values at the heart of free institutions.

The Federal Reserve Act is, so to speak, a trust indenture that the Congress can alter or amend as it thinks best. The existing System is by no means perfect, but experience prior to 1914 suggests that either it or something closely approximating it is indispensable. * * *

That is the point of view of the Chairman of the Board of Governors. I am sure he considers himself a member of a group who are in favor of those principles, and I am sure that he is very careful to live within the responsibilities imposed by Congress. If new powers should be assigned, or a new pattern should be developed, that is the responsibility of Congress.

I should like to turn now to points 2 and 5 of the Senator's proposed program. Point 2 is that the Government must stabilize interest rates. Point 5 is that there must be a new direction for Federal Reserve power.

As I read the speech of the Senator from Tennessee the question which kept forcing itself into my mind was the one which I believe was very obvious during the hearings of the Committee on Finance: Have we reached the point where we should consider taking away the present independence of the Federal Reserve System and making it again subservient to the Treasury?

Between 1941 and 1951 it was subservient to the Treasury. This action was taken voluntarily by the members of the Board of Governors of the Federal Reserve System on Pearl Harbor Day, in order to make completely sure that the Government would be able to finance the war at the lowest possible cost, and that the time would never arrive when a Government bond issue could go without full subscription.

It took about 5 years after the war ended for the Federal Reserve to regain its independence. That was a long fight, and the man who led it, so far as the Senate is concerned, is our colleague from Illinois [Mr. DOUGLAS]. I am mentioning his name now, not to involve him in any debate, but to acknowledge his activity in that important undertaking.

If the Senator from Tennessee or anyone else feels that the time has come to go back to the relationship which existed in those 10 years, then I believe someone should introduce a bill providing for it; that we should discuss the bill in the Committee on Banking and Currency, and that the Senate should then face the challenge. Such action would repudiate Woodrow Wilson, the great Senator from Virginia, Carter Glass, and the lessons of many other countries that have taken what seems to me to be a fatal step in making their central banks subservient to the temporary fiscal policies of the party or government in power.

The second proposal of the Senator from Tennessee is that the Government must stabilize interest rates. As I read the speech, it seemed to me that this was the most striking, and that probably it could be described as the newest and most daring, idea in the speech.

Instead of stabilizing the value of the purchasing power of the money, the Senator from Tennessee proposes to stabilize its rent cost, that is, its interest. Because of the tone of the whole speech, I assume that in stabilizing the interest rate the Senator from Tennessee would stabilize it, if he could, at a rate lower than the present rate. That is borne out by what I called the folk tale or the fable. This raises a great many questions. This is, as I have said, the most startling and most challenging of the Senator's suggestions, and the one on which my mind has dwelt more than on anything else.

I should like to raise these questions and place them in the RECORD, with the thought that the Senator might wish to study his idea in opposition to them. The first is: How could the rates be stabilized? The only idea I could suggest is that the Federal Reserve be again required to support Government issues at par, which would make it possible for the Federal Government, the administration in power, to fix the interest rate on any of its offerings at any point at which it wished to fix it, with the assurance that the central bank would take them if the private market did not.

My second question is: At what rate would interest rates be stabilized? If we review the wartime experience, we find rates substantially lower than the present ones.

If political pressure—and I am not now pointing the finger at anyone—can be used to support the idea that rates of interest should be stabilized, then no matter at what point the rates are fixed the same pressure could be used to lower them beyond the initial point. It would become, in my opinion, a rather open target. A man could run for election by saying, "I support a rate of 2 percent interest for Government bonds." His opponent could say, "I support an interest rate of 1½ percent. I will save one-half percent on the interest charges." That is the problem, and I think it could be expected to arise.

If such a program were adopted, what would the effects be during the transition period? At the present time, many Government bonds are selling below par and thus matching the current interest rates. If under the proposed program of interest rates the new offerings were stabilized at 2 percent, for example, it would automatically increase the value of all bonds outstanding with 4-percent coupons. Such a suggestion could make a very substantial profit possibility for the holders of many Government bonds. If the change were made abruptly, it might completely disrupt the pattern of our trading in bonds. If it were desired to spread it out, how could it be spread out?

Can we find one or more examples in recent history of other nations stepping in and setting their interest rates at a particular point? What can we learn from our wartime experience with interest rates kept low deliberately by the arrangement with the Federal Reserve System?

Finally, are stabilized interest rates the same as stabilized purchsing power of currency. It is my opinion that stabi-

lized interest rates would produce exactly the opposite effect and would greatly unstabilize the pattern of the purchasing power of our currency. I believe that if interest rates were stabilized at a point substantially below the free market point, they would produce tremendous inflationary pressures.

Here is another list of questions. If this proposal were adopted, what effect would it have on the principle of free markets? The Senator from Tennessee has stated that he doubts we have a free market for money. What would this proposal do to the whole concept of a free market, both for money and for commodities? What would it do to commodity prices? What effect would it have on consumer inflation? What would it do to the market value of other bonds—industrial, State, and municipal?

I am wondering, especially if we embarked on a permanent program of pegged bond prices, which I think would be necessary to make stabilized interest rates, if it would be necessary to peg prices for municipal and State bonds? Such bonds have an advantage because they are tax free. The lower the rate at which interest rate on Federal borrowing would be stabilized the less significant would become the tax-free privileges.

What would happen to real estate mortgages? In fact, what would happen to the whole housing program? These questions intrigue me very much.

What would happen to our foreign exchange, our foreign trade, and the foreign investment of American capital? There is already what is to me rather disturbing and alarming evidence that American capital is being exported to manufacturers in other countries; that goods designed and developed by American research brains, are being priced out of world markets because of high costs and inflation. Some day I hope someone will make a study of the relationship between the increased price of American automobiles and the impact of foreign importations. From such a study, it would be interesting to learn what proportion of the foreign importations were actually made through the investment of American capital abroad. I think it is substantial.

What effect would the proposal of the Senator from Tennessee have on the business cycle? What effect would it have on taxation and spending in the Government fiscal policies? What effect would it have on the savings programs of individuals?

I was an officer of a small savings bank during the 1930's and through the war years. We reached the point, as the Senator from Tennessee may remember, where savings banks paid no interest on savings. They could not earn enough to pay any interest. If that situation should come about again—in fact, if it should threaten to become permanent—what would happen to life insurance programs, pension systems, savings banks, and building and loan associations? What would happen on that basis to the formation of new capital for expansion? Who will make capital available at low rate for the private market, if and when private savers are persuaded that there is no profit in saving?

I mention economic growth again in this list, because that was the Senator's first goal. I would be interested to know what effect it might have on labor-management relations.

The Senator discussed the problem of agricultural surpluses in his statement. I wonder what effect this kind of program would have on our agricultural program.

I repeat: I think the proposal to stabilize interest rates is the most important one the Senator from Tennessee makes. I hope he will have opportunities later, even involving one or two lengthy speeches, to develop the question. I have suggested areas in which I hope he can provide satisfying answers.

I shall read his proposal No. 3:

> All Government agencies must cooperate; and Government policies, economic and monetary, must be coordinated toward the goal of stabilization.

I am glad to see that the Senator has come out so strongly in favor of coordination in the matter of Federal monetary policies. Some financial legislation by Congress is inconsistent with other legislation. Under some circumstances bills are passed which have the effect of increasing the inflationary pressures on our program. Then Congress turns around and passes other bills which are intended to control such pressures. I think that is one of the problems which belongs to the Monetary Commission which the Senator has suggested should be established. So long as we operate in an atmosphere of catch-as-catch-can legislation, without any overall, long-range program into which we try to fit particular bits of legislation, then I think it is important that some agency undertake to develop that kind of program. Until that is done, I do not think it will be possible to eliminate the inconsistencies or the lack of coordination among the various functions of Government.

The Senator's fourth proposal suggests "some reasonable control and regulation of credit." I assume that must mean the passing of laws which would have the effect, under certain circumstances, of limiting the extension of credit. It seems to me that the Senator faces the task of resolving a contradiction, because if a permanent low interest rate monetary policy is adopted, it can only be maintained by making credit easier. Then if Congress turns around and adopts programs to control credit, we shall be working at cross-purposes.

At present a mechanism is provided in the Federal Reserve System, which is supposed to control credit by its power to restrain or to permit expansion of the volume of money. I should be very much interested to learn the Senator's reasons for abandoning the present program, if that should be what he proposes, and for adopting a new one.

I certainly recognize that if the program to stabilize interest is to be adopted, there will be a period of great unsettlement. In that period rather carefully worked out controls would be needed; otherwise I think there would be chaos.

It has been said that it is easy to get into the market. Anyone can do that. The smart person is the one who knows when to get out. I should think that would apply to the question of credit controls. It is easy to apply them, but it difficult to get rid of them. I remember how hard it was to get rid of the price, wage, and rent controls at the end of World War II. In fact, we did not get rid of them until the administration changed.

In another proposal, the Senator from Tennessee [Mr. GORE] has suggested a reshuffling of the makeup of the Federal Reserve Board—in other words, a new direction in the selection of the membership of the Federal Reserve Board.

For the record, Mr. President, let me say that the present Board of Governors of the Federal Reserve has seven members. They are recommended by the Chairman, and are appointed by the President, subject to confirmation of the Senate.

Section 10 of the Federal Reserve Act requires that in choosing the members, the President must give due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, as well as the geographical divisions of the country. The Board members are appointed for 14 years, putting them beyond the reach of reappointment by the same President. The Chairman and the Vice Chairman are chosen for 4 years, but still keep their 14-year Board membership.

I would be interested to know how the Senator from Tennessee would change that set of specifications. That is not spelled out in his speech, and I assume it will come later.

Mr. LONG. Mr. President, will the Senator from Utah yield?

The PRESIDING OFFICER (Mr. MCGEE in the chair). Does the Senator from Utah yield to the Senator from Louisiana?

Mr. BENNETT. I yield.

Mr. LONG. Does the Senator from Utah have any knowledge of a time when the Federal Reserve Board has actually pursued policies diametrically opposed to those of the administration, during the administration of any President in recent times?

Mr. BENNETT. I think all through the period from 1946 to 1951 the Federal Reserve Board could be said in general to have been in opposition to the administration, because it was fighting as hard as it could to get its independence. In those days, the policy of the administration was to require the Board to continue in the relationship which the Board had voluntarily assumed at the beginning of World War II. So for those 5 years, in general, I think it fair to say that the Board was opposing the policy of the administration.

Mr. LONG. But I believe the Senator from Utah will agree that during that period the Board was following the policies of the Truman administration, although the Board, or certainly certain members of the Board, might have disagreed with those policies. Nevertheless, the Board was following the policies laid down by that administration.

Mr. BENNETT. It had no choice; it was bound by an agreement which the Board itself had voluntarily made. But it was doing the best it could to put itself in a position where it would no longer have to follow those policies.

Mr. LONG. But certainly the Senator from Utah will agree that the period 1946–51 was one in which the Board was, nevertheless, following the policies of the then President.

Does the Senator from Utah know of a period during which the Board has actually pursued a policy at variance with the policy of the occupant of the White House?

Mr. BENNETT. Obviously, I did not come here prepared to answer that question today. I shall be very happy to explore the answer to it, and to give the Senator from Louisiana whatever information I can obtain regarding it.

But I am quite confident in my own mind that we can find specific examples of divergencies between the policy of the administration and the policy of the Board.

Mr. LONG. I raise this question because of my own view of the matter. Frankly, it is my view that the Board should be responsive to someone other than its own members.

Mr. BENNETT. It is responsive to the Congress.

Mr. LONG. Personally, I have yet to see the Congress assert itself in this field. Perhaps the Congress will do so. But without leadership from the executive, I have not seen it during the 10 years that I have served in the Senate. The Congress has done some investigating, as the Senator from Utah knows. But I imagine that even at this moment the policies pursued by the Board are not in accord with the views of a majority of the Members of Congress.

I do believe the policies of the Board are in accord with the policies of the Executive.

In view of the enormity of this problem and the tremendous consequences of the Board's decisions upon the economy and the people of the country, I believe that the Board should be responsible to someone. Personally, I would like to see the Board responsive to Congress, if the Congress will accept that responsibility and will act upon it; otherwise the Board should be responsive to the Executive.

If the Board is pursuing a policy which is contrary to the views of the Executive who appoints the Board, and contrary to the views of a majority of the Members of the Congress, then it is the duty either of those who created the Board or of the one who appointed it to take the responsibility for the program, so we shall know where the responsibility lies.

At this point let me say——

Mr. BENNETT. Mr. President, I have been happy to yield for a question. But I have a long and rather involved text which, in part, is a sort of comment by me on the speech made by the Senator from Tennessee [Mr. GORE]. Although I have no wish to be rude, I hope the Senator from Louisiana will permit me to develop my material. If at the end of my presentation he wishes to present his own point of view, certainly I shall be glad to have him do so.

I believe the Senator from Louisiana was not in the Chamber earlier today when I tried to make plain my feeling in regard to this matter. I am sure it is clear that under the law the Federal Reserve Board was created by the Congress and is responsible to the Congress; and the Banking and Currency Committees of the two Houses have jurisdiction over the activities of the Federal Reserve Board.

I suggested to the Senator from Tennessee—and I am happy to include the Senator from Louisiana—that I am sure our Banking and Currency Committee will immediately go to work on any proposed legislation calling for a change in the basic law under which the Federal Reserve operates.

But I do not think it is possible for the Federal Reserve to do its work properly if, every time there is a meeting of the Board, it has to report to these two congressional committees, and to ask them, "Is this decision all right with you, today?" The members of the Board must work under established rules, as laid down by Congress. Congress has the power to change the rules. Congress can change them at this session or at any other session.

Furthermore, I would say to my friend from Louisiana that if any Senator feels that the Federal Reserve Board is exceeding its authority, and if such Senator can show the Banking and Currency Committee—after pointing out, by chapter and verse, what the authority of the Board is—how the Board is violating its authority, I am sure the committee will take immediate cognizance of the problem and will go to work on it.

Mr. LONG. But it seems to me that during the 10 years that I have served in the Senate the Federal Reserve Board has adopted policies consistent with the views of the President. I believe that has been the case through the years. If that has not been the case, I should like to know it.

Frankly, it seems to me that has been the situation. I do not quarrel that it has been the situation or that it should be. I only say that if that is the situation, the Executive should assume his share of the responsibility in connection with those policies.

Mr. BENNETT. Mr. President, the Senator from Louisiana is again raising the question which the Senator from Tennessee raised, namely, whether the relationship of the Federal Reserve Board to the Congress and to the Executive needs reexamining, or whether what the chairman calls the trust indenture under which he operates should be rewritten.

I am one of those who think it need not be rewritten. But I recognize that many take the opposite point of view.

Since the Federal Reserve Board is a creature of the Congress, it is possible to require a review of the situation by the enactment of a bill to make specific changes in the Federal Reserve program.

Mr. LONG. It seems to me that the issue involving interest rates and the availability of credit generally is rapidly developing divergent views as between the two parties, the prevailing view of the Democratic Party being one in favor of lower interest rates and easier credit, and the generally prevailing view in the Republican Party being one in favor of the existing policies, with stringent credit and higher interest rates.

Mr. BENNETT. But I am sure the Senator from Louisiana will find that many of the Members on his side of the aisle are not sold on the idea of the controlled interest rates which the Senator from Tennessee suggested in his speech. Again, that could be brought out into the open, and we could ascertain just what the temper of Congress is, by means of a proposal to take away from the Federal Reserve Board its power to act independently with respect to the purchase of Government bonds.

Mr. LONG. If the Senator will yield further, there is one other way, it occurs to me, whereby we might get a decision. That would be by the election of a President who favors a policy of keeping interest rates lower, as was true prior to 1953, in contrast to the policy, now being pursued, of keeping interest rates high.

I am of the opinion that someone is going to control the general level of interest rates. It is either going to be controlled by the Goverment, for the general welfare of the economy, or by someone speaking for the investing interests, in New York or elsewhere, who want to benefit themselves by a higher general level of interest rates.

Mr. BENNETT. I am sure that is the Senator's view. I have some other comments to make on that question before I conclude.

Perhaps I should not say what I am about to say, but I am tempted. One of the colleagues of the Senator from Tennessee, in the discussion with the Senator last week, said, "We are going to put the monkey of high interest rates bang on the back of the administration." Perhaps if in 1960 we get a Democratic President, and on his back is laid the responsibility of financing the cost of the Government, he may find that monkey a burden, and that the position he has to take, having that responsibility, is different from the position which one who has no responsibility in the matter can take in discussing the question.

Mr. LONG. The general attitude of the junior Senator from Louisiana on that subject is that, whatever administration may be in power, it should have and should accept the responsibility for the general level of interest rates and all results which flow therefrom.

Mr. BENNETT. There is a simple way to do that. If the administration wishes to take independence away from its central bank in this country, as has been done in other countries, and say it is going to fix the interest rates for bonds—and the bonds are in sufficient volume so that the interest rates on them will affect interest rates on other securities—that is the way to do it.

Mr. LONG. The attitude of some persons is that if credit were made more freely available, a situation which the Federal Reserve Board certainly has the power to bring about, and if the Federal

Reserve Board used its power and its open market operations to make credit more freely available, the desired result would be attained. Some persons think such action is undesirable. But the administration does have a tremendous amount of influence, and is using it today, at least, to permit interest rates to go to the level to which they have ascended; and the administration has, and should have, the power to bring the interest rates lower.

In my judgment, it is a matter of either one group or the other controlling interest rates. Either the President, or the Congress, speaking for the Government, can and should use its power to hold interest rates down. They can stand aside and let others do what they please. There is no question that the others, if left free to do it, would make interest rates as high as the traffic would bear. That is what they have been doing.

Mr. BENNETT. I suggest that when the Senator from Tennessee made his speech he was not interrupted, except by his friends on his side of the aisle. I am trying to develop what I consider to be a reasonable analysis of the speech of the Senator from Tennessee. I hope the Senator from Louisiana will allow me to go back to it. There was much I had to say that the Senator from Louisiana did not hear, and I have some other things to say that bear on the subject on which the Senator is commenting.

Mr. LONG. I shall be most happy to accede to the Senator's wishes. I hope I have not trespassed on his time unduly. I shall endeavor to read the remainder of his speech tomorrow.

Mr. BENNETT. I may say to the Senator, and to all who will listen, that my speech is being made in response to an invitation by the junior Senator from Tennessee, who wanted the subject opened up and discussed. I hope my reaction to the speech of the Senator from Tennessee will cause many Senators to be led to try to develop their views on the particular questions he discussed. But I would appreciate the opportunity to go forward with my material.

Mr. President, this discussion came up at approximately the time I had completed my discussion of the six points among the proposed program of the Senator from Tennessee which have to do with monetary policy. I should like to move on to proposal No. 6, which had to do with utility type regulation of basic metals, iron and steel.

I shall not reread the statement of the Senator. I have read it once. I ask unanimous consent that the statement of the Senator from Tennessee appear in the RECORD at this point in my remarks.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Sixth, the Congress should promptly consider the application of utility type governmental regulation of the price of basic heavy metals. I refer particularly to iron and steel. I am not today prepared to suggest the details of procedure and guidelines of such a utility type regulation of basic metals or to reach a final conclusion as to its advisability. Only a careful committee study of such a legislative undertaking could properly develop such guidelines and final conclusions. I do suggest that we have found such utility type regulation of railroads, airlines, trucklines, and electricity in the national interest and that this might be an effective means of stopping the inflationary rise of administered prices in the field of basic metals.

Mr. BENNETT. Mr. President, the Senator from Tennessee was discussing two completely different types of regulation. Utilities producing electricity are regulated because they are monopolies. Such regulation is generally handled at the State level. The regulation has some interesting facets. A utility is a monopoly. As a part of the pattern of regulation, utility companies are permitted to make a profit, and the rates they charge can be changed if a profit is not made. That can be done in the course of the regulation of a monopoly utility. On the other hand, the railroads are not subject to that kind of regulation. The Interstate Commerce Commission over the years has built up a pattern intended to regulate rates which has helped create a situation under which many railroads in the country today are going broke financially, because their competitors have an opportunity to adjust their rates competitively, whereas such an opportunity is not available to the railroads.

I hope the Senator from Tennessee will have time to study this proposal in greater detail. He admitted in his speech he had not examined the exact form that regulation should take. I think it is going to be very difficult to develop a form of Federal regulation which will apply to basic metals.

The Senator from Tennessee mentioned iron and steel. Two questions occur to me. There are companies, such as United States Steel and Bethlehem, whose chief products are iron and steel. The manufacture of iron and steel could be isolated and studied and, I suppose, a regulatory program could be established; but there are some companies which make iron and steel as a part of their overall production. How would the Senator regulate such companies, because they do not sell the iron and steel they make; they sell the finished product, which contains iron or steel? How would the Senator regulate competitive products of iron and steel, such as plastics, glass, and aluminum? In other words, when the Senator from Tennessee starts to pick out a particular product and says, "This is basic and must be regulated," what is going to happen to a product which, at the beginning, may not seem to compete, but which may be left free to compete with regulated products?

Where does one stop? The Senator from Tennessee quoted Woodlief Thomas, economist of the Federal Reserve Board. The Senator noted the problem of administered prices, which led to the suggestion about regulating prices. I assume it did, for at least it seemed to be a confirmation of if not the motivation for the suggestion. I do not think the Senator went all the way with Mr. Thomas. I should like to read the entire quotation the Senator put into the RECORD:

Mr. Woodlief Thomas, chief economist of the Federal Reserve Board, in a letter to the Washington Post and Times Herald which was published on March 12 of this year, acknowledged that there were "unstabilizing forces in pricing actions of the private economy—on the part of both management and labor—that cannot be effectively controlled or corrected by governmental actions in the area of fiscal and monetary policies."

The Senator from Tennessee has proposed a program to regulate and control the prices of products, but I do not find anywhere in his statement anything to do with the other half of the parallel, to regulate the prices of labor. I shall not open up that question today, but I suggest that, since the Senator quoted Mr. Thomas, the program will not be complete until the Senator deals with that problem.

I should like to sum up this part of the speech. In the beginning the Senator from Tennessee mentioned three goals: growth, stability, and distribution of wealth. I suggested that freedom, as a part of our American economic system, is to many, a goal of equal importance.

To reach these goals the Senator suggested an eight-part program. In that eight-part program there was no suggestion of a program aimed specifically at growth. To me this is a conspicuous omission, because in his speech the Senator not only listed growth first but he began his speech with a reference to the Russian threat and our need to maintain high levels of growth to combat it.

There is only one proposal affecting the distribution of wealth, which is the proposal for tax revision. The other proposals refer to stability, and I have been discussing them at great length.

Frankly, I will say to the Senator from Tennessee, I am delighted that he made the speech. I think we need a starting point in this session from which to discuss these fundamental problems, and I am grateful to the Senator for providing the starting point. I hope the Senator understands that I am trying to be reasonably objective in suggesting the things which I think need amplification and the areas which I think need to be added.

Fortunately, all the problems the Senator has suggested have been problems of all governments for a long time. Many ideas for solving the problems have been tried in one form or another. Therefore, as the program is spelled out in greater detail I think it will be possible for us to examine it in terms of experience which we or other countries have had.

In the beginning I said that as I analyzed the speech there were two main parts and what I called a little partisan political folklore. In the best of humor now, I should like to turn to that.

This is the plot of the little folk story, as I read it: The Eisenhower administration, the big bad guy, is conspiring with the Federal Reserve Board, now bad but capable of being reformed and capable of repenting. The bad guy uses high

interest rate policies to hurt the little good guys—the farmers, the small businessmen, the home buyers, State and municipal governments—all for the benefit of an evil accomplice or accomplices identified as corporations, banks, financial institutions and moneylenders.

I will say to the Senator, I am disappointed that Wall Street did not get into the list. I hope the Senator does not mind if I put Wall Street on the list, because traditionally that is one of the characters.

Mr. GORE. I accept the amendment.

Mr. BENNETT. I thank the Senator.

It goes without saying—or at least it did when the Senator made the speech—that only Democrats can rescue the little good guys from the big bad Republicans.

To quote the Senator from Minnesota [Mr. HUMPHREY] accurately—I tried to quote him from memory a little while ago—

> It is about time we put the monkey of inflation smack bang on the back of the Eisenhower Republican administration.

That is the plot. I hope Senators can understand that to me this seems like a kind of fairytale. I should like to look into it, to see if perhaps it does not need correcting.

Let us consider the high interest rates. Are interest rates really high? What is high and what is low with respect to interest?

There are two ways to consider interest, I think. One way is to go back over the history of our own country to observe how the present interest rates compare with rates at other periods in our history when we were not at war.

Mr. President, I ask unanimous consent to insert in the RECORD at this point two tables. One shows the trend of discount rates at the New York Reserve Bank 1914–58. The other shows yields on long-term U.S. Government bonds, by months, 1919–58.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*New York Federal Reserve Bank discount rates on eligible paper, as of December, 1914–58*

(Percent per annum)

1914	5½
1915	4
1916	3
1917	3½
1918	4
1919	4¾
1920	7
1921	4½
1922	4
1923	4½
1924	3
1925	3½
1926	4
1927	3½
1928	5
1929	4½
1930	2
1931	3½
1932	2½
1933	2
1934	1½
1935	1½
1936	1½
1937	1
1938	1
1939	1
1940	1
1941	1
1942	1
1943	1
1944	1
1945	1
1946	1
1947	1
1948	1½
1949	1½
1950	1¾
1951	1¾
1952	1¾
1953	2
1954	1½
1955	2½
1956	3
1957	3
1958	2½
Mar. 23, 1959	3

Source: Federal Reserve Board.

TABLE 2.—*Yields on long-term U.S. Government bonds—monthly—1919–58*

1919:	
January	4.63
February	4.70
March	4.73
April	4.72
May	4.67
June	4.69
July	4.72
August	4.78
September	4.73
October	4.71
November	4.81
December	4.90
1920:	
January	4.93
February	5.05
March	5.09
April	5.28
May	5.38
June	5.54
July	5.57
August	5.67
September	5.43
October	5.08
November	5.21
December	5.40
1921:	
January	5.23
February	5.28
March	5.27
April	5.24
May	5.25
June	5.27
July	5.26
August	5.22
September	5.12
October	4.83
November	4.64
December	4.47
1922:	
January	4.45
February	4.50
March	4.41
April	4.28
May	4.26
June	4.24
July	4.14
August	4.12
September	4.19
October	4.30
November	4.33
December	4.32
1923:	
January	4.32
February	4.33
March	4.38
April	4.39
May	4.37
June	4.34
July	4.34
August	4.35
September	4.36
October	4.40
November	4.37
December	4.35
1924:	
January	4.30
February	4.28
March	4.28
April	4.23
May	4.15
June	3.98
July	3.94
August	3.91
September	3.92
October	3.87
November	3.90
December	3.96
1925:	
January	3.96
February	3.95
March	3.96
April	3.93
May	3.87
June	3.79
July	3.79
August	3.85
September	3.85
October	3.82
November	3.79
December	3.80
1926:	
January	3.77
February	3.71
March	3.71
April	3.70
May	3.67
June	3.67
July	3.68
August	3.70
September	3.70
October	3.68
November	3.62
December	3.56
1927:	
January	3.51
February	3.48
March	3.37
April	3.35
May	3.31
June	3.34
July	3.36
August	3.32
September	3.30
October	3.29
November	3.23
December	3.17
1928:	
January	3.18
February	3.19
March	3.17
April	3.20
May	3.24
June	3.29
July	3.42
August	3.48
September	3.46
October	3.47
November	3.38
December	3.95
1929:	
January	3.52
February	3.62
March	3.74
April	3.64
May	3.64
June	3.69
July	3.64
August	3.71
September	3.70
October	3.61
November	3.35
December	3.36
1930:	
January	3.43
February	3.41
March	3.29
April	3.37

TABLE 2.—*Yields on long-term U.S. Government bonds—monthly—1919–58*—Con.

1930:	
May	3.31
June	3.25
July	3.25
August	3.26
September	3.24
October	3.21
November	3.19
December	3.22
1931:	
January	3.20
February	3.30
March	3.27
April	3.26
May	3.16
June	3.13
July	3.15
August	3.18
September	3.25
October	3.63
November	3.63
December	3.93
1932:	
January	4.26
February	4.11
March	3.92
April	3.68
May	3.76
June	3.76
July	3.58
August	3.45
September	3.42
October	3.43
November	3.45
December	3.35
1933:	
January	3.22
February	3.31
March	3.42
April	3.42
May	3.30
June	3.21
July	3.20
August	3.21
September	3.19
October	3.22
November	3.46
December	3.53
1934:	
January	3.50
February	3.32
March	3.20
April	3.11
May	3.02
June	2.98
July	2.92
August	3.03
September	3.20
October	3.10
November	3.07
December	3.01
1935:	
January	2.88
February	2.79
March	2.77
April	2.74
May	2.72
June	2.72
July	2.69
August	2.76
September	2.85
October	2.85
November	2.83
December	2.84
1936:	
January	2.81
February	2.78
March	2.73
April	2.70
May	2.68
June	2.69
July	2.68
August	2.64
September	2.65
October	2.68
November	2.60
December	2.59

TABLE 2.—*Yields on long-term U.S. Government bonds—monthly—1919–58*—Con.

1937:	
January	2.56
February	2.54
March	2.66
April	2.83
May	2.80
June	2.81
July	2.78
August	2.78
September	2.82
October	2.82
November	2.78
December	2.73
1938:	
January	2.69
February	2.68
March	2.67
April	2.66
May	2.56
June	2.58
July	2.58
August	2.57
September	2.63
October	2.55
November	2.56
December	2.56
1939:	
January	2.54
February	2.51
March	2.43
April	2.38
May	2.27
June	2.22
July	2.23
August	2.27
September	2.67
October	2.60
November	2.46
December	2.35
1940:	
January	2.30
February	2.32
March	2.26
April	2.26
May	2.39
June	2.40
July	2.30
August	2.31
September	2.25
October	2.21
November	2.09
December	2.01
1941:	
January	2.12
February	2.22
March	2.12
April	2.07
May	2.04
June	2.01
July	1.98
August	2.01
September	2.02
October	1.98
November	1.95
December	2.06
1942:	
January	2.10
February	2.17
March	2.10
April	2.44
May	2.45
June	2.43
July	2.46
August	2.47
September	2.46
October	2.45
November	2.47
December	2.49
1943:	
January	2.46
February	2.46
March	2.48
April	2.48
May	2.46
June	2.45
July	2.45
August	2.46

TABLE 2.—*Yields on long-term U.S. Government bonds—monthly—1919–58*—Con.

1943:	
September	2.48
October	2.48
November	2.48
December	2.49
1944:	
January	2.49
February	2.49
March	2.48
April	2.48
May	2.49
June	2.49
July	2.49
August	2.48
September	2.47
October	2.48
November	2.48
December	2.48
1945:	
January	2.44
February	2.38
March	2.40
April	2.39
May	2.39
June	2.35
July	2.34
August	2.36
September	2.37
October	2.35
November	2.33
December	2.33
1946:	
January	2.21
February	2.12
March	2.09
April	2.08
May	2.19
June	2.16
July	2.18
August	2.23
September	2.28
October	2.26
November	2.25
December	2.24
1947:	
January	2.11
February	2.11
March	2.19
April	2.19
May	2.19
June	2.22
July	2.25
August	2.24
September	2.24
October	2.27
November	2.36
December	2.39
1948:	
January	2.45
February	2.45
March	2.44
April	2.44
May	2.42
June	2.42
July	2.41
August	2.45
September	2.45
October	2.45
November	2.44
December	2.44
1949:	
January	2.42
February	2.39
March	2.38
April	2.38
May	2.38
June	2.38
July	2.17
August	2.24
September	2.22
October	2.22
November	2.20
December	2.19
1950:	
January	2.20
February	2.24
March	2.27
April	2.30
May	2.31

TABLE 2.—*Yields on long-term U.S. Government bonds—monthly—1919–58*—Con.

1950:	
June	2.33
July	2.34
August	2.33
September	2.36
October	2.38
November	2.38
December	2.39
1951:	
January	2.39
February	2.40
March	2.47
April	2.56
May	2.63
June	2.65
July	2.63
August	2.57
September	2.56
October	2.61
November	2.66
December	2.70
1952:	
January	2.74
February	2.71
March	2.70
April	2.64
May	2.57
June	2.61
July	2.61
August	2.70
September	2.71
October	2.74
November	2.71
December	2.75
1953:	
January	2.60
February	2.83
March	2.89
April	2.97
May	3.12
June	3.13
July	3.14
August	3.05
September	3.00
October	2.87
November	2.56
December	2.79
1954:	
January	2.69
February	2.62
March	2.53
April	2.48
May	2.54
June	2.55
July	2.47
August	2.48
September	2.52
October	2.54
November	2.57
December	2.59
1955:	
January	2.68
February	2.77
March	2.78
April	2.82
May	2.81
June	2.82
July	2.91
August	2.95
September	2.92
October	2.87
November	2.89
December	2.91
1956:	
January	2.88
February	2.85
March	2.93
April	3.07
May	2.97
June	2.93
July	3.00
August	3.17
September	3.21
October	3.20
November	3.30
December	3.40
1957:	
January	3.34
February	3.22
March	3.26

TABLE 2.—*Yields on long-term U.S. Government bonds—monthly—1919–58*—Con.

1957:	
April	3.32
May	3.40
June	3.58
July	3.60
August	3.63
September	3.66
October	3.73
November	3.57
December	3.30
1958:	
January	3.24
February	3.26
March	3.25
April	3.12
May	3.14
June	3.19
July	3.36
August	3.60
September	3.75
October	3.76
November	3.70
December	3.80
1959:	
January	3.90
February	3.92

Source: Federal Reserve Board.

Long-term series consist of average of yields on all outstanding partially tax-exempt Government bonds due or callable after 8 years, from 1919 to 1925; after 12 years, from 1926 to 1934; after 15 years, January 1935 to March 1942; 15 years and over fully taxable bonds, April 1942 to March 1952; after 12 years, April 1952–March 1953; and in 10 years or more beginning April 1953.

Mr. BENNETT. I think interest rates are high or low in comparison, and it is not accurate to say that 4 percent or 2 percent or 6 percent is the dividing line and that any higher or lower rate is high or low. The above tables show that we are still well below some earlier rates, and if longer comparisons were available the picture would be even more clear that current rates are not out of line.

There is another basis of comparison. Are American interest rates higher or lower than the interest rates being paid today in other countries, under today's circumstances?

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the table from which I am about to read.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

International interest rate comparisons

	Rediscount rates (as of Mar. 23, 1959)	Treasury bills (as of January 1959)	Long-term bond rates (as of December 1959)
United States	3.0	2.82	3.80
Belgium	3.25	----------	4.29
Canada	4.47	3.34	4.76
France	4.25	[1] 6.07	----------
Germany	2.75	2.25	3.83
Italy	3.5	----------	----------
Japan	6.94	----------	----------
Netherlands	2.75	2.04	4.31
Sweden	4.5	----------	4.27
Switzerland [2]	2.0	2.50	3.00
United Kingdom	4.0	3.12	4.89
Average	[3] 3.8	[4] 3.16	[5] 4.14

[1] France recently involved in heavy inflation.
[2] Switzerland has a fantastic surplus of capital—serves as a haven for foreign funds.
[3] 11 countries.
[4] 7 countries.
[5] 8 countries.
Source: Federal Reserve Board.

Mr. BENNETT. Mr. President, this is a table with three columns. The first column refers to the central bank rediscount rates. I list the United States, Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, and the United Kingdom, the largest of the countries outside the Iron Curtain.

In that list there are three countries whose rediscount rates are lower than ours. There are 10 other countries, 3 of which have a lower rediscount rate, and 7 of which have a higher rediscount rate.

As of the 23d of March, our rediscount rate was 3 percent. The lower ones are: Germany, 2.75; the Netherlands, 2.75; and Switzerland, 2. The highest rate is for Japan, 6.94. Canada's rate is 4.47, and the United Kingdom's rate is 4.

The next column is the rate being paid for Treasury bills in January 1959. In that list, three countries are shown to have lower rates than the United States. They are Germany, the Netherlands, and—we can guess the third—Switzerland. Our rate was 2.82. Germany's rate was 2.25. The Netherlands' rate was 2.04. The Switzerland rate was 2.5, not much below ours.

The third list is a list of long-term bond rates as of December 1958. In this list there was only one country with a rate lower than ours, namely, Switzerland. Our rate was 3.8. The highest rate was 4.89, for the United Kingdom. So I think it would be well, before we get lost in the discussions about high interest rates or lower interest rates, to satisfy ourselves on these two points: First, are they higher or lower in relation to our historical pattern? Second, are they higher or lower in relation to present rates abroad?

Is the Eisenhower administration really the high interest rate bad guy? Or if all those who pay high interest rates are good guys is not the Eisenhower administration a big good guy?

In the Senator's speech he made the statement which is repeated very frequently among some other members of his party, to the effect that the administration is responsible for the present high interest rate program, and that what is done is done as a deliberate matter of policy.

For may weeks in the Finance Committee this question was pursued with the Secretary of the Treasury, the Under Secretary of the Treasury, and the Chairman of the Federal Reserve Board. I cannot find any point in those hearings at which those responsible members of the administration made the statement that they were embarked on a deliberate policy of high interest rates.

If there is a villain, it seems to me it must be the Federal Reserve Board, which is doing its duty to regulate the supply of money. I believe that any changes in interest, up or down, are results, and not causes. They are the effect of policy, and not the policy itself. We have already gone at great length into the question of the relationship of the Federal Reserve Board to interest rates. I should like to quote very briefly from the statement of Ralph Young, of

the Federal Reserve Board staff, in his testimony before the Kefauver committee. This is what he said:

If monetary policy should undertake to finance whatever demands for credit are made upon the banking system, or permit itself to be used to justify all decisions made by producers, whether correct or faulty, it would become an engine of inflation, not a force for stability and sustainable growth.

Monetary policy must be concerned with the interests of all the people, consumers as well as producers, not with particular interests or industries.

Obviously, monetary and credit policy cannot do everything needed to attain stable growth; it must be supported by appropriate fiscal and other public policies, as well as by prudent private policies. During periods of expanding demands, accompanied by speculative psychology and expectations of creeping inflation, monetary policy has no option but to assume a restrictive posture. If it did not assume such a posture, widespread expectations that prices and costs would be steadily raised might indeed lead to further spiraling of costs and prices. Individual or group efforts then to hedge against or by escalation to protect against inflation would tend to aggravate inflationary forces rather than to bring them into balance.

I am quoting Mr. Young because the Senator from Wisconsin [Mr. PROXMIRE] referred to him, and I have great respect for Mr. Young's responsibility, both as an economist and as a member of the Federal Reserve Board staff.

The other Federal Reserve Board economist quoted by the Senator from Tennessee was Mr. Woodlief Thomas. He had this to say in a letter to the Washington Post and Times Herald of March 12 of this year. This is the last paragraph in Mr. Thomas' letter:

In conclusion, the objection to administered prices and wages is not so much that they create inflation, but that they tend to retard growth and to increase unemployment. Inflation might be created if monetary and fiscal policies attempt to validate such prices, but eventually these attempts will only make the inevitable collapse more disastrous.

Interest is a two-way deal. Interest is one man's cost and another's income. Are banks, corporations, and financial institutions the real and only money lenders? I was interested to see corporations in the list, because my experience is that most corporations are money borrowers. Corporations which lend money are banks, insurance companies, building and loan associations, and other similar financial organizations; but most corporations organized for production and distribution are borrowers. It should be emphasized that bankers and building and loan associations mostly loan their depositors' money, not their own. They, as brokers, may benefit temporarily from changes in interest rates, but what about the little fellows who buy life insurance, or who put money in savings and loan associations which the home buyer borrows? What about those who live on pension funds? They benefit when interest rates rise. Are they bad guys? I do not think they are—certainly not to us Republicans, and I do not think they are to Democrats.

So I think this little folk tale needs some correction; and I believe that during the remainder of the session we can have a continuing "story conference," so to speak, in an effort to hammer out a new plot. There is a real need for objective discussion on the level of economic principle.

I congratulate the Senator from Tennessee for his contribution, and have charity in my heart for his descent to the political fleshpots. I thank him for the basic outline of his speech. It suggests a number of important economic areas which all of us can and should explore. I thank him for it, and eagerly await his future, more definite statements. I assure him that it is my intention, as opportunities develop, to make some further detailed and amplified statements of my own. I expect to adopt for myself the suggestion which I have been trying to make to my friend, namely, further work.

Mr. GORE. Mr. President, will the distinguished Senator yield?

Mr. BENNETT. I am delighted to yield.

Mr. GORE. It is extremely gratifying that the remarks of the junior Senator from Tennessee have provoked this scholarly analysis by the senior Senator from Utah. It is the kind of discussion which I had hoped might ensue from the initiation of this debate.

It is further gratifying that the able Senator finds himself in agreement with the three goals which I fixed as my personal goals in the development of a program for economic governmental policy.

I assure the Senator that the very heart of the policies which I have undertaken to advocate is the achievement of an equitable, fruitful, dynamic operation of our free enterprise economy, the preservation of which the distinguished Senator lists as a fourth goal.

The able Senator has raised a considerable number of important questions, some of which are not within my power to answer at the moment, some of which may always escape my limited grasp of this great and important field, and some of which perhaps can be developed only by careful committee study and inquiry. However, the fact that he has engaged in a scholarly discussion, backed by erudition which springs from his experience and his training and ability, is a source of gratification. I am glad that he has accepted my invitation to debate the question. In turn, I shall accept his invitation in due course to give further amplification to my views in this field which, I take it, he and I agree to be one of the most important.

I wish to conclude my remarks with these few words. The Senator asked what in my opinion would be a desirable rate of national growth. I say to him in all candor that I do not know. However, I am disturbed, and convinced that the rate of growth we have experienced since the period of the Korean war has been wholly inadequate for our national security and for the promotion of a full employment economy.

Again I thank the able Senator for his very generous remarks and for the provocation which his analysis of my own humble efforts has occasioned.

Mr. BENNETT. I appreciate the Senator's response. I assured him before I began my discussion that it was going to be carried on in an atmosphere of complete friendliness, and, to the extent possible in this kind of forum, objectively.

I repeat that the Senator's speech has started me to thinking in many directions. But I shall try to follow up the ideas his speech suggests, as well as those which I have suggested in responding. I hope that in the months ahead we can have many more repetitions of this kind of objective discussion.

Mr. President, before I close my remarks, I ask unanimous consent to have printed in the RECORD, for the information of the Senate, the first half of the Whaley-Eaton Service's American Letter of March 21, 1959, on problems facing the American economic system.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DEAR SIR: The American economic system is being attacked with growing violence by leftwing economists, pseudo-economists and other liberals. The same faces reappear constantly on the Washington scene. The group includes convincing speakers and forceful writers. Their preachments in favor of the developing system of state-welfarism are no longer even thinly veiled.

Washington is the forum from which these messiahs can speak to the widest possible audience. Congress, press, and the airwaves are being bombarded with tirades against neglect of the jobless, inadequate defenses, overemphasis on budget balance, ruthless credit policies, favoritism to big business, and retarded economic expansion.

Particular targets vary from day to day as these opportunists see new weaknesses to probe. No longer is this now merely the gabble of the do-gooders. It has become an all-out attack on the free-enterprise system, and the attackers are using every weapon at their command.

The new offensive against the Federal Reserve is symptomatic of their tactics. The U.S. credit-control mechanism is one of the last remaining obstacles to the new economics. The administration of monetary policy is a complex art. Opportunities for error are infinite. Federal Reserve action when taken is invariably subject to criticism as too early or too late, as excessive or as inadequate. Consequently, the Board's independence is equated with callous disregard for the public welfare.

The American inflation problem is an immediate and urgent one, though liberals make it appear as only a worry for the indefinite future. This is the essence of the argument Eisenhower seeks to get across to Congress and the people, and it is the essence of monetary policy. Three economic-political forces are at work to keep the budget permanently unbalanced:

1. Welfarism: Congress appears both ready and anxious to swallow the spend-for-expansion argument at face value. A constant rise in welfare costs is thereby assured, with resulting disregard for fiscal integrity.

2. Defense: Costs—now at $46 billion—are only beginning to reflect accurately the rising curve of outlays scheduled for many years ahead. Expenditures for missiles alone are set to reach fantastic amounts.

3. Taxation: Congress is completely unwilling to face up to the need for higher revenues to keep pace with rising outlays. The old rationale was that deficits incurred in the recessions would be wiped out in good times. With taxes already too high, Congress backs away from this.

Eisenhower fails to make headway meeting the liberal challenge because the issue is difficult to explain. Utopian promises are more glamorous.

The easy way out of inflation is to give the Government direct authority to control it, liberals are declaring. Rather than impose restraint on Federal spending or credit expansion, they argue, Washington should be prepared to clamp on wage-price-rent controls whenever things seem to be getting out of hand. Senators GORE, Democrat of Tennessee, and NEUBERGER, Democrat of Oregon, have made these proposals in various ways, and so have liberal economists.

How seriously any of these spokesmen take their own proclamations is an open question. There is little doubt that Congress as a whole is most unlikely to make any such moves. Yet this is no ground for ignoring the implications of the leftwing assault on economic orthodoxy.

The freedom of the marketplace is a myth, these thinkers argue, and the Government ought to stop pretending otherwise. Supply and demand no longer establish price in major industries; prices are administered. A greater and greater share of the economy is under Government domination. Farm prices, for example, are determined largely by Washington. Subsidies, open and concealed, have become an integral factor for most of industry.

Even the Federal Reserve accepts a limited version of the administered price thesis to help explain the fact that prices in steel and autos either rose or at least held steady in the face of the recession. It also is trying to show why its own moves have less than blanket effect.

The overall impact of this theorizing is twofold: It diverts attention from the central problem of Federal fiscal sanity toward makeshift solutions. It also helps load the onus of inflation onto management and away from labor. And that sets the stage for this year's round of wage demands (as in steel). Unions will insist company earnings provide for liberal boosts without price increases. Proving otherwise will not be easy.

The longterm effect is to weaken support for free-enterprise capitalism and to enlist backing for socialistic theories. Thus, Government deficits would be covered by expanding the money supply (the Federal Reserve becoming an instrument of inflation instead of regulator). Political economists in Washington would dictate wage-price levels.

Termites in the woodwork of the U.S. economic system nibble at other sectors. Examples are the current effort to push through a national fair trade bill and the halfhearted revival of good-faith price discrimination legislation. The former is justified as a means of protecting small retailers from cut-throat price competition. Its effect is to put Government into a producer-marketer-retailer conspiracy to stifle discounting.

The antidiscrimination bill, a perennial favorite of Senator KEFAUVER, Democrat of Tennessee, would virtually ban spot price-cutting as a means of meeting competition. Neither measure is given much chance of passage.

Meanwhile, New England Congressmen are voicing their genuine fears of oil price increases as a result of Eisenhower's import-quota system.

Business as a whole weakens itself against the onslaughts of leftwing thinking when it plumps for fractional self-interest protections of this kind. To sum up the theme of this discussion, Washington is just as confused as the country over how to fight inflation. But leftwingers have a clear-cut goal: Substitute Government control for the market economy.

The planners and spenders will continue to dominate the headlines in forthcoming Washington studies. Administered prices of the steel and auto industries, as we point out on the previous page, already have been singled out as a principal villain in the battle against inflation. Carefully chosen witnesses can always slant the tone of any survey. Administration efforts to emphasize conservative views may be snowed under.

The Joint Economic Committee is virtually committed by its chairman, Senator DOUGLAS, Democrat, Illinois, to espousing the liberal argument. Preliminary hearings assign the lead-off positions to such advocates as Harvard Economist Slichter and former Washington Official Keyserling.

The conservative viewpoint will be reflected when Vice President NIXON gets his special Cabinet Committee on Price Stability for Economic Growth in operation. The committee will (1) look into U.S. prices in relation to world markets, (2) make productivity studies of specific industries, and (3) go into both wage policies of labor and pricing policies of management.

NIXON's group will have a political-economic ax of its own to grind, but he will not have the same sort of rostrum congressional liberals have. His operation will be largely White House staffed and dominated.

THE GARNISHMENT LAW OF THE DISTRICT OF COLUMBIA

Mr. LANGER. Mr. President, I see on the floor my distinguished colleague from South Carolina [Mr. JOHNSTON]. I understand that he will today introduce a bill to abolish the garnishment law of the District of Columbia. I know of no Senator who is better fitted by experience than the senior Senator from South Carolina to deal with this important subject. I hope he will get many cosponsors on his bill. I am delighted to be one of them, and I have assured him I would be one of them. I hope his bill will lie on the table so that a great many other Senators may also join in cosponsoring the bill if they wish to do so.

Mr. President, the antiquated and unworkable garnishment law of the District of Columbia must be repealed.

Mr. President, as acting chairman of the subcommittee of the Senate Subcommittee on Antitrust and Monopoly, I conducted investigations into the rackets conducted by the small loan sharks who charged outlandishly usurious interest rates and forced the borrowers to buy credit life and credit health and accident policies at exorbitant rates in order to get the small loans.

On March 5, I made a speech on the Senate floor pointing out the tremendous profits that some of these credit life and credit health and accident insurance companies earned, which insurance companies are subsidies of the finance companies.

Two years ago when we were in Montgomery, Ala., holding hearings on the small loan sharks, the U.S. Attorney Hartwell Davis was telling me, what was worse than the small loan rackets in his area, was the practice of these easy credit clothing stores in Montgomery, Ala., which charged the poor and unsuspecting public—mostly poor and illiterate negroes—exceeding high prices for the products that they purchased and on top of that charged them usurious rates forcing the debtor to be constantly indebted to these easy credit concerns.

Recently I have been noting the hearings that have been conducted by the House District Committee on a proposed amendment to the garnishment law of the District of Columbia.

Mr. President, last month Mr. Morton Mintz, a staff reporter of the Washington Post, ran a series of articles on easy credit extended by seven clothing stores on Seventh Street and the tremendous amount of garnishments filed against debtors, the unbelievable practices of persuasion exercised against the purchasers, the hardships resulting to the debtors and their guarantors, the burden placed upon employers by repeated garnishments, and the tremendous strain placed upon the municipal court clerk's office and the U.S. marshal's office. For example, one headline used by Mr. Morton Mintz is, "Debtors Dilemma: 47,877 Garnisheed Under Antique Law."

Mr. President, I reiterate that the antique garnishment law of the District of Columbia must be repealed. I compliment Mr. Morton Mintz for a rather thorough job of getting the facts on this easy credit clothing store racket.

Congressman JOHN L. MCMILLAN, a Democrat of South Carolina, has introduced a bill amending the garnishment law which is supported by the District Bar Association, after an investigation and study by the bar's municipal court committee. I fully realize that a lot of study has been made on this problem by the bar committee and by the Senate and House District Committees. The Senate District Committee held hearings in 1957 but without much success in retarding these unbelievable practices by these easy credit business places.

Senator JOHN MARSHALL BUTLER in a statement to the subcommittee referred to this handful of easy credit operators as "credit racketeers—they are nothing more." Municipal Court Judge Milton S. Kronheim, Jr., said the handful of easy credit retail merchants have made a garnishment mill out of the court.

Chief Judge Leonard P. Walsh, of the municipal court and recently nominated to the U.S. district court says the garnishment law breeds this disrespect because the court is "used as a collection agency. Rightly or wrongly, the employer and employee receive mandatory demands on them in the name of the court. The court appears to be in cahoots with the seller." Senator JOSEPH S. CLARK in commenting on the garnishment law exemptions states:

> It is unworkable and economically unsound in that the majority of defendants never take advantage of it and it promotes a coercive influence on defendants due to the holdup of the defendant's salary until the litigation is determined.

Mr. President, I ask unanimous consent that the entire seven series of articles by Mr. Morton Mintz, which are so descriptive and which amount to a condensation of testimony that would be received in a hearing on this subject, be placed in the CONGRESSIONAL RECORD at the completion of my remarks.

Mr. President, I believe that if Congress should repeal the District of Columbia garnishment law, it would be doing great service for the many poor and needy people in this community who

are at the mercy of easy credit racketeers. This is far worse than the loan sharks that I investigated and reported to the U.S. Senate. Some will say that by repealing this law, we will be giving aid to some deadbeats who will be avoiding payment of honest debts. The answer to that is, are we to permit 50,000 garnishments a year which torment the debtor, his guarantor, and his employer and at the same time is costly to the District and Federal Government and places undue and excessive burden upon the court, the clerk's office, and U.S. marshal's office.

It should be pointed out with emphasis here that under existing law, the employees of the District and Federal Governments cannot have their wages garnished. If the business people and the creditors of the District of Columbia can survive without garnishment law being applicable to Federal and city employees, they can adjust their collection practices to protect themselves from extending credit to people who do not pay their debts.

The court's record substantiates the fact that the garnishment law is a law for the protection of these easy-credit racketeer business houses and I mince no words in calling them that. Let me cite, from the articles by Mr. Mintz, this illustration to point out what is happening to these poor purchasers:

Thousands of writs served on employees of one person (a maid, for example) up to those who have thousands working for them—have their roots in a few—not all—easy-credit stores in the 700 block of Seventh Street NW. A Washington resident who shopped but did not buy in these stores reports some of these sights, sound, and practices:

Temptations: "Credit as you like it." "No money down." "One dollar for each new account you bring in." "Free shoes for all the children." "Free, big, juicy, delicious ham for your Easter dinner with every purchase amounting to $15 or more, when opening a new account or reopening an old one."

A prospect looks in the window and a man grabs him by the arm and whisks him inside. "What can I show you?"

"An overcoat."

"Where do you work? Not a Government employee? OK, we'll fix you up. Do you have an account here? No? That's all right, we'll fix you up. Let's open an account first; we have what you want."

"What's the price on this coat?"

"Don't worry about prices; we have what you want to pay. Let me show you this one at $59."

TEN DOLLARS DOWN, MONTHS TO PAY

So saying, he unbuttons the prospect's coat.

"I know you'll like this one—just sold one like it to the famous orchestra leader," so-and-so.

"I saw the same one at ——— for $45."

"How much can you pay down? About $10? Fine. Pay $2 or $3 a week for 6 months, mind you, not 6 weeks."

"That would come to $82."

"But we're not charging you any interest. Can you pay $2.50 a week? You look like a person who could pay $2.50 a week. If you can pay cash you can have it for $40. Let's go back and talk to the gentleman back here."

The gentleman back here: "All right, step right up—$10 down, $2.50 a week for 6 months."

"That would be $70."

"Well, look, we gotta have some interest. * * * We can work this thing out, any way you want to do it."

The prospect starts to leave but is hailed at the door by a third man: "You like the coat, you want the coat, don't be ridiculous; we can work this out to suit you. We're in business to make a profit, but still we're willing to practically give it away to you."

The prospect gets away and goes to another store.

Mr. President, in conclusion, I join Senator JOHNSTON in a bill to repeal the garnishment law of the District of Columbia for the reasons cited above. Mr. President, I shall speak from time to time on this subject.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I yield to my distinguished friend from South Carolina.

Mr. JOHNSTON of South Carolina. I thank the Senator from North Dakota for what he has had to say about me. I can truthfully say even more about him in reference to his activities on behalf of the people whom we call underdogs.

I believe the kind of bill I am introducing is much needed in the District. When I was Governor of the State of South Carolina, on several occasions I said that if the legislature sent to me proposed legislation dealing with this subject, of the type which is on the statute books and which affects Washington, D.C., I would veto it.

Only a few days ago my wife was insulted because someone working for us had not made prompt payments. She was threatened. I did not tell the man involved, but certainly that experience has awakened me to what is going on in the District of Columbia.

I hope something can be done to relieve the situation. There are many instances in which milk is literally taken out of babies' mouths through the operation of the garnishment law which is now on the statute books in the District of Columbia.

Mr. President, I send the bill to the desk and I ask that it be held open until Thursday of the next week the Senate shall be in session, so that other Senators may join as cosponsors if they wish to do so.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from South Carolina.

The bill (S. 1524) to provide that the wages, salaries, commissions, or other remunerations for personal services performed by certain employees shall be exempt from garnishment in the District of Columbia, introduced by Mr. JOHNSTON of South Carolina (for himself and Mr. LANGER), was received, read twice by its title, and referred to the Committee on the District of Columbia.

Mr. LANGER. Mr. President, as acting chairman of the Subcommittee on Antitrust and Monopoly, I conducted investigations into rackets. Among them was an investigation of the small loan sharks and the outlandishly high interest rates they charge.

The Washington Post, through one of its writers, Mr. Morton Mintz, has conducted a full investigation of the garnishment law in the city of Washington. I ask unanimous consent that Mr. Mintz' articles be printed in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 1, 1959]

EASY CREDIT IS WRIT LARGE ON SEVENTH STREET

(By Morton Mintz)

(First of a series)

About 190 times every working day, a deputy U.S. marshal hands a District employer a writ of attachment—a municipal court paper ordering him to freeze the wages owed an employee and turn them over to a creditor.

Some of these writs are the last resort of creditors who have acted in good faith and exhausted every other means of collection from deadbeats. But a huge share originates with a few easy credit stores.

Most of the easy credit stores' customers are such poor risks that they cannot get ordinary credit. At least 9 out of 10 wage attachments are against poor Negroes (earning roughly $30 to $60 a week), uneducated and unequal to both the inner and outer pressures to buy more than they can possibly afford. And when their pay is attached, they often are left with nothing for necessities.

NO CASH, PLEASE

The easy credit stores, unlike other merchants who extend credit, balk at selling for cash, and extremely few of their customers can pay cash. A common denominator of their operation is interest charges concealed in the sales price and little or no concern with whether the buyer is a reasonable credit risk.

What these operators are concerned with is that the customers, or another person whose name gets on the account as a guarantor, is privately employed. This is because they can and do, under the District's bad-debt or garnishment law, use the municipal court and private employers as their collection agents. The pay of Federal and District employees cannot be attached.

The District's garnishment law, which will be detailed in later articles, permits a creditor to get successive attachments for the same debt, to attach every cent of wages a man has coming to him, to have a man's wages frozen while he seeks an exemption, to give their demands priority over a court order for support of a man's family. If a head of a household earned more than $400 in the preceding 2 months, some judges understand the law to direct that not a penny of this shall be exempt for food, shelter or anything else.

Thousands of writs served on employers of one person (a maid, for example) up to those who have thousands working for them—have their roots in a few—not all—easy credit stores in the 700 block of Seventh Street NW. A Washington resident who shopped but did not buy in these stores reports some of these sights, sound and practices:

Temptations: "Credit as you like it." "No money down." "One dollar for each new account you bring in." "Free shoes for all the children." "Free—big, juicy, delicious ham for your Easter dinner with every purchase amounting to $15 or more, when opening a new account or reopening an old one."

A prospect looks in the window and a man grabs him by the arm and whisks him inside. "What can I show you?"

"An overcoat."

"Where do you work? Not a Government employee? OK, we'll fix you up. Do you have an account here? No? That's all right, we'll fix you up. Let's open an account first; we have what you want."

"What's the price on this coat?"

"Don't worry about prices; we have what you want to pay. Let me show you this one at $59."

TEN DOLLARS DOWN, MONTHS TO PAY

So saying, he unbuttons the prospect's coat.

"I know you'll like this one—just sold one like it to the famous orchestra leader" so-and-so.

"I saw the same one at ——— for $45."

"How much can you pay down? About $10? Fine. Pay $2 or $3 a week for 6 months. 6 months, mind you, not 6 weeks."

"That would come to $82."

"But we're not charging you any interest. Can you pay $2.50 a week? You look like a person who could pay $2.50 a week. If you can pay cash you can have it for $40. Let's go back and talk to the gentleman back here."

The gentleman back here: "All right, step right up. $10 down, $2.50 a week for 6 months."

"That would be $70."

"Well, look, we gotta have some interest * * * we can work this thing out, any way you want to do it."

The prospect starts to leave but is hailed at the door by a third man: "You like the coat, you want the coat, don't be ridiculous; we can work this out to suit you. We're in business to make a profit, but still we're willing to practically give it away to you."

The prospect gets away and goes to another store.

"What are your prices?"

"Forget about prices. We've got a coat you can buy. We don't sell prices. Do you have an account?"

"No."

"We can open one up for you. Where do you work? A private outfit? Good."

The salesman shows a coat he says is priced (there is no price tag) at $69.50.

"I can't pay that," the prospect says.

"You can have it for $60."

"Is it wool?"

"All wool. Pure wool, wool."

The prospect cannot find a label certifying the fabric is all wool.

The salesman whispers secretively: "Look, you want the coat? I'll let you have my profit. I'll let you have it for $55, but for heaven's sake, don't go out on the street and tell other people."

The prospect still balks.

"You look like an intelligent, clean-cut young man, and I want you to have a break."

"I saw a gray tweed I like at ——— for $45."

"Gray tweed? That's an old man's coat."

"But this one is dark blue."

"There's a difference between an old man's coat and a conservative coat. This is conservative. How much money do you have on you? Can you pay $15 down?"

"Maybe $10."

"Ten dollars, OK, fine."

Instantly someone nearby starts filling out a sales contract, but the prospect is still hesitant.

The owner approaches; his tone is harsh: "You like the coat, take the coat, take the coat, fellow, for heaven's sakes."

The salesman: "Oh, come on, come on, come on."

The owner, as the prospect leaves: "We just want to talk to you. Nobody's going to hold a gun to you. We'll work out whatever terms you want to work out."

Prices: A conservative estimate is that such stores average on clothing about 50 percent more than for the same or comparable articles elsewhere. However elastic, they include provision for interest and intricate bookkeeping. The merchandise is often shoddy.

From the bag of tricks:

A customer on the phone: "I can't make my payment this week. I'll pay next week."

An employee who calls himself "Jack" replies: "Perfectly all right."

The next day a suit is filed against the customer which could lead to garnishment of his wages. He goes to the store to find out who gave the oral assurance.

"I'm Oscar, he's Joe, she's Wilma. There's no Jack here."

A customer goes to an easy credit store to complain that he is "paying and paying, and I can't seem to see the end." He asks for a copy of his account. This brings on laughter—and a refusal.

A person opens an account. Another name, usually the husband's or wife's, is put on the account as a guarantor.

The purchaser becomes delinquent. A suit is filed. The summons, under rule 4 of the municipal court, is served on an adult on the premises. It happens that the summons is served on the very person who made the purchase, and he tears it up.

Twenty days pass, and no answer is made in court. The court therefore declares a default judgment.

The innocent party—the guarantor—gets his first knowledge of all this when his pay is attached. If the creditor has waited 90 days after the default judgment, it cannot be attacked. Even if it asks more than what is owed, even if otherwise there would have been no legal liability. The guarantor is stuck, and that's it.

The actual purchaser—or one of those innocent guarantors—pleads with the easy credit store not to attach his wages because if it does he will be fired. He promises to pay, say $2 a week.

A garnishment is filed despite assurances that none would be. He tries to find out who gave him the assurance. Again, "There's no 'Jack' here."

A $35-a-week maid, the sole support of her daughter and four grandchildren, picks out an Easter topper. She is told not to worry about the price.

After it is entered on her account, that is, after it's too late, she finds the price is exorbitant—$109. The store refuses to cancel the sale or give her other, more needed merchandise in exchange.

The store tries to attach her wages, but fails because she has no wages owed her—as a matter fact, she is in debt to her employer. Finally she arranges to pay $2 a week.

"As soon as I get in there," she said, "they follow me all the way back to the door, trying to get me to buy something more, but I just won't do it."

Municipal Court Judge Milton S. Kronheim, Jr., testifying before a Senate District Subcommittee June 19, 1957, said of the handful of retail easy credit merchants who have made a garnishment mill out of the court:

"Their floor personnel and credit manager are instructed to extend credit to working men and their families far beyond their ability to pay. Poor people without luxuries are easy prey to a fast-talking salesman who tells them that all they have to do is sign now and pay later. The storekeeper has learned to rely on the garnishment statute to collect his money and some retailers in Washington have lawyers who devote their entire day, every day, to garnishment of wages."

In a statement to the same Judiciary Subcommittee, Senator JOHN MARSHALL BUTLER, Republican, Maryland, referred to this handful of easy credit operators as "credit racketeers * * * they are nothing more."

[From the Washington Post, Feb. 2, 1959]

DEBTOR'S DILEMMA: 47,877 GARNISHEED UNDER ANTIQUE LAW

(By Morton Mintz)

(Second in a series)

The District's bad debt law will be 58 years old March 3. No birthday parties are planned.

The garnishment law may someday, perhaps this year, undergo radical surgery in Congress. Meanwhile its get-up-and-go is positively youthful.

Last year, for example, it kept a couple of platoons of deputy U.S. marshals hopping around the city with 47,877 writs of attachment to be served on employers.

Because March 3 happens to fall on a Tuesday, municipal court judge will find himself marking the law's birthday by spending hours hearing, granting, and denying requests for exemption.

Joining in this observance, a solemn one, will be numerous victims of garnishment, busy executives who have left their jobs to bring in payroll records, and many lawyers. It's really just another day—nothing special.

Let it be said that the law does have a band of devoted friends, the easy credit operators. The reason for their devotion, of course, is that their friend the law lets them use the court as their collector.

The clerical staffs of the municipal court's small claims (up to $50) and "M" ($50 to $3,000) divisions compiled the following figures at the request of the Washington Post. They are for the year 1957, the last for which complete information is available:

Suits asking judgment against debtors filed by—	In small claims	In "M" division	Total
Hollywood Credit Clothing Co., 703 7th St. NW	1,471	2,311	3,882
Marvins Credit, Inc., 734 7th St. NW., and the same firm trading as Eiseman's, 7th at F Sts. NW	429	1,976	2,405
Crown Co., Inc., 827 7th St. NW	669	760	1,429
Bernard and Bertha Goldberg, copartners trading as Long's Clothiers, 731 7th St. NW	481	839	1,320
Leon A. Tashof, trading as New York Jewelry Co., 719 7th St. NW	342	927	1,269
Union Clothiers, Inc., 415 7th St. NW	652	526	1,178
Royal Credit Co., clothing, 741 7th St. NW	405	819	1,024

USERS OF SYSTEM

These seven firms lead the list. No one else sought so many judgments against debtors.

There is one exception, but it only emphasizes the point: The Chesapeake & Potomac Telephone Co. But the phone company, unlike the other firms, a spokesman said, has almost never used a judgment as a springboard for garnishment; almost invariably it has negotiated settlements.

The phone company, as a public utility, must give service to all applicants, except where a customer's credit has not been established (in that case, it requires a deposit).

A total of 58,225 cases were filed in the 2 court branches. The 7 easy credit firms filed 12,507 of these, or roughly 1 out of 5. Hollywood alone filed about 1 in 15. Each suit can lead to one or more wage attachments.

The combined business volume of the seven firms is known to be well into the millions. Hollywood's president, Herbert Kapiloff, in an appearance in municipal court on July 18, 1949, was told by Judge Milton S. Kronheim, Jr.:

"You are the owner of the business; you set the policy."

Kapiloff replied:

"Yes, sir; I am the owner, but we have 45,000 accounts, and I cannot watch each of them."

In a letter to the editor published in the Washington Post on July 23 of that year, Kapiloff said, "We file suit only as a last resort, after there has been a clear default in payment and the debtor by his conduct indicates no intention to pay."

LAW IN OPERATION

Yesterday's article illustrated some faults in the garnishment law; today's will take a closer look.

Who gets the bill? Persons who had nothing to do with an easy credit purchase frequently find their wages attached to pay for it. Usually the unknowing guarantor is the husband or wife of the customer, but sometimes the name entered on the account is that of a relative. And there are cases in which an unrelated person's name has been used, for example, a landlady-customer's roomer.

If the supposed guarantor establishes that he is not liable for the debt he is in the clear. But if he should have the misfortune not to get the summons (it can be served on another adult on the premises, even on the purchaser who may wish to keep him in ignorance); if a default judgment is declared against him, and if the creditor sits tight for 90 days before attaching his wages—then the judgment is almost invulnerable to attack, and the guarantor must pay.

LOSS OF TWO CASES

Hollywood Credit recently lost two cases in this area:

A relative bought $100 worth of household goods under the name of Mrs. Blanche Wright, 2651 Nichols Avenue SE. The firm discovered the misrepresentation and sued the relative and then Mrs. Wright. Her first knowledge of the entire matter came when her wages were attached (the attachment was later set aside). She filed suit charging Hollywood with malicious abuse of the legal process. The store's lawyers said the attachment was made "in the regular course of collecting" and without malice. A $1,000 verdict in her favor was returned by a municipal court jury last December 9.

Harston Hall bought $91.25 worth of clothing in 1953. His wife Eula, 1327 U Street SE., said she had nothing to do with the purchase. The Halls later separated. The store sued her for the sum in 1957 and obtained a judgment. The municipal court vacated the judgment and stopped the attachment. Despite this, she contended, the store went ahead and attached her wages, and the court upheld its action. But she appealed, and last Monday the municipal court of appeals upheld her. Judge Thomas D. Quinn said the store had abused its garnishment powers. Further, he added, "the existence of an ulterior motive may be inferred from this action which appellee is alleged to have done with full knowledge of the situation."

NO PROTECTION

Nonresidents of the District: However weak the exemption provisions are for District residents, they offer no protection at all for residents of Maryland, Virginia, and other areas outside the District. The key point under the law is not where the purchase was made, but whether the customer's employer has an office in the District. If the employer does, the debtor's wages can be attached even if he made the purchase in Timbuktu, lives and works in Timbuktu, and never set foot outside of Timbuktu.

Exemptions: The law says that 2-months' earnings, "not to exceed $200 each month," shall be exempt from attachment if the debtor is head of a household ($60 if he is single). However reasonable this might sound, it is so vague and weak that it breeds these troubles:

If the head of a household has earned less than $400 in the 2 months immediately preceding issuance of the attachment and wants an exemption, he must ask the court for a hearing to certify that he is head of a household. His employer must bring in pay records to prove the debtor's earnings.

Pending the court determination, his wages are frozen for a week to 10 days.

If he does not apply for an exemption he cannot get it; his wages will be attached. At least three out of five debtors do not apply.

Successive attachments may be obtained on a debt until it is satisfied. An exemption does not carry over from one attachment to another. Therefore, the debtor, if he wants an exemption, must go through the court process each time his wages are garnisheed.

A man may get one exemption. But, by an accident of the calendar, there comes a month in which he has five instead of four paydays, putting him over the $400 mark for 2 months.

CONFUSION CAUSED

This is one of the instances in which the vagueness of the law causes major confusion. For some judges interpret it to mean that only the sum in excess of $400 can be attached, while others say the entire sum can be attached and there is no exemption. It depends on which judge is on the bench. No case testing the interpretation of the judges in either group has ever been taken to the municipal court of appeals.

Senator JOSEPH S. CLARK, Democrat, of Pennsylvania, put the case against the law's exemption provision this way:

It "is unworkable and economically unsound in that the majority of defendants never take advantage of it, and it promotes a coercive influence on defendants due to the holdup of the defendant's salary until the litigation is determined."

Disrespect for judicial process: Chief Judge Leonard P. Walsh, of the municipal court, says the garnishment law breeds this disrespect, because the court is "used as a collection agency * * * rightly or wrongly, the employer and employee receive mandatory demands on them in the name of the court * * * the court appears to be in cahoots with the seller."

CREDIT FOR BANKRUPT

As the law now operates, even a bankrupt can get credit.

There is one case in which a mentally ill woman made some purchases at three easy credit stores. Her husband did not know he was being made responsible for the debt. The upshot was that his pay was attached so many times that he lost his job, and he was declared a bankrupt. Despite all this and the additional fact that he himself was a financial incompetent, two of these same stores again sold to him on credit.

A member of a District bar association group that studied the laws of 48 States says there are "probably more garnishments per capita here than anywhere else."

There were almost 48,000 of them here last year. And each of them, Municipal Court Judge Kronheim told a Senate District subcommittee, "is a tragedy, not a tragedy in a theater, but a tragedy for people consisting of flesh and blood."

[From the Washington Post, Feb. 3, 1959]

DEBTORS' DILEMMA: BAD RISKS IN EASY CREDIT SYSTEM PROVE COSTLY TO DISTRICT TAXPAYERS

(By Morton Mintz)

(Third in a series)

District taxpayers foot a hidden part of the bill when an easy credit operator sells something to a poor credit risk and the debt goes bad.

The costs to the pubic are largely incurred in both tax- and charity-supported welfare programs, the municipal court, and crime.

Richard D. Gibbs, secretary of Peoples Drug Stores, was one of two witnesses who touched on the crime aspect in testimony on May 27, 1957. He told a House District Subcommittee hearing on proposed reforms of the District's garnishment or bad debt law:

"We cannot tolerate these (employees) who are bad credit risks where we are deaing in open merchandise and cash, and we have found them to start stealing in a great many cases * * *. When they do not draw a salary, they are going to eat, and they will get it any way they can."

Most authorities believe only an insignificant amount of crime stems from attachment of wages. Some observers, however, make these points:

An employer who would unhesitatingly seek the arrest and prosecution of a thief who is unknown to him is less likely to do the same to an employee caught stealing. He may only fire him, being aware that garnishment has left the employee, a human being he knows, without funds for food or shelter.

It is hard to detect some thefts, especially those from a cafeteria or restaurant.

Authorities do not make a special point of looking for garnishment as a root of crime. University of Maryland Criminologist Peter P. Lejins said he knows of no study of the question but added that one should be made.

Previous articles have pointed out the inner and outer pressures on poor persons to buy on easy credit, the tricks used on them and the calamities that frequently follow for themselves and their families. Here are more costs to the public relating to the same source of trouble, the District's garnishment statute:

Department of Public Welfare: The Washington Post pointed out in 1956 that under the garnishment law the head of a household could be stripped of every cent he earns, even if it means his children will go hungry. Members of the Juvenile Court Advisory Committee heard a father plead he was unable to meet support payments because he had to pay other bills. If his wages were attached, he said, he would be fired and unable to support his family or pay his debts. The then juvenile court judge later said this situation is fairly common.

A man fired because of garnishment, legally remains employable, and so he and his family are ineligible for relief. A man who deliberately deserts his family so it can get a support order—and Welfare Director Gerard M. Shea agrees the statute provides an incentive to do this—becomes liable to a year's imprisonment and/or a $200 fine.

But in doing so he makes sure, once the court order is issued, that his children will eat. Authorities say there are many such cases, but no one knows how many. The Department of Public Welfare makes varying welfare payments; an adult with 4 children gets a maximum of $195 a month.

United Givers Fund Agencies: The Salvation Army estimates it spends at least $3,750 of UGF funds for direct relief—food and rent—to families impoverished by garnishment. Also affected are Family and Children's Service and Catholic Charities.

On a bookkeeping basis, the Legal Aid Bureau, in representing about 500 garnishment defendants a year, accounts for about $1,300 of UGF funds.

The municipal court: Last year, deputy U.S. marshals set out to serve 47,877 writs of attachment on employers. There were countless court hearings on requests for exemptions. Just how much waste of both litigants' and taxpayers' funds is involved in all this no one can say for certain.

However, one estimate from a most reliable—and cautious—source is that a more reasonable garnishment statute would save the taxpayers several thousands dollars a year.

[From the Washington Post, Feb. 4, 1959]

DEBTORS' DILEMMA: EMPLOYERS DENOUNCE GARNISHMENT AS DISRUPTING FUNCTION OF PERSONNEL

(By Morton Mintz)

(Fourth in a series)

"I object to the fact that three or four firms in the city of Washington are causing

this hearing. It (garnishment of wages) is causing my firm to use one clerk's time some 3 hours a week, and it is expensive. My time is also involved."

This was Richard D. Gibbs, secretary of Peoples Drug Stores, testifying before the House District Judiciary Subcommittee on May 27, 1957. He continued:

"Most of the people think that Peoples Drug Stores are doing something to them by holding their salaries, and they think we influence these garnishments, whereas we do everything to discourage them."

The grief caused easy credit customers and the public under the District's bad debt or garnishment law has been set out in preceding articles. But employers have a host of complaints, too. More of these were placed before the House subcommittee by Victor Ottenstein, representing the District News Co.

He spoke of the many times easy credit stores and small loan companies phone his firm, learn that an employee who wants to buy from them is being garnisheed—and sell to him anyway.

"I feel," he testified, "that it is a promiscuous extension of credit when they know that the employee will probably default, and it is a nuisance to the employer.

"We train our employees and it takes a while before they catch onto the work, and then they get a garnishment and they might leave the job and go somewhere else, which means we have to go to the trouble of employing someone else to replace them.

"A new person makes mistakes which cause us annoyance. Some employees who might have their salaries attached this week will have them attached next week by another firm. A person with a family has to pay rent and has to buy food and they cannot exist without some sort of income, and in some cases it makes thieves out of these employees. * * *

"Now, it is not only a nuisance at our place of business, because it takes executive timeout to handle these matters, or to see the employee about these situations, and to train new employees, but when we have to appear in court to say that the employee earns only so much and should get an exemption, it takes the whole day, and we just cannot afford to spend that time."

Ottenstein then went into the effects of the bar on attaching wages of Federal and District Government employees. He said it is "unfair to non-Government commercial establishments * * * to have employees threatened with garnishment because it is difficult to hire employees. There is a scarcity in the labor market, and these employees figure, 'Well, I'll get a job with the Government, and they cannot attach me'."

Here are illustrations, based on interviews with employers, of points made by Ottenstein and others:

One large employer, Government Services, Inc., had to handle 531 attachments last year. The source of more than 100 of these was 2 easy-credit stores, which stresses once again that a huge share of the garnishments originates with a very few firms.

This employer, at the request of the Washington Post, made a detailed study of its cost of handling these attachments. The estimate: $10 each.

The pay of one valued GSI employee was attached for 2 consecutive months. "It just doesn't make any sense working here and not getting a paycheck," he said. He quit.

Another major employer, Washington Terminal Co., had to process 623 garnishments last year. The estimated average amount: $150. This company estimated a smaller cost of handling, $4 each.

One employer of fewer than 150 persons made a study for the Washington Post of the cost of training replacements for five employees who, heavily in debt, began to steal, were caught and were fired. His estimate: $460 in direct payroll costs.

From a letter to Municipal Judge Milton S. Kronheim, Jr., from Nicholas Costin, a restaurant operator: "Some of these garnishments are granted against people who have never been in my employ or who have left my employ many months ago. This only proves that sales are made without any check upon the purchaser's credit. We who are employers are obliged to answer a garnishment and often find ourselves obligated to these unscrupulous creditors when such an answer has gone astray."

Many employers end up making loans, often out of their own pockets, to garnished employees. If an employer advances wages to an employee whose pay has been attached, he can be sued by the creditor.

The creditor's right to sue is effective under the garnishment law for a 6-month period or until the debt is paid, even if the garnishment itself expires. Such a suit was filed against a real estate firm in 1957 by Hollywood Credit Clothing Co., Inc., 703 Seventh Street NW. Municipal Court Judge Milton S. Kronheim, Jr., dismissed the case, ruling the realty firm, in advancing wages to a $50-a-month janitor after it received a Hollywood attachment, was not trying to help the janitor evade the judgment, but only to help him exist.

[From the Washington Post, Feb. 5, 1959]

DEBTORS' DILEMMA: SPENDING SPREE PRODUCES REAL WOE

(By Morton Mintz)

(Fifth in a series)

In the spring of 1953, a 50-year-old woman went on a spending spree. She ran up bills totaling almost $1,500.

She bought appliances, a television set, and clothing for herself and her seven children. About half of the total was spent in seven easy credit stores.

Her husband had known for some years that his wife was mentally disturbed and put faith in soothsayers. He said, however, that he was unaware that she was making the purchases and that he was being made responsible for the debts.

The creditors presumably established that the husband was employed, so that his wages could be attached in event the debts were not satisfied. It is not known if the wife's condition was evident to any of the sales personnel.

FROM THE RECORD

Here is the story that comes out of employer, hospital, and municipal court, and bankruptcy court records and from conversations with the husband and others directly involved:

On June 18, 1953, the woman got into a taxicab. She did not make clear where she wished to go and she spoke incoherently. The cab driver took her to the sixth precinct; police sent her to D.C. General Hospital and, on June 29, she was committed to St. Elizabeths Hospital. She was diagnosed as a psychotic.

The husband made a few trifling payments on the debts. Late in 1953, three easy credit stores sued him; the other along with other creditors, apparently wrote off his debts as hopeless. He made no answer to the suits, so judgments were declared by default.

The way was open for attachment of his wages. On February 19, 1954, writs from all three stores landed almost at once. The employer noted on the last one, "Wages $127.24 (for 2 weeks) all of which has been answered for on previous writs of attachments" from the other two stores.

On March 19, the husband filed a debtors' petition in U.S. Bankruptcy Court. It said his debts, all contracted in 1953, totaled $1,426.79 and his assets $462.71.

STATES HIS PREDICAMENT

The petition said the husband "states upon his oath" that "his wife * * * incurred heavy indebtedness during the past year"; that his salary has been attached three times recently; that if another attachment is placed against his salary, he will lose his job according to the policy of the company, and will be without means to support his family.

On March 22, the husband was adjudged to be legally bankrupt. (He was discharged from bankruptcy on November 24, 1954.) On March 26 he asked the municipal court to quash the attachment of the store that arrived last, Marvin's Credit, Inc., 734 Seventh Street NW., but this move failed. His motion said his creditors "are constantly attaching (my) salary * * * the entire family is without proper food."

In a statement of affairs filed in Bankruptcy Court on April 24, the husband said Marvins, which had a balance due of $160.56, attached March 17, 1954, and there is now $173.95 held by (the employer) on attachment, of which $158.56 was condemned by Marvins.

The second store, due $71.26, cleared the books with a long-delayed attachment effected in October 1955.

Records indicate that Hollywood Credit Clothing Co., Inc., 703 Seventh Street NW, obtained $140.23 by attachments and $78 by payments, leaving a balance of $101.90. Just when this debt was lifted is not clearly indicated.

The employer's records, however, show that the husband's paychecks were attached a total of eight times between February 16, 1954, and June 1, 1956, leaving him without pay for 16 weeks' work in 15½ months.

Then, at least by normal credit standards, a strange thing happened. Here was a man who had been ruled bankrupt; who himself lacked the slightest understanding of how to handle money, and who presented extreme collection problems. Yet Hollywood sold him more on its "credit that is different" and Marvins on its "magic credit."

Hollywood filed suit on April 20, 1955, charging that he had become delinquent again. He confessed a debt of $320.13, and the store attached his wages. With his payments, Hollywood netted about $250 prior to the fourth attachment, served on August 29, 1956. The employer noted on the writ, "The defendant has left the service of the company."

PATIENCE EXHAUSTED

Employed there 17 years, he was fired by an employer whose patience was exhausted and who could see no end to the costs and trouble of handling the garnishments.

For about a year the husband had only off-and-on employment. Finally a firm hired him as a janitor, at $34 a week. His old job, which benefited by union standards, paid $80.

The new employer's turn came on February 19, 1958, when he was served a writ that said the husband still owed Hollywood $30 (he had paid $290.13) plus court costs of $13 plus 6 percent interest. His $34 wage was attached; the employer lent him the balance, and the debt was paid off.

Marvins obtained a default judgment in 1957 on a balance of $164. But it was unable to attach the husband's wages because in this instance he got an exemption. The garnishment law permits the income of a head of a household to be exempted from attachment if it does not exceed $400 in the 2 months prior to issuance of the writ. His wages were, however, frozen for more than a week, until the court could determine his eligibility.

JUST COULDN'T DO IT

The husband said in a recent interview that he had tried to pay off his debts "$5–$6 a week, but there were so many bills; try to pay the rent, $40; try to eat—got so I couldn't take care of it."

Recalling his dismissal from his first job, he said, "One night I went to get my time card; didn't have no time card."

There was a 2-month period in which the Department of Public Welfare paid his rent. He is in easy credit debt even today for about $130, some of it for clothing he bought the children now at home. He is paying it off at about $2 a week.

Since February 1956, St. Elizabeths has permitted his wife to come home several times a week. "When she comes out now," her husband said, "she says, 'Don't make any more bills'."

IT DOES HAPPEN HERE

This is not a typical garnishment case, if there is such. It is, however, not unusual in the trail of grief it left or in its individual aspects. Its importance lies in its disclosure of things that happen under the District's 58-year-old garnishment law:

The municipal court and employers become collectors, chiefly for a few easy credit operators.

Such firms as these thus have an inducement to sell to persons who buy much more than they can afford and who are unable to pay except when attachments deprive them of necessities.

The employee's entire paycheck can be attached, and attachments on the same bills can keep coming.

Employees are fired after multiple attachments, often after only two.

Exemption of a person's wages from attachment, so as to leave something for food and rent, is not automatic. Even if an exemption is won, wages are tied up for 7 to 10 days.

The public is burdened with relief costs and the difference between the nominal and actual court costs.

Court costs, even if nominal, and interest inflate the defendant's original debt.

The debt can be charged to a person who does not know of the purchases or that he is being made responsible.

[From the Washington Post, Feb. 6, 1959]

DEBTOR'S DILEMMA: NEW BILL WOULD ENABLE MAN TO PAY DEBTS, FEED FAMILY

(By Morton Mintz)

(Sixth in a series)

In cookery the word "garnish" has a gentle, pleasant ring. In District law the same word is like the screech of a braked tire.

The District Bar Association is trying to take the terror and tragedy out of garnishment and put it under the wing of justice.

The bar proposal for reform has been introduced in the House, by Representative JOHN L. MCMILLAN, Democrat, South Carolina.

A bar director, James A. Willey, is leading the fight for adoption. He is a member and past chairman of the bar's municipal court committee.

The bar proposal recognizes the principle of ability to pay. It sets a sliding scale of garnishments based on a debtor's earnings, as follows: on gross pay up to $200 a month, 10 percent could be attached; $200 to $500, 20 percent; more than $500, 50 percent.

The bar measure would allow only one attachment to be effective at one time. Only after one creditor's debt is satisfied could other attachments take effect, in the order received. The employer would forward the creditor's money once a month.

CALLS FOR CLOSE LOOK

These two provisions say to the easy creditor: Collection from bad risks via attachment can take you a long, long time, and you have an incentive to withhold credit from persons who are bad risks.

It is chiefly in this way that the bar proposal attacks a root trouble in the present situation, the indiscriminate extension of credit. The message of the existing law is caveat emptor—let the buyer beware. The bar proposal would add a large dose of caveat venditor—let the seller beware.

The bar says that if its proposal becomes law, the seller might well beware, for example, of the man whose pay is already being attached.

The proposal would make it impossible for attachment to strip a man of his entire pay.

Neither he nor his employer would have to go to municipal court to prove his eligibility for exemption, for he would get an exemption automatically. The trip to municipal court now must be made for each attachment on which an exemption is sought. Debtors sometimes get worn down by this procedure and lose vital time from work. So they accept a settlement under which they agree to buy more.

Because an employed debtor could not be left penniless by attachments, the incentive (in the present law) for an impoverished husband to desert his family would be removed. As explained in Tuesday's article, he risks imprisonment and/or a fine when he deserts. However he also assures that, once a court support order is issued, his family will be able to eat and pay the rent.

SEE LESS OPPORTUNITY

Willey says the delayed-collection provisions would curb the present practice of making innocent persons responsible for easy credit debts they did not incur. He says there would be fewer of them because they would be less inviting targets, and they would not be hit so hard.

Other major features of the bar proposal provide that:

A court order to a man to support his wife, former wife and/or children would have priority over any attachment. There is more caveat venditor here, for a debt for clothing, jewelry or a car, for example, could not come ahead of family needs.

Wage exemptions would be extended to nonresidents of the District on the same basis as to District residents—automatically. Nonresidents get no exemption under existing law.

Last year the House passed an earlier bill sponsored by the bar that would have limited attachments to a flat 10 percent of gross pay, and MCMILLAN has reintroduced a similar bill. Also in 1958, the Senate passed a bill which, while setting a sliding scale of attachments based on earnings, flatly exempted the first $50 of weekly income. Both bills were passed so late in the session that a House-Senate compromise could not be worked out.

Backers of the Senate bill contend the flat $50 exemption is both necessary and a more potent caveat venditor. They also argue that the bar bill and the other measure reintroduced in the House by MCMILLAN would take away from the debtor the exemption he can claim now, forcing him to pay 10 percent of his income though he can ill afford it.

Backers of the two House bills center their rebuttal on these points:

1. The present exemption provision, however reasonable it sounds, does not work most of the time in the way Congress intended. (The reasons for this have been explained previously.)

2. A flat-amount exemption leaves no recourse for collection of legitimate debts from a large segment of the population, and payment of debts is a responsibility that all citizens should bear.

3. Garnishment should be continued as a legitimate, last-resort method of collection from "dead beats."

The Senate bill would have forbidden attachment of a nonresident's pay unless he incurred the debt in the District or unless a judgment was rendered against him elsewhere. The two House bills would allow partial attachments of a nonresident's pay if his employer has an office in the District, no matter where he lives, works, or buys.

Some employers object to the procedure in the bar bill requiring them to forward to the creditor each month a fraction of an attached person's wage until the debt is satisfied. This, they fear, would make their garnishment handling costs even greater than at present.

Willey disagrees. His contention is that there would be so many fewer garnishments that overall employer costs would be lower.

Another employer group strongly favors the bar bill. Agreeing with Willey, these employers foresee lower personnel turnover and replacement training costs, fewer demands on executive time, and an end to the nuisance of multiple attachments. At present, many employers fire a man when he has been attached two or more times.

NOT SEEN AS CURE-ALL

The bar does not claim its proposal is a cure-all. Its position is that it would wipe out intolerable evils, and that every contingency cannot possibly be provided for.

The bar bill, or a measure like it, is considered to have the best chance of enactment. It has the unanimous support of the District Merchants and Manufacturers' Association with its membership of 400 leading retail merchants, and it is expected to have the backing of the District Commissioners.

So far as the municipal court is concerned, Chief Judge Leonard P. Walsh said the major abuses of the court as a collection agency for a few easy credit firms would be ended by the bar bill, by the other bill introduced by MCMILLAN, by the expected Senate bill or by the Dowdy bill.

Other pending garnishment legislation:

The Dowdy bill: Representative JOHN DOWDY, Democrat, Texas, has reintroduced a measure to prohibit attachment of earnings.

The Curtis bill: Representative THOMAS B. CURTIS, Republican, Missouri, has reintroduced his bill to permit attachment of the wages of all Federal employees.

The Curtis bill would exempt from attachment $200 earned in a 2-month period by a head of a household and $120 by a single person.

[From the Washington Post, Feb. 8, 1959]

DEBTOR'S DILEMMA: ADVICE FOR BUYERS ON EASY CREDIT

(By Morton Mintz)

(Last in a series)

Here is some hard advice about easy credit—the kind offered by a troublesome few of the many firms in the field.

It is meant for you, if you are that bedeviled lowest man on the credit totem pole: You have little or no cash or savings and a small income, and you can't get normal credit. Garnishment or attachment of your wages, or even a freeze on them for a week to 10 days, would be a disaster.

The advice comes from municipal court judges and lawyers who have tried to help others like yourself learn that easy credit can be the hardest credit there is—when it is dispensed by the tiny minority of District businesses that exploit you and the law.

You want to buy a suit, say, or a TV set, or a car. These things aren't absolute necessities, but you want them, and the only people who will sell them to you are the easy credit operators.

In many States you couldn't buy those things because the seller couldn't afford to take a chance on you. In those States, the law says in effect: This person can't afford these things; he needs the money for necessities; if the seller takes a chance on such a bad credit risk, the law is not going to help him collect.

But you are in the District. Here you might fall into the hands of the few easy credit firms that will try to sell you far more than you wanted in the first place. Short of a new law that would put a damper on selling like this, selling done in full knowledge

that you cannot afford to pay, there's nothing to stop you from buying but you yourself.

The great majority of merchants, whether they offer regular or easy credit, will discourage you from buying more than you can afford. An unscrupulous few will do the opposite, because they know that if you do not pay they are ready to grab your wages with a court order to your employer.

But you find yourself in front of the store operated by one of the few. You do not know it, but the man who takes you graciously by the arm and pulls you inside is paid to do just that.

You pick out a winter suit. The salesman says it is all wool, but it would be wise for you to look for a label certifying that.

You are told the price is $60 (there may be no price tag). If you had saved the money to buy the same suit for cash, you could have gotten it for perhaps $40. There is a major reason why you should expect the price to be higher: Easy credit is expensive to the seller. His price must take into account, for example, interest, costly bookkeeping and debts that are never collected, even by wage attachment

But you do not have $40 with which to buy the suit for cash. You agree to easy credit, say, $10 down and $2.50 a week for 6 months. If you figure out the final price, you will find that it is $75. So, right off the bat, that suit may be costing you $35 extra.

WATCH THAT CONTRACT

You will be asked to open an account—to sign a sales contract. This is vital: Do not sign until:

1. You are certain you will be given an identical copy.

2. You are aware that the name of another person on it may make him responsible for the debt if you do not pay.

3. You are aware your wages can be attached if you do not pay—sometimes if you miss only one payment.

4. You know the contract is completely filled in and shows a complete total for your purchase and the exact amount of the payments and just when you are to make them.

5. You get an agreement in writing that you can return any merchandise that you may find you do not want within a reasonable time.

Let us say you still owe $53. Something goes wrong—perhaps you are out of work unexpectedly—and you miss some payments. You go to the seller and ask for more time. Do not buy more. Do not relax if you are told not to worry; get an agreement in writing. But the creditor will not give you a written paper of this kind, you find, and he files a complaint against you.

DON'T GIVE UP

Within a few days, a summons will be served by a deputy U.S. marshal. Be sure that you get it, for it can be served on any adult on the premises.

You will do yourself the most harm at this point if you do nothing, if you just give up. The best thing to do is to get a lawyer. Persons without funds can get free legal help from the District Bar Association's Legal Assistance Bureau and the Legal Aid Office, which both the DBA and the United Givers Fund support.

The bureau has an office in room 201 of the Municipal Court Building at 4th and E Streets NW. It is open from 9:30 a.m. to 12:30 p.m., Monday through Friday. Legal Aid's office, at 805 G Street NW., is open from 10 a.m. to 4 p.m., Monday through Friday, and 10 a.m. to noon, Saturday.

A lawyer will check the complaint against you to see if it is valid. If he gets assurances from the creditor, the chances are good that they will be in writing. He may be able to work out a plan with the creditor that will avoid garnishment of your wages. He will advise you on how to avoid going still deeper into debt. Most of the time it is necessary that an answer to the creditor's suit be filed, and the lawyer will do it within the 20-day deadline.

TREADMILL OF DISASTER

If you do not get legal help—and at least three out of five garnishment victims do not—you may well be on a treadmill to disaster because:

If no answer is filed to the creditor's complaint within 20 days, the court hands down a default judgment against you. The creditor now can move to attach your wages.

If the creditor, however, waits 90 days after the default judgment to serve a writ of attachment on your employer, the judgment can only rarely be attacked—even if it asks more than you owe, even if you did not buy the merchandise in the first place, even if the statute of limitations has expired on the debt. The full force of the law is now behind the creditor and, one way or the other, you are going to pay the bill.

You may not know that you may be eligible for an exemption, but your lawyer does, and he will seek it for you if you are entitled to it. This is an especially tricky field, especially for a layman.

The law seems, at least to a layman, to say that your income is exempt from attachment if it totaled $400 or less in the 2 months before the attachment was issued. The idea is that you need $50 a week for food and shelter, and this sum therefore should be exempt from attachment. In actual practice, however:

Some municipal court judges agree that the first $400 is exempt and that only income in excess of that can be garnisheed.

Others interpret the law to mean that nothing is exempt if your 2-month earnings topped $400 even by a nickel. Your fate may well depend on which judge is on the bench when your case comes up.

That suit of clothes—remember it?—cost perhaps $35 extra to start with. You may lose time off from work trying to escape the garnishment mess. Your wages may be attached, not only for the $53 balance but for court costs and 6 percent interest.

You may lose your job if your wages are attached more than once.

You may be evicted from your home because you have no money for rent.

Your children may go hungry because you have no money for food.

Even if you are entitled to an exemption, your wages will be frozen for 7 to 10 days until the court decides that you are eligible.

The question for you, then, is, how easy is such easy credit?

Mr. LANGER. Mr. President, I thank the distinguished Senator from South Carolina for introducing the bill. I hope it may have the attention of all Senators, because I know of no other piece of legislation, involving not only employees but also employers, which would be of greater benefit than a measure wiping out 48,000 garnishments in 1 year, which have blocked the orderly progress of our courts and have sent U.S. marshals all over the city. If we pass the proposed legislation it will save the courts and U.S. enforcement officials thousands of dollars.

Mr. MANSFIELD Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF "CODE OF ETHICS FOR GOVERNMENT SERVICE" AS HOUSE DOCUMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 103, House Concurrent Resolution 15.

The PRESIDING OFFICER. The concurent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (H. Con. Res. 15) providing for the printing of the "Code of Ethics for Government Service" as a House document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the consideration of the resolution some remarks concerning its scope and intent.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

House Concurrent Resolution 15 provides for the printing, as a House document of the "Code of Ethics for Government Service," as that code was adopted by the Congress as House Concurrent Resolution 175 of the 85th Congress.

I am informed that in addition to the regular distribution provided for a House document, 25 additional copies will be made available to each Member of the Congress. The estimated printing cost to be incurred under this resolution is $2,976.61.

Mr. MANSFIELD. Mr. President, I ask that the text of the concurrent resolution be printed at this point in my remarks.

There being no objection, the concurrent resolution (H. Con. Res. 15) was ordered to be printed in the RECORD, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document the "Code of Ethics for Government Service" as adopted by the Congress in H. Con. Res. 175, Eighty-fifth Congress. Such code shall be run in two colors and gold from letterpress plates reproducing engrossed artwork, hand lettered and appropriate for framing and office wall display. Stock for prints shall be one hundred and sixty pound white, size twelve and one-quarter inches by sixteen and one-quarter inches flat. Prints shall be inserted in white envelopes inside mailing brown envelopes of twenty-eight pound brown kraft, flaps sealed or tucked in with one corrugated board protector. In addition to the usual number, there shall be printed a sufficient number of extra copies to provide twenty-five copies for use and distribution by each Senator and each Representative. For the purposes of this resolution, the Delegate from Hawaii and the Resident Commissioner from Puerto Rico shall be considered as Representatives.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 15) was agreed to.

Mr. ALLOTT subsequently said: Mr. President, I wish to take this occasion to

congratulate Representative BENNETT of Florida for having originally submitted House Concurrent Resolution 15, which is Calendar No. 108. In my opinion, he has contributed to our Government service something which has been very greatly and very badly needed. I, for one, am very happy to support the concurrent resolution and to be here at the time of its adoption.

WELCOME TO THE INTER-AMERICAN BAR ASSOCIATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 112, Senate Concurrent Resolution 9.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 9) extending a welcome to the Inter-American Bar Association.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 9) was considered and agreed to, as follows:

Whereas the Inter-American Bar Association will hold its eleventh conference at Miami, Florida, during the month of April 1959; and

Whereas the purposes of the association as stated in its constitution are to establish and maintain relations between associations and organizations of lawyers, national and local, in the various countries of the Americas, to provide a forum for exchange of views, and to encourage cordial relations among the lawyers of the Western Hemisphere; and

Whereas the high character of this international association, its deliberations and its members can do much to encourage cordial relations among the countries of the Western Hemisphere: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States welcomes the Inter-American Bar Association to the United States, and wishes the association unparalleled success in its eleventh conference: And be it further

Resolved, That a copy of this resolution be transmitted to the Secretary General of the Inter-American Bar Association.

The preamble was agreed to.

JUNIOR ENGINEERS AND SCIENTISTS PROGRAM IN OREGON

Mr. NEUBERGER. Mr. President, during the past few years increasing public concern has been shown regarding the need of the United States for engineers and scientists. Statistics have been offered indicating that the Soviet Union is far outproducing us in this area and that the United States will suffer from a severe shortage of such personnel in the not distant future unless the rate of training is substantially raised.

A resident of my home city, Portland, Oreg., has played a key role in helping to interest young people in careers in science and engineering. He is Mr. Stanley Shirk, executive director of the nonprofit corporation, Scientists for Tomorrow. During the past 4 years Mr. Shirk has been instrumental in establishing summer institutes at American colleges and universities for high school boys and girls with an aptitude in these two fields. He has received wide praise for his efforts in this area.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD: First, an article published recently in the Medford Mail Tribune, of Medford, Oreg., and which describes the fourth annual Junior Engineers and Scientists Summer Institute to be held at Oregon State College at Corvallis, Oreg., this year; second, the text of an announcement issued by Scientists of Tomorrow explaining the scope and nature of the 1959 JESSI program; and third, an editorial published in the December 8, 1958, issue of the Oregonian, of Portland, Oreg., discussing the value of the JESSI approach in connection with our efforts to encourage expansion of science education.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Medford (Oreg.) Mail-Tribune]

JESSI PROGRAM AT OREGON STATE SCHEDULED IN JUNE

CORVALLIS.—The fourth annual Junior Engineers and Scientists Summer Institute for high-school boys interested in careers in the two fields has been scheduled for June 14 to 27 at Oregon State College.

The JESSI program has received wide praise and adoption in other areas of the country since it was launched at OSC in 1956 with 129 boys and 1 girl.

This year's program is expected to attract some 200 selected high-school boys from Oregon and adjoining areas of Washington, California and Nevada. A separate program for girls will be held at the same time at Linfield College.

To qualify for selection, students must have demonstrated high scholarship, have completed at least three courses in science and mathematics, and be recommended by their high school. Sophomores and juniors are given preference.

COVERS ALL FIELDS

The 2-week program covers all fields of engineering, mathematics, physics, chemistry, zoology, geology, bacteriology, botany, and modern languages. OSC professors are instructors and classes are kept small to permit individual discussion and training.

Students also have an opportunity to visit college research laboratories and observe operation of specialized science and engineering instruments, including the cyclotron, nuclear reactor, electron microscope, high-voltage laboratory, and electronic computers.

Sponsor of the program, in cooperation with the college, is Scientists of Tomorrow, a nonprofit Portland corporation formed in 1955 to promote interest in science. Stanley H. Shirk is executive director. At Oregon State College, F. A. Gilfillan, dean of science, and George Gleeson, dean of engineering, are in charge of planning the course of study.

Industries and organizations of Oregon, Washington, and California assist by providing scholarship funds for students who would not be able to attend otherwise.

FOURTH ANNUAL PROGRAM, 1959, JUNIOR ENGINEERS' AND SCIENTISTS' SUMMER INSTITUTE (JESSI)

What is the Junior Engineers' and Scientists' Summer Institute (JESSI) program?

JESSI is a 2-week exploratory-orientation session in the areas of science and engineering. In class size groups, which adhere to the instructional program planned by the host authorities, the students are in the hands of the faculties (experts) of the host institution learning:

(a) What science and engineering are about.

(b) What is included in the various branches of these areas.

(c) Something about the college program of studies and the study demands leading to graduation in these areas.

(d) That they must adopt sound study practices and procedures.

(e) That they must master the high school basics in mathematics, the sciences, and English if they wish to be prepared for the scientific and technical studies at the college level.

Because of the sequential nature of the subject matter and the rigorous study demands of the scientific and technical areas of learning, and because of the current propaganda and the need for top quality science and engineering recruits, an exploration in these areas, under the tutelage of the experts in their respective fields, is an invaluable aid to the student.

Students should present themselves as freshmen in the scientific and technical schools prepared both scholastically and psychologically for the job ahead. JESSI has been activated to fulfill a great need for exploration and orientation under circumstances which result in maximum receptivity by the student.

Who may apply for admission to JESSI?

Students who will enter the 11th or the 12th grade in September 1958; who have successfully pursued at least three courses (by the end of the 10th grade) to 4 courses (by the end of the 11th grade) of high school science and/or mathematics; whose teachers are certain that they can successfully pursue college studies in the science and engineering areas when the time comes; who are undecided about their college and/or vocational careers, or who plan to enter the engineering, medical, scientific, or teaching professions and are in need of scholastic and/or vocational guidance, or who, having made their career decision, wish to enjoy full confidence that they have chosen wisely.

How are the applicants selected?

(a) On the recommendation of the high school principal.

(b) On the basis of their high school scholastic record, especially in English, mathematics, and science. Final screening is done by the host authorities.

(c) On the availability of money in the JESSI student assistance fund for aid to those who are in financial need.

(d) On the basis of capacity enrollment. Capacity is determined by the host.

(e) A student residing in one JESSI area may not apply for admission to a JESSI in another local without special permission from Scientists of Tomorrow.

How many JESSI sessions have been held to date?

	1956	1957	1958
Brigham Young University, Provo, Utah		[1]	[1]
Clemson A. & M College, Clemson, S.C.			[1]
Kansas State College, Manhattan, Kans.			[1]
Linfield College, McMinnville, Oreg.			[2]
Montana State College, Bozeman, Mont.		[2]	[2]
University of Nevada, Reno, Nev.		[2]	
New Mexico College of A. & M.A., Las Cruces, N. Mex.			[2]
North Dakota Agricultural College, Fargo, N. Dak.			[1]
Oregon State College, Corvallis, Oreg.	[1]	[1]	[1]
Total	1	4	8

[1] Boys.
[2] Girls.
[3] Boys and girls.

Does JESSI conflict with or duplicate the work of the schools?

No. JESSI supplements the guidance program and offers a service to the student which the schools are not prepared to give. JESSI is not an instructional program and will not conflict with that of the schools; it is a program of exploration and orientation.

The schools have warmly welcomed JESSI as a means of fulfilling a great and felt need by the schools, the students, and their parents, and have cooperated in getting the JESSI message before those students who are qualified to pursue college studies.

What is the per student cost in a JESSI session?

Per capita costs vary with enrollment and local campus costs. The average total coverage cost is $120 per student for the 2 weeks on campus, in an enrollment of 125, for the projected 1959 program of 15 sessions.

How much of this cost must the student pay?

There is no mandatory fee in any JESSI session. A mandatory fee sets up a barrier to admission, and many highly qualified students from the lower economic brackets are automatically eliminated. However, applicants are encouraged to pay as much of the per capita cost as they can afford. The student pays the cost of transportation from home to the campus and return.

[From the Oregonian, Portland, Oreg., Dec. 8, 1958]

JESSI AT STAKE

Among the National Science Foundation programs designed to accelerate education in the sciences is one that raises fears as well as hopes. This is the proposal of the NSF to finance at cooperating colleges a number of summer study sessions to provide opportunities for high-ability high school students "to study and work with experienced scientists and mathematicians.

On its face, the program appears highly desirable. It could, however, result in the loss of valuable ground in the very cause it seeks to serve. For there is already a promising, privately sponsored summer program for young scientists, and its existence is directly threatened by the Government program.

Scientists of Tomorrow, a nonprofit corporation with headquarters in Portland, conducted its first annual Junior Engineers' and Scientists' Summer Institute (JESSI) in 1956, with Oregon State College acting as host. Since that time there have been 13 JESSI sessions on 9 campuses in 8 States. Students spend 2 weeks exploring pure and applied sciences under the guidance of the faculty of the host institution. Students pay their own tuition or are supported from grants by interested industries.

OSC President A. L. Strand points out that if the Government-supported sessions force JESSI out of operation the contributions and interest of industries will be lost.

The summer sessions sponsored by Scientists of Tomorrow began, incidentally, long before sputnik. They should not be allowed to die for lack of a fair chance to compete with Government dollars. There is no apparent reason why the NSF program should not cooperate in the maintenance of the JESSI sessions at Oregon State College and other institutions where they have been so successful.

THE SHORTAGE OF PROFESSIONAL NURSES

Mr. NEUBERGER. Mr. President, the New York Times, which is one of the leading newspapers in the United States, if not in the world, on March 23 published a most timely and pertinent editorial about the shortage of nurses. This particular problem applies not only to New York City, but also to the entire Nation.

I am very much pleased that the distinguished senior Senator from Minnesota [Mr. HUMPHREY] is the sponsor of a bill to provide Federal aid for the education of nurses. The bill sponsored by the Senator from Minnesota is the counterpart of a measure which is under consideration in the House, and which is sponsored by Representative EDITH S. GREEN, who represents the Third Congressional District of Oregon, where Mrs. Neuberger and I make our home.

The editorial in the New York Times strongly emphasizes the need for some form of Federal assistance of this kind, so that more outstanding young women in our country can be educated as nurses. Nursing is practically the only form of education in which the participant has to work almost exclusively in order to pay for her tuition and training. She must take care of the sick, prepare meals, empty bedpans, and perform exceedingly difficult work, both day and night, in hospital wards, laboratories, and in other services.

Until recently virtually no assistance has been given by the U.S. Government to make certain that the country has a sufficient number of registered professional nurses. In order to call the attention of all Members of Congress to this very lucid editorial entitled "Wanted: More Nurses," I ask that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WANTED: MORE NURSES

The critical shortage of professional nurses reported here by Dorothy Weddige, director of nursing services, is a problem not confined to New York. Most of the same conditions exist at many other points in the country. But this report, supported by the commissioner of hospitals, puts some aspects of the question in a dramatic light.

At present, fewer than 29 percent of the staff or general duty positions are filled. Less than half of the posts that require registered nurse degrees are occupied. With extra work, practical nurses, aids, and volunteers in some categories the nurses have tried to keep up the standard of service. But the community is asking more of them than it should.

There are several reasons for the shortage, here and elsewhere. First, obviously, is the enormous expansion of hospital care. The whole function of the hospital in relation to the community has changed. The change requires increases in personnel that have simply not been made.

The reason for this, in turn, is partly economic. Because all costs have been rising steadily, hospitalization has also become increasingly expensive. Our hospitals, both public and voluntary, simply have to have more money—a great deal more money—if they are to do the job we expect them to do. For those already in service, nurses and others, better compensation is a matter of justice.

The other aspect is that the compensation for nurses must be made higher if more persons are to be attracted to the service and kept in it. Similarly, the workload must be reduced. The old stereotype of the immaculate and beautiful nurse sitting at the bedside and smoothing the fevered brow is nonsense. Nursing is mostly hard work and often very dirty work. Its rewards, in the economic sense, have been virtually nonexistent in proportion to the services rendered.

Because of this, most of the persons who go into nursing do so with a sense of dedication and devotion. In few professions, indeed, is there a greater degree of real vocation. The public should recognize this and reward it, rather than penalize it and profit by it. It is hard to imagine how, in most cases, we could get better nurses. But we need many more of them.

REFERRAL OF PRESIDENT'S MESSAGE ON FORESTRY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President's message on forestry be referred both to the Committee on Interior and Insular Affairs and to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. NEUBERGER. I thank the distinguished junior Senator from Montana for making it possible for both the Committee on Interior and Insular Affairs and the Committee on Agriculture and Forestry to consider the President's message on forestry.

The Senator's colleague, the distinguished senior Senator from Montana [Mr. MURRAY], has long been active in the consideration of national forest problems, such as access roads, recreation, watershed protection, and similar problems which arise in Montana, Oregon, and all the other States of the West.

I think the dual disposition of the President's message on forestry by having it referred to both committees is in the public interest.

Mr. MANSFIELD. I thank the distinguished Senator from Oregon. He also has shown great interest in this particular field, and has had much to do with the accomplishments in it.

Mr. MANSFIELD subsequently said: Mr. President, in line with the request previously made, let me inquire whether the forestry message has been received from the President.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). No; the message has not yet been received.

Mr. MANSFIELD. Mr. President, I understand that the President's message on forestry is now on its way to the Congress. I ask unanimous consent that the Secretary of the Senate be authorized to receive the message, and that it be referred to the Committee on Interior and Insular Affairs and the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 125, House bill 5640.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, which had been reported from the Committee on Finance with an amendment.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate now stand in adjournment until tomorrow, at 10 o'clock a.m.

The motion was agreed to; and, at 3 o'clock and 2 minutes p.m., the Senate adjourned, the adjournment being under the order previously entered, until tomorrow, Wednesday, March 25, 1959, at 10 o'clock a.m.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 24, 1959

The House met at 12 o'clock noon.

Rev. Charles W. Holland, Jr., Fountain Memorial Baptist Church, Washington, D.C., offered the following prayer:

The Psalmist has said, Psalms 55: 22: *Cast thy burden upon the Lord, and He shall sustain thee: He shall never suffer the righteous to be moved.*

Gracious, eternal, and merciful God, our Father, we thank Thee for the promise we have just read from Thy Holy Guide, the Bible. We know that this promise is made on the premise that men have experienced regeneration.

We realize, dear Heavenly Father, that sometimes we become so engrossed about our own spiritual poverty that we forget that our Representatives have anxieties, personal problems in the home, and spiritual needs.

Help each person in this great body to place himself in position to receive the promise made in the Psalm we read.

This we ask in Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 722. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 23]

Aspinall	Flood	Polk
Bass, Tenn.	Flynt	Porter
Breeding	Frelinghuysen	Powell
Broyhill	Hall	Riley
Buckley	Hosmer	St. George
Carnahan	Johnson, Colo.	Short
Carter	Keith	Taylor
Celler	Lafore	Vinson
Clark	McDonough	Weis
Coffin	Martin	Willis
Dawson	Multer	Withrow
Dingell	Osmers	
Fino	Philbin	

The SPEAKER. On this rollcall 386 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1959

Mr. THOMAS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 3 hours, one-half of that time to be controlled by the gentleman from Iowa, Mr. JENSEN, and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5916, with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. THOMAS. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, I do not believe there will be a war over the pending Berlin controversy, but no one can be certain about it. Khrushchev has issued an ultimatum. He has given us until May 27 to get out of Berlin and to stand not or the order of our going. President Eisenhower has told the American public and the world that we will not yield an inch on the fundamental principles involved. There we are.

This impasse is tempered, perhaps, by the prospect of a summit conference, but conference or no conference, back of it all is the implacable situation in which Khrushchev finds himself in East Berlin and East Germany.

The humiliating contrast between the economies of East and West Berlin and East and West Germany is graphically and mercilessly demonstrating the failure of communism in actual practice and is weakening the hold of the Kremlin on the other Russian satellites.

The rapidly growing divergence between the free economy of West Berlin and the communistic paralysis of East Berlin is now becoming so obvious that it can no longer be concealed or explained, and Khrushchev is under the desperate necessity of bringing it to an end at almost any cost, even at the cost of war or the risk of war.

On the other hand, West Berlin has become a symbol of freedom all over the world and cannot be abandoned by the allies without conceding utter defeat. And the President has announced unequivocally that we have no intention of deserting a free people.

Even a summit conference will prove futile to Khrushchev unless he succeeds in getting West Germany out of NATO and unless he gets American troops off the European Continent. He must get rid of the American troops or he must concede before the world the utter failure and defeat of communism. So eventually it comes back where it started.

Always we have stood irrevocably for a united Germany; always we have insisted that all Russian satellites must be free. And as late as last November the Department of State resolutely resisted overtures for basic negotiation.

The President himself has been opposing a summit conference and the recognition which such a meeting implies. Much of this we may relinquish if we grant Khrushchev the summit conference he has so long coveted and with it we grant recognition establishing him in the eyes of the world as the recognized head of a world power of the first magnitude.

Mr. Chairman, what has brought to this humilating position the great American Nation which in 1945 dictated terms of peace to the world and compelled Germany and Japan, the greatest military powers of all time, to sign on the dotted line without the change of a single word in the terms of surrender? From the commanding position we have dropped to where we may have to compromise with the demands of the dictator. We are in a position strikingly similar to that of the British Government when Prime Minister Chamberlain was compelled to sign the disgraceful treaty of Munich because Hitler had developed modern weapons—while England slept.

Russia likewise has developed modern weapons, while we were preparing to fight the next war with the weapons of the last war. Russia is now conceded by witnesses appearing before our committees to be 2 or 3 years ahead of us, especially in missiles, just as Hitler was ahead of England in air power.

It comes as a shock to the American people to suddenly awake to the fact that after we originated the submarine, the airplane, the atomic bomb, nuclear

power, and nuclear warheads; after we originated them Russia has taken them out of our hands and is now holding them over our heads with brusque orders to us to get out of Berlin and abandon every principle for which our Nation has stood for nearly 200 years. If this conference brings war as the conference of Munich brought war, there is also a shock in store for the Members of Congress. Attack would come suddenly from the air as it came to Rotterdam and as it came to Hiroshima.

Washington would be in the first list of cities to be bombed. With possibly a 15-minute alert, or less, every Member of this House would die. Not at some disputed barricade, or on some scarred slope of battered hill, but here at midnight in this flaming town; each of us has a rendezvous with death.

Some time ago the Navy printed a secret report, excerpts from which were published in the CONGRESSIONAL RECORD of the last Congress. It stated that enemy submarines firing missiles at the comparatively short range of 250 miles—and they now have missiles with a range of 5,000 miles—Russian submarines firing missiles at the comparatively short range of 250 miles could devastate most of the major cities of the United States. And up to this time no defense has yet been devised that is effective against the ballistic missile. Last week the magazines carried a statement by Rear Admiral Thach to the effect that 12 submarines deployed off coast could decimate 70 percent of the Nation's economy at one blow. And Russia has over 600 submarines. And of course, bases in Northern Russia would supplement the attack with planes over the North Pole. In fact, so complete is the potential coverage that military authorities have questioned whether our policy of massive retaliation after the first blow is now practical.

To help meet this attack the Generals prescribe an army of 900,000 men. Last year the President tried to make a slight reduction in that number. He urged that the force be reduced to 870,000 men. He said he had no use for more than 870,000 men. He said he actually had no place to put them, but the Pentagon was adamant and, of course, the House and the Senate stood by the generals. I ask you frankly and in utmost sincerity, my friends, if we had an army of 1 million men what help would it be when these missiles come from the sea and the sky? If we had not 1 million but 10 million men—what could they do? What help could they render? What defense could they offer?

Modern warfare no longer needs masses of troops or trenches or Maginot lines. There is no longer a no man's land. The remotest village is subject to attack. War today is a matter of machinery and chemistry. It requires small forces made up of technicians and expert mechanics who make a life career of the service, and should be paid accordingly. And yet, this House, at the behest of the generals, demands that we draft every boy in the land, bring them in from the fields and the shops. And the generals drill them. "Hayfoot, strawfoot; hayfoot, strawfoot."

Effort has been made to leave the impression that "when the nuclear war is over" the surviving ground forces can take over. How absurd. When we lose control of the air we are through. That is the end—the end of everything.

During the Second World War when the German Army of occupation was moving into France—and you will recall that at that time that the French had one of the top armies of the world—the French Army repeatedly held the line and launched counterattacks which drove the enemy back. But in each instance, a German plane would drift down and drop a bomb at the head of the French column, and the victorious German offense would surge forward again. The French commanders telegraphed back frantically to Paris: "Send us planes, for God's sake, send us planes!" But there were no planes to send. Modern equipment overwhelmed the great French Army.

And under like circumstances we also may have occasion to feel the same need of modern defense measures which overwhelmed France.

We will never again send an American expeditionary force to Europe, or anywhere else. Russia's 175 divisions will sweep to the English Channel practically without interruption anytime the Kremlin issues the order.

Khrushchev tells us the next war will be fought in the United States. And General White said the other day it would require only 2 to 4 days to conclude the decisive phase of a nuclear war. The war would be over in less than a week.

So what would we do with our footsloggers?

Why has America dropped behind the Russians? We invented and built the first submarines, the first atomic reactors, and we first applied nuclear propulsion to naval vessels.

We have the finest scientists, the best electronic engineers, and the most expert technicians in the world. By every rule of reason we should have maintained the undisputed lead in missiles, nuclear-propelled submarines, and all the war material with which Russia today threatens us.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. THOMAS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CANNON. But the admirals, and the committees of the Congress which they persuasively influence, concentrated attention on carriers. Russia has copied everything we have produced that was worthwhile, but they have never been silly enough to waste either time or money on carriers.

The admirals have devoted every resource to carriers. They have monopolized the time and service of our best engineers, scientists and skilled workmen, and the most valuable of our strategic materials and a few Saturdays ago they launched a carrier that is the most intricate and most expensive single piece of machinery ever built. It travels at a snail's pace, in this age of supersonic speed, surrounded by fleets of service ships, destroyers, and submarines. It is vulnerable from below and above. It could not be hidden in the widest ocean on the darkest night. Into it and its sister carriers have gone the time and attention and work that should have gone into missiles and submarines. And the loss of America's leadership and destiny of a free world.

The one redeeming feature of the whole dismaying debacle is Admiral Rickover. But for him the Navy would today lie naked to the enemy.

Admiral Rickover was the Billy Mitchell of the Navy. Despite every obstacle the naval hierarchy could throw in his way, he built the Nautilus, and to that extent redeemed the Navy's otherwise barren record.

But it had to be carried to the President himself and not until the President said, "Let him try it" did he have the opportunity to develop the one weapon which can take the place of the SAC—the Strategic Air Command—when that great organization, in the inevitable processes of time is eventually outmoded.

Too much cannot be said in recognition of President Eisenhower's knowledge and understanding of the situation. He is by training, capacity, and experience the most eminent military authority in the world today. He ranked high at West Point, commanded the Allied forces in the Second World War and has served for 6 years as Commander in Chief. He cannot and would not succeed himself. There is no public position to which he could or would aspire. He is in the last stages of his administration. He can have no possible motive except to serve his country.

The President insists that national defense involves not only military defense but economic defense.

Efforts have been made to leave the impression that he is willing to sacrifice security for a balanced budget. Nothing could be further from the facts. And he has repeatedly made that plain to the Congress, to the press, and to the Nation.

He emphasized the importance of living within our means. And here again a mistaken impression is being disseminated. There are those who would have us believe that the excessive spending which is throwing the budget out of balance, is for defense. The spending which is unbalancing the budget is for nondefense purposes, as is evidenced by the table at the close of remarks following the receipt of the President's budget message on January 19, 1959.

It is nondefense expenses which are throwing national estimates out of balance and not defense expenditures.

Under excessive spending the cost of government has risen out of all proportion to our increase in wealth. The current year deficit of over $12 billion exceeds, in time of peace, the entire expenditure of the Federal Government two decades ago.

We have had 23 deficit years out of the last 28 years. Although the 6 or 7 years have produced the largest national revenues ever enjoyed by any nation in any period of time, we have in that period added some $19 billion to the national debt and for the first time since World War I, we have raised the debt ceiling twice in 1 year.

We are collecting the highest taxes ever exacted from the American citizen. Interest on the public debt is taking approximately one-tenth of all taxes collected.

So heavy have been the appropriations urged by the President and passed by Congress that the Treasury faces a crisis today in refunding Government bonds, and rates of interest paid by Government have risen above anything recorded since the Civil War.

Hardly anybody wants Government bonds. People are turning away from Government securities and inflation is the result.

The dollar is now worth 48 cents in terms of what it was worth in 1939 and the cost of food at the corner grocery has tripled in that time.

And again the Russians are waiting just around the corner. You will recall that Lenin, the progenitor of modern Russia said: "Germany will arm herself out of existence; England will expand herself out of existence; and the United States will spend herself out of existence." The first two predictions have at times come close to consummation and the third is awaiting the decision of this Congress.

There are men here in Congress who consciously or unconsciously are waging a determined battle against a stable dollar.

They are urging the expenditure of money we do not have for things we can get along without. Lenin could not do a better job of it if he were on the floor. If they dictate Federal expenditures it is only a question of time until instead of a 48-cent dollar we will have a 10-cent dollar.

May I add my voice to those who are now earnestly urging that we listen to the President and secure a balanced budget. Cut the waste out of the Army and the Navy; reduce nondefense expenditures. This we must do because under the best of circumstances defense outlays will necessarily continue to be heavy and burdensome.

There is not too much basis for hope about what is going to come out of the summit conference. Khrushchev must have Berlin, and we cannot surrender it. We must be prepared for what may come by maintaining our economic defenses as well as our military defenses.

Mr. JENSEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, whenever we read or listen to these self-styled military experts and military strategists such as we have just listened to, as to how ill-prepared the United States of America is today, we could become greatly alarmed and, in fact, really scared were it not for the fact that like almost every Member of Congress and every well-informed American, I know, as a member of the Subcommittee on Appropriations for the Atomic Energy Commission, the committee that initiates appropriations for the Atomic Energy Commission and all its activities, that we are well prepared in every field of our military defenses to meet any enemy on land, sea, or air. Of course, part of their justifications are classified, which means highly secret. But without divulging any secrets I must say that never do I leave that hearing room after listening to our great scientists, engineers, and nuclear experts, that I do not feel a wonderful sense of security. The members of that committee who listen to those experts, those able devoted patriotic Americans, cannot help but feel, after we know all the facts relative to our atomic energy and nuclear science development and abilities, that we should be truly thankful for those great men.

Mr. Chairman, there is another fact that always gives me a further sense of security. Recorded history proves that the forces of the devil have never been the ultimate victors over the soldiers of the cross. And they never will be so long as God is in his heaven. And He will be there a long, long time.

Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I am sorry the distinguished chairman of our committee concluded his remarks and withdrew from the well of the chamber before I had an opportunity to ask him a question. I wanted to associate myself with his remarks and to congratulate him on what I consider to be a very important and significant statement.

Then I wanted to ask him to confirm the fact that in this bill we are considering today there is provided $2.4 billions in supplemental appropriations, but we do not have a dime of that money. The Federal Treasury is already empty, and we face a prospective deficit at the end of this fiscal year of perhaps $12 billions.

I am answering some of the telegrams I have received from people in all walks of life asking me to vote to increase appropriations by saying to them, "Where do you expect to get the money? Where do you propose that taxes be increased? Is there not a limit to the amount of money we ought to appropriate? How long can we continue a policy of appropriating more money than we have and stay solvent?"

I am concerned about the situation. Other members of this committee are concerned about it. The chairman is concerned, and he and the ranking minority member have repeatedly come to this well and urged the members of this committee to be prudent in the voting of more appropriations.

I remember a great man once said when he was running for the presidency for the first time that a government is like an individual or a business, it can spend more money than it takes in for a few years, but if it continues that policy indefinitely it ultimately means the poorhouse or bankruptcy.

Of course, the Federal Government cannot go bankrupt as long as we own printing presses. But what is the difference between being bankrupt and utterly destroying the value of our money? I am sure there is not a Member of this body who would like to see us relegated to the position Germany was in a few years ago when a housewife had to take a wheelbarrow to carry enough money downtown to buy a loaf of bread.

We on this committee are going to be subjected to a lot of criticism for the bill presented to you for your consideration here today. I already have a stack of telegrams and letters in my office more than a foot high. They come from Governors, mayors, doctors, lawyers, welfare workers, school superintendents, school boards, Indians, members of the armed services—they come from people of every walk of life, all urging that I vote to increase appropriations. Not a single message that I have received since this bill came under consideration has indicated where we might find the money to pay the bills. I have not had a single communication this year urging that taxes be increased. I have not had a telegram from a constituent or from any other person in the United States urging that taxes be increased or that spending be curtailed. They all are insisting, urging, and pressing for increased appropriations.

Those of us who feel that a government ought to be run prudently or run the way a prudent businessman runs his affairs are going to be subject to a lot of criticism on this floor, as has already been the case in the press, and elsewhere, because we have made some cuts in this bill.

I did not volunteer for service on this committee. Frankly, I was a little surprised when I was assigned to it. I do not know yet why I was assigned to it. But from the experience I have had in serving on this committee, I frankly state that I would not recommend it as a place to win friends or develop popularity. This bill runs the entire gamut of Government operations, from every agency in the Department of Agriculture to every office and agency in the Department of State. It extends from the White House to the legislative branch—and as you are all aware since last Friday, it includes the District of Columbia. Every sensitive program in Government is included in this bill.

Do you know this bill covers more than 300 separate appropriation items? Our hearings began in the middle of February and were concluded only a few days ago. They are incorporated in a volume containing more than 900 pages, and we heard more than 250 witnesses—all asking for more money. Now you can become brainwashed after you listen to so much of that. It is all very one sided. I wish some time we would have a request come from a Member of Congress or from a taxpayer or a citizen for the privilege of being heard to request that we live within our means and stop spending money that we do not have for current expenses. That would be an interesting and novel experience.

Now I do not intend to stand here today and argue that everything the committee did was right. Who knows? But what I do say is that the committee seriously and earnestly considered all of these proposals for additional spending against the background of the money that is available. We made some cuts all along the way—not because we are not in favor of children having an education—not because we are indifferent to the need for improving our educational system in the United States—

not because we are not in favor of better health conditions—not because we want to deprive the Capital City of the United States or any other community of essential services—but, simply because we are, to my way of thinking at least, trustees of the tax revenues of this Government. I think the time has long passed when Members of the Congress ought to seriously consider the financial condition of our country and discontinue the fatal habit of spending year after year more money than we have.

I anticipate that some of the programs financed in this bill will be increased. I do not pretend that the committee has the last word on this subject or with respect to any of them; all I ask is that in the course of the debate those of us who will resist some of the efforts to increase the bill be credited with being motivated by good faith. We have taken the position that there is a limit to the amount of money we can appropriate.

I would like to close these few minutes of general discussion by repeating what I said at the beginning, and that is that every dollar we finally include in the bill here today will be money we will have to borrow. Uncle Sam simply does not have any of this money to spend. Just remember this—every dollar you vote to appropriate in this bill will have to be borrowed and some future generation will have to repay it.

Mr. THOMAS. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, this bill that is before the Committee of the Whole today is the second supplemental bill making appropriations for 1959. It is based on recommendations of the Bureau of the Budget totaling $2,844,954,526. This committee has reduced that amout by $385,432,032.

Just as the distinguished gentleman from North Carolina mentioned a moment ago, this is an opportunity for the Congress itself to work its will. As he indicated, this is the kind of committee that makes no friends; it is the kind of committee, however, that is necessary if we are to meet the obligations and responsibilities that fall on the Congress with regard to the financing of various departments and agencies.

Let me by way of diversion try to answer the question the distinguished gentleman from North Carolina asked when he said he did not know why he was placed on this committee. I think his very wonderful statement a few moments ago indicates quite clearly why the minority placed him on the full Appropriations Committee, and why his services were sought on this deficiency and supplemental Committee on Appropriations.

I take the time also to commend the distinguished gentleman from Texas who is chairman of this committee. I serve on another subcommittee, that of independent offices, of which he is chairman. This is my fifth year under his wing, and I say without reservation that there is no man in the Congress who devotes himself as thoroughly to the job than he does with reference to appropriation bills. He, indeed, is a very great Member of this Congress; he is a great asset to the United States of America.

This committee over the past couple of days has been subjected to a considerable bit of criticism. That is to be expected, as the gentleman from North Carolina [Mr. JONAS] indicated. We are dealing with 300 agencies; you cannot satisfy them all. As a matter of fact, a long time ago I learned one of the great axioms of politics; that no one satisfies everyone, and that if you try to you do not survive. This committee has been subjected to pressures, people coming into our offices, telegrams, telephone calls, employees of about every department of the Government of the United States, but that is all well and good, it is as it should be; it is the way to learn things even though sometimes we make mistakes.

The reduction of $385 million was accomplished by specific reductions in some programs.

It was met by the elimination of some programs. It was also done by reducing, which to my mind was one of the most controversial of the issues which faced the committee, expenditures which were necessitated by the increase caused by the pay raise of last year. All that we did in respect to that particular item was to try to apply a yardstick to the number of vacancies which occur in each department. We determined that there was a department that had a specific number of vacancies, unfilled jobs, as of the date this bill was heard, and we determined the amount of money for which appropriations had been made for fiscal 1959. So we reduced in many instances the amount of requests that the specific department made for the particular pay increase occasioned by the law of last year.

I do not agree with all of the recommendations of this committee. I so stated within the subcommittee and I so stated with the full Appropriations Committee. I dissent from some of the actions of that subcommittee and the full Appropriations Committee. I think that some of the cuts went too deep and some of the programs that were eliminated ought to be restored.

Many amendments will be offered to this bill today. I intend to support some of those motions to amend the bill. Specifically, I favored within the subcommittee and within the full committee, efforts to appropriate sufficient funds to keep the National Defense Education Act alive for the remainder of the fiscal year in most of the programs for which the Office of Education asked for funds.

The National Defense Education Act imposed upon the Office of Education a number of obligations. I take this opportunity to commend the Commissioner of Education, Mr. Derthick, and his staff for the manner in which they have worked to get this vast program under way. It has been a difficult task and it has required long hours of study, planning and programing. The employees have worked night and day, and sometimes 7 days a week, to get the program started with a minimum of delay and friction. The testimony indicates that this has been done but its full realization cannot be accomplished without giving the funds—at least some of the funds anyway—requested by the Department of Health, Education, and Welfare and approved by the Bureau of the Budget.

Mr. Chairman, any effort to implement the other activities of the Office of Education under the National Defense Education law by appropriating the funds requested will have my support.

The Office of Education requested money to implement six defense educational activities in an amount totaling $75,300,000. The committee has approved the full amount for Activity No. 1, $25 million for student loans, but it disallowed $50 million for the remaining five activities. I disagreed with some parts of the committee's action and indicated that I could not support it with reference to the activities embracing, first, science, mathematics, and foreign language instruction; second, national defense fellowships; third, advanced training in foreign areas and languages; fourth, educational media research; and fifth, grants to States for statistical services.

The remaining program, listed as Activity No. 5, guidance, counseling and testing, requesting $2 million for grants to States and $1 million for institutes for counseling personnel is a program that I have little stomach for. I joined with the committee in eliminating all funds for this activity. I am convinced that this burden ought to be carried by the States and the local communities. As a matter of fact, a great number of local school departments and school districts have been engaged in this kind of program for a good number of years. This is a field that the Federal Governmen ought to stay out of, and the most effective way to guarantee this is to eliminate the money.

I am not impressed by the argument that these grants will stimulate all school areas to get into the guidance and testing business. Common sense and community pride in their students ought to jog these areas, lacking this kind of a program, to insure that the boys and girls of their school districts are entitled to the great advantages that this program offers. But it ought to be done on their own and with their own money.

I am deeply concerned over the action of the full Appropriations Committee in striking out of the supplemental bill the entire amount of $225 million requested under the mutual security program and approved by the Bureau of the Budget.

The subcommittee recommended $100 million, and this approval came after wrestling with this problem for many hours, many times, and many days. The $100 million figure was a compromise. I asked consideration for and I personally preferred a larger amount. An amendment to restore the amount of $100 million that the full committee eliminated will be offered a little later. I sincerely believe that it would be little short of tragedy not to restore at least this amount. The chairman of the full Committee on Appropriations in this

well a few moments ago indicated that Khrushchev said that when we fight the next war, it will be fought in the United States. The elimination of this program, cutting this particular program back, or scuttling the program entirely—and this is what we will do if we fail to appropriate some money for the Development Loan Fund—will guarantee the fact that the next war might well be fought in the United States. For we will have no friends anywhere to help us carry the burden.

I disagree to some extent with the way in which funds were handled for the District of Columbia, and I specifically disagree with reference to the Federal payment for the District of Columbia. Federal payments in varying amounts have been made to the District of Columbia ever since the Nation's Capital was established here. In 1921 the Congress discontinued the practice of picking up the tab for 50 percent of the cost of operating the District of Columbia, and since that time the percentage has fluctuated markedly, 39.5 in 1924 down to some 12 percent in 1954 and recently about 16 percent. When the officials of the District of Columbia appeared before our committee they indicated that there were a number of unfilled jobs in all of the departments in the District of Columbia. There are 24,000 employees in the District of Columbia. There are some 900 or 1,000 vacancies, so with respect to the pay increase which was occasioned by the legislation last year we reduced that amount by considering vacancies. I think when we reduced the request for Federal payment of $9 million to $2.5 million, we made a serious mistake, and this is the area in which I hope that the committee will accept an amendment which will grant a substantial number of millions more dollars so that the cost of the pay increases, the cost of running the fire, police, health, and a myriad of other agencies that are in this great city will not be impaired.

I know that this has been a difficult job for the chairman and the other members of the committee. And, just as our colleague, the gentleman from North Carolina [Mr. JONAS], indicated, I hope that the Members will give very deep and careful consideration and attention to the amendment which will be offered here. I trust, in most instances, the action of the committee will be supported by the great majority of the Members of this Committee.

Mr. JENSEN. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I take the floor at this time to speak primarily, in fact exclusively, to the reduction which was made in the President's program as far as the Development Loan Fund is concerned. As has been stated here before, the President recommended in the supplement $225 million. The Deficiency Subcommittee proposed $100 million, and in the full committee last Friday the $100 million amount was stricken from the bill. It is my understanding that a proposal will be forthcoming during the consideration of the bill for a restoration of the $100 million.

I think it would be helpful to the Members if a bit of history was recalled concerning this item in the last session of the Congress. I speak now as a member of the Foreign Operations Subcommittee of the House Committee on Appropriations. This is my seventh year on that subcommittee and, of course, in the last session of the Congress, I participated in the consideration of the bill from its inception.

The House of Representatives in the appropriation bill last year for the Development Loan Corporation recommended $300 million for the program. This was in contrast to the $625 million that the President recommended. The bill went to the Senate, and the Senate restored the amount up to $580 million. In conference we had the difference between $300 million and $580 million.

As I recall, that was one of five or six items that were before the conference committee. Actually there was a difference of about $420 million in total between the House version and the Senate version overall. The House had approved a total of $3,078,092,500. The proposal as it passed the other body was in the amount of $3,518 million. There were about five items in disagreement. The conference report was finally approved by the 85th Congress on the last day of the session. It was agreed by the conferees we should take approximately $200 million of the difference and distribute it in about four areas. This meant we would not be anywhere near the full Senate figure in the Development Loan Fund area. As far as the Development Loan Fund is concerned this statement appeared in the conference committee report on page 4:

> The amounts contained in the bill agreed to by the conferees were too small in the view of some of the conferees, especially in the Development Loan Fund. It is understood that if additional funds are needed next January for the purposes contained in this bill, the Appropriations Committees of the House and Senate will give earnest consideration to the recommendations of the Executive in view of the importance of maintaining our friendly relations with countries with whom we have undertakings.

This conference report was signed by all members of the House conference committee. The chairman, of course, was our distinguished friend from Louisiana, OTTO E. PASSMAN. His name heads the list of those who signed this conference report.

As a result of that statement the President submitted to the Congress this supplemental or deficiency request for $225 million. The Deficiency Subcommittee held hearings on the President's recommendations for the $225 million, and after due deliberation recommended to the full Committee on Appropriations $100 million. They did—and when I say "they" I mean the Deficiency Subcommittee—consider the President's views and their official recommendation to the full Committee on Appropriations was $100 million. It is my hope that an amendment will be offered to restore the $100 million, and I, for one, intend to support it.

I am not so sure that it is adequate, but it is in accord with the views of the members of the Deficiency Subcommittee for whom I have great respect, and consequently I shall abide by their initial views or recommendations.

Now, what is the story as to the Development Loan Fund in and of itself? If it has not already been said, I am sure it will be said that the program has too much money. What are the facts? The program was initiated in the fiscal year 1958 at which time the Congress made available $300 million.

In fiscal year 1959 President Eisenhower recommended $700 million for Development Loan Fund. The Congress made available $400 million. The House had recommended in its version of the bill $300 million, and the Senate $580 million. We struck a balance of $400 million in the final version of the bill. So in the 2 fiscal years 1958 and 1959 the Development Loan Fund has had $700 million available for the various projects that have come before it.

What is the obligation picture? As of March 20, 1959, this is the exact situation: Loan and guarantee agreements signed—those are firm obligations of this Government with those who are seeking to benefit from this program—$474.3 million. Loans approved on the basis of letters of advice pending, $18.4 million. Project commitments on letters of advice already issued, $159 million. Other project commitments, and these are limited to the Philippines and Turkey, $46.2 million. This makes a total of $697.9 million either obligated or committed by letters of advice, leaving a balance of $844,000 for the remainder of this current fiscal year, slightly over 3 months until June 30.

Some people are bound to raise the question, and I think it is a legitimate one, that these letters of advice are not really obligations. I like to use this analogy, and I think it is apropos. I guess all of us during our lifetimes have gone to a bank to borrow money on a house or a business. We submit a proposal. We tell the bank that we will do this. The bank looks over our project and normally writes us back that "If you meet these conditions, we will lend the money for your home or for your business."

When I have that letter from the bank, the lending institution, I have the personal feeling that if I meet their stipulations I have a firm commitment from the bank to get money for my home or for my project. Believe me, if I meet those criteria and then they, the bank, back out, I do not feel very sympathetic to the lending institution, and my attitude toward bankers goes down correspondingly.

The situation here is quite similar as far as the letters of advice are concerned. The individual group in a certain country submit to the Development Loan Fund a project. The Development Loan Fund Board of Directors look over the project. They determine that it is either feasible or not feasible. If they think it is sound, they issue a letter of advice. When the prospective borrower receives that letter of advice he has the feeling,

and it is a legitimate feeling, that if he meets the established criteria, in effect the Development Loan Fund has made a commitment by the letter of advice.

Let me read to you a letter of advice. This is one dated February 20, 1959.

This letter is written to Fred H. Sherwood, secretary, Productos de Kenaf, Guatemala. This is a Guatemala project. The letter is as follows:

DEAR SIR: I am pleased to inform you that on the basis of the proposal previously submitted by your firm and the discussions between our respective representatives related thereto, the board of directors of the Development Loan Fund has authorized the establishment of a loan to this particular project in the amount not to exceed $400,000 or its equivalent to assist in financing the foreign exchange cost of machinery, materials and services in the Kenaf bag manufacturing factory.

The loan will be established by and expended under the terms and conditions specified in a loan agreement which we shall transmit to you at an early date for consideration and execution. The loan agreement will describe more fully the purpose and method and the utilization of the loan and will include the following terms, some of which have already been discussed informally with your representatives.

1. Interest shall accrue, from the dates of the respective disbursements under the loan, at the rate of 5¾ percent per annum.

Then it describes the manner of payment of interest:

2. The principal amount of the loan shall be repayable in 10 successive semiannual installments, the first of which shall be due and payable on a date, to be specified in the loan agreement, no later than 1 year from the date of the first disbursement under the loan agreement.

Then there are some other terms set forth in this particular paragraph.

3. Provision shall be made for repayment of principal and payment of interest in U.S. dollars.

4. The applicant shall furnish evidence of paid-in capital equaling or exceeding the equivalent of $500,000.

5. The loan shall be subject to other terms and conditions set out in the loan agreement.

The final paragraph:

The DLF expects to make a public announcement of this loan on March 2.

Then there is a final sentence or two that I do not think is particularly pertinent. This letter is signed by the Acting Managing Director of that particular Development Loan Fund.

Mr. ROONEY. Mr. Chairman, will the gentleman from Michigan yield?

Mr. FORD. I yield.

Mr. ROONEY. The gentleman from Michigan did not wholly read the last paragraph of the letter. In that paragraph appears what I consider to be one of the most important aspects of this discussion. It refers to the public announcement of the letter of intent in the press and in various news media not only in the United States but in the borrowing country. As soon as that announcement is made, the negotiations constitute a firm loan. Would the gentleman not agree?

Mr. FORD. I would wholeheartedly agree and we are trying to indicate the reasons this is a firm commitment even though it may not qualify as an unequivocal obligation according to our established rules and regulations.

Mr. ROONEY. Will the gentleman yield further at this point in order to keep the discussion of this matter in proper sequence?

Mr. FORD. I yield.

Mr. ROONEY. I should like to announce that I have an amendment at the clerk's desk which I intend to offer when the bill is read for amendment under the 5 minute rule which would restore the $100 million approved by the subcommittee which heard the testimony with regard to the Development Loan Fund. I concur in the remarks of the gentleman from Michigan here this afternoon.

Mr. FORD. I am glad to hear that the gentleman from New York is sponsoring that amendment. I will support it. He is on the Subcommittee on Foreign Operations with me. We went through this difficult process last year when the mutual security program appropriation bill was before the Congress. I am sure the gentleman would agree with me that the President was carrying out our suggestion by his recommendations to the Congress of this amount of $225 million for this fiscal year supplemental.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. JONAS. I certainly agree with the gentleman that when a letter of advice is issued, the loan is actually committed and the money is not available for any other loan. That is clear, but now I think the record ought to show that we do not have any outstanding letters of advice that will exceed the actual appropriations. The money requested in the gentleman's amendment, the $100 million, is simply additional capital to go into the fund for future use, but is not needed to take care of any outstanding commitments.

Mr. FORD. That is right. Of the obligational authority previously made available they have committed, according to law, all but $844,000. They have not gone above the $700 million made available in the 2 fiscal years.

Mr. JONAS. I agree, but if they were to carry out all the letters of advice it would not exceed the money they have in hand.

Mr. FORD. Is it not also true, however, to say that they have obligations pending for loans far in excess of $100 million?

Mr. JONAS. Yes; at least $1½ billion.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SCHERER. Do I understand that our Government will have to borrow money with which to make these loans? Did I understand the gentleman from North Carolina, a member of the committee, to make that statement?

Mr. FORD. This is obligational authority which will generate spending in future fiscal years; depending on the status of the Federal Treasury when the loan by Development Loan Fund is made and expenditures generated, our Government may or may not have to borrow.

Mr. SCHERER. Is it not a fact that we would have to borrow money to make these loans?

Mr. FORD. At the present time, yes; but it is the hope that in fiscal year 1960 we will be in the black rather than in the red.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. ROONEY. I personally believe that we should appropriate $225 million which would bring the amount of the program up to the $625 million authorized by Congress for fiscal year 1959.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. JENSEN. Is it not a fact that the foreign nations who receive these loans under the Loan Development Act may pay the loans in their own currency?

Mr. FORD. I think the practice is that it can be paid back either in their own currency or in U.S. dollars. However, I must be perfectly frank about this. I believe the record to date is that the vast majority of the loans will be repaid in local currency. I cannot give the precise breakdown, but I think it is around 75 or 80 percent in local currencies and the remainder in U.S. dollars.

Mr. JENSEN. And the value of the local currency is a very small percentage of the value of the American dollar.

Mr. FORD. Let me just say this, regardless of how soft or hard the loans by Development Loan Fund are, undoubtedly the development loan program is infinitely superior to the former program of grants, where we simply gave the money and expected no return either in dollars or in soft currency.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Ohio.

Mr. BOW. I say to the gentleman from Michigan regarding the percentage of these loans to be paid back, the testimony before the deficiency subcommittee was that 19 percent of these loans are paid back to the Treasury in hard dollars.

Mr. FORD. Then my guess of 75 or 80 percent was not far wrong.

Mr. BOW. The gentleman is about right when he says 19 percent is paid back in hard dollars. The balance of the payments in soft currency may be reinvested in those countries which would necessitate other dollars going to them at a later date.

Mr. FORD. I thank the gentleman for his contribution.

Regardless of how much is paid back in hard currency, this program is, on the whole, greatly superior to the grants program which we have had over the years, consequently I think it was beneficial to the United States to break away

from grants for economic assistance and initiate this loan program.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. JONAS. It is also better from this standpoint, is it not? We have had a lot of concern about how people around the world look upon outright gifts. They think it is something strange for a country to make an outright gift. . . .

Since this is a loan, it should remove some of that suspicion.

Mr. FORD. It is no doubt true we have better country-to-country relations when we make loans. In addition to that, may I point out we are charging an interest rate on this particular loan I mentioned of 5¾ percent. It is repayable in hard money.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Can the gentleman state that as this loan fund has gone along we have been cutting back on the grants?

Mr. FORD. We have. The overall program for fiscal 1959 is about $3,098,000,000. Compare that, if you will, with programs of 4 or 5 years ago when it was five or six billion dollars annually. I think in fiscal year 1952 it was something like $7 billion. Now it is about half of what it was before.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. JENSEN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that the major part of all loans which can be handed out as a gift have practically been eliminated?

Mr. FORD. I think that is true, outside of the straight military assistance items.

Mr. TABER. The gift of those things and to support them, and the materiel that goes into them; but as far as giving them money or anything like that is concerned, there is nothing in the way of economic aid at all in here. Is that true?

Mr. FORD. That is correct. The Development Loan Fund is practically taking the place of the outright grants for economic aid and assistance.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. What leads the gentleman to think we are going to collect on these loans? The gentleman talked about private banking operations. Does he find in this country any bank with two windows in it, one for hard loans and one for soft loans?

Mr. FORD. We make some loans ourselves as a Government through the Small Business Administration.

Mr. GROSS. I am talking about private banks.

Mr. FORD. Some people say Small Business Administration loans are in effect soft loans because the prospective borrower cannot get a commitment from a regular lending institution. My experience has been that most of those small business loans have been repaid. I think it is a good program. Nevertheless, they are not hard loans in the banking fraternity or they would have been made by a regular lending institution.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Missouri.

Mr. BROWN of Missouri. Did the gentleman agree with the gentleman from North Carolina when he said this is $100 million worth of new money?

Mr. FORD. One hundred million dollars in new funds for the Development Loan Corporation for the remainder of fiscal 1959.

Mr. BROWN of Missouri. The gentleman was just beginning to state a moment ago that the reason for this is that the backlog of requests is getting so great that there is additional money necessary.

Mr. FORD. As I understand the situation, there are over a billion dollars in prospective loans on file with the Development Loan Fund. Of course some of these would not qualify, but there are bound to be those which are eligible for whatever money Congress makes available.

Mr. BROWN of Missouri. With due respect to the gentleman, recently we had another instance where the GI's in this country have a blacklog of requests in rural areas for funds that have far exceeded anything we have made available to take care of them. Has the gentleman come before the Congress with a request for funds to take care of this tremendous backlog of requests for GI housing loans?

Mr. FORD. I may say that in my congressional district the Veterans' Administration has never seen fit to make my district eligible for direct loans, so it is academic as far as my district is concerned. We tried hard, but the Veterans' Administration thought our lending institutions were doing an adequate job. In some areas in the two counties I believe there is a need but the VA feels otherwise.

Mr. BROWN of Missouri. We were told that we did not have the money.

Mr. GROSS. Are there any foreign areas in the gentleman's district?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. KIRWAN.].

Mr. KIRWAN. Mr. Chairman, I never thought in my 23 years that I would come down in the well here twice in succession. I would not have come down here yesterday and presented a bill if I was not a member of that committee.

Mr. Chairman, first I would like to say this: During my 20 years it was my privilege to sit in a room twice—I mean, sit in it twice—and hear two great men testify. The first to testify was a man by the name of Dwight Eisenhower. It was his first appearance on Capitol Hill after the Second World War. I happened to be on the Military Appropriations Committee at the time he was testifying. Judge Kerr was chairman of the committee. And, I remember the questions that he asked. And, if ever a thing came to pass, it came to pass like he said that morning in the room. Three months after the Second World War was over he told us what was going to happen to us and where we were going. It was my privilege 2 years after that to sit in a room with 13 members of 2 House committees, the military and the naval. We unified the forces. In 1946 we voted to unify them, and it took place in 1947. There were four speakers that day. And, they gave a luncheon. The first speaker was Jimmy Forrestal, the first Secretary of Defense. The next was a great admiral, Nimitz, who was commander in chief in all of the Pacific when we only had eight airplanes the day after Pearl Harbor. The next was Vandergrift, who led the Marines. And, the scientists of the Navy said on that day, which was shortly after the war, that unless you do this, we are so sure of our ground that 10 years from today—which would be 1957—it will cost you $300 billion and God knows how many lives. It cost us $400 billion and we lost 30,000 kids in Korea and wounded 100,000. Now, only three of us stayed in the room that day. The other 10 walked out. What I am trying to tell you today are facts.

I told you yesterday that we are hooked up with six allies, the largest, over in Europe. They all led the world at one time, like we lead at this time, and we are supposed to be the leader since World War I. The first was Greece. Take a look at Greece today. I visited that country some years ago. It is now one of the poorest. The next is Rome; very poor. Then came the wealthiest nation of them all, Spain, when they were carrying gold from South and Central American countries, Cuba, Puerto Rica, Santo Domingo. Sure, she was wealthy because the gold was carried there by the boatload. But, she became careless. Then came France, England, and Germany, and now the United States. Now I cannot tell you what was said on that occasion, but Ike did say that we are going down that road twice faster than any other nation. Some of those nations led the world for 200 years. We are only leading it 14 years. And, look where we are. We owe more money than all the world put together.

I remember a few years ago—and I am old; I am one of the oldest here—I remember a few years ago I was tossing stones at youngsters because they could not speak the English language. And, excuse the expression, we called them hunkies and called them something else, too, and told these kids, "If you can't speak English, get out of this country." Now we are going down the road to spend money to teach these kids various languages. Why, there are more people that can speak two or three or four foreign languages in New York and

other cities than in all the rest of the world. There are millions of kids in New York that can speak half a dozen languages. But, we have to rush in there and give them money so that they can speak another language. I want to congratulate the gentleman from North Carolina for the way he spoke about this bill, and when he told about the great chairman there, he never told anything wrong. But, this is the time and place to take stock and give a good report of our stewardship. I mean that, because those that do not believe in history better be prepared to face it. And, we are not prepared, and one reason why we are not prepared is the way we have been dumping money out like no humans on the face of the earth ever dumped it out.

One of the things they are going to ask you today probably is why do we set out the recreation plans. My God, we have a war on one side, and we want to find out how we can go and play on the other. That is going to be the question they are going to ask here today. I hope you will back up the chairman today.

Mr. BOW. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, at the outset I want to commend the gentleman from Texas [Mr. THOMAS] and the members of his subcommittee for the outstanding job they have done with this very distasteful subject of deficiency appropriations.

Mr. Chairman, I rise here today as a member of the Subcommittee on Appropriations for Foreign Operations. I rise in opposition to the cut in the supplemental appropriation for the Development Loan Fund. I feel, Mr. Chairman, that it is vital to our Nation's security and the future of the free world that we carry on this important foreign aid program.

Mr. Chairman, able criticism of the foreign aid program of the United States was made yesterday, and many other times, by the distinguished gentleman from Louisiana [Mr. PASSMAN]. Mr. Chairman, I have the greatest respect and I have the greatest admiration for the gentleman from Lousiana. When he speaks, Mr. Chairman, I listen closely. He has long years of experience in appropriations work. He has saved this Nation of ours millions and millions of dollars of wasteful spending. And when he tells us today that there have been abuses in our foreign aid program I am compelled to agree with him. There are abuses in all governmental agencies. There are abuses in the veterans' program. There are abuses in farm subsidies. There are abuses in the Federal regulatory agencies. Yet we continue these services trying to find ways to correct the abuses. There are also abuses, Mr. Chairman, in the congressional staffs here in Congress, but that does not mean, Mr. Chairman, that the Congress will abolish its staffs or will abolish itself.

We need to maintain a sense of balance in these matters, eliminating inefficiency, waste, and other types of abuses, but still protecting and nurturing programs so essential to our entire future. It is for this reason that I favor a supplemental appropriation of at least $100 million for the Development Loan Fund for the remainder of the fiscal year 1959, which amendment I understand will be offered here this afternoon. I feel that we would be making a grave error if we failed to vote this supplemental appropriation. I do not maintain that the $100 million is adequate. It is my own feeling that the administration was justified in asking $225 million for the remainder of this fiscal year, but the barest minimum is $100 million unless the entire foreign aid program is to encounter the most serious difficulties in the months ahead.

At the close of business March 20, Mr. Chairman, the Development Loan Fund had only $844,000 left in uncommitted funds. If the Congress now fails to make a supplemental appropriation for this fund it will be impossible for the Fund to go ahead making loan commitments between now and the beginning of the fiscal year 1960. What will the world say if we refuse now to appropriate these vitally needed funds? I think it is clear what the global reaction will be. America has shown, in the midst of one of the most serious world crises since World War II, that she shrinks back from her free world responsibilities. She is afraid to wear the mantle of leadership which history has given her. America has lost her self-confidence, her courage. Now in the moment of decision she turns her back on the world and seeks to withdraw into herself.

Let us recognize clearly what are the funds the administration asks for today. These are not funds for military assistance to our allies or for bolstering up their economies on an immediate basis. These funds go only to the so-called underdeveloped countries. They are on a loan basis exclusively. They are for projects of long-term economic development. They supplement existing public and private lending institutions and investors. These loans will stimulate private investment and enterprise. About 19 percent of the loans are repayable in dollars or other hard currencies, the remainder in local currencies.

Mr. Chairman, I believe this program is an absolutely essential part of our national effort to maintain peace and security for our country and the entire free world. In the long tier of nations stretching along the underbelly of the Sino-Soviet Empire, in Africa, and in Latin America, a new age is dawning. The underdeveloped nations are awakening to their potentialities in this modern world. The question is, Will they develop into stable, mature, democratic nations, or will they be sucked up into the slave system of the Communist empire?

It has sometimes been charged that programs of this nature are giveaways. I would point out that the Development Loan Fund is based on the best principles of free enterprise as it seeks to stimulate economic progress through sound loans. I would point out further that if we weaken now in our determination and slacken our pace in helping these underdeveloped nations to prepare for a new era of prosperity and freedom, we will indeed give away to communism, within the next few years, the control of countless nations with enough people and resources to change the balance of power irretrievably against the United States.

It has sometimes been charged that our foreign aid is expensive. Surely these programs are expensive, and they will continue to be expensive just as long as the threat of international communism exists. But they are not nearly as expensive as war. We must keep the expense in its proper perspective. Let us remember that the initial cost of World War II to the United States was $350 billion, with battle dead and wounded of 961,000 Americans. The Korean war cost us $18 billions, with 143,000 American casualties.

I freely admit that the Development Loan Fund may be expensive, but I consider its cost insignificant when compared to the staggering cost of wars in terms of dollars and the cost of wars in the most tragic equation of all, in terms of human life.

If these foreign-aid funds help even in small part to create stable, healthy economic conditions which will help to prevent future wars, they are surely a sound investment in terms of dollars. If they save the life of even a single American boy who might otherwise fall in battle, they are the most precious investment, in human terms, that our Nation could possibly make.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. LINDSAY. I should like to commend my colleague, the gentleman from Massachusetts [Mr. CONTE], on the strength of his remarks in support of a supplemental appropriation, which I understand will be offered by my colleague the gentleman from New York [Mr. ROONEY] to the extent of $100 million for the Development Loan Fund.

May I ask just one question: A question was asked earlier as to whether or not any of these loans have been paid back in the short period of time this program has been functioning. Can the gentleman tell me whether or not some or any of these loans have been paid back with interest?

Mr. CONTE. The Development Loan Fund Board estimated by the end of fiscal year 1959, they are expected to receive $2.4 million in interest and principal.

Mr. LINDSAY. I thank the gentleman. Now the statement has also been made that we are, in fact, loaned out. Do you support the statement made by the gentleman from Michigan [Mr. FORD] that we are loaned out at this point and that this supplemental appropriation is needed at this point?

Mr. CONTE. Definitely. We have about $884,000, as I said in my discussion here today, that is uncommitted. There is about $1,500 million asked for by many countries throughout the world.

Mr. THOMAS. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, with reference to putting this matter into proper perspective, I think it is well that another point of view be stated with reference to putting the foreign aid program in an overall proper perspective. This program has been going on for 12 years. I was here when it was initiated in the 80th Congress. It was started at that time as a measure to assist our allies and some six countries who were then supposed to be going Communist unless we provided some aid and assistance to those countries. Today, it is spread over some 59 nations all over the world. I think as one who has supported this program in the past that there are other matters that we should consider with reference to the growth and extent of the full implications of foreign aid.

Mr. Chairman, a great hue and cry is being raised that the failure of this House to make an appropriation for the Development Loan Fund will somehow endanger our relations with and our reputation with the rest of the world. Mr. Chairman, the fact is that there already are five agencies which are supplying money in whole or in part for economic development abroad. Let me list these.

First. There is mutual security which, since we began to make appropriations for this purpose, has had appropriations of more than $75 billion.

Second. There is the Export-Import Bank which has made loans in excess of $5 billion and a good portion of these funds has been used for development abroad.

Third. There is the International Bank for Reconstruction and Development. Our Government has committed more than $3 billion to this Bank and has actually paid in some $650 million.

The World Bank is actively making economic development loans. It has made such loans totaling almost $3 billion—of which the United States has contributed as I said some $650 million.

Fourth. There is the International Monetary Fund to which we have contributed to date $2,000,750,000.

Fifth. There is the International Finance Corporation into which we have put $35 million.

Altogether the United States has put into all of these agencies a total of $82 billions since the war ended.

Mr. Chairman, it certainly does not seem that the world will come to an end if we now refuse to appropriate funds for this latest of a series of agencies to develop other countries.

Mr. Chairman, it seems that any other country in the world can obtain funds to create or expand economic enterprises but not the United States. We make loans to foreign governments, to foreign corporations and to foreign nationals to help them build businesses in some 59 different countries of the world. We also make loans to U.S. corporations or their foreign subsidiaries to help them expand their businesses in these other countries abroad.

We can make loans for a steel mill in Argentina, a fertilizer plant in Egypt, a cement plant in Mexico, a coal-washing plant in Turkey, a railroad in Indonesia, or a dam or canal system in Afghanistan. In fact there appears to be no limit to the kind of economic enterprise for which the dollars of the American taxpayer can be lent in 59 foreign countries. But, Mr. Chairman, there is no agency authorized to make such loans for economic enterprises within the United States. We can make loans to somebody just across the line in Canada or in Mexico for a new business, or a business of almost any kind but not in the United States.

Mr. Chairman, it appears that when these agencies loan money abroad there is very little appraisal of the soundness of these projects or of the benefit ratios. Furthermore, many of these transactions are hidden in secrecy and the Congress not provided with full information.

Mr. Chairman, I am sure that the people of this Nation have in the past demonstrated their willingness to assist all nations, but Mr. Chairman there is a limit. A time comes when we should stop and examine both the value and the effectiveness of these expenditures. That time I believe is now. We have heard stories of waste and corruption in the disposition of these various funds. Before we throw additional billions into this field I believe it is pertinent that we stop and inquire whether we are using them wisely and efficiently. I think also that when we are asked not to spend funds for the development of our own Nation, we have every right also to ask whether we should continue to appropriate billions blindly for further foreign expenditures. The requests that have come in are for soft loans. These can wait and be considered later. The regular appropriation bill asks for $700 million beginning July 1 next.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from West Virginia.

Mr. BAILEY. Does the gentleman see any difference in this loan provision of our economic aid program and the revolving fund in the distressed area legislation which the President vetoed except, that this money goes outside the United States instead of being used for the benefit of our own citizens?

Mr. EVINS. I believe I pointed out that there is no cost-benefit ratio study with respect to projects overseas, but very close scrutiny with respect to cost in this country. The President vetoed the bill for guaranteed loans for our own country. These would be repaid by the municipalities and cities in this country.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentlewoman from New York.

Mrs. KELLY. I thank the gentleman from Tennessee [Mr. EVINS]. I want to bring to the attention of the Members of the House that I think the remarks of the previous speaker, the gentleman from Massachusetts [Mr. CONTE], should be corrected at this point with reference to the amount to be repaid under the Development Loan Fund. The testimony this morning showed it has only been $225,000 to date and might possibly reach a million by the end of this year. According to testimony before the Committee on Foreign Affairs regarding this money, the Honorable Dempster McIntosh, who is Managing Director of the Development Loan Fund, made the following statement on this very point. I quote:

> Loan repayments and guarantee fees are now beginning to accrue. To date these total the equivalent of $241,000 in both dollars and local currency. By the end of fiscal year 1960 we estimate, based on our assumptions of disbursements, that collections of interest will total about $9 million and principal repayments under $1 million. These dollar and local currency funds become a part of the Development Loan Fund's capital available for relending for economic development. In addition, as Secretary Dillon has mentioned, authority is being requested to make available to the Development Loan Fund, after the administrative needs of other agencies are met, the local currency repayments under mutual security loans concluded since 1954. It is now estimated that in fiscal year 1960 such repayments will total about $10 million. Being local currency proceeds, however, these accruals and our own earnings, also mostly in local currency, cannot be used as a substitute for foreign exchange loans. For such loans we must rely on additions by the Congress to our capital. Fiscal year 1960, however, should see us well on the road to effective utilization of the earnings from our earlier loans and the initiation of the first phase of the Development Loan Fund becoming a revolving loan fund.

Mr. EVINS. I thank the gentlewoman for her usual fine contribution.

Mr. JENSEN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, it seems passing strange to me that there were no cuts in the hospital program of Health, Education, and Welfare, and no cuts in the program for the health of Indians, but there was a very substantial cut for the veterans being cared for under the Veterans' Administration.

I understand the gentleman from Texas [Mr. TEAGUE], the chairman of the Veterans' Affairs Committee, will offer an amendment to restore the cuts in the Veterans' Administration to provide that aid to veterans. I will do so if he does not. The veterans cannot get adequate or at times really decent care when cuts are made in their appropriations.

I wish to read a list of some of the things the Veterans' Administration tells me will be cut out if the item goes through as it presently is contained in the bill:

The reductions made by the House Appropriations Committee from the supplemental request will have their greatest impact in the following areas:

First. General operating expenses: Reduction made, $1,258,000. This appropriation finances the activities of the regional offices under the Department of Veterans Benefits, the insurance offices under the Department of Insurance,

and all the staff offices in the central office.

Second. In-patient care: Reduction made, $4,306,500. This appropriation finances the operations of all VA hospitals and domiciliaries.

Third. Out-patient care: Reduction made, $554,000. This appropriation finances the operations of all out-patient clinics which render medical and dental services to service-connected veterans.

In order to bring the financial obligations of the VA into line with the funds being made available, the following action is being directed to all affected offices:

First. Freeze all employment. No vacancies that arise will be filled unless there will be a showing of dire need for the position. This will have the effect of reducing the employment in regional offices, insurance offices, hospitals, and clinics.

Second. Defer equipment purchases. This will delay the purchase, installation and use of new equipment until after the beginning of the next fiscal year on July 1.

Third. Defer maintenance and repair projects in our hospitals. This action will serve to delay the necessary normal maintenance projects until after July 1. Such action will have the effect of increasing the backlog of maintenance work that needs to be done in our hospitals.

Mr. Chairman, I would like to say that no vacancies will be filled in the hospitals or elsewhere if these cuts go through, and I defy any person on the floor of the Congress to take care of sick people without nurses and doctors, other medical personnel and proper medicines. We should not allow this cut.

Mr. Omar Ketchum of the Veterans of Foreign Wars told me over the telephone of the organization's anxiety to have the hospital appropriation restored.

I include the following statement sent to me from the DAV and telegram from the American Legion and telegram from the VFW:

STATEMENT OF DAV NATIONAL COMMANDER DAVID B. WILLIAMS OF MASSACHUSETTS RE VA CUTS

The Congress has just dealt the veterans of America one of the severest blows that has struck the hospital system of the Nation in recent years.

Over four and one-half million dollars have been meat-cleavered out of the impatient fund. It is too late to fire employees: the terminal leave pay necessary upon such dismissal would more than eat up any savings that have to be made in this last quarter of the fiscal year, even if there were any sense to firing such people, and there is not.

Indeed, we had begun to feel that the additional staffing so essential in our hospitals was just beginning to be permitted and now again the freeze is on * * * a severe restriction on the employment of essential doctors and nurses.

The cut cannot be made up by cutting staff. It will have to be made up by cutting medicines and drugs. It will be made up by lowering the amount of steaks and meats on the menus in the hospitals.

These are the service-connected veterans as well as the non-service-connected who are being affected—the paraplegic, the tubercular, the mental patients, the general medical and surgical. Is this the answer of Congress to the Nation's promise to its fighting men that they would have the finest medical care in the world?

No new equipment can be purchased in the hospitals as a result of this heavy slash. Yet it has been just this area where the cuts have been made repeatedly until the hospitals and their managers from one end of America to the other desperately need good equipment. Is this the finest medical care in the world? Or are we to treat our hospitalized service-connected as second-class citizens.

I appeared just last week requesting more money for hospital maintenance and repair. I pointed out clearly and emphatically that in this area above all others funds had been handed out on too stringent a scale, that buildings were in need of repair, that it was penny wise and pound foolish not to make repairs when they were essential, that in the long run the cost would be far greater, that many of the VA hospitals were ancient and I cannot understand a kind of economy that saves pennies at the expense of veterans service connected in the hospital beds of VA institutions. It is neither logical nor sympathetic. Indeed it is cruel and illogical. This is the most unkind cut of all. A cut at the expense of America's disabled veterans.

But outpatient clinics where there has already been a starving of funds now take another slash. Congress cut $400,000 from outpatient clinics a year ago and caused great distress. The DAV in Detroit protested bitterly and its spokesmen recently met with the congressional delegation—the answer to our protest has been a greater cut. I want to point out that this cut is all on the service-connected disabled veterans, for they are the only ones entitled to care in the outpatient clinics.

If the blow at the hospital system was a heavy one over one and a quarter millions has been taken in addition from the veterans services department, insurance, and the medical staff at the Washington office.

Just a year ago a congressional cut nearly eliminated the blind program in central office. Only the intercession of Father Carroll, the dedicated priest from Massachusetts saved that program. Now again the ax has fallen on the doctors who run the program. What portions of the medical program will be removed in Washington this time?

How will the cuts in all the other programs affect the service to veterans? Does it mean that checks for service-connected compensation recipients will be delayed? Does it mean a delay in insurance amounts paid to beneficiaries? These are questions in which the Disabled American Veterans takes a deep interest when Congress begins recklessly wielding the economy scythe upon the disabled, the hospitalized, and the needy.

WASHINGTON, D.C., *March 24, 1959.*
Hon. EDITH NOURSE ROGERS,
House of Representatives,
House Office Building:

The American Legion is concerned over severe cuts in H.R. 5916 as they apply to Veterans' Administration supplemental funds for 1959. The $6 million reduction may seem small but it is important to the efficient operation of VA hospital and medical program. We urge you and your colleagues to restore funds to equal VA's request.

MILES D. KENNEDY,
Director, National Legislative Committee.

WASHINGTON, D.C., *March 24, 1959.*
Hon. EDITH N. ROGERS,
House Office Building,
Washington, D.C.:

Veterans of Foreign Wars greatly disturbed over proposed cuts in second supplemental appropriations which will vitally affect important services to veterans through the Veterans' Administration, the Veterans' Employment Service, and the Bureau of Veterans' Reemployment Rights. May I strongly urge through you that the House of Representatives approve an amendment to the second supplemental which will restore these proposed cuts involving services to veterans.

OMAR B. KETCHUM,
VFW Legislative and Rehabilitation Director.

Mr. THOMAS. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. JENSEN. Mr. Chairman, I yield 7 minutes also to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I am going to the RECORD in order to present a substantial case. As I said before, you only make one mistake on the floor of this House and you are finished. I am going to try now not to make that mistake.

I can understand why some of our Members act in this matter as they do, because I know something about the type of pressure that the White House and the President's aides can exert in their efforts to get what they want.

Let me cite to you a mild sample of the type of pressure and misrepresentation that is brought to bear. On February 2 for some reason unknown to me, a story was leaked to the great New York Times and published on February 3. This erroneous news story follows:

FOREIGN AID UNIT BLOCKED ON FUNDS—HOUSE FOE OF HELP OVERSEAS DELAYS HEARING ON LOAN AGENCY'S PLEA FOR CASH

WASHINGTON, February 2.—The administration has run into a serious congressional roadblock in its effort to get an emergency $225 million appropriation for the Development Loan Fund.

The Fund, now down to its $20 million, is the Government's chief agency for lending to underdeveloped countries.

The roadblock to the emergency appropriation lies in the subcommittee of the House Appropriations Committee that handles foreign aid funds. This group is headed by Representative OTTO E. PASSMAN, Democrat of Louisiana, long an opponent of foreign aid.

The immediate issue is the superficially unimportant one of when hearings can be scheduled on the administration's request for a supplemental appropriation. However, if the hearings are postponed long enough—until consideration of the regular foreign aid bill, with its $700 million request for the Fund—Congress may presume that the need for the supplemental appropriation no longer existed.

DECLINES TO SET HEARING

Up to now Mr. PASSMAN has declined to schedule a hearing on the request for a $225 million supplemental appropriation. It is understood that he contends that the members of his subcommittee, many of whom are chairmen of other subcommittees, are too busy handling emergency supplemental requests from other departments.

The administration asked for hearings by February 11. Mr. PASSMAN has indicated he may not be able to get around to this matter until May or June. By that time it may well have been academic.

A request for a supplemental appropriation in the foreign aid field is highly unusual. Normally the administration gets along as best it can with the amount voted in each session of Congress.

The special foreign aid request arose this year because of a development in the last day of Congress last year. The House had cut the request for the Fund from $625 million to $400 million. The Senate insisted on the full $625 million.

In a last-minute compromise, the Senate accepted the House figure but won a concession from Mr. PASSMAN. The concession, embodied in the conference report on the bill, invited the President to apply for a supplemental bill to make up the difference if the need arose.

The administration's position is that the need has arisen. Demands on the Fund have been very large and loans approved have almost exhausted available funds.

Activity of the Fund now will come to a near stop, pending action on the supplemental request. If action on the request continues to be delayed, the Fund may have to await passage of the regular aid bill, which usually does not happen until July.

It is understood that the administration will appeal to Representative CLARENCE CANNON, Democrat of Missouri, chairman of the full Appropriations Committee, in an effort to get an early hearing.

It was after this story was leaked that they found out the gentleman from Missouri [Mr. CANNON] had not even organized his committees. They did not know, and had not seen fit to inquire, before making such an unfounded charge, that there was a Deficiency Subcommittee to handle the supplemental requests. But I must say that Secretary Dillon was nice enough to write me a letter of apology. I will read only the closing paragraph:

The article was, to say the least, untimely since the President had not at that time officially transmitted his request for the funds involved. It is my sincere hope that there will be no repetition of such an occurrence.

That gives a mild idea as to how far they will go to exert pressure.

It has been indicated here today that this huge development loan program has taken over all of the other grants, which, of course, is not a fact. I want to say to you that in addition to the Development Loan Fund, the mutual security program had in excess of $1 billion in last year's bill floating around for complete and outright grants. There is, for example, the defense support category, which is economic support, $750 million. Then, special assistance, $200 million. Also, the President's contingency fund, $155 million. And to practically all of the categories, add the carryovers. There are actually 28 different items in the MSA funds bill; and the Development Loan is largely another device by which they start another program, under a different name. I challenge anyone to successfully disprove what I have just said.

Mr. Chairman, therefore, I rise in opposition to the anticipated amendment. I hope the Members fully understand that the Development Loan Fund is just one of many parts of this mammoth foreign aid program. There are other funds in the program from which both loans and grants are abundantly available.

Those who have had an opportunity to analyze the foreign aid bill, and the ever-changing names of items in the bill, recognize that the Development Loan item is actually very little more than an actual grant. This is true because a great majority of the loans are made to countries which, if they repay at all, repay the loans with their local currencies, for which this Nation has very little use and cannot spend. In fact, we have more than $2 billion in such currencies on hand or to our credit at the present time.

And, many of the recipients of these so-called loans are the nations who have already received hundreds of millions of dollars out of other funds in the foreign aid program.

Many Members have been forewarned of the type of pressure to which they would be subjected on requests for foreign aid. I addressed the Members of the House to that effect last year, and now you painfully experience my prediction coming true.

It has been my privilege to serve as chairman of the subcommittee handling the foreign-aid funds for 4 years; and without exception, when the committee attempted to reduce the bill because of lack of justification for funds, then the protests from Pennsylvania Avenue, and elsewhere, were enough to frighten those without information as to what was behind the pressure.

In fact, during the past 4 years, the Congress, in its wisdom, has lowered the President's requests by approximately $3 billion; and finally, last year, Mr. Sprague, one of the Assistant Secretaries of Defense, said, and I quote:

The reductions that the Congress has effectuated in the program have assisted the executive branch in administering the program in a more efficient manner. There is no question about that.

You understand, of course, that the foreign-aid program is the only sacred spending program that will come before the Congress so far as Pennsylvania Avenue is concerned. In fact, the Director of the Budget allows the full request for foreign aid. How many other programs do you know of in which a situation as this exists?

Furthermore, you can cut every program and every department in Government, including the military, and there is no howl from downtown; but reduce any item in the foreign-aid program, and you are accused of being almost a traitor.

Last year, the House, in its wisdom, passed a bill providing new funds for MSA in the amount of $3,078,092,500. This bill went to the other body and was increased by $440 million. For reasons that time will not now permit me to discuss, the other body did not grant the House a conference to resolve the differences on the bill until the night we adjourned sine die.

They almost established a record for holding a committee off until just a few hours before we were ready to sound the gavel.

Upon our arrival at the conference, were were told to accept the Senate bill or there would be no bill. We did, however, finally agree to split the difference in the amount added by the other body, and the House was rolled for $220 million. The Senate was permitted to apply the amount on which the House receded to any section of the bill. What a trap we walked into. They increased the Development Loan Fund out of the House's concession by $100 million, so that the bill the Congress finally approved was $100 million more than the sum to which the House agreed originally for that particular Fund.

It was suggested in the conference that we also agree to consider a possible supplemental request this year, not necessarily to the Development Loan Fund, but to the mutual security program as such. The committee handling the bill has not had an opportunity to consider the supplemental; but the Deficiency Subcommittee considered the item and, according to press reports, allowed $150 million of the request. Later they voted again and reduced the amount to $50 million; then on even another vote, they moved it to $100 million. The full Committee on Appropriations disallowed the supplemental request altogether. The distinguished gentleman from Iowa [Mr. JENSEN] had a rather remarkable report on what transpired in the subcommittee.

I hope he repeats it today for the enlightenment of the committee.

Mr. Chairman, the International Cooperation Administration is the sponsor and coordinator of the entire mutual security program. As I have indicated before, in my candid opinion, based upon on-the-spot checks and other information and reports, there is more dishonesty and payoffs in this program than in any other program which this country has ever undertaken, involving, of course, individuals of recipient nations. But now it is beginning to leak out that some of our own personnel have enriched their fortunes out of this program, which is presently operating without an Administrator.

On yesterday, a former official of the ICA admitted under oath that he accepted $25,000 from U.S. contractors in Laos. On March 14, Mr. Robert F. Keller, GAO General Counsel, said, and I quote:

The International Cooperation Administration has refused to let the GAO see the evaluation reports by ICA officials in eight programs to China, Laos, Pakistan, India, Bolivia, Brazil, and Guatemala.

These revelations are not intended as an indictment of our own public officials; but certainly they indicate what can happen when an administration blindly applies the pressure for an amount of money for a complex foreign aid program that is out from under control, operating all over the world in 70 nations with 42,000 personnel.

Please understand that the item we are considering today is for a supplemental appropriation; and the main reason for the request at this time is that the authorization under which this money can be obtained will expire on June 30, and the giveaway boys just hate to see it go. Thus, the present fight.

Furthermore, there is a request now before the Congress for new funds approximating $4 billion, and $700 million

of this total is for the very program now under discussion.

Mr. Chairman, in practically all agencies of the Government there are two types of funds on hand—obligated and unobligated. But this practice is not applied to the, shall we say, sacred foreign aid program. In the military phase of the program in fact, for good reason, in part, if they cannot spend the funds, they reserve them and such is respected as an obligation.

The Development Loan phase of the program has a similar catch-all. If they cannot obligate the funds, then they say they have issued letters of intent or letters of commitment; but my experience with these people has demonstrated that you have to get up early every morning in order to match wits with them. It is a part of their business to endeavor to think ahead and stay ahead of the Congress. And they have met with some success. However, the searching questions being asked by the Foreign Operations Subcommittee, and other important committees of the Congress, are becoming very painful to them.

It is not unusual for this agency to enter into obligations, then de-obligate, or amend the obligation so as to keep alive large unrealistic obligations year after year.

One example would be in the case of grain storage elevators for Pakistan. For this, $500,000 of 1952 funds was obligated; sufficient 1953 funds were obligated to bring the total to $1,480,000; and an obligation of this magnitude was carried on the books until 1958.

On yesterday, I spoke to the Controller of the ICA and asked that he verify a statement made to me earlier that he would not obligate, and had not contemplated obligating, any of the funds in the supplemental request. And it is now a question of only a few weeks until new funds will be approved for this program. I should like to point out here that on February 28 a total of $290 million was unobligated in the Development Loan Fund, and that figure cannot be disproved. Therefore, this supplemental request could be denied completely, and, in my opinion, should be denied, without any damage to the fund, especially when it is taken into account hundreds of millions of dollars are available in other funds, under different names, but in the same program, through which they can make either loans or grants.

I wonder how many spenders and how many savers we have in this body, and just how far we will go in mismanaging the country's business. The Treasury statement as of March 18 shows that we have collected more revenue thus far in fiscal 1959 than we did for the same period in fiscal 1958. But the same Treasury statement reveals that we have already spent during this fiscal year $8 billion more than we had spent during the corresponding period of the last fiscal year. Our deficit now stands at about $14 billion. Not one dollar in the bill before you can be paid out of current revenues; it is money that we will have to borrow. Furthermore, the total requests for supplemental funds, applicable to the present fiscal year, will amount to $8,700 million. How many of you know that they are pulling out of fiscal 1958 something like $9 billion and putting it over into fiscal 1959?

Mr. Chairman, I hope the amendment will be voted down so that the regular subcommittee handling the money requests for the mutual security program, including the Development Loan Fund, can establish, with your cooperation, the actual needs. I say respectfully that we are fortified with 4 years of active experience with this committee, and we have not yet misled you, and we will not do so in the future if you will give us the opportunity to function.

We assure you that our record will be just as sound this year, if you will defer action and permit the regular committee to consider the request that will be before it for this same item within just a matter of weeks.

In all the many different, complex categories of foreign aid, there was available during the present fiscal year $15,600,000,000. Undoubtedly, you will agree that with such a vast sum available it would indicate wisdom on our part to deny this supplemental request; and maybe before we report the regular bill to the House we can ascertain, among our other findings, why the ICA is denying the General Accounting Office access to its evaluation reports. It may be that the Hardy committee will have more information such as that revealed in the press this morning.

Mr. Chairman, in conclusion, I say without fear of successful contradiction that no valid and substantial case can be made for this supplemental appropriation on the basis of the record, and not according to a lot of bureaucratic recent facts and figures presented from downtown. I hope that if the amendment is offered you will vote it down.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. CONTE. I would like to ask the gentleman from Louisiana if he was a member of the conference committee on August 23, 1958, and whether or not he was chairman of that conference committee which signed this report which reads as follows:

> The amounts contained in the bill agreed by the conferees were too small in the view of some of the conferees, especially in the Development Loan Fund. It is understood that if additional funds are needed next January for the purposes contained in this bill, the Appropriations Committees of the House and Senate will give earnest consideration to the recommendations of the Executive in view of the importance of maintaining our friendly relations with countries with whom we have undertakings.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. PASSMAN. I should like the opportunity to answer the gentleman.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. JENSEN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. PASSMAN. What would you do if you were chairman of a committee and had passed your bill, and then for the next 53 days action on the bill was delayed by the other body, with a conference to resolve the differences not possible until right before adjourning sine die? Along about midnight, or just before midnight, the pressure was on the leaders on either side, and by that I mean on either side of the Hill, not only on either side of the aisle. The pressure was on to get a decision and the conference report completed. I imagine that you, too, might have agreed in these circumstances. What we said was that we would give consideration to a supplemental request, and that has now been done. The case presented for additional funds for fiscal 1959 was a very weak one.

Mr. CONTE. If I had the gentleman's fortitude and backbone, I would have stood pat and firm at that point.

Mr. PASSMAN. The gentleman is going to make a good member of our subcommittee.

Mr. CONTE. As Al Smith would say, "Let us look at the record." You said on the record that you were for more funds come January 1959 if additional funds were needed for this program.

Mr. PASSMAN. The gentleman is going to make a fine member of our subcommittee; and when he gets out from under this pressure, I think he will vote as he should on such matters as the one here in question.

Mr. CONTE. I can guarantee the gentleman from Louisiana that certainly I know of no pressure placed on me in regard to this appropriation.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, my good friend the gentleman from Louisiana said that he has never misled anybody. I know he has never misled anybody intentionally, but people might conceivably be misled by the figures he has given if they do not have some additional information on some of the points that have been discussed.

I would like to say, first of all, that I am not under any pressure and I do not know where all this talk of pressure comes from. Once in a while I have had lobbyists coming in to urge me to vote against this program because of the alleged waste in what they usually call the giveaway foreign-aid program. Nobody has ever pressured me in favor of it, from Pennsylvania Avenue or elsewhere. I do not know of, where, or by whom the rest of you may have been subjected to any such irresistible pressure. My decision is based on the total picture—not part of it. And I believe that is true of most other Members also.

Mr. PASSMAN. Just so the gentleman will not get the impression that I was the only one.

I will be very happy to make that information available.

Mr. JUDD. I have not had any pressure.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. BOLAND. I served on the subcommittee that originally recommended $100 million. I know of no particular

pressure. When the bill came up, I thought they made a fine case. There was no pressure and no influence. This was our best judgment.

Mr. JUDD. When I present some facts now, it is not because I am being pressured; it is simply to present some considerations that the gentleman has not mentioned.

I have supported this program since its beginning, and I am proud of its accomplishments. The gentleman stressed how much the foreign aid program has cost. How many billions did it cost to fight and win World War II? Would you say it was a waste to spend $300 billion or $400 billion to save the United States? This mutual security program has saved country after country whose loss would have been disastrous to the United States and its security.

Now, let me talk about the record on foreign loans. It has been charged that these loans are worthless, wasteful, not being repaid, and so on. Under the mutual security program since its beginning in 1948, we have made foreign loan disbursements, under various lending programs before we concentrated them in the Development Loan Fund, to a total of $2,158 million. We have already received in loan repayments $44.9 million and interest collections of $225.4 million. But this is the most important point: Not a single loan is in arrears today. Payments of interest and repayments of principal are on schedule. At one time one country, Turkey, was in severe economic difficulty and in arrears, but it has resumed payments according to schedule. So when it is said that this is a wasteful, irresponsible and unsuccessful program—what do they mean? Do we ask or expect borrowers to pay ahead of the schedule laid down in the contracts they have signed? They are on schedule. I do not know what more could be asked.

The question of corruption has been brought up. The gentleman from Louisiana has told you that ICA has 42,000 employees scattered around the world. There is only one case thus far of demonstrated corruption, so far as I am aware. I am sure there has been a lot more corruption than that. I am sure quite a few people in the recipient countries and some Americans also have gotten some of the funds improperly; but the fact is that out of 42,000 persons working all around the world under the most difficult circumstances imaginable, with frequently a minimum of tight controls as is almost unavoidably the case in primitive situations, there is only one proved American case of corruption as yet. The man confessed; that record is extraordinary, in fact, too good to be true. Doubtless there will be further instances, some indictments, probably some convictions. But in my judgment that is no reason for closing out a program. I have never yet operated on a patient without his losing some blood; neither has any other surgeon. But do you mean to tell me we should not operate because the patient is going to lose blood, if thereby we can save the patient's life? We use every care to keep the loss to the minimum, but the main objective is to save the patient's life. It is just as simple as that in dealing with this program of aid to threatened countries all around the world.

Unquestionably there has also been waste in parts of this program, but the answer is essentially the same as above. Probably the single most wasteful program we have had anywhere has been the new country of Laos, yet it is probably the single most successful program we have had anywhere. At the time we started that program only 4 years ago, the country did not have a currency of its own. It did not have a bank. It did not have a solid government. It did not have a school above the sixth grade. There was only one qualified doctor in the whole country, about as large as my State of Minnesota. Laos did not even have a national budget, or a taxation system, or funds to pay for its armed forces. All these had been handled by France. It had a civil war in addition. Two northern provinces were occupied by Communist forces, supported and supplied across the border from Red China on the north, and Communist North Vietnam on the east. Yet the strategic location of Laos was such that unless it was kept out of the Communists' control, Vietnam, on the one side, and Cambodia and Thailand, on the other, would go down the drain. The rest of Southeast Asia would be practically helpless, with its tin, oil, rubber, and rice surpluses, a matchless prize whose control would put most of the billion-plus people in Asia at the disposal of our enemies.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. JENSEN. Mr. Chairman, I yield the gentleman from Minnesota 5 additional minutes.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 additional minutes.

Mr. JUDD. We discussed in committee whether ICA ought to start a program in Laos under such almost hopeless handicaps. We decided we ought to make the effort. So we spent a lot of money even though there was at least a 50-percent chance of failure and bound to be some mistakes and a lot of waste. The stakes were so great we had to do it. We could not allow the whole area to go by default.

Today the Government of Laos is stronger than anybody dared believe possible. The two Provinces in rebellion and under the control of the Communists have been brought back under the Government of Laos. The Communist battalions are under its control. The Government has strong leadership which has stood up against the Communist pressures and kicked out the pro-Communists in the previous coalition government, undermining the security of the country from within. What has happened there is nothing short of a miracle. You will hear about the things that went wrong; but look also at the things that went right. I do not condone waste or corruption; we have to work against them all the time. But we need to keep our eyes on the main objective, too. Laos is free and friendly today.

Like a patient recovered from one illness, it may have a recurrence of the same difficulty, or a different and new illness tomorrow; but that is something for the future. The program has succeeded remarkably well thus far.

We need to remember that what we are trying to do is to help countries remain free that want to remain free. We are trying to increase their capacity to defend themselves. We are not trying to buy friends—you cannot buy friends. We are trying to give them the capacity to do what they want most to do, namely, defend their own independence. In many cases it is newly won and very precious to them. But their strength is very limited. It is in their interest and ours to keep them and their resources out of Communist hands. To the extent that we and they do that, we are succeeding.

Now, let me say something more directly about the Development Loan Fund. In earlier years the bill contained provisions for grants or for miscellaneous loans on a year-to-year basis. There were regularly two main criticisms from the gentleman from Lousiana, and his subcommittee, and to some extent they were justified. The agencies could not adequately screen and evaluate applications from countries all over the world in one fiscal year. If the agency did not allocate its funds to a bunch of inadequately considered projects just prior to the end of the fiscal year, June 30, it would not have all its funds obligated and it would be charged here that ICA had asked for more money than was needed; it did not need all the money we had appropriated.

On the other hand, if ICA did allocate the full amount before June 30, it would be accused of carelessness in screening projects or recklessly approving applications in order not to have its funds revert to the Treasury. It was in part to meet these criticisms that we started the Development Loan Fund 2 years ago. If plans and examinations had not been completed for a project by the end of the fiscal year, the Fund managers are not under pressure to decide until their picture is complete. It gives continuity to the program. It permits orderly, intelligent planning and careful use of the funds. They do not have to go through a mad race during each April, May, and June, trying to get the loans made before the end of the fiscal year or else lose funds for projects that are needed and basically sound. The Fund managers can operate in a businesslike way. They can study any proposed project the same way the Army Engineers study projects here at home. They can examine the feasibility, the cost, the probable benefits, and so on. They do not have to meet a definite deadline. Only when they are convinced it is sound do they make the commitment. Surely we prefer loans to grants; and we want loans to be made on the sound basis the Development Loan Fund arrangement permits.

Again the loans, instead of being given to governments where the money might go to some allegedly corrupt official's relative, are given for specific projects, just as we authorize funds to the Army Engineers for a particular dam on the Mississippi River or a conservation project in some State here at home. The projects are analyzed to determine whether they are important for the political survival of the given country, whether they are economically necessary and sound.

Another reason for this particular Fund is that sometimes we need to make loans to countries that are not eligible for loans from other agencies. For instance, the loans of the Export-Import Bank must be used for purchase of goods grown or manufactured in America to ship abroad. But sometimes what a country needs is materials that we don't have in surplus or that can be bought more cheaply by the borrowing country closer home. Export-Import Bank cannot meet that situation.

The World Bank can make only loans that will be repaid in dollars or convertible currencies. Many of these countries do not have the capacity to generate enough dollars to repay. So we need the Development Loan Fund to permit aid to be given in crucial areas where they cannot repay in dollars, or for projects that do not earn money. Capital put into a road or an irrigation project does not earn dividends. Capital put into a cement plant or a fertilizer plant should be able to pay off, at least in the country's own currency. A higher interest rate is charged on such loans.

These are some of the reasons why we set up the Development Loan Fund in addition to the other lending agencies, not to duplicate them but to fill a gap. We need it especially for those countries which are the weakest, which need this kind of assistance most urgently and which cannot get the capital from any other private or public source.

The Development Loan Fund is the most constructive forward step in assisting the economic development of the less developed countries that we have taken since we started this program 12 years ago, not as an act of benevolence, but as a means of helping insure the security and well-being of the United States and all free peoples.

Some say, "This is do-goodism." It, of course, is supposed to do good for other people. But that is not the primary reason why we are doing it. It does good for us. Should we refuse to do good for ourselves if in the process we help other people?

Some say that charity begins at home. Of course, charity begins at home. But who will stand up and suggest that this is charity? This is for the survival of our own country.

This amendment to keep the Development Loan Fund in business for the next 5 months should be adopted as a matter of good common sense.

Mr. THOMAS. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Chairman, I am going to support the amendment to be offered today by my distinguished colleague from New York, the Honorable JOHN J. ROONEY.

This is no time to be talking from both sides of our mouth. We cannot say to our allies in one breath, "We want your help. We want you to be partners with us in stemming the tide of communism, which is a threat to us all." Then from the other side of our mouth nullify this pronouncement by saying, "We will not honor any commitments which we have made to you. You must fight starvation and make all necessary improvements in your own way by yourselves, in order to prevent communism from subjugating your countries. We will not help you."

Such a one-sided partnership is doomed to failure. If those among us who are so blind as not to realize the danger involved, if those who lack the vision to foresee the consequences fail to understand the implications of such action on our part—then it will not be very long before we shall discover that we have been left alone. By then it may be too late to retrieve our steps. In such event we may suddenly find that we have neither the funds nor the resources to alone resist the onslaught of the Communist forces, whose principal target is the annihilation of the United States.

Let me remind my colleagues that the Soviet Union is constantly stepping up its economic aid and technical assistance programs. Although the Soviet foreign economic program is relatively recent, having been started only in 1955, during the last year alone Soviet Russia signed such aid agreements with 18 underdeveloped countries for an amount totaling about $1 billion. Last Sunday, March 22, the New York Times reported that 2,809 Russian technicians spent at least a month in 1 or more of 19 countries during the last 6 months of 1958 under the Soviet technical assistance arrangements with those countries.

While Russia is capitalizing on every moment and every opportunity to further its ends in all parts of the world, we are quibbling and losing precious time. In 1957 we set up the Development Loan Fund to take over the main economic aid functions of the mutual security program. Instead of outright aid which the recipient nations did not have to repay in the past, we now grant them loans at low interest rates in order to stimulate their economic growth and the improvement of their standard of living. In many of these underdeveloped lands economic stagnation leads to unemployment, poverty and starvation, which breeds unrest and paves the way for Communist infiltration.

One of the countries which is looking to us for aid is India. Informally encouraged by our own Government, India has recently made an urgent request for additional credits to enable it to realize its 5-year development plan which would help build up the economy of that country and maintain its freedom and independence. Have any of us given thought as to what might happen if India fails in its task? Do any of us even dare to think of the consequences in all of Asia if India should be swallowed up by communism? Do you suppose for a single moment that any other nation in Asia could long hold out, even under the best circumstances with China and India in the Communist camp?

Take the situation in the critical Middle East area where Russia has been making such tremendous headway by extending economic aid, first to Egypt, and now to Iraq. Our friends and allies, such as Pakistan, Iran, Turkey and Israel, who are with us in their resistance to Communist aggression, are deeply concerned over these Russian moves in the Middle East. They fully understand that Russian economic aid is merely a weapon of Communist penetration into the area. Can we afford to let these underdeveloped lands go by economic default?

Aside from the humanitarian aspects of our economic program in helping the underdeveloped nations fight poverty and seek to improve their conditions, let us not overlook the very important aspect of our own security. By this time it should be quite clear to us that the millions of people in these so-called backward lands of today may hold the balance of power and the key to freedom tomorrow. Shall we ignore them and drive them into the arms of the Communists?

There is also another very important aspect of which we should not lose sight. In extending these loans we not only help to build up the economy of each of these countries, but we are also creating potential customers. As the economies of these nations expand and their standard of living improves, these peoples are bound to buy more of our products. Thus, in the long run our country stands to gain economically for the outlay in financial help now.

It is my prayer, as it must be the prayer of everyone in this Congress, that should a showdown come about, we shall not find ourselves in a situation of having to send forth our boys alone against the whole world. That would be like sending them forth to a certain doom.

The catastrophe of another world war can, to a very large extent, be avoided if we succeed in strengthening our allies. If we allow ourselves to be divided, if we vacillate in our support of them, the Russian bear will pluck our friends one by one without a battle—and then leave us helpless for a similar fate.

Mr. JENSEN. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, in the 17 years, which is my tenure in the Congress, I have learned one thing quite effectively, and that is that anybody who opposes this foreign aid program is usually termed a demagog, an isolationist, and just a plain bum, and anybody who supports the program is, of course, always a liberal and a statesman. Now, that is the connotation, folks, make no mistake about it. In spite of that fact, I am going to go risk being called a demagog, a bum, and an isolationist, because I think that every statement that

has been made here by the proponents of this bill, or this amendment, is based on hope and hope alone. It has no basis on fact or result whatsoever.

Mr. Chairman, we have spent in excess of $75 billion on this program since World War II ended. The Russians have spent a measly $2 billion, and yet they have succeeded in taking over 800 million people and we have succeeded in taking over nothing. And, yet they say the program is successful; it has to be continued.

As a matter of fact, if it were not for our foreign aid program, we would not be here today wrestling with our brains and our energies on how to stop communism. It is our liberal foreign aid program that got us into this jam. Who made the Soviet Union and the Communist threat what it is today? We did it under our foreign aid program. It started under lend-lease during the war, $13 billion. They will not even talk to us about paying it back. When Mikoyan was over here recently, the question was not even raised, because if it were he might get angry and go back home. Then immediately after the war, while the pipeline of lend-lease was still going, 2 years after the war, we started a program called UNRRA. The people who were getting all these goods from the United States of America thought that UNRRA was a city in the Soviet Union from where they were getting all this fantastic aid. And, what did we do with UNRRA? We helped the Communists in taking over all of China. Half of the UNRRA aid, under the foreign aid program, that we gave to China, went to the Red Chinese. Every satellite country taken over by Russia in central Europe and in the Balkan countries was given UNRRA aid with the stamp of the Russians on it. The Russian Communists were handing it out. In Yugoslavia or any of the Balkan countries or central European countries, if you wanted a loaf of bread, you had to sign up that you were a Communist in order to get it, our bread, that we gave them under UNRRA.

We made the Russians what they are today. We helped them entrench themselves in central and eastern Balkan countries with UNRRA money under the foreign aid program.

Then, in 1947 we started the Marshall plan, and there are those here, newcomers, who will say, sure, the Marshall plan was all right, because that was a program that was started to stop communism. Nothing is further from the truth. If you want to find out what the Marshall plan originally was, read General Marshall's speech made at Princeton University in June 1947.

You will find that it was not a program to stop communism at all. As a matter of fact, the Marshall plan was an invitation to all the countries of the world, including Soviet Russia, to come over to the United States of America and get aid in order to rebuild their country. We invited Russia, in the original Marshall plan proposal. We invited every one of the Communist satellite countries. We invited Red China. We invited every Communist country in the world to come over and get money under the foreign aid program, as well as the countries that were not Communist.

So what happened? The Russians said, No, there might be something attached to this; the Russians said, No, they would not participate in the Marshall plan, and they gave the word to the Communist satellite countries not to take any money from the United States of America under the Marshall plan. What stupid fools they were, because if they had come in under the original Marshall plan, they could have bled the United States of America for billions of dollars more in order to finance communism in the Soviet Union and in the satellite countries.

Mr. Chairman, just think of this. Instead of the $75 billion that we scattered to all parts of the world, just think what a wonderful position our country would be in today if we had used $10 billion of that money, one-seventh of it, and put more emphasis on the conquest of outer space. Or if we had built more submarines to combat the 600 submarines the Russians now have.

Believe it or not while we have been throwing our dollars all over the world to 59 different nations, the Communists have been building up their military might. As a result we have substituted flexibility for appeasement which in reality means the same thing. In condescending to meet Khrushchev at another summit the Communists have scored another major victory.

The Russians put all of their energies into military might while we scattered our resources to the four corners of the world. What good did the foreign aid program do? For example, what good did it do in Cuba? We have spent millions of dollars in Cuba under the foreign aid program. Where are they today? We spent millions of dollars in Venezuela. Does anybody know whether they are on our side or not? Look at the millions of dollars we spent in Iraq. As a matter of fact, they propitiously waited until we sent them the last shipment of arms before the Communists took over that country. They are closer to communism today than they ever were, in spite of the millions of dollars that we poured into that country.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, the gentleman knows of my high affection for him.

I would like to say to him on my responsibility that in recent days and weeks I have had the opportunity to talk not only with the President of the United States, whom I respect and admire, but also the Prime Minister of Great Britain, Mr. Macmillan. And I cannot sit here and let go unchallenged his statement that these men are going over there to appease Mr. Khrushchev. I know that that is not true. As a matter of fact, the policy of firmness that has been demonstrated is going to win through in this crisis as it has in others.

Mr. O'KONSKI. I pray the Lord they will. I hope the gentleman from Indiana is right, and I will back him and our leaders in standing firm with all that is in me. I pray they will not become flexible—which is just another term for appeasement.

Mr. THOMAS. Mr. Chairman, I yield 4 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I take this time to inform the Members of the House, several of whom have inquired of me concerning it, what has happened to the request for the maintenance and operation of schools in federally impacted areas and the construction of schools in federally impacted areas. We were able in the full committee last Friday to have included in the bill before us $20 million for the maintenance and operation of these schools and $24,600,000 for the construction of the schools in federally impacted areas. These amounts, if they stay in the bill, will allow the school districts to receive 100 percent of what they are entitled to under the law. You will recall that we passed legislation last year by a unanimous vote to extend this act for another 2 years.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Indiana.

Mr. HALLECK. Is it not true that the budget request last year was for the amount that is now to be included in this deficiency bill reported by the committee? In other words, the Congress for the federally impacted areas and for the construction and operation cut the request some $45 million?

Mr. FOGARTY. They cut it 15 percent, because it was in the closing days of the session and it was a compromise between the House and the Senate. Because we had passed a new law creating new responsibilities under the act, we thought that was a fair compromise at the time.

Some of us who are interested in these programs thought we would have a chance to come back after the Office of Education had firmer applications on hand and give them 100 percent of what they are entitled to, because that is certainly what we voted for in this law.

Another amendment, which will be offered at the appropriate time, is to restore to the Defense Education Act the amount of money that has been requested by the Bureau of the Budget. The request was for $75,300,000. The committee has allowed $25 million for the student loan program. I intend to offer an amendment that will bring that up to $75 million, when we get to that paragraph of the bill. This is something that the President, as you know, asked for last year in an effort to get that bill through. The Secretary of the Department of Health, Education, and Welfare made a strong plea for the inclusion of these funds on yesterday, and I understand the Commissioner of Education himself has also made a strong plea.

So, I do hope that the Members who are interested in these federally impacted areas and who want to see this Federal Education Act carried on as we expect it to be carried on will be on the floor when the bill is being read for amendment so that they will be able to support these amendments.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, I hesitate to bring up the small figure which I propose to discuss in view of the billions I have heard tossed around here in connection with our mutual security program, but it is my understanding, as I read the bill, that there are other things of importance in this bill.

First, I desire to commend the committee on the very excellent job they did. I realize the problems and the pressures they were under in an attempt to bring to this floor a bill concerning every agency and every department of the Government.

I am particularly concerned with reference to an item which involves only $200,000. Last year we created the new State of Alaska, our 49th State. All of us, as Members of Congress, are vitally concerned with the well-being, the welfare, and the progress, economically and otherwise, of that great new State in the north.

Some 2 years ago there was created a Presidential Commission called the Alaska International Rail and Highway Commission. It was given responsibilities for a study regarding new transportation facilities that would be needed in the at that time proposed new State. That State has arrived, and I feel it is important that the Commission be permited to complete its study and to make such recommendations as it is able to make.

May I call the attention of the chairman of the committee to the language in the report near the bottom of page 8 that—

> The committee has not allowed $200,000 at this time to expand the operations of this Commission until its program can be reappraised and plans for the future more firmly developed.

Then in the concluding sentence of that paragraph it is stated:

> It can be considered later as a part of the 1960 budget program.

I would like to ask the chairman of the committee, the gentleman from Texas, to comment on that because, as I recall, there were several of us who are members of that Commission who appeared before his committee with our request for the money in this case, and we are concerned about what further information his Committee on Independent Offices would require in order to feel justified in making the money available in order that we may complete our work. I ask the gentleman to comment on that because I am led to believe by the report that he feels further information is desirable.

Mr. THOMAS. I will say to my distinguished friend, the gentleman from California, that on this subcommittee we had the gentleman from Ohio and the gentleman from Iowa, the ranking two members of the subcommittee on the Interior appropriations that had regular jurisdiction over it. So what this particular group did was to say that we thought it should be transferred to them because they were going to have the program permanently in their jurisdiction. That is all that this subcommittee did.

Mr. SISK. Is it my understanding then that the statement of the gentleman from Texas is that this appropriation will come up in the Department of the Interior appropriation rather than under the independent offices appropriation?

Mr. THOMAS. We cannot guarantee that. This committee said that we are not going to take jurisdiction. We are not going to turn it down. We are not denying it. We are not taking jurisdiction. We are sending it to the other group and, I assume, that they will. Of course, that is an assumption on my part.

Mr. SISK. Then may I direct a question to my friend, the gentleman from Ohio [Mr. KIRWAN].

Mr. KIRWAN. As the chairman of the committee explained, when this came before the deficiency committee, it was decided—why set it up here in the supplemental appropriation? Send it back to the regular committee. That is one of the troubles with the supplemental appropriation. Right off the bat, they come up with the idea to rush it into the deficiency or the supplemental appropriation and they rush up here to Capitol Hill. Let it come through the proper channels. I said then and I say now, we have 7,000 engineers in the Department of the Interior and, yet, we have to go out and hire a private engineer to go up and make a survey in Alaska. Canada refused to do it. Until they find out the answer, let them go to the regular committee.

Mr. SISK. Mr. Chairman, I have directed these questions because this Congress has given the Alaska Rail and Highway Commission a responsibility, to be carried out in conjunction with our sister country to the north, Canada, and we need a comparatively small sum to accomplish the job given us. I may add that the potential value of the highways and rail lines which may be built as a consequence of this engineering and economic study are astronomically greater than its cost. And perhaps more important is the vital need for forging the closest possible land links with our new State of Alaska so that both it and the Nation may receive to the fullest the tremendous benefits of this new union. I have risen here today to emphasize the importance of this study and the need for this $200,000, which I trust will not get lost in our anxiety over much larger sums.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I would like to speak for a few moments on the question of the Development Loan Fund because I think it is particularly interesting that before the Committee on Foreign Affairs this morning we had two witnesses, Under Secretary Douglas Dillon and Mr. Dempster McIntosh, Administrator of the Development Loan Fund, who spent the entire morning before our committee on testimony regarding the Fund. I think, Mr. Chairman, there may be a little misunderstanding on the part of some of the Members about some of the facts and figures regarding this particular fund. We were told that as of this morning, there remains available for loans under the Fund, loans which have in no wise been committed, obligated, promised, or anything else, a total of $800,000. Now that is true. That means that if the action of the committee in taking out this entire supplemental appropriation is upheld by the Committee of the Whole the Development Loan Fund, in effect, stops operations until it gets new money which would probably not be before next August. There is also, it seems to me, some confusion with respect to the amount of money available for the Fund's operation, and I think possibly that confusion has been occasioned by the people who are at least partially responsible for it, who are defending the Development Loan Fund with respect to their use of the word "obligations." As I understand it, when the Development Loan Fund gets an application for a loan from a foreign government or a foreign individual, it goes before the Board of Directors for the Fund for approval.

If that is approved by the Board of Directors, it then goes to the National Advisory Council, and in about 2 weeks' time if the National Advisory Council also agrees in approving the loan, then the Development Loan Fund issues a letter of commitment. The Development Loan Fund regards that letter of commitment as an obligation for the Fund, and the Fund in effect is earmarked for that particular loan.

Then there is the question of working out with the prospective borrower, a matter which takes sometimes as long as 2 or 3 months, the terms of the loan itself; and finally, when the loan obligation is officially signed then the formal terms of obligation are realized and then it becomes an obligation both on the lender, which is the Development Loan Fund, and on the borrower, whoever the borrower may be; yet, as I say, there has been some confusion as to just when the Development Loan Fund has been obligated.

The administrators of the Development Loan Fund regard the obligation as existing at the time the letter of commitment has been issued and not necessarily only when the loan agreement itself has been signed. That is why they came to our committee this morning and told us that there were only remaining available funds for a total of $800,000 to be used until the fiscal 1960 funds would be available, and it is obvious that if the supplemental request is not approved, then, of course, the Development Loan Fund goes out of business until that time which would probably be another 4 or 5 months.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. JONAS. Of course, it would go out of business insofar as making payments for loans may be concerned, but the small staff that handles this fund will be very busy processing the obligations that have already been approved. It does not necessarily mean that they will have to close the door, lock it, and go off and do something else for the next 2 or 3 months.

Mr. BENTLEY. The gentleman is entirely right. It means, of course, that there would be no money available for new loans, no negotiations for new commitments or obligations. It is obvious that there would be a great many loans in the mill in process, and that, of course, the Development Loan Fund could be or would be, I imagine, relatively busy during that time.

I think the members of the committee are entitled to know that there could be in all probability no new applications accepted for the Development Loan Fund until, as I say, fiscal 1960 funds are available.

There is another thing there has been some argument about, and that is with respect to the area expenditures under the obligations.

Mr. THOMAS. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado, [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, the situation today reminds me of a moment in history in this House some 9 years ago there was before the House a request from the President for $100 million for relief and rehabilitation of the country of Korea. On that day, by an exactly tie vote, the House presumably saved the taxpayers $100 million. But in the next 2 years it cost the taxpayers $100 billion.

Mr. Chairman, I am going to vote for the $100 million today in the hope that it may save us from the necessity of again spending $100 billion.

Mr. TABER. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, the funds provided for the Development Loan Fund are practically exhausted. What is left is so small that not very much activity could take place.

There are no funds which could be transferred by Executive order or by the President in any other way into the Development Loan Fund. The funds that are left in the mutual security program today are for military assistance, nonmilitary assistance, and a lot of other items in which the unobligated amounts run to approximately $2 billion. The total amount of funds that could be transferred into the Development Loan Fund or transferred out of the Development Loan Fund is absolutely nothing. That is, there are not any other funds that could be transferred into it.

So, either these people have got to be put on a shelf until along about the 1st of September when a foreign relief bill could be passed which would have these items in it or appropriate the amount now. We would have to wait for the committee to report and have the bill go through before they would have anything to operate with. On the 1st of July the whole of the authorization that is not obligated and appropriated for expires, and unless new language is carried in the authorization bill that is now under consideration in the Foreign Affairs Committee there can be no more operations of this sort. Frankly, I do not believe we can get anywhere by putting them out of business at this time.

I feel we should go ahead and adopt the amendment we have been told will be offered, which will make available $100 million to be expended in the period from now until the 1st of July.

Section 501 does not apply to this particular fund. The provisions of section 202(b) of the Mutual Security Act absolutely prohibit transfers in or out of that particular fund. We must approach the matter with a clear sense of our responsibility, and we must try to see that our responsibilities are met. For my own part, I do not like to waste dollars. But I do feel that these particular loans, if they are made with great care—and I hope that they will be—will be of great assistance, because I have been after the management of the outfit to change it and step it up so that it will be of the highest caliber. I hope that they will. I hope that all of these things will be worked out in a proper way. Now, it is true that there were some UNRRA funds that were diverted to the Communists, but it is also true that from the time the foreign relief program was started Russian has not had any benefit out of the funds. It is also true that out of the Development Loan Fund no money has been passed and no negotiations have been had whereby there would be loans made to Iraq. Anything that has happened with respect to Iraq happened before the Development Loan Fund was set up, and in the last 2 years there has been nothing going in that direction, especially since they have shown a tendency to communistic reaction.

Now, there are a lot of other items in this bill. It is a deficiency bill, and a deficiency bill always carries a great mess of them. The departments always come back for the funds that they have been denied during the previous session in the first deficiency bill and a lot of those items that have been submitted here have been thrown out by the committee. And, it is a very good thing that they have been, because otherwise there would be no bottom left in the Treasury.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. Where is it proposed to get the $100 million for this Development Loan Fund? Are we taking that now out of the 97—no, we did not save $97 million the other day, did we?

Mr. TABER. No; we cannot take it out of that.

Mr. GROSS. No. But where is it proposed to get the $100 million?

Mr. TABER. Where are we going to get the $97 million?

Mr. GROSS. Where are we going to get the $100 million?

Mr. TABER. Where are we going to get the $97 million? That is the thing I want to know.

Mr. GROSS. I voted against appropriating $97 million the other day, and I will vote against this foreign handout. Tell me where you are going to get the $100 million.

Mr. TABER. I do not know. It will have to be borrowed, I expect. I do not know that there is any other way of getting money these days. But, I do not think we can afford to turn this down just the same. I feel that we ought to go ahead and pass it.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE I—DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Salaries and Expenses

For an additional amount for "Salaries and expenses", as follows:

"Research", $3,666,700, to be derived by transfer from the appropriation for "Conservation reserve program", fiscal year 1959;

"Plant and animal disease and pest control", $2,180,700, to be derived by transfer from the appropriation for "Conservation reserve program", fiscal year 1959; and

"Meat inspection", $1,709,100, to be derived by transfer from the appropriation for "Conservation reserve program", fiscal year 1959.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I feel that the observations I have to make, even though they might not pertain to the minute particulars with which we are concerned, are of vital importance to our consideration of this great problem of foreign aid as it might be used to stay the Communist menace. And, my observations deal largely with the thought that it strikes me that with one hand we are trying to stay a conflagration whereas with the other hand we are beckoning for the fires to spread upon our shores. I have reference, Mr. Chairman, to the fact that we have as yet taken no specific action to counteract some of the decisions of the Supreme Court which have made it easy for the Communist menace to spread within our shores.

I suggest to you that this afternoon we might be spending our time even in a more valuable way by taking some concrete action to stay this particular menace. I would remind you, for example, that in the Nelson case the Supreme Court held that the States could not act against a Communist seeking the overthrow of the Republic because that was a field which the Federal Government had preempted. The Supreme Court held that despite the fact, as I understand, that the author of the Federal legislation stated specifically that it was not his idea at all that the Federal Government would preempt the field of sedition.

May I remind you, Mr. Chairman, that in the Yates case the Supreme Court held that the Federal Government's own anti-subversive laws did not apply to organizing a cell or a unit of the Communist Party, because only participation in organizing the original Communist Party ran afoul of the law. This means that we cannot even prosecute a Communist who is organizing a new Communist cell even though today we are talking about spending hundreds of millions of dollars of our Treasury to combat the Communist menace.

In the Kent case may I remind you, Mr. Chairman, that the Supreme Court held that the Federal Government cannot prevent even known Communists from leaving and returning to the country at will. On the floor of the House last year I called the attention of the House to this grave problem. What right does a man have, who is a traitor to this country, to travel in other lands? And today while we deal in semantics over a million dollars here or a million dollars there, what about these traitors who are scattering false propaganda, and, yes, I tell you, Communist propaganda, all over the United States of America?

I know that the appropriate committees of Congress are considering these matters, and I congratulate my colleagues who have introduced legislation to correct these matters. But, Mr. Chairman, I tell you it seems to me that with one hand we are throwing the treasure of America to the four corners of the world in an effort to stop communism, and with the other hand, because of inactivity on our part, we are beckoning to the traitors and to the subversives within our own shores to grow and to make their efforts all the more deadly.

I read recently excerpts from a speech by one of this country's greatest orators, Daniel Webster. He described the great misfortunes we could overcome: war, the destruction of our commerce, the desolation of our fields, even the crumbling of our Capitol—all these might be replenished, recultivated, or rebuilt, "But who," he continued, "shall reconstruct the fabric of demolished government? Who shall rear again the well-proportioned columns of constitutional liberty? Who shall frame together the skillful architecture which unites national sovereignty with States rights, individual security, and public prosperity? No, if these columns fall they will not be raised again."

I sincerely hope in our discussion this afternoon that we shall not forget what in my opinion is even the more important part of this fight against communism, and that is to demand immediate action that will enable us to fight successfully the subversion that is within our own shores.

The Clerk read as follows:

Forest Service

Forest Protection and Utilization

For an additional amount for "Forest protection and utilization," as follows:

"Forest land management," $12,282,800, of which $5,432,200 shall be derived by transfer from the appropriation for "Conservation reserve program," fiscal year 1959;

"Forest research," $1,003,400; and

"State and private forestry cooperation," $102,800.

Mr. ROONEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY: On page 6, after line 22, insert the following:

"FUNDS APPROPRIATED TO THE PRESIDENT

"Mutual security

"Development Loan Fund

"For an additional amount for advances to the Development Loan Fund, as authorized by section 203 of the Mutual Security Act of 1954, as amended, $100,000,000 to remain available until expended."

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Texas.

Mr. THOMAS. Mr. Chairman, I wonder if we can agree on some limitation of time on this amendment. We are all familiar with what is involved here and have had a pretty full debate on it heretofore during general debate. I wonder if we can wind up debate on this amendment in 15 or 20 minutes.

Mr. Chairman, I move that all debate on this amendment and all amendments to the paragraph close in 20 minutes.

The motion was agreed to.

Mr. ROONEY. Mr. Chairman, the amendment now pending, which would provide an additional $100 million in the present fiscal year 1959 for the Development Loan Fund, is offered in behalf of the distinguished gentleman from Massachusetts, my colleague on the deficiency subcommittee, Mr. BOLAND, and myself.

I have served on the Foreign Operations Subcommittee on Appropriations since its inception following the start of the Marshall plan about a dozen years ago. As a member of that subcommittee and a conferee on the part of the House on the 1959 fiscal year mutual security appropriations bill last summer, on the day the 85th Congress adjourned sine die, I was present when the conferees on that mutual security appropriations bill met with the conferees on the part of the other body. It was agreed and subscribed to by all the conferees as follows: that the amounts contained in the bill agreed to by the conferees were too small in the view of some of the conferees, especially in the Development Loan Fund; that it was understood that if additional funds were needed this past January for the purposes contained in the bill, the Appropriations Committees of the House and Senate would give earnest consideration to the recommendations of the Executive in view of the importance of maintaining our friendly relations with countries with whom we have undertakings.

Now, that did not mean that the conferees who sat at the table and signed that conference report agreed that they would approve an application for additional funds in any particular amount. But it was definitely an invitation, if the administration felt it needed additional moneys for the Development Loan Fund, to come up to Capitol Hill and seek and justify any additional moneys needed when the 86th Congress convened.

I do not need to go into the Fund figures all over again. The gentleman from Michigan [Mr. FORD] gave them accurately in his presentation. We know there has been appropriated to date $700 million. I think it has been proved beyond question here on the floor of the House that there is but about $800,000 left of those moneys. It may be said that all the $700 million has not been obligated—that is a legal term. But this agency, this Development Fund is in the loan business. In their loan business, immediately upon their issuance of a letter of advice or intent, the loan becomes firmed up and at that time there instantly occurs a very important step in our international relations. This country issues publicity describing the loan and its approval for country A, and country A announces to all its peoples that the United States has agreed through the Development Loan Fund to lend a certain amount of money or credit to help that country.

I again accentuate the fact that whether legally obligated or committed, there remains out of the $700 million fund but $800,000 for its operations. What does this mean? This means that this organization, the Development Loan Fund, with 60-plus people working and employed by the Congress and the taxpayers on a payroll which is considerable in amount will have to sit these people down to twiddle their thumbs in the event this amendment does not carry, until along or about the 1st or 15th of August next because it will be along about that time that the regular 1960 mutual security appropriations bill will finally become law. While this halt in its operations is taking place and while these employees and the U.S. Government are twiddling their thumbs, we find this situation pictured in the New York Times of March 22, 1958:

Reds' foreign aid to 18 countries up $1 billion in 1958. The Communist bloc signed aid agreements with 18 underdeveloped countries last year totaling $1 billion.

And here we are indecisive about one-tenth of that amount, or $100 million for the Development Loan Fund.

Mr. Chairman, I trust the pending amendment will be adopted in the interest of our national security.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(By unanimous consent (at the request of Mr. GROSS) the time allotted to him was granted to Mr. PASSMAN).

(By unanimous consent (at the request of Mr. JENSEN) the time allotted to him was granted to Mr. PASSMAN).

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GROSS. This Development Loan Fund is simply a subterfuge for the foreign giveaway program and I am op-

posed to it. As the gentleman from North Carolina [Mr. JONAS] and others have stated the U.S. Treasury is already busted and borrowing money for the going expenses of the Government. The time is long past due for a drastic curtailment of so-called foreign aid and the uncollectible loans provided through this Development Loan Fund. How much further will this Congress go in loading impossible mortgages on the children of today and tomorrow—debt that they cannot possibly pay? Approval of this $100 million will be another act of irresponsibility and I want the record to show that I refuse to be a party to it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. JENSEN. Just how much can we expect to get back in repayment on any of these funds under this development loan program?

Mr. PASSMAN. My guess would be, if you should check the record 10 years from now, repayments might be, perhaps, 6 or 7 percent of the total.

Mr. JENSEN. And they have the right to pay these loans back in foreign currencies; do they not?

Mr. PASSMAN. That is provided in the program. They scatter a few dollars around to mislead the people of America into thinking this is a bona fide loan, when, in fact, it is a soft-currency transaction that amounts to but little, if anything at all, more than a grant.

Mr. Chairman, this is not my fight; this is the fight of the Supplemental Appropriations Subcommittee, but it is for a program that is handled before our Subcommittee on Foreign Operations Appropriations. However, I should like to direct one more time the attention of the Committee of the Whole to the fact there are about 28 different items in the mutual security program. Practically every one is related to the other. They frequently change the names, mutual security, development loan, development assistance, special assistance, the President's Asian fund, the President's contingency fund, and so on, until it is thoroughly confusing to endeavor to determine the ultimate situation. Remember, however, that we are considering in excess of $1,100,000,000 available to lending in other categories before you get into the military; and when you get into the military the amount is $5 billion.

Time will not permit me to go through this list of items which are in excess of $6½ billion, and much of this money can be used as a grant or loan.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Louisiana yield very briefly?

Mr. PASSMAN. Yes, I shall be glad to yield to the gentleman from New York.

Mr. ROONEY. Is it not the fact that under the law no part of the mutual security program funds may be transferred to the Development Loan Fund?

Mr. PASSMAN. I might say to the gentleman that you can make the same loan to the same nation, in the same amount, on the same terms, from one of the many other categories that you do out of the Development Loan Fund. The Development Loan could take it over later and ultimately make the loan. On military matters this is not a loan, it is a grant. This loan is a kind of grant that will never be paid back to any large extent.

Mr. ROONEY. Mr. Chairman, will the gentleman further yield?

Mr. PASSMAN. Yes, I yield.

Mr. ROONEY. Is it not a fact and was there not testimony to the effect that these loan funds may be used four and five times over a period of years to make additional needed loans to the same country?

Mr. PASSMAN. Oh, yes; and they could be used 50 times if they could be collected.

You and I heard the statement made that we had collected a million dollars from this fund. Then a member of the Foreign Affairs Committee took the floor and said: "I am sorry, but you are just about 300 percent wrong; the amount paid back was $225,000." So this is a matter about which there is a great deal of misunderstanding. The fund is in such a state of confusion that statements are made about it that cannot be verified by the record.

The CHAIRMAN. The gentleman from Ohio [Mr. Bow] is recognized.

Mr. BOW. Mr. Chairman, I have never voted for foreign aid or foreign-aid funds. Today I shall vote for this amendment.

I shall vote for this amendment for this reason: This House last year authorized this legislation, served notice on the executive department and on the world that this fund would be available. I believe that to be responsible we must appropriate sufficient funds to carry it until such time as the regular committee can report its bill; so I will support this amendment, as I say, the first time I have supported such an amendment since I have been a Member of Congress.

If this were a vote to authorize the Fund, I would oppose it. I shall oppose it in the future. But I do not feel the Appropriations Committee can or should repeal by implication the action taken last year.

May I say I have made this decision without pressure from any source.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Chairman, I want to add my word of support for this amendment. We all know that in recent months the free world has been much troubled by developments around the world, notably what many people call the Berlin crisis. In my opinion, we are going to win out in this crisis as we have in many others, and for one simple reason: That we in the United States with our free friends in the free world are operating from a position of strength. We have got that position not only because of our own strength here at home, but because of the strength of peoples friendly to us and the strength of our offshore operations, all of which are here involved.

The development loan proposition is better than the grant proposition, and I hope this amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. COFFIN].

Mr. COFFIN. Mr. Chairman, we are under some illusion in this body if we think we can do several things that have been held out to us as bait.

For one thing, we cannot declare a recess in this cold war, and if we do not vote for the pending amendment we are not so much putting the staff of the Development Loan Fund out to pasture as we are getting out of the process of encouraging our friends and allies throughout the world. We cannot recess this cold war for the next several months until we vote some money in the regular big bill. Neither can we save any money if we wait for the next 2 months and terminate our operations in the meantime. We will not save a dime by that action.

What the gentleman from Louisiana is suggesting to us, and I am surprised, is that despite the mechanisms we have devised to make loans, which ought to be contrasted with technical assistance, in defense support, and military aid, we ought to discard all of these tools and their legislative criteria and use these other funds for purposes for which they were not intended.

Let us use the tools we have devised in the way we planned to do.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I find myself somewhat in the position of my friend from Ohio who just preceded me. I do not recall when I voted for mutual security, foreign aid, foreign relief, or any other type of program since I have been in Congress. I may very well vote against the foreign aid authorization bill again this year and against the appropriation bill, as I have done in the past. But at this particular time I am not willing to take out from our foreign policy, our foreign program, a part of this bill which I think is the very best part of the foreign aid program. I think that the idea of making loans to these people is a sound one, and I think it is much more appreciated and wins more friendship than the idea of grants anyway, particularly at this time, Mr. Chairman, when we are facing a crisis, as the minority leader has just said, when we are facing negotiations with our Communist enemies in the near future. I see no reason at all why the Committee of the Whole House, or anybody else, should take any action at this time which would in any way tend to give the impression to the Communist world that we are weakening in our attitude on this situation.

The CHAIRMAN. The Chair recognizes the gentlewoman from Georgia [Mrs. BLITCH].

Mrs. BLITCH. Mr. Chairman, 4 years ago I stood on the floor of this House for the first time and expressed my opposition to the idea of any program of foreign aid. I have heard nothing

thus far in this debate which has in any way changed my mind. I believe that the Members of this House overwhelmingly in their hearts realize that we have a bear by the tail and that we should turn it loose. We should turn it loose now.

We have just seen the Prime Minister of Britain coming over here and our own President indicating there will be a summit meeting. That summit meeting is to get Mr. Khrushchev off the hot seat in his own country and his satellite countries, and we know that Mr. Macmillan needs the prestige of the arrangement to help him in the coming elections. And here we are in the House of Representatives today backing it up with more money.

All of these things are not contributing to the peace and stability of the world.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. BOLAND].

Mr. TOLL. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Pennsylvania.

Mr. TOLL. Mr. Chairman, the supplemental appropriation of $225 million for the Development Loan Fund, which the administration is asking the Congress to approve, is needed to keep a vital instrument in operation. The Development Loan Fund is one of the best ways we have to meet the challenge of the Communist threat in the economic field. In the Near East alone Soviet and Soviet-bloc aid to the Arab countries has exceeded a billion dollars. I do not have to spell out the political effect this Communist aid has had. We cannot permit our own program to be stalled for the next 5 months—and that is what will happen if we do not approve this appropriation—at a time when the Soviet economic offensive is going ahead at full speed. We must have the funds to strengthen our friends and provide them with the means to resist domination and to stay free.

The underdeveloped countries in Asia, Africa, and the Near East must have our help in order to achieve a satisfactory rate of economic growth. They must have our help to maintain their stability and independence. The loans made so far by the Development Loan Fund cover a wide variety of improvements: railways, highways, dams, irrigation, industrial development, telecommunications, and so on. They furnish the funds with which people can develop their own resources, raise living standards and reduce illiteracy. They contribute to the establishment of a sense of security and independence that enables these new governments to steer clear of Communist lures. Throughout the world the United States has been fostering progress and helping people to develop their economies. We have been making friends for freedom and showing people how they can help themselves without sacrificing their rights and their liberty.

Since it began operations, the Development Loan Fund has approved loans in 31 countries; it has committed all the money voted by Congress last year, and it now has a backlog of more than $1.5 billion of screened applications. The Development Loan Fund was a sound approach to our responsibility in aiding underdeveloped countries when it was authorized in 1957. It was encouraged to go ahead last year when it received an appropriation of $400 million with the understanding that a request for a supplemental appropriation would be considered if it should become necessary. That need has been amply demonstrated.

Unless we grant the supplemental appropriation, which is requested, we will be helpless to meet the Soviet economic offensive now being waged with great intensity in Africa and the Near East. At a time when the need is greatest and the tension is mounting, we shall be compelled to sit by with hands folded unless we give the Development Loan Fund the money it needs to operate. We do these things in our own selfish interests and for our own security, but in the larger sense we also have a moral imperative to help those who are willing to help themselves to become free, independent, and strong nations.

Mr. BOLAND. Mr. Chairman, I rise in support of the amendment. The gentleman from New York [Mr. ROONEY] and I are cosponsors of this amendment. Both of us served on the Subcommittee on Supplemental Appropriations that recommended $100 million to the full committee. Both voted against the successful effort of the gentleman from Louisiana [Mr. PASSMAN] to strike this amount from the bill when the full committee met last Friday.

Mr. Chairman, I am convinced that it would be a tragic mistake on the part of this Congress if it failed to provide sufficient funds for the Development Loan Fund to operate for the next 5 months before any additional moneys are voted for it in the fiscal 1960 budget.

This Nation is being challenged by Russia in all areas. But the success with which the Kremlin has entered the economic field should cause us deep concern. This is the place of the real cold war and if we fail to implement our efforts in the field of economic assistance to the less developed areas of the world, we, indeed, are asking for trouble. All over the world we will lose friends and we will be standing alone with few allies. We just cannot afford to get into this position. A common sense aid program that is envisaged by the Development Loan Fund is the answer to a wasteful, extravagant effort. This agency is now moving into the economic assistance arena with a program that promises to produce real results and give needed aid to the underdeveloped friendly countries throughout the world.

Mr. Chairman, I think that the majority of the Members of this House recognize the fact that this program is a program that is going to be with us for a long period of time, the mutual assistance program. The House recognized this a couple of years ago, when it authorized and created the Development Loan Fund. This is a fund which puts mutual security on a businesslike and on a sound basis. Now, all of the abuses that the gentleman from Louisiana complained about, and with some justification, have not occurred in this program we are now discussing. A great deal of them did occur in the Mutual Security Agency. There is no waste, no extravagance, no corruption in this particular development, and I challenge the gentleman from Louisiana to deny that fact.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Louisiana.

Mr. PASSMAN. This is a brand new baby.

Mr. BOLAND. Of course, it is a brand new baby. I recognize the fact that it is a brand new baby, and that is the reason we developed it. We created it to get away from the waste and corruption and graft that you so justifiably complain of. Here it is on a sound businesslike basis, and you continue to oppose it. The fact of the matter is that this is the best program that we have developed for mutual assistance ever since the program started.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Mr. Chairman, I rise in support of the Rooney amendment offered to restore $100 million Development Loan Fund to the second supplemental appropriations bill. This program is charged with carrying forward a vital aspect of foreign policy in many critical areas of the world. If disallowed the program would be threatened with a virtual shutdown for half a year or more—and a probable loss of momentum that would take much longer to regain.

The Development Loan Fund concentrates in accelerating growth in the less developed economies of the world. It is the principal instrument of the U.S. Government charged with this objective. The Development Loan Fund supplements, and does not compete with, other sources of capital in the free world.

If this program is discontinued at this time it will be a great boon to the Soviet Union. Communist leaders recognize the profound urge for economic progress in the less developed areas and they see the opportunity to woo uncommitted governments with substantial offers of aid. They support development for their own particular purposes. The success of U.S. aid to less developed countries has been underlined by the decision of the Soviets in recent years to extend an increasing volume of credits to selected countries for development purposes. Recent Soviet announcements predict increased economic competition with the free world and a stepped-up foreign aid program.

It is in the long-range interest of the United States that the less developed countries not lack alternatives to acceptance of Soviet offers. The long-range

interests of the United States require that it become identified with reasonable economic aspirations of developing peoples.

Much has been made of the fact that the Development Loan Fund has not actually expended much of its present $700 million fund and that a third of it is not even technically obligated. Many Federal programs are set up like this with a long leadtime built into them. Virtually every penny of the Fund's money is now firmly committed and applications, carefully screened, are on hand for many times the $100 million in new authority sought for the current year.

Because of the vital importance to our foreign economic objectives a supplemental appropriation for fiscal 1959 of $100 million is now desperately needed for the continuance of the Development Loan Fund. Having assumed the leadership of the free world, it is now no time to relinquish the responsibilities of leadership at the very moment the Soviet Union makes its challenges on the economic front. This program is fiscally sound, in the interest of the free world. It is wholly within the precept that the United States leads the free world with conscience, responsibility and farsightedness. It is a vote for our national interest and the continued security of the free world.

Mr. MEYER. Mr. Chairman, in our desire to economize we are always out looking for dragons. I think sometimes projects such as this Development Loan Fund are more nearly small lizards or small rabbits, and I think it might be well to consider that the entire business of our Defense Establishment is the large dragon. I am not suggesting that we kill dragons or lizards, but I suggest we keep them all under control and well regulated. Therefore, I rise in favor of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, right now I have a report before me showing what the Soviet has done along this particular line: $626 million to Egypt; $120 million to Iraq; $323 million to Syria; $304 million to India; $364 million to Indonesia.

Unless we adopt this amendment we are going to fade out of the picture in our race to maintain the free world and keep things right side up. Now, let us vote the amendment through and go on doing our job.

Mr. PELLY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Chairman, as I understand, since the Development Loan Fund was launched in mid-1957, commitments totaling nearly $700 million have been made. The supplemental appropriation under the Rooney amendment would add $100 million to the Fund for the current fiscal year. Then, in turn, $700 million is being sought for fiscal 1960.

I do not think that I can agree with those who are confident the taxpayers' money loaned under this Development Fund program constitutes bankable transactions in the ordinary sense. Or at least I have read that such is not the case.

However, the point I want to make is that for its 30-year credits to foreign governments, I understand the Fund has been asking no more than 3½ percent. In contrast, the U.S. Treasury has had to pay 4 percent on $500 million of 10-year bonds in the past few days and for 30-year bonds I would guess the current legal ceiling of 4¼ percent would hardly be high enough to attract investors.

I will support the amendment to add $100 million, but I would like to limit loans to the rate of interest which the Treasury finds it necessary to pay. I would put in an amendment to this effect except under the rules I realize a point of order would be raised against it as being legislation on an appropriation bill. Recently on the domestic scene the rural electrification representatives meeting here in Washington were unhappy when it was suggested they should borrow from the Treasury at no less than the rate the Federal Government pays. I do not blame them for being unhappy when others are doing the same thing. I am for a requirement that in all cases the Federal Government obtains the same rate that it pays for a comparable borrowing.

Yesterday, it was pointed out in this House that under the new so-called community facilities proposal the Federal Government would be called upon to make $1 billion of long-term loans to municipalities at an interest rate of 2⅞ percent. The Government would borrow at 4 percent and lend at 2⅞ percent. As I see it, each situation like this is forcing the United States to increase its debt and the more the Government borrows the higher the rate of interest it must pay. The annual budgetary $8 billion interest will soon be $9 billion, and that means, or should mean, more taxes. As long as there is available a premium or subsidy by way of a special discriminatory low interest rate, there will be a demand for Federal loans. I believe this special treatment should be removed and the only way to remove it is to provide that the Secretary of the Treasury establish a schedule of interest rates from time to time which the Government finds it necessary to pay on new issues and to charge those same rates to others. All current loans made by the Treasury should be in accordance with what the Treasury has to pay.

However, I would not raise the rate to our own domestic borrowers, or agencies, if we did not likewise treat foreign governments the same way. If we must discriminate, we should do it in our own favor.

Mr. LINDSAY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Chairman, I rise in support of the amendment offered by my colleague from New York [Mr. ROONEY] appropriating $100 million for the Development Loan Fund. A continuation of the Fund's operation is absolutely essential to the success of our foreign policy. The President and the Secretary of State, plus the leaders of the Congress from both sides of the aisle have said this emphatically. Can there be any doubt about it in this day and age when the struggle for freedom in so many countries of the world hangs in such delicate balance?

The underdeveloped countries of the world cry out for our help and the least we can do is to be their banker to encourage them to help themselves. This is not a grant program but a loan program and it strikes me as strange that it should be argued that this is a continuing drain, with no return, on our resources. In the whole package of foreign assistance programs this is the most sensible. Witness the fact that several Members of this body who have continually voted against all foreign aid measures in the past rise in support of this one.

Let us support the President and do right by ourselves and our friends abroad by voting for the amendment.

Mr. O'HARA of Illinois. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, as a member of the Committee on Foreign Affairs, my time largely occupied with the international problems that vex us, I feel that this is a time for frank talking. As the chairman of the African Subcommittee I am deeply concerned by the stepped-up program of the Soviet in offering loans on very easy terms to any of the African countries that will accept them. We operate under the great disadvantage of not being in position promptly to offer loans to countries that have immediate requirement for development funds and which if they cannot turn to us can be expected ultimately to accept what the Soviet has placed within its reach.

In the last year the Communists, worldwide, have made in excess of $1 billon in such loans. I am certainly no alarmist, but I am gravely concerned that we will lose the awakening continent of Africa if the development loan fund is stopped cold in its tracks by failure to include at least $100 million, which is a pitiful amount to meet the $1 billion challenge of the Soviet.

I am convinced that when the Development Loan Fund is better understood by the American public it will have the enthusiastic approval of all thinking persons. The trouble is it is confused with the grants and aids in the period prior to the establishment of the Development Loan Fund just 14 months ago.

In the 14 months of its operation the Development Loan Fund has justified my prediction in the 85th Congress that it

would prove as sound as the program that started with the establishment of the Export-Import Bank. In the 85th Congress I stated that one of the great merits of the Development Loan Fund was the prospect that it ultimately would take in large measure the burden of foreign economic aid from the shoulders of the American taxpayer. This I said would be accomplished by revolving funds of local currency in the various areas of the world where it operated.

It is just this simple: A loan is made, we will say to Nicaragua. The loan is made in American money and the repayment of the loan may be in local currency. The local currency received in the repayments on the loan will go into a revolving fund for further loans in Nicaragua. These new loans will be made in local currency from the revolving fund and they will go into developments in which there is no requirement for American money because all the labor and materials are obtainable in that country. Thus, little by little the demand upon the American Treasury will be reduced and ultimately almost entirely removed. To me it is so simple and its logic so understandable that I was surprised that some of my colleagues made statements implying that everything that I had said along this line was not exactly the fact.

Mr. Chairman, this morning the Honorable C. Douglas Dillon, Under Secretary of State for Economic Affairs, appeared at an open session of the Committee on Foreign Affairs. I asked him to make it crystal clear whether the Development Loan Fund in the 14 months of its existence had proceeded with this objective in mind. He stated positively that revolving funds of local currency in the various countries of the world was the objective and that he was satisfied from the progress already made that that objective would be reached. When today's hearing is printed I hope that my colleagues will turn to the page in the report where Mr. Secretary Dillon makes this statement. Secretary Dillon is no visionary. His experience as a banker certainly qualifies him to speak with authority on banking matters.

The fact is that the loans from the development loan fund are as sound as the loans made by the Export-Import Bank and the World Bank. They have to pass the same rigid banking tests. The only difference is that they may have longer terms and may be made repayable in local currency. In all other respects they are as sound as the loans of the Export-Import Bank and those of the World Bank. Now it follows that if the local currencies received in the repayments are put into revolving funds in the countries where those local currencies are generated there will be a continuing supply of credit for further developments of a sound nature in that country.

All we are doing is following in a general way the pattern of our own banking system in having available in local funds a source of credit for local businesses and needs.

The defeat of the Rooney amendment would be a disastrous blow. Being especially alert to the situation in Africa, where there is a dynamic urge to go forward rapidly, I would be most fearful of the repercussions on that continent that would follow the abrupt halting of the Development Loan Fund.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the time allotted me be yielded to the gentleman from Massachusetts [Mr. MCCORMACK].

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Chairman, the amendment offered by the gentleman from New York [Mr. ROONEY] simply carries out the action taken by the subcommittee that considered this matter. When the subcommittee reported to the full committee the bill carried $100 million. The subcommittee report included that, stating the reasons for it. The committee print carried the $100 million item. It was when this bill got to the full committee that the item was stricken out. So, the subcommittee that considered the evidence, that heard the witnesses, recommended the item being carried in the appropriation bill in the sum of $100 million, and all we are doing is supporting the subcommittee. And, I think the judgment of the subcommittee is wise. I think the judgment of the subcommittee is sound. The thing for you and me to do, whether Democrat or Republican in these trying days, but over and above that, as Americans, is to vote in the manner that we consider to be in the national interest of our country. And at a time when things are picking up in Indonesia, at a time when other countries recently emerged from colonialism are commencing to realize the danger of Communist colonialism and ruthlessness, for us to refuse to approve this amendment today providing $100 million would, in my opinion, be inconsistent with the best interests, the national interests, of our country. As the leader of my party I urge the Members on my side to vote for this amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MCCORMACK] has expired. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. ROONEY].

The question was taken; and the Chair announced that the "ayes" appeared to have it.

Mr. THOMAS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ROONEY and Mr. THOMAS.

The Committee divided; and the tellers reported that there were—ayes 191, noes 85.

So the amendment was agreed to.

The Clerk read as follows:

SHIPS AND FACILITIES

For an additional amount for "Ships and facilities", $18,000,000.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any points of order to the bill? If not, the Chair will recognize Members to offer amendments.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 14, line 10, insert after the comma and before "$25,000,000", "$75,300,000, of which"; strike out the comma after "$25,000,000" and insert the words "shall be".

On line 13, strike out the period and insert the following: "; $37,000,000 shall be for grants to States and loans to nonprofit private schools for science, mathematics, and modern language teaching facilities; and $2,000,000 shall be for grants to States for testing, guidance, and counseling."

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. THOMAS. Does the gentleman's amendment restore the entire budget estimate of $75 million for the program?

Mr. FOGARTY. This is exactly the language that was presented to the committee by the Bureau of the Budget and by the Department of Education. Last year the Defense Education Act was passed after months of hearings and due deliberations. If there ever was a nonpartisan effort which was more successful in the last Congress I am not aware of it. I do not know what act had that kind of cooperation. I think the gentleman from Alabama [Mr. ELLIOTT], the gentleman from New York [Mr. WAINWRIGHT], the gentleman from West Virginia [Mr. BAILEY], the gentleman from New Jersey [Mr. FRELINGHUYSEN], and all those who spoke on both sides of the aisle last year to get the Defense Education Act passed deserve a tremendous amount of credit for the wonderful work they did, working together and making compromises and coming out with a bill to meet the President's request. The President signed the Defense Education Act. So what happened? The President made a firm statement a year ago as to this act. Mr. Folsom was then Secretary of Health, Education, and Welfare. He spent months on it. Thirty or forty national organizations, teachers and parent-teachers and all the groups of that kind came in and endorsed the legislation. The bill was passed and signed into law. The initial request for funds to operate in this fiscal year, 1959, did not come to our committee because we

were too close to adjournment. As a result, the request was made to the other body. Then the committee, which, incidentally did not handle these original requests, met with the other body and came out with a compromise. We were so close to the adjournment that the request went to the other body. The matter was not given extensive hearings in that body. They came back with a conference report, and after a conference was held, $40 million was agreed upon for 1959 with the understanding that if this was not enough, the Department was to come back and ask for more. We had authorized $183 million to be expended in this year, 1959, and only $40 million was appropriated at that time with the understanding that they come back and ask for more. So the Department of Education came to this new deficiency committee and made a request that had been approved by the Bureau of the Budget and by the President asking for $75,300,000 which is still only about two-thirds of what was authorized. But, the Committee on Deficiencies cut this request of $75,300,000 down to $25 million for the loan provisions. I think that is good in itself but it does not go far enough. I do not believe the administration asked for enough for loans. I think they should have asked for more. They have more applications for loans now than the administration is asking for and than this committee has allowed. So all my amendment does is to restore the amount that has been approved by the Bureau of the Budget and by the administration to run this program until June 30 of this fiscal year before the fiscal year 1960 starts.

When the facts are known I am confident that the Members of the House will refuse to accept these recommendations and will show their determination to give this vital program a strong vote of confidence which is urgently needed if we are to carry out our commitments under the National Defense Education Act. It is inconceivable to me as a member of the committee and as chairman of the subcommittee which regularly handles the vital programs that the Congress would want to cripple this program just as it needs to get off the ground and to accomplish the purposes which the Congress recognized and authorized last year. The President recommended a supplemental sum of $75 million for this fiscal year to be added to $40 million previously made available by the Congress as a stopgap appropriation on the last day of the session last year. In recognizing the urgent need for additional funds this year the President has indeed exercised due deliberation called for by the committee in requesting only the amounts actually needed to complete the program for the first year. The Congress provided time for this deliberation by appropriating last September only enough to begin operation this first year.

I call to your attention the fact that the Congress authorized appropriations in the National Defense Education Act for the current fiscal year amounting to $183 million. The funds requested by the administration will provide a total for the year of $115 million or 63 percent of the total amount authorized. The Department has testified that the amounts recommended for completion of the first year's program in many cases are considerably less than the States and institutions can effectively use to initiate the program this year. Therefore, the administration has submitted very conservative estimates of requirements. However, these requests of the President would be sufficient in every instance to make an effective start on all phases of the National Defense Education Act this year. By sharp contrast the action of the committee in allowing only one-third of the total amounts authorized by the law would starve the programs before they get going and would provide for effective operation of only one of the titles of the National Defense Education Act, that dealing with student loan programs. It must be obvious to the members of the committee that if we are to encourage able and needy students to borrow funds to go to college we must strengthen the supporting school programs to be sure that the students are ready and able to do good college work.

The Subcommittee on Appropriations which I head, when conducting hearings on the Department's programs for fiscal year 1960, gave considerable attention to the National Defense Education Act and to the requirements for the programs for fiscal year 1959. It was brought out in this hearing that the budget request for this program has been carefully evaluated and pruned at all levels of approval in the administration and that in no instance has the administration requested funds which are not needed to provide effective operation of the defense education program. I can assure the Members of the House that in my own opinion after careful review of these programs and extensive questioning of witnesses from the Department that the budget requests of the administration are conservative and well below the program levels authorized by Congress. This minimum request deserves strong bipartisan support to show the Nation and our teachers and students that we support this program and that Congress can be relied upon to live up to its obligations. State education agencies—and 45 of the State legislatures—have been working hard to get State plans ready for these programs. They have been fired with enthusiasm which we will either encourage or reject by our action today.

An example of the adverse action which the committee has recommended is found on title III of the National Defense Education Act which provides for the strengthening of instruction in our schools in the fields of science, mathematics, and foreign languages, which are the subjects recognized by all authorities to be most critical in our national defense and security. The Congress authorized $70 million to be appropriated for this purpose this year. The initial appropriation of $19 million was sufficient only to enable the States to make a very meager start for the purchase of vitally needed equipment to provide school laboratories with the materials essential to effective teaching. For example, it was reported to the committee that only 60 high schools in the Nation are adequately equipped to teach foreign languages through the use of new recording devices; and only one out of five classrooms is adequately equipped for the teaching of modern science. Funds requested by the administration would have provided for an additional $37 million for this purpose and the committee disapproved this request in its entirety. There is no excuse for further delay in appropriation of these funds. As a matter of fact, the States are guaranteed 2 years in which to submit plans to use the funds appropriated this year, and the denial of this supplemental request will cripple this program in every State. I urge each and every Member to become familiar with the amounts to be denied to his State and the children of his State if these funds are not restored.

Another example of the drastic effect of the committee's recommendations is seen in the elimination of all funds requested for national defense fellowships. The act clearly authorizes 1,000 fellowships to be awarded in fiscal year 1959, and 1,500 in each of the 3 succeeding years to strengthen the teaching staffs of our colleges and universities. Available funds will cover only 150 of these fellowships this year. The effect of the committee therefore is to limit this program in the first year to 15 percent of its effectiveness. The Office of Education has ready to release, as of this moment, the awards of 850 fellowships which have been carefully screened from 6,000 applications submitted for consideration. I have here a list of the institutions which would receive these awards. This program must not be crippled at this critical time when the country desperately needs more able and qualified teachers in our colleges and universities.

Likewise, the funds eliminated from the programs authorized under title V for the improvement of counseling and guidance services will seriously retard the States and educational institutions in achieving results mandated by the Congress. Some 200,000 bright and able students discontinue their education each year and this drain on our resources will not be stopped until we take action to identify their abilities and encourage them to continue their schooling. The Congress authorized $15 million to be appropriated for grants to States and an additional $6,250,000 for training institutes to be approved this coming year. The budget request of the administration would provide for less than half of the funds authorized for grants to States and for counseling and guidance institutes. The Office of Education has received applications from 300 institutions to run summer and fall institutes and only a small fraction of these can be approved. Clearly the action of the committee in eliminating all supplemental funds will restrict this activity at a time when the States and institutions have every reason to expect the Congress and the Federal Government to give the support promised in the National Defense Education Act.

Title VI of the National Defense Education Act authorizes $15,250,000 for the development of language teaching in our schools by establishing training centers and institutes for teachers and research in new materials and methods. The Office of Education now has available only $800,000 to initiate this extensive program. The supplemental funds would have provided for a total appropriation this year of only $5 million—or one-third of the authorization—to get this vital program initiated. For example, the funds available now will cover the operation of only four summer institutes in language instruction, whereas the Office of Education has received applications from 270 institutions who are ready to initiate institutes for improving the instruction of languages in their States. We know that the Nation is desperately in need of more adequate instruction in foreign languages so that we can work for the friendship and cooperation of billions of people who are now the target of Communist domination. The Commissioner of Education has found that 50 languages each spoken by some 2 million or more native peoples are not taught anywhere in the United States.

Title VII of the National Defense Education Act authorizes $3 million for research in new educational media such as educational television. The administration request for a supplemental budget of $1 million together with funds available would have provided only half of this amount. The Office of Education now has ready for approval 20 vital projects which have been carefully screened by an advisory group which reviewed over 200 project proposals to improve our knowledge of educational methods in the field of television and related media. It would be short-sighted and damaging to education to deny these funds now.

The action of the committee in rejecting funds for the improvement of State statistical services is merely a denial of interest in improving the ability of the States to report the basic facts about education. We in the Congress have, time and again, criticised the Office of Education for the inadequacies of its information about the conditions of education in this country. If we deny these funds, we must be ready to accept the blame for continuation of these deficiencies.

In conclusion, I believe the Members of the House will agree with me that this committee recommendation strikes a blow at the confidence of the States and institutions in this program which we as Members of Congress voted in overwhelming numbers last year. In enacting the Defense Education Act we expressed a far-reaching national interest and concern about the deficiencies in our educational system which weaken our national defense. If we now turn our backs on our schools and the schoolchildren of this country we will have undermined the confidence and respect which we have encouraged and invited through passage of the National Defense Education Act. I do not believe the Congress wishes to repudiate itself in this way.

Therefore, I am offering this amendment to restore to the bill the $50.3 million requested by the President and eliminated by the committee.

Mr. Chairman, I insert in the RECORD at this point a tabulation showing the amounts of funds which would be denied to the States should my amendment not carry. Conversely, should my amendment carry these are the amounts which they will receive:

Funds to be allotted to the States under proposed amendment by Mr. Fogarty

State or Territory	Title III		Title V
	Financial assistance for strengthening science, mathematics, and modern foreign-language instruction		Part A
	For acquisition of equipment and minor remodeling	For loans to nonprofit private schools	Guidance, counseling, and testing; identification and encouragement of able students
Aggregate United States	$32,560,000	$4,440,000	$2,000,000
Continental United States	31,820,000	4,364,122	1,960,000
Alabama	942,815	22,834	43,524
Arizona	280,613	19,924	14,286
Arkansas	519,100	8,628	23,964
California	1,605,000	242,700	148,189
Colorado	328,780	29,774	19,407
Connecticut	261,213	68,798	24,118
Delaware	50,463	14,040	
Florida	723,063	41,275	42,910
Georgia	1,093,653	14,512	50,489
Idaho	177,542	5,541	8,449
Illinois	1,148,574	408,809	103,999
Indiana	848,029	96,886	52,844
Iowa	592,805	69,336	32,515
Kansas	419,323	37,030	24,272
Kentucky	872,937	63,219	40,299
Louisiana	881,804	106,254	40,709
Maine	214,678	30,405	11,163
Maryland	492,063	94,338	33,335
Massachusetts	636,662	204,502	51,564
Michigan	1,308,964	235,648	91,352
Minnesota	713,297	116,290	39,633
Mississippi	668,840	16,458	30,877
Missouri	724,793	116,884	46,444
Montana	145,930	14,827	8,244
Nebraska	296,070	37,531	16,386
Nevada	31,063	3,206	
New Hampshire	109,128	28,478	3,365
New Jersey	639,441	232,294	59,040
New Mexico	255,108	21,351	11,777
New York	1,811,859	665,604	167,289
North Carolina	1,299,962	12,492	60,013
North Dakota	181,901	14,577	8,398
Ohio	1,448,521	276,237	104,921
Oklahoma	557,800	14,781	27,703
Oregon	331,758	24,205	20,483
Pennsylvania	1,830,126	453,549	122,075
Rhode Island	120,973	41,266	8,909
South Carolina	739,833	7,571	34,154
South Dakota	187,459	12,353	8,654
Tennessee	963,878	23,612	44,498
Texas	2,164,347	105,754	113,574
Utah	240,749	3,874	11,470
Vermont	90,260	14,698	
Virginia	908,175	36,650	46,086
Washington	469,868	38,115	31,492
West Virginia	582,323	12,511	26,883
Wisconsin	764,873	179,973	45,010
Wyoming	68,714	3,391	
District of Columbia	74,870	21,137	5,234
Outlying parts of the United States	740,000	75,878	40,000
Alaska	30,000	1,696	5,000
Canal Zone	30,000	417	5,000
Guam	30,000	2,067	5,000
Hawaii	94,925	24,779	4,589
Puerto Rico	525,075	44,769	15,411
Virgin Islands	30,000	2,150	5,000

Also I will insert in the RECORD at this point a statement of the fellowship awards to be made under title IV if my amendment is accepted:

Proposed graduate fellowships, Title IV, National Defense Education Act of 1958—1959–60

State and institution	Authorized [1] (under present funds)	Total number of fellowships (under present and supplemental funds)
Alabama:		
Alabama Polytechnic Institute	4	8
University of Alabama		11
Arizona: University of Arizona	4	16
Arkansas: University of Arkansas	3	12
California:		
California Institute of Technology		2
University of California (Berkeley)	2	13
University of California (Davis)		2
University of California (Los Angeles)		15
Claremont Graduate School		9
Occidental College		9
University of Southern California		8
Stanford University	3	18
Colorado:		
University of Colorado	5	12
Colorado State University	3	7
University of Denver		5
Connecticut: University of Connecticut		14
Delaware: University of Delaware	3	5
District of Columbia:		
American University		5
Catholic University	2	2
Howard University	3	3
Georgetown University		5
George Washington University		3
Florida:		
Florida State University	6	20
University of Florida		7
University of Miami		4
Georgia:		
Emory University	3	7
Georgia Institute of Technology		9
University of Georgia		6
Hawaii: University of Hawaii	3	8
Idaho: University of Idaho	2	15

[1] 10 additional fellowships have been authorized to allow for nonacceptance.

Proposed graduate fellowships, Title IV, National Defense Education Act of 1958—1959–60—Continued

State and institution	Authorized (under present funds)	Total number of fellowships (under present and supplemental funds)
Illinois:		
University of Chicago		8
Illinois Institute of Technology		3
University of Illinois		13
Loyola University		4
Northwestern University	2	8
Southern Illinois University		4
Indiana:		
University of Indiana	5	20
Notre Dame University		6
Purdue University		7
Iowa:		
State University of Iowa	2	8
Iowa State College		2
Kansas:		
Kansas State College	2	9
University of Kansas		14
Kentucky:		
University of Kentucky	2	13
University of Louisville		2
Louisiana:		
Louisiana State University		8
Tulane University	4	19
Maine: University of Maine		10
Maryland:		
Johns Hopkins University	3	9
University of Maryland		5
Massachusetts:		
Boston University		7
Brandeis University		3
University of Massachusetts		10
Tufts University		3
Worcester Polytechnic Institute		1
Massachusetts Institute of Technology		4
Michigan:		
University of Michigan	4	8
Michigan State University		8
Wayne State University		3
Minnesota: University of Minnesota		17
Mississippi:		
Mississippi State College		11
University of Mississippi	4	11
Missouri:		
University of Missouri	8	10
St. Louis University	5	5
Washington University		12
Montana: Montana State University	3	12
Nebraska: University of Nebraska		8
Nevada	None	None
New Hampshire	None	None
New Jersey:		
Rutgers University		9
Stevens Institute of Technology		3
New Mexico:		
New Mexico State University	5	5
University of New Mexico		7
New York:		
Alfred University		4
Brooklyn Polytechnic Institute		8
University of Buffalo		3
Columbia University		3
Cornell University		11
New School for Social Research		4
New York University	3	3
Rensselaer Polytechnic Institute		5
New York—Continued		
University of Rochester		8
Union Theological Seminary		5
North Carolina:		
Duke University	3	15
North Carolina State University		15
University of North Carolina	2	13
North Dakota:		
University of North Dakota		4
North Dakota Agricultural College	4	4
Ohio:		
University of Cincinnati		4
Ohio University		10
Western Reserve University		3
Oklahoma:		
Oklahoma State University		15
University of Oklahoma	3	12
Oregon:		
Oregon State College		6
Oregon State College and Linfield College		3
University of Oregon	4	18
Pennsylvania:		
Bryn Mawr		3
Carnegie Institute of Technology		5
Dropsie College		3
Lehigh University		1
Pennsylvania State University	3	8
University of Pennsylvania		11
University of Pittsburgh	3	3
Rhode Island:		
University of Rhode Island	4	4
Brown University		8
South Carolina:		
Clemson Agricultural & Mechanical College		8
University of South Carolina	3	3
South Dakota: South Dakota State University		4
Tennessee:		
George Peabody Teachers College	3	7
University of Tennessee		12
Vanderbilt University	4	16
Texas:		
Baylor University		4
Rice Institute		5
University of Texas	3	10
Texas Agricultural & Mechanical	4	12
University of Houston		4
Texas Technical College		3
Utah:		
Brigham Young University		1
University of Utah		14
Utah State University	4	4
Vermont: University of Vermont	2	5
Virginia:		
Virginia Polytechnic Institute		9
University of Virginia	3	17
Washington:		
State College of Washington		7
University of Washington	2	20
West Virginia: West Virginia University	2	4
Wisconsin: University of Wisconsin	3	6
Wyoming: University of Wyoming	3	9
Total fellowships	160	1,000

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. LAIRD. Is it not true that since this particular program was authorized our subcommittee has never had an opportunity to include any part of this Defense Education Act funding in a regular appropriation bill. The Department of Health, Education, and Welfare has recently, in appearances before our subcommittee, not only fully justified their request for funds in this supplemental or deficiency bill, but also the funds requested in their regular appropriation bill for fiscal year 1960. It is regrettable that our subcommittee has not had full opportunity to report on this program.

Mr. FOGARTY. No; we have not, except in this way, that when the Department of Education appeared before our committee a few weeks ago for the 1960 appropriation request they were asked to detail what they needed to operate with in 1959. A great many of the questions that were asked by the Deficiency Committee were also asked in our committee, and we received the same answers; and that is why I am here today as chairman of that committee making this request for the full $75 million.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. JONAS. As long as the gentleman is at this point, how much is needed for this program for the fiscal year 1960?

Mr. FOGARTY. $150 million is being asked for 1960.

Mr. JONAS. For the fiscal year which begins July 1, 1959?

Mr. FOGARTY. Yes. Everyone should understand that this is only a 4-year program—$183 million is authorized for fiscal year 1960, and $222 million is authorized for appropriation in fiscal year 1960.

Mr. JONAS. It is $160 million.

Mr. FOGARTY. And of the $183 million authorized for 1959 we appropriated $40 million. The budget request was for an additional $75 million. This made a total of $115 million out of $183 million authorized.

But this committee which is reporting to the House now with $40 million plus $25 million, makes only $65 million or about one-third of what Congress authorized to be expended in this fiscal year, 1959, and that is the request that we have before us now, one-third of what the administration has asked for to run this particular program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GROSS. Does this provide funds for the employment of this American Institute for Research in the so-called testing program?

Mr. FOGARTY. This provides funds for counseling and testing services to be performed under supervision of the States as well as for institutes to be conducted by higher education institutions.

One of the main reasons the act provides funds for counseling and testing is that when Secretary Folsom was in office he formulated this plan and one of the strongest points he had to make was based on the fact that about 200,000 school children drop out of school every year in this country because they do not have the advantage of the counseling service that is carried on in some areas, as the gentleman from Massachusetts [Mr. BOLAND], mentioned.

Mr. GROSS. Having had some experience with this American Institute for Research is one of the strongest reasons why I would not vote for an amendment of this kind.

Mr. FOGARTY. May I say to the gentleman from Iowa, that these funds are going to be administered by the State. The criteria are set by the local school committees; the Federal Government had no control of any kind over the criteria set up or the standards developed or the tests administered within the State, the city, or the school district.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to my chairman, certainly.

Mr. THOMAS. Mr. Chairman, we have heard about this program a great deal. It is brand new. It started out last year and we gave it just enough funds to get started. I happened to sit on the conference that started the program off. We gave it a bare minimum.

There are eight programs wrapped up in one. There is one for grants to schools for scientific equipment. It is the biggest item in this paragraph, about $32 million.

The gentleman mentioned the testing program. That is something else.

There is an item of $4,500,000 for scholarships.

As far as I am concerned, I recognize the temper of the House when I see it.

If there is no objection on the part of the committee, we will accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The amendment was agreed to.

Mr. ROOSEVELT. Mr. Chairman, it seems incomprehensible to me that in 1959 there is a possibility that we shall start to undo what we recognized was so important to do in 1958 through the passage of the National Defense Education Act. And undo it we shall if we allow to stand the suggested cut in the supplemental funds request. Since the administration's request for an additional $75 million is a minimum request, certainly cutting it by $50 million would be highly unfortunate, to put it mildly.

When the National Defense Education Act of 1958 became law, we were, in effect, telling the American people, educators and our able and deserving young college students: "Here, we have at least given you a minimum program geared to improving instruction and student opportunity. We do this because we recognize the need to improve our educational programs in order to have additional and qualified mathematicians, scientists, and foreign-language experts. We, like you, recognize the educational and international challenges facing our Nation."

Are we now to tell them: "You have accepted this program; so much so, that its very success in its initial stages has resulted in the need for additional funds that will help do the job of continuing an effective and stable program. Therefore, to offset this success we now say to you that we shall cut off needed funds."

Mr. Chairman, this to me is illogical.

Certainly, it cannot be chalked up to mere fiction that additional funds—in a reasonably realistic amount—are needed. This is a matter of recorded fact. I bring to your attention, for example, that in my State of California, the program, because of its success, is in need of supplemental funds as specified by Roy E. Simpson, State superintendent of public instruction.

Mr. Simpson, an elective official, holds a nonpartisan office. His concern with this problem of additional funds can in no way be charged to partisanship. His concern is as an administrator who must meet the demands of a program assigned to his office. I wish at this time to read his March 23 telegram directed to my office:

> Fifty percent of school districts representing 80 percent of schoolchildren enrolled have filed with the State department of education applications meeting requirements Public Law 864 and California State plans, totaling in excess of $3 million of Federal funds for fiscal 1959 for title III, $590,000 for title V.
>
> Supplementary appropriations now before Congress essential to enable California school districts to finance programs developed under Public Law 864. Present allocations to California from initial congressional appropriation are $2,296,000 short title III and $198,000 short title V.
>
> Urge your active support full amount supplementary budget requested.

I further offer as additional evidence of the concern by those involved in the program, a telegram from Mr. Lionel De Silva, executive secretary of the California Teachers Association, southern section, in which he states:

> We urge you to support the restoration of the full amount of the President's request for the Defense Education Act. President's request was a minimum and should be used for all titles of act.

Mr. Chairman, the matter before us is a national issue in its truest sense; it is a nonpartisan issue; it is a major issue.

I therefore urge my colleagues to support the amendment restoring the minimum request of the administration.

Mr. DIXON. Mr. Chairman, I would like to join with those of my colleagues today who are asking Congress to restore the $50,300,000 supplemental appropriation for the National Defense Education Act.

In the report of the Appropriations Committee I note that the committee felt that Congress should proceed with "due deliberation before embarking on large scale support" of the fellowships, guidance, counseling and testing, languages and educational research.

While I acknowledge the advisability of studying thoroughly, I wish to point out that the National Defense Education Act was passed last August only after extensive hearings and debates in both Houses. I believe adequate study has been given to the implications and need for this act.

I also wish to remind the House that the reason for the passage of the National Defense Education Act, as its title implies, was to meet an emergency—the Russian challenge to our educational system. I hope that since sputnik we have not forgotten that education has become the balance point between the free world and communism.

If we fail to meet the challenge now, we may never get another chance. Emergencies demand fast and decisive action. We can lose the battle for educational know-how while studying and studying the best method of attack.

In approving only the $25 million supplemental appropriation for the student loan section of the act the committee has hit hard at the other vital emergency programs for which plans have already been completed in anticipation of the additional funds.

At the time critics of American education were demanding that the Nation do something about the challenge of sputnik, it was science, mathematics, and foreign language instruction which were deemed crucial areas needing greater emphasis.

Since Congress provided the first appropriation of $19 million for this area, over 31 States have submitted plans to the Office of Education for participation in the equipment grant program in these areas. The denial of the supplemental request of $37 million will cripple a program which I am confident could result in improved facilities and teaching quality of these subjects for many thousands of students.

Under the National Defense Act provision was also made for the establishment of language institutes, language centers and research to improve the skills and effectiveness of teachers. The initial appropriation of $800,000 will hardly launch the program if the additional $4,200,000 is not approved.

At the present time 232 applications have been received by the Office of Education for the establishment of language institutes, and 56 institutions expressed an interest in establishing language centers. At a time when America is linguistically backward I do not think we can in good conscience refuse the supplemental funds.

Nor do I see how we can justify refusing to appropriate $4,500,000 for the other 850 fellowships of the 1,000 which were to be authorized for this year or the refusal to appropriate $1,600,000 for desperately needed experimentation in educational uses of TV, movies, radio, and other media and the gathering of statistics which will serve as a valuable guide to our future efforts in education.

One way of identifying some of our country's best talent and developing it to its fullest is through testing, guidance, and counseling programs. The Office of Education states that 33 States have submitted plans to participate. The initial appropriation, plus the supple-

mental request of $2 million, would provide only about one-half of the authorized funds for this year.

A major difficulty of such a vast Federal program is to put it into effect quickly. At this time I would like to commend the Office of Education for its efforts in getting the benefits of this program through with such efficiency to the local level.

Students in my State of Utah have already received $60,460 under the student loan section of the bill and four fellowships, and $40,000 has been provided the University of Utah for a guidance and counseling institute this summer. Research in challenging the superior student by making the study of Russian available in the elementary school curriculum via television in the Salt Lake City schools has also been approved.

As a result of the Appropriations Committee's OK of the additional $25 million for student loans, an additional $246,879 will be available to needy Utah students.

Other funds under the initial appropriation which are available to Utah are: equipment to improve teaching of science, math, and modern languages for public schools, $123,628; loan for equipment to improve teaching of science, math, and modern language for private schools, $1,989; supervision and administration of science, math, and modern language program in the State, $20,000; general guidance and counseling, $30,400; vocational program, $17,094.

If the supplementary appropriation is restored, Utah would also be eligible for $240,749 for the science, math, and foreign language area for public schools and $3,874 would be available for loans for this purpose to private schools; general guidance and counseling, $11,470; 15 fellowships.

Mr. RHODES of Pennsylvania. Mr. Chairman, I am pleased that the committee has included funds in this bill for grants to schools of public health, as authorized under legislation which I sponsored in the last Congress.

Mr. Chairman, never before has public health had such an important role to play in the protection of our citizens. We are concerned over problems of radioactive fallout, the presence of strontium 90 in milk, radiation hazards in industry, air and water pollution, accident prevention, health problems of the aged, mental illness, rehabilitation of the disabled, and chronic killers such as cancer and heart disease. Public health workers at all levels of government are daily engaged in efforts to solve these and other health problems of our modern civilization.

Public Law 85–544 was an attempt to provide an urgently needed expansion of our public health training facilities. It authorized an appropriation of $1 million for fiscal year 1959 and an equal amount for fiscal year 1960 to assist the 11 schools of public health in providing specialized training to public health doctors, nurses, engineers, and other preventive health personnel.

Mr. Chairman, these graduate schools of public health are located at the Universities of California, Columbia, Harvard, Johns Hopkins, Michigan, Minnesota, North Carolina, Pittsburgh, Puerto Rico, Tulane, and Yale. They train public health personnel for the entire Nation and for many foreign countries.

The purpose of this appropriation is covered in detail at pages 598–609 of the hearings on the second supplemental bill by the special subcommittee of the House Appropriations Committee, headed by the gentleman from Texas [Mr. THOMAS].

As was pointed out in these hearings and in the hearings and debate on this legislation last year, the 11 private and State-supported institutions are now incurring an annual deficit of more than $3 million. They are, in effect, subsidizing the training of public health personnel for Federal, State, and local governmental bodies.

Of the total enrollment of 1,200 graduate students at these schools during the last year, about two-thirds are trained for some agency of the Federal Government. However, tuition fees cover only 11 percent of the actual cost to the institutions for training these students. Over the years, more than 90 percent of the graduates of public health schools have gone into the public service at some level of government or in voluntary health agencies.

The authorization bill was passed in the last session without a dissenting voice. Unfortunately, the measure was not signed into law until it was too late to be considered by the House in the 1959 supplemental appropriation bill acted on last year. The $1 million authorized for the first year of the program was subsequently inserted by the Senate but was eliminated in conference.

The Department of Health, Education, and Welfare requested $500,000 in the second supplemental to operate the program for the remainder of the present fiscal year. They have also requested the full amount authorized in their fiscal 1960 budget. The committee has reduced the Department's request in this bill by $50,000.

Mr. Chairman, let me point out that the full amount authorized under this program, if appropriated, would meet less than one-third of the current annual deficits incurred by these schools in training public health personnel for the Nation.

This program is of vital importance because of its long-range impact on the training of public health personnel for all levels of government. The National Conference on Public Health Training, which met last summer pursuant to the requirements of Public Law 911, endorsed this act and recommend that it be fully implemented by Congress.

Mr. Chairman, I congratulate the committee for its recognition of the importance of this program to the health of the Nation and trust that the $450,000 recommended by the committee will be approved by the House.

Mr. LINDSAY. Mr. Chairman, I rise in support of the amendment proposed by the gentleman from Rhode Island [Mr. FOGARTY], which would restore the appropriation necessary to the continuation of the educational program authorized by the National Defense Education Act. It is inconceivable to me that this Congress would establish a worthwhile and necessary program and then leave it high and dry. The action of the Appropriations Committee would render meaningless the action of the 85th Congress which was endorsed by the President.

The Office of Education, imbued with the sense of urgency implied by the Congress in passing the National Defense Education Act, has worked very hard during the 6 months since it was enacted into law to get these several programs going. They are now ready to carry out the intent of the Congress and lack only the funds.

Mr. McGOVERN. Mr. Chairman, one of the most valuable legislative programs enacted by the 85th Congress was the National Defense Education Act. I am proud of the fact that I was a member of the subcommittee that hammered out the basic outline of this program.

It is my conviction that the minds of our young people constitute our most precious national resource. The program under consideration seeks to improve the quality and the educational opportunity of our students and teachers. It seeks, in short, greater excellence in American education.

I strongly support the amendment to provide $75 million as a supplement to the national defense education appropriation for this fiscal year. There is an urgent need for these funds to carry out even a minimum part of the program authorized by the Congress for this fiscal year.

In my own State, for example, three fine institutions of higher learning, South Dakota State College, the University of South Dakota, and Northern State Teachers College, have all sought funds with which to establish guidance and counseling institutes as provided for in the legislation of last year. But, because of a critical shortage of funds, it does not now appear that any one of these outstanding universities will be able to secure funds for such a program.

I have learned, too, that whereas the Congress has authorized 1,000 graduate fellowships for this year, the Department of Health, Education, and Welfare has only enough funds to grant 160 such fellowships.

Other parts of the program are similarly short of funds to execute the educational assistance which Congress provided last summer.

The program which we are discussing is not one of Federal control of education. It is rather a program which preserves the local direction of our schools and colleges, but which supplements badly strained local school and college budgets with Federal encouragement and support.

High-quality education is not only good for the soul and the mind of man; it has become an essential ingredient in our national defense. I urge approval of this amendment.

Mr. BRADEMAS. Mr. Chairman, I rise in support of the amendment of the distinguished gentleman from Rhode Island [Mr. FOGARTY].

Mr. Chairman, the State of Indiana has had in the last 2 or 3 years the undeserved reputation of being opposed to education. This unhappy reputation is in very large part due to the militant

opposition of a U.S. Senator from Indiana last year, a Republican, to the use by Hoosier taxpayers of funds made available in the National Defense Education Act of 1958, one of the finest pieces of legislation ever passed by Congress in the field of education.

The present Governor of Indiana, along with the former State superintendent of public instruction—and I feel in good conscience compelled to point out that both are Republicans—have also been in the forefront of those who would prevent the taxpayers of our State from seeing their own Federal income taxes used in Indiana. These men have apparently, by their opposition to the use of funds under the National Defense Education Act in Indiana, been willing to see Hoosier taxes go to all of the other 48 States of the Union but not to Indiana.

But, Mr. Chairman, we had an election in Indiana last year. The Senator to whom I refer no longer sits in the other body. The Governor whom I mentioned was defeated in his bid for the U.S. Senate by the largest margin of votes ever recorded in a statewide contest in Indiana and the State superintendent of public instruction was also defeated last fall.

Today, Mr. Chairman, we have representing Indiana in the House of Representatives and the Senate men who believe in education.

I am therefore pleased, as one of the new Members of Congress from Indiana, as one of those who is confident that the people of our State believe in education, and as the only Indiana member of the Committee on Education and Labor, to urge support of the entire request made by the administration for a supplemental appropriation for the National Defense Education Act.

The restoration of these funds will make it possible for us in Indiana as well as for citizens of every other State of our country to press ahead with the important programs set forth in this act to strengthen the national defense and to improve the educational programs of America. Among other sections, these funds will provide for loans to students in colleges and universities, assistance for strengthening the teaching of science, mathematics and modern foreign languages, graduate fellowships for the purpose of improving our college and university teachers, funds for the establishment of centers for the teaching of foreign languages and institutes for improving their teaching as well as for a number of other programs designed to strengthen education in the United States.

Mr. Chairman, as evidence of the support of some of the most distinguished leaders in the field of education in the State of Indiana for the restoration of these funds, I am pleased to insert the following telegrams:

INDIANAPOLIS, IND., *March 23, 1959.*
Hon. JOHN BRADEMAS,
U.S. House of Representatives,
House Office Building, Washington, D.C.:
National Defense Education Act extremely vital. Fight for adequate appropriations.
W. E. WILSON,
State Superintendent of Public Instruction, Statehouse.

NOTRE DAME, IND., *March 23, 1959.*
Hon. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.:
Earnestly urge your support of National Defense Act graduate fellowship section. Regards.
THEODORE M. HESBURGH, *C.S.C.,*
President, University of Notre Dame.

NOTRE DAME, IND., *March 23, 1959.*
Hon. JOHN BRADEMAS,
House Office Building,
Washington, D.C.:
We urge your support of National Defense Act, title IV, graduate fellowships.
Rev. PAUL E. BEICHNER, *C.S.C.,*
Dean, the Graduate School, University of Notre Dame.

INDIANAPOLIS, IND., *March 23, 1959.*
Hon. JOHN BRADEMAS,
Floor of House of Representatives,
U.S. Congress, Washington, D.C.:
Restore cut in President's budget for National Education Defense Act. Funds badly needed to put Indiana plan into operation.
Mrs. DON HERRIN,
First Vice President, Indiana Congress of Parents and Teachers.

Mr. Chairman, I am glad to report that Indiana believes in education. The people of our State are back in the Union once more.

I hope the amendment of the gentleman from Rhode Island to provide for ample funds under the National Defense Education Act will be overwhelmingly supported by Members of this body.

Mr. BOLAND. Mr. Chairman, I rise in support of the amendment of the gentleman from Rhode Island [Mr. FOGARTY]. In speaking on this bill, in general debate, I pointed out that I did not approve of the striking of $50,300,000 from the activities of the Office of Education. Money for science, mathematics and laboratory equipment is essential if we are to back up the national defense education bill passed in the last session of the 85th Congress. We need good teachers in these fields and we can help to secure them by the national defense fellowships. There is a special need to increase the graduates to meet the critical shortage of teachers in the colleges and the universities today. The number of persons being graduated with doctoral degrees, all too few to meet the demand for them, is eroded away and drained off into fields of work other than teaching. The national defense fellowships will supply the incentive to correct this condition.

The activity labeled "Advanced Training in Foreign Languages and Areas" will strengthen our Nation in a field where we are weak. It is well known that as a Nation we are deplorably unprepared linguistically, either to defend ourselves in the case of war, or to exercise the full force of our leadership in the building of a peaceful world. Some 3 million Americans including members of the Armed Forces, are reported to be living, traveling, and working overseas each year. Few Americans available for overseas assignments have had any foreign language training. Most Americans who do study foreign languages start too late and stop too soon to become proficient in the use of the languages.

Mr. Chairman, this situation should not be continued. We did something about in the enabling legislation establishing the National Defense Education Act. But it can get nowhere unless we give it the necessary funds to function. The amendment of Mr. FOGARTY provides the money requested in the supplemental bill by the Department of Health, Education, and Welfare.

FOREIGN LANGUAGE INSTITUTES

Mr. Chairman, an initial allocation of $400,000 has been made in fiscal 1959 to begin the institute program, and an additional $1,100,000 was requested as a supplemental appropriation. The subcommittee struck out this item. I dissented from this action and pleaded for the whole amount. Mr. FOGARTY's amendment restores that amount. This money is used to establish language institutes. Each institute provides advanced training for language teachers. The initial allocation of $400,000 provided in the regular 1959 budget made it possible to set up four well-staffed institutes, each 8 weeks in duration. The amount requested we ask in this amendment, and this bill will make it possible to establish 6 additional 8-week summer institutes and 600 additional trainees will be accommodated, about 500 of them being public school teachers on Government stipends. Altogether, approximately 1,000 foreign language teachers would receive advanced training in the summer of 1959.

Mr. Chairman, I trust that the amendment adding $50,300,000 to this bill will be adopted by the House.

Mrs. GREEN of Oregon. Mr. Chairman, I rise to support the amendment to restore the funds requested by the Department of Health, Education, and Welfare, under the Defense Education Act of 1958.

In 1958, when the Congress passed that act, we did so because we recognized, in the shadow of sputnik, the fact that scientific and technological excellence is a weapon of war, as well as a tool of peace. We did not go overboard in that act. It represents a satisfying, but at best an inadequate, response to the challenge of Soviet achievements in the field of education. But today, if we go along with the recommendations of the distinguished committee, we will make that legislative accomplishment a hollow mockery. We will, in effect, return to the comfortable smugness of the presputnik era, consoling ourselves with the meaningless and now demonstrably false assumption that education is a luxury, without relation to the desperate struggle of our Nation and our way of life to survive.

What are some of the programs, already approved, already mapped out, which will die on the vine for lack of funds if the committee's recommendations are followed?

Under this act, the Department is authorized to award 1,000 fellowships each year. These graduate fellowships are the heart and soul of any meaningful defense education program. It is at the graduate level where our universities are engaging in the kind of creative scholarship that will make our American edu-

cation equal to the task which has been placed before it.

The Department has received 1,040 applications for fellowship aid for graduate programs. These application visualized a total of 6,000 fellowships. Under the act, only one out of six of these fellowships can be awarded, even with the full appropriation. Yet the committee, in limiting the fellowship program to the money already appropriated in last year's completely inadequate supplemental bill, has limited the fellowships, not to one out of six applications, but to one out of 40. Enough funds are still available from last year's appropriation to provide 150 fellowships. The funds requested would finance an additional 850. The 150 financed by last year's appropriation are already awarded, and already announced. The Defense Education Act fellowship program, if the committee's recommendations are followed, will be completely frozen until the requests for fiscal year 1960 become law. These 850 fellowships would cost a total of $4½ million. This is not a something-for-nothing proposition. It is a wise and prudent investment in national security, one which we can ill afford not to make.

Other aspects of the Defense Education Act program which deserve some consideration here include the language development program. I suspect most of my thoughtful and hard-working colleagues have read the delightfully chilling book, The Ugly American. One of the highlights of that book, one of the aspects of our foreign operations in which we have the greatest inadequacies is the language area. American representatives abroad, both governmental representatives and those valuable adjuncts to our foreign policy, American businessmen, are hampered in their work by the inability to obtain language training in this country. The Defense Education Act, in title VI, provides for a program of research, of institutes for language teachers, and for the establishment of language and area centers in American institutions of higher learning. Eight hundred thousand dollars is presently available, remaining from last year's appropriation. The Department has requested a supplemental allowance of $4,200,000.

What is involved in this request? I am informed that the amount of money now available can finance the setting up of four or five critical language and area centers. With the supplemental funds, the Department can establish six to eight additional such centers. There are 14 languages spoken throughout the world, each one spoken by between 10 million and 42 million people, which are not now taught anywhere in the United States. The list of these languages sounds like a catalog of the most important battlefields of the cold war. Forty-two million human beings speak Javanese. In no university in the United States can a civil servant or an American businessman be taught to speak Javanese. You may be assured, gentlemen, that this ridiculous state of affairs does not exist in the Soviet Union. There are other languages, ability in which is equally vital if we are to meet the threat to our existence where that threat is the most pressing—other languages which are not taught in the United States. These include Afrikaans, the language of the Union of South Africa; Cambodian, Laotian; Pashto, the language of Afghanistan; Sinhalese, the language of Ceylon; and, believe it or not, in spite of the closest and most intimate connections between this Nation and the proud Republic of the Philippines, Tagalog, the native language of that nation, is not taught anywhere in the United States.

Languages such as Chinese, Arabic, Hindi, Farsi, Indonesian, and Swahili are taught in all too few centers in this country, although these languages probably account for the spoken tongues of a majority of the earth's inhabitants.

We can save money if we follow the subcommittee's recommendations, Mr. Chairman. We can reduce the budget, and we can turn the political tables on the reckless political charges which have been leveled at the Democratic Party by labeling it the party of reckless spenders. We can gain some temporary advantage by taking the administration at its word and gaging everything in terms of a balanced budget. But the money we save and the votes we garner in this attempt will leave us with the proud but somewhat empty distinction which has hitherto been the exclusive possession of those budget balancers who took such pride in cutting our Nation's defenses in the months before Pearl Harbor. Today's defenses are not merely guns and bombs. Today's defense expenditures buy brains and books. If they do not, they do not buy defense. I plead with my colleagues not to enter into this contest to see who can be the thriftiest man in the graveyard.

Mr. ANDERSON of Montana. Mr. Chairman, I would like to compliment my esteemed colleague from Rhode Island [Mr. FOGARTY] for his energy and foresight in seeking full restoration of funds for the Defense Education Act. Our Montana PTA leadership, our Montana Greater University System, and our entire Montana Congressional Delegation long have actively supported this educational program. The educational leaders of my State urge its full support. Earlier my colleague from Rhode Island fought for and was successful in securing committee assent to an increase in funds for Public Law 874 and Public Law 815 activities so urgently needed in my district because of the impact of great expansion at two large airbases. I urge that the House today give its approval to these necessary appropriations. In one city alone in my district, Great Falls, they are trying to put across a bond issue for five new elementary schools. There they will have 2,000 unhoused students next September, of which a large percentage are federally connected. The situation is similar and equally critical at Glasgow. So these needs, and the Defense Education Act needs of our institutions of higher learning must be met if we are to keep faith with our people. I strongly urge favorable consideration of the Fogarty amendment.

Mr. ELLIOTT. Mr. Chairman, just 7 short months ago, we wrestled here throughout a long summer, both in committee and on the floor of the House, trying to fashion a realistic and honest, and at the same time an effective answer to the Russian threat in the fields of science and education.

I thought at that time, and I think now, that the House fashioned a program that had depth, and breadth, and height, and imagination. It was fortunate for the country that we were able to work out this program at a relatively very small cost.

That program dared to dream how strong America might really become if we made available the benefits of an educational program to the quarter million or so of the brightest boys and girls of our Nation—boys and girls who do not now go on to college, largely because they do not have the money. Out of that thought grew the loan program, and the testing, counseling, and guidance programs of the National Defense Education Act of 1958, which I had the privilege to sponsor in the House.

We dared to dream how strong America might become if we helped to provide the equipment that more than half of America's high schools need in order effectively to teach the sciences, at the time we must teach them, if we are to have an adequate number of highly trained scientists to serve the uses of a strong America.

We dared to dream how much stronger America would be if through a program of fellowships we started the training this year of 1,000 Ph. D.'s—10 percent more than were trained last year. We are interested at the same time to encourage America's graduate schools to expand their facilities and their programs by at least the number of fellowships granted, and we presumed that once these programs were expanded that they would stay expanded and continue to grow.

We dared dream of how much American school instruction might be improved if we provided money for experimentation with the new communication media, like TV. The Congress of the United States authorized a program in that field.

We dared dream how much American relations with our neighbors throughout the world might be improved if we provided institutes to increase the skills and add to the effectiveness of elementary and secondary school teachers of the modern foreign languages.

We felt, and I feel now, that our Nation should have adequate statistics on education right here in Washington, just as it maintains statistics on labor and business and many other fields.

Mr. Chairman, may I call your attention to the fact that these programs have all proved to be even much more popular than any of us who supported the Defense Education Act of 1958 had thought they would be. The applications under all the programs exceeded our guesses of what they would be by a good 100 percent.

Well, on the final day, or rather the final night of the last session of Congress, we provided $40 million for these programs, and I call the attention of every

Member to the fact that it was understood at the time that this $40 million was an interim appropriation, to be used only, and singly, for the purpose of getting the program started. Staffs had to be recruited, studies had to be made, conferences had to be held, and it was thought that $40 million would carry the program until the first of the year.

Now, the amendment proposed by the gentleman from Rhode Island [Mr. FOGARTY] seeks to restore the complete supplemental budget request of $75,300,000. I support Mr. FOGARTY's amendment. I trust the House will do likewise. I appreciate the statement that the gentleman from Texas [Mr. THOMAS] has just made with respect to this amendment. His approval of and acceptance of the amendment are of the greatest importance.

The adoption of this amendment will provide money for 850 fellowships that are waiting to be granted. It will provide $37 million for science, mathematics, and modern foreign-language teaching equipment for America's high schools. A small portion of this money will be used for consultants. The amendment will provide $2 million for grants to the States for their guidance programs and $1 million for the counseling and guidance institutes. It will provide $3,100,000 for foreign-language centers and foreign-language research, and $1,100,000 for foreign-language teacher institutes. It will provide $1 million for research in new media of instruction, such as instruction through the medium of TV. It will provide $600,000 as Federal contributions to the States for the educational statistics programs. The adoption of this amendment will add $75,300,000 to the $40 million heretofore appropriated by us on the final day of the last session of Congress. This money will enable these programs to go forward. It will enable them to bring opportunity and hope to tens of thousands of boys and girls in America who desire a higher education, both in the undergraduate and at the graduate level.

Of equal importance by this action, we will say to ourselves and to the world that we are interested in education as a really effective weapon of our defense.

Mr. HAGEN. Mr. Chairman, I rise in support of the amounts contained in this bill for the administration of Public Laws 815 and 874, the federally impacted school assistance program.

First, I wish to commend the members of the Appropriations Committee and their able chairman, the gentleman from Missouri [Mr. CANNON] who in their wisdom saw fit to include funds in the amount of $20 million for operation and maintenance under Public Law 874 and $24,600,000 for construction under Public Law 815.

I am particularly interested in these appropriations because of the location of a number of federally impacted school districts within my congressional district. The officials of these schools advise me that their operations will be seriously disrupted if additional funds are not made available.

It should be noted that the assistance does not by any stretch of the imagination constitute a handout. The fact that additional children are attending the schools involved because of Federal activity places the financial responsibility squarely upon the shoulders of the U.S. Government. The Congress has wisely recognized this responsibility since the inception of the program during the 81st Congress. In fact, I believe it is a fair statement to say that the program has the support of a vast majority of the Members of this body.

It is regrettable that we did not see fit to appropriate sufficient funds to carry out our responsibility last year. Unless the additional money is approved by the Congress those school districts which are dependent upon Federal money for operations will receive only 85 percent of the funds for which they are qualified. Similarly, in the case of Public Law 815 funds, many necessary schoolhouses will not be built unless the $24.6 million recommended by our Appropriations Committee is granted. With respect to the Public Law 874 program, it is my understanding that the $20 million proposed will permit payment of 100 percent of the entitlements of all school districts throughout the country.

The impactment areas of my district are attributable principally to the vital defense work being carried on at Edwards Air Force Base, and the Naval Ordnance Test Station, China Lake. I would call the attention of my colleagues to the fact that these districts' problems are further complicated by the fact that they are situated in an area of the Mojave Desert in which there is an extremely low ad valorem tax base and exceedingly high construction costs.

I am sure the Members of this body recognize the necessity for the appropriations in question and I urge their approval.

I would like now to refer briefly to the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY] to provide funds for titles III and V of the National Defense Education Act to permit grants for scientific study and for testing, guiding, and counseling students.

I would urge that the inadequate funds appropriated last year be supplemented in order that the programs contemplated under titles III and V may function in the fashion anticipated when we approved the authorizing legislation during the last session of Congress.

I also wholeheartedly endorse the action of the committee in appropriating $25 million in additional funds for the student loan program.

With respect to titles III and V, I am advised by Dr. Roy E. Simpson, superintendent of public instruction of the State of California, that valid applications filed in California require an additional $2,296,000 for scientific educational assistance and $198,000 for counseling. I am sure that similar situations obtain in other States.

I urge adoption of the Fogarty amendment.

Mr. McFALL. Mr. Chairman, I rise in support of the supplemental appropriation of $20 million for Public Law 874 and $24.6 million for Public Law 815 programs for the assistance of school districts with an unusual impact of federally attracted students.

The Congress a year ago recognized the equity in these programs by extending them and the local school districts budgeted accordingly.

We cannot now break faith with these local districts by denying them the funds they are due under the law.

These local districts would be forced to bear far more than their fair share of the Nation's educational burden by excessive local taxation if the Federal funds are not forthcoming. Most of the impact districts are already taxed to the local limits, meaning reduction of Federal support must necessarily lead to reduction in the quality of education.

You all are aware of the importance of the Federal impact programs in the areas surrounding Washington. The picture is the same in California where 52 percent of all California school children are from the 425 public school districts in 39 counties now being aided by one or both of the laws.

I was informed this morning that the loss to the schools in my own, the 11th District of California, would be $44,594 this year if we do not keep faith and make the promised appropriation.

Following are the figures—with the authorized amount first, followed by the reduced appropriation unless the additional funds are made available:

Stockton Unified	$185,402	$157,592
Manteca Elementary	27,830	23,656
Manteca High	24,891	21,157
Tracy Elementary	24,756	21,043
Tracy High	15,291	12,997
French Camp	9,955	8,462
Montezuma	5,886	5,003
Lathrop	3,289	2,796
Total	297,300	252,706

Mr. RAYBURN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAYBURN: On page 20, line 2, add a new paragraph as follows:

"Outdoor Recreation Resources Review Commission: For an additional amount for the Outdoor Recreation Resources Review Commission, $100,000, to remain available until expended."

Mr. THOMAS. Mr. Chairman, I have discussed this matter with the gentleman from Ohio [Mr. KIRWAN] and with the gentleman from Iowa [Mr. JENSEN]. The committee will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. RAYBURN].

The amendment was agreed to.

Mr. WEAVER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. WEAVER. Mr. Chairman, when I was elected to the Congress of the United States, along with every Member of this House, I assumed a responsibility to every citizen of the United States, not just to the citizens of the First Congressional District of Nebraska. Today I feel im-

pelled to take issue with many Members of this House for whom I have a very high personal regard, because I now feel the weight of that responsibility.

As Members of this Congress we owe a certain responsibility to the people of the District of Columbia because—like it or not—we must sit as their city council. We must act for them, and in their behalf. We have an obligation to bear toward these people who have no government except that approved for them by the Congress itself.

Mr. Chairman, as a member of the subcommittee of the Committee on Appropriations handling District of Columbia affairs, I voted consistently in committee against anything I considered to be wasteful and unnecessary. When the bill came before the House I explained the reasons for my views. It may now appear to some that I am taking a diametrically opposed position in speaking today to support the amendments offered by the distinguished gentleman from Michigan, our subcommittee chairman [Mr. RABAUT]. However, I do not believe I am.

The cuts contained in this bill concerning the District of Columbia, unfortunately have a deep bearing on the very core of our duty to the people of the District. These cuts would, for instance, seriously affect the protection these people need and must have. The cuts would force the furlough of policemen and firemen. They would also require the furloughing of teachers. Without the services of firemen and policemen we would leave a goodly number of the people of the District without these essential services. I ask each of you to examine your own conscience to determine whether you can vote for these services within the framework of the responsibility to the people of the District which we as Members of the Congress have assumed.

Under the amendments to be proposed by my colleague from Michigan [Mr. RABAUT] $1,761,318 would be put back into this bill to provide for these vitally important services. Without this money we might well be opening the gates of Washington to the temptations of crime or to the devastating effect of fire. We as Members of Congress cannot do otherwise with the knowledge that by this positive action, such conditions perhaps would not come into being.

The gentleman from Michigan will also propose the restoration of a portion of the other supplemental funds cut from this bill. I support this also. The money which the gentleman wishes to restore would not go for frills or for nonessentials; it would be used to meet the obligations which we as a Congress have, in our past actions, imposed upon the government of the District of Columbia.

In closing, Mr. Chairman, I would like to point out that the Congress itself through its actions a year ago placed the District in its present situation. In approving pay increases for various employees of the District government, there was no rider, no statement of intent, that this meant the District must fire X number of employees. Had such a rider been included, then Mr. Chairman, my position would be different today. We owe a responsibility to the people of the District. We also, I submit, owe a responsibility to ourselves as Members of this Congress to carry out the full intent of laws which we have ourselves in the past enacted.

I most strongly urge approval of these vitally-needed additional funds and I ask your support for the amendments.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the amendments which I have at the Clerk's desk dealing with the District of Columbia be considered en bloc at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, I offer a series of amendments.

The Clerk read as follows:

Amendments offered by Mr. THOMAS: On page 11, line 11, under the heading "Federal Payment to District of Columbia" strike out "$2,500,000" and insert "$5,000,000".

Page 11, line 22, under the heading "Public Schools", strike out "$3,342,250" and insert "$4,295,668".

Page 12, line 6, under the heading "Metropolitan Police", strike out "$2,062,550" and insert "$2,616,800".

Page 12, line 11, under the heading "Fire Department", strike out "$946,550" and insert "$1,200,300".

Page 35, line 20, under the heading "Department of Sanitary Engineering", strike out "$909,750" and insert "$1,213,000".

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Iowa.

Mr. JENSEN. What is the total additional amount which the gentleman has agreed to?

Mr. THOMAS. Mr. Chairman, let me briefly explain the matter.

Mr. Chairman, all of us have been reading the newspapers, particularly the local papers here, which state that the committee is going to close down the schools, the Police Department, the Fire Department, and scatter garbage all over town because there is no money to pick it up.

Briefly, what is in the bill is this: We were trying to keep the District on a sound basis. We all like the District. Some very fine people live here. But I do not think I have ever seen a government grow like this city government has in the last 3 years. In 1955 it had 20,651 employees. This year they have 24,000, a nice army, is it not, and lo and behold for the next year they came in and wanted another 650.

Mr. JENSEN. Will the gentleman tell about the vacancies?

Mr. THOMAS. What the newspapers have not said too much about is that the District has been spending money that they did not have. They intended that the ante be raised from $20 million to $29 million, so this bill asks for an increase in the Federal contribution from $20 million to $29 million. In the bill presently before you the committee suggested $2.5 million. Now, the amendment that we are offering at the Clerk's desk raises that to $5 million. We take the limitations off the Police Department, the Sanitary Engineering Department, the Fire Department, and the schoolteachers. Now, if that does not give them just about everything that they want except $4 million, I do not know. Now, they can certainly live with that. They do not have to fire anybody. And, do you know that on January 1 they had 940 unfilled jobs?

Mr. JENSEN. Right.

Mr. THOMAS. Now, this is a reasonable solution to this. I do not want to cripple the District of Columbia, and as far as I am concerned, I do not want to give them all of that $9 million Federal contribution, either. Now, we have taken the limits off and they can operate and do a good job. I respectfully suggest to those gentlemen downtown that they do not grow so fast.

Mr. JENSEN. You mean in the number of employees?

Mr. THOMAS. That is right.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Texas [Mr. THOMAS].

The amendments were agreed to.

Mr. RABAUT. Mr. Chairman, I move to strike out the last word.

What has happened here just now is that the bill for 1959, as far as it goes, dovetails with the bill that we passed about a week ago setting the Federal payment at $25 million. While the amendment just adopted takes care of the needs of the public school, the police and fire departments, there are still some items in this bill that are not in accord with the treatment that has been extended to other agencies of the Government. Other Federal departments have been cut 10 percent. The District of Columbia has been cut 25 percent. I will introduce a series of amendments that I ask be considered en bloc in order that there may be added to the bill 15 percent of the reduction made by the committee to bring these agencies of the District government into line with the cuts that have been made in the other Federal departments.

Mr. Chairman, I offer a number of amendments and ask unanimous consent that they may be considered en bloc.

The Clerk read as follows:

Amendments offered by Mr. RABAUT: Page 34, line 25, strike out "$27,225" and insert "$32,670".

Page 35, line 1, strike out "$39,390" and insert "$47,268".

Page 35, line 3, strike out "$72,609" and insert "$87,131".

Page 35, line 4, strike out "$129,900" and insert "$155,880".

Page 35, line 5, strike out "$6,750" and insert "$8,100".

Page 35, line 6, strike out "$4,650" and insert "$5,580".

Page 35, lines 7 and 8, strike out "$11,400" and insert "$13,680".

Page 35, line 9, strike out "$245,250" and insert "$294,300".

Page 35, line 10, strike out "$1,409,775" and insert "$1,691,730".

Page 35, line 11, strike out "$105,075" and insert "$126,090".

Page 35, line 13, strike out "$8,250" and insert "$9,900".

Page 35, lines 14 and 15, strike out "$120,525" and insert "$144,630".

Page 35, line 16, strike out "$259,500, which" and insert "$311,400, of which $295,177".

Page 35, line 18, strike out "$62,400" and insert "$74,880".

Page 35, line 20, strike out "$909,750" and insert "$1,091,700".

Page 35, line 24, strike out "$96,000" and insert "$115,200".

Page 36, line 1, strike out "$8,250" and insert "$9,900".

Page 36, line 2, strike out "$185,925" and insert "$223,110".

Page 36, line 3, strike out "$50,775" and insert "$60,930".

The CHAIRMAN. The gentleman from Michigan, in one of the amendments that he has offered, has offered an amendment to an amount which has already been changed by the Thomas amendment previously adopted. Does the gentleman desire to withdraw that amendment?

Mr. RABAUT. Yes, Mr. Chairman; I ask unanimous consent to withdraw that amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

The CHAIRMAN. Is there objection to considering the amendments offered by the gentleman from Michigan en bloc?

Mr. GROSS. Mr. Chairman, reserving the right to object, from what I have heard here, I think probably we ought to recommit this bill and get a new bill, take a fresh start, Development Loan Fund and all.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman.

Mr. JENSEN. Are we to understand that all these additions which the gentleman has offered as amendments to the amounts in the bill are to come out of the District of Columbia funds?

Mr. RABAUT. These moneys will be District of Columbia moneys, from whatever source they get them.

The first figures I cited are the figures that are in this bill. These figures have been cut 25 percent below the budget. The other agencies in this bill have been cut 10 percent. The increase requested is on account of the Pay Act of last year and I believe that 25 percent cut is too drastic. My amendments reduce that cut to 10 percent and that is the same cut that is in the bill for the majority of the Federal agencies. I will ask the chairman of the committee if that is not true.

Mr. THOMAS. Mr. Chairman, I hope the gentleman will withdraw this amendment.

Mr. RABAUT. I am asking the gentleman a question. Is that true?

Mr. THOMAS. Yes, that is exactly right. This is the only agency that is asking for a contribution, too. Let us give the whole picture. You are not increasing the contribution, but where are they going to get the money?

Mr. RABAUT. I am asking that the District of Columbia agencies be treated the same as the Federal agencies. They should not be required to assume more than a 10 percent cut in those obligations which the Congress voted for them last year—the Pay Act. The pay raise cost about $15 million for the District. This bill is still $4 million below that amount.

I ask for a favorable vote on this amendment. It deals with such agencies as the regulatory agencies, the Department of Veterans Affairs, the Office of Civil Defense, the Department of Vocational Rehabilitation, the courts, the Department of Public Health, the Department of Licenses and Inspections, the Department of Highways, the Department of Vehicles and Traffic, the Aqueduct, the water department of the District, the National Guard, and the National Zoological Park, which in my opinion ought not to be under the District government at all. The expenses of the zoo should be borne by the Federal Government.

I ask for a favorable vote on my amendments.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to the paragraph close in 7 minutes, and that the committee be given the last 4 minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN of Michigan. Mr. Chairman, as I listened to the amendments of my dear friend from Michigan [Mr. RABAUT] it seemed to me that all the amounts were raised. Is that right?

Mr. RABAUT. That is right.

Mr. HOFFMAN. Then is the total amount carried in the bill for the District raised?

Mr. RABAUT. It is raised as far as they make expenditure of their own funds, the funds that they get from the different sources.

Mr. HOFFMAN of Michigan. Have you increased the amount that the District will get?

Mr. THOMAS. Five million dollars.

Mr. HOFFMAN of Michigan. Is that the result of the publicity given us by the three local papers?

Mr. RABAUT. They have called me the tough guy on the District.

Mr. HOFFMAN of Michigan. Oh, well. You need not worry—your record is good.

Mr. RABAUT. I should like to tell the gentleman——

Mr. HOFFMAN of Michigan. I cannot yield any more.

Mr. RABAUT. Oh, the gentleman has a lot of time.

Mr. HOFFMAN of Michigan. All right.

Mr. RABAUT. We accepted the Federal grant this year of $25 million principally on account of the Pay Raise Act of last year. This action taken by the subcommittee headed by the gentleman from Texas [Mr. THOMAS] here today raises it a similar figure. But, with the raising of that to the similar figure, they took a 25 percent cut out of all these individual items that were read off here, and I feel that is entirely too drastic for them to absorb.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield for a question from me?

Mr. RABAUT. I am glad to yield to the gentleman.

Mr. HOFFMAN of Michigan. In your opinion, then the Thomas committee cut them too deeply?

Mr. RABAUT. I think they did on all these items that have just been referred to in the amendments I offered.

Mr. HOFFMAN of Michigan. And now you are increasing this total $5 million. And then you are telling how it should be spent.

Mr. RABAUT. I am just telling him how it should be done with justice.

Mr. HOFFMAN of Michigan. You, of course, are telling him how to divide it?

Mr. RABAUT. I am telling him how it should be done with justice.

Mr. HOFFMAN of Michigan. I have every confidence in your judgment. But I do wonder if the District realizes how fortunate it is to have a payroll which never missed a payday as do so many sections of the country. If the present trend continues it may be that only the merchants will be able to meet the tax bill for local expenditures. Many taxpayers are getting out of the city because they are being required to pay an ever greater tax burden. So many come to the city because it is what might be called a soft spot for those who cannot—or will not—earn their way.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. MORRIS of Oklahoma. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this amendment, and all amendments thereto, and to the paragraph, close, in 17 minutes with the last 4 minutes to be allotted to the committee.

Mr. JONES of Missouri. Mr. Chairman, I object.

Mr. THOMAS. Mr. Chairman, I move that all debate on this amendment, and all amendments thereto, and to the paragraph close in 10 minutes, the remaining 5 minutes to be allotted to the committee.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, what became of that motion to strike out the enacting clause?

The CHAIRMAN. The motion was voted down.

The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS of Oklahoma. Mr. Chairman, I rise chiefly to ask a question of someone. I also rise, Mr. Chairman, in support of the amendments offered by the gentleman from Michigan [Mr. RABAUT]. I think they go largely to the health and welfare of this great District of Columbia, our Nation's Capital. I would like to ask the chairman of this subcommittee, who I consider to be one of the greatest Members among us, or I ask the question of anyone who may be able to answer this question: According to the budget in brief, which was prepared by the Bureau of the Budget, $45.8 billion goes to our major national security; $8.1 billion goes for interest on the debt; $5.1 billion goes to the veterans' program. When you add that all up, you have a total, if I have not miscalculated, and I think I have not, of $59 billion. If I am in error, I want to be corrected. That amounts to about 78 percent of the entire budget. Therefore, in order to secure our national defense, and surely we are all in favor of that, and in order to pay the interest on the Government debts which were created largely by past wars, and in order to pay our veterans their just due, it takes a little less than 78 percent of our budget or 77 plus percent, as I figure it. So let us not kid ourselves and let us not kid the country.

If we are going to make any reduction we are going to have to make it out of that 12 or 13 percent. Even if we should cut it all out except for national defense, veterans and interest on debt and made no appropriation for salaries, made no appropriation for the farm program, made no appropriation for anything and thus destroyed our Government, we would reduce the budget by only 12 or 13 percent. So I say that there just is not any chance that I can see for us materially to reduce this budget anywhere unless we could go in and cut off billions of dollars in the Defense Department, and I certainly would not approve that, nor do I think anyone else would.

I do think we act unwisely in spending this money on foreign aid. I do not want to be riding that horse to death, but I have been opposed to it all the time. That money goes overseas. I do not believe it does the good some people, those who have supported it, thought it would. I have been opposing it and I shall continue to, but I am not going to oppose the amendments that are presented here to restore levels fixed by the Budget; I am going to be for them, because I think they provide essential services for our people.

Yes, I am for balancing the budget; I would like to see the budget balanced; I know all of us would, but I am not for balancing the budget at the expense of our national defense and services vital to our people.

I repeat in conclusion that we are just kidding ourselves and kidding the country when we fool around with these small cuts, which I think adversely offset vital services to our people; we are just injuring and kidding ourselves.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. How much time do I have, Mr. Chairman?

The CHAIRMAN. About 1 minute.

Mr. JONES of Missouri. Mr. Chairman, I want to make the same argument today that I have been making for 10 years, and that is that the people of the District of Columbia are not paying their fair share of taxes, and as long as we keep appropriating money for them out of the Federal Treasury they will not. This action here today is a misnomer, when we say we are going to take it out of District funds. Of course, we are going to take it out of District funds, and then we are going to give the money right back to them.

When I came here about 10 years ago the Federal contribution was about $10 million a year. They come in now and want $30 million.

Real estate in this District has not been reassessed for many years; it is out of line. The tax rate is too low. I pay as much school tax in the district in which I live as the average person in the District of Columbia pays in total tax; and that, I say, is wrong. They are never going to have enough money until they raise their taxes, and they are not going to do that until Congress forces them by stopping withdrawing this money from Federal taxpayers from all over this Nation. Whenever they pay their fair share I will go along with the proposition of giving them some money, but until then I do not intend to vote for a dime of it.

The CHAIRMAN. The gentleman from South Carolina [Mr. MCMILLAN] is recognized.

Mr. MCMILLAN. Mr. Chairman, I first want to congratulate my good friend the gentleman from Texas [Mr. THOMAS], and the members of his great committee for agreeing to restore $5 million to the District budget. I realize how the gentleman feels, and he realizes how I feel about some of the affairs in the District of Columbia and some of the publicity we have received by the newspapers in the city of Washington. But we do have some of the finest people in the United States who are paying taxes in the District of Columbia, and we Members of the House obligated ourselves to these people by increasing the salaries of the District government employees by 10 percent. I feel that we are obligated to support of the amendments that have been offered by Mr. RABAUT. I assure you that I shall never come down into the well of this House to emasculate a bill that the Appropriation Committee brings to the floor for consideration unless I have a valid reason. We all had a part in increasing these salaries last year. We did this after the District appropriation bill had passed and we cannot neglect our duty at this time by failing to appropriate sufficient money to take care of this additional expense we placed on the District government.

The District Committee did not increase the salaries of 18,000 District civil employees. That bill came from the Committee on Post Office and Civil Service, my committee increased the salaries of police, and firemen, and teachers. I feel since we did increase the salaries of all these employees we should take care of these additional expenses to the District of Columbia for this fiscal year so that they may be in a position to pay the bill. I heartily support the Rabaut amendments.

Mr. MCMILLAN. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia [Mr. BROYHILL] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BROYHILL. Mr. Chairman, I rise in hearty support of the movement in this distinguished body to restore the $3.4 million cut in the District of Columbia supplemental appropriations measure.

Washington is a Federal city. It is the obligation of the Congress to stand by its commitments made in good faith through various authorization bills. All of us here know that to deny the District funds for essential services is neither in the local nor national interest.

I regret that through the years there has been an increasing tendency to deprive the Nation's Capital of fair treatment with respect to the Government's share in keeping this city's economy in good health. I deplore this tendency. In the present situation if we support the recommendation of the Appropriations Committee we say in effect to the District that we are completely indifferent to its many problems; that we do not care whether the local government functions efficiently; or whether the Nation's Capital is given the tools to reduce the high crime rate existing here.

The District Commissioners, the Police and Fire Departments, and the many other agencies involved in performing good public service are not deserving of such congressional neglect. They do splendid jobs under difficult circumstances and it behooves us to make, insofar as possible, these jobs easier.

Washington is the Capital of these United States. It is one of the windows through which the world sees us. To permit this city to deteriorate by penny-pinching would be a reflection on our pride in the metropolis that houses our Government from the President down. Unless we revise our attitude; unless we stop regarding the District as a step-sister, the day will come when it will be bankrupt and the laughing stock of the world. We can begin this change in attitude by restoring the $3.4 million deleted by the Appropriations Committee.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, the bill provides that the 10 percent pay increase that was voted in the last session of the Congress should be fully or partly absorbed by the different departments, agencies, and commissions of the Government and the District of Columbia. This bill provides that the District of Columbia shall absorb 25 percent of that

10 percent, which is only 2½ percent of the whole.

Certainly, after this House has just voted a $5 million increase for the District of Columbia and also in the regular bill it has raised the Federal contribution from $20 million to $25 million, an increase of another $5 million, there is no justification in raising these appropriations for the District of Columbia in the bill by 15 percent, as the amendment offered by the gentleman from Michigan [Mr. RABAUT] would do.

How far can we go, how long, and how much more are we going to contribute to the District fund? The gentleman from Missouri stated the truth. Surely the time has come when we must put into practice some good common business sense.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, let me seriously commend the statement made by my distinguished friend from Iowa [Mr. JENSEN] and the gentleman from Missouri [Mr. JONES].

But do you know what is involved here in all this noise? $3.3 million. To hear them talk you would think the heavens were going to fall in tonight.

The District of Columbia has to obligate this year $178,500,000. All that is involved in this whole show is $3,300,000.

The amendment offered by my loveable friend from Michigan ought to be voted down. And here is the reason why: We gave them $5 million of your constituents' money this afternoon. We raised everything to their liking, we dotted all the "i's," we crossed all the "t's," for the Police Department, the Sanitary Engineering Department, the schoolteachers and the Fire Department. We took care of everything except the City Hall. Now, that is the biggest part of this amendment.

It is all for salaries. That is all. They have 24,000 employees and had only 906 vacancies as on the 1st of January. We restored it on these four big departments. Now my friend wants to come along and cut that 25 percent down to 10 percent on the smaller departments. We have taken care of the big ones now. Otherwise they are going to spend their own money; their own money. Let us take back that $2.5 million you gave them awhile ago if they are going to spend their own money. And, they should absorb a little of it. They could stand on one foot and absorb what is left. They could do that very easily, and they could do it with a smile. Of course, if we do that, they will come back next year and say, "You gave us this increase, but you did not give us any money." They will want not $5 million, not a $25 million appropriation, but they will want the entire $32 million, and you might be in a position where you will have to give it to them.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from North Carolina.

Mr. JONAS. Actually, we are confused, because the items in the amendments offered by the gentleman from Michigan are not appropriations from their funds. They are merely limitations on the amount they can spend.

Mr. THOMAS. You are right. Gentlemen, vote this amendment down. You have done the right and the honorable thing by the District. I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Michigan [Mr. RABAUT].

The question was taken; and on a division (demanded by Mr. RABAUT) there were—yeas 60, nays 156.

So the amendments were rejected.

Mr. PRESTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRESTON: After line 5, page 33, insert:

"General provisions: The Secretary of Commerce is authorized to transfer not to exceed $900,000 between appropriations of the Department of Commerce available for salaries and expenses for the purpose of providing for increased pay costs in the fiscal year 1959."

Mr. THOMAS. Mr. Chairman, I have discussed this amendment with my distinguished friend from Georgia, who so ably handled the funds for the Commerce Department, and I want to commend him for the amendment. I think it makes good sense and will save some money, and I think it should be adopted.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Ohio.

Mr. BOW. If this amendment is adopted, which authorizes the use of $900,000 transfer for pay raises, will the gentleman assure us that this will not come in in a third supplemental bill?

Mr. PRESTON. I will give my personal guarantee that my committee will not approve such a supplemental request.

Mr. BOW. Mr. Chairman, as the ranking minority member of the gentleman's committee, I can say to the gentleman that I would oppose it. But I think the committee should be assured that we are not going to permit this to come in either in a supplemental bill or in the regular bill, but that this is to be regarded as a transfer of funds within the appropriation. Does the gentleman agree?

Mr. PRESTON. Yes; that is a very accurate statement. I certainly shall take the position that the committee would look with great disfavor and would reject any such request in the form of a supplemental or in the form of additional funds in the bill for the fiscal year 1960.

Mr. BOW. Mr. Chairman, on this side we have no objection to the amendment.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that all Members who desire to do so may be allowed to extend their remarks following mine on the amendment to the Defense Education Act and prior to the vote.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PRESTON].

The amendment was agreed to.

Mr. TEAGUE of Texas. Mr. Chairman, I offer two amendments.

Mr. Chairman, I ask unanimous consent that both amendments be reported by the Clerk, that I be permitted to speak to both amendments at the same time, but that they may be voted upon separately.

The Clerk read as follows:

Amendments offered by Mr. TEAGUE of Texas: Page 20, on lines 25 and 26, strike out "$43,148,500," and insert in lieu thereof $47,455,000".

Page 21, lines 5 and 6, strike out "$6,380,000," and insert in lieu thereof "$6,934,000".

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include extraneous matter and certain tables.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE of Texas. Mr. Chairman, my amendment on page 20 increases the appropriation for inpatient care in Veterans' Administration hospitals by $4,306,500. The VA budget request was $47,455,000. This bill provides $43,148,500. I have requested the VA to advise the Veterans' Affairs Committee how it will meet the cut of $4,306,500 in its budget request for inpatient care at VA hospitals and the VA has made the following statement:

In order to bring the financial obligations of the VA into line with the funds being made available, the following action is being directed to all affected offices:

1. Freeze all employment.

No vacancies that arise will be filled unless there will be a showing of dire need for the position. This will have the effect of reducing the employment in regional offices, insurance offices, hospitals, and clinics.

2. Defer equipment purchases.

This will delay the purchase, installation, and use of new equipment until after the beginning of the next fiscal year on July 1.

3. Defer maintenance and repair projects in our hospitals.

This action will serve to delay the necessary normal maintenance projects until after July 1. Such action will have the effect of increasing the backlog of maintenance work that needs to be done in our hospitals.

I am particularly concerned that VA will be required to freeze all employment. The VA is in a very difficult position in recruiting professional personnel in its medical program such as doctors and nurses. A freeze of all employment will bring to a standstill any recruitment which is now in progress for those scarce categories of professional personnel.

The Veterans' Affairs Committee has been making a study of deferred maintenance in VA hospitals. Our study shows that the VA has already accumulated an excessive amount of deferred maintenance items due to lack of funds in previous budgets.

In October 1958 the VA had accumulated $11,500,000 in deferred mainte-

nance items carried over from the 2 previous fiscal years. The 1959 budget does not have funds to take care of all of these deferred maintenance items. Eight million, four hundred thousand dollars in deferred maintenance is being carried into the fiscal year 1960 budget with only $3,100,000 budgeted to take care of the deferred maintenance which is being carried over.

We now find the VA supplemental request for inpatient care being cut by $4,306,500. In order to make up this shortage, the VA will be forced to issue orders to defer additional maintenance to make up for the cut in the estimated budget. In other words, as the cut stands, more maintenance will be deferred and the picture at the end of fiscal year 1959 will be that around $10 million to $12 million in deferred maintenance will be accumulated in VA hospitals with only $3.1 million budgeted in fiscal year 1960 to take care of it.

The VA hospital and medical program has been experiencing pressure as a result of the rising costs of medical care for the past several years. In March 1958 the managers of 23 VA hospitals in 7 Western States met and passed the following resolution regarding a shortage of funds in the VA hospital program:

RESOLUTION OF WESTERN HOSPITAL MANAGERS, MARCH 1958

The managers of the 23 Veterans' Administration hospitals, centers, and domiciliaries located in the 7 Western States have met to consider our hospital program for the next 2 years. Our deliberations have revealed a simple, stark reality. Current appropriations will not support presently legislated benefits and accepted concepts of veterans' medical care. The floodtide of price increases on all fronts is recognized throughout the hospital field. Voluntary hospitals, State hospitals, and university hospitals have experienced the effect of rising costs. With the possible exception of a few State hospitals, the costs are reflected in large rate increases and substantial appropriations each year. In nongovernmental hospitals these costs are passed on directly to the patients.

Our Veterans' Administration hospitals have not received funds over the past several years sufficient to keep abreast of these ascending costs. We are endeavoring to maintain a medical program equal to that offered in the community on preinflation appropriation levels. Neither have the managers funds adequate to discharge their specific responsibility in protecting the Government's investment in the physical plant and in equipment. We have economized to the extent that essential care to our patients is inevitably deteriorating.

Our 23 hospitals must have a substantial increase in fiscal year 1959 and a specific increase of $10 million for 1960 over and above the appropriation for 1958 in order to retain an acceptable level of medical care and to maintain our physical plants. These sums do not include whatever might come in a general pay raise for Federal employees or the automatic wage boost for the blue-collar workers.

Unless these sizable sums are made available, Congress must face these alternatives: (1) Lower quality of medical care and further deterioration of the physical plants; (2) reduced beds with the reduction in patient load—close selected hospitals throughout the country or close whole sections of beds in many hospitals.

We therefore unanimously resolve that the Bureau of the Budget and the Congress of the United States be apprised of this basic issue and be requested to take clear-cut remedial action.

Examples of deferred maintenance which have accumulated at typical stations as a result of lack of funds

	Backlog of M. & R.	Recommended for fiscal year 1959	Amount	Recommended for fiscal year 1960	Amount	Recommended for fiscal year 1961	Amount
N.P. stations: Battle Creek	$193,309	Extend F.A. system	$17,000	Replace hot water heaters, buildings 6, 10, and 11	$2,500	Replace generator at fieldhouse	$2,500
		Replace condens. ret. pumps, buildings 7 and 13	800	Replace hoisting machine, building 39	13,000	Replace service sinks, buildings 8, 9, 10, 11, and 12	1,300
		Replace roofs, buildings 25, 26, 27, 28	3,925	Replace hot water heaters, buildings 1 and 26	800	Asphalt floor covering 6 buildings	5,400
		Remodel water sects., buildings 22 and 24	66,912	Renew voc. ret. lines, buildings 8, 9, 11, and 12	36,000	Supply unit heaters, buildings 82, 83, and 84	8,172
		Renew voc. ret. lines, building 8	12,000	Replace hoisting machine, building 82	14,000	Install exit and emergency lights	9,000
		Total	100,637	Total	66,300	Total	26,372
Fort Meade	727,752	Replace roofs, housekeeping quarters	29,865	Repairs to building 95	41,500	Replace electric supply lines and street lighting underground	225,000
		Repave Terry Rd. and install gutters and street sewer	75,900	Repair and renovate quarters	2,980	Remodel hydro and electrotherapy, building 56	990
		Replace laundry equipment	32,525	Repair building 44 for MAT use	2,280	Rebuild paint spray booth	8,570
		Repair and renovate quarters Nos. 1 and 13	28,385	Replace windows and level floors, building 68	13,864	Stairway to offices, building 58	1,183
		Total	166,675	Rebuild loading docks	4,000	Install vault, building 46	1,350
				Replace partitions, building 89	11,166	Renovate personnel quarters	100,000
				Repair valves, water system	2,500	Replace roofs, wards, administration and ancillary buildings (in replacement program)	60,910
				Replace bulldozer and grader	19,100	Total	398,003
				Replace and relocate lawn sprinklers	17,690		
				Improve roads, buildings 88, 40, and 90	48,000		
				Total	163,074		
Gulfport	350,770	Replace grills, building 62	10,000	Interior painting, buildings 60, 61	12,850	Replace laundry equipment	1,200
		Plumbing repairs, buildings 1, 3, 4, 5, 41, 57, and 62	10,000	Resurface roads	63,000	Replace acoustic tile, building 41	4,900
		Repair roofs, buildings 1, 3, 4, 5, 51–56, 64, 65, and 107	32,000	Replace elevator, building 41	30,000	Replace grills, building 62	13,500
		Cond. tile floor, opr/suite	6,900	Replace asphalt tile, buildings 3, 4, and 57	14,680	Repair storm water drainage	33,000
		Steam line and radiator repairs	3,200	Total	120,530	Replace gasoline storage tank	2,600
		Replace gutters and flashing, buildings 2, 4, 41, 57	7,800			Plumbing repairs, buildings 1, 3, 4, 5, 41, 57, and 62	24,750
		Rehabilitate lighting systems	5,490			Repair roofs, buildings 1, 3, 4, 5, 64, 51–56, 65, and 107	11,000
		Replace hot water tank, building 5	2,000			Replace acoustic tile, building 57	7,300
		Replace elevator, building 1	33,000			Replace N.P. mirrors	4,800
		Total	110,390			Repairs to greenhouse	4,100
						Replace dressing sterilizer	3,400
						Replace grills on porches	9,300
						Total	119,850
Dayton	610,800	Road repairs	12,000	Conduct floor surg	6,800	Replace 2 elevators Brown Hospital	75,000
		Repairs to storm sewers	20,000	Sinks for isolation wards	2,500	Interior paint, Brown Hospital	35,000
		Sidewalk and curb repairs	20,000	Interior paint, Brown Hospital	120,000	Install cubicle curtains	37,500
		Interior painting, building 401–2	7,500	Fluorescent fixtures, offices	5,000	Demolish old laundry building	6,000
		Paint water tower	3,000	Radiator covers	5,500	New locks, nurses quarters	3,000
		Renuit for exterior, library	4,500	Renovate chapels	80,000	Bedlamps, Brown Hospital	5,500
		Roof repair, buildings 121, 403, 404, 405	14,000	Rehabilitate water sections, building 408	28,200	Hot water heaters for quarters	2,500
		Rehabilitate water sections, building 408	21,800 102,800	Total	248,000	Renovate nurses' stations	3,000
						Replace 3 passenger elevators	82,500
						Replace acoustic ceiling	10,000
		Total	205,600			Total	260,000
Portland	101,028			Laundry roof, replace	900	Install sinks, buildings 1, 4, 5	9,750
				Replace steam mains	35,000	Replacement of equipment	9,618
				Replace steam and return lines	32,000	Install and repair kitchen equipment	6,160
				Reroof buildings 5 and 6	2,500		
				Total	70,400	Total	25,528

Examples of deferred maintenance which have accumulated at typical stations as a result of lack of funds—Continued

	Backlog of M. & R.	Recommended for fiscal year 1959	Amount	Recommended for fiscal year 1960	Amount	Recommended for fiscal year 1961	Amount
N.P. stations—Con.							
Newington	$329,350	Interior and exterior painting	$6,700			Replace entrance doors	$9,900
		Replace floor covering	10,800			Drainage, front lawn	4,000
		Total	17,500			Total	13,900
Minneapolis	95,089	Replace electrical service	4,620	Replace street light cable	$3,750		
		Sheet metal facing cornice, building 3	960	Replace plumbing fixtures	1,530		
		Tuckpointing	4,000	Replace lock cylinders	4,400		
		Replace corridor to receiving building T–9	3,098	Replace floor, corridors, buildings 1, 5, 6, 7	2,966		
		Replace FA wiring building 1, 2 and quarters	1,065	Electrical changes, quarters Fort Snelling	43,000		
		Widen 1 door each ward, building 7, 2d floor	2,700	Total	55,646		
		Total	16,445				
Los Angeles*	1,059,164	Replace brick boiler	10,700				
		Replace FW heater, boiler plant	15,000				
		Painting center buildings	12,300				
		Toilet and washroom, boiler plant	2,500				
		Vented hoods, building 117	5,500				
		Cross connection between water system and sewers to eliminate pollution	30,000				
		Incinerator for contamination, waste	6,500				
		Modernization of elevators	14,500 121,000	*Portion of list forwarded with Dec. 19, 1957, station letter.	461,832	*Portion of list forwarded with Dec. 19, 1957, station letter.	476,332
		Total	218,000				

Mr. Chairman, my amendment on page 21 of the bill, lines 5 and 6 strikes out $6,380,000 and inserts the figure $6,934,000. The effect of the amendment is to restore to the out-patient funds of VA $554,000 which was cut from the budget estimate.

The out-patient program has been experiencing difficulties in the last few months as a result of a shortage of funds. However, this cut will aggrevate the situation. VA has advised that to adjust itself to this budget, it will be necessary to freeze all employment in the out-patient program; to defer all purchase of drugs, appliances, such as artificial limbs, hearing aids, and so forth, where possible. In some instances, it will be necessary to cut back on authorized schedules of treatment by fee doctors. The only veteran eligible for out-patient care is the service-connected veteran. Therefore, any cut in this fund directly effects medical service to the out-patient veteran.

I do not believe there is a Member of Congress here who would wish to see that.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on these amendments and all amendments to this paragraph close in 10 minutes, including 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS] and 5 minutes to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I do not believe a Member on the floor of this House will vote against these amendments. We have voted for all the other groups, and I am sure you will not deny the money to the veterans, the veterans who have given more than any group for us and the world. I have received messages from the DAV, the Veterans of Foreign Wars, and the American Legion protesting these cuts. As I stated earlier in the debates, you will lose human lives if you do not restore the cuts, if you do not give the veterans the service to which they are entitled, you will make them expendable. Of course I shall support this amendment and I hope the Senate will restore the remainder of the cut.

Secretary Higgins, who earlier in the parade ceremony was lauded in a special testimonial for his leadership in developing and implementing an improved materiel procurement program for the armed services, made the GI the subject of his last official tribute.

You, the soldier in the field are the object of everything we do he said.

Everything we do is designed to win the next war, heaven forbid, if it is ever thrust upon us. You have the best eyes and ears of any soldiers on the battlefield today. You have the best equipment and the best firearms. But in our book you are not expendable at any time. You are our champions.

I feel very sure that the House will restore this cut. We have given to foreign aid, the District, the Public Health hospitals—no cuts there at all—and the Indian Health Service.

I commend the chairman of our committee for his devotion to hospitalization for the veterans and the entire membership of our committee on Veterans' Affairs I know is mutually interested in the care of the veterans.

Mr. THOMAS. Mr. Chairman, I know what the temper of the House is on this matter, but I want to give you some figures that are well worth thinking over.

The cost of these hospitals is rising, as you know. The cost of everything else is rising, so that is quite understandable. But when the number of beds over a 4-year period does not vary in bed occupancy more than 400 or 500 a year, yet the employment goes up each year, whether there is any increase in bed occupancy, then it is time to do a little thinking; is it not?

Listen to these figures:

For 1958 you appropriated for inpatient care, that is, the hospitals, in round figures $729 million. You had 121,200 beds during that year, and you had 120,730 employees taking care of these veterans.

In 1959 that amount rose from $729 million to $759 million, and lo and behold, you had a decrease of about 250 beds that year, yet you have an increase of about $30 million in appropriations and you have an increase of 300 employees.

For 1960, that is the year right around the corner here, the appropriation goes up to $786,700,000, an increase of over $27 million, yet the increase in the number of beds is only about 60. This gives you a total of 121,014 beds, yet you have an increase in personnel to 123,620, an increase of over 2,500.

You had better think about these figures. I know the temper of the House, but I want to point this out. We have no objection to the amendments because I know you will restore these funds.

The CHAIRMAN. The Clerk will report the first amendment offered by the gentleman from Texas.

The Clerk read as follows:

On page 20, lines 25 and 26, strike out "$43,148,500" and insert "$47,455,000."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the second amendment offered by the gentleman from Texas [Mr. TEAGUE].

The Clerk read as follows:

On page 21, lines 5 and 6, strike out "$6,380,000" and insert "$6,934,000."

The amendment was agreed to.

Mr. TEAGUE of Texas. Mr. Chairman, I ask unanimous consent that all Members may have permission to extend their remarks at this point in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MITCHELL. Mr. Chairman, I rise in support of the amendments offered by the gentleman from Texas, the very able chairman of the Committee on Veterans' Affairs. No one is more familiar with, and more qualified to speak on, the need for providing every cent possible for the care of veterans who are hospitalized in VA hospitals throughout the country. The amount of $4,306,500 provided for in the proposed amendment is the minimum which should be adopted. This amount does not increase the amount requested by the VA by one penny. The figure decided on by the VA was, no doubt, much less than is actually needed for the VA to do the job it is required to do by law and is certainly the least we should appropriate to fulfill the obligation which we owe to the veterans of this Nation. I hope the amendments will be adopted.

As the gentleman from Texas has pointed out, if his amendment is not adopted it will result in a freeze on all employment, a further deferrence of the purchase of necessary equipment, and further increase the already long overdue maintenance and repair projects in VA hospitals.

The gentleman from Texas has indicated the situation in regard to deferred maintenance on VA hospital facilities over the Nation. I should like to call attention to the situation as it relates to the facilities, which are woefully inadequate, in the State of Georgia. At the present time, the backlog of deferred maintenance on Georgia VA hospital facilities is in the amount of $187,597. We cannot afford to let this continue to grow by leaving needed repairs left undone. The funds requested by the VA and provided for in the gentleman's amendments, which is now before us, merely holds the line. It is urgently needed and it must be provided if we do not intend to further aggravate what is now a very unfortunate situation. I do not want to report back to the veterans of Georgia that we failed to provide the minimum necessary for the operation and maintenance of the VA hospitals and domiciliary facilities at Atlanta, Augusta, Dublin, and Thomasville, Ga.

Mr. Chairman, I also wholeheartedly support the amendment restoring the amount of $554,000, which was cut from the request for the VA outpatient program. Since every cent spent in the outpatient program goes for the treatment and care of service-connected disabled veterans, I fail to see how we can do less than provide the minimum amount requested. We all realize that even more money is needed for this purpose.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall explain the background for the additional funds that are included in this bill for the National Guard. I hope this will be useful to the Members. I shall undertake to show the essentiality of the increase in funds for the National Guard and to show it is the spirit and the determination of the Congress that the guard not be permitted to deteriorate in this crucial period.

There is carried in the pending bill on page 9 an unbudgeted item entitled "For an additional amount of 'Army National Guard' $10,300,000." This is apart from the budgeted item under the same heading for $3,065,000 which is made necessary by pay act increases for the fiscal year 1958. The larger sum applies to National Guard requirements for fiscal year 1959 and the fact that it is not a budgeted item in no way detracts from its essentiality. The necessity for this amount came to light late in the fiscal year after requests for supplemental funds already had been submitted to the Bureau of the Budget for approval and transmittal to Congress. I refer you to the language contained in the report which accompanies this supplemental appropriation bill on this item and which is found on page 4. The committee has approved the budget estimate of $3,065,000 for the Army National Guard for fiscal year 1958, and is adding $10,300,000 for fiscal year 1959. The amount added by the committee, it is believed, will permit the guard to continue its 1959 program as contemplated and avoid any reductions in strength, paid drills and the 6-month trainee program. If there are any reductions they should be made in maintenance and support expenses and under no circumstances should there be any reduction in paid drills and the 6-month trainee program.

Now may I give you this background information. Last year the Administration proposed that the National Guard be cut in strength from 400,000 to 360,000 men. The proposal was made despite the insistence of National Guard leaders throughout the Nation that such a cut would be extremely damaging to morale and to effectiveness. Congress recognizes the importance of the guard to the Nation and realizes that seven guardsmen can be maintained for the price of one soldier in the regular service. Consequently, Congress voted to make mandatory an average strength of 400,000 for fiscal 1959 for the National Guard and provided the funds which it was anticipated would be required to insure an average strength of 400,000. It has now developed, because of unforeseen circumstances, there is actually not enough money to do the job which Congress specified. In addition to the funds already voted, another $13.2 million are needed.

Faced with the choice of cutting back in the strength of the National Guard and on the training program of the National Guard we are asked for additional funds. Secretary McNeil addressed a letter to the Honorable CLARENCE CANNON, chairman of the Committee on Appropriations. In his letter he listed four items of expenditure for which additional amounts are needed and the reasons for them. These are, first, pay of Army National Guard military personnel has increased because of a higher pay grade structure caused partly by improved reenlistments for an amount of $8.1 million; second, attendance at paid drills increased 2.5 percent creating an additional cost of $2.4 million; third, the Army National Guard air defense program was accelerated in conjunction with the total air defense program, with increased costs of $1.6 million; and fourth, restatement of the requirement for 6-month trainees $1.1 million.

It will be noted that no operation and maintenance funds are included here. These are funds to insure a satisfactory level of training and to maintain strength figures. The facts very simply are that Congress has specified a strength of 400,000 with a training program comparable to that of the former years. As a result, the guard is at peak efficiency. If we do not now provide the funds that are needed there is no alternative but for the Army to reduce its training program. In the main this involves the elimination of the last four weekly drill periods together with other needed training exercises. To start to cut back on the training of a first-class effective force such as the guard is to invite reduced standards of efficiency—to start the deterioration of guard units throughout the Nation.

The committee has recommended not $13.2 million, but $10.3 million. This amount may not be adequate, but it shows Congress means to maintain the effectiveness of the guard. This money, plus the language of the report, demonstrates the insistence of the Congress that there be no letdown in the guard program. I believe that it also means that if it can clearly be shown that more funds are required when this bill moves to the Senate that the House will support additional funds.

I reiterate this crucial period is not a time to sanction the deterioration of the National Guard. I consider that we are clearly demonstrating the determination of the Congress to maintain a first-class effective fighting force in our National Guard.

Mr. CANFIELD. Mr. Chairman, I have two amendments at the Clerk's desk and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. CANFIELD: On page 28, line 15, strike out "$3,303,600" and insert "$3,903,600".

On page 28, line 23, strike out "$27,595,000" and insert "$29,595,000".

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. THOMAS. Mr. Chairman, the gentleman from Iowa [Mr. JENSEN] and the gentleman on this side of the aisle have discussed these matters with the distinguished gentleman from New Jersey. This amounts to a compromise. It is not exactly what the Treasury wanted. It is not exactly what the committee wanted. But, these people are in the business of collecting money and doing other things of service so I think the compromise is a good one and we are delighted to accept the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New Jersey [Mr. CANFIELD].

The amendments were agreed to.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. GROSS. Mr. Chairman, I take this time among other things to ask a question or two. I would like to ask the chairman of the subcommittee if he can tell me how far we are from a $3 billion bill? We started out with about $2,400 million. How far are we now from a $3 billion bill since the spenders got loose this afternoon?

Mr. THOMAS. May I explain to my distinguished friend here that the committee has receded and given ground—yes, on a good many items. The amendments were to restore some 10-percent cuts on the salary increase itself. So dollarwise it does not amount to very much money. The big amendment the committee has adopted this afternoon was the one adopted by the committee on the Department of Health, Education, and Welfare for the educational program. That was an increase of $50 million. So my guess is altogether——

Mr. GROSS. About $500 million, would the gentleman say?

Mr. THOMAS. Oh, no, no.

Mr. GROSS. Well, in the neighborhood of a couple of hundred million or three hundred million?

Mr. THOMAS. Slightly under $200 million would be my guess; I understand it restores $177,880,500.

Mr. GROSS. Well, that is "chicken feed"; is it not?

Mr. THOMAS. It is a great deal more than I have.

Mr. GROSS. Of course, we do not have any national debt. We do not have any worries about our finances—none at all. I was going to offer a few amendments to the bill, but the amendments I was going to offer would have cut only a few million, and with the spenders in the saddle, I just do not have the heart to offer them.

For instance, I would have offered one to stop that $3 million-odd appropriation for the United Nations police force on the ground that we have already put $55 million into that deal, and the other nations are not paying their agreed share, as the gentleman well knows from testimony before his committee.

I would have offered another amendment to the provision for $25,000 for an international study of judicial procedures. That bill came up on the Consent Calendar a year ago in February. The gentleman from Colorado [Mr. ASPINALL] and I asked at that time what the cost was going to be and we were assured by a member of the Judiciary Committee that it would cost only $5,000 or less. Yet the subcommittee this year heard a request for $75,000, and the committee is providing $25,000 in this bill, five times more than they said it was going to cost at the time the bill was called up on the Consent Calendar. In the future I do not know how well I will be to go along with some of the bills on the Consent Calendar.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. THOMAS. We cannot quibble with anything the gentleman from Iowa has said; everything he has said is 100 percent true. They came to the committee and we consulted members of the Judiciary Committee, and it was generally agreed that $25,000 would be a very small sum. As a lawyer, I think you are going to get your money's worth.

I cannot argue with the gentleman about the Consent Calendar.

Mr. GROSS. In view of the fact that the spenders have kicked the door down this afternoon with the adoption of amendments calling for the spending of millions upon millions, I am not going to offer any amendment cutting anything. My vote is against the bill.

The CHAIRMAN. The question is on the preferential motion.

The motion was rejected.

Mr. DURHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DURHAM: After line 24, page 13, add the following:

"OFFICE OF CIVIL DEFENSE AND MOBILIZATION

"Federal contributions: For an additional amount for 'Federal contributions' including financial contributions to the States pursuant to section 205 of the Federal Civil Defense Act of 1950, as amended, to be equally matched with State funds, $3 million to be derived by transfer from the appropriation for 'emergency supplies and equipment,' fiscal year 1959."

The CHAIRMAN. The gentleman from North Carolina is recognized.

Mr. TABER. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order that the amendment is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. DURHAM. Mr. Chairman, this is a transfer of funds, a matter that I understand appears all through the bill, and I was so advised by the clerk of the committee.

The CHAIRMAN. This is a little more than that; it affects the transfer of funds for the fiscal year 1959 for this new purpose, and as such would constitute legislation.

Mr. DURHAM. If that is the Chair's interpretation, I concede the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. ALFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALFORD: On page 23, line 19, strike out "$2,032,000" and insert "$1,642,000".

Mr. THOMAS. Mr. Chairman, will the gentleman yield for a consent request?

Mr. ALFORD. I yield.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. THOMPSON of New Jersey. Mr. Chairman, I object.

Mr. THOMAS. Mr. Chairman, I move that all debate on the paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. ALFORD. Mr. Chairman, at this late hour I hesitate to belabor an issue, but I submit to every Member of this distinguished body that as a loyal citizen of a fine cultured community I must as a matter of principle and in all good conscience protest an item that was listed by the Justice Department relative to Little Rock.

My amendment simply strikes out $390,000 which was used to finance special Federal marshals in the second invasion of Little Rock. I realize that is a very small amount when we consider the large amounts that we are appropriating today. But I call your attention, and beg your indulgence, to page 774 of the hearings of the subcommittee and to the testimony of Mr. Andretta, where he states:

We had to buy special police equipment and supplies to the tune of $10,100 and we had a special communication service set up between here and that area such as a special telephone line and other extra communication costs that we ran up in keeping in touch back and forth. That cost $5,200.

He gives all of the items concerned in the $390,000. I submit these items to you: Personal services, temporary employment of, may I say, U.S. marshals; premium compensation for deputies from other districts; total personal service $280,800. Then there are other contractual services, $1,000. And listen to this item, if you please: Supplies and materials, and this is from Mr. Andretta's testimony, ammunition mostly to the tune of $10,100 and equipment of police type, $7,700, taxes and assessments, social security taxes, $5,200, a total of $390,000. May I repeat to you live ammunition cost $10,100 to be used by Federal marshals against loyal patriotic Americans.

Now, to the distinguished Members of this House, I submit there were 110 special marshals that, as reported in the subcommittee hearing, were patrolling the streets of Little Rock at a time when the senior high schools of that city were closed.

I am well acquainted with the U.S. marshal of that district. He is a very capable gentleman and has some very valuable assistants. I submit to you in all sincerity that I cannot in good conscience sit here and not call attention to this insult to a wonderful peace-loving community.

As I stated before, I hesitate to bring up the subject again, but I must protest this political invasion of a sovereign State. The expenditures have already been paid for and they are asking reimbursement of this amount. In the committee hearing the Justice Department asked for $500,000 additional to be used in future political projects of this type.

In the testimony they declared that they wanted such items as live ammunition, police equipment and communica-

tion for any further incidents that might occur. This demand was refused by the subcommittee.

How long must we continue to have this political subject rise again and again? During that time this city had all of its high schools closed and the order had already been given by the Governor.

I would like to submit also detailed information that is given before the subcommittee:

There were 110 special deputies engaged for the approximate period from August 15 through November 30, 1958. Due to adverse local sentiment, it was necessary to employ the services of special deputies from the adjacent counties rather than the immediate local area. A general rate of $28 per day was fixed for these deputies and many were on duty 18 hours a day.

In addition, 52 regular deputies were detailed to Little Rock during this period from the following districts, and I shall list them by States so as not to take up so much time: Alabama, Arkansas, Colorado, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee, and Texas.

May I call to your attention at this point the complete hearings before the Appropriations Subcommittee relative to Little Rock:

REQUEST IN CONNECTION WITH MARSHALS AT LITTLE ROCK

Mr. ROONEY. Tell us about this $900,000 request in connection with marshals at Little Rock. How much was actually expended? How many marshals for how long and so forth?

Mr. ANDRETTA. Mr. Chairman, when this estimate was put in the budget it was put in for $1 million back in the fall when things were really hot. We thought later that we were going to need $900,000 in anticipation of any trouble in connection with the school segregation cases. We recruited a corps of deputy marshals and had to bring them in there with others already on the rolls, and to pay their travel expenses, overtime, and premium pay. The result was that in marshaling this specific task force we authorized obligations of some $390,000.

Mr. ROONEY. You want to change this requested amount from $900,000 to $390,000?

Mr. ANDRETTA. No, sir; that threw us behind in some of our regular operations and also the fact that we are running over on some of our litigation expenses in the U.S. attorneys offices.

Mr. Rooney, you know that we always come back for litigation costs on the U.S. attorneys appropriation.

Mr. ROONEY. I understand that, but did you not get this request for $900,000 approved in the Bureau of the Budget on the basis that it was to meet extraordinary situations arising in certain districts as a result of the Supreme Court decision on school integration?

Mr. ANDRETTA. That is right.

Mr. ROONEY. How do you now justify any more than $390,000?

Mr. ANDRETTA. Except this: It will save our coming back for another supplemental appropriation.

Mr. ROONEY. You are the best man on supplementals I know of.

Tell us about the $390,000. What are the details with regard thereto?

Mr. ANDRETTA. The details are $156,000 for personal services. That is——

Mr. ROONEY. How many people?

Mr. ANDRETTA. For "Personal services"; that is $280,800 for special deputy marshals.

Mr. THOMAS. How many are you asking for?

Mr. ANDRETTA. A total of 110 special deputy marshals were employed.

Mr. ROONEY. For how long and how much?

Mr. ANDRETTA. They were on per diem pay, so the rate——

Mr. ROONEY. Could you break that down? Is this a buckshot approach or can you break down this $390,000?

Mr. ANDRETTA. Yes, sir.

As I say, $280,800 is for personal services which were——

Mr. ROONEY. I am talking about a little further breakdown than that, Mr. Andretta.

Mr. BROWN. Mr. Chairman, they were appointed generally for a period of 3 months and the actual period of service varied within that 3-month period. We can give you a breakdown of that.

Mr. ROONEY. What else besides that?

Mr. ANDRETTA. $80,000 for travel expenses.

Mr. ROONEY. Where do you hire these people?

Mr. ANDRETTA. They were hired in neighboring areas and some very few locally. They were taken on by the marshals in adjacent districts but not in that particular area. Then others were brought in——

Mr. ROONEY. They are all off the payroll now?

Mr. ANDRETTA. Yes, sir; they are all off now.

Mr. ROONEY. What else?

Mr. ANDRETTA. We had to buy special police equipment and supplies to the tune of $10,100 and we had a special communication service set up between here and that area such as a special telephone line and other extra communication costs that we ran up in keeping in touch back and forth. That cost $5,200.

We had some special contractual service; that is, for fees and things like that, $1,000.

Then we had the purchase of ammunition and other equipment, $7,700, and $5,200 in contributions on social security payments, which adds up to $400,000.

Mr. ROONEY. $400,000? You gave me $390,000 before.

Mr. ANDRETTA. Yes, $390,000.

Mr. ROONEY. Which is it?

Mr. ANDRETTA. It is $390,000, Mr. Chairman.

Mr. ROONEY. Will you please insert at this point in the record, if you hope to get this money, some real details as to the number of people, for how long, how many days, what dates, and where they came from, and so forth?

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. And the rate of pay?

Mr. ANDRETTA. Yes, sir.

(The information follows:)

"DETAILED INFORMATION CONCERNING THE SCHOOL INTEGRATION PROGRAM

"There were 110 special deputies engaged for the approximate period from August 15 through November 30, 1958. Due to adverse local sentiment, it was necessary to employ the services of special deputies from the adjacent counties rather than the immediate local area. A general rate of $28 per day was fixed for these deputies, and many were on duty 18 hours a day.

"In addition, 52 regular deputies were detailed to Little Rock during this period from the following districts:

"Alabama: Northern, middle, southern.
"Arkansas: Eastern.
"Colorado.
"Georgia: Northern, middle, southern.
"Illinois: Southern.
"Indiana: Southern.
"Kansas.
"Kentucky: Western.
"Louisiana: Eastern, western.
"Mississippi: Northern.
"Missouri: Eastern, western.
"Oklahoma: Northern, western.
"Tennessee: Eastern, middle, western.
"Texas: Northern, eastern, southern, western."

"Detail of obligations authorized

"OBJECT CLASSIFICATION AND AMOUNT		
"01	Personal services:	
	Temporary employment	$265,200
	Premium compensation for deputies from other districts	15,600
	Total personal services	280,000
02	Travel	80,000
04	Communication services	5,200
07	Other contractual services	1,000
08	Supplies and materials (ammunition mostly)	10,100
09	Equipment (police-type)	7,700
15	Taxes and assessments (social security taxes)	5,200
	Total	390,000"

Mr. ROONEY. Are there any questions with regard to the item, "Salaries and expenses, U.S. attorneys and marshals"?

Mr. THOMAS. No questions.

Mr. Chairman, I submit to you in all sincerity that we are crying out only for simple justice, and maintenance of States rights and constitutional government.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROONEY] to close debate.

Mr. ROONEY. Mr. Chairman, the Committee on Appropriations was asked to approve $900,000 in this category, United States attorneys and marshals. The committee saw fit to deny all sums beyond the amounts actually expended in connection with the unfortunate Little Rock situation. It was necessary, said the Attorney General and the Department of Justice, to send to Little Rock 110 special deputies during the period from August 15 to November 30, 1958. In addition, 52 regular deputies were detailed to Little Rock from Alabama, Arkansas, Georgia, and quite a number of other States. Now, this is the bill for their services. These services have already been performed. Of the $390,000 which the pending amendment seeks to deny, $280,000 is for the pay of these 162 deputy marshals. $80,000 is for their travel. $5,200 is for their telephone and communication services. $1,000 is for other contractual services. $10,100 is for supplies and materials, ammunition mostly. Equipment, police type, $7,700, and social security taxes $5,200.

Now, the Little Rock situation unfortunately arose and the dignity of the United States of America was and is involved. It became incumbent upon the Attorney General to send these deputies in place of troops to this city to enforce the Federal law and to keep the peace, and we are now confronted with the bill for their cost. Are we going to default on paying this bill, this bill to keep law and order in the United States of America? Well, I do not think that day has yet arrived.

Mr. Chairman, I ask for an immediate vote on the pending amendment, and I trust that it will be overwhelmingly voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. ALFORD].

The question was taken; and on a division (demanded by Mr. FULTON) there were—ayes 43, noes 153.

So the amendment was rejected.

Mr. THOMAS. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. THOMAS: On page 50, line 24, strike out "$203,220,000" and insert "$221,220,000".

Mr. THOMAS. Mr. Chairman, let me briefly explain this amendment. This is another one of these pay cuts, in this case in the Post Office Department. There was involved here a reduction of about $22.5 million that the committee placed upon the Post Office Department out of a total bill of around $226 million.

The Post Office Department has written the committee, and we have talked with the gentleman from Virginia [Mr. GARY] and the ranking minority member of the subcommittee that handles this matter. They say that they can take about $4.5 million of the $22.5 million cut. The purpose of the amendment is to increase the amount by that difference, or $18 million.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Virginia.

Mr. GARY. It is true that the Post Office Department has already absorbed about 14 percent of the cut.

Mr. THOMAS. They have done perhaps a better job than any other agency in the Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. THOMAS].

The amendment was agreed to.

Mr. CANFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANFIELD: On page 51, line 20, strike out "$260,550" and insert "$280,550".

Mr. CANFIELD. Mr. Chairman, may I say to the chairman of the subcommittee and the Members of the House that the purpose of this is to make a partial restoration of the evidence fund for the Bureau of Narcotics.

Mr. THOMAS. Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CANFIELD].

The amendment was agreed to.

Mr. THOMSON of Wyoming. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think that it is most regretful that the chairman of the subcommittee accepted the amendment of the gentleman from Rhode Island to restore the $50,300,000 request to expand the seven programs under the Defense Education Act of 1958, other than the student loan fund, which was already provided for in the bill.

I think the committee was absolutely right when it said in the committee report, at page 7:

Congress should proceed with due deliberation before embarking on large-scale support of programs such as grants for statistical studies, testing, and classroom facilities. The matter will be thoroughly developed during the hearings on the $150 million budget estimate for 1960.

As a minimum, each of these widely diversified programs should have been made to stand on its own merit.

At this late hour, I do not intend to take a great deal of the time of the House. I merely ask each Member to study the hearings, as I have, to determine what this means as far as education is concerned in his particular district. The amount, you will find, is negligible. What this does is to add to bureaucracy and Federal domination.

I refer you to page 553 of the hearings. The testimony there appearing shows that exclusive of personnel to administer the Defense Education Act, which of course is a complete misnomer in that it has nothing to do with defense, is 653 employees in the Office of Education. The number added for administration of the act totals 353, over a 50 percent increase.

Mr. Chairman, in the session of the Wyoming State Legislature just recently adjourned, there were provided teacher-training scholarships in addition to those already authorized. There was added to the State contribution to the school foundation program an amount of between $1 million and $2 million, as compared to the $150,000 for grants provided in this bill. The State set up a student loan plan for higher education, whereby the State guarantees loans obtained through banks, which is far more adequate than the $48,938 provided in this bill and in the regular appropriation for the State of Wyoming, which is an average sized congressional district.

At the same time, a request was made for legislation authorizing the acceptance of Federal grants under the Defense Education Act. That bill was passed, with a most significant amendment. The State department of education may accept such funds only when the Federal budget is in balance.

Mr. Chairman, it is regretful that the Congress does not show the fiscal responsibility that this amendment to house enrolled act No. 31, signed into law by the Governor of the State of Wyoming on February 9, 1959, which I have before me, suggests. Unless the Congress, in the years ahead, measures up to that responsibility, this country cannot survive.

Mr. McGOVERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCGOVERN: Page 31, line 19, strike out "$186,755" and insert "$112,053".

Mr. McGOVERN. Mr. Chairman, I can explain this amendment in just about 1 minute. About a month ago the Secretary of Agriculture announced that he was dropping the support price on feed grains to 60 percent of parity. What I am attempting to do in this amendment is to keep the Secretary's office operation consistent with what he has proposed for the farm people, and to reduce the salaries and expenses of his office to 60 percent of parity, which is $112,053.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Chairman, if the gentleman is really serious about this amendment, we will accept it and take it to the conference, with the right of throwing it out the window if it does not look right to the conferees.

Mr. HALLECK. Mr. Chairman, will the gentleman from Texas yield to me?

Mr. THOMAS. I yield to the minority leader.

Mr. HALLECK. Mr. Chairman, we have gone along here very well today on a great many things that have really been important. I think the House of Representatives has made something of a record for itself. I just want to say at this juncture to some of those who are running this Congress, if they do not like the agriculture program that we have, they had better start doing something about it, because they cannot just get by sniping and criticizing somebody who is trying to administer the program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. MCGOVERN].

The amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from North Carolina [Mr. DURHAM] rose a few minutes ago and offered an amendment which was ruled out of order. The amendment was to allow the Federal Civil Defense Agency to transfer $3 million from money which they have, authorized for one purpose, and use it for grants-in-aid in the States in the perfecting of the Federal civil defense organization.

May I say I think the amendment was out of order. It was not properly drawn. I conferred with the clerk of the committee and felt the amendment was properly drawn, but I find out there was a mistake. But I want to comment on the substance of what the committee has done. Last year we passed a bill, Public Law 85–606, which gave joint responsibility to the Federal Government and the State government for the building of a civil defense system in the United States. In that bill there was a provision that 50 percent grants could be made to the States and local subdivisions for administrative purposes to build up this organization in the United States. By the denial of this grant the Congress has gone back upon the legislation it passed last year and, in my opinion, has broken faith with the States. Many States have passed legislation providing funds to build a Federal civil defense and a disaster organization. Denial of this $3 million goes right to the functioning of your local State agencies and your city agencies in the field of disaster organizations.

I do not know at this time how this money could be provided, but I do feel that we are making a mistake in not recognizing that there is a problem of

civil defense in this Nation, and something should be done about it.

I will not take any more of the Committee's time because I recognize the temper of the House, but I could not let this go by without calling the attention of the House to what I think is a grievous mistake.

Mr. MORRIS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Oklahoma.

Mr. MORRIS of Oklahoma. I want to associate myself with the remarks of the gentleman. I agree with him fully in what he has said.

Mr. HOLIFIELD. Mr. Chairman, the supplemental appropriations bill, H.R. 5916, reported by the Committee on Appropriations, has omitted one small item which could have great consequences on the fate of our Nation. I refer specifically to the President's request for authority to transfer $3 million in civil defense funds from one account to another.

During the past session, Congress enacted legislation authorizing the Federal Government to provide matching funds for civil defense administrative and personnel expenses of the States and localities. As I recall, the President's request for supplemental funds to start that program was rejected late last summer with the specific provision that the executive branch resubmit the item in a deficiency appropriation request after the Congress returned in January. This request was resubmitted but the Appropriations Committee apparently has not seen fit to include a provision for this item in the bill under consideration today.

I think it is important to note in this connection that the administration is not asking for the appropriation of new money. The request is for authority to transfer $3 million of unexpended funds from one account to another. From a balance of $4.5 million in the civil defense equipment and supplies account, $3 million would be transferred for use in matching, on a 50–50 basis, State and local funds for administrative and personnel expenses.

The stack of hearings and reports on this table represents more than 3 years of study and investigation of civil defense matters by the Government Operations Subcommittee on Military Operations, of which I am chairman. In this time we have compiled 9 volumes of hearings, comprising 4,000 printed pages of expert testimony. We have issued four carefully documented committee reports.

More than 250 expert witnesses, including the chairman and members of the Joint Chiefs of Staff, have assisted us in our appraisal of national civil defense requirements.

As a consequence of our study, the Military Operations Subcommittee in its basic civil defense report—House Report No. 2946, 84th Congress—set forth a series of recommendations designed to strengthen the Federal civil defense effort in keeping with the constitutional responsibility of the Federal Government to provide for the national defense. These recommendations were subsequently incorporated in proposed legislation—H.R. 2125, 85th Congress—which was introduced in the House by every member of the subcommittee.

One of the provisions of that proposed legislation would have authorized the Federal Government to provide matching funds for civil defense administrative and personnel expenses of the States and localities. While our comprehensive legislation was never acted upon, the Congress did adopt this particular provision in the civil defense amendments of 1958—Public Law 85–606—which were introduced by the distinguished gentleman from North Carolina [Mr. DURHAM]. Those amendments were approved by the Armed Services Committee and enacted into law during the past session of Congress.

In refusing to authorize a simple transfer of $3 million to carry out this particular provision of law, the Appropriations Committee is in effect nullifying the findings of the Armed Services Committee as well as those of the Military Operations Subcommittee.

I may also note that the purposes for which this transfer of funds is requested have been strongly endorsed or recommended by the various survey and study groups considering civil defense problems in recent years. These include the Kestnbaum Commission on Intergovernmental Relations, the project East River Group, the National Planning Association and the Sarnoff Study Group.

In addition the civil defense committee of the Governors' conference, the American Municipal Associations' Civil Defense Committee, as well as the National Association of County Officials, the American Legion and the AFL–CIO have all recommended this program.

The Appropriations Committee report accompanying the measure now under consideration is, by implication, very critical of the Office of Civil and Defense Mobilization. It indicated that the funds under consideration would be wastefully expended with no concrete benefits to the national security.

Let me say that as a Member of Congress, I have been an outspoken critic of the civil defense operations in the Federal Government. On more than one occasion I have raised objections to the manner in which the FCDA, and its successor, the OCDM, have carried out civil defense functions at the Federal level and I shall probably have many more critical things to say about the OCDM in the future.

The point at issue today, however, goes to the question of whether we shall have any civil defense program in our Nation. While I believe that a vastly expanded Federal program is required before we can expect to have an effective national civil defense, I recognize that any program must rest ultimately upon the people of our Nation and their instrumentalities of government at all levels, including the State and local.

The States and localities are willing to do their part, provided Federal leadership and assistance are forthcoming. To date, the States have matched Federal funds amounting to $131 million for equipment, training, and other items in the matching program. Altogether the States have budgeted approximately $24 million for this program for the coming fiscal year.

I have been advised by various State and local officials that unless increased Federal assistance is forthcoming, we are in danger of losing the benefit of all the civil defense work accomplished to date. I am told that failure to provide such assistance will cause us to lose the nucleus of civil defense personnel now residing at the State and local levels.

While many of us agree that our civil defense program is not what it ought to be, I am firmly convinced that we cannot afford to lose whatever capability we now have. With the Berlin crisis simmering, with the Communists on the march from Iraq to Bolivia, with trouble even in the remote land of Tibet, and with our missile development program and our overall Defense Establishment not only gaping, but sagging, the Congress should not stand idle while our civil defense program is being dismantled.

The Appropriations Committee report would make it appear as though the civil defense transfer authority requested by the administration would embark this Nation on an entirely new program—something new in the American scheme of things. In fact, there are many precedents for the type of assistance contemplated in this request. Federal grants have long been used by the States to administer a number of health, education, and welfare programs, such as public assistance, vocational rehabilitation and education, and hospital construction. Federal funds have been used to administer the State employment offices. Federal funds have supported the National Guard. Federal grants for administrative and personnel costs have made possible the successful operation of various agriculture and forestry programs.

Time does not permit a comprehensive discussion of the many civil defense tasks facing our Nation. I intend to request a special order for an address of considerable length at a later date, but at the present time I should like to call attention to certain evidence of increased Soviet concern with civil defense matters.

I have here a detailed study of Soviet civil defense compiled by the Library of Congress. It was completed only last week and includes the latest information available in Russian publications and other sources.

According to the evidence collected in this study, the Soviet Union last year revised its civil defense plans to bring its program up to the requirements of thermonuclear warfare. The indication is that large segments of the Soviet population are being indoctrinated in techniques of survival and rehabilitation.

In the face of this evidence, and lacking any clear understanding of Soviet intentions, it is my firm belief that we in the United States should be attempting to build a civil defense program instead of stifling it in its infancy.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, last week we had a bill before the House to provide for airport construction, and we heard at that time from one of our leaders that the vote to save $97 million would separate the boys from the men. Today we had a vote on spending an additional $100 million on foreign countries. I wonder who got separated today? I simply want the RECORD to show, if we are not going to have a rollcall vote on this bill, that I am absolutely opposed to it.

Mr. ANDERSON of Montana. Mr. Chairman, I concur fully in the statements made in behalf of the Veterans' Administration's need for supplemental funds. I hope we will give a full and resounding vote of affirmation to the amendment to restore fully these critically needed funds, and that the proposed reduction of $6,118,500 not be made. As a combat veteran of World War II myself, I support our veterans' groups views that all these funds are needed to assure effective operation of our VA facilities through 1959. These situations always occur when unforeseen costs arise, such as the pay raise enacted following the initial budgetary request for these VA functions. I should be terribly distressed, and I believe all thinking Americans would be distressed, should VA hospitals have to close down a part of their bed capacity for qualified patients in the final 3 months of 1959. I especially urge full appropriations be made for general operating expense, inpatient care and outpatient care to service-connected patients throughout 1959 in the VA program.

Mrs. DWYER. Mr. Chairman, I am greatly disturbed at the recommendations made by the Appropriations Committee in its report on the second supplemental appropriations bill for fiscal year 1959. In several respects, the bill as reported fails dismally to provide for absolutely essential Government responsibilities. I am especially concerned at the failure to provide funds for all but one of the programs implementing the National Defense Education Act of last year.

We have heard a great deal lately about the need to economize in Federal spending. This is a very real need; I recognize it; and wherever possible I have supported and shall continue to support efforts to economize with the people's money.

But there is such a thing as false economy. For instance, it is impossible to administer a program with efficiency and economy when its budget is subjected to fits and starts, to plenty of money in one quarter and not enough in the next. Any program requires continuity of personnel and consistency of effort. Neither is possible when a program's budget is uncertain and unpredictable.

Likewise, it is not genuine economy when we put off until tomorrow expenditures that have to be made today. Delay is expensive. Wasted time is never going to be recovered. A steady level of activity is indispensable if economy is to be achieved in any kind of operation: it can be controlled better, and the best possible use of resources can be obtained. Maximum results for minimum costs is possible only under this kind of program administration.

The price of false economy today, Mr. Speaker, is higher spending tomorrow.

The National Defense Education Act is a particularly discouraging example of the likely consequences of the committee's proposed action. The committee has, in effect, given a green light to one of the education activities while it has abruptly stopped all the rest.

Can our memories be so short as to allow us to forget the conditions and the stimulus which led the Congress to pass the National Defense Education Act only a few short months ago? Or can our judgments have so changed that what seemed critically important then has since faded into relative obscurity? Has the Soviet Union suddenly ceased to challenge the free world? Have Soviet developments in education, science and foreign languages, for example, become less significant in the struggle to influence the new countries of the world? Or has our own educational system demonstrated in the last half year that it does not need the help contemplated in the act? Are we really so superior, so proficient, so well provided for in these once-crucial fields of study?

If we can honestly answer "yes" to each of these questions, Mr. Speaker, then we have no business seeking to restore the $50,300,000 cut by the committee. But I doubt if any of us would be so foolhardy as to answer "yes" to a single one of these questions.

Let us, therefore, review for a moment the reasons why a supplemental appropriation is necessary for activities under the Defense Education Act.

The Committee on Labor and Public Welfare reported the education bill on July 15, 1958. In its report, the committee highlighted its motive as follows:

> America is confronted with a serious and continuing challenge in many fields. The challenge—in science, industry, government, military strength, international relations—stems from the forces of totalitarianism. This challenge, as well as our own goal of enlargement of life for each individual, requires the fullest possible development of the talents of our young people. American education, therefore, bears a grave responsibility in our times.

The committee also had this to report:

> The members of the committee believe that the bill offers an effective approach to those critical areas of shortage and neglect which now carry highest priority in the national interest—in the teaching of science, mathematics, and modern foreign languages. The committee believes, too, that the related sequence of programs in testing, counseling, scholarships, loans, and the fellowships—to identify, encourage and assist the ablest students who need help—will be of great value in the continuing effort to conserve and develop the critically needed human resources of our country.

In passing this momentous legislation, Congress announced to the world that it took seriously the challenge the committee had recognized, and it expressed its hope and expectation that the bill would help strengthen the Nation to meet the challenge successfully. This was no simple gesture or statement of empty words. It was the act of determined people, guided by high values and clear-sighted recognition of both the cost and the benefits of its action.

Earlier last year, our Committee on Appropriations also had something to say on the subject of education. On March 25, 1958, the committee reported the Departments of Labor, and Health, Education and Welfare appropriation bill for fiscal year 1959. Discussing the item for the Office of Education, the committee noted:

> During the past several months the Nation's attention has been called more forcibly to the fact that we cannot afford to be complacent. If we are to maintain a position of leadership it is more and more being recognized that education must keep up with the times.

The committee also remarked of the Agency that:

> The whole Office has been built up to a level where it can come closer to rendering the services that the educational system needs and must have if the Nation is to keep abreast of the changing conditions nationwide and worldwide.

This expression of concern for the need to improve education and this statement of regard for the Agency responsible for helping education was made, of course, before the Congress approved the vast new programs of the National Defense Education Act.

With passage of the act, which authorized appropriations of $182,800,000 for the first year, the Appropriations Committee was called upon to implement it with at least a preliminary appropriation of funds. The President estimated in August 1958, that $117,200,000 would be required to get the program started, though this figure was shortly revised upward when Congress approved the inclusion of the area vocational school program in the education bill, to a total of $133,700,000. In addition, $2,100,000 was estimated to be sufficient for salaries and expenses in the beginning months of the program.

As the distinguished gentleman from Rhode Island [Mr. FOGARTY], a member of the Appropriations Committee, declared during debate on the bill appropriating these interim funds: "The full requirements of the program for this fiscal year can then be assessed when the 86th Congress convenes in January. At that time we can consider the supplemental needs of the Office of Education for the remainder of fiscal year 1959. Certainly the least we should do is to appropriate these amounts before this Congress adjourns."

The Congress, however—under the stress of the final moments of the 85th Congress—appropriated only $40 million for the National Defense Education Act instead of $133,700,000; and it appropriated only $750,000 instead of the $2,100,000 for salaries and expenses.

While this left approximately $142 million of the first-year authorization unappropriated, the President requested only $75 million for the remainder of fiscal year 1959 in his January budget message to Congress. This reduction—which was nearly 50 percent—represented the administration's best judgment on the minimum defense education program the country could afford—de-

spite the fact that the act had received wide acclaim from educators throughout the country and despite the fact that the Office of Education had made an early and effective start in organizing a working and efficient program.

Therefore, it can hardly be alleged that the President's supplemental request of $75 million was anything but a minimum figure, carefully estimated and drastically reduced.

It is in this light, Mr. Speaker, that I must agree with the Secretary of Health, Education, and Welfare's reaction to the report of the Appropriations Committee as "incredible." He has estimated a whole year may be lost in putting into effect the program authorized by Congress to strengthen our country's educational system—unless the committee's cut is restored.

Again, Mr. Speaker, I ask what has happened since August 1958, to make it safer or wiser to stop so badly needed a program as this?

If we fail to restore these minimum appropriations, then our people and the whole world will be right in concluding that our concern for education last year was an idle fancy, a passing emotion, a meaningless jumble of words.

Mr. MONAGAN. Mr. Chairman, I am glad to support the second supplemental appropriation bill for 1959—H.R. 5916—in its amended form.

I believe that the House has approached this bill in a spirit which combines an interest in needed programs with a desire to keep appropriations within reasonable bounds.

It is worthy of note that the Committee on Appropriations reduced the recommendations of the Bureau of the Budget by $385,432,032 and even with the amendments passed by the House the final appropriations will be approximately $208 million below the budget.

I am happy to support the restoration of $100 million to the Development Loan Fund. Even though there are five other agencies supplying money in whole or in part for economic development abroad and in spite of the fact that we are currently receiving reports of discouraging mismanagement in our foreign assistance programs, nevertheless, I feel that the main objectives of these programs are valid. I feel that our administration of these programs is improving and I believe that our security and the stability of our friends throughout the world require that they be continued.

This does not mean that we should not keep these programs continually under observation. It is our duty to do this because of the amounts involved and because of the constant danger that their objectives will not be realized because of faulty administration. In our present status of international tension, however, I am sure that this is not a time to abolish these programs.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I see the gentleman from Texas [Mr. THOMAS] on his feet about to move that the Committee do now rise, and I am glad that he is going to do so because up to this time we have spent quite a little money, but still we have saved money and, as I said, even though we have spent a lot of money today, we are still below the budget to the extent of $208 million.

Mr. THOMAS. I must say my friend, the gentleman from Iowa, deserves a large share of the credit.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. WILLIAMS. Mr. Speaker, I demand a separate vote on the Rooney amendment restoring the $100 million to the Development Loan Fund.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The question is on the amendments.

The amendments were agreed to.

The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

On page 6, after line 22, insert:

"FUND APPROPRIATED TO THE PRESIDENT

"Mutual security

"Development Loan Fund

"For an additional amount for advances to the Development Loan Fund, as authorized by section 203 of the Mutual Act of 1954, as amended, $100,000,000, to remain available until expended."

The SPEAKER. The question is on the amendment.

Mr. WILLIAMS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. FULTON. Mr. Speaker, I ask for a division.

The question was taken, and on a division (demanded by Mr. FULTON) there were—ayes 183, noes 59.

So the amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MINIMUM WAGE OF $1.25 AND EXTENSION OF COVERAGE

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RODINO. Mr. Speaker, it is essential that the Fair Labor Standards Act be amended without delay to increase the minimum wage and to extend its coverage to millions of workers who are not protected under the present law's restrictive provisions regarding exempted industries. To remedy these deficiencies, I have introduced a bill, H.R. 4740. This bill proposes to raise the minimum wage to $1.25 and to provide coverage for employees of employers who are engaged in activities affecting interstate commerce and to eliminate certain exemptions.

An increase in the minimum wage at this time will produce two beneficial results. First, it will raise the level of income for numerous workers who are subsisting on earnings that have lagged far behind those of organized employees in higher wage industries. Second, it will bolster the economy by placing additional purchasing power in the hands of consumers.

When the $1 minimum was voted in 1955, many people believed it to be inadequate and advocated the $1.25 rate now being considered. If it was felt at that time that the floor to wages should be raised to $1.25, how much more imperative it is today to establish the higher minimum. During the past 3 years that the $1 minimum has been in effect, the cost of living has risen steadily; the Consumer Price Index jumped from 114.7 to 123.8, an increase of 9.1 points. As a result, the purchasing power of the dollar has deteriorated to the extent that during the past year its purchasing power was 2.6 percent less than it was in 1957. All of us have felt the impact of higher prices, and it does not take much imagination to visualize the difficulties that the low-wage workers are undergoing to stretch their meager earnings to buy even the necessities of life.

We have been reminded from time to time, but it bears repeating, that the wage and hour law was enacted for the purpose of correcting and eliminating "conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers." We cannot, in all honesty, say that the present minimum of $1 is adequate to carry out this declared purpose. The majority of low-wage workers are unorganized and do not have collective support to plead their case. It is up to Congress to protect their interests and we should act now to bring relief to those living on substandard incomes.

The original Fair Labor Standards Act of 1938 was one of the measures enacted to fight the depression of the 1930's. The problem of unemployment and its solution were of utmost importance at that time and one of the aims of the act was to increase the incomes of consumers

and create a demand for goods and services. The increases in the minimum wage to 75 cents and $1 an hour in 1950 and 1956 were necessitated by the economic inflation, and the failure of wages in low-paying industries to keep abreast with higher living costs. Today the specter of unemployment again hangs over us, and the increase in the minimum wage to $1.25 will add to consumer purchasing power and help stimulate the economy and the demand for workers. We cannot hesitate to act to bring relief to the unemployed.

Since its enactment nearly 21 years ago, the Fair Labor Standards Act has provided protection to 24 million employees in industries in interstate commerce covered by the act. Unfortunately, there are still some 20 million workers who are denied coverage. Under my bill, it is proposed to correct the injustice done to approximately 7½ million workers in retail stores, laundry and dry cleaning establishments, service occupations, and other categories. The 7½ million workers I mentioned are employees of large business concerns, most of them employed in retail stores. The retail stores I have in mind are not the family, neighborhood variety. They are the ones connected with giant operations, such as the food chainstores and variety chainstores which have branches spread throughout broad areas or the whole expanse of the Nation. These giant concerns can readily pay the higher minimum, and the same is true of other exempt industries whose yearly amounts of business run into hundreds of thousands of dollars.

It has been argued that coverage of these employees should be left to the States. But let us take a look at this situation. Sixteen States do not have a minimum wage law; only 12 States that do have laws provide coverage for both men and women; even fewer States have basic minimum hourly rates of $1; and only 10 States and the District of Columbia set overtime rates in addition to the basic minimum for work beyond 40 hours a week. Probably one-fifth of the 20 million workers not covered by the Fair Labor Standards Act are afforded protection under State laws. Extension of coverage under the Federal law alone can at least partially eliminate the inequities and deprivations that exist today.

I earnestly ask you to support me in this endeavor to establish adequate minimum wage protection so urgently needed for the relief of our fellow countrymen and for the prosperity of the United States.

NICHOLAS CHRISTOPILOS' CONTRIBUTION TO SCIENCE

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, recent press reports regarding the valuable contributions to American science which have been made by Dr. Nicholas Christopilos of the University of California Radiation Laboratory underline the importance to American research of utilizing all talented individuals, no matter how great a formal education the individual has had in nuclear physics.

I would like to refer to testimony presented to the Research and Development Subcommittee of the Joint Committee on Atomic Energy last year by Dr. George K. Green of Brookhaven National Laboratory, describing the extraordinary contribution which Dr. Christopilos has made in the field of high energy accelerators, despite the limited education he received before coming to the University of California from his home in Greece.

Brains are where you find them. I allude to the fact that Dr. Christopilos had made his fundamental discovery of the important strong focusing principle for accelerators while he was still working in Greece in a nonscientific job, and independently of the work being done by scientists in this country. In fact, he apparently discovered this principle about a year before U.S. scientists did, even though he had no formal affiliation with scientific research groups.

I call my colleagues' attention to the exchange from the subcommittee's hearings in February 1958, in which Dr. Green described the contributions of Dr. Christopilos. Let me read it.

After describing the work which had been done on several high energy accelerators in this country, Dr. Green goes on to say:

Dr. GREEN. So a group of our people sat down and discovered the strong focusing principle, whereby one could build a magnet of much bigger diameter with the magnet itself being a smaller cross section and it would not take so much steel. Interestingly enough, Nicholas Christopilos in Greece, working all by himself, discovered this strong focusing principle on his own, completely independently. It turned out he was born in the United States and taken back to Greece when he was 4 years old, and later on Nick came to work in our laboratory with us.

Representative PRICE. When was this?

Dr. GREEN. He apparently discovered this principle about a year before we did.

Senator ANDERSON. Did he not submit it to our people and we turned it down as being impractical?

Dr. GREEN. No.

Senator ANDERSON. Is that right?

Dr. GREEN. Let me be frank and tell the story.

Nick mailed a letter to Berkeley about accelerators, in which he was very interested, and the letter was a mess. People at Berkeley read it very carefully, analyzed it, and it was no good. So they wrote him back an explanation of what was wrong with all of these crazy ideas. Nick sat down, being a very brilliant individual, and proposed to correct his ideas. This letter from Berkeley did him a lot of good.

Then he sent to Berkeley a description of this strong focusing principle. People at Berkeley said it is another letter from that crazy Greek, threw it in the file and never read it.

When Nick came over and saw the article our people had published in Physical Review, he said, "I described that before." We telephoned Berkeley; they went and pulled it out of the file; their faces were very red and there it was.

Senator ANDERSON. I would say that is an easy explanation to make after the facts. Somebody did put it away and it did have the strong focusing principle in it and no attention was paid to it. That much we would have to agree on.

Dr. GREEN. Exactly. That is exactly what happened.

Senator ANDERSON. Nobody agrees that it was not as good as we had here?

Dr. GREEN. No. It looked like a crank letter. We get these crank letters.

Senator ANDERSON. You are not the only one that gets them.

I think that is a very fine statement, Dr. Green. I am happy that you do state that this was overlooked.

Dr. GREEN. Certainly.

Senator ANDERSON. It would be an amazing thing if you did not overlook anything.

Dr. GREEN. When we got acquainted with Nick, we were so well impressed with him, we hired him.

Senator ANDERSON. I could not commend you more for what you did.

PASSPORTS AND THE COMMUNIST CONSPIRACY

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, last year I introduced a bill—H.R. 13760—that provided for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement. Although this measure was approved by the House without a dissenting vote, there was not sufficient time before adjournment for the Senate to consider it.

On January 7 of this year, I introduced an identical bill—H.R. 55—and, on several occasions since, I have called to the attention of this House the vital need for its enactment. An address delivered today, March 24, to the Chicago Council of Foreign Relations by the Honorable John W. Hanes, Jr., Administrator of the Bureau of Security and Consular Affairs of the Department of State, further emphasizes the necessity for the earliest possible enactment of H.R. 55 or similar legislation.

Mr. Hanes' address follows:

PASSPORTS AND THE COMMUNIST CONSPIRACY

(Address by the Honorable John W. Hanes, Jr., Administrator, Bureau of Security and Consular Affairs, at the Chicago Council of Foreign Relations luncheon meeting, Chicago, Ill., Tuesday, March 24, 1959)

I am very pleased to have an opportunity to meet with this particular group in this particular city. I want to talk with you about some basic matters involving our foreign relations and our national security.

Foreign relations used to be something that this country thought it could afford largely to ignore, or at least to delegate to the sole attention of a few people who were interested in such things in Washington. The pioneer work which your own organization, comprised of so many leading citizens of this great central city of the United States, has done for nearly 40 years is one very tangible reason why that situation has changed.

Today it is self-evident that our foreign relations are inseparable from our national security. We all recognize that our security, our lives and our very existence, both as individuals and as a nation, are effectively threatened from abroad. We all recognize

the existence of a powerful and implacable hostile force dedicated to world conquest, and to the destruction of all that our republic and our people stand for. The hostile force is international communism, and its primary manifestation is Soviet Russia. It is also, however, an international conspiracy that extends into every nation in the world, including our own.

These facts have a connection with the U.S. passport. I would like today to tell you why.

A great deal of confusion and misunderstanding has surrounded the matter of Communists and passports. The misunderstanding has related both to the facts and to the issues which are involved, as well as to others which are not, but which have been introduced into the controversy. I hope to set the record straight on these facts and issues.

THE SUPREME COURT DECISION

In June 1958 in the Kent, Briehl, and Dayton cases, the U.S. Supreme Court, by a majority of 5–4, handed down decisions holding, in effect, that the Secretary of State does not have the authority to refuse a passport because of membership in the Communist Party, or even because he has specifically found that an applicant is going abroad willfully and knowingly to engage in activities which would advance the Communist movement. In both decisions, the Court denied the Secretary's right because the Congress has not passed legislation specifically giving the Secretary that right. Contrary to popular belief the Supreme Court did not hold that it was unconstitutional to deny a passport to a Communist. It did say that any legislation giving the Secretary the right to make such a denial must carefully protect the constitutional rights of citizens.

Since that date, the administration has been urgently seeking the passage of such legislation by the Congress. Although the House overwhelmingly passed a bill in the closing days of the last session of Congress, the Senate failed to act; and neither House has taken action as yet in this session.

THE NATURE OF THE COMMUNIST CONSPIRACY

In order to understand why this situation is serious, it is necessary first to understand the nature and methods of the international Communist conspiracy.

That conspiracy today creates a greater menace to the United States than we have ever faced before.

With assets of some 900 million people and 16 once independent countries that have fallen under its control, it commands frightening resources. The United States is the only power strong enough to maintain the alliance which alone keeps international communism from its goal of world conquest. We would be naive indeed if we believed that its vast and harshly regimented resources were not consistently committed against us in every way which could do us harm—openly and secretly; abroad and at home.

This conspiracy is truly international. It is controlled and directed from Moscow. That part of it which exists in America is no more American than that part which rules in Hungary is Hungarian. Some hard-core supporters of the international Communist movement hold American citizenship, but they are not ordinary American citizens. They voluntarily give service and allegiance to a foreign ideology which promotes the objectives of a foreign power.

Some people feel that, because actual membership in the Communist Party, U.S.A., as of today is small, the American brand of communism therefore offers no threat to our internal security. Many top Communists, of course, are not party members. The Communists themselves do not even agree that the party is weak. Last month, William Lorenzo Patterson in an editorial in "The Worker" said: "The prevailing political atmosphere permits increasing activities with lessening dangers of victimization. * * * Let's be bolder." Every day brings us new evidence of the vitality, the far-flung operations and the current danger of the Communist conspiracy in the United States.

We believe that the travel abroad and the possession of a valid American passport by hard-core American Communists constitutes a real danger to our country. This is so because all the evidence about Communist organization and methods shows that the effective functioning of the international party machinery depends in large part on the freedom of its members to travel.

One does not have to be a student of Communist organization to realize the truth of this. Think of your own organizations. Everyone in business today travels almost constantly. You all know that personal contact is an essential part of doing business. The mails—even the telephone—are not an adequate substitute. If this is true of normal business operations, how much more true must it be of the enormously complex worldwide operation of an international conspiracy where virtually everything must also be kept secret. I do not know how one would go about recruiting an espionage agent by mail or by telephone. I doubt if the Communists know either. Such things require personal assessment, personal recruitment, personal contact. In an organization of this sort, to hamper the movements of any members of the organization is a crippling blow and puts the operations of the organization under a most heavy handicap.

Another thing that is important to understand is that the size and complexity of this Communist organization requires a a very great variety of orders and instructions and information and activities to keep it operating. It has top people in it, and it has little people. It isn't only the top people who are important. Each of the little people in this highly disciplined machine is a cog who has his own place and his own usefulness to the functioning of the whole machine. A relatively unimportant but reliable member of the conspiracy may act as a courier to carry an important message between Communist leaders in different countries. The whole elaborate organization which has surrounded every Communist espionage network which we know about in this country, such as in the Rosenberg case, has demonstrated conclusively the essential role played by the numerous unimportant little people in the organization without whom it would cease to function.

We are by no means helpless against this conspiracy, nor has our Government been inactive or unsuccessful in fighting back. Much of the success we have had is attributable directly to the dedicated fight over many years and many obstacles which has been carried on personally by Mr. J. Edgar Hoover and by the FBI. Their persistence and their results have inspired others who work in this field, and have done much to awaken the American people to a clear and present danger.

Our weapons against Communist subversion have been a closely interlinked set of techniques. They have included penetration of the conspiracy and constant surveillance and, always, to the extent we could achieve it, by passport and visa and immigration regulations, the denial of free movement in and out of the country and thereby of easy and satisfactory communications.

The loss of our ability to stop American members of the Communist apparatus from getting passports has blunted the other weapons we have against the Communist conspiracy. For example, our success in preventing the entry of foreign Communist agents and couriers with their financing and instructions from headquarters becomes rather hollow if American members of the apparatus can travel freely out of the country. Similarly, the most successful penetration of the domestic Communist apparatus by agents of the United States is rendered much less useful if the persons watched can evade observation for extended periods by traveling abroad, probably behind the Iron Curtain where we can hardly expect to know what they are doing.

I have sometimes been asked whether there is really any point in denying passports to American Communists, for after all they can travel legally to Latin America without a passport, and from there usually can obtain illegal passage to wherever they wish to go. This is undeniably true. However, it is also a fact that, in the years during which we denied passports to Communists, very few important members of the apparatus took advantage of this roundabout route. One reason may be that whenever you require an organization to utilize cumbersome and devious and illegal methods of this sort, you stretch that much further and that much thinner the trail which the conspirators cannot fail to leave. They must utilize more people with more risk of some breakdown in the system and compromise of its secrecy. It is that much more likely that somewhere along the trail those whose job it is to counter the Communist conspiracy will uncover it. Undoubtedly, one of the greatest protections we have against the conspiracy is knowledge of what is taking place within it. Whenever such a trail can be uncovered at any point, it can usually be unraveled fairly easily in both directions with the result of a considerable increase of our knowledge about the whole conspiracy.

COMMUNIST INTEREST IN PASSPORTS

Our own Government has long recognized how important American passports are to the Communist conspiracy. Forty years ago, just after the Bolshevik revolution, the Department of State became aware that American Communists were carrying on espionage, propaganda and revolutionary activities for the Soviet Government and the international Communist movement. The State Department decided in 1920 that passports should be refused to persons who advocated the overthrow of governments by force, who espoused publicly the Soviet cause, or were carriers of Communist correspondence. This policy remained in force until 1931. At no time, I might point out, during this 11 years was the Secretary's discretion in the matter ever challenged in the courts.

The American passport has always been valuable to espionage rings, as you can well imagine. For example, prior to World War II an espionage agent was arrested in Copenhagen and found to have four U.S. passports in his possession. The Communist underground has long maintained workshops devoted to the wholesale forgery and falsification of passports and other documents.

However, genuine American passports were highly prized at intelligence headquarters in Moscow, according to a former chief of Soviet intelligence in Europe. During the Spanish Civil War, Communist leaders assiduously collected the passports of the several thousand Americans in the International Brigade, and the bulk of these passports eventually found their way to Moscow for alteration and possible use by Soviet agents. In fact, so many American passports were collected from this source that, as a countermeasure, the U.S. had to replace every outstanding passport in the world with a new document.

CONGRESS ACTS

In 1949, 11 members of the National Board of the Communist Party, U.S.A., were convicted of conspiring to advocate the overthrow of the U.S. Government by force or violence. In 1950, American Communists

were actively supporting the enemy position in the Korean war. Congress, recognizing these dangers, passed the Internal Security Act and found that "travel of Communist members, representatives, and agents from country to country facilitates communication and is a prerequisite for the carrying on of activities to further the purposes of the Communist movement."

Congress also said that Americans who participate knowingly in the world Communist movement "in effect repudiate their allegiance to the United States, and in effect transfer their allegiance to the foreign country in which is vested the direction and control of the world Communist movement." Yet allegiance is the touchstone of the right to a passport.

Indeed, the Internal Security Act of 1950 made it a crime to issue passports to members of registered Communist organizations; but this sanction still has no legal effect because protracted litigation in the courts has been able to prevent that part of the act from becoming applicable.

Again in 1954 Congress made its intention clear when it declared that the Communist Party of the United States, "although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the Government of the United States." Congress further found that the role of the Communist Party, U.S.A., as the agency of a hostile foreign power renders its existence a "clear, present and continuing danger to the security of the United States."

THE DEPARTMENT'S REGULATIONS

The Secretary of State, charged by law with the issuing of passports, could hardly have ignored these congressional findings. In 1952, the Department's policy was made a matter of official record when Secretary Acheson issued regulations establishing the criteria for refusing passports to Communists and Communist supporters.

The publication of these regulations triggered a violent attack by the Communists through their press and through the courts, utilizing every device of law and procedure. Their clever campaign gained respectability because many sincere persons, who have no sympathy whatever with communism, became disturbed by the argument that the regulations permitted the Secretary of State arbitrarily to restrict a citizen's rights. These were the regulations which in 1958 the Supreme Court struck down by finding that they had not been specifically authorized by Congress.

I think it might be well to put into perspective exactly how these regulations operated, and their practical effects, by giving you some statistics on the numbers of Communist supporters refused passports under them and the numbers of Americans who received passports. For the 2 calendar years preceding the Supreme Court's decision, 1956 and 1957, 1,145,000 passports were issued or renewed. During that same period, the Passport Office limited the passport privilege of 51 persons because of Communist grounds. Every one of those persons had access to an elaborate and impartial appeal mechanism, and many of them utilized it.

From the time this mechanism was set up in 1952 until the Supreme Court's decision in June 1958 the Secretary of State—and it must be the Secretary personally—refused passports to only 15 persons on Communist grounds after full hearings. A number were granted passports after hearings; some others, of course, did not contest the Passport Office's denial; and undoubtedly many active Communists never bothered to apply at all, knowing they would be scrutinized and required to make a sworn statement about Communist Party membership.

I believe it is important to remember these figures when statements are made about the arbitrary action of the Department in passport matters. I assure you that these 15 persons who were denied passports by the Secretary did not include a single one who was an ordinary American citizen, or whose only activity in behalf of the Communist movement was some vague alleged beliefs and associations.

HISTORY OF PASSPORTS

American passports, of course, are valuable documents, and well worth all this trouble that the Communists have gone through to get them. Our passport requests foreign governments to let the bearer, an American citizen, pass safely and freely, and to give him all lawful aid and protection. It invokes for him the full prestige of the U.S. Government; and foreign governments usually accept it as meaning that he is a reputable person.

The passport has also become a practical necessity for travel. Today 75 percent of all countries, including most of Latin America, require foreigners, including Americans, to have passports for entry; and we ourselves require Americans to obtain passports for travel outside the Western Hemisphere because we are still in a state of national emergency.

We have made it easy, however, to meet this requirement. We issue nearly three-quarters of a million passports each year, each one valid for a maximum of 4 years. We refuse only an infinitesimal number.

Much of the meaning of even the very few, but very important refusals became academic, of course, in June 1958, when the Supreme Court's ruling was handed down. Since then, as we anticipated, there has been a flood of applications from persons with records of Communist affiliations or activities. Some of them had previously been denied passports, but many had never previously applied. Many we know a great deal about, and none of it is good. Others we would like to know more about, but the Department of State is no longer in a position even to inquire, much less investigate, whether any such applicant is a Communist Party member, or how dangerous he may be. There is quite a difference, for example, between a known courier and a harmless fellow traveler.

This flood of applications continues today. The Communists are getting passports while they can. Naturally, in all these cases the Department's previous policy has had to give way and passports have been and are being issued to all these people.

LEGISLATION REQUIRED

Immediately following the Supreme Court decision, Secretary Dulles sent Congress a draft bill to provide the specific legislative authority which the Court held was lacking. He wrote to the Congress:

"I think there can be no doubt in anyone's mind that we are today engaged for survival in a bitter struggle against the international Communist movement. * * * [This] movement seeks everywhere to thwart United States foreign policy. It seeks on every front to influence foreign governments and peoples against the United States and eventually by every means, including violence, to encircle the United States and subordinate us to its will. The issuance of United States passports to supporters of that movement facilitates their travel to and in foreign countries. It clothes them when abroad with all the dignity and protection that our Government affords. Surely, our Government should be in a position to deny passports to such persons."

President Eisenhower urgently endorsed the legislation, saying: "Each day and week that passes without it exposes us to great danger."

What must such legislation do?

Again, the President has expressed it well. He said:

"In exercising these necessary limitations on the issuance of passports, the executive branch is greatly concerned with seeing to it that the inherent rights of American citizens are preserved. Any limitations on the right to travel can only be tolerated in terms of overriding requirements of our national security, and must be subject to substantive and procedural guarantees."

Simply stated, what we need is legislative authority which will allow the Secretary of State to deny passports to hard-core supporters of the international Communist movement. We believe such denial should occur under due process of law, including judicial review. We believe that it should apply only to those who knowingly engage in activities—not merely hold beliefs or have associations—but engage in activities in furtherance of the international Communist movement, or who are going abroad to engage in such activities.

We do not seek statutory passport authority to stifle criticism of this Government or its policies. We do not believe that the passport should or can be used to restrict the movement of people who hold political, social, or economic opinions which are not of the orthodox American variety.

We do not seek or want authority to deny passports to any whose travel or activity abroad is merely an embarrassment to our country. I believe that the United States is strong enough to survive embarrassment if we must.

Neither do we wish to penalize loyal Americans who at one time, before the nature of the Communist conspiracy became as crystal clear as it is today, may have sympathized with Communist theories or even belonged to Communist organizations in this country.

All we seek, and what I feel we must have, is the capacity to protect ourselves by denying passports to those relatively few hard-core, active Communist supporters who are not ordinary American citizens and whose travel abroad constitutes a danger to the United States.

Much has been said concerning the constitutionally protected right to travel of an American citizen, Communist or not. I believe we should understand such terms thoroughly, for they are central to this issue.

Our Constitution can and does guarantee the citizen's freedom to travel among the 50 States in the Union. However, it obviously does not and cannot guarantee any right of an American citizen to enter any foreign country. We do not recognize the right of any alien to enter our own country except as we, as an act of sovereignty, grant him permission to do so. An excellent example of a foreign regime exercising sovereignty in this way is the Chinese Communists. For nearly 2 years now, some 25 American newsmen representing the major foreign newsgathering organizations of this country have had and still have American passports valid for travel to Communist China, but that regime has refused to let them enter.

The constitutionally protected "right to travel" abroad, therefore, is really only the right to leave the United States, and I certainly agree that this right is part of the liberty of which the citizen cannot be deprived without the due process of law of the fifth amendment. However, like any other constitutional right, it is not absolute and may be abridged by society for good and sufficient reasons involving its own protection so long as due process is observed.

In the case of passports "due process" means that the Secretary of State cannot be arbitrary or capricious but must have sound reasons for restricting an individual's right of exit. It means that he must tell the individual the reasons for his action in sufficient detail and under such circumstances that the individual may have an opportunity to show the reasons untrue. Such circumstances should include a full hearing and review with the Department of State, and, ul-

timately, of course, the right which now exists to appeal to the courts.

It is interesting to note in this connection that even such citadels of democracy and individual rights as the United Kingdom, France, and Canada do not provide for any judicial review of passport denials. In those and other free countries, passport denials are matters strictly within the jurisdiction of the executive branch, from whose decision there is no appeal.

There is one other essential of passport legislation which is much misunderstood, and that is the necessity for the Government to be able to utilize confidential information as part of the basis of its decision.

I can say bluntly that any legislation concerning denial of passports to Communist supporters would be meaningless and would not achieve any purpose if it prohibited the Government from utilizing confidential information. Almost without exception, dangerous cases in the Communist area involve confidential information and investigative sources. Indeed, the more recent and meaningful our information is, the more likely it is that it has come from current confidential investigative sources within the Communist movement.

The Government has a legitimate and overriding interest in maintaining the security of these investigative sources and methods. If faced with the unpalatable choice between exposing and thereby destroying a valuable and continuing source of information about the activities of the Communist conspiracy, and issuing a passport to an individual member of that conspiracy, the Government has no alternative but reluctantly to issue the passport as the lesser evil.

Some people feel that the use of confidential information in such cases means using vague and unsubstantial gossip or allegation that will not stand the light of day. This is nonsense. In the first place, if one is prepared to believe that the Secretary of State, who must personally decide passport appeals cases, would actually base a considered decision upon anything less than substantial and corroborated evidence, then one must believe that our country's security is in far greater danger than from the capricious denial of passports.

In the second place, confidential information is almost always a small part of any total case, although usually essential because of the clear proof it provides. Most of every case can be fully and publicly disclosed.

Beyond this, however, we believe, based on a careful review of the Communist cases we have had in the past, that in every case the Government can provide a fair summary of even the confidential information both to the applicant and to the courts. Such a fair summary would include all the pertinent reasons for which the passport is denied, and would exclude only those details required to protect confidential sources of information.

I would have no objection to any legislation requiring the Government in all cases to provide such a fair summary of the content of any confidential information relied upon.

THE CLEAR AND PRESENT DANGER

One other thing should be clear. What we are talking about is not a criminal proceeding in which someone is being tried or punished for past actions, but an administrative process which attempts to predict someone's future course of action if he travels abroad, and to balance its potential danger to the United States against the desirability of facilitating the travel and giving him protection while he is performing it. These are services which the Government should extend to its citizens, but they are not inviolable rights which the individual can demand no matter what the menace to society may be.

Even having said this, however, much about this subject remains repugnant to Americans. The use of confidential information in any kind of proceeding, judicial or not—indeed, any sort of governmental restriction, whether on travel or passports or any other activity of the individual—these are things which we will never like and which I hope we never accept apathetically.

Here, however, I believe, we must face squarely one fact which is inherent in every aspect of this matter which we have been discussing today. That is, simply stated, that our Nation, although not technically at war, assuredly is not at peace. We face, almost on a daily basis, actual threats to our national security and to our very existence which very clearly are the equal of any threats we have ever faced in peace or war. One need only think of the implications of Berlin today, or the countless crises of the past decade, to realize that the cold war is a contradiction in terms.

This uneasy situation of not-peace not-war is something entirely new to our experience. It places a tremendous strain upon our governmental and constitutional institutions, for it blurs lines which had always previously been considered sharp and clear.

It used to be that when our Nation was not at war it was truly at peace. Certain rules obtained and governed our lives in peacetime. These rules were evolved over a century and a half by and for a free people who since the earliest days of their history had been faced by no serious external threat to their freedom or their national existence. Occasionally war came, and there was a clear line of demarcation. War was declared and waged with certain formalities. During wartime certain special rules obtained because the Nation temporarily required the subordination of individual desires to the overall national effort. These special rules, while repugnant, were considered tolerable for the limited duration of the war. When the war was over, other prescribed formalities occurred, the Nation was at peace again, and the special wartime rules, which were usually incompatible with complete constitutional freedom were dropped.

This sharp demarcation between peace and war does not exist today. International communism has thrown away the rule book. It does not consider itself ever at peace. It is always totally mobilized to advance its aim of world domination. It does not recognize any of the accepted rules of international or legal or human conduct except when, and only for as long as, those rules may suit its purpose.

This situation creates an unprecedented threat both to our liberty and to our very existence. Our response must include a recognition of these changed circumstances, or risk the loss of existence and liberty together.

The threat, moreover, will continue to exist, perhaps for many years in the future. This makes it imperative that whatever response we do adopt must be one that we can indefinitely sustain, and without endangering the strength or the integrity of our basic and cherished institutions which we are seeking to protect.

I believe that such a response is possible to a free people. I believe that our institutions—our Constitution, our laws, and our form of government—are strong enough and flexible enough to adjust to these changed circumstances, just as they have adjusted to many changes in the past.

I have tried to illustrate what I mean by suggesting, in the limited but important field of passport policy, a procedure which meets these criteria. It meets, I believe, the most pressing requirements of national security. It does so by law and under the Constitution. I think, for the reasons I have given, that adequate passport legislation is essential to our security. But let me be very clear. I do not believe that this piece of legislation will eliminate all the dangers which we face from the Communist conspiracy; or even all of those which it is intended to counter.

I do believe that adequate passport legislation is a necessary and integral part of the screen of weapons we have raised against the conspiracy, and that it will seriously cripple the effectiveness of that conspiracy.

I do believe, finally, that all our weapons together, wisely and effectively used, will contain the internal menace of the Communist conspiracy within tolerable limits while our military strength deters its worldwide menace and our foreign policy seeks to replace its threat with a just and durable peace.

PEACETIME DRAFT

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 60 minutes.

Mr. POWELL. Mr. Speaker, in these days of continuing emergency our young men are required to make a great sacrifice. Eight of the best years of their lives are now kept at the disposal of the Armed Forces. This continuous peacetime draft is a new thing in our country and one that requires a hard look at the conditions which surround our Armed Forces.

For many years I have heard my colleagues from the South speak on the need for respecting the peculiar institutions of that region. One of the peculiarities that has come to my attention is the number of camps, forts, and other military establishments which are located in the 13 Southern States.

According to the Department of Defense there were 677,471 members of the Armed Forces in the 13 Southern States as of June 1958—not including that part of Virginia which is in the immediate vicinity of Washington:

Alabama	25,327
Arkansas	17,376
Florida	69,718
Georgia	67,748
Kentucky	44,925
Louisiana	31,017
Mississippi	16,864
North Carolina	70,201
Oklahoma	35,102
South Carolina	53,369
Tennessee	17,298
Texas	169,187
Virginia (not including area near Washington, D.C.)	59,339

The national figure for all the States was 1,551,642. So we see that the armed personnel in the 13 Southern States amounted to more than 43 percent of the total. Yet we know that areas outside those 13 States subject Negroes to discrimination. Also we know that colored people other than Negroes are discriminated against in some parts of this country. So I would estimate conservatively that 50 percent of the armed personnel of our Government in this country is being trained in a discriminatory environment.

I realize that the Government installations are important economically to a region that needs help. But I am concerned about the young men who are drafted into the Army and sent to these camps. Must they suffer in order to respect the peculiar local discriminations of the South? I say that the Federal Government has no right to subject citizens to such discrimination.

That is why, Mr. Speaker, I have introduced H.R. 5277. I hold it to be an essential duty of this Government to prevent discrimination against members of the Armed Forces. Of course this House knows that I do not favor discrimination anywhere, but at the very least we should protect our soldiers and sailors against it.

H.R. 5277 is an amendment to the United States Code, chapter 13 of title 18. It would prevent hotels, restaurants, theaters, parks, and all public transportation from discriminating against members of the Armed Forces in uniform because of race, color, or creed.

It is as simple as that, Mr. Speaker, but even more it would prevent our soldiers and sailors from being treated as second-class citizens in their own country, for whose defense they are making a great sacrifice.

The ignoble practice of segregation has no legitimate place in a democracy. If it still persists in some area of this country, at least those who have been raised in the freer areas should not be subjected to it by the Federal Government.

One-half of our armed personnel is now being unfairly punished by the Federal Government because of the conditions of segregation which they must endure as a part of their military service.

This is unfair, unpatriotic, and unwise. I call upon my colleagues from all parts of the country to support H.R. 5277 so that we may put an end to such an abuse of our young citizens.

If they are trained in a free environment they will know better the importance of defending freedom.

RIGGED PRICES IN DOMESTIC OIL AND PETROLEUM PRODUCTS

The SPEAKER. Under the previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, rigged prices in domestic oil and petroleum products are the direct result of President Eisenhower's proclamation restricting oil imports for the benefit of the domestic oil industry.

The President's proclamation restricting oil imports for the benefit of the poverty-stricken and depressed domestic oil industry is without question the most inflationary and arbitrary action executed by the President during his term of office.

The obvious purpose of the executive order is to prop up and support the domestic prices of oil and petroleum products in a sagging world market. While import controls close out competition from abroad, the Texas Railroad Commission, controlling most of the domestic oil production, is limiting production to only 11 days per month. The combination of controlled imports and controlled domestic production results in controlled supplies and controlled consumer prices. The only thing that remains uncontrolled is the stranglehold which the oil industry has on our economy.

In his proclamation the President said the administration would carefully watch the inflationary or price-raising impact of the administered price order.

Well, prices have already responded to the effect of the President's proclamation. Continental Oil yesterday increased its prices on all grades of gasoline a half-cent per gallon in five States: Colorado, New Mexico, Wyoming, Oklahoma, and Montana.

In its operating areas, Standard Oil of Indiana yesterday raised its gasoline prices 1.8 cents per gallon simply because it must pay more for domestic petroleum in the face of cutbacks on imports.

If the President's oil import control program is continued, the average American motorist will be paying 3 to 4 cents more per gallon of gasoline by midsummer. The President's timid capitulation to the domestic oil industry will force America from large automobiles to a motor-scooter economy before the expiration of his term.

SLUMS

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 15 minutes.

Mr. LANE. Mr. Speaker, there was a time when a roof and four walls met the minimum requirements for human shelter. The spreading blight of the slums in every community has opened our eyes to the fact that this definition is no longer adequate. As a result, nearly everyone agrees that we should have a housing program, encouraged and aided by the Federal Government. As we consider the Housing Act of 1959, there will be no dispute concerning the overall need for such legislation. There will be strong differences of opinion, however, concerning some parts of the bill.

One of the most successful features of our Federally sponsored housing program, has been FHA mortgage insurance. This has been so popular, that, in recent years, the FHA has practically used up its insurance authorization. There is need for a substantial increase in the insurance ceiling, to coax more private capital into housing development. We have tried, under FHA mortgage insurance, to provide every possible incentive to private enterprise, and it has responded with impressive results. A larger number of Americans have been able to buy homes of their own.

At the same time, we recognize that there are certain areas where private initiative cannot do the job. Public housing for low-income groups has helped to fill a long-neglected need. Experience has revealed the necessity of a new program designed to provide rental housing for elderly persons at rentals which they can afford.

Many of us believe that a new loan program should be established to provide low-cost financing on liberal terms to nonprofit corporations interested in building housing for the elderly. The maximum interest rate to the borrowing nonprofit corporation would be held to a limit of 3½ percent annually. The loan term could extend to 50 years, and loans would be provided up to 98 percent of the project cost. As the required equity investment of the sponsor would be reduced to 2 percent, this would be a great inducement for such sponsors to proceed from plans to blueprints and actual construction.

By such methods it will be possible to build housing units that will rent for approximately $20 a month less than the rent that would be required for the same unit under financing restrictions of the present section 207 program.

Under the new program "elderly families" would mean families the head of which—or his spouse—is 62 years of age or over; and the term "elderly persons" would mean persons who are 62 years of age or over.

To prevent exploitation of this program by those not eligible for its benefits, the proposed legislation will prohibit such undesirable practices as the use of an elderly person as a "screen" in order to gain occupancy for younger persons whose economic circumstances are adequate to permit them to afford decent housing elsewhere.

The administration wants to raise the interest rate on VA loans, currently limited by law at 4¾ percent, to 5¼ percent, in order that veterans will be able to get mortgage money to build their homes. The Congress prefers additional direct loans to veterans for this purpose. It is likely that there will be some compromise on this issue.

It is advisable to extend and improve the low-rent public housing program. It is an undeniable fact that a large proportion of the millions of families now living in slums do not have sufficient income to afford the prices or rents which private enterprise must, of necessity, charge for decent housing under present-day conditions. They will never be able to escape from the slums unless more public housing units are built to accommodate them. Furthermore, approximately half of the families displaced by urban renewal, highway construction, and other public activities, cannot be rehoused except in public housing because of their low incomes.

Central to the whole housing problem is the need for urban renewal, under which the Federal Government provides advances, loans, and grants to localities to assist in the elimination of slums and blight, and to prevent their recurrence.

An expert in this field recently commented, concerning a big city along the eastern seaboard, that one-third of its housing accommodations should be torn down or substantially renovated, because little or no attempt was made to remedy their deterioration over the years. It is from many of these areas that our veterans come, determined to build small ranchhouses in the suburbs or the country, so that their young families may grow up in healthy and wholesome accommodations that serve a much better purpose than a mere roof and four walls.

It is here that many elderly couples live, now that their children have grown up and moved away, in order to be close to the downtown area and its conveniences.

The committee which thoroughly studied this problem reported that:

The urban renewal program is the best means yet devised to eliminate slums, arrest blight, and save the vast human and economic resources which are our great urban

centers. As a matter of paramount national interest, the program must be sustained at a high level through the provision of substantial amounts of capital grant authority over the next several years. Spreading slums and blight threaten to engulf our cities, bringing misery to millions of our fellow Americans and haunting many cities with the specter of municipal bankruptcy. Your committee is convinced that local and State governments just do not have the resources to finance unaided the massive urban renewal program which is required to save and preserve our American cities.

Since the beginning of this program, $1,350 million has been made available to meet the Federal share of the cost of urban renewal projects. As of December 31, 1958, $1,326 million had been reserved, contracted for, or disbursed in connection with 648 projects in 386 localities.

A program that is only partly completed can waste all previous investment in it, by curtailing the lifegiving funds that are essential for its fulfillment. The failure to implement this program last year has raised havoc with urban renewal plans.

Additional capital grant authority is needed immediately to "unfreeze" the backlog of applications. It is proposed to increase these authorizations by $500 million on the date of enactment and by $500 million on July 1, 1959, and July 1, 1960. It is believed that this is the irreducible minimum to maintain an effective urban renewal program.

The rotting slums of our cities are a threat to the economic health of our Nation. Sixty-five percent of our people live in the cities. From here, the Federal Government derives more than three-fourths of its revenues. If their manufacturing and commercial activities which contribute to the wealth and prosperity of our Nation are slowed down by this spreading deterioration, the Government itself will feel the consequences.

The Housing Act of 1959 will help to reverse that downward trend. For we cannot stand aside and watch our cities slowly die.

EXTENSION OF REMARKS

Mr. COHELAN. Mr. Speaker, I ask unanimous consent that the following Members may be permitted to extend their remarks at this point in the RECORD and to include extraneous matter if they so desire: Messrs. DINGELL, RIVERS of South Carolina, PATMAN, and HAGEN.

UNEMPLOYMENT STATISTICS

Mr. DINGELL. Mr. Speaker, the unemployment statistics for the month of February have been made available to the American people. Contrary to the blithe and happy statements of the administration that an economic upswing is upon us, the statistics give us grave cause for concern. Lack of sound economic approach by the administration was no better characterized than by the recent action of the Federal Reserve Board in raising the rediscount rate from 2½ to 3 percent.

Ordinarily February is a month when jobs rise and unemployment falls. The corrected unemployment rates for February shows an increase from 6 to 6.1 percent. Translated into statistics which we can more easily understand, 1 man in 16 was looking for and unable to find employment.

For the benefit of the administration, unemployment has exceeded 6 percent or higher for 3 months, a performance characterized by the Washington Post and Times Herald as "probably the worst recovery in jobs following the three postwar slumps.

Unemployment in the State of Michigan and the city of Detroit is still worse. The city of Detroit in February of 1959 had 229,000 unemployed or 15.4 percent of the work force, and the State of Michigan had 364,000 unemployed or 12.4 percent of the work force.

A comment which should not be lost on us comes from no less than Mr. Raymond J. Saulnier, Chairman of President Eisenhower's Council of Economic Advisers, who said he was baffled by the figure of 6.1 percent unemployed in December. Mr. Saulnier said further before the Joint Economic Committee:

> If I found those figures for January and February continuing to lag substantially, I would be concerned.

From the foregoing it becomes clear that Congress must take vigorous and forceful action to see to it that recovery, apparently lacking or stifled by the administration's economic policy, is accelerated. As an interim step Congress must extend the temporary unemployment compensation program for another year. Failure to do this means that over 337,000 people will go off the rolls on April 1 when the program expires. We find in January 1959 that 212,416 people over the United States and 12,198 people in the State of Michigan had exhausted their unemployment compensation. In 1959, 2.6 million in the United States and 244,000 in Michigan exhausted their unemployment compensation. Indeed 668,000 and 107,000 exhausted their temporary unemployment compensation benefits in the United States as a whole and in the State of Michigan, respectively for 1958. In January 1959, 121,000 and 14,000 for the United States and Michigan respectively exhausted temporary unemployment compensation.

A second thing that Congress can and must do is to pass legislation of the sort authored by Congressman THADDEUS MACHROWICZ and others including myself, to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program. This will meet the long-term need for adequate standards in the unemployment compensation field.

A distinguished economist was recently quoted as saying that the present unemployment compensation program was inadequate to meet either the needs arising from a protracted period of economic downturn or a recession of severe character, a situation which will describe the recent and continued economic downturn. I need remind no one that the last recession was substantially cushioned by the pumping into the economy of better than $3,512 million from the various State unemployment compensation programs during 1958. This fact was chronicled by a statement in a recent issue of the U.S. News & World Report which stated that the economic downturn would have been much worse were it not for these and other economic cushions. Economists have been known to call 3 or 4 percent of the work force unemployed a normal situation. With this I do not agree. Mr. Ira T. Ellis, a leading business economist employed by the Du Pont Co. is reported to have predicted a 5-percent unemployment rate would persist in the foreseeable future; a gloomy prediction in which he is joined by a number of other reputable economists. Five percent is certainly an excessive unemployment figure.

In addition to the above-mentioned action, Congress must report out other legislation which will include a vigorous and substantial urban renewal program and Federal assistance to depressed areas.

IMPROVED ADMINISTRATION OF ARMY-AIR FORCE DENTAL SERVICES

Mr. RIVERS of South Carolina. Mr. Speaker, I am today introducing bills to place the Army and Air Force dental services on a par with the highly efficient Naval Dental Corps. This legislation has the solid endorsement of the Nation's dentists. Less than 6 months ago, the American Dental Association, in behalf of its 90,000 members—more than 85 percent of America's practicing dentists—reaffirmed its long-standing policy that the dental programs of the Army and Air Force, like the Navy's, should be under the direction of dentists. This is the best assurance that control over dental professional matters and over decisions involving the professional activities of dental personnel will be vested in dentists.

It is axiomatic that dentists are best equipped to manage programs of dental care. It is equally obvious that this is in the best interests of our active duty military personnel.

I believe, furthermore, that Congress has the responsibility to see that military health care programs are administered at the highest level of professional excellence. If this means that Congress must chart legislative guidelines for the Army and Air Force dental services, as we did for the Navy, then I believe we should not hesitate to do so.

In 1945 I introduced and supported for the Navy Dental Corps, a counterpart to the bills I have introduced today. This legislation became Public Law 284, 79th Congress. Under that law the advancement made by the Navy Dental Corps in developing an outstanding career service and in improving its health care functions have been monumental. One need only look at the record to become convinced that the Navy Dental Corps has far excelled its sister services of the Army and Air Force.

For example, the Navy Dental Corps in 1958 had 1,012 regular dental officers out of a total strength of 1,599 dental officers. The Army had 529 regulars out of 1,779; the Air Force had only 441

regulars out of 1,777. These figures were set forth by the distinguished gentleman from Georgia [Mr. VINSON] during the recent debate on the draft extension bill, H.R. 2260.

I believe that the Army-Air Force dental bills I am introducing today will, if enacted, enhance the career programs of the Army and Air Force dental services. What is more, they will achieve economy. Today the personnel turnover in the Army and Air Force dental services far exceeds that of the Navy Dental Corps. This needless turnover is not only expensive; it is disruptive to effective management of an essential health care program.

I have included at the end of these remarks—exhibit 1—a comparison of the provisions of the Navy dental law with the proposed provisions of the Army-Air Force bills as the latter would appear in title 10, United States Code, if enacted. This comparison does not reflect a provision within the Air Force dental bill which would create a statutory identification of the Air Force Surgeon General and a general designation of his responsibilities.

It is my earnest hope that Congress will shortly enact the legislation I have introduced today so that the Army and Air Force dental services will be able to match the achievements made by the Navy Dental Corps in developing an outstanding career service.

EXHIBIT 1

COMPARISON OF PROPOSED ARMY-AIR FORCE DENTAL BILL WITH NAVY DENTAL LAW (PUBLIC LAW 284, 79TH CONG., 1ST SESS.)

NAVY LAW	ARMY (PROPOSED)	AIR FORCE (PROPOSED)
(a) There is a Dental Division in the Bureau of Medicine and Surgery. An officer of the Dental Corps in the grade of rear admiral shall be detailed as Chief of the Dental Division (10 U.S.C. 5138(a)). The Dental functions of the Bureau of Medicine and Surgery shall be so defined and prescribed by Bureau directives, and if necessary by regulations of the Secretary of the Navy, that all such functions will be under the direction of the Dental Division. All matters relating to dentistry shall be referred to that Division (10 U.S.C. 5138(c)).	[There is an Assistant Surgeon General appointed from the officers of the Dental Corps. An appointee who holds a lower regular grade shall be appointed in the regular grade of major general.] He is the Chief of the Dental Corps and is responsible to the Surgeon General and the Secretary for making recommendations on all matters concerning the dental health of the Army. (Bracketed language appears in existing law (10 U.S.C. 3040(b))).	There shall be a Dental Service in the Air Force. The Dental Service shall consist of (1) the Chief of the Dental Service; and (2) such dental, auxiliary, and ancillary personnel as the Secretary of the Air Force shall, by regulation, prescribe. There is a Chief of the Dental Service in the Air Force, who is appointed by the President, by and with the advice and consent of the Senate, from dental officers of the Air Force above the grade of major. The term of the office is 4 years, but may be sooner terminated or extended by the President. An appointee who holds a lower regular grade shall be appointed in the regular grade of major general. The Chief of the Dental Service shall be responsible to the Surgeon General and to the Secretary of the Air Force for making recommendations on all matters concerning the dental health of the Air Force.
(b) The Dental Division shall (1) establish professional standards and policies for dental practice; (2) conduct inspections and surveys for maintenance of such standards; (3) initiate and recommend action pertaining to complements, appointments, advancement, training, assignment, and transfer of dental personnel; and (4) serve as the advisory agency for the Bureau on all matters relating directly to dentistry (10 U.S.C. 5138(d)).	The Secretary of the Army shall, by regulation, require the Chief of the Dental Corps to (1) establish professional standards and policies for dental practice; (2) conduct inspections and surveys for the maintenance of such standards; (3) initiate and recommend action pertaining to Dental Corps and auxiliary strength, appointments, advancement, training, assignment and transfer of dental personnel; and (4) serve as the adviser to the Army Medical Service on all matters relating directly to dentistry.	The Secretary of the Air Force shall, by regulation, require the Chief of the Dental Service to (1) establish professional standards and policies for dental practice; (2) conduct inspections and surveys for the maintenance of such standards; (3) initiate and recommend action pertaining to Dental Service and auxiliary strength, appointments, advancement, training, assignment and transfer of dental personnel; and (4) serve as the adviser to the Surgeon General of the Air Force on all matters relating directly to dentistry.
(c) The Secretary of the Navy shall prescribe regulations for dental services on ships and at shore stations. Such services shall be under the senior dental officer, who is responsible to the commanding officer of the ship or station for all professional, technical, and administrative matters concerning dental services (10 U.S.C. 6029 (a)).	The Secretary of the Army shall, by regulation, provide for the organization of the dental service throughout the Army, so that the senior dental officer for each major command, Army division, or other headquarters or installation shall be directly responsible to the commanding general or officer for all professional, technical, and administrative matters pertaining to the dental health of the command, including, but not limited to, the assignment or detailing of dental officers and assigned auxiliary personnel within the command, division, headquarters, or installation. This subsection does not prevent the Secretary from providing for the assignment of dental officers as commanding officers of other appropriate health activities or functions.	The Secretary of the Air Force shall, by regulation, provide for the organization of the dental service throughout the Air Force, so that the senior dental officer for each command, or other major Air Force organization, activity, or installation shall be directly responsible to the commanding general or officer for all professional, technical, and administrative matters pertaining to dental health, including, but not limited to, the assignment or detailing of dental officers and assigned auxiliary personnel within the command, organization, activity, or installation. This subsection does not prevent the Secretary from providing for the assignment of dental officers as commanding officers of other appropriate health activities or functions.
(d) No specific provision.	The Secretary of the Army shall, by regulation, provide for the training of an adequate number of personnel in military occupational specialties auxiliary or ancillary to the practice of dentistry, and for the assignment of such personnel in effective numbers to duty with personnel of the Dental Corps.	The Secretary of the Air Force shall, by regulation, provide for the training of an adequate number of personnel in military occupational specialties auxiliary or ancillary to the practice of dentistry, and for the assignment of such personnel in effective numbers to duty with personnel of the Dental Service.

WHY MAIN STREET VOTED DEMOCRATIC

Mr. PATMAN. Mr. Speaker, a few days ago, to be exact March 16, 1959, one of the leading Republican Party campaigners lamented the recent heavy losses by his party. He stated:

There are 8 million voters who left the party between 1954 and 1958. Some of these are Republicans who never before have voted Democratic. These 8 million could tell you something about the Republican Party.

In that connection he remarked:

It is strange indeed to see even the small-business men leaving the party—to see us losing Main Street.

Well, it is not strange to me that political upheavals are taking place on Main Street. There is a perfectly clear reason, though many of us have preferred to ignore it. The fact is that small-business people are disappearing—Main Street is disappearing.

MAIN STREET IS BEING RUN FROM WALL STREET

Yes, the store fronts are still there, but behind these store fronts the Main Street we used to know is no longer there. We still like to think of Main Street as a place of hometown mer-

chants—a place where independent, locally-owned businesses of all kinds have their shops, their banks, and their offices. But we are dreaming.

The Main Streets of this country today are largely owned and operated by a few nationwide corporations. Behind the new glass fronts on Main Street there are local men and women who appear to be in charge, but actually they are working for absentee owners. Sometime we may imagine that these local managers can decide such things as what kind and quantity of goods they will offer the local people, what price tags will be put on these goods, how many employees will be laid off and in what age groups, and so on. But more and more all such matters affecting the welfare of the local communities are decided in the board rooms of Wall Street and by the mechanical computers in the plush offices of Madison Avenue.

Big business has been taking over, while many of us in Congress looked the other way and the administration was busy making slogans about how small business is thriving as never before. Locally owned, independent business is being pushed out at a rate much too fast for comfort.

Recently Miss Sylvia Porter wrote a series of articles about what she found behind the store fronts on a visit to the lovely city of Louisville, Ky. This is one of the most shocking reports I have ever read. She found that 60 percent of all the factory jobs in Louisville are in absentee-operated industries; and in the retail stores an even bigger percentage of the business is absentee run.

Think of this: Between 80 percent and 90 percent of all the employees in retail stores in Louisville are working in a branch of a coast-to-coast chain.

So I think the reason why small-business people have been deserting the political party of big business is not too hard to find.

THE BIG BUSINESS ADMINISTRATION DESERTED SMALL BUSINESS FIRST

When things are going reasonably well for the people at home, they tend to give credit to the administration in power and to be content with the administration in power. And likewise, when they fall on great hardships or are greatly disturbed by trends that threaten the Nation's welfare, they tend to blame the administration and the party in power.

Small-business people have more and more shifted their support to Democratic candidates in both local and national elections for reasons of self-interest, obviously, but also because—and this I personally know—they are deeply concerned for the welfare of our country as they see this creeping corporate collectivization taking place.

But more than this, small-business people are not completely ignorant of the record. Despite the short rations of facts about the doings in Congress which they receive, and in spite of the massive efforts being made by the U.S. Chamber of Commerce, the NAM, and other such organizations to keep small-business people propagandized and in line politically, some of the facts do leak through and many small-business people are beginning, as they say in the cigarette ads, to think for themselves.

The habit of making glowing speeches in Congress about small business is not an acceptable substitute for a Member's active support of small-business legislation. Small-business people no longer accept lip service as an excuse for their Congressman's failure to get small-business bills out of the committee and out into the open for a vote in this Chamber.

INDIVIDUAL MEMBERS OF CONGRESS ARE ON TRIAL

The practice of declaring support to small business in general and then finding plausible excuses to oppose, to whittle down, or to insert monkey wrenches in each small-business bill that arises comes to have a cumulative impact on the thinking of small-business people, as it does on their opportunity for survival.

The party labels attached to the Members of Congress who have actually tried to do the right thing by small business have, of course, given small-business people reason to believe that Democratic candidates for Congress will give more support to their cause and offer them a fairer chance to survive. Yet they do not think—if I know their thinking—that the small-business record of the last two Democratic Congresses is anything to brag about. Nor do I. The last Congress passed more measures to correct the inequalities heaped on small business than any one Congress in history, and for that we can all be grateful. But these measures are not adequate to bring back a climate of laws and practices in which efficient firms without great aggregation of economic power have a fair chance to compete.

In truth, this Democratic Congress is on trial insofar as small business is concerned. And more particularly, the Members of this House are on trial individually, because this country has learned that when it comes down to small-business bills and antimonopoly bills, the record of the individual Member must be considered. When big-business influence is at work, neither party label nor section of the country a Member comes from are reliable indexes as to how a Member stands.

BIPARTISAN EFFORT NEEDED TO AVOID GHOST TOWNS

We are face to face with a most serious problem—a most serious trend which will not wait until we remain undecided about what we would like to do about it. The welfare of all of our hometowns is at stake. The communities in all of our districts are being affected. So let all of us who realize what this means join together, without respect to our party labels, and make the great effort that will have to be made if this problem is to be solved. On other occasions when our country was seriously threatened, Republicans and Democrats have been willing to join together in bipartisan efforts for the common good. Our way of life is threatened today, from forces within our country, as surely as it has been threatened from the forces of foreign aggression. So let us not hesitate to make a bipartisan effort now—time is short.

Small business has many problems. Hundreds of adjustments would have to be made if we were to remove all of the injustices and obstacles now standing in the way of a free and fair opportunity for business firms of all sizes to compete.

But most of the problems will be solved if we do no more than plug the loopholes in our antitrust laws and remove the discriminations in our tax laws. These are the main things, and if we can accomplish these we will turn back the tide.

Business success in this country today depends upon economic power, not on how efficient the business firm may be. Our antitrust laws permit abuse of power and in some instances actually encourage abuse of power.

For example, for several years now I have called attention repeatedly to the fact that the decision of the Supreme Court in the Standard Oil—Indiana—case opened up a loophole in the Robinson-Patman Act almost as big as the antitrust law itself. This decision opened up small business' one protection against the most destructive and most common of all abuse of power—price discrimination.

ABUSE OF POWER AND DISCRIMINATORY TAX LAW ARE MAIN THINGS WRONG WITH MAIN STREET

The game of price discrimination is nothing more or less than a power game. It is a surefire monopoly game, because the biggest competitor is sure to win out. The biggest competitor wins out as quickly or as leisurely as it chooses to crush its smaller opponents. So if we really intend to save small business, we will have to put some restraints on this kind of abuse of power. We cannot allow small firms to continue to be wiped out in wholesale lots by a practice which does no one any good, except, of course, the giant corporations that are gaining monopoly control and then hold consumers at their mercy.

And so, too, our tax system is a sure road to monopoly. It imposes back-breaking taxes on the little man but sets up a great escape hatch for the giant corporations. It is a system which allows the administered-price corporations to shift the tax burden onto consumers and thus immunize their stockholders from any tax on their accumulations of wealth left in the corporation. But this system reaches deep into the pocket of the small-business man and it leaves him without funds with which to expand or improve his business equipment. Surely we must make this tax system fairer and give a better chance to small business.

If we can do these things in this session of Congress—improve our antitrust and tax laws—we will bring about a renewed opportunity for local people to do business on Main Street.

I invite the Members' most serious attention to Miss Sylvia Porter's article which I have mentioned. I do this without any reflection on the city of Louisville, Ky. In fact, if the problems facing us were peculiar to just this one city, it would perhaps not be necessary to mention them at all. Obviously these

problems are not peculiar to this one city. They are common problems of all of the cities, towns, and villages of our country. Miss Porter's articles are as follows:

EIGHTY TO NINETY PERCENT OF ALL JOBS IN RETAIL STORES ON MAIN STREET NOW UNDER ABSENTEE OWNERS

[From the Louisville Times]

THE LOUISVILLE STORY—NO. 1: A CITY OWNED BY OUTSIDERS—OVER 60 PERCENT OF FACTORY JOBS ARE IN ABSENTEE-RUN INDUSTRIES; BIG STORE PICTURE MORE STARTLING

(By Sylvia Porter)

If you work for a manufacturing firm in Louisville today, the odds are better than 6 to 4 that you are an employee of a plant owned by outsiders—controlled by interests far removed from your hometown.

More than 60 percent of the manufacturing jobs in your proud, 187-year-old Kentucky city are in absentee-owned corporations. Decisions of crucial importance to you, your family, your entire community are not made by Louisville residents; often they're made by tycoons, efficiency experts or financiers who only rarely visit your city.

If you work for a big retail store in Louisville, the odds are a towering 8 or 9 to 1 that you are working for a branch, a coast-to-coast chain.

REALITY IS HERE

Of Louisville's seven biggest stores, only one is home-owned and that one is No. 5 in size. Your store manager may appear in charge but it's most improbable that the key policies are set by him. Rather, the likelihood is they're fixed at headquarters elsewhere.

In Louisville, absentee ownership of industrial plants, stores, major service organizations is no longer a threat arising from the great merger trend of this decade.

Here, the trend—which I first reported from Rochester, N.Y., a month ago—has become a startling reality. And the implications go far beyond the obvious—the inclination of imported managers to disregard local charities, to give only minimum support to city groups.

In Louisville, absentee control is striking at the very industrial and financial heart of the city itself. Here is a tale which cities the Nation over will ignore at their own peril.

The list of Louisville companies sold to or absorbed by nationwide concerns since World War II covers dozens upon dozens of once-famous names. And I'm not including new factories which American corporations have established here—such as General Electric's creation on Louisville's outskirts of Appliance Park, the world's largest home appliance factory. Nor am I touching on the hundreds of small distilleries which have been gobbled up by the liquor giants. Omitting these, consider that just in the past 10 years:

Mengel Furniture has become Kroehler, and Mengel Box has become Container Corp. of America. Girdler Tube-Turns has become National Cylinder Gas (Chemetron), and B. F. Avery became Minneapolis-Moline (now closed here). Ballard Mills has become Pillsbury, and C. T. Dearing Printing has become Fawcett Publications. Cochran Foil has become Anaconda Co., and Enro Shirt has become Wilson Bros. And so it goes.

Of course, in many instances the workers and city have benefited. Some payrolls have been sharply increased. New talent has come into town. And, as Archie P. Cochran, head of Cochran Foil until its merger with Anaconda 2 months ago, put it to me, "We had reached a size where we had to compete for national markets, but we didn't have the cash, research, or marketing facilities to do so properly. Merger will bring us these."

But in other instances payrolls have dwindled, disappeared. And hidden beneath the surface are threats which are actively worrying leaders of Louisville. Here are exact quotes from Louisville citizens, whose names I am deliberately withholding:

"We go into a plant, ask for contributions to the Community Chest or Louisville Fund, and what we get is an indifferent nod. The managers aren't part of Louisville. They feel they're camping out, and they don't care about the city's future."

"WE'LL HAVE TO CHECK * * *"

"Some executives who seem to be big shots can't spend $15 of the company's money on their own initiative. They duck out by saying, 'We have to check the home office.' The home office doesn't answer, or, when it does, the answer is 'No' or a piddling contribution."

"The frustration is maddening. The city isn't controlled by us. It's controlled elsewhere. It's infuriating to ask about a personnel policy or a product and get the answer, 'We haven't heard from New York yet.'"

But these, I repeat, are just some of the obvious disadvantages of absentee ownership of a city. Much more vital is what this is doing to the Louisville economy itself. This tale I'll report tomorrow.

THE LOUISVILLE STORY—NO. 2: SOUNDS A WARNING TO ALL—DREADFUL PLIGHT OF DOWNTOWN IS TIED TO ABSENTEE OWNERSHIP; MEETING MONDAY WILL SEEK ACTION

(By Sylvia Porter)

Usually, when I visit a city on a business trip for the first time, my hosts insist on driving me through the finest areas of town. And usually, they boast and I exclaim about the city's new houses, stores, civic centers, and so forth.

Here in Louisville, though, I was given the reverse treatment. For in Louisville, my hosts took me on a drive through the downtown shopping district, the downtown streets bordering on the Ohio River, the downtown areas where once were mansions of Kentucky's oldest families. And I saw * * *

Street after street choked with stores bearing nationally known names but thoroughly identified with lower-income shoppers. Street after street deformed by massive, decaying structures shockingly out of place in the heart of Kentucky's largest city. Street after street of old homes haphazardly turned into makeshift offices. And slums, used-car lots, minimum-income apartments on land which in almost any other city of comparable size would be in the highest price category.

TAKES GUESTS ELSEWHERE

"This is dreadful," I said to my hosts. "This I didn't expect."

"Yes," nodded the operating head of one of the biggest industrial firms in the area. "When I bring in important people, I bypass downtown. I take the long way around so they don't see this area."

"This is the tragedy of Louisville," added another of the town's most prominent citizens, and he gave me statistics to prove what is happening. Athough population has been expanding, the number of businesses in Louisville's central business district actually is down from a decade ago. The percentage of the city's retail sales in downtown has slumped from almost 50 percent in 1948 to under 40 percent now. Downtown Louisville is not only failing to progress, it is retrogressing rapidly.

Why?

The answer lies in the story I reported yesterday. Specifically, absentee ownership—control of a vast portion of Louisville's industrial, financial, and commercial enterprise by interests located elsewhere and concerned not with Louisville's beauty or potential growth but primarily with maintaining their profit margins or return on an initial investment.

It's a harsh indictment. But the evidence is unmistakable.

As an illustration, many of the men in charge of big operations here are not really the bosses. They are branch managers. As one put it frankly to me, "We'd like to help in rebuilding Louisville but it's not within our power to do so. We haven't the right to invest major capital. We must get permission from headquarters and they tell us 'If we do it here, we must do it elsewhere. We can't participate in the redevelopment of every city in which we are located.'"

Headquarters' reply makes financial sense but it doesn't help an absentee-owned city.

As a second illustration, in Louisville as in many other cities, the downtown land itself is owned "in trust," controlled by wealthy families who care more about dividends than about risking capital. On top of this land are the stores owned by national corporations. The combination presents defiant difficulties to sponsors of a redevelopment program.

What happens now?

ACTION IS THE GOAL

One thing that will happen in Louisville is a meeting next Monday to compel action instead of just talk. It's an ill-concealed secret that at this meeting, the city's leading businessmen and financiers will be asked to put up a big nest egg to finance practical planning by professionals who "are now or will become Louisville citizens with a stake in the community's future." (Coming to the meeting, incidentially, will be Albert M. Greenfield, head of City Stores, with which one of Louisville's major stores is affiliated. And although Greenfield may not know it yet, he's to be tapped for a fat contribution.)

[EDITOR'S NOTE.—Kaufman-Straus, the Louisville affiliate of City Stores of which Mr. Greenfield is chairman, already has accepted its quota. There will be no solicitation at the March 9 dinner.]

Also under way is a study to wipe out the eyesores along the Ohio River just as New York has replaced her slums on the East River and is about to revive deteriorating properties along the Hudson River.

"The other day someone asked me why I cared so much about this," remarked one of my hosts. "Without thinking, I said, 'Why, I live here.'"

That one simple reply holds the key—and shouts a warning to all cities which welcome absentee ownership without pondering its implications and taking steps to offset its dangers.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. STRATTON, for March 26, 1959, on account of official business of the Committee on Armed Services.

Mr. VINSON (at the request of Mr. PRESTON), for the balance of the week, on account of official business.

Mr. LOSER (at the request of Mr. DAVIS of Tennessee), for today and the balance of the week, on account of official business.

Mr. MULTER (at the request of Mr. SANTANGELO), for the balance of the week, on account of illness.

Mr. COHELAN, for Thursday, March 26, 1959, on account of Armed Services Committee inspection trip to Berlin.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LANE, for 15 minutes, on today.

Mr. SIKES, for 30 minutes, on Thursday, April 9.

Mr. LEVERING (at the request of Mr. COHELAN), for 15 minutes, on Wednesday next, March 25, 1959.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ALGER in 10 instances.

Mr. GAVIN and to include extraneous matter.

Mr. FOGARTY, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. ROOSEVELT, to include two telegrams in the remarks he made in the Committee of the Whole today.

Mr. BOLAND, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. ROONEY, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mrs. KEE.

Mr. DORN of New York.

Mrs. ROGERS of Massachusetts, to include in her remarks made in the Committee of the Whole certain telegrams from veterans' organizations.

Mr. KING of Utah in two instances and include extraneous matter.

(The following Member, at the request of Mr. COHELAN, and to include extraneous matter:)

Mr. ANFUSO.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 722. An Act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. COHELAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 53 minutes p.m.) the House adjourned until tomorrow, Wednesday, March 25, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

758. A letter from the Comptroller General of the United States, transmitting a report on the review of the Capehart housing program of the U.S. Army Engineer Center and Fort Belvoir, Fort Belvoir, Va.; to the Committee on Government Operations.

759. A letter from the Secretary of Agriculture, transmitting a report relative to a program for the national forests; to the Committee on Agriculture.

760. A letter from the Acting Secretary of Defense, transmitting a report by the Department of Defense on payments made under Public Law 220, 82d Congress, relating to the correction of military or naval records for the period July 1 through December 31, 1958; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FORRESTER: Committee on the Judiciary. House Concurrent Resolution 80. Concurrent resolution extending a welcome to the Inter-American Bar Association; without amendment (Rept. No. 246). Referred to the House Calendar.

Mr. FORRESTER: Committee on the Judiciary. House Concurrent Resolution 103. Concurrent resolution to commemorate the quadricentennial anniversary of Florida and to recognize the quadricentennial anniversary commission of that State; without amendment (Rept. No. 247). Referred to the House Calendar.

Mr. LANE: Committee on the Judiciary. H.R. 470. A bill to amend title 10, United States Code, to authorize the Secretary of Defense and the Secretaries of the military departments to settle certain claims for damage to, or loss of, property or personal injury or death, not cognizable under any other law; with amendment (Rept. No. 251). Referred to the Committee of the Whole House on the State of the Union.

Mr. LESINSKI: Committee on Post Office and Civil Service. H.R. 4595. A bill to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes; with amendment (Rept. No. 252). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 5362. A bill for the relief of M. E. Boales; without amendment (Rept. No. 244). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5733. A bill for the relief of Park National Bank; with amendment (Rept. No. 245). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 1758. A bill for the relief of Gerald M. Cooley; with amendment (Rept. No. 248). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 189. Resolution providing for sending the bill (H.R. 5093) for the relief of North Counties Hydro-Electric Co. and accompanying papers to the Court of Claims; without amendment (Rept. No. 249). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. H.R. 2594. A bill for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942; with amendment (Rept. No. 250). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H.R. 5968. A bill to amend section 104 of title 23 of the United States Code to provide for apportionment of certain minimum amounts for highways in the Territory of Hawaii; to the Committee on Public Works.

By Mrs. CHURCH:

H.R. 5969. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; to the Committee on Ways and Means.

By Mr. DENTON:

H.R. 5970. A bill granting the consent and approval of Congress to the Wabash Valley compact, and for related purposes; to the Committee on the Judiciary.

By Mr. DOYLE:

H.R. 5971. A bill to amend chapter 15 of title 38, United States Code, to provide for payment of a pension of $100 per month to World War I veterans who have attained the age of 60 years; to the Committee on Veterans' Affairs.

H.R. 5972. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. EVINS:

H.R. 5973. A bill to provide for the removal of the restriction on use with respect to a certain tract of land in Cumberland County, Tenn., conveyed to the State of Tennessee in 1938; to the Committee on Agriculture.

By Mr. FINO:

H.R. 5974. A bill to amend title II of the Social Security Act to provide that a widow under retirement age may continue to receive mother's insurance benefits (but at a reduced rate) even though none of the children of her deceased husband are any longer entitled to child's insurance benefits; to the Committee on Ways and Means.

By Mr. HARRISON:

H.R. 5975. A bill to provide for the erection of a Woodrow Wilson memorial in the District of Columbia; to the Committee on House Administration.

By Mr. HÉBERT:

H.R. 5976. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mrs. KEE:

H.R. 5977. A bill to amend the Federal-Aid Highway Act of 1958 (72 Stat. 89) to provide additional funds for the construction of highways in labor surplus areas; to the Committee on Public Works.

By Mr. LANKFORD:

H.R. 5978. A bill to provide for the payment for unused leave of members of the Armed Forces who were killed in action during World War II or the Korean conflict; to the Committee on Armed Services.

By Mr. McINTIRE:

H.R. 5979. A bill to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes; to the Committee on Agriculture.

H.R. 5980. A bill to provide a revolving fund for certain loans by the Secretary of Agriculture, for improved budget and accounting procedures, and for other purposes; to the Committee on Agriculture.

By Mr. MEYER:

H.R. 5981. A bill to authorize multiple-purpose development at Victory Reservoir site, Vermont; to the Committee on Public Works.

By Mr. PELLY:

H.R. 5982. A bill to amend section 1371 of the Internal Revenue Code of 1954 to provide that a husband and wife shall be treated as one shareholder for purposes of determining whether a corporation is a small business corporation; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 5983. A bill to enable producers to provide a supply of turkeys adequate to meet the needs of consumers, to maintain orderly marketing conditions, and to promote and expand the consumption of turkeys and turkey products; to the Committee on Agriculture.

By Mr. RIVERS of South Carolina:

H.R. 5984. A bill to amend title 10, United States Code, to provide more efficient dental care for the personnel of the Army, and for other purposes; to the Committee on Armed Services.

H.R. 5985. A bill to amend title 10, United States Code, to provide more efficient dental care for the personnel of the Air Force, and for other purposes; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 5986. A bill to amend chapter 71 of title 38, United States Code, to permit judicial review of decisions of the Board of Veterans' Appeals in compensation and pension claims; to the Committee on Veterans' Affairs.

H.R. 5987. A bill to provide pension for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 5988. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

H.R. 5989. A bill to revise the basis for establishing wartime service connection for multiple sclerosis and the chronic functional psychoses; to the Committee on Veterans' Affairs.

By Mr. SIMPSON of Pennsylvania:

H.R. 5990. A bill to amend section 270(b) of the Internal Revenue Code of 1954 relating to limitation on deductions allowable to individuals in certain cases; to the Committee on Ways and Means.

H.R. 5991. A bill to amend section 170 of the Internal Revenue Code of 1954 (relating to the unlimited deduction for charitable contributions for certain individuals); to the Committee on Ways and Means.

By Mr. STEED:

H.R. 5992. A bill to encourage the development of petroleum and coal reserves within the United States; to the Committee on Ways and Means.

By Mr. THOMPSON of Louisiana:

H.R. 5993. A bill to permit certain real property heretofore conveyed to the board of supervisors of Louisiana State University and Agricultural and Mechanical College to be used for general educational purposes; to the Committee on Government Operations.

By Mr. WEAVER:

H.R. 5994. A bill to amend the Federal Property and Administrative Services Act of 1949 to require the disposal of certain surplus land for agricultural use in family-type farm units; to the Committee on Government Operations.

By Mr. ZELENKO:

H.R. 5995. A bill to require the Secretary of the Treasury to issue identifying numbered receipt upon the filing of income tax returns in order to aid in the collection of income taxes; to the Committee on Ways and Means.

By Mr. ADAIR:

H.R. 5996. A bill to provide that no application shall be required for the payment of statutory awards for certain conditions which, prior to August 1, 1952, have been determined by the Veterans' Administration to be service connected; to the Committee on Veterans' Affairs.

By Mr. BERRY:

H.R. 5997. A bill to provide that certain lands shall be held in trust for the Lower Brule Sioux Tribe in South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. BLATNIK:

H.R. 5998. A bill to reduce the import duty on cigars; to the Committee on Ways and Means.

By Mr. BURDICK:

H.R. 5999. A bill relating to acreage allotments for durum wheat; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 6000. A bill to amend title 28 of the United States Code to increase the limit for administrative settlement of claims against the United States under the tort claims procedure to $3,000; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 6001. A bill to amend section 203 of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits, and to liberalize the provisions under which such earnings are charged for purposes of such deductions; to the Committee on Ways and Means.

H.R. 6002. A bill to increase the personal income tax exemptions of a taxpayer, including the exemptions for a spouse and dependents and the additional exemptions for old age and blindness from $600 to $800; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 6003. A bill to amend the Internal Revenue Code of 1954 to provide a procedure under which the excise tax on tires and tubes will not be imposed until they are sold at retail; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 6004. A bill to amend the Veterans' Readjustment Act of 1952 to make the educational benefits provided for therein available to all veterans whether or not they serve during a period of war or of armed hostilities; to the Committee on Veterans' Affairs.

H.R. 6005. A bill to provide for a study by the Secretary of the Interior of strip-mining operations in the United States and for a report to Congress of the results of such study, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 6006. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. GUBSER:

H.R. 6007. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. HAYS:

H.R. 6008. A bill to promote the foreign policy of the United States by providing for the appointment of an assistant to the Secretary of State to assure the coherent development of all official international cultural activities of the United States; to the Committee on Foreign Affairs.

By Mr. HOGAN:

H.R. 6009. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for making payments in lieu of taxes with respect to a Government installation located on real property owned by the United States; to the Committee on Government Operations.

By Mr. HOLIFIELD:

H.R. 6010. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. McSWEEN:

H.R. 6011. A bill to permit certain real property heretofore conveyed to the board of supervisors of Louisiana State University and Agricultural and Mechanical College to be used for general educational purposes; to the Committee on Government Operations.

By Mr. MATTHEWS:

H.R. 6012. A bill to amend the Annual and Sick Leave Act of 1951 to provide that annual leave credited to an employee at the end of a leave year in excess of the maximum amount which may be carried over into the next leave year shall be credited to the employee's sick leave account; to the Committee on Post Office and Civil Service.

H.R. 6013. A bill to amend the Civil Service Retirement Act (5 U.S.C. 2259) to authorize length of service credit for periods of employment by agricultural stabilization and conservation county committees; to the Committee on Post Office and Civil Service.

By Mr. MASON:

H.R. 6014. A bill to amend the Internal Revenue Code of 1954 with respect to the involuntary liquidation of LIFO inventories as the result of labor disputes; to the Committee on Ways and Means.

By Mr. METCALF:

H.R. 6015. A bill to provide for the establishment of the Morrill Homestead National Monument at Strafford, Vt.; to the Committee on Interior and Insular Affairs.

By Mr. O'NEILL:

H.R. 6016. A bill to provide evaluation of rehabilitation potentials and rehabilitation services to handicapped individuals who as a result thereof can achieve such ability of independent living as to dispense with the need for expensive institutional care or who can dispense with or largely dispense with the need of an attendant at home; to assist in the establishment of public and private nonprofit workshops and rehabilitation facilities; and for other purposes; to the Committee on Education and Labor.

By Mr. ROBISON:

H.R. 6017. A bill to amend section 72 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. VAN ZANDT (by request):

H.R. 6018. A bill to authorize the Foreign Claims Settlement Commission of the United States to amend its determinations on certain claims under section 6 of the War Claims Act of 1948, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. MOULDER:

H.J. Res. 319. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ADAIR:

H.J. Res. 320. Joint resolution designating the fourth Sunday of September as Senior Citizens Day; to the Committee on the Judiciary.

By Mr. FISHER:

H.J. Res. 321. Joint resolution proposing an amendment to the Constitution of the United States providing that a provision of a treaty which conflicts with any provision of the Constitution shall not be of any force or effect; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. Res. 222. Resolution to provide for a flag for the Members of the House of Representatives; to the Committee on House Administration.

By Mr. SHELLEY:

H. Res. 223. Resolution to provide for a flag for the Members of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H.R. 6019. A bill for the relief of Isak Irving Herz; to the Committee on the Judiciary.

By Mr. CLARK:
H.R. 6020. A bill for the relief of Ivica Basic; to the Committee on the Judiciary.
By Mr. FARBSTEIN:
H.R. 6021. A bill for the relief of Ada E. V. Gigante; to the Committee on the Judiciary.
H.R. 6022. A bill for the relief of Giuseppe Faraci; to the Committee on the Judiciary.
By Mr. FINO:
H.R. 6023. A bill for the relief of William J. Kaiser; to the Committee on the Judiciary.
By Mr. FULTON:
H.R. 6024. A bill for the relief of Mrs. Helen Hranisavljevic; to the Committee on the Judiciary.
By Mr. GALLAGHER:
H.R. 6025. A bill for the relief of Ruth Adams, Joseph Adams, and Thomas Herbert; to the Committee on the Judiciary.
By Mr. HOLT (by request):
H.R. 6026. A bill for the relief of Harold Jankiowicz; to the Committee on the Judiciary.
By Mr. MONAGAN:
H.R. 6027. A bill to provide for the payment of a disability retirement annuity to Joseph J. O'Loughlin; to the Committee on the Judiciary.
By Mr. POWELL:
H.R. 6028. A bill for the relief of Roger Sajous; to the Committee on the Judiciary.
H.R. 6029. A bill for the relief of Mrs. Jessie Mullings; to the Committee on the Judiciary.
By Mr. ROBISON:
H.R. 6030. A bill for the relief of Mrs. Marcia W. Barrett Bowes; to the Committee on the Judiciary.
By Mr. ZABLOCKI:
H.R. 6031. A bill for the relief of James N. D. Liang; to the Committee on the Judiciary.
By Mr. WALTER:
H.J. Res. 322. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.
H.J. Res. 323. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.
H.J. Res. 324. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

131. By Mr. DOOLEY: Resolution of the Council of the City of New Rochelle, N.Y., opposing the proposed McDonough amendment (H.R. 5096) to the pending urban renewal, slum clearance and housing bill which would subject local housing authority bonds to Federal taxation; to the Committee on Ways and Means.

132. By the SPEAKER: Petition of H. W. Reed, Dupo, Ill., with reference to Senate bills 505 and 748 relating to labor organizations; to the Committee on Education and Labor.

133. Also, petition of Joseph E. Hughes, member of Smith's Wage and Negotiation and Grievance Committee, Minneapolis, Minn., petitioning consideration of their resolution with reference to requesting passage of a hospital assistance measure for our senior citizens, age 62 and older; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Fighting Progress and Committing Suicide

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, when chainstores and mail-order houses came into the retail sales field there was great resistance to them. They offered better service and lower prices. Is this bad? No; the consumers liked them fine. Some merchants resented this intrusion, however, progress notwithstanding, and forgetting that most businesses start as price cutters and offerers of unusual service, decided to eliminate this new threat. First, there were horizontal conspiracies where dealers got together to blacklist the offenders. Ninety such suits are contained in Antitrust Assistant Bicks' brief—1958 Senate Select Committee on Small Business, appendix I—wherein the Government had to prosecute the dealers and others who endeavored to enforce an economic blockade in one way or another.

Then came another effort or reaction—the vertical price-fixing attempt to eliminate the new upstart business wherein manufacturers, distributors, and dealers variously conspired with each other. Here again antitrust action by the Government was necessary. Fifty-three such vertical combinations were prosecuted and are listed in Mr. Bicks' brief—appendix II. Finally, these new businesses were accepted by merchants because of consumer acceptance. A new, more efficient distribution and sales effort had won out.

But today the lessons are forgotten. Now once again retailers resist new and tough competition, only now they want a so-called fair trade law with the antitrust law set aside so that prices can be set by manufacturers, thus assuring the same price by force of law for every retailer. Aside from depriving consumers of lower prices, these retailers seeking this fair trade law are asking, first, Federal intervention which is bad enough; and second, the curses of planned economy rather than the blessings of a free market; and third, worst of all are unbeknownst to themselves trying to commit suicide by holding an umbrella over the big retailers who can market their own brands at their own prices. The smaller retailers will not be able to compete because the fair trade law will not permit it. Fair?

M Men Basketball: Bulwark of Spirituality and Clean Living

EXTENSION OF REMARKS
OF
HON. DAVID S. KING
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. KING of Utah. Mr. Speaker, the senior tournament of the largest basketball program in the world is being played this week in my district, on the campus of the Brigham Young University, at Provo, Utah. Its junior counterpart was played last week in Logan, Utah.

These tournaments are the annual all-church basketball tournaments of the Church of Jesus Christ of Latter-day Saints. The participants represent the best of more than 2,500 teams and 25,000 players scattered throughout the 49 States, Canada, and Mexico.

However, Mr. Speaker, it is the ideal and the program behind the tournaments, and not their size, which compels me to call them to the attention of my colleagues. In a Nation deeply disturbed over the growing menace of juvenile delinquency, this program represents a shining example of wholesome and constructive youth activity which has taught thousands of young Americans a respect for good health, clean living, morality and chastity, and, at the same time, has given them a deeper love of God.

This program is carried out by the Mutual Improvement Association of the Church of Jesus Christ of Latter-day Saints, which was founded by Brigham Young. This great western colonizer, who was the second president of the Latter-day Saints—Mormon—Church, saw the teen-age problem in his own day. In 1869 he called together his teen-age daughters and, through them, established an association to give effective supervision and direction to young women of the church in their use of leisure time. In 1875 he founded a similar organization for the young men.

The wisdom and vision of Brigham Young were apparent in the associations from their beginning. An early issue of the magazine which the young men established soon after they were organized observed:

> The organization spread with astonishing rapidity, and in a few months, towns where there had been crowds of uncouth boys loitering around the stores, holloaing in the streets and breaking horses on the Sabbath day, a change was seen. In some cases, the roughest of these boys had been chosen presidents of associations.

In this century, as the delinquency problem has grown, these organizations have grown in both size and influence. Their total membership has passed 355,000 in some 2,000 wards and branches of the church throughout the world.

The scope of the program has broadened over the years, but the purpose has remained constant: the constructive use of leisure time in wholesome recreation, study, social, and athletic activity, and, above all, in religious training.

A lack of religious training has been a major cause of delinquency. This fact has been asserted repeatedly by

J. Edgar Hoover, a peerless authority on the problem.

This celebrated Director of the Federal Bureau of Investigation has said:

> The churches are in the front trenches of America's crime prevention crusade * * * I have been profoundly impressed with the fact that the churchgoing people are the most substantial group of citizens in the Nation. Church attendance and crime appear to be like * * * oil and water—they do not mix. * * * The greatest single factor in crime causation among juveniles today is the disintegration of the American home.

Mr. Hoover has also observed:

> Juvenile delinquency is always rooted in adult delinquency, and only through general acceptance of higher moral values can we solve the problem entirely. The easiest way to bring this about, in my judgment, is through a return to religion. For several decades the general trend has been away from the age-old belief that man is God-centered and responsible for his thoughts and behavior to a higher power as well as to his fellow man. The resultant materialism has emphasized the values of expediency, shirking responsibility, and selfishness.

The Mutual Improvement Associations offer instruction and supervision for every teenage group, and for young men and women. It also encourages the participation of parents.

At the local level, the associations meet weekly throughout the year—usually on Tuesday nights. The meetings open with a song, prayer, and with other appropriate devotional exercises. Later the members separate for classwork, project activity, and special events.

Variety and flexibility are cornerstones in the program's success. Members have ample opportunity to express and cultivate their special interests and talents—including athletics, public speaking, and the cultural arts.

In the winter months, the young men organize basketball teams. The winners in league play advance to division tournaments, and the division champions become the participants in the all-church tournaments.

The senior tournament, which is being played this week, is held annually in the spacious George Albert Smith Fieldhouse at Brigham Young University, which is the largest church-operated university in the Nation. With pride and enthusiasm, Dr. Ernest L. Wilkinson, Brigham Young University president, and the school's 10,000 students serve as hosts and provide cheering sections for the 32 teams. Thousands of spectators annually see the tournament, whose championship game traditionally is televised to western audiences.

In other seasons the young men and boys play softball and volleyball. MIA athletics are a year-round program which stresses the blessing of good health and the value of physical fitness. The all-church championships are cherished prizes. But the emphasis lies not alone upon winning. In every all-church tournament a prize more coveted than the championship itself is the sportsmanship trophy, whose winners are rousingly applauded as real champions in their own right.

In the local league play, and in the tournaments, the players invariably convene in prayer. Under no circumstances is profanity countenanced.

Only the boys who are morally clean and who live a strict health code—known among the Latter-day Saints as the Word of Wisdom—are eligible to play. The code permits no smoking and no drinking and urges members to practice temperance and moderation in personal habits as well as in diet. Chastity is a strict requirement.

The former middleweight boxing champion of the world, Gene Fullmer, himself a product of the program, has said that MIA athletics and the Word of Wisdom are all that a young man needs to keep in good physical condition.

Perhaps the best measure of the success of the MIA is the appeal it holds for outsiders. Visitors are encouraged to participate—and often do. They are welcomed into every activity and are eligible for basketball, softball and volleyball, provided they respect the Word of Wisdom.

In Japan the MIA meetings have attracted more nonmembers than members. In 1956 the average attendance at the meetings in Japan was 760 Latter-day Saints and 1,500 nonmembers.

Rebecca Franklin, writing in the New York Times Sunday magazine in 1955, gave the program this tribute:

> Undoubtedly one of the most efficiently organized youth movements in the world, MIA provides spiritualized recreation for its members through music, drama, speech and athletics, a never-ending round of carefully supervised activities. For 100 years the Saints have been keeping 'em busy and out of mischief.

In concluding, Mr. Speaker, I find the reason for the success of this program very clear—it holds the key of genuine happiness and has given that key to young Americans. It has shown them that lasting success and happiness do not lie in the pleasures and temptations of the material-rich world which surrounds them, but lie instead in the spiritual treasures in which home and church and faith and service abound.

Could Be a True Story

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, you are a retailer and the manufacturer sets your prices on the merchandise you handle and sell. You must sell at that price. The manufacturer thus protected then makes the same product for a big chain or department store who puts on the product his own trademark or brand. This he sells at a price of his own choosing—let us say a six-tube radio—considerably below your identical radio.

You cannot lower your price—your prices are controlled by the manufacturers. You lose your customers to the department store or chainstore. You go broke. Why?

Because Congress changed the entire free enterprise system, and did it to help you, the little retailer.

Fantastic? Yes, but it could be true. This is exactly what the fair trade bill, H.R. 1253, will do.

West Virginia's Request for a North-South Route To Be Included in the Interstate Highway System

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mrs. KEE. Mr. Speaker, last week, on March 19, it was my privilege to attend an important conference here in Washington with reference to West Virginia's urgent request for the addition of a north-south route to be included in the Interstate Highway System.

Present for this conference, which was conducted under the chairmanship of Representative ARCH A. MOORE, JR., of West Virginia, were Commissioner E. L. Armstrong and other officials of the U.S. Bureau of Public Roads; State officials and citizens of the State of West Virginia under the leadership of Gov. Cecil H. Underwood, officials and citizens of the State of Pennsylvania under the leadership of the Honorable Parke Martin, who attended both as secretary of highways and the authorized representative of Gov. David L. Lawrence; interested Members of the Congress from the State of Pennsylvania; and our West Virginia congressional delegation under the leadership of Senator JENNINGS RANDOLPH and Senator ROBERT C. BYRD.

Representatives and spokesmen from both Pennsylvania and West Virginia were unanimous in recommending an extension of the interstate route from Washington, Pa., to Beckley, W. Va., and to continue to the West Virginia-Virginia border in the immediate vicinity of my home city of Bluefield. This requested extension will connect the Great Lakes and Florida.

Mr. Speaker, I strongly feel that the benefits which may be derived from allocating the some 200 miles requested for this specific route fully justify this request.

In addition to the advantages this route would provide for national defense—the closest available sheltered north-south route in the East, protected by the Allegheny Mountains—the availability of adequate underground area for protecting industrial facilities, and so forth, this route would help West Virginia's present industries to expand and help West Virginia attract new industries and create vitally needed new productive payrolls.

West Virginia suffers more from unemployment and lack of prospective job opportunities than any other State in the Union.

Mr. Speaker, nature has given West Virginia some of the most beautiful

scenery to be found in the world. One of our brightest economic spots lies in the attraction of tourists. One of our difficulties today is the lack of adequate roads and highways. This proposed route would provide an accessible avenue which would greatly benefit our entire State. Even with the present handicap, tourism now ranks in dollar value as the third most important income producer in West Virginia, following mining and manufacturing. I understand that $240 million was spent in our State by tourists during 1958.

Additional highway construction would provide employment for thousands of our presently unemployed. Private industry would then be able to develop facilities to better accommodate the traveler who would enjoy the great natural beauty of our State of West Virginia.

While I deeply appreciate the careful consideration that will be given by officials to this request—in the event mileage should become available in the interstate program—the fact remains that 41,000 miles have been allocated, with the exception of a small amount reserved for contingencies. Therefore, I am happy to introduce in the House a bill to amend the Federal-Aid Highway Act of 1958 (72 Stat. 89) to provide additional funds for the construction of highways in labor surplus areas. This measure is identical to S. 423 which is presently pending in the U.S. Senate.

Mr. Speaker, it is my hope that similar legislation will be passed by this Congress, and I am grateful to be privileged to give this proposal my full and complete support.

Price Fixing—Vertical Becomes Horizontal

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, vertical price fixing is illegal according to antitrust law. Collusion or conspiring to set prices by manufacturer, distributor, or dealer is declared illegal by antitrust law serving as a protection to businesses in healthy competition. Horizontal price fixing is illegal, too. Manufacturers, distributors or dealers respectively must not get together to set prices. No one questions the need for such protection. Not until now, that is.

Now, the terms of the proposed fair trade bill H.R. 1253 are simple—set aside this antitrust protection of business and permit vertical price fixing by the manufacturer stipulating the retailers' price.

Well, there's a sleeper in this one. Problems of definition always trip up the bureaucrat or economic planner trying to control the uncontrollable, namely the market place of healthy competition. Vertical price control will result in horizontal control too. As Stewart Lee, chairman of economics at Geneva College points out:

If the owners of pharmacies would agree to sell all brands of toothpaste at the same price to avoid price competition, the law would declare this horizontal price fixing. But if the pharmacists would persuade each manufacturer to fair trade his products, the end result is horizontal price fixing.

Thus, vertical and horizontal price fixing both result and declaring one legal or illegal in this case necessarily affects the other. Simply saying this is not so in a bill. Fair trade will not change the result.

Comments by Representative Joe L. Evins of Tennessee

EXTENSION OF REMARKS
OF
HON. ESTES KEFAUVER
OF TENNESSEE
IN THE SENATE OF THE UNITED STATES
Tuesday, March 24, 1959

Mr. KEFAUVER. Mr. President, Representative JOE L. EVINS, the very able Representative from the Fourth Tennessee Congressional District, wrote a splendid newsletter on the commemoration of the 170th anniversary of our Constitution, and on the occasion of the congratulation of the Speaker of the House, the Honorable SAM RAYBURN, on his long tenure of service in the Congress.

This thoughtful and well prepared newsletter appeared in a number of Tennessee papers.

Mr. President, I ask unanimous consent that the newsletter be printed in the RECORD.

There being no objection, the newsletter was ordered to be printed in the RECORD, as follows:

[From the Johnson City (Tenn.) Chronicle, Mar. 14, 1959]

CAPITOL COMMENTS

(By JOE L. EVINS, Member of Congress, Fourth District Tennessee)

The House last week, on March 4, paused in its deliberations to observe two historic events. First, the 170th anniversary of our Constitution—that historic document which has provided the framework for our Government; and, secondly, to congratulate the Speaker of the House, SAM RAYBURN, on his long tenure of service in the Congress.

The 170 years that have passed since our Constitution went into effect have seen the Nation expand and grow from Thirteen Colonies on the Atlantic seaboard to 49 States stretching from coast to coast. Today America is the most highly developed nation in the world, covering half the continent and reaching into the Arctic Circle. From a thin population of 3 million it has grown to its present teeming 175 million.

The problems of today are far different, and many feel far more numerous, than they were 170 years ago; but the Constitution still stands with only a few amendments, still successfully guiding the course of our Nation and still preserving the freedoms that are our tradition. Our Constitution is the oldest living and active document of its kind in existence today. Never in the history of the world has a constitution served a nation so long and so well.

CONGRATULATE RAYBURN

While celebrating the anniversary of the Constitution, several Members took occasion at the same time to congratulate Speaker SAM RAYBURN, who on March 4 completed his 46th year of service as a Member of the House of Representatives. Speaker RAYBURN has already held this office longer than any man in our history. In entering his 47th year of service, he now has also exceeded all previous records of service in the Congress. So far as is known, this record is also unprecedented in the history of the entire world.

William Gladstone served in the Parliament of Great Britain for 60 years and Winston Churchill is serving his 54th year. But both these great English statesmen were elected to Parliament for only a limited period and later appointed to the House of Lords in perpetuity. So that it appears that Mr. RAYBURN has served as an elected member of a national legislature longer than any man in the history of modern democracies.

Our great State of Tennessee may rightfully take pride in this unprecedented achievement because SAM RAYBURN was born in east Tennessee, in Roane County, adjoining our own Fourth District. The Speaker is one of the many distinguished men whom our great State has contributed to the history of Texas—a list that includes Sam Houston, Davy Crockett and many others. Our State has contributed three Speakers by election—John Bell, James K. Polk, and Joe Byrns; we can add with pride the name of SAM RAYBURN by nativity.

Although the principal duty of the Speaker is to serve as the presiding officer of the House, the office carries with it many other exacting duties, great power and responsibility. In his ability to influence the course of our Nation, the Speaker is probably second only to the President.

Speaker RAYBURN has served our Nation well and uses his great office with a high sense of public duty. Though the leader of the Democratic Party in the House, he has discharged his official duties as an American, without narrow partisan consideration, and always with a truly national rather than provincial point of view. Tennessee, Texas, and all America may take equal pride in his record of service in the public interest.

Women Will Rebel

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, fair trade is the setting of prices by manufacturers and will occur if and when Congress sets aside antitrust price-fixing protection by an alleged fair trade bill—H.R. 1253. Some retailers blame discount houses as the cause of retailers pricing troubles. Not so. Discount houses may well be a manifestation of a change in our whole distribution apparatus. Discount houses, in short, are a recognition of a fact of life, not the cause of it.

Fair trade is unenforcible in the courts and in the marketplace. It is unenforcible because people can see for themselves that it is not fair, but unfair. Price setting is in the retailers province, price acceptance in the buyers—neither is the manufacturers choice at the retail level. Either this is so or we do not have a competitive economy.

In this Nation people cannot be regimented by economic controls—not yet anyway. Just wait until the shoppers of this Nation, the women, realize the import of the fair trade price setting under H.R. 1253, or similar bills.

Need for an Overall Science and Technology Agency

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ANFUSO. Mr. Speaker, the first sputnik aroused great public and congressional concern over the state of American science and technology. That event served to alert us and to spurt us on to action, with the result that during the past year and a half we have made considerable progress and scored some notable achievements in these fields.

There is some evidence, however, that as a result of our own recent successes in astronautics we are once again lapsing into a state of complacency. The Eighth Annual Report of the National Science Foundation warns us as follows:

> We have only made a beginning; the major job is still to be done. As a nation, we appear to forget that we live in a competitive world and shall continue to do so. It seems abundantly clear that we shall rapidly lose in competition, unless we can show more determined and constructive efforts than we have during the past years.

This is a warning we should heed. It deserves our fullest attention. I have given it considerable thought and it is as a result of this warning that I was prompted to take the action described in the succeeding paragraphs.

A vital element in an adequate science program is, to my mind, the creation of a single agency in which the National Science Foundation, the National Aeronautics and Space Administration and other existing Federal science agencies can be gathered together under one roof. This would make for efficiency, economy, better coordination and cooperation, and above all for greater achievements in less time.

At the present time, our Government administers a vast and highly diversified research and development effort in science. This, in itself, is a task of almost incredible complexity. Considering the dimensions of this task, it is not surprising that we have as yet not been able to devise the most effective ways and means for managing such a gigantic and varied program. To be sure, there have been attempts in the past to relate the research and development activities of various Government agencies to each other, as well as to research activities being carried on outside of the Government. These efforts, however, have had limited objectives and even more limited results. Consequently, the fundamental problem, that is, to devise effective means to manage our scientific research program, remains unsolved.

In order to help solve this problem and to establish the means whereby effective management of our science program could be obtained, I have introduced a bill, H.R. 5612, which calls for the creation of a Science and Technology Agency. It is to be known as the "Science and Technology Agency Act of 1959."

The bill would create an independent Science and Technology Agency for the coordination and improvement of Federal functions relating to the conduct and support of scientific training and research. It takes the first necessary step of reorganizing and integrating the various science programs of the Federal Government. The Science and Technology Agency is to be headed by a Director appointed by the President with the consent of the Senate.

To this new Science and Technology Agency shall be transferred certain existing agencies and functions of the Government, together with their personnel, property, records, et cetera. Specifically named in the bill are the following agencies: National Science Foundation, National Aeronautics and Space Administration, National Bureau of Standards, and such other agencies as the Congress believes should be incorporated in the overall agency.

Such additional matters as the processing and distribution of scientific information, educational grants and loans, national institutes of scientific research and cooperative international programs may later be incorporated in the bill, or discussed in the committee's report to the House, as the recommendations of the executive agencies and the testimony at the hearings on the measure would demonstrate their need. The bill was referred to the House Committee on Science and Astronautics, and I trust the committee will place it high on its calendar for early hearings and due consideration.

Celebration of the 41st Anniversary of Byelorussia's Independence

EXTENSION OF REMARKS
OF
HON. FRANCIS E. DORN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. DORN of New York. Mr. Speaker, on Sunday, March 22, Americans of Byelorussian descent celebrated the 41st anniversary of the independence of Byelorussia.

The history of the struggle for independence by Byelorussian people was long, constant, sacrificial, dedicated and determined, marked with armed uprisings and reflected in most of the Byelorussian literature as well as being led and inspired by all of the national leaders and supported morally by many neighboring countries.

On March 25, 1917, the Byelorussian Rada assembled in Minsk declared an independent Byelorussian Democratic Republic, thus marking the end of occupation.

Unfortunately the Byelorussian Democratic Republic was short lived. Once again the Russian Army under a new slogan of communism overran the country and forced the first Byelorussian Government into exile. However, neither the difficult path of exile nor countless persecutions that followed on Byelorussian territory swayed the firm stand of the Byelorussian people.

The declaration of independence gave to every Byelorussian a special sacred meaning of freedom, a special respect and loyalty to all free nations seldom experienced by other peoples.

So this year on March 22, Americans of Byelorussian descent, marked the day of the independence of Byelorussia extending their brotherly hand to all men of Byelorussia who never yielded to the will of any aggressor.

I hope that Byelorussian Independence Day will be celebrated each year not only by Americans of Byelorussian descent but by all citizens and all men who value, respect and jealousy guard freedom.

Free People Need Free Prices for Progress

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, it is argued that the fair trade bill, H.R. 1253, will give the price protection needed because there are other forms of Manufacturers' control of prices at retail such as selling on consignment and manufacturer-owned retail stores. If a manufacturer is really interested in controlling the retail price, then maybe that same manufacturer should assume some of the risks which manufacturers assume when selling on consignment or when owning the retail outlet. Risk and responsibility are part of consignment selling and owning retail outlets, but what are the additional responsibilities and risks which will be assumed by the manufacturer under this resale price maintenance bill?

The rise of the so-called discount house is used as an argument for enacting a Federal fair trade bill, but a study of the discount house indicates rather strongly that State fair trade laws stimulated its growth. A high, well advertised price with a wide profit margin naturally stimulates such competition. Since when is Federal law designed to assure a guaranteed fat profit?

The truth of the situation concerning the entire fair trade genesis may be found to be resistance to better merchandising, a fighting of the progress in more efficient merchandising and distribution. But progress we will, with or without

the Federal mandate of a fair trade bill, conceived in shortsightedness. Customers will demand greater efficiency, better production, distribution, and merchandising—that is, so long as they are a free people.

Human Rights Are Everybody's Problem

EXTENSION OF REMARKS
OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 24, 1959

Mr. HUMPHREY. Mr. President, on February 22, it was my privilege to address the Chicago Conference for Brotherhood at the Shoreland Hotel, Chicago, Ill. The theme of my address was that Human Rights Are Everybody's Problem.

I ask unanimous consent that this speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY, BEFORE THE CHICAGO CONFERENCE FOR BROTHERHOOD, FEBRUARY 22, 1959, CHICAGO, ILL.

Throughout our country people have been meeting this past week in commemoration of National Brotherhood Week.

Such gatherings reflect a growing awareness of the importance of human brotherhood and understanding in a free and democratic society. As never before in our history, there is a recognition that suspicion and prejudice stand as a mortal threat to the political and social health of the Nation. Discrimination, bigotry, and prejudice are the dangerous subversive forces at work in our society.

The denial of equal rights to so many of our citizens, as a result of such prejudice, is the reason that we are gathered here tonight. The denial of the God-given right to freedom is the No. 1 moral and political issue which we face today in America and in the world.

The present struggle between the free world nations and the Communist bloc is, after all, based upon the fundamental issue of man's right to freedom. This is what the present conflict, when all is said and done, is all about. The issue is whether government should be the servant of the people or master of the people.

In such a basic and crucial struggle we cannot afford to ignore denials of freedom right here in America. We must put our own house in order if we are not to be considered hypocrites when we point an accusing finger at the Soviets for their denial of human rights.

And may I add that the problem we face right here at home is not a regional problem only confined to the South. We know this only too well from firsthand experience. Minority groups still face employment barriers and by gentlemen's agreements a system of restrictive covenants is effectively maintained in many towns and cities of the North.

At the conclusion of the recent New York hearings of the Civil Rights Commission, Father Hesbergh, president of Notre Dame, speaking on behalf of the Commission members, said that it had been demonstrated beyond a doubt that the problem of discrimination in housing is nationwide in scope.

"We are talking about the face of America," said Father Hesbergh, "and that face must have the beauty and dignity and harmony of the Constitution." Equal protection of the laws, he said, must begin in the homes of all Americans.

In spelling out the problem which we face, I do not wish to leave the impression that we are not making progress. Advancements in the field of civil rights and human understanding are being made every day.

I was heartened to read only the other day that your new State superintendent of public schools here has announced that he intends to take affirmative action against segregation in certain schools in southern Illinois.

Yes, more and more jobs are opening to qualified Negroes. Fewer and fewer trade unions maintain color bars. Progress is being made, slowly to be sure, toward nonsegregated housing.

And in the South there is encouraging progress also. The recent opening of integrated schools in Virginia is a milestone. Its significance cannot be overestimated. The doctrine of massive resistance in that historic State has collapsed completely.

In Kentucky, 85 percent of the schools have been integrated.

In the border State of Maryland, integration of schools is almost complete and has taken place without any difficulties.

Tennessee is in the second year of a start with its capital city integration plan as accepted by the court.

In North Carolina, its largest city, Charlotte, is proceeding with an accepted plan; its fine university has for years had Negro students.

In Texas, Negroes were admitted to the university several years ago, and many of its towns and cities have integrated their schools.

Louisiana admitted Negroes to the State University 2 years ago, and this year admitted Negroes to its undergraduate school in New Orleans.

In Florida, a Negro has been admitted to its law school, and Governor Collins, a courageous and good man, has proposed the abolition of all Negro graduate schools and the admission to the regular university of their students this coming September.

There are only four States in the South which have made no start toward integration and in which a policy of massive resistance continues unabated.

So progress is being made. And this is the encouraging thing to remember. The job remaining to be done is still tremendous, but we have every reason to feel confident that we have reached the time in our country's history when the goal we seek of first-class citizenship for all our people is in sight.

Both as mayor of Minneapolis and as a U.S. Senator I have worked for legislation to protect the rights of all the people. I have advocated civil rights legislation on the basis of the moral law and the constitutional guarantees of freedom to all citizens.

I would like to set forth to you these basic and fundamental principles upon which I have based my stand. Emotional outbursts and arguments of those who oppose civil rights must not cloud the basic issue; namely, the moral and constitutional duty of the State to protect and to guarantee the rights of its citizens, regardless of their race, religion, creed, color or national origin.

In the year 1896, a great American wrote the following words on this duty of the Government:

"The sure guarantee of peace and security of each race is the clear, distinct, unconditional recognition by our Governments, National and State, of every right that inheres in civil freedom, and of equality before the law of all citizens of the United States without regard to race. We boast of freedom enjoyed by our people above all other people. But it is difficult to reconcile that boast with a state of the law, which, practically, puts the brand of servitude and degradation upon a large class of our fellow citizens, our equals before the law."

These are the words from the dissenting opinion of Justice Harlan in the historic case of *Plessy* v. *Ferguson*. As we all know, Justice Harlan's colleagues on the Supreme Court rejected his defense of man's rights under the Constitution by adopting the "separate but equal" doctrine.

However, Justice Harlan's dissenting opinion was finally accepted in 1954 in the case of *Brown* v. *Board of Education* in which the Court stated: "We conclude that in the field of public education the doctrine of separate but equal has no place. Separate educational facilities are inherently unequal."

Justice Harlan had been a slaveholder himself, and an opponent of the 13th amendment. He was, however, a just and righteous man with a deep reverence for the Constitution, and he clearly understood what was intended by the 14th amendment. As his biographer stated:

"The simplicity and directness with which he viewed it approaches that of a layman. He believed that it should be construed in accordance with the views of the framers and the dictates of commonsense."

Justice Harlan's opinion should be read and heard today by every citizen in the land. It demolishes the emotional arguments which have been raised in an effort to bury the simple and fundamental constitutional guarantee of equal protection of the law.

Yes, it is this guarantee which we must constantly keep in mind. We must not let it be pushed aside and obscured. The 14th amendment is clear:

"No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

When the Supreme Court in 1954 overthrew the "separate but equal" doctrine, it breathed new life into the Constitution. Such a decision was inevitable in an age when second-class citizenship can no longer be tolerated. There can be only one class of citizens permitted under our legal structure; and those who argue otherwise are in opposition to the supreme law of the land and the basic and fundamental principles upon which our Nation was founded.

The framers of the Declaration of Independence laid down the basic philosophy of our Government when they wrote:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

In these short sentences is summarized two great and abiding ideas which have served to guide our country for almost 200 years.

First of all, that man has certain rights under the natural law; rights given to him not by the government, but rights given to him by God, Himself. As such these rights are unchangeable and everlasting and above the power of Government to destroy or deny.

Second, governments are established by the people for the primary purpose of securing these natural rights—which include that of liberty—and to protect the individual in their enjoyment.

This indeed was a radical philosophy of government in the 18th century, and there were many who deemed it both dangerous and visionary. But this doctrine has served us well and under it our Nation has grown and prospered and government has remained

the servant rather than the master of the people. Unfortunately, however, this great concept of a government established to protect the rights of all the people is still not accepted by all. There is still a denial of freedom and equality to many of our fellow citizens—particularly those of the Negro race.

To the extent that our Federal, State, and local governments fail to protect the natural rights of the citizens, such governments are failing to fulfill their function according to our basic philosophy of the role of government.

Human rights are inalienable rights. They are God's gift to man—and their protection and advancement is the first obligation of organized society.

Government at all levels must give constructive and imaginative leadership in the effort to overcome discrimination throughout the Nation.

Protection of human rights is the moral responsibility of government officials in a free and democratic society. They have the obligation to establish standards and practices of equal rights and equal protection of the law for all citizens to follow.

However, action of representative government generally reflects moral and political standards of its citizenry. For that reason fulfillment of civil rights and civil liberties is the continuing responsibility of every community, of every civic organization, and of every individual. Action in Congress is vital and important, of course—but it is not enough alone.

Leadership from the President, the executive branch of our Federal Government, from our Governors and from our mayors is equally important, of course—but it too is not enough alone.

We need courageous leaders in behalf of human rights in every community. We need local action, as well as national action. We need private action as well as public action.

The cause of civil rights should enlist the active support of government, of voluntary organizations, of religious groups and institutions, and of civic bodies. Only by such unified action can we truly fulfill mankind's inalienable rights.

Great progress, as I have already noted, has been made in recent years in the field of civil rights, but we still have a long way to go.

So long as segregation is practiced in schools, parks, libraries, hospitals, buses and trains, we will not have achieved true freedom. So long as color bars exist in housing, hotels, restaurants and theaters, we will be short of the goal. So long as citizens are denied the right to vote or denied the right to a job because of their color, we will have failed to live up to our announced principles.

Those of us who maintain that it is the obligation of government to protect the civil rights of all citizens are proposing no new or radical idea. Our position is as old as the Declaration of Independence itself; founded on the basis of faith in the natural rights of man and in the Constitution of the United States.

I realize only too well that segregation cannot and will not be wiped out overnight. Prejudices which have developed over scores of years cannot simply be ignored in working toward the goal of equality under the law. But these very real problems and roadblocks to understanding should not and cannot be permitted to serve as excuses for refusing to act.

It is my firm conviction that government must give constructive and imaginative leadership in this endeavor. This will require patience, understanding, and a determination on the part of men of good will to cooperate in a dispassionate manner.

This is no time for name calling or for emotional tirades or for holier-than-thou attitudes. It is the time to calmly and rationally discuss and work out methods whereby equality under the law shall be assured to all citizens in as orderly and civil a manner as possible. I am convinced that it can be done if we but put our minds and our hearts to it.

We in the Congress have a grave responsibility to aid in protecting the rights of all the people. And we are making headway.

The Civil Rights Act of 1957 was the first civil rights legislation passed by Congress since 1875. It added greatly to the excellent record of the 85th Congress. While it failed to contain many of the proposals that I, and many of my colleagues, had hoped and worked for, it was a positive step forward. Under this act there was created a Commission on Civil Rights, a Civil Rights Division in the Department of Justice, and most important of all, the Attorney General was empowered to seek an injunction when a person was deprived or about to be deprived of his right to vote. These were provisions which many of us had striven for many years to achieve.

This civil rights record of the 85th Congress, however, should not serve as an excuse for failing to take further action in the 86th. And I am confident that we will have reason to be proud of the civil rights record of this Congress.

As you know, a number of civil rights bills have already been introduced in the Congress this year.

Senator JOHNSON has offered a bill which would (a) make it a Federal crime to bomb schools, churches and other buildings; (b) grant the Attorney General subpena power in investigations of violations of voting rights; (c) extend the life of the Civil Rights Commission another two years; and (d) establish a Community Relations Service to provide conciliation service to communities involved in civil rights disputes.

The administration's proposed bills would (a) make the use of force or threat of force to obstruct court orders in school integration cases a Federal offense; (b) provide funds for education of the children of members of the armed services in areas where the public schools have been closed; (c) make it a Federal offense to travel in interstate commerce to avoid prosecution for the bombing of religious or school property; (d) prohibit the destruction of voting registration lists and make such lists and records available for examination by the Department of Justice; (e) authorize appropriations by the Federal Government to assist local school agencies in desegregation programs; (f) extend the life of the Civil Rights Commission 2 additional years; and (g) create a Commission on Equal Job Opportunity under Government Contracts.

Your own Senator PAUL DOUGLAS and I, joined by several other Members of the Senate, have introduced a bill which (a) endorses the principle of the antidiscrimination decisions of the Supreme Court; (b) provides that the Attorney General may institute a civil action for the purpose of preventing any interference with a person's right to equal protection of the laws; and (c) authorizes the Secretary of Health, Education, and Welfare to (1) render technical assistance to aid in school desegregation; (2) provide grants to areas where desegregation in public schools is being carried out; (3) prepare plans for the elimination of segregation in public schools where no effort has been made to comply with the Court's decision; and (4) institute legal proceedings to enforce compliance when such plans are rejected by State or local officials.

I personally feel that the most meaningful legislation is that which Senator DOUGLAS and I are sponsoring. This is not to say that the bills as offered by Senator JOHNSON and by the administration are not desirable. I think that they are. They would be steps forward. Not as long strides forward as I and many of my colleagues in the Congress favor, but forward strides nevertheless.

Senator JOHNSON is to be commended for offering his civil rights bill and for indicating that he intends to push for its adoption by the Senate.

I think it is significant that under the leadership and direction of Senator JOHNSON, a Senator from a State which was part of the Confederacy, no less than 5 of the 22 southern Senators voted for the Civil Rights Act of 1957. For the first time the solid South split on the civil rights issue.

There is general agreement that the 86th Congress will pass further civil rights legislation. And it will be significant action.

Yes, we are moving forward. We are making progress on wiping out the great evils of discrimination and segregation. The gap between the flowing words embodied in the Declaration of Independence and the Constitution and the denial of first-class citizenship to so many of our people, is being faced up to. This gap is slowly but surely being closed.

The words of a distinguished American, a former Senate colleague from North Carolina, Frank P. Graham, summarize the opportunity which we now have to advance the cause of freedom:

"With human liberty in peril around the earth, may the people of the United States, in cooperation with free nations, light up the wide heavens of the hopes of all peoples with another great declaration of the equal freedom and dignity of all people. Now is the time to make clear to the friends of freedom in the East and West that freedom, due process of equal justice under law, and the equal opportunity for all people are the historic and living sources of the faith of the American people in themselves, of the world's faith in America, and of America's moral influence and power in the world."

Fair Trade Anachronism

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, the fair trade is a legislative anachronism. The language of the bill would do credit to the Government control of socialism. At the least it contains the bureaucratic dictation of the planned economy concept, not free enterprise. What is meant by such phrases as "prices that are adequate to stimulate said distribuion and low enough to enable distributors of such identified merchandise to compete effectively with those marketing goods of the same general class and to satisfy the needs of ultimate consumers."

Now, what does this mean? Prices "high enough to"—"or low enough to"—and who is so wise to know what to prescribe by legislative edict? What means the phrase "of the same general class" or "to satisfy the needs?" And who will play the Almighty in giving the answers?

The answers can be found only in the marketplace where merchandise in competition is selected or rejected for a price or for bargaining between seller and buyer. Thousands of transactions daily provide the answer—not a bureaucrat, nor we in Congress assembled.

American Education in the Space Age

EXTENSION OF REMARKS
OF
HON. DAVID S. KING
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. KING of Utah. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the speech which I delivered March 20, 1959, to the first meeting of new Space Law and Sociology Committee of the American Rocket Society. The speech, entitled "American Education in the Space Age," follows:

AMERICAN EDUCATION IN THE SPACE AGE

It is no secret that there has been a good deal of dissatisfaction with American education in recent times.

The question as to how much of it may be warranted is, no doubt, open to dispute. But the dissatisfaction is there, and I believe it merits a long, hard look. Let us take a moment to explore the reasons for this phenomenon.

Educators say that this era of scholastic soul searching has been consistently picking up steam ever since World War II, which—like all wars—initiated a strong trend toward social introspection. World War II and the Korean war disclosed weaknesses and soft spots in many phases of our civilization. And so we became conscious of certain rips and tears in our educational fabric. This is one reason for the dissatisfaction.

Another is that we have reached a point in the evolution of history where rates of change and the tempo of events have speeded up tremendously, and are steadily gathering more speed. What was good enough yesterday will not be good enough tomorrow. Scarcely any social facet of our civilized world either was or is prepared to adjust rapidly enough to match the whirling pace of invention, of science and of population. Education is one of those social facets.

A third reason, of course, has been the overnight appearance of the specter of Soviet science, which—like the genie from the bottle—materialized on the world's political horizon with the launching of Sputnik I. This sudden realization that the Soviets were not only playing in the same technical league as the United States but, in some respects, were leading us by a disturbing margin was a rude shock to our superiority complex.

Such was the picture as we entered the space age 17 months ago. I need not describe the berating which American education has taken since then. At times the flaying has assumed almost hysterical proportions. And, while subsequent spectacular demonstrations of our own aptitude for space have quieted the clamor to a degree, it can still be heard. Our educational system remains under a blanket of heavy criticism, and the conviction is still general that we must do something about it.

This leads to the key question: Is all this concern and criticism a healthy thing?

Generally speaking, I believe that so long as we do not undermine public confidence in our school system the answer is, yes. The reasons for the conclusion will be presented later. First, however, let me say that I do not hold myself out as a professional educator or education expert. However, I have taught school. My native State has a fine reputation in education. And I have always been deeply interested in the general problem.

More important, perhaps, I have listened to many scores of hours of testimony from those who are educational experts in this matter of where-we-stand on education today, and from them I draw certain conclusions.

One of those conclusions is that the present disposition of the American public to cast a critical eye on its educational process is more than justified. Improvement would seem essential to our continued role of leadership in the world community.

At the same time, my plea is for balance. If, for example, we go on a nationwide educational binge which favors only the natural sciences—we shall almost certainly be as poorly off as if we totally ignored the need for more and better scientific training. Clearly we cannot do the latter. Nor can we do the former.

All the science in the world will not achieve the fine destiny most of us visualize for our country if we do not also continue to nourish our gifts of philosophy, law, and effective self-government—to show sustained progress in the social sciences and the humanities and, above all, in spiritual values. These are areas in which we have a strong lead, I believe, over all but a very few of the homogenous, highly civilized small nations; and the gap between the Soviets and ourselves in these areas is pronounced.

Nevertheless, the social sciences are no more static than the physical ones. They call for continuing research and application of trained effort. Otherwise, we shall not be able to make maximum use of them in the cause of world leadership.

This is something the Russians seem to have learned very well in regard to the natural sciences. While it has become trite to call attention to the great efforts the Soviets are making in education, I am, nonetheless, impressed with the uniform observation of American educators, scientists, and lawyers who have recently spent time in the U.S.S.R., studying their institutions, an observation to the effect that education has become almost a fetish in the Soviet Union.

"Education," says U.S. Commissioner of Education Lawrence Derthick, "is paramount in Russia. It is a kind of grand passsion—this conviction that children, schools, and hard work will win them their place in the sun, and on the moon. We are today in competition with a nation of vast resources, a people of seeemingly unbounded enthusiasm for self-development, and fired with conviction that future supremacy belongs to those with the best-trained minds, those who will work hard and sacrifice."

I am not one of those who believes we must emulate the Soviets in all things. So far as education is concerned, it seems clear that they are, in many ways, trying to emulate us—whether or not they know it or will admit it. As one recent visitor to the U.S.S.R. put it: "Everywhere in Russia are evidences not only of passionate love of country but of a burning desire to surpass the United States in education, in production, in standard of living, in world trade, and in athletics. The slogan we saw most, in posters, films, and everywhere, was 'Reach and overreach America.'"

In this quest, Russia has followed the United States example. It has adopted philosophy of mass education, to attempt to raise the knowledge level of all its people, and not simply to educate a chosen few.

But if the Soviet emphasis is different from ours, and if (as our experts allege) it is topheavy in the physical sciences, stereotyped in the arts, and rigidly controlled in other ways for political purposes—still we cannot afford to ignore what is proving effective in their system.

Obviously the Soviets are making prodigious strides in science, in mathematics, physics, biology, astronomy, chemistry, nucleonics, electronics, and other sciences. And their great achievements in rocketry and the aeronautical and space sciences leave little doubt of a growing proficiency in engineering and technology. So while I believe in balance and scope for American education, a look into the future assures the high strategic importance of physical science to our national security, our prosperity, and our international preeminence. We cannot afford to lag in this direction.

After mulling over Soviet school curriculums and the reports of competent educators who have made careful studies of the Soviet educational system—what it is accomplishing and how—I am convinced that we can find in the Russian effort much that is worth serious reflection. We might even take a few leaves from their book on such points as these:

1. Provide wider and better basic scientific training at the elementary and secondary school level, using revised and up-to-date text and learning aids.

2. Emphasize languages at these same levels. I am informed that by the time a Russian youngster completes his 10th year in school, he not only reads but has conversational competence in a foreign language. Significantly, 45 out of every 100 students at this level know English, 35 know German, and 20 know French. Common sense suggests the great advantage of this in reaping the benefit of knowledge which others have acquired in other tongues.

3. Step up rapidly the translation of foreign scientific writing into English, especially Russian ones, and insure their dissemination. We may as well face the fact that Americans do not have the same everyday necessity for foreign language as Europeans, and therefore we will probably never have the same language proficiency no matter how much educational emphasis we place upon languages. We must offset this with translations. Some are being done now at Government level by the Library of Congress, the Central Intelligence Agency, and the Department of Commerce. But for the most part our translations seem to be a matter of too little and too late, with a circulation that is far too limited. The Russians' astounding progress in science is undoubtedly due in part to their assiduous work in translating scientific publications. They translate our scientific articles, journals, and textbooks into Russian soon after they are published. And their translations of our work are widely circulated among their scientists. We accept a serious handicap in the technology race when we fail to take similar advantage of their scientific publications. Naturally, not all of their scientific publications are available to us, but we are making no consistent effort to translate and distribute those which are.

The best example of this was the sputnik surprise. In scientific publications available to us, the Russians announced, some 90 days before they shot their first sputnik into orbit, the very date on which the satellite would be launched. Because we had failed to translate this information, the sputnik caught us by surprise.

4. Elevate the stature of our teaching profession. This is probably the most important and, at the same time, the most difficult of all our educational problems. Somehow it must be done.

Perhaps the root of the problem lies in the public attitude toward education. I sometimes wonder whether we Americans have the respect for education and educators that we imagine we have. If our respect were as great as we imagine, our teachers already would enjoy the professional stature they deserve. Instead, we often find them in the embarrassing plight of being their own best advocates, of waging their own fight for a comfortable living standard which would allow them to give their undivided attention and energy to training our children.

I firmly believe that in the lives of our children, education should have first priority. But in American homes I find that schoolwork is seldom given proper priority—that

it must compete for time and attention with television, radio, and recreation, with social engagements, and with the preparations for those social engagements. Too much emphasis is placed on fun. Not enough emphasis is placed on the orderliness and stern self-disciplines without which there can be no significant progress in any academic field of endeavor.

In an age when the volume of man's knowledge is growing at a fantastic rate, at the time when our need for intellectual discipline has never been as great, we surround our children with temptations and distractions which obscure the importance of learning and the value of a cultivated mind. Yes, any reformation of American education, if it is to be successful, will have to begin at home.

In Russia the teacher is at the top of the professional ladder, on a par with the scientist and the party leader. He is more highly regarded than the doctor, the lawyer, the journalist, the entertainer or the artist. No doubt this is why the Soviets now operate 484 teachers colleges not counting their universities.

In the United States there are 332 accredited teachers colleges, public and private, including the universities. While I am rarely moved by comparative figures, this, I submit, is a rather significant fact. We are having real trouble getting enough good teachers. The Russians are not. And we cannot put the blame on our educational system per se when it belongs to us, the public. So long as we make personal distinction and recognition synonymous with acquisitiveness, so long as we place teachers low on the success scale by paying them low professional salaries (far lower than comedians, ballplayers, and nightclub singers), we are going to continue to have difficulty recruiting good ones. In view of the immense importance of the teacher in our modern world and of his even more critical role in the future, this is, truly, an agonizing situation.

In conclusion, I reiterate my belief that our current penchant for criticizing American education is a good thing. It shows a flexibility in our makeup that is highly utilitarian; and it does not mean that we are not proud of our educational process which, on a broad scale, neither the Soviets nor any other people have yet been able to match.

If I may borrow words from one of this country's most experienced and penetrating educators, Byron Hollinshead:

"It would be strange if an educational system designed to carry out the democratic idea or ideal did not have defects and difficulties. No nation at any time in earlier history has ever tried to give everybody educational opportunity. But it is not only that we have tried to follow a great ideal. We can be genuinely proud of what our schools and colleges have accomplished, proud of their present efficiency, variety, and scope, and particularly proud that the professional conscience of our educators has given them the humility to see faults and the desire to correct them."

Fair Trade a Misnomer

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, fair trade, the setting of consumer prices by manufacturers under Federal mandate, is a misnomer. The language is as unfathomable as Washington gobbledygook can contrive. What means "unfair and deceptive acts" or "satisfy the needs of ultimate consumers" or "prices that are adequate"? Unscrambling the meaning and intent will assure all attorneys more business than they can handle and be a field day for the courts, and they do not need the business.

Heavy litigation and court redefining or legislating the intent of Congress will be the end result if Congress passes the fair trade bill, H.R. 1253.

USDA Announces Development Program for National Forests

EXTENSION OF REMARKS
OF
HON. LEON H. GAVIN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. GAVIN. Mr. Speaker, steps to provide more timber, water, recreation, wildlife, and other renewable resources from the Nation's increasingly valuable national forest system were proposed today by Secretary of Agriculture Ezra Taft Benson.

With special letters to the President of the Senate and the Speaker of the House, Secretary Benson submitted a program to advance management and increase facilities of the national forests during the coming years to meet needs of a growing population and expanding economy.

The statement follows:

PROGRAM FOR THE NATIONAL FORESTS: COMMUNICATION FROM THE SECRETARY OF AGRICULTURE, TRANSMITTING A REPORT RELATIVE TO A PROGRAM FOR THE NATIONAL FORESTS

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 23, 1959.

THE PRESIDENT OF THE SENATE,
U.S. Senate.

DEAR MR. PRESIDENT: A report entitled "Program for the National Forests" is transmitted herewith for information of the Congress and appropriate reference.

President Eisenhower in his state of the Union message in February 1953 called attention to the vast importance to this Nation, now and in the future, of our soil and water, our forests and minerals, and our wildlife resources. He indicated the need for a strong Federal program in the field of resource development.

On July 31, 1953, the President supplemented that message by sending to the Congress a special message relative to a program designed to conserve and improve the Nation's natural resources.

In referring to the national forests administered by this Department and to other public lands, the President stated in that special message that the Federal Government has a responsibility to manage wisely those public lands and forests under its jurisdiction necessary in the interest of the public as a whole. Important values exist in these lands for forest and mineral products, grazing, fish, and wildlife, and for recreation. Moreover, it is imperative to the welfare of thousands of communities and millions of acres of irrigated land that such lands be managed to protect the water supply and water quality which comes from them. In their utilization of these lands, the people are entitled to expect that their timber, minerals, streams, and water supply, wildlife and recreational values should be safeguarded, improved, and made available not only for this but for future generations. At the same time public lands should be made available for their best use under conditions that promote stability for communities and individuals and encourage full development of the resources involved.

Accordingly, provisions for a marked increase in management activities on the national forests have been made in recent years. These Federal properties have been substantially improved. The flow of values stemming from them has markedly increased. Our management experience clearly dictated the need for still more intensive development and management.

As a result, in 1956 I asked the Forest Service to develop a long-range conservation program for national-forest resources. The first result of this request was a 5-year program, Operation Outdoors; the second is the enclosed "Program for the National Forests."

This conservation program embraces all the renewable resources of the national-forest system—water, timber, recreation, forage, and wildlife habitat. It includes both long-range objectives and interim proposals. The program provides for the continued orderly use and development of the renewable resources of these Federal lands in accordance with the basic conservation principles of sustained yield and multiple use. What is done in the next 10 to 15 years will largely determine whether these vastly important public lands will contribute by the year 2000 their fair share to a greatly expanded national economy.

The national forests are widely scattered throughout the United States, occurring in all but 10 States and in Puerto Rico. They are of direct benefit to millions of people. From them are derived an impressive portion of the Nation's supply of meat, fiber, shelter, water for irrigation, industrial, and domestic purposes, hydroelectric power, feed for livestock and wildlife, and outdoor recreation.

These national forests belong to all American citizens. Their resources and services are available for use by everyone. In recent years the use of these lands has been increasing steadily. Demands are now such that a comprehensive program for the orderly growth of development and management activities is of demonstrated urgency. Our rapidly growing population and expanding economy indicate mounting and competitive pressures for national forest resources.

Legislative authorities for the recommended program are generally adequate. Supplemental legislation will be proposed as the need arises. Appropriation requests to implement the program will be submitted to the Congress in future years in connection with budget presentations after due consideration of the overall fiscal needs and resources of the Federal Government.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely yours,

EZRA TAFT BENSON.
Secretary.

PROGRAM FOR THE NATIONAL FORESTS [1]

There are presented herein long-range objectives and a short-term conservation program for the national forests and associated lands. The long-range objectives are related to the year 2000 and the short-term program to what needs to be done in the next 10 to 15 years toward meeting current needs and attaining long-range objecives.

[1] Prepared by the Forest Service, U.S. Department of Agriculture.

This program has been developed after much study. The Department of Agriculture has recently completed an exhaustive study of the U.S. timber situation entitled "Timber Resources for America's Future." Operation Outdoors is a 5-year recreation program for the national forests. Research needs are based in part on the findings of a departmental committee on research evaluation. The Forest Service has long maintained a project work inventory for the national forests. These and other studies are the background for the objectives and program herein developed.

The statutory authorities under which the national forests and associated lands are administered, and under which research is conducted, are generally adequate to permit carrying out the program subsequently outlined. Additional legislation which would be helpful in carrying out the program will be recommended as needed, particularly legislation to facilitate development of an adequate road system.

The national forest system

The national forests of the United States are invaluable national assets. These Federal properties, consisting of forest and rangelands and high mountain watersheds, occur in 39 States and Puerto Rico. There are 181 million acres of national forest land grouped into 148 national forests. Eighty-seven percent of national forest lands occurs in the West.

Of the land area of the continental United States, 1 acre out of every 12 is in national forest. In the West it is about 1 acre out of every 5. Every citizen owns a share of the national-forest system. It might be said that every man, woman, and child in the United States owns 1 acre of national-forest land.

The national forests consist largely of land reserved from the public domain by Presidential proclamation under the act of March 3, 1891. These lands have always been in Federal ownership. President Theodore Roosevelt proclaimed 148 million acres of public domain as forest reserves—far more than any other President. In 1905, the forest reserves were placed under the administration of the Secretary of Agriculture and the Forest Service was created to administer them. Later their name was changed to national forests to reflect a conservation policy of resource utilization rather than of preservation.

Most of the national-forest land in the East was purchased under the Weeks law of 1911, as amended in 1924, which authorized purchase of lands to protect the watersheds of navigable streams and for timber production.

Pursuant to the act of June 4, 1897, the 1911 act, and others, the national forests have been administered under the dual policies of sustained yield and multiple use of resources. Research has been conducted mainly under the act of May 22, 1928, as amended.

The national forests yield water, timber, forage, recreation, game and other wildlife, and minerals. Western agriculture and industry are dependent on water flowing from national-forest watersheds; hundreds of thousands of people earn their livelihood processing timber grown on national forests; millions of domestic livestock graze national-forest ranges; and many millions of people seek the national forests for rest, relaxation, and spiritual uplift. All of the renewable resources are to be utilized at a high sustained level of productivity and in harmonious relationship each with the other. This is the basic policy.

Most national-forest resources and services, such as recreation, wildlife habitat, waterflow, and scenery cannot be evaluated in monetary terms. There is no known way to measure the multiple intangible values and services of the national forests; but the timber, forage, and land alone are appraised at well over $7 billion.

The national forests are revenue-producing properties. Twenty-five percent of such revenues is distributed to counties in which national-forest lands are located in lieu of direct taxes. Current annual revenues are about $100 million and more than $1 billion has been received in total from the sale of national-forest goods and services. National-forest payments received by the counties, coupled with Federal expenditures for roads and fire control which States or counties would otherwise make, substantially exceed the taxes that the national forests would pay if subjected to ordinary assessment and levy.

In addition to the national forests, the Forest Service administers some 65 land-utilization projects totaling over 4.5 million acres in 27 States. These are largely forest and rangelands, submarginal for private ownership and acquired by the Federal Government during the 1930's for purposes of conservation and rehabilitation. The lands are administered under title III of the Bankhead-Jones Farm Tenant Act of July 22, 1937, and with the same general sustained-yield and multiple-use objectives as the national forests.[2]

National forests in a changing world

Rapid change in the United States is everywhere evident. Highway construction, housing developments, and expanding urban areas are prevalent throughout the land. The two foremost economic indicators of these and other changes are population and gross national product.

In the 13 years since the end of World War II population in the United States has increased 32 percent. An estimate of 332 million persons by the end of the century is more than double the 1950 census. In the same half century, gross national product is expected to increase more than five times. Furthermore, in the West, where most national forests are located, population growth is even more phenomenal. The estimate for the 11 Western States is for a tripling of population in the last half of the 20th century.

Another indicator of special significance from the standpoint of recreational impact on the national forests is the increase in leisure time. The average individual today has about 50 percent more leisure time than in 1920. By the turn of the century an individual may have a third more leisure time than he has today.

The impact of this national growth upon the national forests already has been tremendous as evidenced by recent trends in use. The impact will be even greater in the future. No longer are the national forests the inaccessible and distant hinterlands they were when the system was first established. No longer can the Forest Service be primarily a custodian whose principal function is protection of national forests from fire. Barriers of time, distance, and inaccessibility have been fast fading, especially in the last two decades. The people have found the national forests; and their vast resources are in great demand. Management must become progressively more intense and more adequately supported by research findings if the national forests are to keep pace with economic needs and national growth.

The role of the national forests in the national economy, and especially in that of the Western States, cannot be discounted. Nearly half of all softwood sawtimber in the Nation and more than half the commercial forest land in the West is found in the national forests. About one-fourth of the timber cut in the West comes from the national forests.

Nearly one-fifth of the 11 Western States is national forest land and these lands, because of their mountainous character and generally high elevation, receive one-third of the precipitation and furnish over half the streamflow. Western national forests are major sources of water for 1,800 towns and cities including such major metropolitan areas as Salt Lake City, Seattle, Portland, San Francisco, Los Angeles, and Phoenix. Over 600 hydroelectrical developments depend on the national forests for water.

Irrigation accounts for one-half of the Nation's consumption of fresh water. By 1975 daily use of water is expected to nearly double, an increase which would be equivalent to the daily flow of over 13 Colorado rivers. Inevitably, western national forests will continue their indispensable role as regulators of the kind and amount of fresh water available to western people.

Similarly in recreation the national forests are of increasing importance because of more leisure time, greater mobility of the average family, increased accessibility of the national forests, and the relatively low cost of a national forest vacation.

In the West, despite downward adjustments in the numbers of permitted livestock, over one-fifth of the sheep and one-eighth of the cattle graze national forest ranges. Over one-third of all big game in the Nation is found on the national forests along with 81,000 miles of fishing streams and over 2 million acres of natural lakes and impounded waters.

National forest progress since 1953

In his first state of the Union message on February 2, 1953, the President called attention to the vast importance to this Nation now and in the future of the soil and water, the forests and minerals, and the wildlife resources. It was recognized that the Federal responsibility in the field of resource development called for a strong program.

Since that time, substantial and gratifying progress has been made, both financially and physically, in the development and management of the national forests and associated lands.[3] Some of the outstanding achievements that have been accomplished since 1953 should be mentioned.

In timber resource management, the funds available for sales administration and management have risen from $5.9 million in fiscal year 1953 to $13.5 million in fiscal year 1959, and those for reforestation and stand improvement have risen from $1.2 million to $3 million. In 1953, 5.2 billion board-feet of timber with a stumpage value of $70.6 million were cut. After reaching a previous peak in 1957, 8 billion board-feet with a stumpage value of more than $100 million are expected to be cut in 1959. At the same time, the number of timber sales rose from 24,300 to an estimated 36,000 in 1959. In 1953, the area planted or seeded to trees was 51,200 acres. Almost double that amount is now being planted annually. Timber stand improvement work was done on 387,300 acres in 1953. Today this work is being carried out on approximately 800,000 acres annually.

In 1953, the sum of $2.4 million was available for range resource management: $1 million being for range management, $763,000 for range revegetation, and $658,000 for range improvements. In fiscal year 1959, the sum of $4.8 million is available, $1.7 million being for range management, $1.5 million for range revegetation, and $1.6 million for range improvements. During this period, reanalyses and revised range management plans were completed on 2,150 or nearly one-fourth of the 8,790 range allotments. The rate of range

[2] The statistics used in this report relate only to the national forests unless otherwise specified; but the objectives and program presented apply to both the national forests and associated land-utilization projects.

[3] Hereinafter referred to as the national-forest system.

reseeding has practically doubled the 53,600 acres reseeded in 1953. During the period 1953 through 1958 nearly a half-million acres have been reseeded. During the period 1953 to 1958 inclusive, about 1,600 range water developments have been constructed. Annual rate of construction is double what it was in 1953.

The Federal financing of the construction rehabilitation, and maintenance of recreational developments has increased from $3.1 million in fiscal year 1953 to almost $10 million for fiscal year 1959 and the amounts for wildlife habitat management increased from $223,000 to $805,000. During this same period, the recreation visits rose from 35.4 million in 1953 to 68.5 million in 1958, one-fourth of these being visits from hunters and fishermen. The number of developed campground and picnic sites in 1953 was approximately 4,600, containing 41,100 family units. Most of these were constructed in the mid 1930's and were badly in need of rehabilitation. Although the work of rehabilitating these areas had begun a few years earlier, the program for the recreational development of the national forests called "Operation Outdoors," was prepared and initiated in 1957. As a result, good headway has already been made in the rehabilitation of the developed campground and picnic sites and some new sites have been developed. There are now 5,100 developed campground and picnic sites containing 46,700 family units.

For soil and water management the sum of $137,000 was available in 1953. This has been increased to $1.4 million in fiscal year 1959. The number of national forest watershed rehabilitation projects increased from 12 in 1953 to 145 in 1958. This work is done specifically to improve and protect watersheds, lessen flood damage, or restore damaged and eroding lands, over and above that normally being done in connection with other national-forest activities.

In fiscal year 1953, there were $22 million of Federal funds available for the construction and maintenance of forest development roads and trails. The amount for fiscal year 1959 for this purpose is $35.4 million. In 1953, there were constructed with Federal funds 728 miles of forest development roads. In the 1953 through 1958 period, 5,289 miles have been constructed and it is estimated that 1,032 miles will be constructed in fiscal year 1959. In addition, purchasers of national-forest timber during the period 1953 through 1958, constructed 12,570 miles of forest development roads, with allowances therefor in timber appraisals.

One of the most troublesome problems was the need for housing, particularly to provide suitable housing for field personnel. In 1953, the amount available for structural improvements for fire and general purposes was $3.1 million, practically all of which was for maintenance. This has more than trebled and for fiscal year 1959, the amount is $10.6 million. Since 1953, there have been constructed 602 dwellings and related improvements, 769 service buildings, and 139 lookout structures.

In 1953, the total receipts from the sale of timber and from the use of the range and other surface resources was $76 million. It is anticipated that these receipts for fiscal year 1959 will be about $110 million. With these anticipated receipts for 1959, almost $600 million will have been received by the Federal Government since the close of 1953. This is almost 60 percent of the first billion dollars of national-forest receipts reached on November 21, 1958, after the national forests were placed under the administration of the Secretary of Agriculture in 1905. Twenty-five percent of these revenues were distributed for the benefit of schools and roads in the counties.

Federal financing of research bearing on national-forest problems in 1953 was $6.2 million. In 1959, it was $16.5 million, including $2.5 million for construction of research facilities. Any precise allocation of the benefits of forestry research to the support of management and development of the national-forest system is difficult. Generally, research projects benefit anyone who protects and manages forest resources regardless of landownership. Thus it serves private as well as public forestry. During this period, forestry research has made substantial and significant contributions to the development, management, and protection of the national-forest system. These include, to name only three, (a) development of a new aerial forest fire control method, with the result that in 1958 more than 1.4 million gallons of chemical fire retardant were dropped on 320 fires in the national forests with a high degree of success; (b) a new technique for fumigating tree nursery soils was perfected in 1957, increasing the efficiency and effectiveness of seedling production; and (c) a patch-type of cutting for lodgepole pine timber was developed for high, mountainous national-forest areas of the Rocky Mountains which increases late spring water yield by 25 to 30 percent because of its influence on snow accumulation and rate of melt.

There have been many other major conservation accomplishments in the management of the national-forest system. New or revised policies have been adopted since 1953 in order that the management of the national forests would be more responsive to the needs of the users. As a result of cooperative effort with both the forest and mining industries, authority was enacted in 1955 and procedures developed to provide for the multiple use of the mineral and surface resources. In 1958, "Timber Resources for America's Future," the most comprehensive study of the timber resources of the Nation, was published and as a result the timber goals for the national forests have been raised substantially. Changes have been made in national-forest grazing policies to give permittees increased stability in the utilization of the grazing resources. The number of public advisory committees at State, regional, and local levels, advisory to the Forest Service on activities covered by this program, has been increased to 170.

The national forests are clearly national in significance because of their impact on our people in both their work and their play. Wood and livestock products from the national forests enter into the commerce of every State; waters flowing from the national forests cross State boundaries; and the millions who hunt, fish, camp, picnic, and ski on the national forests come from every State and every walk of life.

The national forests are federally owned and their multiple-use management to produce a sustained yield of services and products is a Federal responsibility. Despite the splendid progress that has been made since 1953, these properties with their current assets and enormous potential must be responsive to national needs. In addition, there are opportunities for development primarily of localized significance in collaboration with non-Federal groups, both public and private.

Past trends, present use, and future expectations indicate clearly the need for a planned program of development and use supported by essential research. Resource development is a long-time proposition. What is done in the next 10 to 15 years will largely determine the heritage that our children and their children will receive from the national-forest system.

A national-forest conservation program

The program presented herein is geared to meeting the needs of this short-term period and to preparing the national-forest system to contribute its fair share to the national well-being at the end of the century.

The program is described in terms of both long-range resource objectives to be accomplished by the year 2000, and the specific work which will need to be done in the short-term period to attain these objectives. The program will be carried out as rapidly as possible within the overall budgetary requirements and financial resources of the Federal Government.

Resource Development and Management

The basic renewable natural resources of the national-forest system upon which the Nation will rely to an increasing extent in the years to come are the timber, water, range, and the recreation and wildlife habitat resources. Their intensive development and management is truly a conservation program of great significance to the continued development, prosperity, and welfare of the Nation.

Timber Resources

The long-range timber goal for the national-forest system is an annual harvest on a sustained-yield basis of 21.1 billion board feet of sawtimber by the year 2000. This goal is about 3 times the 1957 timber cut. Total sawtimber growth estimated to be needed in the year 2000 to meet national demands is 105.4 billion board feet. The national-forest goal is that portion of the national need which the national forests could reasonably be expected to produce under intensified management.

The objective is to reach this goal by: (a) Intensifying the management of existing stands, including measures to assure stand improvement and regeneration; (b) growing more and better trees on the lands that are not producing their full capacity today; (c) reducing losses from disease, insects, and fire; and (d) improving utilization. The short-term program steps to further items (c) and (d) are covered later under the headings "Protection and Research."

The program proposals for the short-term period are:

1. Harvesting will be increased toward the goal of full sustained-yield cut on all working circles so that annual cut will reach 11 billion board feet.

2. Harvesting will be developed in a manner that will, to the extent possible: (a) Accelerate cutting of stagnant stands, release advance reproduction by removing overstory of old growth, and increase the salvage of dead; dying, and diseased trees; and (b) encourage reasonable distribution of sales among small, medium, and larger operators.

3. Develop and apply on sale areas higher standards of regeneration, hazard reduction, salvage, and erosion control.

4. Up-to-date inventories will be obtained for all commercial forest lands and timber management plans will be completed for all working circles. When completed, they will be maintained by periodic reinventories and revisions.

5. Approximately three-fourths of the 4.4 million acres of nonstocked and poorly stocked plantable lands will be seeded or planted.

6. The productive condition of over 11 million of the 30 million acres of less than saw-log-size stands will be substantially improved by plantation care, pruning, weeding, thinning, release cutting, reinforcement planting of lightly stocked areas, and planting new burns in these stands.

Water Resources

In continuing their role as regulator of waterflows, national forest watershed will continue to be managed in accord with two principal long-range objectives: (a) Protection of the watershed by stabilizing the

soil and thereby preserving and improving water quality; and (b) management of the area to increase the quantity of water.

Protection of the watershed and water quality will continue to be a primary objective. Quantity of water yielded will receive major consideration in the multiple-use management of national forests.

To accomplish these objectives, an accelerated program of watershed management, rehabilitation, and protection will need to be carried out, including the application of new methods and practices as they are developed and proved.

Program proposals for the short-term period include:

1. More intensive management activities to assure full protection of the hydrologic condition of watersheds in the management and use of other resources. Management plans for other resources that involve manipulation of plant cover will adequately consider watershed management needs.

2. Reasonable protection to, and minimizing damage from the greatly increasing number of water development projects in and adjacent to the national-forest system.

3. Preparing and maintaining watershed management plans for areas which are the sole or major source of municipal water supplies.

4. Initiating field inventories of water supplies and yield with comparative data as to effects on water yield and quality of range, timber, and other uses and management practices.

5. Complete soil surveys on about 33 million acres, or 22 percent of the total area in need of survey.

6. Watershed rehabilitation measures to stabilize gullies and channels, control sheet erosion, stabilize dunes and earth slides, control erosion on roads and trails, and accomplish water spreading will be done in varying degrees ranging from one-tenth to one-third of the total work needed. Work scheduled includes 10,000 miles of gully and channel stabilization; 1.3 million acres of sheet erosion control; 20,000 acres of dune and blowout stabilization; erosion control on 14,000 miles of substandard roads and trails; 5,600 acres of water spreading; 535 structures for flood prevention; and 170 stream pollution control projects.

Range Resources

The development and management of the 68 million acres of rangeland in the national-forest system has two major long-range objectives:

(a) Proper stocking and improvement of the range resource to achieve desirable watershed conditions and sustained high-level production of forage. Over many years the Forest Service has attempted to bring livestock numbers into balance with available forage. This is being done by building up forage production through reseeding, other range-improvement measures, and better management. Where this is not sufficient, necessary adjustments to grazing capacity have been made in either numbers of permitted livestock or season of use.

(b) Making lands suitable for livestock grazing available for use under conditions that promote stability for communities and individuals, and encourage full development of the range resource with due regard to other resources and uses.

These policies can be furthered by intensifying management of all range allotments; obtaining and maintaining desirable forage to high capacity; constructing, rehabilitating, and maintaining range improvements needed to attain intensive management on all ranges; and making adjustments in numbers of livestock or seasons of use when necessary.

In order to make substantial progress toward the long-range objectives, the short-term program proposals are:

1. Complete and thereafter keep current range analyses and management plans on all range allotments.

2. Where stocking adjustments are necessary to balance utilization and available forage, these will be carried out as rapidly as practicable bearing in mind the needs of the range and other factors.

3. Separation of cattle and sheep grazing on common use areas, and substantial reduction of livestock trespass.

4. Properly coordinate all range use with other resource use.

5. Revegetation and control of noxious or poisonous range plants and farm weeds will be undertaken on about 4.4 million acres of rangelands needing one or both treatments.

6. Reconstruction or rehabilitation of presently deteriorated range improvements will be completed; other improvements will be maintained.

7. Construct 18,000 miles of fences and 9,500 water developments to initiate programs of intensive range management for control of livestock and more efficient use of forage.

Recreation and Wildlife Habitat Resources

As previously described, the growth and development of the Nation already has had a terrific impact on the national forests in increased use of the recreation and wildlife habitat resources. It is estimated that these uses will rise from the 68.5 million recreation visits of 1958 to 130 million visits by 1969, with a continued rapid annual increase to a possible 600 million visits by the year 2000. This expected increase to nearly double the present use by 1969 and about nine times the present use by the year 2000 is far in excess of the expected rate of increase in population.

The long-range objective is that: (a) National-forest recreation resources will be so developed and managed that the kind, quality, and quantity of their development and maintenance will be sufficient to keep abreast of this tremendously increased demand; and (b) the wildlife habitat will yield a fish and game population adequate to meet the equally tremendous increase in sportsmen use.

The program proposals for the short-term period are:

1. Complete part 1 of Operation Outdoors, which is a 5-year program initiated in 1957 to reconstruct and rehabilitate the then-existing recreation facilities consisting of 4,700 campgrounds and picnic sites containing 42,400 family units, construct additional facilities, and adequately maintain and service these facilities to meet the existing and predicted situation.

2. Complete inventory and evaluation of recreation and wildlife habitat resources. This will be done partly in cooperation with the Outdoor Recreation Resources Review Commission, and with respect to wildlife habitat resources, in cooperation with the States.

3. Revise and complete recreation management plans for all administrative units and thereafter keep them current.

4. Prepare and execute development plans on 10,000 new campground and picnic sites containing 102,000 family units.

5. Repair and reconstruct dams and spillways as necessary in order to place them in a safe condition for recreational use.

6. Provide adequate sanitation, cleanup, safe water, fire prevention, and public safety at all developed recreation sites and in heavily used unimproved areas.

7. Protect and manage wilderness-type, roadside, and other special areas.

8. Review at least 30 of the remaining 41 primitive areas as to their wilderness characteristics and reclassify them accordingly.

9. Revise and complete wildlife habitat management plans for all administrative units, assuring proper coordination between uses of wildlife habitat resources and other resources.

10. Participate in planning, inspection, and control phases of all habitat improvement projects conducted on lands of the national-forest system by States and by other Federal agencies to insure that the projects will benefit wildlife and be in harmony with other resource values.

11. Improve food and cover on 1.5 million acres of key wildlife areas.

12. Develop wildlife openings, food patches, and game walkways in dense vegetation by clearing or controlled burning on about a half million acres.

13. Improve 7,000 miles of the 81,000 miles of fishing streams and 56,000 acres of lakes by stabilizing banks, planting streamside cover, and constructing channel improvements.

Protection

The total adverse impact of disease, insects, fire, weather, destructive animals, and other forces on the uses and values of forest resources is not generally recognized. They kill and destroy, retard or prevent reproduction and growth, impair and damage values, and disrupt uses.

The total growth impact on sawtimber from destructive agencies in the continental United States and coastal Alaska in 1952 was estimated to be equal to 92 percent of the net sawtimber growth. Cause of the impact on sawtimber growth was distributed 45 percent to disease, 20 percent to insects, 17 percent to fire, and 18 percent to all others.

These destructive forces also have a seriously adverse effect upon the watersheds and their life-supporting waterflows, and upon the other renewable forest resources.

The long-range objective is to hold the damage from destructive agencies below the level which would seriously interfere with intensive management of the national-forest system under principles of multiple use and high-level sustained yield of products and services. This can be accomplished substantially by a continued trend toward better facilities and techniques for fire control and more resources to cope with critical fire periods, and a more intensive application of a program of prevention, detection, and control of insect and disease infestations. In addition to direct protection measures, more intensive management of timber resources will result in reduction of losses from insects and disease.

Protection From Insects and Disease

In the short-term period, it is proposed that insect and disease control on the national-forest system be stepped up to a level of prevention, detection, and control of insect and disease infestations that will substantially reduce the occurrence of large infestations toward the end of the initial period. This will require about a 50-percent increase over the present level of protection. The work will consist of:

1. Intensification of present activities through (a) quicker, more extensive, and more thorough surveys to detect incipient outbreaks; (b) more reliable evaluation of the potential of initial outbreaks to cause widespread damage; (c) quicker and more effective control action in the initial stages to prevent a large-scale epidemic. The initial suppression activities would cover about twice the acreage currently being treated.

2. Continuation of present blister rust control work plus extension of control to 250,000 acres not now protected but which should be managed for white pine production. The objective is to achieve sufficient effectiveness of control on all of the area now under treatment plus the additional acres so that after the initial period only maintenance control will be needed.

3. Initiating a program to control dwarf-mistletoe on several hundred thousand acres of selected better stands of young softwood sawtimber on better growing sites.

4. Coordination of timber harvesting with pest control objectives in order to reduce the loss from high-risk old-growth trees and to reduce the possibility of old-growth stands serving as a focal point of infection.

Protection From Fire

It is proposed that by the end of the initial period all commercial timberlands, all critical watersheds, and other lands in the national-forest system developed or proposed for intensive use will be given protection from fire adequate to meet the fire situation in worst years and under serious peak loads. This will include 125 million acres compared to 23 million acres now receiving such protection. An additional 15 million acres will be given a lesser degree of protection but adequate to meet the average fire situation.

Meeting these levels of protection from fire calls for:

1. Expansion, modernization, and development of fire control to a proficiency and strength of force which will prevent as many fires as possible and suppress fires before they spread beyond permitted standards. This is to be accomplished by nearly doubling the present level of preventive effort, detection, skilled firefighting crews, training, supervision, and equipment.

2. Development and use of new and modern techniques for prevention, for suppression of fires while small, and for stopping large fires while running and burning intensely.

3. Reduction of hazardous fuel conditions to minimize the chances of large fires developing and spreading to high-value areas. This work will cover the most serious one-fourth of all land needing such treatment, and will consist of burning 300,000 acres of highly hazardous debris concentration, felling snags on 320,000 acres of high lightning-occurrence areas, prescribed burning on 3.5 million acres, removing roadside fuel on 37,000 acres, and clearing and maintaining 12,000 miles of firebreaks.

Protection From Other Damage

Rodent control work for the short-term period will be aimed at control of the most serious infestations of harmful rodents, such as porcupines and mice, on high-value areas of forage and commercial timberlands. These areas comprise about half of the total area of rodent infestation on the national forests. Approximately 1.8 million acres of rangelands and 9.4 million acres of timberlands would be treated in this period. Control would be limited to those rodents for which economical means of control are known.

Roads and trails

The road and trail system which serves the national forest lands is a complex of highways and access roads and trails under various ownerships and jurisdictions. This transportation system is vital to the multiple use of all the resources of the national forest system.

For administrative purposes, the road and trail facilities are grouped into a forest highway system and a forest development road and trail system. All these facilities benefit the national forests. There are now 24,400 miles of forest highways; 149,700 miles of forest development roads, and 112,200 miles of trails. When fully installed, there will be about 70,000 miles of forest highways; 542,000 miles of access roads, and the trail network will be reduced to about 80,000 miles.

The forest highway program is administered by the Bureau of Public Roads in the Department of Commerce. The forest highways are therefore not included in the program herein outlined.

An adequate system of roads and trails is essential to proper management of forest lands. The presence or lack of access roads has a direct and controlling influence on many phases of forest management, such as the volume of timber that can be marketed; the size, duration, and distribution of sales within working circles; the level of salvage cutting; protection of national-forest resources from fire, insects, and disease; and recreational and forage use.

Financial losses occur every year to the Federal Government through inability to market mature timber now inaccessible but in need of harvesting, and to promptly and completely salvage losses resulting from fire, windstorms, insects, and diseases. As the road and trail system is expanded the revenue to the Government increases, primarily through expanded timber sales. Timber access roads for the national-forest system are investments which will pay for their own way over a period of years.

The long-range objective is to have and maintain a system of roads and trails to service the national forests adequately at the levels needed to meet expected demands. Such a system will not only make that possible, but will at the same time enhance the value of the timber and other resources being utilized.

Construction of about 392,600 miles of new roads and 6,000 miles of new trails will ultimately be needed, along with reconstruction of about 112,600 miles of roads and 11,300 miles of trails. Also about 41,400 miles of existing trails will be replaced by construction of new roads.

In the short-term period the program proposals are:

1. Complete construction and reconstruction of about 90,000 miles of access roads and 8,000 miles of trails. This constitutes about 19 percent of roads and trails included in the long-range objectives. Approximately half of the value of the work on timber access roads planned for this period will be constructed by national-forest timber purchasers, but paid for by the Government through adjustment of stumpage prices.

2. Provide maintenance to full standards on the 261,900 miles of existing development roads and trails and on 58,600 miles of new construction.

Land adjustment and uses

Effective management of the national-forest system requires reasonable consolidation of ownership where there are intermixed public and private lands. Accomplishment of these ownership adjustments will contribute much toward meeting resource demands by the year 2000 and will be largely accomplished by that time.

In the initial period, national-forest boundary and ownership classification studies will be completed for all national-forest lands as the basis for landownership adjustment. Such adjustments will be brought about mainly by exchanging on a land-for-land basis approximately 1.4 million acres of scattered or checkerboard national-forest parcels for other lands needed to consolidate the national-forest land pattern. This will (a) enable national-forest boundaries to be modified to exclude about 11 million acres of private and State land from within national-forest boundaries; and (b) materially reduce the checkerboard pattern of ownership. Special attention will be given to completion of consolidation of national-forest ownership in the boundary waters canoe area and in certain key watersheds of the Cache National Forest in Utah. In addition, about 217,000 acres of land utilization project lands will be exchanged in the initial period to promote more effective management of such projects. Thereafter there will be a continuing program in the national forests and related areas to adjust ownership problems and further consolidate these public properties.

There must also be accomplished in the short-term period: (a) Development of an improved and more adequate land status record system with provision for continuous maintenance; and (b) establishment and marking of public property corners and the surveying and posting of over 100,000 miles of property lines between national-forest and other lands which now are inadequately located and marked.

The uses of national-forest lands for many special purposes, including the extraction of mineral resources, will continue to increase at a rapid rate. The supervision of these uses will need to keep pace in order that such uses can be properly correlated into multiple-use management of the national-forest system, and to prevent unauthorized use. The program for the determination of surface rights which has been under way since the approval of the act of July 23, 1955, will be completed.

Administrative structures and equipment

To facilitate the resource management and development work, construction and maintenance of administrative and fire-control improvements will need to be provided at an increased rate in the short-term period. This will consist of completing the present backlog of housing needs for field officers and of administrative and fire improvements, and the construction of additional housing and improvements. New construction needs include 2,730 dwellings and related improvements, 2,710 service buildings, and 530 lookout structures. Completion of the communications system needed for protection and management of the national forests will require 2,000 additional radios and replacement of 9,000 radios and 3,000 miles of telephone lines. The increasing use of aircraft as an efficient and economical means of transportation for protection and management of wild lands will require an additional 25 landing fields and reconstruction of 37 existing fields.

Research

Forestry and allied research is needed to keep the national forests and the utilization of their resources moving ahead on an efficient, effective, and economical basis to play their proper role in the progress and development of the Nation. Resource managers and administrators need answers to their everyday problems. Resource development, management, protection, and utilization have an additional need, and organized research has an additional objective to achieve significant breakthroughs that will show the way to new methods and new horizons in the management of timber, soil and water, forage, wildlife habitat, and recreation resources. The short-term research program is needed to yield both quick results of applicability during the initial period, and information of value in attaining long-range objectives.

The research proposals for the initial period embrace work that should yield information of wide application of high value. These proposals include—

1. Accelerated research in forest genetics to produce trees superior to present ones—in growth rate, wood quality, resistance to insects and diseases, and other special qualities—for use in the needed planting programs on national forests.

2. Development of new cultural practices to increase the production of high-quality seed through establishment and management of seed orchards; better methods of harvesting, storing, and processing of seed; and more efficient planting practices, including direct seeding with aircraft.

3. Better implementation of the national-forest pest control program by developing a broader knowledge of the life histories of

damaging insects and diseases and of new methods for controlling them through use of diseases and predators of the pests themselves, as well as through improved selective chemicals for use in direct control action.

4. Better implementation of the national-forest fire control program by developing a better understanding of fire behavior and new techniques and equipment needed to eliminate the runaway fires now responsible for 90 percent of fire losses in the national-forest system.

5. Development of new and improved practices required to facilitate good watershed management so vitally important to the management of national-forest timber and range resources. This will include studies of water yields, both quality and quantity, and management of snowpacks at high elevations and soil stabilization.

6. Design and evaluation of new and improved equipment for logging without damage to watershed values—as by an overhead cable system in order to extend harvesting operations into steep mountainous slopes not now operable by ground skidding methods; and equipment to increase the efficiency of woods utilization of forest products.

7. Improvement of volume and yield tables, rotation age data, and other information for regulating timber growing-stock levels for use in the national-forest timber-management plans.

8. Development of silvicultural bases to guide timber harvesting and regeneration practices in new forest types and areas, particularly in Alaska and the more remote areas of the western national forests to be newly reached in sustained yield operations.

9. Continuing investigations of the physical and chemical properties of wood and of processing methods to increase the efficiency of forest products utilization from national-forest timber sale areas.

10. Development of new uses for the large volume of low-quality timber, for logging and milling residues, and for thinnings in order to broaden the utilization and market base, and to facilitate timber sales and sustained yield management.

11. Development of log and tree grades and other information needed in the marketing of national-forest timber.

12. Development of improved livestock grazing management practices on the national forests to increase forage yields and to protect watershed values.

13. Develop methods of improving national-forest wildlife habitat through modified timber and range management practices, as well as through development of special measures such as propagation of browse and other game foods.

14. Determination of the needs and preferences of recreational uses of the national forests, and of the carrying capacities of campgrounds and other recreational areas in order to guide the development and management of the recreational resources.

15. Provision for laboratories, greenhouses, and other facilities, including modern scientific equipment, required to adequately implement the research program. This will consist of expansions through new construction and betterment of existing facilities. The needs include 17 specialized laboratories and related greenhouse and service facilities for the basic research on forest insects and diseases, tree genetics and physiology, forest soils and hydrology, forest fires, and forest products, and for development of new equipment for firefighting and for harvesting timber; 5 office-laboratory buildings at regional headquarters of forest and range experiment stations; 25 office-laboratories at centers of field research, and minor structures, fencing, stream gages, and other research installations that will be required on about 100 experimental forests and ranges.

Program benefits

Under the proposed program, management and utilization of national-forest resources will keep pace with population growth and national economic development and needs.

Many of the benefits from the program for the short-term period will carry over or will be delayed until after the end of the period. Investments in such measures as roadbuilding, tree planting, range reseeding, water conservation, research, recreation, and other improvements proposed in the initial period are geared not only to short-term needs, but also to the longer-range objectives of meeting expected demands on the national forests during the remainder of the century.

Benefits include direct financial revenues, secondary benefits, and intangible values.

Direct financial revenues from the national-forest system will rise to about $210 million annually by the time the short-term conservation program is completed, or double current receipts. Over 90 percent of such revenues will continue to come from the sale of standing timber. By the year 2000 national-forest timber sales should reach 21 billion board-feet of sawtimber worth $350 million at 1958 prices.

Payments from national-forest revenues for county schools and roads will increase correspondingly. These increased payments to counties coupled with increased national-forest expenditures for roads and fire control, will exceed the taxes that the national-forest system would pay, if subject to local taxation, by an even greater margin at the end of the initial period than at the present time.

The capital value of the timber, forage, and lands of the national-forest system will have increased by about a billion dollars as a result of the short-term conservation program.

In addition to direct financial income to the United States as a result of the national-forest conservation program, there will be both substantial secondary benefits and very real intangible benefits.

Secondary benefits include such things as numbers of people employed in the harvesting of national-forest timber and other products and the value added to those products by manufacture, distribution, and marketing.

In timber alone, it is estimated that for every dollar of national-forest stumpage sold the end products wil be worth $20 by the time they reach the ultimate consumer. This means that the annual sale of 11 billion board-feet of sawtimber expected to be reached by the end of the short-term period will have a total consumer value of $3.7 billion.

Furthermore, some 620,000 people will derive their livelihood from the harvesting, processing, hauling, and merchandising of national-forest timber and the products made therefrom. This wil be an increase of 60 percent over the current level.

Similarly, the value of meat, hides, wool, and other livestock products increases with reprocessing and handling as do the numbers of dependent people.

It is estimated that reactional use of the national-forest system will reach 130 million visits by 1969, in contrast to the 68.5 million visits in 1958, and a probable 600 million by 2000. The recreationists making these 130 million visits will put into trade channels a total of nearly a billion dollars for sporting equipment, transportation, licenses, lodging, and other items.

Most of the truly intangible values of the national forests are experienced by those millions of people who use the national forests for reasons other than commercial utilization of resources. No measure of value expresses the worth of the relaxation, pleasure, rest, spiritual satisfaction and improvement in health derived from the national forests.

No realistic dollar value can be placed on water from the national forests. Water is already the most precious commodity in the West and over half of all waterflow in the West originates on the national forests. These lands will continue indefinitely to be indispensable regulators of the kind and amount of fresh water available to western people. The national-forest conservation program will improve soil stabilization, result in more regular streamflow, and enhance water quality. It will foster infiltration of water in underground storage. These results will lessen the need for construction of surface reservoirs, settling basins, and other water construction works.

Nor can there be any complete assessment in dollars of the lives saved, damage prevented, and resources preserved by improved accessibility, suppression of insect and disease epidemics, fires prevented or controlled when small, and reduction and prevention of floods. All of these are benefits of the conservation program proposed for the national forests.

Substantial progress has been made. The foundation for progress is in place. This program builds on that foundation. The result will be full development of these extensive and valuable public properties.

How Business Operates Not by Price Fixing

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, fair trade, the setting of retail prices by manufacturers would be a death blow to free enterprise, and the countless blessings enjoyed by consumers because of mass production, efficiency, research, streamlined operation—all resulting from competition between manufacturers, where all take risk and some make it, some do not.

If the manufacturer is assured a certain price by law where then is the incentive to discover and remove inefficiency, ingeniously to devise new systems, new manufacturing procedures, techniques and tools, more production, more efficient distribution? In free enterprise competition keeps the industries on their toes. Sure, it is a battle for survival. The customers must be pleased—a better product at a lower price with quicker delivery with better service and warranties, countless courtesies, advertising schemes, window displays. From raw material to customer's home competition drives each manufacturer, distributor, and dealer to do his best to please the consumer, who must be pleased at the right price or no sale.

Well, we can set prices by law but they will not stick. Before John Doe rebels the damage will be poorer products at higher prices, slower service, less striving to please, less volume, less efficiency and finally more bureaucratic laws to undo the damage of bureaucratic laws until in the struggle the whole system slips beneath the quicksand. Fair trade? Hardly.

Political Danger

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, the basic flaws of reasoning behind the fair trade bill, which would permit manufacturers to go around antitrust and set retail prices, will come to light sooner or later. Sometimes the obvious is difficult to see.

Imagine asking that antitrust price conspiracy laws, originated to protect businessmen and consumers alike, be set aside. Imagine, trying to eliminate the need for women shopping around. Imagine, eliminating competition in a free enterprise market system.

Fair trade is a contradiction, is self-defeating and will hurt most those it is designed to help. One has but to study the bill and understand marketing and merchandising to see this.

When the fatal flaws are clearly seen, the consumers will not be forgiving of these Federal representatives who put this law on the books. It is not unlikely that even those manufacturers and retailers who thought they wanted fair trade price fixing will turn against those legislators who accepted their earlier advice and passed this law.

Marketplace, Not Manufacturer Nor Congress, Sets Prices

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 24, 1959

Mr. ALGER. Mr. Speaker, what Congressman, bureaucrat, judge, or jury can tell you the "prices that are adequate to stimulate—and low enough to enable"—page 2, H.R. 1253, fair trade bill.

They cannot. It takes thousands, even millions of buyers, a free people in a free society freely bargaining for competitive merchandise at a mutually agreeable price. The price naturally results then like water seeking its level.

Now comes Congress to tell the public that from now on by Federal decree, we will let manufacturers tell the retailer what price they must charge. Are manufacturers all-knowing? Can they set the prices substituting the resale price maintenance of the fair trade bill for the spontaneous price setting of people in the marketplace through supply, demand, and competition? Yes, anyone can set a price, but who will buy if the price is too high? And if they do not buy who is hurt—the consumer?

Possibly so, but most hurt will be the retailer for whom the fair trade bill is intended. Meanwhile, the big competitor chainstore or department store with his own brand merchandise cleans up. Fair trade indeed.

SENATE

WEDNESDAY, MARCH 25, 1959

The Senate met at 10 o'clock a.m.

Rev. Peter N. Kyriakos, Greek Orthodox Cathedral, Boston, Mass., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Ghost. Amen.

Almighty God, who art worshiped and glorified at all times, at every hour, both in heaven and on earth, we fervently thank Thee for the rich and perfect blessings granted to Thy children, especially in our blessed land. We thank Thee for the high principles of our civilization, the democratic Christian principles, by which Thou hast seen fit to guide us, and for the spirit of brotherly love inspired by Thy teachings.

We beseech Thee, O Lord, our God, to receive at this very hour our supplications, and to direct our lives in the way of Thy commandments. Encompass us with Thy holy angels, that guided and guarded by Thy hosts, we may attain the knowledge of Thine unapproachable glory. Keep us ever mindful of the mercies of Thy grace. Make us ever grateful, not only for special blessings which we may personally enjoy, but also for the manifold blessings which, as citizens of this great Nation, we share in common. Give to us all—the leaders and citizens of our great Nation—Thy guidance and inspiration in our every endeavor. As we are today mindful of the martyrdom and sacrifice of the Greek people in their valiant struggle for independence and for their ancient principles of democracy, we pray Thee to strengthen us in those democratic convictions and to keep us ever mindful of our sacred responsibilities toward our fellow men, Thy children.

Bless richly, O Lord, Thy servants, the most faithful and God-fearing President and Vice President of our Nation, and the honorable representatives of Thy people, gathered here today. Strengthen them in their calling, and make them ever worthy of the great stewardship which Thou hast seen fit to entrust to them. Bless, enlighten, and direct all those upon whom the responsibility of leadership rests, for Thou art the way, the truth, and the life; and blessed art Thou now, and forever, from all ages to all ages. Amen.

THE JOURNAL

On request of Mr. KUCHEL, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, March 24, 1959, was dispensed with.

TRIBUTE TO REV. PETER N. KYRIAKOS

Mr. SALTONSTALL. Mr. President, it gives me great pleasure formally to welcome Rev. Peter Kyriakos, the assistant dean of the Greek Cathedral of the Annunciation, in Boston. Dean Kyriakos carries forward in this country the tradition of the Greek people and their church. Many freedom-loving citizens of Massachusetts and of the United States trace their ancestry to Greece; but, in a larger sense, all of us trace many of our proudest traditions of science, medicine, literature, and democracy to the culture of ancient Greece.

Today is the 138th anniversary of the independence of Greece. In their homeland and in many nations which, like ourselves, have received immigrants from Greece, this 138th anniversary is being celebrated today. We are proud to honor this anniversary, for there is no more independent people or greater lovers of freedom than the people represented here by Reverend Kyriakos.

I join in expressing the best wishes of all of us to the people of Greece.

Zito Héllas! Long live Greece!

Mr. President——

The VICE PRESIDENT. The Senator from Massachusetts.

TRIBUTE TO GREEK ORTHODOX ARCHBISHOP

Mr. SALTONSTALL. Mr. President, it is a great honor to join with other Members of this body in welcoming back to the United States the new Greek Orthodox archbishop of the New World. Recently he served as metropolitan of Malta, having risen in responsibility to this position from a position as deacon of the Boston archdiocese. Boston viewed his ordination to priesthood in 1940, and following that event he served in Connecticut and St. Louis before returning to Boston to be dean of the Greek Orthodox Cathedral of the Annunciation from 1942 to 1954. From there he went to Malta.

Metropolitan James, while at Boston, took advantage of our great opportunities for further study in Massachusetts by taking an advanced degree at Harvard in theological studies. For a time he also contributed to our halls of learning by lecturing at Harvard, Boston University, and other institutions. He served as a director of the Holy Cross Orthodox Theological School in Brookline, Mass., which, I understand, is the only school of its kind in our Nation.

Father Coucouzis, as he was known to his friends and admirers in Boston, who number in the thousands, was greatly admired for the fine work he did while with us in Massachusetts. We wish him well in his new office as archbishop of the Greek Orthodox Church of North and South America and his former parishioners in Boston look forward to his continued leadership in their church.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 5916) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KUCHEL, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Stabilization of the Committee on Agriculture and Forestry;

The Committee on Labor and Public Welfare;

The Subcommittee on Health, Education, Welfare, and Safety of the Committee on the District of Columbia; and

The Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. KUCHEL. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. KUCHEL. Mr. President, there are several nominations on the Executive Calendar. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nominations on the calendar will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. KUCHEL. Mr. President, I ask unanimous consent that these postmaster nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. KUCHEL. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ENTITLED "PROGRAM FOR THE NATIONAL FORESTS"

A letter from the Secretary of Agriculture, transmitting, for the information of the Senate, a report entitled "Program for the National Forests," which, with the accompanying report, was referred to the Committees on Interior and Insular Affairs and Agriculture and Forestry, jointly, under authority of the order of the Senate of March 24, 1959.

REPEAL OF SECTION 8f OF AGRICULTURAL ADJUSTMENT ACT OF 1933

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to repeal section 8f of the Agricultural Adjustment Act of 1933, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

AUDIT REPORT ON FOREIGN AGRICULTURAL SERVICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Foreign Agricultural Service, Department of Agriculture, January, 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF CAPEHART HOUSING PROGRAM, FORT BELVOIR, VA.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of the Capehart housing program of the U.S. Army Engineer Center and Fort Belvoir, Fort Belvoir, Va., dated March, 1959 (with an accompanying report); to the Committee on Government Operations.

PROPOSED ALASKA OMNIBUS ACT

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

CERTIFICATION OF ADEQUATE SOIL SURVEY AND LAND CLASSIFICATION, COLLBRAN PROJECT, COLORADO

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that an adequate soil survey and land classification has been made of the lands to be served by the Collbran project, Colorado (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY OR NAVAL RECORDS

A letter from the Acting Secretary of Defense, transmitting, pursuant to law, a report on the payment of claims arising from the correction of military or naval records, for the period July 1, 1958, through December 31, 1958 (with an accompanying report); to the Committee on the Judiciary.

RESERVATION OF MEMALOOSE ISLAND, COLUMBIA RIVER, OREG., FOR USE OF THE DALLES DAM PROJECT

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor (with an accompanying paper); to the Committee on Public Works.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive, National Council, Boy Scouts of America, New Brunswick, N.J., transmitting, pursuant to law, a report of the Boy Scouts of America, for the year 1958 (with an accompanying report); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a memorial from the Statehood Republican Party of Puerto Rico, of San Juan, Puerto Rico, signed by Miguel A. Garcia Mendez, state chairman, and Luis A. Ferre, vice chairman, remonstrating against the proposed repeal of the law concerning Federal relations with Puerto Rico; to the Committee on Interior and Insular Affairs.

A telegram in the nature of a memorial from Dr. Leopoldo Gifueroa, floor leader, Statehood Republican Party representative, and Senator Miguel A. Garcia Mendez, floor leader, Statehood Republican senators, of San Juan, Puerto Rico, remonstrating against the proposed repeal of the law concerning Federal relations with Puerto Rico; to the Committee on Interior and Insular Affairs.

A resolution adopted by the mayor and Board of Supervisors of the City and County of Honolulu, T.H., expressing appreciation for the Senate vote granting statehood to Hawaii; ordered to lie on the table.

By Mr. McNAMARA:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Public Works:

"SENATE CONCURRENT RESOLUTION 13

"Concurrent resolution urging action by the Congress of the United States concerning the grave situation that exists with respect to divergence of waters from Lake Michigan by the city of Chicago, Ill.

"Whereas the State of Michigan since 1926 has been unalterably opposed to the diversion of water from Lake Michigan by the State of Illinois and its creature, the Sanitary District of Chicago, and was a complainant in the several suits that were filed in the Supreme Court of the United States against the State of Illinois and said sanitary district by the States of Minnesota, Wisconsin, Ohio, Pennsylvania, and New York; and

"Whereas since it was inadvisable to require the State of Illinois and the Sanitary District of Chicago to reverse the flow of the Chicago River back to Lake Michigan because of the highly contaminated condition of the river at that time, the Court temporarily allowed the Sanitary District of Chicago to discharge its sewage effluent into the sanitary canal flowing into the Des Plaines River until they had constructed the necessary sewage disposal plant. Said sewage treatment plants have been constructed and have been operating for many years; and

"Whereas the attorneys general of the States of Michigan, Minnesota, Wisconsin, Ohio, Pennsylvania, and New York have filed a petition in the Supreme Court of the United States asking that the Court review its decree of April 21, 1930, and require the Metropolitan Sanitary District of Greater Chicago to restore to the lake the water designated as "domestic pumpage", now amounting to approximately 1,800 cubic feet per second. It is feared that said domestic pumpage will increase in volume as the population and industry of the Greater Chicago area grows according to predictions; and

"Whereas the diversion of water from Lake Michigan at Chicago creates an embarrassing international situation between the United States and Canada, as a result of which the President of the United States on two separate occasions vetoed bills passed by the Congress permitting an increase in the amount of diversion; and

"Whereas there has been introduced in the present 85th Congress a bill designated as H.R. 1 by Congressman O'BRIEN of Chicago to allow the Metropolitan Sanitary District of Greater Chicago to divert an additional 1,000 cubic feet per second of water from Lake Michigan into the sanitary and ship canal; and

"Whereas the construction of the St. Lawrence Seaway necessitated the deepening of the channels as well as ports and harbors, which costs the taxpayers hundreds of millions of dollars; this would be partially nullified by the lowering of the depths of the waters of the Great Lakes through the diversion at Chicago and detrimental to the total economy and best interests of the State of Michigan: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), That all officials of the State of Michigan responsible for protecting the interests of the State against this threat be urged to make every effort to preserve and protect the legal rights and interests of the State of Michigan, both in the Supreme Court of the United States and in the Congress of the United States; and be it further

"Resolved, That Michigan's Senators and Members of the House of Representatives in the Congress of the United States be urged to oppose vigorously and uncompromisingly any bill that may come before them which would allow any increase in the amount of water being presently diverted at Chicago; and be it further

"Resolved, That copies of this concurrent resolution be transmitted to the President of the United States, the Secretary of the Interior, the Governors of the several States named herein, and to each member of the Michigan delegation to the U.S. Congress.

"Adopted by the senate, February 18, 1959.

"Adopted by the house, March 11, 1959.

"NORMAN E. PHILLES,
"Clerk of the House of Representatives.

"FRED I. CHASE,
"Secretary of the Senate."

STATEHOOD FOR HAWAII—RESOLUTIONS

Mr. GRUENING. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions I have received from the legislature and organizations in Hawaii expressing gratitude for the action taken by this body in the admission of Hawaii to the Union.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 66

Whereas the hopes and aspirations of the people of Hawaii for equal rights and privileges with all other citizens of the United States have been realized by the passage of the bill admitting the State of Hawaii into the Union; and

Whereas it is particularly appropriate that special thanks be given to those Members of the Congress of the United States whose patient and tireless personal efforts on behalf of the people of Hawaii brought about the eventual fulfillment of these hopes: Now, therefore, be it

Resolved by the Senate of the 30th Legislature of the Territory of Hawaii, That the special thanks and fondest aloha of the people of Hawaii be, and they are hereby, given to Senator ERNEST GRUENING, of the great State of Alaska, for his patient, forceful, and untiring efforts on their behalf to attain for them full and equal rights and privileges with all other citizens of the United States by the granting of statehood to Hawaii; and be it further

Resolved, That a duly certified copy of this resolution be sent forthwith to the Honorable ERNEST GRUENING.

RESOLUTION 103

Whereas the 86th Congress of the United States of America has enacted monumental legislation permitting the Territory of Hawaii to enter the Union as its 50th State; and

Whereas the difficulty and often disheartening fight to achieve statehood encountered by the people of Hawaii have, nevertheless, mustered to their side friends residing in distant places; and

Whereas of our many friends, we are privileged to embrace not only as friends but as comrades in arms the people of the great State of Alaska; and

Whereas the Senators and Congressman from the great State of Alaska have unceasingly and tirelessly pushed and achieved successfully statehood for Hawaii: Now, therefore, be it

Resolved by the Board of Supervisors of the County of Kauai, State of Hawaii, That Senator E. L. "Bob" Bartlett, Senator Ernest Gruening, Congressman Ralph J. Rivers, Gov. William Egan, and Acting Gov. Hugh J. Wade be and are herein informed of the deep sense of gratitude and aloha that the people of Hawaii, this county of Kauai, have and feel toward all the people of Alaska and their capable and able officials; be it further

Resolved, That copies of this resolution be forwarded to the above-named persons.

RESOLUTION 65

Whereas the hopes and aspirations of the people of Hawaii for equal rights and privileges with all other citizens of the United States have been realized by passage of the bill admitting the Territory of Hawaii into the Union; and

Whereas it is particularly appropriate that special thanks be given to those Members of the Congress of the United States whose patient and tireless personal efforts on behalf of the people of Hawaii brought about the eventual fulfillment of these hopes: Now, therefore, be it

Resolved by the Board of Supervisors in and for the County of Hawaii, That the personal thanks and fondest aloha of the people of Hawaii be and they are hereby given to the Honorable Senator ERNEST GRUENING of the great State of Alaska for his patient, thoughtful, and untiring efforts on their behalf to attain for them full and equal rights and privileges with all other citizens of the United States by the granting of statehood to Hawaii; and be it further

Resolved, That a certified copy of this resolution be sent forthwith to the Honorable ERNEST GRUENING.

Dated at Hilo, Hawaii, this 18th day of March 1959.

RESOLUTION OF NORTHERN TEXTILE ASSOCIATION

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the board of directors of the Northern Textile Association commending the Special Subcommittee To Study the Textile Industry.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Northern Textile Association endorses the conclusions and recommendations of the Special Senate Subcommittee on the Textile Industry, and commends Senator PASTORE, the chairman, the members of the committee, and the staff for a comprehensive, timely, and constructive report.

The sympathetic and thorough hearings conducted in key textile areas have been effectively distilled in the report to bring the problems of the industry clearly and forcibly into focus, and to demonstrate the harmful results of Government policies. The report is a significant contribution to a better national understanding of the textile industry.

The recommendations, if carried out in good faith by the executive departments and implemented where necessary by legislation, should solve the major problems imposed on the industry by Government.

We urge our Senators and Representatives to assist in the implementation of the recommendations of the subcommittee including the appointment by the Senate of a Textile Subcommittee within the Interstate and Foreign Commerce Committee.

We also urge the Secretary of Commerce, in accordance with the recommendations of the committee, to establish forthwith a Textile Interagency Committee and an Advisory Committee as a first step in carrying out the other recommendations of the committee.

RESOLUTIONS OF ORGANIZATIONS OF THE STATE OF NEW YORK

Mr. JAVITS. Mr. President, I present for appropriate reference, sundry resolutions adopted by organizations of the State of New York. I ask unanimous consent that the resolutions may be printed in the RECORD.

There being no objection, the resolutions were received and appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

[Transcript of minutes, regular meeting, Feb. 4, 1959]

WILLIAM W. DOUD POST NO. 98,
DEPARTMENT OF NEW YORK,
AMERICAN LEGION.

The following resolution was moved by Martin Becker, seconded by Frank Tomdale, and duly carried:

"Resolved, That this post hereby heartily endorses the American Legion three-point

pension program for 1959 and urges the passage thereof upon the U.S. Senate and House of Representatives; and be it further

"*Resolved*, That copies of this resolution be sent to the U.S. Senators from the State of New York, and the Members of Congress of the 38th and 39th New York Districts, and also, to the chairman of the Senate Veterans' Affairs Committee, and the chairman of the House Veterans' Affairs Committee."

I hereby certify that the above is a true copy of a resolution duly passed at the above meeting.

EDGAR C. MITCHELL,
Commander.
CLARA RUTH ARDELL,
Adjutant.

To the Committee on Labor and Public Welfare:

SIR: The following resolution was unanimously passed at the last regular meeting of this post of the American Legion, with a membership of 237:

"Whereas Castle Point Veterans' Administration Hospital has opened a general medical and surgical ward to accomodate veterans in the immediate vicinity;

"Whereas since the ward was opened admissions have steadily increased to a point where it is now contemplated that the hospital will shortly reach a waiting list status in this ward;

"Whereas the veterans of this general area including Dutchess, Ulster, and Orange, Sullivan, and Putnam Counties would be better served if the bed space at the Castle Point Hospital for medical and surgical cases could be expanded;

"Whereas in addition to this expansion, there is need now for a dermatologist, orthopedist and X-ray therapy, etc.;

"Whereas at the present time, three hospital buildings are closed and therefore are not available to use for the care of veterans requiring hospitalization;

"Whereas VA hospitals in New York City and Albany now have a waiting list of veterans applying for admission; yet Congress will not permit the Castle management to utilize the existing facilities: Be it

"*Resolved*, That Beacon Post No. 203 American Legion endorse the use of the full facilities and the reopening of the three hospital buildings for general medical and surgical care at the Castle Point Veterans' Administration Hospital; be it further

"*Resolved*, That Beacon Post send a copy of this resolution to Congressman, J. ERNEST WHARTON, and Senator KENNETH B. KEATING, urging them to do their utmost to expand the general medical and surgical facilities at the Castle Point Hospital."

Respectfully submitted.

WARREN I. HUGHES,
Adjutant.

BEACON, N.Y.

At their regular monthly business meeting of March 12, 1959, the board of education, Plainedge public schools, approved the following:

"*Resolved*, That the board of education of Plainedge Public Schools favors and endorses legislation to provide additional moneys for Public Law 874 and Public Law 815 covering Federal aid to school districts having students whose parents work in defense industries connected with the Federal Government. This endorsement is to be sent to our local Federal legislators, the U.S. Office of Education, the New York State School Boards Association, and the members of the Nassau-Suffolk County School Boards' Tax Relief Committee."

Sincerely,

HENRY A. WEINSTEIN,
President, Board of Education.

To the Committee on Rules and Administration:

"RESOLUTION OF THE 24TH CONVENTION OF THE UKRAINIAN NATIONAL ASSOCIATION

"The 24th convention of the Ukrainian National Association, Inc., a fraternal-benefit organization established in 1894 and which now numbers 75,000 members in the United States and Canada, with assets of $22 million, adopted the following resolution in Cleveland, Ohio, on the 29th of May 1958:

" 'Whereas the 100th anniversary of the death of Taras Shevchenko, the greatest son of Ukraine, falls during the next 4-year term; and

" 'Whereas Taras Shevchenko is regarded as the patron of our organization; and

" 'Whereas this topic was the subject of consideration and efforts of the cultural committee of the Ukrainian National Association; be it therefore

" '*Resolved*, That the 24th convention empowers the supreme assembly, and especially the supreme executive committee and the cultural committee of the Ukrainian National Association, to, first, continue the efforts about the erection of a monument to T. Shevchenko in the Nation's Capital, Washington, D.C.; second, form agreements with other organizations to make the realization of this project and this initiative a concerted, joint effort of the whole community.' "

"RESOLUTION OF THE SEVENTH CONGRESS OF AMERICANS OF UKRAINIAN DESCENT

"The Seventh Congress of Ukrainian Americans, which represents all Americans of Ukrainian descent, adopted the following resolution on February 22, 1959, at Washington, D.C.:

" 'To strengthen and support morally and materially the bill aimed for the dedication of a monument in Washington, D.C., to Taras Shevchenko, the greatest Ukrainian poet, on the occasion of the 100th anniversary of his death, in appreciation for his work for the ideals of freedom.' "

RESOLUTIONS OF FARMERS UNION CENTRAL EXCHANGE, ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, on March 2, 3, and 4 in St. Paul, Minn., one of the outstanding farmers cooperatives in this country, the Farmers Union Central Exchange, held its 28th annual meeting. This service cooperative, which has been built by farm people in Minnesota, Wisconsin, North and South Dakota, Montana, and bordering States, is a shining example of how farmers can help themselves by working together. The cooperative makes possible substantial savings to its members in the purchase of the many expensive tools and items needed for the production of farm crops.

However, the interests of these fine people go beyond their immediate day-by-day concerns; they also take an interest in important State and National issues that affect the well-being of all farmers.

Mr. President, I ask unanimous consent that the resolution adopted at the 28th annual meetings of the Farmers Union Central Exchange be printed at this point in the RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

COMPLETE TEXT OF RESOLUTIONS ADOPTED AT CENTRAL EXCHANGE CONVENTION

(The following is the complete text of the resolutions adopted at the 28th Farmers Union Central Exchange stockholders' meeting, March 2, 3, and 4, in the St. Paul Auditorium:)

1. DISTRIBUTION OF SAVINGS

The distribution of savings of the Farmers Union Central Exchange, Inc., for the fiscal year ending December 31, 1958, made by the board of directors of the corporation, as shown in the minutes of the December 1958 meeting of the board of directors and as set forth in the audit report ending December 31, 1958, is hereby ratified and approved.

2. ECONOMIC POLICY

Prompt and vigorous measures should be taken by the Government to stop the growing recession and unemployment which in some States is exceeding 10 percent of the labor force.

The quickest and most effective way to combat recession and prevent its development into a full-scale depression would be to put income into the hands of producers in agriculture and other basic industries where consumer purchases are presently being held up due to lack of buying power.

On every farm, thousands of dollars in repairs, replacements and improvements would be made if farm prices and income were restored to full parity levels. We believe that this would be the greatest stimulus to consumer demand, business activity and full employment.

An antirecession program which does not provide for farm income improvement simply will not get to the roots of our economic trouble.

3. FARM POLICY

We, the stockholders of the Farmers Union Central Exchange, Inc., command and wholeheartedly endorse the farm policy of the National Farmers Union, and by so supporting it, we present a united front in fighting to get this policy into Federal law.

The Farmers Union farm program is a total program administered by farmers, designed to give real parity of income to farm families.

It calls for Federal enabling legislation to permit farmers to adjust the volume of their commodities going to market.

4. TAX LEGISLATION

We urge Congress to reject proposals of the National Tax Equality Association and similar groups to enact punitive and discriminatory taxes on the savings of cooperative associations.

5. PUBLIC POWER

There exists an ever-increasing need for an abundant supply of low-cost power to facilitate maximum development of the natural resources of the great Northwest States. Utilization of the maximum potential of these resources requires a comprehensive development of the river systems of this area. This can be properly achieved only through the construction of publicly owned multipurpose dams. We urge the Congress to authorize construction of Hells Canyon, Paradise, Yellowtail, and other high, multipurpose dams.

We urge that if Congress authorizes a program of public works to help alleviate the unemployment situation, this would take the form of comprehensive resource development projects, which would reflect the greatest economic benefits to the Nation. Water and power resource development should have the highest priority.

6. REA AND RTA

We reaffirm our continued support for expanding and strengthening REA and rural

telephone service to all rural America. We favor adequate appropriations, so there will be no lessening in the support and extension of loans to farmers' cooperatives to build generation plants and transmission lines when this will increase adequacy or lower cost of service. We urge Congress to reject recommendations to eliminate the statutory limit on interest rates on rural electric and telephone loans. We are opposed to an administration proposal which would force REA systems to seek private financing.

7. PUBLIC RELATIONS

We commend the Farmers Union Central Exchange, Inc., and the affiliated companies, on the fine job they have performed in the past year in the field of advertising and public relations.

We feel our advertising in farm publications, radio, and TV have been a great aid in getting our story to our people.

We recommend continuing and expanding this public relations and advertising program as our growing business warrants.

8. FARMERS UNION CO-OP CREDIT ASSOCIATION

We realize the need for cooperatively owned and controlled credit and endorse the Farmers Union Credit Association and their method of building capital cooperatively, and also the purpose for which such capital is used.

9. CO-OP CREDIT

We strongly recommend that the Farmers Union Credit Exchange, Inc., continue to advise all local cooperatives to develop a sound credit policy so that each association will be encouraged to keep accounts within reasonable bounds. We note that credit practices have reached a dangerous stage in many of our local associations, and we, therefore, urge the central exchange to continue to make available qualified field personnel to assist each local cooperative to work out a sound credit program.

10. CO-OP PATRONAGE

Annual reports of the Farmers Union Central Exchange, Inc., show a continuous growth from year to year, which is a tribute to the excellent management and to the superior quality of our products. However, this growth could be much more rapid if all of our affiliated cooperatives would channel all possible purchases of their supplies through the Central Exchange. Directors should be alerted to the importance of encouraging their managers to increase their business in every way possible with our own regional wholesale.

11. FARMERS UNION HERALD

Whereas for many years, Farmers Union Herald has been published for and in behalf of the stockholder-members of Farmers Union Central Exchange, Inc., and their stockholder-members and the stockholder-members of the Farmers Union Grain Terminal Association and Farmers Union Marketing Association; and

Whereas during all of said time, said Farmers Union Herald has been the recognized official publication of said cooperative associations and has, during all of said time, and does now publish in each issue thereof facts and information relative to the operation, plans, business, and affairs of said associations, including information and facts relating to the marketing of grain, the marketing of livestock, the distribution of automotive and petroleum products, other farm supplies and equipment, and much other information of value to farmers, and especially to said stockholder-members in the areas served by said cooperatives; and

Whereas the stockholder-members of this association and their stockholder-members desire that said publication continue to be issued and forwarded to them through the U.S. mail, and that the subscription price therefore be paid for them by this association; and

Whereas because this association is a cooperative organization wholly owned by its stockholder-members and is in fact their agent, payment of such subscription price by this association on behalf of said stockholder-members is actually payment by them: Now, therefore, be it

Resolved, That the management of this association be and it hereby is directed to subscribe to Farmers Union Herald for and on behalf of each of its stockholder-members and to pay the subscription price therefore for each of said associations and individuals.

12. DISTRIBUTION OF COMMODITIES

We commend the board of directors of the Farmers Union Central Exchange and the Farmers Union GTA for their cooperation and businesslike action in the manufacture and distribution of commodities.

13. IN MEMORIAM—WM. F. HANSON

We mourn the passing of Wm. F. Hanson of Chippewa Falls, Wis., in mid-August. Mr. Hanson was a director of the Central Exchange between 1935 and 1938. His memory will long be revered in the annals of this and other cooperatives.

14. APPRECIATIONS

We wish to thank the officials and citizens of St. Paul for their hospitality.

We express our appreciation to the rooms committee of the Farmers Union Central Exchange, Inc., and to the management and employees of the Twin City hotels for courtesies extended to the delegates and visitors to our 28th annual stockholders' meeting.

We also wish to commend the Twin City press, radio, and television stations for their excellent coverage of our annual meeting.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, with amendments:

S. 899. A bill to provide for the discontinuance of certain reports now required by law (Rept. No. 146).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. 1217. A bill to add certain public domain lands in Nevada to the Summit Lake Indian Reservation (Rept. No. 147).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 3648. An act to regulate the handling of student funds in Indian schools operated by the Bureau of Indian Affairs, and for other purposes (Rept. No. 151).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 1271. A bill to donate to the pueblo of Isleta certain Federal property in the State of New Mexico (Rept. No. 149).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 418. A bill directing the Secretary of the Interior to convey certain property in the State of New Mexico to the pueblo of Santo Domingo (Rept. No. 150).

By Mr. NEUBERGER, from the Committee on Interior and Insular Affairs, without amendment:

S. 1242. A bill to authorize the use of the revolving loan fund for Indians to assist Klamath Indians during the period for terminating Federal supervision (Rept. No. 148).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

H.R. 2575. An act to authorize the appropriation of $500,000 to be spent for the purpose of the III pan-American games to be held in Chicago, Ill. (Rept. No. 152).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROXMIRE (for himself, Mr. MUSKIE, Mr. MORSE, and Mr. WILLIAMS of New Jersey):

S. 1525. A bill to amend the National Security Amendment so as to provide for congressional review of proposed action thereunder and to rescind the action of the President imposing quotas on petroleum and petroleum products; to the Committee on Finance.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 1526. A bill to establish the Oregon Dunes National Seashore in the State of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 1527. A bill for the relief of Sister Araceli Cordero Martin, Sister Cecilia Villanueva Idoate, Sister Ines Orive Vadillo, Sister Marcelina Garcia Zabaleta, Sister Maria Encarnacion Fernandez Fernandez, Sister Maria Belen Garcia Garcia, Sister Amparo Vidal Sastre, and Sister Maria Guadelupe de la Rosa Algundez; to the Committee on the Judiciary.

By Mr. McCARTHY (for himself and Mr. HUMPHREY):

S. 1528. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Finance.

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 1529. A bill to provide for Federal cooperation with the Nebraska Mid-State Reclamation District, Nebraska, in the construction of the Mid-State project; to the Committee on Interior and Insular Affairs.

By Mr. PASTORE:

S. 1530. A bill relating to the amount of loss recognized for income tax purposes in the case of certain casualty losses; to the Committee on Finance.

By Mr. PASTORE (for himself and Mr. KEATING):

S. 1531. A bill providing that the Administrator of Veterans' Affairs shall recognize representatives of the Italian American War Veterans of the United States, Incorporated, in the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration; to the Committee on Finance.

By Mr. NEUBERGER:

S. 1532. A bill to provide for nonquota immigrant visas; and

S. 1533. A bill for the relief of Ho Rim Yoon; to the Committee on the Judiciary.

By Mr. ENGLE:

S. 1534. A bill to clarify the legal status of employer or joint industry contributed apprenticeship funds and other joint or individual apprenticeship activities; to the Committee on Labor and Public Welfare.

By Mr. HUMPHREY:

S. 1535. A bill for the relief of Leslie L. Nemes; to the Committee on the Judiciary.

By Mr. CURTIS (for himself, Mr. McCLELLAN, Mr. MUNDT, and Mr. GOLDWATER):

S. 1536. A bill to amend title 18 of the United States Code so as to prohibit certain interference with Federal construction projects; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 1537. A bill to establish a national mining and minerals policy; and

S. 1538. A bill to stabilize production of lead and zinc from domestic mines; to the Committee on Interior and Insular Affairs.

S. 1539. A bill to prohibit sales of gold by the Government for commercial use or for the arts, or for the purpose of lessening the price and value of gold; to the Committee on Banking and Currency.

(See the remarks of Mr. ALLOTT when he introduced the above bills, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 1540. A bill authorizing the Secretary of the Air Force to carry out a research and testing program to determine the effectiveness of a certain vegetable product in the treatment of burns, sunburns, poison ivy, and poison oak dermatitis; to the Committee on Armed Services.

By Mr. MURRAY (for himself, Mr. ANDERSON, Mr. GOLDWATER, Mr. JACKSON, Mr. KUCHEL and Mr. O'MAHONEY):

S. 1541. A bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 1542. A bill to amend the Federal Aviation Act of 1958, so as to authorize the imposition of civil penalties in certain cases; and to increase the monetary amount of fines for violation of the criminal provisions;

S. 1543. A bill to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes;

S. 1544. A bill to amend the Federal Aviation Act of 1958 in order to (1) assure for the Civil Aeronautics Board independent participation and representation in court proceedings, (2) provide for review of nonhearing Board determinations in the courts of appeals, and (3) clarify present provisions concerning the time for seeking judicial review;

S. 1545. A bill to amend the Federal Aviation Act of 1958 so as to authorize elimination of a hearing in certain cases under section 408;

S. 1546. A bill relating to the use of Civil Aeronautics Board reports and testimony of Board personnel regarding aircraft accidents;

S. 1547. A bill to amend the Federal Aviation Act of 1958 so as to prohibit certain practices regarding passenger ticket sales and reservations;

S. 1548. A bill to amend the Federal Aviation Act of 1958 to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air;

S. 1549. A bill to amend section 407 of the Federal Aviation Act of 1958;

S. 1550. A bill to amend the Federal Aviation Act of 1958 to provide for the separation of subsidy and airmail rates, and for other purposes;

S. 1551. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons;

S. 1552. A bill to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail for service of process, and for other purposes;

S. 1553. A bill to amend the Federal Aviation Act of 1958 to provide for the regulation of rates and practices of air carriers and foreign air carriers in foreign air transportation, and for other purposes; and

S. 1554. A bill to amend the Federal Aviation Act of 1958 so as to authorize the Civil Aeronautics Board to regulate the depreciation accounting of air carriers; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bills, which appear under a separate heading.)

By Mr. KENNEDY (for himself, Mr. ERVIN, Mr. HILL, Mr. COOPER, Mr. JAVITS, Mr. CHURCH, Mr. WILLIAMS of New Jersey, Mr. RANDOLPH, Mr. MURRAY, Mr. MORSE, Mr. MCNAMARA, Mr. CLARK, Mr. SPARKMAN, Mr. HUMPHREY, and Mr. ENGLE):

S. 1555. A bill to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mrs. SMITH:

S. 1556. A bill for the relief of M. Sgt. Emery C. Jones; to the Committee on the Judiciary.

By Mr. HILL (for himself and Mr. SPARKMAN):

S. 1557. A bill for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim; to the Committee on the Judiciary.

By Mr. SYMINGTON:

S. 1558. A bill for the relief of Theopi Englezos; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 1559. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the first significant discovery of silver in the United States, June 1859; to the Committee on Banking and Currency.

By Mr. HUMPHREY:

S. 1560. A bill to provide for the adoption of a capital budget by the Federal Government; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 1561. A bill to establish a home gardening program to assist needy persons in supplementing their food supplies; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER (for himself, Mr. BYRD of Virginia, Mr. ROBERTSON, and Mr. MORTON):

S. 1562. A bill to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. J. Res. 82. Joint resolution designating the black-eyed susan as the national flower of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. BEALL when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. COOPER, Mr. DOUGLAS, and Mr. HUMPHREY):

S. J. Res. 83. Joint resolution to provide for the establishment of an Advisory Council on National Security; to the Committee on Armed Services.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. HUMPHREY:

S. J. Res. 84. Joint resolution providing for the issuance of a proclamation designating March 25 as Greek Independence Day; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

Mr. PROUTY (for himself and 60 other Senators) submitted a resolution (S. Res. 95) extending birthday greetings of the Senate to Robert Frost, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. PROUTY, which appears under a separate heading.)

RESCISSION OF ORDER IMPOSING QUOTAS ON IMPORTS OF OIL

Mr. PROXMIRE. Mr. President, for myself, the senior Senator from Oregon [Mr. MORSE], the junior Senator from Maine [Mr. MUSKIE], and the junior Senator from New Jersey [Mr. WILLIAMS], I introduce herewith a bill to rescind the recent order of President Eisenhower imposing quotas on the import of oil. This proposal of ours would also permit the Congress to act within 60 days of any subsequent order of this kind to cancel any similar action by the President in the future by the majority vote of both Houses of the Congress.

Mr. President, here are some of the reasons why I hope Senators will give this proposed legislation their most thoughtful attention:

First. The oil industry has won a position of excessive and corrupting power and influence in our Federal Government. The favorable effect this Presidential action will have on oil investments and profits is just the latest instance in a series of immense political privileges for oil featured by the lushest tax give-aways any American industry has ever enjoyed.

Second. Unless we reverse this action, the precedent set by the President will encourage an even greater incentive for political influence by the No. 1 special interest in American politics today.

Third. The Presidential order can have only one effect on the cost of living, and that is to push it up. Obviously, by reducing foreign competition through quotas, the pressure on oil prices is sure to be up. This comes at a time of rising demand for oil, and after some oil prices have already risen.

Fourth. The President's action adds the guarantee of a higher and more profitable price to the juicy and stable after-tax profits Federal tax concessions have permitted the oil industry. Has any American industry ever enjoyed such a super combination bonanza at the expense of the taxpayer and the consumer?

Fifth. The President's order introduces a Government price-fixing mechanism in a free-enterprise industry in which there is no shadow of excuse for it.

Sixth. Our own limited domestic oil reserve is sure to be used up faster by this order, which prevents American consumers from utilizing available foreign oil.

Seventh. The order is sure to hurt our allies, some of whom depend heavily on the United States as the prime market for oil as their principal export.

Eighth. The national defense justification for this action given by the President is completely contradicted by the facts. The President argues that quotas would so protect the American industry that more reserves would be proven, and we would be less dependent on shipments of foreign oil that could be cut off in wartime. The failure of reserve exploration to follow a clear pattern of response to demand refutes this.

It is certain that the restriction of foreign oil would assure a greater consumption of the total and limited American oil reserve.

Finally, Canada would be restricted from sending oil into the United States under the President's order, although obviously no overseas oil shipment would be required.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1525) to amend the National Security Amendment so as to provide for congressional review of proposed action thereunder and to rescind the action of the President imposing quotas on petroleum and petroleum products, introduced by Mr. PROXMIRE (for himself, Mr. MUSKIE, Mr. MORSE, and Mr. WILLIAMS of New Jersey), was received, read twice by its title, and referred to the Committee on Finance.

NATIONAL SEASHORE PARK ALONG OREGON SEACOAST DUNES AND SEA-LION CAVES

Mr. NEUBERGER. Mr. President, I am about to introduce a bill, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The VICE PRESIDENT. Without objection, the Senator from Oregon may proceed.

Mr. NEUBERGER. Mr. President, much of man's destiny has been decided where the land meets the sea. Today, Americans are conscious of the wonderful and varied recreational opportunities offered along the beaches and seacoasts of the Nation. Yet many of these areas have been exploited or liquidated so that their recreational value is permanently impaired. The National Park Service has directed our attention to this distressing occurrence along much of the Atlantic shoreline. Alarm over such a situation lies behind the commendable efforts of the National Park Service to save Cape Cod and Cape Hatteras for future generations—if it can be done.

Fortunately, along the Pacific coast the emergency is not so great. We still have time and breathing space in which to think of the future, as the National Park Service has emphasized in a thorough and comprehensive report just released to the country.

No seacoast, Mr. President, is more magnificent or awe inspiring than the 300 miles of rugged shoreline where my native State of Oregon is buffeted by the heaving and foaming surf of the world's greatest ocean, the Pacific.

For this reason I am introducing today, for myself and my colleague, the distinguished senior Senator from Oregon [Mr. MORSE], a bill to establish a national seashore in the Oregon Dunes and at the Oregon sea lion caves. I ask unanimous consent that the text of the bill be included with my remarks at this point.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1526) to establish the Oregon Dunes National Seashore in the State of Oregon, and for other purposes, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve for the benefit, inspiration, and use of the public certain unspoiled shoreline in the State of Oregon which possesses scenic, scientific, and recreation values of national importance, the Secretary of the Interior is authorized, as provided herein, to establish the Oregon Dunes National Seashore.

SEC. 2. The Secretary of the Interior may designate for inclusion in the Oregon Dunes National Seashore not to exceed thirty-five thousand acres of land and such adjoining waters and submerged lands as he finds are required for the national seashore. Lands designated pursuant to this section shall consist of not more than thirty-four thousand six hundred sixty acres, referred to as Oregon Dunes, and lying between the Siuslaw and Umpqua Rivers in Lane and Douglas Counties; and not more than three hundred forty acres, referred to as Sea Lion Caves, in Lane County, lying approximately seven and one-half miles north of the Siuslaw River.

SEC. 3. (a) Within the exterior boundaries designated by him, the Secretary of the Interior is authorized to procure, set aside, and develop in such manner as he finds to be in the public interest, the land and waters, or interests therein, that he considers necessary to assure adequate preservation and public use of such areas in furtherance of the purposes of this Act. The Secretary may procure said land and water, or interests therein, by donation or by purchase with donated or appropriated funds, and such authority to purchase with donated or appropriated funds shall include authority to condemn under the provisions of the Act of August 1, 1888: *Provided,* That land owned by the State or its political subdivision within the boundaries selected by the Secretary may be procured only with the concurrence of the State or political subdivisions. Any Federal land within the boundaries selected by the Secretary shall be transferred to the Department of the Interior for administration as a part of the national seashore: *Provided further,* That the Federal department or agency having administration over such land shall agree in advance to such transfer.

(b) When the Secretary finds that land has been procured by the United States in sufficient quantity to afford an administerable unit, he shall declare the establishment of such national seashore by the publication of notice thereof in the Federal Register. Following such establishment, and subject to the aforesaid acreage limitation, the Secretary may continue to acquire lands for the national seashore as authorized in this Act.

(c) The administration, protection, and development of national seashores pursuant to this Act shall be exercised by the Secretary of the Interior, subject to the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C., 1952 ed., secs. 1–4), as amended and supplemented, relating to the national park system, and in accordance with other laws of general application relating to that system as defined by the Act of August 8, 1953 (67 Stat. 496; 16 U.S.C., 1952 ed., Supp. V, sec. 1c), except that authority otherwise available to the Secretary of the Interior for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the establishment and preservation of the national seashore.

SEC. 4. There are authorized to be appropriated such funds as may be required to carry out the purposes of this Act.

Mr. NEUBERGER. Mr. President, these unique and stirring areas are located in Lane, Douglas, and Lincoln Counties of our State. The Oregon Dunes consist of lofty and massive ramparts of sand, which tower above the sea. Behind the Dunes lie gemlike little lakes. Native grasses and evergreen trees add to the wild beauty of the location. Birds and wildlife abound. The sea-lion caves combine rocky grandeur with the rookeries of these clumsy but fascinating mammals, which inhabit tossing reaches of salt water.

MARVELS OF OREGON SEACOAST

Lest any of my colleagues think I exaggerate the marvels of Oregon's seacoast, let me read the words written by the noted author, Robert Carson, of Hollywood, Calif., in the February 1959 issue of Holiday magazine:

We had been told beforehand that the Oregon coast is the most beautiful in the world, and were prepared to resist; but after 2 or 3 days we were entirely conquered. Nothing in our experience compared to it, even the shores of the Mediterranean, Brittany, the Caribbean, the British Isles and Ireland, and the Pacific side of Central America. To a generation steeped in the wonders of Cinerama, and more inclined to look at Lawrence Welk, the region is a constant delight to the eyes. The unending and almost bewildering succession of sandy beaches, bold cliffs, towering forests, and clean little towns dressed for holidays, is incredibly pleasant. If one grows tired of sparkling water and the swell of bold mountains, it is easy to turn to fields covered with azaleas, rhododendrons, Canterbury bells, tiny white daisies, and yellow and blue lupine. Around Tillamook, fat cows ruminate in landscapes Constable might have painted, and in the cheese factory they make tasty yellow slabs of the Tillamook Cheddar, which is favorably regarded by connoisseurs. All along the fisherman is paramount, either on the beach or in rivers and streams, in search of salmon and steelhead. And clamming and crabbing rate high in popularity.

California's coast is nowhere near the equal of Oregon's, and the road decently turns inland shortly after the town of Eureka.

So, Mr. President, my purpose in coming before my colleagues today is to introduce a bill which will preserve in perpetuity, we trust, an extraordinary

and beautiful stretch of this great Oregon seacoast. I am fully mindful of the kind and helpful cooperation afforded by Members of the Senate and the House in helping us to enact, in 1958, the Fort Clatsop National Memorial bill which will safeguard a rich historic site where the intrepid explorers, Meriwether Lewis and William Clark, spent the winter of 1805–06 at the mouth of the Columbia River, after having made the original crossing by Americans of what is now the United States. I also appreciate President Eisenhower's signature which made that bill law.

BILL PRESERVES SCENIC GRANDEUR

That legislation was for historic purposes, Mr. President. The bill I am offering today is to preserve scenic grandeur and outdoor majesty. Despite Oregon's substantial area and its wealth of scenery, comparatively few areas of Oregon have been set aside for permanent safekeeping under the jurisdiction of our capable National Park Service, with its splendid traditions. We have the Crater Lake National Park, a place of unparalleled natural beauty, but relatively small among national parks—160,000 acres. We also have the Oregon Caves National Monument in southern Oregon—likewise small in area. It covers 480 acres.

I cite these facts, Mr. President, only to demonstrate that we of Oregon have not fared overly generously as national park reserves have been created during the past half century, despite the vast scenic potential within our State's boundaries. Thus, we are not imposing excessively on the Nation when we suggest that some 33,000 acres, along a seacoast of charm and grandeur, be set aside as a national seashore under our National Park Service.

Let me give to my friends of the Senate some specific details regarding the realm which we have in mind.

The Oregon Dunes National Seashore would include two units supervised and developed under National Park Service standards. The south unit of the seashore area would include about 32,800 acres between the mouth of the Siuslaw and Umpqua Rivers. The north unit, about 7½ miles north of the massive dunes, would include the famed sea lions caves and precipitous coastal bluffs within an area of 340 acres.

Actual boundaries of the Oregon Dunes National Seashore would be established by the Secretary of the Interior after survey studies have been completed. The area under consideration for the south unit would encompass about 23 miles of Oregon's seacoast where the ancient dunes and evergreen forest are located.

DUNES UNIQUE IN ENTIRE NATION

During the National Park Service survey of the Pacific coast shoreline, just completed, about 33,000 acres along the south central Oregon coast were found to constitute a region of scenic, scientific, and recreational values of exceptionally high caliber. A south unit of 32,830 acres and a north unit of 340 acres are recommended by the study group for a national recreation reserve. The south unit would contain 23 miles of seacoast with excellent beach. Farther back are massive dunes, ever moving. Some of the present dunes are beginning to overwhelm the coniferous forest which is growing on ancient dunes. Three lakes—130 to 3,200 acres—lie in depressions between dunes. The geology and ecology of the area, as well as its scenic qualities, are most impressive.

Seven and one-half miles to the north is the proposed north unit. It offers complete scenic, geologic, and biologic contrast to the south unit, being an area of precipitous coastal bluffs. Caves in the basaltic rock are inhabited by Steller and California sea lions, offering an unparalleled opportunity for observing these animals in their natural habitat.

About 15,000 privately owned acres of the south unit would have to be acquired; also 180 acres of privately owned land in the north unit. At present the caves are operated as a private commercial venture with the sea lions as the attraction. Total acquisition cost would probably run between $2 million and $3 million, but further economic studies are now in progress to firm up this estimate.

PARK DEVELOPMENT STIMULATES BUSINESS

Mr. President, it is well known that areas adjacent to national parks have benefited from park, memorial, and monument development. These units of the national park system have acted as magnets for the attraction of visitors to the area. In my opinion, the establishment of the Oregon Dunes national seashore area will stimulate the economy of the entire Oregon seacoast by providing visitors with improved facilities and recreational opportunities.

The National Park Service has an exceptional record of improving conservation practices in land areas acquired for park use. These policies, I am sure, will be applied to Oregon Dunes area so that erosion control problems will be intensified and cutover forest lands restored. Moreover, Mr. President, the Park Service has utilized a policy which results in a minimum of dislocation and inconvenience to summer home occupants in park areas. It is my understanding that when private land is acquired for park purposes, the Service works out an arrangement with summer-home owners so that they can retain use and occupancy of the property during their lifetimes. Where public land is acquired for inclusion in a park, the Service generally has recognized the tenure and conditions of leases granted to summer-home owners by other governmental units so that they are assured of occupancy during the unexpired balance of the lease period.

Mr. President, I ask consent to have printed in the RECORD with my remarks descriptive material on the Oregon Coast Sand Dunes as published by the Oregon Coast Association, and an article by Mrs. Ann Sullivan from the Portland Oregonian of March 15, 1959, describing the famed Sea Lion Caves which are adjacent to the Oregon Dunes. As I said earlier, Mr. President, the Atlantic seaboard is hard pressed to find seacoast areas suitable and available for inclusion in the national park system. This situation was reviewed recently in the New York Times, and I ask consent to include in the RECORD the New York Times article of March 12 entitled "Cape Cod Seen as 40-Mile National Seashore," and an editorial of March 15, entitled "Preserving Cape Cod."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OREGON COAST SAND DUNES

(Published by Oregon Coast Association, Tillamook, Oreg.)

SPECTACULAR SILENCE

The sand dunes on the Oregon coast are being acclaimed the finest display of this type of natural scenery to be found anywhere in the United States.

To stand upon any of the dunes heights and look over the wide expanse of ever drifting, never static, gray sand and view it in the brightness of a clear day, when the westering sun has highlighted the wind-rhythmed pattern of the insweeping dunes is more than a privilege, it is an inspirational opportunity. Here is taking place the silent drama of a radical change in this bit of the earth's surface, where there is being displayed the usual spectacle of an ancient sand dune area that had become stabilized, clothed with a forest, centuries before, now in the process of being overwhelmed and obliterated by a new invasion of drifting sand that is strikingly beautiful, even in its inexorable aggressiveness.

Geologists have told us that here the continental shelf is a sandstone formation that is slowly rising. The pounding seas disintegrate this sandstone and cast it upon the beaches only to be swept up by the winds and form the intricately patterned dunes that make this area famous.

Throughout the dune area, there is abundant evidence that beneath the sand drifts is a buried forest that existed for many years before the rising seashore had again set in motion the sands which have almost obliterated the trees that once covered this seaward slope. In support of this is the presence of several tree islands, ranging north and south along the slopes, and numerous dead trees, some standing, some down, that have been smothered beneath the sands and which, by some shift of the whimsical winds, have been exhumed in the windswept hollows and are now a mute evidence of the forest that once clothed these slopes.

In a broad overlook of the dune area there is, of course, a general sameness. In traversing their surface, sameness has vanished. Each ridge, each vantage point, opens up a new prospect and an impelling curiosity is always newly aroused to view in intimate detail what is hidden beyond, and there ever recurs the intriguing query of where and when these sands that so continually rise from the sea will stop.

Ancient dunes rise to an elevation of 550 feet, many new ones exceed 300 feet and are growing rapidly. Measurements have recorded increases in sand depths on some of the dunes from 3 to 5 feet in 8 years.

The smooth, straightway tidal beach that fronts the dune area is of good width and with an occasional stream coursing through. It is backed by a surf line that is often piled with logs and flotsam and jetsam of the mighty Pacific. Inside of this drift line is a strip that is splashed by the high waves and spray of storm periods where grow patches of bright-green sedgegrass and dwarfed trees and shrubs. Just beyond this green strip begins the rise of the dunes and the drifting sands start piling up the serried ridges that rise ever higher in their onward march to the wooded crests of the highlands.

Occasionally, green spruce treetops protrude from the sand for perhaps a third of

their height which, judging from the exposed portions, were trees probably 100 or more feet high, and no doubt between 150 and 200 years old. The exposed tops are in sand hollows, open on the uphill side, backed by a sand ridge that rises above them. There are also depressions, surrounded by dune ridges rising an estimated 100 feet above their depths, where grasses and shrubs are growing. In some the plots of green are only marshy places, others surround small, sedgy pools. Down the hollow a rivulet of water may flow for a short distance, then disappear beneath a high sandbank. Along its short course, the scattered down trunks and occasional stubs of the destroyed predune forest that has been uncovered either by a flow of water or a shift of the wind currents. Similar forest relics are noted in numerous windswept depressions, where the grasses and shrubs have newly established themselves.

All along the eastern edge of the dune area is a forest made up of Douglas-fir, Sitka spruce, western redcedar, western hemlock and lodgepole pine. This forest tends to delay but does not stop the inevitable advance of the drifting sands. Holland grass and native pine plantings will be noted at several points where sand threatens to cover the highway, some park, or water supply.

Forest undergrowth is comprised chiefly of rhododendron, evergreen huckleberry, wax myrtle, salal, salmon berry, and manzanita.

WHERE, WHEN, AND HOW

One may enter this geological wonderland at several points indicated on the accompanying map. Leave your car at the edge of the sand or along the highway.

When you reach the top of the first dunes, look back—select a tall tree as a landmark for returning to your point of entry.

These dunes are most enjoyable during May, June, September, and October.

To the uninitiated, walking over the dunes may be found somewhat tiresome, but they present no difficulties with good footwear. The ridges that slope smoothly to the northwest are generally quite firm and the walking is good. The steeper, opposite slopes, where the sands roll over the edges, are loose and yielding underfoot, but these are usually short pitches that are soon overcome.

Many people enjoy the dunes barefoot. Stick adhesive tape under the toes to prevent blistering.

If sand skiing should become a popular sport, the long slopes of these high dunes will present unexcelled opportunities for enjoying this pastime.

SUBLIME SHADOWS

Along the central Oregon coast from the Siuslaw River to Coos Bay and west of the Oregon coast highway, U.S. 101, lies a relatively unknown sand dune area of magnificent beauty and impressiveness.

These dunes attract some nature lovers who find fascinating beauty in viewing or tramping the gray aeolian sands that reach from the wooded highlands to the smooth straight-line beach in an alluring series of ridges and hollows that hold an impelling touch of scientific interest in the cause and future import of the long range, geologic and physiographic changes that have, and are now, slowly but surely taking place in the forced transformation of this portion of the Oregon coast from a living forest to a sand dune exquisite under the implacable influence of the slowly rising Continental Shelf.

Parts of the dune area, particularly just south of the lower Umpqua River, once attracted the attention of the National Park Service with plans for the creation of a national monument. This particular area is now a part of Oregon's State park system.

On the north side of the Umpaqua Lighthouse road, midway between the highway and the light tower, is a forest feature that is most unusual. Apparently a century or two ago, a violent wind uprooted a considerable area of exceptionally large trees, presumably Sitka spruce, which escaped being burned. For some unknown reason they did not dissolve into mold as fallen trees usually do but their huge trunks retained the bulky shapes of their living form. These fallen monarchs, judged by their great diameters, must have lived several hundred years before being destroyed. Growing over and astride of them, and rising above them, are new spruces that appear to be nearly 200 years old, making a remarkable exhibit of fallen and living trees that represent, in two generations of trees, a visible forest cycle of 500 or 600 years.

Individual trees growing over occasional fallen ones are not uncommon in the rain forests of the Northwest, but no similar area has come to the attention of the writer in this wide range of like forest where practically all of a considerable area of large trees have survived utter dissolution over such a long period of time as is represented by the living trees that are here seen growing over the prostrate forms of such large specimens of their predecessors in kind. The circumstance is most unusual and worthy of note.

[From the Oregonian, Portland, Oreg., Mar. 15, 1959]

ONLY KNOWN MAINLAND ROOKERY AN OREGON TOURIST ATTRACTION

(By Ann Sullivan)

A famed Oregon tourist attraction, the Sea Lion Caves just north of Florence, has been suggested to the Oregon State Highway Department as a part of the State park system. The commission has ordered a survey of the facility.

It has been available to the public only since the last part of 1932. Before that, it was almost inaccessible at the base of a 320-foot-high ocean cliff. During that year three families constructed a series of paths, switchbacks and steps down to the higher north entrance of the cave. One of the original families dropped out, and another took its place. Since that time the Sea Lion Caves has remained in the control of the three families, who maintain a pleasant and efficient commercial establishment there. The three operators are Clifton Saubert, Jack Jacobson and Don Houghton. Although not particularly interested in selling their operation, they would be glad to listen if the State is interested in it as a self-sustaining park.

Discoverer of the unique cavern, believed to be the only mainland sea lion rookery known, was Capt. William Cox, a Nova Scotia sealer who left his schooner, Sapphire, one calm day in 1880 and rowed into the cave in a skiff.

Residents of the area had long known of the cave's existence, but it was a perilous journey to get down to it. Clifton Saubert, one of the present owners, reports that when he was 12 years old, his father and he went down the cliff on ropes.

Inaccessibility of the cavern probably accounts for the fact that the sea lions have used it for so many years. The three families wisely limit entrance by the public to the higher of three tunnels, and a sturdy fence prevents their going down into the big cavern proper, which covers two acres.

A clutter of huge rocks, splashed by waves at almost all tides, makes attractive resting places for the big 2,000-pound bulls and their harems of cows and pups. The largest entrance to the cave on its west side is the one most often used by the animals. It cannot be seen by the public. A smaller 1,500-foot tunnel, which is full of water at high tide, stretches south from the cave, but is rarely used by the animals.

The three families own approximately 72 acres of the bluff. They have a gift shop and rest rooms and restaurant concession in a sizable white building on the highway. Location is 12 miles north of Florence, 39 south of Newport.

They are at present at work boring an elevator tunnel from near this building straight down to connect to the west entrance.

The sea lions are not always in the cave, but can usually be seen in good weather sunning themselves by the hundreds on rocky ledges on either side of the point. These are the Stellar sea lions, or hair seals (Eumetopias jubata) and are much larger than the California black sea lions, Zalophus californianus. A few of the latter are in this herd.

Wildlife lovers disagree with fishermen on value of the animals. Fishermen maintain they destroy much too many valuable fish and wreak great havoc when they get into the nets. Saubert says they usually eat more slow-moving fish such as sand sharks and skates.

[From the New York Times, Mar. 15, 1959]

PRESERVING CAPE COD

There is much that is meritorious in the proposal of the National Park Service that the Atlantic Ocean front of Cape Cod be turned into a "national seashore," a permanent noncommercial area designed as a national park. It would cost several million dollars to acquire all the privately owned property on this 40-mile stretch of beach, but it could well be a national investment worth many times its expense.

When we think of conservation and parks we usually think of woodland and mountain. That is natural, and what has been done has won the approval of most thinking persons. Our country and our society are richer for what has been wisely preserved. We are justifiably proud of our Yellowstone and Yosemite.

But on a much more modest scale, it may be possible to keep in its integrity some other area that has a unique esthetic and historical value. We shall be poorer, indeed, if this Atlantic shoreline is gradually inundated, not by the waters of the sea, but by the march of commercial establishments which, however justifiable in themselves, can do damage to an artistic whole that is and should be a part of our national cultural inheritance.

Cape Cod is unusual in many ways. It can continue so to be, if it is not reduced to some sort of lowest common denominator in our culture pattern. It can be an unusual national monument if we have the right sort of imagination at the right time.

[From the New York Times, Mar. 12, 1959]

CAPE COD SEEN AS 40-MILE NATIONAL SEASHORE—PARK SERVICE FEARS BEACH IS VANISHING UNDER BUILDING

(By Richard E. Mooney)

WASHINGTON, March 11.—The National Park Service has proposed that the Federal Government rescue the outer arm of Cape Cod from the march of commercialization by creating a national seashore along the entire Atlantic Ocean front.

The proposal was published today by the Department of the Interior, with a statement that the Department had neither approved nor disapproved. Conrad L. Wirth, director of the Park Service, estimated that it might cost $16 million to acquire the land.

Stating the case for rescue, the report said:

"Even now the still-unspoiled great beach is vanishing under building. It is time to set aside, preserve and protect the last of the old cape so that the inspiration of its surpassing beauty can be kept intact and handed down to future generations of Americans."

THOREAU NAMED BEACH

The report was lyrical in its recitation of the cape's historic, scenic, recreational, and scientific values. It cited Henry David Thoreau as author of the name Great Beach, and of these words about it: "A man may stand there and put all America behind him."

The proposed national seashore would encompass 28,645 acres, stretching from Provincetown at the end of the cape to the tip of Nauset Beach at the elbow—a distance of about 40 miles. For the most part, the seashore would be a strip along the Atlantic side of the cape, averaging a mile in width. At its mid-point and at Provincetown, it would extend across the cape to Cape Cod Bay.

Almost 18,000 of the acres are privately owned; 7,000 State owned (including 20 ponds totaling 70 acres); 1,000 are owned by towns, and 2,500 are owned by the Department of Defense.

A national seashore is essentially the same thing as a national park, with beach. There is only one other, Cape Hatteras. It was authorized by Congress in 1937. Its cost—less than $2 million—was financed almost entirely by State and private contributions. An act of Congress also would be necessary for the Cape Cod seashore.

OUTGROWTH OF 1955 STUDY

The Cape Cod proposal is an outgrowth of the Park Service's mile-by-mile study of the Atlantic and Gulf coasts, "Our Vanishing Shoreline," published 4 years ago. That study described 54 undeveloped seashore areas worthy of local, State, or Federal preservation, and stressed 3 for Federal attention—Padre Island, Tex.; Cumberland Island, Ga., and Cape Cod.

In the thirties the Park Service proposed the creation of national seashores in 12 places. One of them was Cape Hatteras. In the words of a Park Service official, "the rest have vanished."

The vanishing shoreline study and the more detailed Cape Cod study that followed it were financed by an unidentified friend of the National Park Service.

Today's report noted among other things, that "nowhere on the continent is the story of glacial deposition, combined with the violent action of the sea upon a land mass, so vividly illustrated as on Cape Cod."

Mr. NEUBERGER. Mr. President, I also think there should appear with my remarks a comprehensive article about the Oregon Dunes from the Oregonian of Portland of March 22, 1959, written by John Armstrong, Sunday editor of that newspaper. Mr. Armstrong's article describes in detail the unique and scenic beauty which would become part of the national seashore reserve which we have in mind, as part of the national park system of the United States. I would like to call attention to the fact that William M. Tugman, editor of the Port Umpqua Courier, is quoted in Mr. Armstrong's article as describing some of the dunes as among "the tallest in the world." This affords an idea of the remarkable qualities of this seacoast which we seek to protect and preserve.

I also ask unanimous consent that there appear in the RECORD an Associated Press article from San Francisco, which likewise was published in the Oregonian of March 22. This article summarizes a report of the National Park Service which describes as "worthy of national park status" the Sea Lion Caves and Oregon Dunes along the southern Oregon coast.

The Oregonian of March 22 published an editorial entitled "State or Federal Park?" This editorial cites the fact that some members of the Oregon Legislature would like to have the Sea Lion Caves made a State park. I have no quarrel with this whatsoever, and I think these members of the Oregon Legislature are to be commended for their position. My main purpose is to safeguard the Oregon Dunes, and I think it would be logical that the nearby Sea Lion Caves could well come under national park custodianship at the same time. For example, the headquarters of the Oregon Dunes Seashore Park would certainly have biologists and wildlife experts competent enough to exercise supervision over the Sea Lion Caves, which are so closely related geographically. But I do not intend to be adamant about this, and if the Oregon State Legislature would prefer that the Sea Lion Caves be a State park and the Oregon Dunes a national seashore park, that separation is certainly agreeable with me. I merely have thought that National Park Service custodianship might be logical for both places, particularly because they are definitely linked together in the Pacific coast report of the National Park Service, which was released by Park Service regional offices in San Francisco on March 22.

I wish it were possible to reproduce in the pages of the CONGRESSIONAL RECORD the magnificent page of photographs of the Oregon Dunes which was published in the Oregonian of March 22. These pictures make strictly evident the magnificence and grandeur of the area which we seek to protect for countless future generations. I also ask unanimous consent that the master caption, which was published with the outstanding photographs taken by John Armstrong of the Oregonian, be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OR FEDERAL PARK?

Two proposals are in the works for public acquisition of Oregon's famed Sea Lion Caves and the concession on Highway No. 101, now owned by a private firm, which guards the rookery. One is for State ownership, the other for Federal.

Senate joint resolution No. 31, introduced in the Oregon Legislature by Senator Monroe Sweetland and six "U.S. 101 senators," would direct the State highway commission to consider acquisition and development of the sea lion rookery as a feature of the park system of this State.

U.S. Senator RICHARD L. NEUBERGER is preparing legislation to convert Sea Lion Caves and 33,000 acres of sand dunes in Lane and Douglas Counties into a national park which would be the first on the Oregon coast.

Assuming the private owners wish to sell their property providing access to Sea Lion Caves at a fair price, this great tourist attraction could presumably be a self-sustaining venture under either State or Federal sponsorship. The Oregon Legislature should have the determining voice in this after a thorough study of the alternatives. Our own preference is for State acquisition and operation unless there are disadvantages now unknown.

Unlike the States on the Atlantic seaboard, Oregon has reserved its beaches for the public benefit. It has other State parks on the coast. Sea Lion Caves and Oregon Dunes would be valuable additions to these facilities and increase Oregon's stature as a State of many parks and public playgrounds.

PARK SERVICE FAVORS DEAL FOR CAVES, OREGON DUNES

SAN FRANCISCO.—The National Park Service, reporting Saturday on a year-long survey of public seashore needs on the Pacific coast, recommended preserving "the few remaining undeveloped seashore areas still in the pure wilderness or primitive state."

Secretary of the Interior Fred A. Seaton said the recommendations still are being reviewed.

The Pacific coast survey, made by Park Service teams, was intended "to inventory * * * important remaining undeveloped areas * * * along the Pacific coast."

POINT REYES INCLUDED

Five areas considered worthy of national park status are Cape Flattery, in northern Washington; Sea Lion Caves and Oregon Dunes, in southern Oregon; Point Reyes Peninsula, in north-central California; and San Miguel Island and Santa Cruz Island, both off southern California.

Congressional action would be required to give them national park status.

Two areas considered outstanding State park caliber were Point Brown, in south-central Washington, and Leadbetter Point, in southern Washington.

PEW PIT PATTERN

The survey report commented:

"Although the Pacific coast has many remaining undeveloped seashore areas * * * relatively few still are in the pure wilderness or primitive state, where man has not altered the general landscape to varying degree with roads, grazing, timber harvest, or other man-inflicted modifications.

"Broad-scale planning should provide for all possible consideration and protection of these great and valuable seashore areas.

"Further, the intense competition for use of the seashore in general makes it imperative that such planning recognize as a major consideration the recreation, scientific, and esthetic values connected with the natural resources of the Pacific coast, thus insuring optimum benefit and enjoyment to present and future generations."

OTHERS STUDIED EARLIER

The Pacific coast survey was similar to recreational studies of the Atlantic and gulf coasts completed by the Park Service in 1955.

The survey covered 1,700 miles of shoreline from Mexico to Canada and the Channel Islands off southern California.

The Park Service's specific recommendations included:

The Channel Islands collectively constitute the greatest single remaining opportunity for conservation and preservation of representative seashore values, including areas of interest to biology, geology, history, archaeology and paleontology, and wilderness preservation. Careful consideration should be given to any future opportunity to acquire or preserve for public purposes any or all of the group off southern California.

MILITARY HOLDS KEYS

A large segment of the Pacific coast, with high recreation and biologic values, is now under military jurisdiction. Consistent with military needs, the agencies responsible for the administration of these lands may become surplus to military requirements. If natural or recreation qualities then warrant, they should be retained in public ownership at the appropriate level of government.

There is a definite need for local authorities, whether city, county or regional, to take the initiative in acquiring and administering

seashore recreation areas of local significance.

There is a definite need for more small-craft harbors along the Pacific coast and it is important to the welfare of the public that this need be considered.

SLANT DRILLING EMPLOYED

Some local governments are successfully concluding agreements enacting legislation to keep certain industrial developments off the immediate shoreline and beaches. Prime examples are setbacks of powerplants near the shoreline, and of oilwells by use of slant drilling for tideland petroleum. Thus, additional seashore is left available for recreation without undue sacrifice to industries. More of this type of cooperation should be encouraged.

One of the most pressing problems associated with the waters of the Pacific seashore is abatement of pollution. The importance of the biologic and recreation aspects of the coastal waters, both fresh and salt, makes it mandatory that sewage and industrial waste disposal be further controlled and restricted to adequately protect and conserve such values. The future of sport fishing, coastal and aquatic recreation, coastal waterfowl abundance, and commercial fishing may well depend on prompt action being taken on this problem.

TOWERING SAND DUNES OF OREGON COAST AREA SWALLOW LAKES, VEGETATION ON MOVE INLAND

(By John Armstrong)

The towering, moving sand dunes which may become Oregon's—and the Pacific coast's—first national seashore recreation area are a problem.

They won't stand still.

Year in and year out they have been moving inland, smothering and blotting out vegetation, swallowing up warm water lakes and encroaching on U.S. highway 101, the Oregon coast's main artery.

The dunes may move eastward as much as 60 feet during a single storm, covering everything in their way, according to Wilbur Ternyik, formerly of the Soil Conservation Service, and now Florence nurseryman, whose main interest is stopping the dune movement.

SHRUBS, TREES PLANTED

Ternyik contracts to plant grass, shrubs, and trees on various troublesome areas in the dunes in an effort to stabilize them. The conservation program is a cooperative venture participated in by the Forest Service, Soil Conservation Service, Bureau of Land Management, and Lane County.

Most of the planting is done during the period mid-October until April, with up to 50 people employed in the planting. In some spots, clumps of European beachgrass, three plants to a clump, are planted 12 inches deep, 18 inches apart. Planting times are carefully planned, for the temperature must remain below 60° for 72 hours following planting to insure germination.

PLAN FOUND SUCCESSFUL

Under such conditions the grass will multiply threefold within a year, at which time it will be supplemented with woody species, shore pine with scotch broom as a protective crop.

The planting program, while not as extensive as it should be due to limited appropriations, has been relatively successful, according to Ternyik. A little over 100 acres were planted this winter, with possibly another 60 to be planted this spring and 300 acres more next fall.

Two emergency plantings have been made, under contract to the State, to stop dunes from moving across Highway 101.

U.S. HELP WANTED

Though man has gained control of the dunes in spots, they continue to move in others. Little Bear Lake, one of the sparkling warm water lakes of the dune area, seems destined to be blotted up; Cleawox Lake, major attraction of Honeyman State Park, may be cut in half, its outlet stopped up and the park flooded.

Some interested parties, including Lane County Commissioner Bob Petersen, feel that the conservation job can best be done by the Federal Government and give this as one reason for supporting Senator NEUBERGER's proposal to have the National Park Serice take over the area.

NEUBERGER's proposed bill, now being drafted by the National Park Service, would authorize creation of a 33,140-acre national seashore recreation area in two segments—32,800 acres lying between the mouths of the Siuslaw and Umpqua Rivers and 340 acres surrounding and including the Sea Lion Caves, north of Florence.

Most of the dunes area, west of highway 101, now belongs to the U.S. Forest Service. Between $2 and $3 million would be spent to acquire private lands around Siltcoos and Woahink Lakes and at the Sea Lion Caves.

FLORENCE AREA EXCITED

A Friday news story announcing the proposed bill created considerable excitement and some controversy in the Florence area. Opinion on the proposal is fairly evenly divided, according to Dave Holman, editor of the Florence News Advertiser.

Florence Mayor A. E. Davidson is reserving his opinion until there is more to go on.

The Siuslaw Port Commission is unanimously opposed to the proposed recreation area.

Petersen, speaking for the county court, stated that in general it seems a good idea, though there may be some details of the plan with which the court would take exception.

In the Florence area, unfavorable opinion seems to center around uncertainty as to: (1) What would happen to privately owned homes in the proposed recreation area; (2) what would happen to private businesses along the highway and around the lakes in the area, and (3) whether the stores of fresh water in the dunes would be available for industrial purposes.

In Reedsport, opinion seems to favor the establishment of the recreation area. Mayor Jack Unger said, "On the face of it, it seems to be a worthwhile project."

The Reedsport Chamber of Commerce has sent Senator NEUBERGER a telegram encouraging his efforts and expressing appreciation of his interest.

DETAILS GIVEN

Editor William Tugman, of the Umpqua Courier, said Saturday that "personally I am inclined to think it is a fine idea. I'd like to see the area extended south of the Umpqua to include some of the dunes there, which I understand are some of the tallest in the world."

Senator NEUBERGER Saturday gave the Oregonian more details of his plan.

"As a member of the Public Land Subcommittee of the Senate Interior Committee, which controls all national parks and monuments, I have long felt that Oregon has fared very poorly as regards location of national parks and monuments, compared with Washington and California," NEUBERGER said. He pointed out that Oregon has only two, Crater Lake and the Oregon Caves, and they are very small.

A Pacific coast recreation area survey released this week by the National Park Service describes the 23 miles of dunes lying between Florence and Reedsport as possessing many superlative values of such high importance as to warrant permanent preservation for the Nation as a whole.

PROCEDURE SET

Familiar with area and the report, NEUBERGER said he had asked the Park Service to draft legislation authorizing setting it aside as a national seashore recreation area, the third in the Nation, and first on the west coast. Similar areas are located at Cape Hatteras and Cape Cod on the east coast.

A national seashore recreation area is similar to a national park, but its hunting restrictions are not as rigid, NEUBERGER said.

If the Oregon coastal area is taken over by the Park Service, the following things would happen, accordihg to NEUBERGER:

1. Private lands, homes, and businesses would be purchased by the Government, at a negotiated price, or if necessary, a condemnation price.

2. Owners of private homes or summer homes purchased by the Government would be permitted to live in and use them for the rest of their lives or duration of their leases, paying rent to the Government.

3. Owners of private businesses, such as resorts, fishing camps, restaurants, would have to negotiate with the Government for concessions. Some probably would be permitted to operate; some, not.

TOURISM SAID INCREASED

4. The Park Service would continue and no doubt accelerate conservation programs now underway in the area, to include dune planting and protection of wildlife and natural beauty.

5. Logging and lumbering would be prohibited.

6. The Park Service would build a headquarters with rangers, naturalists, historians, biologists as is done in every major national park.

7. Fresh water in the dune area probably would be available for domestic consumption, but not for commercial exploitation or industrial purposes.

8. There would be some Park Service regulations of hunting, but the only restrictions on fishing would be those set up by the State of Oregon.

"Wherever a national park or national seashore recreation area has been created, it has increased tourism from one to four times," NEUBERGER emphasized. "I don't know of any area that has not profited and been happy with National Park Service developments."

NEUBERGER said he was aware of the proposal to make Sea Lion Caves a State park, but he said he felt that the Federal Government would be in a position to spend more money and to give it more national attention.

Hearings on the bill to authorize the recreation area probably will be held in Washington in May or June, the Senator said. If authorized, appropriations will be dependent on future congressional action.

THRILL-SEEKING BEACH RESIDENTS ENJOY RACING ACROSS DUNES

The great Oregon sand dunes, which stretch for miles along the Pacific Ocean south of Florence, are to most Oregonians as remote and mysterious as the sands of the Sahara.

Motorists can catch glimpses of them from U.S. Highway 101. Their existence is known to many thousands of visitors who are attracted annually to the area's outstanding parks—the 522-acre Honeyman Park, pride of the State system, and three forest camps—and to the warm water lakes with strange sounding names—Woahink, Cleawox, Siltcoos and Tahkenitch.

But only a few of the more hardy visitors venture afoot into the dune area, and then not far.

To residents of the Florence area, the dunes are another story. They're a favorite spot for a Sunday afternoon drive—an unusual type of Sunday afternoon drive.

The natives like nothing better than to race merrily over the dunes in a ride that

offers more ups and downs, tight turns and thrills than the Jantzen Beach roller coaster.

The big thrill is getting up enough speed to launch a jeep into space off the top of one of the more precipitous dunes.

This is not a drive to be recommended to the average motorist. First, it requires a special-type of vehicle—a jeep, beach buggy, or truck outfitted with oversize tires. Second, it takes a special kind of driving skill known only to the natives of the area. Third, treacherous areas of quicksand are a driving hazard.

Aside from this, a driver unfamiliar with the dune area is apt to tear up some of the vital areas of beach grass, planted to prevent the shoreward march of the moving hills of sand, which extend over a mile inland in spots.

Attention of the State was focused on the dune area this week when Senator RICHARD L. NEUBERGER announced he will introduce a bill in Congress to make a national seashore recreation area of the dunes and the Sea Lion Caves north of Florence.

ALASKA OMNIBUS ACT

Mr. MURRAY. Mr. President, as chairman of the Committee on Interior and Insular Affairs which had initial responsibility in the Senate for legislation for Alaska statehood, I introduce, for appropriate reference, a bill to amend certain laws of the United States with respect to the former Territory of Alaska, now the great State of Alaska. Joining me as cosponsors of this measure are the distinguished ranking majority member of the Committee, the Senator from New Mexico [Mr. ANDERSON], the chairman of the Subcommittee on Territories, the Senator from Washington [Mr. JACKSON], the ranking minority member of the Territories Subcommittee, the Senator from California [Mr. KUCHEL], the able Senator from Arizona [Mr. GOLDWATER], who is a very conscientious member of the Territories Subcommittee, and the distinguished Senator from Wyoming [Mr. O'MAHONEY] who was chairman of the Committee on Interior and Insular Affairs in the 81st Congress when the first bill for statehood for Alaska was reported to the Senate in 1950.

The bill I am introducing, is the so-called Alaska Omnibus Act. It is designed to make those changes in Federal laws which have become necessary and desirable because of the change in Alaska's status from a great Territory to a great State of the United States. Much of the proposed legislation is technical, such as the elimination of inappropriate reference to the "Territory of Alaska" in Federal statutes.

Other provisions are substantive, such as the termination of certain special Federal programs in Alaska, and enabling our newest State to participate in other programs on "an equal footing with the other States in all respects whatever."

Mr. President, this bill was drafted by the executive agencies concerned with the administration of Federal responsibilities in Alaska. I ask unanimous consent that a sectional analysis of the measure, as submitted by the Bureau of the Budget, appear at the conclusion of my remarks, as well as the letter of transmittal from Director Stans of the Bureau.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The bill will be received and appropriately referred; and, without objection, the section-by-section analysis and letter of transmittal will be printed in the RECORD.

The bill (S. 1541) to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The section-by-section analysis and letter of transmittal presented by Mr. MURRAY are as follows:

SECTIONAL ANALYSIS

SHORT TITLE

Section 1 provides that the act may be cited as the Alaska Omnibus Act.

FEDERAL JURISDICTION

Section 2 would amend section 4 of the Statehood Act. Section 4 now provides, in pertinent part, that Alaska and its people disclaim any right (a) to any lands in Alaska the right or title to which is now held by the United States, except for land granted to Alaska by the Statehood Act, and (b) to land and property held by Alaska natives or held in trust by the United States for such natives. The section further provides that "all such lands * * * shall be and remain under the absolute jurisdiction and control of the United States." It was intended that such absolute jurisdiction would apply to native lands only ((b) above), but the language actually enacted appears to comprehend the lands described in both (a) and (b). The amendment would make clear that "the absolute jurisdiction and control of the United States" does not apply generally to land held by the United States in Alaska, but only to land and property held by natives or by the United States in trust for natives.

TERMINATION OF APPLICATION OF CERTAIN FEDERAL LAWS

Section 3 provides a date on which certain laws enacted by the Congress, relating to the regulation of commerce within Alaska, shall cease to apply to the State of Alaska. Section 8(d) of the Statehood Act provides that a law "enacted by the Congress the validity of which is dependent solely upon the authority of the Congress to provide for the government of Alaska prior to the admission of the State of Alaska into the Union" shall be regarded as a "Territorial law" and that such a law shall continue in force and effect throughout the State except as modified or changed by action of the State legislature. The foregoing language has been interpreted by the executive branch of the Federal Government as continuing in effect in the State of Alaska those portions of U.S. laws which provide for the regulation of intraterritorial commerce by agencies of the United States. In the language of section 8(d), such laws will continue in effect "except * * * as modified or changed by the legislature of the State." In order to make explicit the date such laws of the United States shall cease to be applicable, this section of the bill provides that, either (a) on July 1, 1961, or, if it occurs earlier, (b) on the effective date of any State law relating to the same subject matter as the pertinent law of the United States, such law of the United States shall cease to apply. In the absence of an explicit date, considerable confusion might arise as to the continued responsibility of a Federal agency. The section makes clear that such Federal responsibility will cease whenever the State takes legislative action in a field formerly regulated by the United States.

SUGAR ACT

Section 4 amends the Sugar Act by providing a definition of the term "continental United States." In the absence of such a definition, the term has been administratively construed to exclude the Territory of Alaska. The new subsection would make clear that it includes the 49 States and the District of Columbia. As a result, the determinations by the Secretary of Agriculture concerning sugar requirements in the continental United States will henceforth include the requirements of Alaska. Thus, sugar either imported or marketed for shipment into Alaska will be charged against a quota.

SOIL BANK ACT

Section 5 would perpetuate in the State of Alaska the treatment accorded to the Territory of Alaska under the conservation reserve program of the Soil Bank Act. The act has no practical application to Alaska at this time and is not now being administered there. This condition is likely to continue for the foreseeable future. Consequently, the amended provision concerning the geographical application of the program would make clear that the conservation reserve program of the Soil Bank Act applies to Alaska only if the Secretary of Agriculture determines that such application would be in the national interest.

ARMED FORCES

Section 6 would provide in subsection (a) a perfecting amendment to Title 10 of the United States Code by amending the definition of the term "Territory" to delete the existing reference to Alaska. Subsection (b) would amend two definitions in Article 2 of the Uniform Code of Military Justice which describe persons subject to the code. Under the definitions in existing law, "persons serving with, employed by, or accompanying the Armed Forces" and "persons within an area leased by or otherwise reserved or acquired for the use of the United States" are subject to the code if they are outside that part of Alaska east of longitude 172 degrees west, the Canal Zone, Hawaii, Puerto Rico, the Virgin Islands, and Guam. The amendments in subsection (b) would have the effect of according the same treatment to such persons in Alaska west of the 172d meridian as is already accorded to those east of it. Subsection (c) strikes the special and now unnecessary reference to Alaska in a section which comprehends all of the States.

NATIONAL BANK ACT

Section 7 relates to the reserve balances required of national banks that are not members of the Federal Reserve System and that are located in Alaska or outside the continental United States. Because section 19 of the Alaska Statehood Act requires that all national banks in Alaska be members of the Federal Reserve System, secton 5192 of the Revised Statutes no longer has application to Alaska, and this section of the proposed bill would thus eliminate the reference to it.

FEDERAL RESERVE ACT

Section 8 provides two perfecting amendments to the Federal Reserve Act, to reflect Alaska's inclusion in the Federal Reserve System pursuant to section 19 of the Statehood Act.

HOME LOAN BANK BOARD

Section 9 would provide perfecting amendments to two statutes administered by the Federal Home Loan Bank Board. The Federal Home Loan Bank Act and the Home Owners' Loan Act of 1933 would each be amended by striking references to Alaska as a Territory.

NATIONAL HOUSING ACT

Section 10 provides amendments to the National Housing Act. The amendments would have the effect of perpetuating in the State of Alaska the treatment received by Alaska as a Territory.

COAST GUARD

Section 11 would amend the provision of law authorizing the appointment of commissioned officers of the Coast Guard as U.S. commissioners or U.S. deputy marshals in Alaska. The amendment is perfecting only and removes references to "the Territory of" Alaska.

SECURITIES AND EXCHANGE COMMISSION

Section 12 provides amendments to certain statutes administered by the Securities and Exchange Commission. Those contained in subsections (a) through (d) are perfecting only, merely removing unnecessary references to Alaska in definitions of the term "States." Subsection (e) would amend a section of the Investment Company Act of 1940 which provides an exemption from the provisions of the act to companies organized under the laws of the Territories and possessions which confine offerings of their securities to residents of such Territories or possessions. The effect of the amendment would be to remove Alaska from the areas (all of which are Territories and possessions) to which the special exemption applies, and to accord to it the same treatment as the other States receive.

SOIL CONSERVATION

Section 13 would amend two provisions of the Soil Conservation and Domestic Allotment Act. Section 8(b) of that act requires that, in the administration of the law "in the continental United States", the Secretary of Agriculture must use county committees, and that no committee may represent more than one county or parts of different counties. Heretofore the term "continental United States" has been administratively construed to exclude Alaska, with the result that in Alaska, three committees only are now in operation, each serving an area which includes more than one county or parts of different counties. With statehood, Alaska may now be regarded as within the continental United States. If so, adherence to section 8(b) would require the establishment of far more committees in Alaska than would be suitable for Alaska's relatively small program. Therefore, subsection (a) of this section of the bill would remove the requirement with respect to the areas represented by committees in the case of Alaska. Subsection (b) is a perfecting amendment, designed only to reflect Alaska's new status.

BALD EAGLES

Section 14 amends the statute providing protection to bald eagles. Existing law protects the bald eagle "within the United States or any place subject to the jurisdiction thereof, except the Territory of Alaska." Because the bald eagle is now virtually extinct except in Alaska, the protection afforded by the statute should apply to Alaska as well. The amendment contained in this section would achieve that result.

WILDLIFE RESTORATION

Section 15 would amend the statute providing grants to the States and Territories for wildlife restoration in order to remove references to the Territory of Alaska from the section relating to grants to the Territories. The amendments are perfecting only, since Alaska will necessarily be accorded the treatment of a State as a result of the Statehood Act.

FISH RESTORATION

Section 16 would amend the statute providing grants to the States and Territories for fish restoration in order to remove references to the Territory of Alaska from the section relating to grants to the Territories. The amendments are perfecting only, since Alaska will necessarily be accorded the treatment of a State as a result of the Statehood Act.

CRIMINAL CODE

Section 17 provides amendments to the Federal Youth Corrections Act and to a 1958 statute relating to parole, which, under the terms of existing law, apply "in the continental United States other than Alaska." When the U.S. District Court for the District of Alaska is established, pursuant to the Statehood Act, such laws should apply to the State. Subsection (c) provides that the application of the laws in question to Alaska will commence on that date.

EDUCATION

Section 18 provides certain amendments to the laws relating to education.

Subsection (a), relating to the National Defense Education Act of 1958, amends section 103(a), section 302(a)(3), and section 1008 of the act (20 U.S.C.A., secs. 403(a), 442(a)(3)(B), and 588), so as to eliminate the special treatment of Alaska. The amendment to section 302(a)(3) would eliminate the exclusion of Alaska from the continental United States for purposes of determining the allocation of funds to States for acquisition of mathmatics, science, or modern foreign-language equipment. The amendments to sections 103(a) and 1008 would put Alaska on the same basis as the other States for purposes of allocations of funds for the acquisition of such equipment, allocations of funds for State programs of expansion or improvement of public-school supervisory services in mathematics, science, or modern foreign language, and allocations of funds for counseling and guidance and testing programs.

Under section 43, these amendments would be effective in the case of allotments for acquisition of equipment based on allotment ratios which are promulgated after per capita income data for Alaska for a full year are available from the Department of Commerce. They would be effective in the case of allotments for State programs of expansion or improvement of supervisory services, or for counseling and guidance and testing programs, for fiscal years beginning July 1, 1959.

Subsection (b), in paragraph (1), relating to vocational education, amends section 4 of the Smith-Hughes vocational education law. This section provides for allotments to the States for teacher-training in agriculture, trades, and industries, and home economics, and includes an authorization of separate appropriations for the $10,000 minimum allotment provided for the States for this purpose. The $90,000 authorized for the latter purpose would be insufficient to provide the minimum for Alaska as well as the other States, and hence it would be increased by the bill to $98,500.

In order to qualify for funds allocated under this law for vocational education in the field of agriculture, trades and industries, or home economics, a State must "have taken advantage of" an amount at least equal to the minimum allotment for teacher-training in that field. In addition, the law requires at least 20 percent of a State's allotment for teacher-training to be expended in each of the three fields and places a limitation of 60 percent of the teacher-training allotment on the amount which may be expended in any one of the three fields. These requirements and limitations would be made inapplicable to Alaska until the third fiscal year which begins after the enactment of the bill. Similar treatment was accorded the other States when the law was first enacted at which time they were given a 3-year grace period during which these provisions were not applicable.

Subsection (b), in paragraphs (2) and (3), also amends the Vocational Education Act of 1946 to eliminate from the definitions of "State" and "States and Territories," the specific mention of Alaska. These are purely technical amendments.

Subsection (c), relating to school construction assistance in federally affected areas, amends paragraph (13) of section 15 of Public Law 815 (81st Congress), as amended (20 U.S.C.A., sec. 645(13)), which defines the term "State." The amendment would eliminate the specific reference to Alaska. This is a purely technical amendment.

Subsection (d), relating to school operation assistance in federally affected areas, amends section 3(d) of Public Law 874 (81st Congress), as amended (20 U.S.C.A., sec. 238(d)). This section of the law sets forth the method of determining the local contribution rate used in computing the amount of the payments to local school districts on account of federally connected children attending their schools. The determination of the rate for the Territories, including Alaska, is, however, separately provided for, with the Commissioner of Education authorized to make the determination consistent with the policies and principles provided for the determination of the rate in the case of school districts in other States.

The amendments to this section of the law would eliminate the specific mention of Alaska as one of the "States" to whom the specific provision applies, but would make the special provision applicable to any State in which a substantial portion of the land is in unorganized territory for which a State agency is the local educational agency. This would include Alaska at the present time and probably for the next 15 or 20 years. It might conceivably include also other States, although this is not likely. Consequently, the amendments will not have any practical effect upon Alaska in the foreseeable future. These amendments would also specifically include Alaska in the continental United States for purposes of determining the average per pupil expenditure therein, which is used, in turn, in determining the minimum local contribution rate.

These amendments would, under section 43, be applicable beginning with the next fiscal year.

Subsection (d)(4) of section 18 of the bill also amends paragraph (8) of section 9 of Public Law 874 which defines the term "State." The amendment would eliminate the specific reference to Alaska. This is a purely technical amendment.

IMPORTATION OF MILK AND CREAM

Section 19 would make clear that the act of February 15, 1927, which regulates the importation of milk and cream into the "continental United States," applies to Alaska.

OPIUM POPPY CONTROL

Section 20 would provide a perfecting amendment to the Opium Poppy Control Act of 1942. It would strike a now superfluous reference to the Territory of Alaska.

HIGHWAYS

Section 21 would provide for the assumption by the State of Alaska of the functions now performed by the other States in connection with the construction and maintenance of roads. It would direct the Secretary of Commerce to transfer to Alaska without compensation, but subject to conditions which he may deem desirable, all of the real and personal property now held by the Bureau of Public Roads in connection with its current responsibilities in Alaska, except for such property as the Bureau will require in continuing to perform in Alaska, as elsewhere in the States, its usual Federal functions and functions for which the State may contract under section 40(c), and except for lands which must be retained for purposes other than or in addition to road purposes. It is intended that the date of transfer be July 1, 1959, if practicable, or as soon thereafter as would be practicable. Henceforth Alaska will be responsible for road

maintenance, as it has not been in the past. However, Alaska would be able to utilize Federal-aid funds apportioned for the fiscal year ending June 30, 1960, and prior years, and unobligated on the date of passage of this act, for maintenance during fiscal years 1960, 1961, and 1962. To assist it in road construction, the section further provides for the extension to Alaska of the laws relating to Federal aid for highways on the same terms as are applicable to the other States. Citations within the section are keyed to Public Law 85–767, approved August 27, 1958.

INTERNAL REVENUE

Section 22 contains amendments to the Internal Revenue Code of 1954. All, except for that contained in subsection (b), are perfecting in nature, merely removing references to Alaska which are now superfluous. Subsection (b) relates to the definition of the phrase "continental United States" for purposes of the transportation tax. The explicit terms of existing law (i.e., the "continental United States" means "the existing 48 States and the District of Columbia"), excluded the Territory of Alaska, with the result that a partial exemption from the tax was permitted for trips between the Territory of Alaska and the States. The effect of the amendment contained in subsection (b) will be to accord to Alaska, as a State, the same treatment it received as a Territory, and thus to preserve a distinction between Alaska and the other States. The Treasury Department has concluded that it would be contrary to the intent of the Congress, as expressed in 1956, to remove this partial exemption. The exemption was inserted in the law in 1956 in recognition of the fact that Alaska (and Hawaii) were far removed from the States and that transportation between the States and those two Territories involved travel over the high seas and/or a foreign country. When the exemption amendment was considered in the Senate, the possible effect of future statehood was discussed in a memorandum submitted by Senator MORSE (Cong. Rec., March 29, 1956, p. 5212). His statement asserted that statehood should not change the exemption. On this basis, the Treasury Department considers that the partial exemption continues, notwithstanding Alaska's admission to the Union. Enactment of subsection (b) would confirm that conclusion.

COURTS

Section 23, in subsection (a), amends the Judicial Code so that the Court of Appeals for the Ninth Circuit will be required to hold sessions in Anchorage annually. That court is now by law required to hold sessions each year in San Francisco, Los Angeles, Portland, and Seattle. Subsection (b) amends the Judicial Code to provide that the Federal District Court for the District of Alaska shall be held in Ketchikan. Subsection (c) would perpetuate the authority of the Attorney General to fix fees and allowances for witnesses in connection with the Federal court in Alaska. Current fees and allowances, established pursuant to 48 U.S.C., section 25, are set forth at 28 CFR 21.3. Fees and allowances for witnesses in Federal courts, excluding Alaska, are set forth at 28 U.S.C., section 1821. Under the provision of subsection (c) of this section of the bill, Alaska would continue to be excluded from section 1821 of title 28. Subsection (d), in effect, provides for the transfer to the State of moneys, derived from court fees and fines, held by the clerks of the district court of Territory.

VOCATIONAL REHABILITATION ACT

Section 24 relates to vocational rehabilitation.

Subsection (a) amends section 11(g) of the Vocational Rehabilitation Act. This section of the act defines the term "State." The amendment would eliminate the specific reference to Alaska and is a technical amendment.

Subsection (b) amends subsections (h) and (i) of section 11 of the Vocational Rehabilitation Act. These subsections define the terms "allotment percentage" and "Federal share." The amendments would eliminate the special provisions under which the allotment percentage for Alaska is set at 75 percent and the Federal share at 60 percent, and would provide for the determination of these to be made in accordance with the relative per capita income of Alaska, as is done in the case of other States. The amendments would also eliminate the exclusion of Alaska from the continental United States for purposes of determining the allotment percentages and Federal shares for the States. Under section 43 of this bill, the above amendments would be applicable to allotment percentages and Federal shares promulgated after there are available per capita income data for Alaska for a full year from the Department of Commerce, and following a short transition period.

GOLD RESERVE ACT

Section 25 would remove a now obsolete reference to the Territory of Alaska contained in the Gold Reserve Act of 1934.

SILVER PURCHASE ACT

Section 26 would remove a now obsolete reference to the Territory of Alaska contained in the Silver Purchase Act of 1934.

NATIONAL GUARD

Section 27 would provide a perfecting amendment to the definition of "Territory" for purposes of title 32 of the United States Code, relating to the National Guard.

WATER POLLUTION CONTROL ACT

Section 28 provides certain amendments to the Water Pollution Control Act.

Subsection (a) of this section amends section 5(h)(1) of the Federal Water Pollution Control Act. This section defines the term "Federal share" which is used for determining the portion of the cost of the water-pollution control program in each State which will be borne by the Federal Government. The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of the definition, no longer be excluded from the continental United States and would have its Federal share determined, as in the case of the other States, on the basis of its relative per capita income.

Under section 43, these amendments would be effective for promulgations of the Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (b) of this section of the bill amends section 11(d) of the Federal Water Pollution Control Act, which defines "State," to eliminate the special mention of Alaska. This is a purely technical amendment.

VETERANS' ADMINISTRATION

Section 29(a) relates to the authority of the Veterans' Administration under section 903(b) of title 38 (Public Law 85–857), to transport the bodies of veterans who have died in VA facilities. Existing law provides that (a) when a death occurs in the continental United States, transportation may be provided to the place of burial in the United States; (b) when a death occurs in the continental United States, transportation may be provided to the place of burial within Alaska if the deceased was an Alaskan resident and if he had been brought to the United States for VA hospital care; and (c) when a death occurs in a Territory, Commonwealth, or possession, transportation may be provided to the place of burial within such Territory, Commonwealth, or possession. Under existing law, therefore, no explicit provision is included for the transportation of deceased veterans from Alaska to the other States, although the statute might reasonably be construed, as a consequence of Alaska's admission, to permit this result. Similarly, there is no explicit provision for the transportation of deceased veterans from the other States to Alaska, in the absence of a finding that the deceased was an Alaska resident brought to another State for care. Section 29(a) of the proposed bill would make both of these results certain, and in so doing would remove the statutory distinctions between Alaska and the other States. Subsection (b) is a perfecting amendment only.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

Section 30 provides two perfecting amendments to the Federal Property and Administrative Services Act. The first would make clear that the term "continental United States" includes Alaska, and the second would remove an unnecessary reference to Alaska in the definition of the term "State."

PUBLIC HEALTH SERVICE ACT

Section 31 provides certain amendments to the Public Health Service Act.

Subsection (a) amends section 2(f) of the Public Health Service Act which defines the term "State" for purposes of the act. This is a purely technical amendment eliminating the specific inclusion of Alaska as a State.

Subsection (b) would repeal section 371 of the Public Health Service Act relating to the Alaska mental health program. Section 371 authorizes grants totaling $4 million for the fiscal years 1960 through 1967 for the administration of Alaska's mental health program. The subsection also amends section 372 of such act, relating to the grant already made for the construction of a hospital and related facilities for the care of the mentally ill. The amendments to section 372 eliminate references to Alaska as a Territory.

Subsection (c), relating to hospital and medical facilities construction, amends section 631(a) of the Public Health Service Act. This section describes the method of determining allotment percentages which are used in the allocation of the appropriations for hospital and medical facilities construction under title VI of the Public Health Service Act. They are also used in connection with determining the Federal share of the cost of construction. The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of determining the allotment percentages, no longer be excluded from the continental United States and would have its percentage based, as in the case of the other States, on its relative per capita income. Its Federal share would also be determined in the manner provided for the other States.

Under section 43, these amendments would be applicable in the case of promulgations of allotment percentages and Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (c) also amends section 631(d) of the Public Health Service Act, which defines the term "State," to eliminate the specific reference to Alaska. This is a technical amendment.

SOCIAL SECURITY ACT

Section 32 provides certain amendments to the Social Security Act.

Subsection (a), relating to public assistance, amends section 1101(a)(8) of the Social Security Act (20 U.S.C.A., sec. 1301(A)(8)). This section defines the term "Federal percentage" which is used in determining the portion of the expenditures in each State for old-age assistance, aid to dependent children, aid to the blind, or aid to the permanently and totally disabled which will be borne by the Federal Government. The amendments would eliminate the special treatment for Alaska so that Alaska would,

for purposes of the definition, no longer be excluded from the continental United States and would have the determination of its Federal percentage made, as in the case of the other States, on the basis of its relative per capita income.

These amendments to section 1101(a)(8) of the Social Security Act would, under section 43 of the bill, be effective for promulgations of the Federal percentages made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (b), relating to child welfare services, amends section 524 of the Social Security Act (42 U.S.C.A., sec. 724). This section defines the terms "allotment percentage" and "Federal share" for purposes of determining the allocation of the appropriations for child welfare services under part 3 of title V of the Social Security Act among the States and the portion of the expenditures for this purpose in each State which will be borne by the Federal Government.

The amendments would eliminate the special treatment for Alaska so that Alaska would, for purposes of the definitions, no longer be excluded from the continental United States and would have the determinations of its allotment percentage and its Federal share made, as in the case of the other States, on the basis of its relative per capita income.

The amendments made by this subsection of the bill would, under section 43 of the bill, be effective for promulgations of allotment percentages and Federal shares made after per capita income data for Alaska for a full year are available from the Department of Commerce.

Subsection (c), relating to old-age, survivors, and disability insurance, amends the last sentence of section 202(i) of the Social Security Act. This section of the act provides for lump-sum payments in certain cases of death of an individual insured under the old-age, survivors, and disability insurance program. The application for such payments must be filed within 2 years of the date of death, except that, in the case of the death outside the 48 States and the District of Columbia of a member of the Armed Forces (including commissioned officers of the Public Health Service and the Coast and Geodetic Survey) who is "returned" to any of the 48 States, the District, or any United States Territory or possession for interment or reinterment, the 2-year period begins with such interment or reinterment. This special treatment would no longer be provided in the case of deaths in Alaska. It should be noted that the 2 years may be extended for as much as an additional 2 years if good cause for the failure to file within the initial 2-year period is shown.

The subsection (c)(1) amendment would, under section 43 of the bill, be effective in the case of deaths occurring on or after January 3, 1959.

Subsection (c) of the bill also amends subsections (h) and (i) of section 210 of the Social Security Act which define "State" and "United States" for purposes of the old-age, survivors, and disability insurance program. These are purely technical amendments, eliminating the specific inclusion of Alaska as a State, since this inclusion became automatic upon Alaska's admission to the Union.

Subsection (d) amends paragraphs (1) and (2) of section 1101(a) of the Social Security Act which define "State" and "United States" for the purposes of the act. These are technical amendments.

CONGRESSIONAL RECORD

Section 33 amends the law relating to the gratuitous distribution of copies of the CONGRESSIONAL RECORD. Existing law provides that the Governors of the States shall receive one copy in both daily and bound form, while the Governors of the Territories receive five in both daily and bound form. The amendment would strike the reference to Alaska in the latter provision so that the Governor of the New State would be accorded the treatment of a State Governor rather than a Territorial Governor.

FEDERAL REGISTER

Section 34 amends the Federal Register Act so that henceforth publication in the Federal Register of notice of hearing will be regarded as notice to persons residing in Alaska, as well as elsewhere in the mainland of the United States. Under circumstances described in the statute, such publication is, under existing law, adequate with respect to residents of the continental United States excluding Alaska. The amendment would extend the provision to Alaska as well.

AIRPORTS

Section 35(a) would authorize and direct the Administrator of the Federal Aviation Agency to convey to the State of Alaska, without reimbursement, the airports at Anchorage and Fairbanks which were constructed and have been operated and maintained by the United States under the act of May 28, 1948. Subsection (b) would permit completion of certain FAA contracts following such conveyance.

SELECTIVE SERVICE

Section 36 would remove an unnecessary reference to Alaska in the section of the Universal Military Training and Service Act which defines the term "United States." The amendment is perfecting only.

REAL PROPERTY TRANSACTIONS

Section 37 amends the statute which requires the Director of the Office of Civil and Defense Mobilization to come into agreement with the Armed Services Committees of the Congress with respect to certain real property transactions. The amendment would merely remove a superfluous reference to Alaska.

RECREATION FACILITIES

Section 38 relates to the statute which authorizes the Secretary of the Interior to construct public recreation facilities in Alaska. As enacted in 1956, the law authorizes the appropriation of $100,000 each year for the 5 fiscal years ending June 30, 1961, for the construction and maintenance of such facilities, and provides for their transfer to Alaskan agencies or communities. The effect of the provision contained in section 38 is to terminate the existing authorization for appropriations and to substitute for it an authorization of funds for 1 fiscal year only. Such funds could be expended only for the completion of projects begun prior to June 30, 1959, but not completed by that date, and for the maintenance of facilities constructed under the act pending their transfer to Alaska.

AIRCRAFT LOAN GUARANTEES

Section 39 would provide a perfecting amendment to the 1957 statute (set out as a note following 49 U.S.C., Supp. V, sec. 425) which authorizes loans for the purchase of aircraft and equipment.

TRANSITIONAL GRANTS

Section 40 in subsection (a) authorizes the appropriation to the President of funds to be used for transitional grants to the State of Alaska for fiscal years 1960 through 1964. A $10,500,000 grant is authorized for 1960, $6 million for 1961 and for 1962, and $2,500,000 for 1963 and for 1964. The grants would not be earmarked and would be available as a general supplement to the financial resources of the State. The amounts appropriated for transitional grants would be offset to a large extent by the elimination of appropriations for a number of activities which the Federal Government would have continued to finance in Alaska had it remained a Territory. Those include appropriations for capital improvements at Anchorage and Fairbanks Airports; operation and maintenance of intermediate airports; special grants for mental and general health; and construction of recreational facilities. There was also taken into account the fact that Federal-aid highway funds allocated to Alaska after 1960 will not be available for road maintenance and that Alaska would receive revenues from the Federal airports transferred to it.

Subsection (b) would allow the Governor of Alaska to request that a Federal agency continue to provide services and facilities in Alaska for a limited period, pending the taking over of such responsibilities by the State. In the event that the Governor's request is approved, funds for the provision of the services or facilities by the Federal agency would be allocated to it from the grants appropriated under subsection (a), and the grant Alaska receives for the pertinent fiscal year would be correspondingly reduced.

Subsection (c) would authorize the head of a Federal agency, who has transferred to the State of Alaska property or functions pursuant to either the Statehood Act, this bill, or another law, to contract with the State for the continued performance by his agency of functions authorized to be performed by it in Alaska preceding such transfer. The authority would expire June 30, 1964. The State would be required to reimburse the Federal agency for the functions performed by it under contract.

TRANSFER OF PROPERTY

Section 41 would authorize the President to give to the State of Alaska any property owned or held by the United States in Alaska and used in connecttion with functions performed by the Federal Government which have been taken over by the State. The authority would terminate July 1, 1964.

CLAIMS COMMISSION

Section 42 provides for the establishment, should the need arise, of a temporary three member commission to hear and settle any dispute between the Federal Government and Alaska concerning the transfer of Federal property to the State. In both the Statehood Act (notably section 6(e)), and this bill (see sections 21, 35, and 41), provision is made for the transfer or conveyance of certain Federal property to Alaska. If the respective governments should not agree as to what property is comprehended by such sections, the President would be authorized to appoint a temporary commission to settle the dispute. The commission would make no money settlements, but would merely decide which jurisdiction is entitled to the disputed property. Members would receive $50 per day, would be reimbursed for travel, and would receive a per diem allowance when away from their usual places of residence.

EFFECTIVE DATES

Section 43 contains the effective dates for the various amendments to the laws establishing the grant programs of the Department of Health, Education, and Welfare. Most of these provisions have been discussed in relation to the sections amending the pertinent statutes. In addition, subsection (a) of this section provides that where the statutory provisions amended require the allotment percentage, allotment ratio, Federal percentage, or Federal share to be based on per capita income data for a specified period, the determinations will be based, prior to the time when data for the required period are available, on data for the one-year or two-year period for which such data are available.

DEFINITION OF "CONTINENTAL UNITED STATES"

Section 44 provides that, when the phrase "continental United States" is used in Federal laws enacted after the date of enactment of this bill, the phrase shall mean the 49 States of the North American Continent and the District of Columbia.

SEPARABILITY

Section 45 provides a separability clause.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
March 24, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes," together with a section-by-section analysis thereof.

This proposal is designed to make those changes in Federal laws which have become necessary and desirable because of Alaska's admission into the Union "on an equal footing with the other States in all respects whatever." The President recommended in his 1960 budget message that, where necessary, changes should be made in Federal laws "to apply to Alaska the same general laws, rules and policies as are applicable to other States." The proposed legislation would (1) make Alaska eligible to participate in a number of Federal grant-in-aid programs on a comparable basis with the other States; (2) terminate certain special Federal programs in Alaska; (3) authorize Federal financial assistance to Alaska during an interim period, transfers of Federal property to the State and other measures required to facilitate an orderly transition; (4) clarify the applicability of certain laws to Alaska, and (5) eliminate inappropriate references to the "Territory of Alaska" in Federal statutes.

Alaska already participates in the majority of Federal grant-in-aid programs on the same basis as other States. There are a number of Federal grant-in-aid programs, however, where Alaska is still accorded, as it was when a Territory, treatment different from that of other States. We believe that Alaska, as a full and equal member of the Union, should not receive more or less favorable treatment than other States under these programs. The proposed legislation, therefore, would amend pertinent laws providing Federal assistance for national defense education, vocational education, school construction and operation in federally affected areas, highway construction, vocational rehabilitation, water pollution control, hospital and medical facilities construction, old-age assistance, aid to dependent children, aid to the blind, aid to the permanently and totally disabled, and child welfare services to bring Alaska under the apportionment and matching formulas applicable to all other States as soon as possible. Since the 1960 apportionments have already been made, Alaska would not participate in the Federal aid highway program on an equal basis until 1961. Transitional provisions have been included in the proposed amendments to the Smith-Hughes Act, which authorizes grants for vocational education, and the Vocational Rehabilitation Act so as to minimize the effects of any program adjustments which may be required during the transitional period. These special Federal grants which apply only to Alaska for general and mental health and construction of recreation facilities would be terminated.

The Federal Government at present constructs and maintains highways, operates commercial airports and provides a number of other services and facilities in Alaska normally furnished by State and local governments. The President stated in his 1960 budget message that, in the long-run interest of both the State and the Nation, "the Federal Government should not continue special programs in Alaska which, in other States, are the responsibility of State and local governments or of private enterprise." Since some time necessarily will elapse before Alaska can benefit fully from the revenues to be derived from public lands and other resources to be made available to the State by the Statehood Act, the President recommended that "the Federal Government should provide such financial assistance as is necessary to facilitate transfer to the State of such programs as highway construction and maintenance, airport operations, and public health services." If such assistance were not provided, the Federal Government would be faced with the undesirable alternative of postponing transfer of these functions to the State for an indefinite period. The proposed legislation, therefore, would authorize the payment of transitional grants to the State of Alaska in an amount of $10.5 million for the fiscal year 1960 and in declining amounts for the subsequent 4 years. In addition, to assist the State in establishing its court system, the draft bill would transfer to the State any outstanding balances in the accounts of the clerks of the territorial courts at such time as the Federal District Court for Alaska is established. Under the proposed legislation Alaska could choose between receiving the entire transitional grant and administering the transferred programs directly or by contract with a Federal agency, or requesting that a portion be used for financing continued Federal operations during an interim period. Expenditures for the transitional grants to Alaska would be offset to a large extent by the elimination of existing special Federal programs in Alaska.

It is recognized that Alaska will require not only financial assistance, but also facilities and equipment, if it is expeditiously to assume responsibility for functions now performed by the Federal Government. The Statehood Act provides that U.S. property situated in Alaska which is used for the purpose of conservation and protection of fisheries and wildlife in Alaska shall be transferred to the State without reimbursement. The proposed legislation would authorize the President to make similar transfers of property and equipment in any case where the State assumes responsibility for functions formerly performed by the Federal Government. In the event of differences between the Federal Government and Alaska concerning property transfers, the President would be authorized to appoint a temporary three member commission to hear and settle the disputes.

As a consequence of Alaska's changed status, it is believed appropriate to require the Court of Appeals for the Ninth Circuit to hold sessions in Alaska annually. Under the proposed legislation that court, which is now required by law to hold sessions each year in San Francisco, Los Angeles, Portland and Seattle, would be required to hold sessions in Anchorage. The proposed legislation further provides that the U.S. District Court for the District of Alaska shall hold sessions in Ketchikan, as well as at Anchorage, Fairbanks, Juneau and Nom[illegible].

The proposed legislation would extend the applicability of certain Federal laws to Alaska. These include the Sugar Act, a portion of the Investment Company Act of 1940, not hitherto applicable to certain Alaska companies, the act of June 8, 1940 (protection of bald eagles), the Federal Youth Corrections Act, certain provisions relating to parole, a statute relating to the transportation of bodies of veterans who have died in Veterans' Administration facilities, and section 29 of the Federal Register Act (notice of hearings). The draft bill would also amend the Statehood Act to clarify Federal jurisdiction over public domain lands; provide for the termination of certain "Territorial laws" administered by Federal agencies; and clarify the applicability to Alaska of the statute regarding the importation of milk and cream and the nonapplicability of the tax on transportation; provide for the transfer of the Anchorage and Fairbanks airports to the State; and provide a definition to be applicable in the future to the term "continental United States." Several of the provisions of the draft bill are essentially technical and perfecting in nature and either eliminate inappropriate references to Alaska or make other language changes which are considered appropriate because of Alaska's changed status.

The Bureau of the Budget urges early and favorable consideration of the proposed legislation, since its enactment is required to assure continuity of a number of essential public services in Alaska and to provide for the orderly transition of Alaska from territorial status to statehood.

Sincerely yours,

MAURICE H. STANS,
Director.

PROPOSED LEGISLATION RELATING TO CIVIL AERONAUTICS BOARD

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a series of bills relating to the Civil Aeronautics Board. I ask unanimous consent to have printed in the RECORD a letter from the Chairman of the Civil Aeronautics Board, dated March 17, 1959, requesting the proposed legislation, together with the statements of purposes of each bill.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the letter of transmittal and the statements of purposes of each bill will be printed in the RECORD.

The bills, introduced by Mr. MAGNUSON, by request, were received, read twice by their titles, and referred to the Committee on Interstate and Foreign Commerce, as follows:

S. 1542. A bill to amend the Federal Aviation Act of 1958, so as to authorize the imposition of civil penalties in certain cases; and to increase the monetary amount of fines for violation of the criminal provisions.

The statement of purpose accompanying Senate bill 1542 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958, SO AS TO AUTHORIZE THE IMPOSITION OF CIVIL PENALTIES IN CERTAIN CASES; AND TO INCREASE THE MONETARY AMOUNT OF FINES FOR VIOLATION OF THE CRIMINAL PROVISIONS

The purpose of that part of the proposed amendment which authorizes the imposition of civil penalties in certain cases is to provide a statutory tool for the more effective enforcement of the provisions of title IV of the Federal Aviation Act and of the Board's economic orders and regulations issued thereunder and under section 1002(i) of the act.

At the present time violations of these provisions are subject to criminal prosecution under section 902(a) of the act. This sanction is an effective deterrent in serious cases involving knowing and willful violations. With respect to many cases of minor infractions, violations of a less serious nature, and actions falling short of knowing and willful misconduct, the conventional criminal proceedings are either too drastic, too cumbersome or altogether inappropriate. It is in acting upon these less serious but

more numerous violations that the Board believes it could avail itself of the remedy of civil penalty in a constructive manner toward improving the enforcement program.

The availability of the remedy of civil penalty would enable the Board to attack violations speedily and avoid situations such as have existed in the past where offenders have been able to persist in violations during the time required to prosecute a formal proceeding of court action.

The availability of the remedy of civil penalty would afford an adequate remedy as a substitute for criminal action except in serious cases where willful and knowing violations involving the necessary degree of criminal responsibility may be established. Moreover, the imposition of civil penalty would, in many cases, have a salutary effect comparable to that of criminal penalties without subjecting the offender to the serious stigma which follows imposition of criminal penalties.

The modifications proposed in existing section 901(a) of the act have been drafted primarily for the purpose of making available this additional sanction. In regard to section 902(a), such changes have been made to preserve the effectiveness and applicability of the criminal penalties as are made necessary in view of the amendment of section 901(a).

It is also proposed (1) to add to section 901(a) a provision, that if the violation is a continuing one, each day of the violation shall constitute a separate offense, and (2) to amend section 902(a) to increase the monetary amount of fines which may be imposed thereunder.

The amendment of section 901(a) to provide that each day of violation shall constitute a separate offense is believed desirable in the interest of effective enforcement of the civil penalty procedure. Section 902(a) already contains such a provision with regard to criminal violations.

With respect to the proposal to increase the monetary amounts of the fines which may be imposed for violation of the criminal provisions, the Board feels that the current provisions are no longer adequate. Knowing and willful violations of the Civil Aeronautics Act are serious offenses for which there should be a more effective deterrent than the present maximum of $500 for the first offense. Likewise, it is suggested that repeated offenses should carry a higher penalty than the $2,000 fine now specified as the maximum, and that there should be a mandatory minimum fine in all cases.

Accordingly, the attached draft incorporates: (1) amendments to authorize the Board to impose civil penalties in additional cases, (2) amendment of section 901(a) to provide that each day of violation shall constitute a separate offense, and (3) amendment of section 902(a) to provide for the imposition of a mandatory minimum fine of $100, with a maximum of $5,000 both for the first offense and for each subsequent offense.

There is attached an analysis of the proposed amendments and a comparison of the proposed amendments with existing law.

ANALYSIS OF PROPOSED AMENDMENTS TO SECTIONS 901(A)(1) AND 902(A) OF THE FEDERAL AVIATION ACT OF 1958

The Federal Aviation Act as now written authorizes the imposition of a civil penalty not to exceed $1,000 for each violation of (1) Any provision of title III (powers and duties of Administrator); (2) any provision of title V (nationality and ownership of aircraft); (3) any provision of title VI (safety regulation); (4) any provision of title VII (aircraft accident investigation); (5) any provision of title XII (security provisions); (6) any rule, regulation, or order issued under titles III, V, VI, VII, and XII; (7) any rule or regulation issued by the Postmaster General under the act.

The act further provides that any such civil penalty may be compromised by the Administrator in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, and by the Board in the case of violations of title VII, or any rule, regulation, or order issued thereunder, or by the Postmaster General in the case of regulations issued by him.

There has been added, and this is the principal purpose of the bill, language to make persons violating the provisions of title IV (air carrier economic regulation) of the act, and orders, rules, and regulations of the Civil Aeronautics Board issued thereunder, or violating any term, condition, or limitation of any permit or certificate issued under title IV, subject to a civil penalty of not to exceed $1,000. Air carriers violating Civil Aeronautics Board orders under section 1002(1) of the act will likewise be subject to such civil penalty. The power to compromise such penalties is also included in the proposed bill. In addition, a provision has been added to section 901(a), similar to that already contained in section 902(a), that if the violation is a continuing one, each day of such violation shall constitute a separate offense.

The amendment to section 902(a) has two aspects. The first is for the purpose of preserving the existing law. Under that section as it exists today, a knowing and willful violation of certain titles of the act, including title IV, and of orders, rules, regulations, certificates, and permits issued thereunder, are made misdemeanors, but only in those cases where no penalty is otherwise provided by the act. Since the proposed amendment to section 901(a) provides civil penalties for violations of title IV, the proposed amendment to section 902(a) to refer to penalties provided "in this section," is necessary in order to continue knowing and willful violations as criminal offenses.

The second aspect of the revision of section 902(a) is to increase the monetary amount of fines imposed for the violation of the criminal provisions so as to more effectively deter knowing and willful violations of the Federal Aviation Act. Therefore, provision is made for the imposition of a mandatory minimum fine of $100, with a maximum of $5,000 both for the first offense and for each subsequent offense.

COMPARISON WITH EXISTING LAW

Title IX. Penalties

Civil Penalties

Safety, economic, and postal offenses

Section 901 (a): (1) Any person who violates (A) any provision of titles III, IV, V, VI, VII, or XII of this act, or any rule, regulation, or order issued thereunder, or under section 1002(1), or any term, condition, or limitation of any permit or certificate issued under title IV, or (B) any rule or regulation issued by the Postmaster General under this act, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. If such violation is a continuing one, each day of such violation shall constitute a separate offense: *Provided*, That this subsection shall not apply to members of the Armed Forces of the United States, or those civilian employees of the Department of Defense who are subject to the provisions of the Uniform Code of Military Justice, while engaged in the performance of their official duties; and the appropriate military authorities shall be responsible for taking any necessary disciplinary action with respect thereto and for making to the Administrator or Board, as appropriate, a timely report of any such action taken.

(2) Any such civil penalty may be compromised by the Administrator in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, and by the Board in the case of violations of titles IV and VII, or any rule, regulation, or order issued thereunder, or under section 1002(1), or any term, condition, or limitation of any permit or certificate issued under title IV, or the Postmaster General in the case of regulations issued by him. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

Criminal Penalties

General

Section 902(a): Any person who knowingly and willfully violates any provisions of this act (except title III, V, VI, VII, and XII), or any order, rule, or regulation issued under any such provision or any term, condition, or limitation of any certificate or permit issued under title IV, for which no penalty is otherwise provided in this section, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject for each offense to a fine of not less than $100 and not more than $5,000. If such violation is a continuing one, each day of such violation shall constitute a separate offense.

S. 1543. A bill to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes.

The statement of purpose accompanying Senate bill 1543 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 TO AUTHORIZE THE CIVIL AERONAUTICS BOARD TO INCLUDE IN CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY LIMITATIONS ON THE TYPE AND EXTENT OF SERVICE AUTHORIZED, AND FOR OTHER PURPOSES

The fourth sentence of section 401(e) of the Federal Aviation Act provides that "no term, condition, or limitation of a certificate shall restrict the right of an air carrier to add to or change schedules, equipment, accommodations, and facilities for performing the authorized transportation and service as the development of the business and the demands of the public shall require."

Under this provision it is not entirely clear as to the extent to which the Board may impose on certificates of public convenience and necessity effective limitations or restrictions with respect to schedules, equipment, accommodations, or facilities. Without some clarification this provision may result in preventing the Board from issuing certificates to carriers which request authority to perform air carrier operations on a limited scale. The purpose of the proposed legislation is to make it clear that a carrier may request and be authorized to perform limited services.

S. 1544. A bill to amend the Federal Aviation Act of 1958 in order to (1) assure for the Civil Aeronautics Board independent participation and representation in court proceedings, (2) provide for review of nonhearing Board determinations in the courts of appeals, and (3) clarify present provisions concerning the time for seeking judicial review.

The statement of purpose accompanying Senate bill 1544 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 IN ORDER TO (1) ASSURE FOR THE CIVIL AERONAUTICS BOARD INDEPENDENT PARTICIPATION AND REPRESENTATION IN COURT PROCEEDINGS, (2) PROVIDE FOR REVIEW OF NONHEARING BOARD DETERMINATIONS IN THE COURTS OF APPEALS, AND (3) CLARIFY PRESENT PROVISIONS CONCERNING THE TIME FOR SEEKING JUDICIAL REVIEW

The purpose of the proposed amendment is to correct demonstrated deficiencies in the judicial review provisions governing the

Board, to clarify them in certain respects, and to bring them into harmony with the statutory scheme for review applicable to most other comparable agencies.

1. Existing law is susceptible to the interpretation that the Board's right of participation and of independent representation through its own counsel in court proceedings involving the validity of its own orders is dependent upon the consent and acquiescence of the Attorney General.[1] The working relationship between the Board and the Department of Justice in litigation matters generally has been satisfactory, so that practical problems rarely arise. However, in some instances there have been conflicts of opinion on matters pertinent to pending Board litigation, with the result that the Board has been deprived of the opportunity in such situations of making its views known to the court. The proposed amendment would resolve difficulties of this nature by providing for participation as of right by both the Attorney General and the Board where it may become necessary because of differences in position.

The Board's proposal for independent participation and representation is no more than a reflection of the situation as it exists today with respect to comparable Government agencies. Some agencies defend their orders in Federal courts other than the Supreme Court without any control by the Attorney General;[2] others, which are covered by the provisions of the Hobbs Act (5 U.S.C. 1031 et seq.), continue under the general control of the Attorney General, but have the statutory right to appear and be represented as a separate party in the manner which the Board advocates.[3] It is the Board's opinion that the existence of a similar right in the Board is essential to a proper recognition of its status as an independent regulatory agency, and to assure that the Board at all times will be free to express its position in court concerning the proper interpretation of the statute which it administers.

The foregoing reasons also support the Board's proposal that existing law be amended to make clear that the Board may, on its own initiative, institute and fully prosecute all necessary court proceedings to compel compliance with the act and the Board's actions taken thereunder, for it is of equal importance that independence of action on the part of the Board be assured in enforcement matters. The proposed amendment permits the Board to proceed independently or through the Attorney General in such cases, and provides that the Attorney General may, in any event, participate as of right.

2. The review provisions of the Civil Aeronautics Act, now incorporated in the Federal Aviation Act, have been judicially interpreted to the effect that certain Board actions taken without an evidentiary record, such as regulations promulgated without evidentiary hearings are directly reviewable, if at all, in the Federal district courts.[4] Since determinations of the Board are normally reviewable as orders by the courts of appeals, this interpretation has led to some uncertainty and confusion, which should be corrected. Appropriate corrective action has been taken with respect to similar problems of other agencies and departments within the coverage of the Hobbs Act, which act specifically provides that nonhearing determinations shall be reviewable in the courts of appeals (5 U.S.C. 1037).

The Board's proposal is to substantially incorporate in relevant part provisions of the Hobbs Act on this point into the review provisions of the Federal Aviation Act. The Board believes that the proposed amendment will not only alleviate the confusion and uncertainty as to the proper forum for review in these cases, but will also provide for more effective and expeditious review. The courts of appeals generally are more familiar with the Board's functions, and cases before such courts generally are processed more quickly than those in the district courts. Since, under the Hobbs Act procedure, nonhearing cases are transferred to the district courts only in those instances where there is a genuine issue of material fact, delays incurred in the course of completing the review process should be minimized.

This particular part of the amendment is specifically designed to cure the problem raised in the Arrow case, supra, where the Court of Appeals declined to review as orders Board regulations which were of general applicability and prospective effect. Under the amendment, regulations of this type which have immediate impact would be reviewable in a court of appeals. It is not designed to change or alter the existing situation with respect to rules or regulations having no immediate application, as to which a person affected may, for example, raise the question of invalidity of such rules by way of a defense in an action brought to enforce them, nor is it designed to make any orders reviewable that are not subject to review under existing law.

3. The law pertaining to the proper computation of the 60-day period for seeking judicial review of Board orders is unclear. In *Consolidated Flower Shipments* v. *Civil Aeronautics Board* (205 F. 2d 449 (1953)), the Court of Appeals for the Ninth Circuit held that the 60-day period is not extended by the filing of a timely petition for reconsideration with the Board although the Board's procedural rules permit such petitions. Although the Supreme Court has never passed on the question, there is authority for the position that, contrary to the Ninth Circuit's view, the filing of such a petition tolls the time for seeking judicial review, so that the 60-day period is to be computed from the date of entry of the order denying reconsideration rather than from the date of entry of the initial order. The Board has always supported the latter position, on the ground, inter alia, that the legislation evidences no intention to deprive a private party of the opportunity of first seeking, at his election, reconsideration from the Board where its rules permit petitions for reconsideration, and then resorting to court review. The proposed amendment eliminates the present uncertainty concerning the properly applicable rule under the Federal Aviation Act by specifically recognizing that such an election is available to substantially interested persons.

4. Section 1006(c) of the Civil Aeronautics Act of 1938 was amended by section 18 of Public Law 85–791, approved August 28, 1958, by adding the words "as provided in section 2112 of title 28, United States Code," but the Federal Aviation Act of 1958, approved August 23, 1958, was not so amended. To correct this obvious inadvertence the quoted phrase was added to section 1006(c) of the proposed bill.

It should be emphasized that no attempt has been made to affect existing law otherwise than in the specific respects noted in paragraphs 1 through 3 hereof. To that end, the language of the statute remains substantially in its present form. It may be noted that the sections of the act proposed to be amended apply generally both to the Civil Aeronautics Board and to the Administrator of the Federal Aviation Agency. To the extent that actions of the Administrator may be reviewable under section 1006(a), and insofar as the Administrator may be empowered to institute enforcement proceedings pursuant to section 1007(a), the proposed amendment effects no change in those respects.

The amendment as proposed by the Board incorporates changes, deletions, and additions in sections 1006 and 1008 of the act, many of which are minor in nature. The differences, which are shown graphically in the attached "Comparison With Existing Act," are briefly described below:

(a) The word "Circuit" has been added after the words "United States Court of Appeals for the District of Columbia," in sections 1006(a) and 1006(b) in order to accurately reflect that court's present status.

(b) Section 1006(a): Three additional changes have been made:

(1) For a description of the type of orders subject to review, the amendment substitutes the words "any final order" for the phrase "any order, affirmative or negative" now in the statute. This change embodies the judicial interpretation of the present language (*Chicago & Southern Airlines* v. *Waterman Steamship Corp.* (333 U.S. 303) [1948] and accords with the phraseology used in the Hobbs Act (5 U.S.C. 1032)).

(2) The sentence dealing with late filed petitions for review has been deleted as unnecessary.

(3) The sentence added at the end of the section makes clear the option in a petitioner to seek judicial review either within 60 days after the entry of the order complained of or within 60 days after disposition has been made of a petition for reconsideration timely filed pursuant to an applicable rule of the Board or Administrator.

(c) Section 1006(d): The section has been amended by adding, after its present provisions, additional provisions concerning the procedure to be followed with respect to hearing and nonhearing determinations. The language employed follows closely that used in section 7 of the Hobbs Act (5 U.S.C. 1037).

(d) Section 1006(f): The principal change made here is the addition of language to assure that the Board and any aggrieved party, as well as the Solicitor General, may file a petition for writ of certiorari with the Supreme Court. The same general purpose has been achieved with respect to other agencies and departments by section 10 of the Hobbs Act (5 U.S.C. 1040).

(e) Section 1008: A new subsection (b) has been added. The net effect of this particular portion of the proposed amendment is to provide (1) that the Board may, on its own responsibility, institute and prosecute enforcement proceedings brought under section 1004(c) or section 1007(a), with full rights in the Attorney General to participate in such proceedings; and (2) that in other

---

[1] Sec. 1008 of the act provides "Upon request of the Attorney General, the Board, or Administrator, as the case may be, shall have the right to participate in any proceeding in court under the provisions of this act."

[2] Agencies of this type are the Federal Trade Commission (15 U.S.C. 45 (c)); the Federal Power Commission (15 U.S.C. 717r, 717s; 16 U.S.C. 825, 825m(c)); the National Labor Relations Board (29 U.S.C. 160(e), 160(f)); and the Securities and Exchange Commission (15 U.S.C. 77i(a), 77vvv, 78y(a), 79(x)). The Federal Communications Commission is in the same category with respect to actions for review of its orders brought under sec. 402(b) of the Communications Act (47 U.S.C. 402(b)).

[3] The Federal Communications Commission, where review is sought under sec. 402 (a) of the Communications Act (15 U.S.C. 402(a)); the Secretary of Agriculture; the U.S. Maritime Administration and the Federal Maritime Board; and the Atomic Energy Commission (see 5 U.S.C. 1032, 1038). The Interstate Commerce Commission long has had similar independence of participation and representation (28 U.S.C. 2322, 2323).

[4] See *Arrow Airways, Inc.* v. *Civil Aeronautics Board*, 182 F. 2d 705 (1950).

than section 1007(a) proceedings, the Attorney General will have general supervisory direction and control of Board litigation, but with a statutory right in the Board itself to independent participation and representation (except in criminal proceedings).

S. 1545. A bill to amend the Federal Aviation Act of 1958 so as to authorize elimination of a hearing in certain cases under section 408.

The statement of purpose accompanying Senate bill 1545 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 SO AS TO AUTHORIZE ELIMINATION OF A HEARING IN CERTAIN CASES UNDER SECTION 408

Under section 408(b), the Board may not grant its approval of any of the acts enumerated in section 408(a) without first conducting a hearing upon an application presented to the Board. The purpose of the proposed amendment is to relieve the Board and the parties to an application submitted under section 408(b) from the necessity of going through a hearing in those cases where the Board determines that a hearing is not necessary in the public interest and no person disclosing a substantial interest requests a hearing.

Many of the acts which require Board approval under section 408(b), such as a proposed merger of airlines or the acquisition of control of an airline, are transactions which substantially affect the public interest, and of course relief from the mandatory hearing requirement is not being sought in respect of them. However, experience has shown that in many other cases a hearing serves no useful purpose. These are cases involving relatively simple transactions which by reason of their limited nature (1) cannot conceivably affect the control of a direct air carrier or result in creating a monopoly, restraining competition, or jeopardizing another air carrier not a party to the transaction; (2) do not involve an objection by any interested party; and (3) where a hearing would provide no further significant information concerning the transactions.

Examples of such transactions are purchases and leases of a limited number of aircraft (often only one aircraft and seldom more than three) where it appears that the transaction will prove beneficial to both parties and the public and where no person not a party to the transaction is concerned with it. Another example is a transaction directly affecting only a small air freight forwarder, where the impact of the transaction on the public interest can only be considered de minimus. In cases such as these where a hearing serves no useful purpose and no interested person requests a hearing, it is believed that Congress would desire that the Board have authority to act on the matter without a hearing. Congress has granted authority similar to that being here requested to the Interstate Commerce Commission (sec. 5 of the Interstate Commerce Act, as amended by the act of Aug. 2, 1959) and to the Federal Communications Commission (sec. 221 of the Communications Act of 1934, as amended by the act of Aug. 2, 1956).

In the absence of authority in section 408(b) to dispense with a hearing, the Board has on various occasions followed the procedure of exempting the parties to an application from the requirements of section 408 pursuant to the exemption authority contained in section 416(b) of the act. However, this procedure can be followed only in cases where the Board finds that the enforcement of section 408 would be an undue burden on an air carrier applicant "by reason of the limited extent of, or unusual circumstances affecting, the operations of such air carrier * * * and is not in the public interest." In cases where the applicant or one of the applicants for approval of a transaction under section 408 is not an air carrier, then the Board cannot grant such applicant an exemption for the reason that section 416(b) gives the Board exemption authority only with respect to air carriers. In such cases the Board has had no choice other than to hold hearings, even in cases where it was apparent that such hearings would serve no useful purpose so far as enabling the Board to protect the public interest is concerned.

It is estimated that enactment of the proposed amendment would enable the Board to eliminate as many as 10 hearings each year which are now required to be conducted at considerable expense in terms of time, effort, and money expended by the Board's staff and by the applicants.

S. 1546. A bill relating to the use of Civil Aeronautics Board reports and testimony of Board personnel regarding aircraft accidents.

The statement of purpose accompanying Senate bill 1546 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION RELATING TO THE USE OF CIVIL AERONAUTICS BOARD REPORTS AND TESTIMONY OF BOARD PERSONNEL REGARDING AIRCRAFT ACCIDENTS

Pursuant to sections 701 and 702 of the Federal Aviation Act, the Civil Aeronautics Board is charged with the responsibility for investigating and determining the probable cause of accidents involving civil aircraft and making reports concerning such accidents. This function is discharged in large measure by expert accident investigators employed by the Board's Bureau of Safety. Written reports are prepared by these investigators on all accidents investigated by them, which embody their factual observations as well as their conclusions and these reports are submitted to the Board. The accident investigators also testify in the Board's accident investigation hearings.

The purposes of the proposed amendment to the Federal Aviation Act are (1) to preserve the integrity of the Board's function to determine the probable cause of accidents involving aircraft; (2) to this end, to prevent the kind of involvement of the Board and its personnel in litigation arising from such accidents which would result from their testifying as expert witnesses or from the use in such litigation of Board reports or records; and (3) to make factual information pertaining to accidents developed by Board personnel, available to litigants to the extent it is not reasonably available elsewhere and in the manner which reduces to a minimum the time Board personnel are kept away from their regular duties.

These purposes are fully consistent with established public policy and with the underlying intent of the enabling statute. Undesirable involvement of the Board or its personnel in the issues arising in litigation would result from their giving expert or opinion testimony. The opinions of these experts, upon which the Board relies heavily in making its findings as to probable cause and recommendations in accident reports, are so inextricably entwined with the report that this basic purpose would be defeated were such opinion testimony permitted. Furthermore, the use of Board investigators as experts to give opinion testimony in civil suits between private parties would impose a serious burden on the Board's investigative staff, and would seriously interfere with the functioning of the Board's investigative processes. The proposed amendment would not impinge upon the policy of the law to make factual information and proof available to litigants who need it, but would reconcile that policy with the interest of the Government not to have the time and efforts of persons on the public payroll unnecessarily diverted from their tasks. The Board and its personnel would be assured of uniform rules and procedures governing their testimonial duties in accident litigation, which would enable the Board to more reliably plan the use of its limited staff of accident investigation experts.

The need for this legislation is shown by experience. Present section 701(e), continued without change from section 701(e) of the Civil Aeronautics Act of 1938, does not explicitly prohibit expert testimony by Board personnel and does not regulate the taking of their factual testimony. The Board has promulgated regulations which express the principles of the proposed legislation in this respect, 14 CFR 311.3, but they have not always proved effective.

It should be pointed out that the proposed legislation constitutes a minimum program. Thus this legislation would not overrule those court decisions which have permitted use of the transcript of testimony in the Board's accident investigation hearings for purposes of cross-examination in private litigation, nor those which have held that accident reports made to the Board by operators of aircraft are not privileged. The Board at this time is limiting its legislative proposal to the areas of the most pressing need.

S. 1547. A bill to amend the Federal Aviation Act of 1958 so as to prohibit certain practices regarding passenger ticket sales and reservations.

The statement of purpose accompanying Senate bill 1547 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 SO AS TO PROHIBIT CERTAIN PRACTICES REGARDING PASSENGER TICKET SALES AND RESERVATIONS

The purpose of the proposed amendment is to protect the right of the public to purchase airline tickets at the lawful tariff rates and to prevent the purchase of tickets by brokers or other persons with the intent of selling the tickets to travelers at a premium.

Section 403(b) of the Federal Aviation Act prohibits carriers from charging more or less than the effective tariff rate. This provision is supplemented by section 902(d) specifically penalizing ticket agents as well as carriers, or the personnel or representatives thereof, for rebating or charging less. There is no parallel penalty against ticket agents or persons other than carriers for scalping—charging more. To deter scalping effectively, passage of such a penalty provision is necessary.

The practice of "ticket scalping," so-called, has grown to such an extent as to constitute a substantial burden on the orderly development of interstate air transportation. The adverse effects of the practice are particularly evident on the most heavily traveled routes, such as that between New York and Miami. However, with the increasing demand for air transportation throughout the country, it may be expected that these practices will increase, to the expense and annoyance of the traveling public, unless effective measures are taken to put a stop to them.

A common pattern of "ticket scalping," as revealed by investigations conducted by the Board's Office of Compliance, is for an individual to make ticket reservations in anticipation of heavy travel demand. As it is required that the prospective passengers' names be given, the tickets are reserved in the name of a person not intending to use the space. Upon being approached for assistance in obtaining travel accommodations by a bona fide prospective passenger, the individual picks up one of the tickets he has received, and delivers it to the prospective passenger, charging a substantial premium or gratuity, commonly ranging from $5 to $50. The purchaser is advised, of course, that he must travel under the name of a person who did not intend to use the

space which appears on the ticket. The individuals engaging in these ticket selling practices are frequently hotel employees and others similarly situated to come in frequent contact with travelers.

Certain travel agencies themselves may knowingly issue tickets to persons with names other than those in which the space was previously reserved, not necessarily to extract a premium price from the purchaser, but to get the commissions paid them by carriers for the ticket sales. The space reservations may actually have been made in fictitious names or may have been made for people later deciding not to buy the space reserved.

It is also essential that the above amendment be supplemented by a prohibition against purposely making reservations in the name of a person not intending to use the space or selling tickets knowing that they were issued for the use of a person other than the buyer or were issued pursuant to a reservation made for the use of a person other than the buyer. This prohibition, coupled with a penalty, would further deter scalping schemes at inception and prevent a few unscrupulous individuals from monopolizing unsold space which should always be available through any legitimate agency or the carrier to those seeking accommodations.

There would seem to be no doubt that the recommended provisions would go far to prevent scalping and the usurpation of space which causes an undue burden on an anxious public seeking to obtain air travel accommodations. Federal legislation is needed to provide an effective remedy for a general situation which cannot be adequately corrected by the carriers, by local enforcement of such State statutes or ordinances as are in effect, or by the Board under its present authority.

S. 1548. A bill to amend the Federal Aviation Act of 1958 to include a declaration of policy relative to the use of civil aircraft in meeting the needs of the Government for transportation by air.

The statement of purpose accompanying Senate bill 1548 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 TO INCLUDE A DECLARATION OF POLICY RELATIVE TO THE USE OF CIVIL AIRCRAFT IN MEETING THE NEEDS OF THE GOVERNMENT FOR TRANSPORTATION BY AIR

The Board believes that the Government, the Nation's largest single user of transportation, in providing for transportation by air, should, whenever practicable, utilize the services and facilities of operators of civil aircraft offering such transportation. In particular, the policy of the Department of Defense not to engage in competition with the operators of civil aircraft should be continued and encouraged by statutory sanction.

The value to the Nation of civil aircraft operators as a means of providing a reservoir of aircraft and trained personnel which can be utilized by the military in time of emergency has been pointed out many times. By utilizing the services of such operators the Government can not only strengthen them, but even in marginal cases can assure their continued existence. In the case of a subsidized air carrier, the advantages of making use of its facilities, where it is practicable to do so, may be even more pronounced, by reason of the additional advantage of reducing or eliminating the need of the air carrier for Government subsidy.

The addition of the proposed new policy statement would be responsive to the recommendations made by the President's Air Policy Commission in 1954 (Report on Civil Air Policy, May 1954, p. 17), and the recommendation of the Comptroller General in his report to the Congress on the Civil Aeronautics Board in 1955 (Audit Report to the Congress of the United States, Civil Aeronautics Board, October 1955, p. 30). However, the Board's proposal is broader, and would not be limited to the certificated air carriers.

ANALYSIS OF PROPOSED AMENDMENT TO TITLE I OF THE FEDERAL AVIATION ACT OF 1958

The proposed amendment consists simply of the insertion of a new section to title I. The new section is numbered section 104, and the present section 104 entitled "Public Right of Transit" is renumbered as section 105.

Primarily, the purpose of the amendment is to assure, by declaration of congressional policy, the continuance by the Department of Defense, the Nation's largest single user of transportation, of its policy not to engage in competition with the operators of civil aircraft. However, considerations prompting such a declaration of policy also apply, in lesser degree, to other agencies of the Government. The proposed amendment therefore has been made of general applicability but includes specific reference to the Department of Defense.

Likewise, the legislation has been drafted so as not to limit the expression of congressional policy to utilization of the services of the certified air carriers, as distinguished from other operators of civil aircraft willing and able to furnish transportation by air.

S. 1549. A bill to amend section 407 of the Federal Aviation Act of 1958.

The statement of purpose accompanying Senate bill 1549 is as follows:

STATEMENT OF PUEPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND SECTION 407 OF THE FEDERAL AVIATION ACT OF 1958

Section 407(e) of the Federal Aviation Act provides that the Board shall have access to all accounts, records, and memoranda kept by air carriers and may inspect and examine the same. However, under the language of the section as written there is doubt as to the authority of the Board to examine the books and records of persons controlled by an air carrier, under common control with an air carrier, or of service organizations controlled by groups of air carriers. The activities of such persons and organizations are known to the Board in varying degrees from information presented at hearings and common carrier pooling agreements relating thereto submitted to the Board for approval. The Board has no means of determining the accuracy of financial data relating to such persons included in submissions to it, and, specifically, of compliance with the terms of agreements and the equity of formulas included therein.

The legislation herein proposed would implement the recommendation of the Comptroller General of the United States contained on pages 3 and 91 of his "Audit Report to the Congress of the United States, Civil Aeronautics Board, October 1955."

Accordingly, the Board believes that section 407(e) should be amended to make it clear that the Board's authority under section 407 embraces persons controlled by an air carrier, under common control with an air carrier, and service organizations controlled by groups of air carriers.

There is attached a detailed analysis of the proposed amendments and a comparison with existing law.

ANALYSIS OF PROPOSED AMENDMENT TO SECTION 407 OF THE FEDERAL AVIATION ACT OF 1958

Section 407 of the Federal Aviation Act provides for the filing of reports, the prescription by the Board of the forms of accounts, and for the inspection of accounts and other records of air carriers by the Board. In addition, section 407(e) provides that "the provisions of this section shall apply, to the extent found by the Board to be reasonably necessary for the administration of this Act, to persons having control over any air carrier, or affiliated with any air carrier within the meaning of section 5(8) of the Interstate Commerce Act, as amended."

Thus the provisions of this section are limited in application to (1) air carriers, (2) persons having control over an air carrier, and (3) persons affiliated with any air carrier within the meaning of section 5(8) of the Interstate Commerce Act. "Affiliates," as defined in section 5(8), now section 5(6), of the Interstate Commerce Act does not specifically make reference to persons controlled by an air carrier, persons under common control with an air carrier, or to associations controlled by groups of air carriers. Consequently, there is doubt as to whether the provisions of section 407(e) extend to such persons or associations.

It is proposed to clarify this matter by amending the last sentence of section 407(e) of the Federal Aviation Act as heretofore indicated.

Precedent for the enactment of legislation along the lines here recommended may be found in the action taken by Congress relative to the auditing and inspection powers of the Interstate Commerce Commission.

Originally, the accounting and inspection provisions of the Interstate Commerce Act with respect to regulation of railroads extended only to real carriers. In November, 1938, the Interstate Commerce Commission recommended to the Congress that noncarrier railroad subsidiaries be brought within its jurisdiction with respect to accounting. See the 52d Annual Report of the Interstate Commerce Commission, page 121. In 1940, and 1949, the Interstate Commerce Act was amended so as to greatly enlarge the scope of section 20(5) relating to the keeping of accounts and their inspection. The Commission was given authority to inspect the accounts of "carriers, lessors, and associations" and to inspect the accounts of "any person controlling, controlled by, or under common control with any such carrier." Further, "association" was defined in section 20(8) to mean "an association or organization maintained by or in the interest of any group of carriers subject to this part which performs any service, or engages in any activities, in connection with any traffic, transportation, or facilities subject to this act."

These changes were brought about, in part at least, as a consequence of the decision of the Commission in Refrigeration Charges on Fruits, etc., from the South (151 ICC Reports, pp. 649, 651, 693 (1929)). That case involved the Fruit Growers Express Co., which was not a common carrier but all of its stock was owned by 18 railroads. The Commission stated that the express company was not subject to its jurisdiction, and further stated on page 693:

"We are further of the opinion that when the carriers perform a part of their transportation service through a separate agency having a monopoly and not subject to the restraint of competition, they should, as they do here, control that agency, but its accounts and the contracts which it makes with the carriers should be subject to our jurisdiction. The investigation which we have made in this proceeding is essential to the determination of reasonable charges for a special service which by statute has been included in the transportation duties of respondents. Yet this investigation, so far as it involves the accounts and records of the express company, has been made as a matter of favor. Under the present law we have no access to the records of that company which we could have enforced as a matter of legal right. Plainly this is an indefensible situation which ought not to be permitted to continue."

S. 1550. A bill to amend the Federal Aviation Act of 1958 to provide for the separation of subsidy and airmail rates, and for other purposes.

The statement of purpose and analysis accompanying Senate bill 1550 are as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 IN ORDER TO PROVIDE FOR THE SEPARATION OF SUBSIDY FROM AIRMAIL RATES, AND FOR OTHER PURPOSES

The purpose of the proposed amendment is to eliminate the confusion which still arises in the public mind as to the difference between subsidy and service mail pay and to create greater administrative flexibility and other technical advantages in the administration of the Federal Aviation Act.

Under existing law the establishment and payment of compensatory rates for the carriage of airmail are merged in section 406 of the Federal Aviation Act with the establishment and payment of subsidy to air carriers operating under certificates authorizing the transportation of mail by aircraft. Although Reorganization Plan No. 10 of 1953 (67 Stat. 644, effective October 1, 1953) and the incorporation of the substance thereof in section 406(c) of the Federal Aviation Act of 1958 accomplished a major part of the objectives of subsidy separation, by placing responsibility for subsidy payment in the agency which determines the subsidies and by enabling the Congress and the President to maintain effective review of the subsidy program, there still exists some misapprehension in the mind of the general public as to the distinction between payment in compensation for the service of transporting the mail and payment in support of the development of air transportation. Legislative separation will help to eliminate this misunderstanding. Under the proposed legislation, in place of fixing, determining and publishing a single rate which includes an element to be paid by the Postmaster General as service pay and an element to be paid by the Board as subsidy, a separate subsidy rate exclusive of the compensatory pay element would be fixed, determined and published by the Board for payment by the Board.[1]

It should be noted that the proposed legislation does not alter the basic national policy of promoting the sound development of air transportation through Federal aid, nor does the legislation change the aggregate amount of revenue for which any airline is eligible. Moreover, the legislation enhances the opportunity for congressional and public review both of subsidy rates and of service rates. (See "Message from the President of the United States Transmitting Reorganization Plan No. 10 of 1953," H. Doc. No. 160, 83d, Cong., 1st sess.)

To be emphasized is the fact that no attempt has been made to affect existing law otherwise than in the specific respects stated above. To that end, the language of the new statutory provision closely parallels the language of section 406 of the act. However, it has been deemed desirable to make a clarifying change by substituting for the words "each holder of a certificate authorizing the transportation of mail by air" in section 406(a) the words "air carrier authorized to transport mail by air." Inasmuch as the Board has construed the present provision of section 406(a) authorizing it to fix service rates for the transportation of mail to include carriers not holders of certificates, the language of the section has been amended to clarify this point. In the Board's opinion this will not add to the Board's powers but will recognize the practice which prevails under this section.

By retaining the present pattern of section 406 the interpretation and standards which have governed the old section 406 will continue to be generally applicable to the amended provision.

ANALYSIS OF PROPOSED AMENDMENTS TO SECTION 406 OF THE FEDERAL AVIATION ACT

1. Present section 406(a): This is the basic provision authorizing the Board to fix reasonable rates of compensation for the transportation of mail by aircraft. The Board has construed this provision as authorizing it to fix such rates for carriers authorized to transport mail by exemption order as well as carriers holding certificates. The only change proposed in this subsection is to delete the words "holder of a certificate authorizing the transportation of" and inserting in lieu thereof "air carrier authorized to transport." The purpose of this amendment is not to enlarge the Board's powers but to give recognition to the practice which prevails under this section. In addition, language from present subsection (b) is added to make subsection (a) complete in itself as the provision under which service mail pay is to be determined and paid.

2. Present section 406(b): This is the provision under which subsidy is now paid to the air carriers. It also specifies certain factors which the Board shall take into consideration in fixing the service mail rate as well. Under this provision the Board has applied the so-called cost standard. That part of section 406(b) which provides for subsidy compensation in addition to the service rate has in substance been transferred to the proposed new section 406(b) entitled "Subsidy for Essential Aircraft Operation." This new section provides for determination of subsidy as a separate matter. It empowers the Board to fix reasonable rates providing subsidy for any air carrier operating under a certificate authorizing the transportation of mail by aircraft. To the extent applicable, provisions of present sections 406(a), (b) and (c) have been incorporated. Thus existing standards, interpretations, and practices in determining "need" under present section 406(b) will continue to be applicable.

The "need" clause in the present section 406(b) is broken into two parts. The first part provides for the consideration of "need" for compensation for the transportation of mail sufficient to insure the performance of such service. This provision is similar to the normal ratemaking standard found in public utility statutes and, standing alone, would not authorize the inclusion of a subsidy element in mail rates. (See the Board's decision in *Pan American Airways Co.* (of Delaware); *Mail Rates* (1 C.A.A. 220, 252) (1939)). However, if this part of the "need" clause were included in the new section 406(a) as a ratemaking standard, it is conceivable that the language could be construed as granting the Board authority to include subsidy support in service mail rates. In order to clarify the intention not to grant such authority and inasmuch as the provision is not applicable to subsidy, it has been deleted. The second part of the "need" clause, under which subsidy is paid is continued in the new section 406(b) without change.

3. Present section 406(c): The provisions of this section have been incorporated in new sections 406(a) and 406(b).

4. Present section 406(d): This has been carried over substantially unchanged, but has been renumbered section 406(c).

5. Present section 406(e): This has been carried over substantially unchanged, but has been renumbered section 406(d).

6. New section 406(e): This provides that the amendments shall become effective 60 days after enactment, but only with respect to services rendered on and after such date. Provision is made for carrying over pending rates until superseded by new rates under the amended provisions.

S. 1551. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons.

The statement of purpose accompanying Senate bill 1551 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 IN ORDER TO AUTHORIZE FREE OR REDUCED-RATE TRANSPORTATION FOR CERTAIN ADDITIONAL PERSONS

The purpose of the proposed amendment is to provide statutory authority to air carriers and foreign air carriers to provide free or reduced-rate air transportation to certain categories of persons in addition to those now specifically provided for in the Federal Aviation Act of 1958.

Section 403(b) of the act permits air carriers and foreign air carriers, under such terms and conditions as the Civil Aeronautics Board may prescribe, to provide free or reduced-rate transportation to certain persons, including their directors, officers, and employees, and their immediate families, as well as persons injured in aircraft accidents and physicians and nurses attending such persons. The proposed amendment would expressly permit such transportation for three additional categories of persons, namely (1) directors, officers, and employees who are retired and their immediate families, (2) the parents of officers and employees (whether or not living in his immediate household), and (3) the members of the immediate family of any person injured or killed in an aircraft accident for the purpose of traveling to and returning from the place in which the accident occurred.

It is to be noted that the proposed legislation is permissive and would permit appropriate carrier action subject to Board control. Hence each carrier would be reasonably free in its discretion to offer the subject transportation free, at reduced rates, or at full fares as it saw fit. Furthermore, carriers would be reasonably at liberty to set up certain restrictions, such as allowing carriage on a space-available basis, which would be consonant with economic considerations.

The Board recommends that the Congress give favorable consideration to the amendment of section 403(b) of the act so as to authorize air carriers and foreign air carriers to provide free or reduced-rate air transportation to the three categories of persons described. The Board believes that provision of such free or reduced-rate transportation will not burden the carriers unduly, that it will allow the carriers to continue practices of long standing which have become imbedded in the industry's public and labor relations structure, and that it would be in the public interest.

S. 1552. A bill to amend section 1005(c) of the Federal Aviation Act of 1958 to authorize the use of certified mail service of process, and for other purposes.

The statement of purpose accompanying Senate bill 1552 is as follows:

STATEMENT OF PURPOSE AND NEED FOR LEGISLATION TO AMEND SECTION 1005(c) OF THE FEDERAL AVIATION ACT OF 1958 TO AUTHORIZE THE USE OF CERTIFIED MAIL FOR SERVICE OF PROCESS, AND FOR OTHER PURPOSES

Section 1005 of the Federal Aviation Act of 1958 specifies the manner in which service of notices, processes, orders, rules, and regulations may be made. Subsection (c) thereof provides that such service may be made (1) by personal service, (2) upon an agent designated in writing, or (3) by registered mail.

When this provision was enacted as a part of the Civil Aeronautics Act in 1938, certified mail was not in existence, and the only method provided by the Post Office for proof

[1] Under existing law, the Board now fixes separate compensatory rates for payment by the Postmaster General, but, in order to arrive at the amount of the subsidy payments the Board must fix, determine, and publish a single, inclusive rate and deduct the amounts paid by the Postmaster General.

of mailing and delivery was through the use of registered mail.

The registered mail service was primarily established to provide greater security for the transmission of valuable mail such as jewelry. In providing such security the Post Office Department has required that registered mail be accounted for as it passes through the various stages of transportation and delivery, and records are kept at the point of origin for 3 years.

In 1955 the Post Office Department determined that a new service should be provided for mail of no intrinsic value but for which a proof of mailing was required by the sender. The new service was established on June 6, 1955, and is known as "Certified Mail." This mail is not given the special protection provided for registered mail, but in other respects it provides essentially the same service as registered mail. Certified mail thus affords a cheaper means for the transmission of documents or other matter now permitted to be served or transmitted by registered mail. Proof of mailing is available through the system of receipts given at the time of mailing.

During the 12-month period August 1956 through July 1957 the Board dispatched some 6,000 pieces of registered mail in connection with service of processes. Service could have been accomplished just as well, and at less expense to the Government, if the documents could have been sent by certified mail. The fee for registered mail is 50 cents as compared with 20 cents for certified mail.

Precedent for the proposed legislation may be found in the recent enactment by Congress of Public Law 85-259, approved September 2, 1957, which authorizes the use of certified mail as well as registered mail for summoning persons for jury duty.

It should be emphasized that the proposed amendment would merely authorize the use of certified mail as an additional or alternative method for service of process. Registered mail could continue to be used at the agency's discretion.

S. 1553. A bill to amend the Federal Aviation Act of 1958 to provide for the regulation of rates and practices of air carriers and foreign air carriers in foreign air transportation, and for other purposes.

The statement of purpose accompanying Senate bill 1553 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958, TO PROVIDE FOR THE REGULATION OF RATES AND PRACTICES OF AIR CARRIERS AND FOREIGN AIR CARRIERS IN FOREIGN AIR TRANSPORTATION, AND FOR OTHER PURPOSES

The proposed legislation would grant to the Board regulatory authority over passenger and property rates and practices in foreign air transportation which it now lacks.

Title IV of the Federal Aviation Act of 1958 (formerly the Civil Aeronautics Act of 1938) imposes upon every air carrier the duty of providing interstate and overseas air transportation at reasonable rates. Title X of the act authorizes the Board under certain circumstances to prescribe the rates for interstate air transportation, to prescribe maximum or minimum or maximum and minimum rates for overseas air transportation, and to suspend operation of new tariffs for interstate or overseas air transportation pending determination of the lawfulness of such tariffs. But the act gives the Board practically no direct authority over the rates and practices of either United States or foreign air carriers engaged in foreign air transportation. The sole power now possessed by the Board (apart from the Board's power to disapprove agreements among air carriers and foreign air carriers fixing rates and practices in foreign air transportation) is that of ordering a carrier in foreign air transportation to remove a discrimination in its rate structure if, after notice and hearing, such a discrimination is found to exist. Thus, the Board has no summary power to stop any carrier in foreign air transportation from placing into effect any rate, fare, or practice it elects; and even after full hearing its power to order any change is restricted to the limited area of removing discrimination.

Over the years, the United States together with other nations has participated in conferences and negotiations seeking the orderly development of international air services. However, in negotiations in which efforts have been made to improve the position of the United States in meeting foreign air transportation competition, this Government has found on numerous occasions that its international bargaining power has been restricted by the limited authority over rates and practices in foreign air transportation which is now possessed by the Board.

The increased necessity for vesting in the Civil Aeronautics Board the power to regulate rates and practices in foreign air transportation arises in part from a course that the bilateral air transport agreements with foreign countries have taken in recent years. Foreign countries, like the United States, assert complete national sovereignty in respect of the air space overlying their respective territories. Such claims have been internationally recognized in the convention on international civil aviation drawn up at Chicago in December 1944. Under the provisions of that convention, each contracting country retains complete freedom of action with respect to the admission into its territory of foreign flag scheduled airlines.

One of the conditions which many of the countries have placed on the entry into their territories of American-flag carriers is that passenger and cargo rates must be fixed at fair and reasonable levels. The United States has found itself handicapped in the past in entering into negotiations with foreign governments because of the lack of statutory power in the Civil Aeronautics Board to require that United States air carriers operating into foreign countries establish just and reasonable rates and practices. If the act is amended as proposed, the United States could fully undertake the obligation to see to it that its carriers adhere to a reasonable rate structure.

In the absence of such power in the Board, foreign countries have insisted on retaining the summary right to prevent U.S. carriers from operating into their territory at any rate which they deem to be unfair or unreasonable. While provision is made in the various agreements to which the United States has become a party for the review of such a decision on the part of a foreign country by an arbitral tribunal or by the International Civil Aviation Organization, the foreign country has uniformly retained the right to prevent operations at the disputed rate pending such review. If the act were amended as proposed so as to give the Board the power to prescribe the rates and practices of air carriers in foreign air transportation, it is believed that foreign countries would be willing to permit the continued operation of an American carrier at the rates determined by the Board, even where such rates were thought by the foreign country to be unreasonably high or low, pending final review by an arbitral tribunal or by the International Civil Aviation Organization.

The consequence of the Board's lack of authority under present law is that U.S. air carriers, far from being independent to fix whatever rates they choose, are subject to almost complete rate control by the foreign countries to which they operate. The enactment of rate control legislation would bring into force benefits in the negotiating of bilateral agreements by placing such control in large part in the hands of the U.S. Government. In effect, passage of this legislation would give the United States control over the rates and practices of our carriers which is now in foreign hands.

Likewise, passage of this legislation would give the United States the same degree of control over the rates and practices of foreign air carriers operating into U.S. territory as the foreign countries now have in respect of the rates and practices of U.S. air carriers which fly into their territories, namely, the right to insist that the passenger and cargo rates of such foreign air carriers operating into U.S. territory be fixed at fair and reasonable levels and that the practices or conditions of carriage which are embodied in the tariffs, waybills and tickets of such foreign air carriers be free from objectionable provisions.

The Board believes that there is no basis for a contention that bringing the Board's statutory authority over international rates and practices on a par with that of other governments will derogate or be in variance from this country's support of the International Air Transport Association (IATA) as the primary instrument for establishing and maintaining a sound and fair rate structure for international air services. On the contrary, the Board believes that the possession of effective regulatory power over international air rates and practices by the respective governments is the only proper basis for the delegation of initial ratemaking powers to an organization of international air carriers, and that neither the United States nor any other government should delegate or has delegated to IATA the governmental responsibility of insuring that the international rate structure is fair to the traveling and shipping public and in other respects is in the public interest. In summary, the Board believes that effective Government control over the international rate structure, rather than being an obstacle to multilateral air-carrier action though IATA, is essential to the proper and successful operation of the carriers' multilateral rate machinery. In this connection, it is pointed out that need for Board regulatory action might arise from failure of IATA to achieve agreement in respect of certain rates and practices, from governmental disapproval of IATA agreements, and also from rate actions by air carriers not members of IATA.

Under the present act, the Board lacks authority to regulate the rates charged by carriers for military contract air transport services between the United States and foreign points. Under conditions of excess capacity, it is possible for destructive competition for military contracts to develop, leading to the performance of air transport services at uneconomic rate levels. On the basis of recent information, it appears that such a situation may now be developing. Although full regulatory control over carriers performing military contract air transport services will require additional legislation not embodied in the present request, a prerequisite is that the Board be granted the control authority over the rates and practices of air carriers and foreign air carriers in foreign air transportation, which is the subject of the present request.

For the reasons outlined above the Board believes that it should be given authority over rates and practices of air carriers and foreign air carriers in foreign air transportation. However, while under section 1002(d) the Board's function to determine and prescribe rates and practices in interstate and oversea air transportation is mandatory in that it must be exercised if on the basis of a record made in quasi-judicial proceeding the Board is of the opinion that a rate or practice is contrary to statutory standard, greater flexibility is required in the national interest in the field of international air transportation. Such additional flexibility

is assured by stating the Board's rate-fixing powers in foreign air transportation in a separate subsection which uses discretionary rather than mandatory terms.

The Board should also be given the same discretionary power to suspend the rates and practices of air carriers and foreign air carriers in foreign air transportation pending hearing as it now has in respect of domestic transportation. Most foreign governments have the power to suspend U.S. air carrier rates, and the United States should not voluntarily continue to tie its own hands so as to prevent it from taking like action where it is needed in the public interest.

In addition to giving the Board discretionary power to control the rates and practices of air carriers and foreign air carriers in foreign air transportation, the proposed bill makes other changes affecting the duties and obligations of air carriers and affecting the Board's regulatory authority in respect of such duties and obligations. Specifically, the provisions of subsection 1002(i) of the act, giving the Board power to prescribe through services and joint rates, are made applicable to air carriers in interstate, oversea and foreign air transportation. These changes, affecting air carriers but not foreign air carriers, are considered desirable by the Board for the reason that the Board believes that air carriers should be subject to the same duties and obligations and regulatory control in respect of services, rates, and divisions in foreign air transportation as in interstate and oversea air transportation.

There is attached a section-by-section analysis of the proposed bill and a comparison with existing law.

SECTION BY SECTION ANALYSIS OF PROPOSED BILL TO AMEND THE FEDERAL AVIATION ACT OF 1958

1. Section 1 of the bill amends subsection (d) of section 1002 of the act, which gives the Board authority to prescribe rates and practices of air carriers in interstate and overseas air transportation, with a proviso that as to overseas air transportation the Board may prescribe only a "just and reasonable maximum or minimum or maximum and minimum rate, fare, or charge," by changing the colon following the word "effective" to a period and striking out the following: "*Provided*, That as to rates, fares, and charges for overseas transportation, the Board shall determine and prescribe only a just and reasonable maximum or minimum or maximum and minimum rate, fare or charge." The effect of the above changes is to give the Board the same authority to prescribe the rates and practices of air carriers in overseas transportation as the Board now has in respect of interstate transportation. The elimination of the proviso is necessary to prevent the anomaly of the Board's having less authority over rates and practices in overseas air transportation than in foreign air transportation.

2. Section 2 of the bill amends subsection (e) of section 1002 by inserting the words "foreign air carrier" and "foreign air carriers" after the words "air carrier" and "air carriers" where they appear in the subsection. Section 1002(e) constitutes the rule of ratemaking and sets forth various criteria for the determination, inter alia, of the justness and reasonableness of rates and fares for the transportation by air of persons and property. Since other sections of the bill confer upon the Board the power to pass upon the justness and reasonableness of foreign air carrier rates, it is appropriate to make the standards of section 1002(e) applicable to foreign air carriers as well as U.S. flag carriers. This is accomplished by section 3 of the bill. In this connection it may be noted that under section 1102 of the act, the Board is directed to exercise and perform its powers and duties consistently with any obligation assumed by the United States in any treaty, convention, or agreement, and to take into consideration any applicable laws and requirements of foreign countries.

3. Section 3 of the bill amends subsection (f) of section 1002 of the act. This subsection now permits the Board to exercise the limited power of ordering an air carrier or a foreign air carrier to remove a discrimination, preference, or prejudice in its foreign air transportation rate structure if, after notice and hearing, such a discrimination, preference, or prejudice is found to exist. It is predicated upon the fact that the Board does not now have the power to otherwise regulate the rates and practices of air carriers and foreign air carriers in foreign air transportation. It, therefore, has been rewritten to grant the Board the power to hold a hearing in respect to the question whether a rate or practice in foreign air transportation is unreasonable or unjustly discriminatory or preferential. In case, upon such a hearing, the Board is of the opinion that the rate or practice is contrary to statutory standards, the Board is given discretionary authority to alter the rate or practice to the extent necessary to correct unreasonableness or discrimination, and to order discontinuation thereof by the carrier. The Board also has further discretion to prescribe the lawful practice or rate, or the maximum and/or minimum of the rate.

4. Section 4 of the bill amends subsection (g) of section 1002 of the act, which gives the Board power to suspend the rates and practices of air carriers in interstate and overseas air transportation pending hearing, (1) by striking out the words "interstate or overseas", (2) by changing the parenthetical phrase following the word "joint" to read "(between air carriers, between foreign air carriers, or between air carriers and foreign air carriers)" and (3) by inserting following the words "air carrier" wherever they appear in the subsection the words "or foreign air carrier." The effect of the above changes is to give the Board the same authority to suspend the rates and practices of an air carrier or foreign air carrier in foreign air transportation pending hearing as the Board now has in interstate and overseas air transportation. By striking the words "interstate and overseas" the Board is given authority to suspend, pending hearing, the operation of any tariff filed by an air carrier, and this would include tariffs to be effective in foreign as well as in interstate and overseas air transportation. The change in the parenthetical phrase is necessary to give the Board suspension authority in respect of joint rates between air carriers and foreign air carriers and between foreign air carriers in foreign air transportation as well as between air carriers. By inserting the words "or foreign air carrier" following the word "air carrier" wherever they appear in the subsection, the Board is given the authority to suspend the rates and practices of foreign air carriers in foreign air transportation pending hearing.

5. Section 5 of the bill amends subsection (i) of section 1002 of the act, which gives the Board power to prescribe through services and joint rates, by inserting the words "for air carriers" after the word "establish"; by striking out the words "interstate or overseas"; and by changing the colon following the word "operated" to a period and striking out the following: "*Provided*, That as to joint rates, fares, and charges for overseas transportation the Board shall determine and prescribe only just and reasonable maximum or minimum or maximum and minimum joint rates, fares, or charges." The effect of inserting the words "for air carriers" and of striking the words "interstate or overseas" is to make the provisions of the subsection applicable to air carriers in interstate, overseas and foreign air transportation but not to foreign air carriers in foreign air transportation. The elimination of the proviso is necessary to prevent the anomaly of the Board's having less authority to establish through service and joint rates in overseas air transportation than in foreign air transportation.

Section 6 of the bill provides that the changes made in the act shall take effect 90 days after enactment of the legislation.

S. 1554. A bill to amend the Federal Aviation Act of 1958 so as to authorize the Civil Aeronautics Board to regulate the depreciation accounting of air carriers.

The statement of purpose accompanying Senate bill 1554 is as follows:

STATEMENT OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO AMEND THE FEDERAL AVIATION ACT OF 1958 SO AS TO AUTHORIZE THE CIVIL AERONAUTICS BOARD TO REGULATE THE DEPRECIATION ACCOUNTING OF AIR CARRIERS

In common with other regulatory acts, and carrying forward the provision of section 407(d) of the Civil Aeronautics Act, the Federal Aviation Act of 1958 directs that the Board shall prescribe a system of accounts to be kept by air carriers.

Under the authority of section 407(d) to "prescribe the forms of any and all accounts," the Board has proceeded, since its establishment, to prescribe the uniform system of accounts required to be kept by all certificated air carriers. The controlling purpose of such a uniform system of accounts is to provide the Board with financial statements which fairly reflect the financial condition of the air carrier, on the one hand, and the operating results of the carrier for a given period of time, on the other hand. The purpose of the system of accounts is to prescribe uniform practices which will provide, in general substance, comparable information in respect to each of the various carriers subject to the accounting regulations. Financial statements would, of course, be useless to the Board unless they fairly reflected the actual financial condition of the carriers and the actual operating results of the services performed for the period reported.

In the past, the Board has, in general, prescribed rates of depreciation as a part of its ratemaking process. The depreciation rates so prescribed through the ratemaking proceedings of the Board have generally been used by air carriers for accounting purposes. So long as the depreciation rates used by the various air carriers for accounting purposes fairly reflected the depreciation costs as determined in the rate proceedings, further prescription of these rates through accounting regulation would have served no useful purpose. Moreover, until recent years, the widespread dependence of the industry upon Federal subsidies necessitated the frequent review by the Board of the operating results of the carriers, including an appraisal of the reasonableness of charges to expense for depreciation on property and equipment which resulted in bringing the depreciation practices of the carriers under frequent review by the Board. However, with the emergence of a large part of the industry from dependence upon subsidy, the opportunity for such frequent review of the reasonableness of depreciation charges to expense by the Board no longer exists. Nevertheless, the need for reliable financial data from which to appraise the true financial condition and operating results of the various air carriers continues. In recognition of this need, the Board undertook to prescribe the depreciation accounting practices of air carriers by the issuance of appropriate regulations. (E.R. 224, adopted Nov. 18, 1957.) However, the Board's authority to issue such a regulation was challenged and appealed to the courts. The U.S. District Court for the Dis-

trict of Columbia sustained the action of the Board, but on appeal to the U.S. Court of Appeals for the District of Columbia Circuit this decision was reversed. The Board sought review of this decision by the Supreme Court, but that Court declined to take the case and the Board's application for writ of certiorari was denied on November 10, 1958.[1] Consequently, in order that the Board may effectively carry out its functions with respect to the depreciation accounting practices of air carriers, legislation is essential.

The requested legislation would not involve any departure from well established concepts pertaining to the regulated industries generally. On the contrary, it would bring the powers of the Civil Aeronautics Board in this field in line with similar powers already expressly given to other agencies such as the Interstate Commerce Commission, the Federal Power Commission, and the Federal Communications Commission. (See 49 U.S.C., sec. 20(4), sec. 220(c), and sec. 913(d), 15 U.S.C. 717h(a), 16 U.S.C. 825a(a), and 47 U.S.C. 220(b).)

Depreciation expense constitutes probably the most critical elements in the determination of the financial condition of a business inasmuch as, unlike virtually all other elements, it does not lend itself to objective physical measurement. Unless uniformly reported by the carriers in the manner recognized by the Board for regulatory purposes the Board will be left unprotected against potential misinterpretation of the reported data. This would necessarily follow from the fact that the Board's staff could not be reasonably expected to independently recast each carrier's report each and every reporting period on a time basis which would meet the Board's recurrent operating needs.

The amount of depreciation charged to expense involves the substance of the accounts, the control over which is necessary to provide financial statements that produce a fair presentation of the carriers' financial condition and operating results for the periods reported to the Board. Insofar as the impact upon the carriers' financial condition and operating results is concerned, improper charges to expense for depreciation would undermine the integrity of the financial statements in exactly the same manner as inaccurate charges for salaries, rents, and other operating expenses of the carriers. Depreciation is becoming an increasingly important operating expense for air carriers with the addition of new and more expensive aircraft equipment. Errors in the reporting of depreciation tend to accumulate over a period of years and are difficult to correct in the accounts of carriers once the inaccuracies have become rooted over an extended period of time. Improper reporting of depreciation expense will distort the accounts and financial statements of air carriers to such an extent that comparability will be seriously undermined or completely destroyed. Since the property and equipment on which depreciation is computed will continue in service over a period of years the distortion from misstatement of depreciation charges accumulates with the passage of time. Accordingly, the prescription of depreciation rates by the Board will prevent such comparative distortion and thus increase proportionately the relative reliability of the financial statements of certificated air carriers from the point of view of both the industry and the Board as well as the general public.

Vice Chairman Gurney is opposed to any legislation which would empower the Board to prescribe depreciation accounting practices of the air carriers. He believes that depreciation practices are primarily a function of management and any regulatory supervision over the details thereof constitutes an unnecessary interference with the operation of an air carrier. In view of the provisions of the Internal Revenue Code which afford business a choice of different methods of depreciation for tax purposes, he sees no reason for any additional legislation.

The letter presented by Mr. MAGNUSON is as follows:

CIVIL AERONAUTICS BOARD,
Washington, March 17, 1959.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: Pursuant to your request the Civil Aeronautics Board is pleased to submit to you its legislative program for the 86th Congress. The Board's program consists of 13 items as follows:

Item 1: To give the Board jurisdiction to impose civil penalties in additional cases.

Item 2: To authorize the issuance of certificates for supplemental service.

Item 3: To amend the judicial provisions of the act so as (a) to assure opportunity for the Board's participation and representation in court proceedings through its own counsel as a matter of right, and (b) to provide that nonrecord determinations of the Board shall be reviewable in the Court of Appeals.

Item 4: To authorize elimination of hearing in certain cases under section 408.

Item 5: To provide that Board investigators shall not give (1) expert testimony in private damage suits or (2) factual testimony with respect to aircraft accidents officially investigated by them if the information is reasonably available elsewhere or such testimony could have been given by a deposition.

Item 6: To prohibit certain practices regarding passenger ticket sales and reservations.

Item 7: To provide that the policy of the Department of Defense and other agencies of the Government, in arranging for air transportation, should be to utilize the facilities of civil aircraft to the maximum extent consistent with economical operations, the national defense, and national security considerations.

Item 8: To clarify and broaden the provisions of the Federal Aviation Act relating to the power of the Civil Aeronautics Board to audit the books and records of the domestic affiliates and associates of air carriers.

Item 9: To separate mail pay and subsidy.

Item 10: To amend the Federal Aviation Act in order to authorize free or reduced rate transportation for certain additional persons.

Item 11: To authorize the use of certified mail in place of registered mail.

Item 12: To give the Board authority over rates and practices in foreign air transportation.

Item 13: To authorize the Board to regulate the depreciation accounting of air carriers.

The Board appreciates your interest in its legislative program and hopes that expeditious consideration can be given to the enactment of these proposed bills during the current session of Congress.

The Bureau of the Budget has advised that it has no objection to the submission of these items.

Sincerely yours,

JAMES R. DURFEE,
Chairman.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1959

Mr. KENNEDY. Mr. President, on behalf of myself, and Senators ERVIN, HILL, COOPER, JAVITS, CHURCH, WILLIAMS of New Jersey, RANDOLPH, MURRAY, MORSE, MCNAMARA, CLARK, SPARKMAN, HUMPHREY, and ENGLE, I introduce a clean bill on labor-management reform. This morning the Committee on Labor and Public Welfare ordered this bill reported to the Senate by a vote of 13 to 2. Soon after the Easter recess, the report will be filed in the Senate, and I am hopeful that we shall be able to proceed promptly to its consideration.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1555) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, introduced by Mr. KENNEDY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

HOME GARDEN PROGRAM FOR NEEDY FAMILIES

Mr. COOPER. Mr. President, I introduce, for appropriate reference, a bill to provide a home garden program for needy families; and I ask unanimous consent that an explanatory statement be printed in the RECORD, and be followed by the text of the bill; and that the bill lie on the desk through Friday, March 27, in case other Senators desire to join in sponsoring it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from Kentucky.

The bill (S. 1561) to establish a home gardening program to assist needy persons in supplementing their food supplies, introduced by Mr. COOPER, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to establish a program for making grants to States to enable the States to assist needy persons to supplement their diets by growing home gardens.

SEC. 2. Grants under this Act shall be made only to States which shall have submitted to the Secretary a satisfactory plan for administration of such grants which shall—

(1) provide for the use of the funds so granted to make available to needy persons, particularly persons receiving or eligible to receive agricultural commodities under surplus food distribution programs authorized by section 32 of Public Law 320, Seventy-fourth Congress (7 U.S.C. 612c) or section 416(3) of the Agricultural Act of 1949 (7 U.S.C. 1431), supplies, materials, and technical advice and assistance necessary to enable them to plant and care for home gardens;

[1] *Alaska Airlines et al.* v. *C.A.B.*, case No. 3638–56, dec. June 25, 1957 (D.C.D.C.); rev. 257 F. (2d 229 (C.A.D.C., 1958); cert. den. Nov. 10, 1958.

(2) designate one or more agencies or officials of the State to be responsible for carrying out such plan;

(3) provide that any agency or official so designated will make such reports as may be required by the Secretary concerning the expenditure of funds granted under this Act; and

(4) provide for cooperation with interested public or voluntary nonprofit organizations in carrying out such plan.

SEC. 3. (a) The Secretary shall apportion the sums appropriated pursuant to section 5 among the States on the basis of the number of needy persons, as estimated by the Secretary, in such States receiving agricultural commodities under surplus food distribution programs authorized by section 32 of Public Law 320, Seventy-fourth Congress (7 U.S.C. 612c) or section 416(3) of the Agricultural Act of 1949 (7 U.S.C. 1431).

(b) The Secretary shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States under the apportionments made pursuant to subsection (a). The Secretary of the Treasury shall, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts at the time or times specified by the Secretary of Agriculture.

SEC. 4. The Secretary is authorized to make available to State agencies or officials designated under section 2(2) such technical and other assistance as may be necessary to enable them to carry out the provisions of this Act.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 6. This Act shall terminate on June 30, 1960.

The explanatory statement presented by Mr. COOPER is as follows:

STATEMENT BY SENATOR COOPER

Thousands of people in eastern Kentucky and West Virginia, and in many other States, are hungry today. In the United States as a whole, over 5 million persons are receiving packages of cornmeal, flour, rice, and dried skim milk from Government surplus stocks. In Kentucky some 250,000 persons are among this number. Without these meager supplies, many would be starving. Even with this food from Government surplus stocks, the situation of many families is appalling—especially in a country known for its production of food and its general prosperity.

Hunger, and actual starvation, at any time and place requires us, as a people of religious belief, living in a land of plenty, to extend help. And where hunger exists at home, it is intolerable, and cannot be ignored.

The fact remains that many thousands are unemployed, and have exhausted their unemployment compensations. Others are old and infirm, incapacitated, or otherwise must depend on relief. Their first requirement is food.

Since last fall, I have urged the Secretary of Agriculture, and since January I have urged the Congress, to provide a better variety of food to needy persons in this country—to supplement the drab and meager staples available from Government-owned stocks, which is all that many of these people have to eat, day after day. I hope that action to do so will be taken promptly.

Now it is spring. Most of these needy people are not helpless. They want to work, and to help themselves. In Harlan County, Kentucky, for example, officials in charge of the food distribution program are asking 17,000 recipients of surplus food if they will grow a garden—provided seed and other minimum essentials can be obtained. Magistrates are organizing plowing teams to prepare the ground for home gardens among the needy in their communities.

We all recall the victory gardens of World War II—when 20 million family gardens produced 42 percent of the fresh vegetables consumed in this country. Eight million tons of fresh vegetables were produced annually in victory gardens during the war, and in 1945 housewives canned nearly 3½ million tons of fruits and vegetables. This tremendous program was carried out by local and individual initiative, under the guidance and leadership of the Department of Agriculture.

I urge that this approach be used to help our thousands of hungry families help themselves. I propose home gardens—from which needy persons and families can add to their means homegrown fresh vegetables and greens. Such home gardens could also provide fruits and vegetables for canning, to supplement their diets next winter.

I ask the Secretary of Agriculture to immediately explore means of encouraging such an effort—and to provide information and assistance to needy families who wish to raise a family garden.

It may be that no new authority or appropriation is needed for such a worthwhile program. But because these people are known to have few, if any, resources, I believe in most cases they will need to be given seed, perhaps some fertilizer, and certainly advice and information. The cost of these minimum essentials is small. A few pennies will buy seed which can provide a second helping of food—fresh garden vegetables to put on their plates alongside the first helping of cornmeal mush or rice they now have.

I propose that a modest sum—perhaps amounting to $1 per person on surplus food rolls last year—be allocated to the States so that they can immediately take steps to make available to needy counties and needy persons the minimum essentials for planting and growing home gardens. I can think of no expenditure which could produce such proportionately large results—no modest effort which could do more real good—than encouraging home gardens for hungry families.

There may already be funds available in the Department of Agriculture which could be used for this purpose. Or the President may have funds which could be allocated to assist the States which wish to launch a home garden program this spring. We already provide emergency feed for livestock in disaster areas. I ask that we at least provide seed to grow food for people in emergency areas like that declared by the Governor in 25 eastern Kentucky counties.

If authority and funds cannot be found, I will introduce a bill to provide them. I have already talked to a number of leaders who were associated with the victory garden program. I believe civic and community groups, clubs, farm groups, private business, and State and local organizations would be glad to help in such a human effort.

I have in mind a home garden program under the leadership and guidance of the Department of Agriculture, carried out by the States, which are most familiar with the problems of their communities and the needs of their people. In extending a home garden program to needy people, the State agencies already handling the food distribution program could be used. I am sure that the land-grant colleges in each State could give advice as to the kind of gardens most suitable for each area, and as to the essentials which may need to be supplied for successful home gardens. The Extension Service, through the county farm agents, could provide invaluable advice and guidance locally. I have no doubt that many others will want to help, and that the States can coordinate the efforts of civic and private groups.

Home gardens for needy families would provide food—and food of exactly the kinds needed to supplement the few staples they now receive. Home gardens would give these people hope—not only the satisfaction and hope of helping themselves, but through the very act of working with the miracle of growth. In many cases, garden projects would add the dignity of constructive effort to the lives of those confronted by lack of work.

People who know how to produce their own food are never defeated, for they have a source of strength which springs from the soil. We need to support that tradition of self-reliance, and that independence of spirit which meets the future with confidence—but which is eroded by lack of work, and especially by hunger.

I hope the Secretary of Agriculture, or the Under Secretary, who also has a special regard for people in need, will proclaim a home garden program for surplus food recipients. I know he can mobilize the Extension Service and other interested agencies to carry it forward successfully, just as was done with the much more ambitious victory gardens. In fact, I believe there is a garden program now for each State, maintained by the Extension Service, which could quickly be adapted for this purpose.

I congratulate the people of Harlan County, Ky., for their initiative in coming forward with this great idea. And I commend to my colleagues the merits of such a self-help program for the needy persons and unemployed in their own States.

AMENDMENT OF FEDERAL COAL MINE SAFETY ACT

Mr. COOPER. Mr. President, on behalf of myself, the senior Senator from Virginia [Mr. BYRD], the junior Senator from Virginia [Mr. ROBERTSON], and my colleague from Kentucky [Mr. MORTON], I introduce, for appropriate reference, a bill to amend the Federal Coal Mine Safety Act. I ask that the text of the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1562) to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals, introduced by Mr. COOPER (for himself, Mr. BYRD of Virginia, Mr. ROBERTSON, and Mr. MORTON), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That section 201(b) of the Federal Coal Mine Safety Act be amended to read as follows:

"This title shall not apply to any mine in which no more than fourteen individuals are regularly employed underground, except that the following provisions shall apply to such mines: Sections 201; 203(a); 204; 205; 207 (a), (b), (c), (d), (e), (f), (i), and (j); 208; 210; 211; 212(c); 213; 214; 215. The provisions of section 203 (e) and (f) shall be applicable to such mines without regard for the requirement of a State approved plan."

SEC. 2. Add a new title III as follows:

"TITLE III—STUDY AND SURVEY OF MINE SAFETY BY BUREAU OF MINES

"SEC. 301. (a) The Bureau of Mines is directed to make a survey and study of mine

safety for all mines covered by this Act. Hearings shall be held in each State which produced as much as two million tons of coal during either the years 1955 or 1956. Appropriate notice shall be given to the Governors of such States, the official in charge of the mine safety program of such State, and to employers and representatives of employees. Hearings shall also be held in the District of Columbia after giving appropriate notice.

"(b) The Bureau of Mines will prepare separate tables for title I and title II mines, by States, showing among other things:

"(1) Number of mines;

"(2) Number of employees;

"(3) Number of man-hours of work in mines under each title;

"(4) Production of coal in mines under each title;

"(5) Fatalities and causes of each for each year beginning with the calendar year 1946, where records are available;

"(6) Injuries in title I and title II mines with their causes, for each year beginning with the calendar year 1946;

"(7) Number of violations reported for title I and title II mines, for each year beginning with the calendar year 1946.

"(c) The Bureau of Mines will in conjunction with State mine safety agencies, make a study of (1) the incidence and causes of roof and rib falls, and measures which it recommends to reduce and prevent such rib and roof falls; and (2) educational training programs. The findings and recommendations of the Bureau shall be submitted to the appropriate State officials and to the appropriate committees of the Congress.

"(d) The Bureau of Mines will make a study of safety conditions in mines employing fourteen or fewer employees to determine if the provisions of the Act now applicable to title II mines are properly applicable to title I mines in the sense that they would materially improve safety conditions in such mines, safety being the primary consideration of such study, but taking into account the cost of said measures, the economic effect on such mines, including their ability to remain in production and compete with title II mines, if all or any part of the provision of this Act or the Mine Safety Code should be made applicable to title I mines.

"(e) The Bureau of Mines shall report its findings and recommendations to the President, the Secretary of Interior, the President of the Senate, and the Speaker of the House within 6 months after enactment. It shall provide copies of its findings and recommendations to the Governors and mine safety agencies of all affected States within four and one-half months after enactment, with the request that they report to the Bureau their comments and recommendations on such reports by thirty days thereafter. Copies of such State reports shall be included in the report of the Bureau."

Mr. COOPER. Mr. President, section I of the bill would make applicable to all coal mines—regardless of the number of employees—the provisions of the Federal Coal Mine Safety Act, which authorizes a Federal mine inspector to order the withdrawal of all miners from a mine when he finds "danger that a mine explosion, mine fire, mine inundation, or man-trip or man-hoist accident will occur in such mine immediately or before the imminence of such danger can be eliminated," and to prohibit their reentering the mine until the danger has been eliminated.

Such power to withdraw miners and to keep a mine closed cannot today be exercised by a Federal mine inspector in mines employing 14 or less persons, even though imminent danger exists—danger which could cause injury or death to miners.

According to the table submitted in the course of hearings last year by the Honorable Marling J. Ankeny, Director, U.S. Bureau of Mines, there were in 1957, 7,659 mines employing 14 or less persons; and thousands of miners are employed in such mines. Section I of my bill would extend to these miners the protection against imminent danger that the Federal Coal Mine Safety Act now extends to larger mines—those employing more than 14 persons.

Questions always arise as to procedures by which a mine may be reopened and its miners returned to work, after it has been closed because of conditions which create imminent danger.

Under the Mine Safety Act, unless the State has a safety plan which has been approved by the Bureau of Mines, exclusive jurisdiction and power to reopen a mine or to order it to remain closed is maintained by the Federal Government through the Bureau of Mines, subject to review by the courts.

In all such cases, a mine owner and miners who had taken steps to correct the dangerous conditions, and who believed the mine safe for reopening, would be compelled to present their case, if reopening was denied by a Federal inspector, through a difficult and expensive chain of procedures. In many instances the small mine owner would be unable to undertake this very complicated procedure.

The bill I introduce provides a speedy and fair procedure for determining whether conditions of imminent danger in a closed mine have been corrected, and whether the mine is ready for reopening. It is the exact procedure now provided in the Federal Mine Safety Act for mines employing over 14 persons, when the State has a mine safety plan that has been approved by the Bureau of Mines.

I shall explain this procedure by referring to the language used by the Committee on Labor and Public Welfare in Senate Report No. 1963, dated July 25, 1958, which states that presently, under section 203(e) of the act, if a State has a State plan that has been approved by the Bureau of Mines, the operator of a mine that has been closed because of danger of imminent disaster may request an inspection of the mine by a State inspector. If the State inspector does not concur in the closing order, the mine must remain closed; but the owner of the mine may make application to the chief judge of the U.S. district court for the district in which the mine is located for the appointment of an independent inspector to inspect the closed mine. Unless the appointed inspector concurs in the closing order, it ceases to be effective, and the mine may be reopened. The committee amendment makes this review procedure applicable to presently exempted mines ordered closed under the provisions of the amendment, without requiring, as a condition of resorting to this procedure, that the State in which the mine is located have or adopt a State plan approved by the Bureau of Mines.

Section II of the bill I now introduce is very clear. It would direct the Bureau of Mines to make a study of safety conditions for all mines, regardless of the number of miners employed. Hearings would be held in the major coal-producing States, so that State mine-safety officials, miners, unions representing miners, and mine operators in each of said States would have the opportunity to testify about conditions in the mines of their State, and to make recommendations to improve mine safety.

In addition, this bill would direct the Bureau of Mines to conduct a study of mine safety, with special emphasis on the major cause of mine accidents—namely, roof and rib falls. It would also require a study of educational and training programs for mine employees on safety measures.

During the hearings last year on amendments to the Federal Mine Safety Act, one amendment proposed would have applied all the provisions of the Federal Mine Safety Act to every mine. Small mine owners testified that many of these provisions were not applicable to small mines, and that they would not increase safety. They testified that to require by law small mines to undertake unnecessary expenditures would put many small mines out of business and would throw thousands of miners out of work.

I cannot say definitely that this would be the case; but I believe that the Congress should not take drastic action without knowing whether it is necessary to improve mine safety. Unemployment, hunger, and every other element of want and distress prevail today in the coal-mining areas of Kentucky and other States. If, before we obtain the facts, other mines are closed unnecessarily by our action, we shall contribute to this distress, and we may deny to the States an opportunity to recover their natural wealth in coal.

Mr. President, I do not believe that any responsible Member of this Chamber or, indeed, any other responsible person in the United States does not honestly and sincerely support the principle of increased mine safety. Only last year the Committee on Labor and Public Welfare found that there was a lack of reliable and convincing statistics upon which to base constructive legislation on this very important and vital subject. We concluded that it would be most useful—and in fact essential—to have the Bureau of Mines conduct hearings in the States with the Nation's heaviest concentration of coal mines, and to report its findings, in order that we might legislate intelligently on the matter. We recognized, however, that Federal inspectors should not be hindered when, in their judgment, there was a danger of serious disaster in permitting operation of any mine—without regard to its number of employees.

Mr. President, that was why we included the provision to enable a Federal inspector to close a mine whenever a condition of imminent danger was found to exist. I am sorry that provision was not enacted. If it had been, some of the disasters which recently

have occurred might have been prevented.

Only a few days ago there occurred in Tennessee a mine disaster in which eight or nine lives were lost. I cannot say that if the bill we reported last year had been enacted, that accident would have been prevented; but I can say that the enactment of that bill or the enactment of a similar bill will help prevent similar accidents in the future.

Mr. President, the problem of amending the Coal Mine Safety Act was before the Committee on Labor and Public Welfare in the last session of Congress, and was thoroughly debated and considered. The committee concluded, on the basis of its study that the steps outlined above were essential and it reported to the Senate a bill identical to the one I have introduced today. The sole change that has been made is in the date by which the Bureau of Mines must conclude its study and must report to the Congress. Whereas the bill reported last year called for a report to be submitted by February 15, 1959, our bill requires a report within 6 months after enactment.

I am proud to sponsor this proposed legislation which, when enacted, will improve and make safer the conditions under which the Nation's miners work, and will authorize the best and the quickest study possible, in order to make further improvements in mine safety.

Mr. President, the report issued by the Committee on Labor and Public Welfare during the last session of the Congress summarizes succinctly and completely the provisions of our bill. I ask unanimous consent that excerpts from that report be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the excerpts from report No. 1963, 85th Congress, 2d session, were ordered to be printed in the RECORD, as follows:

AMENDING THE FEDERAL COAL MINE SAFETY ACT

The Committee on Labor and Public Welfare, to whom was referred the bill (S. 3290) to amend the Federal Coal Mine Safety Act (30 U.S.C. 471), having considered the same, report favorably thereon with an amendment and recommend that the bill do pass.

BACKGROUND OF THE BILL

Congress has since 1865 recognized the hazardous nature of coal mining. In 1910 on the heels of a number of serious coal mine disasters, Congress established in the Department of the Interior, the Bureau of Mines, and assigned as one of its important functions the promotion of health and safety in the minerals industries.

Despite the efforts which have been made over the years by employers, miners, State agencies, and the Federal Government, mining still remains a hazardous occupation. The prevention of major accidents or disasters requires constant and strict adherence to established safety standards. In recognition of this fact, Congress enacted in 1952 amendments to existing law which directed the Federal Bureau of Mines to undertake certain mine safety inspections and establish standards therefor. The amended Mine Safety Act authorized Federal inspectors to close mines in which there was imminent danger of a mine explosion, mine fire, mine inundation, or man-trip or man-hoist accident. It further authorized Federal mine inspectors to inspect all coal mines with respect to a large number of safety provisions specified in section 209 of the statute. These safety provisions cover such matters as roof supports, permissible equipment, ventilation, permissible explosives, and so forth. When a mine inspector finds a violation of these provisions in mines employing more than 14 men underground, he directs the mine operator to correct the deficiency within a certain time. If this is not done the mine may be closed.

In writing the Federal Coal Mine Safety Act, Congress exempted mines employing 14 or fewer men underground (sometimes referred to as title I mines) from the provisions of the act which authorize Federal inspectors to close a mine if they find—

(1) imminent danger of a fire, explosion, inundation, etc.; or

(2) failure to correct conditions previously indicated as not being in conformity with the safety provisions set forth in the act.

The bill, S. 3290, as originally introduced and upon which hearings were held by the Subcommittee on Labor of this committee, provided for the repeal of this exemption for small mines.

EFFECT OF THE COMMITTEE AMENDMENT

The committee amendment, instead of repealing the exemption for 14-man or smaller mines as proposed by S. 3290 in its original form, retains the exemption, but makes such mines subject to the provisions of section 203(a) which permits the closing of a mine where there is imminent danger of a serious accident, and all of the other sections of the act which are necessary to carry out and give effect to such provisions including the provisions for administrative and judicial review. The committee amendment, therefore, retains the present exemption of title I mines from mandatory compliance with the requirements and standards of section 209. However, if the conditions in any such exempt mine are such as to create an imminent danger of any of the five disasters enumerated in section 203(a) then the provisions of that and other relevant sections of the act requiring the immediate closing down of such mine shall be applicable.

The committee, in its amendment, did provide for one procedural change in connection with exempted mines which might be ordered closed down pursuant to the committee amendment under section 203(a) because of danger of imminent disaster. Presently, under section 203(e) of the act, where a State has a State plan approved by the Bureau of Mines, the operator of a mine closed down because of danger of imminent disaster may request an inspection of such mine by a State inspector. If the State inspector does not concur in the closing order, the mine must remain closed but the owner of the mine may make application to the chief judge of the U.S. district court for the district in which the mine is located for the appointment of an independent inspector to inspect the closed-down mine, and unless he concurs in the closing order, it ceases to be effective and the mine may be reopened. The committee amendment makes this review procedure applicable to presently exempted mines ordered closed down under the provisions of the amendment without requiring as a condition of resorting to this procedure that the State in which the mine is located have or adopt a State plan approved by the Bureau of Mines.

The committee further amended the act by adding a new title III directing the Bureau of Mines to make a detailed and exhaustive study of mine safety for all mines covered by the act, to hold hearings in this connection in the principal coal-producing States, and to report its findings and recommendations to the Congress and the President of the United States by February 15, 1959. Among the matters to be examined and set forth in the course of this study are a comparison by States between mines with fewer than 15 individuals employed underground and those with more, with respect to the number of mines in each category, number of employees, number of man-hours of work, fatalities and their specific causes as well as nonfatal injuries for each year beginning with 1946, and the number of reported violations of established safety standards for the same period.

In addition, the Bureau is directed, in conjunction with the appropriate State agencies, to make a study of the incidence and causes of roof and rib falls, to recommend measures to reduce and prevent such roof and rib falls, and to study existing educational and training programs in mine safety.

Finally, the Bureau is required to make a study of safety conditions in mines employing fewer than 15 individuals underground to determine if the provisions of the act are properly applicable to such mines which are presently exempted, in the sense that such application would materially improve safety conditions in such mines, safety being the primary consideration, but taking into account the cost to the mine owners of applying these provisions, the economic impact on such mines, and their ability to remain in production and compete with nonexempt mines if any or all the provisions of the act should be made applicable to them.

Consistent with its primary concern for the safety of human beings working underground in coal mines, the committee amended bill makes applicable to all underground coal mines, without exception, the summary procedures of the act for closing down a mine which presents an imminent danger of serious accident or disaster while providing an equally summary procedure to guard against arbitrariness in the issuance of such closing orders.

In so doing, the bill as amended makes it possible to proceed with an authoritative study to determine whether all of the provisions of the act should be made applicable to the smaller mines which are presently exempted. The testimony which the committee received from those who favored the complete elimination of the present exemption was not conclusive.

Very little authoritative information was presented regarding the economic effects of applying all of the provisions of the act to the smaller mines which are now exempted. The committee, of course, would not hesitate to recommend the application of all of these provisions to such mines, regardless of economic effect, if it were convinced that this would result in increasing safety and eliminating mine disasters with their accompanying injuries and fatalities.

In the light of the inconclusive character of the testimony in support of the proposal to repeal completely the present exemption, the committee preferred to take the steps safeguarding against dangers of imminent disaster while simultaneously providing a method to secure the data necessary for the Congress to legislate intelligently in the near future. The committee believes that the bill as reported accomplishes these purposes.

DESIGNATION OF THE BLACK-EYED-SUSAN AS THE NATIONAL FLOWER

Mr. BEALL. Mr. President, I introduce, for appropriate reference, a joint resolution designating the black-eyed-susan as the national flower of the United States.

Today, Mr. President, is Maryland Day, and it is fitting that on this day Maryland's State flower be proposed as our national flower.

This is the 325th anniversary of the birth of the great Free State of Mary-

land. Maryland became known as the Free State for good reason. It was founded by colonists who landed on March 25, 1634, at a Potomac River island just off where St. Marys City now stands—and one of the first edicts by which the colonists were governed was that every person had the right to worship according to the dictates of his own conscience. This emphasis on freedom of religion became an important part of the ideals and principles of our people. As a matter of fact, the idea of freedom which permeates the American Constitution came from the Maryland Act of Toleration of 1649. The Free State of Maryland celebrates its birthday today, and freedom loving Americans everywhere recognize the importance of this day in American history.

Symbolic of the spirit of our forefathers is the flower, the black-eyed-susan. Our forefathers were immigrants; so is the black-eyed-susan—an immigrant in Maryland from the West. In 1918, it was designated the State flower of Maryland, birthplace of our national anthem.

The black-eyed-susan is symbolic of the spirit of women and of their helpfulness in the founding of our great Republic. It is suggestive of man's appreciation of the peaceful influence of women in world affairs. Black-eyed-susans are beautiful flowers. The black and gold and red, white, and blue make a magnificent color combination. Black-eyed-susans grow well in every State of the Union.

We have heard proposed here the subsidized corn tassel; the lowly grass; the poor, overworked rose; the tough, repelling marigold. But we need look no further. Here I suggest the black-eyed-susan, an appropriate and worthy national flower for the United States.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 82) designating the black-eyed-susan as the national flower of the United States, introduced by Mr. BEALL, was received, read twice by its title, and referred to the Committee on the Judiciary.

ADVISORY COUNCIL ON NATIONAL SECURITY

Mr. JAVITS. Mr. President, I am about to introduce a joint resolution, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDING OFFICER. Without objection, the Senator from New York may proceed.

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from Kentucky [Mr. COOPER], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Minnesota [Mr. HUMPHREY], I introduce, for appropriate reference, a joint resolution to provide for the establishment of an Advisory Council on National Security, to be composed of 25 of—I hope—the most distinguished people in the country, including all living former Presidents, which means, of course, former President Hoover and former President Truman.

Mr. President, I introduce the joint resolution because it seeks to address itself to one of the very grave fundamental problems we face, namely, how best to arouse the American people to a realization of the real issues and the real sacrifices and the actions of a major national character which are required in order effectively to deal with the cold war struggle.

Most observers are satisfied that we are not in that posture, which in our case might be called a form of moral rearmament, for the course of freedom deserves this kind of support. But, somehow or other, people simply are not alerted to it.

A survey was made of the critical situation in Berlin. It shows that a majority of the people support the President, but many people are misinformed or uninformed in that connection.

Mr. President, the critical position in which the United States finds itself today has already called for a mobilization of our youth, our scientists, and the best abilities of citizens from every sector of our national life. Today, we find ourselves in a world position which requires such a utilization, at the very least, of all our intellectual capabilities and resources. The time has come to look for means by which we can make available to the President, the executive department, and the Congress the best minds of the Nation, with the widest range of experience secured through distinguished service in the past, the specialized abilities developed in varied aspects of human activity, and a continuing evaluation of national viewpoints and developments.

Our times are exposing some of the tremendously vexing problems which face the people of the United States as our country necessarily takes up the role of free world leadership. Among these problems are:

First. Is our total defense posture geared to a level which will deter a potential aggressor from launching a nuclear war in the years ahead?

Second. What growth rate, in terms of national productivity, will sustain an adequate rise in the standard of living in the United States, while enabling us to meet our responsibilities for defense and for winning the peace abroad?

Third. What policy toward colonial areas and dictatorial governments within the free world must the United States evolve to keep the perimeter of the non-Communist world from shrinking and to safeguard Africa, Asia, and Latin America from Communist subversion or infiltration?

Fourth. What should be the United States position, in order to bring about a disarmament agreement, or an agreement on testing of nuclear weapons or on surprise attack?

Our attitude toward Red China; East-West trade; foreign aid and technical assistance; international exchanges with the satellite nations; the future of NATO, which now is entering its 10th year; disengagement or a nuclear free zone in Central Europe—all these are important and complex parts of the total cold war challenge which must be met now.

In order to help the activities of our President, our National Security Council, and all our other governmental bodies we need—because apparently the job has not been done—to utilize in the cold war struggle the vast reservoir of skill and experience which is not in the Federal Government at any given time. Our ex-Presidents, Mr. Truman and Mr. Hoover, are the best examples of this. To them may be added military leaders, now retired, of outstanding capacity who enjoy great national prestige, civilians who have held important places in our Government, and others who are high in the estimation of the people.

Their names will be on the lips of everyone, when a matter of this importance is considered. Such an advisory council could be of indispensable aid to the President, in addition to the National Security Council which is the President's staff agency on these very matters, and therefore cannot make available its conclusions to the public. Yet there is a deep need on the part of our citizens for a high-level advisory view on just what is needed to win the cold war.

Therefore, I have introduced the joint resolution to establish an Advisory Council on National Security, consisting of all living ex-Presidents of the United States and 25 other leading citizens, 13 to be appointed by the President of the United States, and 6 each by the President of the Senate and the Speaker of the House of Representatives. The bipartisan membership of the Council is to consist of citizens from the professions, public service, management, labor, agriculture, the sciences, education, investors and consumers.

In other words, Mr. President, there are available in our country outstanding persons of very great ability. Many of them formerly served in the Government Some never have. It is time for us to use them in this struggle. The joint resolution which I have introduced, on behalf of myself and the colleagues I have mentioned, who have so graciously joined me in introducing it, is a suggestion.

Under the terms of the joint resolution, the Council is to recommend to the President, and other executive officers designated by him, programs for the establishment and implementation of national policies to meet the responsibilities and dangers faced by the United States in the world struggle for free institutions. In addition, it is required to file semiannual reports of its activities and recommendations to the President and to the Congress.

During the two World Wars in which this Nation has been engaged, we have called upon executives of industries, leaders of labor and of the press, scholars from the universities, and men in every walk of life and field of experience whose abilities could serve the Nation in its hour of need. We are again in a time of crisis and should again avail ourselves of such assistance.

The organizational problem which I am trying to meet is one of the most difficult we have in the organization of our Government. I have consulted with many outstanding authorities about this matter and the solution which I suggest is by no means free from difference of opinion. But the need is also considered to be indispensable. Accordingly, I hope that it will be considered a contribution if the discussion can now take up a practical idea such as this one as a starting point for endeavoring to ascertain how we can best introduce what seems to be a missing link in our total cold war effort, and it may be that some will prefer a form or organization involving the State Department's Policy Planning Staff or the National Security Council. Legislation will in any case probably be required. I therefore urge congressional consideration of this whole question with a view toward more effectively conducting the cold war and more intimately engaging in it the people of the United States, and that is, I emphasize, the whole purpose of this approach.

It has been emphasized time and again that we should pursue our international policy not solely in reaction to the cold war effort but out of the need to help build a just, prosperous, and peaceful world with equality of opportunity for all and the enjoyment of the highest values of which we are capable in cultural, moral, and ethical experience. It is upon this level that the American people, I know, wish to pitch their effort and I submit that we need to work out governmental techniques which will call forth this kind of spirit. I am making a suggestion along this line in the hope of stimulating congressional consideration which will lead to a wise solution.

I am deeply convinced that the prophets of doom who believe that the American people have lost their interest, courage, and enthusiasm for the cold war struggle, are dead wrong. Yet, Admiral Rickover who has warned of softness in our national life and organization as a serious danger in the cold war struggle is obviously right because we face the peril of not knowing exactly what each of us can and should do in the cold war.

The President of the United States, whom I highly honor, and I have been one of his most devoted followers, has often said the implications of this struggle are apparent to many Americans who live hundreds of miles from Washington, D.C. However, there remains a vital need on the part of our citizens to clearly understand the means necessary to the achievement of our objectives in this struggle. They can best be presented to our citizens through the coordinated viewpoint of an advisory body on the highest level of American public life. The time has come for the United States to mobilize the brainpower, the vitality, the vigor, and the skills of outstanding Americans from every field of endeavor who have broad experience and proven judgment in matters involving the national interest.

We have in a number of areas much more limited than those I propose to cover established such advisory councils. We have advisory councils on foreign information and education programs, on atomic energy development, on foreign aid, and on education. The President himself has established by Executive order on March 13, a Federal Council for Science and Technology, which, similar to the National Security Council, gathers the abilities and facilities of governmental agencies in the field, to recommend policies and measures dealing with this area of national activity.

However, this approach is again limited, not only in area, but also by restricting its membership to intragovernmental personnel. This is also the problem of the Security Council, and I proposed, last year, to have the National Security Council contain some public members to overcome this deficiency. The Advisory Council which I now propose is, I believe, an approach to this national need well worth considering.

I ask unanimous consent that the joint resolution may lie on the desk until the close of business tomorrow, so that other Members of the Senate who may feel so moved may join in it.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will lie on the desk, as requested by the Senator from New York.

The joint resolution (S.J. Res. 83) to provide for the establishment of an "Advisory Council on National Security," introduced by Mr. JAVITS (for himself, Mr. COOPER, Mr. DOUGLAS, and Mr. HUMPHREY), was received, read twice by its title, and referred to the Committee on Armed Services.

DESIGNATION OF MARCH 25 OF EACH YEAR AS GREEK INDEPENDENCE DAY

Mr. HUMPHREY. Mr. President, today marks the 138th anniversary of the beginning of the Greek War of Independence in which the people of Greece undertook the struggle to achieve their freedom from the Ottoman Empire. In 1827 victory was achieved and Greece was set up as an independent nation.

The basic ideals of the Western World can in large measure be traced back to Greece. At this time when the traditions of freedom are being challenged by the forces of communism, it is appropriate that we salute this fine country.

To mark this occasion I introduce, for appropriate reference, a joint resolution authorizing and requesting the President to designate March 25 of each year as Greek Independence Day. A companion resolution is being offered in the House of Representatives by JOHN BRADEMAS, of Indiana who is the first person of Greek descent to serve in the Congress.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 84) providing for the issuance of a proclamation designating March 25 as Greek Independence Day, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on the Judiciary.

TRIBUTE TO ROBERT FROST ON HIS 85TH BIRTHDAY

Mr. PROUTY. Mr. President, on behalf of myself and 60 other Senators, I submit a resolution which represents a tribute to Mr. Robert Frost, one of the Nation's most illustrious and best loved men of letters. I ask unanimous consent that the resolution be read by title, for the information of the Senate.

The PRESIDING OFFICER. The clerk will read, as requested.

The CHIEF CLERK. A resolution extending birthday greetings of the Senate to Robert Frost.

Mr. PROUTY. Mr. President, on Thursday of this week America's great poet-philosopher, Robert Frost, will celebrate his 85th birthday.

He is a distinguished citizen, not only of my State, but also of the Nation and the world.

During the past half century, Robert Frost has become perhaps the best known poet now writing in the English language. His life and his works have become a part of the contemporary American story, and need no added glorification on this occasion.

"As poet and as man, Frost has proved himself native to the grain of the American idiom." These words of Prof. Lawrance Thompson, of Princeton University, explain one reason for my resolution.

A predecessor of Mr. Frost as Consultant in Poetry in English to the Library of Congress, Mr. Randall Jarrell, has said:

> Frost's virtues are extraordinary. No other living poet has written so well about the actions of ordinary men.

That explains another reason for my resolution, Mr. President.

Writing in the New York Times Book Review of March 22, 1959, J. Donald Adams describes Frost as "one of the most lovable of men and, though he would be the first to disclaim the adjective, one of the most admirable in character also."

That explains the third reason for my resolution, Mr. President.

Mr. Adams concludes his article with the following paragraph:

> I can think of no better tribute to Frost on his coming birthday than for every American who admires his work to write a letter to the Nobel Prize Committee, asking why our foremost poet has not yet been recognized in Stockholm. It is a recognition long past due, and time flies on ever swifter wings.

Mr. President, the awarding of the Nobel Prizes is outside the prerogatives of the U.S. Senate. But the unanimous adoption of this resolution will inform Mr. Frost and the world of the esteem in which this great American poet is held by the Members of this body.

Mr. President, I ask unanimous consent to have my remarks immediately followed by an article entitled: "A Native to the Grain of the American Idiom." The article was written by Lawrance Thompson, and appeared in the March 21, 1959, issue of the Saturday Review.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Review, Mar. 21, 1959]

A NATIVE TO THE GRAIN OF THE AMERICAN IDIOM

(By Lawrence Thompson, a professor of English at Princeton University and has been for years a biographer of Frost)

Ten years ago, when the U.S. Senate helped celebrate Robert Frost's 75th birthday by extending to him the formal "felicitations of the Nation which he has served so well," many of his friends urged that the bard had earned his right to retire from any further demands of an adoring public so that he might tend his own Vermont and Florida gardens in peace. They should have known better than to wish him that kind of retirement or to imagine that even if he had tried to escape he would have been left alone. Instead, during the past 10 years, he has extended his value to us in so many new ways and with such characteristically saucy wit and seriousness as to bring new glory not only to himself but also to his country. So with gratitude as well as love we salute him on his 85th birthday as our most renowned and our most cherished poet.

If we wonder why the Nation at large has responded, as it has with new warmth to Robert Frost in recent years after we might have assumed he had already achieved an enviable zenith of esteem, one answer might be that during this our latest period of national uncertainty and self-doubt, he has remained ("though by a world of doubt surrounded") a steadfast witness tree to that kind of traditionally guarded Yankee optimism and confidence that we have so largely lacked and needed.

At such a time, if his cautious affirmations had sounded to us like merely cheerful whistlings in the dark he could have done nothing for us except annoy. Yet the older he has grown, the more widespread our national conviction that he has always looked steadily at the worst and yet, while becoming well acquainted with the night, has never lost his knack for seeing beyond. The contagious element of that courage based on 85 years of tough experience has become written so deeply into the lines of his face and his poetry that we now should know the two are one.

So perhaps the most genuine form of tribute we can pay Robert Frost on his 85th birthday is to improve our awareness of his life work as a double metaphor. Without trying to tackle the involved problem of relationships between simplicity and complexity in either the man or his art we can at least rediscover the perennial pertinence of his basic poetic themes. But before we take bearings in that restricted direction we may proudly glance back over just a few highlights of what has happened to him during the past decade.

Last year, when Frost was named Consultant in Poetry to the Library of Congress, that appointment was hailed by some as the equivalent of naming him our Poet Laureate even though a few of his critics publicly expressed the fear that the growing popularity of his personality might eclipse the significance of his poetry. The ambiguous banter of his wit during his few press conferences at the Library of Congress ought to reassure anyone that there is no danger of his taking himself too seriously: "My ironies don't seem to iron anything out. Things stay about the same after I'm finished talking."

Almost 10 years ago, shortly after his 75th birthday, his "Complete Poems" received the award of a gold medal because a poll of leading critics had voted it a work "most likely to attain the stature of a classic." While few poets have thus been honored by such a prediction during their lifetime, the hazard of that guess involved no great risk because many of his lines have already passed over into our language as familiar quotations. Having expressed the modest hope that a few of his poems might "stick like burrs not easily dislodged," Frost may find this reflexive tribute more meaningful to him than all the recent awards of medals and prizes.

Collectors of rare books provided another memorable measure of esteem for him in December of 1950 when a unique copy of his first volume of poems ("Twilight," privately printd in 1894) brought $3,500 at public auction. Quite clearly, his works have already attained the classic stature among the collectors.

While his countrymen were variously honoring him at home, and while he was becoming better known to both younger and older generations as he continued his readings on television and also to capacity audiences across the country, Robert Frost was invited to extend his bardings overseas. During the summer of 1954 he spoke and read as a representative of the United States at a commemoration of the 400th anniversary of the University of Sao Paulo, in Brazil. Three years later, Oxford and Cambridge invited him to England to receive honorary degrees. That pair of invitations helped him round out one phase of his career in that he was thus able to return with acclaim to the soil where he had been completely unknown when he had published his first book of poems in London, in 1913. This time, he stayed long enough to read and talk before enthusiastic listeners in always crowded halls, not only at Oxford and Cambridge, but also at the University of Durham (which had previously awarded him an honorary degree in absentia), at the University of Manchester, and at the University of London. English poets and prose writers arranged many cordial receptions for him. Climatically, the English Speaking Union spread a banquet in his honor and the toast of praise was there made with genuine affection by his own former countryman and fellow-poet, T. S. Eliot. But Frost did not come directly home from England. Priding himself on his inherited Scotch-Gaelic background, he also took pleasure in crossing the Irish Sea to receive an honorary degree from the University College in Dublin. As an informal ambassador of good will during these various occasions he served his nation with distinction.

(A typical side-view: While Frost has very little use for any academic regalia, his Yankee practicality has found sensible service for all those multicolored silk hoods heaped on his broad shoulders while he has been acquiring some forty honorary degrees. He has had the hoods cut up into appropriate-sized squares and sewn together as elegant coverings for a pair of patchwork quilts. His explanation is tart: "It's knowing what to do with things that counts.")

All of the events involving Robert Frost during the past decade make most sense if viewed poetically as metaphors. But what grounds for confidence could Frost have claimed during those upsetting days of Sputnik I? None new or untried, yet many that are closely related to his recurrent themes of courageous carrying on in the face of discouragement. His poems and his life provide complementary dramatizations of certain essentials in the idiom of American history: A descendant of nonconformist Puritans, Frost has acted out the principle of even heretical nonconformity while defending against all criticism the rigor and self-discipline of certain pioneering Puritan virtues. He likes to say that there are two post-Puritan books that are never quite out of his mind, Thoreau's "Walden" and Defoe's "Robinson Crusoe." He sees and hears a rhyme, there, in that while Crusoe was cast away and Thoreau self-castaway, each found self-sufficient. Fear of lostness or defeat gets counterbalanced, for Frost, by man's persistent and metaphorical demonstrations of difficulties overcome, starting and ending with the great problems as to how the limited can make snug in the limitless.

In his poems, many of his metaphors are closely related to the theme of the individual's necessary pioneering, in any age. For him, the greatest reward of daring is still to dare, initially through individual assertion of energy and skill buttressed by a combination of self-belief and God-belief. He views the moral build soil of man and nation as constituting a blend of those opposites of self-fulfillment and self-surrender. Such insights are partially reflected in the metaphorical retrospect of his poem on American history entitled 'The Gift Outright." But insofar as those insights involve repeated beginnings of individual self-discovery and self-expression they also find oblique reflection within such a metaphor as that which lies at the heart of 'The Axe-Helve":

"He showed me that the lines of a good helve
Were native to the grain before the knife
Expressed them, and its curves were no false curves
Put on it from without. And there its strength lay
For the hard work."

As poet and as man, Frost has proved himself native to the grain of the American idiom. But if we ask what right a mere poet has to invoke metaphors of strength for hard work we can find the answers in the creases of his face. His entire life might be taken as a gathering metaphor of confronting and overcoming difficulties (physical, mental, emotional, spiritual) by setting himself an ideal goal and then by working up the skills to hew purposefully toward that goal.

Consider a few of the separate images that went to make up that life metaphor. What were his own chances when he played as a boy in the streets of his native San Francisco while his father, having failed as a gambler, was dying of tuberculosis? What were his chances when he worked at odd jobs in Lawrence, Mass., while clinging to his apparently futile belief that artistic achievement was all that mattered to him? What were his chances when this city-bred young man was sent by doctor's orders to a backwoods farm in Derry, N.H., because his failing health seemed to indicate tuberculosis? What were his chances, after 6 years of desultory farm life, when he was stricken by a severe attack of pneumonia and had good reason to fear that he would not recover? What were his chances when he failed for 15 years to achieve any recognition as a poet other than those notes of polite refusal and those printed rejection slips that accompanied poems returned from major literary magazines in the United States? What were his chances when he reached his 40th year before publishing his first thin book of lyrics in England under the retrospective title "A Boy's Will"? These are all metaphors in which fear is met and answered and overcome by courage and daring and action and skill. Shades of Horatio Alger? All right. Call it what you like, for nothing can belittle that accomplishment.

"I stay," is the gamblerlike beginning of that poem about chances and possibilities entitled "An Empty Threat." Just because these poems talk back and forth to each other, put with that beginning the conclusion of another relatively early poem entitled "Acceptance":

"Now let the night be dark for all of me.
Let the night be too dark for me to see
Into the future. Let what will be be."

In considering Frost's life as a poem we can see that he had his own reasons for thinking he knew what he was talking about when he said in print just over a year ago, "Courage is the human virtue that counts

most—courage to act on limited knowledge and insufficient evidence. That's all any of us have, so we must have the courage to go ahead and act on a hunch. It's the best we can do."

Because he thinks in terms of metaphors, Frost can view that homely gambler's word "hunch" as interchangeable with (or at least inseparable from) such words as "faith" and "belief." Part of his courage has always been rooted in his hunch that there must be a larger design relating the ideal goals of any individual with those of his neighbors, his State, his Nation, and ultimately his God. All of his poems invoke what he likes to call "ulteriorities" within and through the hard facts of immediate daily life. During the past 5 years he may have seemed to become more explicit in both poetry and prose concerning the ideal predicament of any person or nation as involving the venture of spirit into matter. But there is nothing new for him about that particular theme because he began exploring it affirmatively when he published in his first book of lyrics the poems entitled "The Trial by Existence" and "A Prayer in Spring." Years later, he touched on the same existential theme when he tucked into one of his prose prefaces this metaphor on metaphors: "every poem is an epitome of the great predicament; a figure of the will braving alien entanglements." On his 60th birthday, in an open letter to "The Amherst Student," he talked again in terms of metaphors concerning the individual's God-given capacity to assert some limited degree of order and form and meaning on the chaos and confusion of immediate human experience.

There is no getting around it: Robert Frost is (among many other things) a didactic poet who is not ashamed of his Puritan heritage. While certain critics continue to decry his didacticism, the average reader seems to be able to bear Frost's way of letting an observation or insight pick up its images and then crystallize themes into epigrammatic conclusions. That kind of idiom is particularly welcome today because it turns out that Frost has so much that is pertinent to say to us in our personal and national confusion. Let the cynical belittlers of the present American scene question the Nation with the old sneer, "Are all thy conquests, glories, triumphs, spoils, shrunk to this little measure?" What Frost has kept saying from the start of his poetic career is that there is yet room for even "sheer morning gladness at the brim" provided we keep earning the right to enjoy it. For him there is still justification for believing that "earth's the right place for love" if we take the trouble to keep earning that. As for the future of his country he suggests that even there we are morally obliged to keep earning our right to measure her future in terms of her past: "Such as she was, such as she would become."

So when a man and poet like Robert Frost is able to renew these old insights convincingly in both verse and action, even while completing his 85th year of tough experience, we can take pride in extending to him, once again, and with ever increasing gratitude, the felicitations of the Nation he has served so well.

Mr. PROUTY. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the resolution (S. Res. 95) submitted by Mr. PROUTY (for himself and Senators AIKEN, ALLOTT, BARTLETT, BENNETT, BIBLE, BRIDGES, BUSH, BUTLER, BYRD of West Virginia, CANNON, CAPEHART, CARROLL, CASE of South Dakota, CASE of New Jersey, CHAVEZ, CHURCH, CLARK, COTTON, DODD, DOUGLAS, EASTLAND, ENGLE, GOLDWATER, GREEN, GRUENING, HARTKE, HENNINGS, HOLLAND, HRUSKA, HUMPHREY, JACKSON, JAVITS, JORDAN, KEATING, KEFAUVER, KENNEDY, LANGER, LAUSCHE, MAGNUSON, MANSFIELD, MCCARTHY, MCNAMARA, MORSE, MUNDT, MURRAY, MUSKIE, NEUBERGER, PASTORE, PROXMIRE, ROBERTSON, SALTONSTALL, SCHOEPPEL, SCOTT, SMATHERS, SMITH, SYMINGTON, TALMADGE, WILEY, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of Ohio) was considered and, by unanimous consent, agreed to, as follows:

Whereas in the words of the poet Shelley "Poets are the unacknowledged legislators of the world"; and

Whereas poets have been described as "the movers and the shakers of the world forever"; and

Whereas art, which includes the making of poetry, is said to be "the conscience of mankind"; and

Whereas the Congress, although compelled by the necessities of our time to concentrate its primary attention on things material, nevertheless is fully cognizant of the value and importance to our citizens as long as our Nation shall endure of things of the spirit contained in our national literature, art and culture; and

Whereas Robert Frost, the present Consultant in Poetry in English to the Library of Congress is one of America's and the world's best loved and best known poet-philosophers; and

Whereas throughout his long and distinguished career in the field of letters his poetry and his philosophy have enhanced for many throughout the world their understanding of the United States and its people; and

Whereas for almost half a century Robert Frost has been writing poetry which has brought pleasure, comfort, inspiration, thoughtfulness, keener awareness of nature and greater understanding of fellow human beings to thousands of people in all parts of the civilized world; and

Whereas he has unselfishly devoted many years of his life to teaching and bringing to the youth of our land an appreciation of the finer things of life; and

Whereas his work has brought him more recognized honors than have come to any other contemporary American poet, including four Pulitzer prizes in poetry, the Helen Haire Levinson Prize, the Russell Loines Memorial Fund Prize, the Mark Twain Medal, the Gold Medal of the National Institute of Arts and Letters, the Silver Medal of the Poetry Society of America, and the Theodore Roosevelt Medal; and

Whereas the Senate of the United States in a resolution on the occasion of his seventy-fifth birthday extended Mr. Frost the "felicitations of this Nation which he has served so well"; and

Whereas on the 26th of March 1959 he will attain the venerable age of 85 years, still enthusiastically carrying forward his writing, his teaching, his philosophizing, his lecturing and his public poetry readings throughout the land: Now, therefore, be it

Resolved, That the Senate of the United States extend to Robert Frost its good wishes on the occasion of his anniversary and salute him as a citizen, as a man, as a poet, and as a representative of our Nation's art and culture, and that the Secretary of the Senate is authorized and directed to transmit to Mr. Frost an engrossed copy of this resolution.

TAXATION OF CERTAIN NONRESIDENTS—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. CASE of New Jersey. Mr. President, on March 5, 1959, I introduced Senate Joint Resolution 67 to amend the Constitution so as to limit the right of States or their political subdivisions to tax the incomes of nonresidents. The Senator from Connecticut [Mr. DODD] has asked to be added as a cosponsor of my resolution. I ask unanimous consent that his name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. PASTORE:

Address by Senator DODD delivered at the Jefferson-Jackson Day dinner in Hartford, Conn., March 19, 1959.

By Mr. HUMPHREY:

Address delivered by him entitled "The Challenge of the Soviet Economic Offensive," before the Economic Club of Southwestern Michigan, at St. Joseph, Mich., February 12, 1959.

By Mr. JAVITS:

Address delivered by Senator KEATING at the ninth annual conference of national organizations called by the American Associations for the United Nations.

By Mr. KEATING:

Address delivered by Senator SCOTT, of Pennsylvania, before Fellows of American Bar Foundation, Chicago, Ill., February 22, 1959.

Address delivered by Secretary of Agriculture Benson at Farm and Home Week meeting, Cornell University, Ithaca, N.Y., March 24, 1959.

NOTICE OF HEARING ON NOMINATION OF POTTER STEWART TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

Mr. KEFAUVER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, April 9, 1959, at 10:30 a.m., in room 424 Senate Office Building, before the Committee on the Judiciary, upon the nomination of Potter Stewart, of Ohio, to be an Associate Justice of the Supreme Court of the United States.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent.

VERMONT MAPLE WEEK BEGINS MARCH 30

Mr. PROUTY. Mr. President, the week beginning March 30 is Maple Week in Vermont. Special events are being planned in many of the ski areas of the State and in other communities.

These events are sponsored by the Greater Vermont Association and the Vermont Maple Industry Council. Also cooperating are the Vermont Development Commission, the State department of agriculture, the extension service of the University of Vermont, and the Vermont Sugar Association.

Mr. President, the sugar maple is the official tree of the State of Vermont. This is appropriate, because on no other continent in the world can the sugar

maple be found, and nowhere on this continent does it thrive more healthfully and happily than in Vermont.

Vermont leads all other States in the number of farms producing this crop, in the number of trees tapped annually, and in total production. Here are found the largest manufacturers of sugar-making equipment, the most inventors of improved methods of sugaring and of producing a variety of maple products, and more than 5,000 of the best-equipped producers.

The first official grades ever to be established on maple sugar and sirup were established by the Vermont Department of Agriculture; and today Vermont maple sugar and sirup are not only the best tasting in the world, but are the purest.

For all these reasons, Vermont invites all our citizens to visit the Green Mountain State during Maple Week. Not only will they be received with warm-hearted Yankee hospitality, but they will breathe pure mountain air uncontaminated by fog, smog, or radioactive dust; they will be able to enjoy unexcelled skiing; and their palates will be tickled by the sweetest taste, next to a sweetheart's kiss, that the good Lord ever invented.

CALL OF THE ROLL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. DELEGATION TO THE INTERPARLIAMENTARY UNION EXECUTIVE COMMITTEE AND COUNCIL

Mr. MANSFIELD. Mr. President, I should like to announce, for the information of the Senate, that next week three distinguished Members of this body, the Senator from Oklahoma [Mr. MONRONEY], the Senator from South Dakota [Mr. CASE], and the Senator from Maryland [Mr. BUTLER], together with two able Members of the House of Representatives, Representatives HAROLD COOLEY and BOB POAGE, will leave for France to take part in the annual spring agenda meeting of the Interparliamentary Union's Executive Committee and Council.

As Senators know, the United States is one of 55 member nations of the Interparliamentary Union. This year's regular meeting is to be held in Warsaw in September—the first time the Union has ever met behind the Iron Curtain.

It is for this reason—and because of the critical months that lie ahead for the world—that the agenda meeting next week will be particularly important. Questions of disarmament, of international development and of cultural exchange, among others, will be considered for the agenda.

I think it is extremely fortunate that the United States will be represented at the agenda meeting by MIKE MONRONEY, FRANCIS CASE, and JOHN BUTLER, and by HAROLD COOLEY and BOB POAGE. I extend to them the Senate's best wishes in their work.

Mr. KUCHEL subsequently said: Mr. President, next week, in France, representatives of the member nations of the Interparliamentary Union will meet.

From the U.S. Senate the delegate will be the distinguished junior Senator from Oklahoma [Mr. MONRONEY]. The distinguished junior Senator from South Dakota [Mr. CASE] and the distinguished senior Senator from Maryland [Mr. BUTLER] will be present as alternates.

The problem before the members will be the preparation of agenda for the meeting of the Interparliamentary Union to be held in Poland during the coming summer. Thus the men and women who will meet together next week in France, in the preparation of agenda, will consult together in the background of a grave and great international crisis, which continues to rage over Berlin.

We shall be ably represented by those who will travel to the meeting from the Senate.

My point in rising, and in joining with my friend, the able Senator from Montana [Mr. MANSFIELD], is merely to say that with our delegation go the best wishes of the Members of the Senate that, with the representatives of the parliaments of other nations which belong to this great international organization, they may foster the cause of peace with justice in this weary world.

AUTHORITY FOR MR. MERRILL MURRAY TO BE PRESENT IN THE SENATE CHAMBER

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that Mr. Merrill Murray, Assistant Director of Employment Security of the Department of Labor, be authorized to be present in the Chamber today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia? The Chair hears none, and it is so ordered.

MANDATORY QUOTAS ON IMPORTS OF RESIDUAL OIL

Mr. RANDOLPH. Mr. President, the order issued March 10, 1959, by President Eisenhower which imposed mandatory quotas on imports of residual oil has been sharply criticized by some of my colleagues. I should like to hope that some of this criticism results from misunderstanding of pertinent facts. In any event, it is my opinion that the mandatory restrictions ordered by the President were overdue.

In any discussion of this subject, we should first of all consider the question: What is residual oil?

The product is a heavy, black oil remaining after the processing of crude. It is known in the trade as No. 6, No. 5, bunker C, or "black oil."

Almost all the imports of residual to this country originate in Venezuela, or refineries on Dutch islands off the coast of that country. The oil is used principally in the east coast industrial fuel markets of this country and inland approximately 100 miles.

The product is, as I have indicated, primarily a boiler fuel for industrial installations. It is not—and this is very important—used in the ordinary residential home. Apparently, some of my colleagues believe the restrictions ordered on residual fuel oils affect the average householder. This is not the case.

Some residual is burned to supply heat energy in large apartment buildings or hotels, but this use is almost negligible in comparison with its utilization by industry.

Perhaps, at this point, there should be some discussion of statistics which obviously had important bearing upon the President's decision to order mandatory quotas on imports of residual oil.

In 1946, direct residual oil imports were the equivalent of nearly 11 million tons of bituminous coal.

In 1958, they were the equivalent of approximately 44 million tons of coal. But in order to obtain the true picture we must add to the 44 million figure some 6 million tons, coal equivalent, of residual made from imported crude. Thus, the total for 1958 was approximately 50 million tons.

Since 1954, the increase in terms of coal equivalent of imported residual oil and residual made from imported crude is about 19 million tons.

Throughout January and February of this year virtually a tidal wave of residual oil was reaching our shores, that fuel having been imported at the coal equivalent of over 70 million tons on an annual basis.

Most of the coal which supplies the east coast comes from southern fields. The injury in this area from residual is both substantial and grave. Since 1947, employment in the coal industry in West Virginia has fallen by over 50,000 jobs. During that time coal's payrolls have dropped by about $21 million—or 5½ percent—while employment and payrolls in every other major industry, except lumber, showed overall increases until 1958. To a greater or lesser degree the somber story of coal repeats itself in other coal-producing States. The implications are ominous.

The mere fact that coal has been displaced by residual oil is, admittedly, no reason by itself for the Presidential action. The issue goes far beyond that.

Authoritative spokesmen for the coal industry contend that the residual oil is being dumped. It is sold at whatever price is necessary to gain markets for that product. This type of competition from foreign sources is unfair. The evidence bears out the contention.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The time of the Senator from West Virginia has expired.

Mr. RANDOLPH. Mr. President, I ask unanimous consent to proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. RANDOLPH. Indeed, the inroads made by residual oil on domestic fuel markets are a serious threat to our national security. In any period of crisis which may involve war risk, the bituminous coal industry would be called

upon to produce mightily. A weak and declining coal industry could not fulfill such an obligation.

Then, too, an ailing coal industry hurts the railroads, since coal is their most substantial customer.

A stable and prosperous coal industry is defense insurance of the best kind for the Nation.

I have no doubt that these facts were in the mind of the President when he decided to impose mandatory quotas on residual oil.

It seems to me, furthermore, that under the law, the Chief Executive had an obligation to issue the March 10, 1959, order which he caused to be promulgated as a proclamation.

Broadly speaking, section 8 of the Trade Agreements Act provides that the President shall take action to prevent imports from impairing the national security if the Director of the Office of Civil and Defense Mobilization finds that such conditions exist. The legislation was amended in 1958 to include imports of derivatives of raw materials or products. Residual is a derivative of crude.

The reliance by the east coast of the United States upon foreign residual oil is dangerous. As has been proved in the past, residual rates will be raised quickly and substantially if conditions permit. But if war comes, the oil simply will not continue to be available.

During World War II, oil shipments by tanker from the gulf coast and overseas dropped 65 percent. Bituminous coal was called upon to supply most of the resultant fuel deficiency—and did so.

The Soviet submarine fleet today reportedly is much larger and more efficient than was the German fleet which wreaked so much havoc on shipping during World War II. There is every reason to believe, therefore, that our potential enemy's submarines would pose a very grave threat to oceanic vessels carrying oils to our domestic ports.

Foreign sources supplied about 26 percent of the east coast's residual oil requirements in 1940; they now supply in excess of 70 percent of residual consumption in the Eastern United States.

The best estimates—governmental and private—are that the energy requirements of the east coast area would increase at least 12 percent during the first year of a major war. This estimate does not take into account any interruption of oil imports. Even so, all durable industries probably would have to operate at peak capacity. At present, the east coast energy sources are as follows:

[Million tons in coal equivalent]

		Percent
Petroleum	274	52
Bituminous coal	161	31
Natural gas	58	11
Anthracite	20	4
Hydro	11	2
Total	524	100

If the demand rose 12 percent and there was no interruption in supplies, energy requirements in the first year of war would be as follows:

[Million tons in coal equivalent]

	Percent
Petroleum	303
Bituminous coal	188
Natural gas	63
Anthracite	23
Hydro	11
Total	588

Today, coal experts tell me that the bituminous coal industry probably could produce 520 million tons annually if called upon so to do. The fields supplying the east coast area might be hard pressed to mine the 27 million additional tons—coal's share of the 12 percent—if war came, but they probably could meet such a challenge.

But if tanker sinkings should affect imports the situation would become critical almost immediately. Let us assume that residual oil availability should be reduced 25 percent, as compared to its 1957 level. The residual supply then would drop from an equivalent of 274 million tons to 206 million tons.

The only source for the major part of this deficit would be bituminous coal. Gas could not help; it already is pushed to pipeline capacity. Anthracite could supply only a few million tons of the new need. Hydroelectric power could offer no additional energy.

I have said that bituminous coal might be able to supply an additional 27 million tons annually to the east coast if it were asked to do so. However, a 25 percent reduction in residual oil imports would mean that coal mines would be called upon to furnish 68 million tons additional. As matters stand now, bituminous coal could not supply this required tonnage. In this connection, we must also take into account the fact that the coal fields which supply the east coast sell half their output elsewhere. These other sources would be clamoring for more fuel in the event of war.

What about the assumption that residual imports would be cut 25 percent in time of war? This estimate seems much too conservative. The decline in residual imports and in coastwise shipments of the product was much more than 25 percent during World War II. Coastwise residual oil shipments fell 60 percent between 1940 and 1942; residual imports from Venezuela dropped some 59 percent in 1942 as compared to 1941.

There also is the possibility of enemy attack on the areas of oil production, refining and loading in Venezuela and the Dutch West Indies. An H-bomb, or A-bomb at the entrance of Lake Maracaibo, for example, would mean there would be no oil imports from Venezuela for a long, long time.

Once again, there is no reason to expect that enemy submarine forces would not do as much damage, or more, to oil imports and coastwise oil shipments during a future war involving the United States than the damage in World War II caused by the Germans.

Nor should we forget the recommendation of the Presidential Advisory Committee on Energy Supplies and Resources Policy made in 1955.

As its name indicates, the function of this Committee is to study energy supplies and resources and to make recommendations on national policy.

With regard to crude oil and residual oil, the Committee's report of February 26, 1955, said:

> The Committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oils bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be an inadequate incentive for exploration and the discovery of new sources of supply. * * *
>
> The Committee recommends, however, that if in the future the imports of crude oil and residual fuel oils exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken.

In 1958, imports of foreign residual, and residual made from imported crude oil, exceeded the 1954 imports by over 19 million tons coal equivalent.

Obviously, the increase in imports at coal's expense has been tremendous and, from the standpoint of defense, threatening indeed.

The rising tide of residual imports along the east coast then constitutes a definite threat to national security.

The President, in my opinion, had no choice other than his order of March 10, 1959.

Further—and this should be kept in mind—his was only the first move in the series of steps which must be taken to recover coal's east coast markets. Much more needs to be done before there is the balance that we need for internal stability and national defense.

There is no question that the bituminous coal industry would be expected to expand production very rapidly in the event of armed conflict. All industry would be operating at capacity. New plants would go into operation as soon as they could be constructed. Not only would residual oil imports be curtailed or cut off; all petroleum imports would be restricted. Perhaps there would be a program to shift home furnaces from oil and gas to coal, as there was during the World War II period.

I have mentioned that bituminous coal, in wartime, probably could supply 27 million tons additional annually to the east coast area, but might find it impossible to supply 40 million tons additionally. Let us review the coal situation.

The coal industry has gone downhill since World War II, being one of the few major industries to do so. The alltime high of production was reached in 1947 when approximately 631 million tons were produced. In 1958, production approximated 400 million tons, and, in all likelihood, the entire industry operated at a loss. In 1954, when production was slightly more than 390 million tons the industry's loss, after taxes, was not far from $1 million.

From 2 to 4 years are required to develop a modern deep coal mine, and the industry must depend primarily on this type of mine for the future. During previous emergencies, much of coal's quick expansion came from strip mines—with surface coal or coal near the surface. Today, about 74 percent of bituminous production comes from deep mines and this proportion will increase in the future.

Since 1950, the number of operating bituminous mines has dropped from 9,429 to an estimated 7,588 in 1958, a loss of almost 2,000 mines. Comparatively few of these were strip mines since these are the most profitable and the last to be discontinued unless the coal is exhausted. Many of the deep mines which have closed will not reopen. Many concerns cannot afford the costs of keeping them in standby operations. Equipment is removed, the mine becomes flooded, the roof falls, and it is cheaper to start a new operation altogether than to reopen the old shaft.

Last year, employment in the mines was only about 190,000 men as compared to more than 400,000 in 1947. A part of this decline doubtless was due to mechanization, but a larger factor was the steady drop in coal production.

Incidentally, bituminous coal has steadily increased its productivity until it is around 11 tons per man per day, as compared to about 6½ tons in 1947, a most astonishing record.

Few persons realize that today the price of bituminous coal at the mine is just about what it was in 1946. This is truly amazing. No other major industry has had such an experience in these inflationary times. The stability of coal prices should help reassure my colleagues and others who are fearful that the quotas on residual oil will substantially increase fuel costs in the east coast area.

A modern mine is very costly to build, requiring an investment of from $6 to $10 per ton of annual capacity. Experts figure it will require an investment of at least 6 percent to remain a going operation; it requires an investment of at least 10 percent to be attractive in view of the uncertainties attending coal mining in this era. Every cost is high. It is estimated that depreciation, plus supply costs, range from $1.25 to $1.50 per ton annually. This does not take wages into account, nor other items, the welfare fund, social security, electric power, property taxes, and selling and administration costs.

I have stated that current capacity is around 520 million tons. In all probability, the industry's capacity to produce declined in 1958. The improvement in 1959 may not be pronounced. Residual oil imports in January and February were pouring in at the tremendous rate of around 70 million tons annually. The mandatory quotas will help some, but we must wait to see how they will be administered and how much improvement, if any, can be expected from an industrial upturn beneficial to coal. It is highly questionable whether depreciation and depletion will even be covered this year. Or, to state the situation another way, a part of the bituminous mine plant will be given away with each ton of coal sold.

About one twenty-fifth of the mine plant depletes each year, which means that about 20 million tons of the plant capacity must be replaced every year. This requires an expenditure of from $120 million to $200 million yearly. This is a sizable sum to an industry which operated with little or no profit last year.

It is conservative to estimate that the coal industry would be asked to produce 100 million tons, over and above present capacity of 520 million, in wartime. To place the industry in a position to supply this added tonnage, from $600 million to $1 billion will be needed. With coal limping along as it is today, where is this money coming from?

The Congress then, instead of assailing the quotas on residual, should consider other steps to place coal in a stable and prosperous condition, and insure that it will be able to furnish the Nation the indispensable tonnage needed.

Some critics of the residual order have expressed the fear that it, through increasing costs, may increase unemployment in east coast areas. I think their fears are groundless.

But, while we are discussing unemployment, there is no question about the effects of these rising imports on West Virginia and other coal States. This foreign oil already has caused unemployment. Thousands of miners, American citizens, are out of jobs and are forced to live on handouts. This is not a theory. It is a fact, and to add to our bitterness it is our belief that the imports are dumped, ruthlessly and unfairly.

Recently, the bituminous coal industry formed the national coal policy conference—an overall organization. The factors that I have talked about here today are the reasons why the coal producers, the United Mine Workers of America, coal-carrying railroads, coal equipment manufacturers and coal-burning utilities have joined together. They feel the time has come for a united effort on behalf of an indispensable product. They would dispel the idea that coal is outmoded. They will insist that the industry be given fair treatment. One of their aims is to stop the dumping of residual oil at the expense of coal.

I congratulate the coal industry and the related groups upon the formation of the conference. I am confident it will be a most salutary and constructive force.

The coal-carrying railroads have, in many respects, the same problems as the coal industry. The drop in coal production creates a serious problem for the railroads from the standpoint of revenue, because coal, for many years, has been a most important revenue-producing customer.

Another problem is created because of the heavy costs of maintaining locomotives, coal cars, and other facilities. In the last 3 years almost 50,000 hopper cars, used to haul coal, have been scrapped—several thousands more than the roads have put into service. In 1958, the number of bad order hoppers—coal cars which require extensive repair work before they can be used again—increased by more than 35,000.

The railroads know also that wartime operations would impose heavy burdens upon them, including the hauling of millions of additional tons of coal. They also want to be ready to do their part and they are wondering whether or not they would be able to do so.

The coal crisis, then, has two major fronts from the standpoint of national security. One is its effect on the ability of the coal industry to meet defense needs. The other is its effect upon the ability of the railroads to meet these same requirements.

I have outlined the predicament of the bituminous coal industry, as I understand it, and the part which residual oil has had in creating the problem. Even if the competition from residual imports were fair in every respect, protection of the domestic coal industry is imperative.

But, in the opinion of the coal industry spokesmen, the competition is not fair. Residual oil is being dumped. It is sold for the price necessary to expand residual consumption when that expansion becomes desirable to the producers of the product.

As has been stated, imports of residual have gone up and up since World War II. The displacement of coal has been particularly marked during periods of recession. In 1949 and 1950, for example, the residual level was high at a time when the demand for energy was declining. Residual prices were cut sharply and, naturally, coal markets were the victims. While some concerns have multi-purpose equipment, which can use both oil and coal, many shift from coal to oil on the basis of favorable long-term arrangements. Even if the price of residual is higher than coal, which occasionally happens for short-term periods, residual-using firms tolerate this condition and coal continues to be the loser.

In 1953 and 1954, another period when industrial activity declined, residual repeated its performance of 1949 and 1950, undercutting coal and taking away markets which never returned.

During the recession of 1958, the volume of residual oil was maintained at 1957 levels, much of it being sold at distress prices. Residual was priced as low as $2 per barrel in New York, which is the equivalent of about $8.40 per ton of coal. Coal has learned by bitter experience that reducing its prices will not save its markets.

Coal prices remain relatively stable. Residual prices fluctuate. For example, in 1948, the average price of a barrel of residual oil in the New York harbor was $3 per barrel, or the equivalent of $12.50 per ton of coal. During 1949, the average price at the same location averaged $1.90 per barrel, the equivalent of $7.91 for a ton of coal—a $4.50 change in only a year. In 1946, the average price for a barrel of residual was $1.76 or $7.34 coal equivalent—a $5.16 a ton

change in terms of coal. This $5 variance per ton equivalent is almost as great as the price of coal at the mine, which averages between $5 and $6 per ton—and which has varied little since 1946. Also, the residual salesmen have numerous special deals which are designed to facilitate the shift away from coal and which accomplish their objective.

The concern expressed over higher prices because of quotas on residual does not take into account the history of oil price movements. When it appeared there would be a world shortage of oil during the Suez crisis, the price of residual went up immediately. The history of residual prices indicates that the oil interests have no hesitancy in charging all that traffic will tolerate. The real guarantee of protection against gouging to the east coast area is the stability of coal prices.

Furthermore, the coal industry and the railroads already have moved to insure that fuel prices remain stable by arranging to reduce both coal prices and rail rates on the product to major industrial users in the East. The price reduction approximates $1 per ton.

How do we explain the rise in residual imports, no matter the economic conditions? Why the tremendous variance in oil prices, at coals' expense? Could it be that the oil interests can manage these prices at will, and that they have larger objectives in view than residual profits?

In this connection, I would call attention to an announcement of Herbert Brownell, former Attorney General, on April 14, 1953, that he would file a civil complaint charging the maintenance of a world petroleum cartel in violation of the antitrust laws. At the time, a District of Columbia Federal grand jury was investigating the activities of the oil companies with a view to possible criminal charges of antitrust violations. Mr. Brownell said he intended to drop the criminal charges, commenting this was "because existing world tensions require that, in the interests of national security, enforcement of the antitrust laws in this case be pursued through civil proceedings."

On April 21, 1953, a civil suit which charged violations of the antitrust laws on the part of five major oil companies was filed. The companies were Standard Oil of New Jersey, Socony-Vacuum Oil Co., Inc., the Texas Co., Standard Oil Co. of California, and the Gulf Oil Corp. These five are giants, indeed, having assets of more than $10 billion.

Two of the companies mentioned, Standard Oil of New Jersey and the Gulf Oil Corp., have extensive interests in Venezuela. A report by the Federal Trade Commission says that the two, together with Royal Dutch Shell, "have jointly maintained a pervasive control and influence over the Venezuelean industry in all its aspects, from exploration and development to the marketing of the end products."

In 1952, the FTC made a staff report to the Senate Select Committee on Small Business called the International Petroleum Cartel. The report said that seven major oil companies, Anglo-Iranian Oil Co., Ltd., Gulf Oil Corp., Royal Dutch Shell, Standard Oil of New Jersey, Standard Oil of California, Socony-Vacuum Oil Co., and the Texas Co., dominated the world's production, distribution and marketing of oil.

The civil suit filed in April 1953—just about 6 years ago—against the five oil companies charged that the corporations had been engaged, since 1928, in a continuing agreement and concerted action to maintain control over foreign production and supplies of petroleum and products, to regulate imports in order to control prices, and to divide world producing and marketing territories.

What has happened to this suit? Nothing, so far as I can determine. It has not been dismissed, but insofar as I have been able to find out, no effort has been made to press it. Queries to the Department of Justice elicit no information. Inquirers have been told it is in the live-inactive file, which seemingly is a most notable contribution to bureaucratic nomenclature. In March 1955, Joseph E. Moody, president of the Southern Coal Producers' Association, discussed the suit in detail and urged a congressional inquiry to determine what had happened to it. He reports that he did not receive a response, either from the Government or from the oil companies concerned.

Mr. Moody, who also now is executive director of the national coal policy conference, asserted in positive terms, that the residual was being dumped. Others have made similar charges. Silence on the part of the accused has been maintained.

One of the protests made in connection with the mandatory quotas on residual oil is the alleged harm done to our relations with the friendly nation of Venezuela. I agree we should do everything possible to keep on the best of terms with our neighbors to the south. Yet, I find that Venezuela maintains most effective tariffs and quotas against certain imports, including U.S. products. Obviously, Venezuela feels it must protect its own economy and security. I am certain that country will understand action to protect our vital economic interests and security—particularly when no real injury to her interests is involved.

I am wondering, however, just how much benefit Venezuela has had from these residual oil imports. As anyone familiar with the petroleum industry knows, the lighter products—gasoline, the lubricating oils, home heating oils, etc.—bring higher prices and more profits than residual oil. A very high percentage of residual results from the cracking of the Venezuelan product.

Some informed persons feel this is deliberate on the part of the oil giants and that the percentage of residual from the Venezeulan oil could be reduced substantially if it were not for the fact that the market is shared by a cartel. As a part of that alleged cartel operation, residual oil apparently is dumped on the east coast at the expense of the coal industry and coal miners—as well as American coal-hauling railroads and their employees. Moreover, and here I repeat for emphasis, the deterioration of the coal industry threatens the national security.

Many persons are heard to express the belief that coal is obsolete and is rapidly being replaced by other fuels. Actually, the foundation for our energy market in the future is coal. Fortunately, we have tremendous quantities of it, enough to last for a 1,000 years or more. Coal, if necessary, can be turned into oil and into gas, and today it is the base of many valuable chemicals and other products. On the other hand, many informed persons insist the demand for coal will grow and grow. We may, they say, be using more than 1 billion tons by 1975, which is only about 15 years away.

What we need to be concerned about now is the present and the months and years which lie just ahead. Our own safety dictates that we keep the coal industry healthy, prosperous, and ready to expand quickly and substantially in times of crisis.

The mandatory quota system ordered by the President was only a first step—and a modest one—in that direction. We need to do much more.

Now to summarize this situation as I see it:

First. The President's action in imposing mandatory quotas on residual oil clearly was justified from the standpoint of national security.

Second. The average householder is not directly affected by the order, inasmuch as residual oil is not used in the home.

Third. There is little likelihood that increasing prices for residual oil will adversely affect consuming interests on the east coast, because coal is available at prices that have remained stable since 1946.

Fourth. The order likewise was justified in the interest of fair play and the domestic economy, inasmuch as evidence indicates that residual oil was being dumped at the expense of American bituminous coal.

Fifth. The Congress should investigate reasons why the Department of Justice civil suit against five large petroleum companies, alleging violation of the antitrust laws through the division of markets and the fixing of prices, has remained inactive since it was filed approximately 6 years ago.

THE SEARCH FOR WORLD PEACE

Mr. WILEY. Mr. President, we shall soon be leaving to go back to our constituents for Easter.

Easter symbolizes peace. It also is an answer to the eternal question, "What is life? Has it any termination?"

I wish for all my colleagues in the Senate, when they go home and meet with their constituents, that they will find the answers for which they are looking to the questions which confront us.

We know that through understanding, and following the precepts of the Man of Peace, we can find the answers.

There was published in the March 1959, issue of Club Woman magazine an

article entitled "World Peace: Can It Be Achieved in Our Day?" written by myself, in an effort to answer some of these questions.

I have suggested that world peace can be found only through an effective utilization of the principles I have outlined—the exchange of information and ideas—right ideas, if you please—cultural exchange, people-to-people contacts, international education, mobilization of religious faiths, perhaps through an international "Geospiritual year." I believe that if we demonstrate in our own living in America that we can give to each other the benefit of being sincere and honest in our convictions, we can carry through that idea in the world at large.

I ask unanimous consent that the article to which I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORLD PEACE: CAN IT BE ACHIEVED IN OUR DAY?

(By Hon. ALEXANDER WILEY, U.S. Senator from Wisconsin)

Today we are only 35 minutes away from Moscow by intercontinental ballistic missile. These lightning-fast, giant bullets, equipped with nuclear warheads, can fly along at the frightening speed of almost 11,000 miles per hour. Even with the facilities of our NORAD Command (North American Air Defense), and our intelligence system, operating at peak efficiency, we would have a maximum warning time of an ICBM attack from Russia of less than 1 hour. In the next 2 or 3 years, the warning time will be zero to 15 minutes. The killing effect of a thermonuclear blast would probably be a radius of 5 miles; but, in addition, if a 20-megaton bomb (the equivalent of 20 million tons of TNT) were dropped on St. Louis, for instance, radioactive fallout would blanket Illinois, Indiana, and even Ohio, if the wind were right. Our Office of Civil Defense Mobilization has classified over 100 major cities as probable target cities of such a thermonuclear attack. Chicago is a target city; Detroit, New York, Los Angeles, and just about every major industrial area. It can happen here.

Therefore, if it can happen here, we must predicate our thinking on the presumption that it will happen here—unless we dedicate our entire thinking, and consequent action, to the promotion and maintenance of world peace—a positive peace, safeguarded with justice and durability. The unprecedented horror of a war in the future lends an urgency to this task that is inescapable. Civilization, as we know it, could literally vanish from the earth in the incandescence of a thermonuclear explosion. Man is truly balanced between extinction and world harmony. Hence, as never before, and especially in the nuclear age, there is no alternative to peace.

THE POSITIVE APPROACH TO WORLD PEACE

However, in emphasizing the vital necessity for world peace, I prefer not to suggest that our primarily stimulus for its achievement is that of fear; although the threat and prospect of the self-destruction of civilization, and probably the human race, in a thermonuclear holocaust should certainly be incentive enough. Instead, I should like to adopt the perspective of the positive approach; an approach which is guided by the vision of a finer and nobler world than has ever been before—a world without warring states and where all men can be brothers.

Throughout modern history, mankind has pursued a concept of peace, achieved through various means, which might ultimately put an end to the recurring tragedy of warfare among nations. But a long progression of efforts toward universal peace has, almost wholly, failed. Unless we are to lapse once again into utter barbarism, sooner or later some nation must blaze a new trail along which other nations will follow—a pathway which will lead to that utopia of peace where wars shall no longer curse mankind. I want the honor for that leadership for our own beloved Nation.

OUR ATTITUDES TOWARD OTHER PEOPLES OF THE EARTH

If Americans are to take an active part in the promotion of world peace, one of the first things which must be done is to reorient our thinking with regard to other peoples of the world. Perhaps America's most outstanding native philosopher, William James, stated: "The greatest discovery of my generation is that human beings can alter their lives by altering their attitudes of mind." That was a half century ago. A few years later, another great thinker, Aldous Huxley, paraphrased a divine truth stated by the Teacher of Galilee when he said: "Love casts out fear; but conversely, fear casts out love. Fear also casts out intelligence; casts out goodness; casts out all thought of beauty and truth. Fear is the very basis and foundation of modern life—fear of the war we don't want, and yet do everything we can to bring about." By allowing the emotion of fear to replace that of brotherly love toward our neighbor—and in this jet age every nation in the world is our neighbor—we lose the ability to understand him, and the inevitable result is the temptation to hate him. Hate and mistrust are the children of blindness—to understand and love our neighbor we must open our eyes and see him; not fear and hate him.

PEACE THROUGH THE EXCHANGE OF INFORMATION AND IDEAS

I believe that world peace can be promoted through the effective exchange of information and ideas among all peoples of the earth. That is why I am wholeheartedly behind the views expressed by our President when he addressed the heads of Government of the United Kingdom, France, and the U.S.S.R. at Geneva on July 22, 1955. While speaking on the topic of normalizing and increasing East-West contacts, he stated: "To help achieve the goal of peace based on justice and right and mutual understanding, there are certain concrete steps that could be taken to lower the barriers which now impede the interchange of information and ideas between peoples." To help implement this forward-looking program in connection with our relations with the people of Russia, shortly thereafter arrangements were made by the U.S. Embassy in Moscow to publish and distribute within the Soviet Union 50,000 copies per month of the magazine Amerika. This illustrated magazine is published in the Russian language and gives an objective presentation of our American way of life; emphasizing the cultural and nonpolitical. I have been reliably informed that the response to this magazine, on the part of the Russian people, is tremendous; that invariably there are insufficient copies to meet the demand, with long lines queuing-up at newsstands the moment "Amerika" is put on sale; and that available copies are dogeared and worn from much handling and passing around. Reciprocally, the Soviet Embassy also publishes and distributes a like number of copies of an English language magazine, U.S.S.R., here in the United States.

THE UNITED STATES-RUSSIAN CULTURAL EXCHANGE AGREEMENT

Subsequently, as most of us are aware, an important milestone in the history of relations between the United States and Soviet Russia occurred on January 27, 1958, when, after 3 months of quiet negotiation, the Lacey-Zaroubin cultural exchange agreement was signed. At that time, I went on record as expressing the hope that this agreement would be but the first step in a chain reaction of peace. I stated that we have nothing but good will for the people of Russia, that we want to get to know the Russian people better. An indication that this view is at least partially shared by the Russian leaders was given in a recent exclusive interview between Soviet Premier Khrushchev and another U.S. Senator. During the course of this interview, Khrushchev said that he believes as strongly as we do that both our countries stand to benefit from the maximum exchange of visitors and knowledge and that he would do his powerful best at the Moscow end to remove bureaucratic and political obstructions in the way of the cultural exchange program.

A dramatic example of this United States-Russian cultural exchange was the front-page story last April describing the acclaim in Moscow of a young American, Van Cliburn, who triumphed over 48 other contestants in an international piano competition based upon the works of the great Soviet composer, Peter Ilyitch Tchaikovsky. This incident graphically demonstrated the truth to the Russian people that the only type of guided missile we ever want to send to Moscow is the human missiles who will go straight to the hearts of the Russian people; the masters of the keyboard, of art, of literature, and of drama.

At about the same time Van Cliburn was taking Moscow by storm, the famous Moiseyev dance company was being greeted by enthusiastic New Yorkers at the Metropolitan Opera. Performers such as these will bring about the jubilation of American cheers, instead of the sound of tears and suffering.

These heart-warming illustrations of cultural exchange are but a few examples of the effectiveness of contact between peoples and are but a partial indication of the tremendous power for good that such exchange can bring about.

THE PEOPLE-TO PEOPLE PROGRAM

I have been pleased, on many occasions, to publicly comment on the outstanding progress toward effective international contact made by the people-to-people program. This program had, as its origin, the White House conference held 2½ years ago on the inspiring initiative of President Eisenhower. At that time, spokesmen for major segments of the American way of life joined together voluntarily in this great private movement; the purpose of which was, and is, to increase the warm bonds between American individuals and organizations and counterpart groups of similar backgrounds and interests throughout the world. Since that time, the people-to-people program has made remarkable progress toward the achievement of this goal; demonstrating how private citizens who work voluntarily can best solidify the ties with other countries on a warm, human, individual-to-individual basis.

EDUCATION FOR PEACE

One of man's greatest needs is to learn; for to learn is to grow, and to grow is to live. Recognizing, then, this need to learn in order to grow, civilized man has developed the educational process into ever-higher levels of thinking. By expressing his aspirations through such development, man has created a great art; for, in order to mold human beings into their finest possibilities, the same epic struggle to create beauty and harmony out of stubborn material limitations is involved which is the foundation of all great art. I believe that we can use the art of education as a mighty force for the purpose of encouraging international understanding and good will. To effectively accomplish this,

constructive educational experimentation should go on universally, both at home and abroad. That is why I proposed, in a recent public address, that one or more educational institutions in the United States, representing the very best in the American educational process, consider the possibility of submitting plans to the Soviet Government leading toward the establishment of experimental American schools inside Russia for Russian youngsters. These schools would be intended genuinely for progress in education—not for hostile propaganda or subversion—and would demonstrate in action that the United States is interested in friendly, productive relations with the present and future generations of Russia. They would be educational lighthouses from which would emanate beacons of understanding—beacons to a brighter tomorrow. Truly, education for peace can prove to be more powerful than atoms for peace.

AN INTERNATIONAL GEOSPIRITUAL YEAR

A concept which I believe has tremendous potential for improving understanding and cooperation among men and nations is the idea expressed in the recommendation by prominent clergymen for the establishment of an International Geospiritual Year. This proposal, inspired by the constructive achievements of the recent International Geophysical Year, suggests that 1960 be set aside as a period when each religious group would present the moral and spiritual resources it felt were necessary for the religious development of mankind and would seek a proper relationship between religion and science. Motivated by the desire to know the nature of God and the ultimate purpose behind the universe, such a Geospiritual Year could unite men in their age-old longing to believe in, and better understand, their relationships with the Supreme Being. This unity would be strengthened by the universal desire to find better ways and means by which men can live together in love, mutual respect, and freedom—rather than in fear and oppression. By emphasizing the things which all faiths have in common, religion can be made a great force for world understanding, justice, and peace.

THE ACHIEVEMENT OF PEACE

If, then, world peace is to be achieved in our day, I am convinced that it will result only through a genuine understanding of our neighbors. This understanding can be brought about by an effective utilization of the principles I have outlined above; the exchange of information and ideas, cultural exchange, people-to-people contacts, international education, and a mobilization of religious faiths—perhaps through an international geospiritual year. These methods all stress direct or indirect contact with the peoples of other countries; but, in so doing, a distinction must be made between a government and its people. For example, the fact that there are friendly, and even cordial, relations between the Russian people and the American people does not mean that we have altered our basic belief in our own way of life or that we have diminished in the slightest our feelings against the official ideology of Soviet Russia. But the ideology of a government is one thing—friendship with its people is another.

With the quest for peace the chief objective of our foreign policy, these instrumentalities for understanding our neighbors can be used as working bases to achieve that peace so that problems which inevitably arise may be solved at council tables—not on battlefields. By effectively applying these principles—the United States can nobly demonstrate to the rest of the world our desires for peace—to free mankind from the burden of armaments and to awaken man to the need for turning his energies into raising low standards of living, combating deadly diseases, building schools, and freeing men from hate and war.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. RANDOLPH. I recall that in the middle 1940's the Senator from Wisconsin was the author of proposed legislation for the establishment of a Department of Peace within the U.S. Government. It was my privilege at the same time to sponsor a similar proposal in the House.

The measure I introduced—H.R. 3628, 79th Congress, 1st session—was the subject of hearings on November 8, 1945, by the Committee on Foreign Affairs of the House of Representatives. I testified extensively on that day and the record of the hearings show, also, that I caused to be published in the RECORD on that occasion an address delivered in the Senate by the distinguished Senator from Wisconsin [Mr. WILEY] in which he spoke about the necessity for a Department of Peace and called attention to the measure I had introduced in the House and to a bill he introduced in the Senate July 6, 1945, along the same line.

I hope that during the 86th Congress the very able Senator from Wisconsin may find it possible to devote the creativeness of his mind to this subject once again. I believe it is most important, and I hope these remarks are in keeping with the spirit of the search for peace which the Senator from Wisconsin has so well explained as the objective of all men and women of good will.

Mr. WILEY. Mr. President, I am very grateful to the Senator from West Virginia for his remarks. The Department of Peace was contemplated in my mind—and I am sure in the mind of the Senator from West Virginia—at a time when we were actually in an all-out war. The need for a Department of Peace still exists. There must be a diagnosis of the causes of war. That means analyzing the fears, doubts, hatreds, and economic needs of the peoples of the world. It means seeking to find the answers. We try to do that in some of our programs, but I feel that what we need more than anything else is what I have outlined in the article which I have asked to have printed in the RECORD.

Mr. DODD. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. DODD. I should like to join my colleague from West Virginia in commending and thanking the distinguished Senator from Wisconsin for his edifying remarks. It is good that in this great body we pause at least for a short time to mark this spiritual occasion. It is good for our country that the distinguished Senator from Wisconsin [Mr. WILEY] and the distinguished Senator from West Virginia [Mr. RANDOLPH] have spoken in this tone today.

TEACHER OF THE YEAR

Mr. MONRONEY. Mr. President, it is with real pride that I call the attention of the Senate to Miss Edna Donley, of Alva, Okla., "Miss E. D." as many friends call her, who has been chosen National Teacher of the Year by McCall's magazine, in an annual project honoring all teachers.

As all America tries to improve the quality of its mathematics and science teaching to meet today's challenges, it is particularly gratifying to my colleague from Oklahoma [Mr. KERR] and to me to find an Oklahoma mathematics teacher at the top of a very distinguished honor roll.

I am proud for Miss Donley, who has tried to make math irresistible 30 different ways in 30 years of teaching it in high school, and who also has made a record for herself as a debate and speech teacher and a leader in professional and civic activities. I also am proud of all Oklahoma teachers who made her president of the Oklahoma Education Association last year. I especially congratulate the city of Alva, Okla., and its school board, for finding and keeping Miss Donley and giving her an opportunity to teach in her own way, even during those years before a good tough math course returned to fashion generally.

I ask unanimous consent to have printed in the body of the RECORD McCall's article and its honor roll of 10 other U.S. teachers.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

McCALL'S TEACHER OF THE YEAR

HOW M'CALL'S NATIONAL TEACHER OF THE YEAR IS FOUND

Miss Donley was selected by McCall's from a list of teachers nominated by State departments of education in all parts of the country at the invitation of Dr. Lawrence G. Derthick, U.S. Commissioner of Education, and Dr. Edgar Fuller, executive secretary of the National Council of Chief State School Officers. The nominees were observed at work over a period of months and their work was evaluated by representatives approved by McCall's and the U.S. Office of Education. From the recommendations, McCall's chose Miss Donley to receive the eighth citation in this annual project honoring all teachers.

In the 30 years that Miss Edna Donley has been teaching mathematics to high school students of Alva, Okla., she has heard the value of teaching real math to American children challenged and deprecated by both parents and educators. Her answer has been to work harder in her classroom at making the subject irresistible. "It was tough occasionally, but I stuck to the subject," she says, "and now math suddenly has become very fashionable again."

If since the end of World War II all high school teachers had followed Miss Donley's example in stressing subject matter, there would be less wringing of hands today among college professors over the lack of preparation of the freshmen crowding their doors. As much as any teacher possibly can, Edna Donley bridges the gap that has existed in our country between traditional scholars and modern psychologists. She is both. In hearty agreement with the committee and observers who rated her "an inspiration to us all," McCall's is proud to salute her as the eighth National Teacher of the Year.

Miss Donley is not an easy teacher—"students often think I'm a little hard on them," she says. However, she is, judging by the comments of her former pupils, the kind of teacher everyone later wishes he had had. One of them, now a successful engineer, says: "She gave me more of a background in and understanding of math than most students in other schools receive before they enter college."

Former students of the speech and debate classes which she also teaches are equally enthusiastic about what she has done for them. Nancy Denner, a finalist in the 1957

Miss America Contest, came home from college to be coached by Miss Donley. The following year Miss Denner was asked to speak in Atlantic City about Miss America scholarships because the sponsors felt she had had excellent training in public speaking.

A native Oklahoman and proud of it, Miss Donley comes from a family of teachers. Her father, the late W. A. Donley, made "the run" to become a first settler in Woodward County. Her mother was a teacher, and so are her brother and two sisters. Today she and her mother live in the home to which the family moved so that the children could get a good education. "My parents scouted other places but settled on Alva," Miss Donley says.

An energetic and beautifully groomed "young 50," Miss E. D., as most of Alva affectionately calls her, rates as high with the citizenry as with her students. For proof, here are just a few of the extracurricular honors to come her way in recent years: the Rotary Anns named her Woman of the Year in 1950 for her work with youth. The chamber of commerce made her its treasurer. Several civic clubs have appointed her an officer, and nearly everyone in Alva was a volunteer campaign manager when 20,000 teachers last year elected her president of the Oklahoma Education Association.

A pioneering spirit constantly plunges her into new activities and assignments. "I am not tolerant of monotony," she explains, and her students agree with her. Her classes may be difficult at times but they are never dull. She believes that 30 years of experience should be 30 new experiences, not the same one repeated 30 times.

"I only wish," says a parent who studied with Miss Donley 20 years ago, "that my two sons had the opportunity to learn from this talented, kind and lovable woman. I am confident they would be better able to face the problems of their adult world."

M'CALL'S HONOR ROLL OF TEACHERS FOR 1959

The following teachers, from 10 States, earned special mention for their significant contributions to the improvement of national teaching standards:

Martha C. Bigley, fifth grade, East Side School, Magnolia, Ark. With serenity and patience she guides this young age group into orderly learning habits. Teaching individually as much as possible so that neither the brightest nor the slowest is neglected, she gets exceptional results—particularly in reading classes.

Dorothy S. Ellison, science, Dora High School, Alabama. She has the rare gift of quality teaching despite crowded classrooms and limited facilities. Through workshops, individual projects and field trips her students keep ahead in science, particularly biology. For her stimulating class procedures she became Alabama's 1959 Teacher of the Year.

Dorothy N. Green, Latin, French, and English, Wells High School, Maine. She answered an S O S and returned to the classroom after 15 years of being housewife, bookkeeper, and mother. Crowding the hours with personal attention and piling on the homework, this "born teacher" convinced her students that if she could work that hard, so could they.

Mary M. Hawkes, science and photography, Hood River High School, Oregon. Although her career began in a 1-room school, she teaches brilliantly in the era of nuclear physics. Her students learn to live intelligently in a scientific world and to contribute to its advancement.

Fayna C. Kennedy, principal, Sewanee Elementary School, Tennessee. While managing a community school, she engages the help of university professors in pilot studies designed to enrich primary schools throughout her State. For her far-reaching ideas she was made Tennessee's 1959 Teacher of the Year.

Helen S. Knight, speech correction and counseling, Evanston Township High School, Illinois. She blazes trails in a new field, the education of handicapped children, helping the students solve career problems. Her work became part of a program to improve the State curriculum.

Willimina S. Lindsey, librarian and English teacher, Tolleson Union High School, Arizona. After special training this experienced teacher helped develop a library guide and book list for Arizona schools, and wrote the chapter on library instruction for high-school students. She also helped develop a policy manual for teachers.

Loretta Lynch, English and journalism, Bonners Ferry High School, Idaho. She teaches English to 135 freshmen, and journalism to juniors and seniors. She also is adviser for the school paper and yearbook. The paper has rated all State superior for 10 consecutive years—and that is how parents, students and associates rate this perfectionist teacher.

Vira F. Oswald, mathematics and science, Ouray High School, Colorado. Accelerated work for bright students is her specialty. This year her experiments include giving equal time and individual instruction to each geometry student, and providing double algebra content—with extra credit—to some of the sophomores. These and other experiments are part of a Ford Foundation project to improve small high schools of the area.

Donald W. Rasmussen, English and speech, Vermillion High School, South Dakota. A blending of literature, composition, oral reading and grammar all the way marks the work of this talented teacher. Four years of required English in his school, more efficient learning and improved standards of language are resulting.

NEW YORK EGG MONTH

Mr. KEATING. Mr. President, living as we are on the threshold of an age being ushered in with all manner of nucleonics, electronics, swivel seats, and spray cans, we sometimes lose sight of the fact that we Americans pretty regularly sit down at least once a day to a meal which appropriately includes eggs. In the course of a year our consumption amounts to an astounding 29 dozen eggs for each of us, man, woman, and child. It would seem appropriate, then, that we pause during this New York Egg Month to reflect a little on this bounty of ours which, by comparison with other peoples of the world, and with other periods of time even in our own country, approaches the fantastic.

For the egg, like so many of the blessings which are enjoyed by Americans, is all too often just another item of food which arrives at our table, we hardly know how. And some of us, I fear, do not care. Its availability, as well as its marvel as an almost perfect food, is taken for granted. But we should note its values and how it comes to us, as well as the fact that the days of the men and women who grapple with the great issues of politics and science probably started over a serving of scrambled eggs.

The egg ranks close to the top of the list of foods which contain large quantities of the amino acids which make up the bodybuilding blocks we know as protein. Proteins are vital to growth, they help to build immunity to disease and they control many of the body's processes. Eggs supply all the proteins necessary to growth and well-being, as well as most of the essential minerals. More than that, the egg is one of those delightful exceptions to the rule that what is good for us is too often somewhat disagreeable. It tastes good, whether it is "over easy" or in an elegant, mysterious French souffle, or in an angelfood cake.

While the egg has been around the world with man for a long, long time, its abundance is something relatively new. Today, it is the product of a vast and complicated array of production facilities and techniques which would stagger the imagination of the poultryman of 25 or 30 years ago.

Production of eggs in this country has jumped in the short space of 25 years from 3 to more than 5½ billion dozen a year, and the laying hen has become an efficient factory, using scientifically prepared feeds and receiving the attention of an army of highly skilled and trained technicians to produce the marvelous egg. Today the poultryman is less the farmer and more the factory manager, carefully balancing production input, checking the production line, applying the latest scientific findings, and keeping a weather eye on the intricacies of the markets.

While we laud the egg this month, we also pay tribute to the poultryman, for it is through his success as a businessman-farmer that the egg has found its way to us. New York poultrymen can take pride in knowing that our State, through their efforts, ranks in the upper quarter in the Nation of egg producers, and that they, in keeping the hens that produce nearly 2 billion eggs a year, account for more than $70 million of cash receipts to New York farmers—upwards of 10 percent of total cash receipts from farm marketings in the State. Because of their entrepreneurship with respect to quality and quantity, Americans are buying better eggs today for less money than 10 years ago.

Mr. President, I am pleased to take this opportunity to salute the men and women of the poultry industry during this month's celebration of New York Egg Month. I am pleased to salute the poultryman, the hen, and the egg.

FORTY-FIRST ANNIVERSARY OF INDEPENDENCE OF BYELORUSSIA

Mr. LAUSCHE. Mr. President, March 25 marks the 41st anniversary of National Independence Day by the Byelorussian peoples, and although at the present time these people are the slaves of their Communist leaders, and will have little opportunity to express their national traditional love of liberty and freedom, it is essential that those of us in the free world remember and honor the peoples of this captured nation.

A struggle for freedom has been an essential part of Byelorussian history since 1795, when Byelorussia was, by force of arms, conquered and annexed to Russia. In 1831, and again in 1863–64, the Byelorussians revolted against Russian colonialism, but each time were subdued by the Russian oppressors.

However, in 1917, when the Russian Empire collapsed, a Byelorussian Republic was formed, and endured until August of 1920, when it was occupied by Soviet forces.

Today the present Byelorussian Soviet Socialistic Republic, which has been accorded membership in the United Nations, retains only a fiction of sovereignty. Actually, the Byelorussians still remain slaves to the fearful colonial Communist Russian regime. Today, the peoples of this unhappy land suffer mass forced labor, chronic famine, and religious and cultural persecution. Mass arrests and deportations to Siberia all are indicative of their present lack of freedom.

In these days of Byelorussian trial and trouble, we can but extend our sympathy and good wishes to those Byelorussians who still hope for a republic truly free and democratic. Surely, in divine providence, the time will come when the Byelorussian dream of national independence will be realized. Until that day comes, Americans will continue to hope and pray with their brother seekers of truth and freedom.

Mr. KEATING. Mr. President, the pursuit of freedom has generated great conflicts among peoples and nations. But self-determination remains the dream of men everywhere. Acceptance of anything less means encroachment of a philosophy and system which submerges national expression. This can only result in the elimination of human dignity and the rights of man.

Few people are more aware of this than the Byelorussians, or White Russians as they have become known to us. For centuries the Byelorussians have been denied control of their own destiny. Here are a people, 15 million of them, in the area east of the old Polish border and west of Moscow, constituting a distinct national entity, united by cultural traditions, a common language, and a history of struggle, who repeatedly have been denied freedom. History reveals their plight.

From the late 1300's down to the 18th century and the partition of Poland, the Byelorussians were tossed between the Lithuanians, Poles, and Russians. Their homeland was the center of continuous strife and struggle. Through this entire period the Byelorussians were the unfortunate victims of alien interests and ambitions. They were subjected to harsh and cruel treatment and suffered indescribable tribulations under the rule of foreigners.

During these years of trial and suffering, they not only retained national identity but maintained their language and customs. After 3½ centuries of slavery the Byelorussians still desire to show the world they had a will to live as a free and independent people.

The chance came toward the end of the First World War when the ancient Russian regime was overthrown and the Czar's empire fell. At last, the Byelorussians were able to assert their national identity, and on March 25, 1918, their leaders established a government and proclaimed the independence of the National Republic of Byelorussia.

The Republic, so proclaimed, was destined to have a short existence. By March 1921 the Red armies had overrun the nation and ruthlessly subdued all resistance. The cherished light of freedom was extinguished, and once again Byelorussians suffered under the yoke of oppressors. Nevertheless, March 25 is recalled as the day when a dream was realized and when a freedom-loving people announced their independence to the world.

This earliest victim of Soviet aggression knows well the vicious and atrocious methods of the Communists. National independence has been denied. Her people have been dispersed. Attempts to assert freedom have met with brutal retaliation. An entire nation has been subjugated and made destitute, and her helpless people forced to bear witness to the mutation of their way of life.

Mr. President, Byelorussians are not allowed to celebrate their independence day. But, today, we along with many others, pause and pay tribute to this determined and courageous people. America stands before the entire world as the embodiment of the continued realization of freedom and independence. We, and the rest of the free world, must offer hope and extend encouragement to the valiant Byelorussians. We must work and pray for the day when these brave people will be able to practice openly the concept of liberty, free from the fear of oppression and tyranny. Until that great day, no true lover of freedom can rest.

Mr. JAVITS. Mr. President, today, March 25, marks the 41st anniversary of the proclamation of independence of the Byelorussian Democratic Republic in 1918. This independent state was relatively short lived, as it was partitioned between Poland and Russia by the Riga Treaty in 1921. During World War II, the people of Byelorussia again asserted their independence, but this freedom was also short lived, and Soviet domination was again asserted over the approximately 10 million inhabitants of that unhappy land.

On the anniversary of the declaration of Byelorussian independence we recall again the continuing valiant struggle of enslaved peoples behind the Iron Curtain. This struggle for independence stands as a tribute to all who believe in the principles of freedom and individual dignity, and reminds us again of the suppressed people denied their freedom who are behind the Iron Curtain.

GREEK INDEPENDENCE DAY

Mr. KEATING. Mr. President, today is the 138th anniversary of Greek independence.

Greece: The word alone invokes many images. We think of gods and goddesses, great battles and great heroes, sunlight, architectural beauty, and Byron. And too, the struggle for freedom in the land of freedom's birth, civil warfare, Cyprus, and a noble, proud and wise King and Queen.

These things and many more come to mind when one thinks of Greece. The whole Western World owes to Greece a debt that can never really be paid. In the largest sense, nations build upon each others' knowledge in the eternal struggle for the enlightment of man. This process is the mainspring of what we call civilization. It is to the ancient men of Greece that we owe the debt of formulating the practical philosophies of logic and education within the mind and on a communicative level. What gift could be more precious?

The Greek tradition has remained firm in its homeland and has spread over the rest of the world.

It is true that modern history has not always been kind to Greece. There was a long period of subservience to the Ottoman Empire before the archbishop of Patras raised the standard of revolt in 1821. The days that have followed have been a mixture of joy, destruction, hope, and frustration.

The agony of World War II took a heavy toll of the Greek nation in every sense of the term. Then came the bloody civil war, when the legitimate government had literally to fight for its life against the Russian-trained guerrilla bands that had infiltrated from the north. The United States came to the aid of Greece at once and our backing was a decisive factor in driving the Communists out of the country.

Now, at last, Greece is free. Under the inspired leadership of King Paul and Queen Frederika the country is slowly gaining back its strength and reasserting its place among the great nations of the world.

In relation to the present schism of ideologies within the world, Greece's attachment to the Western allies is a very important one. As a member of NATO, Greece acts as a bulwark against Communist aggression in the eastern Mediterranean. The Government has granted the United States the use of airfields and naval facilities within its confines and the Greek Army is supplied with modern arms and equipment under the NATO agreements. Thus, Greece's role within the free world is a vital and significant one.

The "glory of Greece" today may not consist of material wealth and military power. But the greater glory of the perceptive use of man's intellect—by which these other material manifestations gather meaning—is as alive and dynamic today as in the time of Plato and Pericles.

Mr. President, as a final tribute, I want to acknowledge the important contributions that Greco-Americans have made to the growth and diversity of American culture. There are roughly 600,000 Americans of Greek origin living in the United States. In every area of human endeavor, from expert cancer specialist to military hero, from the genius of Dimitri Mitropoulos in music to the stable ethic of the Greek Orthodox Church, from the friendly candymaker and congenial restaurateur we all have known to the Skouras brothers of the theater, the Greek people have contributed their unique, spirited, and excellent qualities of talent and leadership to the United States.

The United States has been in existence for 183 years. During that entire time we have lived under democratic freedom. Greece has been Greece for many centuries, but her modern freedom and territorial integrity has been in existence for only 138 years. However—and this is the important thing—

with all the slings and arrows of fate, Greece has remained. The ideals of liberty and justice—first nurtured by their forefathers—are no less strong in the Greek people today than they were during the time of Aristotle.

To the people of Greece, I send my greetings; to all that is Greek, I give my thanks.

Mr. DODD. Mr. President, all episodes in man's struggle for freedom are by their nature significant in the history of his long battle against the forces which would enslave him. But there are some soils of the earth in which liberty has thrived, blossomed, and fought for its existence in a peculiarly dramatic way. And it seems as if the people in those lands, having been born there, have absorbed into their very beings a far larger share than most of the inherent love of liberty which is in the souls of all men.

Greece is one of those lands.

Today is the 138th anniversary of that nation's independence.

And may I take this occasion to congratulate them first, on the part they have played in the new freedom milestone achieved by their neighbor nation, Cyprus, in her goal of eventual independence.

May I also congratulate the Greek nation on the new economic development program which she has launched during the past year in an attempt to give even greater economic freedom to her people.

And may I also take the occasion of this Greek Independence Day to recall for my colleagues a few highlights in this Mediterranean country's history which are connected in a special way with our own history.

On March 25, 1821, Bishop Germanos of Patras raised the flag of liberty over the Church of Aghia Laura near Kalavryta in Greece, which began the Greeks' war for independence from the Turks. To begin with, it was the ideas of liberty inculcated in the American and French Revolutions which inspired the Greeks anew to fight the Sultan of Turkey for their freedom. At first, Europe was indifferent, and it was men like Lord Byron, the English poet, dying at Messalonghi, who brought European forces around to a realization that this cradle of Western civilization—the Greek nation—must not remain enslaved. Americans were also fighting for Greek freedom 138 years ago, including Dr. Samuel Gridley Howe, Gen. George Jarvis, Capt. Jonathan Peckham Miller, Lt. William T. Washington, and a host of others. And when the fighting was over and the tragic debris of war cleared away, America shipped relief supplies to the Greek people.

Since that time the Greeks have stood shoulder to shoulder with the Americans, when freedom was threatened, and something could be done about it. When we were fighting Mussolini's dictatorship in Italy, the outnumbered, badly equipped Greek Army took on the Fascist legions and defeated them. It took Hitler's forces to temporarily conquer Greece. Some military historians believe—and I believe it, also—that the Greeks actually dealt a fatal blow to the Nazi dictatorship by resisting Mussolini's army so well, for the diversion of Hitler's forces into the Mediterranean country seriously impaired the striking force of his Russian invasion.

Americans and Greeks, again standing together under the Truman doctrine, defeated the Communist attempt to subjugate Greece. Today, when the United States, the Western World, and all the countries of the world, for that matter, are threatened by Communist slavery, the Greek nation is our outpost.

And as I examine the past I feel a deep confidence in this outpost and in the men and women who are manning it.

Before closing these remarks, I wish to comment about one of the principal sources of courage and faith in the Greek nation—their religious leaders.

In the Second World War, Bishop Damashinos, of Athens, restrained the Germans.

In Cyprus the Greek people have found an important leader in Bishop Makarios.

The Greek Orthodox Church itself has been the nucleus for the uninterrupted Greek tradition, despite the influx of the Goth, the Vandal, the Bulgar, the Turk, and the Nazi. I believe it will be a sturdy bulwark in maintaining that tradition in the face of current Communist threats.

We have good reason, therefore, to note this anniversary, and to congratulate the people of Greece on this occasion.

Mr. COTTON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I have prepared to commemorate the 138th anniversary of Greek independence.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GREEK INDEPENDENCE DAY—STATEMENT OF U.S. SENATOR NORRIS COTTON

Today, Wednesday, March 25, is Greek Independence Day, and it is a happy occasion for citizens of Greece, and for all who love freedom.

But it has a deeper significance and a meaning which must not be lost on the world today. Greek independence came in 1821, after 400 years of domination and tyranny under the Ottoman Empire. It is a clear warning that even 400 years of foreign domination is not a long enough time to strip the love of freedom from the hearts of a brave people. Courage, spiritual graces, and dogged determination enabled the Hellenic citizens to endure the centuries of foreign rule while preserving their hopes for eventual freedom. These same characteristics, encouraged by the example of the anniversary we observe today, will inevitably produce an end to the present Communist tyranny over Eastern Europe. This anniversary should give the masters of the Kremlin good cause for reflection as they plot their next moves.

This day also gives us an opportunity to acknowledge the great gifts which have come to us from Greece and from Americans of Greek ancestry. The influence of Greece, ancient and modern, on our civilization and our culture can hardly be overlooked. We in New Hampshire are proud, too, of our fellow citizens whose roots go back to Greece, and grateful for their contributions to our State.

My interest in Greece and in Americans of Greek descent has always been particularly keen because of my association with Senator George H. Moses many years ago. Senator Moses, of course, had been Minister to Greece before being elected to the U.S. Senate. He spoke fluent Greek and was an ardent admirer and stanch supporter of Greek culture and character. My association with him sharpened my awareness and understanding of Greek influence on our civilization and our way of life.

Mr. BRIDGES. Mr. President, during these days when so many of the peoples of the world are forced to live under the heel of communism, I think it well that we take time to reflect on the courageous efforts of the Greek patriots who fought against overwhelming odds to gain their independence 138 years ago.

March 25 marks the beginning of the valiant fight for freedom by the Greek people from Ottoman rule, in 1821. The countries which today are living under the yoke of an oppressive power can gain new hope from a brief review of this portion of Greek history. Although dominated for centuries by Ottoman rulers, the freedom-loving people of Greece never lost sight of the hope that some day they might free themselves.

The first great step in that direction was taken on March 25, 1821, when the revolutionary banner was blessed nd the call to battle issued. Patriots who had banded together in secrecy several years before, joined the fray. Greeks by the thousands answered the call. Peasants and fishermen, weary of the rule of a foreign empire, initiated guerrilla warfare as the beginning of a long campaign to wear down their oppressors.

The efforts of those courageous Greeks impressed the freedom-loving people of the United States; but only the supreme optimists believed that the revolution would ultimately bring independence to Greece. Because of the tremendous odds, the general feeling was that the uprising would soon be crushed, and that the Greek people would see a return to the days of oppression.

This country took a firm stand in favor of the Greek patriots. President James Monroe, in a message to Congress in 1822, expressed America's sentiment in favor of having Greece regain her rightful place among the civilized nations. In 1824, from the very desk where I stand today, the great New Hampshire statesman, Daniel Webster, delivered his celebrated oration on Greek independence.

The determination of the Greek people was not to be denied. With the aid of sympathetic volunteers from all over the world, Greece shook off the yoke of Ottoman rule, and gained complete independence in 1832.

America owes much to Greece, not only for her great contributions to culture and education, but also for the important role that Greek-Americans have undertaken in our society today. New Hampshire has every reason to be proud of her citizens of Greek ancestry. They have made, and continue to make, outstanding contributions to the enrichment of my great State. At this time, I wish to extend to these New Hampshire citizens and to the Greek people throughout the world congratulations on this 138th anniversary of the independence of their motherland.

SPECIAL REPORT OF ZELLERBACH COMMISSION ON EUROPEAN REFUGEE SITUATION

Mr. JAVITS. Mr. President, I wish to draw attention to the special report of the Zellerbach Commission on the European refugee situation, which was published earlier this month.

Under the leadership of Harold L. Zellerbach, one of this country's outstanding businessmen, and Angier Biddle Duke, president of the International Reserve Committee, and former U.S. Ambassador, to El Salvador, this Commission has carried out two surveys of the European refugee problem. Its most recent study is focused on the salient aspects of the problems which confront the free nations as they prepare to embark on World Refugee Year, which begins in June 1959.

The Commission has proposed that the western nations, accepting the refugees from communism as a collective responsibility, should meet in conference and work out a united plan of attack on the problem of the residual refugees. It believes that if each nation were prepared to accept its fair share, there would be no difficulty in resettling over a 2-year period the 165,000 nonsettled refugees estimated to be in Europe, the 10,000 European refugees who remain in mainland China, and the influx of some 25,000 refugees which may be anticipated over the next 2-year period, provided, of course, that there is no emergency comparable to that resulting from the suppression of the Hungarian revolution. The Commission's report points out that since the end of the war approximately 1,900,000 refugees have been settled; that just over 50 percent of these have been integrated into the European economy; and that America has absorbed approximately 25 percent, and Australia, Canada, and Latin American and other countries the remaining 25 percent. In addition, during this period Israel absorbed some 200,000 European Jewish refugees. Applying this rule of thumb formula, the Commission recommends legislation that would admit approximately 50,000 refugees to this country over the next 2 years.

What would a crash program of the magnitude proposed by the Commission cost? After weighing the matter carefully, the Commission informs me that it would cost approximately $6 million per annum for 2 years over and above our current commitments to various refugee programs. This is broken down roughly as follows:

Additional contribution to ICEM to cover cost of increased volume of movement, $1 million.

Additional appropriation for U.S. escapee program for integration projects in Europe, $1 million.

Grants to American voluntary agencies to finance economic rehabilitation of 1,500 handicapped refugees, $1,500,000.

Additional contribution to ICEM for movement of European refugees from mainland China, $300,000.

Additional contribution to United Nations High Commissioner for Refugees to make possible integration programs for out-of-camp refugees on the same scale as those now planned for in-camp refugees, $2 million.

In connection with the last-named item, I believe it is important to point out that our contributions to the United Nations Refugee Fund have been matched on a very generous scale by the other free nations. Of the total of $14,485,000 of governmental contributions to programs of the U.N. High Commissioner through 1958, the United States contributed $5,333,000, or just over one-third. Of the governmental contributions received by the U.N. High Commissioner for Refugees, $12,935,000 was disbursed by the U.N. Refugee Fund through 1958 for integration projects in the asylum countries—Austria, Belgium, France, Germany, Greece, Italy and others. This, in turn, was matched by supporting contributions from the governments of the asylum countries in the amount of $19,100,000. Thus, an investment of some $5 million on the part of the United States has, with contributions from the asylum governments and other Western governments, snowballed into a total program for the integration of refugees, costing over $32 million. As of September 30, 1958, the United Nations Refugee Fund reported that over 26,000 refugees had been firmly resettled through these projects and that some 20,000 others had been beneficiaries in varying degree. This accomplishment becomes all the more impressive when one remembers that the majority of the refugees resettled through the UNREF program had been static over a period of years and were, in one degree or another, difficult to resettle. Because of this, it has required an average expenditure of almost $1,000 per capita to bring about firm resettlement.

Through the work of the American voluntary agencies overseas and in this country; through the U.S. escapee program; through our support of the United Nations High Commissioner for Refugees; through the Intergovernmental Committee for European Migration; through the Displaced Persons Act; through the Refugee Relief Act; through Public Law 85–316; through the admission of more than 37,000 Hungarian refugees; through all these things, we have established since the end of the war a record of generosity of which we may be proud as a Nation.

I should like to say a few words in particular about the U.S. escapee program, since it was 7 years ago this month that the U.S. Government established the escapee program to assist newly arriving escapees from Communist tyranny. Working with the governments of asylum countries and with the United States and international voluntary agencies, USEP has in these 7 years made an outstanding contribution in helping these refugees to establish themselves as useful and productive members of society.

In almost every country bordering the Iron Curtain the refugee reception centers have been improved and the refugees are now given a warm and generous welcome and are assisted on their way to a decent life in the free world.

A total of 205,452 persons have been registered for USEP assistance. Of this number 117,779 have been assisted in resettling overseas in a country of their choice while 37,044 have been integrated as self-sustaining residents of communities in the asylum countries. To accomplish this goal, thousands of refugees have been given medical care, trained in languages and vocations, and placed in employment and private dwellings.

These refugees and thousands of other persons, including people still behind the Iron Curtain, are aware that these accomplishments are a direct and practical demonstration of U.S. concern for those who flee Communist oppression. I believe I voice the sentiments of all my colleagues in tendering congratulations to the U.S. escapee program on its seventh anniversary.

But we cannot rest on our past laurels. As of this moment, there is no legislation in force under which refugees from Communist tyranny can be admitted to this country. Meanwhile, the problem of the residual refugee, although reduced in magnitude, becomes more difficult—and more urgent—with every passing month.

Our own Government and the other Western governments have recognized the need for a special effort to deal with the refugee problem through their sponsorship of the U.N. General Assembly resolution calling for the observance of World Refugee Year, to commence July 1959. The purpose of this resolution—which the free world owes to the inspiration of the Crossbow Group of the British Conservative Party—is: First, to focus interest on the refugee problem; second, to encourage additional financial contributions from governments, voluntary agencies, and the general public; third, to encourage additional opportunities for permanent refugee solutions.

It is my honest hope that, having made the moral commitment implicit in the U.N. resolution on World Refugee Year, the United States will provide the moral leadership which our world position demands in the practical implementation of this proposal. This will, of course, involve both a substantial increase in our contributions for refugee purposes and legislation admitting a fair share of the refugees to this country.

I am convinced that such a program would have the sympathy and support of the American people. I am encouraged in this belief, among other things, by the recent formation of the U.S. Committee for Refugees, a broadly based independent citizens group, embracing representatives of the voluntary agencies, the AFL–CIO, the American Red Cross, and many prominent private individuals. The first function of this Committee will be to coordinate planning for the observance of World Refugee Year in the United States. The Committee proposes to carry on an educational and informational program to be developed through civic and fraternal organizations, industry, labor, and religious groups, as well as through mass media.

The formation of the U.S. Committee for Refugees has been given the encouragement of the Government. The Com-

mittee is in consultation with Government officials and Members of Congress on plans for the implementation of World Refugee Year. It is my understanding that they will shortly make their recommendations public.

Mr. President, I ask unanimous consent to have printed in the body of the CONGRESSIONAL RECORD a condensed résumé of the findings and recommendations of the Zellerbach Commission on the European Refugee Situation. I do so because I feel it contains many significant and stimulating proposals which deserve the close attention of legislators and members of Government.

The Zellerbach Commission, I should like to point out, was originally set up as an ad hoc body of private citizens for the purpose of trying to do something about the problem. After 18 months of pioneering activity in the fields of research and public education, the Commission is now about to disband. I should, therefore, like to take this opportunity to pay tribute to Mr. Harold L. Zellerbach. Hon. Angier Biddle Duke, and the other members of the Commission—Hon. Eugenie Anderson, Mr. Irving Brown, Mrs. David Levy, Mr. Eugene Lyons, and Bishop James A. Pike—for their public spirit in initiating the undertaking, and for their good services in the interest of our country and of the refugees from totalitarian tyranny.

There being no objection, the résumé was ordered to be printed in the RECORD, as follows:

THE PROBLEM OF THE EUROPEAN REFUGEES

Resumé of current information and of revised finding and recommendations of the Zellerbach Commission on the European Refugee Situation, March 1959

As of January 1, 1959, there still remained some 175,000 nonsettled European refugees. The great majority of these were concentrated in the so-called reception countries, Austria, Germany, Italy, and Greece. In Communist China there were some 10,000 European refugees, for the most part White Russians who had fled before the Bolsheviks decades ago, awaiting for exit permits and for opportunities to migrate overseas.

Most of the nonsettled refugees are either people who escaped from Communist Europe at various times since the end of the war or displaced persons who refused to return to their Communist-dominated homelands when the war was over. Represented among them is the entire roster of peoples enslaved by communism—Poles, Yugoslavs, Czechoslovaks, Balts, Hungarians, Bulgarians, Rumanians, Albanians, and a score of nationalities of the U.S.S.R. The totals given above also include some 15,000 postrevolution Hungarians who still remain in Austria and some 10,000 Yugoslav escapees who are concentrated in Austria and Italy.

The postwar period witnessed a massive refugee resettlement effort by the Western nations. All told, almost 2 million nonethnic refugees have been resettled, either through immigration or integration since the end of hostilities in Europe. Of this number, the Western European countries have between them absorbed more than 900,000. The United States has taken approximately 450,000; and the other countries of overseas reception have between them taken some 575,000. But although these statistics are impressive, they serve as no consolation to the refugees who have been waiting their turn for so many years. Nor do they serve as any deterrent to the Communist redefection movement—which is highly organized, conducts an unceasing propaganda campaign in many languages, feeds primarily on the accumulated despair of refugees who have waited too long, and utilizes each redefector as a witness for communism in the war of the radio waves.

THE "DIFFICULT TO RESETTLE" REFUGEES

In dealing with the Hungarian refugee influx that followed the revolution and with the European refugees in mainland China, the Western community has been flexible and generous in its attitude. But on the whole, the selection criteria of the overseas countries of resettlement have been rigid, with an emphasis on youth and strong backs. Many refugees in Europe lost out on resettlement opportunities because they were past 40, or because they had tuberculosis scars on their lungs, or because of some minor physical defect, or because a single member of their family suffered from a condition which made them unacceptable to the immigration countries. The result has been an accumulation, both in-camp and out-of-camp, of refugees who used to be referred to in the old days as hard core, but who are now referred to, in official parlance, as difficult to resettle.

The High Commissioner's survey of last year listed some 53,000 refugees as members of households which, for one reason or another, were difficult to resettle—this, of a total of 178,000 nonsettled refugees in Europe as of midsummer 1957. Since then some hundreds of old and tubercular people have been accepted by Norway, Sweden, France, and other countries. But because the hard core refugees are generally static there is little reason to believe that this total has been substantially reduced.

The problem is a large one—but not as large as the figure 53,000 might suggest. The clearly institutional cases among the difficult to resettle refugees are a tiny minority—about 2,500 all told, with several hundred dependents. Many of those listed as difficult to resettle suffer from no incapacitating defects and are quite capable, with some assistance, of becoming self-supporting either as individuals or as family units. This category in particular would benefit if the immigration countries could relax their rigid physical requirements. The third category consists of people who suffer from more serious handicaps; but even these can, with special effort, be rehabilitated and made self-sustaining or partially self-sustaining members of society. This has been conclusively demonstrated by projects for hard core refugees in Norway, Sweden, Germany, Belgium, and other countries. Some of these projects were described in our first report. Others are described in this supplement.

The problem of the difficult to resettle refugees can be solved if it is shared. But it cannot be solved if the entire burden, or the major part of it, is left on the shoulders of the several countries where the refugee residues are concentrated—West Germany, which is still coping with the problem of the 10 million ethnic expellees and refugees it has received since the end of the war, and poorer countries like Austria, Italy, and Greece, who have sizable ethnic refugee problems of their own.

THE YUGOSLAV REFUGEE PROBLEM

In 1957 some 26,000 Yugoslav refugees crossed the frontiers into Austria, Italy, and Greece; in 1958 some 12,000. There has been a tendency in the West to regard these escapees as economic migrants rather than as political refugees. The Commission believes that this definition is meaningless and that the Yugoslav refugees, like the refugees from other Communist-dominated countries, escape for a complex of political, economic, and personal motivations. This definition has, however, been used to rationalize a double standard for Yugoslav refugees and other refugees. Perhaps the most alarming aspect of this double standard is that almost 60 percent of the Yugoslav escapees who crossed the frontier into Austria during the course of 1958 were classified as economic migrants, denied asylum, and returned to the country from which they had escaped. Those not returned, though theoretically eligible for USEP assistance, are, by virtue of the same definition, denied certain categories of assistance available to refugees of other nationalities. (There have been some minor exceptions to this rule—most notably the decision in November 1958, to make the several hundred Yugoslavs in Camp Valka eligible for broader USEP assistance so that their movement could be expedited and the closing of Valka by the German authorities facilitated.)

The Commission was greatly impressed by the youth of the escapees, almost 80 percent of whom are under 25. They are not delinquents, but for the most part workers, peasants, and students. They have made their decision to flee apparently for the reason that they are part of the generation that is in ferment throughout the Communist world.

The Commission found indications that the treatment meted out to Yugoslav refugees was weakening the principle of asylum in general, so that there has been a small but perceptible tightening up in the treatment of refugees of other nationalities.

The Commission feels that the fact that it is considered in the national interest to support the Yugoslav Government financially does not, ipso factor, mean that this Government has abandoned the oppressive features of communism—or, to use the official terminology, that Yugoslavia has ceased to be a refugee-producing country. The question of aid to the Yugoslav Government and that of assistance to the Yugoslav refugees must be kept separate; one must be decided on the plane of political expediency, the other on the plane of morality and humanitarian considerations.

EUROPEAN REFUGEES IN MAINLAND CHINA

There remain in mainland China at the present time some 10,000 refugees of European origin who have asked for the assistance of the U.N. High Commissioner. The great majority of these refugees are white Russians and their descendants who fled from the present territory of the Soviet Union during and after the Revolution. They constitute the remnant of a much larger white Russian population, some thousands of whom accepted repatriation to the Soviet Union since the end of the war, but most of whom were able to migrate overseas. Those who remain in China today have demonstrated the strength of their personal convictions by resisting for 13 years the various pressures and inducements to accept repatriation to the Soviet Union. Though the Chinese Communist Government has thus far been willing to permit white Russian refugees in its territory to migrate to overseas countries, the position of the 10,000 who remain has become economically disastrous and politically perilous.

Between 1952 and the end of 1958, ICEM, in cooperation with Church World Service, was able to move European refugees from China to overseas destinations at an average rate of approximately 1,800 per year. At the recent meetings of the UNREF Executive Committee and the ICEM Council, there was talk of a 3-year program costing $4,500,000 to clean up the refugee situation in China.

The United States and other Western nations have responded generously to the emergency, so that ICEM already had assured to it sufficient funds for the movement of 3,200 refugees from Hong Kong to countries of overseas resettlement. In the light of this initial reaction, and of the very

real danger that exists, the Zellerbach Commission joins its voice to the several voices which have already urged that the planned 3-year program be accelerated, and that visas and transportation be made available for the refugees as rapidly as they can be moved from China to Hong Kong.

FINDINGS AND RECOMMENDATIONS

1. The refugee problem can be solved: The handling of the Hungarian refugee emergency demonstrates how much can be done when the will and the unity are there. Within the space of 10 months, some 170,000 were resettled. It is noteworthy that the number of unresettled refugees remaining in Europe is roughly comparable to the number of Hungarians resettled in so short a period after the mass flight from their country. While the 165,000 nonsettled refugees remaining in Europe include many difficult-to-resettle cases, there is every reason to believe that, given a concerted effort by the Western nations, the problem can be solved humanely and expeditiously.

2. There must be no more palliatives: We have, in effect, thrown lifebelts to the drowning, but left them in the sea. We now have to pull them to land. We must put an end to the flow of unproductive millions that have gone into camp upkeep, small subsidies, parcels, etc.—without helping the refugee to reestablish himself. The refugee must be given constructive aid that will enable him to become self-supporting and self-respecting, instead of being compelled to exist on alms.

3. The refugees from Communist rule are a collective Western responsibility: As things stand today, those countries which, by virtue of political accident, have common frontiers with the Iron Curtain, must bear the brunt of the burden. This is unfair to the refugees and unfair to the receiving countries. It represents a serious burden on the already strained economies of Austria, Italy, and Greece in particular. It is a source of unnecessary friction within the Western community of nations; and, since it impedes the expeditious processing of escapees, it also plays into the hands of the Communist redefection agents and the Communist radio.

4. The basic need—a crash program to be planned by a Western Nations Conference: To liquidate the residual refugee problem in Europe on a crash basis, the Commission proposes the convening of an international conference involving UNHCR, ICEM, and the free nations most concerned with the refugee problem, either as countries of first asylum or countries of immigration. It would be impossible to find a more appropriate occasion for the convening of such a conference than the scheduled launching of World Refugee Year in July 1959. The corollary of this position is that the World Refugee Year would be empty of meaning without collective action to deal with the refugee problem—and such collective action cannot be effectively organized unless the Western nations come together in some kind of conference at which the problem is examined and each nation assumes responsibility for a fair share of the refugees.

The Conference, ideally, should be reconvened on an annual basis to reexamine the situation and to renew agreements on the voluntary allocation of responsibilities among the participating nations.

It is to be hoped that such a conference would establish the principle of collective responsibility for the reception, care, and resettlement of all those who escape from the tyranny of communism in the years to come. In granting political asylum to escapees, the countries bordering the Iron Curtain cannot turn back a man simply because he has a TB scar on his lung, or turn back a family because one of several children is mentally defective. They must take them as they come—and, by and large, they have done so, in the spirit of the Geneva Convention. At the point of reception, the percentage of so-called difficult to resettle cases is very small indeed. If each of the resettlement countries were prepared to receive a fair share of the difficult cases among the new refugees, the problem could be broken down into portions of insignificant size—but if the difficult cases are permitted to accumulate year after year in the countries of asylum, the problem will again become as massive and burdensome as it is today.

It is the hope of the Commission that the Western Nations Conference, if convened, would deal broadly and generously with the refugee problem in an effort to wipe the slate clean. This would involve, first of all, preparing estimates covering all those categories of refugees who require assistance in one degree or another—the in-camp refugees, the out-of-camp refugees, the unintegrated refugees in the nonsurvey countries, the economically self-supporting refugees who are basically unintegrated and for whom emigration is the indicated solution, the institutional cases, the cases that lend themselves to rehabilitation, etc. Provision should also be made for the anticipated influx, if the 2-year cleanup program is really to succeed in cleaning up. Subject to some modification, here is a rough estimate of the scope of the problem confronting the Conference:

Nonsettled refugees, UNHCR survey countries	145,000
Nonsettled refugees, nonsurvey countries	20,000
Economically self-supporting refugees who are not integrated and for whom emigration is indicated solution	10,000
European refugees in China	10,000
Anticipated refugee influx over 2-year period	25,000
Total	210,000

5. The United States must enact legislation to admit a fair share of the residual refugees: If the United States is to initiate or participate in the initiation of a conference, it must come to the conference with its own commitment unequivocally stated. To provide the leadership which the Western World expects of us and to live up to our own tradition of asylum for the oppressed, the United States must enact legislation permitting a substantially greater number of Iron Curtain refugees to enter our country.

There is no mathematical formula for establishing what constitutes a fair share. In the light of past experience, it would be reasonable to assume that, even with enhanced opportunities for migration, at least one-half of the nonsettled refugees will remain in Europe. This means that the countries of oversea resettlement should be prepared to assume responsibility, as they have in the past, for approximately one-half of the residual refugees and of the anticipated refugee influx. Accepting this rough formula, a fair share for the United States would involve the admission of approximately 50,000 refugees over a 2-year period.

There are several ways in which the necessary legislation might be drafted. The most direct way perhaps would be to provide for the issuance of 50,000 nonquota visas to refugees over a 2-year period. Perhaps it would be possible, although this appears unlikely, to provide for the refugees within the framework of a rewritten immigration law. Perhaps the powers that be in Washington might find it simpler to bring in the refugees as parolees, as they did during the Hungarian emergency. (It should be pointed out here that the voluntary agencies working with refugees all have serious misgivings about the disabilities imposed on refugee immigrants by the parole provision.) The means are of secondary importance. What is essential is that our country provide moral leadership for a planned attack on the refugee problem during World Refugee Year by taking effective action on an appropriate scale.

As a variant which might conceivably provide more incentive for the other nations, the Zellerbach Commission has suggested legislation which—

(i) Authorizes the Secretary of State to convene a Western nations conference for the purpose of planning and taking concerted action to liquidate the residual refugee problem in Europe.

(ii) Authorizes the issuance within 1 year of 10,000 special nonquota visas to refugee escapees, with 1,000 reserved for difficult-to-resettle refugees.

(iii) Authorizes the Secretary of State to enter into arrangements at the conference under which the United States would admit two refugee escapees for every five refugee escapees (2 to 5) which the other participating nations commit themselves to admit or to absorb—with the understanding that the 2-to-5 commitment would also apply to the "difficult to resettle" refugees.

(iv) Authorizes the issuance of nonquota visas to refugees in the stipulated ratio of 2 to 5, if a satisfactory agreement is reached at the conference.

6. European refugees in mainland China: The Commission applauds the exemplary manner in which the Western nations have cooperated in the resettlement of European refugees from mainland China. To meet the present emergency, it urges that the remaining 10,000 refugees be moved out of mainland China to Hong Kong as fast as exit permits can be procured and that the United States and the other cooperating nations commit themselves to whatever additional funds may be required for maintenance in Hong Kong and for augmenting the volume of movement to overseas countries. In this instance, the United States should be prepared, if necessary, to make a special grant to ICEM in excess of the matching contribution to which it is already committed.

7. Yugoslav refugees: The Commission urges the U.S. Government, the United Nations High Commissioner, and the Governments of Austria, Germany, Italy, and Greece, not to apply one standard to refugees from other Communist countries and another standard to refugees from Yugoslavia. This means (1) that USEP should provide the same support for Yugoslav refugees as it does for others; (2) that overseas resettlement opportunities for them must be expanded; (3) that Austria, in anticipation of such relief, should revert to her more liberal refugee policy of the postwar years.

8. Reevaluation of the Geneva Convention: The Yugoslav refugee situation also points up the need for a restatement or reevaluation of the key definitions contained in the Geneva Convention on Refugees. As the Convention reads, a refugee is someone who has been persecuted or has well-founded fear of being persecuted. The fact is that the great majority of the refugees from all the Communist countries have fled not because they were personally persecuted or because they feared imminent arrest, but simply because life under communism had become intolerable to them. They have fled, in short, from the actuality of everyday oppression rather than from the fear of personal persecution.

9. The resettlement of escapees must be put on a current basis: Because of the accumulated refugee backlog and because of complicated screening and immigration procedures, the refugees escaping to the West since the end of the war have had to wait 4 to 5 years, on an average, for resettlement. (The Hungarian refugees were, of course, an exception.) This long waiting period is wasteful financially, imposes unnecessary suffering on the refugee, saps his morale and provides fertile grounds for Soviet propaganda and Soviet redefection agents. It

would be in the interest of the receiving countries and of the West in general to develop programs and procedures that would make it possible to resettle escapees within 6 months to 1 year of their arrival in the West—and, once the slate has been wiped clean of the residual refugee problem which exists today, there is no reason why this goal cannot be achieved.

10. The reception of new escapees should be humanized: As matters stand, the escapee's first real experience of the free world is not a pleasant one. In Germany, he has to endure a prolonged stay in Camp Valka, which looks more like a rundown concentration camp than a refugee reception center. In Italy, he will probably pass through San Sabba in Trieste, another dismal walled compound that once served as a concentration camp. In Austria, he is held incommunicado in a special detention center while his eligibility is being decided; in Greece and Turkey, he may have to spend many months under detention while he is being interrogated by the military who are in charge of the frontier area.

The Commission recommends:

(a) That the other countries of reception give serious consideration to the possibility of granting the refugees limited freedom of movement, as is the case in Germany and Italy, rather than imprisoning them or quarantining them pending a decision on their eligibility.

(b) That reception centers should not have a concentration camp atmosphere like Valka, but should, rather, be modeled after nearby Camp Zirndorf, which was set up with USEP assistance. The liquidation of the residual refugee problem in Europe and the closure of a majority of the camps now in existence should certainly make it possible to operate a few of the very best camps as model reception centers.

(c) That in the reception centers the greatest effort be made to provide the refugee from the very first with vocational training, part-time employment, and adequate recreational facilities. Refugees who are kept active in this manner will make much better material either for immigration or integration than those who have suffered from the blight of prolonged idleness.

11. Eligibility criteria and procedures:

(a) Screening procedures should be carefully reexamined with a view to providing the refugee with the same degree of protection as is accorded an accused person. The Commission believes that the joint government-UNHCR eligibility commission existing in Italy affords substantial protection to the refugees and provides a model that the other countries of reception should seriously study. To make the protection as complete as possible, the Commission also believes that the refugee who is denied status should have the ultimate right of appeal to the civil courts, as he does in Germany.

(b) Eligibility criteria should, insofar as possible, be made uniform for the countries of reception. The language of the Geneva Convention should be broadened as suggested in recommendation No. 8.

(c) Legal counselors should be available to all escapees during the period of their eligibility screening and afterwards.

(d) Finally, we recommend the establishment of a commission of internationally prominent jurists to study eligibility procedures and criteria in the various countries of reception, and to formulate more detailed recommendations for the protection of the legal and human rights of escapees.

12. The refugee backlog in Europe cannot be wiped out without a concerted and generous attack on the central problem of the so-called difficult to resettle refugees. Too much emphasis cannot be placed on this point. An international program of resettlement and rehabilitation for hard core refugees would, in the long run, be good humanitarianism, good economics, and good politics.

13. Greater support for UNHCR and ICEM: UNHCR, in addition to providing international protection for refugees, has been one of the two intergovernmental agencies actively concerned with their resettlement.

UNHCR has embarked on a "clear the camps" campaign, designed to shut down all the camps, with the exception of the reception and processing centers, by the end of 1960. This is one of the most imaginative proposals that has yet been put forward, and it merits the unstinting support of the community of free nations. The Commission would be happier if the same degree of attention as is planned for the in-camp refugees could be made available to the out-of-camp refugees. In many cases, indeed, the plight of out-of-camp refugees is more desperate than that of the in-camp. If, however, UNHCR's crash program is to be expanded to include the liquidation of the out-of-camp refugee problem simultaneously with the in-camp refugee problem, the general tempo of resettlement will have to be stepped up and the Office of the High Commissioner will require greater support from the contributory nations.

ICEM is the other intergovernmental agency concerned with the resettlement of refugees. Although it was set up for the primary purpose of organizing the transport of European migrants, it provides an entire range of supplementary resettlement services—documentation and processing, transportation, vocational training, etc.

Since ICEM is the only organization with the machinery and know-how for moving large numbers of migrants, any crash program to liquidate the refugee problem would require a proportionate increase in government contributions to ICEM.

14. Greater support for USEP: The U.S. escapee program since its inception has made a wide range of assistance possible for almost 150,000 refugees. With the exception of the Hungarian emergency, it operated from 1952 to 1958 on an annual budget of approximately $5½ to $6 million. The Commission was greatly impressed by the scope and effectiveness of the USEP program. By channeling its aid through voluntary agencies, it has given it the people-to-people quality which direct Government aid cannot give. From the standpoint of the concrete benefits and the happiness it has brought to those who have escaped, as well as from the standpoint of the ideological conflict with communism, the program is worth many times its cost in dollars. If the USEP budget were increased by several million dollars, as the Commission believes it should be for the duration of the 2-year crash program proposed, it would still be a minor item compared with the many millions that are being spent for cold war purposes.

This would enable USEP—

(a) To extend its assistance to several categories of refugees who are at present not eligible for its support;

(b) Where additional support is necessary for effective integration or resettlement (for example, students nearing completion of their university courses), to continue its support beyond the cutoff date now stipulated;

(c) To grant equality of support to Yugoslav escapees.

STRENGTHENING OUR LIBRARY SERVICES PROGRAM

Mr. WILEY. Mr. President, we recognize that today the expansion and improvement of our educational program is a matter of individual, State, and National concern.

The technological age demands, more and more, that our people have an opportunity to keep up to date on new developments in our economic, social, cultural, ideological, and other aspects of local, national, and international progress.

Throughout America, a splendid program is helping a great many of our citizens to fulfill their personal, civic, and patriotic responsibilities. I refer specifically to our library system, which is of tremendous value in meeting the educational needs of more than 70 million people in this country. However, I wish to stress that there are still about 26 million people in the Nation without library services at all, and about 86 million who do not have adequate service.

We recall that in 1956 Congress enacted the Library Services Act to strengthen the overall library program, particularly in rural areas. As enacted, the legislation authorized a maximum appropriation of $7.5 million for 5 years to be used for grants to the States. However, during no fiscal year since its enactment has the full appropriation been granted. For example, the recommendations in the 1960 budget provide for an appropriation of $5,150,000, an amount substantially short of the authorized limit.

Today I received a message from S. Janice Kee, secretary of the Wisconsin Free Library Commission, urging approval of the full $7.5 million for fiscal 1960, to help provide for continuous growth, expansion, and improvement of our library services.

I respectfully call this matter to the attention of our colleagues on the Departments of Labor, and Health, Education and Welfare Subcommittee of the Appropriations Committee for consideration in conjunction with the overall appropriations for the Office of Education.

Secretary Kee also sent along an outline entitled "Here's How the Wisconsin Free Library Commission Is Using Federal Aid To Help Rural Communities Have Better Public Library Service," illustrating the excellent way in which this fine program is serving our citizens in Wisconsin.

I request unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HERE'S HOW THE WISCONSIN FREE LIBRARY COMMISSION IS USING FEDERAL AID TO HELP RURAL COMMUNITIES HAVE BETTER PUBLIC LIBRARY SERVICE

Books: The 66-year-old traveling library, because of the availability of Federal funds under the Library Services Act, has a greatly increased number of, and more suitable, books to fill requests from all parts of the State that have increased 29 percent this year. These requests for books come from people who do not have access to a local public library and from existing libraries which need supplementary materials.

Staff: The traveling library and field services staff has been increased from 26 to over 30 to meet the service demands. In addition to the necessary employees for classifying, cataloging, and processing the increased number of books, other employees have been added. These include: a research associate, to observe and study existing rural library programs and to help formulate recommendations for improving them; a public library

consultant to give special attention to helping local libraries improve services to adults; a bookmobile driver, and special experimental and study project supervisors.

Bookmobile: A modern demonstrator bookmobile, with a collection of 2,200 books for adults, young people, and children, is available (1) to exhibit locally, or (2) to put into operation in a bookmobile project.

A bookmobile exhibit gives the people of a locality a chance to see and examine a bookmobile and its content for a period not shorter than 1 day, nor longer than 1 month, at no expense to the locality. Bookmobile exhibits of 1 month's duration have been sponsored by the people of Waukesha, Ashland, Bayfield, Iron, and Price Counties in 1957–58. One-week exhibits have been held in Dodge and Barron Counties. The vehicle has been shown at county fairs and other special meetings in La Crosse, New Richmond, Amherst, West Bend, Madison, Stevens Point, Eau Claire, Fennimore, Fort Atkinson, Oconomowoc, and Menasha.

A bookmobile project provides people in a locality the actual experience of using bookmobile service for a period of not less than 3 months nor for longer than 1 year. Bookmobile projects now in advanced planning stages by local people include (1) one 6 months to 1 year project in Ashland, Bayfield, Iron, and Price Counties; and (2) a 1½-year project in Langlade, Lincoln, Oneida, Vilas, and Forest Counties.

With grants made to the library boards in Milwaukee and Shawano, additional bookmobiles will be put into service this year.

Special projects: Wisconsin's State plan provides for four different patterns of local library development, and Federal funds under the Library Services Act may be used in any of these ways: (1) developing federations of libraries by contract, (2) establishing county or multicounty public libraries, (3) demonstrating improved quality of service on a county basis where county government supports library service, and (4) developing contractual library service for rural areas from existing strong urban libraries. All of these patterns are now being tested in Wisconsin, using Federal funds.

1. Southwest Wisconsin library processing center: Eighteen independent, small public libraries in the five counties of Grant, Lafayette, Iowa, Richland, and Crawford have signed an agreement with the Free Library Commission to participate in a centralized ordering, classifying, cataloging, and processing book project, aimed to benefit the small libraries, both financially and professionally.

2. County library committees have been appointed by county boards of supervisors to study library conditions and make recommendations in the following counties: Waukesha, Barron, Jackson, Chippewa, Eau Claire, Walworth, Ozaukee, Ashland, Bayfield, Iron, Price, Green Lake, Waushara, Lafayette, and Kenosha.

3. Shawano City-County Library Board will receive grants of Federal funds for 3 years (totaling $44,700) to improve their countywide library service, with emphasis on services to adults.

4. Milwaukee Public Library has received a grant of $38,700 for the purpose of extending bookmobile service in five rural political subdivisions of Milwaukee County.

In-service training: Eight regional workshops were held in 1957 to study the provisions of the Library Services Act and Wisconsin's State plan for the further extension of library services to rural areas. With the use of Federal funds for travel of public library consultants, a greatly stepped-up program of in-service training programs for librarians and library board members in rural areas has been carried out in 1958–59; some 27 different 1-day training sessions have been conducted for people in one or more counties. In 1958, a statewide 2-day training program for library board members (a Governor's conference) was financed in large part by Federal funds under the Library Services Act.

Scholarship program: In 1958–59, 2 $1,000 scholarships were awarded to qualified residents of Wisconsin for graduate study in library science, and 15 $50 scholarships to librarians for taking a directed study course (DS–300) in library science offered by the extension division, University of Wisconsin, in 5 different locations around the State. The library commission will offer scholarships again in 1959–60.

Statewide survey: Beginning in 1959, the University of Wisconsin will conduct a study of the role of the public library in the educational development of the State, the most effective local unit of administration, and possible ways of improving library service. This study will be financed by Federal funds under the Library Services Act.

Public information program: The Wisconsin Library Bulletin has been enlarged to include full information on the State plan for developing public library service and for reporting fully all activities under the Federal grants program. An increased number of leaflets and brochures on various aspects of library service and development have been published and distributed, and special mailings to librarians and library board members have been made more frequently as a result of having Federal funds available. A concentrated effort is being made to acquaint localities with the potential use of the Federal money in the implementation of the State plan.

SOVIET MISSILE BASES

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Soviet's Missile Bases," written by Hanson W. Baldwin, and published in the New York Times of March 25, 1959. The article is extremely interesting, and should be important to all our citizens.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET'S MISSILE BASES—WASHINGTON FINDS NO PROOF MOSCOW HAS CAPABILITY OF LAUNCHING ICBM'S

(By Hanson W. Baldwin)

Despite the repeated alarms in Washington, hard evidence of Soviet capability of launching long-range missiles is still absent. No verification has reached this country of numerous reports published here and abroad of the identification of ballistic missile launching pads. Several such reports have been investigated and were found to be erroneous. Launching sites for both intermediate range and intercontinental ballistic missiles could, of course, be hidden in deep forests, or placed underground or deep in mountainous valleys, or they might be mobile.

But extensive underground construction would probably be detected, at least in the case of some sites, after a lapse of time. And intermediate range ballistic missiles—the Soviet types of these have ranges of 700 and 1,100 miles—would have to be emplaced, if they were to reach Allied targets, somewhere near the periphery of the Communist heartland.

The satellite areas have never been as thoroughly sealed off as Russia itself, so that sooner or later any extensive missile emplacements in Eastern Europe probably would be detected.

Many observers believe that Russia expects to utilize mobile launching sites for at least her intermediate range ballistic missiles: at sea, submarines, and on land, specially designed railroad flatcars. But again there is no conclusive evidence, as yet, of any such launching systems.

If Russia had hundreds of 700 or 1,100-mile ballistic missiles mounted on flatcars, some of them almost certainly would have been seen by now. One or more of the Soviet Z-class submarines, the largest submarines yet built in Russia, apparently have been modified to launch what some experts believe may be short-range ballistic missiles. But so far this is the only hard evidence of Soviet missile-launching sites anywhere.

This purely negative evidence cannot be construed to mean, of course, that the Russians have no operational ballistic missiles. In fact, other hard evidence suggests that they have a significant number, probably in the hundreds, of 700-mile missiles in the hands of troops.

It is probable that these missiles can be fired from mobile launchers, from hard-surfaced roads or quickly improvised launching sites. In any case, no fixed permanent installations have been discovered.

Available evidence suggests that the Russians have few, if any, 1,100-mile rockets in operation. Originally, it was believed that the 700 and 1,100-mile rockets were part of the same "family," but it is now believed the two are distinct types.

The importance of the 1,100-mile missile is that its additional range would enable it to reach a few bases and missile sites that are beyond the range of the 700-mile rocket. Because of its increased range its launching sites could be moved well back behind the Communist frontiers.

In the intercontinental ballistic missile field, we have detected the firing of only one Soviet missile this year at a range of more than 3,000 miles.

This brings the total recorded firings of Soviet long-range missiles (beyond 3,000 miles) to seven. It is possible, though this possibility is not rated too highly, that the Russians have established an Arctic test range, beyond the reach of our two long-range surveillance radars in Turkey and the Aleutians.

In any case, best estimates are that the U.S.S.R. now has, or soon will have, a few ICBM's in operation (though not too reliable). If present estimates of Soviet capabilities are correct, and if the Russians utilize those capabilities to the maximum, the Russians may have roughly 100 ICBM's some time in 1960 and perhaps 500 by late 1961, more probably some time in 1962.

Contrary to popular impression, the Russians are still producing piloted bombers, though at a slow rate. They now have about 150 heavy bombers, and are believed to be producing one Bison a month.

The Bison is Russia's standard heavy bomber, with four jet engines. Apparently none of the turbo-prop Bear bombers has been produced for the last 2 years.

Small production of the Badger two-jet medium bomber, roughly comparable to our B–47, is continuing. The U.S.S.R. may have built up its total number of mediums to more than 1,000 by some time this spring.

THE AGRICULTURAL AND UNEMPLOYMENT PROGRAMS

Mr. BRIDGES. Mr. President, we are confronted again this year with reviewing our farm program, as well as the extension of unemployment benefits. These two programs unfortunately have something in common. Both provide payments for nonproduction and both situations have arisen in part through automation. Congressional intention has been and continues to be the seeking of a practical solution in the present dilemma.

Two recent newspaper articles point out the experiences of two persons who enrolled in these respective programs. The first article appeared in the March 9, 1959, issue of the Detroit Free Press. It tells of one man's experience with the farm-support program. The experiences of the author of that article are not unique, I am told. I commend its reading to my colleagues, and ask, Whither are we going?

In our unemployment program we are attempting to be equally as helpful in extending unemployment compensation to those who are separated from their positions through no fault of their own. Separation from one's employment by entering the state of holy matrimony now has a dubious distinction. A news item in the Washington Star of March 13, 1959, indicates that that status, as far as unemployment benefits are concerned, should be treated as an illness or other event of such consequence as to qualify the participant. Undoubtedly, there exists adequate legal argument which would sustain this position. I have no doubt the granting of benefits in both the instances that I have cited is legally defensible. What is of grave concern to me is whether, irrespective of their legality, they are morally defensible to the American public.

Legislation extending unemployment benefits, as well as the farm-support program, will soon be considered by Congress, and careful scrutiny should be given to eliminating obvious defects which make possible the carrying of these programs to the ridiculous extent which these news articles highlight.

I ask unanimous consent that the news articles I have mentioned be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Detroit Free Press, Mar. 9, 1959]

GOVERNMENT GENEROSITY OK AS LONG AS IT'S FREE

(By Royce Howes)

When a subject like Stanley Yankus comes along and the talk turns toward farmers who get paid for not growing wheat, I speak from experience—and shush everyone while I do.

I, too, have been a beneficiary of that delightful taxpayer generosity which enables the Department of Agriculture to pass around money the way Congressmen once distributed free seeds.

You might say, in fact, that I was a beneficiary doubled in spades. I got paid for not growing wheat without even being a farmer.

It only lasted 2 years, but it might have run on in perpetuity except that the Government infuriated me with its arrogance.

All this happened a long yesterday ago when, as a favor to a pinto saddle horse, I moved my household to the country. Not suburbs, understand. The real thing.

On the tick of H-hour, D-day, the van stopped under the driveway's cedars. At H-hour plus 2 minutes, I drew my car in behind the van and alit. At H-hour plus 4 minutes another car pulled in behind mine and a man with a thick dossier in his hand got out.

The man spread his dossier on the fender of my car, indicated a dotted line, offered a pen and asked me to sign. Alertly, I asked why. He said it would be my pledge not to raise more than my quota of wheat.

At some time quite past, the former owner of my acres (about 30) had raised poultry (like Mr. Yankus) and had grown wheat to feed them (also like Mr. Yankus). So the land had a quota, and if you stayed inside the quota you got money.

On principle, I sparred a little. The man beguiled me with the back page of the dossier. It carried an aerial photograph of just what you saw when you flew over my new home.

I took it right kindly that the taxpayers had footed the bill for an airplane to take a photographer up and make such a neat little picture—with the orchard trees showing as dots, the buildings as rectangles and the county ditch as a meandering thread.

It was a conspicuously worthwhile expenditure for any government buying conversation pieces.

In gratitude, and for the money, I gave in and signed. The only risk seemed to be that I might go to jail or have my chattels confiscated as the result of buffoonery on the part of Nature.

If wheat somehow began to spring up all over the place there would be almost no chance of my recognizing it in time to start combing the atlas for a country with a weak extradition treaty.

That winter and the next winter I received checks in exchange for my signature—and marveled at the unbounded good will of the taxpayers who put up the money and the Congressmen they sent down to Washington to spend it.

Then came the third year and there appeared that Government arrogance previously mentioned. It wanted me to put up a buck of my own. If there is anything unbearable to a man riding the gravy train it's to be asked to put up a buck of his own money.

It worked this way. The man who had gotten me aboard the gravy train said I'd be put off at the next stop if I didn't keep up the productive capacity of the land on which I did not produce.

The requirement to keep qualifying, he said, was that I buy one ton of fertilizer. Through governmental arrangements, I could get the ton for one dollar, fee simple.

I tried to get out from under by arguing that I wouldn't know where to put the fertilizer. All traces of where wheat had grown in yesteryear were long since gone.

To that he had a rule-book answer. I wasn't required to spread the fertilizer anywhere. All I needed was a receipt showing I'd laid out my buck for it.

That's the Department of Agriculture—lead you on with fair words and fancy promises, and then spring one like that. I withdrew from the wheat program in a dollar's worth of high dudgeon.

I might have gone on getting those checks for years. The chap who bought the place from me might be getting them yet. But a man who's been getting something for nothing develops a hard pride which forbids parting with what is his.

Sometimes people ask if memory of those checks doesn't embarrass me. Of course not. The taxpayers and the Congress wanted me to have that money, else why would they have provided funds and a law?

And I'm not one to rebuff kindness with scorn—at least not until a supposed benefactor shows his true face the way the Government did in the matter of that dollar's worth of fertilizer.

[From the Washington Star, Mar. 13, 1959]

JOBLESS BENEFITS DUE WOMAN WHO QUIT TO MARRY

ALBANY, N.Y., March 13.—A woman who quit her job to get married is entitled to unemployment insurance, the Court of Appeals says.

The State's highest tribunal, in a 5–2 decision yesterday, said a lower court was right in allowing benefits to Mrs. Keith I. Shaw, of North Tonawanda.

Mrs. Shaw quit work as a clerk-typist at an Albany insurance company in July 1956, saying she planned to be married and move to western New York.

Her employer contested her claim for unemployment insurance in court.

The appellate division decided 3–1 in Mrs. Shaw's favor, ruling that marriage "ought to be treated as illness or other events of important personal consequence to the worker."

ANALYSIS OF 1958 ELECTIONS

Mr. BRIDGES. Mr. President, there appeared in a recent edition of the Washington Sunday Star an article which I am sure will be of more than passing interest to Senators on both sides of the aisle.

The article concerns an analysis of the 1958 election returns by Congressional Quarterly. For the first time, the analysis makes available a district-by-district breakdown of the 1958 races for Governor, Senator, and Representative.

This analysis appears to be highly significant in the light of the 1960 elections, for it indicates that the Republican candidate for President can or will win even if the party as a whole fares no better than it did in 1958.

Admittedly, to a certain degree the article is based on supposition, but it certainly bears out the plain fact that the Republican Party is alive and kicking and not about to write off the 1960 elections because of any previous setbacks.

I ask unanimous consent that this very interesting article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIGURES SHOW GOP CAN WIN PRESIDENCY

A Republican candidate can be elected President in 1960 even if the party as a whole does no better than it did in 1958.

He can be elected without carrying a single State of the once-solid South. He can win without carrying one of the border States.

He can also lose Alaska, California, Colorado, Connecticut, Hawaii, Massachusetts, Montana, Nevada, New Mexico, Oregon, and Rhode Island to the Democratic nominee—and still he will win.

All he has to do is run between 1 and 5 percent ahead of the Republican congressional ticket in the 23 remaining Northern States, and he will win—even if the congressional Republicans in those States do no better than they did in 1958.

That is the surprising fact that is demonstrated by an analysis of official 1958 election returns by Congressional Quarterly.

BREAKDOWN OF RETURNS

The analysis makes available for the first time a breakdown by congressional districts of the official returns on the 1958 races for Governor, Senator, and Representative.

Is it reasonable to suppose that anyone the Republicans nominate in 1960 can run 1 to 5 percent ahead of the GOP congressional ticket?

This is what the CQ figures show:

Mr. Eisenhower ran 5.6 percent ahead of the Republican congressional ticket in his 1952 victory, and 8.7 percent ahead in 1956.

More to the point. New York's Gov. Nelson A. Rockefeller ran 5.8 percent ahead of the State's congressional ticket in 1958.

Four other Republicans—Senator Goldwater, of Arizona, Gov. Mark Hatfield, of Oregon, Senator Beall, of Maryland, and Gov. Christopher Del Sesto, of Rhode Island—ran even farther in front of the GOP ticket in their States in 1958, but none of them is considered a presidential hopeful.

NIXON RACE CITED

In his last solo race, when he ran for the Senate in California in 1950, Vice President NIXON ran an even 7 percent ahead of the Republican congressional ticket. But that showing is marred somewhat by the fact that Mr. NIXON's 1950 running mate, then Governor, and now Chief Justice Earl Warren, ran 12.8 percent ahead of the congressional ticket and 5.6 percent ahead of Mr. NIXON.

Governor Rockefeller, Senator Goldwater, Governor Hatfield, Senator Beall, and Governor Del Sesto, on the other hand, all topped the tickets in their own States in 1958.

Here is exactly how a Republican presidential victory could be achieved without any basic improvement in the party strength:

In 1958, when the Republicans took a fearful drubbing in the congressional races, GOP candidates for the House received a majority of the statewide vote in only six States, with 30 electoral votes. Those States were Nebraska, New Hampshire, North Dakota, Utah, Washington, and Wyoming.

First, suppose that in 1960, Republican congressional candidates do not improve their showing anywhere, and suppose the GOP presidential nominee runs exactly even with the congressional ticket.

Obviously, he would win only the same six States and 30 electoral votes.

Next, suppose he runs 1 percent ahead of the congressional ticket. Immediately dramatic things happen. He wins Arizona, Delaware, Iowa, Kansas, New Jersey, Ohio, and Pennsylvania, with an additional 98 electoral votes, bringing his total to 128.

MORE FOOD FOR THOUGHT

If he runs 2 percent ahead of the ticket, he gains Idaho, South Dakota, Vermont, and the big prize of New York—another 56 electoral votes.

By running 3 percent ahead of the ticket he gains Minnesota's 11 electors, and his total is up to 195.

He runs 4 percent ahead of the ticket and he gains 50 more electoral votes in Indiana, Maine, Michigan, and Wisconsin.

Finally, he runs 5 percent ahead of the ticket in Illinois, wins its 27 electoral votes and has 272 in all—three more than he needs for election.

A numbers game? Perhaps. But remember Governor Rockefeller ran almost 6 percent ahead of the ticket in New York. Mr. NIXON, with a boost from Warren, ran 7 percent ahead of the ticket in California.

It's enough to give pause to the Democrats.

JOINT FOREIGN AID BY WESTERN NATIONS TO UNDERDEVELOPED COUNTRIES

Mr. MONRONEY. Mr. President, today's New York Times carries a story entitled "Joint Foreign Aid Weighed by West," under Harold Callender's byline from Paris, which reports the growing interest among the Western allies in a joint program to promote economic development in underdeveloped countries as a counter to the monolithic and completely regimented offensive of the Soviet Union in this field. This report of a widespread recognition of the necessity for a joint effort among the free nations of the world is a most encouraging development.

As the Members of the Senate know, this is a course many Members have been urging for some time. At the last session, the Senate passed by an overwhelming vote Senate Resolution 264, calling for study by the National Advisory Council on Financial and Monetary Problems regarding establishment of an International Development Association as an affiliate of the World Bank. More recently, the Congress has endorsed the President's proposal for a substantial increase in the resources of the World Bank itself.

I believe that the provision of assistance for economic development on a joint basis through international organizations will represent a significant step forward in achieving more effective results, and in broadening participation in this urgently needed work. This is not the sole burden of the United States, but one which must be borne by free peoples everywhere.

I ask unanimous consent to have Mr. Callender's article inserted at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOINT FOREIGN AID WEIGHED BY WEST—PROGRAM TO SHARE BURDENS LONG BORNE BY UNITED STATES SAID TO BE UNDER STUDY

(By Harold Callender)

PARIS, March 24.—An official survey published in Washington last weekend showed that economic aid by the Soviet Union and its satellites to underdeveloped countries was increasing. The amounts of this aid were compared with the much greater sums coming from the United States.

The United States was the great pioneer in economic aid, first to Europe, later to the Middle and Far East and Latin America.

But now that Europe has recovered, it also has become a source of capital for needy areas; and there has been much discussion of placing such aid on a combined basis, with Europe taking more of the burden long borne only by the United States.

Michel Debré, Premier of France, in a speech in Constantine, Algeria, said France intended to make Algeria "a model for all of Africa as regards economic development and social progress."

ALGERIAN DEVELOPMENT PLANNED

This means the industrialization of a hitherto mainly agricultural country, a long-range program that is expected to cost France about $5,700 million in the next 4 years. About one-third of this is to come from the French national budget. Private capital is expected to help, notably in developing the oil of the Sahara.

As in the case of U.S. aid, which seeks to check Soviet influence in underdeveloped countries, French aid to Algeria and the rest of the French overseas community has a political aim. It seeks to keep these territories attached to France.

This aim is not dissimilar to that of the United States, since the French believe their presence in Africa is an obstacle to Soviet influence as well as a factor of security for France.

AID BY BRITAIN CITED

Sir David Eccles, president of the British Board of Trade, said in a speech at Capetown, South Africa, that the Western nations should cooperate economically as well as politically in resisting communism. Their resources are greater but communism has the advantage of regimentation, he remarked.

Apart from such special aid projects as the Colombo plan for Asia, Britain has been helping underdeveloped countries by exporting capital to them. It has been officially estimated that since World War II 70 percent of the flow of capital into the sterling commonwealth area came from Britain. In the 3 years 1953–56, this capital amounted to about $1,400 million.

The sterling commonwealth area includes not only Australia and New Zealand, underdeveloped industrially, but such nations as India and Ceylon, which also have received financial aid from the Soviet Union, according to the Washington survey. Canada is excluded.

British officials say Britain seeks to gain from foreign transactions everywhere about $900 million a year to build up her monetary reserves, to pay foreign debts and to lend overseas. This overseas lending is a traditional British practice. It is a form of aid to the underdeveloped areas that began long before it acquired special interest from the cold war.

Another form of aid for underdeveloped areas is the development fund for overseas territories that the six European common market nations will set up in the next 5 years. The fund will be $581 million.

Except for the Belgian Congo and the small territories of Italy and the Netherlands, the underdeveloped areas to benefit from this European fund are French.

THE COLD WAR DILEMMA FACING THE UNITED STATES TODAY—EDITORIAL FROM THE MANCHESTER UNION

Mr. BRIDGES. Mr. President, I should like to bring to the attention of Members of the Senate a very fine editorial which was published on March 18 in the Manchester (N.H.) Union. The editorial entitled "On Borrowed Time," goes right to the heart of the cold war dilemma facing the United States today.

In the words of William Loeb, the publisher, "If we do not arm the United States adequately, none of us will be around to enjoy anything."

To assure our future capability to strike a devastating blow at any enemy who dares attack America, the editorial urges we build a large fleet of Polaris submarines and missiles and construct underground missile launching sites for ICBM's loaded with hydrogen bombs.

I heartily agree that these are two things, among many which we must certainly do, to assure our military preparedness against the future threats from the Soviet Union.

I also agree with the view that the American people are not willing to gamble their lives away in order to keep a balanced budget. Certainly, the American people would rather pay more taxes or cut down on other Government spending so as to assure unquestioned national security.

Mr. President, the time has come for some straight talk about our national survival and the civilian economy. These are not ordinary days. We are engaged in a daily struggle with Communist empire builders who have challenged America to a fight to the finish.

Both the Communists and ourselves possess weapons of vast destructiveness and terrifying horror. If America did not have these weapons and the means to deliver them to enemy targets, it is doubtful that there would be a United States of America today. It is this very

military strength that has so far spared us from attack, in my opinion.

For the foreseeable future, belligerent communism will pose a steady threat to our survival. New means of attack will put us in ever more deadly peril. We must have in being at all times the forces to withstand an attack and to carry the battle back to the enemy's homeground. Only in this way can we hope to deter the Communists from striking our homeland.

In order to have such military strength, we are not faced with an "either/or" decision. We do not have to choose between adequate national defense or a balanced budget.

There is no question to my mind, Mr. President, that this Nation can have the strength it needs for security. I agree with President Eisenhower that the "American people want, are entitled to, can indefinitely pay for, now have, and will continue to have, a modern, effective, and adequate Military Establishment."

I likewise agree with the President that "a balanced budget in the long run is a vital part of national security."

I say we can have both.

We can do it by putting first things first. Our defenses come first, to my way of thinking.

We can do it by withholding our dollars from such Communist countries as Poland and Yugoslavia and from so-called neutral countries such as India and Indonesia.

We can do it by stopping the waste in some of our foreign economic aid.

We can do it by holding the line against creating new Government agencies, new Government programs, new Government functions—except where they are vitally needed for our survival.

We can do it by economizing in everyday Government operations, by cutting out waste and frills.

We can do it by postponing all but the most urgently needed Government programs. We cannot do everything we would like to do in civilian programs, and still provide sufficiently for our national security.

Even the richest nation in the world cannot finance every desirable project simultaneously. We must channel our resources into the most necessary programs.

When a family faces the need to live within its income, it does not decide to do without the food the baby needs. Instead, it does without pie, cake, and candy.

As a nation, we can live within our income, and can still provide amply for the deterrent forces we need in order to survive, if we just cut out the frills, the extras, the things we can do without for the moment.

The shield which today protects our freedoms from outside attack is our strong, prepared, alert Military Establishment. If we are to keep our freedom, we must be willing to keep our shield strong and our sword sharp.

A contemporary observer summed up the situation when he wrote:

If a nation values anything more than freedom, it will lose its freedom; and the irony of it is that, if it is comfort or money that it values more, it will lose that, too.

Mr. President, the sooner the American people realize the defense needs we face for years to come, the sooner they will be willing to moderate their demands for larger civilian programs financed out of the Federal Treasury.

The sooner the American people realize the need for modern armaments, the sooner they will be willing to tighten their belts and make the sacrifices necessary to sustain our defense effort over the years of peril ahead.

Mr. President, I ask unanimous consent to have printed in the RECORD, as part of my remarks, the Manchester Union editorial which so ably highlights the issue of survival.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ON BORROWED TIME

The present Washington debate between the President and the administration on the one side and leading Democratic experts on defense, such as Senator SYMINGTON, on the other, on the question as to whether or not this Nation is adequately armed, is frightening.

No matter what disagreements there may be between Democrats and Republicans, one question should never have to be debated. That is whether the defenses of this Nation are strong enough to save our national life.

The overwhelming majority of Americans, this newspaper is sure, are not willing to gamble their lives away in order to keep a balanced budget. They would rather pay more taxes or cut down on other Government spending than to have any question whatsoever as to whether this Nation is in a position to defend itself.

One suggestion, recently made, makes a great deal of sense to this newspaper. It is that we spend whatever money is necessary for a large fleet of atomic-powered submarines and the Polaris missiles with which to arm them.

These submarines could stay hidden almost indefinitely. They need not even surface to fire their missiles. Thus the enemy would have a terrible time knowing where they were.

The Russians would then hesitate to destroy the United States by hydrogen bombing because even if the United States were to be destroyed, the hundreds of U.S. submarines cruising undetected under the surface of the water could still destroy every living thing in the Communist slave camps; this is, Russia and China.

This same authority suggests that it is time to stop fooling around with what is known as soft missile bases; that is, above-ground missile bases.

All future missile bases should be buried deep in the earth where they, too, cannot be destroyed, no matter how severe the attack against the United States. With such bases, adequately armed with hydrogen-headed missiles, again Russia would not attack because she would know that no matter what destruction was wrought against the United States, the missile bases would survive and be able to totally destroy the heart of the Communist cancer.

This newspaper believes that the first order of business for this Nation is to produce the submarines, the Polaris missiles, the deep underground bases, and the adequate missiles to arm them.

Talk about fancier health and welfare plans, better education, more elaborate embassies abroad and bigger jet planes for the President is utterly ridiculous.

If we don't arm the United States adequately, none of us will be around to enjoy anything.

It may come as a horrible shock to fat, comfortable Americans, who have been misled for a number of years by their national leaders to believe that everything is just wonderful, to realize that this Nation and all of us are now face to face with the threat of being wiped off the earth—not next year, next month, but tomorrow.

We are all living on borrowed time.

But if we forget about money and get the submarines, the missiles, and the bases that we need, and also the deep bomb shelters to protect our population, we can survive and win.

What are we waiting for?

TRIBUTE TO ANDREW J. KRAMER

Mr. BRIDGES. Mr. President, I wish to pay my tribute to Mr. Andrew J. Kramer, Keeper of Stationery for the U.S. Senate.

Mr. Kramer is observing his 35th year as an employee of the U.S. Senate. I think it is altogether fitting that this be observed as a small tribute to his many years of faithful service. I do not know what Mr. Kramer's politics are; but I know that he has many friends, and that he has served the Senate well for all these 35 years.

Andy, as he is known to his many friends, came to the Senate as a young man of 20. He was born and raised almost within the shadow of the Capitol itself.

He started in the Senate stationery room in 1924, when its operations were comparatively small. Today, its total business volume is close to one quarter of a million dollars annually. Four years after he began in that office he was named Assistant Keeper of Stationery. In 1944, he was elevated to his present position.

March 23 was the anniversary of the exact date on which Andy came to the Senate Office Building 35 years ago. Andy observed the occasion by taking one of his infrequent days off. I know I speak for all Senators when I express my thanks for his long and efficient service, as well as my hope that he will continue to be a popular member of our Senate community, so to speak, for many more years to come.

EFFECT ON AVIATION PROGRESS OF INADEQUATE AIRPORTS

Mr. MONRONEY. Mr. President, an excellent review of studies made by the Federal Government since 1946 on the subject of Federal participation in airport construction appears in a recent issue of Illinois Aviation, under the byline of Arthur E. Abney, Illinois director of aviation.

I especially commend to my colleagues Mr. Abney's observations and the direct benefits of the Nation's most modern transport industry are just beginning to reach the grassroots level, and his suggestion that if development of a nationwide system of airports is retarded the lack of adequate airports in itself may prove to be the limiting factor in the advancement of aviation in the United States.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DIRECTOR'S COLUMN—FEDERAL AID TO AIRPORTS PROGRAM SUBJECT OF MUCH CONTROVERSY

(By Arthur E. Abney)

The Federal aid to airports program has in the past, been the subject of much controversy. Through the years special committees and study groups have been formed to research this one aspect of the aviation problem. Still other groups have touched on the question of Federal participation in airport construction and development projects as a part of their overall investigation of aeronautical facilities planning.

Last year, both the Senate and the House passed, by an overwhelming margin, a Federal aid to airports program calling for $100 million per year for 5 years. The President vetoed this legislation with the promise of a compromise aviation bill for the present session of Congress. The administrator of the Federal Aviation Agency, E. R. Quesada, on January 21, 1959, submitted to Congress draft legislation proposing $200 million in Federal funds to be spent through 1963. Since this represents approximately half the amount contained in the bill vetoed by the President in the last session of Congress, some serious study must be undertaken to determine which, if either, item of proposed legislation succeeds in meeting requirements of national interest insofar as aviation is concerned.

A wag once observed that various peoples of the earth react to emergencies in different but distinct manners and pointed out that when confronted with an emergency, Americans appoint a committee. In this particular bit of Americana the committee has flourished for a good many years; studies have been initiated on how studies should be undertaken. The most significant finding, is that virtually all of the reports agree that it is in the national interest to continue a strong and effective Federal aid to airports program.

In 1946 the Air Coordinating Committee was established to make a report on aviation facilities in traffic control techniques and their finding was that such facilities were marginal even by prewar standards. In 1948 the Air Navigation and Development Board was established to develop new air traffic control tools and air navigation procedures.

In 1952 the President established an airport commission, known as the Doolittle Commission, to investigate conditions associated with the rash of accidents in the areas surrounding airports. The Doolittle Commission report said, in part, "In the short span of 50 years since the invention of the airplane, aviation has become essential to our national defense and indispensable to our national economy. Although only a fraction of our total population is directly engaged in the design, manufacture, or operation of aircraft, every citizen is an indirect beneficiary." The Doolittle report goes on: "The Federal Airport Act of 1946 established a continuing program of Federal airport aid at a rate not to exceed $100 million per year with an authorized total of $500 million. Unfortunately, the implementation of this program by yearly appropriations has lagged; furthermore, it has proved difficult to synchronize the matching of funds, Federal and municipal. National interest requires that airport improvements not be delayed. Both civil and military airport policies require greater funding support and more comprehensive forward planning."

In 1955 the Commission on Intergovernmental Relations reported to the President, In addition, the present Federal aid program by securing free landing rights for military aircraft on airports federally assisted effects, pro tanto, a financial savings to the Federal Government and, even more important in the interests of economy, obviates the necessity for building many additional military airfields. The Commission finds need for active and continuing participation of the National Government in airport development including technical and financial assistance to State and local aviation airport authorities on a substantial scale."

In May 1955, the President through the Director of the Bureau of the Budget instituted a study to be made of aviation facilities. This report, which came to be known as the Harding report, asked these basic questions: (1) Should a study be made of long-range needs for aviation facilities? The Harding report said yes, to cover a period of at least 20 years. (2) What should the study cover? The Harding report indicated the study should cover airspace, civil and military expenditure for research and development and facilities financing, and type of government organization needed. The authors of the Harding report pointed out that the responsibility for financing individual airports and the responsibilities for the management should remain at the local level but that the Federal Government should accept responsibility for overall planning of national airport assistance—including programing of such additional funds both direct and supplemental as may need to be invested in airports in the national interest.

As a result of the report of the Harding Commission, the President in 1957 appointed Special Assistant Edward Curtis to conduct studies of aviation facilities and to recommend future programs. Among other things, the Curtis report recommended the creation of an independent Federal aviation agency headed up by a special Presidential assistant. This has come to pass as of January 1, 1959. Regarding airports, Curtis said, "Unquestionably such financial aid has been valuable in helping many communities to accomplish needed airport improvements more completely or more rapidly than otherwise would have been possible. Recent broadening of the Federal Airport Act increasing the level and stability of the program's authorization, has reflected the sense of the Congress and the President that this Federal aid program continues to be justified for the present. For the longer term future it can be expected that as the aviation industry further matures, more and more airports will become capable of self-support—and consistent therewith the Federal Government should reasonably look forward to the eventual curtailing of direct financial participation in airport construction."

We don't disagree with this concept; however, we feel that much work remains to be done for which Federal aid is necessary and appropriate. Only a few airports are now self-sustaining and until such time as this becomes generally the case, Federal aid is indicated.

The Curtis report pointed out that facilities by 1975 must be adequate to handle an air carrier traffic increase of 150 percent and an itinerant air traffic increase of 400 percent. "This projected increase in aircraft movements means that we must do all that is practical to increase the capacity of existing airports and then plan ahead to provide additional airports as they are needed." By way of pointing out the phenomenal growth of aviation activities the Curtis report shows that in 1936 there were 5 million takeoffs and landings at the Nation's airports, that in 1957 there were 65 million, with 115 million forecast for 1975.

In 1958 a tripartite study was undertaken by the Airport Operator's Council, the American Association of Airport Executives, and the National Association of State Aviation Officials to determine, on a nationwide basis, what airport construction was needed and how much State and local funds were available to accomplish the needed work. The results of this exhaustive study indicated a need for $1 billion worth of airport development for the period ending June 30, 1962. Figures indicated that 1,138 airport projects were planned by U.S. communities during the 4-year period. Of the total cost, almost $590 million is available from local and State sources and the balance was planned for $100 million a year appropriation which was passed by the House and Senate in the last session of Congress.

The result of these studies which bear directly on todays facilities program, date back to 1946. It should be kept in mind that, with the exception of the tripartite study, all the foregong studies were initiated and carried out by the Federal Government. Essentially, they all agree that it is in the national interest to develop a uniform national system of airports. Even the most reserved studies indicate a need for Federal financial participation in airport development, at least until such time as the industry matures to such an extent that airports, generally, are self-supporting. It is true that at the present time many of the large hub airports are self-sustaining. On the other hand, however, let us consider the hundreds of communities which have recently developed aviation facilities or who are in the process and who have also recently begun to attract local service air carriers. In this regard, the direct benefits of the Nation's most modern transport industry are just beginning to reach the "grass roots" level. We in Illinois are proud of the fact that the bulk of the people of this State are within easy commuting distances of an airport which connects, by local air carrier, to the airline routes of the world. Industrial expansion has added its impetus to the ever increasing number of communities who are seeking to establish or improve aviation facilities. As American business and industry continue in their acceptance of the airplane as an essential tool of commerce, this trend will increase and will make the airport a necessary and valuable part of the American economic heritage.

The sponsors of Federal aid to airports legislation which was vetoed during the last session of Congress have established this same legislation as the number one bill before both the Senate and the House. The new bill has passed in the Senate by a large majority. At the time of the veto, the bill, calling for $100 million per year in Federal aid, had bipartisan support and, as I have said, was passed by both the upper and lower Houses by wide majority. The bill's principal advocate, Senator MONRONEY, of Oklahoma, has managed to present this bill as the first bill in the new Senate. Representative OREN HARRIS, of Arkansas, has introduced a companion bill before the House as its first item of legislation.

In regard to his bill, Senator MONRONEY said, "We would be penny wise and pound foolish to be spending some $38 billion on the superhighway system for the 48 States and to assume that the gigantic task of preparing our airports for jets and expanding general aviation operations could be left to the design, planning specifications and sole financing of our municipalities. The 50-50 cost sharing plan long in vogue for ground transportation facilities is a good plan; a national airport program should also be based on cost-sharing and partnership."

At the time of this writing, the first passenger-carrying transcontinental jet flight has just been made. Less heralded and less dramatic, but no less important, is the tremendous growth in aviation in the past few years. In Illinois the number of registered pilots has increased by approximately one-third in 3 years. Illinois business and industry is continually demanding more of the

communities in which they are located in the way of aviation facilities. In the 50-odd years that mankind has known the airplane, it has risen to become our principle means of transportation of vital commercial and military cargoes. It has become one of man's principal forms of defense and one of his foremost means of progress. The leviathan of the air is a marvelous product of Yankee know-how and ingenuity. As important as the machine itself, is a nationwide system of airports which will permit the people of America to enjoy the maximum benefits of the air age. If development along these lines is retarded, the lack of adequate airports may in itself prove to be the limiting factor in the advancement of aviation in the United States.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 125, H.R. 5640.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 1, line 11, after the word "such", to strike out "individual's first claim under this Act was filed before April 1, 1959" and insert "individual had exhausted all rights under the unemployment compensation laws referred to in paragraph (3) before April 1, 1959, and his first claim under this Act was filed before April 1, 1959, in States in which unemployment compensation is paid on the basis of flexible-weeks, before April 5, 1959, in States in which unemployment compensation is paid on the basis of calendar-weeks, and before April 7, 1959, in States in which unemployment compensation is paid on the basis of statutory or payroll weeks."

Mr. BYRD of Virginia obtained the floor.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. McNAMARA. Mr. President, I call up my amendment, identified as "3-23-59—A," and ask that it be stated by title only.

The PRESIDING OFFICER. It is not in order for the Senator to offer his amendment in the nature of a substitute at this time, because the committee amendment has precedence.

Mr. MANSFIELD. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. MANSFIELD. Could the committee amendment be considered at this time, so that we may then have laid before the Senate the amendment in the nature of a substitute offered by the Senator from Michigan?

The PRESIDING OFFFICER. The committee amendment is in order at this time.

Mr. BYRD of Virginia. Mr. President, the only committee amendment is a technical amendment. I move its adoption.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I understand the Senator from Michigan now renews his request.

Mr. McNAMARA. Mr. President, I ask unanimous consent that my amendment in the nature of a substitute not be read in its entirety, but be printed in the RECORD.

There being no objection, the amendment offered by Mr. McNAMARA, for himself and other Senators, was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Temporary Unemployment Compensation Act of 1950'.

"TITLE I—INDIVIDUALS WHO HAVE EXHAUSTED THEIR RIGHTS

"Payment of compensation

"Eligibility

"SEC. 101 (a) (1) Payment of temporary unemployment compensation under this title shall be made, for any week of unemployment which begins on or after the fifteenth day after the date of the enactment of this Act and before July 1, 1960, to individuals who have, after June 30, 1957, exhausted (within the meaning prescribed by the Secretary by regulations) all rights under the unemployment compensation laws referred to in paragraph (3) and who have no rights to unemployment compensation with respect to such week under any such law or under any other Federal or State unemployment compensation law.

"(2) Except as provided in section 102(b), payment of temporary unemployment compensation under this title shall be made only pursuant to an agreement entered into under section 102 and only for weeks of unemployment beginning after the date on which the agreement is entered into.

"(3) The unemployment compensation laws referred to in this paragraph are—

"(A) any unemployment compensation law of a State;

"(B) title XV of the Social Security Act, as amended (42 U.S.C. 1361 and the following);

"(C) title IV of the Veterans' Readjustment Assistance Act of 1952, as amended (38 U.S.C. 991 and the following); and

"(D) the Temporary Unemployment Compensation Act of 1958 (72 Stat. 171).

"Maximum Aggregate Amount Payable

"(b) The maximum aggregate amount of temporary unemployment compensation payable to any individual under this title shall be an amount equal to sixteen times the last weekly benefit amount (including allowances for dependents) for a week of total unemployment which was payable to him pursuant to the unemployment compensation law or laws referred to in subsection (a) (3) under which he last exhausted his rights before making his first claim under this title.

"Weekly Benefit Amount

"(c) The temporary unemployment compensation payable to an individual under this title for a week of total unemployment shall be the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to him pursuant to the unemployment compensation law or laws referred to in subsection (a) (3) under which he most recently exhausted his rights. The temporary unemployment compensation payable to an undividual under this title for a week of less than total unemployment shall be computed in the basis of such weekly benefit amount.

"Application of State Laws

"(d) Except where inconsistent with the provisions of this title, the terms and conditions of the unemployment compensation law or laws referred to in subsection (a) (3) under which an individual most recently exhausted his rights shall be applicable to his claims for temporary unemployment compensation under this title and to the payment thereof.

"Relationship to Title II

"(e) An individual who files a first claim under this title shall not thereafter be entitled to receive temporary unemployment compensation under title II of this Act, and his right to receive temporary unemployment compensation under this Act shall thereafter be determined in accordance with the provisions of this title.

"Compensation payable only under agreements

"Agreements With States

"SEC. 102. (a) (1) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the unemployment compensation law of such State, under which such State agency—

"(A) will make, as agent of the United States, payments of temporary unemployment compensation to the individuals referred to in section 101 on the basis provided in this title; and

"(B) will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary unemployment compensation under this title.

"(2) Any agreement under this title shall provide that unemployment compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any right to temporary unemployment compensation under this title; except that any State the unemployment compensation law of which provides for a maximum duration of unemployment compensation benefits in excess of twenty-six weeks of total unemployment may, if it elects to do so, defer, in the case of any individual who has received, during his most recent benefit year (as defined by State law), an aggregate amount of unemployment compensation under such law equal to twenty-six times his benefit amount (including allowances for dependents), any additional unemployment compensation benefits otherwise payable to such individual under such law until such time as such individual shall have exhausted any benefits to which he may become entitled under this title. Any individual the payment of whose unemployment compensation benefits under State law is deferred pursuant to this paragraph shall be deemed, for the purposes of this title, to have exhausted all rights under such law during the period with respect to which the payment of such benefits has been so deferred.

"Veterans and Federal Employees in Puerto Rico and Virgin Islands

"(b) (1) For the purpose of paying the temporary unemployment compensation provided in this title to individuals in Puerto

Rico or the Virgin Islands who have, after June 30, 1957, exhausted their rights to unemployment compensation under title XV of the Social Security Act and title IV of the Veterans' Readjustment Assistance Act of 1952, the Secretary is authorized to utilize the personnel and facilities of the agencies in Puerto Rico and the Virgin Islands cooperating with the United States Employment Service under the Act of June 6, 1933 (29 U.S.C. 49 and the following), and may delegate to officials of such agencies any authority granted to him by this title whenever the Secretary determines such delegation to be necessary in carrying out the purposes of this title; and may allocate or transfer funds or otherwise pay or reimburse such agencies for the total cost of the temporary unemployment compensation paid under this title and for expenses incurred in carrying out the purposes of this title.

"(2) Any individual in Puerto Rico or the Virgin Islands referred to in paragraph (1) whose claim for temporary unemployment compensation under this title has been denied shall be entitled to a fair hearing and review as provided in section 1503(c) of the Social Security Act (42 U.S.C. 1363(c)).

"Amendment, Suspension, or Termination of Agreement

"(c) Each agreement under this title shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

"TITLE II—INDIVIDUALS WHO WERE EMPLOYED IN NONCOVERED EMPLOYMENT

"Payment of compensation

"Eligibility

"SEC. 201. (a)(1) Payment of temporary unemployment compensation under this title shall be made for any week of unemployment which begins on or after the forty-fifth day after the date of the enactment of this Act and before July 1, 1960, to qualified individuals who have no rights to unemployment compensation with respect to such week under any other Federal or State unemployment compensation law.

"(2) Payment of temporary unemployment compensation under this title shall be made only pursuant to an agreement entered into under section 202 and only for weeks of unemployment beginning after the date on which the agreement is entered into.

"Maximum Aggregate Amount Payable

"(b) The maximum aggregate amount of temporary unemployment compensation payable to any individual under this title shall be an amount equal to sixteen times the amount produced by multiplying 1¼ per centum by the total amount of the 'wages' (as defined in section 209 of the Social Security Act) and 'self-employment income' (as defined in section 211(b) of such Act) of such individual for whichever period of four consecutive 'calendar quarters' (as defined in section 213(a)(1) of such Act) of the two-calendar-year period referred to in section 203 will produce the largest amount.

"Weekly Benefit Amount

"(c)(1) The temporary unemployment compensation payable to an individual under this title for a week of total unemployment shall be equal to one-sixteenth of the amount provided by subsection (b): *Provided*, That the amount of the weekly benefit shall not exceed the maximum weekly benefit (including allowances for dependents) payable under the unemployment compensation law of the State.

"(2) Notwithstanding paragraph (1), if an individual, after filing his first claim under this title, acquires rights to unemployment compensation with respect to any week under any unemployment compensation law referred to in section 101(a)(3), the temporary unemployment compensation thereafter payable to him under this title for a week of total unemployment shall be the weekly benefit amount determined in the same manner as provided in section 101(c).

"(3) The temporary unemployment compensation payable to an individual under this title for a week of less than total unemployment shall be computed on the basis of the weekly benefit amount determined under paragraph (1) or (2), whichever applies.

"Application of State Laws

"(d) Except where inconsistent with the provisions of this title, the terms and conditions of the unemployment compensation law or laws under which such individual's weekly benefit amount is determined shall be applicable to his claims for temporary unemployment compensation under this title and to the payment thereof.

"Relationship to Title I

"(e) No individual may file a first claim under this title at any time at which he may file a first claim under title I. Any individual who files a first claim under this title shall not thereafter be entitled to receive temporary unemployment compensation under title I of this Act, and his right to receive temporary unemployment compensation under this Act shall thereafter be determined in accordance with the provisions of this title.

"Compensation payable only under State agreements

"Agreements With States

"SEC. 202. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the unemployment compensation law of such State, under which such State agency—

"(1) will make, as agent of the United States, payments of temporary unemployment compensation to qualified individuals on the basis provided in this title; and

"(2) will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary unemployment compensation under this title.

"Benefits Under State Law

"(b) Any agreement under this title shall provide that unemployment compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any right to temporary unemployment compensation under this title.

"Amendment, Suspension, or Termination of Agreement

"(c) Each agreement under this title shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

"Definitions

"Qualified Individuals

"SEC. 203. For the purposes of this title, the term 'qualified individual' means an individual who, during the two-calendar-year period most recently preceding the date upon which such individual applies for benefits under this title, and for which necessary data are available from the Secretary of Health, Education, and Welfare or other reliable sources as determined by the Secretary of Labor, has—

"(1) performed, during not less than four of the calendar quarters (as defined in section 213(a)(1) of the Social Security Act) within such period, either services the remuneration from which constituted wages (as defined in section 209 of such Act), or engaged in carrying on a trade or business the earnings from which constituted 'self-employment income' (as defined in section 211(b) of such Act), and

"(2) has been credited under title II of the Social Security Act as having received, during one year of such two-calendar-year period wages (as so defined) or self-employment income' (as so defined), or both, the aggregate of which is not less than $1,000.

"TITLE III—GENERAL PROVISIONS

"Definitions

"SEC. 301. For the purposes of this Act—

"(1) The term 'Secretary' means the Secretary of Labor.

"(2) The term 'State' includes the District of Columbia and Hawaii.

"(3) The term 'first claim' means the first request for determination of benefit status under title I or title II, as the case may be, on the basis of which a weekly benefit amount under this Act is established, without regard to whether or not any benefits are paid.

"Review

"SEC. 302. Any determination by a State agency with respect to entitlement to temporary unemployment compensation pursuant to an agreement under title I or title II shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

"Penalties

"False Statements, and So Forth

"SEC. 303. (a) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment under this Act shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

"Recovery of Overpayments

"(b)(1) If a State agency or the Secretary, as the case may be, or a court of competent jurisdiction, finds that any person—

"(A) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed, or caused another to fail, to disclose a material fact, and

"(B) as a result of such action has received any payment under this Act to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be. In lieu of requiring the repayment of any amount under this paragraph, the State agency or the Secretary, as the case may be, may recover such amount by deductions from any compensation payable to such person under this Act. Any such finding by a State agency or the Secretary, as the case may be, may be made only after an opportunity for a fair hearing, subject to such further review as may be appropriate under sections 102(b)(2) and 302 of this Act.

"(2) Any amount repaid to a State agency under paragraph (1) shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under paragraph (1) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

"Information

"SEC. 304. The agency administering the unemployment compensation law of any State shall furnish to the Secretary (on a reimbursable basis) such information as he may find necessary or appropriate in carrying out the provisions of this Act.

"Payments to States

"Payment on Calendar Month Basis

"SEC. 305. (a) There shall be paid to each State which has an agreement under this Act, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive

under this Act for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

"Certification

"(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment—

"(1) to each State which has an agreement under this Act sums payable to such State under subsection (a), and

"(2) to each State such amounts as the Secretary determines to be necessary for the proper and efficient administration of this Act in such State.

The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds appropriated for carrying out the purposes of this Act.

"Money To Be Used Only for Purposes for Which Paid

"(c) All money paid a State under this Act shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this Act, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this Act may be made.

"Surety Bonds

"(d) An agreement under this Act may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this Act.

"Liability of Certifying Officers

"(e) No person designated pursuant to an agreement under this Act, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this Act.

"Liability of Disbursing Officer

"(f) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this Act if it was based upon a voucher signed by a certifying officer designated as provided in subsection (e) of this section.

"Denial of benefits to aliens employed by Communist governments or organizations

"SEC. 306. No person who is an alien shall be entitled to any benefit under this Act for any week of unemployment if, at any time on or after the first day of his applicable base period and before the beginning of such week, he was at any time employed by—

"(1) a foreign government which, at the time of such employment, was Communist or under Communist control, or any agency or instrumentality of any such foreign government, or

"(2) any organization if, at the time of such employment (A) such organization was registered under section 7 of the Subversive Activities Control Act of 1950 (50 U.S.C. 786), or (B) there was in effect a final order of the Subversive Activities Control Board requiring such organization to register under section 7 of such Act or determining that it is a Communist-infiltrated organization.

"Regulations

"SEC. 307. The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

"Authorization of appropriations

"SEC. 308. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

Mr. BYRD of Virginia. Mr. President, the bill before the Senate today (H.R. 5640) is one which received unanimous approval by the Committee on Finance. Its purpose is to extend the time from April 1, 1959, to July 1, 1959, during which unemployed persons who have established a claim to temporary unemployment compensation before April 1, 1959, may receive such payments.

The Temporary Unemployment Compensation Act of 1958, which became effective June 19, 1958, provides that unemployment benefits may be extended to individuals who, since June 30, 1957, have exhausted their benefit rights under State unemployment insurance laws and the unemployment programs for Federal workers, ex-servicemen, and veterans. Temporary benefits are payable to claimants under the laws of States which have entered into agreements with the Secretary of Labor to participate in the program. The States have the option of participating fully, partially, or not at all in the temporary Federal program. The 17 fully participating States are Alabama, Alaska, Arkansas, California, Delaware, District of Columbia, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, and West Virginia. I submit for inclusion in the RECORD a table showing the States participating in the program, either fully or partially.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Combined table showing States participating, either fully or partially, in the temporary unemployment compensation program*

State	UI-TUC[2]		UCX-UCFE-TUC		UCV-TUC	
	Exhaustion date	Date benefits payable	Exhaustion date	Date benefits payable	Exhaustion date	Date benefits payable
Alabama[6]	June 30, 1957	July 19, 1958	June 30, 1957	July 6, 1958	June 30, 1957	July 6, 1958
Alaska[7]	do	Oct. 5, 1958	do	Aug. 3, 1958	do	Aug. 3, 1958
Arizona			do	July 1, 1958	do	July 1, 1958
Arkansas[6]	June 30, 1957	July 6, 1958	do	July 6, 1958	do	July 6, 1958
California[6]	do	do	do	do	do	Do.
Colorado	(7)	(7)	(7)	(7)	do	July 13, 1958
Connecticut	(7)	(7)	(7)	(7)	do	July 6, 1958
Delaware[6]	June 30, 1957	July 1, 1958	June 30, 1957	July 1, 1958	do	July 1, 1958
District of Columbia[6]	do	June 19, 1958	do	June 19, 1958	do	June 19, 1958
Florida			do	July 15, 1958	do	July 15, 1958
Hawaii			do	Aug. 3, 1958	do	Aug. 3, 1958
Idaho			July 7, 1957	July 6, 1958	July 7, 1957	July 6, 1958
Illinois	(7)	(7)	(7)	(7)	Nov. 30, 1957	July 1, 1958
Indiana[6]	June 30, 1957	June 23, 1958	June 30, 1957	June 23, 1958	June 30, 1957	June 23, 1958
Kentucky			Mar. 31, 1958	Sept. 14, 1958	Mar. 31, 1958	Sept. 14, 1958
Maryland[6]	June 30, 1957	June 19, 1958	June 30, 1957	June 19, 1958	June 30, 1957	June 19, 1958
Massachusetts[7]	do	July 6, 1958	do	July 6, 1958	do	July 6, 1958
Michigan[6]	do	June 22, 1958	do	June 22, 1958	do	June 22, 1958
Minnesota[6]	do	July 1, 1958	do	July 1, 1958	do	July 1, 1958
Nebraska			do	Aug. 17, 1958	do	Aug. 17, 1958
Nevada[6]	Dec. 28, 1957	July 13, 1958	Dec. 28, 1957	July 13, 1958	Dec. 28, 1957	July 13, 1958
New Jersey[6]	Oct. 1, 1957	June 29, 1958	Oct. 1, 1957	June 29, 1958	Oct. 1, 1957	June 29, 1958
New Mexico			June 30, 1957	July 6, 1958	June 30, 1957	July 6, 1958
New York[6]	June 30, 1957	June 23, 1958	do	June 23, 1958	do	June 23, 1958
North Dakota			do	Oct. 26, 1958	do	Oct. 26, 1958
Ohio	(7)	(7)	(7)	(7)	do	July 13, 1958
Oregon			June 30, 1957	July 13, 1958	do	Do.
Pennsylvania[6]	June 30, 1957	June 19, 1958	do	June 19, 1958	do	June 19, 1958
Puerto Rico			do	do	do	Do.
Rhode Island[6]	June 30, 1957	June 22, 1958	do	June 22, 1958	do	June 22, 1958
South Carolina			do	Aug. 4, 1958	do	Aug. 4, 1958
Texas			do	Aug. 20, 1958	do	Aug. 20, 1958
Virgin Islands			do	June 19, 1958	do	June 19, 1958
Washington			July 6, 1957	July 13, 1958	July 6, 1957	July 13, 1958
West Virginia[6]	June 30, 1957	June 27, 1958	June 30, 1957	June 27, 1958	June 30, 1957	June 27, 1958
Wisconsin	(7)	(7)	(7)	(7)	do	June 21, 1958

[1] Unemployment insurance.
[2] Temporary unemployment compensation.
[3] Unemployment compensation for ex-servicemen.
[4] Unemployment compensation for Federal employees.
[5] Unemployment compensation for veterans.
[6] Fully participating States.
[7] See table III, "Extended benefits under State law."

NOTE.—Prepared by the Bureau of Employment Security, U.S. Department of Labor.

Mr. BYRD of Virginia. The temporary unemployment compensation law will expire on March 31, 1959; that is, temporary benefits will not be payable for any weeks of unemployment beginning after that date. Thus, under present law, many individuals currently entitled to benefits would have their benefits cut off after April 1. House bill 5640 is designed to permit individuals who have already established a claim to temporary unemployment compensation to have an additional period of 3 months in which to obtain these benefits if they continue to be unemployed. The bill is designed to provide a gradual closing out of the existing temporary program, rather than a sudden discontinuance of it.

At the suggestion of the Department of Labor, a technical amendment was adopted by the committee, so that individuals who have reporting days after April 1, 1959, under procedures followed by the State agency, would not be precluded from receiving the benefits of this

act. For example, individuals who file their first claims in States in which unemployment compensation is paid on a flexible-week basis would have through March 31, 1959, to file their first claims; individuals who file in States in which unemployment compensation is paid on a calendar-week basis would have through April 4, 1959, to file their first claims; and individuals who file their first claims in States in which unemployment compensation is paid on a statutory or payroll-week basis would have through April 6, 1959, to file their first claims.

The chairman of the House Ways and Means Committee, the Honorable WILBUR D. MILLS, has expressed his approval of amending the House bill to take care of this technical problem, and stated he would recommend to the House of Representatives that the amendment be adopted without a conference.

Mr. President, I ask unanimous consent to have the letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 23, 1959.

Hon. HARRY FLOOD BYRD,
Chairman, Committee on Finance,
United States Senate.

DEAR MR. CHAIRMAN: It has been called to my attention that the Department of Labor has suggested that H.R. 5640, to extend temporary unemployment compensation benefits in certain cases, needs a technical amendment to deal with a problem presented to the Senate Committee on Finance relating to the cutoff date of April 1, 1959, for filing claims.

I wish to state that if your committee sees fit to amend the House bill to take care of this technical problem, I would recommend to the House that it accept this amendment without a conference.

Sincerely yours,

WILBUR D. MILLS,
Chairman.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the RECORD the statement I have received as chairman of the Finance Committee from the Assistant Secretary of Labor, expressing approval of the bill as amended.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF NEWELL BROWN, ASSISTANT SECRETARY OF LABOR

Mr. BROWN. Mr. Chairman, I want to express, first, the regret of the Secretary that he was unable to be here to express the administration's position. That is what I would like to very briefly do this morning.

I appreciate this opportunity to discuss with the committee the views of the administration with respect to legislative proposals for the extension of temporary Federal unemployment compensation. As this committee knows, on June 4, 1958, the President approved the Temporary Unemployment Compensation Act of 1958 enacted by the Congress to provide benefits for persons who had exhausted their regular benefits under the various State and Federal unemployment compensation laws. As enacted, no benefits would be paid under this act for any week of unemployment beginning after March 31, 1959.

Seventeen States elected to participate fully in this temporary unemployment compensation program, and 19 others elected to participate with respect to exhaustees only under Federal unemployment compensation laws, that is, Federal employees, veterans, and so on.

Through January 1959, $359 million was paid out for temporary unemployment compensation and it is estimated that $75 million more will be paid out in February and March. By March 31, 1959, approximately 1.5 million persons will have received temporary unemployment compensation under this act. We firmly believe that the Temporary Unemployment Compensation Act of 1958 was necessary. But it was intended to be—and I believe should be temporary.

This was emphasized by the Department in its proposal to the Congress for the enactment of temporary unemployment compensation legislation. For example, the explanation submitted by the Department to accompany its proposal contains the following statement:

"This is a program for a limited period to assist the States in meeting an urgent and immediate need and not a proposal for supplementation of regular benefits on a prolonged basis."

Again and again the Secretary of Labor, in his testimony before the House Committee on Ways and Means, stressed the fact that this legislation was designed to, and should be temporary in nature.

Throughout the consideration of the Temporary Unemployment Compensation Act by the Congress it was also emphasized that the proposed act was designed as a temporary measure to serve as a stopgap in order to afford the States a reasonable opportunity to take appropriate legislative action to meet the problem in their respective States, and that regular sessions of most of the State legislatures would not be held until 1959.

In 1959, 46 State legislatures and the Congress, which acts for the District of Columbia, of course, have convened or will convene. There is significant activity by the States to provide additional benefits, either through the enactment of extended unemployment compensation to be paid in emergencies or through the increased duration of benefits under the regular State systems. As of March 13, unemployment compensation legislation providing additional benefits had passed one or more houses of 12 State legislatures and two of these bills have been enacted into law; in 7 additional States such unemployment compensation bills have been introduced with the support of the Governors; 11 of these States are considering extensions to 30 or more weeks, and 1 has enacted a permanent program providing for the payment of additional unemployment compensation during high levels of unemployment; 37 State legislatures are still in session and 2 will convene later.

I might add there that of the eight legislatures that have gone home since the beginning of the year, five have taken action in this field. In two cases the Governor has signed the recommended bills; in three others the bills are on his desk.

While exhaustions under State law are less than they were last year, they remain at a relatively high level. We do not believe, however, that the answer is a succession of temporary extensions superimposed by Federal legislation on the unemployment compensation systems of the States.

We believe that the program already started should be permitted to taper off. For this reason, we favor the enactment of H.R. 5640 which has already passed the House. This bill as passed by the House would permit individuals who had filed first claims under the act before April 1, 1959, to receive temporary unemployment compensation until they have exhausted their rights or have become reemployed. In no event, however, would benefits be paid for a week of unemployment beginning after June 30, 1959.

If the committee desires to assure that persons whose unemployment began in the week prior to April 1, 1959, but who, under the State law, would report and file a claim after April 1, 1959, should be entitled to receive the benefits of the temporary unemployment compensation program, a technical amendment would be necessary, in the legislation passed by the House.

Mr. BYRD of Virginia. Mr. President, the Department of Labor estimates that this extension of the benefits under the Temporary Unemployment Compensation Act will provide some payments to approximately 405,000 individuals and will involve additional costs of approximately $78 million. At the time when the 1958 program was adopted, an appropriation of $665,700,000 was made to cover benefit payments, grants for administration, and salaries and expenses in the Bureau of Employment Security, in the Department of Labor. It is estimated that as of March 30, 1959, the total expenses under the program will be about $447 million, leaving an unexpended balance of the appropriation of about $218 million. There will be no need for additional appropriations to continue this program, and it will be seen that a considerable portion of the appropriations made for the fiscal year 1959 will not be expended.

Unless this bill is passed by the Congress before the Easter recess beginning tomorrow afternoon, the rights of many persons now on the benefit rolls will terminate abruptly on April 1. For that reason it would be unwise to endeavor to add long-range or controversial amendments to the bill at this time. I earnestly recommend the passage of House bill 5640, as unanimously approved by the Senate Committee on Finance, without additional amendments.

The amendment, as approved by the committee, has already been adopted by the Senate.

Mr. McNAMARA. Mr. President, there is before the Senate an amendment which has been offered on behalf of myself, Mr. CLARK, Mr. HART, Mr. MURRAY, Mr. MANSFIELD, Mr. MORSE, Mr. NEUBERGER, Mr. GREEN, Mr. GRUENING, Mr. BYRD of West Virginia, Mr. RANDOLPH, Mr. HUMPHREY, Mr. MCCARTHY, Mr. DOUGLAS, Mr. KENNEDY, Mr. WILLIAMS of New Jersey, Mr. PASTORE, and Mr. HARTKE.

The amendment is in the form of a substitute for House bill 5640. We believe that House bill 5640 is totally inadequate as a solution for the unemployment problem, which is still as grave as it was last year, when the Congress took remedial action of a much more reasonable and humanitarian nature.

Unemployment in the first 2 months of 1959 is almost equal to that in the same months of 1958. The national total is now 4.7 million. January unemployment was the highest for any January since before World War II—and the Feb-

ruary total was exceeded in that period only by February 1958.

The tables which follow contain a State-by-State breakdown of covered unemployment—as of March 7—and a demonstration of our recent past national experience in employment—and unemployment.

I ask unanimous consent that the tables appear in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Insured unemployment for week ended Mar. 7, 1959

State	Total insured unemployment (excluding railroad)	Rate of insured unemployment (percent)
Alabama	39,959	5.2
Arizona	11,037	4.6
Arkansas	24,963	7.7
California	249,841	5.5
Colorado	12,724	3.3
Connecticut	47,937	5.4
Delaware	6,610	4.3
District of Columbia	9,476	1.7
Florida	30,987	3.3
Georgia	37,039	4.5
Idaho	10,268	8.4
Illinois	145,739	4.4
Indiana	54,224	3.9
Iowa	15,415	3.3
Kansas	14,241	3.6
Kentucky	38,782	7.2
Louisiana	36,613	5.9
Maine	18,803	8.9
Maryland	53,791	5.8
Massachusetts	102,084	5.6
Michigan	132,290	5.3
Minnesota	54,203	6.5
Mississippi	19,410	6.9
Missouri	42,473	4.0
Montana	14,764	11.8
Nebraska	9,841	4.1
Nevada	5,894	7.1
New Hampshire	7,883	4.9
New Jersey	131,142	6.7
New Mexico	5,668	3.1
New York	373,798	6.1
North Carolina	47,233	5.1
North Dakota	8,084	9.9
Ohio	123,990	3.7
Oklahoma	20,705	4.8
Oregon	31,954	8.1
Pennsylvania	325,268	8.1
Rhode Island	21,181	7.0
South Carolina	17,096	3.8
South Dakota	4,118	4.8
Tennessee	45,584	6.3
Texas	67,536	3.3
Utah	9,332	4.6
Vermont	4,921	6.3
Virginia	28,432	3.6
Washington	49,524	7.1
West Virginia	45,870	9.0
Wisconsin	44,879	4.1
Wyoming	4,264	6.2
Total	2,657,900	5.4

Civilian unemployment and employment from January 1957 [1]

[In millions]

Month	Unemployment			Employment		
	1957	1958	1959	1957	1958	1959
January	3.2	4.5	4.7	62.6	62.2	62.7
February	3.1	5.2	4.7	63.2	62.0	62.7
March	2.9	5.2	------	63.9	62.3	------
April	2.7	5.1	------	64.3	62.9	------
May	2.7	4.9	------	65.2	64.1	------
June	3.3	5.4	------	66.5	65.0	------
July	3.0	5.3	------	67.2	65.2	------
August	2.6	4.7	------	66.4	65.4	------
September	2.6	4.1	------	65.7	64.6	------
October	2.5	3.8	------	66.0	65.3	------
November	3.2	3.8	------	64.9	64.7	------
December	3.4	4.1	------	64.4	64.0	------
Average	2.9	4.7	------	65.0	64.0	------

[1] Source: U.S. Bureau of the Census.

Civilian unemployment and employment [1] *in February 1953–59*

[In millions]

Year	Unemployment	Employment
1953	1.8	61.1
1954	3.7	60.1
1955	3.4	59.9
1956	2.9	62.6
1957	3.1	63.2
1958	5.2	62.0
1959	4.7	62.7

[1] Source: U.S. Bureau of the Census.

Mr. McNAMARA. Mr. President, these tables contain many interesting facts. Of particular interest is the table which shows what the percentage of covered unemployment is in the various States.

More than half the States, or 27, are confronted by an unemployment rate above 5 percent. In other words, in 27 of our States more than 1 in every 20 workers in covered employment are without jobs.

Unfortunately, there are no comparable figures on a State-by-State basis to show what total unemployment is. The Labor Department rule of thumb to obtain the total unemployed is to increase the covered unemployment figure by 50 percent. I hope that each Senator will undertake that simple mathematical exercise to find approximately the number of persons unemployed in his State.

For example, in my own State of Michigan, taking the covered unemployment figure of 132,000 and adding 50 percent provides a total of 198,000 unemployed. Even this figure is far too low, since our official estimates indicate that we now have approximately 300,000 persons unemployed.

Let me give quickly several other examples of how this works.

Latest available figures show that covered unemployment in California is 250,000, but the total estimated unemployment is 384,000.

Mr. KUCHEL. Mr. President, will my able friend from Michigan yield?

Mr. McNAMARA I am happy to yield to the acting minority leader.

Mr. KUCHEL. I ask the Senator, are those the official figures of the State Department of Employment of California?

Mr. McNAMARA. They were obtained late yesterday afternoon from that source; yes.

Mr. KUCHEL. I thank my friend. I shall ask the Senator some questions a little later with regard to the proposed legislation, but I wanted to be sure about the source of the figures he read.

Mr. McNAMARA. I shall be happy to be interrupted at any time by the Senator from California or by other Senators who may have questions concerning any portion of the remarks I am making.

In New Jersey jobless workers in covered employment number 131,000 while total unemployment is estimated to be 208,000.

Pennsylvania has 325,000 in covered unemployment, but total unemployment of 492,000.

And Connecticut, to give a final example, has 47,000 in covered unemployment and a total of 83,000 unemployed.

As Senators will note, some of these examples show total unemployment far greater than the 50-percent rule of thumb.

Last year the Congress faced a similar national problem. We knew that hundreds of thousands of people would be unemployed for a long period of time and we acted to help those who would exhaust their normal unemployment benefits.

We did not go nearly far enough last year with the Temporary Unemployment Compensation Act, but it should be apparent that even this meager action was a godsend to the people who benefited by it.

Without the assistance they were given through the act of 1958 there would have been incredible hardship and misery for all too many of our working people.

I cannot find a single reason why we should not act to meet this emergency in 1959 as we did in 1958.

Mr. HART. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to my distinguished colleague.

Mr. HART. Mr. President, the senior Senator from Michigan made a point which by indirection brings us to the House bill, the bill which the committee recommends. The Senator suggested, as I heard him, that he thought of no single reason why we should not act to meet the emergency in 1959 as we did in 1958.

Late yesterday I inquired of the research director of the Michigan Employment Security Commission, Norman Barcus, to find out what estimate the commission was able to make as to the number of persons unemployed in Michigan now who would benefit if the Congress passed the House bill recommended by the committee. I was informed the estimate was that about 35,000 of the persons presently unemployed in Michigan would benefit. I was also told that there are about 177,000 unemployed persons in Michigan who are currently not eligible for a benefit of any kind.

I think the contrast between 35,000 and 177,000 is startling. It occurs to me that this relationship may be applicable in a good many other States, and during the course of the debate other Senators may think it helpful to add to the RECORD the experience of their own States.

I thank the Senator for yielding.

Mr. McNAMARA. I thank my distinguished colleague for the up-to-date figures he has supplied. I have no reason to believe the figures are not correct as stated, and they again emphasize the need.

Furthermore, the number of persons who will exhaust their unemployment insurance rights in fiscal 1960 is exceeded only by the number for fiscal 1959.

I ask unanimous consent that a table showing the rate of exhaustions be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	State UI and UCFE exhaustions (in thousands), fiscal year—			
	1957	1958	1959	1960
July	86.6	98.9	285.4	210
August	88.1	91.6	255.0	190
September	73.5	82.9	237.4	195
October	73.8	94.5	224.3	195
November	70.4	84.4	177.7	155
December	73.3	110.6	213.1	165
January	106.7	147.1	212.4	170
February	95.2	145.5	195.0	150
March	112.5	191.4	200.0	155
April	115.1	231.2	195.0	150
May	106.5	236.8	175.0	140
June	92.5	254.0	170.0	130
Fiscal year total	1,094.1	1,768.7	2,540.0	2,005

Mr. MCNAMARA. Mr. President, second, there is no evidence that this situation is capable of self-improvement. Our experience in 1958 is valid testimony to that fact. All the blithely optimistic statements which have been uttered about the passing nature of this problem will not restore one single unemployed person to work.

In last Sunday's Washington Post and Times Herald there was an article by Bernard Nossiter, which contained what is to my mind conclusive proof that the present recession is not of a passing nature. I ask unanimous consent that this article be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Is there objection to the request of the Senator from Michigan?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECOVERY RATE FOUND SLUGGISH

(By Bernard D. Nossiter)

The national economy is moving out of the worst postwar slump at a sluggish pace.

A comparison with the recoveries from the two earlier recessions shows:

The present recovery is much slower than the 1949–50 revival.

The present recovery is somewhat slower than the 1954–55 comeback.

Moreover, a new method of calculating jobless rates—a method which many experts now favor—shows that unemployment has not simply held at an uncomfortably high level in the last 3 months. Instead, it has grown progressively worse.

Under the new method, unemployment, corrected for seasonal factors, was 5.8 percent of the labor force in November; 6 percent in December; 6.2 percent in January; and 6.4 percent in February.

Any five economists will offer at least six mutually exclusive methods of measuring recovery. And some will insist that by any standard the present recovery is satisfactory. This contented group argues that the fact that the recovery appears uninterrupted for 10 months after the recession hit bottom last April is the really significant feature.

Moreover, some contend that a comeback as fast as the one in 1949–50 would breed other evils. A snapback of that sort, it is argued, would quickly press output up against capacity, create shortages, and put pressure on prices.

It is this group also that generally argues (in private) that relatively high unemployment is unfortunate for those out of work but useful to temper union wage demands.

Finally, some economists say that the current recovery is so close to the pace of the 1954–55 affair that the differences are unimportant. However, that earlier comeback followed a mild dip. So, a more proper comparison, another school asserts, is with the first, more severe postwar slide. On that basis, this recovery is substantially slower.

To measure recovery, four key indicators were compared for the three periods: Gross national product or total output, corrected to eliminate price changes; the jobless rate; personal income, the sum of payments to people; and industrial production.

The recent slide in unemployment, reflected in the figures used here and compiled by the Committee for Economic Development, will come as a surprise to some.

Published Government figures show no change between December and February. However, the Census Bureau is privately measuring jobless rates in the same fashion as CED and is expected to publish this new approach.

Some economists argue that the recent worsening in unemployment reflected in the numbers is illusory. This group holds that the figures result from an extraordinary expansion in the labor force—that is, a rush of new job seekers in the last 3 months.

However, in the 9 preceding months, the labor force, corrected for seasonal changes, actually declined. It normally increases by 800,000 over a year; from February 1958, to February 1959, it increased by only 300,000.

Therefore, the rates showing a worsening of unemployment are compiled against a less-than-normal increase in jobseekers. A normal increase would make the picture look blacker.

Another unusual factor is supporting current production, employment and incomes. Perhaps 20 percent of the recent buying of steel is inspired by strike threats. Customers are building inventories to tide them over an emergency predicted by the industry as early as last September. If this scare buying were not in the picture and steel output were tailored to real demand at the current price, the production index would probably show not even the modest increase registered in the past 3 months.

Here's how much each of the three postwar recoveries had come back after each slump had hit bottom as shown in the four indicators. (The numbers are the present gain or loss for the 10th month after each slump hit bottom—February 1959 for the current recovery. Gross national product is measured quarterly so the comparisons are for points three quarters after each slump touched bottom. This gross national product for the first quarter of 1959 is estimated to have increased by 10 billion unchanged dollars from the fourth quarter.)

Industrial production: First postwar recovery, 15.4 percent above the preslump peak; second recovery, 1.5 percent; current, 0.7 percent below the preslump peak.

Personal income: First, 7.9 percent; second, 6.7 percent; current, 3.5 percent.

Jobless rate: First, was 4.5 percent 10 months after trough or 10 percent worse than preslump peak; second, 4.2 percent or 61 percent worse; current, 6.4 percent or 49 percent worse.

Gross national product: First, 9.5 percent above preslump peak; second, 4.4 percent; current, 2.1 percent (estimated).

Another method of comparison would be to measure how much each indicator had climbed from the trough.

On this basis, the first recovery was again the best for all four indicators. But the current recovery is about the same as the 1954-55 comeback in one measurement, faster in one and slower in two others.

To sum up: In all eight measurements, the first recovery was the fastest. The second leads the current comeback in five, is even in one and trails only in two.

Mr. MCNAMARA. Mr. President, the article points out that present unemployment rates are measured against a work force which has increased by only 300,000 between February 1958, and February 1959, as compared to a normal increase of 800,000 in standard growth years.

Thus the present rate of unemployment is really more severe than in the past two slumps, since there are about 500,000 less job seekers than we would normally expect.

Industrial production has recovered far more slowly than after the last two recessions. At a similar stage following the worst point of the 1949 and 1950 slump industrial production had risen 15 percent above the preslump peak.

And at the same stage following the worst of the 1954 and 1955 downturn production had risen 1½ percent above the prerecession peak.

As of this month we find that production is still seven-tenths of 1 percent below the prerecession high.

Mr. Nossiter also points to the relative growth in the gross national product following each recession. After the 1949 and 1950 drop at this stage the gross national product had increased 9½ percent above the predrop high. In 1954 and 1955 it had returned to 4.4 percent above, and the present recovery is at 2.1 percent above.

In final summation, the article stated that our so-called recovery, which I submit cannot even be called that, is much slower than following the previous two recessions.

It is true that production in the latter months of 1958 showed some improvement. Unfortunately, this was not accompanied by a comparable increase in employment.

Between April of 1958, the low point of last year's recession, and December of 1958, 84 percent of the manufacturing production loss was recovered. However, there was only a 26-percent restoration of the manufacturing job loss.

The recession which we now face is one which hits all fields of employment.

The table to which I shall now refer is indicative of the inroads which have been made in employment in the major industrial fields.

I invite attention to the fact that one of our major industries, construction, is actually in worse shape this year in terms of employment than it was in 1958. So are mining, transportation, wholesale and retail trade, and the service industry.

Senators will also note that the overall unemployment rate is up two-tenths of a percent between January 1958 and January 1959. These statistics are furnished by the Department of Commerce and are the latest available.

I ask unanimous consent that the full table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Unemployment rates for nonfarm wage and salary workers, by major industry group, January 1957 to 1959

(Percent of labor force in industry who were unemployed; not adjusted for seasonality)

Industry group	1959	1958	1957
Total	7.3	7.1	5.2
Mining	11.7	9.6	5.0
Construction	19.3	18.7	14.8
Manufacturing	7.9	8.9	5.0
Durable goods	8.2	9.9	4.5
Primary metal industries	8.2	11.2	2.6
Fabricated metal products	9.1	8.6	5.3
Machinery, except electrical	7.2	8.0	1.9
Electrical machinery	6.7	7.9	4.0
Transportation equipment	7.7	12.0	3.3
Automobiles	10.3	14.7	4.1
All other	5.6	9.6	2.7
Other durable goods industries	9.7	10.1	8.3
Nondurable goods	7.5	7.7	5.8
Food and kindred products	9.1	9.8	7.8
Textile-mill products	10.3	10.8	4.7
Apparel and other finished textile products	12.5	11.0	10.4
Other nondurable goods industries	5.3	5.7	4.7
Transportation, communication, and other public utilities	6.2	5.5	3.5
Railroad and railway express	8.4	9.0	4.5
Other transportation	8.4	5.7	4.2
Communications and public utilities	2.8	3.0	2.2
Wholesale and retail trade	7.3	6.6	5.8
Service industries	4.7	3.5	3.2
Finance, insurance, and real estate	2.9	2.1	1.5
Professional services	2.8	1.8	2.0
All other service industries	7.6	6.0	5.4
Public administration	2.8	3.1	3.0

Mr. McNAMARA. Mr. President, perhaps one bit of evidence is more impressive than any other in demonstrating the tenacity of the present recession.

It is contained in the document issued by the Department of Commerce entitled "Current Population Reports, Labor Force." In the March 1959 issue, page 3, the following appears:

> The recent recession differs somewhat from the two earlier postwar downturns in the pattern of decline in unemployment. The recovery in 1958 was largely compressed into a short span of months in the second half of the year with little change in unemployment since November, except for seasonal fluctuations. As a result, some 10 months after the generally accepted turning point in the 1958 downturn, unemployment was just about halfway back to more typical postwar levels, whereas the job recovery was more nearly complete at the corresponding stage of the previous cycles.

What is the significance of these figures that tell us that 4.7 million persons are unemployed?

They are not mere ink on paper gathered from an unfeeling adding machine.

These figures are easily translated and that translation should make very unhappy reading for every Senator.

Behind each single digit is an unemployed person. And behind each jobless worker is a story of hunger, illness, and degradation.

It is difficult to talk about the problems of the unemployed without sounding like little Eva. The words one must use are inadequate to express the hardship and misery which the unemployed must wake up to morning after morning.

Yet I wonder if we cannot envision the anguish suffered by a father, who watches his children go off to and return from school, knowing that their only decent meal will come as a result of the school lunch program.

I wonder if it is not in us to gage what an experience it must be to face family sickness which must go untreated because of poverty.

And what happens to the pride and self-respect—which keeps most of us going—of millions of American working people? A man has only a few alternatives, once he has exhausted his unemployment benefits.

He can borrow from his relatives, who in most cases are only a short step away from his own perilous circumstances. He can beg from the local welfare agencies. We submit that begging is an accurate description in most instances—primarily because many State and local welfare funds have already been drained—and can give relief only to those in what is termed a disaster classification.

He has another alternative if he has children. He can desert his family and thereby enable his children to become eligible for the joint Federal-State program of aid to dependent children. It is ironic that by past action and inaction we have placed a premium on a father's desertion of his family. Yet in State after State—and in more cases than even the local agencies care to document—this is exactly what is happening.

That these are the several alternatives from which the unemployed can choose is appalling, in a Nation as wealthy as ours.

We have offered this amendment to create another decent and honorable alternative. Ours is a program that would do far more to really meet this emergency than the bill, H.R. 5640, reported by the Finance Committee.

H.R. 5640 would continue temporarily benefits for all those who established their eligibility under the 1958 Temporary Unemployment Compensation Act before March 31, 1959. It would provide a measure of relief for the approximately 265,000 persons who will be drawing benefits as of March 31, plus those who established eligibility at a prior time, returned to work, and again became unemployed during the period from March 31 to June 30, 1959. The outside maximum number that would fall into the latter category is estimated to be 140,000 persons.

Thus, a maximum of 405,000 persons would be affected by H.R. 5640, or less than 10 percent of those now unemployed. The total cost, if 405,000 persons were benefited, would be $78 million.

In short, H.R. 5640 would take care of less than one-tenth of the problem that exists.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. CLARK. I hope our colleagues will give heed to the most significant statement which the Senator from Michigan has just made. Did I correctly understand the Senator to say that the bill which was reported favorably by the Finance Committee would take care of only 1 out of every 10 unemployed individuals in the United States today?

Mr. McNAMARA. That is correct. The Senator correctly interprets what I said. News releases at the time the bill was passed last year stated the facts.

Mr. CLARK. It is my recollection that at the time the temporary unemployment-compensation bill was passed last year unemployment was not much, if any, higher than it is today.

Mr. McNAMARA. It was approximately the same.

Mr. CLARK. So, if there was a need last year for dealing with the problems of the unemployed people, as the Senator has so eloquently outlined, there should be an equal need today.

Mr. McNAMARA. There certainly is.

Mr. CLARK. Yet the bill before us ignores the needs of 9 out of every 10 unemployed Americans. Is that correct?

Mr. McNAMARA. That is correct. I thank the Senator for placing emphasis on these points which are so important.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. BYRD of Virginia. The Senator understands that the figures he has used include all unemployed persons. They include not only those covered by the unemployment compensation system, but all unemployed persons. The Senator stated that the bill would take care of 1 in 10.

Mr. McNAMARA. That is correct.

Mr. BYRD of Virginia. The 1 in 10 includes all unemployed persons, whether on the farms or elsewhere.

Mr. McNAMARA. That is correct.

Mr. BYRD of Virginia. Does the Senator know what percentage of those covered by the unemployment compensation system would be taken care of?

Mr. McNAMARA. Is the Senator referring to those previously covered by unemployment compensation provisions?

Mr. BYRD of Virginia. Yes.

Mr. McNAMARA. The figure would be about one in seven, if we eliminate people with no previous work record in industry, who came into the work force after completing their education, or came from farms. The figure would be reduced to one in seven. But even one in seven is a horrible situation. The situation is as bad as it was a year ago, when the Congress acted.

Mr. HART. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. HART. Pursuing the point as to what we may anticipate, and to what extent coverage would be applicable under the provisions of the bill recommended by the committee, although I have been a Member of this body only a short time, I have heard mention made of the fact that the automotive industry is basic and essential to our entire economy. Just

how should we anticipate automotive employment in the year ahead, and to what extent are we making provision for unemployment in that basic industry? I ask the Senator if this would not be a clear approach to reason:

During the past year, 1958, there were sold by American automotive manufacturers 4,650,000 new units. If the automobile market should improve by 1½ million units in the calendar year 1959, our employment situation in Michigan, the automotive capital, would be reasonably favorable. But what is the prospect for automotive sales in the current year? It must be remembered, again, that last year 4,650,000 new units were sold.

If the automotive market should absorb 5¾ million cars during the present year, which would be a million more than in the past year, we in the State of Michigan would average about 335,000 unemployed for this year. Is this not a reasonable rule of thumb to use in seeking to determine what the unemployment problem in our State will be?

Mr. McNAMARA. It is a very good rule of thumb to use. I point out also to the distinguished junior Senator from Michigan that this is not a problem which is confined only to Michigan with regard to the automobile industry. The automobile industry is a farflung industry. In fact, one out of every seven persons who works for wages or salary in the United States is employed directly or indirectly because of the automobile industry. It is a farflung industry and a farflung problem, and it affects great areas of our country.

Mr. HART. Would it not include also glass and rubber?

Mr. McNAMARA. Certainly.

Mr. HART. And steel?

Mr. McNAMARA. Certainly.

Mr. HART. Pursuing the point of what we may reasonably anticipate in the automobile industry this year—and because of its influence throughout the economy as to what we may reasonably anticipate in other areas of the country—I should like to ask unanimous consent that there appear at this point in the discussion three paragraphs from the current Ward's Automotive Reports, which is second only to the Bible in importance in Michigan. I read a portion of the excerpt, if I may, as follows:

> Despite the steady sales pace, new car inventories are rising. The volume was 686,600 at the end of January.
>
> This is stock in dealers' hands—
>
> It grew 64,000 units and 9.4 percent to 750,000 at the end of February. It appears that another 80,000 to 100,000 autos will be added by the end of March, making for an 850,000-unit inventory.

If there is any lesson to be learned from history, it would appear to be that with this prospect we can look for very great trouble not alone in the automotive industry, but also in other industries.

I am sure I express the appreciation of the people of Michigan to the distinguished senior Senator from Michigan for his eloquence and leadership in the effort to make meaningful the action which Congress should take with respect to treatment of the unemployed for the next year.

Mr. McNAMARA. I thank the Senator, my colleague, and I join in his request to have printed in the RECORD the excerpt to which he has referred.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

> Despite the steady sales pace, new car inventories are rising. The volume was 686,000 at the end of January. It grew 64,000 units and 9.4 percent to 750,000 at the end of February. It appears that another 80,000 to 100,000 autos will be added by the end of March, making for an 850,000-unit inventory.
>
> The abundant dealer stockpile is beginning to affect factory employment. At the end of last week, Mercury released 301 men at its St. Louis assembly plant in a move to adjust inventories. Starting Mar. 24, Buick will lay off 4,500 out of an 18,000-man force at its Flint operation for the same reason.
>
> Four-day assembly has been prevalent recently at various B-O-P sites, an occasional Chevrolet plant and at Mercury.
>
> Including imports, March sales should crowd 500,000.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. WILLIAMS of Delaware. The unemployment compensation program was adopted, as the Senator from Michigan knows, about a year ago on the basis that it was to be a temporary program. It was to tide things over until the State legislatures could be called in session. The Michigan Legislature has been in session since this program was enacted. I should like to ask what the State of Michigan has done to take care of the unemployment problem in Michigan.

Mr. McNAMARA. I am happy to reply to the Senator from Delaware in this way. The Senator said the program was adopted to give State legislatures an opportunity to meet. That is true. That certainly was a consideration. However, there were other considerations at that time. We had the assurance of the economists who were advising the President of the United States and we had the assurance of the President and his Cabinet that we were out of the severe recession and that we needed only a temporary program to get us over the hump, so to speak.

That prophecy, Mr. President, went down the drain. The State legislatures have struggled with this question. In Michigan, unfortunately, the struggle has been largely on a political basis, with one party damning the other and trying to make politics out of the situation. That is unfortunately true of the problem in Michigan.

Mr. WILLIAMS of Delaware. That is most regrettable. Has the Governor recommended any action which the legislature should take?

Mr. McNAMARA. The Governor has made several recommendations. They were turned down by the legislature. The legislature is now in session, and is in a constant struggle to determine what should be done.

Mr. WILLIAMS of Delaware. Does not the Senator agree with me that this problem is to a large extent a State problem and that the State legislature in Michigan as well as other States should take steps to help the unemployed in their areas? Should not the legislature and the Governor, therefore, get together in trying to solve the problem?

Mr. McNAMARA. I agree with the last part of the Senator's statement, that the Governor and the State legislature should get together. However, in the United States there are nearly 5 million unemployed people and thousands of hungry families. I say it is a national problem. It is a national disaster. It is more than merely a problem for the individual States to solve.

Mr. WILLIAMS of Delaware. I recognize the problem, but is it not strange that a State which is affected as much as Michigan is affected should not also have recognized the disaster to the extent at least of trying to do something to help itself? I do not understand what can be meant by the argument that the State of Michigan has been deadlocked in a political discussion of the problem. Certainly there is some responsibility in this matter on the part of the States. Apparently the State of Michigan is one of the States which has done nothing about it.

Mr. McNAMARA. I do not wish to leave the record at this point with the implication that this is more of a problem for the State of Michigan than it is for the entire country. The Michigan unemployment benefits are among the highest in the country. The trust fund now stands at $197 million, of which $183 million consists of borrowed funds. Therefore, we in the State of Michigan do not agree at all that this is merely a State problem. It is a national problem. It is not a problem for the individual States to solve. It is certainly no more of a problem for Michigan than it is for all the other States. It is a national problem, I repeat. The recession in which we find ourselves is a national problem. It is not a problem which should be shunted to the States. I would not be on the floor of the Senate making these statements and offering my substitute if I thought the States could handle the problem individually.

Mr. WILLIAMS of Delaware. I have been reading the testimony given before the Committee on Finance by Mr. Max Horton, director of the Michigan Employment and Security Commission. During the testimony the chairman asked this question:

> Has anyone in the Legislature of Michigan introduced a bill providing for 39 weeks?
>
> Mr. HORTON. Not for under State law. They have had that would allow us—we have had 26, we have been above the average of most States for many years.

The witness went on to point out that no action has been taken under State law, and that no bills have been introduced. Has the Governor made recommendations in this connection?

Mr. McNAMARA. For 8 years the Governor of our State has been fighting for a program in this area. For 8 years he has met resistance by the Republican legislature. That is exactly what has been happening. It is not correct to say that the Governor has not been trying

to do something about it. For 8 years he has been fighting to bring about some relief.

Mr. WILLIAMS of Delaware. I am merely quoting from the testimony. The witness stated also that the Governor in his inaugural address discussed this subject and that the Governor was preparing a special message on the subject expected to be delivered soon. The RECORD should show, however, that according to the testimony of Mr. Horton, nothing has been done in the State of Michigan to cure this problem.

Mr. McNAMARA. In answer to that testimony, I should like to say that the Governor's record shows that he has been constantly fighting to do something to improve the situation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. I have listened with a great deal of interest to the very pertinent address of my friend from Michigan and to the comments of the Senator from Delaware during the speech. I should like to note that the State of Delaware took advantage of the Temporary Unemployment Compensation Act last year, and that according to the latest figures on insured unemployment the percent unemployed in Delaware is 4.3 percent. I wonder whether the Senator could enlighten us as to what steps the legislature in Delaware has taken to meet this problem.

Mr. WILLIAMS of Delaware. The time payment period was extended on the recommendation of the Governor.

Mr. CLARK. To what period?

Mr. WILLIAMS of Delaware. I think it is now 39 weeks. I do not have the official information before me, but I know action was taken to extend the time. I will get the correct information and place it in the RECORD.

Mr. CLARK. I think it would be interesting to have it, because I thought my own Commonwealth of Pennsylvania had the longest period—30 weeks.

Mr. WILLIAMS of Delaware. I will check the figure; but I know action was taken and I think the above report is correct.

Mr. McNAMARA. Mr. President, the discussion is entering the realm of individual State problems. That is not my desire. I want to return to the thesis of my speech, which is that this is a national problem, one which is virtually verging on national disaster. I do not accept the thesis that it is a problem for Delaware, or Michigan, or Pennsylvania, or the other individual States.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. CARLSON. I think the Senator from Michigan is ably presenting the picture nationally, but I also think that he has excellently presented the situation in Michigan. I have the greatest sympathy for those who are unemployed in Michigan and also throughout the Nation. But I think Michigan has a peculiar and a particular problem, as was stated by Mr. Walter Reuther, the president of the United Automobile Workers, when he testified before the Committee on Finance. If the Senator from Michigan will permit me to do so, I should like to quote from Mr. Reuther's statement on page 53 of the hearings.

Mr. McNAMARA. I am happy to have the Senator do so.

Mr. CARLSON. Mr. Reuther said:

> What is happening in the automotive industry, for example? If you take the period of production from 1947 to 1957, we increased the production of automobiles more than 50 percent, but the number of workers required to make that greater production—not only 50 percent more cars but much more complicated automobiles—we only needed 0.5 percent more workers to make more than 50 percent more automobiles.

Mr. McNAMARA. I am happy to have that statement appear at this point in the RECORD. I think it is most important.

Mr. CARLSON. I think the most critical unemployment problem is in the automotive industry and it is a problem which goes much deeper than unemployment compensation, benefit payments, or the duration of compensation.

In the financial page of the Washington Post and Times Herald this morning is an article written by J. A. Livingston which discusses the automotive situation. I should like to read an excerpt from it, because I think it is pertinent to the subject the Senator from Michigan is discussing.

Mr. McNAMARA. I shall be happy to have the Senator place it in the RECORD at this point.

Mr. CARLSON. Mr. Livingston says:

> In boomy 1955, more than 52 percent of the jobs in the automobile industry were in Michigan and 37 percent in and around Detroit. Last year Michigan accounted for only 45 percent of automobile employment and Detroit for only 29 percent. According to U.S. Commissioner of Labor Statistics, here is how this came about:

Automobile employment

	1955	1958	Percent decline
United States	904,000	627,000	31
Michigan	477,000	284,000	40
Detroit	333,000	182,000	45
Rest of United States	427,000	343,000	20

While I deeply sympathize with the situation of the automobile workers, it seems to me the problem goes deeper than unemployment compensation payments and related matters. It is a problem caused by a shift in an industry coupled with automation. It is not simply the matter of providing unemployment compensation, important as that is.

I compliment the Senator from Michigan upon the splendid statement he is making in behalf of unemployed persons, but I think the problem has many aspects which are not affected by the bill.

Mr. McNAMARA. I appreciate the comment of the Senator from Kansas, especially his emphasis on automation and the inroads which it is making on employment in industry, as was so dramatically stated by Walter Reuther, in the quotation which the Senator has placed in the RECORD.

The program proposed by the bill is not designed to provide the basic correction, as the Senator from Kansas has so ably stated. Later in my speech I shall suggest some answers for these ills, taking into consideration automation and the other factors involved.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. WILLIAMS of Delaware. Earlier the Senator from Pennsylvania [Mr. CLARK] raised a question as to the extension of the period for unemployment compensation in Delaware. I wish to make the record clear. Delaware did extend the benefits to 39 weeks.

I may say to the Senator from Michigan that I was not trying to say whether the troubles are the fault of the Governor of Michigan or the Legislature of Michigan. I was simply trying to emphasize the importance of having both political parties work together.

In Delaware we happened to have a somewhat similar political situation. The Governor was of one political party, while both houses of the legislature were controlled by the other party. But both parties were able to work together and design a program at the State level. This, I think, is the responsibility of all political parties in all the States.

Mr. McNAMARA. I agree with the Senator from Delaware that it is the responsibility of both political parties and of all other segments of the economy—employers, charitable institutions, taxpayers' organizations, and the like. Everyone is involved; everyone is concerned. I say that my amendment proposes a program which everybody should support.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. BYRD of West Virginia. A suggestion has been made to the effect that the individual States should handle this problem themselves. I compliment the Senator from Michigan for taking the position that it is a national problem, one with which the Federal Government will have to deal.

I think it is very important at this point to say, with reference to the statement that the problem should be dealt with by the States themselves, that my State of West Virginia is certainly in no position to cope with the unemployment in the State. Governor Cecil H. Underwood, when he recently appeared before the Subcommittee on Production and Stabilization of the Committee on Banking and Currency, said something which I think is pertinent to our discussion. I quote from his testimony:

> In the last 20 months, more than 50,000 workers in West Virginia have exhausted their regular unemployment benefits. * * *
>
> During the calendar year of 1958 West Virginia paid unemployment benefits totaling nearly $50 million. Payments in this volume have a marked effect not only on the trust fund of the employment security department but on the State's industry.

The tax commissioner of West Virginia, the Honorable John A. Field, Jr.,

made a statement which I think will adequately explain the inability of West Virginia to deal with this problem. I think the statement points up the great need for Federal assistance in this area. Mr. Field said:

> The tax commissioner's office of West Virginia does not reflect the total State revenue, but it does reflect, I think, those sources of revenue that indicate the economy of the State and the condition of its economy. * * *
>
> By December 31 [1957] we showed only a gain of $9,600,000 over the previous calendar year, so our attrition was beginning to appear.
>
> Then at the end of the fiscal year, on June 30, 1958, we showed only a gain of $3,373,000.
>
> So we realized that we were shipping water fast.
>
> That trend continued, and at the end of the calendar year 1958 we showed a loss of general revenue through our office of $4,400,000 compared to the calendar year 1957.
>
> With that picture in mind, the board of public works in the latter part of December felt called upon to invoke the statutory reserve of 5 percent, and that, of course, curtailed every participation of the general revenue appropriation 5 percent of its over-all appropriation for the fiscal year.
>
> But regardless of that, realistically, they are now faced with that loss of State aid, and many counties may have to curtail their school term to 8 months or curtail their activities and their curriculum.
>
> Since we only had 6 months to go, in fact, it amounted to a 10-percent curtailment from that time on out.
>
> Of course, while it creates difficulties in State agencies and State departments, by far the most serious effect of that is in our county schools, because their State aid comes from the general revenue fund.
>
> I might say, parenthetically, that there is pending now some litigation as to whether the State can invoke the 5-percent reserve against that.

That is because their State aid comes from the general revenue fund.

At this time, I merely wish to point out that this problem is one with which my State certainly is not in a position to deal, and I think the Governor's remarks and those of the tax commissioner of West Virginia make this point clear. I compliment the Senator from Michigan for saying that the problem is a national one, and I associate myself with his remarks. I commend him for the excellent work he has done in bringing before the Senate a bill which will treat this problem in an adequate way.

In closing, let me say that although I certainly accord a sincerity of purpose to the authors of House bill 5640, I believe it is a timid, unrealistic, half-hearted approach which is reminiscent of the head-in-the-sand attitude which, so often, has been taken in regard to some of our other problems. I hope that the amendment offered by the senior Senator from Michigan, cosponsored by myself and others, will be adopted.

Mr. McNAMARA. I thank the Senator from West Virginia for his contributions.

Mr. GRUENING. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I yield.

Mr. GRUENING. I am very happy and proud to join in sponsoring the amendment. I can think of no more vital way to demonstrate that the Congress is really concerned with the welfare of the American people, as well as with the welfare of the people of the 70-odd other countries in the world.

I wish to point out that in the list which sets forth the number and the percentages of the unemployed in the various States, the 49th State has been omitted. We understand how that happened, because we realize that all agencies of the Federal Government have not yet fully adjusted their reports and records, following the admission of Alaska as one of the States of the Union.

But it is important that Alaska be considered in this connection, because in Alaska unemployment has reached a total of 6,588, or 14 percent. The number of unemployed persons in Alaska—6,588—is larger than that in a number of States more populous than Alaska, larger than the number of unemployed—6,610—in the State of Delaware, whose distinguished senior Senator [Mr. WILLIAMS] I am glad to see on the floor at this time.

Alaska's number of unemployed is also greater than the number of unemployed—5,894—in Nevada. I am happy to see the Senator from Nevada on the floor at this time, also.

Furthermore, Alaska's number of unemployed is greater than the number of unemployed—5,668—in New Mexico; or the number of unemployed—4,118—in South Dakota; or the number of unemployed—4,921—in Vermont; or the number of unemployed—4,264—in Wyoming.

It is alleged that this is a State problem, not a Federal problem. But, Mr. President, it happens that in Alaska the Federal Government has a very special and peculiar responsibility for the large number of unemployed. Alaska's unemployment problem can be laid directly at the door of the Federal Government, inasmuch as a few years ago the Federal Government concluded a treaty with Japan, and did so without any consultation with the people of Alaska or without permitting the people of Alaska to participate in the matter in any way. By means of that treaty, a line was drawn north and south across the Pacific Ocean at a certain meridian, east of which the Japanese were not supposed to fish. But that treaty, which was made without participation by the people of Alaska, was made by the Federal treaty draftsmen in woeful ignorance of the pelagic habits of the Pacific salmon, one of our great natural resources—with the result that today the Japanese are catching large numbers of American-spawned salmon. The result has been disastrous to Alaska's most important fishing area, Bristol Bay, where there is now virtually total unemployment, and as to which the Fish and Wildlife Service has announced that there will be a complete shutdown this year—meaning that the sole livelihood of those persons has been taken away by the Federal Government.

Furthermore, other fishing areas, for many years under the control of the Federal Government, and once great natural resources of Alaska, have declined in productivity, so that from a high pack of more than 8 million cases 25 years ago, the pack today has dwindled to less than 3 million cases.

But during all these years, despite the repeated pleas of the people of Alaska, the memorials of every Alaska Legislature, and the strong representations of the then delegates from Alaska, the Federal Government and its Congress have declined to act, with the result that during the first 3 years of the Eisenhower administration, Alaska's fishing communities had to be declared disaster areas—the first time in my experience that a disaster area has been caused, not by a so-called act of God—in other words, not by a flood, a hurricane, a tornado, an earthquake—but by acts of man.

Mr. President, even if there were now no unemployment in Alaska, I would strongly favor the pending amendment. But under the present circumstances, I think it is clear that the plight of one State is the concern of all, and that this is a national problem. Therefore, I wish to call attention to the fact that owing both to the direct action of the Federal Government and, in other cases, its failure to act, Alaska now has the largest percentage of unemployment of any State under the flag; and the responsibility for it can be laid directly at the door of Federal mismanagement, Federal ignorance in treaty-making, and Federal mismanagement by the agency which had and still has control of our fisheries.

Therefore, I believe it is most necessary that the amendment submitted by my colleague [Mr. McNAMARA] be agreed to. The 3-months provision will be of no use at all.

LEVYING AND COLLECTION OF TAXES AND ASSESSMENTS

The PRESIDING OFFICER (Mr. McGEE in the chair). The hour of 12 o'clock has arrived, and the morning hour has expired.

The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 643) to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

EXTENSION OF TIME FOR RECEIPT OF UNEMPLOYMENT COMPENSATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate resume the consideration of House bill 5640.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. The Senator from West Virginia may proceed.

Mr. BYRD of West Virginia. Mr. President, I read further from the testimony given by the tax commissioner of West Virginia, Mr. John A. Field, Jr.:

Mr. BYRD of Virginia. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I yield.

Mr. BYRD of Virginia. Let me say that I have visited Alaska, and I enjoyed very much my visit there.

Mr. GRUENING. We were very glad that the Senator from Virginia visited Alaska.

Mr. BYRD of Virginia. I am very much interested in what the Senator from Alaska has had to say about the situation there. How long will the treaty remain in effect?

Mr. GRUENING. On June 12, 1953, it came into force for 10 years.

Mr. BYRD of Virginia. Does it have a termination date?

Mr. GRUENING. It will continue thereafter unless a party gives notice. It is possible therefore for the United States to give notice for expiration June 12, 1963.

Mr. BYRD of Virginia. I understand that the salmon go into what formerly were international waters, and congregate there before they go to Alaska to spawn.

Mr. GRUENING. That is correct.

Mr. BYRD of Virginia. I also understand that the Japanese are catching the salmon in those waters, which prior to this treaty were regarded as international waters. Is that correct?

Mr. GRUENING. Yes; they were regarded as international waters. But the treaty line could have been drawn some 20 degrees to the west, in which case our supply of American-born salmon would not have been impaired, and we would not now have the tragic and disastrous situation which today confronts one of our most important fishing areas.

Mr. BYRD of Virginia. Practically all the salmon to which the Senator from Alaska has referred are spawned in America, are they not?

Mr. GRUENING. Yes. It is somewhat ironical that we should allow fish of American birth to be captured by the Japanese.

Mr. BYRD of Virginia. I am very much interested in the bill, and also in the subject the Senator from Alaska has mentioned.

After the salmon spawn, they travel several thousand miles, do they not?

Mr. GRUENING. Yes—and for 2, 3, or 4 years, depending on the species of the salmon.

Mr. BYRD of Virginia. Eventually they usually return to the stream in which they spawned, do they not?

Mr. GRUENING. That is correct. They return to spawn there, and then die.

Mr. BYRD of Virginia. I understand that the thought of the Senator from Alaska is that the treaty should not have been made, inasmuch as it permits the Japanese to fish for the salmon in these particular areas.

Mr. GRUENING. The treaty should have been made with a different line of demarcation.

Mr. BYRD of Virginia. Prior to the treaty, what was the situation?

Mr. GRUENING. At that time our fisheries were not impaired by Japanese fishing; the Japanese did not fish in our waters, and they did not fish on the high seas for our salmon.

Mr. BYRD of Virginia. In other words, the treaty enlarged the area in which the Japanese could fish for salmon, did it?

Mr. GRUENING. It created a new area in which the Japanese could catch our American-born fish.

Mr. BYRD of Virginia. In other words, it enlarged the area in which the Japanese could fish?

Mr. GRUENING. That is correct. And, of course, this situation applies not only to Alaska, but also to Oregon and Washington.

Mr. BYRD of Virginia. And the fish which are affected are the full-grown salmon which are on their way back to Alaska to spawn; is that correct?

Mr. GRUENING. They are the full-grown salmon which return to Alaska to spawn. However, the Japanese are catching both immature fish and full-grown fish, and consequently are spoiling the runs for both the current year and following years.

Mr. BYRD of Virginia. I thank the Senator. I was very much interested in that subject when I was in Alaska.

Mr. GRUENING. I appreciate what the Senator has said. I wish to emphasize that this is a Federal responsibility if ever there was one. For 40-odd years Alaska, through its voteless Delegates in the House, through its legislature, through referendums of the people of Alaska, which, of course, were only advisory, pleaded with the Federal Government to restore the control of a valuable national resource to the people of Alaska so they could handle it much better. The failure to do so is directly responsible now for the present high figures of unemployment in Alaska. Consequently it is a Federal responsibility to take care of those unemployed and remove the causes of their unemployment. That is why I am supporting the McNamara amendment to substitute Senate bill 1323 for the very much poorer House version.

Mr. McNAMARA. Mr. President, I thank the Senator from Alaska for his contribution to this discussion. I am sure the fishing industry is vital to the economy of his State.

Mr. YOUNG of Ohio. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I am happy to yield to my colleague from Ohio, under the same circumstances under which I previously yielded.

Mr. YOUNG of Ohio. Mr. President, the Senator from Michigan has made a fine presentation this morning. He has rendered a real and needful public service in bringing his amendment before the Senate. I express the hope that his proposal will prevail when we vote upon it.

About 28 years ago, Mr. President, the then Governor of Ohio appointed Rabbi Silver, of Cleveland, and several other citizens of my State of Ohio, including myself, as members of the Ohio Commission on Unemployment Insurance.

Following their appointment, which was back in 1931, the commission spent time and effort holding hearings in various cities of Ohio. Then we drafted the Ohio unemployment insurance law. We in Ohio were pioneers among the States of the Union in drafting an unemployment insurance law. It is pleasing to me to recall at this time that some of the paragraphs of the present Ohio unemployment insurance law were originally in my own handwriting.

In this great Nation involuntary unemployment is a great moral wrong. There is great need for legislation such as that proposed by the senior Senator from Michigan. His proposal has my earnest support, and it is my hope that he will meet with success. I wish to compliment him.

Mr. McNAMARA. I thank the Senator from Ohio for his complimentary remarks. It appears to me that as Senators rise on the floor and speak of problems in their own individual States, we hear expressions concerning a problem which exists almost from border to border and coast to coast. So, I repeat, it is a national problem.

To continue with my statement, S. 1323, which is my amendment, would provide a uniform 16 weeks of benefits for all persons who had exhausted their unemployment insurance eligibility under existing programs. It would provide similar benefits for all those who had substantial earnings records in the past 2 calendar years and who had not been in covered employment. The main provisions of the bill are, briefly:

First. Sixteen weeks of benefits for all those who exhausted unemployment insurance rights under any and all existing programs including the Temporary Unemployment Act of 1958.

Second. Sixteen weeks of benefits for all those who worked in uncovered employment and who (a) earned a total of $1,000 during either of the 2 calendar years for which records are available prior to application for benefits; and (b) who worked a total of four quarters during the 2-calendar-year period.

Third. Benefit amounts would be determined as follows: (a) Exhaustees. Weekly benefit would equal that obtained under existing programs; (b) noncovered. Weekly benefit would be equal to 1¼ percent of yearly earnings, with a maximum equal to the maximum granted under the State unemployment insurance program.

These criteria would prevent the imposition of an undue administrative burden on the State agencies.

The Bureau of Old-Age and Survivors Insurance has earnings records which would provide the necessary data, at a cost of 60 cents per application.

Fourth. A State would have the option to enter into that part of the program which provides benefits for those in uncovered employment.

I repeat, this would be optional with the States.

Fifth. All recipients must be ready and willing to work, and must accept reasonable employment openings obtained by the State employment agencies.

We estimate that approximately 3¾ million persons would be benefited by the enactment of this amendment. It would help immediately the 1.8 million who are

now unemployed and who have exhausted their rights under existing programs, or whose jobs, while they had them, were not covered by State programs.

I submit, Mr. President, that a jobless worker can get just as hungry whether his previous employment was covered by an insurance program or was uncovered.

In addition, another approximately 2 million persons who would exhaust their benefits in the coming 15 months would also receive vital assistance.

It is, of course, difficult to measure the precise cost of this program, because we do not have the experience to determine what the uncovered worker will draw in benefits. Our best estimate is that it will cost between $850 million and $950 million.

This assumes that recovery will continue to lag. If the recession ends as quickly as we all hope—and as some leaders have categorically said it would—this expenditure will be considerably reduced.

I point out that an estimated $206 million of the $640 million which Congress appropriated last year for temporary unemployment compensation will be unspent as of March 31 of this year.

This means that any action which we take this year should be measured against the sum remaining from last year's appropriations.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. The Senator will recall that a joint statement was prepared by 18 Senators and presented to the Finance Committee in support of the bill of my good friend from Michigan. In that statement, which I caused to be inserted in the CONGRESSIONAL RECORD of yesterday, the following sentence appears on page 5033 of the RECORD:

> We would like to point out that an estimated $206 million of the $640 million which Congress appropriated last year for the TUC Act will be unspent as of March 31 of this year. This means that by carrying this money over into the expenditures for S. 1323, the total new money called for would be approximately $670 million.

I recognize the difficulty in bringing the figures to a high degree of accuracy, but in view of some comments I propose to make later, does the Senator agree that $670 million is as good an estimate as we can make of the cost to the 1960 budget of S. 1323, which is the pending amendment, if enacted into law?

Mr. McNAMARA. Yes. I think that is a fair estimate of the amount of new money—I repeat, new money—which will be needed, unless the optimistic statements by some Senators on the floor and by some persons in the administration that the recession is going to pass soon are fulfilled. Then, of course, my proposal would not cost nearly that much.

Mr. CLARK. I raise the question because I intend to suggest to the Senate a number of ways in which this money, and far more, could be obtained without any general increase in the tax rates.

Mr. McNAMARA. I am certainly glad the Senator is prepared to do that. I shall discuss that phase in my statement a little later.

Mr. President, the cosponsors of this amendment do not offer it as a solution to the basic problem of unemployment. We know it is not that, but only a means to ease the suffering of those most affected by the shortage of jobs during this critical period.

The great majority of us are also cosponsors of a bill which would provide us with an effective attack on this problem of chronic national unemployment. That bill, S. 791, the Kennedy-McCarthy bill, would establish minimum national standards for unemployment insurance considerably more adequate than those standards now in existence throughout the 49 States and Hawaii.

We are of the opinion that the enactment of such legislation is essential. It is the only way to provide realistic protection against the rapid cycle of unemployment which we have experienced in the recent past. Unless we return to the basic philosophy of unemployment insurance which characterized its initiation in 1938—namely, that an unemployed person should receive benefits which equal roughly one-half of his earnings for a realistic period of time—we shall never fully meet this problem.

We believe that if we had the provisions of the Kennedy-McCarthy bill on the books today we would not be faced with such a debate as we now encounter.

In fact, the reason why this amendment is drafted to carry us through July 1960 is that on that date S. 791 would become effective, if we can make a sale to the Congress, and to the gentleman on Pennsylvania Avenue.

It should be apparent that one of the reasons why the recession has not deepened has been the very existence of unemployment compensation, inadequate as it is. We can take additional steps which will insure recovery and prevent future economic crisis.

The Senate passed on Monday the area redevelopment bill which, if properly executed, can help eliminate the pockets of hard-core unemployment which presently exists.

We should work for legislation which will retrain a great part of the chronically unemployed.

It is madness to continue a situation wherein industry is begging for trained technicians while 4.7 million are unemployed.

Certainly the Housing and Airport Acts which we have passed will help to create jobs in the construction industry. The community facilities bills which are now pending or under draft will also help.

But let us rectify our past mistake of failing to insure against the problems which we now face. The enactment of this amendment will give us breathing room to create the legislation which will prevent a recurrence of a situation where 4.7 million Americans are without jobs.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am happy to yield to my distinguished colleague, the Senator from Tennessee.

Mr. GORE. I have listened with attention and interest to the able address of the distinguished senior Senator from Michigan.

The problem of unemployment is not a new one. As the Senator stated, we considered the problem a year ago. At that time I characterized the bill then before the Congress as an inadequate, piecemeal and unfair approach.

The record now stands, does it not, that people of only 17 States have been direct beneficiaries of that previous enactment?

Mr. McNAMARA. I recall the Senator's position at the time we debated the temporary extension program last year. I confirm what the Senator says and say to him that he is correct in reference to the condition in the 17 States.

Mr. GORE. I voted against the passage of the bill at that time for the reasons which I have indicated. I may have erred in so doing. The distress of millions of unemployed brings a need for a helping hand not only to the people in 17 States but to the people in all 49 States, and that distress is not to be dealt with lightly. I did not undertake to deal with it lightly. I expressed my exasperation over the failure of the Congress and the administration to adopt and prosecute a vigorous program of economic activity which would promote full employment.

I do not like to support the kind of bill which the Senator is offering as a substitute. I would much prefer programs to provide employment opportunities.

I cannot claim very much credit for the supplemental views contained in the report on the pending bill. I did contribute one paragraph, which I should like to read. I ask the Senator to turn to page 12 of the report. I should like to read the one paragraph which I contributed, and which my colleagues adopted:

> The preferable solution, of course, would be the adoption of programs of action to promote a full employment national economy. Undoubtedly, the unemployed would prefer jobs to unemployment compensation. So would we, but social justice requires emergency action now.

Mr. McNAMARA. I certainly recognize the Senator's viewpoint, as so well expressed even in the one paragraph. I suggest to the Senator, it is a great contribution even though it is short. It is very concisely stated.

Mr. GORE. I thank the Senator. I intend to vote for the substitute the Senator proposes not because it is my preference but simply because of the absence of action to provide employment opportunities to the approximately 5 million people who are totally unemployed, many of whom have been unemployed for a long while. Recognizing the high cost of living for these people and the economic, psychological and personal distress these people suffer, I propose to vote for the substitute offered by the Senator from Michigan.

Then, in the event his amendment is not adopted, I think I shall vote this year for the passage of the bill. Even though it is inadequate, unfair, and

piecemeal, it will provide assistance to some.

Mr. McNAMARA. I point out to the Senator again that about 10 percent of the need can be met by the passage of the bill which came over from the House. We are very much concerned, as the Senator has indicated, with the other 90 percent.

In connection with the remarks of the Senator from Tennessee, I remind the Senate that he was the father of the interstate highway construction program, which is now providing many hundreds of thousands of jobs for people throughout the United States. That, in itself, was a great contribution to the economy of the United States, which is in such a depressed condition at this time. I know of the Senator's concern, and his attempts in the past to do something to meet this problem. I shall join him in any future activities he undertakes to try to create employment, rather than insurance.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield to the Senator from Tennessee.

Mr. GORE. I am grateful for the generous remarks of my able colleague and friend. It was 1 year ago this week that we debated for 3 days and finally passed, by a vote of 84 to 4, a bill to accelerate the highway program. As the Senator recalls, it had been proposed to stretch the program out, to slow it down. That proposal was made at a time of widespread unemployment.

Instead of accepting the slowdown proposal, the committee on which I had the privilege of serving with the able senior Senator from Michigan chose to accelerate.

I point out to the able Senator, who is now chairman of the subcommittee of which it was then my honor and privilege to be chairman, that again a slowdown or stretchout is in prospect unless the Congress acts. I urge the Senator again to refuse to accept a slowdown. I urge him to consider the fact that now—as was the case 1 year ago—there are approximately 5 million totally unemployed, and many other millions partially unemployed. The same social, economic, and national security conditions which impelled the Senate to accelerate the program last year by a vote of 84 to 4 are still present. The same defense needs for better highways exist. I look with confidence to action by the subcommittee on which I no longer have the privilege of serving, but which is now under the able leadership of the senior Senator from Michigan, to bring to the floor of the Senate another bill to accelerate the highway program and provide a stimulus to employment.

Mr. McNAMARA. I thank the Senator. He has very ably stated the current problem in dealing with the roadbuilding program, which was gotten underway under his able leadership.

I wish I could say to the Senator that this year we shall come forward with a further accelerated program, and not a stretchout. The Senator from Tennessee has pointed out that all the elements justifying such action are present. I agree with him.

However, the country has got into a peculiar frame of mind, largely due to the sacredness of a number—$77 billion. In connection with the previous action there was not the psychological situation with which we now must deal. We have already held some hearings in the Subcommittee on Public Roads of which I am now chairman, along the line discussed by the Senator.

We have a little different kind of circumstances from those which characterized the previous situation. Because of that fact, we shall work harder to keep the program on schedule. I can report to the Senate that the Interstate Highway program is on schedule, but we are faced with shortages due to the depression, recession, or whatever one may wish to call it. That situation is affecting our roadbuilding program, because we do not have the revenues which we would have under normal circumstances. The thing we are fighting is the slump in our economy, and the need for doing something about it.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. McNAMARA. I am happy to yield further to my distinguished colleague from Tennessee.

Mr. GORE. I recognize that there is a political climate such as the Senator has described. I shall not be bemused by a political climate, and I trust that the subcommittee, so ably led by the distinguished senior Senator from Michigan, and the full Senate Committee on Public Works, so ably led by the senior Senator from New Mexico [Mr. CHAVEZ], will not be bemused.

We are confronted with a national necessity. The national welfare, the national security, is inescapably and inextricably involved in adequate highway transportation, not only the national security from a military standpoint, but from the standpoint of employment, from the standpoint of prosperity.

I want to see this national necessity kept on schedule. I know that we need additional revenue. There are sources to which the Congress can turn.

The Senate Committee on Finance, of which I am a member, is now in the act of making an appropriate adjustment of the tax laws so as to require the insurance industry to bear a more equitable and realistic share of the tax burden. In this effort we have, belatedly, the support of the Treasury Department; and also the general cooperation of the industry itself—likewise belatedly. But we are moving in the correct direction. There are many more areas to which we can turn, to close the loopholes in the tax laws, and to strike from the tax laws inequities and favoritism, thereby providing the necessary revenue to promote and bring to completion such programs as the highway program, which is necessary to national security, to prosperity, to employment, and to economic well-being.

Mr. McNAMARA. Again, I thank my colleague from Tennessee for his very able contribution.

Vigorous arguments undoubtedly will be offered in this debate to show why we should not take the action proposed. Let us look at them.

The first and foremost argument—one that has been with us since the beginning of this session—will be the budget, to which I have made reference.

We must, of course, face the issue of the budget. All the Senators for whom I am speaking want to see a balanced budget in the fiscal year 1960. Some of us believe that the money which this amendment will cost can be met through economies elsewhere in the budget. Some of us believe that additional revenues should be obtained through closing tax loopholes and removing inequities in the tax structure legislation which is within the province of Congress.

I am certainly glad to hear a member of the Committee on Finance, the distinguished Senator from Tennessee [Mr. GORE] state that the Committee on Finance is now giving serious consideration to the question of tax loopholes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to my distinguished colleague from Tennessee.

Mr. GORE. The Committee on Finance is presently dealing with only one instance of favoritism to income from a particular source. I am glad it is doing that much. The able Senator will perhaps recall that it was a year ago when I undertook to bring about action by the Senate to prevent an extension of such favoritism.

Mr. McNAMARA. I recall it very well.

Mr. GORE. I am glad that the committee and the administration are now cooperating to that end. However, there are many more loopholes which can be dealt with equitably and fairly and realistically. This should be done before Congress proceeds to lay additional taxes upon those who are already carrying a disproportionately large share of the burden.

Mr. McNAMARA. I thank the Senator.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. FREAR. I should like to ask the Senator from Tennessee a question if the Senator from Michigan will permit me to do so without his losing his right to the floor.

Mr. McNAMARA. I shall be glad to yield under those conditions.

Mr. FREAR. The Senator from Tennessee has opened a subject which concerns all of us, because we are desirous of finding increased revenue before we increase the tax burden of our people who are already bearing a heavy tax burden. I should like to ask the Senator to what other fields he is referring in his remarks. The Senator mentioned the tax on insurance companies, and he referred to other fields that we might look into in connection with an increase in taxes.

Mr. GORE. I referred to other fields in which we could make appropriate and equitable adjustments to remove favoritism which now prevails. I shall be glad to list some of them. One is the tax credit on income from corporate dividends. Another is the foreign tax credit, which is a credit against taxes to

our country for alleged taxes paid to foreign countries. Another would be in the field of unjustifiably high depletion allowances in some instances. Another would be what I regard as unjustifiable treatment for so-called capital gains. Another large field is in the administration of the law itself, particularly with reference to expense accounts. If I had a few more moments to give thought to the question of the able Senator, I believe I could suggest perhaps two or three times the number that I have already listed.

Mr. FREAR. That seems to be a fair list to start with.

Mr. GORE. Yes; at least it would occupy the committee for a few days.

Mr. FREAR. It certainly would. I am not familiar with the dollar and cents revenue these programs might bring into the Treasury. Does the Senator have any idea how much would be brought into the Treasury as a result of the enactment of such a program?

Mr. GORE. It would depend upon how realistically and adequately Congress dealt with the instances of tax favoritism. I would say that if we require the insurance industry alone to bear a fair and equitable share of the burden of Government and national defense, that this alone might provide enough additional revenue to keep the highway program on schedule.

Mr. FREAR. I assume the Senator is speaking in terms of $500 million or more which would be realized.

Mr. GORE. $500 million or more.

Mr. FREAR. Of course, when we say "more" that can go pretty high. However, it would be in the neighborhood of that figure. Is that correct?

Mr. GORE. Yes. If the Senator from Michigan will yield further——

Mr. McNAMARA. I am glad to yield.

Mr. GORE. I should like to say that the committee has enjoyed—and I have been heartened by the extent of it—the rather general cooperation of the insurance industry itself. Of course, many representatives have asked for amendments which would ease the burden with respect to their own companies. I do not criticize them for doing it.

I believe the Senator will agree that as we have approached this difficult and vexatious task, we have had the general and, to me, surprisingly general cooperation of the industry itself.

Mr. FREAR. There is no reason, I suppose, for the able Senator to believe that all the industries would offer the kind of cooperation which the insurance companies have offered with regard to closing the loopholes which the Senator has mentioned.

Mr. GORE. I have not seen very much manifestation of it.

Mr. FREAR. I thank the Senator from Tennessee and also the Senator from Michigan for permitting us to engage in this discussion, which I believe has been quite interesting.

Mr. McNAMARA. I agree it has been interesting. I am glad to have the contribution of the Senator from Delaware. I hope now that he is convinced and will vote for our substitute. The answer may lie in a combination of the two approaches.

But, in any case, all of us believe that we must balance the budget through other means than deserting the unemployed of this country in this time of great and urgent need.

We feel it is strange, to say the least, that the position of many persons in responsible positions appears to be that this great and rich country can afford to be humane, or even generous, until an arbitrary date on the calendar, June 30, 1959. It is strange that after that date we must cease to have humanitarian impulses, must harden our hearts, must steel ourselves against the temptation to be compassionate, and must concern ourselves, beginning promptly at 12:01 a.m. on July 1, with reduction of Federal expenditures as the overriding objective of our national existence.

The next argument is that this amendment of ours is a dole. I have not heard that argument in this body, but it was made in the testimony of the Administration on H.R. 5640.

It is not a dole. It provides assistance only to those whose past work record entitles them to better social insurance than is now provided by existing unemployment compensation laws.

The farm supports we provide for keeping crops out of production, through the soil bank, is not a dole. The tax break we give to oil producers through the depletion allowance is certainly not regarded as a dole by those who fight for its maintenance each year.

We who represent States which are most affected by unemployment have, for the most part, given vigorous support to measures which have materially advanced the welfare of people in other parts of the Nation.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to the distinguished Senator from Indiana.

Mr. HARTKE. I compliment the senior Senator from Michigan for the forthright stand he is taking in behalf of the unfortunate people who cannot have anyone represent them when it comes to payroll lobbying in Congress. Certainly the Senator's type of representation is the highest type of unselfish service. I am glad to be a cosponsor of the pending amendment.

I noticed yesterday that the President was given credit for scoring a tremendous victory in the House of Representatives in connection with the problem which the Senator has just mentioned, namely, the advancement of the welfare of the people of all parts of the Nation. I hear many people on both sides of the political fence talk about States rights, and that the unemployment problem should be handled by the States.

I ask the Senator from Michigan how, in good common sense, how, in good conscience, the President can ask Congress to support a program to help other nations, when he must know how important it is to help unfortunate people at home.

I have been before those people. A 29-year-old father of two children has walked up to me and said, "I need a job. You get me a job." I did not know where to get him a job. He said, "When I was a child, I stole. I have tried to live a good life since that time. But I have a wife and two children. I am 3 months behind in my house payments and 2 months behind on my car payments. My unemployment compensation has expired. Either you get me a job or I will steal again."

I do not know how the President can expect Congress to vote for foreign aid funds if we refuse to help our people at home, and, frankly, I shall refuse to do so. This is not a matter of selfishness; it is purely a matter of survival.

I listened to the President's message, in which he spoke about fiscal responsibility. Five million unemployed does not indicate fiscal responsibility. It represents 5 million persons who cannot pay taxes to help balance the budget.

I am confident that the Senator from Michigan, like myself, when we heard the President's message, was hopeful, as I was, that we were entering a period of high prosperity and a reduction of unemployment.

The fact is that in Indiana thousands of persons are still out of work. I was visiting in my State last weekend. Everyone at home is yelling for help—not only the unemployed, but the owners of small grocery stores and drug stores also want help.

I do not say this is exclusively the responsibility of the Federal Government, but I say that Congress will have to find ways to provide relief. Something must be done to help the people who are unable to take care of themselves.

Unemployment compensation is not the ultimate answer. I should like to see the show get back on the road. I should like to see people live as they once lived. I should like to see people go back to work, and not be allowed to starve.

If 5 million people continue to be unemployed, if there should be another recession—and there is no guarantee that the economy is not headed that way—and if a popular demagogue should arise, there would be great danger.

What is here proposed may be the greatest investment which the United States can make for the benefit of its own people. I am very happy that the Senator from Michigan is continuing his great fight.

Mr. McNAMARA. I thank the Senator from Indiana. I am somewhat alarmed by what he has said. He stated that if he had to make a decision as to whether to provide funds to help our own people in this emergency or to provide funds for the foreign aid program, the mutual security program, he would oppose the expenditure of funds for mutual aid because of the unemployment situation at home. He alarms me when he makes that statement.

Mr. HARTKE. I favor helping people overseas, but whenever the President asks Congress to decide as between the people at home and the people overseas, I, in good conscience, cannot desert the people at home. That is all I am saying.

Mr. McNAMARA. My concern or alarm is that perhaps we are not evaluating the matter properly. Certainly we had better be concerned with the unemployed people at home. But when we consider a matter such as mutual security, I think it must be considered by itself. We must consider what its benefit will be, not with respect to a portion of the people in our own economy, but with respect to the overall good.

I hope the Senator from Indiana will reserve his final decision on how he will vote on mutual security, because I am alarmed by his coming to such a conclusion rapidly under these circumstances.

I like his enthusiasm for the program which is now under consideration. I dislike to see anything which will dampen it. Nevertheless, I hope he will reserve his final judgment on mutual security until he hears from the committee and the Administration.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. NEUBERGER. The statement just made by the Senator from Michigan is, I think, characteristic of his statesmanship and political courage. In my opinion, the easiest thing we could do would be to say that we will oppose foreign aid because some necessary and needed program at home has been sacrificed. That happens all the time. Yet if we carried such a philosophy to its logical conclusion, we could say that we would not vote funds for 50 jet fighter planes because streets had not been paved in front of our homes or because hospitals were needed in certain communities of our States. All of us know that there are compelling, urgent human needs at home which are not being met; and I think that is a tragedy and a disgrace.

But I always have approved of the position taken by the Senator from Michigan, who is advocating and trying to take care of the needs at home. He has never tried to equate the urgent and compelling demands in our own country with what we must do to defend the free world overseas. I repeat: I think that is characteristic of the Senator from Michigan.

I am afraid that probably the most ready thing to do, politically, is to go home and say to our constituents, "If it were not for the foreign aid program, you could have a new school on the corner; you could have a scholarship for every student you want to send to college; you could have a 4-lane highway through every county; you could have a new hospital in every community;" and so forth. That probably is true. But it also might be true that nuclear bombs could be falling on the new schools, hospitals, and highways.

While we do not like to have the resources of the United States spent upon undertakings overseas, we also realize that the United States and the rest of the free world must be defended. So I commend the Senator from Michigan for the statesmanlike attitude he takes in this rather difficult situation.

Mr. McNAMARA. I thank the Senator from Oregon for his generous statement. I do not think I am deserving of the compliment in the words in which he has phrased it. I think what confronts us is one problem. The problem is not divisible to the degree which he has indicated.

We are concerned with the economy of the people of the Nation, and we are concerned with the security and defense of the Nation. What is being sought by the bill under consideration relates to both those programs.

The simple fact is that the United States is wealthy enough to take care of both categories, and we must take care of both. I do not look upon the position I am taking as a display of political courage; I think it is a recognition of conditions as they exist today.

Mr. NEUBERGER. If we do not take care of both categories——

Mr. McNAMARA. God help us.

Mr. NEUBERGER. I could not do better than duplicate the words of the Senator from Michigan.

Mr. McNAMARA. I thank the Senator from Oregon.

Mr. President, we have fought for water reclamation and public power projects for underdeveloped sections of the Nation. By the enactment of these measures, the standard of living has been vastly increased for the people in these regions.

When employment in Michigan was high—when auto production was soaring—our taxes helped build these vital projects in other areas. The same is true of the taxes collected in Pennsylvania, Massachusetts, Minnesota, and other States which now bear the brunt of the industrial recession.

We were delighted to do this. We were proud to do this. What was accomplished in the Tennessee Valley was as much a mark of glory for us as it was for the valley residents. The same is true of the vast projects in our Western States.

These great efforts were not doles. They were living proof that America is an indivisible Union of States. By helping our neighbor we were, in truth, helping ourselves.

I have made no effort in the past to conceal my dismay at the callous attitudes this administration has displayed. I am shocked that their attack on the amendment which we offer is to label it as a dole.

But this Congress, I hope, is not of similar mind. We enjoy our strength because of a tremendous vote of confidence we received last November.

This was not a mandate to ignore the needs of our country. It was in appreciation of past leadership, and a mandate to continue it.

We are here to lead; to offer and enact solutions that have been ignored or belittled by the administration.

This brings me to another argument that will be offered here today. We will be told that the President will not sign such an amendment as we propose.

We will be told that if we send him such a bill, it will be vetoed and those now drawing benefits will be cut off from help.

Let me go to the first point. I cannot conceive of a less relevant point than the threat of a Presidential veto. We have our job to do. It is rare when our opinion is sought as to what Presidential proposals are acceptable.

The opponents of this amendment will make a great "hearts-and-flowers" appeal for those who will be cut off if we do not rush the House version through by April 1. We are concerned for them, too, but we are equally concerned about the 90 percent of the unemployed who will be ignored completely if the House version passes.

I know the Senate has been working hard, and is anxious to get away for the Easter recess beginning Thursday.

But, Mr. President, I, for one, am willing to stay in this Chamber as long as is necessary in order to have the Senate pass a bill which will be really meaningful in this area.

Mr. MORSE. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from Michigan yield to the Senator from Oregon?

Mr. McNAMARA. I yield.

Mr. MORSE. As the Senator from Michigan knows, until this moment I have not been able to participate in the debate on this measure, because of the fact that in the Senate Committee on Labor and Public Welfare we have been in almost continuous session in connection with writing up the so-called Kennedy-Ervin labor reform bill. We finished it just a few minutes ago; and, by the overwhelming vote of the Committee, under the leadership of the able Senator from Massachusetts [Mr. KENNEDY], we voted to report that bill to the Senate.

However, I would not want this RECORD to close without saying a word of endorsement of the position taken by the Senator from Michigan in support of his amendment. I wish to commend him for the vision and the leadership he has displayed in connection with this unemployment-insurance-benefit bill. I think each Senator is able to see very clearly the decision he is called upon to make on this issue. The rollcall vote will be very significant. I am sure that the people of the Nation will recognize it as one of the key votes of this session.

I desire to state that I am sick at heart over the action the Senate took the other evening on the depressed-areas bill. I was very disappointed that the Senate would pass that very-much-needed bill by a majority of only 49 to 46. The unanswerable record which was made in support of the needs of the communities of the Nation which are in a depressed situation, and which have on their municipal doorsteps the problem of what to do with the thousands and thousands of unemployed in the many metropolitan, small-town, and rural areas of the country called for a much larger majority vote.

Here, again in respect to the pending amendment we are confronted with the same question, it seems to me, in so far as the basic issue is concerned. The

simple questions which are put to each of us in connection with the two bills are these: Are there depressed areas? Are there unemployed? Does the evidence which has been submitted to the Senate show clearly that present depressed areas will continue for some time in the future to be depressed? Does the record on this bill show that the several million of those who presently are unemployed will continue to be unemployed for some time in the future?

Mr. President, after we dispose of this measure today, I intend to make a major speech on the subject of the economic condition of the Nation at the present time. I shall not paint a happy picture or a bright picture, because the facts will not warrant it.

Despite all the propaganda of this Republican administration, as a Democrat I do not propose to join the administration in misleading the American people in regard to the economic situation which confronts them. As a Democrat, I do not intend to join the administration in doing the injustice which it proposes to continue to visit upon the millions of unemployed in this country, and in repeating its practice of passing the buck to the States.

This problem has become a national one; and in connection with it there is a national responsibility, as is recognized by the Senator from Michigan [Mr. McNAMARA] by way of the amendment he has submitted.

Mr. President, I intend to fulfill what I consider to be my national responsibility in the Senate. So I shall support the amendment of the Senator from Michigan; and I shall continue to criticize the leadership of the Democratic Party if that leadership continues to support the buck-passing policy of the Eisenhower administration in connection with the great humanitarian issues confronting the people of the Nation. In fact, the Democratic leadership of my party on too many issues seems to be the advance political agents of this Republican administration. The metooism of our Democratic leadership on too many Republican unsound proposals is becoming sickening to many Democrats.

Those who now are unemployed are entitled to the benefits the Senator from Michigan proposes to have them receive by means of his amendment.

Mr. President, as a liberal and as one who believes in enlightened capitalism, I also believe that the merchants on the main streets of America are entitled to the support which the Senator from Michigan seeks to give them.

I wish to say that any Democratic Senators who vote against the amendment of the Senator from Michigan will be voting against the small businessmen of the Nation who need the economic stabilizing benefits of unemployment insurance benefits, because there are many depressed areas in which the small businessmen on the main streets of the municipalities cannot write any more figures on their cuffs. They have granted all the credit their cuffs will permit them to grant; and they are entitled to the economic stabilization and the other business benefits which will flow from the amendment of the Senator from Michigan [Mr. McNAMARA]. So I am proud to support it.

Mr. McNAMARA. Mr. President, I thank the Senator from Oregon for so vigorously calling attention to certain matters to which the rest of us have not given sufficient consideration, and also for pointing out what this amendment will do in aiding the entire economy, including the businessmen to whom he has referred. I am certainly very happy to have his comments made a part of the RECORD.

Mr. President, I believe it would be helpful for us to think about what Easter Sunday is going to be like for the 4.7 million unemployed, if we fail to take the necessary action.

Several of the House spokesmen, in the course of their remarks in support of House bill 5640, expressed a fervent hope that the Senate would make its version a realistic and humanitarian answer to the problem of unemployment.

I shall leave to my colleagues on the Finance Committee who share our view, the explanation of why they voted this measure onto the floor in the hope that we would make it a bill with solid content—different from the token gesture which it now is.

I have taken time to state why we must take this action.

I close with one final observation: This Congress will be called upon to make major decisions during the coming 18 months. We shall decide on measures which will affect the preservation of freedom itself. But we cannot lead abroad if we have not demonstrated our capacity to lead at home. If our system of democratic capitalism is to prevail outside our shores, it must certainly prove itself at home.

I am loath to point out to so many of my distinguished colleagues the role that the Federal Government has played in making that system work to date. To many of my colleagues, the evidence is so overwhelming, and has been so often referred to, as to be trite.

This is not the time to ignore the lessons of our recent domestic history. Today we have—instead—the power to make the point more dramatically apparent.

We must make clear that the golden rule is not the rule of gold.

Mr. RANDOLPH. Mr. President, will the Senator from Michigan yield to me?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Michigan yield to the Senator from West Virginia?

Mr. McNAMARA. I am very happy to yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, Senate bill 1323, which, in the form of an amendment, is the proposal to which the Senator from Michigan [Mr. McNAMARA] has so ably addressed his remarks, has the cosponsorship of many Members of the Senate; and I believe it important to say that S. 1323 was not hastily considered by those of us cosponsoring it.

Mr. McNAMARA. That is entirely correct.

Mr. RANDOLPH. It was the subject of deliberate study. The compelling remarks which have been made today should at least elicit the most careful thought of the Members of the Senate who perhaps have not given attention to the subject in the way the Senator from Michigan has explained it this afternoon. I commend him; and I join him in supporting the proposed legislation he has so ably advocated. It is a privilege to be associated with him in this effort.

Mr. McNAMARA. I thank the Senator for calling attention to the fact that the proposal was not hastily designed or prepared. Practically all of my staff has been laboring for weeks, and for long hours, I assure my colleagues. The members of my staff worked until late last night, after midnight, to get final figures together, so I could have the most up-to-date available figures from all over the country and make this presentation today.

Mr. GRUENING. Mr. President, will the Senator yield for a brief comment?

Mr. McNAMARA. Yes; I yield to the Senator from Alaska.

Mr. GRUENING. I was much impressed with the sentence in the closing remarks of the very able senior Senator from Michigan when he said:

> We cannot lead abroad if we have not demonstrated our capacity to lead at home.

Does the Senator not think there is a corollary to that statement, namely, that if we have not demonstrated our capacity to take care of our needs at home, we have no right to begin to take care of the needs of others abroad?

Mr. McNAMARA. I think that is true; but I repeat, I am sure this country is well enough, strong enough, wealthy enough, and has the conscience to do both jobs.

Mr. GRUENING. We hope it will at least take care of the folks at home.

Mr. McNAMARA. Amen.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. McNAMARA. I am glad to yield to the Senator from Tennessee.

Mr. KEFAUVER. I wish to join other Senators in congratulating my colleague the Senator from Michigan for his excellent speech on a very carefully prepared amendment, which is certainly deserving of serious consideration on the floor of the Senate.

The Senator from Michigan in his speech has made several statements which reflect his fine qualities of statesmanship and the broad view he has of public affairs. For instance, in one place in his statement he said that what was accomplished in the Tennessee Valley was as much a mark of glory for us as it was for the valley residents, and the same is true of the vast projects in our Western States.

The Senator from Michigan always looks at matters from the viewpoint of how they affect the Nation as a whole, realizing that unless our economic policies and economic conditions are healthy in every area of the country, we cannot have an entirely healthy nation. I commend the Senator from Michigan.

Mr. McNAMARA. I thank my distinguished colleague for his very kind remarks and his contribution to the dis-

cussion of the substitute we are attempting to have adopted in the Senate today as an amendment of the bill which was reported by the committee.

Mr. President, I yield the floor.

PRICES AND WAGES IN THE STEEL INDUSTRY

Mr. KEFAUVER. Mr. President, a most timely and vital event has just taken place at the White House. I should like to read into the RECORD a wire service dispatch telling of this event, and follow it with a few pertinent remarks. The dispatch reads:

President called on labor and management today to settle the steel wage issue on a basis that would not boost the price of steel.

President Eisenhower was asked at his news conference if the Government can do anything to prevent a steel strike.

The President replied it is strictly the policy of his administration to keep outside the business of collective bargaining. Eisenhower added vigorously, however, that here is the place where action will determine if the United States is to continue to go ahead economically and to avoid inflation. Here is the place, he said, for labor and management to show their statesmanship and resolve differences without any advance in the price of the commodity.

Eisenhower said that while his administration does not intend to interfere in the collective bargaining processes it must never be forgotten that the public has to pay if price increases result from these negotiations.

The President said that because the public is affected he is not going to stand silent and, like Pontius Pilate, wash his hands and ignore the matter. Eisenhower repeated emphatically that there should be no settlement that compels steel prices to go up.

Mr. President, I have just heard that the President of the United States at his press conference this morning called upon management and labor in the big steel industry to show their statesmanship and resolve differences in the upcoming wage talks without any advance in the price of steel.

I am delighted to hear that the President has decided to bring to bear on this most serious matter the full weight of his office as Chief Executive of our Nation.

As my colleagues know, only a few weeks ago I called upon David McDonald, president of the Steelworkers Union, and upon Roger Blough, chairman of the board of United States Steel, to make a real effort to stave off an inflationary boost in the price of steel.

My suggestion that the steelworkers limit their wage demands to the increase in productivity was met with silence from Mr. Blough and with an intemperate and unsatisfactory retort from Mr. McDonald.

The Antitrust and Monopoly Subcommittee, of which I am chairman, has been hearing testimony for 2 years now on the subject of administered prices. The big steel industry, it has been determined in these hearings, is a giant which sets the pace for rising prices.

When steel prices go up, the prices of almost everything the consumer uses go up.

What the President of the United States has done today is what I did, in equal seriousness, weeks ago. I hope no one suggests that the President keep his nose out of this important business, because, as I said, then, the price of steel is not just Dave McDonald's business, or Roger Blough's business—it, is the business of the people. I said then that we cannot afford another merry-go-round of price and wage inflation. The President has now said the same thing.

We both have called upon labor and management in this huge bellwether of our industry and economy to show some statesmanship. I think the request is reasonable. I think the responsibility for any more inflation in our economy will fall directly on them if they do not heed these earnest pleas.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield, very happily.

Mr. MORSE. Before I ask my questions, I commend the Senator from Tennessee for the fine leadership he has given the Senate in recent years in connection with his Antitrust and Monopoly Subcommittee work. I think he has done well to point out to both management and labor that they have responsibilities to avoid inflation.

I should like to have the Senator understand that my question is not subject at all to the interpretation that I would favor a wage increase in the steel industry at the present time, because I do not know what the facts are. I would be somewhat surprised if the wages of the steelworkers have kept up with the changes in the cost of living. Of course, in a time of economic emergency, when there may be a threat of inflation, labor, too, has the obligation to make sacrifices in the interest of a stable economy. But I should like to put this question to the Senator: Does his subcommittee have any evidence that at any time during the past 6 years any wage increase granted the steelworkers of America justified any increase in the cost of steel?

Mr. KEFAUVER. Our subcommittee has, in its hearings, gone into the price increases and into the wage increases. I would have to have before me the statistics relating to the amount of the wage increase and price increase each year in order to give a specific answer to the question of the Senator from Oregon.

I think what happened in August of last year might be fairly typical. At that time, aside from any increase in the productivity of labor—and the productivity of labor in the steel industry has been increasing substantially—there was a wage increase which, according to management, would have added to the cost of manufactured steel about $2.50 a ton. According to the labor figures, the wage increase would have added about $2.15 or $2.25 a ton. According to Gardiner Means, who is a disinterested and able economist, the added cost to the production of steel last year by the wage increase was about $1.75 a ton.

The price, however, was increased $6 a ton, two or three times what the wage increase justified, according to the figures used by almost everyone.

Mr. MORSE. If the Senator will permit an interruption, that is the point I wanted to bring out.

I think the record will show, and I know the Senator has the evidence before his committee, that for the past 6 years, or, for that matter, even longer, there has not been a single wage increase in the steel industry with respect to which the steel companies have not increased the price of steel considerably more than the added cost to the production of steel caused by the wage increase. In other words, the industry has used the wage increases as an opportunity to impose upon the American consumers steel price increases far beyond the cost of the wages increases. Does the Senator dispute that statement?

Mr. KEFAUVER. No. The Senator is correct.

Our analyses of the various price increases show that the steel companies, following the wage increases, increased prices far above what would have been necessary to compensate for the wage increases.

In fairness I wish to point out that if we consider the average profit the steel companies have been accustomed to make, some of the wage increases would have justified some price increases, but not to the extent the prices were increased.

Mr. MORSE. That is the point.

Mr. KEFAUVER. I also desire to point out that I have always been friendly to the American working men and women. I should like to see every workingman receive a good wage. I have been friendly to the cause of the workers. However, I think from their own point of view at the present time, with many thousands of people unemployed in the steel industry, it would perhaps be much better for the workers themselves to forego a few extra cents in wages an hour and limit their demands to the increased productivity, with a viewpoint of bringing more people back to work and getting the economy rolling, so that their fellow workers can be employed.

Furthermore, if we have the same merry-go-round we have had before, a year from now or 6 months from now the small additional amount the wage earner might receive will be washed out by the decreased value of the dollar, as the Senator from Oregon so well knows.

Mr. MORSE. Will the Senator permit one or two more questions? I think this is a vital subject.

Mr. KEFAUVER. I yield further.

Mr. MORSE. Is it not true that the steel industry today is producing at considerably below capacity?

Mr. KEFAUVER. The steel industry at one time last year went down to about 50 percent of capacity.

One remarkable thing—which proves the point about administered prices—is that ordinarily when production of an industry declines, the industry lowers its price in order to obtain more business and bring production up. However, in the face of the operation at 50 or 55 percent of capacity in the steel industry, prices were maintained and were even increased.

At the present time, the steel industry is operating in the neighborhood of 80 percent of capacity, to some extent because there is a feeling in the country and in the industry that there is going to be a steel strike which will close down the mills. Therefore, many manufacturers are buying steel so as to weather the period ahead.

Mr. MORSE. Is it true that there is a demand for steel in excess of the present productive activity of the industry? In other words, could the steel industry sell much more steel than it is now producing?

Mr. KEFAUVER. The steel industry could sell much more steel if the prices were somewhat lowered. We have been losing our foreign markets in steel. Many of the domestic users of steel are turning to other products as substitutes for steel. If there were not a price increase every year, certainly there would be a sufficient demand for steel to keep the plants going at full capacity.

Mr. MORSE. Is it true that the steel industry as a whole has been making more money by producing less steel and selling it at higher prices than it could make if it produced more steel and sold it at more reasonable prices? It is my understanding that if the industry produced more steel and sold it at more reasonable prices, the industry might make as much money and it would help put thousands of men back to work.

Mr. KEFAUVER. It is undoubtedly true that in the steel industry as well as in the other heavy industries such as the automobile industry, there is a break-even point; that is, an industry must have production up to a certain amount in order to break even. Whatever is produced above that point, in an increasing percentage brings more and more profit. I do not know exactly the break-even point in the steel industry, but it is lower than the break-even point in most industries. The fact that the steel industry has been able to operate at 50 or 55 percent of capacity and still make money indicates that the break-even point is somewhere below that percentage figure. The steel industry could make a great deal more money, could give more people employment, and could contribute more to the economy, if it would sell steel at a lower price. In that way the steel industry could produce more steel and operate more nearly at plant capacity, rather than by keeping the prices high and running at a reduced capacity.

Mr. MORSE. I close my questioning of the Senator from Tennessee by saying that I think he has made a valuable contribution in his studies of the steel industry. I hope he and his committee will continue the investigation of conditions in this industry.

I hope the White House will start paying some attention to the production policies of the steel industry, because what we have been confronted with from the steel industry amounts in fact to a species of "highjacking" of our economy.

The steel industry has been underproducing and overcharging, with the result that there has been a very bad effect on the economy as a whole. Whenever we find any major industry—whether it be the steel industry, the oil industry, or any other major industry—having such a tremendous influence on the economy as a whole, it is the duty of Government to step in and to impose those minimum checks necessary to stop that kind of exploitation.

I think action by the President of the United States is long overdue in regard to the steel industry and in regard to making recommendations to the Congress as to what legislation should be enacted in order to prevent the steel industry from following a price, production, and employment program that is disruptive of our economy. In my judgment we have let the steel industry run wild in regard to a price structure that has given it exorbitant profits. It is about time for us to say to the steel industry, "Under a system of enlightened capitalism you have no right to follow principles of cartelism." The policy of underproducing and overcharging is typical of the cartel system. Furthermore let us keep in mind that the steel industry is in fact a highly subsidized industry, I say that because so much of its huge profits come out of the Nation's defense program. Here is an industry that should be regulated by Government in the national interest.

Mr. KEFAUVER. I thank my distinguished colleague from Oregon very much for his contribution to the discussion.

I think his points are indisputably well taken: First, the price of steel is of the greatest possible importance in our economy, in the determination of the question whether we are to have inflation or not.

Second, that at the present time the price of steel is fixed by the conscience of management. It is an administered price. Whether the industry is operating at 80 percent or 50 percent of capacity, the price is fixed, and all steel companies follow the administered price. The present inflation is being led by the cost of steel.

Third, for a long time—since last May, and even before that—many of us have been urging the President to bring together the leaders of the steel industry and the leaders of the United Steel Workers, and appeal to their patriotism, asking each side to make some concessions in order to try to hold down the price increase of last year.

The President stated that he hoped it would be held down, but the great influence of his Office was not brought to bear. I am happy to say, however, that the statement from the White House today shows that the President is more deeply concerned about the subject. I hope this means that he will really place the force and strength of the Office of the Presidency behind the effort to hold down prices, and ask for a reasonableness on both sides, in order that we may stop inflation, and avoid another round of inflation, which will come just as surely as the price of steel is raised, at the end of June or later.

Our hearings on administered prices have shown that steel prices are directly responsible for inflation in our economy. More and more this fact has come to be accepted by a large number of economists, and now the President of the United States has joined this urgent cause. Now is the time for real statesmanship in the industry, if we are to control the destructive inflation which eats up everyone's dollars, including the dollars earned by the steelworkers themselves.

DEATH OF SAMUEL WILDER KING, FORMER DELEGATE IN CONGRESS FROM HAWAII

Mr. GRUENING. Mr. President, it is with great regret and profound sorrow that I have to report the death in Honolulu of Samuel Wilder King, former Delegate from Hawaii in Congress and former Governor of Hawaii.

Samuel Wilder King was a great statesman and a wonderful human being. I got to know him first when I came to Washington in 1934 as the first Director of the newly created Federal agency, the Division of Territories and Island Possessions of the Department of the Interior.

Sam King was shortly thereafter Hawaii's Delegate. I worked closely with him and found him—as all who knew him were bound to find him—able, lovable, public spirited, a charming gentleman, and a devoted public servant. He was already at that time, 25 years ago, profoundly concerned about statehood for Hawaii. Hawaii did not have many problems of concern to the Congress, as did Alaska. Hawaii was an almost self-sufficient, well-governed Territory, economically a going concern. I believe the principal battle in Congress we had in those years was in relation to adequate sugar quotas and perhaps to work to repeal the one discrimination from which Hawaii suffered; namely, its inability to refine all the sugar it produced. There were some other problems in relation to homesteading. Statehood for Hawaii—first-class citizenship for Hawaii's people—was Sam King's great concern.

Sam King was of part Hawaiian origin. In his veins flowed both the blood of his Anglo-Saxon ancestry and his Polynesian forebears: the strain of that great race of navigators who, long befor the coming of the white man, spanned the wide reaches of the Pacific in great canoes, and were appropriately called "Vikings of the Dawn." Sam King spoke the melodious Hawaiian tongue fluently. He had a deep feeling, not merely for his fellow descendants of Polynesian ancestry who constituted the entire population of Hawaii up to the time of the discovery of those islands by Captain Cook and the subsequent coming of the New England missionaries and others, and who have given the Hawaiian Islands their beautiful customs and folkways, their music and dances, their generous use of flowers as shown by that unique Hawaiian bouquet—the flowering lei, which is the symbol of Hawaii's aloha—but he was also keenly sympathetic with the problems of all the diverse racial groups which together constitute the amalgam of races in Hawaii, who, thoroughly

American in their principles, spirit and actions, constitute the finest example of ethnic democracy under the American flag.

Sam King was a graduate of the Naval Academy, I believe in the class of 1913. He had retired from the Navy with the rank of lieutenant commander because he felt that his then slender salary was inadequate to support his splendid family of wife and five children. Immediately after Pearl Harbor, he rejoined the Navy, was promoted to the rank of commander and then to captain, and served with distinction in the Pacific theater of operations. While he was actively aiding in the defense of our Nation he was very understanding of the plight in which the Americans of Japanese descent—the Nisei in Hawaii—found themselves. Wholly aware of their unquestioned patriotism and 100 percent loyalty, and the difficult situation in which they found themselves because of the totally unfounded and unjust suspicion that their loyalty to the American flag might not be absolute, he missed no opportunity to defend them and in the heat of war-aroused passions, was occasionally severely criticized for this proper and gallant attitude so characteristic of him. The outstanding patriotism of those Americans of Japanese descent has been proved in blood beyond peradventure since that time in World War II and in Korea.

Those of us who knew Sam King, were rejoiced when the Eisenhower administration appointed him Governor of Hawaii. He was the first Governor who, through his part Anglo-Saxon and part Polynesian ancestry, was a true representative of the diverse strains which make up the population of Hawaii. He and his wife, Pauline, brought all the grace and charm and warmth of hospitality, which is characteristic of Hawaiians, to Iolani Palace, the seat of the government of Hawaii, and to their official residence in Washington Place. Those who knew him deeply deplored the failure of the Eisenhower administration to reappoint him to the governorship. We greatly mourn his untimely passing. The only consoling aspect of this tragic loss is that Sam King lived to see statehood come to Hawaii—the statehood for which he worked so earnestly and devotedly beginning a quarter of a century ago, and for which he laid the foundation on which his worthy successors as Delegates to Congress—the late Joseph Rider Farrington, his widow, Betty Farrington, and John A. Burns—were able to build until victory was achieved.

The deepest sympathy of all those who knew Sam King and his family will go out to Pauline, his lovely wife, and their five wonderful childre . There will be few flowers left growing in Hawaii today; the love of the people of Hawaii will bring them to his bier.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. KEFAUVER. I was shocked to learn this morning of the passing of Samuel Wilder King. I join my colleague from Alaska in paying tribute to his life, his character, and his devotion to public duty.

When I first became a Member of the House of Representatives in 1939, Mr. King was the Delegate from Hawaii. He was very active, and always thoughtful. As has been stated, he worked hard for Hawaiian statehood. He made a great contribution to the thinking of many Members of the House of Representatives on political and economic subjects.

I had the privilege to visit Hawaii when he was there. It was gratifying to find the high esteem in which he was held by his fellow citizens of Hawaii.

Mr. President, it speaks well for the type of representation Hawaii will have in the House of Representatives and in the Senate, now that she has become a State, to look back and think of the outstanding Delegates who have served Hawaii in the House of Representatives. Samuel King was the first one I knew. As I remember, he was succeeded by Joe Farrington, a Republican. Following Joe Farrington's death, his widow succeeded him for a time. Then more recently JOHN A. BURNS has been making an outstanding record in representing the people of Hawaii.

With persons of this kind chosen to represent Hawaii, we can be sure that the people of Hawaii will have a high caliber of representation in the Senate and in the House.

It is my pleasure to know Mrs. King and the other members of the family. I join my colleague in expressing our deep sorrow and sympathy to them.

Mr. CARLSON. Mr. President, I regret very deeply to learn of the death of Sam King. I appreciate very much the splendid statement the Senator from Alaska has made with regard to his service. It was my pleasure to serve with Sam King for many years in the House of Representatives when he was the Delegate from Hawaii. I have known no man who has been a more devoted, able, and consecrated servant of the people than Sam King. He served the people of Hawaii very well indeed. He was a gentleman at all times. He never passed up an opportunity, as the Senator from Alaska has said, to discuss the importance of the Hawaiian Islands and of their need for statehood. That was one of the problems on which he worked constantly. It was my great privilege to be associated with Sam King. I learned to know also Mrs. King and the family, and I, too, extend my sincere sympathy to them.

Mr. KEATING. Mr. President, it was a shock to me to hear of the death of Sam King. I join in all the warm and kind sentiments which have been expressed by the distinguished Senator from Alaska. Sam King had left the House of Representatives when I became a Member. Joe Farrington was the Delegate at the time. However, the work and devoted effort and courage which Sam King had shown in his representation of the people of Hawaii were often the subject of discussion in the cloakroom. His great moral courage during World War II was particularly the subject of comment. He represented the very best of what we have learned to be the outstanding characteristics of the Hawaiian people. His bloodstream was typical of the finest of those Islands.

I join in expressing regret at his passing, and in extending deepest sympathy to his wife and family.

Mr. BRIDGES. Mr. President, I wish to join the distinguished Senator from Alaska [Mr. GRUENING] in paying my tribute to Sam Wilder King, formerly the Delegate to Congress from the Territory of Hawaii, and formerly the Governor of Hawaii. I knew him well, and I valued his friendship. I recognized him as a great public servant, a fine friend, and one whose public service to the Territory he represented and to this country will long be remembered.

Mr. SCOTT. Mr. President, I am one who served in the other body with the late Delegate Samuel Wilder King. I knew him when he was Governor of the Territory of Hawaii. I join with all of his friends who are deeply grieved at his passing. He was an able statesman, a fine executive, and a beloved citizen.

Mr. MURRAY. Mr. President, I wish to join my colleagues in expressing my personal sorrow, and sense of personal loss, at the death of former Governor Samuel Wilder King, of Hawaii. Through long years he and I were closely associated in the fight for statehood for Hawaii. My sorrow at his passing is tempered with satisfaction, at least, over the fact that he lived to see his dream of full equality in our Union of States for his people become reality.

In our long, common effort for enactment of statehood legislation I learned to admire him and to respect him greatly as a man as well as a devoted, dedicated public servant.

I well recall that when last I visited the then Territory of Hawaii, as chairman of the Committee on Interior and Insular Affairs, Governor King was in office, and it was he who came aboard the boat that brought me into beautiful Honolulu. He greeted me on behalf of the people of Hawaii, then immediately on the way to the hotel we plunged into work on Federal legislation for the Territory.

He was a tireless, resourceful worker and battler; the soon-to-be State of Hawaii and the Nation both are the poorer for his passing.

Mr. President, I was the ranking minority member of the Interior and Insular Affairs Committee in the 83d Congress when the nomination by President Eisenhower of Samuel Wilder King to be Governor of Hawaii was reported favorably to the Senate, which confirmed him without a dissenting vote.

I ask unanimous consent that an extract from those hearings appear in the RECORD at this point.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. JOSEPH R. FARRINGTON, DELEGATE IN CONGRESS FROM THE TERRITORY OF HAWAII

Delegate FARRINGTON. Mr. Chairman, I am Joseph R. Farrington, the Delegate to Congress from Hawaii, and I am appearing to recommend prompt action on the confirmation of Mr. King, who has been nominated

to be Governor of the Territory of Hawaii. I think that is especially important, as you have pointed out, because the Legislature of the Territory was convened yesterday for its regular biennial session, and they are anxious to have the new Governor qualified for very obvious reasons.

I do not believe it is necessary for me to make an extended statement about Mr. King, because I think he is personally acquainted with every member of this committee, with the possible exception of one. It is my opinion that he would be the choice of the overwhelming majority for the people of Hawaii. The great popularity of that choice was attested to on Tuesday night, when he returned home to Hawaii, following the announcement Monday of his appointment. He was welcomed by an enormous throng, and with the greatest of enthusiasm. The people of Hawaii believe that Samuel Wilder King is better equipped than any other man in the Territory to meet the unique responsibilities of that office at the present time.

He was born in Hawaii. He graduated from the U.S. Naval Academy after receiving an appointment from the Delegate to Hawaii. After his resignation from the Navy, he was elected to the Board of Supervisors of the City and County of Honolulu, and then in 1934 he was elected as Delegate to Congress, where he served with distinction for a period of 8 years. He served in the Navy during the period of World War II, and since its conclusion he has been a resident of Hawaii, and called upon repeatedly to deal with serious problems confronting the Territory. He is equipped in every respect for the office, and I trust his confirmation will be very prompt.

The CHAIRMAN [Senator Hugh Butler of Nebraska]. His latest assignment, I understand, Mr. Delegate, was as chairman of the constitutional convention.

Delegate FARRINGTON. Yes; he served as chairman of the constitutional convention in 1950, that drafted the constitution of what we hope will soon be the State of Hawaii.

He is also chairman of the Hawaii Statehood Commission at the present time.

The CHAIRMAN. I will say for the record that before taking this matter up and laying aside temporarily the submerged lands case, I conferred with the members of the minority as well as the majority of the committee, and it was by unanimous consent that this action was taken at this time.

Now, are there any questions that anyone wants to ask Mr. Farrington?

Senator BARRETT. I agree wholeheartedly with everything that my good friend, Joe Farrington, said about Mr. King, and I have no questions to ask, Mr. Chairman.

Senator KUCHEL. I have no questions.

The CHAIRMAN. Mr. Cordon?

Senator CORDON. Mr. Chairman, I have known Mr. King for a number of years, and I have been closely associated with him in connection with investigations into Hawaiian statehood matters, I have conferred with him many, many times here, and I know that in Hawaii he is probably better loved than any individual in the islands. I am sure that his appointment will meet with almost universal agreement in all of the islands. He is a competent man in his own right, and he has a background of experience, and I am sure that it is an ideal selection for the high position of Governor of the Hawaiian Territory.

The CHAIRMAN. Senator ANDERSON.

Senator ANDERSON. It was my pleasure to serve in the Congress in the House of Representatives with Sam Wilder King in the 77th Congress. The space in the House Office Building was a little crowded, and they had to make some new offices up on the fifth floor, with four different Representatives moving there. My office was next to the office of Sam Wilder King. I think that I got to know him about as well as almost anyone in the House of Representatives. If there could be a finer selection for Governor of Hawaii than Sam Wilder King, I do not know who he is. I think he is thoroughly representative of all of the people. I say that in order to make sure that we cover the political parties out there, and I say it for this reason, that he served in the Congress at a time when the Democrats were in control of the House, and they naturally had a responsibility for listing the Delegate along on the Democratic side, because it is traditional to list Delegates with the majority party. He served in the Congress and left the Congress without my finding out that he was a Republican. I am happy to say that every contact that I had with him was as fine as the experience could be with an individual. I think he is an extremely qualified person, and he has a lovely family; they are fine folks and they are good citizens, I am sure. I would be very happy to vote for him.

The CHAIRMAN. That is a splendid statement from Senator ANDERSON.

I will request, Mr. Farrington, that you file the biographical sketch with the reporter.

(The document referred to is as follows:)

"BIOGRAPHICAL DATA ON SAMUEL WILDER KING

"Samuel Wilder King, a candidate for the Presidential appointment to the governorship of Hawaii, has long and with distinction served his country, his native community, and his party.

"As a naval officer he saw service through two world wars. As a public official he was elected and reelected to four successive terms as Delegate to Congress from Hawaii. As a veteran Republican Party member and official, he served his party in capacities ranging from precinct club worker to central committee chairman.

"Samuel Wilder King is a native son of Hawaii. He was born in Honolulu on December 17, 1886. He attended St. Louis School, the old Fort Street School, and Honolulu High School, now McKinley High School.

"He was appointed to the U.S. Naval Academy by Delegate Jonah Kuhio Kalanianaole in June 1905. He graduated in 1910.

"He married Pauline Evans, of Honolulu, on March 18, 1912. Two daughters and three sons were born of this marriage.

"Family data

"His father was Capt. James A. King, who came to Hawaii in the 1860's to become a pioneer in the interisland shipping industry. Later, from 1893 to 1898, James A. King served as Minister of the Interior in the then Republic of Hawaii.

"His mother was Charlotte Holmes Davis King, the descendant of a distinguished part-Hawaiian family founded by her great grandfather, Oliver Holmes, who came from Plymouth, Mass., and settled on Oahu in 1793. Oliver Holmes married Mahi, the daughter of a high chief of the island of Oahu, and, for a brief period, under Kamehameha I, served as governor of that island.

"Naval record

"Upon his graduation from Annapolis, Samuel Wilder King served for 2 years with the Pacific Fleet as a junior watch officer aboard the old U.S.S. *South Dakota*. The next 4½ years, from 1912 to 1916, were spent with the Asiatic Fleet as watch officer on U.S.S. *Cincinnati;* executive officer of U.S.S. *Villalobos;* and commanding officer, while still an ensign, of the U.S.S. *Samar*. The latter two vessels were gunboats on the Yangste River patrol, where he served for 30 months.

"World War I found him a department head on U.S.S. *St. Louis*, on escort duty in the North Atlantic, convoying troops and cargoes to France and England. After service on the staff of Adm. Hilary P. Jones, war's end saw him in command of an armed yacht, U.S.S. *Harvard*, in European waters and, later, in command of the U.S.S. *Aphrodite*, in English and German waters during the armistice negotiations.

"A brief tour of shore duty followed and he returned to the 14th Naval District, Pearl Harbor, as district intelligence and morale officer. When the Navy participated in the South Seas exploring expedition of 1923–24 to all the islands northwest of Hawaii from Nihoa to Midway, to Wake Island and the islands southwest from Palmyra to Jarvis, Samuel Wilder King was in command.

"On December 31, 1924, he resigned his Regular Navy commission, remaining in the Naval Reserve until 1928, with the rank of lieutenant commander, and engaged in the real-estate business in Honolulu.

"The interval to World War II was devoted to public and civil service.

"In 1942 Mr. King had already been nominated to his fifth term as Republican Delegate to Congress. He withdrew from the campaign after the primary election voluntarily, returning to active Navy service at the age of 56 with the rank of lieutenant commander. He requested and was granted a tour of duty in the Pacific combat area.

"World War II record

"As Lieutenant Commander King he served on the staff of the commanding general, Samoan Defense Area, when that sector was still in the front line. He helped occupy and prepare advance bases beyond Funafuti in preparation for the Gilbert Islands occupation. He served briefly at Majuro Island in the Marshalls and then participated in the attack on Eniwetok Atoll where he remained for a period as port director. Later he was in command of the port director's unit in the attack on Saipan, and remained there to become commander, naval base, under Major General Jarman as island commander.

"For his services at Saipan, Mr. King was awarded the Legion of Merit and promoted from commander to captain, United States Naval Reserve. He stood by to assume command of all five ports of debarkation as overall port director in the projected invasion of Kyushu Island. He remained on active duty voluntarily to serve as port director at Wakanoura, Japan, the port of debarkation of the Sixth Army, which served as the occupation force for Osaka, Kobe, Kyoto, and Nagoya.

"He returned to his home in Honolulu in December 1945, and was retired with the rank of captain as of February 1946.

"Civic record

"As a civilian between two World Wars, Samuel Wilder King found time to devote to many civic interests. One of these stemmed from the conviction that if the political party system were to persevere and prosper it must be nourished at its roots, the precinct club. Sam King for 30 years has been a member and active worker in his, the first precinct, fifth election district.

"With his military record, it was natural that the welfare and affairs of veterans should compel his time and personal interest. His membership in the Veterans of Foreign Wars dates back 30 years. He is a past department commander, VFW.

"As a member of the American Legion, he is a charter member of Honolulu Post No. 1, and a past department vice commander.

"He is a member of the Honolulu Realty Board and has served that body as president.

"He is a member and past president of the Hawaiian Civic Club; member, Alii Chapter, Hui Kamehameha, a Hawaiian fraternal organization; and member and past president, Hawaiian Historical Society.

"Public record

"Samuel Wilder King's record of service in varied appointive and elective positions continues as an impressive and notable one.

"He was a member and executive secretary of the Territorial entertainment committee to receive and entertain the U.S. Fleet on its first visit to Hawaii in 1925.

"He was named to the Territorial tax commission that reorganized the tax system and established the taxation maps bureau to simplify identification of real property. . .

"In April 1932 he was appointed to fill a vacancy on the Board of Supervisors of the City and County of Honolulu.

"He ran for election as supervisor at the 1932 election and was 1 of 2 Republican members to survive the Democratic 'landslide' of that year.

"Gov. Lawrence M. Judd named him as one of the three home-rule commissioners who proceeded to Washington to oppose the passage of the Rankin bill, which would have removed residential requirements for appointment of the Territorial governor, secretary, and justices and judges of the Territorial courts, thus paving the way for 'carpetbag' appointments. The commission was successful in its mission; it convinced the administration that the legislation was both unnecessary and repugnant to the principle of home rule and it was withdrawn from consideration.

"In 1934 Sam King ran for Delegate to Congress against the Democratic incumbent and won the election.

"He was reelected in 1936, 1938, and 1940. In 1942, in the primary election for Delegate, Mr. King received 3½ votes to 1 for his Democratic opponent. It was at this point that he made his decision to give up his congressional seat to return to active duty with the Navy. Upon his return to civil life in 1946, as a member of the Governor's emergency housing committee, he aided in the development of a program that greatly relieved the acute housing shortage.

"Long a leader, in Congress and in private life, in the Hawaii statehood movement, Mr. King has served as a member of the Hawaii Statehood Commission since its creation in 1947, and as its chairman since 1949.

"For 1 year he served as chairman of the Hawaiian Homes Commission, a Territorial agency for the settlement of Hawaiians on public lands. During his tenure there was worked out a major program for the development of a pastoral project on the island of Hawaii.

"Political record

"Sam King has been an active Republican Party worker for three decades. For one of these he functioned at the precinct-club level, an ideal training site for one who was to devote so much of his life to party organization and elective public service. He rose steadily in the party councils as shown by the successive party posts he held.

"In 1934, before becoming a candidate for Delegate to Congress, he had served as chairman of the Republican Territorial central committee. He had served as chairman of the Republican preconvention platform committee and of the convention resolutions and platform committee on several occasions.

"He was chairman of the 1948 Republican Territorial central convention and keynote speaker of the 1950 convention.

"He was a delegate to the Republican National Convention of 1936, 1940, 1948, and 1952; serving as chairman of the delegations from Hawaii in 1940 and 1952.

"The constitutional convention, authorized by the Territorial legislature to frame a State constitution for Hawaii with 63 elected delegates, gave Mr. King an opportunity for further distinguished service to his homeland.

"He was the only constitutional convention delegate running at large on Oahu elected outright at the primary. When the assembly convened for its historic purpose, Mr. King became the unanimous choice of the delegates for president of the constitutional convention.

"It is worthy of note that the majority report of the U.S. Senate Committee on Interior and Insular Affairs, in discussing the State constitution, said:

" 'The committee feels that this constitution speaks for itself * * * as an example of the political maturity of the people of Hawaii.' "

Senator LONG. I move Mr. King be confirmed.

Senator KUCHEL. Seconded.

The CHAIRMAN. The motion is made and seconded that the nomination be reported favorably to the Senate.

I will say for the benefit of those present that Mr. SMATHERS is on his way here. I have the proxies for some others who are not present. However, I believe when all members are heard from the report will be unanimous.

(NOTE.—Senators Eugene D. Millikin, George W. Malone, Arthur V. Watkins, Henry C. Dworshak, James E. Murray, and George A. Smathers subsequently advised the chairman they desired the RECORD to show that they joined in making the vote of the committee unanimous in favor of the nomination of Mr. Samuel Wilder King, of Hawaii, to be Governor of the Territory of Hawaii.)

Mr. BARTLETT. Mr. President, I should like to be counted among those who on the floor of the Senate this day have paid tribute to Samuel Wilder King. The news of his death came as a shock, and I, for one, received it with a feeling of personal loss. I had known him for almost 20 years.

Sam King was a great son of a great island people. His dedication to his beloved Hawaiian Islands was complete, and he served them well in his many years in public office. Sam King was both a Delegate in Congress and the Governor of the Territory of Hawaii, and he sought always to change the political status of the islands from territorialism to statehood.

He served the people of the Nation well, too, during his distinguished career in the U.S. Navy.

My deep personal sympathy goes to his family. We all will miss Sam King.

THE LABOR REFORM BILL

Mr. GOLDWATER. Mr. President, today the Committee on Labor and Public Welfare finished its work of more than a month on the so-called labor reform bill and voted to report the bill to the Senate.

I express my appreciation to the chairman of the subcommittee for his patience and indulgence in listening to the discussion on the large number of amendments which were offered. I am sorry he did not see fit to consider a number of amendments which I feel would have made the bill a better labor reform bill. But we will have a chance to offer and debate them on the floor of the Senate.

The press of the Nation is becoming aware of the inadequacies of the Kennedy-Ervin bill. To demonstrate this fact, I ask unanimous consent to have printed at this point in the RECORD editorial comments from the press throughout the Nation.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 3, 1959]

RETAILERS SCORE NEW LABOR BILL—GROUP SAYS KENNEDY CONTROL PLAN IS WORSE THAN NO LEGISLATION AT ALL

WASHINGTON, February 2.—The American Retail Federation attacked the Kennedy labor control bill today, implying it would be worse than no legislation at all.

Harry L. Browne, Kansas City, Mo., an attorney speaking for the federation, assailed the antiracketeering sections of the measure as well as the changes Senator JOHN F. KENNEDY, Democrat, of Massachusetts, seeks to make in the Taft-Hartley law.

"The greatest danger we now face is that a bill will become law which only scratches the surface of a deep-rooted problem," Mr. Browne said.

"Passage of such a bill will lull the public into complacency and, at the same time, act as a license for some unscrupulous labor leaders to increase use of the very weapons they used to gain their position of dictatorial powers—namely, organizational picketing and secondary boycotts."

EIGHT HUNDRED THOUSAND IN GROUP

Mr. Browne said that his organization consists of 31 national retail associations and 38 statewide retail associations having a membership of 800,000 retailers.

The Associated General Contractors of America also criticized the Taft-Hartley features of Senator KENNEDY'S bill—but supported the general principles of the measure designed to deal with labor corruption.

Frank J. Rooney, of Miami, Fla., appearing for the contractors group, also attacked one provision in the rival labor bill offered by the Eisenhower administration.

The witnesses appeared before the Labor Subcommittee, headed by Senator KENNEDY, opening its final week of public hearings on the legislation.

Mr. Browne said that provisions of the Kennedy measure for union financial reporting in some cases weakened the Taft-Hartley law. The election-democracy code for unions in the measure is inadequate, he said.

CALLS STORES VULNERABLE

Mr. Browne said that retail stores were peculiarly vulnerable to organizational picketing and secondary boycotts. The Kennedy bill, he said, does not touch secondary boycotts at all and its provisions aimed at blackmail picketing are limited to situations which have almost never arisen.

Mr. Rooney assailed a section of the administration bill providing that secondary boycotts in the construction industry would no longer be considered unfair labor practice in certain circumstances. He noted that the Kennedy bill did not contain this.

"Secondary boycotts are indefensible wherever found," Mr. Rooney said.

A secondary boycott occurs when pressure is put on a third party in a labor dispute.

[From the Wall Street Journal, Mar. 11, 1959]

PICKETS AND BOYCOTTS—UNIONS WIELD THEM AS BLACKJACK TO BELABOR BUSINESS

(By Robert D. Novak)

WASHINGTON.—The sumptuous Waldorf-Astoria Hotel in midtown Manhattan came perilously near to closing its doors in 1956. The hotel had no labor trouble of its own, but a dispute in the separately-owned hotel barber shop almost brought the $25 million-a-year business to a standstill.

That same year, trucker Tom Coffey in tiny Alma, Nebr., was forced to go out of business. Mr. Coffey, who had plenty of labor trouble of his own, had refused to sign a contract with the Teamsters Union.

The big hotel and the Nebraska small businessman had felt the cutting edge of two union weapons that the Eisenhower administration wants to dull: Organizational picketing and secondary boycotts. It is this attempt that is producing the most heated words in the current congressional debate over labor reform. President Eisenhower argues that no labor bill can fight racketeering effectively without curbs on "blackmail" picketing and boycotts, but labor bitterly opposes the President's proposals as restricting legitimate as well as illegitimate union practices.

EMPLOYEE INTEREST

The union-favored labor reform bill of Democratic Senator KENNEDY, of Massachusetts would prohibit picketing aimed at extorting money from an employer. The administration bill would go much further; it would ban picketing when a union could not show that employees had a sufficient interest in joining a union.

The two programs are more sharply contrasted when it comes to secondary boycotts. Mr. KENNEDY would make no change in the present law aimed at stopping unions from forcing a neutral employer to cease business dealings with a strike-bound employer. The Taft-Hartley Act prohibits a strike against a neutral employer or a union inducing its members to strike the neutral, but many a loophole has been found. The Eisenhower bill would try to close two of the biggest by prohibiting unions from applying pressure directly on a neutral employer as well as through his workers and by extending the ban to the actions of one employee as well as several acting together.

Predictions are risky in the shadowland of labor law. But the administration's proposals, had they been on the statute books, might well have aided the Waldorf-Astoria and Mr. Coffey in addition to hundreds of other businessmen across the country.

The hotel's woes began when the then AFL Barbers Union failed to woo employees of the barber shop, owned by Terminal Barber Shops, Inc., away from their independent union. The AFL unit promptly threw a picket line around the hotel. This didn't have much impact in the way of reducing haircut business, but it served as boycott activity aimed at pressuring the hotel into severing its relationship with the barber shop. Because of Barber Union pickets at the hotel's service entrance, Teamster members refused to drive trucks in with food and drink or drive trucks out with garbage. Waldorf-Astoria officials soon left no doubt that they would prefer to close the barber shop than see the hotel shut down. The barber shop employees, facing the loss of their livelihood, disbanded their independent union and joined the AFL unit.

In contrast to the hotel's experience, Mr. Coffey was the target rather than the instrument of union tactics. The Teamsters had demanded recognition even though they had union cards for only 7 of his 22 drivers and refused to agree to a recognition election conducted by the National Labor Relations Board. When he declined recognition, the union picketed the company. Then, truckers with Teamster contracts refused to exchange freight with Coffey Transfer Co. Business dwindled for about a year until Mr. Coffey sold out for a third of the price he had been offered 3 years before.

Picketing has been used often for objectives other than winning a labor contract. The Teamsters and the now-famous Labor Relations Associates of Nathan Shefferman, a potent team elsewhere in the Nation, used it in dealing with many a small businessman in Flint, Mich.

This was the basic pattern of the Flint operation: A Teamster official suddenly would demand that a businessman recognize the union as bargaining agent for his workers. A picket line would be established, and then a Shefferman aide named George Kamenow would step from the wings. Offering his service as a labor relations consultant, Mr. Kamenow would request a hefty fee and the Teamsters would fade away. Records of the special Senate Investigating Committee show Mr. Kamenow lavished the money on Teamster officials for everything from Christmas gifts to a gala trip to the Rose Bowl.

The Teamsters, refusing to permit a recognition election, set up a picket line around Flint's Skaff Rug Co. in 1956 when the company refused to sign a contract. Skaff Rug next agreed to pay the Shefferman organization a $2,000 fee and $75 to $100 each month, and the Teamsters were not heard from again. Another Flint firm, Advance Electrical Supply Co., found itself surrounded by Teamster pickets in 1954 without warning. After the customary $2,000 payment to Mr. Kamenow, the pickets disappeared. The company had no contract with the union throughout the episode.

Chicago restaurateurs have encountered much the same problem at the hands of Restaurant Workers locals. In 1950, one local without employee support deployed pickets around the plush London House, in Chicago's commercial district. The famed center of jazz music selected 40 employees at random as union members, and dues wound up being deducted from their paychecks for a net loss in take-home pay. A Howard Johnson restaurant in suburban Niles, Ill., trying to get rid of Teamster pickets who had little employee backing paid $2,240 in 1952 to lawyer Abraham Teitelbaum for "labor relations" work. The money found its way to the union as initiation fees and dues, and 40 Howard Johnson employees became union members even though neither they nor the bosses knew about it.

Dawson Taylor, a Detroit Chevrolet dealer, was hit by a different approach in 1957. Without proving employee support Teamsters picketed his firm but withdrew when Mr. Taylor agreed to throw his laundry business to the hoodlum-infested Star Coverall Co. After that, the Teamsters lost interest in negotiating a contract.

In the more complex field of secondary boycotts, the most frequently used device is the "hot cargo" agreement under which truckers promise the Teamsters not to exchange freight with a strikebound trucker. The Eisenhower bill would not abolish such agreements but probably would bar the Teamsters from threatening to strike in order to enforce them. Trucking firms invoking hot cargo agreements cost the strike-bound Southwestern Motor Transportation, of San Antonio, Tex., around $1 million in revenue between 1954 and 1958. As for the strike itself, Southwestern's employees at no time expressed interest in joining the Teamsters.

A jurisdictional dispute between the AFL–CIO international unions resulted in a boycott that Burt Manufacturing Co. of Akron, Ohio, estimates has cost $3 million to $4 million in lost revenue. With the Sheet Metal Workers trying to displace the United Steelworkers as bargaining agent at the Burt plant, the company found it tough going to get its ventilators installed by the sheet metal workers.

Examples: A foreman, acting as an individual and not affected by present law, would not permit sheet metal workers to install Burt equipment on a University of Akron construction job, Wooster (Ohio) Sheet Metal Co., under direct union pressure not now covered by the law, promised not to use any more Burt products on its jobs.

MARATHON STRIKE

Although the efforts of the United Auto Workers in its marathon strike against Wisconsin's Kohler Co. have been labeled as a consumer boycott designed to discourage purchases of Kohler plumbing fixtures, there have been secondary boycott implications.

Examples: A plumbing contractor switched to another brand of fixtures for a Fort Leavenworth, Kans., junior high school after being warned by the Plumbers Union that no Kohler fixtures should be used—a form of direct pressure on the employer. A Plumbers Union steward, acting as an individual, refused to use Kohler products on a Bellflower, Calif., residential development project.

The use of organizational picketing and secondary boycotts took one of its most bizarre twists in 1955 when a gangster-dominated New York City local of the old AFL United Auto Workers picketed shops that install glass parts in automobiles. The shops resisted even after shipments of glass parts were halted. All resistance crumbled, however, when one of the shops showed signs of recognizing the union. This would have made possible a secondary boycott directing all work into the one union shop. Labor peace came when the union was recognized and the shops chipped in for a $2,500 payment to convicted labor extortionist John Dioguardi, alias Johnny Dio.

The bizarre twist? About 60 percent of the shops were one-man operations with the owner the only worker. This meant these very small businessmen were paying dues and padding Dio's bank account to become union members just so they could have labor peace.

[From the Richmond Times-Dispatch, Jan. 23, 1959]

WISHY-WASHY LABOR BILLS

The first so-called labor bill to be introduced at this session of Congress has been tossed into the hopper by Senator JOHN F. KENNEDY (Democrat, of Massachusetts).

Except for minor changes, it is a carbon copy of last year's Kennedy-Ives bill. It nibbles around the edge of the problem and leaves the core untouched.

Senator KENNEDY's presidential hopes are well known. He hasn't a chance to win the Democratic nomination, unless he appeases the union hierarchy. Hence he is hardly the man to propose legislation intended to curb abuses of unionism.

KENNEDY calls his bill "bipartisan," but unlike last year's bill it has no Republican sponsor. The GOP is expected to introduce its own labor bill after Mr. Eisenhower has submitted his recommendations in the scheduled labor message.

Since it is generally assumed that any Republican-sponsored labor bill will have to obtain Labor Secretary Mitchell's approval—and since Mitchell is said to have hopes of being a dark horse at the 1960 convention—the chances are that the GOP measure will not be much of an improvement on KENNEDY's timid approach to the problem of curbing massive union monopoly.

The Kennedy bill should be dismissed as a gesture. Senator ERVIN of North Carolina, who cosponsored this wishy-washy proposal, gives it only halfhearted support. He said on Wednesday that he hoped the union-sponsored Taft-Hartley amendments would be dropped. That, basically, is in line with Republican objections to the bill.

Last year's Kennedy-Ives bill—also a mere gesture—passed the Senate 88 to 1, but was buried by a House avalanche of political maneuvers, seemingly intended to sidestep even so feeble a commitment during a congressional election year. At the time we (rather hastily) rebuked the House, on the ground that any union-curb bill would be at least a step in the right direction.

This year the need to halt the inflationary wage-price spiral is even more urgent. The threat of sympathy strikes and secondary boycotts carries the full weight not only of the striking union, but also the threat

inherent in the 16 million membership of the full AFL–CIO syndicate. Therein lies the greatest danger of union monopoly.

The right to unionize, to bargain collectively, and to strike locally should not be impaired (so long as public welfare and national security are not endangered). But unless the threat of nationwide strikes in key industries is removed, the inflationary trend cannot be checked.

[From the Chicago American, Jan. 29, 1959]

IKE'S LABOR BILL

President Eisenhower's labor bill is a much more effective measure than Senator KENNEDY's for putting an end to thieving by union officials and to abuses of union power that injure business and the general public. The President pointed this out (though he did not mention KENNEDY's name) in the message he sent to Congress with the bill.

This, he said, is "complete and effective labor-management legislation, not a piecemeal program." KENNEDY's gentle measure confines itself to reforms designed to protect union members against being exploited. It says nothing about protecting the public against oppression by arrogant union bosses, but KENNEDY says he will take care of that later by proposing amendments to the Taft-Hartley law, and this divided approach justifies Ike's description of his program as "piecemeal."

To protect the funds of union members against the sticky fingers of crooked officials, the President's measure provides that union finances be fully and publicly reported, and to put control of the unions in the hands of their members it requires election of all officers by secret ballot.

And Ike's bill provides, too, for giving the Secretary of Labor authority to conduct investigations and compel unions to obey the law.

For the protection of the American people in general, the President's bill puts restrictions on secondary boycotts. These are designed to ruin business firms by scaring other firms out of doing business with them. The boycott the Auto Workers Union now is conducting against the Kohler Co. of Sheboygan, Wis., is a particularly vicious example of this kind of boycott.

Ike's bill also outlaws the common union practice of picketing an employer to make him drive the people who work for him into a union they do not want to join. This is racket picketing. Union bosses have used it to destroy many small businessmen who stood up for the principle that their employees had the right to decide for themselves whether to join a union or not.

If Congress is really interested in cleaning up labor abuses, it will do better to pass Ike's bill than KENNEDY'S.

[From the Peoria Journal Star, Jan. 30, 1959]

STRONG LABOR LAW NEEDED

Senator JOHN KENNEDY's new labor-management bill, as everyone knows, is considerably less than is needed to protect workers and the public from union racketeers and monopolists. But the old "half a loaf is better than none" argument has been trotted out to justify it.

Sometimes the "half a loaf" argument is logical. But this is not one of those times.

The sordid record of lawlessness in some unions so far produced by the McClellan committee has been brought to the people by every communications medium—newspapers, radio, television, magazines, and newsreel. It has alarmed labor union members as well as the general public. Never has the need for comprehensive reform in any area been so clear and so well understood.

To say that it would be useless to expect Congress to pass a sweeping reform bill, because it is a Democratic Congress heavily indebted to labor union politicians, is to say that the party owes a greater debt to labor bosses than to the rank and file of labor and to the people of the United States.

If the Democrats in Congress feel that way about it, let them bear the blame for failing to vote a reform that is widely demanded. And instead of accepting half a loaf, which would theoretically appease the public, let us continue to demand real reform and set about electing a Congress in 1960 with enough courage to give it to us.

Senator KENNEDY's bill is aimed at characters such as Jimmy Hoffa and his associates. It would drive hoodlums out of labor unions. But it would do nothing about the monopoly power of unions, such abuses as the secondary boycott, blackmail picketing, or the dangers that have grown up with the uncontrolled power of some unions.

Labor unions once needed the protection of the law against big business. Now they themselves have become big business and their power, in some instances, is greater than that of the robber barons of business who brought on antitrust and other restrictive legislation. Public protection against this unrestricted power is as necessary as worker protection against racketeers in unions.

The need for comprehensive reform is proven. The public demand is unmistakable.

This is no time to talk of settling for half a loaf.

[From the Peoria Journal Star, Jan. 29, 1959]

CHANCE FOR LABOR CLEANUP

Congress, with its large majority of Democratic members friendly to the cause of organized labor, has an opportunity this year to clear away some of the abuses which have given certain sections of the labor organization a bad name.

It has before it now two proposals. One is the spineless bill sponsored by Senator KENNEDY, of Massachusetts, which is similar to the legislation passed by the Senate last year and which really will do little toward routing the racketeering bosses from some of the labor unions.

The other is the program presented by President Eisenhower, which also won't accomplish everything which needs to be done but which would go a long way toward providing protection against racket picketing in cases where no labor dispute is involved.

There are rumors to the effect that a third and stronger bill will be presented by Senator MCCLELLAN, who, as chairman of the Senate labor racketeering committee, knows as much as anyone just what is needed to clean up labor.

Certainly the Kennedy bill will not do the job. It obviously was drafted with a primary objective of doing nothing which might offend the labor bosses. It has all the earmarks of the work of a man who is trying to line up strong support for an effort to win a presidential nomination.

The Eisenhower program, whatever its shortcomings, tries to bring racket picketing under control. That section of the bill is desperately needed. Secondary boycotts and racket picketing inflict severe damage on people who are not directly involved in labor disputes and they must be curtailed.

Congress now has its choice. It either can go along with the hollow pretense of adopting the Kennedy bill or it can draft the more workable legislation which bitter experience has shown is the country's need.

[From the Washington Daily News]

RACKETEERS ON THE PICKET LINE

Blackmail and coercive picketing by racketeers masquerading as unions has been thoroughly exposed by the McClellan committee.

As was shown through a series of witnesses, such picketing was an effective weapon for extortion, notably in New York City. There, in the words of Senator MCCLELLAN, "the illiterate Puerto Rican and Negro laborer was misused by both management and labor. In some instances, the employees didn't even know they were in the union. The dues of these union members fattened the pocketbooks of the racketeers and their henchmen."

Two proposals now before Congress seek to provide a remedy at law for this kind of banditry. The Kennedy-Ervin bill would simply forbid picketing for purposes of extortion and is, in our opinion, wholly inadequate.

The Eisenhower administration bill, just submitted, perhaps does not cope fully with the infinite ingenuity of the underworld, but it at least attempts to cover the field.

The administration bill would: Forbid picketing by one union organization after another union had been recognized; or when a valid election to determine union preference had been held within 12 months; or when it cannot be shown that the employees of the business being picketed want what the pickets want; or when the pickets have been marching for a reasonable length of time and a union preference election has not been held.

All our labor law is based on the conviction that the workers have a right to organize and negotiate with their employers through agents of their own choosing. The picket line, as often abused, directly violates that right, forcing workers into unions they don't want and forcing employers to sign them into unions against their will, on pain of financial ruin.

There is nothing in these provisions of the administration bill which would hurt any decent union. They strike, in fact, at racketeering abuses which the AFL–CIO has itself condemned.

[From the Chicago Daily Sun-Times, Jan. 22, 1959]

DO WHAT IS NECESSARY TO CURB HOFFA

A bill that he says would virtually put Teamster Union President James R. Hoffa out of business has been introduced by Senator JOHN F. KENNEDY, Democrat, Massachusetts. It is similar to but not identical with the Kennedy-Ives bill that passed the Senate but became bogged down in the House last year.

The American public will welcome any legislation that would curb the brazen activities of the racket-ridden Teamster Union leadership.

In addition to new laws needed to correct the abuses of unethical labor leaders, other changes in the Taft-Hartley Labor Act have become overdue.

KENNEDY argues against loading his bill with some of these other changes. Later, he says, after a projected study of other amendments to the Taft-Hartley Act is made, he would support a second bill to cover them.

It is understandable that KENNEDY wants to push through speedily a bill to curb Hoffa and not get sidetracked by arguments about labor reforms that have little to do with the Hoffa problem. Senator BARRY GOLDWATER, Republican, Arizona, senior Republican on the Senate Labor Committee, conceded such an approach might be feasible provided the Democratic leadership guaranteed a second bill would be offered.

KENNEDY asked the Senate not to clutter up his bill with amendments banning secondary picketing of customers of a struck company and picketing by a union that does not represent a majority of employees. These prohibitions are advocated by President Eisenhower, who wants to end blackmail picketing.

It seems to us that any bill designed to strike at the excesses of the Teamsters Union should contain prohibitions to end

blackmail picketing. Such changes need not await a general overhaul of the Taft-Hartley Act. They certainly are more appropriate in a bill to curb Hoffa than some other provisions in the Kennedy bill. He includes such union-backed changes as one to extend labor board election voting privileges to strikers replaced by nonunion replacements. What is urgent and anti-Hoffa about this provision?

KENNEDY's bill does ban shakedown picketing by which an individual seeks personal profit or enrichment. But it does not ban picketing used by the Teamsters Union to force unionization of a shop against the will of the employees. Without such a provision, the Kennedy bill is not as strong as it should be to crack down on Hoffa. And if it does not crack down on Hoffa, it loses its claim for urgency.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the senior Senator from Michigan [Mr. MCNAMARA] for himself and other Senators.

Mr. HART. Mr. President, I speak to the amendment offered by the senior Senator from Michigan [Mr. MCNAMARA], of which I am happy to be a cosponsor.

The 3-month withdrawal of temporary unemployment benefits endorsed by the administration and reported by the Senate Finance Committee is, as I see it, totally inadequate in the face of the continuing high national unemployment total. It would be too little, too late.

With the expiration of the TUC program, over 1 million persons will have exhausted all benefits. The House bill will not help 800,000 of these. The House bill will not help the added 540,000 persons who will exhaust their regular insurance in the months of April, May, and June. The House bill will not help the 2,450,000 who will exhaust their benefits between April 1, 1959, and July 1, 1960. The House bill will not help the 2,289,000 persons who have not been eligible for unemployment insurance. In short, it will help only 10 percent of the 4,700,000 unemployed Americans who are looking to the President and the Congress for help.

This is a continuing crisis. It deserves the same type of national action that we have always taken in the face of disaster. We help southern farmers hit by tornadoes and frost. We help Western States with soil erosion and water problems. We undertake regional power developments and flood relief. There are a few who label these things a "public dole" or "budget busters." The majority of us properly are not panicked by such labeling. The burden of these programs has been willingly shared by the people of the large industrial States now in desperate need.

While the bill endorsed by the administration would theoretically help 405,000 persons, I have joined 16 other Senators in cosponsoring Senator MCNAMARA's emergency unemployment benefits bill (S. 1323) as a substitute for the House bill because I am convinced it is more realistic in the face of the current situation. It will provide 16 weeks of benefits to all those who are unemployed and available for work. It is a three-dimensional approach—it would provide benefits for those exhausting their regular State benefits up to June 30, 1960, for those exhausting last year's temporary benefits and for those who have had substantial attachment to the labor force but who have not worked in jobs covered by insurance programs. All of them are unemployed. All of them must be helped through this crisis.

The cruel facts of continuing unemployment cannot be covered over by political slogans about balanced budgets. They cannot be covered over by economic theories about inflation. This is not the time to play "brinkmanship" with the welfare of nearly 5 million Americans and their families. This is not the time to "wait and see if things won't get better." We waited last year and most of the large industrial States ended up by mortgaging their insurance programs for the next 5 years. And unemployment is nearly as high today as it was then. The McNamara bill is needed now.

And while we are watching the administration beat a strategic withdrawal from the unemployment compensation crisis, we also hear rumblings that the White House is considering a veto of the Douglas area redevelopment bill (S. 722) approved by the Senate on Monday.

We need both immediate and long-range measures if we are to restore the country to a level of production, jobs, and economic growth that will truly enable us to balance the budget because we will have the income to do it with. The Douglas bill is part of the long-range attack. The McNamara bill is an essential feature of an effective short-range attack.

I am grateful for the leadership and effort of the senior Senator from Michigan, and I am hopeful that the Senate will support the amendment which he has offered in the nature of a substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the senior Senator from Michigan [Mr. MCNAMARA] for himself and other Senators.

Mr. BYRD of Virginia. Mr. President, I wish to speak in opposition to the amendment offered by the distinguished senior Senator from Michigan and other Senators.

The most outstanding change created by the substitute amendment is that the proposed compensation would be financed by Federal appropriations from the general revenue. I wish to emphasize that the cost would be $875 million, which would have to come from the general revenue. By contrast, compensation under the bill as passed by the House would be paid initially from Federal loans to the States, which would be repaid.

We attach great importance to the two different methods of financing the temporary compensation. The proposed amendment introduces in the present system, set up and operated on insurance principles, a new element—a Federal grant for the payment of compensation—which has the flavor of a relief program, but without any provision for testing the need of the proposed beneficiaries.

This proposal would seriously undermine the principles on which the present program has operated successfully for more than 20 years. Even more important, once congressional grants were made available for financing unemployment compensation, it might be extremely difficult to divorce the program from reliance on congressional grants.

The British experience in financing unemployment benefits from parliamentary appropriations should be a warning to us. During the depression years of the 1920's and 1930's, the British financed a whole series of temporary extensions of benefit from parliamentary appropriations. Each extension was believed to be the last. The large parliamentary appropriations not only threatened to unbalance the British budget; they also so undermined the system that many persons, with negligible prior employment, could draw benefits for an almost unlimited period. We must not, I believe, start on this dangerous downhill road on which it may be difficult to set the brakes.

Provision of Federal grants for the payment of temporary unemployment compensation presents other dangers. The first is that the provision of outright grants might encourage some States to make agreements for the payment of these federally financed additional weeks of compensation, despite the fact that their State was not suffering high unemployment. For example, in the week ending March 7, 1959, insured unemployment—that is, unemployment among persons eligible for benefits under a State law or under the Federal law for Federal employees—ranged among the States from 1.7 to 11.8 percent of persons covered by these State laws. In 11 States, this percentage was less than 4 percent.

Mr. President, I ask unanimous consent to have a table on this subject printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Insured unemployment (State and UCFE), week ending Mar. 7, 1959

[Arrayed by percentage of insured unemployment]

States	Number	Rate
		Percent
District of Columbia	1,507	1.7
New Mexico	5,125	3.1
Colorado	11,373	3.3
Florida	27,895	3.3
Texas	62,199	3.3
Iowa	14,740	3.3
Virginia	26,963	3.6
Kansas	13,614	3.6
Ohio	95,534	3.7
South Carolina	15,707	3.8
Indiana	43,218	3.9
Missouri	40,005	4.0
Wisconsin	35,548	4.1
Nebraska	9,288	4.1

Insured unemployment (State and UCFE), week ending Mar. 7, 1959—Continued

[Arrayed by percentage of insured unemployment]

States	Number	Rate
		Percent
Delaware	5,541	4.3
Illinois	121,317	4.4
Georgia	35,047	4.5
Arizona	10,042	4.6
Utah	8,884	4.6
South Dakota	3,678	4.8
Oklahoma	19,619	4.8
New Hampshire	7,547	4.9
North Carolina	44,419	5.1
Alabama	30,209	5.2
Michigan	101,567	5.3
Connecticut	42,064	5.4
California	208,803	5.5
Massachusetts	86,923	5.6
Maryland	43,611	5.8
Louisiana	35,021	5.9
New York	315,686	6.1
Wyoming	4,111	6.2
Tennessee	41,252	6.3
Vermont	4,588	6.3
Minnesota	45,315	6.5
New Jersey	105,636	6.7
Mississippi	18,284	6.9
Rhode Island	17,395	7.0
Washington	46,076	7.1
Nevada	5,185	7.1
Kentucky	34,446	7.2
Arkansas	20,523	7.7
Oregon	30,091	8.1
Pennsylvania	258,864	8.1
Idaho	9,563	8.4
Maine	17,658	8.9
West Virginia	34,744	9.0
North Dakota	7,233	9.9
Montana	14,161	11.8

Mr. BYRD of Virginia. Mr. President, by contrast, when a State must repay Federal advances for temporary compensation, States with low unemployment are less likely to sign agreements to pay compensation, the cost of which must be repaid to the Federal Treasury.

The second danger is that these grants, if continued, would diminish the incentive of States providing the shortest duration of benefit to increase duration. The Federal grants would enable them to pay additional weeks of compensation at no cost to their employers.

PROVISION OF TEMPORARY UNEMPLOYMENT COMPENSATION TO PERSONS NOT COVERED BY THE UNEMPLOYMENT INSURANCE PROGRAM

The proposed amendment, which would pay temporary compensation from Federal grants to a specified group of persons insured under the old-age, survivors, and disability insurance, but not under unemployment insurance, presents numerous difficulties. This proposal is objectionable in principal because it would provide compensation from public funds to a highly selected group without any evidence that its members were in need.

The amendment in the nature of a substitute presents numerous administrative problems. It would rely, for example, on information available from the Department of Health, Education, and Welfare in order to determine whether these persons had had the requisite amount of employment during the 2 preceding calendar years and had earned the required minimum of $1,000 during 1 calendar year. The necessity of getting this information for any substantial number of claimants would impose additional work on the State employment security agencies and might well delay them in paying benefits to other claimants.

The proposed provision of compensation for the self-employed presents a further problem. It has never been considered possible to include self-employed persons in a system of unemployment benefits because of the impossibility of determining when a self-employed person is unemployed. How is it possible to determine, for example, that a commission salesman is unemployed and is not enjoying a vacation from his work? This inherent difficulty in including self-employed persons might well lead to abuses of the proposed temporary compensation.

COST

At a time when we are making every attempt to balance the Federal budget, we should look carefully at the relative costs of H.R. 5640, as passed by the House, and of its proposed amendment, especially in view of the problems the amendment presents. The Department of Labor estimates that the cost of compensation provided under H.R. 5640, as passed by the House, would approximate $78 million. The proponents of the amendment estimate that their proposals would cost $875 million, more than 10 times the cost of the bill as passed by the House.

I hope the amendment in the nature of a substitute will be rejected.

Mr. CLARK. Mr. President, I desire to reply to the speech just made by the distinguished Senator from Virginia in opposition to the McNamara amendment, first with respect to the cost of the amendment.

While it is true that the gross cost would be approximately $875 million, there is at present unexpended from appropriations heretofore made by Congress for temporary unemployment compensation somewhere in the neighborhood of $205 million. So the net cost would be reduced to $670 million, rather than $875 million.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WILLIAMS of Delaware. Is not the $205 million of unexpended appropriations available for use only in the form of loans repayable by the States?

Mr. CLARK. The Senator is correct.

Mr. WILLIAMS of Delaware. If the amendment were agreed to, it would authorize an $875 million appropriation by the Federal Government, none of which would be repayable. Therefore, I see no connection between the two proposals.

Mr. CLARK. No; it is my impression that the Senator from Delaware is erroneous in that understanding, because I understand the $205 million appropriated but unexpended and not chargeable against the 1960 budget would be available if the amendment were agreed to.

Mr. WILLIAMS of Delaware. That money or any other money could be available; but the point is that if the amendment shall be agreed to, the Government will be paying out $875 million, none of which will be repayable.

Mr. CLARK. The Senator is quite correct. My statement was that the cost in terms of new appropriations was $670 million. I think that is correct. Does the Senator challenge that statement?

Mr. WILLIAMS of Delaware. I disagree with your conclusion. Money which is authorized to be used as a loan cannot be used, by substitution, for a grant. An entirely new appropriation of $875 million would be needed if the amendment were agreed to.

Mr. CLARK. If the Senator from Delaware is correct in his assumption—which he may well be—then the $205 million would not be available for grants, and it would return to the Treasury because not used. So the net amount of new money would be $670 million. That is a large sum of money. It should not be appropriated without careful thought. As the Senator from Michigan has said, I think every Senator who supports the amendment in the nature of a substitute desires to see a balanced budget. I know that I do. I took the floor of the Senate on March 5 to suggest how the budget could be balanced by the closing of tax loopholes, even if the President's budget were to be increased by something in excess of $4 billion.

Among the loopholes which could be closed and which would provide revenue far in excess of the $670 million of new money called for by the McNamara amendment are the following: The mere employment of additional Internal Revenue agents to audit income tax returns has been estimated by the Treasury itself to yield $100 of new revenue for every 38 cents of administrative expense for the additional revenue agents.

If as many as 3,000 such agents were placed on the payroll, as they were in years past, and if all accounts were audited, it is estimated that $2,700 million additional revenue would be received without a single change in the tax laws.

Let us cut that sum in half and make it $1,350 million. There would still be considerably more money raised without any change in the tax laws, merely by employing more agents in the Internal Revenue Service, than is necessary to pay for the additional expenditures called for by the amendment.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. CARLSON. The Senator from Pennsylvania stresses the need for additional agents in the Internal Revenue Service for tax collections. I agree with him. But I am quite certain the Senator is familiar with what happened in the House of Representatives, where the Committee on Appropriations struck out all requests for new employees in the Internal Revenue Service. That does not look promising, so far as getting additional personnel to collect more money is concerned.

Mr. CLARK. I have great confidence that the Senate Committee on Appropriations will not follow the lead of the House, the need for revenue being as great as it is. The Senator knows that the bill is at present pending before the Committee on Appropriations. I am hopeful that the additional funds for this purpose will be provided.

Mr. President, I shall not take the time of the Senate to detail the 10 other loopholes which could be closed without perpetrating any injustice or inequity, but, in fact, eliminating injustice and inequity. I believe I am conservative in repeating what I said on the

floor of the Senate on March 5th—namely, that the closing of these loopholes would yield approximately $7 billion of additional revenue with no increase in tax rates generally.

So there need be no concern about breaking the budget ceiling by adopting this amendment. The question is whether we wish to help those who are unemployed, those whose families do not have enough to eat, and whether we are so much in favor of helping them that we are willing to vote to close these tax loopholes in order to obtain the funds with which to make the expenditures called for by the amendment.

Mr. President, as the Senator from Michigan [Mr. McNAMARA] has said, this problem is a national one, and it should be treated on a national basis.

The Federal Government is also making national payments for public-assistance grants in specific categories; and those grants are not very different from unemployment compensation grants. I see no difference in principle between those payments by the Federal Government and the payments proposed to be made by the McNamara bill. Just as the problem of relief is a national one, so is the problem of unemployment.

Furthermore, I do not believe the States should be called upon to carry this load indefinitely. My distinguished friend, the Senator from Virginia, [Mr. BYRD], and I had a little discussion on that point during the hearings held by the Finance Committee. I suggested that my State was broke. The Senator from Virginia indicated that that meant that my State was bankrupt. Finally we agreed not to argue about the semantics. However, Mr. President, the fact is that in Pennsylvania unemployment has increased to a dangerous level; and additional payments by our employers to this fund at this time would result in putting a great brake on the States' industry and the development of a healthy economy.

Mr. President, the administrative problems which would arise from the amendment are not inconsiderable, but in my judgment they are surmountable. The determination of need would be made by the States. The States are well qualified to determine whether an applicant is entitled to receive unemployment compensation. The States can satisfactorily make that determination with respect to the covered employment, as they have in the past. In the case of employment that is not covered, the applicant must show that he comes within the terms of the act—in other words, the burden of proof is on him to show that he was employed and that he is able to qualify.

Mr. President, I do not think it proper to call upon American citizens who are out of work, and who need jobs, to take up the slack in the case of the States which, because of their difficulties—acute as they are in many cases—cannot meet this need.

So, Mr. President, I hope the pending amendment will be agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I wish to speak briefly in opposition to the pending amendment.

I have listened with interest to the remarks made by my good friend, the the Senator from Pennsylvania [Mr. CLARK,] in regard to the fact that the financial position of his State is such that it cannot afford to finance this unemployment compensation insurance.

However, I call his attention to the fact that if the Senate agrees to the pending amendment, which provides for expenditures, at the National level, of $875 million, the Federal Government must raise that amount of money by levying additional taxes upon the people of the States. The Federal Government does not have access to any mysterious source of income. The only money it can spend, the only money it can pay to the States, must first be taken from the citizens of the respective States.

In this connection, let me point out that the citizens of Pennsylvania are at the present time paying approximately 10 percent of all the revenue which the Federal Government obtains by taxes. Therefore, if the pending amendment is enacted into law, the $875 million of additional payments it calls for will have to be obtained by the Federal Government by placing additional taxes on all the people of all the States—and, in the case of the people of Pennsylvania, to the extent of $87,500,000. The Federal Government can obtain the money it spends only be levying taxes on the people of the various States.

Mr. CLARK. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER. (Mr. LAUSCHE in the chair). Does the Senator from Delaware yield to the Senator from Pennsylvania?

Mr. WILLIAMS of Delaware. I yield.

Mr. CLARK. My good friend, the Senator from Delaware, and I have in the past had occasion to bandy this argument across the aisle. He has always insisted that the same people in Pennsylvania who pay the taxes are the ones who would receive these benefits.

Mr. WILLIAMS of Delaware. No, I have not said that.

Mr. CLARK. The Senator from Delaware just said they are the same people.

Mr. WILLIAMS of Delaware. No; I said they are citizens of the same State. I recognized that those who receive unemployment insurance compensation in Pennsylvania are not paying these taxes. But I suggest that the necessary taxes are paid by the people of the same State; and surely the Senator from Pennsylvania will agree to that statement. According to the statistics of the Treasury Department, approximately 10 percent of all the tax revenue of the Federal government comes from your State.

Mr. CLARK. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS of Delaware. Of course.

Mr. CLARK. No doubt the Senator from Delaware inadvertently used the words "the same people." The RECORD will speak for itself, and I am quite sure it will show that he did use those words.

Heretofore, he and I have discussed this point. Of course, my position is that those who receive these payments are in a class which is entirely different from the class of those who pay the necessary taxes. The overwhelming amount of the taxes which would be paid in Pennsylvania would not at all come from the ordinary citizens of Pennsylvania; instead, it would come from Pennsylvania corporations and from taxpayers who can well afford to make this additional contribution in the interest of human compassion and kindness.

Mr. WILLIAMS of Delaware. I am sure the people of Pennsylvania are prepared to pay their share; and I shall not enter into an argument with the Senator from Pensylvania, as to whether Federal taxes are levied more on the basis of ability to pay, than do State taxes. I do not know how taxes are collected in Pennsylvania. I would assume that that situation in Pennsylvania is similar to that in Delaware.

If in Pennsylvania taxes are levied less on the basis of ability to pay more than is true in the case of Federal taxes I do not know about that. But I repeat that, on the average, 10 percent of the total revenue of the Federal Government comes from Pennsylvania. About 1 percent comes from Delaware. As these expenditures are increased, it is necessary to increase the taxes that are levied on taxpayers of the various States, in order to provide the tax revenue of the Federal Government; or else an additional deficit must be incurred. In the latter event, the per capita Federal indebtedness of both the people of Delaware and the people of Pennsylvania would be increased. We cannot escape that simple fact of life.

Therefore, I repeat, the people of Pennsylvania will have to help finance this appropriation or any other appropriation which Congress may make. Again I emphasize that the Federal Government does not have any mysterious source of income. The revenue of the Federal Government is based entirely upon the funds obtained by the Federal Government from the pockets of the taxpayers. So, in the final analysis, payments of the sort now proposed will not constitute gifts to Pennsylvania, Delaware, or any other State. It will merely represent the return of a part of that which will be collected from them.

Mr. CLARK. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. CLARK. The Senator from Delaware represents an extremely prosperous State, even though it is small in size. It is prosperous not only because of the activities of its people, but also because it has a corporation law which brings into the State many millions of dollars from corporations which wish to be incorporated in Delaware. I have no quarrel with that situation at all; that is a privilege of Delaware.

I am not arguing about what attitude the Senator from Delaware should take on the pending amendment. He is fully able to determine his own position with regard to it.

However, despite his little lecture, I believe that the people of Pennsylvania are overwhelmingly in favor of the pending amendment, even though it might result in their paying, in taxes, a little more than they would receive by means of the amendment. The citizens of Pennsylvania are interested in people being fed, in people being clothed, in people being housed. They have a sense of compassion for their unfortunate fellow Americans, and I am sure they would want both Senators from Pennsylvania to vote for the amendment.

Mr. WILLIAMS of Delaware. I am not disputing or quarreling with the position of the Senator from Pennsylvania. I merely say that if Congress passes this bill, the State of Pennsylvania is going to help to furnish the money to pay for the program. All this talk about producing this extra money by closing mysterious loopholes is not going to produce the money. I have just as much interest as has anyone else in discovering these mysterious billions. I do not think the phrase "loophole" is exactly proper. We all consider as a tax loophole a tax advantage with which we are in disagreement, even though it is in the present law. The people are paying the taxes according to the law, whether they are taking advantage of a 27½-percent depletion allowance or not. I personally think these depletion allowances are too high but we in the Congress have the responsibility of changing the law when we think there is an inequity in the tax law. As one Senator, I have tried to change these inequities, and will continue to do so. But that is no excuse for voting another billion now on the assumption that later we will collect more taxes from some source.

Let us collect the money first. For years we have been operating at a deficit. It is time we call a halt.

No one denies the fact but that if this amendment is enacted, the $785 million which the Federal Government will have to furnish to the States under this program, will all have to be raised by levying some kind of tax on the people of the respective States. There is no mysterious source of income at the National level.

The fact is that the proposal provides for the expenditure of $875 million over and above the amount recommended in the budget.

If this amendment is enacted, it will be the first step toward nationalizing State unemployment insurance; it will be the first step toward nationalizing a program which has always been recognized as being the responsibility of the States.

I was interested to note that the executive committee of the National Conference of Governors, which reported to the President this week, recommended that this program was a State program, and that the Federal Government should not take even the first step toward nationalizing it. This proposal now before us is not endorsed by the Governors, on the basis that the Governors recognize this program as being one of State responsibility.

I agree that such a step would be a dangerous precedent for Congress to establish. Once we take this step we shall be establishing a new principle, not of unemployment insurance—and I believe very strongly in a sound unemployment insurance program—but the minute Congress adopts the approach recommended under the amendment, the program will cease to be for unemployment insurance, it will become unemployment relief. I do not believe the American working man wants an insurance and a relief program connected.

If Congress is going to pass a relief measure, it should not do so under the guise of enacting an unemployment insurance measure. This proposal is not an unemployment insurance measure; it is a proposal to make it possible to provide relief in many instances to those who have never been covered under the unemployment insurance program, who have contributed nothing to it, and perhaps they will make no payments to the fund in the future.

Let us study well the experience the British had when they adopted a similar proposal and later had to drop it. We in this country would do well to heed the warnings of history and keep this program as a bona fide State-financed unemployment insurance program. Let us keep the program as the Governors of the respective States, through their executive committee, have recommended we in the Congress should.

Let us not spend another billion which we do not have.

Mr. CARLSON. Mr. President, I was a member of the House of Representatives in 1935 at the time Congress enacted the original Social Security bill. In 1939 I was a member of the House Ways and Means Committee, at which time we rewrote some of the provisions of that bill and changed some of its basic principles.

The basic principles of the act as passed in 1935 were that the unemployment law of each State would be written by the legislature of the State. The duration of benefits, the benefit amounts, and the eligibility conditions were to be locally determined to meet local conditions.

It was the intent of Congress that the responsibility of the Federal Government should be limited. The State responsibility was not only uppermost, but it was fundamental in the program.

I do not minimize the current unemployment situation. However, I believe it would be disastrous for our Nation to change completely the basic philosophy of our current social security program because we are in a temporary unemployment period.

The present unemployment picture is improving—although I will admit, not so rapidly as I would like to see it—and new claims for unemployment compensation have declined appreciably in recent weeks. They are now running about 40 percent under those of a year ago, and employment should show at least seasonable improvement in March.

The Senate today is confronted with a choice between two bills. One is S. 1323, which is sponsored by several Members of the Senate, and would provide for a greatly expanded Federal program. In fact, if enacted into law, it would not provide for repayment of funds used within a State for unemployment compensation benefits, but would in reality be a give-away program.

H.R. 5640 is a 3 months' extension of the emergency Federal jobless pay program which Congress approved last year. When it was passed by Congress last year, it was understood it was to be temporary; and if we today approve this bill it will be truly a temporary measure.

Under the emergency legislation we enacted last year, only 17 States have elected to participate fully in its provisions.

My own State of Kansas did not take advantage of these funds, although our unemployment reached a total of 5.6 percent in 1958. In February of this year our unemployment was reduced to 4.2 percent of the insured work force.

The Kansas Legislature, which has just concluded its biennial session, has increased the duration of the benefit period under our social security program from 20 to 26 weeks, and has hiked the payments to $40 a week. This increase in the period of the duration of the benefits, plus the increased benefits as approved by the legislature, is proof that Kansas is concerned about its insured who become unemployed.

Our State has a good record in dealing with its own unemployed, and we expect to continue our active interest in their problems.

As one who has been personally familiar with our social security legislation since its inception, I urge the Senate to vote down S. 1323, which is the pending amendment, and support H.R. 5640.

I ask unanimous consent that an editorial appearing in the Kansas City Star, under date of March 19, entitled "Keeping Perspective on Jobless Benefits," be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KEEPING PERSPECTIVE ON JOBLESS BENEFITS

A 3-month extension of the temporary Federal jobless pay program appears to be reasonable in view of the continued high level of unemployment. It would carry the emergency program through the spring when the normal job pickup can be expected to brighten the picture. And it would reemphasize what we regard as one of the most important features of the law: It is a temporary measure not designed to negate the traditional philosophy that unemployment benefits should remain a State function.

There are men in Congress who would have it otherwise. The original Democratic proposal to extend the temporary program a full year might have given them an opening wedge. Also it would have played havoc with the balanced budget. But the House has restored reason and voted for the 3-month extension that would expire July 1. Under the present law the additional Federal benefits would expire at the end of this month.

In 1958, the temporary program was approved as an antirecession measure. It permitted the Federal Government to advance funds to the States to extend by as much as

one-half the number of weeks for which an unemployed worker is eligible for jobless benefits. The extension averages out to 13 weeks for the Nation.

But while production has been rising steadily, unemployment has continued. The February figure was 4,749,000. As the President recognized last year, unemployment is far more than a matter of statistics. A tapering off of the emergency program would ease the critical financial plight of a large number of Americans.

The cost would be about $49 million out of this year's budget, which already is hopelessly unbalanced. Then if the expected job increase materialized the sound unemployment compensation program would revert to normal. Presumably Uncle would vacate a field that he entered just to do a specific job.

Mr. CARLSON. Mr. President, I also ask unanimous consent that a weekly summary of Kansas unemployment insurance benefit activities, submitted by the director of the Kansas Department of Labor, be made a part of the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Weekly summary of Kansas unemployment insurance benefit activities, for the week ended Mar. 14, 1959

	This week	Last week	Year ago
	State programs		
Claims against Kansas:			
Initial claims—intrastate	1,086	1,236	2,607
New (including transitional)	645	769	1,717
Weeks claimed—intrastate	11,075	13,393	18,113
Initial claims—interstate	245	243	358
New	138	142	213
Weeks claimed—interstate	2,301	2,412	3,133
Claims against other States:			
Initial claims	99	125	237
Weeks claimed	955	1,252	1,631
Insured unemployment rate	3.9	4.2	5.8
Payments issued:			
Number	12,451	12,651	19,022
Weeks compensated	13,799	13,860	21,130
Amount	$386,878	$388,712	$599,561
Average weekly rate	$28.04	$28.05	$28.37
	Federal programs		
UCFE, no UI:			
Initial claims	23	26	34
Weeks claimed	257	282	387
UCX only:			
Initial claims	55	69	-------
Weeks claimed	399	476	-------
UCV only:			
Initial claims	12	10	79
Weeks claimed	118	139	616

Mr. CARLSON. Mr. President, I also ask unanimous consent to have printed in the RECORD, as a part of my remarks, an article which appeared in the financial pages of this morning's Washington Post and Times Herald, entitled, "Business Outlook," written by J. A. Livingston, in which he discusses some of the problems of the automobile industry.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, Mar. 25, 1959]

BUSINESS OUTLOOK—DETROIT GETS NEW ENGLANDITIS

(By J. A. Livingston)

Grimly, despairingly, men today make the rounds of Detroit employment offices in fruitless quests for jobs, because Detroit, over the last several years, has imported unemployment. What a strange, unwanted import amid nationwide prosperity.

The 1958 recession brought into retrospect this glacial economic trend. It demonstrated that automobile manufacturers had moved jobs out of Detroit and Michigan to Missouri, Ohio, Delaware, California, Texas, and elsewhere—in the interest of efficiency. Result: Detroit suffers from New Englanditis. Nowhere is this more significantly manifested than in three seemingly innocent sentences in Chrysler Corporation's 1958 annual report:

"The Newark, Del., assembly plant * * * supplies Plymouth and Dodge cars for east coast markets * * *. The new [St. Louis] plant will enable the company to supply the fastgrowing south and southwest market * * *. Improvements at the Los Angeles plant included new flexible conveyer systems * * *."

PAINFUL DISCOVERY

New Englanditis is what the towns of Manchester, N.H.; Lowell, Mass., Boston, and other large textile and shoe centers had to contend with in the late twenties and during the thirties and forties. Companies beset by high labor costs, rigid union regulations, old facilities, and high taxes moved elsewhere—often to the South. When depression settled over the Nation, New England workers painfully discovered that they were laid off first, rehired last, often not rehired at all. The efficient plants were elsewhere.

Only recently has New England routed this economic malaise. The lively electronics industry, growing like a newborn babe, has provided jobs for skilled textile machinists and retrained textile workers. It took time, energy, and imagination on the part of New England government officials, businessmen, and labor leaders to reinvigorate an area which had reached economic maturity and seeming senescence.

OLDER PLANTS CUT BACK

Now, apparently, Detroit and Michigan, though to a lesser extent, face a similar task of recrudescence. Can new industry be imported to provide jobs? For even if car sales pick up to 1956 or 1957 levels, it's unlikely that Michigan or Detroit employment will fully recover to the levels of those years. Too much deterioration took place under a panoply of false prosperity.

During the postwar years of rip-roaring auto sales in 1955, 1956, and 1957, New Englanditis was slowly setting in. All three of the Big Three were decentralizing—putting up newer plants outside Michigan. Yet, at the time, all capacity seemed needed. It was not fully appreciated, then, that if auto sales were to fall off, the newly automated facilities would be kept operating. The older plants in Michigan would be cut back. Unemployment would be imported.

In boomy 1955, more than 52 percent of the jobs in the automobile industry were in Michigan and 37 percent in and around Detroit. Last year Michigan accounted for only 45 percent of automobile employment and Detroit for only 29 percent. According to U.S. Commissioner of Labor Statistics, here is how this came about:

Automobile employment

	1955	1958	Percent decline
United States	904,000	627,000	31
Michigan	477,000	284,000	40
Detroit	333,000	182,000	45
Rest of the United States	427,000	343,000	20

IRONICALLY SAD SITUATION

Thus, the drop in employment in Michigan was both numerically and in percent twice as great as the rest of the United States. From this might be deduced an economic law: As an industry, such as automobiles, becomes bigger, as its market spreads, efficiency dictates decentralization of facilities nearer ultimate markets.

Eventually, the plants in original locations are less efficient than plants erected later—and elsewhere. The Pittsburgh region is to steel what Detroit is to autos. More, more, and more production is concentrated in the newer plants. That leaves older plants with less to do, established workers without jobs.

It's ironically sad for Detroit that the one domestic company whose employment is at an alltime high, American Motors, concentrates its Rambler production at Kenosha and Milwaukee, Wis. Its Hudson plant in Detroit is not making autos. Similarly, Studebaker-Packard, undergoing a revival with its Lark, concentrates at South Bend, Ind.

Mr. CARLSON. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Michigan [Mr. MCNAMARA] for himself and other Senators.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the senior Senator from Michigan [Mr. MCNAMARA] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Texas [Mr. JOHNSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Utah [Mr. BENNETT] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is absent on official business as a member of the Executive Committee of the Interparliamentary Union.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from

Maryland [Mr. BUTLER], and the Senator from Illinois [Mr. DIRKSEN] would each vote "nay."

The result was announced—yeas 38, nays 49, as follows:

YEAS—38

Bartlett	Hennings	Murray
Byrd, W. Va.	Humphrey	Muskie
Carroll	Jackson	Neuberger
Chavez	Kefauver	O'Mahoney
Clark	Kennedy	Pastore
Dodd	Long	Proxmire
Douglas	Magnuson	Randolph
Engle	Mansfield	Smith
Gore	McCarthy	Symington
Green	McGee	Williams, N.J.
Gruening	McNamara	Yarborough
Hart	Monroney	Young, Ohio
Hartke	Morse	

NAYS—49

Allott	Ellender	Morton
Anderson	Frear	Moss
Beall	Goldwater	Mundt
Bible	Hayden	Prouty
Bridges	Hickenlooper	Robertson
Bush	Hill	Saltonstall
Byrd, Va.	Holland	Schoeppel
Cannon	Hruska	Scott
Capehart	Javits	Sparkman
Carlson	Johnston, S.C.	Stennis
Case, N.J.	Keating	Talmadge
Case, S. Dak.	Kerr	Thurmond
Church	Kuchel	Wiley
Cooper	Langer	Williams, Del.
Cotton	Lausche	Young, N. Dak.
Curtis	Martin	
Dworshak	McClellan	

NOT VOTING—11

Aiken	Eastland	Jordan
Bennett	Ervin	Russell
Butler	Fulbright	Smathers
Dirksen	Johnson, Tex.	

So the amendment in the nature of a substitute, offered by Mr. MCNAMARA for himself and other Senators, was rejected.

Mr. BYRD of Virginia. Mr. President, I move to reconsider the vote by which the McNamara amendment was rejected.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. MCCARTHY. Mr. President, on behalf of the Senator from New York [Mr. JAVITS], myself, and Senators HARTKE and MCNAMARA, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and insert in lieu thereof the following:

That paragraph (1) of section 101 (a) of the Temporary Unemployment Compensation Act of 1958 (42 U.S.C. 1400) is amended by striking out "April 1, 1959," and inserting in lieu thereof "July 1, 1959."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Minnesota for himself and other Senators.

Mr. MCCARTHY. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MCCARTHY. Mr. President, my amendment simply extends the temporary unemployment compensation program for 3 additional months.

The bill reported by the Committee on Finance contains a provision that anyone who qualifies before April 1 shall be eligible for benefits until July 1. The effect of my amendment is to provide that anyone who qualifies before July 1, shall be eligible for the temporary unemployment benefits paid under the program.

The amendment makes no changes in the State programs. It provides for a continuation of the loan program which was adopted last year. The effect of the amendment is to give some measure of benefit and some measure of aid to the large number of unemployed persons who would otherwise in those 3 months receive no unemployment compensation whatsoever.

The amendment has a second advantage, I think, in that it would give State legislatures time to respond to the needs in the field of unemployment benefits.

By extending the time until July 1, there will be no excuse for any State legislature to say "We did not have time; the act expired before we were able to provide unemployment compensation."

I favor the enactment of national standards. I supported the McNamara amendment which was offered earlier this afternoon. It is my opinion that when Congress was adopting temporary legislation last year, it perhaps should have approved something like the McNamara amendment. As a matter of fact, what the Senator from Michigan proposed was essentially what the Democrats advocated last year. That program would have been a genuine emergency or temporary program. The Federal Government would have assumed responsibility for a year, during which the States could have taken action. Instead of assuming that responsibility, Congress passed an act which threw the burden on the States, which were already overburdened.

I say the least we can do today is to extend for 3 months the duration of the temporary unemployment compensation program.

The cost is estimated to be $130 million.

As was pointed out earlier today, in excess of $200 million remains in the appropriation which was made in the last Congress. Consequently, some of that appropriation will remain, even though this program is fully adopted and is completely carried out.

Mr. KENNEDY. Mr. President, I desire to compliment the Senator from Minnesota [Mr. MCCARTHY] on his amendment.

I wish to call the attention of the Senate to the fact that the Senator from Minnesota and other Senators sent to a number of State Governors a telegram in which the latter were asked whether they supported the concept of minimum standards for unemployment compensation benefits; and they were also asked to state how long they believed such benefits should be provided.

I ask unanimous consent to have printed at this point in the body of the RECORD the telegram which was sent to the Governors; and also the replies which have been received from Governor Clauson, of Maine; Governor Freeman, of Minnesota; Governor Ribicoff, of Connecticut; Governor Docking, of Kansas; Governor Rosellini, of Washington; Governor Brooks, of Nebraska; the Acting Governor of Alaska, Hugh J. Wade; Governor Hickey, of Wyoming; Governor Lawrence, of Pennsylvania; Governor Loveless, of Iowa; and Governor Williams, of Michigan. Their telegrams indicate very clearly that the States which are most involved with this problem are strongly in support of Federal minimum standards, and that some of the statements which came from the Governors' conference held the other day at the White House do not indicate the feeling of the Governors of the States which are most directly concerned with this problem.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MARCH 20, 1959.

Senator JOHN F. KENNEDY,
Washington, D.C.:

We understand that the President is seeking expressions of opinion from the executive committee of the Governors' conference concerning the strengthening of the unemployment compensation system. The undersigned Senators believe the only solution for the individual hardships created by the loss of jobs, the community suffering from large-scale unemployment, and the depressing effects of cutbacks in the flow of earnings is an amendment to the Federal Unemployment Compensation Act which would require each State to adopt the same minimum standards. This would eliminate any tendency to reduce benefits in order to encourage industry to move to those States with low benefits, it would fulfill the objectives repeatedly requested by both Democratic and Republican Presidents, by Governors, by leading economists, such as Arthur Burns, and by studies such as those contained in the Rockefeller Brothers' report of April 1958 and the report of the Federal Advisory Council on Employment Security recently published. S. 791 and the corresponding House bills would include these recommendations. Hearings on the House bills are scheduled to begin April 7 before the Ways and Means Committee. We would appreciate an expression of support by you for this legislation. Please address your telegram to Senator JOHN F. KENNEDY, Senate Office Building, Washington, D.C., and send a copy to the executive committee of the Governors Conference, White House, Washington, D.C., or to Gov. LeRoy Collins, Sheraton-Carlton Hotel, Washington, D.C. Please do not confuse this request with the request of a few days ago for an expression of opinion on the temporary unemployment compensation bill.

Senator JOHN KENNEDY, Senator JOHN CARROLL, Senator STEPHEN YOUNG, Senator HARRISON A. WILLIAMS, Jr. Senator STUART SYMINGTON, Senator JENNINGS RANDOLPH, Senator WILLIAM PROXMIRE, Senator JOHN PASTORE, Senator RICHARD NEUBERGER, Senator EDMUND MUSKIE, Senator JAMES MURRAY, Senator WAYNE MORSE, Senator PAT MCNAMARA, Senator GALE MCGEE, Senator MIKE MANSFIELD, Senator WARREN MAGNUSON, Senator JACOB JAVITS, Senator HENRY JACKSON, Senator HUBERT HUMPHREY, Senator JOSEPH CLARK, Senator PHILIP HART, Senator EUGENE MCCARTHY, Senator ERNEST GRUENING, Senator THEODORE GREEN, Senator CLAIR ENGLE, Senator PAUL DOUGLAS, Senator THOMAS DODD, Senator FRANK CHURCH, Senator DENNIS CHAVEZ, Senator HOWARD CANNON, Senator ROBERT BYRD, Senator CLIFFORD CASE.

AUGUSTA, MAINE, *March 23, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.

I strongly endorse the proposal to establish uniform minimum standards for unemployment compensation throughout the Nation. Adoption of such standards would lessen the impact of recessions on communities and reduce hardship caused by loss of employment. It also would eliminate any tendency for industries to move to low benefit States. I believe that establishment of minimum standards for unemployment compensation in all the States is imperative.

CLINTON A. CLAUSON,
Governor of Maine.

ST. PAUL, MINN., *March 24, 1959.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

This is the text of the telegram which was sent to Gov. LeRoy Collins:

"I urge the passage of S. 791 to establish minimum Federal standards for jobless pay benefits. The effects of the 1957–58 recession still hang over nearly 5 million unemployed Americans. The hardships to the people and the depressing effect to the community as a result of the cutback in the flow of earnings calls for positive action to strengthen unemployment compensation on a national level—thus ending the tendency to use low benefits as a means to encourage industry to move to those States with low benefits. Such action has been recommended by any number of important economic studies. Establishment of Federal standards will stabilize the unemployment compensation programs of States to enable the unemployed to find jobs without suffering disastrous loss of savings and property."

ORVILLE L. FREEMAN,
Governor of Minnesota.

HARTFORD, CONN., *March 23, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

I consider legislation setting up nationwide minimum standards under Unemployment Compensation Act necessary both in the interest of national economy and fairness. Agree such legislation has long been needed and should be enacted without further delay.

ABE RIBICOFF,
Governor of Connecticut.

TOPEKA, KANS., *March 23, 1959.*
Hon. JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

I respectfully urge the strengthening of the unemployment compensation system through Federal legislation which would standardize the minimum standards among all the States.

Sincerely,

GEORGE DOCKING,
Governor of Kansas.

OLYMPIA, WASH., *March 24, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

Endorse principles of Senate 791 and companion House bills but feel that time is needed for comprehensive study of impact of this legislation on our present State unemployment compensation law. Complexities of bills make definite stand difficult at this time. Specifically concerned about 39-week minimum duration and financing provisions.

ALBERT D. ROSELLINI,
Governor, Washington State.

LINCOLN, NEBR., *March 22, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

We are heartily in favor of the strengthening of the Unemployment Compensation Act as set forth in your telegram of March 21.

Sincerely,

RALPH G. BROOKS,
Governor, State of Nebraska.

Hon. ERNEST GRUENING,
U.S. Senate,
Washington, D.C.:

Hon. HARRY F. BYRD, chairman, Senate Finance Committee, U.S. Senate, Washington, D.C., Senate bill 1323, highly preferable to House bill on temporary unemployment compensation. It is essential that cost of such programs be covered by grants rather than loans. Including of workers not covered under State programs will create some administrative problems but can be administered. We do not believe this provision essential but have no objection to it. This bill would to some degree alleviate distress and unemployment in Bristol Bay area by Federal closure of fishing this year. We endorse and recommend Senate bill 1323. This bill would help solve immediate problems due to unemployment. For permanent improvement in the unemployment insurance program we recommend passage of Kennedy bill, Senate bill 791.

HUGH J. WADE,
Acting Governor of Alaska.

CHEYENNE, WYO., *March 24, 1959.*
Hon. JOHN F. KENNEDY,
U.S. Senator,
Senate Office Building,
Washington, D.C.:

Urgently request favorable consideration of H.R. 3547 and S. 791 to require each State to adopt same minimum standards and extend payment to a 30-week period by amendment of the Federal Unemployment Compensation Act. Higher benefits of longer duration is only solution for individual hardships created by loss of jobs.

J. J. JOE HICKEY,
Governor of Wyoming.

HARRISBURG, PA., *March 24, 1959.*
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

The only meaningful way to improve unemployment insurance nationally to combat future national recessions more effectively, to provide equal protection to workers wherever they live, to remove the tax handicaps now being suffered by employers in States with high standards like Pennsylvania, is to require agreed upon national minimum standard for unemployment compensation similar to those recommended by Federal Advisory Council to Secretary Mitchell and, I understand, embodied in your bill, S. 791.

DAVID L. LAWRENCE,
Governor.

DES MOINES, IOWA, *March 24, 1959.*
Hon. JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

I strongly support proposed legislation to establish minimum standards for unemployment compensation applicable in all States. Have requested permission to present testimony on House bills embodying these proposals on Monday, April 13.

Warm personal regards.

HERSCHEL C. LOVELESS,
Governor of Iowa.

Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D.C.:

Please convey to Members of the Senate my unqualified support for S. 791. The achievement of realistic benefit levels and duration have been held back by drum beating competition to hold down tax rates and benefits. Everyone agrees that we must preserve our Federal-State system, but, despite annual pleas by the President over the last 5 years State response has been less than sufficient, and only the stimulation of Federal basic minimum standards will make our unemployment insurance practical and effective. While States are intimately involved, both the cause and effect of unemployment are national in scope as the last recession has only too well pointed out. Federal responsibility consequently is patent. Reinsurance provisions of S. 791 strengthen the partnership between the States and the Federal Government which is so vital to successful defense against both inflation and a depression.

G. MENNEN WILLIAMS,
Governor of Michigan.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by me in connection with this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

Twenty-four years ago, in the wake of the depression, the Nation took a major step toward the goal of a society in which every willing worker could enjoy insurance against the tragedy of unemployment. Provision was made for a Federal-State system of unemployment insurance under which jobless workers could receive weekly benefits while actively seeking employment.

Without question, unemployment insurance has served as a buffer against fear of want and privation, as an important part of our humanitarian social legislation, and as an economic stabilizer. Sensitive to fluctuations in the economy, it automatically pours millions back into the economy to replace lost wages whenever a downturn occurs. Unfortunately it has failed to keep pace with the increase in price levels and the increase in wages since 1935 and has, therefore, lost much of its effect both as insurance to the worker and as a prop to the economy in times of distress. The recent University of Michigan study, published in February 1959, reaches the conclusion that "if unemployment insurance benefits had been paid at a rate of 50 percent of the average wages instead of the approximately 37 percent actually paid, and, if coverage had been broadened, and the maximum duration of benefits had been 39 weeks in all States for the entire period of the recession—about $1.5 to $2 billion additional would have been dispersed to unemployed individuals."

The following are the recommendations of the authors of the study made by the University of Michigan, William Haber, Fedele F. Fauri, and Wilbur J. Cohen:

"RECOMMENDATIONS

"The experience of the recession indicates that the existing built-in stabilizers in our income maintenance programs were not—and still are not—satisfactory to meet another similar recurrence. A free enterprise economy must make more effective provision than we now have for meeting the unemployment hazards which occur from the free play of economic forces in the marketplace.

"The full potential of our unemployment insurance system was not utilized during the recession for the alleviation of hardship and the support of our economy.

"The tragic part of the situation was that there was $7 billion in unemployment insurance reserve funds which were not touched during the recession. If State and Federal unemployment laws had been more

adequate and had permitted $1.5 to $2 billion of these reserves to be used to pay benefits to the unemployed, many personal hardships could have been avoided. There would still have been about $5 billion of reserves left if unemployment insurance benefits had been more adequate.

"Among the most urgent improvements in Federal and State legislation which are vitally needed while the lessons of the recession are still fresh in our memory are:

"1. Coverage should be broadened to cover all persons who have a substantial attachment to the labor force including the 1.8 million persons in small firms who are not covered in 33 States and some of the hired farm laborers and other groups not now covered.

"2. The maximum duration of benefits should be increased to at least 30 weeks in a benefit year in all States. Provision should be made for longer duration whenever the average unemployment in a State reaches recession levels of say 6 to 9 percent.

"3. Steps should be taken to establish an equalization fund in order to reduce the excessive costs of unemployment insurance in States suffering from a high incidence of unemployment caused by national economic conditions.

"4. The great majority of eligible claimants should receive at least one-half of their normal full-time gross weekly earnings. States and employers should be given a period of 6 years to accomplish this objective. The great majority of eligible claimants in a State should receive at least 40 percent of their normal full-time gross weekly earnings for the first 2 years following the effective date of the standards; for the next 2 years, not less than 45 percent, and after that not less than 50 percent. In order to provide benefits at these levels, States would have to make changes in their benefit structure including increasing the maximum weekly benefit amount.

"5. The Federal temporary unemployment compensation law which expires March 31, 1959 should be extended until permanent Federal standards and supporting State legislation are enacted to improve the benefit duration and financing arrangements of State laws.

"6. Since a major impact of the recession was on younger workers with families, it was especially unfortunate that most State unemployment insurance laws did not provide for benefits in relation to the number of dependents. Only 11 States had such provisions.[1] Dependents benefits should be included as an integral part of each State unemployment insurance program.

"7. Because a social insurance system does not protect all individuals from want during extended periods of unemployment, Federal and State funds for direct relief should be made available to assure all needy persons a floor or protection against want in all localities. Such a program should be designed to assist individuals to become self-supporting."

During the late 1930's, the unemployment compensation system served its purposes well. No State at that time paid unemployment benefits of less than 50 percent of the average weekly wage in the State, and in most States unemployed workers received from 60 to 90 percent of the State's average weekly wage in benefit payments. However, over the years the States have found it difficult or impractical to modify their laws to keep the program up with current wage and price levels. In a program of this nature, individual action by a single State to increase benefits and therefore increase its taxes upon employers inevitably results in a competitive disadvantage to that State. As a result, the benefits paid to workers out of a job today are geared to price and wage levels prevalent in the 1930's. In very few States do most unemployment insurance recipients receive as much as 50 percent of their previous weekly wages. In some cases the percentage is as low as 30 percent. Today the average production worker receives $88 per week. But his average benefit when he becomes unemployed is $30 per week. In some States the average benefit is as low as $21 per week and the most he can get is $26 per week.

It takes no expert in family budgeting to realize that present State unemployment benefits fail miserably in providing the wherewithal in maintaining even a modest standard of living with today's prices. Aside from the serious impact on the welfare of families and individuals, the overall effect on our complex and inter-dependent economy is even more serious. The butcher, the baker, the insurance salesman, the doctor, the mortgage holder—all of these and many more depend, for their economic health, upon the maintenance of consumer income.

The startling inadequacies of the present system is illustrated by the fact that with almost 5 million unemployed less than 3 million are drawing benefits. Too many workers are not even covered by the law. Too many others have been out of work for so long they have exhausted their benefit rights.

The law extending benefits for 3 months is only a pretense at a solution. It will inevitably result in more temporary laws and more problems. As a temporary expedient it seeks to patch a cover for the economy which is so threadbare it cannot provide the protection for which it was designed.

On Monday the President called a conference of eight Governors who were members of the executive committee of the Governor's conference. At the conclusion of this conference, they issued a release stating that they favored adequate Federal advances to meet emergencies where the problems of unemployment are beyond the ability of the affected State governments but that the discretion now vested in the States to set eligibility, adequate benefit amounts and the duration of benefits should be preserved. The Governors attending the conference emphasized, however, that they were merely expressing the concensus of the views of the individuals participating in the meeting and were not authorized to speak for members of the conference not present at the meeting.

In order to obtain an additional cross section of opinion, I addressed a telegram to 23 additional State Governors from both manufacturing and agricultural States. I have thus far obtained 13 responses to this telegram. Twelve Governors strongly supported S. 791, the bill to establish minimum Federal standards of unemployment insurance introduced by Senator McCARTHY, Senator CASE and myself, and cosponsored by 31 other Senators. The one response that did not strongly support the bill gave it qualified approval.

I am firmly convinced that the only permanent solution to a constantly recurring crisis resulting from an inadequate unemployment compensation program is a permanent law with adequate standards such as those contained in the Kennedy-McCarthy-Case bill. In 24 years it has been conclusively demonstrated that we cannot expect the individual States to individually resolve the problems created by a Federal law that is deficient in omitting benefit standards and is inadequate in the coverage it offers.

Mr. JAVITS. Mr. President, I am a cosponsor, with the Senator from Minnesota [Mr. McCARTHY], of this amendment.

I originally urged my colleagues, particularly those from the industrial States, to vote against the McNamara amendment.

The difference between the McNamara amendment and the pending amendment, which I have joined the distinguished Senator from Minnesota in sponsoring, is that the former would allow the inclusion of unemployed who now are receiving unemployment compensation under State programs, but whose entitlement will expire after April 1 and before June 30, under the present program.

The pending amendment will not allow them to come under the Federal program. Hence, I think it essential that the pending amendment be adopted if we take the position—which I feel we should take, regardless of party—taken by Senators from industrial States; namely, that the Federal Government must take up the slack of the unemployment.

This program is not strictly one which will taper off in the case of those who already are covered; but it is one in which we endeavor to deal with the unemployment situation which now exists, which I consider to be at the high-water mark, because it has gone down only very little from the high point of the recession.

Accordingly, I strongly commend the pending amendment as the proper middle-of-the-road course; and I urge Senators from industrial States, regardless of their party, to support the amendment.

In the view of some of us, the McNamara amendment dealt with the problem of States which have very good unemployment compensation programs of their own. However, today some of the States do not have such programs; and we prefer to adopt a Federal standard in connection with such a program, rather than to proceed in the ad hoc way of providing a temporary program to deal with unemployment. The support for the latter is understandable; but I believe it important that the pending amendment be enacted into law, because it seeks to deal with unemployment which exists throughout the country, rather than simply to treat this problem as one which has substantially ended. I believe my colleague has emphasized the fact that the problem continues; it has not substantially ended. We are now trying to provide for taking care of the problem of unemployment until it is substantially ended—as we hope will occur—or until we can make further provision in this connection.

Mr. President, I am very much honored that the Senator from Minnesota [Mr. McCARTHY] has allowed me to join him in sponsoring the amendment.

Mr. McCARTHY. Mr. President, I yield the floor.

ADMISSION OF SPAIN INTO NATO AND USE OF ITS TROOPS

Mr. BRIDGES. Mr. President, it was revealed last week by Gen. Maxwell D. Taylor, Army Chief of Staff, in testimony before the Senate Preparedness Subcommittee, and made public by the

[1] Alaska, Connecticut, District of Columbia, Illinois, Maryland, Massachusetts, Michigan, Nevada, North Dakota, Ohio, and Wyoming.

Defense Department, that Gen. Lauris Norstad, American military commander in Europe, has asked for Army, Navy, and Air Force reinforcements from the United States to meet the threat over the Berlin situation.

Mr. President, there is a logical answer to this request without calling for additional American military forces. I refer to Spain. Spain is a member of the United Nations. Common sense dictates she should also be a member of NATO. Spain was one of the first nations to resist Communist aggression. Communists have never had a foothold in that country since Spain fought so bitterly and so tragically the Communist attempt to infiltrate and conquer her.

No argument has ever been advanced, either in a military way or strategically, that Spain would not add greatly to the strength of our military power on the European Continent.

On April 12, 1957, House Concurrent Resolution 115, calling upon the President and the Secretary of State to do everything possible to bring Spain into NATO, was adopted unanimously by both Houses of Congress. There have been more than 40 resolutions adopted by the Senate and in excess of 70 resolutions adopted by the House favoring Spain's admission to NATO.

I ask: Can we afford in these critical times not to press for Spain's admission to NATO, considering the fact that all of us should be united in meeting the Communist menace confronting us?

Spain is a maritime nation, which dominates the entrance to the Mediterranean. Her mountains serve as a natural barrier protecting its northern European boundary. We have recognized these advantages by our large financial investment in a series of military and naval bases on Spanish territory.

Spain has available 15 divisions, fully mobilized and excellently trained. Their morale is high. Spain now has F–86 Sabre jets and, with U.S. Air Force assistance, is becoming one of the best air arms in Europe. This is testified to by U.S. officers.

The entry of Spain into NATO would not only add materially to European defense, but would integrate more closely the economy of that country with that of other European nations, which would be of benefit to all.

Spain has mutual defense pacts with the United States and Portugal. Portugal is a member of NATO.

Spain, in case of an emergency, naturally would be allied with all the NATO countries.

Here is an answer to the need for reinforcements. Admit Spain to NATO and add her contribution to the peace and stability of the free world.

Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire.

PRESERVATION OF FREE BERLIN AND ALLIED RIGHTS IN GERMANY

Mr. BRIDGES. Mr. President, before the Senate recesses over Easter week, I should like to address myself to a subject which is of the greatest concern to all the free countries of the West—the preservation of free Berlin and allied rights in Germany.

First, I should like to extend my congratulations to my colleagues on both sides of the aisle who have spurned all opportunity for political advantage on this issue. Regardless of party affiliation, we have all stood together as true Americans with only one objective: to preserve the position of the West and to meet our obligations to free Berlin and free Germany. The Congress has acted well, as have the executive departments, in this serious matter.

Our position has been right. I believe the American people agree it is right and are supporting our determination to stand up for our rights and defend them.

This is not a crisis of our making. The Soviet Union created this dangerous situation by threatening to abrogate its solemn agreements and undertakings.

These undertakings are clearly established by the treaty providing for the occupation of Berlin and Germany. The governmental machinery and the execution of the treaty have been set for 14 years by precedent established by the occupying powers.

On one other occasion the Soviet attempted to break the treaty and its pledges by denying us free access to West Berlin. We all recall the allied response to this blackmail. The Berlin airlift will long remain a symbol of the resolve and resourcefulness which the allies employed to defeat the Russian threat.

In these anxious days, the allies are once again exploring ways to achieve a peaceful, honorable—and I stress honorable—settlement of this latest Soviet challenge. President Eisenhower and Prime Minister Macmillan earlier this week concluded their private conversations looking to common action to meet the situation. Of necessity, the detailed substance of these conversations has not been officially revealed.

But apparently the talks enhanced the possibility of a Big Four foreign ministers' meeting in May, as a forerunner to a possible summit conference with Premier Khrushchev in the summer.

I am encouraged by the fact that, before undertaking to meet with Soviet leaders, the allies are doing the necessary spadework to achieve common agreement and a united front. Next week, for example, the British, French, and West German foreign ministers are scheduled to meet in Washington with Acting Secretary of State Herter.

Irrespective of whether a foreign ministers meeting or a summit conference takes place, whatever discussion the allies hold among themselves will, in my opinion, be all to the good.

The closer we and our allies become on our mutual Berlin policies, the better the prospects for meeting the Soviet challenge.

Any cracks that may now exist in the allies' shield regarding Berlin ought to be thoroughly repaired before negotiations begin with Soviet leaders. Past experience shows quite clearly how skilled are the Communists in finding the weakest chink in our armor and exploiting it to the utmost.

Our professions of firmness must be backed up with well thought out and strongly supported proposals and counterproposals. We must have jointly agreed plans for action in event of a number of contingencies. This is a part of what I consider proper and adequate preparation for either a foreign ministers' meeting or a summit conference.

United we will be formidable adversaries in the diplomatic skirmishes ahead.

Khrushchev and his advisers are credited with being shrewd men. If that is so, they will be quick to recognize allied unity, and quick to notice any allied disunity. This is why the West must speak with one voice in the approaching Berlin crisis and in meetings with Soviet leaders.

I suggest the voice of the West should be a voice of cool determination to make no surrender of principle or position of strength. In our negotiations, I suggest we must not yield on principle, though we can properly yield on procedures and details.

To date, the West European allies—France, England, and Western Germany—and our own great Republic have again provided vivid proof that representative governments can face crucial problems and sudden crises in friendly and effective accord. Free and full debate of free peoples and free governments should not be misunderstood by monolithic Communist governments as in any way weakening our resolve to do whatever is necessary to preserve our integrity and assure our survival.

Mr. President, we of the West do not bluster. We do not threaten. Neither do we cajole nor beg.

Let us not forget their self-made crisis poses great risks for the Soviets as well as for the free world.

United the allies can keep the pressure on the Soviets.

Divided we would minimize the risks to the Communists.

Our position is that we are perfectly willing to study the Soviet viewpoint, to make reasonable accommodations, to be flexible in negotiations.

At the same time, we are not fools. We will not negotiate away our position so dearly won with the blood of American boys. We do not intend at the bargaining table to make concessions which can only weaken us in the years to come. That would be piecemeal surrender.

It seems imperative to me to inject a note of caution regarding negotiations with the Soviets, whether the negotiations be at the summit or in the valley. The leopard has not changed his spots. We cannot safely entertain any illusions that the Soviet Premier has undergone a change of heart. So we should not expect too much from such negotiations. We should not expect an arch foe to become filled with brotherly love.

Nevertheless, we can ever be hopeful that a united, firm allied position will help persuade Premier Khrushchev of the advantages of honoring the treaties his government has entered into. We can be hopeful that the men in the Kremlin will see the error of their threats and intimidation.

We certainly do not expect these negotiations will come to easy and pleasantly satisfactory conclusions.

Whatever the outcome, I am confident the allied peoples are intellectually and spiritually capable of facing the true facts. Our leaders will freely tell us the facts, our press will freely print the facts, and our radio commentators will freely discuss the facts—knowing we the people have the stamina and the courage to face the facts and not tremble before them.

It is unthinkable that any partisan would take political advantage of an unsuccessful summit conference. Therefore, there should be no temptation to make concessions at the summit for domestic political advantage. There should be no political liability attached to a failure to reach full agreement at the summit at this time.

We do not expect our leaders to come back with easy or unreal victories. Experience of recent history has amply prepared us for disillusionment. If these negotiations fail to resolve all the problems of Berlin and of Germany, we will not be dismayed. We shall be disappointed, but our disappointment will take the form of even deadlier determination not to sacrifice basic principles.

To restate the position very simply, and I hope very firmly, we must make the most vigorous preparation to defend our position in Berlin and in Germany.

Neither war, nor the threat of war, will dissuade us or divert us from our firm duty.

Berlin and the people of West Germany must remain free under a government of their own choosing. We will not make any compromise on fundamental position. Neither threat, subversion, nor chicanery will divert us.

Any negotiations we enter into, any changes we make from the Four Power occupation now provided must leave us without any disability in our commitment to a free West German Republic.

I consider it to be one of the great privileges of my time to sit in the U.S. Senate and to be a member of this Government and of the free West resisting the Communist threat to our position in Germany.

I am proud to be an American. I am proud of the American people, who face the threat without fear or tremor—quiet, unafraid, and determined.

The tribute I pay to our Government and our people, I also pay to our allies. It is a cheering and heartening and inspiring experience to find the great democracies of the West responding together to a threat to one of their number.

If we had similarly banded together to resist the constantly encroaching conquest of the Soviet Union in the early years after World War II, the situation today would not be so difficult.

We have all learned from bitter experience that appeasement is no solution. We have learned about Soviet intentions. We have learned how to resist Soviet aggressive moves. The very ruthlessness of the Soviet conquest has been a great educational force in the free world of the West. Knowing our opponent and his objectives, we can concert our forces and our energies to see that right shall prevail.

THE AREA REDEVELOPMENT ACT

Mr. BUSH. Mr. President, as a member of the Joint Economic Committee of the Senate and the House, I was interested to see recently in the Washington Daily News an editorial entitled "Distress Compounded." The editorial has to do with the Area Redevelopment Act, but the principal thing that caught my eye in the editorial was the following paragraph, speaking of the minority views of the Committee on Banking and Currency on the area redevelopment bill:

> Six members of the committee (three Democrats and three Republicans) shoot it full of holes in an unusually lucid minority report. They say the bill is unlikely to do any of the things it promises, and besides would be harmful to the country generally and the areas it is supposed to assist.

I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DISTRESS COMPOUNDED

Now before the Senate, following a squeaky OK by the Senate Banking Committee, is another one of those hurry-up patch-up, prop-up bills supposed to cure the economy of some of its ills.

This measure melodiously is known as the Area Redevelopment Act. It is a bill to bail out a hundred or so communities listed as victims of chronic unemployment.

The question is not whether these communities are hard hit. No one denies that. The question is whether the bill, if enacted, would be any help.

Six members of the committee (three Democrats and three Republicans) shoot it full of holes in an unusually lucid minority report. They say the bill is unlikely to do any of the things it promises, and besides would be harmful to the country generally and the areas it is supposed to assist.

It flies straight in the face of a free-swinging flexible economy. Its ponderous machinery would raise unfounded hope. And its ultimate cost—like most such Washington proposals—would range far beyond its most optimistic prospect of usefulness.

It is discriminatory, the minority points out, because at the most it would affect only a small fraction of the unemployed, while probably creating more unemployment in other areas. The initial outlay of less than $400 million eventually would run to $4 billion or $5 billion.

It would create another sprawling Government agency, added to others already in this field.

The bill is founded on the identical illusions which led to 25 years of subsidies for a few special farm products. It will lead to exactly the same result—disrupted markets, billions of taxpayer money wasted, and an economy blighted by Government interference.

TESTIMONY OF MARRINER S. ECCLES BEFORE JOINT ECONOMIC COMMITTEE

Mr. BUSH. Mr. President, this morning before the Joint Economic Committee we had the privilege of hearing Mr. Marriner S. Eccles, who for 14 years was a member of the Federal Reserve Board and its Chairman. I consider the statement by Mr. Eccles made before the Joint Economic Committee today to be one of the finest statements which has been made before any committee while I have been a Member of the Senate. Accordingly, I ask unanimous consent that the statement by Mr. Marriner Eccles be printed at the conclusion of my remarks in the body of the RECORD.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, I particularly invite attention to what Mr. Eccles says about the long-term interest rate:

> The long-term interest rate is not greatly influenced by the monetary policy of the Federal Reserve.

To those who complain in the Senate from week to week about high interest rates I commend very strongly this message from Mr. Marriner Eccles. He has had 14 years of experience on the Federal Reserve Board and certainly is in a position to look at this situation objectively, which he has done. Mr. Eccles' statement in connection with interest rates in his testimony today is worthy of the attention of all Senators.

I also invite the attention of Senators to what Mr. Eccles says about the subject of creeping inflation. He stated:

> It has been said that creeping inflation is the best answer to this dilemma. I do not believe it is any answer, for the reason that the cornerstone of capitalistic democracy rests upon the savings of the public. These constitute the principal source of capital accumulation upon which the growth of our system depends. Why should anyone buy life insurance or annuities, Government or municipal bonds, utilities or railroad bonds, mortgages, or any other kind of fixed interest-bearing obligations payable at a future date in dollars depreciated at the admitted creeping inflation rate of 2 to 3 percent a year? For the Government to sell such obligations and to permit conditions to develop where not only their obligations but all other fixed dollar obligations are being paid, including interest, in dollars depreciated from 2 to 50 percent, depending upon the maturity dates—is to say the least immoral if not downright dishonest.

I have quoted two passages from the testimony of this distinguished gentleman, and I earnestly recommend that the statement by Mr. Eccles be studied by all Members of the Senate, since it will be printed in the RECORD following my remarks.

In conclusion, Mr. President, I wish to invite attention to the remarks made on the floor of the Senate yesterday by the distinguished senior Senator from Utah [Mr. BENNETT]. His remarks were partially in answer to those of the distinguished Senator from Tennessee [Mr. GORE] of a week or so previous, but I found the remarks of the Senator from Utah to be a complete answer to those of the Senator from Tennessee. I am delighted that the Senator from Utah promises we shall hear more from him in connection with this important subject in the very near future.

EXHIBIT I

STATEMENT BY MARRINER S. ECCLES BEFORE THE JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. Chairman and members of the committee, I was complimented, and thus too easily persuaded, by a telephone conversation with the chairman of your committee, to accept an invitation to appear here today. Due to the short notice, and many other commitments and responsibilities, I have had little time and no staff to help me prepare a statement that would do justice to the importance of this committee and the economic inquiry it is undertaking. This inquiry aims to cover three objectives: "To provide substantially full employment; to achieve an adequate rate of economic growth; to maintain substantial stability in the price level and thus prevent inflation." The trick, however, is to reach these objectives under the system of democratic capitalism. I, for one, do not believe in the millennium, which does not mean, however, that we should not set our sights high, far beyond our present achievements.

There has been no economic subject which has been more fully discussed, and with disappointing results, by the Government as well as many other groups of our society and also every other democratic country. There is little, if anything, that I might add to what has been presented to this committee by an extremely able staff and outstanding experts who have preceded me. The documentation and statistical information has been so formidable that I neither knew where to begin or end. I, therefore, decided that possibly my greatest contribution to this inquiry would be to add nothing further to your confusion—lest it should equal mine. But, seriously, I have never ceased to be deeply concerned about the problems under consideration and their inherent complexity. I profoundly wish that I could make some real contribution to their solution. However, the short statement that I make and the interrogation which may follow, I hope may, at least, help to clarify some of the aspects of the dilemma with which we are confronted.

In this inquiry, we should recognize that our objectives of full employment and an adequate rate of economic growth are also the Communist goals. We must concede that there is no unemployment in Russia and China—and they are achieving a startling rate of economic growth. The stability of the price level or inflation is not vital under their system because they are not concerned about profits, wages, fringe benefits, or savings. And, neither are they concerned about the freedom of the individual—which is the very cornerstone of our society.

I have said it before, and want to say again, that to achieve our objectives will always be a source of great political and economical controversy because everyone wants a greater share of the economic pie than it contains. Government and other public bodies want more money to spend—the leaders of organized labor want more pay and fringe benefits for less hours of work—business presses for further profits—and increasing ranks of oldsters call for higher pensions. However, everyone expects these benefits in dollars of stable purchasing power. Unfortunately, all the economy has to divide are the goods and services it is able to produce—and not the amount of money it could create, which is, of course, limitless.

In our society, this situation is creating a dilemma for the Members of Congress whose constituents want easy money, lower prices, higher wages, greater profits, and fewer taxes. Only a combination of the Government, Congress, and the Federal Reserve can successfully deal with these diverse forces. To do this adequately it would be necessary for them to agree on the problems and have the courage to act, regardless of political conditions. This is possibly more than we can expect.

During the bottom of the recent recession, with more than 5 million unemployed and a large excess productive capacity, for the first time the country was confronted with increased wages and fringe benefits on the part of organized labor, and increased prices on the part of big business. In order to meet recession problems, the Government expenditures were substantially increased. This, together with the reduction in the tax intake, brought about by the recession, will create in the fiscal year of 1959 a cash deficit of about $13 billion. The Federal Reserve supplemented the Government's fiscal policy by an easy money policy which brought about a material growth in the money supply. Although the fiscal and monetary policy on the part of the Treasury and the Federal Reserve has brought about a rapid and substantial recovery, there are still over 4 million unemployed and considerable excess capacity. Notwithstanding this situation, new demands on the part of organized labor are in the offing—no doubt to be followed by further price increases.

The large Government deficit and the Fed's easy money policy, together with increased wages and prices despite the unemployment and idle facilities, has created a dangerous inflation psychology. This is reflected in the strength of real estate prices and especially in the soaring prices of stocks. Concurrently, we have seen the skidding market for bonds and mortgages—particularly the securities of the Federal Government. This developing situation caused the Federal Reserve to reverse its easy money policy—thus slowing down the growth of the money supply. On the other hand, the Federal Government is promising to bring about a balanced Federal Budget.

To continue an easy money policy and substantial budgetary deficits until the economy had reached its full potential of employment and production would inevitably bring about a serious inflationary situation. I do not believe it possible to have all of the freedoms which we demand, on a basis of stable prices and, at the same time, have full utilization of our manpower and productive facilities. The Communist world meets this problem by the sacrifice of the personal freedoms.

Our unemployment situation is very spotty. In some areas there is serious unemployment—some of which is no doubt due to union demands pricing the workers out of the market. In other areas, however, shortages are developing, particularly among skilled workers. Russia would manage this situation by moving the workers to where the work is, or would develop work where the people are—whichever was the most economically desirable. The wishes of the people would not be a factor in the decision.

It may be desirable for the Government to give assistance in those depressed areas where there is serious unemployment by making funds available where new industries can be developed or old industries be revived. This, however, can only be successfully done through the combined efforts of private enterprise and the local and State governments, assisted by the Federal Government. An extension of unemployment insurance payments, as a temporary expedient, seems to me to be indicated in the present situation.

I believe that the present inflationary dangers confronting the country call for the monetary and credit policy now being carried out by the Federal Reserve and the fiscal policy announced by the Government of achieving a balanced budget at the earliest possible date.

The Government's only source of income is what it takes from the economy in taxes and what it can borrow from the savings of the public. If this is insufficient, they must rely upon credit from the commercial banking system made possible by the Federal Reserve. This operation creates new money and, under present conditions, is inflationary. The Government is having great difficulty in refunding its huge maturities, as well as raising new money to meet its deficit—even though it is paying the highest interest it has paid for many years. This indicates that the public is losing confidence in the stability of our currency. This loss of confidence forces the Government to rely increasingly upon very short term financing through the commercial banking system with the assistance of the Federal Reserve—which only adds further to inflationary pressures.

The long-term interest rate is not greatly influenced by the monetary policy of the Federal Reserve. It depends primarily upon the amount of investment and savings funds available in the market and the choice made in how these funds shall be invested. The rates offered on bonds and mortgages have been going steadily up in an attempt to attract investment funds away from other markets. These funds are going into stocks and real estate at an accelerated pace in an effort to hedge against our depreciating dollar. From this situation it should be apparent that the Government cannot continue to finance heavy deficits unless it is to ignore the inflationary impact of such financing. It certainly cannot finance more than a $40 billion defense program (which, in my opinion, is beyond the needs for adequate defense), and at the same time meet all of the other demands made upon it—unless the American public is willing to further increase its tax burden. This, however, is already excessive when the total tax take—National and State—is considered.

We all recognize the many new economic and social problems which are crowding in upon our economy from every direction. These are due to the rapid population growth, as well as the need to maintain and improve our position of strength throughout the world. Worthy, as are the many programs the Government is called upon to sponsor and support, such as highway programs, foreign aid, health, aid to education, agriculture, conservation, and many others, the country does not have capacity to meet all the demands made upon it. The Members of Congress who are so willing to sponsor and vote for programs which unbalance the budget should be just as willing to vote for unpopular tax increases necessary to pay for them.

There is an increasing laxity and waste in the appropriation and expenditure of public funds. There always seems to be a tendency on the part of governments and public bodies to go on increasing expenditures and taxes, thus helping to feed the endless self-serving demands of their influential constituents—very often not in the public interest.

In my opinion, now is the time to face this budget problem. I realize that every appropriation represents a political struggle. Nevertheless, each should be considered only in the light of its present need and the real public interest. We all know there is a place in a budget of $78 billion for substantial economies in the aggregate. No doubt the defense program, which represents nearly 60 percent of the budget, is a good place to begin. It is hard for me to believe that a realistic streamlined program for adequate defense, eliminating duplication and obsolescence, would not strike plenty of pay dirt. Likewise, there needs to be a close reappraisal of the foreign aid program with an eye to eliminating waste, duplication, and greatly reducing its tremendous overhead. The huge and increasing cost of the farm program, running at a rate of more than $6 billion net this year, is no longer justified on any basis. A solution must be found which will greatly lessen this burden on the taxpayer.

If one can credit the reports in the press, a good place to set an example for economy would be in the White House where over $5 million is being spent this year to run that establishment, with a requested increase for next year of $332,000. This is more than twice the Truman budget for the same purpose during his last and most expensive year.

Further, the nepotism in Congress and other extravagances are shaking the public confidence in the good judgment of our lawmakers. I note that the chairman of this committee is aware of some of the extravagances and abuses since he proposes to sharply reduce the number of limousines and chauffeurs used by the Government from 99 to 35.

It is being said recently that an adequate defense is more important than a balanced budget. I don't believe they necessarily have any relationship. If we need a deficit in order to maintain economic stability because of a deflationary development, we should have a deficit—whether for defense or any other purpose. We may need a deficit without a large defense program to maintain production and employment, but we should not permit a deficit solely for the purpose of maintaining an adequate defense program if the effect of so doing is inflationary. Such a situation demands an increase in taxes or a reduction in other expenditures, or both, if the objective is stable money.

I have attempted to show, in a general way, the uses that can be made of the fiscal policy of the Government and the monetary and credit policy of the Federal Reserve to maintain economic stability. However, it is becoming increasingly clear that even with a balanced Federal budget, monetary and credit policy are entirely inadequate to maintain reasonably full employment and production, on the basis of stable prices. With the economy running in high gear there is little or no resistance to labor demands on the part of business, because business finds it easier to pass on to the public their increased costs. Competition for labor, as well as the products of big business, largely disappear under conditions of full production and employment. Under these conditions, unless the Federal Reserve curbs the growth of the money supply, or the Federal Government develops a substantial budgetary surplus, the wage-price spiral would continue with devastating inflationary effect. On the other hand, the dilemma is, that by curbing these inflationary pressures, recession is brought on with resulting unemployment and idle facilities.

It has been said that creeping inflation is the best answer to this dilemma. I do not believe it is any answer, for the reason that the cornerstone of capitalistic democracy rests upon the savings of the public. These constitute the principal source of capital accumulation upon which the growth of our system depends. Why should anyone buy life insurance or annuities, Government or municipal bonds, utilities or railroad bonds, mortgages, or any other kinds of fixed interest-bearing obligations payable at a future date in dollars depreciated at the admitted creeping inflation rate of 2 to 3 percent a year? For the Government to sell such obligations and to permit conditions to develop where not only their obligations but all other fixed dollar obligations are being paid, including interest, in dollars depreciated from 2 to 50 percent, depending upon the maturity dates—is to say the least immoral if not downright dishonest.

The reason the public has bought such a vast amount of insurance and saved tens of billions of dollars in other forms of fixed income is because they believed their Government would protect the integrity of their savings. The real danger confronting the country now is that our people, as well as foreigners, are beginning to expect creeping inflation and, maybe worse, that our Government will do nothing about it. Their preference for low-yielding stocks rather than high-yielding bonds and mortgages is an indication of their fears of further inflation.

Escalation has been suggested as a means of equalizing the depreciation in the purchasing power of the dollar, in the case of pensioners and owners of fixed income obligations. This is an interesting idea, but it constitutes built-in inflation. It takes away all restraint and would, therefore, accelerate it. And what would become of people and institutions that have bought in good faith, and own present outstanding obligations? And what would happen to the needed stability of the American dollar in the world market under these conditions—when it took more than $2 billion in gold last year to stabilize it?

Nothing is more urgent, unless it be an adequate defense, than to arrest the growing belief in the inevitability of inflation, and to organize our economic affairs so that faith in the integrity of our dollar be reestablished at home as well as throughout the world.

We all agree with the desirability of the objectives which this committee is considering—substantially full employment and an adequate rate of economic growth, while at the same time preventing inflation. However, I must confess that in the light of developments I see some formidable hurdles ahead, requiring courageous decisions by Government, if we are to have any degree of success in attaining them.

The leaders of the huge labor organizations and their affiliates, representing more than one-fourth of the working force, largely dictate the wages and fringe benefits without control of any kind, in all of America's basic industries. Through their monopolistic power they have been able to wring from the economy benefits far in excess of their contribution to it. These excess benefits have largely been passed on to the public in increased prices. This development is and for some time has been the principal reason for inflationary developments. I understand that the steelworkers union, numbering 1,250,000 workers, will demand from the steel industry when its present contract expires June 30, a billion-dollar package as a price for renewing its contract. If all of the other workers of America—more than 65 million—were to demand and receive these same benefits it would add $52 billion to the costs of goods produced. There would be nothing creeping about the resulting inflation.

The rate of growth in national productivity should be the basis of wage increases and fringe benefits. This is in the range of from 2 to 3 percent annually. Such limits would permit a just share of productivity gains to go to the consumer, and leave a fair return on invested capital without increasing prices.

It may be expected that the employer could and should absorb most of these added costs; however, let us consider what the amount of business profits are and what happens to them. According to a study by the 20th Century Fund, total wages and salary disbursements were 50 percent of the national income in 1929—and 73 percent of it in 1955—whereas dividends decreased over the same period from 5.8 percent to 3.9 percent of that income. The workers' share of the national income from 1950 to 1957 increased by 10 percent—whereas the business share, represented by profits of all corporations, has decreased by 33 percent. It is apparent from these figures that business cannot absorb out of profits, as organized labor contends, increased wages without increasing prices. Retained corporate earning is the greatest source of new capital for industry.

If corporate profits were eliminated, as is the case in a communistic society, there would be very little difference in the prices paid by consumers for goods and services. Corporate profits, after income taxes, amount to about 6 percent of the national income. Approximately one-half of this amount, or 3 percent, as disbursed as dividends. The balance, or 3 percent, is retained in the business. Of the dividends disbursed, it is estimated that the Federal Government collects between 1 and 1½ percent, leaving the remainder to the shareholder to spend, or to save.

If the corporations and their shareholders did not exist, the amounts collected by the Government from them in taxes, and the amount retained in the business, would have to come out, in one way or another, of the national product. Therefore, the total consumer purchasing power would not be increased more than 1½ percent—2 percent even if business profits were eliminated entirely. I think this is an extremely cheap price to pay for the benefits we reap from the system of capitalistic democracy.

It should be apparent that unless the Government and the Congress has the courage to control the rapidly growing monopolistic powers of organized labor, further inflation is inevitable. The only alternative is to stop the growth of the money supply; ultimately bringing with it heavy unemployment and idle facilities.

We cannot tolerate having private groups dominate our Government and our economy by means of organized monopolies. For a few men at the top to exercise such power in effect constitutes a private dictatorship of public policy and must, in the interest of our country, as well as in the real interest of the rank and file of labor itself, be courageously dealt with by both political parties. This can no longer be considered a party issue. It has assumed the proportions of a national issue, almost as important as defense.

In closing, I wish to thank the committee for the opportunity of appearing here today. I realize that my statement is very sketchy and leaves much to be said on all of the issues discussed. It does, however, have the merit of raising many very controversial questions. I do feel that it is necessary to face up to the basic issues, whether popular or unpopular, and that this is neither the time nor the place for timidity.

This committee has great power and prestige and I believe it will stand up to its responsibilities and not permit itself to be intimidated by fear of political retaliation from any source, nor are its members likely to be lured away from basic principles by shortrun interest and attractive promises.

Mr. MOSS. Mr. President, I have not had the benefit of hearing or seeing the testimony of Mr. Marriner Eccles, as now submitted by the Senator from Connecticut, but he is an outstanding citizen of my State of Utah. Mr. Eccles certainly is one of the leaders in the fiscal field in the United States.

I join with the Senator from Connecticut in urging the Members of the Senate to carefully read the testimony. Mr. Eccles has been a close friend of mine for many years, and I value his counsel at all times. I am certain I would in this instance.

Mr. President——

The PRESIDING OFFICER. The Senator from Utah.

COMMENDATION OF ROSEL HYDE

Mr. MOSS. Mr. President, the Utah Broadcasters Association is an organization concerned with television and

radio broadcasting. Recently that organization in convention adopted a resolution having to do with the reappointment of Mr. Rosel Hyde to the Federal Communications Commission. Mr. Hyde is a personal friend of mine whom I have known for many years.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the members of the Utah Broadcasters Association have asembled this 21st day of February 1959, for their annual meeting; and

Whereas the Honorable Rosel Hyde has served the radio and television industries long and well as a competent public servant in the Federal Communications Commission, having served impartially and with great discretion and wisdom in the office; and

Whereas Rosel Hyde has gained the respect and admiration of those engaged in the broadcasting and telecasting industries and is regarded by the broadcasters of Utah as one whose ability, character, and unique knowledge of the operations and problems of the broadcasting industry are such that the industry and the public are greatly benefited by Mr. Hyde's services as a Commissioner in the Federal Communications Commission; and

Whereas the Utah Broadcasters Association is cognizant of the fact that the term of office of the Honorable Rosel Hyde, as a member of the Federal Communications Commission, is soon to expire: Now, therefore, be it

Resolved, That the Utah Broadcasters Association, in convention assembled this 21st day of February 1959, affirms its appreciation for the outstanding performance and service to the radio and television industries by Rosel Hyde as a member of the Federal Communications Commission; and be it further

Resolved, That the Utah Broadcasters Association go on record as declaring that the Mountain States area should be represented on the Federal Communications Commission, and respectfully urges the reappointment of Rosel Hyde; and be it further

Resolved, That this resolution be spread on the minutes of this, the annual meeting of the Utah Broadcasters Association, and that a copy of said resolution be sent to the President of the United States.

UTAH BROADCASTERS ASSOCIATION,
JAY W. WRIGHT, *President*.

Attest:

ARCH G. WEBB,
Secretary.

SPEECHES BY WEST VIRGINIA SENATORS REGARDING DEPRESSED ECONOMIC CONDITIONS IN THEIR STATE

Mr. NEUBERGER. Mr. President, I desire to comment briefly on the outstanding job done in the Senate by the two distinguished Senators from the State of West Virginia [Mr. RANDOLPH and Mr. BYRD] in bringing to our attention the grave economic conditions confronting their State. This was accomplished during the debate over the area redevelopment bill. Although my own State of Oregon has suffered economically because of the lumber crisis brought on by a reduction in new housing starts, I nevertheless was shocked to hear of the West Virginia communities where whole populations have been stranded and left destitute of adequate financial resources. This is a challenge to the entire Nation, and it is a national responsibility. Our colleagues from West Virginia [Mr. RANDOLPH and Mr. BYRD] have presented their case with dignity, with ability, and with the facts. Their people are fortunate to be represented so ably in this Chamber.

INFLATION AND A BALANCED BUDGET

Mr. MONRONEY. Mr. President, an enormous number of words have been spoken on the floor of the Senate or written in the statements emanating from the White House and the Government departments about the effect upon inflation of an absolutely balanced budget. Many of us on the floor of the Senate have protested against the tight-money policy and against the ever-increasing high interest rates, largely created by Government edict and by legislation urged upon the Senate by the administration.

The word has gone forth to the public that the only way we can prevent inflation is by having the budget balanced to the last penny.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague.

Mr. GORE. Insofar as an influence upon inflation is concerned, an enormous budget surplus or an enormous budget deficit would be necessary to have any appreciable effect. A budget surplus of a billion dollars or a deficit of a billion dollars would have practically no effect at all upon the price level.

Mr. MONRONEY. The Senator is exactly correct. I should like to read from the editorial of March 12, published in the Journal of Commerce, which I intend to have printed in its entirety in the RECORD. I think this is exactly in line with the point the Senator from Tennessee has made. The editorial declares:

In examining the inflationary impact of debt, it is the total of new debt creation that has to be looked at, not just the Government deficit. This is a fact the administration appears to have forgotten.

In other words, whether there be a deficit of $1 billion, $2 billion, or $3 billion in Government spending, there should not be overlooked the inflationary impact of the creation of commercial debt, which may run as high as $50 billion or $100 billion. The oversimplification, or attempt to cure the inflation danger we have merely by a "witch doctor's remedy"—screaming that only a balanced budget will give us protection against inflation—places us in grave danger as a result of ascribing the cause of inflation to the wrong germ.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague.

Mr. GORE. One need not favor an unbalanced budget to recognize that a balanced budget theoretically has no effect up or down on the price level.

Mr. MONRONEY. The Senator is correct.

Mr. GORE. It would be only a very large budget surplus which could have a repressive influence upon the price level to any considerable extent. Merely to say that the whole battle against inflation and rising prices is to be won or lost by a teetering balancing of the budget is utterly unrealistic.

Mr. MONRONEY. It further emphasizes the fact that everyone, including the administration, knows that the President's budget is strictly for political purposes. It is not a realistic budget. It anticipates revenue from a 5-cent postage stamp, which any realistic Member of Congress knows will not be voted. It anticipates other tax revenue in the way of consumer taxes which every realistic Member of Congress knows will not be added. Yet the cry goes out, in hundreds of millions of publications, that the President's budget is balanced. It could be balanced only if Congress were to enact new legislation, which it is not likely to do, and there are very few signs from the Republican Party to indicate that its members even intend to try to obtain the revenue which the President has assumed in order to achieve his "balanced budget."

There will be a damaging effect by reason of creating the idea that if the budget is "unbalanced," inflation will occur. That is dangerous, because it drives away investors. It drives away people who are planning expenditures. It tightens the money supply and reserves it for future lending. Many other deleterious effects will result from saying that inflation will occur unless the budget is balanced to the precise penny, when any realistic man knows that a political budget cannot be balanced, and that the President and his party do not intend to try to balance the budget. They have left out hundreds of millions of dollars from the budget of 1960, shifting it over to 1959, with the result that there is an imbalance in that budget year of from $12 billion to $15 billion.

Apparently it does not matter to the President and other members of his party how much imbalance is created in 1959. Yet the budget of 1960, because it will be the budget which will be shown off in neon lights during a political campaign year, must be snow white. "Snow White" is a fairy tale, and so is the President's "balanced budget." The administration does not intend to do anything about it except to show it off for political purposes and, I am sorry to say, to mislead the people as to the true condition of their budget.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. GORE. Can the Senator explain how the price level would be affected, how the cost of living would be affected, how the monopoly of price increases would be affected, by a decision to extend $1 billion to the International Bank either on June 30 or July 1?

Mr. MONRONEY. The Senator has touched the very delicate political nerve connected with the budget. In the eyes of the present administration, apparently expenditures are not inflationary if they are made on June 30. But if

they should fall on July 1, they become dangerously inflationary. I am not familiar with the Wall Street school of economics, which seems to dominate this administration——

Mr. GORE. Just how would the cost of living be affected, whether the expenditure was made at all, or whether it was made in June or July? How would the price of groceries be affected?

Mr. MONRONEY. There would be no effect so far as raising or diminishing the cost of bread, butter, bacon, or beans is concerned. Yet the administration's budget bookkeeping system allows Snow White, in all her pristine glory, to be shown off to the world as a long-delayed balanced budget, which this administration says it has finally achieved.

But as we draw nearer to it, we see the impossibility of the President ever realistically driving for the revenue necessary to attain a balanced budget within his own estimates, even if Congress did not increase it one thin dime.

Because of the importance to the Nation's economy, and as proper guidance to sane thinking on this subject, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "A Matter of $2 Billion or $3 Billion," published in the New York Journal of Commerce for March 12, 1959.

It exposes the phony nature of the President's budget, which we have been so strongly urged not to "unbalance," for fear of creating an overwhelming degree of inflation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A MATTER OF $2 OR $3 BILLION

The administration keeps walking farther and farther out on that well-known limb with its every fresh assertion that the Federal budget must be kept in precise balance if this country is to avoid a renewal of inflation.

The fact of the matter is, barring the wholly unlikely eventuality that 1959 turns out to be a boom year of 1955 dimensions, that the 1960 budget is going to be unbalanced. A boom could produce enough additional revenue to put the Government in the black for fiscal 1960, but spending, regardless of economic conditions, is bound to exceed the budgeted $77 billion. This will happen because Congress will have it that way; because the administration based its every estimate of outgo on the happiest possible assumptions, and some of them are bound to turn out wrong; and because there is evidence of plain hanky-panky in some of the budget figures, such as the maritime subsidies.

Government leaders surely know this as well as we do, yet all of them, from the President down, keep warning of terrible inflationary consequences if there is a deficit, however small. They are doing this, quite obviously, because they hope to scare Congress out of voting additional spending programs.

But it would appear that the administration has never stopped to consider the fact that it is helping to create the very thing it is seeking to avoid—inflation—by this constant equating of a deficit with inflation.

The day of reckoning may come soon, and certainly not later than August or September, a few weeks after Congress has completed action on the last appropriations bill, when the Bureau of the Budget publishes its annual revised budget estimates. If the revision indicates a deficit, as we believe it surely will, the administration's response can only be one of two things, neither of them very pleasant to contemplate.

It can say, in effect, "Shucks, Mr. Citizen, Mr. Investor, Mr. Businessman, we didn't really mean it. A deficit of this size isn't really going to hurt much."

Or it can say, "Well, we warned you and now it has happened. Congress unbalanced the budget and prices are going to take off into the upper stratosphere."

Obviously, some version of the former, rather than the latter, is the line which will have to be adopted. But it may not be believed in the light of all that has been said in the past, and the financial markets, business and the public may begin behaving as though inflation were inevitable—thus helping make it inevitable.

Even if the public accepts the administration's sudden assurances that all is going to be well after all, real damage will have been done, because no future warning of inflationary danger will be credited. This is no small point. In the calendar year 1960, unlike this one, economic conditions may be such that a balanced budget actually will be crucial to the prevention of inflation. And 1960, as everyone knows, is a presidential election year and therefore a year in which it will be difficult, indeed, to hold the congressional spenders in line.

There are those (including one member of the Eisenhower Cabinet) who have chided us for not joining in the fight for a budget balanced to the last penny, and asked why, as a conservative newspaper, we are not more concerned about the inflationary consequences of an imbalance.

This newspaper's unyielding opposition to even a little bit of inflation ought to be fairly well known by now. But as a conservative newspaper, we have always taken seriously our obligation to think straight on economic issues. It just isn't that to hold that a deficit of $2 or $3 billion would pitch this economy into inflation.

Such a hypothesis implies the single factor which dictates the trend of prices is the Federal budget. Not so. The economy must be looked at as a whole and present conditions are not inflationary. It is an increase in the money supply, basically, which creates inflation, and the Federal Reserve—having learned a lot from its errors in 1953 and 1954—maneuvered through the late recession without allowing any important increase in the money supply and then pulled the reins tight again almost at the first sign of recovery. In addition, there is little reason to believe that consumer or business borrowing is going to expand to any dangerous extent this year. There is small prospect of any strong pickup in business spending for capital equipment until fall or later, and plenty of retained earnings in hand to finance what pickup there is.

In examining the inflationary impact of debt, it is the total of new debt creation that has to be looked at, not just the Government deficit. This is a fact the administration appears to have forgotten.

To be sure, the administration should try for a balanced budget because there is moral worth in pay-as-you-go in reasonably good times. We agree with that. We should limit Federal spending because there is danger in constantly increasing the centralization of power in Washington. We agree with that.

We ought to balance the budget in 1960 so we can have a tax cut next year. We hope conditions will be such that we can agree with that.

Washington ought to stop telling us that the budget has to be balanced to the last penny because otherwise uncontrollable inflation will result. We know better, but many people will be persuaded if administration spokesmen keep saying it. And therein lies the danger.

EXTENSION OF TIME OF RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Minnesota [Mr. MCCARTHY] for himself and other Senators.

Mr. BYRD of Virginia. Mr. President, I rise to oppose the pending amendment. This amendment would add $105 million to the cost of the program. It is true that that money has been appropriated, but the budget did not anticipate the expenditure, and for that reason it would affect the budget to the extent of $105 million.

I wish to speak very seriously to Senators who favor the bill. The House is in recess, waiting upon the Senate for action on the bill. If the bill is amended in substantial fashion, as is now proposed, it is my opinion, as Chairman of the Senate Committee on Finance, that we shall be unable to have a conference, because one objection on the floor of the House would prevent a conference on the bill. If there is no conference, of course, the bill will die. Under existing law the time limit is April 1. After that date is passed, it will be impossible to enact retroactive legislation.

As chairman of the Senate Committee on Finance, I wish to absolve myself from all responsibility for the defeat of the bill by reason of the fact that the House will probably not act upon it if it is substantially amended. One objection could prevent action on the bill. It would have to go to conference, and conferees would have to be appointed on both sides.

The information which I have does not come directly from those who will be on the conference committee; but I am advised that there is very serious danger that the House will not consent to a conference at this late date. Failure to go to conference will mean that the bill will be defeated; and, once defeated, it cannot be made retroactive when Congress reconvenes on April 7.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. ALLOTT. What the Senator has just said is very impressive. I should like to state the situation in another way, and obtain an answer.

Mr. GRUENING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRUENING. Who has the floor?

The PRESIDING OFFICER. The Senator from Virginia [Mr. BYRD] has the floor.

Mr. ALLOTT. The Senator from Virginia yielded to me for a question.

Mr. BYRD. I yield to the Senator from Colorado.

Mr. ALLOTT. The purpose of the bill before the Senate, providing for an extension, is to provide unemployment relief until the 1st of July, and to extend the provisions of the legislation which we passed last year so that those who are now unemployed, and who are in the status up to April 1, will have an opportunity to participate in unemployment benefits through to July 1. Is that correct?

Mr. BYRD of Virginia. The Senator is correct.

Mr. ALLOTT. If I interpret correctly the statement which the Senator from Virginia has just made—and I have great respect for his ideas on this subject—the adoption of the amendment, no matter how desirable or feasible it may seem in some respects, would force a conference with the House, and that, because of the time limit, and because of the situation in the House, the conference committee could not resolve the differences between the two Houses.

Mr. BYRD of Virginia. That is correct.

Mr. ALLOT. Therefore, if the amendment were to be adopted, a vote for the amendment would, in effect, take away from the people who desire an extension of the Unemployment Act until July any opportunity to participate in the program. Is that correct?

Mr. BYRD of Virginia. I am informed by the experts in the Labor Department that approximately 400,000 people will be denied a continuation of unemployment insurance on July 1 unless the bill is made operative by April 1.

Mr. ALLOTT. By adopting the proposed amendment we would be gambling with the opportunity of those 400,000 people for future relief. Is that correct?

Mr. BYRD of Virginia. Yes. Any Member of the Senate who has any doubt about the seriousness of the situation should communicate with the House leadership. If they will do that, they will be advised as to whether it is possible to get the bill through a conference committee at this late hour.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. LAUSCHE. What will be the legal situation if the existing law expires through the expiration of time and thereafter a conference is had? Does the Senator follow my question?

Mr. BYRD of Virginia. Will the Senator repeat it, please?

Mr. LAUSCHE. In the event the existing law terminates because of the expiration of time, and then the House consents to meet in conference, will Congress have the right, ability, or opportunity to act upon an amendment to a law which has already expired?

Mr. BYRD of Virginia. The Senator has raised a very important point. It seems to me that would raise grave doubts indeed. I am advised by the experts in the Labor Department that on the expiration of the act on April 1 the staff would have to be dismissed.

Mr. LAUSCHE. The point I have in mind is that on April 1 the existing law comes to an end because of the expiration of time.

Mr. BYRD of Virginia. The Senator is correct.

Mr. LAUSCHE. If the law comes to an end, how can an amendment be acted on in conference after the House and Senate return following the Easter recess?

Mr. BYRD of Virginia. That is the point exactly. The Senator is entirely correct. I am advised that the staff which administers the law will go out of existence on April 1. It will be practically impossible to make the act retroactive even though it should be enacted as a new law.

Mr. LAUSCHE. When the Senator from Virginia said that an objection on the floor of the House would prevent the bill from going to conference, that does not mean that at a later date it could not be sent to conference, does it?

Mr. BYRD of Virginia. Oh, no.

Mr. LAUSCHE. I suggest to my colleagues that after a law has died because of the expiration of time, any amendment to a nonexisting law would raise great doubt as to its legality.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Who has the floor?

The PRESIDING OFFICER. No Senator has the floor at the moment.

Mr. McCARTHY obtained the floor.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield to me?

Mr. McCARTHY. I yield.

Mr. CLARK. Will the Senator yield so that I may propound a question to the acting majority leader?

Mr. McCARTHY. I yield.

Mr. CLARK. Mr. President, at the request of the Senator from Michigan and myself, the acting majority leader has been in communication with the Speaker of the House of Representatives with respect to the possibility of a conference on the pending measure, in the event the pending amendment should prevail. I should like to ask my friend from Montana if he would enlighten our colleagues as to the result of that conversation.

Mr. MANSFIELD. I will say to my good friend from Pennsylvania and to my other colleagues in the Senate that, although I intend to vote for the McCarthy amendment, as I did for the McNamara-Clark substitute, I was informed by the Speaker of the House that if the McCarthy amendment should be adopted, the chances of the act being extended for the 3-month period desired would be practically nil. It is my further understanding that the only thing which the House would accept would be a technical amendment, which, I pointed out to the Speaker, had already been accepted by the Senate at the beginning of the discussion on the bill.

Mr. CLARK. Is it not correct to say that the House stands in recess, to be reconvened upon the termination of Senate action on the bil, and that we have every reason to believe that the House will go to conference on the bill and attempt to resolve the differences before the April 1 date had arrived?

Mr. MANSFIELD. The Senator is correct when he states that the House is in recess awaiting the disposition of the bill by the Senate. Whether the House might go to conference if a bill markedly different from the one passed by the House were passed by the Senate, to be perfectly frank about it, is an open question. The Senator from Virginia [Mr. BYRD] has indicated that in the House conferees are appointed under a unanimous-consent request, and one objection can keep conferees from being appointed. Therefore, if there are no conferees, there can be no conference.

Mr. CLARK. I came to the floor toward the end of the statement by my good friend the senior Senator from Virginia. I wonder if he said that he doubted the House would go to conference. It seems to me that, as a coordinate body, we should act as we believe we should act, in accordance with our conscience, and we should expect the other House to extend the courtesy to us of going to conference. It might be that the conferees could not agree, of course, but I hope no Senator will change his vote because of the threat of no conference.

Mr. MANSFIELD. I agree that, regardless of what the House does or does not do, each Senator ought to do what he thinks is the right thing to do, and I am sure each Senator will do that.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. McCARTHY. Mr. President, I certainly approve of what the acting majority leader has said. I do not know what will happen in the House of Representatives, but I believe that, in anticipation of the Easter recess, we ought to take a stand which Senators feel is justified and is sensible. What is involved is the question whether benefits will be made available to approximately 200,000 unemployed persons.

It seems to me that we would be in a difficult position if we were to say that, in anticipation of the Easter recess, we decided to ignore and neglect these people in their difficulties; and that we eliminated the provision from the bill because of the threat of the refusal of the House of Representatives to go to conference with the Senate on the bill.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. JAVITS. It seems to me that there are two other questions we should consider. First, is it not a fact also that if we adopt the pending amendment, we are moving within the 3-month frame of reference? Secondly, is it not a fact that we are doing a very desirable thing in accommodating people who are now on the State unemployment rolls and under the House bill cannot get on the Federal roll?

My point is that it is one thing to proceed as we wish without regard to the other body, because we think what we are doing is the right thing to do. We cannot do that, of course. It is another thing to proceed with a very reasonable effort to conform to the fundamental frame of reference set by the other body; and then, if they

want to—and we cannot assume that this will happen—they will let the bill lie on the table.

I respectfully submit that we are arguing in the frame of reference set by the House of Representatives. It is not something outside the context of what the House has offered. It seems to me that it would be unreasonable on that ground if we should find—and I say we cannot assume this—an obdurate attitude in the other House.

Mr. MANSFIELD. What the Senator from New York has said is correct. Each House must make up its own mind and reach its own decision on proposed legislation. I believe that each House will do what it believes in its own mind to be right. The point is that, as a practical matter, the argument advanced by the Senator from Virginia should be considered, as to what the ultimate outcome of the bill would be if the pending amendment were adopted. I do not agree with the idea that a vote for the McCarthy amendment is not good for the bill. I believe it is good for the bill. Whether the House agrees to go to conference with us is something for the House to decide. We have our own duty to perform here. I know we will perform our duty.

At the same time, many Members of the Senate will keep in mind the practical aspects of the situation. They will bear in mind that the present law expires on the last day of this month; and if it expires, either through the normal expiration of the act, or because of a lack of conference, it means, in the end, that the unemployment compensation law will not be extended.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. ALLOTT. It is not a question, as I understand, of the House adopting a Senate ultimatum.

Mr. MANSFIELD. No.

Mr. ALLOTT. The fact is that in order to enable the House to appoint conferees to act upon the matter, there must be unanimous consent in the House. That means that if any one of the 436 Members of the House objected to the particular form of the bill in which it passed the Senate, the House would be able to forestall the appointment of conferees and thus prevent the enactment of the proposed legislation.

Mr. MANSFIELD. The Senator is correct. He is emphasizing what he so cogently stated in his colloquy with the distinguished Senator from Virginia.

Mr. JAVITS. Mr. President, will the Senator from Minnesota further yield?

Mr. McCARTHY. I yield.

Mr. JAVITS. I served in the other body. It is possible to bring up a Senate bill in the House as an original bill and to pass it under a suspension of the rules, even though the Committee on Rules will not allow it to go to the floor.

We cannot assume that because one Member of the House will object, that will be the end of the matter.

I served in the House for many years, as did the Senator from Minnesota. So did the Senator from Montana. I think we have seen that very thing happen on other occasions.

Mr. MANSFIELD. What the distinguished Senator from New York has said is correct; but he also recognizes the difficulties attached to those proceedings, as well.

Mr. McCARTHY. Conceding that any Member of the House might act as the Senator from New York has suggested, namely, object to the appointment of conferees, the effect of such action might be to grant to each Member of the House veto power over Senate action. To do this would be to establish a dangerous precedent.

Mr. WILLIAMS of Delaware. Mr. President, I join with the Senator from Virginia [Mr. BYRD] in expressing the hope that the amendment of the Senator from Minnesota will be rejected. I am not now directing my remarks to the merits of the amendment. I am merely joining the Senator from Montana [Mr. MANSFIELD] in pointing out the true parliamentary situation. Upon the request of many Senators on both sides of the aisle, some of us have consulted with the leadership of the House. The advice we received—and it was not in the form of a threat, but was advice given from a practical standpoint—is that if the bill is amended, it will not be accepted by the House.

Mr. MANSFIELD. The Senator from Delaware is correct. There was no threat, either implied or expressed. The advice was given on the basis of requests made, and it was the best advice possible which the leadership of the House could give us at this time.

Mr. WILLIAMS of Delaware. That is correct. I thought that should be stated. We asked for the information in order that we might relay it to the membership of the Senate.

As the Senator from Montana pointed out earlier, one technical Senate amendment has been adopted. A question was raised as to why, since we adopted one amendment, we could not adopt another. But the chairman of the committee placed in the RECORD a letter from the chairman of the House committee stating that, upon the approval of his committee, the House would accept the technical amendment only.

Mr. MANSFIELD. The Senator is correct.

Mr. WILLIAMS of Delaware. Let there be no misunderstanding. We were advised, as the Senator from Montana stated, that if the McCarthy amendment were adopted, the chances for the passage of the bill were practically zero.

Mr. SCOTT. Mr. President, on March 16, in the Committee on Finance, I offered an amendment to the Temporary Unemployment Compensation Act of 1958, calling for an extension of the existing program for a period of 6 months.

On March 20, I presented my arguments in favor of such an extension before the Senate Finance Committee. The committee did not see fit to accept the alternative which I suggested—but it is still my view that it is the most reasonable solution to the problem and will provide a very necessary adjustment period—to carry over the unemployment gap until the seasonal upturn in employment opportunity gets underway.

Mr. President, according to the latest figures I have been able to obtain, there are 508,000 unemployed persons in the Commonwealth of Pennsylvania. This is 11 percent of the Pennsylvania labor force, as well as around 11 percent of the total unemployment on a national basis.

The average number of persons receiving benefits in Pennsylvania as of January 1959, on a weekly basis, was 257,000 on the regular State unemployment compensation rolls, plus 59,700 weekly, under the temporary unemployment compensation program. This average of weekly eligibles does not appear to be diminishing, but is expected to go higher.

I do not mean to imply that I believe chronic unemployment in certain areas in Pennsylvania can be solved by temporary unemployment compensation. Nor do I favor the continuation of heavy Federal contributions to unemployment compensation or the dislocation of the present Federal-State relationship in the administration of the employment security program.

I am just as anxious as is the very able chairman of the Senate Finance Committee that we keep spending programs within the budget and reduce them wherever possible.

I do not like anything that even remotely resembles a dole for the people of Pennsylvania. We have privation in certain areas, and many family breadwinners walking the streets looking for a job; but it is a job that the workingman in Pennsylvania wants, not a dole.

He wants a tide-over out of funds to which his employment has contributed, or which State taxation will eventually repay.

Mr. President, I realize the cost of the proposed running-out program under the pending bill, can be absorbed under funds already appropriated in fiscal 1959.

To extend the existing program for a 6-month period would cost an estimated $210 million, $105 million of which would have to be appropriated for under the 1960 budget.

Undoubtedly the cost factor was a principal consideration in the committee deliberations. It is a difficult one against which to argue.

Between now and the actual termination of the temporary unemployment compensation program under H.R. 5640—June 30, 1959—we will have opportunity to observe the impact and the need for further remedial legislation. If unemployment does not improve immediately ahead, we must then find a more permanent way of dealing with the situation.

I intend to support this amendment.

Mr. LAUSCHE. Mr. President, I contemplate voting for the amendment. However, I must keep in mind that when Congress passed the Temporary Unemployment Act last year, it was done specifically with the understanding that it was a temporary measure. I remember vividly the arguments made that 1958 was a nonlegislative year so far as the States were concerned and that, therefore, it was necessary for the Federal Government to step into the gap so as to enable State legislatures in 1959 to cope with the problem.

Nineteen fifty-nine is here. State legislatures are in session. There definitely are 35 States which have unemployment compensation funds with fiscal strength capable of coping with the problems confronting them. Many of those States have refused to act; they do not want to help themselves. Yet today it was suggested that while they do not want to help themselves, Congress ought to proceed to their aid.

The State of Ohio is in excellent fiscal shape so far as its unemployment compensation fund is concerned. Thirty-four other States are similarly situated.

Some States are in bad shape. The fact that they are in bad shape was foreseeable 7 or 8 years ago.

As Governor of Ohio, I had constantly called to my attention what other States were doing. The argument was made that Ohio should follow the course of the other States.

Mr. President, the funds of those other States are now practically exhausted. They are exhausted because of mismanagement. I heard the argument made today that Congress should restore by its action fiscal stability. I warn Senators that we are on the way of doing to the Federal fund what has been done locally to the State funds because of mismanagement.

Senators might inquire why I have said I will vote for the amendment. In those States where the funds are low—I understand there are five such States—there are many people who are out of work. Those State funds cannot be immediately used to supplement or to increase payments or to extend the duration of the payments. Those States should be taken care of.

The proposed extension of 3 months will involve $105 million, but it will be on a loan basis; it will not be a giveaway. It is for that reason that I shall vote for the extension of 90 days. It is not because of the States, but because the workers in those States are innocent of what has happened.

But while we take such action, I think it is incumbent upon us to call upon the States to put their own fiscal houses in order with respect to the unemployment compensation funds. The States should proceed to ascertain whether the premiums charged are adequate, and whether the payments made are commensurate with the premiums which are being received.

Those are my thoughts on this subject, Mr. President. I regret to take the time of my colleagues at this late hour; but I would feel remiss unless I spoke now.

Furthermore, Mr. President, I wish to say that the States which are complaining about economic difficulties had better look around and see how many of them are driving industry and people away because of the unhealthy economic environment being created in those States. They are driving industry and people away; and now I am beginning to receive letters from persons who write, "Shall I remain here, or shall I move away? My bank account is dwindling, because of deficit operations. Every dollar that I paid for Government bonds is now worth only 47 cents."

Mr. President, what some States have done to their businesses and their citizens, we in the Congress are now beginning to do to the businesses and the citizens of the Nation.

The PRESIDING OFFICER. The question is on agreeing to he amendment of the Senator from Minnesota [Mr. McCARTHY]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Texas [Mr. JOHNSON], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. ERVIN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is absent on official business as a member of the Executive Committee of the Interparliamentary Union.

The Senator from Indiana [Mr. CAPEHART] and the Senator from Illinois [Mr. DIRKSEN] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA] would each vote "nay."

The result was announced—yeas 52, nays 32, as follows:

YEAS—52

Anderson	Hartke	Morse
Bartlett	Hennings	Moss
Bible	Humphrey	Murray
Byrd, W. Va.	Jackson	Muskie
Cannon	Javits	Neuberger
Carroll	Keating	O'Mahoney
Case, N.J.	Kefauver	Pastore
Chavez	Kennedy	Prouty
Church	Kuchel	Proxmire
Clark	Langer	Randolph
Cooper	Lausche	Scott
Dodd	Long	Smith
Douglas	McCarthy	Symington
Engle	McGee	Williams, N.J.
Gore	McNamara	Yarborough
Green	Magnuson	Young, Ohio
Gruening	Mansfield	
Hart	Monroney	

NAYS—32

Allott	Goldwater	Robertson
Beall	Hayden	Saltonstall
Bridges	Hickenlooper	Schoeppel
Bush	Hill	Sparkman
Byrd, Va.	Holland	Stennis
Carlson	Johnston, S.C.	Talmadge
Case, S. Dak.	Kerr	Thurmond
Cotton	McClellan	Wiley
Curtis	Martin	Williams, Del.
Dworshak	Morton	Young, N. Dak.
Frear	Mundt	

NOT VOTING—14

Aiken	Eastland	Johnson, Tex.
Bennett	Ellender	Jordan
Butler	Ervin	Russell
Capehart	Fulbright	Smathers
Dirksen	Hruska	

So the amendment offered by Mr. McCARTHY, for himself and other Senators, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass? [Putting the question.]

Mr. CURTIS. Mr. President——

Mr. KUCHEL. Mr. President, I was about to move to reconsider the last vote, if the Presiding Officer had announced the result of the vote. Had the Presiding Officer announced the result of the vote?

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CURTIS. Had the Chair asked for the "nay" votes on the passage of the bill? We cannot hear him.

The PRESIDING OFFICER. The Chair did ask for the "nays."

The bill (H.R. 5640), as amended, was passed.

Mr. KUCHEL. Mr. President, I now move to reconsider the vote by which the bill was passed.

Mr. BIBLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CASE of South Dakota obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. MANSFIELD. Mr. President, in view of the outcome of the vote——

Mr. HOLLAND. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will be in order, so that Senators may be heard.

Mr. MANSFIELD. Mr. President, in view of the outcome of the vote on the extension of unemployment compensation benefits, I think I ought to try, to the best of my ability, to make my position clear.

I made the statement yesterday, in conjunction with the distinguished minority leader, that after the vote today on the extension of the unemployment compensation benefits measure there would be no further votes; in other words, that the Members could feel free to go to their home States for the recess.

I do not know now what the situation is. By that, I mean I do not know whether there will be a conference. If there is a conference, I do not know whether there will be agreement.

I should like Senators to know I have to backtrack a little bit on what I said yesterday until it is decided what the

House and Senate conferees, if they are appointed, will do about this particular measure.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. KUCHEL. Is it the opinion of the Senator from Montana that the distinguished senior Senator from Virginia will be able within a matter of the next couple of hours to enlighten my colleague from Montana and other Senators as to what fate has done to the proposed legislation in the other body?

Mr. MANSFIELD. I will say to my distinguished friend, I hope that the senior Senator from Virginia, the chairman of the Committee on Finance, who handled the bill, who is now sitting on my friend's side of the Chamber, will be in a position within the next 2 or 3 minutes or within the next 2 or 3 hours to tell us both, and to tell all our colleagues, what the situation is going to be. I am sure the Senator from Virginia does not know at this time.

Mr. KUCHEL. Assuming there is a conference, and a conference report is agreed to, would it be the understanding of the able acting majority leader that today or tomorrow, before a recess resolution is voted upon, the Senate will have an opportunity to vote on some type of report?

Mr. MANSFIELD. In the words of the Senator from Illinois, the distinguished acting minority leader is showing his usual perspicacity.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. Mr. President——

Mr. BRIDGES. I should like to ask the distinguished acting leader on the Democratic side a question. As a result of the vote just cast, is it not true that the Senators who voted for the amendment pretty well killed the unemployment compensation extension? On their shoulders must rest the responsibility for the defeat of the proposed legislation, if it is defeated.

Mr. MANSFIELD. No. As one of the Senators who voted for the amendment I must disagree most emphatically, and say that those of us who voted in favor of the McCarthy amendment did so because we thought we acted in the best interests of the people.

Mr. BRIDGES. I believe the Senator acted in what he thought was the best interests of the people, but the practical effect is as I have stated, is it not?

Mr. MANSFIELD. While there is life there is hope.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CASE of South Dakota. Mr. President——

Mr. CLARK. As one Member of the Senate I should like, on behalf of myself and on behalf of my colleagues, to express resentment at the statement of the Senator from New Hampshire. I think this body and the other body have good common sense and can proceed with a normal approach to this matter. I think the cynical approach of my friend from New Hampshire is a little out of order.

I suggest to my friend from Montana the possibility of keeping the Senate in session this afternoon long enough so that the distinguished senior Senator from Virginia may receive some word from the House as to the action taken on the Seante bill, and whether the House desires to go to conference, in which case I am sure the conferees could be appointed this evening, without the need for a yea and nay vote, and 24 hours could be saved in attempting to come to an understanding with the other body.

Mr. MANSFIELD. I will say to the Senator from Pennsylvania, that as yet no resolution for an Easter recess has been agreed to. Under the proper circumstances there would be no need for us to undertake an Easter recess. I hope we can get some action on this measure, through a conference report, and if necessary we can forgo an Easter recess.

Mr. CLARK. My point is that perhaps this matter can be resolved in the course of the next few hours. If the Senate adjourns or takes a recess within the next half hour, and the House acts in another hour, we shall have lost a day.

Mr. MANSFIELD. I think in an attempt to be cooperative we will stay in session until about 6 o'clock, at least, and perhaps longer, in the hope that something may be done. I do not intend to ask the Senate to stay in session if there is no possibility of an accommodation being reached.

Mr. CLARK. I thank my friend.

Mr. BRIDGES. Mr. President, will the distinguished Senator from Montana yield to me? The Senator from Pennsylvania made reference to me.

Mr. MANSFIELD. I yield.

Mr. BRIDGES. The Senator from Pennsylvania has referred to my colloquy with the junior Senator from Montana and has expressed his resentment because he believed it to be a cynical observation. The Senator from New Hampshire made no cynical comment. He made a very practical observation. He grants that the distinguished Senator from Pennsylvania and his colleagues who voted for the amendment, had a perfect right to do so. They were probably acting to the best of their knowledge and ability.

The Senator from New Hampshire views the situation differently. He believes that, in a practical sense, it will gravely jeopardize the extension of the unemployment insurance program. That is not a cynical approach. It is a realistic approach. The Senator from New Hampshire is not cynical in his observations. He concedes to the Senator from Pennsylvania and all other Senators the right to vote as they choose.

Mr. CLARK. I thank my friend for the happy clarification of his earlier remarks.

Mr. MANSFIELD. Mr. President, there is a point to what the Senator from New Hampshire has said. We must all decide, in our own consciences, what is best. I am sure we all proceed on that basis.

Mr. MORSE. Mr. President, in view of the fact that no Easter recess resolution has yet been agreed to, I invite the well-fed Members of the Congress of the United States presently employed—I was about to say "gainfully," but I refrain from using that word—to enter into an agreement with me to have the Senate remain in session during the entire Easter period, if necessary, until, carrying out our responsibilities, we do something legislationwise for the unemployed of the country.

I offer an invitation now to all Senators who would like to join me to line up on the right—which will also be the right side—and, when the resolution for an Easter recess comes before us, be prepared to keep the Senate in session until we do something for the unemployed. That is a very constructive suggestion, and I hope to have early enlistments.

If it should come to pass that the House of Representatives would be unwilling to assume its responsibility of going into conference quickly and giving us a report so that we can act at an early hour, I believe the course I have outlined would be appropriate.

Mr. MANSFIELD. Mr. President, let me say to the Senator from Oregon that, as usual, his suggestions are good, sound, and solid. I assure him that what he has had to suggest this time will be given every possible consideration.

OIL IMPORTS

Mr. LONG. Mr. President, I desire to discuss the subject of oil imports in considerable detail. I ask unanimous consent that I may be recognized at the conclusion of the morning hour tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GARNISHMENT LAW OF THE DISTRICT OF COLUMBIA

Mr. LANGER. Mr. President——

The PRESIDING OFFICER. The Senate will be in order. The Senator from North Dakota.

Mr. BIBLE. Mr. President, may we have order? It is impossible for the Senator from North Dakota to be heard.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LANGER. Mr. President, yesterday the distinguished Senator from South Carolina [Mr. JOHNSTON] and I introduced a bill to provide for the repeal of the law providing for garnishment in the District of Columbia. That bill is lying upon the desk until next Thursday, for Senators who may desire to add their names as cosponsors. I am in great hope that many Senators will cosponsor the bill, because it is of importance to the people of the District of Columbia.

As previously stated, garnishment proceedings cannot be conducted against a Federal employee. There is no reason why the employee of any private individual should face garnishment.

Last year there were over 48,000 garnishment proceedings. In other words, Mr. President, in every month last year there was an average of 4,000 garnishments. We can readily observe the great burden placed not only upon the courts

of the District of Columbia but also upon the officers who must serve the papers.

It should be interesting to the Members of the Senate to know that the States of South Carolina, Texas, New Jersey, Pennsylvania, and Florida do not permit garnishments by law, and the States of Maryland and California have such high exemptions that the garnishment law is ineffective.

Mr. President, Mrs. Edward C. Mazique, speaking in favor of the Rock Creek East Neighborhood League, Inc., in her appearance before the House District Committee, Subcommittee No. 3, in February 1959, testified as to the many inequities of the existing garnishment law and enumerated six specifically as follows: First, exploitations of consumers by easy credit; second, employment turnover; third, mounting expense in court budget; fourth, breakdown of family units; fifth, general intimidations of consumers; and sixth, social deterioration.

Because of the excellent preparation of the statement by Mrs. Edward C. Mazique, I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. Mr. President, I hope that many of my colleagues in the Senate will carefully read the statement contained herein and the statements made by the Senator from South Carolina [Mr. JOHNSTON] and I in introducing the bill to repeal the garnishment law. I know that they will be impressed with the reasons, and should join as cosponsors on this bill which is laying on the table for additional cosponsors.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE THE HOUSE DISTRICT COMMITTEE, SUBCOMMITTEE NO. 3, HEARING ON GARNISHMENT, FEBRUARY 1959

(By Mrs. Edward C. Mazique, Rock Creek East Neighborhood League, Inc.)

To Chairman and Members of the House Subcommittee No. 3 for the District of Columbia:

On behalf of the Rock Creek East Neighborhood League, Inc., a citizens' association representing the residents of the community which extends from 16th Street to Rock Creek Park and from Colorado Avenue to Piney Branch Road NW.

Our league wishes to thank the members of the House District Committee for the privilege of appearing before you today. Especially do we wish to express our appreciation to Mr. ABERNETHY, of Mississippi; Mr. DOWDY, of Texas; and others for their demonstrated concern for the well-being of all citizens of the Nation's Capital. We commend you for the sacrifice on your part from your local District problems and national issues to act on behalf of voteless District citizens.

Our association wishes, hereby, to be placed on record as supporting the Dowdy bill, H.R. 2329, "* * * that no attachment or garnishment shall be levied on any wage, salary, or commission for personal service of the defendant, whether due and payable or not."

Under the acts of 1901 and the subsequent amendments of 1944 and 1952, garnishment is increasingly being charged as a contributing factor in (1) exploitations of consumers by easy credit, (2) employment turnover, (3) mounting expense in court budget, (4) breakdown of family units, (5) general intimidations of consumers, (6) social deterioration. To the extent that credit buying in our community threatens to become our most explosive commodity where since report it is boasted that more money is made on the paper than the actual purchases themselves.

The original act of March 3, 1901, to establish a code of law for the District of Columbia provided that a plaintiff or his agent or attorney had a just right to file a claim to what was claimed in his declaration for the recovery of specific personal property or a debt or damages "for the breach of contracts expressed or implied." Complaints that defendant had fraudulently contracted the debt or incurred the obligation respecting which the action was brought was sufficient cause for a writ of attachment and garnishment against the property of defendant necessary to satisfy the claim of the plaintiff.

The 1901 law provided, however, that plaintiff wrongfully suing by attachment or garnishment had to pay cost and damages to the defendant.

The code for the District of Columbia provided, among other things, that the property of the head of a family or household residing in the District of Columbia should be exempt from distraint, attachment, levy, sale, or execution of decree of any court in the District. Itemized possessions exempt under the above included the following: Wearing apparel, fuel for 3 months, one horse, mule, wagon, dray, mechanics' tools of trade, and such implements, $200 worth of stock or materials necessary for carrying on his business or trade. It added, in addition, that there should be exempt "provisions for 3 months' support, whether provided or growing." It might be assumed here that the District was not so commercialized in 1901 as it is today; that this clause placed agricultural and dairy products up to 3 months' supply beyond attachment. Thus, it appears that the original framers of this measure were concerned lest through some application of attachment and garnishment measures food might be taken out of the mouths of children. Moreover, this code provided, 31st Statutes at Large, page 1363, chapter 854, section 1107, under "Earnings": "The earnings, not to exceed $100 each month, of all actual residents of the District of Columbia, for 2 months next preceding the issuing of any writ or process from any court or officer of and in said District, against them, shall be exempt from attachment, levy, seizure, or sale upon such process, and the same shall not be seized, levied on, taken, reached, or sold by attachment, execution, or any other process or proceedings of any court, judge, or other officer of and in said District."

As the economy moved from a simple or semisubsistence level to a highly commercial one, a code providing for exemption of wagons, drays, food production, etc. became outdated. An amendment to the District of Columbia code of 1944, taking into consideration possible added personal or family incomes from pensions, insurances, annuities, provided that income from these sources should be considered in the totaling of $100 per month per family exemption with $60 per month exemption for single persons not heads of families. Moreover a ceiling was placed by this law on the total value of wearing apparel so that all clothing over $300 was liable to attachment. In 1952 by an act of April 15, amending again the code of 1901, it was provided that exemption of $100 as first allowed in 1901 should be raised to $200 per family.

Both the above mentioned amendments represented a possible loss of protection to consumers. The 1944 act added financial assets such as annuities, pensions, insurances into the $100 exemptions whereas other assets in 1901 such as tools, fuel, and growing provisions, we presume meaning chickens, gardens, dairy produce up to a 3-month supply were exempt. Moreover it is estimated the 1944 dollar was worth approximately one-fourth of the value of the 1901 dollar. Though a $200 exemption was granted in 1952 the dollar that year was worth about one-fifth the value of the dollar when McKinley was in the White House. I have been informed that a man could purchase a decent suit for from $5–$15 in that period whereas a similar suit today would cost $45–$100. A fair approximation of comparable protection for the consumer today would be an exemption of $500. Looking back over the application of the 1901 code and the amendments thereto it is evident that the consumer has been steadily losing ground.

In view of the above facts among others my association has asked that I appeal to you today to make no further concessions to the business interests. Our organization is firmly opposed to both H.R. 835 and H.R. 836. The latter popularly referred to as the "bar bill". The enactment of these measures would for the first time since 1901 remove the exemptions which have heretofore technically protected those of the lowest economic segment from any possible legally guaranteed abusive exploitation through credit buying.

GARNISHMENT AND THE EMPLOYER

One of the questions before us, it appears, is whether the powers of the court shall continue to be exercised in such a manner that employers are ordered to withhold salaries, wages, or other earnings for breaches of contract expressed or implied. That said collections are to take priority over all other financial considerations regardless of the fact that the contract might have been entered into by an unwitting consumer under the prompting of slick salesmen, unscrupulous merchants, and peddlers of various sorts, who, through the use of fictitious prices and violations of every ethic of the market coupled with terms of "nothing down, forever to pay," oversold the product, and otherwise took advantage of the unsophisticated consumer.

Before the Senate Subcommittee on Garnishment of the 85th Congress some employers appearing as witnesses against the operation of the existing law complained bitterly of the unbudgeted expense the system entailed for themselves and their firms, that creditor interest might be protected. Some witnesses reported firing employees rather than assume the responsibility for collection of debts from their employees as ordered by the courts. Besides this alternatives' creating a labor problem and an endless employee turnover for the firm or individual, it can contribute to general unemployment, dislocation of households, and family deterioration. For it is highly possible that, in proportion to the increase in labor supply, employers may become inclined to the termination of employees rather than comply with a court regulation which imposes such a burden.

A contract implied or expressed between a creditor and debtor as contracting partners but which has built into its structure a guarantee that a noncontracting, innocent partner shall be held equally liable for its fulfillment, appears to be an infringement upon constitutional guarantees against the denial of property without due process of law. For who can argue that it falls within the scope of civic or community responsibility when returns of such a system are so unequally balanced?

Operating under the District code of March 3, 1901, and its subsequent amendments together with numerous judicial interpretations a great portion of the entire community is currently being bled. While salesmanship tactics along with unfair financing charges, late payment penalties, devious and malevolent collection operations, repossession poli-

cies, misleading advertising, unfulfilled contracts with court-backed authority to collect from the victims at the source, is bleeding great segments of the entire community, the less privileged Negro community is rapidly approaching a state of economic hemorrhage. Though testimony 2 years ago estimated, then, that some 90 percent of garnished victims were Negro and more recently the public press restated this proportion pointing out in addition that of the 48,000 cases in 1957, 90 percent were Negro and only 10 percent were white, we protest this is not a civil rights question; this is a human rights question that threatens to involve more and more consumers, Negroes and whites, noncitizens and citizens as well in a mercantile vice as the attachment system gains increased legal authority for action.

In this connection both H.R. 835 and H.R. 836 have added something new in that they propose the setting aside of total exemptions at any economic level and authorize the legal withholding of up to $20 monthly from the below $200 per month. Twenty dollars needed for food, fuel or other basic essentials may be transferred to such overpriced luxury items as may be unloaded upon them.

Migrants from nonindustrial areas—areas not so commercialized as the District—whether Negro or white are least able to cope with the "hidden persuaders" who oversell them. Moreover when in difficulty with creditors they rarely seek the law where protection might be secured, for they seldom have the knowledge that laws have provided for their protection in such emergencies or they lack necessary funds to employ legal assistance. In some cases they experience timidity and grave fear at the mere mention of the law and other court attendants, more so after creditors have assured such defendants they were the culprits in breaching contracts. A statement of Senator PAUL DOUGLAS last June 25 before the House Judiciary Committee, hearing testimony on civil rights, applies aptly but more broadly: "It is familiar to this committee that as a group, the Negroes in the South are at the bottom of the totem pole economically, socially, and in all respects, and that in only a relatively small number of cases do they individually have the resources to prosecute these suits before the courts."

It is obvious that in our local economic arena the above conclusion as to the effectiveness of the law to the underprivileged and its involvement of a certain segment is as true here in the District as in the South with the notable exception that ten percent of the defendants in the District are white people.

So the Nation's Capital is teaching the poor a new lesson in freedom "that democracy, political or social, is no guarantee of subsistence and is an indifferent substitute for it." That consumer exploitation by creditors, like the plague, has no respect for persons and will spread in all directions unless nipped in the bud.

A glance back over the history of the interpretation and effect of the 58-year-old code reveals that the application of the law has gone far afield. While the consumer has become progressively helpless, easy creditors have gained in both legal and economic strength and their influence currently appears to be spreading horizontally as well as vertically. Complaints from neighboring citizens of the high-handed operation of District of Columbia creditors through quasi-foreign operations in surrounding Maryland, has caused the State Legislature of Annapolis to turn its attention to protective legislation for Maryland citizens who neither live nor work in Washington but who are often sued by creditors acting under District of Columbia laws denying Maryland citizens the full protection their State has provided them. This complaint of quasi-foreign operation was presented to the Senate Subcommittee on the Judiciary which heard testimony on garnishment 2 years ago. With increased economic consolidation of chain stores, business combinations of various sorts, and monopolies tied in with various systems of interstate charge accounts, the economic blight seen here can become a problem for Federal concern.

Thus, it is conceivable that an apparently insignificant piece of legislation such as the District of Columbia Code of 1901 and its two subsequent amendments on attachment and garnishment, could establish a precedent and spread throughout the country as an economic way of life to the total disadvantage of the Nation. That wherein we here in the District complain of an economic system, the operation of which snares indefinitely, as indentured servants, one segment by another, it is conceivable one section of the country can snare another in a kind of sectional bondage.

It is significant here to point out that one businessman testifying before the Senate Subcommittee on Garnishment revealed that his trade association had been informed several years ago that Washington, because of its large employed non-Government Negro population, had been singled out to become a mecca for easy creditors. A brief review of the outcome of some of the cases involving creditors and defendants points up the fact that this territory has been intensely worked for through vertical application of the garnishment law, more and more people are being caught up in the meshwork of creditors. Though we have had described recently in detail the operation of 7 merchants who entered the courts 12,000 times in 1957, there is still the question of who took in the other 36,000 cases. Besides the serious fact that there are these cases against the consumer which have been rising annually there are thousands of unrecorded victims who have suffered silently and individually untold abuses and who under threats of job loss, ignorance of consumer protection, unfulfilled contracts, intimidations of various sorts forked over payments unjustly demanded by merchants.

For the American people, generally, Washington, a pilot project for easy creditors, may have served as merely a testing ground breeding an economic system through intense vertical operation in the city proper and experimenting with horizonal operation in surrounding areas and which in time may spread nationally.

If this prospect appears needlessly alarming, one has but to turn back the dramatic application of the act and its amendments to validate the charge of creeping exploitation which has engulfed the District of Columbia. The interpretation, abuse, and misuse of the law to promote sales substantiate a charge, I believe, John Foster Dulles made before a Senate Foreign Relations Committee, that the test of any measure is not what it says but what it does. It is very evident that under this existing bill much has been done to protect the creditor and to penalize the consumer.

Therefore, we oppose again both H.R. 835 and H.R. 836 for we believe that protection for the consumer if the history of the past has taught anything, will in time work to the advantage of the merchant and to the disadvantage of the consumer.

OPPOSITION TO BILLS H.R. 835 AND H.R. 836

A study by the Washington Board of Trade for the year 1958 reports 38,000 families in the Washington area with salaries in the below $3,000 category. A conservative estimate might place 30,000 of this number of families in the $200 per month bracket, against whom garnishment charges under the exhibiting provisions cannot now technically be preferred. Enactment of either H.R. 835 or H.R. 836 would make all such persons eligible for garnishment or the withholding from their pay of up to $20 per month. The entrance of a vast new market entailing some 30,000 family units would be opened for merchant speculation with the expected proportionate number finding their way to courts for adjudication. Since in all probability major purchases by these people will be luxury or nonessential items, basic needs now met within such limited budgets will be proportionately reduced. So it's conceivable under this regulation that the 45,000 children now reported underfed in Washington may under either of these bills have less food and clothing but more television sets and bicycles and doll buggies.

Second, it is logical to conclude from the above that the expected decrease in existing cases of individual attachments from the above $200 bracket due to limitations provided in measures proposed may be more than offset by the emergence of a new set of cases arising from the below $200 people now technically and officially outside the scope of the garnishment law.

Third, whereas under the existing arrangement through several attachments applied simultaneously, defendants were sometimes forced into personal bankruptcy, under the proposed sliding scale provision of the "Bar Bill" the defendant though suffering less intensely suffers longer. So it's like the man who cuts off the tail of the dog a little at a time. With salesmen operating as they do it's logical to conclude that once snared a worker's income would thereafter be reduced by 10, 20, or 50 percent through tactics described above.

Limitations of attachments to one at a time possibly represent less of a concession to consumers anyway than a referee system for easy creditors, who were increasingly killing the goose that laid the golden egg by descending upon the defendant all at one time. Through this arrangement all could definitely and indefinitely be assured of a secured return on a long term basis. It appears, in short that this establishes "modus vivendi" which is of mutual benefit to easy creditors; stabilizing the garnishment war which sometimes develops.

We acknowledge there are built-in guarantees for the consumer as well as the merchant even under the existing law. The application of the law and the hundreds of thousands of cases heard and prosecuted can only attest to one of two things, either the consumers as a whole were fraudulently disposed people who willfully breached contracts while the collectivity of merchants were honest men, or it reveals that through ignorance of the law the consumer was helpless while the merchant possessed the necessary machinery to exploit fully the provisions of the law. For residents in the District—Negro and white—lacking in a heritage of commercialism, these complex laws can work almost to the exclusive advantage of the creditor. That H.R. 835 or H.R. 836 will offset a repetition of the application of this existing law as it has operated in the last decade is an improbability.

Our association states again, in view of these facts, its support of the Dowdy bill for the District of Columbia. This it requests not for personal or provincial reasons alone, but in humanitarian concern for the people of the United States.

GARNISHMENT: A NATIONAL PROBLEM OF THE FUTURE?

We believe attachments and garnishments represent a growing danger to America not alone for the evidence substantiated by actual cases, but for the developments it portends. Such perversion of legislation for the economic interest of the few is ill befitting the democracy of such a great Nation as the United States and is an antithesis of the spirit of the Founding Fathers. This country was largely founded by poor peoples many of whom were seeking a refuge from debtors prisons. Support of these measures

should be an announcement to the world that our human rights standards predate the colonial period.

For Washington, D.C., the citadel of democracy, the capital of the world, the mecca of foreign guests and residents, a free enterprise system which penalizes as this system has done, establishes a universal reputation that no amount of technical aid nor cultural exchange can eradicate. We have heard complaints of foreign guests and temporary residents being victimized by the operation of a system which the code of 1901 and subsequent amendments, it is believed, gave strength and encouragement.

GARNISHMENT: IMPACT ON COMMUNITY

As long as citizens, merchants, and consumers alike respect this law, officials, charged with executing the law, can act in the best interest of the community at large. But as fair sounding as the original law of 1901 appeared, and though modifications attached thereto in 1944 and 1952 were merely questionable at the time as to whether merchant or consumers or interests of both would be served, we have suddenly reached the point as substantiated by some 48,000 cases in one year which makes clear that all participants in the administration of said law are impotent, or penalized or losers save the easy creditors themselves.

It's true that many of the unwitting victims, in this case Negroes, suffer from poor business practices. It is equally true a few deadbeats would escape apprehension without court's intervention, yet it's probable that if prospective creditors tightened their system of investigation in recognition of the fact that credit will be undertaken at their own risk, the number of such nonpaying debtors might be no greater than is the case under a system which permits such demoralization that an equal number of debtors escape both the arm of the law and the creditor through public disappearance or loss of job. Moreover, creditors possess the machinery for the rating of prospective customers, which if properly used could represent a savings to the community in taxes paid for the numerous persons employed in enforcing the law for creditor benefit.

About 5 years ago my husband employed for 2 hours per day, 4 days per week a cleaning woman who was a widowed mother with two minor children. The $60 per month he paid together with a $35 allotment from her deceased husband's social security constituted her total income. She was initially referred to us by a Government agency seeking to place her where she could in addition to her job qualify for much needed medical care. The arrangement worked out fairly well for all concerned until easy creditors discovered she had increased her income through steady employment. Then there followed harassment of our home and office by the eager-beavers with abusive, violent language to both the office secretary and me, such as I have never before heard. There followed a barrage of harassment of patients who entered the office inquiring if they were, well say Mary Jones, or if they knew her. Finally, my husband was subpenaed to appear in court. After begging off himself and insisting that Mary appear in court herself, he was notified that all money was to be withheld from this widowed mother until her creditors were satisfied. Though she reported that she had already paid $90 on two mattresses, she was charged with owing $90 plus a sizable sum for a set of china which she purchased for her unfurnished room. It was near Christmas when my husband informed me that all assets were to be withheld from this woman by us. My husband's request for me to join in the support of man's inhumanity to man though officially ordered was in violation of my Christian principles and that coming at Christmas time made it worse. Promptly ignoring him I flaunted the courts and brought Mary into the house to assist with minor details as much as her poor health would permit and I paid her cash in return.

I can today admit the violation since the statute of limitations has now expired, I trust. Once the debtor had fulfilled these contracts, the harassment did not cease for these creditors' desires are insatiable. In a relatively short time Mary, who could not think fast was again snared and so were we. This was too much. As they said Mary was over 21 and this is a free country—at least these easy creditors were free to keep Mary endlessly ensnared and free to subject us to endless inconvenience and harassment.

A few months later Mary was seen on the streets dirtier and more ragged than we had known her, looking the part of a derelict. Without doubt she was hardly discharging her duties as a mother. I was informed the children were then in the hands of some welfare agency. Gentlemen, I can no longer participate in a scheme which can take advantage of people as the present one has done.

Though many victims voluntarily negotiate contracts beyond their abilities to fulfill, and though for the most part these individuals are over 21 years of age, the operation of a system which has worked as great a detriment to the well-being of the city's mass population must be immediately terminated.

We believe that neither bills H.R. 835 nor H.R. 836 will act to curtail sufficiently the evil that has descended upon us. When the operation of a law slowly but surely, acutely or chronically destroys one segment of society for the benefit and interest of another the Government must step in. For no society can remain indefinitely half enslaved and half free economically any more than politically so. Government sometimes has to protect the innocent against their own lust less the underprivileged themselves add to economic dilemmas, for as Herbert Spencer noted many years ago, "If men use their liberty in such a way as to surrender their liberty, are they any the less slaves?" "This puts the issue to be sure," as noted by the Christian Century of June 4, 1958, but it does not resolve it. "For in our times," states the Century, "measures advanced by some segments of the community to protect our liberties from surrender are conceived by others as hastening their surrender."

A WORKABLE SOLUTION

For those who doubt the efficacy of an economic system where no garnishment is permitted by law, we have several viable States without it such as Texas, New Jersey, Pennsylvania, Florida, and South Carolina. And many others though permitting garnishment have such high exemption that the law is ineffective, Maryland and California being examples of the latter.

However, we have selected for your attention today a small book entitled "Pathways to the Houston Negro Market" and a reference to a 109 page report by Prof. Henry Allen Bullock, of Texas Southern University, based on the theme that "Economic Equality Is Always a Prelude to Total Equality," published in 1956 and 1957. Professor Bullock's two reports of Negro economic participation in the economy of the South's largest city (725,000) revealed that Negroes accounted for 21.2 percent of the population and that their spending power accounted for 15 percent of the cities purchases totaling $168 million dollars per year.

Though we are informed that city is without the legal props of garnishment to bolster its economy, 53.9 percent of the Negroes own cars, 40 percent own vacuum cleaners, 86.6 percent own refrigerators and 37.6 percent own TV sets.

There are among us here in Washington those who cannot conceive of a well functioning economy without garnishment and having spent my adult life in the District I am not prepared to offer any techniques for its application. However, leadership and assistance from those States without the law should not be difficult to secure. In fact the introduction of the Dowdy bill by a representative of the Lone Star State indicates that State's willingness to cooperate with District residents.

H.R. 4585 or the Foley bill introduced on February 17, 1959, is not discussed in the foregoing, for it came on the eve of the originally scheduled hearing of February 19—too late to be incorporated into the original. However, some of our reactions to H.R. 835 and H.R. 836 hold equally true for the Foley bill, particularly those sections which will be further elaborated upon in this supplement:

Section 1104A, attachment of wages: (a) While a $50 weekly exemption; 10 percent of gross wages per month below 500 and 50 percent above $500, and restriction to one attachment at a time, unquestionably represent an improvement over the written law now the basis of the garnishment system, there are yet some questions of (a) left unanswered in the minds of laymen: "Does judgment debtor here apply to man and wife separately so that where both are employed an attachment upon both could produce 20 percent of that family's budget from two attachments simultaneously issued?"

Second, we ponder the inherent conflicts and consequences of applying (b) which states "it shall be the duty and responsibility of any employer upon whom an attachment is served * * * to withhold and pay over to the judgment creditor, or his legal representative * * * that percentage, of the gross wages payable to the judgment debtor for the pay period or pay periods ending in each calendar month to which the judgment creditor is entitled under the terms of this section until such attachment is wholly satisfied. Moreover, it is pointed out in (b) that "* * * conformity with this subsection shall be a discharge of the liability of the employer to the judgment debtor to the extent of such payments." Turning to (d) obligations of employer are defined in the following "If the employer-garnishee willfully fails to pay to the judgment creditor the percentage prescribed in this section of the wages which become payable to the judgment debtor * * * judgment shall be entered against him for the whole amount of the judgment creditor's judgment and costs, and execution shall be had thereon."

Although the Foley bill provides that judgment against employer-garnishee shall be limited to that period of failure to comply and, although employer-garnishee's failure, if proven not willful, may not have said judgment applied, these provisions for certain protection are not enough to prevent the employer's ridding himself of any such obligations and liabilities by firing the worker at the first opportunity. For as in the latter provision who is to prove willful or unwillful neglect? What will dictate the terms to be applied in determining the difference between premeditated and involuntary oversight? Is it not conceivable that some employer-garnisheers, resisting creditor's legal rights to force him into a partnership, may exploit this willful provision in passive resistance?

While the Foley bill would guarantee the continual operation of the installment system with some modifications distinctly advantageous in the long run to the creditor, he forgot to mention compensation to employers for cost to their budget. Is upholding such a law, whose benefits so narrowly apply charity? Then why should a firm's charity allotment be reduced by contributions to an easy creditor? Or is the sacrifice on the part of the employer considered a civic responsibility for the overall well-being of the community? If the historical opera-

tion of the present system has taught anything, it is that the system and its exploitation, while definitely beneficial to some was highly questionable in its benefits to the majority. History records numerous instances of legal enactments which benefited some and penalized the majority which ultimately led to severe trouble and serious repercussions. Rather than be forced into cooperation as an unincorporated partner with firms whose operations he detests, an employer may simply put his controversial employees in the streets, as an only alternative. However, there may be some employers, who though abiding by the letter of the law, will bypass the expense to their budget, passing along said expense entailed to an already overburdened employee. Who is to protect debtor victims from reduction in pay or added duties or from general intimidation? For are not judgment debtors but paroles whose technical relations to the employer is comparable in some respect to that of criminal paroles? It is a known fact that the parole system has historically led to gross abuse and an inevitable blight upon any democracy. What is to prevent some creditors and employers from entering bargains for the mutual rewards to be derived from such trapped and helpless employees? It is clear the full operation of the Foley Act together with eager beaver salesmen in an already overextended economy could combine to produce a running, endless demand upon bookkeepers as surely as social security deductions.

The failure of the Foley bill to provide compensation for employers may ultimately result in swelling unemployment rolls, employee intimidation greater welfare appropriations for distressed families and for the continual operation of a fringe merchant system. It's difficult to ascertain the abuses inherent in the Foley bill as it is in H.R. 835 and H.R. 836. Every layman, who read the series of articles which appeared in the local press recently, is aware that the consumer has increasingly paid dearly under the present District law in spite of the fact that the word of that law as originally written appeared tightly enough drawn to prevent such abuse. Moreover, the statistical figures of attachment cases and their consequences point up the threat of this city's being driven to economic destruction. The greatest significance in seeking to estimate Mr. FOLEY's bill "is not what it says but what it's going to do that matters."

Again we urge that the Foley bill be written off as representing but a continuation of successive relaxation of terms begun in 1944 that the economic ball may be kept in the air; that as many fringe operators may be protected against bankruptcy which allows for continual policies of unfair financing, padded prices, unfulfilled guarantees and contracts. There are no wages without the employer—yet the employer is unprotected.

The whole system of spiraling installment purchases is a process that can't go on indefinitely for some where ability to pay will overtake the repayment of debts. For what is actually true and what has brought some of us here is the realization that 45,000 hungry children in this town attest to the fact that residents of the District in the lower income brackets have over-extended themselves on credit buying and there is need for severe retrenchment or consumers will be paying for gadgets, and Government agencies feeding families while easy creditors grow fat. If Mr. FOLEY's bill were designed to restore confidence, we wish to remind supporters of that bill of what Senator JOSEPH C. O'MAHONEY, the first chairman of the Joint Senate and House Economic Committee, said last year "confidence and credit are not synonymous. * * * A credit system which is extended to the breaking point, by no down payments and eons in which to pay, will destroy confidence and ruin sound government." Witness the fact that installment debt has risen from $9 billion in 1948 to $34 billion by December of 1957 and together with noninstallment debt totaled $42.5 billion at end of first quarter of 1958.

Credit based on steady employment and payrolls rather than tangible collateral may prove to be built on quicksand, Senator O'MAHONEY maintained. Moreover, the Senator added, the installment purchasing system has operated most disastrously among those at the bottom of the economic scale who are most likely to be laid off when jobs get scarce. They are the families least likely to have financial reserves.

With finance companies freely assuming the retailers debt thus relieving the latter from the responsibility for soundness of sale, there is created an open invitation for irresponsible, fast talking fly-by-night dealers. Sound Government is at the mercy of irresponsible super-salesmen and excesses of desires for the luxuries of modern living, the Senator concluded.

Galbraith in "Affluent Society" states, we have reached the point in our history where the drive for sales, far from solving or meeting the needs of peoples, actually create problems for the whole community. Moreover, he adds, that installment credit is a potential source of great instability in the economy for consumer debt has been a contributing factor in serious recessions, social unbalance and inflation.

Any bill proposing any form of garnishment yet failing to address itself to the substance of the contract or conditions of the sale thereof will be so restricted in its interpretation and guarantees for the protection of the consumer that continued abuse may be expected.

This lengthy discourse has been projected in detail that our opposition to H.R. 835, H.R. 836, and H.R. 4585 may be fully understood and received, and that it may serve to encourage the committee to give its full support to the Dowdy bill H.R. 2329 for the reasons in summary that—

(1) The complexities of garnishment bills will continue to demand the interpretation and enforcement of the courts.

(2) Employer resistence may place jobs in jeopardy or reduce workers to a helpless state of perpetual exploitation and intimidation.

(3) The garnishment measures provide legal machinery for debt collection regardless of the conditions of sale.

(4) Continuance of system of garnishment may offer encouragement for further expansion of abuses not covered by garnishment relief.

(5) Forty-five thousand underfed children attest to the fact that the District of Columbia credit economy has overstretched itself and therefore is in dire need of retrenchment.

(6) The changeover from current short-term garnishments to longterm attachments will simply prolong the suffering.

(7) Loss of creditor's income under proposed garnishment modification might be made up in unfulfilled guarantees, unlimited interest rates, fictitious prices, and dubious conditions of sale.

(8) The garnishment diseases like other diseases, if not quarantined and eradicated today, can become a nationwide epidemic tomorrow.

In conclusion the Rock Creek East Neighborhood League, Inc., a civic association, wishes to leave with the committee two significant quotes:

Justice Nathan L. Jacobs, of the New Jersey Supreme Court, attacking recently a centuries-old doctrine, declared that, "When a legal principle no longer serves justice, it should be discarded."

Mr. John Foster Dulles, Secretary of State, appearing a few years ago before the Senate Foreign Relations Committee, was reported saying, "It's not how a measure reads but how it works."

ROCK CREEK EAST NEIGHBORHOOD LEAGUE, INC.,
MRS. EDWARD C. MAZIQUE,
Chairman, Legislative Committee.
MR. ELBERT C. ROBINSON,
President.

A SENSIBLE AND HONEST BUDGET

Mr. HUMPHREY. Mr. President, in recent weeks one of the most spirited topics of debate and discussion here in Congress has centered on the budget for fiscal 1960. It seems that almost everyone has a decided opinion on the subject. Some claim that the administration has presented a balanced budget. Others argue that it has done no such thing. Some charge that the programs being pushed in Congress will throw the budget out of balance. Counter arguments are made that the Congress is in fact cutting back on spending.

Although statements, charges, and arguments have been flying thick and fast, I am afraid that the result to date has been only more confusion rather than clarification.

One reason for such confusion concerning the budget—both in the public mind and right here in Congress itself—is the hodgepodge fashion in which the Federal budget is presented. Anyone who has examined the budget report knows what I mean. It is a formidable physical task in itself just to wade through its thousand pages. But it is the bewildering fashion in which the budget is reported which really leads to confusion. Unless a person is a certified public accountant, it is about as difficult to make sense out of the budget report as it is to beat the New York Yankees in a world series.

To intelligently discuss the Federal budget, it is necessary first of all that it be presented in such a form that a reasonably intelligent and dexterous person can understand it.

A first step in this direction would be for the Federal Government to adopt a capital budget. By this I simply mean that the budget should make a clear distinction between operating expenditures and capital outlays.

Every businessman is familiar with a capital budget. Each year in addition to preparing a profit and loss statement, a businessman prepares a balance sheet which lists on one side his assets and on the other side his liabilities. A clear distinction is made between current operating expenditures, such as salaries, and capital outlays for items such as plants and equipment. I think that it is about time, Mr. President, that we put the Federal Government in its bookkeeping methods on a businesslike basis also. It is about time that the Government's budget clearly distinguish expenditures and investments.

I have said that if American Telephone & Telegraph Co. maintained a budget like that of the Federal Government, we would still be communicating in this country by smoke signals.

The time is long overdue that we lift the fog as to Government spending by adopting a modern day capital budget.

Today I am introducing a bill which would provide for such a budget. This is not a new proposal. It is a full 10 years since the first Hoover Commission recommended adoption of a capital budget. I quote from the Commission report as follows:

> There is, at present, constant confusion in Federal budgeting and accounting because current expenditures and capital outlays are intermingled. These two types of expenditures are essentially different in character, and should, therefore, be shown separately under each major function or activity in the budget. * * *
>
> We recommend that the budget estimates of all operating departments and agencies of the Government should be divided into two primary categories—current operating expenditures and capital outlays.

Since this recommendation by the Hoover Commission in 1949, several bills have been introduced directing the President to include a capital budget in the budget report. I have introduced such bills myself, as has the distinguished senior Senator from Oregon [Mr. MORSE] and others.

I am pleased to note that the Joint Economic Committee in its recent report for 1959 suggests that the Federal Government adopt a capital budget. The report states:

> We should also realize that a considerable amount of our national expenditures in any given year is for direct and indirect capital investments. In the Federal Government, unlike the sound accounting practices of private business, these are charged to operating expenses. Apparent deficits are, therefore, frequently not deficits at all. The adoption of sound budget principles which would separate caiptal outlays from operating charges is badly needed.

Yes, Mr. President, the adoption of sound budget principles is indeed badly needed. It is time that the Federal budget clearly distinguish between current operating expenses of the Government and capital outlays of the Government which contribute to the Nation's wealth and which in many cases are reimbursed in full with interest.

The only way by which the average intelligent Member of Congress or any other American can really make sense out of the Federal budget will be to ensure that those items which truly represent current expenditures are separated out clearly from items which genuinely represent investments upon which there will be either returns in principal and interest, or else productive public undertakings which represent real and potential income to the American public.

There is no sense in continuing to lump expenditures for old-age assistance, for example, which is a true current expenditure, with investments in FHA home mortgages, or loans to farmers and small-business men, which are heavily secured with collateral. It is time that we stopped lumping expenditures for paperclips with investments in public power projects.

A good example of this confusion are the reports on the area redevelopment bill which we passed on Monday of this week. One of the Nation's leading papers, in a front-page story headed "Senate Approves $389 Million in Aid to Jobless Areas," stated: "The Senate vote was a jolt to the administration's plan for a budget balanced at about $77 billion."

Now I am not blaming this fine newspaper for such a report, misleading as it is. Under our archaic budget reporting system the story is understandable. If we had an up-to-date capital budget system, however, the public would not have been left with the false impression that this bill was costing the taxpayers $389 million. The public would have been correctly informed that $300 million of this $389 million figure is in loans to be repaid to the Government in full with interest. Surely a distinction should be made between such loan programs and expenditures for current operations of the Government or for grants which must come out of tax revenue.

When a company makes a loan, this is considered an investment. It is not put down as an operating expenditure. When the Government makes loans, however, such as through the Small Business Administration, the Development Loan Fund, and the Rural Electrification Administration, such investments are lumped together with current operating expenditures of the Government. No distinction is made. This is not only bad bookkeeping, but it is also misleading the citizenry.

Last year in the emergency housing bill we authorized the Federal National Mortgage Association to use $1 billion with which to purchase home mortgages. Immediately the cry was raised that the Congress was spending a billion dollars. No mention was made of the fact that the Government was gaining a billion dollars in assets or that this billion dollars would be paid in full with interest. No, as far as the public knew, from newspaper reports and the charges of reckless spending, the Congress had simply spent a billion dollars for which there was nothing to show and which the taxpayers would have to pay. This, of course, is simply not the case. A capital budget would have shown in a true light that the Government in this case invested $1 billion, and gained $1 billion in assets.

A capital budget is used by business firms and by most all of our first-class cities and many States. It should also be noted that many countries such as England and Sweden use a capital budget. In these countries current operating expenses of the government and outlays for military equipment and relief measures are kept distinct and separate from capital outlays. Capital outlays, in turn, are broken down into two parts: First, outlays for nonrevenue producing public works such as public buildings, parks and monuments, and second, outlays which are revenue producing such as loan programs and power works projects.

The budget in these countries is considered balanced when tax revenues are sufficient to cover all regular operating expenses, interest payments on the public debt, and amortization of nonrevenue producing capital outlays. Self-liquidating capital outlays are excluded from the regular budget.

The U.S. News & World Report in an article in its January 16 issue entitled "U.S. Budget: How To Turn a Deficit Into a Surplus," estimates that with a capital budget we would have a surplus of $9 billion in fiscal 1960.

This is not to say that by simply juggling the account books we would thereby save $9 billion next year. The Government would be spending the same amount under the present budget system as under a capital budget accounting system, and revenues would be the same. But what a capital budget would do is give us a more realistic appraisal of Government spending and investments and we would not be lumping outright spending with revenue producing investments.

If adoption of a capital budget did nothing else, I am confident that it would at least help to dismiss the erroneous impression that Government expenditures, unlike those of private firms, and regardless of their purpose, offer no permanent achievements.

We have been lulled and propagandized into believing that there is basically something wrong and unproductive about Government spending.

When one of our great American corporations announces that it is expanding its capitalization and operating capacity through issuance of securities, we consider it an example of forward-looking business practice, but if the Federal Government announces a new program of investment in small business loans or in public works, the inevitable cry goes up of "spending."

I believe that in discussing government spending we could do with less slogans and less namecalling and engage instead in a little more rational discussion of fiscal matters. Adoption of a capital budget would, at least, be a step in this direction.

In conclusion, Mr. President, may I say that I hope this Congress will seriously consider adopting a capital budget. It was needed 10 years ago when recommended in the first Hoover Commission report. The need is greater today.

I ask unanimous consent that the article on the capital budget to which I have made reference, from U.S. News & World Report, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. BUDGET: HOW TO TURN A DEFICIT INTO A SURPLUS

Now there's a new angle on how to rescue the Federal budget: Just change the bookkeeping.

One plan: Omit Federal corporations from the budget. Another: Set up a separate budget for loans and capital outlays.

These ideas, urged by some, still draw objections from many.

This thought is dawning on some Members of Congress who have ideas for new programs that cost money: Maybe the Government's finances are not in such bad shape after all.

Back of that thought are two ideas. One is that the Government might return to the method of accounting used before 1947. Second is the idea that this country might follow budget practices of Great Britain, many other countries, and some of the States.

Idea No. 1. The first thought calls for separating financing and operating costs of Government corporations from the operating budget. This method of accounting was fol-

lowed until 1947. Under it, loans made by the Export-Import Bank, for example, or the Small Business Administration, or mortgages purchased by the Federal National Mortgage Association would be treated as assets, not as current spending.

Apply idea No. 1 to President Eisenhower's budget for the 1960 fiscal year, and what now is projected as a budget exactly in balance would become a budget with about a $6 billion surplus. The budget, in other words, would be better than balanced. Assets under this type of budget accounting would become expenditures only if sold at a loss.

That type of accounting was changed in 1947 because Congress wanted to get a firmer hold on finances of Government corporations, particularly the Reconstruction Finance Corporation, which was then making vast loans to all kinds of enterprises.

Idea No. 2. A second idea calls for setting up a separate capital budget. A form of this type of budget is used in Great Britain, where financial methods are regarded as conservative. In Britain there are two budgets, referred to as the budget above the line and the budget below the line. Operating expenses of the Government, generally speaking, are above the line and the goal is to balance those expenses with revenue. Capital expenditures of Government in many categories are carried below the line and are not necessarily balanced in any one year.

Apply a rough approximation of the British budget practice to the U.S. budget and you would have a surplus of about $9 billion in the operating budget for the 1960 fiscal year.

The two ideas, being eyed by some in Congress, suggest that there is more than one way to make a budget that is balanced.

ARE LOANS EXPENSES?

Some Members of Congress note this: If the Government buys a mortgage that helps finance construction of a house, the cost of the mortgage is listed as a current expenditure. If an individual or a bank buys a mortgage, it is listed as an earning asset. In one case the money is treated as being spent, in the other case the money is invested.

Much the same is true of the billions that go to farmers as price-support loans. When these loans are taken over by the Commodity Credit Corporation, they are reported as Government expenditures. Actually, some portions of these loans return to the Government when the crops are sold. The returns then are reported as a credit to CCC. Supporters of a capital budget propose to separate crop loans from the operating budget.

The separation also would apply to activities of the Federal National Mortgage Association, the Export-Import Bank, the Development Loan Fund, the Small Business Administration, the Rural Electrification Administration, and other Government agencies engaged in lending. The capital budget also would include Government outlays for dams and irrigation projects, atomic-energy installations, and perhaps Government buildings.

With these expenses reported in a separate budget, the day-to-day costs of operating the Government would drop sharply and the operating budget would produce a surplus.

THE OPPOSING VIEW

Those Congressmen who look with favor on a double budget, however, are sure to run into stiff opposition. Powerful groups in House and Senate believe that Congress even now does not have enough control over Government spending, fear that a capital budget would weaken that control still more.

Main objections to a capital budget are these:

However you account for money invested in assets, the fact remains that money flows out of the Treasury. It's preferable to treat this outflow as a current expenditure because the money actually is spent.

The tendency under a capital budget will be to borrow money to finance such things as public works and foreign loans. This tendency, in the opinion of those who oppose a capital budget, would add further to debt problems that already are troublesome enough.

Capital spending may be overemphasized because of pressures from various groups and areas for special benefits, such as river developments and urban-renewal projects. Opponents of a capital budget point out that these pressures would increase if the cost of a project were not reported as a current outlay.

Finally, a capital budget is said by critics to mislead officials and the public about the real state of Government spending. As a result, they argue that excessive spending may be encouraged and taxes too often reduced below adequate levels. This practice would be dangerous in times of inflation.

PROPONENTS' REBUTTAL

Supporters of a capital budget begin where the critics leave off. They make these arguments:

The true costs of Government are distorted by the budget as now reported. Government spending for such things as the Tennessee Valley Authority or the rural electrification program should be separated from the operating costs of Government. Projects such as these eventually produce revenue.

The budget that should be balanced is the budget that covers only the present and continuing costs of operating the Government.

Borrowing for such things as public housing or developing the Colorado River is held to be financially sound because the Governments gets assets for the money spent. However, critics point out that some assets are not earning assets. Their amortization would appear as spending in the operating budget.

Since Government spending for public improvements is not a waste but a purchase of assets, proponents say, a capital budget gives the public a clearer picture of what the Government is doing to add to productive capacity.

It is at this point that critics of a capital budget take sharp issue. They contend that spending by the Government already is ruinously high, that adoption of a capital budget would simply tend to encourage reckless spending.

CASES IN POINT

However, Congressmen who look with sympathy on a new type of budget can cite some present practices to bolster their arguments.

The Federal-highway program is carried on outside the regular budget. Money for new superhighways comes out of a separate fund and does not appear in the ordinary spending accounts of the Treasury. At the same time, the funds to support that spending also are treated separately. Receipts from gasoline taxes and some other levies are earmarked for the highway fund.

The Government's huge social security system, covering millions of people for old-age pensions and State unemployment insurance, also is outside the budget. Money for these programs, raised through payroll taxes, is placed in a special trust fund administered by the Treasury but not regarded as a part of ordinary Government revenues. Payments to pensioners or the unemployed under State programs are not reported as budget outlays.

Both the highway program and the social security program have their own financial bases, and supporters of a capital budget argue that there is no reason why the same system could not apply to other programs. Power dams and rural-electrification projects, for example, might be financed through revenues to be received in the future.

In any event, many Congressmen, favoring projects that carry rather high price tags, are willing to take a new look at the way the Government accounts for its income and outgo.

Mr. HUMPHREY. I also ask unanimous consent that the text of the bill which I have introduced be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1560) to provide for the adoption of a capital budget by the Federal Government, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Capital Budget Act of 1959."

SEC. 2. In transmitting to Congress the estimates called for in section 201 of the Budget and Accounting Act, 1921, as amended, the President shall separate operating expenditures from capital expenditures, using such definitions and such detail as he deems appropriate.

Mr. MORSE. Mr. President, the comments which the Senator from Minnesota has made are music to my ears. I am sure that the Senator is aware of the fact that I have a capital budget bill pending. I have made three speeches thus far in this session in support of a capital budget. I am delighted to have the Senator from Minnesota join me. I wonder whether he would give consideration to the text of my bill and look over his bill, and see whether we liberals can get together for a change and join forces on such a bill. Perhaps the Senator might find it to our mutual advantage to become a cosponsor of my bill; or, on the other hand, I might become a cosponsor of his bill. After all, it is the objective we have in mind which is important.

I have been somewhat jocular in my remarks up to this point. Seriously now I wish to say that I am delighted with the statement the Senator from Minnesota has made about the desirability of a capital budget.

It is probably a good thing to have both bills pending. It ought to give double emphasis to the proposal. The committee can compare the phraseology of each bill and decide which one it should consider and recommend, or modify both of them, or consolidate them into one bill. The important thing is that the Senator from Minnesota has added his great influence to the objective of setting up a capital budget, which, after all, is the goal we have in mind. I thank the Senator very much for his comments.

Mr. HUMPHREY. I say most respectfully that I knew the Senator had addressed himself to a capital budget proposal. I did not know, however, that he had introduced a bill. I have introduced bills similar to the one introduced today in every Congress for 10 years. I shall continue to do so until some kind of capital budget proposal is adopted.

I first introduced my bill in April 1949. Since we will not be in session the early part of April 1959, I thought that I should introduce it in the latter part of March 1959. I shall be more than happy to look at the Senator's bill. From what I have gathered from listening to his speeches, I take it that his bill is not only a capital budget bill, but also includes what might be called a developmental budget.

Mr. MORSE. That is correct.

Mr. HUMPHREY. That goes a little further than the proposal I have offered. Be that as it may, I am delighted to become an advocate of the Morse-Humphrey capital budget bill. All I can say is that if Congress does not want to take my advice, I hope it will take the advice of the Senator from Oregon, because the Senator's advice on this subject is sound and constructive.

I believe a capital budget, plus a developmental budget, is very much to the good and very much to be desired and would do a great deal to relieve many of the problems we have been confronted with this afternoon, namely those in connection with unemployment.

I shall look at the Senator's bill. Perhaps after the recess we can join in the introduction of a new bill; or I can associate myself with the Senator from Oregon, and we can push together, working in harness toward the adoption of our proposal.

Mr. MORSE. All we are asking is that the Government follow the advice of outstanding industrialists and business leaders. That is all we are presenting to the Senate in our bills and in the speeches in support of the bills. That has been the purpose of the recommendations since 1947 when I first introduced a capital budget bill in the Senate. That has been the advice of the outstanding industrial leaders of the Nation.

PROPOSED LEGISLATION TO IMPROVE MINING INDUSTRY MINERALS POLICY

Mr. ALLOTT. Mr. President, probably no industry vital to the national defense is in such a depressed condition as the mining industry. It would serve no purpose, nor could it be done accurately, to try and place the blame for this upon any one group of people or upon any one branch of the Government. The fact remains that an industry which must remain healthy and must remain active, has been going steadily down hill. The problem is larger than just how to continue extracting ore from the ground. It includes also the need to retain a wealth of know-how and competent workmen in the mining industry, and also the location and utilization of adequate reserves.

I am, therefore, introducing today three bills, which I shall discuss separately, not merely to help this segment of our economy, but to preserve for the United States an industry which must be kept healthy for the national welfare of our country. I have earlier sponsored legislation of interest specifically to the coal, beryl, chromite, columbium-tantalum, and fluorspar industries.

Mr. President, I send to the desk for appropriate reference a bill to establish a national mining minerals policy, and ask unanimous consent that it be printed in full in the RECORD upon the conclusion of my remarks on this subject, and also that it be held at the desk through March 30, so that any of my colleagues who wish to do so may join in sponsoring it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, it came to my attention shortly after beginning my services with the Committee on Interior and Insular Affairs that there were no laws which specifically placed responsibility for the economic health of the mining industry within the purview of the Interior Department. In the endless months of consideration of various mining legislation in which the Senator from Colorado has participated in the past 4 years, one fact has stood out above all others. That is that the Federal Government has no policy with respect to its mining industry. Is the policy of the Federal Government, for example, to keep the mining industry at its highest level of productivity? And if so, with tariffs, or quotas, or subsidies? The present laws obviously deny the existence of any such policy. On the other hand, is it the policy of the Federal Government to permit, through trade agreements, or otherwise, our minerals industry to subsist on a mere crumb of such minerals as may be left from competition with cheap labor countries abroad? Surely in the minds of every rational man the answer must also be "no." Yet no one can deny that, wholly aside from the possibility of nuclear warfare, Russia could effectively grind the industrial production of this country to a slow death in short order, unless we have an economically healthy minerals industry. Such an industry must have three main qualities:

First, it must have sufficient workmen skilled in mining production to produce a substantial part of the minerals we need for our development.

Second, it must be profitable enough so that the mines we now have will not be lost through abandonment and neglect. It must be healthy enough to attract capital to keep it in this condition; and

Thirdly, we must maintain and expand our mineral reserves to protect ourselves against the events of any national emergency. I should like to point out here, lest anyone believe I am simply making "scare-talk," that with all the concern about the results to civilization from nuclear warfare, there has been too little discussion about the present submarine capability of Russia. Even short of an all-out nuclear war, our imports of strategic materials, could be brought to a halt.

Many of us believe that keeping the mineral industry in healthy condition is possible if we announce to the world that we do have a policy, a definite policy, with respect to the soundness and stability of our mining industry. It is well known that a large segment of the people object to subsidies. Equally well known are objections to quotas and tariffs, the three traditional methods used to protect a nation's industry from the raw materials and products of cheap labor. Another, and entirely different way in which we may do this is to adopt, as my bill proposes, a definite national policy of support for this industry. By doing so, we could take a great step toward the achievement of international agreements concerning production without resorting to any of the three foregoing methods. This would protect and make healthy our own industry and at the same time protect foreign countries from overproduction by underpaid labor of cheap raw materials, which undercut the market of our American metals industry.

Mr. President, it is my purpose in introducing this bill to do the following:

First. Initiate the development of a Federal policy toward minerals—telling the world that it is our intention to proceed with such plans as will make possible its economically sound and stable development.

Second. To provide for the orderly development of mineral resources and reserves for industrial and security needs.

Third. To encourage mining, minerals and metallurgical development and to provide for the more intelligent use of our mineral resources.

Fourth. To place with the Secretary of the Interior the responsibility for carrying out the broad plans of policy outlined in this act, and the responsibility to report from time to time to the Congress on the state of the minerals industry, together with the necessary recommendations to achieve the aims of this act.

It is my hope that this session of Congress will give favorable consideration to this bill as a basic point of departure from which we may build our future mining and minerals program and to provide its direction.

The attainment and execution of the above purposes will have a global effect. Other nations, knowing our our national policy, may thus develop their own resources in a more orderly fashion resulting in a greater prosperity and a healthier condition for their own national economies.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1537) to establish a National Mining and Minerals Policy, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mining and Minerals Policy Act of 1959."

SEC. 2. The Congress declares that it is the continuing policy of the Federal Government in the national interest to foster and encourage (1) the development of an economically sound and stable domestic mining and minerals industry, (2) the orderly development of domestic mineral resources and reserves necessary to assure satisfaction of industrial and security needs, and (3) mining, mineral, and metallurgical research to promote the wise and efficient use of our

mineral resources. It shall be the responsibility of the Secretary of the Interior to carry out this policy in such programs as may be authorized by law other than this Act. For this purpose the Secretary of the Interior shall include in his annual report to the Congress a report on the state of the domestic mining and minerals industry, including a statement of the trend in utilization and depletion of these resources, together with such recommendations for legislative programs as may be necessary to implement the policy of this Act.

LEAD AND ZINC

Mr. ALLOTT. Mr. President, the lead-zinc producing industry remains in serious trouble. Most of the smaller operators are closed down and most larger firms are losing money continuously.

It seems possible, from everything I can learn, that the present difficult situation of the domestic lead and zinc producers will improve over the next year. The import quotas imposed by the President have not, as yet, had the effect that we had hoped, but several people, who are intimately connected with the domestic lead and zinc industry, have indicated that the outlook is encouraging for the next year. Certainly no domestic miner can make an honest living with the present prices of 11½ cents for lead and 11 cents for zinc. Consequently, I hope that this Congress will take the necessary steps to improve the situation if the price does not begin to move upward, in the very near future.

According to the Daily Metal Reporter for Saturday, March 7, the long-range lead and zinc outlook is encouraging. That paper quotes a preview of the 1958 annual report of the Bunker Hill Co., as follows:

> It is heartening to note that consumption of lead and zinc in Europe has greatly increased during the past few years and now exceeds that of the United States. (It continues to grow at a faster rate than in this country and yet the per capita consumption is still below our own.) * * * This indicates that within a few years increased European demand alone could absorb the current excess production of the world. Meanwhile, the necessity for protecting the domestic industry is obvious.

Mr. President, the lead-zinc industry first applied to the Tariff Commission for relief from imports on May 10, 1950. This was prior to the enactment of the escape-clause provisions. Relief was denied.

Again, on September 14, 1953, the industry applied to the Tariff Commission for relief under section 7 of the Reciprocal Trade Agreements Act. On May 21, 1954, the Commission unanimously found injury and recommended the maximum increase in duties. On August 20, 1954, because of strained international conditions, the President declined to approve that recommendation and instead initiated a program of defense stockpiling and subsequently a barter program. The barter program ended in May of 1957. The stockpiling terminated in late 1957.

Again, on September 27, 1957, the lead-zinc industry returned to the Tariff Commission, pleading for relief. In April 1958, the Tariff Commission unanimously found injury. Half of the Commissioners recommended the maximum duties. The other half of the Commission recommended the maximum duties and additionally the imposition of quotas based on 50 percent of the imports during the preceeding 5 years. While the Congress considered legislation recommended by the administration, the President suspended consideration of the Tariff Commission recommendations. Following a failure of Congress to act on that legislation, the President, on September 22, 1958, imposed quotas on lead and zinc imports based on 80 percent of the imports during an earlier 5-year base period.

Mr. President, in 1957 I was a sponsor and active supporter of S. 2376, submitted by Secretary Seaton, which would have established a graduated tariff designed to stablize the price of lead and zinc at about 17 cents per pound for lead and 14½ cents per pound for zinc. This was a companion measure to a House bill. Unfortunately, the Ways and Means Committee did not report out that bill. Because of the nature of that legislation, we could not even consider it here in the Senate, until after the other body acted on it.

Again, in 1958, I sponsored and worked hard, along with a number of other Senators, including the distinguished Chairman of our Committee, the Senator from Montana [Mr. MURRAY], and my good friends Senators BIBLE, CHURCH, DWORSHAK, and GOLDWATER, among many others, to get congressional approval of another bill submitted by Secretary Seaton, S. 4036. The Senate passed that bill by a vote of 70 to 12 on July 11, 1958. That bill would have authorized a program of production payments designed to stablize the domestic production of 355 thousand tons of lead at 15½ cents a pound and 550 thousand tons of zinc at 13½ cents a pound. The bill, as it passed the Senate, also included a second title, generally referred to as the "Allott small mines formula." That second bill would have given a slightly higher price of 17 cents per pound for lead and 14½ cents per pound for zinc, up to 100 tons per quarter, per producer. There were numerous indications that this part of the bill would have been of substantial assistance to our small lead-zinc producers.

S. 4036 also provided assistance to the tungsten, fluorspar and copper producers. Unfortunately, as my colleagues will recall, the other body declined to approve that measure when it came before them in the closing days of the 85th Congress.

As a result, our lead-zinc miners, who had first applied for relief from imports under section 7 of the Reciprocal Trade Agreements Act in 1954, for whom the Tariff Commission had twice recommended quota and tariff relief, reached a point where their backs were against the wall, where everyone recognized the injury from imports and where the various Federal agencies involved, including Congress, had passed the buck for 4 years without providing any relief. Thereafter, the President in September of last year, by Executive order under the authority of the Reciprocal Trade Agreements Act, imposed quotas on the importation of lead and zinc on a permanent basis. The quotas are based on 80 percent of the lead-zinc imports during a base period of 1951–57.

Immediately following that action, the prices of lead and zinc moved up significantly, but because of the extremely large reserves that had been collecting in this country over the last few years, the market has not, to this date, firmed up to anything like a realistic price level. There remains some question whether the 80-percent quota is adequate, but there is also some indication that the lead-zinc market will move upward. Our small lead-zinc miners, particularly, however, are still in trouble. In fact most of them are closed down. It seems to me that some immediate and temporary relief for our small lead-zinc miners is required. I, therefore, introduce for appropriate reference a bill to implement the Allott formula, which, during the last Congress was title 2 of S. 4036. This bill would provide a 1 year program of production payments on the very limited basis of 500 tons of lead and zinc per quarter from any one producer. It would authorize a payment to give lead and zinc producers the equivalent of a market price of 16 cents per pound of lead and 13½ cents per pound in the case of zinc on this very limited amount. Last year I had an official estimate that the maximum cost of the formula for lead and zinc would have been approximately $3.8 million. I believe the cost of this bill would be roughly of the same magnitude.

Mr. President, I ask unanimous consent that a table showing the sources of our domestic lead-zinc production be printed at this point in the RECORD. This table is taken from the Tariff Commission report on lead-zinc of April 1958.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 32.—*Lead plus zinc: Mine production in the United States, by mines classified by size of output, 1956* [1]

Size of mine (in terms of short tons of recoverable lead plus zinc produced during year)	Mines		Production of recoverable lead plus zinc	
	Number	Percent of total number	Short tons	Percent of total production
Up to 499	557	80.0	27,248	3.0
500 to 999	27	3.9	18,750	2.1
1,000 to 1,999	29	4.2	41,984	4.7
2,000 to 2,999	24	3.4	61,544	6.9
3,000 to 3,999	13	1.9	46,607	5.2
4,000 to 4,999	9	1.3	41,901	4.7
5,000 and over	37	5.3	657,132	73.4
Total, all sizes	696	100.0	895,166	100.0

[1] This analysis includes all mines in the United States that produced any recoverable lead or zinc, regardless of their industry classification; hence, some production is included from mines producing ores valued chiefly for their content of metals other than lead plus zinc.

Source: Compiled from official statistics of the U.S. Bureau of Mines.

Mr. ALLOTT. Mr. President, I invite attention to the fact that this particular table, which is numbered table 32, shows that 557 of the mines in the United States, or 80 percent of the total number of mines, produce less than 500 tons of ore.

It is interesting to note in this table that in 1956 there were 696 lead-zinc mines in this country. Five hundred and fifty-seven or 80 percent of them produced only 3 percent of the total production. At the other extreme, 37 mines, or 5.3 percent of them, produced the 73.4 percent of the total lead-zinc production in this country. The production payments authorized by the bill I now introduce are designed primarily to assist the 90 percent of our lead-zinc producers who produced in 1956 approximately 16 percent of the total 900,000 short tons of lead and zinc. Of course, these payments would not be restricted to these small producers, but would be of particular importance to them. On the other hand, these payments would apply to such a small percentage of the production of this country that the effect on the domestic price, the world market price, and accordingly on the economies of our neighbors, would not be significant.

Although most of the small mines are closed, the price level provided in my bill is approximately the same which produced this industry structure.

Mr. President, if the assumption that the lead-zinc market will improve in the next year or so is incorrect, I shall be the first to admit it, as I do not profess to be a soothsayer. On the other hand, in view of the report of the Bunker Hill Co. and others, the outlook is encouraging. It seems to me that the Federal Government should give the quotas imposed by the Executive order a chance to operate, before any drastic action is taken.

In this regard, another approach to solving the lead-zinc problem will be submitted in the near future by Senator MURRAY and others—a stabilization plan for lead and zinc designed along the lines of the Sugar Act and including a directive to utilize the barter authority so far as possible. Where an extensive Government program is required, the Sugar Act approach has much to commend it. As a matter of fact, I utilized the same approach in my own S. 1285, to stabilize the fluorspar market. I plan to cosponsor that legislation. The barter provisions of that bill will probably be needed whatever approach is taken by Congress.

However, I honestly believe that unless hearings indicate that there is no possibility for the lead-zinc picture to improve, we should give the present quota program a full trial with only this limited and temporary program that I am offering to help our small miners over the very tough situation they are presently facing. On the entire mining program, I have an open mind and will give serious and thoughtful consideration to any and all proposals to stabilize the mining economy. But, I must remain true to my overriding belief that the best program we can enact is the one that will do the job with the least possible interference in the normal activities of the people and firms involved. The bill I have introduced meets that criteria.

Mr. President, I ask unanimous consent that the bill be printed in full in the RECORD, and that it remain at the desk until March 30.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Colorado.

The bill (S. 1538) to stabilize production of lead and zinc from domestic mines, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of this Act, the term—

(1) "Secretary" means the Secretary of the Interior;

(2) "Producer" means any individual, partnership, corporation, or other legal entity engaged in producing ores or concentrates from domestic mines and in selling the material produced in normal commercial channels;

(3) "Sale" means a bona fide transfer for value of ores and concentrates from a producer to a processing plant;

(4) "Domestic mine" means any single operating unit producing ores from properties located within the United States, its Territories, or possessions, and operating in one State or mining district;

(5) "Newly mined" means domestic material processed into concentrates or severed from the land subsequent to the effective date of this Act, but shall not include material recovered from mine dumps, mill tailings, or from smelter slags and residues derived from material mined prior to such effective date; and

(6) "Quarter" means the calendar periods commencing on the first day of the months of January, April, July, and October.

SEC. 2 (a) The Secretary is authorized and directed to make stabilization payments to producers of ores or concentrates of lead or zinc produced from domestic mines, as provided in this Act; but no such payment on the recoverable content of any such ores or concentrates shall exceed 4½ cents per pound in the case of lead, or 2½ cents per pound in the case of zinc.

(b) Such payments shall be made to any producer upon presentation of evidence satisfactory to the Secretary of a sale by such producer of newly-mined ores or concentrates of lead or zinc at a time when the market price of the material produced therefrom was (1) less than 16 cents per pound, New York, New York, in the case of common lead, or (2) less than 13½ cents per pound, East Saint Louis, Illinois, in the case of prime western zinc. The amount of any such payment shall be equal to the difference between the amount actually received by such producer from such sale and the mine share which the producer would have received if the market price of the material produced therefrom at the time of sale had been equal to the prices indicated above. The mine share, in the case of a sale of lead ores, shall be a dollar amount equal to 75 per centum of the product of the number of pounds of lead ores sold and 0.16, and, in the case of a sale of zinc ores, shall be a dollar amount equal to 55 per centum of the product of the number of pounds of zinc ores sold and 0.135.

(c) Payments under this Act shall not be made in any quarter to any producer with respect to more than (1) five hundred tons of lead ores or concentrates and (2) five hundred tons of zinc ores or concentrates.

(d) Sales of concentrates produced from ores sold to a mill or processing plant in accordance with regulations issued pursuant to this Act shall not be considered as the sales of the owner of the mill, but shall be considered as the sales of the producer of the ores.

(e) If a producer further processes the ores or concentrates of lead or zinc without effecting a sale, the equivalent and competitive market value of such ores or concentrates, as determined by the Secretary, at the time of such further processing shall be used in lieu of the amount which would have been received in the case of a sale, for the purpose of computing payments.

SEC. 3. (a) The Secretary may make such rules and regulations and require such reports as he deems necessary to carry out the provisions of this Act.

(b) The Secretary may delegate any of the functions authorized by this Act to the Administrator of General Services.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 5. This Act shall take effect on the first day of the first quarter next following the date of its enactment, and shall terminate on June 30, 1960.

GOLD

Mr. ALLOTT. Mr. President, I introduce for appropriate reference a bill to create a limited free market for gold by prohibiting sales of gold by the Government for commercial use or for the arts, or for the purpose of lessening the price and value of gold, in order to restore to the gold industry a condition of competition in the nonmonetary market for gold. Due to the Gold Reserve Act of 1934, the Treasury may buy and sell gold at the price of $35 an ounce, plus or minus handling costs. The mining industry must pay the labor and operating costs of 1959 while facing a price for gold established by the Treasury in 1934. The depressed state of this industry today is mute evidence to the insufficiency of the price. The commercial and artistic users of gold are receiving a subsidy at the expense of the gold mining industry through the enviable position of producing for 1959 prices from raw material available at a fixed 1934 cost.

Gold has essentially two uses; as a commodity, and as money or a monetary stock. This bill is not to change the monetary gold stock of the Nation other than to restrict it from affecting the commodity price of gold by being brought into competition for the internal commercial market. The rules established by the Treasury under the authorization of the Gold Reserve Act of 1934 as to the ownership, transportation, sale or Treasury purchase price of gold would not be affected. Provisions as to importation or exportation would be unchanged. Because of this the value of the dollar in international transactions would not be influenced adversely.

The intent of this bill is with relation to the marketing of gold in its use as a commodity. The passage of this measure would enable gold produced domestically to compete for the industrial and artistic market and to establish a competitive price reflecting the expense of producing gold under the labor and operating costs of today. In this way the gold mining industries would be able to receive a price for their product commensurate with the cost of production

and a stimulus would be injected into the depressed mining industry.

Mr. President, there are again a number of bills concerning gold before the Congress. I have a great deal of interest in the bill, S. 590, introduced by Chairman MURRAY, to establish a completely free market for gold. I have some concern about the possible inflationary aspects of that bill, but if thorough investigation indicates that inflation is not a significant problem, I would support that legislation. I hope that in the ensuing discussions of the problems related to gold, if the monetary and fiscal ramifications of the Murray bill make it unpalatable to a majority of this Congress, the Congress will consider the possibility of a limited free market for gold, as provided in this bill.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD and that it remain at the desk until March 30, so that Senators who may wish to do so may join as cosponsors of it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from Colorado.

The bill (S. 1539) to prohibit sales of gold by the Government for commercial use or for the arts, or for the purpose of lessening the price and value of gold, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all gold held or bought by the United States Treasury, or mints, or assay offices, or by the Federal Reserve banks, shall be construed to be monetary gold. Such gold shall not hereafter be sold for commercial use or for the arts, and no gold shall hereafter be sold by the Treasury or by the Federal Reserve banks, or for the account of the Treasury or of such banks, directly or indirectly, in the United States, its Territories or possessions, for the purpose of depressing the market in gold or lessening the price and value of gold.

REQUEST FOR YEAS AND NAYS ON EASTER RECESS RESOLUTION

Mr. BRIDGES. Mr. President, I ask unanimous consent that when the resolution for an Easter recess comes before the Senate, the yeas and nays be ordered.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

INCREASED MAXIMUM EXPENDITURE UNDER THE SPECIAL MILK PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, Senate bill 643, Calendar No. 100, be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 132, House bill 5247.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 5247) to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I am delighted that the acting majority leader has moved to take up House bill 5247. It is necessary that the Senate act quickly on this measure, in order that some American schools may continue to provide needed milk for their school children.

Mr. MANSFIELD. Mr. President, the purpose of this bill is to increase by $3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program authorized by section 201(c) of the Agricultural Act of 1949 and Public Law 85-478. The law now authorizes the use of not to exceed $75 million of CCC funds for this program during the current fiscal year. From a survey just completed by the Department of Agriculture, it appears that somewhat more money will be required to continue the program at its present level for the remainder of the fiscal year. This bill, accordingly, authorizes the Secretary to use up to $78 million of CCC funds for the program during this fiscal year. It is to be noted that the authorization is permissive. The Secretary will use the additional funds only to the extent necessary to continue the program at its present level.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. First, let me say that it is my understanding that the Department of Agriculture has interposed no objection to the proposed legislation; but in order that the RECORD may be clear, I ask my friend, the able acting majority leader, to confirm this statement: Is it not true that this bill, if enacted, will not require any additional appropriation?

Mr. MANSFIELD. That is correct.

Moreover, the bill was reported unanimously by both the House and Senate committees.

Mr. KUCHEL. I thank my friend.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BRIDGES. May I ask the Senator the explain briefly what the bill proposes to do?

Mr. MANSFIELD. I have explained that previously. The purpose of the bill is to increase by $3 million the maximum amount of money which may be used by the Secretary of Agriculture during the current fiscal year for the special school milk program previously authorized. The proposed legislation is permissive.

Mr. BRIDGES. I thank the Senator. I do not want any legislation to go through in the closing minutes of this session today unless it is unquestionably meritorious. I think probably this proposed legislation is, and I interpose no objection.

Mr. MANSFIELD. As usual, the Senator is very watchful of the public purse.

This bill was cleared with the minority leadership and the minority members of the Committee on Agriculture and Forestry before it was brought up. It is in line with our statement that we would bring up nothing for a vote aside from the unemployment compensation bill, which was the pending business. We announced that nothing of a controversial nature would be brought up.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 5247) was ordered to a third reading, read the third time, and passed.

PUBLIC WELFARE PROBLEMS OF THE DISTRICT OF COLUMBIA—HUNGRY CHILDREN IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement I made today before a subcommittee of the Committee on Appropriations under the able chairmanship of the distinguished Senator from Rhode Island [Mr. PASTORE] concerning the school lunch program and other public welfare problems confronting the District of Columbia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MORSE BEFORE THE DISTRICT OF COLUMBIA SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE, WEDNESDAY, MARCH 25, 1959

Mr. Chairman, you will recall that 2 years ago I met with your subcommittee upon an errand similar to the one I am on today. My appearance then, and my appearance today, followed hearings before the Subcommittee on Public Health, Education, Welfare, and Safety on the problems of hungry children in the District.

In preface to my recommendations, I wish to extend to you and your colleagues, my commendation for the positive action made possible by the funds supplied by you. Testimony before my subcommittee shows clearly that the assistance given by the Appropriations Committees of the House and the Senate has enabled progress to be made in the beginning of an attempt to solve the very difficult and complicated problem of poverty and its social concomitants in the District.

One good measure of accomplishment so far is the table which I now present to you contrasting relief payments and cases in January 1956 with January 1959. Reflected in these figures is the abolition of the 83 percent of need limit which formerly prevailed. This is a significant step forward in ridding our welfare program of extraneous restrictions which have no relationship to what should be our primary concern—prudent but speedy provision of adequate financial assistance to those in our population who are destitute, the aged, the fatherless, the disabled and the blind.

Relief cases and payments, District of Columbia

Type	January			
	1956	1957	1958	1959
ADC:				
Cases	2,050	2,221	2,889	3,610
Persons	8,858	9,650	12,731	16,267
Children	6,817	7,385	9,733	12,509
Average grant:				
Per family per month	$109.39	$114.08	$123.24	$146.71
Per person per month	$25.32	$26.26	$27.97	$32.56
Old age assistance:				
Cases	3,064	2,980	3,131	3,135
Average grant per month	$53.61	$56.51	$56.13	$60.09

	Monthly grant, percent change per case, 1956–59	Increase in monthly grant, 1956–59
ADC:		
Family	134.1	$37.32
Person	128.6	7.24
OAA (case)	112.1	6.48

NOTE.—In 1956 grants had an 83 percent of budgetary need limitation. In 1959 grants should reflect 100 percent of need, because of newly adopted standards.

General cost of living in the District increased, according to BLS index, from 115.9 in 1956 to 121.5 in 1958 (November data) or an increase of 5.6 points or 104.8 percent of the 1956 base.

The surplus food distribution program, made possible by funds supplied by your subcommittee, is of major importance to the 44,434 low-income individuals who are eligible.

Because of your interest, and that of your colleagues in the House, it begins to look as though some needy elementary school children will, next year, be given one square meal a day through the wise use of public funds.

I say this by way of preface, Mr. Chairman, because I believe that credit should be given where and when it is due.

I am sure however, that none of us is laboring under the misapprehension that what has been done is the complete and final answer to the problem, either in terms of quality or quantity. We have but begun to till the soil of social justice for these less fortunate human beings, the harvest of humanity to man is far in the future. Much remains to be done.

It should be a matter of common sense that a hungry child will be restless and irritable. Every parent knows that. Certainly such was my own observation with my own children when traveling across the country and we missed our regular dinner hour or when for one reason or another dinner was late at home. But in order to document the relationship which exists between nutrition and ability to learn in school, I asked the Library of Congress to search the literature of scientific investigation for published material on the problem. In the space of 2 days the Library had developed some 24 citations plus 4 masters theses devoted to the subject. The conclusions are as might be expected—that there does exist a close relationship between ability to learn and an adequate diet.

Marian C. Behr, in the School Executive, reported, for example: "Achievement tests taken before and after a lunch program was provided in school show great improvements when lunches have become a regular routine. When a county gives its schools achievements tests, the ones serving a balanced lunch to most of their children invariably have the highest scores."

Jane M. Leichsenring, in the Minnesota Journal of Education, stated: "In the St. Paul schools, where nutrition clinics for undernourished children have been a part of the program for many years, the teachers observed greater classroom achievement in 43 percent or more of the children studied, improved scholarship in 53 percent, attentiveness in 56 percent."

House Report 684, 79th Congress, in 1945, reported:

"U.S. CONGRESS—HOUSE COMMITTEE ON AGRICULTURE—SCHOOL LUNCH PROGRAM

(Report to accompany H.R. 3370, Washington, U.S. Government Printing Office, 1945 (79th Cong., 1st sess., House Report No. 684, pp. 2, 9))

"Statistical surveys, including physical and mental tests conducted under controlled conditions, have shown, as indicated in appendix A, measurable benefit to the children when an adequate lunch is provided at school, not only in their physical development, but in their educational progress. This improvement takes place on all income levels, inasmuch as an adequate lunch at school or adequate nutrition is not necessarily assured by the higher income of the parents or the rise in the national income as a whole. The increase of working mothers, consolidation of schools, greater travel time to schools, and rising scale of food costs, together with fixed incomes for many large groups, make the school lunch program, in which those who can pay are permitted to pay and those who cannot pay need not pay, the appropriate answer. It should be remembered that a child may be malnourished yet not hungry.

* * * * *

"EXHIBIT A—WAR FOOD ADMINISTRATION, COMMODITY CREDIT CORPORATION (OS)

"Effects of school lunch upon scholastic status, Camden, Mo.

	Scholastic grade points [1]			Per cent change
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (52 children)	1,056	1,055	-------	−0.09
Group II (75 children)	1,614	-------	1,763	9.23

"Effect of school lunch upon attendance, Camden, Mo.

	Percent daily attendance of enrollment			Gain in percent attendance
	Without lunch, 1938–39	Without lunch, 1939–40	With lunch, 1939–40	
Group I (10 schools)	69.18	70.54	-------	1.36 [1]
Group II (10 schools)	79.99	-------	84.34	13.35

"[1] A system of grade points was used in determining scholarship. An excellent mark was given 4 points; superior, 3; average, 2; poor, 1; failure, 0."

I do not wish unduly to prolong this line of testimony, Mr. Chairman, and I shall conclude with a citation from a study carried on in an adjoining State.

"Todhunter, Elizabeth Neige. 'Everyday Nutrition for School Children'. University of Alabama, Extension Division, 1949, pages 42–43.

"Dr. Ruth Harrell of Columbia University studied the learning ability of a group of children in Virginia. The children all lived in an orphanage where the diet was not adequate. The children were divided in two groups, matched as evenly as possible for age, height, weight, family background and IQ. Group A received a nutritional supplement in tablet form each day. Group B were also given a tablet each day but it contained no nutritive value. None of the children knew which ones were receiving the added nutrient material. In a series of objective tests, in arithmetic, word matching, writing, etc., carried out over a period of weeks, Group A in every instance had the higher average score. In this carefully controlled experiment the children with the dietary supplement showed greater learning ability as attested by their scores on all tests.

"Diet does make a difference.

"Diet makes a difference in both old and young but more particularly in the growing child."

Having laid this basis, I now pose the question: Granted that an adequate diet will improve the learning situation, to what extent ought the lunch program in the District elementary schools be expanded?

Seven hundred are now being given cold lunches on a pilot program from voluntary contributions. The Commissioners are asking that the program be limited to 1,000 children. The Board of Education asks you for funds to meet the need of 7,000 children. In arriving at your determination, I ask you to be mindful of the fact that there are, according to a study made by Gizella Huber, the economic consultant to the Junior Village project, 11,520 families with 45,775 children living in the District, whose family income is less than $3,000 per year.

A table incorporated in our hungry children hearings is of especial significance in this regard. Of 285 non-public-assistance families certified for surplus food in September, 27 families had no income because both parents were unemployed. In 48 families the mother was the head and she was unemployed and there was no income. I submit the full analysis for your inspection, with the thought that children being cared for by aunts and grandmothers whose own income is about $60 to $69 a month might very possibly need a free lunch at school.

Average monthly income of 285 non-public-assistance families certified for surplus food, September 1958

Type of family	Number of families	Average income
Families with 2 parents	155	-------
Fathers and mothers working	4	$235
Fathers only working or in the Armed Services	101	209
Fathers unemployed but getting income [1]	13	112
Mothers only working	10	91
Parents unemployed and without income	27	-------
Mother-headed families	125	-------
Mothers working and also getting support from fathers of children	5	155
Mothers working	36	145
Mothers' income from wages plus other sources [2]	9	136
Survivor benefits, unemployment compensation, etc	8	109
Absent fathers contributing	19	60
Mothers not working and without income	48	-------
Other homes	5	-------
Grandmother caretakers [3]	2	-------
Uncle and aunt caretakers [4]	1	60
Aunt caretakers working [5]	1	147
	1	69
Total number of families	285	-------

[1] 10 unemployed fathers are getting unemployment insurance or compensation; 2 are getting veteran's benefits; and 1 is getting a Government pension.

[2] Survivor benefits from deceased husbands or old age insurance of mother's parent living in the home.

[3] 1 grandmother is taking care of 3 children while the mother, who was their sole support, is in jail. Another grandmother is taking care of her daughter's 2 children. The latter does not live in the home and makes only sporadic contributions toward her children's keep. The grandmother (42 years old) is unable to work; her boy friend pays the rent.

[4] This couple is caring for 4 children whose mother deserted and whose father is in a veterans' hospital. The only income of the home is a $60 monthly veterans' benefit payment to the uncle.

[5] 1 aunt, caring for a young nephew, earns around $69 a month, her sole income. (Her husband is in jail.) She applied for public assistance, but was rated ineligible.

In these matters, I hope that the subcommittee will, as a minimum, provide the funds requested by the school authorities for this program, because in my judgment, far more than public assistance children need and can profitably use the free school lunch.

Which brings me to the second point in this area. I confess to a bias in favor of the teacher who is in daily contact with the child as being a good judge of whether the child is, or is not, in need of nourishment. I would suggest to the subcommittee that in the procedure established for determining eligibility for the lunch program that the presumption be that a child certified by the school is eligible and that he or she be given the lunches during the period that a social work investigation is carried on. In matters of this type, it is better to err upon the side of overfeeding rather than underfeeding the child. I think that there is no basic incompatibility between the school and the welfare authorities. Each supplements the work of the other.

I also wish to submit a table prepared by the Department of Agriculture showing the number of free or reduced-cost meals served children in the various States. Particularly, I feel that with this background, no criticism could be leveled at the committee if a full program were financed.

Comparison of free or reduced price meals with total meals served, by States and area, 1957–58

State	Total meals served (1)	Free or reduced price meals: Number (2)	Free or reduced price meals: Percent of total (3)
Northeast:			
Connecticut	17,755,368	608,692	3.4
Delaware	3,115,760	95,075	3.1
District of Columbia	10,668,191	131,024	1.2
Maine	10,106,488	1,136,257	11.2
Maryland	25,400,258	1,166,418	4.6
Massachusetts	39,053,357	3,350,005	8.6
New Hampshire	5,652,083	424,421	7.5
New Jersey	23,403,599	1,813,093	7.7
New York	124,264,410	34,040,120	27.4
Pennsylvania	78,027,069	4,272,606	5.5
Rhode Island	4,555,766	154,534	3.4
Vermont	3,685,770	427,547	11.6
West Virginia	26,607,444	3,806,223	14.3
Area	372,295,563	51,426,015	13.8
Southeast:			
Alabama	52,281,844	3,772,903	7.2
Florida	65,415,646	3,653,138	5.6
Georgia	71,466,046	5,884,927	8.2
Kentucky	48,954,380	6,302,093	12.9
Mississippi	33,936,153	3,255,218	9.6
North Carolina	86,371,362	5,956,762	6.9
Puerto Rico	41,407,242	41,316,305	99.8
South Carolina	46,179,228	4,681,901	10.1
Tennessee	56,502,900	6,840,508	12.1
Virginia	51,396,193	3,921,485	7.6
Virgin Islands	813,546	813,546	100.0
Area	554,724,540	86,398,786	15.6
Midwest:			
Illinois	69,531,506	3,846,810	5.5
Indiana	47,566,176	2,322,377	4.9
Iowa	38,682,951	1,426,264	3.7
Michigan	49,410,723	4,969,912	10.1
Minnesota	48,341,637	2,071,759	4.3
Missouri	51,780,238	2,751,025	5.3
Nebraska	12,170,638	778,327	6.4
North Dakota	8,459,575	1,086,321	12.8
Ohio	85,685,483	3,692,139	4.3
South Dakota	6,287,379	771,778	12.3
Wisconsin	33,535,684	2,606,992	7.8
Area	451,451,990	26,343,704	5.8
Southwest:			
Arkansas	31,209,159	2,913,575	9.3
Colorado	17,296,500	791,245	4.6
Kansas	23,074,507	407,340	1.8
Louisiana	88,159,296	13,084,732	14.8
New Mexico	9,404,143	1,024,042	10.9
Oklahoma	29,558,004	3,601,612	12.2
Texas	90,200,776	6,706,604	7.4
Area	288,902,385	28,529,150	9.9

Comparison of free or reduced price meals with total meals served, by States and area, 1957–58—Continued

State	Total meals served (1)	Free or reduced price meals: Number (2)	Free or reduced price meals: Percent of total (3)
Western:			
Alaska	1,227,401	123,824	10.1
Arizona	14,942,522	1,557,308	10.4
California	96,067,096	4,166,836	4.3
Guam	96,141	1,301	1.4
Hawaii	15,837,813	544,665	3.4
Idaho	8,944,635	400,875	4.5
Montana	7,040,631	428,538	6.1
Nevada	1,671,744	250,050	15.0
Oregon	20,334,226	651,536	3.2
Utah	13,756,484	597,890	4.3
Washington	31,540,819	1,359,419	4.3
Wyoming	3,736,209	101,131	2.7
Area	215,195,721	10,183,373	4.7
Total	1,882,570,199	202,881,028	10.8

The $817,000 needed to finance the school lunch program is a large item for a tight budget. I understand that the House has approved some $266,000 for the lunch program. I urge that the full amount requested by the Board of Education for the school lunch program be allowed. In addition, I ask that the funds for this purpose be independently earmarked. Certainly any reallocation of funds which will take from the teaching staff teachers needed to reduce the number of part-time classes would be false economy. One major reason for having children well fed is so that they may profit from the education being provided. To nullify this worthy objective by providing fewer teachers is most shortsighted.

Where should the money come from? This question is basic to your work. My first answer would be from the Federal payment. Here is one Senator who does not believe that the Federal payment is adequate as it has been appropriated in the last decades. I do not share the philosophy that the payment should be geared to real-estate tax equivalents either. As the Senator from Rhode Island will recall in a floor colloquy upon the fiscal 1959 appropriation bill, I set forth my reasons for believing that the full authorized Federal payment should be appropriated. These reasons were based in part upon the limitations of the District with respect to taxing the principal employer in the District—the Federal Government. Other restrictions, such as the height of buildings which may be built, because this is the Capital of the Nation cannot be changed by the District government and hence revenue from private operators otherwise available in other areas, cannot be realized by the District government. There is the undeniable fact, that middle and upper income families whose income is derived from employment in the District yet who live in the suburbs, cannot be effectively reached by tax levied by the District. The District cannot extend its boundaries, as can other metropolitan cities. For all of these reasons and others which involve the Federal Government, I would hold that of all the impacted areas in the country, this child of the Union, deserves and should have liberal financial treatment from the Congress in the matter of a full Federal payment.

With the permission of the subcommittee, at this point in my prepared statement, I wish to digress for a moment to discuss testimony presented this morning to the Public Health Subcommittee by Mr. Shea of the Department of Public Welfare of the District.

It concerns, not the regular appropriation bill, but the supplemental bill which passed the House yesterday. Mr. Shea informs us that to live within the money provided by the supplemental it will be necessary for his department to curtail public assistance grants by 15 percent for the months of April, May, and June.

To do this would be to place on those unfortunate families, the children and the aged the burden of making up for the money that the Congress does not appropriate under an existing authorization. This is just not morally right in my opinion. We created the deficit by legislation, we ought to pay the cost. I realize that this subcommittee does not have the supplemental before it at this time, but it will be before the Senate Appropriations Committee in the near future, and I shall appreciate very much your bringing to the attention of the committee at the time it does consider the supplemental request my remarks this afternoon.

The question will be asked, Why cannot the savings be made in personnel costs rather than from the welfare budget? Testimony given to my subcommittee was to the effect that curtailment of services and an austerity program was initiated last February when it was foreseen that the present year's appropriation for welfare cost would be insufficient to meet the need. To further curtail personnel services would have the same result as the reduction in the welfare grant. It would come out of the service on a minimum basis that is now provided.

When, for example, you have 2 employees looking after 82 congenital mentally deficient hospitalized patients now in a 24-hour day, is it reasonable to suppose that you can, without inviting tragic consequences, reduce this number of employees to one?

A $12,500 item budgeted for homemaker service to families where the mother has been hospitalized or incapacitated was necessarily diverted by Mr. Shea to the welfare payment funds as part of the austerity program. What are the future costs, Mr. Chairman, of the disruption of a family in this category? If the children are taken to the District institution, testimony shows that because of overcrowding it was necessary to transfer these dependent children to a juvenile delinquent institution. Is this the training and rehabilitation we want? I ask in all sincerity, that when you consider the dollars and cents involved you keep in mind the human beings that make up the budget statistic.

I certainly feel quite strongly that wherever the Congress, by act, has increased the cost of operations, as we did when we raised the salaries of employees last session, we have a duty to provide funds to meet such costs. To place the health, education, protection, sanitation, and welfare services of a city in jeopardy through denial of funds this late in the operating year is shocking. I would certainly add my voice to those who are and will be asking for a restoration of these vitally needed funds. I hope that the House will take corrective action to restore them, but in the event that this does not occur, I trust that together with your colleagues you will seek to do so when the supplemental bill comes before your full committee.

As I have said, my first suggestion and I would urge it as strongly as I can, is that the needed funds be made available from the Federal payment using if necessary all of the authorization of $32 million. Only, if this is absolutely impossible do I advance the thought that the subcommittee explore with care other items now approved.

Particular attention may with profit, perhaps, be given to the highway construction program, badly needed though it may be. I am advised that although the Federal participation in construction and condemnation

costs make this an attractive area for expenditure, it does have the effect of removing from the tax rolls property now paying real estate taxes. A modest postponement in this area could realize, from presently existing revenues, sufficient funds to defray the school lunch program costs.

My values may be challenged by some, but I believe that our children are more important resources for the future of the Nation than would be the construction of a parking facility for State Department employees, originally asked for by the Commissioners. The cost of each program is about $800,000. Surely, if the site for a parking place is to be secured for the use of the Department of State this is a charge to be borne by the State Department appropriation rather than the District.

There are other areas in the budget for the District which are curtailed for which I would ask your sympathetic reconsideration, but I especially plead for adequate funds and employees to do the major job of taking care of our children in the schools, both educationally and nutritionally, and in the home through meeting the welfare needs for the underprivileged groups upon a basis which is at least consistent with health and decency. Prenatal clinics to reduce our shocking infant mortality rate will, I am confident, receive your attention as will the provision of a high standard of medical care for our indigent.

I appreciate having had the opportunity to appear before you.

Mr. MORSE. Mr. President, I have placed my statement in the RECORD in order to emphasize a very sorry condition which confronts the District of Columbia, caused for the most part, in my opinion, by the dereliction of Congress to perform its clear duty, due in part, as my statement points out, to a failure on the part of the Commissioners of the District of Columbia to recommend a program of the magnitude which common humanity calls for, a program to feed hungry children.

Two years ago, the Subcommittee on Public Welfare, Health, Education and Safety of the Committee on the District of Columbia, of which I am the chairman, conducted hearings which lasted several weeks. The hearings succeeded in focusing the attention of Congress and of the Nation, for that matter, on the sordid but true fact that many children in the District of Columbia were living out of garbage cans, refuse dumps, and table leavings, when they could find them, of families in their areas who threw away scraps of food.

At first it was hard to believe that such a condition existed. When the witnesses who came before my subcommittee first so testified, there was a reaction on the part of many to the effect: This simply cannot be true. But it was true. Our committee hearings demonstrated it beyond question of doubt.

It will be recalled that 2 years ago, as a part of our hearings, my subcommittee made a tour of inspection during a period of several days of some of the slum areas of the District of Columbia. We saw with our own eyes proof of the testimony which had been submitted to our committee.

Mr. CLARK. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CLARK. I have been very much interested in the splendid statement the Senator from Oregon is making on the subject of hungry children within a stone's throw of the Nation's Capitol in the District of Columbia.

During the 85th Congress I had the privilege of serving on the Committee on the District of Columbia and on its subcommittee on Public Welfare, over which the Senator from Oregon presided with distinction as chairman. I accompanied him on the tour of which he has just spoken. I can vouch personally that every word he has said is true. It was spoken without exaggeration; in fact, it was a conservative statement of what I would not hesitate to call a sinful condition which Congress, to its shame, has permitted to continue over a period of time far longer than I care to contemplate.

Mr. MORSE. From the bottom of my heart I thank the Senator from Pennsylvania. The RECORD should show that the results which the subcommittee obtained two years ago never would have been obtained had it not been for his assistance. At first it was an uphill fight; but the Senator from Pennsylvania never failed either in the Committee on the District of Columbia, before the Committe on Appropriations, or on the floor of the Senate, to point out courageously the facts we discovered concerning this deplorable condition in the District of Columbia.

Mr. CLARK. Mr. President, I thank the Senator from Oregon for his kind words. Although I do not think they are justified by the facts—the Senator is far too kind—my interest in this subject continues despite the fact that I am no longer a member of the Committee on the District of Columbia. I should like to do everything within my power as one Senator to support the senior Senator from Oregon in the effort he is now making to further the fine work he started 2 years ago.

Mr. MORSE. I thank the Senator very much.

I desired to speak about this problem today because appropriations are pending in both Houses dealing with the question of financing such programs in the District of Columbia. As a result of the work of our committee and the action taken by Congress, some progress was made in 1957, as I said to the Subcommittee on District Appropriations today. I think credit ought to be given where it is due. The subcommittee headed by the distinguished junior Senator from Rhode Island [Mr. PASTORE] did excellent work in 1957, in that it recommended a somewhat larger amount of appropriations so as to make it possible to afford some relief to these very unfortunate fellow human beings.

As I stated in my testimony, as will be seen in the RECORD tomorrow, we still have a long way to go. Much still needs to be done in order to carry out the principle of humanity to man in the District of Columbia.

HEARINGS REVEAL MALNUTRITION IN DISTRICT OF COLUMBIA

It is about some of the facts which I presented to the Committee on Appropriations this afternoon that I wish to comment now. For the past 3 weeks, intermittently, my subcommittee has been conducting further hearings concerning the problem of the hungry children in the District of Columbia. The situation is so bad that we cannot take very much comfort from the progress which has been made since 1957. I shall let the record speak for itself, but I shall mention a highlight or two from the record as borne out by witness after witness after witness who came before my subcommittee in the past several weeks to testify. Those witnesses came from the welfare agencies, from the school system, from the neighborhood houses, and, yes, from the District of Columbia government itself.

One shocking fact which we in Congress had better consider is that a minimum of 7,000 little boys and girls of grade school age in the District of Columbia, to say nothing of several thousand more who have not reached grade school age, simply do not have enough to eat. Think of it. In the Capital City of the United States a minimum of 7,000 little boys and girls are not getting enough to eat. The record before my subcommittee leaves no room for doubt about it.

So long as I remain in the Senate and have responsibilities in connection with any committee on which I serve, and so long as such conditions exist, I intend to do everything I can to place the facts before Congress, before the District of Columbia, and before the people of the Nation. Such a condition cannot be justified by any standards.

Mr. President, it cannot be justified by the great teaching that each of us is our brother's keeper.

It was a great disappointment to me when the Commissioners of the District of Columbia made to the Congress a recommendation for an appropriation with which to finance an experimental program which would provide lunches for 1,000 of the 7,000 hungry schoolchildren. Certainly old King Solomon would not have proposed such a thing, Mr. President. I am at a loss to understand why the District of Columbia Commissioners, knowing that in the District of Columbia there are a minimum of 7,000 underfed schoolchildren, would recommend an appropriation for lunches for only 1,000 of them. Consider the rationale of that proposal; it is the old, bewhiskered one of "That this will give us an opportunity to get our feet on the ground."

Mr. President, the Commissioners should have had their feet on the ground for years, if their feet are not on the ground now.

Their argument is, "It will give us time to get our feet on the ground, so as to do a little experimental work on this matter."

Mr. President, this matter is not a complex one. It is simply a question of dollars, of providing the necessary funds for the feeding of 7,000 hungry schoolchildren. If the necessary funds are provided, those hungry children will be fed.

I say to the President of the United States, "Mr. President, this is no issue for you to talk about in terms of balancing the budget. Instead, before Easter, in the name of the Master, raise

your voice in support of the position of the Senator from Oregon that the necessary funds for the feeding of these 7,000 hungry schoolchildren must be provided."

BUDGET CONSIDERATIONS SHOULD NOT BE PUT AHEAD OF HUMAN NEED

Only a moment ago I read on the news ticker that Mr. Stans, of the Bureau of the Budget, while in North Carolina, announced to the country that the President is not going to yield on the question of balancing the budget. He said the country should stand fast against what he called special interest troopers.

I ask the President of the United States, "What is your answer to the need to feed these 7,000 hungry schoolchildren in the District of Columbia? Do you think they are 'special interest troopers?' Do you want them fed? If you do, will you join me in recommending that the Congress provide the necessary funds for the feeding of these 7,000 children?"

If we have a President who will not join in support of such a humanitarian cause, then I want the 174 million Americans to know it now; and that goes for all the rest of the budgeteers, because if the moral responsibility of the Congress is not met, then I find no difference between a budgeteer and a racketeer.

If, in the name of a balanced budget, it is proposed that we walk out on a moral responsibility such as that of feeding the 7,000 hungry schoolchildren in the District of Columbia, then let us tell the American people so.

To the Democratic leadership of the Senate let me make clear that what I say goes for them, too. For once, I should like to see in the Congress a united Democratic leadership in support of a moral issue of this kind.

Mr. President, for several years I have seen the budgeteers get by with their propaganda. So far as I am concerned, they can no longer get by with it without challenge. I intend to challenge them at every step from now on, by comparing their so-called dollar savings with the great human losses and the great losses in human values which the budgeteers will be guilty of causing, and which they will cause, if we let them get by with their failure to recognize their moral responsibilities.

I have no intention of supporting any Democratic leadership which will be a party to Dwight D. Eisenhower's sacrifice—in the name of a balanced budget—of these human values. I do not intend to support a so-called balanced budget at the expense of human welfare in the Nation, because I know that the economy of the country is strong enough to support the kind of general welfare legislation the liberal Members of this body urge the Congress to enact.

TIME FOR REDEDICATION TO HUMAN VALUES

Nor do I intend to weaken either the economic fabric or the moral fabric of our Nation by placing a dollar sign above the Cross. Any argument from any spokesman of this administration or from any leader of my party that is made in an effort to justify failing to appropriate for the District of Columbia the funds which are necessary in order to feed 7,000 hungry school children is a sinful argument at any time, but it is a particularly inexcusable argument at Easter.

So, Mr. President, I insert this testimony in the RECORD because I do not intend to let the Congress forget its responsibility. As I said this afternoon, before the Appropriations Committee, I have no intention of supporting the District of Columbia Commissioners, when, apparently under the whiplash of an economy drive from the White House, they recommend a District of Columbia budget that is totally inaedquate to meet human needs in the District of Columbia.

CONGRESS ITSELF IMPOSED FINANCIAL RESTRICTIONS ON DISTRICT

To the Congress I repeat: You cannot justify your parsimonious attitude toward the District of Columbia by failing to appropriate a fair share of the funds that are required if the cost of running the District of Columbia is to be met.

Mr. President, what are some of the politicians saying now? Just listen to them: "What about the tax rates in the District of Columbia? Why not have higher real-estate taxes in the District of Columbia?"

Are they ready to eliminate the zoning requirements which the Congress has imposed upon the District of Columbia—for example, the one which regulates the height of buildings in the District of Columbia, with the result that the owners of property in the District cannot erect buildings high enough to be as profitable economically as they otherwise would be—profitable enough to result in the payment of greater taxes?

Of course, Congress is not going to eliminate those zoning requirements; and Congress should not do so, because it has a responsibility to keep the Capital City beautiful. That is why such restrictions were imposed in the first place.

Is Congress ready to remove the restrictions which make the District of Columbia inaccessible to heavy industry? Is Congress ready to permit heavy industry, and the accompanying payrolls, to be brought into the District of Columbia, with the result that additional tax dollars will flow into this city?

Of course, to do so would be to bring over the Capital City a smoke screen different in type from that which usually hovers over it. It would be a screen of industrial smoke, instead of a screen composed of the type of forensic smoke which so much of the time hovers over this city—in fact, a good deal of it is based on the type of forensics which is indulged in by those who oppose the appropriation of sufficient funds to permit the District of Columbia to be operated in the way in which it should be operated.

No, I am not going to support the District of Columbia Commissioners in their failure to recommend funds for an adequate school lunch program. So long as I serve in the Senate, Mr. President, I shall continue to fight for fair play for the taxpayers and the residents of the District of Columbia.

THE DISTRICT PROBLEM

As I said, in substance, to the Appropriations Committee this afternoon, "Remember, this local government cannot take in the suburbs. What in our own States happen to be metropolitan areas develop in the suburbs. Before we know it, we have taken the suburbs into the city, and we have brought their tax resources into the city. We cannot do that here. The District of Columbia cannot annex Virginia and Maryland."

Yet, many thousands of the people who work in the District of Columbia sleep in Maryland and Virginia. Maryland and Virginia are their bedrooms. The District of Columbia, Mr. President, has a very difficult tax situation.

There is much unsoundness in some of the speeches being made which seek to compare the tax situation in the District of Columbia with the tax situation in areas of similar size elsewhere in the United States, because Congress has put into effect some of the restrictions which make the comparisons fallacious.

WHY SHOULD TEACHERS SUBSIDIZE WELFARE NEEDS?

Mr. President, I do not intend, either, to support any proposal which would cause the teachers of the District of Columbia to subsidize the welfare program which ought to be financed by the Congress of the United States. That is what Congress is asking them to do by the attitude now prevailing with regard to the District of Columbia budget. What are we doing? Even to feed the 1,000 children, instead of the total 7,000, it is proposed to utilize money transferred from other educational funds, which ought to go into classrooms, or into teachers' salaries, or into employing more teachers, so the teaching load could be lighter, or other needed educational costs.

It is just too bad there is no home rule in the District of Columbia, so that if any mayor or city council proposed any such atrocious suggestion, the people would be able to take care of them at the polls. We have placed ourselves in the position, Mr. President, of not being subject to any electoral discipline by the citizens of the District of Columbia. Therefore, about all they can do is come before a committee such as mine and present their evidence and their protests. Those of us who hear the evidence and the protests have an obligation to act in their behalf. That is what I have been trying to do this afternoon.

PRAISE FOR THE WASHINGTON PRESS

I have been pretty critical, now and then, of the press, both here and elsewhere; but I also have never hesitated to commend the press when I thought it deserved commendation, although I recognize, unfortunately, justifiable occasions are too rare.

I desire this afternoon to commend the local press, all three of the newspapers, for the fine job I think they are doing in getting the facts to the people of the District of Columbia and to the Congress with regard to the public welfare problem, the hungry children problem, and the educational problem.

I close this part of my remarks with the plea that from the President of the

United States on down through the Government, in every office where there is any responsibility connected with District of Columbia affairs, we be given some backing and some support for a large enough appropriation to feed the 7,000 hungry youngsters who, the record of my committee shows, are now suffering from want of food.

The evidence is overwhelming as to the cost of the failure to supply the needed food to the District of Columbia children. If anyone in our Government thinks we are saving money by not providing funds necessary for lunches to feed these youngsters, he ought to read the transcript of the testimony before our committee. Such a so-called saving produces a greater cost from the standpoint of juvenile delinquency and hospitalization resulting from illness that occurs from malnutrition.

SHOCKING TESTIMONY

Mr. President, if you want the kind of evidence that startles you, but is a fact, let me tell you that there are, in a home for 82 mentally defectives, 2 attendants. Those two attendants have to maintain a 24-hour supervision of those unfortunates.

Mr. President, do you think it would be economy to cut the number of attendants to one? And yet, without knowing the facts, I submit there are Members of this Congress who, in recent days, in speaking about District of Columbia fiscal policies, have suggested that savings ought to be made on personnel.

My answer to them is, "Put up or shut up. Where are you going to make the savings on personnel? Come on, give us the list of people who can be eliminated from their jobs in safety to good government in the District of Columbia."

Do we want to reduce the number of those two attendants at the home for the mentally defective, or do we want to justify an overcrowded situation for dependent children? This situation is so bad in the District of Columbia that the record before my committee shows we are sending dependent children in the District of Columbia—I repeat, dependent children—to homes for juvenile delinquents.

Just think of it. All Members of Congress who are parents of children ought to understand my meaning. How in the world can a Member of the U.S. Congress talk about economizing on personnel when there already are such overcrowded conditions and there is such a shortage in this whole field of public welfare work that we are now sending some dependent children to homes for juvenile delinquents because there is not enough room for them in the juvenile dependency institution?

Mr. President, could it possibly be that unexpressed and latent in the thinking of those who are arguing for false economy in the District of Columbia budget is the idea that, after all, an idiot is not a human being, or that, after all, a little dependent child can be dispensed with, or that a juvenile delinquent should not receive the rehabilitation care a moral society is expected to provide?

I would not like to think, Mr. President, that such a cold, asocial attitude could possibly exist in the breast of any Member of Congress. Yet as I conduct the hearings and have submitted to me in the record statements of attitudes which have been expressed in the budget fight for the District of Columbia I am almost forced to the conclusion that at least it is fair to say, in view of the sordid conditions which exist, that those who make an argument for economy in public welfare in the District of Columbit have walked out on their obligations.

I make this speech on this subject today, Mr. President, in the hope that it may stir up a little support from some groups in this city which in my judgment are notefully cognizant of the seriousness of the situation. I say that in appealing to the ministerial association of every church group in the District of Columbia; Catholic, Protestant, and Jew. I say to the clergy of the Catholics, of the Protestants, of the Jews, and of all other faiths who believe in a Creator, now is the time to be of great moral assistance to those in the District of Columbia who are trying to get some action from the Congress of the United States by way of a sufficient appropriation to meet these governmental needs.

I know, Mr. President, if the service groups, if the ministerial association, if the Parent Teacher Associations, if the citizens groups and all the many public-minded organizations in the District of Columbia knew how deplorable the conditions are they would make the rafters of the White House shake before they finished with their presentation of this great moral issue.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

ORDER OF BUSINESS

Mr. MORSE. Mr. President, I have been waiting for several days to deliver two speeches, one a relatively short one; the other a longer one. The two speeches are in the Press Gallery. Tonight I find I can deliver only the shorter speech, the one relating to the preliminary report of the Draper Committee. Tomorrow I shall deliver the longer speech on the economic plight in which I think the country finds itself. I make this comment for the benefit of the Press Gallery.

Now, Mr. President, I should like to have the attention of the Senator from Virginia [Mr. BYRD]. It has been suggested to me that the Senator from Virginia may wish to have me continue on another subject until a bill comes over from the House, but whatever may be the pleasure of the Senator, I shall be glad to cooperate.

Mr. BYRD of Virginia. I will say to the Senator from Oregon that the conferees cannot be appointed until the bill comes back from the House. The bill has not yet come from the House, though it is expected at any moment.

Mr. MORSE. I will yield the moment the Senator from Virginia asks me to yield.

Mr. BARTLETT rose.

Mr. MORSE. Mr. President, I yield to the Senator from Alaska.

SENATOR JOHNSON AS A PRESIDENTIAL CANDIDATE

Mr. BARTLETT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article which was published in the New York Times of this morning, written by James Reston, about our distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], entitled "It Could Be JOHNSON."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT COULD BE JOHNSON—DEMOCRATIC PROFESSIONALS IN NORTH PONDER TEXAN AS A 1960 COMPROMISE

(By James Reston)

CHICAGO, March 24.—Don't count Senator LYNDON B. JOHNSON, of Texas, out of the 1960 presidential election yet. The Democratic pros in this part of the country, at least, are definitely not doing so, and they were the ones who were supposed to be more opposed to nominating Mr. JOHNSON than anybody else. Conversations with Governors Edmund G. Brown, of California, and Michael V. DiSalle, of Ohio, and Mayor Richard Joseph Daley, of Chicago, in the last few days, indicate that the pros are reaching these preliminary conclusions:

The Democratic nominating convention is clearly headed for a stalemate, with no one candidate likely to have more than 300 votes (less than half the necessary majority) on the first ballot.

Senator JOHN F. KENNEDY, of Massachusetts—and probably only Mr. KENNEDY—could upset this calculation by a series of spectacular victories in the 1960 primaries, but at least some of the men who control the big delegations in the State capitals and the large northern cities don't think he can pile up a large enough lead to avoid a deadlock.

On this assumption, the pros around here think Adlai E. Stevenson, of Illinois, Senator STUART SYMINGTON, of Missouri, and Senator JOHNSON will definitely come into the picture as compromise candidates.

NORTH WARM TO JOHNSON

The only surprising thing about this is the way the northern pros are talking about Senator JOHNSON. It was widely assumed that they were so committed to an extreme civil rights program that they would rule out a southerner who favored a moderate civil rights compromise.

In the end, this still may be true, but they are definitely not ruling him out now, and for interesting reasons. These men who control the delegations of large States such as Ohio, Illinois, and California are all keenly interested in urban development, new airports, new roads, public housing relief for the depressed areas, and social legislation.

Mr. JOHNSON has clearly impressed many of them on the way he has used his authority in these fields. They are watching him carefully to see what he does in this session of the Congress about civil rights legislation but so far they apparently feel less strongly than the liberal Democrats in the Senate about his compromise stand on the filibuster rules of the Senate.

All the publicity about Mr. JOHNSON's political skill in the Senate has also enhanced his reputation, for the men who will be in the smoky room dealing with any deadlock that may develop at the Democratic convention will be the professionals who place higher value on the art of politics than anybody else.

A POLITICIAN'S POLITICIAN

One hears a lot of talk from these pros that JOHNSON is the kind of politician who understands another politician's problems.

The pros also seem to think that he is a tough negotiator who perhaps as well as anyone else in the Nation could deal with the problems of negotiating with the Communists.

Even Mayor Daley, of Chicago, who was one of the leaders for Mr. KENNEDY in the vice presidential race of 1956 and who will almost certainly control the Illinois delegation in 1960, gave Mr. JOHNSON a good chance for the nomination.

Like Governors Brown, of California, and DiSalle, of Ohio, he is not committing himself. Like them, too, he doubts that anyone will have more than 300 votes on the first ballot, but he rejects the idea that the North would oppose JOHNSON merely because he is a southerner.

"This would be like rejecting KENNEDY because he is a Catholic," Mr. Daley said. "I argued against this in 1956. I am still arguing against it now. But we cannot argue against anti-Catholic bigotry and at the same time be guilty of antisouthern bigotry.

"Everybody should be given a chance on his own abilities and that goes for JOHNSON as well as KENNEDY."

All this may indicate nothing more than the politician's caution about coming out for anybody too soon. As Mr. DiSalle pointed out, most of the potential candidates are in public office and therefore the element of accident over the next year could bring somebody quickly to the top or cast some of the leaders down.

Nevertheless, it is clear that the decision in the Democratic convention is going to lie not in the hands of men in Washington, but in the hands of Governors and the powerful big city mayors and bosses.

As of the moment, they are waiting and holding the line against Mr. KENNEDY, who is clearly the front runner. In the process, however, they are creating a deadlock situation and it is interesting that in the discussion about who may break a deadlock the pros around here seem to be talking even more about Mr. JOHNSON than about Mr. Stevenson.

Out in the south side of Chicago, where the large Negro vote lies, the mayor would have less trouble getting consent for either Mr. Stevenson or Mr. KENNEDY, who is probably the mayor's preference. But Mr. JOHNSON has made progress, even in the areas where most people thought he would be rejected out of hand.

RAJAGOPALACHARI'S SOLUTION TO GENEVA DEADLOCK

Mr. MORSE. Mr. President, when I was in India in 1957, at the Commonwealth Parliamentary Conference, it was my great honor to meet and confer on two different occasions with a great Indian leader, Rajagopalachari, who is recognized throughout India as probably the number one philosophical successor to Gandhi.

I am sure the distinguished Senator from Kentucky [Mr. COOPER], now present in the Chamber, shares my high appraisal of Rajagopalachari, when I say he is a man of great influence all over India, but particularly in Madras Province. For many years Rajagopalachari served in the Parliament of Madras in various positions. He is a great humanitarian. For a long time he has been one of the world leaders in calling upon Russia and the Western Powers to bring to an end nuclear testing and, for that matter, to rid their arsenals of nuclear weapons entirely.

Mr. President, there was published in the March 16, 1959 issue of the New York Times a letter to the editor written by Rajagopalachari under the heading "To Solve Geneva Deadlock: Formula Offered Permitting Powers To Void Treaty on Notice." I ask unanimous consent that this fine letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO SOLVE GENEVA DEADLOCK FORMULA OFFERED PERMITTING POWERS TO VOID TREATY ON NOTICE

The writer of the following letter was Governor General of India, from 1948 to 1950 and one of the leaders in India's struggle for independence:

To the EDITOR OF THE NEW YORK TIMES:

Those of us who live round about the Pacific Ocean but who are not in the cold war are naturally impatient over the delay in an agreement being reached at Geneva about the suspension of test explosions.

It seems to us rather odd that we cannot be saved from being poisoned unless the two sides in the cold war agree between themselves. No one has denied the right of the noninvolved peoples to be saved from being poisoned. We feel that our rights are being totally ignored in the battle between the two parties.

But this impatience of ours does not bind us to the real difficulties in the situation as between the two sides of the cold conflict. The fears and suspicions of America are genuine. They stand in the way of an agreement being reached on this as on other issues connected with disarmament.

I write this letter in the hope that a formula on the following lines may serve to give sufficient assurance to those who fear and doubt the opposite side, while at the same time it will secure an immediate suspension of the tests:

SUSPENSION OF TREATY

Let there be a suspension by treaty without any time limit, but let a proviso be attached that any one of the nuclear powers signing the treaty shall have the right to denounce the treaty, giving a year's notice and publicly explaining the reasons justifying the step.

Those who desire a treaty of suspension for all time ought to be satisfied with such a proviso, because if there are reasons which can stand the test of public scrutiny and world judgment it would be impossible to justify the continuance of such a treaty from the point of view of national security as foreign policies now stand.

Those who are unwilling to agree to indefinite suspension but desire only a year-to-year basis should also be completely satisfied with what I have here suggested.

The principle of suspension having been accepted, any limit of time put on the suspension can only be in the interest of security against fraud.

May I appeal that this question, which affects not only America but the whole world and its health, should be decided justly and properly and not merely on the basis of giving one's self the benefit of all doubts?

C. RAJAGOPALACHARI.

MADRAS, INDIA, *March 7, 1959.*

TAXATION OF PATRONAGE ALLOCATIONS OF COOPERATIVES

Mr. MORSE. Mr. President, a number of cooperatives and individuals of the State of Oregon have written to me in recent days expressing deep concern over the administration's recent proposal relative to the tax status of earnings of cooperatives, especially those allocated to patrons and evidenced by certificates of earnings. The administration's proposal was set forth in Treasury Secretary Anderson's letter of January 19, 1959, addressed to the chairman of the Senate Finance Committee and the chairman of the House Ways and Means Committee.

In order that my colleagues may have the benefit of what I consider to be particularly well reasoned views of individuals and cooperative officials transmitted to my office, I ask unanimous consent that a series of letters and resolutions containing those views be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. MORSE. I invite the attention of my colleagues to the suggestion of the local cooperatives concerning a fair and reasonable method of taxing patronage allocations. I believe it deserves serious consideration.

Mr. President, I feel, as do these constituents, that the Treasury Secretary's suggestion that so-called qualified patronage certificates must bear interest at the rate of at least 4 percent and must be redeemed within a 3-year period, would, if put into effect, seriously injure our farmer cooperatives. In fact, I believe the imposition of such requirements would make it impossible for many cooperatives to continue in business. I certainly hope that this attack on our nationwide program of farmer cooperatives will not succeed and I urge serious consideration by the appropriate congressional committees to the views expressed in the letters and resolutions that follow my remarks.

EXHIBIT 1

MOUNT ANGEL FARMERS UNION WAREHOUSE,
Mount Angel, Oreg., March 12, 1959.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SIR: Enclosed you will find a copy of a resolution, which in itself is self-explanatory. It was passed unanimously at our membership meeting held on February 28, 1959.

To refresh your memory it may be helpful to you if we presented background to the adoption of said resolution. The Revenue Act of 1951 stated in effect that a patron of a corporation shall report as income the allocations from a cooperative at fair market value in the year in which he is notified of such allocation. Recent court decisions pertaining to the interpretation of fair market value pretty much allowed the patron to set any value to the allocation which he may desire to use.

Our members have been reporting for income tax purposes their allocations on face value in the year in which they have been notified of such allocations ever since the adoption of the Revenue Act of 1951. On allocations made prior to 1951 they have reported the income in the year such allocations have been redeemed to them in cash.

In the present session of the Oregon Legislature, similar legislation, as requested in the resolution enclosed, has been introduced at the request of the Tax Commission, and it has the backing of cooperatives and their members alike. Members of cooperatives agree to the principle that income which is

earned in any given year must be subject to tax in such year, and they maintain that it is the responsibility of the patron to pay it.

Secretary of the Treasury Anderson has requested legislation which would require that cooperatives be subject to corporate income tax, unless the cooperative paid the allocation in cash within 3 years and also paid interest on said allocation at a rate of no less than 4 percent per annum. Such legislation would cripple cooperatives to the point where it would be impossible to conduct business.

Agriculture is the second largest industry in the State of Oregon and anyone who is familiar with agriculture will concede that cooperatives have a stabilizing effect on marketing and are considered necessary in many phases of our State's agriculture.

We are confident that you will give the subject matter your serious attention, and that you will use your influence to clarify the intent of the Revenue Act of 1951 and to reject the proposals of Secretary Anderson.

Respectfully,

BERNARD H. KIRSCH, *Secretary,*

Whereas the members of Mount Angel Farmers Union Warehouse, Mount Angel, Oreg., at their annual membership meeting held on this 28th day of February 1959, consider the taxing of patronage refunds and/or allocations to patrons as intended by the "Revenue Act of 1951" to be just, sound and equitable;

Whereas there exists confusion pertaining to the taxability of patronage refunds and/or allocations of cooperatives: Now, therefore, be it

Resolved, That we, the members of Mount Angel Farmers Union Warehouse, Mount Angel, Oreg., do hereby recommend proper legislation by the present Congress to clarify and make effective the intent of the Revenue Act of 1951 to the effect that all patronage allocations of cooperatives are taxable to the patrons upon notification thereof; it is further

Resolved, That a copy of this resolution be sent to each of the Oregon Senators, and to each Representative of Oregon in the House of Representatives, and to each Member of the Senate Finance Committee and to each member of the House Ways and Means Committee.

PENDLETON GRAIN GROWERS, INC.,
Pendleton, Oreg., March 19, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: It is likely that legislation will come up in this Congress relative to taxation principles for farm cooperatives. Recent rulings of the Internal Revenue Bureau and the courts have done nothing but create confusion.

We are 100 percent in agreement that a clarification of the farm cooperative tax principle should be spelled out by Congress in this session so that there is not this continual confusion over these principles, which are really quite simple.

Our cooperative and the members of our cooperative do not want to escape taxation. That is not the purpose of our cooperative, and that is not the purpose for which our farmers join a cooperative.

At present, all of our members are reporting their patronage refunds as taxable income in their hands in the year in which the patronage refund was declared and they were notified of this declaration. This is the one-tax or partnership-tax principle. We believe this is the sound basis for taxing cooperatives. We believe that the law should be made clear as to the method of handling these patronage refunds. We have enclosed some additional information which covers the situation of our company. In addition, we can advise you that the National Council of Farm Cooperatives office in Washington, D.C., is extremely well informed on this whole situation as it affects all good farm cooperatives in this Nation. You can rely upon Mr. Homer Brinkley in that office to give you any and all information that you may require from time to time in making a sound decision that will be fair and reasonable as far as our farm people and our farm businesses are concerned.

You will have no trouble with us, and you will get nothing but praise if you will merely stick to the principle that our farm cooperatives should be taxed on a one-tax basis just as any partnership or pseudocorporate entity insofar as patronage refunds are concerned. This can best be accomplished by all concerned with having the patronage refund made taxable in the hands of the farmer member or patron at the time that he is notified and by providing the law that the cooperative must declare and notify patrons of their patronage dividends within a reasonable period of time after the close of a year's business. A reasonable time would be within 8 months or possibly 6 months after the close of business. On any earnings that were not so declared and patrons notified, then the cooperative corporation would be subject to the double taxation on those retained earnings. But if they met this reasonable rule of declaring and notifying on the basis of true patronage, then they could exclude those earnings from the corporate income and the grower picks it up as his income, which is the partnership or pseudocorporation theory that is so well recognized by everyone.

We hope that you will work with our farm people to get this situation straightened out once and for all.

Best personal regards.

Sincerely,

JAMES HILL, Jr.
(For the board of directors.)

MEMBERSHIP AND INVESTMENT

To become a member, a person must (a) be a bona fide producer of agricultural products in the area served by Pendleton Grain Growers, and (b) must sign a membership application subject to approval of the board of directors of Pendleton Grain Growers.

This membership agreement, when executed by both interests, constitutes a contract between the farmer-member and Pendleton Grain Growers whereby the company agrees to (1) function on a cooperative basis for the mutual benefit of the members, and (2) return the net operating margin of each division or department to the members each year in direct relation to the amount of business each member has done with each department, and (3) pay the member his margin as a patronage refund in the form of cash, stock, notes or portions of each as the board of directors may determine in accordance with the bylaws.

The member in signing the membership agreement (contract) agrees to (1) abide by the bylaws and rules and regulations established by the group, (2) purchase one share of membership voting stock—$30, and (3) invest patronage earnings or refunds in the company for a reasonable period of years in order to build up his share of capital on a "pay as you earn basis".

Since the $30 membership provides only a small amount of capital, the company presently requires about 10 years of reinvested patronage earnings to furnish necessary equity capital to run the business.

In effect, Pendleton Grain Growers is nothing more than a farm partnership of some 1,200 farmers using the corporation entity as a means of administering the partnership. The purpose of this business endeavor is to improve the lot of the individual. The earnings are taxed as any partnership or "pseudo corporation"—in the hands of the partner. Consequently, Pendleton Grain Growers members report their patronage earnings as individual income as they receive notice of those earnings.

Currently, the Pendleton Grain Growers patronage earnings are paid to members each year in the following two forms:

1. Fifty percent in the form of class B stock, noninterest bearing, payable at face value on death of holder. A membership need not hold more than $5,000 of class B at any one time. The class B common stock is the member's contribution to the long-term capital of the company. It is contemplated that this stock will be held by the member as long as he is using the services of the company. (In case the member must give up his membership because he no longer farms or is leaving the area, the board of directors may approve transfer of class B stock into other securities of the company which are transferable and marketable.)

2. Fifty percent in the form of a 15-year promissory note, bearing 3 percent interest annually transferable.

Under no circumstances can a holder of any Pendleton Grain Growers security be subject to assessments.

PENDLETON GRAIN GROWERS, INC.
PENDLETON, OREG.

The farm cooperative provides a method whereby individual farmers may associate themselves into a business enterprise.

The sole purpose to such business organization is to provide business services at cost and thereby reflect additional profitmaking possibilities to the individual member's own farm operations.

The heart of this farm cooperative business association is the contract between the member and the assocation which legally describes methods of operations and legally spells out the fact that any profits made off the individual member's volume of business belongs to that member and not to the association. The tax implication consistently follows the single tax principles involved in partnerships. By law farmers are granted the corporate form as a practical method of administering these partnership contractual relationships. This principle was further recognized when Congress recently granted to small-business partnerships the right of corporate entity taxed on partnership basis.

In light of the foregoing North Pacific Grain Growers, Inc., recommends that Congress (a) establish clear and concise legislation to once and for all establish the single tax principle for farm cooperatives, and (b) establish concise law to provide that any and all patronage refunds be taxed at the face value in the farmers' hands at the date of issue or notification.

SILVERTON, OREG., *March 19, 1959.*

Senator WAYNE L. MORSE,
Washington, D.C.

DEAR SIR: This letter is to convey to you my personal opinion regarding the proposed legislation concerning farm cooperatives.

I have been entering my patronage refunds, including book credits, from farm co-ops (and incidentally, I am a member of eight different farm cooperatives), as income on my tax statement for the past 12 years. Therefore, I have been abiding by the Revenue Act of 1951, and feel that it should remain as such.

Many farm co-ops in our communities have adopted resolutions favoring the Revenue Act of 1951 as sound and just, and I as a farmer and a member of a farm cooperative, wish to add my opinion on this matter.

Thank you. I hope you will give this your consideration.

Respectfully yours,

RAYMOND WERNER.

FREEWATER, OREG., *March 12, 1959.*

Hon. WAYNE MORSE,
Washington, D.C.

HONORABLE SIR: Enclosed you will find resolution signed by 35 taxpayers who are members of Stateline Grange No. 693 and who are mostly members of co-ops who are asking respectfully that you do everything possible to block the President's idea on taxation of cooperatives.

Respectfully submitted.

IVAN MORETZ.

Be it resolved, That Congress enact legislation clearly and concisely establishing single tax liability upon patronage refunds of farmer cooperatives by taxing them at face value in the hands of the member in the year of issuance or notification, disregarding the actual or market value thereof for tax purposes; be it further

Resolved, That Congress reject any attempts to fix the interest paid or payable on such patronage refunds or the period of redemption thereof by such farmer cooperatives.

Andrew Zessin, Walter Rand, Freewater, Oreg.; Gilbert Tomlinson, Walla Walla, Wash.; W. A. Whitehead, Milton-Freewater, Oreg.; Joan Meretz, Freewater, Oreg.; Elsie Monetz, M. O. Lewis, Milton-Freewater, Oreg.; Roy E. Tomlinson, Walla Walla, Wash.; Elsa McElrath, Alpher E. Stahl, Milton-Freewater, Oreg.; Mrs. Roy Tomlinson, Walla, Walla, Wash.; Mr. and Mrs. Martin Lokkin, Claude McElrath, A. T. Moran, Ed Means, B. M. Beals, Helen C. Tunley, Ray H. Graning, Mrs. Emory Crawford, Flossie Beals, Mollie Moran, Dean Broxson, Wallace O. Goode, J. E. Frazier, Emory Crawford, Mrs. J. E. Frazier, Mrs. Lillie Hurd, Mrs. Ed Means, Hazel Lewis, Iva Rand, Minnie Whitehead, Glenn Burney, Pauline Burney, Milton-Freewater, Oreg.; Jean Tomlinson, Walla Walla, Wash.; Edna Ruth Goode, Milton-Freewater, Oreg.

Whereas there exists considerable confusion and uncertainities concerning the taxability of patronage refunds of cooperatives; and

Whereas the taxing of patronage refunds to patrons as intended by the 1951 Revenue Act is equitable, just and sound: Now, therefore, be it

Resolved, That we, the members of the Vale Grange No. 696, recomment appropriate legislation by the 86th Congress to clarify and make effective the intent of the 1951 Revenue Act that patronage allocations of cooperatives are taxable to the patrons upon notification thereof; it is further

Resolved, That a copy of this resolution be sent to each of the Oregon congressional delegation and to each member of House Committee on Ways and Means and to each members of Senate Committee on Finance.

L. H. JACOBSEN,
Master Pomona.
ULLA JACOBSEN,
Secretary.

FARMERS OIL CO.,
Mount Angel, Oreg., March 11, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: At a special board of directors' meeting held on March 2, 1959, the directors of the Farmers Oil Co., of Mount Angel, Oreg., an organization composed of 2,043 farmers in the Willamette Valley, discussed Secretary Anderson's tax proposal of January 19, 1959, wherein he attacks financing of farmer cooperatives.

The board of directors feel that the net savings or retained proceeds of cooperatives should be taxed as follows. If the net savings or retains were unallocated, then the cooperatives as such should be taxed, but if the retained funds are allocated to the members then each individual producer should pay the tax on his allocation, as soon as he is notified. In other word, a farmer's cooperative association in most instances is similar to a partnership and the partners should pay the tax in accordance with their participation.

The directors feel that the 1951 law provided a fair and practical solution of cooperative taxes and have so stated in a resolution adopted unanimously by the board of directors at their meeting on March 2.

We are enclosing copy of the resolution and trust you will give it your favorable consideration.

Respectfully yours,

P. F. GORES,
Secretary and Manager.

RESOLUTION ADOPTED BY BOARD OF DIRECTORS OF THE FARMERS OIL CO. AT MOUNT ANGEL, OREG., AT A SPECIAL BOARD MEETING HELD ON MARCH 2, 1959

Whereas the board of directors of the Farmers Oil Co. of Mount Angel, Oreg., in session at a special board of directors meeting this 2d day of March 1959, believe the taxing of patronage refunds and/or allocations to patrons as intended by the 1951 Revenue Act is equitable, just, and sound;

Whereas considerable confusion and uncertainties exist concerning the taxability of patronage refunds and/or allocations of cooperatives: Now, therefore, be it

Resolved, That we, the board of directors representing 2,043 farmer owners of the Farmers Oil Co. of Mount Angel, Oreg., do hereby recommend appropriate legislation by the 86th Congress to clarify and make effective the intent of the 1951 Revenue Act to the effect that all patronage allocations or cooperatives are taxable to the patrons upon notification thereof; be it further

Resolved, That a copy of this resolution be sent to each of the Oregon congressional delegation and to each member of the House Committee on Ways and Means and to each member of the Senate Committee on Finance.

FARMERS OIL CO.,
Mount Angel, Oreg., March 13, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The farmers who own this organization are very much disturbed over the attack on the financing of farmer cooperatives which appears in Secretary Anderson's tax proposal of January 19, 1959.

The Secretary's proposal was discussed at considerable length at the annual meeting of the 2,043 members who own the Farmers Oil Co., of Mount Angel, Oreg., held in Mount Angel on March 7, 1959.

We are enclosing a copy of a resolution adopted unanimously by the members at their meeting.

Our producers feel that the 1951 law provided a fair and practical solution of cooperative taxes. If the net saving or retains were unallocated, then the cooperatives as such should be taxed, but if the retained funds are allocated to the members, then each individual producer should pay the tax on his allocation as soon as he is notified. In other words, a farmer's cooperative organization in most instances is similar to a partnership, and the partners should pay the tax in accordance with their participation.

We trust you will give the enclosed resolution your favorable consideration.

Respectfully yours,

P. F. GORES,
Secretary and Manager.

Whereas the members of the Farmers Oil Co. of Mount Angel, Oreg., in session at their annual meeting this 7th day of March 1959, believe the taxing of patronage refunds and/or allocations to patrons as intended by the 1951 Revenue Act is equitable, just and sound;

Whereas there exists considerable confusion and uncertainties concerning the taxability of patronage refunds and/or allocations of cooperatives: Now, therefore, be it

Resolved, That we, the members of the Farmers Oil Co., of Mount Angel, Oreg., do hereby recommend appropriate legislation by the 86th Congress to clarify and make effective the intent of the 1951 Revenue Act to the effect that all patronage allocations of cooperatives are taxable to the patrons upon notification thereof; and be it further

Resolved, That a copy of this resolution be sent to each of the Oregon congressional delegation and to each Member of the House Committee on Ways and Means and to each Member of the Senate Committee of Finance.

FARMERS OIL CO.,

Mount Angel, Oreg., March 13, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: You are no doubt familiar with the letter regarding taxation of cooperatives from Mr. Anderson, Secretary of the U.S. Treasury, to the chairman of the House Ways and Means Committee and to the chairman of the Senate Finance Committee under date of January 27, 1959.

The proposals as outlined in Secretary Anderson's letter would practically put cooperatives out of business. These proposals were discussed at considerable length at our board of directors' meeting held on March 2, 1959.

It is the consensus of opinion of our board that net savings or retained margins of cooperatives should be taxed. We do feel that since most cooperatives are organized similar to partnerships, their earnings should be handled in the same way. In other words, each producer should pay a tax on the income he receives from the cooperative.

In most cooperative bylaws, the producer authorizes the board of directors to withhold sufficient funds from the total amount received from the producer above actual operating costs, to furnish working capital and capital assets for the business. The so-called net savings or retains are used for that purpose and are allocated to each producer in accordance with his participation in his organization. The intent of the 1951 Revenue Act was as above stated but was not stated clearly in the law.

Our directors adopted a resolution suggesting that the 86th Congress adopt appropriate legislation to clarify and make effective the intent of the 1951 Revenue Act. We are enclosing copy of a resolution adopted by our directors—also copy of letter of transmittal that was sent to each member of the House Ways and Means Committee and to the members of the Senate Finance Committee.

The Secretary's letter was also discussed at our annual membership meeting held at Mount Angel on March 7, 1959, and the members adopted a similar resolution. We are also enclosing copy of this resolution and a copy of the letter of transmittal that went to the members of the House Ways and Means Committee and to the members of the Senate Finance Committee.

We know you are familiar with the outstanding job cooperatives are doing for farmers in Oregon and trust you will give the enclosed resolutions your favorable consideration.

We will appreciate any help you can give us in getting the 1951 Revenue Act clarified so that its intent will be carried out.

Sincerely,

P. F. GORES,
Secretary and Manager.

RESOLUTION ADOPTED BY BOARD OF DIRECTORS OF THE FARMERS OIL CO. AT MOUNT ANGEL, OREG., AT A SPECIAL BOARD MEETING HELD ON MARCH 2, 1959

Whereas the board of directors of the Farmers Oil Co. of Mount Angel, Oreg., in session at a special board of directors meeting this 2d day of March 1959, believe the taxing of patronage refunds and/or allocations to patrons as intended by the 1951 Revenue Act is equitable, just and sound;

Whereas considerable confusion and uncertainties exist concerning the taxability of patronage refunds and/or allocations of cooperatives: Now, therefore, be it

Resolved, That we, the board of directors representing 2,043 farmer owners of the Farmers Oil Co. of Mount Angel, Oreg., do hereby recommend appropriate legislation by the 86th Congress to clarify and make effective the intent of the 1951 Revenue Act to the effect that all patronage allocations or cooperatives are taxable to the patrons upon notification thereof; be it further

Resolved, That a copy of this resolution be sent to each of the Oregon congressional delegation and to each member of the House Committee on Ways and Means and to each member of the Senate Committee on Finance.

RESOLUTION BY BAKER DISTRICT, POMONA GRANGE NO. 24

Be it resolved, That Congress enact legislation clearly and concisely establishing single tax liability upon patronage refunds of farmer cooperatives by taxing them at face value in the hands of the members in the year of issuance or notification, disregarding the actual or market value thereof for tax purposes; be it further

Resolved, That Congress reject any attempts to fix the interest paid or payable on such patronage refunds or the period of redemption thereof by such farmer cooperatives.

E. V. BRADFORD,
Master.
EDITH MORIN,
Secretary.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 9) extending a welcome to the Inter-American Bar Association.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. SIMPSON of Pennsylvania, and Mr. MASON were appointed managers on the part of the House at the conference.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT BENEFITS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD of Virginia. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. MCCARTHY, Mr. WILLIAMS of Delaware, and Mr. CARLSON, conferees on the part of the Senate.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. First, I express my gratitude to the distinguished Senator from Virginia for his great courtesy and consideration, involving personal inconvenience on his own part, in enabling us to send the bill to conference.

Is it hoped that a conference report may be submitted this evening?

Mr. BYRD of Virginia. It is hoped that a conference report will be submitted within 30 minutes.

Mr. MANSFIELD. Mr. President, I think I should say that the Senate will be in session for at least another half hour, awaiting the submission of the conference report.

PRELIMINARY FINDINGS OF DRAPER COMMITTEE ON FOREIGN AID

Mr. MORSE. Mr. President, before the Senate recesses for Easter, I wish to take a few minutes, for the sake of the record, to comment on the preliminary conclusions of the President's Committee To Study the United States Military Assistance Program, better known as the Draper report, after William H. Draper, Jr., Chairman of the Committee.

At the time of the Draper Committee's appointment last fall, it was widely reported that this was a consequence of the letter which eight members of the Foreign Relations Committee, including myself, wrote to the President August 25, 1958. In that letter, we expressed "our deep concern over the present concept and administration" of the mutual security program. We further expressed the belief that "with respect to the less developed countries there is a serious distortion in the present relative importance which is attached to military and related aid on the one hand and technical assistance and self-liquidating economic development assistance on the other."

We urged the President to give his personal attention to this matter before submitting another year's installment of the mutual security program to Congress.

"It may be," we wrote, "that such a study will lead you, Mr. President, as it has led us, to the conclusion that the principal and most costly shortcoming in the mutual security program remains, as it has been for some time, the failure to emphasize military aid less and to stress economic aid and technical assistance more. It may be that such a study will reveal that the military and nonmilitary portions of the program are drawn up independently to an undue extent and then put together automatically in the same package."

Finally, the letter expressed "our concern that we may be pursuing a pattern of foreign aid drawn by force of habit rather than one adjusted to current international realities."

In view of the publicity surrounding the appointment of the Draper Committee, hopes were raised that it would in fact deal with these questions which are of concern not only to many Members of the Senate but to large numbers of the American people.

These hopes have not been borne out by the Draper Committee's preliminary conclusions which were submitted to the President March 17. The substance of those conclusions can be summarized very quickly:

First. The military assistance program for fiscal 1960 should be increased by $400 million, mainly for NATO countries.

Second. Economic assistance cannot be reduced, because this woud put disproportionate emphasis on the military programs.

Third. Lending for economic development at an annual rate of $1 billion "will probably be needed" by fiscal 1961.

Mr. President, a legitimate distinction is to be drawn between military assistance for the countries of NATO and military assistance for the rest of the world. The Draper Committee draws such a distinction by inference, but the Committee does not deal perceptively with the problem of military asssitance to non-NATO countries. And it implies, at least, that military assistance furnishes the principal reason and justification for economic assistance to many of these countries.

There is little, if any, evidence in the Draper Committee's preliminary conclusion that it grasps the point made by the eight Senators in our letter to the President last summer.

The Committee states that in its final report it intends to give more thorough examination to problems of economic assistance. One can only hope that it will do so, because so far its work has totally ignored the comments we made.

I am especially concerned by the implication of the Draper report that economic assistance will have to remain in proportion to the increased military aid it recommends. The economic assistance that is required to support military forces goes under the name of defense support; defense support is the measure of the extent to which a country is overmilitarized. It is the money needed from the United States to support a military establishment above and beyond the recipient's own economic capacity.

This economic assistance is not self-liquidating. It does not come under the lending for economic development.

It is blanket aid; it goes as a grant to the recipient country, to be used to support military forces.

But when we make such a grant, we lose control over the use to which it is put. Unlike the loans from the Development Loan Corporation, which are made for specific economic projects and on fixed terms, blanket economic assistance

is simply a chunk of American money turned over to another nation to use as it pleases.

I think this kind of economic aid—and I think it is a misnomer to call it aid—is the kind of expenditure that I think is responsible for much of the disrepute that the entire foreign aid program has fallen into among Americans.

As the Senator from Indiana [Mr. HARTKE] has indicated today, the administration is urging Congress to approve large sums for foreign aid, while at the same time it is urging Congress not to approve programs to relieve unemployment and the ill effects of unemployment. I am at a loss to understand how the President can, in good conscience, continue to urge blanket economic grants to foreign countries, to be used as their leaders see fit, while he opposes grants to American States for unemployment compensation benefits to the jobless.

But whether or not there is any blight here at home to worry us, I am simply opposed to the continual waste of our money through a foreign aid program that fails to meet the real need of people abroad.

When the eight Democrats wrote to the President last fall, we hoped he would respond to our concern by revamping the mutual security program.

Instead, he has turned over the matter to a committee heavily dominated by professional military men, men whose answer to our appeal has been a recommendation that the present overemphasis on military aid and defense support not be reduced, but be increased.

That is the impression I have gotten from this preliminary report of the Draper Committee. So far, it has dealt only with NATO countries, but its emphasis that blanket economic grants to these countries continue so as to shore up the increased military aid the Committee calls for, goes in the exact opposite direction we urged the President to take last fall.

His refusal to give serious consideration to our warning that foreign aid should be modernized is not going to do the program any good with Congress, and certainly not with the American people.

DRUMS BEING BEATEN FOR FOREIGN AID

Mr. President, as a member of the Senate Foreign Relations Committee, I intend to speak out, when the economic and military foreign aid program gets before the Senate, in regard to some of the shortcomings, waste, inefficiency and maladministration of aspects of the military and economic foreign aid program.

Let me say today, because I believe the American people need to be warned, that a propaganda job is being done on American public opinion.

This administration, I am satisfied, has deliberately undertaken to create the impression in this country that any Member of Congress who raises doubts about some phases of the military and economic aid program, or dares to suggest that economies within that program may save hundreds upon hundreds of millions of dollars, is in some way, somehow endangering the security of the United States.

That is a plain misrepresentation of the facts. Of course that is nothing extraordinary for the Eisenhower administration to do. It has been guilty of misrepresenting the facts so many times during its life it is to be expected that once again an attempt will be made to do this kind of "snow job" on American public opinion.

Once again there is a terrific drive among the editors of the country, by and large, to aid and abet the White House and the State Department and the Pentagon in beating the drums and waving the flag for military and economic aid.

I will never be silenced or influenced by the propaganda machinery of the Eisenhower administration or any other administration. As a member of the Foreign Relations Committee who has worked closely with the problem of economic and military foreign aid for many years, I say there is a waste of hundreds of millions of dollars in the military and economic aid program of this Government. The General Accounting Office, the House Government Operations Committee and other congressional committees have revealed it time and again.

I am in favor of military and economic aid. However, I am in favor of good military and economic aid, efficient military and economic aid, and military and economic aid which is designed to accomplish its objectives.

It was 3 years ago that we spent $240,000 of taxpayer money for a series of studies to be conducted by experts, such as known and recognized authorities from the University of Chicago, the Massachusetts Institute of Technology, Columbia University, and the Brookings Institution.

ADMINISTRATION AND CONGRESS CONTINUE TO IGNORE EXPERTS

However, as we read the recommendations of the President of the United States for a continuation of his blanket proposals for military and economic foreign aid, we come to the conclusion that he and his advisers apparently have never read those reports. The members of the Committee on Foreign Relations know the truth of what I say. They know what those studies brought forth. They support my contention that there is great waste in the military and economic foreign aid program.

Therefore I am justified in severely criticizing the President of the United States when he uses the prestige of his office to seek to block, in the name of a balanced budget, the passage of general welfare legislation in Congress, and yet proposes to send to us a military and economic foreign aid program which includes tremendous waste of taxpayer dollars.

It is said, in reply to the position of those of us who believe we should take a very careful look at military and economic aid requests, and to squeeze out the water of waste, "You must not interfere with the President and the Secretary of State in the field of foreign policy. And you must not touch a hair on the head of the foreign aid program they recommend."

My answer is "tommyrot." My answer is that, under the Constitution, it is the obligation of Congress, exercising its power of check, to challenge inefficiency and waste and maladministration of the military and economic foreign aid program.

Therefore I intend to challenge it. I intend to vote for the best military and economic foreign aid program we can get through Congress. However, I have a duty to do all I can do in an effort to make it the best program.

In my judgment there is no basis in fact for the recommendation of the Draper Committee that the military aid program should be increased by $400 million. Rather, more than $400 million ought to be saved from the present military aid program and then we should transfer the savings to where they can be best used; perhaps to NATO, if that is the proper place.

ROLE AND FINANCING OF NATO NEEDS REEXAMINATION

However, NATO has almost become a sacred political cow in these precincts. NATO has almost become untouchable in congressional consideration. Let me say, however, that NATO needs a close examination by Congress, because I am satisfied that a part of the $400 million which the Draper Committee is asking to be added to the NATO budget could be saved from the present NATO budget.

I was one of the earliest and stanchest supporters of NATO. But that does not mean I think it should never be reexamined, once agreed to.

Times change; needs change. Other parties to NATO are finding this to be true, and are acting accordingly.

We should also make it clear to some of our allies within NATO that we look with a rather jaundiced eye on some of their manipulations of recent years in regard to NATO practices, such as those of France. In my judgment, the policies of France in connection with NATO would have a hard time withstanding an impartial public inspection. I have in mind the transfer of troops to support France's colonial policies, with the use of NATO equipment, in respect to French national problems, not NATO problems at all.

TIME TO STUDY DEFENSE NEEDS IS NOW

No, Mr. President, I do not believe in worshiping even the most sacred political cows. We had better take a long, hard look, even at NATO. Oh, I know a hue and cry would be raised that this is no time, with the Berlin crisis confronting us, to suggest that perhaps everything is not exactly right and hunkydory in connection with military and economic foreign aid.

My answer is: This is exactly the time to do it. This is the time to make corrections and improvements in the foreign military and economic programs which will strengthen the United States and thereby strengthen our allies, so that we will be in a better position to meet the Berlin crisis and the next crisis which will be raised by the Russians, because if anyone thinks this is the last crisis, he has not made much of a study of Russian policies and strategy.

My feeling is that the military organization at the Pentagon Building is having a field day with Congress and the people of the country by using the Berlin crisis for stuffing the military budget far beyond the amounts which are needed.

So I think it becomes the clear duty of the members of the Committee on Foreign Relations to examine in minute detail the recommendations of the President concerning military and economic aid, and to examine in minute detail what I consider to be the obviously slanted recommendations of the Draper Committee.

COMMON DEFENSE IS ONLY JUSTIFICATION FOR MILITARY AID

Let us look at some of the general grants in military aid which the United States has been making for the past 10 years or more. Have they produced much good in many places? As chairman of the Subcommittee on Latin-American Affairs of the Committee on Foreign Relations, I can say that, in my judgment, there has been great waste of both military and economic aid in many parts of Latin America. In fact, I think most of the military aid to Latin America ought to be stricken completely. I do not believe it can be justified on the basis of the rationale that the Pentagon Building always uses, namely, that the money needs to be granted to Latin-American countries for hemispheric defense, because it will not do us any good for hemispheric defense. If we become involved in a nuclear war, the military appropriations to Latin America will be of no defense value.

The interesting thing is that most of the Latin-American governmental leaders to whom I talked are honest enough to tell me so. The entire Committee on Foreign Relations had that fact brought to its attention last July, when a couple of members of the Parliament of Chile came to the Capitol and had lunch with the committee. A former member of the Chilean Senate asked, "Why do you send us military aid? Why do you send military aid to Latin America. What good do you think it does you? Do you not recognize that for the most part it is used to stir up trouble in the individual countries to which it goes, and to stir up trouble among the Latin-American countries themselves?"

I believe that in part our problem of bad relations with Latin America is due to the fact that we have made a serious mistake in sending military aid, by and large, to Latin America. Certainly it has been inexcusable for us to send any of it to any dictator in Latin America, whether it was Batista, of Cuba, Jimenez, of Venezuela, or Trujillo, of the Dominican Republic, or others.

I shall not vote for a dollar of military aid to a single totalitarian regime in Latin America. Senators may remember that I led the fight last year, both in committee and on the floor, against such a program. I shall do so again this year. An exceptionally good case will have to be made to justify any so-called military aid, even for police protection purposes, in any other country.

But that is one place where a lot of water can be squeezed out of the Eisenhower military foreign aid program, and the taxpayers are entitled to it. When that is done, it will not weaken the security of our country in the long run; our security will be strengthened.

As the former senator from Chile pointed out to us, what we should be doing is to try to arrange with Canada, to our north, and with our Latin American neighbors to the south, an international compact whereby it will be agreed that all of us, acting in concert, will stand ready and willing at all times to protect the territorial integrity of any Latin American country which is threatened by an attack from without. That is the first step which we should take. I think his point is undeniably correct.

OUR MONEY SHOULD GO INTO ECONOMIC PROJECTS

Then he said, "Lend us the money which you are now sending to Latin America for military aid. Lend it to us for specific economic projects which will help to raise the standard of living of the people in the area where the project is to be constructed."

The only fault I can find with his suggestion is that it makes common sense. In this field, I have almost reached the conclusion that if one wants to get action from Congress, one should follow the President's example and propose a military aid program which does not make sense, or an economic aid program which in many particulars has no sense connected with it.

The money which now is going into military aid ought to be lent to Latin American countries for specific improvements or specific projects on a line-of-credit basis, to be drawn upon as the projects are constructed.

Let us look at some of our military aid in other parts of the world outside NATO. Go to those countries and look at the results. If it were not such a tragic waste of the taxpayers' money, it would really be high humor. But it is not humor; it is a sad thing. Because the military in this country have been able to influence this administration to such an extent that millions and millions of the taxpayers' dollars are being poured down a drain hole, so to speak, the program ought to be labeled "military aid waste."

I shall vote for some cuts in that kind of military aid. There were more members of the Committee on Foreign Relations last year who supported cuts in this field than there were the year before.

I am hopeful that despite all the propaganda the administration is pouring out about the Berlin crisis, this year a majority of the Senate Committee on Foreign Relations will apply the pruning knife to Dwight D. Eisenhower's military-aid budget, and also in some respects in regard to his economic assistance budget, and will make the savings which I believe will strengthen the foreign policy of the Nation, and also will be useful in stopping what I consider to be the inexcusable shortsightedness of the President of the United States in regard to some domestic economic problems.

Mr. President, at this time I shall yield the floor, provided it is understood—and I ask unanimous consent for this purpose—that on tomorrow, immediately following the speech of the Senator from Louisiana [Mr. LONG], I shall be recognized, to make my second speech.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair.

The PRESIDING OFFICER. Is there objection?

There being no objection, at 6 o'clock and 16 minutes p.m., the Senate took a recess, subject to the call of the Chair.

At 6 o'clock and 26 minutes p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. MANSFIELD in the chair).

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following joint resolutions of the Senate:

S.J. Res. 47. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; and

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COTTON in the chair). Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR RECEIPT OF TEMPORARY UNEMPLOYMENT COMPENSATION — CONFERENCE REPORT

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today).

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. JAVITS. Mr. President, will the Senator from Virginia yield for a question?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. Was there any support on the House side among the conferees for the amendment, adopted by the Senate, which had been offered by the Senator from Minnesota [Mr. McCARTHY]?

Mr. BYRD of Virginia. I believe there was one Member who was in favor of it. I should say, first, that all the conferees on the part of the Senate signed the report.

Mr. JAVITS. I assume that includes the Senator from Minnesota [Mr. McCARTHY], who was one of the sponsors of the amendment.

Mr. BYRD of Virginia. Yes. All the managers on the part of the House also signed the report. When the motion was made that the Senate recede from its amendment, the Senator from Minnesota [Mr. McCARTHY], of course, voted against the motion. I believe one Member of the House voted against it. Mr. FORAND was not present, but his proxy was held by Chairman MILLS.

Mr. JAVITS. How many conferees on the part of the House were present?

Mr. BYRD of Virginia. There were five conferees on the part of the House and five conferees on the part of the Senate. The Senator from Minnesota made a very strong plea for the adoption of his amendment. However, the House, by a vote—I think it was a vote of 4 to 1—refused to agree to it. The conference did adopt the so-called technical amendment.

Mr. JAVITS. I understand the conference report has already been adopted by the House. Is that correct?

Mr. BYRD of Virginia. That is correct.

Mr. JAVITS. Am I correct in my understanding of the present situation, that if the program should end on the 1st of April, it would be necessary to dismantle the administration of the program; and that even if it were reestablished in 10 or 15 days, it might be extremely difficult, from a technical standpoint, and also very costly? Is that correct?

Mr. BYRD of Virginia. The program provides that those who are on the rolls as of April 1 will be continued to July 1.

Mr. JAVITS. I do not believe the Senator from Virginia quite understood my question. Let us suppose we do not adopt the conference report. I believe those in charge of the program feel that the dismantling operation would have to start at once and that it would be very difficult and costly to restore the operation even if we should pass a bill in 10 or 15 days.

Mr. BYRD of Virginia. The Senator is entirely correct. The personnel, as I understand, would have to be dismissed on April 1.

Mr. JAVITS. I gather, then, that both the Senator from Virginia and the Senator from Minnesota advise that the Senate concur in the report.

Mr. BYRD of Virginia. Yes.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. MANSFIELD. We are faced with the situation, in other words, where it is this or nothing. Is that correct?

Mr. BYRD of Virginia. The Senator is entirely correct.

Mr. JAVITS. May I ask one further question?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I understand that the Committee on Finance has under consideration questions dealing with Federal standards for unemployment compensation. Is that correct?

Mr. BYRD of Virginia. The Ways and Means Committee of the House has such questions under consideration. Hearings have been scheduled to start on April 7 with respect to the establishment of Federal standards.

Mr. JAVITS. We in the Senate cannot act until the House acts; is that correct?

Mr. BYRD of Virginia. It is.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 110) establishing that when the two Houses adjourn on Thursday, March 26, 1959, they stand adjourned until 12 o'clock meridian, Tuesday, April 7, 1959, in which it requested the concurrence of the Senate.

EASTER ADJOURNMENT

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 110, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Thursday, March 26, 1959, they stand adjourned until 12 o'clock meridian, Tuesday, April 7, 1959.

Mr. BARTLETT. Mr. President, I move that the Senate concur in the concurrent resolution.

The motion was agreed to.

PROGRAM FOR TOMORROW

Mr. HOLLAND. Mr. President, I should like to address an inquiry to the acting majority leader, as to what his plans are for tomorrow.

Mr. MANSFIELD. I will say to the distinguished Senator from Florida that to the best of my knowledge, there will be no votes tomorrow. Three speeches are scheduled. The Senate will meet at 10 o'clock in the morning. At the conclusion of the business of the Senate, an adjournment will be taken until April 7.

Mr. HOLLAND. I take it that tomorrow's session will be in the nature of an Easter eve meeting; is that correct?

Mr. MANSFIELD. Yes; the Senator may leave now, if I gather what he is driving at.

UNEMPLOYMENT COMPENSATION

Mr. HART. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an editorial entitled "Shame on Them," published in the Detroit Times of March 23, 1959. It is pertinent in the light of the colloquy which occurred between the senior Senator from Michigan [Mr. McNAMARA] and Senators on the other side of the aisle as to what the situation is in the Michigan State capital.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHAME ON THEM

Republican performance in the cash crisis at Lansing borders on disgrace.

With our State being jeered from Maine to California, GOP legislative representatives are compiling a record of obstructionism, senseless jealousy and inaction.

They utter promises of no payless paydays in State government, no school closings, no hungry welfare families, but do nothing to prevent it.

They refuse to support Governor Williams' proposal to use the veterans' 50-million-dollar trust fund, yet offer no alternative for averting fiscal disaster.

Their talk of bipartisan cooperation has been exposed as a sham, judging from last Thursday's events in the House.

Republicans wanted Democrats to take the blame for "tampering" with the politically sacrosanct Veterans' Trust Fund. Democrats squirmed for weeks trying to avoid it, but when the chips were down, they met the challenge, almost to a man.

With the exception of 10 courageous Republican house members, the GOP did not.

Speaker Don Pears, a leader in phony bipartisan talkathon, hid behind the privilege of not voting. Republican floorleader Allison Green voted "No," though he admitted later he cannot offer a better solution.

Republican representative Harry Phillips of Port Huron capped the fiasco, saying:

"If the State's condition is so bad we have to rob the veterans, then let's go bankrupt and start all over."

Representative Phillips' remarks moves us to raise these questions:

Is this the party struggling to regain prestige and power wrested from them by a militant opposition?

Is this the party trying to convince voters theirs is the party of responsibility?

Is this the Republican answer to Michigan teachers, State employees and families on relief who face payless paydays in the next 60 days?

We earnestly hope not.

If it is Governor Williams and the Democrats they are after, the Republicans cannot lick them in the legislative chambers. They have to do it at the polls.

From where we stand, the Republicans do not have a chance until action replaces inertia and adult reasoning is substituted for kindergarten politics.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. KUCHEL. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 48 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, March 26, 1959, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate March 25, 1959:

U.S. COURT OF CUSTOMS AND PATENT APPEALS

Eugene Worley, of Texas, to be chief judge of the U.S. Court of Customs and Patent Appeals, vice Noble J. Johnson, retired.

Arthur M. Smith, of Michigan, to be associate judge of the U.S. Court of Customs and Patent Appeals, vice Eugene Worley, elevated.

U.S. MARSHALS

M. Frank Reid, of South Carolina, to be U.S. marshal for the western district of South Carolina for the term of 4 years. He is now serving in this office under an appointment which expired March 16, 1959.

Hobart K. McDowell, of Texas, to be U.S. marshal for the northern district of Texas for the term of 4 years. He is now serving in this office under an appointment which expired April 2, 1958.

IN THE AIR FORCE

The officers named herein for appointment as Reserve commissioned officers in the U.S. Air Force under the provisions of section 8351, title 10, United States Code, and section 8381, of Public Law 861, 85th Congress.

To be major general

Brig. Gen. Lewis A. Curtis, AO729140, New York Air National Guard.

Brig. Gen. Howard F. Butler, AO403692, Tennessee Air National Guard.

To be brigadier general

Col. Barnie B. McEntire, Jr., AO396288, South Carolina Air National Guard.

Col. William R. Sefton, AO668649, Indiana Air National Guard.

Col. Howard T. Markey, AO442531, Illinois Air National Guard.

Col. Willard W. Millikan, AO885404, District of Columbia Air National Guard.

Col. Raymond L. George, AO426384, New York Air National Guard.

Col. Jack W. Stone, AO164956, California Air National Guard.

Col. Ross C. Garlich, AO397879, Missouri Air National Guard.

Col. Jack Parsons, AO396885, Alabama Air National Guard.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Louise R. Fulford, Faunsdale, Ala., in place of A. P. Moseley, resigned.

Talton A. Shaw, Jr., Langdale, Ala., in place of Glenn Draper, deceased.

ARIZONA

Evelyn M. Linnane, Sanders, Ariz., in place of R. W. Cassady, resigned.

ARKANSAS

Mae R. Willis, Watson, Ark., in place of R. H. Willis, retired.

CALIFORNIA

John W. Henry, Altadena, Calif., in place of E. B. Cardiff, retired.

Leland E. Stuart, Courtland, Calif., in place of F. F. Howard, deceased.

Robert S. Dart, Lincoln, Calif., in place of R. W. Miner, resigned.

Minnie P. Lynn, Rio Oso, Calif., in place of J. E. Butler, resigned.

COLORADO

Linton L. West, Blanca, Colo., in place of W. A. Simmer, deceased.

Neil K. Clay, Hotchkiss, Colo., in place of G. H. Duke, Jr., deceased.

CONNECTICUT

Emeline T. Slaiby, Lakeside, Conn., in place of R. M. Monroe, resigned.

Nelson A. Potter, Windham, Conn., in place of J. M. Potter, retired.

Arthur Manzi, Woodbury, Conn., in place of P. F. Cassidy, removed.

FLORIDA

Charles A. Lee, Windermere, Fla., in place of A. S. Given, retired.

Fred H. Bekemeyer, Winter Garden, Fla., in place of E. M. Henderson, transferred.

GEORGIA

Alson C. Snyder, Jr., Hartwell, Ga., in place of F. S. White, deceased.

Willard W. Mann, Riverdale, Ga., in place of W. T. Young, retired.

Cecil Hancock, Royston, Ga., in place of R. C. Ayers, retired.

IDAHO

Walter P. Kahler, Mackay, Idaho, in place of Mildred Richards, retired.

ILLINOIS

Lester W. Black, Downers Grove, Ill., in place of R. W. Schultz, resigned.

John P. Schmucker, Joliet, Ill., in place of J. W. Lowrey, retired.

Clyde H. Steffee, Mundelein, Ill., in place of C. E. Teson, retired.

INDIANA

Robert E. McKain, Carthage, Ind., in place of J. E. Porter, removed.

George L. Reitz, Chrisney, Ind., in place of R. T. Jones, deceased.

Norval W. Chamness, Marshall, Ind., in place of H. E. Delp, retired.

William J. Leonard, Monroeville, Ind., in place of J. E. Meyer, retired.

Harold H. Scott, Monterey, Ind., in place of C. A. Good, retired.

Cleson D. Weldy, Wakarusa, Ind., in place of Vern Hahn, deceased.

Charles E. Carey, Whitestown, Ind., in place of E. M. Miller, retired.

IOWA

Verle E. Meggers, Independence, Iowa, in place of C. V. McDonald, transferred.

Thomas W. Gidley, Jr., Malvern, Iowa, in place of S. P. Mulholland, deceased.

Kathleen V. Toms, Mingo, Iowa, in place of R. E. Russell, retired.

Besale M. Waterhouse, Oakville, Iowa, in place of C. M. Sexton, resigned.

KANSAS

Frances L. Warkentine, Auburn, Kans., in place of Ina Cellers, retired.

Paul B. Rhoades, Cawker City, Kans., in place of Joe Wierenga, resigned.

William D. French, Eureka, Kans., in place of R. L. Marlin, resigned.

KENTUCKY

Kermit L. Tussey, Cynthiana, Ky., in place of J. M. Magee, retired.

George Morgan, Jenkins, Ky., in place of M. H. Vaughan, retired.

LOUISIANA

Pauline S. Jones, Angie, La., in place of L. G. Nagel, retired.

Claude T. Cox, Vivian, La., in place of S. O. Wilson, deceased.

MAINE

Philip E. Plante, Machias, Maine, in place of E. H. Parlin, retired.

Bert A. MacKenzie, Orono, Maine, in place of H. E. Rice, retired.

MARYLAND

Charles E. Whittle, Fort George G. Meade, Md., in place of C. A. Bechtold, retired.

MICHIGAN

Lewis H. Bishop, Cass City, Mich., in place of C. V. Muntz, transferred.

Morris E. Parish, Coopersville, Mich., in place of R. A. McLellan, resigned.

Kenneth D. Kerswill, Gladwin, Mich., in place of J. L. Heslop, deceased.

Kenneth E. Scripsma, Holland, Mich., in place of Harry Kramer, retired.

MINNESOTA

Marguerite D. Manders, Big Falls, Minn., in place of M. J. Peterson, resigned.

Marvin E. Michelson, Buffalo Lake, Minn., in place of J. G. Williams, transferred.

William E. Kieren, Gilbert, Minn., in place of Herman Frajola, retired.

Charles H. Bordwell, Keewatin, Minn., in place of O. A. Olson, retired.

MISSOURI

Harold R. Bond, Cairo, Mo., in place of H. H. Reynolds, retired.

Clarence W. Yarnell, Clarksburg, Mo., in place of Margaret Stephens, retired.

James G. Litzler, Dudley, Mo., in place of G. M. Edmundson, resigned.

Joe M. Keefhaver, Edgerton, Mo., in place of G. W. Miller, deceased.

Chester P. Sulser, Ellington, Mo., in place of R. G. Carter, deceased.

NEBRASKA

Paul D. Coder, Wellfleet, Nebr., in place of L. J. Henry, transferred.

NEW JERSEY

John R. Wert III, Hopewell, N.J., in place of M. J. McAlinden, retired.

William B. Conkright, Towaco, N.J., in place of P. N. Mazziotta, deceased.

NEW MEXICO

Roy W. Harman, Carrizozo, N. Mex., in place of H. E. Kelt, retired.

NEW YORK

Myron F. Blakeney, Buffalo, N.Y., in place of J. R. Hawn, deceased.

Edwin Craft, Ellenville, N.Y., in place of J. E. Gilleran, deceased.

Elaine L. Bruce, Moira, N.Y., in place of C. C. Young, deceased.

Roscoe C. Odell, Pleasantville, N.Y., in place of L. D. Olmstead, deceased.

NORTH DAKOTA

Melvin L. Tofteland, Antler, N. Dak., in place of J. B. Wright, transferred.

OHIO

Loyal Lee Andrews, Greentown, Ohio, in place of F. L. Diffenderfer, retired.

Orvile C. Hoover, Salem, Ohio, in place of L. D. Beardmore, deceased.

Richard J. Swain, South Zanesville, Ohio, in place of J. E. Kassel, retired.

OKLAHOMA

Virgil R. Hughes, Blanchard, Okla., in place of T. J. Lucado, Jr., resigned.

James R. Henderson, Lindsay, Okla., in place of B. M. Luton, Jr., deceased.

OREGON

Roger J. Thompson, Cutler City, Oreg., in place of H. V. Crane, deceased.

PENNSYLVANIA

Eugene W. Mather, Benton, Pa., in place of D. E. Hartman, retired.

Paul R. Faux, Butler, Pa., in place of J. B. Murrin, deceased.

Antoinette M. Klarman, Folsom, Pa., in place of E. M. Goodwin, retired.

Merl W. Seavers, Hershey, Pa., in place of D. S. Graeff, retired.

Edna V. Loeffel, Lemont Furnace, Pa., in place of A. J. Haught, deceased.

Elmer C. Maurer, New Berlin, Pa., in place of J. S. Seebold, retired.

Irvin V. Diffenderfer, New Holland, Pa., in place of C. F. Yost, retired.

Margaret T. Silvis, Pleasant Unity, Pa., in place of I. F. White, deceased.

William J. Zepp, York Springs, Pa., in place of P. E. Trump, resigned.

SOUTH CAROLINA

Edward F. Cross, Cross, S.C., in place of M. C. Rodgers, removed.

Monroe H. Hutto, Montmorenci, S.C., in place of J. L. Berrie, deceased.

TENNESSEE

Maggie L. Bell, Auburntown, Tenn., in place of J. F. McKnight, deceased.

VIRGINIA

William W. Thomas, Dryden, Va., in place of G. E. Orr, removed.

Martin Luther Garraghty, Goode, Va., in place of J. S. McCauley, retired.

WASHINGTON

Merle R. Johnson, Trout Lake, Wash., in place of C. M. Langfield, resigned.

WEST VIRGINIA

George B. Jordan, Ripley, W. Va., in place of H. E. Starcher, removed.

WISCONSIN

William G. Brown, Delafield, Wis., in place of T. A. Lowerre, retired.

WYOMING

Leo M. Buckley, Lander, Wyo., in place of L. J. Vaughn, retired.

Harold V. Baas, Sheridan Wyo., in place of J. R. Gage, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25, 1959:

POSTMASTERS

ALABAMA

Thomas E. Fischer, Plantersville.

ARKANSAS

Ferrell S. Tucker, Caraway.

KANSAS

Roland D. Kesler, Quinter.

KENTUCKY

John F. Murdock, Covington.

OKLAHOMA

Henry A. Hewett, Durant.
Jim J. Loftis, Frederick.
Jack H. Justice, Maysville.

PUERTO RICO

Luis Domenech, Isabela.
Efrain Poupart, Las Piedras.

SOUTH CAROLINA

Robert B. Nickles, Donalds.
Thomas T. Adkins, Marietta.

WASHINGTON

Monty Fraser, Othello.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 25, 1959

The House met at 12 o'clock noon.

Rev. Vladimir L. Tarasevitch, St. Procopius Abbey, Lisle, Ill., offered the following prayer:

O Lord, our God, who in creating man to Your image and likeness, have endowed him with certain inalienable rights of life, liberty, and the pursuit of happiness, mercifully grant that our long-suffering Byelorussian brothers may soon enjoy all these rights, so that they may worship You, their Creator and Redeemer, in peace and freedom. Help them to remain faithful to You. Lighten their heavy burden. Enkindle in them the hope of deliverance. Save, O Lord, Your people and bless Your inheritance.

Bless, O Lord, the United States of America, the bastion of freedom and hope of the oppressed. Inspire its leaders to pursue the cause of peace and justice with courage. Grant, O Lord, peace in our days. To You with the Father and the Holy Spirit all honor and glory. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 15. Concurrent resolution providing for the printing of the "Code of Ethics for Government Service" as a House document; and

H. Con. Res. 109. Concurrent resolution extending the felicitations of the Congress to the Commonwealth of Massachusetts on the 100th anniversary of the establishment of the Superior Court of Massachusetts.

The message also announced that the Senate had passed a joint resolution and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States; and

S. Con. Res. 9. Concurrent resolution extending a welcome to the Inter-American Bar Association.

EXTENDING A WELCOME TO THE INTER-AMERICAN BAR ASSOCIATION

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the resolution (S. Con. Res. 9) extending a welcome to the Inter-American Bar Association, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. GROSS. Mr. Speaker, reserving the right to object, is this going to cost any money?

Mr. FASCELL. It will not, I am very happy to inform the gentleman from Iowa. This just extends a very hearty welcome to the Inter-American Bar Association holding its 11th convention in Miami, Fla.

Mr. GROSS. I thank the gentleman. I withdraw my reservation of objection, Mr. Speaker.

Mr. FASCELL. Mr. Speaker, it was my pleasure and privilege to introduce House Concurrent Resolution 80, a companion bill to Senate Concurrent Resolution 90 sponsored by our able, distinguished Senator GEORGE A. SMATHERS.

House Concurrent Resolution 80 was unanimously approved by the House Committee on the Judiciary yesterday. I take this opportunity to assure the committee members of my appreciation and gratitude for their prompt and favorable action on my bill, and for their many courtesies extended me in connection with this legislation.

The resolution which is before us today and which will be adopted by this body extends well-deserved recognition and welcome to the Inter-American Bar Association which is holding its 11th conference at Miami, Fla., in April of this year.

This organization, composed of professional men interested in the field of international and comparative law, has made and will continue to make a significant contribution to hemispheric solidarity and understanding. Congress cannot discuss the Inter-American Bar Association without paying tribute to William Roy Vallance, the secretary general. He has performed outstanding service for 40 years in the Legal Adviser's Office of the U.S. Department of State, terminating his service in 1957. He was one of the founders of the Inter-American Bar Association in 1940, bringing together a group of representatives of 20 bar associations in 13 countries to start the association. He has been president of the Inter-American Bar Association and his personal efforts and contributions mark a significant achievement in individual efforts to improve Inter-American understanding.

The present president of the Inter-American Bar Association is the Honorable Cody Fowler, of Tampa, Fla., a distinguished Floridian, former president of the American Bar Association.

Past presidents of the Inter-American Bar Association include the Honorable Joseph A. Moynihan, of Detroit, presiding circuit judge of Michigan; and Hon. Robert G. Storey, dean of Southern Methodist Law School, Dallas, and a former president of the American Bar Association.

The vice presidents of the association are presidents of the National Bar Associations which are members. In other

words, the president of the principal bar association in each country is a vice president of the Inter-American Bar Association. The vice presidents are:

Alfredo Guaglia, Buenos Aires, Argentina.

Alcides Alvaindo, La Paz, Bolivia.

Trajano de Miranda Valverde, Rio de Janeiro, Brazil.

Raul Varela, Santiago de Chile.

Jesus Maria Yepes, Bogota, Colombia.

Fernando Baudrit Solera, San Jose, Costa Rica.

Jose E. Gorrin, Havana, Cuba.

Olegario Helena Guzman, Ciudad Trujillo, Dominican Republic.

Alfonso M. Mora, Quito, Ecuador.

Alfonso Almengor Rodriguez, Guatemala, Guatemala.

Ramon E. Cruz, Tegucigalpa, Honduras.

Jesus Rodriguez Gomez, Mexico City, Mexico.

Enrique Cerda, Managua, Nicaragua.

Eduardo Valdes, Panama, Panama.

Salvador Villagra Maffiodo, Asuncion, Paraguay.

Ulises Montoya Manfredi, Lima, Peru.

Charles S. Rhyne, Washington, D.C.

Jose Arlas, Montevideo, Uruguay.

Celestino Gonzalez Mata, Caracas, Venezuela.

Obviously, these men are some of the outstanding men in the hemisphere. Other association officers are Dr. Miguel S. Macedo, of Mexico City, treasurer, and assistant treasurer, Charles R. Norberg, of Washington, D.C.

Since its organization in 1940, the association has held 10 conferences of lawyers in this hemisphere that have brought together voluntarily at their own expense, large groups of lawyers averaging about 500 in number. At these conferences, held both in Latin America and in the United States, outstanding Americans from both North and South, have participated. Among the many were such men as Alben W. Barkley, former Vice President of the United States, the late Senator Arthur H. Vandenberg, and former President Herbert Hoover.

The Florida Bar Association, the Dade County Bar Association, and the University of Miami are the host for this 11th conference to be held in Miami, Fla., April 10 to 19, under the presidency of Cody Fowler of Tampa. We in Florida are honored that the association is holding this important 11th conference in our area which has always prided itself in its efforts and achievements in Latin American understanding and hemispheric solidarity. We are all confident that the meeting will be an outstanding success. The reports and discussions on some 75 topics which will be presented at the conference by leaders of the legal profession in each of the nations of this hemisphere will have far-reaching effects, not only in the legal profession, but also in promoting understanding, cooperation and good will among the peoples of the hemisphere.

This resolution therefore, Mr. Speaker, will express to the lawyers and to the peoples of the other nations of this hemisphere, the interest of the Congress of the United States in the success of this meeting in Miami of the Inter-American Bar Association, extending to them a hearty welcome and wishing them continued success in their efforts.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the resolution, as follows:

Whereas the Inter-American Bar Association will hold its eleventh conference at Miami, Florida, during the month of April 1959; and

Whereas the purposes of the association, as stated in its constitution, are to establish and maintain relations between associations and organizations of lawyers, national and local, in the various countries of the Americas, to provide a forum for exchange of views, and to encourage cordial relations among the lawyers of the Western Hemisphere; and

Whereas the high character of this international association, its deliberations and its members can do much to encourage cordial relations among the countries of the Western Hemisphere: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States welcomes the Inter-American Bar Association to the United States, and wishes the association unparalleled success in its eleventh conference; and be it further

Resolved, That a copy of this resolution be transmitted to the Secretary General of the Inter-American Bar Association.

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

A similar House resolution was laid on the table.

GREEK INDEPENDENCE DAY

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, today, March 25, is the 138th anniversary of the beginning of the struggle of the people of Greece for their independence from the Ottoman Empire. On March 25, 1821, the Greek War of Independence began when the archbishop of Patras raised the flag of freedom in the monastery of Aghia Lavra and the people of Greece dedicated themselves to the attainment of their liberty.

Today, with the peoples of the world who believe in political freedom threatened on every hand by the tyranny of Soviet communism, I believe that we should all reflect on the long battle for independence of Greece, where the democratic ideals on which our own country is founded were born.

To mark the occasion of Greek Independence Day, I have today introduced in the House of Representatives the following resolution:

Whereas the democratic ideals that have made the United States of America the greatest free nation in the world were born many centuries ago in Greece; and

Whereas these ideals have kindled in the hearts of the people of Greece the determination that no sacrifice is too great for the cause of freedom and democracy; and

Whereas in every country people of Greek origin celebrate March 25 as Greek Independence Day, this day marking the beginning on March 25, 1821, of a 7-year struggle of the people of Greece to win their independence from the Ottoman Empire; and

Whereas free men in every nation rejoice that the principles of democracy are again firmly established in the land of their birth: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be authorized and requested to issue a proclamation designating March 25 of each year as Greek Independence Day and that he invite the people of the United States to observe such day with appropriate ceremonies.

THE PENDING FAIR TRADE BILL

Mr. ALGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, I take this opportunity to tell my colleagues that yesterday and today, in the RECORD, they will see a series of studies by myself on the pending fair trade bill, H.R. 1253. I took a lot of punishment for this House on the fair trade matter last fall, and, as a result of the hearings of the subcommittee which I faithfully attended and the studies that I made at that time, I have some information to which I wish to call your attention. I believe that the fair trade bill is antithetical to everything that the Members of this House stand for, regardless of political party, whether they are liberal or conservative in outlook.

I simply state that fair trade, as presently conceived, would destroy free enterprise, is unconstitutional, and would certainly violate State law.

STUDIES AND INVESTIGATIONS BY COMMITTEE ON AGRICULTURE

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 216, Rept. No. 253) which was referred to the House Calendar and ordered to be printed:

Resolved, That H. Res. 93 authorizing the Committee on Agriculture to make certain studies and investigations is amended by inserting on page 3, line 6, after "United States," the words "or outside the United States by subcommittees of not to exceed five members,".

Mr. SMITH of Virginia. Mr. Speaker, so far as I know, there is no opposition to this resolution and, as the House is about to take a recess, I ask unanimous consent for the immediate consideration of House Resolution 216.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, the gentleman from Virginia has

spoken to me about this. I should like to express the hope that after the Committee on Agriculture has had the opportunity to look at some of the agricultural problems down there, they might take a look at them in this country.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

BRETTON WOODS AGREEMENTS ACT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 217 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4452) to amend the Bretton Woods Agreements Act, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 217 makes in order the consideration of H.R. 4452, to amend the Bretton Woods Agreements Act. This resolution provides for an open rule, waiving points of order, and 2 hours general debate.

The bill would authorize the U.S. Governor of the International Monetary Fund to request and consent to an increase of $1,375 million in the quota of the United States. The U.S. Governor of the International Bank for Reconstruction and Development would also be authorized to vote for increases in the capital stock of the Bank and, if such increases become effective, on behalf of the United States to subscribe to 31,750 additional shares of stock under the articles of agreement of the Bank.

The bill provides for public debt transaction to finance the additional subscriptions in both the Fund and the Bank. Of the $1,375 million increase in the U.S. quota in the Fund, 25 percent, or $344 million, is payable in gold. The balance will be held by the Fund in non-interest-bearing notes, to be used only at such times as the Fund may need cash to meet drawings by its members. The increase in the subscription to the Bank is not expected to result in any payments from the United States to the Bank.

The Bretton Woods Agreements Act of 1945 authorized membership by the United States in both the Fund and the Bank. The two institutions represent a basic effort to deal with long-range international financial and economic problems. Both institutions have been outstandingly successful. The Bank has assisted in the economic growth of less developed countries through sound loans to finance development projects. The Fund has been able to bring about greater stability in foreign exchange markets and greater freedom in international payments transactions and has been able to promote the adoption of sound fiscal, monetary, and foreign exchange policies. The Fund and the Bank have become major instruments of international cooperation in the free world.

There has been increasing evidence that the resources of these two institutions should be enlarged. Reports made to the Board of Governors by the Executive Directors, authorized in resolutions adopted at the annual meeting of the Governors at New Delhi, India, in October 1958, recommended increases in the quotas of the Fund and in the authorized capital of the Bank, and also in the subscriptions to its capital stock.

In his message to the Congress on February 12, 1959, the President stated, "For the well-being of the free world and in our own interest, it is essential that the proposed increases in the resources of the Bank and the Fund take place."

I urge the adoption of House Resolution 217.

Mr. BROWN of Ohio. Mr. Speaker, I yield 15 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I take this time to get some information about this bill. I am not necessarily opposed to the rule. I expect that the rule will be voted and probably the bill passed regardless of any opposition I may offer to it.

I take this time to ask some questions to get some information that I do not find in the report. I wonder if someone on the committee will tell me whether this $1,375 million is to be charged to the Federal debt.

Mr. ASHLEY. The entire amount is to be charged to the Federal debt.

Mr. GROSS. This then is an increase of $1,375 million in the Federal debt of this country, which now stands at some $286 billion?

Mr. ASHLEY. The gentleman is correct.

Mr. KILBURN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. KILBURN. This is in this year's budget.

Mr. GROSS. Let me say to the gentleman I am not concerned with what is in this year's budget. I am concerned about the Federal debt of this country and the burdens that the children of today and the children of tomorrow are going to have to meet. This is an addition of $1,375 million to the already staggering debt of this country.

As to defaults, I understand the record of these loans so far is quite good. Is that correct?

Mr. ASHLEY. That is correct. The gentleman is talking about loan funds now?

Mr. GROSS. Yes.

Mr. ASHLEY. Yes, the record is extremely good.

Mr. GROSS. There are no defaults of any consequence up to this point, but what does the gentleman think would happen if we pulled the pin on some of the giveaways, on the Development Loan Fund, and other similar programs? What does the gentleman think would happen to these loans if we pulled the pin on this free business; this giveaway stuff?

Mr. ASHLEY. I think the gentleman is not informed on the purpose of the Development Loan. Its purpose is simply to stabilize on a short-term basis the currencies of the countries which are members of the Bretton Woods Agreements Act.

Mr. GROSS. The Bank for Reconstruction and Development is in this bill?

Mr. ASHLEY. That is right.

Mr. GROSS. What would happen to those loans? Let me ask the gentleman the same question with respect to them.

Mr. ASHLEY. With respect to the Bank, the increase in our subscription does not go into the debt, that is, it does not increase our public debt either this year or next year.

Mr. GROSS. The gentleman very well knows that this loan structure would go down like a house afire if we ever pulled the pin on this foreign-aid business. Let me ask the gentleman this question: What is our quota?

Mr. KILBURN. Mr. Speaker, will the gentleman yield with reference to his last statement?

Mr. GROSS. Yes; and then I will address a question or two to the gentleman.

Mr. KILBURN. I do not think your statement was correct. These loans would not go down like a house of cards. The only loans that might be affected would be where the Government went down because these loans are secured by collateral.

Mr. GROSS. Let me ask the gentleman this question: What is our quota in this Bank and in the Fund?

Mr. KILBURN. It is 28 percent in one and 26 percent in the other.

Mr. GROSS. What are the quotas of all the other countries? In other words, then we are putting in one-fourth of all the money that goes into this Bank and Development Loan Fund; is that correct?

Mr. KILBURN. That is right.

Mr. GROSS. We are putting in one-quarter of it?

Mr. KILBURN. Yes.

Mr. GROSS. What is the matter with the other countries that they do not come up with more money?

Mr. KILBURN. We do not put ours in unless 75 percent of the other countries come up with theirs.

Mr. GROSS. Seventy-five percent—then that makes us a one-third stockholder; does it not?

Mr. KILBURN. No; because they all came up with theirs previously and I expect they will this time.

Mr. GROSS. Oh, I see. But on the basis of 75 percent, we could become more than a one-third stockholder.

Mr. KILBURN. These things are uncertain.

Mr. GROSS. I am sure of that. Now I would like to ask this question. How much does the United States borrow from the International Monetary Fund?

Mr. ASHLEY. The United States has not borrowed from the fund.

Mr. GROSS. Then we put the money up for the benefit of others; is that correct?

Mr. ASHLEY. The gentleman must try to understand that the purpose of this is to help stabilize the currencies of countries that are allies of the United States and to help these countries that are the bulwark of the free world against communism. We have not borrowed dollars from the Fund to stabilize our own currency.

Mr. GROSS. Are they not doing a pretty good job of that now with the Development Loan Fund and all the other handouts?

Mr. ASHLEY. Yes. The answer to that is this has proved a remarkably effective weapon in stabilizing the currencies of member countries.

Mr. GROSS. How much further do you want to go in throwing the money of this country all over the world?

Mr. ASHLEY. I would answer the gentleman in this fashion, that the quotas of the contributing countries to the Fund were based upon a period prior to 1944. Import and export trade has expanded tremendously since then, just as the currencies of the member countries have increased. It is for these reasons, among others, that the increase in the Fund is necessary.

Mr. GROSS. Would the gentleman say that the currency of the United States is stable?

Mr. ASHLEY. It is relatively so—yes.

Mr. GROSS. I see. Then we do not need any help from this Fund.

Mr. ASHLEY. Not at the present time.

Mr. GROSS. What countries do we have to help stabilize their currencies? What are some of the countries?

Mr. ASHLEY. If the gentleman will read the report, he will soon learn.

Mr. GROSS. Well, let us say Britain and France—they are a couple of the countries; are they not?

Mr. ASHLEY. Why, of course. As a matter of fact, the Fund proved to be a godsend just following the Suez crisis.

Mr. GROSS. Yes, and they started the crisis of Suez; did they not?

Mr. ASHLEY. Well, does that mean they are no longer our allies? What would the gentleman from Iowa have?

Mr. GROSS. They brought about the crisis at Suez; did they not?

Mr. ASHLEY. I would question that.

Mr. GROSS. Sure, then they turn around and come to this Fund for help; is that not correct?

Mr. ASHLEY. I do not think that is correct. I think Nasser brought on the Suez crisis. England did not.

Mr. GROSS. Who invaded Egypt; was it Nasser?

Mr. ASHLEY. I thought we were trying to converse about the Monetary Fund and not about these other matters.

Mr. GROSS. No. What I am saying is this, Britain and France created the crisis, then turned around and came to this Fund and the American taxpayers for help.

Mr. ASHLEY. I would answer the gentleman by saying that most certainly there are member countries who might become involved in crises, and subsequently are able to go to the Fund for assistance; yes, that is true.

Mr. GROSS. And the United States investors are not going to be very much interested in either of these ventures unless another $1,375 million is put in the kitty. Is that not right?

Mr. ASHLEY. No; that is not right. The fact of the matter is that these investments have proven extremely sound on an international market.

Mr. GROSS. Let me read to you from the CONGRESSIONAL RECORD:

> The Bank has been issuing bonds at the rate of $497 million in 1957 and $633 million in 1958. At this rate, the funded debt of the Bank will exceed the amount of the U.S. backing sometime in the next 2 years, depending on the volume of loans made by the Bank. American investors are therefore beginning to ask about an increase in the size of U.S. Government guarantee.

What do these investors get out of it? How are they paid? What income do they derive from it?

Mr. ASHLEY. Is the gentleman talking about the Fund or the Bank?

Mr. GROSS. I am talking about either one of them; I do not care. Take the Loan Fund; take the Bank for Reconstruction and Development.

Mr. ASHLEY. A great deal of their financing is done by refinancing; that is, the Bank is able to sell bonds to finance its operations.

Mr. GROSS. What do the investors get?

Mr. ASHLEY. What does the bondholder get?

Mr. GROSS. I wish the gentleman would tell me something about it. What interest is paid?

Mr. ASHLEY. I understand that the bonds pay about 4¼ percent. It depends upon the market, of course.

Mr. GROSS. How much? Did the gentleman say how much?

Mr. ASHLEY. In the neighborhood of 4¼ percent.

Mr. GROSS. Four and one-fourth percent; they do pretty well. How much do the Governors of this Bank get?

Mr. ASHLEY. As a salary?

Mr. GROSS. Yes.

Mr. ASHLEY. I cannot tell the gentleman that.

Mr. GROSS. Do they pay Federal income taxes on those salaries?

Mr. ASHLEY. I presume so, yes.

Mr. GROSS. Does the gentleman know whether they do or do not?

Mr. ASHLEY. I will say to the gentleman that I presume they do.

Mr. GROSS. Of course, the gentleman knows that U.S. employees of the United Nations do not; they pay taxes but then they are reimbursed. I would like to know the situation in this connection.

Mr. Speaker, I intend to offer an amendment to this bill at the proper time to provide that all members of the Fund meet their increased quotas before any money is put in by the United States. I think that is only fair. We are not borrowing money from the Fund. The people who are utilizing this Fund are 67 foreign countries, and until and unless they come in we should not put up our part. The bill provides that the United States may not put up its share until after 75 percent of the increased quotas are met by other countries. That is not good enough for me. All the foreign countries who are members of this Fund should come in and put up their money since they are the direct beneficiaries.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MASON. Section 2 of the bill states:

> Strike out "of $950,000,000"; strike out "$4,125,000,000," and insert "such amounts as may be necessary."

What does that mean?

Mr. GROSS. That is a good question. Perhaps the gentleman from New York [Mr. KILBURN] can answer, or someone on the other side of the aisle. Will the gentleman explain that?

Mr. KILBURN. It just means as much as is necessary to subscribe to the stock if we have to subscribe to it, 31,000 shares.

Mr. GROSS. Will the gentleman, while he is on his feet, explain to me this wording on page 1 of the bill:

> The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States.

By this language he is required first to request and then to consent. I always thought that a request presumed consent. What is the meaning of that language?

Mr. KILBURN. That is in the Fund.

Mr. GROSS. I am talking about the words "request and consent." What kind of language is that?

Mr. KILBURN. I suppose it means exactly what it says.

Mr. GROSS. To request and consent to $1,375,000,000. I hope the gentleman can make something out of that.

Mr. BOLLING. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. O'NEILL] and ask unanimous consent that he may be permitted to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. O'NEILL. Mr. Speaker, as you know, it is neither a pleasant nor an easy task to take the floor of this great House to eulogize a departed colleague. It is not pleasant because it reminds us that we have lost a friend. It is not easy because a man's lifework cannot be expressed in a few words. It is still more difficult when that person continues to live on in the hearts and memory of so many people.

I speak today, Mr. Speaker, of a departed colleague who served four terms in this Congress at various times and who once served as a member from the

district that I represent, the late and lamented James Michael Curley, former mayor of Boston and former Governor of the Commonwealth of Massachusetts.

He died last November just a few days before his 84th birthday. His body lay in state on Beacon Hill in the Hall of Flags at the statehouse. It is estimated that more than 100,000 viewed his body, and over 500,000 people spilled out of the cathedral and onto the streets to watch the cortege on its way in funeral procession.

I could not help but think as the funeral wended its way along the streets of Boston, in which Jim Curley was born and brought up, of the eulogy in "The Last Hurrah", a story that is said to have been the life of Jim Curley. Actually it was a eulogy when the author said:

> To have lived a long life, to have left the lot of many of those around you a little bit better than it once was, to have been genuinely loved by a great many people, and to have died in God's good grace, is no small thing to have happened to any man.

Truly in the annals of American city politics never has there been a more controversial figure than James Michael Curley. Born of immigrant parents, living in the teeming tenement district where the masses lived who had come from Ireland because of a great potato famine, working at driving trucks, as laborers and as hod carriers for coolie wages, he thought the plight of his fellow men could best be served if he entered public life. He had a long and glorious and yet a turbulent career. He was elected as a member of the Boston Common Council in 1900 and 1901. He served in the State house of representatives in 1902 and 1903; member of the Boston Board of Aldermen from 1904 to 1909; member of the Boston City Council in 1910 and 1911; elected to the Congress of the United States and served from March 4, 1911, until his resignation effective February 4, 1914, having been elected mayor of Boston. He served as mayor of Boston from 1914 until 1918, and by that time, under our law, you were unable to succeed yourself as mayor. He was elected mayor in 1922 and served until 1926; reelected in 1930 and served until 1934; elected Governor of Massachusetts in 1935 to 1937. Came back to the Congress of the United States for the 78th and 79th Congress in 1943 and 1947. He was reelected mayor of Boston again in 1946 and served until 1950. He was a Democratic national committeeman from 1941 until the time of his death. He served over 60 years in public life for the city, the State, and the Nation.

James Michael Curley served both his constituents and the people of the United States when he represented the 11th Congressional District of Massachusetts. Many have described him as "the big man, with the big heart, for the little people." James Michael Curley would never agree with such a description of himself simply because he did not believe that there were such beings as little people. For to him, each and every person, regardless of their state in life, shared equally in the dignity and individuality of God's perfect power of creation. This is not to say that Governor Curley failed to acknowledge the differences experienced by men because of varying natural possessions or physical wealth. His very beginnings in this world were object lessons in the poverty that he struggled long and hard and with considerable success to destroy. The fruits of his life's work are acclaimed today by many thousands of grateful families who no longer—but at one time knew—only hunger and need.

James Michael Curley at a very early age dedicated himself to a career of helping others. Had he directed his energies and his talents to other endeavors, this man with the silver tongue could easily have lived and died very rich in material things. Instead he gave his life to the people of his city, State, and Nation. And now, some months after his death, James Michael Curley, I say to you, Mr. Speaker, that there is not enough money in the banks of Boston combined that is capable of matching the priceless love for him that has been deposited in the hearts and minds of so many people.

Even before his death, James Michael Curley was a legend. Merely some of the stories told about him and by him would take several days to relate.

I remember some incidents myself of having met him along the way. I recall one day when he was at a meeting of bankers in Boston, and one of the bankers turned and spoke to Mr. Curley. It was interesting to note the background of this man. His father had been a banker and his father before him had been a banker and his son was a banker. And, he turned to Mr. Curley and said, "Mr. Curley, I understand that your father was a hod carrier. Why didn't you follow his profession?" Mr. Curley just looked at the gentleman and he said, "Yes, and I understand that your father was a gentleman." He was always one of a quick tongue. I remember one night when he was campaigning for a seat in Congress, and the man running against him was on the platform and he said, "I want to go to Congress because," he said, " I want to make my wife the wife of a Congressman." Curley turned to him and said, "The best thing for you to do is to drop dead and let your wife marry one." He was always quick on the tongue.

Here is a person, as I said, who was loved by many. I recall in 1936 when I was first elected to the legislature, having met Jim Curley at that time as a young fellow of 22, he said to me, "The true, quick, sure way of success in politics is to remember this. You will have literally hundreds of people over the course of years ask you for favors. Some of them may be great, some of them may be small; some of them may be important, some of them may be ridiculous; some of them may be easy, some of them may be hard. But remember, the person who asks you for the favor, to him it is the most important thing in the world, and treat them all alike. You will be able to take care of more of the small ones than you will of the large ones, but you will make as many friends doing the small ones as you will doing the large ones."

And I have found through the years that it was indeed a great bit of advice.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Texas.

Mr. BURLESON. Perhaps Mr. Curley somewhat paraphrased a statement of earlier times, but I recall in his book the rich philosophy so apropos to the public officeholder. He wrote, "There go the people. I am their leader. I must follow them." This suggests to me that as people demand of Washington today, their demands fall on attentive ears. As more services of various kinds are added, the Federal Government becomes bigger and more expensive.

Mr. O'NEILL. I thank the gentleman. Books have been written about Jim Curley; movies have been made about this legendary figure who, not so long ago, stood here in this Congress and who today lives in the hearts of so many people throughout the Nation. Some may ask, What is the measure of his greatness? The answer to such questions can be found in the story told to me by a very close friend.

Several years ago a dinner was being given in the main ballroom of one of the city's best hotels to honor a distinguished Bostonian. Seated at the head table was the then Republican Governor of Massachusetts as well as many notable figures of both political parties. The principal speaker of the evening was addressing a very attentive audience when in walked James Michael Curley who, at the time, was neither an officeholder nor a candidate. The speaker paused, looked in the direction of the former Governor, mayor, and Congressman, and like one, the whole audience and head table, led by the speaker, stood in a thunderous ovation to a man who could never be a has-been. As the crowd sat down, my friend noticed that the man seated beside him, a very successful Boston surgeon, had tears in his eyes. Since the doctor was not noted for his emotions, my friend inquired if there was something wrong. "No," the doctor replied. "I was just thinking of many years ago when that man made possible everything I am today."

The surgeon told how at the age of 16 he had gone to the then Mayor Curley for help. The doctor's mother was a widow and in ill health; his two older sisters, then in their 20's, were, because of the times, out of work. The boy's 23-year-old brother was studying to be a priest, but was about to leave the seminary to try and help overcome the family's heavy debt. Unknown to his family, this 16-year-old boy one day stood with the people who every morning lined up at the Curley home to seek help from their mayor. With great sympathy, the city's chief executive heard this young boy's story of his family's hardship. Within the day Mayor Curley found employment for the sisters, reduced the family debt to practically nothing, and in return asked but one favor. With a quaver in his voice, the prominent surgeon told my friend of

that request. "Tell your brother to stay in the seminary and ask him and your good family, when they have time, to please say a prayer for me."

Mr. Speaker, during a long lifetime of serving his people, James Michael Curley again and again did for others what he had done for that boy and his family. Such deeds are and will continue to be the measure of greatness for a leader whose battles were waged and won in a city, State, and Nation all of which today are more than just a little bit better because of James Michael Curley.

Like all leaders, Governor Curley neither expected nor enjoyed the unanimous support of all segments of the community. Like most of us, his every waking moment was not filled with perfect deeds, yet in the balance of things his was a most successful life, successful in that it benefited so many others while he himself experienced family troubles that would have stagnated the ordinary man.

My words today can contribute but little, if anything, to the love and memories that linger on in the hearts and minds of thousands, most of whom were "little people" to all the world, but not to James Michael Curley.

Mr. MACDONALD. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. MACDONALD. Mr. Speaker, I join my colleagues in paying tribute to the late James M. Curley who passed away in November 1958.

Although word of Jim Curley's passing was not unexpected at the time, for he had been seriously ill, I know that it still came as a shock to his many friends throughout the country. Certainly it caused mourning in thousands of homes in Boston and elsewhere throughout Massachusetts.

Jim Curley had a colorful career as Congressman, mayor of Boston, and Governor of Massachusetts. If one could sum up in a single sentence the chief characteristic of Jim Curley, I believe that sentence would read: "His was a generous and courageous heart."

Jim Curley had experienced both victory and defeat during his long and eventful years, but after any temporary defeat, he always came back fighting courageously. And when the final defeat came, as it must to all men, he went down fighting.

Jim Curley was one of the most powerful political and humanitarian figures in the history of the State of Massachusetts. He was a rugged individualist with a strong personality.

He was endowed by nature with many praiseworthy qualities. He was an orator of exceptional eloquence. He could be sharp in criticism, quick in repartee, and was brilliant in his choice of words. Few men exceeded him either in ability or in the fighting spirit he displayed in the causes he supported. He was a man of courage, who fought with all his heart for the principles in which he believed.

In a State which plays the political game hard, Jim Curley was the author of some of the most important chapters of struggle and contest. The Commonwealth of Massachusetts will long remember him as a dedicated family man, a stalwart champion of the underprivileged, and a man who became a legend in his time.

To the members of his devoted family, I join my colleagues in extending my deep sympathy at their great loss.

Mr. LANE. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, James Michael Curley was his name, and a strong name it was, befitting the man who made it famous in Boston and in Massachusetts and in the provinces beyond. In the course of his very active life, there were a few times when he was knocked down, but they could not keep him there. With his great vitality and his greater spirit, he always bounced back.

He had the foresight to come out for Franklin D. Roosevelt, and to oppose the conservative leaders of the Democratic Party in Massachusetts. He was defeated in his efforts to become a delegate to the national convention, and the conservatives breathed easier. Came the convention where, to everyone's surprise, and with infinite relish, Jim Curley popped up again, this time as Senor Curley, delegate from Puerto Rico. How he managed this is less important than the striking fact of Curley's resourcefulness and determination.

From that time on, no one ever took Jim Curley for granted. To the consternation of his enemies, he predicted that he was going to live to the ripe old age of 125, and he said it so convincingly that some people began to believe that he might win out over the laws of nature.

He grew up in Boston where the challenge of politics gives an added zest to the air. From the time that he was a young "shaver" he was fascinated by the excitement of politics, its drama, and the opportunity it offered to sharpen one's talents and one's skill.

It was no easy field of combat. Jim Curley was in it every minute of his life, for decade after decade. It was taking its toll of his tremendous energy. The body, however, could not keep up with his eternal spirit. He passed away in November 1958, after a long and eventful career as Congressman, several-times mayor of Boston, and Governor of Massachusetts.

Thousands and thousands of people in an unbroken line passed through the Hall of Flags in the statehouse for one last look at their old friend. "My adopted family" he would say, if he could see the grateful people for whom he had done so much. Truly he was the champion of the little man, fighting the rich and powerful in order to push through legislation that would open up more doors of opportunity for the poor, the unfortunate, and the immigrants who needed a helping hand to start their new lives in this strange land.

They never forgot the friend who was by their side when they needed him most. The depth and sincerity of their grief was moving evidence of the affection in which he was held by the thousands who came to pay their last respects. They remembered the handsome son of Irish parents who delighted the crowds at street-corner rallies in the old days. They followed him upward through the years for he was the symbol of their own striving—educating himself by his studies of the classics; developing the cultured voice that gently chided the patricians of Beacon Hill; outwitting the vested interests who opposed any change; breaking the barriers that stood in the way of human dignity and human potentialities.

He led them and the Democratic Party which spoke for them, out of the minority wilderness into the bright sunshine of majority support and successive mandates of public confidence. Every Democrat in Massachusetts owes more than he can ever repay to the grand old man of Bay State democracy whose memory we honor today.

Jim Curley has gone but his name, his personality, his achievements live on, glowing and immortal.

Mr. O'NEILL. I thank my colleague.

Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. BURKE].

Mr. BURKE of Massachusetts. Mr. Speaker, I wish to join in this eulogy, together with my colleagues from Massachusetts, on the life of James M. Curley. There is hardly anyone in political life in Massachusetts who has not been touched by the activities of James M. Curley over the past 50 years. I knew James M. Curley. In some campaigns, I supported him and in a few, I opposed him. But, there was something about James M. Curley, something about his activities, his life, his interest in the poor, his interest in the small people that created an impression on everyone. I recall on many occasions when James M. Curley would visit the Boston City Hospital going into the maternity wards and insisting that proper care be given to the mothers of Boston. Curley's life was a rich life. We who were privileged to know him liked him because of his humaneness. He was a controversial figure. His monuments are all over the Commonwealth of Massachusetts. The great East Boston Tunnel, several of the buildings of the Boston City Hospital, many of the schools in the city of Boston were built under the administration of James M. Curley. James M. Curley will live in the hearts of the people of the city of Boston and the State of Massachusetts for many years to come.

Mr. O'NEILL. I thank my colleague.

Mr. Speaker, I yield to our distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, on November 12, 1958, 8 days before his 84th birthday, James M. Curley, one of America's outstanding and dramatic political figures, died in Boston, Mass. James M. Curley was the son of God-loving parents, both of whom were born in Ireland. Jim Curley rose from humble birth to high position.

His whole life was mainly devoted to the art and science of government in the field of elected public office. He was one of the most gifted men I have ever

met, a man of extraordinary ability through self-education, one of the most eloquent orators for decades in American public life, notable legislator as well as an outstanding public executive and administrator. Jim Curley never forgot he was a man of the people. He never forgot the sick, the poor, the afflicted, the underprivileged. Throughout his whole life as city legislator, mayor, Congressman, Governor, he fought in their behalf.

The monuments to his name and leadership in public service are too numerous to mention. Jim Curley was loved by countless tens of thousands of persons. During a public career of well over 50 years Jim Curley had 20 victories at the polls, councilman, alderman, State representative, Congressman on two different occasions and from two different congressional districts, the last one from a district in which he did not live, showing the respect and love the people had for him; mayor of Boston several times, and Governor of the Commonwealth of Massachusetts.

Tens of thousands of persons were the recipients of his kindness. He never turned a deaf ear to an appeal for help from those less fortunate than himself.

Jim Curley was truly a remarkable man. As mayor of Boston and Governor of Massachusetts he gave the people of the city and the State the most effective and highest type of administration possible. As mayor and Governor he was a public leader who gave both humane and businesslike administration. As a legislator he was a sound progressive, using his great talents, his vision, and courage, to make his city and his State and our country a better place in which to live.

Jim Curley has left indelible imprints upon the pages of the history of Boston, of Massachusetts, and of the United States. The best evidence of the widely held love for Jim Curley is the tens of thousands of persons who filed past his bier while it lay in the Hall of Flags in the statehouse of Boston, Mass., and who watched his funeral procession from the statehouse to the cathedral, and from the cathedral to the cemetery. Hundreds of thousands of persons viewed with regret and many with tears his funeral procession.

I admire very much the many fine qualities of Jim Curley. It will be a long while before one like Jim Curley will again come across the political horizon of our country.

To Mrs. Curley and to the late Governor's sons I extend my deep sympathy in their bereavement.

Mr. O'NEILL. Mr. Speaker, I am very grateful to my colleagues for their kind words today.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is with great appreciation, admiration, and respect that I speak of the Honorable James M. Curley today. He was in Congress when my late husband John Jacob Rogers was here, and my husband was devoted to him, devoted to his ability, his humor, his kindness, and his friendliness.

One of the respected qualities of James Michael Curley was his love and devotion for his family. On occasions my husband would remark, Congressman Curley had to break away from the dinner event early in order to return home to be with his wife who was an invalid. For many years, until the death of Mrs. Curley this love and devotion had priority over all that concerned James M. Curley. Later on when he married again this same love of family was generously given to the second Mrs. Curley and all of the children.

During his eventful lifetime, Governor Curley experienced many moments of sadness, more, much more, it would seem, than should extend to any man. During these times, his great heart was called upon to bear the loss not only of his beloved first wife but the misfortune of losing several of his children, in some instances almost simultaneously. Two of his children were buried at the same time.

James Curley was a man of the people. He believed in the mission of man on this earth. He believed in the brotherhood of man. He was everyone's friend. His greatest earthly pleasure was in giving pleasure to others and helping to make the burdens of his fellow man lighter and more easily to bear. He was respected by people because he loved people and was constantly extending a helping hand.

In addition to his kindness, Governor Curley also was very charitable. He gave away to others much that he gained during his life. He was always helping somebody.

Governor Curley was extremely kind to women, particularly those who earned their way in life. Always helping, he would do all he could to have their pay increased. He helped them to have better working conditions and more necessary comforts during working hours. He listened to their problems and made their difficulties of primary concern to him. He was particularly thoughtful in his efforts for all of the women employed at the statehouse in Boston regardless of their job or station. They considered him their friend.

James M. Curley was an exceptionally able man. With a keen intellect he observed and studied people. Through his own efforts he developed himself. In his early years in politics he came to know the value of being able to eloquently debate issues and persuade others. As his great voice developed his knowledge of human affairs broadened and at the top of his career he was recognized as one of the greatest orators America had ever produced. As he addressed an audience from the podium, his voice was rich, inspiring, magnificent.

Although the career of Governor Curley was in politics, it was his love of people and his deep desire to help his less-fortunate fellow man that endeared this man to countless numbers. Many considered him their protector. Many knew he would not permit them to be the subject of advantage for others. He would not allow people to be downtrodden. He would only permit people to be treated as human beings. Because "Jim" Curley believed in the people, they believed in him. When death came to "Jim" Curley, a little bit of a countless many also died.

Governor Curley was a fighter. In his many battles, however, he was the greatest always when he was fighting to help the people, the people who had so much faith in him. In his matured years James M. Curley was a man of kindness and understanding based upon a broad knowledge and comprehension of many problems. Experience was his great teacher. To know was his constant desire. To help was his dominant purpose.

A human being was God's work and James M. Curley believed the human being worthy of all effort. No man was unimportant. Every man was important. Every person possessed some talent, something of value, something to give to his other fellow men. Because of these beliefs James M. Curley constantly worked to improve and raise up the dignity of human beings. His work for his fellow man is his monument for eternity.

In addition to being a fighter James M. Curley possessed a great sense of humor and a gentleness as soft as a cloud. I remember I went to Governor Curley one time to seek his help in assisting me in the creation of a State park in Lowell, Mass. With great pleasure he gave me help. He knew this park not only would be beneficial to the city of Lowell, but it would also be a feather in my hat in the political campaign then in progress. He seemed to enjoy the full meaning.

Although I do not want to be personal I cannot refrain from saying he tried to help me with every matter I brought to his attention. Likewise he never asked me to do anything except to help people. Will you help this person, or will you do what you can for another? Always it was for the benefit of people he asked for help. I am proud to say I always did the very best I could.

When James M. Curley went to the statehouse for the last time, he came that the people he loved could pay their respects to him. This they did in a long single column, hour after hour, countless numbers, filed by him just to say "goodby" and "thanks." Here, indeed, was the evidence of the great respect and appreciation so full and so great in the hearts of the people. Here was their champion. Here was their statesman. Here was their orator. Here was their fighter. Here was their man. I know I express their thoughts with mine in saying James M. Curley was a great statesman, a great American, and one of the kindest men I have ever known.

Mr. O'NEILL. Mr. Speaker, I am very grateful to my colleagues for joining with me in paying reverence to the memory of a former Congressman from the 11th Congressional District of Massachusetts and in paying this tribute to James Michael Curley. Also in expressing to his wife and family our heartfelt sympathy and condolences.

A new era has grown up. James Curley was the last of the so-called city bosses. His legend will live on for years.

The many monuments that he built, the city hospitals, the bridges, the roads, will live on as everlasting monuments to his memory. But, more important than that—we have stressed it but little here today—James Michael Curley, who once was a great figure in these Halls, was one of the outstanding orators in the last 50 years of American history. He was a silver-tongued, golden-voiced orator. There is hardly a school in America of higher education that does not use the speeches of James Michael Curley in their teaching. They are using these recorded speeches as instruction to the youth of America. These will be in existence when the buildings and other legends are gone. They will still have the voice of Curley on these records in the schools of higher education to teach the youth of America.

May God have mercy on the soul of James Michael Curley.

Mr. DONOHUE. Mr. Speaker, I am pleased to join with my colleagues in expressing tribute to the greatness of the late James Michael Curley, one of the most distinguished sons in the history of our Massachusetts Commonwealth.

There are Members here who served with Governor Curley, not only in this body, but at other levels of State government, and who knew him better than I. No one could help but be tremendously impressed by the testimony they have recited here in revelation of the great soul and spirit of this remarkable man.

His leadership in and his achievements for the progress of social justice in the service of his State and Nation will be his everlasting monument in our political history. His personal nobility in concern for and consideration of the poor and unfortunate will be forever remembered in the minds and hearts of his home people. We join our prayers that his soul may rest in peace.

Mr. PHILBIN. Mr. Speaker, Gov. James Michael Curley was a great invincible fighter for the ordinary man whose lot he worked so hard for years to improve.

He was a man of superb and extraordinary gifts, one of the most famous orators of our day, a highly gifted administrator, and an unsurpassed tenacious public advocate.

He had the courage of a lion and a warmth of human kindness and loyalty that endeared him to his friends and all those who knew him.

A beloved and valued colleague in the Congress, I had occasion to know and observe the warm personal qualities of Governor Curley and his great zeal for human betterment. The future will bring greater luster to his colorful personality and outstanding public career.

May he find rest and peace in his eternal home.

GENERAL LEAVE TO EXTEND REMARKS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to revise and extend their remarks in the RECORD on the life and character of the late James Michael Curley.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AMENDING BRETTON WOODS AGREEMENTS ACT

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4452) to amend the Bretton Woods Agreements Act.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R 4452, with Mr. MACHROWICZ in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill provides for an amendment to the Bretton Woods Agreements Act. I was a member of the conference at Bretton Woods in 1944. It was an inspiration to me to see the nations gathered together in the common undertaking for the advancement of their economic well-being and the redevelopment of the countries that had been torn by war. At that meeting 39 nations signed that agreement. Since then 29 other nations, 68 nations all together, have joined the Bretton Woods Agreements Act. Practically all of the free nations of the world are engaged in working out their problems through the instrumentality of this act.

Mr. Chairman, under that Act the International Monetary Fund was organized to stabilize international exchange and to facilitate the international trade of the world. The International Bank for Reconstruction and Development was formed. For 12 years these organizations have operated within the authorized capital fixed by the original agreement. They have made a shining success. They have lost no money by bad debts, and now, at a meeting at New Delhi, these nations have agreed that their quotas to the Fund and their subscription to the stock of the Bank should be increased. Our quota to the Fund has been increased by $1,375,000,000. One-fourth of that amount, it is provided, shall be paid in gold, $344 million, and that is all the immediate cash payment that is involved in the program provided for by this bill. The balance of the subscription to the Fund is provided in noninterest-bearing obligations of the U.S. Government. These obligations will only be used in case of an emergency, such as the condition that arose when the Suez Canal was closed, which cast a great burden on the Fund.

At the end of 1958 the Fund had $2.3 billion, but against that amount there are commitments of $900 million and there are withdrawal privileges of $1.1 billion. It is very improbable that those withdrawal privileges will be used, but in case of emergency this balance is entirely inadequate to permit the Fund to carry on its ordinary operations.

The resolution provides for an increase in our quota to the Fund and our subscription to the stock of the Bank. The resolution does not provide for any immediate cash outlay to the Bank. The subscription to the Bank is for shares of capital stock. We subscribe to 31,750 additional shares of the capital stock of the Bank, which is used as a guarantee for the obligations which the Bank issues and sells in the private markets of the world. The Bank, by reason of the manner in which it has been administered, has the confidence of the business interests of the world, but as the amount of the Bank's outstanding obligations approaches the amount of the guarantee fund, it becomes increasingly difficult to sell the Bank's obligations in the private market.

That is the proposition that has been brought to us for our decision. Without the passage of this bill these great institutions who are the symbol of success could not operate as we would like them to do. These organizations were formed under the leadership of America. They have been nurtured by our country and the leadership of these organizations makes America the leader of the finances of the world. It is inconceivable that anybody would want to defeat this bill, or to hamper it in any way. When we speak for the Fund we speak for the free nations of the world. To do anything that would bring any doubt about our course of conduct, that would cast the slightest scintilla of doubt that we intend to carry out our obligations to the fullest extent, would weaken us with these nations.

We are in a critical time now, probably the most critical time the world has experienced. We want the good will of our allies. We must have it. Anything that will disturb them about our help and our faith in this matter will hurt us, I think, in our international relations. Let us not do anything that will allow our enemies to make it a vehicle of propaganda.

I hope you will pass this bill without amendment, and I feel sure you will.

Who recommends the bill? Sixty-eight nations of the world recommend the bill and are interested in it. The National Advisory Council recommends the bill. The President of the United States pleads for the bill. The Committee on Banking and Currency reported the bill without a dissenting vote.

When this Fund was founded the imports of all the free nations of the world were $27 billion, but today their imports are $100 billion. This has been to some extent due to the assistance the Fund has given to international trade by stabilizing world currencies and reducing restrictions on international exchange.

Not only does the Bank render a great service by the loan of money, it gives technical assistance and advice to the nations it serves.

These organizations were founded on faith and courage and vision. As the prophet of old is quoted in the Good Book, where there is no vision the people perish.

I hope that no destructive amendments will be offered to this bill, and I hope if they are, little consideration will be given to them. We are playing with fire if we do not let this bill go through as is. We are playing with fire because our enemies are masters of propaganda and deceit and they can use it to our detriment.

I ask you to vote for the bill as is, without amendment. If you do that, I am sure you will be rendering a service to your people and your country that cannot be overestimated.

Mr. KILBURN. Mr. Chairman, this is a good bill. As the chairman has said, it helps in the world situation, but it also helps this country. It helps our industry and our employment.

Mr. Chairman, I now yield 10 minutes to the ranking member of the subcommittee that considered this bill, the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, today the House has an opportunity to vote on H.R. 4452 embodying authorization increasing the U.S. quota in the International Monetary Fund and its subscription to the International Bank for Reconstruction and Development. This will be done by amendment of the Bretton Woods Agreements Act of 1945.

It should be called to your attention that 68 countries have subscribed to the articles of agreement of the Bank and Fund and both institutions have served with remarkable success for more than 12 years. While these two institutions are included in the same act, they each have different fields of activity, of real importance and vital impact on the world economy.

The International Monetary Fund assists countries to maintain or achieve stable and convertible currencies, free of exchange restrictions.

The International Bank aided materially in the reconstruction that took place following World War II and now has an important place in financing economic development in the member countries through long-term loans.

Under the terms of the Bretton Woods Agreements Act, Congress must authorize increases in the U.S. quota to the Monetary Fund and in the subscription of capital to the International Bank.

Today's bill embodies the first approach to member governments for additional resources since the institutions first began their operation in 1946.

Secretary of the Treasury Robert B. Anderson, testifying before the House Banking and Currency Committee, stated:

> It is our view that these recommended increases together with the proposed increases in the subscription and quotas of the other members should be sufficient to permit these bodies to continue their useful work in the foreseeable future.
>
> The increase in our subscription will involve a present cash outlay by the United States that is large but is a relatively small proportion of the total new subscriptions. No budgetary provision is needed in the case of the Bank, while in the case of the Fund the entire additional quota of $1.375 billion is included in the budget, only the gold payment of $344 million really represents an immediate cash expenditure.

It should be pointed out after the capital contribution, these institutions have been self-supporting. Expenses are defrayed out of income earned.

In the operation of the International Bank, many lose sight of the fact that it constitutes a great force for peaceful progress amongst the free nations. At a time when the world is aroused by conflicts in many areas and as the West Berlin deadline, arbitrarily set up by the Communists approaches, it is important that not only our defense establishment be in order and ready to move at the first sign of aggressive action, but it is extremely important that our economic weapons be ready and able to meet the pressures and stresses created in a world at crisis stage.

I would like to quote further a few statements made by Secretary Anderson that should be borne in mind by the House in voting on this legislation. The International Monetary Fund does not finance long-run development programs nor is it intended to provide long-range economic assistance to improve the standards of living of its member countries. In simple terms, the Fund is a short-term credit institution which assists the monetary authorities of the member countries to carry out sound financial policies.

The resolution proposed by the Fund for action by the governments can be summarized very briefly. It is proposed to increase the quotas of most countries by 50 percent. This would increase the United States quota by $1.375 billion from $2.75 billion to $4.125 billion. Very small quotas will be adjusted to bring them up to a reasonable level. The quotas of three countries—Canada, Germany, and Japan—will be increased substantially more than 50 percent. The proposed increase in the quota of the United States does not mean that the Fund will spend these new resources at once. The United States will pay one-quarter of its quota increase in gold, the balance will be held in non-interest-bearing demand notes which will not represent the cost to the United States until such time as the Fund cashes them.

I say again it is important to remember there have been a number of years in which the Fund returned more dollars to the U.S. Treasury than it took out for new drawings.

With respect to the International Bank, the reconstruction phase of the Bank's activities is over. It succeeded very importantly in the reconstruction of France, Denmark, Luxembourg, and the Netherlands.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I will yield to the gentleman from Minnesota.

Mr. WIER. Would the gentleman kindly point out the difference between the moneys in this Export-Import Bank and the funds that were in controversy here yesterday in connection with the development loan program? Could India, for example, participate in both?

Mr. WIDNALL. It is my understanding that a country could participate in both activities.

Mr. WIER. What is the difference? Why would not one bill in this field be sufficient to serve all purposes?

Mr. WIDNALL. This is an operation controlled entirely by the 68 member countries under the Bretton Woods Agreement. The Development Loan Fund, as I understand its operation, has an entirely different composition.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. GROSS. Is not the real difference between the two that operations under this program conform to some extent with banking policy, whereas the Development Loan Fund is a soft money operation, and loans made under it are never going to be collected? This operation would be in trouble if we pulled the pin on this foreign aid grant program, the Development Loan Fund operations and all the rest of the giveaway programs. If Congress ever regains its sanity and stops that business, then there will be real serious problems in this setup.

Mr. WIDNALL. That is certainly a matter of controversy in the Congress. I, frankly, believe there is soundness in the operation of these two funds, that they have added much to the development of the world in a peaceful and progressive manner.

I want now to continue. There are a few more remarks by Secretary Anderson:

> Each loan follows a period of intense study, engineering examination, and negotiation. The loans which the Bank has made have been sound and the Bank has had no defaults. Some short-term issues have been sold entirely outside of the United States to foreign investors, largely central banks, which have used the Bank's funds in the form of dollar investment of their monetary reserves. Moreover, foreign private investors have purchased the Bank's bonds for ordinary investment purposes, in the same way as have American investors. The Bank estimates that approximately 60 percent of its bond financing has come from American investors and the balance from abroad.

Investors have recognized that the Bank has operated prudently and that its loans have been sound. This has done much to establish the high quality of the Bank's bonds. However, the ability of the Bank to sell its bonds to institutional and individual investors depends in large part on the fact that back of the Bank's own assets is the contingent liability of the member governments to meet the obligations of the Bank through possible calls on the uncalled 80 percent portion of the capital. In other words, this 80 percent portion of the Bank's capital constitutes a guarantee undertaken jointly and severally by all the member governments to supply dollars or other currencies needed to meet the Bank's obligations in the unlikely event that the Bank falls short.

It is most important that this legislation be expeditiously passed by the Congress and that the U.S. contribution be made at once to instill full confidence in the other free nations.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Florida.

Mr. HALEY. Of this amount, $1,375 million, by which we are going to increase the Fund, how much is payable immediately in gold?

Mr. WIDNALL. $344 million.

Mr. HALEY. That has the effect of depleting the gold supply of this country. Can the gentleman tell me how much of the gold we now hold in the approximate amount of $22 billion has gone out through this method of the United States having to pay foreign governments in gold, if demanded?

Mr. WIDNALL. I do not have that figure. Perhaps the committee can furnish that figure.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. KILBURN. Mr. Chairman, I yield the gentleman 5 additional minutes. I think it is twice that—$688 million.

Mr. WIDNALL. Twice the amount carried in this authorization.

Mr. KILBURN. This is a 50 percent increase. What we have put in before is $688 million.

Mr. HALEY. What I am inquiring about is how much of the gold reserves of this Nation, approximately $22 billion, is pledged to other governments that can come in and demand payment in gold.

Mr. KILBURN. I do not think there is any to other governments. This goes into the Fund under the pending bill.

Mr. WIDNALL. The contribution in gold after this bill is passed, after this pledge is made, would be $688 million, plus $344 million, or a little over $1 billion.

Mr. HALEY. That, however, is just from the funds that have gone out through this method. The point I am trying to clarify in my own thinking is this: Out of the $22 billion of gold held by the Federal Government, how much is pledged to other nations? When they accumulate dollars, how much of that gold is pledged to other nations?

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from North Carolina.

Mr. KITCHIN. I have been informed, and this may help answer the question of the gentleman from Florida, that there is approximately 70 percent of the gold reserve of the United States now committed to foreign deposits, foreign countries, foreign governments for industry, leaving 30 percent of our total gold reserve committed to our own use. If I am accurate, that will give you a basis on which to predicate an answer to the question of the gentleman from Florida. His question is this: The additional $344 million in gold to be paid into this fund—that is the question—depletes that 30 percent of reserves retained for our own purposes.

Mr. WIDNALL. I do not have the complete figures the gentleman has given me. I have not seen those figures before. But these funds of the Internattional Monetary Fund are available to all of the member countries, which includes the United States. We have the right of participation in that fund the same way the other member countries have.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from California.

Mr. HIESTAND. I think I may have the answer to the gentleman's question. None of this money is pledged to any foreign country, none is committed. In my judgment, those are not quite the right terms to use. It is true other countries have a claim on our gold due to international relations and trade, but that does not have anything to do with this particular matter. There presently is in the Treasury $20,442 million of gold. If we pay out this $344 million we will still have $20 billion, so percentagewise it will reduce it not much.

Mr. WIDNALL. When you refer to claims of foreign governments on our gold, may I say that we have the same claim on any gold that they furnish to the fund.

Mr. HALEY. Mr. Chairman, will the gentleman yield further?

Mr. WIDNALL. I yield.

Mr. HALEY. That may be true, but of the reserve funds or the reserve gold that we have now in this country, what I am trying to determine is how much is pledged. Now, remember that a government acquiring dollars can demand payment in gold and I, as an individual, cannot. What I am trying to determine is how much of the gold reserve that we have now is pledged or could be called on by other governments and make the United States pay in gold. Does the gentleman have that figure?

Mr. WIDNALL. I do not have that figure, although someone on the committee may have the information.

Mr. HALEY. It is my understanding that we have now in Fort Knox $22 billion in gold, and that foreign governments, by reason of building up dollar reserves, now could call on the Federal Government for approximately $11 billion of that gold reserve; is that correct?

Mr. WIDNALL. I do not know, and I have not seen that figure stated.

Mr. HALEY. The great Committee on Banking and Currency of this House ought to be able to furnish the House with that information, because I think it is important.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from California.

Mr. HIESTAND. Percentagewise, $344 million is relatively small as compared to the many, many billons of reserve; that is, percentagewise, and that is what you were asking particularly about. It will not affect the percentage much. True, we would rather not have anything paid out. This money is invested in the International Fund, and the Bank has always paid its bills and all of its interest. Our contingent liability is "just in case."

Mr. WIDNALL. The operation of the Fund has had a great stabilizing influence on the economies of the free world, throughout all the member nations.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. I would like to ask the gentleman this question. Now, this is with respect to the International Bank. As I understand, we have subscribed and are obligated to pay in some $3,125 million. We have subscribed to the capital stock in the amount of $3,125 million. Now, the effect of this bill is to double the amount of capital stock which we shall subscribe for and which we would likely be obligated to pay in the event that it was necessary because of default of the Bank's obligations, is that not true?

Mr. WIDNALL. That is right.

Mr. BENNETT of Michigan. Now, the total capital of the Bank is $10 billion, as I understand it. The total loans that the Bank has made up to now amount to about three billion something. Now, my question is this: Why is it necessary to subscribe and obligate this country to double up its capital stock subscription at a time when the capital stock of the Bank is at least three times over and above what its present loan obligations are?

Mr. WIDNALL. Because the projects in connection with the operation of the Bank are such that it is felt that it is needed, by way of additional guarantees, in order to provide full confidence, full faith and credit for the sale of the bonds in the future by the International Bank.

Mr. BENNETT of Michigan. Is it true that in actual practice the only capital that means anything, the only capital subscription that means anything, is the capital that we ourselves have subscribed to, and the loans are about equal to the capital we have obligated ourselves to subscribe to at the present time?

Mr. WIDNALL. No; I do not believe that is true. I believe there are very responsible governments that have met their quotas and have met their obligations in connection with the operation of the Bank and they are working together in a very fine manner.

Mr. BENNETT of Michigan. I just want to get this clear. It is the amount of capital we have subscribed to that this country would be liable for in the event of default on these obligations by other countries?

Mr. WIDNALL. That is right.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I rise in support of H.R. 4452. This bill is needed to maintain effective operation of two institutions which have a 13-year record of solid accomplishment in promoting world monetary stability and assisting world economic development. Both of these objectives are important elements in building strong and prosperous economies in the nations of the free world.

These objectives are important, too, to our own economy, and particularly to our farmers and laborers who produce for export. The International Monetary Fund and the International Bank for Reconstruction and Development help substantially in building world markets for American exports.

If it were not for the International Monetary Fund, trade among nations would be very much more difficult than it is today. For many years, most of the countries of the world have faced repeated dollar shortages, and have had to ration their dollars through various restrictions on trade and payments. One of the principal goals of the Fund is to do away with these rationing systems, so that all of the currencies of the member countries may be converted freely. While we still have a long way to go in reaching that goal, the member countries have been able to relax their restrictions considerably, knowing that the Fund stands ready to help them in time of trouble, as it helped Britain during the Suez crisis. If the Fund had not been available, these countries would have been forced to impose further restrictions that would have interfered seriously with world trade and would have sharply cut down the market for American exports.

The Bank, too, builds markets for our products. One example of the immediate effect in stimulating exports from this country was given by the Secretary of the Treasury in answer to questioning during our hearings. He informed us that through June 30, 1958, $1,342,700,000 of the loan funds disbursed by the Bank had been used by the borrowers for imports from the United States.

Both the Fund and the Bank are operated on a sound, businesslike basis. They pay their expenses out of the income received in their operations. No loan from the Bank is in default, and no member country is in arrears on repayments of its drawings from the Fund. Income for each institution has been sufficient to permit the Bank and the Fund to build up sizable reserves against losses.

Our committee heard witnesses representing the administration, business groups, farming, labor, and banking. These witnesses were unanimous in supporting this legislation, and I urge the House to act favorably on it.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BARR].

Mr. BARR. Mr. Chairman, it can often be a very confusing thing for a freshman Member of this Congress to determine the financial responsibility of this Nation to the rest of the world. Frankly, I have been very confused in the last few days as to what our responsibility is. I often get the uneasy feeling that maybe we are kidding ourselves that this Nation by itself can defend the whole free world or can rebuild the whole free world. I do know, however, that with the cooperation of 68 nations all over the world we can get this job done.

To me the concept of working alone in this field of financial responsibility to the world today is out of date, it is outmoded. We have a clear responsibility to the world. We do not intend to back off from it. But in this instance, Mr. Chairman, we are picking up our share, and every little country in this Fund is throwing in their money and, incidentally, their gold. Take a little country like Afghanistan. Their contribution is $10 million to this Fund, and they are going to increase it. And they are paying $2½ million in their own gold.

This is the kind of cooperation, this is the sort of movement in world responsibility that I can understand. It is the sort of thing I can tell the people in my district and which I think they will understand. So it is a real thrill and a real privilege for me to be able to support this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield to the gentleman.

Mr. GROSS. The gentleman hopes that they will take care of their increased quotas, does he not?

Mr. BARR. Yes, sir.

Mr. GROSS. The gentleman hopes they will.

Mr. BARR. May I say this, that this agreement goes in effect when 75 percent of the nations have agreed to the increase, when they have paid in their funds and the Fund is ready to go.

Mr. GROSS. If the gentleman will yield further, why not 100 percent of the nations, the 68 member nations?

Mr. BARR. May I suggest this to the gentleman? I certainly do not have his experience, I know that, but I suggest there is a historical precedent. The United States came into being when 9 States out of the 13 ratified the Constitution. When we have an amendment to the Constitution it goes into effect when three-fourths of our States ratify that amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. BARR. I yield.

Mr. GROSS. And I doubt that that involved the $1,375 million as contained in this bill.

Mr. BARR. That is very possible, sir.

Mr. KILBURN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, it is a wonderfully fine experience to be here, hear and learn so much about the people of the free world. Sometimes it causes a fellow to wonder why we do not have more freedom here at home.

By special messenger, I received a notice on Friday, March 20, at 4:10 p.m., that there would be a hearing this morning to consider the bills to amend the Unemployment Act of 1946, but no list of witnesses accompanied the notice, and, subsequently, I had been given to understand that only Mr. Galbraith would be called as a witness today.

The incident that causes this outburst, or whatever you want to call it, is the fact that, after we had been given to understand there would not be any more subcommittee hearings before we started the Easter vacation, except to hear one witness this morning, I yesterday afternoon received the following notice:

EXECUTIVE AND LEGISLATIVE REORGANIZATION SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS, HOUSE OF REPRESENTATIVES—HEARINGS ON BILLS TO AMEND THE EMPLOYMENT ACT OF 1946; HEARING ROOM 1501–B, NEW HOUSE OFFICE BUILDING, 10 A.M.

WEDNESDAY, MARCH 25, 1959

Congressman HENRY S. REUSS, of Wisconsin.

Senator JOSEPH S. CLARK, JR., of Pennsylvania.

Congressman BYRON L. JOHNSON, of Colorado.

Prof. John Kenneth Galbraith, Harvard University.

Dr. Gardiner C. Means, consulting economist.

THURSDAY, MARCH 26, 1959

Congressman CHARLES E. BENNETT, of Florida.

Congressman WALTER H. JUDD, of Minnesota.

Mr. Leon Keyserling, former Chairman, Council of Economic Advisers.

Mr. Stanley Ruttenberg, director, Department of Research, AFL–CIO.

This notice caught the minority members by surprise, for Mr. BARRY, a member of the subcommittee—as the chairman was advised—is in California; Mr. BROWN, the other Republican member, had arranged his schedule to leave Washington with the foregoing information in mind; and I, member ex officio of the subcommittee but interested in the proposed amendments, and as one who was on the committee when the bill was written in 1946, could not, because of previously scheduled hearings, attend.

It happens that the Subcommittee of the Committee on Education and Labor, which is trying to write labor legislation and of which I am a member, had scheduled a hearing for this morning. So, if there are not as many Members here on the floor as there should be, that is one explanation. We are trying to get around, first to one committee hearing and then another, called by our Democratic friends, so some just cannot be here when we should be here.

This morning, when we asked for the names of individuals who might be interested in the proposed legislation and who had been notified, we were not, as I recall, advised that anyone in particular had been notified, but that a general notice had gone out. It is evident that some who are interested in the adoption of this type of legislation were notified but I failed to receive any information that anyone who might logically be opposed to it was given any notice.

I am not asking that we give any money to anybody in the United States or elsewhere. I am just asking the very fine Democratic leadership to have a little consideration for us, give us a chance, give some of the Republicans a chance to sit in on some of these committee hearings.

Why all the rush? Five of the witnesses are Congressmen. Four others are experts, so called, professionals who have appeared more than once in advocacy of spending programs.

Time and again last year, I dropped my own work, hiked upstairs to the committee room, just to create a quorum, but,

unless we can be shown a little consideration, I am all through with running to hearings in which I am not interested just so one can be held.

As a Republican, I have a certain interest in reciprocity which, in my book, does not mean dancing all the time to one tune.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act is amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States under article III, section 2, of the articles of agreement of the Fund, as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959.

"(b) The United States Governor of the Bank is authorized (1) to vote for increases in the capital stock of the Bank under article II, section 2, of the articles of agreement of the Bank, as recommended in the resolution of the Board of Governors of the Bank dated February 2, 1959, and (2) if such increases become effective, to subscribe on behalf of the United States to thirty-one thousand seven hundred and fifty additional shares of stock under article II, section 3, of the articles of agreement of the Bank."

SEC. 2. Section 7(b) of the Bretton Woods Agreements Act is amended by striking out "of $950,000,000", and by striking out "not to exceed $4,125,000,000" and inserting in lieu thereof "such amounts as may be necessary."

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 2, after line 12, insert a new section which shall provide as follows:

"SEC. 3. The amendment made by this Act with respect to section 16(a) shall not become effective until each member of the Fund has notified the Board of Governors of the Fund, in writing, that it consents to and has complied with the increase in its quota, notwithstanding the provisions of paragraph (ii) as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959."

Mr. GROSS. Mr. Chairman, the distinguished gentleman from Kentucky [Mr. SPENCE], in addressing the House a few moments ago, said that this country is the leader of finance throughout the world. Maybe so. We know this country is the leader of the world in total national debt.

The gentleman from Kentucky also implied that unless this bill was passed, and in the sacred form in which the committee brought it to the House, we might hurt the sensitivities of some of our so-called foreign friends. It is about time we gave some consideration to the sensitivities of the taxpayers of the United States and the people who are going to have to pay this Federal debt of ours, if it is ever paid.

Cut it as thin as you want to, this bill provides for an increase of $1,375 million in the Federal debt. I said $1,375 million would be added to the Federal debt of this country.

Yesterday this House passed a bill—I did not vote for it—to provide $100 million for uncollectible loans to foreign countries, so that in two consecutive days you have loaded onto the debt of this country approximately a billion and a half dollars.

What does my amendment do? It simply provides that the increased quotas to this International Fund shall be subscribed by all of the other 67 countries before this country puts up any money. That is all that it does. Is there anything unfair about that? Who benefits from this Fund? We do not borrow from it although we are borrowing all kinds of money these days and paying increasingly high rates of interest. This Fund, I am told today, is for the benefit of the 67 other countries. Oh, sure, we can borrow from it. I do not know why we do not do so if we can get the money cheaper. Let me repeat that my amendment simply says to these other countries, "You come in when you increase your quotas, and if, and when, you do so, we go on from there." Is there anything wrong with that? The contention has been made that this $1,375 million ought to be rammed through the House and through the Congress before the end of this fiscal year so that it will not appear in the budget next year—the same subterfuge that was used yesterday to increase the foreign giveaway program—"Get it in this year's spending so it will not rupture next year's budget." I am not interested in that. If these countries come in before July 1 with their increased quotas that will be fine and the United States contribution will be in this year's budget. If they decline to come in before July 1, then it goes into next year's budget—and that is exactly where it ought to go under the circumstances.

Mr. Chairman, I urge the adoption of the amendment. It is fair. It is time that all these foreign countries took the lead in demonstrating their good faith and willingness to do something for themselves. Let them just once take the initiative in this business of putting up the money.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment would make it possible for any member of the Bank and the Fund to sabotage the whole program. Under this amendment we could not agree to put our quota into the Fund unless and until all of the rest of the members of the Fund and the Bank have agreed to put in their quota. We have assumed the leadership in the Fund and in the world, and it is our proud position. This could be a very abrupt way of striking down American leadership and sabotaging both of these most useful institutions that have rendered such wonderful service to their countries and to our country as well.

Mr. Chairman, I hope the amendment will be voted down.

Mr. KILBURN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree with our chairman. This is a very bad amendment, for the reason that one little country, perhaps, if it does not come in, could ruin the whole deal. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS), there were—ayes 22, noes 72.

So the amendment was rejected.

Mr. HAYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS: On page 2, after line 12, insert the following new section:

"SEC. 3. The amendments made by this act shall become effective on July 1, 1959."

Mr. HAYS. Mr. Chairman, this amendment is the same amendment which was adopted in the other body and is part of the bill as passed by the other body. What it does, very simply, is to make this money come out of the budget for fiscal 1960.

If the bill is passed in its present form and the conferees can get the other body to agree to the language as it now stands, then the money would come out of this year's budget and would further unbalance that budget which is already unbalanced, as near as we can find out, by some $12 or $13 billion.

In other words, this would be part of the conglomeration that is being put in on the theory that by the time of the election in 1960 nobody will remember how badly this budget was unbalanced, or who unbalanced it. The committee is going to argue that this would be a 3-month delay and the Fund cannot wait. I will anticipate that and tell you that the Fund can wait because it is only a 3-month wait. If we go ahead and pass the bill with this amendment, then the other countries will understand that we are going to be participating and they can go ahead and be getting their share up, so it will not delay them on the ground that they do not know what the United States is going to do.

This will be an act of fiscal responsibility. This will be an act which will prevent someone from pointing the finger at you new Members especially and saying you are budget busters, because this puts the money in the 1959 budget when everybody knows it should be in the 1960 budget, so it can be found out whose request it was that unbalanced the budget.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. VANIK. Mr. Chairman, although I am in support of this legislation, I want to take this opportunity to associate myself with the remarks of my distinguished colleague from Ohio [Mr. HAYS]. I am also in support of his amendment to delay the spending authority until after July 1. He is 100 percent right.

There is no apparent urgency which requires the spending authority before July 1. Congress will be in session and can provide funds at any time if any emergency need should arise in the intervening time. As a matter of fact there is practically no possibility that the concurring authority of other na-

tions will be available by July 1, 1959, or even January 1, 1960. Three quarters of the 68 participating member countries must provide their approval. Up to the present time only 2 or 3 of the necessary 51 member nations have made any progress with necessary approval.

The proposed amendment indicates full support of the Bretton Woods agreement and merely assesses the expenditure to the appropriate fiscal year. Although the administration is seeking approval of the authorization to spend in the 1959 fiscal year, it does not contemplate or expect to spend a single penny of these funds until the 1960 fiscal year—and this expenditure belongs properly in the 1960 budget.

In 1960 politics are more likely to be balanced than the budget. The President is seeking a political balance of the 1960 campaign year budget by overspending in the hopelessly overspent 1959 budget. On Tuesday, Congress cut out over a quarter billion dollars from his deficiency appropriation bill. The President now seeks to shift $1,375 million from proposed 1960 spending to the 1959 budget plus an additional contingent liability for $2.6 billion or a total of $4 billion.

Shifting these 1960 expenditures to the wrecked 1959 budget is another example of Eisenhower phony thrift and budget-juggling.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment, not because the majority on the subcommittee or the full committee believes this to be an issue above politics, but because it is not the kind of political issue that makes much sense.

As my colleague has pointed out, there can be no doubt that this is a political issue. The important thing to remember, Mr. Chairman, is that this additional quota in the Monetary Fund is political for two reasons, not just one: First, it is political because the item was contained in the President's budget message, and anything in the President's budget message is bound to be political.

I say this is particularly true when an item calling for an appropriation of $1,375 million is tucked into an already unbalanced 1959 budget in order to preserve a tenuous balance for fiscal 1960.

But the issue also has political implications, it seems to me, that are deeper. The continued strength and preservation of the United States is a common, nonpolitical goal to which all of us on both sides of the aisle are dedicated. It is the method by which we pursue this goal, this purpose, that is bound to differ, and hence bound to assume a political connotation.

Every member of the Committee on Banking and Currency has been, from the start, of one mind that the Monetary Fund has performed an essential economic function with truly remarkable success over a period of 12 years. Every member of the committee is likewise of one mind that continued operation of the Fund is essential and that the quota increase called for in the bill before us is needed to continue to strengthen the currencies and economies of the various countries participating in the Bretton Woods Agreements Act.

Now, Mr. Chairman, agreement on the substance of the measure before us and on its essential character as a weapon in the cold war in which we are engaged must surely outweigh the politics which concerns itself with trying to hide an expenditure in an already unbalanced budget or which tries to embarrass the President by making him put it in a later budget which—also for political purposes—he has claimed would be balanced.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Not at this point.

Mr. HAYS. At any point?

Mr. ASHLEY. Yes.

Mr. HAYS. Let me know when you come to that point.

Mr. ASHLEY. I say, Mr. Chairman, to downgrade the essential substance of the measure before us to the level of purely partisan politics that has been introduced would be a great mistake.

My colleague from Ohio has said that we can wait for this money to be made ready; that is, it can be made ready after the beginning of the next fiscal year. That may be true, but I think the much more important point is that the United States is trying to set an example for the rest of the world and to demonstrate its willingness to take leadership without becoming mired in partisan politics a year and a half before an election.

Now I yield to the gentleman from Ohio.

Mr. HAYS. Right there, the fact that we pass a bill demonstrates our willingness, does it not?

Mr. ASHLEY. It depends on what the bill contains.

Mr. HAYS. If we pass a bill saying we are going to do it on July 1, that demonstrates our willingness, does it not?

Mr. ASHLEY. It seems to me we are derogating from our purpose.

Mr. HAYS. The gentleman says this is an attempt to embarrass the President. Hiding this in the present year's budget is an attempt of who to embarrass whom?

Mr. ASHLEY. I may say to the Committee, in reply to the gentleman from Ohio, that any time we have an unbalanced budget to the tune of some $13 billion, it is the taxpayers of America who are embarrassed and the future generations who will have to pay the bill. That is the answer to the question. I do not think it makes any difference whether this expenditure goes into the fiscal 1959 or fiscal 1960 budget. What I think is more important is that we show the free countries of the world, with whom we are allied in purpose to counter Soviet communism, that we are ready to assume leadership on an unselfish basis.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent (at the request of Mr. HAYS) Mr. ASHLEY was allowed to proceed for 2 additional minutes.)

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio.

Mr. HAYS. What the gentleman is saying, in effect, is that the budget is already out of balance $13 billion this year, so another $1,375 million does not really mean much, because it is going to be about $15 billion anyway.

Mr. ASHLEY. On the contrary, I will have to correct the gentleman.

Mr. HAYS. You correct me if I am wrong. That is the way I read it.

Mr. ASHLEY. No. We questioned the Secretary of the Treasury on that point. With the inclusion of this $1,375 million the anticipated deficit is $13.1 billion or $13,100,000,000.

Mr. HAYS. That is the anticipated deficit, but I will lay the gentleman a little wager it will be bigger than that.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Iowa.

Mr. GROSS. I was delighted to hear the gentleman say that it is going to be the taxpayers of today and tomorrow who are going to be embarrassed with this kind of legislation.

Mr. ASHLEY. Yes.

Mr. GROSS. I am delighted to have the gentleman emphasize that.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I am pleased that the gentleman made the statement he did about partisan politics in this matter. The gentleman will agree with me, I am sure, that if there is any embarrassment on account of an unbalanced budget, if there is any political embarrassment, it applies not only to the party in control of the administration but to the party in control of the Congress.

Mr. ASHLEY. I agree with the gentleman, and I point out to the people on my side of the aisle it is we who may be especially embarrassed, because we would have to answer the charge that it was the Democrats who threw the 1960 budget out of kilter. I do not think we should be put in that kind of a position.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. While I am supporting the bill reported out of the committee, purely to go to conference in connection with the differences between the House and the Senate, I think the record should clearly show that there is no real necessity for this so far as this fiscal year is concerned, because Mr. McCloy, in appearing before the Senate committee, in response to questions on this subject, said: "I do not anticipate any emergency within the next 3 months that I can say makes it impelling that you do so." Now, while I think the committee used judgment under the circumstances, I think the record should clearly show that this matter is for the next fiscal year and that the administration is bringing it forward in view of the large deficit, because they figure that it is more convenient this year than next year.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. REUSS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I recognize that the provocation suffered by my friend the gentleman from Ohio [Mr. HAYS] and others, has been great, and that he very understandably does not relish the barrage of charges made recently about the people on this side being spenders, budget busters, and so on. I, however, oppose his amendment, however well intentioned it may be, because I believe it will unnecessarily hobble the administration in the carrying out of our foreign policy.

I call the attention of the House to the fact that in the committee report on this bill we of the committee made it clear that we did not want the Secretary of the Treasury to pay this money out improvidently. We said on page 5:

> The committee recognizes the desirability of prompt action in this matter, but at the same time the committee notes that the resoluion of the Board of Governors invites the members to comply as soon as possible with the procedure for notice and payment of these increases in the Fund, but no country is bound to make this payment until 30 days after the Board's resolution takes effect, which may not occur until after June 30.

Then we went on to say that the Secretary of the Treasury, in making his timing, should take into account such factors as the current debt management difficulties and other issues raised by adding to the national debt; and should, in effect, not govern himself by any supposed necessity to get the amount into this year's budget.

Personally, I do not think that the 1960 budget is a serious exercise by the administration in responsible budgeting. If the sun shines and we have agricultural abundance, the budget is going to be out of balance. If the Congress does not vote an additional gas tax bill for the fellow who wants to take his family out for a Sunday drive, the budget is going to be out of balance. If the Congress decides to provide adequate funds for health and homes and education, the budget is going to be out of balance.

But, be that as it may, I hope that the people on this side of the aisle, on the Democratic side of the aisle, will follow what has always been the policy of the Democratic Party—to do nothing ever which might in any way make difficult the administration of our country's foreign policy. And, if in the face of the aggravation and provocation that we receive from the other side, it makes us have to behave like Mordecai at the King's gate, so be it.

Mr. Chairman, I hope the amendment will not pass.

Mr. WIDNALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I fully support the views expressed by my colleague, the gentleman from Ohio [Mr. ASHLEY], and my colleague from Wisconsin [Mr. REUSS]. In case anyone might think that this might be a Machiavellian approach by the administration to this year's budget, it should be called to the attention of the House that the proposal for the authorization contained in this bill was first made in August of 1958.

Then in the fall of 1958 the member nations met in New Delhi, India, and decided upon the program and the quotas that should be met by the 68 member nations. I feel that we would do our country a great disservice if we did not meet our responsibilities promptly.

The proposed amendment would delay the subscription payments until all member nations have met their quotas on July 1. The purpose of the amendment is to throw the expenditure in fiscal 1960 budget. That is completely irresponsible action. This comes at a time when the Western World is facing a potential Berlin crisis within the next 60 days. I think it would be most unfortunate if the House would throw this roadblock by changing the effective date of the legislation. This bill would be one of the most effective tools of the Western World assuring against international financial repercussions that might develop out of the Berlin situation. One of the greatest benefits which flows from the International Monetary Fund is the intangible factor of confidence which the institution has instilled in international finance. It is beyond me to understand how a responsible Congress could shortsightedly and deliberately cripple this intangible factor of confidence which is so important in operations of the International Monetary Fund.

The responsibility for not having the full resources of the Fund available in a time of need and crisis will rest squarely on the shoulders of any who would support such potentially dangerous restrictive action.

Mr. Chairman, I urge the House to vote down this amendment.

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am opposed to this amendment. To withhold payments authorized by the bill to a later date will detract from our standing as the financial leader of the free nations of the world. Such action could not help but confuse our friends of the free nations who are members of these two great international financial institutions for most of them do not understand our legislative procedures.

What useful purpose would be served to defer these payments—I know of none. Are we justified in taking this action in light of world conditions? Take the Berlin crisis, we all hope that it may be resolved without serious complications but we cannot say at this time that this situation will not produce serious financial strains throughout the world. One thing we do know—the Communist leaders are mighty good at stirring up trouble, and they would be happy to have something like this for propaganda purposes.

I believe that the increased U.S. subscription to the Fund and Bank must be made available at once. We are not in this alone for 68 nations of the free world are members of these 2 institutions. Our actions will greatly affect the speed of the other nations to approve these increases.

Every witness appearing before the Banking and Currency Committee agreed with the provisions as written in the bill and as reported by the committee. The names of these expert witnesses are Hon. Robert B. Anderson, Secretary of the Treasury; Hon. T. Graydon Upton, Assistant Secretary of the Treasury; Mr. Frank Southard, Jr., U.S. Executive Director of the International Monetary Fund; Hon. C. Douglas Dillon, Under Secretary of State; Mr. Eugene S. Gregg, Vice Chairman, U.S. Council, International Chamber of Commerce; Mr. Herbert H. Harris II, Assistant Legislative Director, American Farm Bureau Federation; Hon. John J. McCloy, chairman of the board, the Chase Manhattan Bank, representing the American Bankers Association; Mr. Stanley H. Ruttenberg, representing AFL–CIO; Mr. W. D. Kerr, president, Investment Bankers Association of America; Mr. William S. Swingle, president, National Foreign Trade Council; Mr. Charles P. Taft, general council, Committee for a National Trade Policy; and the U.S. Chamber of Commerce.

I again say I am opposed to this amendment and urge you to vote it down.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, earlier this afternoon I asked a question as to the salaries paid the top officials of this Bank and Fund. No one seemed to know the answer. In the intervening time I have been reliably informed that the two top officials receive, one, $30,000 a year, and the other $20,000 a year, and that both salaries are tax-exempt, in that both pay Federal taxes, but they are reimbursed from funds of the bank and international funds. That is in keeping, apparently, with the way the United Nations is operated—tax-free salaries.

Now with respect to the pending amendment, I have read the report of this committee backward and forward, and I find nothing to indicate that there is anything urgent about the effective date of this bill. If someone can cite me the language in the report which shows any real degree of urgency, I should be glad to hear it.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if there is some feeling among the members of the Democratic Party that they will make any capital by the adoption of this amendment, I think they are very wrong. I have a deep interest in the Democratic Party. I have been a member of it probably as long as anybody in the House, and I would like to see it succeed always. But I hope we will not resort to methods such as this to succeed.

It is a very different matter for the Secretary of the Treasury to delay the payment of this money than for the Congress of the United States to direct him not to pay it for 3 months. Those 3 months may be a critical period in the world's history. During those 3 months we may want all the friends we have everywhere in the world. We do not know what the effect of the adoption of this amendment will be, but I am confident it will not be good. It is an interference in our international relations; it is merely an attempt to make some political capital.

The amendment is not justified under the circumstances. The budget is the President's budget. What he puts into it is his responsibility and not that of the Congress. I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 36, noes 86.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MACHROWICZ, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4452) to amend the Bretton Woods Agreements Act, pursuant to House Resolution 217, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. HAYS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety-nine Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 315, nays 57, not voting 62, as follows:

[Roll No. 24]

YEAS—315

Adair	Broomfield	Daddario
Addonizio	Brown, Ga.	Dague
Albert	Brown, Mo.	Daniels
Anderson, Mont.	Brown, Ohio	Dawson
Arends	Budge	Delaney
Ashley	Burdick	Dent
Auchincloss	Burke, Ky.	Denton
Avery	Burke, Mass.	Derounian
Ayres	Burleson	Derwinski
Baker	Bush	Diggs
Baldwin	Byrne, Pa.	Dixon
Barr	Byrnes, Wis.	Dollinger
Barrett	Cahill	Donohue
Bass, N.H.	Canfield	Dorn, N.Y.
Bates	Cannon	Downing
Baumhart	Carter	Doyle
Becker	Casey	Dulski
Beckworth	Chamberlain	Durham
Belcher	Chenoweth	Dwyer
Bentley	Chiperfield	Edmondson
Betts	Church	Elliott
Blatnik	Clark	Everett
Boggs	Coad	Fallon
Boland	Coffin	Farbstein
Bolling	Cohelan	Fascell
Bolton	Conte	Feighan
Bowles	Cook	Fenton
Boyle	Cooley	Fisher
Brademas	Corbett	Flynn
Breeding	Cramer	Fogarty
Brock	Cunningham	Foley
Brooks, La.	Curtin	Forand
Brooks, Tex.	Curtis, Mass.	Ford
	Curtis, Mo.	Fountain
Frazier	Libonati	Randall
Friedel	Lindsay	Ray
Fulton	Lipscomb	Reece, Tenn.
Gallagher	McCormack	Rees, Kans.
Garmatz	McCulloch	Reuss
Gary	McDowell	Rhodes, Ariz.
Gathings	McFall	Rhodes, Pa.
Gavin	McGinley	Riehlman
George	McGovern	Riley
Giaimo	McIntire	Rivers, Alaska
Glenn	McSween	Roberts
Granahan	Macdonald	Robison
Gray	Machrowicz	Rodino
Green, Oreg.	Mack, Ill.	Rogers, Colo.
Green, Pa.	Madden	Rogers, Fla.
Griffin	Magnuson	Rogers, Mass.
Griffiths	Mahon	Rooney
Gubser	Mailliard	Roosevelt
Hagen	Marshall	Roush
Halleck	May	Rutherford
Halpern	Meader	Santangelo
Hardy	Merrow	Saund
Hargis	Metcalf	Saylor
Harris	Meyer	Schenck
Harrison	Miller, Clement W.	Schwengel
Healey	Miller, George P.	Selden
Hechler	Miller, N.Y.	Sheppard
Hiestand	Milliken	Shipley
Hoeven	Mills	Sisk
Hogan	Minshall	Slack
Holifield	Moeller	Smith, Iowa
Holtzman	Monagan	Smith, Miss.
Horan	Montoya	Spence
Huddleston	Moore	Springer
Hull	Moorhead	Staggers
Ikard	Morgan	Stratton
Irwin	Morris, N. Mex.	Stubblefield
Jackson	Morris, Okla.	Sullivan
Jarman	Moss	Taber
Jennings	Moulder	Teague, Calif.
Jensen	Murphy	Teague, Tex.
Johnson, Calif.	Natcher	Teller
Johnson, Colo.	Nelsen	Thomas
Johnson, Md.	Nix	Thompson, La.
Johnson, Wis.	Norblad	Thompson, N.J.
Jonas	Norrell	Thompson, Tex.
Jones, Mo.	O'Brien, Ill.	Thomson, Wyo.
Judd	O'Brien, N.Y.	Thornberry
Karsten	O'Hara, Ill.	Toll
Karth	O'Hara, Mich.	Tollefson
Kasem	O'Neill	Trimble
Kastenmeier	Oliver	Udall
Kearns	Ostertag	Ullman
Kee	Passman	Vanik
Keith	Patman	Van Zandt
Kelly	Pelly	Wainwright
Keogh	Perkins	Wallhauser
Kilburn	Pfost	Walter
Kilday	Pirnie	Wampler
Kilgore	Poage	Watts
King, Calif.	Poff	Weaver
King, Utah	Powell	Westland
Kirwan	Preston	Wharton
Kluczynski	Price	Widnall
Kowalski	Prokop	Wier
Laird	Pucinski	Wilson
Lane	Quie	Wolf
Langen	Quigley	Wright
Lankford	Rabaut	Yates
Latta	Rains	Young
Lesinski		Younger
Levering		Zablocki

NAYS—57

Abbitt	Dorn, S.C.	Murray
Abernethy	Dowdy	O'Konski
Alexander	Forrester	Rogers, Tex.
Alford	Grant	Scherer
Alger	Gross	Scott
Andersen, Minn.	Haley	Sikes
Andrews	Hall	Siler
Ashmore	Harmon	Simpson, Ill.
Bennett, Fla.	Hays	Smith, Calif.
Bennett, Mich.	Hemphill	Smith, Kans.
Berry	Henderson	Smith, Va.
Blitch	Hoffman, Ill.	Tuck
Bosch	Hoffman, Mich.	Utt
Bray	Johansen	Van Pelt
Cederberg	Kitchin	Whitener
Collier	Knox	Whitten
Colmer	Lennon	Williams
Davis, Ga.	Mason	Winstead
Devine	Matthews	
	Michel	

NOT VOTING—62

Allen	Bow	Dingell
Anfuso	Boykin	Dooley
Aspinall	Brewster	Evins
Bailey	Broyhill	Fino
Barden	Buckley	Flood
Baring	Carnahan	Flynt
Barry	Celler	Frelinghuysen
Bass, Tenn.	Chelf	Hébert
Bonner	Davis, Tenn.	Herlong
Hess	Mitchell	St. George
Holland	Morrison	Shelley
Holt	Multer	Short
Hosmer	Mumma	Simpson, Pa.
Jones, Ala.	Osmers	Steed
Lafore	Philbin	Taylor
Landrum	Pilcher	Vinson
Loser	Pillion	Weis
McDonough	Polk	Willis
McMillan	Porter	Withrow
Mack, Wash.	Rivers, S.C.	Zelenko
Martin	Rostenkowski	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Martin.
Mr. Brewster with Mrs. Weis.
Mr. Anfuso with Mr. Broyhill.
Mr. Multer with Mr. Barry.
Mr. Buckley with Mr. Allen.
Mr. Bonner with Mr. Osmers.
Mr. Davis of Tennessee with Mr. Hess.
Mr. Bailey with Mr. Taylor.
Mr. Dingell with Mr. Simpson of Pennsylvania.
Mr. Baring with Mr. Lafore.
Mr. Loser with Mr. Hosmer.
Mr. Carnahan with Mr. Fino.
Mr. Zelenko with Mr. Frelinghuysen.
Mr. Jones of Alabama with Mr. Mack of Washington.
Mr. Celler with Mrs. St. George.
Mr. Boykin with Mr. Bow.
Mr. Aspinall with Mr. Pillion.
Mr. Herlong with Mr. Mumma.
Mr. Holland with Mr. Dooley.
Mr. Landrum with Mr. Short.
Mr. Porter with Mr. Withrow.
Mr. Morrison with Mr. McDonough.

Mr. MOULDER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speakers' table the bill (S. 1094) to amend the Bretton Woods Agreements Act, strike out all after the enacting clause, and substitute the provisions of the bill just passed.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause of the bill S. 1094 and insert the provisions of H.R. 4452 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time.

The bill was passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 4452) was laid on the table.

CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES

Mr. GARY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 301) providing for printing copies of "Cannon's Procedure in the House of Representatives."

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be printed and bound for the use of the House one thousand five hundred copies of "Cannon's Procedure in the House of Representatives", by Clarence Cannon, to be printed under the supervision of the author and to be distributed to the Members by the Speaker.

SEC. 2. That, notwithstanding any provision of the copyright laws and regulations with respect to publications in the public domain, "Cannon's Procedure in the House of Representatives" shall be subject to copyright by the author thereof.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

ADJOURNMENT RESOLUTION

Mr. McCORMACK. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 110) and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Thursday, March 26, 1959, they stand adjourned until 12 o'clock meridian, Tuesday, April 7, 1959.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

SIGNING OF ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until April 7, 1959, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MOTIONS TO SUSPEND THE RULES, AND CALLING OF THE CONSENT AND PRIVATE CALENDARS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Wednesday, April 8, 1959, it shall be in order for the Speaker to entertain motions to suspend the rules notwithstanding the provisions of clause 1, rule XXVII, that it shall be in order to consider business under clause 4, rule XIII, the Consent Calendar rule, and that on the same date the Private Calendar may be called.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Reserving the right to object, Mr. Speaker, can the gentleman give us some indication of the legislation that is to be called up under suspension?

Mr. McCORMACK. There is no legislation in mind now, except that if during the recess something should arise where early action is necessary right after the recess is over, it can be brought up under suspension of the rules. Whatever it is, of course, it will be cleared by and through the minority leader.

Mr. GROSS. It would be of an emergency nature?

Mr. McCORMACK. It would have to be of an emergency nature; yes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, April 8, 1959, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DOCUMENTARY EVIDENCE IN POSSESSION OF THE HOUSE OF REPRESENTATIVES

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 224) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Whereas by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession except by its permission: Therefore be it

Resolved, That when it appears by the order of any court of the United States or judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That during any recess or adjournment of the 86th Congress, when a subpena or other order for the production or disclosure of information is by the due process of any court of the United States served upon the Clerk of the House of Representatives, or any officer or employee of the House, directing appearance as a witness before the said court at any time and the production of certain and sundry papers in the possession and under the control of the House of Representatives, that the Clerk of the House, or any such officer or employee of the House, be authorized to appear before said court at the place and time named in any such subpena or order, but no papers or documents in the possession or under the control of the House of Representatives shall be produced in response thereto; and be it further

Resolved, That when any said court determines upon the materiality and the relevancy of the papers or documents called for in the subpena or other order, then said court, through any of its officers or agents shall have full permission to attend with all proper parties to the proceedings before said court and at a place under the orders and control of the House of Representatives and take copies of the said documents or papers and the Clerk of the House is authorized to supply certified copies of such documents that the court has found to be material and relevant, except that under no circumstances shall any minutes or transcripts of executive sessions, or any evidence of witnesses in respect thereto be disclosed or copied, nor shall the possession of said documents and papers by the said Clerk of the House be disturbed or removed from their place of file or custody under said Clerk; and be it further

Resolved, That a copy of these resolutions be transmitted by the Clerk of the House to any of said courts whenever such writs of subpena or other orders are issued and served as aforesaid.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to the program, particularly as to whether we might expect some action today on the extension of the Temporary Unemployment Compensation Act; and then also what might be scheduled for tomorrow and after the recess.

Mr. McCORMACK. If the other body passes the extension of the Temporary Unemployment Compensation Act, it will have to be brought up either today or tomorrow. We hope to bring it up this afternoon, if it is acted upon in the other body. On the basis of information that I have, and of course I am not predicting the action of the other body, but on the basis of information I have, in all probability it will be a technical amendment over which there will not be much difficulty. Is that not the gentleman's recollection on that?

Mr. HALLECK. So I understand so far as the amendment is concerned, and it would seem to me in the interest of time which, of course, is important in the present situation, we probably could agree to the amendment of the other body and send the bill to the White House.

Mr. McCORMACK. There is a reasonable expectation that it may be acted upon today, and if it is messaged over in time, we will be able to dispose of it. If not, it would have to be acted upon tomorrow because this law will expire while we are in recess. I believe the law expires on April 1; is that not correct.

Mr. HALLECK. That is correct.

Mr. McCORMACK. So far as further legislative business is concerned, the next order of business is House Joint

Resolution 257 which relates to the meeting of the International Radio Consultative Committee.

So far as the week after next is concerned, there will be nothing on April 7. So far as I can see now, there will be no legislation on April 7 and the whole week after that. Without definitely committing myself, I cannot see any major legislation beyond April 7.

On Wednesday, of course, under the unanimous-consent request previously made, the Consent Calendar will be called and the Private Calendar will be called, and also any suspensions in line with the colloquy that the gentleman from Iowa [Mr. GROSS] and I had a few moments ago. I am not definitely saying there will be any suspensions and I do not want any Member to be under a misapprehension, I am simply saying that the leadership as of this moment does not see any, but it is a precautionary measure that the leadership thinks it is wise to invoke in the event that anything should develop. Of course, if anything should develop, I will do everything that I can to alert the membership and, of course, my friend, the gentleman from Indiana will do likewise to alert the membership before the recess is over.

Mr. HALLECK. That is what I was going to suggest, if something should arise and come up for consideration on Wednesday under suspension or under any other procedure for that matter, the gentleman would, of course, confer with me so that we could get notice of it out to the offices of the Members and through the press so that everyone would know in advance what the situation is.

Mr. McCORMACK. I think the Members can rely on the fact that if anything is to come up, the leadership will give sufficient notice in advance so that they may be advised before the recess is over.

As to Thursday and the balance of the week, I cannot see anything. But, I would like to make the usual reservation—outside of Tuesday, April 7, when I said there would be no legislation—that any further program would be announced during that week. As usual I will give as much advance notice to the Members as I can. But again I want to say that projecting my mind at this time, I cannot see anything that might come up that week or at least anything of great importance.

I might add that as of now all rules have been considered and when we dispose of this other bill today, the House will have done a remarkable job by the passage of these important bills that we have taken up.

As majority leader I want to congratulate the membership on both sides for the outstanding work the House has done so early in the session. After disposition of the next order of business on the program every rule reported by the Committee on Rules will have been taken care of, and the bills made ir order by them acted upon.

As I said, it cannot be expected that they can act upon recent requests made to them, but I know that immediately after the recess the Rules Committee will give its usual fine cooperation to the leadership.

AUTHORIZING CERTAIN FREE COMMUNICATION SERVICES

Mr. BOLAND. Mr. Speaker, by direction of the Committee on Rules I call up the resolution—House Resolution 212—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 257) providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLAND. Mr. Speaker, I yield 30 minutes to the gentleman from Idaho [Mr. BUDGE] and yield myself such time as I may use.

Mr. Speaker, I know of no opposition to the rule. It provides for the consideration of a noncontroversial resolution which does not require the expenditure of any Federal funds.

Mr. Speaker, I reserve the balance of my time.

Mr. SPRINGER. Mr. Speaker, this resolution was given a very complete airing in the committee, and I believe all of the objections were worked out.

No Federal funds are involved and no security is involved.

Many of my colleagues on the floor have asked why it is necessary to have separate legislation by the Congress on this matter. This is due to the provisions of the Communications Act of 1934. Under that legislation telephone and telegraph companies are precluded from providing free service and the Federal Communications Commission is not authorized to license aliens to operate radio stations under any circumstances. The exemptions provided for in this legislation would be temporary, for the duration of the Assembly. The Ninth Assembly of the International Radio Consultative Committee will be a major international conference. The Committee is a permanent organization of the International Telecommunications Union, which is a special agency of the U.N. This conference will discuss a range of technical problems involving radio and the radio spectrum, including the problem of recommending radio frequency which would be suitable for communication with space vehicles. In addition there will be an attempt to develop standards for color television and to make possible the international exchange of color television programs.

In all such past conferences, the host governments have extended the free services to official participants.

In our case, the U.S. common carriers would not be required to render free services, but they could provide the free services if they chose to do so.

Recently, the Federal Communications Commission issued an authorization for an amateur radio station to be constructed on the site of the conference. The operation of the station would be subject to special rules and regulations as the FCC believes is necessary and required.

This conference has the approval of the State Department and the Federal Communications Commission.

This resolution came unanimously from the committee. I know of no substantial objection that has been made by any Member of the House. I trust the resolution will be approved.

Mr. BUDGE. Mr. Speaker, I know of no opposition on this side to the adoption of the rule.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I call up House Joint Resolution 257, providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law, and ask unanimous consent that the resolution may be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the resolution as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing in the Communications Act of 1934, as amended, or in any other provision of law shall be construed to prohibit (1) common carriers subject to such Act from rendering free communication services to official participants in the IX Plenary Assembly of the International Radio Consultative Committee (CCIR) to be held in the United States in Los Angeles, California, in 1959, or (2) qualified official participants in such assembly from operating any amateur radio station licensed by the Federal Communications Commission to be operated at such assembly, but any such rendition of services or operation of an amateur radio station shall be subject to such rules and regulations as the Federal Communications Commission may deem necessary.

Mr. HARRIS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I ask unanimous consent to insert my own statement in the RECORD at this point as to the purpose of the legislation and to include therein a letter from the Federal Communications Commission regarding the resolution, as to the security limitations and protection we have, together with the petition

that was filed by the organization seeking this authorization.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, the purpose of the legislation is, first, to permit U.S. common carriers subject to such regulations as may be issued by the FCC to render free telephone and telegraph service to official participants at the IX Plenary Assembly of the International Radio Consultative Committee—CCIR—to be held in the United States in Los Angeles, Calif., from April 1 to April 30, 1959; and second, to permit qualified official participants in the Assembly to operate, subject to such regulations as may be issued by the Federal Communications Commission, an amateur radio station which the Commission has licensed to be located at the Assembly site.

Under the provisions of the Communications Act of 1934, as amended, telephone and telegraph companies are precluded from providing free services and the Federal Communications Commission is not authorized to license aliens to operate radio stations.

To exemptions provided for in this legislation would be temporary for the duration of the Assembly.

The Ninth Plenary Assembly of the International Radio Consultative Committee will be a major international conference. The Committee is a permanent organ of the International Telecommunications Union which is a specialized agency of the United Nations.

The conference has been called for the purpose of discussing a wide range of technical problems involving radio and the radio spectrum including the problem of recommending radio frequencies which would be suitable for communications with space vehicles; detailing technical requirements for stereophonic broadcasting; and developing standards for color television to make possible the international exchange of color television programs.

When such a conference is held it is customary for the host government to extend the courtesy of free telephone and telegraph services to official participants. In most of the countries of the world, telecommunications services are government-owned and operated and it is a simple matter for the foreign governments to furnish free telephone and telegraph services for official participants to these conferences.

There is a precedent for this legislation in that the 80th Congress in 1947 by joint resolution authorized the rendering of similar free services by U.S. common carriers for official participants in the Atlantic City Conference.

It should be pointed out that the U.S. common carriers would merely be authorized and would not be required to render free services, and it should further be noted that this legislation would not involve any expense to the Government of the United States.

The purpose of the legislation further would be to permit qualified official participants at the Assembly to operate amateur radio equipment located at the site of the Assembly, and to communicate with their colleagues in their own countries. The Federal Communications Commission recently issued an authorization for such an amateur station, and the operation of this station would be subject to such rules and regulations as the Federal Communications Commission may deem necessary.

The purpose of this amateur station is to demonstrate to the official participants in the conference the latest amateur radio equipment produced by American manufacturers.

The Department of State and the Federal Communications Commission are supporting this legislation which also has the approval of the Bureau of the Budget.

The matter of security, of course came up in connection with the operation of a radio station by aliens. We have a letter which I received from the FCC and I ask authority to put it in the RECORD. It clearly explains how security is provided and we do not have to worry about that phase.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., March 17, 1959.

HON. OREN HARRIS,
Chairman, House Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN HARRIS: We have been informed that certain questions have arisen in connection with your committee's consideration of Senate Joint Resolution 47 and House Joint Resolution 257, identical joint resolutions providing that certain activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934, or any other law.

The resolutions contain two separate aspects, they being amateur and common carrier exemptions. The information concerning the amateur provision will be dealt with first. As stated in the comments forwarded to the House committee an authorization for an amateur station was recently issued to be located at the site of the CCIR conference (K6USA). Mr. Raymond E. Meyers is to be the trustee of station K6USA, and he will have the responsibility of always having present a U.S. licensed amateur operator for the purpose of controlling the transmitter, to supervise the operations of the amateur station and to take control thereof should it become necessary. The primary reason for having a licensed U.S. amateur operator present at all times is so that the foreign delegates will be made familiar with our operating requirements. The delegate users of the station will be licensed amateurs of their own countries. It is presently proposed that the certification of the qualifications of a foreign operator will reside in the discretion and judgment of the supervising U.S. licensed amateur. It will be necessary to waive the following parts of the Communications Act of 1934, as amended: Sections 301, 308(b), 319(a), and 310(a)(1). It will also be necessary to waive the provisions of section 12.28 of part 12 of the Commission's rules and regulations.

Enclosed you will find a copy of a petition for waiver of section 12.28 of part 12 of the Commission's rules. The petition sets forth the procedure that will be followed in the operation of the station (K6USA) should the waiver be granted.

The provision dealing with U.S. common carriers is similar to that enacted in 1947 for the Atlantic City Radio Conference. The resolution will permit all private telecommunications companies to provide free services to officials at the conference. It is our understanding that during the 1947 conference delegates were given one 12-minute call without charge. It cannot be stated at this time whether or not the same practice will be followed for the 1959 conference. It must be emphasized that this is permissive and not mandatory legislation. The carriers may give the free service but they will not be under any compulsion to do so if the proposals become law. The common carrier provision of the resolution will require the waiver of the following parts of the Communications Act of 1934, as amended: Sections 201, 202, 203, 204, 205, and 210. It will also be necessary to waive the provisions of parts 41 and 61 of the Commission's rules and regulations.

Very truly yours,

EDGAR W. HOLTZ,
Associate General Counsel.

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION, WASHINGTON, D.C.—IN THE MATTER OF PROPOSED WAIVER OF SECTION 12.28 OF THE COMMISSION'S RULES, PART 12, TO PERMIT QUALIFIED FOREIGN PARTICIPANTS IN THE IX PLENARY ASSEMBLY OF THE CCIR, TO BE HELD IN LOS ANGELES, CALIF., DURING THE MONTH OF APRIL 1959, TO OPERATE THE SPECIAL EVENTS RADIO STATION K6USA USING TELEGRAPHY, AND TELEPHONY

1. Petitioner, Raymond E. Meyers, trustee for the Los Angeles Area Council of Amateur Radio Clubs, is holder of a special events amateur radio station license with the call letter of K6USA. This license was obtained for the express purpose of participation in the U.S. State Department sponsored IX Plenary Assembly of CCIR and assisting the Government-Industry Committee in the presentation, and operation, of an amateur radio station on a 24-hour basis throughout the month of April 1959. The Government-Industry Committee was of the opinion that such a project would be of extreme interest to our visiting dignitaries and delegates to CCIR.

2. The proposed conditions to the waiver, if granted, would permit our foreign delegates to the Plenary Assembly, guests of our State Department, to participate in the operation of special events amateur radio station K6USA. This would serve as a means to permit our visitors to better understand amateur radio as we in the United States enjoy this hobby, and tend to better world democracy and understanding of the amateur. The proposed conditions of the waiver requested are as follows:

(A) The foreign operator will be required to display his foreign amateur license, or otherwise establish his amateur qualifications to the satisfaction of the trustee, or his agents, before he will be permitted to operate special events amateur radio station K6USA.

(B) All operation of station K6USA by such foreign operators will be under the direct supervision of an amateur operator of the appropriate class, currently licensed by the Commission.

(C) All transmissions of K6USA will be in plain language and, if in a foreign language, those station identifications which are required by the Commission's rules will be made in the English language.

Dated March 9, 1959.

Respectfully submitted.

RAYMOND E. MEYERS,
Petitioner.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Ohio.

Mr. SCHENCK. In discussing this legislation in our committee, my biggest

reservation was whether or not these amateur radio operators operating transmitters, said operators being citizens of other nations, the material that they transmit is subject to proper rules of security. I wonder if the chairman feels now, having received this letter from the Federal Communications Commission and his other communications from the State Department and others, is satisfied himself that these proper security measures will be taken, have been taken, and will apply?

Mr. HARRIS. I am thoroughly satisfied that adequate measures will be taken. I might read just one sentence from the letter which has just been received from the Commission:

> Mr. Raymond E. Meyers is to be the trustee of station K6USA, and he will have the responsibility of always having present a U.S. licensed amateur operator for the purpose of controlling the transmitter.

Mr. SCHENCK. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Iowa.

Mr. GROSS. I want to say to the gentleman that I am more than pleased to hear from him that this is one international meeting that is not going to cost the taxpayers any money. I wish that more resolutions concerning international meetings came from his committee instead of the Committee on Foreign Affairs. I thank the gentleman for yielding.

Mr. SPRINGER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this resolution was given a very complete airing in the committee, and I believe all of the objections were worked out.

No Federal funds were involved and no security is involved.

Many of my colleagues on the floor have asked why it is necessary to have separate legislation by the Congress on this matter. This is due to the provisions of the Communications Act of 1934. Under that legislation telephone and telegraph companies are precluded from providing free service and the Federal Communications Commission is not authorized to license aliens to operate radio stations under any circumstances. The exemptions provided for in this legislation would be temporary, for the duration of the Assembly. The Ninth Assembly of the International Radio Consultative Committee will be a major international conference. The Committee is a permanent organization of the International Telecommunications Union, which is a special agency of the U.N. This conference will discuss a range of technical problems involving radio and the radio spectrum including the problem of recommending radio frequency which would be suitable for communication with space vehicles. In addition there will be an attempt to develop standards for color television and to make possible the international exchange of color television programs.

In all such past conferences, the host governments have extended the free services to official participants.

In our case, the U.S. common carriers would not be required to render free services, but they could provide the free services if they chose to do so.

Recently, the Federal Communications Commission issued an authorization for an amateur radio station to be constructed on the site of the conference. The operation of the station would be subject to special rules and regulations as the FCC believes is necessary and required.

This conference has the approval of the State Department and the Federal Communications Commission.

This resolution came unanimously from the committee. I know of no substantial objection that has been reached by any Member of this House. I trust the resolution will be approved.

Mr. HARRIS. Mr. Speaker, the Senate has passed an identical resolution, Senate Joint Resolution 47, and I ask unanimous consent to substitute the Senate resolution for House Joint Resolution 257.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing in the Communications Act of 1934 as amended, or in any other provision of law shall be construed to prohibit (1) common carriers subject to such Act from rendering free communication services to official participants in the IX Plenary Assembly of the International Radio Consultative Committee (CCIR) to be held in the United States in Los Angeles, California, in 1959, or (2) qualified official participants in such assembly from operating any amateur radio station licensed by the Federal Communications Commission to be operated at such assembly, but any such rendition of services or operation of an amateur radio station shall be subject to such rules and regulations as the Federal Communications Commission may deem necessary.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar resolution (H.J. Res. 257) was laid on the table.

FORTY-FIRST ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF BYELORUSSIA

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, today is the 41st anniversary of the Declaration of Independence of Byelorussia, and since the Byelorussian people in their occupied homeland are forbidden to observe national holidays of special significance to them, the American citizens of Byelorussian descent are again joining with other Byelorussians in the free world in the commemoration of this most memorable day in the history of the Byelorussian people in order to keep alive the spirit of freedom of the Byelorussian people and to encourage them to further their resistance against the Communist rulers of their country.

It was on March 25, 1918, when the people of Byelorussia proclaimed their land a free and independent republic. The young Byelorussian National Republic, however, did not flourish very long. Her territory was turned into battlefields between the rallying forces first of Russia and Germany and then Russia and Poland, and the tragedy befell again.

At the Treaty of Riga in 1921 Byelorussia's body was cut in two. The eastern two-thirds of her territory was occupied by Russia, where, in order to acquiesce the feelings of the Byelorussian people, the so-called Byelorussian Soviet Socialist Republic was established to take the place of the rightful government of the Byelorussians, which was forced into exile. The western one-third was occupied by Poland.

By the 1939 agreement between Ribbentrop and Molotov, Russia obtained the right of taking over the western part of Byelorussia from Poland up to the Curzon Line and did occupy it soon thereafter. In 1944 Byelorussia's territory was reoccupied by Russia again and it is known to us today under the name of the Byelorussian Soviet Socialist Republic. However, only one-half of the ethnographical territory of Byelorussia found its way within the boundaries of the present day Byelorussian Republic. The rest of it was distributed by Russia among the peoples' republics f Poland, Lithuania, Latvia, Ukraine, and, of course, Russia.

The Russian domination, however, has not destroyed the love of liberty that still burns in the hearts of the Byelorussian people. Until the present day they have shown signs of their disapproval of the Communist ideologies and the rule of the Kremlin despots, hoping that sooner or later the day will come again when the Russian Empire will fall apart and they will be able to restore their freedoms and political independence within the lawful boundaries of their ethnographical territory.

Mr. Speaker, it is altogether fitting and proper that we take special note of this 41st anniversary of the Declaration of Independence of Byelorussia, particularly at a time when the same issue of freedom versus slavery is so fresh in our minds over the Berlin crisis. I am sure all of us here today share the hope of all our good American citizens of Byelorussian descent that some day their relatives and friends will be free of Russian bondage to enjoy the fruits of liberty which bloom so bountifully for us in these great United States.

NINETEEN HUNDRED AND SIXTY-FOUR OLYMPIC GAMES

Mr. MORGAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution (S.J. Res. 73) extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. MORGAN. Mr. Speaker, this resolution gives official endorsement to an invitation to hold the 1964 Olympic games in Detroit. The Olympic games in 1960 are to be held in Rome, Italy. Detroit has sought the Olympic games for the last 12 years. A similar resolution passed the House in 1949 and again in 1955. The International Olympic Committee will meet next month in Munich, Germany, to decide where the 1964 Olympic games will be held and that is the reason for asking immediate action on this resolution.

Mr. GROSS. I understand that this will not cost the Government any money.

Mr. MORGAN. This will not cost the Government a dollar.

Mr. GROSS. The gentleman has that assurance?

Mr. MORGAN. Yes. We have a letter from the chairman of the Detroit Olympic Committee assuring the Senate Foreign Relations Committee that there will be no Federal money asked for the Olympics in Detroit in 1964.

Mr. GROSS. The people of Michigan are a little different than the people of Chicago; is that not correct?

Mr. MORGAN. That is correct and, of course, the circumstances are different.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman.

Mr. BENTLEY. Mr. Speaker, even though we in Michigan are not in an enviable position financially, nevertheless we feel we can take care of these games on our own.

Mr. GROSS. I appreciate it.

The joint resolution was ordered to be read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, a similar House joint resolution (H.J. Res. 300) was laid on the table.

AUTHORITY TO DECLARE A RECESS TODAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker for the remainder of the day to declare a recess.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AIR FORCE ACADEMY

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, the State of Colorado is now the site for the Air Force Academy. We were delighted in the success that was made by this Academy particularly in athletics last year. Business, civic leaders, and labor officials have authorized the incorporation of the Air Power Command, a nonprofit organization to immediately raise funds for the establishment of a museum in connection with the Air Power Memorial Stadium to be located in the greater Denver area. This resolution has been adopted by the Colorado Legislature and reads as follows:

Whereas mayors, city and town councils, county commissioners, junior and senior chambers of commerce, trade organizations, and business, civic, and labor officials of the greater Denver area, on the night of March 5, 1959, in joint meeting, by resolution and unanimous vote, authorized the incorporation of the Air Power Command as a nonprofit fund raising organization, with instructions to proceed immediately to raise funds on a local and national basis for construction of a 60,000- to 75,000-seat Air Power Memorial Stadium to be located in the greater Denver area; and

Whereas the greater Denver area is the largest center of population in the State of Colorado, and thus, from the standpoint of revenue, transportation and year-around use, is the logical location for a stadium of this size; and

Whereas since the people of the United States will be asked to finance the stadium on a donation basis, the people of Colorado must assure all donors that their moneys will be used wisely in building an Air Power Memorial Stadium which will be used throughout the year and not just 5 or 6 days; and which will truly be a living monument to the heroes of airpower, from the Wright brothers to the missile and rocket age and from Gen. Billy Mitchell to Capt. John Ferrier—for all the world to see, enjoy, and use for all types of civic and sports events; and

Whereas all profits from the use of the Air Power Memorial Stadium shall be carefully distributed to local and national charitable organizations—demanding that the stadium facilities must be rented and utilized as much as possible to insure maximum earnings; and

Whereas the Air Power Memorial Stadium, while intended primarily for use by the U.S. Air Force Academy, by its magnitude, will also encourage early entry and usage of professional football, major league baseball, large conventions, possible world sports meets, and many large conventions, possible meets, and many other events to attract millions of additional visitors to our great State of Colorado: Now, therefore, be it

Resolved by the Senate of the 42d General Assembly of the State of Colorado, That the members of the State Senate of the General Assembly of the State of Colorado on behalf of the people of Colorado, feeling it is in the best interests of the State, hereby endorse, authorize, and support the program of the Air Power Command, as a nonprofit corporation, to bring into reality through a national fund raising campaign, an Air Power Memorial Stadium in the greater Denver area.

BOYS' TOWNS OF ITALY

Mr. RODINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, tomorrow a distinguished visitor from Rome will arrive in Washington to begin a tour of the United States in celebration of the 15th anniversary of Boys' Towns of Italy.

Princess Gabriella Pacelli, niece of the late Pope, accompanied by her American-educated daughter Ursula, will be received at the White House by Mrs. Eisenhower. The First Lady's gracious gesture in meeting with the Roman princesses is one more indication of the great interest this country has always shown in a wonderful humanitarian project—Boys' Towns of Italy.

I, myself, have visited several of the nine Italian Boys' Towns. I have seen the dramatic results of American generosity in extending hands across the sea to salvage the young victims of war. Over 30,000 boys, each one a potential juvenile delinquent, have been turned, almost without exception, into useful citizens, thanks to the work of these model self-governing communities.

In more recent years, Boys' Towns have been credited with combating the malignant forces of communism. And, in the last few years, a Girls' Town, located near Rome, has been added, thanks largely to the efforts of motion-picture star Linda Darnell, who, like me—like every visitor to Boys' Towns—was inspired by the fine things she saw.

Princess Pacelli is coming here as a good-will ambassador for a cause with which she has been closely identified since its beginnings on the shattered streets of Italy. In those early days of heartbreak and discouragement, the princess worked by the side of Monsignor Patrick Carroll-Abbing, the remarkable Irish priest who founded Boys' Towns.

The Monsignor, then a Domestic Prelate to the Vatican, gathered together wandering, homeless boys of postwar Italy and fed them. He saw his work grow from a cellar refuge—Shoe Shine Hotel—founded on Christmas Eve, 1944, to its present stature of 9 Boys' Towns scattered throughout Italy, the newly founded Girls' Town, and 30 nurseries in poverty-stricken southern Italy.

President Eisenhower has called the success of Boys' Towns of Italy a "tribute to the great heart of the American people." Former President Truman has said of it, "I cannot think of a more practical philanthropy nor one that breathes more deeply the spirit of true Christian brotherhood than this work."

Boys' Towns of Italy was founded by an Irish priest. His work has inspired thousands of Americans differing in religion, national background, politics and professions, in a common effort towards a better world.

American labor has joined hands with American management to give generously to this great cause. Boys' Town of Pozzouli, for example, was sponsored by Local 48 of the International Ladies' Garments Workers' Union. Boys' Town of Palermo was a project of a committee of the men's clothing industry of New York. American names are scattered throughout this project. My own state of New Jersey is responsible for one

of the buildings at Boys' Town of Rome. And throughout that community one finds such names as the Connecticut, Massachusetts, California and Maryland Buildings and the Pennsylvania Farm.

It is most appropriate that we welcome Princess Pacelli and her daughter at a season of the year that spells hope, peace, and brotherhood for Christians throughout the world and for men of good faith everywhere.

ESPA REPORTS ON IMPORT RESTRICTIONS FOR RESIDUAL FUEL OIL

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the weekly letter issued by the Empire State Petroleum Association, Inc., in New York, which deals principally with the problem of mandatory import restrictions on residual fuel oil and other finished products.

The letter follows:

MARCH 20, 1959.

To ESPA Members:

The President's proclamation on import restrictions for residual fuel oil and other finished products is already creating havoc among nonimporting distributors who can easily find themselves unable to get sufficient supplies to maintain existing contractural relations with their customers. Unless quickly corrected, this situation can cause irreparable damage to many fuel oil distributors and their customers.

Since the Government has restricted residual imports to the historical level of 1957, utterly disregarding contractual obligations distributors may have made since then, it is obvious that much harm can result from these regulations.

Because of the nature of the product, imports of residual fuel oil have historically been confined to a few actual importers. However, the large volume of these imports flowed downstream to many distributors. The resulting impact of restrictions on the small businessman was completely overlooked or ignored by Government.

The circumstances now facing many distributors are similar to those existing during regulation by the Petroleum Administration for War. The principal difference is that the present restrictions are not based upon emergency conditions such as we faced during the war days. The salvation of the small oil business at that time was the guarantee by the Government of a historical supply position to all segments of the industry.

Unfortunately, the present program seems only to protect the historical position of the direct importers who were in business in 1957. This is in direct contrast to the measures taken by the Government to protect the competitive position of the refiners who did not import crude oil in the past, regardless of whether their assigned quotas can be used or not.

We are sure that the disastrous effects of residual restrictions were not foreseen by Government when the President included residual in his program of import restriction. The pressure for residual restrictions was completely political and had no economic basis nor would the lack of such restrictions affect "national security" one iota.

The corrective measures necessary, distasteful as they may be, require the creation of further controls which would guarantee nonimporting fuel oil distributors a historical position with both offshore and domestic suppliers of residual fuel oil.

Or better still, the simplest and surest way of correcting this situation is to immediately eliminate residual fuel oil restrictions as a part of the program.

Meanwhile, we urge every member to examine his residual fuel oil supply contract and commitments in order to develop measures necessary to protect his business and to submit to this office all factual evidence of hardship.

The latest press reports indicate that import quotas given some 76 refineries who have never been in the business of importing will carry a premium as high as $1 per barrel. Trading is said to have forced the price up to $1 from 60 cents several days ago. Allocations granted the new quotaholders aggregate approximately $31 million annually or an average of something like $400,000 to each of the new refiners.

Inasmuch as these are, for the most part, inland plants, the only benefit they can have for the refiner is for the purpose of trading. Trades are said to take the form of an exchange for domestic crude with a cash bonus, or a bonus in the form of finished or unfinished products of one kind or another.

Speaking editorially in our monthly magazine for October 1958, under the heading—"Are Import Restrictions Necessary? A Plea for the Consumer"—ESPA spoke of the proposed quota plan as "A gravy train if there ever was one."

As the program now works out, there seems to be little reason for changing our mind.

Prices: Heating oil prices are quiet at both the gulf and New York Harbor. However, discounts of 0.15 cents per gallon for kerosene and No. 2 fuel are said to be available at Philadelphia.

Gasoline prices are reflecting rising interest at the gulf and residual is showing strength.

Anchor Oil Corp., Mobilheat distributor at Corona, N.Y., advertises "Landlords of multiple dwelling cold water flats: 500 gallons free of Mobilheat fuel oil plus regular $50 Minneapolis-Honeywell electric clock thermostat—free—if you order here before March 15. These gifts are yours with the installation of our oil burner at new low prices. No money down, 5 years to pay."

Insurance program: All members attending our annual meeting at the Hotel Astor in New York City, should plan to attend the membership meeting at 11 a.m. on Monday morning, April 6, at which Mr. W. T. Chamberlain will speak on our new insurance program. This program means money to you and you cannot afford to miss it.

Texas allowable: Texas Railroad Commission has reduced the allowable production for the month of April to a figure 107,214 barrels daily below the permitted production for March. The new allowable involves an 11-day production schedule.

Degree days for the week ended March 15 and for the accumulated period September 1–March 15, as compared to normal and to the same period a year ago, are set forth below for a number of east coast points:

Location	Week ended Mar. 15			Cumulative (since Sept. 1)		
	This year	Last year	Normal	This year	Last year	Normal
Buffalo	258	245	234	5,524	5,220	5,297
Rochester	269	246	235	5,654	5,348	5,391
Syracuse	266	243	226	5,758	5,328	5,191
Albany	273	226	235	5,924	5,350	5,583
Binghamton	254	237	220	5,594	5,201	5,228
Boston	236	175	200	4,843	4,199	4,570
New York	197	181	178	4,243	3,952	4,070
Philadelphia	176	171	159	3,967	3,789	3,755
Total	1,929	1,724	1,687	41,507	38,387	39,085

The Texas Co., through its board of directors has voted to change the name of the company to Texaco, Inc., subject to ratification by the stockholders at the annual meeting, April 22.

In view of the trademark "Texaco," it is pointed out by the company that changing the name would be beneficial in its marketing and advertising programs and in its relations with the public at large.

Tidewater has announced the purchase of F. D. Koehler Co., Inc., of Staten Island. Koehler has been a Tidewater distributor in the Staten Island area for more than 45 years. With the purchase, Tidewater acquired 27 retail outlets, a number of commercial accounts, a substantial fuel oil business, and a water terminal, as well as dispensing and other equipment.

Supply and demand: There is nothing startling in the inventory changes during the week. Gasoline stocks advanced moderately and distillate inventories were subject to some reduction. Distillate stocks are now ahead of a year ago at all points east of California.

The latest review of the petroleum situation by the Chase Manhattan Bank states that the outlook for March is good. That month in 1958 witnessed temperatures slightly colder than usual. This year, the accumulation of degree days in March thus far indicates the month may prove somewhat colder than last year. If so, a favorable gain for distillates can be expected. Also, economic activity will be greater this year and that should generate higher demand for petroleum.

On the residual picture, the bank says: "With domestic production of residual fuel becoming increasingly inadequate, imports are the sole alternative. Consumers, with specialized burning equipment and storage facilities, cannot switch to other fuels except at great cost. For them, the failure to import a sufficient volume of residual fuel would constitute a distinct hardship."

HARRY B. HILTS,
Secretary.

Crude runs, product production, stocks and demand, week ending Mar. 13, 1959

District	Daily crude runs	Up or off from previous week	Average, prior 4 weeks	Average, March 1958
East coast	1,328,000	Up 18,000	1,319,000	1,218,500
East of California	7,158,000	Up 50,000	7,011,000	6,324,300

Crude runs, product production, stocks and demand, week ending Mar. 13, 1959—Con.

PRODUCTION (BARRELS DAILY)

	Daily production		Yield (percent)		Daily refinery shipments [1]	
	Current	Average prior 4 weeks	Current	Average prior 4 weeks	Current	Average prior 4 weeks
East coast:						
Gasoline	563,000	597,000	42.4	45.3	442,000	518,000
Kerosene	61,000	54,000	4.6	4.1	124,000	79,000
Distillate	393,000	464,000	29.6	35.2	538,000	613,000
Residual	192,000	192,000	14.5	14.6	[2] 896,800	[2] 973,000
East of California:						
Gasoline	3,504,000	3,401,000	48.9	48.5	3,069,000	3,147,000
Kerosene	329,000	374,000	4.6	5.3	326,000	426,000
Distillate	1,839,000	2,007,000	25.7	28.6	2,008,000	2,322,000
Residual	767,000	760,000	10.7	10.8	[2] 1,459,800	[2] 1,580,750

[1] Does not include imports or adjustment for interdistrict shipments of finished product.
[2] Includes imports.

STOCKS (BARRELS END OF WEEK)

	Gasoline	Kerosene	Distillate	Residual
East coast:				
Mar. 13, 1959	50,877,000	9,134,000	29,753,000	12,627,000
Mar. 6, 1959	50,031,000	9,574,000	30,769,000	12,324,000
Mar. 14, 1958	49,787,000	8,077,000	27,878,000	11,020,000
East of California:				
Mar. 13, 1959	181,196,000	18,629,000	68,986,000	27,165,000
Mar. 6, 1959	178,152,000	18,605,000	70,166,000	26,774,000
Mar. 14, 1958	188,041,000	17,101,000	68,438,000	25,696,000
National:				
Mar. 13, 1959	210,290,000	18,988,000	78,876,000	55,010,000
Mar. 6, 1959	207,015,000	18,985,000	80,616,000	54,835,000
Mar. 14, 1958	216,525,000	17,459,000	81,853,000	55,061,000

SLOW DISASTER IS WORSE THAN SUDDEN DISASTER

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, when a flood, drought, fire, hurricane, earthquake or other catastrophe strikes, the President of the United States may designate certain areas as disaster areas eligible for disaster assistance by the Federal Government. The Federal Disaster Act of 1950 (Public Law 875, 81st Congress) provides for the maximum mobilization of Federal assistance to alleviate suffering and damage in these disaster areas.

Today in many areas of the Nation, economic disaster has stricken the people. There is acute suffering and hardship in my State of West Virginia as thousands have exhausted their unemployment benefits; children cannot go to school because they are hungry, husbands are committing crimes to go to jail so their families can receive relief, human beings are trying to live on surplus commodities on diets worse than prisoners of war receive, small businesses are closing their doors, and our younger people are roaming the country looking for jobs. These people want to work rather than receive a dole. They are hardy and independent people and are not looking for handouts. Yet, Mr. Speaker, we face a situation which is even more serious than the great depression of the 1930's. Even though the New Deal legislation has furnished an economic cushion against severe hardship, the economic conditions are now worse and the cushion is worn bare.

Mr. Speaker, when a natural disaster such as a hurricane, flood, or earthquake strikes, the Federal Government can move in and help. The compassion of people everywhere is aroused. The Red Cross rushes to the scene to assist those stricken. I submit, Mr. Speaker, that slow disaster is worse than sudden disaster because we do not have the means to cope with it, and the long-range effects on human morale are more serious.

I believe we must move quickly to pass the Area Redevelopment Act. Even if the President vetoes this act, as he did last year, we must rally to pass an effective act over his veto. But above and beyond that, Mr. Speaker, I hope that we may take the necessary action to accord the same legal status to economic disaster areas as we now do to those areas stricken by natural disasters.

GREEK INDEPENDENCE DAY

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Speaker, it is a privilege and an honor for me to take the floor of the House today to salute on their Independence Day the gallant people of our great ally, Greece.

These are the proud and worthy descendants of those cultured Greek people who had formed their independent state and had lived in orderly freedom centuries before the peoples of the West had any notion of freedom as we understand it today. The ideas and ideals of freedom and independence, as dreamed and cherished, understood and prized, were first conceived and realized by the Greeks of ancient classical days in all their glory.

But the Greeks who brought forth this ideal state were not always free. There were long periods of subjugation, when on more than one occasion the entire population of many parts of the country was massacred. While this was done to discourage uprising against the existing order, nothing could cause these wonderful people to falter in their valiant efforts to again attain their freedom. They tried again and again, and the last attempt, begun on March 25, 1821, 138 years ago, was fortunately and eventually crowned with glorious success.

Since those days Greeks have been free in Greece and masters of their destiny, but they still have had their anxious and parlous days. Towards the end of World War II Greece was in danger of losing its independent existence. The combination of Communists and partisans was almost too much for the Greek Government to cope with, and were it not for the firm stand taken by the United States of America that country could very well have become another Moscow satellite.

Like all other Americans, I am proud that our country had a hand in forestalling such a calamity. Today Greece is a bastion of freedom and democracy in the Balkans against the forces of Communist totalitarianism. The bonds of friendship between the people of the United States and the people of Greece are strong and lasting. Together we join in happy celebration on this, the anniversary of their independence.

GREEK INDEPENDENCE DAY

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, Greeks always have been, throughout their long and glorious history, a wonderful people, and have worked wonders in many walks of life. From their earliest days in their ancient land they were first in the arts and literature, and in the sciences as well. They held the lead in the study and understanding of nearly all human affairs, and they were the true pioneers in statesmanship and in the art of government.

Other countries and other peoples can claim firsts in other phases of human activity, but we in the West gladly recognize Greece as the birthplace of our civilization with its democratic doctrines and institutions, and the Greeks as its creators.

The ideas of freedom and liberty and national independence had their origin in the Greek mind. The Greeks prized these ideas as the noblest of human aspirations, and cherished them as the sinews of their spiritual life. Independence of mind, and of the spirit; individual, communal and national freedom they regarded as first prerequisites of self-respecting and free peoples.

These are the same ideas for which our Founding Fathers fought and died, and which the West is prepared to safeguard and defend against all comers today.

Unfortunately Greeks by themselves were not able to cope with their powerful

adversaries in the past. As a result, they lost their national independence long ago, and from mid-15th century until the early 19th, they were held down in their ancient land by Ottoman sultans. In the early 1820's they revolted against their oppressors, and began the rebellion of March 25, 138 years ago, which eventually led to their complete independence in 1827.

That revolt, led by a brave band of Greek patriots on that historic day, marks the brightest spot in modern Greek history, and has become their national holiday.

Neither the attainment of Greek independence, nor its preservation was easy. It was attained against heavy odds, and it is safe to say that without the effective aid and decisive intervention of certain Western Powers, it could not have been attained at that time. But the badly needed aid given by all sympathizers and well-wishers of Greece made Greek independence certain. Nor has the safeguarding of that independence been easy, particularly during the last decade or so.

In the last war Greece fought brilliantly and bravely on the side of democracies, and suffered at the hands of the Axis. Toward the end of that war, when liberation was in sight, Greece was plagued by Communist partisans, who came very close to dragging her into the Stalin totalitarian camp. But the timely and resolute British aid, fully backed and then effectively supplemented by this country under the Truman doctrine, saved the Greeks from communism and thus safeguarded Greek independence.

It is no exaggeration to say that, soon after the last war, when Greek independence was in grave danger, our material aid conveyed through the Truman doctrine, and our moral support were of decisive importance. Even though it cost us more than a billion dollars to do it, I am glad to say that we were in a position to render such aid for a great cause and thereby gain a valuable ally, a true bastion against communism in the Balkans, in our unrelenting struggle against forces of oppression and totalitarianism.

Greeks have shown their appreciation in many ways, particularly in the part they played in the Korean war, and in the vigorous stand they have taken today against communism. In their fight for freedom and independence they are prepared to fight all comers.

On this 138th anniversary of Greek Independence Day I join all Americans of Greek descent and wish all Greeks peace and happiness in their ancient homeland.

PUBLIC OPINION POLL OF 15TH CONGRESSIONAL DISTRICT

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HENDERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HENDERSON. Mr. Speaker, for the past 4 years, I have conducted a poll of the public opinion of the 15th Congressional District of Ohio on certain national issues. The expression of interest which has been so evident in the responses to the surveys has been very gratifying to me. The answers I have received are a valuable indicator of general trends of thinking in southeastern Ohio and I wish to call the attention of the Members of Congress to the results which I have obtained. In the past, these results have been of considerable interest to other Members of Congress and to various executive departments and agencies of Government.

The 15th Congressional District which I have the honor to serve here is diverse in its interests, embodying both urban and rural communities and the points of view which are likely to be found in such areas. In the sense that these seven counties are similar in outlook to many other congressional districts, I believe it is possible to generalize fairly that the findings from this poll represent the same shadings of attitudes found throughout much of the Middle West as well as other regions of the Nation.

The questionnaire was distributed through the mails and many cooperating newspapers in the district with every effort exercised to assure that a random sample of opinion would be obtained without deference to any particular political or social philosophy. This sample of opinion reflects the tabulation of approximately 5,000 questionnaires which were returned to my office before March 24.

It is not possible to reflect the hundreds of separate and thoughtful comments explaining in detail the feelings of the people on particular issues. These, of course, have greatly added to the value of the poll. However, I shall attempt to summarize the main currents of thinking which were obtained not only in the tabulated answers but in the comments as well.

From this poll, it is evident that the overriding issue in the minds of southeastern Ohioans today is the matter of Government economy. In response to my question, "Would you favor efforts to balance the Federal budget, even though it might mean no additional Government programs and no expansion of most of the existing nondefense programs?" 69.6 percent of those answering indicated their support. Even more notable was the result of answers to the question, "Would you support anti-inflation legislation which would place Government controls on prices, wages, and rents?" Although the tabulation showed 48.7 percent in favor, 45.6 percent opposed, and 5.7 percent undecided, hundreds of those voting "Yes" qualified their answer by explaining that while Government controls were odious, inflation and taxation had reached such proportions that Government action was advisable. In these replies, the effect of Government spending as a stimulus to inflation was not overlooked and the Congress received heavy criticism for continuing to vote new and costly programs.

The U.S. policy opposing Communist expansion in Berlin, Formosa, and Lebanon was overwhelmingly endorsed with 89.6 percent favoring it. With respect to the admission of Communist China to the United Nations, 84.6 percent opposed any such recognition. This shows virtually no change in the feelings expressed by the people of the district over the past several years.

Another notable finding pertains to the attitude expressed on the present agricultural program. In 1958, my poll asked the question "Do you favor ending agricultural controls and the accompanying termination of price supports?" At that time, 65.16 percent of those answering expressed their opposition to controls and price supports. To test the sentiment today, I asked the same question this year to find the poll indicating the opposition had grown to 75.5 percent. These expressions were accompanied by comments, mostly from farmers, vigorously criticizing the cost of the farm support program and pointing to its failure to assist operators of family-sized farms.

The complete review of the results of the poll is as follows:

	Percent		
	Yes	No	Undecide5
1. Are you in favor of the admission of Hawaii as a State?	83.6	9.5	6.9
2. Do you believe the Government should permit tests of pay TV plans?	23.4	67.3	9.3
3. Would you favor efforts to balance the Federal budget, even though it might mean no additional Government programs and no expansion of most of the existing nondefense programs?	69.6	25.3	5.1
4. Would you support anti-inflation legislation which would place government controls on prices, wages, and rents?	48.7	45.6	5.7
5. In the public versus private power discussion, do you believe the Federal Government should construct more electric power producing facilities and expand the Tennessee Valley Authority?	27.1	64.4	8.d
6. Do you believe Communist China should be admitted to the United Nations?	10.5	84.6	4.9
7. Do you agree with the present stand of the United States opposing Communist policies with respect to Lebanon, Formosa, and Berlin?	89.6	4.6	5.8
8. Do you favor legislation requiring public disclosure of the records of employee welfare and pension funds of labor unions?	92.4	5.4	2.2
9. Do you believe theU.S. program for the exploration of outer space is proceeding fast enough?	67.4	19.7	12.9
10. Should Congress act to make veterans who were drafted in peacetime eligible for education, housing, and mustering-out pay benefits similar to those granted World War II and Korean war veterans?	35.7	59.8	4.5
11. Do you favor Federal aid for school construction even though it would require a tax increase or deficit financing?	34.1	61.4	4.5
12. Are you in favor of a Federal gasoline tax increase to keep the road construction program at its present rate?	40.2	55.5	4.3
13. Do you believe the present 10 percent tax on telephones should be removed even though it means a loss of Federal revenue?	48.7	47.5	3.8
14. Do you favor ending agricultural controls and the accompanying termination of price supports?	75.5	18.2	6.3

THE PUERTO RICAN FEDERAL RELATIONS ACT

The SPEAKER. Under previous order of the House, the Resident Commissioner of Puerto Rico [Mr. FERNÓS-ISERN] is recognized for 10 minutes.

Mr. FERNÓS-ISERN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an official copy of an English translation of Joint Resolution No. 2, adopted by the Legislative Assembly of the Commonwealth of Puerto Rico and approved by the Government of Puerto Rico on March 19, 1959.

The SPEAKER. Is there objection to the request of the gentleman from Puerto Rico?

There was no objection.

Mr. FERNÓS-ISERN. Mr. Speaker, Joint Resolution No. 2 of the Third Regular Session of the Third Legislative Assembly of the Commonwealth of Puerto Rico, approved March 19, 1959, embodies highly commendable proposals. Nine years ago the 81st Congress enacted Public Law 600, in the nature of a compact. Upon its acceptance by the people of Puerto Rico, it enabled them politically to organize themselves under a constitution of their own adoption, and within terms of relationship set forth in the compact. The people of Puerto Rico accepted the terms of compact and proceeded to adopt a constitution, which created the Commonwealth of Puerto Rico. The constitution of the Commonwealth of Puerto Rico was approved by the Congress under Public Law 447 of 1952, and on July 25, 1952, the Commonwealth of Puerto Rico was proclaimed.

Under the provisions of Public Law 600, a Puerto Rico Federal Relations Act was provided for. It consists of a number of provisions of the Organic Act of Puerto Rico of 1917 which were not then repealed, but were continued in force and effect. Such provisions refer to the political and economic relations of Puerto Rico with the United States. The new body politic created in Puerto Rico now functions within the framework of those provisions and the relations thereby established.

After 7 years of the Commonwealth's success, and in the light of experience, we are now in a position to reexamine the provisions of the old Organic Act maintained in force and effect by Public Law 600. The language in those provisions was enacted 42 years ago. It must be read and interpreted now in the context of a new situation created in 1952. It is not surprising, therefore, that the language of such provisions of law may now appear in places anachronistic, and in others superfluous, inapplicable or inadequate. Nor is it surprising that it may need clarification in some instances in order to avoid conflicts of interpretation from which litigation may arise and in fact has arisen. The experience of 7 years has also shown that the creation of the Commonwealth, of which achievement I think both the Congress and the people of Puerto Rico should feel so proud, was not—as no human creation can be—devoid of imperfections which changing times make it the more necessary to correct. The purpose of Joint Resolution No. 2 of the Legislative Assembly of the Commonwealth of Puerto Rico is to seek such clarification and modification as time and experience now counsel.

The legislative assembly, by its joint resolution, has requested me to introduce legislation to seek such clarification and modification. I believe that the position taken by the Legislative Assembly of the Commonwealth of Puerto Rico, by its joint resolution, which the Governor of Puerto Rico has approved, is sound and appropriate. I support it. Consequently, in response to the request of the Puerto Rican Legislative Assembly, on March 23, I introduced H.R. 5926.

It is not my purpose to enter here into the details of H.R. 5926, but I do wish to call attention that, in order to carry out the wishes of the people I represent, as set forth in the joint resolution, the objectives sought are best attained by rewriting and reenacting the Puerto Rico Federal Relations Act. Piecemeal amendments would be tedious, confusing, cumbersome and unsatisfactory. H.R. 5926 would substantially reenact the Puerto Rico Federal Relations Act, with adequate clarification and a few modifications, in up-to-date language.

The purpose of my addressing the House today is not to discuss the bill. I wish, instead, to avail myself of this opportunity to make clear the significance of H.R. 5926, and how it relates to the position of the Commonwealth of Puerto Rico concerning its future. This seems to be the more important and necessary, since changes in the relationship of Puerto Rico to the United States, of a profound and transcendent nature, not envisaged by the Commonwealth of Puerto Rico, are at times mentioned as possible goals for Puerto Rico. This has occurred more often since the 85th Congress adopted an enabling act for the people of Alaska to organize themselves into a State and to be admitted into the Union, and because this year another enabling act of the same nature has been adopted for the Territory of Hawaii. In the opposite direction, proposals have been heard for the dissolution of the bonds now uniting Puerto Rico to the United States in order that the Commonwealth of Puerto Rico might become an independent republic.

The Commonwealth of Puerto Rico is not seeking either such profound and transcendent change, much as we realize the great honor that statehood would mean and much as we respect the independence of peoples who have so chosen. H.R. 5926 has nothing to do with either of these two propositions for a change of status for Puerto Rico.

For 60 years Puerto Rico has been living within the U.S. political system. Its status, in the beginning, was that of an unincorporated territory, a new concept evolved in the U.S. political system since the turn of the century. This came about as a result of the Treaty of Paris of 1899, and subsequent legislative enactments by the Congress and interpretations and decisions by the Supreme Court of the United States. Such creation was necessary as a consequence of the acquisition of sovereignty over territories inhabited by peoples of different historical backgrounds and cultures not intended, at that time at least, for incorporation into the United States. The territories, acquired at that time as a result of the Spanish-American War and so referred to, were the Philippines, Puerto Rico, and Guam.

During those 60 years, through a series of legislative enactments, in normal and natural evolution from the chrysalis of an unincorporated territory; from "the people of Puerto Rico," and from "citizens of Puerto Rico entitled to the protection of the United States," Puerto Rico and its people have evolved into a self-governing Commonwealth, associated with the United States in accordance with terms of relationship accepted by the people of Puerto Rico as offered by the Congress through a law enacted in the nature of a compact. The citizens of Puerto Rico are citizens of the United States.

As may be seen, the Commonwealth is the result of a long period of progressive and careful adjustments during which new political concepts have developed in the light of historical, cultural, and economic realities. And I may say for the people whom I represent that they have found political dignity in a democratic life, and security under sound political institutions, in the Commonwealth. It gives them an opportunity to overcome the very serious economic and social problems with which they struggle, distressing problems so serious that a few years ago they appeared almost unsolvable. They are making gallant progress now in overcoming poverty, unemployment, want, and need. They know that it would be entirely unrealistic for them to even attempt to alter fundamentally the present framework of relationships, thus endangering and indeed probably sacrificing many social and economic gains already made. In the case of independence, it might even prove tragic. On the other hand, the people of Puerto Rico are a proud people. They cherish the hope that, as they grow economically, they may progressively accept and undertake greater responsibilities within their association with the United States. By the same token, they would not seek changes in relationships which, as far as they now can see, would pose very complex problems, economic and otherwise, as might be the case with statehood. They know also that the concept of commonwealth is not static. Rather, it is a dynamic concept. Therefore, the people of Puerto Rico do not wish to deviate from their present path and thereby endanger accomplished gains. It is on the basis of these concepts, and no others, that I bring to Congress the expressed will of the people of Puerto Rico, in accordance with Joint Resolution No. 2 of the Legislative Assembly of the Commonwealth of Puerto Rico, and reflected in H.R. 5926.

COMMONWEALTH OF PUERTO RICO,
DEPARTMENT OF STATE,
San Juan, P.R.

I, N. Almiroty, assistant secretary of state of the Commonwealth of Puerto Rico, do hereby certify that Jose Luis Vivas, who su-

thorizes the attached translation into English of Joint Resolution No. 2 (H.J. Res. 1510), is director of the translation division of the Department of State of Puerto Rico, and that his signature thereon affixed is genuine.

In witness whereof, I have hereunto set my hand and affixed the great seal of the Commonwealth of Puerto Rico, at the city of San Juan, this 19th day of March, A.D. 1959.

[SEAL] N. ALMIROTY,
Assistant Secretary of State.

COMMONWEALTH OF PUERTO RICO,
DEPARTMENT OF STATE,
San Juan, P.R.

I, Jose Luis Vivas, director of the translation division of the Department of State of Puerto Rico, hereby certify: That this is a full, true, and correct translation of Joint Resolution No. 2, of the third regular session of the Legislature of the Commonwealth of Puerto Rico, approved on March 19, 1959.

Witness my hand this 19th day of March 1959.

JOSE LUIS VIVAS,
Director, Translation Division.

[H.J. Res. 1510]

JOINT RESOLUTION No. 2

Joint resolution to propose to the Congress of the United States of America clarifications and modifications of the Puerto Rican Federal Relations Act

Whereas the Commonwealth of Puerto Rico is a creative contribution to the American system; and

Whereas it is a basic characteristic of the Commonwealth of Puerto Rico to develop and perfect itself gradually within its new form of permanent association to the Federal Union; and

Whereas, the Constitutional Convention of Puerto Rico unanimously approved the following in its resolution No. 23: "The people of Puerto Rico reserve the right to propose and to accept modifications in the terms of its relations with the United States of America, in order that these relations may at all times be the expression of an agreement freely entered into between the people of Puerto Rico and the United States of America;" and

Whereas the special commission of this high body charged with consideration of amendments to the Federal Relations Act and the Constitution has held public hearings at which views about the clarification and modification of the part of the compact constituted by the Federal Relations Act have been amply expressed; and

Whereas such hearings point to the advisability of proposing to the Congress of the United States certain changes in the Federal Relations Act in order to clarify the nature of the Commonwealth and to modify its relationship to the Federal Union to the extent that experience shows is feasible and desirable: Now, therefore, be it

Resolved by this legislative assembly:

SECTION 1. To request the Resident Commissioner in the United States to propose to the Congress of the United States of America the following clarifications:

1. The Commonwealth of Puerto Rico should be adequately described in the Federal Relations Act so that it may in no way be classified as a "possession" or "territory".

2. Consistent with the fundamental principle of full local self-government for the people of Puerto Rico, it should be made clear that Federal laws applicable in Puerto Rico shall apply in the same way as they may be made applicable in the several States.

3. The Federal Relations Act should be cleared of all language which may result confusing, inadequate, obsolete or inapplicable.

SEC. 2. To request the Resident Commissioner to propose to the Congress the following modifications:

1. All excise taxes collected in Puerto Rico on articles produced for export to the United States should be imposed by the Commonwealth of Puerto Rico: *Provided*, That if such excises were lower than those imposed by the Federal Internal Revenue laws on similar articles, the Federal Treasury shall collect the difference at the port of entry, so preserving a competitive equality between such products.

2. A means should be provided by which the Commonwealth of Puerto Rico may, at its request, be included in or excluded from United States commercial treaties.

3. An adequate formula should be devised by which the Commonwealth of Puerto Rico may gradually assume, as its resources may warrant, such Federal responsibilities as are compatible with the principle of permanent association.

4. Judgments of the Supreme Court of Puerto Rico should be reviewed by the Supreme Court of the United States in the same manner as are the judgments of the State supreme courts.

5. The debt margin provision, as proposed to the Congress of the United States of America in Joint Resolution No. 1 approved by the Governor of the Commonwealth of Puerto Rico on June 23, 1958, should be removed from the Federal Relations Act.

SEC. 3. Copy of this resolution should be forwarded to the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to the Resident Commissioner of Puerto Rico in the United States.

SEC. 4. This joint resolution shall take effect immediately after its approval.

Approved March 19, 1959.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. FERNÓS-ISERN. I am happy to yield to the gentleman.

Mr. SAYLOR. I want to congratulate the Commissioner on his excellent statement. I think the experiment which was tried 7 years ago when Public Law 600 was passed establishing the new relationship between the people of Puerto Rico and the United States is a new concept in world history. I want to commend the people of Puerto Rico for having worked diligently for 7 years trying to perfect their way of life under this new status. I sincerely believe that now is the time for the Congress to take another look at our Commonwealth Act and to correct some of the imperfections that 7 years of experience and growth have shown to be necessary.

Mr. FERNÓS-ISERN. I thank the gentleman from Pennsylvania.

THE MAKING OF A PUBLIC SERVANT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include therein an article by Staff Writer Michael Mok, which appeared in the Washington Sunday Star of March 15, dealing with the career of Mr. Roger Warren Jones, and referring to his splendid accomplishments as a Civil Service Commissioner and in the Bureau of the Budget. I know Mr. Jones to be a very fine man because I worked with him when he was connected with the Budget Bureau.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

(The matter referred to follows:)

OUR NEW CIVIL SERVICE CHIEF—THE MAKING OF A PUBLIC SERVANT

(By Michael Mok)

Roger Warren Jones would have been a college professor if his money had held out.

But he ran out of cash and gave up his studies for a $1,700-a-year temporary Government job.

Last week he was sworn in as Chairman of the Civil Service Commission with the salary of $20,500.

Mr. Jones was born in West Hartford, Conn., on February 3, 1908. He is the son of Henry Jones, a lawyer of some prominence in the typewriter manufacturing town 20 miles west of Hartford.

He attended the Gilbert School in nearby Winstead, Conn., and then followed the family tradition by going to Cornell University. While in Ithaca, he majored in English; found time to manage the Cornell musical clubs, and rose to the rank of battalion commander of the ROTC.

"I was a devotee of organ recitals at Cornell—I don't think they had many I missed," Mr. Jones said. Highest on his list of favorite composers is Bach, but he confesses complete ignorance of modern music.

"I simply don't understand the mathematics of modern music," he said.

WAS ENGLISH TEACHER

After Cornell, Mr. Jones got a job teaching English, history, and military subjects at the Coral Gables (Fla.) Military Academy. He held this post for about a year before moving to New York City, where he became a salesman for the Doubleday Book Co.

There he ran into Dorothy Heyl, daughter of a Bureau of Standards physicist, whom he had known at Cornell. Dorothy was then taking a master's degree at Columbia in library science.

Mr. Jones had entered the book business with an idea of making publishing his career, but:

"One of the things that went to hell in a hand basket during the depression was the book business." This realization took him to Columbia, where he received a master's degree in English while continuing to sell books part time.

He then decided to quit Doubleday to work full time for a doctorate to fit himself for a teaching career.

"I was particularly interested in the contribution of political writing to American literature," Mr. Jones explained. "Starting with the Mayflower Compact, the inaugural speeches, Lincoln's Gettysburg Address—I didn't think anyone had properly evaluated the impact of American political writing on our letters."

THEN THEY RAN OUT OF MONEY

On the 1st of February 1930 he married Dorothy Heyl, and the couple took a small apartment near the university. But they ran out of money, and in the fall of 1932, moved in with his family. Until December 1933, they divided their time between in-laws, while Mr. Jones did the best he could with such things as occasional tutoring jobs.

His first contact with Federal service came on December 12, 1933, when he accepted a 30-day temporary appointment to write a special report for the Central Statistical Board.

This led to a series of temporary appointments with the Board, until Mr. Jones—who began as a CAS–5 (clerical, administrative and fiscal, grade 5)—equivalent to GS–5, then the starting grade for college graduates—began taking examinations.

Before long the Central Statistical Board had become part of the Bureau of the Budget, 15 years had passed, "and all of a sudden I realized I was a career man."

SERVED IN ARMY

In the meantime there were three children: Cynthia, now Mrs. John Hodges, of Cumberland, Md.; Roger, studying for his master's degree in public administration at Cornell; and Edward, currently an airman on active duty with the Air Force in England.

When World War II came, Mr. Jones—then a Reserve infantry captain—was called to active duty, where he stayed for "3 years, 9 months, and 20 days." He spent almost all of this period with the Munitions Assignments Board in Washington and on his return to the Bureau, took up his old duties as a "13" his prewar grade.

He continued to rise, and when the supergrades were established, Mr. Jones moved into that category. In March 1958, he was named Deputy Director of the Bureau of the Budget, at his present salary of $20,500 a year.

"My main job there was to ride herd on the President's executive programs," he said. But when it seemed there was no further for him to go, Mr. Jones felt it was time for a change.

"I wasn't going to sit there until I got bureaucratic barnacles on my hull—so I moved."

Mr. Jones, who is blue-eyed and has white hair the color of a dandelion when it's going to seed, feels that by and large, "career people serve best in staff jobs."

"Chairman of the Civil Service Commission is the sort of common sense, administrative job which appeals to me.

"This is the kind of a job I've been trained to do over a quarter of a century," Mr. Jones said. "It demands a knowledge of government structure, and the sort of contacts I have developed with the executive and legislative branches for a long time."

THE GOOD BUREAUCRAT

Mr. Jones believes that the good bureaucrat—a term he doesn't like, but which he can listen to without flinching—should "avoid extreme partisanship."

"There's nothing wrong with taking sides, but that's not the way I am," he said. "It's possible to perform first-rate staff work without feeling like a political eunuch," Mr. Jones said.

The new Chairman lives with his wife in a Dutch Colonial house in Chevy Chase. Its location was chosen by his children.

"When we were buying it, they were going to three different schools, and they insisted that it be an equal distance from each of them," Mr. Jones explained.

Mr. Jones gets up in his five-bedroom house every morning at 6:30 a.m. His breakfast does not boast much variety.

"Just to show you the sort of rut a man can get in," he said, "three times a week I have cereal, and three times a week, eggs. On Sunday I let myself go, and just have whatever I feel like."

When Mr. Jones, who wears the blue rosette of the President's Award for Distinguished Federal Service in his buttonhole, had to attend breakfasts at the White House, he wasn't at all happy.

"Early morning is a thinking time for me," Mr. Jones said. "I don't dare get started on office work in the evening or I get overstimulated and can't sleep."

LIKES LONG WALKS

He tries to take a long walk every night and on weekends drives to a part of the nearby country he doesn't know, "and just starts walking."

Besides simply puttering, his interests outside his work are few. He tries to keep up with literature, but rereads old favorites rather than looking for new worlds to conquer." He has just ended a tour as vestryman with All Saints Episcopal Church, and Mrs. Jones, now that the children have gone away, is working with the Wheaton branch of the Montgomery County Public Library.

Among Mr. Jones' other interests is the Washington Institute of Mental Hygiene and the United Givers Fund, on whose board of directors he has served.

Somewhat shy about his outside interest, Mr. Jones explained that "when you're a grandfather, you just don't have the energy you once had."

Mr. Jones believes that every civil service employee must live by three rules:

"He's got to remember he's a public servant * * * he must be dedicated.

"He must have complete faith in the Constitution—he must believe in the tripartite arrangement of our democracy, and never feel that any branch is junior to the others.

"He's got to believe that X number of Americans can't be wrong when they elect a President," Mr. Jones said.

"The good staff man—bureaucrat if you like—must develop a lot of expertise about the programs he carries out. Regardless of the political direction of the administration, its leaders should be able to expect a loyal, capable staff."

THE BIG JUMP

Mr. Jones, who has weathered several changes of administration, and showers of interoffice memorandums, feels secure in his roomy office at Eighth and F Streets, although he realizes full well he has made a big jump from staff to command.

Mr. Jones paused for a moment and looked from the snapdragons on his conference table to the picture of the President on the wall.

"For one thing, I know that I can't go popping off with a visceral reaction every time anyone puts a tough question to me now," Mr. Jones said.

"I suppose the Chairman of the Civil Service Commission has to become a sort of a symbol."

A TRAIN OF POWDER

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

Mr. REES of Kansas. Mr. Speaker, I believe Members of Congress will be interested in reading an impressive and timely sermon delivered by Dr. Theodore Henry Palmquist, pastor of the Foundry Methodist Church in Washington on Sunday, March 15. It is one of the best. I consider it of sufficient importance that Members of Congress and others will want to read it. Here is what Dr. Palmquist said:

During the Lenten season we have been sharing together "The 'Isms' That Crucify Christ"—beginning with "Ecclesiasticism"; then "Nationalism," "Opportunism," "Secularism," and this morning "Militarism." Next Sunday the subject will be "Neutralism"; and Easter morning, "Pessimism," with the text, "Why seek ye the living among the dead?"

Dr. Goodspeed once said that he felt that when Jesus said, "Father, forgive them for they know not what they do," He was referring to the soldiers whose duty it was to crucify Him, to drive spikes through His hands and plunge a spear into His side. They were just carrying out orders—for to obey without question is always the duty of a soldier.

On the 30th day of September, 1938, a lone plane dipped out of the fog and landed at Heston Airdrome in London; and an old man with a black umbrella stepped out of the plane onto the ramp. They handed him a microphone, and he spoke to millions, saying, "My good friends, this is the second time in history that we have brought back from Germany to Downing Street peace and honor." The people cheered because they hated war; they knew its price and longed for peace. For months they had been subject to the battering tension of Hitler and his war of nerves and their spirits were exhausted. But 6 months later they realized that appeasement is not peace. It only made the war more certain than ever.

We are not very different from those who met Sir Neville Chamberlain on that damp and cold night in September 1938; for we, too, long for peace more than anything else in the world—though it must be a peace with some degree of permanence. We know that peace so often has only been the uneasy interval between wars; it's date used to be told by a calendar; now it is clocked by a stopwatch.

We are confronted with an imperialistic program of expansion by leaders who talk of peace and then seize that which can only be obtained through war and threats of war. I think of the man who was called a fool, who stood and watched troops march by—and he asked, "Where do they come from?" And some one said, "From peace." "Where are they going?" "They are going to war." "Why?" "To kill the enemy—burn the cities—and win the peace." And the so-called fool replied: "They come from peace—they go to war to get peace; why don't they stay with peace in the first place?"

In the 44th chapter of Genesis, the 18th to 24th verses, we read a story of sons who were jealous of their brother and sold him into slavery; and he rises to become the ruler of that country. The plague strikes the country where the jealous brothers live, and they come pleading that they may buy corn—not recognizing their brother as the ruler. But he, in turn, recognizes them; and so he says, "You must bring your youngest brother Benjamin with you to prove that you are not spies." And when they went back to tell their father of the requirements, his heart was broken, because he had always believed that the son who had been sold was dead; and now another one of his sons might meet the same fate. So he sent one of the brothers back to interview the ruler and plead for the youngest brother in the family.

There are three sentences in his appeal that I would like to share with you this morning, because I think they give some light on this very difficult problem of militarism. The first, when he says to the ruler, "Ask not for him, seeing that the father's life is bound up in the lad's life." He had caught the contagion of his father's compassion; and he had moved from the contagion of passion and jealousy to the contagion of compassion and love.

Passions go with war; compassion goes with peace. Those who are bound to the passions of war have only three alternatives to offer. They have offered them down through the centuries. First, preventive war. It has often been waged—Germany against Russia—Russia against Finland. They reason and say, "Well, since war is going to come sooner or later it had better be undertaken when we are prepared and when we have the balance of power." In the past years there have been many who suggested that this be our method in dealing with Russia and Red China. But Bismarck once said "Preventive war is like a man who, being afraid of death, commits suicide."

In the second place, those bound by the passions of war offer what they call qualified appeasement. That appears to be largely what happened at Teheran, Yalta, Potsdam—leaving Russia in control of much of Europe and dividing the world by an Iron Curtain,

and leading us into an armament race which may still bring bankruptcy to the whole world.

The third is to quarantine the aggressor. If a nation is not playing fair, and tries to control and swallow its neighbors, it must be recognized as a menace and isolated. This seems to be our method of dealing with Red China. This, of course, brings only temporary and qualified peace, built on a foundation of antagonisms and supported only by power. And in a world where many nations now have the power to destroy our whole civilization, and our weapons are becoming more and more destructive, this is an impossible approach. There is no use to bury the hatchet if you leave the handle sticking out for someone to trip over.

Strange and odd as it may seem, we must move from passion to compassion. That is our only hope. Judah, pleading before Joseph, was turned from hatred and jealousy toward his brother Joseph because of the consciousness of his father's suffering and his father's love. That is true in family relations. How is affection generated in the sons of a family? By mere nearness? Well, then the people in tenement districts of New York and Chicago ought to be very congenial. Those who ride in the New York subways, then, ought to be very close companions. But you know that nearness sometimes only sharpens rivalry.

When a boy goes wrong and the family is dishonored by his deeds, what is the motive for taking him back into the fold? Someone in the family will say, "Remember how mother loved him." So they see the broken brother as the broken-hearted mother would have seen him. So with us. There are so many to whom we must extend the hand of good will—but doing it we must not look at them, but look at God; for we love in order to be worthy children of an all-loving Father.

The view of the world from the street level does not stir affection. We are always looking at our enemies as the embodiment of all the ugly traits in human nature—they are of low breed—they are beastly. We need to get a new concept of who our enemies really are to understand the power of indoctrination to which they have become slaves—to oppose not the man but the evil in man.

So Judah said to Joseph, "The father's life is bound up in the lad's life." The love of the father gave to him a new love for his brother Benjamin.

In the second place, he said, "I will become surety for the lad unto his father." How much we need to do that today—to become a guarantee—surety—for our children, as we work for a better world.

This matter of surety is a sobering business. So many say, "I never go anybody's bond." But a parent does. When he gives a name to the child he underwrites that child; he becomes the guarantor who is responsible. Whatever damage the child may inflict, the parent has to pay. It is so with a teacher. She faces her class which is made up of new creatures, no one child is like another. There are no standardized parts in our universe. Sometimes we say, "You've never seen such a baby." And that is true. When you handle a child you are handling an irreplaceable piece of china. When a teacher or a parent fails, all the world is poorer, because a personality that never can be duplicated is lost.

That was the attitude of Jesus, as He went surety for the human race. At His baptism He accepted responsibility for the welfare of all men and so created Christ's life underwriters, whose attitude is not grudge, but gratitude—guarantee. Abraham Lincoln, in his Gettysburg address, which will live forever, has these well-known lines: "It is rather for us here to be dedicated to the great task remaining before us, that from these honored dead we take increased devotion to that cause for which they gave their last full measure of devotion; that we here highly resolve that these dead shall not have died in vain."

The tragedy is that many have died in vain. In the First World War we went out saying that we were going to save the world for democracy—we were going to "fight a war to end war." But we only sowed the seed for the most colossal war in history. In the Second World War we fought for the four freedoms—to lay the foundation of a new international cooperation for justice and peace. But now look at ourselves. We do not know what the day may bring. Did they die in vain? Of course, that is something the living must answer—the dead cannot. We must move from grudges to gratitude to guarantee.

Monday night I spoke in Gary, Ind. The minister there had been very active in the Air Force in the last war. He said, when it was over he came home, and they offered him his same old job. And he said, "No; I must do something more specifically directed toward the building of a better world for my 8-year-old daughter and my 6-year-old son."

There is a cemetery in North Assam where lie buried the American boys who died in India and in Burma. Over the entrance to the cemetery are these words: "Tell them that we gave our todays for their tomorrows." We must do the same. Not grudges, but gratitude and guarantee.

Not passion, then, but compassion—"His life is bound up in the lad's life." That is equally true of God. Not grudge, but gratitude, guarantee—"I will become surety for the lad unto my father." We must express our gratitude by building a better world—"we gave our yesterdays for their tomorrow."

The third, finally, Judah says: "Let me abide as the bondsman to my Lord, instead of the lad; and release him." Judah offers to make good his bond by offering his own life for the lad's life. So many brave words have been spoken about peace in which we have put our trust, but the solemn pledges have not been made good. We need not words but works.

At the signing of the Briand-Kellogg Peace Pact outlawing war they said "Let us dedicate our signatures to those who died in the great war." But before the ink was dry we had moved away from our signatures. Our word was not our bond.

As Christians, then, I suggest:

First. We must contribute a faith that peace is possible. People are always saying, "You can't change human nature—there will always be war." We need a faith that removes mountains, even the mountains of militarism.

Second. Peace is expensive. We think so often that good things are free. I think of the man who went into the drugstore just before the 11 o'clock hour on Sunday morning, put down a 10-cent piece and said, "I want two nickels." And when the druggist gave him the two nickels he said, "I hope you will enjoy the sermon." We sometimes think that good things ought to be free; but I remind you that peace is expensive—but not as expensive as war. World War II, merely in terms of dollars, cost an amount that would have made it possible for us to give every family in the world a 6-room house, fully furnished, with an automobile; and to every town of 5,000 people or more a hospital and a library; and have enough money left over to pay the expenses of all the librarians, all the doctors, all the nurses, for the next hundred years. "Why spend ye money for that which is not bread? Why labor for that which satisfieth not?"

Third. We must cultivate a spirit of national self-criticism. There is nothing inconsistent about loving and also being critical of your country. That's the heart of a real family—a family both loves and is critical one of the other. When love becomes so blind that we cannot distinguish between our virtues and our vices, then, we are much too blind.

Fourth. We must attempt to disassociate as much as possible the patriotic spirit and the military spirit. It is just as patriotic to live for your country as to die for it. It is tragic that too often the patriotic and the military have been bound together in our national traditions—in our songs—in our stories—in our statues—until patriotism has become glorified violence. In France, they built a mighty tomb for Napoleon but only a small statue for Louis Pasteur. Napoleon left a trail of blood and destruction; Pasteur, a trail of healing. I say this in behalf of those who died, that they shall not have died in vain.

Finally, we must enlarge our concept of patriotism. The first patriot was a man who loved his family; then he became part of a clan. He was loyal to both. He became part of a tribe. He was loyal to all three. He became part of a nation. He became loyal to all four. The thirteen Colonies, when they began, were conscious only of their own State, and not of the Nation. But Henry Clay lived to say one day: "I know of no south, north, east, or west, but one Nation under God."

When Edith Cavell was led before the firing squad, she said, "Patriotism is not enough." Love of country must be a door through which we pass into a new appreciation of all humanity. The only wars of tomorrow will be global wars—and they will only be stopped by global concern. "If ye love them that love you, what reward have you? Do not even the publicans the same?"

Not passion, but compassion. Not grudge, but gratitude—guarantee. Not words, but works. Dr. Wallace Petty took a group of college students one time to hear Dr. Kagawa, when he was trying to bring about real healing after the war. They came away, most of them, saying, "Well, I could not understand him very well—he seemed only to be repeating platitudes." Then one boy said, "But did you notice the heavy lenses on his glasses? He has trachoma and is going blind. And he contracted trachoma by sharing with the poor in the city of Tokyo. Let's not forget that." And then he added: "I guess that when a man is hanging from a cross for what he believes to be true he doesn't have to say very much."

We need less talk and more dying for the truth of Christ. Amen.

THE JACKSON FAMILY CASE

The SPEAKER. Under previous order of the House the gentleman from West Virginia [Mr. STAGGERS] is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, I think it is entirely proper, indeed timely, and, in fact, even emergent that we take a moment from the matters of state and give attention to a subject which takes over the newspaper headlines today. It is the sad restatement of the facts and circumstances pertaining to the murder of the Jackson family, from the time they were forced from their automobile on Sunday, January 11, 1959, until all the bodies were discovered this past weekend.

It is imperative, I believe, that more police be assigned to the job of hunting and capturing the murderer who is still at large—more Federal, State, and local officers.

If the capture of this person, who so coldbloodedly kidnaped and murdered Mr. and Mrs. Carroll V. Jackson and their two little daughters, and crudely

buried their bodies in Virginia and Maryland, is not brought about soon, there is no doubt but that the lives of others may be in jeopardy.

As long as the killer is at large, no man's family and children will be safe. Sufficient officials must be assigned to the case—and now.

History has shown that in times such as these, with so much unemployment and with the morale of depressed persons so low, crime hits the highest peak. We must do all within our power to at least safeguard the lives of the citizens and their families. We owe this protection to the innocent.

CONSERVATION AND WISE USE OF FOREST RESOURCES OF WEST VIRGINIA

Mr. STAGGERS. Mr. Speaker, the economic depression which has fallen so heavily on portions of my State casts a dark shadow over many communities at this Easter season. The southern Appalachian area, particularly the coal-mining centers, shows evidence of deep-rooted economic sickness. In seeking ways to alleviate this situation and contribute toward a permanent solution, conservation and wise use of our forest resources must be recognized as an important factor.

It appears that we have not fully appreciated the important contribution to be made by renewable resources in the form of forests and related natural resources. Our mountains were originally covered with lush stands of spruce, pine, and a great variety of valuable hardwood trees, with high commercial and esthetic value.

Over in the Commerce Department at Washington a special clock ticks off the arrival of a new American every 11 seconds. The rapid expansion of our population along the eastern seaboard emphasizes the growing public dependence on forests in this early settled part of our Nation. Almost 700,000 recreation visits were reported by the Monongahela National Forest in my district last year. As the workweek becomes shorter, and paid vacations more widespread, this use of mountain forest areas will undoubtedly expand.

One of the important features of this program, from the standpoint of West Virginians, is the multiple-use policy under which its resources are administered. Timber from the forest is harvested as a crop under the principle of sustained yield, which guarantees continuing supplies of wood and other forest products. The same forest area is open to the general public for hunting and fishing and thousands of visiting nimrods enjoy these sports on land where they are welcome guests. Areas suitable for public camping, picnicking and swimming are being dedicated to these uses, further enhancing the value of the forest to the public. Watershed values are maintained to provide local communities with clean, clear water suitable for domestic and industrial uses. The result of this multiple-use operation is to bring people and business to the rural areas in and adjacent to the forests, and the local economy is consequently enriched. Often the timber from the national forest serves as raw material for important local industry that provides wages for the residents. One encouraging example of this is in Tucker County where a recently established charcoal plant serves as a market for large quantities of low-grade wood. Removal of this material from the second-growth forest under good conservation practices is, in effect, a thinning and weeding operation and becomes an important step in good forest management.

Thirteen million board feet of timber were harvested on the Monongahela National Forest during the last 6 months of 1958. This brought an average stumpage price of $9.19 per thousand board feet but the total value of harvested timber when processed represents many times this amount. The cutting, hauling, sawing, and conversion to finished lumber, furniture, and other items has provided employment for hundreds of workers. Thus a sustained-yield forest provides a continuing source of raw material with stable employment for dependent people. This is a wholesome influence in any community.

Recently the U.S. Forest Service, in cooperation with State and industry foresters, completed an exhaustive analysis of the Nation's timber situation. The report has been released in a volume entitled "Timber Resources for America's Future." This study, one of the most thoroughgoing of its type ever undertaken, projects the Nation's timber growth and population growth forward to the years 1975 and 2000. It indicates that we face a shortage of timber to meet the needs of our growing country, unless action is taken promptly.

With unemployment in many rural forest areas, it seems logical that preparation to meet this coming shortage is one of the most practical ways in which to put people to work. This would involve a number of steps, some of which could provide immediate employment opportunities. The first logical step would be the development of a forest road system to provide better access to mountain forest areas. This would permit removal of presently available wood and provide for thinning and weeding young forests that are already growing in many areas. It would also provide access for planting idle acres. Timber growing is a long-term basis. In meeting shortages for the year 2000, a tree planted in 1959 is worth far more than one planted in 1999.

Work at the Fernow Experimental Forest in Tucker County, W. Va., indicates that a thrifty, well-stocked hardwood forest can grow 500 board-feet per acre per year. Assuming an average value of $15 per thousand as the value of this timber on the stump, the forest manager will net $7.50 per acre per year from growth in his woodlot. Properly managed, many thousands of acres of West Virginia's mountain forests can be made to yield a profit to the owner plus wages for workers in the woods and in adjacent communities, and under sustained yield, this renewable forest resource can provide raw material for the indefinite future.

The United States, with about 9 percent of the world's forest area, is using about half of the world's timber. In meeting future needs, the United States cannot depend upon massive acreage. We must, instead, utilize scientific management to provide the abundant raw materials we need from our forests.

Under skilled guidance good forest management can help to solve our economic problems in West Virginia, and in other parts of the Nation.

RECESS

The SPEAKER. The Chair is going to declare a recess subject to the call of the Chair, but the bells will be rung 15 minutes before the House reassembles.

Thereupon (at 3 o'clock and 21 minutes p.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 5 o'clock and 10 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

TEMPORARY UNEMPLOYMENT COMPENSATION

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MILLS, FORAND, KING of California, SIMPSON of Pennsylvania, and MASON.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that it may be in order for the conference report on the bill H.R. 5640 to be considered at any time it is filed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Accordingly (at 5 o'clock and 12 minutes p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 6 o'clock and 14 minutes p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate insists upon its amendment to the bill (H.R. 5640) entitled "An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. KERR, Mr. MCCARTHY, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

TEMPORARY UNEMPLOYMENT COMPENSATION

Mr. MILLS submitted the following conference report and statement on the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation:

CONFERENCE REPORT (H. REPT. NO. 257)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That paragraph (1) of section 101(a) of the Temporary Unemployment Compensation Act of 1958 (42 U.S.C. 1400) is amended—

"(1) by striking out 'April 1, 1959' and inserting in lieu thereof 'July 1, 1959'; and

"(2) by adding at the end of such paragraph the following: 'Payment of temporary unemployment compensation under this Act to any individual shall be made only if such individual had exhausted all rights under the unemployment compensation laws referred to in paragraph (3) before April 1, 1959, and his first claim under this Act was filed before April 1, 1959, in States in which unemployment compensation is paid on the basis of flexible-weeks, before April 5, 1959, in States in which unemployment compensation is paid on the basis of calendar-weeks, and before April 7, 1959, in States in which unemployment compensation is paid on the basis of statutory or payroll weeks.'"

And the Senate agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
NOAH M. MASON,
Managers on the Part of the House.

HARRY F. BYRD,
ROBERT S. KERR,
EUGENE J. MCCARTHY,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Under section 101(a)(1) of the Temporary Unemployment Compensation Act of 1958 temporary unemployment compensation is payable only for weeks of unemployment beginning April 1, 1959.

Under the bill as passed the House, such compensation was payable for weeks of unemployment beginning before July 1, 1959, but only if the individual's first claim under the Temporary Unemployment Compensation Act of 1958 was filed before April 1, 1959.

The bill as passed the Senate provided that such temporary unemployment compensation was payable for weeks of unemployment beginning before July 1, 1959 (without regard to when the individual's first claim under such act was filed).

Under the conference agreement, payment of temporary unemployment compensation under the Temporary Unemployment Compensation Act of 1958 may be made to an individual for weeks of unemployment beginning before July 1, 1959, but only if such individual had exhausted all rights under the unemployment compensation laws referred to in section 101(a)(3) of such act before April 1, 1959, and his first claim under such act was filed—

(1) Before April 1, 1959, in States in which unemployment compensation is paid on the basis of flexible-weeks;

(2) Before April 5, 1959, in States in which unemployment compensation is paid on the basis of calendar-weeks; and

(3) Before April 7, 1959, in States in which unemployment compensation is paid on the basis of statutory or payroll weeks.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
NOAH M. MASON,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, in accordance with the prior directive of the House, I call up the conference report on the bill (H.R. 5640) to extend the time during which certain individuals may continue to receive temporary unemployment compensation, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

Mr. MILLS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the conferences on the part of the House bring to the House a conference report which represents largely the bill that passed the House a few days ago. It will be recalled, when the bill passed the House, we extended for a period of 3 months or until June 30 the time within which payments under the TUC could be made for the benefit of those individuals who had exhausted their claims under the State Unemployment Compensation systems prior to April.

Just about the time we were acting, Mr. Speaker, on the bill, I was advised by representatives of the Department of Labor that we had not been as precise as we should have been in the definition of eligibility for these continued payments. It was suggested that we might adopt an amendment in this body in connection with the passage of the legislation. I did not have the time to get the committee together to consider an amendment. This amendment was brought up in the Finance Committee of the other body when that body considered the bill, H.R. 5640, and this more precise definition of eligibility was included. We bring the bill back to the House with the conferees on the part of the House agreeing to this amendment of the other body, which is technical in nature.

The conferees of the other body receded from an amendment subsequently adopted on the floor of the Senate, so that there is this one amendment to the bill as it passed the House. I can assure you, Mr. Speaker, it is a technical amendment. It is required because in some States, it is necessary to wait a week from the time of exhaustion of benefits under the State program before a person can file for benefits under TUC. Thus, under the bill that passed the House, these people who had exhausted their benefits and were eligible for benefits prior to April because of that provision of State law could not file prior to April 1, and thus become eligible for benefits during the extended 3-month period. We thought it fair and equitable that those people should be treated in those States just as they would be treated in other States where they could file for TUC at the time of exhaustion of benefits.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SIMPSON] and others desiring to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have joined with the distinguished chairman of the Committee on Ways and Means in urging the House to

agree to the conference agreement to H.R. 5640. The conference agreement includes a Senate amendment which is technical in nature and would merely clarify the eligibility status of applicants for temporary unemployment compensation during the phasing out period. It is desirable that expeditious action be taken on this legislation so that it may be signed into law and become operative. A Senate floor amendment which would have provided a straight 3-month extension of the existing temporary program, without any provision for phasing out, was deleted in conference.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SALES OF TIMBER FROM MILITARY AND NAVAL RESERVATIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. ABBITT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ABBITT. Mr. Speaker, on Monday I introduced H.R. 5957, which provides for payments to States for the benefit of local governments based upon the proceeds of sales of timber located on land within military and naval reservations. The bill has been referred to the Armed Services Committee and I have requested the chairman to give the matter early consideration.

This is a general bill and would apply to timber sales from any Army, Navy, Air Force, or Marine reservation in the country.

I believe that such legislation is needed as a means of returning to the localities some of the great losses they have suffered by decreased tax revenues as a result of vast Government holdings for military purposes. The language of the bill follows that used years ago in providing for the same type of distribution of timber receipts from sales within the national forests. The precedent established in that legislation can well apply here and I believe it is only just and proper that it do so.

Few Americans, I am sure, realize what a vast acreage the military agencies hold in this country. Millions of acres are being used for various purposes—and, more importantly, countless acres are lying virtually unused because of deactivation. Yet, it is from these deactivated reservations that often timber is cut. The counties wherein these reservations are located are in the position of not being able to return the lands to the tax rolls because the Government claims they are necessary for possible mobilization requirements; yet they see timber being cut and profits being made from it.

It seems to me that it is only fair that the counties or other political subdivisions share in these proceeds. My bill would provide for this.

Although I could cite many instances, I am most familiar with the situation in my own congressional district, where Camp Pickett is situated. Camp Pickett covers an area of some 45,000 acres. This is divided among three of our counties—Nottoway, Dinwiddie, and Brunswick. When Pickett was built, the Government took 25,432 acres in Nottoway County, 13,246 acres in Dinwiddie County, and 6,990 acres in Brunswick County. All of this was productive land and was listed on the tax rolls of the respective counties. The purchase price was $1,181,405.

Now this land is lying virtually unused; the Government will not release it; and there is little likelihood of its being utilized to any great extent in the foreseeable future. The counties thus are deprived of tax revenues and the situation is pressing when the governing bodies of these areas must meet expanding needs with their base of revenue depleted. I assume the same situation could be found in many other places in the country.

I trust that this bill will be given full attention and that something can be done during this session to correct the situation.

GREEK INDEPENDENCE DAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOLAND. Mr. Speaker, March 25 of the year 1821 is a grand and glorious landmark in the long history of the Greek people. On that day, 138 years ago today, a band of brave and courageous Greeks rose in revolt against their Ottoman oppressors and proclaimed their national independence. After suffering for almost 400 years under the tyranny of the Turks, they thus successfully attained their goal. In the ensuing life and death struggle, which lasted more than 6 years, they fought against formidable odds, often their backs to the wall. Finally, with the aid of their friends and sympathizers, they brought independent Greece into existence in 1827.

Since then Greece has had more than its share of misfortunes and miseries, especially during the two world wars. During the last war, and the years following the end of that war, Greeks came perilously close to losing their independence. When all of her neighbors in the Balkan peninsula were ruthlessly victimized by Soviet communism, Greece remained, thanks to the British and American aid, the lone outpost of freedom and independence in the entire Balkan area. Today she is a strategic bastion of the free world against communism. On this 138th anniversary let us all hope that she will face all dangers threatening her with firm determination and courage that have characterized Greeks throughout their long and glorious history.

THIRTEENTH ANNIVERSARY OF THE STRATEGIC AIR COMMAND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOLAND. Mr. Speaker, the Strategic Air Command, known by its clipped designation, SAC, is the long range nuclear striking arm of the United States Air Force.

The 8th Air Force Headquarters are located in my district at Westover Air Force Base in Chicopee Falls, Mass. The 8th Air Force is an integral part of our defense and attack force. It projects, not only the eastern seaboard of this Nation but performs its strategic part in preserving the peace of the world.

Mr. Speaker, I personally know some of the team that constitutes the 8th Air Force. I make it a point to visit the Westover Air Force at frequent intervals and to witness the work that is done there. I can attest to the dedication of both military and civilian personnel that makes this great air base so important a part of the country's defense posture and its strength.

The value of SAC is recognized by the entire free world. Sir Winston Churchill's words sums up the respect that the world has for SAC:

> The United States Strategic Air Command is a deterrent of the highest order and maintains ceaseless readiness. We owe much to their devotion to the cause of freedom in a troubled world. The primary deterrents to aggression remain the nuclear weapon and the ability of the highly organized and trained U.S. Strategic Air Command to use it.

Mr. Speaker, I congratulate SAC on its 13th anniversary. May SAC continue to preserve the peace through the maintenance of a combat ready force of poised strategic air power.

Under unanimous consent to extend my remarks in the body of the RECORD, I include an article that appeared in the Springfield, Mass., Daily News on March 19:

> SAC'S 13TH ANNIVERSARY TO BE MARKED SATURDAY—COMMAND LEADER GEN. T. S. POWER ALSO OBSERVING START OF 31ST YEAR AS COMMISSIONED OFFICER
>
> WESTOVER AIR FORCE BASE.—The Strategic Air Command celebrates its 13th birthday Saturday and its leader, Gen. Thomas S. Power, this month enters his 31st year of service as a commissioned officer.
>
> General Power took command of SAC—this Nation's most potent deterrent force—in August 1957. The high leadership came after a distinguished service and combat

record beginning when he was commissioned a second lieutenant in February 1929.

SAC got its start in March, 1946 at Bolling Field, Washinton, D.C., and Gen. George C. Kenney, World War II chief of Far East Forces was made commander. He was followed by colorful Gen. Curtis E. LeMay, who stepped up a rank in the Air Force hierarchy and was succeeded by General Power.

General Power first saw combat flying with the 304th Bomb Wing in North Africa and Italy. He later was made bomb wing commander of the 314th Bomb Wing and moved his fleet of B–29's to Guam as part of the 21st Bomb Command.

From Guam, General Power led and directed the daring large scale fire raids on Tokyo, March 9, 1945.

General Power was appointed deputy chief of operations for Gen. Carl Spaatz, commander of the U.S. Strategic Air Force in the Pacific.

During the "Crossroads" atom bomb tests at Bikini Atoll in 1946 General Power was assistant deputy task force commander for air on Admiral Blandy's staff.

The concept of SAC as America's global striking force was then taking shape and following other assignments General Power, in 1948, was chosen as SAC vice commander. He worked with General LeMay for 6 years building up the mighty power of SAC.

In 1954 General Power was named commander of the Air Research and Development Command but in 1957 when General LeMay was named vice chief of staff of the Air Force, General Power returned to SAC as commander with four stars.

Under his command are three combat air forces in the United States, three oversea air divisions, and an overseas air force.

In training, SAC uses a unique system. Crews are designated by their proved proficiency. A select crew is tops. There are other classifications—lead crew, combat ready crews, and noncombat ready crews, depending on the degree of training.

In internal SAC affairs, General Power recently told Congress that vigorous action should be taken to: "improve SAC housing, authorize alert pay for SAC crews, provide more spot promotion, improve advancement, and boost base exchange and commissary privileges.

"Serious consideration," he said, "should be given to increase benefits to those crews that are on alert, a monetary benefit, call it inconvenience pay or what."

He also said there should be greater career advancement opportunities. He said it is difficult "to get these men pushed up."

The general reported many of the items in the fiscal 1960 budget will implement his suggestions except in the housing area. The housing program, he said, "is not going as fast as I would like to see it go."

BUTLER COUNTY, KY.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. NATCHER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NATCHER. Mr. Speaker, our family farms are vital to the economy of the United States. We must look to the family farms for food and fiber required by a growing population. Unfortunately, many owners of our small farms still have small net incomes, and by reason thereof it is extremely difficult for them to maintain an adequate standard of living for their families. It is a recognized fact that agriculture must prosper if the Nation is to prosper. The American farmer has the right to demand a standard of living in keeping with the contribution he makes to the national economy. We have approximately 4,600,000 farms in this country, yet 1.5 million farm families have cash income from all sources of less than $1,200 a year. Since modern farm problems are complex, and changing conditions in agriculture demand constant experiment with policies and programs, there seems no easy answer as to the best method of meeting the challenge in areas of low farm income. But the owners of family-size farms must have their interests fully protected. It is imperative that we save the small farmer, and, in my opinion, one of the most effective ways to accomplish this purpose is by means of the rural development program.

In 1955 the Congress was asked for funds and authority to allow the Department of Agriculture to be of service to rural development programs going forward under State leadership. Under the rural development program we have as our main objectives increased income for small farmers and efforts toward making the land provide a higher level of living; better management of timber resources on farms in order to produce higher income for the owners; credit needs for small farmers and our farm people afforded full information on job opportunities in their immediate vicinities provided it should become necessary for them to supplement their farm incomes; acceleration of vocational training for our young people, and better health services with improved nutrition. These objectives are basic to total economic improvement. Pilot counties were designated in many States. The three such counties in Kentucky are Butler County, Metcalfe County, and Elliott County. In these three pilot counties committees were formed to direct rural development and adapt programs to local conditions. The Federal Government contributes funds for technical aid, credit, and research for the rural development program. Proper rural development programs are accelerating the movement toward more industry, more efficient-size family farms, and the supplementing of income for farm people.

The initial impact of the rural development program has been partly responsible for many improvements in Butler County, Ky. It has aided in many accomplishments, namely, a new health unit, an increase in local employment, erection of three modern buildings on the main street of Morgantown, the county seat, a new post office building to be erected in the near future, construction of new homes and business houses, improvement of roads and schools, a building erected for use as a meeting place for the rural development group, improvements generally in living conditions on the farms and better acceptance and use of farm programs offered throughout the county, as well as overall progress in the city of Morgantown.

The citizens of Butler County, Ky., are convinced that the rural development program is the soundest approach yet devised to gaining long-range economic development and growth in our rural towns and communities. They realize that the program's effectiveness depends on their continuing interest. The business and professional men of Morgantown are to be commended for the part they have played in this program. As leaders in their community, they have given of their time, advice, and experience. And certainly mention should be made of the cooperation of G. Guy Cook, owner and editor of the Green River Republican, and his son, William Cook. Through the medium of their newspaper, these gentlemen have rendered assistance of untold value in the advancement of the rural development program.

The success of the rural development program in Butler County is recognized not only in the Second Congressional District and throughout Kentucky, but has spread far and wide. Paddy Keenan, county agent of County Coven, Ireland, after spending a week in Butler County, wrote a letter to the Green River Republican in which he said:

> Coven lies toward the north of Ireland. It's a county with little other resources except what the land can grow—and the lakes. The lakes are full of fish. * * *
>
> Come to think of it, County Coven, Ireland, is very like Butler County, Ky. Except for one thing. Butler County has something they call a rural development program.
>
> For the past week I have spent the time going around looking at the fruits of this program. I am amazed at the results. I am amazed that a bare 2 years could yield so beautiful a harvest.

Mr. Keenan has well summarized the opinions of representative groups from localities throughout the United States who have visited Butler County. Though formerly designated as a low income county agriculturally, due to recent achievements Butler County is well along the way toward a departure from that category. We have witnessed an example of success so far as the rural development program is concerned, and likewise the citizens of Butler County have set a splendid example of time and effort successfully spent in saving small farms, and their owners from economic downfall.

It was our Founding Fathers who, in signing the Declaration of Independence, were willing to attach their signatures to a dream. Indeed this great country of ours has gone forward because of great leaders who had the conviction of things not seen. The true American dream is prevailing in Butler County—it has been accepted not as an heirloom but as a pronouncement.

BILLIONS FOR OTHERS AND THE "TRICKLE DOWN" FOR OUR OWN CITIZENS

The SPEAKER. Under the previous order of the House, the gentleman from

Ohio [Mr. LEVERING] is recognized for 15 minutes.

Mr. LEVERING. Mr. Speaker, it is painful for me to have to criticize U.S. policies which, in my judgment, work to the detriment of our own people. I would much rather discuss constructive, forward-looking programs which I can debate on their merits.

Yet, as we all know, there are times when we must face up to the facts of an inequitable situation and, if nothing else, exercise the good old American prerogative of complaining about it. There is an old saying: "The squeaking wheel is the one that gets the grease." Another is: "Out of sight, or out of hearing, out of mind."

Just a few short weeks ago, the people of Ohio, Pennsylvania, Indiana, and other midwestern States were suffering from floods. The people of my own 17th District of Ohio had two very tragic situations in the course of the first 2 months of this year, underscoring to them the necessity for planning to work in the sunshine to prevent the harmful, tragic effects of water on the rampage in time of rain or melting snow.

It is not necessary, I think, for me to recount the enormous damages caused in the recent floods in my district, and in Ohio generally. But I hold in my hand a recent leaflet issued by the American Red Cross. It is entitled "Midwestern Floods, January–February 1959," and some of the photographs in this publication are those of people in my own neighborhood of the 17th District.

This publication shows that, through Red Cross alone, a grand total of $2,424,485.97 in disaster relief had to be spent. This figure of $2.4 million, of course, is merely a drop in the bucket as to the total loss suffered by the people of the various areas. When we take into account the furniture that was ruined in thousands of homes, the electrical fixtures and other accouterments of any home that were ruined in the thousands of homes, the houses that actually were washed off their foundations, the roadways that were rutted and gutted, and the business inventories damaged or lost by the swirling waters, we can understand that this emergency, temporary relief spent by the Red Cross is merely a token of the total loss.

It was estimated authoritatively by several careful spokesmen that the damages in Ohio alone ran more than $100 million. This, of course, is not counting the loss of lives—34 in the January flood alone—and the exposure and illness to which many thousands of persons were subjected because they had to flee their homes in bitterly cold weather.

As I have said before the damage caused by water on a rampage is utterly incalculable. But insofar as we can calculate it, the total amount of loss runs into astronomical figures as we know.

Naturally, as soon as the rivers and tributaries began to recede after the January flood, our people went to work to see what could be done to prevent a recurrence of this type of catastrophe.

We were informed, for instance that the flood control measures that had been taken had saved at least $65 million in damage in our area, although, as we all know, the various reservoirs and other flood control measures that have been taken in other years have cost only a fraction of this sum. In other words, we knew that we ought to get busy and to make sure that needed projects are carried out, for we believe that the time to prepare for rain and flood is when the sun is shining.

As I investigated the various flood control areas in Ohio, I came up against the fact that the President has adopted a policy of "no new starts," on such projects.

Accordingly, I wired the President from my district on February 20, asking him to take into consideration the possibilities of further damage to my people and their homes, in case of floods, and urging him to release the ban on new projects which could be undertaken by the Army Engineers.

I received, on March 18, 1959, a letter from Mr. Staats, Deputy Director of the Bureau of the Budget, under the Executive Office of the President, to this effect:

You may be sure that the flood losses suffered in Ohio and elsewhere are a matter of deep personal concern to the President. The expeditious planning and construction of works to reduce danger from floods are an important part of his program.

However—

And I might say, Mr. Speaker, that it is these "howevers" in the letters we get that throw us many times. Sometimes, it is an "on the other hand" that makes life miserable for us, too. But I continue to read from Mr. Staats' letter—

However, with the large number of water resources projects placed in a construction status during the past several years, Federal spending for programs of this type will reach the highest level in history during the coming fiscal year. The President, after weighing the desirability of a further acceleration of these programs against the urgent fiscal requirements of national defense and other essential programs, decided that initiation of construction of all new water resources projects should be deferred until after fiscal year 1960.

You urge that funds be made available for the initiation of planning on additional authorized flood control projects. Funds for advance planning on authorized projects are included in the budget as a lump-sum amount. The allocation of funds from this amount to specific projects is made by the Chief of Engineers with the approval of the Secretary of the Army. The extent to which such funds should be used for new planning starts is therefore a matter for determination by the Chief of Engineers.

The President appreciates receiving your views on this important matter and I can assure you that they will be given full consideration in future budgetary recommendations to the Congress.

Mr. Speaker, it is most difficult for me to explain to my people in the 17th District such a turndown from the President, for I am sure that they, who have suffered greatly and know the value of a dollar and the value of their possessions, simply cannot understand why he would reject our pleas for use of our own tax money.

As my people know, the President is putting great pressure on me, and every other legislator on Capitol Hill, to vote to appropriate almost $4 billion—in addition to the billions already available—for foreign aid for fiscal 1960. Just the other day, my people could read in the newspapers about how President Eisenhower, standing with the President of Mexico at Acapulco, agreed to bear a great part of the cost of a new $100 million Diablo Dam on the Rio Grande near Del Rio, Tex. This new international dam, which will supplement the huge Falcon Dam project on the same waterway, will be 250 feet high and 6½ miles long.

As noted, the President does not mind obligating the tax money of the people of my district to be spent to help the Mexicans and the Texans—and there is not anything wrong with the Mexicans and the Texans, in my humble judgment—to the tune of some $50 million, and the administration does not hesitate to pressure us on the Hill to appropriate huge sums for foreign aid, but when it comes to some little projects out in my district, the answer, in a nutshell, is "Thumbs down."

The situation, of course, is not going to rest there. Our people can and will work together to take whatever steps we can to help ourselves. We have been working on plans for a conservancy district. Perhaps in some ways we can help ourselves, and, of course, it always has been our intention to do so. Yet, the fact remains that on the big jobs, we simply must have Federal assistance, for the huge machinery, the huge capital, and the various adjuncts of flood control planning require Army Engineer assistance. It is unrealistic for anyone to think that a local community, by its own efforts, can guard against floodwaters that may originate far from the community itself.

Also, Mr. Speaker, I will be forced to take a long, hard look at the foreign aid appropriations before I vote for any of them, if I do vote in favor of them. The attitude that we should be solicitous of nations far removed from our country, while people right in our heartland are subjected to floods that can be prevented, is inconceivable to me.

It is incredible to me that the President should take a stand on this issue that, in my humble judgment, is so penny wise and pound foolish. The simple truth is this Army engineering work should be carried on apace. It is unbelievable to me that anyone would let a fiscal year, or any other artificial, man-made fiscal device stand in the way of undertaking needy public improvements that can save the people incalculable money, time, expense, and possible suffering.

Such an attitude could be compared only to a bookkeeper in a frontier fort who tells the people that they cannot use any more powder this month to fire at the marauding Indians, since they are already over the budget for the month. Protection against the ravages of nature is elemental good sense. If there are men to do the work, and machinery available, and resources to be used, then, in my judgment, it is inexcusable to delay the work on the excuse that it is not the right fiscal year for it. Nature does not ask us what fiscal year we are operating in before dumping snow, ice, rain, or hail on our land. I find it very hard to believe that men can get so insulated from actualities and realities as not to understand that the people of this country are not interested as much in what fiscal year they are operating as they are in taking the steps necessary to guard them against the hazards posed by floods or other natural disasters. Bookkeepers are useful. But in a time of crisis people do not stop to make entries while they are trying to save the home they have worked a lifetime to build, or to save their children and loved ones.

We must give precedence to people over fiscal years and bookkeeping, and particularly on flood control measures so vital to our people and to our Nation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. KOWALSKI, from March 26 to April 5, on account of official business, attending the Armed Services Committee visit to Germany.

Mr. COAD (at the request of Mr. SMITH of Iowa), for 2 days, on account of illness.

Mr. WAMPLER, from March 26 to April 5, 1959, on account of official business—Armed Services Committee.

Mr. MAILLIARD, for the week of April 6, on account of official business—official committee hearings in New York.

Mr. CHAMBERLAIN (at the request of Mr. HALLECK), for Thursday, March 26, 1959, on account of official business with the House Armed Services Committee.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FERNÓS-ISERN, for 10 minutes, on today.

Mr. REES of Kansas, for 10 minutes, on today, to revise and extend his remarks and to include extraneous matter.

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mr. HIESTAND, for 60 minutes, on April 13.

Mr. LINDSAY, for 15 minutes, on March 26.

Mr. METCALF (at the request of Mr. ALBERT), for 30 minutes, on Thursday, April 9.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RANDALL and to include extraneous matter.

Mr. RODINO.

Mr. DIXON.

Mr. ALGER in 12 instances.

(At the request of Mr. CHAMBERLAIN, the following Member, and to include extraneous matter:)

Mr. HALPERN.

(At the request of Mr. ALBERT and to include extraneous matter the following:)

Mr. MULTER in two instances.

Mr. SMITH of Iowa.

Mr. BURKE of Massachusetts.

Mr. COOLEY.

Mr. DADDARIO.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 6 o'clock and 22 minutes p.m.) the House adjourned until tomorrow, Thursday, March 26, 1959, at 12 o'clock noon.

REPORT OF COMMITTEE ON COUNTERPART FUNDS

Mr. BURLESON. Mr. Speaker, the Mutual Security Act of 1958, chapter IV, section 401(a), requires the Committee on House Administration to publish in the CONGRESSIONAL RECORD, within 10 legislative days after receipt, the consolidated report of each committee of the House using foreign currencies—counterpart funds—during the preceding year. Accordingly, there is shown herein a supplemental report of the House Committee on Armed Services:

MARCH 19, 1959.

Counterpart funds

REPORT OF COMMITTEE ON ARMED SERVICES

Foreign currency and U.S. dollar equivalents expended between July 1, 1958, and Dec. 31, 1958

Country	Name of currency	Transportation		Lodging		Meals		Gratuities		Miscellaneous		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Austria	Schilling	1,160	46.00	3,020	118.00	2,506.50	100.00	1,086.50	41.00	----------	----------	7,773.00	305.00
Belgium	Franc	3,400	68.00	10,359	205.18	12,112	241.44	1,250	27.80	----------	----------	27,121	542.42
Belgian Congo	do			5,000	100.00							5,000	100.00
Denmark	Kroner	333.60	49.20	2,970.80	440.84	2,651.40	372.42	688.00	92.04	422.60	57.38	7,066.40	1,011.88
France	Franc	912,051	2,170.94	679,373	1,615.13	743,897	1,769.07	151,692	360.85	291,222	692.16	2,778,235	6,608.15
French West Africa	do			10,000	47.62							10,000	47.62
Germany	Deutsche mark	12,215.98	2,908.47	1,947.78	470.17	3,242.45	780.78	540.43	131.18	915.94	222.31	18,862.58	4,512.91
Ghana	Pound	14/6/9	12.32									14/6/9	12.32
Greece	Drachma	180	6.00	3,561	118.70	5,340	178.00	1,140	38.00	2,202	73.40	12,423	414.10
Italy	Lire	2,722,683	4,367.83	685,913	1,091.40	991,318	1,599.84	176,090	281.75	265,785	428.33	4,841,789	7,769.15
Japan	Yen					9,000	25.00	18,000	50.00	9,000	25.00	36,000	100.00
Hong Kong	Dollar	29	5.00	744	128.92	542	94.17	174	30.00	231	40.00	1,720	298.09
Kenya	Schilling			350	49.43							350	49.43
Morocco	Franc			6,950	15.17							6,950	15.17
Netherlands	Guilder	873.36	229.73	529	138.95	687	180.22	35	9.19			2,124.36	558.09
Norway	Kroner	309.29	38.20	600	87.00	800	116.00	200	29.00	320	52.00	2,229.29	322.20
Philippines	Peso	94.76	47.38	365.74	182.87	216.50	108.25	304.00	152.00	219.00	109.50	1,200.00	600.00
Spain	Peseta	2,860	53.31	27,463	531.00	28,800	728.10	8,790	166.60	5,890	118.00	83,803	1,597.01
Sudan	Pound			12/0/0	34.56							12/0/0	34.56
Sweden	Kroner	1,090	201.82	600	99.00	1,642.60	299.53	325	57.13	320	60.00	3,977.60	717.48
Switzerland	Franc	747.55	173.37	1,832.50	422.73	1,818.05	429.73	389.65	89.70	502	116.74	5,289.75	1,232.27
Taiwan	Dollar			1,298	36.29	946	26.00	182	5.00	182	5.00	2,608	72.29
Thailand	Baht			2,400	114.29	315	15.00	315	15.00	105	5.00	3,135	149.29
Turkey	Lire			414	46.00	401.70	44.64	16.35	1.82	23.25	2.58	855.30	95.04
United Kingdom	Pound	383/0/4	1,063.18	594/6/6	1,673.93	230/8/6	646.05	54/6/6	150.51	142/11/6	399.61	1,404/13/4	3,933.28
Vietnam	Piaster					4,975	69.10	3,530	49.13	2,520	35.00	11,025	153.23
Total		----------	11,440.75	----------	7,767.18	----------	7,796.34	----------	1,804.70	----------	2,442.01	----------	31,250.98

CARL VINSON,
Chairman, Committee on Armed Services.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

761. A letter from the chief Scout executive, Boy Scouts of America, transmitting the 49th Annual Report of the Boy Scouts of America for the year 1958, pursuant to the act of June 15, 1916, entitled "An act to incorporate the Boy Scouts of America, and for other purposes" (H. Doc. No. 101); to the Committee on Education and Labor and ordered to be printed with illustrations.

762. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to repeal section 8f of the Agricultural Adjustment Act of 1933, as amended"; to the Committee on Agriculture.

763. A letter from the Assistant Secretary of the Interior, transmitting a report certifying that an adequate soil survey and land classification has been made of the lands to be served by the Collbran project, Colorado, under the change in development plan, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

764. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill to set aside and reserve Memaloose Island, Columbia River, Oreg., for the use of the Dalles Dam project and transfer certain property to the Yakima Tribe of Indians in exchange therefor"; to the Committee on Interior and Insular Affairs.

765. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation entitled "A bill to amend certain laws of the United States in the light of the admission of the State of Alaska into the Union, and for other purposes"; to the Committee on Interior and Insular Affairs.

766. A letter from the Governor, Canal Zone Government, transmitting a draft of proposed legislation entitled "A bill to amend the Canal Zone Code by the addition of provisions relative to the certification of public accountants, and the regulation of their practice"; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on Rules. House Resolution 216. Resolution to amend House Resolution 93, without amendment (Rept. No. 253). Ordered to be printed.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 2493. A bill directing the Secretary of the Interior to convey certain property in the State of New Mexico to the Pueblo of Santo Domingo; with amendment (Rept. No. 254). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee of conference. H.R. 5640. A bill to extend the time during which certain individuals may continue to receive temporary unemployment compensation (Rept. No. 257). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 2100. A bill for the relief of John F. Carmody; with amendment (Rept. No. 255). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 322. Joint resolution for the relief of certain aliens; with amendment (Rept. No. 256). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H.R. 6032. A bill to bring employees of Agricultural Stabilization and Conservation county committees within the purview of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954; to the Committee on Post Office and Civil Service.

By Mr. ADAIR:

H.R. 6033. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. BELCHER:

H.R. 6034. A bill to authorize the Director, Office of Civil and Defense Mobilization, to approve a financial contribution for civil defense purposes to the State of Oklahoma; to the Committee on Armed Services.

By Mrs. BOLTON:

H.R. 6035. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. BROOMFIELD:

H.R. 6036. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. CHIPERFIELD:

H.R. 6037. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. DENT:

H.R. 6038. A bill to amend section 162(a) of the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures; to the Committee on Ways and Means.

H.R. 6039. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.R. 6040. A bill to provide for the discontinuance of the Postal Savings System; to the Committee on Post Office and Civil Service.

By Mr. DIXON:

H.R. 6041. A bill to extend for 6 years the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. DORN of New York:

H.R. 6042. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

H.R. 6043. A bill to encourage the development and expansion of privately owned tramp shipping operations under the United States flag, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 6044. A bill to eliminate discriminatory employment practices on account of age by contractors and subcontractors in the performance of contracts with the United States and the District of Columbia; to the Committee on the Judiciary.

By Mr. EVINS:

H.R. 6045. A bill to change the name of Kentucky Lake to Kentucky-Tennessee Lake; to the Committee on Public Works.

By Mr. FLYNN:

H.R. 6046. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

H.R. 6047. A bill to amend the National Cultural Center Act to provide that the building to be constructed for the performance of symphonies and operas shall be named the Woodrow Wilson Memorial Hall and to provide for a library of the performing arts, and for other purposes; to the Committee on Public Works.

By Mr. HOLLAND:

H.R. 6048. A bill to amend section 162(a) of the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures; to the Committee on Ways and Means.

By Mr. HUDDLESTON:

H.R. 6049. A bill to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes; to the Committee on the Judiciary.

By Mr. IRWIN:

H.R. 6050. A bill to amend the National Cultural Center Act to provide that the building to be constructed for the performance of symphonies and operas shall be named the Woodrow Wilson Memorial Hall, to provide for a library of the performing arts, and for other purposes; to the Committee on Public Works.

By Mr. JACKSON:

H.R. 6051. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. JONES of Alabama:

H.R. 6052. A bill to amend section 377 of the Agricultural Adjustment Act of 1938, as amended, to provide for the extension of the automatic preservation of acreage history provision, with certain modifications; to the Committee on Agriculture.

By Mr. JUDD:

H.R. 6053. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. KARTH:

H.R. 6054. A bill to continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes; to the Committee on Ways and Means.

By Mr. KASEM:

H.R. 6055. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

By Mr. KING of Utah:

H.R. 6056. A bill to extend for 6 years the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. MERROW:

H.R. 6057. A bill to provide for the denial of passports to persons knowingly engaged in activities intended to further the international Communist movement; to the Committee on Foreign Affairs.

By Mr. MOORE:

H.R. 6058. A bill to provide for the expansion of the national cemetery at Grafton, W. Va.; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY:

H.R. 6059. A bill to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, of such Department, and for other purposes; to improve the management of the activities to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York:

H.R. 6060. A bill to amend the so-called Buy American Act to provide that the Congress shall have the right to disapprove certain contracts entered into by agencies of the Federal Government for the purpose of acquiring articles, materials, or supplies from abroad; to the Committee on Public Works.

By Mr. OLIVER:

H.R. 6061. A bill to amend the Veterans' Readjustment Assistance Act of 1952 to make the educational benefits provided for therein available to all veterans whether or not they serve during a period of war or of armed hostilities; to the Committee on Veterans' Affairs.

By Mr. PELLY:

H.R. 6062. A bill to require that each civilian employee of the Federal Government in any reduction in force shall be granted opportunity of filling any vacant position of the same grade in his agency for which he is qualified; to the Committee on Post Office and Civil Service.

H.R. 6063. A bill to amend the Federal Reserve Act to authorize the establishment of 13 Federal Reserve districts; to the Committee on Banking and Currency.

By Mr. PIRNIE:

H.R. 6064. A bill to authorize the Commandant of the Judge Advocate General's School to award appropriate degrees and credits; to the Committee on Armed Services.

By Mr. REES of Kansas:

H.R. 6065. A bill to provide additional civilian positions for the Defense Department for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such department, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SIMPSON of Pennsylvania:

H.R. 6066. A bill relating to the deduction for income tax purposes of contributions to charitable organizations whose sole purpose is making distributions to other charitable organizations, contributions to which by individuals are deductible within the 30 percent limitation of adjusted gross income; to the Committee on Ways and Means.

By Mr. SHELLEY:

H.R. 6067. A bill to amend section 4544 of the Revised Statutes of the United States to provide that, if the money and effects of a deceased seaman paid or delivered to a district court do not exceed in value the sum of $2,500, such court may pay and deliver such money and effects to certain persons other than the legal personal representative of the deceased seaman; to the Committee on Merchant Marine and Fisheries.

H.R. 6068. A bill to clarify the legal status of employer or joint industry contributed apprenticeship funds and other joint or individual apprenticeship activities; to the Committee on Education and Labor.

By Mr. SMITH of Iowa:

H.R. 6069. A bill to amend the Fair Labor Standards Act of 1938 so as to increase from $1 to $1.25 the minimum hourly wage prescribed by section 6(a)(1) of that act; to the Committee on Education and Labor.

By Mr. TOLL:

H.R. 6070. A bill to amend section 162(a) of the Internal Revenue Code of 1954 to permit the deduction of certain expenses by members of State legislatures; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H.R. 6071. A bill to require that each civilian employee of the Federal Government in any reduction in force shall be granted opportunity of filling any vacant position of the same grade in his agency for which he is qualified; to the Committee on Post Office and Civil Service.

By Mr. BREWSTER:

H.R 6072. A bill to amend section 854 of title 10, United States Code (art. 54 of the Uniform Code of Military Justice), to provide for a verbatim transcript of the proceedings of the trial in all general and special courts-martial; to the Committee on Armed Services.

By Mr. FOLEY:

H.R. 6073. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BRADEMAS:

H.J. Res. 325. Joint resolution providing for the issuance of a proclamation designating March 25 as Greek Independence Day; to the Committee on the Judiciary.

By Mr. RAINS:

H.J. Res. 326. Joint resolution proposing an amendment to the Constitution of the United States reserving to the States exclusive control over public schools; to the Committee on the Judiciary.

By Mr. RODINO:

H.J. Res. 327. Joint resolution relating to the Italian American War Veterans of the United States, Inc., under certain laws of the United States; to the Committee on Veterans' Affairs.

By Mr. SHELLEY:

H.J. Res. 328. Joint resolution to authorize the reimbursement of not more than two employees in the office of each Member of the House of Representatives for travel to the Member's congressional district, and to authorize payment of additional mileage allowance for Members of the House of Representatives; to the Committee on House Administration.

By Mr. DOYLE:

H. Res. 225. Resolution to print as a House document a pamphlet containing a biographical sketch of each signer of the Declaration of Independence and the Constitution of the United States, and to provide for printing additional copies; to the Committee on House Administration.

By Mr. POWELL:

H. Res 226. Resolution expressing the sense of the House of Representatives with respect to the struggle of the African peoples for independence and nationhood, and recognizing April 15, 1959, as African Freedom Day; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States relative to requesting a continuation of brand inspections by the Texas and Southwestern Cattle Raisers Association which affords a feeling of security to all cattle and livestock owners in the State of Texas; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States relative to requesting the Secretary of the Interior to direct a careful examination of the Texas Trans-Pecos area and the consequent location of one of the five facilities mentioned at Pecos, Tex.; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H.R. 6074. A bill for the relief of John Thompson; to the Committee on the Judiciary.

By Mr. BAKER:

H.R. 6075. A bill for the relief of Ikram Yusuf Dughman; to the Committee on the Judiciary.

By Mr. BENTLEY:

H.R. 6076. A bill for the relief of Gilbert Coty; to the Committee on the Judiciary.

H.R. 6077. A bill for the relief of Elmer Rusch; to the Committee on the Judiciary.

By Mr. BREWSTER:

H.R. 6078. A bill for the relief of Mrs. Socoro Vazquez Pena; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 6079. A bill for the relief of Lem Hong and May Hong; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 6080. A bill for the relief of Forrest E. Decker; to the Committee on the Judiciary.

By Mr. McINTIRE:

H.R. 6081. A bill for the relief of M. Sgt. Emery C. Jones; to the Committee on the Judiciary.

By Mr. MONTOYA:

H.R. 6082. A bill for the relief of George Louis Richard, also known as Georges Louis Khattar; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.R. 6083. A bill for the relief of Mary V. Jones; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts:

H.R. 6084. A bill for the relief of J. Butler Hyde; to the Committee on the Judiciary.

By Mr. TABER:

H.R. 6085. A bill for the relief of Najla Malti, Hanna Malti, Fadwa Malti, Constantin Malti and Marie Malti; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

134. By Mr. DOOLEY: Resolution of the Westchester County American Legion, Department of New York, opposing any trade concessions or increase in trade with the Soviet Union; to the Committee on Foreign Affairs.

135. By Mr. KASEM: Petition of Federal civil service employees from the 25th District of California, petitioning passage of an equitable subsidized health and hospitalization insurance program as embodied in H.R. 726 and H.R. 764; to the Committee on Post Office and Civil Service.

136. By the SPEAKER: Petition of the city and county clerk, Honolulu, T.H., expressing sincere appreciation for having voted to admit Hawaii into the sisterhood of States; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Jefferson-Jackson Dinner Address by Hon. Thomas J. Dodd, of Connecticut

EXTENSION OF REMARKS
OF
HON. JOHN O. PASTORE
OF RHODE ISLAND
IN THE SENATE OF THE UNITED STATES
Wednesday, March 25, 1959

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD remarks made by the Senator from Connecticut [Mr. DODD] at the Jefferson-Jackson Day dinner on March 19, 1959, at the Statler Hilton Hotel in Hartford, Conn.

The people of Connecticut were truly honored to have such capable and efficient speakers on this outstanding and memorable occasion. Among these outstanding orators were numbered our own majority leader, LYNDON JOHNSON, and the junior Senator from Connecticut [Mr. DODD].

There being no objection the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. THOMAS J. DODD AT THE JEFFERSON-JACKSON DAY DINNER, MARCH 19, 1959, STATLER-HILTON HOTEL, HARTFORD, CONN.

I will be brief tonight because we all want to hear LYNDON JOHNSON. First of all, I wish to express my gratitude to Senator JOHNSON for making the sacrifice that he has had to make in order to be here with us tonight.

It is not an easy thing for the majority leader of the U.S. Senate, in the midst of a busy legislative week, to add extra hours to his day to help make this happy occasion for Connecticut Democrats a successful and memorable one.

ONE OF HISTORY'S GREAT SENATORS

This willingness to make an extra effort, this self-sacrifice for the good of our party, are two of the qualities that have made LYNDON JOHNSON one of the truly great Senators in American history.

I do not say this lightly. I believe that LYNDON JOHNSON is in the tradition of six or eight truly great Senators of American history. In recent years he has carried a burden that no other Senator has ever carried.

FACED WITH DANGER

In 1953 the Democratic Party was faced with a great danger. For the first time in 20 years we were without a President in the White House to give leadership and unity to our party.

We had lost a crucial election after a campaign against us that was marked by bitterness, slander, and misrepresentation. Many feared that we would reply in kind, following the doctrine of "an eye for an eye and a tooth for a tooth." Many feared that we would act in the spirit of blind opposition that so often characterized our opponents in previous years. Others feared that we would lapse into irresponsibility, drift, and sectional division. But none of this happened. And one of the main reasons it didn't happen is that we had a leader in the U.S. Senate who, through the tireless exercise of all the skills of political leadership welded our party together, chartered a course of progress and constructive action, and let us along the path of responsible opposition that put patriotism above partisanship.

SHOULDERS GREAT RESPONSIBILITY

LYNDON JOHNSON today is shouldering a greater responsibility than any legislative leader in our long history.

In a time of continuing national and international crises, we have a national administration that too often seems tired, weary, and unequal to the task. Therefore, more and more the mantle of leadership has fallen upon the majority leader in the Senate. And he is meeting this challenge with a masterful leadership that has no parallel in the annals of the Senate.

TIME FOR PROGRESS REPORT

This is the first time that Connecticut Democrats have gotten together at an occasion like this since shortly after our great election victory of last November.

You have all been following the remarkable performance which our party is making on the State scene. And tonight I would like to take a few minutes to make a report to you on how we are meeting our campaign promises on the national scene.

Normally at this stage of the legislative year, only 2 months since the opening of Congress, there is very little to report. Normally at this time of year no major bills have been acted upon. Normally legislation is still in the bill drafting stage, or in the committee stage.

But these are not normal times. Last year we promised the people of this country prompt and vigorous action on many fronts. How are we fulfilling that promise?

PROMISES AND PERFORMANCE

We said that we would pass a housing bill that would bring us much closer to our goal of a decent home for every American—and we have done it.

We said that we would move ahead in clearing away the Nation's slum areas and getting the urban renewal program in high gear—and we have done it.

We said that we would provide a system of airports and air facilities equal to our national need in this jet age—and we have done it.

We said that we would add another star to our flag, the bright star of Hawaii—and we have done it.

We said that we would carry forward programs of loans for needed economic development all over the world—and today we did it.

We said that we would lay before the American people the grim facts of our national military posture—and we are doing it.

We said that in vital matters of foreign policy we would stand shoulder to shoulder with the President of the United States and present a firm and united front against Communist tyranny—and we are doing it.

We said that we would put through a great nationwide program that would revitalize depressed areas and put regions of chronic unemployment back on their feet—and next Monday we are going to do it.

JUST THE BEGINNING

And this is just the beginning.

We are going to see to it that our military leaders have the weapons they need to protect our freedom.

We are going to pass a foreign aid bill that is worthy of a country of our wealth, our ideals, and our moral values.

We are going to pass a Federal aid to education bill that will take a giant step toward the kind of education that America needs if it is to preserve its world leadership in this space age.

We are going to pass a labor bill that will drive the racketeers and hoodlums out of the labor movement and help organized labor to be what the overwhelming majority of its leaders and members want it to be: Clean, dedicated, and progressive.

We are going to continue the progress in the field of civil rights that we started with the Civil Rights Act of 1957.

I say these things not out of vague hope, but out of confidence and conviction.

ON THE MARCH

The Democratic majority in the Senate and the House of Representatives is on the march, all along the line. We are determined to face up squarely to our Nation's problems and to meet them head on. We have the leadership, we have the will, and we have the votes to give the people of this country a record of achievement that will dwarf anything in its past history. And we are going to do it.

When I stand before you a year from now at our next Jefferson-Jackson Day dinner, I will be able to tell you that these things have been accomplished.

THE TASK AHEAD

I think that on an occasion like this we can be excused for a little pride in our own party, to which we have devoted a great portion of our lives. I think we can be excused for blowing our own horn a little tonight.

But tomorrow and in the weeks and months ahead let us all remember the great trust that is reposed in us, the great responsibilities we all share, the staggering burdens we must carry in our State, in our country, and in the world.

And, humbled by the dimension of this task, let us do the very best we can to write a record that will stand to our credit, and to our party's credit, in the history books of free men in distant generations.

This task is not a partisan one. Our goals have been shared by great leaders of both parties throughout our national history. And so it is not inappropriate on this celebration in honor of Jefferson and Jackson to quote the words of a great Republican President, Theodore Roosevelt, who spoke for today as for his own era when he said: "We see, across the dangers, the great future and we rejoice as a giant refreshed, as a strong man, girt for the race. The greatest victories are yet to be won, the greatest deeds yet to be done. * * * There are in store for our people, and for the causes we uphold, grander triumphs than have ever yet been scored."

So-Called Fair Trade Is Unconstitutional

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, the Fair Trade Act (H.R. 1253) violates free enterprise by limiting or eliminating competition. The manufacturer can set prices on the sale of his product by the retailer, providing that Congress sets aside the antitrust law. This in itself is strange since the purpose of antitrust law is to protect businesses and con-

sumers by preventing price conspiracies. Fair trade has been called unconstitutional by many States. Now the question facing Congress is the question brought up by fair trade. Can Congress constitutionally delegate power to private persons, granting to a certain class of citizens privileges not equally given to all citizens. The constitutionality of the act has never been squarely tested in the Supreme Court.

Maybe it is time we stopped letting the Court interpret and define our intent. Let us reaffirm our belief in free enterprise and antitrust protection—not accept price fixing and the planned economy of H.R. 1253, the so-called fair trade bill.

Address by Secretary of Agriculture Benson at Cornell University's Annual Farm and Home Week Meeting

EXTENSION OF REMARKS
OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, March 25, 1959

Mr. KEATING. Mr. President, I have consistently supported proposals looking toward greater flexibility in Federal farm programs and toward greater freedom for our farmers. The people of this Nation look with more and more disfavor upon the huge cost of our present farm subsidy program. I am convinced that the farmers of America are as anxious as anyone to get the Government off their back and to operate in a free economy to the maximum extent possible.

Secretary Benson yesterday delivered a most timely address on farm problems at Cornell University's annual farm and home week meeting. I was particularly impressed by his reference to the results of a poll of farmers all across the land just completed by a national farm magazine. The results of this poll showed that 55 percent of our farm population want no supports, no controls, no floors, free market prices; get the Government clear out, while only 22 percent wanted more Government price help. These views should not be ignored by Congress in considering new farm legislation.

Mr. President, I ask unanimous consent that the text of Secretary Benson's excellent speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON, ANNUAL MEETING FARM AND HOME WEEK, CORNELL UNIVERSITY, ITHACA, N.Y., MARCH 24, 1959

I feel most deeply honored and privileged to be with you again on the occasion of your farm and home week. And yet my job in being here is mingled with a certain regret. In extending his invitation Dean W. I. Myers reminded me that this would be the last farm and home program that he would plan as dean of the College of Agriculture here at Cornell. I am sure I speak for all of us when I say that the prospect of Dean Myers' retirement cannot help but fill us with a sense of impending loss.

He is truly one of the outstanding agricultural leaders in the history of this land. Nearly all of his life has been devoted to agriculture. He has been teacher, researcher, administrator, Government official, and adviser. But above all, he has been, and he is, a farm man, and a man loved and honored by farmers. Since 1953 Dean Myers had been chairman of the National Agricultural Advisory Commission, and I can personally testify that he has been a tower of strength standing for the best interests of American farmers.

I find it impossible to set down in words all that I would like to say about the devotion, the energy, the intelligence, the untiring zeal of this agricultural statesman in his service to agriculture—yes, and I find it equally impossible to express the gratitude, admiration, and affection which I personally have for him.

My hope, and I am sure your hope also, is that his retirement will not take him away from us but that it will free him for an even broader and equally fruitful service to the cause of American agriculture.

The last time I was here for your annual farm and home week was exactly 5 years ago today—March 24, 1954. What tremendous changes we have seen in these 5 years—what heavy problems have been faced by the Nation and the Nation's agriculture.

I can think of no better place to make a frank appraisal of our challenges and opportunities in agriculture than here on the campus of this great land-grant university from which so many distinguished leaders have come.

There are many approaches to most problems—but few solutions. Sometimes solutions can be reduced to a formula. Is there a formula which can help us solve our farm difficulties? I know this is an oversimplification, but someone recently suggested to me a broad formula which might be expressed like this: Necessity, plus sound economics, plus constructive politics, equals the solution to the farm problem.

Surely there is no question as to the necessity of a solution to the problem. It is no longer merely desirable, it is essential, to do something to reverse the mounting accumulations of farm surpluses of a few crops and the heavy costs which threaten our agriculture with creeping regimentation and contribute to a serious threat against the solvency of our Nation. Let me just give you some dramatic examples of three of the six so-called basic crops on which we urgently need fundamental changes in the old laws.

Wheat is our number one commodity problem. We cannot continue with the old outmoded wheat program as it now exists. Harvested wheat acreage has been cut by over 20 million acres since 1949—yet, under artificial pricing, combined with good weather, we now have by far the greatest wheat surplus in all history.

By July 1960 the carryover of wheat will be about 1½ billion bushels—enough to supply our normal domestic requirements for 2½ years. We will have $3½ billion tied up in wheat alone.

We have spread the wheat belt all over America. Wheat acreage has increased in areas of high cost, while acres have been cut back in areas where production is most efficient. This doesn't make sense.

Tobacco and peanuts are in trouble too. We have the best quality tobacco in the world, but we have been pricing ourselves out of export markets. The world's largest tobacco market used to be in Winston-Salem, N.C. Now it's in Southern Rhodesia in Africa.

Farmers are producing more peanuts than consumers will buy at the prices at which peanuts for food must be supported—note I said must be—under the old obsolete law still on the books.

Equally important, the farm program is costing too much—it is staggering—it is indefensible.

Our total investment in price supported commodities is now $9 billion. It will probably exceed $10 billion by the end of the next fiscal year.

It is estimated that during the next fiscal year we will spend more than $1 billion—one billion dollars—just for storage, transportation, and interest on these Government-held surpluses.

These are facts.

The commodities are there, the investment has been made. No matter how we later dispose of them, whether by sales for cash with an export subsidy, sale for foreign currencies, or by outright donation to needy people, the cost to the taxpayers will be great.

Can any economist or columnist, can any spokesman for agriculture, can any Member of Congress, can any farmer, or any other citizen, deny these facts? I leave the answer to you.

No thinking person can question the necessity for a solution.

Nor can anyone seriously doubt the need for sound economics. It would not seem appropriate for me, on this campus, to discuss the economics of the farm problem with you. You are aware of it, and further you have demonstrated not only an awareness but a determination to help resolve rather than compound the problem.

So we come to the political element. Since Government has assumed responsibility in the economic field of agriculture, the most baffling—and perhaps unfortunately the most powerful factor in this formula—is politics. Any Government is a political system.

It is apparently impossible for a Secretary of Agriculture to deal effectively with the present critical problems of agriculture always on the basis of just necessity or just economics—he must sometimes face up to the politics.

If we are to have sound farm programs, we must have sound politics accompanied by sound economics.

There is nothing disgraceful in the word politics or in the word politician. Politics is the art of government and good politics makes for good government. The very foundation of this Government was a document divinely inspired that was drafted and adroitly handled by politically educated men to become an instrument for freedom. What we must strive for in the political factor of the formula is to have political action governed by the economic facts. And this is where the failures have occurred.

I think it must be admitted that in the past there has been an overemphasis on political approaches to farm problems which are basically economic.

Agriculture must not be sacrificed on the political auction block. Agriculture is neither Republican nor Democrat. It is American.

Let us be candid. Both major parties share responsibility for the situation in which we now find ourselves. But more important is the responsibility for getting to the solution.

No one has more concern than I about the cost of these farm programs. This Secretary of Agriculture has been administering, and is still required to administer, within the straightjacket of outmoded laws the most costly, irrational, hodgepodge program ever patched together. It is the result of 25 years of political attempts to solve economic problems, seemingly with an assiduous determination to pretend that economics does not exist.

Do you think that as a farmer, the son of a farmer, yes, the grandson of a farmer, and

as a former county agent, and now as a spokesman for farmers, I enjoy for one minute the distinction of administering the third largest item in the Federal budget? Of course not.

But be assured, I would not hesitate to defend this program if it were serving the best interests of our farm families and the people of the Nation. The truth of the matter is that these stupendous surpluses and heavy costs are not only sapping the vitals of free agriculture, they are also a threat to the solvency of this Nation.

The Secretary of Agriculture is subject to many pressures and cross fires. Opposition to change—to sound economic solutions to economic problems—has been almost unbelievable. My opponents can't agree on a constructuve solution of the farm dilemma. Really, the only general agreement among my opponents is this: "Let's saddle Benson with all of the ills of agriculture, and especially with the cost of the mess we helped to make for him."

There seems never to be a lack of self-appointed so-called agricultural experts. Sometimes they seem to get away with their strategy of being against everything and everybody, while offering nothing positive or constructive as alternative.

It is this type of disservice to the American people, and particularly to the American farmer, that makes it most difficult to inject common sense into farm programs. This is destructive politics in action.

With smokescreens of distortions and half-truths, those who would shirk responsibility for obvious failures seek to obliterate the facts. But a rising crest of informed and aroused public opinion is beginning to penetrate the confusion.

Throughout this great Nation farmers and other thoughtful citizens know that obsolete farm laws, which produce chaos at great costs, must be changed.

Our farmers deserve sound programs. They have made an immeasurable contribution to our national standard of living—to the point that our people are the best fed, the best clothed, the best housed people in the world.

Our farmers face serious problems that are not of their own making.

Take the cost-price squeeze. Between 1939 and 1952 the index of prices paid by farmers, including interest and taxes, more than doubled. From 1952 to January 1959 the level rose only 4 percent. But the damage had already been done. This has created problems for our farmers that they are powerless to control. It has affected, and will continue to affect adversely, net farm income. I have the greatest sympathy for our farm people. I say we must assist them with sound programs.

If the voices of 20 million farm people in America could be crystallized into one voice, it would, I feel sure, demand more freedom for farmers.

That voice would say:

"Give us more freedom to plant so that we can run our farms efficiently.

"Give us more freedom to market so that we can increase our incomes.

"Give us more freedom to meet our competition so that we can expand our markets.

"Give us more freedom from Government interference so that we may again be independent and self-reliant."

Strong evidence that farmers increasingly want more freedom is found in the results of a poll of farmers all across the land which is just being announced.

One of the largest national farm magazines invited farmers to tell Congress what to do about price-support programs.

In replying to that poll, 55 percent voted for "no supports, no controls, no floors, free market prices; get the Government clear out."

This is a significant increase over the 50 percent who in a similar poll a year ago favored getting the Government out of farming.

Another 15 percent favored emergency supports only "to prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price and no production controls."

Another 8 percent wanted adjustment supports "such as 90 percent of the average 3-year market price, permitting gradual adjustment to normal markets and moderate production control when necessary to ease adjustments."

Only 22 percent wanted more Government price help. This breaks down into 14 percent who favor a return to supports at 90 percent of parity or more than 8 percent who asked for production payments.

This nationwide poll showed that 8 out of 10 of the farmers want greater freedom and less Government in farming.

Yes, the voice of the American farmer calls in louder and louder tones for more freedom to act, and less Government interference.

If this is what farmers want what are we waiting for, what is Congress waiting for? We've made our recommendations. Why don't they act?

Farmers recognize that the old basic crop legislation, still on the books, is outmoded and fails of its objective. It has placed ineffective bureaucratic controls on farmers, destroyed markets, piled up surpluses, and imposed heavy burdens on taxpayers. It does not fit the needs of our small farms comprising 56 percent of all our farms.

Despite our repeated recommendations over a period of years, the old program is still in effect on a very few crops with only slight changes. It's certainly not our program. Congress has never permitted our program to become effective. Our program has never really been tried. The present program was devised during the great depression and revised during war and recovery from war. Today we have neither depression nor war.

But we do have a rapidly changing dynamic agriculture, which is undergoing an irreversible, technological revolution. Our farm laws must be revised to cope with current conditions.

In January, the President again recommended to the Congress forthright changes in our farm price supports. He urged that price supports no longer be related to a standard 45 years old, but to a percentage of the average market price during the immediately preceding years.

If the Congress still prefers to keep existing parity standards, the President urged that the Secretary be given discretion to establish the support level for all commodities in accordance with guidelines fixed by law. This is now permitted for all of the 250 commercially produced commodities except for 16 for which supports are mandatory.

Either of these changes would be constructive. Under either course, the surplus could be reduced, the cost cut, production controls relaxed and markets developed. Our farm people could make more of their own decisions. The Government could resume its proper function of promoting farm research, expanding and developing markets, protecting soil and water resources, improving farm credit, and so on. We would help stabilize markets, not price ourselves out of them.

Congress recognized the need for farm program revision last year by passing the Agricultural Act of 1958. This act made some limited changes in the programs for corn, cotton, and rice. Now we need prompt and effective action in behalf of procedures of the other three basic crops, wheat, tobacco, and peanuts.

Wheat particularly is in an extremely critical position.

Either we must clamp down with more rigorous controls on wheat producers than we have ever had before—more controls than Congress has ever been willing to impose—or we must move toward market expansion and greater freedom to produce and compete.

More controls means stopping up the loopholes, increasing the penalty for overplanting, setting acreage and marketing quotas at levels that would balance supply and demand for wheat for dollars.

That is one approach—more controls—more regimentation.

Incidentally, if we followed the formula in the old law the national allotment for wheat this year would be zero, no wheat production at all.

A far better approach, I believe, would be to provide wheat growers with a program that moves toward freedom to produce and compete for markets.

The issue here is not a partisan one. The necessity cannot be denied. The economics is clear. Constructive politics can prevail. The issue is whether or not the Government's role with respect to agriculture is to be one that makes sense.

The American people deserve a program that makes sense. The poll I referred to shows that most of our farmers want it.

We must be on guard, however, lest the difficulties of the present program be used as an excuse to involve agriculture in something worse and in even greater trouble.

One bill now before the Congress is described as a measure under which "excessive and burdensome Federal control on agriculture will be eliminated, and under which American agriculture will be restricted to a free enterprise basis."

The words in this Talmadge-Brannan approach are appealing, but the reality is appalling.

This bill would provide for production payments on the basic crops.

In view of the facts available and the studies that have been made, I cannot see how such a plan can seriously be advocated unless as a political gimmick that might last for another election.

Studies by career economists show the production payment program could cost annually about $5.4 billion, for payments for the basic commodities alone. If expanded to all the major commodities, the cost would be well above $10 billion a year.

Congress refused to adopt such a program when submitted by my predecessor, Secretary Brannan. The scheme would:

1. Require drastic controls of production to keep costs within reason.

2. Limit opportunity of new farmers to enter into the production of these crops.

3. Unless extended to livestock (which would boost the cost even higher) it could create extremely serious problems for livestock, poultry, and dairy producers.

4. It would lead to international repercussions if U.S. surpluses were dumped on world markets.

5. Most fundamental of all, it would make farmers dependent for much of their income on direct payments from the Federal Treasury.

This would be a long step toward a fully socialized agriculture.

All this is not only the farmers' battle for realistic farm programs. It is the battle of every citizen—every businessman, every taxpayer, every housewife, every consumer, every person interested in the future of this country.

Our present costly farm programs contribute to unbalancing the budget—and this contributes to the threat of inflation. That is of utmost concern to every citizen. No Nation can go on indefinitely living beyond its income and cheapening the value of its currency.

I am intensely concerned about this. The course of inflation is subtle. Its ends are destructive. It mounts quietly, almost un-

seen in the short-term view, but it is utterly devastating over time.

The President has called for tight reins on Government spending, and for a balanced budget. He has called upon all of us, as citizens, for self-discipline in our economic actions, both as individuals and as groups. Government alone cannot win the battle against inflation. To win it—and we must win it—will require the united efforts of the American people, business, labor, banking, agriculture, and all economic groups. .

Our expanding Federal Government has boosted the average family's tax bill from $120 to $1,600 a year. How much further can we go in this direction?

Many pressures are now being exerted to add more billions to Federal spending in the coming fiscal year, and beyond, billions that can bring on further deficits and inflation.

Contrary to what some people would have us believe, the Federal Treasury is not a bottomless grab bag which never needs to be conserved or replenished. To act as though there is no limit to what the Treasury can spend is an open road to the destruction of private enterprise, and its replacement by a socialistic economy.

I am firmly convinced that most Americans would never turn willingly to socialism. But a great many may unknowingly be led down that road by the lure of Government handouts, of deficit spending, of inflation, to the point where private enterprise is destroyed.

We cannot spend ourselves into prosperity. Nor can we preserve our prosperity and our free enterprise system by following a reckless policy of spending beyond our income in peacetime.

We must have a tax policy which is not confiscatory and a budget policy which prevents inflation. The Nation must have sound farm programs—just as it must have sound banking and finance—and sound wage and price policies.

The necessity for further revision of our farm programs is obvious. The direction in which we should go is clear. The economics of the farm problem are simple.

We need less Government in farming. Quit trying to fix prices unrealistically from which flow the twin evils of production for Government warehouses and Government control of farmers. Emphasize markets, increased efficiency, and competitive selling. Eliminate Government's stranglehold on agriculture.

This is the solution.

Congress must not postpone longer the action needed. The existing, outmoded farm laws must be changed. Until Congress acts, agriculture will be burdened with too much Government, too much politics, and too little commonsense.

The days ahead for America are sobering and challenging. They will demand the faith, prayers, and loyalty of every one of us. Our challenge is to keep this Nation strong—strong economically, strong socially, and above all, spiritually strong—if our way of life is to endure. There is no other way. Only in this course is there safety for our Nation. God grant that we may meet the challenge.

Fair Trade Will Bankrupt Those It Should Help

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, in 1906 the United States brought a civil action to enjoin the National Association of Retail Druggists from conspiring to control the marketing of drugs and proprietary medicines by fixing prices and by blacklisting price cutters. In 1907 this case was ended by consent decree enjoining the further operation of the combination.

Today, the druggists' Washington lobbyists are still at it. I cannot believe the druggists back home understand what is being asked in their name.

Fair Trade (H.R. 1253), we are told, is their legislative need; that Congress must set aside the antitrust protection for businessmen and consumers alike and permit manufacturers to set retail prices by decree, regardless of a free market economy.

All right, forget the consumer. How about the retail druggists or other retailers? This fair trade law supposedly to help and protect them will bankrupt them. How? By holding an umbrella over the big stores, chains, and department stores who can handle their own brand or trademarked items. While the small retailer must sell at the manufacturers' stipulated prices, the big stores can undercut them, free to price as they please.

A further irony, the manufacturer, after setting the price of his trademarked item, can even make the same product for the big merchant who can set his own price below the manufacturer's comparable trademarked item. Of course, at the outset, the manufacturer will do fine; he is protected either way. And the small retailer? He will go broke. The fair trade law would prevent his setting his own prices to protect himself.

Action, Not Talk, in Education

EXTENSION OF REMARKS

OF

HON. WILLIAM J. RANDALL

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1959

Mr. RANDALL. Mr. Speaker, we here in America hear a lot to the effect that there is not enough money appropriated for, nor enough emphasis placed upon the education of our youth. There results charges and countercharges being thrown back and forth much like a tennis ball being batted back and forth between two tennis players. Whether these differences in viewpoints will be resolved in this or a subsequent session of this Congress, and whether or not the facts will be so conclusively established that there may come to pass some Federal assistance to the schools of our country without restrictive punitive provisions, no one can foretell. Notwithstanding, there is a sidelight to this whole matter of youth education which came to my attention in the city of St. Louis on Saturday, March 21, 1959, which I think is worth making known by an entry in the CONGRESSIONAL RECORD.

There in St. Louis at a regional conference of delegates of the United Steel Workers of America, involving several States, I witnessed the award of several scholarships by that organization which to me was both a refreshing and a delightful experience.

For the reason that I had not theretofore known of the existence of these scholarships provided by these trade unions and for the further reason I am of the belief there may be many others not advised of this effort by trade unions to make a separate and additional contribution over and above their other well-known efforts in the field of education, I thought it would not be anything but appropriate that the following observation be entered, describing what I saw and heard, and to provide you with a few of the details that may be interesting concerning the plan and its operation as follows:

It is generally recognized that America's trade unions have been in the forefront of efforts to establish and strengthen universal free public education for our children. But not too generally known is the fact that most legitimate trade unions today express a continuing interest in the education of our youth beyond the high school.

A good example of how labor groups help in a meaningful and effective way in the education of our children can be found in the Kansas City area which counts among its residents a substantial number of members affiliated with district 34, United Steelworkers of America, AFL–CIO. This union, for 11 years now, has been making available to the high school graduates of steelworker families an annual scholarship which enables a student to complete 4 years of college or university training. Two such awards in this district are offered every year and the value of these scholarships has just recently been raised to $4,000 for each recipient.

This is not a narrow, highly restricted award. Winners are chosen by an impartial panel of educators from a prominent university on the basis of a competitive examination. Those given the scholarship are free to pursue higher education in any accredited college or university of their own choosing. Furthermore, they are free to select a course of study leading to a bachelors degree in whatever field they desire.

One of the two awards given by this union in 1959 is going to Gary Paul Agin, the 18-year-old son of Mr. and Mrs. George Agin, 6642 Indiana Avenue, Kansas City, Mo., whose score in the examination was among the upper half of 1 percent of all recent college entrants. Young Agin became eligible to compete for the scholarship because his father is employed at the Sheffield Steel Co. in Kansas City and he has been a member of local 13 of this union for the past 22 years.

Indicative of the scholastic aptitude of this young man is the fact that he has an enviable record of achievement as a student at the Southeast High School in Kansas City, Mo. He is a member of the National Beta Club, a national honor society organization, and was a finalist in the national merit scholarship competition. Additionally, Mr. Agin is the editor in chief of his high school annual yearbook "The Crusader." He has also served as president

of the high school debating club and in his junior year at this school was the winner of a University of Washington achievement award. This youngster's interest in worthwhile things extends beyond the school and into the community. He is a junior deacon in the Central Christian Church of Kansas City and a cochairman of the Teen Town Committee, a young people's organization devoted to teenage social activities.

Now that this promising young man has the resources to continue his education he is planning to attend the University of Kansas and major in engineering physics. While the parents of this student would have made any and every sacrifice to secure for their boy a good education, they are doubtful that this would have been possible without the substantial help provided by this generous scholarship. It is a fact that the great majority of those receiving this award would have been unable to continue their education without the financial help accompanying the award.

This is a fine example of labor's deep and abiding interest in the educational welfare of our children, but it is not at all unique. Similar scholarships are offered to high school students in almost every other district subdivision of the union. Moreover, hundreds of smaller but equally important scholarships are provided by local union affiliates of the United Steelworkers of America. Together, these contributions toward the education of our youth represent a very significant and noteworthy step toward the growth and development of our future citizens.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. MULTER. Mr. Speaker, the Byelorussians are one of the lesser known Slavic peoples.

This is partly because they have been intermingled with more numerous and powerful other Slavic peoples, and partly because they have been subjected to the oppressive rule of others. For centuries Russians have done all in their power to assimilate them, and have tried to represent them to the world as Russians. But history shows that the Byelorussians—the White Russians, or Ruthenians, as they are sometimes called—formed a distinct national group in their homeland, east of Poland and west of Moscow, long before the formation of the modern Russian State. Since that event, early in modern times, Byelorussia became part of the Russian Empire.

Czarist Russian rule did not eliminate the Byelorussians as an ethnic group. The more they were oppressed by their Russian masters, the more Byelorussians clung to their ethnic and national ideals, and longed for the day of their independence. This came about in 1918, when the Czarist regime was overthrown. On March 25 of that year the Byelorussian National Republic was proclaimed, with its capital in the historic city of Minsk. Soon it was recognized by the governments of many countries, and it looked as if the new state was to attain sovereignty in historic Byelorussia. Unfortunately the independence thus proclaimed did not last long. Russian Communists attacked and overran it, and in March 1921, Byelorussian independence vanished. Since then some 10 million Byelorussians are living under the oppressive Soviet regime. But they have not abandoned their ultimate goal for freedom and independence. There in their homeland, while working hard under the unfree and almost inhuman Soviet system, they ardently look to the day of their liberation and freedom.

On this 41st anniversary of their independence day, let us all hope for the freedom of Byelorussia and its liberty-loving people.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. RODINO. Mr. Speaker, Byelorussia's modern history is overshadowed by Russian history, because during most of that period the country had become part of Russia, and the Russians have tried to eradicate all Byelorussian traditions and national traits there. But the Byelorussian people, who have had a longer history as a nation than the Russians themselves, were never willing to forego and forget their distinct identity, and they have always wanted to regain their freedom and independence. They had that opportunity in 1918.

In that year, when the detested Czarist regime was no more, and the new Communist regime in Russia was still in its infancy, the Byelorussians regained their freedom and proclaimed the establishmentof the Byelorussian National Republic on March 25, 41 years ago. Then it was hoped that some 10 million Byelorussians, having become sovereign in their historic homeland, would enjoy the fruits of freedom in peace. Unfortunately that was not to be. Early in 1921, before Byelorussians had the chance to consolidate and strengthen their government, Soviet forces attacked and overran the country, and Byelorussia as an independent nation vanished. Since then, for more than four decades these liberty-loving and sturdy Byelorussians are living under the unrelenting rule of Communist Russians. But they have not given up their hope for freedom and independence. They still cherish that noble ideal, and on this 41st anniversary of their independence day, I wish them strength and fortitude in their moral and physical struggle.

A Permanent United Nations Police Force

EXTENSION OF REMARKS
OF
HON. JACOB K. JAVITS
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, March 25, 1959

Mr. JAVITS. Mr. President, on August 8, 1957, the Senate adopted Senate Resolution 15 expressing the sense of this body in favor of the creation of a permanent United Nations police force. Such a permanent U.N. police force has long been the dream of those who seek to firmly maintain the peace.

At the ninth annual conference of national organizations called by the American Associations for the United Nations, on March 10, my distinguished colleague [Mr. KEATING] delivered a significant address on the need for a permanent U.N. police force.

I ask unanimous consent that my colleague's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A PERMANENT U.N. POLICE FORCE

The United Nations, now in its 13th year of existence, continues to be the most effective organization yet devised by man for the maintenance of peace.

The founders of the United Nations hoped that the harsh lesson of World War II would long discourage threats to the tranquility of the world. Sorrowfully, it must be recognized that these hopes were in vain. For while the United Nations has served us well, it has not yet succeeded in completely stamping out the lurking dangers and outbreaks of hostilities.

This organization for peace has accomplished much good, but it must be made to function even better.

One essential step in the process of making the United Nations stronger is the creation of a United Nations police force.

I need hardly remind this audience that the idea of an international police force is not new. It was incorporated into the covenant of the League of Nations. The United Nations charter specifically provides for U.N. armed forces operating under the Security Council and a military staff. Unfortunately, little has been done to implement these provisions.

The principal obstacle to constructive action on this subject, as on so many others, has been the intransigence of the Soviet Union. Last October its delegate to the United Nations announced that any move by the General Assembly to establish a peace force would be iliegal and unacceptable. This attitude emphasizes the fundamental division within the United Nations between those nations which desire a stable international order and those which are determined to undermine the peace of the world community by their aggressive actions.

The United States has repeatedly demonstrated its willingness to participate in an international army for peace. The President in addressing the General Assembly last August urged action by the Assembly looking toward the creation of a standby United Nations peace force. And Secretary Dulles has since suggested positive steps for carrying out this plan.

Under the Secretary's proposal, a small planning staff would be created within the Secretariat to develop standby plans for calling into being, deploying and supporting

such a peace force. This planning staff would develop concrete arrangements to facilitate any United Nations decisions to employ its force. These arrangements would be designed to enable the United Nations effectively to meet any crisis with a minimum of delay.

The Congress of the United States also is on record as approving in principle the creation of a peace force. In the last session, a concurrent resolution was adopted expressing the sense of the Congress that consideration should immediately be given by the United Nations to the development, within its permanent structure, of such organizations and procedures as would enable it promptly to employ suitable U.N. forces for such purposes as observation and patrol in situations that threatened international peace and security. I strongly endorsed this resolution as a demonstration of this Nation's willingness to explore all means for preserving world peace, and I am happy to note that it won overwhelming support in both Houses.

The operations and experience of the United Nations Emergency Force in the Gaza Strip demonstrates the purpose a peace force can serve. It also demonstrates the many problems involved in any such undertaking. The Secretary General's excellent report to the General Assembly on the operations of UNEF gives us a significant case history of the use of such a force from which many guiding principles can be derived.

I find myself in disagreement, however, with the conclusion of the Secretary General that the nature of the actual organization required should not be anticipated in advance. In my opinion, the effectiveness of such a force would be enhanced by its establishment on an ever-ready, permanent basis. This is the only way to guarantee its immediate availability in the event of a crisis.

The force must be operated at all times under the strict and direct control of the United Nations. But we cannot afford the delay which would result from bringing it into being only after the outbreak of hostilities and the resolution of all political decisions.

The recent situation in the Near East demmonstrated the tremendous need for a permanent peace force ready to move into action instantly at the request of a member government threatened by outside aggression.

In a world contracted by speedy communications, in a world in which even the smallest nations possess the terribly destructive weapons of modern war, any international disturbance—however localized—can spread like a plague and present an immediate threat to world stability. The only feasible answer to this challenge to the peace of the world is to provide a U.N. force capable of so spreading a U.N. mantle over an embattled state as to inhibit—if not directly to prevent—a coup d'etat, infiltration by indirect aggression, or other untoward pressures from outside the nation, such as we witnessed in the Near East.

A United Nations police force need not be a huge, all-powerful army. It might not number more than 50,000 or 60,000. It might perhaps be found best to establish a firm nucleus at all times centered under one command, with other forces in the individual countries, available upon call.

It is my firm conviction that the smaller nations of the world must form the backbone of any international force. This will prevent the bigger powers running the risk of being dragged into a nuclear conflict which could doom all mankind.

Such an international policy army could not—and should not—fight wars. But a permanent U.N. police force can serve as an effective deterrent to hostilities, could be a focus for the moral opinion of the world, and could serve numerous practical uses in observation, patrol, and guard duty between potentially hostile states. As the Secretary of State pointed out in his address to the General Assembly, "its very presence (would) make visible the interest of the world community in the maintenance of tranquillity."

The possibility of establishing an international police force is a particularly pertinent and timely topic for the troubled times in which we live. Perhaps never before in the history of the world has there been greater need for calm, objective, and broad-minded thought on this possible avenue for helping to achieve a more just and secure international order. We must search with imagination and foresight for the answers to the enigmas of world peace. Today we show too little of either quality—at a time when we stand in desperate need of both.

The time is running short. Each new crisis brings us closer to the potential horrors of a World War III. The next international brush fire may set off that worldwide conflagration if the nations of the world do not rise to the occasion.

A permanent United Nations police force provides a new, decisive means by which the nations of the world which sincerely believe in peace can provide the machinery to quarantine regional conflicts and thus better insure their solution. I urge this great organization, which is dedicated to the strengthening of the United Nations, to work for this goal. It is one of the strong, sure ways of making the United Nations the instrument for peace which all men of good will hope and pray it will become.

The Challenge of the Soviet Economic Offensive

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 25, 1959

Mr. HUMPHREY. Mr. President, on February 12 it was my priviledge to address the Economic Club of Southwestern Michigan in St. Joseph, Mich. The theme of my address was "The Challenge of the Soviet Economic Offensive."

I ask unanimous consent that this address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CHALLENGE OF THE SOVIET ECONOMIC OFFENSIVE

Today the world is confronted by a profound crisis, a crisis in which the cherished values of western civilization are challenged as never before.

We hear the word "crisis" repeated again and again in the screaming headlines about Berlin, Iraq, or the Formosan Strait so that we become numb and forget its deeper meaning.

It is perfectly true that there are many crises, but underlying all these specific challenges is a fundemental crisis. Some historians and philosophers have said that our generation is confronted with the greatest crisis of modern times.

The profound and many-sided world crisis is the result of three dynamic and interrelated realities, each of which is pregnant with dangers and opportunities—the challenge of modern technology, the challenge of the revolution of rising expectations, and the challenge of communism itself.

1. The fantastic progress in technological development has put mankind within reach of one of his greatest goals, the elimination of poverty. But this same technology ironically may be mankind's undoing. I need not remind an audience like this of the potential destructiveness of modern terror weapons made possible by new energy and means of transporting energy discovered by science. We should not blame science, but recognize that science is neither a savior nor a demon, but a source of power which can be used for good or ill. The basic problem is political and moral, not technical.

2. We have heard a great deal of the revolution of rising expectations in the economically less developed and politically noncommitted countries of Asia and Africa. The destiny of these people who are striving for or celebrating their independence may determine the destiny of the world within the next generation or two. Not everyone in the free world has grasped the political and moral significance of the ferment in these vast areas, but we can be sure the leaders of the Soviet Union have.

3. The third massive reality is the Communist challenge itself. Modern technology and the upheaval in Asia and Africa would themselves be sufficient cause for a world crisis. But the crisis is compounded by the existence of an aggressive and expansive political religion whose ultimate goal is world conquest. The high priests of world communism prefer to attain their goals without nuclear war if possible. But they have not ruled out either limited or total war if that seems necessary or expedient.

We make a great mistake, perhaps a fatal mistake, if we think of the Communist challenge as exclusively a military challenge, or even primarily a military threat. The challenge of communism is military to be sure, but it is also economic, ideological, political, and, in its deepest sense, it is religious. I say it is religious because the distorted Communist view of man and the world challenges the fundamental precepts of our Judeo-Christian value system.

THE EXPANDING SOVIET ECONOMY

Today I want to confine my remarks to the Soviet economic offensive. But I want to do this within the framework of the many-faceted Communist challenge and the larger world crisis.

It is one of the great ironies of American history that today we are being given a run for our money by the expanding and dynamic economy of a country which only a few short years ago we thought of as backward. This is a spectacle as humorous as the fabled tortoise and hare. Before sputnik streaked across the heaven, we assumed that we were the biggest, the fastest growing, and strongest economy in the history of mankind. And we were. We became smug and complacent. We refused to believe in increasing signs of growth in Soviet technology and productive capacity. The hare would win the race, paws down. We could stop for a short siesta under a sycamore tree and the poor tortoise, weighted down by the hard shell of socialistic controls, would not have a chance.

But while we slept the turtle plodded on, unnoticed and unobserved. Then came Sputnik I and subsequent achievements which proved beyond a shadow of doubt that the U.S.S.R. had made giant technological and economic strides. We were shocked. We were momentarily stunned. But we still did not awaken to the full reality. It was since sputnik that we allowed ourselves the luxury of a recession, and today we are still not out of the woods.

Alas, the race is no longer a race between a tortoise and a hare, but between two hares. But because of our hurt pride, our lack of a sense of urgency, and our deficit in leadership, we are still not running scared.

I would like to put a few facts on the record which if understood and taken to

heart, will help us to run scared. By scared I mean properly afraid, and determined, not hysterical. Here are the facts:

1. We have consistently underrated Soviet economic and industrial achievements. We have underrated their progress in atomic energy, missiles, aircraft production, and even in some areas of consumer production. The sputniks and lunik should have shattered our rose-colored glasses, but even now there are people in Washington who calmly tell us that we are ahead in nuclear energy and the missile race. The Secretary of Defense has himself issued smooth and reassuring words to the American people, words which were characterized by one of our most respected columnists (Joseph Alsop) as "soothing sirup."

Now it's true that the laymen, and this includes most Members of Congress, do not know exactly where we stand in relation to the Soviet Union, in spite of congressional hearings to determine just that. Sometimes the experts disagree. But isn't it the better part of wisdom and valor to overestimate Soviet economic and military strength than to underestimate it? Wouldn't it have been better if the democratic nations would have slightly overestimated Hitler than vastly to underrate him?

2. The Soviet economy is growing at about three times the rate of the U.S. economy. Although accurate statistics are hard to come by most economists believe that the Soviet economy is expanding at a rate of between 6 and 8 percent a year. In contrast the American economy at present is growing at a rate of less than 2 percent. Since 1900 our economy, our gross national product (GNP) has grown at an average rate of 3 percent annually. From 1945 to 1952 it expanded at a rate of 5 percent. Since 1953 the rate has been about 2 percent.

Of course, the Soviet economy is not as big as ours. But the fable of the tortoise and hare is appropriate here too. While the hare takes it easy and permits himself the luxuries of needless recessions, the tortoise transforms himself into a hare. Economists tell me that for a short time last year the combined steel production of the U.S.S.R. and Red China exceeded the steel production of the mighty United States. This fact alone should make us run scared.

3. The Soviet Union manages its economy to serve national goals. The leaders in the Kremlin can slice the national income pie any way they wish, within the limits of endurance set by the long suffering Soviet people. This gives them a great advantage. They can plow back into the economy the capital necessary to guarantee the maximum economic development consistent with domestic and foreign policy objectives. They can channel scarce resources into high priority enterprises such as nuclear energy, missiles, steel, and certain industries producing items for export. They can curb consumer demand by promising better food and larger apartments in the near future. They can get their people to produce guns with the promise that by the end of the present 7-year plan they will be producing both guns and butter.

A good share of the Premier's 8-hour speech at the recent party congress in Moscow was devoted to explaining the goals of the 7-year plan. The overarching goal, he said, was to outproduce the United States of America in the 1970's.

"How," you may ask, "has a totally and centrally planned economy been able to do so much? How could they have gotten where they are without the natural incentives of profit and reward in a free enterprise system like ours in America."

The answer is that years ago the Soviet leaders departed from the orthodox doctrines of Marxism, and copied incentive and productivity ideas from the system they decried.

The Soviet Union does not really practice socialism or communism, but rather a system of state capitalism. The Red Chinese in their communes may not yet have learned this lesson.

THE SOVIET INTERNATIONAL ECONOMIC OFFENSIVE

We have referred to Soviet economic strength and the capacity of Soviet leaders to make the economy serve political purposes. Now let us turn specifically to the Communist international economic offensive in the areas of trade, aid, and investment.

1. The trade offensive: Today there are Soviet trade missions in many capitals of the world, including the capitals of some countries which have never had any trade with the Soviet Union. These missions are quietly negotiating commercial trade agreements. The Soviet Union has surpluses with which to bargain. Even though Russia is still poverty stricken as far as consumer goods are concerned, she is willing to compete in the world market.

Recently I heard a startling story about a Boston importer who purchased some sample microscopes for high school and college use from the Soviet Union. They cost roughly one-fourth of what similar instruments in the United States cost and they were of a superior quality. Perhaps the U.S.S.R. was dumping them; that is, selling them at less than cost. Whether she was dumping them or selling them at an honest price, the problem is serious. We are presented a tremendous challenge from a backward country. Only a few years ago one of America's top Russian experts said that the Soviet Union could not even mass produce bicycles. She has not only mass produced bicycles, and microscopes, but MIG jets, bombers, and perhaps she is now mass producing ICBM's.

We can expect the Soviet trade offensive to increase in tempo and volume in the months and years ahead.

2. The aid and investment offensive: The Soviet Union is an Ivan-come-lately to foreign economic aid. The United States blazed the trail with the mighty Marshall plan and subsequent programs of aid. And yet in this field in which we were pioneers we are being severely challenged. At the very time when many Americans are confused and unconvinced, when the very basis of economic aid is being challenged, the Soviet Union, according to all reports, is winning friends and influencing people through its aid offensive.

Apparently convinced that you "can't buy friends," the U.S.S.R. during the past 3 years has concentrated on capital investment as its major form of foreign aid. She has offered long-term, low-interest loans to the countries of the Middle East and Asia. There are extensive Soviet economic aid projects in the United Arab Republic and in seven south Asian countries—India, Burma, Afghanistan, Ceylon, Indonesia, Nepal, and Cambodia. The Soviets are helping to build a steel mill in India, bridges in Egypt, a cement plant in Afghanistan, a sugar factory in Ceylon, a tire factory in Indonesia and a hundred other projects designed to raise the living standards of these underdeveloped areas. In the past 3 years the Soviet Union has extended more than $1.5 billion in credits. Recently Mr. Khrushchev offered President Nasser aid to build the high dam across the Nile—the same type of aid which Mr. Dulles abruptly withdrew in 1955 and which many observers believe forced Nasser to seize the Suez canal.

The Soviet Union offers its development credits, and the necessary technicians, she claims, without political strings attached. The offer is attractive, and we cannot blame underdeveloped countries for accepting it. In their great desire for economic development, they are reluctant to see the possible political implications of such generously offered help. At the beginning of the Soviet program her interest rates were better than needy countries could get elsewhere. And there were no explicit political strings attached. Further, the Soviet Union seemed to demonstrate with her sputniks that she could make as much technical progress in 30 years as the United States did in 100 years. Some of the people in these areas seem to prefer ruble diplomacy to dollar diplomacy.

The argument that a centrally planned, designed and controlled economy is inevitably and inexorably more powerful and productive than a free economy appeals to peoples who desire economic development, and who have no experience with the political restrictions which go along with Soviet-style planning. Regrettably, the Communist model is appealing. The fear of ideological and political penetration is not real enough to offset the economic appeal. We must do more—and we can.

WE MUST STRENGTHEN THE AMERICAN ECONOMY

These sketchy facts about the strength and growth of the Soviet economy and the success the Soviets have had in using trade and aid as instruments of their international objectives should help us to run scared. But I am afraid that many of us know the facts without really understanding them. We need a new sense of urgency if we are to accept the economic challenge of the Soviet Union to our domestic economy, and to our international economic objectives.

First, let me suggest how we can and indeed must strengthen our domestic economy if we are to meet the challenge successfully.

Our problem is not primarily an economic problem, but a political problem and a moral problem. The economists may not always agree, but in general they know how to increase productivity. The problem is whether we really want our economy to expand, and whether we are willing to take the risks involved.

To oversimplify the issue, and to make comparisons, there are two competing philosophies about our national economy.

The one I would call George Humphreyism—this philosophy holds that the greatest danger to the United States is inflation, perhaps a greater danger than the threat of communism itself. We must at all cost, according to the former Secretary of the Treasury, prevent inflation, even if it means cutting back in our rate of growth, even if it means 4 or 5 million men unemployed and many others underemployed, even if it means that our industrial plants are working only to 75 or 80 percent capacity, even if it means a recession such as the one we recently went through. Unemployment and underproduction are preferable to full employment and high production, according to this theory, because this is the only way to prevent inflation.

Now, we are all opposed to inflation—either of the galloping or creeping variety. I think it is significant that in the past few years, while our economy has remained stagnant, prices have literally soared. The answer to price stability does not lie in economic lag. Growth in the economy is not only desirable and necessary, but consistent with a price stabilization program. Here are some of the things we must consider:

First, and most obvious, the U.S. population is growing by 3 million persons a year, and with our present lag in productivity we can hardly stay where we are.

Second, if we are really going to take the Soviet economic offensive seriously, we must have sufficient production to keep up with her—militarily, scientifically, and every other way.

The President's budget and budget message were obviously influenced by George Humphreyism. I hope that the Democratic Congress will be instructed by a more dynamic and imaginative philosophy—a philosophy which believes in the capacity of a

free economy to be productive without being inflationary.

TOWARD A DYNAMIC ECONOMIC OFFENSIVE

In the area of foreign economic policy the administration, partly in response to the Soviet challenge, is taking some steps in the right direction, but the escalator of history may be moving more rapidly in the other direction. We should build a stronger economy at home in order to do what necessity and prudence demand abroad. Our highly productive economy, even in its present less-than-dynamic state, makes it possible for us to do more than the administration wants us to do. Our position of leadership of the free world places upon us a moral responsibility commensurate with our power and wealth.

I would like to suggest a three-point program for strengthening our present economic offensive in the world, a program designed to do what we are best qualified to do.

1. Increase the flow of trade with other countries: Most economists agree that the free world would be strengthened by the lowering of trade barriers among nations. They also believe that the U.S. economy as a whole will benefit from freer trade, although they know that some industries will suffer. But as Adlai Stevenson once put it: "We shall have to make the choice between relatively minor adjustments caused by increased imports or major adjustments caused by decreased exports."

The United States is a wealthy Nation. With only 6 percent of the world's population, she produces over 40 percent of the world's goods and services. Yet our country is dependent on imports from all over the world. If these imports were to be completely cut off, our daily life would change drastically until adequate substitute for vital imports could be found. Our automobiles, telephones, radios, television sets, and a hundred other modern necessities would become useless when parts depending on imports would wear out. We would be threatened with mass unemployment. And our defense program would collapse.

Every automobile needs 38 essential materials which are largely imported. Forty-eight imported products go into every telephone. Not a single pound of steel can be made without manganese; nine-tenths of our supply of this vital ore is imported. We import all of our chromium and tin, ninety-nine percent of our nickel, 65 percent of our bauxite (essential to making aluminum) 42 percent of our copper, and so on.

On the average day about 418,000 tons of imports, worth $42 million, arrive at American ports. Only about one-eighth of these imports are finished manufactured products which can compete with American made goods. At the present time our annual imports total more than $11 billion.

Other countries need our products and we need theirs. We need to export in order to buy the necessary imports for our own economic health. A substantial loss of foreign markets could damage our entire economy. The United States cannot export unless other countries have dollars to buy our products. To get dollars they must sell to us. Trade is a two-way street. If the traffic slows down on one side of the street, it will have to slow down on the other. A balanced and high-level flow of world trade makes for worldwide economic health. The interdependence of nations is nowhere more clearly apparent than in the economic realm.

This is not the place to discuss the technical details and procedures for increasing trade. I merely want to make the point that we must seize every opportunity to move toward this desirable goal, and to take appropriate governmental action to help those industries which may suffer undue hardship, because of increased imports.

I might say in passing that I believe international trade should not be restricted to the nations of the free world. I favor certain types of trade with the Communist bloc. This will, of course, have to be undertaken with proper regard for legitimate security considerations.

2. Utilizing our agricultural abundance: One of the most vexing problems facing our country is the so-called agricultural surpluses resulting from over abundance. This is a serious domestic problem which has far-reaching international implications. It is clearly to the advantage of the United States to use stored-up food and fiber before it becomes worthless. If we simply give it away to needy countries without regard for normal marketings or opportunities to benefit the recipient country as well as ourselves, we run the risk of upsetting world market prices which may result in injury to the economies of other nations. Even if we sell our farm surpluses at the world market price, and advance credit to purchase them, we will be competing with other countries whose need for export may be greater than ours—unless we find and use economic tools for converting our food to useful purposes, that save, rather than detract from, our basic foreign policy objectives.

There is no easy solution to this complex problem. We always have to ask ourselves three questions: What is good for the American farmer? What is good for the U.S. economy? What will best serve our goals of helping to strengthen our free world allies and the uncommitted nations?

In answering these questions wise statesmenship must make difficult and discriminating decisions which honor the legitimate claims of each competing interest.

I believe a way out can be found. I believe the utilization program under Public Law 480 can and should be extended and enlarged so that our farm abundance can serve the needy overseas without hurting our closest allies. I will support efforts in this direction. I regret to say that the administration plans to spend $14 million less under Public Law 480 for fiscal 1960 than is being spent during the current year.

3. A 5-year development loan program: In the foreign-aid picture I have supported the Marshall plan, the point 4 program of technical assistance and direct grants for economic and military aid. I have supported U.S. participation in the technical-assistance programs of the United Nations. I think each form of assistance has a proper role to play. I would support an expanded program of technical aid under the point 4 program. But I am firmly convinced that the greatest opportunity for achieving substantial economic development in the politically uncommitted areas lies in a greatly expanded capital loan program.

In the 19th century the London capital market provided vast sums of money for the development of economically backward countries, including the United States. Today, the United States is the largest single source of capital, and yet the proportion of our gross national product going into development abroad is far smaller than that of Great Britain a hundred years ago.

In the spring of 1957, when congressional support for foreign aid was at its lowest ebb, up to that time, three distinguished research agencies recommended that the United States put foreign aid on a long-term basis of perhaps 20 or 30 years and that our Government appropriate the $2 billion a year for economic development. (The three research agencies were the Committee for Economic Development, a business-sponsored organization; the University of Chicago Research Center in Economic Development and Cultural Change; and the Center for International Studies at MIT.)

This recommendation for a greatly increased air program was not a harebrained scheme, but the product of some of the finest scholars in the country—men who know the capacity of the American economy and the requirements of leadership in a world threatened by communism. And, I might add, men who represent the finest humanitarian traditions of America.

With this type of backing, I do not hesitate to propose a $10 billion development loan program over a 5-year period. We spend $50 billion a year on defense and perhaps even this is not enough. Can we not invest 5 percent of this amount in the future of Asia and Africa? I believe we can. I believe we should.

I believe the program should consist largely in long-term, low-interest loans which can compete effectively with what the Soviets are doing. I believe that the projects for which loans are provided should be thoroughly appraised by competent specialists so that the capital will be well spent. We must take into account the absorptive capacity of the recipient country. We must avoid waste and corruption.

There will be risks, but the need is great. The challenge is inescapable. President Truman's point 4 idea was called "a bold new program." It was new, but the majority in the Congress never permitted it to become bold.

Since then the urgency has increased. The time for a bold new program is upon us. And I believe that there are more and more Members of both Houses of Congress who are willing to match the challenge of our times with courage and boldness.

Walter Lippmann recently said something which every lawmaker and every administrator would do well to ponder. He said if you want public support for a Government program, make it big, bold and imaginative—appeal to the public's sense of responsibility and willingness to sacrifice. In attempting to second-guess the public, I am convinced that political leaders too often sell them short.

Massive investment is essential, and most of the capital must come from private sources. It cannot and should not come only from governments. In fact, governments should invest only when private sources are unable or unwilling to meet the legitimate needs for development. Private investors cannot afford to take large risks. Recipient countries should, of course, do all within their power to make private investment attractive, promising a reasonable return for the investor. I am glad to say that India has recently taken several significant steps to make private investment attractive. Any potential investor should look into new opportunities in this, the pivotal nation in Asia.

But it is not possible for an underdeveloped country to remove all risk to private investors. The countries needing aid most desperately often are the very ones where the risk is greatest. It is in these cases of great need and risk, where both the economic and political stakes are high, that government loans are required.

And if the free world does not provide investment capital, we can be sure the Communist bloc will. It is unfortunate, but understandable, that the fear of communism may prompt us to do what we should have done all along and what Great Britain in fact did in the 19th century.

CONCLUSION

I want to conclude by applauding Mr. Douglas Dillon, the Under Secretary of State for Economic Affairs, for his leadership in the area of long-term investment loans. I support him. But I fear that he has not gone far enough. Perhaps he is afraid that the Congress will not support him. Or, more likely, he may be afraid that the President will veto a more dynamic program.

Our Nation and our people face a massive challenge today.

The economic, political, ideological, and military offensive of a dedicated and determined foe confronts us at every turn.

Can the American people respond to this challenge with courage and wisdom?

The answer is "No," if we continue to sweep unpleasant facts under the rug of a complacent optimism. The answer is "No," if we are content with smooth words and soothing sirup from a man whose main task should be to jolt us from our lethargy. The answer is "No," if we continue to prefer tail fins and mink-lined suburban nests to first-rate schools and a responsible, if costly, foreign policy.

But the answer need not be "No." I firmly believe that the American people have the moral resources and political wisdom to respond with courage and determination. I know we have the economic resources to do the job that needs to be done. We can do the job if we have leaders who lead, leaders who can impress us with the deeper meaning and urgency of the crisis.

There is no substitute for leadership, leadership hardheaded enough to face the facts of life and warmhearted enough to honor the cherished values of our Western religious heritage.

A Fair Trade Law Is Not Necessary

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, the Federal Trade Commission Act, section 5, states, "That unfair methods of competition are hereby declared unlawful."

More precisely the Robinson-Patman Act, section 3, states:

> It shall be unlawful for any person engaged in commerce * * * to sell, or contract to sell goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

State laws are also directed at so-called loss leader or unfair practices. So what the proponents of fair trade dislike, they already have protection against. Further, why have fair trade proponents shied away from loss leader bills in times past when they were introduced to meet the problem of predatory pricing?

The basic answers to fair trade are not being sought or found by a study of H.R. 1253. What is needed is an objective statistical study of these questions: First, are not small businesses flourishing in areas where there is no fair trade protection? Second, in States where fair trade laws have been invalidated, have small businesses disappeared? Third, prior to the passage of any of the fair trade laws were there no small businesses in the United States? Fourth, are there no small businesses that sell furniture and major appliances, items which the manufacturers have rarely fair traded?

Such a study should precede a fair trade bill. Meanwhile the consumers are way ahead of those Congressmen who think resale price maintenance is good for buyers.

Perhaps the more immediate problem concerns the Justice Department survey which shows a 27 percent lower price in non-fair-trade areas for 119 items compared to fair trade areas. How could a Member of Congress vote for fair trade and higher prices, leaving the posed questions unanswered, and then face constituent consumers?

Address by Hon. Hugh Scott, of Pennsylvania, at Annual Meeting, Fellows of American Bar Foundation

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, March 25, 1959

Mr. KEATING. Mr. President, the distinguished Senator from Pennsylvania [Mr. SCOTT], recently delivered a timely address in which he called on America to revive the great institution of patriotism. His remarks, delivered to the annual meeting of the Fellows of the American Bar Foundation on Washington's birthday, deserve the widest dissemination possible.

By thoughtful analogy to the experiences of some of our soldiers in the Korean conflict, the Senator from Pennsylvania points out that our schools and our Nation in general are failing to teach the great heritage that comes with being an American. He calls for an unremitting emphasis on the origins of our Nation, on what made it strong and great and kept it free, upon fundamentals of our national purpose.

I believe this clarion call to Americans to revive the teaching of the ideals which have made our Nation great should be read by every American. The Senator from Pennsylvania has performed a real service for our people by his able presentation of this problem.

So that a larger readership will be able to have the benefit of his wisdom, I ask unanimous consent that this splendid address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR HUGH SCOTT AT ANNUAL MEETING OF THE FELLOWS OF THE AMERICAN BAR FOUNDATION, EDGEWATER BEACH HOTEL, CHICAGO, ILL., FEBRUARY 22, 1959

My good and long time friend, Dave Maxwell, Mr. Luce, Mr. Malone, Mr. Williams, distinguished guests, ladies and gentlemen, congressional and public interest in the progress of the missile programs of the United States and the U.S.S.R., increases in intenstly. What it will cost to close the missile gap, how long it will take, what procedures to follow, who's right, who's wrong—no current topic sparks more discussion, be the locale bar meetings, Bar Harbor, or barrooms.

That this gap exists, few will deny. Yet how many are aware of a far more menacing, infinitely more dangerous gap in our long range national security planning?

The closure of the missile gap is basically a matter of how much we are prepared to spend to maintain our security through fully adequate, deterrent, and retaliatory forces. This, of course, involves considerations not limited to, or by, numerical quantity of weapons.

What of this other gap? It is not one which can be bridged in a year, perhaps not in a dozen years.

Let us look at what befell us. Our country entered the fifth decade of our century rich, bounteously blessed, lolling at the wide end of the biggest cornucopia in the world. Then, seemingly all at once, and out of context with our proud national history, we developed a flaw. A flaw which could widen into a crevasse.

"In Every War But One," as a recent book of that title by Eugene Kinkead records, our Armed Forces presented no problem of loyalty, caused no concern in the country as a whole regarding the conduct of the individual American when a prisoner of war. That one war was the Korean war.

Oddly, and without precedent, not a single American prisoner of war managed to escape, for the first time in any of our wars. Twenty-one Americans elected to remain with the enemy.

This in no way derogates from the courage, devotion, and magnificent conduct of most American fighting men in Korea, but what of the fact that over one-third of American prisoners of war collaborated to at least a minor degree with the Communists, and about 13 percent became active collaborationists?

What went wrong?

Capt. L. S. Robinson, U.S. Navy, says: "It was lack of home training, loose standards, the idea of the fast buck, the quick deal." He lays the blame also to the almost total disregard of authority and to the unpopularity of the war.

I think it goes much deeper than that, especially when we consider the success of Red Chinese indoctrination tactics. I used the term "indoctrination" rather than "brainwashing" since the Army definition of brainwashing is a process producing obvious alteration of character whereby the subject ceases to be the same personality he was before. There is no real evidence of the use of the kind of severe measures required to effect a change of personality. What was accomplished here, was rather a change of viewpoint whereby Americans were persuaded to adopt the enemy's propaganda as their own. Incidentally, while there is plenty of evidence of disciplinary cruelty, there is not a single documented case of cruelty being applied in the indoctrination of prisoners. The method used was an alternation of leniency with pressure, the continued relentless repetition of plausible, seemingly factual statements.

The techniques used by the Chinese Communists were repetition, harassment and humiliation. Prisoners were required to cram on Chinese literature and were constantly examined on Communist ideology day in and day out, week in and week out. As the author of the book I have referred to states: "The technique of harassment was equally successful. * * * of the three tactics, the third, humiliation did the most psychological damage." Although prisoners were specifically promised leniency, any prisoner who questioned a point of Communist doctrine during a lecture period was required to remain seated and the entire class of his fellow prisoners ordered to stand and remain on its feet until the objector had abandoned his objection. This led the other prisoners after hours of standing to complain and mutter against the objector and ultimately led to his capitulation. The prisoner was then required to read a long self-criticism ending with an abject apology to the class and the instructor followed by a period wherein his classmates were ordered to criticize him which they did. He in turn was made to criticize his classmates. This

technique ultimately led to complete distrust of each prisoner by every other prisoner and the effect on morale was obvious.

Why were these arguments effective? They were effective because our soldiers had little or no grounding in American foreign policy, little interest in current events and wholly inadequate grounding in American history or the basic tenets of the individual's duty to his country.

Were these American soldiers incapable of learning? True, many had immature minds and some had not gone beyond the fifth grade. But they returned to the United States able to recite long passages from Karl Marx from memory, they had studied the theoretical writings of Lenin and Stalin until they could argue the merits of communism and its superiority to democracy with some of the best educated Army interrogators. It ought to be added here that many of the collaborators came from the ranks of those who were bright and who had had an average or better than average education. Indoctrination therefore was successful to some degree in all groups and the degree of education was evidently not the controlling factor.

There has been failure in depth here, on the part of teachers and public officials. Failure in home training played its part too. Too many young soldiers had been indoctrinated before they ever landed in Korea, in the belief that it's what you get, not what you give, that counts. "The fault, dear Brutus, that we are underlings, lies not in our stars but in ourselves."

The growth of governmental paternalism, the promise to vote benefits out of the pockets of some people into the pockets of others, the concept of America as the "Lady with the Ladle" rather than the "Lady with the Lamp," these ideas had found fertile ground in the minds of young men who had never been taught to honor sacrifice, to respect unselfishness, to feel devotion to a cause, to love one's country, to cherish the memory of those who died in all our wars for freedom's cause.

Those who faltered were the "beat" of this generation. There were so many more who met their duty and their destiny with gallantry and patriotism.

But those who failed are a charge upon our conscience, a warning of signs of decay among us, a peril to our future security. "He that cannot think is a slave; he that dare not think is a coward; he that will not think is a bigot."

Before patriotism goes out of style, should we not busy ourselves with some wise remedial planning?

I believe we must, through State and local programs, reexamine and drastically overhaul our present methods of instructing our youth, in grade school, high school and college. Here is a quote from an interesting letter written by a college girl which appears in the March issue of the Atlantic Monthly: "My academic preparation had included work on the school annual, student service in the school library, traffic laws and safety, courses in poise, and a culture course that somehow never went beyond young person's guide to the orchestra." One wonders whether the high school in question had any courses in American history, civics, government, and one may be permitted to wonder also what textbooks may have been used. The Federal Government should reexamine its Armed Forces indoctrination and orientation programs, even though there has been progress in this area in the past 5 years.

We need unremitting emphasis on the origins of our Nation, on what made it strong and great and kept it free, upon the fundamentals of our national purpose.

I would like our schools to stir our students to love of country, to prepare them to counter the washers of brains with undeviating faith founded upon knowledge of our country's principles and policies, with the sturdiness of their conviction in the justice of our country's cause. And if this be propaganda, I would also like our Armed Forces to employ much more of it.

Nor is it sentimentalism which leads me to suggest that I would like to hear again in the classrooms of America, the stirring stories of our clearing of the wilderness, the wintry tale of the agonies of the men of Washington at Valley Forge, the gallantry of Ticonderoga, Antietam, Chateau Thierry, and Iwo Jima.

I would like to hear again in the classrooms of our Republic, the rolling cadences of "Hail, Columbia", "The Battle Hymn of the Republic," "The Halls of Montezuma." I should like to be assured that from these, our halls of learning, our sons and daughters depart with the chambers of their minds filled with the beauteous and pleasant riches of wisdom, tolerance and patriotism. So armed, they will meet and conquer the menace of any Red schoolhouse.

These things I would like,
And so, I think, would you.

Benson Gaining Support

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. DIXON. Mr. Speaker, from the days of the early Greeks and Romans, and even before, the vitality and growth of a nation could be determined by the activity of that nation's markets. Free markets, bringing together free sellers and free buyers, served as the mainspring behind national progress.

Someplace along the line we in America sacrificed our free agricultural markets on an altar of expediency and fear. We became fearful that our agricultural economy could not prosper as a free facet of our economy. We started to shelter, to control, and to regulate it. Today we have all but smothered it.

A leading exponent of free markets, of course, has been our dedicated Secretary of Agriculture, Ezra Taft Benson. He has warned the American people of what is happening to our agricultural economy. He has pointed out that agriculture must be given room for breathing and expansion in free markets. For his trouble, the Secretary has been maligned and has suffered indignities not befitting a man of his character and demonstrated ability.

Daily, however, Secretary Benson has found new allies, both in the field of agriculture and without.

One of the most important allies, not only for Secretary Benson, but for the entire agricultural economy, has been the Board of Trade of the City of Chicago. The support of such a group is important, because the sole purpose of the board of trade is to bring buyer and seller together freely for the buying and selling of agricultural products. The activities of the commodity exchanges is a vital link in the chain from production to distribution. As a result of bringing the competitive forces of supply and demand together in this fashion, grain and grain products are distributed nationally and internationally. The operations of the Chicago Board of Trade are under rigid self-imposed rules of business conduct, as well as Government regulation. The board's primary objective is to provide the Nation with the most efficient grain marketing services at lowest possible costs.

I should like to conclude these remarks by including in the RECORD the agricultural policy statement of the Board of Trade of the City of Chicago, adopted recently. The policy statement follows:

AGRICULTURAL POLICY STATEMENT

Despite having, for over 6 years, a Secretary of Agriculture dedicated to free markets, the entrenched bureaucracy and self-interest of those who prosper under control have led the country further down the road to complete Government domination of the free agricultural marketing system. The President of the United States, in his state of the Union message, indicated that by July 1, 1959, Commodity Credit Corporation would have $9 billion tied up in loans and surplus commodities, and that the carrying charges on this mountain of production would run to $1 billion annually.

This continued expansion of CCC and its increasing inroads into the marketing of grain has brought a greater awareness to the majority of the membership of the association of the problems, and of the need for positive action. It is time to take up the challenge, since it is clear that the natural course of events cannot be depended upon to help free markets.

The board of directors of the Board of Trade of the City of Chicago has, therefore, adopted the following as basic policy to guide the association in its continuing struggle for restoration of free markets.

"We must go on record as being vigorously opposed to all programs and policies that result in agricultural food and fiber not clearing through the market. Therefore, basic policy of the Chicago Board of Trade is to:

"1. Take a more aggressive stand on the elimination of governmental competition and domination of free markets.

"2. Act as a more forceful spokesman in defense of the private marketing system as opposed to State trading.

"3. Give open support to those farm leaders and farm organizations when those leaders and organizations work for the programs that benefit the private marketing system.

"4. Support legislation which will keep the Government from acquiring surpluses of commodities."

Why Not Enforce Existing Law?

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, the fair trade bill, H.R. 1253, now before the Interstate and Foreign Commerce Committee endeavors to make legal—by setting aside antitrust protection—resale price maintenance. Resale price maintenance legislation is not needed to prevent predatory price cutting. The Sherman Act and the Robinson-Patman

Act—particularly section 3—have been passed by previous sessions of Congress to prohibit such predatory price cutting.

Now we are asked to set aside the law providing these protections and enact a law to shackle the free enterprise system.

Is it not about time that Congress, through its committee, stopped buying a "pig in a poke," accepting and dignifying the proponents claims as valid? Rather, we should investigate why so many proponents of this bill feel endangered by predatory price cutting which is already illegal. Let us first decide the shortcomings, if any, or lack of enforcement of existing law before we impose federally sanctioned price control.

Memorial Tribute to 2d Lt. Kenneth G. Fauteck

EXTENSION OF REMARKS
OF
HON. SEYMOUR HALPERN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. HALPERN. Mr. Speaker, Monday's newspapers announced the finding in Spokane, Wash., after a 16-day search, of the body of little 9-year-old Candice Elaine Rogers who had disappeared as she was selling Camp Fire Girl mints near her home.

The Nation has been deeply horrified by the wanton brutality of this crime. It is the hope of all of us that the vicious murderer may soon be apprehended and brought before a court for trial.

Today, I want to say a few words, in both pride and sorrow, about another very tragic phase of the case, the heroic death of a young man who grew up in my congressional district, the Fourth District of New York.

Kenneth G. Fauteck, a second lieutenant in the Air Force, who was killed in a helicopter accident near Spokane, on March 7, was the eldest of the two sons of George and Marie Fauteck, of 216–18 117th Road, Cambria Heights, N.Y. He was pilot of an Air Force helicopter, and was, with four other crew members, engaged in a volunteer search up the Spokane River for the missing little girl, when the helicopter struck some high-tension wires of the Washington Water Power Co., and fell in wreckage into the Nine Mile Reservoir. Two others were killed with Kenneth: S. Sgt. William A. McDonnell, and A2c Marlice D. Ray. Two survived, with minor injuries: S. Sgt. James L. Fisher and A2c. Michael R. Holloway.

Kenneth Fauteck leaves a young bride, the former Eleanor Dengler of Ozone Park, N.Y., to mourn his loss and to take pride in the memory of his brave sacrifice. Otto Gumaelius, to whom I am grateful for sending me word of this sad event, well asks:

In a time of peace, what greater glory can a young man have than one who, while serving in the Armed Forces of the United States, unselfishly and heroically gives up his life so that a child might live?

Police Inspector Robert B. Piper, in whose search for the missing child Kenneth Fauteck and the others were assisting, said:

How do you thank men for such a noble gift? Their deaths are a great tragedy. I know the boys who died felt it was as necessary as anything in the world for them to do what they did.

The mayor and the City Counsel of Spokane have similarly expressed their gratitude and grief, personally and in the name of the city of Spokane. But it seems fitting also that there be a recognition of the sacrifice of Kenneth Fauteck in particular, here on the floor of the House, at once local, in that I represent his home district, and national, in that I am speaking before the House of Representatives of the United States.

Kenneth was but 22 years old, and had been married only a year this month. He had, after his marriage on March 2, 1958, been transferred in rapid succession from Mitchel Field to Georgia, to Texas, to California, and finally to Fairchild Air Force Base, Spokane, Wash. His quick intelligence and eager interest in flying had enabled him, without having completed high school, to earn his officer's commission. It seems sure that he had a great career, in service and achievement, before him—but no length of life could have earned him more gratitude and glory than his death in the performance of this brave act. As a symbol of the recognition Kenneth Fauteck has deserved from his country, I am sending to his family, in tribute to his memory, an American flag that has flown over the U.S. Capitol.

Women Won't Need To Shop Any More

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, the consumers of this Nation shopping for sales, a cheaper price, a bargain, make millions of daily decisions which in total establish the prices of merchandise.

The right price is that price the buyer will pay by choice after comparing competitive items. Other matters, such as credit terms, delivery, warranty, and the like, are present, but change not the fact that the price is, by definition, the mutual choice made by buyer and seller. The buyer may haggle to get the price reduced. The merchant may hold the merchandise for a period, reduce it, have a sale, or throw in a bonus. The sales price is still the amount the buyer will pay.

Now by Federal law, known as fair trade, H.R. 1253, the Federal Government is to be asked to set aside antitrust law and let the manufacturer set the retailers' price. Is the give and take of the marketplace between buyer and seller now to go out the window? Might as well tell the women, as one fair trade exponent commented, "It won't be necessary to shop any more."

Greek Independence Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. MULTER. Mr. Speaker, 138 years ago the national flag of Greece was unfurled to ignite the great revolution against foreign rule. Today the Greek people take rightful pride in celebrating this historic day, March 25, 1821, which heralded the beginning of the end of the suppression of the Green Nation by the despotism of the Ottoman Empire.

Freedom-loving people throughout the world have drawn inspiration from the long, hard, valiant, and epic struggle of the Greek people for independence. Greek Independence Day has immortalized the bravery and devotion of this proud nation's warriors and martyrs. On this stirring occasion the free world is once again reminded that "eternal vigilance is the price of liberty."

The spirit of Greece's passion of independence was strikingly captured by Lord Byron when, on the eve of the War of Independence, he wrote:

The isles of Greece. The isles of Greece.
* * * * *
The mountains look on Marathon,
And Marathon looks on the sea;
And musing there an hour alone,
I dreamed that Greece might still be free;
For standing on the Persians' grave,
I could not deem myself a slave.

Ancient Greece was the cradle of liberty. Apostles of freedom still look to Greece, both ancient and modern. For it was there that the Western concepts of representative government and the rule of law were mothered, and it was in classical Greece that political theories antagonistic to tyranny first were born, later to mature and inspire the great democratic movements of modern civilization.

Today Greece, precariously situated on the border of the Soviet empire, is a compelling example of the perseverance and sacrifice necessary to defend democracy against the dynamic threat of Communist aggression. Greece is now economically poor. Nevertheless, it manages to spend 5 percent of its gross national product on its military establishment. Assistance from the outside is essential to assure Greece a stable economic system and a viable future amidst the distresses of the cold war. The United States and its allies are now providing this help, a token of the great debt which their civilization owes to Greece.

After World War II, when strong pressure was applied by the Soviet Union and subversion by the Communists had engulfed the country in civil war, the

United States came to the aid of Greece. As a result of assistance from this country, the wartorn economy of Greece was reconstructed and the Communist insurrection was suppressed.

The continuing freedom and security of Greece is of great importance to the free world. At the same time, the security of Greece as a free nation contiguous to the Soviet bloc is vitally dependent on the strength of the Western alliance. Since 1950, Greece has been associated with the North Atlantic Treaty Organization in planning for the defense of the Mediterranean. Greece's land, sea, and air forces are now linked with the combined NATO command for southeastern Europe and have participated in the joint exercises for developing a coordinated defense program for the eastern Mediterranean. The armed services of Greece are supplied with modern arms and equipment under the NATO programs.

In this way, Greece has undertaken to assume its responsibility for the defense of the Balkans and the eastern Mediterranean. Consequently, the area bridging Europe is more secure and the southern flank of NATO is more strongly fortified.

On this anniversary, the United States salutes the Greek people for their monumental contributions, past and present, to our country and to our civilization. Throughout the land, there are over one-half million Americans of Hellenic background. Our country is a much improved place because the patriotic and resourceful Greek people have contributed their magnificent heritage toward building a greater America.

Fair Trade Violates Both Political Parties and Congressional Oath

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, Republicans often praise the merits of the free enterprise system and stress principles of balanced budget, fiscal responsibility, price stability, sound money and freedom from price and wage controls. These are good and true principles, it seems to me.

Now comes the Fair Trade Act, H.R. 1253, to enforce by Federal law a retail stipulated price system permitting the manufacturer to set these prices. Well, it is price control, contrary to Republican principles. As to inflation and sound currency—well, fair trade items in a comprehensive Justice Department survey cost 27 percent more than in a nonfair trade area. This certainly cuts buying power. Price stability? That, too, is out the window. In short, fair trade fails the best of Republican principles.

Democrats constantly attempt to identify themselves with common people, the little man, the average consumer. Well, these price fixing laws are not in the interest of the consumer.

Democrats and Republicans share principles rooted in American tradition—that set us apart as a Nation from foreign ideologies—no matter the differences between parties. Members of Congress by oath subscribe to the balance of powers between the branches of Government and between Federal and State. This fair trade bill would be a Federal encroachment on State jurisdiction.

Fair trade is antithetical to the beliefs of both parties, and to both conservatives and liberals. When Members of Congress get the facts, the so-called fair trade bill will be discarded and discredited.

DAV Services in Massachusetts

EXTENSION OF REMARKS
OF
HON. JAMES A. BURKE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. BURKE of Massachusetts. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Massachusetts citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Massachusetts, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war.

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran very substantially. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger; its national director of claims, Cicero F. Hogan; and its national director of employment relations, John W. Burris—all located at its National Service Headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV National Headquarters, located in Cincinnati, Ohio, has maintained the largest staff of any veteran organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The DAV maintains five national service officers in Massachusetts, located in the VA Regional Office at 1 Beacon Street, Boston, Mass., as follows: Eugene F. Reilly, James J. Sayre, Louis Spencer, Paul J. Sullivan, and Thomas J. Tomao. The DAV department commander is Leo W. Lalley and the department adjutant is Joseph R. Harold, who also serves as executive service assistant to the national commander, Judge David B. Williams, of Concord, Mass., all of whom are my personal friends.

The DAV Department of Massachusetts has nationally appointed representatives to the Veterans' Administration Voluntary Services Advisory Committees at each of the Veterans' Administration hospitals servicing Massachusetts veterans. These DAV representatives and the hospitals are as follows: Bedford VA Hospital, E. Elmer Baldwin, representative; Boston VA Hospital, George J. Lynch, representative; Brockton VA Hospital, George K. Inglis, representative; Boston regional office, Framington VA Hospital, Robert F. Irino, representative; Northampton VA Hospital, Earl A. Gour, representative; Rutland Heights VA Hospital, Alonzo Scott, representative; and West Roxbury VA Hospital, Harry E. Guerriero, representative.

During the last fiscal year, the VA paid out $199,218,000 for its veterans' program in Massachusetts, including $71,227,789 disability compensation to its 93,730 service-disabled veterans. These Federal expenditures in Massachusetts furnish substantial purchasing power in all communities. Only about 13 percent—12,420—are members of the 91 DAV chapters in Massachusetts.

This 13-percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Massachusetts veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimate)	260,603
Claim folders reviewed	217,169
Appearances before rating boards	65,078
Compensation increases obtained	10,194
Service connections obtained	5,013
Nonservice pensions	1,349
Death benefits obtained	180
Total monetary benefits obtained	$4,899,389.07

These above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in

such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Massachusetts veterans, their dependents, and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment (to utilize their remaining abilities), civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 4.5 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Massachusetts, with a consequent loss of about $1,260,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Massachusetts to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project is thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 28,272 of whom, during the last 8 years, were Massachusetts residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV service foundation is therefore very much in need of the generous support of all serviced claimants, DAV members, and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV Chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member—an excellent precedent for Massachusetts.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Massachusetts by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal, and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

Battle Between Bigs Means Higher Prices

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, consumers pay lower prices for goods in a non-fair-

trade area. Justice's Antitrust Department survey clearly establishes this fact—Bick's statement 1959, appendix 1. In eight non-fair-trade cities, 132 fair trade items sold for 27 percent below fair trade values. Retailers were making money and the consumers did not know how lucky they were to be in a non-fair-trade area. Those paying more did not know how unlucky they were to be in a fair trade area.

The moral is that wide profit margins—now being asked by Federal law—in a fair trade bill—H.R. 1253—are the very reasons that discount houses enter the scene.

We are told that this is a battle between big and little retailers—not so. It is a battle between bigs, and the Federal adoption of this fair trade bill will kill the little independent retailer, not the big stores. As Mr. Bicks pointed out:

> It is more correct to say that the fair trade fracas is one between big retailers or price stores on the one hand, and big manufacturers or quality stores on the other, rather than one between big and little retailers * * * there are money and vested interest aplenty on both sides and the colorful drama somewhat overdrawn of the big foreign operator crushing the little local independent is a poetic legend more suitable for propaganda exploitation than the whole unvarnished reality.

Maybe the small retailers had better get wise to the dangers of fair trade while there is still time and beware of their own national leadership.

Benson Establishes Unbroken Record Opposing Farm Legislation

EXTENSION OF REMARKS
OF
HON. HAROLD D. COOLEY
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. COOLEY. Mr. Speaker, it is my painful duty to report to the House that, with the Nation's agriculture headed into a new and a deeper recession, Mr. Ezra Taft Benson, the Secretary of Agriculture, and this administration have opposed in this Congress every bill taken up by our committee intended to stabilize and strengthen the farm economy.

The Members of the House have introduced 238 bills in the 86th Congress relating to agriculture. To this date, the Department of Agriculture has objected to every one of these bills on which it has taken a position.

This administration has set a course of lower and lower prices and income for agriculture and it stands cold and inflexible against any action of the Congress which might alter this policy of penury for our farmers.

Here is the administration's record in this Congress:

Our Committee on Agriculture called up legislation proposed by the Nation's wheat producers, to attack the surplus problem of wheat, and at the same time to provide a reasonable price for wheat farmers. The administration had conceded that our most pressing problem in agriculture at this time is the accumulation of great surpluses of wheat. Yet, spokesmen for the Department of Agriculture came to our committee room and opposed this legislation.

We called up a bill to restore a reasonable price relationship between corn and the smaller feed grains—oats, rye, barley, and grain sorghum. We did this when Mr. Benson set the 1959 support levels on the smaller grains so low as to assure hardships for the producers of these crops and at the same time to encourage larger planting of corn, already in surplus. Mr. Benson and this administration opposed us.

Consideration was set for legislation to provide a special program of research to discover new industrial uses for the products of our farms. Similar legislation was approved unanimously last year by the Senate. Yet, the Department came in and opposed the bill.

We brought up a measure supported by tobacco growers and the tobacco industry generally, to lower the parity and support level on tobacco, so that American tobacco could compete more favorably in world markets. Mr. Benson's spokesmen told us the cut was not big enough.

The great cotton producing areas of the Old South have been severely hurt by the operation of the acreage reserve of the soil bank. This program encouraged many small farmers to abandon their cotton acres and this has caused injury to the economy of many counties which depend upon cotton. We took up legislation to permit those farmers who do not wish to return to cotton production—now that the acreage reserve is discontinued—to lease their allotments to other farmers, so that a near normal pattern of production might be maintained to support the economies of businesses, towns, and cities which have been built to service cotton production and marketing. Mr. Benson gave a flat "No" to this proposition.

We brought up a bill which would allow cotton and rice farmers in counties where both crops are produced to exchange allotments—acre for acre—so that one farmer might have all his allotment in cotton and the other in rice. Thus a farmer would not have the expense of maintaining machinery for the production of two crops and could more efficiently produce one or the other. The Department of Agriculture opposed this bill.

Finally, Mr. Speaker, I shall cite one other bill which I thought every citizen of this Nation would approve. This measure proposes to provide $3 million additional during the current school term to prevent a closing down of the special school milk program in many States. But spokesmen for Mr. Benson appeared in our committee room and opposed this legislation. That is the bill which our committee reported and which the House on Monday passed unanimously and sent to the Senate, the objections of Mr. Benson and the administration to the contrary notwithstanding.

I do not know why the Department of Agriculture opposed the school milk bill unless it wanted to preserve unbroken its record of hostility to every piece of legislation relating in any constructive way to agriculture.

Incidentally, we should note here that the Department has not bothered to draft a bill of its own price-depressing proposal for introduction either in the House or the Senate.

Mr. Speaker, I do not expect that the President will veto the school milk bill because its benefits are to our children in much greater proportion than to our farmers who provide the milk for this program. But I want to point out to my colleagues here in the House that in this 86th Congress, as in the two previous Congresses, we are working constantly in the shadow of the veto power of the President wherever the primary interests of farmers are concerned.

The President vetoed in 1957 the bill passed by Congress to return farm price supports to 90 percent of parity. He vetoed in 1958 the bill passed by Congress to "hold the line" against any further price cuts until we could enact general farm legislation. The threat of veto killed the omnibus farm bill when it was presented by our committee last year.

We are certain that, if we pass the wheat bill brought forward by the wheat farmers of America, the President will veto it.

We are sure he will veto the effort to bring the prices of small feed grains into a fair relationship with corn, on the basis of feed value.

We sent to Mr. Benson in the last Congress bills proposing revisions in the present loan and acreage allotment program. We forwarded to him bills proposing two-price or domestic parity systems for various commodities which would let these crops move competitively into world markets while maintaining a reasonable price in our domestic markets. We sent to him proposals for production payments, compensatory payments, or marketing equalization payments to farmers. He returned them all with the Department's stamp of disapproval.

We all know that if the Congress proceeds with legislation in any one of these directions, we can expect our efforts and our work to end in a veto.

This is the dilemma which confronts us. And this sorry condition is aggravated by the fact that Mr. Benson, with the propaganda power of the Department behind him, has so divided our farmers and so confused facts that there is not now in the agricultural community of the Nation the unity essential to the enactment of a new farm program to meet the needs of the time—to turn back the economic upheaval on our farms which looms ahead of us.

Mr. Speaker, we are about to recess briefly for Easter, and many Members will visit their home people in their districts. I hope that each Member who represents farmers in this House will preach a gospel of unity, on the farms and along Main Street.

Your farmer friends will want to know why the agricultural economy is deteriorating and why the Congress has not

acted. Tell them how we are working in the Congress. Tell them how our every effort is resisted by the Department of Agriculture. Tell them about the veto power which hangs over us. Tell them over and over again the necessity for unity among farmers if we are ever again to have public policies that promise for farmers a parity position with other great segments of this free enterprise economy.

Fair Trade Federal Dictation Over State

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, fair trade substitutes Federal mandate for State or local discretion. In so doing it replaces the individual retailer's discretion by a manufacturer's edict.

At present the imposing of fair trade law is permissive with the State. Twenty States have invalidated fair trade through State supreme court or State government action.

The pending fair trade bill, H.R. 1253, irregardless of State law, would impose Federal law, with violation and enforcement becoming a Federal matter.

Such further Federal centralization of power plus the harm done the free enterprise system surely merits the attention of every Member of Congress.

Byelorussian Independence Day

EXTENSION OF REMARKS
OF
HON. EMILIO Q. DADDARIO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. DADDARIO. Mr. Speaker, today, March 25, marks the 41st anniversary of the proclamation of the independence of the Byelorussian Democratic Republic. For this Russian state, as is true for many of her neighboring lands, this day will be a time of mixed emotions. There will be rejoicing that on this day in 1918, Byelorussia finally achieved independence after centuries of czarist oppression, but this joy will soon turn to sorrow because the Byelorussians realize that they have lost their freedom to a new form of Russian imperialism.

The world will witness two different forms of celebration on this day. The first will be a mocking farce directed by Russian Communists and staged in the streets of Minsk, the capital. The Communists will try to create the effect of an enthusiastic demonstration of patriotic loyalty to the Soviet Union, but they will not succeed for such sentiments do not prevail in Byelorussia. The second celebration, expressing the true Byelorussian spirit, will show the world that the Byelorussians are not content to exist as a Russian puppet state. It is paradoxical and tragically ironic that the Byelorussians are not free to celebrate their own independence day. They must muffle their true expressions and desires for national independence, and conform to the manner and theme of demonstration dictated by the Russian organizers who will lead their celebrations. Those Byelorussians who have sacrificed their homes in order to flee from oppression and live in free countries are urging us not to be fooled, but to let the world, especially Russia, know that free people everywhere share the hope that Byelorussia will again be a free and independent country.

Fair Trade Unmasked

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, "There will not be any price competition and there should not be" so spoke witness Edward Wimmer, testifying in behalf of the fair trade bill H.R. 1253.

What is happening to the thinking of our citizens when such statements are made showing such basic misunderstanding? Or is it intentionally the abandonment of the free enterprise which has made this Nation great? In retailing there must be competition; there must be flexibility of price; there must be economic freedom for the retailer to set prices.

Any abandonment of such a basic component part of free enterprise will ultimately destroy all parts of our economic structure, since all are interrelated—supply and demand, profit and loss, consumer buying habits and all levels of manufacturing, distribution and retailing. This is fundamental.

If there are faults, or unfair or deceptive acts, or antitrust violations, let us correct them but not abandon the system. Let us patch up the hole in the boat, not jump overboard.

Sometimes simplest things are most esaily overlooked. Perhaps new laws are not needed, only present law enforced. The Sherman Antitrust Act and Robinson-Patman Act, section 3, are specifically designed for this purpose, that is, unjustifiable price cutting.

Has it not occurred to fair trade proponents that there could even be patterns of change in goods merchandising and distribution that herald growth and improvement, requiring understanding, not another Federal law. This might well deserve the committee study that is now going to the fair trade bill, the wrong cure for a mistaken symptom.

DAV Services in Iowa

EXTENSION OF REMARKS
OF
HON. NEAL SMITH
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 25, 1959

Mr. SMITH of Iowa. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Iowa citizens has recently come to my attention. These splendid humanitarian services may not be sufficiently appreciated by many of us or by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Iowa, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war.

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited compensated disabled veterans very substantially. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger; its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris—all located at its national service headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff, of any veteran organization, of full-time, trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. There they have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

The DAV maintains two national service officers in Iowa, Charles L. Huber and Buford L. Phillips, located in the VA Center, Valley Bank Building, Des Moines. Mr. Huber also serves as department adjutant and the department commander is Mr. Joe Terrones, Wendell Court No. 2, Waterloo.

The DAV Department of Iowa has nationally appointed representatives to the Veterans' Administration voluntary

services advisory committees at each of the Veterans' Administration hospitals servicing Iowa veterans. These DAV representatives and the hospitals are as follows: Mr. Henry J. Luckritz at the 560-bed DOM hospital at Clinton, Mr. Joseph Walsh at the 386-bed general medical hospital at Des Moines, Mr. Robert Hess at the 484-bed general medical hospital at Iowa City, and Mr. R. I. Woody at the 1,540-bed neuropsychiatric hospital at Knoxville.

During the last fiscal year the VA paid out $80,315,000 for its veterans program in Iowa, including $19,811,233 disability compensation to its 24,702 service-disabled veterans. These Federal expenditures in Iowa furnish substantial purchasing power in all communities. Only about 13 percent—3,188—are members of the 37 DAV chapters in Iowa.

This 13-percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Iowa veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimated)	55,336
Claim folders reviewed	46,113
Appearances before rating boards	21,800
Compensation increases obtained	4,456
Service connections obtained	1,713
Nonservice pensions	1,363
Death benefits obtained	83
Total monetary benefits obtained	$1,856,649.36

The above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Iowa veterans, their dependents, and their survivors.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice was furnished to disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guaranty loans for homes, farms, and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A claims and rating board can obviously not grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting the same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings. No DAV national service officer, I feel certain, uses his skill, except in behalf of persons he is sure are worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV actional national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 1.2 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Iowa with a consequent loss to them of about $336,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Iowa to give his power of attorney for this purpose to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent, expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, many claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income of its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 3,747 of whom, during the last 8 years, were Iowa residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially to maintain an expert service officer in every one of the 173 VA hospitals.

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago which concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first Perpetual Rehabilitation Fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established

such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member—an excellent objective also for Iowa.

Claimants who have received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Iowa by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C. Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member for which the total fee is $100—$50 to those born before January 1, 1902 or World War I veterans—payable in installments within two full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, business organizations, trade associations, and various religious, fraternal and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of Americas' disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

I am proud personally to be a member of the DAV.

The Manufacturer's Double Play

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker—

I can, however, suggest a possibly profitable path for this subcommittee's inquiry * * *. Large department stores or mail order houses may well encourage manufacturers to fair trade nationally branded items, the only items which the small retailers can secure. At the same time, such mass sellers may market their own private brands—substantially identical to nationally branded goods—at prices lower than fair trade markups for the nationally branded counterparts. The result could be to enable large retailers, by hampering their smaller competitors' ability to cut prices, to hold an umbrella over the market for their own private branded items. In closing, I take the liberty of suggesting that this question might well be an area ripe for this subcommittee's inquiry.—Quote from Bicks, Justice Department antitrust attorney, testimony.

This quotation is self explanatory. Also, the manufacturer has an interesting part. He gains the right to set the retail price. Thus he binds the retailer and for this new right he contributes nothing himself. Indeed, he is free, after setting a price floor and guaranteeing a profit margin for himself to manufacture identical merchandise for some big store who can set any price it chooses after removing the trademark undercutting the independent retailer with the same merchandise, yet the independent cannot change his price. No wonder the manufacturer wants fair trade. No wonder the big chain or department stores will not be hurt. The wonder is that proponents of fair trade overlook the fact that the only one who can be hurt, even ruined by fair trade, is the smaller retailer and his national lobby representatives are pleading for this bill.

Present Legal Price Maintenance Practices

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, fair trade H.R. 1253 would permit a manufacturer to set prices at the retail level, and for this new right he makes no concession.

Fair trade proponents state that fair trade laws should be permissible since there are other forms of price maintenance which are legal.

Well, let us look at these other forms. They include, first, consignment selling; second, selling through manufacturer-owned retail stores; third, granting of franchises; fourth, selling direct from manufacturer to retailers who will abide by the manufacturer's suggested retail price; fifth, selling direct from manufacturer to consumer; sixth, having your own private brands made up.

Now, analyze each; the manufacturer in each has assured additional marketing responsibilities and risks in order to be able to maintain his price.

Not so in the fair trade bill, which for the manufacturer is "have your cake and eat it too"—that is, until the inevitable consequences of replacing free enterprise with price control by Federal mandate catch up with the industry—then manufacturers will wish for the good old days.

Americans Traditionally Oppose Fair Trade Price Fixing

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 25, 1959

Mr. ALGER. Mr. Speaker, in 1945 the FTC in an 872-page report concluded generally that resale price maintenance was unsound economically, tended to destroy competition, and at least in certain areas, favored the large concerns. So spoke Chairman Gwynne reminding us on the Fair Trade Subcommittee last year that fair trade was traditionally opposed by FTC and the people of this country, as a matter of principle to free people in a free country.

In 1952 the FTC described resale price maintenance as:

Contrary to the public policy expressed by Congress in the antitrust laws since 1890 and contrary to the public policy expressed by Congress in the Federal Trade Commission Act.

Since the concept of resale price maintenance contravenes the traditional ideas of the American system of free competitive enterprise, you would not expect Congress to try to support resale price maintenance. Are we? Yes, by name—the fair trade bill H.R. 1253, permitting the manufacturer to set the retail price on his merchandise by setting aside the antitrust law.

SENATE

THURSDAY, MARCH 26, 1959

The Senate met at 10 o'clock a.m.

Dr. Lawrence Daniel Folkemer, pastor, Lutheran Church of the Reformation, Washington, D.C., offered the following prayer:

We are not unmindful, O God, of this week in which we move, a week hallowed by the memories of one who in obedience to divine truth and righteousness, and in utter self-sacrifice, spent Himself for mankind. Grant, O God, that in the busyness of this week, our minds may not become so preoccupied with our duties that we spare ourselves no time for meditation upon the meaning of His passion. Help us to see the purpose which Thou hast set for us; then grant us the power to follow its course with steadfast courage and loyalty. If following Thy purpose should bring us, Lord, to some Calvary of criticism and rejection, still make us faithful to endure, knowing that Thy truth is vindicated in the joy of an open tomb. Through Jesus Christ, Our Lord, Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, March 25, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1094) to amend the Bretton Woods Agreements Act, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H.J. Res. 301) providing for printing copies of "Cannon's Procedure in the House of Representatives," in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program; and

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 301) providing for printing copies of "Cannon's Procedure in the House of Representatives" was read twice by its title and referred to the Committee on Rules and Administration.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KUCHEL, and by unanimous consent, the Subcommittee on Health, Welfare, Education, and Safety, of the Committee on the District of Columbia; and the Subcommittee on Government Organization of the Committee on Aeronautical and Space Sciences, were authorized to meet during the session of the Senate today.

AUTHORIZATION FOR SECRETARY TO RECEIVE MESSAGES FROM THE HOUSE AND FOR VICE PRESIDENT OR PRESIDENT PRO TEMPORE TO SIGN BILLS AND JOINT RESOLUTIONS DURING ADJOURNMENT

On request of Mr. MANSFIELD, and by unanimous consent, it was

Ordered, That, notwithstanding the adjournment of the Senate until April 7, 1959, the Secretary be authorized to receive messages from the House of Representatives, and that the Vice President or the President pro tempore be authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

ANNOUNCEMENT CONCERNING PROCEDURE TODAY

Mr. MANSFIELD. Mr. President, for the information of the Senate, let me state that there are no nominations on the Executive Calendar, and no action will be taken today on any bills. So no votes of any kind or nature will be taken today.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COMMODITY CREDIT CORPORATION SALES POLICIES, ACTIVITIES, AND DISPOSITIONS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report of the General Sales Manager, concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support, dated January 1959 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT OF AIR FORCE MILITARY CONSTRUCTION CONTRACTS AWARDED WITHOUT FORMAL ADVERTISING

A letter from the Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report of the Air Force military construction contracts awarded without formal advertising, for the period July 1, 1958, through December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

AUDIT REPORT OF FOUNDATION OF THE FEDERAL BAR ASSOCIATION

A letter from the president, the Foundation of the Federal Bar Association, Washington, D.C., transmitting, pursuant to law, a report of the audit of the financial transactions of that corporation, for the fiscal year ended September 30, 1958 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated.

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Idaho; to the Committee on Finance:

"SENATE JOINT MEMORIAL 3

"Joint Memorial to the Honorable Senate and House of Representatives of the United States in Congress assembled

"We, your memorialists, the Legislature of the State of Idaho, as assembled in its 35th session, do respectfully represent that—

"Whereas the national debt of the United States of America has reached such proportions that it creates an obligation not only to those citizens faced with the problems of government, but is of such proportions that the debt will have to be passed on to future generations; and

"Whereas no steps have been taken to reduce the national debt in an orderly and financially sound manner; and

"Whereas our present system of taxation for the purpose of carrying on all functions of government, from local to national, consists of a patchwork of many and varied forms of taxation, many of which are oppressive and discriminatory between classes and groups of people; and

"Whereas the future welfare and well-being and security of all citizens of the United States of America is dependent upon a sound fiscal policy and one which will without exception grant the privilege of making a contribution to the Government of the United States and to each of the several States and the subdivisions thereof; and

"Whereas a fair, equitable, honorable and universal method of paying the national debt and abolishing the patchwork of Federal, State and local methods of taxation can be realized by the adoption of a plan referred to as "Equal Gross Value Insurance", which plan would provide for the inventorying of all tangible property of the residents of the United States of America and evaluating such inventory at the current fair market value (the value for which each individual would be willing to sell said property) and the then annual payment of a 1 percent premium of the value of such inventory by each resident, the money to be realized to be distributed first to the local governing units, then to the State governing units, and then to the United States of America, in proportions which will pay the Government operating expenses and systematically reduce the national debt in a short period of time: Now, therefore, be it

"Resolved by the 35th session of the Legislature of the State of Idaho now in session, the Senate and House of Representatives concurring, That the Congress of the United States of America be, and the same hereby is, memorialized to fairly consider the adoption of the foregoing plan to the end that necessary constitutional and legislative enactments may be proposed, considered and adopted to the accomplishment of the payment of the national debt and the financing of the general obligations of Government; be it further

"Resolved, That the Secretary of State of the State of Idaho, be, and he is hereby, authorized and directed to forward certified copies of this joint memorial to the President and Vice President of the United States of America, the Speaker of the House of Representatives of the Congress and to the Senators and Representatives representing the State of Idaho in the Congress of the United States."

A joint resolution of the Legislature of the State of Montana; to the Committee on Public Works:

"HOUSE JOINT MEMORIAL 7

"Joint memorial of the Senate and House of Representatives of the State of Montana to the President of the United States, Dwight D. Eisenhower; the Congress of the United States; James E. Murray and Mike Mansfield, Senators from the State of Montana; Lee Metcalf and LeRoy Anderson, Representatives in the Congress from the State of Montana; the Committee on Public Works of the U.S. Senate; the Committee on Public Works of the U.S. House of Representatives; the Committee on Appropriations of the U.S. Senate; the Committee on Appropriations of the U.S. House of Representatives; Interior Committees; the Secretary of the Army, Wilber

M. Brucker; the Chief of the Corps of Engineers, Department of the Army, Maj. Gen. E. C. Itschner; the Secretary of the Interior, Fred Seaton; the Commissioner of the Bureau of Reclamation, W. A. Dexheimer; and the Director of the Budget, Maurice H. Stans; requesting the introduction and enactment into law of the necessary and proper legislation to authorize construction by the Federal Government of Glacier View Dam on the North Fork of the Flathead River in the State of Montana with appropriate provision for the reservation of a block of power generated therefrom to Montana; to authorize that sufficient appropriations be provided for the detailed planning and construction of Glacier View Dam

"Whereas Glacier View Dam and Reservoir is a proposed multiple-purpose project, to be located at Flathead River Mile 177 on the western boundary of Glacier National Park, 72 miles upstream from Flathead Lake and 41 miles below the international boundary; and

"Whereas Glacier View project would provide flood control, hydroelectric power and recreation benefits; and

"Whereas Glacier View Lake behind this dam will stabilize the economy of Glacier National Park by providing the recreational facilities so badly needed; and

"Whereas construction of Glacier View project would not disturb the economy of the vicinity in which it is located; it would flood no towns; private property affected would be a number of small ranches and dude ranches in the North Fork Valley; tax revenue loss would amount at most to $500 a year; and

"Whereas the U.S. Geological Survey-Water-Supply Paper 866–C 1947, recommended this dam site; and

"Whereas the Army Engineers in House Document No. 531–1950 also recommend this dam site; and

"Whereas these multiple-purpose benefits combine to give the project a favorable benefit-to-cost ratio of 1.84 to 1; and

"Whereas the pool level at 3,660 feet above sea level, would provide 3,025,100 acre-feet of vitally needed headwater flood control storage; and

"Whereas the release of flood waters as needed through the winter season of low streamflow would generate 225,000 kilowatts of hydroelectric power, and in addition, would make Coram Canyon Dam feasible and firm up power production of many down-stream dams on the Columbia River; and

"Whereas many industries are now looking for large blocks of low-cost firm hydro power in the Northwest; and

"Whereas development of the Glacier View Dam site would create jobs urgently needed to provide for our burgeoning population and the future defense and welfare of our region and the Nation; and

"Whereas the industrial development of Montana and the entire Pacific Northwest will be greatly enhanced by the large amounts of low-cost power made available by the full development of the potential of the Glacier View Dam site; and

"Whereas the people of the State of Montana have seen in the example of Hungry Horse Dam on the south fork of the Flathead River; the immense benefits which accrue as a direct result of the construction of these great projects; not only to the State in which they are constructed but also to the entire region and Nation; and

"Whereas revenues from the sale of power from Glacier View Dam represent the most feasible source of funds to aid in the rapid construction and the maintenance of major future irrigation projects in the State of Montana; and

"Whereas the Glacier View Reservoir will have great value for the conservation and development of fish and wildlife resources and will provide a superb recreational area for the sportsmen and many families of the Northwest and the Nation who enjoy Montana's great scenic beauty and outstanding outdoor attractions; and

"Whereas large amounts of storage are required in the Flathead River to provide adequate protection against the seasonal floods which periodically cause great loss of life and the destruction of millions of dollars worth of property, causing great hardship throughout the Pacific Northwest; and

"Whereas many of the large storage projects planned by the Army Engineers for the control of floods in the Columbia River Basin have been and are being lost due to conflicting uses and inadequate development, so that it is seriously doubtful that even the minimum flood control storage requirements of the region can be met; and

"Whereas the Glacier View project was dropped from the Corps of Engineers 308 Report, primarily because of opposition from the National Park Service and conservation organizations, whose objections are summarized as follows:

"1. The reservoir would inundate about 19,000 acres of land within the western boundary of Glacier National Park; destroy some 8,000 acres of virgin timber; require destruction of 56 percent of the white-tailed deer, 30 percent of the mule deer and elk, over 50 percent of the moose, due to flooding of their winter-feeding area; flood out over 70 percent of the beaver; impair the natural beauty of the valley, with an attendant loss of interest of park visitors who come for stream fishing.

"2. The project would violate policy established under the act of August 22, 1914 (38 Stat. 699), accepting Federal jurisdiction over Glacier National Park, which specifically requires the Park Service to afford protection against any attempted action adversely affecting the natural wildlife, growth or beauty of the park; and

"Whereas the answers to these two major objections are as follows:

"1. The reservoir would inundate 10,000 acres, only 1 percent of the total area of Glacier National Park; nearly all the reservoir area is covered with second growth brushy fir and lodgepole pine; there are vast areas just as good as the reservoir area into which the game would move; the reservoir would be filled from the spring flood flow, retained as a stable lake throughout the summer recreational period; use of part of the stored water would begin in the fall and continue through the winter until capacity was again available for retention of spring flood waters and a repetition of the cycle; this operation would enhance, not harm, recreational use of what is now a little-used valley, largely an unsightly burn with no scenic attraction; construction of a road around the reservoir would make for easier access into an area now almost inaccessible.

"2. The act of August 22, 1914, acknowledges the fact that provision for beneficial uses of water resources has a higher priority than 'reservation of all timber—natural curiosities—and the protection of the animals'; and

"Whereas the public interest would so clearly be served best by construction of Glacier View Dam and Reservoir: Now, therefore, be it

"Resolved by the Senate and House of Representatives of the State of Montana, That the Representatives of the State of Montana in the Congress of the United States be requested to enact into law necessary and proper legislation to authorize construction by the Federal Government of Glacier View Dam on the North Fork of the Flathead River in the State of Montana; be it further

"Resolved, That said legislation authorizing the construction of Glacier View Dam contain a provision reserving to Montana a block of the power generated by Glacier View Dam; be it further

"Resolved, That the Bureau of Reclamation be authorized and sufficient appropriations be provided for the detailed planning and construction of Glacier View Dam; be it further

"Resolved, That this assembly request the Congress, in making appropriations for the construction of the Glacier View project, to define the compensations that shall be received from the Government of the United States by the County of Flathead and by affected cities and school districts in said county for extraordinary expenses resulting from expanded services required in the fields of school and hospital facilities, health, and sanitation, and police protection incidental to the construction of said projects; and to provide all necessary funds and take all needed action to insure the construction of all transportation and other facilities needed to provide opportunity equal to that now existing of access to mines, to forests in Federal, State, and private ownership, and to manufacturing and refining plants, to the end that the present steady and continuous employment of Montana people depending upon forests and mines for their livelihood will not be adversely affected; and be it further

"Resolved, That copies of this memorial be submitted by the secretary of the State of Montana to each of the individuals and to the chairman of each of the committees named in the title of this memorial and also to the presiding officers of both Houses of the Congress of the United States, RICHARD M. NIXON and SAM E. RAYBURN.

"JOHN J. MACDONALD,
"Speaker of the House.
"PAUL CANNON,
"President of the Senate."

The petition of Apolonto M. Ontimare, of Burauen, Leyte, the Philippines, relating to the settlement of this claim under the provisions of the Rehabilitation Act of 1946; to the Committee on the Judiciary.

A resolution adopted by the Board of Supervisors of the County of Hawaii, T.H., expressing appreciation for the enactment of legislation granting statehood to Hawaii; ordered to lie on the table.

RESOLUTION OF HOUSE OF REPRESENTATIVES OF ILLINOIS

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, House Resolution 23, adopted by the 71st General Assembly of the State of Illinois recommending that Public Law 85–316 be amended to confer nonquota immigrant status on those aliens classified as fourth preference applicants and whose petitions had been approved by the Attorney General prior to July 1, 1957. This resolution deserves the attention of every Member of the House and Senate because it points up the need to revise at least one aspect of our rigid immigration policy. Legislation is now before the Judiciary Committee designed to reunite fourth preference applicants with their families in the United States. It is hoped that early action will be forthcoming.

There being no objection, the resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 23

Whereas there are many Americans who have filed petitions with the immigration authorities of the United States for the entry of

their sons, daughters, brothers, and sisters, which petitions are classified in the fourth preference quota of the Immigration and Nationality Act; and

Whereas of the four preference quotas established by the Federal Immigration and Nationality Act, the first, second, and third quotas are allotted 100 percent of the total annual entry quota; and

Whereas as a result those persons who fall within the fourth preference section must depend for entry into this country upon deficiencies in the first three quotas; and

Whereas there is frustration and despair resulting from the law that gives hope to Americans by permitting them to file petitions, getting them approved, and then compelling them to wait for their kin who may never come; and

Whereas thousands of discontented people abroad, whose hopes are first raised and then dashed, certainly cannot believe in the good will we try to engender through our foreign policy, and thus become easy prey to the propaganda of unfriendly nations; and

Whereas Congress has recognized and alleviated a similar problem through Public Law 85–316, which includes a provision for reuniting spouses and minor children of aliens legally residing in this country whose petitions were approved prior to July 1, 1957: Therefore, be it

Resolved by the House of Representatives of the 71st General Assembly of the State of Illinois, That this house respectfully request the Senate and House of Representatives of the United States to amend the provisions of Public Law 85–316 to include cases which fall within the fourth preference quota, in order to provide for entry of the many thousands, petitions for whom have piled up in a backlog in prior years; that in order not to create another problem of separated families, those applicants who are married and have families be permitted to bring them; and that a suitable copy of this preamble and resolution be sent by the secretary of state to each Congressman and U.S. Senator from the State of Illinois.

Adopted by the house, February 3, 1959.

PAUL POWELL,
Speaker, House of Representatives.

CLARENCE BOYLE,
Clerk, House of Representatives.

RESOLUTIONS BY THE EQUITY CO-OPERATIVE LIVESTOCK SALES ASSOCIATION

Mr. WILEY. Mr. President, this morning I received a copy of resolutions adopted by the delegates attending the Equity Cooperative Livestock Sales Association at Green Bay.

The association, indeed, represents the crystallization of the thinking of a great number of folks in Wisconsin, since it serves about 50,000 livestock producers.

The resolutions adopted at the annual meeting reflect upon both State and Federal problems, a number of them relating especially to our national agriculture policy.

Today, we recognize that we face particularly difficult problems in agriculture in trying to find a farm policy that will serve the interests of both consumer and producers and, at the same time, promote health in the agriculture economy.

To give my colleagues the benefit of the thinking of this fine association, I request unanimous consent to have the resolutions printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS OF THE EQUITY CO-OP LIVESTOCK SALES ASSOCIATION FOR THE 37TH EQUITY ANNUAL MEETING HELD ON THURSDAY, FEBRUARY 12, 1959, GREEN BAY

RESOLUTION 1. DISCREPANCIES IN LIVESTOCK MOVEMENT AND MARKETING OF LIVESTOCK

Existing law controlling the movement of livestock in Wisconsin grants special privileges to stockyards, dealers, terminal markets, and other assembly points that are denied to operators of livestock auction markets.

We, therefore, strongly urge that section 95.49 of the Wisconsin statutes be amended to eliminate inequities in the present law. We urge that uniform regulations and the same standards of sanitation be established to apply alike to all market facilities.

RESOLUTION 2. LIVESTOCK DISEASE CONTROL PROGRESS

Equity wishes to commend the Wisconsin State Department of Agriculture, and the Wisconsin Veterinarian's Association for the splendid job that has been done in reducing the incidence of bovine brucellosis in Wisconsin to less than two-tenths of 1 percent, a remarkable record. Equity cooperated with the State department of agriculture this past year by allowing them to take blood samples of more than 2,000 wornout dairy cows that were consigned to our slaughter auctions at Altoona and Richland Center. All of this large number proved negative to the Bangs test with the exception of one subject animal. This shows the efficiency of the program in eliminating Bangs disease in Wisconsin cattle.

Such results lead us to believe that we are reaching a time in Wisconsin when some of the expensive restrictions imposed on dairymen can be eliminated. The cost of the testing program was more than a half million dollars this past year.

We specifically urge the continuation of the ring test and the quarantine of infected herds, to be covered by proper test to eliminate reactors. We recommend that expense of additional testing be eliminated for farmers whose herds are in modified, brucellosis-free counties and have been determined negative to brucellosis under its brucellosis program.

RESOLUTION 3. MEAT AND MILK MARKET EXPANSION

The equity commends all of the agencies that together have worked to bring about expanded markets for milk and meat. We feel this to be in the public interest since meat and milk provide our most nutritious food constituents. Good health leans heavily on good food.

We urge the continued expansion of our school lunch program toward the goal of reaching all school students as soon as possible.

RESOLUTION 4. TAXATION OF PATRONAGE SAVINGS

We reaffirm our position which has been held for years that the net proceeds of a cooperative returned to patrons on a patronage basis—in cash, certificate of equity, or allocated book credits—is income to the patrons and therefore not taxable income as far as the cooperative is concerned. This is consistent with the basic concept of a cooperative as a nonprofit organization in which any income over and above the costs of operation belongs to the member patrons. The law should be changed and clarified to make it clear that patronage refunds are taxable in the hands of the patrons in the year allocated and not taxable income to the cooperative.

We are basically opposed to any legislation which would discriminate against cooperatives requiring them to pay a fixed rate of interest upon their capitalization, to retire their capitalization within 3 years, and force them to pay income tax on capital not retired after that period, none of which are required of any other type of business in the Nation.

RESOLUTION 5. AGRICULTURE PRICE SUPPORTS

We recognize the need for programs of Government assistance to agriculture. Such programs have to change from time to time to meet changing conditions and new challenges in an ever-changing and progressive world. However, ample research and thorough study should be made before new programs are adopted.

Therefore, it is considered advisable that present price supports be continued on at least 1957 levels until such time as a new workable program is developed which will (1) provide an adequate level of living for farm families and continue the operation of a family-type agriculture; (2) promote and provide incentive for technical progress and improved efficiency within agriculture; (3) promote and encourage the consumption of agricultural products; (4) conserve our agricultural resources; (5) ever strive to improve the current program; and (6) encourage the use of agriculture products in our foreign aid programs in lieu of financial credit.

RESOLUTION 6. ADEQUATE PROTECTION OF LANDOWNER RIGHTS UNDER CONDEMNATION

Acquisition of farmlands for public use such as schools, State and Federal highway programs, and national defense programs is becoming more extensive. We believe that the Federal and State laws of eminent domain should be amended to assure adequate compensation for severance damage, inconvenience, reduction or destruction of appearance, interference with operational efficiency of the remainder of the property, effects upon drainage, and any other internal changes or disruption.

We also believe that the time for receipt of payment should be extended so as to be more comparable with normal land sale arrangements, and that a longer time should be provided for taking possession so as to give landowners more opportunity to rearrange his farm operations and make alternate arrangements.

RESOLUTION 7. WATER USE POLICY AND LEGISLATION

We commend the 1957 legislative session for providing full scale hearings and investigations into the need for improving Wisconsin's water use policy and legislation. We believe that legislation should be enacted that will clarify the legal rights of property owners to the use of water resources, keeping in mind the interests of the public as well. Present day conditions make changes highly necessary in the present water use law. We sincerely hope and will work for such changes in the law as will clarify legal rights of farmers in surface and underground waters and provide for equitable determination on the basis of need and available supply. We request positive legislation to protect underground and surface water supplies for agricultural uses.

RESOLUTION 8. PROPOSED WISCONSIN EGG GRADING LEGISLATION

In view of the increasing importance of uniform quality control in production and marketing of eggs, there has developed a definite need for improvement of Wisconsin egg grading regulations. We believe that regulations should be developed to eliminate ungraded eggs at retail level, provide producer protection against misgrading, and so regulate the sale of eggs to improve consumer acceptance.

RESOLUTION 9. DAYLIGHT SAVING TIME

Due to the difficulty in meeting school bus schedules in the fall, we urge the Wisconsin Legislature to amend daylight saving time to be terminated on September 1 rather than October 1.

RESOLUTION 10. APPRECIATION AND COMMENDATION

Equity extends to Russell Gasch its sincere appreciation and gratitude for the leadership and service he has contributed during his years as a member of the board of directors.

We extend our heartfelt thanks for a job well done.

RESOLUTION 11. APPRECIATION

To the management and staff of station WBAY and WBAY-TV, we extend sincere thanks for the many courtesies extended to us and for contributing to the success of our meeting by making these excellent facilities available for our convenience.

To the Green Bay Chamber of Commerce, we express deep appreciation for the support, splendid cooperation, and assistance given to make this meeting a success.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCOTT:

S. 1563. A bill for the relief of Sang Ho Lee, his wife, Hi Sook Lee, and minor child, Byung Yun (Louise) Lee; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 1564. A bill to amend title II of the National Defense Education Act of 1958 to provide a new method of distributing Federal capital contributions to institutions of higher education in a State, if a State's allotment is insufficient to permit each such institution to receive the total amount requested by it; to the Committee on Labor and Public Welfare.

By Mr. MURRAY (for himself, Mr. NEUBERGER, and Mr. MANSFIELD):

S. 1565. A bill to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956, so as to enable certain Indians who do not reside on trust property to participate in the program authorized by such act; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (for himself, Mr. ALLOTT, Mr. ANDERSON, Mr. BARTLETT, Mr. BENNETT, Mr. BIBLE, Mr. CHAVEZ, Mr. DWORSHAK, Mr. GOLDWATER, Mr. MAGNUSON, Mr. MOSS, and Mr. MANSFIELD):

S. 1566. A bill to stabilize the domestic market prices of lead and zinc; to the Committee on Finance.

(See the remarks of Mr. MURRAY when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 1567. A bill to provide that each member of the bar of the highest court of a State or of a Federal court shall be eligible to practice before administrative agencies of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. SCHOEPPEL:

S. 1568. A bill to provide for the establishment of the Fort Scott National Historic Site, in the State of Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YARBOROUGH:

S. 1569. A bill for the relief of Charles H. Denny; to the Committee on the Judiciary.

By Mr. MANSFIELD (for himself, Mr. HART, Mr. HUMPHREY, Mr. MCNAMARA, Mr. MAGNUSON, Mr. MORSE, Mr. MOSS, Mr. MURRAY, Mr. NEUBERGER, Mr. PROXMIRE, Mr. YOUNG of Ohio, and Mr. JACKSON) (by request):

S. 1570. A bill to establish fair labor standards for employees engaged in wool and mohair shearing operations, and for other purposes; to the Committees on Agriculture and Forestry, and Labor and Public Welfare, jointly.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER (for himself, Mr. CHAVEZ, Mr. DOUGLAS, Mr. BARTLETT, Mr. ENGLE, Mr. GRUENING, Mr. HENNINGS, Mr. HUMPHREY, Mr. LANGER, Mr. LAUSCHE, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MORSE, Mr. MCGEE, Mr. NEUBERGER, Mr. YARBOROUGH, Mr. YOUNG of Ohio, Mr. WILEY, Mr. CARROLL, Mr. MCNAMARA, Mr. HART, and Mr. KEATING):

S. 1571. A bill to establish a Department of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers; to coordinate the administration of consumer services by transferring to such department certain functions of the Department of Health, Education, and Welfare, the Department of Labor, and other agencies; and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 1572. A bill to amend the Federal Executive Pay Act of 1956; and

S. 1573. A bill to amend section 202(8) of the Classification Act of 1949 so as to exclude pilots from such act; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of South Carolina (by request):

S. 1574. A bill to require information concerning the average of the number of copies of each issue sold or distributed to paid subscribers to be included in sworn statements relating to all publications, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MAGNUSON:

S. 1575. A bill to amend the act of August 1, 1958, to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 1576. A bill to provide for the construction of a salt-water research laboratory at Seattle, Wash.; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGLAS:

S. 1577. A bill for the relief of H. M. Cooper;

S. 1578. A bill for the relief of Ralph E. Swift and his wife, Sally Swift; and

S. 1579. A bill for the relief of Arthur B. Moore; to the Committee on the Judiciary.

By Mr. SCHOEPPEL:

S. 1580. A bill to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty; to the Committee on Agriculture and Forestry.

By Mr. ALLOTT:

S. 1581. A bill to establish an expenditure account for the operation and maintenance activities of the Bureau of Reclamation; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S.J. Res. 85. Joint resolution to amend the Constitution to enable the Congress to function effectively in time of emergency or disaster; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. SPARKMAN (for himself and Mr. HILL):

S.J. Res. 86. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; to the Committee on the Judiciary.

(See the remarks of Mr. SPARKMAN when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

Mr. HUMPHREY submitted a resolution (S. Res. 96) favoring an international agreement for a suspension of nuclear weapons tests, which was referred to the Committee on Foreign Relations.

(See above resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

ADULT VOCATIONAL TRAINING SERVICES FOR INDIANS

Mr. MURRAY. Mr. President, on behalf of the junior Senator from Oregon [Mr. NEUBERGER], my colleague the junior Senator from Montana [Mr. MANSFIELD], and myself, I introduce, for appropriate reference, a bill to amend Public Law 84-959, which provided adult vocational training services for Indians.

Our bill would accomplish two things. It would remove the present authorized ceiling of $3.5 million annually for this program, and authorize instead appropriation of such sums as may be necessary to carry out the provisions of the act. Secondly, the bill would remove the present requirement that participation be limited to Indians who reside on trust property.

As of December 31, 1958, 961 heads of families and single individuals had entered vocational training under the act. There were 490 applications for training pending. The appropriation for the current fiscal year—$2,830,000—will permit only 150 of the 490 to obtain training this fiscal year.

Mr. President, I regard the adult vocational training program as one of the most important programs for our Indian population. So do the Indians. So do the Secretary of Interior and the Commissioner of Indian Affairs, both of whom I shall quote in a moment. Therefore, it is amazing to me that with this backlog of applicants the administration refused to recommend appropriation of the very modest full authorization, $3.5 million, and refused to ask for a supplemental appropriation. The budget request for the program for this

year is $2,830,000, the same amount as recommended and approved last year.

Mr. President, I should like to put in the RECORD quotes from administration officials on the value of this vocational training program.

Commissioner of Indian Affairs Glenn L. Emmons, on July 3, 1958, stated:

> Personally I am deeply encouraged that we now have this vocational training program underway and I feel confident that it will produce large and growing benefits for the Indian people in the years ahead. There are, of course, many reasons for the widespread poverty we find so frequently on Indian reservations. But certainly one of the most important and tangible reasons has been the lack of specific job skills—the sheer fact that large numbers of adult Indian people have not been qualified by training for anything but common labor and consequently have had no personal bargaining power whatever in seeking for employment.
>
> The new program is explicitly designed to help correct this situation. Under its auspices hundreds of Indians in the younger age brackets will get the type of training they need to make the difference between bare subsistence wages and a reasonably adequate income, between almost total job insecurity and some measure of protection, between a flat and unpromising future and one that holds some promise of steady advancement and improvement. All of these things are implied in the vocational training program and the long-range results should be tremendously beneficial.

A Department of Interior press release on January 20, 1959, stated that "one of the most important developments" concerning educational opportunities for Indians was the launching of a new vocational training program designed to improve the job skills and earning capacity of adult Indians.

Secretary of the Interior Seaton, on September 18, 1958, made the following statement:

> Under no circumstances could I bring myself to recommend the termination of the Federal relationship with any Indian tribe in this country until the members of that tribe have been given the opportunity of a sound and effective education. To me it would be incredible, even criminal, to send any Indian tribe out into the stream of American life until and unless the educational level of that tribe was one which was equal to the responsibilities it was shouldering.

Mr. President, the administration's position on Indian education reminds me of the administration's position on national park improvement. The administration put out reams of publicity and fancy brochures about the Mission 66 program, then refused to recommend appropriation of enough money to carry out its own recommendations. Members of Congress had to increase the money, and of course we were labeled as spendthrifts for doing so. Now the administration says Indian vocational education is a wonderful thing, but refuses to recommend appropriation of a very small amount of money which would help extend this worthwhile program to more Indians who wish to participate.

I believe the Senate should increase the appropriation for this year for Public Law 959 to the fully authorized $3.5 million, and that we should pass the bill I am introducing today so that the program can be geared to meet the need, and so that Indians who do not live on trust property may be able to participate in this program.

The PRESIDING OFFICER (Mr. LONG in the chair). The bill will be received and appropriately referred.

The bill (S. 1565) to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian Reservations," approved August 3, 1956, so as to enable certain Indians who do not reside on trust property to participate in the program authorized by such act, introduced by Mr. MURRAY (for himself, and Mr. NEUBERGER, and Mr. MANSFIELD), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

STABILIZATION OF DOMESTIC MARKET PRICES OF LEAD AND ZINC

Mr. MURRAY. Mr. President, I introduce, for appropriate reference, a bill designed to breathe economic life into this Nation's sick lead and zinc industry. Senators ALLOTT, ANDERSON, BARTLETT, BENNETT, BIBLE, CHAVEZ, DWORSHAK, GOLDWATER, MAGNUSON, MOSS, and MANSFIELD have joined me in the sponsorship of the bill.

Unemployment and the human distress that always go with this economic disease are widespread in the great lead and zinc producing areas of our country.

I call the attention of the Senate to the fact that the price structures called for in this bill are identical with the price structure supported by the administration when the Congress last year considered the problem of lead and zinc.

I further call the attention of the Senate to the fact that no appropriation will be necessary to implement this piece of legislation, and it, therefore, will not affect the budget.

The bill is designed to bring about price stability for lead and zinc; restore employment in the lead and zinc mines, mills, and smelters; and provide adequate supplies of lead and zinc for the consuming public at reasonable prices.

My colleague, Representative LEE METCALF, is today introducing an identical bill in the House of Representatives.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1566) to stabilize the domestic market prices of lead and zinc, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. DWORSHAK. Mr. President, I am happy to join the chairman of the Senate Committee on Interior and Insular Affairs in sponsoring a bill to stabilize the lead and zinc minerals industry. For several years efforts have been made by representatives of those States having vital mining activities to provide a proper background to enable the industries to operate at a profit and provide full employment. Unfortunately, there has been a deluge of imports, particularly of lead and zinc, in competition with our own mines, and as a result it has been difficult to maintain price levels which will make it possible for the domestic minerals industry to maintain itself as an integral part of our national preparedness program.

I certainly hope, Mr. President, that the committee will take early favorable action on this bill, and that the Senate will give its approval to it, so that some action may be taken during the present session of Congress.

ELIGIBILITY OF CERTAIN ATTORNEYS TO PRACTICE BEFORE FEDERAL ADMINISTRATIVE AGENCIES

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to provide that each member of the bar of the highest court of a State or of a Federal court shall be eligible to practice before administrative agencies of the United States.

Many of the important administrative tribunals operating under the authority of the Federal Government have set up special qualifications for attorneys who wish to practice before them. These requirements vary widely, and make it difficult for lawyers coming from outside of the District of Columbia to appear and present matters.

The Department of Justice has made a study of this situation, and has recommended that the agencies drop their formal admission requirements, and adopt a uniform rule making eligible anyone who is a member of the bar of the Supreme Court of the United States or of the highest court of any State. My bill is essentially the same as the recommendation of the Department of Justice. I think these special requirements are unnecessary. I do not see any reason why an attorney who has qualified to practice before his own highest court should be barred from any of these tribunals.

There is one exception I would make, however, and that is in the case of the Patent Office. Because of the very technical nature of the work involved, it is understandable that this agency requires special qualifications, and I would therefore except the Patent Office from the bill.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD, and that the bill lie on the desk through Wednesday, April 15, in case other Senators desire to join in sponsoring it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from New York.

The bill (S. 1567) to provide that each member of the bar of the highest court of a State or of a Federal court shall be eligible to practice before administrative agencies of the United States, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, any person who is a member in good standing of the bar of the highest court of a State or

possession of the United States, or of the District of Columbia, shall be eligible to practice before any department, board, bureau, or administrative agency of the United States, other than the Patent Office, without the necessity of making application therefor or of showing any other qualifications.

WOOL SHEARING LABOR STANDARDS ACT OF 1959

Mr. MANSFIELD. Mr. President, by request, on behalf of myself, and Senators HART, HUMPHREY, MCNAMARA, MAGNUSON, MORSE, MOSS, MURRAY, NEUBERGER, PROXMIRE, YOUNG of Ohio, and JACKSON, I introduce, for appropriate reference, a bill to establish fair labor standards for employees engaged in wool and mohair shearing operations, and for other purposes. The bill seeks to amend the National Wool Act. However, inasmuch as the bill has something to do with fair labor standards, I ask unanimous consent that it be referred to both the Committee on Agriculture and Forestry and the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. The bill will be received, and, without objection, will be referred as requested by the Senator from Montana.

The bill (S. 1570) to establish fair labor standards for employees engaged in wool and mohair shearing operations, and for other purposes, introduced by Mr. MANSFIELD, by request, for himself and other Senators, was received, read twice by its title, and referred to the Committees on Agriculture and Forestry and Labor and Public Welfare, jointly.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill, together with an analysis, be printed in the RECORD at this point.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Wool Shearing Labor Standards Act of 1959".

SEC. 2. Section 702 of the National Wool Act of 1954, as amended (Act of August 28, 1954, 68 Stat. 912, as amended by Act of August 28, 1958, 72 Stat. 995; 7 U.S.C. 1785), is amended by inserting at the beginning thereof the figure "(a)" and by adding at the end thereof the following:

"(b) It is further recognized that the objectives of this Act depend upon the maintenance of a skilled labor force for wool or mohair shearing operations and that the desired domestic production of wool and mohair and the general economic welfare are impaired not only by the depressing effect of wide fluctuations in the price of wool or mohair in the world markets, but also by the depressing effect of substandard wages among workers in wool or mohair shearing operations. It is hereby further declared to be the policy of Congress that in promotion of the general economic welfare and as an encouragement of domestic production of wool or mohair, fair labor standards be established for employees engaged in wool and mohair shearing operations."

SEC. 3. Section 706 of such Act is amended by inserting at the beginning thereof the figure "(a)" and by adding at the end thereof the following:

"(b) No loan, purchase, payment, or other price support operation shall be made to any wool or mohair producer, directly or through any marketing agent, under the provisions of this Act unless such producers files a certificate or certificates with the Secretary (at such times prior to such payment as the Secretary may prescribe) certifying that the employees employed in shearing operations resulting in wool or mohair production on which such loan, purchase, payment or other price support operation is claimed, have been paid not less than the wage (including any overtime or other employee benefits) prevailing in the locality in which the work was performed for such employees as determined, after notice and an appropriate hearing, by the Secretary of Labor. Determinations by the Secretary of Labor under this subsection shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government."

The analysis presented by Mr. MANSFIELD is as follows:

ANALYSIS OF THE WOOL SHEARING LABOR STANDARDS BILL

The bill is an amendment to the National Wool Act. It seeks to establish fair labor standards for employees who shear price-supported wool or mohair. The bill is cited as the "Wool Shearing Labor Standards Act of 1959."

Section 2 amends the statement of policy of the National Wool Act. The section declares that a skilled labor force is required to achieve the objectives of the National Wool Act, i.e., the production of wool as a strategic commodity needed for national security. It also says that substandard wages paid to sheep shearing workers impair the domestic production of wool and the general economic welfare, just as wide fluctuation in wool prices do. The establishment of fair labor standards for employees in wool and mohair shearing operations is declared to be the policy of Congress.

Section 3 provides that after holding appropriate hearings, the Secretary of Labor will determine the prevailing wage paid in a particular area for work performed in sheep shearing operations. Wool producers must certify that the area prevailing wage was paid to workers engaged in the shearing of their price-supported wool. This certification must be made before growers or their marketing agents can receive price-support benefits.

The prevailing wage provision of this legislation has a number of precedents, especially in the Davis-Bacon and Walsh-Healey Acts. The certification provision is used in many pieces of legislation involving Federal financial assistance or guarantees for construction of housing, highways, airports, etc.

EXPENDITURE ACCOUNT FOR OPERATIONS AND MAINTENANCE ACTIVITIES OF BUREAU OF RECLAMATION

Mr. ALLOTT. Mr. President, before explaining a bill I shall introduce, I wish to state for the RECORD that I am a cosponsor of Senate Concurrent Resolution 16, submitted by the Senator from Virginia [Mr. BYRD], and that I believe in the principle of full and complete control by the Appropriations Committees and the Congress of all Federal expenditures. The bill I am about to propose is, I believe, consistent with that principle. To the extent that it is not, I shall welcome amendments to make it so. The bill provides for the establishment of a revolving fund for the operation and maintenance moneys paid to the Bureau of Reclamation.

Under the present procedure, operation and maintenance funds paid to the Bureau of Reclamation by water and power users are channeled into the general fund of the Treasury with subsequent appropriations made out of the general fund to the Bureau. Under the bill, the operation and maintenance funds would go into a revolving fund for expenditures, subject to full accountability to Congress, thus eliminating the present unrealistic appearance that the reclamation program is costing the taxpayers a great sum of money annually, when it is actually paid by the reclamation project users.

The purpose of the proposed bill is to provide a more realistic procedure for review and action on the financing of the operation and maintenance of the Federal reclamation projects. The funds required would be available under the authority of a permanent appropriation subject to complete accountability to Congress and any annual limits thereby imposed. This financing is substantially from revenues, and the processing through the regular budgetary process is largely a formality, in that Congress appropriates the amount included in the budget. Benefits will accrue to the Bureau's operation and maintenance activity from the practice of having funds available on a continuing basis. This practice would reduce the hiatus created in the irrigation operation whereby charges to water users are assessed, levied, and collected on a calendar or operating year basis that is not coextensive with the fiscal year basis for which funds are appropriated.

Approximately $3,800,000 in advances made by water users' organizations for operation and maintenance would be credited to this appropriation for fiscal year 1959. Unused balances of this amount and subsequent advances will remain continually available in the appropriation account, if this language is enacted, without the document processing that is currently required through the Treasury Department at the beginning of a fiscal year to transfer unused funds to the appropriation of the commencing year.

Based on the reguest in the budget of the United States, a specific appropriation of $27,500,000 for operation and maintenance for fiscal year 1959 would not have been required if this permanent authorization were in effect. Of this amount, $22,365,100 would be derived from the reclamation fund, $2,015,000 from the Colorado River Dam fund, and $3,119,900 from the general fund. The portion of the total required appropriated funds related to non-revenue-producing and nonreimbursable activities, such as soil and moisture conservation, flood control, and so forth, is about 10 percent, or $2,843,500.

Collections available for the financing requested in this proposed legislation arise chiefly from operation and maintenance charges, water service charges, and power revenues. The amounts deposited to the credit of the reclamation fund and Colorado River Dam fund in fiscal year 1958, and from which our requirements could be financed in accordance with this proposal, were approxi-

mately $65 million and $9 million, respectively.

The legal basis for depositing collections from Bureau operations to the credit of special or other funds would not be disturbed by the proposed legislation. Deposit of operating revenues according to law to the reclamation fund, Colorado River Dam fund, general fund, and so forth, would continue. Required moneys to defray expenses of the operation and maintenance activities would be transferred from these depositories to the special expenditure account created by the recommended bill. In effect, the procedure would be the same in principle as practiced today under the annual authority of the appropriation acts, except that by the adoption of the proposed legislation the Bureau would have permanent authority. Budgetary statements showing requirements will continue to be included in the Annual Budget of the United States transmitted to Congress.

This bill would have no impact or effect on repayment obligations of the beneficiaries of Bureau facilities. Present reclamation laws controlling contractual repayment requirements with beneficiaries will not be affected by this bill.

As construction of projects or features of projects is completed the level of fund requirements for operation and maintenance will rise. A factor offsetting this increase will be the transfer of the operation and maintenance of certain irrigation facilities to water users organizations.

Precedent exists for this proposed language. On April 11, 1956, legislation was approved by the President authorizing construction of the Colorado River storage project and participating projects and providing for the continued availability of operation and maintenance funds from the revenues of the associated projects without further specific congressional appropriation. In the attached exhibit are listed noteworthy revenue producing organizations of the Federal Government having the authority to use revenues for operation and maintenance without further congressional appropriation. Also listed in the exhibit are activities using proceeds from operations as a source of funding expenses under authority of permanent appropriations or revolving funds:

USE OF REVENUES BY FEDERAL AGENCIES

1. Tennessee Valley Authority: Revenues used for operation and maintenance provided for in section 26 of TVA Act of 1933.

2. St. Lawrence Seaway Corporation: Use of toll revenues (not yet started) for operation and maintenance and bonds for construction. No appropriations made. See pages 209–210 of U.S. budget for fiscal year 1958.

3. Panama Canal: Uses revenue for nearly all operations except acquisition of capital assets. Under Government Corporations Control Act.

4. Virgin Islands Corporation: Virgin Islands (48 U.S.C. 1407).

5. Alaska Railroad: Revenue used for operation and maintenance of railroad and vessels (48 U.S.C. 301).

6. Some activities covered by permanent appropriations or revolving funds:

(a) Bonneville Power Administration, $500,000 from power revenues for emergency expenses (16 U.S.C. 832).

(b) Southeastern Power Administration: For emergency expenses, $50,000 (16 U.S.C. 825a–2).

(c) Fort Peck power project (U.S.S.R.): Operation and maintenance provided by a permanent appropriation. A fund established from power revenue to equal $500,000.

(d) Bureau of Land Management: Use of revenue from sale of timber to cover expenses (41 Stat. 202; 53 Stat. 1196).

(e) Bureau of Indian Affairs: Some revenues used for operation and maintenance of irrigation and power works (60 Stat. 895).

(f) Upper Colorado River Basin fund (U.S.B.R.): Revenue to be used for operation and maintenance (a special fund).

(g) Bureau of Mines: Production of helium (50 U.S.C. 164).

(h) Department of Defense: Operation of Naval Academy laundry (34 U.S.C. 1106–1107).

(i) Department of Commerce—Maritime Activities: Vessel operations fund.

(j) General Services Administration: Operation and maintenance of certain buildings from rental receipts (40 U.S.C. 345).

I introduce at this time a bill to establish an expenditure account for the operation and maintenance activities of the Bureau of Reclamation and ask that it be appropriately referred.

I ask unanimous consent that it may be printed at this point in my remarks and that it may lie on the desk until April 1 for such Senators as may desire to join me in sponsoring it.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk, as requested by the Senator from Colorado.

The bill (S. 1581) to establish an expenditure account for the operation and maintenance activities of the Bureau of Reclamation, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds advanced by water users and others for the operation and maintenance of projects and facilities under the jurisdiction of the Bureau of Reclamation shall be deposited to the credit of the operation and maintenance expenditure account and shall be available without further appropriation for the purposes for which advanced. In addition to the funds advanced as aforesaid, subject to such separate limitations as may be included in annual appropriation acts, there are hereby made similarly available such amounts as are required after June 30, 1959, to defray the costs of operation and maintenance and replacements of projects and facilities under the jurisdiction of the Bureau of Reclamation and for the conduct of its soil and moisture conservation program, as authorized by law, said amounts to be derived from the special or other funds in the Treasury into which revenues collected in connection with operation of such projects and facilities are deposited or, in the case of operation and maintenance expenses properly allocable to flood control, navigation, the preservation and propagation of fish and wildlife, soil and moisture conservation and, as authorized by law, other nonreimbursable functions, such amounts as may be specified for these purposes in annual appropriation acts from moneys in the Treasury not otherwise appropriated. Nothing herein shall affect the operation of the Fort Peck Continuing Fund established by the Act of May 18, 1938 (52 Stat. 403) or the Coloroda River Basin Fund established by the Act of April 11, 1956 (70 Stat. 105) but moneys from such funds may be transferred to and expended from the expenditure account herein established.

PROPOSED AMENDMENT TO CONSTITUTION RELATING TO EFFECTIVE FUNCTIONING OF CONGRESS IN EVENT OF EMERGENCY OR DISASTER

Mr. KEATING. Mr. President, I introduce for appropriate reference a joint resolution to amend the Constitution to enable the Congress to function effectively in time of emergency or disaster.

The Federal Government is now ill prepared for continued operations in the event of some national disaster. We should not delay the adoption of measures for meeting such contingencies. For a number of years I have proposed constitutional amendments which would provide machinery for determining succession in the event of Presidential inability, and which would provide for temporary appointments to the House of Representatives in an emergency.

I am very much pleased that the Subcommittee on Constitutional Amendments of the Committee on the Judiciary has reached bipartisan agreement on a joint resolution with respect to Presidential inability. While I have some reservations about the procedure contemplated in this joint resolution and might seek amendment in the committee, I would not want to propose any alternatives which would delay prompt resolution of this problem. The need for some such procedures is so vital that I am willing to withhold my own proposals if this will expedite action by the Congress. I hope the Senate will act promptly on this measure, and that its approval by both Houses will not be delayed by bickering over details.

There is an equally vital need to provide procedures for any situation in which a substantial part of the House of Representatives is disabled as the result of some national catastrophe. As it stands today, the Constitution confers no authority on State Governors to appoint Members of the House of Representatives. Vacancies in the Senate may be filled by appointments by the Governors of the respective States. Vacancies in the judiciary may be filled by the President. There is also legislation regulating Presidential succession in the event of the death of the Chief Executive. But in the House of Representatives, vacancies can only be filled by special elections which may require a substantial lapse of time.

The joint resolution I am introducing would enable the Governors of each State to immediately appoint Representatives, if ever some great disaster should reduce the membership of the House by one-third or more. Any persons appointed to fill such vacancies, of course, would serve only until the people filled the vacancies by election, as now provided in article 1, section 2, of the Constitution.

We all hope and pray, of course, that the authority proposed in this joint resolution will never need to be exercised. In these perilous times, however, we cannot delay revision of our fundamental law to enable us to cope with emergencies. We could not have expected the Founding Fathers to recognize the possibility that hydrogen bombs and similar devices could destroy a large part of our National Legislature in an instant. It is of critical importance that we correct the defects in our Constitution which modern weapons of war have made evident.

Approval of Presidential inability and congressional succession amendments in this session of the Congress would constitute a notable achievement. The major value of such amendments would be to guarantee the continuation of constitutional representative government no matter what catastrophe confronts us. I hope that these proposed amendments will have the approval of all Members.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed following my remarks in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 85) to amend the Constitution to enable the Congress to function effectively in time of emergency or disaster, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, and shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"Article ——

"Whenever, during any national emergency or national disaster, the total number of vacancies in the House of Representatives shall exceed one hundred and forty-five, the Speaker of the House of Representatives shall so certify to the President. In case there is no Speaker, or in the event of the inability of the Speaker to discharge the powers and duties of his office, such certification shall be made by the Clerk of the House of Representatives, or, if there is no Clerk or he is unable to discharge the powers and duties of his office, by such person as may be chosen by majority vote of the remaining Members of the House present and voting. Upon receipt of such certificate, the President shall issue a proclamation declaring the facts recited in such certificate. The executive authority of each State shall then have power to make temporary appointments to fill any vacancies in the representation from his State in the House of Representatives which may exist at any time within sixty days after the issuance of such proclamation. Any person temporarily appointed to fill any such vacancy shall serve until the people fill the vacancy by election as provided for by article I, section 2, of the Constitution."

Mr. KEATING. Mr. President, I ask unanimous consent that this joint resolution lie on the desk through Wednesday, April 15, in case other Senators desire to join in sponsoring it.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED AMENDMENT TO CONSTITUTION RELATING TO ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. SPARKMAN. Mr. President, on behalf of myself, and my colleague, the senior Senator from Alabama [Mr. HILL], I introduce a joint resolution for appropriate reference.

This joint resolution would propose an amendment to the Constitution with respect to the election of the President and Vice President. Briefly, it would abolish the electoral college system and would provide for direct vote within each State for the presidential and vice presidential nominees of the different parties.

While the electoral college would be abolished, the electoral vote would be retained and would be cast for the President and Vice President as under the existing method. The vote would be divided percentagewise in accordance with the popular vote. For example, Alabama now has 11 electoral votes, based on one for each United States Senator and each Congressman. Alabama would continue to have 11 votes for President and Vice President under my proposal, but if the Democratic nominee received only 65 percent of the popular vote he would receive only 65 percent of the electoral vote.

The retention of the electoral vote is a compromise which largely avoids the objections to the direct election of Presidents. It wisely holds on to the spirit of compromise so important in the Constitution which gave the small States equal representation in the Senate.

Thus a State like Nevada would have 1 electoral vote for each 37,000 people while New York would have 1 electoral vote for each 300,000 people. These States represent the two extremes, but the comparison illustrates the importance to the small States of retaining the electoral vote.

The amendment would follow the present provision of the Constitution in leaving the qualification of voters to the States. It would require no uniformity of qualifications as among the different States.

I believe that the proposed reform carefully guards the rights of the States in election matters.

Mr. President, I am convinced that this would be a fairer way of electing our President and Vice President than exists under the present system. It would encourage both major parties to make the maximum effort in all the States of the Union. It would encourage voters to be more active and to go to the polls in larger numbers because their votes would carry greater weight than is presently the case in many States. It would also encourage more serious consideration of men of outstanding ability from the less populated States of the Union.

The joint resolution I am introducing has long been before us from Congress to Congress. It was originally known as the Lodge-Gossett joint resolution. I have supported it and spoken for it, and testified in behalf of it before different committees since it was first proposed. It is a good joint resolution.

With the thought that others may want to join as cosponsors, I am asking that the joint resolution lie on the table until April 13.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will lie on the table, as requested by the Senator from Alabama.

The joint resolution (S.J. Res. 86) proposing an amendment to the Constitution of the United States providing for the election of President and Vice President, introduced by Mr. SPARKMAN (for himself and Mr. HILL), was received, read twice by its title, and referred to the Committee on the Judiciary.

IMPROVED OPPORTUNITY FOR PROMOTION OF CERTAIN OFFICERS IN NAVAL SERVICE—AMENDMENT

Mr. YARBOROUGH submitted an amendment, in the nature of a substitute, intended to be proposed by him, to the bill (H.R. 4413) to provide improved opportunity for promotion for certain officers in the naval service, and for other purposes, which was referred to the Committee on Armed Services and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. ENGLE:

Excerpts from address delivered by him to joint meeting of the American Municipal Association's Committee on International Municipal Cooperation and the Civic Committee of the People-to-People Program, March 17, 1959.

By Mr. MANSFIELD:

Address delivered by Secretary of the Interior Fred A. Seaton, at 33d anniversary of signing of charter of Long Island University, at Brooklyn, N.Y., on March 24, 1959.

By Mr. CASE of South Dakota:

Statement on DAV services in South Dakota and elsewhere.

PRICES AND WAGES IN THE STEEL INDUSTRY

Mr. WILEY. Mr. President, I commend President Eisenhower for his firm advice to the steel industry's management and labor leaders not to raise prices and wages in the steel industry, so as not to pass on the increased costs to other industries using steel.

The President of the United States, speaking for all the people of the United States, recognized the consumer's interest in the prices charged and the wages paid in the steel industry.

I have been following these matters closely in the Antitrust and Monopoly Subcommittee, and I am glad the President has spoken out in ample time to warn the steel industry of its public responsibility.

Similarly, I said on the floor of the Senate a week or so ago that collective bargaining negotiations in the industries which have high concentration of companies should have consumer representation.

Some persons say, "Well, that is none of the consumer's business." But if the consumer pays the tariff, or pays the increase, in my humble opinion it is a part of his business. In other words, we are living in a world a little bit changed from the free enterprise world of yesteryear. We are living in a world in which the people who have the power and can exercise it to the detriment of the consuming public must be checked.

In his statement the President was, in effect, representing the consumer in connection with the forthcoming wage negotiations in the steel industry.

I ask unanimous consent that an article from the Wall Street Journal referring to my statement be incorporated in the RECORD at this point in my remarks, as well as two articles in today's Washington Post and Times Herald on the subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Wall Street Journal, Mar. 12, 1959]

INFLATIONARY STEEL PACTS COULD LEAD TO FEDERAL CONTROLS, KEFAUVER SAYS—SENATOR WILEY SUGGESTS PUTTING REPRESENTATIVE OF CONSUMER INTERESTS IN WAGE TALKS

WASHINGTON.—Chairman KEFAUVER, Democrat of Tennessee, of the Senate Antitrust Subcommittee warned negotiators in coming steel labor talks that Government controls might follow if management and labor in steel and other key industries set off a new round of inflation.

His comment does not suggest any serious move in Congress for wage and price controls, a device still extremely unpopular with most lawmakers. Nor does it indicate any change in attitude by the Tennessee Senator, who always has regarded vigorous antitrust action as the best remedy for high prices in highly concentrated industries and has considered controls as a last resort.

However, it does square with Mr. KEFAUVER's campaign warnings directed at the steelmakers and the steelworkers. President David MacDonald of the United Steel Workers Union recently told Mr. KEFAUVER to mind his own business and keep out of the forthcoming steel wage negotiations. Steel labor pacts expire June 30.

Another approach was taken yesterday by the subcommittee's senior Republican, Senator WILEY, of Wisconsin. He suggested to the Senate that the Government might place a representative of consumer's interests at major collective bargaining sessions. He declined to take sides in the debate over whether wages or prices do more to cause inflation, but declared: "As things have gone, it appears that collective bargaining sessions have a big part to play in the inflationary spiral."

Senator KEFAUVER sounded his warning as the subcommittee heard John Kenneth Galbraith, a leading economic brain truster of the Democratic Party, assert that the Senator's proposed inflation cure, breaking up big corporations, would not work as a block against price inflation and that some kind of price control is needed.

Mr. Galbraith, Harvard University economics professor and head of the Democratic National Committee's economic council, told the panel there is no hope for an inflation remedy in the antitrust laws. Greatly expanded antitrust activity, he argued, would mean a wholesale revision in industrial structure, a wholesale disintegration of existing business units.

The Senator and professor were in substantial agreement, however, in their diagnosis of the cause of the postwar rise in the cost of living. Both attacked prices which they claim are allegedly administered in the highly concentrated industries with little regard for consumer demand, and wages demanded by giant unions in those same industries.

Mr. Galbraith indicated he favors legislation that would require hearings by a Government board or a board with at least one public representative before a price increase could be put into effect. Bills along this line have been introduced by Senators O'MAHONEY, Democrat of Wyoming, and CLARK, Democrat of Pennsylvania, and Representative REUSS, Democrat of Wisconsin. But these measures would not compel a business to follow the recommendations of a board that found a proposed price increase to be unjustified. Mr. Galbraith said he would favor making such decisions binding in some way. This would amount to price control, which neither Congress nor the administration favors. At any rate, the bills are considered to have almost no chance to be passed.

The Democratic economist also attacked the Federal Reserve Board's use of monetary policy to decrease credit demand and fight inflation, contending monetary policy has little effect on prices. In addition, he restated the Democratic argument that budget balancing should not be major goal of Government while unemployment continues at a high level.

* * * * *

Chairman KEFAUVER, Democrat of Tennessee, of the Senate Antitrust Subcommittee renewed his warning to negotiators in coming labor contract talks that Federal wage and price controls might follow if management and union officials in steel and other key industries set off a new round of inflation. Senator WILEY, of Wisconsin, the subcommittee's senior Republican, suggested the Government send consumers' representatives to the bargaining sessions.

[From the Washington Post and Times Herald, Mar. 26, 1959]

PRESIDENT WARNS STEEL TO HOLD LINE ON PRICES

(By Edward T. Folliard)

President Eisenhower told labor and management in the steel industry yesterday that he was not going to let them add to the cost of living.

He said that when they begin to bargain soon over a new contract, they must do it in a way that will not cause a rise in the price of steel.

In an allusion to the gospel of St. Matthew, the Chief Executive threatened to intervene if necessary to head off a boost in steel prices that would send an inflationary wave through the whole economy.

"While this is a matter between the steelworkers and the steel companies," he said at a news conference, "the whole public is affected by everything they do.

"It would be completely * * * out of character for me to pretend to ignore it and wash my hands, like Pontius Pilate. I don't mean to do that."

(General Eisenhower had in mind a passage in the New Testament that is widely read in this Holy Week, the account of how Pontius Pilate, the Roman governor, yielded to the multitude demanding the crucifixion of Jesus although convinced of His innocence.

(It is in Matthew 27:24: "When Pilate saw that he could prevail nothing, but that rather a tumult was made, he took water, and washed his hands before the multitude, saying, I am innocent of the blood of this just person: see ye to it.")

The President's vehemence was startling against the background of his mild, hands-off policy of the past with respect to labor-management disputes. As he told the reporters, his administration has tried to keep outside the business of collective bargaining, and not to inject itself into that process.

APPEALS UNHEEDED

Heretofore he has contented himself with generalized appeals to management and labor to show restraint in the matter of wages and prices, appeals that have gone unheeded.

The price of steel has been raised 12 times since the end of World War II. In explanation, the steel companies have argued that they have had to go up on the price to offset wage increases for their workers and to set aside money for new plants and equipment.

Economists regard steel as the key factor in the American economy. They say that the price of steel can influence the price of everything from hairpins to warships. Between 1945 and 1958, according to the Joint Economic Committee, the average price of finished steel per ton rose from $101.36 to $242.44.

News of President Eisenhower's statement yesterday reached Wall Street on a day when the market was experiencing a slight decline. Steel issues fell off moderately, losing fractions to more than a point.

[From the Washington Post and Times Herald, Mar. 26, 1959]

FOUR SCHOOLS OF THOUGHT ON PRICES

(By Bernard D. Nossiter)

The great debate on rising prices, jobs and output echoed all over Washington yesterday.

President Eisenhower made a startling contribution. He deliberately and consciously focused public opinion on the forthcoming steel industry-union bargaining. And, like Senator ESTES KEFAUVER (Democrat, Tennessee), the President warned both interests by name that they had better not come up with a package that is used again as an excuse for a price boost—a boost that travels like a shock wave throughout the economy.

On the House side of the Capitol, economists John Kenneth Galbraith and Gardiner Means were backing a measure to do something about it. This is the Reuss-Clark bill. It would require the President's Council of Economic Advisers to hold hearings whenever concentrated industries, like steel, planned price increases.

The sponsors, Representative HENRY REUSS (Democrat, Wisconsin) and Senator JOSEPH CLARK (Democrat, Pennsylvania), along with the two economists, were arguing that such hearings would provide a rational basis for the kind of specific appeal that Mr. Eisenhower was making.

However, this logic did not impress the Council Chairman, Raymond J. Saulnier. He was sending a letter to the Government Operations Committee, contending that the Reuss-Clark motion would so burden the Council that it would interfere with its other jobs.

On the Senate side, the Joint Economic Comimttee is in the argument, too. Senator PAUL F. DOUGLAS (Democrat of Illinois) and his group were hearing yesterday from a former Federal Reserve Board chairman, Marriner S. Eccles. He was the last of four witnesses in the committee's opening round of a broad economic study.

Still to be heard from is the newly organized Cabinet Committee under Vice President RICHARD M. NIXON. And KEFAUVER'S antitrust and monopoly subcommittee is soon to resume its investigation of concentrated economic power.

All this adds up to the liveliest set of arguments over the economy since the New Deal. At the moment, there is a surprising amount of agreement in the identity of three problems; a price level that keeps on going up (although it has been level for consumers for 10 months); unemployed men and plants; and a slow rate of economic growth compared to many other nations.

There also is wide disagreement over causes and cures and the relative importance of the problems.

Four main schools of thought now dominate the debate. The thumbnail descriptions that follow hardly do justice to any of them, but pick up the major ideas in each.

CLASSICAL

Neil Jacoby, former member of Mr. Eisenhower's Council and a business school dean, is a representative specimen. He believes stable prices are the key to high employment and growth. He blames price rises chiefly on concentrated union power and would apply antitrust laws to unions to remove this structural rigidity. He would give tax cuts to business and the wealthy to spur private investment.

CONSERVATIVE

In the literal sense of saving what exists, Sumner Slichter is a typical example. He approves of creeping inflation and links price increases to wages. He wants rising wages to boost demand and thus employment and would run a budget deficit now to prop demand.

REFLATIONIST

Leon Keyserling is a leading spokesman. He believes creeping inflation is the result of underemployment, but prefers it to giving up increased Government spending. He links price increases to management decisions. He wants big increases in Federal spending for defense and welfare purposes for their own sake and to speed up growth.

INTERVENTIONIST

Galbraith and Means are exponents. They believe rising prices flow from concentrated industrial power in key industries with unions a contributing factor. They blame underemployment and slow growth on big industry which maximizes profits by cutting output (and jobs) to support higher prices. They would at least focus opinion on key wage-price decisions through public hearings.

In political terms, the schools are not easily classified. Jacoby comforts conservative businessmen, conservative Republicans, and conservative Democrats—except when he attacks subsidies, tariffs, quotas, and other built-in privileges for business.

Slichter comforts many Republicans, the steel and auto industry, and conservative union leaders. Keyserling, chairman of former President Truman's council, is the favorite of some Democrats and most union leaders. Galbraith is endorsed by a widening array of Democrats, especially new ones, a microscopic number of businessmen, and Walter Reuther of the United Auto Workers.

Only one prediction is safe. The debate will mount in intensity.

PROGRESS TOWARD AN EAST-WEST FOREIGN MINISTERS' CONFERENCE

Mr. WILEY. Mr. President, as we know, the recent discussions between President Eisenhower and Prime Minister Macmillan have resulted in some progress toward negotiations aimed at resolving the problems of German unification, and we hope it will bring about a final peace treaty with Germany in which Germany will be reunified.

As of now, the Soviets appear to have agreed to a May 11 meeting of Foreign Ministers of France, the U.S.S.R., the United Kingdom, and the United States.

The President has insisted—and, I believe, rightly so—that, prior to a summit meeting, work at the Foreign Minister's level should provide a foundation upon which there would be a possibility for real accomplishments by a summit meeting.

I see by the newspapers of today that Mr. de Gaulle, of France, agrees with the President in that connection.

From past experience, however, we are well aware that the tortuous, twisting policy line of the Soviets, either prior to or following the May 11 meeting, may well raise new questions and possible obstructions to fruitful negotiations. Unfortunately, positive results from either a Foreign Ministers' Conference or a summit meeting depends to a substantial degree upon the extent of the willingness and readiness and good faith of the Soviet Union to try to find a peaceful and reasonable solution to the German problem.

This morning, the State Department released the text of a note delivered today to the Soviet Ministry of Foreign Affairs in Moscow relating to the proposed May 11 meeting of Foreign Ministers.

I request unanimous consent that the release be printed at this point in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

TEXT OF NOTE DELIVERED TO THE SOVIET MINISTRY OF FOREIGN AFFAIRS BY THE AMERICAN EMBASSY IN MOSCOW, IN REPLY TO THE SOVIET NOTE OF MARCH 2, 1959

The Government of the United States refers to the note of the Government of the U.S.S.R. of March 2, 1959, in response to the U.S. note of February 16 proposing a conference of the Ministers of Foreign Affairs of France, the U.S.S.R., the United Kingdom and the United States.

The U.S. Government has consistently favored meetings of interested powers that could provide opportunities for conducting serious discussions of major problems and could be an effective means of reaching agreement on significant subjects. It was for this reason that the U.S. Government in its note of February 16 proposed a meeting of the Foreign Ministers of France, the U.S.S.R., the United Kingdom, and the United States. The U.S. Government notes with satisfaction the Soviet Government's agreement to such a meeting.

Specifically, the U.S. Government proposes that a meeting of France, the U.S.S.R., the United Kingdom, and the United States at the Foreign Minister level be convened in Geneva on May 11, 1959, to consider questions relating to Germany, including a peace treaty with Germany and the question of Berlin. Naturally, any of the four participating governments should have the opportunity to present its views on any question which it may consider relevant to the problems under consideration. The purpose of the Foreign Ministers meeting should be to reach positive agreements over as wide a field as possible, and in any case to narrow the differences between the respective points of view and to prepare constructive proposals for consideration by a conference of heads of government later in the summer. On this understanding and as soon as developments in the Foreign Ministers meeting justify holding a summit conference, the U.S. Government would be ready to participate in such a conference. The date, place, and agenda for such a conference would be proposed by the meeting of Foreign Ministers. The conference of heads of government could consider and if possible resolve some wider problems such as those referred to in the Soviet Government's note of March 2 and in previous communications from the U.S. Government and where necessary establish machinery for further negotiation on these problems.

The U.S. Government fully recognizes that Poland and Czechoslovakia, like a number of other countries, have a legitimate and direct interest in certain matters which will be discussed in the conference. The possibility of the participation of other countries at a certain stage in negotiations could therefore be contemplated. However, the U.S. Government believes that the proposed meeting should at least at the outset involve only the four powers responsible for Germany. The U.S. Government also notes that the Soviet Government agrees with the proposal made in its note of February 16 that German advisers should be invited to the meeting on May 11 and be consulted.

The Government of the United States in proposing a Foreign Ministers meeting on May 11 understands that the Soviet Government would find Geneva a suitable location. The Government of the United States will, therefore, inquire of the Government of Switzerland to determine if this place and time would be convenient and also of the Secretary General of the United Nations to ascertain if the facilities of the United Nations in Geneva can be made available.

CELEBRATION OF TENTH ANNIVERSARY OF NATO

Mr. WILEY. Mr. President, in recognition of the 10th anniversary of the North Atlantic Treaty Organization, to be celebrated on April 4, the President has issued a proclamation calling upon the people of the United States, as well as the agencies and officials of the State and Federal Governments, to encourage suitable observances of this occasion.

The birth of NATO in 1949 heralded one of the major alliances in history aimed at promoting freedom.

During the intervening 10 years, NATO has served the cause of freedom well, particularly in defending the independence and interests of member nations.

Although often thought of only as a military alliance, NATO is indeed far more than that.

In addition to acting as a bulwark against Communist aggression, the organization has promoted cooperation among the North Atlantic Nations, laid a real foundation for resolving mutual problems, established new lines of communications and understanding, and generally promoted progress toward the development of a real community of nations.

The recognition on April 4 of the outstanding contribution of NATO to world peace by the Government and citizens of the United States—as a leader of the free world—is, indeed, most fitting.

Recently, the Secretary General of the the North Atlantic Treaty Organization, Mr. Paul Henri Spaak, in an article in

the American Federationist entitled "NATO and the Communist Challenge," outlined highlights of the splendid work accomplished by the North Atlantic Treaty Organization.

I request unanimous consent to have a copy of the President's proclamation, followed by the address by Mr. Paul Henri Spaak, printed at this point in the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

TENTH ANNIVERSARY OF NATO—1949–59

(A proclamation by the President of the United States of America)

Whereas 10 years ago, on April 4, 1949, the North Atlantic Treaty was signed at Washington by Belgium Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, and the United States; and

Whereas Greece and Turkey each became a party to the treaty on February 18, 1952, and the Federal Republic of Germany did likewise on May 6, 1955; and

Whereas this treaty has resulted in collaboration for the common defense and in political cooperation among the 15 members of the North Atlantic Treaty Organization to a degree unprecedented in history, and has thereby significantly contributed to economic, social, and cultural progress among the peoples of the North Atlantic area; and

Whereas this association of free nations is a mainstay of peace and a shield of freedom; and

Whereas the North Atlantic Treaty Organization has requested its member governments to arrange and encourage, in their respective countries appropriate observances and celebrations on the occasion of this anniversary: Now, therefore, I, Dwight D. Eisenhower, President of the United States of America, do hereby direct the attention of the Nation to Saturday, April 4, 1959, as the 10th anniversary of the signing of the North Atlantic Treaty; and I call upon all agencies and officials of the Federal Government, upon the Governors of the States, and upon the officers of local governments to encourage and facilitate the suitable observance of this occasion.

I also urge all citizens to participate in appropriate activities and ceremonies, in cooperation with the American Council on NATO in recognition of the objectives and achievements of the North Atlantic Treaty Organization.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 25th day of February in the year of our Lord 1959, and of the independence of the United States of America the 183d.

[SEAL] DWIGHT D. EISENHOWER.

By the President:

CHRISTIAN A. HERTER,
Acting Secretary of State.

[From the American Federationist, March 1959]

NATO AND THE COMMUNIST CHALLENGE

(By Paul Henri Spaak, Secretary-General, North Atlantic Treaty Organization)

In 1949, the year which saw the birth of the North Atlantic Treaty Organization, the situation of the free world, and especially of Europe, was far from brilliant.

We had by no means recovered from the effects of the war. True, the Marshall plan, which saved Western Europe from poverty and communism, had become a reality and, since the spring of 1948, had begun to operate. But by the spring of 1949 the results of the Marshall plan were necessarily patchy, and many of the ruins still had to be rebuilt.

The political event of the moment was the Communist coup in Czechoslovakia, the consummation of Soviet policy.

This policy, a combination of internal subversion and external pressures, had enabled the Soviet Union to add several thousand square miles to its territory in the space of a few years, to bring under its jurisdiction—against the will of those concerned—several million human beings and to set up, in the Balkans and Eastern Europe, minority governments completely subservient to its wishes.

The Communist coup in Czechoslovakia marked a turning point in the postwar foreign policy of the Western World. Until then many well-meaning people had hoped for a reasonable compromise between the Communist world and the free world which would preserve the alliance that had made the victory over the Nazis and Fascists possible.

So as to be able to follow this course, the West had made many concessions and proved its evident good will. The historian of the future will perhaps add "and displayed too much weakness."

Be that as it may, the Western World reacted at last and did so in time to prevent the worst. One year after the Prague coup the Washington Treaty was signed. Its main purpose was to put a stop to the expansion of Soviet imperialism and to achieve this purpose without having to resort to war.

Whatever its defects and shortcomings—and they exist—all free men should be deeply grateful to the North Atlantic Treaty Organization for having served the cause of freedom so well and for having so successfully defended the independence of the democratic countries of Europe.

This is the moment to ask a vital question: Is NATO, with its present composition, spirit, and machinery, still the right answer to the threat which communism represents for the free world?

Ten years ago the Communist threat was essentially European and military. Today I see it as more particularly Asian and African and as more economic and social than military.

Is it sufficient at the present time to construct a solid military barrier along the Elbe if the free world is to be outflanked politically, militarily, and economically in the Middle East and Africa? Has the time not come for a reappraisal of NATO to adapt it to what is obviously the new plan of campaign of the Communist offensive?

When certain dates are lined up, their special significance becomes apparent:

April 4, 1949: Signing of the Washington Treaty establishing the Atlantic Alliance.

May 12, 1949: End of the Berlin blockade.

October 1949: End of the civil war in Greece, marking the end of the Communist offensive in Europe.

June 25, 1950: Invasion of South Korea. This major event marks the preliminary stage of the period in which we are living today.

There is a displacement of the center of international difficulties. Can we still afford to maintain attitudes, however excellent, which are beginning to be outdated? We adopted them 10 years ago—and this is a fast-moving world.

Very fortunately, the Washington Treaty and the organization which issued from it have one outstanding quality—a degree of flexibility that provides for the possibility of almost endless adaptations.

NATO is not only the most powerful military alliance known to history but also an international political council, the like of which has never before been seen; a secretary-general, a commander in chief, two routine ministerial meetings every year, a council of 15 ambassadors in permanent session in Paris, a military standing group in Washington, a military command for Europe with its numerous subdivisions, a naval command for the Atlantic, another for the Channel. This entire formidable organization has come into being as the result of the following rather loosely worded lines of article 9 of the Washington Treaty:

"The parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee."

This, I think, justifies my claim that the North Atlantic Treaty is sufficiently flexible to adapt itself to all conceivable contingencies and shows that those who have to interpret or implement it have sufficient imagination to find in its text all they need in order to cope with even the most recent eventualities.

I believe it to be essential, before we define our new positions, to make sure that we thoroughly understand the problem we have to solve. I mean that we must correctly assess the nature and magnitude of the Communist challenge to the free world and to its civilization.

Communism aspires to be a new form of civilization. What it wants to do is to impose on the world a new conception of man, of his rights and duties, of his relationship to other men, to society and to the state. This conception marks a very evident backward movement away from what it has taken such long and patient efforts to build up over centuries of struggle and sacrifice.

While we, for our part, are doing our best—though possibly not always with complete success—to infuse a moral character into our private lives and into our institutions as well as to follow principles calculated to make a reality of "respect of the individual," the core of Western civilization—while we, for our part, are doing our best to safeguard human freedom and to shape society with that end in view, communism proposes a formula of which the outstanding features are the most extreme form of intolerance, blind obedience, political dictatorship.

There lies the true cause of the opposition between the free world and communism. This is the measure of the magnitude of the struggle and of its vital significance for the future of mankind.

Recent history has shown only too clearly that the systematic appeasement of dictators leads to the most harrowing experiences. Such a lesson must not be lost.

We must therefore pursue our military effort, for, although it imposes a heavy, costly burden on us, it is essential—not as a means of intimidation but as a guarantee against threats and blackmail.

But, above all, before we decide what action to take, we must assess the magnitude of the challenge thrown out to us. It must be clearly understood that the challenge is not that of the U.S.S.R. to the United States; it is the challenge of the whole Communist world to the whole free world.

The countries of the free world must accept the challenge collectively, in all fields and everywhere. That is their only chance of winning.

I fully sympathize with those who, while recognizing the importance of NATO, see it as a strictly military one and take a greater interest in the efforts made elsewhere.

NATO must remain a powerful military machine and it is our duty to explain why the effort needed for this must be made. But even today NATO is a great deal more than this.

It is the very center of the most significant diplomatic innovation ever attempted. It is not only creating new methods but even a

new spirit where the relations of nations to each other are concerned.

If the experiment in progress is crowned with success, the West will present a very different appearance, for the individualism, the national selfishness, perhaps wholly admirable in the past but which are out of harmony with our own times, will make way for new concepts—agreement, mutual aid, cooperation, the common good.

If we can successfully accomplish this revolution by and for ourselves, we can without fear or hesitation accept the great challenge which, under the name of "peaceful coexistence," is, in fact, a struggle between two civilizations.

THE LABOR BILL

Mr. GOLDWATER. Mr. President, yesterday the Senate Labor and Public Welfare Committee reported to the Senate a bill which purportedly is a labor reform measure. The public has rightly demanded of the Congress laws to protect them from the abuses of power disclosed by the McClellan committee during the past 2 years.

Mr. President, people deserve far more than this so-called attempt provides. If the Senator from Massachusetts would call his bill a reporting bill, I could agree with him that the name would be appropriate; but to say that this bill will effectively put a halt to the operations of James Hoffa is as far from the point as the Rocky Mountains are from Washington. But if he called it a reporting bill, then I would have to point out to him the many loopholes his bill contains even in that area. It reminds me of the labor leader who said "I do not mind a strong labor reform bill as long as it has plenty of loopholes." The bill now before this body has more loopholes than substance, more gimmicks than a carnival gambler has, and will do nothing more to James Hoffa and the likes of him than to give them cause for mirth.

Mr. President, the public is becoming aware that the Kennedy bill is a weak approach to a serious problem. Daily the press of the Nation is expressing concern over its softness. As examples, I ask that several editorials from newspapers across the Nation be inserted in the body of the RECORD, at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Feb. 19, 1959]

COHERENT PROGRAM

Mr. NIXON was no doubt encouraged to say what he did about the party by watching republicanism take form in the House of Representatives. There are 281 Democrats to 153 Republicans in the House, but the minority is far from overawed. Adversity has if anything sharpened the edge of republicanism there. The leadership is reinforced and the following is coherent. There aren't many modern Republicans in the Taft-Hartley law.

* * * * *

We said the Vice President speaks for himself. Anyone who listened to him at the Press Club Tuesday evening and compared his performance with the one before the same club a year ago would detect a difference. Last year he was the cautious spokesman of his Chief and an anxious and sensitive moderator of the intraparty storm blowing up in his home State. This year he was having a little time of his own.

And as he retorted to one questioner, "Next year I shall not be a candidate for Vice President."

[From the Los Angeles Times, Feb. 19, 1959]

THE AFL–CIO WANTS IT SUGAR COATED

Just as a small boy demands candy if he is forbidden to break windows, the AFL–CIO is again insisting that it be rewarded if laws against union corruption are passed.

The top leaders of organized labor, in fact, gave an ultimatum to Congress Tuesday in which they warned that they would no longer support even the weak Kennedy-Ervin bill controls if they were not coupled with union concessions.

What the AFL–CIO wants sugar coated cannot by any stretch of the imagination be considered onerous union regulations. As set forth in the bill they merely prohibit union officials from misusing funds and rigging elections.

They are essentially the same minimum safeguards of the Kennedy-Ives bill, which was rejected by the House last year because of the inadequacy of the controls and the overloading of the measure with prounion amendments to the Taft-Hartley law.

Senator KENNEDY announced that this year he would rewrite the defeated measure to include only anticorruption provisions, leaving controversial proposals to change the Taft-Hartley Act for later consideration and in a separate bill. Somewhere along the line, however, the Senator apparently could not resist the temptation to drop in some sops to union chiefs.

The cosponsor of the new bill, Senator ERVIN, Democrat, North Carolina, subsequently came out in favor of stripping the bill of all union-proposed amendments and the howl from the AFL–CIO executive council was heard all the way from their meeting place in San Juan, P.R.

Apparently the most that the public can hope for in the 86th Congress is the administration's labor-reform program, which would go beyond the Kennedy-Ives bill by amending the Taft-Hartley law to prevent secondary boycotts and "blackmail" picketing. The White House indicated yesterday it will not back down on the additional corrective measures even though Labor Secretary Mitchell previously said he would be willing to accept a two-bill approach.

Neither measure, however, makes any effort toward curbing the dangerous monopolistic strength unions have gained. "They seem to be," as Henry Hazlitt comments in Newsweek magazine, "drafted mainly on the assumption that labor bosses can do no wrong except to union members."

But organized labor officials who will cheat union members are surely capable of misusing their economic power in the worst interests of the public.

[From the Los Angeles Times, Feb. 5, 1959]

CONGRESS AND UNION REFORM

The Senate Rackets Committee today is to begin investigating charges of election threats and irregularities among two Los Angeles locals of the Teamsters' Union which have literally brought the problem of union corruption close to home.

Serious as they are, these charges are relatively minor when compared to many instances of racketeering and abuse of power in organized labor as uncovered by the Rackets Committee's 2-year probe. Yet even this accumulation of shocking evidence has not resulted in the enactment of corrective legislation by Congress.

CORRECTION STYMIED

Last year the Senate strained mightily, but could only come forth with the weak Kennedy-Ives bill. Supporters of the measure rationalized its deficiencies by insisting that "half a loaf was better than none," but the half loaf was really little more than the crust and crumbs of proper safeguards.

Union members and the general public deserved much more. And although the AFL–CIO grudgingly endorsed the final draft of the bill, the House rejected the meager fare in hopes of something better.

Now, early in the 86th Congress, Senator KENNEDY has offered a warmed-over version of his previous bill. In essence the new measure requires full and open disclosure of union finances and democratic procedures in union elections, but little more. It does nothing about the vicious practices of secondary boycotts and blackmail picketing but the Senater from Massachusetts has adopted the new stratagem of promising the rest of the labor legislation loaf at a later time.

President Eisenhower replied with recommendations for "complete and effective labor-management legislation" aimed at curbing both blackmail picketing and secondary boycotts as well as providing the minimum reforms of the Kennedy bill.

IKE WANTS FULL CURB

A full rather than a piecemeal program is vital, the President said, "to assure the American public that true, responsible collective bargaining can be carried on with full protection to the rights and freedoms of workers and with adequate guarantees of the public interest."

A third bill will soon be offered by Senator MCCLELLAN, the rackets committee chairman, who feels that both the White House and Kennedy programs fall short of the legislation necessary to help unions rid themselves of the unwholesome conditions and evil practices of their small but dangerous minority of corrupt leaders.

Furthermore, said Senator MCCLELLAN, the union movement's "colossal and growing economic power must be regulated; it should never be permitted to fall under a management or control that would make it a dynamic force for evil."

No fairminded person desires that such regulations be enacted in the form of union-busting laws, but all citizens, as well as union members, are entitled to protection from potential abuse of the vast power of union monopolies.

Senator KENNEDY optimistically contends that his modest proposals would put Teamster boss Jimmy Hoffa and his henchmen virtually "out of business." Hoffa, however, is probably not overconcerned because the KENNEDY measure seems not only too little but too late to topple the Teamster empire.

MONOPOLY GROWING

By the time Congress stops arguing over union reform legislation, "Hoffacracy" will have become even more of a transport union monopoly. Unfortunately, KENNEDY rightly assessed the labor-dominated 86th Congress when he said that "enactment of labor reform legislation is difficult enough without attempting to tie to it legislation which would affect industrial relations in this country * * *."

Sooner or later, however, regulation of labor monopolies in the public interest must come about just as business trusts of an earlier day were subjected to proper control. Reasonable restrictions have not halted the growth of business and industry and would not hamper the realization of organized labor's legitimate aims.

But if the leaders of the union movement continue to insist on mere crumbs of reform, they may eventually taste the full bitterness of public demand for harsh restrictions.

[From Business Week, Feb. 7, 1959]

REFORMING THE LABOR LAWS

The important fact about Eisenhower's proposals for labor legislation is that he

would combine a program of labor reform with sweeping changes in the Taft-Hartley Act.

Senator JOHN F. KENNEDY has proposed a two-package approach to labor legislation. The first installment would include relatively noncontroversial provisions for internal union reform and require reporting on certain union practices. The second would come later and would seek a modernization of the Taft-Hartley Act.

Internal reforms and reporting are necessary steps toward elimination of abuses that exist in some unions, but they won't do the job by themselves. They would help in disclosing the symptoms of corruption; they would not act directly against the basic causes of existing evils.

Congressional hearings have shown how labor power can be abused through coercive boycotts and blackmail picketing. Such practices, which go far beyond the legitimate scope of union activities, would scarcely be touched by the Kennedy bill, which has the support of organized labor.

The President's proposals for union internal reform would reach further and would be backed up by stiffer penalties than KENNEDY'S. But the real strength of the Eisenhower program is that it would couple internal reform with a curb on the unfair and coercive practices which harm the public and injure innocent third parties. This means amending the Taft-Hartley Act to tighten restrictions on secondary boycotts and blackmail picketing.

Undoubtedly it will take longer for Congress to amend Taft-Hartley than to hustle through a noncontroversial bill for internal reform. But we think that the President is absolutely right to insist that the two must be part of the same package.

The trouble with Senator KENNEDY'S installment approach is that it invites Congress to adopt the easy part and postpone the hard part indefinitely. If Congress is allowed to deal with the bill for internal reform as a separate measure, the odds are that modernization of Taft-Hartley will then be swept quietly under the rug. The result would be that instead of real labor reform we would get a weak, halfway measure that would soothe the fears of labor abuses without really ending them. And in the long run that would be worse than no reform at all.

[From the New York Herald Tribune, Jan. 22, 1959]

SENATOR KENNEDY IS OVERLY OPTIMISTIC

Senator JOHN F. KENNEDY is off to a fast start with a labor reform bill that would virtually put Mr. Hoffa and his associates out of business.

That, of course, is only what the Massachusetts Democrat says. For it is hard to see just how KENNEDY reasons that this bill would stop the boss of the Teamsters Union. What the Senator offers is pretty much a rerun of last year's legislation, which failed in the closing days of Congress chiefly because some Members of the House thought the bill wasn't strong enough and others didn't want to annoy the unions in an election year with even a pale variety of regulation.

Now the problem is still not so much what is in the Kennedy bill. Nobody can seriously argue with its content, which could almost be described as noncontroversial. But the real rub is about what KENNEDY has left out.

For instance, among the most potent weapons of Hoffa and his kind are:

(1) The phony picketing where, for instance, a storekeeper can't get goods delivered unless he signs up with the union;

(2) The secondary boycott where an innocent third party is made to suffer in a labor hassle.

KENNEDY'S bill does nothing to strike down these two evils. There is more of this kind of omission, but that's enough to show that Hoffa & Co. needn't fear yet about losing the franchise.

Of course KENNEDY hardly approves of the aforementioned malpractices. He just says these ought to be handled sometime later when Congress gets around to amending the Taft-Hartley Act. This, however, is extremely tenuous assurance.

Meanwhile the Senator says the hearings on his bill, beginning next week, should be completed in 9 days at most. Not long thereafter, one assumes from KENNEDY'S prediction, Jimmy Hoffa will be hastening to abdicate.

Want to bet, Senator?

[From the Baltimore Sun, Feb. 14, 1959]

EYES ON THE PICKETS

Current testimony before the McClellan committee indicates that the picket and the whole institution of picketing is the next big quasi-labor phenomenon due for a thorough rethinking by the general public. We say quasi-labor, because the picket lines now being examined by the rackets investigators have only a vestigial contact with legitimate unionism. They are employed by racketeers posing as trade-union men to force jukebox or pinball machines on people who don't want them.

The way the thing works is simple. If the proprietor of a "location" for a music or gaming machine refuses to do business with the racketeers seeking to supply him, they call on their phony union friends. These people call out some professional pickets—in one instance reported to the committee a single professional picket was enough. The picket or pickets are stood up in front and around the uncooperative proprietor. This aims to bring him to terms because suppliers, customers, etc., refuse to cross picket lines.

Their refusal roots in a curious mystique that has grown up in the United States, mostly since 1933. The idea is that no right-minded American will cross a picket line. The picket line is supposed to be its own philosophical justification. To question the merits of those who organize it or to sympathize with those whom it penalizes is thought to be bad form. Gangsters now exploit this dogmatic mindlessness in their own interest.

Nor is the picket abuse limited to the crooks and racketeers. Legitimate unions also exploit the picketing mystique. A typical usage is to coerce unorganized employers and workers into a union by flaunting a picket line in the face of a powerful second union, not otherwise involved in the dispute, and usually one of Mr. Hoffa's teamster locals. Seeing the picket line, the teamster people ask no further questions. They just starve the picketed concern to death by shutting off deliveries in and out.

Use of the picket line to advertise the union's side of a labor dispute has been upheld by the Supreme Court. Violence on the picket line is illegal, even if the law is not always enforced by police in local jurisdictions. Between these extremes there are abuses so far uncorrected. To these the public will have to devote more attention. A first step would be for thinking people to remind themselves that the picketer is not necessarily always right.

[From the Kansas City Times, Feb. 4, 1959]

THE PUBLIC STAKE IN LABOR LEGISLATION

Congress now has before it two labor programs—the broad proposals of the administration, and the antiracketeering plan of Senator KENNEDY. The McClellan committee has apparently resisted the undercover move to upset its bipartisanship and is continuing its hearings. There are reports that Senator MCCLELLAN will introduce a bill that will go much further than the administration's. Offstage you can hear the political orators tuning up for the great debate. And where, in all this, does the public stand?

We strongly suspect the public view will be the issue least frequently considered when Congress gets around to the labor discussions. The people who seem to have paid the least attention to the reports of the McClellan committee have been those who occupy the seats in the House and Senate.

The point that may be missed by the people is that, while the Kennedy bill may very well provide a weapon against the racketeers in labor, it will not serve the public interest beyond that point. It is perfectly true that the biggest headlines have been made by the revealed theft of millions from union treasuries. A law that would strike hard at union racketeers would serve the public interest. There is a danger that a labor-slanted Congress will stop there. And the Nation might be lulled into the false assumption that the legislators had discharged their obligations in the labor field.

In addition to the sordid racketeering picture, the McClellan committee has also shown how the Nation's labor code fails to protect the public in general industrial relations. Secretary Mitchell regards a tightening of the restraints on secondary boycotts and a restriction on blackmail picketing as essential. It seems unlikely, however, that a majority of the Members of the present Congress will concur.

The responsibility for good labor legislation has now been placed on the shoulders of Congress. The administration has stated its case. Senator MCCLELLAN may offer an even stronger one. Both, we believe, have correctly assessed a growing public awareness not only of union racketeering but of the unregulated abuses of power by some union leaders. Unfortunately, the Democratic majority, blinded by the political weight that labor threw around last November, seems to have missed the point.

[From the Baltimore Sun]

IN LABOR'S INTEREST

In the jockeying for position which now marks the labor-legislation debate in Washington, one thing ought to be kept in mind. It is not management abuses, this time, which have impressed public opinion. It is not the racketeering practices of the boss, not his coercion of innocent people, not his slugging of employees, not his blocking up of public highways, not his abuse of monopoly positions which troubles the public conscience. After all, there's quite a lot of law already on employer abuses.

Senator MCCLELLAN'S committee has exhibited manifestations of some employer depravity, true enough. There have been front-office men willing to bribe their way out of honest labor contracts. There were management representatives all too friendly with the least savory type of labor leader. But these demonstrations were mostly incidental to the main theme the McClellan committee has been developing. The main theme was labor abuses.

This has a distinct bearing on the present debate over what ought to go into the one and only labor bill that is likely to get through the present session. If disagreement on this point results in the failure of Congress to pass any legislation at all, it will be labor abuses which continue mainly to affront the public, not management abuses. It will continue to be labor abuses which the McClellan committee exposes, and management abuses only incidental to labor abuses.

The net of such considerations might well be a conclusion in the wisest labor and pro-labor quarters that it is more to labor's advantage to have corrective legislation now than it is to management's advantage. The wisest labor people may begin to suspect that

their true friends are those who urge effective labor legislation in this session, not those whose quarreling over details threatens to prevent any labor legislation at all.

The wise labor people who begin to think this way may prove more responsive to proposals of conciliation with the administration reform proposals. They will look askance at suggestions that you can cure labor racketeering without considering the various boycott and picket-line tricks by which employers and workers nonunion by preference are not so much bargained with as put to economic strangulation. The short of it is that labor tactics which cancel legislation now may lead to tougher legislation a year or two years from now.

[From the Washington Post, Jan. 24, 1959]

QUESTION OF PACKAGING

Senator KENNEDY has shown good judgment in introducing his revised labor reform bill early in the session and in moving promptly for committee action. In general it is a good bill. Whether or not it would "virtually put Mr. Hoffa and his associates out of business," as Senator KENNEDY claims, it would certainly put more squeeze on the racketeers in the ranks of organized labor than they feel today. The chief question about Mr. KENNEDY's bill is not whether it looks in the right direction but whether it goes far enough—or, to look at the matter from a different angle, too far.

In general, the bill would strike at corruption within unions by requiring detailed disclosure of their financial operations and of any transactions by their officers which might involve a conflict of interest. It seeks to give workers control over their unions by requiring secret-ballot election of officers or of delegates to the conventions at which officers are chosen. Numerous specific safeguards to prevent undemocratic procedures would be written into the law, and the Secretary of Labor would be authorized to institute court action to upset improper elections and to substitute therefor honest elections supervised by his Department. Various safeguards would also be set up to prevent the use of trusteeships for exploitation of local unions and concentrations of power.

Mr. KENNEDY has tried to draw a distinction between his "reform" bill and the larger task of overhauling the Taft-Hartley Act—a task which he promises to undertake later in the session, with the aid of a committee of experts. There is much to be said for this two-package approach. All the efforts of the last decade to achieve a comprehensive overhaul of Taft-Hartley have gone down to failure, carrying urgent reforms with them, although it must be remembered that the relatively mild KENNEDY-IVES bill died in the House last year, but this was partly because it was regarded as not strong enough.

In any event, Mr. KENNEDY has blurred the logic of his argument by including in his bill several Taft-Hartley changes that would normally go into the second bill. These are provisions to eliminate the "no man's land" in the jurisdiction of the National Labor Relations Board; to ease the bargaining problems in the construction industry; and to give replaced strikers the right to vote in representation elections. If these amendments are to remain in the bill, Secretary Mitchell will have a strong case for including also his proposed reforms dealing with blackmail picketing and abuse of the secondary boycott. The indications are that Senator MCCLELLAN will also introduce a bill including some of the stiffer reforms that Senator KENNEDY wishes to avoid.

Undoubtedly the two-package approach is more likely to result in prompt action. But when all the sweetening is added to the first package the incentive to load it also with the stiffer reforms becomes irresistible. We think Senator CASE of New Jersey is right in suggesting that the Taft-Hartley amendment be shifted to a second bill.

[From the Washington Post, Mar. 8, 1959]

ABUSES OF PICKETING

All the sponsors of reform legislation in the labor-management field agree that some additional curbs on picketing are essential. The mildest of the measures before Congress, the KENNEDY-ERVIN bill, would prohibit what Senator KENNEDY has described as "shakedown picketing"—the use of picket lines to force an employer to "buy off" a union boss. The need for such a provision is self-evident. Controversy has arisen because this very limited curb would not touch various other abuses that are no less despicable than a shakedown.

The MCCLELLAN committee has brought to light numerous cases in which picketing has been used as an instrument of blackmail. In Flint, Mich., a Teamster Union local began picketing an employer to force him to sign a collective bargaining contract even though none of his employees belonged to the union. When he refused, a fire bomb was tossed into his store, sugar was poured into truck gasoline tanks and employees were assaulted.

It is a common practice for the Teamsters to tell small employers to deliver their employees into the union—or else. The "or else" may be either blackmail picketing or a secondary boycott against the victim, or both. A small employer has the alternative of yielding or of watching his business destroyed. If he yields, of course, the rights of his employees to join a union of their own choice or not to join any union are grossly violated.

Under the present law employees have a right to vote in a NLRB election on whether they wish to be represented by a union. If they reject the union, however, it may nevertheless picket the plant and perhaps destroy the business and wipe out their jobs. Even in cases where the employer has recognized a union composed of his employees under the terms of the National Labor Relations Act, a stranger union is free to picket the business if the union already established there does not happen to have been certified by the NLRB.

Protection of these collective bargaining rights of employees is no less important than the protection of employers against shakedown picketing. Secretary of Labor Mitchell has proposed amendments to the KENNEDY-ERVIN bill that would strike at these additional abuses of the picket line. His suggestions are moderate and reasonable, but of course not sacrosanct. If any legislator, labor leader or employer can produce better or more effective methods of curtailing blackmail picketing, it is certainly his duty to do so. But these abuses ought to be dealt with (without impairing any of the legitimate rights of organized labor), and in our opinion an overwhelming majority of the American people want Congress to do its duty in this particular.

NEED FOR A PREVAILING WAGE AMENDMENT TO THE NATIONAL WOOL ACT

Mr. MURRAY. Mr. President, I congratulate my colleague, the junior Senator from Montana [Mr. MANSFIELD] on his excellent presentation of the need for a prevailing wage amendment to the National Wool Act. I am happy to be a cosponsor of his bill.

This measure will correct an intolerable situation which is now causing a loss of jobs and wages among sheepshearers. It will provide some protection for them, just as the National Wool Act now provides some protection to wool growers.

This bill will deal with the unfair competition which sheepshearers must face in the form of migrant crews, who are forced to work in almost peonage conditions. The prevailing wage amendments to the National Wool Act will provide much-needed fair labor standards in the sheepshearing industry.

Mr. President, this bill is strongly supported by the organization of the sheep shearers. They are a part of the Amalgamated Meat Cutters and Butcher Workmen—AFL–CIO. The need for and justice of this legislation is well described in a letter which Thomas J. Lloyd and Patrick E. Gorman, president and secretary-treasurer, respectively, of the Amalgamated Meat Cutters and Butcher Workmen—AFL–CIO, wrote in January to Mr. Don Clyde, then president of National Wool Growers Association.

I ask unanimous consent to include this letter in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN OF NORTH AMERICA (AFL–CIO),
Chicago, Ill., January 14, 1959.

Mr. DON CLYDE,
President, National Wool Growers Association Convention, Portland, Oreg.

DEAR MR. CLYDE: We are taking the liberty of transmitting this letter to you through Mr. Harry Evans, president of our sheepshearers division, whom some of your officers have very kindly invited to attend the convention of the National Wool Growers Association.

As Mr. Evans will discuss with you and other members of your organization, we are greatly concerned about the depressing effect on wages and the unemployment caused by the influx of sheep shearing crews from Texas into the wool growing areas. These crews serve under a semipeonage system. Their working conditions and living conditions are terrible. Because of these substandard conditions, their contractors are able to undercut the rates of long-established contractors in the wool growing areas. The living standards and employment of the members of our union who shear sheep are, therefore, critically endangered. These members have lived in the area all of their lives and now find their usual work being taken away by migrant crews from Texas.

We are not concerned about the influx of these crews, as such. There are enough sheep to be shorn and competition should hold sway. But this competition must be a fair competition. We are sure you will understand our position, since it was the desire of the members of the Wool Growers Association for fair competition with foreign wool growers, which led your organization to seek enactment of the Wool Act. In other words, our insistence on protecting the livelihood of sheep shearers and other workers in the sheep industry corresponds exactly to your organization's excellent efforts to protect the livelihood of wool growers.

We intend in this session of Congress to seek legislation which would establish prevailing wages for sheep shearing workers in the various areas where this work is done. This legislation would be an amendment to the Wool Act. It would set a floor under the wages of workers, just as other sections

of the Wool Act set a floor under the earnings of wool growers.

We are certain that this course of action will appear eminently just and logical to you. We are taking the opportunity of Mr. Evans' visit with you to inform you of our plans, because we want you and the other members of your organization to understand that we seek to cooperate with the wool growers. We seek to work closely with you.

As proof, we want to point out that we did not seek this legislation last year when renewal of the Wool Act was under consideration. We felt that the act faced such serious opposition that this additional issue could very well have killed the act's renewal chances. We did not want to do this. We, therefore, delayed any activity on the amendment until 1959.

Our action was in keeping with organized labor's policy over the years toward the Wool Act. Labor has never opposed the act. In fact, it has given support to this legislation. It is our intention to seek the prevailing wage amendment to the Wool Act, and then to work with you, actively and strongly, for future renewals of the Wool Act. We pledge to you that if the livelihood of workers in the sheep industry in the various States is protected, as the Wool Act protects the livelihood of wool growers, we will make renewal of the Wool Act a major part of our union's legislative program. Further, we will get the active support of the AFL–CIO and its other affiliates.

Our union has cooperated with industry and consumers on many pieces of legislation in the past. For example, in 1957, we spearheaded a successful campaign for a poultry inspection law. Last year we were a major part of a successful cooperative effort to get a $2 million increase in appropriations for meat inspection. This money provided, for the first time in many years, adequate funds for the important inspection work.

Let us repeat again, we want to work together with your organization for the benefit of the industry's workers and growers and the consuming public which uses the industry's products. We believe such cooperation will be to the great benefit of all parts of the industry and the public.

We wish you a very successful convention.

Best regards.

Very truly yours,

THOMAS J. LLOYD,
President.

PATRICK E. GORMAN,
Secretary-Treasurer.

NATIONAL HEALTH INSURANCE LEGISLATION

Mr. MURRAY. Mr. President, the April issue of Catering Industry Employee, published by the Hotel and Restaurant Employees and Bartenders International Union, AFL–CIO, carries a lead editorial endorsing S. 1056, my national health insurance bill, which was cosponsored in the House of Representatives by Representative JOHN D. DINGELL, of Michigan.

I commend the editor and the union for this editorial, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ANOTHER TRY

Some time back we suggested, in the light of the liberal sweep in November, that somebody ought to dust off the old Murray-Dingell bill to set up a national health insurance plan.

Now it's happened. Senator JAMES E. MURRAY, Democrat, of Montana, and Congressman JOHN D. DINGELL, Democrat, of Michigan, son of the man who first joined in the proposal, have introduced companion measures for a national contributory health insurance scheme to cover major costs of medical care.

Recent years have seen collective bargaining bring, for many workers in many places, for the first time in their lives, good medical care. But, despite the progress for some, most health-and-welfare coverage is woefully short on medical care. And millions have no such protection of any kind.

It can be taken for granted that existing prepayment plans, in most cases, can be integrated into any new system for the Nation. We learned a lot about how to handle such arrangements. Doctors themselves have had enough experience to know that prepayment and group practice don't mean socialized medicine.

The new bill, say its authors, is "the one thing needed to furnish everybody with adequate health care * * * and * * *. It won't change the practice of medicine."

But it can change our lives.

THE DEPRESSED AREAS BILL

Mr. BUSH. Mr. President, the Washington Post and Times-Herald of this morning, March 26, 1959, published a very interesting editorial entitled "A Uniform United States?" The editorial deals particularly with the so-called depressed areas bill which was passed by the Senate on Tuesday by a vote of 49 to 46.

The editorial shows, I think, that the Washington Post has a very excellent understanding of what is needed and what is not needed with respect to the whole matter of depressed areas. I call the attention of the Senate to this language:

Obviously its proponents are inviting another veto, presumably in the hope of reaping a second crop of the political dividends which last year's go-round appeared to yield in some economically distressed States. A vetoed bill would be of slight help to the distressed areas, of course, but beyond this it may be questioned whether the rather ambitious program favored in the narrow Senate vote is really a sound prescription.

This is a very serious issue, as the present Presiding Officer, the distinguished junior Senator from West Virginia [Mr. BYRD] knows as well as I do. Both of us are very deeply sympathetic toward this matter and toward the very urgent situation which exists in his State, in view of its very large unemployment factor.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD, in the hope that it may be read by the Members of the House of Representatives. I think it would be too bad if they did not heed the warning which is inherent in the very close Senate vote, and realize the importance of the issue. I hope they will favorably consider the administration bill.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A UNIFORM UNITED STATES?

The Senate has gone too far, we believe, in the program of aid to depressed areas which it approved the other day. The $389 million loan and grant authorization which it has sent to the House is more than a third larger than the bill vetoed by the President last year and seven times the size of the Eisenhower proposal in this field. Obviously its proponents are inviting another veto, presumably in the hope of reaping a second crop of the political dividends which last year's go-round appeared to yield in some economically distressed States. A vetoed bill would be of slight help to the depressed areas, of course, but beyond this it may be questioned whether the rather ambitious program favored in the narrow Senate vote is really a sound prescription.

No Federal program could hope, of course, to provide even a tiny portion of the capital investment that a real industrial development or conversion effort would require. Such funds must come from private sources. What is mainly required in areas suffering from the effects of technological changes, resource depletion or other such factors is a survey and promotion of new opportunities. Here local and State governments can help—even to the extent of temporary tax concessions and the like in some cases. A modest Federal supplementation of such efforts might be useful. But in general, with the economy's high rate of capital accumulation and the general flexibility and initiative of American business, real opportunities will not be long neglected.

Extensive subsidization of an area that may be depressed today would be hard to end, and even in the short run would tend to work against the interests of more prosperous regions with certain natural advantages. How could such a program possibly be administered with fairness to all sections of the country and without running into disputes concerning every effort to help that would, in the end, probably be settled on a political rather than an economically realistic basis?

For industrial and agricultural workers disadvantaged by sudden changes beyond their control there ought, of course, to be more adequate programs of unemployment compensation and job placement than now exist in most States. A retraining program in which industry would participate (in order to insure its real utility) would be helpful. But if the Government were to go much beyond such measures and endeavor to maintain some kind of uniformity of economic progress and prosperity in so large and heterogeneous a Nation as this, it would be embarking upon a program that would require far more money than anything yet proposed—and far more wisdom in its administration than seems likely to develop. In any case, the Senate bill faces an almost certain veto if enacted, and the House ought to refashion it along more reasonable lines.

VISIT TO THE SENATE BY MR. ABAS-QOLI ARAB-SHEIBANI, MEMBER OF PARLIAMENT OF IRAN

Mr. MANSFIELD. Mr. President, the Senate is honored today by a visit from a distinguished representative of the Iranian Parliament. It is my privilege as acting majority leader to present to the Senate the chairman of the Investigating Committee and a member of the Educational Committee of the Iranian Parliament, Mr. Abas-Qoli Arab-Sheibani. [Applause, Senators rising.]

Mr. President, I ask unanimous consent that a brief biographical background of our distinguished visitor be inserted at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL INFORMATION ON MR. ABAS-QOLI ABAB-SHEIBANI OF IRAN, A PARTICIPANT IN THE FOREIGN LEADER PROGRAM OF THE INTERNATIONAL EDUCATIONAL EXCHANGE SERVICE OF THE U.S. DEPARTMENT OF STATE

Mr. Abas-Qoli Arab-Sheibani, Deputy of the 19th Majlis (House of Representatives) from Fassa and Majlis member of the board of Bank Melli.

Born: 1905, Shiraz, Iran; married, four children.

Home address: Behind Sepahsalar Mosque, Nasim-ol-doleh Street, Teheran, Iran.

Academic training: Military College, Teheran.

Previous positions: Various positions in the Iranian Army, 1933–41 (resigned from army while a major); high-ranking official of Bank Melli, 1941–47; member of the 15th and 16th Majlis from Fassa, 1947–52; Deputy of the 18th Majlis from Fassa, 1954–55. Also Majlis representative at Bank Melli and Bank Note Reserve.

REDUCTION OF ELIMINATION OF SUPPORT PROGRAMS

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article appearing in the April 1959 issue of Farm Journal.

This article gives the results of a poll which shows that an overwhelming majority of American farmers voted for a reduction in the present high support programs and the majority of these farmers voted for the complete elimination of all support prices and controls.

Their being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FARM PLAN YOU VOTED FOR—HOW THE UNITED STATES VOTED ON THE FIVE CHOICES

No supports: No controls, no floors; free market prices; get the Government clear out: 55 percent.

Emergency supports: To prevent disaster from a huge crop or sudden loss of markets; floors set at, say, 50 percent of parity, or 75 percent of the average 3-year market price. No controls: 15 percent.

Adjustment supports: Such as 90 percent of the average 3-year market price. Permits gradual adjustment to normal markets. Moderate production control when necessary to ease adjustments: 8 percent.

High price supports: 90 percent to 100 percent of parity. Cross-compliance and tight production controls to restrict output to available markets—bushel-and-pound allotments to limit what you could sell: 14 percent.

Production payments: Let markets fall, then pay farmers in cash to make up the difference between the market price and the support level. Extend supports to perishables, such as beef, pork, eggs and fruit. Strict bushel-and-pound controls to hold down costs of the program: 8 percent.

Eight out of ten Farm Journal readers want lower price supports and fewer controls in the future—instead of higher price supports and strict controls.

And more than half (55 percent) want the Government to get clear out.

That's the way farmers voted who mailed in ballots printed on page 41 in the February issue. The article accompanying the ballot sized up the situation this way:

Farm productive capacity is racing ahead faster than the growth in population and demand. This tightens the squeeze on farm prices. At the same time, support programs are piling up Government surpluses at an alarming rate. So, the article asked, which of five general directions do you think future Government price support policy should take?

Results from the first 10,000 ballots mailed by farmers show that 78 percent favor the first three choices—each of which calls for less support and more freedom than past or present support programs. By all odds the most popular choice is to chuck all supports and get the Government clear out—let farmers' own decisions and management ability determine who'd produce what.

This poll reveals that the South's Farm Journal readers are no longer the "high price support and strict control" advocates they were once assumed to be. Midwestern States gave high price supports a larger vote than the other three regions—but still only one midwestern farmer out of five favors 90 percent to 100 percent of parity. It may surprise you that Iowans, who are often held up as typical of all farmers, are less inclined to "kick the Government out" than farmers in any other State.

Among the different commodities, farmers specializing in either poultry, beef, or fruit and vegetables are the most inclined to chuck supports. Wheat growers and feed grain producers are least disposed to do this—although nearly half of them think it's the thing to do.

How dependable are these figures? Statisticians say, "they're sound." The ballot tabulations were checked in these ways:

Tentative percentages were figured after the first 2,000 ballots were counted. These percentages proved highly accurate when 10,000 had been tabulated.

Farm Journal statisticians say that counting several thousand more ballots wouldn't change the regional and national percentage figures except possibly by one or two points here and there. Percentage figures from the small States with fewer farms have the best possibility of being nonrepresentative.

The results are a pretty good barometer of farm thinking across the Nation for these reasons:

Farm Journal's circulation—a whopping 3.1 million—covers all parts of the country.

The number of ballots mailed is amazingly close to the proportion of circulation in each State—there was no run on the ballot box from one State or region to upset the final percentages.

When the vote of readers is adjusted for the actual number of farms in each region (1954 census figures), the final percentages are almost identical to the ones from our sample. The difference: 2 percent more in favor of the no-support choice, and 1 percent fewer in favor of high supports.

As a further check, a 14-State survey was made among fathers of vocational agriculture students—some Farm Journal readers, and some not. Eight out of ten (82 percent) favored the first three choices (compared with 78 percent by mail).

This poll also checks closely with a survey made in the December 1957 Farm Journal when 50 percent of the readers responding voted that the Government should get clear out of farming.

Age makes little difference in the attitude of the readers voting. The slight difference is that young farmers in the 20- to 30-year-old bracket and farmers 60 and over are slightly more in favor of lower supports and fewer controls.

Two ballots were returned from Alaska, one by a haygrower and one by a potato grower—both voted for no supports. One Illinois corngrower mailed his ballot from Canada. The oldest voter was an Idaho wheatgrower at an even 100 years. Five said their most important farm product is children.

[Percent]

	No supports	Emergency	Adjustment	High supports	Production Payments
Connecticut	50	25	5	0	20
Delaware	91	5	0	4	0
Maine	71	9	5	4	11
Maryland	70	19	8	2	1
Massachusetts	77	18	5	0	0
New Hampshire	62	33	5	0	0
New Jersey	84	7	1	3	5
New York	78	12	5	2	3
Pennsylvania	80	13	3	2	2
Rhode Island	57	43	0	0	0
Vermont	72	28	0	0	0
West Virginia	75	17	6	0	2
Eastern States	77	14	4	2	3
Illinois	44	20	7	20	9
Indiana	57	13	8	12	10
Iowa	24	17	13	33	13
Kansas	46	20	10	19	5
Michigan	66	14	8	5	7
Minnesota	30	15	13	25	17
Missouri	52	15	7	15	11
Nebraska	38	15	13	25	9
North Dakota	34	14	11	31	10
Ohio	71	12	4	8	5
South Dakota	39	16	9	26	10
Wisconsin	45	12	13	14	16
Central States	47	16	9	18	10
Alabama	61	15	9	8	7
Arkansas	56	18	9	9	8
Florida	79	9	2	8	2
Georgia	62	3	16	11	8
Kentucky	51	6	22	16	5
Louisiana	51	17	20	5	7
Mississippi	57	14	14	12	3
North Carolina	61	4	6	23	6
Oklahoma	53	22	5	14	6
South Carolina	71	17	7	5	0
Tennessee	65	8	7	11	9
Texas	54	12	10	13	11
Virginia	72	15	2	10	1
Southern States	59	13	9	12	7
Arizona	48	21	24	4	3
California	73	13	6	3	5
Colorado	58	11	5	18	8
Idaho	51	15	9	16	9
Montana	55	17	5	18	5
Nevada	90	5	5	0	0
New Mexico	55	21	13	6	5
Oregon	63	12	7	6	12
Utah	71	9	9	6	5
Washington	70	15	6	6	3
Wyoming	53	18	8	18	3
Western States	63	14	7	10	6

EASTER SUNDAY BROADCAST OF THE STORY OF EXPLOSIVES

Mr. CHURCH. Mr. President, it has been called to my attention that on this Easter Sunday the National Broadcasting Co. will present through its well-known program, Omnibus, the story of explosives—from matches to nuclear bombs.

I have been informed this is the first such film ever made under the auspices of the United Nations.

With the penetrating interest of this body in the problems attendant upon control of nuclear testing, both in its civilian and military aspects, I suggest this may well be worth our attention.

It is my understanding the documentary will be shown over the NBC network between 5 and 6 p.m. Sunday, eastern standard time. While I have not previewed the film, the previous high quality of Omnibus programs would cause me to recommend it for its very subject matter. I hope that many of us will have the opportunity to be members of the audience.

MANDATORY CONTROL OF OIL IMPORTS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed, and the Chair recognizes the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, today I should like to expand upon my remarks of March 20 concerning the program which has recently been put into effect which provides for a mandatory system for the control of imports of petroleum and petroleum products into the United States. I ask unanimous consent that, in the event there are any interruptions in the course of my remarks, they be printed immediately following my address in the RECORD, and, furthermore, that insertions I have prepared may appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, on March 10 the President of the United States issued a proclamation to regulate the imports of oil and its principal products into the United States. The basis for the President's action was legislation passed last year by the Congress, the so-called defense amendment, section 8 of the Trade Agreements Extension Act, which amends the Reciprocal Trade Act to read as follows:

SEC. 2. * * *

(b) Upon request of the head of any Department or Agency, upon application of an interested party, or upon his own motion, the Director of the Office of Defense and Civilian Mobilization * * * shall immediately make an appropriate investigation, * * * to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purpose of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of Government, loss of skills or investment, or other serious effects resulting from the displacements of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

At the time when the amendments of 1958 were being considered, the defense amendment of 1955 was already in effect. The 1955 amendment gave the President far more discretion than the 1958 amendment. Even under the 1955 amendment, however, the President's Cabinet Committee had already determined that an adequate domestic petroleum industry was essential to national defense and that the ratio of exports to imports prevailing in 1954 was the desirable level.

A voluntary control program was in effect in 1958 with the understanding that a mandatory program would be necessary if the voluntary program failed to achieve its objective.

It was understood in the House of Representatives that the defense amendment which they wrote into the act before the bill came to the Senate was designed for just such a situation as existed in the petroleum industry.

I should like to call the attention of the Senate to a colloquy between the chairman of the Ways and Means Committee of the House of Representatives, the Honorable WILBUR MILLS, and the Member of Congress from the 13th District in Texas, the Honorable FRANK IKARD, on June 10, 1958, on the defense amendment.

Let me quote from this colloquy:

Mr. IKARD. Mr. Chairman, I would like to ask the distinguished chairman of the committee two or three questions.

Is it a fact that the so-called national security section of the committee bill has as its purpose providing the executive department with a means of taking whatever action is necessary to avoid a threat to our national security through imports and to make such that injury to a particular industry essential to the national security wil be avoided?

Mr. MILLS. The answer is "Yes."

Mr. IKARD. Is it a fact that the national security amendment of the present law was amended by the committee as reflected in the committee bill for the purpose of improving and facilitating the operation of this provision by providing specific criteria and guidelines for use in its administration?

Mr. MILLS. The answer to that question is "Yes."

Mr. IKARD. The national security section of the committee bill specifies certain factors which would govern the Director of the Office of Defense Mobilization and the President in determining whether imports are a threat to national security. These are stated in the committee bill substantially as follows:

"The Director and the President shall * * * give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availability * * * products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements."

Mr. IKARD. I am interested in knowing how these criteria would relate to the problem of excessive imports of petroleum and petroleum products. It is intended that under this provision imports of petroleum and petroleum products be held at levels which would permit the domestic industry to engage in a vigorous program of exploration at a rate consistent with the demands of our economy?

Mr. MILLS. This provision is intended to hold imports at a level which will permit the United States to have sufficient oil, known, discovered, and developed as is required to meet our national security needs.

Mr. IKARD. Does the committee amendment that will be offered to the national security section of the committee bill dealing with investment, exploration, and development necessary to assure the proper growth of an industry have any significance to the petroleum industry and other extractive industries?

Mr. MILLS. Yes. This amendment will be offered to the bill for the purpose of further clarifying the committee's intentions with respect to encouraging free enterprise, exploration for, and the development of our natural resources at a rate sufficient to meet the demands of our national security. If drilling and exploration activities do not reach a satisfactory level, then under this provision the President or his designate would have the responsibility of re-evaluating existing programs for the regulation and control of imports to see that they meet the requirements of the new standards in the committee bill.

Mr. IKARD. In the case of petroleum, is it intended that if the pending committee bill becomes law that a new study and certification would be necessary?

Mr. MILLS. The answer is "No." I refer the gentleman specifically to the language on page 17, lines 15 to 17, which he offered in the committee to guarantee that the answer would be "No."

Mr. IKARD. Is it intended that when the imports of a natural resource are controlled under the provisions of the national security section of the committee bill, and with particular reference to petroleum, that such control should take into consideration the importation of products, derivatives, or residues of petroleum so that these products and derivatives could not be imported in a way that would circumvent the control of the imports of the basic natural resources?

Mr. MILLS. Yes. Clearly, when a decision is taken to restrict imports in the interest of national security it is our intention that the decision be effective and not rendered ineffective by circumvention.

Under these circumstances, it is difficult for anyone who supported the defense amendment of 1958 to conceive how anyone could possibly argue he did not understand that the defense amendment of 1958 would require greater protection of the domestic petroleum industry. Certainly, those of us who served on the Finance Committee explored this matter very carefully when the Secretary of Commerce testified before the committee.

Much of the language which went beyond the 1955 amendment was drafted with the petroleum industry specifically in mind. While there is no transcript of the executive session before the Committee on Finance, I am certain that every member of the committee recalls distinctly that the relationship of the

amendment to the petroleum industry was thoroughly discussed when the committee considered this matter.

The Senate Finance Committee broadened the language of the House bill to strengthen the defense amendment. I should like to quote from the committee report on this measure:

The Finance Committee accepted the section of the House bill relating to the national security, but amended it for the express purpose of strengthening and increasing its effectiveness. As was the purpose when the national security section was added in the 1955 extension of the act, the amendments are designed to give the President unquestioned authority to limit imports which threaten to impair defense-essential industries. Section 8 of the bill as reported grants to the President a potentially fast-moving vehicle for guarding our national security in this respect.

The bill as reported provides that imports of an article, or its derivatives, must be adjusted unless the President finds that they are not entering in such volume as to threaten the national security, after the Director of the Office of Defense Mobilization has indicated such a threat exists. Language was further added directing attention and providing possible action whenever danger to our national security results from a weakening of segments of the economy through injury to any industry, whether vital to the direct defense or a part of the economy providing employment and sustenance to individuals or localities. The authority of the President is thereby broadened considerably, but the dangers inherent in an economy suffering from unemployment, declining Government revenue, or loss of skills, and investment because of excessive imports of one or more commodities, must be recognized and avenues provided whereby they may be lessened.

No one can read the legislative history of this amendment and have any doubt that such a mandatory program is exactly what was intended by the bill.

Mr. President, the problem of excessive imports of our fuel supplies has not been of concern only to the oil industry. Our coal producers supply much of our domestic fuel needs and have been having an extremely difficult time as well. The order placing residual fuel oil on the quota list should help revive that industry so vital to our national well-being and to the economies of certain sections of our country.

The President has not been hasty in responding to the duty that Congress has imposed upon him to limit oil imports. Many distinguished Members of this body have been urging the administration to take this action for some time as it has become increasingly apparent to us that the domestic industry, so vital to our whole economy, has been driven into a dangerously low level of production and exploratory activity.

Last year I felt it necessary to introduce an amendment which would require the President to limit the amount of foreign oil that could be brought into this country. I did not bring this amendment to a vote because I was assured that the defense amendment was designed to meet the problem.

In issuing the proclamation establishing the mandatory control program, the President said:

The new program is designed to insure a stable, healthy industry in the United States capable of exploring for and developing new hemisphere reserves to replace those being depleted. The basis of the new program, like that for the voluntary program, is the certified requirements of our national security which make it necessary that we preserve to the greatest extent possible a vigorous, healthy petroleum industry in the United States.

It has been contended by some that the national security argument is specious. I do not see how anyone who is aware of the facts of the case can make such a statement, especially in view of the position of the Commander in Chief of our Armed Forces and the Special Committee To Investigate Crude Oil Imports, composed of the following Cabinet members: John Foster Dulles, Secretary of State; Neil H. McElroy, Secretary of Defense; Robert B. Anderson, Secretary of the Treasury—former Assistant Secretary of Defense, former Secretary of the Navy; Fred A. Seaton, Secretary of the Interior; James P. Mitchell, Secretary of Labor; Lewis L. Strauss, Secretary of Commerce—also rear admiral, retired, former Chairman of the Atomic Energy Commission.

On March 6, this special committee recommended the voluntary import program be replaced by a mandatory program. In their report to the President, they said:

On February 27, 1959, the Director, Office of Civil and Defense Mobilization, reported to you that crude oil and its principal derivatives were being imported into the United States in amounts which threaten to impair the national security. In the light of that finding, the special committee recommends that the voluntary oil import program be replaced by a mandatory program which will limit the imports of crude oil and certain derivatives to such levels as the national security requires and will allocate such imports as are authorized among companies in a fair and equitable manner.

Mr. President, those who argue that it is not necessary to the security of the United States that we have a healthy domestic oil industry capable of rapidly expanding its production in time of emergency must be of the school who believe that any future wars will be of the pushbutton nuclear type.

Apparently they rely upon statements of some of our military leaders that a thermonuclear war would cause such devastation that the outcome would be decided within 72 hours. From this statement they reason that the ability to fight a long, protracted war is no longer necessary. Hence, they suggest that there is no real need to maintain a domestic oil industry of any real magnitude.

If the gentlemen are correct, what we say and do here will make little difference one way or another. If there is such a nuclear conflict, utilizing all of the weapons that have recently been developed whose destructive power is almost beyond comprehension, the best that we could hope for is that possibly 60 million of the enemy would be destroyed while only 15 million or 20 million of our own would be lost. We might be able to completely destroy the enemy's war-making potential, with our losses limited to perhaps 10 percent of our population. On the other hand, it is conceivable, and some say that it is highly probable, that civilized man would be completely eradicated from the face of the planet in such a holocaust.

Now, let us analyze that logic for a minute. Have any of the military leaders ever said that we do not need to have a domestic fuel industry adequate for our needs? Not at all. Have any of our military leaders suggested that we should not be able to fight a limited war with conventional weapons? Not that I know of.

Quite the contrary, Gen. Maxwell Taylor, the Chief of Staff of the U.S. Army, and Adm. Arleigh Burke, our Chief of Naval Operations, both state clearly that while we must stay prepared for a nuclear war, it is much more likely that the hostilities in which we will be engaged will continue to be wars of a limited nature.

Since World War II, there have been 18 wars of various sizes. Atomic weapons have not been used in any of them. Some of those wars were large and extremely significant. So was the result of the military decision.

Among them were the civil war leading to Communist victory in China, the war in Korea, the war in Indochina, the revolutions in Indonesia, the fighting in Greece, the warfare in the Near East, and the revolution in Hungary.

During the Suez crisis we had a good indication of the importance of a dependable supply of oil. England and France were frantic. They were fighting to protect their lifeline to the oil in the Near East. In England gasoline was rated to approximately 7 gallons per month. Gasoline reserves were rapidly depleted in France.

It was the United States with its surplus productive capacity which was able to maintain a position of strength and confidence. We were able to go to the aid of our friends with large quantities of surplus oil and forgo imports from abroad at the same time.

It is not because we wish it that way that we are constantly called upon to shoulder the heavy end of the load. Yet the truth is that aside from the oil in the United States, the free world is in a very vulnerable position insofar as its fuel requirements are concerned.

This is especially true of all of our allies in Europe, Australia, New Zealand, and even Japan. In the event of an emergency that disrupted the oil supply from Venezuela, the Middle East, and Indonesia, over 368 million people who are our allies would be dependent upon us for oil.

It would be extremely dangerous and unwise to permit our domestic oil industry to wither away as a result of foreign oil imports until we were no longer able to provide even our own requirements in an emergency.

We know that the Government of Venezuela is friendly as of today but the reception given our Vice President and his wife by Communist sympathizers is enough to put us on notice that the situation there could change overnight.

I do not think our friends from New England would like to be completely dependent upon the Middle East for fuel oil to keep them warm on cold winter

nights. We all are familiar with the conflicts and the basic instability of that part of the world at present. With Nasser, Kassem, and Khrushchev all vying for supremacy, that source could be denied us at any time.

It is difficult to see how anyone fully aware of the facts could deny that a healthy oil industry is vital to our national security.

Recently a shipment of Rumanian oil reached the United States. Russia is now exporting large quantities of oil to certain areas in Europe and Iceland. I certainly hope that those opposed to a strong oil-producing industry in America are not so foolish as to believe that we might be able to import Rumanian and Russian oil in time of crisis.

PROBLEM OF MAINTAINING ADEQUATE CAPACITY

Those of us who understand the petroleum business are frequently confronted with opponents whose arguments have so little foundation in fact that we have a hard time even understanding what they are trying to say. For example, I have found people who would presume to express an opinion about the subject who are under the impression that an industry with proved reserves adequate to last 15 years should be able to produce all those reserves in 4 or 5 years to meet an emergency. This fails to take into account the actual facts of the situation.

If a well is pulled too hard, the ability of the well to drain oil from the sand where it is usually located is destroyed. Most oil is found in a strata of sand or shale on top of an almost inexhaustible supply of salt water. If pulled too rapidly for good conservation purposes, the salt water will be drawn into the pipe, and it may be a long time before oil can be produced from the well again. In some cases the well will be permanently killed.

In other cases the pressure of gas above the oil is required to force the oil to the surface. The principle of this operation is like a seltzer-water bottle, in which the gas is above the water and a tube extends from the mouth of the bottle into the water. The gas pressure pushes down on the water, forcing it up the tube and out of the bottle. In the case of an oil well, if the oil is extracted too rapidly, the gas will be exhausted too quickly, thereby forcing the use of a pump to lift the oil.

Another method of getting oil to the surface is called water flooding. In a field where there is no gas pressure, water is pumped into a well. The oil floats above the water, making it possible to lift the oil by pumping or flowing it slowly.

No matter what method is used, only a certain amount of oil can be taken from the ground each day without reducing the capacity to produce that which could otherwise be recovered.

The present capacity of the industry is somewhat greater than 10 million barrels per day, compared to about 7 million domestic production and 9 million domestic consumption.

In addition to the heavy losses suffered by trying to produce oil too quickly from a well, there must be sufficient transportation facilities to carry the oil to the refineries where it is turned into the petroleum products that are needed. Oil must be carried by pipeline, by water, or by the railroads. A tremendous increase in domestic production would dislocate existing transportation facilities, and if the domestic industry were to be further curtailed, transportation facilities would not be adequate to meet an emergency increase in domestic production. Transportation difficulties became a very serious problem when the industry was called upon to expand its production during the Suez crisis.

On March 6, 1959, the above ground crude oil stocks of the United States were estimated at 256 million barrels and petroleum product stocks were estimated at 488 million barrels. The National Petroleum Council estimates that only 30.1 percent of the crude oil stocks are readily available and only 65 percent of the product stocks, the rest being the fill in pipelines necessary to insure a smooth flow, and in the bottom of storage tanks. Available crude oil is estimated at 77 million barrels, and available products are estimated at 314,894,000 barrels. Thus, we have approximately a 10-day supply of available crude above ground and a 30-day supply of products. This is not enough to carry us very far in case of an emergency.

It might be asked, Why not store more above ground where it is readily available? This suggestion runs afoul two objections. First, because it is wasteful due to evaporation; and, second, because of the excessive cost of tank storage. It costs approximately $2 per barrel to store oil above ground. To store a 10-day supply of 70 million barrels costs about $140 million, not including the cost of the loss due to evaporation, which would be considerable if the oil has to be stored for a long period. It is far more efficient and economical to keep the oil in the ground, and to maintain at all times a sufficient number of wells capable of stepping up production without undue loss.

WE ARE NOT RUNNING OUT OF OIL

Several Senators have recently taken the floor to argue that it would be far better to save our own oil and import all the oil we can get, husbanding our own supplies for an emergency.

This is the fallacious idea that the domestic petroleum industry has had to contend with since shortly after it was founded just 100 years ago this year. The fact that the domestic industry is 100 years old and today is stronger in terms of reserves in the ground than at any time in its history, is proof of that.

I would like to cite a few examples of oil prophecies of the past which claimed the hour of extinction was at hand and show the progress of the domestic oil-producing industry despite these forecasts of doom.

First. In 1891, just 32 years after the first well was drilled successfully, the U.S. Geological Survey stated there was little or no chance for oil to be found in Kansas or Texas. In reality, more than 25 billion barrels of oil have been produced in these two States since that date.

Second. In 1914, an official of the U.S. Bureau of Mines stated that a total production of only 5.7 billion barrels of oil was possible in the United States. In reality, 56 billion barrels have been produced from 1914 to 1959.

Third. In 1947, the Chief of the Petroleum Division of the Department of State said sufficient oil cannot be found in the United States. From 1947 through 1958, 26 billion barrels of crude oil were produced and, in addition, 9 billion barrels were added to our known reserves.

Fourth. As late as 1949, the then Secretary of the Interior stated that the end of the U.S. oil supply was almost in sight. Since that date the domestic oil-producing industry has found more than 29 billion barrels of oil.

Today, total U.S. production is 7,100,000 barrels daily and the Nation's petroleum reserves are at an all-time high of 16 billion barrels.

In contrast to these earlier forecasts of the United States running out of oil, however, the U.S. Bureau of Mines, in a statement before the House Appropriations Subcommittee, recently set total U.S. recoverable crude oil reserves at 300 billion barrels under known recovery methods. This 300-billion-barrels figure refers to the so-called potential reserves which estimates the amount of oil that experience causes us to predict we can find and produce. This does not take into consideration increased efficiency in production or the development of better technology in the search for and development of domestic reserves.

Neither do these figures take into consideration the U.S. Geological Survey estimates of available oil from western shale deposits of more than 1 trillion barrels.

Thus, it should be apparent to all, that as long as we have oil producers in this country, we will have oil. The only essential for the next 1,000 years is the oil producer. He is the indispensible element.

This brings me to the final answer to the "running out of oil" song which those who would profit most by loosening a flood of foreign oil into this country sing so loudly.

Most of us here in the Senate are fairly well versed in the rudiments of economics. Thus, I think we can all understand that if a producer cannot sell his product, he soon goes out of business. The domestic oil producers do not have an inexhaustible supply of funds, despite what we may hear to the contrary. In order to go out and look for new oil fields, in order to drill the wells once he thinks he has found a possible producing area, he first must sell some of the oil he has found in the past. He must pay the debts he incurred while finding and producing his previous wells and still have enough money left over to look for more oil. He cannot do this if he cannot sell the oil he has already found.

That oil does him, the economy, or the national security very little good until it is produced, sold, and processed. And, believe me, Mr. President, the oil he has not found yet cannot do anyone any good. If you do not believe me, just ask the Indians.

It takes from 3 to 10 years to develop a large oil field into shape so that it would be available in time of need. Oil potentials are simply not reserves until they are found and developed. They simply cannot be found nor developed overnight, as some would have you believe.

Some of my friends who complain about the necessity of insuring a healthy domestic petroleum industry remind me of the little pig who built his house of straw to keep the wolf away. They will share the benefits of our internal strength if, like the pig who built his house of brick, we insure our security by maintaining an adequate domestic fuel supply.

The more one explores the facets and problems of maintaining an adequate supply of fuel to meet whatever war or emergency this Nation might face, the more one is forced to the inescapable conclusion of the Special Cabinet Committee which follows:

> In summary, unless a reasonable limitation of petroleum imports is brought about, your Committee believes that: In the event of a serious emergency, this Nation will find itself years away from attaining the level of petroleum production necessary to meet our national security needs. (Taken from the report of the Special Committee To Investigate Crude Oil Imports, July 29, 1957.)

The Secretary of the Interior has correctly stressed the crucial necessity of finding and developing additional reserves as our existing reserves are depleted. He has pointed out that since 1956 the number of wells drilled has declined by approximately 16 percent. Senators will note that the defense amendment, for which they voted, placed particular stress upon just such factors. Once again I invite attention to the last paragraph of section 8 of the Trade Agreements Extension Act which I have previously quoted.

FOREIGN TRADE: THE DOLLAR GAP IS GONE

Apart from the needs of national defense, it would be well to consider our imports and exports in oil as compared to other aspects of our foreign trade. Let us separate some of the facts of the situation from the fiction and the myth that exist today.

In the first place, there is no longer any dollar shortage throughout the world. Perhaps there may be a shortage of dollars in a few countries, but in the world as a whole foreign dollar holdings now amount to more than $16 billion. I first came to Washington in 1948. We were told that it was necessary to pass the Marshall plan to give away $17 billion as a contribution to the economic reconstruction of Europe. It was contended at that time that Europe was not in a position, and could not be in the foreseeable future, to repay the dollars which she needed from us. We were told that it was necessary to close the dollar gap, which theoretically represents the difference between our exports and our imports from Europe.

Ten years later we find that every year since 1948 foreign nations have received more dollars from the United States than they have paid out. While it is true that an American is not entitled to demand payment in gold for his dollars, foreign nations and foreign businesses are in a position to demand gold payments.

Much of the dominant position of the United States in international commerce has been related to our ability to redeem our currency abroad by payment in gold. When the great hue and cry to close the dollar gap was raised in 1948, we then had at Fort Knox $24,400 million, in round figures, worth of gold. Foreign nations held $7,700 million, leaving us $16,700 million in gold that we could call our own. By the end of 1958, our gold balance had declined to $20,600 million, with foreign nations holding $17,600 million, leaving us only $3 billion in gold not subject to foreign claims. We were told that this is less than the bare minimum which it is necessary to keep on hand for the protection of our own currency within the United States. Therefore, the fact of the matter is that, when we look to the world as a whole, far from having a situation that requires that we place more of our dollar holdings in the hands of foreign nations, we have, in fact, just the opposite situation.

I am not saying that there are not a number of ways by means of which we can adjust our present situation in order to reverse the flow of our dollars to foreign nations. There are a number of expedients which we can use to protect our position; but, so long as we stick to present policies, we have depleted our gold reserves as far as we can afford.

One may ask how we came to be in such an unfavorable position on trade balances, when our exports have been exceeding our imports by more than $6 billion a year. Much of the misunderstanding in this field has resulted from a failure of administration propagandists to tell the whole story. When they compute an export figure of $17,900 million for 1958, compared to an import figure of $12,800 million for the same period, they stop at that point, without telling the rest of the story.

The spokesmen for unlimited imports leave out of their calculations over $3 billion of military expenditures overseas in payments for base rights and in payrolls of servicemen.

They overlook almost $3 billion of direct aid to foreign governments.

They overlook $3 billion annually of American investment in foreign countries.

They overlook the tourist expenditures of about $1¾ billion annually going to citizens of foreign countries.

When all of these factors are taken into account, it is easy enough to see why our dollar balance is declining at the very time when we had been led to believe that we would be in better shape than ever.

Therefore, let us get this matter straight, once and for all. There is no dollar shortage in any general sense. We are on the short end of payment balances. In a general sense, it is this Nation which owes the money, not the foreign countries.

MOST INDUSTRIES EXPORT MORE THAN THEY IMPORT

Now let us further analyze the nature of foreign imports into this country. Of $12,800 million of foreign products imported into the United States last year, almost half of these products came in without any charge whatever for duty. These products were on the free list. For the most part they are not produced in the United States. I have in mind such products as coffee, cocoa, bananas, industrial diamonds, various metals, ores, and newsprint.

When we add to the list of imports which come in duty-free the imports which are subject to duty, although they are not competitive with American products, such as chrome, nickel, manganese, and cut diamonds, we find that more than half of the products imported into the United States are not competitive with those produced here. With regard to that half of our imports, we are trading in the old and traditional sense, whereby a Nation imports the things it does not produce and cannot produce, and exports the things it produces in surplus. This much of our foreign-trade picture should be simple and relatively uncomplicated.

There is a second type of trade, which is generally accepted and favored by all nations. This is the kind of trade in which a nation imports a product which is not essential to the security of the importing nation, and which has always been produced more cheaply by foreign nations.

The third category of imports are those which most nations prohibit. Those imports would have the effect of curtailing or destroying an established domestic industry. I have not been able to find a single instance, with the exception of the United States of America, in which a country has permitted one of its major industries to lose its domestic market, or even a significant portion of its domestic market. I am sure there must be instances in which this has resulted; yet I have challenged some of those who pose as experts in this field to cite me even one. Thus far they have not done so. It is certainly true in a general sense that every nation imposes tariffs and quotas or provides subsidies for its domestic industries before it permits them to be driven out by low-cost foreign competition. In the United States only 1½ percent of our gross national product, or 3 percent of our movable production, is represented by imported products which are competitive with American production.

In almost every major industry, our exports exceed our imports.

For example: Our Nation exports nearly five times as much in the field of chemicals and related products as it imports.

We export about 14 times as much industrial office and printing machine equipment as we import.

We export nearly four times as much in the scientific and professional instruments field as we import.

The automobile industry is an interesting example of foreign trade. At present, we import almost four times as many cars as we export. Yet, when we compare the total dollar volume of exports of automobiles, parts, and accessories, to

the total volume of imports, we find that our exports are well over twice our imports.

The answer to these seemingly contradictory statistics in connection with the automobile industry is that almost three-fourths of the value of automobile exports is composed of component parts and trucks, which are produced in this country, but are assembled in other countries. Thus, we import more finished products, more complete automobiles; but we export far more in the way of semifinished automobiles.

In other words, except for sugar and wool, which industries are protected by special arrangements under law, every other American major industry, except the minerals and the paper industries, exports far more than it imports. This statement is even true of the textile industry as a whole, although certain segments of that industry do face stiff foreign competition.

Petroleum and petroleum products, therefore, constitute the principal industry unprotected by a firm arrangement in Federal law in which imports greatly exceed exports. In the petroleum industry, as I have said, the imports exceed exports by over five to one.

Mr. President, I would like to have printed at this point in the RECORD a table comparing imports to exports in certain industries.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Imports compared to exports

	Exports (millions of dollars)		Imports (millions of dollars)		Export-import ratio (approximate)
	January 1957	September 1958	January 1957	September 1958	
Petroleum and petroleum products	725.0	351.0	1,365.7	1,826.0	5 to 1.
Chemicals and related products	1,038.0	995.4	205.8	207.1	1 to 5.
Industrial, office, and printing machinery industry	1,950.8	1,813.7	151.9	131.6	1 to 14.
Automobiles, parts and accessories	989.4	803.3	227.8	387.5	1 to 2.
Textile fibers and manufactures	1,322.0	1,013.2	753.7	668.5	2 to 3.
Photographic and projection goods	75.6	77.9	29.8	29.1	2 to 5.
Scientific and professional instruments	77.0	75.3	21.2	20.5	1 to 4.

PETROLEUM INDUSTRY ABSORBS FAR MORE THAN ITS SHARE OF IMPORTS

Mr. LONG. Mr. President, petroleum and petroleum products have accounted for a steadily declining percentage of total U.S. exports. At the same time oil has accounted for a steadily increasing share of total U.S. imports.

I would like to insert in the RECORD at this point, a table showing these contrasting trends.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Exports of petroleum and products as percent of value of total exports of U.S. merchandise	Imports of petroleum and products as percent of total value of U.S. imports for consumption
Average, 1936–40	10.9	2.0
Average, 1941–45	5.8	2.7
Average, 1946–50	4.8	5.8
Average, 1951–55	4.7	7.3
Average, 1956 [1]	4.0	10.2
Average, 1957 [1]	4.8	12.0
Average, 1958	3.3	12.9

[1] Affected by Suez crisis.

Mr. LONG. In 1958, as is apparent from this table, oil accounted for 12.9 percent of the total dollar volume of U.S. imports. When it is realized that approximately half of these imports are not competitive with American goods, it is apparent that oil accounted for well over 25 percent of the dollar volume of all competitive imports.

The petroleum industry recognizes the important role of international trade. However, let us take a look at the relative position of oil in total U.S. foreign trade for 1957 and compare this with 1934, the year the trade agreement program was authorized. In 1934 oil imports were valued at about $36 million, or 2 percent of the total value of all imports of all commodities. In 1957 these figures were $1.5 billion, or 12 percent of this Nation's import trade. Obviously, oil has already contributed a substantial and increasing share of the total U.S. import trade. This one industry, so vital to national security, should not be expected to contribute to increasing international trade beyond the point that endangers the maintenance of adequate domestic supplies.

This history shows that oil has more than done its part in encouraging world trade. To further the extent of contribution petroleum has made since 1939, the date of the original Venezuela agreement, total annual dollar value of petroleum imports has increased more than 35 times, from approximately $40 million to about $1.5 billion in 1957.

Comparing the first half of 1956 to the first half of 1958, we see that the production of crude oil in the United States dropped by 698,000 barrels daily, while production in the Middle East increased by 502,000 barrels daily and Venezuelan production increased 155,000 barrels daily. U.S. production was down 9.7 percent in this period, while Middle East production was up 13.9 percent, Venezuelan production up 6.6 percent, Far East production up 19.2 percent, and Canadian production up 4.6 percent.

The following chart shows changes in crude oil production from the first half of 1956 to the first half of 1958:

Changes in crude oil production—First half 1958 versus first half 1956

		Barrels daily
Middle East	up	502,000
Venezuela	up	155,000
Far East	up	75,000
Canada	up	20,000
United States	down	698,000

		Percent
Middle East	up	13.9
Venezuela	up	6.6
Far East	up	19.2
Canada	up	4.6
United States	down	9.7

Mr. President, the importation of oil into the Unted States has increased tremendously in the last 5 years, as demonstrated by the next exhibit showing the source and amount of U.S. crude oil imports from 1954 through 1958:

Source of U.S. crude-oil imports

[Thousands of barrels per day]

Year	Canada	Venezuela	Other Western Hemisphere countries	Total Western Hemisphere imports	Eastern Hemisphere countries	Total
1954	7	352	47	406	251	656
1955	46	386	43	475	307	782
1956	117	456	42	615	319	934
1957	151	531	35	717	304	1,022
1958	84	433	29	546	407	953

Most industries which face stiff foreign competition have the protection of tariffs. On goods which are protected, excluding oil, the average tariff is almost 15 percent ad valorem, compared to a tariff of approximately 3 percent in the case of oil.

In almost every case where imports of a product exceed the exports of that product there is a program to protect our domestic industry. Two examples of this are sugar and wool. The level of American production of these products is sustained by acts of Congress.

In 1958, our exports totaled $17.9 billion, and our imports totaled $12.8 billion. In 1957 our exports were valued at $20.8 billion, while imports were valued at $12.8 billion. Our imports have been roughly equal to two-thirds of our exports. Only half of the goods we import compete directly with American goods. Only about $6.5 billion of our annual imports are competitive.

Thus we see that the average ratio of exports to all competitive imports for the last 2 years is approximately 3 to 1. Our exports are three times as large as our imports for American industry as a whole.

Compare this favorable ratio to the situation which exists in the oil industry, where we import over five times as much as we export. Is it not then apparent that the oil industry is already absorbing at least several times more than its fair share of the burden of foreign trade?

What other American industry and its workers would be willing to give 20 percent of their market to foreign imports, and lower their tariff to 3 percent,

without the prospect of some sort of protection?

I should like to put my friends on notice that if their attitude concerning protection for an industry, which is so vital to our national security, is one of unrestricted free trade, we may require that they live by the same standards they set for us.

It should be emphasized that under the provisions of the defense amendment, the President has the power to raise as well as lower the import quotas. It is not a one way street. If any of the fears expressed by opponents of the program materialize, the President has the authority to increase the quota.

DOMESTIC PRODUCTION WILL PROTECT THE CONSUMER

Many fallacious arguments have been used in attacking the President's long-overdue action to regulate oil imports. It has been stated that the President's order is a major contribution to inflation.

The record of the oil producing industry refutes this statement. The domestic petroleum producing industry has been one of the least inflationary industries in the United States. Since December of 1947, crude oil prices have been adjusted upward in only two instances, once in June 1953 and again in January 1957. Both increases were nominal and insufficent to offset increasing costs. Since the last increase, prices have been eroded away until today in many of the oil producing areas of the United States the price is below what it was before January 1957.

In the latest 16 months, studies made by the Oil and Gas Journal indicate that oil producers have lost $807,718 a day in income through crude price cuts, involving 5,487,200 barrels a day. During this time some crudes have sustained two price cuts.

Mr. President, the following table shows cuts in the price of crude oil, the amount of crude affected, and the total daily dollar loss to producers:

	Barrels per day	Amount of cut (cents)	Total loss
October 1957 to April 1958	1,945,000	13.1	$250,000
May to October 1958	2,260,470	20.51	463,000
November 1958 to mid-January 1959	1,282,050	8.75	112,188

Mr. President, a few upward adjustments were made in this period which added $17,470 to producers' income.

Since 1947, this industry has absorbed more than 11 general increases in the price of steel, which it uses by the millions of tons every year. Industry wage rates have increased on 10 occasions, and there have been increases in the price of all of its equipment from drill pipe to oilfield machinery.

We often hear complaints about the high price of gasoline at the service station. Yet today we pay only 2 percent more for gasoline—less taxes—than we did in 1926. It is true that since 1926 the tax on gasoline has increased 270 percent. The 2-percent increase in the price of gasoline is in contrast to a 63-percent increase in the consumer price index for all commodities during the same period. Nor does it take into account the tremendous improvement in the quality of the gasoline.

This history of the petroleum industry is persuasive argument that the consumers of this Nation will not be the victims of unreasonable price increases because of a very modest restriction placed upon the importation of foreign oil.

It would be well to keep in mind that imports had been steadily increasing until the President's order went into effect and inflation had increased tremendously during this period.

It has been mentioned in the Senate that New England has experienced an increase of about 2 cents per gallon in the price of fuel oil within the last few months. It was said that this was the result of the voluntary controls over the importation of oil.

In view of the fact that imports continued to increase until March 10, it is difficult to see how this raised the price of fuel oil. It is probable that the increase in fuel oil prices was due to the increase in transportation costs.

The increase in tank-wagon prices in four Midwestern States has been criticized. Let me say that a one-half cent per gallon increase is hardly worth commenting on in this regard. There are frequent price fluctuations in tank-wagon prices throughout the United States at all times. If there were not this price difference, it is likely that someone would contend that there was an industry monopoly and that the industry was not subject to competitive conditions.

Oddly enough, the price increase of the Standard Oil Co. of Indiana was that which was referred to. I should like to point out that this is one of the major oil importing companies which was not in favor of the mandatory program. When it was pointed out in the Senate that "these oil interests could not wait for the ink to get dry on the President's proclamation before they started raising prices," it might be said that, inasmuch as Standard Oil of Indiana was opposed to the mandatory program, they could have raised prices in order to discredit the program and make it appear as if it were responsible for what was actually a long-contemplated price increase.

The independents and other domestic producers would want this program to be popular, while the large importers might well want the program to be unpopular.

When critics of this program referred to the problem of increased unemployment, they could not be referring to the tens of thousands of oil field workers who will be put back to work, as a result of the President's program. As a matter of fact, a tabulation and estimate the junior Senator from Louisiana had made as to the effect of increased imports in Louisiana indicates that in Louisiana alone, which is not the largest producing State by any means, unemployment increased about 25,000 because of increased oil imports.

The increased production from domestic wells, which has long been producing at uneconomically low daily allowables, should help to hold down the price of oil.

Foreign imports do not tend to lower the price of oil—they merely lower American production. This is true because the importers own most of the refinery capacity. The more they import the less domestic oil they buy. The less they buy, the less oil the independents can produce, once the above-ground storage has been fully utilized. At this point, State programs prorate production to prevent waste and to permit to each producer his share of daily allowables.

It is unsound from the consumer's economic standpoint to become dependent upon foreign oil. Even if foreign sources were not susceptible to the whims of dictators and unstable governments, it should be remembered that foreign oil production is controlled by a handful of international oil combines. In contrast, the domestic petroleum industry consists of thousands of individuals, partnerships, and companies engaged in the production of petroleum. In view of these facts, is it better for the consumers of this Nation to be at the mercy of a few international oil companies? Or is it better that they rely upon thousands of producers in this country? The answer is obvious. The President's order, by preserving competition, will better protect the consumer.

The capacity of American producers is over 10 million barrels per day. They have been permitted to produce only 7,100,000 barrels per day.

DANGER OF UNDESIRABLE CONTROL OF INDUSTRY

The objection has been raised that the order of March 10 leads straight down the road to greater bureaucratic control over U.S. industry.

This supposition is completely fallacious. Since the first days of our Constitution, the Federal Government has regulated foreign commerce. This exercise of constitutional authority need not, and, in fact, it cannot legally lead to controls of prices and wages of domestic industries.

As I have mentioned previously, the action of the President to limit oil imports is under specific provisions of law wherein the Congress has delegated responsibility to the President. The law, commonly referred to as the national security amendment, was first enacted as section 7 of the Trade Agreements Extension Act of 1957. It was further amended and clarified last year in section 8 of the Trade Agreements Extension Act of 1958. This law gives the President authority to limit imports in the interest of national security. The law gives the President absolutely no authority to control prices, wages or any aspect of a domestic industry. To attempt to do so would be outside the law. It is fantasy to speculate that this law authorizes broadside Government controls of industry operations. Any attempt to so extend it certainly would fail for lack of legal basis.

Some Members of this body seem to abhor the thought of the Federal Government exercising its constitutional right and responsibility to control foreign commerce. The fact is that until recently the few international oil companies which control most of the foreign oil production have been controlling oil imports to their own liking.

For almost 4 years, the executive branch has been endeavoring to persuade these importing companies to limit their imports. These pleas and efforts for voluntary restriction have been flagrantly disregarded by importing companies with the result that imports have jumped to unprecedented levels.

CHARGE OF DISCRIMINATION UNFOUNDED

It has been charged that the President's program is discriminatory against regions of the United States without indigenous fuel supplies. This charge is likewise without foundation.

The President's order will not result in a drastic cutback in imports. It, in fact, will permit petroleum imports at a very substantial rate. Prior to World War II, total petroleum imported into the United States amounted to about 5 percent of domestic production. Following World War II, during the period 1946 to 1950, imports increased rapidly, averaging about 10 percent of domestic production. During the period 1951 to 1955, imports increased further, averaging about 16 percent of domestic production. The new oil import order will permit imports to continue at a rate equivalent to a rate of approximately 20 percent of domestic production. Certainly this cannot be criticized as a drastic cutback. It is, in fact, a most reasonable limitation.

It is true that the order constitutes a cutback from the rate of imports during the past 3 years. For example, during 1958 total imports amounted to 25 percent of domestic production. But it became obvious that such high rates of imports were crippling the domestic industry and causing a serious decline in the exploratory and development efforts of the domestic industry. No one has sought to eliminate all petroleum imports.

The President's Special Cabinet Committee To Investigate Crude Oil Imports carefully considered this aspect of the problem. In its 1957 report, it had this to say:

Domestic consumers are utilizing an increasing amount of petroleum products for transportation, fuel, heating, and many other aspects of consumer life. In the event of a national emergency, it is essential to these consumers that there be adequate supplies at reasonable cost, both now and in the future. The low cost of imported oil is attractive, but excessive reliance upon it in the short run may put the Nation in a long-term vulnerable position. Imported supplies could be cut off in an emergency and might well be diminished by events beyond our control. This vulnerability could easily result in a much higher cost, or even in the unavailability, of oil to consumers. It is therefore believed that the best interests of domestic consumers, as well as of national security, will be served if a reasonable balance is maintained between domestic and foreign supplies.

During recent months the Government of Venezuela has taken action to increase the taxes imposed upon American companies operating there. This action further illustrates the instability of foreign oil from a consumer standpoint.

As consumers, the more we become dependent on any foreign source, the more we are at their mercy with respect to the price we are forced to pay. Once we become dependent upon foreign sources, we will have no choice but to pay whatever price is asked. The slight savings we might temporarily enjoy could prove very expensive a few years from now.

CANADA IS TREATED FAIRLY

The mandatory oil import program has been criticized on the grounds that it would complicate our relations with Canada. Let us weigh the impact of the program upon our northern neighbor before we jump to that totally unwarranted conclusion. It is important to realize several facts:

First, oil as such is a minute particle of our overall trade with Canada.

Second, the mandatory program makes generous allowances for Canadian oil imports.

Third, the importing companies in the Pacific Northwest have not been filling their allocations under the voluntary program with Canadian oil, not because of any U.S. Government restrictions, but because these importers found a cheaper source of supply, namely the Eastern Hemisphere.

As to oil in the overall Canadian trade picture, it should be noted that in 1958 petroleum accounted for only 2.4 percent of the total U.S. exports to Canada and only 3 percent of the total U.S. imports from Canada.

In 1958 the United States exported $3,400 million worth of goods to Canada. Petroleum accounted for $82 million of that total. We imported $2,600 million in goods from Canada, of which $78 million was in petroleum. The following table presents these figures:

Canadian-American trade, 1958

	Total exports	Petroleum exports	Percent of total
	Millions	*Millions*	
Canada to United States	$2,600	$78	3.0
United States to Canada	3,400	82	2.4

This chart illustrates the obvious fact that Canada finds it economical to ship oil to us in the west and we find it economical to ship oil to Canada in the east.

The mandatory program makes allowances for refineries in the north central portion of the United States, which have easiest access to Canadian oil. It provides that imports of these refiners will not be within the program. Thus, they will be allowed to import without restrictions whatever they need in the way of imports from Canada.

During the past year when the voluntary program was in effect, importers in the U.S. Pacific Northwest, who historically have purchased Canadian crude oil, began to turn more and more to the cheaper crudes of the Eastern Hemisphere.

The voluntary program did not establish the source of imports, nor does the present mandatory program. If importers wish to purchase all their imports from Canada, there is nothing in the program to rule otherwise.

But let us face the facts. By and large, American importers do not want oil from Canada. In 1957, imports into the west coast from Canada totaled 95,000 barrels daily. In 1958, this total dropped to 25,000 barrels daily despite the fact the Government's crude oil allocation was more than 75,000 barrels daily for companies in that area who normally imported from Canada.

In the last quarter of 1958, imports from Canada into the west coast totaled only 11,000 barrels daily, some 65,000 barrels below the daily allocation. This decline took place despite the fact that two of the importing companies in the area have pipelines from Canada to their refinery gates.

This record shows that the President's program does not discriminate against Canada. If there is, or has been, discrimination, it has been at the hands of the importing companies, not the U.S. Government.

In addition, let us examine Canada's own record. In 1954, Canada imported 95,000 barrels daily from the United States. In 1957, this declined to 80,000 barrels daily. In contrast, during this same period, imports into Canada from the Middle East and Venezuela increased from 218,000 barrels daily in 1954 to 320,000 barrels daily in 1957. As a result, about 45 percent of Canadian consumption is being supplied by Middle East and Venezuelan oil. Canada imports large quantities of low-cost Middle East and Venezuelan oil, rather than U.S. oil, to meet her large eastern markets, and, at the same time, takes the position that she has an established right to export her own production into the United States.

It might be well to take a look at our trade experience with Canada during the Korean conflict. In 1950, we imported 108,000 tons of lead pigs and bars from Canada. On January 26, 1951, our Government felt it necessary to impose price controls upon lead and other nonferrous metals. This immediately caused Canadian producers to divert their lead to other markets where they could obtain a higher price. Our lead imports from Canada were cut almost in half. In 1951, they dropped to 57,000 tons. In spite of our great need for lead during the Korean conflict, the incentive to sell to other markets was too great for our Canadian neighbors to refuse.

This is not to condemn our good neighbors but merely to point out that a fair minded Canadian has no basis to criticize an order which protects American interests in a moderate way without discriminating against Canada.

VENEZUELA UNDERSTANDS

The fear has been expressed that this program would damage our relations

with Venezuela. It would appear that Americans are more worried about this than the Venezuelans. Their Minister of Mines and Hydrocarbons, Sr. Juan Pable Perez Alfonzo, has stated that he does not regard the new U.S. mandatory imports control plan as a substantial change in the situation. Sr. Alfonzo said:

> Obligatory restrictions in the United States do not modify substantially the existing situation of the oil industry in this nation.
>
> For some time now, voluntary restrictions have shown the way toward stability of markets and prices. It is this stability that we are interested in.
>
> Venezuela, like the United States, wants to avoid upsetting the oil industry either here or there through undue market competition.

It must be remembered that there has been a fantastic increase in the importation of oil from Venezuela in the last 10 years. No other nation than the United States, capable of producing all the oil it needs, would consider allowing as much oil to come into the country. No other nation would have been so self-effacing.

The Venezuelans are certainly intelligent enough to recognize their good fortune in obtaining a large share of the American market.

Our prime purpose in economic assistance to friends and allies should be to help other nations to provide their own requirements rather than to displace American workers.

Our good-neighbor policy of allowing excessively large imports has benefited more than anyone else, the large oil companies. A country such as Argentina, which has its own nationalized oil industry will find little opportunity to sell oil in the United States. The large integrated companies who own the tankers and the refineries are not interested in buying oil from other sources. They will not ship it and they will not be anxious to refine it. They can make more money producing their own oil overseas.

Mr. President, I have felt compelled to go into considerable detail to produce the facts and figures to put to rest a great number of uninformed charges and statements which have been cast about this Chamber and that of the House of Representatives in rather willy-nilly fashion. Their statements do credit to the extremities of their imagination. Practically none of these statements had any documentation whatever. I regret to say that a number of them exposed an abysmal lack of information concerning even the most elementary aspects of the petroleum industry. A great number of them would appear to rely upon the popular misconception that the domestic petroleum producer is a powerful, vested, special interest, gaining special advantages to which he is not entitled.

Herblock, the great cartoonist for the Washington Post, usually pictures the typical oil man as fat and prosperous and a cigar smoker. This picture, while extremely exaggerated, should be confined strictly to the importer. The typical domestic producer who is not in a position to operate overseas, could more accurately be pictured in khaki work clothes. Most of our small independent producers work hard for no more than the equivalent of a decent wage, and many go broke. A few lucky and skillful ones strike it rich, but that percentage is extremely small.

At a later date, I expect to present more information to clear up the false public impression about the financial status of the independent oil producers. It will be shown that earnings for the domestic industry as a whole are about the same as for manufacturing generally.

THE FOREIGN TAX CREDIT

It is the billion-dollar American oil companies which are reaping the benefits from foreign oil imports. These large corporations are benefited by a tax advantage which makes the percentage depletion allowance appear very small by comparison.

The operation of the foreign tax credit has caused the large oil companies to pay practically no tax whatever on their fantastic profits from foreign oil. As I have attempted to explain to a number of my friends, any reduction in percentage depletion for oil would not bring additional revenue to the U.S. Government from the enormous income from foreign oil, because it would only result in Venezuela, Saudi Arabia, Iraq, Kuwait, and Indonesia increasing their tax on American oil companies to claim for their treasuries that which would otherwise escape their taxation to the benefit of Uncle Sam.

Anyone who cared to enlighten himself on the manner in which this foreign tax credit has been used to deny revenue to our Government could satisfy himself in short order by reading the report drafted by the Joint Committee on Internal Revenue Taxation and made available to the Senate Committee on Finance. The report explains how this type of tax avoidance was used by Arabian American Oil Co. in pursuance of policies of the Government of Saudi Arabia.

INFERENCES OF CORRUPTION

I notice that the junior Senator from Wisconsin [Mr. PROXMIRE] told the Senate yesterday:

> The oil industry has won a position of corrupting power and influence in our Federal Government.

Mr. President, that statement sounds extremely like some of those which I have heard made by a previous junior Senator from Wisconsin. I hope very much he will produce his evidence that the smaller and independent domestic producers have corrupted the Congress which passed a law compelling the President to take action or that they corrupted the President who acted, well knowing that it was his duty. If the junior Senator from Wisconsin knows of unexposed corruption in Government, it is certainly his duty to bring forth his evidence.

During my 10 years of service in the Senate, it has been my duty to vote upon a number of trade bills and a number of amendments affecting the petroleum industry when such amendments were offered to trade bills. In some years when oil imports were at a lower level, I have voted on the side of the major companies. In recent years, when oil imports began to threaten the domestic industry, I have felt it my duty to vote and fight to control foreign imports.

It has always been my feeling that both the large corporations and the small producers were entitled to be heard by the junior Senator from Louisiana. Both sides have very large investments in the State which sent me to the Senate. I am prepared to testify under oath that there hasn't ever been a single instance in 10 years during which the representatives of oil producers, either large or small, be they foreign producers or domestic companies, have made any offer to reward or threat of reprisal with regard to any position that I have taken or proposed to take concerning their interest. The junior Senator from Louisiana is certainly not one who owes his election to the influence of the oil companies. They were almost unanimous in their opposition to me—I mean both the independent and the major oil producers—when I was elected to the Senate in 1948, in large measure because I had strongly favored a very heavy increase in severance tax on oil at the State level. If I had known them to be less than honorable, I would not state to the contrary.

I believe I have shown that the President's order will help to preserve a domestic petroleum industry. In preserving the thousands of small independent producers, the President's order will assure vigorous competition by many thousands of competitors. Such competition is necessary if the consumer is to be protected from monopolistic pricing.

I believe I have demonstrated that the President's order has not and will not disturb our friendly relations with our neighbors or our friends throughout the world.

Quite the contrary, it will assure our ability to go to the aid of at least a dozen of our important friends and allies throughout the world in the event that everyone else fails them.

I believe I have demonstrated that the petroleum industry has accepted a rate of competitive imports compared to exports many times beyond the contribution of other American industries.

Above all, I believe I have demonstrated that the logic of the report of the President's Special Committee to study this matter is inescapable, and that the security of this Nation requires that we maintain a domestic petroleum industry adequate to serve this Nation in times of crisis.

Those who have experienced the cold winter months of World War II when fuel was strictly rationed and those who stand ever ready to make great sacrifices if need be in time of peace as well as in time of war, would never want this Nation to be at the mercy of uncertain and

undependable sources of fuel during wartime or during national emergencies.

It is for this final reason that I am satisfied that all thoughtful Americans who take the trouble to acquaint themselves with the problem will hail the President's order as a desirable one, required by act of Congress and required by his duty to preserve this Nation.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CARLSON. I would feel remiss as a Member of the Senate if I did not express my appreciation of the excellent and timely statement which has been made by the distinguished junior Senator from Louisiana concerning the domestic oil problems.

Not only was it an excellent statement; it was a statement which should have been made at a time closely following upon the President's Executive order with respect to the mandatory control of oil imports.

I appreciate, too, the distinguished Senator's support of the President's position on setting mandatory quotas for the importation of oil. I think it is in the interest of the national economy and certainly in the interest of national defense.

It is a pleasure to serve with the distinguished junior Senator from Louisiana on the Committee on Finance. I have worked with him on many occasions on the subject of oil. It will be a pleasure to continue to do so.

Mr. LONG. I thank the Senator from Kansas.

During the delivery of Mr. LONG's remarks, at point where he referred to the defense amendment of the Trade Agreements Act,

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Kansas.

Mr. CARLSON. I hesitate to interrupt, because the distinguished Senator from Louisiana is making an excellent statement on the legislative history of the amendment he has been discussing, which was adopted not only by the House Ways and Means Committee but rewritten somewhat by the Senate Finance Committee in a manner which, as members of the committee, we thought, strengthened it. I am positive the statement the Senator from Louisiana has just made is a statement of the legislative intent, at least, of the Senate Committee on Finance when it approved the amendment.

Mr. LONG. There is not the slightest doubt about it. The discussions on the floor of the House of Representatives made this clear. I know the Senate Finance Committee held executive sessions during which this subject was very thoroughly explored. The Senator from Kansas, who is a member of that committee, well recalls the situation. It was discussed and explained in the committee report.

As I shall explain, the junior Senator from Louisiana had an amendment designed to make it a firm mandatory legislative requirement that the President do what he has done. The amendment was not offered because the defense amendment in the bill was intended to take care of that situation. I believe the distinguished Senator from Kansas was one of those who encouraged the junior Senator from Louisiana not to offer his amendment on the floor of the Senate because the defense amendment had exactly the same purpose which the junior Senator from Louisiana had in mind when he offered his proposal to make it absolutely mandatory on the President, without discretion, that such a program be put into effect.

Mr. CARLSON. Mr. President, will the Senator further yield?

Mr. LONG. I yield.

Mr. CARLSON. In order that the RECORD may be clear—and I think it is important that we do make it clear—the Senator from Louisiana has stated what I believe to be the exact situation as it developed in the discussions in the Senate Finance Committee on the amendment dealing with the oil industry.

As a member of the committee, I urged the Senator from Louisiana not to press his amendment for the reason that I thought the amendment approved by the committee would take care of the situation.

I have been one Member of the Senate and of the Finance Committee who hoped that we could have a voluntary program, and that it would work. Not being able to have the situation taken care of by voluntary action on the part of the oil companies, I felt that the President should have the authority to act. I favor that program for the reason that, once we enact legislation which makes it mandatory to limit quotas, or write them into law, it is difficult to adopt changes. There might be times when changes are needed.

Under executive direction the President can follow through with the program. He has established mandatory quotas. If it is found that they need to be changed, he is in a position to change them.

I hope this program will work satisfactorily, and that the oil industry will give the President's order regulating oil imports at least a fair trial.

Mr. LONG. I thank the Senator. There is no doubt, however, in line with the Senator's remarks, that this amendment, and the action the President has taken under it, represent that for which Senators voted who have been known to criticize the order. They voted for exactly this; and those of us on the committee made every effort to explain that this sort of situation was what we were voting for when we voted for the amendment to the Trade Agreement Act last year.

During the delivery of Mr. LONG's speech, when he referred to the conclusion reached by the Special Cabinet Committee,

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. CARLSON. The Senator from Louisiana has stressed the importance of a program of continuous exploration and development in order to keep current the reserves we much have in order to make oil available for domestic use. I have some figures which I think should be made a part of the RECORD, and which show what happened with respect to the development of and exploration for oil in the year 1958.

The number of rotary rigs which were active in the drilling industry were down 20.7 percent, or about one-fifth. They were idle because of the importation of oil.

Second, there was 18.2 percent less wildcat well drilling. The Senator from Louisiana, I know, will agree with me that it is the wildcats who find the oil.

Mr. LONG. Most of the wildcat wells are drilled by the small independent operators. Certainly 80 percent of the discoveries of oil have been made by the small independent operators who take risks which, in many cases, the large companies have felt to be unwarranted. Thus it has been the small independent operators who have found more domestic oil than the large operators.

Mr. CARLSON. The older major oil producers reap the benefits of the wildcat operations of the small companies having limited capital.

The number of active exploratory crews, which are, after all, the oil field workers, were down 12 percent.

The total footage drilled was down 9.9 percent.

The total number of wells drilled was down 8.5 percent in 1958.

The number of development wells drilled was down 5.8 percent.

I think those figures prove that the oil industry, as a result of the excessive importation of oil, which has reached as high as 2 million barrels a day, is being seriously impaired. As a result, the economic effect on the communities and States where oil is found certainly is not conducive to the strengthening of our national defense.

Mr. LONG. I thank the Senator from Kansas.

During the delivery of Mr. LONG's speech,

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. O'MAHONEY. I have listened with rapt attention to the remarks of the Senator today. I thank him for the diligence which he has applied to the accumulation of the facts he has set forth.

The truth is, as he says, that the position of the domestic petroleum industry is not at all recognized by the people of the United States.

Nor is there any recognition given to the extent to which our Government has actually subsidized the American companies which are producing oil in foreign nations to compete with the production of domestic oil in the United States.

I believe the Senator will agree that I do not go too far when I say that the huge imports of petroleum and petroleum products to which the Senator has

referred have to a large extent been stimulated by tax exemptions which our Government has given to the investment of private capital in foreign countries in the production of oil.

Mr. LONG. The Senator is entirely correct in his statement. He is familiar with what happened when the Arabian-American Oil Company was called before his committee recently to explain why it had paid no taxes to the U.S. Government on an annual profit which I would estimate to be around $500 million a year in Saudi Arabia alone.

Mr. O'MAHONEY. As I recall the figure, Aramco was paying nothing in taxes to the United States on its huge profit and was paying $189 million to Saudi Arabia.

Mr. LONG. As the Senator so well knows, those who talk about reducing the depletion allowance in this country would get no revenue from foreign oil production for our Government if that were done. It would result in Saudi Arabia using the tax to increase the amount of foreign tax credit.

Mr. O'MAHONEY. Is it not a fact that it is a subsidy for the Government to allow a 27½ percent depletion allowance on the production of oils in Saudi Arabia, Venezuela, and other countries?

Mr. LONG. Yes. Those companies get the same benefits that the companies in America get, but they get the additional advantage that the royalties which they pay to the foreign government has been classified as a tax.

All the royalties paid to the foreign government, as well as the taxes paid to it, are given a tax credit status against what the companies would otherwise pay to the United States Treasury. The State of Louisiana has a severance tax of about 24 cents a barrel. In addition, the companies must pay income taxes to the State and royalties to the private owner of the land, or to the State if the land is State owned. These taxes, plus royalties, amount to about 80 cents a barrel. That is considered a deduction. It is considered as any other expense for tax purposes. In Saudi Arabia that amount is considered a credit worth 100 cents on the dollar, as compared with a deduction in this country which is worth 52 cents on the dollar against corporate income tax liability.

Mr. O'MAHONEY. I should like to ask another question of the Senator, in order to get the matter on the record in the simplest possible terms. Is there any possible excuse for the Government of the United States to pursue a tax protecting policy on the production of oil products in foreign countries by American corporations in order to help them compete against American production in the United States?

Mr. LONG. I can see no reason why this country should subsidize low-cost production of oil in foreign countries, which can only help to drive out the domestic producer. If the cost of the foreign producer were greater than the cost of the American producer, I could perhaps see some logic for the subsidy.

Mr. O'MAHONEY. Is it not a fact that in addition to the 27½ percent depletion allowance for the production of oil in foreign countries, our giant petroleum companies are allowed to operate under a Western Hemisphere tax forgiveness policy which does not apply to companies producing only in the United States? For example, the exploration subsidy applies to American capital working in Venezuela to produce petroleum there, but it does not work to the benefit of the American company drilling for oil in Louisiana or Wyoming or Texas, or in any of the oil bearing States of the Nation. Is that not a fact?

Mr. LONG. The fact is, as the Senator so well knows, the companies producing foreign oil—and these are the giant corporations—have the same tax advantage which the independent producer in this country has, plus the enormous advantage of the foreign tax credit, which is worth more than the deduction in this country is worth. Thus the foreign companies get a credit which is worth twice as much as the deduction in this country.

Mr. O'MAHONEY. The Senator is a member of the Committee on Finance. I should like to ask him whether there is any possibility of the Committee on Finance going into the records of the Internal Revenue Service so as to set forth the plain facts of what the foreign tax credit amounts to.

Mr. LONG. There is a report before the committee, which has not yet been released, on the situation in Saudi Arabia. I know that a number of the members of the committee have been very much troubled about the situation. It seems to me that there is a possibility of the matter being looked into. The Treasury is concerned about the fact that here are companies making more than a billion dollars in profit a year on which they are paying virtually no taxes.

Mr. O'MAHONEY. During the hearings of the Antitrust and Monopoly Subcommittee, dealing with the international oil situation, when the Suez Canal was closed for a time, at a hearing at which I presided, I was so impressed by the testimony dealing with the exemptions given to Aramco that I wrote a letter to the chairman of the Committee on Finance asking him to have the Joint Committee on Internal Revenue Taxation go into the facts, because the concessions which have been granted by Saudi Arabia exempt the company from obligations which otherwise are levied upon the American companies.

I happen to have a copy of the letter in my hand, and I should like to read this paragraph:

The concession—

That is the concession to Aramco from Saudi Arabia—

states that Aramco shall be exempt from all direct and indirect taxes, imposts, charges, fees, and duties. Thus the Treasury might have decided that the 50 percent income tax law in Saudi Arabi was not the result of action by a sovereign power, but a move decided by Aramco to shift increased royalty to the U.S. Treasury.

This is something which the country does not at all understand.

Mr. LONG. I am not sure whether the report makes it clear exactly how that result occurred, although it has always been my suspicion that what occurred was that the ruler of Saudi Arabia was demanding more money from the oil companies and that some of them simply pointed out that if he ceased to call these large royalties by their name and instead, called them taxes, they would have tremendous tax savings from the United States Government which they would be happy to remit to the Government of Saudi Arabia. That is probably what actually happened, although the report does not quite say so.

I believe there is a great deal of precedent for this being done. It is not unprecedented and it is not illegal, and I do not accuse the company of taking any advantage. I criticize Congress for not having done something about it.

Mr. O'MAHONEY. Years ago—I forget in which year the decision was rendered—a great Supreme Court Justice from the State of Louisiana, Chief Justice White, pronounced the decision against the Standard Oil Co. of New Jersey by which that company was obliged to split into its original units, or some of those units. In other words, Standard Oil Co. of New Jersey was found to be a concentrated group of producers in the petroleum industry working in violation of the Sherman Act. So it was compelled to split up. The owners of Aramco include three of the original units——

Mr. LONG. Plus two other major companies.

Mr. O'MAHONEY. Aramco was established by Standard Oil Co. of California and Texas Co., as I recall. It became such a profitable enterprise that Standard Oil Co. of New Jersey and Socony-Vacuum insisted upon buying into it and were able to do so.

Under the concession, Aramco may produce its oil in Saudi Arabia, but it may not refine the oil. It sells its crude oil to the owning companies. So Standard of New Jersey, Standard of California, and Socony-Vacuum buy a substantial portion—the majority—of all the oil produced in Saudi Arabia.

Now the Government of Saudi Arabia, I am informed, wants to make Aramco an integrated corporation, so that Saudi Arabia will gain more tax revenue from the production, refining, transportation, and sale of its natural resource.

While all this is going on to the advantage of foreign governments and to the advantage of the American companies operating in Saudi Arabia, those same companies are operating in a competitive way against the independent producers of the United States, upon whom the oil workers of the United States and many of the States such as Louisiana, Wyoming, and Texas, depend for their earnings and tax revenue.

The United States is pursuing a tax policy which reduces the receipts of its own National Treasury while it injures the domestic petroleum industry.

I am happy, indeed, that the junior Senator from Louisiana, who is an effec-

tive member of the Committee on Finance, has given so much of his time and attention to this matter and has made it a part of the Senate RECORD in the admirable address which he is delivering this morning. I thank him very much for what he is doing.

Mr. LONG. I am extremely grateful to the senior Senator from Wyoming, who is a master of the particular subject which I am attempting to discuss today. He has been in the Senate a great many years. Much of my understanding of the petroleum industry relates to my service under his leadership on the Committee on Interior and Insular Affairs when I first came to the Senate. He arranged a considerable number of hearings, during which were explored the availability of fuel in the United States to meet present and future needs. I believe the documents prepared for his committee at that time, by his staff and by the Senator himself, comprise some of the best and most thorough information available anywhere on the subject.

Mr. O'MAHONEY. The Senator from Louisiana is very kind.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MONRONEY. I compliment the distinguished junior Senator from Louisiana for a very thorough, thought-provoking discussion of the effect of oil imports on domestic production and the necessity in the future of having a sufficient domestic oil supply for emergencies. He has discussed the situation with great ability and understanding.

I think few persons realize the magnitude of the tax exemptions, which permit huge writeoffs and practically complete tax exemption, on a barrel of oil which is imported from the Middle East. This is due, as he said, and as the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] has said, to the tax device which grew out of the original 50–50 working interest. It amounts actually not only to a tax credit for the 50 percent now charged as taxes rather than as working interest, but also takes the 27½-percent depletion which would normally have been computed on half the production which belonged to a developing country. Instead, the total production is now included which magnifies the depletion to 54 percent, which is far too much.

In the case of some of the giants this results in a complete and total exemption from Federal income tax, as the distinguished senior Senator from Wyoming has proved in the hearings conducted by him, and as has been demonstrated by the Committee on Finance studies. This is indeed a contrast with the taxes a barrel of oil produced in this country must pay.

I think we must be realistic enough in the study of imports, duties, tariffs, and quotas to recognize that, because of American ingenuity in producing an automobile, producing packaged food, and producing many articles in which artistry and design and our machine tools play a part, we are given an opportunity to compete against lower prices in the world market. Those are industries, I believe, which are capable of being competitive, and in which import quotas or other special treatment are not necessary.

But there can be no difference in the quality or the standards of a barrel of oil. It is a certain grade whether it is produced in Venezuela, Saudi Arabia, Canada, Alaska, Texas, or any other part of the United States. If it meets a certain grade, it is an identical product. Therefore, there is no qualitative superiority of the American product. There is no advantage whatever in saying "this is a well known brand," because all oil of a given grade is the same.

But when a barrel of foreign oil reaches the Delaware River huge refineries which are being built today, it comes in without any tax, local, State, or Federal, except the present 5-cent a barrel import duty.

As the Senator was speaking I was evaluating the tax escapism on a barrel of foreign oil as compared with some of the taxes which must be paid by oil producers in my State. Most of them—perhaps 99 percent of them—are small or marginal producers, who live from day to day off the marketing of their oil. In my State, on every barrel of oil produced at the wellhead, the producer must pay a gross production tax, or a severance tax, as it is called in some States, of 5 percent. The producer must pay a social security tax, and that is as it should be. But it is an effective tax on the barrel of oil. He must pay an unemployment compensation tax. He must pay an ad valorem tax on his derricks and drilling machinery and on the tools, the tankage, and on everything else above ground. His tax on an ad valorem basis would amount to almost 20 percent of the value of the producing equipment.

He would pay the highway user's tax on the fuel which is used to operate his trucks. He must pay a 2-percent sales tax, on top of that, on everything he buys for use in necessary production. He must then pay a State income tax, which will amount to about 20 percent of the average gross.

All this adds up to the fact that there is a tax load which more than equals the total cost of the production of the barrel of oil in Saudi Arabia.

While American operators produce from sands which are from 5 to 10 feet thick, foreign operators produce from deposits thousands of feet thick. While domestic production can only be drilled every 40 to 60 acres, in order to protect the rights of the individual landholder, foreign wells are drilled on 10 square mile tracts.

On top of the local taxes, which support schools, highways, and the other necessary facilities, there is an extra tax, the 51 percent Federal corporation tax. Is not that correct?

Mr. LONG. Yes.

Mr. MONRONEY. So we reach a staggering disproportion in production costs. I believe this will be borne out by any cost study. At least $2.50, if not $2.65, of every $3 for which a barrel of oil is marketed in this country, represents the cost of production.

Yet the Middle Eastern oil, from the thick sands, with freedom from local taxes and everything else which would be a proper charge, arrives in the Delaware River at about 85 cents a barrel total production and delivery cost.

Yet when it flows in through the huge integrated companies, it is marketed at the rate of approximately $3 a barrel, for the crude oil. If they do not sell the crude oil directly, its production into refined products still gives them an asset value of approximately $3 on every 85-cent barrel of crude oil. I do not know how American oil, with a $2.50 or $2.65 production cost, could hope to compete against foreign oil with its tax-free benefits.

LEVYING AND COLLECTION OF TAXES AND ASSESSMENTS

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The hour of 12 o'clock has arrived; and the morning hour has expired.

The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 643) to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

MANDATORY CONTROL OF OIL IMPORTS

Mr. MONRONEY. Mr. President, will the Senator from Louisiana yield further to me?

Mr. LONG. I yield.

Mr. MONRONEY. Furthermore, people do not realize the effect of the import duty as it existed in the days prior to the Reciprocal Trade Act. I happened at that time to be a Member of the House of Representatives. There was a tax of 20 cents a barrel on oil. It was not an ad valorem tax. At that time oil was selling for $1 a barrel. So actually the ad valorem tax rate on the imported barrel of oil at that time was 20 percent.

I have supported reciprocal trade, and I intend to continue to do so. But first we authorized a reduction in the tariff rates of one-half—that was the first cut; and subsequent reductions have taken away another half of the residual amount, which on paper would appear to be 20 percent of the original ad valorem duty. But since it was based on barrels, that reduction has brought the tax down to 5 cents a barrel. In the meantime, oil has risen in price from $1 a barrel to $3 a barrel. So, instead of cutting the tax by 25 percent, in connection with the negotiation of reciprocal trade agreements we have reduced the 20 percent tax to 2 percent, because of the increase in the ad valorem tax per barrel and the increased cost per barrel.

So it seems to me that when anyone protests against certain activities which are necessary on the part of the Federal

Government in order to keep our domestic production alive and going and to free us from the dependence upon the wiles or the temperamental decisions of Mr. Nasser in connection with the Suez Canal, or from the effects of Russian absorption, by infiltration, of the Middle East oil producers; when arguments are advanced against necessary government action to protect to a minor degree—and, Mr. President, this import quota certainly is far less than what the Senator from Louisiana or the Senator from Wyoming had in mind when, in 1954 or 1955, we gave the President the right to protect the defense base by imposing quotas, and when some say this is a terrible blow to the users of petroleum, they are not looking at the facts, as the Senator from Louisiana has so well stated.

We cannot risk being charged $5 or $10 a barrel for oil—which would be the risk we would run if our producers were to fail to supply themselves with the funds necessary to have in order to be able to discover new fields, so as to have a healthy, going oil production industry in this country. It is insanity to think that America, which moves on wheels, should be negligent or unconcerned about the future of its petroleum industry.

I approve of imports; I think they are necessary, as a supplemental measure. But I think imports to the extent of 10 percent of our domestic market are sufficient.

However, I think that the Government now intends to allow imports to the extent of 15 percent of our domestic consumption, which constantly is rising. As our base increases, the allotments to foreign oil increase.

We are merely asking for the right of self-preservation of what I consider to be the most vital fuel for national defense; and I believe it can be assured only by having a petroleum industry which continues to make discoveries, continues to search for new sources of oil, and continues to develop new means of refining oil, because if oil discoveries and the production of oil in the United States end, then our sciences which are based on oil and have meant so much to us will die at the same time. Then the technicians in the oil industry—from the tool pushers to the roughnecks at the wells—will be out of work; and those occupations will soon become forgotten.

I thank the Senator from Louisiana for yielding to me; and I appreciate the depth of the debate here on the floor.

Mr. LONG. I thank the Senator from Oklahoma.

Of course, Mr. President, I have not stressed the point that many State governments are very much dependent, for the purposes of State government, upon the taxes they receive from the oil industry. I know that the great bulk of the funds for the education of the children in Louisiana—probably about 80 percent of the total—comes from the tax on the petroleum industry; and, as I have said, this tax, when paid to the State, as well as all the royalties which are paid to the State, is simply allowed as a deduction against income, when the producers pay their Federal taxes.

By way of contrast, as the Senator from Oklahoma well knows, and as he has so well pointed out, similar payments made to foreign governments receive just about twice the favor in respect to tax treatment. But when we try to explain all the complications in connection with how the foreign producers arrive at the conclusion that they do not owe the U.S. Government any tax on the foreign oil that is imported, the simplest way to explain the matter is to conclude that they do not owe the U.S. Government any taxes, and do not pay any.

Mr. McGEE. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. McGEE. I should like to join in the compliments which have been paid to the Senator from Louisiana for having contributed the information which has been made available to us today, and for the colloquy between my three colleagues, who know more about oil and the oil industry and its ramifications on the American scene, as well as on the international scene, than perhaps any other Members of this body who contribute to an understanding of the difficulties of this question.

I think the need for what my colleagues have done here today is exemplified by a simple suggestion: If one word, "oil," were to be removed from all the orders the President has issued in imposing mandatory quotas on oil and in connection with some of the charges which have been made, and if we were simply to discuss the question in terms of the other issues at stake, we would find a far greater reception for the significant national issues which must be resolved. In other words, because of ignorance or because of lack of information, there is almost a built-in reflex action on the part of many in America against oil.

In part, this attitude has been earned by the oil industry itself, or at least by a segment of the oil industry, because of misdeeds or extreme action. I suppose I shall be permitted to say this, because in the last campaign I received very little support from the oil industry. But I think it is necessary for us to keep the record straight. Whether the subject under consideration is foreign oil, uranium, or some other vital resource, we are concerned with this vital question because of the national interest; and the people must view it from the point of view of the national interest, instead of from the point of view of another excuse to whip some "favored boys" over the head at every opportunity. It would seem that that attitude is the reason for the difference between the public treatment and consideration of independent oil producers overseas and of those within our own borders. Certainly the latter must be fostered for the benefit of the people.

Mr. LONG. Mr. President, the Senator from Wyoming is entirely correct when he makes that statement. As a matter of fact, if the identical control had been imposed in order to preserve a domestic supply of milk or of bread, we would not have heard a word of criticism from those who have taken the floor to scream out against the preservation of our ability to provide our Nation with its own essential requirements of fuel.

As a matter of fact, just last year the Senate had before it a Sugar Act which was for the purpose of preserving our domestic sugar industry, which can produce about 50 percent of our domestic requirements of sugar. We estimate that in the event of war, our Nation would be in a position in which it would have to ration sugar, but that, somehow or other, it could get by with what was available, by using a certain amount of saccharin for sweetening, and so forth. We heard only two Senators complain about preserving our domestic sugar industry against low-cost foreign competitors.

But when the Congress and the President wish to preserve the independent oil producers, some persons wish to make a whipping boy out of the small, independent businessman, simply because he happens to be in the oil business; and, for some reason, such persons attempt to make the oil producer appear to be an unsavory character.

As a matter of fact, the larger producers, who in the past have had monopolistic tendencies, certainly must, because of their sins of the past, and perhaps because of sins of the present, take their share of the blame. In fact the misdeeds they have committed have certainly amounted to more than half of the mistakes which in the past or in the present have been committed by the industry. Yet they are the ones who are being favored by those who speak against the domestic oil industry. So far as the major companies are concerned, they would be happy if there were no program at all to control the importation of oil. Oddly enough, we see cartoons, such as those by Mr. Herb Block, picturing the little fellow being driven out of business as being the wealthy man, when actually it is the person driving him out who should be so pictured.

During the delivery of Mr. LONG's speech in reference to protection of the domestic oil industry,

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MANSFIELD. I desire to take this opportunity to commend and compliment the distinguished junior Senator from Louisiana, who speaks seldom on the floor of the Senate, but who, when he does speak, has something worthwhile to say and worthwhile to listen to. I am delighted he is taking this occasion to deliver a major address on a problem which affects all the oil-producing States of the Union. I want him to know I think he is performing a service. I am very much impressed with the well-thought out, carefully reasoned argument he is making today.

Mr. LONG. I am extremely grateful for the compliment from the acting majority leader, who is one of the great experts in this body on foreign relations and other subjects. Particularly because of the source of that compliment, I appreciate it. I believe he has sufficient knowledge of our problems in foreign relations to know what I am saying on the floor is consistent with our foreign policy.

Mr. MANSFIELD. The Senator from Louisiana is absolutely correct.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. YARBOROUGH. I should like to join the others of my colleagues who have commended the distinguished junior Senator from Louisiana for the great amount of care with which he has presented this statement to the Senate and to the Nation during the course of which he has analyzed so many facets of our domestic economy, particularly as they pertain to this energy resource, because, after all oil is energy for production.

In line with the comments made by the distinguished junior Senator from Montana, who has stated this problem is of vital interest to every oil-producing State, I wish to say it is of vital interest to every American State, and to the consumers, as well as the producers.

I wish to ask the Senator from Louisiana whether, in his research, he has found in European countries on the Mediterranean, such as Greece or Italy, which are very close to the rich oil sources in Saudi Arabia, any instance of the price of gasoline being as low to the consumer as it is in the United States.

Mr. LONG. I know of no such instance. As the Senator from Texas well knows, those who would like to place the argument of inflation before the consumers, insofar as the price of gasoline is concerned, have to rely upon the tax increases, because, so far as the producer is concerned, gasoline today reaches the consumer at a price of about 18 cents a gallon. It is the State, city, and Federal taxes which run the cost of gasoline up so high.

I do not mean to excuse the Congress. Congress has voted tax increases on gasoline while I have been a Member of this body. I have seen State legislatures, including the State of Louisiana, do so. When someone talks about gasoline prices, he ought to keep in mind two things: (a) that consumers in this country buy gasoline at a price cheaper than it is sold elsewhere, and (b) so far as the producer is concerned, he has raised the price only about 2 percent since 1926, as compared with a 63 percent increase in other prices.

Mr. YARBOROUGH. The price of gasoline in many countries is as high as 70, 80, and 90 cents a gallon, in spite of the fact that shipping charges are very low for the delivery of oil from Saudi Arabia, due to the fact that cartels control the prices. Is it not true that the main reason for the low price of gasoline in America, in comparison with the price charged in other nations, is the fact that there are independent oil producers in this country who constantly give competition to the big companies which import oil?

Mr. LONG. There can be no question about that. The big companies are in a position to have an international cartel. Many of the companies that ship oil would like to get every nickel they are able to obtain; but if it were not for the domestic petroleum producers with whom they compete, there is absolutely no way to judge what the price of gasoline would be. There would ge in effect such a situation that those who produce would completely control the quantity and the market, and charge almost any price they wanted to, and possibly they might be able to do it and remain outside the reach of our antitrust laws.

Mr. YARBOROUGH. In the colloquy which took place a moment ago between the distinguished junior Senator from Louisiana and the distinguished junior Senator from Oklahoma, it was developed that a great proportion of the cost per barrel of oil produced in this country goes to the cost of production, plus multiple taxes to local school districts and the States, and finally the Federal Government. Even with those taxes and with the high wages paid in America, it is the competitive position of the American producer that has made the price of gasoline as low as it is. Is that correct?

Mr. LONG. That is correct. If the Senate wants to protect the public and prevent prices to the consumer from rising, it ought to vote against increasing taxes. Years ago I voted against the conference report on a highway bill because someone insisted on tying a tax increase to the highway bill. I think it comes with poor grace to have one complain of the price increase in gasoline when it has resulted entirely from tax increases which Congress has voted, and in which State legislatures have joined.

Mr. YARBOROUGH. Mention was made of the foreign oil brought into Delaware Bay at a cost of about 65 cents a barrel. Does the Senator from Louisiana know of any reduced prices of gasoline in the State of Wisconsin that the companies have granted to consumers there because of the 65-cent a barrel oil which was imported?

Mr. LONG. None whatever; and they are not going to. The Senator very well knows that to be so. They are going to get every cent they can charge for the foreign oil when they bring it in. The fact that it is produced cheaper does not mean it is sold cheaper.

Mr. YARBOROUGH. That is why I stated this is a matter of vital concern to every consuming State, as well as to those States producing oil. The competition of the independent producer in America is what holds the price down.

Mr. LONG. Mr. President, the Senator knows very well that the whole American structure with respect to commerce is based upon the theory that competition will protect the public from undue pricing of any product, and the theory that the free flow of capital in an area where people can compete effectively will cause prices to come down to a reasonable level in any industry which is getting unreasonably high profits on the product being produced. That process has operated in the oil and gas industry to the benefit of consumers and it will continue to do so unless we permit a handful of major companies who are in a position to be a part of an international oil cartel to completely control the entire world market, including our own. If we want that result we can very well get it and imperil the national security, victimizing the consumer at the same time.

If the consumer is wise he is going to want the benefit of having more than 10,000 independent producers who today, as in the past, are trying to compete with these large major companies.

Mr. YARBOROUGH. The Senator has commented regarding some statements of the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] about the President's mandatory order. I think the order of the President was proper. I regret that the junior Senator from Wisconsin is not now present in the Chamber. If he were present I should like to ask him a question regarding the fast refrigerator tankers developed to bring in the Dutch and Danish milk, using the St. Lawrence Seaway, to deliver milk at lake ports. I wonder whether the Senator will be for free trade in milk as he is for free trade in oil now.

Mr. LONG. Mr. President, I have heard a number of speeches made on the floor on behalf of the dairy farmers of Wisconsin. I am not sure how many of the speeches were made by the junior Senator from Wisconsin [Mr. PROXMIRE], but the senior Senator from Wisconsin [Mr. WILEY] has educated me upon that subject year in and year out during the 10 years I have had the honor and pleasure of serving in the Senate. The senior Senator from Wisconsin has been extremely diligent in protecting the producers of blue cheese and of other cheeses produced in Wisconsin. I do not know precisely the connection with national defense, but I imagine the Senator could prove some connection if it were necessary to preserve that industry.

Mr. YARBOROUGH. I wish them well, because the prosperity of one State helps all the American people. I do not join in attacks upon one region or its products.

After all, if those who work on the drilling rigs in the Southwest are unemployed and walking the streets they will not be able to add to the demand for Wisconsin products.

Mr. LONG. The Senator is entirely correct.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BYRD of West Virginia. I join with my colleagues in complimenting the Senator from Louisiana for a very scholarly statement defending the Presidential order imposing mandatory controls on imports of crude oil, residual oil, and other derivatives of crude.

The Senator from Louisiana has spoken about the impact of unregulated, uncontrolled imports of oil upon the domestic oil industry, and he has related the problem to our national defense.

The Senator has also referred to the attacks which have been made upon the President's Executive order, and to statements which have been made that the imposition of controls will be inflationary.

The Senator has also very eloquently and ably spoken of the effect of the order upon our relations with other countries.

It is important that we devote a little thought to the effect of unregulated imports of residual oil upon the coal industry and the rail industry. I therefore ask unanimous consent to have printed in the RECORD a table which I have taken from a report of the Committee on Interior and Insular Affairs of the House of Representatives, 85th Congress. The committee report is entitled "Findings and Recommendations of the Special Subcommittee on Coal Research."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Growth of the bituminous-coal and lignite-mining industry in the United States, 1890–1955

Year	Production (net tons)	Value of production		Number of mines	Capacity at 280 days (million tons)	Men employed	Average number of days worked	Net tons per man—		Foreign trade [1]	
		Total	Average per ton					Per day	Per year	Exports (net tons)	Imports (net tons)
1890	111,302,322	$110,420,801	$0.99	[2]	137	192,204	226	2.56	579	1,272,396	1,047,416
1891	117,901,238	117,188,400	.99	[2]	148	205,803	223	2.57	573	1,651,694	1,181,677
1892	126,856,567	125,124,381	.99	[2]	162	212,893	219	2.72	596	1,904,556	1,491,800
1893	128,385,231	122,751,618	.96	[2]	174	230,365	204	2.73	557	1,986,383	1,234,499
1894	118,820,405	107,653,501	.91	[2]	196	244,603	171	2.84	486	2,439,720	1,286,268
1895	135,118,193	115,779,771	.86	2,555	196	239,962	194	2.90	563	2,659,987	1,411,323
1896	137,640,276	114,891,515	.83	2,599	202	244,171	192	2.94	564	2,515,838	1,393,095
1897	147,617,519	119,595,224	.81	2,454	213	247,817	196	3.04	596	2,670,157	1,442,534
1898	166,593,623	132,608,713	.80	2,862	221	255,717	211	3.09	651	3,004,304	1,426,108
1899	193,323,187	167,952,104	.87	3,245	230	271,027	234	3.05	713	3,897,994	1,409,838
1900	212,316,112	220,930,313	1.04	[2]	255	304,375	234	2.98	697	6,060,688	1,911,925
1901	225,828,149	236,422,049	1.05	[2]	281	340,235	225	2.94	664	6,455,085	2,214,507
1902	260,216,844	290,858,483	1.12	[2]	316	370,056	230	3.06	703	6,048,777	2,174,393
1903	282,749,348	351,687,933	1.24	[2]	350	415,777	225	3.02	680	5,835,561	4,043,519
1904	278,659,689	305,397,001	1.10	4,650	386	437,832	202	3.15	637	7,206,879	2,179,882
1905	315,062,785	334,658,294	1.06	5,060	417	460,629	211	3.24	684	7,512,723	1,704,810
1906	342,874,867	381,162,115	1.11	4,430	451	478,425	213	3.36	717	8,014,263	2,039,169
1907	394,759,112	451,214,842	1.14	4,550	473	513,258	234	3.29	769	9,869,812	1,892,653
1908	332,573,944	374,135,268	1.12	4,730	482	516,264	193	3.34	644	11,071,152	2,219,243
1909	379,744,257	405,486,777	1.07	5,775	510	543,152	209	3.34	699	10,101,131	1,375,201
1910	417,111,142	469,281,719	1.12	5,818	538	555,533	217	3.46	751	11,663,052	1,819,766
1911	405,907,059	451,375,819	1.11	5,887	538	549,775	211	3.50	738	13,259,791	1,972,555
1912	450,104,982	517,983,445	1.15	5,747	566	548,632	223	3.68	820	16,475,029	1,456,333
1913	478,435,297	565,234,952	1.18	5,776	577	571,882	232	3.61	837	18,013,073	1,767,656
1914	422,703,970	493,309,244	1.17	5,592	608	583,506	195	3.71	724	17,589,562	1,520,962
1915	442,624,426	502,037,688	1.13	5,502	610	557,456	203	3.91	794	18,776,640	1,703,785
1916	502,519,682	665,116,077	1.32	5,726	613	561,102	230	3.90	896	21,254,627	1,713,837
1917	551,790,563	1,249,272,837	2.26	6,939	636	603,143	243	3.77	915	23,839,558	1,448,453
1918	579,385,820	1,491,809,940	2.58	8,319	650	615,305	249	3.78	942	22,350,730	1,457,073
1919	465,860,058	1,160,616,013	2.49	8,994	669	621,998	195	3.84	749	20,113,536	1,011,550
1920	568,666,683	2,129,933,000	3.75	8,921	725	639,547	220	4.00	881	38,517,084	1,244,990
1921	415,921,950	1,199,983,600	2.89	8,038	781	663,754	149	4.20	627	23,131,166	1,257,589
1922	422,268,099	1,274,820,000	3.02	9,299	832	687,958	142	4.28	609	12,413,085	5,059,999
1923	564,564,662	1,514,621,000	2.68	9,331	885	704,793	179	4.47	801	21,453,579	1,882,306
1924	483,686,538	1,062,626,000	2.20	7,586	792	619,604	171	4.56	781	17,100,347	417,226
1925	520,052,741	1,060,402,000	2.04	7,144	748	588,493	195	4.52	884	17,461,560	601,737
1926	573,366,985	1,183,412,000	2.06	7,177	747	593,647	215	4.50	966	35,271,937	485,666
1927	517,763,352	1,029,657,000	1.99	7,011	759	593,918	191	4.55	872	18,011,744	549,843
1928	500,744,970	933,774,000	1.86	6,450	691	522,150	203	4.73	959	16,164,485	546,526
1929	534,988,593	952,781,000	1.78	6,057	679	502,993	219	4.85	1,064	17,429,298	495,219
1930	467,526,299	795,483,000	1.70	5,891	700	493,202	187	5.06	948	15,877,407	240,886
1931	382,089,396	588,895,000	1.54	5,642	669	450,213	160	5.30	849	12,126,299	206,303
1932	309,709,872	406,677,000	1.31	5,427	594	406,380	146	5.22	762	8,814,047	186,909
1933	333,630,533	445,788,000	1.34	5,555	559	418,703	167	4.78	797	9,036,947	197,429
1934	359,368,022	628,383,000	1.75	6,258	565	458,011	178	4.40	785	10,868,552	179,661
1935	372,373,122	658,063,000	1.77	6,315	582	462,403	179	4.50	805	9,742,430	201,871
1936	439,087,903	770,955,000	1.76	6,875	618	477,204	199	4.62	920	10,654,959	271,798
1937	445,531,449	864,042,000	1.94	6,548	646	491,864	193	4.69	906	13,144,678	237,996
1938	348,544,764	678,653,000	1.95	5,777	602	441,338	162	4.89	790	10,490,269	241,305
1939	394,855,325	728,348,366	1.84	5,820	621	421,788	178	5.25	936	11,590,478	355,115
1940	460,771,500	879,327,227	1.91	6,324	639	439,075	202	5.19	1,049	16,465,928	371,571
1941	514,149,245	1,125,362,836	2.19	6,822	666	456,981	216	5.20	1,125	20,740,471	390,049
1942	582,692,937	1,373,990,608	2.36	6,972	663	461,991	246	5.12	1,261	22,943,305	498,103
1943	590,177,069	1,584,644,477	2.69	6,620	626	416,007	264	5.38	1,419	25,836,208	757,634
1944	619,576,240	1,810,900,542	2.92	6,928	624	393,347	278	5.67	1,575	26,032,348	633,689
1945	577,617,327	1,768,204,320	3.06	7,033	620	383,100	261	5.78	1,508	27,956,192	467,473
1946	533,922,068	1,835,539,476	3.44	7,333	699	[3] 396,434	214	6.30	1,347	41,197,378	434,680
1947	630,628,722	2,622,634,946	4.16	8,700	755	[3] 419,182	234	6.42	1,504	68,666,963	298,141
1948	599,518,229	2,993,267,021	4.99	9,079	774	441,631	217	6.26	1,358	45,930,133	291,337
1949	437,868,036	2,136,870,571	4.88	8,559	781	[3] 433,698	157	6.43	1,010	27,842,056	314,980
1950	516,311,053	2,500,373,779	4.84	9,429	790	[3] 415,582	183	6.77	1,239	25,468,403	346,706
1951	533,664,732	2,626,030,137	4.92	8,009	736	[3] 372,897	203	7.04	1,429	56,721,547	292,378
1952	466,840,782	2,289,180,401	4.90	7,275	703	[3] 335,217	186	7.47	1,389	47,643,150	262,268
1953	457,290,449	2,247,828,694	4.92	6,671	670	[3] 293,106	191	8.17	1,560	33,700,263	226,900
1954	391,706,300	1,766,310,983	4.51	6,130	603	[3] 227,397	182	9.47	1,724	31,040,564	198,799
1955	464,633,408	2,087,405,037	4.49	7,856	—	225,098	210	9.84	2,064	51,255,531	337,145

[1] Figures for 1890–1914 represent fiscal year ended June 30.
[2] Data not available.
[3] Average number of men working daily.

Source: U.S. Bureau of Mines, Bituminous Coal and Lignite in 1955, Mineral Market Summary No. 2628, tables 5 and 14.

Mr. BYRD of West Virginia. Mr. President, the table shows the production and employment in the bituminous coal and lignite mining industry of the United States from 1890 to 1955. I invite attention to the fact that employment in the industry has been continually dropping from an all-time high, in 1923, of 704,793 men. Production reached an all-time high in 1947 when 630,623,722 tons were mined. Production has declined, as the table will show. Last year, 1958, production of bituminous coal dropped to about 390 million tons, and employment in the bituminous coal industry dropped to about 190,000 men.

Mr. President, What has been the effect of unregulated imports of oil on the revenues of the coal industry, an industry which is basic to our national defense?

I ask unanimous consent to have printed in the RECORD a table from the same committee report, which provides financial data on leading coal and other companies, 1941 to 1955, inclusive. The table shows the very low percent of return on net worth accruing to the coal industry as compared with profits accruing to petroleum, chemical, lumber, stone, and clay products companies.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

Financial data on leading coal, petroleum and refining, chemical, lumber, and stone and clay products companies, 1941 to 1955, inclusive

[Money figures in thousands]

Year	Coal companies [1]			Petroleum and refining companies			Chemical products companies			Lumber companies			Stone and clay products companies		
	Number of companies	Net income	Percent return on net worth	Number of companies	Net income	Percent return on net worth	Number of companies	Net income	Percent return on net worth	Number of companies	Net income	Percent return on net worth	Number of companies	Net income	Percent return on net worth
1941	30	$20,623	3.8	(2)	(2)	(2)	49	$230,691	13.2	23	$15,795	15.3	(2)	(2)	(2)
1942	28	23,026	4.3	(2)	(2)	(2)	51	190,856	10.4	23	11,696	11.4	(2)	(2)	(2)
1943	25	23,697	4.3	(2)	(2)	(2)	54	187,718	10.5	20	8,156	8.9	(2)	(2)	(2)
1944	26	30,819	5.7	(2)	(2)	(2)	57	214,760	10.4	21	9,243	9.0	38	$22,499	6.4
1945	23	23,858	4.2	(2)	(2)	(2)	59	216,701	10.2	24	20,165	6.8	37	29,047	6.8
1946	24	37,316	7.6	(2)	(2)	(2)	60	320,672	14.8	21	23,065	21.1	41	63,622	13.7
1947	33	66,191	11.4	(2)	(2)	(2)	65	416,110	17.2	29	69,120	33.1	40	92,916	17.8
1948	30	99,225	16.1	(2)	(2)	(2)	65	494,083	16.9	28	101,584	23.1	45	118,205	18.2
1949	27	49,002	7.2	(2)	(2)	(2)	65	543,411	17.1	28	56,411	10.7	46	101,225	13.7
1950	31	62,032	8.7	91	$1,875,150	15.2	62	743,574	21.4	25	96,083	17.0	46	144,831	18.5
1951	29	61,941	9.0	91	2,247,118	16.6	64	628,332	16.3	25	98,088	16.0	43	125,994	14.9
1952	24	49,017	6.6	95	2,174,935	14.5	65	599,830	13.5	26	81,573	11.4	43	116,804	12.5
1953	27	29,030	3.5	94	2,423,985	14.7	65	645,584	13.2	28	82,378	10.3	49	122,483	11.8
1954	21	12,565	1.7	92	2,413,900	13.8	61	765,142	14.4	27	79,928	9.7	48	143,957	13.2
1955	21	40,961	5.6	92	2,770,552	14.2	61	999,367	17.7	27	125,149	14.2	48	194,647	16.4

[1] Coal companies include producers of both bituminous and anthracite.
[2] Data not collected.

Source: National Coal Association, which obtained data from reports of the National City Bank, New York City.

Mr. BYRD of West Virginia. Mr. President, the special subcommittee on coal research also noted that from 1925 to 1953, inclusive, the bituminous coal-mining industry experienced a net loss in 13 of the 27 years for which data are available and in only 2 of the 27 years were fairly good profits obtained. It also was noted that the 1,572 corporations engaged in bituminous coal mining in 1953 earned an average profit after Federal taxes of a little less than 3¾ cents per ton on the 350 million tons of coal which they produced. Viewing industry's earnings from another angle, it was found that the value, f.o.b. mines, of the total production of bituminous coal in 1953 was on the order of $2,247 million, from which the incorporated producers, who accounted for 80 percent of the production, realized a profit after Federal taxes of less than $13 million—or a calculated net profit of less than three-quarters of 1 percent on the gross value of the coal produced. It is doubtful that any other major industry vital to the economy of the Nation has experienced anything approaching the depressed financial condition of the coal-mining industry over the past 20 years.

Mr. President, I ask unanimous consent to insert, at this point in the RECORD, a table from the same committee report setting forth the net income and Federal income taxes of bituminous coal-mining corporations, 1917 to 1953, inclusive.

There being no objection the information was ordered to be printed in the RECORD, as follows:

Net income and Federal income taxes of corporations engaged in bituminous coal mining as shown by income tax returns

[Money figures in thousands]

Year	Number of returns	Number reporting net income	Number reporting no net income	Net income of companies showing income	Deficit of companies showing loss	Net income or loss	Federal taxes	Profit or loss (—) after Federal taxes	Year	Number of returns	Number reporting net income	Number reporting no net income	Net income of companies showing income	Deficit of companies showing loss	Net income or loss	Federal taxes	Profit or loss (—) after Federal taxes
1917	1,234	1,149	85	$204,564	$646	$203,918	$70,962	$132,956	1938	1,887	363	1,524	$11,112	$37,779	—$26,667	$1,661	—$28,328
1918	1,234	1,106	128	150,095	1,248	148,847	65,764	83,083	1939	1,820	505	1,315	18,257	24,425	—6,168	2,844	—9,012
1919	1,234	817	417	72,203	9,943	62,260	12,934	49,326	1940	1,756	676	1,080	30,013	15,617	14,396	6,593	7,803
1920	1,234	1,152	82	251,026	1,658	249,368	76,224	173,144	1941	1,722	859	863	56,831	14,180	42,651	19,065	23,586
1921	1,234	503	731	59,164	30,275	28,889	10,559	18,330	1942	1,737	906	831	77,042	9,127	67,915	33,790	34,125
1925	3,650	1,065	2,585	40,463	62,826	—22,363	4,517	—26,880	1943	1,623	975	648	103,153	6,996	96,157	49,244	46,913
1928	2,705	863	1,842	33,477	57,985	—24,508	3,442	—27,950	1944	1,584	932	652	101,000	8,263	92,737	48,926	43,811
1929	2,469	934	1,535	40,069	51,891	—11,822	4,000	—15,822	1945	1,544	915	629	81,412	10,119	71,293	35,613	35,680
1930	2,239	781	1,458	25,077	67,148	—42,071	2,637	—44,708	1946	1,640	1,013	627	89,553	9,016	80,537	29,975	50,562
1931	2,095	582	1,513	9,957	57,702	—47,745	1,039	—47,784	1947	1,837	1,371	466	264,751	6,093	258,658	90,224	168,434
1932	1,864	289	1,575	5,956	57,123	—51,167	777	—51,944	1948	2,163	1,434	729	318,597	8,971	309,626	113,038	196,588
1933	1,851	396	1,455	7,243	54,792	—47,549	1,029	—48,578	1949	2,070	1,033	1,037	122,803	25,480	97,323	43,038	54,285
1934	2,017	660	1,357	23,634	31,218	—7,584	3,308	—10,892	1950	1,988	1,104	884	180,350	17,162	163,188	69,423	93,765
1935	1,975	591	1,384	19,566	35,142	—15,576	2,760	—18,326	1951	1,813	912	901	139,464	25,769	113,695	57,096	56,599
1936	1,945	590	1,305	25,183	28,493	—3,310	3,214	—6,524	1952	1,665	789	876	88,263	19,069	69,194	35,713	33,481
1937	1,815	539	1,276	22,289	23,066	—777	3,208	—3,985	1953	1,572	632	940	72,747	31,192	41,555	28,825	12,730

Source: National Coal Association, which assembled data from statistics of Income, pt. 2, U.S. Bureau of Internal Revenue.

Mr. BYRD of West Virginia. Mr. President, confronted with declining production and declining revenues the coal industry is certainly not in any position to respond to the expanding needs of a national emergency. The Presidential order imposing mandatory controls was certainly necessary from this standpoint.

Unregulated imports of residual oil have also been injurious to the rail industry. Many railroads owe their existence to the coal industry. Depressed economic conditions in the coal industry make themselves felt on the railroads' economy.

An article published in the Wall Street Journal of Monday, March 16, 1959, captioned "Freight Car Pinch," says that there is a probability of the worst railroad freight car shortage in years. I quote from the article:

The U.S. rail freight car fleet currently is in the worst shape in years. The number of usable cars today stands near 1,570,000, down some 85,000 cars, or 5 percent, from just a year ago.

The article goes on to say:

Part of the decline in the car fleet has occurred because railroads are not buying new cars as fast as old ones are heading for the scrap heap. In 1958, the carriers ordered only 17,546 new cars—just a fraction of the record 162,352 ordered in 1955—while at the same time some 41,000 cars were being retired.

Mr. President, on January 1, 1959, there were stored in class 1 railroad yards 54,494 hoppers which required major and extensive repair work. This is compared with a total of 19,150 bad order hoppers in existence on January 1, 1957.

In 1955 the average open top hopper car had an age of 20 years; and 29 percent of the open top hoppers were more than 30 years old.

I point out these facts in order that the RECORD may show the condition of the rail industry. I think it cannot be argued that this condition has not been at least partially brought about by the effects of unregulated current imports of residual oil, on the coal industry.

Mr. President, I wish to insert in the RECORD a table which gives the total United States supply of residual oil for the years 1946 to 1958. I call attention to the fact that in 1958 170,883 barrels of residual oil were imported and 69,549 barrels of residual oil were produced from imported crude. These 240,000 barrels of residual displaced an equivalent of approximately 58 million tons of bituminous coal. About 74 percent of the oil which is imported is competitive with coal. Therefore, considering residual oil imports alone, approximately 30 million tons of coal equivalent were lost to the American coal markets. Coal equivalent displaced by residual imports, to say nothing of that which was displaced by residual produced from crude imports, resulted in the loss of 13,700 coal miners' jobs and 8,100 railroad workers' jobs. Therefore, Mr. President, it is not difficult to understand the depressing effect of unregulated residual oil upon coal production, rail revenues, and mine and railway employment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total U.S. supply of residual oil, 1946–58

Year	Residual oil imports	Residual oil produced from imported crude	Residual oil produced from domestic crude	Total residual oil from all sources	Residual oil exports	Residual oil stocks	Total U.S. residual oil demand
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Thousands of barrels						
1946	44,647	16,870	437,636	499,153	9,188	47,094	480,029
1947	54,244	19,452	455,434	529,130	10,623	47,091	518,510
1948	53,269	24,803	452,412	530,484	13,011	64,021	500,543
1949	75,175	30,903	398,756	504,834	12,641	60,193	496,021
1950	120,036	35,203	395,339	550,578	16,228	40,750	553,793
1951	119,166	36,345	439,988	595,499	28,999	42,853	564,397
1952	128,479	41,212	419,028	588,719	27,701	48,706	555,165
1953	131,533	46,633	408,963	587,129	25,991	49,370	560,474
1954	129,124	47,760	374,921	551,805	26,753	52,105	522,317
1955	152,035	56,677	369,213	577,925	33,799	39,174	557,057
1956	162,869	68,290	364,848	596,007	27,877	44,491	562,813
1957	173,299	71,732	357,808	602,839	38,570	59,959	548,801
1958 [1]	170,883	69,549	307,335	547,767	25,841	60,525	521,360
	Thousands of tons coal equivalent						
1946	10,715	4,049	105,033	119,797	2,205	11,303	115,207
1947	13,019	4,668	109,304	126,991	2,550	11,302	124,442
1948	12,785	5,953	108,579	127,316	3,123	15,365	120,130
1949	18,042	7,417	95,701	121,160	3,034	14,446	119,045
1950	28,809	8,449	94,881	132,139	3,895	9,780	132,910
1951	28,600	8,723	105,597	142,920	6,960	10,285	135,455
1952	30,835	9,891	100,567	141,293	6,648	11,689	133,240
1953	31,568	11,192	98,151	140,911	6,238	11,849	134,514
1954	30,990	11,462	89,981	132,433	6,421	12,505	125,356
1955	36,488	13,602	88,611	138,702	8,112	9,402	133,694
1956	39,089	16,390	87,564	143,042	6,690	10,678	135,075
1957	41,592	17,216	85,874	144,681	9,257	14,390	131,712
1958 [1]	41,012	16,692	73,760	131,464	6,202	14,526	125,126

[1] Preliminary.

Source: U.S. Bureau of Mines and American Petroleum Institute.

Mr. BYRD of West Virginia. I also wish to make the point that from time to time committees of the Congress have recognized the fact that something must be done about the unregulated imports of oil. I think that was recognized by the Special Subcommittee on Coal Research in its report to the Congress in 1957.

I should like to include in the RECORD appropriate paragraphs showing that that subcommittee recognized the danger of unregulated imports of oil. It also recognized the fact that some action must be taken, in the final analysis, if our national security was to be served and protected.

The Special Subcommittee on Coal Research had this to say in its 1957 report:

It appears to the subcommittee that since the oil importing companies, as a group, have continued to ignore the earlier requests of ODM for the voluntary limitation of oil imports, the time has arrived for positive action to protect the interests of the Nation and our national defense. The volume of oil imports should be curbed either through appropriate action under section 7 of the Trade Agreements Extension Act of 1955 or, if necessary, through the enactment of legislation designed for the specific purpose.

Until oil imports are effectively curbed, mounting surpluses of residual oil will continue to contribute to the ill health of the coal industry, to the depressed condition of coal mining communities, and to the impairment of the national security.

Mr. President, the Committee on Ways and Means of the House of Representatives, in its report on the Trade Agreements Extension Act of 1958, took cognizance of the injuries resulting from increased imports of oil as follows:

1. Increased volume of crude oil imports and the proposed imports for the latter half of 1957 threatened to impair the national security. This threat, under existing conditions, requires a limitation on imports. The committee recommends, therefore, that unless the importing companies comply voluntarily with the import limitation plan hereinafter set forth, you find that there is a threat to the national security within the meaning of section 7 of the Trade Agreements Extension Act of 1955.

Mr. President, an impoverished coal industry and a depressed rail industry cannot remain operative and maintain up-to-date plant and equipment necessary to cope with the expanded needs of a national emergency. I think the President recognized this when he issued the Executive order limiting oil imports. He, therefore, acted in the interest of national defense and national security.

Mr. President, I congratulate the junior Senator from Louisiana on his excellent presentation. I join with him in taking the position that the Presidential order was eminently correct, that it was required, that it was demanded in the interest of national security, and that it was timely.

The people in my area looked upon the order with gratitude. I represent the largest coal-producing State in the United States. It is a State in which there is much unemployment. Our coal industry is down. Our railroad workers are hunting work. When these two great industries are adversely affected, the results are also felt in other industries, in other vocations and walks of life.

For a long time representatives in the Congress from West Virginia have tried to obtain some action in the direction of controls on residual oil imports. The senior Senator from West Virginia [Mr. RANDOLPH] and I, together with the West Virginia delegation in the House of Representatives, went to the Director of the Office of Civil and Defense Mobilization, and to the Secretaries of the Departments of the Interior, Commerce, State, and Defense, and sought to bring this problem to their attention. We finally went to the President of the United States, a few days before he issued the order. We, from West Virginia, are certainly very grateful for his action and consequent recognition of this growing problem. We believe that controls had to come, and we believe that, in the interest of national security, they should certainly be maintained.

I thank the Senator from Louisiana for his kindness in yielding to me.

Mr. LONG. I thank the Senator.

One of the really pressing problems of the Nation has been increasing unemployment. I have made no particular point of it in the course of my speech, because I wanted to answer so many of the arguments which have been made on the floor of the Senate, with virtually no support whatever, in opposition to the mandatory import control program.

There is no doubt, however, that the displacement of American workers is an extremely serious problem. The oil import situation has created a great amount of unemployment. There has been a great increase in unemployment in the State of Louisiana. We are not affected nearly as much, in terms of current unemployment, as is the State of West Virginia.

One of the reasons why I voted for the substitute offered to provide greater assistance for the unemployed was the plea

made by the two Senators from West Virginia, who pointed out so eloquently effectively that the unemployment existing in that State alone has reached the point where it has become a national problem, and not merely a State problem. The entire Nation should begin to take note of it.

What the Senator from West Virginia says is entirely true. It applies to a lesser degree to other areas which produce coal, or in areas which are producing oil. Louisiana and Texas are affected to a lesser degree by unemployment, but we, too, have felt the impact of excessive imports upon employment. That is one additional reason why this program should have been put into effect. I agree with the Senator.

I believe that the Senator's colleague [Mr. RANDOLPH] made an additional excellent statement on the same subject, showing how the whole problem has affected the State of West Virginia. He could not be present today. Yesterday he made a very excellent speech explaining the impact of this problem on the State of West Virginia. He also supported the position taken by the junior Senator from West Virginia today.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. BYRD of West Virginia. I ask unanimous consent that there be included in the RECORD a table which appeared in a bulletin issued by the West Virginia University, entitled "Significant Trends in the West Virginia Coal Industry From 1900 to 1957." The table shows the decline in coal mining employment in West Virginia by counties over those years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total coal-mining employment in West Virginia, by counties, 1900–1956

County	1900 [1] [2]	1910 [1] [2]	1920 [1] [2]	1930 [2]	1940	1950 [2]	1955 [3]	1956 [3]
Barbour	370	974	1,958	1,805	1,459	2,100	1,219	1,208
Boone		85	2,214	2,838	3,335	4,948	3,171	3,262
Braxton		114	382	154	33	122	88	112
Brooke	118	815	1,438	1,596	917	1,127	570	470
Clay		95	671	715	517	836	675	753
Fayette	7,159	12,778	12,029	12,389	12,087	11,500	4,817	4,933
Gilmer		64	155	20	36	131	50	70
Grant		292	323	88	76	106	107	87
Greenbrier		74	83	1,790	1,790	1,925	699	781
Hancock	64	92		42	58	62	18	14
Harrison	1,199	4,281	6,027	4,180	2,553	5,014	2,329	2,872
Kanawha	2,759	7,465	7,317	6,093	7,110	7,106	3,633	4,039
Lewis		42	132	17	5	102	185	168
Lincoln		93	400	242	9	90		
Logan		2,122	9,796	11,557	10,925	14,054	8,382	8,768
Marion	2,811	4,330	5,948	5,826	5,487	5,239	3,691	3,916
Marshall	313	439	1,268	1,734	540	615	198	212
Mason	292	350	330	85	162	500	103	89
McDowell	3,871	13,659	17,085	19,818	21,218	20,395	10,225	10,407
Mercer	1,128	3,199	2,677	3,710	3,811	2,795	1,096	1,068
Mineral	580	963	849	455	468	131	12	52
Mingo	751	2,358	3,378	4,028	3,028	5,157	3,640	3,640
Monongalia	87	422	3,203	5,259	4,084	5,464	2,387	2,577
Nicholas		149	410	209	204	3,386	2,633	2,960
Ohio	174	336	1,336	2,091	1,419	1,302	400	402
Pocahontas						103	238	294
Pleasants						20		
Preston	470	1,384	2,357	2,021	953	2,638	1,352	1,304
Putnam	467	879	711	628	719	103	17	30
Raleigh	171	3,443	7,994	12,374	13,543	12,103	5,251	6,119
Randolph	122	613	774	554	1,232	1,476	868	819
Summers			60				5	10
Taylor	537	636	1,330	1,139	423	351	71	78
Tucker	1,221	1,256	1,287	974	533	269	57	5
Upshur		104	637	293	167	730	517	570
Wayne		68	124	150	45	317	162	117
Webster			17	628	1,101	1,620	618	626
Wyoming			1,521	1,910	3,207	5,631	4,838	5,495
State total	24,664	63,974	96,221	107,412	103,255	119,568	64,322	68,327

[1] Totals are for the fiscal year.
[2] Totals for 1900 through 1930 do not include mines with fewer than 5 employees.
[3] Totals include supervisory employees.

Source: West Virginia Department of Mines, Annual Report, 1900–1956.

Mr. BYRD of West Virginia. I also wish to read into the RECORD an excerpt from a recent issue of the Wall Street Journal. I think it bears upon the Senator's statement concerning mandatory controls and inflation. There are some Senators who have stated that the mandatory controls on oil will contribute to the inflationary spiral. I quote the excerpt:

[From the Wall Street Journal, Mar. 24, 1959]

COAL COMPANIES JUMP THE GUN ON APRIL PRICE CUTS

Major northern soft coal mines plan price reductions of 25 cents a ton on April 1. But power companies and cement firms, waiting for cheaper coal, hold back on taking shipments. This leads some small mines to shade prices in advance. Result: Sharp buyers get some coal now at the lower prices that will prevail next month.

The buying slowdown makes its mark on bituminous output, which so far this year trails 1958 by almost 4 percent despite heftier use by steel mills. Mines would like higher prices to cover 1959 union wage boosts, but say they're blocked by competition from nonunion coal, cheap foreign oil.

I believe this action by coal companies indicates that the coal people certainly are not going to try to take advantage of mandatory controls imposed by the President, and that they do not intend to increase the price of coal and thereby contribute to growing inflation.

On the other hand, they are cutting their prices. I am informed that the coal hauling railroads intend to cut their freight rates by the first of next month. I should think that these steps certainly would refute the argument which has been made by those who are trying to attack the President's order on the basis that it contributes to inflation. I thank the Senator for again yielding.

Mr. O'MAHONEY. If the Senator from Louisiana would be good enough to yield to me further I should like to make this brief remark. While those of us who take the position that he takes, and the Senator from Kansas takes, and the Senator from West Virginia has taken this morning, as well as the Senator from Oklahoma, and other Senators, it remains to be seen whether the mandatory control program put into effect under the amendment of the Trade Agreements Extension Act will be effective. We know that some of the big import companies have already, through spokesmen, stated that they feel that the power to impose mandatory restraints is not covered by the Trade Agreements Act amendment, and that it may be unconstitutional. Whether or not there will be a court test, I do not know.

I do feel it is incumbent upon us in Congress to realize that this country must not allow itself to become dependent upon foreign sources of supply. With a number of other Senators, on February 23, I introduced S. 1157, to stimulate the development of petroleum and coal reserves within the United States. We must go to the very bottom of this important problem. We can serve the best interests of the people of the United States by finding the best way to stimulate the development of our own reserves.

Exploration for oil in the United States is falling off because of importations. The utilization of coal is being seriously retarded because of these importations. The United States, not only in West Virginia but in other States also, has great deposits of coal. It has the largest deposits in the known world. Coal is the source of many materials. The search for the means of stimulating the development of our domestic supply of these two great products is very important.

I point out that the senior Senator from West Virginia [Mr. RANDOLPH] and I, when the distinguished Senator was a Member of the House, were the authors of a bill, the O'Mahoney-Randolph bill, to authorize the Bureau of Mines to construct and conduct demonstration plants for the manufacture of synthetic fuel from coal and oil shale.

It is vital to point out that in the States of Colorado, Utah, and Wyoming, there are deposits of oil and shale which geologists tell us at the present moment contain more oil than all the known resources of the Arabian peninsula. This is a natural resource of which we cannot afford to lose sight. Activities of the Bureau of Mines have been called to a halt. Some of the large importing companies are seeking to obtain control of the oil shale deposits. Of course, the interests of the people of the United States come first.

I ask unanimous consent that at the conclusion of the remarks of the Senator from Louisiana, there be printed in

the RECORD a copy of the bill, S. 1157, which was introduced for the purpose of bringing about the stimulation of which I spoke. The bill is before the Committee on Interior and Insular Affairs, and I am preparing hearings, which will be held after the Easter holidays, at which time we will call upon the experts of the country to show what our potential may be.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Domestic Petroleum and Coal Development Act of 1959".

DECLARATION OF POLICY

SEC. 2. The continued exploration for and development of domestic petroleum reserves within the United States is essential to meet the domestic demand for crude petroleum and petroleum products so that the people of the United States may not become completely dependent upon the importation of such crude petroleum and petroleum products. To attain this objective it is necessary to maintain a reasonable balance between domestic production and the importation of such crude petroleum and petroleum products. The desirable ratio of such imports to total domestic demand is that which assures a vigorous level of domestic petroleum exploration and development. The importation of crude petroleum and petroleum products, including residual fuel in any form, should be restricted to the level at which that ratio is maintained. In administering such restrictions, quotas should be granted, with certain exceptions provided for in section 7 of this Act, only to refining companies in proportion to plant capacity.

OIL IMPORTS ADMINISTRATION

SEC. 3. The Secretary of the Interior (hereinafter referred to as the "Secretary") shall administer the provisions of this Act through an Oil Imports Administration (hereinafter referred to as the "Administration") which the Secretary shall establish as a separate agency within the Department of the Interior. The Secretary may appoint, without regard to the civil service laws, an administrator of such Administration, who shall report directly to the Secretary and shall be compensated at the rate provided by law for assistant secretaries of the executive departments. The Secretary may also appoint a deputy administrator of the Administration and directors of the principal organizational divisions of the Administration, without regard to the civil service laws and the Classification Act of 1949. To the maximum extent possible the Secretary shall, in carrying out the provisions of this Act, obtain and utilize the data and cooperation of existing Government agencies within and outside the Department of the Interior.

QUOTA PERIODS

SEC. 4. The Secretary shall establish quota periods of six months' duration, during which quotas established under this Act shall be effective, based upon the seasonal demands of the petroleum industry. The first quota period established after the effective date of this section may be a period of less than six months.

DETERMINATION OF NATIONAL IMPORT LEVELS

SEC. 5. Not less than sixty days prior to each quota period, the Secretary shall estimate and publish in the Federal Register the total domestic demand for crude petroleum and petroleum products and the portion thereof which may be imported consistently with the maintenance of a vigorous level of domestic petroleum exploration and development. The Secretary shall at the same time publish in the Federal Register the amount of imports so determined, in terms of barrels per day of crude petroleum and the crude petroleum equivalent of petroleum products, which shall be the national imports level for the ensuing quota period.

ALLOCATION OF QUOTAS

SEC. 6. Except as provided in section 7, quotas shall be allocated only to domestic refiners who shall make application not less than ninety days before each quota period. Not less than sixty days prior to each quota period the Secretary shall determine, announce and publish in the Federal Register the import quotas for all applicant refiners. Such quotas shall be divided among refiners in such manner as to maintain competitive conditions between integrated and independent companies and the allocation to coastal refiners shall not be in excess of 40 per centum of the total import quota: *Provided*, That in the case of any refining plant served by pipeline from foreign sources or where conditions otherwise limit the procurement of domestic crude petroleum by ordinary practical means, a quota sufficient for that plant's crude petroleum requirements to maintain refining capacity shall be issued. The uniform quota percentage determined by the Secretary shall be that percentage which, applied to the aggregate capacity of all refining plants in the United States owners of which shall have applied for quotas, together with any additional amounts authorized as a result of the proviso in the last preceding sentence and any special quotas authorized in section 7, will not exceed the national import level set for the following quota period. The Secretary shall issue quota certificates evidencing all quotas (including special quotas) issued under the provisions of this Act.

ALLOCATION OF SPECIAL QUOTAS

SEC. 7. Upon application and after hearing, special quotas may be awarded, in accordance with standards which shall be established by the Secretary and published in the Federal Register, in the following cases:

(1) Where a domestic producer operating abroad demonstrates that, despite all reasonable efforts by him, he is suffering as a result of import quotas in such foreign operations unreasonable drainage by others who have joint or offsetting interests in the same petroleum pool.

(2) Where an applicant desires to import special crude petroleums for special purposes and accordingly the importation thereof will not substantially replace domestic crude petroleum and will not therefore affect the national security.

(3) Where the applicant exports petroleum products refined by him and seeks a special quota to cover the crude equivalent of such products which will not compete in the domestic market.

(4) In cases where the applicant is an inland refinery and is suffering hardship by reason of inadequate access to the points of importation.

NONTRANSFERABILITY OF QUOTAS

SEC. 8. A quota may be used only for the importation of crude petroleum or petroleum products by the person to whom such quota was granted, and in the case of a quota for crude petroleum, the crude petroleum must be used in the plant for which the quota is granted unless, after application to the Secretary by the holder of the quota and after public hearing, the Secretary finds that the public interest and the purposes of this Act will be served by a transfer.

PETROLEUM PRODUCTS

SEC. 9. Quotas awarded under this Act shall cover both crude petroleum and petroleum products, including residual fuel. Such quotas shall be in terms of barrels per day of crude petroleum. Product importations shall be charged against such quotas according to their crude petroleum equivalent as determined and announced from time to time by the Secretary, and in the case of residual fuel the total imports in any calendar quarter of any year shall not exceed 10 per centum of the total domestic petroleum demand as determined by the Secretary when he determines the levels of national imports as provided in section 5 hereof.

FINALITY OF DETERMINATIONS

SEC. 10. The facts constituting the basis for any national import level or quota or denial thereof under the provisions of this Act, determined in conformity with rules and regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

APPEALS

SEC. 11. (a) An appeal may be taken, in the manner hereinafter provided, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for a quota whose application is denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any quota.

(b) Such appeal shall be taken by filing with said court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of appeal the Secretary shall file with the court the record upon which the decision complained of was entered, as provided in section 2112 of title 28, United States Code, and a list of all interested persons to whom he has delivered a copy of said notice of appeal.

(c) Within thirty days after the filing of such appeal any interested person may intervene and participate in the proceedings had upon such appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(d) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court. Review by the court under

the provisions of this section shall be limited to questions of law, and the findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 1254 of title 28 of the United States Code, by appellant, by the Secretary, or by any interested party intervening in the appeal.

(e) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

REGULATIONS AND PUBLICATION OF DETERMINATIONS

SEC. 12. (a) The Secretary may establish such rules and regulations, which shall have the force and effect of law, as may be necessary to carry out the purposes and provisions of this Act. Any person knowingly violating any rule or regulation of the Secretary issued pursuant to this Act, shall, upon conviction, be punished by a fine of not more than $100 for each such violation.

(b) All quotas established under the provisions of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the basis and considerations upon which each such determination was made.

ACTION IN EMERGENCIES

SEC. 13. Whenever the President finds that a national economic or other emergency exists with respect to petroleum, he shall, by message of Congress, recommend such legislation to suspend the operation of or to amend this Act as he deems necessary in the public interest.

IMPORTATION IN EXCESS OF QUOTA PROHIBITED

SEC. 14. The importation of crude petroleum or petroleum products in excess of the quotas provided under the authority of this Act is hereby prohibited. No importation of crude petroleum or petroleum products as defined herein unless exempted under section 10 hereof shall be cleared through customs unless a currently valid quota certificate issued under the provisions of this Act is filed with and as a supplement to the customs declaration.

ADMINISTRATIVE MATTERS

SEC. 15. In the administration of this Act the Secretary shall have the authority vested in the President under the provisions of subsections (b), (c), and (d) of section 710 of the Defense Production Act of 1950 (50 U.S.C. App. 2160 (b), (c), and (d)).

DEFINITIONS

SEC. 16. As used in this Act—

(1) The term "United States" includes the several States, the District of Columbia, the Territory of Hawaii, and Puerto Rico.

(2) The term "petroleum" includes all forms of petroleum except those forms which are gaseous at normal temperature and atmospheric pressure.

(3) The term "crude petroleum" means petroleum at the wellhead.

(4) The term "petroleum products" includes all conversions and derivatives of petroleum.

(5) The term "refining capacity" means the demonstrable maximum efficient daily average crude throughput of a plant in complete operation, using the crude stream proposed for the quota period involved, with allowance for necessary shutdown time for routine maintenance, repairs, and other such matters.

EFFECTIVE DATE

SEC. 17. Sections 3 and 16 of this Act shall become effective on the date of enactment of this Act. The remainder of this Act shall become effective after ninety days following the date of enactment of this Act.

Mr. LONG. I wish success to the Senator in his endeavors.

LEADERSHIP IN THE DEPARTMENT OF AGRICULTURE

Mr. SYMINGTON. Mr. President, on February 16 and 17, over a month ago, the Secretary of Agriculture testified before the Senate Agriculture Committee.

Despite the increasingly serious conditions which are clear to everyone and which result from the present farm program, when the Secretary of Agriculture came before our committee he had no positive legislative drafts for a program looking toward a solution of this problem.

During those hearings, therefore, I asked the Secretary to prepare an omnibus farm bill for the committee, embodying everything he believed necessary. This request was concurred in by the chairman, the distinguished senior Senator from Louisiana, and other members of the committee.

I am sure my distinguished friend the junior Senator from Louisiana [Mr. LONG] would like to have concurred if he had been present, as well as other Members of the Senate.

More than 5 weeks have elapsed since that request. Farm prices and farm income are on the way down. Inventories are increasing and it is obvious that production is going to greatly exceed the Department of Agriculture's estimates.

But to date the committee has not received the Secretary's omnibus bill.

Each day the Secretary of Agriculture postpones presenting to the Congress what he thinks should be done is time lost toward a solution to this steadily worsening picture of falling farm prices, increasing farm surpluses, and growing cost to the taxpayer.

It is hoped the Secretary will soon carry out his agreement to present his recommendations to the Congress in the form of an omnibus bill.

Mr. President——

The PRESIDING OFFICER. The Senator from Missouri.

KEN HECHLER

Mr. SYMINGTON. Mr. President, I wish to associate myself with the recent remarks of many distinguished Senators concerning Congressman KEN HECHLER.

We in Missouri are proud of KEN HECHLER, not only because he is a good Democrat, but because his roots go deep into Missouri soil.

His father, Charles Hechler, was born in Chariton County, and his mother, Catherine, was born in St. Louis County.

We hear a good deal about people who go from small towns to big cities to become successful. We overlook the fact that this trend deprives the small towns of the leadership they need.

KEN HECHLER is an admirable example of a man who left a successful career in a large city in order to move to an area of smaller communities and live among rural people.

KEN's race for Congress was based on the most fundamental principle of campaigning—getting out and meeting the voters. He had no organization and very little money. He went all over his district, listening to the problems of his fellow citizens, and convinced them he could help them.

I was in Clarksburg, W. Va., 2 weeks ago and saw with my own eyes the respect and affection which KEN HECHLER has already won in the hearts of his fellow West Virginians.

He is a worthy addition to the team led by the two very able Senators JENNINGS RANDOLPH and ROBERT BYRD, who are working so hard to help West Virginia realize the full potential that lies in its mountains and in the skill of its people.

Mr. President——

The PRESIDING OFFICER. The Senator from Missouri.

A MISSOURI PLAYGROUND FOR THE NATION

Mr. SYMINGTON. Mr. President, the State of Missouri is blessed with much natural beauty. No area is more scenic than that along the Current and Eleven Point Rivers in the south-central part of the State.

At the present time, efforts are moving ahead to make this beautiful section of our State a national recreation area, and it is hoped that the final study will be completed by the end of this year.

With reference to these plans, I ask unanimous consent that a recent editorial from the Kansas City Times entitled "A Missouri Playground for the Nation," be printed at this point in the RECORD.

There being no objection the editorial was ordered to be printed in the RECORD, as follows:

A MISSOURI PLAYGROUND FOR THE NATION

In the years ahead, the proposed national recreation area for southern Missouri could be built into the finest wilderness playground between the Smoky and Rocky Mountains. All of the potentials exist in abundance in the watersheds and along the banks of the Current, Jacks Ford, and Eleven Point Rivers.

This part of Missouri is rich in natural beauty, with its meandering, tranquil streams, the big springs, millions of acres of forests and wildflowers. Here is a major concentration of deer and thousands of beavers, foxes, squirrels, and raccoons. Fishing is good.

If more is needed, the Current River is billed as the last great float river in the world. It's a tall statement, but experts in the field stoutly make the claim.

If this ambitious plan for a national recreation area is finally adopted, this is how it would work:

The U.S. Park Service would be the coordinating agency between groups which already have important stakes in the area—the Missouri Park Board, the Missouri Conservation Commission, and the U.S. Forest Service.

Already there are three State parks along the Current River and, in addition, the Deer Run State Forest of 50,000 acres. The U.S.

Forest Service owns watershed lands in the hundreds of thousands of acres.

The U.S. Park Service would work out a single, unified recreation program for that region. It would purchase river frontage to provide badly needed access to floating and camping areas.

Men who have studied the potentialities of the plan believe that 1 million tourists a year would eventually be attracted to the valleys of these three picturesque streams. The travelers would come to enjoy first-rate camping, floating, hunting, and fishing—the outdoor life. This excellent proposal would give another boost to Missouri's growing prominence as a Middle West vacationland.

EXCESSIVE OIL IMPORTS

Mr. MORTON. Mr. President, first I desire to commend the distinguished junior Senator from Louisiana [Mr. LONG] on his excellent exposition. I wish to add a few comments of my own on the subject, particularly with respect to coal.

Mr. President, few laws are enacted and few executive orders issued without at least a modicum of protest along the way. Regardless of its overall, its national importance, almost any action by Congress or the White House will become an object of criticism by isolated provincial interests. It was therefore to be expected that the President's decision to place mandatory restrictions on imports of residual oil would be received with less than enthusiasm in some localities.

The problem of excessive oil imports was studied with the utmost care by a Cabinet Committee, aided by task forces from all relevent industries, 5 years ago. The finding at that time disclosed that the Nation's defense structure would be threatened unless a holddown on imports was effected. There followed the voluntary oil imports program and the national defense amendment to the Reciprocal Trade Agreements Act. The records offer ample evidence that the international oil shippers have flagrantly disregarded the White House recommendations and the implied will of Congress. Senators know the rest of the story. Last year a clause to protect defense industries was again included in legislation extending the Trade Agreements Act, and the administration attempted to strengthen the voluntary oil imports program.

The President's order of March 10 was issued only because the voluntary program failed. The White House order followed months of deliberation by the Cabinet Committee. Although a record high in shipments of foreign residual oil to America's fuel markets was established in 1958, the influx rose rapidly with the dawn of the new year. In the first 65 days of 1959 a total of 52,856,100 barrels of alien residual oil entered this country. This amount exceeded that of the corresponding period of the preceding year, when the all-time high was set, by more than 27 percent.

In the coal industry, production in the first 65 days of 1959 is running about 4 percent behind the 1958 production, which was only 400 million tons, one of the lowest annual production rates, with the exception of 1954, since 1939.

Under the circumstances, I believe that most of the vocal critics of the mandatory control program must concede the inadequacies of the voluntary plan and the need for a new approach to the oil import problem. Whatever the case, it is hoped that the new control plan will at least be allowed to take effect before objectors undertake to translate the results. I call attention to the fact that many complaints have been made about the results of the restrictions on residual oil imports. Yet that order does not become effective until April 1.

In am particularly disappointed that so many inaccuracies were included in the premature analyses which have already been presented to the Senate. One of the obvious misconceptions that emerged during recent discussions about the oil import program related to the use of residual oil. Some Senators have bewailed the prospect of having home heating costs rise because of the restriction on residual oil imports. I assure them that their fears have no foundation in reality. Residual oil is not used, and never has been, for heating homes. It is a heavy, viscous material which flows only in high temperatures. Anyone requiring manufactured heat to supplement the warmth provided by nature would have to install special equipment in his home to raise the temperature and provide for the flow of the fuel between storage tank and furnace. To assert that a rise in the price of residual oil imports would increase the cost of heating individual homes actually contains no more logic than to charge that milk prices will reduce the cost of the automobile.

Recently the charge was made in connection with comments on the residual oil program that already the oil companies had increased their prices by 2 cents a gallon. This is not true so far as residual oil is concerned. The 2-cent-a-gallon increase referred to applied to No. 2, or domestic heating oils. This, I understand, is a seasonal increase and is not peculiar to the New England area. At this time of year, when the heating load is heavy, it is traditional for the price of home-heating oils to be increased because of the law of supply and demand. It has nothing to do with imports or import restrictions.

As a matter of fact, residual oil prices on the east coast today are at their lowest levels in several years. A comparison of posted prices for oil in the New England area shows that the price in March 1957, was $3.30 a barrel, whereas in March 1959 the quotation is $2.37 a barrel, a difference of 93 cents a barrel.

Further with reference to the price facet of this problem, I refer to the statement made by Secretary of Commerce Strauss before the Senate Committee on Interstate and Foreign Commerce. He told the committee that under the new oil import control program "there is to be a continuous month-to-month survey of prices." He further assured the committee that "import quotas are to be administered in such a way that there cannot be any serious fluctuations in price."

On the part of the coal industry a conscientious and serious effort has been made both by the coal-producing companies and the railroads themselves to assure a reasonable and stable fuel price for the eastern seaboard. The railroads have petitioned for special freight rates on the movement of coal to certain customers on the eastern seaboard. Those rates will amount to approximately 50 cents a ton. At the same time, certain major coal producers have announced that, effective April 1, there will be a reduction of approximately 25 cents a ton in coal prices. These reductions are made in the face of increased costs on the part of both the railroads and the coal producers.

In referring to the effectiveness of coal as a stabilizing influence on fuel prices in the marketplace, I am reminded of the situation which developed in Florida. I happen to be personally acquainted with the Florida situation, since, as many of my colleagues know, I was one of the principal proponents of special freight rates to permit the movement of coal to Florida utility plants.

Two years ago, I became interested in the possibility of developing a sound market for coal among the Florida utilities people. Florida utilities depend, in the main, on oil for power-generating purposes. The sharp rise in residual oil prices following the Suez crisis spurred utilities executives to request President Eisenhower to interpose Federal price regulation as a block to further price increases.

Immediately, I appealed to the Florida utilities. I asked them flatly whether they would rather have more Government intervention in the operation of their business or whether they would prefer to explore the possibility of converting from oil to coal. Such a shift to coal would benefit the Florida electrical consumer, the coal industry of Kentucky, Tennessee, Virginia, and West Virginia, and the railroads serving the Southeast. Freight rates formed one of the keystones to the success of the venture.

Through a series of meetings and conferences with those interested in the coal industry, as well as with the railroads and utilities, we were able to effect an attractive rate on coal which made possible the movement of coal from the fields in districts 7 and 8 to Tampa, Jacksonville, and other Florida points, and made coal competitive with, and in many cases cheaper than, oil. In the Miami area, it was only after the special rates on coal movement were established that the oil distributors reduced their prices, in order to underbid the coal prices and to keep the business which they had acquired. That was a direct indication of the fact that a coal price quotation resulted in reduced oil prices to the consumers.

In Florida, in 1958, more than one-half a million tons of coal were burned by the electric utility plants. A sizable portion of this consumption was in the Tampa area. There, special freight rates and competitive barge rates made

coal a better buy than any other fuel for that plant.

Mr. W. C. MacInnes, president of the Tampa Electric Co., is quoted as follows in the January 17, 1959, issue of the Saturday Evening Post:

We don't buy fuel by the ton, gallon or cubic foot any more, but by the B.t.u. (British thermal unit). Coal gives us a million B.t.u.'s for 32 cents, compared to 38 cents for the competing fuels we have been using. When we start getting coal by barge, instead of by rail, on a 20-year contract, we expect to get the cost below 30 cents per million B.t.u.'s.

Currently, the coal men and the railroads are still working in an effort to make coal more attractive to Florida consumers. There is now being worked on a proposal which would move coal to the Florida utilities and, in return, would move phosphate north to the fertilizer plants, at special rates.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a news article written by Nat Caldwell, of the Nashville Tennessean, and published in the Lexington Herald-Leader of February 22, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TWO RAILROADS SOON MAY CUT COAL FREIGHT RATES TO AID RECOVERY OF SOUTHEAST KENTUCKY MINES

(By Nat Caldwell)

NASHVILLE, TENN., February 21.—Two of the South's largest railroads soon may slash their coal freight rates to spark a major economic recovery in long distressed southeast Kentucky coal fields.

The rate cut on the 850-mile haul to booming Florida may lead Florida's private power companies to switch from bunker oil to coal as their major generating fuel.

The switch could create new markets for millions of tons of east Kentucky coal and bring about reopening of coal mines long shut for lack of markets, a power company spokesman said.

HINGES ON EXPERIMENT

The rate cut hinges on results of a coal shipping experiment by the Atlantic Coast Line and Louisville and Nashville railroads. The coal is being shipped from Manchester, Ky., near Corbin, to Tampa, Fla.

The two railroads said in a statement to the Nashville Tennessean today that "results thus far point to the complete success of the operation."

The coal freight rate cut would range from 15 to 20 percent. It would be made possible by savings to the railroads resulting from the use of 3,500 covered phosphate cars owned by the Atlantic Coast Line for hauling coal. These cars now return empty after hauling cargoes of Florida phosphate to fertilizer and chemical makers of the Midwest and the East.

PERSUADES RAILROADS

W. C. MacInnes, president of the Tampa Electric Co., said today he persuaded the two railroads to conduct the experiment to determine if the empty phosphate cars could be loaded with coal for the return trip to Florida.

"The question was whether the cars could be cleaned of coal dust," MacInnes said. "Before the cars could be reloaded with phosphate in Florida they had to be cleaned so the phosphate cargo would meet high purity requirements of chemical makers.

"To the railroads, success meant a two-way pay haul," he said. "To the only power company in south Florida that already has converted from high-priced oil to coal, it could mean much cheaper coal."

MINE LOCATED IN CLAY COUNTY

MacInnes said he now pays $4.15 per ton for coal for his Tampa steamplant plus $4.66 a ton freight rate. He buys from a Nashville coal operator, John Amos, whose Osborn Mining Co., is located at Manchester, Ky.

Tampa Electric was paying 48 cents per million British thermal units for bunker oil in December, 1957, when he began converting his steamplants to coal. The lower price of coal and the $4.66 freight rate brought Tampa electric costs down to 35 cents per million B.t.u. A freight rate cut to $3.80 per ton, or roughly 20 percent, would reduce these costs again to 30 cents per million B.t.u.

"This rate development easily could mean that all Florida power companies would switch from oil to coal, even though the oil people have cut some, since I pioneered the switch to coal," the Tampa power executive said.

MARKET FOR MILLIONS OF TONS

"That could mean a Florida market for millions of tons of east Kentucky coal each year."

A joint statement by Atlantic Coast Line and L. & N. railroads disclosing success of their coal-hauling, car-cleaning experiment did not mention the subject of rates. Rail spokesmen refused to comment on rate concessions, which they are expected to announce within the next 90 days.

But one of the South's outstanding freight rate experts said Friday, "this is the first venture by major American railroads to cut their rates well ahead of possible competition from water transport."

He predicted water transport opposition before the rate change is finally approved by the Interstate Commerce Commission.

Last week the experiment was stepped up to 20 cars per day. The first of these cars has reached Tampa, been unloaded, cleaned, and accepted by phosphate shippers.

On the strength of these results, Amos, who already supplies Tampa Electric, said he will go to Florida this week for "sales calls" on other Florida power companies.

"I think we can sell them on burning coal," Amos said. "It can be a great big thing for southeast Kentucky mines, closed down for years for lack of markets."

Two other major railroads, the Seaboard Airline and the Southern, which share a competing Florida to Midwest phosphate haul are watching the Atlantic Coast Line-L. & N. experiment. They are expected to follow suit in the event of coal rate cuts. The Southern serves east Kentucky coal fields adjacent to those served by the L. & N.

Mr. MORTON. Mr. President, I am convinced that there is nothing to be feared by the consumers in either New England or Florida as to the deleterious effects of this program. I urge that they give it a chance to be approved, before condemning it as something insidious.

I am sure it is not the intention of any proponents of the mandatory control program or anything similar to force a fuel shortage on any area or any individual. I am sure that all sections of our country will have adequate supplies of fuel at reasonable costs.

Some suggestions have been made as to the effects of this program on our relations with foreign oil producing nations. On the basis of my information, I think those suggestions are premature. In the case of Venezuela, which is the principal producer of imported residual oil burned in this country, their reaction was "they see nothing insidious in the mandatory controls by the United States." On the question of Canada, Secretary of the Interior Seaton, under whose direction the mandatory oil program will be administered, said:

There is nothing inherent in the program which will keep a quart or a barrel of Canadian oil out of this country.

He further said that—

Canada and other oil-producing countries in this hemisphere have a mutuality of interest as far as oil is concerned.

Again I assure my colleagues that this program was devised after the most careful thought and consideration and with the best judgment possible on the part of the executive branch. I am sure that it will be administered with the same carefulness. I hope that all parties concerned, whether they are for or are against the program of mandatory controls, will reserve judgment until such time as the program has been in operation and the actual results can be appraised impartially.

Mr. CARLSON. Mr. President, will the Senator from Kentucky yield to me?

Mr. MORTON. I am happy to yield to my colleague, the Senator from Kansas.

Mr. CARLSON. I wish to commend the distinguished Senator from Kentucky for his statement in regard to the effect of the importation of residual fuel oil on areas in which fuel must be imported for domestic use and for utility use. In my opinion, this statement should allay the fears of many persons that the President's order for mandatory quotas on imported oil would be detrimental to any section of the country. I think it fortunate that the President acted by order, instead of having the action taken legislatively, because once legislation is placed on the statute books, it is difficult to remove or to change it.

If it can be shown that the order causes real hardship in some communities, it can be changed.

The Senator from Kentucky is entitled to much credit for calling attention to this matter.

Mr. MORTON. I thank the Senator from Kansas.

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky yield to me?

Mr. MORTON. I yield.

Mr. MANSFIELD. I wish to commend the Senator from Kentucky for the speech he has made; and I desire to attest to the fact that during his tenure in both the House of Representatives and the Senate, the Senator from Kentucky has always been consistent in his desire and his efforts to look after the interests of his State. The present instance is only another indication—one of many—of the attitude he has assumed at all times since he has been here, in looking after Kentucky's industries—in this instance, the coal industry—and in helping spread the use of this natural resource to other areas.

Mr. MORTON. Mr. President, I thank the Senator from Montana for his generous comment.

I yield the floor.

ADMISSION OF SPAIN INTO NORTH ATLANTIC TREATY ORGANIZATION

Mr. MANSFIELD. Mr. President, on March 25 the distinguished senior Senator from New Hampshire [Mr. BRIDGES] again called attention to the fact that Spain was not a member of NATO. He pointed out that both Houses of Congress had passed innumerable resolutions—one by unanimous vote of both Houses—urging that Spain be included in this organization of Western cooperation. Finally, he noted that inclusion of Spain would add in a very material way to the forces available for the defense of Europe at this critical time.

The distinguished Senator from New Hampshire has advanced strategic arguments for the admission of Spain which, I believe, would be endorsed by virtually every military leader of NATO. They deserve the most careful consideration, and the Senator from New Hampshire has performed a service by calling them to the attention of the Senate and the President.

Mr. President, in connection with the factual and pointed statement of the Senator from New Hampshire, I desire to insert at this point in the RECORD an article of mine upholding the admission of Spain to NATO in a debate which appeared in the November 1957 issue of the magazine Western World, and I ask unanimous consent to do so.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEBATE OF THE MONTH: A STRATEGIC NECESSITY—A TRIBUTE TO WESTERN CIVILIZATION

(By Senator MICHAEL J. MANSFIELD)

The question of whether or not to invite Spain to join the North Atlantic Treaty Organization has been discussed from one end of the Atlantic Community to the other. Leading statesmen have debated it for years. So too have schoolchildren in the United States engaged in the study of contemporary affairs. The arguments which the statesmen may have overlooked have surely been covered by the schoolchildren and vice versa. In short, the facts and opinions which surround the issue are widely known.

Admission of Spain to NATO remains, nevertheless, an open issue. The extensive discussion has failed so far to resolve the matter in a satisfactory fashion. While an invitation has not been extended to Spain to join NATO, and this might be regarded as resolution of a sort, it can hardly be considered as the final word in the matter. There is still a substantial and probably growing body of opinion in some of the member states in favor of admitting Spain and the policies of these states are not all in accord with the unspoken decision not to invite. The United States, for example, supports the inclusion of Spain while certain of the European powers have indicated that they do not.

The question is not being pressed in NATO circles, there being some tendency apparently to let well enough alone. Spain is, after all, cooperating with the United States in the matter of bases and the United States is in turn an active member of NATO. This arrangement provides a kind of indirect membership to Spain and, at the same time, serves to some extent the military needs of the organization. Is there any point, therefore, in reopening the matter at this time? Why not let sleeping dogs lie?

In truth, there is little point if the issue of whether or not to invite Spain to join NATO cannot be considered on its contemporary merit. There is little point unless the smoldering passions which have invariably threatened to flame whenever this issue has been raised in the past have cooled sufficiently to permit a rational appraisal of the relationship of Spain to NATO.

Not that these passions are to be disparaged. They arise out of human bitternesses that are deep and understandable. The violence of the Spanish Civil War is still a recallable experience to many in Spain and other Western countries and its remembrance is not infrequently scarred with personal tragedy. In a similar fashion, the activities of the Spanish Government during the Second World War, however valid from its point of view, were not such as to endear it to other Western nations engaged in a desperate struggle for their freedom and their very survival.

Having said that, however, it is also necessary to say that human society cannot draw sustenance from an unending bitterness. Nations, in their relations with one another, cannot remain forever chained to the real or imagined wrongs of the past and expect at the same time to do what is right for the present and future.

The Spanish Civil War is now two decades in history. A new generation has reached maturity in Spain, a generation for whom that bloody conflict is but a story told by old men. Indeed, many of those who fought and lived through the conflict are no more.

SPAIN LESS GUILTY THAN THE AXIS

As for the role which Spain played during the Second World War, that, too, is fast receding into history. Many of those associated with it are no longer officials of the Spanish Government. We have long since welcomed, moreover, the active participation of the former Axis powers, Germany and Italy, in the work of the Western community. In contrast with Spain, these countries dealt far more damaging blows to that community during the war.

These factors suggest that the time may be ripe for a reconsideration of the question of whether or not to invite Spain to participate in NATO. It may now be possible to make a fresh approach to this issue, reasonably free from the need to vindicate the past, free from past vindictiveness. It may be possible, in short, to come to grips with the reality of the question of whether Spain fits, if at all, not in a nonexistent NATO of yesterday, but in NATO today and tomorrow.

Before the question can be answered, it is necessary to reexamine the purposes of the organization. These purposes have never been quite as clearcut as they may have seemed in the early days of NATO's founding. At that time the need for defense against a possible Soviet aggression directed at Western Europe dominated the concept of the organization. That was true, not only in the United States, but probably in other member states.

This need for common defense against Soviet totalitarianism is still the predominant consideration which sustains the organization. It finds expression in the vast and busy headquarters of the Supreme Command at Rocquencourt, and in the continuous military planning and the joint military exercises that take place in various parts of the Atlantic and Mediterranean worlds. Notwithstanding the current peace of mutual terror NATO is still based largely on the assumption that the Soviet bloc may unleash a military aggression against one or more of the NATO nations and that these nations can defend themselves best by acting together. Perhaps even more important, by revealing their determination to defend themselves in common, they may discourage the Soviet Union from ever committing an act of aggression.

If NATO is seen exclusively or almost exclusively as a mechanism of deterrence or defense against Communist aggression, then it seems to me that the arguments for admitting Spain are unassailable. The tendency to view the organization as such in the United States accounts in major part for such diplomatic initiative as this country may have taken to obtain inclusion of Spain. Similarly, it is not surprising to find that the military leaders not only of the United States but of other NATO countries have also been especially partial to this point of view. They may differ among themselves as to the precise contribution which Spain could make but few if any would argue against admission on grounds that Spain would be a military liability.

One does not have to be an expert in these matters in order to understand why this is so. Spain borders on both the Mediterranean and the Atlantic. It is across these waters that the military positions of NATO must be supplied. Spanish membership in the organization would help to guarantee these sea lanes and to neutralize Soviet penetration of Egypt and other parts of the southern Mediterranean.

We may note, too, that Spain dominates the southwest approach to Europe. As such its inclusion in the integrated defense of Western Europe is practical and logical. Its military facilities and bases would be more useful if they were under control of the Supreme Command, instantly available for any military action in which NATO might become involved. As it is now, these facilities cannot be counted on, except as they might be provided through Spanish-United States arrangements. It is not at all certain that these arrangements would come into operation at least until and unless NATO were thrown back to a line of defense based on the Pyrenees.

Finally, Spain is in a position to supply troops at a time when NATO appears to be sorely in need of increased manpower. There is no point in reviewing the reasons for this need. Suffice it to say that the military authorities of NATO view it sometimes with an anxiety verging on desperation. Five divisions of anti-Communist troops from Spain would go a long way toward relieving this anxiety. These divisions could be equipped and trained at relatively low cost and would provide a significant increment in NATO's strength.

As noted, one may question the precise degree of military contribution which Spain could make to NATO, but certainly it has at least as much to offer as some of the smaller European powers. If the NATO nations were to become engaged in a conflict with the Soviet bloc it would obviously be better to have immediately available more rather than less military strength. If NATO is trying to deter aggression by a show of military force, then it would be better to reveal more rather than less potential strength. However great or small the Spanish contribution might be, it should nevertheless be welcome. That is, it should be welcome if NATO is seen exclusively or almost exclusively as a military bulwark against Communist aggression.

In spite of the importance of admitting Spain to NATO on military ground, these grounds are not decisive. The military case for admission of Spain is no more, perhaps not even as compelling as the arguments for equipping NATO forces with nuclear weapons. Given a choice between the two, it is not at all certain that NATO's military planners would select Spain's admission as the more urgent need. However much the inclusion of Spanish forces and facilities in

the NATO command may appear desirable it is doubtful that any responsible military leader would contend that the outcome of a conflict with the Soviet bloc hinges on Spain. Further, if the Soviet Union is not going to be deterred by a NATO without Spain, it is highly unlikely to be deterred by a NATO with Spain.

If military factors are not decisive, if what has heretofore been the principal argument for inclusion of Spain is discounted, how is it possible to contend that Spain belongs in NATO? Again, we must go back to the basic purposes of the organization. Is there any other purpose of the organization which would be served by Spanish membership? Is there any raison d'être for NATO except military defense against aggressive Soviet communism? These questions are best answered by posing others. If the military threat of Soviet communism were suddenly to be removed would there be logic in the continuance of the organization? If so, would inclusion of Spain sustain or weaken this logic?

It is not without significance in this connection that even the appearance of a relaxation of the Soviet threat at the time of the Geneva Conference of 1955 resulted in a prompt reduction of the zeal of member states in meeting their military obligations to the organization. It is of equal significance, however, that this apparent erosion of NATO was the occasion of widespread alarm in the member countries. It prompted a serious search for ways of preserving the essential intimacy of the NATO relationship by means other than military. This search, in turn, lost some of its steam when events in Hungary demonstrated a continuing danger of aggression from Soviet totalitarianism and, hence, the continuing need of NATO as a deterrent or defense with respect to that danger.

What this sequence suggests is that while concern with Soviet aggression has been the major impulse of NATO, that concern has not been the solitary impulse. Without the common fear of a Soviet military onslaught, NATO tends to falter at this time. The very faltering, however, sends shivers down the spines of the member states and impels them to undertake an introspective examination of the meaning of the organization. Why is that the case? Can it be that there are other vital common needs of the NATO nations which the organization is designed to serve or may be made to serve?

That there are others, is indicated by the North Atlantic Treaty itself. If there were not others, how are we to explain the failure of the text of the treaty to identify either Soviet or Communist aggression as the threat which the treaty is designed to deter or resist? How are we to explain the inclusion of article II which extends the potential area of cooperation among the NATO members beyond military affairs into political and economic realms?

The basic design of the treaty clearly indicates a groping on the part of the adherents for something more than a means of meeting the immediate need for common defense against the threat of Communist aggression. It suggests that the parties seek a method of safeguarding something that is precious to all of them, regardless of the quarter in which the danger to it may arise. This something, this thing of common value, it seems to me, is the heritage of the civilization which, with its core in Western Europe, has radiated outward in greater or lesser degree to all of the NATO members. Indeed, there is scarcely any part of the globe which has not been at least touched by this heritage, that does not have some small stake in it.

The need to safeguard this heritage which is composed of ideals of freedom and human decency arises in major part of course out of the immediate threat of Soviet totalitarianism but that is by no means the only potential source of jeopardy. The ideals have been menaced in the past in many ways and in many places. Most significantly, in recent decades, they have almost been destroyed by the actions of the very nations which have held them most closely. The two World Wars of this century were, in effect, if not in motive, an attempt to obliterate this heritage.

In the aftermath of the second of these disasters, it was obvious that the older techniques for safeguarding the ideals of European-Western civilization—the techniques for example, of the nation-empire with its multiple social institutions, of diplomacy and of the balance of power—were no longer adequate. Nor was the United Nations competent to assume this responsibility. Other mechanisms—intermediate mechanisms—had to be devised and were devised, and NATO is one of them.

In this context, the rationale of NATO is not limited to defense against the immediate but perhaps transitory danger of Communist aggression. Rather it is one of several international devices for the preservation of the living heritage of European-Western civilization against either aggression from without or aggression and erosion from within.

At the risk of over-simplification NATO may be regarded as the second ring of security for this purpose. The inner core is made up of the nations of Western Europe held together not only by common national interests and outlook but by the cement of the Western European Union, and other intra-European organizations. Surrounding this core is NATO, composed not only of the core, but of the United States, Portugal, Turkey, Greece, and other nations which share the European-Western heritage in varying degree and whose own futures are intimately linked with its preservation.

If the concept of the place of NATO delineated above is an accurate one, then it may be possible to consider the question of whether or not to invite Spain to join in a somewhat different light than has heretofore been the case. The question is not merely what has Spain to contribute in a military conflict with Soviet communism, rather, it is this: How much of the European-Western heritage does Spain share and will its membership in NATO act to safeguard or erode that heritage? Indeed, may it not act to expand it?

Heritage as it is used here is, of course, an abstraction. There are few objective measures which can be used to determine how little or how much of it is held by any nation. But certainly, the test is not whether at a particular time particular personalities happen to hold sway over a nation. Personalities are transitory.

The question is not shall Spain be invited to join NATO. What we must ask is whether the Spanish people are associated in a comparable degree of intimacy with the European-Western heritage as are the other members of the Organization. One may perhaps debate whether Spain is of the inner core of this heritage, the core which is embraced by the Western European Union. Can there be any doubt, however, that Spain's relationship to the heritage is at least as close as that of Greece, Turkey, or Portugal? Can there be any doubt that Spain, the Spain of Ferdinand and Isabella, the Spain of the Napoleonic wars, the Spain of Goya and Cervantes falls in the second ring?

That is why the exclusion of Spain from NATO seems to me to be clearly a serious schism in what is otherwise a logical design for the preservation of the heritage. It is an invitation to inner erosion, and it may be an invitation to external aggression in the future. Furthermore, it inhibits the extension of the values of that heritage, particularly in north Africa, and perhaps in Latin America as well.

It seems to me essential to draw Spain closer to full participation in the heritage, not to thrust it away or to exclude it on the basis of events which occurred 20 or even 10 years ago. It is essential, not for the sake of a regime, not even for the sake of Spain alone. It is essential in order to preserve and to advance these ideals of freedom and human decency to which the peoples of the NATO countries aspire.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMERS ACT OF 1959

Mr. KEFAUVER. Mr. President, I introduce, for appropriate reference, a bill to establish a Department of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers; to coordinate the administration of consumer services by transferring to such department certain functions of the Department of Health, Education and Welfare, the Department of Labor and other agencies; and for other purposes.

Joining me in sponsoring this bill are the following Senators: The Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from Alaska [Mr. GRUENING], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from North Dakota [Mr. LANGER], the Senator from Ohio [Mr. LAUSCHE], the Senator from Montana [Mr. MANSFIELD], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the junior Senator from Oregon [Mr. NEUBERGER], the Senator from Texas [Mr. YARBOROUGH], the Senator from Ohio [Mr. YOUNG], the Senator from Wisconsin [Mr. WILEY], the Senator from Colorado [Mr. CARROLL], the Senator from Michigan [Mr. HART], the Senator from New York [Mr. KEATING], the Senator from Alaska [Mr. BARTLETT], the Senator from California [Mr. ENGLE], the senior Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. MCNAMARA].

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1571) to establish a Department of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers; to coordinate the administration of consumer services by transferring to such department certain functions of the Department of Health, Education, and Welfare, the Department of Labor, and other agencies; and for other purposes, introduced by Mr. KEFAUVER (for himself and other Senators), was received, read twice by

its title, and referred to the Committee on Government Operations.

Mr. KEFAUVER. Mr. President, the forgotten man in our governmental structure is the American consumer. Technically, it would probably be more correct to say that the individual is the "forgotten woman," since it is the American housewife who makes most of the consumer purchases.

The American consumer is losing the battle to inflation. No matter how careful the purchasing and how expert the marketing, the American consumer cannot possibly protect himself, or more properly, herself, against the steady and continuing rise in prices. As has been demonstrated before our Subcommittee on Antitrust and Monopoly, most of the inflation of the last 5 years has stemmed from price increases in the administered-price industries, which have become largely immune to the normal forces of supply and demand. Thus the American consumer is being denied that protection which it is assumed, in our economic order and form of government, will adequately protect him. The protection of which I speak is, of course, the unseen hand of competition. Where price competition has disappeared or atrophied, those who are presumed to be protected by it could logically be expected to find themselves in the role of innocent injured parties. And that is precisely what has happened to the American consumer, particularly since the end of World War II.

Unless one studies the statistics carefully, it is hard to realize just how much inflation has taken place in our economic system. Between 1947 and 1958 the consumer price index has risen 29.3 percent, while the wholesale price index has advanced 23.7 percent. Actually, the overall increase would have been substantially greater had it not been for a decline of 5 percent in the price of farm products. Aside from farm products and foods, the level of wholesale prices has risen nearly one-third during this period. Pacing the rise has been a sharp increase in the price of steel, the bellwether of our economy, which between 1947 and 1958 more than doubled. The greatest increases have all been in the administered-price areas. Increases of more than 60 percent have been registered by the metals and metal products group and by machinery and motive products, while rubber and rubber products and nonmetallic minerals have shown advances of more than 40 percent. In contrast, such market-price areas as textile products and apparel, leather and leather products, and miscellaneous products have, along with farm products, registered actual decreases in price.

The cost of this inflation is almost beyond comprehension. Between 1947 and 1958 gross national product in current dollars increased by $203 billion; however, in real terms (that is, 1958 dollars) the increase was only $125 billion. The difference, or $78 billion, is pure inflation. As a specific example, take the case of steel. Had the amount of steel that actually was shipped between the second half of 1955 and the end of 1958 been sold at the price prevailing in the second quarter of 1955, instead of at the steadily higher prices which have prevailed since that time, the savings to the direct buyers of steel would have been $5,165 million. And this is before the higher prices are pyramided as each successive producer and fabricator in the flow of production makes a greater dollar increase in price in order to maintain his percentage markup.

To make the matter even worse, there seems to be no end in sight. We must not delude ourselves with the easy assumption that "a little inflation" will not do any harm. An average price increase of 3 or 4 percent a year may not sound particularly dangerous. Yet, if prices were to rise at an average rate of 3 percent a year, the price level would be doubled within 24 years; a 4 percent annual increase would double the price level in only 18 years. If our price level is to double in just two decades, how sound an economy will we have? How much growth will we have enjoyed? How much investment in new plants and equipment will have been made? How much will real consumption of goods and services have increased? How many of our foreign markets will we have lost? How strong will we be in protecting our interests against the ever-present threat of Communist world domination?

When 2 years ago the Subcommittee on Antitrust and Monopoly initiated its inquiry into inflation in the administered-price industries, interest in the problem of inflation was something less than it is today. Now we find a veritable abundance of committees inquiring into the problem, which, in view of its enormous importance, is all to the good. The Congress earlier this week voted a $200,000 supplemental appropriation to the Joint Economic Committee to embark upon an extensive study of inflation and economic growth. The Congress and the country are indeed fortunate that this study will be conducted under the chairmanship of the Senator from Illinois [Mr. DOUGLAS] who is universally recognized as one of the country's foremost economists. Last week the Cabinet Committee on Price Stability for Economic Growth, headed by the Vice President, began to operate by hiring as its executive director Mr. W. Allen Wallis, professor of economics of the University of Chicago. There has also been formed under the chairmanship of Dr. Saulnier a Committee on Government Activities Affecting Prices and Costs, whose function it is to eliminate or reduce activities contributing to inflation carried on by the Government itself. In the Subcommittee on Antitrust and Monopoly we, of course, intend to continue our somewhat tedious and laborious task of developing the facts on the actual nature of the inflationary movement in specific industries, and to try to ascertain whether in such industries the public interest is adequately protected by the antitrust laws. From time to time we intend to continue supplementing these industry-by-industry studies with general hearings at which economic and legal authorities will be invited to present their views as to the public policies best suited to meet the problem. Out of all these inquiries there may be found some solution, consistent with American traditions and institutions, to the problems of securing economic growth, preventing inflation, and minimizing short-term unemployment. It is well to consider the possibility, however, that the day of its discovery may not be just around the corner.

In the meantime, we should not be idle; we should be about our business doing those things which ought to be done and whose objectives, while less ambitious than the solution of all of our major economic problems, represent in their own limited way definite contributions to the public interest. The objectives of the bill which my colleagues and I have introduced today are of this limited but worthwhile character.

The primary purpose of the bill is to provide effective representation within the Federal Government of the American people in their capacity as consumers. The existing Government agencies, with few exceptions, represent the American people in their capacity as producers. Thus, the Department of Commerce represents businessmen; the Department of Agriculture represents farmers as producers; the Department of Labor represents workers as producers; and so on. Indeed, the Government abounds with departments, agencies, and bureaus set up by the Congress to represent producer interests of virtually every conceivable type. There is no such representation of the consumer interest. Such consumer representation as does exist is limited, fragmented and relatively ineffectual.

What groups of persons are particularly in need of the protection to be provided by this measure? In approaching this question, it must be recognized that simply because most consumers are also producers their interests, by that fact alone, cannot be assumed to be adequately protected. We have in this country a large number of citizens who are no longer producers, but who are living on income earned in earlier years when prices were lower. I am speaking, of course, of the older persons living on pensions and annuities, who are caught in a cruel squeeze between fixed—and often very limited—incomes and steadily rising prices. There are the salaried and white collar workers whose income traditionally does not keep pace with rising prices and to whom what is brought in as producers does not equate nicely with what must be spent as consumers. The unorganized workers, who are the poorest paid and thus most in need of adequate representation, form another bloc of American citizens who have suffered a worsening relationship between what they earn and what they consume. The position of even the organized workers as a group has deteriorated in recent years. This is indicated by the fact that, according to data prepared by the Joint Economic Committee, unit labor costs in manufacturing as a whole actually declined by nearly 2 percent between 1953 and 1958 while the Wholesale Price Index rose by 9 percent. For all of these groups, which together represent a clear majority of our population, there is to be found in the Government no adequate voice to

represent them in their activities as consumers.

What specific functions would the new department carry out in its task of protecting the consumer interest? As set forth in section 5 of the bill, its first function would be "to present the viewpoint of consumers of goods and services within the United States in the formulation of policies of the Government." The number and variety of different governmental policies which have a real and direct impact upon consumers is virtually infinite. A recent example should serve to illustrate the need for presenting the consumer point of view at the highest level of the executive branch.

On March 25 the President urged the steel industry not to raise prices. This is an action which was long overdue. Had a Department of Consumers been in existence and headed by a responsible Secretary of Consumers who could have brought home to the President the injurious effects of the upward movement of steel prices, I feel sure that the President would have made his direct and pointed appeal long before this, with a consequent savings to buyers of hundreds of millions of dollars. Beneath the Presidency there are, of course, many lower echelons of Government which formulate and put into effect policies of one kind or another which cost the American consumers dearly. To say that such policies are usually conceived with little or no regard to the consumer interest is not to criticize, but merely to state an obvious fact. It is right and proper that the effect of their policies on consumers be forcibly called to the attention of those who formulate them. And this should be done before the policies are put into effect. The Government departments might, in fact, benefit more from the work of this new agency than they might imagine. The Government is, in fact, the Nation's largest consumer of goods, and anything which the Department of Consumers does to restrain inflation will inevitably work to the advantage of the Government as a consumer.

The second function of the Department is to represent the economic interests of consumers of the United States in proceedings before courts and regulatory agencies of the United States. The Constitution reserves to the Congress the power to regulate commerce. Because of the complexity of the issues involved, Congress has established certain independent regulatory agencies to carry out this function. In establishing these agencies, it was never intended that they should merely duplicate the type of activity carried on by the third branch of the Government, the judiciary. They were intended to be and should remain arms of the Congress. Unfortunately, over the years these agencies have tended to assume the role more as umpires between contesting groups of producers than as protectors of the consumer interest. The Interstate Commerce Commission is caught in disputes between railroads and trucks; the Civil Aeronautics Board between large airlines and small airlines; the Federal Communications Commission between rival applicants for television and radio licenses; the Federal Power Commission between gas producers and public utility companies; the Tariff Commission between companies; wanting tariff protection and firms selling to countries which would be adversely affected thereby and so on. In their efforts to settle these disputes among rival producers, it is almost inevitable that the effect of their actions upon consumers has not always been given sufficient attention by these regulatory bodies. Under this bill the Department of Consumers would be given the right by law to intervene in such matters before these regulatory bodies as rate increases, tariff increases and the like. In the words of the bill, it would be authorized to present to such regulatory agency, in conformity with the rules of practice and procedure thereof, such evidence, briefs, and argument as it shall determine to be necessary for the effective protection of the economic interests of such consumers. Before taking action the regulatory body would have had presented to it information showing the consequences of its action on consumers. In no way is their power reduced or abridged. The purpose is merely to see to it that insofar as the consumer interest is concerned their action shall not be taken in a vacuum.

Moreover, in matters involving the judicial branch of Government, the Department would have the right to certify information to the proper official for presentation before the district courts, and to ask leave to present the consumer point of view before appellate courts. In the event that Congress were to enact some type of price notification legislation, such as the O'Mahoney bill or the Clark-Reuss bill, under which large corporations in concentrated industries would have to file prior notice with some governmental agency of their price increases the Department of Consumers could appear and present information bearing on the appropriateness of the price increase and its probable effect upon consumers.

The next function of the Department is to conduct annually a National Consumers Conference. There are a number of organizations interested in promoting and protecting consumer interests whose advice and assistance should be sought by the Department. The State of New York has had an organization within the State government established to promote consumer interests, and it is my understanding that similar organizations are being contemplated by the States of Massachusetts and California. They, too, are in a position to contribute to the effective operation of the new Department and it in turn should be in a position to furnish them with helpful advice and assistance. To be sure that this type of mutual interchange does take place, the bill provides that an annual National Consumers Conference will be called by the Department.

The Department would also have operating responsibilities. Specifically, the following agencies or parts of agencies would be transferred to it: The Food and Drug Administration of the Department of Health, Education, and Welfare; the Division of Prices and Cost of Living of the Bureau of Labor Statistics of the Department of Labor; the Home Economics Research Branch and the Human Nutrition Research Branch of the Agricultural Research Service of the Department of Agriculture; and those elements of the National Bureau of Standards which the Director of the Bureau of the Budget shall determine to be engaged primarily in research with respect to, or the testing of, articles intended for use by consumers.

In proposing these agency transfers I am not being critical of the work which they have performed in the past. Indeed their contributions to the public welfare have been legion. However, I believe that the gains by reason of their reorganization under one roof would far outweigh any possible loss. It should be obvious that the work of each of the different agencies would contribute far more to the work of the others than is now the case. Then too, instead of being situated within indifferent, and sometimes unfriendly, departments, these agencies would be working within an overall department whose aim and mission would be the same as theirs. Morale, unity of purpose, cohesiveness—all should be vastly improved and with this improvement efficiency should rise. With the type of reorganization I have proposed, the taxpayers should thus get much more for their tax dollar out of the consumer-protection agencies than is now the case. The additional cost to the taxpayer would be negligible, if any. The additional benefits to the taxpayer in his capacity as a consumer should be numerous and important.

Another function of the Department would be to receive and evaluate consumer complaints. The Department would constitute a single unified place to which consumers could send their complaints of all kinds. In those cases where the matter falls within its jurisdiction, the Department would itself take corrective action and in others it would transmit the complaint promptly to the appropriate government agency. Today, even where he has a complaint of the most legitimate type, the most informed consumer can be excused for not knowing to which of the numerous government agencies he should address himself.

The Department would have the function of making economic studies and investigations relating to productive capacity, methods of distribution, price levels, quality and suitability of goods affecting consumers, and similar matters. Essential to carrying out this and its other functions are powers to gather and compile necessary information. To this end the Department would be granted general fact-gathering powers similar to those vested by the Congress in the Federal Trade Commission. However, in order to prevent the disclosure of that type of information about which business firms are most sensitive, the bill specifically provides that "information received by the Department concerning the cost of production or distribution of any product by any such corporation, or any division or subsidiary thereof, may be made public only in a form which does not disclose such information with

respect to any particular corporation, or any division or subsidiary thereof."

A similar safeguard is incorporated in the bill to assure that the Department does not attempt to set itself up as an arbiter of the respective merits of goods produced by rival companies. To this end the bill specifically provides that "nothing contained in this act shall be construed to authorize the Department to engage in any program of testing for the purpose of determining, as among the products of different producers, the relative merits or suitability of products of any class or type."

Congress itself would be among the beneficiaries of the new Department. It is often difficult for Congress, in considering legislation, to evaluate its effect upon consumers. This is a type of information which is frequently most difficult to obtain. To have available an agency which can present information and testify on the ways in which consumers may be affected by particular bills will, I am sure, prove to be of tremendous assistance to Congress.

Mr. President, I wish to emphasize that the measure would not give to the Department, or to any part of Government, any power to control prices, rates, wages, or anything else. It would not involve the creation of a new Government agency which would merely duplicate functions now being carried out elsewhere. Rather, it would perform a few new functions not now being carried on by anyone; and in addition would take over the administration of certain existing consumer-oriented agencies. The bill, in fact, is modest in its scope and objectives. In itself, it is not a solution to the overall problems of assuring growth and preventing inflation. But it is a step in the right direction, and it does a few things which ought to be done.

Mr. President, this bill is a product of our times. It would not be necessary if competition were sufficiently effective throughout the economy to protect the consumer interest, or if there were no large blocs of citizens whose earning power did not keep pace with the upward trend of prices, or if the existing departments were not so exclusively oriented toward producer points of view, or if the regulatory agencies had not become more and more the arbiters of disputes among rival groups of producers rather than the guardians of the consumer interest, or if consumers actually did know which way to turn in bringing their grievances to the attention of the Government, or if the few existing consumer agencies within the Government had carried out their responsibilities in a more vigorous and coordinated manner.

These are conditions which are not likely to be changed in the foreseeable future. So long as they exist, there will be a need, and probably an increasing need, for a bill of this type.

I request that at this point there be printed in the RECORD a copy of an article of mine entitled, "A Voice for Consumers," appearing in the Progressive magazine for January 1959, in which I first set forth this proposal. I also request that there be printed a speech which I delivered on June 23, 1958, at the George Peabody College for Teachers at Nashville, Tenn., entitled "Administered Prices and the Consumer."

There being no objection, the article and speech were ordered to be printed in the RECORD, as follows:

[From the Progressive magazine, January 1959]

A VOICE FOR CONSUMERS

(By Senator ESTES KEFAUVER)

For nearly 2 years the Senate Subcommittee on Antitrust and Monopoly has been inquiring into the subject of administered prices. We have heard testimony from the Nation's foremost economists specializing on the subject. We have heard from representatives of business, labor, and consumer groups. We have pored through papers and reports and independent analyses of our own. We have held lengthy hearings and issued comprehensive reports on administered prices in the steel industry and in the automobile industry. We are now conducting research into the bread industry and into the manufacture of drugs.

In a way the problem with which we are now concerned is the inevitable legacy of our failure as a Nation to implement effectively one of the cardinal goals of the progressive tradition, namely the prevention of monopoly. What is happening in concentrated American industries today is exactly what men like the La Follettes feared would take place if the trend toward monopoly was not halted. For a variety of reasons, including some unfortunate judicial decisions, inadequate appropriations for the antitrust agency, and, in my opinion, the misguided belief of many liberals that monopolists, for some unknown reason, would be beneficent in their despotism, the fight to prevent the rise in concentration has been largely lost. As we look at the American economy today and see industry after industry firmly controlled by the Big Two, Big Three, or Big Four, it is apparent that excessive concentration is something which is no longer merely a threat of the future; it is a present reality.

The fundamental reason the La Follettes and men of similar vision and courage were vigorously opposed to the concentration of economic power was their conviction that monopoly would mean an economy of scarcity, characterized by exorbitant prices and unduly restricted production. Prices that are excessively high result in a curtailment of consumption and deny the people the benefits of scientific and technological progress. Production that is unduly restricted means curtailed employment and a failure to develop and utilize our resources. Today we find that these two evils are manifesting themselves simultaneously. On the one hand, we find prices in concentrated industries, such as oil, steel, and automobiles, have been rising; on the other hand, we find that their production and employment have fallen. We have witnessed the anomaly of price inflation during a recession. According to all the economic textbooks, this is a combination of trends which simply could not take place, since, as everyone knows, when demand falls, prices are expected to decline. The explanation for this singular phenemenon is the simple fact that the managers of our great corporations, when confronted with a decline in sales, apparently feel that the simplest and surest way to maintain profits is to raise prices. Since, as a result of either the dominance of a price leader or some form of collusive arrangement, the normal restraining influence of competition has been all but eliminated, they are able to make their decisions stick.

The Subcommittee on Antitrust and Monopoly has already discovered this very pattern of behavior in three of our most important industries—oil, steel, and automobiles. There is reason to believe that it exists in other industries as well.

Our steel hearings disclosed a history of steel prices rising at more or less regular intervals in stairstep fashion since 1947. United States Steel's announcements of price increases invariably have been followed within a few days by every other steel producer. The record contains numerous instances of sealed bids for Government contracts in which prices quoted by supposedly competitive producers were identical down to the thousandth of a cent. A noteworthy aspect is that the industry's prices have risen as frequently and as far during periods of recession and idle capacity as they have during periods characterized by huge backlogs of unfilled demand. They have also risen when unit labor costs have been falling as well as when they have been rising.

Another interesting aspect is that United States Steel, the dominant producer in overall steel production, does not appear to be either the most efficient company in the industry or the company with the largest capacity in certain particular types of steel products. Both Bethlehem and National Steel, for example, appear over the years to have been generally more efficient than United States Steel. In several product lines Bethlehem has greater capacity than United States Steel, while National has the largest cold-rolled sheet capacity in the industry. The subcommittee was understandably puzzled by the explanations offered by Bethlehem and National executives as to why they have had to meet each of United States Steel's price increases on those products in order to stay competitive.

The automobile industry also provides an instructive example of price administration by a dominant producer, General Motors. The pricing objectives of both Ford and Chrysler clearly appear to be either to match General Motors' prices or, if they choose to announce first, to anticipate price increases which will be satisfactory to General Motors. Occasionally, someone slips up. Ford took the lead in announcing prices on 1957 models, for example, with increases averaging about 3 percent. Soon thereafter General Motors introduced its new models at prices which were slightly more than 6 percent higher than in the previous year. Ford immediately revised its prices upward to the General Motors level. As in steel, the automobile manufacturers are just as willing to raise prices when sales are low as they are when people are standing in line at the dealers' doors. The most recent round of automobile price increases occurred in a year during which the companies will produce only slightly more than half the number of cars they made in 1955.

After nearly 2 years of inquiring into the matter, it is not surprising that people are beginning to ask us what we are planning to do about the problem. This is a question which is much easier to ask than to answer. But certainly the upward movement of prices in the midst of substantially unused capacity cannot be permitted to continue indefinitely. The results of a constantly increasing price level would be appalling. The value of savings, life insurance policies, pensions, wages of unorganized workers and salaries of white-collar workers would be progressively reduced, causing particular hardship to our older citizens and, indeed, to all persons living on fixed incomes. The incentive for saving would atrophy, thus impairing our ability to raise the capital necessary for future economic expansion. The limitations imposed on production in order to support the higher prices would, in a period of large-scale expansion of our labor force, tend to

swell the ranks of the unemployed. The exact point in time when we will have to face up to this problem cannot be predicted, but barring some unforeseen development on the international scene which would require a rapid buildup in our Military Establishment, it cannot be far off.

While I am not advancing it as the complete solution to the problem, one step which can and should be taken is to provide in some way for effective representation in government of the consumer's interest. To this end, I intend to introduce legislation in the forthcoming Congress to create a new agency, a Department of Consumers, whose head would become a new member of the President's Cabinet as Secretary of Consumers. The fundamental logic behind this proposal is that most of the other departments, including particularly the Department of Commerce, the Department of the Interior, the Department of Agriculture, and the Department of Labor, represent the American people in their capacity as producers. There is no department to represent them in their capacity as consumers. Even those agencies whose principal function is to protect the public interest, such as the independent regulatory agencies, have all too frequently come to regard their role not as the protector of consumers, but as an umpire between contesting groups of producers. Thus, the Civil Aeronautics Board concerns itself with disputes between large airlines and small airlines; the Interstate Commerce Commission tries to adjudicate the long-standing dispute between the railroads and the trucks; the Federal Power Commission is caught in a conflict between gas producing firms and public utility companies; the Federal Communications Commission spends much of its time trying to decide which of a number of rival applicants should be awarded licenses to operate TV stations; the Tariff Commission is constantly caught between one group of producers urging a tariff increase and another group opposing it on the grounds that such action would impair the ability of foreign countries to buy their goods; the Federal Trade Commission becomes embroiled in disputes between big business and small business. This is not to imply that these are not appropriate subjects for these agencies, but it does appear that in their day-to-day work the larger issue of the consumer interest has gradually come to be overlooked.

What would be the specific functions of this new agency? Although my views on this matter are preliminary and certainly subject to change, there are at least two major functions a Department of Consumers could properly undertake: (1) it could serve as an advocate of the consumers' interest at all levels and stages of government, and (2) it could provide a centralized and probably more sympathetic home for a variety of activities directly affecting the consumer which are now performed elsewhere in Government. In carrying out its function of "advocate" for the consumer, the agency could, for example, appear before the Civil Aeronautics Board or the Interstate Commerce Commission whenever either agency was considering a rate increase and present evidence on its effect on consumers. It could urge that greater consideration be given to the quality of service rendered the consumer by private firms which have been granted the privilege of operating as a monopoly. When it felt that consumers were being deceived by false and misleading advertising or were being exploited by price-fixing conspiracies, it could make complaint to the Federal Trade Commission. During hearings conducted by that agency on these and related matters, it could present evidence on the need for altering the nature of the advertising or eliminating the collusive arrangement.

Similarly when it felt that the consumer was being exploited by monopoly, it could make complaint to the Anti-Trust Division of the Department of Justice, and in the trial of antitrust cases could present evidence of the effect on consumers of the restraint of trade or attempt to monopolize. Wherever it deemed such action appropriate, the agency could follow up its actions at the lower levels of government with arguments to the Circuit Courts of Appeals and to the Supreme Court. When Congress was considering legislation, it could present evidence before the appropriate congressional committees on the effect of the proposed measure on consumers. In all of these undertakings, its primary objective would be the same—to make the regulatory agencies and the courts forcefully aware of the effect of their actions upon the interests of 175 million consumers.

In order to make any worthwhile contribution the agency would have to have a staff of expert lawyers, accountants, economists, and other professional personnel. Only by demonstrating a high degree of professional competence could the agency hope to secure the respect for its position which is a prerequisite for success. But no great bureaucracy need be established in order to secure this professional personnel. Much of it already exists within other parts of Government concerned with consumer problems. There has been a long-felt need to bring under one roof these consumer-oriented bureaus and divisions which are now scattered throughout a variety of different departments. Thus, the very act of carrying out the second function of the agency would in itself provide much of the professional personnel needed to carry out the agency's first function.

What are some of these functions now being conducted in the executive branch of the Government that need to be centralized in a Department of Consumers? Perhaps the first step would be to transfer the Food and Drug Administration to the new agency. The FDA is charged by Congress with safeguarding American consumers in the purchase of $50 billion of foods, drugs, cosmetics, and health devices a year. It is charged with protecting the consumer against economic cheats, as well as health hazards. It has the authority to conduct badly needed research on the many aspects of new consumer products. Because of inadequate appropriations most of its activities have been necessarily confined to the task of preventing serious health hazards. With only a moderate increase in funds and personnel, it could tackle such problems as short-weighting, the substitution of cheaper ingredients, and misleading labeling and packaging.

The work of the Bureau of Labor Statistics in compiling the Consumer Price Index, as well as its other price series, belongs more logically in a Department of Consumers than in the Department of Labor. In trying to appraise the effect of conflicting price movements on consumers' living standards, Congress, as well as other parts of Government, relies heavily on these indexes. Yet, in certain respects such, as their failure to reflect the increasing cost and importance of consumer credit, they do not adequately reflect the true increase in the cost of living.

Certain parts of the Bureau of Standards, which are or properly should be engaged in testing consumer products, could appropriately be transferred to the new Department. The same is true of the Bureau of Home Economics of the Department of Agriculture, which is probably the oldest consumer protection agency in the Federal Government. Although the present administration has curtailed its activities, the Bureau of Home Economics should be able to continue its historical function of conducting research and tests on the basis of which its how-to pamphlets can continue to be issued. These booklets, issued on a great variety of home activities, have become the basic consumer information sources for not only the Department of Agriculture but the whole of the Federal Government. Editors of women's magazines, household hints newspaper columnists, and home service radio commentators have leaned heavily on this material for years. Like the present location of the Consumers Price Index in the Department of Labor, the present location of the Bureau of Home Economics must be regarded as largly an historical accident.

In making this proposal for rearrangement of functions, I wish to make it clear that I do not believe in governmental reorganization simply for the sake of reorganization. The shifting around of Government agencies like pieces on a chessboard is one of the more popular and enduring indoor sports in Washington, and it frequently results in the needless disruption of personnel with a resulting loss in efficiency. In this particular instance, however, I believe the gains would far outweight any possible loss. For one thing the work of each of the different agencies would contribute far more to the work of the others than is now the case. For example, the price collecting agents of the Bureau of Labor Statistics could gather valuable information for the Food and Drug Administration, and Bureau of Standards personnel could do important testing work for the Bureau of Home Economics. Second, instead of being situated within indifferent, if not inhospitable, departments, these agencies would be working within an overall department whose aim and mission would be the same as theirs. The improvement in morale, and thus in efficiency, should be marked. Today when a favorite football team loses, it is often said that it was down for the game. The same is true of Government agencies. A small agency that is "up," one that is united behind its general purposes and objectives, can do many times the work of a much larger agency that is down. Hence, with the type of reorganization I have proposed, the taxpayers should get much more for their tax dollar out of the consumer-protection agencies than is now the case.

I want to emphasize that the establishment of a Department of Consumers along the lines I have outlined would not in itself eliminate the danger to our economy posed by the constant upward movement of prices. It should be, however, a helpful step. The managers of large corporations would, in my opinion, think twice before making a price or rate increase, if there existed an adequately staffed, vigorous agency which might view their action as onerous to consumers and illegal under the antitrust laws, or unwarranted under the regulatory statutes.

But perhaps the most important gain of all would come about as a result of the elimination of a serious gap in the political structure of government. It has long been axiomatic that the consumer interest tends to be ignored because consumers are not organized. Today because of the upward price spiral, it has become essential for the welfare of the country as a whole that the consumer interest no longer be ignored. Since it is unlikely that consumers can be organized, the only prospect for effective representation of the consumer interest is by the establishment within the Government of an agency specifically designed to perform that function. In a governmental structure which is heavily weighted by agencies representing producer interest, there is a compelling need for the countervailing influence of an agency which will bring to the attention of top policy officials the ways in which their actions may affect the American people in their capacity as consumers. Only through the establishment of a Department of Consumers will the voice of the consumer be heard in the land.

ADDRESS OF SENATOR ESTES KEFAUVER, DEMOCRAT, TENNESSEE, AT GEORGE PEABODY COLLEGE FOR TEACHERS CONFERENCE ON THE CONSUMER IN AMERICAN LIFE, JUNE 23, 1958, NASHVILLE, TENN.

I appreciate very much the invitation to address this group on the subject of "Administered Prices and the Consumer." By jointly sponsoring this conference on "The Role of the Consumer in American Society," Pi Gamma Mu and Consumers' Union can make a great contribution to knowledge on that long-neglected and almost-forgotten species—the great American consumer.

Like the Abominable Snowman of Tibet, we have reason to believe that the consumer actually does exist, although he is seldom seen and almost never heard from. Once in a while his tracks can be noted as he frequents loan companies or his diminishing savings account. Occasionally, his outraged wails can be heard coming from the supermarket as he gasps at the total at the bottom of his grocery bill. But by and large little is known of his customs, folkways, habits, and protective coloration. I am sure that the results of this conference will provide a scientific basis for further research into this strange and little-understood species.

Recently the Senate Subcommittee on Antitrust and Monopoly, of which I have the honor to be Chairman, has been holding hearings on a phenomenon which vitally affects consumers. I am speaking of our hearings on administered prices. We have been struck by the paradox of prices continuing to rise while production and employment fall. We have heard a variety of shallow rationalizations of this paradox, but nothing in the nature of a considered intellectual exposition.

Yet any economic system must rest on some intellectual foundation. The world as seen by the classical economists was made up of consumers and a large number of small businessmen. Enough firms would be engaged in the production of any single commodity, such as eggs or wheat, or steel or automobiles, so that no single firm could influence the market price of that commodity. Enough firms, in fact, so that even if a few of them entered some type of collusive agreement to influence the market, they would usually be unsuccessful.

In an economy of this type, the consumer would be in the driver's seat. The price of any commodity would be determined in a competitive market in which the demand of consumers for the product would be balanced against the economic costs of supplying the product. The market would determine the price, not any businessman or small group of businessmen. If consumers were to desire more of a commodity, the price would rise, and the industry might temporarily enjoy very high profits. Expansion of output and competition among producers, however, would soon bring price down to a level which permitted only a normal level of profit. To Adam Smith, General Motors' position that a return on investment, after taxes, of 20 percent a year is just a normal profit would seem incomprehensible.

The economic world has of course changed a great deal since the early 19th century. As a result of the industrial revolution and the growth of large corporate and financial organizations, production in many industries is now centered in the hands of a small number of giant corporations. In such industries, the firm now has the power to influence the price of the industry's product. And each firm knows that its large competitors have this same power. The safest course of action, from the standpoint of business managers, is for everybody in the industry to recognize one firm as the price leader, secure in the knowledge that such a leader will consider the interests of all in formulating his price policy. Once the leader has announced his price, his "competitors" seem to fall into line like dutiful schoolchildren.

Beyond price, the nature of the product which the consumer buys may be determined in the same way. If the three major automobile manufacturers decide that the consumer should have tail fins on his new car, he will get tail fins and pay for tail fins, whether he wants them or not.

In an administered-price economy, competition comes to have a new and unusual meaning.

According to Mr. Roger Blough, chairman of the United States Steel Corp., "competition" really means that when the other fellow raises his price you have to raise yours by an equal amount in order to meet competition. This is how Mr. Blough explained the fact that every major steel company raised its prices by $6 a ton within a period of a few days last July. If that is competition, what is monopoly?

It was inevitable, of course, that as organized large-scale business developed, there would be a parallel growth of large-scale organized labor. It takes a big union to bargain with United States Steel or General Electric or General Motors. The result has been the emerging of two great power blocs in our country—organized industry and organized labor.

Conspicuous by its absence is any comparable organization among consumers. This is not to belittle in any way the very valiant and encouraging work which has been done and is being done by Consumers' Union. The public is increasingly recognizing the great contributions made by Consumers' Union and rallying to its support.

But the absence of any consumer organizations comparable in strength and influence to the organizations of industry and labor means that business organizations, both as individual firms and as members of trade associations, are able to determine prices without paying much attention to the wishes of consumers as presented by consumers, other than during those rare and extreme circumstances when there is actual buyer resistance.

Even more serious is the lack of consumer representation in decision making at the governmental level. This is an area which is certainly not neglected by organizations of business and labor. As a consequence, Senators and Congressmen tend to hear only the positions of organized business and organized labor. There are, however, some exceptions. In our hearings on the automobile industry, the subcommittee did call several expert witnesses who have the consumers' interest at heart, among them Mr. Laurence E. Crooks of Consumers' Union. Mr. Crooks contributed a great deal of concrete knowledge on the touchy question of automobile design and quality. Generally speaking, however, legislation which is in the consumer interest stands a real chance of passage today only if it is also in the interest of, and has the active support of, some other group.

Some economists and political scientists tell us not to worry about the development of these powerful interest groups. Dr. John K. Galbraith, with whose views in many other matters I am in agreement, has a very attractive and reassuring theory of countervailing power. The development of the power of organized business, he maintains, has generated a presumably equal and opposing power in organized labor. Since the two systems of power are in opposition, they tend to immobilize each other and, according to Dr. Galbraith, the consumer interest is thereby protected.

But do big business and big labor actually immobilize each other in a sufficient number of instances to afford the consumer any real protection? Certainly what has taken place in the administered price industries provides little support to his thesis. If the union gets a wage increase which costs, say, $1 a unit, labor is happy. And if the company raises prices by $2 a unit, management and the stockholders will be happy. Since the consumer has no way to publicize the fact that he is unhappy about the price increase, he stays in his role of the forgotten man.

Something of this sort happened in the steel industry last summer, and will probably happen again next week. Wages went up, pursuant to an agreement with the United Steelworkers, by an amount which raised steel costs by no more than $3 a ton. The steel industry raised its prices by an average of $6 a ton. In this instance, and again in the case of the automobile industry, organized labor did make a very persuasive showing that no price increase was needed. But there was no consumer organization to support labor's argument on behalf of consumers.

What the ultimate solution to the problem of administered prices is, I do not know. But the first step which needs to be taken is clear. This is the correction of the lack of balance in the economy which results from the inability of the consumers to exert any influence over the economic decisions made by business and government. Consumers must find a way to give concrete expression to their wants and needs, through enlarged consumers' organizations.

The public should do this, not simply because of their individual self-interests as consumers, but because it is essential to the successful operation of our economic system as it now exists. Without such a check, we may anticipate a continuation of the paradox of rising prices accompanied by falling production and employment.

The United States has a position of leadership in the world today. Another country which denies the existence of private property and individual freedom is striving to take this position from us. We have some friends on our side, some of them strong friends and some a little shaky in their friendship. The same thing can be said of the Soviet Union. In between there is a group of nations, in most cases undeveloped and recently emerged from colonial subjection, who are trying to make up their minds which way to turn. We cannot bribe these people or force them to follow our leadership. We can only show them by our example that democratic capitalism offers a better hope for the future than totalitarianism. I can think of nothing more likely to shake the confidence of the free world in the United States than a continuation of the present economic decline. This is the reason why I have devoted most of my efforts in the recent past to finding out how to make our capitalistic system work just as well as it can, and must, work.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the bill lie on the desk until Monday, in order to give any other Senator who wishes to join in the sponsorship of the bill an opportunity to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. Before I proceed with the subject which I wish to discuss in the Senate today, I desire to compliment the Senator from Tennessee for the very able speech he has just delivered in support of a bill of which it is my privilege to be one of the cosponsors.

I believe that the work done for the Senate by the Senator from Tennessee for some time in the past in this field places the entire Senate under a debt of great gratitude to him.

I want the Senator to know that I shall continue to stand ready and willing at all times to cooperate with him in furthering the very sound program which he has outlined here today.

Mr. KEFAUVER. Mr. President, I wish to express my appreciation for the Senator's thoughtful remarks. His encouragement, both in public statements and in the private work of the committee, have meant a great deal.

I also wish to express my appreciation to the members of the staff, including Rand Dixon, Chief Counsel of the Antitrust and Monopoly Subcommittee, and Dr. John M. Blair, Chief Economist of the same subcommittee. They have given us much encouragement to try to do even a better job.

I am grateful to the Senator from Oregon.

Mr. MORSE. I thank the Senator. I think he knows he is one of my favorite persons, and a Senator who, I believe, has made a remarkable record for statesmanship in the Senate on behalf of the people.

Mr. KEFAUVER. I thank the Senator.

Mr. KEATING. Mr. President, I desire to commend the distinguished senior Senator from Tennessee [Mr. KEFAUVER] for taking the initiative in drafting and introducing the important measure to establish a Department of Consumers, which I am cosponsoring. It is obvious this bill is the result of long and careful study and that it is a sincere attempt to rectify the present imbalance in our governmental structure which deprives the vast number of consumers in our Nation from adequate representation.

It has become increasingly clear in recent years that the economic structure of the United States is shifting and that as a result there is a crying need for enunciation of the consumer point of view in the formulation of general economic policies by the Federal Government.

The establishment of a Department of Consumers recognizes these economic facts of life and is at least partially motivated by an understanding of the difficulty of organizing consumers into any kind of an effective organization to work for their interests.

While I have certain reservations about specifics of this proposal, I believe it is a step in the right direction. There is simply not enough attention being paid today to the interests of the consumers who are often victimized because other groups are better organized or better placed to make their views known, felt, and implemented.

Mr. President, I hope the introduction of this bill will center attention on other neglected but important interests in our Nation. In addition to consumers, I believe strongly that it is time for us to come to grips with the ever increasing problems faced by our urban citizens. In the near future, I shall introduce legislation to create a Department of Urbiculture to coordinate Federal programs and studies dealing with the problems of city-dwellers. Again, I commend the distinguished gentleman from Tennessee for his leadership in this field of aid to the consumer—a field in which he has pioneered so ably and vigorously. I hope that hearings will be held on this measure and concrete steps taken so that the voice of the consumer will be heard in the highest governmental councils of the land.

GROWTH OF THE AMERICAN ECONOMY

Mr. MORSE. Mr. President, a few days ago, I announced my intention of addressing this body on the vitally important subject of the failure of this administration to adopt such policies and programs as would maintain the vigor and promote the growth of the economy which the Republicans took over as a result of the election of President Dwight D. Eisenhower.

However, in cooperation with the leadership of the Senate, I postponed delivery of the speech until today, when it was known that no business would be transacted in the Senate, and when it was known that today there would be a good opportunity to speak for the RECORD on this subject. That is what I am doing. I wish to make these observations a matter of record today, for future reference.

The theme of this speech is the documentation of my charge that this administration is failing to comprehend the needs of a Nation which must maintain its rate of growth in order to satisfy the basic requirements of an increasing population, while at the same time conducting a cold war that makes large and continuing demands on our economic resources.

This is no light charge, and I recognize it. The issue must be discussed because the present safety and future of the free world ride on the outcome. We will either reassert our vigor, employ our labor force to the full, and make good use of a growing plant and expanding industrial equipment, or we will fail in the race against communism and go down to that defeat which the Kremlin predicts so confidently.

That is how important this issue of growth really is.

That is why I demand a reversal of those policies and practices of this administration which are crippling our economy, and throttling down our rate of growth to the point of economic stagnation at the very time when we need a magnificent display of vigor and strength even greater than the burst of energy and cooperative action we reached during the peak of the war years.

In that effort nothing was too great for us to accomplish. The impossible became possible, the unreal reality. We won that war, and one form of totalitarianism disappeared forever; at least we hope it will be forever.

Now another, as vicious, as inhuman, as disrespectful of life and liberty as the other has taken its place. This communistic form of totalitarianism wages a relentless war against us and our free institutions. It makes the boast that we do not have the dynamic health and vigor of a growing economy, that we are in decline, that in the end we will fail of our purposes because we will cease to grow, cease to satisfy the needs of our people for a high standard of living, cease to employ all who join the labor force seeking jobs, be unable to aid our free world neighbors in the less developed parts of the globe in their efforts to cast off their shackles of feudal colonialism, and fail to hold the respect and loyalty of the democratic powers who are witness to our weakening decline.

A realistic appraisal causes one to wonder whether we will succumb to the easy way of inertia; whether we will allow a hard core of unemployed to grow as we limit production, even in the face of increasing productivity; whether business will maintain profits by administering prices; whether we will make venture capital hard to get, for small and new business; whether we will continue to drive farm families off the land, while piling up food surpluses; whether we will put a stop to new efforts to harness our rivers so that they may become the servants of man, turn our backs on the job of conserving and restoring our natural resources for the benefit of this and oncoming generations. All of that is what is meant by the slowdown in the growth rate of the Nation which has characterized the entire time span of this administration.

GOP ADMINISTRATION BEING SUSTAINED BY DEMOCRATIC STABILIZERS

This administration had a golden opportunity presented to it. Its years in office have coincided with years in which we have not been engaged in an active shooting war. We have been fortunate, if not lucky. I generously put it this way, for nothing I see in the foreign policy which the administration has pursued in its brinkmanship postures means we have actually developed a foreign policy which is proof against war.

During these years, the administration has had the opportunity of putting its outmoded economic philosophy to the test under peacetime conditions. Moreover, it has been the direct legatee of those beneficent social welfare policies and business programs initiated by the Franklin Roosevelt administration in the form of social security and business support programs which built into the economy a strong array of economic stabilizers.

It is my judgment that in both 1954 and 1957 this Nation would have been in the depths of a great depression comparable to the great depression of the early 1930's if these New Deal stabilizers had not been written into the law of the land.

We are too prone to forget that this administration has had the benefit of unemployment compensation, old-age and survivors insurance, a system of hospitals, a minimum wage law, commodity payments in agriculture, the Council of Economic Advisers working under the Employment Act, reforms in the securities and exchange laws, and the more responsible administration of the stock market, a series of Government credit institutions, and other such stabilizing forces.

It has been demonstrated that these built-in stabilizers can do much to prevent a depression of the depth, severity,

and duration of the 1930's. They aid in maintaining purchasing power and localizing the impact of an economic disturbance so that the result is a recession, harmful enough in itself, but not such a cataclysmic dislocation of the whole economy as was the Republican-led depression of the Hoover era.

Despite these favorable factors of peaceful surroundings and built-in stabilizers, this administration has pursued such policies right from the start as headed the Nation into recessions and onto the toboggan of declining economic growth whose end is the backlog of stagnation. One can only speculate on the extent to which the stabilizers of the Democratic administrations have saved the country from another great depression.

NATION HAS NEARLY STOPPED GROWING ECONOMICALLY

We measure growth in economic terms known as the gross national product. I quote now from figures assembled in the Government's Survey of Current Business, reported for July 1958, in which a conversion figure was established giving us like dollar values for the time span of 1947–57, and a dollar conversion figure made by the Council of Economic Advisers for 1958, bringing the series right up to the present time. I use 1954 dollars as the constant figure. Let me read what the official statistics show:

In 1947, the gross national product was $282.3 billion; by 1952 when the Democratic administration was leaving office for the time being, the gross national product had reached $353.5 billion, a gain of 25.2 percent.

Then came the Eisenhower administration in 1953, and that year the gross national product reached $369 billion. What did the new administration do to the national production figures by its immediate changes in economic policies?

REPUBLICAN PROGRAM STIFLED GROWTH

Here is a partial recital of these changes in economic policy which had visible effect on our gross national product—hiking the interest rate and ushering in the tight money policy within eight days after taking office; undermining the confidence of farmers and nearly destroying such magnificent cooperative efforts as the national Soil Conservation Service; launching the policy of McKay's "partnerships" which put a stop to new hydroelectric starts and sought to turn our natural resources over to the private monopolies; seeking to hamstring the REA; by raising the rate of interest and refusing more low cost hydroelectric institutions, trying to dismember the TVA with its illegal Dixon-Yates contract; favors such as the tax relief granted business profittakers; closing the door of the White House to the leaders of labor, while making seats at the Cabinet table the possession of management recruited from largest corporations; callously watching the mounting bankruptcies of small business while the dividend rate of the giant corporations grew and grew; working out a contract system for Government purchases which made these same giant corporations the direct beneficiaries of Government expenditures for atomic and missile development; refusing a program of building school classrooms after having given lip service to this proposal; seeking to cut back on slum clearance and public housing while vigorously fostering a plan to build costly super express highways; refusing to face recessions until they had about run their course with loss of human and economic values of staggering proportions.

That is the sordid record of this administration.

Need I continue this recital of policy and administrative changes affecting our economy, launched by this administration and followed to this day in its misguided belief that this constitutes a workable charter for healthy economic life?

Let me give the results of these misguided efforts, as detailed in the same series of Government figures on our gross national product, using those same constant 1954 dollars. Recall that this administration came to power and enjoyed the growth that had resulted in a 1953 GNP of $369.0 billion. It took at least nine months for its policies to be reflected in the economy. Five years later, in 1958, the gross national product had risen by $25.9 billion, a growth of only 7 percent in the 5-year span. This was an annual average growth in the physical product and services of the Nation in these 5 years during which Republican policies and practices were in effect of only 1.4 percent.

That compares with the average annual increase of over 5 percent each year from 1947 to 1952 under the Democratic administration. If 1953 is classed as a Democratic year because the new administration policies had little effect on it, until the last quarter, the average rate of growth from 1947 through 1953 was 4.7 percent. Note that the average was already beginning to decline.

Now let me turn to a truer picture of what is happening, to the real measure of our accomplishment. I am now about to put people into the economic picture. For during these years our population has been growing, new families are being formed, new demands are being made on our labor force and plant, a higher standard of living is in order, and our commitment to the free world in the cold war effort grows apace. But I stop to dwell on the picture inside the United States alone.

In the year 1947 the gross national product on a per capita basis—again using 1954 constant dollars in my series—$1,960. By 1952, this per capita production had risen to $2,252, an increase of 14.9 percent. In 1953, when the present administration took command, it had risen to a per capita level of $2,312. Here were visible signs of growth.

Then were ushered in those many changes in policies and administration, some of which I have just enumerated. And with what dismal results. By 1958 per capita gross national product had declined to $2,262, an absolute decline in the 5-year span of Republican rule of 2.1 percent. Here is economic stagnation with a vengence.

NATION WAS CAPABLE OF PROGRESS

I make the categorical charge that there was no external reason for this downturn in the economy. We had the trained labor force and the modern plant and equipment to sustain a continuing and increasing rate of growth. The changes which brought it about came from within the administration itself; they were the logical outcome of changes in Government policies and programs, in the changing behavior of business leaders as they came more and more to regard Washington not as the umpire but as a partner on the side of big business.

In the passage of the Taft-Hartley law and the rash of so-called right to work laws that broke out in State legislatures sponsored by the Republican reactionaries, there began a concerted drive to weaken and possibly destroy organized labor and collective bargaining, the cornerstone of labor-management peace. There followed such a deterioration of labor-management relations as we have not witnessed in a quarter of a century.

It came at a time when science and invention had created a productivity of astonishing proportions which should have provided the incentive for even greater production. Instead of good will and statesmanship between management and labor seeking to harness this tremendous productivity for the betterment of all, there was hostility and lack of cooperation engendered by the failure of the administration to meet the challenge and to bring the contending parties together under national policies fair to both and beneficial to the public.

Not the least of the causes of our economic stagnation is the blind unwillingness of this administration to chart a bold course of conservation and use of our natural resources. Fully three-fourths of our hydroelectric potential lies as yet undeveloped in the great falling waters of our rivers, rivers which seasonally go on a rampage to flood and destroy millions of dollars of property and take hundreds of human lives. Not one new start has been made in the years of the Eisenhower administration to mark a broadening of the foundation of resources which underpin our economy.

We cannot have economic growth without unlocking the vast energy resources of nature, for we live in the kilowatt age of history where man is made strong by using electric power. Tomorrow's man will have at his disposal power coming from the atom or from harnessing the solar system itself. But neither of these great boons will be his so long as our national policies are of retrenchment, and of fear and failure to meet the challenge of economic advance.

ADMINISTRATION ACCEPTS COSTLY RECESSIONS

No more revealing sign is known to me of the bankruptcy of this administration in ideas, of its tiredness and weakness in drifting from crisis to crisis, than its failure to come to grips with the recession. In two successive recessions, that of 1953–54 and the one in which we still find ourselves, the administration has only belatedly recognized their existence.

It fumbled from one pronouncement to another in a growing sense of futility, of commitment to letting nature take its course instead of offering any timely program to stem the decline and reassert the growth of the economy.

The earlier recession cost us $33 billion in gross national product. The current recession will add another $46 billion to the cost. So I find little to comfort me in the recent declaration of the February Survey of Current Business that gross national product for 1958 "was within 3 percent of 1957 in real terms." We do not make much progress by sinking into the morass of periodic, recurring recessions and then taking years to regain our footing again.

We in Congress are warned by the President that we must not take matters into our own hands, that we must not program the growth of the Nation.

An old and tired administration has suddenly embraced a balanced budget psychology which maintains that the status quo is a worthy goal.

STAGNATION AND RECESSION ARE REAL BUDGET UNBALANCERS

It took the administration 6 years to discover that a balanced budget "is the cornerstone of sound economy." Prior to this year it had accumulated a budgetary deficit of $20 billion. Now with religious zeal it defends its allegedly balanced budget after having led the national economy to a point of economic decline where an honestly balanced budget has become impossible. To achieve it would be to ask the Nation and our free world allies to pay an exorbitant price for a mirage. It would substitute for growth, along which road only a truly balanced budget can be reached, humiliating penny-pinching instead of an adequate military defense, a far-sighted economic policy, a broadened welfare program, and a generous foreign-aid effort. None of these elements of growth is possible if we become the victims of this administration's capitulation to the fear of our future.

We are being told that we face the dangers of inflation if we do not retrench, cut Government costs, curtail Government outlays, and let the private sector of the economy nurse itself along in the comfortable policy of little or no growth and much stability. We are to close our eyes to the existence of a large and growing number of workers seeking jobs which a stable but nonexpanding economy cannot provide for them.

This, I submit, is the policy of defeat. This is the road to economic stagnation and ultimate ruin. This has no place in a dynamic society which is on the march to higher things. I deny it as either necessary or desirable.

INFLATION THREAT, TOO, SHOULD BE MET WITH EXPANSION NOT RETRENCHMENT

In doing so, I am prepared to meet head-on the charge that to expand is to court the disaster of inflation. Given a competitive economy, when the Government sector uses its great forces to expand its resource base, to enlarge the areas of cooperation and understanding between labor and management, to prevent monopolies and administered prices while fostering independent business enterprise, to establish sound fiscal policies and a fair tax system, then there is no basis for any real fear of inflation. For the employment of our labor force at wages resulting from the collective bargaining of equally strong parties, and the fixing of prices in competitive markets where goods are in sufficient supply, there is no real fear of inflation.

Inflation imperils the economy under existing conditions fostered by this tired, wornout administration because of the shackles its policies have welded onto the economy itself. Price inflation caused by bypassing of the marketplace of competition, by the restriction and control of output to a fraction of the public needs, is a fear ever present in the psychology of an administration lacking the courage and vision to provide for growth in a dynamic society.

I commend to this body the wise counsel of our majority leader, the eminent Senator from Texas [Mr. JOHNSON], who courageously urged upon us the establishment of a searching TNEC-type survey of the reasons for our present economic stagnation and the ways to overcome it.

In the forthcoming studies and investigations of the Joint Committee on the Economic Report under the able leadership of the senior Senator from Illinois [Mr. DOUGLAS], I see the prospect of assembling the facts which will amplify and prove beyond any shadow of a doubt the matters of which I have been speaking here today.

I urge upon the Senator from Illinois the consideration of this vital subject of the stagnation of this economy under the policies and practices of this administration.

The report of the Joint Economic Committee, which he heads, on the 1959 economic report of the President, brings out the concern among committee members about this matter, as expressed in its section entitled, "A Higher Rate of Growth Over the Long Run Should Be Emphasized."

The succeeding sections of the Joint Committee's report indicate some of the fields where changes are called for; for example, "Need for less restrictive monetary policy in 1959"; "Tax reform urged now"; "Research and development"; "Aid to education urgently needed"; "Depressed economic areas at home"; "Developing resources"; "Slum clearance and urban renewal"; and "Improve antitrust laws."

These are the areas where Government policies make the difference between progress and stagnation. I look forward anxiously to the study soon to be begun on the problem of providing full employment and maintaining an adequate rate of growth, while maintaining a stable price level.

CAPITAL BUDGET WOULD FURTHER THESE OBJECTIVES

One of the most important tools that we could, and should, use in this connection is that of a capital budget. I have already introduced Senate bill 1244, which calls upon the President to submit with the regular budget a further breakdown of funds, showing those that are classed as capital investments. My bill calls for capital investments to be separated, first, in the general sense of a capital investment which would include all public works, such as highways, regardless of whether the Federal investment in them is by grant or by loan. Second, these capital investments would further be refined, under my bill, to show those that completely repay themselves, including both interest and principal. The latter refinement would show us the budget items which would be repaid in full to the Treasury. They are the items that are direct and explicit investments in the economic growth of the country, for which the Treasury will be reimbursed.

By all rules of sound business, they should be separated from other items. Only by using such a budget procedure can we hope to judge properly our overall budgetary outlay.

In this connection, I should like to expand a little on the debate I had yesterday with the Senator from Minnesota [Mr. HUMPHREY] on this matter.

As I said at that time, I am delighted that he has introduced a capital budget bill. My bill, S. 1244, is somewhat different from his, but not in principle.

In brief, the only difference lies in the distinctions called for in separating capital investments from operating expenditures.

When I introduced Senate bill 1244, on March 2, I mentioned that in 1947 I had requested of the Budget Bureau a breakdown, by capital and operating expenses of the then-pending budget.

The resulting figures showed a capital budget in its simplest form, merely separating the capital expenditures, regardless of the form of the expenditure. Thus, there appeared on the capital investment side all Federal grants to the States for public works and similar capital improvements, as well as the Federal expenditures for such items.

There was no distinction as to which were self-liquidating and which were not. In my bill of that year, therefore, I called for a further distinction to show recoverable expenditures, too.

My proposals of 1949 and 1958 for a capital budget took the same form as the bill introduced yesterday by the Senator from Minnesota, and called only for the one distinction.

In working on the matter this year, I came to the conclusion that something more is desirable in presenting these figures to Congress and to the public. I am certainly in favor of the simple separation; and that is called for in my bill, S. 1244, as well as in the bill of the Senator from Minnesota.

But in that form, there is no indication of which capital investments are repayable to the Treasury; and this is where Senate bill 1244 goes beyond Senate bill 1560 and my bills of 1958 and 1949.

This year I returned to the concept of the 1947 bill, and proposed that the capital budget be further refined to show the outlays that are completely reimbursable, both as to principal and as to interest.

Thus, the REA loans, the power projects, the housing loans, and similar

items that are recouped 100 percent, including interest, would also be listed separately, under the provisions of my capital budget bill. These would be excluded from public debt.

In his speech on yesterday, the Senator from Minnesota [Mr. HUMPHREY] said:

> It should also be noted that many countries such as England and Sweden use a capital budget. In these countries, current operating expenses of the Government and outlays for military equipment and relief measures are kept distinct and separate from capital outlays. Capital outlays, in turn, are broken down into two parts: First, outlays for nonrevenue-producing public works such as public buildings, parks and monuments, and second, outlays which are revenue producing such as loan programs and power works projects.
>
> The budget in these countries is considered balanced when tax revenues are sufficient to cover all regular operating expenses, interest payments on the public debt, and amortization of the nonrevenue-producing capital outlays. Self-liquidating capital outlays are excluded from the regular budget.

Those paragraphs describe my bill almost exactly. However, Senate bill 1244 does not exclude the self-liquidating items from the budget, but only from the national debt; and it requires that they be listed separately in the budget.

In addition, I have related the capital expenditures to the work of the Council of Economic Advisers, by directing the Council to make recommendations on capital investment for inclusion in the economic report.

So I think the only differences between our bills are that mine is a little more refined in its definitions, in the first place; and, second, my proposal excludes the self-liquidating expenditures from the public debt.

If the way to start is with the simplest separation and definition of capital, I shall be happy to start in that way. But in order to have a really understandable budget, I think we should also know how much of the total will be repaid in its entirety; and that concept is included in my proposal.

Mr. President, it is my earnest hope that during the Easter recess the Senator from Minnesota [Mr. HUMPHREY] will study the differences between our two bills, and will see that the additional portion of my bill provides a very desirable improvement over his bill, and that he will, after the Easter recess, find his way to become a cosponsor of my bill.

CURRENT STAGNATION CONTRASTS WITH LONG-TERM GROWTH

Mr. President, the Department of Commerce has just published a study of the Nation's economic condition covering the past 50 years, which highlights the dismal record of the last 5 years. This study, called "U.S. Income and Output," shows that in the last half century, the Nation has averaged a 3 percent annual growth, even when the great depression and the recent recessions are taken into account.

In other words, the study shows the amazing strength of our economy and what it can do in spite of the adversities of Republican economic policies. I believe that if we had been relieved of these policies, our growth would have averaged considerably better than 3 percent a year.

For example, if the progress in the U.S. economy had not slowed down, and if the gross national product had continued to advance at the same rate as in 1947–53, it would have reached $536 billion in current prices in 1959, or about $66 billion more than the Council of Economic Advisers now promises to the Nation.

The cumulative loss in gross national product over the last 6 years, in comparison with the rate which prevailed before the change in administrations, will be roughly $200 billion by the end of this year.

OUR FUTURE WILL BE WHAT WE DECIDE TO MAKE IT

It is my contention that we must confront communism with the living proof of a dynamic society under the free institutions which we cherish. I am convinced that our free system of economic endeavor can continue to provide the highest standard of living in the world to a growing population living without fear either that inflation will wipe out their savings or that deflation will destroy their jobs. Growth and stability of prices are partners, or they can be if we choose to make them partners, in the upward march of our vigorous and progressive people.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my speech certain tables which provide the statistical data in support of the contentions I have made in various parts of my speech.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

APPENDIX TABLE I

1947–53: GNP, at 1954 prices, advanced (from $282.3 billion to $369.1 billion) by 30.7 percent, rising annually 4.7 percent (at compound interest).

1953–55: GNP, at 1954 prices, advanced (to $392.7 billion) by 6.4 percent, rising annually 3.1 to 3.2 percent.

1955–58: GNP inched up (to $394.9 billion) by 0.6 of 1 percent, rising 0.3 of 1 percent annually.

In terms of per capita real product, the annual rates of progress were: plus 3.0 percent in 1947–53, plus 1.4 to 1.5 percent in 1953–55; minus 1.4 percent in 1955–58.

APPENDIX TABLE II

According to the Council of Economic Advisers, expenditures of the Federal Government on civilian needs changed as follows (in billions of 1958 dollars):

Last Democratic budget, 1953, $9 billion; Republican budgets, 1954, $6.7 billion; 1955, $6.6 billion; 1956, $5.7 billion; 1957, $5.5 billion; 1958, $7.6 billion.

The increase in 1958 was forced on the administration by Congress, the pressure of public opinion and previous commitments.

APPENDIX TABLE III

The administration has had the chance to test its economic philosophy in time of peace, with the national economy protected against major depressions by the reforms and institutional changes introduced in the 1930's. What are the results of this test?

Gross national product (at 1954 prices): 1947, $282.3 billion; 1952, $353.5 billion; 5-year period increase, 25.2 percent.

1953, $369.0 billion; 1958, $394.9 billion; 5-year period increase, 7 percent.

On per capita basis: 1947, $1,960; 1952, $2,252; 5-year period increase, 14.9 percent.

1953, $2,312; 1958, $2,262; 5-year period decline, 2.1 percent.

Source: Survey of Current Business, July 1958.

Mr. MORSE. Now, Mr. President, in closing this speech, I desire to say a brief word on the political sacred cow called a balanced budget which the Republican administration is economically worshiping these days. I mentioned it briefly in my speech on the floor of the Senate yesterday in relation to another subject matter.

Mr. President, I am one Senator who recognizes that the terrific propaganda job being done by much of the American press in support of this very unsound position of the President of the United States—unsound when we consider the human needs of our country at the present time—is having its political effect on American public opinion. My mail shows it.

I say to the people of my State I have more confidence and faith in enlightened capitalism than the President of the United States apparently has, because I know that the wealth of this Nation, its real wealth, is bound to grow if we have the vision and the courage necessary to expand our economy.

To paraphrase the greatest economist in the Congress, and I think one of the greatest economists in this country, PAUL DOUGLAS, of Illinois, chairman of the Joint Committee which is making a study of the Nation's economic problems, the talk of inflation is talk about an economic myth.

PRESIDENT ENGAGES IN SCARE TALK ABOUT INFLATION

The President of the United States is trying to scare the masses of the people into believing that we should not expand the economy by such appropriations as are necessary to promote human values in the years immediately ahead. That is the direct relationship of this problem to my capital budget proposal.

When some of us are pleading for public works appropriations to create more energy for the national economy, recognizing, as we do, that the economy can expand only as the energy resources expand, we are not threatening the budgets of the United States, because such appropriations will pay for themselves over and over again by revenues paid into the Treasury of the United States.

I think it is most unfortunate that we have a President of the United States who gives us little evidence that he is aware of economic realities.

So I would say to him as I close my speech, "Mr. President, I should like to have you, to a greater degree than you have demonstrated in the past, think in terms of all the human beings of the country, and not merely the big boys, not only the bankers, to whom, under your administration, you have given millions of dollars in handouts and bonanzas as a result of increasing interest rates, to the point that bankers make more money by lending less money than at any time in our history. The time has

come for you, Mr. President, to put human values first and dollars second."

PRESIDENT SHOULD HELP FEED CHILDREN IN DISTRICT OF COLUMBIA

As I said before the Committee on the District of Columbia this morning, in discussing the question of human morals involved in the feeding of hungry children in the District of Columbia, the problem could be solved by the President of the United States lending the influence of his great Office in support of those of us who have been pointing out during the past several years that there is no moral right in the Congress of the United States to permit a single boy or girl in the District of Columbia to go hungry.

The President cannot have it both ways. Of course, I do not think the President should be involved in the government affairs of the District of Columbia, any more than the Governor of a State should be involved in the municipal government affairs of any State.

For 15 years I have taken the position that the President ought to be removed from any governmental participation in the administration of the municipality of the District of Columbia, and the people of the District of Columbia ought to be given the right of franchise to govern themselves, with the Congress exercising its control, under the Constitution, to work out with the municipal government a fair ratio of Federal contribution to the District of Columbia government. But every time a home rule bill for the District of Columbia is introduced President Eisenhower takes the position that control—ultimate control—must remain in the White House.

Thus, the administration bill for a Territorial form of government for the District would not only give the President the authority to appoint the Governor, but would give him the authority, in the last analysis, to veto the acts of the Territorial legislature.

I am opposed to that kind of home rule setup, Mr. President; but if that is the position the President of the United States is going to take, then I say that as the chief administrator of the District of Columbia he cannot avoid his moral responsibility to protect human values in the District. If the President is going to dabble in the affairs of the District of Columbia, then he should not be allowed to "pass the buck" or escape responsibility for more than 7,000 hungry children of grade school age in the District of Columbia. In my judgment, that is only a little example of the failure of our President to put human values first.

So again today, at this Easter time, I express the hope that my President, as he contemplates the meaning of great spiritual and moral values, will put the Cross above the dollar sign, and will recognize that, as the leader of the Nation, he has the social-conscience obligation to all the American people to give us some leadership in promoting and protecting human values and developing an expanding economy, which is our best weapon to meet the threat of communism in the hundred years ahead.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ENGLE in the chair). Without objection, it is so ordered.

OREGON CENTENNIAL AND LANSING, MICH., CENTENNIAL

Mr. MORSE. Mr. President, before my good friend the senior Senator from Minnesota is recognized I have a very important bit of information to supply for the RECORD.

Yesterday I received a very interesting telegram from the president of the Lansing, Mich., Centennial. I have served notice on the two Senators from Michigan that I have received this communication. I shall have a few things to say about it in a moment, but I want the RECORD to show the message from the Lansing Centennial, Inc., addressed to me, which reads:

> Lansing's hats are off to the Oregon Centennial—but not by choice. We do, of course, send greetings and felicitations to a great State from a great city as both celebrate their 100th birthday. This we do in a spirit of centennial chivalry, a code which you seem unable to uphold. You have monopolized the grey felt top hat market. As a result Lansing is ready to blow its topper. Portland's order for 10,000 dozen grey felt hats from Fostoria, Ohio, firm superseded Lansing's order for 440 dozen hats. Consequently Lansing received only a few hats and our beards aren't long enough to cover our heads. What have you done with our hats? Once more with feeling, Lansing's hats are off, etc.
>
> H. (FOR HATLESS) ANDREWS,
> *President of Lansing Centennial, Inc.*

I was deeply touched and moved by this message, because it presented a fine exhibition of the American free economy at work. I assume that the operators of the Lansing, Mich., Centennial believe in the competitive system.

I asked my good friend the Senator from Michigan [Mr. HART] if it was thought there should be granted some quotas, or administered price arrangement or some other monopolistic arrangement, and I had a feeling his reply was by way of confession and avoidance.

However, after receiving this telegram I got in touch with the officials of the Oregon Centennial and asked them for their advice as to what kind of a telegram I should send them. They authorized me to send a telegram, which will go out forthwith, but so that due notice will be served on my two Michigan colleagues, for whatever rebuttal or defense they may desire to make later in behalf of Lansing, Mich., I shall read the telegram into the RECORD. My reply to the Lansing, Mich., Centennial Commission reads as follows:

> In response to the telegram from the president of the Lansing Centennial, my office has been in touch with officials of the Oregon Centennial Commission.
>
> Oregon Centennial officials have issued an urgent call to the people of Oregon asking them to send their old, discarded hats to the mayor of Lansing, Mich., so he may distribute them to the bareheaded citizens of that great city, and the centennial need not suffer because of Oregon's mammoth order of centennial hats for Oregon's statewide celebration. Rain soaked straw hats, moth-eaten derbys, and frontier cowboy hats with bullet holes for ventilation, are being solicited to help protect the bare heads of Lansingites.
>
> We are tipping our hats, however, and not those manufactured in Fostoria, Ohio.

This, of course, gives me the opportunity—and of course no Senator from Oregon these days would ever miss such an opportunity, and certainly should not—to extend once again to all my friends in the Senate a cordial invitation to visit the great State of Oregon this summer as we celebrate our 100th birthday in a centennial the like of which has never before been conducted.

With that comment I yield the floor; and I shall listen to my friend the Senator from Minnesota.

EASTERTIME AND THE AMERICAN WILL FOR PEACE

Mr. HUMPHREY. Mr. President, in a few days we will see the dawn of another Easter. To us here in America and in other countries of the Western World Easter is a solemn, a reverent, and a meaningful day. It has so much significance because it is a day rich with the symbolism of peace and of hope. It is a day on which all of us, no matter how overwhelmed by the cares and harassments of the world we may be, pause and take a new look at life. It is a day on which we can lift up our hearts and heads and fix our gaze once more on the distant horizon.

Above everything else Easter is a day of peace and rededication. If the advent of the American democratic way of life into this world has meant anything during the past two centuries, it has meant fresh hope for peaceful living among men. The American way of life is founded on the basic principle of the respect of man for man, and of cooperation among men for the fulfillment of their dreams—the dreams which our forefathers succinctly summed up in the phrase, "Life, liberty, and the pursuit of happiness." Throughout our history the American people have worked and striven to achieve these ends in their personal lives, in the circle of their hearth and home, and in the broader sphere of the entire United States. In more recent decades we have widened the arc of our interests and endeavors to areas beyond our own national boundaries, for we have recognized that we are not a nation which can exist alone and apart. For this reason we have realized the importance of engaging in the work of achieving peace. We Americans by engaging in the work of peace have been faithful to the traditions originally set forth by our forefathers. Through this work America has become respected by the peoples of the world.

In the past few years, however, I fear that we have failed to direct our energies and attention as we should to our

traditional works of peace and that we have been straying from the road which leads with certainty toward the life, the liberty, and the pursuit of happiness which were established long ago as our national goals.

For reasons of weariness, perhaps, or because of a lack of awareness, we may be neglecting the works of peace that are our own proper heritage and obligation. We seem to be forgetting that it is only through unflagging vigilance and effort that we can attain well-being and peace for our own and other peoples. We appear to be shrinking from risks that must be assumed in what will always be a somewhat dangerous world.

As we approach this Easter season it is a proper occasion to rededicate ourselves to the tasks of peace. It is a proper time to open our hearts to our fellow men and to give them a sign of our friendship and our respect. It is a proper season to examine our minds and souls to determine if we are completely conscious of our role and obligation at this juncture in history.

Throughout the past 2 years I have attempted to outline what I call the "Works of Peace" program. After this Easter season, when the Congress reconvenes, it is my intention to offer a program entitled "Food for Peace," wherein I will detail a long-range program for the utilization of American agricultural production for humanitarian and economic purposes in many countries of the world. This will be a long-range program in terms of its objectives, but immediate in terms of its effect.

Secondly, I shall outline a program entitled "Education for Peace," which will embody coordination of our present efforts in the field of education on an international basis, and a further effort to broaden that program and to bring the blessings of education and literacy to many countries of the world. Let us have the image of America be that of the teacher and the good Samaritan.

This noon it was my privilege to be the host at a luncheon for a good and fine man, a great teacher and missionary. I refer to Dr. Frank C. Laubach. He has demonstrated in his life the effective work of a true Christian. He has made it his mission to bring knowledge, understanding, and literacy to the peoples of the world.

Norman Cousins, editor of the Saturday Review, had this to say about Dr. Frank C. Laubach:

> Frank C. Laubach is one of the noblest human beings of our time. What this world needs is moral literacy and the gift of compassion.

Norman Vincent Peale, in the current issue of Look magazine, refers to Dr. Laubach as being one of the truly great men of our time "who has lifted the blight of illiteracy from millions, an inspired missionary, educator, and preacher, a flesh-and-blood saint."

The Christian Herald, a great publication of the Protestant churches, speaking of Dr. Laubach, said "that many governments have called upon him to help reduce illiteracy among their peoples."

The programs and activities of Dr. Laubach's work are wide and inspirational. My reference to Dr. Laubach is made today because I feel that his work is symbolic of the kind of effort which is required at this time in human history if our Nation is to take unto itself truly the mantle of leadership of free men and women.

I have joined with the Senator from Alabama [Mr. HILL] in a program known as "Health for Peace." This program, too, will be expanded in some of the measures which will be offered after April 7, when the Senate reconvenes. I merely state now, in brief, that a series of projects and proposals will be laid before the Congress which I think will give a new sense of direction to the great energies and capacities of the American people. Today this Nation is suffering from a kind of moral frustration. It seeks to do the things that are right, but it lacks a sense of direction and leadership to fulfill its goals and ambitions. It is the hope that some of the proposed legislation will at least chart and direct those energies into constructive purposes.

This is a time to wipe despair from our hearts and to drink in all the hope that springs from the symbolism of this solemn season. There is no better time for us to stamp out any timidity and lethargy that may have crept in and to renew our decision to march forward with confidence and in a spirit of dedication to promote the works of peace and mercy.

It would be highly appropriate for this body to express, at this Eastertime—its willingness and determination to further the works of peace throughout the world. I believe that every Member of this body would like to see some progress made toward eliminating or curbing the instruments of mass destruction.

Sometimes some of us become a little weary of the constant zealous challenge of the Communists. I recall that during a brief visit with Mr. Mikoyan in Moscow, he gave me the definition of a modern Communist. He said that a modern Communist has the zeal of a Bolshevik and the practicality of a capitalist. I could not help but think how apt a description that was of the Communist leader and the young Communists of 1959.

It is my feeling that the people of the free world need the zeal that goes with the revolutionary spirit of those who sought life, liberty, and the pursuit of happiness, or, as the French would say, "liberté, egalité, fraternité."

We should, and must, state our convictions and ideals.

The gods of communism are Marx, Engels, and Lenin.

Our great spiritual values and principles come from Jesus of Nazareth, Moses, Mohammed, Buddha, Confucius, Gandhi, and the other great spiritual leaders of the world. We are richly endowed with a spiritual treasure that can, and does, give us overwhelming strength in any contest between totalitarianism and freedom. We should welcome the challenge of ideological struggle and competition.

By so doing perhaps we will find our way to a more meaningful purpose in this period of tension and uncertainty.

It would be highly appropriate for this body to express at this Eastertime its willingness and determination to further the works of peace throughout the world. I believe that every Member of this body would like to see some progress made toward eliminating or curbing the instruments of mass destruction.

For many years we have witnessed fruitless negotiation by the governments of the world to attain this end. Within the past couple of months, however, there is at least a genuine possibility of making the breakthrough toward real disarmament and peace. There is now almost within our grasp an agreement to end nuclear weapons tests under an effective and workable system of international inspection and control. The successful signing of such an agreement by the nuclear powers could be the opening of a door to a new chapter in the history of mankind. For the American people it could ease the grim threat of nuclear annihilation. For the Russian people it could be a political event of tremendous import—the first turning in the road to lead them out of the wilderness in which they have been so long lost. For everyone in the world it could be the dawn of a new day of hope, peace, and promise.

Although this possibility gives most of us encouragement at this Eastertime, there are still many who appear faint of heart. Their sole consideration is the preservation of a state of 100 percent security. Crouching in the hole of their fears, they dream only of survival. What we should want is to live a full life, with confidence and dignity like brave and free men—not merely to survive—to exist from one crisis to another.

It seems to me that this whole concept of survival is foreign to free people. Survival is not enough. What we need is to live a meaningful life of purpose, a life which leads to the enrichment and enlightenment of mankind.

We Americans should thank God that the older generation of Americans who bravely safeguarded life, liberty, and the pursuit of happiness as our national heritage were willing to take reasonable and moderate risks in the interest of a better and more peaceful world. Those who won the independence of this Nation, those who conquered the frontier, and those who made our country great in so many ways were not afraid of taking necessary and reasonable risks. The risk of continuing the present state of mutual deterrence with the threat hanging over us of mass annihilation is, in my estimation, however, an unreasonable and unnecessary risk.

The armament race could well bring death to millions of human beings. It is, in my judgment, too great a risk when there is a more prudent and practical alternative.

What I am attempting to say is that it is not enough merely to settle on keeping the peace through the threat of mutual annihilation, but that something more positive and constructive is needed. We must definitely try to turn the energies of mankind away from this armament race which literally drains

and erodes our economic and spiritual life.

This alternative is a highly effective inspection system for a suspension of nuclear tests. While there are admittedly risks in any disarmament agreement establishing an inspection system, they are risks that are manageable and not such as to threaten the very existence of mankind. To those who are so fascinated by the problem of risks I say, "Look at all the risks, not just one of them. Weigh all the risks, not just one of them. Compare all the risks, and then pick the one that has the least danger to mankind." I know what the choice will be if we but look at all the risks and compare all the risks.

The negotiations at Geneva for an agreement to suspend nuclear weapons tests with adequate inspection have now arrived at the heart of the problem. Yesterday, at the hearing of the Senate Subcommittee on Disarmament, we had before us our chief negotiator, Ambassador Wadsworth. He gave us a very detailed review of the negotiations thus far. I am happy that Ambassador Wadsworth was still an optimist and thought there was still a chance for a successful conclusion of an agreement.

This is not to underestimate the difficulties ahead. However it is good to point out that there is still a positive and constructive attitude on the part of our Government and on the part of those who are conducting our negotiations. I would say to my colleagues that it would be surely hoping for too much to presume that such an agreement could be arrived at between now and, let us say, the Foreign Ministers Conference pertaining to the situation in Berlin. I seriously doubt that the Soviets will come to any agreement on anything at least until the time of the Summit Conference. I have the feeling that they will wish to pile problem on top of problem to be discussed at such a Summit Conference. It is the way the Soviet power system works. My plea today is that nothing be done by our Government which will in any way impede the progress of these Geneva negotiations, and that nothing be done which will in any way cause them to be broken off by any action on our part.

I should like to have the United States, during these crucial negotiations at Geneva, to be the living example of a just nation, to be the living example of a nation dedicated to the pursuit of peace with justice and freedom. I wish the United States to stand before the world as willing to walk the extra mile to obtain some surcease from our sorrow which comes out of the armaments race and the cold war between ourselves and the Soviets.

We do not yet know whether the Soviet Union will accept the most essential element in an agreement to end nuclear arms tests, that is, a control system with full discretion to act, unhampered by the veto of any nation. We do not know as yet whether the Soviet Union will accept other features of an adequate inspection system, such as effectual on-the-site inspection procedures, in order to assure that a violator will not escape undetected.

We have a unique opportunity at this Eastertime, Mr. President, as the Geneva negotiations stand at a critical juncture and while they have been temporarily suspended for a rest period, to throw our own influence into the balance, an opportunity to communicate to the Soviet Union the deep conviction of the American people on this crucial subject, and to make clear to all the world our dedication to peace and justice.

Our message to the Soviet Union, demonstrating as it would the desire of the American people for a meaningful suspension system, could tip the balance in favor of the success of the conference.

In any case, it is imperative that the people of the world know where we stand. People are aware that the negotiations are at a critical point and they are watching for some hopeful and encouraging sign from us. It is for this reason, Mr. President, that I submit at this time a resolution for the consideration of the Senate on the subject of ending nuclear weapons tests. This resolution will make abundantly clear that the Senate of the United States, and the American people give complete support in principle to the endeavors of the President and of our representatives at Geneva in trying to reach an effective agreement.

Although simply worded, this resolution could have a powerful effect. It is a resolution regarding principle only, and it does not involve approval or disapproval of any specific details of negotiation. In the resolution endorsement is given to the key principle that an adequate inspection and control system must be created by any agreement to suspend nuclear weapons tests in order to guarantee that the agreement is not being evaded. But it refrains from specifying what constitutes an adequate inspection and control system.

This is a matter for the negotiators, for the technicians.

This is a matter which still must be negotiated by the representatives of the United States, the United Kingdom, and the Soviet Union when they reconvene in April. When the final treaty is signed and submitted, each Member of the Senate will have the prerogative of appraising its specific terms freely and as he sees fit. He will have no obligation merely because he might have voted in favor of the resolution.

I submit the resolution as a gesture of peace and as a sincere expression of the Senate and the American people for a better and more harmonious world. I hope it may receive prompt and favorable consideration. The resolution reads:

SENATE RESOLUTION 96

Whereas the goal of the people of the United States is a just and lasting peace; and

Whereas the peace of the world is threatened by an arms race of major proportions among the leading powers of which a key aspect is the continuing development of devastating nuclear weapons; and

Whereas for 13 years negotiations to control and limit these weapons have not led to agreement; and

Whereas representatives of the United States, the United Kingdom, and the Soviet Union are now meeting in Geneva for the purpose of drafting a treaty on the discontinuance of nuclear weapons tests; and

Whereas an effective international control system is a necessary component of any multilateral agreement on the cessation of nuclear weapons tests in which all states are to have confidence; and

Whereas an agreement regarding the discontinuance of nuclear weapons tests under an effective control system would provide an opportunity to ease world tensions and realize a small but significant first step toward the control and reduction of armaments: Therefore be it

Resolved by the Senate, That its Members support the efforts of the United States to continue to negotiate for an international agreement for the suspension of nuclear weapons tests; and

That it emphatically endorse the principle that an adequate inspection and control system must be part of any such international agreement involving a suspension of nuclear weapons tests; and

That the Senate requests the President of the United States to submit to the Soviet Government the contents of this resolution and that he ask the Soviet Government to transmit the resolution to the Soviet people so that leaders and people alike will know of the desire of the American people, speaking through their representatives in the Senate, for the successful outcome of the negotiations in Geneva for an effective and reliable agreement for the discontinuance of nuclear weapons tests.

Mr. President, it seems to me the resolution should have a very constructive effect upon the negotiations. It should also make it manifestly clear to one and all in America and throughout the world that the policy which is being pursued by our Government in negotiations at Geneva is a policy which is supported by the representatives of the sovereign States and of the people of the United States. That is why I have submitted the resolution.

I assure Senators that the resolution has been discussed with the members of the Subcommittee on Disarmament and was prepared with the cooperation of the State Department. This is not to say that it is endorsed by the State Department; it is merely to state that there has been a cooperative working relationship in the preparation of the language, so as to convey the desire of the American people for a relaxation in world tensions and the beginning of some accomplishment in the field of disarmament and peace.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I commend the distinguished senior Senator from Minnesota for the Easter message he has delivered to the Senate, and I would hope, to the people of our country, to those of the free world, and perhaps the whole world as well. As always, he is thorough in what he attempts to do. Certainly he is considerate of the feelings of others.

I was happy to note that in an attempt to bring about a resolution which would face up to this momentous question he had considered what the reactions of the executive department would be, as well as those of the subcommittee

over which he has presided with such distinction for some years.

I think the Senator from Minnesota, as always, has performed a real service for his country. I want him to know that I appreciate more than I can say the consistent and outstanding efforts he has made to bring about some degree of stability and peace to the people of the world, because the people of the world are crying for peace.

Mr. HUMPHREY. I am deeply grateful to the Senator from Montana. I am certain that he knows and the Senate knows that I consider it a rare privilege to work with him in what I believe is a constructive endeavor to contribute to our peace and security, and to do whatever is possible, on the part of individuals, to direct our endeavors in paths which lead to peace with honor and peace with justice.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "West Owes Debt to Mr. Macmillan," written by Marquis Childs, and published in the Washington Post and Times Herald. The article refers to the courageous efforts of the British Prime Minister on his visit to Moscow, and to his recent visit to the United States. I am delighted that the President of the United States and the Prime Minister of Great Britain have had their conference. I am pleased that there has been so high a degree of cooperation and understanding between these two great leaders of the free world.

If the representatives of the free countries—the President of France, General de Gaulle; the Chancellor of West Germany, Dr. Adenauer; the Prime Minister of Great Britain; and the President of the United States—stand together and work together, we need have no fear of any meetings with the Soviets and no fears or doubts about our capacity and ability to stand up to the Soviets and to defend our principles and positions.

Mr. President, along with the article, I ask unanimous consent to have printed in the RECORD an editorial entitled "Moving Toward the Summit," published in the Washington Post of March 24, 1959. The editorial underscores the fact that "The chief significance of the Eisenhower-Macmillan talks may be the virtual assurance they give that the West will negotiate with Moscow on a continuing basis so long as there is any hope of averting a military showdown."

I believe I am correct in saying that it has been pretty much the view of the distinguished senior Senator from Montana [Mr. MANSFIELD], the distinguished Senator from Arkansas [Mr. FULBRIGHT], the chairman of the Committee on Foreign Relations, myself, and others, that there is no contradiction between standing firm and being strong in terms of rights and principles, and at the same time having the statesmanship and courage to negotiate honorably in the hope of finding answers and solutions, small as they may be, limited as they may be, to the terrible problems which beset the world today. It is to this view that I am committed.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald]

WEST OWES DEBT TO MR. MACMILLAN

(By Marquis Childs)

The extent of the debt owned by the West to Prime Minister Macmillan has become more evident in the course of his talks with President Eisenhower and the President's advisers on foreign policy.

It is hardly too much to say that he prepared the way for the negotiations which are to take place in the spring and summer. This might have come about in any event because of the widespread fear of a nuclear war touched off by the threat to Berlin. But the frank and on the whole hard-boiled talks that he held with Premier Khrushchev in Moscow greatly facilitated the process.

One thing he is credited with achieving there is not generally known. He is credited with persuading Premier Khrushchev to delay the signing of a separate peace treaty with East Germany at least until after negotiation with the West.

Macmillan when he arrived in Moscow found the irrepressible Mr. K. in a highly belligerent mood. After the official welcome, which was cordial enough, Khrushchev informed Macmillan that he was going to East Germany for the express purpose of signing a separate peace with the puppet regime of Walter Ulbricht and Otto Grotewohl.

Then came the brutal speech in which the Soviet Premier seemed to throw the whole idea of a negotiated settlement back in Macmillan's face. It was a grim experience and a less patient man might well have replied in kind and have departed in a huff.

It was against this background in the second round with Khrushchev that Macmillan talked turkey. He made it clear that a separate peace treaty would make any negotiation impossible since it would seem to confirm the intention of the Soviets to turn over full authority over West Berlin to the East Germans on May 27. If what Mr. K. wanted was to confront President Eisenhower at the summit then this was the surest way to prevent it.

Khrushchev went through with his plans to visit the Leipzig trade fair and East Berlin. And while he continued to throw out hints about the possibility of a separate peace, in private with the East Germans he took quite a different tack.

In an off-the-record talk to top officials of the East German Communist apparatus he said that patience was necessary. He pointed to the many years of struggle that the Russian Communists had gone through after the revolution of 1917, contrasting those bitter years with Russia's recent triumphs.

Ending on a note of inspiration he told the East German Communists that they were on the right track. Just a few more years, he concluded in his fiery, ebullient oratorical style, and you will find your system beginning to attract the West Germans and the flow of people will be from the West to the East rather than from East to West as it is today. This was a badly needed shot in the arm and reports to officials here indicate that the dispirited officialdom of the Pankow regime has perked up a little since the Khrushchev visit.

It is possible that they were relieved not to have the kind of showdown that would have been precipitated by a separate treaty of peace. This would have meant brinksmanship of a very dangerous order. On that slippery slope it might have been impossible to check the slide toward war.

How important it was to try to prevent the irrevocable step of a separate treaty between Moscow and East Berlin is seen in the light of the Western effort to put forward a treaty for the two Germanys as a major focus of discussion in the conferences to come. As currently considered in the working group set up by the three powers in Paris, the Western idea seems a long way from anything the Russians would accept. Nevertheless a treaty is still in the range of discussion.

On the day he arrived in Washington Macmillan got some magnificent news. Unemployment, which had risen so sharply as to make Laborites confident of an election victory over the Conservatives, took the sharpest drop in 12 years, going from 2.8 percent of the work force to 2.5 percent. This, combined with the prospect of meaningful negotiation, gives the Prime Minister the look of a lucky winner and at the same time it adds a new note of stability to the Western alliance.

[From the Washington Post, Mar. 24, 1959]

MOVING TOWARD THE SUMMIT

The chief significance of the Eisenhower-Macmillan talks may be the virtual assurance they give that the West will negotiate with Moscow on a continuing basis so long as there is any hope of averting a military showdown. The British Prime Minister and the American President appear to be in agreement that there is little hope for any spectacular settlement at the proposed summit conference to be held possibly in July or August. But if some progress toward understanding is achieved at that conference, other top-level meetings may be sought. The most hopeful aspect of this course is that so long as negotiations continue, even if comprehensive settlements fail to materialize, no bombs are likely to fall.

In this respect the discussions at Camp David appear to have altered the President's view of a summit conference in some degree. His speech of last week expressed a willingness to go to the summit if a preliminary foreign ministers' conference should afford ground for hope that a gathering of heads of states could be fruitful. Now it appears that the foreign ministers, probably meeting in May, will do little more than to explore the problems and arrange for the summit meeting. And the summit meeting itself may be only preparatory for further sessions of this kind aimed at gradually reducing the points of friction between the East and West.

This restraint on expectations may be disappointing to those who believe that a top-level meeting of statesmen can melt away basic policy differences. But it is a realistic appraisal which undoubtedly reflects what Prime Minister Macmillan learned in Moscow. It reflects also a firm determination on the part of the Western Powers not to retreat from their basic rights and obligations but at the same time to go as far as possible in eliminating running sores and in continuing to talk about unresolved problems.

It is no minor achievement to have brought British and American officials into complete agreement on this course. Presumably the French and West Germans, with whom Mr. Macmillan consulted just before coming to Washington, are also satisfied with the general outlines of this Western policy. Of course, this does not mean a complete meeting of minds on every detail of the plans that will be put forward at the proposed summit conference. But there appears to be complete understanding on the direction in which the Western Powers will move, without any sourness on the part of any of the participants.

For obvious reasons, whatever agreements were reached on offers to be made to Moscow cannot be spelled out at this time. The

indications are that Mr. Macmillan's idea of a "freeze" of forces in Central Europe, accompanied by inspection measures, as an an inducement to Moscow to take the heat off Berlin, has been accepted by the President. This is not, to be sure, a striking offer, but it may serve to open meaningful negotiations. Likewise there appears to be a disposition to accept an "international status" for Berlin if Western rights in the city and continued free access are amply guaranteed.

At least temporary acceptance of two Germanys seems inevitable for the simple reason that the Russians will not have it otherwise. The West has no ground for hope that it can bring about unification of Germany in the foreseeable future without a nuclear war, which would be unthinkable. Wisdom seems to lie in the pursuit of more limited goals within the realm of feasibility. If there is any progress toward the defusing of explosive situations and the achievement of lesser objectives, there will be ample opportunity to tackle the larger problems of a European settlement.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I associate myself again with the remarks just made by the senior Senator from Minnesota. Along the lines which he has indicated, I agree that, so far as the Western Powers are concerned, and so far as our attitude, policy, and position are concerned, there will be no disengagement by the respective governments, because we will stand together and will work out this problem to the end.

Mr. HUMPHREY. I again thank the Senator from Montana.

It seems to me that it might be well at this time, also, to pay a deserved tribute to the President of the United States, who during recent weeks has had to assume very heavy burdens in preparing for the meetings which have been held and will be held.

I, for one, have been heartened by the message of the President, some 10 or 12 days ago, and by the recent conferences with Mr. Macmillan; and I am exceedingly hopeful that the same kind of leadership will continue, because it is sorely needed in the weeks ahead.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 96) was referred to the Committee on Foreign Relations.

THE FAMINE IN HAITI

Mr. HUMPHREY. Mr. President, last Monday I addressed the Senate on the famine in Haiti. I am sorry I did not discuss this matter on yesterday, because not only is time running out, but lives are being snuffed out.

This situation has again been called to my attention by an editorial entitled "Famine in Haiti," which was published in the Washington Post and Times Herald. How paradoxical the situation in Haiti is, Mr. President.

I now read the editorial:

FAMINE IN HAITI

There is something especially distressing about the news of famine in a northern section of Haiti where some 45,000 people live. According to one report, about 200 people have perished as a result of a year long drought. Yet the food exists to ameliorate this pitiful situation. For 4 years, the United States has made available substantial foodstuffs to Haiti; this year alone, 6 million pounds of food is being provided on an emergency basis to the impoverished Caribbean country.

Appeals for relief from the stricken area seem to have been lost by the Haitian Government, which has never been a model of efficiency. In addition, the roads are bad and transportation poses some problems. Wouldn't it be possible for this country, working with existing church welfare groups, promptly to make some aid available, possibly through a helicopter airlift? It is bad enough to read about starvation conditions when this country's granaries overflow with unwanted food. It is worse when the situation is avoidable, and man's oldest adversary is allowed to win a round because of apathy and redtape.

Mr. President, the writer of the editorial has put his finger directly on the problem. The needed food is available, and it has been allotted to Haiti. Representatives of the welfare organizations are there, and are organized, and are prepared to feed the hungry. The only difficulty is that when the food comes to the port, there is no means of transporting it to the northern sections, where the 45,000 people live, and are dying—many more than the 200 whose deaths were reported a week ago.

Mr. President, I fully support the sound suggestion which was made. In short, if a helicopter airlift is not provided, then some other kind of airlift should be provided. I imagine that a helicopter airlift would be the best, because in that area the landing fields are limited in size and in number, and the country is rugged. But certainly an airlift of some kind would be most desirable for this errand of mercy.

Mr. President, what would be more wonderful than to have news go out, today, that the President of the United States had ordered some of our large transport helicopters to be loaded with milk, flour, vegetable oils, fruits, and vegetables, to be taken to these hungry people?

By such means we demonstrate to the world what democracy means—not merely by sending money or by piling the food on the docks, but also by seeing to it that the food reaches those who need it.

I hope that today someone will respond not only to my plea but also to the plea which was made the other day in the other body by Representative COOLEY, and to the pleas which have been made here by some of my colleagues in the Senate, in response to this editorial, and to the pleas which have been made by our churchmen of the various religious faiths that are attempting to serve these people in Haiti.

I hope the President, as the Commander in Chief, will authorize his field officers or those in the Department of Defense to utilize our helicopters to deliver this food to the points where it is needed, and also to deliver the necessary personnel, so that the food may be properly distributed.

THE NATIONAL MILK SANITATION ACT

Mr. HUMPHREY. Mr. President, a misleading campaign of radio, television, and newspaper publicity has been launched by monopolistic elements in the Washington area milk industry against competitive milk distributors, the Public Health Service, Representative LESTER JOHNSON, of Wisconsin, and the milk producers of Minesota and Wisconsin. Many mothers in the District of Columbia, in Maryland, and in Virginia have been led to believe that only milk produced in this immediate area is safe for their babies and their boys and girls to drink. For these reasons, I feel that it is essential that we review in the light of reason some of these charges.

Proposed changes in regulations governing the production and distribution for sale of milk and cream in the District of Columbia are the immediate cause of the publicity campaign.

Present District milk sanitation regulations have been in effect since 1950, even though improvements in dairy technology and sanitation have been made at an increasingly rapid rate in recent years. Milk and milk products form an essential and major part of the diet of most of us. Therefore, anything pertaining to a stable supply of wholesome milk at reasonable cost is a matter of public health; and regulations concerning its production, distribution, and cost should be under constant scrutiny, with an eye to possible improvement in the public interest. The Commissioners of the District of Columbia are in the process of hearing evidence as to whether District of Columbia regulations should be modernized, so as to bring them into agreement with the model milk ordinance and code recommended by the U.S. Health Service. The local operators, who supply about 90 percent of the milk consumed in the District of Columbia, oppose this change.

Although at first glance this controversy might seem to be a local one, I assure you, Mr. President, that it is not. The real question being discussed is whether there shall be a free movement of milk—good healthful milk that meets the standards of the U.S. Public Health Service—in interstate commerce. This is a question of national concern to both the producers and the consumers of milk.

In the 85th session of Congress, I, together with the Senator from Wisconsin [Mr. PROXMIRE], introduced a bill to establish standards of identity and sanitation related to the production, processing, transportation, and sale of fluid milk and fluid-milk products shipped in interstate commerce. Representative LESTER JOHNSON, who represents one of the heaviest dairy-producing districts in the great dairy State of Wisconsin, introduced an identical bill in the House of Representatives.

In April 1958, hearings on the Johnson bill were held before the Science and Education Subcommittee of the House Committee on Interstate and Foreign Commerce. The subcommittee heard many groups, including fluid-milk cooperative associations and local and State

health officials and sanitarians. Many matters relative to sanitary milk handling practices and methods of inspecting milk production and distribution processes were brought into thorough discussion during these comprehensive hearings. Also, the spotlight was sharply focused on the way in which local nonstandard sanitation and inspection regulations act as trade barriers, and prevent the free flow of milk in interestate commerce and intrastate commerce.

Representative JOHNSON, a member of the House Committee on Agriculture, who is well known as a fighter for the welfare of farmers and, in particular, for the welfare of dairy farmers, continued to work on the proposed legislation after the close of the hearings. He held many meetings with interested groups and individuals, with a view to perfecting the milk sanitation proposals.

The State and Territorial health officers, in full awareness of their responsibilities, discussed the national milk sanitation proposals at their annual meeting in October 1958, and based their considerations on a study conducted by a subcommittee of their own organization, with the cooperation of U.S. Public Health officials. This discussion led to the adoption by the Association of State and Territorial Health Officers of a resolution that recommended to Congress the adoption of Federal legislation regarding interstate milk shipments. It is noteworthy that this group, after giving the whole matter of milk sanitation and trade barriers careful study, has become the first such group to recommend Federal legislation in this field.

Representative JOHNSON revised the proposed milk sanitation legislation, so as to bring it into agreement with the expressed opinion of the officials who are in the best position of anyone in the country to know what is important and what is not important in maintaining a plentiful supply of clean, wholesome milk.

The revised Milk Sanitation Act was introduced in the present session of Congress by Representative JOHNSON. Companion bills were introduced by 17 other Members from Minnesota, Wisconsin, and Iowa.

As you know, Mr. President, I introduced the same measure on this floor, and was joined in its sponsorship by the junior Senator from Minnesota [Mr. MCCARTHY], and by the Senators from Wisconsin [Mr. PROXMIRE and Mr. WILEY].

On March 9, Representative JOHNSON and many of his colleagues took the floor of the House to discuss the benefits to interstate commerce from the establishment of uniform milk sanitation standards. They described fully, for the benefit of Congress, the high caliber of sanitary regulations provided by the U.S. Public Health Service milk ordinance and code, because these regulations had come under fire from the local dairy operators.

As a result of his efforts to bring order and reason into the discussion of milk marketing in this country, Representative JOHNSON has been vilified in the public press of Washington, D.C. His motives have been impugned. Inaccurate statements regarding the meaning of the uniform milk sanitation proposal were made. Since that time the local milk monopolists have undertaken a scare campaign, by way of radio and television announcements and newspaper advertisements, which has given an air of hysteria to the consideration of a matter that is wholly economic.

Mr. President, I want to make it clear that I am not opposed to the operation of milk producers cooperatives or any other kind of cooperative. The State of Minnesota has more co-ops and more members of co-ops than does any other State in the Union. I am proud of them. Cooperatives make it possible for producers to pool their efforts and their money in order to achieve some of the bargaining power that other groups have. I would not be fair to the many members of Minnesota milk producers cooperatives if I opposed the right of any cooperative to exist and to carry on its affairs in the interests of its members. However, I would be unfair to the same Minnesota co-op members if I did not point out that the entire milk industry has a responsibility to the general public, although in this case in the District of Columbia that responsibility has been badly overlooked.

The burden of the present discussion—a term that rather dignifies the imbroglio that is under way—is that Washington has the finest, purest milk in the world, produced by well-kept, well-tested herds, under the most modern, sanitary conditions, and that foreign milk—which is what milk from other States is called by some—should be barred from use in the District of Columbia.

That is just nonsense, Mr. President. The milk produced in this area is good, wholesome milk; but it is not better, purer, or more wholesome than milk produced in Minnesota, in Wisconsin, or in any other State where the U.S. Public Health Service model milk code is used as the basis for milk production and handling. Certainly the children in Minnesota and Wisconsin are suffering no ill effects from this good milk, nor are the patients at the world-famous Mayo Clinic, at Rochester, Minn.

The standards of the District of Columbia milk regulations are not the most modern. They have not been revised since 1950. They are not the most sanitary. Here is one instance which shows how ridiculous such a claim is. The District of Columbia regulations require annual physical examination of the milk handlers on dairy farms. The diseases of significance in milk sanitation are the communicable diseases; and freedom of a milk handler from such diseases at the time of an annual examination certainly does not exclude the possibility of infection during the ensuing year. In contrast, the U.S. Public Health Service milk ordinance and code prohibits persons infected with a communicable disease or having any infected cut or lesion on the hands or arms from working in any capacity which brings them into contact with milk or milk equipment. This regulation obviously has more import and bearing on milk sanitation than does a yearly medical checkup.

Mr. President, I do not want to belabor the point; but I shall give just one more instances of how misleading those allegations concerning the purity of local milk can be.

Anyone who reads the many public statements about bacteria counts would believe that milk that met only the Public Health Service milk code was impure and disease ridden, in comparison to milk that met the District of Columbia code. The revealing truth is that the District code allows a maximum bacteria count of 40,000 per cubic centimeter in pasteurized milk, whereas the Public Health Service code allows a bacteria count of only 30,000 in pasteurized milk. The District code allows a bacterial count of 100,000 per cubic centimeter in raw milk, whereas the Public Health Service code allows a maximum raw milk bacterial count of 200,000 for milk to be pasteurized.

The worried mothers in the District of Columbia and its suburbs have been misled by faulty reports. They do not realize that the significant bacterial count is that taken after pasteurization. We rely on pasteurization to destroy all of the disease organisms that may be in raw milk. In this process, most harmless bacteria are destroyed, as well. Mothers have been doubly misled into thinking that the word "bacteria" is synonymous with disease germs or dirt. With reference to bacterial counts, it is clear that the Public Health code is much more stringent than the District of Columbia code.

The local operators would have us believe that the District Commissioners and their limited staff are more capable of developing regulations to protect the public health than the array of dairy scientists, the bacteriologists, the veterinarians, and the Public Health officers and engineers who collaborated to develop the U.S. uniform milk ordinance and code. Such a position is absurd.

It is also absurd to suggest that milk producers in one area are more concerned with providing consumers with a pure, wholesome product than are those in another. I know that Minnesota and Wisconsin milk producers are proud of the wholesome, healthful properties of their fluid milk and fluid milk products; and I believe this is true of dairy farmers everywhere.

The Public Health Service has, through the years, worked as the protector and the benefactor of the people in this country. I want to state how the Public Health Service milk ordinance and code came into operation.

In the early part of this century, contaminated milk was responsible for a large number of outbreaks of disease, and

was a contributing factor to the high infant mortality experienced at that time. For this reason, since 1924 the Public Health Service has developed and published a model milk ordinance and code to assist the States and the municipalities in their control programs. Over the years this ordinance and code have been revised 12 times, to keep abreast of modern techniques and new knowledge in public health, dairy science, veterinary medicine, and related fields.

Each revision has been developed with the aid of the U.S. Department of Agriculture, Food and Drug Administration, and a national advisory committee whose members include public health and industry representatives, as well as experts in the field of dairy science.

This recommended code now forms the basis for the regulations of 36 States. It has also been adopted by more than 1,900 municipalities and counties. It has aided States, communities, and the dairy industry to reduce practically to the vanishing point the incidence of milkborne disease in the United States.

Because milk is a perishable product, and requires supervision from cows to consumers, the Public Health Service has advocated State and local control programs. The Public Health Service has recognized, however, that differences in sanitary regulations can result in economic trade barriers.

The objections by the local operators to the Public Health Service ordinance and code are based on their wish to restrain commerce in milk. This subject is not related at all to the purity or wholesomeness of milk. If the public realized this, their fears would be quieted. Expensive and unnecessary labeling requirements could be forgotten.

The issue here is whether an antiquated system of balkanization of the country's milk markets is to continue. Passage of the proposed Milk Sanitation Act of 1959 would go far toward correcting many of the difficulties encountered today in the marketing of milk, and would be beneficial to both milk producers and consumers.

Mr. President, that measure is now pending in the congressional committees concerned.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTIONS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled joint resolutions, and they were signed by the President pro tempore:

S.J. Res. 47. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; and

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic Games in the United States.

WASTE OF TAXPAYERS' DOLLAR THROUGH FREE TRIPS TO INFLUENTIAL CITIZENS BY THE MILITARY SERVICES

Mr. DOUGLAS. Mr. President, one of the most costly and wasteful practices of our Military Establishment is that of using tax dollars to purchase support for their particular programs. One of the worst abuses is that of sending large numbers of private citizens to military displays and demonstrations at Government expense.

My curiosity concerning these practices was aroused when an Illinois constituent, Mr. Dale Noble, of Western Springs, Ill., wrote to me concerning the airpower display last fall at Eglin Air Force Base in Florida. I addressed a letter to the Comptroller General inquiring about this activity, and asking him to determine if it were true that large numbers of private individuals were flown to this affair at Government expense, and whether or not such activities were authorized. I have since received a reply from the Comptroller General, which gives the results of his investigation.

RESULTS OF INVESTIGATION

The Comptroller General's letter to me states, "that 161 military aircraft were used to transport 1,393 military personnel and 1,460 civilians to the demonstration" at Eglin Air Force Base. These numbers, Mr. President, are in addition to the planes, crews, and military personnel which took part in the demonstration. These are the visitors and the sightseers. They came from all parts of the country at Government expense.

The Comptroller General further wrote me that "no specific authority for demonstrations of this type has been given by the Congress or its committees." He states that the Department of Defense considers that these programs are within the general authority of the Department to "foster community relations," and that, according to the Department of Defense, the purpose of the JCOC program—which is the initial source of the abuse—is to acquaint the "public through its influential citizens, with the problems, workings, and accomplishments of the Defense Department and the disposition of their defense dollar." If I may say in passing, these individuals not only saw something of the disposition of their defense dollar, but helped to dispose of quite a few defense dollars themselves.

HOW LARGE ABUSES GROW FROM SMALL BEGINNINGS

How does such a situation come about? On two occasions each year, the Department of Defense holds a joint civilian orientation conference to which they invite approximately 75 influential citizens. These are either members of what are called the power elite of the country, or they are deputies of the power elite, or they are in the lower echelons of the power elite. I hold in my hand the program of the joint civilian orientation conference for the 5th to the 12th of October 1958.

These people come to Washington at their own expense, but are then flown to demonstrations by the Army, Navy, Air Force, and Marine Corps in various parts of the country. The authority for this particular program is very tenuous indeed and, according to the Comptroller General, is justified by the Department of Defense by a memorandum which Mr. James Forrestal wrote on January 14, 1949.

I have in my hand a list of the 75 more recent participants, but because of my desire always to be just and not to reflect upon individuals, I am not going to publish their names except to say they were representatives of various industries and organizations, including those from tobacco companies, banks, newspapers, railroads, oil companies, trade unions, women's dress shops, law offices, hair preparation companies, advertising firms, and food concerns; deans of colleges; television and film personalities; and even representatives of the National Association of Manufacturers, who, it is not unfair to say, probably complain more about Government expenditures than does any other group in the country.

Last fall, these 75 persons and their military and Defense Department escorts were taken from Washington to demonstrations by the military services at Quantico, Va., which is a Marine base; Patuxent River, Md., and Norfolk, Va., which are Navy bases; Fort Benning, Ga., which is an Army base; and Eglin Air Force Base in Florida. The services, in turn, then invited their own friends from various parts of the country to see the displays which they put on. In this instance, the facts in the Comptroller General's letter concern the display at Eglin Air Force Base, which was but one of four such demonstrations where abuses took place.

When one considers the number of planes and individuals which were flown in to witness the display at Eglin, and when this is compared with the original nucleus of only 75 guests, it is amazing that such a small body has such large satellites.

We can compare these original 75 with the sun or a star of a constellation traveling through space, but, curiously enough, with satellites much larger than itself—violating the Newtonian principle of the mutual attraction of matter, in that in this case it was the small center

of the solar system which attracted the huge satellites which dwarfed it in size.

INVITATION EXTENDED TO ALL PARTS OF THE COUNTRY

In the case of the Eglin Air Force demonstration, various Air Force commands throughout the country were allocated a number of invitations which they could extend to influential citizens and military personnel in their own command. The allocation of these invitations—although not necessarily those who actually attended—as provided to me by the General Accounting Office is given below:

Allocations of invitations to Eglin Air Force Base display

Command or activity	Military invitations	Civilian invitations
Air Force Staff College, Washington, D.C.	250	----------
Joint Civilian Orientation Conference	25	75
Headquarters, Air Force (300 military and civilians) Washington, D.C.	[1] 200	[1] 100
Air Defense Command, Colorado Springs	50	150
Air Training Command, Randolph Field, Tex.	50	150
Air Materiel Command, Dayton, Ohio	50	150
Air Research and Development Command, Washington, D.C.	50	150
Tactical Air Command, Langley, Va.	50	150
Strategic Air Command, Omaha, Nebr.	50	150
Military Air Transport Service, St. Louis, Mo.	50	150
Continental Air Command, Mitchell Field, N.Y. (reservists)	280	50

[1] Estimated.

The reservists came from all over the country:

Allocations of invitations to Eglin Air Force Base display

Command or activity	Military invitations	Civilian invitations
Air Force recruiting officers	50	150
Air National Guard, Headquarters, Washington, D.C.	50	150
Civil Air Patrol	100	200
Air University, Maxwell Field, Ala.	1,000	----------
Pensacola Air Station, Fla.	50	----------
Eglin Air Force Base, Fla.	----------	1,000
Total	2,355	2,775

It will be noted from this table that individuals from almost every section of the country were invited to this demonstration. Virtually every command and major activity of the Air Force was allocated a number of invitations which could be extended to both civilian and military personnel. Not all of the total were flown in by plane at Government expense, but—as we shall see in a moment—a large proportion were flown in at Government expense.

The General Accounting Office has also furnished me with figures on who attended the demonstration. This information was obtained by the General Accounting Office from the Department of Defense:

Attendance at Eglin Air Force Base demonstration

Military:	
Major Air Force commands and other military services (includes civilians employed by Defense Department)	2,440
Air university	1,000
Local area military	205
Employees at Eglin	500
	4,145
Civilian guests: JCOC group and escorts	90

This is the original nucleus, or sun, of the constellation which is traveling through space, and which stopped for a time at Eglin Air Force Base:

Educators invited by CAP	300
Chamber of commerce representatives	280
CAA	50
Technical representatives of contractors	200

Oh, what a merry time, my friends, there was when they gathered together:

News media	180

Let me say in this connection that the newspaper men are continually denouncing Representatives and Senators for taking junkets in airplanes or on ships at Government expense, and I think with some justification, although there is more justification for Members of Congress going to these demonstrations than others, because the Members of Congress want to acquaint themselves with the facts—yet 180 representatives of news media were on these trips.

Local area civilians	900
	2,000
Total	6,145

Of the 6,145 persons who the Air Force states attended this demonstration, some 1,460 civilians and 1,393 military personnel were flown to the demonstration from all parts of the country by 161 military aircraft.

I will say we have analyzed our mail, and the letters from members of chambers of commerce protesting against Government expenses are, I think, more numerous than letters from any other group in the population, yet 280 went to the Eglin Air Force Base.

I read further from the chart:

WHERE DID THE MONEY COME FROM?

The Comptroller General states that, according to the Defense Department, "The expenses of military air transportation, as well as the expenses of the aerial demonstration, are considered as a part of regular military training costs and are not identified separately as being incurred for the purpose of the demonstration." He further states that "funds appropriated for the express purpose of public information or public relations programs were not involved."

Thus, Mr. President, without any specific authority and without charging any of the funds involved to public relations or public information, the Air Force flew in some 1,460 civilians from all parts of the country merely as a part of regular military training costs. This, I believe, is ridiculous on the face of it.

Without a great deal of further investigation and work, the Comptroller General was not able to give me a precise breakdown as to the specific geographical points from which each of these individuals came. However, we have seen that the commands at Washington, Denver, Omaha, San Antonio, and elsewhere were involved, and it is quite clear that many individuals came from very great distances. If we are to be generous and use the air distance from Chicago to Eglin, Fla., as the average distance flown, which is probably approximately correct, the round trip commercial air fare for each of these 1,460 individuals would be approximately $130 apiece, or a total of $189,800, or almost $200,000.

This, of course, does not include the costs of any meals served aboard the planes or at Eglin, the costs of putting on the demonstration itself, the time of the air crews, the aviation gasoline, lodgings and other prerequisites which are necessarily involved in such a mass demonstration. Further, it does not include the cost of bringing in civilians at Government expense to see the demonstrations which the Army put on at Fort Benning, the Navy put on at Norfolk and Patuxent, and the Marine Corps put on at Quantico.

I am certain that the Air Force will argue that this did not cost the Government any additional funds on the ground that these military personnel and air crews and planes would necessarily have to put in flying time anyway. This is always the excuse. But let us examine that excuse.

Would 250 members of the Armed Forces Staff College at Washington, D.C., have been flying on the day they were flown to Eglin? Would the Reservists from all over the country who were flown to Eglin have been in the air using fuel, food, and Air Force facilities on the days involved? Would 100 members of the Civil Air Patrol have been flying at Government expense on the day involved? Certainly the 50 Air Force recruiting officers would not have been flying in from all parts of the country on the day involved if it had not been for this special occasion.

Thus, the ordinary excuse that these planes and personnel would have been

used for these kinds of purposes on the days involved does not, in my opinion, ring true at all. The fact is that many additional man hours, air hours, ground personnel, meals, and extra aviation gasoline were necessary to put on this demonstration and to provide Government transportation free of charge for some 1,460 civilians who were flown in for the purpose of acquainting the public with the "disposition of their defense dollar."

There is a good deal of unconscious irony, Mr. President, in the statement that these people could see how their defense dollar was being disposed of.

PRACTICE SHOULD BE STOPPED

Mr. President, I believe that such practices as these should be stopped altogether. Basic support of the public for our armed services will come from their record and their performance—which are proud ones—and not from what some theatrical producer or manufacturer of women's hair preparation thinks about them as a result of a free trip to Eglin or Quantico or Norfolk or Fort Benning. The services do not need to create a host of "influential citizens" who act as permanent lobbyists for their appropriations. While tactical maneuvers and demonstrations are necessary, I believe that those who are invited to attend should come at their own expense and that our military funds—which we are told are in such short supply that we are being compelled to cut the Army by 30,000 and the Marine Corps by 20,000—should not be used for such purposes.

The fact is that several millions of dollars a year could be saved if such practices were discontinued. I have shown that the bedrock cost of flying in the 1,460 civilians to Eglin was approximately $200,000. This is done twice a year.

The program I hold in my hand is labeled "Joint Civilian Orientation Conference No. 27," which implies that the procedure has been going on for about 13 years. The figures which I have been quoting relate to simply one of the four demonstrations, the Air Force demonstration. Therefore, the cost, if these practices are normally followed, would be at least $400,000 a year for the civilians alone. Then there was almost an equal number of military personnel—in addition to the flight crews—who were flown in to witness the demonstration, and not as participants in the demonstration. This practice would certainly double the cost. When peripheral items such as food, lodging, gasoline, and other expenses are added, the expenditures for the Air Force for flying in these people must amount to at least $1 million a year for the JCOC demonstrations alone.

Then we know that similar expenditures in all probability are made by the Army, Navy, and Marine Corps for the JCOC program. In fact, Mr. President, I have addressed a letter to the chairman of the Government Operations Committee in the Senate asking that his committee determine how many military personnel and influential civilians were transported at Government expense to witness the demonstrations of the marines at Quantico, the Navy at Norfolk, and the Army at Fort Benning in connection with the JCOC program last October.

AIR FORCE SAVINGS COULD PROVIDE FOR ONE COMBAT MARINE BATTALION

Thus, there are many millions of dollars involved in these demonstrations. Yet, at the moment, the President is cutting back the strength of our Army and our Marine Corps from their authorized size of 900,000 men and 200,000 men, respectively.

As one combat marine can be supported for approximately $2,000 a year and as one combat soldier can be supported for approximately $3,000 a year, the savings from eliminating the Air Force abuses in connection with the JCOC program should be able to provide for at least an additional battalion of 500 combat marines or, if we include the peripheral costs as well as the direct costs, the savings from the Air Force abuses would be enough to provide the funds for a battalion of 500 combat infantrymen. If the practices of the Army, Navy, and Marine Corps in connection with the JCOC program were as bad as those of the Air Force, we may find that we could support several battalions without increasing our overall military expenditures.

I am for retaining the total for military expenditures. However, I submit that there is sufficient waste in connection with military expenditures, as I will try to show from time to time, so that by eliminating the waste we could increase our combat strength by 30,000 infantrymen and 25,000 marines. We could thus avoid disbanding one infantry division, and could keep our Marine units up to strength, instead of reducing them, as is now the case.

According to the administration, we have not money enough to provide for poor and starving people in this country. We have not money enough for defense, but we have money enough for such projects as I have described.

Let us cut out the fat and the waste and provide for combat troops instead of free trips for influential citizens and thereby ready ourselves for the kind of brush fire or limited wars which the Communists have engaged in in Korea, the Middle East, and perhaps will begin even in or around Berlin.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the text of the letter which I received from the Comptroller General concerning the results of his investigation into this subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

Hon. PAUL H. DOUGLAS,
United States Senate.

DEAR SENATOR DOUGLAS: Further reference is made to your letter of October 27, 1958, requesting certain information pertaining to the aerial fire power demonstration at Eglin Air Force Base. You asked specifically whether large numbers of private individuals were sent to this affair at Government expense and whether such activities are authorized by the Congress.

Our review disclosed that approximately 2,000 private individuals attended the Eglin demonstration and that 1,460 of this number were provided military air transportation to Eglin at Government expense. The remaining number, largely from the Eglin area, provided their own transportation. The expense of military air transportation, as well as the expense of the aerial demonstration, are considered as a part of regular military training costs and are not identified separately as being incurred for the purpose of the demonstration. Funds appropriated for the express purpose of public information or public relations programs were not involved. No specific authority for demonstrations of this type has been given by the Congress, and the demonstrations are conducted within the general authority of the Secretary of Defense.

The Eglin demonstration was a part of the semiannual joint civilian orientation conference program (JCOC) of the Department of Defense. The purpose of the program is to acquaint the public, through its influential citizens, with the problems, workings, and accomplishments of the Defense Department and the disposition of their defense dollar. More than 26 demonstrations have been held under the program over several years. The October 1958 conference included briefings in Washington and demonstrations by the military services at Quantico, Va.; Patuxent River, Md.; Norfolk, Va.; and Fort Benning, Ga., as well as the demonstration at Eglin Air Force Base.

In addition to members of the JCOC, the Air Force, through its major commands and headquarters, USAF, invited to the Eglin demonstration a large number of officials and members of the military departments and private individuals including Members of the Congress, members of congressional committee staffs, State and local government officials, representatives of foreign governments, civic leaders, educators, and news media representatives. The Air Force states that approximately 6,100 persons, including the 2,000 private individuals, attended the Eglin demonstration of October 8, 1958.

We were advised that 161 military aircraft were used to transport 1,393 military personnel and 1,460 civilians to the demonstration. Also, we were advised that commercial transportation was not used for either JCOC members or Air Force guests and that funds approprated specifically for public information or public relations are not used for civilian information tours.

The 75 members of the JCOC are required to pay for commercial transportation to Washington where they started the field trip to scheduled demonstrations of each of the armed services. Members are required to pay for meals and incidental services while in Washington and at military installations except for one official reception at each installation. Military transportation was provided during the field trip and, on return to Washington, members used commercial transportation in returning to their homes. Similarly, we were advised that certain guests of Air Force Major Commands and the Headquarters, USAF, attending the Eglin demonstration were provided military air transportation from various locations to Eglin but were required to pay for meals while at the base.

The expenses of military air transportation provided to military members and civilian guests, as well as the expenses of the aerial demonstration, are considered by the Air Force to be a part of the costs of regular

military training and are not separately identified. As the principal costs involved were not identified to this demonstration, we did not attempt to isolate that part of the military training costs attributable solely to the Eglin demonstration.

We were advised by the Office of the Secretary of Defense that no specific authority for demonstrations of this type has been given by the Congress or its committees. The Department of Defense considers that the JCOC program is within the general authority of the Department to foster community relations. The specific authority cited to us for the JCOC program was a memorandum, dated January 14, 1949, from Mr. James Forrestal, then Secretary of Defense, to the Secretaries of the military departments which states briefly that the program of joint courses for orientation of civilians will be continued as originally provided by the War Council. The Office of the Secretary of Defense further advised that as individual Members of Congress and members of their staffs have attended on occasion the same demonstrations as members of the JCOC, as was the case at Eglin Air Force Base, many individual Members of the Congress are aware of this program and its purpose. Under these circumstances, the Department has not considered it necessary to seek specific authorization or sanction from the Congress.

We shall be pleased to discuss this matter with you or members of your staff if you desire.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Mr. DOUGLAS. Mr. President, we had an amusing denouement to this affair yesterday afternoon. I was called on the telephone by a professor at the University of Illinois who was very desirous of talking with me. I called him back, and I found that he was the director of a national program for disabled veterans, and was especially interested in paraplegics. It had been his custom to take groups of paraplegics each year to some central Army, Navy, or Air Force installation, and there, in the gymnasium, hold a basketball game, with the paraplegics participating in wheelchairs.

All arrangements had been made for them to fly to a central installation this year. This director had been called up by the Air Force that morning and told that the trip was canceled.

I said, "This is ironical, because it so happens that I have written a speech denouncing the practice of the Air Force in flying, not paraplegics, but influential citizens. It is possible that because of my inquiries knowledge of this may have leaked to the officials of the Air Force, and this may be a reprisal against me."

The director laughed in an interesting way. He said, "It was suggested to me that if we did not like this we should get in touch with our Senators and Representatives." So we may be witnessing a polite form of pressure designed to change the minds of Senators and Representatives who seek to introduce economies into the military services.

Without indulging in mock heroics, let me say that this did not change my intention. I am delivering this speech as scheduled. I am sorry that the paraplegics have been deprived of their trip; but I leave that subject without making any interposition for them. After the facts were explained to the gentleman who had called me, he did not urge me to make any interposition for them.

Mr. President, from time to time I intend to bring to the attention of the Senate other wastes, not only in the military services, but in civilian branches of the Government. I think it is quite likely that from time to time my constituents may be threatened with the removal of privileges or rights which they had previously enjoyed. I shall regret this, but the fault will not be mine if that happens.

I hope that the military will use in connection with transportation for generals, admirals, and influential civilians the same rigorous standards they have just applied in the case of paraplegics.

I intend to follow up this subject from time to time with further illustrations of the waste in this administration.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. ALLOTT. I agree with a great deal the Senator from Illinois has said. Until his closing sentence, I was about to say that I heartily endorse everything he has said. However, as he knows as well as anyone else, this is a pernicious practice which grows out of big government, and can hardly be attributed to the administration, because it is a characteristic of every administration.

I agree with the Senator wholeheartedly in his comments on the subject he started to discuss. I believe that no one can hope to save money on any governmental budget, or operate a financially sound government in connection with major activities unless some attention is also paid to smaller things.

Mr. DOUGLAS. The Senator is correct.

Mr. ALLOTT. Like the Senator from Illinois, I deplore many of the junket type of trips which are conducted by the Air Force.

Above all, I cannot see the necessity of trying to sell our military forces to the public. To me, that is like trying to sell refrigerators to the Eskimos, because if a man does not realize what his military forces mean to him, he certainly is not a very good citizen in these days.

Moreover, if the Senator will indulge me a moment further, I feel that, while the opportunity should of course be given for holding necessary meetings, I can see no reason for incurring additional expense to bring citizens from all over the country to some of these gatherings.

I realize that it is difficult to draw the line. I have discussed this subject with the senior Senator from Virginia [Mr. BYRD], in an effort to determine when a flight ceases to be a training flight and begins to be something else.

I think the points made by the Senator from Illinois are extremely well taken.

While we are on the subject, I think we should discuss the chauffeured limousines.

Mr. DOUGLAS. I discussed them on Friday of last week.

Mr. ALLOTT. I am sorry I did not have an opportunity to hear the Senator. Last week I was in my own State among my constituents. I intend to discuss the subject further.

Mr. DOUGLAS. I hope the Senator will read my speech of last week, in which I catalogued the number of limousines with chauffeurs in the administrative agencies. There are 99 here. I recommended that they be reduced to 35. I proposed a cut all along the line, including a cut at the White House from 8 to 6 limousines. I believe the President can get along with 6 Cadillacs.

Mr. ALLOTT. That may be true. I merely wish to say that in this great Government of ours it has become the custom when a man reaches a certain grade to provide a car for him. Unlike Senators and Representatives, he does not have to drive his own car to work. A chauffeur picks him up in the morning and takes him home in the evening. That practice is inconsistent with good government. It is inconsistent with our responsibilities if we do not consider the small things, as well as the big ones.

I am willing to talk about saving a hundred dollars as well as to talk about saving millions of dollars. I join the Senator in that regard.

Mr. DOUGLAS. I have some insertions to make before I yield the floor. Before I do so I wish to say, first, that I welcome the support of my good friend from Colorado on the substantive features of my proposal. It is true that waste has not been confined to the Republican administration. It is true that the Democrats were wasteful too. The Senator from Illinois, in the period prior to the time that the Senator from Colorado came to the Senate, made himself somewhat unpopular with the administration of his party by criticizing waste under Democratic administrations.

However, we were told that if the Republicans were elected, they were going to cut out waste and give us an economical administration. Instead of that, they have been even more prodigal than the Democrats were.

While I do not wish to get into a partisan discussion on this point, since the Senator has touched upon it I will say that one of my chief objections to the practice of the leaders of the Republican Party is the unduly self-righteous attitude that some of them assume about these matters, and the implication that the Republican Party has a monopoly on virtue.

It reminds me of what Disraeli once said about Gladstone, his great rival. He said, "I do not mind if Mr. Gladstone has all the aces in the deck up his sleeve. What I do mind is his behaving as though the Lord had put them there." [Laughter.]

That is one of my objections to our Republican friends, who, when out of office talk about economy, and, when they are in office, practice extravagance.

I know this does not apply to the Senator from Colorado with whom I have worked on close terms and who I believe is a simple-living, fine Christian gentle-

man. I welcome his support for my substantive reforms. I am glad he is "steamed up" on the limousine question. I will send him a copy of my speech of last week. Perhaps we can bring about some reductions in the appropriation bills, including reduction of appropriations for limousines at the White House.

I want the President to travel in dignity, but I do not believe he needs eight Cadillacs. I do not believe he needs two helicopters. I should say that one should be enough, not two. After all, he is not a duality; he is a unity; he can only be in one helicopter at a time.

Therefore there are a great many economies which I will propose from time to time. If we adopt them we will save millions upon millions of dollars, perhaps even billions of dollars, and we will have money enough to provide for missiles for the Army, combat troops for the Marines, and aid for the unemployed—the unemployed who, in West Virginia and in Kentucky are starving, as well as aid for those who are unemployed in other sections of the country, and to whose entreaty the White House turns a deaf ear.

Mr. ALLOTT. Mr. President, I should like to add, for the benefit of my friend from Illinois, who chose to make this a partisan matter at the conclusion of his speech, that when he was speaking about Disraeli I thought he was referring to the man who said, "There, but for the grace of God, go I," and therefore was looking rather enviously upon Gladstone with the aces up his sleeve.

I do not believe anyone can well say "I am holier than thou." Let us make this clear and let us join the issue. I have never talked in this tone in the Chamber before, and I hope to do so very rarely in the future, but I have never seen anyone who has had a more holier than thou attitude than the Democratic Party had through the New Deal and Fair Deal days. That was one of the most nauseating things about it to me personally and to a great many other Members, I am sure.

Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

MORE DOLLARS FOR EDUCATION OR MORE EDUCATION FOR DOLLARS?

Mr. ALLOTT. Mr. President, I have just had an opportunity to read an excellent statement by Roger Freeman, presented to the Economic Club of Detroit on Monday of this week, entitled "Do We Need More Dollars for Education or More Education for Our Dollars?" I believe that the facts and thoughts brought out in his statement should be read by everyone interested in public education in this country. Mr. Freeman's book, "School Needs in the Decade Ahead," a report by the Social Science Research Institute in Washington, of which he is the vice president, has had a tremendous impact, since its release last year, on the thinking of many people in the field of education.

In addition to his wide experience in the field of private enterprise—in the merchandising ranks—he assisted Gov. Arthur Langlie, of Washington, in restoring orderly fiscal management to the State government there. He has written many articles on a variety of governmental problems and has been used as a consultant by congressional committees and administrative departments of the Federal Government. As a matter of fact, the Commission on Intergovernmental Relations, created in 1953, which conducted official studies of the distribution of powers and responsibilities between the Federal and State Governments, selected Mr. Freeman to direct the research of its education study.

As I read the statement, his thesis is that more money may well be needed to improve teachers' salaries, and further to reduce the classroom shortage, but that much could also be done to get more solid and real educational progress from existing personnel, equipment, and buildings, if we were willing to face up to some of the cold, hard facts of our public education program. From my experience on the Subcommittee on Education, there is a great deal to be learned from this distinguished analysis of our educational problems by Roger Freeman.

During the past few years many of us became very much concerned about education in the United States. Last year the Senate and the House passed the National Education Act. However, we have still not touched, except to a slight degree, the basic problems of education, in that we are simply failing as American citizens, and as fathers, mothers, and directors of school boards, to make certain that our schools provide for our children the maximum education which the children are able to accept and absorb. Until we Americans take hold of this problem and keep it firmly in our grasp, and keep the goal before us, we will fail in our educational responsibilities to our children.

Mr. President, I ask unanimous consent that the address delivered by Mr. Freeman be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

DO WE NEED MORE DOLLARS FOR EDUCATION OR MORE EDUCATION FOR OUR DOLLARS?

(Address by Roger A. Freeman, vice president, the Institute for Social Science Research, Washington, D.C.)

I feel greatly honored to have been invited to participate in the personnel exchange program between Washington and Detroit, if only on an extremely short-term basis. That program, I am told, was started about 6 years ago when Washington borrowed several of Detroit's outstanding citizens. Then Detroit reached out and took—on a permanent basis—the best Commissioner of Education the United States has had in many years. That probably evened the score or, more likely, put Detroit ahead in the game. It was my pleasure to work with Dr. Brownell while he was Commissioner of Education. I hope that he is not getting the same gruelling treatment in Detroit which some of your outstanding citizens received while they served in Washington.

I have been asked to discuss with you some of the findings of our research in the field of education, probably because I wrote a book last year, "School Needs in the Decade Ahead." Of course, a national study with national totals and averages does not necessarily hold the answers for every local school system, in a country as large and diversified as ours. More likely, the solutions to local problems must be found locally, in terms of the desires and aspirations of a community. A study by a representative lay committee or by a civic organization seems an excellent method of planning for the residents of a city the type of schools they want for their children. The splendid report which the Detroit Citizens Committee under the chairmanship of Mr. George Romney prepared, testifies to the dedication with which that group went about its task. I am also very much impressed with the "Profiles in Education" which the Citizens Research Council of Michigan recently prepared.

Of course, education is of more than local significance; it affects, for better or worse, the well-being of the Nation. We must ask: Does the sum total of education in our schools and colleges throughout the country measure up to the challenge of this atomic and space age? Many qualified observers, leaders in education, science, government, and business have answered in the negative. The president of Columbia University, Dr. Grayson Kirk, said at the dedication of the new NEA building in Washington last month that "there are millions of sensible men and women, educators, and laymen alike who are deeply troubled about the state of American education at all levels. Their diagnoses vary as much as their prescriptions, but their concern is common to all." Dr. Kirk concluded that "the actual source of our concern is a haunting feeling that our educational system is not now producing men and women adequately equipped to maintain in the future the leading position in world affairs that we have had in the recent past."

Nothing has aroused more anxiety over our schools than the appearance of the sputniks and subsequent reports on Russian education. Henry Chauncey, president of the Educational Testing Service in Princeton, wrote last year: "I, like others who have visited Russia, came away with one outstanding impression in my mind: in the Soviet Union, there is a complete, unstinting and tremendous commitment to education. It has to be seen to be believed. * * * It is true of the teachers, the parents, and most significantly, the students."

Whether we like it or not we are in competition with the Russians. The travelers who reported on Russian education did not propose that we copy the Soviet school system. But they did suggest that we cannot afford to fall behind in this "war of the classrooms." The obvious question is: What must we do to stay ahead in the battle for better education?

In size and numbers our educational system is truly something to behold. Forty-five million people—one-fourth of the Nation—are enrolled in educational institutions. The educational establishment—public and private combined—employs more than 3 million persons and expends over $20 billion a year. That ranks it with—or possibly ahead of—the country's biggest industries. In the public sphere, education is by far the largest service of government next to national defense. More persons are employed in education than by the Federal Government. About half the State and local government payroll is in education.

Ninety-nine percent of the children age 6 to 15, 80 percent of those 16 and 17, and 34 percent of those 18 to 21 are enrolled in schools and colleges. About 1½ million

high school diplomas and ½ million college degrees are awarded each year. No country on earth has ever attempted to keep so many young people in school so long. One of our most revered educators, I. L. Kandel, for many years professor of education at Teachers College, Columbia University, and editor of the magazine, School and Society, wrote in his book "American Education in the Twentieth Century":

"Quantitatively, the United States has in the past 50 years set an example to the rest of the world in the number of children, youth, and adults enrolled in the country's educational institutions and in the amount of money devoted to education."

Some may question the last remark. Have the American people given the schools enough money to cope with their tremendous task? Or have we—as has been charged—treated the schools like stepchildren and kept them on a starvation diet while lavishing the abundance of our material prosperity upon personal consumption? Are the complainants correct who say that private business and standards of living have flourished while the schools have had to subsist on the crumbs from the table of the rich? If so, are our educational shortcomings simply a result of inadequate finances?

The Rockefeller Brothers Fund Report on Education last year declared unequivocally: "All of the problems of the schools lead us back sooner or later to one basic problem—financing." It added that the American people have never been quite prepared to face the fact that good education is expensive.

It is impossible to say categorically how much a good education costs or how much money ought to be allocated to the schools. But we can try to answer such pertinent questions as: How large a share of the Nation's product is dedicated to education? How has education fared in relation to other activities? How does the United States compare with other nations? Are existing deficiencies the result of financial undernourishment? Are we making full and efficient use of the resources allocated to education? How can we best utilize the manpower and facilities for the major purposes of education?

I intend to deal with these questions one by one.

The share of the gross national product devoted to education has risen from 1.1 percent in 1890 to 4.6 percent in 1958. Far from being stable or declining, it has multiplied four times over the past 7 decades.

Foreign statistics are incomplete and not always comparable with our own. From whatever information is available from the United Nations, it appears that the United States spends almost as much on education as the rest of the world combined. According to a UNESCO survey for 1953, the United States allocates to education a larger share of its national income than almost all other countries. The Soviet Union reported spending 78 billion rubles or $7.8 billion on "educational-cultural activities" in 1957. That equals about 4.4 percent of the Russian GNP, slightly less than the corresponding figure for the United States.

Between 1890 and 1958 enrollment in our educational institutions almost tripled and prices more than tripled. This would call for a tenfold increase in educational spending. But expenditures for education multiplied over a hundred times. In other words, we now spend ten times as much per student, in dollars of constant purchasing power.

How has American education fared, compared with private business and living standards? Most economic statistics of the Department of Commerce go back as far as 1929; so the following comparisons are with 1929. All dollar figures are adjusted for price changes.

Since 1929 enrollment in public education (higher and lower) has increased 40.5 percent; the total U.S. population 42.9 percent. Contrary to a wide-spread belief, public school enrollment has grown proportionately less than the population of the United States. Over the same period, however, private educational enrollment increased 122 percent or three times faster than public education.

Employment in private industries has grown 44 percent since 1929, virtually at the same rate as the population of the United States. So the ratio between private employees and total population has remained unchanged at about 3.5 to 1. Over the same period employment in public education increased 125 percent and the number of students per employee dropped from 23.6 to 14.2.

Between 1929 and 1958 gross national product grew 118 percent, current school expenditures 200 percent. Personal consumption expenditures per capita—which may be called the living standard—has improved 48 percent since 1929. Expenditures per pupil in public elementary and secondary schools increased 129 percent. All of these figures, of course, are in constant dollars.

Over the same period all private construction (residential, commercial, industrial) increased 48 percent, public educational construction 136 percent. Between 1929 and 1957 (the most recent year available) the annual earnings of all wage and salary workers were raised 83 percent, teachers' salaries, 95 percent.

All of this does not mean that we are spending too much money on education. We are not. Moreover, there is no doubt but that in the years to come we shall have to spend far more. But the figures do show that education is not being discriminated against in the allocation of the Nation's resources, that its share has risen much faster than personal consumption, that it has improved its position relative to the rest of the economy in regard to manpower, construction and standards of expenditure. The emerging picture is clearcut and unequivocal: The American people have loyally and faithfully supported their schools. The record makes no persuasive case for holding insufficient funds responsible for shortcomings in the educational product.

Financing the schools in the years ahead would pose no major problem if per-pupil costs were kept stable. But per-pupil costs have approximately doubled every 20 years—in constant dollars—and this long-term trend shows no sign of weakening. At this rate, considering the rising enrollment, the cost of education will at least double over the next decade.

Speaking in the Senate 2 weeks ago, Senator JOSEPH CLARK, of Pennsylvania, proposed that national expenditures for education be raised from $20 to $40 billion over the next few years. Taking into account the expected growth in the national income, an increase in educational funds of $20 billion a year would boost the tax burden by the equivalent of at least 2 percent of the national income.

But education cannot be considered in a vacuum. We cannot expect other public services to stand still while education forges ahead. In the speech I just mentioned, Senator CLARK also proposed raising outlays for national defense, foreign aid, housing and urban renewal, airports, water resources, atomic energy, area redevelopment, health and welfare and unemployment compensation.

If only part of these recommendations is carried out, taxes and other governmental revenues which, last year, equalled 30 percent of gross national product or 36 percent of the national income, will soon rise to more than 40 percent of national income; they could well reach 45 percent. Such a development might be viewed with equanimity or a sense of accomplishment by those who feel that Government is not big enough and that the citizen now is permitted to keep a larger share of his earnings than he knows what to do with. You are, I am sure, familiar with the ideology so eloquently presented by Kenneth Galbraith in his book "The Affluent Society," namely, that the private economy and the individual enjoy unjustifiable abundance and luxury while Government and public services are being starved.

The various well-organized groups pressing for larger public funds for their special interests have succeeded in making Government as big as it is today. They may well make it still bigger—although there may be some doubt whether the majority of the American people feel that what this country needs most is higher taxes. The way to prevent major boosts in the tax burden which would further weaken incentive and retard economic growth, is to review critically demands for larger public funds. Education, which is the biggest item of governmental expenditure next to national defense, must get its share of attention.

The case for major increases in educational funds—beyond the growth of enrollment—is usually presented by pointing at existing material deficiencies: shortages of classrooms and teachers and inadequate teachers' pay.

The size of the classroom shortage has been the subject of intense debates in and out of Congress. Official estimates, within the past few years, ranged from 140,000 to 600,000 classrooms. These widely varying estimates came to be known on Capitol Hill as the "numbers game." In fall 1954, the Office of Education placed the deficiency at 370,000 classrooms; in fall, 1958, it reported a nationwide need for 140,000 classrooms. Taken at face value these figures would indicate a tremendous improvement. When the reports are analyzed they reveal so many internal inconsistencies that hardly any of them appear to merit much confidence.

Classroom shortages undoubtedly exist in many communities throughout the country. The pace of construction has been setting new records each year but is uneven. Many States and communities are catching up with their needs. Some seem to be waiting for Uncle Sam to do the job for them. The outlook is encouraging. If we accept the most recent Office of Education estimate of a need for 140,000 classrooms, and project enrollment and replacements to 1970, the average annual construction requirement is for about 60,000 classrooms. More than 70,000 classrooms have been completed in the average of the past 3 years. This means that the current annual volume of school construction will not have to be maintained over the next 10 to 12 years.

The high cost of school construction has cut into the number of classrooms which are being completed. Expensive projects have led to lengthy controversies in numerous communities. You may remember the articles on "School Palaces" in the Readers Digest and the Ladies Home Journal. Thousands of good schools are being built at costs much below $1,000 per pupil. Others run to $2,000, $3,000 and more. At the root of the increase and the wide range in school building costs lie building space allowances. One or two generations ago schools allowed about 40 square feet of building space per elementary pupil and 45 to 55 square feet per high school pupil. Today schools are more likely to measure 75 to 90 square feet per elementary pupil and 90 to 120 square feet per high school pupil.

No study has shown how much space per pupil is required for maximum educational effectiveness. Certainly, it has never been demonstrated that children learn more if they have 100 square feet of space instead

of 50. In parochial schools and in most foreign schools children get not much more than half as much space as in contemporary public schools. This does not seem to harm them. The justification for the more generous space allocations in today's public schools probably lies in modern educational methods. I intend to come back to this later.

Teacher shortages often are held to be more serious than classroom shortages. According to the Office of Education, the teacher shortage has almost doubled in the past 5 years. But strangely, the number of teachers has consistently increased faster than the number of pupils. William G. Carr, executive secretary of the NEA, wrote a few years ago: "The number of teachers doubled between 1900 and 1950, while the number of pupils enrolled increased by two-thirds * * *. The average number of pupils per teacher in public schools declined from a peak of nearly 37 in 1900, to 29 by 1940, and to 28 in 1950." This trend has continued undiminished in the years since 1950.

The declining teacher-pupil ratio may be all to the good because it seems reasonable to assume that children learn more in smaller classes. The troublesome fact is that research has been unable to prove that this is so. The Encyclopedia of Educational Research summarized studies of class size and pupil achievement as follows:

"On the whole, the statistical findings definitely favor large classes at every level of instruction except the kindergarten * * * the general trend of the evidence places the burden of proof squarely upon the proponents of small classes."

William G. Carr wrote some years ago, "Investigation has shown that when other factors are kept as nearly equal as possible, pupils in large classes make as good scores * * * as do pupils in small classes." Recent studies confirm this.

Teachers' academic qualifications have risen rapidly in recent years, as is shown in a new booklet of the NEA. Since 1946 the number of States requiring a college degree for certification has risen from 15 to 37, but the number of teachers in the public schools with less than a standard certificate dropped from 1 in 6 to 1 in 14. In 1946 about 55 percent of all teachers lacked a college degree; the figure is now down to 29 percent.

The adequacy—or inadequacy—of teachers' pay is probably the most involved—and most misunderstood—aspect of the school picture. The attractiveness of teaching has anything but declined. The percentage of college students preparing for teaching has steadily risen, from 21 percent in 1948 to 32 percent in 1957. Simultaneously, the number of certificated teachers in the public schools has increased five times faster than the civilian labor force. It is apparent that compensation and other benefits are inducing an increasing percentage of college students to choose a teaching career. With college enrollment expected to double over the next 12 years there is every reason to believe that the supply of candidates will be adequate.

In his regular survey of teachers' salaries in the magazine, the School Executive, January 1959, Harold Clark of Teachers College, Columbia University, reported:

"Beginning salaries of women teachers are substantially above the beginning salaries of all women college graduates. * * * The best figures available indicate that the profession is getting the above average in ability of the women college graduates and also paying substantially above the average wage."

So, there does not seem to be too much to worry about the three-fourths of the public school teachers who are women.

But there is justifiable concern over men teachers. The percentage of men teachers in the public schools has steadily increased, from 14 percent in 1920 to 22 percent in 1940, to 26 percent in 1959. More than 30 percent of the beginning teachers are men. However, not enough male college students who are above average in ability choose schoolteaching as a career. Some leave it after a few years because they find it difficult to support their families on a teacher's salary. The trouble usually is not with low starting pay but with the slow advance by $100 or $200 a year. In other fields, men with ability and ambition can progress faster—in keeping with their job performance. But most schools pay elementary and secondary teachers uniformly according to academic credits and years of service. As a result, good teachers are woefully underpaid.

It is unlikely that States and communities ever will be willing to pay all teachers as much as they believe good teachers to be worth. Unfortunately, teachers' organizations insist on union-type salary scales and strongly oppose recommendations for paying teachers as other professional workers are paid—according to merit and performance. Until this deadlock can be broken, we probably shall go on underpaying good teachers while not getting the caliber of candidates the schools need.

There is a compelling case for lifting teachers' salaries to a substantially higher level. Not that our present teachers are underpaid—many of them are not. But we must attract into teaching a higher caliber of candidates.

This problem goes beyond the schools. Many young people with a high IQ now forego a college education and take well-paying manual jobs after they graduate from high school. Their reason: the differential between manual and professional compensation has shrunk drastically in recent decades. This has made 4 to 5 years of college a less profitable investment. There is a smaller difference between professional and managerial earnings on one hand and manual workers' pay on the other in the United States than in other countries. Certainly the differential is much smaller than in the Soviet Union. It seems that we follow egalitarian principles while the Communists use incentives and competition.

What has enabled us to raise the wages and living standards of the great mass of workers is increased productivity due to technological progress and greater capital investment. The industrial worker now turns out twice as many goods as he did 30 years ago. No parallel development is evident in the field of education. In an excellent article, "The Low Productivity of the Education Industry," in Fortune, October 1958, Daniel Seligman demonstrated that productivity in education has declined and that "the return on the educational dollar has been diminishing steadily." He stated that "if the case for raising teachers' salaries were judged solely by statistics on teacher productivity, it would be a weak case indeed." He added "This low productivity is one of the troublesome elements in the teacher salary problem."

Various methods have been suggested for raising the teacher's productivity. Experiments have shown that instruction by television often is more effective than conventional methods and saves valuable manpower. But teachers' organizations have been fighting proposals which would tend to diminish the demand for teachers. When Compton Junior College last fall used one instructor to supervise four TV classrooms, the California Teachers Association lodged vigorous protests with the State board of education. Two months ago the board obliged and withdrew state support for TV-instructed children at Compton College.

It has been suggested to extend the school year and utilize teachers and classrooms for more than 180 days a year. Gov. George M. Leader of Pennsylvania said at the 1957 Governors conference: "It seems to me that we are trying to pay heads of families enough money in 9 months, on 9 months' work to maintain families for 12 months. I don't know any other area of activity where that can be done, and if we succeed in doing it in the field of education, it will be nothing short of a miracle."

I probably should mention that Governor Leader lost the next election.

Some observers have proposed to reduce the number and variety of course offerings and other programs which many schools have taken on. I suggest that you read the article "Schools for Everything" by Melville J. Homfield, superintendent of the Menlo Park city school district in California, in the March 1959 issue of the Atlantic Monthly. It starts with this sentence: "There are signs today that the school has become society's dumping ground, that the public school system has become a vast refuse heap for any and every unwanted service or task that other social or governmental institutions and agencies find too tough to handle."

Paul Woodring, one of our keenest educational thinkers, laid his finger on a sensitive spot when he wrote in the October 1958 Phi Delta Kappan:

"At the present moment in history [the public] is prone to agree with the critics that the schools have tried to do too much, have accepted too many responsibilities best retained by the home, and that as a result they have neglected their fundamental responsibility."

The key factor in educational efficiency is the size and composition of the class. Some decades ago, children were promoted to the next-higher grade when they had mastered the standards of the lower grade. But then the schools discovered the secret of perpetual promotion: Children are moved up each year according to age. As a result the members of a class may be 4, 6, or more grades apart in skills and knowledge. The teacher then divides the class into 3 or 4 groups and gives them different levels of instruction. Such a split-level class requires a larger room and fewer children. It may be hard to conceive a more inefficient method of teaching children.

Some school systems have tried to cope with the wide range of abilities by running three or more parallel tracks or by operating specialized high schools—vocational, commercial, science or academic. Such grouping of children by ability, aspirations and achievements, is regarded by some educational theorists as undemocratic because it tends to foster the development of an educational elite. Those theorists do not explain how we can motivate children to take tough subjects and to study hard under a system of automatic promotion and indiscriminate mixing of abilities.

A more realistic view was presented a few months ago by Prof. D. C. Ducasse of Brown University, a past president of the American Philosophical Association:

"Praise and blame, reward and punishment—which in adult life are omnipresent incitors and inhibitors of action—have a vitally important place in realistic education, not only as equally effective determinants of action, but also as initiators of the young into the similar, but far more severe, situations they will meet in adult life."

The late Reverend Bernard Iddings Bell once asked:

"What could be better calculated to promote an unhealthy psychosis than to prepare a child for a world of struggle and competition by wrapping his mind in the woolly illusion that achievement and negligence should receive the same reward?"

Vice President RICHARD NIXON stated well in his educational address in New York

in December 1957 that "the most fundamental weakness in many of our schools is that students are not allowed to face the challenge of failure."

It is well known that children in many foreign school systems are ahead of their counterparts in the United States. Alvin C. Eurich, former president of the State University of New York and now vice president of the Fund for the Advancement of Education, reported last year: "It is my impression that a student completing the Russian secondary school at the age of 17 probably has an education equivalent to that which we provide by the end of the first 2 years of college." This suggests that children learn as much in Russian schools in 10 years as they do in American schools in 14 years. James Bryant Conant, former president of Harvard University, said in a speech a few years ago that graduates of European secondary schools "when they enter a university have 2 or 3 times as much knowledge and acquired skills as the best college entrants in the United States."

It has been asserted that such comparisons are unfair because European secondary schools accommodate only a small percentage of the children while virtually all American children go through high school. This is in error. For example, all British children attend secondary schools: 15 percent are in grammar (academic) schools, 70 percent in modern secondary schools and the rest in technical schools. Those in modern and technical secondary schools graduate at age 15. By that time they have acquired a level of basic skills and knowledge which is at least comparable to that of our 12th graders. The main distinction between American and European school systems is not that we send all children to high schools and others only a select few, but that the American system stretches the education over more years.

There is a dire need for a thorough study comparing the material resources and educational achievements of Russian and European schools with those of American schools. Presently, only sporadic information is available. We know that, for example, a typical elementary class in Moscow has 40 to 45 pupils, a secondary class, 30, that schools operate on two shifts and that many teachers do likewise to earn a living wage. We know that in England many schools exceed the statutory size of 40 pupils in primary and 30 in secondary schools. We know that children in British and Russian schools have barely more than half as much space as our children have in contemporary schools. Similar conditions appear to exist in France, Switzerland, and other Western European countries. But the students' achievements are reported to be higher than ours. The reason was explained by Johns Hopkins University president, Dr. Milton S. Eisenhower last year:

"We are too casual about education. This is the primary reason why European students achieve scholastically in 10 years what ours do in 12—and it happens that most students do better work with a heavy load than a light one."

The Fund for the Advancement of Education said in its 1954–56 report: "Questions are being more and more insistently raised, not by small and disgruntled groups of citizens, but by leaders of opinion and large elements of the public, whether American education has become too soft, demands too little of our youth, encourages much too low expectations and effort from the students, and has been too busy with custodial duties to do well by its educational opportunities." This, incidentally, was said 1 year before sputnik.

What, then, is the answer to our school's problems? The magazine, the Nation's Schools, found in a personal survey among public school educators unanimity that "there is basically nothing wrong with American public education that more money wouldn't remedy."

However, there is surprisingly little evidence that quality of education is proportionate to the number of dollars spent. Ten days ago, a citizens committee which had been studying the schools of Scarsdale, N.Y., for 2 years reported this: Expenditure per pupil, at $971, was almost three times the national average, and among the highest in the Nation. One Scarsdale school building achieved notoriety as being one of the most expensive school structures in the country.

But Scarsdale High graduates tend to be C-plus students in college; the majority rank below average in college despite high IQ's. Nor is the school doing well by its slow students. The citizens committee made no effort to hide its disappointment at this record.

On the other hand we have the example of Utah, which has a record of outstanding educational accomplishments at costs much below the national average.

Vice President RICHARD NIXON said in his earlier quoted speech:

"Too often we hear the superficial and pat formula that the answer to all of our problems in the educational field is more classrooms, more teachers, more scholarships, and more scientists. Action on these fronts is essential. But we miss the target completely if we do not recognize at the outset that our major problem is quality and not quantity of education."

In an inspired article "American Education's Greatest Need" in the Saturday Review 2 weeks ago, Yale University President A. Whitney Griswold stressed that he saw the greatest need of the educational system not in more money but in a sense of purpose, in higher intellectual aims.

Dr. Clarence Faust, president of the Fund for the Advancement of Education, said over 2 years ago: "Our school system does need more buildings, more money for operating expenses, teachers' salaries, and more and better prepared teachers. But it needs even more to find ways of making better and more effective use of its resources for the major purposes of education."

Admiral Rickover outlined a program for the schools in his recent book, "Education and Freedom": "Only massive upgrading of the scholastic standards of our schools will guarantee the future prosperity and freedom of the Republic.

"We must spend substantially more for education. We must also spend school tax money more wisely. I venture to say that of all leading countries, we get the least in education for our tax dollars. For various reasons our school establishment is the most expensive in the world. We have set ourselves standards of luxury in buildings and equipment unknown elsewhere. We require 2 to 3 years longer to bring our students to approximately the same level of education as most European countries—this alone means 20 percent higher costs for the same end product."

I submit that we can afford to spend more on education than other countries and we should. But we cannot afford to get less education for it. Here then is the answer to the question which the title of my talk posed "Do we need more dollars for education or more education for our dollars?"

It is essential that the schools receive larger funds in the years ahead. Starving the schools of the necessary means and keeping teachers' salaries below a competitive level, will not improve education. But neither is money a substitute for higher standards and fuller and more effective use of the available resources. Our young people won't learn one iota more in a spacious glass and marble building than in a plain one. Too many of them will keep electing themselves out of an education if we offer them a cafeteria-type course program. They will learn more only if they study harder.

We cannot promote respect for learning if we treat achievement and failure without distinction, if we continue to pretend that giving recognition to educational accomplishment is undemocratic. We won't get the able children to take the solid subjects and work hard until we accord honor and visible reward to those who through a combination of talent and toil excel the rest. As long as we pursue the egalitarian trend—all children going to the same class, promoted each year without distinction, getting their diploma or degree for faithful residence, all teachers paid by the same scale—we shall not provide the education which this day and age require—no matter how many billions we pour into the system. We may be paying the price of excellence but we shall be getting mediocrity.

WHEAT ACREAGE ALLOTMENTS

Mr. SCHOEPPEL. Mr. President, I have introduced a bill which is aimed at correcting a provision in the present agricultural laws with respect to farms which exceed their wheat acreage allotments, but which, because of drought, hail, or other natural causes produce no marketing excess.

Under the provisions of the present law, a farmer who overseeds his allotment and raises a surplus may avoid or postpone penalty by storing the excess wheat in accordance with regulations. In so doing, the farmer is entitled to receive as acreage credit for that year the base acreage for the farm in figuring his future wheat acreage allotments.

In the case of a farmer who also overseeds his allotment, but raises no wheat at all, or no marketing excess, he is penalized by the loss of some of his acreage for that year. In fact, the acreage allotment in that year will be considered the acreage in figuring his future wheat allotments.

In other words, under present law, the farmer who produces no excess to add to existing surpluses, is penalized, while the farmer who does raise an excess, is not.

The bill would give the farmer producing no excess the same treatment as that accorded the one producing an excess.

The proposed legislation has the support of many wheat farmers throughout the wheat-producing areas of Kansas. It is my hope to enlist sufficient support in Congress to make its early enactment possible.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, March 26, 1959, he presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 47. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; and

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States.

HOLY WEEK

Mr. CARLSON. Mr. President, as we conclude our deliberations in the Senate in the midst of Holy Week, it is appropriate that we free our thoughts from the burden of concern with material problems, and reflect on ills of the spirit which are a heavier weight on man.

In this hour of confusion and uncertainty, Holy Week holds the answer to our problems.

Father James Keller, who in 1945 founded the Christopher Movement, has written a beautiful message for Easter. It appeared in his book, entitled "A Day At a Time," and reads as follows:

With the fear of atomic and hydrogen warfare haunting men everywhere, the peace of the Risen Christ has a particular significance this year.

The more sincerely men look to the Prince of Peace for the way to true and lasting concord, the sooner we will all enjoy the precious peace for which all men yearn.

It is the tendency of most of us, however, to think that somebody else ought to provide peace for us, while we do little or nothing about it ourselves.

It is difficult to realize that the peace of the world begins with each one of us. There is a contribution to peace that you as one individual can render which no one else can make.

It is more than a matter of being at peace with one's self. God expects each of us to be an instrument or bearer of peace—to bring His peace not only into our homes, classrooms, and shops, but also into such vital fields as government, literature, entertainment, and labor relations.

The first words that Christ uttered to His disciples when He rose from the dead should stimulate all of us to be instruments of peace:

"Peace be to you. As the Father hath sent me, I also send you." (John 20: 21.)

Mr. President, it is my hope that when we return to our legislative duties, we shall have been strengthened in the faith we have in the wonderful heritage given to us by those who founded this great Nation, with its freedoms and its opportunities, and that we shall rededicate ourselves to the principles for which our country stands.

ADJOURNMENT UNTIL TUESDAY, APRIL 7, 1959

Mr. MANSFIELD. Mr. President, pursuant to House Concurrent Resolution 110, which was agreed to yesterday, I move that the Senate adjourn until Tuesday, April 7, 1959, at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 54 minutes p.m.) the Senate adjourned, the adjournment being in accordance with the terms of House Concurrent Resolution 110, until Tuesday, April 7, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 26, 1959:

NATIONAL SCIENCE FOUNDATION

Dr. Logan Wilson, of Texas, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1964, vice T. Keith Glennan, resigned.

NATIONAL LABOR RELATIONS BOARD

Stuart Rothman, of Minnesota, to be general counsel of the National Labor Relations Board for a term of 4 years.

COLLECTOR OF CUSTOMS

Orley McGlothlin, of Colorado, to be collector of customs, with headquarters at Denver, Colo. (reappointment).

Harry D. Youse, of North Webster, Ind., to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind. (reappointment).

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 26, 1959

The House met at 12 o'clock noon.

Rev. Charles W. Holland, Jr., pastor, Fountain Memorial Baptist Church, Washington, D.C., offered the following prayer:

In James 5: 15 we read: *The prayer of faith shall save the sick, and the Lord shall raise him up.*

Most Holy and Righteous Father, we petition Thee on behalf of our brother, Dr. Braskamp. We thank Thee, dear God, for his improvement. We pray that during his period of convalescence complete recovery will be accomplished.

We pray too, Father, for any who may be ill among our Congressmen and Congresswomen. We know that Thou art the Great Physician, and art able to restore when medical and surgical science and knowledge have failed. We entreat Thee to touch the bodies of sick loved ones of this group.

As this body recesses, guide them back refreshed and conditioned for the important work ahead.

And now as we experience these hours when we so vividly remember the suffering and agony of Jesus for us on Calvary, accept our humble thanks. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 110. Concurrent resolution establishing that when the two Houses adjourn on Thursday, March 26, 1959, they stand adjourned until 12 o'clock meridian, Tuesday, April 7, 1959.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 5640) entitled "An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation."

MITSURU UCHIDA, CONGRESSIONAL FELLOW

Mr. O'HARA of Illinois. Mr. Speaker, I wish to take this occasion at the moment of our adjournment for the Easter recess to commend the American Political Science Association for its sponsorship of a program that brings to our country outstanding young students from foreign lands who on their return home will dedicate their lives to the cause of education and good government.

It has been my great privilege and pleasure to have as an intern in my office one of these young men. He has been of tremendous service to me and his enthiusiasm at the way democracy works here in the Congress has been most heartening.

He has been particularly impressed by the cordial manner in which American Congressmen meet their constituents when they drop in for a visit and the attention we give even to a postal card from a constituent perhaps not personally known to us.

During the period of his internship in my office, this young man has cheerfully given to the small chores the same attention as he has given to matters on a higher plane, as when he has accompanied me to the open sessions of the Committee on Foreign Affairs, or has represented me at the open sessions of other committees.

His name is Mitsuru Uchida and I shall miss him very much after the recess when he will be continuing his internship in an office in the other body. I hope that some day I shall meet him in Japan when he will be continuing the work of his dedication as a faculty member of one of the great universities of Japan.

I requested him to furnish me with a biographical sketch and this he has done with his usual graciousness in cooperation. I am extending my remarks to include this sketch, as follows:

MITSURU UCHIDA

I was born on the 4th of January 1930, in Tokyo. After graduating from the School of Journalism at Waseda University, Tokyo, I entered the graduate school at the same university.

I received the master's degree in political science in 1956, the thesis for which was on "The Role of Political Propaganda in Modern Politics." In it I particularly discussed the public relations activities of the political parties and the pressure groups in the United States.

I am now preparing for a thesis for doctorate, the title of which is to be "The Formation of Public Opinion in Modern Politics." Here again the American political scene is one of the major topics. I became a research assistant at Waseda University in 1958.

I came here as a congressional fellow in the congressional fellowship program sponsored by the American Political Science Association last November. My travel expenses are covered by the Asia Foundation.

I have got my assignment at Congressman O'HARA's office since January 19. After the Easter recess, I shall get an assignment at some Senator's office or at some Senate committee.

I have been really enjoying the work on Capitol Hill. The experiences and lessons I have got and will get hereafter will greatly help me to understand how the American democracy works. And surely they have helped me so much. I intend to make trips around the States after the program ends in August and visit some local governments, universities, research institutions, and so on.

CESSATION OF NUCLEAR TESTING

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, the time has come for our country to make another attempt to control the testing of nuclear weapons and for us as Representatives to recheck our sources of information about our studies of these tests. The lack of international agreement in this field threatens the health of our people and of coming generations of Americans and, we may assume, of other nations throughout the world.

Sunday's papers carried a release by Senator CLINTON P. ANDERSON, the chairman of the Joint Committee on Atomic Energy, of communications to him stating that the concentration of radioactive strontium 90 on the surface of the United States is greater than in any other area of the world. This byproduct of nuclear explosions may cause leukemia and bone cancer when taken into the body. It gathers on plants and grass and may be consumed in vegetables and food and thus cause these fatal diseases.

Also revealed was the fact that the retention time of radioactive materials in the stratosphere is much less than had earlier been believed.

In other words, in the language of Senator ANDERSON, "strontium 90 isn't staying up there as long as AEC told us it would and the fallout is greater on the United States."

We are assured that the risk of damage resulting from the testing of weapons is extremely small, and this is somewhat reassuring, but the frightening prospect that the fallout from such testing might well result in more physical casualties than the actual explosion of bombs in warfare demands that we redouble our efforts to obtain agreement on some form of international control of nuclear explosions with a view toward their ultimate elimination.

Another aspect of this matter which requires our attention is the statement of Senator ANDERSON that the Defense Department had been "gagging the Joint Committee" on making public these "important data on fallout from weapons tests."

Now, I certainly can understand the policy that up to this point has continued our testing in view of the Russian failure to submit to control. And I also agree that there is a necessity for some control of information in the interest of national security, but I submit that this control must not go too far and I urge the Congress to see to it that the public of this country promptly receive the facts on these governmental programs which they are entitled to have. This is no place for a blackout of information. The stakes are too high.

The Atomic Energy Commission and the Secretary of Defense urge the extension and improvement of our procedures in surveying the effects of nuclear explosions and this may be very desirable, so far as it goes. But the frustrating fact is that these recommendations assumed by implication that the testing of atomic weapons, complete with death-dealing fallout, will continue.

I suggest that we must attack this basic assumption. The alternative is too grim for us to continue placidly in our present course. It is not enough merely to improve our methods of gathering information about fallout. We must eliminate the source of the fallout itself.

With this end in view, I strongly urge that all our responsible officials from the President down do everything in their power to persuade our enemies that the continuation of nuclear testing will rain death on the people of the world and that the Iron Curtain will not bar radioactive particles.

The conference on the discontinuance of nuclear tests started 5 months ago in Geneva is still in progress. Although it seems to be stalled on dead center, nevertheless there is an opportunity to bring to the negotiations a new approach. There are suggestions which can be made and avenues which can be opened which hold some hope for breaking the deadlock.

The improvement of test detecting devices may allow some relaxing of the rigidity of the demand for on-site inspection. Some reduction in the size of the site-inspection teams might possibly be made without reducing their efficiency. Some variation of inspection areas might be made with reliance on off-site testing for the surveillance.

These are examples of possible ways of trying to bring some accomplishment out of the present conference. It is essential that we try to get agreement because the effect of failure is too serious.

If, on the other hand, we can obtain international agreement and a cessation of these tests, we will have made a gigantic stride forward in providing a better and safer life for our present population and for the generations which will come after us.

PRINCE JONAH KUHIO KALANIANAOLE

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, today, March 26, 1959, marks the 88th anniversary of the birth of one of Hawaii's most distinguished and outstanding American citizens. Certainly the Honorable Jonah Kuhio Kalanianaole should be ranked along with one of the greatest Hawaiians of all times. Also, without a question of a doubt, Delegate Kalanianaole is certainly, along with former Mayor John H. Wilson, one of Hawaii's outstanding citizens in the period since annexation, in view of his selection to 10 terms as Hawaii's Delegate to the Congress of the United States from the 58th Congress to the 67th Congress, inclusive.

The occasion of the anniversary of his birth is commemorated as a legal holiday by legislative act. This keiki hanau o ka aina—child of the land—was a prince of the royal family, by action of the Kingdom of Hawaii.

Delegate Kalanianaole, known to the Hawaiians as Prince Kuhio, sponsored the first statehood bill in 1919, just 40 years ago. He was also responsible for the legislation now known as the Hawaiian Homes Commission Act. His life and his deeds have been extolled many times. They were marked by dedication and devotion to his people of Hawaii and to the country of his adoption, the United States of America.

An opponent of annexation, primarily because of the method by which it was accomplished, he became reconciled to the fact and was an outstanding American constantly providing for his people of Hawaiian ancestry, particularly, and for all of Hawaii, an inspiring example in the practice of American principles and ideals.

His dream of statehood has been accomplished. There remains to be accomplished his deep desire to see the ownership of land as widely dispersed as possible among the people.

He was an honor and credit to his native Hawaiian people, to the people of Hawaii generally, and to his country of adoption, the United States of America. Even the following thumbnail sketch of his career clearly shows his greatness.

Prince Jonah Kuhio Kalanianaole was born on March 26, 1871, in Kola on the island of Kauai. He attended the Royal School and Punahou College in Honolulu. Subsequently, he studied 4 years in St. Matthews College, California.

He then journeyed to England where he was, for a time, a student at the Royal Agricultural College in England and was graduated from a business college there.

In 1884 he was created a prince by royal proclamation. He then occupied a position in the Department of the Interior of the Hawaiian Government. In 1895 he took a leading part in the revolution of the Hawaiians against the so-called Republic of Hawaii, and was, as a result, imprisoned for 1 year.

He visited Africa during the years 1899–1902 and fought in the British Army in the Boer War. He was elected as a Republican to the 58th Congress and to the nine succeeding Congresses. He served with great distinction from March 4, 1903, until his death in Waikiki on January 7, 1922. He is interred in the Royal Mausoleum in Nuuanu, Oahu.

Mr. Speaker, under statehood, which was first his dream and that of his people, his spirit, his example, will ever live and move among us. For in him is embodied the greatness of Hawaii's people.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the Committee on Un-American Activities may have until April 6 to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FOOD FOR PEACE

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Speaker, I doubt that any greater problem faces this body and the American people today than the problem of our apparent inability or reluctance to match the hunger and starvation in the world with our magnificent capacity to produce food and fiber. I am not prepared to say where the fault may lie, but it is an inescapable fact that fault is to be found.

In a speech before the Kansas Association of Wheat Growers meeting in Hutchinson, Kans., on November 18, 1958, I stressed the moral responsibility which is ours in this matter. I received immediate and very favorable response from the people of my district, and from many other sections of our country. Our people are steadily becoming more aware of the fact that our over-filled granaries should and do shock the conscience when we dwell upon the millions of hungry mouths throughout the world.

On January 29, 1959, I submitted House Concurrent Resolution 63, which I should like to read to you at this time.

Whereas the abundance of food and fiber produced by the American farmer is the marvel of the world; and

Whereas most of the people of the world are undernourished; and

Whereas the American people historically have been concerned with the well-being of other peoples; and

Whereas in many nations of the free world vital economic development programs are retarded and political stability is threatened by an inadequate supply of food; and

Whereas the remarkable bounty of the free American farmer has resulted in accumulations of farm commodities for which there is insufficient domestic demand; and

Whereas the Congress seeks to reduce unnecessary expenditures, including, where possible, those for commodity storage and for foreign assistance; and

Whereas the Soviet bloc has publicly challenged the United States and her allies to economic competition in demonstrating before the world the viability of their respective economic systems: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that an agricultural abundance is one of America's greatest assets for raising living standards and promoting peace and stability in the free world; and that Congress favors action to resolve the paradox of American agricultural surpluses and world food needs by more fully utilizing the resources of the American farmer as an integral part of the U.S. foreign assistance program.

SEC. 2. This concurrent resolution may be cited as the "Food for Peace Resolution."

"Food for peace" might well be a most forceful and effective weapon in our unending determination and struggle to protect the blessed freedom which is ours, and which we would share with our fellow men throughout the world. Our present overproduction would strengthen people of foreign countries and would greatly assist them in their effort to resist Communist aggression. In the long run, by plain arithmetic, the strengthening of friendly people in foreign lands would reduce the spending in our own military budget. None can refute the statement that a people who have enough to eat are much less susceptible to the siren call of the Kremlin.

Divine providence has bestowed upon us the resources and the know-how to produce in abundance. Instead of cutting production on our farms, it is much more likely that we will know increased production with hybrids, with new fertilizers, and with continued advancement in methods and in farm machinery. It is the American way to produce more and better and we will, of course, continue in that way.

Let us stop thinking of surplus as an awesome and crushing thing, and instead recognize it as a bountiful blessing, and intended, by Almighty God, to feed the mouths of His children.

It is not my intent or purpose here today to preach a sermon, though perhaps sermons on the subject are needed. Prayer and good intentions alone will not solve the problem. Correlation of American overproduction of foodstuffs is, of course, fraught with many pitfalls. However, it is tempting and heartening to know that if we really set out to feed the hungry, with the same ingenuity and determination that we apply to weapons of war, we can and will overcome the difficulties.

The world and its hungry millions is a ready market for our farm production. I shall not go into this subject in detail for you know, as well as I, that the statement is true.

An example is to be had at this moment in Haiti, where after extended drought, human beings are actually facing death from starvation. They have not enough to eat. While we, with apparent easy conscience, eat, produce, and complain about having so much.

A very short time ago a delegation from India visited in my district and while there said, "India could use 500 million bushels of wheat per year to feed its hungry multitudes, but it is necessary to establish a steady flow of wheat over a period of years, while they build their economy and purchasing power. A large quantity of wheat one year and none the next would result in chaos and revolution."

I say to my good colleagues today, we will not have peace until we have honestly faced the dilemma of our bulging granaries and empty stomachs throughout the world.

Tomorrow is Good Friday, a day on which our thoughts would naturally turn to suffering humanity, wherever it is to be found in this world of ours. I know that my good friends, on both sides of the aisle, will join with me in a firm resolution to continue in the hallowed American tradition of extending aid to the needy. At this particular time of year, contemplating the promise of Easter morn, I call upon this distinguished body to bear well in mind those words, "whatsoever you have done unto these, the least of my brethren, you have done it unto Me."

PUBLIC DISCLOSURE OF REDEVELOPMENT PROPOSALS

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 15 minutes.

Mr. LINDSAY. Mr. Speaker, today I have introduced a bill to correct a serious flaw which has developed in title I of the Housing Act of 1949—the urban renewal mechanism. The proposal would require full public disclosure of redevelopment proposals submitted by private redevelopers of title I land before any contract or commitment of any kind could be made between the redeveloper and the local public agency.

This proposal would, I firmly believe, have no restrictive effect whatever on the Federal urban renewal program. On the contrary, there is every reason to believe that the bill, if enacted, would go far toward restoring public confidence in Federal urban renewal. The problem this bill would resolve has arisen, I understand, in many metropolitan communities. I am of course especially familiar with the situation in New York City; but I have received mail on this problem from other areas as well. We have found in New York—in which, I might add, more than $93 million have been or was expected to be advanced by the Housing and Home Finance Agency for title I projects as of June 30, 1958—we have found in New York that urban renewal is rapidly getting a black eye because it has too often been resulting in the condemnation of the homes of low and middle-income dwellers and the subsequent redevelopment of the resold land into high-rent apartments. There is no answer I can give, Mr. Speaker, no evasion I can make, to the question so many have angrily written to me: "Why are millions of dollars of tax money being spent to turn inexpensive dwellings into expensive ones?"

I fully realize that it is of the essence of the Federal urban redevelopment program that the HHFA—that the Federal Government—shall not intrude on the prerogatives of the various localities to tell them how they must redevelop their cities. I wholeheartedly subscribe to that concept. But it can hardly be inconsistent with that concept to require that any locality seeking the benefit of a Federal grant shall give its citizens a fair chance to participate intelligently in the formulation of that locality's urban renewal plans.

What has been happening is that the redeveloper—the person or organization ultimately acquiring the renewal area by markdown sale—is being selected by the local public agency without an adequate opportunity being provided to other potential redevelopers or to the public at large to study his proposals. Commitments are being made either formally or informally under circumstances operating to conceal from the

public just who is redeveloping, what it will cost, what the rents will probably be, and what profit is anticipated.

I can cite one unhappy example. In Manhattan the Washington Square title I project has torn down low-rent apartments and lofts, and uprooted small businesses, only to build a string of large, luxury apartment houses, renting for better than $75 per room per month—in some apartments for a great deal more. Nothing beyond the vaguest information as to what the anticipated rents would be was made available when the commitment with the redevelopment syndicate was made. The names and interests of the investors in this project—which was made possible by grants of $8 million of Federal and $4 million of State funds—were shrouded for some time in secrecy and rumor. Mr. Speaker, if this redeveloper had been required at the first merely to make full and advance public disclosure of its cost, financing and profit projections, I seriously question whether an enlightened and aroused public opinion would have allowed this to go forward in view of the fundamental purpose of all housing schemes: to produce adequate housing within the reach of those who cannot now afford it.

My bill would require as a prerequisite to any redevelopment commitment the filing and public availability of a prospectus containing certain information. It would require no more. It would not intrude on local autonomy—it would facilitate it. I have discussed the bill at length with a great number of authorities on urban renewal. I urge its serious consideration—and its enactment—to this body.

Mr. Speaker, the bill is short and I ask under unanimous consent that it appear in full at this point in the RECORD.

A BILL TO AMEND TITLE I OF THE HOUSING ACT OF 1949 TO REQUIRE EACH PROSPECTIVE REDEVELOPER UNDER THE SLUM CLEARANCE AND URBAN RENEWAL PROGRAM TO FILE AND MAKE PUBLIC A PROSPECTUS SETTING FORTH ITS IDENTITY, ITS PROPOSED FINANCING, THE ESTIMATED RENTS AND PROFITS, AND CERTAIN RELATED ITEMS OF INFORMATION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"(e) No contract or commitment of any nature whatever shall be made between the local public agency and any person for redevelopment of any part of an urban renewal area unless—

"(1) such person shall have theretofore submitted to the local public agency, at such time and in such manner and form as such agency (under regulations of the Administrator) may require, a prospectus setting forth in detail—

"(A) the name of the person proposing to redevelop the area and the names of its members, officers, and principal investors or shareholders;

"(B) the proposed financing and estimated total cost of any redevelopment to be carried out by such person;

"(C) the schedule of estimated rents per room or sales prices per unit, as the case may be, to be charged, and the estimated profit or rate of return to be derived, by such person with respect to all housing proposed for such redevelopment; and

"(D) such other information as the local public agency may require in order to insure that all interested parties in possession of such prospectus may be in a position intelligently to evaluate the proposed redevelopment before any such contract or commitment is made; and

"(2) the local public agency shall have theretofore made copies of such prospectus fully available to the public in such manner and for such periods as the Administrator by regulation may prescribe."

PAY TELEVISION

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, on March 23, 1959, the Federal Communications Commission issued its third report in its subscription television proceedings.

The Commission decided that it would proceed with the issuance of authorizations for limited subscription television tests. The tests would be limited to one city per subscription system and to one subscription system per city. Furthermore, in case more than one television station decides to participate in such trials in any city, such stations would not be permitted to broadcast subscription programs simultaneously.

In issuing the third report, the Federal Communications Commission very materially modified the conditions under which it proposed to authorize subscription television tests in its first report adopted October 17, 1957. The first report contemplated trials of any one system in up to three cities. Furthermore, the first report left open the question of whether any receiving equipment might be sold to the public, while in its third report, the Commission decided that the public should not be called upon to purchase any special receiving equipment required for subscription television operations but not needed for the reception of free television broadcasts.

In January 1958, the Committee on Interstate and Foreign Commerce held extensive hearings on the subject of subscription television and the FCC's first report adopted October 17, 1957. As a result of these hearings the committee, on February 6, 1958, adopted a resolution expressing the sense of the committee that the Federal Communications Commission should not grant authorizations for subscription television operations as contemplated in its first report unless and until the Communications Act of 1934, as amended, had been amended so as to specifically empower the Commission to grant such authorizations.

On February 26, 1958, the Commission in its second report adopted February 26, 1958, announced that new applications for authorizations to conduct trial subscription television operations would not be processed until 30 days following the sine die adjournment of the 85th Congress.

On July 3, 1958, the committee requested the Commission to continue the status quo until the committee, during the 1st session of the 86th Congress, had an opportunity to consider legislation with respect to subscription television operations.

On July 23, 1958, the Commission advised the committee that it would not grant any applications for trial subscription operations until the sine die adjournment of the 1st session of the 86th Congress in order to afford an opportunity for the conduct of congressional hearings on the subject and the adoption of such legislation as Congress might deem appropriate.

On January 12, 1959, I introduced House Joint Resolution 130 to prohibit, except for technical tests, pay television operations until specifically authorized and regulated by Federal law. The resolution provides that such technical test operations with respect to any particular system of pay television may not be carried on by more than one person or in more than one area of the country and that no one person may carry on such technical test operations with respect to more than one system of pay television.

Mr. Speaker, the Committee on Interstate and Foreign Commerce has given most careful consideration to the subject of subscription television. The purpose of the detailed hearings held by the committee was to scrutinize the original proposal of the Federal Communications Commission contained in its first report of October 17, 1957, with regard to subscription television tests.

It was the testimony of most of the witnesses who appeared before our committee that the scope of the tests contemplated by the Commission in its first report was so broad that there was a grave risk that these tests would bring about the virtual establishment of a new subscription television service on some extended or permanent basis without the Congress having an opportunity to consider whether the operation of such a service on a permanent basis was in the public interest.

The tests proposed by the Commission in its third report are considerably more limited. Such tests would be conducted only in cities which have at least four commercial television services—including the applicant's station. There are 20 cities meeting this specific requirement.

The committee was informed that, at present, there are five subscription television systems which might be tested. Thus, a maximum of five cities would be involved in the test operations. Furthermore, television stations participating in subscription television tests would be required to continue the broadcasting of free television programs as prescribed by the Commission's rules. These rules require a broadcasting of a minimum of 24 hours per week for stations which have been in existence 2 years or more. Fewer hours are required for stations which have been operated less than 2 years.

It seemed to the committee that actual experience with such limited test operations could be helpful to the Congress

in determining whether or not legislation should be adopted to authorize subscription television operations on some extended or permanent basis, and to prescribe the conditions under which the Commission would have the power to grant such authorizations. Under these circumstances, the committee, on March 25, 1959, adopted a resolution to the effect that the earlier resolution adopted by the committee on February 6, 1958, should not apply to the subscription television test operations contemplated by the Commission's third report adopted March 23, 1959.

Mr. Speaker, let me briefly summarize the reasons which motivated the committee in adopting this resolution.

First. As a matter of principle it would seem unwise to prevent the conduct of test operations of any new development as long as the test operations themselves are not contrary to the public interest. The conditions under which such test operations should be conducted, however, must be such that the tests will not bring about the virtual establishment of a new service on some extended or permanent basis without the Congress having an opportunity to consider whether the establishment of such service on an extended or permanent basis is in the public interest.

Second. The conditions prescribed by the Federal Communications Commission in its third report will, in the opinion of the Commission and the committee, so limit subscription television test operations that they will not bring about the virtual establishment of a new subscription television service on a permanent basis without a congressional decision that such a service is in the public interest.

Third. Under the limitations of the third report, the financial risk is placed where it belongs, namely, on the promoters of subscription television, and these promoters are on notice that there is no assurance that at the end of the test period of 3 years they will be granted authority for continued operation of subscription television. On the contrary, the promoters are on notice that the Congress reserves to itself the right to determine whether or not to enact legislation to amend the Communications Act of 1934, as amended, to empower the Commission to grant, and to prescribe the conditions under which the Commission would have the power to grant, authorization for extended or permanent operations.

Mr. Speaker, therefore, in conclusion, under no circumstances can the action of the Federal Communications Commission and the action of the Committee on Interstate and Foreign Commerce be construed as placing a stamp of approval on subscription television as a permanent service. All that is authorized is the conduct of limited tests sufficient to determine the feasibility of subscription television, but not so extensive that they would bring about without further action by the Congress and the Commission the development of a new subscription television service on a permanent basis.

Mr. Speaker, I have taken this time to explain in some detail the action of the Federal Communications Commission and of the Committee on Interstate and Foreign Commerce with respect to subscription television tests. I trust that this explanation will forestall any erroneous interpretation of the action taken by the Commission and the committee.

There is no implication whatsoever in the committee action that the committee considers subscription television on a permanent basis to be in the public interest. All that the committee action implies is that the conduct of limited tests should proceed if the Federal Communications Commission determines that there are applicants who may desire to engage in such tests and that such applicants meet in every respect the conditions laid down by the Commission in its third report.

THE LATE HONORABLE SAMUEL WILDER KING

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks on the life and accomplishments of the late Honorable Samuel Wilder King, following my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, it is my sad duty to report to this House the terribly sudden and unexpected passing of a most distinguished former Delegate from Hawaii, the Honorable Samuel Wilder King, who died of a heart attack on the night of March 24, 1959, in Honolulu, Hawaii.

Delegate Samuel Wilder King was an outstanding citizen of Hawaii who had served Hawaii and his Nation, the United States of America, throughout a lifetime devoted to public service, to the welfare of his fellowman and his fellow citizens.

His death comes as a profound shock to all the people of Hawaii, for, with the passage of legislation to admit Hawaii as a State, former Delegate and former appointed Governor King had announced his plan to run for election as Governor of the State of Hawaii. And it is especially a shock, since his death comes so soon after the achievement of statehood, a matter upon which he had worked so hard, so long and so devotedly.

Mr. Speaker, in the death of Samuel Wilder King, Hawaii has lost a true keiki hanau o ka aina—"child born of the land"—whose love for Hawaii and her people was second only to his love for his wonderful and talented family. He was particularly and justly noted as an exemplary and wholly devoted husband and father.

Samuel Wilder King achieved great success in many fields of endeavor. Possessed of boundless energy, and dogged determination, and marked by tenacity in adherence to principle, Samuel Wilder King exemplified the ultimate in good citizenship. For his integrity of character, he had the greatest personal esteem of everyone in Hawaii. Certainly his great courage in support of his convictions was most admirable and worthy of emulation.

A great sailor, he was appointed to the U.S. Naval Academy in June 1905, by Delegate Kalanianaole. He graduated from the Naval Academy in 1910. In 1924 he resigned his commission in the regular Navy but remained in the Naval Reserve until 1928 at the rank of lieutenant commander.

In April 1932 he was appointed to fill a vacancy in the board of supervisors, city and county of Honolulu. Subsequently that year he was elected to the board, and in 1934 he was elected Delegate to the Congress of the United States. He was reelected in 1936, 1938, and in 1940.

Having been nominated for reelection in the Republican primary of 1942, he withdrew his candidacy and resumed his career in the Navy in defense of his country. He served in active duty with distinction and decorations until December 1945 and retired with the rank of captain in February of 1946.

In the succeeding years he served—among other things—as president of the State constitutional convention, as appointed governor of Hawaii, and most recently, until his death, as a member of the Territorial House of Representatives.

Even this brief and wholly inadequate résumé of his career demonstrates what the people of Hawaii, along with so many others in the Nation and the world, know—that the service of Samuel Wilder King in the cause of his country and in the cause of Hawaii is one that will not be equalled.

Mr. Speaker, while the passing of our beloved Samuel Wilder King is a distinct loss to Hawaii and to the Nation, his life and works provide all Hawaii and all America, at this historic time and hereafter, with an inspiring example of the highest ideals of citizenship. He will long live in the memory of all of the people of Hawaii.

Mr. ASPINALL. Mr. Speaker, I was greatly shocked and grieved to learn of the passing of our former colleague, Samuel Wilder King, Delegate from Hawaii during the 74th, 75th, 76th, and 77th Congresses.

I did not know Sam King as Delegate to Congress but during recent years he worked closely with us in the Committee on Interior and Insular Affairs—first, as a member and chairman of the Hawaiian Statehood Commission, and more recently as Territorial Governor from 1953 to 1957.

Governor King was a man of broad interests. He graduated from the Naval Academy in 1910 and served in the Navy until 1924 when he transferred to the Naval Reserve. Early in World War II he returned to active duty and served with distinction in the Pacific theater for 4 years. His four terms in Congress resulted in the enactment of a number

of important pieces of legislation. As a successful businessman, Mr. King engaged in real estate and insurance. Active in the cause of statehod for Hawaii, Sam King was one of the architects of the legislation which within the past month won the approval of Congress. Serving as appointed Governor from 1953 to 1957, Sam King helped the Territory ready itself for admission into the Union. Only a few months ago he came out of retirement and was elected to the Territorial Legislature in November 1958. He was serving in this capacity at the time of his death.

Sam King was part Hawaiian himself and a responsible spokesman for his people. He was greatly respected and served the Territory of Hawaii in a dedicated manner for more than half a century. Hawaii will miss Samuel Wilder King, naval officer, businessman, and statesman. I join our colleagues in extending sympathy to Mrs. King and other members of the family.

Mr. MAHON. Mr. Speaker, I wish to join my colleagues in expressing deep regret over the passing of Samuel Wilder King.

Mr. King was elected as a Delegate to Congress from Hawaii in 1934. At the same time I was elected to Congress from Texas. We began our service here together in 1935. We lived in the same apartment house and soon became good friends.

Sam King was a man of character and stature. He was a man of fine ability and great devotion to duty. He served his country ably and well in a political and military capacity and otherwise, as has been pointed out by others here today.

I wish to join others in paying tribute to the memory of Samuel Wilder King and in words of sympathy to the fine family who survives him.

FOOD FOR PEACE THROUGH THE UNITED NATIONS

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. WOLF] is recognized for 30 minutes.

Mr. WOLF. Mr. Speaker, I have taken the floor on the day before Good Friday to discuss the problem of the use of food for economic and industrial development in underdeveloped nations. Our Judeo-Christian heritage and the principles and ideals of our Nation demand that we, through the United Nations lend a hand to those people that are striving for a better life for themselves and their children. Last week I had the pleasure of discussing this problem with certain distinguished leaders at the United Nations: Mr. Myer Cohen, Director of Operations for the United Nations Special Fund; Mr. Philippe De Seynes, Under Secretary of the Department of Economic and Social Affairs for the U.N.; Mr. Max Finger, Senior Advisor, Economic and Social Affairs, U.S. Mission to the United Nations; Mr. Paul G. Hoffman, Director of the U.N. Special Fund, and former director of the Marshall plan; Mr. L. Michelmore, U.N. Technical Assistance Board; Mr. Maurice Pate, Executive Director, UNICEF; Mr. Stanley Sroka, also with UNICEF; and Mr. David Wilken, who is with the Bureau of Economic Affairs of the State Department. These men have all assured me that there is much that could be done in terms of the use of food for economic development. Furthermore, they impressed me as brilliant and dedicated men who could plan and administer such a program with the utmost of effectiveness.

Mr. Speaker, we are a land of abundance: there are millions of cars on the road, people of moderate means own their own homes; our working and white collar class work reasonably short hours and have a great amount of leisure time. We are dazzled by the use of science and technology for the promotion of individual comfort and the public good. There is, in this country, a level of material and political well-being that hitherto has been unknown in this world. No doubt we may criticize much in our society. No doubt we may suggest that many of our values have gone awry, no doubt we may question the drift, apathy, and disinterest which has gripped the United States. No doubt there is a subtle, yet perceptible drift toward what our President has called a garrison state. And, in the future, I intend to discuss these various problems of the American society. I intend to explore them and point out places where I think we are betraying our heritage of freedom. I intend to consider in a speech on the floor, the use of our agricultural resources for domestic consumption in our depressed and underdeveloped areas. And we all know, unfortunately, that a great number of these areas exist in the United States.

But for today, it is enough to say that we are a land of abundance as compared to the rest of the world. We are still a land which guarantees individual freedom and opportunity to its citizens. Our Nation and the high ideals we represent are still considered the hope of millions of people all over the world. These people look to the American society as a personification of a series of ideals that have been realized and could be realized in their own country. For this reason they judge the actions of the United States carefully and critically. The underdeveloped nations of Asia and Africa judge the way we use our economic plenty and agricultural abundance because they are just beginning to industrialize, they are acutely aware of the disparity between their economic status and our economic status. Yet one does not have to be either an African, Asian, or even a statistician to realize this intolerable disparity. For in these statistics one is able to see the suffering economically and consequently, sociologically and psychologically that is part of the lives of a billion people in this world.

In India the average income per capita is approximately $68 or $69 per year. In Indonesia the average income is $28 per capita per year, in the Philippines the average income per capita is approximately $44 per year. For over 1 billion people in this world the average income per year is $125 per capita. In the United States the average income per capita per year is $2,200. Needless to say, a widening gap between the have and have not nations of this world is a basic source of conflict.

We should never forget that right now 1 billion people in this world are living on the edge of starvation. These people toil 16 hours a day with their hands and with the most crude and rudimentary hand tools in order to obtain enough food for themselves and their families to keep alive only for the day they work. Each day is a fight to live. The gnawing pangs of hunger are never quieted. These people cannot think of nor can their governments consider for them vast programs of industrialization in which they can participate. Countries cannot consider employment for hundreds of thousands of men and women and children who are literally never more than 1 day away from starvation. For each day the struggle for food is the biggest and most uncertain factor in these countries. And, therefore, the people are ill prepared to participate in industrialization and the governments are unable to use funds which should go for industrializing purposes since such moneys must be used in part to keep these people alive.

Yet we in the United States know—especially we in the agricultural areas—that we have on hand an undistributed amount of food which totals some $8,700 million. We know that millions of dollars of these food resources are literally rotting away in storage bins. Indeed, something has clearly gone wrong in our thought and actional processes when we persist in saying we have surpluses when there are nations in this world that cannot industrialize because their people are starving.

We in the United States had better do what we can to rectify this shocking situation. We can ill afford to misjudge the awakening of the peoples of Asia and Africa to the feeling that they do not have to live on the edge of starvation. The latter fact is a result of proof that has been shown to these people by Western countries and particularly the United States. We have shown these people that there is no reason to accept the tragic fate of their forebears. We have shown them that life can be more than a perpetual search for the absolute necessities. But now that we have pointed the way toward the possibility of material well-being we cannot let the peoples of Asia and Africa down. We must be willing to show them that we are willing to spend greater amounts than in the past on economic development and give greater agricultural aid to these countries. In the past 10 years, according to the Library of Congress, the United States has spent an average of $33.6 billion on defense per year, whereas our economic assistance each year for the past 10 years has averaged $2.2 billion. We must show them that we will do everything in our power to reduce tensions on the international scene so that we will be able to reduce the projected 10-year military budget of $500 billion. We should always remember that military armaments and military armaments races do nothing but buy

time—and we do not even know if that is true. Military armament races never aid the people in any material or moral sense. Let us, however, accept the assumption that we need these arms. If it is true that we are buying time through military preparedness, we must also be willing to do something with this time. That is to say, we must have large-scale positive and comprehensive programs of aid to underdeveloped nations. For in such aid we are preserving peace through having people share in economic well-being.

Not only must we aid underdeveloped areas economically through the use of American dollars and increased private investment but we must use part of our vast agricultural resources to aid nations in their attempt to leap into the age of industrialization. There have been many proposals promulgated which have had as their basic idea the use of food to aid underdeveloped areas. One of these proposals is now known as Public Law 480. This law has operated well for the most part and should be strengthened. Both Public Law 480 and section 402 of the Mutual Security Act of 1954 are good laws but their purposes are far too limited. These laws are not aimed at the aiding of economic development of other countries. Section 402 merely gives recipient countries a choice of accepting a certain share of our aid dollars in the form of farm products. Our food abundance certainly should not be used to supplant the meager cash amounts that are presently received by the underdeveloped countries. The avowed purpose of Public Law 480 is to increase the export of farm commodities. The use of the proceeds from sales under this law for the goal of economic development is incidental and subordinate to our purpose of increasing our exportation of farm resources. Neither law provides a mechanism to insure that our commodity exports result in additional world consumption of these products which would not have taken place in the absence of such products. In the past few years other proposals have been put forward authorizing the use of food for an international agency which would then administer a program of use through the various underdeveloped areas. For example, S. 85 and S. 86 of the 84th Congress contained such a notion. Supported by 22 Senators, this resolution would have provided for (a) the acquisition and storage of sale products and other raw materials when overall surpluses would otherwise cause undesirable price investments (b) prevention of famine and starvation (c) absorption of temporary market surpluses and (d) use of currencies paid by agricultural goods to assist in financing improved economic and social development. However, Executive opposition to these resolutions ended any attempt to proceed further to the Senate.

But now a new time has come, a new chance to aid our fellow man has arisen, a new opportunity presents itself of which advantage must be taken.

Various studies have been carried out suggesting the possibility of using our food to aid economic development. Knowing that there are hundreds of thousands of unemployed and underemployed farmers and workers in underdeveloped countries there are a number of projects which could be undertaken that will put these people to work with local materials and local resources or with only small accounts of equipment. This would speed their country's development and increase its productive ability by building roads, telephone lines, wells, irrigation canals, schools, dams, warehouses, processing plants, and so forth. Obviously, there are problems. When unemployed people are put to work they have to be paid and their increased purchases of food and clothing will raise the levels of demand. This increase in demand for consumer goods, coming into the market before they can create facilities may result in an expansion of production which tends to cause inflation. It is at this point that our farm products could be used. These products could help to satisfy a large part of the increased demand from the extra people put to work until later expanding production satisfies it, thus making possible increased employment and consumption for the present and high productive power and demand for goods and sustained employment for the future. Such programs as the one outlined have been studied thoroughly by the United Nations. Furthermore, they are well equipped administratively, to aid, to some extent, the distribution of food items for economic development.

Our God-given abundance would help feed people working on these economy-building projects, or would be sold and the domestic currency would be used to pay part of the new project costs.

These foods thus sold in domestic markets would be offset by increased food demands from the additional people put to work. In this way, for example, the milk marketing development for the city of Calcutta could be financed three-fourths from our abundance while the forest development for the Andaman Islands could be financed entirely by our food supplies. I commend to the attention of those interested a report prepared for the United Nations entitled "Uses of Agricultural Surpluses To Finance Economic Development in Underdeveloped Countries—Pilot Study in India." Besides a project-by-project analysis this study presents a picture of how there may be an overall increase in the 5-year development program as a result of imported food. Amazingly enough, it is statistically shown that $100 million of food used for such an increase annually could finance an addition to the present 5-year plan of $240 million worth of projects over a 4-year period.

Many people have, of course, raised certain objections to the possibilities of utilizing economic surpluses on an international level through the United Nations. There is the fear that the United States will flood the agricultural market thereby destroying exports of other countries. There is the fear that out of a greater use of agricultural resource will result a possible flooding of the market of the importing country thereby adversely affecting the farmers in that country. But, nevertheless, there is still the basic fact that a billion people are on the edge of starvation and we have over $8½ billion worth of already grown farm resources rotting in our food bins. It is a proven assumption that national plans can result in the use of this food in a way which will not disturb the commercial markets of other countries or the commercial prices in the importing countries. Yet we should not deceive ourselves. There is no doubt that for this proposition to be true two economic conditions must be present. Firstly, the country that accepts the importation of food resources for economic development must lack sufficient resources of skilled manpower and of finance. Projects financed by food resources could expand such resources through providing more finance and through speeding up the education and training of skilled manpower or possibly by feeding the workers better. On the other hand, if the country is already doing all that it possibly can do even if more finance, more training or more food is made available, then obviously there is nothing that surplus products can do to help the program or increase the levels of consumption.

The second condition which must be present is that the increase in the consumption of foods of the same type as those added to the supply through the distribution of food must be as large as those additions to the supply. If not, additional supplies will have the effect of pushing farm prices and hence ultimately curtailing domestic farm production. These are all problems which can be guarded against through useful economic planning.

On the basis of the administrative excellence of the United Nations, and the important work the U.N. has done in this field, it is my suggestion that this Congress seriously consider the possibilities of aiding economic expansion through the use of American agricultural resources through the United Nations. Today the underdeveloped nations of the world look to the United Nations as their protector, as their hope for peace and security. They look to the United Nations because they owe a large degree of their independence and political sovereignty to the United Nations. These people feel that the kind of aid that is given to them by sovereign nations has too many political strings attached. And we know that this is so. We in Congress know that we have lost sight of the fact that people should be aided because they are people, that there is dignity in life, that people should not be aided because we think that this is the best way to bribe them into supporting our military and political position as against the Soviet Union. We do not seem to realize that our goals of peace and our national security will be better secured, and our political systems will be better secured if we do not constantly tie aid to nations in a way which forces their hand ideologically. By proposing the possibility of an expanded economic industrial development program for the United Nations which will have as one of its basic

features part of our agricultural resources we will have done much to prove our good faith, our good intention, and our hope that people all over this world, in Asia, in Africa, in Europe, may live in dignity and freedom from want. Furthermore, we will be showing the world that we hold the United Nations as our greatest instrument for peace and security in this world.

To these ends I am proposing that the Congress of the United States authorize the President of the United States to make food and fiber available to the United Nations or its appropriate agencies. I am introducing a bill within the next few days which will convey the interests of the citizens of the United States in their willingness to aid the cause of peace with a positive program aimed at abolishing the reasons for war. That is, to help to ultimately eliminate starvation, human exploitation, discrimination and other injustices. I propose that we demonstrate our responsibility as the world's most fortunate independent democracy by using our food and fiber resources to aid other nations in the improvement of their living standards. It is the policy, further, of my bill to aid through the United Nations, nations that do not have adequate food reserves, and are forever in peril of national catastrophe because of crop failure, droughts, and other causes which may tend to cause unsettled conditions and cutbacks in programs of industrialization and education resulting from inadequate food supply. Hence, it is the purpose of my bill to utilize food for the purpose of assuring continued industrialization and education for those nations not as fortunate as our own.

On this day before Good Friday it is a good time to remember our religious heritage. Missiles are only one way of fighting the Soviet threat. It may well be that the best way of thwarting the Soviet threat is to return to those basic religious principles which are so much a part of our heritage. It is written in the Book of Matthew, "Feed the hungry, clothe the naked, heal the sick." This is the tradition we must defend, remember, and apply. It is this way that we shall be successful against totalitarianism. It is only in this way that we shall have true national security while preserving the peace.

Mr. Speaker, I ask unanimous consent that those of my colleagues who wish to associate themselves with my remarks may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. KOWALSKI. Mr. Speaker, I wish to associate myself with the remarks of the distinguished gentleman from Iowa [Mr. WOLF]. Indeed it is a great paradox to me why in a world which is learning the means of becoming both richer and smaller than it has ever been, why we cannot learn to remove the evils of alternations of glut and scarcity. I certainly believe that United States through the United Nations could very well help in the world's efforts to solve this problem. The moral code of our Western World calls for intelligent and charitable action.

It is certainly clear that the careful use of food resources in needy, underdeveloped areas could do much to strengthen and facilitate industrialization. India is clearly one example of where the careful use of food resources could release capital for industrializing purposes.

Mr. Speaker, I have spent most of my life in the military, much of it in bringing order from chaos in Japan after World War II, but I know and I hope that my colleagues also know that we must do much more than just be militarily secure. It was my job in military government to help distribute American food in Japan, and so I was privileged to see the appreciation on the faces of that great people.

Today in the world, as the people of the underdeveloped nations seek greater economic security, well-being and dignity, I hope that we will explore fully the idea presented by Mr. WOLF.

Mr. KASTENMEIER. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Iowa [Mr. WOLF]. I compliment him on his articulate presentation of the basic ideas and facts on the program of food for peace through the United Nations. It is seldom we find a proposal which accomplishes such important several objectives concurrently.

First. It accomplishes the end of administering to the needs of starving peoples on a global basis in keeping with the finest traditions of our country in being morally responsive to human indigence, no matter where found;

Second. The program would operate through the United Nations thereby relieving this country of the concomitant objections of adversely affecting the food markets of friendly agricultural export countries or the domestic currencies of recipient nations; and

Third. This program would materially alleviate our domestic problem of agricultural surpluses.

I sincerely hope, Mr. Speaker, that this proposal will be translated into legislation, and that this Congress will give it the serious and thoughtful consideration it merits.

CONGRESSIONAL EMPLOYMENT PRACTICES

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HENDERSON. Mr. Speaker, secrecy and silence are like darkness. They hide many things. The recent attacks upon some Members of Congress spring from the secrecy which surrounds their employment practices. All Members suffer from these attacks because they are a reflection upon the Congress itself.

Many will concede that in a great number of cases the employment of relatives in the offices of Members has resulted in an efficient, well-run office organization that has served the district well. But it must also be conceded that there have been abuses of the practice which have created a cloud of suspicion upon the practice in any form, as well as upon the House of Representatives itself.

Because of the abuses it would probably be wise to discontinue the procedure entirely. However, I realize that any action of such finality would penalize those who employ relatives and obtain from them conscientious and efficient service.

Since few misdeeds occur in the bright light of disclosure, I propose to tear away the veil of secrecy which surrounds the employment of Members' staffs. I have introduced legislation which would require a Member to file a statement with the Clerk at the time of employment, setting forth the relationship by blood, marriage, or business relationship existing between the Member and the employee, together with a description of nature of work to be performed, place of work, and approximate hours of employment. Such records will be available for public inspection.

It is my feeling that this measure will advise the public sufficiently of the nature of the employment practices. I feel that most Members would willingly subscribe to its provisions for it would lift from them the finger of suspicion. And most of all it would discourage those who might be disposed to engage in a practice which would appear unwise or unconscionable in the light of public appraisal.

INVESTIGATION OF UNITED STATES AIR NEGOTIATIONS

Mr. HENDERSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DEROUNIAN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, on numerous occasions during recent years, Members and committees of the Congress have expressed concern that the Department of State, in negotiating international air agreements, has failed adequately to safeguard the interests of the United States and our international air carriers.

Often, there has been a tendency on the part of our Government to yield vital operating rights to foreign carriers in exchange, not for equivalent rights for U.S.-flag air carriers, but rather for other diplomatic concessions or simply to pacify another head of state. As a consequence of this sacrifice of U.S. interests, we have seen the U.S. carriers percentage of international air traffic shrink steadily, despite the fact that a vast percentage of international air travelers are American nationals.

I bring this to the attention of the House today because of a current situation which I regard as the most disturbing example of the failure of the Department of State to protect U.S. economic rights yet to come to my attention.

In this instance our Government has not merely adopted an unduly generous attitude during international negotiations. Instead, the State Department proposes to give to the United Kingdom air rights between the two largest cities in the world—Tokyo and New York—without negotiations, and without securing any compensatory rights for the U.S.-flag carriers in return.

The original exchange of air rights between the United States and the United Kingdom was negotiated with great care. Routes were outlined and terminal and intermediate points spelled out in great detail to make certain that each Government was receiving rights of equivalent value.

This bilateral agreement, known as the U.S.-U.K. Air Services Agreement, or more commonly, the Bermuda Agreement, also included a section in the annex, section IV(b), which provided that with proper notification to the other Government concerned, additional points could be added to a given route. It was understood that the addition of such points would be limited to points of limited traffic potential which were directly on the existing route and did not involve substantial additional mileage.

Among the routes granted the British were two which would permit service between Hong Kong, Midway, Wake, Guam, Honolulu, San Francisco, and New York.

About 2 years ago, on January 22, 1957, David Proudlove, the U.K. Civil Air Attaché in Washington, advised the Department of State that the United Kingdom was adding Tokyo as a point on its transpacific route No. 7, utilizing the provisions of IV(b) of the bilateral.

Despite the fact that Tokyo is scarcely a minor point, that substantial route deviation was involved, neither the State Department nor the Civil Aeronautics Board made any objection.

They made no objection, in fact, despite the utterly incredible fact that the second paragraph of Mr. Proudlove's letter, after advising that IV(b) was being used to add Tokyo, said:

> In doing this, I would like to make it clear that we are not in any way departing from our previously expressed views that IV(b) procedure is inappropriate for the addition of minor points.

In short, said the U.K. in effect, "We are doing this to you, even though we know it is wrong, but do not you dare try it on us."

A few weeks later, after observing the United Kingdom action, Trans World Airlines sought to use the same procedure in an effort to close a long existing gap between Frankfurt and Zurich on its European route. TWA made a request of the Department of State that the IV(b) procedure be employed for this purpose, reasoning that Frankfurt was a traffic point of much more limited significance than Tokyo.

The State Department replied, on March 15, 1957, over the signature of Thorsten V. Kalijarvi, Acting Deputy Under Secretary of State for Economic Affairs, who advised that it would not be desirable to utilize the IV(b) procedure in this instance.

> The British authorities and the U.S. authorities are in agreement that the IV(b) procedures be used only for the addition of points of limited significance—

He wrote.

Recently, British Overseas Airways Corp. applied to the Civil Aeronautics Board for a foreign air carrier permit to begin operations on a transpacific route, and included Tokyo as a point on the route. Several American airlines objected, and Northwest Airlines, Inc., a U.S. carrier operating transpacific which would be economically affected by a Tokyo authorization for BOAC, intervened in the case before the CAB. The Air Transport Association also petitioned to intervene, but was denied.

Northwest asked permission to argue before the CAB the question of whether Tokyo had been properly added to the BOAC route under the provisions of the Bermuda agreement. Bureau Counsel for the CAB then asked the State Department for its opinion on whether Tokyo had in fact been properly added to the route.

The CAB received a reply dated February 27, 1959, signed by Laurence C. Vass, Director, Office of Transport and Communications. Wrote Vass:

> Considering first the question whether Tokyo can be added to BOAC's route pursuant to section IV(b) of the Annex to the Agreement, the answer is affirmative. * * *
>
> Had the Department of State concluded either that the addition of Tokyo was not legitimate exercise of section IV(b) right, or that improper procedures had been employed, it could have requested consultation on the dispute and, if the question was not thereby satisfactorily resolved, resorted to arbitration under article 9 of the Air Transport Services Agreement. However, the Department of State at the time of notification was of the opinion that section IV(b) was being properly utilized in this particular instance.

In short, according to Mr. Vass, the State Department believed it proper, on January 22, 1957, for BOAC to add the major traffic point, Tokyo, to its route despite the fact a few weeks later, on March 15, TWA was being advised by the same Department that IV(b) was proper only for points of limited significance.

As a result of this letter, the CAB ruled that Tokyo had been added as a point on route 7 in the bilateral agreement, and denied Northwest's petition for argument. Hearings are scheduled on the BOAC application, but now will be limited to public interest questions.

Thus, we have the incredible spectacle of officials of our State Department, whose obligation it is to defend the interests of the United States and its business enterprises, citing two directly opposite interpretations of section IV(b). Moreover, each interpretation was utilized to favor the British air carrier's interests at the expense of international air carriers of the United States.

Mr. Speaker, this situation is not only ridiculous, it is intolerable. The Department of State has, in effect, given BOAC a wholly new route—one which they were never intended to have under the bilateral—connecting the two largest cities in the world. In operating this service, BOAC will be in direct competition with the U.S. carriers operating between Tokyo and the United States. Millions of dollars in revenue will become subject to diversion.

Yet the State Department has made this major concession, which will result in serious economic effects on U.S. carriers, without securing any new compensating rights for the U.S. carriers. The Department of State failed even to secure Frankfurt-Zurich rights for TWA or an entry into Hong Kong for Northwest, both of which have been authorized by this Government for nearly a decade, and neither of which the British through protracted negotiations have been willing to approve.

Mr. Speaker, I believe that this appalling action of the Department of State, and the action of the Civil Aeronautics Board in acquiescing to it, actions which will result in substantial economic damage to U.S. companies, merit investigation by the appropriate committee of the Congress and, following the Easter recess, I intend to propose that such an investigation be undertaken.

FOCUS ON GERMANY—INSTITUTE ON U.S. FOREIGN POLICY, MILWAUKEE, WIS.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. REUSS. Mr. Speaker, the attention of the world continues to be focused on Berlin, on Germany, on central Europe. Much of our hope for acceptable solutions to the problems of these areas rests in full discussion of the many points of view held by persons who have devoted serious thought to them.

Such a discussion was held in Milwaukee on Saturday, February 21, 1959—the third annual Institute on United States Foreign Policy, sponsored by the department of political science of the University of Wisconsin—Milkaukee; the World Affairs Council of Milwaukee; the League of Women Voters of Wisconsin, and the Bureau of Government of the University Extension Division. Cooperating organizations were the Wisconsin Committee on World Affairs; the American Association of University Women (Wisconsin chapter); the American Association for the United Nations (Wisconsin and Milwaukee chapters); the United World Federalists (Midwest region); the Milwaukee County Federation of Women's Clubs; the Milwaukee Public Library; the Business and Professional Women's Club of Milwaukee; the Federation of German-American Societies; the International Institute of Milwaukee; the Steuben Society of Milwaukee; and the Deutschen Schulesprachverein of Milwaukee. The institute planning committee was composed

of Profs. Donald R. Shea, chairman; Carl P. Runge, Robert Hattery and LeRoy Peterson of the University of Wisconsin; David Beckwith, C. E. Burnett, and J. Wm. Stack, Jr., of the World Affairs Council of Milwaukee; Mrs. L. L. Freeman, Mrs. Donald W. Davis, Mrs. Wendell Phelps, Mrs. W. G. Hyde, Mrs. John S. Johnson, Mrs. Robert L. Stepp, and Mrs. H. N. Putnam of the League of Women Voters.

It was my distinct privilege to appear on this program, along with such distinguished speakers as Mrs. Eleanor Lansing Dulles, special assistant to the Director, Office of German Affairs, Department of State; and Paul H. Nitze, president of the Foreign Service Educational Foundation, director of the Foreign Policy Association, and, under former Secretary of State Dean Acheson, director of the State Department policy planning staff.

I have just received the transcribed texts of the remarks given by Mrs. Dulles, Mr. Nitze, and myself. Because of the importance to all of us of the German situation, I offer for the RECORD the texts of these three addresses:

GERMANY AND THE BERLIN CRISIS

(By Mrs. Eleanor Lansing Dulles)

I think you will find that all of us who speak to you today will say that you cannot separate the Berlin crisis from the German question. It is one question. Therefore, if I talk a little more about Germany and a little less about Berlin, it is because of this threat to our whole position in Europe. The threat to Berlin is not new. It was reiterated several times by the leaders of the Communist bloc and it has been expressed in all the Communist newspapers.

It challenges our basic German position and our position in Europe. They are not merely questions of detail of access to a city placed 100 miles behind the Iron Curtain. They are challenges to our philosophy.

How did this threat come to take place at this time? There is a good deal of discussion and argument about this point, but there are many of us, including leading Berliners, who say that the condition in West Berlin, the brilliance of the reconstruction, the fine new buildings built with American help, built with to some extent American money—and I underscore the fact that its been the ideas and the planning almost more than the money that has brought forth the Memorial Library, the Congress Hall, the new housing that will crect a new teaching center in Berlin, Medical Teaching Center, which is going to be one of the best in the world, all this going up in a city living under extremely difficult conditions—and constituting a magnet for thousands and thousands of refugees who come to Berlin every week. The East Germans feel that this situation causes instability and prevents their building their regime solidly on the Communist principles of dictatorship. There is always an escape hatch, there is always a basis for comparison, there are always people who will say, "Look what the free world has done in West Berlin." We know that Ulbricht went to Moscow, we know that he presented a complaint there. We know that as a result of this and various erroneous appraisals which the Kremlin made of the Western Alliance, underestimating its solidity and disregarding the facts of democracy involved in our debate here in the United States of various issues, that they thought the time came now to challenge what I call basic principles.

A NEW POLICY

These basic principles were for a new Germany and a new Europe in which many ideas were worked over and discarded. We came to understand that the past was no guide to the future in the treatment of Germany, that is the post-Versailles Treaty period, so we devised a new policy. And I make the turning point the speech of Secretary Byrnes in Stuttgart in 1946. From then on, we with our allies have helped the Germans in their energetic rebuilding of the country. Now the principles which we have used and which we have followed in developing this program, are mainly four and they are so closely related that they make a coherent whole, even though portions of them can be looked at separately.

The first principle, and one which I would maintain in spite of a good deal of newspaper and magazine and learned statements to the contrary, is that of security—of horrors of vacuum. There is no possibility of having an area without a secure separate relationship and without some defense potential that will not be rushed into by the most aggressive and the most destructive forces that are for the moment outside that vacuum. It is sometimes hard to make people who have been playing with this idea follow through all the reasoning, but where you have Germany in a very strategic geographic position and where you have a people who have demonstrated for more than a century their basic vitality, their energy, their resourcefulness, their determination, it is to most of us who know the German situation unthinkable that they should be left unattached without well worked out challenges for their energies and their creative potential.

So the first principle that I would mention is that security must consist of international relations of a recognized and dependable sort and adequate defense.

ECONOMIC STABILITY

The second major principle is that economic stability and economic cooperation in the present day world depends on stability and help in all the major elements of that world. Germany has proven by vigorous reconstruction, by her export trade, her foreign exchange policies, and in other ways the capacity to be a strong element in a reconstructed Europe. No one can question that strength.

The third principle, and this comes very close to the specific challenges in the Berlin crisis, is that the will of the German people must have adequate expression, there must be a true democracy, there must be elections, there must be debate, there must be a freedom from police state methods.

Now the German elections are as active, as energetic, as full of differences of opinion, and capable of bringing out leadership on different sides of many questions as any that I have witnessed in any other country. I can say that German democracy may not be perfect, it may have limitations, but I think it can compare favorably with that of most other free countries, most other countries in the world would perhaps be a better way to state it.

On the fourth principle which has become a part of our general approach to international problems, to bring together and try to enlarge the sphere of cooperation—that principle is that Germany has to be integrated into the network of European production, fine arts, and activities of a cultural, political, parliamentary and other nature.

SYSTEMS OF COOPERATION

Germany, clearly with the will of the people, has voluntarily become a part of the European systems of cooperation, she has shown eagerness and capability in joining such organizations as the OEC, NATO, the European Payments Union, The Coal and Steel Community, and others. There is no point that I can think of where Germany has failed to try an adequate share of responsibility or be an important element in the thinking and planning in these many organizations. We believe this is important in the postwar world, we believe we cannot go back to the fragments of the past and that this has to be held as an element in our security, in our stability, in our decent operations in the world.

Now the testing of these principles which has come with the Berlin challenge is very serious, extremely grave and holds potential that I think we have to face in the most solemn manner. The peace treaty that has been presented, the draft peace treaty, and the speeches, and the newspaper declarations, all indicate that a vacuum is to be opened up in the area of Germany into which eventually forces of incalculable magnitude will rush. It indicates that from the economic system of Germany which is now stable and expanding—and I include in that Berlin—must come something other, it must be faced with a kind of price, wage, material, competition which will break down the structure of that economy.

PART OF RUSSIAN PLAN

It is quite clear on a number of statements that this conflict between the two systems is a part of the Russian plan and it is what would result in fact if there was a withdrawal of Western strength from the scene.

The challenge also is against free elections, against the expressing of the will of the German people. Sometimes this takes the form that this will is irrelevant, sometimes it takes the form that Germany is unregenerate, sometimes it takes the form of statements that the security of Europe calls for keeping Germany more or less in shackles and subordinate, and in a submerged condition as far as democratic expression is concerned. Anyway, in any case it is a direct challenge.

Now one can look at Berlin as a separate item in this crisis, although it does not make a great deal of sense. The question of access to Berlin is something of great moment, but at the same time it does not represent the true problem. There is nothing you can do to gain access to Berlin that would protect that access if the surrounding area is governed by hostile forces, by Soviet dominated or Communist dominated troops, whether they be German troops, and there are considerable numbers of East German troops under Communist control, or whether they are Russian troops. The difference is not very great, the orders come from the same place in any case. So nothing can be done about the access to Berlin that has any meaning, unless there is strength in the support of the principles which we have adopted and which we hold to as basic in connection with the German situation as over a broader field.

CAN'T STAND IMMOBILE

Now then one looks to see what can be done, we cannot stand immobile, we must search for any possible ground where by making what might seem to be a concession we could make a gain. There can be no concession which is not matched by gain for the free world. Therefore, we have to analyze each move, each puzzle in that connection.

There are certain limits set to the expiration, negotiation and the plans to meet this crisis. We cannot tolerate or consider anything which will encourage or permit Soviet Communist aggression and subject free peoples to new aggression, new tyranny which will further perpetuate the situation in which people who are now menaced stand. Such further aggression we cannot tolerate in any plan, and any plan has to be considered in that light. We cannot give most substantial advantage to any regime which

has said that it is out to conquer and to control. We cannot give away anything that we have under those conditions. The third limit to our latitude for negotiation is in my opinion the will and the clear thought and purpose of the German people themselves.

If we believe in the other principles that we hold, we must believe that the Germans are in a position and I mean West Germans—and to a limited extent East Germans—and certainly the Berliners are in a position to express what they think is a tolerable degree of accommodation or adjustment. They live with this problem, it is their country, it is their people.

People talk as if the Germans have an inflexible and illogical position at times. It is not that. It is that the stakes are greatest for them, at least in the first instance, and they can and must make clear what they think is a possible adjustment of minor matters which will not lead to abdication or will not lead to tragic concessions. And then finally, we must do everything that is at all possible, that is within our scope to protect the people of Berlin—these people who have stood 14 years in perilous condition, who go about their daily life just as you do, who carry out their Christmas shopping and their Christmas celebrations sandwiched in between two Khrushchev notes as if they didn't exist.

These people have a pledge and the only way we can with honor carry through our European program is to recognize that pledge and its meaning. Whatever the difficulties may be about working out the details we must recognize that here vital principles are at stake.

PROSPECTS FOR A GERMAN SETTLEMENT

(By Paul H. Nitze)

Mr. Chairman, ladies and gentlemen, I propose a joint exploration with you of certain elements of the German problem. I should think that we could agree that there are three principal elements. The first is the situation in Germany itself. This situation has had a long and involved history. It has a certain dynamic of its own. Senator MANSFIELD in his recent speech before the Senate based his argument on the proposition that German unity is inevitable. He said that "the key question has never been: Will Germany be unified? The question has long been: When and how will Germany be unified?" He implied that the history of the German situation and the dynamics of that situation leave no possibility for Soviet actions or influence, or for our actions or influence, to halt the process of unification. It is by no means obvious or certain that Senator MANSFIELD is correct in this judgment. It is therefore necessary to give close consideration to two other elements.

The second element is the question of what the Soviet Union wants to do and can do with respect to Germany and how it is apt to react to various types of actions we on the Western side might take.

The third element is what we and our allies can do, should do, and are apt to do.

After we have explored these three elements it may be possible to step back and make some kind of a guess as to the prospects for a German settlement.

Let us now go back for a few minutes to the German situation and the dynamics of its history.

POSTWAR GERMANY

At the end of the war there was wide disagreement in the United States, and in the West generally, as to what our attitude toward the German question should be. Many felt that it would be possible in the postwar world to continue the wartime collaboration between the Western allies and Russia. They felt that the main danger to be guarded against was the possibility of some renewed attempt on the part of Germany to establish hegemony on the continent of Europe. Secretary Morgenthau was the most extreme exponent of this point of view, but there were many not so extreme who shared this general thesis. The other group felt that a continuation of wartime collaboration with the Russians would not be possible after the defeat of the German threat the common danger which alone had made that collaboration possible. They also felt that Germany had been so thoroughly defeated in both its attempts at a German hegemony through force that Germany no longer presented a problem comparable to that of the rising power of the Soviet Union. It was their view that if the rising power of the Soviet Union and its communist associates was to be balanced, Germany and Japan would have to be brought back promptly into the community of nations as sovereign and independent powers. At the end of the war this second group was, however, in the minority and the main thrust of Western policy was therefore directed to an attempt to continue the wartime collaboration with Russia into the postwar world.

SOVIET ATTITUDES

The Soviet Union, however, had quite a different view of the German situation. The history of the Soviet party in Russia and its attitudes toward foreign relations in general have been deeply molded by their historic experience with the German question. These go back to the early days of Lenin's seizure of power. He and many of his associates thought that the Russian revolution was of minor importance to the Communist movement in comparison to the German Communist revolution which they anticipated would shortly follow. Their initial experience with foreign relations was with the negotiation of the Brest-Litovsk Treaty. Their first collaboration with a non-Communist country was with Germany. With General Seekt they developed secret arrangements for the manufacture of armaments and the training of military cadres by Germany in Russia in circumvention of the provisions of the Treaty of Versailles. Their first diplomatic relations were with Germany. These led to the Rapallo agreement. In 1939 they negotiated the Hitler-Stalin Pact which led to World War II. In 1941 they felt the full force of German military power in Hitler's attack. As a result of these experiences, the Communist leadership has consistently given full weight, and perhaps excess weight, to the importance of the German problem.

STALIN'S PROGRAM

At the end of the war Mr. Stalin was clear as to the program he proposed to follow. His program could not be acceptable to the Western Powers. Continued collaboration by the Western World would, therefore, have to be entirely one sided and could not be expected long to continue. Therefore, it was important for Russia vigorously to nail down whatever it held in Germany. As a result Germany became divided with Berlin a tenuous enclave within the Soviet sector.

By the spring of 1947 all but the most blind could see what the Russians were up to and that the policy of attempting to continue into the postwar world the wartime collaboration with the Soviet Union was bankrupt. But what new policy could be followed? The only one that was practicable was to merge the U.S., British, and French zones, to permit and encourage the creation of the Bonn government, and to restore that part of Germany, not under Russian occupation, to freedom, to sovereignty, and to responsible collaboration with its western neighbors. The German economy was restored by the Marshall plan. German relations with France improved.

During this entire period, German reunification did not appear to be a practicable short-term objective. It was clear that the Russians had no intention whatever of withdrawing from their zone on any terms. German reunification was a long-term objective deeply held by the German people. It was vigorously supported by the West. Some of those on the Western side believed that no real security for Europe could be achieved until German reunification was accomplished. Others, who feared the strength of a reunified Germany, saw no prospect of its being accomplished and therefore no danger in supporting it as an objective.

REUNIFICATION CONSIDERED

The first serious consideration of German reunification, as a program rather than merely as an objective, took place after the lifting of the Berlin blockade in May 1949. As a condition to lifting the blockade, we had agreed with the Russians to convene a meeting of the Council of Foreign Ministers in Paris to discuss matters arising out of the situation in Berlin and matters affecting Germany as a whole.

George Kennan, who was then Director of the State Department Policy Planning Staff, was in change of the planning work in preparation for the upcoming meeting. I was among those who worked with him at that time. We were uncertain as to what it was the Russians wanted to accomplish at the meeting or what they would propose. One possibility was that they might consider or possibly propose, the withdrawal of foreign forces from Germany and the reunification of Germany. We developed two alternative proposals for consideration by the Western delegation. One was called plan A and contemplated the phased withdrawal of foreign forces from Germany, the reunification of Germany under free elections and the limitation of German rearmament under four-power control. Plan B contemplated no commitment to withdraw Western forces from Germany. It endeavored to go as far as might be practicable within that limitation toward German reunification, the limitation of unilateral controls by the individual occupying powers in their respective zones and the substitution therefor of four-power control operating by majority vote—except for certain basic limitations on German rearmament which could be changed only by unanimous agreement among the occupying powers.

PROGRESS IMPOSSIBLE

It was finally decided to base the Western negotiating position on plan B and not on plan A. This was done because few people believed the Russians would in fact agree to any plan requiring the withdrawal of their forces from the eastern zone. The negotiations completely confirmed this view. General Chikov, Soviet high commissioner of the eastern zone, said one day at lunch, "Anyone who suggests the withdrawal of our forces from Germany is mad. These people hate us." It proved impossible during the negotiations to make any progress at all toward a mitigation of the unilateral control by the Soviet Union of the eastern zone, toward German reunification or toward the improvement of the situation in Berlin. During that portion of the negotiations devoted to Berlin, the Russians insisted on a continuing veto power of even the most minor details of the administration of the city. Their plan would have given them a permanent veto power over the appointment of janitors in the Berlin Art Museum.

From 1949 up to last year discussion about German reunification remained pretty well frozen. There was much talk about the objective of reunification through free elections, but no program was envisaged by which this could be brought about. In the meantime, the economic and political strengthening of the Federal Republic went ahead apace. It became a member of NATO, and the decision

was finally made to urge Germany to make its fair contribution in military forces to the common defense.

KENNAN LECTURES

Last spring George Kennan reopened the discussion on the Western side in his Rieth lectures over the British Broadcasting System. In effect, he urged the reconsideration of the basic ideas behind plan A as opposed to plan B. His proposals received wide support from the British Labor Party and from the SPD in Germany. They received little support in the United States. Even those of us who had worked on plan A with Mr. Kennan and agreed with it at the time, subject only to the reservation that there seemed little prospect that the Russians would agree to it—were doubtful that it would be helpful in today's quite different situation. In 1949 the United States still had a monopoly in the atomic field; Germany was not a member of NATO, and a German military contribution was not considered essential to Europe's security. These factors have since changed, and withdrawal of Germany from NATO and the withdrawal of U.S. forces from Germany would today leave Europe in a most insecure position.

RUSSIAN GOALS

Let us leave here our brief review of the historical development of the current situation and turn to the second element that we proposed to explore—the question of what it is the Soviet Union wants to do and intends to do with respect to Germany.

Last November Mr. Khrushchev sent us a note dealing with Berlin. In January he sent us a draft of a proposed peace treaty with Germany. What do these documents indicate as to Soviet intentions?

The note on Berlin says that the Soviet Union regards the agreements concerning Berlin arising out of the termination of hostilities as being void. The governmental arrangements set up in Berlin as a result of the agreements and the presence in Berlin of French, British, and American troops are illegal and detrimental to Russian interests. He proposes that these troops be withdrawn, that the three Western sectors be made a self-governing free city with international guarantees of its independence and of its access to and from Germany. The Russians have said that while they are prepared to discuss how and when the withdrawal of Western forces will take place, they will not discuss whether it shall take place. Furthermore, they say a solution of the Berlin question must be found in a plan which provides for the demilitarization of Germany, the withdrawal of all foreign troops from Germany, and the withdrawal of both East and West Germany from the Warsaw and NATO alliances.

The Western allies are given 6 months to think this proposal over and to discuss it with the Russians, or to negotiate a German peace treaty with a group of 28 nations chosen by the Russians. At the end of that time, if no progress has been made, the Russians will move their troops out of Berlin and turn over the control of all traffic, including military traffic between Berlin and West Germany, to the East Germans, with whom everyone must deal in the future. Finally, a warning is given that any violation of the frontiers of East Germany will be regarded as aggression against all the Warsaw Pact countries, of which the Soviet Union is one, and will result in appropriate retaliation.

GERMANY STILL DIVIDED

The draft treaty does not provide for German reunification. It contemplates a continuation both of the German Federal Republic and of the German Democratic Republic, at least until they mutually agree between themselves on some form of confederation. It provides for the withdrawal of all foreign troops from both parts of Germany, and the withdrawal of East Germany and West Germany from the Warsaw and NATO Alliances. It places limitations upon German military forces, and it places far-reaching prohibitions against political parties, political action, and propaganda in any way hostile to the U.S.S.R. and its associates. In reading the draft treaty, one gets the impression that the U.S.S.R. may not seriously intend that this treaty be a basis for agreement with the West. As indicated in Khrushchev's speech at Tula last Wednesday, it may be designed to form the basis of a treaty of peace by the Communist world with East Germany alone.

RUSSIANS OFFER LITTLE

From these documents and from the innumerable speeches, articles, and statements which issue from the Soviet side of the Iron Curtain we can try to decipher what it is the Russians wish and intend to accomplish. They wish to get United States forces out of Berlin, out of Germany, and, if possible, out of Europe. They wish to get West Germany out of NATO and neutralize its power. They offer very little in return. They offer only the withdrawal of Russian forces from East Germany under conditions designed to make free political life in West Germany virtually impossible and designed to minimize the risk that the East German regime would be overthrown once Russian forces are removed. If we don't negotiate an agreement with them on approximately these terms, they then intend to give the East Germans all the trappings of a sovereign and independent state, to negotiate an independent treaty of peace with them, and let them eliminate what they call "the cancer of West Berlin" either by gentle means or by more forceful means.

We all know pretty well what we want. We want a reunified Germany, reunified in a way that permits a normal, responsible, and not an imposed, political development for the country as a whole. We want Germany to collaborate in the free world's economic and political life and to contribute to the common defense against aggression. We want the freedom of the Berliners and their access to the rest of the world to be maintained and secured. We want our legitimate rights to be respected. We do not want to be pushed around and hectored by an ugly little man brandishing the threat of attack with nuclear rockets on every third day.

The question, however, is not so much what we want, or who wants it more than the next man; the important question is what we can and should do about it.

We can lump the various things we can do under two headings. One hearing can be summarized by the phrase "standing firm"; the other by the word "negotiations."

STANDING FIRM

Obviously standing firm and negotiating are not two opposed things. You can only negotiate successfully if you are prepared to stand firm. You can only command the political support in the Western world necessary to stand firm, if your negotiating position is reasonably clear and understandable.

Let us first look at the various ways in which we can stand firm.

We can be firm in our declarations and united with our allies in the various speeches, notes and statements of policy we make. This is important. It takes a lot of careful work. It requires a high degree of thought and clarity about what it is we can and should do in action rather than just in statement.

We can refuse to remove our forces from Berlin. We have about 8,000 troops in Berlin; the British and French have smaller numbers. They have large stockpiles of supplies, are shooting no ammunition and can stay indefinitely even if blockaded.

AIRLIFT POSSIBLE

We can institute an airlift. Even if the East Germans attempt to jam our radars enough could be got through to support our forces in Berlin. An airlift, however, could not sustain the economy of Berlin which is now the largest industrial city of Germany. Whether an airlift could long sustain the population even from starvation, let alone sustain its economy, is doubtful. We must also reckon with the possibility that the East Germans, backed by the Russians, may shoot down our transport planes.

If the East Germans refuse to permit either our military convoys or the normal civilian traffic to move freely to and from the West, we can shove aside the East German guards and make them let our convoys go through or themselves initiate shooting to prevent it. I have a hard time, however, visualizing the shoving and pushing that might go on while we attempt to remove roadblocks and repair bridges and force on them the onus of firing the first shot.

We can start an armored column on its way to Berlin with instructions to shoot if it is blocked or shot at. We can back that column up with various increments of additional non-nuclear force.

OTHER ALTERNATIVES

We can back up our nonnuclear forces with tactical nuclear weapons. And finally, we can back up our tactical nuclear forces with the full power of our strategic forces.

We can also do a number of things away from the immediate area of Berlin, which can bear importantly on the Berlin situation.

We can reinforce our forces in Europe. We can increase their state of alert and readiness. We can go to various levels of increased mobilization at home.

We can counter a blockade of Berlin with a blockade of East Germany, of the U.S.S.R., or the entire Soviet bloc.

At the moment of crisis—if a blockade has been initiated and we have determined to send an armored convoy on its way—we can put our strategic Air Forces on full alert and evacuate our cities, both to indicate the full measure of our determination and to be in the best possible position to survive the likely consequences if the Russians choose to challenge that determination.

Now I have merely been cataloging the various things it is conceivable that we could do under the heading of standing firm. What it may be wise to do—what we should do—what informed public opinion both here and among the peoples of Europe will go along with—what will commend itself to the conscience of the world—may be something quite different.

A few general considerations can be advanced on the relationship between these possible actions and what it is wise to do.

COURSE TO FOLLOW

In the first place, there is a definite relationship between the nature of the provocation and the course of action which is appropriate and wise. If the provocation is, and appears to the world as being, merely technical, or legalistic, we would hardly be justified in adopting forceful and highly dangerous courses of action. If the provocation is an actual and not merely a technical obstruction to Western military traffic moving to Berlin, more serious measures would be justified. If the provocation is an actual blockade of the civilian population of West Berlin, a far more serious situation would have been created, and far more serious countermeasures would be appropriate. This is so not merely because of the differing support which our actions would receive from public opinion under these differing circumstances. It is also because of the greater credibility to the Russians that a show of determination on our part will be backed up, if necessary, by still stronger measures, if that determination is challenged. The greater the provocation the more credible it becomes to the Russians that we may well follow up forceful measures even with desperate measures. It would seem to me to be most unwise to

start to push a convoy through from Helmstad to Berlin if the provocation has been merely technical, or is restricted to military traffic. We would have much greater public support and a much greater chance of getting through unchallenged by the Russians if we reserve that action for the situation that would exist if it had become clear that the freedom of the 2½ million citizens of West Berlin was being jeopardized by an effective blockade directed against them.

AVOID SHOOTING FIRST

The second point is that, if it is at all possible, we should avoid being the first to shoot. The onus of initiating the crisis about Berlin is already the responsibility of the Soviet Union. Let us not fuzz up that responsibility by incurring ourselves the onus of having initiated the shooting—if it must come to that.

The third point is that the initiation of the use of nuclear weapons, tactical or strategic, is, in my opinion, to be avoided at all cost. If the stakes involved in the Berlin situation, immense as they are, have not justified a higher degree of preparedness in the past, a willingness to make greater sacrifices and to pay higher taxes, and are not interpreted even now that the Russians have made their intentions reasonably clear, as warranting such action now, I can hardly see how they can justify the initiation of a nuclear war.

Let us now turn from the business of standing firm to the business of negotiation.

NEGOTIATION

This part of the problem can be broken down into three interrelated aspects. What can be negotiated about German reunification? What can be negotiated about the mutual withdrawal, thinning out, or limitation of forces in central Europe? What can and should be negotiated about Berlin?

As pointed out earlier, the Soviet draft peace treaty for Germany really says nothing about German reunification. The only position the Russians have taken on reunification is that East and West Germans should sit down together and see what they can work out between themselves. What this amounts to is a way for the Russians to avoid their agreement to work out the problem with the British, the French, and ourselves. There is no very good way to make them work it out with us.

ALL-GERMAN COUNCIL

Let us look at the ideas Mr. Ulbricht has expressed on reunification. He proposes an all-German Council of 100 members selected equally by the parliaments of East and West Germany and an executive organ, called the Praesidium of the Council, whose powers are vague. The Council would appoint Commissions to deal with limits on armaments, financial settlements, foreign trade and cultural matters. The Council would have no power to give directives to the two German states which would remain sovereign. A separate organ under the Council would be asked to draft a constitution and develop preparations for all-German elections.

To accept this would be to recognize the division of Germany into two separate states, and get in return only worthless debating machinery with no powers whatsoever. Reunification may not require immediate free election but it requires something better than Ulbricht has proposed.

WEST GERMAN DOMINANCE

I am inclined to agree with Senator MANSFIELD that talks between East and West Germans do not need to involve recognition. I would like to see what such talks would come up with. The basic question is how one can give a central German government any real powers, powers that are not subject to veto by the East Germans, and still have the arrangement acceptable to the East German regime. The dominance of West Germany in numbers and economic strength, but above all, in political strength, is such that the Ulbricht regime could not long survive even the most elementary nonvetoable powers given to a central government. I should think that the most elemental power would be the guarantee of, and the power to enforce, the right of habeus corpus. If such a power were given to the central government, the people in East Germany would be assured that they could not be arbitrarily held in jail. Ulbricht's control over East Germany would, then, tend to melt whether or not there were free elections. My point is that all kinds of guarantees could be given the East German regime that the central government would not interfere in its local affairs other than to protect people from crass injustice and there still would be every prospect that Ulbricht's rule, and what the Communists euphemistically call "the benefits of domestic progress" would be undermined.

I, therefore, see little prospect for agreement on any true reunification unless the other benefits to the U.S.S.R. of the settlement as a whole are so great as to make it reasonable for them to take the chance and make Ulbricht take the chance that the Ulbricht regime in East Germany would not long survive.

This brings us then to the other benefits that might be offered the Russians in terms of the mutual withdrawal, thinning out, or limitation of forces in central Europe.

LIMITED FORCES?

I happen to think that tactical nuclear weapons add little to our true security or to that of Europe. It is hard to imagine circumstances in which tactical nuclear weapons could be usefully employed in Europe unless backed up by the use of the full power of our strategic nuclear forces. I believe the Russians take a serious view of the possibility that the West Germans might eventually be armed with nuclear weapons. It is, therefore, conceivable that some variation of the Rapacki plan, coupled with an agreement on Germany and Berlin acceptable to us, might form a basis for a German settlement. The rub, however, is that any plan that involved true German reunification, or even a major risk to the Communists that true reunification would flow from it, must also provide for the mutual withdrawal of foreign forces from Germany, and the withdrawal of Germany from NATO, if it is to be negotiable with the Russians under today's circumstance. I don't think this is a price which the West, and particularly the West Germans, are prepared to pay for a German settlement. Some think we should. Under today's circumstances I don't think they are right. In any case I do not think we will pay such a price. Therefore it seems to me that a German settlement involving German reunification has very small prospect of being negotiated at this time.

What is more likely is that the Russians will go forward with their plan to make the German Democratic Republic as sovereign and as permanent as they can. To do this they must attempt to eliminate what they call the cancer of West Berlin. What possibilities there are of negotiating a settlement of the Berlin issue apart from an overall German settlement Mr. Dulles has already discussed. I would only like to say that I would not exclude the possibility of bringing the UN into the picture, not merely as a forum before which to bring our complaints about Soviet behavior, but also to share the responsibility, through UN forces and observers, that the West Berliners remain free.

FIRMNESS PLUS DISCRETION

In conclusion I should like to make one final point. I see little prospect of weaving through the next 12 months without war and without the surrender of Berlin, unless we combine firmness with great discretion. Basic and irreconcilable positions have been taken by both sides. The prestige of both sides is involved. I am sure that the Soviet Union wants a nuclear war no more than we do. The stakes involved are immense. The process of action and reaction to be expected over the next year will test the resolution of both sides. It will be comparable to the process of peeling off the successive layers of two onions. At the center of each onion is a kernal of self-knowledge that no stake, even the German stake, is worth a nuclear war. Each side will try to peel off successive layers of the other side's onion of resolution, while trying to prevent the layers being peeled off its own. This is a dangerous game. A misplay can start a chain reaction difficult or impossible to get back under control. I believe for instance that the Russians are quite likely to meet an armed convoy with tanks of their own. If our planes are fired on I think we will fire back. Great care must be used to avoid a misplay. I believe it can be done. It will take the greatest patience and fortitude. God wish us luck.

RECONSTRUCTING OUR FOREIGN POLICY: TOWARD A PEACEFUL CENTRAL EUROPE

(By HENRY S. REUSS)

Mrs. Dulles and Mr. Nitze have talked at considerable length about some of the problems which beset our consideration of Berlin and Germany and indeed Central Europe. While seconding their remarks about the thistle of danger, I shall concentrate my focus this afternoon on the flower of hope, which also is a possibility in this agonizing and disordered era.

Paul Nitze has showed how truly ludicrous is the proposal of Ulbricht that West Germany and East Germany be confederated or united on a basis of equality, as he says, 50–50—each of them to get 50 delegates It is like that stew that is served in certain of the lower regions of Paris known as Belgian pate, consisting of horse and rabbit in equal proportions—one horse—one rabbit. That is precisely what would happen to West Germany if such a phony equality were accepted.

But let's view the matter in its larger perspective, and see what it is we're dealing with.

EIGHTY MILLION PEOPLE

First of all, we're dealing with some 80 million human beings, 17 million in East Germany, and more than 60 million in the other countries of Eastern Europe, who are now living under tyranny. We're dealing with a situation where all the hostile major powers of the Western World are facing each other. We're dealing with a situation where, despite the passage of 14 years since the end of World War II, there is still no peace treaty. And we are dealing with a situation where every day the road toward more armaments, toward nuclear armaments, rolls on.

What is the position of the two principal contenders—the East and the West? Well, Russia asks that we recognize all her past conquests, and hints that it would be a nice idea to give her entree to West Germany and West Europe, so that she could try more of the same. For our part, what the West is in effect saying to Russia is that while we've dropped our initial talk about "liberation by airdrop," Russia should sit still and allow the reunification in freedom of East and West Germany, and the liberation of the captive states, and that all of them should be permitted, if they elect, to join NATO, that they be permitted to arm without limit as to size or as to nature of armaments. The Russians are not interested in that kind of proposal.

The Berlin crisis gives us an opportunity, and a challenge as well, to put forward a

set of Western proposals which will go to the heart of the problems of central Europe.

CAN MOLD HISTORY

Often in the past we have had illustrations that a broadly based set of objectives, announced to the people concerned in due time, does have a capacity to mold history. During World War I our Government announced a set of propositions. The idea of self-determination of peoples was in large measure responsible for the fact that the emerging Czech Republic, the emerging nation of Poland, were able to resist the threat of communism and were able, for a time at least, to establish themselves as democratic and independent states. On the other side of the coin, we had the unhappy example in World War II where in 1943 at Casablanca the leaders of the West got together and announced that what they had to offer the German enemy was unconditional surrender. Is it any wonder that the resistance movement in Germany was discouraged? Is it any wonder that Germans felt it necessary to fight at every last ditch and prolong the war to the ultimate? How much better it would have been—when one thinks in retrospect—had we actually envisaged what our policy toward Germany after the end of hostilities would be. If we could have given some inkling of the generosity and warm-heartedness with which we were actually going to approach this problem, it might well have been that the outcome could have been different.

So I suggest that we take a look at some of the fundamentals of American policy, and see how they could be applied to a more hopeful solution for the problem of central Europe than exists today.

What are these elements? In the last century at least, the only wars that we have fought have been wars for national survival, or wars for the suppression of tyranny. With some sad exceptions, we have stood for human rights and for free institutions at home as well as abroad. More recently, we have been willing to submerge our nationalism and turn to international cooperation as a method of world organization. And finally, since the invention of nuclear fission, we have been deeply concerned with doing something to keep the world from going up in smoke.

THREE SETS OF GOALS

How can those principles be applied to a settlement in central Europe which would be a little more hopeful than the present policy that we have? I am going to throw out for your consideration three sets of goals which I think are worth considering as steps in this direction.

First of all, from the military point of view, we have to explore the possibility of troop withdrawals, by Russia back toward the historic borders of Russia, and on the side of the West back to a point where the strategic advantages and disadvantages will be relatively in balance. If this means the west bank of the Rhine, if this means back out of Germany, these details are a question for the military strategists. It is not suggested that U.S. troops should retire from Europe. The number of U.S. divisions which we now have on the Continent are certainly necessary for some time to come, not only for their military significance but for their psychological effect. Equally, the main strategic retaliatory power which we now maintain in Europe would not be affected by a withdrawal.

Assuming that this whole area between the Rhine and Russia is freed of foreign occupation, there need to be certain freely agreed and self-imposed limitations on armaments, not so drastic as to prevent a country such as a reunited Germany from having adequate ground forces for domestic order, and to prevent it from becoming a pushover for a foreign invasion, but probably with a limitation on a number of divisions not unlike that presently envisaged for the NATO forces in Germany, and probably not including nuclear and similar weapons.

Finally, there needs to be guarantees by NATO on the west, and by Russia on the east, against aggression anywhere in this area.

Politically, the basis has to be the idea of freedom. Specifically, in a reunited Germany there cannot be any substitute, in the last analysis, for the principle of free elections. I agree with Secretary of State Dulles that it is not vital that free elections be a first step. But they surely need to be a step. If the United Nations could be used as a supervisory force at some phase of this, so much the better.

As to other countries of central and Eastern Europe, such as Poland and Czechoslovakia, while it may not be possible to write in the principle of free elections with quite the precision that I think it needs to be written into the German peace treaty, the West must recognize the principle of freedom and human rights and democracy as the only ultimate aim for a wholesome order in central Europe.

Thirdly, the vision of a central Europe, once the nightmare has been lifted, has to be a vision not of the old excessive nationalism, to the old economic separation, the old political totalitarianism which plagued so many of the states of central Europe in the interwar period, but a vision characterized by political federation and economic integration. If we take some of the curse off nationalism, we will have begun to find the solution for burning territorial problems like the trans-Oder-Neusse territories. If, for example, a reunited German people had free access to that area in the economic and cultural sense, if that area is not made the political and economic exclusive possession of any one, there is a much greater hope for working out a solution.

AN ULTIMATE VISION

Now in most fields of arms control it is not wise to have a package solution. I suggest, however, that when you're talking of something as cosmic as middle Europe and its problems, you need to have some vision of what you're driving for, because unless you have that ultimate vision, even though it is not immediately capable of realization, you may make intermediate steps that are false. So the days to come give us a superb opportunity to concert a Western proposal on middle Europe which relies on the three main ideas of military disarmament, of political freedom, and of economic integration.

Now, what would be the advantages to the West if such a proposal, by some miracle, were accepted and carried out? First and foremost, 80 million human beings now in chains would be freed.

Secondly, it would remove from Communist domination areas in central Europe which are usually conceived of as being necessary for Communist world domination.

Thirdly, it would place some hundreds of miles between Russian and NATO troops. I have not used words like "disengagement" or "neutralization" or "demilitarization," because these concepts are not really relevant to what I have been discussing. I don't suggest that thinning out of troops would in and of itself go to the heart of any of the basic differences which infect the relations between East and West. But each point of hostile contact that can be removed is a net gain. It was a net gain for our side when the Austrian treaty was signed 4 years ago. It was a net gain for our side a year ago when the Lacey-Zarubin agreement was signed allowing the exchange of people between East and West. I don't suggest that merely removing troops from the general area where they now confront each other is in and of itself a sensible thing to do. On the contrary, if all you did was to withdraw troops and let a hostile East and West Germany confront each other, you would indeed be recreating the sort of situation we had in Korea, where the major powers withdrew their troops, and hostile North and South Koreans confronted each other, and one day there was a war. What is needful is that military propositions be accompanied by political and economic propositions. It is only by this concurrence that the dangers can be brought to the minimum.

What are some of the difficulties and objections which may be made to the general goals which I have sketched here?

It is said that this would mean the end of NATO. As far as I am concerned, it would mean no such thing. NATO, as long as the tension between East and West persists, is a highly necessary part of our arsenal. NATO's strategic striking power would remain; NATO's ground forces would remain.

NATO MEMBERSHIP

Exactly how significant is future German membership in NATO? Under the proposal, they have the advantage of the NATO guarantee; they would miss the advantage, if it be one, of the stationing of NATO troops in Germany in peacetime. The political, economic, and social togetherness which comes from NATO could be acquired by other federal arrangements. So it need not be vital either to a reunited Germany or to the West to have continued formal German membership in NATO, assuming that this was the remaining rock upon which the whole agreement was foundering.

Next it is said that Germany is too vigorous and dynamic a country to be a neutral like Switzerland or Austria. We should look closely at this concept of neutrality. I wouldn't for a moment suggest that we shouldn't redouble our efforts to bring Germany into the most wholesome political, cultural, economic, and social kinship with the West. Let her membership in the Coal-Steel Community and Euratom, in the Common Market, in the Council of Europe, and in the other supranational agencies, continue and expand. What is suggested is solely that in the military field, Germany, as her contribution toward a start away from ever greater and greater armaments, voluntarily limit her military striking power, and that the same thing be done by the reborn free countries of eastern Europe.

Again it is said that Germany might turn to Russia. In the last analysis, the best guarantee that Germany, divided or reunited, will want to stay on the side of the West is in the devotion to free institutions which the new West Germany is showing. If West Germany wanted to nuzzle up to Russia today, she could do so. There is nothing to stop her. So in the long run the best guarantee of German adherence to the West is the Germans themselves.

Again it is said that the Russians might break their promise and refuse to withdraw were such an agreement reached. So they might, and if they did, the West could equally stop its withdrawal. A corollary is that the Russians might withdraw, but then re-enter the present captive states, particularly if they saw that the Communist regimes which they have left there were about to topple. But would Russia even consider these propositions unless she is prepared to sit idly by while the progressive liberalization of these regimes occur? Russia is hardly going to withdraw if she is planning to fight her way back again the hard way the minute one of the political inevitabilities of central Europe occurs. Finally, if you say "We can't take any steps to get Russia out of central Europe, because they might come back again," you are, in effect, condemning the 80 million people now in chains to perpetual captivity. For until the Russian

soldiery withdraws, you aren't going to get the beginning of respect for human rights.

Again it is said that the Russians, freed of some of their obligations in central Europe, might turn their attention to Asia, Africa, and the Middle East, to our great embarrassment. This is certainly true. But their attention is pretty well turned to these decisive areas anyway, and if Russia is willing to bear some part of the burden of lifting up the living standards of developing peoples, far from being distressed, we·American taxpayers ought to be glad that Russian taxpayers are bearing some part of the burden. Russia's attention is going to be devoted to these areas anyway. That's where our attention ought to be devoted too. Anything we can do to achieve tentative solutions in central Europe will better enable us to concentrate our attention on the developing portions of the world.

WHO'S INTERESTED?

Having sketched out some of the advantages of the acceptance of a proposal like this, and having taken a sober look at some of the apparent disadvantages, let's ask ourselves the final question: What chance is there that either the United States or France or Western Germany or Great Britain and above all—Russia—is going to be interested in this?

In each of the countries of the West there are divergent bodies of opinion. There are people in Congress who feel that we Americans are not putting our best foot forward; that there are some propositions, along the lines here discussed, which are in our interest, which would make us feel better ourselves, and make us look better in the eyes of the uncommitted people of the world. Similarly in the United Kingdom and in western Germany there are influential blocs of opinion, mostly in the opposition party, but including some in the Conservative Party in Great Britain and the Christian Democratic Party in Germany, the parties in power, who look toward a new formulation of our policy toward middle Europe.

And what of Russia? If Russia's dynamic is to conquer the world, and to milk forever the captive states of eastern Europe, of course they aren't going to listen to a proposition like this for one moment.

If, on the other hand, there might come to power in the Kremlin, a sensible and patriotic Russian, freed of megalomaniac fantasies, he might perceive that in these propositions is something very good for the genuine interest of the Russian people. It would reduce the daily threat of atomic war. It would remove Russia from a most dangerous position in the satellite states. It would provide real assurance against the resurrection of fascist states on her border. It could help her international trade position. It could allow Khrushchev's 7-year plan for more consumer goods for the Russian people a much greater opportunity for fulfillment. Whether you could ever bring into being in the Kremlin such a hypothetical patriotic and reasonable Russian, I do not know and will not attempt to guess. But the best way of bringing into being such a person is to table before the bar of public opinion the world over a set of propositions which would give that kind of person a chance to say, "Here is something better for Russia than the alternatives of world conquest, or living in the fear of renewed conquest by some of the people who have given Russia trouble in the past."

Meanwhile, we must go on with the unpleasant business of rearming. We must be firm in our determination not to yield West Berlin to communism. It is a long winter from now until next May. I am encouraged that the people in our State Department are buckling down to the long, hard task of evolving a western policy which, while it prepares for the worst, also offers some hope of better things. In a democracy such as ours, it is highly important that the people start debating those propositions, because we are very soon going to be called upon to face a very difficult situation in West Berlin. I hope that our firmness and boldness carries the day. We are going to carry the day with a lot more fervor and a lot more moral enthusiam if we know that, if we have to fight, we fight for ideals of whose justice and wisdom we are deeply convinced.

ANTIFARM REVOLT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BOLAND. Mr. Speaker, there appeared in yesterday's Washington Post a column by Roscoe Drummond, of the Herald Tribune Syndicate, which forcefully sets forth in an understandable manner the true situation regarding the farm problem.

FARM PROGRAM MIGHT COLLAPSE

It clearly says that, unless the irresponsible wasting of the Nation's resources which is taking place under existing law is allowed to continue, the entire farm program might collapse, to the detriment not only of farmers but to the general public as well.

CONSUMERS HAVE COSTLY STAKE IN PROGRAM

The consumers of my district have a real stake in seeing that the abuses in the present farm program are corrected on a reasonable basis, instead of permitting the situation to explode. If that happens, we might have something substituted which is considerably worse.

Mr. Speaker, under unanimous consent, I include Mr. Drummond's article with my remarks:

ANTIFARM REVOLT—REBELLION SEEN UNLESS WORKABLE PROGRAM IS FOUND

(By Roscoe Drummond)

If Congress doesn't soon rescue the American people from an irrational, unworkable, extravagant, and deteriorating mess of a farm program—the third most costly in the whole budget—something is going to happen.

That, I think, is putting it mildly.

What is going to happen, if the farm bloc doesn't join with the rest of Congress to halt the Frankensteinian monster of mounting surpluses, aggravated by price supports which pile up bigger surpluses, is that, as sure as a hangover follows a lost weekend, there will be a massive political revolt by the voting consumer.

And then watch out. It won't be good. It won't be good for the farmer. It won't be good for the country. It will be a furious revolt against an evil too long tolerated. The effect will be to strike down what is wrong—a nearly $9 billion agricultural budget which is making matters worse, not better—with little likelihood of putting something worth while and reasonable in its place.

The key fact to bear in mind is that the policy of paying farmers—mostly wheat, cotton, and corn farmers—to grow more crops they can't sell except to the Government, which already has to spend a billion dollars a year just to keep them, is a failure.

It is a failure because it is not solving the farm problem; it is aggravating it.

It is a failure because those parts of the agricultural economy which are not living in the oxygen tent of Government subsidy are better off than those which are, and they may soon be poisoned by the same medicine.

It is a failure because, unless every American farmer is to be put in the vise of Federal control, high rigid price supports will continue to bring larger crops, more surpluses, more drain on the Treasury, and will keep more uneconomic farmers farming.

It is a failure because the bulk of the farm payments do not go to the little farmer, to the neediest farmer or even to the bulk of all farmers. Take the wheat subsidy, the biggest of all. The bulk of Federal payments go to 10 percent of those who grow wheat. Those who least need the subsidy inevitably earn most of it.

This is not going to go on forever. The American people are going to call a halt to it, and they will call a halt with a crash if Congress doesn't replace it soon with something rational.

No sensible person wants to see all Federal assistance to agriculture thrown out the window. That's not the answer. But that will almost certainly be the consequence before long unless Congress begins to put some sense and sanity into the program.

I hope we don't waste much time trying to point the finger at who's to blame. Both major parties have a large responsibility for the plight we are in, and there are still some cynical politicians who suggest that there is perhaps one more election to be won, at least in their districts, by perpetrating the present unsavory, unsatisfactory, and insolvent mess.

It is well that Secretary Benson is beginning to speak out more bluntly, as he did at Cornell University this week. Obviously he has been pained beyond endurance by the crack that he has become the most expensive Secretary of Agriculture in history. It hurts, because it is true, and it hurts more because, as some may not realize, he has been faithfully administering a set of laws and price formulas which this and other Congresses framed and which neither the President nor he has ever had the power to change.

I would like to see Secretary Benson be given, for once, a chance to administer a farm program he believes in and which would adjust price supports to levels leading to the marketplace, not to storage bins.

The premises of such a program would be: (a) It mustn't cost more than the present program preferably less; (b) should give the farmer greater freedom, not less; (c) should reduce, not increase, farm surpluses.

Secretary Benson believes that $1 billion can be saved and farmers greatly benefited by adjusting wheat supports alone to a point which would lead to sales.

My own conviction is that unless a workable and tolerable program is forthcoming soon, a political rebellion hurtful to the farmer will be fanned into flames.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. RAY, for week beginning April 7, 1959, on account of official business, committee hearings.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. THOMPSON of New Jersey (at the request of Mr. ALBERT) for 1 hour, on April 14.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. HARRIS and to include a speech.

Mrs. ROGERS of Massachusetts and to include extraneous matter.

Mr. PELLY.

Mr. PRICE.

Mr. BOW.

(At the request of Mr. HENDERSON, and to include extraneous matter, the following:)

Mr. BROOMFIELD.

Mr. BENNETT of Michigan.

Mr. WIDNALL.

Mr. SCHWENGEL.

(At the request of Mr. ALBERT, the following Members, and to include extraneous matter:)

Mr. HOLTZMAN.

Mr. RABAUT.

Mr. IRWIN.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program; and

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 5247. An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program; and

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 43 minutes p.m.), pursuant to House Concurrent Resolution 110, the House adjourned until Tuesday, April 7, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

767. A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1960, involving an increase in the amount of $400,000, and proposed supplemental appropriations for the fiscal year 1960 in the amount of $1,563,200,000 for the Department of Defense military functions (H. Doc. No. 102); to the Committee on Appropriations and ordered to be printed.

768. A letter from the Assistant Secretary of Agriculture, transmitting a report for the month of January 1959 of the General Sales Manager concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support; to the Committee on Appropriations.

769. A letter from the Director, Legislative Liaison, Department of Air Force, transmitting a report of the Air Force military construction contracts awarded without formal advertising for the period July 1 through December 31, 1958, pursuant to Public Law 85–241; to the Committee on Armed Services.

770. A letter from the Secretary of the Army, transmitting a report of claims paid and settled relating to the Texas City Disaster Relief Act, pursuant to Public Law 378, 84th Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURRAY: Committee on Post Office and Civil Service. H.R. 4601. A bill to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes; without amendment (Rept. No. 258). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H.R. 6086. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to broaden the exemption from wheat marketing quota penalties where all the wheat crop is fed or used for seed or food, and for other purposes; to the Committee on Agriculture.

H.R. 6087. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed or food on the farm, and for other purposes; to the Committee on Agriculture.

By Mr. ADDONIZIO:

H.R. 6088. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

H.R. 6089. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. ANDERSON of Montana:

H.R. 6090. A bill to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956, so as to enable certain Indians who do not reside on trust property to participate in the program authorized by such act; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL:

H.R. 6091. A bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Georgia:

H.R. 6092. A bill to amend the lending and borrowing limitations applicable to national banks, and to authorize the appointment of two additional Deputy Comptrollers of the Currency; to the Committee on Banking and Currency.

H.R. 6093. A bill to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes; to the Committee on Banking and Currency.

By Mr. BYRNES of Wisconsin:

H.R. 6094. A bill to amend section 8(e) of the Soil Conservation and Domestic Allotment Act; to the Committee on Agriculture.

By Mr. EDMONDSON:

H.R. 6095. A bill to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956, so as to enable certain Indians who do not reside on trust property to participate in the program authorized by such act; to the Committee on Interior and Insular Affairs.

By Mr. FINO:

H.R. 6096. A bill to amend the Internal Revenue Code of 1954 to grant an additional income tax exemption for a taxpayer supporting a dependent who has attained age 65 or is blind; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 6097. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes of expenses incurred by an individual for transportation to and from work; to the Committee on Ways and Means.

H.R. 6098. A bill to amend title 38, United States Code, to increase the annual income limitations governing the payment of pension for disability or death, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 6099. A bill to increase rates of death compensation and of disability and death pension payable under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

H.R. 6100. A bill to provide further bases for determinations with respect to disability for pension purposes; to the Committee on Veterans' Affairs.

H.R. 6101. A bill to amend title 38 of the United States Code to provide pensions for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. HENDERSON:

H.R. 6102. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. HOLTZMAN:

H.R. 6103. A bill to raise the minimum wage under the Fair Labor Standards Act of 1938, as amended, to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. LINDSAY:

H.R. 6104. A bill to amend title I of the Housing Act of 1949 to require each prospective redeveloper under the slum clearance and urban renewal program to file and make public a prospectus setting forth its identity, its proposed financing, the estimated rents and profits, and certain related items of information; to the Committee on Banking and Currency.

By Mr. METCALF:

H.R. 6105. A bill to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956, so as to

enable certain Indians who do not reside on trust property to participate in the program authorized by such act; to the Committee on Interior and Insular Affairs.

H.R. 6106. A bill to establish fair labor standards for employees engaged in wool and mohair shearing operations, and for other purposes; to the Committee on Agriculture.

H.R. 6107. A bill to amend title II of the National Defense Education Act of 1958 to provide a new method of distributing Federal capital contributions to institutions of higher education in a State, if a State's allotment is insufficient to permit each such institution to receive the total amount requested by it; to the Committee on Education and Labor.

By Mr. NORRELL:

H.R. 6108. A bill to provide for the establishment of the Arkansas Post National Park in the State of Arkansas; to the Committee on Interior and Insular Affairs.

By Mr. O'BRIEN of New York:

H.R. 6109. A bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. PFOST:

H.R. 6110. A bill to amend the Flood Control Act of 1950 as it applies to the Libby Dam on the Kootenai River in the State of Montana; to the Committee on Public Works.

By Mr. ROOSEVELT:

H.R. 6111. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, so as to provide that an injured employee shall have the right to select his own physician, and for other purposes; to the Committee on Education and Labor.

By Mr. SAYLOR:

H.R. 6112. A bill to amend certain laws of the United States in light of the admission of the State of Alaska into the Union, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SIKES:

H.R. 6113. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 6114. A bill authorizing and directing the Secretary of the Interior to undertake continuing research on the biology, fluctuations, status, and statistics of the migratory marine species of game fish of the United States and contiguous waters; to the Committee on Merchant Marine and Fisheries.

H.R. 6115. A bill to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game fish in dam reservoirs; to the Committee on Merchant Marine and Fisheries.

By Mr. TOLLEFSON (by request):

H.R. 6116. A bill to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALTER:

H.R. 6117. A bill to amend chapter 15 of title 38, United States Code, to provide pension for widows and children of veterans of service on the Mexican border on or after April 21, 1914, who died while entitled to compensation for a disability incurred in such service; to the Committee on Veterans' Affairs.

H.R. 6118. A bill to amend section 6 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.J. Res. 329. Joint resolution providing that the union of the flag of the United States shall have 50 stars effective as of July 4, 1959, irrespective of the date on which Hawaii is admitted into the Union as a State; to the Committee on the Judiciary.

By Mr. HENDERSON:

H. Res. 227. Resolution requiring each Member of the House to disclose certain information with respect to his employees; to the Committee on House Administration.

By Mr. WALTER:

H. Res. 228. Resolution authorizing the printing of additional copies of House Report No. 187, current session; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States relative to the payment of the national debt and the financing of the general obligations of Government; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Maryland, memorializing the President and the Congress of the United States to enact appropriate legislation similar to that proposed in S. 269, S. 541, and H.R. 703 of the 86th Congress; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States requesting the enactment of necessary legislation to authorize the construction by the Federal Government of Glacier View Dam on the North Fork of the Flathead River in the State of Montana; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Ohio, memorializing the President and the Congress of the United States, relative to expressing the pleasure of the 103d Ohio General Assembly on the recent action by Congress to admit Hawaii to statehood; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the Commonwealth of Puerto Rico, memorializing the President and the Congress of the United States relative to a proposal consistent with our common interest in developing the Commonwealth of Puerto Rico as a fully self-governing community of American citizens, freely and permanently associated to the United States of America; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FINO:

H.R. 6119. A bill for the relief of Ngoc Ong, also known as Dorothy Ong; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 6120. A bill for the relief of Jeanne Adelphine Rougeron; to the Committee on the Judiciary.

By Mrs. WEIS:

H.R. 6121. A bill for the relief of Placid J. Pecoraro, Gabrielle Pecoraro, and their minor child Joseph Pecoraro; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

137. By Mr. SIMPSON of Pennsylvania: Petition of the residents of Waynesboro, Pa. and members of the Waynesboro Council of Churches for increased expenditures for foreign economic aid; to the Committee on Foreign Affairs.

138. By the SPEAKER: Petition of Mrs. Joe Patterson, Houston Federation of Garden Clubs, Houston, Tex., petitioning consideration of their resolution with reference to supporting Congress in their efforts to make Padre Island a national park; to the Committee on Interior and Insular Affairs.

139. Also, petition of the county clerk of the county of Hawaii, Hilo, T.H., expressing appreciation to Congress for admitting the State of Hawaii into the Union; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Thirty-third Anniversary of Signing of Long Island University Charter—Address by Secretary of the Interior Fred A. Seaton

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, March 26, 1959

Mr. MANSFIELD. Mr. President, on March 24 Secretary of the Interior Fred A. Seaton delivered an address at Long Island University, Brooklyn, N.Y.

Secretary Seaton, in my opinion, is one of the outstanding members of the President's Cabinet. He comes from the Midwest. He has served in this body. He has had a distinguished career. At all times he has exhibited a great degree of common sense.

While Secretary Seaton and I do not agree on all things, usually our disagreements are of a minor nature. I think, by and large, he has been one of the outstanding public servants of this country.

I ask unanimous consent that the address which he delivered on the occasion of the 33d anniversary of the signing of the charter of Long Island University, at Brooklyn, N.Y., be incorporated in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF THE INTERIOR FRED A. SEATON AT LONG ISLAND UNIVERSITY'S 33D ANNIVERSARY OF THE SIGNING OF THEIR CHARTER, BROOKLYN, N.Y., MARCH 24, 1959

It is an honor and a pleasure to join with you here on the 33d anniversary of the signing of the charter of Long Island University.

These, indeed, are active and troublesome times.

Russia's Premier Nikita Khrushchev boasts that the Communists will permit us to exercise our rights in Berlin only at their sufferance; and we witness the President of the United States once again standing with firmness and reasonableness in the face of an ugly and unjustifiable threat from Moscow.

Serious as the Berlin question is, this is no isolated instance of crisis, but rather one of a continuing series engineered by the Soviet Union and its satellites.

The pattern—in the Middle East, in the Formosa Straits—has become familiar to all of us: Communist military threats met and turned back by free world firmness and unity.

And I remind you that the free world's success in dealing with this conspiracy is due in enormous measure to the intelligence and courage of two men, the President and the Secretary of State of the United States.

As a backdrop to such immediate crises, there are, of course, the military and scientific competition and—perhaps even more important in the long run—the economic contest. You will recall that Premier Khrushchev asserted that by 1970, or even sooner, the Soviet Union will surpass the United States in production and that our grandchildren will live under socialism—the latter being, of course, the Soviet's current idiom for Russian communism, which isn't even Marxist communism, much less historical socialism.

Even if we discount Russia's boasts in the scales of fact, we clearly have our work cut out for us.

We should never forget that proving Khrushchev's prophecy to be false depends only in part upon what the Russians do or don't do. The answer also largely depends upon what we do.

With that fact firmly fixed in our minds, I suggest there are certain things which, in the years ahead, all of us Americans must learn to do better for our own good and the good of people everywhere.

First of all is to develop the habit of examining only in the cold light of reason certain commonly alleged facts, rather than glancing at them through the cloudy looking glass of mental laziness or prejudice. A fact is a fact, no matter what, and all the fools in the world to the contrary, it remains just what it is, a fact.

Above all, it ought to be apparent that we must avoid every temptation or invitation to fly into a frenzy. Now, please make no mistake. I am not preaching complacency. What I am saying is that to become panicky over the spurious can be as bad as to be indifferent to the serious.

To illustrate, consider some allegations versus facts in the realm of economics.

The claim is loudly being made by some people that the gross national product of the Soviet Union is increasing at a faster rate than ours. On the face of it, that is quite true, if the published Soviet statistics are true. But it is just as true that the Russian's probable gross national product in 1957 was less than half of ours, to be exact, 40 percent. Perhaps more importantly, as their economic base has grown in the past decade, even their claimed rate of increase in output has been on an escalator going down, from 26 percent to 16 percent to 10 percent. That makes all the difference in the world when you are asked to make comparisons between our rate of economic growth and that of the Russians.

Again, make no mistake. No prudent people would pooh-pooh the economic advances made by a formidable and malevolent opponent. Neither would a prudent people fail to analyze those advances for what they actually are.

There is something else I suggest we all should do. That is to subject to the most intense kind of public scrutiny everything that Government does and spends for, continually asking ourselves these questions: Is this function vital? Is it something nice to have but not absolutely necessary now? Or is it luxurious or even ludicrous when contrasted with some other program, including the dire necessity of bringing our national finances into order by balancing the budget so we can be fiscally strong for the long ideological and economic struggle ahead?

As citizens, of course we are determined to invest every nickel necessary to keep this country's defenses strong, to help keep its economy flourishing, and appropriately and properly to aid in furthering the security, health and education of every one of our citizens. Try as you will, however, there is no way to divorce our security, health, education and happiness from the sensible management of the citizens' tax dollars. We simply must be determined—if we believe at all in the public good—that the Federal budget contain not one single cent for the care and coddling of a sacred cow which is there only because we seem to be pathologically afraid to look at it, judge its merits, and, if necessary, cut its throat.

In this time of rising prosperity and comparative world peace we should be determined to pay the price ourselves for any program we decide is necessary, not to charge it, plus interest, to our children.

What a shabby thing it is to toss into every baby's bassinet a mortgage, payable to yesterday and then wish the little tot well. And yet that is exactly what some of our political pediatricians would have us to do when they demand we spend more than we take in.

The mortgage on the future is altogether too big now. In 1939 the Federal debt limit was $45 billion. By 1945 it was up to $300 billion. It now stands at $288 billion.

Some people profess to believe all that means little or nothing. "We owe it to ourselves" they say, "so what?"

They couldn't be more wrong.

In fiscal 1960 we shall be spending over $8 billion for interest on the public debt; that is to say 10½ percent of the total 1960 budget. That's for yesterday.

For the conservation, management, and development of all the natural resources of the United States, excluding agriculture, we can invest only $1,710 million—2.2 percent of the total budget. That's for today and tomorrow.

In other words, we will be expending five times as much on yesterday as we can invest in tomorrow. Five times as much for dead horses as those we must ride to our destiny.

The Eisenhower administration believes Americans do want to invest in the future, not forever be paying for the past at the expense of tomorrow. That's one major reason it is fighting all reckless spending proposals, whatever they are. I have cheerfully joined in that fight, politically rough and tough as it is, because as Secretary of the Interior I intend neither to preside over the bankrupting of our Nation's conservation programs, nor to participate in bankrupting the Nation.

In presenting to the Congress a balanced budget for 1960, the President of the United States has shown his awareness of another sure fact: That to pile up bigger and bigger Federal deficits is to do something more evil than just to pass the check to our children; it is actually to issue a reckless and open invitation to that historical killer of free governments—inflation.

Yes, I know, there are some people who ask, "What's wrong with inflation?"

Lots of things.

Inflation hurts the Government. If today's dollar is tomorrow's dime, who then will buy Government bonds?

Inflation hurts confidence—confidence of the people in the future as well as in the present. We must never drift to the point where people believe to speculate is to be safe but to save is to gamble.

Inflation hurts defense: You and I will have less security, not more, if for every foot that weapons' spending goes up, weapons' prices go up 3 feet.

Inflation hurts our trade abroad: The higher American prices go, the easier it is for everybody to undersell us in the world's markets, at home as well as abroad.

That costs dollars. Worse, it costs men and women their jobs.

Inflation, by further debasing the dollar and raising prices, hurts people—you and me and nearly everybody; and, most of all, it hurts the poor, who can protect themselves the least.

Don't fool yourself. Inflation is no Robin Hood, robbing the rich to help the poor. It's cruelest and deadliest to the old, the widowed, and the families of the poor. Inflation is no graduated tax. For the Nation and the individual it is the quicksand of security.

Finally, we must recognize the revolution of rising expectations which is taking place in the less developed countries of the world.

It is with us, and it won't go away.

There is, unfortunately, much to support the generalization that if a poverty-stricken man has a choice only between four freedoms and four sandwiches, he will choose the sandwiches. Unless we do our fair share to help such people—in the Middle East, in Africa, in Asia, in Latin America—to get both, all too often their tendency is to listen to the Communist agent who promises both but, in the end, delivers neither.

In his "Reflections on the Revolution in France," Edmund Burke wrote, "In the groves of their academy, at the end of every vista, you see nothing but the gallows." In the 20th century, at the end of every vista in the Communist formal garden we see with our own eyes the spectre of Hungary—and other once independent nations—and the image of Imre Nagy.

It is for us, the free, to help people everywhere to see this fact for themselves, to encourage their rejection of Russian domination disguised as aid. We must stand ready to help them better themselves.

Thus far, we have done rather well despite some mistakes and the constant carping of those who profess to see no good whatever to be derived from American money invested abroad in our mutual security programs.

In another area, too, there is hope for the future. Today in the Department of the Interior, for example, the Office of Saline Water is working with scientists throughout the United States and many other countries to change a key fact of human history—that up to now nearly all the people of the world have necessarily depended for life entirely on fresh water upon and beneath the land. Science has now come to the verge of learning how to convert ocean water economically into fresh water for human consumption, and ultimately for agriculture and industry.

This year, the Department of the Interior is preparing to begin construction of five such demonstration plants in the United States. On March 2, I announced the selection of the first of the five conversion processes to be used in these plants. The others will be announced at the rate of at least one each 3 months.

The first plant, we have considerable reason to hope, will bring the cost of conversion down below $1 per thousand gallons. As that price continues to descend in community after community, it will approach that of getting water from other sources—rivers, lakes, and wells. More importantly, it will enable people to obtain water economically where any other source is insufficient or even absent.

Last August 13, in addressing the United Nations here in New York City, the President of the United States spoke of the great common shortage, water, throughout the Middle East.

Today we can have hope that the end of water shortages on many continents is in

sight and that the troubles and poverty and suffering they aggravate or cause are near solution as we near the perfection of economical processes for saline water conversion.

Consider the case of Israel. There the people grow their food on a million cultivated acres. Already, pressed to expand this acreage, they have had to pipe fresh water from the Yarkon River near Tel Aviv, about 60 miles south to the northern edge of the Negev Desert a vast wasteland with little fresh water either on or known to be beneath its surface. It is a 3-million acre expanse stretching from Beersheba in the north to Elath on the Gulf of Aqaba in the south, a part of the world which some travelers have likened to the surface of the moon.

Here in the United States, water impoundage, plus irrigation, has transformed the Imperial Valley of California and the salt desert of Utah, making them gardens bringing forth vegetables and trees and fruit. In a similar way, saline water conversion, plus irrigation, should one day make it possible to transform the Negev. Think of saline water conversion units dotting that whole area, drawing up brackish waters from underground or bringing salt waters from the sea, and pouring them, fresh, into canals and laterals to revive the now dead land. If only half the entire Negev should turn out to be suitable for farming—and that may be a conservative estimate—Israel could double its cropland.

From where we stand, here in 1959, we can gaze toward the horizon and see this prospect more clearly than human beings have ever seen it before. For the future of life on this planet the implications in saline and brackish water conversion stagger the imagination.

The United States is now engaged, in concert with 16 nations, in working on a hundred and one facets of a scientific breakthrough to solve the problem of cost.

Here I should note that among the scientists engaged in saline-water research are some from the Soviet Union, and that may prove to be a most significant fact.

Indeed, can we not hope and pray that along with the political competition of the years ahead a second theme will begin to emerge and steadily grow in intensity?

We need to encourage the theme of international cooperation, designed to overcome the problems of ignorance, poverty, hunger, and disease which today are the piteous portion of millions upon millions of members of the human race. If that theme could gradually grow strong enough to overcome the current one of suspicion, doubt, and fear, then whenever a Russian child learns to read, whenever a Russian scientist makes a discovery, we could have much more cause for hope than for apprehension over the uses to which this learning and this science might one day be put.

Here our problem is clear and demands solution. It is to make certain that the hope and not the apprehension is justified in the end; that the peace of the world is preserved; and that liberty and representative government do not perish here in our beloved America and from this troubled earth.

Veterans' Administration Hospital Costs

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mrs. ROGERS of Massachusetts. I am gathering information to show why there has been a yearly increase in the cost of operation in the Veterans' Administration hospitals. I find that the Veterans' Administration has a better record in the cost of operation than civilian hospitals.

The Veterans' Administration hospitals' cost of operation last year is 5 percent more, compared to 8.8 percent for civilian hospitals. The Veterans' Administration tells me that the increased cost of operation is due somewhat to the new hospital buildings, which require more personnel to run due to the fact of modern treatments and new modern medicines.

When Congress reconvenes I will give to the Congress a more detailed account.

People-to-People Program

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Thursday, March 26, 1959

Mr. ENGLE. Mr. President, last week I addressed a joint meeting of the International Municipal Cooperation Committee of the American Municipal Association and the Civic Committee of the people-to-people program. My remarks dealt particularly with the township-affiliation activities under the President's people-to-people program. In these days when there is much talk of war, it was a distinct pleasure to meet with a group of people who are dedicated to improving international understanding. The State of California has been taking the lead on the township-affiliation program, and I am very proud of this vital interest it is showing in strengthening the ties of people of the free world. I ask unanimous consent to have my remarks at the joint meeting printed in the RECORD.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

PEOPLE-TO-PEOPLE PROGRAM: TOWNSHIP-AFFILIATION ACTIVITIES

(Excerpts from address by Senator CLAIR ENGLE at joint meeting of the American Municipal Association's Committee on International Municipal Cooperation and the Civic Committee of the people-to-people program, Washington, D.C.)

I am delighted to see you fellow citizens taking an active part in your country's foreign relations through this wonderful people-to-people medium. You are to be commended for giving your leadership to this vital aim of building understanding into our formal and informal relationships with peoples and nations in other parts of the world. Your activities contain a huge potential for peace.

No matter how much we talk about mutual understanding in theory, there is no substitute for getting to know the cultures of other peoples in practice. The friendships that develop with close association can do much to offset the tendencies to be irritated when other countries do not act according to our own standards and traditions. When we know from first-hand experience the motivations and thought patterns which underlie human behavior, we are much better able to develop a spirit of tolerance. This tolerance is not a neutral feeling but rather a positive desire to work together for common ends—even when the means we choose sometimes differ. The close human relationship that is developed under the people-to-people program is just the ingredient needed to give flesh and blood to our formal diplomatic agreements.

Of all the projects that have been developed under the President's people-to-people program, I find that the town affiliation program is perhaps the most important. Certainly it is the most intriguing. I am impressed with the ambitious plans your organization is laying for expanding these town affiliations. I am sure that with the exercise of some imagination the coupling of cities around the world will reap tremendous rewards in developing mutual understanding—in bridging the barriers of language, culture, and politics.

While much remains to be done, the leadership taken by the State of California should serve as a great inspiration to all Americans. The cultural, educational, and artifact exchanges between California and cities and foreign cities, mostly in Japan, have already been of great value in breaking down barriers of misunderstanding. The six California cities now taking part in the town affiliation program have enriched the lives of their inhabitants as well as built good will in such places as Osaka, Japan, and Santa Ana, El Salvador. San Diego's affiliation with the city of Yokohama, Japan, has been so successful in cementing good will and providing far-reaching mutual benefits that it may well serve as a model for many other communities. We have only begun to see the possibilities in terms of the potential betterment of relations around the world.

The untapped strength of the people-to-people program reminds me of our efforts to harness atomic power for peaceful purposes. In each case, we are aware of enormous energy and its promise to do enormous good. Yet, so far, atoms for peace is only a partial reality. True, the radio isotopes and controlled radiation have served mankind agriculturally and medically to some extent; and the heat of atomic reactors has been transferred into electrical force that lights cities and runs ships. But, scientists are still doggedly chiseling away at the unknown that lock up the atom's greatest power, which, to date, we've seen only in its warlike form.

And you dedicated scientists of peace are still seeking to release the full resources of the people-to-people idea. I think you are much closer to success than the atomic scientists. In fact, the formula may well be your town affiliation program.

Your panel workshops have taken you through the mechanics of how to run these affiliations. I will not try to add to the excellent thinking that you have already done on the nuts and bolts, so to speak. But I do have three thoughts on how best to tap the people-to-people potential. They're based on the implied spirit of this program. I hope you will consider these reactions of mine and pass them on to those whom you will enlist to help you make this vital scheme grow.

First, let me emphasize again that although the people-to-people program is growing, I'm afraid it is a long way from fulfilling its great potential. Many, many more Americans should get into the program. When you return to your home towns and cities to develop more affiliations, I hope you will goad your fellow citizens who have not awakened, as you have, to the need for more participation in your country's most vital business, peace and freedom.

Recently, I saw in Life an editorial that may be useful in alerting others to join with you. Life said: "The United States grew into a great and free society precisely because the Nation could always count on a widespread instinct among its citizens for translating private moral conscience into public virtue, a virtue made operational by the citizens' action in the Nation's life. At the moment this instinct is dangerously weak. The resultant gulf between private conscience

and public virtue cannot be bridged by easeful living, spectatoritis, or a 'let George do it' indifference. The wider this gulf becomes, the narrower grows our margin of national survival." This quote sums up the need for broadening our people-to-people program.

Second, no matter how sophisticated your affiliation schemes become, I presume you'll try to make as many contacts as possible among ordinary citizens overseas. The people-to-people program is, of course, founded on this thought and I believe it is tremendously important to keep it in mind throughout all your activities. The tendency to have the exchanges limited only to officials of organizations must be resisted. No such program can succeed unless its basis is in the grassroots. It is the average person who needs enlightenment more than anyone else, and to neglect him is to court disaster. The measure of the success of your efforts will be the extent to which you are able to sink these roots of friendship and understanding into the hearts and minds of the common people of the participating countries.

Third, a tradition of American foreign policy is its bipartisan nature. Although there may be differences within the Nation or Halls of Congress on various aspects of this policy, when the policy is set and translated at the diplomatic table overseas, it represents a United States of America. The people-to-people philosophy, too, has bipartisan backing. On both sides of the aisle, Members of your Congress not only espouse and support the idea today, but they believe it should continue far into the future. I want to reassure you that both Democrats and Republicans would like to see you carry forward your great work until people-to-people activities become as frequent and natural, and pleasant, between Americans and other citizens of the world as they are in your own home town.

The development of the people-to-people program is one of the most encouraging things that has taken place since the end of World War II. The potential achievement is impossible to estimate. But there will be rebuffs and disappointments. You cannot expect to have uniform success in all your undertakings. The human weaknesses that have cursed the world with wars since the beginning of time cannot be erased overnight. One factor that all of you must possess in great abundance is a sense of humor. If you will roll with the punch and not take yourselves too seriously, you will have no trouble creating great interest in your program and, more than that, you will be able to sustain that interest. You have it within your power to make an enormous contribution to world peace at a time when there is much talk of war, and your dedication gives me hope that we can yet find the magic answer to the needs of all mankind.

Power Among Men

EXTENSION OF REMARKS
OF
HON. DONALD J. IRWIN
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mr. IRWIN. Mr. Speaker, under leave to extend my remarks, I would like to call the attention of my colleagues to NBC's television program Easter Sunday when "Power Among Men," a motion picture dealing with man's capacity both to create and to destroy, will be color cast in its first color showing of "Omnibus" between 5 and 6 p.m.

Filmed in many parts of the world with local residents in place of professional actors, "Power Among Men" explores man's innate ability to build, destroy, and build again on the ashes of destruction. It seeks to answer a question especially vital in the atomic age—which of these human drives is dominant, the creative or the destructive?

Dr. Ralph Bunche will appear on the program to introduce the presentation of "Power Among Men." In his words:

"Power Among Men" deals not with the U.N. but with human psychology.

He goes on:

"Power Among Men" looks at power—man's paradoxical power to build and to destroy with equal genius. It also looks at motivation in the use of power.

The United Nations has made numerous films, but it, and possibly no one else, has ever undertaken such a production. I commend it to your viewing.

U.S. Department of Agriculture's Food Inspection Insures Delivery of Quality Milk and Other Farm Products to All Sections of the Country

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mr. SCHWENGEL. Mr. Speaker, prescribing a cure for the ills of agriculture is a popular sport these days. One reason for the wide range of ideas is the great variety of farm products grown in this country which are produced under so many different conditions.

That is one reason it is heartening to see a farmer-owned and operated group, such as the Maryland and Virginia Milk Producers Association, work together as a solid unit. Cooperation is something agriculture needs to maintain its vital and free place in the American economy. I am troubled, however, to note the advertisements sponsored by the Maryland and Virginia farmers in the press and on the radio and television of the Washington area which are abusing the remainder of the Nation's farmers in an effort to preserve the status quo in the Washington milkshed.

Specifically, I am referring to the association's advertisements about "tired old milk" joggled thousands of miles, which has not been inspected "by your own inspectors." This gives the impression that milk not produced within the Washington milkshed area is unfit for consumption in this area. Fifty years ago this was probably true. Agricultural research has solved the problems of long range milk shipping. Milk from the Middle West or the South, which is produced to meet the Federal milk regulations, is as safe as that produced in Montgomery or Loudon Counties.

The argument of the milk cooperative might be carried a step farther to include many other perishable agricultural commodities. Are the people of the east coast to stop buying the quality beef and pork, eggs, poultry, fresh fruits, and vegetables shipped to them just because they have to be joggled over roads and rails to reach their dinner tables? It is equally silly to attack the U.S. Department of Agriculture's long years of experience in food inspection because these checks are not made locally. I believe the most of our Nation's consumers are much more willing to leave this critical inspection service to the trained, professional personnel of USDA.

Every segment of American agriculture suffers when a group of farmers attacks the quality of farm products. Agricultural research has provided the knowledge to produce foods that are high in quality as well as bountiful in supply. Americans never have to worry about buying unsafe food when purchasing groceries in the neighborhood stores. This is not true of most of the rest of the world.

I am proud that the farm commodity groups in Iowa, such as the Iowa Beef Producers Association and the American Dairy Association of Iowa, have directed their efforts toward the production and marketing of commodity products, not just to furthering the local farm interests.

The old adage of "United we stand, divided we fall" certainly applies to agriculture today. We have but a short time to present a united front for agriculture if farmers are to get a suitable program to fit their needs. Otherwise we shall have a program forced upon the agriculture of Iowa—and Maryland and Virginia—that will not benefit any sector of agriculture.

Reduction in Subsidies to CAB Feeder Lines

EXTENSION OF REMARKS
OF
HON. FRANK T. BOW
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mr. BOW. Mr. Speaker, during the debate on the second supplemental bill this week I had expected to call the attention of the House to the reduction made by the committee in the subsidies allowed for service carriers of CAB. These are the small air carriers or commonly known as feeder lines. There was a substantial reduction in the amount of subsidies allowed because the testimony before the committee did not substantiate the full amount requested. It was felt the amount allowed would be sufficient to carry on until the next fiscal year appropriations were made.

Mr. Speaker, some of the operators of these lines have expressed the fear that the reduction in the appropriation might show congressional intent to reduce all subsidies in the future. This is not true. I believe I can speak for the committee in saying that we recognize that as of

this time it is necessary to have subsidies for these air carriers and that such amounts as may be necessary under law will be appropriated. Also, if the amounts here appropriated are not sufficient, appeal may be made to the other body and if a proper record is made, undoubtedly the matter can be worked out in conference between the two bodies. I repeat, Mr. Speaker, that there is no intention to destroy the feeder lines or the small operators in this Nation. It has been the policy of the Congress in the past to do that which is necessary to keep them in proper and safe operation. They may be assured that this is still the policy of the Congress of the United States.

Tax Ruling Discriminatory to Small Businesses

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mr. PELLY. Mr. Speaker, I should like to call the attention of my colleagues in the House to legislation which I introduced on Tuesday last, March 24, 1959, H.R. 5982, to amend section 1371 of the Internal Revenue Code of 1954 to provide that a husband and wife shall be treated as one shareholder for purposes of determining whether a corporation is a small business corporation.

The occasion for initiating this legislation was brought about by reason of a ruling of the Commissioner of Internal Revenue on November 26, 1958, to the effect that, in a community-property State like my own State of Washington, a married stockholder must be counted double, once for the husband and once for the wife.

Mr. Speaker, you will recall, in an effort to provide sorely needed tax relief to small business corporations, in 1958 Congress enacted an amendment to the Internal Revenue Code providing that small business corporations with less than 11 stockholders can elect to have their income taxed to their individual stockholders, thus placing these stockholders in the same class with business partnerships for tax purposes. The November 1958 ruling of the Commissioner in effect denies this privilege to small business corporations within community-property States.

I believe there are some eight States in the Union, of which my own State is one, which fall under this discriminatory ruling, by reason of their community-property status. It is my opinion that this ruling is completely inconsistent with other portions of the Internal Revenue Code and does not reflect the intent of Congress, in the light of past legislation approved by this body. For the record I can cite at least two instances when the Commissioner of Internal Revenue attempted to treat residents of community-property States differently from residents of separate-property States. In this connection you will recall that formerly only the people residing in community-property States were permitted to take advantage of the tax-saving benefit of income splitting by a married couple making a joint tax return. Congress acted to strike down this discrimination, in favor of community-property States, to provide that married couples in all States of the Union filing a joint tax return may apply the tax-saving benefits of splitting all income between husband and wife. Also, Mr. Speaker, I refer to the matter of estate taxes. Here again Congress legislated to remove any differences in the manner with which the Internal Revenue Service treated survivors residing in community-property States as against survivors residing in separate-property States.

It would seem to me these two instances alone should provide sufficient precedent for the Commissioner of Internal Revenue to enable him to establish nondiscriminatory rulings in applying the 1958 amendment to the Internal Revenue Code. It is entirely within the administrative authority of the Commissioner to do so. However, in discussing the matter with the Secretary of the Treasury although he has agreed to review the Commissioner's ruling, unfortunately he has also indicated that he feels the new regulations are proper.

Consequently, it appears the only sure relief available to constitutents in the State of Washington and other community-property States is through legislative processes. Therefore, believing that the Commissioner's ruling is obviously contrary to the intent of Congress in enacting the 1958 amendment to the Code, and also contrary to the spirit of past congressional enactments, as suggested previously, as well as being inconsistent with other aspects of the Internal Revenue Code, I have introduced the legislation previously referred to—H.R. 5982—in order to eliminate discriminatory and unfair treatment of residents of community-property States. I sincerely believe that the Commissioner's ruling creates an inequity in the tax status of the people living in these States as compared to those living in the rest of the United States, and I certainly hope that my colleagues on the House Committee of Ways and Means will see fit to take early and positive action on this bill.

Result of Oakland County, Mich., Opinion Poll

EXTENSION OF REMARKS
OF
HON. WILLIAM S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mr. BROOMFIELD. Mr. Speaker, for those of us who are removed at some distance from our constituents by our responsibilities here in Washington, we are constantly faced with the problem of determining the needs and wants of the people of our districts. Except for letters, occasional visits, telephone calls, and telegrams from those back home, we quite often are cut off from effective communication with those we represent and who elected us to office.

To help correct this situation, I mailed out some 12,000 questionnaires to my constituents in Oakland County, Mich., earlier in this session. For the past few weeks, my office staff and myself have been deluged with replies in a much greater volume than we had anticipated.

It seems as if a great many of the people of Oakland County like this method of expressing their opinions on important national issues which are now facing Congress. And the results of this public opinion pool have paid large dividends to me in many ways. In the first place, I was able to contact a great many people who ordinarily do not get in touch with their Congressman. These people, in the main, have no axes to grind or projects to push. They are acutely aware of our Federal Government and what it is doing to their pocketbooks and and purchasing power. But in many instances, they kept these views to themselves.

Secondly, by carefully selecting the areas in which these questionnaires were mailed, I was able to eliminate one-party answers to the questions, and I believe that I was able to receive a very good sampling of the opinions of my constituents on a number of key matters.

Third, very few of those who returned the questionnaire stopped with straight "yes" or "no" answers. Most included their reasons for answering the questions as they did, or voiced their opinions on other subjects involving our Federal Government. These written replies ran into the thousands, and were of great interest and help to me. Problems were raised of which I was not aware, solutions were offered which were worthy of a great deal of consideration by all of us here in the House of Representatives, blank spots and shortcomings in our Nation's laws were uncovered.

For all these reasons, the answers to this questionnaire were of great help to me. Some definite conclusions can be drawn as to the views of my constituents on many of our pressing problems through this sampling of opinion. Some of these results were surprising to me, and I am quite certain they will be surprising to my colleagues.

For instance, more than 62 percent of those who replied favor an increase of 1½ cents in the gasoline tax if such action will mean more and better highways in our Nation. This expression is particularly important because my district is in the heart of the automobile manufacturing area, and a great many of the auto firms have voiced opposition to this proposed increase in the gasoline tax.

Some 81 percent favor an increase in the present limit on outside earnings from $1,200 to $3,000 for those receiving social security. I hope that the members of the Ways and Means Committee will take note of this expression of public opinion on a bill, H.R. 2735, which I reintroduced this session of Congress.

Our farm subsidy program was viewed with special disfavor by 82 percent of those who replied. Many said they want the agriculture subsidy program eliminated completely, while others thought it should be drastically cut in the face of our mounting surpluses and the tremendous cost to our taxpayers.

About 69 percent favored a freer flow of political leaders, students, farmers, and others between the United States and the Soviet Union.

Rather than increase our national debt, more than 62 percent said they would be willing to pay increased taxes if such action is necessary to provide adequate Federal services. This endorsement of a balanced Federal budget is outstanding, and should be observed closely by my colleagues. Coupled with the many comments on the need for further economy in our Federal Government, the fiscal principles as outlined by our President to Congress appear to have a great deal of backing in my home district.

My constituents favored the President's budget recommendations in such fields as housing, postal subsidies, aids to mineral industries, community facilities, and airports. But on three subjects, there appears to be some disagreement. Those who replied are almost evenly divided on the matters of Federal aid to school construction, aid to depressed areas, and further payments into the highway building fund.

The comments enclosed with the questionnaires covered almost every phase of our Federal Government's operations. But the largest number of comments was on the need for further economies in Federal expenditures, a balanced budget, and an end to deficit spending. Some questioned our foreign-aid program, others were critical of our defense effort, either stating that we were spending too much money or not enough in providing an adequate defense force for our Nation.

At this point, it might be well to point out that the results of this questionnaire are not going to tie my hands here in the House of Representatives. If I feel that I have more knowledge of the subjects and a better understanding of the problems involved on particular issues, then I most certainly will vote my own convictions on these matters. However, the results of this or any other survey I make in the future will be considered very carefully, as I have found that my constituents have shown a very great awareness of the issues involved, and they have some very definite opinions on how our Nation's problems should be solved.

Following is a tabulation of the results of this survey:

The President's budget for the year beginning next July 1 calls for expenditures of 77 billion and an estimated income of 77.1 billion. Additional expenditures totaling several billions are being proposed by some Members of Congress. How would you vote on the following?

Questions		Yes	No	No comment
Aids to housing	$1,000,000,000	24.2	65.8	10.0
Added payments under soil bank	700,000,000	4.3	67.1	28.6
Increased payment to civil service retirement fund	600,000,000	25.4	70.1	4.5
Aid for school construction	480,000,000	46.0	49.7	4.3
Postal subsidy (over amount proposed in 1960 budget)	350,000,000	12.7	80.9	6.4
Payments to highway building fund	250,000,000	46.0	48.6	5.4
Aid to minerals industry	160,000,000	9.3	82.4	8.3
Financing community facilities	150,000,000	12.9	80.0	7.1
Grants to airports	110,000,000	26.1	66.9	7.0
Aid to depressed areas	100,000,000	46.7	46.7	6.6
If you have answered "Yes" to any of the above, would you recommend paying for the projects by—				
An increase in taxes?		64.0	36.0	------
Or, an addition to the Federal debt?		23.0	77.0	------
Do you favor increasing the limit on outside earnings for those receiving social security benefits from the present $1,200 to $3,000 per year?		81.2	14.5	3.3
Do you favor a freer flow of political leaders, students, farmers, businessmen, etc., between the United States and the U.S.S.R.?		69.0	24.9	6.1
Do you favor a trial test for pay TV?		33.7	58.8	5.5
Do you favor increasing the Federal gas tax from 3 to 4½ cents per gallon to maintain pay as you go in building Federal-aid highways?		62.6	32.0	5.4
Should extra funds be provided for veterans' hospital facilities?		27.1	64.1	8.8
The prices of 12 farm commodities are supported by Federal law at prescribed minimum levels. In general, do you approve of the support program?		13.3	82.2	4.5
Would you favor a national fair trade law permitting establishment of a minimum price on trademark or brand-named merchandise?		22.2	72.2	5.6
Do you favor Federal legislation raising the minimum wage from the current $1 an hour?		40.0	57.2	2.8

A Bill To Increase the Minimum Wage

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mr. HOLTZMAN. Mr. Speaker, I am today introducing in the House of Representatives a bill which will provide for an increase in the minimum wage to $1.25 per hour, and extend the coverage of the Fair Labor Standards Act. I had introduced similar legislation in previous Congresses, but favorable consideration had not been given the same by the committee.

You will recall, of course, that the Congress in 1955 during the 84th Congress passed legislation amending the Fair Labor Standards Act bringing the minimum wage from 75 cents per hour to $1 per hour, effective March 1, 1956, but no extension of the coverage of the act was enacted at that time. President Eisenhower, in his state of the Union speech on January 6, 1955, had recommended an increase in the minimum wage to 90 cents, and extension of the coverage to bring protection to many others, at that time excluded. A few days later, Secretary of Labor James P. Mitchell, at a press conference, indicated that the administration planned to include retail and service workers under the coverage. However, when the administration bill was introduced, it did not include any provisions for extension of the coverage, although it did advocate the increase to 90 cents per hour.

The President's Economic Report transmitted to the Congress earlier this year again calls for extension and improvement in the coverage of the minimum wage. In addition, the recent conference of the AFL–CIO executive council held in Puerto Rico renewed its recommendations to the Congress to increase the present $1 per hour rate to $1.25, and that the coverage be extended to approximately 8 million workers now exempt, including certain employees of the retail industries. At the present time, with the lingering unemployment problem, and in view of the continuing rise of living costs, such recommendations are certainly not out of line. There is no question about the fact that the minimum wage, even with the increase of several years ago, has failed to keep up with the cost of living. The unemployment figures for last year were tragic, and despite all the talk about expanding economy and healthy and vigorous recovery, the cold fact is that unemployment has increased steadily each month since last November. In February of this year it stood at 6.4 percent of the labor force.

The $1.25 hourly minimum and the extension of the coverage, called for in my bill, would put a more realistic floor beneath current wage levels, and would prevent the exploitation of many substandard, seasonal and low-wage workers. In addition, more purchasing power would be made available to our workers, thus stimulating our national economy, and bettering our standard of living.

I certainly hope that the Committee on Education and Labor, and the House itself will be in a position to consider this legislation favorably this year.

Clear Nation's Water Supply of Pollution

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mr. PRICE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herewith a statement I submitted to the House Committee on Public Works in support of H.R. 246, to amend the Water Pollution Act:

STATEMENT OF REPRESENTATIVE MELVIN PRICE BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS IN SUPPORT OF H.R. 246 TO AMEND THE WATER POLLUTION ACT

Mr. Chairman, I appreciate your courtesy in allowing time for this statement as the committee renews its study of the vital need for expanding the role the Federal Govern-

ment plays in clearing the Nation's water supply of pollution, and the bill I introduced on the subject, H.R. 246.

This committee and the Congress have demonstrated their belief that the Federal Government has an absolute need to support the efforts of local communities in the construction of municipal waste treatment plants.

The Congress last year exercised its right as a coordinate and equal branch of the Government to decline agreement with an Executive recommendation that the Federal antipollution program be halted. With all respect for the authority of the Executive to make such proposals, the Congress used its own authority and discretion in the legislative field to express its conviction that the recommendation was shortsighted.

We now have an additional year of experience, Mr. Chairman, to inform us of the need for continued and additional Federal aid to our hard-pressed municipalities in the water-pollution field.

We have abundant evidence that water pollution is a national problem—that it affects all our major rivers, bays, and streams. We know that water poisoned high on a river system adversely affects the health and welfare of communities perhaps hundreds of miles downstream.

Our rivers have been turned by carelessness and neglect into open cesspools. We are debarred from the full exploitation of our water resources by pollution that prevents the reuse of water in otherwise perfectly feasible and economical ways.

We observed that in the first years of the Federal antipollution program, more than 90 percent of the communities with projects that were approved averaged only slightly more than 9,000 in population.

These communities do not have the resources to build expensive waste treatment plants from their tax funds alone. Yet the record shows that with Federal encouragement and reasonable aid, they are anxious to move ahead. For every Federal dollar obligated, at least a total of $4 was planned by the separate communities. The smaller municipalities are not unwilling to do their part in the gigantic task of making our rivers once again the pure streams that we inherited. Wise and discriminating Federal aid, with full participation by the States to make sure that projects are useful, is an enormous stimulus to action.

In my bill, I express the conviction that the time has come to increase the total authorized expenditure of Federal funds, to raise the maximum grant for single projects from $250,000 to $500,000, and to ease the existing single-grant restriction that makes it impractical for two or several communities to coordinate plans and to cooperate in their projects.

The chairman of your Subcommittee on Rivers and Harbors, the Honorable JOHN BLATNIK of Minnesota, in the bill on which Congress acted 3 years ago proposed that the total Federal authorization be placed at $1 billion. Only $500 million was authorized, and time has proved that a Federal expenditure of $1 billion is clearly needed.

Hundreds of communities now have projects underway, and we know from the applications that much wider and more vigorous action is essential. The municipalities that want to live up to their responsibilities for restoring and preserving a pure water supply deserve the encouragement of a broadened Federal commitment.

We know, also, that smaller communities would willingly undertake significant projects if the single-grant restriction were removed.

In numerous areas there are two, three or more communities contiguously located that cannot meet their waste treatment needs on an artifically separated basis. We ought to make it possible for them to cooperate in planning projects, in working together, and in actually proceeding with coordinated construction in which each community can use most productively its grant of Federal assistance.

H.R. 246 also proposes that if any State allotted sums for projects does not actually obligate funds for any project by approving it, the sums shall then be reallotted by the Surgeon General to the States which have approved projects otherwise lacking aid.

The provision would not deprive any State of Federal assistance for projects that in its own authority it approves or certifies as entitled to priority. It simply proposes that if a State withholds approval or certification after a Federal allotment is made, the sum thus not actually obligated shall go to other States that have approved projects but which have exhausted their normal share of the total annual amount available.

The bill, H.R. 246, contains one other section that seems to me of considerable importance. It would add to the original act a Davis-Bacon clause providing for the payment of prevailing wages on projects financed through the program.

This committee is familiar, of course, with the fact that in the highway program the Congress adopted the Davis-Bacon provision for the payment of prevailing wages. The Davis-Bacon Act, laying the foundation of this, was adopted originally in 1931 and was signed into law by President Hoover. It expressed the philosophy that Federal grants should not be used to finance projects wherein the wage scales would be so low as to exercise a depressing effect on the wages paid elsewhere in a locality on similar construction projects.

This philosophy seems to me wholly reasonable and proved in its usefulness. It encourages the stabilization of the construction industry and it safeguards against the danger that Federal funds might be spent in ways that produce socially undesirable results. It is a provision that is willingly met by responsible construction firms and it limits the possibility that other firms would gain a competitive advantage in bidding on projects stimulated and partially financed with Federal money by calculating their bids on wages below the normal amount actually paid as the going wage on similar projects in each locality.

A New Decade in Transportation

EXTENSION OF REMARKS

OF

HON. OREN HARRIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 26, 1959

Mr. HARRIS. Mr. Speaker, the Washington chapter of the National Defense Transportation Association has extended to me an invitation to be guest speaker at its annual dinner tonight.

Under leave to extend my remarks in the RECORD, I include the speech I have prepared for delivery at the dinner:

I am humbly and deeply grateful to your chapter for the great honor which you have extended to me tonight for this recognition by distinguished members in the Government and the transportation industry I shall ever cherish—and I thank you very much.

When your Mr. Mappes came to my office and asked me to be with you for this occasion, I must confess I was rather reluctant. As a matter of fact, I was at that time deeply involved with committee work and important legislative proposals, and perhaps did not manifest a great deal of enthusiasm. Of course, I had no idea that I was to be signally honored as you are doing.

I suppose, then, that I could not be considered as a volunteer, under the circumstances. Certainly not as it was with the young man who went to the county courthouse to obtain his marriage license and the clerk asked where was the bride-elect. The young man said: "Actually there was no election—the old gal just volunteered."

I have enjoyed the association with the transportation industry, and the work in connection with legislative problems that vitally affect the future welfare of the American people. Transportation and communications are two subjects very close to my heart. I suppose it is because I feel so deeply about the importance of them in every facet of our lives.

I only hope that my activity in connection with the problems of transportation has been such that this recognition—the honor you confer on me tonight—is deserving. I do feel that any such tribute which I receive must be shared in by the Committee on Interstate and Foreign Commerce. We work as a team and I feel it is the committee that deserves the distinguished service award of this chapter of the National Defense Transportation Association.

I welcome this opportunity to express some views on the transportation outlook of the next decade.

Much of what I have to say tonight has been said before by others more expert than I. The forward look at a new decade will also be a subject for other speakers, but perhaps my views, based on my experience as a public servant and one who has been concerned with the legislative needs of the great American transportation system, so vigorous in its competitive growth and so vital to every single American, will add a few brush strokes to this large and many-faceted picture.

First, of course, I find myself speaking on this occasion to experts in every field of transportation. While the situation provides a most sympathetic audience, it is also fraught with the perils of a layman discoursing on a technical subject to those who really know the subject. Here, perhaps, is a view of a citizen user of transportation and from one who has listened with keen interest to the views of each form of transportation in quest of fair and equitable legislation.

In retrospect, we can see that the period following Columbus' discovery of America was charged with an excitement stemming in large part from the adventures on strange waters and unknown lands. This excitement, and these discoveries, entered into all forms of life and influenced every aspect of thinking. There folowed what we know as the Age of the Renaissance—a revival of poetry, literature, and the arts, a revolution in science, and a change in man's concepts of man, of his religion, and of his philosophy.

It goes without saying that today we stand on the threshold of another great Renaissance. Through the developments of science and the discoveries of the scientists during this International Geophysical Year, we have greatly extended the physical and psychological frontiers on earth. More than that, we now believe it is only a matter of time when man is no longer earthbound, that man's physical frontiers now are somewhere far out in space.

The excitement that goes with these new horizons, both on this earth and beyond it, is boundless. It is a terrific challenge to all engaged in the various fields of science. But that is only part of it. Veritably we stand today, as did the people of the age of Columbus, where a new Renaissance can be ours. It can be ours if we rise to the challenge that these new horizons present to our thinking in all phases of knowledge,

to the need for readjusting, for revitalizing, for reappraising all of our past concepts, whether in the arts, philosophy, politics, geography, or in transportation and commerce.

After some years of consideration on the part of leaders in all fields of transportation, the Congress in 1940 passed a Transportation Act which included a statement of transportation policy. At the time it seemed the last word in an expression of policy concerning the Nation's approach to our great national transportation system and to each mode of transportation. It was a good statement. I subscribed to it. I presume that you did, too.

But tonight I should like to suggest that the times well may call for a reassessment of that policy. Does it fully express what our policy should be under the fast moving impact of the space age? What must be our policy to provide the transportation system so essential to our economy, to our defense, to the shipping and traveling needs of the public?

"The old has passed away, behold, and the new has come."

Basically, I think we can all agree that no modern nation can grow or prosper without an efficient and rapid system of transport. Each form of transportation has contributed its share in the development of our Nation. Each means of transport has had its day of support from Government and has repaid the American people manifold for such support. No one medium of transportation could supply all of the needs of our complex civilization or meet our defense needs today. The 1950's have seen an adjustment in the relative volume position of the various forms of transport but each has shown a substantial growth and ability to meet the Nation's needs. We see throughout the world many countries blessed with more raw materials, equally suitable climate for high standards of living and yet, due to inadequate transport and communications, unable to compete in this fast-moving world. We have also seen the phenomenon of Great Britain where a great transport and communications concept for hundreds of years provided growth and prosperity to a nation seriously short of raw materials and limited in geography.

Equally it is apparent that rapid, efficient systems of transport and communications is a military necessity for any nation aspiring to high standing in the world community. The Armed Forces today of our Nation are completely dependent for the production and movement of necessary force for our national welfare and defense upon the adequacy and continuous improvement of our great national transportation network.

We cannot, as a Nation, for reasons of the national economy or national defense permit our transportation system to stand still or deteriorate. The Congress, representing the people, must exercise a minimum of legislative controls and a maximum of legislative encouragement to permit the continuous and healthy growth of our transportation network as the base of our prosperity and military strength.

We Americans are being challenged today by a different concept of the individual human being. Our transport system has been developed by free enterprise to the highest level of efficiency the world has ever seen. Our shipping and buying public enjoys many pleasures and luxuries impossible without the low-cost, competitive, rapid transport available today to move anything from hairpins to giant turbines quickly and at a cost which the shipper can afford to pay. But the requirements increase—the need is great for our economy and our military strength to keep pace with the Soviet challenge for world domination. No nation or individual can maintain a status quo growth and improvement is the only antithesis or deterioration. With our utter dependency on transportation for the welfare of our Nation, the challenge to our way of life on every front can only translate itself into a challenge to the transportation industry.

Many advances have been made in our transport system in the 1950's. In every phase of transportation great strides can be noted. In fact, I believe it can be said the 1950's saw the growth to maturity and relatively equal acceptance of the various segments of the American transportation system. We have seen in the 1950's the rapid replacement of less efficient steam locomotives by diesel power, representing a tremendous advance in the speed of service and the reductions of cost to our Nation's railroads. Had it not been for this and many other improvements, the railroads would have had hard sledding in meeting the demands and needs of the military and the public.

We have seen rapid strides in our motor carrier transportation system in the 1950's. More efficient units with lower costs and ease of handling has enabled the motor carrier industry to expand its services to the public and the national defense, and to meet the tremendous demand for high-speed door-to-door delivery. A vast improvement in our highway system was begun in the 1950's to be carried to conclusion in the decade ahead.

All of us have been excited by the phenomenal growth of air transport in the 1950's with complete acceptance, domestic and worldwide, for the movement of passengers and light freight, and a gradually opening phase of the movement of heavier types of freight needed by industry and peculiarly adapted to movement by air. The American air system is the world standard of competency.

The rapid expansion of our Nation's waterways and coastal shipping has astonished those of us who watch from the sidelines. Low costs and roll-on-roll-off ships and barges offer a real challenge in ideas to other forms of transport and a real service to the public.

I did not by any means intend to leave until last the many advances and improvements in overseas shipping. We are even now in the throes of a vast modernization of the movements of people and things by fast modern vessels geared to the rapid movement of our age. Nor do I fail to recognize the contribution of the Nation's vast pipeline network, greatly expanded and improved by new methods of automation in the 1950's, opening up entirely new industries in the field of chemicals produced from natural gas and providing new outlets for our petroleum products and new sources of fuel to industries throughout our Nation.

The 1950's have been a truly great chapter in the history of American transportation. No one knows this better than you gentlemen in the National Defense Transportation Association. You are both those who have dreamed and developed these modern miracles of technological progress and simultaneously put these innovations to work in the interest of the welfare and security of our people.

Much more must be done to improve this seemingly unimprovable system in the decade ahead. The public will demand the further reductions of relative cost to combat inflation and to continue to provide the base for our industrial growth and standards of living. (Even more, the challenge from abroad now shaping up so clearly not only in military and political areas but now more obviously in economic competition in the underdeveloped areas and for the markets of the world.) Wars are no longer fought primarily on the field of battle, as we all know. To lose the battle on any front, economic, political, or military, will be to lose the battle on all fronts.

Many may ask how the motor carrier and railroad industries have anything to do with meeting a Communist economic threat in South America, Africa, or Asia. For those who may ask the question, I believe the answer will be so evident as to be apparent even as the question is asked. Good transportation will be a part of every product, military or civil, which becomes a tool to defend our system of freedom against any threat, from any source. Inadequate transportation could contribute to the loss of the battle on any front.

In an effort to stimulate the thinking of you experts in transportation, but without the temerity to suggest how to accomplish the needed miracles of the 1960's, let me touch on only two major items which I feel most important to our Nation in the decade ahead.

Firstly, I feel this is the decade when we need to eliminate unnecessary expense in each form of transport. In other words, this must be a decade of cost consciousness. When growth has been as fast as in the 1950's—when new ideas and new developments come with great rapidity—wasteful procedures, excess personnel and sheer fat accrue. These contribute to passing on cost to the public and in turn becomes a part of the cost of every item consumed by the American public. In turn, each unnecessary rise in transportation cost makes more difficult our ability to compete in the world market. So, I would appeal to our modern miracle men of transportation to make the 1960's the decade of cost consciousness—a battening down of the hatches—keeping pace with the continuous flow of new ideas and new technological progress which I am sure will be forthcoming under our free enterprise competitive system.

This thought of increased efficiencies and cost controls leads me to the point which I consider the most challenging to transportation in the 1960's and one which will contribute the most to our national welfare. I refer to transportation integration. Too much sound and fury has been devoted to common ownership problems—too little to the integration of transport systems to benefit the shipping public, military and civil, with lower costs and faster delivery times. Each form of transport will have reached, by the end of this decade, a position of relative maturity. It is now no longer a question of monopoly and restraint of growth that is our national transportation problem. The real question is how can the special virtues of each mode of transport be harnessed together to benefit the shipping public and the national economy.

For example, the railroads are acknowledged to be among the very low cost transportation mediums. Yet, the railroads have a difficult problem with less than carload lot movements from shipper to consumer. The truck is an integral part of such movement and has found a positive place in the transportation world due to its flexibility. We Americans cannot do without either of these vital forms of transportation. Why not make a real breakthrough in the 1960's in the integration of truck and rail—whether it be piggy back, integrated container system, or combination rail and highway cars such as are now under development by our friends in the Chesapeake & Ohio Railroad. The question of who owns the system, developed by such integration is far less important to our Nation than the speed and flexibility of the truck combined with the speed and low-cost of the rails.

We find this improvement factor available to us in other combinations. The airplane and the truck are natural partners for door-to-door, one waybill, one responsibility handling. For the things which can properly move by air transport, with its great speed, the truck-air combination is needed and must come in the 1960's.

We have seen some real examples of combined transport in our combination of railship in roll-on-roll-off programs. Truck ship experiments are also opening new vistas for integrated transportation. The military has done an outstanding job in container experiments to prove the efficiencies of combined transport. To a great degree combined pipeline-rail-truck transport has shown the way to combining efficiencies of various modes of transport.

Costs of terminal and transfer freight handling are the plague of each mode of transport. These are the seemingly uncontrollable facts of life to each of us. Why should we have to rehandle a military shipment from production to battle area 5 to 10 times when if we could find the proper method of integrated transportation, we could package the product at production point, deliver it and store it if necessary in its own package by five different modes of transport without handling.

This great need for integrated transportation is the challenge to you transportation experts, military and civil. Here is the area which will most benefit America in the next decade. For high value items and perishables and the postal services, overnight, door-to-door service from any point in the United States to any other point is a possible and needed achievement for the 1960's. This can be achieved by combination surface and air transport, properly integrated.

The combination of truck-rail, further exploitation of pipeline-rail-truck-barge and ship will speed deliveries of all commodities and combat inflation by the efficiencies achieved. The military benefits could be staggering in inventory and obsolescence factor alone.

Let us then accept the transportation challenge of the 1960's—integrated transportation. Let each mode of transport give its best in accomplishment in its own field and integration with other modes.

The Congress will be receptive where legislation is needed, if such legislation is progressive and in the public need. In maturity no mode of transportation needs fear for its existence. If common ownership comes as a result of integration of two or more modes of transport it will be an obvious and desirable move, not as a means of domination by one mode of another. We Americans need all forms of transportation, but now we need the best elements of all, combined in the task of providing the best in transportation at the lowest cost.

Let us accept this challenge.

The Nation's Responsibility for Its Unemployed

EXTENSION OF REMARKS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 26, 1959

Mr. RABAUT. Mr. Speaker, under leave to extend my remarks, I place in the RECORD my statement to the Ways and Means Committee on the subject of the Nation's responsibility for its unemployment. The statement follows:

THE NATION'S RESPONSIBILITY FOR ITS UNEMPLOYED

Mr. Chairman, not long ago the Detroit Free Press carried a picture of a 29-year-old unemployed worker—a veteran of 13 months of fighting in Korea—who was picked up by the police as a vagrant because he was searching in garbage cans for food. He informed the judge that he was not a vagrant because he had a home—a pup tent. Asked how he had managed to stay alive during Detroit's zero weather he replied that he had a big shaggy dog that slept with him to keep him warm. His problem—he was able and willing to work but he couldn't find work. And so this man who had, in defense of his country, slept in tents in the hills of Korea was now forced by circumstances beyond his control, to sleep in a tent and seek food in garbage cans in one of the great cities of the wealthiest nation in the world.

I begin my remarks with this story because I want to emphasize the point that while we deliberate and, I'm afraid, procrastinate on what to do about our unemployment insurance plan, we are compounding human misery. Let us always remember that we are talking about men and women who until they were laid off, were accustomed to providing their family with a weekly paycheck. During the subsequent weeks of discouraging job hunting they learned to squeeze an existence out of minimal income provided by unemployment insurance. When they exhausted the unemployment benefits their situation became really desperate and most of them had to fall back on the already swollen general relief rolls.

When we are told, therefore, that unemployment in this country rose to 4,749,000 in February of this year—the highest for any February since the war with the exception of 1958—let us never forget that these alarming statistics are not just ledger entries. They are concerned with our own fellow Americans. And I believe I speak here today for the 4¾ million people now out of work, for the approximately 2 million workers who will exhaust their benefits in the year ahead, and the 10 or 12 million Americans who will become unemployed for some substantial time during the year ahead.

Mr. Chairman, Congress has not come to grips with the real and permanent problems of unemployment in this country. We have known, during sunny weather, that the cracks in the roof were growing wider and deeper, and when storm clouds have appeared on the horizon we have, from time to time, stuffed a little paper into these growing gaps. But it seems to me to be abundantly clear that the facts of our time call for a whole new roof, and a temporary tarpaulin to protect us until we can build that roof.

The statesmanlike approach to this problem, in my considered opinion, is contained in two proposals now before this Congress. The first, S. 1323, the McNamara-Hart bill, provides the temporary tarpaulin in the form of Federal grants of up to 16 weeks for the approximately 2 million unemployed workers who have currently exhausted their rights to State and Federal benefit or who were never covered by unemployment insurance and are still unemployed. In addition, about 1½ million persons who exhaust their benefits in the coming year will receive payments under the bill. The second, H.R. 3547, the Karsten-Machrowicz bill, builds the kind of roof which provides genuine and equitable protection for the problems we are facing now and which will inevitably grow in the future. I firmly believe that if the Federal standards in this bill as to benefit amount and duration were now in effect, the terrible tragedy of the current recession would be significantly reduced both for the unemployed and for the entire economy. We must pass these standards this session to prepare our Federal-State unemployment insurance system for future recessions.

We in Michigan—and in other hard hit States—are particularly interested in the reinsurance provisions of the Federal standards bill. This was one of the points made by the eight Governors who visited President Eisenhower on Monday of this week. They stated: "We favor adequate Federal advances to meet emergencies where the problems of unemployment are beyond the ability of the affected State governments." Michigan, I am afraid, fits this description. Its unemployment compensation system paid out about $324 million in benefits in 1958, while collecting only about $122 million in taxes and interest. Our State had to borrow $113 million under the Reed Act and through December 1958 it had obligated itself for another $64 million under the expiring Temporary Unemployment Compensation Act. The situation has gotten so bad that some Michigan employers have volunteered to pay their unemployment tax early so that benefit payments could be met. The Karsten-Machrowicz bill, which provides that the Federal Government will pay three-fourths of the money for benefit payments which exceed 2 percent of taxable payroll, is a reasonable way to approach the situation where an unemployment emergency has pushed a State unemployment compensation system to the wall.

If we are willing to look at the facts, it must become clear to all of us that we are not here concerned with a temporary problem which yields to the kind of passive patchwork approach which has so far prevailed. The cold fact is that although industrial production and the gross national product have improved, unemployment has increased steadily each month since last November. Some 256 major and minor labor areas are now on the critical list, with more than 6 percent of their total work force unemployed. Some 80 areas in 20 different States have, during the past 24 months, had more than 6 percent of their work force unemployed for a period of 18 months out of 24 months. My own State of Michigan, one of the Nation's leading producers of durable goods, has felt the brunt of the nationwide business recession of last year. As of February 15, Michigan had 364,000 unemployed, or 12.4 percent of the total labor force. In Detroit we have 229,000, or 15.4 percent of the total labor force unemployed.

Moreover, we have not only a problem of numbers but of depth. For, as Max Horton, director of the Michigan Employment Security Commission told the Senate Finance Committee last Friday, of the 229,000 unemployed workers in Detroit some 85,000 are "what we call hard core unemployed. In other words, they have been out of the factories so long and they have no attachment, and for that reason we feel that we have an economic disaster."

We face a situation, Mr. Chairman, which is not going to be solved by reassurances from the administration that we have nothing to worry about. There are many reasons why unemployment hangs on.

Automation is permanently eliminating many jobs in industry. On February 6 of this year the Federal Reserve Board pointed out that if the level of production in the automotive industry as of December 1958 is compared to that of December 1956, production in 1958 was only 4 percent less but the number of workers required was 20 percent less. Automation is making similar inroads in the electrical industry, in steel, and in the coal industry. We must recognize that the man who loses his job to a machine—especially if he is middle aged or over—is not going to find it easy to find another one, nor is his son going to be able to take over his father's old job.

The rate of economic expansion is too slow to provide new jobs for displaced workers or to absorb new entrants into the labor force. At the same time, the growing pool of unemployed helps to prevent wages from rising to supply needed purchasing power.

I am aware of the fact that the Governor's conference has just issued a statement to the effect that the States do not want Federal standards. But I remind the Congress that most of these States have failed to

respond to the repeated exhortations of the administration that they act themselves to liberalize their own laws.

I am also aware of the fact that some of our more fortunate communities do not face the heavy problem we face in Michigan. But I have tried to indicate that our situation reflects the kind of industrial changes which are, increasingly, going to affect other communities in the land.

We face a situation which will not be solved by any source. It will not be solved by honeyed phrases. It will not be solved by conferences or councils. It must be solved by the Congress acting courageously and because we care. I believe that the measures here presented are that kind of program.

DAV Services in South Dakota and Elsewhere

EXTENSION OF REMARKS

OF

HON. FRANCIS CASE

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, March 26, 1959

Mr. CASE of South Dakota. Mr. President, an exceptional record of vital rehabilitation services freely extended to thousands of South Dakota citizens has recently come to my attention. Since I think these splendid humanitarian services may not be fully appreciated by all who have benefited thereby, directly and indirectly, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement regarding DAV services in South Dakota and elsewhere.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DAV LIMITED TO DISABLED VETERANS

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in South Dakota, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger, its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris—all located at its national service headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, I am informed that the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff of any veteran organization of full-time, trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C. These service officers have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

SOUTH DAKOTA CENTER AT SIOUX FALLS

The DAV national service officer in South Dakota is Mr. Eldo Swenson located at the VA Center, Sioux Falls. The department commander is Mr. Vernon R. Pierce, 504 South Fifth Avenue, Sioux Falls, and the department adjutant is Mr. Donald A. Caldwell, 1614 South Prairie, Sioux Falls.

Four VA hospitals are located in South Dakota: a 720-bed neuropsychiatric hospital at Fort Meade; a 255-bed general medical hospital at Hot Springs; a 548-bed DOM hospital at Hot Springs, and a 270-bed general medical hospital at Sioux Falls. There is also a State Soldiers and Sailors Home at Hot Springs, which had an enrollment of 213 last year, where the DAV State department provides various services by reason of its annual State VAVS appropriation of $900.

During the last fiscal year, the VA paid out $27,326,000 for its veteran program in South Dakota, including $4,635,719 disability compensation to its 6,184 service disabled veterans. These Federal expenditures in South Dakota furnish substantial purchasing power in all communities.

The outstanding record of personalized service activities and accomplishments of the DAV National Service Officer in behalf of South Dakota veterans and dependents during the last 10 fiscal years, is revealed by the following statistics which have been supplied me:

Claimants contacted (estimated)	6,139
Claim folders reviewed	5,116
Appearances before rating boards	1,319
Compensation increases obtained	694
Service connections obtained	342
Nonservice pensions	196
Death benefits obtained	101
Total monetary benefits obtained, $261,568.65	

These above figures do not include the accomplishments of other national service officers on duty in the Central Office of the Veterans' Administration, handling appeals and reviews, or in its three District Offices, handling death and insurance cases.

Over the last 10 years, they reported 83,611 claims handled in such District Offices, resulting in monetary benefits of $20,850,335.32, and in the Central Office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for South Dakota veterans, their dependents and their survivors.

SERVICE BEYOND THE FIGURES

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice has been furnished, I am told, to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation, or pension, VA guaranty loans for homes, farms and business, and so forth.

Helpful advice was also given as to counseling and placement into suitable useful employment (to utilize their remaining abilities), civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim I know from our own work in this field, presents different problems. Few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans. They are not given on a silver platter.

Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A Claims and Rating Board obviously cannot grant favorable action merely based on the opinions, impressions, or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

Good service officers advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations and schedule of disability ratings.

No proper service officer will ever use his skill, except in behalf of worthy claimants, with claims where there is substantial evidence of merit which should be evaluated.

The VA has denied more claims than it has allowed—many times because claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their power of attorney to some qualified advocate.

CLAIMS ARE REVIEWED AT TIMES

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year.

About three-tenths percent of such discontinuances and reductions have probably occurred as to disabled veterans in South Dakota, with a consequent loss of about $84,000 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed.

I suggest that disabled veterans in South Dakota who have such experience give their power of attorney to the National Service Officer of the DAV, or of some other veteran organization, or of the American Red Cross.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service

officer setup. Moreover, such benefits will generally continue for many years.

HOW THE WORK IS FINANCED

I am told that the DAV receives no Government subsidy whatsoever. It maintains its nationwide staff of service officers primarily through income from membership dues collected by its local chapters and from the net income on its Idento Tag (miniature automobile license tags) project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment.

Incidentally, without checking as to whether they had previously sent in a donation, I am told that more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento Tag department, 1,753 of whom, during the last 8 years, were South Dakota residents.

Every eligible veteran can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis.

During the last 10 years, the DAV has also been helped by a separately incorporated trustee, the DAV Service Foundation, which has provided $3,300,000, exclusively for salaries to its national service officers. However, the reserves of the DAV Service Foundation are nearly exhausted. They have come from direct donations, designations in insurance policies, bequests in wills, assignments of stock and bonds, and the establishing of special types of trust funds by thoughtful and thankful Americans.

Those who are interested may send their donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington, D.C.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member—an excellent precedent for all other States.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—churches, labor unions, trade associations, and various religious, fraternal, and civic associations. I hope that all of America's eligible veterans become members of one or more of our patriotic, service-giving veteran organizations.

SENATE

TUESDAY, APRIL 7, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, who hast ordained that in trial we shall find our triumph, Thy goodness faileth never.

Yet, defying Thy will and forsaking Thy ways, wayward man has blasted the good earth with bombs, scorched it with fire, and drenched it with blood. Thy mercy on Thy people, Lord.

Above the selfish contentions, the suspicions, the hatreds of these bitter days, we would see lifted up the wondrous cross on which the Prince of Glory died—eternal symbol of life that is found by losing, of gain that is the reward of giving.

Father of all men—
We stand atremble and afraid
On the small world that we have made.
Afraid lest all our poor control
Shall turn and rend us to the soul.
Afraid lest we should be denied.
The price we hold our ragged pride
But in the end we pass all by
For a lone cross against the sky.

In the shadow of that cross, give us grace to live and by that sign to conquer. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 26, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 3, 1959, the President had approved and signed the following joint resolutions:

S.J. Res. 47. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; and

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

APPOINTMENTS BY THE VICE PRESIDENT

BOARD OF VISITORS TO THE U.S. MILITARY ACADEMY

The VICE PRESIDENT, pursuant to the provisions of 70A Stat. 245, appointed as the members on the part of the Senate of the Board of Visitors to the U.S. Military Academy the following Senators: Mr. BRIDGES and Mr. MCGEE, from the Committee on Appropriations, and Mr. KEATING.

BOARD OF VISITORS TO THE U.S. NAVAL ACADEMY

The VICE PRESIDENT, pursuant to the provisions of 70A Stat. 434, appointed as the members on the part of the Senate of the Board of Visitors to the U.S. Naval Academy the following Senators: Mr. SALTONSTALL and Mr. HOLLAND, from the Committee on Appropriations, and Mr. BEALL.

BOARD OF VISITORS TO THE U.S. AIR FORCE ACADEMY

The VICE PRESIDENT, pursuant to the provisions of 70A Stat. 567, appointed as the members on the part of the Senate of the Board of Visitors to the U.S. Air Force Academy the following Senators: Mr. CHAVEZ and Mr. DWORSHAK, from the Committee on Appropriations, and Mr. ALLOTT.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MCNAMARA, and by unanimous consent, the Subcommittee on NASA Authorization Legislation, of the Committee on Aeronautical and Space Sciences, was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

THOMAS H. MACDONALD

Mr. JOHNSON of Texas. Mr. President, today, April 7, marks the second anniversary of the death of Thomas H. MacDonald, for 34 years the Chief of our Bureau of Public Roads, and the architect of our cooperative Federal-State highway system.

As a living, growing memorial to the work of this great public servant, his friends are raising funds to establish a chair in transportation at Texas A. & M. College to help carry on the fine work which he began there in the last years of his life.

When Tom MacDonald became head of our Federal highway program, there was no national system of highways in this country. There were only 6 million motor vehicles and only 12.5 miles of road had been built in the United States with the first Federal-aid funds.

Serving under 7 Presidents and 17 Congresses, Tom MacDonald was the guiding genius behind the development of the world's greatest system of highways, which now carries 67,500,000 vehicles to the remotest corners of our land.

Alongside this great contribution to our Nation's physical and economic growth ranks his new philosophy of transportation, which may be of even greater importance in its long-range effects upon the future of our land.

With a rare perspective, born of his unique association with the development of our highway system, Tom MacDonald saw the need for men to study and understand the true nature of transportation in all its facets, how these

facets are related to and dependent upon each other, and the impact of transportation upon our national well-being.

This realization sparked his plans for a new type of transportation research institute, and he lived to lay out the fundamental pattern for basic research into the economic and social aspects of the entire transportation field.

The finest tribute that can be paid to this man, who gave so much to making possible our way of life as we know it today, is to see that his dream is brought to reality. The MacDonald chair of transportation will truly symbolize in its public service the great public servant for whom it is named.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS, DISTRICT OF COLUMBIA (S. DOC. NO. 20)

A communication from the President of the United States, transmitting proposed supplemental appropriations and other authorizations for the fiscal year 1959 involving $12,845,526 in new obligational authority for various agencies and $264,300 for the District of Columbia (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PROPOSED AMENDMENTS TO THE BUDGET, FISCAL YEAR 1960, FOR THE DISTRICT OF COLUMBIA (S. DOC. NO. 21)

A communication from the President of the United States, transmitting, for the consideration of the Congress amendments to the budget for the fiscal year 1960, involving a net decrease of $708,000, payable from District funds, for the District of Columbia (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Veterans' Administration for "Inpatient care" for the fiscal year 1959, had been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

REPORT ON NATIONAL INDUSTRIAL RESERVE

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the National Industrial Reserve, dated April 1, 1959 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF ARMED FORCES RESERVE ACT OF 1952, RELATING TO DEFINITION OF TERM "MEMBER OF A RESERVE COMPONENT"

A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation to amend section 265 of the Armed Forces Reserve Act of 1952 to define the term "a member of a Reserve component" so as to include a member of the Army or Air Force without specification of component (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO COMPENSATION OF ACADEMIC DEAN OF NAVAL POSTGRADUATE SCHOOL

A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide that the Secretary of the Navy shall prescribe the compensation of the academic dean of the Naval Postgraduate School (with an accompanying paper); to the Committee on Armed Services.

CONSTRUCTION OF NATIONAL GUARD ARMORIES AT ISHPEMING, MICH., AND MOBRIDGE, S. DAK.

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, that construction has been approved of a one-unit-plus National Guard armory with motor vehicle storage building at Ishpeming, Mich., and a one-unit National Guard armory at Mobridge, S. Dak.; to the Committee on Armed Services.

REPORT OF DEPARTMENT OF THE ARMY CONTRACTS FOR MILITARY CONSTRUCTION AWARDED WITHOUT FORMAL ADVERTISEMENT

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the Department of the Army contracts for military construction awarded without formal advertisement, covering the period July 1 through December 31, 1958 (with an accompanying report; to the Committee on Armed Services.

REPORT ON DEPARTMENT OF THE ARMY RESEARCH AND DEVELOPMENT CONTRACTS

A letter from the Director of Research and Development, Department of the Army, Washington, D.C., transmitting, pursuant to law, a report on Department of the Army research and development contracts, for $50,000 or more, which were awarded during the period July 1 through December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

NOTICE OF PROPOSED DISPOSITION OF CERTAIN QUININE

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a notice of a proposed disposition of approximately 13,860,000 ounces of quinine now held in the national stockpile, to be published in the Federal Register (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO READINESS OF INDUSTRIAL CAPACITY FOR DEFENSE PRODUCTION

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for the readiness of industrial capacity for defense production or mobilization reserve purposes (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON BORROWING AUTHORITY

A letter from the Deputy Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a Report on Borrowing Authority, for the quarter ended December 31, 1958 (with an accompanying report); to the Committee on Banking and Currency.

CONSTRUCTION OF DEPOSITORY FOR STORAGE OF FEDERAL RESERVE NOTES

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for payment by the Federal Reserve banks of the cost of constructing a depository for the storage of Federal Reserve notes (with an accompanying paper); to the Committee on Banking and Currency.

REPORT ON PRIME CONTRACT AWARDS TO SMALL AND OTHER BUSINESS FIRMS FOR WORK IN THE UNITED STATES

A letter from the Assistant Sceretary of Defense (Supply and Logistics), transmitting, pursuant to law, a report on Army, Navy, and Air Force prime contract awards to small and other business firms for work in the United States, during the month of January, 1959, and in fiscal year 1959 through January (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF EXPORT-IMPORT BANK OF WASHINGTON

A letter from the President, Export-Import Bank of Washington, Washington, D.C., transmitting, pursuant to law, a report of that bank, covering the period July–December, 1958 (with an accompanying report); to the Committee on Banking and Currency.

PROPOSED DISTRICT OF COLUMBIA NURSING ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to provide for examination, licensing, registration, and for regulation of professional and practical nurses, and for nursing education in the District of Columbia, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

AMENDMENT OF DISTRICT OF COLUMBIA TEACHERS' SALARY ACT OF 1955

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Teachers' Salary Act of 1955, as amended (with an accompanying paper); to the Committee on the District of Columbia.

SUPPLEMENTAL REPORT ON OPERATIONS OF D.C. TRANSIT SYSTEM, INC.

A letter from the President, D.C. Transit System, Inc., Washington, D.C., relating to the operations of that company, for the year ended December 31, 1958, and transmitting revised statements to be substituted for the original statements transmitted with letter of January 30, 1959 (with accompanying papers); to the Committee on the District of Columbia.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO INCREASE OF TAXES ON MOTOR AND AVIATION FUEL

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Internal Revenue Code by increasing the taxes on motor and aviation fuel, and for other purposes (with an accompanying paper); to the Committee on Finance.

EXEMPTION OF U.S. COAST GUARD FROM CERTAIN TAXES

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to exempt the U.S. Coast Guard from the tax imposed upon the sale or transfer of firearms and ammunition (with accompanying papers); to the Committee on Finance.

EXTENSION OF RENEGOTIATION ACT OF 1951

A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation to extend the Renegotiation Act of 1951 until September 30, 1961, and for other purposes (with an accompanying paper); to the Committee on Finance.

EXTENSION OF PERIOD OF FREE IMPORTATION OF CERTAIN GIFTS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad (with an accompanying paper); to the Committee on Finance.

EXTENSION OF FEDERAL-STATE UNEMPLOYMENT COMPENSATION TO PUERTO RICO AND ESTABLISHMENT OF A NEW ACCOUNT IN THE UNEMPLOYMENT TRUST FUND

A letter from the Secretary of Labor, transmitting two drafts of proposed legislation (1) to extend the Federal-State unemployment compensation program to Puerto Rico, and for other purposes, and (2) to establish a new account in the unemployment trust

fund to which an amount equal to all Federal unemployment taxes collected shall be appropriated, and out of which all employment security administrative expenses shall be paid, to increase the amount of the reserve in the Federal unemployment account for advances to the States, to increase the amount of wages subject to taxation under the Federal Unemployment Tax Act, and for other purposes (with accompanying papers); to the Committee on Finance.

EXTENSION OF UNEMPLOYMENT COMPENSATION PROGRAM

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to extend the unemployment compensation program (with accompanying papers); to the Committee on Finance.

AMENDMENT OF MUTUAL DEFENSE ASSISTANCE CONTROL ACT OF 1951

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to amend the Mutual Defense Assistance Control Act of 1951 (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF U.S. INFORMATION AGENCY

A letter from the Director, U.S. Information Agency, Washington, D.C., transmitting, pursuant to law, a report of that Agency, for the period from July 1 to December 31, 1958 (with an accompanying report); to the Committee on Foreign Relations.

AUDIT REPORT ON GOVERNMENT SERVICES, INC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on audits of Government Services, Inc., and of Government Services, Inc.'s employee retirement and benefit trust fund and supplemental pension plan, for the year ended December 31, 1958 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON FEDERAL NATIONAL MORTGAGE ASSOCIATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal National Mortgage Association, Housing and Home Finance Agency, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF ECONOMIC AND TECHNICAL ASSISTANCE PROGRAM FOR PAKISTAN

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the economic and technical assistance program for Pakistan, International Cooperation Administration, Department of State, fiscal years 1955–57 (with an accompany report); to the Committee on Government Operations.

AUDIT REPORT ON OFFICE OF DEFENSE LENDING, TREASURY DEPARTMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Office of Defense Lending, Treasury Department, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF PRICES NEGOTIATED UNDER CERTAIN AIR FORCE CONTRACTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of prices negotiated under certain Department of the Air Force contracts with Friden, Inc., San Leandro, Calif., dated March 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON FOREIGN EXCESS PROPERTY DISPOSED OF BY DEPARTMENT OF COMMERCE

A letter from the Acting Secretary of Commerce, reporting, pursuant to law, on foreign excess property disposed of by that Department, during calendar year 1958; to the Committee on Government Operations.

APPLICATIONS FOR LOANS UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Secretary of the Interior, transmitting, pursuant to law, an application for a loan under the Small Reclamation Projects Act of 1956 to the Centerville-Deuel Creek Irrigation Co., near Centerville, Utah (with accompanying papers); to the Committee on Interior and Insular Affairs.

A letter from the Secretary of the Interior, transmitting, pursuant to law, an application for a loan under the Small Reclamation Projects Act of 1956 to the Santa Ynez River Water Conservation District in California (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED PUBLIC LAND TOWNSITE ACT

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to consolidate, revise, and reenact the public land townsite laws (with an accompanying paper); to the Committee on Interior and Insular Affairs.

LAWS ENACTED BY LEGISLATURE OF VIRGIN ISLANDS

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Legislature of the Virgin Islands in its 1957 regular and special sessions (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROJECT PROPOSAL UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, that the Weber-Box Elder Conservation District of Ogden, Utah, has applied for a loan of $304,000 on a small project estimated to cost $332,000; to the Committee on Interior and Insular Affairs.

REPORT OF SPECIAL ADVISORY COMMITTEE ON TELECOMMUNICATION

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, for the information of the Senate, a copy of the report of the Special Advisory Committee on Telecommunication, dated December 29, 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

JOSEF JAN LOUKOTKA

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Josef Jan Loukotka (with an accompanying paper); to the Committee on the Judiciary.

VINCENTE SOLVIA EMPLEO

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Vincente Solvia Empleo (with an accompanying paper); to the Committee on the Judiciary.

REPORT ON TEXAS CITY DISASTER CLAIMS

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on Texas City disaster claims; to the Committee on the Judiciary.

REPORT OF DIRECTOR OF ADMINISTRATIVE OFFICE OF THE U.S. COURTS

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting, pursuant to law, his report for the fiscal year 1958 (with an accompanying report); to the Committee on the Judiciary.

AMENDMENT OF BANKRUPTCY ACT, RELATING TO COURT AUTHORITY TO REEXAMINE CERTAIN ATTORNEY FEES

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy proceeding (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Four letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

ADJUSTMENT OF IMMIGRATION STATUS OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in the case of certain aliens, relating to adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

GRANTING ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

ADMISSION OF CERTAIN ALIENS AFFLICTED WITH TUBERCULOSIS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports concerning individuals admitted to the United States notwithstanding affliction with tuberculosis (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Yee Yong Sang from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1959; to the Committee on the Judiciary.

EXTENSION OF HOSPITAL AND MEDICAL CARE FOR CERTAIN VETERANS

A letter from the Administrator, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to extend the existing authority to provide hospital and medical care for veterans who are U.S. citizens temporarily residing abroad to include those with peacetime service-incurred disabilities (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORT OF GIRL SCOUTS OF THE UNITED STATES OF AMERICA

A letter from the President and National Executive Director, Girl Scouts of the United States of America, New York City, N.Y., transmitting, pursuant to law, a report of that organization, for the fiscal year ended September 30, 1958 (with an accompanying

report); to the Committee on Labor and Public Welfare.

SUPPLEMENTAL COMMENTS OF PROGRAM FOR REDUCING THE NATIONAL FLOOD DAMAGE POTENTIAL

A letter from the Chairman of the Board and Director, Tennessee Valley Authority, Knoxville, Tenn., transmitting, for the information of the Senate, additional comments on the program for reducing the national flood damage potential (with accompanying papers); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Alaska; to the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 8

"TO THE HONORABLE DWIGHT D. EISENHOWER, PRESIDENT OF THE UNITED STATES; THE HONORABLE RICHARD NIXON, PRESIDENT OF THE SENATE; THE HONORABLE SAM RAYBURN, SPEAKER OF THE HOUSE OF REPRESENTATIVES; THE HONORABLE E. L. BARTLETT AND THE HONORABLE ERNEST GRUENING, SENATORS FROM ALASKA; THE HONORABLE RALPH J. RIVERS, REPRESENTATIVE FROM ALASKA:

"Your memorialist, the Legislature of the State of Alaska in first legislature, first session assembled, respectfully submits that—

"Whereas the State of Alaska under the provisions of Public Law 85–508 is granted 103,550,000 acres of land for selection; and

"Whereas one-third of Alaska's land area is already appropriated in such manner as to be unavailable for selection; and

"Whereas an equal amount of land constitutes mountainous and glacial areas unsuitable for selection; and

"Whereas committee reports on the statehood bill for Alaska very clearly emphasized that Alaska must have maximum management of its natural resources for economic reasons; and

"Whereas section 6(h) of Public Law 85–508 establishes an arbitrary date of July 7, 1958, which limits State selection for oil and gas lands to those actually under lease prior to said date; and

"Whereas the State of Alaska has not yet received rules and regulations from the Secretary of the Interior controlling land grant selections; and

"Whereas the Interior Department is presently issuing oil and gas leases covering 2 million acres per month, which action precludes State selection of these areas;

"Now, therefore, your memorialist, the Legislature of the State of Alaska, urges that action be taken to have the restricting phrase "* * * unless such lease, permit, license, or contract is in effect on the date of approval of this Act, and * * *" stricken from the first sentence of section 6(h) of Public Law 85–508.

"Passed by the senate February 28, 1959.

"WILLIAM E. BELTZ,
"President of the Senate.

"Attest:

"KATHERINE T. ALEXANDER,
"Secretary of the Senate.

"Passed by the house March 6, 1959.

"WARREN A. TAYLOR,
"Speaker of the House.

"Attest:

"ESTHER REED,
"Chief Clerk of the House."

Two joint resolutions of the Legislature of the State of Arizona; to the Committee on Interior and Insular Affairs:

"SENATE JOINT MEMORIAL 3

"Joint memorial requesting the Congress of the United States to prevent enactment of a proposed bill establishing a national wilderness preservation system and designating certain areas to be maintained as a wilderness

"To the Congress of the United States of America:

"Your memorialist respectfully represents a bill has been introduced into the Congress of the United States providing for the designation and maintenance of wilderness areas within the States, and such areas shall be supervised and maintained by the Federal Government.

"It is acknowledged that the Government of the United States now owns approximately 70 percent of the land in Arizona. The enactment of this oppressive legislation would have the tendency to either increase the Federal lands within the State or to cause the Federal Government to exercise more stringent regulations over the land it already owns and controls.

"Federal lands within this State now include an abundant supply of wilderness reservations. It is entirely possible that rigid regulations, which might well be imposed, would deny the scenic wonders of these areas to many thousands of visitors annually. Moreover, such regulation might make fire protection difficult or more expensive or it might encroach upon the water rights of the State of Arizona. All these factors would retard the economic development of this State.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays that the Congress of the United States consider carefully the impact of the proposed legislation relating to a national wilderness system since it appears to the Legislature of the State of Arizona that enactment of such a measure will unduly restrict the use of the wilderness areas and retard the economic development of this State. Moreover, the U.S. Government now controls vast areas of land within this State and any approach to this problem should be in the direction of relinquishing control rather than subjecting additional areas of land within this State to Federal control or cumbersome regulations."

"HOUSE JOINT MEMORIAL 1

"Joint memorial requesting the establishment of a national cemetery in Arizona

"To the Congress of the United States of America:

"Your memorialist respectfully represents the State of Arizona does not have a national cemetery within its borders even though, proportionately, there are more veterans in Arizona than in most States of the United States. The influx of veterans into the State of Arizona is due to the fact that for many years there have been many military installations located in the State. Moreover, thousands of veterans have moved to Arizona to take advantage of the dry, healthful climate.

"A deceased veteran, who has expressed a desire to be buried in a national cemetery, has to be transported to a distant point in another State for burial.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays that the Congress provide for the establishment of a national cemetery in the State of Arizona."

A resolution of the House of Representatives of the State of Arkansas; to the Committee on Labor and Public Welfare:

"HOUSE RESOLUTION 14

"Whereas millions of veterans of World War II and of the Korean conflict have been educated under the provisions of the veterans' education program established by the Federal Government; and

"Whereas many veterans were able to obtain further education through the benefits of the veterans' education program which would not otherwise have been possible; and

"Whereas the education of millions of veterans has contributed to an increase in the educational level of this country and has produced a major national asset which has contributed much to the economy of this country; and

"Whereas reliable statistics have proved that increased income to veterans arising out of their higher education level will more than reimburse the National Treasury of the entire cost of the GI training program by 1970; and

"Whereas the President of the United States, by Executive order on January 31, 1955, stopped the educational benefits for persons serving in the Armed Forces of the United States after February 1, 1955; and

"Whereas such Executive order has deprived millions of Americans serving in the Armed Forces of the educational benefits previously extended to veterans; and

"Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational opportunities enjoyed by veterans serving prior to February 1, 1955; and

"Whereas it has been demonstrated that the investment in the education of such veterans will be more than repaid to the Public Treasury through increased taxes resulting from higher incomes of such veterans: Now, therefore, be it

"Resolved by the House of Representatives of the 62d General Assembly of the State of Arkansas, That the House of Representatives of the Arkansas General Assembly does hereby memorialize the Congress of the United States to extend GI educational benefits to all veterans who entered, or who enter, military services from and after February 1, 1955, and that such educational benefits be extended so long as the provisions of the draft law exist; be it further

"Resolved, That upon adoption of this resolution that a copy thereof be mailed, by the chief clerk of the house of representatives, to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to each Member of the Congress from the State of Arkansas."

A joint resolution of the Legislature of the State of California; to the Committee on Agriculture and Forestry:

"ASSEMBLY JOINT RESOLUTION 12

"Joint resolution relative to enactment of a national food allotment stamp plan

"Whereas reports from county welfare departments in California show an increasing number of low-income families, especially those engaged in agricultural occupations at both the farm and processing level, forced to resort to appeals to public assistance agencies to provide food as well as other necessities during the winter and spring; and

"Whereas surplus foods furnished by the U.S. Department of Agriculture are available to public assistance recipients in only a limited number of counties and even where available do not provide a balanced diet, merely furnishing flour, cornmeal, dry skim milk powder, rice, and sometimes butter; and

"Whereas retail prices for food continue to rise along with the cost of all other living items; unemployment reached 317,000 in December representing 5.3 percent of the California labor force; many counties, faced with welfare department deficits, are refusing supplementary food allotments to employables or those drawing unemployment compensation benefits which are totally in-

adequate for large families and for which thousands of other families are ineligible, to say nothing of the growing thousands who have exhausted their benefits yet cannot find jobs; and

"Whereas there is a constant surplus of farm commodities forcing down the price paid to California farmers, which commodities are bitterly needed by the unemployed here and nationally, now numbering more than 4 million; and

"Whereas a national food allotment stamp plan would distribute these surpluses, as they arise, through retail channels, upgrading the diets of those most in need, increasing prices to farmers and stimulating retail sales; and

"Whereas the State Department of Social Welfare, the California Association for Health and Welfare, the California Institute of Social Welfare, the organized labor movement, county welfare directors, farmers, and city people through community and civic organizations favor reestablishment of this means for getting surplus foods to hungry people; and

"Whereas a number of measures to establish a national food stamp program have been introduced in the 86th Congress: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the Congress of the United States to enact a national food allotment stamp plan as a means toward strengthening our national health and developing a more equitable distribution of the abundance which California and the Nation's farmers are in a position to provide and to make such food available in addition to, and not in place of, any welfare assistance (financial or otherwise) granted needy persons; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION 4

"Joint resolution relative to the conversion of sea water

"Whereas the critical deficiency in the water supply of the State of California necessary to meet the needs of the ever-growing population of this State demands that every potential source of water be utilized to the fullest extent; and

"Whereas with the continual influx of population from other parts of the Nation, this State is encouraging great difficulties in developing water supplies sufficient to meet the growing demands; and

"Whereas the study of means of economically converting sea water to fresh water to meet these demands and to supplement natural supplies of water would be of immeasurable assistance not only to this State but to other States encountering the similar problem of diminishing supplies and increasing population: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to expedite without delay, current studies of means of economically converting sea water to fresh water; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"SENATE JOINT RESOLUTION 11

"Joint resolution relative to Federal highway legislation

"Whereas the California Legislature, by the adoption of Senate Joint Resolution 28 (ch. 126 of resolutions, statutes of 1955), and Senate Joint Resolution 4 (ch. 24 of resolutions, statutes of 1956 regular session), and Assembly Joint Resolution 4 (ch. 11 of resolutions, statutes of 1956 first extraordinary session), urged the enactment of Federal highway legislation substantially as set forth in the Federal-Aid Highway Act of 1956 except for the provision limiting the apportionments for each fiscal year for the National System of Interstate and Defense Highways to the amounts available in the Highway Trust Fund as provided in section 209(g) of the act approved June 29, 1956; and

"Whereas it now appears that in the absence of Federal legislation during the current session, due to said provision, there will be no funds available for apportionment for expenditure upon the National System of Interstate and Defense Highways during the fiscal year commencing July 1, 1960, and ending June 30, 1961, and only a very small amount would be available for the National System of Interstate and Defense Highways during the succeeding fiscal year; and

"Whereas, as pointed out in the resolutions adopted by the California Legislature above referred to, one of the essentials of a successful program is a system of financing which permits long-range planning, with a definite and certain apportionment formula to permit construction in an orderly manner; and

"Whereas the failure to provide for the continuance of progress on the National System of Interstate and Defense Highways for a period of 2 fiscal years would not only prevent the orderly prosecution of work already planned but would seriously disrupt the organization of the California Division of Highways and in all probability would have the same results in many other States so that the completion of said National System of Interstate and Defense Highways would be delayed much longer than 2 years; and

"Whereas the economy of California depends upon the completion of an adequate highway system therein, including as an integral part the National System of Interstate and Defense Highways, and it was for the reason that the Federal-aid highway program was so written as to assure the completion of the Interstate System that the Legislature of California indicated its support therefor: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California (jointly), That the Congress is urged to provide for the continuance of the Federal-aid highway program as set forth in the Federal-Aid Highway Act of 1956 with the exception of the provision contained in section 209(g) thereof, including the approval of the cost estimates submitted to the Congress by the Bureau of Public Roads of the Department of Commerce as a basis for apportionment for the fiscal year ending June 30, 1962; and be it further

"Resolved, That the secretary of the senate is directed to transmit copies of this resolution to the President and Vice President of the United States, the chairmen of the appropriate committees of the Congress, and to each Senator and Representative from the State of California in the Congress of the United States."

A concurrent resolution of the Legislature of the State of Kansas; to the Committee on Interior and Insular Affairs:

"HOUSE CONCURRENT RESOLUTION 31

"Concurrent resolution memorializing the Congress and the President of the United States to safeguard and preserve established State and individual rights to the use of water within the separate States

"Whereas despite repeated congressional recognition in many statutes such as the Federal Power Act, and the Water Supply Act of 1958, that the States have and should have the primary interest, a series of judicial decisions in the last decade and a half has undermined the ability of the States to perform their appropriate tasks in this field and has suggested the possibility of unlimited Federal prerogatives concerning water which cast doubt on the basis of vested rights and weakens the ability of the States successfully to coordinate water use; and

"Whereas recent opinions and assertions from the U.S. Department of Justice would deprive States and persons of rights which said States and persons previously enjoyed, to regulate and control the use of water in those respective States; and

"Whereas said decisions of the Federal courts and opinions and assertions of the U.S. Department of Justice are further a part of a general pattern developing gradually into Federal supremacy and usurpation over water, which, if continued will destroy individual and States rights over water, and substitute in lieu thereof an all-powerful centralized government control thereover; and

"Whereas Kansas and the numerous Federal agencies do now and have always enjoyed a spirit of cooperation in the development of flood control and water resources programs and it is the wish of the people of Kansas that such interest and cooperation be preserved and continue in the future; and

"Whereas factors involved in water use development are peculiarly dependent on local geography, climate, and economic needs and are consequently best handled within our Federal system by the State level of government; and

"Whereas the traditional role of the States in the administration, conservation, and utilization of their water resources has led in the direction of optimum harmonious development of these water resources; and

"Whereas Federal agencies which have complied with State water law in obedience to the expressed intent of Congress have not jeopardized any of the legitimate interests of the Federal Government; and

"Whereas doubts raised by these judicial decisions and Department of Justice opinions as to the basis of vested water rights, present and future, and doubts as to the relationships between the Federal and State government will, without corrective congressional action, tend to delay much needed water development for an indefinite time and discourage the States in their efforts to make much needed improvements in their facilities for water resources planning and development: Now, therefore, be it

"Resolved by the House of Representatives of the State of Kansas (the Senate concurring therein), That the Congress and President of the United States and the representatives of Kansas in the Congress of the United States be, and they are hereby respectfully urged and requested to take all necessary action to (1) preserve the water rights of the individual and the States and to prevent Federal usurpation of those rights; (2) to see that legislation is initiated and supported to reestablish to the individuals and to the States, the rights taken from them by the Federal courts and the Justice Department; and (3) in every possible way reaffirm, renew, and defend the concepts that water rights are property rights and that these established

rights to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; be it further

"Resolved, That the secretary of state be instructed to transmit enrolled copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress, to the chairman of the U.S. Senate and House Committees of Interior and Insular Affairs, to U.S. Senator ANDREW F. SCHOEPPEL, to U.S. Senator FRANK CARLSON, and to U.S. Representatives WILLIAM AVERY, NEWELL GEORGE, DENVER HARGIS, ED REES, FLOYD BREEDING, and WINT SMITH.

"I hereby certify that the above concurrent resolution originated in the house, and was adopted by that body March 13, 1959.

"JESS TAYLOR,
"Speaker of the House.
"A. E. ANDERSON,
"Chief Clerk of the House.

"Adopted by the senate March 21, 1959.

"JOSEPH W. HENKLE, Sr.,
"President of the Senate.
"RALPH E. ZARKER,
"Secretary of the Senate."

A joint resolution of the Legislature of the State of Maryland; to the Committee on Armed Services:

"JOINT RESOLUTION 6

"Senate joint resolution urging the enactment of appropriate legislation by the Congress of the United States to amend the Military Pay Act of 1958 to equalize the retirement pay of members of the Armed Forces of the United States

"Whereas there is now pending before the 86th Congress of the United States legislation, including S. 269, S. 541, and H.R. 703, to equalize the pay of retired members of the uniformed services who receive their retired pay under the provisions of the Career Compensation Act of 1949; and

"Whereas the Military Pay Act of 1958, Public Law 85–422, failed to provide for the computation of the retired pay of such members of the uniformed services, retired prior to June 1, 1958, on the basis of the newly established pay rates provided in said law, at the same time providing that the retired pay of those retired after that date be computed at the newly established higher rates; and

"Whereas there appears to be no basis for this gross discrimination against such retired personnel who, by reason of past meritorious services, should be equally entitled to benefits granted to retired personnel retired after the effective date of the Military Pay Act of 1958, Public Law 85–422; and

"Whereas a failure to maintain the same standard for the computation of retired pay of all members of the uniformed services of the United States, regardless of the date of their retirement, will cause defections from active service of career officers and thus prove detrimental to the national defense and security of the United States; and

"Whereas retired members of the uniformed services of the United States reside in every portion of our country; however, the State of Maryland is privileged to have great numbers of such retired personnel who have served their country faithfully and with distinction: Now, therefore, be it

"Resolved by the General Assembly of Maryland, That the General Assembly of Maryland respectfully memorializes the Congress of the United States to enact appropriate legislation, similar to that proposed in S. 269, S. 541, and H.R. 703 of the 86th Congress, to provide that the retired pay of those retired before June 1, 1958, be computed on the same basis as the computation of the retired pay of such members retired after June 1, 1958; and be it further

"Resolved, That the secretary of state is hereby directed to transmit copies of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from the State of Maryland in the Congress of the United States."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Banking and Currency:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION FOR THE BENEFIT OF DISTRESSED AREAS

"Whereas many communities of the Commonwealth are suffering from substantial and persistent unemployment and underemployment; and

"Whereas it is the responsibility of the Federal Government to help assure maximum employment; and

"Whereas Federal assistance to distressed areas will enhance the national welfare: Therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to give prompt and favorable consideration to the enactment of legislation to provide loans for industrial projects in industrial and rural areas, to provide loans to States or organizations representing redevelopment areas in order to help finance public facilities, to provide information and technical assistance, to provide for participation by industrial areas in the urban-renewal program, and to provide for expanded Federal participation with State and local agencies in the fields of vocational training and industrial retraining; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of the Congress of the United States and to each Member thereof from this Commonwealth.

"Senate, adopted March 16, 1959.

"IRVING N. HAYDEN,
"Clerk.

"House of representatives, adopted in concurrence March 23, 1959.

"LAWRENCE R. GROVE,
"Clerk.

"A true copy.
"Attest:

"JOSEPH D. WARD,
"Secretary of the Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION FOR THE BENEFIT OF THE TEXTILE AND FISHING INDUSTRIES

"Whereas the textile and fishing industries of the Commonwealth of Massachusetts have continued to be adversely affected by national and international policies without receiving the benefit of supplementary assistance: Therefore be it

"Resolved, That the General Court of Massachusetts memorializes the Congress of the United States to enact legislation to alleviate the burdens presently existing on the textile and fishing industries of the Commonwealth; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of the Congress, and to each Member thereof from this Commonwealth.

"Senate, adopted March 16, 1959.

"IRVING N. HAYDEN,
"Clerk.

"House of representatives, adopted in concurrence March 23, 1959.

"LAWRENCE R. GROVE,
"Clerk.

"A true copy.
"Attest:

"JOSEPH D. WARD,
"Secretary of the Commonwealth."

A joint resolution of the Legislature of the State of Minnesota; to the Committee on Finance:

"RESOLUTION 3

"Resolution memorializing the President, the Secretary of the Treasury, and the Congress of the United States to oppose measures altering the tax status of cooperatives

"Whereas business enterprises are made up of several types of business organizations, including proprietorships, partnerships, corporations, and cooperatives all of which have contributed greatly to the tempo of economic activity within the State; and

"Whereas the largest number of cooperatives is in the State of Minnesota and the people of this State, particularly within the rural areas, have been greatly benefited thereby and have received many services through the various cooperative organizations; and

"Whereas the tax position of cooperatives has been thoroughly investigated by the Congress of the United States over a long period of time and these investigations have revealed that under the present laws, the cooperatives have faithfully abided by the principles and regulations under which they have been organized; and

"Whereas cooperatives do pay taxes and in many communities of this State are the largest taxpayers; and

"Whereas the Secretary of the Treasury has recommended to Congress to require cooperatives patronage savings to be paid in cash within 3 years and to draw not less than 4 percent interest, or otherwise to be classified as income to the cooperative and be thereby subjected to corporation income taxes; and

"Whereas this alteration of the present tax status would seriously hamper and restrict the services which the cooperatives are performing within the State; and

"Whereas the Minnesota Legislature did once before, in 1951, consider and pass a resolution opposing similar unfair and punitive tax proposals against cooperatives: Now, therefore, be it

"Resolved, by the Legislature of the State of Minnesota, That the Congress of the United States be requested to recognize that indebtedness which is owed by a cooperative or any other taxpayer to its patrons or customers is not income to such taxpayer even though it may be income to its patrons or customers; and be it further

"Resolved, That the Congress of the United States be specifically requested to oppose any measures which would prescribe any minimum interest rate or any maximum maturity dates for securities which are issued by cooperatives in payment of patronage savings payable to their patrons; and be it further

"Resolved, That the secretary of state of the State of Minnesota be instructed to transmit copies of this resolution to the President of the United States, the Secretary of the Treasury, the President of the Senate, and the Speaker of the House of Representatives of the United States, and to each Member of Congress from the State of Minnesota.

"E. J. CHILGREN,
"Speaker of the House of Representatives.

"KARL F. ROLVAAG,
"President of the Senate.

"Passed the house of representatives this 16th day of March 1959.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Passed the senate this 19th day of March 1959.

"H. Y. TORREY,
"Secretary of the Senate.

"Approved March 23, 1959.

"ORVILLE L. FREEMAN,
"Governor of the State of Minnesota.

"Filed March 23, 1959.

"JOSEPH L. DONOVAN,
"Secretary of the State of Minnesota."

A joint resolution of the Legislature of State of Minnesota; to the Committee on Public Works:

"RESOLUTION 5

"Resolution memorializing the Congress of the United States to adopt the Blatnik amendment to the Federal Water Pollution Control Act

"Whereas the Congress of the United States has recognized the benefits resulting to the public health and welfare by the prevention and control of water pollution; and

"Whereas it is the declared policy of the Congress of the United States to recognize, preserve, and protect the primary responsibilities and rights of the States in preventing and controlling water pollution, to support and aid technical research relating to the prevention and control of water pollution, and to provide financial aid to State, and interstate agencies and to municipalities in connection with the prevention and control of water pollution; and

"Whereas the Honorable JOHN A. BLATNIK, a Member of Congress from the State of Minnesota, has proposed an amendment, H.R. 3610, to the Federal Water Pollution Control Act, which amendment provides for a more effective control and prevention of water pollution, and for increased financial aid to State and municipalities for such purpose, and is known as the Blatnik amendment to the Federal Water Pollution Control Act; and

"Whereas the President has named a nine-man advisory board to study the water pollution situation and make recommendations, which board has filed its report and recommendations, which recommendations are incorporated in H.R. 3610: Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That the Congress of the United States enact H.R. 3610, an amendment to the Federal Water Pollution Control Act; be it further

"Resolved, That the secretary of the State of Minnesota be instructed to transmit copies of this resolution to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Member of Congress from the State of Minnesota.

"E. J. CHILGREN,
"Speaker of the House of Representatives.
"KARL F. ROLVAAG,
"President of the Senate.

"Passed the house of representatives this 13th day of March 1959.

"G. H. LEAHY,
"Chief Clerk, House of Representatives.

"Passed the senate this 23d day of March 1959.

"H. Y. TORREY,
"Secretary of the Senate.

"Approved March 25, 1959.

"ORVILLE L. FREEMAN,
"Governor of the State of Minnesota.

"Filed March 25, 1959.

"JOSEPH L. DONOVAN,
"Secretary of the State of Minnesota."

A resolution of the Legislature of the State of Nebraska; to the Committee on Interior and Insular Affairs:

"LEGISLATIVE RESOLUTION 23

"Whereas recent decisions of the Federal courts and recent assertions from the U.S. Department of Justice have deprived States and persons of rights which said States and persons previously enjoyed to regulate and control the use of the water in the respective States; and

"Whereas said decisions and assertions are further a part of a general pattern developing gradually into Federal supremacy and usurpation over water which, if continued, will destroy individual and State rights over water and substitute in lieu thereof an all powerful centralized government control thereover: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in 69th session assembled:

"1. That the Congress and President of the United States and the Representatives of Nebraska in the Congress of the United States be, and they are hereby urged and requested to take all necessary action to (a) preserve the water rights of the individual and the States and to prevent Federal usurpation of those rights; (b) see that legislation is initiated and supported to recognize and protect rights of individuals and States which have been taken from them by the Federal courts and the Department of Justice; and (c) in every way possible, to reaffirm, renew, and defend the concepts that water rights are property rights and that established rights to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation.

"2. That certified copies of this resolution be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives of the United States, chairmen of the U.S. Senate and House Committees on Interior and Insular Affairs, U.S. Senator ROMAN L. HRUSKA, U.S. Senator CARL T. CURTIS, U.S. Representative PHIL WEAVER, U.S. Representative GLENN CUNNINGHAM, U.S. Representative DONALD F. MCGINLEY, and U.S. Representative LAWRENCE BROCK.

"DWIGHT W. BURNEY,
"President of the Legislature."

A concurrent resolution of the Legislature of the State of New York; to the Committee on Armed Services:

"RESOLUTION 89

"Concurrent resolution memorializing Congress to provide for the utilization of Camp Drum in Jefferson County on a year-round basis

"Whereas in recent years the facilities of the U.S. Army installation known as Camp Drum in Jefferson County in New York State, have been utilized only during certain months of each year; and

"Whereas the commanding general of the 1st Army and the commanding general of the Continental Army of the United States have recommended that training troops should be stationed at Camp Drum during the entire year; and

"Whereas the above-mentioned commanding generals as well as many other Army officers who are familiar with the situation have stated that the above stationing of troops at Camp Drum would not only be beneficial to the morale of the officers and troops who are trained there but would also improve their training and efficiency; and

"Whereas the carrying out of such recommendation would eliminate much shifting and transportation of troops and would not involve any increased expenditure of funds: Now, therefore, be it

"Resolved (if the senate concur), That the Congress of the United States be and it hereby is respectfully memorialized to take such action as may be necessary to provide that the above-mentioned Camp Drum shall be utilized and kept in operation during the entire year; and be it further

"Resolved (if the senate concur), That copies of this resolution be transmitted to the President of the United States, the Secretary of the Senate, the Clerk of the House of Representatives, and the Secretary of the Army and to each Member of Congress duly elected from the State of New York.

"By order of the assembly,

"ANSLEY B. BORKOWSKI,
"Clerk."

A joint resolution of the Legislature of the State of Washington; to the Committee on Public Works:

"HOUSE JOINT MEMORIAL 34

"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled, and to the Secretary of Commerce of the United States:

"We, your memorialists, the House of Representatives and the Senate of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas in order to facilitate the flow of traffic across the State of Washington from centers of population south of the city of Seattle to the central and southwestern parts of the State, and to the States of Idaho and Oregon it is urgently necessary that a second highway be improved; and

"Whereas there is no all-weather highway across the State of Washington on the National System of Interstate and Defense Highways; and

"Whereas primary State Highway No. 8 is an all-weather highway across the southern part of the State of Washington connecting the western part of the State with the eastern part; and

"Whereas said primary State Highway No. 8 would connect the National System of Interstate and Defense Highways in the vicinity of Toppenish westerly to a connection with the National System of Interstate and Defense Highways at Vancouver; and

"Whereas the headquarters of the 104th Reserve Infantry Division stationed in Vancouver, Wash., must use primary State highway No. 8 in going to and from Yakima, Wash., for its summer training; and

"Whereas primary State Highway No. 8 is so narrow and congested as to impair the defense of the State of Washington and the United States; and

"Whereas the lack of an adequate highway discourages industry from locating in the State; and

"Whereas the scenic beauty of the Columbia Gorge along the Columbia River due to the lack of an adequate highway may not be enjoyed to its fullest extent; and

"Whereas industry is discouraged due to lack of adequate highways in the Interstate System; and

"Whereas the third largest industry in the State of Washington is the tourist trade which would be impaired; and

"Whereas for the protection of the dams located on the Columbia an Interstate Defense Highway is needed; and

"Whereas it is believed that the intent of Congress in passing the new Federal Interstate Highway System was to encourage the free flow of commerce and people: Now, therefore, be it

"Resolved by the House of Representatives and the Senate of the State of Washington in legislative session assembled, That we respectfully memorialize and petition the President of the United States and the Secretary of Commerce of the United States to take whatever steps that may be necessary to designate Washington primary State Highway No. 8 as strategic, and to incorporate said primary State Highway No. 8 into the National Interstate and Defense Highway System; and be it further

"Resolved, That copies of this memorial be transmitted to the President of the United States, the Secretary of Commerce of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to

each Senator and Representative in Congress from the State of Washington.

"Passed the house March 6, 1959.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate March 7, 1959.

"JOHN A. CHERBERG,
"President of the Senate."

A joint resolution of the Legislature of the State of Washington; to the Joint Committee on Atomic Energy:

"HOUSE JOINT MEMORIAL 38

"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas in 1950 the Atomic Energy Commission condemned the Wahluke Slope irrigation project which is a substantial portion of the best part of the Columbia Basin irrigation project in the State of Washington. The land condemned for the most part, was acquired 30 or 40 years ago through homesteads by people who wanted it as a home for themselves and their families, and represents in value to these people in taxes and in interest, at least $150 per acre. The area condemned would have produced an income in excess of $20 million annually of new wealth for this State; and

"Whereas the Atomic Energy Commission has released 87,000 acres but as to the balance retained is attempting to avail itself of an antispeculation law enacted by Congress relating to the farm lands in the Columbia Basin area to prevent these Washington citizens from obtaining the fair market value of their land under condemnation. To date the Atomic Energy Commission has paid for only a minor part of the land taken. The Commission has adopted a policy of starving out the owners, even though a number of United States district court jury trials have established the fair market value of this land, and United States Supreme Court has upheld these decisions; and

"Whereas your memorialists feel that the Atomic Energy Commission is taking an unreasonably long time in compensating the owners for the value of their land; and

"Whereas since the condemnation of this land, many atomic installations have been constructed in heavily populated areas under the assurance from the Atomic Energy Commission that there is no danger to the population:

"Now, therefore, your memorialists respectfully petition that, if there is no danger in the Wahluke Slope area, the Atomic Energy Commission be directed to return the land to its owners. If the taking of the land continues to be necessary for the health, safety, or security of the United States, that the Atomic Energy Commission be directed to make prompt the payment for the land taken on the basis of land valuations fixed by the U.S. district court and jury.

"Be it resolved, That copies of this memorial be transmitted to the President of the United States, the Vice President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from the State of Washington.

"Passed the house March 1, 1959.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate March 9, 1959.

"JOHN A. CHERBERG,
"President of the Senate."

A joint resolution of the Legislature of the State of Wisconsin; to the Committee on Interstate and Foreign Commerce:

JOINT RESOLUTION 24

"Joint resolution memorializing Congress to utilize the shipbuilding facilities of Wisconsin and other States in the Great Lakes area

"Whereas the U.S. Maritime Commission and the Department of the Navy now specify that the delivery point for ships built under contract to them be at eastern or southern ports; and

"Whereas such delivery points make it impossible for Great Lakes shipbuilders to compete with eastern and southern shipbuilders; and

"Whereas there is a grave need for additional contracts to bolster the employment of skilled workers in the Great Lakes shipbuilding areas: Now, therefore, be it

"Resolved by the senate (the assembly concurring), That the legislature urge the Congress of the United States to assure the designation of a delivery point on the Great Lakes for ships built for the Federal Government in order to provide equality of opportunity to bid for such contracts; and be it further

"Resolved, That the Congress of the United States be asked to direct contracts for shipbuilding to Wisconsin shipbuilding yards which have a reputation for turning out fine, seaworthy vessels; and be it further

"Resolved, That copies of this resolution be submitted to the Secretary of the U.S. Senate, the Chief Clerk of the House of Representatives, and to each member of the Wisconsin delegation in Congress.

"GEORGE MOLINARO,
"Speaker of the Assembly.
"NORMAN COLINDEAU,
"Chief Clerk of the Assembly.
"PHILLIP UAL,
"President of the Senate.
"LAWRENCE R. LARSEN,
"Chief Clerk of the Senate."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on the District of Columbia:

"SENATE CONCURRENT RESOLUTION 57

"Concurrent resolution supporting the aspirations of the citizens of the District of Columbia for a measure of self-government

"Whereas the people of Hawaii have just been accorded the sacred privilege of enjoying all the rights and duties of full citizenship in the United States of America; and

"Whereas, it is the deep and sincere conviction of the people of Hawaii that all other citizens of the United States of America should be accorded as full participation in their government as possible; and

"Whereas the 826,000 Federal taxpaying residents of the District of Columbia, our Nation's Capital, have long lacked any voice in the government of the District and are without even a voteless Delegate to represent them in the Halls of Congress: Now, therefore, be it

"Resolved by the Senate of the 30th Legislature of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States be respectfully requested to give full support to measures now before it which would grant to the District of Columbia such status as will enable the citizens of the District to participate in their own governance; and be it further

"Resolved, That certified copies of this concurrent resolution be transmitted to the President of the United States and to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States."

The memorial of Halvor N. Hansen, of Orange Park, Fla., remonstrating against an administrative order by the Chief of Naval Operations which would discontinue the Naval Air Technical Training Center at Jacksonville, Fla.; to the Committee on Armed Services.

The petition of Hugh F. O'Neil, of Ogden, Utah, praying for the enactment of legislation to eliminate all appropriations for foreign aid; to the Committee on Appropriations.

The petition of Quirico Del Mar, of Cebu, Philippine Islands, relating to the payment in pesos, instead of dollars; the pensions of veterans of the Philippines in the last World War; to the Committee on Finance.

A resolution adopted by the Association of Life Underwriters, Kauai, T.H., relating to pensions of self-employed persons; to the Committee on Finance.

A resolution adopted by the Small Craft Harbors Commission, Department of Natural Resources, State of California, relating to inadequately treated sewage from Tijuana, Mexico; to the Committee on Foreign Relations.

The memorial of John J. Lockeby, of Macon, Ga., remonstrating against the enactment of House bill 1015, the anti-Government competition bill; to the Committee on Government Operations.

A resolution adopted by the Manhattan Beach Community Group, Inc., of Brooklyn, N.Y., protesting against the sale of the Manhattan Beach Training Station at Oriental Point, Brooklyn, N.Y.; to the Committee on Government Operations.

A resolution adopted by the steering committee of the Washington Metropolitan Regional Conference, Washington, D.C., favoring the enactment of the bill (S. 910) to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Government Operations.

The petition of Rufino Mendez, of the Bronx, N.Y., relating to the internal affairs of Puerto Rico, and so forth; to the Committee on Interior and Insular Affairs.

A resolution adopted by the City Council of the City of Minneapolis, Minn., relating to the reported cancellation by the Air Force of the Bethel Airport development in Minneapolis; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the Chamber of Commerce of the City of West Covina, Calif., favoring the enactment of legislation to provide for the elimination of racketeering and corruption in trade unions; to the Committee on Labor and Public Welfare.

A resolution adopted by Branch 20, National Association of Postal Supervisors, Pittsburgh, Pa., favoring the enactment of Senate bill 94, and House bill 208, providing for health and hospitalization insurance for Federal employees and their families; to the Committee on Post Office and Civil Service.

A resolution adopted by the Board of Supervisors of the County of Los Angeles, Calif., favoring the enactment of legislation to continue the Federal Aid Highway Act of 1956; to the Committee on Public Works.

GEN. ERNEST O. THOMPSON—RESOLUTION OF TEXAS SENATE

Mr. JOHNSON of Texas. Mr. President, for many years we Texans have looked to Gen. Ernest O. Thompson for leadership in many areas of our public life.

General Thompson's knowledge of mineral resources and conservation is legendary. His service to the Texas National Guard, to the American Legion, and to the World Congress for Allied Veterans has been equally outstanding.

On March 24 the Texas Senate adopted a resolution expressing their congratulations to General Thompson on his birthday. The spirit of that resolution is shared by millions of Americans.

Mr. President, I ask unanimous consent that this resolution of the Texas Senate be printed at this point in the body of the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 235

Whereas Lt. Gen. Ernest O. Thompson has passed another milestone in a long and illustrious career of public service to Texas and to the Nation as he celebrates the anniversary of his birth on March 24, 1959; and

Whereas as chairman of the Texas Railroad Commission his wisdom and courage have contributed to the prosperity of Texas, and as a representative of the United States at four sessions of the World Petroleum Congress, his leadership and knowledge have secured economic progress for all nations; and

Whereas he has long been a leader in the Texas National Guard, an internationally known figure in the American Legion and World Congress for Allied Veterans, and a champion of freedom for all peoples; and

Whereas he is a beloved Texan of superior intelligence with special faculties for effective performance and with a natural gift for expert and skillful relations with other people: Now, therefore, be it

Resolved, That the Senate of Texas congratulate Lt. Gen. Ernest O. Thompson on this anniversary of his advent into the world with deep respect and sincere appreciation for his contributions to his State and country.

BEN RAMSEY,
President of the Senate.

I hereby certify that the above resolution was adopted by the senate on March 24, 1959.

CHARLES SCHNABEL,
Secretary of the Senate.

FEDERAL AID TO EDUCATION—JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, House Joint Memorial No. 2 of the Oregon Legislature resolves that the Congress of the United States is urged to provide and pass legislation giving grants to the various States on the basis of each State's school-age population, providing funds for the use of the States for the assistance of elementary and secondary public school education. It further resolves that Oregon Members of the Congress promote and support such legislation.

As a cosponsor of S. 2, the Murray-Metcalf bill, I am delighted to enter this Oregon legislative memorial into the CONGRESSIONAL RECORD.

Let the RECORD also show that it was in 1947 that the senior Senator from Oregon first helped draft an aid-to-education bill, one that was subsequently passed by the Senate. I have worked continuously ever since, sometimes when there was not much support for it in the Senate, for a Federal grant program for education.

This resolution from my State legislature is welcome because it indicates the growing recognition among State and local authorities that they simply do not have the revenue-raising powers to cope with the Nation's need for a good education program. Good education has become a national, as well as a local responsibility insofar as financing it is concerned. I pledge to my State legislature and the people of Oregon that I shall pursue my efforts to promote the enactment of S. 2 in every way I can.

I ask unanimous consent that the joint resolution may be printed in the RECORD and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Labor and Public Welfare, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE JOINT MEMORIAL 2

To His Excellency, the Honorable Dwight D. Eisenhower, President of the United States, and to the Honorable Senate and House of Representatives of the United States of America, in Congress assembled, and to the Oregon Members of these legislative bodies:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas increasing school costs are imposing a steadily increasing burden upon the taxpayers of the State of Oregon; and

Whereas the present tax collection policies of the Federal Government fall heavily upon State and local sources, with little corresponding return to the State for the assistance of public school education; and

Whereas under such taxation policies the Federal Government should assume its rightful obligation to the preservation of our American way of life by assisting the cause of education; and

Whereas the Soviet Government poses a real and terrible threat to the leadership and existence of the free world through its accomplishments in the field of science; and

Whereas added financial resources will be needed by our States and local communities to enable them to maintain an educational program not only to compete with the Soviet Government in the field of science, but also to explore and solve the basic problems of living and leading in a world teetering on the brink of atomic catastrophe; and

Whereas the Federal Government has vastly superior taxing powers, and it is the announced policy of both major political parties that the Federal Government should contribute moneys to the support of local elementary and secondary education: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon, (the Senate jointly concurring therein): That the Congress of the United States is hereby urged to provide and pass legislation giving grants to the various States on the basis of each State's school-age population, providing funds for the use of the States for the assistance of elementary and secondary public school education; be it further

Resolved, That the Oregon Members of the U.S. Senate and House of Representatives promote and support such legislation; be it further

Resolved, That His Excellency, the President of the United States, is hereby urged that he give such legislation his full support and leadership, and that he use the full influence and resources of his great office to insure the passage of this legislation; and be it further

Resolved, That the chief clerk of the house of representatives be and hereby is directed to send a copy of this memorial to the Honorable Dwight D. Eisenhower, President of the United States, to the President and Chief Clerk of the U.S. Senate, to the Speaker and the Chief Clerk of the House of Representatives of the United States, and to all members of the Oregon congressional delegation in the Congress of the United States.

Adopted by house February 16, 1959.
Readopted by house March 16, 1959.

RUTH E. RENFROE,
Chief Clerk of House.
ROBERT B. DUNCAN,
Speaker of House.

Adopted by senate March 12, 1959.

WALTER J. PEARSON,
President of Senate.

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Oregon identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.)

TOLL-FREE OPERATION OF PORTLAND-VANCOUVER INTERSTATE BRIDGE—JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, the text of the Oregon House Joint Memorial No. 4. This memorial which was adopted by the House and the Senate of the Legislative Assembly of Oregon, urges Congress to take legislative action to assure continuation of the operation of the Portland-Vancouver interstate bridge as a toll-free portion of the Interstate Highway System, and that the cost of the bridge improvement be paid from Federal gasoline taxes and other revenues applicable to the Interstate Highway System.

There being no objection, the joint resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE JOINT MEMORIAL 4

To His Excellency, the Honorable Dwight D. Eisenhower, President of the United States, and to the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas U.S. Highway 99 crosses Washington, Oregon, and California extending from Canada to Mexico as a truly interstate, interregional, and international highway; and

Whereas U.S. Highway 99 has been designated as an integral portion of the new "National System of Interstate and Defense Highways," commonly known as the Interstate Highway System; and

Whereas there is now no toll road, toll bridge, or other toll charge anywhere along this important throughway; and

Whereas the brunt of the toll charges at the Portland-Vancouver interstate bridge would fall on workers who must daily commute to their jobs; and

Whereas section 109 of the Federal Highway and Highway Revenue Acts of 1956 (Public Law 627, approved June 29, 1956) provides in part as follows:

"It is hereby declared to be the intent and policy of the Congress to equitably reimburse those States for any portion of a highway which is on the Interstate System, whether

toll or free, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957 and such highway meets the standards required by this title for the Interstate System. It is also declared to be the policy and intent of the Congress to provide funds necessary to make such reimbursements to the States as may be determined": Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the Senate jointly concurring therein), That the President of the United States recommend, and the Congress of the United States enact, legislation clarifying the provisions of the Federal Highway and Highway Revenue Acts of 1956 for the purpose of having that portion of the Interstate Highway System known as the Portland-Vancouver Interstate Bridge continued to be operated as a toll-free bridge, and that the costs of improving navigation on the Columbia River and improving the existing highway be borne and paid for out of funds provided by the Congress from gas taxes and other revenues for the Interstate Highway System, and be it further

Resolved, That copies of this memorial be transmitted to the President of the United States, Secretary of the U.S. Senate, Clerk of the U.S. House of Representatives, and to each member of the Oregon congressional delegation.

Adopted by house February 25, 1959.
Readopted by house March 17, 1959.

RUTH E. RENFROE,
Chief Clerk of House.
ROBERT R. DUNCAN,
Speaker of House.

Adopted by senate March 13, 1959.

WALTER J. PEARSON,
President of Senate.

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Oregon, identical with the foregoing, which was referred to the Committee on Public Works.)

CONSTRUCTION OF ACCESS ROADS IN NATIONAL FORESTS—JOINT RESOLUTION OF OREGON LEGISLATURE

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the RECORD and appropriately referred, the text of Oregon Senate Joint Memorial 3. This memorial, which was adopted by the Oregon Legislative Assembly in mid-March, expresses the sense of the Oregon Legislature that the Congress appropriate for the construction of access roads in our national forests the full amount of the $30 million authorized for appropriation under existing law for fiscal 1960, and that $19,500,000 be appropriated by Congress for Operation Outdoors for the coming fiscal year.

I may say, Mr. President, that the people of the West know full well that this administration has not been for the full development of the West. These two programs have received consistent support and interest in the Congress. The House of Representatives, in acting upon the President's budget, increased the funds available for timber access roads to $27 million. It is my hope that the Senate will provide the full authorization.

In Operation Outdoors the administration, after announcing the program in 1957, has consistently failed to ask for the full amount needed. Last year the Congress found it necessary to add funds, and it is my hope that this year the Congress will again help better fulfill the needs that exist.

It is not my intention today to discuss the capital budget legislation which I and other Senators are sponsoring. I do want to point out, however, that the access road program is an absolutely clear example of a capital budget-type item. It is an investment made by the Government which is not only recaptured with interest, but also enhances the value of the Federal demand, and generates direct revenues as well as indirect benefits.

It is penny wise and pound foolish to hold back this vital program.

There being no objection, the joint resolution was referred to the Committee on Appropriations, and, under the rule, ordered to be printed in the RECORD, as follows:

SENATE JOINT MEMORIAL 3

To His Excellency, the Honorable Dwight D. Eisenhower, President of the United States, and to the Honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the 50th Legislative Assembly of the State of Oregon, in legislative session assembled, most respectfully represent as follows:

Whereas the economy of the State of Oregon is largely based on timber and recreation; and

Whereas the national forests of the United States contain the key timber supply and recreational resources within the State of Oregon; and

Whereas the economy and welfare of the State of Oregon are therefore dependent upon the quality of the management of the national forests; and

Whereas sound management of the national forests requires adequate financing; and

Whereas at hearings conducted by the Subcommittee on Public Roads of the Committee on Public Works of the U.S. Senate in December 1957, in Oregon, and at other points throughout the Western States, Members of the U.S. Senate and House of Representatives, authorized officers of the U.S. Forest Service, representatives of State and local governments and knowledgeable citizens of the Western States unanimously agreed that proper management of the national forests for the most effective and efficient development of their recreational and timber resource requires the development of a permanent access road system within such national forests; and

Whereas the budget presented by the executive branch of Congress for its consideration requires appropriations for this purpose that are substantially below the sum that only 1 year ago Congress authorized to be appropriated for the fiscal year commencing July 1, 1959; and

Whereas the said budget requires an appropriation of only $8,500,000 to finance Operation Outdoors, the 5-year plan announced by the U.S. Department of Agriculture for modernizing and expanding recreational facilities in the national forests to meet the heavily increasing use made of the national forests by our citizens for recreation; and

Whereas such plans for successful completion of Operation Outdoors specifically contemplated that an appropriation of $19,500,000 would be required for the fiscal year commencing July 1, 1959: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the House of Representatives jointly concurring therein), That the Congress of the United States is hereby urged to appropriate for the construction of access roads in the national forests during the fiscal year commencing July 1, 1959, the full amount of $30 million that is authorized therefor by law; be it further

Resolved, That the Congress appropriate for Operation Outdoors the full amount of $19,500,000 previously agreed upon as a necessary expenditure during the fiscal year commencing July 1, 1959; be it further

Resolved, That the Oregon Members of the U.S. Senate and House of Representatives be asked to promote and support such appropriations; and be it further

Resolved, That copies of this memorial be sent to the Honorable Dwight D. Eisenhower, President of the United States; to the President and the Chief Clerk of the U.S. Senate; to the Speaker and the Chief Clerk of the House of Representatives of the United States; and to all members of the Oregon congressional delegation.

Adopted by senate March 10, 1959:

MEDA COLE,
Chief Clerk of Senate.
WALTER J. PEARSON,
President of the Senate.

Adopted by house March 13, 1959:

ROBERT B. DUNCAN,
Speaker of House.

(The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Oregon, identical with the foregoing, which was referred to the Committee on Appropriations.)

RESOLUTION OF WISCONSIN FARMERS UNION

Mr. WILEY. Mr. President, I have received a resolution from the Wisconsin Farmers Union, which has its office in Chippewa Falls, Wis., my home city. I ask unanimous consent that the resolution be printed in the RECORD and be appropriately referred.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY WISCONSIN FARMERS UNION AT ANNUAL CONVENTION FEBRUARY 22–24, 1959—PRICE-SPREAD INVESTIGATION

Whereas there is a great difference in the amount of money received by the farmer for his products as compared to the amount of money that the consumer pays; and

Whereas the farmer's share of the consumer's dollar is getting less and less; and

Whereas there are excessive price spreads, increases, and profiteering in business and industry causing the present high cost of living: Therefore be it

Resolved, That the delegates attending the 28th annual Wisconsin Farmers Union convention at Wausau, Wis., February 22–24, 1959, go on record requesting the Congress of the United States that it conduct an investigation into the cause of the widening price spread between the farmer and the consumer, and the excessive profit-taking in business and industry, for the purpose of formulating legislation to be acted upon by the Congress to correct these abuses; and be it further

Resolved, That a copy of this resolution be sent to our U.S. Senators ALEXANDER WILEY and WILLIAM PROXMIRE and to all Wisconsin Congressmen.

RESOLUTIONS OF UPPER MISSOURI ELECTRIC COOPERATIVE, SIDNEY, MONT.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted at the annual meeting of the members of the Upper Missouri G. & T. Electric Cooperative, held at Sidney, Mont., on March 17 and 18, 1959.

There being no objections, the resolutions were ordered to be printed in the RECORD, as follows:

I

Whereas the Upper Missouri G. & T. has heretofore urged the Senate Committee on Interior and Insular Affairs to take such steps as were deemed necessary to forestall approval by the Secretary of the Interior of a power pooling contract prepared by the Eastern Missouri Basin Power Conference of Minneapolis, Minn.; and

Whereas we are informed that a sixth draft of a proposed power pooling agreement is now being circulated to interested participants in the Missouri Basin by the chairman of a special contract committee, who is an employee of the Bureau of Reclamation; and

Whereas there has not been a showing made by official report from the Department of Interior as to the benefits that are expected to accrue to the Federal Government, both in terms of dollars of additional power revenue and additional firm power made available for sale to preference customers: Now, therefore, be it

Resolved, That the chairman of the Senate Committee on Interior and Insular Affairs does again request the Secretary to defer further action on this power pooling agreement until there can be completed and placed in the hands of the committee and all of the preference customers in the Missouri Basin, a complete, comprehensive and official report from the Secretary of the Interior, setting forth in detail, the specific benefits that are expected to accrue to the Federal Government and the preference customers, both in the form of dollar of additional revenues and increased firm power supply, with all such conclusions backed up by engineering facts and figures which can be verified by independent review and that pending the completion of such report, that no additional staff time of the Bureau of Reclamation employees be devoted to furtherance of the gaining of consents and approvals for the power pool agreement in the Missouri Basin.

II

Whereas Nebraska has offered to sell the Bureau of Reclamation winter firm power in ample quantity to furnish all the customers in the Missouri Basin their needs through 1963, which power can be purchased under the Fort Peck Act: Now, therefore, be it

Resolved, That we request the Bureau to immediately start negotiations for the purchase of this power from Nebraska, that all customers in the Missouri Basin will receive all of their requirements as preference customers through 1963, in order that the preference customers may have time to make the necessary arrangements for ample power after 1963 when the new allocation of power which is now in progress of being allocated is completed; and be it further

Resolved, That a copy of this resolution be forwarded to Secretary of Interior Seaton, Assistant Secretary of Interior AANDAHL, Senator MURRAY, Senator MANSFIELD, Senator LANGER, Senator YOUNG, Representative ANDERSON, Representative METCALF, Representative BURDICK, and Representative SHORT.

III

Whereas we hereby endorse Senate Resolution 71 which has been introduced by Senators MURRAY, CARROLL, and NEUBERGER to investigate the water and power problems of the United States: Therefore be it

Resolved, That we urge the Senate to approve Resolution 71; and now be it further

Resolved, That we send copies of this resolution to Senators MURRAY, CARROLL, NEUBERGER, YOUNG, LANGER, and MANSFIELD.

IV

Whereas it is becoming increasingly difficult for consumer-owned electric cooperatives to obtain satisfactory service and use of the existing federally owned, as well as privately owned transmission facilities which by law should be dedicated to public service; and

Whereas the use of such transmission facilities, and especially the excess capacity thereof, is becoming more and more essential to the survival of such cooperatives: Now, therefore, be it

Resolved by the Upper Missouri G. & T. Electric Cooperative, Inc., at its annual meeting duly assembled, That this federation respectfully urges the passage of H.R. 3142, in order to assure the maximum use of such facilities by the consumer-owned electric cooperatives: be it further

Resolved, That copies of this resolution be sent to the Senators and Representatives of the State of Montana and North Dakota, as well as to the chairmen of the appropriate committees of the House and Senate.

V

Whereas we commend the action taken by the National Rural Electric Cooperatives Association in assisting electric cooperatives and public power groups that have been threatened by sellouts to power companies: Be it therefore

Resolved, That we urge the National Rural Electric Cooperatives Association to explore the idea of setting up a task force to assist the electric cooperatives and public power groups being attacked.

VI

We recommend the executive committee of Upper Missouri G. & T. to—

1. Explore the possibility of a 230-kilovolt line from the Bonneville Power Administration to the Bureau of Reclamation.

2. Check on the Rocky Point power site on the Missouri River.

VII

Whereas we recognize the tremendous job the executive board and personnel of Upper Missouri G. & T. have done for our organizations, we wish to express our wholehearted appreciation by a rising vote of thanks.

RESOLUTION OF ADELPHOTIS ARAHOVITON KARYAE

Mr. JOHNSTON of South Carolina. Mr. President, in March 1944 the ravages of World War II struck the small town of Karyae Laconias, Greece. The city was burned and its 1,800 inhabitants were rendered homeless. I am advised that some 110 of these inhabitants were either executed or died as a result of the conflict being extended in Greece.

Many of the good people who survived this frightful disaster of war have, since the close of hostilities, emigrated to the United States. Many are now naturalized American citizens. A substantial portion of them settled in North and South Carolina. A considerable number live, as neighbors and friends of mine, in Spartanburg, S.C. They have organized themselves into a society or group known as Adelphotis Arahoviton Karyae.

Recently I received a resolution from Mr. George N. Harakas, president of the Karyae. I desire this resolution to appear in the RECORD following my remarks, and ask unanimous consent that it may.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I am concerned and have great sympathy for these unfortunate victims of the aggressive and brutal warfare conducted by Hitler and his Nazi forces. Their plight is such as to compel our most considerate attention. These constituents of mine write me because I am serving as chairman of the Trading With the Enemy Act Subcommittee of the Committee on the Judiciary. This subcommittee, as Senators will recall, is charged with the responsibility of examining and reviewing legislation affecting vested assets and war claims legislation.

The principal appeal in the resolution is for the enactment of legislation to provide damages for the losses sustained by the members of Karyae. One paragraph of the resolution also is directed against the return of vested assets or their proceeds until the valid claims of all American citizens are satisfied and paid in full. Since the adoption of this resolution, the subcommittee and I have received a number of personal letters from my Greek-American friends in North and South Carolina. These letters give in detail the losses sustained. They arouse within me deep emotion. It is difficult at times for us and them to separate in our minds the distinction between vested assets and the obligation of the German Government to make full and complete restitution for the brutal and inhuman acts of its former dictator government under Hitler.

Our Government has no seized or vested assets belonging to the Hitler government. We have the proceeds of the vested assets of several hundred thousand German citizens, many of whom having faith and confidence in our constitutional protection, our free way of life, and our free institutions placed their earnings and investments here. I have been reliably informed that many of them sought the security of the United States for their property in order to place it beyond the greedy control of Hitler. Many, I am told, invested here to prevent Hitler from confiscating their properties.

There is another factor relating to vested assets which we must not overlook. A very substantial portion of the vested German assets consists of American owned and earned properties. These consist of decedent and trust estates, as well as guardianship estates. The greater part of these vestings and seizures have taken place since the close of hostilities in 1945. Seizures continued until April 17, 1953, at which time the President by informal order directed that there be no more vesting or seizure of alien property.

To use these vested assets to pay American war damage claims would result in the confiscation of the private property of a few to satisfy the obligation of the many. There are about 60 million people in West Germany. Included among the vested properties in

the United States of the several hundred thousands of Germans are properties of thousands of American citizens whose estates were bequeathed and devised to their relatives abroad.

I have repeatedly contended that it is not in our interest as Americans to adopt the Communist principle that there is no sanctity to private property. Why? There are two obvious reasons: First, we have spent billions upon billions in our foreign aid and overseas defense programs to spread and maintain our American free way of life throughout the world. This expenditure which causes the heavy tax burden we all bear will have been useless indeed should we adopt the Russian concept of property rights and should travel down the road of confiscation. Secondly, the United States is the largest creditor nation in the world. Our citizens have more investments in foreign countries than the citizens of all the rest of the free world combined. If the United States should adopt a program of confiscation, we would imperil every investment of every American abroad. We, who set the moral and business tone of the world, simply cannot, in our own interest, be guilty of confiscating the property of a few to satisfy the obligation belonging to the many.

In the light of what I have just said, I have had to relate to my friends a hard fact of international law followed by our Government. Our Government as a rule will pay damages only to American citizens who were citizens at the time of their loss. Our Government does not and cannot assume the obligations of another government. The government to which these citizens owed their allegiance is responsible for the presentation of such claims. Until there is some modification of such rule of international law, it is my conviction that any bill which would require the United States to assume the burden of claims in this category would meet with Executive disapproval. While many thousands of newly made citizens are adversely affected by this rule of law, I cannot possibly see how a change in it can be expected.

Human suffering and loss appeal to us. They have great appeal to me, but this appeal has to be tempered by the factors I have related and the abilities of our Government in its consideration of them. Difficult as it is at times to make the necessary distinctions involved, we must do so unless we wish to open a Pandora's box full of intricate and insoluble problems.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION BY ADELPHOTIS ARAHOVITON KARYAE

Having before us that the birthplace of our first generation, Karyae Laconias, Greece was completely burned down and destroyed by the German occupying forces in Greece in several raids and in the final raid of March 1944, rendered 1,800 of its inhabitants homeless and more than 110 executed or died from the brutalities of these forces, and also having the report of the special committee for the rehabilitation of Karyae that to this date and although more than 15 years have elapsed no remedial act by the Congress has been enacted: Be it

Resolved unanimously by the Adelphotis Arahoviton Karyae with its headquarters in Gastonia, N.C., and with members in every State of the Union and Canada, in a general meeting assembled on this the 15th day of February 1959, That the Congress of the United States and particularly the Subcommittee of the Judiciary on Trading With the Enemy Act headed by the most Honorable OLIN D. JOHNSTON the Senator from South Carolina, be respectfully requested to act upon the several bills submitted and succeed in having an act enacted in this session of the Congress providing full compensation to American citizens and members of their immediate families who were either executed, imprisoned or have suffered loss or damage to their real or personal property located in Greece by the German occupation forces during World War II; be it further

Resolved, That besides the real property that has been burned down these damages shall include clothing and furniture which were either looted by the truckload and were sold in the black market or shipped to Germany or were completely destroyed with their homes despite the international law; be it further

Resolved, That this act shall include all American citizens on the day of the enactment of such act and thus provide compensation for those who were rendered homeless and were forced to emigrate to the United States under the Refugee Relief and the Displaced Person Acts and who have since their arrival here become naturalized American citizens; be it further

Resolved, That no monies or properties or other vested assets be returned to Germany or others before or until all valid claims of American citizens are fully satisfied and paid in full.

George P. Diamaduros, General Secretary; George N. Harakas, President; Peter J. Mandanis, Chairman of the Committee; Geo. N. Harakas; Gus N. Trakas; Dr. Perry N. Trakas; Geo. Bofotes; Pete Kleitcher; G. K. Karegeannes; James G. Leventis; Andrew Kalangis; Somedeher; James Couchell; James G. Boukedes.

RESOLUTIONS OF ORGANIZATIONS OF STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD sundry resolutions adopted by organizations of the State of New York.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION CONCERNING BALANCED FEDERAL BUDGET

Whereas the Government has been spending beyond its income for many years; and

Whereas the mounting Federal debt weakens a sound fiscal structure most conducive to security and progress; and

Whereas continued borrowing must be paid for later at up to 150 percent of the amount, thereby lessening the prospect of any foreseeable relief in taxation, and saddling our children and our children's children with extra indebtedness; and

Whereas spending beyond our means sets up pressures of undue inflation under which everyone suffers; and

Whereas our debt should be kept manageable to provide for an abnormally heavy debt increase in case of national emergency or economic distress:

Therefore the Newark Chamber of Commerce strongly urges that the Federal budget be balanced now and that, excepting adequate national defense, this goal should have precedence at this time over any nonvital increases in budgetary items and over any new spending program or programs, desirable as they might be.

Adopted February 24, 1959.

JOHN D. MEYERS,
Secretary-Treasurer, Newark, N.Y., Chamber of Commerce.

HOLIDAYS ESTABLISHED BY STATE LAW

Whereas the Veterans of Foreign Wars are always urging the American public, not only to vote, but also to get others out to vote on election day;

Whereas private industries in many areas give their employees time off for voting;

Whereas New York State is liberal in giving its employees time off for voting;

Whereas postal employees must vote before or after working hours: Therefore be it

Resolved, That postal employees as well as Federal employees be given sufficient time off to vote on election day as embodied in the bill S. 118 introduced by Senator JACOB K. JAVITS on January 9, 1959; and be it further

Resolved, That Adrean-Smith, D.S.C. Post 368 of the Veterans of Foreign Wars, go on record endorsing S. 118 and a copy of this resolution be sent to Senators JACOB K. JAVITS and KENNETH B. KEATING and to Congressman ALEXANDER PIRNIE advising them of our action; be it finally

Resolved, That three copies of this resolution be sent to the Mohawk-Adirondack Counties council seeking their endorsement and support.

Respectfully submitted.

EDWARD J. GEORGE,
Senior Vice Commander, Adrean-Smith D.S.C. Post 368, VFW.

RESOLUTION OF HOLY NAME SOCIETY, CHURCH OF ST. ANDREWS AVELLINO, FLUSHING, LONG ISLAND

Whereas the Federal Bureau of Investigation has been a bulwark of our country in Federal law enforcement and against subversion; and

Whereas its effectiveness has been endangered by hampering restrictions; and

Whereas it is being subjected to a campaign of vilification;

Resolved, That we commend the Federal Bureau of Investigation and oppose any further diminution of its powers and urge the passage of appropriate legislation restoring its former effectiveness so that it may properly function to insure our Nation's safety.

HOLIDAYS ESTABLISHED BY STATE LAW—RESOLUTION OF LOCAL 1820, UTICA, N.Y., NATIONAL FEDERATION OF POST OFFICE CLERKS

Whereas it is the duty of all American citizens not only to vote, but also to get others out to vote on election day;

Whereas private industries in many areas give their employees time off for voting;

Whereas New York State is liberal in giving its employees time off for voting;

Whereas postal employees must vote before or after working hours: Therefore be it

Resolved, That postal employees as well as Federal employees be given sufficient time off to vote on election day as embodied in the bill S. 118, introduced by Senator JACOB K. JAVITS on January 9, 1959; and be it further

Resolved, That local 1820, of the National Federation of Post Office Clerks go on record endorsing S. 118 and a copy of this resolution be sent to Senators JACOB K. JAVITS and KENNETH B. KEATING and to Congressman ALEXANDER PIRNIE, advising them of our action; be it finally

Resolved, That a copy of this resolution be sent to our State and National officers seeking their endorsement and support.

Respectfully submitted.

EDWARD GEORGE,
Past President, Local 1820, National Federation of Post Office Clerks.

RESOLUTION 41—SUPPORT OF LOCAL INDUSTRY

Whereas an agency of our Federal Government has recently awarded a contract for a large steam turbine generator to a foreign firm; and

Whereas many of the employees of the Schenectady plant of the General Electric Co., are residents of Schoharie County; and

Whereas the economy of this county and of all other areas adjacent to Schenectady have been adversely affected by the aforesaid award, and would be adversely affected by any future awards of this nature; and

Whereas the defense effort and capability of our country will be deterred by any future awards of this nature: Therefore, be it

Resolved, That it is the opinion of the Schoharie County Board of Supervisors that appropriate legislation be adopted whereby agencies of our Federal Government would be required to confine the award of contracts to domestic firms when such action will be in the best interests of the economy and defense of our country; and be it further

Resolved, That the clerk of the board of supervisors be and he is hereby directed to forward copies of this resolution to Hon. Dwight D. Eisenhower, President of the United States, Senator Jacob Javits, Senator Kenneth Keating, Congressman Ernest Wharton, Congressman Samuel Stratton, and to the clerks of the boards of supervisors of the counties of Schenectady, Albany, Montgomery, Rensselaer, Saratoga, Fulton, Otsego, Greene, and Delaware.

Dated March 20, 1959.

Filed March 20, 1959.

STANLEY A. FRANCE,
Clerk.

Approved as to form and legality.

JOHN S. MAUHS,
Schoharie County Attorney.

RESOLUTION UNANIMOUSLY PASSED BY ST. GEORGE COMMANDERY NO. 41, KNIGHTS OF ST. JOHN, AT ITS REGULAR MEETING, JULY 1, 1954

Whereas the St. George Commandery No. 41, Knights of St. John, an organization of Catholic men dedicated to Christian principles and the practices of civic duties for the betterment of all mankind; and

Whereas it has been brought to our attention that various goods manufactured and produced in Communist and Communist satellite countries have been exported to the United States for sale and distribution to its citizens; and

Whereas communism is atheistic and its philosophy opposed to the American way of life and its objective is the destruction of our form of government; and

Whereas we as knights and as citizens of the United States believe that any trade with these mentioned countries is not only harmful to the American way of life; but that it also helps to keep the peoples of those countries under tyrannical rule: Now, therefore, be it

Resolved, That the St. George Commandery No. 41, Knights of St. John, condemns any trade with Communist and Communist satellite countries by the United States of America; and be it further

Resolved, That the Government of the United States be urged to cease at once any trade with Communist or Communist satellite countries; nor to enter into any future trade contracts with any countries whose government subscribes to communism and its godless objectives of world revolution and the enslavement of mankind; and be it further

Resolved, That copies of this resolution be sent to the Hon. Dwight D. Eisenhower, President of the United States; Hon. John Foster Dulles, Secretary of State; Hon. Harold E. Stassen, Director of the Mutual Security Administration; Hon. Alexander Wiley, chairman of the Senate Foreign Relations Committee; Hon. Robert Chiperfield, chairman of the House Foreign Affairs Committee; Hon. Irving M. Ives; Hon. Herbert H. Lehman, and the Honorable William R. Williams.

Passed unanimously July 1, 1954.

Certified to by:

FRANCIS C. PLETL,
Secretary.

RESOLUTION OF NATIONAL COMMITTEE OF AMERICANS OF POLISH DESCENT

The National Committee of Americans of Polish Descent at its 17th annual convention, held at Newark, N.J., on November 29 and 30, 1958, while examining the situation of world affairs, resolved:

"What President Eisenhower said in his speech of September 11 was a confirmation of the principles which the National Committee of Americans of Polish Descent has been advocating for long years; namely, that concessions to Communist powers are the last thing that will open the road to a lasting peace.

"The President recalled Munich as the symbol of a futile hope of appeasing dictators. He also reminded the world that Hitler, Mussolini, and Japan had attacked various countries unopposed while the Western democracies were keeping aloof because of their fear of a war, which eventually came about precisely as a result of concessions to and retreats from the aggressors. Had the great democracies taken a firm stand from the very beginning, there would not have been a World War II.

"The President, however, failed to mention the agreements concluded in Teheran and Yalta; the concessions made there to Russia by President Roosevelt, his advisers, and Great Britain's Prime Minister Churchill, were but another Munich meant to appease Communist Russia by abandoning to her domination the countries of Central and Eastern Europe. This was a grave political error committed under the pressure of Stalin's expansionist aims.

"The United States and the whole democratic world are now paying for that error which allowed Russia to become a hard-to-defeat military power. What the President said about Fascist dictators became true once more: emboldened by their successes, the Communist dictators are reaching for one country after another; appeasement tactics have failed; and the world continues to hover on the brink of war.

"There is some consolation in the fact that these bitter lessons have not been forgotten, since, in the concluding part of his speech, the President stated that a "Far Eastern Munich" could not buy us peace or security and would only encourage the aggressors.

"The present firm policy of the United States in the Middle and Far East is the only right answer to Communist schemes and threats. We welcome that favorable change in the State Department's political thinking, since we know that the only thing the Communists fear and respect is force.

"Nevertheless, we believe that a fundamental change in political thinking of the Western democracies under U.S. leadership would require them to insist on a withdrawal of Soviet armies to Russia's 1939 border and on the liberation from Communist domination of the countries of Central and Eastern Europe; free of that domination, these countries would become a safety zone protecting the Western World from Communist expansion."

We sincerely hope that you will give this resolution serious consideration.

Respectfully yours,

NATIONAL COMMITTEE OF AMERICANS OF POLISH DESCENT,
GEORGE BRAYNACK, *President.*

REPORT ENTITLED "THE FEDERAL GOVERNMENT'S FOREIGN LANGUAGE TRAINING PROGRAMS" (S. REPT. NO. 153)

Mr. HUMPHREY. Mr. President, I submit a report from the Senate Committee on Government Operations entitled "The Federal Government's Foreign Language Training Program." I ask unanimous consent for this document to be filed as a Senate report.

Mr. President, this staff study conducted by the Subcommittee on Reorganization and International Organizations, of which I am chairman, points up emphatically the grave deficiencies existing in the training of linguists vitally needed to win the cold war. I commend it to the attention of every Member of this body.

As a nation we find ourselves deplorably unprepared linguistically, either to defend ourselves in the event of a third world war, or to exercise the full force of our leadership in the building of a peaceful world. The sad fact is, while we are trying to win friends all over the globe, we cannot communicate with three-fourths of the world's population in their native tongue.

The Soviet Union today is placing great emphasis on foreign language training. We see the results in the effective Communist infiltration and the successful winning over of countries once considered friendly to the United States. In the opinion of many, the relative success of the Russian effort is not due to the magnanimity of its foreign aid program or to the cunningness of its political agreements. The Russians through their linguistic capabilities are better able to communicate with populations of the world, and are thus better able to win their allegiance and to influence them.

A start has been made by the Congress to revitalize foreign language training in America by enactment of the National Defense Education Act of 1958, which provides training institutes for teachers, foreign language centers for students, and for research studies of the existing needs. This, however, is but the beginning of a vastly expanded program necessary to give the United States the linguistic capacity it must have in the years ahead.

The exigencies of the situation demand that immediate emphasis be given to improving the language fluency of our Foreign Service Officers, our military personnel, the members of our economic missions, and the hundreds of thousands of others who are serving the U.S. interests abroad. This is of the highest urgency because these skills are needed—not tomorrow—but now.

It has been demonstrated that with the tested training techniques developed by the Foreign Service Institute, the Army Language School at Monterey,

Calif., and certain private institutions, such as Syracuse University, the Government can greatly improve the capabilities of its oversea representatives, at least in vital areas, in a relatively short period of time, provided these programs are given expanded support from the highest levels down. This, in my opinion, we must do without delay.

It is time we give full recognition to the indisputable fact that foreign language training is indispensable to our military effort, to our diplomatic successes, to our oversea economic programs, and, without question, the key to our ability to win friends throughout the world. It is high time that we do something about it.

The VICE PRESIDENT. The report will be received and printed.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Ellis O. Briggs, of Maine, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Greece; and

Carl W. Strom, of Iowa, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of Bolivia.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Texas (for himself and Mr. BRIDGES):

S. 1582. A bill to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes; to the Committee on Aeronautical and Space Sciences.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING (by request):

S. 1583. A bill for the relief of Yom Tov Yeshayahu Brisk; and

S. 1584. A bill for the relief of Sang Jun Lee (Thomas Lee Orzehowski); to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1585. A bill to amend the Communications Act of 1934 in order to provide that the equal time provisions with respect to candidates for public office shall not apply to news and other similar programs; to the Committee on Interstate and Foreign Commerce.

S. 1586. A bill for the relief of May Hourani;

S. 1587. A bill for the relief of John R. Tankersley and Doris Tankersley; and

S. 1588. A bill for the relief of Mrs. Hunter Lott Browne; to the Committee on the Judiciary.

S. 1589. A bill relating to the retention of certain officers of the Naval Reserve in an active status; to the Committee on Armed Services.

(See the remarks of Mr. THURMOND relating to the first above-mentioned bill, which appear under a separate heading.)

By Mr. FULBRIGHT (by request):

S. 1590. A bill for the relief of the Government of the Republic of Iceland; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR (for himself, Mr. CASE of South Dakota, Mr. MONRONEY, Mr. FULBRIGHT, Mr. YARBOROUGH, Mr. CARLSON, Mr. MCCLELLAN, Mr. LONG, and Mr. ELLENDER):

S. 1591. A bill to promote and to establish policy and procedure for the development of water resources of lakes, rivers, and streams; to the Committee on Public Works.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 1592. A bill to affirm and recognize the water laws of the States lying wholly or partly west of the 98th meridian; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CURTIS when he introduced the above bill, which appear under a separate heading.)

By Mr. TALMADGE:

S. 1593. A bill to amend chapter 21 of title 28 of the United States Code with respect to the jurisdiction of the justices, judges, and courts of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. TALMADGE when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of New Jersey:

S. 1594. A bill for the relief of Dr. Bong Oh Kim; and

S. 1595. A bill for the relief of Sirijo Tanfara; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1596. A bill for the relief of O. M. Wick Construction Co.; to the Committee on the Judiciary.

By Mr. DODD:

S. 1597. A bill to establish in the Department of the Navy a Bureau of Submarines; to the Committee on Armed Services.

(See the remarks of Mr. DODD when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself and Mr. CLARK):

S. 1598. A bill to establish the U.S. Arts Foundation; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. ERVIN:

S. 1599. A bill for the relief of George S. Zorbalas;

S. 1600. A bill for the relief of Grace L. Patton;

S. 1601. A bill for the relief of Mrs. Erika Elfriede Ida Ward; and

S. 1602. A bill for the relief of the Union Hardware Co., Inc.; to the Committee on the Judiciary.

By Mr. MORSE (for himself and Mr. HUMPHREY):

S. 1603. A bill to require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities; to the Committee on Rules and Administration.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT:

S. 1604. A bill to amend the Communications Act of 1934 to provide that "equal time" provisions shall not apply to news programs; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. ALLOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. HRUSKA (for himself, Mr. CARLSON, Mr. SCHOEPPEL, and Mr. CURTIS):

S. 1605. A bill granting the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect such States; to the Committee on the Judiciary.

(See the remarks of Mr. HRUSKA when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 1606. A bill to provide a method for obtaining the consent of Congress to interstate compacts; to the Committee on the Judiciary.

By Mr. CARROLL:

S. 1607. A bill to amend the Federal Reserve Act to provide for an additional Federal Reserve district; to the Committee on Banking and Currency.

(See the remarks of Mr. CARROLL when he introduced the above bill, which appear under a separate heading.)

By Mr. CARROLL (by request):

S. 1608. A bill for the relief of Henry B. Landers; to the Committee on the Judiciary.

By Mr. KEATING:

S.J. Res. 87. Joint resolution requesting the President to issue a proclamation designating Memorial Day, 1959, as a day for a nationwide prayer for peace; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

PRINTING OF ADDITIONAL COPIES OF CERTAIN HEARINGS ON TRANSPORTATION PROBLEMS IN WASHINGTON METROPOLITAN AREA

Mr. BIBLE submitted the following resolution (S. Res. 97) which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Joint Committee on Washington Metropolitan Problems, one thousand additional copies of the hearings held during the Eighty-fifth Congress entitled, "Transportation Problems in Maryland, Virginia, and the Washington Metropolitan Area."

APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and the senior Senator from New Hampshire [Mr. BRIDGES], I introduce, for appropriate reference, a bill to authorize appropriations for fiscal year 1960 for the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

At the outset of this session, the Administrator of the National Aeronautics and Space Administration requested the introduction of an authorization bill which combined supplemental authorizations for fiscal year 1959 with authorizations for fiscal year 1960.

To assure expeditious handling of the supplemental authorizations for fiscal year 1959, a separate bill—S. 1096—covering fiscal year 1959 requirements, was introduced, and was passed by the Senate.

The bill now being introduced covers the amounts requested by the administration for fiscal year 1960—namely, $485,300,000.

It should be made clear that the amounts provided in this bill do not necessarily reflect the views of the sponsors. Introduction of the bill, however, will provide a basis for comprehensive hearings and detailed examination of the programs proposed for the National Aeronautics and Space Administration for the fiscal year 1960.

Upon the conclusion of such hearings, and with the information developed by the Subcommittee on Governmental Organization for Space Activities, we shall be in position to recommend the legislative action necessary to proceed with the space program in 1960.

The very able and beloved junior Senator from Mississippi [Mr. STENNIS] is the head of the subcommittee which will consider this authorization bill; I am informed that he is proceeding immediately with hearings, and that he will report the bill to the Senate at the earliest possible date. The very able Senator from Missouri [Mr. SYMINGTON], is the head of the Subcommittee on Governmental Operations for Space Activities. He already has conducted some hearings, and he plans to conduct others in the next few days.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1582) to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes, introduced by Mr. JOHNSON of Texas (for himself and Mr. BRIDGES), was received, read twice by its title, and referred to the Committee on Aeronautical and Space Sciences.

AMENDMENT OF COMMUNICATIONS ACT, RELATING TO EQUAL TIME PROVISIONS

Mr. THURMOND. Mr. President, earlier in the day I introduced a bill (S. 1585) to amend section 315 of the Communications Act.

Section 315 has a commendable purpose, that of requiring equal time to be granted to opposing political candidates by radio and television stations. Without requiring any radio or television station to give time to any political candidate, it has insured that no particular candidate could be favored by a station. The results have been salutary, and the public has greatly benefited.

Recently, however, literal constructions of this section have resulted in what may become a substantial detriment to public interests. The Federal Communications Commission, in what appears to be an objective interpretation of the language of the section, has applied the operation of the statute to news broadcasts and telecasts. Rather than submit to the equal time requirements, there is every reason to believe that radio and television stations and networks will eliminate certain items of legitimate newsworthiness which serve to keep the public informed about their own affairs.

This should not be allowed to happen. It is incumbent on Congress to act to protect the freedom of the news gathering and distributing services by amending the Communications Act, while at the same time retaining the salutary features of the "equal time" section which prevents favoritism toward a candidate by a station.

RELIEF OF THE GOVERNMENT OF ICELAND

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill for the relief of the Government of the Republic of Iceland. This bill was submitted to the Vice President by letter on March 13, 1959.

The proposed legislation has been requested by the Secretary of the Army, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed at this point in the RECORD, together with the letter from the Secretary of the Army to the Vice President in regard to it.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 1590) for the relief of the Government of the Republic of Iceland, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to the Government of the Republic of Iceland, the sum of $5,378.98, and such additional sum due to increases in rates of exchange as may be necessary to pay this claim in foreign currency, in full satisfaction and final settlement of its claim against the United States in the amount of 88,000 Icelandic kronur, arising out of accidents involving United States Armed Forces during their presence in Iceland from July 7, 1941, to April 5, 1947, under the terms of the Agreements between the Government of the United States of America and the Government of the Republic of Iceland, respecting the defense of Iceland, dated July 1, 1941 (55 Stat. 1547), and regarding the settlement of claims of Icelandic Insurance Companies, dated November 23, 1956.

The letter presented by Mr. FULBRIGHT is as follows:

MARCH 13, 1959.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is inclosed herewith a draft of a proposed bill for the relief of the Government of the Republic of Iceland.

The submission of this legislation is in accordance with procedures approved by the Secretary of Defense. The Bureau of the Budget has advised that it has no objection to the submission of this proposal for the consideration of the Congress, and the Department of the Army recommends its enactment.

The purpose of this proposed bill is to effect final settlement of claims of the Government of the Republic of Iceland in the amount of 88,000 krónur, arising out of accidents involving U.S. Armed Forces during their presence in Iceland from 1941 to 1947 under the terms of the agreement between the United States and Iceland dated July 1, 1941.

The agreement between the United States of America and Iceland respecting the defense of Iceland by U.S. forces; effected July 1, 1941; ratified by the Icelandic Regent in Council July 10, 1941 (55 Stat. 1547), specifically states:

"5. United States undertake defense of the country without expense to Iceland and promise compensation for all damage occasioned to the inhabitants by their military activities."

During the period July 7, 1941, to April 5, 1947, units of the Armed Forces of the United States were present in Iceland by virtue of the terms of the above agreement. When the Armed Forces of the United States departed Iceland there remained outstanding approximately 374 accident claims of two Icelandic insurance companies, Sjovatryggingarfelag Islands h.f. and Trolle and Rothe h.f., which were not satisfied. These claims, in most part, remained unsettled because of the excluding provisions of the Foreign Claims Act (55 Stat. 880 and 57 Stat. 66). There were also a number of claims against policyholders of the two Icelandic insurance companies in favor of the United States which were unpaid. The Icelandic Government, through diplomatic channels requested action on these claims.

On June 9, 1953, this Department notified the Department of State:

"It appears that no funds are available to the Department of the Army under present claims statutes for payment of the proposed settlement and that it will be necessary to request the introduction of a private relief bill to the Congress when agreement has been reached with the Republic of Iceland.

"A settlement covering the claims under consideration, and any other claims of these same insurance companies which may have arisen out of the agreement, dated July 1, 1941, between the United States and Iceland as you suggest, will be satisfactory. A proposed agreement is inclosed. When negotiations with the Republic of Iceland in this matter have been concluded this Department will request the necessary legislation."

In order to arrive at a possible satisfactroy conclusion on the matter the following agreement was reached:

"Agreement between the Government of the United States of America and the Government of the Republic of Iceland regarding the settlement of claims of Icelandic insurance companies

"The Government of the United States of America and the Government of the Republic of Iceland have reached agreement as set forth below regarding final settlement of certain claims of the Icelandic insurance companies, Sjovatryggingarfelag Islands h.f. and Trolle and Rothe h.f. (agent for Baltica, a Danish company), against the Government of the United States; and similar claims, or counterclaims, of the Government of the United States of America against these same insurance companies.

"ARTICLE I

"The two Governments agree that the claim of Sjovatryggingarfelag Island h.f. is meritorious in the sum of 84,703.19 krónur. Claims of the United States against

policyholders of that company are meritorious in the sum of 27,982.58 krónur, which latter amount is set off against the former. There remains a net amount of 56,720.61 krónur due Sjovatryggingarfelag Islands h.f.

"The two Governments agree that the claim of Trolle and Rothe h.f. (Baltica) is meritorious in the sum of 60,291.36 krónur. Claims of the United States against policyholders of that company are meritorious in the sum of 29,011.97 krónur, which latter amount is set off against the former. There remains a net amount of 31,279.39 krónur due Trolle and Rothe h.f. (Baltica).

"The sum of the net amounts due is 88,000 krónur.

"ARTICLE II

"The Congress of the United States will be requested to appropriate the necessary funds to effect payment of this settlement.

"ARTICLE III

"During the course of negotiations leading to this agreement, representatives of the two governments have considered claims of the aforementioned insurance companies which grew out of accidents or incidents involving military personnel and equipment of the Armed Forces of the United States, and policyholders, and vehicles owned by policyholders, of the two Icelandic insurance companies, during the period July 7, 1941, to April 5, 1947, when U.S. Armed Forces were present in Iceland under the terms of the agreement between the United States and Iceland, dated July 1, 1941 (55 Stat. 1547).

"Claims of the Government of the United States of America against policyholders of these same insurance companies which resulted from the same or similar incidents, have been evaluated, and set off, as shown in article I of this agreement.

"ARTICLE IV

"During the course of negotiations leading to this agreement, the representatives of the two Governments considered, but excluded from the setoff, those claims of the United States against policyholders of these insurance companies for expenses incurred relating to medical expenses, loss of services, burial expenses and gratuity payment in cases involving injury or death of military personnel; which claims are to be regarded as having been taken into account, but waived, under the terms of this agreement.

"Claims of the insurance companies arising out of the agreement dated July 1, 1941, between the United States and Iceland, supra, which have not hitherto been presented and included in this settlement are to be regarded as having been waived.

"ARTICLE V

"Upon payment of the amount heretofore agreed upon in settlement of the claims described herein, the Government of the Republic of Iceland discharges and agrees to save harmless the Government of the United States of America, its officials, employees, or agencies and instrumentalities, its nationals or other individuals and organizations, for these and all other claims of these same claimants, which may have arisen out of the agreement dated July 1, 1941, between the United States and Iceland, supra.

"In witness whereof, the undersigned representatives duly authorized thereto by their respective governments have signed this agreement.

"Done at Washington, in duplicate, this 23d day of November 1956.

"For the Government of the United States of America:

"C. BURKE ELBRICK,
"Department of State.

"For the Government of the Republic of Iceland:

"THOR THORS."

The cost of this proposal, if enacted, will be the dollar equivalent of 88,000 Icelandic krónur, which, at the rate of exchange of 16.36 krónur to $1, is $5,378.98.

Sincerely yours,

WILBER M. BRUCKER,
Secretary of the Army.

WATER CONSERVATION ACT OF 1959

Mr. KERR. Mr. President, on behalf of myself, the Senator from South Dakota [Mr. CASE], my colleague, the junior Senator from Oklahoma [Mr. MONRONEY], the junior Senator from Arkansas [Mr. FULBRIGHT], the Senator from Texas [Mr. YARBOROUGH], the Senator from Kansas [Mr. CARLSON], the senior Senator from Arkansas [Mr. MCCLELLAN], the junior Senator from Louisiana [Mr. LONG], and the senior Senator from Louisiana [Mr. ELLENDER], I introduce, for appropriate reference, a bill to promote and to establish policy and procedure for the development of water resources of lakes, rivers, and streams. I ask unanimous consent to have printed in the RECORD a statement in connection with the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1591) to promote and to establish policy and procedure for the development of water resources of lakes, rivers, and streams, introduced by Mr. KERR (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

The statement presented by Mr. KERR is as follows:

STATEMENT WITH REFERENCE TO WATER CONSERVATION ACT OF 1959

The persons and organizations which advocate enactment of this bill represent rural electric cooperatives, public power districts, and municipal electric utility systems in nearly every State of the Union which, collectively, purchase approximately 25 percent of all hydroelectric energy generated at Federal projects.

THE NEED FOR STATUTORY STANDARDS

Two basic problems are generally recognized by most parties interested in water resource development. First, national water supply is critical. President Eisenhower's Advisory Committee on Water Resources reported on December 22, 1955, that:

"Shortages of water for domestic and agricultural use are frequent. Industry is finding it increasingly difficult to locate adequate water supplies. Lack of adequate planning threatens to impose a water scarcity which can become a limiting factor on the growth of some of our cities. At the same time, flood damage in many areas continues to be great."

Second, differences between administrative agencies charged with separate phases of Federal water resource administration must be resolved, and the effects of policy differences between successive administrations mitigated. How better can these problems be met than by the establishment of statutory standards to guide all administrative agencies?

On December 14, 1956, Mr. Joseph Campbell, the Comptroller General, stated in commenting on Senate Resolution 281:

"To resolve the matter of reaching firm cost allocations, we believe Congress should take one of the following alternative courses of action:

"1. Establish policies and criteria for making cost allocations and designing specifically the agency to make the allocation.

"2. Establish policies and criteria for making the cost allocations and designating the Federal Power Commission to make the firm cost allocation wherever power is a purpose of the project. * * *

"3. Establish policies and criteria for making the cost allocations and requiring the construction agency, the power marketing agency, and the Federal Power Commission jointly to submit appropriate reports and allocations of the costs to the Congress, or its designated committees to approve an allocation. * * *

"Under either alternative, we believe the Congress should require that the cost allocations or the report on cost allocations be made and submitted about the time the project is substantially completed and placed in operation.

"Policies and criteria used for cost allocations and related matters have not been uniform between the agencies having water resource development responsibilities. Notwithstanding the efforts in recent years of the Interagency Committee on Water Resources (and its predecessor, Federal Inter-Agency River Basin Committee), the Presidential Advisory Committee on Water Resources Policy, and the Bureau of the Budget to formulate mutually acceptable principles and procedures, we believe that the Congress should provide the basic framework of policies and criteria. Among the factors in which the congressional intent may be expressed are:

"(1) Benefits and costs to be considered in the benefit cost analysis for the evaluation of projects and in the allocation formula. Under this factor the Congress may want to consider the degree to which secondary benefits and indirect costs are to be included in determining the total benefits and total costs.

"(2) Costs to be included for purposes of allocation and to be repaid by beneficiaries; that is, whether interest in the Federal investment, costs of other Federal agencies applicable to the project, and similar costs not paid directly by the constructing agency are to be classified and recorded as costs of the projects.

"(3) Number of years to be used as the basis for realization of project benefits and repayment of reimbursable project costs.

"(4) Rate of interest and method of computation.

"(5) Costs applicable to other purposes to be repaid by power revenues.

"(6) The purposes to which costs are to be allocated and the criteria for allocation."

The very purpose of this bill is to carry out the above recommendations of the Comptroller General.

COST ALLOCATIONS

Section 6(3) of this bill would apply to multiple purpose projects, which include hydroelectric features, the incremental method of cost allocation, with the principal purpose of the project considered basic. This provision is grounded on the fact that only in isolated instances does the Federal Government construct hydroelectric plants as such. Projects under the jurisdiction of the Corps of Engineers are usually authorized and constructed to achieve flood control or navigability, or a combination of these purposes. Power generation is included as an incidental feature.

The same principle applies to most Bureau of Reclamation projects. And although power features were included in reclamation projects at an earlier date than they were in flood control and navigation projects, power has been considered as a benefit incidental to the principal purpose of providing agri-

cultural, municipal and industrial water supply for the arid areas. Power generated at reclamation projects if first used as needed for pumping purposes. And, a substantial part of the revenue derived from the sale of the remaining power is used to repay the cost of project irrigation features.

But the very fact that the electric power features are lucrative, tends to induce a false belief that power is a principal project purpose, whereas actually it is not.

The administrative agencies responsible for operation of the Federal water resource development program have themselves misconstrued the intent of Congress. They have, gradually, abandoned the original concept of power as incidental, and now think of it as a principal project purpose. This is part of the change that has created an apparent need for Federal power rate increases, and poses to the power user a serious economic dilemma.

The problem arises particularly with respect to the multiple purpose dams on the main stem of the Missouri River and in the Southwest.

In 1953, the Bureau of Reclamation was allocating 31 percent of the cost of the main stem Missouri River plants to hydroelectric power and 69 percent to flood control and navigation, upon the theory that power was an incidental purpose for these projects which were originally designed to afford a 9-foot free-flowing navigable waterway below Gavins Point, conservation of water for upstream irrigation features and flood protection to the lower Missouri and Mississippi Valleys.

However, since 1953, the Bureau has revised these cost allocations, and now allocates 63 percent to power and 22 percent to flood control and navigation.

The Southwestern Power Administration originally allocated approximately 30 percent of project costs to hydroelectric power. By contrast, the Department of the Interior now allocates approximately 52 percent of SPA project costs to power. The authorization for two of the projects in the Southwest, Norfolk and Denison, was expressly conditioned upon the incremental method of cost allocation. For these two projects the present allocation to power is 32 percent and 47 percent respectively, and it is interesting to note that were the now prevalent separable cost-remaining benefits method applied to these two projects, hydroelectric power would bear 43 percent and 66 percent of construction cost respectively.

These cost allocation revisions have resulted from an administrative agreement between the Departments of the Interior and Army and the Federal Power Commission dated March 12, 1954, entitled "Cost Allocation" which is attached hereto as exhibit A. This agreement stipulates three methods of cost allocation as acceptable by the signatory agencies. They are (1) separable costs-remaining benefits, (2) alternative justifiable expenditure, and (3) use of facilities.

Bearing in mind the three methods that have been agreed upon as acceptable by the administrative agencies, attention is also directed to table I, attached hereto as exhibit B. Table I contains a list of 22 various Corps of Engineers and Bureau of Reclamation projects. It also contains for each project a tabulation of the percentage of project construction cost that would be allocated to hydroelectric power under six separate methods of cost allocation, each of which is being or has been used by one or more agencies of the Government at some time. The last line of table I shows the average allocations calculated by applying the six different methods of cost allocation to all of the projects. Note that the separable cost-remaining benefits method and the alternative justifiable expenditure method each result in an overall figure 61.3 percent of construction cost allocated to power, and that the use of facilities method results in an average allocation to power of 62.8 percent.

Thus, the three methods recommended by the administrative agencies are those which, on the average, result in the allocation to hydroelectric power of high portions of project construction cost. Note also that the priority of use method results in a 53.8 percent allocation, the incremental method in a 50.8 percent allocation and the specific costs method in 34.7 percent allocations. None of these other methods, which result in lower allocations of cost to power, are acceptable to the administrative agencies.

This bill does not contend for general application of the specific cost method which results in the lowest allocation to power. It contends for general application of the incremental method which, in our opinion, best expresses the intent of Congress, and which, for the 22 projects studied, would result in an allocation to power of approximately 50.8 percent of the project costs.

This bill is based on the premise that the 1954 agreement between the Departments of the Interior and Army and the Federal Power Commission is a departure from congressional intent, because it establishes cost allocation procedures which not only fail to recognize the general proposition that power is usually an incidental purpose, but, in fact, goes far beyond, and effectively holds that for practical purposes power is never an incidental purpose.

It is true that there may be some projects in which power is a principal feature. And in such cases, use of the separable costs remaining benefits method or the alternative justifiable expenditure method would be appropriate. We feel, however, that the general rule should favor the incremental method upon the presumption that power is, in most cases, an incidental purpose.

RECOGNITION OF FUTURE DEVELOPMENT

Section 7(1) of this bill is an attempt to recognize in the calculation of benefits attributable to a given multiple purpose project or unit, the value of future economic development in the area, and the assumption, in calculating such benefits, that comprehensive basin development will proceed in an orderly manner.

There has been substantial administrative reluctance to accept and utilize initial appropriations for the first units of comprehensive river basin developments on the ground that the benefits attributable to the initial units will not accrue until other projects of the plan are completed. This problem arises especially in the case of developments which include navigation and power facilities. A given navigation channel is, of course, not usable until each of the locks and dams constituting it are complete.

This section of the bill may be merely declaratory of existing practice in some instances, but it should be established as a statutory standard to guide all of the affected construction agencies.

TAXES FOREGONE

Section 7(3) of this bill is an attempt to preclude application of the taxes foregone provision of Budget Bureau Circular A–47.

Paragraph 8(h) of that directive reads as follows:

"Value of electric energy to be produced. This is equal to the lower of two figures: (1) The cost of equivalent energy from the cheapest alternative source of energy—private, Federal, or other—that is available, or could be expected to develop in the absence of the project, to meet the same power need. Taxes and interest charges for this alternative source should be computed on a basis comparable with the project. (2) Value of power to users (considered as the highest price they would pay, and applicable especially where the cost of alternative power would be prohibitive for particular users)."

This language makes mandatory upon the Federal power construction agency the calculation of power benefits based upon the cost of securing alternative power from a phantom Federal steam plant which would be the most unlikely of any imaginable alternative to actually develop.

It is a criterion which causes the power facilities of many multiple purpose projects to appear less desirable and, in some cases, reduces below unity the benefit-to-cost ratio of power features.

Thus, on June 10, 1957, the House Committee on Public Works, in considering authorization of power features for the Lone Rock and Gilbert Reservoirs, on the White River, was told by the Corps of Engineers that the benefit-to-cost ratio, considering taxes foregoing, would be 0.83 whereas were this test not applicable, the benefit-to-cost ratio would be 1.1 and no question would arise concerning the economic justification of the authorization.

The theory of taxes foregone is economically unsound. For, although a small increment of tax revenue might be created were a private plant constructed in lieu of the Federal project, it does not necessarily follow that because a Federal plant is substituted for the private plant, an equivalent reduction in tax collection would occur.

Experience is just the converse. It indicates that the construction of a Federal multiple purpose project generally stimulates the local economy to the extent that tax revenue from the geographical area in which the project is located increases substantially.

The taxes foregone provision of Budget Bureau Circular A–47 is not based on statute.

During hearings by the House committee on the 1957 rivers and harbors omnibus bill, the chairman of the Rivers and Harbors and Flood Control Subcommittee of the Senate Committee on Public Works, appearing as a witness, questioned the Chief of Engineers as follows:

"Senator KERR. I would like to ask my good friend, the Chief of Engineers, if he knows and if he can tell this committee how many of them (projects) are on the statute books today carrying the burden of the principle of taxes foregone.

"General ITSCHNER. I do not know of any hydroelectric projects that are authorized today that have the provisions in it."

PROTECTION OF IRRIGATORS

Section 8(a) of this bill is intended to be declaratory of existing Federal policy by which that portion of project construction cost allocated to irrigation and beyond the ability of the irrigators to repay may, to the extent necessary, be recovered from the establishment of an appropriate rate for commercial power.

A REASONABLE PAYOUT PERIOD

Section 8(a) of this bill establishes project payout period as the useful project life or 100 years, whichever is the shorter. This is an attempt to conclusively controvert paragraph 14(a) of Budget Bureau Circular A–47 which limits the repayment period to the lesser of the useful project life or 50 years.

The 50-year limit established in Budget Bureau Circular A–47 is, with respect to Corps of Engineers projects, not required by law.

Section 5 of the Flood Control Act of 1944 specifies:

"Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting

such electric power, including the amortization of the capital investment allocated to power over a reasonable period of years."

This bill contains the implication that the phraseology "reasonable period," when considered in connection with the durability of earth and concrete structures, should not be arbitrarily limited to 50 years.

During the 1956 hearings held by a subcommittee of the Senate Committee on Public Works to investigate the need for a Federal power rate increase in the Southwest, the chairman of the subcommittee asked Mr. Wright, the Administrator of the Southwestern Power Administration:

"Senator KERR. Now what is your opinion, and I am going to ask the engineers about this also, and if you do not have an opinion you do not need to give it, but I have a lot of respect for your engineering ability as well as the Army Engineers, what is your opinion as to the average useful life of these flood control projects in this group of seven?

"Mr. WRIGHT. I think there are some of them down there that are good for at least a thousand years. I think that we have none in the area that is not good for at least 150 years that are included in this study.

"Senator KERR. Would you think the average life of them would reasonably be estimated at 500 years?

"Mr. WRIGHT. I do, sir."

It is generally conceded that the revenue from the hydroelectric features will accrue to the Federal Government for a period in excess of 50 years. No reason is, therefore, apparent why the payout period cannot be calculated to run coincidentally with the anticipated useful life expectancy of the reimbursable features of the project without regard to arbitrary limitations such as the 50-year period specified in Budget Bureau Circular A–47.

INTEREST RATES

Section 8(a) of this bill seeks also to stabilize the rate of interest applicable to funds invested in multipurpose projects by providing that the interest rate shall be equivalent to the average rate of interest borne by all marketable interest-bearing obligations of the United States during the 15 years preceding the appropriation of initial construction funds.

In our opinion, this provision will minimize fluctuations in the interest rates applicable to successively authorized projects resulting from short-range variations in the cost of money.

RETROACTIVE APPLICATIONS

Section 9 of this bill would apply its substantive provisions to multiple-purpose projects previously completed. Section 10 excepts from the provisions of section 9 TVA projects and projects for which cost allocations have been previously determined by Congress.

RECOGNITION OF ALL BENEFITS IN DOLLAR TERMS

Section 5 of this bill would implement the language of section 3 by requiring that in submitting reports and recommendations to Congress for project authorization and appropriations such reports would be based upon the study of an entire basin. This section also would be, to some extent, declaratory of existing policy, but would assure administrative adherence and preserve uniformity of future studies.

Section 5(b) is an attempt to assure that all recognizable benefits will be included in benefit to cost ratios, and that all benefits, to the extent possible, will be expressed in dollar values.

Paragraph 14(j) of Budget Bureau Circular A–47, Revised, provides—

"Until standards and procedures for measuring secondary benefits are established by amendment of this circular, the benefit-cost analysis of any program or project shall be based upon primary benefits * * * despite the importance of effects which are local or regional rather than national in character, such effects shall not be considered as part of the benefit-cost analysis; rather these effects shall be fully evaluated as part of the analysis of the relation of the project to sound local and regional economic development."

Paragraph 15 of Budget Circular A–47, Revised, provides that—

"The associated costs to be incurred and induced costs which will result from a proposed program or project shall be subtracted from benefit estimates before a comparison of benefits and costs is made. Induced costs shall be evaluated as extensively and fully as benefits."

In effect, Budget Bureau Circular A–47 precludes the use of secondary benefits in the benefit-cost analysis, but requires the inclusion of so-called induced or indirect costs in such calculations, thereby seriously impairing the validity of apparent project evaluation studies.

An excellent example of the problem of evaluating intangible benefits was presented during the 1957 Senate hearings on S. 1164 before a subcommittee of the Senate Committee on Public Works. S. 1164 would have authorized the Corps of Engineers and Bureau of Reclamation to include in benefit-cost-ratio calculations a dollar evaluation of recreational benefits.

During those hearings, the Assistant Chief of Engineers for Civil Works testified that although the corps does evaluate recreational benefits generally such evaluations are not submitted to Congress and are not included in computation of benefit-cost ratios.

Senate bill 1164, as proposed, would have provided that where reservoir areas are developed by the Secretary of the Army or the Secretary of the Interior the annual recreational benefit shall be calculated as equivalent in dollars to the number of persons which might reasonably be expected to utilize the recreational facilities during a year, but not to exceed 15 percent of annual project costs.

During the 1957 Senate hearings on S. 1164, the Corps of Engineers testified that during 1955 some 62,522,000 persons utilized the recreational facilities at reservoirs under its jurisdiction. The Bureau of Reclamation testified that 8,703,000 persons used the recreational facilities at reservoirs under its jurisdiction during the same year. Yet no recreation benefits are generally calculated in the benefit-cost ratios.

It appears that, with respect to recreation benefits alone, a major factor favoring multiple purpose project construction is substantially ignored. And to the extent that because of this fact the benefit-cost ratios of some projects are less than one, then to that extent we are deprived of the opportunity to develop a sound water resource project.

UNECONOMIC INCREMENTS

Section 5(c) of this bill provides for the permissive inclusion in multiple purpose projects of units or features which, although themselves exhibiting a benefit-to-cost ratio of less than unity, would not reduce the total unit or project benefits below costs. In brief, it is a provision to allow the inclusion of uneconomic increments of benefit in a project that would not thereby be made uneconomic as a whole.

Under present administrative policies, the entire plan for a particular comprehensive river basin development plan must show an overall benefit-cost ratio in excess of unity as must each unit of such plan and each facility of each unit. This necessarily means that, in some cases, desirable features, such as municipal water supply or hydroelectric power, may be excluded from a particular unit or project because, as measured by the particular criteria in vogue at that time, they may not show a benefit-to-cost ratio above unity.

Let me emphasize that this part of the bill is not mandatory. It is permissive only and expresses the sense of the Congress that uneconomic increments may be included in multiple purpose projects, at the discretion of the agencies responsible for administering the law, provided that the overall economic justification of the project is not destroyed.

CONCLUSIONS

It is anticipated by those who have developed and advocate this bill that considerable objection to it will be raised. Constructive criticism is welcomed and the advocates of the bill will accept such amendments as may be necessary to prevent damage to other interested parties, provided, of course, that such amendments do not destroy the major provisions. It is suggested, however, that in view of the widespread acknowledgement of a need for this type of legislation, there rests upon the critics of this bill a burden to accompany their criticism with affirmative suggestions for an alternative approach.

Those who support this bill believe that the Nation can no longer afford to tolerate project justification and cast allocation procedures so restrictive that waste resource development is brought to a standstill. For to adopt a program based upon criteria of this nature is to make that criteria the master of the people rather than their tool.

Reference is made, in this connection, to the testimony of the Commissioner of Reclamation, the Honorable William A. Dexheimer, offered before the House Committee on Interior and Insular Affairs on Wednesday, March 30, 1955, during a discussion by the Committee of Budget Bureau Circular A–47. The following exchange took place:

"The CHAIRMAN. Without going into detail, Mr. Dexheimer, can you state whether or not any project now under study, and contemplated for authorization, could comply with the standards set up in A–47?

"Mr. DEXHEIMER. With the liberal interpretation of secondary benefits as a part of it, and utilizing the 50 years, plus the 10-year development period, we have some that could come within that circular.

"The CHAIRMAN. What are they?

"Mr. DEXHEIMER. The Ventura project would be one, in California, I believe * * * But if you strictly construe the budget circular to the 50-year limitation, there are very few, if any, of our projects that would qualify.

"The CHAIRMAN. In other words, it is fair to say that, except perhaps for the Ventura project in California, we would be at the end of the rope if we strictly applied the provision of this circular?"

EXHIBIT A

COST ALLOCATION AGREEMENT AMONG DEPARTMENT OF THE INTERIOR, DEPARTMENT OF THE ARMY, AND FEDERAL POWER COMMISSION

Costs of a multiple-purpose project shall be allocated among the purposes served in such a manner that each purpose will share equitably in the savings resulting from combining the purposes in a multiple-purpose development.

Acceptable methods (see attachment for brief description).

(1) Separable costs-remaining benefits method: This method is considered preferable for general application.

(2) Alternative justifiable expenditure method: This method differs from (1) only in employing specific costs of the various functions rather than their separable costs. It is acceptable where the necessary basic data to determine separable costs are not available and the time and expense required to obtain the data are not warranted.

(3) Use of facilities method: This method is acceptable where the use of facilities is

clearly determinable on a comparable basis and where use of this method would be consistent with the basis of project formulation and authorization.

MINIMUM ALLOCATION

Each purpose shall be allocated, in every case, at least its separable cost (the cost traceable to its inclusion in a multiple-purpose project). Limitations of basic data may occasionally require the use of specific cost (the cost of features identified solely with a single purpose) and other available data as constituting the best available basis for approximating separable costs.

LEGISLATIVE HISTORY

The legislative history of authorized projects shall be considered in the allocation of cost. The authorizing act, committee reports, project justification documents, and similar sources disclose the nature of the proposal submitted to the Congress and of congressional action thereupon.

CONSIDERATION OF ECONOMIC COSTS

In applying any one of the above allocation methods, taxes in an amount equal to those which would be foregone as a result of Federal development of the power rather than the most likely alternative development shall be included as an economic cost when distributing costs among the project purposes for analysis of economic justification, but shall be subtracted from the costs thus distributed to power in order to obtain the allocation of project costs to power.

VALUE OF POWER

The value of power produced means the estimated market value which would be obtainable if it were to be sold on an open competitive basis, without restriction as to use or resale. The value of power shall be determined as the lower of two figures:

(1) The estimated actual cost of equivalent power from the most likely alternative source that would be expected to develop in the absence of the project, to meet the same power needs, with appropriate adjustment for transmission costs and losses and other technical factors.

(2) Estimated value of power to users. (Applicable where costs of alternative power would be prohibitive either for part or all of the power produced.)

The value of power, determined as indicated above, shall be used for computations of economic benefits in project justification and for the allocation of project costs. It will not be used to establish the level of power revenues, which are based on the amortization of project costs (Federal power investment) over a reasonable period of years.

PROJECT FEASIBILITY

Criteria of project feasibility shall be such that, insofar as can be determined in advance:

(1) Projects will be considered economically feasible when the value of power (as defined above) will at least equal the project costs allocated to power, plus the amount of taxes which would be foregone as a result of Federal development of the power rather than the most likely alternative development.

(2) Projects will be financially feasible, i.e., they will have potential net revenues from power sales sufficient to reimburse the Federal Government for the Federal investment in power.

BRIEF DESCRIPTION OF METHODS OF COST ALLOCATION

The separable costs-remaining benefits method has the following steps:

(1) The benefits of each purpose are estimated.

(2) The alternate costs of single-purpose projects to obtain the same benefits are estimated.

(3) The separable cost of each purpose is estimated.

(4) The separable cost of each purpose in the multiple-purpose project is deducted from the lesser of each purpose's benefits or alternate cost. The lesser figure is used since alternate cost is used in this method only if it represents a justifiable expenditure, that is, if it does not exceed the benefits.

(5) From total cost of project deduct all separable costs to determine residual costs.

(6) Residual costs, designated as joint costs in this method, are distributed in direct proportion to the remainders found in step 4.

(7) To determine the cost allocated to each purpose, add the separable and distributed costs for each purpose and, in the case of power, subtract from that sum the amount of taxes foregone which was used in computing power costs under steps 2 and 3 above.

The alternative justifiable expenditure method has the following steps:

(1) The benefits of each purpose are estimated.

(2) The alternate costs of single-purpose projects to obtain the same benefits are estimated.

(3) The specific cost of each purpose is determined.

(4) The specific cost of each purpose in the multiple-purpose project is deducted from the lesser of that purpose's benefits or alternate cost. The lesser figure is used since alternate cost is used in this method only if it represents a justifiable expenditure, that is, if it does not exceed the benefits.

(5) From total cost of project deduct all specific costs to determine joint costs.

(6) Joint costs of the multiple-purpose project are distributed among purposes in direct proportion to the remainders found in step 4.

(7) Allocation of project cost is determined in the same manner as under the separable costs-remaining benefits method.

The use of facilities method has the following steps:

(1) The use which is made by each purpose of joint project facilities is estimated on some basis which is comparable for the purposes concerned, using such measures of use as those of flow, reservoir capacity, energy consumption, and others as may be applicable.

(2) The separable cost of each purpose is estimated. (In cases of minor importance specific rather than separable costs may be used.)

(3) From total cost of project deduct all separable costs to determine joint (residual) costs.

(4) Joint costs of the multiple-purpose project are distributed among purposes in proportion to the comparable measures of use of the joint facilities estimated in (1).

(5) To determine the cost allocated to each purpose, add the separable and distributed costs for each purpose and, in the case of power, subtract from that sum the amount of taxes foregone which was used in computing power cost under (2) above.

EXHIBIT B

TABLE I.—*Comparison of project cost allocated to hydroelectric power according to the allocation method used* [1]

Project	Total cost	Separable costs-remaining benefits	Alternative justifiable expenditure	Priority of use	Use of facilities	Incremental	Specific costs
		Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
1. Fort Peck, Mont.	$158,300,000	53.1	55.3	40.0	49.7	[2] 51.2	25.1
2. Garrison, N. Dak.	295,000,000	55.0	56.9	43.0	52.0		35.2
3. Oahe, S. Dak.	356,800,000	57.9	59.5	46.2	54.8		33.1
4. Fort Randall, S. Dak.	195,000,000	71.4	71.6	58.8	69.2		39.6
5. Gavins Point, S. Dak.	53,000,000	82.1	81.9	66.8	82.8		47.7
6. Norfolk, Ark.	28,700,000	65.5	63.5	46.6	72.8	49.0	26.6
7. Table Rock, Ark.-Mo.	68,700,000	76.7	74.6	69.3	81.2	68.8	23.2
8. Bull Shoals, Mo.	76,329,000	56.6	55.8	47.0	65.5	56.2	25.4
9. Denison, Tex.-Okla.	62,208,000	42.8	44.8	31.8	60.8	31.8	21.4
10. Whitney, Tex.	43,988,300	18.2	17.3	18.2	23.6	18.2	14.6
11. Fort Gibson, Okla.	44,857,000	37.3	39.7	36.3	43.6	36.2	24.6
12. Tenkiller Ferry, Okla.	23,772,000	51.8	47.4	51.7	64.2	51.8	35.6
13. Narrows, Ark.	13,239,000	40.4	36.6	40.4	66.3	40.4	21.3
14. Blakely Mountain, Ark.	30,800,000	75.2	73.1	65.0	76.3	66.3	49.7
15. McNary, Oreg-Wash.	284,823,800	91.6	91.6	91.6	62.7	52.3	44.7
16. The Dalles, Oreg-Wash.	270,000,000	91.6	91.6	91.5	73.8	61.1	53.0
17. Bonneville, Oreg-Wash.	82,055,000	69.3	69.6	49.4	68.7	47.4	43.9
18. Colorado-Big Thompson	158,999,000	41.9	38.9	35.8	[4]	35.8	26.8
19. Colorado River storage	[3] 609,419,000	91.0	90.9	85.8	[4]	64.7	56.0
20. Fryingpan-Arkansas	156,541,000	28.5	28.4	24.6	[4]	24.6	23.5
21. Boulder Canyon	163,370,413	72.1	76.4	48.3	[4]	48.3	48.3
22. Columbia Basin	271,477,000	80.6	83.8	73.1	[4]	57.2	40.9
Total cost	3,447,378,513						
Average percentage		61.3	61.3	53.8	62.8	50.8	34.7

[1] Source: Supplemental memorandum of chairmen to members of Senate Committee on Interior and Insular Affairs, and Public Works, Jan. 24, 1957; based on data supplied by the Corps of Engineers and Bureau of Reclamation.

[2] Average for system composed of Fort Peck, Garrison, Oahe, Fort Randall, and Gavins Point. No data on individual projects given.

[3] Includes Glen Canyon, Flaming Gorge, Curecanti, and Navajo.

[4] Not given.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared concerning the water resources bill which was introduced by Senator KERR today.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FULBRIGHT

I am cosponsoring the bill introduced today by Senator KERR to establish a national policy for the development of our Nation's water resources. I have been concerned for many years about the lack of guidance of the Nation's water resources development programs. I know that many other Senators also feel that we are sadly neglecting this important national asset. The terrible floods which occur throughout this country each year furnish graphic evidence of our failure to make our water resources work for us, rather than against us. Recent reports of progress on water developments in Russia and Red China indicate that our antagonists are fully aware of the significance of water projects in developing a nation's economic potentials. Unfortunately, there are many in the Congress, and a large segment of the

public, who look on our rather meager conservation efforts as "pork barrel" politics. Call it what you will, the harnessing of our abundant water resources has proved to be, and will continue to be, the wisest and most profitable domestic program in which our Government participates.

The before and after pictures of the TVA projects should convince the most confirmed skeptic on the latent economic potential in every major river system. The development of the Arkansas River Basin promises to revolutionize in a like manner the economy of Arkansas and Oklahoma. Completion of the Arkansas River program will be one of the most significant economic events in my State's history. My only regret is that the project was not initiated years ago.

I have touched briefly on the importance of water resources projects. I do this in order to emphasize the lack of an explicit congressional policy in this vital area of Government activity. It is almost unbelievable that we do not have statutory policy guides for a coordinated, effective water conservation program. The bill I have cosponsored will fill this void. It puts the Congress firmly on record in support of expanded efforts in the field of water conservation. There will no longer be any doubt as to the intent of Congress on allocation of project costs and the factors to be included in benefit-cost ratios. The bill will halt the Bureau of the Budget's exercise of powers which should only be exercised by the Congress. The Bureau has, by the promulgation of restrictive project-cost criteria, effectively scuttled many needed, worthwhile projects. In a sense, it is only natural that an executive agency would step into the vacuum left by failure to enact a definite congressional policy. The bill will clear away the doubt and uncertainty in this important field and once again put Congress in its rightful position of being the judge of what criteria are to be used in developing our water resources.

In order to refresh the memories of my colleagues, I am listing below some of the restrictions imposed by the Bureau of the Budget in determining project eligibility:

1. The Bureau of the Budget formula prevents use of the incremental method of allocating costs for power facilities. The Bureau's formula fails to recognize that power generation is usually an incidental purpose and only in isolated instances does the Federal Government construct hydroelectric plants, as such. However, the prevailing practice is to allocate project costs to power as if it were a principal purpose and this results in an unfair cost disadvantage for the power aspects.

2. The criteria established by the Bureau require that taxes foregone be substracted from the benefit side of calculations to determine feasibility of power generation. This formula does not take into account the increased tax revenues resulting from general stimulation of the local economy and often results in reducing the benefit-cost ratio of power features below unity. The same directive also makes it mandatory for the construction agency to calculate power benefits based upon the cost of securing alternative power from a phantom Federal steamplant. This is the most unlikely of any alternative which could develop in the project area.

3. The Bureau's formula limits the repayment period for the power generation features to the lesser of 50 years, or useful project life. This is an unrealistic and restrictive provision which results in arbitrarily high power rates. The payout period should be changed to coincide with the useful life of the project.

4. Bureau policy now prevents inclusion of secondary benefits in the benefit-cost ratio. However, the indirect project costs are included. These two provisions seriously impair the validity of project evaluation studies.

Our bill would abolish these restrictions and establish a more realistic policy to guide the agencies concerned with these problems. It is a tragic situation when the Congress stands idly by and lets the Bureau of the Budget assume a life or death power over these projects. I do not profess to be an expert on the intricacies of project data and it is possible that some of the bill's provisions will need to be modified to achieve a bill which will be fair and equitable to everyone concerned. I hope that the bill will at least start some serious thinking about the deficiencies in our present policies. If it serves only as a vehicle for discussions in the Congress, the executive branch and in interested private groups, the bill will have served a good purpose. I hope all Senators will give the bill serious study.

I would like to point out that Representative TRIMBLE, of Arkansas, has introduced a similar bill in the House.

RECOGNITION OF WATER LAWS OF CERTAIN STATES

Mr. CURTIS. Mr. President, on behalf of myself, and my colleague, the senior Senator from Nebraska [Mr. HRUSKA], I introduce for appropriate reference a bill to reaffirm and recognize the water laws of the States lying wholly or partly west of the 98th meridian.

The bill is sometimes known as the State water rights proposal. In the last Congress, it was known as the Barrett bill.

In connection with the introduction of the bill, I ask unanimous consent to have printed at this point in the RECORD Legislative Resolution 23 of the 69th session of the Legislature of Nebraska; and also an editorial entitled "Leave Water Rights to States," published in the Lincoln Evening Journal and Nebraska State Journal of January 31, 1959.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the resolution and editorial will be printed in the RECORD.

The bill (S. 1592) to affirm and recognize the water laws of the States lying wholly or partly west of the 98th meridian, introduced by Mr. CURTIS (for himself and Mr. HRUSKA), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The resolution and editorial presented by Mr. CURTIS are as follows:

LEGISLATIVE RESOLUTION 23

Whereas recent decisions of the Federal courts and recent assertions from the U.S. Department of Justice have deprived States and persons of rights which said States and persons previously enjoyed to regulate and control the use of the water in the respective States; and

Whereas said decisions and assertions are further a part of a general pattern developing gradually into Federal supremacy and usurpation over water which, if continued, will destroy individual and State rights over water and substitute in lieu thereof an all powerful centralized government control thereover: Now, therefore, be it

Resolved by the members of the Nebraska Legislature in 69th session assembled—

1. That the Congress and President of the United States and the Representatives of Nebraska in the Congress of the United States be, and they are hereby urged and requested to take all necessary action to (a) preserve the water rights of the individual and the States and to prevent Federal usurpation of those rights; (b) see that legislation is initiated and supported to recognize and protect rights of individuals and States which have been taken from them by the Federal courts and the Department of Justice; and (c) in every way possible, to reaffirm, renew, and defend the concepts that water rights are property rights and that established rights to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation.

2. That certified copies of this resolution be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives of the United States, chairmen of the U.S. Senate and House Committees on Interior and Insular Affairs, U.S. Senator ROMAN L. HRUSKA, U.S. Senator CARL T. CURTIS, U.S. Representative PHIL WEAVER, U.S. Representative GLENN CUNNINGHAM, U.S. Representative DONALD F. MCGINLEY, and U.S. Representative LAWRENCE BROCK.

DWIGHT W. BURNEY,
President of the Legislature.

I, Hugo F. Srb, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 23, which was passed by the Legislature of Nebraska in 69th regular session on the 25th day of March 1959.

HUGO F. SRB,
Clerk of the Legislature.

[From the Lincoln Evening Journal and Nebraska State Journal, Jan. 31, 1959]

LEAVE WATER RIGHTS TO STATES

The line between Federal and State rights is always vague and often controversial.

Scientific and social advances necessarily have shifted some activities away from local authority toward Federal management. But in the field of water rights, control clearly must continue to rest with the States.

Legislation to make this point clear will be considered by Congress this year, as it has in several past sessions. Many lawmakers feel this is urgently needed to counter an attitude within the administration, primarily in the Justice Department, that the Federal Government should control the use of water. This view also has been upheld in recent U.S. Supreme Court decisions.

Traditionally, the right to use water has been regarded as a property right, the same as a right to use land. On this basis, water rights seem definitely to belong to the States.

Any change in this concept would play havoc with existing water rights issued by States. Irrigators guard these rights even more diligently than their property.

They are well aware that any tampering with present water appropriations would endanger the whole structure of irrigation. Much of Nebraska's agricultural economy is built on the sanctity of existing water rights.

If the Federal Government should preempt the right of Nebraskans to use water flowing through the State, the agricultural and industrial advantages of a bountiful water supply would be lost. So would a sound principle of governmental authority.

AMENDMENT OF COMMUNICATIONS ACT, RELATING TO APPLICABILITY OF EQUAL TIME PROVISIONS TO NEWS PROGRAMS

Mr. ALLOTT. Mr. President, on February 19 the Federal Communications Commission announced a decision which cannot help but undermine one of our most precious freedoms, freedom of the press. I refer to the so-called Daly Decision, in which the FCC ordered a Chicago television station to provide equal time for a mayoralty candidate because

the current mayor, also a candidate, had been seen on a newscast.

I shall review that case briefly to point up what I believe is a necessary change in the Federal Communications Act.

Late last year Lar Daly announced himself a candidate for both Republican and Democratic nominations for mayor of Chicago. Mr. Lar Daly often has been a candidate, but never a winner. Major candidates in this election were Mayor Richard Daly and Mr. Timothy Sheehan.

During the course of its regular news coverage, television station WBBM–TV, had what it felt to be important aspects of the campaign as a part of its news presentation. This included both of the aforementioned gentlemen filing nomination papers. Also Mayor Daly was shown greeting a foreign dignitary and the mayor and his wife opening the March of Dimes campaign. Mr. President, it is easy to see that these items are normal news stories in the public interest, the latter two nothing more than usual news coverage of Chicago's chief executive.

However, the FCC, by a one-vote majority, decided that this normal news coverage required the station to give equal time to Lar Daly, as a candidate, on a regular newscast.

This interpretation has far-reaching results. First, it abridges radically both the usefulness of radio and television to our society and their freedom as news media. Second, it will necessitate, on the part of the broadcasting industry, a negative approach to the role broadcast journalism plays in our present way of life.

To hold that news coverage must be matched by allotting equal free time to other candidates, even though the original appearance is obviously a part of reasonable coverage of news having general interest for the public, is a crippling decision with respect to broadcast journalism. Although this decision was based on the language contained in section 315(a) of the Federal Communications Act, it seems to me that the scope of the FCC as described in the preamble to that act has been broadened far beyond anything that was contemplated by Congress. The preamble of that act indicates no intention thus to regulate and interfere with the programing of radio and television stations.

Mr. President, in order that my colleagues may better study this statement in light of the passage to which I have referred, I ask unanimous consent that the preamble and section 315(a) of the act be printed in the RECORD at this point in my remarks.

There being no objection, the preamble and section were ordered to be printed in the RECORD, as follows:

SEC. 151. Purposes of chapter; Federal Communications Commission created.

For the purpose of regulating interstate and foreign commerce in communication by wire and radio so as to make available, so far as possible, to all the people of the United States a rapid, efficient, nationwide, and worldwide wire and radio communication service with adequate facilities at reasonable charges, for the purpose of the national defense, for the purpose of promoting safety of life and property through the use of wire and radio communication, and for the purpose of securing a more effective execution of this policy by centralizing authority heretofore granted by law to several agencies and by granting additional authority with respect to interstate and foreign commerce in wire and radio communication, there is created a commission to be known as the "Federal Communications Commission," which shall be constituted as hereinafter provided, and which shall execute and enforce the provisions of this chapter.

SEC. 315. Candidates for public office; facilities; rules

(a) If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station: *Provided*, That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is imposed upon any licensee to allow the use of its station by any such candidate.

Mr. ALLOTT. Mr. President it will be noted that nowhere is such stringent, unnecessary regulation contemplated.

The dissemination of news is essential to an informed public. Only by this means can the American people form intelligent opinions and express their views which are ultimately effected in what we do in this body and in the other House.

To this end, the widest possible dissemination of differing political points of view serves a most useful purpose. To say, however, that the incidental appearance on a news broadcast of a political candidate requires identical coverage for other candidates deprives the broadcaster of the right to make his own decision. The practical effect can only be to eliminate coverage of political campaigns by radio and TV.

There can be no argument that freedom of the press, as described in the first amendment, means freedom to exercise judgment as to what is the news and the way in which it will be reported. The broadcaster must be given latitude in judgment and discretion in the day-to-day operation of his station.

The policy inherent in this decision, were it maintained on a broad basis applicable to all news media, would make democracy unworkable as we know it. Shall we demand equal space in newspapers on a word-for-word basis each time a rival candidate is mentioned? Must we insist upon picture-for-picture in our newspapers and magazines each time reasonable coverage of the news includes a photograph of a candidate for office? Would we be correct—legally and morally—in using the second-class postal privileges extended to newspapers as an excuse for unwarranted jurisdiction over equality of coverage in their editorials and regular news coverage? I think not.

Mr. President, the February 19 decision by the FCC made it impossible for the broadcaster to take full advantage of his own technical capabilities. It will reduce drastically the amount of news accorded the public about election campaigns. Such broadcast news coverage as that to which we have become accustomed will be in grave danger of disappearing. This is because the so-called equal-time provision of the act has been interpreted as applying not to just candidates for Federal office, but candidates for any elective office at all. It will apply, apparently, to actions of an official—in his official capacity—whenever he becomes again a candidate. It would mean a virtual blackout of public activities, as well as political activities, during a campaign period.

Judgments as to the newsworthiness and the means of presenting newsworthy events concerning candidates will not be made on a news-value basis. They will have to be made with an eye to the amount of time which must be given the candidate's opponents, present and potential.

Mr. President, it is my opinion that such decisions should be based upon the honest judgment of radio and television broadcasters weighing only the newsworthiness of the story or individual concerned, without his being saddled with obligations ad infinitum to other candidates. Responsibility and freedom go hand in hand, and I believe that our American broadcasters are mature enough to carry out their obligations in this regard.

Let me say here that I have no desire to abridge the considerable equal time rights now enjoyed by all candidates. They are safeguarded. Nor do I have any desire to establish some electoral system of prejudgment and and exclusion by our broadcasters. They would, I am sure, be the first to reject such an arrangement. Deeply ingrained in the nature of these men is the American sense of fairplay. And they must answer to an ever-present conscience in the voice of the public.

The bill which I offer today, Mr. President, is designed to make clear the intent of Congress with respect to section 315 (a) of the act. That intent is not to prevent a broadcaster from exercising his judgment in determining the newsworthiness of a story based upon what additional time commitments will be forced upon him. I ask that my colleagues join me in assuring our broadcasting journalists—and the public as well—that we shall permit unfettered news coverage of all aspects of our American way of life, election campaigns included.

I ask unanimous consent that the bill be printed at this point in the record.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1604) to amend the Communications Act of 1934 to provide that "equal time" provisions shall not apply to news programs, introduced by Mr. ALLOTT, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 315 (a) of the Federal Communications Act is amended to read as follows:

"SEC. 315. (a) If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal

opportunities to all other such candidates for that office in the use of such broadcasting station: *Provided*, That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate. Appearance by a legally qualified candidate on any news program, including news reports and news commentaries, where the format and production of the program are determined by the broadcasting station, or by the network in the case of a network program, and the candidate in no way initiated the recording or the broadcast, shall not be deemed to be use of a broadcasting station within the meaning of this subsection."

COMPACT BETWEEN STATES OF KANSAS AND NEBRASKA RELATING TO WATERS OF BIG BLUE RIVER

Mr. HRUSKA. Mr. President, on behalf of myself, the Senators from the State of Kansas [Mr. CARLSON and Mr. SCHOEPPEL], and my colleague, the junior Senator from Nebraska [Mr. CURTIS], I introduce, for appropriate reference, a bill having for its purpose the granting of congressional consent to the States of Kansas and Nebraska to enter into the negotiation of a compact with respect to the waters of the Big Blue River and its tributaries, including the Little Blue River.

The Big Blue flows in a southeasterly direction, leaving the State of Nebraska in Gage County and entering Kansas in Marshall County. The Little Blue likewise flows in a southeasterly direction, leaving the State of Nebraska in Jefferson County and entering Kansas in Washington County.

It appears desirable at this time for the two States to begin negotiations looking toward an apportionment of the waters of these streams so that they may be developed in an orderly manner and without controversy between the States.

The Governors of both States, according to information received here, are in favor of this step being taken. The Kansas Water Resources Board is reported to have taken action at its March 9 meeting approving the text of the bill, and His Excellency Governor Docking, of Kansas, is reported to support the bill in its present form.

Mr. Dan S. Jones, Jr., director of water resources for the State of Nebraska, likewise supports this proposed legislation and has reported to the Senator from Nebraska that His Excellency Gov. Ralph G. Brooks, of Nebraska, concurs in this approach toward effecting apportionment of these streams between the States.

As the text of the bill indicates, no compact, the negotiation of which is authorized by this act, shall be binding upon the parties thereto until it has been ratified by the legislatures of each of the respective States, and approved by the Congress of the United States.

Mr. President, the leadership of both States is to be commended for their vision in taking this timely action which will have a heavy and vital impact upon the future water history and uses of these two neighboring States.

This is another example of the splendid working relationship which has existed between Kansas and Nebraska. It pleases me a great deal to be instrumental in this small way toward putting in concrete form this further evidence of the spirit of cooperation and mutual helpfulness.

Mr. President, I ask unanimous consent that the text of the bill, which is brief, be printed in the CONGRESSIONAL RECORD at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1605) granting the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect such States, introduced by Mr. HRUSKA (for himself, Mr. CARLSON, Mr. SCHOEPPEL, and Mr. CURTIS), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the interests of such States in the waters of the Big Blue River and all its tributaries, and providing for an equitable apportionment between said States of the waters of the Big Blue River and its tributaries and for matters incident thereto: *Provided*, That one qualified person appointed by the President of the United States shall participate in such negotiations as Chairman, representing the United States, and who shall make a report to the President and to the Congress on the proceedings and on the compact. No compact, the negotiation of which is authorized by this Act, shall be binding upon the parties thereto until it has been ratified by the legislatures of each of the respective States, and approved by the Congress of the United States.

SEC. 2. There is hereby authorized to be appropriated a sufficient sum to pay the salary and expenses of the representative of the United States appointed hereunder: *Provided*, That such representative, if otherwise employed by the United States, shall not receive additional salary for services performed in connection with the compact negotiations authorized herein.

AMENDMENT OF FEDERAL RESERVE ACT TO PROVIDE AN ADDITIONAL FEDERAL RESERVE DISTRICT

Mr. CARROLL. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Reserve Act to provide for an additional Federal Reserve district. I ask unanimous consent that the bill may lie on the desk until the close of business on Friday, April 10, in order to give other Senators the opportunity to cosponsor it if they so desire.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Colorado.

The bill (S. 1607) to amend the Federal Reserve Act to provide for an additional Federal Reserve district, introduced by Mr. CARROLL, was received, read twice by its title, and referred to the Committee on Banking and Currency.

DESIGNATION OF MEMORIAL DAY, 1959, AS A NATIONWIDE DAY OF PRAYER FOR PEACE

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a joint resolution requesting the President to issue a proclamation designating Memorial Day, 1959, as a day for a nationwide prayer for peace.

Especially in these days of one world crisis after another, and ominous rumblings and threats of war from all corners of the globe, the desire for peace is uppermost in the minds of all Americans. Nearly all our citizens, regardless of faith or creed, realize that religion is one of the cornerstones of our Nation. Indeed, it was our forefathers' desire to worship freely that caused them to leave their homes and cross the seas to found a new country. Because of their willingness to fight and die for their beliefs, this right to freedom of religion is guaranteed us in the Constitution.

People of all religious faiths also realize and believe in the power of prayer. Thus I think that it is fitting to authorize the President to lead the way and issue this proclamation in order to encourage all our people to pray for peace.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD, and that the joint resolution lie on the desk through Tuesday, April 14, in case other Senators desire to join in sponsoring it.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD, and lie on the desk, as requested by the Senator from New York.

The joint resolution (S.J. Res. 87) requesting the President to issue a proclamation designating Memorial Day, 1959, as a day for a nationwide prayer for peace, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe Memorial Day, 1959, by praying, each in accordance with his religious faith, for permanent peace, designating a period during such day in which all the people of the United States may unite in prayer for a permanent peace; calling upon all the people of the United States to unite in prayer at such time; and calling upon the newspapers, radio stations, and all other mediums of information to join in observing such day and period of prayer.

AMENDMENT OF FEDERAL RESERVE ACT, RELATING TO CERTAIN RESERVES—AMENDMENT

Mr. BUSH. Mr. President, I submit an amendment to S. 1120, the bill relating to Reserve requirements for member banks of the Federal Reserve System,

which would eliminate from the Federal Reserve Act and other banking laws the classification "central Reserve city," and reclassify New York and Chicago as Reserve cities.

Mr. President, I ask that the amendment lie at the desk through Friday of this week so that other Senators may join as cosponsors if they so desire.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, I also ask unanimous consent that a statement in explanation of the amendment be printed in the RECORD, following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, I submit the amendment.

The PRESIDING OFFICER. The amendment will be received and appropriately referred; and, without objection, the amendment will be printed in the RECORD.

The amendment was referred to the Committee on Banking and Currency, as follows:

On page 1, in line 4, strike out "provisos" and insert "proviso"; in line 5, strike out "and fifth paragraphs" and insert "paragraph"; in lines 5 and 6, strike out "and (c), respectively"; in line 7, strike out "each"; in line 8, strike out "fifth" and insert "fourth."

On page 2, lines 6, 7, and 8, strike out "and a member bank in a central Reserve city may hold and maintain the reserve balances specified in paragraph (a) or (b) above."

On page 2, strike out lines 15 through 19, and insert the following:

"SEC. 2. (a) Section 19 of the Federal Reserve Act is amended by striking out the fifth paragraph, lettered '(c)'."

On page 2, line 21, after "amended" insert the following:

"(i) by striking out '(1) by member banks in central Reserve cities or (2) by member banks in Reserve cities or (3) by member banks not in Reserve or central Reserve cities or (4) by all member banks' and inserting in lieu thereof '(1) by member banks in Reserve cities or (2) by member banks not in Reserve cities or (3) by all member banks' and (ii)."

On page 2, after line 23, insert the following:

"SEC. 3. (a) New York and Chicago are hereby reclassified as Reserve cities.

"(b) The classification 'central Reserve city' and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as 'central Reserve cities' is terminated.

"(c) All references in the Federal Reserve Act, in the National Bank Act, and in any other Federal statute to central Reserve cities shall be deemed to be and shall be treated as reference to Reserve cities."

Amend the title so as to read: "A bill to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification 'central Reserve city'."

The statement presented by Mr. BUSH is as follows:

STATEMENT BY SENATOR BUSH

This amendment will eliminate a discrimination under which New York and Chicago are now suffering, requiring them to carry more reserves against their deposits than banks in the 49 Reserve cities. The historic reasons for this discrimination ceased in 1917, and it is high time that we ceased the discrimination.

The Federal Reserve Board has recommended a bill which was introduced by the chairman of the committee and the ranking Republican and Democratic members as S. 1120. One of the purposes of the bill expressed by the Federal Reserve Board was to permit moving toward a more equitable and rational structure of reserve requirements. As part of this program the Board proposed reducing the range within which it could set reserve requirements in central Reserve cities from the present 13–26 percent down to 10–20 percent, the range now applicable to Reserve cities. However, the Board would not have abolished the central Reserve city classification. The Board would still be permitted to establish a higher reserve requirement for central Reserve cities than for Reserve cities. This is now the case. Banks in central Reserve cities are required to maintain 18 percent of their deposits as reserves, while banks in Reserve cities are only required to keep 16½ percent of their deposits as reserves. This 1½ percent differential means that central Reserve city banks in New York and Chicago must keep some $400 million of reserves in their Federal Reserve banks which they would have available for lending if they were subject to the same reserve requirements as Reserve cities.

The original reason for the central Reserve city classification, under the National Bank Act, was that banks in Reserve cities were permitted to keep a portion of their reserves in banks in central Reserve cities. This made classification as a central Reserve city a real asset to that city's banks, and St. Louis and Chicago both voluntarily became central Reserve cities shortly after 1887, but after 1917, all member bank reserves had to be kept in the appropriate Federal Reserve bank, and classification as a central Reserve city became only a handicap. St. Louis was able to escape from the classification in 1922 by reclassification as a Reserve city. New York and Chicago, however, have not been successful either in escaping from the classification or in having the reserve requirements of the classification placed on a par with the reserve requirements of the Reserve cities. Consequently, they still suffer from a handicap imposed for a reason which has been an anachronism since 1917.

It is not the purpose of my amendment simply to increase member bank reserves. If this were its only purpose, it would be inflationary, and this I should oppose as much as the Federal Reserve Board would oppose it. But the Federal Reserve Board can take other action, for example, through open market operations, to offset any possible inflationary effect which this amendment might have.

The sole purpose of my amendment is to eliminate the discrimination under which central Reserve city banks in New York and Chicago have been suffering for many years.

NATIONAL MINING AND MINERALS POLICY—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 25, 1959, the names of Senators BARTLETT and GRUENING were added as additional cosponsors of the bill (S. 1537) to establish a national mining and minerals policy, introduced by Mr. ALLOTT on March 25, 1959.

STABILIZATION OF PRODUCTION OF LEAD AND ZINC—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 25, 1959, the names of Senators CHURCH, BARTLETT, and GRUENING, were added as additional cosponsors of the bill (S. 1538) to stabilize production of lead and zinc from domestic mines, introduced by Mr. ALLOTT on March 25, 1959.

HOME GARDEN PROGRAM FOR NEEDY FAMILIES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 25, 1959, the names of Senators BYRD of West Virginia, DOUGLAS, HUMPHREY, and RANDOLPH were added as additional cosponsors of the bill (S. 1561) to establish a home gardening program to assist needy persons in supplementing their food supplies, introduced by Mr. COOPER, on March 25, 1959.

CONSUMERS ACT OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of March 26, 1959, the names of Senators RANDOLPH and O'MAHONEY were added as additional cosponsors of the bill (S. 1571) to establish a Department of Consumers in order to secure within the Federal Government effective representation of the economic interests of consumers; to coordinate the administration of consumer services by transferring to such department certain functions of the Department of Health, Education, and Welfare, the Department of Labor, and other agencies; and for other purposes, introduced by Mr. KEFAUVER (for himself and other Senators) on March 26, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. KUCHEL:

Address entitled "A Republican Challenge: Keeping Ours the Party of Freedom," delivered by him before the Wayne County Republican Central Committee, at Detroit, Mich., on April 2, 1959.

By Mr. KENNEDY:

Article entitled "A Voice for the Cities," written by Senator CLARK, and published in the Nation of March 7, 1959.

By Mr. JAVITS:

Correspondence between himself and the Office of Civil and Defense Mobilization regarding problems of civil defense in event of a nuclear war.

NOTICE OF HEARING ON NOMINATION OF J. GRAHAM PARSONS TO BE ASSISTANT SECRETARY OF STATE

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of J. Graham Parsons, of New York, to be an Assistant Secretary of State, vice Walter S. Robertson, resigned.

In accordance with the committee rules, the pending nomination may not be considered prior to the expiration of 6 days.

NOTICE OF RESUMED HEARINGS ON CIVIL RIGHTS

Mr. JOHNSON of Texas. Mr. President, the chairman of the Senate Judiciary Committee's Subcommittee on Constitutional Rights [Mr. HENNINGS] has asked me to announce that, following the Senate recess for Easter, public hearings on pending Federal civil-rights proposals are being resumed on Wednesday morning, April 8, 1959, at 10 a.m. in room 318—the caucus room—of the Old Senate Office Building, in Washington, D.C.

Organizations and individuals interested in testifying or in filing statements for the RECORD should communicate, preferably in writing, with the office of the subcommittee.

NEEDED: AGGRESSIVE DIPLOMACY, TEMPERED BY REASON, IN DEALING WITH THE KREMLIN ON THE BERLIN CRISIS

Mr. WILEY. Mr. President, we recognize that in the days ahead the world—particularly the free world—will be faced with serious decisions that may well affect our security both now and in the future.

In attempting to deal with the Communist efforts at world aggression, particularly as regards the Soviet-created crisis in Berlin, we need, I believe, aggressive diplomacy, tempered by reason, in attempting to find a solution not only to the problems relating to Germany, but also to the general lessening of East-West tensions. The Berlin crisis, especially, presents a real challenge.

Recently the Western Alliance, through its NATO meetings, has again examined the Allied position, and has found it constructed upon a solid foundation of principle, reason, honor, justice, and the best interests of the people involved, including their right to freedom.

By contrast, it is again evident that the Soviet policy toward Berlin, first, is based on violation of—not adherence to—its international agreements.

Second. It shows a disinterest in protection of the rights of the people involved, and aims only at furthering the efforts of the Communists toward gaining control of more land and people. The Kremlin is, of course, particularly anxious to erase West Berlin as the showplace of the free world's progress which is embarrassing to the Communists in the face of their lack of progress in providing good things in life for their people.

Third. The Soviet policy is without justification, either by law, principle, reason, or on the grounds that it would lessen tension and promote peace in Europe; rather, it is aimed only at the enslavement of more people, including the 2 million West Berliners, to communism.

TIME FOR PEACE TREATY

We recall that Khrushchev has reminded us that 14 years after the cessation of World War II, it is high time for a peace treaty. This is true. However, it should be made clear that it is the Soviet Union, not the Western Alliance, which has obstructed a solution of the German problem and adoption of a peace treaty.

The creation of the German "Undemocratic" Republic in East Germany by the Soviet Union—contrary to its post-World War II agreements—has erected the major obstacle to settlement of German unification, to writing a peace treaty, and to a solution of related German questions, including a lessening of East-West tensions on the European Continent.

In referring to East Germany, I use the term German "Undemocratic" Republic advisedly—but, I believe, correctly—since the Soviet Union has opposed, and continues to strongly oppose, free elections in the "puppetized" area.

In view of Mr. Khrushchev's "holier than thou" attitude in urging a peace treaty with Germany, it would seem pertinent to revive the question of when the Soviet Union will release its despotic grip on the orbit nations of Poland, Hungary, Rumania, Czechoslovakia, Bulgaria, and other countries.

While the outlook apparently is not for early freedom for these nations, it would be well to reaffirm that the West has not "written them off" forever to the Kremlin—for use in furthering its goals of world domination by communism.

AGREEMENT ON FREE WORLD OBJECTIVES

Fortunately, the NATO nations have found it possible to agree upon general principles and objectives for dealing with the Berlin crisis.

We recognize, of course, that there may be different views on just how, in detail, these objectives can be attained. Despite this, however, I believe the Allies can and will develop a constructive set of plans to present to the May 11 conference of East-West Foreign Ministers.

The Western proposals, of course, will be discussed further in the working conference scheduled for London on April 13, and the Western Foreign Ministers' meeting set for April 29 in Paris.

The wide range of issues contributing to East-West tension that may well be examined include:

First, the status of West Berlin, including protection of the freedom of the 2 million West Berliners and the right of access to Berlin by the Allies;

Second. Possible reduction of armed forces in Europe;

Third. Efforts toward agreement on a possible ban on nuclear testing, accompanied by safeguards to prevent sneak attacks;

Fourth. Efforts toward reunification of Germany, including, for example, possible working-level negotiations between East and West on such things as free communications, trade relations, cultural exchanges, and similar points of contact. Once under way, these negotiations might then go on to other more important areas. Although the current outlook for free elections is extremely dim, this must, of course, continue to be an essential goal for the ultimate reunification of Germany.

These, and related problems, will present a real challenge.

MAY 11 CONFERENCE MUST SHOW PROMISE

As the Western Allies attempt to formulate constructive proposals on these and other areas of East-West tensions, it is again important to stress—as the President has emphasized—that the May 11 conference of East-West Foreign Ministers must, indeed, show real promise of progress toward agreement on crucial issues, if a summit conference is to be agreed upon. This should include, among other things, a demonstration by the Soviet representatives that they are ready and willing to negotiate realistically for a peaceful solution of the involved problems. In the past, we have experienced that they stubbornly stick to only proposals which would further the Communist aims without really contributing to the settlement of the questions involved, or to peace.

In the search to find grounds for agreement with the Soviets, we must be careful not to lose sight of our basic rights, as well as obligations, in relation to Berlin.

The right of access by the Allies to West Berlin was based on post-World War II agreements among the wartime Allies, including Russia, for enforcing the surrender terms on Nazi Germany.

The attempts by the Soviets to abrogate their obligations under the agreements, as well as to undermine the rights of the Allies to be in Berlin, are, in effect, in violation of international law.

The right of the three powers to free access to Berlin is not a privilege bestowed by the Soviet Union upon the Western Powers; rather, it is an essential part of their rights of occupation. The Soviet Union accepted its zone of occupation subject to these rights of access.

The Soviets' efforts to interfere with the Allies' carrying out their obligations in West Berlin, or the Soviets' threat to turn over authority to the East German puppet government—which, of course, would only be a facade—are completely unjustifiable.

In adhering strongly to its stand-firm position—sometimes criticized for its inflexibility—the West need not apologize. Acting on a solid foundation of right and justice, we can, and must, rather, adopt a policy of aggressive diplomacy, tempered with reason, and forge ahead to attain our justifiable goals through reasonable ways and means.

The forthcoming East-West Foreign Ministers Conference—and, if all goes well, a summit conference—will involve presenting our case, not only to the Soviets but to the whole world.

BERLIN PICTURE IN PERSPECTIVE

We recognize, of course, that the Berlin crisis is only one scene in the global theater in which the Communists are making dramatic and dangerous efforts to extend their sphere of influence.

In Iraq, in Tibet, and other areas, the Communists are attempting to carry forward—by persuasion, by coercion, by death—their aggressive aims.

The resolution of the Berlin crisis—to whatever degree this is possible—would, of course, lessen tensions on the European Continent. However, we must gird ourselves for a long-term struggle on all fronts to cope with continuous expansionist efforts by communism around the globe for years to come.

SAVING OF FORESTS AND NATURAL RESOURCES OF KLAMATH INDIAN RESERVATION, OREG.—ARTICLE BY SENATOR NEUBERGER

Mr. MURRAY. Mr. President, our good friend, the junior Senator from Oregon [Mr. NEUBERGER], has written an illuminating article for the April 1959, issue of Harper's magazine, under the title "How Oregon Rescued a Forest."

The article describes the long struggle to prevent the pine forests, waterfowl marshes, watersheds, wildlife, and other natural resources of the great Klamath Indian Reservation from being looted and liquidated. This reservation is located in southeastern Oregon.

As chairman of the Senate Committee on Interior and Insular Affairs, I was glad to participate with Senator NEUBERGER and others in bringing about this successful result.

I know that other Members of the Senate will be interested in the article by the junior Senator from Oregon published in the current issue of Harper's magazine, and I ask unanimous consent, Mr. President, that it be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW OREGON RESCUED A FOREST

(By RICHARD L. NEUBERGER, U.S. Senator from Oregon)

(An unexpectedly happy ending to the story of a blunder which almost ruined a tribe of Indians, a State's lumber industry, and one of the few remaining natural beauty spots of the west coast.)

The Klamath Indians of southeastern Oregon—like most American Indian tribes—have an old history of sorrow. During the first years of the Eisenhower administration, the Klamaths seemed fated for new disaster—not only to themselves but to the whole State of Oregon. But their story has turned into one of the few almost-bright chapters in what former Secretary of the Interior Douglas McKay caustically called the Indian business. The turn came last summer, at the end of the 85th Congress, when a group of stouthearted Republicans and Democrats joined forces in a rare bipartisan action to conserve our natural resources.

In 1954 Congress had passed a bill terminating the reservation status of the Klamath people, and in due order the Klamaths, numbering some 2,133 men, women, and children, voted by a 77 percent majority to withdraw from the tribe and take, each and every one, his share of the assets. According to a surprise provision of the Federal bill, every Klamath could collect $58,000 in cash. A family of four might end up with almost a quarter of a million dollars, snugly secure from income tax.

Yet these claims, totaling nearly $120 million, would not only destroy by auction sale one of the world's great forests of Ponderosa pine and endanger a precious and rare waterfowl refuge; they would beggar the timber economy of the State of Oregon. What termination might do to the Klamath people themselves was summed up by Elnathan Davis, stern-faced secretary of the tribal council, 1 of the 23-percent minority who voted to remain in reservation status:

"It'll be like throwing a steak to the dogs. Too few of us are prepared to handle these things. The money might do us a lot more harm than good."

As matters now stand, the Klamaths will still get their money, for good or for ill, but the forests and the wildlife will be guarded by and for the American people. Here is how it happened.

When Douglas McKay was appointed as the first head of the Interior Department under the Eisenhower administration, one of his declared objectives was to commence the process of ending Federal trusteeship over the country's 350,000 Indians. This obligation was costing the Treasury at least $150 million annually. Opinions on the effectiveness of the reservation system were, to say the least, sharply divided. It made good political propaganda, along orthodox Republican lines, to be shutting down so expensive an undertaking.

Furthermore, many Indian tribes seemed to be deteriorating under this benevolent paternalism. Alcoholism was on the rise, the general level of education often on the wane. Indians, especially reservation Indians, were rarely able to share in the increased living standards and economic activity which had benefited so many Western States. Indeed, Robert W. Chandler, editor of the Bend, Oreg., Bulletin, had said of the Klamaths themselves that only 16 had graduated from high school during a 13-year period, and but 1 of these had gone on to college. "This is the fault of the system imposed upon the Indians many years ago by the Federal Government, which is their guardian," Chandler added.

The original Klamath termination bill looked innocent enough. It provided for a long, orderly period in which the Klamaths would be prepared for life in the outside world, beyond the stately tree-stockaded reservation. No specific plan for managing the assets of the tribe could be put into effect until approved by the Government. Presumably a private trust, overseen by some responsible bank, would replace the Bureau of Indian Affairs as supervisor of the property—nearly a million acres—which the Indians had been given at carbine point by treaty with their blue-clad cavalry conquerors in 1864.

But, at the 11th hour during consideration of the termination bill, there was unobtrusively slipped into the legislation a provision allowing any tribal member to claim his proportionate share of the value of the reservation. Records of Senate and House committees leave amazingly vague exactly how this clause got into the bill. Some of us have always suspected that certain lumber operators, eager for a quick financial killing, knew about its origin. A greater mystery is why the Interior Department let the President of the United States sign a piece of legislation which had been so drastically transformed in character without any real explanation on the floor of either Chamber of Congress—legislation, too, which held the fate of more than $100 million worth of Indian tribal property.

After President Eisenhower had approved this dubious law, a survey by the Stanford Research Institute revealed that over three-fourths of the members of the Klamath Tribe would elect to withdraw from the tribe under the moot provision and take their cash. But cash could result only if the trees were sold, and speedily. All at once, the timber economy of southeastern Oregon faced the ugly prospect of boom and bust. And it would not be boom and bust for a few years. It would be for keeps.

THE HIDDEN WEALTH OF THE INDIAN FOREST

In the Klamath Basin, many of the Ponderosa pines are as tall as 20-story office buildings, 6 feet in diameter. To stand in a grove of Ponderosas is like being among the Corinthian columns of some cosmic temple. Because of careful management by trained foresters of the Indian Bureau, the prodigious Indian forest had survived in a region where much of the other privately owned timber had long since vanished. Over the years logging operators bidding competitively on the stumpage, had taken 4.6 billion board-feeet of finest-quality pine off the reservation. This was enough lumber to house all the residents of the Pacific coast metropolises of San Francisco, Portland, and Seattle. Each tribal member collected $1,100 annually, tax free, from the sale of this timber. Yet prudent harvesting of only the ripe and mature trees had left some 4.2 billion board-feet of pine still standing. Patrolled by the same wise policies, 80 million feet of logs could have been taken off the Indian reservation each year in perpetuity, keeping Oregon sawmills in operation and Oregon lumberjacks on the payroll. Their paychecks would ring the cash registers of merchants in Klamath Falls, Bend, Medford, and other nearby communities.

But now this had come to an apparent end. With at least 75 percent of the Klamaths pulling up stakes from the tribal society, a minimum of 3.3 billion feet of the Ponderosa forest had to be liquidated virtually overnight to satisfy the legal claims of the withdrawing Indians. Oregon's lumber market was already as shaky as aspic because of the adverse impact of stiffening interest rates on the national demand for housing. Unemployment in Oregon had led the country during the previous 3 or 4 years. Now, the dumping of 3.3 billion board-feet of Indian timber could break apart a depressed lumber industry. A few opportunist operators might get the Indian forest for a song, because genuine competitive bidding would be practically out of the question when 40 times the normal annual cut was put up for sale in one frantic grab.

But these operators would be the sole beneficiaries. Dr. Richard E. McArdle, chief of the U.S. Forest Service, pointed out that the flooding of the market could cost nearby national forests in Oregon and northern California some $49.7 million in stumpage receipts. Inasmuch as one-fourth of this amount—about $12.4 million—would ordinarily have been allocated for the financing of schools and roads in 10 counties, the chaos might thread all the way down into the classroom and ranch turnpike.

Nor did even this begin to encompass all the possible ravages to the region. The Klamaths' preserve is contiguous to Crater Lake National Park, although five or six times the size of that majestic mountain wonderland. For epochs the high Indian forest had soaked up rain and snow like a sponge, letting it run off gradually into Upper Klamath Lake, largest in Oregon, and through the gorges and canyons of many roaring rivers. The water sustained a huge 303,000-acre irrigated agricultural economy of potatoes, alfalfa, and diversified row crops. The Williamson River was unparalleled for trout fishing, and the Klamath River nurtured the important hydroelectric plants of the California-Oregon Power Co. in both States. With the stripping bare of the Indian pine forest, all these beneficial uses could be imperiled by a shortage of water. The rhythmical capillary flow of the drainage from the uplands would be replaced by flash floods—and then choking drought.

The Indian reservation also contained the continent's most intensively used waterfowl marsh outside the refuge systems of the wildlife services of the United States and Canada. Such protection had never been essential as long as it sprawled within the cordon of safety assured by the Indian reservation. Eighty-five percent of the birds traveling the Pacific flyway nested and fed on this fabulous marsh. I have seen redheads, canvasbacks, ruddies, and mallards rising from off its glistening surface in undulating waves that made the heart beat faster. But if the reservation had to be liquidated financially in order to pay each migrating Klamath $58,000, it was obvious that the marsh would no longer serve as a sanctuary for waterfowl. Peripatetic ducks

and geese carry no wallets. Millions of nomadic birds, finding their nesting place drained for grazing purposes or farmland, might be driven by hunger to foraging on fields and crops. The inevitable out-of-season slaughter by growers would be bloody, and when would the birds come again—if ever?

It was obvious that somebody had goofed, and that somebody had to be the Government of the United States—Interior Department, Senate, House, and President.

A SUDDEN REVERSAL

Amid the mounting anxiety, a thunderclap sounded. Secretary McKay had appointed three of his personal friends, all staid and reliable Republican businessmen, to handle the liquidation of the Klamath Reservation at a salary of $1,000 monthly apiece. Now the chairman and dominant member of the three, 68-year-old Thomas B. Watters, of Klamath Falls, imperturbably announced there was only one solution. The Government itself had to buy the Klamath Indian Reservation, and fast. Then the marsh could be made a game refuge, and the timber could be harvested under the same perpetual-cutting practices which had successfully guided the operation of the reservation for so many years. Any other alternative, added Watters, would result in an economic disaster for our area that is too disturbing to contemplate.

Oregon was stunned. With much fanfare, termination of Government supervision over the Klamaths had been heralded as a tremendous victory for free enterprise. Immense sections of land—formerly under the quasi-public status of the reservation—of course would be placed on the taxrolls as private timber holdings. The Government would be saved millions in congressional appropriations. The Indian Agency office could be permanently closed. What finer way to please Senator BYRD, then Secretary of the Treasury Humphrey, and the Hoover Commission in one fell stroke?

Yet Secretary McKay's handpicked appointee was proposing that the Government reverse the whole procedure and add the entire reservation to the already extensive Federal holdings in Oregon—with the U.S. Treasury, of course, footing the bill. For many decades, conservatives in Oregon politics had made a lively issue of the fact that the Federal Government owned half the land area of the State. But here was the former Republican mayor of Klamath Falls warning that this Government domain had to be increased, or the direst of calamities would occur.

DELAYING THE AUCTION

"At first we thought Tom Watters might be touched in the head," I was told by Frank Jenkins, exuberant and forceful publisher of the Klamath Falls Herald and News. "Yet the more we studied the situation from every possible angle, the more we saw he was entirely right. The clear cutting of the Indian forest would have been a monstrous catastrophe for our State. But who could prevent it except the Government?"

And so I introduced a bill early in 1957 to provide for Federal purchase of the Klamath Reservation, with the funds to be used for reimbursement of the 77 percent of the Klamath tribal members who wanted to leave their traditional bivouac grounds. The pine timber would be added to nearby national forests, for sustained-yield management by the Forest Service. The marsh would become a refuge supervised by the Fish and Wildlife Service. In the meanwhile, as chairman of the Senate Indian Affairs Subcommittee, I had secured passage of an emergency measure delaying, until August of 1958, the time when the timber and the waterfowl marsh had to go on the auction block to satisfy the claims of withdrawing Indians. We had that much elbow-room in which to save vast watersheds and natural resources in southeastern Oregon. The patient Klamaths had agreed to the delay. Their sympathy with the white man's plight was truly heroic.

A dilemma was posed for Secretary McKay's successor at the head of the Interior Department, Fred A. Seaton. He could not allow destruction of the Indian marsh, forest, and uplands. Yet he hesitated to repudiate his predecessor's position completely. So Mr. Seaton, with the collaboration of the Agricultural Department, recommended an alternative to my bill. In essence it was this:

The Indian timber first would be offered for sale in huge blocks to private mills, at competitive bids. The successful buyers would have to agree to pay an appraised price which would be fair to the Indians, and also to cut the timber under strict Government supervision. This, of course, would mean that sustained-yield policies would keep the yearly cut in balance with new growth. Any timber not bought by private operators by April of 1961 would be purchased by the Government and turned over to the Forest Service as national forest land. Under this proposal, the marsh would become a wildlife sanctuary.

MY BILL "BY REQUEST"

Now the dilemma was mine. If I insisted on my own bill and it bogged down in a partisan political debacle, the economy of my native State would suffer grievously. I desperately needed the unified backing of all my colleagues on the Indian Affairs Subcommittee if we were to have any chance of success with the Senate as a whole. And if only one or two large blocks of Indian timber were purchased privately under the Interior Department's bill, its total cost would be $90 million as contrasted with $120 million under my original bill. This was decisive with me, for I knew that many of my fellow western Senators—rebuffed on relatively small reclamation and public-works projects in their own States—would wonder why scores of millions of dollars were necessary to buy an Indian reservation in Oregon.

I took the bill which Secretary Seaton had sent to me and dropped it in the Senate hopper "by request." If I had not crossed the Rubicon, I at least had crossed Upper Klamath Lake. It was my bill now.

A few weeks later the National Lumber Manufacturers Association began a bitter and abusive attack against even this bill. They denounced it as a threat to the American system of government and to free enterprise in the lumber industry. To its credit, the largest operator in the Klamath Basin, the Weyerhaeuser Timber Corp., declined to join in this massive assault. Five of my colleagues helped particularly to bring the measure to passage—James E. Murray, of Montana; Clinton P. Anderson, of New Mexico; and Frank Church, of Idaho, all Democrats; and Arthur V. Watkins, of Utah, and Barry Goldwater, of Arizona, both Republicans.

The crisis came when lobbying by the National Association of Lumber Manufacturers succeeded in eliminating in the House of Representatives all the language guaranteeing sustained-yield management of any of the Ponderosa timber which might be privately purchased. This could have been ruinous. We had to restore the lost language in conference between the two Chambers. At this juncture there came to the rescue a man who is not customarily a hero with liberals—Ezra Taft Benson, Secretary of Agriculture. He sent to the conference a strong letter detailing why the Forest Service (which is in his Department) could not accept responsibility for supervising the timber effectively unless it had full legal authority to keep the forest from being recklessly cut. This meant that sustained-yield policies had to be assured. Benson's letter carried the day.

And so, as these words are written, biologists of the Fish and Wildlife Service are measuring off the acreage their agency soon will acquire in the Klamath marsh. Foresters of the Indian Bureau and the Forest Service are preparing for sale some 617,000 acres of the great Ponderosa groves—with $90 million in purchase funds already approved by Congress for national forest acquisition in the event private buyers do not materialize.

And a valuable lesson has been learned all around—albeit an expensive one. Secretary Seaton now insists that it would be absolutely unthinkable for any Indian tribe to be forced into a termination proceeding without its full understanding and consent. Mr. Seaton also has said that it would be incredible, even criminal, to send any Indian tribe out into the stream of American life until and unless the educational level of that tribe was one which was equal to the responsibilities it was shouldering.

Although Oregon is essentially a conservative and cautious State, practically every element of Oregon society had rallied to the cause of Federal rescue of the Klamath Reservation—press, pulpit, industry, banking, labor unions, conservation and outdoor groups, women's clubs, farm groups, education organizations. Few of these influential citizens believe the Klamaths measure up to the standards prescribed by the Secretary for merging with the stream of American life. Yet the egg cannot be put back into the shell. Legal rights have been vested and each withdrawing Klamath is entitled to his share of the tribal assets, which might conceivably be reduced to $45,000 because of a new appraisal of the timber that reflects a declining lumber market. The amount of the exact sum due every Klamath may yet end up before the Indian Claims Commission. Fervent thanks are offered daily, however, that neither the $58,000 nor the $45,000, multiplied many times, is to be at the expense of the lumber, water, and wildlife economy on which Oregon is so utterly dependent.

But nobody in our State talks very much these days about getting the United States Government out of the Indian business.

THE BUDGET

Mr. BUSH. Mr. President, I hold in my hand a clipping from Newsweek magazine of March 30, 1959, under the column entitled "The Periscope," which reads in part as follows:

Democratic leaders in Congress are claiming Ike's "balanced" 1960 budget is beyond salvation, even if they tried to save it.

In addition to the attacks already made on it, the Democrats say they will continue to try to force supplemental money requests into the budget.

That is a very serious charge, I think. I hope it is not true. Nevertheless, there have been evidences that there may be some truth in the charge.

I ask unanimous consent that the entire part of "The Periscope" entitled "Battle of the Budget," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BATTLE OF THE BUDGET

Democratic leaders in Congress are claiming Ike's "balanced" 1960 budget is beyond salvation, even if they tried to save it.

In addition to the attacks already made on it, the Democrats say they will continue to

try to force supplemental money requests into the new budget.

They also say they have no intention of giving Ike the two things he needs most to balance the budget: Higher Federal taxes on motor fuels and higher postal rates. Thirty-two Governors sounded off against a gas-line tax boost.

Mr. BUSH. Mr. President, I have in my hand an article which appeared in the Wall Street Journal for Monday, March 30, 1959, entitled "Inflation's Real Roots. How Federal Deficits Cause Dollar's Decline, Price Rises."

I think this is one of the most revealing articles I have seen on the subject, and drives home fully and clearly the importance of the effect of deficit financing. In fact, the article goes so far as to say that inflation is not possible and will not occur without an increase in the quantity of money available. It is the most impressive article on the subject I have seen this year, and I ask unanimous consent that it be printed at this point in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INFLATION'S REAL ROOTS—HOW FEDERAL DEFICITS CAUSE DOLLAR'S DECLINE, PRICE RISES

What is the record on inflation? Since inflation is an issue in the political arena, let us look at the record of the last 6 years of Democratic national administration and the first 6 years of the present Republican national administration.

From January 1947 to December 1952, the Consumer Price Index rose by 24.4 percent. From January 1953 to December 1958, the rise was only one-third as large, amounting to an 8.6-percent increase.

However, the issue of monetary policy and inflation was supposed to have been removed from the political arena when the Federal Reserve Board was established as an independent agency. Members were appointed for 14-year overlapping terms in order to insulate them from political pressures. The Board has been given great powers which can be used to control the quantity of money in circulation. By controlling the quantity of money, they control the price level.

From January 1947 through December 1952, the manner in which the Board used their powers resulted in a 19-percent increase in the quantity of money. From January 1953 through December 1958, they used their powers to restrict the rate of increase in the quantity of money to 9 percent. As a result, we had less inflation in the last 6 years than we did in the preceding 6.

QUANTITY CLIMBS 180 PERCENT

In the period from 1940 to 1950 the quantity of money increased from $39 billion to $110 billion, an increase of 180 percent.

We might well ask, "Why did the quantity of money increase so much, and why did we allow it to do so if we were truly interested in avoiding inflation?" Or, to rephrase the question into a more pertinent one, "Why did the Federal Reserve Board pursue a course of action which pumped an additional $70 billion into the hands of the public from 1940 to 1950?"

Some people would argue that the inflation was caused by unions pushing wage rates up and by businessmen passing on the cost increases to the public in higher prices. However, our studies at the University of Chicago indicate that it was the increases in the quantity of money which came first.

With more money in their pockets, consumers tried to buy more goods. Since the stock of money could purchase more goods at current prices than could be produced, shortages developed or prices were bid up to levels which absorbed all the money consumers wanted to spend.

With higher prices offered by consumers for goods, manufacturers were eager to produce more. They tried to hire the men to do the job, but shortages of labor developed. In nonunion industries, employers offered higher wage rates in order to attract additional men. In unionized industries, employers offered wage increases in their bargaining sessions.

The answer to the question of what caused inflation is really the answer to the question of "Why did the Federal Reserve Board follow the course it did in the 1940's?"

The primary reason was that the Federal Government had a large deficit in this period. It offered bonds for sale to the public to finance the deficit. Because the interest rates carried by the bonds were very low, ranging from three-eighths of 1 percent to 2½ percent, insufficient funds were obtained to cover the Government deficit. In these circumstances, the Government turned to the Federal Reserve for help in its financing.

Rather than offer higher interest rates or increase taxes to pay its bills, the Government, in effect, asked the Federal Reserve to buy the bonds and to provide banks with more funds so that they also could buy them. Since the Federal Reserve Banks are fiscal agents for the U.S. Government, and, also, since they felt it was their patriotic duty to assist with the financing of the war, they responded. In doing so, they undertook actions which increased the stock of money from $39 billion in 1940 to $94 billion in 1945.

They might have stopped increasing the stock of money in 1945 since the war was over. However, the U.S. Treasury had become accustomed to selling bonds at low interest rates. It did not want to raise rates to the point where the public would find purchases attractive. The administration, therefore, exerted great pressure on the Federal Reserve to keep buying bonds and to keep manufacturing money to buy the bonds. As a consequence, the quantity of money continued to rise, by another $16 billion, to $110 billion in 1950. And the inflation continued.

Marriner Eccles, the former Chairman of the Reserve's Board of Governors, and other members of the Board constantly protested against this policy. Finally, a blowup came in 1951. It was becoming obvious that the Federal Reserve had become an engine of inflation. The System had either to declare its independence or continue as a subservient arm of badly managed Treasury policy. Eccles presented the Federal Reserve's case in testimoney on January 25 before the Joint Committee on the Economic Report.

In an unprecedented move, President Truman, on January 31, asked the Federal Reserve Open Market Committee to meet with him. The next day, the White House announced that the Federal Reserve would continue to peg the Government bond market. Since the Open Market Committee had not agreed to this policy, Eccles released the minutes of the White House meeting, giving the lie to the White House statement.

A final result of all this was an accord between the Treasury and the Federal Reserve in March 1951. The Treasury agreed to the dropping of the Federal Reserve pegs in the Government bond market. The Federal Reserve agreed to maintain an "orderly" market (whatever that may mean).

Since March 1951 inflation has proceeded at a very moderate pace, compared to the earlier pace. But it has continued, however moderate the pace may now be. The Federal Reserve has continued to pump money into the economy in its attempt to maintain an orderly bond market and to ease the Treasury's problems in raising funds to pay off maturing issues.

THE BASIC LESSON

Now what is the moral of this experience?

First of all, inflation is not possible and will not occur without an increasing quantity of money. Second, the quantity of money will not increase unless the Federal Reserve either provides extra money, or makes it possible for banks to increase the stock of money by providing them with more reserves or by cutting required ratios. Third, the Federal Reserve increases the stock of money primarily as a result of the pressures exerted on it to assist in financing governmental deficits and secondarily to assist the Treasury in refinancing maturing debt when the demand for funds is strong, and the Treasury would have to offer more attractive interest rates to get the money from noninflationary sources.

In essence, the only way we are going to avoid inflation in the future is by avoiding deficits in Government budgets.

Even in the absence of deficits, there will still be moderate inflationary pressure from the necessary refinancing in Government debt unless the Government runs a surplus in order to ease the Treasury's problem in handling the roll-over.

A surplus in the budget is desirable for two reasons. It would ease the upward pressure on interest rates in capital markets. The Treasury's refinancing problems in connection with maturing debt would become less pressing, and the heat would be off the Federal Reserve to manufacture more money to assist the Treasury.

A second virtue of a surplus is that the flow of funds for financing the purchase of new, more productive machinery would be increased. The holders of maturing bonds would use the funds to invest in the securities of business firms. The more available funds are to these firms (from noninflationary sources), the more rapidly they will modernize their plants, and the sooner they will rehire high-priced labor not worth employing on low-output, obsolescent equipment.

The more rapid growth in our stock of capital which would occur with a surplus in the Federal budget (assuming it is not created by raising taxes which reduce the rate of saving) would lead to a more rapid growth in production. This, too, would help restrain the rate of inflation.

THE PROPOSED BUDGET

To turn back to the question of the prospects for continued inflation, we should examine the prospects for balance or surplus in the Federal budget. The President has proposed a balanced budget for the fiscal year ending June, 1960. The President may propose, but Congress disposes. The mood of the current Congress is evidently in favor of a conglomerate of spending programs beyond those in the administration's proposed budget.

Even the proposed budget contains programs whose required outlays will be rising in the future. The only way the Federal budget can be kept in balance is by preventing new programs and discontinuing old ones. The proposed budget does not eliminate programs; it only nibbles at the expenditures for a few of the eixsting projects.

Many of the programs now in the budget and additional ones proposed to the Congress are political frauds which are designed to institute spending programs for which people would not vote if the proposals were presented separately on the ballot. The proposed Federal aid to education program is typical in this regard.

The proposed housing bill, and Federal aid to airports bill, as well as the education bill are beyond the proposals of the President and must be stopped if the proposed balanced budget is to become an actuality. Furthermore, many Federal programs must be discontinued if we are to avoid deficits in the future. For example, Federal Government grants for vocational education have

accomplished their purpose. The proposed expenditure of $9 billion for improving navigation on inland waterways should be killed.

If we are to prevent inflation, we must get sanity into the making of the Federal budget. We can reduce Federal outlays, increase the rate of growth in productivity, wage rates, and personal income, and reduce the rate of inflation if we prevent unneeded and economically wasteful Federal programs.

Mr. BUSH. I also ask unanimous consent that there be printed in the RECORD an editorial from the same newspaper of the same date, commenting on the article to which I have just referred.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HALFWAY TO ZERO

Senator Majority Leader JOHNSON said the other day that American economic history casts "grave doubts" on the theory that Federal budget deficits lead to inflation.

This sort of talk is by no means unusual, especially these days when the budget is such a sharp political issue. Those in and out of Congress who want the Government to spend much more via deficit financing naturally do not care to bear the onus of responsibility for inflation. So they like to search for the causes of inflation almost anywhere except in Federal fiscal and monetary policy.

And it is true enough that economists are far from unanimous on the subject. Some think wage increases in excess of productivity gains are the main cause of inflation. Others think prices administered by industries allegedly immune to competition are the big villain. Still others combine these two. And so on.

But it seems to us it is not necessary to adhere dogmatically to every detail of any particular economic theory in order to come to some conclusion about inflation. In this field as in others, common sense is a pretty good guide, and common sense certainly underlies Professor Brozen's article—a kind of primer on inflation—on this page today.

As Mr. Brozen shows, there is no doubt at all that the money supply has been inflated in recent times—from $39 billion in 1940 to $94 billion in 1945 and an additional $16 billion between 1945 and 1950. The expansion of the money supply has continued since, though much more moderately.

There is equally no doubt whatever that the purchasing power of the dollar has markedly declined in the past 20 years during which this huge expansion of the money supply has taken place. So at least a presumptive cause and effect relationship is evident. But Mr. Brozen goes on to make the connection specific: The inflation occurred through the monetary means employed to deal with the heavy Government deficits of the war and postwar years.

The conclusion thus seems inescapable that bank-financed Government deficits are the primary cause of inflation, whatever other contributory causes there may be. After all, no entity except the Government can in the first instance control the level of the money supply.

Once the basic responsibility of the Government is recognized, other phenomena fall more easily into place. For example, Senator JOHNSON and others dispute the connection between deficits and inflation on the ground that Federal red ink has sometimes been accompanied by rising prices and sometimes by low or falling prices.

That, though, is a somewhat misleading linkage. Rising prices are not the equivalent of inflation, though they are a frequent result of inflation. Inflation may seem to be dormant, when it is not. Inflation's upward impact on prices is not always or necessarily immediate; it may be delayed. Inflation, in short, is a treacherous enemy.

The important point about deficit-generated inflation, experience indicates, is that a huge pool of excess money is created. That pool becomes a threat, whether or not immediately apparent, to the value of the currency. For only out of it can come the wage increases in excess of productivity gains that show up in ever-higher prices. And the longer the deficits continue the more certain it becomes that the inflation will be reflected in a rapidly moving wage-price spiral.

Once that spiral is in rapid motion, moreover, the Government is likely to inflate more to keep up with the spiral, thus speeding the spiral. Meantime public expectation of more, and more serious, inflation leads to all manner of speculative excesses.

In the combination of these forces lies the strongest reason for questioning the idea of some economists that inflation can be kept indefinitely at a creeping pace. Experience and human psychology, not mere theory, show that at some point inflation can and does start galloping toward financial collapse.

Still, let's not be dogmatic. Let's say it's only about 90 percent sure that the almost uninterrupted Federal deficits of the past generation are mainly responsible for the simultaneous loss of more than half the value of the dollar. Even if it were far less certain, why should sensible people let deficit-bent politicians run the risk of completing the destruction?

Mr. BUSH. Mr. President, finally, I ask unanimous consent that another editorial, from the Wall Street Journal of March 26, 1959, entitled "Out of Reason's Market," be printed in the RECORD following the preceding insertions.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUT OF REASON'S MARKET

Some American machine toolmakers are buying foreign companies to produce and sell both abroad and in the United States, and this trend is expected to grow. The reason is that the U.S.-made products are running into increasing price-competition trouble with foreign-made products.

Steelmakers will try to counter union demands this spring with the argument, among others, that higher prices may mean more imports from abroad and fewer jobs for American steelworkers. And in point of fact, steel imports have been rising and exports declining.

Automakers are finding that while imports from abroad continue to mount, their own overseas sales are sliding in about the same proportion.

In all these examples—and others could easily be cited—is a common thread: U.S. products are pricing themselves out of world markets. This is one of the important things that is going to be studied by Vice President NIXON's new Cabinet Committee on Price Stability for Economic Growth.

Now the immediate significance of the pricing-out-of-the-market trend can doubtless be exaggerated. But it is happening, and there is little reason to suppose it will not become a problem of serious proportions unless something is done. So the question is, What should be done?

The protectionists have a ready answer; they are already mounting, through their numerous spokesmen, a campaign to build a higher wall of tariffs, quotas, and other restrictive devices around American industry. There are many things that can be said about this point of view—that it forces the consumer to pay higher prices than he otherwise would have to; that to try to protect some American firms is automatically unfair to others.

But for the present discussion, perhaps the most useful thing to say about the protectionist answer is that it does not come to grips with the problem. The protectionists say the trouble is that foreign wage rates are usually lower than American. U.S. productive efficiency, however, has long been able to more than compensate for that cost disadvantage; the unarguable fact is that the United States has been highly successful in competing against foreigners both on its home ground and theirs.

That this country is now showing signs, in some fields, of losing out, suggests that rising wages and prices are beginning to outrun the compensating power of American efficiency. In the case of American machine tools, the average price has doubled in the past decade, which naturally reflects mounting wage costs. But then the question must be posed, How is it possible for such increases to have occurred?

A considerable part of the answer is the fact of Government-induced inflation. Some people talk as though inflation were at the most a future threat, but of course we have been having inflation right along—a lot of it up until about 1951, less since. From inflation springs the wage increases that exceed productivity gains and the consequent price rises now beginning to play hob with our competitive ability. In short, the inflation we have permitted through years of Federal red ink is starting to catch up with us in world markets.

Now protectionism is plainly no answer to inflation; indeed, it is a self-defeating notion. If we cut off our international trade, we will likely spur inflation without "saving" our domestic industry, which will simply become higher cost, less efficient, and less competitive.

Equally clearly, one might think, more inflation cannot be a solution of inflation. Yet today many in Congress are in effect saying just that. They are trying to keep the Government on the path of heavy inflationary deficits because they profess to think that is the path to economic growth. Unhappily it is the way not to sound economic growth but to economic contraction and eventually to financial collapse.

The way to deal with inflation is to stop inflating. What is beginning to happen to our international trade is one more sharp warning that the time to stop is long past and we had better not wait much longer.

The American people ought to consider that warning before they let either the protectionists or the inflationists price them out of reason's market.

PROGRESS MADE BY REPUBLIC OF VIETNAM

Mr. MANSFIELD. Mr. President, in the April 2, 1959, issue of the Wall Street Journal there appears an article by Vermont Royster entitled "Up From Chaos." Mr. Royster's article outlines, in an interesting and informative fashion, the very considerable progress which has been made in the Republic of Vietnam during the past few years. In reading it I was reminded of the grim days in 1953, 1954, and 1955, when the future of all of Indochina was at stake.

The Senate will recall that I visited Vietnam in each of those years and reported my observations and recommendations. I remember particularly the vital part played by the present President of the Republic, Mr. Ngo Dinh Diem, in the survival of the hope for freedom in Vietnam. That any part of Vietnam was able to remain out of Com-

munist hands is a tribute to his exceptional leadership of the transition to national independence at a time when the Communist north was moving forward with great impetus for the conquest of all of the country. His leadership has been characterized by perseverance, determination, and great personal bravery and integrity.

As Mr. Royster's article makes clear, the road ahead for Vietnam is still not an easy one. Nevertheless, there now exists in that country tangible evidence of progress and the promise of more, whereas formerly there was scarcely hope.

Mr. President, I ask unanimous consent that I may insert at this point in the RECORD the article entitled "Up From Chaos," from the April 2 issue of the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UP FROM CHAOS—VIETNAM BATTLES ITS WAY TO ORDER AND FREEDOM

(By Vermont Royster)

SAIGON.—The new nation of Vietnam has sensually beautiful women, a clean and spacious capital, fertile fields, miles of impenetrable jungle and a Roman Catholic government for a Tao-Buddhist people.

These people, ethnologically Chinese but culturally modified by French colonialism, are made up of a highly educated elite and a large uneducated mass. They combine, in a strange fashion, the attitude that the day is sufficient unto itself with the apparently unshakable conviction that they can remake tomorrow.

They also have a divided nation, hostile neighbors, internal guerrillas, a struggling economy, a tough political boss, and the largest bundle of U.S. foreign aid ($185 million a year) of any nation in southeast Asia.

And these last considerations, coupled with the fact that they occupy a strategic keystone on the map of southeast Asia, make the people, their economics, their politics and their government of particular interest to a visiting American.

NEAR SWEEP BY REDS

A bare 5 years ago only a bold prophet would have given Vietnam those 5 years to live free of the Communists. In the spring of 1954 the French, who only a few years before had had their colonial grip shaken, were ready to lose their last hold, while the world watched at Dien Bien Phu. Their puppet emperor, Bao Dai, was already tottering.

The Communists held the whole north of the country, and much of the south outside a few cities. Armed guerrillas—neither Communist, nor Nationalist, nor anything else except plain bandits—roamed the countryside. There was no safety for the traveler in the byways, and hardly on the highways. And, as so often happens amid chaos, the colonels and the generals were growing restless for power.

That summer Vietnam was partitioned, in the manner of Korea, but there were few hopes that the truncated land would long withstand the relentless Communist pressure. Certainly South Vietnam could expect no help from the beaten, exhausted, and demoralized French.

Today the streets of Saigon, laid out in wide boulevards by those same French long ago, are immaculate, orderly and yet bustling with business and traffic save during the somnolent siesta hours.

The markets are full of rice and fish (cheap), the bazaars are stacked with cloth for the long, flowing dresses (lovely), and the main-street shops are full of Western consumer goods (expensive). Around the city's edge a few small industries are busy making cigarettes (terrible), soap (fair), matches (they light), and beer (pretty good).

In neighboring Cholon there is all the teeming hurly-burly that is always found in any Chinese-populated city where there is law and order enough for both the shops and the people to burst out onto the streets.

Beyond, on the narrow still-rutted road that links the capital with the countryside, the visitor's only concern for his safety is from the spirited driving of the jeep's chauffeur. The rice paddies here are not so intensively cultivated as in, say, Japan or Formosa; they depend on beneficent nature rather than irrigation for their water. But the water is plentiful in season, the land rich, and today the farmers can go out and till their fields unmolested. The towns such as My-Tho (pop. 20,000) are as neat as those of New England but far more bursting with life.

Plainly, then, the new government has begun to provide the first, basic thing asked of any government, peace and order. But that in itself has not been easy, nor is all yet completely peaceful and orderly.

The organized bandit gangs in the central area have been cleaned out. Police corruption has been pretty well eliminated; the vice lords (and ladies) are no longer political powers; the army is firmly under government control. But Communist agents and propaganda are still plentiful, the northern border is still not really secure against forays, and there are still guerrillas hidden in the jungles and the mountains.

In other matters, too, the government has been only partly successful. Beyond the restoration of the war-torn fields, economic progress has been slow and painful. The government has been too preoccupied with the immediate problems of security to give much thought to economic problems. Indeed, it is doubtful if some of the men-of-action who made the revolution really understand them.

So it is hardly surprising that the country has been plagued by inflation and by monetary and other economic curbs that discourage the foreign investment that the government officially invites. On this, as in many matters, the Vietnamese are of ambivalent mind; they are unconsciously suspicious of outside influence while consciously wanting outside help.

This suspicion has been fostered by history. The Vietnamese wrested their independence from the Chinese in the 10th century and kept it until they were conquered by the French in the 19th. They have been through a long struggle to oust the French, during which time the Communists won their foothold by nurturing this ambition. Yet this same fierce sense of independence makes them today as "anti-China," and in that sense, as anti-Communist, as any peoples in southeast Asia.

Ngo Dinh Diem—President, chief of state, chief of government, chief of the army, and chief of the only political party that amounts to anything—is a distillation of this sense of independence. Youthful looking, he was Minister of Interior of Annam (central Vietnam) as far back as 1933. He resigned in protest against French refusal to liberalize the government and for the next 20 years refused political office despite pleas by the French, the Japanese, and the Communists.

He came to power in 1955 when all seemed lost, and since then he has fought the French, the warlord gangs, the Communists, the Vietnamese Army, the Emperor Bao Dai, political dissidents and even U.S. aid advisers. So far he has bested them all, except perhaps U.S. aid advisers.

He is a strange man, disturbing and appealing all at once. A half-hour interview with him stretches into 2 hours, mostly a monologue that reveals an almost mystical dedication to the independence of Vietnam from all and sundry. So dedicated he does not hesitate to be ruthless against any he sees as enemies of the State; yet so confirmed in his Roman Catholicism that his ruthlessness seems to give him sincere pain.

Impatient of advisers, he has surrounded himself with an impressively capable group of advisers. A full staff meeting would put in one room at least one graduate of Oxford, several of the Sorbonne and the Ecole Politique and a few alumni of American universities; even his press secretary is a graduate of the London School of Economics and a Ph.D. from Geneva. He has a blunt-spoken American adviser (paid by him, not the United States) whose chief function seems to be to serve as a hair shirt.

ELITE AND MASS

For the most part these Vietnamese share Diem's missionary spirit; many have returned from successful careers abroad simply to help their country. Many of them are better educated (two to five languages) and better trained than their counterparts from the U.S. mission who are there to "rub off some civilization" on the backward peoples. They are working hard to make their country "go."

But it's a long drop from this elite to the mass of the people. The French were not enthusiastic about educating the Vietnamese masses, and the present educational and training program has far to go, even though it is being pressed with vigor.

And the accomplishment so far, frankly, rests on American aid. Without that aid there would be no Vietnam. Apart from military hardware, the United States poured in more than $300 million a year for the first few years; currently, economic aid amounts to about $185 million. But while Diem wants more aid, others feel the country is now ready to taper off from the U.S. funnel. Ironically, the very dollar aid so vital in the beginning now makes their inflationary problem more acute.

As for the future, the departing visitor feels it will be troubled. The present government does not have deep political roots; with Catholic leaders of a Buddhist people there is some religious separation. The Communists to the north are not likely to relax their pressure. Economically many difficulties remain to be surmounted.

But these are not only delightful people; they are more energetic and determined than most in Southeast Asia. And they, anyway, are made confident of their future by looking back at all they have survived.

MISS DEBRA GLATER, OF SCHENECTADY, N.Y., SPEAKS FOR DEMOCRACY

Mr. KEATING. Mr. President, a fine young constituent of mine, Miss Debra Glater, of 1438 Richard Street, Schnectady, N.Y., was recently named as the New York State winner of the 1958–59 Voice of Democracy broadcast script-writing contest. Debra, who is the daughter of Mr. William H. Glater, is a student at Mount Pleasant High School.

She competed with high school students from throughout New York State by writing and delivering a 5-minute speech on the theme, "I Speak for Democracy." As a State winner, Debra recently visited Washington and participated in a series of tours and other activities.

Mr. President, the highest praise possible is due the National Association of Broadcasters and its able leader, Harold E. Fellows, the Electronic Industries

Association, and the Veterans of Foreign Wars, for their vigorous sponsorship of this worthy contest. Through their efforts, our young people are being stimulated to think and speak about the opportunities, challenges, and benefits of our democratic form of government.

Nothing is more important to our youth than that they be prodded to do more thinking about the wonders of America and our way of doing things. More importantly, perhaps, it is vital that our young people learn to express their thoughts about the freedoms which we all too often take for granted. That is why this Voice of Democracy Contest is such a commendable undertaking. By encouraging our young people to think about the meaning of our form of government in their own lives and by urging them to communicate their ideas to others, this contest is contributing much to building a stronger America for the future.

Debra Glater was kind enough to send me a copy of the thoughtful, eloquent, and heartwarming remarks which resulted in her selection as a winner of the New York State Voice of Democracy Contest. They bear close study by all Americans, regardless of age. More than that, they deserve wide dissemination to all corners of the globe. Therefore, Mr. President, I ask unanimouse consent that they be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

I SPEAK FOR DEMOCRACY

(By Debra Glater, Schenectady, N.Y.)

May I read you a letter which I received 2 weeks ago from Bonn, Germany?

"MY DEAR COUSIN DEBRA: Life is so wonderful in the West, but yet so strange. I say strange in the sense of newness. Although I am 17 years old, I must begin life again like a newborn baby. So many new words I've learned in these few days. Yesterday, while walking in the market square, I overheard two people talking about coming to America. I heard them say that America is a land of fulfillment, a land rich in opportunity. And, Debbie, one word I heard them repeat over and over—'democracy.' I've heard this word in school, but what does it really mean?"

Helena's letter goes on, but I must stop here, as it's this part of the letter that troubles me. How can I explain the word "democracy"? How can I put into simple words this way of life which is my heritage, and which I take so much for granted? Will you listen to me in my answer? Do you think I I have told her the truth about democracy?

DEAR HELENA: I rejoice with you in your new-found freedom. I know there will be many new things you will be wanting to see and enjoy, and I feel that an excellent place to begin is with your question, What is democracy? This question is not easily answered, for democracy is a composition of many ideals. To me, democracy means freedoms.

In the United States I can fulfill my religious ideas freely. As I walk down State Street in Schenectady I can see St. John's Church, the First Methodist Church, and Beth Israel Synagogue. I can hear soft melodious voices of young choirboys singing Christmas carols; the ancient appeal of the Kol Nidre melody on the eve of the Jewish Day of Atonement emanates from the walls of the synagogue. You see, Helena, I need not be ashamed of my religion—that my beliefs are not like those of my neighbors. This privilege, this wonderful feeling of freedom of religion, everyone in a democracy possesses. This is a sharp note in the harmonious chord of democracy.

The freedom of press, speech, and public opinion—to what do these liberties entitle me as a citizen of America? I can write any article I may desire, without reprisal, but must consider the reputations of my neighbors. I can print what I know and feel is the truth and express my thoughts on anything from economics to a cartoon. In my democracy I am free to think, to investigate, and to express myself. This is another forceful note in the chord of democracy.

The freedom of enterprise grants to me the privilege of choosing my occupation. If I wish to further my education, I may do so. If I take pride in my work, I can be a success. This opportunity for success is very evident, for in America one can see the tables of the workingman as well as the tables of the executive filled with food. In America one can see a picture of well-being. People are well clothed and possess the material comforts which contribute to their security and happiness. And so the third exuberant note is struck in the chord of democracy.

But, Helena, democracy begins with education. It's a wonderful sight to see students in high school working in a physics laboratory or studying math, history, and languages, for they mean America's future. I, as well as each individual, have the benefit of public schools and colleges, which will teach me to become a better American citizen. Thus, the final thundering note in the chord of democracy is struck.

What is democracy, Helena? It is the constant repetitious song of freedom-loving citizens bound together by the basic melody in our Constitution. It is a way of life—the American way of life. I hope you understand my explanation, Helena, and that it will not be too long before both of us can speak for democracy.

CONTAMINATION OF THE EARTH'S ATMOSPHERE BY NUCLEAR EXPLOSIONS

Mr. CHURCH. Mr. President, the public concern over contamination of the earth's atmosphere by nuclear explosions is growing throughout the United States.

A most recent aspect has been public reaction to the lack of disseminated information on the newly discovered fallout characteristics of nuclear contamination, and the delay in making public the findings of high levels of strontium 90 in certain samples of Minnesota wheat and Dakota milk.

This deep-felt concern about the suppression of legitimate public information, I welcome—first, because it is a corollary to the nuclear test problem itself, and, secondly, because it spotlights the Geneva question: How can we salvage from this statemated conference one agreement which will protect mankind from the ravages of radiation?

My position on this question has been made clear. The time is late, and with the Geneva Conference scheduled to resume its discussions next Monday, following an Easter recess, the time is also appropriate to give consideration to an all-important atmospheric test ban.

In line with this thinking, two additional newspapers in my own State of Idaho recently expressed their fears for the ultimate safety of the world's population if agreement is not soon reached.

I ask unanimous consent that an editorial of April 3, by Perry Swisher, from the Boise (Idaho) Journal, and another of March 26, by Robert L. Anderson, in the Idaho County (Idaho) Free Press, be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Boise (Idaho) Journal, Apr. 3, 1959]

BREAD AND MILK

It wasn't many months ago that this editor was asked to transfer the subscription of a man deep in the AEC to another member of his family. The explanation was that the editorials about nuclear contamination of the air were an embarrassment.

Now that John A. McCone is in and Lewis Strauss is out as Chairman of the Atomic Energy Commission, the Nation is learning in detail what the scientists knew but could not drive home because of security regulations: Strontium 90 contamination of the atmosphere is far more serious than Mr. Strauss and Dr. Edward Teller, unable to see the evidence because of their preconceived policy, were willing to admit.

The debate about underground tests may continue, but no argument remains—or logically ever existed—against pressing at Geneva for a ban on further test pollution of the air. Idaho's U.S. Senator FRANK CHURCH deserves unlimited credit for so clearly drawing the line between the arguable question of underground test control and the unarguable ability of this Nation and Russia to detect atmospheric nuclear explosions anywhere in the world.

A WORKABLE APPROACH

When the Geneva session reconvenes April 13, the United States absolutely must be in position to ask publicly, with the world as its audience, that Russia join the West in suspension of all nuclear tests above ground. This is feasible. Agreement on the whole nuclear weapons control package is not. Neither country trusts the other far enough to reach complete agreement on all aspects of international control. But the world distrusts both powers to such an extent that above-ground control of test bomb explosions is, from the viewpoint of other nations, imperative. If the human race ranked ahead of principalities, the ban would already be in force.

From such tangible evidence as the strontium contamination of Minnesota wheat and milk, the public now learns in terms of bread and milk what science knew many months ago. But in those days, incredibly, the AEC, most of the Nation's reliable news magazines, some of her diplomats (but not Mr. Dulles this time), Defense chiefs and the White House were backing a position the facts now thoroughly discredit. The humane, informed protests of Pius XII and Albert Schweitzer were dismissed as naivete.

"HE'S MY BOY"

We learn one lesson at a time in this atomic age. Each one is terrible enough in fact or in its implications that we cannot forget them. This exercise in national policy (and in news slanting) should teach us that recording and presenting the nuclear facts of life—literally facts of life—must transcend all traditional administrative practice. In other words, loyalty to mankind, amid the impersonal consequences of nuclear experiment or foreknowledge, comes ahead of the loyalty a public servant may demand of his immediate superiors. This demand, in this era, has extended to the news media and inferentially to all true patriots the media can reach.

Until a special science adviser to the President was appointed—Dr. James Killian, Jr.—the President wasn't aware that a large pro-

portion of the top nuclear physicists and weapons experts in this field were in favor of a test ban with safeguards.

"They had been inhibited in speaking out publicly," the Christian Science Monitor flatly reports, "by the rigid secrecy rules over which Mr. Strauss presided, in the atomic energy field." Once more time has demonstrated that political conceit or obstinacy, rather than national security, dictates the results of suppressing information at the appointive level of Government. .Not only is critical information withheld from the public, but from the chiefs of state. The ancient necessity of technological military secrecy can never justify such practices, widespread as they may be in modern governments.

EVERYMAN'S SNEEZE

Inquiry as to degree will go on indefinitely, but: When atomic bombs burst into blossom, all people everywhere are allergic to their pollen. And unlike us, our descendants will have had no chance to protest; they must be heard through our objections.

Last year's editorials, we readily admit, were a reaction to obvious withholding and distortion of needed information. They weren't scientifically expert. That's not our field.

No, the significance of the facts since forced into the light is, for the purposes of this editorial, that insistence on the peoples' right to know is not a mere exercise in journalism. It directly involves the lives of the people themselves, the very air they breathe.

[From the Idaho County (Idaho) Free Press, Mar. 26, 1959]

THE PROMISE

"Because I live ye shall live also."—John 14: 19.

This was the message of the risen Christ and centuries later it holds the promise of civilization.

But the strife-ridden world, now in a quagmire of ideological and materialistic dictation, seems little prepared to partake of the Eastertide this Sunday.

The science of warfare has blotted out principles of peace taught by a Saviour.

Facing mankind is a firing of the world with hydrogen weapons, with the tolls of death and disease never to be estimated accurately.

Senator CHURCH, in a recent address to the U.S. Senate, urged this Nation to take strong leadership in an 11th hour attempt to unite the major powers at the Geneva conference with a proposal:

"An agreement to suspend further nuclear weapons tests in the earth's atmosphere, within the framework of a trustworthy and sufficient international control system, adequate to detect reliably and report any violation * * *."

What the Idaho Senator warns is that failure at Geneva will be the failure of mankind and he asks that the United States never let up in its conferences with Russia, and others to seek an effective detection system and policing of hydrogen firings.

Current news stories, Senator CHURCH said, revealing the marked increase in levels of strontium 90 now appearing in our milk and wheat, emphasize the grave importance of the Geneva negotiations, and the "urgency for our doing our utmost there."

It is an era of sadness, more than terror. Man is not suitable to govern the universe as long as he seeks to destroy it.

At this Eastertide, let the hearts and prayers of all men seek enlightenment and pray that the promise of Christ, "because I live ye shall live also," shall exert an influence on restoring the conclave at Geneva onto paths of righteous government of the world's peoples.

GERMAN DEBT PREPAYMENT

Mr. WILEY. Mr. President, all too often we have heard grumbling in this country about the supposed giveaway nature of our mutual assistance programs. Complaints have been directed not only against grants of aid—which many people refuse to see have contributed mightily to peace and America's security during the past decade—but also against loans. The latter, which increasingly are proving the most satisfactory vehicle for assistance, are all too frequently referred to as "money down the drain." I do not accept this description for a moment.

I take great pleasure and satisfaction, therefore, in drawing the attention of my colleagues to an exchange of notes between the Governments of the United States and the Federal Republic of Germany in Bonn on March 20. By this means, the Federal Republic agreed to make an advance payment of $150 million on March 31 against its indebtedness arising from U.S. expenditures under the Marshall plan and other programs. This prepayment is a part of the 1953 settlement agreement which provided for the payment to the United States of $1 billion with interest over a period of 30 years. The West Germans have been paying interest since 1953, and began repaying the principal last year.

This $150 million is the first payment on the principal.

My colleagues should note that this act of good faith and good business was linked with West Germany's financial assistance, through debt repayment, to Great Britain's balance of payments. It is especially good to witness such mutually helpful transactions among three firm allies at a time when the interdependence of the free world countries requires fresh emphasis in the face of Soviet divisive maneuvers.

Mr. President, I ask unanimous consent that the Department of State press release on this subject be printed in the RECORD as a part of my remarks.

It will be noted from the release that:

The Governments of the United States and the Federal Republic of Germany exchange notes in Bonn on March 20 under which the Federal Republic agrees to make an advance payment of $150 million on March 31, 1959.

The words are "an advance payment of $150 million on March 31."

March 31 has passed, Mr. President, and the payment has been made.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

GERMAN DEBT PREPAYMENT

The Governments of the United States and the Federal Republic of Germany exchanged notes in Bonn on March 20 under which the Federal Republic agrees to make an advance payment of $150 million on March 31, 1959, on its indebtedness to the United States for postwar economic assistance totaling approximately $3 billion. This debt arose as a result of United States expenditures in Germany under the Marshall plan and other assistance programs. An agreement for settlement of this indebtedness, signed in London on February 27, 1953, provides for payment to the United States of $1 billion with interest over a period of 30 years. Semiannual payments of interest beginning July 1, 1953, and of principal installments beginning July 1, 1958, have been made by the Germans under this agreement as they became due.

This advance payment to the United States fulfills a requirement of the 1953 agreement that, in the event of a German prepayment on their corresponding debts to either the British or French Governments, the Federal Republic will, unless the United States agrees otherwise, make proportionate prepayment on its postwar assistance debt to the United States. A prepayment of a comparable percentage of the Federal Republic-United Kingdom debt had already been offered by the Federal Republic as part of the financial assistance given the British balance of payments.

The United States note was signed by the chargé d'affaires at Bonn, Henry J. Tasca, and the German note by Foreign Minister Von Brentano.

The text of the United States note follows:

"I have the honor to refer to Your Excellency's note of March 20, 1959, which, in agreed translation, reads as follows:

" 'I have the honor to declare that, in accordance with the agreement of February 27, 1953, between the Federal Republic of Germany and the United States of America regarding the settlement of the claim of the United States of America for postwar economic assistance (other than surplus property) to Germany (hereinafter referred to as the agreement), the Federal Government is ready to conclude the following agreement with the Government of the United States of America.

" '1. The Federal Government shall make a prepayment of $150 million by March 31, 1959, on the principal sum still outstanding under the agreement.

" '2. As regards the prepayment to be made by the German Federal Government under paragraph 1 above, the Government of the United States of America agrees that instead of the semiannual installments of $23,790,000 as stated in paragraph 2, article 1 of the agreement, the Federal Government shall in 1961, 1962, 1963, 1964, and 1965 only pay semiannual installments of the amount required under the agreement as interest on the principal sum still outstanding in those years, and in 1966 shall make additional payments in liquidation of the principal sum only inasmuch as the principal sums owed and due under the agreement have not already been settled by the prepayment under paragraph 1, above.

" '3. The new amortization schedule to liquidate the debt arising out of the postwar economic assistance of the United States of America (other than surplus property), a copy of which is attached, follows from the above.

" 'If the Government of the United States of America agrees with the above provisions, I have the honor to suggest that this note and Your Excellency's reply to it should be regarded as an agreement between the two governments, to enter into force on the day of the receipt of your reply.'

"I have the honor to inform Your Excellency that the Government of the United States of America accepts the foregoing provisions and accordingly agrees that Your Excellency's note and this reply shall constitute an agreement between the two Governments.

"Accept, Excellency, the renewed assurances of my highest consideration."

PRESENTATION OF GAVEL TO SENATOR HAYDEN

Mr. STENNIS. Mr. President, recently, at the first meeting of a subcommittee of the Senate Committee on Appropriations, in the hearing room in the Senate Office Building, it was my privilege to

present a gavel to the chairman of the committee, the senior Senator from Arizona [Mr. HAYDEN]. The gavel was made from a bristle cone pine, said to be the oldest living thing in the world. It is located in the home State of the Senator from Arizona.

I desire to perpetuate the remarks which I made at that time in tribute to the Senator's fine record. I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the remarks by Mr. STENNIS were ordered to be printed in the RECORD, as follows:

TRIBUTE TO SENATOR CARL HAYDEN BY SENATOR JOHN STENNIS ON THE OCCASION OF THE PRESENTATION OF BRISTLE CONE PINE GAVEL TO CHAIRMAN HAYDEN AT INITIAL MEETING OF SENATE APPROPRIATIONS COMMITTEE IN ROOM 1224, NEW SENATE OFFICE BUILDING

This gavel is made from a live bristle cone pine, growing near the boundary line between the States of Arizona and California. This tree is thought to be the world's oldest living thing. Competent scientific authorities estimate these trees, which are still living, to be 4,600 years old. This means that they were over 2,600 years old when Christ was born, and were 600 years old when Abraham settled in the Land of Canaan.

As these trees have lived longer than anything in America, so Senator CARL HAYDEN has served longer in the Congress than anyone in American history. His career has always been active and constructive, with emphasis on the things that grow and strengthen our Nation.

Through a great number of constructive legislative programs, our national highway system, our agriculture and forest research programs, our irrigation projects, our soil and water conservation, the wisdom, the foresight and energy of CARL HAYDEN have already brought untold results.

For centuries to come these programs will continue to enrich the life and strengthen the economy of our Nation. Thus Senator HAYDEN'S contribution to the Nation's welfare through all these and other programs will continue to bear fruit for the American people longer than the 4,600 years this bristle cone pine has lived.

I salute and congratulate Senator HAYDEN for his achievements of the past and for his plans and continued work in the future. This gavel is presented as a token of recognition as well as appreciation for his work, past and future, all on behalf of his colleagues in the Congress and on behalf of the American people, including generations yet unborn.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 131, Senate bill 144.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 144) to amend Reorganization Plan No. 2 of 1953.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations with an amendment, to strike out all after the enacting clause and insert:

That the functions and activities of the Rural Electrification Administration and the Administrator of the Rural Electrification Administration which were transferred to the Department of Agriculture and to the Secretary of Agriculture by Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953 are hereby transferred to the Administrator of the Rural Electrification Administration, and shall be exercised and administered within the Department of Agriculture by such Administrator under the general direction and supervision of the Secretary of Agriculture; except that insofar as such functions relate to the approval or disapproval of loans authorized to be made under the Rural Electrification Act of 1936, as amended, their exercise by the Administrator shall not be subject to the supervision or direction of, or to any other control by, the Secretary of Agriculture.

Mr. JOHNSON of Texas. Is the Senator from Minnesota prepared to make a statement now, or does he prefer that I suggest the absence of a quorum?

Mr. HUMPHREY. I ask for a quorum call.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, for the Senator from Georgia [Mr. RUSSELL], and myself I offer an amendment in the nature of a substitute for S. 144, a bill to amend Reorganization Plan No. 2. I ask unanimous consent that the amendment not be read, but that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment offered by Mr. CURTIS is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That there is hereby created and established in the executive branch of the Government an independent agency to be known as the "Rural Electrification Administration" all of the powers of which shall be exercised by an Administrator who shall be appointed by the President by and with the advice and consent of the Senate for a term of ten years and who shall receive a salary of $20,000 per annum. The Administrator shall have direction, supervision and control of the Rural Electrification Administration and all of its operations and functions as authorized in the Rural Electrification Act of 1936, as amended.

"SEC. 2. The incumbent of the Office of Administrator of the Rural Electrification Administration appointed before the effective date of this Act shall serve the remainder of the term for which he was appointed. At the expiration of such term, or if the office shall become vacant at any time for any reason, the President shall designate an Acting Administrator to exercise and perform all functions, powers, and duties vested in the Rural Electrification Administration until the appointment and qualification of an Administrator, as provided in the first section of this Act.

"SEC. 3. (a) Employees in the Department of Agriculture who are being utilized on the effective date of this Act primarily for the performance of functions, powers, and duties provided for in the Rural Electrification Act of 1936, as amended, shall be transferred to the jurisdiction and control of the Rural Electrification Administration in those instances in which the Administrator determines that they are qualified and necessary to carry out the functions, powers, and duties of the Rural Electrification Administration.

"(b) All assets, funds, contracts, property, and records used and employed in the execution of the functions, powers, and duties authorized by the Rural Electrification Act of 1936, as amended, are hereby transferred to the jurisdiction and control of the Rural Electrification Administration.

"(c) All unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1959) for the Rural Electrification Administration and for the Secretary of Agriculture on account of the functions and activities of the Rural Electrification Administration shall be transferred to the Rural Electrification Administration and shall remain available for the exercise of the functions and activities of the Rural Electrification Administration.

"SEC. 4. (a) Notwithstanding any other provision of this Act, or of any rule of the Senate or of any committee of the Senate, any proposed legislation or other matter (including appropriations), relating to the administration of the Rural Electrification Act of 1936, as amended, shall, after the date of enactment of this Act, be referred to the same committees and subcommittees of the Senate to which such proposed legislation or other matter would have been referred had this Act not been enacted.

"(b) This section is enacted—

"(1) as an exercise of the rulemaking power of the Senate and as such it shall be considered as part of the rules of the Senate, and shall supersede other rules of the Senate only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of the Senate to change such rule at any time, in the same manner and to the same extent as in the case of any other rule of the Senate."

Amend the title so as to read: "A bill to establish the Rural Electrification Administration as an independent agency, and for other purposes."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Nebraska [Mr. CURTIS] for himself and the Senator from Georgia [Mr. RUSSELL].

INFLATIONARY PRESSURES—WHAT IS THE REMEDY?

Mr. WILEY. Mr. President, the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary has been paying particular attention to the problem of inflationary prices and whether the antitrust approach can be helpful by increasing competition and thus bringing prices down.

The hearings of the Antitrust Subcommittee have received very careful and thoughtful attention from the numerous newspaper reporters who have attended them.

An interesting example of the amount of research given by reporters to this problem was published on the first page of the Outlook Section of the Washing-

ton Post and Times Herald of Sunday, April 5, 1959. It was an article entitled "Steel Strike Pattern Could Change This Time," written by Bernard D. Nossiter.

I do not necessarily agree with Mr. Nossiter's comments, but the article which is a stimulating one, goes back to the time when President Truman went along with a steel price rise.

We are all interested in finding a remedy for inflationary pressures, which will not do more harm than good to private enterprise.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEEL STRIKE PATTERN COULD CHANGE THIS TIME

(By Bernard D. Nossiter)

Once again a forthcoming steel wage price bargain is in the center of the economic stage. This is logical. Steel, the backbone of the economy, goes into everything from sewing needles to superliners, from axes to autos.

Price changes in steel, some economists think, are a major cause of the behavior of the economy. Some of President Eisenhower's top advisers believe that the increase in steel prices (with help from autos) over the past 5 years triggered inflation, recession and the present slow recovery. The chief economists at the Federal Reserve Board feel the same way. And so do many in both parties on Capitol Hill.

Wage changes in steel are important, too. For if steel pricing sets the pace for industry, steel wages this year will set the pattern for all workers.

And this is no mere numbers game. For, as Woodlief Thomas, the economic adviser to the Federal Reserve Board, has emphasized, over-high prices and wages in steel throw sand into the economy's delicately interlocked parts. So the machine either breaks down (recession) or runs inefficiently (unemployment, slow growth).

EVENTUALLY, THEY'LL SIGN

Steel's current wage pact runs out June 30. Around the middle of next month, President David McDonald of the United Steelworkers will meet a representative of Roger Blough, chairman of the United States Steel Corp., in a New York hotel room. There McDonald and his retinue and Blough's man, Conrad Cooper, plus the industry's smaller management, will eventually sign an agreement.

Before the pact is finally signed, however, a strike may come—at least shutting down the steel mills. If it goes on long enough, steel's customers—autos, ships, farm machinery and lots more—will have to cut down, too.

The steel industry has been passing the word at least since last September that a strike was coming. Union sources fear that it is inevitable.

The prospective consequences not only of a strike (from industry's standpoint, a short one, clearing out currently excessive inventories, would not be entirely unwelcome) but of the wage and price bargain which would follow, have aroused many responsible officials, from President Eisenhower on down.

These officials hope that public opinion is being mobilized so strongly that there will be a peaceful settlement in which a wage increase will not be used as the lever for another price rise.

CURTAIN ROSE IN 1946

On March 25 Mr. Eisenhower broke a personal precedent, singling out by name the steel industry and the steel union in a plea for restraint. Meanwhile, support is mounting on Capitol Hill for bills which would require big industry and big labor to tell at Government hearings why specific prices and wages should be raised.

This is not the first time the White House has taken a direct interest in the drama of steel bargaining. The current negotiations can only be understood as the third act of a play which opened in the winter of 1945–6.

Then, the Nation, once again at peace, was sick of war and the restraints imposed by war. Price and wage controls were still on as the economy shifted gears from war production to peacetime goods. But everybody chafed at the restraints: industry wanted freedom to set its own prices; labor wanted to bargain for its own wages, and consumers were fed up with rationing.

The country appeared to want to go back to normalcy, but on a scale undreamed of in the Roaring Twenties. As it turned out, the country got just what it wanted.

TUSSLE OF TITANS

In that first postwar winter, two titans dominated steel and steel was the pace-setter for the economy. Philip Murray not only headed the big union but was also president of the CIO. Benjamin Fairless was United States Steel's chairman and his standing in the industrial community was as high as Murray's in labor.

Some of today's top steel stars were then important feature players on the bill. McDonald had risen from personal secretary to Murray to secretary-treasurer of the union; Blough was Fairless' counsel.

The bargaining, however, was three-cornered, because President Truman's administration had to be in the picture. The negotiations rambled from the White House to United States Steel's suite at the Carlton Hotel.

The union wanted a big wage increase for itself and as a pattern for mass-production industries. The corporation, then as now, insisted that any wage increase would require a hefty price increase. A strike would imperil reconversion by making scarce goods even scarcer.

Murray and Fairless pushed and hauled with each other, John Snyder, the Reconversion Director, and Chester Bowles, the Price Administrator. Bowles tried to hold the price increase down to $2.50 a ton. Snyder was more flexible.

At the 11th hour, Mr. Truman proposed a compromise: an 18.5 cent wage increase and a $4-a-ton price boost. Murray accepted this; Fairless said "No." A crippling 4-week strike then followed until Mr. Truman offered the corporation another $1-a-ton price raise. And the steelworkers went back to their jobs with the 18.5 cents.

In effect, this was a strike to get a price increase, because neither the Government nor the corporation opposed the 18.5 cents in wages.

Why did Fairless do this? His friends recall that steel was the model industry in cooperating with wartime price controls. His friends say, however, that many industrialists felt that prices and wages had been held down artificially and, with the war over, should be gradually raised. Fairless himself was afraid that the economy would not expand; that steel's most profitable policy was to operate with rising prices and reduced production. This same thinking is believed to dominate the industry's mind today.

Critics of Fairless say he acted as he did to break price and wage controls. In this, he had much support. For only 9 months later, in November 1946, controls were virtually wiped out. The voters had had enough, too. So they elected a Republican Congress.

NO BARS THIS TIME

Ten years later, in the summer of 1956, the steel bargaining was again the central economic drama. The decade had been dizzingly prosperous for some. Income and output records had been broken annually—except in slump years. Cold war and Korean war had left the economy with a structure not completely unlike that of World War II.

But there were no controls. Prices went up. Wages went up. The stock market went up.

Workers in the big unionized industries got real gains in income. Shareholders in the basic industries did even better and their profits were taxed at no more than 25 percent.

Others—farmers, white collar workers, civil servants, old-age pensioners—didn't fare as well.

The chief actors in the steel play had changed, however, by 1956. Murray had died. McDonald, his former secretary, was president of the union. Blough, the suave, glib lawyer, had replaced Fairless.

The plot of the story hadn't changed, however. Again the strike ran 4 weeks. It was followed by wage and price increases.

Then as now, the word had gone out early that a month-long strike was in the cards. So the customers had hurried to stock up on steel ahead of the deadline.

Friends of Labor Secretary James P. Mitchell and Treasury Secretary George M. Humphrey let it be known that these two had settled the strike in secret. However, many skeptics figured that this was a face-saving device to get the union and the corporation off the hook. The skeptics figured that the prestrike scare talk had built up inventories to a point where a strike was necessary to bring them down.

TWO ALTERNATIVES

A way of reducing inventories without a strike would have been to cut prices, but that is something that steel just doesn't try. Still another alternative to a strike would have been to cut back production and lay off men.

But the arrangement which was devised left the industry and the union satisfied. From 1947 through 1958, the wholesale price of finished steel went up 101 percent; all industrial prices, 32 percent, and all wholesale commodity prices, 24 percent. In the same period, steelworkers' wages went up 100 percent and all manufacturing wages, 72 percent.

Since more steel was being produced by fewer workers, the companies were making fine profits. These don't show up too clearly in the annual reports because fast tax writeoffs obscure true profits. The Senate Antitrust Subcommittee has shown, however, that profits per ton went up from $7.47 in early 1953 to $19.31 in late 1958, a jump of more than 250 percent.

FROM $12 TO $100

All this has been fine for the stockholders, too. A man who bought United States Steel at its average price of $12 a share in 1957 could have turned an $88 per share profit when it hit $100 recently. Since then, with the heat being turned on against any price increase, it has slipped a shade under $90. But from $12 to $90 is a nice gain, especially since the top tax rate on this is 25 percent.

And, for Blough and fellow executives, this is an especially rewarding picture, because from time to time they issue themselves options enabling them to buy thousands of steel shares later at fixed prices. As of January 1, Blough and 257 other big steel executives had claims on stock which would yield them an $18 million profit.

All this, however, is against the current background of high unemployment. Jobs are short in steel, too. Also in the picture is the late and curious recession with its rising prices. These factors are fueling the heat from Capitol Hill, the Federal Reserve Board, and the White House.

Senator ESTES KEFAUVER, Democrat, of Tennessee, has invited Blough and McDonald, along with General Motors Chairman Frederic Donner and United Auto Workers President Walter Reuther, to testify on a price notification bill before the steel negotiations begin. Both steel men are expected to oppose vigorously any effort to make them tell the Government in advance why they raise their prices and wages.

Public relations advisers for both union and the industry (and they share some) are telling their clients that another wage-price boost in steel, or an inventory-clearing strike, will build up even more support for the disliked bill.

However, United States Steel is understandably reluctant to forgo a walkout. As things now stand, the corporation can blame the union for price increases. And it saves money by taking a strike.

If steel were now producing for real demand instead of for strike-scared customers, it would have to lay off men. This would increase its unemployment compensation taxes and force it to pay out supplemental unemployment benefits.

Nevertheless, by last weekend the heat was so strong that there were rumors of a new face-saving device with political overtones. A suggestion has been sent aloft that Vice President NIXON's Cabinet Commitee on Inflation hear McDonald and Blough before KEFAUVER gets to them.

If this script goes according to one plan, there will be a wage increase but little or no price increase. And the Vice President will emerge as the hero who stopped inflation.

Predictions are worthless here. With such brilliant actors and such high drama, only the men who write the scripts can foretell how the third act will come out. And these script writers are busy repolishing even that.

MUTUAL SECURITY PROGRAM UNDER FIRE

Mr. WILEY. Mr. President, the mutual security program, now being considered by the House Committee on Foreign Affairs, will again be under heavy fire in Congress this year.

We recall that President Eisenhower recently has restressed the need for a strong mutual security program as essential to our national, as well as free world defense. Constructively, leaders of the Democratic Party, including former President Truman, have also urged the approval by Congress of ample funds to carry on an effective mutual security program. In addition, we recall that the President's Committee To Study the United States Military Assistance Program, headed by William H. Draper, Jr., not only urged approval of the President's recommendations but stressed the need for additional funds to gird up the free west alliance in its efforts to obstruct Communist expansion. Prior to this report, specially appointed groups containing representatives of business, labor, the military, and other cross sections of American life, have reviewed this program in detail and almost unanimously have agreed that it is an essential part of our defense program.

We recognize, of course, that it is difficult to gain popular support for the idea that American taxpayers' dollars are being spent abroad if the impression is given widely that these funds are either being misspent or that the program, itself, is an impractical, if not useless, way to spend American dollars, thus creating a hardship on the taxpayers.

As a taxpayer, myself, I am, like every other American, concerned with assuring that the expenditures for this, or any other program, are handled wisely, efficiently, and in the best interests of the country.

Unfortunately, in almost all programs—whether in private enterprise or under federally administered projects—there develop, from time to time, unfortunate examples of poor judgment, miscalculations, or plain mistakes. We recognize, of course, that "to err is human." Where errors have been made, we cannot, of course, "sweep them under the rug." Rather, we must strive to correct the situation and to set up as efficient an operational system as possible to administer this, as well as other, programs which are felt to be needed for national security and progress.

We realize that, historically speaking, the mutual security program is a pioneer in its field. Never before in history has any nation embarked on such a broad scope program for mutual development and security among friendly nations.

However, in view of the criticisms—some perhaps justified and some unjustified—it is important to get before the American people the proper perspective of how the mutual security program is being handled and how it is contributing to our defense. Particularly, it is important to refute allegations which may be untrue. In addition, it is necessary to attempt to assure that unfortunate instances in which there may have been specific cases of misjudgment in administration do not give the impression of reflecting the character of the whole program.

Today I received from Mr. Guilford S. Jameson, Deputy Director for Congressional Relations of the International Cooperation Administration, a statement prepared by ICA which that Agency feels refutes recent allegations made against the mutual security program.

I ask unanimous consent to have the statement printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS OF THE INTERNATIONAL COOPERATION ADMINISTRATION ON EDITORIAL WHICH APPEARED IN THE INDIANAPOLIS STAR ON DECEMBER 23, 1958, ENTITLED "FOREIGN AID FOR COMMUNISTS

The editorial states:

"The State Department will not make an item-by-item report" (on how foreign-aid funds are spent).

"We (the Indianapolis Star) are no more able than Congress to get the facts and details of foreign spending."

The facts: Information concerning the program financed with mutual security funds or under title II (emergency relief) and title III (American nonprofit welfare agencies) programs of Public Law 480 is available in the "International Cooperation Administration Operations Report," which is sent each quarter by mail to anyone who requests it (including many newspapers). Information concerning programs administered by other agencies, such as the Department of Agriculture, the Export-Import Bank, and the United Nations Relief and Rehabilitation Agency (now defunct) is, or has been, available in the various reports of those agencies.

In addition to this detailed coverage which each agency involved has given to its own activities, the whole field has been covered by various one-time and periodic publications of the Department of Commerce, which approaches the subject as a part of its work in calculating the balance of international payments of the United States. These publications include "Foreign Aid by the U.S. Government," 1940–51, available at $1 per copy from the Government Printing Office; the annual "Statistical Abstract of the United States" (which includes several tables on foreign grants and credits) for sale at GPO, and various documents of the House of Representatives (H. Doc. 404, 85th Cong.; H. Doc. 82, 86th Cong., now in press, at 25 cents each). On a current basis, the Office of Business Economics, Department of Commerce, issues a comprehensive quarterly report entitled "Foreign Grants and Credits by the U.S. Government." This is prepared for the use of the Congress and Government agencies, and is available on request. It also is sent to many Government depository libraries, including the Indiana State Library, in Indianapolis. It was the source of information on grants and credits used by the Library of Congress.

In addition, the executive branch presents to the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate, and the Appropriations Committees of both Houses, detailed documentation, by country, about every dollar expended under the mutual security program. This information includes both military-aid figures (which are classified) and non-military-aid figures which are not classified. Every Congressman and every Senator has access to and is invited to inspect these documents which are available in the committee rooms. The only restriction is that he or she respect the security classification.

The Indianapolis Star says: "We will bet that not 1 man in 10 in Congress knows how U.S. foreign-aid funds are spent, who gets the money, or why. How can they?"

They can do it quite easily as pointed out in the foregoing paragraph.

The editorial gives a distorted picture of grants and credits made available by the U.S. Government during the 12½-year period—July 1, 1945 through December 31, 1957.

1. The editorial does not identify any time period, nor purpose for which aid was made available to the Eastern European nations. For example, it classifies these countries as Communist countries and states or implies that aid was given to the Communist governments of these nations. The editorial ignores the fact that substantial portions of that aid was actually provided before the Communists took over the countries.

2. Most of the aid to these countries was granted for humanitarian relief programs during the immediate postwar period; most of it was distributed for relief purposes by the United Nations Relief and Rehabilitation Agency; some of it was supplied by the American Red Cross, or in cooperation with private voluntary agencies such as CARE, Church World Service, National Catholic Welfare Conference, and Lutheran World Relief.

3. The editorial fails to distinguish between aid given directly to governments and aid given directly to people, sometimes, especially in the case of Hungarian refugees, the victims of those governments. The editorial ignores the fact that the Congress enacted Public Law 480 which authorizes the U.S. Government to give such humanitarian assistance "to friendly but needy populations without regard to the friendliness of their government." It was under this provision that aid to the people in Hungary, Czechoslovakia, and East Germany was pro-

vided following the disastrous floods of the Danube and other rivers in 1954.

"Communist Albania got $20,444,000 between 1946 and 1957."

The facts: There has been no aid of any kind to Albania during the past 12 years—not since 1947. The only aid to Albania was extended during the fiscal years 1946 and 1947. This was extended through the United Nations Relief and Rehabilitation Agency. It is a matter of record that Albania was one of the U.S. allies in the struggle against nazism. Relief was supplied to the people of Albania following the end of the war. To say that "Communist Albania" got aid "between 1946 and 1957" may be correct from a bookkeeping point of view (inasmuch as the records for all countries cover the entire postwar period) but it is misleading, since there has been no aid to Albania since fiscal year 1947 and no aid of any kind at any time under the mutual security program.

"Communist Czechoslovakia got $185,827,000 plus $29,583,000 credits."

The facts: The overwhelming portion (98 percent of the grant aid to Czechoslovakia was supplied before the Communist coup d'etat in 1948. It was supplied to a U.S. World War II ally and most of it was supplied through the United Nations Relief and Rehabilitation Agency during the two fiscal years of 1946 and 1947. The grant aid distributed by UNRRA amounted to $183,374,000 in 1946 and 1947. In addition, there was $75,000 made available to Czechoslovakia through the American Red Cross in 1946 and a $2,000 phaseout of lend-lease also in 1946.

This leaves a balance of $2,376,000 in grants. None of this was given to the Czechoslovakian Government. All of it was distributed directly to the Czechoslovakian people through the League of the Red Cross Societies. The grant was made not in money but in U.S. surplus agricultural commodities which were sent for distribution in Czechoslovakia to relieve the victims of the Danube River flood which occurred in 1954.

In respect to credits—not a single credit to Czechoslovakia was extended through the mutual security program. Of the $29,583,000 worth of credits utilized by Czechoslovakia, the overwhelming majority were used before the Communist coup; $29,400,000 was utilized during the two fiscal years 1946 and 1947. Only $182,000 was used in 1948 and only $1,000 in 1949. Since then nothing. Therefore, although the figures in the editorials are correct, since there are no explanations as to timing or purpose, the implications are wrong.

"Communist Germany (yes, that's what we said) got $17,339,000."

The facts: The Government of Communist Germany has never received one penny under the mutual security program. Therefore, the statement is wrong.

It is true that in 1954 and 1955 at the request of Chancellor Adenauer of the Federal Republic of Germany (West Germany), President Eisenhower made food supplies available directly to the people of East Germany who were suffering from starvation. Far from aiding and abetting Communism, this program was regarded by the East German Communists as a scheme on the part of Western "imperialists" to recruit saboteurs and agents for criminal activities in Germany.

The food was made available in West Berlin to East Germans who were willing to cross the border and pick it up at various food distribution centers. Some people traveled as far as 100 miles to get from East Germany to West Berlin to pick up the food packages. On the seventh day of the distribution, the Communists in East Germany prohibited the sale of railway tickets to Berlin.

Despite the Communist harassments, including widespread confiscation of parcels, in a little over 2 months more than 5½ million parcels containing nearly 16,000 tons of food had been distributed, and it was estimated that nearly one-sixth of all Germans under Soviet domination had directly benefited from this food program.

This program was announced publicly when it was begun in an official U.S. Government press release dated August 7, 1953, and later written up in an official ICA pamphlet. The facts are on record. The results of this food program for the people of East Germany were adverse to Communist control; the U.S.-financed program refuted Communist claims and propaganda in East Germany; the food program was of enormous benefit to the Western World, including the United States.

"Communist Hungary got $17,723,000 plus $15,917,000 credits."

The facts: All of the credits and $2.4 million of the grants were extended to the Government of Hungary before the Communist takeover in 1947 and the adoption of the Communist-type of constitution in 1949. All of the credits were established under the overseas surplus property sales program directed by the Office of Foreign Liquidation Commissioner in the fiscal years 1946 and 1947. Two and four-tenths million dollars of the grant aid was made available through the United Nations Relief & Rehabilitation Agency in the fiscal years 1946 and 1947.

On July 29, 1954, President Eisenhower offered U.S. assistance to relieve the victims of the floods in the Danube River basin. His offer was not limited to the Danube River valley but included East Germany and the valleys of the rivers that flow into the Baltic and North Seas. Two and seventh-tenths million dollars worth of U.S. surplus agricultural products were distributed in Hungary directly to the farmers and other victims of the flood through the offices of the League of Red Cross Societies. All the food and feedstuffs were bagged and market "Gifts of the American People."

(Later on in the editorial the following statement appears:)

"Then after the Hungarians revolted and were smashed by the Reds we sent the Red Hungarian Government $11,867,000. Apparently it pays in American foreign aid to smash a revolt against communism with Soviet troops."

The facts: The statement is in error, and so is the conclusion. No aid was given to the Red Hungarian Government after the revolt of November 1956. Aid was supplied to Hungarian refugees, victims of the Red suppression, but not one single penny of the U.S. taxpayers' money has gone to the Red Hungarian Government.

"Communist Poland got $365,017,000 plus $88 million credits."

The facts: Of the $365,017,000 grants the sum of $365,008,000 (99.9 percent) was made available to Poland—a World War II ally—before it was taken over by the Communists. Most of this sum—$364,031,000 was made available through the United Nations Relief and Rehabilitation Agency during 1946 and 1947. An additional $885,000 was made available through the American Red Cross and another $92,000 represented the windup of the World War II lend-lease program. A few additional thousand dollars have been entered in the bookkeeping column marked Poland. This does not mean that the Polish Government was the recipient—only that Poland was the country of destination. The money was used to pay the costs of ocean freight for transportation of U.S. surplus agricultural commodities sent to relieve the Polish people by U.S. voluntary agencies (especially CARE and Catholic Relief Services) and distributed in Poland directly to those people by representatives of the U.S. agencies.

Therefore, it is a misstatement of fact to say that Communist Poland got $365,017,000 worth of grants because none of this aid went to the Communist Government of Poland.

Credits to Poland:

Of the $88 million listed as credits to Communist Poland, about 86 percent of it was authorized and negotiated before Poland was taken over by the Communists: $37.7 million listed as a credit represented sales of U.S. surplus property immediately after the end of World War II, and $40 million was an Export-Import Bank loan authorized in 1946.

During fiscal years 1957 and 1958, additional credits were extended by the U.S. Government to the Government of Communist Poland, not because it was Communist and not to aid the cause of international communism, but to make it possible for Poland to become more independent of Soviet domination and control. It is believed that any weakening in the Sino-Soviet bloc cannot fail to be in the interests of the United States.

"Communist Yugoslavia got $789,732,000 plus $55,900,000 credits."

The facts: Of the $789,732,000 grants, almost $300 million were for humanitarian relief aid extended to the people of Yugoslavia in the immediate postwar period. Of this sum $298,054,000 was extended through the United Nations Relief and Rehabilitation Agency, $719,000 was extended through the American Red Cross and $76,000 was represented by the windup of the lend-lease program. There were no other grants to Yugoslavia until fiscal year 1951, after Yugoslavia asserted its independence from Moscow.

Between July 1, 1950 (the beginning of fiscal year 1951) and December 31, 1957, grant assistance to Yugoslavia amounted to $490,884,000 divided as follows:

	Thousands of dollars
Mutual security program economic aid funds beginning with fiscal year 1951, including costs of ocean freight on emergency relief shipments	347,873
Emergency food relief shipments under the famine relief and other assistance (title II, Public Law 480) program, including the Danube flood of 1955	47,750
Special Yugoslav program, under the Yugoslav Emergency Relief Assistance Act of 1950 (Public Law 897, 81st Cong., Dec. 29, 1950), an emergency drought relief measure	37,560
Value of donations by the U.S. Government of surplus agricultural commodities and relief supplies shipped by American private welfare organizations, such as CARE, Lutheran World Relief, and Church World Service	57,700

The credits made available for Yugoslavia represent $55 million in loans extended through the Export-Import Bank during fiscal years 1957 and 1958, and $900,000 previously listed as a grant which was by agreement converted into a credit.

As in the case of Poland, the purpose of U.S. aid to Yugoslavia is not to foster or promote international communism but, on the contrary, to enable that nation to maintain its independence of Russian domination and control. The Sino-Soviet bloc regards an independent Yugoslavia—even though it has a Communist government—as an enemy of international communism. The Soviet Union has tried in many ways, including the cutting off of credits, to coerce Yugoslavia into the status of a Soviet satellite.

Assisting Yugoslavia to maintain its independence in the face of Soviet pressures is an effective demonstration to the world that any nation which cherishes its independence and is not subservient to the Soviet Union, can enjoy advantageous relations with the United States and other Western countries.

REMOVAL OF JURISDICTION OF FEDERAL COURTS OVER THE ADMINISTRATION OF PUBLIC SCHOOLS

Mr. TALMADGE. Mr. President, responsible criticism of the usurpations of the Supreme Court of the United States is being heard with increasing frequency.

Throughout the Nation there is a swelling public outcry for Congress to act to restore the Court to its appointed constitutional role as the interpreter rather than the giver of the Nation's laws.

The Court's arrogations of legislative power and encroachments upon the rights of States and individual citizens have become so flagrant as to draw the stinging rebuke of the Conference of State Chief Justices.

The High Tribunal, according to the judges of the highest courts of the individual States, has adopted the role of policymaker without proper judicial restraint; has assumed primarily legislative powers; and has allowed the individual views of its members to override a dispassionate consideration of what is or is not constitutionally warranted.

The State chief justices declared that the Supreme Court's recent decisions "raise at least considerable doubt as to the validity of that American boast that we have a government of laws and not of men."

The concern of the country about this situation prompted the significant debates which took place during the second session of the 85th Congress on the question of the so-called Jenner-Butler and Smith Bills.

I supported both measures wholeheartedly and expect to give my support to the same or similar bills during the 86th Congress.

However, it was my conviction then—and it is my conviction now—that as worthy as those or similar pieces of legislation may be, they do not go far enough to correct for all time the judicial trends which are so alarming to those of us who believe the Constitution of the United States means word for word what it says.

That is true because they do not seek to correct the decision which set the pattern for the current wave of judicial usurpation—the Supreme Court's ruling of May 17, 1954, in the case of *Brown, et al.* v. *Board of Education of Topeka* (347 U.S. 483, 98 L. ed. 873, 74 S. Ct. 686, 38 A.L.R. 2d 1180) which held that State and local governments could not operate public schools for different races on a separate, but equal, basis.

Undoubtedly the reason that decision has not heretofore been included in any of the proposed corrective measures lies in the false emotional factors which have been injected into the school question by those who are more interested in pandering to the prejudices of minority groups for political gain than they are in preserving constitutional government or assuring the best possible public education for all the young people of America regardless of their color or place of residence.

But, Mr. President, I wish to point out and to emphasize as vigorously as I know how that so long as that decision is allowed to stand this Nation will never be free from the threat of judicial dictatorship and the Constitution and the rights of the American people will forever be subject to the whims of the men who transiently occupy the Supreme Court bench.

The Brown decision represents a complete departure from judicial decisions based on the Constitution, the law, and established legal precedents. It substitutes in their stead bald court edicts based upon so-called modern authority and the personal opinions of the Justices.

The Brown decision raises grave constitutional questions, the disturbing and far-reaching ramifications of which cannot be obscured by a racial smokescreen.

It is to those constitutional questions that the bill I today shall introduce and that my present remarks are addressed.

I shall say for the benefit of the professional race baiters and the chronic bleeding hearts, Mr. President, that the races are living together in harmony and mutual respect in my State of Georgia. They are solving whatever racial problems Georgia may have on the local level in accordance with local wishes. I am confident those good relations will continue, regardless of what the future may bring.

I say that, Mr. President, because Georgia citizens of all races recognize that the question involved is one far more fundamental than the issue of who goes to which school. They are aware that it goes to the very heart of constitutional government—the balance between a Federal Government of limited powers and State and local governments exercising all other powers.

In writing the Brown decision the Supreme Court ignored 105 years of judicial precedent, the clear meaning of the 10th amendment, and the obvious intent of the 14th amendment.

It overruled at least 5 of its own decisions, at least 18 Federal district and circuit court decisions, and at least 59 State and Territorial court decisions.

It cited as its only authority books and treatises on sociology and psychology written by men of questionable background and doubtful loyalty.

It was unable to point to a single law or legal precedent to support its decision. It could not, because there were none; they were all on the other side.

It substituted modern authority for the Constitution, intangible considerations for legal precedent, and we-cannot-turn-the-clock-back doctrine for the intent of the framers of the Constitution and its amendments.

The Court found it necessary to jump a number of high hurdles in order to reach its desired conclusion.

Its first hurdle was the 14th amendment itself.

Briefs submitted at the request of the Court showed that the same 39th Congress which promulgated the 14th amendment established separate schools for the races in the District of Columbia. They further pointed out that of the 37 States in existence at that time, only 5 abolished separate schools contemporaneously with the ratification of the 14th amendment, and 3 of those later did so.

Even in the face of such preponderance of evidence that the 14th amendment was not intended to abolish separate schools, the Court pleaded ignorance. It said the record was "inconclusive," and maintained that it could "not turn the clock back to 1868."

The Court then went on to ignore the language of the 5th section of the 14th amendment, which provides that Congress is to enforce it with "appropriate legislation." The fact that Congress had never seen fit to do so with respect to public schools was lost upon the Court in writing its decision in the Brown case.

The second hurdle which the Court had to clear was the 10th amendment.

The 10th amendment reserves to the individual States all powers not specifically granted to the Federal Government; and education is one of the many functions left—by virtue of constitutional silence—to the States. Nowhere in the Constitution can there be found any wording which, either by direction or innuendo, deprives the States of the right to administer their school systems in accordance with local wishes.

The Court did not regard that fact even worthy of consideration. It brushed the 10th amendment aside as if it did not exist, and did not even mention it in its ruling.

The Court's third hurdle was that of its own decisions upholding the "separate, but equal" doctrine laid down in *Plessy* v. *Ferguson* (163 U.S. 537) in 1896, and upheld by that tribunal as late as 1950.

It was at that point in its deliberations that the Court came up with its new theory that separate schools are "inherently unequal," and held that Plessy against Ferguson was bad sociology not supported by modern authority.

It was at that point that the Court introduced, via footnote 11 of the Brown decision, the nine so-called modern authorities on sociology and psychology on which it relied for its finding that separate schools are unconstitutional.

The Harvard Law Review, in commenting on the ruling, stated:

> In dealing with prior cases, especially *Plessy* v. *Ferguson*, the Chief Justice did not seek to demonstrate that the Court had once blundered. His point, rather, was that these prior decisions were simply outmoded in present-day society (68 Harv. L. Rev. 96).

Thus was introduced a new rule for testing constitutionality—the rule of whether a law or practice is, in the opinion of the judges, outmoded.

In the Brown case, the Court did not hold that the facts disclosed by the briefs and arguments presented before it justified a departure from the separate, but equal, doctrine. It held, rather, that psychological knowledge was of greater validity than the facts and the law.

The Court conceded that the cases before it demonstrated equality of school facilities in respect to all tangible factors. But it maintained that its decision could not turn on such tangible factors, but, rather, must have its basis in intangible considerations.

On that premise it declared:

> Whatever may have been the psychological knowledge at the time of *Plessy* v. *Ferguson*, this finding is amply supported by modern authority. Any language in *Plessy* v. *Ferguson* contrary to this finding is rejected.

It is an elemental rule of law that a court may not consider treatises in a field other than law unless the treatises themselves are the very subject of inquiry. The Supreme Court itself has so held in a number of cases.

In *Pinkus* v. *Reilly* (338 U.S. 269) the Court held that the use of nonlegal materials in a case was illegal, illogical, and unfair.

In *National Council of American-Soviet Friendship, Inc.* v. *McGrath* (341 U.S. 292) the Court said the use of such material constituted a denial of "the rudiments of fair play" and amounted to "condemnation without trial."

In *U.S.* v. *Abilene & Southern Railway Company* (265 U.S. 347) Justice Brandeis wrote:

> Nothing can be treated as evidence which was not introduced as such.

That rule was universal until the Supreme Court found it standing in the way of the decision it was determined to render in the Brown case.

And what of the modern authority upon which the Court based its decision?

Two of the six principal authorities listed by the Court—Theodore Brameld and E. Franklin Frazier—have between them been members of, or identified with, 28 organizations declared by the Attorney General of the United States or the Committee on Un-American Activities of the U.S. House of Representatives to be Communist, Communist fronts, or Communist-dominated. A third of the six—K. B. Clark—was, at the time of the arguments before the Court, on the payroll of the National Association for the Advancement of Colored People as a so-called social-science expert—a highly irregular procedure in view of the fact that the NAACP was the principal plaintiff in those cases.

The book, "An American Dilemma," written by Dr. Karl Gunnar Myrdal, a Swedish Socialist, on grant from the Carnegie Foundation, was cited in its entirety by the Supreme Court as an authority for its ruling. Sixteen of the contributors to that book have lengthy records of pro-Communist activity, in the files of the Un-American Activities Committee. One of them, Negro educator W. E. B. DuBois, who contributed to 82 portions of the book, has been cited no less than 72 times by the committee. He filed briefs on behalf of executed atom spies Julius and Ethel Rosenberg and sent a message of condolence upon the death of Joseph Stalin.

It was in that book that Myrdal declared, on page 13, that the U.S. Constitution is impractical and ill suited for modern conditions and characterized its adoption as nearly a plot against the common people. Furthermore, he openly avowed that liberty must be forsaken for what he called social equality.

By declaration of the Supreme Court, Dr. Myrdal and his book have now become modern authority, and what was aptly termed by one of the Nation's foremost authorities on constitutional law, Hon. R. Carter Pittman, of Dalton, Ga., as "corpus juris tertius in American pseudo-socio-law."

The dangers inherent in substituting sociological and psychological theories for law are obvious.

U.S. Circuit Judge Jerome Frank recognized that, when he wrote that such generalizations and the "inferences derived therefrom are almost certain to be importantly false. For the consequences of the operation of certain customs or group attitudes are often canceled out by the consequences of other conflicting customs and attitudes."

Even the latest book cited in footnote 11, "Personality in the Making," by Witmer and Kotinsky, states:

> Unfortunately for scientific accuracy and adequacy, thoroughly satisfactory methods of determining the effects of prejudice and discrimination on health or personality have not yet been devised, nor has a sufficient number of studies dealing with the various minority groups been made.

Writer Edmond Cohn, who agrees with the result of the Brown case, nevertheless criticized the use of sociological authority and stated the danger therein in these words:

> The word "danger" is used advisedly, because I would not have the constitutional rights of * * * Americans rest on such flimsy foundations as some of the scientific demonstrations in these records.

Since the behavioral sciences are very young, imprecise, and changeable, their findings have an uncertain life expectancy, and today's observations very likely will be canceled by tomorrow's new theories.

I ask, therefore, Mr. President, is it right that our fundamental constitutional rights should be conditioned upon the latest psychological literature or scientific theory?

As surely as day follows night, if the Supreme Court is permitted to use psychology and sociology books instead of law books as the basis for its decisions, there is no area of American life which it cannot touch and attempt to revolutionize whenever it may take the notion.

Those who feel it is proper for Myrdal to be the authority for the school decision had best reflect, Mr. President, on how they would like for Freud or Kinsey to be the authority for rulings on their States' laws governing public conduct.

In basing the Brown decision on so-called "modern authority," the Supreme Court was guilty of what it itself has frequently condemned.

For example, as late as 1952, Justice Frankfurter wrote in his decision in the case of *Beauharnais* v. *People of Illinois* (343 U.S. 250):

> Only those lacking responsible humility will have a confident solution for problems as intractable as the frictions attributable to differences of race, color or religion. * * * Certainly the due process clause does not require the legislature to be in the vanguard of science—especially sciences as young as human ecology and cultural anthropology. * * * It is not within our competence to confirm or deny claims of social scientists as to the dependence of the individual on the position of his racial or religious group in the community.

Commenting on that obvious inconsistency on the part of the Court, Mr. Pittman, to whom I earlier have referred, stated:

> The Court admitted it didn't know enough about sociology, human ecology, and cultural anthropology to decide racial issues in 1952. But by 1954 the justices had become so expert in pseudo-socio-science a la Myrdal that they abandoned the Constitution, the law, reason, and common sense to embrace a doctrine unknown to God and unknown to any other government of law in the history of civilization.

When the Justices found the 14th amendment did not mention schools and decided its legislative history was "inconclusive," the Court should have declared, as it did in the case of *Ullman* v. *U.S.* (360 U.S. 427) in March 1956, that "nothing new can be put into the Constitution except through the amendatory process."

The Court has ruled time and again that it has no authority to amend the Constitution; yet the evidence that it sought to do so in the Brown case is irrefutable.

It is plain even to the layman that the Supreme Court's decision had the effect of amending the Constitution.

Article V clearly sets forth the fixed methods of amending the Constitution, and amendment by judicial decree is not one of them.

Everyone will agree, I believe, with the statement of Chief Justice Marshall in the famed *Marbury* v. *Madison* decision (1 Cranch 137, 174–175, 2 L. ed. 60, 72) of 1803:

> The Constitution is either a superior paramount law, unchangeable by ordinary means, or it is on a level with ordinary legislative acts, and, like other acts, is alterable when the legislature shall please to alter it.

The implications of that ruling were forcefully analyzed by the Honorable James F. Byrnes of South Carolina—a former member of the Supreme Court—in an address before the Illinois State Bar Association. He declared:

> If the latter be true, a written Constitution is an absurdity. It is equally clear that if the Constitution is the superior paramount law, it cannot be altered whenever the Supreme Court wishes to alter it. That would be an absurdity.
>
> If the Supreme Court can alter the Constitution by its decisions, then five men—a majority of the Court—can make the Court a constitution maker instead of a constitution defender.

Or, as aptly expressed last year by the erudite and distinguished senior Senator from North Carolina [Mr. ERVIN]:

> If court decisions are laws, when a court makes a decision, it makes a law; when it reverses a decision, it repeals a law; when it modifies a decision, it modifies a law.

To accept a contrary view, Mr. President, would be to nullify the constitutional concept of Congress as the Nation's only lawmaking body.

The legislative powers granted by the Constitution are vested exclusively in Congress. The first line of the Constitution says that, and, as I have pointed out, the framers of the 14th amendment sought to make certain that only Congress should implement the new and

dangerous powers which it embraced by specifying that only Congress should have the power to enforce it.

Article VI of the Constitution defines the "law of the land" as the Constitution of the United States and the laws and treaties made under its provisions. The Founding Fathers were careful to exclude executive orders and judicial decrees from that definition.

The framers of the Constitution knew the importance of a free, courageous, virtuous judiciary. But they also knew that a pliant, servile and time-serving judiciary would be a deadly enemy of free society and a republican form of government. Consequently, they were careful to set the judicial branch up as a coordinate and independent department of government but also were careful to put a check on it by vesting in Congress the authority to fix its jurisdiction.

The Supreme Court's Brown decision has done great harm to this Nation because through it the Court has shown its willingness to disregard our written Constitution and its own decisions, to invalidate the laws of the individual States and substitute for them a policy of its own, supported not by legal precedents but by the writings of social scientists.

Every thinking American knows that surrender to the Supreme Court of the power to amend the Constitution at will, will vest in that tribunal power to make changes inimical to the public welfare and eventually will lead to a complete loss of control of the Government by the people.

That is why, Mr. President, I am today introducing for appropriate reference a bill to add a new section to chapter 21 of title 28 of the United States Code which would read as follows:

> No justice, judge, or court of the United States shall have jurisdiction to hear, determine, or review, or to issue any writ, process, order, rule, decree, or command with respect to, any case, controversy, or matter relating to the administration, by any State or any political or other subdivision of any State, or any public school, public educational institution, or public educational system operated by such State or subdivision.

However much some citizens may applaud the Brown decision, Mr. President, they will accept the manner in which it was handed down only at the peril of exposing themselves to some future application of the same theory of legislation by judicial decree.

Unless the application of that concept of judicial lawmaking is stopped now by the enactment of legislation such as I am today proposing, the inevitable result will be to substitute for constitutional government a judicial oligarchy under which the executive and legislative branches and the State and local governments will exercise only such powers as the Supreme Court deems fit to grant them.

Constitutional government as we heretofore have known it and the philosophy upon which the Brown decision was based are incompatible. So long as it is allowed to stand, the liberties and heritage of freedom which Americans in all regions so zealously cherish are in great jeopardy.

If the Brown decision is allowed to stand, Mr. President, then we have no Constitution and no laws—only what the Supreme Court on any given occasion may say the Constitution and the laws are.

Mr. President, I herewith introduce my bill and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1593) to amend chapter 21 of title 28 of the United States Code with respect to the jurisdiction of the justices, judges, and courts of the United States, introduced by Mr. TALMADGE, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROPOSED BUREAU OF SUBMARINES

Mr. DODD. Mr. President, I introduce, for appropriate reference, a bill to establish a Bureau of Submarines within the Department of the Navy.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1597) to establish in the Department of the Navy a Bureau of Submarines, introduced by Mr. DODD, was received, read twice by its title and referred to the Committee on Armed Services.

Mr. DODD. Mr. President, during the first half of this decade a small group of dedicated men wrought a series of scientific miracles which have already revolutionized naval warfare.

These dedicated men, housed in unpretentious, temporary buildings, working 80 hours a week, denying themselves most of the comforts of life, through an unsurpassed effort extending over many years, purchased with their sacrifice an advantage for our country which, if properly exploited, will redress the balance of military power; a balance which is shifting steadily against us as the Soviet Union forges ahead in intercontinental ballistic missiles.

I refer to the group of men led by Vice Adm. Hyman G. Rickover, who achieved a remarkable scientific breakthrough years ahead of our Communist opponents. I speak of the men who gave us the atomic submarine, and who thereby gave us two priceless elements in our struggle for survival—time and opportunity.

They gave us time to construct, before our manned bombers and exposed stationary bases become vulnerable, a vast fleet of nuclear powered submarines capable of delivering nuclear payloads to any part of the Communist homeland; and to develop a whole new concept of naval warfare indispensable to our island continent in a period when our Communist opponents will have superiority on land and in the air.

They gave us opportunity to pioneer in the peaceful conquest of the new frontier under the seas, through the development of undersea commerce, through scientific explorations that may yield incalculable benefits in mineral resources, in agricultural potentials and in paths of peaceful progress.

The peaceful uses of discoveries originally destined for warfare have proved a source of countless blessings for mankind. Development in military aircraft paved the way for great advances in commercial aircraft.

Our progress in the conquest of outer space has been a byproduct of the military ballistic missiles program.

The development of undersea technology will yield a rich harvest of peaceful uses for coming generations.

We have the basic scientific know-how essential to the building of an armada of nuclear-powered submarines, equipped with thermonuclear missiles, each of which could loose fearful devastation upon any aggressor.

But we have not achieved the degree of coordination and organization necessary to exploit this scientific knowledge to the full.

Today, in what I believe is a step toward better coordination and organization, I am introducing a bill which provides for the establishment of a separate Bureau of Submarines within the Department of the Navy. This afternoon I would like to discuss briefly the history of submarine warfare, the revolutionary implications of the submarine, and the need for creation of a separate Bureau for developing this top priority underwater program.

The first operational submersible, the U.S.S. *Holland*, made its appearance in 1897. Its successors in World War I were formidable tactical weapons, but their limitations and the failure of the German high command to grasp the full implications of their U-boat fleet, prevented the new weapon from being decisive in naval warfare.

Submarines of World War I were only surface ships in reality, capable of only brief interludes of submergence, interludes needed to protect themselves from detection and bombardment. Because of limited endurance and speed, they had to operate largely on the surface. These submarines could be found and destroyed. They lacked an engine which could operate beneath the sea without oxygen, and they had to rely on storage batteries. Their surface engines needed diesel oil and they had to be refueled frequently.

Yet, despite these disadvantages, Germany had in its submarine fleet a weapon so deadly and novel that, in my judgment, it could have been decisive had it been vigorously exploited.

If the Germans had instituted unlimited submarine warfare against Allied shipping in 1915, instead of 1917, there is little doubt but that Birtain and France, dependent as they were on open sealanes for their survival, would have been brought to their knees before the United States could have made a real contribution.

But the German high command of World War I, fortunately, failed to recognize and to act upon the great advantage which its U-boat fleet provided.

Once again, in World War II, the Allied Powers narrowly escaped defeat by German U-boats. At one period of World War II, German submarines were sinking Allied shipping faster than we

were building new ships. We were faced with imminent disaster.

Only Hitler's refusal to delay his aggression until his submarine fleet was ready, only our supreme effort in shipbuilding and in antisubmarine warfare, only the defects inherent in submarines of that vintage, made it possible for us to overcome this threat.

In 1949 Admiral Rickover and his group embarked upon their revolutionary journey in the area of undersea warfare. At that time the atomic submarine was little more than a conception. Yet by 1953 a complete prototype of its atomic powerplant was operational and the *Nautilus* itself went to sea in 1955.

The *Nautilus* was the first true submarine. Such a submarine can fight years of warfare without refueling. It can stay submerged running at full power for weeks on end. Atomic powerplants give these submarines the speed, performance and endurance characteristics comparable to the best surface vessels. Thus, for the first time concealment is coupled with performance in the submarine.

The voyage of the *Nautilus* under the North Pole, and the submergence of the *Sea Wolf* for over 60 days, have demonstrated the full meaning of these vessels, and have foreshadowed the shape of things to come.

But developments in the field of ordnance, in the weapons which can give one nuclear submarine enough destructive power to devastate a nation, have not kept pace.

Although the *Nautilus* was sailing under the oceans in 1955, she carried World War II torpedoes; and even today the operational date for the Polaris and other submarine missiles seems obscured.

A handful of these ships, properly armed, could control the ocean. Whole task forces would be relatively defenseless against them. The nuclear submarine, armed with missiles and atomic warheads, is a capital ship with a gross firepower more powerful than a fleet, greater than the firepower of all the manned bombers and all the fleets of World War II. Thus, the great implication of nuclear submarines is strategic, not tactical.

The advent of nuclear powered engines has eliminated the defects in the submarine itself. The advent of a thermonuclear missile capable of being fired from a submarine from the depths of the sea will open limitless strategic possibilities.

It remains for us to eliminate our deficiencies in organization, in money, in planning, and in vision, which today stand in the way of full development of this ultimate weapon.

For several years the Soviet Union has had the capacity to launch a devastating nuclear attack upon the United States. For a longer period of time we have possessed an even greater capacity for destruction.

The moral and ideological traditions of this country have made an unprovoked, surprise attack by the United States out of the question. But the hand of the Soviets is not stayed by any ideals. The Communists, who did not blanch at the murder of millions of their own countrymen, certainly would not hesitate to inflict mass destruction on their enemies, if they could do so without fear of retaliation.

Mao Tse-tung, the Red dictator of China, has publicly declared that Red China was prepared to endure the loss of hundreds of millions of its people, but that Western nations could not stand up under such a loss.

Therefore we must assume that if the Communists ever arrive at the point where they could deliver a paralyzing attack upon the Western World without fear of reprisal in full measure, they would not hesitate to do so. We must always plan for the worst.

As we enter the era in which the Soviets will possess a wide advantage in intercontinental ballistic missiles, it is theoretically possible for them to destroy, by sudden attack, most of our retaliatory capacity.

It is possible to conceive of the perfection of a defense against our manned bombers, a defense that could reduce our retaliatory capacity to limits that the Communist world was willing to absorb. It is possible to conceive of an attack which could destroy our exposed missile launching bases all over the world.

But the advent of the atomic submarine, armed with deadly nuclear missiles, offers us a retaliatory capacity so invulnerable that we cannot conceive of its sudden destruction.

Imagine a force of a hundred atomic submarines, hidden in the depths of the sea, many of them lying under the Arctic ice caps; each of them within range of the Communist heartland; each of them armed with destructive power greater than all the explosive power set off during World War II.

Here is a capacity for massive retaliation which, under foreseeable circumstances, cannot be destroyed by a sudden onslaught.

The Arctic coastline of the Soviet Union, which extends half way around the world, furnishes a limitless expanse from which our submarines can deal destruction. To the Kremlin, this presents a problem of the greatest magnitude. It is one they might not solve in this century.

The simultaneous destruction of a whole fleet of nuclear submarines will be close to impossible for decades to come. The only way to get at a nuclear submarine is with other naval units, probably with other submarines. Our submarines will have to be found and fought one at a time.

To accomplish this would require many ships and endless tracking and combat. Any aggressor would be forced to disclose his intentions of making war long before he could destroy even a fraction of these units.

The net effect of having such a fleet could be the equivalent, in today's terms, of having all of the Strategic Air Command airborne at all times.

Thus atomic submarines armed with nuclear warheads are a true and ultimate deterrent to war. They are, therefore, our greatest guarantee of peace.

So long as this force exists we shall be safe from nuclear attack. And this assurance will give us political and psychological strength in the capitals of the world, strength which we shall need very badly during the coming period of clear Soviet ICBM superiority.

But we are a long way from having such a deterrent force. Even the most ambitious program now being considered calls for only 30 of these ships. More than a year ago the distinguished junior Senator from Washington [Mr. JACKSON] called for a fleet of 100, missile-firing nuclear submarines. I join him today in urging that number as a minimum goal.

Right now we have only a handful of atomic submarines. A submarine designed specifically for firing nuclear missiles has yet to be launched. The missiles themselves, upon which all depends, are as yet unavailable.

The great scientific breakthroughs of the early 1950's have not been followed with necessary breakthroughs in missile development, or with the necessary program for a huge fleet of atomic submarines, or with the necessary organization that would make such a fleet a reality in the shortest possible time.

I think the present organizational setup in the Navy for developing this submarine fleet leaves much to be desired.

The building of the nuclear components is under Admiral Rickover.

The submarine building program itself comes under the Bureau of Ships, which must also worry about aircraft carriers, destroyers, tankers, and everything else afloat.

Weapons systems in submarines come under the jurisdiction of the Bureau of Ordnance.

Submarine personnel are under the Bureau of Personnel.

Within the submarine program itself there are further delineations of authority.

The attack submarine, designed for combating other enemy ships, is under the technical direction of Admiral Rickover.

The polaris-firing submarine, the capital and strategic ship of the future, is under Rear Adm. William F. Raborn, with Admiral Rickover responsible for providing the nuclear powerplant.

In addition, many other bureaus and divisions of the Navy are working on undersea warfare.

The great advances that have been made thus far are in some ways a triumph over the present system of organization, which is characterized by overlapping functions, by divided responsibilities, by confused lines of authority, and by lack of unified direction. The result has been a delay in technical advance, insufficient priority for the needs of undersea warfare, drift and drag.

I believe the atomic submarine is so obvious a departure from previous naval weapons, so vast in its strategic implications, so urgent in its priority as to justify a significant change in naval organization.

How have we handled revolutionary strategic developments in the past?

In 1921, when naval air power was relatively untested and unproved, Congress established a Bureau of Aeronautics within the Navy Department.

I might add here that all of us remember the gallant efforts by naval aviators to convert the then dominant "battleship school" of naval thought to the critical importance of air power. It was quite a struggle.

The "battleship school" resisted the claims of air power for long years and we are fortunate that the naval air power advocates won their case before the outbreak of World War II.

The last American battleship was laid to rest in 1957. The aircraft carrier is now the dominant naval vessel. But the nuclear submarine is clearly the principal vessel of the future.

We are fortunate that the present Chief of Naval Operations, Adm. Arleigh Burke, well understands the significance of submarine warfare. But history indicates that we may anticipate opposition to submarine supremacy by the champions of, let us say, the aircraft carrier.

We are in a race in which every day counts. There is no time for prideful stubbornness or for the intraservice rivalry that held back the growth of air power, on occasions, in both the Army and the Navy.

One of the reasons why a separate Bureau of Submarines is necessary is so that the advocates of submarine supremacy may be organized in a manner which will allow them to present their case forcefully and effectively.

After World War II when aircraft, carrying atomic weapons, became our chief deterrent force, an entirely new branch of the service, the Air Force, was established to achieve the maximum development of air power.

As ballistic missiles and space satellites came to the fore and as we recognized defects in organization, duplication, divided responsibility, and lack of unified direction, new organizations were established in the executive branch of Government and in the Congress. In the executive branch, the National Aeronautics Space Administration was created, charged with unifying and coordinating our space and missile programs. Congress has recognized this field as a unique area worthy of separate attention and has created aeronautical and space sciences committees in the Senate and House. One subcommittee of the Senate is devoted almost exclusively to the problem of studying reorganization of our space programs.

The area of undersea warfare is as vital as any of these. The need for rapid progress is as urgent. The delays due to poor organization are as apparent.

We must make an approach toward unified direction for our nuclear submarine program.

If the Soviet sputnik taught us any one lesson, it is that we cannot allow these problems of technical management and direction to just drift and drag along. We can lose our lead if we follow the same path as in the missiles program, the path of having everyone and no one in charge.

That is why I propose the creation of a Bureau of Submarines in the United States Navy, and have introduced today proposed legislation providing for the creation of such a Bureau.

Under my proposal the Bureau of Submarines would have a status similar to that of the Bureau of Aeronautics or the Bureau of Ordnance. The Bureau of Ships would retain jurisdiction over all ships other than those capable of submergence. The Secretary of the Navy would have the power to set the Bureau's duties in detail, but I would hope he would envision submarines as weapons systems and give the Bureau responsibility for all aspects of the system including its missiles.

The new dimensions under the seas are as challenging as the skies above, and are as deadly.

The Kremlin recognizes this. The Russians are devoting their principal naval effort to undersea warfare. They already have a fleet, we are told, of more than 600 submarines, many of them equipped to fire ballistic missiles with a range of at least 200 miles.

While their present fleet dwarfs ours in size, the technical superiority gained for us by the Rickover group gives us a vast but temporary advantage over the Soviet.

When the Russians have unlocked the secret of nuclear submarines, if indeed they have not done so already, we may be sure they will allow no organizational problems, no budgetary limitations, no lack of priority to prevent them from developing this new strategic weapon with maximum speed.

Yesterday's press and today's carried reports that the Russians were distributing conventional submarines among their satellites. This is interpreted as an indication that Russia is starting construction of an atomic submarine fleet for her own use.

In recently released testimony before the House Defense Appropriations Subcommittee, leading naval authorities testified that deficiencies in our antisubmarine forces posed a grave threat to our security; that our antisubmarine vessels are obsolete and undermanned; and that additional spending of $1.2 billions next year was needed to meet the Red sub menace.

Our technical advantage may last for a few years at the most.

Shall we fritter away this advantage? Shall we adopt only minimum goals that miss the significance of undersea warfare supremacy?

I pray that we do not, and I urge my colleagues to take a forward step by supporting the establishment of a Bureau of Submarines that will give leadership, unity, and vision to the development of the true deterrent to war.

FIFTIETH ANNIVERSARY OF THE DISCOVERY OF THE NORTH POLE BY ADM. ROBERT E. PEARY

Mr. MUSKIE. Mr. President, 50 years ago yesterday, a courageous pioneer fulfilled the dream of a lifetime, as he stood in the midst of the arctic waste and announced: "89°57'; the pole at last."

We in Maine are proud to claim Rear Adm. Robert E. Peary as our own. Although Admiral Peary was born in Pennsylvania in 1856, his family moved to Maine when he was but 3 years of age. Robert E. Peary was educated in the public schools of Portland and was graduated from Bowdoin College in Brunswick, Maine, in 1877. In 1904, he and his wife built a cottage on Eagle Island, off the Maine coast in Casco Bay which is still used by members of his family.

Admiral Peary's daughter, Mrs. Marie Peary Stafford, who has earned her own reputation as an arctic explorer, now lives in Brunswick, Maine. Mrs. Stafford was born only 13° from the North Pole. Before she was 10, she had made four trips into the arctic region. In 1932, she headed the Peary memorial expedition to Greenland. Her brother, Robert E. Peary, Jr., a brilliant engineer, has worked on construction projects in the north. Admiral Peary's grandson, Comdr. Edward Peary Stafford, currently assigned to congressional liaison work with the U.S. Navy, is following the Peary family tradition of service to the Nation.

Incidentally, Comdr. Edward Peary Stafford 2 or 3 years ago won the $64,000 question prize.

Admiral Peary worked and planned for more than 20 years before he reached the North Pole. He once said, "I will find the way to the pole or make one," and at the age of 53, he walked 500 miles over ice and frozen arctic waste to make the way. He covered the last 133 miles to the pole in a daring dash alone. I doubt if there has ever been in our history a more shining example of individual enterprise, initiative and single-minded devotion to a great purpose.

It is my privilege, therefore, to ask unanimous consent that there be printed in the RECORD the remarks of Mr. Robert E. Peary, Jr., at Arlington National Cemetery on April 6, 1959, on the occasion of the 50th anniversary of the discovery of the North Pole.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF ROBERT E. PEARY, JR., AT ARLINGTON NATIONAL CEMETERY, APRIL 6, 1959, ON THE OCCASION OF THE 50TH ANNIVERSARY OF THE DISCOVERY OF THE NORTH POLE

For many years, circumstances have prevented me from attending the exercises which the Civil Engineer Corps of the U.S. Navy hold annually on the 6th of April.

To the best of my knowledge, the Civil Engineer Corps is the only organization with which my father was associated that has faithfully assembled here every year since his death in 1920 to honor him and my mother.

As representative of the descendants of that valiant couple, I wish to express our sincere appreciation and thanks.

For the past 6 years, I have been engaged in engineering work on defense projects in the far north, and people frequently say to me, "So you are following in your father's footsteps." If a person traveling from New York to San Francisco by pullman car could be considered as following in the footsteps of his ancestor who made the trek by covered wagon, then I am following in my father's footsteps.

Actually he was one—and if you will pardon a possibly prejudiced comment—the best one of a handful of pioneers who discovered new lands and broke new trails through what had heretofore been considered impenetrable regions. I am one of thousands who have come after to build on the foundation which he laid.

While his work in the Arctic was not, strictly speaking, engineering work, it seems to me that only an engineering mind could conceive, plan, and execute the work which he did.

He received his engineering education at Bowdoin College, in Brunswick, Maine, graduating in 1877, and a few years after entered the Civil Engineer Corps as a lieutenant by competitive examination.

One of his first assignments was to investigate the collapse of a Navy pier at Key West, Fla. This pier had been overloaded with, among other things, coils of wire rope, and when the pier collapsed the wire rope created a formidable tangle. The private contractor who had the contract from the Government to salvage and rebuild the pier reported that it was impossible, and young Peary was sent to investigate. His report stated that it was not impossible, and offered a few suggestions as to how it could be accomplished, whereupon he was told to go ahead and do it. This he did, not only proving that the impossible can be done, but also saving the Government thousands of dollars.

Later he, with other Navy engineers, made the preliminary survey for the Nicaragua Canal.

Then his attentions were directed to the Arctic, and for over 20 years most of his energies were directed northward. During this time he attained many firsts. He discovered new land, mapped new regions, determined the insularity of Greenland, and, to climax his work in the north, 50 years ago today he reached the North Pole, being the first man to set foot on either pole of the earth.

Mr. MUSKIE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point two newspaper articles regarding the achievement of Admiral Peary.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Portland (Maine) Telegram, Apr. 5, 1959]

VALUE OF PEARY'S ARCTIC TRIP SEEMS MORE SIGNIFICANT NOW

(By Daniel Rapoport)

"I have won out at last."

Six words scrawled in a post card. They were written on April 6, 1909, by Comdr. Robert E. Peary to his wife. The place: the North Pole. Peary had just become the first man to reach it.

For Peary, a native of Maine, it was the culmination of 20 years of almost fanatical determination. He had set his sights on the pole nearly a quarter century earlier.

He had made his first probe north in 1888, when he was only a few years out of Bowdoin College. In between he had served a short time as a civil engineer in the U.S. Geodetic Survey from which he transferred into similar work in the Navy.

His first trip was undertaken on his own during a 3-month leave of absence, but he had greater support, official and unofficial, for the series of trips that took him ever farther northward until his successful venture in 1909.

Peary reached the pole accompanied by his Negro aid, Matt Henson and four Eskimos. They were helped by support parties during most of the 37-day journey over the vast ice reaches, but went the final 133 miles alone in a daring dash.

His goal finally reached, Peary called it "the prize of three centuries," but in Washington when the news of the discovery arrived several months later, President William Howard Taft is reported to have laughingly observed: "Now that you've found it, what are you going to do with it?"

For many years nothing was "done with it." The world seemed to share the opinion expressed in Taft's jest.

As late as 1958, this country was warned of the dangers involved in neglecting the polar region. Dr. Ernest Patty, president of the University of Alaska, flatly stated the United States was "losing the battle of the North Pole."

He chided Americans for centering most of their attention on the South Pole region. "We're concentrating on the wrong end of the earth," he said, and added that Russian scientists were becoming increasingly superior in the field.

Patty's remarks on the subject were supported by the U.S.-Canadian Joint Research Committee, which in the same year issued a grim report predicting that the lack of scientific information on the polar basin "will invite a scientific Pearl Harbor."

Then, suddenly, less than 6 months after the report, the pole was again the object of an historic feat. The U.S. atomic submarine *Nautilus* crossed under the pole. Eight days later it was followed by another nuclear-powered submarine, the U.S.S. *Skate*, which managed to surface 40 miles from the pole.

Whether or not the submarine crossings mark a turning point in our study of the pole remains to be seen. In any event, public attention is certainly more aware of it than at any time since Peary's day.

A handbook of the North Pole might list these significant facts:

It offers the shortest distance between North America and Eurasia.

The pole is actually situated on the Arctic Ocean, although it is generally frozen over at the actual axis.

The ice mass covering the pole is slowly melting. The Arctic ice pack is 40 percent thinner and 12 percent smaller than it was at the beginning of the century. Experts predict that in not too many decades the region will melt altogether in the summer months.

Under the sea at the polar region are two mountain ranges, one of which divides the ocean into two great rotating systems. It was through the Barrow Valley in these mountains that the *Nautilus* and *Skate* threaded their way under the pole.

Time and direction have little meaning at the pole. Everywhere you look is south. And from March 21 to September 21, the sun circles the pole in never-ending daylight.

These days the polar region claims three major industries.

Air traffic is probably its biggest, what with planes from six airlines and the U.S. Strategic Air Command flying over it. One noted veteran of Arctic flights says the time will come soon when the region will need an air traffic control center.

Weather flights, especially by the U.S. Air Force, are made daily over the pole. Weathermen consider developments there extremely pertinent to the weather picture in the populated portions of the earth.

Scientific exploration of the polar regions has come into its own with the recently concluded International Geophysical Year. Fletcher Island, 40 square miles of ice 100 feet thick, has served as an operating base for several expeditions as it slowly circles around the pole.

To consider the future of the polar region is an exciting adventure in itself.

Military men are already quite certain of how they would like to utilize the features of the pole.

It is a perfect bomber route between the United States and Russia. Naval tacticians see great possibilities in hiding nuclear-powered missile-launching submarines below the great ice cap firing through gaps in the ice. Adm. Hyman Rickover thinks the threat of these undetected nuclear weapon carriers could also act as a deterrent to war.

Looking toward a world at peace, the trade and travel opportunities of the polar region appear to be vast. The melting of the ice cap could signal the start of extensive surface shipping during certain months of the year. And giant nuclear-powered cargo submarines would even be less limited. Air travel is certain to increase.

The two worlds divided by the Arctic Circle are destined to meet. But when they do, it is difficult to imagine anyone matching the feat of Commander Peary. His record of walking to and from the pole has never been duplicated.

[From the Portland (Maine) Telegram, Apr. 5, 1959]

(By Steve Riley)

South Portland can rightfully claim the late Adm. Robert E. Peary, discoverer of the North Pole, as a local boy who made good. But Portland, Bowdoin College, and Fryeburg can all share in that claim, too.

Although Peary was born in 1856 in a small Pennsylvania town, his parents had moved there from Maine. And, after his father died, Mrs. Peary and son moved back to the State in 1859. They settled in the Scammon Hill section of South Portland, which was then part of Cape Elizabeth.

The section contained woods and streams and it was there that young Peary's avid interest in the outdoors first became apparent to his friends.

One of these friends was the late Edward C. Reynolds, who eventually became a prominent local attorney. Back in the days when Peary's fame was at its height, Reynolds told reporters many tales of his boyhood experiences with the explorer.

"He liked boating, skating, and sliding," Reynolds said. "He had strength and agility and if football and baseball had been played much in those days he would have excelled." He wasn't big, but he was wiry and could move quickly.

Mrs. Peary and Bert, as Robert was known to his friends, lived with a cousin in that section of town a short time, then mother and son moved to an apartment in the Freeman Evans house at the corner of Evans and Summer (now Broadway) Streets in the Pleasantdale section.

The Reynolds family moved to the same area shortly afterward so the two boys remained chums and went to school together in a little building known as Schoolhouse No. 3.

"It has been said by some that Peary had to earn every cent of his education," Reynolds said, "but that is simply not true. His father died young but he left Mrs. Peary a competence. With her plain, inexpensive habits, she always managed to supply sufficient funds for her son's education."

That must have been true, for Peary soon left the little South Portland school and entered a private school in Portland and later another private school in Farmington.

He returned to Portland, however, for high school, and he and his mother moved to 119 Oxford Street, where they lived until he graduated in 1873.

Reynolds was an invited guest at Peary's high school graduation and here's how he pictured it:

"I went to the old city hall at Bert's invitation to see him graduate. He had a part, but he was neither valedictorian nor salutatorian of his class. I think his essay was on 'Mysteries of Nature.'"

Bert Peary went on to Bowdoin College as an engineering student, but his close relationship with his mother continued. She

followed him there and kept house for him all the time he was going to school.

Peary's interest in sports continued and his work in engineering and science subjects was outstanding. But he was no grind, as this entry in his diary shows:

"Tuesday we are examined in mathematics and after that—hurrah for a long vacation and no studying."

The diary is full of talk about sports and contains many entries which indicate that Peary liked working in the field as an engineer.

It reveals that in a ball-throwing contest he threw one 316 feet, 10 feet ahead of his nearest competitor.

"There were a good many surprised looks and I overheard one fellow telling another that he didn't see where I kept all that amount of throw, for I didn't look as if I could do it," he wrote in the diary.

He could call upon similar ability in his studies. Talking about a problem in graphical statics, he wrote:

"The professor and I worked on it all day with no results. The next day we worked until noon * * * the next day we went at it again and worked all day. At night I got it, obtaining an almost perfect result. I then showed it to him and * * * the next morning he brought it back saying it was the best piece of work that had been done in the department since it was founded. I tell you I was as happy a boy as you often see, I was so completely rewarded for all my labor."

But despite this display of scholastic skill, Peary was not the top student in his class. His old friend, Reynolds, attended his graduation as a civil engineer.

"Again at Peary's personal invitation, did I attend his graduation. I was a guest of his family during commencement exercises. Once more, Bert had a part but again he was neither valedictorian nor salutatorian. I think he was a fair scholar and had very little trouble passing his mathematics. It was only in mathematics, though, that he was brilliant. He excelled at that branch of studies."

After graduation in 1877, Peary took a job in Fryeburg, his mother's home town. He had always enjoyed wandering through the White Mountains during his summer vacations and that may have been the reason for his choice, but whatever the reason, Reynolds was disappointed.

"I had a feeling that he had taken a step backward," Reynolds said, "that somehow, the brilliant career we had all come to believe must be his seemed to be eluding him. When he remained 2 years, I felt this even more keenly."

Despite his friends' reservations, there are indications that he spent a happy 2 years in Fryeburg. His mother moved back and established her home there.

He spent a great deal of time surveying and made a topographical map of the town. For recreation, he enjoyed horseback riding. But it soon became obvious that there was not sufficient challenge. Two years later in 1879, Peary left home, and his mother, to take a job with U.S. Coast and Geodetic Survey group in Washington.

That was the move that was to lead him in a few short years from obscurity to nationwide fame as an explorer and discoverer.

THE LATER YEARS

Admiral Peary was married in 1888 to the former Josephine Diebitsch, of Washington and it soon became clear that he would be as close to her as he had been to his mother.

She accompanied him on several trips north and their daughter, Marie, was born far above the Arctic Circle. This won her nationwide fame as the "Snow Baby."

Although his trips north kept him away much of the time. Peary never really deserted Maine. After his mother's death, he and his wife built a cottage at Eagle Island, off Harpswell, in 1904. The cottage was enlarged in 1910.

Mrs. Peary and her children, Marie and Robert E. Peary, Jr., spent many summers there and the explorer dropped by whenever he could, until his death in 1920.

Mrs. Peary continued to come to this area in the early 1930's. She lived in a Baxter Boulevard apartment winters and spent her summers at Eagle Island until her death, at 92, in 1955.

ADDRESS BY SENATOR TALMADGE

Mr. RUSSELL. Mr. President, on Monday, March 30, of this year, my distinguished colleague [Mr. TALMADGE] delivered the principal address at the annual banquet of the Atlanta Public School Teachers' Association in Atlanta. I regard this as a particularly noteworthy speech. It deals with the personalities of some of those who have been prominent in education in Georgia for many years.

My distinguished colleague served for 6 years as Governor of the State of Georgia and is throughly familiar with every aspect of the educational system of that State. He has a number of ideas on present day education which have attracted a great deal of attention.

Mr. President, I ask unanimous consent that the address be printed in the RECORD.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Is there objection to the request of the Senator from Georgia?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Derthick, Miss Jarrell, distinguished guests, and members of the Atlanta Public School Teachers' Association, thank you for according me the honor of sharing this delightful occasion with you.

It is a particular pleasure for me to have the opportunity to meet with the teachers of Atlanta because as a parent whose children have attended the public schools of Atlanta I have a deep and abiding interest in Atlanta's public educational system and its welfare.

The sustained progress which the city of Atlanta has made over the years in developing one of our Nation's foremost programs of public education is a record in which you, and all Atlantans and Georgians, can take justifiable pride.

I share that pride and I salute you—the public school teachers of Atlanta—upon your achievements of the past and your plans for an even greater future.

The city of Atlanta is fortunate indeed to have the services of capable and loyal teachers like you and of able and dedicated school officials like your superintendent, Miss Ira Jarrell.

I know of no one in Georgia who has made a greater contribution to the cause of public education or who has served the public interest more tirelessly and unselfishly than has Miss Ira. The Atlanta public school system stands as the embodiment of her consummate skill as an administrator and her proven devotion as a teacher.

During my tenure as Governor, I had the privilege of working with Miss Ira on a number of occasions and I gained therefrom a tremendous respect for and admiration of her not only as a great educator but also as a great lady.

Miss Ira, I am pleased that I have been afforded this opportunity to pay my respects to you and the outstanding job you are doing for the city of Atlanta and the State of Georgia.

It is a sad commentary upon contemporary society that, of all our public servants, none are given less recognition, are taken more for granted or are more criticized than are our teachers.

While it is granted that we have grave problems in the field of education—problems which we must resolve soon and realistically if our Nation is to survive—I have no patience with those whose only solution is to blame our difficulties on the teaching profession.

If Johnny can't read, spell or write a simple essay and if Susie is mathematically and scientifically illiterate—and I am afraid we will have to admit that all too many Johnnys and Susies fall into these categories—the fault is not the teacher's, but society's.

The situation in which we find ourselves today is the product of a quarter century of soft living in which security, conformity and comfort have become more important than love of adventure, thirst for knowledge and the challenge of the future.

When fathers consider football more important than physics and when mothers attach more significance to passing than learning, it is hardly likely that teachers who are dependent upon the public treasury for their livelihood can successfully resist the trend.

It would be a wonderful thing if education could be served to all with the ease of a quick-frozen dinner or could be swallowed like a concentrated vitamin capsule. But the most intriguing anomaly of our time is that the further we advance toward the ultimate in technology and creature comfort, the greater is the demand for better-trained technicians to maintain and sustain them.

Therefore, we arrive at the paradox that the first requirement of an easy life is a hard education.

Unless society faces up to the fact that there is no short cut to education and puts an end to schooling in the philosophy of getting by, the United States soon is going to find itself in the position of the foolish fellow who failed to measure the width of his doors before undertaking to build a yacht in his basement.

Teachers know Johnny will never master quantum theory physics by taking courses in handicraft.

Teachers know Susie will never learn how to put two ideas together for a college thesis by studying folk dancing.

Teachers know it is impossible to instill culture with comic books or to produce scientists with social adjustment tests.

Teachers know that when Johnny is insulated against competition and Susie is sheltered from the facts of life, both are coddled into mental paralysis and intellectual stagnation and another step is taken toward a perpetual cycle of educational and intellectual mediocrity.

The pressing question is not when are the teachers going to do something about education but rather when are the parents going to let the teachers do something about education.

The mothers and fathers of this country need to ask themselves in all honesty these questions:

How much longer is society going to try to make everybody happy by giving them the trappings of an education and by handing out high school diplomas as attendance prizes instead of earned badges of applied scholarship?

How much longer is society going to be lured by the siren song that public education must be diluted to the lowest common denominator in order to avoid frustrating the child of average or below-average intelligence?

How much longer is society going to kid itself into believing that it is possible to educate youth on a basis other than the highest standards of quality and performance without turning the cherished American dream of universal education into a nightmare?

How much longer is society going to insist upon substituting the right to march in a commencement procession for the right to an education?

If ours were the only Nation on earth and we were not engaged in a life-or-death technological and ideological struggle with an enemy sworn to our destruction, there conceivably might be some justification for what former U.S. Senator Ralph Flanders, of Vermont, aptly called a happy ant school system.

However, the realities of life and the lessons of history being what they are, there is—to use the words of one of our country's greatest scientists and scholars, Vice Adm. Hyman G. Rickover—"little comfort for the survival of a society composed of happy, cooperative ants."

Admiral Rickover, the father of the atomic submarine, correctly observed in a recent speech that "nothing we bestow upon our children in the way of material advantages can compare with the gift of a good education."

How true.

And how sad it is to reflect upon the large numbers of our countrymen who have come to consider administering to the wants of the physical body more important than developing the mind.

Admiral Rickover's further words on this subject are so profound and so true that I would like to quote further from them. He declared:

"We often speak of democratic freedom, and of course we treasure it. But basic to political freedom is personal independence; and this can exist only where the mind has been unshackled from ignorance, from dependence on the opinions of others, and from fear of disagreeable facts.

"Bombarded as all of us are, all day long, by subtle sloganeers seeking to convert us to their views, we sorely need minds that have been sharpened by hard intellectual work. We must know how to dig up our own facts—how to discover truth for ourselves.

"The person who has learned to trust only proven facts, who knows how to find and recognize truth, and who has been trained to decide all issues on the basis of truth and reason—he and he alone is a free man."

The goals of education have never been defined more eloquently.

Education on any other basis will not equip our young people for competition in a world in scientific revolution.

Education on any other basis will not produce well-rounded scholars who can match and surpass the genius of any mind produced by the schools of our enemies.

Education on any other basis will not kindle in the breasts of future generations the same flame of individual initiative and desire for self-betterment which motivated our Founding Fathers to build and preserve the greatest and freest nation the world has ever known.

The first step toward putting American education on that basis is for society to admit to itself the awful truth of the observation of historian H. G. Wells that "human history becomes more and more a race between education and catastrophe" and then to take its stand on the side of education.

Once we Americans recognize our problem the solution to it is simple.

All we have to do is to throw the schemes of the theorists into the discard and put the dedicated teachers back to teaching.

There is nothing wrong with the American educational system which cannot be cured by stiff doses of discipline, rigorous training in the three R's, a shift in major emphasis from more classrooms to more classwork and a return to the fundamentals of integrity, intellect, wisdom, and will.

While I would not minimize the importance of having the best possible buildings, facilities, and equipment for our schools, the point I want to make is that the quality of education is dependent not upon the physical materials used in teaching but rather upon the ability and dedication of the teachers.

President James A. Garfield forcefully emphasized that truth when he said of the president of Williams College:

"I am not willing that this discussion should close without mention of the value of a true teacher. Give me a log hut, with only a simple bench, Mark Hopkins on one end and I on the other, and you may have all the buildings, apparatus, and libraries without him."

I have never known a successful man who said that the inspiration of his life was a school building but I have heard many who attributed their success to the inspiration of teachers who aroused within them a sense of purpose and who channeled their latent talents into capacities for accomplishment.

Speaking for myself, I know that whatever success I may have achieved, or may in the future achieve, I owe in a large measure to the teacher who awakened in me an interest in history and public affairs and who taught me to love the give-and-take of debate and to appreciate the satisfactions of public speaking.

She is Mrs. Jerry Duggan, of Dublin, whom I know affectionately as "Miss Enda." To me she is the personification of all a teacher should be and I still seek and treasure her sound advice and wise counsel just as I did when I was one of her students in McRae more years ago than I care to remember.

I venture to say that each of you here tonight has had a counterpart of "Miss Enda" in your life and that, in a large measure, you can attribute your accomplishments to her instruction and encouragement. I also am sure that many of you teachers are "Miss Enda's" to your pupils and that under your influence and guidance many of the leaders of the world of tomorrow are being inspired and prepared.

It was to the "Miss Enda's" of the teaching profession that Johann Von Goethe referred when he wrote:

"A teacher who can arouse a feeling for one single good action, for one single good poem, accomplishes more than he who fills our memory with rows on rows of natural objects, classified with name and form."

It was of the "Miss Enda's" of the teaching profession that Anatole France was thinking when he penned these words:

"The whole art of teaching is only the art of awakening the natural curiosity of young minds for the purpose of satisfying it afterwards."

It was of the true worth of the "Miss Enda's" of the teaching profession that Henry Brooks Adams said: "A teacher affects eternity; he can never tell where his influence stops." And Sir William Osler stated: "No bubble is so iridescent or floats longer than that blown by the successful teacher."

It was the "Miss Enda's" of the teaching profession who built and maintained here in America an educational system which, until only recently, had no challenger anywhere in the world.

And it is to the "Miss Enda's" of the teaching profession that we must turn to save our schools from degenerating into intellectually barren and culturally sterile baby-sitter clubs.

The "Miss Enda's" of the teaching profession know there is no easy way to get an education and they recognize the fallacies and dangers inherent in the utopian and unrealistic theories of the so-called progressive educators.

The "Miss Enda's" of the teaching profession know that there is only one way through which knowledge can be acquired and youth equipped mentally to cope with the problems of adulthood—and that way lies in diligent study, intensive application and hard work.

The future of America demands that the dedicated teachers—the "Miss Enda's," if you please—be restored to positions from which they can make absolutely certain that our children are educated to realize their highest capabilities for the benefit of themselves and our country.

I feel confident that you who count yourselves in the ranks of the dedicated teachers agree with me in that conclusion.

A second facet of the progressive philosophy that equality is more important than quality in education has even more ominous and immediate implications for the South.

I refer to the application of that false philosophy by the Supreme Court of the United States in its present effort to force a new social order upon our region by judicial constitutional amendment.

It is not necessary for me to tell you that, carried to its ultimate conclusion, the enforcement of that philosophy will have the disastrous result of destroying public education in many areas of the South.

Such an eventuality would be an unparalleled catastrophe which no one would deplore more vigorously than I.

It would be a terrible tragedy from which no one would benefit and in which the children of the South would be the principal losers.

My position in support of public education is well known.

My record on that point as Governor of Georgia speaks for itself.

And I wish to declare to you and all Georgians that, in every way open to me as one Member of the U.S. Senate, I shall continue to work and fight for the preservation of our public school system so long as it can be preserved on the basis of our constitutional heritage of government by the consent of the governed.

However, let me also make it equally plain that I shall never so stultify my conscience or so compromise my convictions as to advocate the preservation of public schools at the price of the surrender of the constitutional right of the people of Georgia to administer them as they see fit.

The basic question involved is far more fundamental than the mere matter of who attends what school. It goes to the very heart of our concept of constitutional, republican government; that is, the right of local people to run their local affairs in accordance with local wishes, conditions, and prevailing attitudes.

And whenever we in this country get away from that fundamental cornerstone of our freedom, as of that moment we will have ceased to be a nation in which the people govern themselves and will have become instead a judicial dictatorship.

Now I recognize that on the issue of separation of the races in the schools of the Nation there is a wide divergence of opinion and individual feelings are strong and inflamed on both sides. The best minds of the country are divided on the constitutional and sociological ramifications of the Supreme Court's desegregation decision.

Therefore, an essential prerequisite to resolving the issue without destroying the public schools of the South is a recognition on the part of all the people of this Nation—East and West as well as North and South—of the two incontrovertible facts of the situation:

First, whether one accepts it or not, the Supreme Court's school decision is an accomplished fact which will remain so until

it either is reversed by the Court itself or is nullified or modified by Congress or the people.

And, second, whether one likes it or not, the overwhelming majority of the people of the South will neither accept nor submit to the forced implementation of that decision and there is no prospect of any change in that position within the foreseeable future.

There is only one realistic, constitutional way by which the public schools of the South can be spared the fate of being crushed between those two millstones.

That way lies in affirmatively amending the Constitution of the United States along the lines I have proposed to vest exclusive and concurrent jurisdiction over the administration of public schools in the various State governments and their political subdivisions.

Such a solution would be compatible with our American constitutional concepts and would provide firm common ground upon which those who disagree on the legal and social questions involved could meet to serve the best interests of the present and future generations of American youth.

It would settle the question for all time to come and would permanently end the threat of Federal control of education from any quarter.

It would assure the uninterrupted instruction of all the children of the Nation regardless of their color or place of residence.

It would assure that whatever change might take place would be with the consent of the governed and by the constructive process of evolution rather than the destructive process of revolution.

It would preserve the constitutional right of the States and their citizens to run their own affairs.

It would create a basis for unity throughout the Nation at a time when it is vitally important that we of the United State present a united front before our enemies.

The principle of State and local control of public education is well established by both law and precedent.

Our Founding Fathers recognized that education is a local responsibility by leaving it as one of the areas retained for exclusive State and local control under the terms of the 9th and 10th amendments to the Constitution.

It is a principle which is supported both by the local nature of school financing and by the findings of responsible Federal study groups.

According to the Library of Congress, 93.4 percent of all public school revenue and 96.4 percent of all capital outlay funds for public school facilities are raised on the State and local levels. And, in a report issued June 28, 1955, President Eisenhower's Commission on Intergovernmental Relations declared that the national interest in education, like many other national objectives, is best served by State and local administration and control.

Since 1889 Congress itself has, in 12 instances bestowed exclusive control over public schools to newly admitted States—the latest being the Hawaiian Statehood Act which provides that the schools of the Hawaiian Islands shall forever remain under the exclusive control of said State.

I find myself unable to comprehend how any thinking person could possibly disagree with the premise that public schools which were established and are financed on the local level should be administered in accordance with the desires of the parents of the children attending them.

Neither can I understand how any Member of Congress who sincerely desires to see this disruptive issue peacefully and permanently resolved and who genuinely is concerned about the welfare of all the children of the United States could oppose the submission of an amendment along the lines I have proposed for ratification or rejection by the elected representatives of the people on the State level.

The very basis of our form of government is, in the words of the Declaration of Independence, that it derives its "just powers from the consent of the governed."

That is the crux of the present effort to force a new social order upon the South by judicial dicta—it is being done without the consent of the people directly affected.

The sum total of the experience of mankind is that attempts to force all humanity into the same mold are foredoomed to failure because the inherent individuality of the human soul inevitably will assert itself—shackles and jails to the contrary notwithstanding.

Until the day when we have a situation like that envisioned by Aldous Huxley in his controversial book, "Brave New World," in which babies are grown in bottles to predetermined mental and physical specifications—and God forbid that civilization ever shall descend to such depths of depravity—there will never be a dictator, a court, an oligarchy or a philosophy which can make all men think, act or react alike in any given situation at any given time.

The same Supreme Court which now is trying to force all schools into the same mold is the same Supreme Court which, in its initial decision, acknowledged the variety of local problems presented by its ruling and instructed the district courts to take local conditions into account in formulating their decrees under it. However, when the Little Rock District Court sought to do just that last year, the High Court reversed itself and held that integration would have to proceed despite local conditions and the public interest.

The Supreme Court thus has sought to establish itself—without benefit of constitutional or legislative authorization—as a super board of education superior to the Constitution, to Congress, and to the consent of the people. In the course of less than 5 years it has so disrupted laws governing education that every school in the Nation now is subject to the whims of whatever five men happen to constitute a majority of the Court.

I, for one, do not believe that it is the wish of the rank-and-file of the citizenry of the United States that local schools which were paid for and are operated on the local level should be put at the mercy of a Federal court which has no knowledge of educational needs or the public interest in fulfilling them.

Of all our public institutions, none are more needful or deserving of stability and continuity than are our schools. It is inconceivable that the younger generation can be educated for responsible citizenship in the future under continually changing rules of instruction.

However, national power politics being what they are—with organized minority pressure groups exercising powers denied to the unorganized majorities—it would be totally unrealistic for anyone to hope that Congress would act on its own under present circumstances to approve an amendment along the lines I have proposed.

Consequently, our one hope for getting a hearing for our viewpoint in Congress lies in eliciting a sympathetic response from the constituents of Members of Congress—particularly those who represent States and districts outside the South.

We in the South can best work toward that end by acquainting our friends and relatives who live in other regions with the facts of our desperate plight and by asking them to urge their Senators and Congressmen to support the Talmadge school amendment.

It has been most gratifying to learn that a number of Georgia newspapers have organized letterwriting campaigns in this regard. And if we could get every Georgian and every southerner to write to just one person living outside the South, I believe there would be a good chance of generating an expression of public sentiment which would bear fruit in the Halls of Congress.

It is my thinking that those of us who believe in local self-government and local self-determination have been too long in a defensive posture. We have failed to realize that our struggle is for the minds of people outside the South and to take steps to win the sympathy of those people.

The mail which I have received since proposing my amendment leads me to believe that the overwhelming majority of the American people feel that schools which are erected and financed by local people should likewise be controlled and administered by local people.

If we can get around the lockout of information imposed by the various news media outside the South and reach people in other areas of the country with our message I believe we can get them thinking in the proper perspective and win their support for a reaffirmation of the time-honored right of all Americans to run their local affairs as they see fit.

I have unlimited faith in the desire and willingness of the American people, once they are acquainted with the facts, to demand that our national house be set in order.

In a constitutional Republic such as ours, the masses may not be immediately articulate, but once given leaders and leadership they are swift in making their wishes felt and known.

The outcome of our struggle for our rights will depend largely upon how strongly we feel about it and how hard we are willing to work to promote our viewpoint.

This is not something which can be left for the other fellow to do if we seriously expect to get it done.

If all of us will but put our efforts where our beliefs are, I am convinced that a public expression can be obtained and that expression will be to give Congress a mandate to afford the people of America an opportunity to amend the Constitution to assure for all time to come that our schools shall continue to be public and that the control of those schools shall continue to remain in the hands of local people.

Our heritage as free Americans is that our Government's foundations rest upon the will of the people.

It is a heritage of which we are proud and which the entire world respects.

It is a heritage to which this Nation must adhere if it is to be passed uncompromised to our children and their children after them.

It is a heritage which is to be put to an acid test in the issues which will determine the future course of education in the United States.

We of the South—you and I—have our work cut out for us if we are to preserve that heritage.

With our faith in Almighty God and our feet firmly planted on the rock of the Constitution, I am supremely confident that we shall not fail.

TV BOOSTER STATIONS

Mr. MOSS. Mr. President, thousands of people in my State of Utah, and in other parts of the country, are awaiting anxiously the action of the Federal Communications Commission on proposals for modifying its rules concerning VHF-TV booster stations.

I ask unanimous consent to have printed in the RECORD a letter I addressed today to Chairman Doerfer, of the Federal Communications Commission.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
April 7, 1959.

Hon. JOHN C. DOERFER,
Chairman, Federal Communications Commission, Washington, D.C.

DEAR CHAIRMAN DOERFER: Almost 2 months have passed since the staff of the Federal Communications Commission was directed to make a study of VHF–TV booster rulemaking. Since I believe this problem has been in actual study status since some time in January, I cannot understand why final action has not been taken.

I am reliably informed that over the past month, booster equipment which could be put on the market for under $500 has been undergoing tests in FCC laboratories, and that this equipment can meet the basic requirements of the FCC. Surely this is the last and most important step of this study.

I know that T. A. M. Craven, the only FCC Commissioner-engineer who conducted, on behalf of the FCC, an on-the-spot inquiry, said in November 1957, that the Commission can and should establish reasonable rules providing for the authorization of VHF boosters on a practicable basis.

I am sure you are familiar with the letter written by former Senator Dill, of Washington, to Senator FULBRIGHT, of Arkansas, in answer to the appeal of the distinguished Senator from Arkansas that the FCC be allowed to administer the Communications Act as it relates to boosters without undue interference. Senator Dill, who wrote the radio law in 1927, and revised it into the Communications Act of 1934, and whose long years of service on the Senate Interstate and Foreign Commerce Committee made him one of our foremost communications experts in the country, summarizes the situation very well when he writes:

"It should be remembered that the dominant purpose of Congress when it passed the radio law was to provide free radio service to all of the people. These little boosters come as near to doing the job as is possible in lonely parts of the country where direct reception is impossible."

Mr. Chairman, I hope the FCC action will be forthcoming shortly. You can appreciate the fact that the people throughout the country, and particularly in my State of Utah, who need VHF–TV booster service, are anxious to ascertain the kind of ground rules under which they may operate. The people in remote areas of the country should certainly not be denied the entertainment and educational benefits of TV at a price comparable to that paid by the public in larger communities.

With kindest regards.

Sincerely,

FRANK E. MOSS,
U.S. Senator.

PROPOSED GREAT BASIN NATIONAL PARK, NEV.—MULTIPLE-USE MANAGEMENT OF AMERICAN FORESTS

Mr. MOSS. Mr. President, there is considerable discussion in western Utah and eastern Nevada about a proposal to create a Great Basin National Park in the Wheeler Peak-Lehman Caves area of the Snake Range in Nevada.

It is my understanding that the Department of the Interior has recently completed a comprehensive study of the area to determine whether it possesses the intrinsic significance to warrant its designation as a national park or monument, and that these findings will be considered at the meeting to be held this month of the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments. I hope that the report this group makes to the Department will also discuss fully the advisability of authorizing livestock grazing, mining, hunting, and fishing within the area should it be recommended for a national park or monument.

Wheeler Peak and its associated mountain areas are in the Snake division of the Humboldt National Forest which has been administered as part of the national forest system since 1909. This national forest area contains many resources subject to management and utilization under the multiple-use policies of national forest management, including forage, water, timber, game—especially deer—and recreation. There are a number of mining claims in the region.

Mr. C. J. Olsen, presently director of the State park and recreation commission, and formerly the regional forester at Ogden, Utah, has written a challenging article on multiple-use management in the February issue of American Forests, entitled "The Proposed Invasion of Mt. Wheeler." In asking unanimous consent that this article be printed in the RECORD, I am not taking any stand for or against the proposed Great Basin National Park. I am only making Mr. Olsen's experienced thinking on multiple-use management available for study and discussion.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PROPOSED INVASION AT MOUNT WHEELER

(By C. J. Olsen)

The opinions expressed in this article are concerned with a fundamental issue in land management policy, and are addressed therefore to all readers. However, they are addressed even more pointedly to Nevada residents—so many of whom I know, and so many of whom I claim as warm friends—because it is they who will be most directly, and most seriously, affected if a bill scheduled for presentation in the forthcoming session of Congress is enacted into law.

The bill I refer to is designed to create a national park out of the Mount Wheeler area in the Snake Division of the Humboldt National Forest in Nevada.

The proposed park area was described in Nevada Highways and Parks (Nov. 1, 1958) by Weldon F. Heald. Mr. Heald wrote that the area contains "* * * a characteristic kind of western scenery now lacking in the Park Service that should be added while there is still time."

All readers in any degree interested in the proposal itself are urged to reread these words, because they represent a widespread attitude affecting land management that seriously needs refutation. My efforts to refute it are directed against the attitude itself, not against Mr. Heald, nor against others who I am sure sincerely believe it would be wise to create a national park of the area named.

The implication in any such words as those quoted—however well meant—is that unless this area is added to the national park system "* * * while there is still time," it will be despoiled of its scenic and recreational beauties, and its most essential values will be lost to the people. Of necessity, too, the implication is that the interests of John and Jane Citizen, whether of Nevada, Michigan, or elsewhere, are to be properly served only if such areas are given national park status and subjected to the limited-use practices in national park lands.

I am fully aware that existing national parks—especially the more spectacular and inviting ones—are heavily used, and are becoming more and more heavily used each season, and that new park areas are needed. I should like to make it emphatically clear, too, that I am in no way opposed to the existence of national parks; neither am I necessarily opposed to the policies under which areas that should be national parks are administered. What I am opposed to is the easy assumption that the Wheeler Peak region in Nevada, or any similar region elsewhere, can serve public interests best if given the "national park" label and withdrawn from all but scenic and recreational use.

To preserve is often necessary, but to conserve is often far better. To maroon certain highly valuable and critically needed resources in any State by circumscribing them with national park boundaries may be equivalent, not merely to locking up such resources, but to throwing away the key.

Let us examine the facts as thoroughly as possible.

The proposed national park boundaries would include Mount Wheeler and adjacent lands totaling about 75,000 acres. Adjoining this area is a tract about 1 mile square, already set aside and operating as the Lehman Caves National Monument.

The proposal has recently been expanded to include 220,000 acres of the Snake Range, leaving only 20,000 acres in the southwest corner of the Snake unit in the national forest. An additional 63,000 acres of public domain along the east side have been added to the proposal.

Sixty percent of the new proposal inside the national forest area is within an established mining district. The area is generally highly mineralized, and contains several patented mining claims and an unknown number of unpatented ones. Several hundred acres of private ranch lands are included in the area outside the national forest. Either proposal, if made into a national park or a national monument, would create an impossible management problem. According to the Nevada Fish and Game Department, 800 sportsmen have been permitted, in past years, to harvest the annual deer crop. This essential management process would be eliminated. The National Park Service would have a "bear by the tail."

Both proposals would seriously affect the operations of ranchers and livestock men in this area. The latter proposal, number 2, would, of course, most seriously affect them, I am not advocating overuse of forage by livestock, but conservative use—use which will perpetuate the forage supply and protect the soil and watershed. The impact of either proposal would be serious for the colorful and profitable ranching operations in eastern Nevada and western Utah, as well as for the whole economy of Nevada, present and future, although proponents may say that the ranch economy will be replaced by a single recreation economy.

Under multiple use management, with the application of research methods and through the cooperative efforts of the land managing agencies, the Nevada Fish and Game Department, the sportsmen, those interested in recreation development, the water users, the stockmen, and other interested groups, we can have a permanent, productive and thriving economy, without the restrictions necessarily imposed by a national park or national monument status.

Topographically the area is high and mountainous, culminating in Wheeler Peak, rugged and spectacular, rising to 13,063 feet. On the north face of Wheeler Peak is a deep cirque holding a permanent snow field or névé, highly valuable as a water resource, but technically a névé, rather than a glacier as some enthusiasts have advertised it and supposed it to be.

The resources generally are typical for such a region, and are especially to be prized in a State where high and verdant terrain is extremely limited in proportion to total State area.

Twelve streams have their source in this area, with a peak flow sufficient to irrigate about 10,000 acres of farm and ranch lands. In addition, these streams supply domestic water for four local communities as well as for the private ranch establishments scattered along stream courses.

Recreational facilities, concentrated largely in the Lower Lehman Creek area, include 45 picnic sites and camping units and 14 trailer-house units. A system of well-kept trails is being projected into outlying wilderness spots, and about 45,000 people are already coming to the area annually and making use of existing facilities.

Wildlife is considered plentiful. A deer herd estimated to be 3,000 strong, ranges the area for an 8-month period each year. Fishing is kept good by seasonal plantings from the Snake Creek Fish Hatchery, a State-maintained agency. Beaver (restricted to trapping, of course) abound in upper reaches of the streams.

There is an estimated 3 million feet of merchantable timber in the area, about one-half of it being ponderosa pine. In addition, about 1,500 piñon pine Christmas trees are harvested each year on a thinning basis.

The Wheeler Peak areas provide annual grazing for more than 400 cattle and about 4,000 sheep.

The mining resources of the area stand high among the region's assets. More than 260 acres are covered by patented claims, and nearly 1,200 acres more by valid unpatented claims. The western slopes generally are mineralized and mining potential is considered to be good.

Would it be wise for Congress to pass a bill this year—or ever—withdrawing this area from multiple-use privileges? It is my firm belief that it would not.

This belief, if justified, must be supported, of course, by strict reference to the facts. I should like to return therefore to the article by Mr. Heald, already referred to. He says, "* * * it is one of the fundamental policies of the Park Service that each unit within the system should exemplify a definite type of scenery which is a supreme example of America's originally rich and diversified wilderness." This statement of course is in keeping with national park policy "to protect and preserve areas of remarkable scenic and scientific values." A bit later in the Heald article, however, the author contradicts the idea that the Wheeler Peak area is unique (and therefore that it needs special safeguarding) by pointing out that it is "* * * typical of the vast desert region between the Rockies and the California Sierra Nevada * * *."

In this last statement, Mr. Heald and those who are thinking with him in terms of national park areas are entirely correct. The Wheeler Peak area is typical, and typical not merely for its locale, but typical of a great many high mountain areas in the Great Basin region. Such areas are spectacular, but scarcely unique; and any justification for withdrawing the Wheeler Peak area from multiple use by making a national park of it would be justification for doing the same thing with any of a score of similar areas.

The name "national park" may sound inviting to many people. It may tend to flatter the people of any State by suggesting that they possess an area unusual enough to deserve setting aside exclusively to provide recreational and scenic values. There is the special danger, too, that people in communities adjacent to the park, or en route to it, may be caught up by unwarranted enthusiasm and proclaim the merits of park status too soon and too loudly, without enough thought.

Let us take the resources offered by the Mt. Wheeler Peak area and consider precisely what would happen to each if the bill in question became law.

I have already made the point that the area, though rather spectacular, is no more unique than many other areas in the Great Basin region. But before leaving this point, I want to add that the preservation of the scenic values of this area (one of the main reasons for proposing to turn it into a national park) has not suffered under Forest Service administration, and is in no danger of suffering. They are there, rugged and grand, and protected in a degree quite as rigid as they would be under park status.

I should add also that the proposed national park boundaries would leave a narrow marginal area of forest and rangelands in the Snake Range still under Forest Service management, but awkward and expensive to administer effectively.

I should like to reemphasize the point that the particular spot in the Mount Wheeler area that should be devoted to special use, namely, the Lehman Caves, has already been set aside and is operating as a national monument.

The facts already stated give evidence that the scenic and recreational resources of the region are already being well developed and properly utilized. The facts correctly suggest, too, that the services necessary to a fuller utilization of these resources will be expanded as needed, in keeping with long-established Forest Service policy. The facts should imply also that the scenic and recreational resources of this area, such as they are, can in no way be enhanced nor extended by mere application of a national park label.

My whole argument up to this point amounts to this: The special resources which the national park system is designed most expressly to protect, make available, and preserve, are already being made available, protected, and conserved.

On the one hand, therefore, little if anything that the public needs and wants from the Mount Wheeler area would be gained by making it into a national park; on the other hand, much, very much, would be lost. Let us see why.

Timber harvesting is an entirely legitimate use, and a critically needed one, in this area. A timber harvest can be perpetuated endlessly under conservative forestry practice without in any way diminishing the scenic and recreational values of the area. Under National Park Service policy, timber usage for merchantable purposes, regardless of potential, is of necessity ruled out.

Grazing is a legitimate resource of this area—a badly needed resource. Grazing is being judiciously regulated under the present multiple-use plan, and with the application of sound range management principles, a cattle and sheep harvest—like a timber harvest—can be continued. Under national park management, grazing of livestock is prohibited.

Big game constitutes another legitimate resource of the area—a valuable and much-prized resource. Under Forest Service management an appreciable annual deer crop can be had indefinitely. Big game has, of course, a proper esthetic value; but essentially, big game needs to be harvested annually and in proper degree as a legitimate crop. This is necessary to keep herd numbers in proper balance with forage supply. Big game harvesting is desirable also because the public is allowed to participate in and to share in the harvest.

One of the major objectives of multiple-use management of the renewable resources mentioned up to this point is to perpetuate them and, through applied research methods, make them even more permanent and more productive. Under the national park system a game harvest is of necessity precluded.

Mining constitutes another legitimate resource of the area. And the proper promotion of mining, with its attendant income and jobs, in a region of known potential is an interest that an informed public will not readily forego. Mining interests, properly regulated by law as they are now, need not conflict with other resource uses in the area. Moreover, it may add appreciably to the mineral resources of a Nation which must look ahead with increasing care to a swiftly mounting population and to the diminution of known sources of supply. Of necessity, mining, regardless of potential, cannot be promoted under the national park system.

These are the main reasons why it would be disadvantageous to the public generally to withdraw the Mount Wheeler area from multiple use under the Forest Service, and subject it to highly restricted use under the national park system. Moreover, such an action should be objectionable to the Park Service itself, because it would introduce into a system of highly select lands a region without enough qualifications to recommend it adequately as a national park.

I should not conclude an article in which I have set forth my strongest convictions without some accounting for the vital interest I have in the Wheeler Peak issue.

I am vitally interested, first of all, because I have spent a very large part of my life studying and administering public lands. Out of this experience has come a great faith in the wisdom of multiple-purpose usage of all public lands, except for areas so highly specialized and unique in nature that there can be no reasonable doubt that it would be wise to put them under the restricted usage the national park system is designed to serve.

Secondly, I have a vital interest in this issue because of a longstanding, intimate, and fond acquaintance with the area itself. I was supervisor of the Nevada National Forest during 1932, 1933, and 1934, and even before the Civilian Conservation Corps program began, I encouraged the purchase of the 40-acre tract marking the opening to the now famous Lehman Caves.

I recall with fond appreciation such names as Chris Roan, Andy Barr, George Doyle, Vail Pittman, Charles Russell, and many others—all public-spirited men, and all key figures in those first early efforts needed to forestall private exploitation of the Lehman Caves and to assure their preservation as a national monument.

It is to all men such as these that I again most hopefully address my words. For half a century, the multiple-use doctrine has been tested in all of its aspects, and has proved itself good. In consequence, I have no reluctance in saying that multiple use, except in extraordinary situations, is the only policy that can serve well enough the important purpose for which it was intended: "Maximum good * * * to the greatest number of people * * * for the longest possible period of time." The Mount Wheeler area does not constitute such an extraordinary situation.

Even so, I am aware that national park status for the Mount Wheeler area will capture much public fancy. Over the most impressionable and the least informed it will cast something of a spell. To all such as these it will loom as a bona fide case of love at first sight, and hence a love quickly to be espoused. To still others, though it looms as a flattering proposal, it will be something to be thoughtfully weighed. And finally, to the judicious and the well-informed, it will loom as an illicit affair, easy to get into, but burdensome to endure, and once espoused, impossible to shake.

REHABILITATION SERVICES RENDERED BY DISABLED AMERICAN VETERANS

Mr. MOSS. Mr. President, an exceptional record of vital rehabilitation services freely extended to thousands of Utah citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veterans' organizations, which have State departments and local chapters in Utah, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of Americans who have been either wounded, gassed, injured, or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war. Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have benefited every compensated disabled veteran very substantially. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger; its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris—all located at its National Service Headquarters at 1701 18th Street NW., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans, or some 2 million, are receiving monthly disability compensation payments for service-connected disabilities the DAV can never aspire to become the largest of the several veterans' organizations. Nevertheless, since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained the largest staff of full-time trained national service officers of any veterans' organization. Some 138 DAV officers are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and its central office in Washington, D.C. There they have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert to the problems of other less well-informed claimants.

The DAV national service officer in Utah is Mr. George L. Carey located at the VA regional office, 1750 South Redwood Road, Salt Lake City. The national first junior vice commander this year is Mr. James Brusatto, 2879 South 8560 West, Magna, Utah. The department commander is Mr. William L. Carr, 1072 South Fourth East, Salt Lake City, and the department adjutant is Mr. Woolas A. Macey, 1453 Sherman Avenue, Salt Lake City.

The VA hospitals in Utah are a 194-bed GM hospital and a 546-bed NP hospital, both located at Salt Lake City.

The DAV Department of Utah has nationally appointed representatives to the Veterans' Administration Voluntary Services Advisory Committees at each of the Veterans' Administration hospitals servicing Utah veterans. These DAV representatives and the hospitals are as follows: Fort Douglas VA Hospital, Salt Lake City, Utah, Mrs. Bonnie Anderson, representative, care of department adjutant, DAV, Salt Lake City, Utah; and Salt Lake City VA Hospital, Salt Lake City, Mr. Orlando Barber, representative, 8769 West 3030 South, Magna, Utah.

During the last fiscal year, the VA paid out $27,512,000 for its veterans program in Utah, including $6,738,120 disability compensation to its 8,833 service disabled veterans. These Federal expenditures in Utah furnish substantial purchasing power in all communities. Only about 20 percent—1,717—are members of the 16 DAV Chapters in Utah.

This 20 percent record is much above average, but not enough in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officer in behalf of Utah veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted (estimate): 39,224.
Claim folders reviewed: 32,687.
Appearances before rating boards: 23,045.
Compensation increases obtained: 2,549.
Service connections obtained: 1,157.
Nonservice pensions: 342.
Death benefits obtained: 52.
Total monetary benefits obtained: $1,214,950.43.

The above figures do not include the accomplishments of other national service officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. During the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Utah veterans, their dependents and their survivors.

Because of an unfortunate chain of circumstances, Utah had no DAV national service officer during the period from November 19, 1956, to August 14, 1957. According to all our statistics, the disabled veterans, whose claims would normally have been handled by the service officer, lost, because no one represented them, an average of $562.04 a month in increases and $2,683.42 a month in retroactive benefits. So the events which led Utah to be without a DAV national service officer for 8 long months in effect resulted in a loss of $25,963.68 to veterans of Utah. Mr. President, no other single event has offered me such conclusive proof of the value of the DAV service program. Not only the disabled veterans, but the whole economy of my State is irrevocably welded to the service of the Disabled American Veterans.

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice is furnished to all disabled veterans—only about 10 percent of whom are DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil-service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans; they are no given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time. lack of information and experience, proof of the legal service-connection of a disability becomes extremely difficult, and too many times impossible. A Claims and Rating Board can obviously not grant favorable action merely based on the opinions, impressions or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting such evidence to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed, because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of the claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300

others at an aggregate loss to them of more than $28,000,000 a year. About four-tenths percent of such discontinuances and reductions have probably occurred as to disabled veterans in Utah, with a consequent loss of about $112,000 a year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur in the case of an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Utah to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, it will be found that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained; and has obtained about $14.10 of direct monetary benefits for clamaints for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 2,139 of whom, during the past 8 years, were Utah residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure much-needed public support which will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans if the DAV had the funds with which to maintain an expert service officer in every one of the 173 VA hospitals.

During the past 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Recently it added another $100 thereto. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member.

As a DAV life member, I am pleased to enroll as one of the benefactors on the memorial honor roll of the DAV Service Foundation, with the realization that only the interest earnings therefrom will be available for appropriation to the DAV for its use in continuing to maintain its national service officer setup in my State of Utah.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation service in Utah by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington 4, D.C. Every such serviced claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902 or World War I veterans—payable in installments within two full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

LEVYING AND COLLECTING OF TAXES AND ASSESSMENTS

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The hour of 2 o'clock has arrived; and the Chair lays before the Senate the unfinished business, which the clerk will state by title.

The LEGISLATIVE CLERK. A bill (S. 643) to amend the act entitled "An act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate resume the consideration of Calendar No. 131, Senate bill 144, to amend Reorganization Plan No. 2 of 1953.

There being no objection, the Senate resumed the consideration of the bill (S. 144) to amend Reorganization Plan No. 2 of 1953.

DISTRICT OF COLUMBIA TRAFFIC SAFETY AND EDUCATION PROGRAM

Mr. LANGER. Mr. President, the problem of traffic safety and education in the United States is of great concern to all of us. The District of Columbia, the Nation's Capital, is moving forward—as it should—with an energetic traffic safety and education program. I ask unanimous consent that two articles from the Traffic Safety Reporter of the District of Columbia be inserted at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE COLD FACTS ABOUT DRINKING AND DRIVING

A drinking driver was involved in at least 30 percent of all fatal U.S. traffic accidents last year.

Twenty-three percent of the adult pedestrians killed had been drinking.

Special holiday studies by the National Safety Council showed that 55 percent of the Christmas season fatal traffic accidents involved a drinking driver.

Forty-eight percent of the Labor Day fatal traffic accidents involved a drinking driver.

In many accident cases the fact that a driver has been drinking is not recorded and is never entered in the driver's official record.

In spite of past and present efforts to increase safety education and traffic enforcement, too many drinking drivers are still operating on our streets and highways.

The social drinkers are a greater menace than commonly believed, as their critical judgment is impaired with a fairly low alcohol concentration and they outnumber the obviously intoxicated drivers.

Drinking to any extent reduces the ability of any driver.

Small amounts of alcohol reduce judgment, self-control, and driving ability.

Alcohol is not a stimulant and is classified medically as a depressant.

Loss of judgment and the capacity for self-criticism occurs before obvious symptoms of intoxication.

It takes at least 3 hours to oxidize (eliminate) 1 ounce of pure alcohol (about two cocktails).

Two cocktails (about 0.04 percent of alcohol in the blood) may reduce visual acuity as much as wearing dark glasses at night.

"Under the influence" means that due to drinking alcohol a person has lost (to any degree) some of the clearness of mind and self-control that he would otherwise possess.

You do not have to be obviously intoxicated to be "under the influence" and an unsafe driver.

Pure alcohol leaves no odor on the breath; it is the flavors in the beverage that cause the odor.

Coffee or other stimulants will not offset the effects of alcohol. Only time can eliminate alcohol from the bloodstream.

Chemical tests provide the police with a scientific means to determine whether or not alcohol has reduced a driver's ability.

TRAFFIC COORDINATING COMMITTEE REPORTS PROGRESS

At a recent meeting of the official Traffic Coordinating Committee, Lt. Col. Jess P.

Unger, Assistant Engineer Commissioner and chairman of the committee, reported that in the 6 months since its formation, on August 1, 1958, the departments represented on the committee had accomplished the following:

1. Published an official traffic safety program.
2. Provided for a monthly publication, the Traffic Safety Reporter, which will keep the public informed about the official traffic safety program.
3. Broadened dissemination of accident summaries prepared by the police department.
4. Arranged for advance designation of judges assigned to traffic court.
5. Arranged for attendance at traffic conference for judges prior to assignment to traffic court.
6. Acquired the Keystone telebinocular device for testing drivers' eyesight.
7. Reduced the timelag between driver violations and action under the point system. One day is now normal time for this.
8. Installed neon "no left turn" signs at 20 intersections.
9. Tested flashing school signs.
10. In coordination with the Commissioners' Traffic Advisory Board, conducted a special holiday safety campaign. December 1958 traffic deaths were eight less than the total for December 1957.

GENERAL WELLING APPEALS TO CLERGY

The engineer Commissioner, Brig. Gen. A. C. Welling, has called on the clergy to help convert every resident of the District of Columbia to the idea that obeying the rules of the road is a manner of exemplifying a basic religious tenet, namely, "I am my brother's keeper."

In a letter addressed to Protestant, Greek Orthodox, Catholic, and Jewish leaders of the National Capital community, General Welling stated that more and more officials are coming to believe that the job of making our streets safer is perhaps one for an evangelist rather than for an expert or a technician.

The engineer Commissioner specifically called for church help in educating elderly persons who constitute a very large proportion of pedestrians killed each year in Washington traffic. He asked for clergymen to emphasize such subjects as:

Speed and stopping distances; maneuvering limitations of automobiles; necessity for wearing something light in color at night; need for compensations for less acute sight and hearing; need for breaking outdated, firmly fixed walking habits; and other specific safety needs of elderly pedestrians.

General Welling reported that the proclamation of a Traffic Safety Sabbath was being considered for some time this year. The Traffic Safety Sabbath envisions, on a single weekend, clergymen of all faiths offering prayers together with their congregations for deliverance from recklessness, carelessness, and disregard of precious human life on our highways.

RECORD OF LEWIS STRAUSS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Commerce Secretary Strauss Follows a Familiar Pattern," from the Louisville Courier-Journal of March 16, 1959.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COMMERCE SECRETARY STRAUSS FOLLOWS A FAMILIAR PATTERN

Former Atomic Energy Commissioner Lewis Strauss made a record of sorts while he occupied that post. He left it as probably the most spectacularly unpopular public figure ever to tangle with the Congress.

Mr. Strauss retired gracefully from the AEC when matters had reached such a pass that almost any proposal made by him raised the hackles of powerful Senators. He handpicked his successor, but this was deemed a small price to pay for getting him out of the congressional hair.

But the energetic Strauss had no intention of remaining idle for long. Commerce Secretary Weeks, last but one of the original eight-millionaires-and-a-plumber cabinet, departed, and the President promptly nominated Mr. Strauss to succeed him.

All this was last year, but Mr. Strauss' appointment has not yet been confirmed in the Senate. Each time the subject is mentioned, deep-throated growls come from Senators who can hardly wait to vote against him, and his confirmation is one of the certainties least likely to encourage bets around Washington.

AN EARLY STAR IN DISCORD

Under these circumstances the normal man would be inclined to speak softly, walk on tiptoe and engage in no controversy more unsettling than the possibility of rain or shine. Not so Mr. Strauss. He had scarcely taken his unconfirmed seat before announcing that he planned to review a departmental decision which permitted slight relaxations in East-West trade. He promptly rejected an application for the export of some 12,000-odd tons of 28 and 30-inch pipe to the Soviet Union.

He has this right under the Export Control Act, but it is one that former Secretaries have exercised subject to the advice of other departments, principally the State Department. He has now rejected the application for the third time, and this time the State Department took the unusual step of making public the fact that it had advised him not to. The Department, furthermore, questioned his account of the proceedings, an even more unusual performance.

Mr. Strauss explained his action in these words: "The turndown, announced, following an intensive review by an interdepartmental committee which recommended rejection, was made on the grounds that approval of the application would not be in the national interest as defined in the Export Control Act."

State Department spokesmen said that the committee did not "recommend rejection." According to them the application was discussed, with some agencies counseling rejection and others approval. At the conclusion of the meeting its chairman, a Commerce Department underling of Mr. Strauss agreed with him that rejection was in order. He is, State's spokesmen delicately pointed out, under no obligation to consider the views of other departments. In committee discussions the State Department representative questioned the effectiveness of forbidding export of only 30 to 40 miles of what will be thousands of miles of oil pipeline. There is, said an official, "no useful purpose in controls unless they register an impact on the Soviet bloc," and to apply them where they have no impact on military potential gives the Soviet Union a propaganda opportunity.

Thus, the furor which accompanied Mr. Strauss's administration of atomic energy is apparently transferred to the Commerce Department. He is following his familiar practice of making decisions which should be guided by the overall interests of foreign policy entirely on his own—this is the first time he has consulted the interdepartmental committee although this was his third rejection of the same application—and then by implication seeking to involve other departments in his decisions.

It is fatiguing to think that this contentious man is already stirring up his own brand of interdepartmental mischief, before he is even officially installed as Commerce Secretary, and that, if confirmation is given his appointment, he can do so for almost 2 years longer. But it is worse than merely tiresome, it is dangerous. Our relations with the rest of the world are now so delicately balanced, so difficult for so many reasons that, although Mr. Strauss seems to be only on the periphery of foreign relations, it is appalling to think of the number of ways in which, by meddling, he can worsen them. It is too much to hope that the President will withdraw his name, but one can think wistfully how pleasant it would be if the Senate could, and would, retire him permanently from this administration.

THE CANCER OF INFLATION IS EATING AWAY THE PEOPLE'S SUBSTANCE

Mr. LANGER. Mr. President, it has been very disheartening to note releases from the White House calling for economy in the Federal agencies and in the Congress, while apparently fruitless efforts are being made for economy in the executive offices themselves. For some years we have been witnessing the spectacle of labor's demanding and getting wage increases, and the spectacle of various industries using these wage increases to raise the price of the goods they sell to the people. All this has become a vicious, endless circle. One year ago the President called upon both labor and industry to stop this; and he stated that the deadliest inflation would result if the cycle continued. He renewed that request the past week.

Mr. President, as everyone knows, the people closely watch every move the President of the United States makes. Whether they are on the farms or in the factories, or in the hills or in the dales, whether they are in the North or the South, the East or the West, the people observe the attitude that the President takes on various issues, and guide themselves accordingly.

It seems to me that it comes with ill grace for the President of the United States to call upon others not to seek wage boosts and higher prices, while he, himself, sets the mad pace which results in inflation and more inflation. Let us look at the record. In the last year when Mr. Truman was President, $8,335,043 was appropriated to run the Executive Office. This year Mr. Eisenhower has asked for $11,739,870.

I suggest that Congress give Mr. Eisenhower no more money to run the executive offices than Mr. Truman had. If Mr. Eisenhower cannot get along with that amount, then the President should have his assistants ride up to Capitol Hill, in some of the eight limousines that the White House now has, to convince us that he must have more money.

The Office of the Vice President in 1959 received $101,925, with an estimate of $112,140 for 1960. However, the 1953 appropriation for the Vice President's office was $55,410, or less than one-half of the current appropriation. And so as not to appear to be singling out the President and Vice President, let us examine the appropriations to run the offices of the Senators: Appropriations for 1959, $9,664,000; estimate for 1960,

$10,834,650. On the other hand, the appropriations for 1953 were $5,552,785.

Mr. President, there are now before Congress bills to increase the pay of workers, particularly those under the Federal hour-wage law. The stock market prices are shooting up and up and up, reflecting the inflationary period we are in and the high profits that certain large concerns are getting from Government contracts.

It seems to me that the person to start a wave of economy and to stop this inflation is the President himself. He, himself, must set the example in his own department; and the Members of Congress should follow his example, and should reduce their salaries in the same proportion that the President reduces his; and the Members of Congress should reduce their office expenses in the same proportion the President reduces his office expenses. Even a reduction of 5 percent would be welcomed by the taxpayers, who are aghast at the terrific spending, and who are looking vainly for someone to call a halt to it.

Back in 1932–33, when we were in the midst of one of the worst financial depressions, with its accompaning tragic unemployment, the Congress of the United States set the example for the entire Nation to follow.

First, Congress passed Public Law 212—72d Congress, 47th Statutes at Large 401, section 105A—which provided for a 15-percent salary reduction for the Vice President and for the Speaker of the House, whose salaries were $15,000 a year, and a 10-percent salary reduction for U.S. Senators and Representatives, whose salaries were $10,000. The next year Congress passed the so-called Economy Act—Public Law 273, 48th Statute at Large 14—which provided for a 15-percent salary reduction for the Vice President, the Speaker of the House, and U.S. Senators and Representatives.

Back in 1932 and 1933, the salary reduction for the Members of Congress was proposed in order to lead the Nation to economy by the enactment of the Economy Act. Today it is just as important to stop the danger of inflation, as it is for Congress to enact another Economy Act asking for reduction of the salaries of the President, the Vice President, the Speaker, and the other Members of Congress, and also proposing cuts in the budget for expenses to run the offices of the President, the Vice President, the Speaker of the House, Senators, Representatives, and Federal agencies.

Mr. President, I was particularly impressed with an article that appeared in the New York Times of March 15, 1959, which reads in part as follows:

PENTAGON'S "LOSS" $7½ BILLION IN 1958

WASHINGTON, March 14.—The Department of Defense, which spends a huge share of the Nation's budget, wrote the equivalent of at least $7,500 million off its books last year.

A billion of that was spent for goods the military did not need and could not use. And, though brandnew, the stuff was ultimately sold for about 8 cents on the dollar.

Most of the $7,500 million loss was spent on weapons and equipment that the services considered as either obsolete or worn out and therefore useless.

For example, a technical change prompted the Air Force to dispose of 1,500 flight helmets for which it paid $550 apiece. Private dealers in war surplus sold them for $75 each.

About $1,500 million represented aircraft and missile programs that the military, principally the Air Force and Navy, officially abandoned as miscalculations.

Further, if past experience is a reliable guide, the Pentagon will write off $6 billion worth of goods this year as surplus.

The buying and selling of surplus military goods, incidentally, has become a $750-million-a-year enterprise for private industry.

Such sums are not piddling, even against the background of the administration's proposed $41 billion defense budget, now before Congress.

The question is not about whether the $41 billion is too much, but whether it's too little.

Representative GEORGE MAHON, Democrat, of Texas, and chairman of the House Subcommittee on Defense Appropriations, believes it is too little. "We cannot afford to be caught short," he said.

At the same time, he noted that the military "make a lot of mistakes, tremendous mistakes, but they are largely mistakes in judgment."

Congress has been struggling for years with the question of whether the taxpayer is getting his money's worth out of the Defense Department. The lawmakers also have been trying to persuade the military to use more businesslike procedures. It has been like pouring water on a duck's back.

The Mahon subcommittee reports that none of the services has an adequate inventory system and thus has no precise idea of what it owns. Some instances were found where inventory information was 12 months out of date.

One result is that nobody knows whether the property held by the services is worth $50 billion or $60 billion.

The cost ascertainment method of the services on negotiated contracts leave something to be desired.

Last year the military spent $23 billion on procurement and 34 percent went into negotiated contracts made without competitive bidding.

Negotiated contracts usually are on a cost-plus-fixed-fee basis and, supposedly, the manufacturer has to explain and justify his costs.

As for the abandoned programs:

Over the last 12 months the Air Force decided that the future belonged to ballistic missiles and abandoned the Navaho program, into which it has pumped $750 million. The Navaho was a jet missile.

The Air Force also abandoned its air-to-air missile program known as the Rascal, which cost $374 million. It dropped the diversionary missile program called the Goose project after spending $70 million.

The Navy gave up on the jet-type anti-aircraft missile, the Regulus, after spending $78 million. The Navy also abandoned its seaplane experiment, into which it had poured close to $200 million .

The $7,250 million written off by the department does not include the money spent by the various services duplicating each other's work.

One illustration of this: The Army spent $700 million developing the 1,500-mile-range missile, the Jupiter, before turning it over to the Air Force, which in turn has spent as much or more developing a similar missile, the Thor.

Mr. President, what must the average taxpayer think of a Congress which permits a continuation of this sort of nonbusiness practice. A billion dollars is a thousand million dollars. Yet according to the report, the Defense Department does not know whether we have 50 billion dollars (which would be 50 thousand million dollars) or 60 billion dollars. It is certainly a sad reflection on the ingenuity of the American public-office holders.

Mr. President, we have boys in our armed services in practically all parts of the world. They are ready to give up their lives, if necessary for the defense and security of our Nation. But, Mr. President, consider what the pay of an Army private is. It is $78 a month, for each private who is single. I wonder what he must think of Congress and of the executive branch of the Government, which permit a continuation of the nonbusiness practices mentioned in the article in the New York Times. And what must the people who are living on old-age pensions or retired benefits, which sums have dwindled because of this terrific inflationary period, think about the spiral of rising prices and rising costs, and the nonbusiness practices heretofore mentioned.

And what about the farmer who is caught in a pincer movement of lower prices for his farm products and higher costs for the operation of his farm? What about all of the average people who must live on fixed salaries, but are confronted with higher prices and living costs due to the inflationary spiral?

Mr. President, frankly the whole situation is appalling; and perhaps the best thing to do is to bring it to the realization of the executive department by having Congress pass an "Economy Act," and thereby reduce the costs of operating the executive, legislative, and judicial branches of our Government.

Mr. President, to paraphrase a famous saying, I say that Congress should authorize billions for defense, but not 1 cent for waste.

All this running hog-wild with the taxpayers money simply has to be stopped. It is just a question of whether we, the officials duly elected by the people, have the stamina, the strength, and the nerve to cut our own operating expenses and lead the country to a sensible state of economizing, without adversely affecting the economy and the security of our Nation.

On behalf of the taxpayers, I call upon the appropriate Senate committee to bring to the Senate as soon as possible a measure to halt this increasing inflation and I call upon the President, the chosen leader of 180 million people, to head a real drive for economy.

A LONG, HARD LOOK AT THE CIVIL DEFENSE PROGRAM IS NEEDED

Mr. YOUNG of Ohio. Mr. President, in this space age of challenge, with jet planes exceeding the speed of sound, and with Soviet intercontinental ballistic missiles capable of spanning continents in less than 20 minutes, I reiterate my insistence that we take a long, hard look at our civil defense program.

It is well known that Soviet submarines off our East and West coasts could send rockets with nuclear warheads 1,500 miles or more inland, and that these devastating missiles can be fired with great accuracy.

It has been reliably estimated that Civil Defense officials would probably have 5 minutes' warning of a Soviet attack. That is all. Hydrogen warheads could lay waste to vast areas with a single blow, destroying entire cities, killing hundreds of thousands immediately, and additional thousands later, due to radiation and fallout.

It does not take much imagination to realize the ineffectiveness of civil defense under such circumstances. Air raid shelters or evacuation highways would be of little use to anybody.

The Federal Government is now paying $5,100 an hour, around the clock, for civil defense. State and local tax funds are being spent at about the same rate. The Civil Defense Agency, in the budget now being considered in the Congress, seeks to hike outlays of Federal taxpayers' money to $240,000 for each 24-hour period.

The present Civil Defense program has become as outmoded and as obsolete as Civil War cannonballs. It would be a shameful waste of public money to continue in the same pattern; yet Civil Defense officials—now crowded on the public payroll to the extent of more than 1,700 salaried officials and employees, plus thousands of others on State and municipal payrolls—are grinding out their propaganda booklets and are coming up with various and divers plans, including building shelters in backyards and basements, and, at the same time, are promulgating evacuation plans on a large scale. In one section of the country, Civil Defense officials are urging mass evacuation, and are publishing elaborate details on how it is to be accomplished, as if in the event of a devastating enemy attack with nuclear weapons, people would pay attention to traffic lights and Civil Defense highway markings. These officials are even indulging in planning mock mass evacuations which, when held, cost the taxpayers much money, but serve no useful purpose.

The Civil Defense in Ohio had in storage $73,000 worth of penicillin with oil base. This should not have been purchased in the first instance. It has doubtless deteriorated during the past several years. At present, penicillin has a water base, instead of an oil base. This Civil Defense stored penicillin is of questionable quality, and should really be written off as worthless. In addition, firehose furnished by Civil Defense authorities in Columbus, on loan to fire departments of cities in Ohio, was neglected. Water was left in the hose, and froze; and the fire hose not thus broken and ruined was permitted to mildew. This loss by rot and destruction approximates $20,000. This seems unbelievable. The U.S. Government, in connection with Civil Defense, contributed $266,000 of matching funds, and the city of Columbus, Ohio, spent $400,000 in addition. This huge sum, approximating two-thirds of a quarter million dollars was spent to synchronize traffic signals on the streets of Columbus, Ohio, to flash a warning signal in case of enemy attack threatening to devastate the Columbus area. Mr. President, does any intelligent person think fleeing civilians in a massive effort to escape atomic bombing and the resulting fallout would watch traffic signals?

Also, one may wonder why Civil Defense officials in the Columbus, Ohio, area could have any reason to believe that the capital city of the State I am proud to represent in part would be a target for atomic attack from the Soviet Union.

Mr. JAVITS. Will the Senator from Ohio yield for a question?

Mr. YOUNG of Ohio. I yield briefly for a question.

Mr. JAVITS. I have just entered the Chamber; and I understand that the Senator from Ohio is again addressing himself to the matter of the Civil Defense.

Mr. YOUNG of Ohio. Yes. I am making particular reference to some wasteful practices in my State of Ohio; and I shall continue with my remarks as soon as the Senator from New York permits me to proceed.

Mr. JAVITS. Mr. President, if the Senator from Ohio will yield further to me, let me say that, being a lawyer, I shall have to wait until I hear the Senator from Ohio present the facts he has in mind, and also his observations on them, before I, myself, comment.

However, in view of what I have already heard the Senator from Ohio say, I wish to ask a question at this time. I heard what he said about spending money for traffic signals and the likelihood or possibility of attack upon Ohio, and so forth. I wonder whether the Senator from Ohio has asked these questions of the Federal Civil Defense officials, before making his speech.

Mr. YOUNG of Ohio. First, let me say that I hold the distinguished senior Senator from New York [Mr. JAVITS] in the highest admiration. He and I, in years past, served together in the House of Representatives. I may say to the Senator it is a fact that I have discussed this matter with Civil Defense officials and also with the Adjutant General of my State of Ohio. If the Senator from New York will permit me, I shall now proceed to advert to some facts pertaining to my State of Ohio. I say further to the distinguished Senator from New York that, while my information may not be accurate, it is my understanding that in recent weeks in Canada and in some European countries that are our allies serious consideration has been given to the thought of merging civil defense with the military establishments and giving the military establishments control over civil defense. Perhaps that is a matter to which thought should be given in our own country.

Mr. JAVITS. I reciprocate the Senator's expression about me, which I deeply appreciate. I have known the Senator from Ohio a long time. I myself have a very deep affection for the Senator.

I should like to point out I am not given here, nor, I hope, will I ever be given, to caviling about a particular incident and trying to make it appear odd or embarrassing to the speaking Member of Congress. I do not think such conduct advances our cause. Let us for the moment consider foreign aid, and not civil defense, for the purpose of this illustration. Often when a great national effort is referred to an insignificant, peripheral development, such, for instance, as the use of tuxedos for attendance at funeral parlors in Greece, is pointed out, with the effect of discrediting a whole program of enormous and vital national interest.

When I replied, on a previous occasion, to the Senator from Ohio—and I may feel impelled to reply again—I did it only in the spirit to which I have referred. I think it is important that we keep this issue in proper proportion and perspective. We understand that there may be waste or acts of stupidity—who is immune from them?—but we should not allow waste or stupidity attaching to certain details to prejudice a program of fundamental and very deep and important concern to the national interest.

No matter what may be said about civil defense, I deeply believe, even if only because of the effect on the morale of the American people, it is vital that they have less dread of H-bombs and A-bombs falling on this country, which, God willing, we hope will not happen. Yet we may have to face up to such a situation if we are determined to stand by the cause of freedom.

I am interested in what the Senator from Ohio has said about putting civil defense in military hands. Such a proposal would not disturb me. But that question involves a far more definite and fundamental discussion, in terms of keeping our eye on the target, than do the pinpoint details in which there may have been stupidity or waste involved.

I compliment the Senator from Ohio. If he finds there has been waste, he should bring the matter into the open; but always it should be emphasized that it is a minor consideration. The major question is, What are we to do with regard to a great national program which is essential to national survival?

Mr. YOUNG of Ohio. I thank the distinguished Senator from New York very much for his comments. It appears to be that he and I are not at complete variance on this subject. In view of the fact that in this session of Congress an effort will be made to eliminate unnecessary expenditures from the budget, probably we both agree, that consideration should be given to the fact that the civil defense agency has asked for an 85-percent increase in its appropriation this year. At a time when the budget is being so seriously considered by Congress, at a time when we are trying to hold the line against greater expenditures, it seems to me we should all try to get together and scrutinize the civil defense program very carefully.

I am pleased to have been interrupted by the distinguished Senator from New York.

Now regarding the capital city of my tate, Columbus, Ohio, and the expenditure of this money, does anyone claim that there are intercontinental ballistic missile bases in Columbus? Is it claimed that Columbus is a great industrial city such as Detroit, Cleveland, or Pittsburgh? Or is there a fear that the

dictators of the Kremlin believe our Nation would be stricken with a well nigh fatal blow were some of our State legislators to be war casualties? Surely, if there are those who believe that Columbus, Ohio, would be a prime traget for enemy attack during the few months the General Assembly of Ohio is in session, let me comfort them with the assertion that in the event of such a catastrophe, they should have faith and a feeling of security and confidence that a divine providence would come to the rescue of our beloved State of Ohio and fill the vacant chairs. What have Ohio civil defense officials to say regarding these examples of squandering taxpayers' money?

My view is that were we to curtail or eliminate civil defense expenditures and do away with unnecessary or unproductive high-salaried civil defense officials, taxpayers would be saved millions of dollars, and our Nation would not be placed in jeopardy as a result.

Civil defense has a big name now, "Office of Civil and Defense Mobilization. Its national Administrator seeks to build up a civil defense stockpile of supplies worth $2,500 million. It has on hand a quarter of a billion dollars in supplies. That amount is the cost. Much of the supplies on hand are worth but a small fraction of the cost. Taxpayers everywhere are sufferers, as States and local communities have provided money to qualify for Federal funds. Nearly two-thirds of a stupendous sum of money is now going for communications equipment. The crazy idea was conceived to synchronize traffic lights in time of emergency. It was stated these lights would then be turned green for fleeing civilians to be guided away from the municipality. As if, at a time of attack by nuclear bombs, fleeing civilians would accept the guidance of traffic signals.

During the Civil War, President Abraham Lincoln declared martial law and suspended the writ of habeas corpus. Were the Soviet Union to attack us, the military would immediately take over; and, just as was done by our Armed Forces in Europe, every effort would be made to keep civilians off public roads needed for movement of our Armed Forces.

Civil defense has degenerated into a haven for defeated politicians. Political workers from the local level to the national level almost completely staff its offices, taking practically all the salaried jobs. That is true in my State of Ohio. It is true in the Nation.

We Senators consider that our offices are adequate for the important duties with which we are entrusted, but they are shabby offices, indeed, compared to the private offices of the Federal Civil Defense Administrator and of numerous district and State administrators.

Leo A. Hoegh, defeated for Governor of Iowa and later appointed by President Eisenhower as Administrator of Civil Defense at $22,500 a year, is directing the energies of his agency, which is staffed with high-salaried political hacks to investigate—one would never guess what, Mr. President—the extent to which Japanese manufactured gloves are hurting U.S. knitting industries.

He made the silly comment, "If American business firms should be forced out of producing gloves, our Armed Forces, in event of war, might be shy of gloves to wear."

It seems anything may be done in an effort to justify the huge expenditure involved in civil defense.

Ex-Governor Hoegh envisions 2,000 officials and employees instead of the approximately 1,750 now employed.

He proposes that plans be made for building shelters in backyards and basements, despite the well recognized fact that fallout following nuclear explosions would render such shelters valueless, unless they were of great depth and were stored with provisions to enable occupants to remain perhaps a year underground, and unless they were equipped with air filtering devices to save lives.

This is a fantastic recommendation by ex-Governor Hoegh, that homeowners build basement shelters and that each householder have a 2-weeks supply of food and water.

Grocers and building contractors would then have plenty of extra money to put into circulation. Except for that, such expenditure would be foolish and unproductive.

If every citizen were to call at the Civil Defense offices and secure one copy of each of the booklets issued, he would be immediately disgusted with the waste.

In this jet and atomic age, with nuclear shelling and bombing certain in the event of an all-out war with the Soviet Union, present civil defense expenditures are an utter waste; and civil defense, as now conducted, is as outmoded as are World War I weapons.

Radioactive fallout, following a nuclear attack upon any missile base, industrial center, or other portion of the United States, is a frightening threat against which there seems to be no defense other than instant retaliation.

Any air raid shelters, such as we knew in World War II, would be utterly useless against radioactive strontium 90, unless such shelters were of great depth, were so constructed that persons could hide away from the outside world, were stocked with sufficient foodstuffs to sustain life for a year or longer, and were equipped to filter the atmosphere so that impurities would be screened off.

Incidentally, many of our citizens have been persuaded to construct air raid shelters in their backyards or basements, and, unfortunately, such shelters belong to the era of World War II.

In fact, much of the equipment purchased at great expense to taxpayers by Civil Defense, is obsolete; and although it is not so ancient as the bow and arrow and cannon balls, it is equally worthless. Such civil defense equipment might as well include the tallow dips and mustache-cups of our great grandfathers.

Mr. President, before I close I pay tribute to the hundreds of thousands of volunteer civil defense workers who have made great sacrifices. They seek to render our Nation needful public service.

Thousands have wasted many hours as skywatchers, notwithstanding we live in a jet age.

Thousands have rendered valuable service as auxiliary policemen and auxiliary county sheriffs in times of floods, fires, and windstorms.

In fact, many volunteer workers have been injured and a few have lost their lives in rescue attempts.

Mr. President, no salaried civil defense official or employee—not one—has made any such sacrifice. They are "riding the gravy train."

American taxpayers are sweating; and it is all quite unnecessary and useless.

U.S. ARTS FOUNDATION

Mr. JAVITS. Mr. President, I take the floor today, when we do not have a great deal of active business in the Senate, to develop a subject which is very important to the enjoyment of life in our country and in a sense very important even to the conduct of the effort which represents our defense of freedom and our defense against communism in terms of American morale. I refer to cultural activities in the United States, and what we as a government are doing to give to our people support for unity of purpose which comes from enoblement of the spirit and recognition on the national level of our cultural heritage as a nation. Toward that end I am today introducing, for myself and for my distinguished colleague from Pennsylvania [Mr. CLARK], a bill to establish a U.S. Arts Foundation, which I now send to the desk for appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1598) to establish the U.S. Arts Foundation, introduced by Mr. JAVITS (for himself and Mr. CLARK), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, the bill is intended to stimulate throughout the United States the study and advancement of the performing arts in the following ways: The Foundation would assist and encourage productions of plays, concerts, ballet, and other performances by marshaling professional advice, compiling registers of theaters and personnel, and providing subventions to help with the difference between box office receipts and costs, both from its own appropriations and from contributions made by private sources.

Mr. President, the concept of the operation would be somewhat like that of the Smithsonian Institution, which in turn operates the National Gallery of Art. Indeed, I have in mind very much the same kind of nonpolitical approach and very much the same kind of directing personnel. It is estimated that a foundation of this kind would cost, in appropriations, not more than $5 million a year, and that it would stimulate as much as $50 million a year in privately financed activity.

Our generation has seen the United States emerge as the leading economic, scientific and military force in the world.

Our political institutions, our individual freedoms and our way of life serve as examples, even as an inspiration, to the peoples of the world. We have expended untold toil and countless billions to give our Nation this stature and to preserve it. Yet, in this tremendous progress, one vital element of our national character has been left to struggle with little public effort and assistance to aid it. The cultural heritage of America—one of the great binding forces holding together and enhancing our varied national life—has been relegated to a lesser role in the pageant of America.

It is not a lack of desire by our people which has caused this neglect, but rather a lack of commercial opportunity and support. The 2,000 community theaters, the more than 400 colleges and universities offering degrees in drama, and the great centers of the performing arts located in New York, Virginia, Texas, California and other States all bespeak the desire of the people to see and to participate in performances of music, opera, ballet and drama. Although we now have only 10 professional repertory companies in the United States, there were at one time as many as 400, playing throughout the Nation in the opera houses—with which we were all familiar in our hometowns when we were small boys—and the river showboats, bringing the cultural interest of the theater and live music to our people.

Nor is the desire to advance the arts through governmental participation new. In 1891 Congress established the National Conservatory of Music, which brought Anton Dvorak to this country; it was this American experience which inspired him to compose the "New World Symphony."

In 1935—which brings us up to recent times—the American National Theater and Academy—ANTA—was chartered by Congress. Although its growth was seriously hampered by the coming of the war and by lack of funds, it is now directing with great success our international efforts in the field of music and the theater under the auspices of the State Department. In recent years, Congress established the permanent program of cultural exchange with other nations, granted a Federal charter to the National Music Council, and took the initial steps to establish a National Cultural Center in Washington, D.C., for which the President has recently appointed a most distinguished group of men to serve as its trustees.

Recognition of America's need for frequent performances of theatrical and other works in all parts of our Nation and of the people's unabated desire for such performances prompted me in 1949 to introduce, while a member of the House of Representatives, a resolution looking toward the establishment of an American National Theater and an American National Opera and Ballet. On the same basis, some 8 years later, in 1957, in this body, I introduced a bill for a United States Foundation with Senator Clark. That proposal, like the present one, is closly analogous to the British and Canadian Arts Councils, which have done so much in their countries to stimulate the performing arts.

I emphasize that here are two of the outstanding democracies of the whole world. No one has ever claimed that they are one whit less active in their democratic processes than are we. They are the countries which, in a sense, form the models for my particular bill.

I point out that in addition to stimulating and encouraging both study and performance, the emphasis of the Arts Foundation is upon people and places, rather than upon bricks and mortar. I think this is very important, because there are other efforts to accomplish this general objective, but many of them are very heavily based upon the idea of some memorial, some theater, some structure within which these activities may be housed.

I point out that my concept is that of spreading the performing arts throughout the country, reaching places which are not now reached. That is the great emphasis. This effort is not especially needed—although it could do a great deal of good—in New York City, Chicago, San Francisco, Los Angeles, and perhaps other cities. But it is certainly vitally needed in many other areas of the country which are now barren of this kind of cultural interest and activity for the people.

The money which would be provided under the terms of the bill would cover the marginal difference between success and failure and make feasible a particular activity in the performing arts, in terms of financing, when otherwise it might not be feasible by virtue of what is called the "death of the road" in terms of the theater and music in the United States.

Furthermore, I believe that the proposed program has great attractiveness in terms of utilizing the musical talent of the country, which is very seriously suffering, as anyone knows who is aware of the problems of the musicians' union, by reason of underemployment.

No one wishes to diminish the attractiveness of the impact of motion pictures, television, radio, and all the other mechanical aids to broadening and fulfilling life; but there is no reason why we—almost uniquely among the great civilized nations on earth—should neglect the national responsibiilty for keeping alive the sources of all these artistic endeavors, which are, in the final analysis, the performers, the directors, the writers, the technicians, the scene designers, and all the other manifold artists who make artistic creation possible. However, many of them fall by the wayside today because there is such a narrow area in which they can operate. Only the very best, the topflight, the most highly paid performers, can get any real opportunity.

I emphasize also that the whole purport of the bill is to apply to nonprofit activities. There is no need for giving a subvention to the commercial theater or to the commercial end of music, the dance, or any of the other performing arts.

In the wide area of the college theater many of our State universities have magnificent theatrical organizations, which, with a little help could spread their culture, their interest, and their excitement throughout whole States and groups of States; but they cannot do it today because of the absence of a very modest amount of needed help.

I do not recommend a national theater in the old European sense. I do recommend a national appreciation of the arts in the truly American sense.

I point out also that, in contrast with the experience of the British and Canadian arts organizations, I have omitted from the bill the graphic and mural arts. My reason for doing so is that I believe that we would be more likely to obtain action at this time on a bill such as mine dealing with the performing arts, rather than a bill dealing with various aspects of museums, and artists who are concerned with painting, sculpture, drawing and other manifold arts. That may come. Indeed, I do not believe that the entire structure would be complete without it. But I feel that, considering the tentative way in which we have always approached the subject, and the number of fears which have been expressed with respect to the proposal, it would be better to go a little slower rather than to try to go too rapidly.

Finally, one of the great objections voiced to this entire proposal has been that the program would fall into political hands. I think that is rather an expression of a lack of self confidence. I point out that there are a great number of voluntary activities, from the Metropolitan Opera to many less glamorous activities, which are being very well carried on, and which have not fallen into political hands. In a city which is so politically conscious as is New York City, there exists the City Center. In essence, it is a municipal activity, dealing with the finest kind of performances in the theater, in music, and in art of all kinds. It is entirely free from politics. Indeed, it is one of the ornaments of New York City. If such a program can be carried on in New York City, it certainly can be carried on in other parts of the Nation. It is my earnest hope that the present Congress will take cognizance of America's need for an active and expanded cultural life—a need which this bill attempts to meet.

I close upon the following note.

The principal purposes of the Foundation would be to, first, stimulate study and advancement of the performing arts and public interest therein; second, encourage presentation in the United States and, in cooperation with the Department of State, in other countries of the performing arts; third, encourage professional and amateur groups in the performing arts; fourth, maintain registers of personnel and theaters; fifth, make surveys of the performing arts; and sixth, provide financial assistance out of appropriations and other income to nonprofit groups engaged in or concerned with the performing arts, especially insofar as this will enable such groups to go to parts of our country which ordinarily would not have the opportunity to see their performances.

It is authorized to accept donations, collect admissions charges and utilize

the services of volunteers, so that a minimum of appropriated funds would be required. The Foundation would have an appropriate number of committees composed of professional people and the general public covering the various aspects of the performing arts to remove any danger of uniformity due to governmental assistance. The panels would judge the artistic worth and cultural significance of works to be presented to determine if they are worthy of support by the Foundation.

An organization functioning in this manner makes baseless the fear of governmental control of the arts and its relatively small cost should cause little anxiety about the level of governmental expenditures. This is indeed one case where a drop in the bucket can quench the thirst of 175 million people.

I believe the U.S. Arts Foundation can enable us to look forward to the day when our Nation will be served—as it was in the past—by theater, opera, ballet, and music available in all sections of our land, and the world will honor us for it. The soul of America will in this way be enabled to grow in keeping with the growth of our productive capabilities.

We shall soon be seeing in New York City the Bolshoi Ballet from Moscow. I have no doubt that it will receive very favorable public notice. Yet how many will consider the fact that it represents a governmental effort far greater than I have envisioned in my bill, namely, a modest subvention to help to stimulate interest in the performing arts? The Bolshoi Ballet represents the full effort of government itself. While the people will enjoy it and praise it, I do not think they will stop to reflect that we could be doing very much the same thing if we gave a little help where help is desired and is so necessary.

I make the same observation with respect to Sadler's Wells Opera, which the British Arts Council supports; as well as the Old Vic Theater, which is keeping alive in the finest tradition all the great plays of Shakespeare. Old Vic also is helped by the British Art Council.

I believe we are trying too hard to contend in the whole world on many issues without recognizing that there are other weapons in our armory—weapons of a happy kind—which we can utilize not only for ourselves but for the whole world very significantly and effectively. One of the most significant is the one to which I am referring today.

Our problem, in a deep psychological sense, is how we shall keep our country great, in keeping with our growth and productive capability. I have tried to put before Congress one way, in terms of world experience for centuries past, going back to the days of the Greeks, whom we still honor and who have remained world famous because of the drama and philosophy which they authored.

I hope very much, therefore, that my colleagues, even my serious colleagues, among whom I include myself, who feel that we are in the grimmest kind of struggle for survival, will agree with me that my proposal is a part of the armament which we need in that struggle, and that a plan such as the one I propose is well worthy of our consideration.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article published in the New York Times Sunday magazine of yesterday, written by me, entitled "Plan To Aid Our Lagging Culture," in which I outline the plan for the bill I am introducing and my arguments in its support.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAN TO AID OUR LAGGING CULTURE

(A Senator proposes a Federal foundation to stimulate artistic achievement, both for the sake of communities now neglected and for the good of our world position)

(By JACOB K. JAVITS)

WASHINGTON.—Culture only too often has been a suspect word in the American language. At the very beginning of the Nation, we acquired a reputation—now undeserved—for being crude and "rock-ribbed." As far back as 1842, when the New Orleans musical prodigy, Louis Moreau Gottschalk, applied for permission to study piano at the Paris Conservatoire, he was laughed down. He had come from America, and that was enough. "America is a country of steam engines," snorted the famous Prof. Pierre Zimmerman, who refused to take Gottschalk as a pupil.

The old traditions linger. We as a nation are still, sometimes, looking for a practical return on a cultural investment. Unless something will "pay off" concretely, we often will have none of it. This attitude has long tended to persist in the thinking of our Government on cultural matters, and since the notes of a Beethoven symphony cannot be weighed and assessed, since the tread of an actor's foot on a stage does not rock the earth, our cultural institutions have been left by our Government largely to shift for themselves. Whatever men and women have done in the arts, they have done largely on their own.

Except for some tentative help during the WPA days, our Government has never given official recognition to the arts. Where most other civilized nations in the world have lent a helping hand to their artists, we have stood aloof. That our culture is in as healthy a state as it is remains a miracle. For, with practically no Government help, we have created symphony orchestras, dance groups and a theater that the world regards with respect. Certainly it is a tribute to our people, and a testament of their aspirations toward the better things in life, that they have accomplished so much on their own.

But, in a country of our size, the sum total of artistic accomplishment is not nearly what it should be. A few great orchestras in a few great cities, with large sections of the country foreclosed to serious performances of music, dance and theater—this does not make for cultural adequacy. Our culture needs help and needs it badly. The time has come when the Federal Government must lend a hand, in accordance with the widely accepted Lincolnian philosophy that the Federal Government has the responsibility to help people do those things that they cannot do for themselves.

I believe that we can best accomplish this objective of strengthening American culture through the establishment of a U.S. Arts Foundation that would bring the prestige of the Federal Government to bear to develop more fully and to disseminate more widely our cultural heritage. To that end, I will shortly introduce in Congress a bill calling for the establishment of such a foundation.

Never has the time demanded such a project more urgently. In self-defense, if for no less selfish reason, we must be prepared to meet the cultural challenge of our competitors. Private enterprise has done a noble job up to now, but we found private funds could not do the job in the international arena. And private funds cannot take care of nurturing all the talent we now have, nor assure the next generation of every possible chance to develop itself to its full potentiality. If we are to measure up to the stature of leader of the free world, we must act as such and a nation's civilization is equated in many places with its degree of culture.

Our performing arts need support in virtually every area. Our major opera, symphony and ballet groups struggle from year to year with deficits that become increasingly hard to meet only with private funds. Our young artists and creators must fight all kinds of obstacles to make careers; and many give up the fight. A helping hand must be extended to talent. A correspondent to the New York Times, writing about the woeful lack of string players in this country, points out that the American Federation of Musicians will hold a string congress in Oklahoma this summer. We have almost 180 million people in the United States, and 50—yes, 50—children will have scholarships to the congress. It should be 5,000.

The American Federation of Musicians is doing all it can, and so are other worthy groups devoted to helping the musician, actor and dancer. But ars longa, vita brevis—and their efforts are a pail of water in the ocean. The cultural surge in America is too big and private funds alone cannot keep up with all the needs of the national interest. For every city that has a theater movement, there are 20 that need one. Opera, even on a semipermanent basis, is missing from all but six or seven cities in America (even the proud Metropolitan, our leading opera house, operates only about 6 months of the year, whereas most opera houses in Europe have much longer sessions, often 11 months).

The ballet renaissance in America has seen the emergence of lively groups in representative sections of the country, but all of them, even our three big touring companies, work gallantly on a shoestring and would go out of existence if private funds were not wearily dredged up, funds that are not nearly sufficient to give the companies a sense of security or scope.

It should not be left to private enterprise alone to integrate the arts on a full-time communal basis, no more than it should be the job of private enterprise alone to support all the museums and libraries. It is true that, in a relatively few metropolitan centers, we have developed a rich and flourishing cultural activity. But the majority of Americans around the country face a meager cultural fare and, indeed, are blacked out of professional cultural activities for a good part of the year.

We are probably the only large Nation in the world that does not have a government-sponsored opera, theater or symphony. England and Canada have their Arts Councils. Russia supports well over 30 full-time opera houses, not to mention orchestras, theaters, and dance groups. Nearly every country in Latin America pitches in to help its cultural organizations, often with results that achieve worldwide fame. Because Mexico, for example, engaged in a large-scale program of commissioning murals for its public buildings, the Mexican school of mural painting was stimulated to a point where it developed into one of the most significant contemporary artistic manifestations.

In Italy, one cannot go far without encountering a subsidized opera house. Vir-

tually every city in Germany has its state opera, theater and orchestra, financed by grants from the Federal, State, and local Governments. In France, the Opera and Opéra-Comique enjoy grants the size of which would make the director of our major opera house turn cartwheels of glee down Broadway.

Last year Austria spent $5,800,000 on its four state theaters in Vienna and plans a slight increase for 1959. This was larger than the sum Austria paid to its entire foreign service. Imagine. $5,800,000 out of a total national budget of $1,500 million.

Thus, while the proposed bill for an arts foundation might be considered precedent-shattering in the United States, it would be taken for granted nearly anywhere else in the world. An arts foundation in this country can be instrumental in helping to create a truly national establishment of theater, music, opera, and dance. It would give assistance to both professional and amateur segments of the performing arts. It would encourage performances of the best we have in great areas of the country where little is now available. And it would encourage widespread training and teaching of the arts so that more young people may receive encouragement and direction in realizing to the full their artistic potential.

The bill would provide for Federal assistance to private, nonprofit theater, opera, symphony, dance, and other arts groups; to accredited nonprofit colleges and universities, and municipally sponsored arts councils and commissions for the presentation of and instruction in the living arts.

After the program is underway, it is estimated that expenditures under the bill would not exceed $5 million annually. (There is every indication that this amount would stimulate as much as $50 million in private activity in the performing arts over and above what is now being spent.)

Responsibility for making the necessary artistic judgments and for channeling the funds would be in the hands of panels of specialists in the various arts, functioning under a 12-member board of trustees composed of distinguished private citizens appointed by the President. Those trustees would select the chief officer of the foundation. Naturally, the foundation would be expected to function with complete freedom. Politics can and must be kept out of its operations, as politics has been kept out of the international exchange program of the American National Theater and Academy under the aegis of the State Department.

Such a program would, of course, be only a modest start. I do not envisage a series of Government-sponsored theaters and musical organizations. Nor would the arts foundation compete with existent organizations. It would instead complement them in the nonprofit field. College theaters would be given small supplementary grants for tours to localities seldom visited by the large organizations. Small cities would be encouraged to set up cultural projects along the lines established by the New York City Center of Music and Drama. Perhaps a grant to some of our important musical organizations would enable them to extend their tours of the Nation. If the box office receipts did not cover the costs, the Government would help to meet a loss.

Professional help could be supplied to some of the more than 2,000 community theaters in the country. Eventually, some of those theaters might become the nucleus of professional companies able to support a full season of theater. Traveling repertory companies would be established. Scholarships could be provided to some of the talented students of the more than 400 colleges and universities that offer degrees in the drama. Young musicians could also be helped by scholarships. Above all, so many neglected audiences of America could have the chance to breathe some of the cultural air they now lack. Who knows but that such exposure to the arts might stimulate the emergence of an American Mozart or Corneille?

The initial sum of $2,500,000 is, as noted, small—about one three-hundredth of 1 percent of the proposed Federal budget for 1959–60. But, small as it is, it would be a tremendous stimulus to the arts in America, if only by assuring the artist—and the whole world—that the American Government has taken, for the first time, an affirmative position toward our cultural heritage.

Perhaps the events of the last few years may have prepared our legislators for the creation of an Arts Foundation. For, within the last decade, our Government has lent a helping hand to art and artists through the international exchange program, supplying financial assistance to get them overseas. We were, indeed, almost forced to do so. For it is a moot question whether the Government would have been able to get the money, even at this late date, to show the world some of our cultural resources had not our great rival, Russia, started sending battalions—no, divisions—of its cultural armies all over the world.

It is not the specific purpose of the proposed Arts Foundation to send American artists abroad. But the Arts Foundation could certainly help to create such a renaissance of cultural activity in the United States as to increase materially our cultural stature in the international arena. The Russian artists, of course, do a tremendous propaganda job. Everywhere they go—and they go everywhere—they instill in the minds of their hosts, by word or deed, the argument that Russia, far from being a warlike nation, is interested primarily in peace and culture; that the great Russian bear would spend all his time and energies sniffing flowers if given the chance.

Repeated often enough, any message begins to be believed. The fact remains that the cultural message is international, and Russia spends enormously more on its culture than we do on ours, to the applause of people throughout the world, and to our detriment. Of course, the cry will go up in certain quarters that the Federal Government has no business engaging in an arts program, just as similar objections were raised against all of the new programs that the Government entered into to keep pace with the times and with the development of America.

Critics blasted the social security program as Government encroachment upon free enterprise and the private lives of our citizens. Critics blasted the establishment of Federal minimum wage laws as a violation of industry's prerogatives. Critics blasted the advent of unemployment compensation, of Federal aid to hospital construction, of the Rural Electrification Administration and of the Federal Reclamation Service as unwarranted interference by the Federal establishment with the national economy or the rights of the individual. Yet today all those programs are accepted and regarded as integral parts of our society.

There are peripheral arguments against an arts foundation, some of them well-meaning but certainly refutable. Federal participation in the arts, some lament, means the suffocation of the creative genius of the artist. As if Beethoven or Van Gogh or any creative artist who ever lived was in the habit of turning down commissions.

An artist will create best when given the most opportunities, and happily, as long as he has entire freedom to create what he wants. He is his own master, not the servant of the state. In Rusia, where the creative artist is the servant of the state, the esthetic worth of much of that country's serious art has been highly dubious during the last generation. As long as America remains America, that cannot happen here.

And what about Federal competition with private industry? The musicians in America will respond to this with hollow laughter. "What private industry?" they will ask. Virtually all serious, large-scale musical organizations in America today are nonprofit and are run at a loss. As for so-called competition with the private theater, the proposed Arts Foundation will not be interested in the big cities, where the commercial theater operates, but in the smaller communities, where it does not. The aim is to build up an audience away from New York—and a body of performers and creators—that will in the long run help the commercial theater.

In short, the Arts Foundation, which will not be controlled by a Federal bureaucracy but by distinguished private citizens active in the arts, will operate within the framework of private enterprise and voluntary association, strengthening and supplementing their efforts. It is our duty to help the living arts flourish at home so that they may flourish abroad, demonstrating to ourselves and the world the enlightenment and maturity we have and should enjoy.

We have already begun to recognize the fact that the world judges us as much by our culture as by our machinery, perhaps more so. The times are ripe for such an undertaking. Some Congressmen say that only 4 years ago they could not have supported an arts program without being laughed at back home. Practically nobody is laughing any more.

TENTH ANNIVERSARY OF THE SIGNING OF THE NATO PACT

Mr. JAVITS. Mr. President, I should like to add my voice to the voices of others during the past week, while Congress was in recess, in commemoration of the 10th anniversary of the signing of the NATO Pact.

It will be recalled that the exact anniversary is April 4.

Ten years ago, on April 4, 1949, at the State Department auditorium in Washington, the North Atlantic Pact was signed by the foreign ministers of Belgium, Canada, Denmark, France, Great Britain, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, and the United States. To these original 12 apostles of peace were added Greece and Turkey in 1952 and the German Federal Republic in 1955.

In joining NATO its members reaffirmed their faith in the United Nations, to which all belong, and declared that an armed attack against any one of them would be considered an attack against them all. Moreover, and more important, though this is not sufficiently emphasized, they provided for cultural and economic cooperation among the members of the alliance. It is most significant that the final communique of the NATO Ministerial Council in Washington has just emphasized this point.

In 1951, in order to give added strength to the common defense, NATO's planning body, the Council of Ministers, established a military arm, the Supreme Headquarters Allied Powers Europe, popularly known as SHAPE. Gen. Dwight D. Eisenhower, whom Europe knew, respected, and loved as its World War II liberator, was installed as commander. It was his leadership that knit together the threads of the alliance into the strong protective fabric it is today.

During the past decade NATO has withstood many crises, both internal and external. Such internal dissensions as the fishing rights dispute between Great Britain and Iceland and the controversy over Cyprus between Greece and Turkey have neither given cause for the participants to sever their ties with NATO or have permanently impaired its effectiveness. Repeated threats and incidents by the Soviet on many fronts, war in Korea and war in Suez, and now a major crisis over Berlin—all have failed to shake the alliance. In desperation, the Soviet Union has formalized into one single agreement its many treaties of alliance with its satellites by creating the Warsaw Pact in 1955. This has only served to fortify the determination of the NATO participants.

We now mark the 10th anniversary of NATO. The foreign ministers of the 15 member nations have met in Washington, the birthplace of the North Atlantic Treaty, to develop policy to preserve the peace. This June nongovernmental citizen delegates will join together in London for a North Atlantic Congress to rally the peoples of the member nations to the objectives for which the free world stands and to suggest the course of NATO for the next 10 years.

NATO is collective diplomacy for peace. Its military arm, SHAPE, is the big stick that is carried with the soft-spoken word.

But if we do no more on this 10th anniversary of the signing of the North Atlantic Pact than to sing its praises, we fail ourselves and those in the free world, or those who wish to be free, who look to us for leadership and inspiration. President Eisenhower has urged that we wage the peace. This we must do.

It will be recalled that in both World War I and World War II declarations of high moral principle, the 14 points of Woodrow Wilson and the Atlantic Charter of Roosevelt and Churchill, were proclaimed to rally the world in the battle for liberty and survival.

Therefore, I urge that, between now and the conclusion of the North Atlantic Congress, by the cooperation of the heads of government, there be issued a similar declaration of high moral principles, making clear our goals and the tenets of our secular faith. For this purpose a convocation of the heads of the NATO governments should be held prior to the summit meeting later in the summer.

It is time that we remind the world, as well as ourselves, that we are not interested only in combating communism, but that we are also affirmatively interested in our principles, objectives, goals, and ideals. Our task is to see not only that freedom survives and grows more pervasive and beneficent all the time but that for those now enslaved hope shall not perish from the earth.

I now turn to another subject.

The PRESIDING OFFICER. The Senator from New York has the floor.

U.S. POLICY TOWARD DICTATORIAL REGIMES IN LATIN AMERICA

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a very interesting letter which I received from the Department of State. It delineates American policy with respect to dictatorial regimes in the Americas.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, very shortly our position in this matter will be subjected to the tests of international opinion, since there is some indication that the Cuban Government will not choose to participate in the Organization of the American States because dictatorial governments are also members of that Organization.

I have made available to all our colleagues, with the permission of the Department of State, its letter to me on this subject. I should like to read the concluding paragraph, because it deals with a policy of which all of us should be cognizant, especially because few people in our country know better than those of us here, the practical problems which we face in respect to dictatorial regimes. I quote the paragraph as follows:

> U.S. support of representative democracy must, of course, be within the principle of nonintervention. There are, however, ways in which the United States can and does support and promote democracy without violating the principle of nonintervention: for example, by aiding in the maintenance of peace and security, by helping create the economic and social conditions under which democratic processes can be strengthened, as well as by continuing ourselves to follow democratic traditions.

Mr. President, I add to that the assertion that, although we extend recognition to dictatorial regimes, and the exigencies of life make us do business with them, the great moral strength and the great moral voice of the United States must constantly and always be raised for free institutions and the processes of self-government, in which we believe.

It is not enough simply to be for the principles of free institutions or the maintenance of peace and security or the creation of economic conditions in which freedom can flourish; but inherent and implied in the letter of the State Department, as I read it, are moral declarations which should be made as often as possible, fortifying and reaffirming our decisions to give comfort to those, wherever they may be, who believe with us.

EXHIBIT 1

MARCH 17, 1959.

The Honorable JACOB K. JAVITS,
U.S. Senate.

DEAR SENATOR JAVITS: The Department welcomes the opportunity, in response to your letter of March 5, 1959, to comment on the course of our foreign policy as it concerns dictatorial regimes in the Western Hemisphere

There are two important principles in the sphere of inter-American relations which are intimately related to the matter of dictatorial regimes in the Western Hemisphere and which have influenced U.S. policy with regard to the question. The first of these is that continuity of diplomatic relations among the American States is desirable, and that establishment or maintenance of diplomatic relations with a government does not imply any judgment upon the domestic policy of that government. This principle was enunciated in Resolution 35 of the Bogotá Conference of 1948. The second is the principle of nonintervention. The charter of the Organization of American States provides that no state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state.

Both of these principles have the support of the American republics including the United States. The other American republics have long cherished the principle of nonintervention and they attach particular importance to it as it relates to actions of the United States. While adhering to these principles, we have witnessed with satisfaction a growth of representative democracy in the hemisphere in recent years. It is the intention of the Department to continue to be guided by these principles.

As indicated in your letter, the question of dictatorial governments may be raised in the Organization of American States. It may well be that the issue will be debated at the 11th Inter-American Conference scheduled to be held early next year in Quito, Ecuador.

The OAS Charter also states that inter-American solidarity calls for the effective exercise of the representative democracy. This is specifically included among the principles reaffirmed by the American States in article 5 of the charter.

The devotion of the United States to democratic principles was clearly expressed by President Eisenhower last August in these words: "The United States believes firmly in the democratic elective process and the choice by the people, through free and fair elections, of democratic governments responsive to them. Authoritarianism and autocracy, of whatever form, are incompatible with the ideals of our great leaders of the past. Free institutions, respect for individual rights, and the inherent dignity of man are the heritage of our western civilization."

U.S. support of representative democracy must, of course, be within the principle of nonintervention. There are, however, ways in which the United States can and does support and promote democracy without violating the principle of nonintervention: For example, by aiding in the maintenance of peace and security, by helping create the economic and social conditions under which democratic processes can be strengthened, as well as by continuing ourselves to follow democratic traditions.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Acting Secretary of State).

DISCLOSURE OF INCOME BY MEMBERS OF CONGRESS

Mr. MORSE. Mr. President, every Member of Congress is very much aware these days of the publicity which has come our way in the press recently on two matters: One, the employment of relatives of Members to serve on their staffs; the other, the disclosure of the sources of income on the part of Members.

I have long advocated legislative reform in both these fields, and I shall reintroduce two measures to deal with them.

The first requires every Member of Congress and everyone else employed by the U.S. Government at a salary of $10,000 a year or more, and the national chairmen of the Democratic and Republican Parties, to file a report with the Comptroller General each year showing the sources and amounts of income received. The language of my bill makes clear that this report must include income and gifts received by someone else on behalf of the Government official. It also includes any asset held by or entrusted to him and any other person jointly.

It was in 1946 that I first introduced a resolution of this nature. At that time it applied only to Members of the Senate. In subsequent Congresses, I enlarged its application, as indicated in the listing I have had prepared of all my bills on this subject.

I ask unanimous consent to have the list printed in the RECORD at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

INCOME DISCLOSURE BILLS SPONSORED BY SENATOR WAYNE MORSE

Seventy-ninth Congress, second session (1946), Senate Resolution 306: Requiring Senators to file annual statements of income and financial transactions. Referred to Committee on Banking and Currency.

Eightieth Congress, first session (1947), Senate Resolution 31: Amending rules so as to require Senators to file annual statements of income and dealings in securities. Referred to Rules Committee.

Eightieth Congress, first session (1947), Senate Resolution 33: Requiring Senators to file annual statements of income and dealings in securities. Referred to Rules Committee.

Eightieth Congress, second session (1948), S. 2086: To require certain members of legislative, judicial, and executive branches of Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-first Congress, first session (1949), S. 109: To require certain members of legislative, judicial and executive branches of the Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-second Congress, first session (1951), S. 561: To require certain members of the legislative, judicial, and executive branches of the Government to file statements relating to amount and sources of income and dealings in securities and commodities. Referred to Rules Committee.

Eighty-second Congress, second session (1952), Senate Resolution 334: Requiring annual reports showing names of persons employed by each Senator with their compensation. Referred to Rules Committee.

Eighty-third Congress, first session (1953), S. 334: To require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets and their dealings in securities and commodities. Referred to Rules Committee.

Eighty-fourth Congress, first session (1955), S 2747: To require Members of Congress, certain other officers and employees of the United States and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets and their dealings in securities and commodities. Referred to Rules Committee.

Eighty-fifth Congress, second session (1958), S. 3346: To require members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities.

SENATE SALARIES SHOULD ALSO BE PUBLISHED

Mr. MORSE. Mr. President, it will be noted than in 1952 I submitted a resolution to restore the practice of disclosing the salaries of Senate employees. The names of all persons employed by the Senate and by individual Senators on their staffs are already available in the annual report of the Secretary of the Senate.

The Senate does not follow the very sound procedure of the House, namely, of listing in the thick volume to which I have referred, the salaries of the members of our staffs; we simply list the total amounts of money which our offices spend. Why should this veil of secrecy be maintained in the Senate, while a different procedure is followed in the House? I am asking that the same procedure be followed in both branches of Congress. The Senate should return to the practice we followed before 1948 of publishing them.

I see no reason in the world why the salaries paid to the members of our staffs should not be published. As a matter of fact, I believe all expenditures by Congress, by or for its committees and its Members, should be public information. The burden of proof for keeping secret any expenditure of public money is upon those who want to keep it secret.

Many of us have been very critical—and rightly so—of the executive branch for dropping a veil of secrecy over much of the business of the American people. Most of that is done in the name of national security, although the term has been stretched over much business which does not affect national security.

But nothing for which the Congress spends money in the operation of the Congress itself has any relationship to national security. Why has not the public the right to know how we spend its money in running the Congress?

I believe information about all such expenditures should be available for public inspection. My 1952 resolution will be reintroduced just as soon as I have been able to ascertain whether or not it should be expanded to cover publication of additional types of disbursements which may not now be available to the public.

TIME TO RESTUDY CONGRESSIONAL REFORM

As a matter of fact, the Congress would do well to restudy its entire organization. There have been many criticisms of congressional practices and procedures, largely directed against those practices which have developed over the years as a matter of tradition rather than by design.

It is time that both branches of Congress clean their parliamentary house and put it in order. We should bring an end to congressional rules that permit the Congress to be controlled by minority groups. We should reexamine and reform our systems of party leadership.

When an individual Member of Congress rises to criticize these practices, which are in fact the object of much disgust and ridicule among the American people, such Member is likely to be subjected to severe criticism himself.

WE NEED A NEW LA FOLLETTE-MONRONEY COMMITTEE

Congress made such a self-analysis in the mid-forties when it set up the La Follette-Monroney committee. Through such a committee, we can institutionalize the entire discussion, and get away from personalities in evaluating our congressional procedures.

I suggest that such a committee today would find many areas in need of study and improvement. For example, it should look into the issue of how party leadership is and should be organized in both Houses, and among both the minority and majority parties. Personally, I favor a system of periodic party conferences, without binding any member; it is also a longstanding conviction of mine that the members of our policy committees should be selected by party members by secret ballot. At present, the Democratic policy committee is not representative of a cross section of Democratic points of view in the Senate or across the country.

Another area that cries out for reform is the selection of committee chairmen. The La Follette-Monroney committee gave some attention to the seniority system, but did not recommend any changes because it was felt that to go into that subject might jeopardize the entire legislative reorganization bill it was proposing. But that does not mean we cannot ever do anything about it. There are many alternatives to seniority in choosing committee chairmen, and I believe a more democratic method could be agreed on.

A third area this committee should look into is that of conflict of interest among Members of Congress. I would hope that it would recommend the kind of measure I am introducing today, requiring disclosure of all income and financial transactions, so that our constituents may judge whether we are unduly influenced by income sources.

A fourth area we should try to deal with is the whole subject of patronage, both within the Congress and within the executive branch of the Government, including lameduck patronage.

I do not think the American people are fully aware, for example, of the incompetency which is being perpetrated by this administration in some of its inexcusable lameduck patronage appointments since the defeat of the present administration in the elections of 1954, 1956, and 1958. Yet lameduck patronage seems to be a sort of sacred cow in American politics which must not be touched. It is assumed to be a part of the nature of the political system.

What I am interested in is: What is the effect of putting into a position of great responsibility a lameduck, displacing a career person who really could serve the Government with competency on the specialized subject matter of the

particular agency which he has been serving, but from which he has been displaced by this administration? I intend to give some attention to that in the proposals I shall make in the near future. When all is said and done, the people of the Nation are entitled to protection from political practices both by Congress and the executive branch which at the present time are not working in the interest of good government in the United States.

A little self-appraisal on the part of Congress from time to time is the least the American people should expect from us. It has been 14 years since Congress undertook such a self-appraisal. I hope others will share my view that it is time for another one.

Undoubtedly there are other areas of congressional practice which should be included in a restudy of legislative organization. The important thing is that Congress remember that it, too, is a human institution and subject to the same frailties we criticize and investigate not only in the executive branch, but in nongovernmental institutions in America, too.

INCOME DISCLOSURE GAINING SUPPORT

I am pleased that although I have introduced the same type of bill on this subject since 1946, some of my colleagues in the Senate have come to think well enough of it that they have been offering bills of their own which deal with the same basic principles of my proposal.

Whether they are parties to my bill or introduce bills of their own, I welcome that kind of endorsement of the principle of good government for which I am fighting.

What is that principle? It is that in a democracy there is no substitute for public disclosure of the public's business. That is what my bill pertains to.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. As I recall, it was once my privilege to be associated with the senior Senator from Oregon in the introduction of a bill or a resolution which related to income disclosure and income listing, so as to avoid or prevent any conflict of interest on the part of Members of Congress. I fully subscribe to the proposal which the senior Senator from Oregon has outlined. I believe it would do much to alleviate the doubts many persons have expressed about congressional procedures. I should very much like to associate myself with the Senator's bill, if he will permit me to join with him as one of its cosponsors.

Mr. MORSE. I should be highly honored to have the senior Senator from Minnesota cosponsor my bill. No Senator was invited to cosponsor it because I am very careful not to make suggestions to Senators at any time which might possibly embarrass them. I always welcome, however, the kind of support which the senior Senator from Minnesota is offering me again, and has offered for many years. He has stood shoulder to shoulder with me in support of the principle of full disclosure. I am delighted to ask unanimous consent that his name be added as a cosponsor of the bill.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD, and that the name of the senior Senator from Minnesota be shown as a cosponsor.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and the name of the Senator from Minnesota will be added as a cosponsor.

The bill (S. 1603) to require Members of Congress, certain other officers and employees of the United States, and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities, introduced by Mr. MORSE (for himself and Mr. HUMPHREY), was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each Member of the Senate and House of Representatives (including each Delegate and Resident Commissioner); each officer and employee of the United States who (1) receives a salary at a rate of $10,000 or more per annum or (2) holds a position of grade GS–15 or above, and each officer in the Armed Forces of the rank of colonel, or its equivalent, and above; and each member, chairman, or other officer of the national committee of a political party shall file annually with the Comptroller General a report containing a full and complete statement of—

(1) the amount and resources of all income and gifts (of $100 or more in money or value, or in the case of multiple gifts from one person, aggregating $100 or more in money or value) received by him or any person on his behalf during the preceding calendar year;

(2) the value of each asset held by or entrusted to him or by or to him and any other person and the amount of each liability owed by him, or by him together with any other person as of the close of the preceding year; and

(3) the amount and source of all contributions during the preceding calendar year to any person who received anything of value on his behalf or subject to his direction or control or who, with his acquiescence, makes payments for any liability or expense incurred by him.

SEC. 2. Each person required by the first section to file reports shall, in addition, file semiannually with the Comptroller General a report containing a full and complete statement of all dealings in securities or commodities by him, or by any person acting on his behalf or pursuant to his direction, during the preceding six-month period.

SEC. 3. (a) Except as provided in subsection (b), the reports required by the first section of this Act shall be filed not later than March 31 of each year; and the reports required by section 2 shall be filed not later than July 31 of each year for the six-month period ending June 30 of such year, and not later than January 31 of each year for the six-month period ending December 31 of the preceding year.

(b) In the case of any person required to file reports under this Act whose service terminates prior to the date prescribed by subsection (a) as the date for filing any report, such report shall be filed on the last day of such person's service, or on such later date, not more than three months after the termination of such service, as the Comptroller General may prescribe.

SEC. 4. The reports required by this Act shall be in such form and detail as the Comptroller General may prescribe. The Comptroller General may provide for the grouping of items of income, sources of income, assets, liabilities, and dealings in securities or commodities, when separate itemization is not feasible or not necessary for an accurate disclosure of a person's income, net worth, or dealings in securities, and commodities.

SEC. 5. Any person who willfully fails to file a report required by this Act or who willfully and knowingly files a false report shall be fined $2,000 or imprisoned for not more than five years, or both.

SEC. 6. (a) As used in this Act—

(1) The term "income" means gross income as defined in section 22(a) of the Internal Revenue Code.

(2) The term "security" means security as defined in section 2 of the Securities Act of 1933, as amended (U.S.C., title 15, sec. 77b).

(3) The term "commodity" means commodity as defined in section 2 of the Commodity Exchange Act, as amended (U.S.C., title 7, sec. 2).

(4) The term "dealings in securities or commodities" means any acquisition, holding, withholding, use, transfer, disposition, or other transaction involving any security or commodity.

(5) The term "person" includes an individual, partnership, trust, estate, association, corporation, or society.

(b) For the purposes of any report required by this Act, a person shall be considered to be a Member of the Senate or House of Representatives, an officer or employee of the United States and of the armed services as described in the first section of this Act, or a member, chairman, or other officer of the national committee of a political party, if he served (with or without compensation) in any such position during the period to be covered by such report, notwithstanding that his service may have terminated prior to December 31 of such calendar year.

SEC. 7. The Comptroller General shall have authority to issue, reissue, and amend rules and regulations governing the publication of reports, or any part of them. He shall prescribe fees to cover the cost of reproduction. In formulating such rules and regulations, he shall seek to maximize the availability of reports for purposes of informing the public and agencies and officials of the Federal and local governments, and to minimize use of such records for private purposes.

FIFTIETH ANNIVERSARY OF DISCOVERY OF THE NORTH POLE BY REAR ADM. ROBERT E. PEARY

Mrs. SMITH of Maine. Mr. President, yesterday, April 6, was the 50th anniversary of the discovery of the North Pole by a U.S. naval officer, Rear Adm. Robert E. Peary.

Although his accomplishment and his fame are deservedly international, the State of Maine is, needless to say, proud of Peary.

He was born in Cresson, Pa., in May of 1856, of Maine parents, and was brought up in Portland, Maine. Bowdoin College, in Brunswick, graduated him as a trained civil engineer in 1877. As a young man, he lived and worked as a surveyor and taxidermist in Fryeburg, Maine. With the first money he earned after college, he bought Eagle Island, in Casco Bay, Maine, and later established there the most nearly permanent, and certainly the best loved, home of his life.

In 1881, he was commissioned a lieutenant in the Civil Engineer Corps of the

Navy, as a result of competitive examinations, and was assigned two projects, which he completed, in the tropics: the salvage and reconstruction of a collapsed pier at Key West, Fla.; and the preliminary survey for a sea level, interoceanic canal through Nicaragua.

After his Nicaraguan duty, and while he was back on duty in Washington, he became interested in the Arctic. In 1886, 2 years before his marriage to Josephine Diebitsch, he began a series of expeditions to Greenland, which ended 23 years later with the discovery of the pole. The first two, in 1886 and 1892, were reconnaissance and experience trips. In 1892, and again in 1894, he crossed the great Greenland icecap from west to east.

In 1898, he was granted 4 years' leave, to pursue his Arctic work; and he spent from 1898 to 1902 in the Far North. That was his first expedition with the North Pole as its goal; and in the course of those 4 years he learned a valuable lesson. The ships of the time were unable, even in the summer months, to get him far enough north against the sea and the ice. By the time his men and dogs had trekked to the shores of the Arctic Ocean they were no longer fresh and strong enough to attain the Pole.

Back in Maine, he had the *Roosevelt*—named for his friend and supporter Theodore Roosevelt—specially designed and built. She was designed by a Maine man, incorporating special features of Peary's own, and was built in Bucksport, Maine, by Maine craftsmen especially for navigation in the ice. With the *Roosevelt* as a base, in 1906 he attained the farthest north yet reached by man, 87°06'' N. latitude.

Finally, again using the *Roosevelt*, and on feet from which the toes had been amputated, after they were frozen years before, Peary walked the thousand miles to the pole and back in 1909. No other party has ever walked to the North Pole. Admiral Peary was the first man at either pole of the earth. After his last polar expedition, he devoted himself to the advocacy of aviation for defense and exploration.

Peary died in 1920. He left a son, Robert E. Peary, Jr., who is also a civil engineer, and who has spent years in the Arctic on military construction projects. He also left a daughter, Marie Peary Stafford, who has made a distinguished career of writing and lecturing and exploring on her own. Both hold degrees from Bowdoin College, Maine, although, by the nature of Bowdoin, Mrs. Stafford's degree must be honorary.

Three grandsons have followed the tradition of the naval service, all in naval aviation. One, Peary D. Stafford, after a distinguished combat record as a career pilot, was killed in a tragic mid-air collision in 1946; another is presently flying out of Guam as an electronics technician; the third, Comdr. Edward Peary Stafford, after a recent tour as operations officer of an airborne early warning squadron in the North Atlantic, is stationed in Washington as one of the two naval liaison officers to the Senate. In what spare time this assignment permits, he also writes and lectures.

Yesterday, Commander Stafford was present and spoke at the ceremony commemorating this 50th anniversary, at his grandfather's grave in Arlington National Cemetery. I think his remarks were especially timely and well justified. I ask unanimous consent that they be printed at this point in the RECORD, in connection with my own remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY COMDR. EDWARD PEARY STAFFORD

In these days when our country finds itself challenged and threatened around the world, it is good for those of us in the armed services to examine our strength and our weakness.

I think we know our strength well enough.

Our weakness lies at least partially in a tendency toward softness, in an overemphasis on the easy, pleasant life available to us at home with our families. We tend to gripe when we are ordered to sea and we do not always feel that we are paid quite enough.

The distinguished naval officer whom we honor here today set us an example which is worth considering. For 25 years, he made repeated expeditions into the far north which at that time was months away and completely out of contact with the rest of the world. Year after year he spent away from his family, which he loved, doing the hardest kind of physical labor. Finally, when he was 53 years old, he walked the 500 miles over the broken ice and pressure ridges of the Polar Sea from Cape Columbia to the Pole and the 500 miles back. It took him 53 days. He did it for two reasons: First, because it had not been done before and was said to be impossible to do, and second, because he wanted the United States and the U.S. Navy to be first at the pole.

For 25 years of hard work, away from home, it paid very poorly, but he was well content.

This, I am proud to say, is the tradition of our Navy and it is good to remember.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JAVITS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, the pending business, as I understand, is Calendar No. 131, Senate bill 144, to amend Reorganization Plan No. 2 of 1953.

The PRESIDING OFFICER. The Senator is correct.

The Senate resumed the consideration of the bill (S. 144) to amend Reorganization Plan No. 2 of 1953.

Mr. HUMPHREY. Mr. President, this bill was introduced on January 9, by me and some 20 cosponsors, and it is a bill which has received the approval of the Committee on Government Operations. Its purpose is to restore to the administrator of the Rural Electrification Administration the statutory authority for the granting of rural electrification loans vested in him by the Rural Electrification Act of 1936—Public Law 605, 74th Congress.

This authority, which the administrator exercised for so many years in the administration of what we all know has been a highly successful program, was assumed by the Secretary of Agriculture about a year and a half ago. The action to curb the administrator was taken, according to statements made by the Secretary and his general counsel, pursuant to the Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953.

As a consequence of the Secretary's action, the REA Administrator today must have prior approval from an Assistant to the Secretary before he can make certain loans. These loans include all the major loans in both the electric and telephone programs.

The bill before the Senate for action and approval, S. 144, seeks to correct this situation before serious harm can be done to the REA program. The bill will put back in the Administrator's hands the loan-making authority originally vested in him by the Congress—an authority exercised by each Administrator through the years until the present period.

As Senators know, I introduced a bill for this purpose in the last Congress, that is, the 85th Congress. The session adjourned before the committee took action. In January of this year I introduced S. 144, and I am proud that the following distinguished Senators joined me in sponsorship of the bill: Senators MANSFIELD, HENNINGS, MAGNUSON, YARBOROUGH, JOHNSTON of South Carolina, HILL, LANGER, MURRAY, HARTKE, JACKSON, KERR, PROXMIRE, MORSE, KEFAUVER, THURMOND, JORDAN, KENNEDY, FULBRIGHT, YOUNG of North Dakota, SPARKMAN, CARROLL, O'MAHONEY, DOUGLAS, MONRONEY, and MCCARTHY.

At this point, Mr. President, I should like to present the findings of the Committee on Government Operations, which deal with this highly important issue, as follows:

The Committee on Government Operations recommends the enactment of S. 144, after extensive examination of the operations of the Rural Electrification Administration since its establishment in 1936. In taking this action the committee bases its recommendation on the following factors:

1. It was clearly the intent of the Congress when it established the Rural Electrification Administration that all of its powers should be exercised by the REA Administrator. Section 1 of Public Law 605, 74th Congress, as originally enacted, reads:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby created and established an agency of the United States to be known as the 'Rural Electrification Administration', all of the powers of which shall be exercised by an Administrator."

2. It is also clear it was the intent of the Congress that the authority to grant rural electrification loans should be lodged directly in the REA Administrator, subject to the terms of the Rural Electrification Act. Section 2 of Public Law 605, 74th Congress, specifically authorized the REA Administrator to make loans, as follows:

"The Administrator is authorized and empowered to make loans in the several States

and Territories of the United States for rural electrifiaction and the furnishing of electric energy to persons in rural areas who are not receiving central station service, as hereinafter provided * * *"

3. It is also clear that it was the intent of the Congress that the Rural Electrification Administration should be administered on a nonpolitical or nonpartisan basis. Section 9 of Public Law 605, 74th Congress, reads:

"This act shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency."

4. As noted above, Reorganization Plan No. 2 of 1953 transferred all functions of the Rural Electrification Administration, including the REA Administrator's authority to grant loans, to the Secretary of Agriculture.

Although the present Secretary of Agriculture has delegated the performance of these functions to the present REA Administrator, it is the committee's finding that the vesting of the Rural Electrification Administrator's powers in the Secretary of Agriculture conflicts directly with long standing congression intent expressed in the basic Rural Electrification Act.

It is, therefore, the committee's conclusion that, in the best interests of the rural electrification program, the powers specifically granted the REA Administrator by Public Law 605 of the 74th Congress relating to the granting of rural electrification loans should be restored.

These are the findings the Committee on Government Operations arrived at after long and careful consideration of the whole question of whether the loan-making power of the REA Administrator should be curtailed as it has been.

The bill before the Senate today is designed to accomplish two purposes: To keep REA intact as an agency, and to put loan-making back into the hands of the Administrator.

First. The bill, first of all, will prevent the Secretary of Agriculture from transferring the functions and activities of REA to other agencies, bureaus, or offices of the Department of Agriculture. It requires that the Rural Electrification Administration be kept intact within the Department of Agriculture as an integral unit, with all of the functions and duties pertaining to the administration of the Rural Electrification Act being performed by that unit. In this respect, no change has been made from the manner in which the Rural Electrification Administration actually has operated since it was first transferred to the Department of Agriculture back in 1939. It has always operated as an integral unit within the Department, and I am sure it is the intention of Congress that it shall continue to be so operated. This bill will insure that it will continue to be so operated.

Reorganization Plan No. II of 1939 provided for the operation of Rural Electrification Administration as a unit within the Department of Agriculture. Reorganization Plan No. 2 of 1953 gave the Secretary of Agriculture the authority to transfer records, property, personnel, appropriations, allocations, and other funds as he deems necessary to carry out the plan. Thus, under Reorganization Plan No. 2 of 1953, the Secretary has the right to break up the integral unit that we know as REA and have its functions exercised by other agencies, bureaus, or offices of the Department of Agriculture.

When Reorganization Plan No. 2 of 1953 was being considered by the Congress, fears were expressed that the Secretary might transfer functions of REA to other parts of the Department.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Is it true that within the Department of Agriculture, the Department in which the Rural Electrification Administration is now located, the powers of the Administrator of the REA have been diluted to an extent, in that he can approve loans up to a certain amount but with regard to loans above that certain amount someone else must step in to approve or disapprove?

Mr. HUMPHREY. The Senator is correct. For loans up to $500,000 the REA Administrator has final approval, but for loans over $500,000 the final approval rests with the Secretary of Agriculture or his assistant. I refer to an assistant to the Secretary of Agriculture, whose appointment is not confirmed by the Senate, who is only a departmental employee. It is a process, therefore, which vests final approval of REA loans of any significant amount in the hands of a person whose appointment is not confirmed by the Senate and who is not a Presidential appointee, yet who can supersede the authority of the REA Administrator, who is appointed by the President and whose appointment must be confirmed by the Senate.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Is it not true that the Administrator of the REA at the present time is supposedly acting under the direction of the Secretary of Agriculture?

Mr. HUMPHREY. The Senator is correct.

Mr. MANSFIELD. Why is it necessary to have another person to pass upon loans above $500,000, when the Administrator's appointment is confirmed by the Senate and the Administrator himself is a Presidential appointee? The Administrator can pass upon loans only up to $500,000. Why is there such a discrepancy? Why is there a diminution of power on the part of the Administrator of REA, who is supposed to be in control of this particular segment of the Department of Agriculture?

Mr. HUMPHREY. It is to that very obvious weakness in the present situation that the bill, S. 144, is directed. S. 144 would remove the middleman and the authority of the middleman, who is the assistant to the Secretary and who presently exercises the authority.

Senate bill 144 would also make it mandatory that the REA be preserved as an integral unit in the Department of Agriculture, with the loan-making authority of the Administrator exclusive and not subject to the whim or control of anyone, including the Secretary.

Mr. MANSFIELD. I thank the Senator. If he will yield further, I believe I am correct in stating this is not the first time the distinguished senior Senator from Minnesota has introduced such a bill.

Mr. HUMPHREY. It is not. In fact, I introduced a similar bill in the 85th Congress.

Mr. MANSFIELD. This is the first time, however, the measure has come to the floor of the Senate for consideration and, I hope, for approval.

Mr. HUMPHREY. The Senator is correct. It is our hope that we shall be able to expedite action on this measure. I believe the bill represents a reform which is long overdue and a reform which the evidence indicates is vitally needed.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I am happy to be a cosponsor of the bill along with some 20 other Senators, under the leadership of the senior Senator from Minnesota.

Is there anything in the measure which would tend to keep the interest rates of the REA's at 2 percent, rather than to raise them to a contemplated 4-percent figure about which I have heard rumors from time to time as being in accord with the policy of the administration?

Mr. HUMPHREY. The bill is not directed toward the question of interest rates. It would, however, maintain intact the present 2 percent interest rate, because the bill does not in any way seek to amend that portion of the law. The bill does not propose to raise the interest rate, but would preserve the status quo in terms of the interest rate.

This is essentially an organization bill, and it relates to the organizational structure of the Rural Electrification Administration.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Can the Senator tell us what is the record of repayment, generally speaking, on the part of the REA's? I raise that question because in my opinion there has never been a finer piece of legislation passed than the Rural Electrification Administration Act. It has been a great boon and has brought much benefit to our farmers.

I raise the question also because, as I have stated many times, in my own State—and I think the Senator from Minnesota is the source of my information—the REA program has been one of the greatest assets for private industry, as represented by General Electric, Westinghouse, and other corporations. That is because when the REA's electrify the farms the farmers buy their freezers, radios, TV sets, refrigerators and other items from the large appliance manufacturers. Is that a correct statement?

Mr. HUMPHREY. The Senator is correct. I believe the figure was once given that for every dollar of investment in the rural electrification program——

Mr. MANSFIELD. An investment in America.

Mr. HUMPHREY. The Senator is correct. For every dollar of investment in the rural electrification program, an investment in America, such as the REA distribution lines and the REA generation plants, approximately $6 or $7 of additional sales are generated for the large producers of electrical appliances.

In other words, every $1 investment in the REA's produces $6 or $7 worth of business in the channels of commerce on the part of the private merchants—the wholesalers, manufacturers, and distributors.

Mr. MANSFIELD. It is a dollar invested by the Government, fully repayable, with interest.

Mr. HUMPHREY. With interest.

Mr. MANSFIELD. And that dollar investment brings about $6 or $7 worth of business for the private industries of the country.

Mr. HUMPHREY. That is correct.

I should like to make one other point. Approximately $3 billion has been made available for the REA program in the period since 1935, which is approximately 23 years. Approximately $3 billion has been made available for loans to rural electric cooperatives, and of that $3 billion more than $1 billion has already been repaid, with interest. Payments have been made, in most instances, ahead of schedule. There has been a record of repayment to the Government on the part of the REA's which is second to none in any area of American private enterprise. For example, I know of no industry which has a better record of repayment. I know of no great construction area, such as housing or commercial plants, with a better record of repayment. This has been good business all the way down the line.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. In my opinion the farmer-owned, farmer-managed cooperatives have been one of the greatest assets ever made available to the American farmers.

I am very happy and proud to join, under the leadership of the distinguished senior Senator from Minnesota, in sponsoring the proposal. I hope when the time comes for a vote we shall be able to pass the measure overwhelmingly, because it is long overdue.

I thank the Senator.

Mr. HUMPHREY. I am deeply grateful to the Senator from Montana not only for his remarks and his contribution to this discussion but also for his cosponsorship of the measure which is before the Senate and for his long dedication to the rural electrification program.

Mr. CURTIS. Mr. President, will the distinguished Senator from Minnesota yield?

Mr. HUMPHREY. I am happy to yield.

Mr. CURTIS. The REA was originally conceived and set up as an independent agency, was it not?

Mr. HUMPHREY. The Senator is correct.

Mr. CURTIS. The Senator has agreed that the REA was originally conceived as an independent agency. The two Reorganization Acts, the one of 1939 and the one of 1953, placed the REA in the Department of Agriculture and gave the Secretary of Agriculture general authority, along with the Administrator. Is not that correct?

Mr. HUMPHREY. Yes. They gave the Secretary of Agriculture what is called general supervision, but maintained the integrity of the loan-making authority of the Administrator.

Mr. CURTIS. The Senator's bill, as reported from the committee, on page 2, lines 15 and 16, contains the following language: "under the general direction and supervision of the Secretary of Agriculture"——

Mr. HUMPHREY. Yes.

Mr. CURTIS. "Except—" What is it that is excepted under the terms of the Senator's bill that would not be excepted under the general supervision of the Secretary of Agriculture?

Mr. HUMPHREY. The main function of the Administrator of the Rural Electrification Administration is to grant loans, or to make decisions as to whether or not loans should be granted. The purpose of the REA was to provide long-term loans at low rates of interest for the development of rural electric facilities—and, in this instance, rural electric cooperative facilities.

The exception provided for in Senate bill 144, in lines 16 through 22, is as follows: "except that insofar as such functions relate to the approval or disapproval of loans authorized to be made under the Rural Electrification Act of 1936, as amended, their exercise by the Administrator shall not be subject to the supervision or direction of, or to any other control by, the Secretary of Agriculture."

Mr. CURTIS. In other words, if Senate bill 144, as amended by the committee, becomes law, the Secretary of Agriculture will continue to have general direction and supervision of the REA program, except as to the granting of loans.

Mr. HUMPHREY. The Senator is correct. He will have the bookkeeping functions. He will have what may be called the housekeeping functions. He will present the Rural Electrification budget to the committees of the Congress. When I say "he" I mean the Secretary of Agriculture, obviously with the Administrator of the Rural Electrification Administration alongside him for whatever expert technical information may be required.

What Senate bill 144 seeks to accomplish is to restore unmistakably and unqualifiedly the situation which prevailed from 1939 to 1953, the situation which prevailed before Reorganization Plan No. 2 of 1953. However, inasmuch as there was some doubt as to whether the Secretary still maintained a residual power over loanmaking, Senate bill 144 would make it absolutely clear, beyond a shadow of a doubt, that the Secretary has no control whatsoever, in any form, shape, or manner, over the granting or disapproval of loans by the REA Administrator.

Mr. CURTIS. I thank the Senator.

Mr. HUMPHREY. Mr. President, at this point I believe it would be well to have the language of Senate bill 144, as proposed to be amended by the committee by an amendment in the nature of a substitute, printed in the RECORD. I ask unanimous consent that that be done.

There being no objection, the committee amendment was ordered to be printed in the RECORD, as follows:

That the functions and activities of the Rural Electrification Administration and the Administrator of the Rural Electrification Administration which were transferred to the Department of Agriculture and to the Secretary of Agriculture by Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953 are hereby transferred to the Administrator of the Rural Electrification Administration, and shall be exercised and administered within the Department of Agriculture by such Administrator under the general direction and supervision of the Secretary of Agriculture; except that insofar as such functions relate to the approval or disapproval of loans authorized to be made under the Rural Electrification Act of 1936, as amended, their exercise by the Administrator shall not be subject to the supervision or direction of, or to any other control by, the Secretary of Agriculture.

Mr. HUMPHREY. The Secretary, however, assured us that he would not take any steps to change the operations of REA without first consulting the Congress. It was only on the basis of this assurance that many of us approve this reorganization plan.

I should add at this point that there had been no complaints about REA and its administration prior to this reorganization plan. The reorganization plan was a product of the Hoover Commisson reports on the Department of Agriculture.

The Secretary testified at length about this plan. I was a member of the subcommittee which heard that testimony, and a member of the full committee which finally passed upon the reorganization plan. As I recall—and I believe the record will bear me out—there were no complaints about the manner in which REA was being administered. The whole purpose of the reorganization plan was to give the Secretary more general authority and supervision over the REA than had been possible under the reorganization plan of 1939. In other words, the reorganization plan of 1953 was to consolidate further the Secretary's general authority and supervision over all aspects of Rural Electrification Administration activities.

What the proposal now before the Senate, Senate bill 144, seeks to do is to restore the situation as it was prior to 1953, and to make it even more clear and precise that the REA Administrator is to have complete independence over the granting or disapproval of loans; and that the banking functions, the loaning functions, the financial functions, are not to be subject to partisan or political domination on the part of a Cabinet officer. Rather, those functions are to be undertaken and fulfilled by an officer who has been appointed on a nonpartisan basis, whose nomination has been confirmed by the Senate, and whose term of office is 10 years, extending beyond the first 4-year term of a President, and even beyond the 8 years represented by two terms.

The purpose of the bill is to make as clear as possible the independence—and I underscore that word—of the REA Administrator in the essential function he is to perform, namely, the loan-making function, the financial function.

So far as concerns the question whether or not the REA Administrator is to have enough paper clips or enough stationery, and so far as concerns the REA administration in terms of its overall housekeeping budget for custodial services, telephone service, personnel, and so forth, such items are to be included as agency items in the budget of the Department of Agriculture, just as many other aspects of the Department of Agriculture are presented in the budget.

We are not attempting to interfere with what is considered to be sound administrative practice in terms of housekeeping and budget functions. We are attempting to carry out the intent of Congress in 1935, and again in 1939. We intend to make absolutely clear and unmistakably certain the intent of Congress, namely, that the REA Administrator shall be independent in his financial and loan-making responsibilities. That was the purpose of the act.

However, events have taken a different course from that which was outlined before our committees in 1953. The Secretary made what many of us consider to be an important change in the functions of the Administrator without consulting the Congress. In fact, the change was made so secretly that it was not until weeks after the change had been made that any of us even knew about it. That change was to require that the Administrator could make no loan over $500,000, and no loan to a new borrower, without the prior review of the loan application by a man on the Secretary's staff who carries the title of Director of the Agriculture Credit Service. More recently, the approval figure was changed to $1 million. This action took place just as our committees began consideration of the bill last month.

Experience has shown that REA has functioned extremely well as an integral unit within the Department of Agriculture, but experience has also demonstrated that we can have no assurance that it will continue to be operated as an integral unit unless we so provide by law.

In fact, Reorganization Plan No. 2 of 1953 gives the Secretary of Agriculture the authority literally to dissect REA. He could, under his powers in that reorganization plan distribute the functions which are currently being performed by the Rural Electrification Administration among other agencies and bureaus of the Department of Agriculture.

The bill before the Senate, S. 144, would require that the REA be maintained as an integral unit, as a unified unit, as an autonomous unit within the Department of Agriculture. It would make it absolutely mandatory that the Rural Electrification Administrator have complete power over all loanmaking and financial functions relating to the granting or disapproval of loans to rural cooperatives.

Second. Let me turn now to the second important part of S. 144. As I have already pointed out, the bill provides that the functions of the Administrator in connection with the approval and disapproval of loan applications will be completely free of the supervision, direction, and control of the Secretary.

Senators will recall that the REA Administrator is appointed by the President with the consent of the Senate. He has an efficient staff to assist and advise him in connection with loan applications. There is no need for, and nothing useful can be accomplished by, a review of loan applications after the Administrator has made his final review. If the Administrator and his staff cannot be trusted to make the correct decisions, then efficient operation calls for a strengthening of the staff or a change in Administrators, not the superimposing of an additional authority over the Administrator. Since there has been no accusation of inefficiency or impropriety on the part of the REA staff or the Administrator, there is only one explanation for this erosion of his authority, and that is that a political test has been added to the requirements of the Rural Electrification Act. The Rural Electrification Act calls for nonpolitical administration, and it has been so administered—at least until this new procedure was imposed. Senate bill 144 will place the final authority for the making or disapproval of loans where Congress intended that it should be placed, namely, solely—I repeat, solely—in the Administrator.

The bill is based on sound management principles. It establishes specific responsibilities in the hands of the Administrator and provides him with the necessary authority to carry out those responsibilities. This is not a singular practice; indeed, it is the kind of good administration that has been followed in many other cases.

I should like to call attention to other instances in which Federal agencies which are parts of Federal departments are given functions not subject to the supervision, direction, or control of the Secretary of that department.

Take the case of the Federal Maritime Board. Here we have an agency within the Department of Commerce. However, it is independent of the Secretary of Commerce with respect to certain of its functions, even though it is to be guided by his policies with respect to all other functions.

Take the case of the Bureau of Mines. This Bureau is an agency of the Department of the Interior. Yet certain of its decisions are subject, not to the control of the Secretary, but to that of the Federal Coal Mines Safety Board of Review, which is an independent agency outside the Interior Department.

Another analogous situation concerns the General Counsel of the National Labor Relations Board, who was made independent of the Board in many respects. In fact, his entire office is independent of the Board in many respects.

On the basis of this, we can see that we are following well-tried practice. It is perfectly consistent with sound governmental organization and functioning to commit finally to the head of an agency certain functions of such agency, even though in other respects the agency head is subject to the general supervision and control of the head of the Department in which the agency is located.

Some have expressed concern that the bill would give the Administrator the functions and activities of the program but would leave him without the property, records, personnel, and funds for exercising and administering these functions and activities.

This argument has no validity. Senate bill 144 does not purport to make REA an independent agency. We want REA to continue to be an agency in the Department of Agriculture, but we also want it to be continued as a unit within the Department of Agriculture. It is because REA has been an effective unit that it has been so successful in accomplishing a job which, a quarter of a century ago, all the experts said could not be done.

Until the Secretary took over the review of major loans, the REA Administrator was exercising his duties and functions under a delegation of authority from the Secretary. He operated REA as a unit. It was not split up and dispersed among other bureaus in the Department as could have been done by the Secretary if he had so wished it.

Senate bill 144, in addition to restoring the loan-making authority to the Administrator, merely makes sure that REA will continue in that manner. The bill makes sure there will be no change in any way in REA until Congress decides a change is called for. In other words, the Secretary cannot distribute the functions of REA, but is required to maintain REA as an autonomous unit, an integrated unit, a unified unit within the Department of Agriculture. The loan-making and fiscal responsibilities of the agency would be exclusively the prerogative of the Administrator.

I should like to call attention to the fact that Congress now appropriates the money for the administration of the Rural Electrification Act, designating separate amounts within the total appropriation for the Department of Agriculture for this purpose. This will not be changed in any way.

Senate bill 144 makes no change whatsoever in the status of REA's career employees. This staff will continue to operate as an integral and dynamic unit in the Department of Agriculture. The Secretary of Agriculture and the Bureau of the Budget will have no more power than they now have to withhold any money appropriated by the Congress for the employment of these staff members in the administration of REA.

Because the Secretary will no longer have authority to make drastic changes in REA administration without taking such measures through congressional legislative channels, S. 144 will offer assurance and peace of mind to REA employees. Even more to the point, it will give assurance to millions of rural people who are dependent for electricity upon rural electric systems that their REA program will go forward on the road to continued success as long as Congress deems that the present structure is justified.

It is not true, as has been suggested, that under S. 144 "the Administrator has the horse but no feed, the Secretary has the feed but no horse." The Administrator is assured, under this bill, of all the "feed" which Congress gives for the maintenance of his "horse." The personnel and administrative funds to operate REA will be available to him exactly as they are now.

Thus, S. 144 does exactly what we want it to do—and it does it in a simple and efficient manner. It makes the Administrator the sole and final authority in connection with the making of loans, and it insures the continued operation of the Rural Electrification Administration as an integral unit within the Department of Agriculture.

It has been suggested by some that S. 144 does not go far enough, and that REA should be completely removed from the domination of the Secretary of Agriculture.

My own opinion is that this is too radical a step to take in solving the problem we have before us. The creation of another independent agency to handle the REA program is, in my opinion, undesirable for several reasons:

First. It goes beyond the immediate problem we are trying to solve, and that is the question of who should have the final authority to make REA loans.

Second. The creation of another independent agency flies in the face of all we have learned about good Government administration. We would simply be piling up new problems of government by increasing the number of separate and independent agencies.

I might add that the two Hoover Commission reports have had as their central purpose the grouping together and the consolidation of agencies, rather than their proliferation. An attempt has been made to simplify and coordinate administration, rather than to disperse it. Therefore, S. 144 meets the basic requirements of the Hoover Commission recommendations, namely, the grouping within the jurisdiction and scope of the Department of all related activities. At the same time, because it is a unique function of REA, the granting of loans would be removed completely from any kind of political pressure or potential political pressure. The granting of loans is the sole prerogative of a nonpartisan, presidentially-appointed, Senate-confirmed Administrator of the Rural Electrification Administration. It seems to me that these principles are valid now, as they have been in the past.

Third. We know that REA can work successfully as a part of the Department. The record from 1939 until the time the Secretary transferred the Administrator's loan-making authority demonstrates the success that can be achieved by REA in the Department of Agriculture.

Fourth. It has been said that if it is desirable to separate REA's loan-making function from the Secretary, it should be just as desirable to separate REA's budget procedure as well. I contend that this does not necessarily follow. Congress cannot study individual loans, but it always has the opportunity to study the budget before final action is taken. Our only aim is to curb the Secretary's domination in the area of loans because it is in that area, where any type of political pressure would be highly significant.

Fifth. Many of us feel—and I believe the record bears this out—that rural electrification and the Department of Agriculture belong together. REA has been benefited, in my opinion, by its association with the Department of Agriculture, and with the Agriculture Committees both of the Senate and House. This is not to say that other committees and other procedures might not work. However, I believe that it is wise not to tamper with what has proved to be a useful and fruitful relationship.

The legislation embodied in S. 144 has the widespread support of those interested in rural electrification throughout the country. Time and again in the past 2 years they have expressed deep concern about the new and unprecedented restriction of the REA Administrator's loan-making authority.

For 2 years now the rural electric cooperatives in their regional meetings have passed resolutions in support of legislation of the kind embodied in S. 144.

They have adopted resolutions which on the one hand would maintain REA within the confines of the Department of Agriculture, but at the same time would maintain the loan-making power of the Administrator separate and independent from the jurisdiction of the Secretary of Agriculture.

Many of the State associations have passed similar resolutions. As a matter of fact, many witnesses who are members of State associations have testified before committees of Congress in support of the objectives outlined in S. 144. A year ago at Dallas, and this winter at the National Guard Armory in Washington, D.C., the National Rural Electric Cooperative Association, at its annual meetings, approved such resolutions.

They affirmed the principles and the language of S. 144 seeking to restore the REA to the status it enjoyed from 1939 to 1953; and to restore the loan-making authority of the Administrator of REA as being independent of any control or domination by the Secretary of Agriculture or any of his appointees.

What the co-op people are saying is that they do not believe a captive Administrator is good for them or for the program.

The bill (S. 144) will insure that any decision the Administrator makes on loans will be his own decision. It will insure that policy considerations relating to rural electrification shall be given Cabinet status; in other words, that REA shall be represented through the Secretary of Agriculture in the President's official family, the Cabinet of the President of the United States, an independent agency loses that distinction, that fine qualification.

REA by being maintained within the household of the Department of Agriculture, but at the same time with its function of loanmaking being independent of and without control from any other source than the Administrator of REA, would enjoy the prestige that comes from being a part of Cabinet-Government policy.

Furthermore, I am of the opinion that an independent REA would soon lend itself to the policies which are being relentlessly pursued in some quarters, namely, policies to increase interest rates and policies to restrict the financing powers of the REA. When REA is at least brought within the confines of the overall policy considerations of the executive branch of the Government, particularly the Department of Agriculture, Congress will have an opportunity to review such policies within the broad confines of national policy, and to protect the REA interests as being important to the formation of a sound and progressive agriculture.

I am concerned that if changes of a more radical nature are made—namely, changes which will take REA completely out of the confines of the Department of Agriculture—REA soon will be looked upon as a bank, or an institution having banking characteristics, requiring higher interest rates and more stringent loan terms. That will in many ways reduce the effectiveness of this splendid agency. It will in many ways cripple or limit a sound and humanitarian agricultural program.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the statement or newsletter issued by the National Rural Electric Cooperative Association for April 1959, entitled "The Humphrey-Price REA Bill." It is a question-and-answer newsletter. The first question is:

What is the Humphrey-Price REA bill?

Then the following questions are listed:

What is the purpose of this bill?

Why is the bill necessary?

Don't present laws accomplish this?

Have any loans been affected?

Has the Secretary explained why he put a curb on the Administrator?

If the Secretary's domination over REA is undesirable, why not take REA out of the Department of Agriculture altogether?

Can an agency be partly subject to the Secretary's general supervision and direction and partly not?

How does the bill affect REA employees?

Can S. 144 and H.R. 1321 operate as a "ripper" bill, by transferring duties and functions to the Administrator without also transferring to him personnel, records, etc.?

Why should the Administrator have full authority over loans?

How do the rural electric people feel about this bill?

In the main, those are the questions which are asked in this National Rural Electric Cooperative Association bulletin for April 1959. The questions have been asked, and the answers have been stated. I have found this particular bulletin to be a concise and succinct analysis of the proposed legislation that is before us. I have also found that it answers unmistakably and very directly the counter-proposals or substitute proposals which have been offered from time to time and which may be offered in the future. I ask unanimous consent that the text of the bulletin to which I have referred be printed at this point in the RECORD.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

THE HUMPHREY-PRICE REA BILL

Question. What is the Humphrey-Price REA bill?

Answer. S. 144 in the Senate and H.R. 1321 in the House read as follows:

S. 144

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the functions and activities of the Rural Electrification Administration and the Administrator of the Rural Electrification Administration which were transferred to the Department of Agriculture and to the Secretary of Agriculture by Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953 are hereby transferred to the Administrator of the Rural Electrification Administration, and shall be exercised and administered within the Department of Agriculture by such Administrator under the general direction and superivsion of the Secretary of Agriculture; except that insofar as such functions relate to the approval or disapproval of loans authorized to be made under the Rural Electrification Act of 1936, as amended, their exercise by the Administrator shall not be subject to the supervision or direction of, or to any other control by, the Secretary of Agriculture."

H.R. 1321

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the functions and activities of the Rural * * *." exactly the same as S. 144.

Question. What is the purpose of this bill?

Answer. It has two purposes:

First, it will restore to the REA Administrator the authority to approve or disapprove loans without supervision or direction of, or any other control by, the Secretary of Agriculture.

Second, it will keep REA intact as an effective operating unit within the Department of Agriculture.

Question. Why is the bill necessary?

Answer. Legislation is required to reaffirm the nonpolitical independence with which Congress intended the Administrator to act and to reinstate the powers which Congress intended the Administrator to exercise.

Question. Don't present laws accomplish this?

Answer. Apparently not. In May 1957 the Secretary under his reorganization powers took over the Administrator's loan-making authority. Neither the public nor committees of Congress have been able to discover any standards or criteria—political, personal or idealogical—which have been established for the loan review he set up.

Question. Have any loans been affected?

Answer. Yes. At least one has been sidetracked. Others have been delayed but fortunately without serious harm to anyone. The Secretary took over the Administrator's loan-making authority in May 1957 at a time when REA was processing a large application from a group of Indiana co-ops. This loan was not made then. It still has not been made.

What concerns the rural electric co-ops however, is not what has happened up to now but what they expect will happen if this bill isn't approved and when public attention turns to something else.

Question. Has the Secretary explained why he put a curb on the Administrator?

Answer. No, not publicly. Instead he has maintained that in practice the Administrator's authority has not been lessened. Yet he objects to legislation which merely confirms the practices which he alleges are being followed.

Question. If the Secretary's domination over REA is undesirable, why not take REA out of the Department of Agriculture altogether?

Answer. Such a radical step would perhaps solve one problem but it would create many others. REA has benefited from its association over the years with USDA and the Agriculture Committees in Congress. The record prior to 1957 demonstrates that an aggressive and successful program is possible with REA in the Department. The bill consequently deals only with the problem at issue and seeks to restore REA to the status that proved to be so effective in the past.

Question. Can an agency be partly subject to the Secretary's general supervision and direction and partly not?

Answer. Yes. REA functioned that way successfully from 1939 to 1957. REA was under the general supervision and direction of the Secretary but the Administrator had final authority on loans. Other agencies in the Government similarly have specific functions that are independent of departmental control. Examples include the Federal Maritime Board, an agency of the Department of Commerce; the General Counsel of the National Labor Relations Board; and Bureau of Mines of the Department of Interior.

Question. How does the bill affect REA employees?

Answer. First of all, the bill makes no changes at all in their status. The Secretary has no more power under the bill than he now has to withhold REA appropriations.

Second, the bill does assure them of the continuation of the REA program as a unit because the Secretary's power to redistribute its functions among other agencies of the department will be eliminated.

Question. Can S. 144 and H.R. 1321 operate as a "ripper" bill, by transferring duties and functions to the Administrator without also transferring to him personnel, records, etc.?

Answer. Absolutely not. This bill does not change the status of personnel, etc., except that it insures continued operation of REA as an integral and dynamic unit within the Department of Agriculture. Appropriated administrative funds and the personnel needed to administer the program will still be made available, exactly as they are now.

Question. Why should the Administrator have full authority over loans?

Answer. First, the Administrator is selected exclusively for the REA job and his qualifications can therefore be considered purely from that standpoint.

Second, Congress indicated that the office should have substantial stature when the original REA Act specified that the Administrator should be appointed by the President for a 10-year term and confirmed by the Senate.

All this serves to provide for good, efficient administration because it tends to keep political considerations out of decisions that should be made on the basis of legal, economic and technical standards.

Question. How do the rural electric people feel about this bill?

Answer. The Humphrey-Price bill has the full support of the rural electric systems. They feel that at present they are being denied access to the real REA Administrator—that is, to the man who makes the decision on their loans.

At State, regional and national meetings for the last 2 years, the rural electric officials have passed resolutions calling for congressional action on this problem. Last summer when hearings were held on similar bills, rural electric representatives came in from all over the country. Twenty-five of them testified and nearly 100 other officials felt strongly enough to come to Washington and express their support.

The REA program has had phenomenal success. Farm electrification has gone from 10 percent to more than 95 percent. Three billion dollars in sound loans have been made and already $1 billion have been paid back to Uncle Sam. What this bill will do is restore REA to the kind of organization it had during the 23 years this record was achieved.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD the resolutions of the cooperatives which have been adopted in the past year or so. The resolutions relate to proposed legislation which is now before us, to the Humphrey-Price bill of 1958, and to the present Humphrey-Price bill, Senate 144, which is before the Senate this year.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RURAL ELECTRIC SYSTEMS IN REGION I

The following resolution was adopted at the regional meeting held in Philadelphia, Pa., September 30–October 1, 1957, by rural electric systems operating in the States of Delaware, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, North Carolina, Vermont and Virginia:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more be reviewed by persons outside REA: Now, therefore, be it

Resolved, That we are vigorously opposed to any reorganization of REA which will allow partisan control; we are absolutely opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

Resolved, That as soon as the Congress reconvenes in January that a bill be introduced and passed exempting REA from the Reorganization Act of 1953 and that this same bill stipulate that REA is to be reestablished on a nonpartisan basis as it was prior to the passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION II

The following resolution was adopted at the regional meeting held in Atlanta, Ga., October 17–18, 1957, by rural electric systems operating in the States of Georgia, Florida and South Carolina:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an administrator to the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas the Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in his letter to Senator HUMPHREY dated August 30, 1957 Secretary Benson asserts that he has the authority to 'review, reverse, amend, annul, or affirm' all proceedings in REA or other agencies: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

"*Resolved*, That as soon as the Congress reconvenes in January, a bill be introduced and passed exempting REA from the Reorganization Act of 1953 and that this same bill stipulate that REA is to be reestablished as it was prior to the passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION III

The following resolution was adopted at the regional meeting held in Mobile, Ala., October 14–15, 1957, by rural electric systems operating in the States of Alabama, Mississippi, Kentucky, and Tennessee:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June, 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more be reviewed by persons outside REA; now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA which will allow partisan control; we are absolutely opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

"*Resolved*, That as soon as the Congress reconvenes in January, a bill be introduced and passed exempting REA from the Reorganization Act of 1953 and that this same bill stipulate that REA is to be reestablished on a nonpartisan basis as it was prior to the passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION IV

The following resolution was adopted at the regional meeting held in Toledo, Ohio, September 16–17, 1957, by rural electric systems operating in the States of Ohio, Indiana, Michigan, and West Virginia:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June, 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more be reviewed by persons outside REA; now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA; we are absolutely opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

"*Resolved* That as soon as the Congress reconvenes in January that a bill be introduced and passed exempting REA from the Reorganization Act of 1953 and that this same bill stipulate that REA is to be reestablished as it was prior to the passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION V

The following resolution was adopted at the regional meeting held in Springfield, Ill., October 10–11, 1957, by rural electric systems operating in the States of Illinois, Iowa, and Wisconsin:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more be reviewed by persons outside REA: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA which will allow partisan control; we are absolutely opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

"*Resolved*, That as soon as Congress reconvenes in January a bill be introduced and passed exempting REA from the Reorganization Act of 1953 and that this same bill stipulate that REA is to be reestablished on a nonpartisan basis as it was prior to the passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION VI

The following resolution was adopted at the regional meeting held in Minneapolis, Minn., October 31–November 1, 1957, by rural electric systems operating in the States of Minnesota, North Dakota, and South Dakota:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more be reviewed by persons outside REA: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA; we are absolutely opposed to this recent action by Secretary Benson which threatens to make REA a partisan, political agency; and be it further

"*Resolved*, That we urge that as soon as the Congress reconvenes in January that a bill be introduced and passed exempting REA from the Reorganization Act of 1953 and that this same bill stipulate that REA is to be reestablished as it was prior to the passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION VII

The following resolution was adopted at the regional meeting held in Cheyenne, Wyo., September 23–24, 1957, by rural electric systems operating in the States of Colorado, Kansas, Nebraska, and Wyoming:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957 the Secretary did reorganize REA by requiring that all loans of $500,000 or more be reviewed by persons outside REA: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA; we are absolutely opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

"*Resolved*, That as soon as the Congress reconvenes in January that a bill be introduced and passed exempting REA from the Reorganization Act of 1953 and that this same bill stipulate that REA is to be reestablished as it was prior to the passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION VIII

The following resolution was adopted at the regional meeting held in New Orleans, La., September 19–20, 1957, by rural electric systems operating in the States of Oklahoma, Arkansas, Louisiana, and Missouri:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957 the Secretary did reorganize REA by requiring that all loans of $500,000 or more be reviewed by persons outside REA; and

"Whereas in his letter to Senator HUMPHREY dated August 30, 1957, Secretary Benson asserts that he has the authority to 'review, reverse, amend, annul, or affirm' all proceedings in REA or other agencies: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

"*Resolved*, That as soon as the Congress reconvenes in January that a bill be introduced and passed exempting REA from the Reorganization Act of 1953 and that this same bill stipulate that REA is to be reestablished as it was prior to passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION IX

The following resolution was adopted at the regional meeting held in Portland, Oreg., November 4–5, 1957, by rural electric systems operating in the States of Washington, California, Idaho, Montana, Oregon, Utah, and Alaska:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more be reviewed by persons outside REA: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA which will allow partisan control; we are absolutely opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

"*Resolved*, That as soon as the Congress reconvenes in January a bill be introduced and passed exempting REA from the Reorganization Act of 1953, and that this same bill stipulate that REA is to be operated on a nonpartisan basis as it was prior to the passage of the Reorganization Act."

RURAL ELECTRIC SYSTEMS IN REGION X

The following resolution was adopted at the regional meeting held in Dallas, Tex., November 9–10, 1957, by rural electric systems operating in the States of Texas, Arizona, and New Mexico:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary failed to consult Congress or other interested groups before requiring that all loans of $500,000 or more be reviewed by persons outside REA: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA which will allow partisan control; we are absolutely opposed to this recent action by Secretary Benson which threatens to make REA a partisan political agency; and be it further

"*Resolved*, That as soon as the Congress reconvenes in January a bill be introduced and passed exempting REA from the Reorganization Act of 1953, and that this same bill stipulate that REA is to be on a nonpartisan basis as it was prior to the passage of the Reorganization Act."

RESOLUTION ADOPTED AT THE 16TH ANNUAL MEETING OF THE NATIONAL RURAL ELECTRIC CO-OP. ASSOCIATION, DALLAS, TEX., FEBRUARY 3-6, 1958—REORGANIZATION PLAN NO. 2, U.S. DEPARTMENT OF AGRICULTURE

Whereas the current Secretary of Agriculture has violated the trust of the Congress in regard to the changes he has made in the structure and functioning of REA; and

Whereas REA can no longer function efficiently and effectively as a result of this action by the Secretary of Agriculture; and

Whereas this situation has been brought about by passage of the Reorganization Plan No. 2 of 1953; and

Whereas Senator HUMPHREY has introduced a bill, S. 2990, providing "That section 1 of Reorganization Plan No. 2 of 1953 shall not hereafter apply to the Rural Electrification Administration, and there are hereby transferred to the Administrator of the Rural Electrification Administration all functions which were transferred from the Administrator to the Secretary of Agriculture by such Reorganization Plan": Now, therefore, be it

Resolved, That we support S. 2990 which would rectify the situation.

RURAL ELECTRIC SYSTEMS IN REGION I

The following resolution was adopted at the regional meeting held in Burlington, Vt., September 25–26, 1958, by rural electric systems operating in the States of Delaware, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, North Carolina, Vermont and Virginia:

"REA REORGANIZATION

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more, and that all loans of whatever amount, to new borrowers, be reviewed by the Secretary's office; and

"Whereas Secretary Benson has supported a bill in Congress which would drastically increase interest rates and drive electric and telephone cooperatives to Wall Street for their financing: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA; and be it further.

"*Resolved*, That as soon as the new Congress convenes in 1959 a bill identical or similar to the Humphrey-Price bill of 1958, which would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, be introduced and passed."

RURAL ELECTRIC SYSTEMS IN REGION II

The following resolution was adopted at the regional meeting held in St. Petersburg, Fla., November 3–4, 1958, by the rural electric systems operating in the States of Georgia, Florida, and South Carolina:

"REORGANIZATION OF REA

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more, and that all loans of whatever amount, to new borrowers, be reviewed by the Secretary's office; and

"Whereas Secretary Benson has supported a bill in Congress which would drastically increase interest rates and drive electric and telephone cooperatives to Wall Street for their financing: Now, therefore, be it

"*Resolved*, That as soon as the new Congress convenes in 1959 a bill identical or similar to the Humphrey-Price bill of 1958, as amended by the House subcommittee, which would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, be introduced and passed."

RURAL ELECTRIC SYSTEMS IN REGION III

The following resolution was adopted at the regional meeting held in Gatlinburg, Tenn., September 15–16, 1958, by rural electric systems operating in the States of Alabama, Mississippi, Kentucky, and Tennessee:

"REA REORGANIZATION

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more, and all loans of whatever amount to new borrowers, be reviewed by the Secretary's office: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA; and be it further

"*Resolved*, That the new Congress convening in 1959 be urged to introduce and pass a bill identical or similar to the Humphrey-Price bill of 1958, which would restore to the REA Administrator all of the functions and authority vested in him by the original REA Act of 1936, be introduced and pass."

RURAL ELECTRIC SYSTEMS IN REGION IV

The following resolution was adopted at the regional meeting held in French Lick, Ind., September 4–5, 1958, by rural electric systems operating in the States of Ohio, Indiana, Michigan and West Virginia:

"REA REORGANIZATION

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committee and other interested groups; and

"Whereas in June 1957 the Secretary did reorganize REA by requiring that all loans of $500,000 or more and all loans of whatever amount to new borrowers, be reviewed by the Secretary's office; and

"Whereas Secretary Benson has proposed a bill to the Congress which would drastically increase interest rates and drive electric and telephone cooperatives to Wall Street for their financing: Now, therefore, be it

"*Resolved*, That we are vigorously opposed to any reorganization of REA; and be it further

"*Resolved*, That as soon as the new Congress convenes in 1959 a bill identical or similar to the Humphrey-Price bill of 1958, which would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, be introduced and passed."

RURAL ELECTRIC SYSTEMS IN REGION V

The following resolution was adopted at the regional meeting held in Madison, Wis., September 29–30, 1958, by rural electric systems operating in the States of Illinois, Iowa, and Wisconsin:

"REA REORGANIZATION

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committee and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more, and that all loans of whatever amount, to new borrowers, be reviewed by the Secretary's office; and

"Whereas Secretary Benson has supported a bill in Congress which would drastically increase interest rates and drive electric and telephone cooperatives to Wall Street for their financing: Now, therefore, be it

Resolved, That we are vigorously opposed to any reorganization of REA; and be it further

"Resolved, That as soon as the new Congress convenes in 1959 a bill identical or similar to the Humphrey-Price bill of 1958, which would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, be introduced and passed."

RURAL ELECTRIC SYSTEMS IN REGION VI

The following resolution was adopted at the regional meeting held in Bismarck, N. Dak., October 27–28, 1958, by rural electric systems operating in the States of Minnesota, North Dakota, and South Dakota:

"REA REORGANIZATION

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture, Ezra Taft Benson, pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more, and that all loans of whatever amount, to new borrowers, be reviewed by the Secretary's office; and

"Whereas Secretary Benson has supported a bill in Congress which would drastically increase interest rates and drive electric and telephone cooperatives to Wall Street for their financing: Now, therefore, be it

"Resolved, That we are vigorously opposed to any reorganization of REA; and be it further

"Resolved, That as soon as the new Congress convenes in 1959 a bill identical or similar to the Humphrey-Price bill of 1953, which would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, be introduced and passed."

RURAL ELECTRIC SYSTEMS IN REGION VII

The following resolution was adopted at the regional meeting held in Denver, Colo., November 10–11, 1958, by rural electric systems operating in the States of Colorado, Kansas, Nebraska, and Wyoming:

"REA REORGANIZATION

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture, Ezra Taft Benson, pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more, and that all loans of whatever amount, to new borrowers, be reviewed by the Secretary's office; and

"Whereas Secretary Benson has supported a bill in Congress which would drastically increase interest rates and drive electric and telephone cooperatives to Wall Street for their financing: Now, therefore, be it

"Resolved, That as soon as the new Congress convenes in 1959 a bill identical or similar to the Humphrey-Price bill of 1958, as amended by the House subcommittee which would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, be introduced and passed."

RURAL ELECTRIC SYSTEMS IN REGION VIII

The following resolution was adopted at the regional meeting held in Oklahoma City, Okla., October 30–31, 1958, by rural electric systems operating in the States of Arkansas, Louisiana, Missouri, and Oklahoma:

"REA REORGANIZATION

"Whereas the original REA Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

"Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

"Whereas in June 1957, the Secretary did reorganize REA by requiring that all loans of $500,000 or more, and that all loans of whatever amount, to new borrowers, be reviewed by the Secretary's office; and

"Whereas Secretary Benson has supported a bill in Congress which would drastically increase interest rates and drive electric and telephone cooperatives to Wall Street for their financing: Now, therefore, be it

"Resolved, That as soon as the new Congress convenes in 1959 a bill identical or similar to the Humphrey-Price of 1958, as amended by the House subcommittee, which would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, be introduced and passed."

RURAL ELECTRIC SYSTEMS IN REGION IX

The following resolution was adopted at the regional meeting held in Missoula, Mont., November 13–14, 1958, by the rural electric systems operating in the States of Alaska, California, Idaho, Montana, Nevada, Oregon, Utah, and Washington:

"In order to further the national objectives of the Rural Electrification Act and the laws relating to the comprehensive development of the Nation's energy resources, and in order to assure an adequate supply of low cost power for maximum development of rural America, we adopt the following legislative policies, and we urge our leaders and public officials to take prompt and continuing steps to bring these about:

"* * * * * *

"3. We urge Congress to reestablish the full authority of the REA Administrator to make loans."

RURAL ELECTRIC SYSTEMS IN REGION X

The following resolution was adopted at the regional meeting held in Brownsville, Tex., November 17–18, 1958, by rural electric systems operating in the States of Texas, Arizona, and New Mexico:

"REA REORGANIZATION

"Be it resolved, That as soon as the Congress convenes in 1959 a bill identical or similar to the Humphrey-Price bill of 1958, as amended by the House subcommittee, which would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, be introduced and its passage pressed."

RESOLUTION ADOPTED AT THE 17TH ANNUAL MEETING OF THE NATIONAL RURAL ELECTRIC CO-OP. ASSOCIATION, WASHINGTON, D.C., FEBRUARY 9–12, 1959

REORGANIZATION OF REA

Whereas the original Rural Electrification Act of 1936 provided for strictly nonpartisan administration of REA and provided for the appointment of an Administrator by the President, with confirmation by the Senate for a 10-year term to insure nonpartisan, nonpolitical administration; and

Whereas Secretary of Agriculture Ezra Taft Benson pledged himself to a congressional committee to make no changes in REA without first consulting the proper congressional committees and other interested groups; and

Whereas in June 1957 the Secretary did reorganize REA by requiring that all loans of $500,000 or more, and all loans of whatever amount to new borrowers, be reviewed by the Secretary's office; and

Whereas the Humphrey-Price bill would restore to the REA Administrator all of the functions and authority vested in him by the original act of 1936, without divorcing REA from the Department of Agriculture: Now, therefore, be it

"Resolved, That we urge the Congress to pass the Humphrey-Price bill as early as possible in the 86th Congress.

ADDRESS BY SENATOR HUMPHREY BEFORE THE 16TH ANNUAL BANQUET OF THE FARMERS UNION GRAIN TERMINAL ASSOCIATION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a speech which I delivered in December of 1953 at the 16th annual banquet of the Farmers Union Grain Terminal Association, in St. Paul.

Recently I had occasion to refer to this speech, and was interested to find that the truths stated at that time about American agriculture have even stronger impact today. The needs of the farm segment of our economy, as enunciated then, have increased in intensity today. The rights of American farmers in 1953 are the same rights in 1959. For these reasons, I find the remarks timely; so I ask to bring them to the attention of my colleagues.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FARMER'S BILL OF RIGHTS

It is an honor to address this 16th annual banquet of the Farmers Union Grain Terminal Association—a great enterprise symbolic of the growth and progress of agriculture in the Midwest, and symbolic of what farm people can do working together.

It's a thrilling sight to look out over this vast gathering of farmers from throughout the great breadbasket of the Midwest.

This is America—the solid, determined, dependable America—the deep roots of democracy, embedded firmly in the soil.

America owes a tremendous debt of gratitude to its farmers of the past and of the present.

FOOD OUR BASIC QUEST

Every farmer in the Nation can be justly proud of the great contribution American agriculture has made, and is still making, to our country's growth and progress.

Agriculture is basic to life itself. It is the lifeline of food and fiber, without which we cannot survive.

Farmers were among our Nation's founders. They paved the way for creation of our great Nation of today, by producing in ever-increasing abundance the essentials of our survival—the food and fiber we needed for a growing and struggling Nation of free people.

The struggle for food comes before all else. By the ever-increasing efficiency of America's farmers, in providing food not only for themselves but for others about them as well, they have made possible the release of manpower to create a mighty industrial as well

as a rich agricultural empire in our new world.

THERE'S STRENGTH IN THE LAND

But agriculture has contributed more than food and fiber to our Nation. It has contributed much to our basic strength of moral character, our hardiness, our respect for family ties. It has contributed our American pattern of family farming, with its broad base of independent landholders as a firm foundation upon which democracy could survive and grow.

Is it any wonder, then, that I say America owes a great debt of gratitude to its farm people?

Farmers today, however, are seriously concerned about the future. They see strangely familiar symptoms of economic trouble. Farm prices have been falling too far and too fast. The parity ratio—the relation of what a farmer receives to what he must pay—has gone steadily downward. It has slumped to a national average of 90 percent, the lowest since 1941. It's even lower in many States, and for many important commodities.

FARMER IS THE KEYSTONE

Farmers aren't the only ones concerned about these danger signs. The President and Congress are concerned. The business community is growing increasingly concerned. Why? Because we have learned that agricultural income and national prosperity go hand in hand. We have learned that depressions start on the farm. We have learned that the economic problems of agriculture are not just farm problems, but everybody's problems.

Agriculture is still basic to America's economy. Without a sound, efficient, abundant, prosperous agriculture, America's dynamic economy cannot long maintain its expanding pace of higher living standards and greater comforts of life for all.

We have learned that lesson in the past—the hard way. We must never forget it.

There is a public interest responsibility toward agriculture that cannot be ignored.

Our Government early recognized the public's interest in the Nation's welfare in a strong agriculture, in a family-farm type of agriculture, by opening up vast public lands to homesteading in order to encourage agricultural expansion and farm ownership.

By making such opportunities available, the Nation was repaid many times the value of its investment in agriculture's future.

And, if you'll pardon an aside, I very much doubt if the moral fiber of our pioneering fathers was corrupted by accepting that homestead subsidy of free land.

HOW SKIDS WERE GREASED

As our Nation embarked upon its industrial development, it was business and industry—not agriculture—that first shunned the risks of the free market, and asked for aid and protection by law—the tariffs, the grants, and subsidies, the power of regulating production and competition to assure reasonable profits.

As a new aristocracy of industrial barons developed in our country, their influence upon government resulted in public policy being designed more and more to serve their own ends—at the expense of American agriculture, and the American workingman.

Our economy grew out of balance, and weaker became the foundation upon which it all was based.

The rich grew richer, and the poor grew poorer, until the bubble had to be burst.

I need not, I am sure, remind you at length of the great depression. Most of us remember all too well that tragic period in our economic and political history.

Agriculture, as usual, felt its impact first, longest, and hardest.

Agriculture was and is today the bellwether of our economy. It is where the symptoms first strike, then spread to the main streets, the factories, and the homes of all America, rural and city alike.

PARITY FORGED IN 1920'S

Out of that depfession of the 1920's and 1930's, we learned that the cost of depression is far greater, in money and human misery, than any cost of maintaining a sound and prosperous nation.

From the despair of the great depression, agriculture united in a historic fight for rightful recognition of the importance of its role in American life. It brought forth a great concept so in keeping with the principles of American democracy that it has earned a permanent place in America's economic life—the parity concept, of equality for agriculture.

All of the efforts down through the years by our great organizations of farmers became solidly pinpointed toward one major purpose:

The clear declaration of public policy that prices and income of farmers should be maintained on a basis of parity with industrial wages and industrial prices.

None of us should ever forget the fight it took to establish the parity concept of equality for agriculture as the law of our land.

A FEW LEAD THE WAY

The great voices of that earlier historic battle for farm parity—the voices of the agricultural statesmen of that day, Ed O'Neal, of the American Farm Bureau Federation, Louis Taber, of the Grange, and yes, the great voice of your own hard-hitting Bill Thatcher—these voices refused to be silenced. They knew they were right. They knew they were not only fighting for farmers. They knew they were fighting for the sound economic welfare of America, for the country they loved.

It wasn't an easy fight. Powerful forces were arrayed against them. A strange coalition of the uninformed, the ill advised, the men of little faith and little vision, looking backward instead of ahead, was molded together and manipulated as a front against agriculture.

Let me make myself clear: Fairminded Americans—and I think most Americans are fairminded—have never been against decent prices and fair and equal treatment for agriculture, or for anyone else. But always in any society, there are a few who refuse to look beyond their own money counting tables, regardless of the public interest that may be involved.

It is always these vocal few who raise the entirely false cry of government interference with "free enterprise," when their own toes are stepped upon in order to assure the benefits and blessings of free enterprise to all the rest of us.

But all the misleading attempts to distort agriculture's just plea for equality failed.

THE LEGISLATED ECONOMY

We became realists about our economy, and the world we live in.

We recognized that there no longer exists a complete free exchange of goods and services, a complete free market. Instead, we faced up to the fact that we work and live in the midst of protective regulations by government, firm prices administered by business, fixed costs established by accepted standards of fair wages and reasonable profits in other segments of our economy. Federal Reserve regulations, utility and transportation rate fixing, tariffs to protect industry, minimum wage laws, the fair trade practices act to eliminate unfair price cutting, and subsidies to shipping firms, airlines, and newspapers are but a few of many examples.

The farmer has never lost his spirit of independence, his willingness to work, and work hard.

FAIRPLAY NEEDED

But the world about him has changed. The ways of farming have changed. The world in which he must compete for survival has changed. Manmade changes have hemmed him in on all sides by a complex, legislated economy, in which he has too often become the forgotten man.

None of us can thwart the tide of change. Our task is to keep abreast of change, to keep pace with the progress and the problems it creates, and to look to the future.

If the farmer must compete in a legislated economy, to ask him alone to exist by the simple standards of a bygone generation is like asking our superhighways of today to be governed by traffic rules of the horse-and-buggy days. Only confusion and tragedy can result.

In a democracy dedicated to serving all the people, what is wrong with farmers asking the Government—their government—to remember that they, too, must be able to keep pace with the times, and must have traffic rules that do not leave them by the wayside as everyone else zooms past on the highway of modern life and modern living?

Government—your government—has the obligation, under our Constitution, to promote the general welfare—not the welfare of the few at the expense of the many.

Congress recognized that obligation in declaring it to be the policy of our country that prices and income of farmers should be maintained on a basis of parity with other segments of our economy. With full parity as its goal, our government launched a courageous and historic series of national farm programs aimed at achieving that objective.

MEN OF GRIT COMBINE

From time to time those programs have been changed, improved, and adapted to agriculture's changing needs—but always the same objective has been spelled out—the objective of parity prices and parity income.

Let me say right now, that it has taken nonpartisan support from the great farm States of our Nation to maintain our strides toward the objective, and to withstand the powerful pressure that would divert us. It has taken the wholehearted support of men who know and understand agriculture, and men with plenty of gumption to stand up and be counted—sometimes against their own colleagues—like my good friend, the distinguished Republican Senator MILT YOUNG of North Dakota. I was proud to fight shoulder to shoulder with him in the great battle of 1949 for the Russell-Young amendment, to keep our farm program from being diverted away from its historic objective.

We have made progress, tremendous progress, under the stabilizing influence of our national farm programs.

STILL FAR FROM GOAL

Hand in hand with the concept of fair returns for agriculture came other great strides forward in American farm life—reasonable credit, sound conservation, rural electrification. We've tossed out the kerosene lanterns, and brightened the rural countryside with electricity. We've eased the drudgery of farm life by bringing the blessings of modern conveniences and modern power to the farm. We've checked the depletion and waste of America's potential productivity, by lifting the face of the rural countryside through sound conservation farming. We've strengthened the opportunities for farm ownership, by a credit structure geared to agriculture's needs. We breathed new life, new hope, new opportunity into a prostrate rural America—and with it, we breathed new strength and new stability into the entire American economy.

From such gains we can never turn back. Yet the real job has just begun. We are still far from our goal, far from the original

objective of equality which agriculture started out to achieve. And there are still forces at work to divert us from that objective, both through misguided differences of opinion over methods of achieving it, and deliberate intent to keep us from achieving it. Together, they make a formidable foe.

LABOR RECALLS PAST

By devious means, they seek to divide and divert the farm unity of this country. They try to turn consumers against farmers, to turn farmers against labor, and labor against farmers, and to even turn farmers against farmers—to split your own household against you.

They are failing on one front. American labor is still the farmer's best friend. They are your customers, yet they know you are their customers, too. They, too, haven't forgotten grim lessons of the past; and they are worried about dangerous symptoms of the present. They want farmers to have decent prices and decent incomes, just as they want such goals for themselves. They know that only in a well-balanced, expanding economy can higher living standards be maintained for all. Farmers need more of such understanding among consumers.

FARM RANKS BREACHED

But the forces historically alined against you have gained on another front. They have split the ranks of agriculture itself.

At a time when unity of purpose is needed in agriculture as never before since the great crusade of 1933, new leadership of some major farm groups has wavered from the very objectives upon which their own organizations grew great and powerful. In the heat of controversy over how such objectives can best be achieved, willingly or unwillingly, they have allowed themselves to be diverted from the objectives themselves.

Where now are the voices of Ed O'Neil and Louis Taber, forceful voices crying out for full parity, for full equality of economic opportunity for agriculture?

Thank God the great voice of Bill Thatcher has never been stilled, has never wavered, has never been sidetracked from the main line of agriculture's fight for full economic equality.

You can be thankful, too, for the vigorous leadership of Jim Patton as president of the National Farmers Union.

GTA PACED THE FIGHT

Every farmer-stockholder of GTA can be proud of the great record of achievement and service of this cooperative grain marketing organization. It has done more than serve you well. It has fought for you. Along with the Farmers Union, with which it is affiliated, it has always been in the forefront of the struggle for a square deal for all farmers.

Agriculture needs such vigorous champions today.

Agriculture would do well, today, to harken back to the wise words of Ed O'Neil in 1941, when he prophetically said:

"This issue raised is very clear * * * that issue is whether the parity objective is to be a reality for American farmers, or whether it is to be merely an illusive mirage, constantly dangled before the eyes of farmers, but which they are never permitted to attain."

Now, as then, that is the issue.

The issue is joined; the battle lines are being drawn.

SOME WANT JUNGLE LAW

On the one hand, we have those lacking faith in democracy, men of little vision and less confidence in America's ability to maintain a dynamic, expanding economy. They are the flexers, holding to a philosophy of scarcity, an outmoded philosophy of survival by jungle laws alone.

On the other hand, we have those holding firm to the conviction that government in a democracy must promote the general welfare, with equality of economic growth and progress.

Between these groups is a large segment of the American population which, unfortunately, fails to fully realize how much everyone is involved. They have taken our abundance for granted. America has never suffered scarcity. As a result, many haven't stopped to realize perhaps, how our abundance has kept prices to consumers reasonable. A smaller percentage of our income is required to purchase food and clothes in America than anywhere else on earth, freeing more money for purchase of homes, automobiles, television sets, and other products keeping the wheels of industry and commerce spinning. All of us should be concerned about what makes that abundance of food possible. We should be looking ahead, too, at our population growth of 2,700,000 a year—new people who have to be fed and clothed and provided with jobs. They, too, have a stake in this struggle.

The issue is not whether the present farm programs are perfect.

It is whether we hold firm to the basic objective of those farm programs—the right of farmers to equal economic opportunity—while seeking to improve our means of achieving it.

The challenge is to go ahead, rather than turn backward.

With our eyes firmly fixed on the same historic goal, there is much more that we can and must do—and do now.

A TIME FOR COURAGE

We must point closer to the income objectives set forth time after time in our farm legislation, the take-home pay the farmer receives. We must raise our sights, rather than lower them, toward effective devices to achieve full parity.

We need to extend price protection to the major income-producing perishable commodities, as well as the storable products. To achieve such price protection, we must use the methods or combination of methods most effective for each commodity. A diversified agriculture may call for a diversified approach. On those commodities where the price support system has worked well, both to the benefit of the producer and the consumer, let there be no tinkering or tampering. For those commodities, particularly in the perishable field, where experience may reveal the need for improved methods of price protection, let us have the courage and the imagination to try new methods. This is within the American spirit. We are not hidebound by doctrine or theory. We are a practical people. As such, all of us want to see food used, not wasted.

LONG PLAN REQUIRED

We need longer range assurance of stability for agriculture. The American farmer justly deserves a long-range policy he can depend upon. Temporary extension of legislation, year by year, does not represent a policy; it represents only expediency. Constant uncertainty as to the long-range agricultural policy is within itself a source of instability within the market place. Farmers must not be left to the discretionary whims of any Secretary of Agriculture. Discretionary authority will always mean indecision and uncertainty; mandatory protection under the law means certainty and stability. The time is at hand to quit treating agricultural policy as if it were a biennial political football, to be kicked around every election year.

Effective price protection, of course, is just a foundation.

IMPORT CURBS VITAL

We need to develop new outlets and uses for our food and fiber. We need to learn to live with abundance, and use it wisely for the greatest good of humanity. To protect and expand areas of freedom in this world, we must think of full stomachs as well as full cartridge belts.

We need expanded international trade, but we need at the same time, common sense protection against certain groups of farmers having to suffer economic losses amounting to more than their fair share of the burden of maintaining our foreign trade policies. I refer specifically to the increasingly serious problem of competing barley, rye, and oat imports from Canada. I want to commend both Senators BILL LANGER and MILT YOUNG for their leadership in seeking the proper use of the protective administrative devices Congress has had the wisdom to provide for such a situation, a fight in which I have given my wholehearted support.

We need assurances that production restrictions shall not be placed upon any important food commodity at any point below the total of domestic consumer need, plus normal exports and an adequate safety reserve including a special reserve for use in strengthening our foreign policy. In acreage restrictions on wheat, we need recognition of the differentials in types and qualities, some of which are in short supply while others are in surplus. Wheat is not just wheat; it has many varieties, used for different purposes. Durum is an example of a variety of which we need more, rather than less.

CONSERVATION

We need adequate incentive premiums to convert diverted acres under production restrictions to soil building conservation practices, rather than to other competing and soil-depleting crops.

We must make greater progress in conservation. We must harness the destructive force of excess water, and convert it to constructive use. We must extend rural telephone service to farm homes of America, just as we have extended electric light and power. We must continue our progress in research and marketing efficiency.

Obviously, there is much that can be done to improve our farm legislation—without taking away any of the advantages it now offers. It is in that spirit Congress must approach its task of writing firm, constructive, long-range farm legislation at its forthcoming session. And, it is in that spirit, I am sure, that my Senate colleagues of the great agricultural Midwest and South will stand firmly together, regardless of party.

American agriculture, at long last, has come of age.

It accepts responsibility to be concerned about the well-being of all the American people.

DON'T WANT FAVORITISM

Farmers asked only what is rightfully theirs, by their heritage as American citizens: The right of equal treatment and equal respect, under the law of our land.

I know that is your conviction. I know it has long been mine. But it is time that all the American people recognized and accepted that right of equality for agriculture. It's time they accepted it as in the best interest of the entire Nation—not just for the benefit of farmers alone.

Tonight marks the 162d anniversary of our Nation's Bill of Rights. As a nation, we are dedicated to preservation of these rights of all the people, rights we hold to be inalienable. We guard and protect these rights zealously. They are the very cornerstone of our democracy.

But, perhaps it is time that we, as a nation, also dedicate ourselves to preservation of certain rights for the American farmer, as the custodian of the very basis of our national life.

FARM BILL OF RIGHTS

I propose as a standard from which agriculture should never again retreat this farmer's bill of rights:

1. The right to full equality of economic opportunity.

2. The right for improved standards of rural living.

3. The right of reasonable protection against natural hazards.

4. The right to extend agricultural free enterprise through cooperative action.

5. The right to public cooperation and assistance in saving the soil.

6. The right to preserve the social and human values of family farming.

7. The right to decent land tenure which would encourage the desirable goal of farm ownership.

8. The right to a democratic voice in his own farm program.

9. The right to benefits of an expanding world trade.

10. The right to a long-term program of food storage to encourage abundance.

Much could be said about each of these fundamental rights for agriculture. They involve the right to a fair share of the national income for agriculture through more reasonable assurance of fair rewards and adequate incentives for those who efficiently and abundantly provide for the food and fiber needs of the Nation. They mean modern schools, roads, housing, and health facilities and services in rural areas equal to those afforded city folks. They mean protection against forces beyond agriculture's own control, through adequate farm credit facilities geared to agriculture's needs; through crop insurance, within the farmer's ability to participate, through disaster aid when needed to protect both the public and the individual interest; and through price-support programs designed to contribute stability to our entire economy, and to protect the farmer from being left at the mercy of speculators.

CO-OPS NEED FREEDOM

The bill of rights for agriculture means the right of farmers to self-help through farming cooperatives for marketing farm products, purchasing farm supplies, and providing essential services, such as extending the benefits of electricity and telephones in rural areas, with legal protection against efforts to curtail the effective functioning of such farm cooperatives. They mean the right of aid in conserving the Nation's agricultural resources—our productive lands, water supplies, and forests—so that these resources will be permanently useful for the benefit of generations to come.

They mean adequate landlord-tenant arrangements for sharing the income that the soil produces, with adequate opportunity for tenants to advance up the ladder toward farm ownership. They mean an effective voice for the farmer in his own destiny such as farmer participation in both administration and development of farm programs through democratically elected farmer committeemen, and self-determination of the needs of adjusting production to a reasonable balance with demand through voluntary farmer referendums. They mean facilitating the flow of farm exports to broaden the base of our farm economy.

A RIGHTFUL HERITAGE

The farmer's bill of rights means greater public recognition of the wisdom and necessity for maintaining at adequate levels our storage food banks of feed and food reserves safeguarding the Nation from any eventuality. They mean public policies making more effective use of the abundance farmers are capable of producing, policies enabling the farmer to see his food used wisely, rather than be wasted; to see the output of his land and his toil make its utmost contribution toward stamping out hunger and deprivation at home and abroad, and serving as the humanitarian arm of the Nation's foreign policy, in our efforts to create a better and more peaceful world.

These, I believe, are basic rights of American agriculture.

They are not new rights. They are not rights of special privilege, gained through misuse or abuse of tremendous power over the lifelines of the Nation's food supply.

WE'VE EARNED THE RIGHT

Rather, they are rights of historic precedent, earned by the great and continuing contribution of agriculture to American life—the fulfillment of the Nation's needs in peace or war, in good times or bad, at personal profit or personal loss.

They are rights set forth as public policy, time after time, in the objectives of legislation enacted by the Congress of the United States.

They need reiterating now only as a guiding beacon of light, cast upon the darkness of confusion surrounding current controversy over America's farm policy.

They must be just as zealously guarded, against forces which seek to destroy them, as we guard other historic rights, privileges, and responsibilities of freedom in our democracy.

That, I believe, should be American agriculture's rallying point for unity today—and the Nation's challenge to fully exemplify the meaning of democracy as equal opportunity for all.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953

The Senate resumed the consideration of the bill (S. 144) to amend Reorganization Plan No. 2 of 1953.

Mr. CURTIS. Mr. President, the Rural Electrification Administration was originally conceived to be operated as an independent agency. The original intent of the law was that the REA program should be operated by an independent agency of the Government. That law was changed somewhat by the Reorganization Act of 1939, and was again changed by the Reorganization Act of 1953.

Senate bill 144 is not a satisfactory solution to the problem now before us. The bill has been changed materially in the past few weeks.

Senate bill 144 provides that the program "shall be exercised and administered within the Department of Agriculture by such Administrator under the general direction and supervision of the Secretary of Agriculture."

The bill makes an exception to that; and the exception is confined to the approval or disapproval of loans. The exception does not even include the general fiscal policy of the REA.

An amendment, offered by me and the distinguished senior Senator from Georgia [Mr. RUSSELL], would establish the REA as a completely independent agency, as it was originally conceived. That amendment to Senate bill 144 is being printed. It is now the pending question.

Mr. President, I could spend a great deal of time appraising the rural electrification program. It has been one of the finest programs ever developed for American farmers. It is something the American farmers are paying for. The REA cooperatives have had an excellent record of repayment. The program has brought a new day to the farms of America not only by the use of electric lights, but also by the use of electric-powered equipment of all kinds. The program is successful. The repayment record is good. The present Administrator, Mr. David Hamil, is the finest REA Administrator the Government has ever had. He is doing an outstanding job. He has the confidence of the farmers of the Nation.

But notwithstanding the splendid record of Mr. Hamil, certain fears and apprehensions have arisen throughout the country because reorganization acts have vested in the Secretary of Agriculture all the power the Administrator of the REA had. The Committee on Government Operations held hearings on this matter. Representatives of local REA's and individual farmers appeared before the committee. I attended the hearings. As I recall, I took occasion to ask every witness who appeared whether the service he had been receiving from the REA was satisfactory. Every witness replied in the affirmative. I asked each witness whether his REA had made application for a loan which had been denied. Each of the witnesses replied that that was not the case.

Nevertheless, one could sense a fear of the power of the Secretary of Agriculture over the REA program. They did not like that power. They held to the opinion that there was a possibility that the program would take a turn other than to their liking.

I do not regard that as a condemnation of the present Secretary of Agriculture. Every Secretary of Agriculture encounters a certain amount of controversy. We have controversy and we have politics concerning an agricultural price-support program. We have controversy and we have politics concerning proposed legislation with reference to any crop, whether it be sugar, cotton, wheat, corn, or whatnot. If Senate bill 144 is passed and is enacted into law, the Secretary of Agriculture will still have the general direction and supervision of the REA program.

After the hearings were held last year, I went home and discussed this matter with a number of REA leaders. The opinion was unanimous that what ought to be done is to have the REA set up as an independent agency.

The proposal in which the distinguished Senator from Georgia [Mr. RUSSELL] has joined me, as an amendment of S. 144, does that very thing. The proposal is not a new departure. The REA Administrator would lend money to local REA's so that they could carry out their programs.

The Curtis-Russell amendment proposes to do in this case what was done in the case of the Farm Credit Administration. Public Law 202, 83d Congress, 1st session, created the Farm Credit Administration as an independent agency. The law took the agency out of the Department of Agriculture and established it on its own. It removed the Farm Credit Administration from all the controversy and politics that go with something that is as difficult to legislate for as is the entire field of agriculture. The Curtis-Russell amendment follows the same pattern. I am referring to Public Law 202 of the 83d Congress, 1st session, relating to the Farm Credit Administration. The first sentence of section 3 reads:

The Farm Credit Administration shall be an independent agency in the executive branch of the Government.

I ask unanimous consent to have printed in the RECORD as a part of my remarks at this point subparagraphs (b), (c), (d), and (e) of section 7 of that act.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

(b) Employees in the Department of Agriculture who are being utilized on the effective date of this Act primarily for the performance of functions, powers, and duties heretofore or by this Act vested in the Farm Credit Administration, shall be transferred to the jurisdiction and control of the Farm Credit Administration in those instances in which the Governor determines that they are qualified and necessary to carry out the functions, powers, and duties of the Farm Credit Administration.

(c) All assets, funds, contracts, property, and records used and employed in the execution of the functions, powers, and duties heretofore or by this Act vested in the Farm Credit Administration are hereby transferred to the jurisdiction and control of the Farm Credit Administration.

(d) So much of the unexpended balances of appropriations, allocations, and other funds available or to be made available for salaries, expenses, and all other administrative expenditures as the Director of the Bureau of the Budget shall determine for use in the execution of the functions heretofore or by this Act vested in the Farm Credit Administration, shall be transferred to and vested in the Farm Credit Administration.

(e) All unexpended balances of appropriations, allocations, or other funds, other than those mentioned in subsection (d) of this section, available (including those available for the fiscal year ending June 30, 1953) for the Farm Credit Administration and/or for the Secretary of Agriculture on account of the functions and activities of Farm Credit Administration, shall be transferred to the Farm Credit Administration and shall remain available for the exercise of the functions and activities of the Farm Credit Administration.

Mr. CURTIS. Mr. President, if the Senate should pass S. 144 as reported by the Committee on Government Operations, it would certainly be legislating confusion, because the Senate would say, on the one hand, the Secretary of Agriculture shall have general supervision and direction of the program, and, on the other hand, the Senate would say, "except he shall not have any supervision or control of the approval or disapproval of loans."

If the Senate is to give any attention to the problems raised as set forth in the hearings, it should go all the way and vest authority in one place. If S. 144 as reported should pass, there would result a situation wherein the determination of general policy for REA would vest in the Secretary of Agriculture. Such authority would be broad in its scope. Legal policy, legal requirements, legal procedures, and like matters, would be subject to the authority of the Secretary of Agriculture.

If S. 114 as reported by the committee should pass, there would be vested in the Secretary of Agriculture the determination of policies to be adopted in reference to interest and recommendations for raising or lowering interest rates.

If the Curtis-Russell amendment or substitute shall be adopted, that authority will be vested in the REA Administrator. If the Curtis-Russell amendment shall be enacted, the authority over his own legal department will be in the hands of the Administrator. Whoever controls the legal department of an agency can determine the actions of the agency.

If S. 144 as reported by the committee shall be passed, all policies of the agency will be subject to the general supervision and control of the Secretary. Likewise, the Administrator's assistants, his help, all of his personnel, his budget, and everything that determines the program he will be able to carry on, will be subject to the general supervision and control of the Secretary of Agriculture.

It seems to me we are faced with a problem. We had a fine independent agency. Under the reorganization acts the agency was placed in the Department of Agriculture. If it is to be left in the Department, that is a decision the Congress should make. But certainly Congress should not leave the agency in the Department and have the authority so divided that the farmers of the country and the local REA's will find nothing but confusion in the fixing of responsibility for the conduct of the REA program.

If S. 144 as reported by the committee shall be passed, the borrowers will have to look to the Secretary of Agriculture for the ultimate determination of every decision and every policy relating to REA except as to the mere approval or disapproval of a loan. While the making of the loan is a very important act, the power of the agency would be narrowed to a single function.

I am thoroughly convinced that if the National REA Association were to carry back to its members and to the farmers of the country a request for a decision as to whether, if there is to be legislation, the REA should be constituted an independent agency or whether Congress should legislate confusion, as is proposed by S. 144 as reported by the committee, the farmers would be in favor of the establishment of an independent agency.

Mr. President, the Curtis-Russell amendment, as I have stated, follows the pattern of the Farm Credit Administration. It begins by stating that there shall be created and established in the executive branch of the Government an independent agency to be known as the Rural Electrification Administration.

It provides that Administrator Hamil shall continue as Administrator.

It calls for the appointment, at the end of Mr. Hamil's term, of an Administrator for a period of 10 years, at a salary of $20,000 a year.

Its purpose is to give the REA the status it ought to have; namely that of an agency in its own right. Its purpose is to remove from confusion, from controversy, and from agricultural legislation politics, the fine program of the REA.

The amendment sponsored by me and by the distinguished Senator from Georgia [Mr. RUSSELL] provides for a transfer of the employees now working in the REA to the new agency, and for a transfer of the assets, appropriations and powers. It follows very closely the pattern established by Congress in Public Law 202 of the 83d Congress relating to the Farm Credit Administration, parts of which I have already had printed in the RECORD.

Some question has been raised as to whether, if the Curtis-Russell amendment should prevail, the same committees which now handle authorizations and appropriations for REA would continue to do so. We have added section 4 to make that matter abundantly clear.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a copy of the Curtis-Russell amendment.

There being no objection, the amendment in the nature of a substitute offered by Mr. CURTIS for himself and Mr. RUSSELL was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That there is hereby created and established in the executive branch of the Government an independent agency to be known as the 'Rural Electrification Administration' all of the powers of which shall be exercised by an Administrator who shall be appointed by the President by and with the advice and consent of the Senate for a term of ten years and who shall receive a salary of $20,000 per annum. The Administrator shall have direction, supervision, and control of the Rural Electrification Administration and all of its operations and functions as authorized in the Rural Electrification Act of 1936, as amended.

"SEC. 2. The incumbent of the Office of Administrator of the Rural Electrification Administration appointed before the effective date of this Act shall serve the remainder of the term for which he was appointed. At the expiration of such term, or if the office shall become vacant at any time for any reason, the President shall designate an Acting Administrator to exercise and perform all functions, powers, and duties vested in the Rural Electrification Administration until the appointment and qualification of an Administrator, as provided in the first section of this Act.

"SEC. 3. (a) Employees in the Department of Agriculture who are being utilized on the effective date of this Act primarily for the performance of functions, powers, and duties provided for in the Rural Electrification Act of 1936, as amended, shall be transferred to the jurisdiction and control of the Rural Electrification Administration in those instances in which the Administrator determines that they are qualified and necessary to carry out the functions, powers, and duties of the Rural Electrification Administration.

"(b) All assets, funds, contracts, property, and records used and employed in the execution of the functions, powers, and duties authorized by the Rural Electrification Act of 1936, as amended, are hereby transferred to the jurisdiction and control of the Rural Electrification Administration.

"(c) All unexpended balances of appropriations, allocations, or other funds available (including those available for the fiscal year ending June 30, 1959) for the Rural Electrification Administration and for the Secretary of Agriculture on account of the functions and activities of the Rural Electrification Administration shall be transferred to the Rural Electrification Administration and shall remain available for the exercise of the functions and activities of the Rural Electrification Administration.

"SEC. 4. (a) Notwithstanding any other provision of this Act, or of any rule of the Senate or of any committee of the Senate, any proposed legislation or other matter (including appropriations), relating to the administration of the Rural Electrification Act of 1936, as amended, shall, after the date of

enactment of this Act, be referred to the same committees and subcommittees of the Senate to which such proposed legislation or other matter would have been referred had this Act not been enacted.

"(b) This section is enacted—

"(1) as an exercise of the rulemaking power of the Senate and as such it shall be considered as part of the rules of the Senate, and shall supersede other rules of the Senate only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of the Senate to change such rule at any time, in the same manner and to the same extent as in the case of any other rule of the Senate."

Amend the title so as to read: "A bill to establish the Rural Electrification Administration as an independent agency, and for other purposes."

Mr. CURTIS. Mr. President, a reading of the Curtis-Russell amendment will not leave confusion in the mind of anyone. Anyone who reads the amendment will know who is to have the authority in REA matters. He will know who will have authority to go before the Bureau of the Budget and to outline the program. He will know who is to have the authority to recommend to the Congress the interest policy—namely, the REA Administrator, David Hamil. He will know who is to have the authority to run the legal department of the REA—namely, the REA Administrator, David Hamil. He will know who is to have the authority to establish any policy with reference to the REA.

Mr. President, who knows where authority will rest under S. 144? The whole theory of the reorganization plans was to establish a chain of command and to give to the Secretary—in this case the Secretary of Agriculture—all the power the administrator of an agency may have.

The bill S. 144 is what we have to consider. In the bill it is stated that the activities of the agency shall be administered by the Administrator of the REA under the general direction and supervision of the Secretary of Agriculture, except that the mere approval or disapproval of loans is not to be subject to his control.

One can raise any question about the REA policy he desires to suggest, but there are still two officials having initial authority, with ultimate authority vested in the Secretary of Agriculture.

Again I say if the National Association of REA Cooperatives, now that this matter has been fully developed in the hearings of the Committee on Agriculture and Forestry and the Committee on Government Operations, will resubmit this issue to the American farmers and to the local REA's, there is no question in my mind that they will say, "Give this fine REA program the recognition it should have. Give the program a status of its own. Make this an independent agency. Do not legislate confusion, with the dual responsibility and the serious questions that are left unanswered by S. 144."

Mr. President, the purpose of these remarks is to outline for those who read the CONGRESSIONAL RECORD the provisions of the amendment we expect to offer tomorrow. I do not know what version will prevail. I do not know whether there will be sufficient votes to adopt the amendment. I hope the amendment will be agreed to, and I am inclined to think it may be.

I am thoroughly satisfied that if any Senator takes the issue back home and submits the decision to the farm leaders in the various localities who run the REA's, those farm leaders will say, "Give us an independent agency with clear-cut authority under one Administrator, and grant recognition not only to a splendid program, the REA program, but grant recognition also to the most outstanding REA Administrator we have ever had, Mr. David Hamil."

I am likewise convinced that should S. 144 become law, as written, it will be most unsatisfactory to all these people.

Mr. President, I yield the floor.

Mr. LANGER. Mr. President, one of the most important issues of interest to the people of North Dakota, as well as other parts of the country, is the question of the REA interest rate. I have spoken on this subject many times, but today I should like to have printed in the RECORD a speech I made on the floor of the Senate on January 23, 1958. I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Mr. LANGER. Mr. President, this morning I introduced two bills dealing with REA. I ask unanimous consent that a statement prepared in connection with the bills may be printed in the body of the RECORD following the introduction of the bills.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"I have asked for the floor because I want to speak up against the robbery of the American people. It is a robbery that has been going on for years, but I don't think we should let another day pass without doing something to stop it. I am referring to the practice of electric power companies in spending countless millions in propaganda advertising and political activities and then adding the costs of this propaganda to their cost of operation and making the consumer pay for it in his electric bill.

"ELECTRIC POWER A MONOPOLY INDUSTRY

"As everyone knows, the electric power industry is a monopoly industry. The man that wants electricity must buy it from the company that services his community and he must pay the rates which they charge. The consumer has absolutely no choice in the matter. Because of this monopoly position enjoyed by the electric power companies the law provides that they are allowed to charge only such rates that will enable them to cover their costs of operation and their costs of obtaining the money that they need for that operation. Obviously, money spent to attack some public development or to propagandize the consumer along certain political and economic lines, is not a cost of the operation of an electric power company.

"The electric consumer wants, and is entitled to receive, the best possible electric service at the lowest possible cost. The electric consumer should not have to pay the cost of expensive advertisements, in slick national magazines, attacking TVA, or a Federal Hells Canyon project, or the rural electric cooperatives of the country. Expenditures of that kind do not contribute to any better or cheaper service for the consumer—on the contrary, all that they do is to increase his electric bill.

"Can you imagine what the electric consumer would say if his electric-light bill showed that 5 or 10 percent of it—or any amount of it, no matter what the percentage—was being charged him because his electric-power company wanted to feed him propaganda against rural electric cooperatives? Or because they wanted to lobby against Hells Canyon? Can you imagine what would happen if your electric bill read: "$10 for electricity, $1 to finance propaganda by the company to make you think TVA is socialistic." I don't have to tell you that overnight there would be such a howl of protest that either the electric-power companies would stop that practice immediately or something would be done to make them stop it. The only reason that the electric consumers all over the country are not raising their voices in protest—the only reason they are not knocking at our doors and filling our offices—is that they don't know what is going on. They are being taken and taken badly, but they don't know it.

"But you and I know it, and the public utility commissions of the country know it. What possible excuse do we have for allowing this robbery to continue? I tell you that I am going to speak up against it at every possible opportunity and I am not going to let up in this fight until this outrageous practice is stopped.

"MISLEADING ADVERTISING

"Now, back in the 1920's the National Electric Light Association tried to control public opinion through its propaganda advertising and political activities. And of course, at the same time they were charging the costs of this public opinion control to the electric consumer himself in his electric bill. These practices became so outrageous that they were investigated and exposed by the Federal Trade Commission, and for a while conditions improved. Some of the more naive thought perhaps the practice had been licked and that the electric power companies would not again try to brainwash their customers at their customers' expense, but apparently it takes a lot more than that to keep the electric power companies in line. Actually, for the last 15 years these old practices and abuses have been renewed and once again the electric consumer has had to foot the bill for his misinformation. The electric power companies of the country have spent and are spending millions of dollars of their customers' money in this attempt to mislead and control the thinking of their customers. They have tried and are trying to brainwash them at their own expense.

"There are four major organizations through which the electric power companies are carrying on this brainwashing campaign. There is the Edison Electric Institute, which prepares the statistical ammunition and cooperates with educational institutions in the preparation of literature. Then there is the electric companies' advertising program, which hands out advertising to magazines and newspapers, sponsors weekly radio and television programs, and provides its member companies with the material for them to use locally. Then there is the electric companies' public information program, which provides material for use in speeches, and by the local press and employee publications. Finally, there is the National Association of Electric Companies, which carries on the lobbying activities in Washington.

"Between the years 1941 and 1952, the electric companies' advertising program alone spent more than $5 million for mass circulation news ads and almost $7½ million for national radio and television hookups. Their advertisements appeared regularly in the Saturday Evening Post, Life, Farm Journal, Country Gentleman, and the Progressive

Farmer. They have sponsored such national programs as Nelson Eddy, the Hour of Charm, Helen Hayes, and Meet Corliss Archer.

"This is just a small sample of what the electric power companies spend for propaganda purposes. I can go on and on listing their expenditures, but you know them as well as I do. You know that the amount is huge, the purpose improper and the practice inexcusable.

"WHAT IS THIS PROPAGANDA?

"And what is this propaganda that the electric consumer is being compelled to finance without his consent? There is the propaganda that tries to convince the American people that any activity of cooperatives or any Government agency in the electric power field is socialism. I have here a copy of an advertisement which has on it a map of the United States covered by dots, supposedly representing existing and proposed Federal power and cooperative installations—and in bold print under the map is the question, 'A Socialistic United States of America?'

"This is the most outrageous type of misrepresentation imaginable. The cooperatives are the finest example of private enterprise that we have. They are not Government owned. They are owned by the same farmers that they serve. Coupling the cooperatives with Government installations is completely dishonest—and the power companies know it. Yet they tax their customers in order to feed back to them this lying hogwash. The good farmers who own and operate these rural electric cooperatives bitterly resent this shameful, lying attack on their patriotism. And I for one intend to do something about it.

"This whole advertisement is, of course, hogwash. There is no element of socialism even in the Government's power program. The Government is not in the retail electric business and the electric power companies are not in a free-enterprise business. Socialism to me and to the American people means interference by the Government in the free-enterprise system. It does not mean the activities of the Government in the electric power field, any more than it is socialism for a local government to supply its citizens with sewage facilities or with water. The electric power companies know this just the same as you and I, but they don't care what they say if they can turn the public against Government and cooperative power activities—especially when they can make their customers pay for it.

" 'TAXPAYING ELECTRIC INDUSTRY'?

"And look at all the ads by the electric power companies trying to establish themselves as the 'taxpaying electric industry.' They don't pay the taxes and they know it. The taxes are included in their operating expenses and all they do is collect it from their customers and turn it over to the Government. They don't pay the taxes—their customers pay them.

"And look at all the other misleading propaganda they publish about the rural electric cooperatives. They talk about the profits that the cooperatives are making. What profits? How can a cooperative make profits? How can anyone make profits out of dealing with himself? The cooperatives were organized by their members in order to serve themselves. They serve themselves at cost. Anything that is left over at the end of the year belongs to the same farmers who furnished the money. The power companies know this. They know that cooperatives do not make profits. They know that coperatives are nonprofit organizations. And yet they keep repeating this same lie over and over again.

"Now what possible sense does it make—what possible right do the electric power companies have to spend millions in this type of propaganda advertising and then turn around and charge the electric consumer the cost for having his brain washed? There is no right—neither legal nor moral—and yet this has been going on for years. I ask you—what are we going to do about it?

"SALUTE TO PUBLIC SERVICE COMMISSION

"Fortunately, some of the State public service commissions are beginning to wake up to their responsibilities and are refusing to permit the power companies to include these propaganda expenditures as part of their operating expenses. I salute the public service commission of Wisconsin for recently ruling that electric power companies cannot charge their customers for the cost of political advertising attacking rural electric cooperatives. But there is not enough of this type of ruling. We need more vigilance and concerted action by all of the State regulatory bodies to make sure that not 1 cent of this brainwashing fund is charged to the electric consumer. And we in the Congress can do something about it also. We can pass laws to make sure that the Federal Power Commission does not allow these propaganda expenses to be charged as operating expense in any case before the Federal Power Commission. And we can also pass laws to make sure that these expenditures cannot be relied upon by the power companies to reduce their income taxes.

"USEFUL ADVERTISING

"There are, of course, types of advertising which are definitely part of the operations of an electric power company. Advertisements which help increase the use of electricity, or which tell the consumers of new electric appliances, or which help educate the consumers on the proper use of electricity—all these are legitimate purposes. And the costs of advertisements relating to these purposes are a legitimate expense of operation. Advertising going beyond this, however, is not an expense of operation and must not be charged to the consumer.

"Now, I want to make it perfectly clear that I don't care how much these electric power companies spend on their propaganda and I don't care what they say in their propaganda. Of course, like every American, I would like to see the day come when they told the truth for a change. But even if they want to keep on telling their lies, let them do it. Let them say whatever they want to about BILL LANGER, and TVA, and Bonneville, and Hells Canyon, and the rural electric cooperatives, provided they pay for it out of their stockholders' money and not charge it to the electric consumer in his electric bill. That is my point. Let them talk, let them advertise, let them do anything they want to do, but let them pay for it out of their own money.

"I tell you it is a disgrace and crying shame that this has been allowed to go on as long as it has. Those of us in every branch of every government that have allowed this to go on should hang our heads in shame. We have stood by and watched the eletcric consumer get robbed of millions of dollars and we have not done anything to stop it. I say that the time has come when we must do something to stop it and I hope that in this session of Congress we can get through some bills which will stop it at least insofar as the Federal Government can stop it. And by the illustration we give by our action, I hope that the State legislatures and the State commissions will stop this robbery at the State level.

"TWO PERCENT INTEREST RATE HIGH ENOUGH

"Now, there is another thing I want to talk about and that is the current drive that is on to double or possibly triple the REA interest rates. The Director of the Bureau of the Budget sent a proposed bill up to the Congress last June which would raise the REA interest rate from its present level of 2 percent to at least 4½ percent and it might possibly go higher than that. Now, the Government entered into an agreement with the rural electric systems that the interest rate would be 2 percent provided the systems extended service on an areawide basis to all of the people in rural areas who wanted and needed electric service.

"The REA cooperatives have carried out their part of the agreement as is evidenced by the fact that more than 95 percent of the farmers have electric service today.

"At the very same time that the administration sent this bill to the Congress it was negotiating a loan to the British Government for $3,750 million at 2 percent, with permission for the British to waive up to 7 annual payments of interest and principal if payment threatened to work a hardship on them, and they have exercised their right to waive payment. It is all right to lend the British money at 2 percent and waive annual interest and principal payments, but when it comes to our own rural electric systems, which are serving thinly populated rural areas, then this is all wrong.

"I am bitterly opposed to any change in the REA interest rate and will fight it as long as I am in the Senate.

"I want to give you three or four reasons why the REA interest rate should not be increased:

"1. The rural electric cooperatives have a most enviable repayment record. No other agency of the Federal Government in the lending business can claim as good a repayment record. As of June 30, 1957, the rural electric borrowers had paid back $425.8 million in principal and $281.5 million in interest. Furthermore, as of that date, only $200,602 in principal and interest was overdue more than 30 days.

"2. Throughout the life of the rural electrification program the Federal Government has made—not lost—money. This fact comes straight from the Comptroller General of the United States who reports in the REA audit for fiscal year 1956 that the REA has a net margin of interest income over interest expense of $54,177,262.

"3. As long as the Government continues to subsidize the private power companies under sections 167 and 168 of the income-tax laws there can be no justification for an increase in the REA interest rate except for purpose of destroying the program.

"I mentioned earlier the British loan and I will not repeat here anything further on it.

"This attempt to raise REA interest rates is nothing more nor less than an attempt by the commercial power companies to destroy the REA systems; and if we are not on our guard here in the Congress, it will be done."

REVITALIZATION AND STABILIZATION OF THE NATION'S COAL INDUSTRY

Mr. BYRD of West Virginia. Mr. President, it is evident that the ultimate hope for the revitalization and stabilization of our Nation's coal industry must lie in the direction of securing new and varied markets for coal. And the only possible way to discover and utilize these new uses for coal is through coal research.

To illustrate the enormous potential for coal which might be developed through research, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial which was published last month in the Williamson (W. Va.) Daily News. This editorial points out that coal has the potential for the production of literally thousands of various

products—from phonograph records to aspirin, to explosives, to perfume, to medicine, to cosmetics, and one could continue ad infinitum—if the methods for making these products are but developed.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COAL OFFERS GREAT POTENTIAL

The prosaic lump of coal is a veritable treasure chest yielding a seemingly endless variety of products.

The Germans even made ersatz butter from coal during World War II, and a scientist predicted recently that synthetic food will become a major byproduct of coal.

Other products now derived in whole or part from coal include aspirin, phonograph records, laughing gas, the flavoring in most vanilla ice cream, perfume, embalming fluid, laxatives, synthetic vitamins, dyes, TNT, moth balls, indelible pencils, clay pigeons, paint, synthetic rubber, saccharin, and fingernail polish.

This is just a sampling. There are believed to be more than 200,000 chemical byproducts of bituminous coal, the National Geographic Society says. Relatively few, however, are marketed commercially.

The multitude of substances are part of the rich yield from coking ovens, which release the "buried sunshine" in coal. When coal is heated to high temperatures in the absence of air, the solid residue is carbon-rich coke, essential in producing steel.

The gases produced in the coking process are equally important. In recent years special plants have been built to distill and process chemicals from the gases. Coke is simply the byproduct.

One of the most versatile of the some 350 compounds derived from the coking process is coal tar. A young English chemist, W. H. Perkin, made a synthetic mauve dye from coal tar in 1856, giving England its "mauve decade" and opening the way for a vast synthetic chemical industry.

Coal tar, a sticky, foul-smelling substance, can be treated to produce many products, including the delicate perfume scents of newmown hay and orange blossoms. Almost 25 tons of violets once were required to make a single ounce of natural oil—a process now duplicated easily in the laboratory.

Coal tar also is used to make DDT, sulfa drugs, photographic developers, weed killers, refrigerants, road paving, detergents, carbon electrodes and antiseptics.

Other gases drawn off and treated after coking produce an array of substances, including plastics like nylon and the flexible resin polyethylene. When drained of much of their chemical wealth, the gases can be burned as fuel.

Although chemicals are important, coal is mainly used for fuel in the United States. Slightly more than half of all electric power in the United States is generated from that source. The steel industry is the next largest consumer.

It is the decline in the demand of coal as a fuel which is bringing about the current depressed conditions in the coal mining industry. Railroads and steamships, which once were big consumers of coal in the field of transportation, now use very little.

It is the present imbalance which makes it imperative that Congress give favorable consideration to pending legislation which would place greater emphasis on establishing a coal research commission. Perhaps the future of the coal industry, and particularly our own area in the coal-laden region of southern West Virginia, rests in the greater development of byproducts.

Mr. BYRD of West Virginia. Mr. President, coal is the most abundant fuel in our country's rich storehouse of natural resources. While other types of fuel appear to be slowly nearing exhaustion, the reserve supplies of coal are so vast that they stagger the imagination. They are fully ample to sustain our Nation until it has finally utilized the ultimate source of fuel—the atom. While coal production today is measured only in millions of tons, the total known reserve of American coal nears the staggering, imagination-defying figure of a trillion tons. And these bountiful reserves are spread throughout considerably more than half the States of the Union. North Dakota, for instance, has coal reserves estimated at 175 billion tons. Montana has reserves of 110 billion tons. Illinois has 68 billion tons. Wyoming has 60 billion tons. Kentucky has 59 billion tons. My own State of West Virginia has 52 billion tons. Altogether, a total of 27 States have substantial coal reserves, and 22 States have reserves of more than a billion tons.

Clearly, Mr. President, this is a gift from God which is too valuable to be allowed to lapse into misuse. The almost unlimited potential of our coal reserves should be utilized to the greater prosperity and well-being of our Nation, instead of being permitted to sink slowly into an ignominious abandoned condition.

The path to a greater utilization of coal—and to improved living conditions for all Americans—lies in the direction of coal research.

It is true that the coal companies themselves have been making an effort to undertake coal research programs. But these companies, for the most part, are barely able to survive under current operating conditions, and have been able to spend only meager amounts for research. For instance, the 1957 report of the House Subcommittee on Coal Research pointed out that, in 1955, the coal industry spent only $17,382,400 on research, while the petroleum industry spent $145,900,000, and the chemical industry spent $361,100,000. Thus it can readily be seen that the coal industry of today is unable to "go it alone" adequately in the mushrooming field of research.

Two years ago, the House Subcommittee on Coal Research issued a report which stated:

From 1925 to 1953, inclusive, the bituminous coal-mining industry experienced a net loss in 13 of the 27 years for which data are available, and in only 2 of the 27 years were fairly good profits obtained. * * * Viewing industry's earnings from another angle, it is found that the value, f.o.b. mines, of the total production of bituminous coal in 1953 was on the order of $2,247 million, from which the incorporated producers * * * realized a profit after Federal taxes of less than $13 million—or a calculated net profit of less than three-quarters of 1 percent of the gross value of the coal produced. It is doubtful that any other major industry vital to the economy of the Nation has experienced anything approaching the depressed financial condition of the coal-mining industry over the past 20 years.

This is a rather hopeless picture for the men who invest their money in America's coal industry. And to illustrate the fact that coal mining is still unprofitable today, Mr. President, I ask unanimous consent to insert in the RECORD an article from the March 1 edition of the Wheeling, W. Va., News Register. I feel that the headline of this article tells the story. It states: "Investors Get Less Return on Coal Than U.S. Bonds."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INVESTORS GET LESS RETURN ON COAL THAN U.S. BONDS

(By Monroe Worthington)

What does it cost to mine coal? What does the miner get? What do the owners of a business get?

Partial answers to these questions became available last week from study of the annual report of the North American Coal Corp., operators of the Powhatan Mining Co., down river from Wheeling, and of numerous other mines in various States.

The company is among the 10 largest coal producers in the Nation.

The company's net profits seem large, indeed, until this figure, $1,087,240 is divided by the number of tons of coal sold, which was 6,970,323 during the year 1958. Then it turns out that the men who supplied the $38,227,637 invested in the business got a rent of 15 cents per ton for the use of their money. On a percentage basis, this was 2.8—far less than they would have received had their money been invested in Government bonds. But in that case the thousands of people who depend on the company for jobs would have been on the breadlines.

The company does not say these things in its annual report. A company must be brave and dignified. The figures tell the story.

In contrast, 30 cents out of each ton went to the welfare fund of the coal miners. Actually, the miners received 40 cents per ton, but the company produced some Canadian coal and sold it. The company is planning on selling its Canadian operations, and all coal will pay the welfare fund from now on. This goes for hospitalization and pensions for old miners.

Other expenses, each in terms of the nearest cent per ton, were:

Production costs, including labor, repairs, payments to owners, electric power, etc., $4.49.

Sales expense, 31 cents.

Depreciation, the wearing out of machinery, 28 cents.

Interest on money borrowed from banks, etc., 7 cents.

Deferred payment fund, 1 cent.

Miscellaneous costs, 1 cent.

Total costs before taxes, $5.49.

Taxes, 7 cents.

Net to stockholders, 15 cents.

Total costs $5.68 per ton.

The report was signed by H. G. Schmidt, president. This company has a large, creative research department. They are the company which will soon be putting in a pilot plant to turn coal mine wastes into alumina, for ultimate sale to aluminum producers. Other companies have not done as well.

Mr. BYRD of West Virginia. The answer then, must be found in a Government program to bolster coal research, in order that this industry may fully come into its own, and bring its potential myriad of benefits to our Nation. It is my belief, Mr. President, that S. 49, the Coal Research and Development Act introduced by Senator DIRKSEN and cosponsored by Senator RANDOLPH and I and others contains that answer.

The Dirksen bill would create an agency to be called the Coal Research and Development Commission. The

Commission would be charged with the fourfold purpose of, first, developing new and more effective uses of coal; second, improving and expanding existing uses of coal; third, reducing the cost of coal production and distribution; and fourth, emphasizing those developments in uses for coal of particular value to small coal producers.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I am happy to yield to the distinguished majority leader.

Mr. JOHNSON of Texas. I have had numerous conferences with the distinguished Senator from West Virginia on this subject, and I commend him for his tireless efforts and his devotion to this great industry.

I assure the Senator that I believe the statement he has made is very helpful. I should like to see legislation of the type to which he has directed our attention considered by the Senate. I believe that if we could establish such a Commission as he envisions, we might relieve the misery now being suffered by hundreds of thousands of our best citizens.

I visited the Senator's State last fall, and saw with my own eyes conditions which do not exist in very many sections of the country. I saw many fathers who were willing, able, and eager to work, but for whom no work was to be found. That was due to a series of circumstances.

I believe that the proposed commission could very well make a thorough study of the problem, and make constructive suggestions which would alleviate the situation to which reference has been made.

Some persons seem delighted that the unemployment figure has dropped by a few thousand. But so long as there is one man in the country who is able, willing, and eager to work, and who cannot find a job, that is one too many.

I hope other Members of the Senate will join the distinguished Senators from West Virginia [Mr. RANDOLPH and Mr. BYRD] in their efforts to spotlight the need which exists in a great many sections of the country, and that we can have some action on this subject at this session.

Mr. BYRD of West Virginia. I thank the majority leader for his words concerning the need for such a program as I have discussed today. I know that he has been very sympathetic toward West Virginia. He has expressed himself on many occasions. I am confident that he has a very real understanding of the problems which confront us in our State.

I am very grateful for the interest which the distinguished majority leader has shown in our problem. I appreciate very much his comments today in regard to the need for a coal research program.

In carrying out its duties, the Commission would, first, conduct research projects, second, work for the coordination of research operations of industries, universities, and other groups, and third, serve as a great intelligence center for research information and technical papers concerning coal research. The Commission would conduct research efforts on its own only when it is impractical for them to be carried out by other groups.

The benefits of this massive research undertaking would not redound to the financial benefit of only one company, or to only a handful of private interests. The Dirksen bill specifies that no research shall be agreed to by the Commission unless all discoveries and benefits of the work shall "be available to the public generally."

Furthermore, the cost of this program would be small, compared to the expenses of most Government undertakings today. Only $2 million is called for to put the program into operation in this fiscal year, and the allocations for future years is left to the discretion of future sessions of Congress. It is possible that the entire cost of this program might, within a few years, be fully returned to the Government through the increase of tax revenues from the coal industry and coal employees, and through decreased costs of unemployment compensation and welfare programs in coal-producing areas.

To me, Mr. President, S. 49 embodies the progressive, ingenious, forward-looking spirit of the mid-20th century. It contains the promise of a slight governmental boost to put an ailing industry on its feet and start it on the road to the realization of its full potential in our Nation's economy—a boost that would be returned to the people of America manyfold through new prosperity, new products, new employment, and new hope for the men and women of our country's leading fuel industry. With each new coal use discovered through this program, with each new job brought to the suffering coalfields, with each new improvement in America's standard of living, the citizens of the United States would be repaid for the small expense of putting S. 49 into operation.

Therefore, Mr. President, I urge that S. 49 be brought quickly to the floors of both bodies of Congress, and be promptly enacted into law.

Mr. President, I yield the floor.

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 37 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, April 8, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 7, 1959:

ASSISTANT SECRETARY OF STATE

J. Graham Parsons, of New York, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

DEPARTMENT OF AGRICULTURE

Frank A. Barrett, of Wyoming, to be General Counsel of the Department of Agriculture, vice Robert L. Farrington, resigning.

COMPTROLLER OF CUSTOMS

Mr. Stanley Ormsbee Styles, of Saugerties, N.Y., to be Comptroller of Customs with headquarters at New York.

COMMISSIONER, DISTRICT OF COLUMBIA

David Brewer Karrick, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years and until his successor is appointed and qualified—reappointment.

U.S. ATTORNEY

Francisco A. Gil, Jr., of Puerto Rico, to be U.S. attorney for the district of Puerto Rico for the term of 4 years, vice Harley A. Miller, resigned.

IN THE ARMY

Maj. Gen. Leonard Dudley Heaton, O16960, Medical Corps, U.S. Army, for appointment as the Surgeon General, U.S. Army, under the provisions of title 10, United States Code, section 3036.

Maj. Gen. Ralph Thomas Nelson, O17308, Army of the United States (brigadier general, U.S. Army), for appointment as Chief Signal Officer, U.S. Army and as major general in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3036.

IN THE AIR FORCE

Maj. Gen. Bernard A. Schriever, 1519A, Regular Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant general, under the provisions of section 8066, title 10 of the United States Code.

IN THE NAVY

Vice Adm. John M. Will, U.S. Navy, to be placed on the retired list in the grade of vice admiral under the provisions of title 10, United States Code, section 5233.

Having designated, under the provisions of title 10, United States Code, section 5231, Rear Adm. Roy A. Gano, U.S. Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of vice admiral while so serving.

Having designated under the provisions of title 10, United States Code, section 5231, the following-named officer for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of vice admiral while so serving:

Rear Adm. John T. Hayward, U.S. Navy.

IN THE COAST GUARD

The following-named person to be lieutenant in the U.S. Coast Guard:

David C. Klingensmith

The following-named persons to be lieutenants (junior grade) in the U.S. Coast Guard:

Robert A. Biller
Robert R. Tutt
Robert J. Ketchel
Thomas W. Kirkpatrick
Walter W. White
Wesley Goodwin
William M. Devlin
Michael Abarbanell
William F. Roland
Donald L. Prince
Donald L. Frantz
Ronald C. Kolimeyer
Basil D. Harrington
Donald T. Campbell
Floyd D. Hunter
Richard E. Sardeson
George F. Viveiros, Jr.
Kennard M. Palfrey, Jr.
William G. Hicks
John N. MacDonald
Clifton R. Smith
Norman B. Lynch
Norman E. Cutts
Barry C. Roberts
Robert G. McMahan
Bruce L. Solomon
William F. Merlin
Thomas P. Schaefer
Robert Gillespie
James Weiskittel
Donald M. Taub
Richard D. Olsen
Bruce J. Kichline
Don S. Bellis
Charles W. Faircloth
Lynn N. Hein
Arthur K. Hounslea
Neal H. B. Benjamin
Raymond E. Womack
Arthur H. Wagner
James E. Rivard, Jr.
LeRoy C. Melberg, Jr.
William M. Flanders
John G. Stanley
William B. Mohin
Lawrence F. Bond
James A. Granger
Earl L. Sullivan, Jr.
Kirk R. Kellogg
George L. Rettie
Richard I. Rybacki
Laurence C. Kindborn
Joseph H. Wubbold III

William J. Brogdon, Jr.	Joseph F. Smith
David A. Sumi	Vernon C. Jones
Charles E. Moorhead, Jr.	Alan C. Dempsey
	John E. DeCarteret
Arnold Swagerty	Gilbert E. Brown, Jr.
Richard J. Kyte	Parker D. Morris
James I. McLeaish	John L. Callahan
Bruce S. Gathy	Gilbert L. Aumon
John D. Basque	Ernest C. Allen
Paul T. Thevenin	Robert E. McKew
Robert L. Bristol	Richard A. Blackford
Lawrence J. O'Pezio	Robert I. Plattus
James J. Rooney III	Edward J. Quinn
Brinton R. Shannon	Paul D. Henneberry
Roger P. Hartgen	John R. Ehrmann
Ernest G. Marsh	Benjamin K. Schaeffer
George R. Oberholtzer	

The following-named persons to be ensigns in the U.S. Coast Guard:

Albert Jeremiah Allison III
Roger Allen Andersen
Richard Lee Andrews
Clarence Clyde Atkins, Jr.
Ronald Glenn Barnes
Anthony Christopher Beardsley
Richard Harry Beiter
Stanley Edward Bielski
Jason Michael Bowen
Robert David Brown
Peter Arnold Bunch
Garret Thayer Bush III
John Dominic Campbell
Edmond Gaines Case
James Alexander Chappell
James William Coste, Jr.
John Ernst Cummings
Thomas Joseph Cunningham
John Deck III
William Michael Devereaux
John Richard Edwards
James Edward Foels
Richard Willis Folker
Gerald Ray Foster
Dean Allen Frankenhauser
David Robert Garner
John William Gerometta
Jack Carroll Goldthorpe
William Bayard Hewitt
James Gerald Heydenreich
Donald Leo Hoffer
John Terrence Howell
William Burgess Howland
Frank James Iarossi
Robert Joe Imbrie
John Edward Irwin
John William Klotz
Otto Robert Kossmann
George Eric Krietemeyer
Edouard Wilfred LaCroix, Jr.
Peter Christian Fabricius Lauridsen, Jr.
William Philip Leahy, Jr.
Charles Stanley Loosmore
Thomas Frank Marucci
Stephen Jay Thomas Masse
James Lane McDonald
Garald Henry McManus
Robert Fritz Meisheimer
Lawrence Eric Meyer
James Wesley Miller II
Donald Leslie Milroy
Charles Stanley Mincks
Ronald Francis Miscavich
James Terrence Montonye
Thomas Norman Morrow, Jr.
Harold Frederick Norton, Jr.
Frank Walfir Olson
Paul Edward Pakos
Bruce Albert Patterson
David Lemar Pepple
Ronald Marion Polant
Geoffrey Thomas Potter
Bryson Smith Randolph
Robert Reynard
Walter Scott Rich
Frank John Ropiak, Jr.
Ralph Daniel Sanford
William Nolden Schobert
Gerald William Seelman
Robert Edward Shenkle
Andrew Harley Sims, Jr.
Joel Douglas Sipes
Bruce Clayton Skinner
Robert Howard Thornton
Joseph Edward Vorbach
William George Walker
Paul Andrew Welling
Robert Russell Wells
Floyd William White, Jr.
Robert Bruce Workman, Jr.

The following-named persons to be chief warrant officers, W–3, in the U.S. Coast Guard:

Joseph R. Rowland, Jr.
Richard F. Goward
Kenneth M. Lumsden

The following-named persons to be chief warrant officers, W–2, in the U.S. Coast Guard:

Robert E. Gardner	John F. Curry
Clayton W. Collins, Jr.	Peter D. Corson
Ralph G. Isacson	William R. Lipham
Joseph J. Bookout	Axel J. Hagstrom
Maynard J. Fontaine	David L. Abbott
Richard D. Mellette	John H. Hancock, Jr.
Eugene L. Davis	Francis M. Coonrod, Jr.
Dewey F. Barfield	
Frank J. Diersen	Donald L. Alsup
Kenneth L. Heinzen	Cyril D. Maxwell
Howard Janke	Julian W. Howell
Fleming C. Walker	Charles T. Silk
Harry W. Perdue	John F. Sutton
Bill M. Aldridge	Norvon B. Freeland
Alfred E. Sporl	John M. Cogan
Aubrey R. Patten	Dale R. Foster
Walter Hamilton	Robert Burke
Billy G. Read	Gordon H. Dickman
Emmerson E. Chambers	Albert L. Olsen, Jr.
	Carl L. Lane
William E. White	James H. Scott
Kenneth G. Robertson	Donald L. Sherman
James G. Wilcox, Jr.	William Senn
Robert J. Descoteaux	Milton J. Stewart
William W. Thurmond	Delmar F. Smith
Thomas M. Hall, Jr.	Johnnie Cox
Neal G. Nelson	George F. Garvy
John P. Sanken, Jr.	Harold E. Geck
Robert Casper	Robert E. LaRose
Arthur W. Lee	Robert E. Nielsen
Earle K. Hand	Daniel E. Baumbaugh
Benjamin A. Ramsey	Leon D. Lawson
John W. Colton	Charles F. Gailey, Jr.
Harold W. Doan	Bruce S. Little
Raymond W. Willcox	John O. Leatherwood, Jr.
Edgar S. Hutchinson	
Frank H. Steinheiser	Hodges S. Gallop, Jr.
David A. Corey	David W. Irons
John B. Thwing, Jr.	Patrick M. Shellito
Kenneth E. White	Wilfred E. Cobb, Jr.
Raymond H. Mathison	Charlie R. Polly
Richard A. Schnase	Eugene D. Gray
Richard G. Nelson	Lee J. Kelley
Edward L. Bailey	Everett G. Walters
Charles W. Mason	

HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1959

The House met at 12 o'clock noon.

Rev. Charles W. Holland, Jr., pastor, Fountain Memorial Baptist Church, Washington, D.C., offered the following prayer:

Solomon prayed, I Kings 3: 9: *Give therefore, Thy servant an understanding heart * * * that I may discern between good and bad.*

Eternal God, Holy Father, as this stately body convenes in a time when arduous decisions must be made, in an age when it is so important to make right decisions, give these servants wisdom.

We thank Thee, that as Solomon was privileged to pray for wisdom so every servant of Thine has the prerogative to ask for the same.

Humble our Christian laymen, and may energy spent in destructive criticism of this group be diverted into channels of prayer and constructive criticism.

God direct our Speaker and give him strength and wisdom as he leads us. We know that this can only come from Thee.

Bless us as we walk together in the name of Jesus Christ our Saviour, we pray. Amen.

The Journal of the proceedings of Thursday, March 26, 1959, was read and approved.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER. The Chair desires to announce that, pursuant to the authority granted him on Wednesday, March 25, 1959, he did on March 26, 1959, sign the following enrolled joint resolutions of the Senate:

S.J. Res. 47. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; and

S.J. Res. 73. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 Olympic games in the United States.

THE FARM PROGRAM

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a table.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, many statements are being made about the cost of the farm program. Ever since the budget was published I have been getting inquiries about why the farm program costs are so high.

One reason for this is that when the budget was published it set out approximately $5.4 billion for the stabilization of farm prices and income. Another reason is that the agricultural budget has reached a point where there is legitimate concern about its size.

In order to understand the farm budget better, we have made a breakdown of 1959 fiscal year expenditures. One shows expenditures which benefit the general public or someone else more than the farmer. The other shows expenditures which benefit the farmer more than anyone else.

Our intent is to present in an unbiased way a picture of how the items in the agricultural budget should be charged. Officials of the Department of Agriculture have done this in a general way in a table issued January 27 of this year.

At the close of these remarks we are placing a table in the RECORD to show the breakdown as we have made it from the budget and from Department figures for the 1959 fiscal year. USDA officials have cooperated with us in developing this table, and it has been checked by them.

The business of providing food and fiber for our country is one of the most basic industries we have. For this reason, the agricultural budget goes way beyond the farmer himself. Let me illustrate:

For a number of years we have had the school lunch program. This is not intended to be a program for farmers. It is a program for the schoolchildren of the country. Certain funds, and in some cases certain foods, are made available to schools meeting the necessary standards for the serving of school lunches.

In the present fiscal year the budget provides $144 million for this purpose. More than 2 billion meals are being served to 11 million schoolchildren in some 56,000 schools throughout the country. State and local groups are matching the Federal contribution by nearly 3 to 1.

The wool price support program is just the opposite. The $21 million in payments on wool this year go directly to wool growers. In fact, it is intended as an incentive. The $713 million included in this year's budget to finance the soil bank acreage reserve is another direct outlay to farmers.

The current fiscal year's budget has an item of $150 million for food distribution to the aged and the needy. This is properly considered as a program benefiting the general public rather than the farmer specifically. There is another item of $240 million for the agricultural conservation program. This might be called a borderline case. For every dollar of Federal funds spent on this program the farmer on the average spends another dollar. The effect is to give double benefits to conservation industries and to the general public in national conservation gains. However, we are counting this program as one primarily benefiting the farmer. Conservation payments are made directly to the farmer, and are used as an incentive to make it possible for farmers to contribute as much to conservation as they receive.

There is a clear distinction between the $21 million carried in the current budget to finance meat inspection, and the $68 million to finance the sugar program. Meat inspection is clearly a service provided for the general public. The sugar program is one of direct benefit to the sugar producer and to the domestic sugar industry.

When you hear that the current budget has $5.4 billion charged up for stabilization of farm prices and incomes, remember that more than $1 billion of this is represented by the value of commodities sent to other countries under the program known as Public Law 480, and for which we receive foreign currencies. This is strictly a foreign relations and defense program. It involves the use of surpluses after they have been produced. In my opinion it is an excellent program which is serving the country well and could perhaps serve it even better. But this money is not properly chargeable to farmers. The Department recognizes this in its January 27 compilation.

Also charged to the farmer in the current budget are $129 million worth of materials for which farm products have been bartered under the Public Law 480 program and are being transferred to the supplemental defense stockpile. This also is recognized by the Department as not appropriately chargeable directly to the farmer. The international wheat agreement involving $65 million in the fiscal year 1959 budget also is a program bearing more directly on foreign relations than upon agriculture itself.

Included in the total for stabilizing farm prices and incomes is one item involving $38 million for the financing of military housing in Europe. If this sounds farfetched, it is because the use of some surplus farm products was involved in this financing.

What about the cost of farm price support itself?

The budget for this fiscal year shows $3,118 million for price support, supply and purchase programs. Our table allocates $989 million as appropriately chargeable to farmers directly out of this amount.

Most of the $3 billion charged to price support is backed up by crops turned over to Commodity Credit Corporation by farmers as collateral for the loans they have received. The $989 million which I consider to be appropriately chargeable to farmers out of the total represents an estimate of a little more than 1 year's loss on such commodities.

The farmer is not given a handout. In exchange for a loan, he turns over to the Government commodities meeting certain grade and quality requirements. It is appropriate to charge the farmer with the loss on these commodities for 1 year, and possibly a little longer. It is not appropriate to charge the farmer for everything.

One reason is that the farmer has no control over what happens to the value of his collateral after it gets into the hands of Commodity Credit Corporation. On the other hand, the policies of the Department of Agriculture have much to do with what happens to the value of the farmer's collateral.

Another reason is that more than one-third of total expenditures for price support involve spending of primary benefit to business. These represent a proper charge against price support programs, but it does not seem fair to charge such expenditures to farmers.

The largest of these business items is one of $683,173,000 representing storage, handling and transportation charges for a year. In other words, a little more than one-fifth—22 percent—of all the price support expenditures, went to the people who store, handle, and ship our grains, cotton, tobacco, and other commodities.

The second largest business expense is $203,215,000 for the cost of exporting crops. This is an appropriate charge in terms of the disposal of a commodity, but hardly proper as a charge against the farmer. There may be some that are surprised to know that our merchant marine obtains so large a subsidy from the farm program. In addition, the shipping interests of this country have a subsidy program all their own. It has averaged $175 million a year for each of the last 20 years. You may remember in our hearings last year the report on nonfarm subsidies which showed that ship subsidies had totaled $3.5 billion in a 20-year period.

The third largest of the business expense items for price support in the current fiscal year is $102,368,000 as net interest cost. Needless to say, this does not go to farmers. The other business items include nearly $42 million for the purchase of strategic materials; about $37 million for acquisition of additional storage facilities. Administrative expenses, including Federal Reserve bank charges, totaled $48,802,000. The figures are all given in some detail in the table that follows.

When the charges are more appropriately assigned to their proper place, Mr. Speaker, the farmer is allocated $1,831 million out of the $5,386 million charged to him in the budget for stabilization of farm prices and income. This represents 34 percent of the total now so charged.

If to this are added the cost of the agricultural conservation program and the conservation reserve—and there are those who would argue with force that conservation is not properly chargeable to agriculture alone—the total expense assigned directly to farmers out of the entire 1959 agricultural budget comes to $2,212 million. This represents 30 percent of the total budget of $7,341 million.

Estimated Department of Agriculture 1959 fiscal year budget expenditures

	Amount	Of the items listed at left these are appropriately chargeable to farmers
	Millions	*Millions*
Charged to farm program for stabilization of farm prices and incomes:		
Price support, supply and purchase programs: This includes expenditures primarily to business totaling $1,116 million, but these funds do not go to farmers [1]	$3,118	$989
Public Law 480, title I—exchange of farm commodities for foreign currencies	[2] 1,049	
Public Law 480—transfer of bartered materials to supplemental stockpile	[2] 129	
Soil bank—acreage reserve	713	713
International Wheat Agreement	[2] 65	
Wool program	21	21
Food distribution	[2] 150	
Sugar program	68	68
Marketing quotas and allotments	40	40
Other (military housing $38,300,000, waterfowl feed $35,000, and sale of stockpile cotton less $5,100,000 net income from crop insurance program)	[2] 33	
Charged to farm prices and incomes	5,386	
Properly chargeable		1,831

See footnotes at end of table.

Estimated Department of Agriculture 1959 fiscal year budget expenditures—Continued

	Amount	Of the items listed at left these are appropriately chargeable to farmers
	Millions	*Millions*
Programs mainly for benefit of the farmer:		
Agricultural conservation program (for every dollar of Federal funds spent on this program the farmer on the average spends another dollar, providing double benefits to conservation industries and to national conservation gains)	240	240
Conservation reserve program—payments made in exchange for removal of a specified number of acres from production for a stated number of years, and for carrying out conservation practices on the land while idled	141	141
Other programs, all with multiple benefits and not directly chargeable to farmers: [2]		
Disaster relief, title II, Public Law 480 program	[2] 106	
School lunch program (over 2,000,000,000 meals to 11,000,000 children in 56,000 schools during fiscal 1959; Federal contribution matched nearly 3 to 1 by State and local groups)	[2] 144	
School milk program	[2] 73	
Investment in REA and FHA loans subject to repayment	[2] 590	
Long range programs for the improvement of agricultural resources, including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and public land management	[2] 651	
Total agricultural budget	7,341	
Properly chargeable to farmers		2,212

[1] The business expense items include $41,810,000 for purchase of strategic materials; $203,215,000 export cost; $36,841,000 purchase of storage facilities; $102,368,000 net interest expense; $48,802,000 administrative expenses, county office expense, Federal Reserve bank charges, etc.; $683,173,000 storage, handling, and transportation charges for a year.

[2] Funds are considered by the Department of Agriculture to have multiple benefits and should not be directly chargeable to farmers. These are shown in a USDA tabulation dated Jan. 27, 1959.

CATAWBA INDIAN NATION

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, I have introduced today legislation intended to clear up a situation with regard to the Catawba Indian Nation, which exists in South Carolina. These proud people who have always exhibited the best citizenship, have depreciated numerically from 6,000 people who owned 144,000 acres of land to 614, at the latest count, who own 4,000 acres of land. Unfortunately, the land is tied up today so that these people cannot borrow for their homes nor do they have the other privileges and responsibilities to which their citizenship entitles them. It is my purpose to put these people and their land on an even keel, an even station, with other citizens of the United States.

For many years these people have been excluded from the privileges of development as they hold no title, except mutual title, which the banks and other lending institutions cannot accept as collateral.

Chief Blue, who led his people for many years, told me the first time I asked him about this problem, that the people should be allowed to own the land, and borrow on it. He told me again the last time, when I went by to see him during the Easter recess. Chief Blue is retired now, but he can reflect on many years of honorable leadership. He wants his people to have the same privileges as other citizens.

The Catawbas have voted for this legislation. They just voted a resolution to have me introduce a bill. After the bill was prepared, I went to the district, met with those who showed enough interest to come, and they voted more than 2 to 1 for the bill introduced today.

Finally, Mr. Speaker, I want to thank and commend the Bureau of Indian Affairs for its help and cooperation. We have all worked hard on the problems presented and I hope and believe this legislation will be fruitful.

CRUDE OIL IMPORTS

Mr. VANIK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, on March 10 President Eisenhower ordered mandatory controls on imports of crude oil and petroleum products. He said mandatory controls were necessary because voluntary controls did not work. The record shows that at the very time the President made his price-fixing order voluntary controls were working. February imports were almost 60,000 barrels a day below the established voluntary quota levels.

There are many ridiculous results of the President's decree ordering mandatory oil import quotas. It has recently been disclosed that oil import quotas have been assigned to certain refiners who were not previously engaged in oil import. They promptly sold or transferred their import quotas to companies engaged in the import business at fabulous profits created by the Eisenhower decree at the expense of the ultimate consumers.

Free enterprise is indeed a wonderful thing for these refiners when the President creates an asset they can sell at a handsome profit with no risks involved.

SUBCOMMITTEE NO. 2, COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the Committee on Banking and Currency may sit during general debate.

The SPEAKER. Is there objection?

There was no objection.

FOOD FOR PEACE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I wish to associate myself with the very fine remarks made on Thursday, March 26, by my colleague, Mr. WOLF, when he addressed this body with cogency and fluency about "food for peace through the United Nations."

I indeed join with him in his concern not only in using our surplus foods to aid millions of starving peoples in other areas of the world, but also in helping our fellow citizens here at home who lack the means to purchase basic food commodities.

The idea of using our surplus foods, for which the taxpayer has already invested, instead of further investing in silos and storage facilities, makes good dollar sense. But even more significant, our surplus foods can and should become a major ingredient in the world struggle with which we are faced.

We would be touching base with lesser developed but awakened regions of the world, and for once language would be no barrier.

The objectives behind the remarks of the gentleman from Iowa are in line with the "food for peace resolution" introduced earlier in this session. I and other Members of this body joined with Mr. McGOVERN in introducing a House concurrent resolution expressing "that it is the sense of the Congress that an agricultural abundance is one of America's greatest assets for raising living standards and promoting peace and stability in the free world; and that Congress favors action to resolve the paradox of American agricultural surpluses and world food needs by more fully utilizing the resources of the American farmer as an integral part of the U.S. farm assistance program."

It is my sincere hope that Congress will act affirmatively to achieve the objectives discussed by the gentleman from Iowa and those set forth in the pending resolution.

A QUICK TOUR OF EUROPE: THE AIR FORCE LEADER EXCHANGE PROGRAM AND NATO'S STRENGTH

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 15 minutes.

Mr. PORTER. Mr. Speaker, should the Air Force attempt to establish a leader exchange program with NATO reserve officers?

How strong are we in Europe?

What policies should we press for in negotiations as to the status of Berlin?

I took these three questions to Europe with me when I left Washington March 14, 1959. An answer to the first question was the purpose of the 12,500 mile, 2-week trip which was under the sponsorship of the Air Force and the Reserve Officers Association.

The other two questions arose naturally. Later this week, along with colleagues here, Members of Parliament in the United Kingdom and possibly French Deputies, I expect to make public our conclusions with respect to Berlin. Today I shall deal with the first two questions.

PROMOTING BETTER UNDERSTANDING

Many leader exchange programs exist, but none has been established with respect to Reserve officers. In 1948, as part of the Smith-Mundt Act, Congress authorized the leader exchange program "to promote a better understanding of the United States in other countries and to increase mutual understanding by the people of the United States and the people of other countries."

This also has been called the people-to-people program and has the strong support of the President.

In the words of able Maj. Gen. R. A. Grussendorf, Assistant Chief of Staff for Reserve Forces, Headquarters, USAF, our 2-week trip to seven NATO nations was a feasibility test. We met with reserve officers throughout Europe and we concluded, emphatically and unanimously, that the program should be launched as soon as possible.

In Brussels, for example, we found out that reserve officer exchange among European countries has been done successfully for years.

Plans are now being made to invite about 20 NATO reserve officers, not all of them in the air arm, to visit selected Air Reserve training locations in the United States, including unit and individual training, Headquarters Continental Air Command, a numbered air force, the Air Force Academy, Strategic Air Command Headquarters, and perhaps other such installations during a 2-week visit.

VERY LOW COSTS

The costs will be minimal and will require no appropriations. Transportation from Europe will be on a space-available basis. Transportation here will be by Air Reserve units carrying out regular training. Quarters will be paid for the individuals and will be in bachelor officer facilities. The Reserve Officers Association, as an organization and through various members, will take care of most of the social affairs.

My distinguished colleague from Louisiana, Mr. T. ASHTON THOMPSON, and I were the only Members of Congress on the trip. Both of us are Air Force Reserve officers.

The other members, in addition to General Grussendorf, were an outstanding group of officers, mostly but not all in the Reserve. They were as follows:

Brig. Gen. Daniel DeBrier, USAFR, lawyer.

Col. John W. Richardson, USAFR, vice president, Reserve Officers Association.

Col. Don C. Ross, USAFR, industrialist.

Col. Eugene E. Myers, Office of Legislative Liaison, Headquarters, USAF.

Col. Norman B. Beasley, USAFR, executive director, for air, Reserve Officers Association.

Lt. Col. Arthur W. Herron, USAFR, industrialist.

Lt. Col. Paul J. Scally, USAFR, Radio Corp. of America.

Maj. M. P. Parsons, Office of the Vice Chief of Staff, USAF.

Maj. J. J. Leonard, Assistant Executive to the Assistant Chief of Staff for Reserve Forces, Headquarters, USAF.

Our trip took us to the Azores, Paris, Wiesbaden, Brussels, Copenhagen, Amsterdam, London, Rome, Naples, Gibraltar, Azores, and Newfoundland. We traveled in the air for more than two and a half days—63 hours and 30 minutes—in all. We never missed an engagement on our schedule and our air travel was without a hitch, something not too common, especially in Europe at this time of the year.

I want to take this opportunity to pay tribute to our crew's highly professional performance, especially to the pilot, Capt. Wilfred Barrett, but also to the team he so ably led. The others included Lt. Col. Arthur W. Herron, USAFR, industrialist from Los Angeles, also a member of our delegation, and himself a competent and experienced pilot; Maj. Noble D. Wright, pilot; Capt. E. R. Savage, navigator; T. Sgt. H. M. Edlund, crew chief; T. Sgt. G. E. Pendaris, crew chief; T. Sgt. H. A. Zambryski, radio operator; A1c. R. J. Mullikin, flight steward; A2c. D. F. Dahlund, flight steward.

EXTEND THE PROGRAM

There are many weapons, Mr. Speaker, in the cold war. Leader exchange programs are an essential part of our cold war arsenal. Of course allies, whether in NATO or elsewhere in the world, need to know us personally. If, however, the proposed visit from NATO reserve officers is as successful as I believe it will be, then I suggest that the Defense Department enlarge this program to include the Army and the Navy.

I have another suggestion. We have traded students, farmers, journalists and others with nations who are not allies. Subject to the usual security precautions of course, let us exchange Reserve officers, the very people who must fight world war III if and when it erupts, with all nations, even our potential enemies.

Who wants war? Not our citizens and leaders, not the rank and file of any country. How can we prevent war? By gaining trust and understanding among nations, that is, among their leaders and their peoples. The exchange program is small and its effects slow, but it is a soundly conceived method of fighting the cold war by demonstrating the good faith and peaceful purposes of the United States and its citizens.

And now I turn to the other question, the answer to which I sought on this journey.

How strong are we in Europe?

Stronger than I believed before I made this trip. I saw with my own eyes how well dug in we are in Europe; how so many aspects of our affairs in Europe are standard operating procedures; how familiar our personnel are with the geography, the economics, the politics and all sides of what used to be an unknown continent to almost all Americans.

PLENTY OF WILL TO RESIST

In our NATO briefing just outside Paris the deterrent to war was divided on a placard into three parts: Retaliatory forces (also called the sword) that is, SAC and our missiles; the shield forces, our troops arrayed along the borders of free Europe; and, finally, will. The briefing officer discussed at length the sword and the shield, but did no more than mention the last factor.

He was right. There is a strong will to resist Soviet aggression in all parts of NATO. It needs no protesting or embroidery when you are on the spot.

Of course we shall continue to have problems in Europe and with NATO in particular. Of course we have no reason to be reckless in our dealings with the Soviet Union. But I returned from Europe much encouraged as to our unity of purpose with all allies and our capacity to deter the Soviet Union from overt aggressive action in Europe.

We were privileged to be briefed on the military situation on four different occasions: At NATO headquarters in France, at U.S. Air Force headquarters in Europe at Wiesbaden, by the Danish Government in Copenhagen—this included more than just military matters—and by the NATO headquarters in southern Europe at Naples.

I wish, Mr. Speaker, that my colleagues and constituents could see what the United States and its allies in NATO have built as an organization to preserve freedom in Europe. It is more than a network of airfields, supply lines, communications, training centers, naval bases, and missile launching sites.

It is a family of nations working together through its dedicated sons and daughters for mutual survival and progress. I shudder to think what attrition and tragedy the last 10 years would have brought to the free world if NATO had not been established and painstakingly built to its present high degree of excellence.

Yes, Mr. Speaker, we are strong in Europe. We are not strangers there now. We prayerfully hope, however, that we will never have to use this incredible strength in battle but that through negotiations and measures like the leader exchange program we can amicably coexist in a divided world until that happy, but remote, day when world peace under world law can be attained.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MULTER (at the request of Mr. DOYLE), for an indefinite period, on account of illness.

Mr. MOORE (at the request of Mr. ARENDS), for April 7 to 16, on account of

official business, attending Inter-Governmental Committee on European Migration meeting in Geneva.

Mrs. ST. GEORGE (at the request of Mr. ARENDS), for period of April 7 through 17, 1959, on account of official business.

Mr. WALTER (at the request of Mr. DOYLE), for April 7 to 16, on account of official business, attending Inter-Governmental Committee on European Migration meeting in Geneva.

Mr. FLOOD (at the request of Mr. QUIGLEY), indefinitely, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PORTER, for 15 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. GEORGE P. MILLER (at the request of Mr. MCCORMACK), for 30 minutes, on Thursday, April 9.

Mr. MADDEN, for 30 minutes, on Monday next.

Mr. SCHENCK, for 30 minutes, tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ASPINALL and to include extraneous matter.

Mr. ALGER.

Mr. THOMAS and to include a list of names.

Mr. PORTER in two instances and to include extraneous matter.

Mr. MASON on the subject of foreign aid and to include a bulletin on the same subject.

Mr. BALDWIN and to include extraneous matter.

Mr. O'KONSKI in two instances.

Mr. O'HARA of Illinois (at the request of Mr. YATES) and to include extraneous matter.

Mr. ANFUSO (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. CRAMER and include extraneous matter.

Mr. BERRY.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 12 minutes p.m.) the House adjourned until tomorrow, Wednesday, April 8, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

771. A letter from the national executive director, Girl Scouts of the United States of America, transmitting the Ninth Annual Report of the Girl Scouts of the United States of America, pursuant to Public Law 272, 83d Congress (H. Doc. No. 105); to the Committee on the District of Columbia and ordered to be printed with illustrations.

772. A letter from the Chairman, U.S. Advisory Commission on Information, transmitting the 14th Report of the U.S. Advisory Commission on Information, dated March 1959, pursuant to Public Law 402, 80th Congress (H. Doc. No. 106); to the Committee on Foreign Affairs and ordered to be printed.

773. A letter from the Comptroller General of the United States, transmitting the report on audit of the Federal National Mortgage Association, Housing and Home Finance Agency, for the fiscal year ended June 30, 1958 (H. Doc. No. 107); to the Committee on Government Operations and ordered to be printed.

774. A letter from the Comptroller General of the United States transmitting a report on the audit of the Office of Defense Lending, Treasury Department, for the fiscal year ended June 30, 1958 (H. Doc. No. 108); to the Committee on Government Operations and ordered to be printed.

775. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 18, 1959, submitting a report, together with accompanying papers and an illustration, on a review of reports on Kahului Harbor, Island of Maui, T.H., requested by a resolution of the Committee on Public Works, House of Representatives, adopted April 21, 1953 (H. Doc. No. 109); to the Committee on Public Works, and ordered to be printed with one illustration.

776. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 5, 1959, submitting a report, together with accompanying papers and illustrations, on a review of reports on Connoquenessing Creek at Butler, Pa., requested by a resolution of the Committee on Public Works, House of Representatives, adopted April 12, 1956 (H. Doc. No. 110); to the Committee on Public Works, and ordered to be printed with three illustrations.

777. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting correspondence justifying estimated increased appropriations to the Veterans' Administration for "Inpatient care," pursuant to previous reports required by section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

778. A letter from the Secretary of the Army, transmitting semiannual report of Department of the Army contracts for military construction awarded without formal advertisement for the period July 1 through December 31, 1958, pursuant to section 506, Public Law 85-685, 85th Congress, 2d session; to the Committee on Armed Services.

779. A letter from the Director of Research and Development, Department of the Army, transmitting listing of research and development contracts July 1, 1958, through December 31, 1958, pursuant to Public Law 557, 82d Congress; to the Committee on Armed Services.

780. A letter from the Assistant Secretary of Defense, transmitting a request from the Department of the Army for approval for the construction of a one-unit-plus National Guard armory with motor vehicle storage building at Ishpeming, Mich., and a one-unit National Guard armory at Mobridge, S. Dak., to replace two existing armories which recently were destroyed by fire, pursuant to the authority contained in section 2233a(b) of title 10, United States Code, as amended; to the Committee on Armed Services.

781. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, to provide for the readiness of industrial capacity for defense production or mobilization reserve purposes"; to the Committee on Armed Services.

782. A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, to provide that the Secretary of the Navy shall prescribe the compensation of the academic dean of the Naval Postgraduate School"; to the Committee on Armed Services.

783. A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend section 265 of the Armed Forces Reserve Act of 1952 to define the term 'a member of a Reserve component' so as to include a member of the Army or Air Force without specification of component;" to the Committee on Armed Services.

784. A letter from the Secretary of Defense, transmitting the 11th Annual Report on the National Industrial Reserve, pursuant to section 12 of the National Industrial Reserve Act of 1948, Public Law 883, 80th Congress; to the Committee on Armed Services.

785. A letter from the Deputy Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the "Report on Borrowing Authority" for the quarter ending December 31, 1958, pursuant to section 304(b) of the Defense Production Act as amended; to the Committee on Banking and Currency.

786. A letter from the President, Export-Import Bank of Washington, transmitting the report of the Export-Import Bank of Washington, covering the period July to December 1958, pursuant to section 9 of the Export-Import Act of 1945, as amended; to the Committee on Banking and Currency.

787. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled, "A bill to provide for examination, licensing, registration, and for regulation of professional and practical nurses, and for nursing education in the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

788. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled, "A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended"; to the Committee on the District of Columbia.

789. A letter from the president, D.C. Transit System, Inc., transmitting a revised set of financial statements covering operations as of December 31, 1958; to the Committee on the District of Columbia.

790. A letter from the president, the Foundation of the Federal Bar Association, Washington, D.C., transmitting the report of audit for the fiscal year ending September 30, 1958, pursuant to Public Law 662, 83d Congress; to the Committee on the District of Columbia.

791. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the Mutual Defense Assistance Control Act of 1951"; to the Committee on Foreign Affairs.

792. A letter from the Director, U.S. Information Agency, transmitting the 11th semiannual report for the period from July 1 to December 31, 1958, pursuant to section 1008, Public Law 402, 80th Congress; to the Committee on Foreign Affairs.

793. A letter from the Acting Secretary of Commerce, transmitting a report of foreign excess property disposed of during calendar year 1958 by the U.S. Department of Commerce, pursuant to section 404(d), Public Law 152, 81st Congress; to the Committee on Government Operations.

794. A letter from the Comptroller General of the United States, transmitting a report on audits of Government Services, Inc., and of Government Services, Inc.'s employee retirement and benefit trust fund and supplemental pension plan for the year ended

December 31, 1958; to the Committee on Government Operations.

795. A letter from the Comptroller General of the United States, transmitting a report of the examination of prices negotiated under certain Department of the Air Force contracts with Friden, Inc., San Leandro, Calif.; to the Committee on Government Operations.

796. A letter from the Comptroller General of the United States, transmitting a report on examination of economic and technical assistance program for Pakistan international cooperation, Department of State, for the fiscal years 1955–57; to the Committee on Government Operations.

797. A letter from the Director, Office of Civil Defense Mobilization, Executive Office of the President, transmitting a copy of the report of the Special Advisory Committee on Telecommunication, December 29, 1958; to the Committee on Interstate and Foreign Commerce.

798. A letter from the Administrator, Federal Aviation Agency, transmitting a copy of the 1959 revision of the "National Airport Plan"; to the Committee on Interstate and Foreign Commerce.

799. A letter from the Secretary of the Interior, transmitting a copy of an application for a loan to the Santa Ynez River Water Conservation District of California, pursuant to the provisions of the Small Reclamation Projects Act of 1956 (Public Law 984, 84th Cong., as amended by Public Law 85–47) in accordance with section 4(c) of Public Law 85–47; to the Committee on Interior and Insular Affairs.

800. A letter from the Secretary of the Interior, transmitting a copy of an application for a loan for Centerville-Deuel Creek Irrigation Co., near Centerville, Utah, pursuant to provisions of the Small Reclamation Projects Act of 1956 (Public Law 984, 84th Cong., as amended by Public Law 85–47, sec. 4(c)); to the Committee on Interior and Insular Affairs.

801. A letter from the Under Secretary of the Interior, transmitting one copy of various laws enacted by the Legislature of the Virgin Islands in its 1957 regular and special sessions, pursuant to section 9(g) of the Revised Organic Act of the Virgin Islands of the United States approved July 22, 1954; to the Committee on Interior and Insular Affairs.

802. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled, "A bill to consolidate, revise, and reenact the public land townsite laws"; to the Committee on Interior and Insular Affairs.

803. A letter from the Assistant Secretary of the Interior, transmitting an application for a loan to the Weber-Box Elder Conservation District of Ogden, Utah, pursuant to section 10 of the Small Reclamation Projects Act of 1956, section 4(c); to the Committee on Interior and Insular Affairs.

804. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill for the relief of Vincente Solvia Empleo"; to the Committee on the Judiciary.

805. A letter from the Secretary of the Army, transmitting a draft of proposed legislation entitled "A bill for the relief of Josef Jan Loukotka"; to the Committee on the Judiciary.

806. A letter from the Director, Administrative Office U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to amend subdivision d of section 60 of the Bankruptcy Act (11 U.S.C. 96d) so as to give the court authority on its own motion to reexamine attorney fees paid or to be paid in a bankruptcy proceeding"; to the Committee on the Judiciary.

807. A letter from the Director, Administrative Office, U.S. Courts, transmitting the Annual Report of the Director of the Administrative Office of the U.S. Courts for the fiscal year 1958, and annual and special meetings of the Judicial Conference of the United States held in 1958, pursuant to section 604 (a)(4) of title 28 of the United States Code; to the Committee on the Judiciary.

808. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to provide for payment by the Federal Reserve banks of the cost of constructing a depository for the storage of Federal Reserve notes"; to the Committee on Public Works.

809. A letter from the Chairman of the Board, Tennessee Valley Authority, transmitting additional comments by the Bureau of the Budget and another Federal agency to accompany executive communication No. 714, dated March 13, 1959; to the Committee on Public Works.

810. A letter from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation entitled "A bill to extend the existing authority to provide hospital and medical care for veterans who are U.S. citizens temporarily residing abroad to include those with peacetime service-incurred disabilities"; to the Committee on Veterans' Affairs.

811. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to amend the Internal Revenue Code by increasing the taxes on motor and aviation fuel, and for other purposes"; to the Committee on Ways and Means.

812. A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation entitled, "A bill to extend the Renegotiation Act of 1951 until September 30, 1961, and for other purposes"; to the Committee on Ways and Means.

813. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad"; to the Committee on Ways and Means.

814. A letter from the Secretary of Labor, transmitting two drafts of proposed legislation entitled "A bill to extend the Federal-State unemployment compensation program to Puerto Rico, and for other purposes"; and "A bill to establish a new account in the unemployment trust fund to which an amount equal to all Federal unemployment taxes collected shall be appropriated, and out of which all employment security administrative expenses shall be paid, to increase the amount of the reserve in the Federal unemployment account for advances to the States, to increase the amount of wages subject to taxation under the Federal Unemployment Tax Act, and for other purposes"; to the Committee on Ways and Means.

815. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to extend the unemployment compensation program"; to the Committee on Ways and Means.

816. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to exempt the U.S. Coast Guard from the tax imposed upon the sale or transfer of firearms and ammunition"; to the Committee on Ways and Means.

817. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(b) of the act as well as a list of the persons involved, pursuant to the act of September 11, 1957; to the Committee on the Judiciary.

818. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of certain aliens who have been found admissible into the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

819. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation for the case of Samuel Hochstaedt and his wife Amalie Hochstaedt, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

820. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to the case of Yee Yong Sang, A–11078987, and requesting that it be withdrawn from those now before Congress and returned to the jurisdiction of this Service, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

821. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of an order suspending deportation for the case of Gee Yem, also known as Ly Man, A–8944580, pursuant to section 244(a)(1) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1254(a)(1)); to the Committee on the Judiciary.

822. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

823. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to section 244(a)(5) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1254(a)(5)); to the Committee on the Judiciary.

824. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of an order suspending deportation for the case of Arthur Tuggi Brunner, A–7297541, pursuant to section 244(a)(2) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1254(a)(2)); to the Committee on the Judiciary.

825. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting 344 reports concerning individuals admitted to the United States notwithstanding affliction with tuberculosis, pursuant to section 6 of the act of September 11, 1957; to the Committee on the Judiciary.

826. A letter from the Administrator, General Services Administration, transmitting notice of a proposed disposition of quinine now held in the national stockpile, pursuant to the provisions of section 3(e) of the Strategic and Critical Materials Stock Piling Act (53 Stat. 811, as amended, 50 U.S.C. 98b(e)); to the Committee on Armed Services.

827. A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime contract awards to small and other business firms showing military procurement actions completed during the month of January 1959, and in fiscal year 1959 through January, pursuant to section 10(d) of the Small Business Act as amended by Public Law 85–536; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of March 26,

1959, the following bill was reported on April 3, 1959:

Mr. WALTER: Committee on Un-American Activities. Report on the Southern California District of the Communist Party (Rept. No. 259). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK:

H.R. 6122. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. DOWDY:

H.R. 6123. A bill to amend the law relating to indecent publications and gambling in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FOGARTY:

H.R. 6124. A bill to amend the Fair Labor Standards Act of 1938 so as to increase the minimum hourly wage from $1 to $1.25; to the Committee on Education and Labor.

H.R. 6125. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H.R. 6126. A bill to amend the National Cultural Center Act to provide that the building to be constructed for the performance of symphonies and operas shall be named the Woodrow Wilson Memorial Hall, to provide for a library of the performing arts, and for other purposes; to the Committee on Public Works.

By Mr. HARRIS:

H.R. 6127. A bill to amend the Communications Act of 1934, as amended, by eliminating the requirement of an oath or affirmation on certain documents filed with the Federal Communications Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. HEMPHILL:

H.R. 6128. A bill to provide for the division of the tribal assets of the Catawba Indian Tribe of South Carolina among the members of the tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOSMER:

H.R. 6129. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. METCALF:

H.R. 6130. A bill to stabilize the domestic market prices of lead and zinc; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 6131. A bill to amend the Internal Revenue Code of 1954 to provide a deduction from gross income for amounts paid by a taxpayer for the special maintenance and schooling of exceptional children, and to allow the taxpayer an additional personal exemption for each such child; to the Committee on Ways and Means.

By Mr. MILLS:

H.R. 6132. A bill relating to the rate of tax on the issuance of shares or certificates of stock by regulated investment companies; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 6133. A bill relating to the rate of tax on the issuance of shares or certificates of stock by regulated investment companies; to the Committee on Ways and Means.

By Mr. MURRAY:

H.R. 6134. A bill to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years; to the Committee on Post Office and Civil Service.

H.R. 6135. A bill to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'KONSKI:

H.R. 6136. A bill to authorize the sale of certain tribal land of the Lac du Flambeau Band of Lake Superior Chippewa Indians, Wisconsin; to the Committee on Interior and Insular Affairs.

H.R. 6137. A bill to amend the Internal Revenue Code of 1954 to withhold the tax credit provided under section 3302 from maritime employers in States that do not meet the conditions required by section 3305(f); to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 6138. A bill to amend section 1(15) of the Interstate Commerce Act so as to aid in alleviating shortages of railroad freight cars during periods of emergency or threatened emergency, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H.R. 6139. A bill to amend section 11 of Public Law 85–857 to provide for the payment of emergency officers' retirement pay to certain persons who did not qualify therefor because their applications were not submitted before May 25, 1929; to the Committee on Veterans' Affairs.

By Mr. UDALL:

H.R. 6140. A bill to provide that withdrawals or reservations of public lands shall not affect certain water rights; to the Committee on Interior and Insular Affairs.

By Mr. GIAIMO:

H.J.Res. 330. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HARRIS:

H.J.Res. 331. Joint resolution to establish a commission to study and report on the U.S. telecommunication resource with special attention to the radio spectrum; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.J. Res. 332. Joint resolution proposing an amendment to the Constitution of the United States with respect to the appointment of postmasters; to the Committee on the Judiciary.

By Mr. BALDWIN:

H. Res. 229. Resolution requiring each Member of the House to disclose certain information with respect to his employees and rental of office space, and regulating the place of performance of duties by certain House committee employees; to the Committee on House Administration.

By Mr. MINSHALL:

H. Res. 230. Resolution requiring each Member of the House to disclose certain information with respect to his employees; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States to support legislation striking a certain restrictive phrase from the first sentence of section 6(h) of Public Law 85–508, as set forth in Senate Joint Memorial No. 8; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to prevent enactment of a proposed bill establishing a national wilderness preservation system and designating certain areas to be maintained as a wilderness, passed by the 24th Arizona State Legislature; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States with reference to requesting the establishment of a national cemetery in Arizona; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to enactment of a national food allotment stamp plan; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to the conversion of sea water; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Kansas, memorializing the President and the Congress of the United States to safeguard and preserve established State and individual rights to the use of water within the separate States; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation for the benefit of distressed areas; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation for the benefit of the textile and fishing industries; to the Committeee on Ways and Means.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to consider two resolutions, viz: (1) to oppose measures altering the tax status of cooperatives, and (2) to adopt the Blatnik amendment to the Federal Water Pollution Control Act; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to oppose Federal decisions and trends toward Federal supremacy and usurpation over water which tend to destroy individual and States rights; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States relative to providing for the utilization of Camp Drum in Jefferson County on a year-round basis; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States relative to "Operations Outdoors," the 5-year plan announced by the U.S. Department of Agriculture for modernizing and expanding recreational facilities; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to provide Federal aid to education; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to provide Federal aid to education; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Oregon, memorializing the President

and the Congress of the United States to take such steps as may be necessary to permit the Portland-Vancouver Bridge to be operated as a toll-free bridge, and that the cost of improving navigation on the Columbia River and improving the existing highway be paid for by Congress from gas taxes and other revenues for the Interstate Highway System; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States relative to the disposal of Federal surplus property under the provisions of House bills 707, 986, 2442, and 2186; to the Committee on Government Operations.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States relative to the Wahluke Slope area of the State of Washington; to the Joint Committee on Atomic Energy.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to support the aspirations of the citizens of the District of Columbia for a measure of self-government; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 6141. A bill for the relief of Aloysius van de Velde; to the Committee on the Judiciary.

H.R. 6142. A bill for the relief of Feleciana and Carmen M. Lafrades; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H.R. 6143. A bill for the relief of Mrs. Shigeko Suzuki Mitchell and her minor daughter, Yumiko Mitchell; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H.R. 6144. A bill for the relief of Dr. Giuliano Quintarelli; to the Committee on the Judiciary.

By Mr. KASEM:

H.R. 6145. A bill for the relief of Chieko Yabe; to the Committee on the Judiciary.

By Mr. MONTOYA:

H.R. 6146. A bill for the relief of Mary John Karavas; to the Committee on the Judiciary.

By Mr. MURRAY:

H.R. 6147. A bill to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn.; to the Committee on Agriculture.

By Mr. SISK:

H.R. 6148. A bill for the relief of Gilberto Azevedo; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:

H.R. 6149. A bill for the relief of Wesley C. Newcomb; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

140. By Mr. BUSH: Petition of citizens of Berwick, Pa., urging the repeal of the Federal excise tax on telephone service; to the Committee on Ways and Means.

141. By Mr. HORAN: Petitions of 256 taxpayers in Coulee Dam, Wash., and 36 taxpayers in Reardan, Wash., urging the Congress to confine their expenditures to existing sources and limits of revenue and not to increase taxes; to the Committee on Ways and Means.

142. By the SPEAKER: Petition of the chairman, Steering Committee, Washington Metropolitan Regional Conference, Washington, D.C., petitioning consideration of their resolution with reference to urging the amendment of and prompt and favorable action on Senate bill 910; to the Committee on Interior and Insular Affairs.

143. Also, petition of Francis Jean Reuter, Charlottesville, Va., relative to a redress of grievance relating to treatment received by him and Mrs. Reuter by agencies of the Government; to the Committee on the Judiciary.

144. Also, petition of Milo C. Caughrean, San Francisco, Calif., relative to a redress of grievance relating to a 10-ton sled designed and built by him; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

The Townsend Plan

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. O'KONSKI. Mr. Speaker, when Congress passed the Social Security Act in 1935, it was widely predicted and almost universally believed that title I (the title concerned with old age assistance) would prove to be little more than a temporary stopgap. The theory was that as social security matured and more and more people qualified for old age insurance, the need for assistance would disappear. It has not, of course, worked out that way at all. Today nearly 2,500,000 elderly persons still are recipients of old age assistance. Close to 500,000 persons draw both old age insurance and assistance. The assistance program, which was supposed to have outlived its usefulness after a few years, has become a permanent fixture.

This is most surely to be deplored, not because we are helping people who need help, but because of the stigma that attaches to charity of whatever nature. Our States subject recipients to half a dozen humiliations. The means test, required in all States, is simply a modern version of the Elizabethan pauper's oath. Many States require applicants to sign documents giving the authorities a lien on their homes. Others badger responsible relatives, under threat of legal prosecution, to contribute to the support of welfare clients. In more than half the States the names and addresses of recipients are made a matter of public record.

I know of cases in which elderly women are actually ashamed to cash their welfare checks at the grocery store because they feel they will be looked down upon. I know of other cases in which welfare clients have been reduced to tears by the constant and impersonal probing of case workers. The assistance program strips recipients of their dignity and self-respect. What is even worse, it perpetuates poverty by limiting clients to subsistence levels and penalizing them by reducing their grants whenever they show initiative by earning and working.

There is, to the best of my knowledge, no way of eliminating this disgraceful and un-American system as long as we continue to cling to the present social security system. Yet I think my colleagues will agree that it is desirable to eliminate any program which humiliates and stigmatizes free Americans.

There is a practical way of accomplishing this goal, and it lies in the enactment of a bill, known as the Townsend plan bill, which has been introduced in this session of Congress by Mr. BLATNIK and Mr. GUBSER.

This proposed legislation would solve the problem simply by paying retirement benefits as a matter of right. This cannot be done under present social security because benefits are related to earnings; and people who can show no earnings are disqualified, and therefore must rely on charity. H.R. 4001, by contrast, would impose a universal gross income tax; the rate would be moderate; citizens would automatically be eligible, just as children automatically are entitled to a public education as a matter of right.

Surely there is no excuse in this land of ours for the crushing burden of poverty and the twin evil of grudging charity. These blights can be removed, and there is no reason in this world for further delay.

H.R. 4000 and H.R. 4001 supply the solution. I heartily commend them to the attention of my colleagues. Here is a magnificent opportunity for the Congress to restore dignity and decency to millions of American senior citizens. It is difficult to imagine a goal more noble.

Carlton Cadettes Visit Washington

EXTENSION OF REMARKS
OF
HON. ALBERT THOMAS
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. THOMAS. Mr. Speaker, recently I had the distinct honor and pleasure of welcoming to Washington a group of young ladies from the Jefferson Davis Senior High School in Houston. The 36 young ladies are senior members of the Carlton Cadettes, one of the finest high-school drill corps in the country.

For the past several years the senior members of this group have visited Washington on a tour of the eastern part of the Nation. The visit these young ladies pay to my office and to the Capitol is always one of the highlights of the congressional year to me.

On the trip this year, the cadettes visited Williamsburg and Philadelphia before coming on to Washington. While in

the Nation's Capital, they toured the Capitol and other historic buildings. The young ladies also were able to visit the U.S. Naval Academy at Annapolis.

I am glad that the practice of high school students visiting the Nation's Capital seems to be increasing. These young people, the leaders of tomorrow, have a much better appreciation of our great country and our system of government after visiting the White House, the Capitol, and other points of interest. Certainly, it is refreshing for Washington to play host to thousands of these young visitors each year.

The Carlton Cadettes were accompanied by Miss Frances Newton and Mrs. Lorraine Nix, faculty sponsors for this outstanding group. Others who made the trip to Washington are Lorrie Blackburn, Margaret Boney, Charlotte Cernuch, Deette Dupree, Rosemary Evans, Judy Frederick, Gloria Garcia, Pat Genaro, Susan Gray, Sandra Hauck, Lucretia Hoke, Linda Holder, Betty Howard, Judy Jennings, Mary Krause, Annette Leu, Frances Mendoza, Jean Mitchell, Joyce Muery, Jane Noble, Diana Overstreet, Deanna Partain, Patsy Payne, Terry Perrigin, Linda Plemons, Sue Pool, Karen Sanford, Julia Santos, Estella Schott, Judy Spencer, Betty Thagard, Sally Thompson, Esther Williams, Jennie Wilson, Diane Wolf, Nita Yokem.

A Republican Challenge: Keeping Ours the Party of Freedom

EXTENSION OF REMARKS
OF
HON. THOMAS H. KUCHEL
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Tuesday, April 7, 1959

Mr. KUCHEL. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me last week before the Wayne County Republican Central Committee, at Detroit, Mich.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A REPUBLICAN CHALLENGE: KEEPING OURS THE PARTY OF FREEDOM

(By THOMAS H. KUCHEL, U.S. Senator from California, before Wayne County Republican Central Committee dinner, Detroit, Mich., April 2, 1959)

I am honored by your invitation to speak to my fellow Republicans in this great city of Detroit. Your magnificent State of Michigan and her people, over a century ago, helped to create the forward-looking Republican Party as a political instrument devoted to the liberty of man. Today, Republicans in this modern era face an equal challenge to keep our party the forward-looking advocate of human freedom at a time when that noble concept all too often is destroyed by slavery as in Tibet and East Berlin.

A few weeks ago I told my fellow Republicans in California that the strength of the traditionally American two-party system is pretty much of a question of what we Republicans, in and out of Government, now do and now say. Nobody in his right mind wants innumerable splinter parties with their invariably weak coalition governments. God forbid that we shall ever have in this country the one-party system of Communist Russia. Yet, the sad fact is that we were hurt in the last election. I can speak with some knowledge of Republican damage in 1958. We suffered a political holocaust in California. I am glad to say we are taking forward steps to rebuild our party. To begin with, I think there is a little less cannibalism among our members now. Republicans of varying shades of political ideologies saw first-hand how disagreement over a few columns of the Republican temple gave the Democrats sufficient enthusiasm to succeed in demolishing the whole thing.

The Republican Party is big enough and it ought to be strong enough to have some divergence of views among its membership. Indeed, from such divergence should come the stimulus to produce more constructive public policy. I suggest to my fellow partisans in Michigan that the less fighting you do among yourselves the better. It will give us that much more time to devote to the development of constructive policies for our States, and for the Nation, to which the wise and honest may repair.

One enterprising and provocative bit of political philosophy in the economic field came the other day from a Democratic Member of the House of Representatives who frankly alleged that he could balance the whole Federal budget, if people would only listen to him.

"What we ought to do," he said, "is get all this money that's in savings accounts all over the country out into circulation. I believe the answer to all our financial troubles is in getting that money into circulation. It doesn't do anybody but the bankers any good where it is now. I say let's spend it, live the golden life. What's the sense of just piling it up?"

"Does it bother you," he asked rhetorically, a few weeks earlier, "that our Nation now has a debt of $280 billion? It doesn't bother me. What I want to know is, who does the Government owe this money to? That's a question I've never been able to get anybody to answer."

Well, let me answer. Our $280 billion debt bothers any American who thinks about our Nation's future. Our Federal Government borrowed another $12 billion last year. That's not merely bothersome, it's worrisome. It's deadly serious. And I assume that it is bothersome and worrisome and serious to the people of Michigan to reflect upon the evil fiscal situation which has befallen your State government.

By the way, I understand your Governor is available for his party's presidential nomination next year. I am told that he points with pride to the good things which may have come to the people of Michigan this last decade but, with equal vigor, directs an accusing finger at Republicans in your State legislature and elsewhere and charges them with every single bad thing which in that period may have affronted your Commmonwealth. I am not here to pass judgment on your State's political gains or losses. That is not my business as a Californian. But I can say that during the long years of Republican success in California our party gave the people of my State constructive forward-looking government. It tried, if you let me say so, to determine what course was best for all the people along the lines of the old textbook maxim: "The greatest good for the greatest number." That is the approach which has been vindicated at the ballot box. The Republican Party has been successful in the past. It will be successful in the future, in California, across the Nation, and—I hope—in your own great State in next week's elections.

Republicans, we have an excellent record of accomplishment on the homefront. We abandoned wartime wage controls and price controls when some of our Democratic colleagues were demanding that they be continued in peacetime. We scrapped the unfair excess profits tax on business over partisan opposition. We reduced individual income taxes by 10 percent and we cut most excise taxes in half. We adopted a $33-billion interstate highway construction program. We overcame bitter opposition to enact the first civil rights legislation since Lincoln's time. We fulfilled our national platform pledges for Alaskan statehood and Hawaiian statehood on the basis of bipartisan support. White House foreign policy, these last 6 years, has been approved by a bipartisan majority on every rollcall in the Senate. The farm problem is still a mess because a few Republicans and a lot of Democrats love high rigid price supports. As a symbol of progress by free men, the President's atomic peace ship was authorized. And the courageous leadership of our President, in the Middle East, in Asia, in Africa, in Europe, and in the Americas, unquestionably has contributed greatly to deterring aggression and to preventing war.

The tragically difficult recommendations which the President has been required to make to the Congress find their origins in the events which marked the close of World War II. At that time, the United States, in accordance with our traditional practice, began to demobilize our Armed Forces and to turn again to peacetime pursuits. We devotedly believed that with the creation of the United Nations we could look hopefully forward to an era of peace with justice in our conflict-weary world. We undertook through the Marshall plan generously to assist in rebuilding war-ravaged nations, whether they were allies of ours or not, in what will stand as one of the great unselfish acts of any government, anywhere, and at any time.

How soon the disillusionment came. Historic, freedom-loving European nations began to disappear, as, one by one, they went down the Communist drain. We began in chagrin to realize that the Soviet Union never had any intention of honoring its treaty obligations, but to the contrary, it was bent on pursuing the program laid down by Marx and Lenin with the single objective of communizing the world.

As these foreboding breaches of faith were occurring, the American State Department said:

"The instability of peace the world over is due, in large measure, to deliberate Soviet policy and actions, and to wholesale Soviet violations of basic agreements. Because of the U.S.S.R.'s record in ignoring its international pledges, the faith of the world in Soviet signatures has been badly shattered. Whether it be the Yalta Agreement, or a treaty of friendship, the U.S.S.R. has chosen to ignore its sworn commitments whenever it found such actions advantageous for its own purposes."

And, Mr. Dulles thereafter said: "It is now the policy of the United States not to exchange U.S. performance for Communist promises."

It is significant to recall that while America was rushing to return to a peacetime economy, the Soviet Union never did demobilize its own vast military forces but, to the contrary, maintained approximately 175 Russian divisions which was the Red army strength at the end of World War II. And, during the intervening years, these military resources have been greatly increased in their effectiveness through modern weapons, modern training, and improved leadership. Similarly, the Soviet has added to the strength of its air force. It has amassed a fleet of over 400 submarines, far in excess of Hitler's undersea fleet in the beginning of World War II. At the same time, the Kremlin strengthened its hold on the Soviet industrial machine, it sequestered the scientific brains available to it for the

single purpose of producing a nuclear arsenal of ballistic missiles, international in scope, bringing the American continents within their range.

Your great Senator Arthur Vandenberg led this Nation into a clearer recognition of its modern responsibilities when, a little over a decade ago, he introduced the justly famed Vandenberg resolution which successfully led our Nation to a new landmark of American diplomacy. The U.S. Senate adopted your great Senator's proposal which "advised the President to seek security for the free world through U.S. support of mutual defense arrangements, to operate within the United Nations Charter, but outside the Security Council veto. It also advised the President to attempt to strengthen the charter through curbs on the veto, itself, and by providing a United Nations police force together with the regulation and reduction of armaments under dependable guarantee against violation." (Vandenberg papers.)

Those continue to be sound and solid policies for the United States to follow. The Senate, on June 11, 1948, overwhelmingly adopted the Vandenberg resolution, and on that splendid foundation, the American doctrine of collective security formally replaced the outworn policy of pre-World War II isolation.

It is particularly appropriate to recall that resolution tonight as our President and our country join in celebrating a monumentally successful decade of the North Atlantic Treaty Organization, an outstanding example of our country's membership in effective security pacts under the Vandenberg resolution. Prior to NATO, 17 sovereign nations were engulfed by the Soviet, as I say, one by one. Since NATO, no nation in the Atlantic community has either lost her independence nor has been attacked. There is the strong proof of its effectiveness. NATO is a modern adaptation of the old American colonial cry: "In union there is strength." The member states of NATO standing together, solemnly agreeing that an attack on one will be deemed an attack on all, brought Soviet destruction of free states in Europe to a close.

When Red aggression against Korea came, America once again was required to mobilize its military strength to combat Communist imperialism which broke out within our defense perimeter, this time in Asia. The actions of the Soviets from and after Korea have imposed new requirements on the people of our country and our Government, as the acknowledged leader of the free world. It is now unhappily necessary, for the first time in our history, to maintain a large military establishment in time of peace. There appears to be little, if any, possibility of relief from this costly necessity so long as the Kremlin maintains its present course toward world domination.

The American people are dedicated to peace. The American Government has most earnestly striven to attain peace with justice in the world. The President's proposal at Geneva in 1955 for a nuclear disarmament on the basis of an adequate mutual inspection gave hope to every peace-loving human being as a real possibility of the beginning of a new era. The President's open sky aerial inspection was almost summarily rejected by the Soviet. Since that time, at London, at Geneva, and elsewhere, American representatives together with those of our NATO allies have tried, and tried, and tried to find a mutually acceptable formula by which disarmament could be honorably agreed upon and, thereafter, effectively assured. Our Government continues, most earnestly, to find an honorable prescription which the Soviets might accept.

Meanwhile, the difficulty over Berlin continues. Our position, and that of our allies, the British and French, has been made clear to Mr. Khrushchev, both in the public utterances by our heads of state, and in the private statements made to him by Prime Minister Macmillan and others. God knows what the true feelings of the Soviet leader are, but we do know that it is Mr. Khrushchev, and he alone, who lays down the Soviet line, aided and abetted, it is unquestionably true, by thoroughly competent staff personnel and by the most skilled propagandists. The President once again has indicated his own availability for a summit conference, contingent upon the effectively logical proviso of a prior meeting of foreign ministers, which would clear the chaff from the wheat, and would specify in clear language the decisions necessary to be rendered by the heads of state.

And the Soviets continue to zig and zag. After belligerently indicating that world war III was inexorably on its way over Berlin, Mr. Khrushchev now tells a press conference that the "notion" that he had given the West an ultimatum to get out of Berlin by May 27 was "an unscrupulous interpretation of our position."

Our Government is faced with the problem of determining how best to design and build a military defense establishment capable of responding to the hazards of conflict whatever the size of the conflicts may be. The solution is found in the doctrine of deterrence and in the continuing application of the principle of collective security. An unerring adherence to this doctrine and to this principle is the indispensable partner of our peace-inspired diplomacy, most particularly if that diplomacy is to receive deserved consideration by Moscow, where there is a wholesale respect for military strength.

The people of our country, regardless of party, are prepared to underwrite whatever the cost of an adequate defense may be, and the cost of its concomitant, our mutual security program. In the field of defense, professional military skills must be the basis on which initial estimates for each branch of the services are made. And then, the professional military members of the Joint Chiefs of Staff give their collective estimate. From there, civilian heads of the Pentagon pass their judgment, and, finally, the President makes his recommendations to the Congress.

As a lay U.S. Senator, and neither as a partisan nor as a self-styled global strategist, I am glad to tell you that I shall support the President in his military recommendations which he has made to the Congress for the sole and single reason of deterring or, if necessary, of combating any aggression against us, and of preserving the freedoms which we know.

I do not quarrel for a moment with the right of a Member of Congress, or, for that matter, of any citizen, to disagree with the President in matters of defense or anything else. But I trust they will not quarrel with me when I discard their opinions in this field as inaccurate and when I determine, once again, on the basis of the record, to vote for the Eisenhower proposals for America's defense.

And now, some who earlier were using rather inflammatory language in speaking of our Defense Department have conceded, however belatedly and reluctantly, that our strength and our planning are adequate for our country's safety. Indeed, there have just been made public some excerpts from the testimony of our military Chiefs of Staff two of whom say that we have too many nuclear weapons rather than too few.

May we not recall that, in World War II, President Roosevelt made Dwight Eisenhower supreme commander over all military personnel in the European theater. After World War II, he took over the military responsibilities of the North Atlantic Treaty Organization. As President, he'll be guiding us down the road for another 2 years. We can gratefully salute his almost entire lifetime of dedictated devotion to the people of the United States.

Republicans, be proud of the accomplishments under the Republican label that have taken place in our Nation's Capital. We came into being in the 1850's as the American party of freedom. We intend to keep it the party of freedom in its second century of existence.

Problems of Civil Defense in Event of a Nuclear War

EXTENSION OF REMARKS

OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, April 7, 1959

Mr. JAVITS. Mr. President, there has been much public concern with problems of civil defense in case of a nuclear war. Present-day nuclear bombs have more than a million times the explosive power of the blockbuster, the largest bomb used during World War II, in addition to dangers of fallout. In the light of this public concern I believe that my recent exchange of correspondence with the Office of Civil and Defense Mobilization on the question of our civil defense program would make for greater understanding of how civil defense affects our security.

I ask unanimous consent that the correspondence be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MARCH 6, 1959.

OFFICE OF CIVIL AND DEFENSE MOBILIZATION,
17th and Pennsylvania Avenue NW.,
Washington, D.C.

GENTLEMEN: Section IX of the Rockefeller Report on the Problems of U.S. Defense dealt with civil defense problems. Among the observations and recommendations made by the report were the following:

"In the age of the ballistic missile the known capability of a society to withstand attack will become an increasingly important deterrent.

"Difficulty does not mean impotence, however, while it may be impossible to protect the population against the blast and heat of an atomic explosion, protection against radioactive fallout and other contamination appears to be much more feasible. Equally important is increased understanding on the part of our people about the effects of modern weapons. This will enable us to respond with discipline and effectiveness to a surprise attack and it will discourage such a move because an aggressor would no longer be able to gamble that a sudden attack might disorganize our society.

"It is impossible to state certain general principles in relation to the development of any civil defense program:

"'1. Civil defense must be considered as part of the overall U.S. strategic posture. It must be faced forthrightly. It should be part of our defense planning and included in our overall strategic plans. Cadres charged with supervising civil defense activities, both in possible preattack and the postattack phase, must be developed and trained immediately. The expense involved should be in addition to existing military outlays.

"'2. The American people need to be told more clearly the dimensions of the damage that would be inflicted on us by a sudden attack and about the measures to reduce its

effects. Any civil defense program must have as a prerequisite a program of public information supported by the Federal Government and carried through at all levels.

" '3. A civil defense program should be integrated with the construction program needed for the normal development of our expanding population and economy.'

"It would be too costly to disperse existing industrial installations but tax incentives could be provided for the location of new facilities away from main concentrations.

"The main feature to note with respect to civil defense is that it is overdue. It does not make sense for the free world to engage in a major military effort without at the same time protecting its most important resources: its civilian population."

I would very much appreciate the comments of your office regarding these obvervations and your plans and proposals to effectuate the several recommendations cited.

While the Gaither report in 1957 has not yet been released publicly, nevertheless certain of its recommendations have been reliably reported in the press, among them the following:

A civil defense shelter program at a cost of around $5 billion annually for 4 to 5 years. These shelters would be designed to save lives against the perils of radioactive fallout and only incidentally to help the Nation's industry recuperate after an enemy attack.

As you will recall the Gaither report was the result of recommendations for a shelter program presented by the Federal Civil Defense Administration to the President in the Spring of 1957.

I would very much appreciate your comments regarding the aforementioned recommendation.

Sincerely,

JACOB K. JAVITS.

EXECUTIVE OFFICE
OF THE PRESIDENT,
Washington, D.C., March 13, 1959.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for your inquiry of March 6, 1959, in which you asked for comments on certain recommendations of the Rockefeller report on the problems of U.S. defense.

In general, I may say that this report represents a thoughtful analysis of an extremely important problem. I find myself in substantial agreement with its conclusions. As you will note from the enclosed statement of the national policy on shelters, issued on May 7, 1958, our own staff studies and analyses have led us to substantially the same conclusions.

With respect to the specific principles which you quote in your letter of March 6, please note that—in somewhat different words—the President in his promulgation of the national plan for civil defense and defense mobilization supported the concept of civil defense as part of the overall U.S. strategic posture when he said: "Civil defense and defense mobilization are vital parts of the Nation's total defense."

The responsibility for supervising civil defense activities, under the national plan, is clearly assigned to (and in fact inherent in the responsibilities of) the chief executives of all levels of government, assisted by their civil defense staffs. An important implementing measure to strengthen these State and local staffs will, I hope, be provided in the appropriation for fiscal year 1960 to permit carrying out the administrative support provisions of Public Law 85-606.

This fact, of course, underscores the importance of assuring continuity of Government at all levels in order to provide leadership, direction, and service in the event of attack. We have been working in close cooperation with the Council of State Governments, the American Municipal Association, the U.S. Conference of Mayors, and the National Association of County Officials and have received gratifying support of our recommended program for continuity of Government.

The second principle referred to in the Rockefeller report is concerned with the important requirement of a public information program. The importance of public information in a civil defense program can hardly be exaggerated. As you will note, the first element of the action program in the enclosure on shelter policy concerns itself with this important area of activity.

In 1956, the Federal Civil Defense Administration had the benefit of the advice of a panel composed largely—but not entirely—of social scientists, who had the following comment:

"We share a firm conviction that the American people do not have nearly enough knowledge of the consequences of a successful nuclear attack. We recognize that there have been widely held and voiced opinions that necessary information has been withheld from them on grounds of security. We have satisfied ourselves that sufficient information has been made available to them—but it has not been successfully conveyed to them and incorporated in their feelings and actions. Thus the information has not become knowledge, and this, in our opinion, is the crux of the problem.

* * * * *

"In our opinion, the keystone of the program is knowledge, not merely information made available, but information—both frightening and hopeful—so successfully conveyed as to become useful knowledge, translated into plans, procedures, and the capability for constructive action. It has been wisely said, we think, that courage is based on knowledge of the grounds of fear and hope."

In my view, the undertaking is as difficult as it is vital. It will require a many-pronged attack. We are currently devoting a substantial share of our resources to reaching a growing segment of the American people. In addition to the usual mass-media efforts (radio, TV, magazines, newspapers, etc.), we have recently distributed approximately 36 million wallet cards, which contain simple instructions for preparedness and for proper reaction to warning signals, and over 3 million pamphlets entitled "What You Should Know About the National Plan for Civil and Defense Mobilization." A few months ago the Boy Scouts of America distributed to virtually each household in America (a total of 42 million copies) our "Handbook for Emergencies."

We have also distributed over 6,000 radiological defense training kits to high schools throughout the country and plan an additional distribution of 9,000 kits by the end of the present fiscal year. These will serve the double purpose of familiarizing high school students with the radiation phenomenon and placing, on a fairly well distributed basis throughout the country, instruments that could be used in the event of emergency by science teachers who are familiar with them.

As a part of its emergency assignment, the U.S. Office of Education is initiating a nationwide adult education program on the hazards of nuclear attack and on effective defensive measures and preparations. This will be a substantial undertaking and will require increased financial support over the next 2 years.

As you will note in the enclosed "National Policy on Shelters," the third principle cited in the Rockefeller report—that the program should be integrated with normal construction development—is included in our program. The Federal Government will itself set the example in its new construction by incorporating fallout shelters in appropriate civilian Federal buildings.

With respect to the cited recommendation from the Gaither report, as reported in the press, the enclosed policy statement makes it clear that we do not contemplate a massive federally financed shelter construction program. There is so much fallout protection in the United States to be had for only minor modification cost in private homes, apartments, commercial and industrial buildings, and in other places that I believe is not unreasonable to call upon our citizens to undertake these modest expenditures.

I appreciate very much this evidence of your interest in our program and stand ready at any time to furnish additional information should you require it.

Sincerely,

LEO A. HOEGH.

World Law Resolution

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. PORTER. Mr. Speaker, world peace can only be accomplished through world law. How do we attain world law? We strengthen the United Nations. This means revising the charter in accordance with studies which can start later this year.

It means enacting the resolution set out below.

The Committee on Arrangements for a United Nations Charter Review Conference meets this June. The United States should at that time urge the Committee to recommend to the United Nations General Assembly that governments establish national commissions, or instruct appropriate national bodies, to undertake studies to determine their position on charter review.

Here are some facts about United Nations Charter revision:

In order to provide for revision and amendment, the United Nations Charter provides two mechanisms. Article 108 provides for the General Assembly to recommend amendments. Article 109 specifies procedures for calling a Charter Review Conference to draft revisions.

In either case, amendments are then to be referred to member states for ratification. They become effective on approval by two-thirds of the member states, including all five permanent members of the Security Council.

Pursuant to article 109, charter review was placed on the agenda of the General Assembly in 1955, which then decided—43 in favor, 6 opposed, 9 abstentions, and approved by the Security Council, 9 in favor, 1 against, 1 abstention—that a Charter Review Conference shall be held at an appropriate time and expressed the belief that review of the charter should be conducted under auspicious international circumstances. At a meeting in June 1957 the Committee established by the General Assembly to consider the time and place for a Review Conference concluded that the appropriate time and auspicious inter-

national circumstances referred to in the 12th General Assembly, the Committee recommended that it be continued in being to report again with recommendations not later than the 14th General Assembly—1959. This recommendation was adopted by the General Assembly with no negative votes—54 in favor, 9 abstentions.

Factors which seem to have led to postponement of a Charter Review Conference, as indicated by Committee debate, are not only political tensions and Soviet opposition, but fears that irresponsible and divisive charter amendments would be proposed. This fear is no doubt enhanced by the fact that no formal or official proposals for significant amendments have been made by our own or other governments.

As regards Soviet opposition, the following facts are significant:

First. No further Security Council action is required with respect to a Review Conference, or proposals adopted by it.

Second. The Soviet Union cannot veto the holding of a Review Conference.

Third. The U.S.S.R. cannot veto proposals made at that Conference, or prevent the Conference from officially approving and submitting for ratification amendments endorsed by a two-thirds majority.

Fourth. Of course, the Soviet Union, under the charter's present provisions, must ratify amendments before they can go into effect.

Fifth. Failure to ratify, unlike a veto, is not a final act and leaves open possible future consent to the amendments.

Sixth. The U.N. Charter does not put a time limit on the ratification period for charter amendments, so Soviet approval can be sought as long as may be required.

Should careful United States study of charter amendment lead to conclusions that important changes should be proposed and would have widespread international support, then approval for these amendments could be sought through a two-thirds vote in the General Assembly rather than by a Charter Review Conference. Here, also, there would not be veto on procedure, but the same considerations on ratification as outlined above would hold.

The text of the resolution which will be introduced within the next 10 days is as follows:

Whereas the basic purpose of the foreign policy of the United States of America is to protect the freedom of its citizens; and

Whereas the United States seeks freedom, peace, and prosperity for the peoples of all nations; and

Whereas the United States has joined with other nations to pursue these goals through the United Nations; and

Whereas enforceable law has proven to be indispensable to the attainment of these goals and to the peaceful and just settlement of disputes within all civilized communities: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that it should be U.S. policy to seek, through the United Nations, the development of world law to protect the freedom, peace, and just aspirations of all peoples, to provide for the peaceful settlement of international disputes and to permit the elimination of national armaments; and be it further

Resolved, That a copy of this resolution will be sent to the President of the United States, who is hereby requested to initiate studies of the changes which should be made in the Charter of the United Nations or in the charters of other international organizations to further the development of world law for the purposes enumerated in this resolution; and, pursuant to this goal; be it further

Resolved, That the U.S. Government should urge the United Nations Committee on Arrangements for a United Nations Charter Review Conference, when it meets in June 1959, to recommend to the United Nations General Assembly that governments establish national commissions, or instruct appropriate national bodies, to undertake studies to determine their positions on charter review or revision in order to facilitate fruitful consideration of suitable measures to strengthen the United Nations Charter as an effective legislative, executive, and judicial instrument of world law when a Charter Review Conference is held.

Fair Treatment for Great Lakes Maritime Workers

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. O'KONSKI. Mr. Speaker, today I introduced a bill which, if passed, would eliminate a terrible and inequitable situation which has repeatedly been called to the attention of the Governor and the State Legislature of the State of Ohio. This bill will provide the necessary remedy by amending section 3305(f) of the Internal Revenue Code of 1954 to withhold tax credits under section 3302 from a maritime employer who maintains the office from which the operations of a vessel are regularly supervised, managed, directed and controlled in a State that does not, on and after July 1, 1961, treat maritime service the same as other service for the same employer.

My bill, Mr. Speaker, if enacted, is adequate to achieve the results desired; namely, elimination of stipulations in State unemployment compensation laws which discriminate against maritime employees by affording them protection against unemployment on terms less favorable than those extended to workers in other covered industries. Illustrative of the form of discrimination which my bill is designed to terminate is that authorized by the Ohio unemployment compensation law, whereunder maritime employment is treated as seasonal and the workers engaged therein are eligible to receive unemployment benefits only during the 9 months of the year in which the Great Lakes shipping industry is in operation—Revised Code Annotated, page 1954, section 4141.33(B).

Under such a provision, a maritime worker who consistently is rehired during each annual 9-month shipping season would never be able to qualify for benefits during the 3-month layoff period.

In addition to singling out maritime workers for this special treatment, even to the extent of distinguishing them from other workers engaged in seasonal employment, Ohio also appears to protect entrepreneurs in the maritime industry from the exaction, in conformity with a merit-rating plan, of a substantially severer unemployment compensation tax than is imposed on employers in more stable trades. Indeed, under the Ohio law, a maritime employer who regularly rehired all of his workers at the end of each annual 3-month layoff period conceivably would be entitled to the highest rating accorded employers with stable employment records, and, correspondingly, to the lowest rate at which Ohio unemployment taxes are levied; to wit, 0.1 percent. By way of contrast, Wisconsin, which subjects employers engaged in seasonal industries to the same conditions as are applied to all other employers, conceivably might impose on maritime employers a merit-rating exacting as high as 4 percent—Ohio Revised Code Annotated, page 1954, section 4141.25; Wisconsin Statutes Annotated—West, 1957, section 108.18 (4); Ohio Board of Review, Decision 655–BR–51, June 18, 1951; Commerce Clearing House, Inc. Unemployment Insurance Reporter; Ohio, paragraph 2000.08; Wisconsin, paragraph 2000.

What is sought to be achieved by the passage of my bill is the enlargement of the power of the Secretary of Labor to the end that he may withhold approval not only of entire State unemployment compensation laws—United States Code, section 26:3304(c)—but also of discriminatory provisions of otherwise certified State laws which affect maritime workers adversely. Upon withdrawal of Federal approval of such provisions, an employer of maritime workers covered thereunder would cease to be eligible for the 90-percent credit allowed as an offset against the Federal 3-percent unemployment tax—United States Code, section 26: 3301, 3302(a) (3)—and would be exposed to the burden of paying in their entirety both the Federal as well as the State unemployment compensation tax.

Our Senior Citizens Deserve Better Treatment

EXTENSION OF REMARKS
OF
HON. WAYNE N. ASPINALL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. ASPINALL. Mr. Speaker, as I am sure most of my colleagues know, I have been a strong advocate of the Townsend plan for national insurance throughout my career as a Member of the Congress. It is a matter of pride to me that the Colorado delegation, to which I have the honor of belonging, has invariably cooperated 100 percent on

those occasions when a discharge petition was employed in an effort to bring this legislation to the floor.

I consider it a privilege to speak in this Congress in behalf of H.R. 4000, the current Townsend bill, which now resides within the jurisdiction of the Committee on Ways and Means.

I sincerely hope that this committee will see fit to issue a favorable report on H.R. 4000 when this Congress is called upon to consider revision of our social security program. The amendments it proposes are, in my mind, long overdue.

Many of my constituents were rather badly disappointed with the social security amendments of 1958, and I must say that I can hardly blame them. The 7 percent increase we voted for beneficiaries of old age, survivors, and disability insurance, and the few additional dollars we appropriated for recipients of old-age assistance constituted a pitifully inadequate solution to the problems which our senior citizens must face every day of their lives.

It is a sad but true fact that these problems too often tend to be ignored or overlooked, not only by the whole of society, but here in Congress. And yet it is Congress, and Congress alone, to which these people must look for a solution.

I suggest that our basic approach has been erroneous. Last year, for example, we satisfied ourselves with a so-called cost-of-living formula. We were told that since the last social security benefit increase, the cost of living index had jumped by eight points, and so, as a curious compromise, we settled on a 7 percent increase in benefits. On the surface, this seemed to be a not unreasonable solution. But the real crux of the matter lay beneath the surface. The truth was that the original benefit level was so absurdly low that the tiny increase we authorized served only to perpetuate an existing evil. What I am saying is that a small percentage increase at the poverty level does little more than bring poverty up to date, and the amelioration is so insignificant as to be virtually nonexistent. Our social security fabric needs a complete overhaul. Repairs on a tiny percentage scale are like patches on a worn garment.

As we all know, the Department of Health, Education, and Welfare has exhibited no fondness for a realistic benefit level; indeed, at hearings during the previous Congress, Department spokesmen made it abundantly clear they favored only minimal improvements. The Department has time and again reiterated its contention that the system must be kept solvent, and that any benefit increases must be related to the program's financial capabilities. It is impossible to quarrel with this logic. But it is equally impossible to accept as final the notion that our vastly wealthy Nation has strained its resources to the point where no further improvements can be made in our social security structure.

I suggest we have been the victim of partial truths. There is, to be sure, some evidence that the present social security system has matured to the extent that little further growth seems feasible—at least within the cost range that people will tolerate. But this does not mean there is no better system. The fact is, a better system does exist.

The better plan is H.R. 4000. It is better because it can do the things the social security program cannot do, that is, pay higher benefits to more people without the risk of insolvency, and at the same time assure that retirement benefits will at all times bear a realistic relationship to living costs.

It is quite natural that as benefits under the present program grow more and more expensive, the Congress will grow increasingly reluctant to increase them. I believe we have just about reached that point. It is time now to take a long, hard look at the system itself. If we can find a more economical way to pay the higher benefits our senior citizens deserve and need, then certainly we are morally obligated to give it close and careful scrutiny.

For this reason I urge the Committee on Ways and Means to consider H.R. 4000 as the next logical step in the development of our country's social security pattern.

Foreign Aid Facts and You

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1959

Mr. MASON. Mr. Speaker, my regular weekly letter to the people of my district treats of our foreign aid program and our present national fiscal situation. The discussion of these subjects is pertinent today in the face of the proposed foreign aid appropriation for the next fiscal year.

Mr. Paul Peters has prepared a bulletin on the same subject that gives added information. I include my letter and Mr. Paul Peters' bulletin as a part of my remarks for the enlightenment of my colleagues who will vote soon on the appropriation for foreign aid for the coming fiscal year:

FOREIGN AID FACTS AND YOU

1. In 1948, 450 people were employed to hand out foreign economic aid. Ten years and $41 billion later the foreign aid staff had grown to 12,000 employees directing 2,000 projects. Besides that, 9,000 persons are engaged in the military aid program that has given out $22 billion.

2. A total of $3 billion foreign aid funds has been given to foreign governments to help reduce their national debts and balance their budgets. In order to do this we had to borrow the money and increase our national debt.

3. Two billion dollars in foreign aid has been given to governments that are hostile to the United States—Poland, Yugoslavia, and the Soviet Union.

4. An official report on foreign aid given to oil-rich Iran states: "U.S. aid in Iran, between 1951 and 1956, totaled a quarter billion dollars. This was administered in a loose, slipshod, and unbusinesslike manner, so that it is impossible to tell what became of the money."

5. The much-touted Development Loan Fund is a foreign aid device to loan money on what amounts to second mortgage securities and accept soft local currencies in repayment. The Development Loan Fund also lends money to American businessmen to build oversea factories to produce goods in competition with American-produced goods. Seven hundred million dollars has already been appropriated, but so far only $400 million has been obligated.

6. India—a country that has received hundreds of millions of dollars in aid from us—increased her Communist vote from 4 million to 12 million between 1952 and 1957. Today the Communist Party is the second largest party in the Indian Parliament.

7. Our foreign aid program results in confusion, misunderstanding, and often chaos. After 15 years of giving out $63 billion in foreign aid we are probably the most disliked and envied Nation in the world.

8. More than one-fourth of our national debt of $285 billion has resulted from our foreign aid programs. The annual interest on the foreign aid portion of our debt is $2 billion. Our past and present foreign aid programs amount to 20 percent of all tax money collected from American individuals. So, 20 percent of your Federal tax money goes for foreign aid. Figure out how many of your dollars go for foreign aid.

TODAY'S FINANCIAL PICTURE

Recently Secretary of the Treasury Anderson personally briefed the members of the Ways and Means Committee on the Nation's financial picture and the national debt. In a nutshell the following is the picture:

(a) Our total debt amounts to $867 billion, distributed as follows:

	Billion
Federal debt	$285.0
State and local debt	60.0
Corporate debt	284.0
Individual debt	238.0
Total debt	867.0
This year's budget receipts will be	68.0
This year's budget expenditures will be	80.9
This year's deficit will be	12.9

Our Federal Government is having difficulty today in refinancing Government bonds when they become due. There are two reasons for this situation: First, our Government credit standing is not so good as it was 20 years ago; and, second, the demand for money for industrial expansion is much greater today than ever. Therefore, competition for money is keen.

Other countries are cutting down their national debts while we are increasing ours. Why?

SPENDING FOR FOREIGN ECONOMIC AND MILITARY AID IN 13 POSTWAR YEARS GREATER THAN GRANTS-IN-AID AND CHECKS TO INDIVIDUALS BY BILLIONS

In the 13 postwar fiscal years, 1946 through 1958, inclusive, the U.S. Treasury has disbursed more of the taxpayers' dollars for foreign economic and military aid than was disbursed as grants-in-aid to State and local governments plus checks direct to individuals for subsidies, relief, and all other purposes, including veterans' benefits.

As a matter of fact, the obvious preference of foreign governments and people over the hard-pressed American taxpayers, probably will be one of the hottest issues in the campaigns of 1960. The issue is already getting so hot that efforts of the Eisenhower administration to dress up foreign aid as a military necessity in support of our national defense efforts or as a method to "contain" communism are not receiving the reception expected. In fact, the record shows that

foreign aid has not contained communism, nor has it in any way lessened our own expenditure for national defense.

The table following shows in separate columns by fiscal years, the reported expenditures for foreign aid (grants and credits) and the amounts disbursed here at home as grant-in-aid and checks direct to individuals other than loans for the 13 postwar years:

Fiscal year	Reported gross foreign aid	Grants-in-aid and checks to individuals
1946	[1] $6,904,122,806	$1,209,107,183
1947	[2] 8,523,477,612	1,694,070,076
1948	7,087,000,000	5,551,054,046
1949	7,602,029,206	5,493,710,763
1950	6,338,536,000	5,518,879,345
1951	6,624,286,000	4,850,097,620
1952	5,098,000,000	4,241,158,202
1953	7,030,000,000	4,053,941,794
1954	5,155,410,175	4,284,380,522
1955	4,380,920,377	4,594,669,209
1956	4,473,177,000	5,152,135,647
1957	4,625,000,000	6,468,449,760
1958	4,661,000,000	7,420,769,899
Total	78,351,136,176	60,615,424,066

[1] Excludes loans to several American Republics.
[2] Includes British loan for $3,750,000,000 of which $2,050,000,000 had been disbursed. Excludes subscriptions to International Bank and International Monetary Fund.

Results of Questionnaire Mailed by Hon. John F. Baldwin, of California, to Residents of the California Sixth District

EXTENSION OF REMARKS
OF
HON. JOHN F. BALDWIN, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. BALDWIN. Mr. Speaker, 2 months ago I mailed a questionnaire to every family of registered voters in the California Sixth Congressional District. The response to this questionnaire was, by far, the largest that I have ever received. Many constituents not only answered the questionnaire, but attached supplementary letters or wrote detailed comments on the back of the questionnaire. I have spent many hours personally reading all of these comments, and they have been most helpful. I am firmly convinced that a Congressman can better represent his constituents if he knows the views of all of those constituents, than if he has only heard from pressure groups.

The tabulation of the questionnaire is summarized below:

1. It has been proposed that Congress pass legislation to insure to union members the right to elect their union officials by secret ballot. Do you favor or oppose such legislation? Favor 87 percent, oppose 5 percent, undecided 8 percent.

Answers from union members: Favor 83 percent, oppose 4 percent, undecided 13 percent.

Answers from nonunion members: Favor 91 percent, oppose 5 percent, undecided 4 percent.

2. Should we stand firm in the protection of West Berlin against Communist threats, or should we pull out of West Berlin? Stand firm 88 percent, pull out 4 percent, undecided 8 percent.

3. Do you favor, or oppose, the admission of Communist China into the United Nations? Favor 19 percent, oppose 65 percent, undecided 16 percent.

4. Do you feel that President Eisenhower and Allied leaders should, or should not, have a summit conference with Khrushchev of Russia? Yes 57 percent, no 24 percent, undecided 19 percent.

5. Do you favor, or oppose, statehood for Hawaii? Favor 85 percent, oppose 8 percent, undecided 7 percent.

6. A bill pending before Congress would provide that any Federal civilian employee who is a security risk may be discharged. Do you favor or oppose such legislation? Favor 76 percent, oppose 11 percent, undecided 13 percent.

Answers from Federal civilian employees: Favor 72 percent, oppose 7 percent, undecided 21 percent.

Answers from non-Federal civilian employees: Favor 80 percent, oppose 11 percent, undecided 9 percent.

7. It has been proposed that the social security program be expanded to provide for the payment of surgical and hospital bills for those who are retired and receiving social security pensions. The increased cost would be covered by increasing the social security withholding tax by an additional one-fourth of 1 percent or one-half of 1 percent on both employers and employees. Do you favor or oppose such legislation. Favor 63 percent, oppose 27 percent, undecided 10 percent.

8. Would you be in favor of, or opposed to, an increase of 1½ cents per gallon in the Federal gasoline tax for the purpose of keeping the Federal interstate highway construction program moving forward on schedule? Favor 39 percent, oppose 51 percent, undecided 10 percent.

9. The present income tax laws provide that oil and gas depletion allowances of 27½ percent may be deducted from profits before the income tax is computed. A bill has been introduced to reduce these depletion allowances to 15 percent. Would you be in favor of this reduction? Yes 41 percent, no 30 percent, undecided 29 percent.

10. Would you be in favor of legislation to make bombings of schools, churches, and other buildings a Federal offense? Yes 85 percent, no 10 percent, undecided 5 percent.

11. The Post Office Department estimates its deficit for the coming fiscal year will be $522 million. In view of this fact, would you favor an increase in the first-class letter mail rate from 4 cents to 5 cents? Yes 50 percent, no 43 percent, undecided 7 percent.

12. The present selective service or draft law will expire this year unless extended. In view of world conditions, would you be in favor of its extension? Yes 83 percent, no 10 percent, undecided 7 percent.

The Plight of the Cities

EXTENSION OF REMARKS
OF
HON. JOHN F. KENNEDY
OF MASSACHUSETTS
IN THE SENATE OF THE UNITED STATES
Tuesday, April 7, 1959

Mr. KENNEDY. Mr. President, the distinguished senior Senator from Pennsylvania [Mr. CLARK] once again has called attention to the plight of America's urban communities. In an excellent article entitled "A Voice for the Cities," which was published in the March 7, 1959, issue of The Nation, he points to the need for a greater recognition in the councils of government, of urban problems. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A VOICE FOR THE CITIES

(By Senator JOSEPH S. CLARK)

This is a land of milk and honey and money.

We have become accustomed to a gross national product and a rate of private expenditures which are, in the old Hollywood phrase, "merely colossal." But our schools are deteriorating, traffic is strangling our cities, slums are spreading quicker than we can eradicate them, and in the midst of affluence there is poverty. Seven million American families are existing on incomes of $2,000 a year or less.

Our failure to face and deal realistically with these problems amounts to a kind of paralysis in our public life. The scope of our action is determined not by a forthright analysis of the facts which all admit, but by preconceived limitations growing out of inertia and outmoded thinking.

Last November's election was, I am convinced, an indication of profound public discontent with the way things are going. Americans voted for candidates of both parties who appear to look to the future and not to the past. If we interpret the voter's mood accurately, complacency with present-day America cannot be the mark of the current Congress.

My own discontent, when I look at our public scene, rises for many reasons, but the one about which I perhaps feel most keenly is our failure to recognize and deal with the change which has transformed us from a rural to an urban nation.

Simply because of the economics of housing, the continuance of our present cities is assured for the immediate future. For some time the rate of new housing construction has been insufficient even to take care of our expanding population and to replace dwellings which burn or are demolished. The prospect for the future shows little chance of improvement. People will continue to live in cities for the simple reason that there is nowhere else for them to go. There is grave question, of course, as to what kind of cities they will be, but in any case they will continue to house at least as many people as they now do.

Even with the most optimistic assumptions as to urban renewal, we can expect to house in our central cities only 17 million of the estimated total population increase of 55 million in the next 20 years. Thus, at least two-thirds of our population growth must be housed outside the core cities of our metropolitan areas. In other words, the metropolitan explosion cannot be stopped.

So we are going to have central cities and rapidly growing fringe areas which surround and swallow many smaller cities. Within another generation, the remaining gaps will be filled in the continuous urban and suburban belt reaching from Portland, Me., to Alexandria, Va. The problem is to make these urban concentrations as civilized an environment as possible.

What is wrong now is familiar to all of us: The decay of the older areas of central cities; blight and slums; the flight of the middle class to the suburbs; the vicious circle created as talented people desert the central city, leaving a leadership vacuum filled by those less skilled culturally, economically, and politically. And, on the other hand, the often barren life in the suburbs—inadequate community organization, the haphazard provision of services through inadequate special districts, and the oppressive problems of transportation and communication (traffic bottlenecks, lack of downtown

parking) resulting in strangulation of the commercial areas of the central cities.

Yet a visitor from outer space, looking at the structure of our Federal Government, would conclude that America is still a rural Nation, with rural problems its dominant concern. We have a Department of Agriculture, which devotes itself to the problems of the farm; we have a Department of the Interior, which reflects the interests and needs of the more sparsely settled States; but there is no department with responsibility for the problems of the tens of millions of people living in forced congestion in metropolitan areas.

City people, too, need an advocate in Washington. To illustrate; The Senate became disturbed last year about the plight of the Nation's railroads. The Department of Commerce was concerned; so was the Interstate Commerce Commission. The Commerce Committee of the Senate has a standing subcommittee with jurisdiction over railroads. So it organized a study. Those of us who have been worried about a related problem—namely, the plight of the commuter and the deterioration of mass transit in the cities—tried to make sure that urban mass-transit problems would be covered in this study. The answer was no. States rights intervened.

No department of the Federal Government has any interest in what should be done about commuter-transportation services. No committee or subcommittee of the Congress has any jurisdiction. Yet mass transit is not merely a State and local problem. Much of the traffic crosses State lines. Some of the railroads involved serve many States. Let's face it—State and local governments are incapable of dealing successfully with this problem in most localities—just as urban renewal was generally beyond their competence until the Federal Government stepped in.

Maybe the ultimate answer is that mass transit should not be a Federal problem, even in part. Maybe the same applies to air and stream pollution, and water supply. But what concerns me most is that, at the present time, we don't even have the mechanism for examining such problems, comprehensively and making intelligent national decisions.

I believe the first step should be the creation of a Department of Urban Affairs at Cabinet level with the responsibility of keeping abreast of urban and metropolitan problems and developing recommendations for Federal, State, and local action. The department would represent the urban viewpoint in the administration of nationwide programs which particularly affect cities and their suburbs—notably, highways and water conservation. It would be assigned—initially, at least—only those operating programs which are peculiarly urban, and these are already clustered in the Housing and Home Finance Agency. But the department, to my mind, would be something far beyond the present HHFA. The additional element would be a "hunting license" to study, research, and recommend, and a responsibility to listen to representatives of groups like the HHFA, understand their problems, and reflect that understanding in the policy-forming processes within the executive branch.

I have seen the criticism that a new department should not be formed until a philosophy of Federal-State-local relations is agreed upon. I think the logic points in just the opposite direction. Governmental philosophies do not spring full-blown into being; they evolve. But they cannot evolve unless someone in government has responsibility for thinking creatively about them. We will get the philosophy far more quickly if we establish the mechanism first.

In 1957, speaking at a convention of the American Institute of Architects, I responded to the question, "How can the city be restored?" by suggesting that three things are needed: more money, changes in political structure, and elimination of political lag.

First, money. Our central cities are in mortal danger not only through strangulation from traffic congestion but through financial starvation and attrition. The city, still the hub and nerve center of its area, must provide more and more services at increasing costs not only for the people who live in it, but also for those who work in it, use its facilities, but no longer vote, live, and pay taxes there. Moreover, the people who can best afford to sustain the increasing costs of maintaining and improving the city's facilities are the very ones who have moved to the suburbs.

Some recently published figures on the Washington area illustrate this point. They reveal that the average family income for families living within the District of Columbia in 1956 was $4,900; but in the immediate surrounding area it was $6,773, more than one-third higher. In nearby Montgomery County, Md., it ranged up to $7,735. I suspect the same relative income levels hold true for similar areas.

As the city's costs go up, its tax resources go down. Those who move in are poorer than those who move out. Moreover, in the competition with State and Federal Governments for tax revenues, local government comes off a poor third. Business, looking for lower tax rates, is following the flight to the suburbs. The city is left with the problems of providing the needs and services required for civilized living without the money to cope with them.

I don't believe the way out of this financial dilemma will come through local taxing systems—even as they may be revised. Wealth is too unequally distributed; its location bears too little relation to the need for services. Hence the property tax is unfair and relatively unproductive as well as relatively inflexible. And there is hardly any other kind of tax available which can be administered well on a local basis. Local sales taxes drive business outside the taxing jurisdiction. Graduated income taxes have been largely preempted by State and Federal Governments.

There are only two alternatives. One is to establish a new level of government, a fourth layer, that will correspond geographically to the new community, the metropolitan area. The other is to use the larger judisdictions that already exist: the State and Federal Governments, which in practical fact means the latter, since States are as limited in their financial resources as the cities.

All the evidence I have seen indicates that, despite the current outcry, the Federal budget is less of a strain on the national tax base than local budgets are on local tax resources. Since 1946, State and local taxes per capita have risen three times as fast as Federal taxes; State and local debts (a rough measure of the excess of need over resources) have also risen much faster than the Federal debt. This is why it seems to me that the economy campaign now being waged by some powerful organizations is totally misguided when directed against those parts of the Federal budget which would relieve the burden on local taxpayers—for example, Federal aid to education. Equally misguided have been the administration's cuts in urban renewal, which is a splendid example of something that could not be done at all if the communities had to rely on their own tax resources.

The second obstacle to restoration of the city is obsolete governmental structure. The legal and political framework in which we struggle to provide for the city of the future is sometimes our own worst enemy, when it should be our greatest ally.

What would we do if we were the Founding Fathers, and were creating a national political structure in this year 1959 instead of 1787? Of course, we would still create a Federal system, but would we have 49 States—plus Hawaii—with the present boundaries? Of course not. We would pay attention to the natural boundaries of social, economic and political communities and regions—we might even try to make boundary adjustments from time to time as conditions change.

But we are the captives of the mistakes, as well as the beneficiaries of the wisdom, of the Founding Fathers and their successors. We can't do much about illogical State boundaries in our lifetime. We can only try to moderate their effects.

In the meantime, there is a great opportunity for political invention at the local level. Instead of the unimaginative labyrinth of special and ad hoc bodies created in our metropolitan areas, let's continue to search for new approaches to metropolitan government. The need is great. I favor such developments as those being worked out in Toronto and Atlanta, in Dade County, Fla., and Allegheny County in Pennsylvania. And, in seeking larger jurisdictions, let's use intelligently the larger jurisdictions that already exist—the county, for instance; or for problems which cross county lines, the State; or for metropolitan problems that are characteristically interstate, the Federal Government.

If this last month sounds like a dangerous invasion of our honored tradition of local home rule, consider what's happened in highways. Very few of our communities had made any real start in building the metropolitan highway system of the future until the new Federal highway program was enacted. Now superhighways within metropolitan areas are an accepted part of the interstate system. Communities have the wherewithal to get these highways built, yet local control over the location of the highways is not truly lessened. City authorities participate to the full in these decisions. Under Federal leadership we have improvised a de facto metropolitan structure for highway-building which is working.

The same evolution is evident in regard to metropolitan water supplies. Municipal water supply has already become an important factor in Federal river-development projects; eventually, it may be the major factor. And because of the multipurpose use of water today, it may require a river-basin governmental agency to coordinate various consumer uses.

But to use our higher levels of government as we should in the solution of urban problems, two other political reforms are required:

1. We must bring the State legislature up to date, so that the tail of the rural counties stops wagging the dog of our huge urban populations.

2. We must reorient a Federal Government superbly equipped to deal with the nineteenth-century problems of agriculture and natural resources, and hardly equipped at all to deal with the urban society which today it largely represents.

A Federal Government which does not pay as much attention to urbiculture as to agriculture, to the conservation of cities as to soil, to the movement of people and goods within as well as between cities, is not adapted to today's America.

The third obstacle to restoring the city I have called a political lag. Thomas Jefferson warned that "the laws and institutions must go hand in hand with the progress of the human mind:" We must overcome the lag that separates the politician from the planner. The successful politician leads the people as well as reflects their views. Overcoming political lag means educating not just the politicians, but the public as well.

I don't suggest that creation of a Federal Department of Urban Affairs will determine whether the good society will survive. But

I think it can be the focus for efforts to restore our cities—perhaps our greatest challenge in the age-old battle of man to control and shape the environment in which he lives. The struggle between man and his surroundings—both those he found and those he made himself—is the stuff of which history is made. Along the path of this struggle, civilizations have come and gone.

And in many ways, the city is civilization. It is more than form; it is substance, life, spirit. Streets, buildings, and facilities exist for a purpose; they came into being because people need them to lead the type of existence which they preferred to any other.

And the desire to live in cities, the desire for urban culture—these will continue as long as civilization lasts.

Poll of the People of the Second Congressional District of South Dakota

---

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. BERRY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I would like to include the results of a questionnaire I recently sent out to the people of the Second Congressional District of South Dakota.

Since this district is about equally divided between agricultural and nonagricultural interests, I made a special effort to obtain the benefit of the views of those in the agricultural area.

The questionnaire was sent to boxholders outside of first-class post offices and addressed to residents in first-class post office areas. Approximately 38,000 questionnaires were sent out in this manner, and approximately 7 percent have thus far returned their questionnaires.

In tabulating the results, I have divided the returns into four groups: the nonagricultural cities in the Black Hills area, agricultural cities and towns, farmer, and farmer-rancher categories.

Aside from the general questions on agriculture, labor, defense, and aid to education, probably the most interesting are the answers to questions 6 and 7 wherein 81 percent of the people of my district told me to vote against those grant-in-aid bills which violate the budget, unless tax increases are provided to cover additional costs. This, Mr. Speaker, does in my opinion give the Congress a good idea of the way the people of America feel with regard to grant-in-aid programs and reckless spending in general.

Let me say, Mr. Speaker, that this questionnaire has been most valuable to me, not only because of the vote itself but because more than 8 out of 10 returning the questionnaire gave me the additional benefit of their thinking in footnotes at the bottom of the questionnaire itself. Many also enclosed an additional letter covering their views.

In presenting the tabulation, the percentages are listed simply as "Yes" and "No." The remainder have no opinion on the various questions.

QUESTIONNAIRE RETURNS

1. The defense of the United States—in the face of the Soviet Union's constant aim for world domination and the challenge of their outer space satellites—is a grave national problem. Do you favor expansion and an acceleration of our defense effort, particularly in such fields as long-range ballistic missiles, nuclear weapons, earth satellites, and basic scientific research, even though this may require additional taxes to meet these added expenditures:

Total: Yes, 64 percent; no, 18 percent. City: Yes, 77 percent; no, 13 percent. Town: Yes, 66 percent; no, 12 percent. Farmer-rancher: Yes, 59 percent; no, 26 percent. Farmer: Yes, 52 percent; no, 21 percent.

2. In the President's budget, he suggested appropriating $3.9 billion for our mutual security (foreign aid) program, on the basis that this program helps the free nations promote collective defense and economic growth and, as such, is essential to our security. Do you favor continuation of our mutual security-foreign aid program?

Total: Yes, 45 percent; no, 40 percent. City: Yes, 50 percent; no, 34 percent. Town: Yes, 47 percent; no, 46 percent. Farmer-rancher: Yes, 47 percent; no, 45 percent. Farmer: Yes, 37 percent; no, 35 percent.

If your answer is "yes," check one of the following:

Total: At present cost, 52 percent; at reduced cost, 41 percent; at increased cost, 7 percent.

3. In an effort to keep a check on domestic spending at a time when our defense program must have absolute top priority, the President has asked that Congress curtail certain civil programs and turn back the responsibility for various Federal grants-in-aid programs to the State and local governments. Do you agree with such a domestic belt-tightening program at this time?

Total: Yes, 72 percent; no, 16 percent. City: Yes, 76 percent; no, 16 percent. Town: Yes, 76 percent; no, 11 percent. Farmer-rancher: Yes, 75 percent; no, 14 percent. Farmer: Yes, 60 percent; no, 25 percent.

The President also suggests that new starts on construction of irrigation and flood-control projects be delayed until defense pressures on our economy have eased. Do you agree with this policy?

Total: Yes, 72 percent; no, 21 percent. City: Yes, 73 percent; no, 20 percent. Town: Yes, 69 percent; no, 24 percent. Farmer-rancher: Yes, 80 percent; no, 18 percent. Farmer: Yes, 70 percent; no, 24 percent.

5. School districts depend generally upon the real and personal tax base within their districts for the operation of the schools. Increased demands are being made upon districts by a higher pupil load, more classroom facilities, and increased salaries for teachers. Increased revenue can be obtained in four ways: (1) Increasing the real and personal property tax levy; (2) by the State adding 1 cent sales tax earmarked for education; (3) the Federal Government adding 1 cent on the net income tax, diverting it directly to the treasury of the State earmarked for education; (4) an expensive overall Federal aid-to-education program (Murray-Metcalf bill costing from $3 billion to $5 billion annually) with the necessary Federal regulations and controls. Which system do you prefer?

Total: (1) 14 percent; (2) 64 percent, (3) 19 percent, (4) 3 percent. City: (1) 9 percent, (2) 72 percent, (3) 15 percent, (4) 4 percent. Town: (1) 14 percent, (2) 63 percent, (3) 18 percent, (4) 5 percent. Farmer-rancher: (1) 15 percent, (2) 67 percent, (3) 17 percent, (4) 1 percent. Farmer: (1) 17 percent, (2) 55 percent, (3) 24 percent, (4) 4 percent.

6. In order to keep the budget in balance, would you favor requiring the Congress to levy additional taxes for all spending programs enacted which would be in excess of the anticipated national income?

Total: Yes, 52 percent; no, 32 percent. City: Yes, 54 percent; no, 33 percent. Town: Yes, 51 percent; no, 33 percent. Farmer-rancher: Yes, 55 percent; no, 28 percent. Farmer: Yes, 48 percent; no, 35 percent.

7. Do you want me to vote against those grant-in-aid bills which violate the budget unless tax increases are provided to cover the additional costs?

Totals: Yes, 81 percent; no, 8 percent. City: Yes, 81 percent; no, 6 percent. Town: Yes, 81 percent; no, 8 percent. Farmer-rancher: Yes, 88 percent; no, 7 percent. Farmer: Yes, 76 percent; no, 10 percent.

8. There is wide recognition of the need to more fully utilize the potential of our young people in professional fields, particularly science and engineering. Do you favor the granting of Federal tax deduction credit to parents for college tuition costs as one means of encouraging greater college enrollment of qualified young people?

Total: Yes, 55 percent; no, 35 percent. City: Yes, 57 percent; No, 34 percent. Town: Yes, 59 percent; no, 32 percent. Farmer-rancher: Yes, 56 percent; no, 35 percent. Farmer: Yes, 48 percent; no, 39 percent.

9. Following the findings of the McClellan Labor Rackets Committee hearings, the President recommended labor legislation which would do four things: (1) Safeguard workers' funds in union treasuries against misuse of any kind whatsoever; (2) protect the rights and freedoms of individual union members, including the basic right to free and secret election of officers; (3) advance true and responsible collective bargaining; (4) protect the public and innocent third parties from unfair and coercive practices such as boycotting and blackmail picketing. Do you want me to oppose legislation which falls short of these four goals?

Total: Yes, 74 percent; no, 14 percent. City: Yes, 75 percent; no, 13 percent. Town: Yes, 77 percent; no, 14 percent. Farmer-rancher: Yes, 78 percent; no, 13 percent. Farmer: Yes, 65 percent; no, 18 percent.

10. In his agricultural message, the President emphasized the food-for-peace program of expanding the use of our agricultural surpluses for food abroad. Although expansion involves increased expenditure, would you favor such a program rather than curtailment of farm production?

Total: Yes, 66 percent; no, 19 percent. City: Yes, 60 percent; no, 23 percent. Town: Yes, 65 percent; no, 19 percent. Farmer-rancher: Yes, 68 percent; no, 18 percent. Farmer: Yes, 69 percent; no, 17 percent.

11. Would you favor limiting our economic foreign aid program entirely to providing food supplies abroad?

Total: Yes, 49 percent; no, 36 percent. City: Yes, 40 percent; no, 43 percent. Town: Yes, 50 percent; no, 37 percent. Farmer-rancher: Yes, 48 percent; no, 38 percent. Farmer: Yes, 56 percent; no, 28 percent.

12. A crash program on missiles has produced amazing results. Would you favor a crash program in research for the development of industrial uses for farm commodities?

Total: Yes, 59 percent; no, 24 percent. City: Yes, 42 percent; no, 35 percent. Town: Yes, 58 percent; no, 24 percent. Farmer-rancher: Yes, 61 percent; no, 24 percent. Farmer: Yes, 75 percent; no, 14 percent.

13. Wheat is the principal farm commodity on which a legislative program may be expected out of this Congress. Would you prefer the domestic parity or two-price system for wheat, with bushel rather than acreage quotas, to the present support program?

Total: Yes, 49 percent; no, 13 percent. City: Yes, 30 percent; no, 9 percent. Town: Yes, 47 percent; no, 12 percent. Farmer-rancher: Yes, 55 percent; no, 13 percent. Farmer: Yes, 62 percent; No, 21 percent.

14. Would you favor high Government supports on all farm products with absolute rigid production controls covering all farm commodities?

Total: Yes, 14 percent; no, 72 percent. City: Yes, 5 percent; no, 73 percent. Town: Yes, 10 percent; no, 72 percent. Farmer-rancher: Yes, 16 percent; no, 77 percent. Farmer: Yes, 26 percent; no, 65 percent.

15. The President has proposed an increase of Federal gasoline tax from the present 3 to 4½ cents per gallon to accelerate construction of the Interstate Highway System. Do you favor such an increase?

Total: Yes, 41 percent; no, 52 percent. City: Yes, 48 percent; no, 42 percent. Town: Yes, 43 percent; no, 50 percent. Farmer-rancher: Yes, 37 percent; no, 56 percent. Farmer: Yes, 37 percent; no, 59 percent.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 16, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of March 28, 1959:

WASHINGTON REPORT BY CONGRESSMAN BRUCE ALGER, FIFTH DISTRICT, TEXAS

MARCH 28, 1959.

The second supplemental appropriation bill, 1959, totaled approximately $2,480 million and involved mainly Government salary increases voted in the last Congress. The big debate was over the $100 million increase to the Development Loan Fund, under foreign aid. The clash occurred over the Comptroller's figures of $678 million in the Fund still unexpended versus the argument that obligations or signed loan agreements totaled $685 million, leaving only a $15 million balance. Admittedly, the report accompanying the bill described the latter figures as "guess figures." To this uncertainty is added the disapproval some of us have over the loss of congressional control of this revolving fund, best example of which is our voting to spend more on the strength of "guess figures." Secondly, I find it hard to approve further spending, even meritorious (if it is), when we are spending beyond the already-too-high budget. The amendment approving this $100 million amendment additional spending passed by a vote of 183 to 59. I opposed it.

The Bretton Woods Agreement Act amendment in two parts deals with world loans (68 individual member nations):

1. International Monetary Fund: Its purpose, to stabilize member nations' currencies, endeavoring to keep currencies convertible by extending short term loans. The end sought being increased trade and monetary exchange between nations. Of a total of $9 billion, the United States has subscribed 26 percent, and this bill would provide another $1,375 million, 25 percent of which is payable in gold, as is 25 percent of the earlier subscription.

2. International Bank for Reconstruction and Redevelopment: Its purpose, to aid economic assistance of member nations through loans for projects such as electrical power development, port and transportation facilities, land reclamation and others. Of the $10 billion, the United States has bought stock totaling 28 percent. This bill would double the stock purchase of each nation (total becoming $21 billion). Of each nation's total, 2 percent is in gold or dollars, 18 percent in a nation's currency, and 80 percent callable as reserve. The nations of the world helping each other through joint participation is a neighborly, challenging, and commendable goal, as I see it. The results are satisfying in that no loans are in default, and banking policies—that is, businesslike procedures—are being followed. But dangers, that in starry-eyed idealism we must not overlook, include; (1) loans to stabilize foreign currency, the whole structure resting on U.S. credit and financial strength—the whole program is weakened to the degree that U.S. currency is unstabilized by our own deficit financing and debt through trying to help others. And we are operating at a deficit, (2) our gold reserve is steadily being depleted, and our currency value rests on this gold. Foreigners can convert dollars into gold, but Americans cannot. Of our $20 billion gold reserve, some estimate that $11 billion is callable now by foreign nations, (3) we add money to funds which must have large liquid assets when the United States because of continued expanding Federal spending is not liquid itself, with its own bonds becoming less attractive to investors, (4) how much of this loan structure is actually repayable through U.S. gifts of foreign aid in one form or another? It seems to me that no one can know until the study is made. Basically, if the U.S. economic systems on which world loans depend collapses, it would be the death of the free world and personal freedom which we all treasure. I feel our action of expanding spending programs is too hasty when we have a $13 billion deficit this year and another deficit in prospect. Can anyone seriously contend we can help strengthen others if we weaken or collapse our own economy? I cannot.

The fair trade bill, H.R. 1253, is before the Interstate and Foreign Commerce Committee for hearings. Last year as a member of the subcommittee, I sat through weeks of hearings. This week I testified against this bill and presented 22 digested studies of the bill for the CONGRESSIONAL RECORD and colleagues who might be interested. The fair trade bill would permit manufacturers to set retail prices through Congress setting aside antitrust law which makes price maintenance conspiracies illegal.

For the layman, it may be difficult to take the matter seriously, it is so apparently antithetical to all our beliefs, but I'm convinced the proponents are serious. What's wrong with the bill? Well, it's unconstitutional, incompatible with free enterprise, and violates States rights and individual prerogatives. These charges can be spelled out with documentation. Information will be sent to anyone so requesting it. Retailers, particularly smaller independents, should study fair trade to learn how it will ruin, not help, them.

(EDITORIAL NOTE.—No kinfolk are on the payroll and no office rental payments are received for Texas' Fifth Congressional District.)

Twelve-Point Plan To Improve Social Security System

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. ANFUSO. Mr. Speaker, it is by now generally agreed that help and care of our aged population constitutes today a major national problem which requires a serious approach on a national scale. We have today over 12 million elderly and retired citizens who are dependent on their monthly social security payments for their subsistence, and before very long their number will reach 15 million people. There are others in this age group who would prefer to retire, but they cannot afford to do so because the benefits they would derive would be insufficient to cover their needs in these days of high cost of living.

Our social security system was initiated in 1935. We shall soon be approaching the quarter-century mark. It was originally established as one of the major steps in combating the greatest economic depression in our history, and it really proved to be an important factor in helping to pull the Nation out the economic mire of the 1930's. What is achieved then it can do now, too, in view of the 5 million unemployed in the country now and the very slow recovery that our economy is making from last's year's recession.

Over the past few years we have made some amendments to the Social Security Act, particularly in extending coverage to more people and increasing benefits to some extent. Last year I supported the 7-percent increase, though I tried to obtain a higher increase. However, these improvements have been relatively small compared to the needs of the average retired person. Many of them have no savings to supplement their social security income. They have been victimized by the sharp rise in the cost of living since the end of the war. Many of them find themselves in dire straits and are actually undergoing physical and mental anguish in an effort to keep their heads above the water at a period in life when their health is deteriorating.

Our Nation cannot afford to let those who are forced to retire because of advanced age to pay a heavy toll by being relegated to a lower standard of living in their declining years. The higher costs of food, medical care and other essentials of life have shrunk the value of their meager dollars which they receive each month. In the past, some of our elderly citizens were able to supplement their limited income with outside earnings, but these opportunities have greatly diminished in recent years with the increase in unemployment.

I have become firmly convinced in the last few years that we have reached a point where an overhaul of the social security system is badly needed. We must bring it into step with the times and the needs of the people. We must make urgent improvements and introduce long-needed changes which will enable our elderly people to enjoy the fruits of their life's labor in their declining years, without undue worries and the feeling of being "the forgotten people."

Consequently, I have given considerable thought to this whole problem of our senior citizens, with the result that I am now renewing my efforts to obtain larger benefits. During the past few months I have been working on an omnibus social security measure and I am now introducing this bill. It contains 12

major changes which, if adopted, would be a great step forward in overhauling and improving the whole social security system.

The following are the 12 major provisions advocated in my omnibus social security bill:

Section 1 increases all social security benefits by 30 percent. Minimum monthly payments are to be increased to $50, instead of $33 at present. Maximum payments are to be established at $200 in the case of primary beneficiaries.

Section 2 reduces the retirement age to 62 for both men and women, and eliminates the present actuarial reduction in benefit amounts for women.

Section 3 increases from $4,800 to $6,000 the amount of annual wages which may be taken into account in computing benefits and taxes, thus increasing the earnings base.

Section 4 does the same thing for those in the self-employment category by increasing from $4,800 to $6,000 the amount of their income from self-employment which is to be taken into account in computing their benefits and taxes.

Section 5 extends from 18 to 21 the maximum age for eligibility of children to receive benefits, which would enable such children to continue their education and finish college or other schooling.

Section 6 increases the amount of a widow's social security benefit from the present level of 75 percent of her husband's allowance to 85 percent of that amount.

Section 7 increases from $1,200 to $1,500 a year the amount of outside earnings which a social-security pensioner may receive without suffering deductions from his benefits under the work clause.

Section 8 permits a blind person to receive disability insurance benefits with only four quarters of coverage, and to continue to receive such benefits after attaining retirement age.

Section 9 establishes a new program of hospitalization and surgical insurance for individuals entitled to old-age and survivors insurance benefits. It would cover the costs of up to 60 days of hospitalization in each 12-month period; the cost of up to 120 days of nursing home services in each 12-month period, also payments covering reasonable costs of surgical services, as well as out-patient care and emergency surgery.

Section 10 provides that an individual's first $50 a month of earned income shall be disregarded in determining his eligibility, on the basis of need, for old-age assistance. In other words, recipients of such assistance would be permitted to earn up to $50 a month without having that amount deducted from their subsistence grants.

Section 11 seeks to aid dependent children over the age of 18, if they are regularly attending school. The purpose here is to encourage the care of dependent children and to enable such needy children to acquire an education.

Section 12 increases the rates of social security taxes for employees, employers, and the self-employed in order to obtain the necessary funds required to cover the additional costs of these increased benefits and to keep the social security fund solvent.

This is my 12-point program for overhauling the social security system. Each of these points fills a need. All of them together would bring the entire system up to date and make it one of the best in the whole world—a model for many other nations to seek to emulate.

It is my view that the increased benefits advocated in my bill will repay the extra cost in a number of ways:

First. It would provide greater purchasing power to our retired citizens and enable them to maintain an adequate standard of living in their retirement.

Second. It would encourage many of our older workers to retire and make available more jobs for younger people, thus decreasing the unemployment rolls and unemployment insurance payments.

Third. It would provide a much-needed health program of hospital and surgical services and nursing-home care for the elderly, thus helping them to save on their costly medical care needed in old age and to utilize their meager income for other essentials.

Fourth. It would assist and encourage many youngsters to stay in school and continue their education up to the age of 21, from which both they and the Nation would gain, thus keeping them out of the labor force or preventing them from becoming public charges.

Fifth. It would provide a considerable boon to the economy of the country because of the increased purchasing power on the part of the retired, the reduction in unemployment, the medical care for the old, the education to the young, and the other phases of this program.

Just as the launching of social security in the 1930's helped to overcome the effects of the depression of that era, so an overhaul along the lines as suggested in my bill could prove to be of more lasting value to the economy of the Nation and the continued economic growth of the country.

I recall that when social security was first introduced nearly a quarter of a century ago, it was considered by many people as a drastic step because of the payments involved. There were even some pessimists who foresaw economic ruin for the country. As we look back over the perspective of time, what do we find? Today a grateful Nation realizes the tremendous significance of the social security system and would not hear of discarding it or even reducing it. A political officeholder or a political party advocating such a step would be thrown out of office at the very next election.

The American people have long ago ceased to regard social security in the nature of a dole. Rather, they prefer to regard it as a democratic system established by a free people to provide economic security to its older citizens after they have completed a lifetime of useful service. It is our way of saying to these people: Now that you are retired from your life's labors, a grateful Nation will maintain you in dignity and security, free from want or worries. But are we really maintaining them in dignity and security? Unfortunately, our elderly citizens are not enjoying the measure of economic independence originally foreseen for them under the social security system.

The time has, therefore, come when we must take full cognizance of the problems of our aging population, not merely for their own benefit but for the Nation as a whole. We cannot ignore these problems any longer or they will get out of hand. We must approach them from a practical, yet humane, point of view.

I believe that the approach advocated in my bill is reasonable and realistic. It will help eliminate major deficiencies in our social security system, and at the same time provide our older citizens with greater economic security. It will make possible for them to live in dignity and to walk with their heads high—proud that an appreciative Nation has not forgotten them in their old age.

Chicago Pays Tribute of Appreciation and Affection to Hon. Thomas J. O'Brien

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. O'HARA of Illinois. Mr. Speaker, my colleagues on both sides of the aisle will be pleased to learn of the tribute of appreciation and affection given the Honorable THOMAS J. O'BRIEN, beloved dean of the Illinois delegation at a notable luncheon in his honor at the Palmer House in Chicago on Friday last. The luncheon, sponsored by the president and the board of trustees of the Metropolitan Sanitary District for his leadership in lake diversion legislation, was attended by the leaders in the public and civic activities of the city of Chicago. It was an outstanding event, marking the great esteem in which the dean of our delegation is held in the city of his birth and of his life-long devotion.

Following is the resolution passed by the Metropolitan Sanitary District, an engrossed copy of which was presented to Congressman O'BRIEN in a speech by Trustee Casimir Griglik:

Whereas the Honorable THOMAS J. O'BRIEN, Congressman from the Sixth Illinois District, dean of the Illinois House congressional delegation, has consistently and with persistence and outstanding ability in the 83d, 84th, and 85th sessions of Congress led the fight for the vitally needed diversion of water from Lake Michigan at Chicago to improve the polluted conditions in the Illinois Waterway; and

Whereas the diversion bills in the 83d and 84th Congresses, having both been approved by the House and Senate, were vetoed by the President, and Congressman O'BRIEN's bill in the 85th Congress (H.R. 2) was approved by the House in the first session but failed of passage in the Senate in the closing hours of the second session; and

Whereas despite these discouraging actions, Congressman O'BRIEN, on January 7, 1959, at the opening of the 1st session of the 86th Congress, on behalf of the Illinois House delegation, again introduced the diversion bill patterned to meet the objections

heretofore raised to the preceding bills by the various opponents, which bill was given the significant designation of H.R. 1 in respect to its sponsor, Congressman THOMAS J. O'BRIEN; and

Whereas at Congressman O'BRIEN's urging, the House Public Works Committee conducted open hearings on said H.R. 1 on February 17 and 18, 1959, and March 3, 1959, to enable all proponents and opponents ample time to present their respective views, and thereafter said House Committee on Public Works favorably recommended the adoption by the House of H.R. 1 by a vote of 19 to 11; and

Whereas the House of Representatives on March 13, 1959, after due debate on the merits of said legislation, concurred in the recommendations of the House Public Works Committee and adopted H.R. 1 by a vote of 238 to 142: Now, therefore, be it

Resolved by the board of trustees of the Metropolitan Sanitary District of Greater Chicago, in regular meeting assembled this 19th day of March 1959, That we do hereby formally express our sincere personal and official appreciation to Congressman THOMAS J. O'BRIEN for his outstanding labors in Congress on behalf, not only of all of the people of the city of Chicago and of the Metropolitan Sanitary District of Greater Chicago, but the people of the entire State of Illinois; and be it further

Resolved, That, in recognition of Congressman O'BRIEN's outstanding services, particularly on behalf of this vitally needed additional diversion legislation in view of the impressive opposition, these resolutions be spread upon the official records of the permanent proceedings of the Metropolitan Sanitary District of Greater Chicago, and a copy hereof suitably engrossed be presented to the Honorable Congressman THOMAS J. O'BRIEN.

Board of Trustees: Walter S. Baltis, John A. Cullerton, Vincent D. Garrity, Casimir Grigilk, John G. Henneberger, Wm. S. Nordburg, William F. Patterson, Christopher C. Wimbish, Frank W. Chesrow, President.

I am further extending my remarks to include TOM O'BRIEN's heart-to-heart, straight from the shoulder talk to his fellow Chicagoans who had met in this imposing gathering to pay him honor. I am sure that every Member of this body in which TOM O'BRIEN has served so long and with such distinction, and in which he is beloved and respected by all, will wish to read his remarks on this memorable occasion. Here is the full text:

Mr. Chairman and friends, I want to thank all of you for the many nice things you have said about me and for this testimonial.

I am particularly proud of the many gracious things said to me by Dick Daley. I have lived in the city of Chicago all my life, and it has been a long life. I have been in politics a long time—as a matter of fact, I was elected to the Illinois Legislature over 50 years ago. I have known all the mayors of Chicago during my political life and I want to say here and now that the city of Chicago never had a better mayor than Dick Daley. I mean it. Those of you who know me know that I speak directly and to the point. I say without a doubt that Dick Daley has been the best mayor the city has ever had.

I am being honored today, and yet a goodly portion of the honor which you bestow upon me today is attributable to the mayor. He has worked unceasingly for the lake diversion bill and it is because of his wish that I filed it. He has cooperated and worked with me and with the other members of the Illinois delegation like no other mayor ever did. As a matter of fact, until Dick Daley came into office, the Illinois congressional delegation never knew officially that a mayor of Chicago existed. They never asked us to help them with any legislation; they never communicated with us as Dick Daley has done, on the housing bill, on the airport construction bill, on the lake diversion bill, on the National Medical Library bill, on public housing, on appropriations for urban renewal and development—Dick Daley has been in the center of the fight of all of these bills, and has been working with us. That is why I say I am particularly honored that the mayor should say the nice things he did about me.

I really didn't want this ceremony—but that doesn't mean that I am not grateful for it. I must say in all honesty, right at the start, that although it is I who am being honored, the testimonial should go to all members of the Illinois congressional delegation—Republicans and Democrats alike. Mrs. CHURCH and HAROLD COLLIER fought just as hard for this bill as any of us did, and deserve as much credit for its passage by the House on March 13 as any of the Democrats. This is a nonpartisan bill. I once heard President Truman say that the Illinois delegation in Congress is the best congressional delegation in the country. That is still true today.

Yes, we have the bill passed by the House. And before we came home for the Easter recess, Sid Yates and I went over to the Senate and asked Senator KERR to set the bill down for hearing before his committee. He promised us that he would do it as soon as the Congress reconvened. I know we will get a fair hearing from Senator KERR.

But I would not be fair with you if I did not tell you that I believe the bill is in trouble—in much more trouble than it was in the last session of Congress, because at that time the Government of Canada had declared that it had no objection to the bill. The entire executive branch was with us then—the State Department, the Bureau of the Budget, the Army Engineers—as a matter of fact, it was at the suggestion of one of the representatives of the executive branch that the 3-year period of diversion was cut down to 1 year. It was represented to us that if this was done we could obtain the approval of the State Department and the President would not veto the bill.

And we did it—we changed the bill in accordance with that suggestion. Nothing has changed since that time. The conditions are exactly the same. The present bill provides for 1-year diversion and yet, for some unknown and mysterious reason, the Government of Canada is against it, the State Department is against it, the Bureau of the Budget is against it, and the Corps of Army Engineers is against it. What has happened to make all these people change their minds? I don't know, but I shall certainly ask Senator KERR to try to find out the reasons for this reversal.

I cannot understand the attitude of the Government of Canada to this bill. Canada is a great country. Its people are among the finest in the world. We have enjoyed the friendliest relations with our great neighbor to the north in every respect. I read in the paper on Wednesday night that the Canadian Consul General had declared that "Chicago is more closely tied to Canada than any other part of the United States." He said that "Chicago has become the very hub of this great American-Canadian trade and industrial relationship. * * * There is more trade flowing back and forth between the Chicago Midwest and Canada than any other area in the United States." That is what the Canadian Consul said the other night and I agree with him. There is no reason for any difference between Canada and Chicago on any matter—and that includes the lake diversion matter as well.

The experiment which we are proposing in the lake diversion bill will harm no one and can only bring beneficial results, because the problem of sanitation and water pollution is of tremendous importance to every metropolitan area in the country. This experiment may very well furnish the basis for new methods of disposing of wastes.

I cannot believe that Canada is serious in contending that this study will be harmful to navigation and will injure its shipping and power interests. We do not propose a permanent diversion in this bill. We seek only to divert an additional 1,000 cubic feet per second for a period of 1 year to permit the study to be made. The Corps of Engineers—certainly, a most reputable agency—has declared that the experiment would have no significant effect upon navigation and the lowering of lake levels. The most that any lake level will fall as a result of the additional diversion of water contemplated in my bill is a quarter of an inch or less. How can it possibly be said that this will be hurtful to navigation or shipping.

There is an additional point which must be made and which demonstrates conclusively that navigation and shipping need not be affected. The report of the Corps of Army Engineers printed in the Senate as Document No. 23 of the 85th Congress, 1st session, declares, in paragraph 197, that "lowering of lake levels resulting from an increase in diversion considered herein could be compensated for on Lakes Michigan, Huron and Erie. Such compensating works for Lakes Michigan and Huron could be built in the St. Clair River at an estimated cost of $1,530,000. The gated control dam above the cascades in the Niagara River now under construction under the supervision of the International Joint Commission could be operated to compensate for the reduction in the Lake Erie level. The levels of Lake Ontario will be regulated in connection with the St. Lawrence Seaway and power project. The plan of regulation can be modified as required to accommodate the reductions in outflows within the range of stage established for Lake Ontario levels under regulation."

The Engineers' report says, further: "Coordination and agreement with Canada would be required to accomplish either of the above."

So, you see, Canada has it within its own power by agreement with the United States to regulate the levels of the lake and to prevent any damage to navigation and shipping. Even if the sill in the St. Clair River, to which the Army Engineers refer, is not constructed, the damage to Canada's navigation and shipping interests can be eliminated almost entirely during the period of diversion proposed in my bill. Therefore, there is no basis for protest on this score.

The other objection raised by Canada, namely, the loss in power revenues, is similarly subject to adjustment. The report of the Corps of Engineers indicated that over the 15-year period during which time the proposed diversion is supposed to have an effect, the loss in revenues to both Canadian and American interests would average $36,000 per year. I ask you—how badly would Canadian and American power interests who are protesting this bill—how badly would they be hurt when their projected loss of $36,000 per year compared with total power revenues accruing to them of $100 million per year? One hundred million dollars is the anticipated annual earnings of the Canadian and American powerplants.

When one compares this small most uncertain injury with the tremendous earnings of the huge power operations, how pertinent becomes the statement made by the House Committee on Public Works in its report on my bill, when it said: "The value of helping to solve one of the most pressing problems of a great metropolitan area far outweighs whatever slight temporary loss, if any, might be sustained by adjacent areas."

But the possibility of minimizing this loss even further exists for the power interests

by adjustments in the rate of flow over the Niagara Falls. Amounts of water are apportioned at certain times of the day in greater quantities because of tourists. Why could not the possible damage be compensated for by adjusting the flow to permit slightly longer diversion of the water for power purposes? The amount of loss to the tourists would be infinitesimal in terms of their enjoyment of the grand spectacle.

Thus, there are a number of ways in which parties willing to work together can find a solution to this problem. We want to work together with Canada. I agree with Counsel General Newman that "Chicago is more closely tied to Canada than any part of the United States"—and we want to keep it that way. That is why we ask Canada to keep an open mind on this matter which is of such vital importance to the people of Chicago and Illinois, rather than permitting the historical antagonisms of the past to shut out any possibility of coming to an agreement.

I hope we can persuade the Government of Canada to withdraw its protest. Chicago is destined to become the No. 1 city of the world, and its growth must not be impeded by what must be described as an illogical and unwarranted protest by the Government of Canada. If Canada holds dear Chicago's friendship—as Chicago does Canada's—it will not arbitrarily throttle the natural expansion of a thriving metropolis by filing a stony and final protest, rather than seeking a meeting place where the minds of friends may agree upon a reasonable solution of a pressing problem.

Chicago will never stop growing. It will never stop because its people are so vital and dynamic—because its people have pride and confidence in themselves and in their community—and because we have leaders like Mayor Daley.

I want you to know that I will continue to fight for the people of Chicago and for the passage of the lake diversion bill. I am sure that all of my colleagues in the Illinois congressional delegation join me in that pledge.

To all of you, to Mayor Daley, to President Chesrow, to all the members of the Metropolitan Sanitary District of Greater Chicago, I say in the words of Speaker RAYBURN: "Thank you from the bottom of a grateful heart for your graciousness and generosity in bestowing this great honor upon me today."

Status of the Democratic Program

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1959

Mr. PORTER. Mr. Speaker, the majority leader of the other body is certainly correct when he states that the 86th Congress has a man-sized job cut out for it.

In his speech at Big Spring, Tex., of November 7, 1958, Senator JOHNSON listed 12 objectives.

How are we doing with respect to these objectives? Where do we stand as of April 10, 1959? At my request the Legislative Reference Service prepared for me a brief summary and status of the Democratic legislative program as set forth in the 12 items which Senator JOHNSON listed in his address, plus a 13th having to do with education, which I have taken the liberty of adding to the list.

It is plain from looking at these data, which are set out below, that leadership will have to select particular bills in some instances and in other instances will have to see that further legislation is filed.

The following program as outlined is taken primarily from legislation which has been introduced in the Senate. Certain companion bills introduced in both Houses have been noted. In most cases similar legislation has been introduced in the House and referred to the appropriate committee.

Committee action, not indicated, has already been initiated by most of the committees responsible for such legislation. The enactment of the outlined Democratic program appears to be well ahead of schedule.

Here is the information:

First. We need to breathe life into the newly created space agency and launch a program to explore outer space:

S. 586, Mr. KEFAUVER, January 20, 1959 (Aeronautical and Space Sciences): Department of Science Act of 1959 establishes a Department of Science to carry out programs for developing missiles, rockets, etc., and other programs of research with respect to outer space. Transfers to such agency the National Science Foundation, the Atomic Energy Commission, and similar functions of the Defense Department.

S. 676, Mr. HUMPHREY and others; January 23, 1959 (Government Operations): Department of Science and Technology Act of 1959 establishes a Department of Science and Technology and transfers to such department (1) the National Science Foundation; (2) the Atomic Energy Commission; (3) the National Aeronautics and Space Administration; (4) the National Bureau of Standards; and (5) certain functions now being administered by the Smithsonian Institute.

S. 1096, Mr. JOHNSON of Texas and Mr. BRIDGES; February 17, 1959 (Aeronautical and Space Sciences): Authorizes an additional $48,354,000 for fiscal 1959 for the National Aeronautics and Space Administration as follows: (1) salaries and expenses, $3,354,000; (2) research and development, $20,750,000; (3) construction and equipment, $24,250,000. Passed Senate March 10, 1959; reported in House March 18, 1959.

H.R. 2971, Mr. BROOKS of Louisiana; January 21, 1959 (Science and Astronautics): Authorizes $82,050,000 for the acquisition of property; plant construction, etc.; for the National Aeronautics and Space Administration.

Second. We need a program to develop the peaceful uses of the atom—with emphasis on an atomic merchant marine.

S. 683, Mr. GORE; January 27, 1959 (Atomic Energy): Atomic energy amendments of 1959 authorizes $1 billion for the Atomic Energy Commission (1) to construct a large-scale prototype power reactor; (2) to construct power reactor facilities at major production facilities of the Commission to supply the electrical energy needed by such facilities; (3) to develop reactor designs, etc., capable of a maximum production of not more than 50,000 kilowatts of electricity; and (4) to initiate a program for the development of civilian power reactors of from 10,000 to 50,000 kilowatt capacity.

Directs the Commission to conduct a vigorous program of international cooperation and assistance in the development of power reactors, and to accelerate existing programs for the development of nuclear rocket propulsion and to proceed with the development of a manned vehicle powered by nuclear propulsion.

H.R. 4822, Mr. TOLLEFSON; February 19, 1959 (Merchant Marine and Fisheries): Authorizes the construction of a nuclear-powered tanker for operation by the Maritime Administration.

Third. We need a program to step up the supply and conservation of water for the West.

S. 13. Messrs. ENGLE and KUCHEL; January 9, 1959 (Public Works): Provides Federal assistance, loans for up to 50 years and grants, to encourage the planning and construction of non-Federal municipal and industrial water development projects on a multiple purpose, comprehensive basis.

S. 943. Mr. ENGLE and others; February 5, 1959 (Interstate and Foreign Commerce): Authorizes $10 million over a 10-year period for a program of weather modification directed at increasing the annual average usable supply of water in the Colorado River Basin.

Senate Resolution 48, Messrs. MANSFIELD and MURRAY; January 27, 1959 (Interior and Insular Affairs): Establishes a select committee to make studies of water resources and future needs thereof.

H.R. 8, Mr. TRIMBLE; January 5, 1959 (Public Works): Water Conservation Act of 1959 establishes a national policy and procedure for the development of water resources on a comprehensive multiple-purpose basis.

H.R. 289, Mr. TRIMBLE; January 7, 1959 (Interior and Insular Affairs): Establishes criteria for the utilization by the Secretary of the Interior in the determination of the feasibility of constructing or modifying any reclamation project.

H.R. 1863, Mr. CLEMENT W. MILLER; January 9, 1959 (Public Works): Authorizes loans and grants to provide Federal cooperation in non-Federal municipal and industrial water development projects.

H.R. 2145, Mr. BECKWORTH; January 12, 1959 (Interior and Insular Affairs): Authorizes $200 million annually for Federal aid, on a 50–50 basis, to assist States and local governments to plan, construct, operate, and maintain projects for water conservation and storage.

Fourth. We need to review our foreign policy so that bold, new, imaginative programs can be recommended to responsible officials.

S. 1094 (H.R. 4452), Mr. FULBRIGHT (by request); February 17, 1959 (Foreign Relations): Authorizes the U.S. Governor of the International Monetary Fund to request and consent to an increase of $1,375 million in the U.S. quota for such fund, to vote for increases in the capital stock of the International Bank for Reconstruction and Development and, if such increase becomes effective, to subscribe to 31,750 additional shares of stock. (Passed House, amended, March 25, 1959.)

H.R. 2159, Mr. CURTIS of Missouri; January 12, 1959 (Foreign Affairs): U.S. Trading Corporation Act establishes the U.S. Trading Corporation to undertake such measures as will effectively meet the threat to the free world of long-range economic penetration of world markets by the Soviet bloc.

H.R. 4452 (S. 1094), Mr. SPENCE; February 12, 1959 (Banking and Currency): Laid on table March 25, 1959; S. 1094 passed in lieu.

House Resolution 113, Mr. MORGAN; January 15, 1959 (Rules): Authorizes the Committee on Foreign Affairs to conduct an investigation of policies, etc., of the State Department and other departments and agencies engaged primarily in the implementation of our foreign policy. (Passed by House January 29, 1959.)

House Resolution 114, Mr. MORGAN; January 15, 1959 (House Administration): Provides for expenses of conducting investigations under House Resolution 113. (Passed by House February 24, 1959.)

Fifth. We need a consistent policy for Latin America which will help our neighbors to help themselves.

Senate Resolution 17, Mr. SMATHERS; January 12, 1959 (Foreign Relations): Favors the establishment of an inter-American regional development bank.

Senate Resolution 31, Mr. GREEN; January 20, 1959 (Rules and Administration): Authorizes a study of U.S. foreign policy, with special reference to Latin American and Canadian Affairs. (Passed by Senate February 2, 1959.)

House Resolution 49, Mr. O'HARA of Illinois; January 7, 1959 (Rules): Creates a select committee composed of members of the Committee on Foreign Affairs to make an investigation of our affairs with the Latin American countries.

Sixth. We need a new farm program because there is something wrong when the Government must spend 53 cents for every net dollar the farmer takes in.

S. 1211, Mr. HUMPHREY and others; March 2, 1959 (Agriculture and Forestry): Family Farm Yardstick Credit Act of 1959 provides for the reactivation of the program of assisting farmers and creditors with voluntary farm debt-adjustment procedures and the policy of adjusting repayment schedules to the net earnings of borrowers from year to year. Provides for long-term, low-interest loans to farmers.

Authorizes $200 million annually for loans and an additional $25 million for the guaranty fund for insurance of loans.

Family Farm Development Act of 1959 provides for the determination of counties, up to 500, having the largest low-income farm population and the assistance of families therein with low-interest, long-term loans for the enlargement and/or development of such owner-operated family-type farms.

H.R. 838, Mr. MARSHALL; January 7, 1959 (Agriculture): Agricultural Relations Act of 1959 creates an Agricultural Elections Committee to establish regulations and practices for the election of community, county, and State agricultural committees. Provides for a National Agricultural Board to establish national production and marketing goals and to allot such goals to farmers.

Provides for referendums to be held on programs proposed by the Board and, if not opposed by a majority of the producers, then provides for such programs to become effective.

Seventh. We need a program to help the people in those areas which are economically depressed to help themselves in restoring their region to prosperity.

S. 1631, Mr. JOHNSON of Texas and others; April 8, 1959 (Labor and Public Welfare): Establishes a Commission on Unemployment Problems. (Passed by Senate April 10, 1959.)

S. 722, Mr. DOUGLAS and others; January 27, 1959 (Banking and Currency): Area Redevelopment Act creates an Area Redevelopment Administration, an Area Redevelopment Advisory Board, and a National Public Advisory Committee on Area Redevelopment. Provides for the designation of redevelopment areas those areas having certain levels of unemployment. Authorizes $300 million for revolving funds to provide aid in industrial redevelopment areas, rural redevelopment areas, and for public facilities. Authorizes $75 million for grants for public facilities under certain conditions; $4,500,000 annually for technical assistance; $10 million for retaining subsistence grants. (Passed Senate March 23, 1959.)

(NOTE.—In the House over 45 bills providing assistance in depressed areas have been introduced, most of which are similar to S. 722.)

Eighth. We need to face up to the high interest rates which are slowing the needed growth of our economy.

S. 860, Mr. PROXMIRE; February 2, 1959 (Banking and Currency): Authorizes member banks to count currency and coinage as reserves.

S. 1120, Messrs. ROBERTSON, FULBRIGHT, and CAPEHART; February 19, 1959 (Banking and Currency): Authorizes member banks to count currency and coinage as reserves. Reduces to 10 percent (now 13) the minimum aggregate amount of demand deposits required to be kept on hand by reserve banks.

S. 1560, Mr. HUMPHREY; March 25, 1959 (Government Operations): Capital Budget Act of 1959 provides for the separation of operating and capital expenditures in the Presidential budget.

Ninth. We need a labor bill to protect honest, constructive labor from the selfish schemes of the racketeers.

S. 1555, Mr. KENNEDY and others; March 25, 1959 (Labor and Public Welfare): Labor-Management Reporting and Disclosure Act of 1959. This is a committee version of legislation designed to control and prevent abuses by labor organizations. Sets forth certain findings of fact; requires full and complete disclosure of financial affairs of labor unions and transactions by unions, union officials, and other parties which might give rise to conflicts of interest; sets limits on the establishment of and periods during which trusteeships may be maintained; requires democratic methods for the election of union officials; and establishes an Advisory Committee on Ethical Practices to advise the Secretary of Labor with respect to the administration of the act. (Scheduled to be reported April 13, 1959.)

WAGES

S. 1046, Mr. KENNEDY and others; February 16, 1959 (Labor and Public Welfare): Extends coverage of the Fair Labor Standards Act of 1938 to employees of large enterprises engaged in retail trades or services and other activities affecting commerce. Increases the minimum wage to $1.25 an hour.

UNEMPLOYMENT

S. 791, Mr. KENNEDY and others; January 29, 1959 (Finance): Unemployment Compensation Act of 1959 provides for unemployment reinsurance grants to the States. Revises, extends, and improves the unemployment program. Sets forth certain standards which States plans must meet.

Tenth. We need a bold housing program which will set as its goal a home for every American family.

HOUSING

S. 57, Mr. SPARKMAN and others; January 9, 1959 (Banking and Currency): Housing Act of 1959, omnibus housing bill, extends the home improvement programs; increases maximum mortgage amounts; increases dollar limitations on rental housing; increases maximum loan-to-value ratio; increases by $4 billion annually for each year 1959 and 1960 the FHA's general mortgage insurance authorization; extends benefits for displaced families; establishes a new program of housing for elderly persons; provides a 6-year $2.1 billion slums clearance and urban renewal program; permits local agencies to set rents, etc., for low-rent projects; increases funds available for college housing; extends military housing program and provides additional funds for VA direct loans. (Reported in House Feb. 27, 1959; scheduled to be brought before Rules Committee Apr. 13, 1959.)

H.R. 2357, Mr. RAINS; January 15, 1959 (Banking and Currency): Housing Act of 1959, omnibus housing bill similar in many respects to S. 57.

(NOTE: S. 57 was passed by the Senate on Feb. 5, 1959, with an amendment. The act was reported in the House on Feb. 27, 1959 with an amendment. The Rains bill with minor amendments was substituted by the House committee for S. 57 as passed by the Senate. As now before the House the bill provides for (1) lower FHA downpayments; (2) larger FHA repayment periods; (3) reduction (authorized) in FHA insurance premiums, (4) a $500 million yearly (for 3 years) program of slum clearance; (5) an extended low-rent public housing program; (6) a $400 million additional loan authority for college housing; (7) a new program for housing for the elderly; and (8) an extension of the military housing program.)

Eleventh. We need to reexamine our airport program because we are entering a jet age of transportation and present facilities are totally inadequate.

S. 1., Mr. MONRONEY and others; January 9, 1959 (Interstate and Foreign Commerce): Extends the Federal aid program for the development of airports through fiscal 1963 and authorizes $95 million each year for fiscal 1960, 1961, 1962, and 1963. Authorizes additional amounts for projects in Alaska, Hawaii, Puerto Rico, and the Virgin Islands. Authorizes an additional $75 million for a discretionary fund for such aid. Disallows as project costs the construction of parking areas, bars, cafes, etc. (Passed House, amended, Mar. 19, 1959.)

H.R. 1011, Mr. HARRIS; January 7, 1959 (Interstate and Foreign Commerce): Similar to S. 1.

Twelfth. We need a courageous urban renewal program to bring new health and vitality to our cities.

S. 57, as summarized above, contains certain provisions dealing with urban renewal. In general, urban renewal programs may be found in the major housing bills.

Thirteenth. We need a liberal new Federal program of aid to education—aid in loans and scholarships, aid in classroom construction and teachers' compensation.

EDUCATION

S. 2, Mr. MURRAY and others; January 9, 1959 (Labor and Public Welfare): School Support Act of 1959 provides Federal aid for the construction of classrooms, etc., and compensation of teachers.

S. 8, Messrs. MCNAMARA and HART; January 9, 1959 (Labor and Public Welfare): School Construction Assistance Act of 1959 sets forth a $1 billion annual program for Federal aid for the construction of school facilities.

S. 57, as summarized above, contains a program providing aid for the construction of college housing.

S. 234, Mr. LANGER; January 12, 1959 (Labor and Public Welfare): Sets forth a program of loans for students desiring to continue their education beyond the high school level.

H.R. 22, Mr. METCALF; January 7, 1959 (Education and Labor): Identical to S. 2.

We have a lot of work to do before adjournment. With this formidable program in our sights, it is necessary that we assess our progress from time to time.

All Senior Citizens on Fixed Federal Pensions and Annuities Should Be Permitted To Have Adequate Outside Earnings and Should Be Given Proper Exemption From Taxation in Keeping With the Present Day Cost of Living

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 7, 1959

Mr. CRAMER. Mr. Speaker, I am introducing today a series of bills to relieve some of the hardships now facing the senior citizens on fixed incomes in the United States.

Most of our senior citizens live on fixed incomes and a considerable portion is from pensions and annuities. These pensions and annuities were much larger in terms of purchasing power a decade or more ago. Today the same pensions and annuities have shrunk to a fraction of their worth. Pensions and annuities and fixed incomes are caught between the devalued dollar and the higher cost for purchases of processed goods, food, and other necessities of life.

Our senior citizens for the most part derive little benefit from the substantial increase in wages which came about since World War II. Few people beyond the age of 65 are able to be gainfully employed in more than part-time pursuits. However, since they cannot live on the depreciated fixed incomes, more and more of our senior citizens are turning to odd jobs for help and many are feeling the pinch of taxes.

I have been greatly concerned about these two problems, that is, the limitation on outside earnings contained in many of the annuities and pensions of the Federal Government as well as the areas in which those pensions and annuities are taxable. I have had an exhaustive study made of this problem during this session of Congress and I am introducing today a series of bills to rectify some of the inequities that exist, to provide for addition of $600 in outside earnings in all funds that have such a limitation, and further providing for nontaxability on all such pensions and annuities where such are taxable in the types of funds where contributions have been made to the fund or disabilities have been incurred by the employee.

The social security system was inaugurated in 1937 as a supplement to other savings and other income for persons over 65, and yet Congress has limited outside earnings to $1,200.

Let us examine some of the changes that have come about since 1938, the first year of monthly payments under the social security plan, and let us contrast that with the situation as we see it today.

In 1938, the Department of Labor cost of living index stood at 60.3. In February of 1959, the index stood at 123.7. In other words, the cost of living has doubled in the past 21 years.

In this period of time, from 1938 to today, our population has risen from 130 million to 172 million. Yet, in spite of this increase in numbers of people, the per capita national debt has gone from $286 to $1,650 per person. How high it would or could conceivably go if complete retirement were paid to all senior citizens is purely a matter of conjecture because we are already finding difficulty in raising funds to meet the requirements of our current national budget.

Back in 1938, a single person with no dependents and an income of $3,000 per year paid a Federal income tax of $68. Today, a single person with no dependents and an income of $3,000 per year is paying a Federal income tax of $488.

Furthermore, the excise taxes, those "consumer" taxes that we pay on cosmetics, women's handbags, household equipment, radios, new automobiles, and many other items that we regard as essential, have increased from $13.50 per capita in 1938 to $58.38 per capita. In other words, the Federal Government takes proportionately a much bigger chunk out of the incomes of the retired people than it did back in 1938.

Yet, what the Federal Government takes in taxes is far from all. The increase in local taxation per capita has risen from $71.47 in 1938 to $253.32 last year.

In other words, in addition to the double cost of living, we have a greatly enhanced tax burden which bears down on the old and the young alike. The taking of a heavy tax burden out of fixed incomes of the elderly is truly a serious matter.

The Government recognizes this inequity and already the people over age 65 have been granted an extra exemption under the income tax. They may deduct all of their medical expenses except medicines. However, there are many more ways in which we can ease the burden on those who are retired on fixed incomes without materially adding to the cost of Government.

The best of these opportunities is to increase the allowable earnings of those who receive social security and other Federal benefits. In 1937, when the social security system was adopted, a beneficiary could only earn $14.99 per month without losing his social security payment. Incidentally, the payment at that time was $41.20 for a man plus $20.60 for his wife, or a total of $61.80 for a couple. This $14.99 limitation on earnings continued until 1950 when Congress increased the allowable earnings to $50 a month. In 1952, this was increased to $75 a month and in 1955 became the present $1,200 a year. Today the maximum social security payment is $116 for a man and $58 for his wife, or a total of $174 per couple. I have introduced a bill which would again increase the earned income limitation and make it $1,800 a year instead of $1,200 a year.

In this connection, I want to say that I feel that $1,800 is a realistic figure that has a real chance of becoming law, although I would personally favor a larger amount. There are many part-time jobs, particularly in the smaller communities of the United States, which can be filled by people who have retired from full employment and who have many unique qualifications. In too many cases, $1,200 a year is not adequate or sufficient pay for such part-time employments. It is much better to raise this figure to $1,800 and have more of our senior citizens gainfully employed, than to continue today's needless hardship.

If, however, we are going to make such an increase for those under social security, a similar $600 a year increase in the income limitation should apply to disabled annuitants under the Railroad Retirement Act. They now are limited to $100 a month and I am introducing a bill increasing this to $150. It is wholly incongruous anyway for nondisabled railroad retirees to have no limitation and disabled annuitants to be so limited.

A similar increase in the Veterans' Administration pensions as relates to outside earnings for World War I, World War II, and the Korean conflict is raised under my bills from $1,400 to $2,000 for a veteran with no wife or child and from $2,700 to $3,300 a year if he does. The same figures apply for a widow.

Earlier this year I introduced H.R. 2469, a bill to equalize the pay of retired members of the uniformed services. After further study and considerable correspondence with those involved, I am today submitting a further bill which I think will achieve the purpose of equalizing the rates of retired pay for all members of the uniformed services who have previously retired, including those who are now prejudiced by their election made to not come under the Career Compensation Act of 1949. It was unfortunately the case that the recent revision of the Career Compensation Act of 1949 and when applying the 1958 increase created some inequalities for those who elected to not come under the 1949 act. The bill I am introducing today irons out these differences.

At this point I would like to submit for the RECORD a letter received from the legislative counsel in regard to my bill to "restore the traditional relationship between active duty and retired pay for members of the uniformed services":

HOUSE OF REPRESENTATIVES,
OFFICE OF THE LEGISLATIVE COUNSEL,
March 24, 1959.

Hon. WILLIAM C. CRAMER,
House of Representatives,
Washington, D.C.

DEAR MR. CRAMER: You have asked that I prepare for you a summary of the provisions of a bill I drafted for you entitled "A bill to restore the traditional relationship between active duty pay and retired pay for members of the uniformed services." The bill, in general, provides (with one exception) that where it is to the advantage of a member of a uniformed service retired before June 1, 1958, his retired pay will be computed on the basis of the rates of pay prescribed by the Career Compensation Act of 1949, as amended by Public Law 85–422.

The first section of the bill repeals section 3 of Public Law 85–422. That section today provides that, with exceptions specified therein, the changes in rates of pay under the Career Compensation Act of 1949 (ranging from no increase at all for some grades to over 40 percent for other grades) shall not operate to increase the retired pay of any person.

Section 2 of the bill revises section 4 of Public Law 85–422. Such section 4 today

provides, with exceptions specified therein, for an increase of 6 percent in the retired pay of all persons entitled to retired pay as of May 31, 1958.

As revised by the bill, such section 4 would provide—

(1) in section 2(b) of the bill, that all persons whose retired pay is computed on the basis of the rates prescribed by the Career Compensation Act of 1949 would have that pay computed on the basis of the rates prescribed by that act, as amended by Public Law 85–422;

(2) in section 2(a) of the bill, that all persons entitled to retired pay (other than for disability) under laws in effect before the effective date of the Career Compensation Act of 1949 (October 1, 1949), would have that pay (A) computed on the basis of the rates otherwise applicable as of May 31, 1958, plus 6 percent thereof, or (B) computed, in accordance with the formulae prescribed in section 511(b) of the Career Compensation Act of 1949 (37 U.S.C. 311(b)), on the basis of the rates prescribed in the Career Compensation Act of 1949, as amended by Public Law 85–422; and

(3) in section 2(b) of the bill, that all persons entitled to retired pay for disability under laws in effect before October 1, 1949, would have a 5-year period in which to elect (A) to continue to receive retired pay at the rates otherwise applicable as of May 31, 1958, plus 6 percent thereof (B) to receive retired pay computed under the formulae prescribed by the Career Compensation Act of 1949 for disability retirement, with the rates of pay on which such retired pay would be based being the rates prescribed by the Career Compensation Act of 1949, as amended by Public Law 85–422, or (C) to receive retired pay computed, in accordance with the formulae prescribed in section 511(b) of the Career Compensation Act of 1949 (37 U.S.C. 311(b)), on the basis of the rates prescribed in the Career Compensation Act of 1949, as amended by Public Law 85–422. This method parallels the method prescribed by section 411 of the Career Compensation Act of 1949, as originally enacted, for the computation of disability retired pay for persons on the retired lists as of October 1, 1949.

Section 3 of the bill amends Public Law 85–422 by striking out language included therein which was necessary in view of the provisions of that act providing that retired pay of persons already on the rolls would not be affected by the changes in rates of pay made by that act.

Section 4 of the bill strikes out, as superseded by your bill, two subsections in section 7 of Public Law 85–422 which provided increases in retired pay for certain classes of retired officers. These officers will receive greater increases under the amendments made by your bill.

Section 5 of the bill is a savings provision. Because of the amendments made by Public Law 85–855, it is possible that there are individuals presently on the disability retired lists who are receiving larger amounts of retired pay than they would be receiving if their retired pay were computed on the basis of the rates of pay prescribed by the Career Compensation Act of 1949, as amended by Public Law 85–422. Section 5 of the bill provides that these individuals shall not have their retired pay reduced by reason of the enactment of the bill.

I hope that this analysis is of assistance to you. If I can be of any further assistance, please do not hesitate to call on me.

Respectfully submitted,

JAMES M. MENGER, Jr.,
Assistant Counsel.

Mr. Speaker, in connection with these problems raised by our senior citizens, I found that not all pensions were treated alike in terms of the payment of income tax. These are the ones that are not taxable: Social security pensions, Veterans' Administration pensions, railroad retirement pensions and annuities, Panama Canal employees pensions, civil service pensions by reason of death or injury, military pensions based on percentage of disability, firemen and policemen disability pensions, and widows pensions.

The Government still has under study the question concerning the taxation of pensions to widows of Supreme Court Justices and to wives of former Presidents of the United States. Income taxes are collected on civil service annuities, State pensions and annuities for teachers, firemen, policemen, and so forth, military pensions, industrial pensions, insurance annuities, and endowments, and on pensions of retired ministers and widows of ministers. In these taxable pensions, excepting one, the custom is for the beneficiary to make no contribution whatever. The one exception is the Federal civil service annuity. The retired Federal employee may recover against income in the first 3 years the sum of money that he personally paid in but he cannot collect on the interest which his savings provided. The military, by contrast, pay nothing toward their pensions and their pensions are fully taxable unless said pension is based on disability or partial disability.

I am also introducing today a new bill as a substitute for H.R. 489, one I previously introduced, which would exempt the U.S. civil service pensions from the Federal income tax, thus giving these recipients equal treatment with other similar pension and annuity groups.

A moment ago I listed the types of pensions and annuities that are nontaxable. I append herewith the reasons given by the Treasury Department for these exemptions. Mostly the exemptions were set up by statute which is precedent enough for my bill in regard to civil service pensions:

NONTAXABLE PENSIONS

1. Social security: The Supreme Court has held that insurance benefit payments made to individuals under title II of the Social Security Act, as amended, are made pursuant to the authority of Congress to appropriate money in aid of the general welfare. (*Helvering* v. *Davis*, 301 U.S. 619, 640 (1957)). In view of that characterization of the payments by the Supreme Court, which characterization was urged before the Court by the United States, the Internal Revenue Service has concluded that the payments do not constitute taxable income in the hands of the recipients. (I.T. 3447, C.B. 1941–1, 191.)

2. Veterans' Administration pensions: Section 1001 of the Veterans' Benefits Act of 1957 (71 Stat. 83), replacing section 3 of the act of August 12, 1935 (49 Stat. 607), provides in part as follows: "(a) Payments of benefits due or to become due under any law administered by the Veterans' Administration * * * and such payments made to or on account of, a beneficiary shall be exempt from taxation."

Based on the foregoing the Service has concluded that pensions and other payments made by the Veterans' Administration to veterans and their beneficiaries under the acts and laws referred to in the act of 1957, are not subject to Federal income tax.

3. Railroad retirement pensions and annuities: Section 12 of the Railroad Retirement Act of 1935, as amended by Public Law No 162, 75th Congress (50 Stat. 307), approved June 24, 1937, provides that no annuity or pension payment shall be assignable or subject to any tax or to garnishment. Accordingly, the Service holds that annuities or pensions paid under the provisions of this act are not subject to Federal income tax. (I.T. 3115, C.B. 1937–2, 62.)

4. Panama Canal employee pensions: Amounts received by former employees of the Isthmian Canal Commission or the Panama Railroad Company under the provisions of Public Law 319, 78th Congress (58 Stat. 257), approved May 29, 1944, constitute gifts under section 22(b)(3) of the 1939 Code and are not includible in gross income. (I.T. 4098, C.B. 1952–2, 74.) This ruling follows the decision in the case of *Andrew W. Dewling* v. *United States* (101 Fed. Supp. 892).

5. Civil service (death or injury incurred in line of duty): Amounts received under the Federal Employees' Compensation Act (39 Stat. 742), as amended, are exempt from Federal income tax under the provisions of section 104(a)(1) of the 1954 code. This act, which is similar to the so-called workmen's compensation acts in the various States, provides that the United States shall pay compensation on account of death or disability of an employee of the Federal Government resulting from a personal injury sustained while in the performance of his duty (I.T. 3281, C.B. 1939–1 (pt. 1), 97).

6. Military pensions (exempt to the extent of the percentage of disability): Section 104(a)(4) of the 1954 code excludes from gross income "amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the Armed Forces of any country. The Internal Revenue Service has held that under the aforecited provision of law the retired pay of a member of the Armed Forces who retired for physical disability is excluded from gross income (I.T. 3641 and I.T. 3691, C.B. 1944, 70 and 73). By section 402(h) of the Career Compensation Act of 1949, 63 Stat. 802, 37 U.S.C. 272, now 10 U.S.C. 1405, however, Congress limited the amount equal to the retiree's basic pay multiplied by his percentage of disability at the time of his retirement.

7. Firemen and policemen disability pensions: Section 104(a)(1) of the 1954 code continues without change the exclusion provided in section 22(b)(5) of the 1939 code with respect to amounts received under workmen's compensation acts as compensation for personal injuries or sickness. Section 1.104–1(b) of the regulations provides that the exclusion applies not only to amounts received under workmen's compensation acts but also to amounts received under a statute in the nature of workmen's compensation act which provides compensation to employees for personal injuries or sickness incurred in their employment. The principle stated has been established in numerous court decisions and Internal Revenue Service rulings (*Frye* v. *United States* (D.C. 1947), 72 F. Supp. 405; *William L. Neill* (1951), 17 T.C. 1015; I.T. 3281, C.B. 1939–1 (pt. 1), 97; I.T. 3877, C.B. 1947–2, 15; and I.T. 3917, C.B. 1948–2, 10).

8. Widows' pensions: Pensions received by soldiers' widows from the U.S. Government held not taxable income (O.D. 957, C.B., June 1921, 84).

In conclusion, Mr. Speaker, I want to repeat that the greatest hardship in our domestic economy is the privation faced by our senior citizens on fixed income. To be unemployed and in want is certainly not pleasant, but the average American can look forward to new em-

ployment and another job as long as health and youth are enjoyed. I have every sympathy for the unemployed, particularly for those with families, but they have hope, while the future of many of our senior citizens seems hopeless under present laws. Oldsters cannot look forward to earned incomes, to youthfulness, or the bloom of health. Consequently, I consider that the series of bills I am introducing today covers a problem area of utmost importance to the present Congress. I plead with my associates for action and for help for millions of senior citizens on fixed incomes who have done their part to make this great land.

They now are in need of our due recognition of their problem.

SENATE

WEDNESDAY, APRIL 8, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, we thank thee for the inward voice which ever and again calls us away from the clamor and dusty strife of confusing days into the cool, quiet cloisters of the eternal, from whose revealing windows of faith our souls are strengthened by the far look.

In a baffled and bewildered day, save us from any panic of spirit.

May we draw our inner strength from deep wells.

O God, to whom the future belongs, use us as pioneers of a better world for ourselves and for all peoples.

Hasten the day when the black remnants of savagery, which now blight our social order, shall haunt the memory of a new generation as but an evil dream of a night that has passed.

In the midst of desperate and difficult days, deliver us from the evil of moral cowardice.

For those here set apart in perilous times to keep clean the springs of freedom, and to minister to the common welfare of the Nation, we pray for eyes to see, for minds to understand, and for hearts that claim kinship with all Thy children everywhere.

May we lift others by a faith that will not shrink, though pressed by every foe.

Pilgrims of the night, may we be heralds of the morning.

We ask it in the Name that is above every name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 7, 1959, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the NASA authorization legislative subcommittee of the Committee on Aeronautical and Space Sciences was authorized to meet during the session of the Senate today.

On request of Mr. DIRKSEN, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet this afternoon during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Carl W. Strom, of Iowa, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Ellis O. Briggs, of Maine, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Greece.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be notified immediately of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

Mr. FULBRIGHT. Mr. President, I am very much pleased, indeed, with the two nominations which have just been confirmed—namely, the nomination of Mr. Carl W. Strom, of Iowa, to be our Ambassador to Bolivia; and the nomination of Mr. Ellis O. Briggs, of Maine, to be our Ambassador to Greece. These are examples of two excellent appointments by the administration. I only hope it will maintain that standard in the case of all its appointments.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR CALL OF THE CALENDAR ON FRIDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on Friday the calendar of bills and other measures be called, for the consideration of those to which there is no objection.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM — ORDER FOR ADJOURNMENT TO FRIDAY

Mr. JOHNSON of Texas. Mr. President, I announce that I have conferred with the distinguished minority leader [Mr. DIRKSEN]; and on Friday we expect to have a call of the calendar. I should like to have the legislative review committees on both sides of the aisle to be prepared for that call.

At the conclusion of the call of the calendar, we may bring up by motion other measures; and I shall make an announcement on that subject to the Senate as soon as I am able to obtain the consent of some of the committee chairmen.

We hope to be able to dispose of the unfinished business and the pending business today.

Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until Friday, at noon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DIRKSEN. I do not know how much controversy there is in regard to the measures on the calendar. On the calendar is a bill relating to educational television. I wonder whether it is the purpose of the majority leader to have the Senate act on all the measures on the calendar, or to omit from the call those that are controversial and may take some time to dispose of.

Mr. JOHNSON of Texas. There are only three that previously have been passed over; and I do not think it will take more than a few minutes to dispose of them, even if any Senator wishes to debate them. Therefore, I ask that the call of the calendar begin with Calendar No. 52, Senate bill 12, to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs. Of course, objection will be made to the consideration of that measure during the call of the calendar, because on both sides of the aisle there are Senators who will object. However, we shall begin the call with Calendar

No. 52, and shall proceed through the entire calendar.

Mr. DIRKSEN. Very well.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON DISPOSITION OF CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

A letter from the Acting Secretary of State, transmitting, pursuant to law, a report on the extent and disposition of U.S. contributions to international organizations, for the fiscal year 1958 (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF ADVISORY COMMISSION ON INFORMATION

A letter from the Chairman, U.S. Advisory Commission on Information, Washington, D.C., transmitting, pursuant to law, a report of that Commission, dated March 1959 (with an accompanying report); to the Committee on Foreign Relations.

REPORT OF DIRECTORS OF FEDERAL PRISON INDUSTRIES, INC.

A letter from the Secretary, Federal Prison Industries, Inc., Department of Justice, transmitting, pursuant to law, a report of the Directors of that agency, for the fiscal year 1958 (with an accompanying report); to the Committee on the Judiciary.

RESOLUTIONS OF MINNESOTA VALLEY COOPERATIVE LIGHT AND POWER ASSOCIATION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that three resolutions adopted this past month by the Minnesota Valley Cooperative Light & Power Association be printed in the RECORD and appropriately referred.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Public Works:

"RESOLUTION ON TVA SELF-FINANCING BILL

"Whereas the Tennessee Valley Authority is supplying power to our 5 million people in the area and to national defense installations; and

"Whereas the TVA power system is running short of capacity to meet the demands in the area; and

"Whereas the TVA project has demonstrated that TVA power system is self-supporting and self-liquidating, and that the resale of TVA power at low rates by consumer-owned distributors is economically sound as well as socially advantageous; and

"Whereas it is due concern of this Nation and our Government that TVA be provided with adequate financing plan to provide needed funds for expansion: Now, therefore, be it

"Resolved at this meeting of the board of directors of Minnesota Valley Cooperative Light & Power Association, Montevideo, Minn., this 31st day of March 1959, upon motion by Henry Hanson, seconded by Donald Sundin, That we go on record to support the passage of TVA self-financing bill, S. 931 and H.R. 3460, which would give TVA authority to issue revenue bonds to finance power generating capacity; and be it further

"Resolved, That copies of this resolution be mailed to Senators and Representatives asking for their wholehearted support of the above bills.

"GEORGE TIMM,
"Secretary, Minnesota Valley Cooperative Light & Power Association, Montevideo, Minn."

To the Committee on Finance:

"RESOLUTION ON PROPOSAL TO TAX COOPERATIVES

"Whereas business enterprises are made up of several types of business organizations, including proprietorships, partnerships, corporations, and cooperatives all of which have contributed greatly to the tempo of economic activity within the Nation; and

"Whereas the tax position of cooperatives has been thoroughly investigated by the Congress of the United States over a long period of time and these investigations have revealed that under the present laws, the cooperatives have faithfully abided by the principles and regulations under which they have been organized; and

"Whereas cooperatives do pay taxes and in many communities of this Nation are the largest taxpayers; and

"Whereas the Secretary of the Treasury has recommended to Congress to require cooperative patronage savings to be paid in cash within 3 years and to draw not less than 4 percent interest, or otherwise to be classified as income to the cooperative and be thereby subjected to corporation income taxes; and

"Whereas this alteration of the present tax status would seriously hamper and restrict the services which the cooperatives are performing within the Nation; and

"Whereas a number of legislative bills have been proposed by the administration which would place prohibitive taxes on cooperatives: Now, therefore, be it

"Resolved by the board of directors of the Minnesota Valley Cooperative Light & Power Association, Montevideo, Minn., this 31st day of March 1959, upon motion by Alfred Reishus, seconded by George Timm, That we ask Senators and Representatives in Congress to oppose any measures which would affect our present cooperative tax laws causing hardships to cooperatives, and that bills such as Mason, H.R. 198; Curtis, H.R. 3150; and Davis bill, H.R. 3848, be opposed from passing through Congress."

To the Committee on Agriculture and Forestry:

"RESOLUTION ON REA INTEREST RATE INCREASE

"Whereas a resolution was adopted at the annual membership meeting of Minnesota Valley Cooperative Light & Power Association, Montevideo, Minn., held March 24, 1958, opposing any legislation which would increase the present 2 percent REA interest rate to rural electric cooperatives: Now, therefore, be it

"Resolved, That upon motion made by Mr. Barkus and carried that the membership at this annual meeting held March 23, 1959, of the Minnesota Valley Cooperative Light & Power Association, reaffirm our 1958 resolution opposing to any interest rate increases on REA loan funds; and be it further

"Resolved, That being Congress entered into contract with the rural electric cooperatives in 1944, to lend money at a fixed 2 percent interest charge that these contracts or any future contracts must not be changed in order to allow all the cooperatives in the Nation to complete their area coverage and to heavy up systems to provide adequate service to existing consumers.

"GEORGE TIMM,
"Secretary, Minnesota Valley Cooperative Light & Power Association, Montevideo, Minn."

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 72. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes (Rept. No. 155).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, with amendments:

S. 44. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes (Rept. No. 154).

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS:

S. 1609. A bill to provide assistance to small business concerns to facilitate adjustments made necessary by the foreign trade policy of the United States, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself and Mr. KEATING):

S. 1610. A bill to authorize the issuance of special nonquota immigrant visas to certain alien orphans; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. HARTKE:

S. 1611. A bill for the relief of Adeodato Francesco Piazza Nicolai; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 1612. A bill to amend section 170 of the Internal Revenue Code of 1954 to treat contributions to certain organizations of Reserve officers in the same manner as contributions to organizations of war veterans; to the Committee on Finance.

S. 1613. A bill for the relief of Matilda Kolich; to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 1614. A bill to reduce the import duty on cigars; to the Committee on Finance.

By Mr. YOUNG of North Dakota (for himself and Mr. LANGER):

S. 1615. A bill to authorize the Chief of Engineers to enter into a contract with the Standing Rock Indian Tribe to provide for the clearing of certain portions of the Oahe Reservoir area; to the Committee on Public Works.

By Mr. McCLELLAN:

S. 1616. A bill to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes; ordered to lie on the table.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

(Subsequently, on request of Mr. McCLELLAN, and by unanimous consent, the above bill was referred to the Committee on Government Operations.)

By Mr. McCLELLAN (for himself and Mr. BENNETT):

S. 1617. A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 1618. A bill for the relief of certain aliens; to the Committee on the Judiciary.

By Mr. WILLIAMS of Delaware:

S. 1619. A bill to provide for the installation of a public address system in the Senate Chamber; to the Committee on Rules and Administration.

By Mr. BEALL:

S. 1620. A bill for the relief of Costas Forakis; to the Committee on the Judiciary.

By Mr. BEALL (for himself and Mr. BUTLER):

S. 1621. A bill to permit the flying of the flag of the United States for 24 hours of each day on the estate known as Terra Rubra, the birthplace of Francis Scott Key, in Carroll County, Md., and at the grave of Key in Mount Olivet Cemetery in Frederick, Md.; to the Committee on the Judiciary.

By Mr. CASE of South Dakota:

S. 1622. A bill for the relief of Shigeki Tokunaga of Tokyo, Japan; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 1623. A bill to repeal section 8f of the Agricultural Adjustment Act of 1933, as amended; to the Committee on Agriculture and Forestry.

By Mr. CASE of New Jersey:

S. 1624. A bill for the relief of Ivan Curko; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 1625. A bill for the relief of Moshe Nadir; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 1626. A bill to retrocede to the State of Utah concurrent jurisdiction over certain lands within such State which are under the jurisdiction of the United States; to the Committee on Armed Services.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 1627. A bill for the relief of Mrs. Paula Deml; to the Committee on the Judiciary.

By Mr. HILL:

S. 1628. A bill to provide for the vesting of primary responsibility for the protection of the public health and safety from radiation hazards in the Public Health Service of the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HILL when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1629. A bill to amend section 9(b)(3) of the National Labor Relations Act so as to eliminate the provision thereof prohibiting the certification, as bargaining representative of persons employed as guards, of a labor organization which admits to membership, or is affiliated with an organization which admits to membership, employees other than guards; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. HRUSKA (for himself, Mr. CURTIS, Mr. LAUSCHE, Mr. CAPEHART, Mr. YOUNG of North Dakota, Mr. LANGER, Mr. HUMPHREY, Mr. HICKENLOOPER, Mr. BENNETT, and Mr. ALLOTT):

S. 1630. A bill to amend the Federal Property and Administrative Services Act of 1949 to require the disposal of certain surplus land for use in the production of crops through the operation of family-type farms, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. HRUSKA when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSON of Texas (for himself, Mr. DIRKSEN, Mr. MANSFIELD, Mr. KUCHEL, Mr. HENNINGS, Mr. SALTONSTALL, Mr. HILL, Mr. RANDOLPH, Mr. BYRD of West Virginia, Mr. DODD, Mrs. SMITH, Mr. SMATHERS, Mr. HUMPHREY, Mr. HARTKE, Mr. YOUNG of Ohio, Mr. KENNEDY, Mr. YARBOROUGH, Mr. BEALL, Mr. GOLDWATER, Mr. FULBRIGHT, Mr. TALMADGE, Mr. CASE of New Jersey, Mr. MOSS, Mr. KERR, Mr. BRIDGES, Mr. COTTON, Mr. SYMINGTON, Mr. McCARTHY, Mr. ANDERSON, Mr. WILLIAMS of New Jersey, Mr. ENGLE, Mr. FREAR, Mr. BIBLE, Mr. CHURCH, Mr. HART, Mr. CARROLL, Mr. BARTLETT, Mr. NEUBERGER, Mr. JAVITS, Mr. JACKSON, Mr. MAGNUSON, Mr. ERVIN, Mr. O'MAHONEY, Mr. McGEE, Mr. KEATING, Mr. MUSKIE, Mr. GRUENING, Mr. JORDAN, Mr. AIKEN, Mr. CHAVEZ, Mr. SCHOEPPEL, Mr. CARLSON, Mr. BENNETT, Mr. HOLLAND, Mr. WILEY, Mr. LANGER, Mr. CANNON, Mr. JOHNSTON of South Carolina, Mr. MURRAY, Mr. GREEN, Mr. LAUSCHE, Mr. CAPEHART, Mr. KEFAUVER, Mr. PASTORE, Mr. SPARKMAN, Mr. McCLELLAN, Mr. PROXMIRE, and Mr. LONG):

S. 1631. A bill to provide for the establishment of a Commission on Unemployment Problems; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above bill, which appear under a seperate heading.)

ASSISTANCE TO SMALL BUSINESS ADVERSELY AFFECTED BY FOREIGN TRADE POLICIES

Mr. JAVITS. Mr. President, I am today introducing a bill to provide assistance to small-business concerns and their employees adversely affected by U.S. foreign trade policies. The bill would enable businesses to obtain loans from the Small Business Administration, permit them to pool their resources, and make them eligible for rapid amortization of certain investments, in order to help them to meet foreign competition and to assist them in converting to new lines of enterprise. The bill would also assist unemployed workers from such businesses through retraining and reemployment aid and, where necessary by helping them to relocate to areas where job opportunities are available.

A liberal foreign trade policy with a minimum of protectionism and quotas is fundamental to the continued expansion of our domestic economy and is an important aspect of our foreign policy which seeks to foster the prosperity and friendship of the free world nations. It is equally fundamental that this overriding national policy will adversely affect the economic welfare of some businesses and employees and that we must assist them in meeting this economic impact without restricting our much larger foreign trade.

This bill will assist small businesses and their employees, who are often hit hardest by imports and whose problems have been used as justification to secure protection for the entire industry. I introduced a similar measure in the last Congress with Senators Ives and Potter.

The effect of imports and exports on our economy is clear: between 1950 and 1957 our gross national product increased 55 percent and our imports increased 45 percent, while our exports nearly doubled; the recession in 1958 brought about a 1-percent decrease in the gross national product and in imports, while exports decreased by 11 percent. It is estimated that about 4½ million persons derive their employment from foreign trade, while only 200,000 to 400,000 are employed in industries adversely affected by imports. Less than 120,000 of these were employed at peak periods in plants producing the 28 commodities for which the Tariff Commission recommended escape clause action between April 1948 and March 1959. Small businesses making smoking pipes, silk screen scarves, and umbrella frames in New York City, glassware throughout West Virginia, and velveteen in Massachusetts have been among those most severely affected.

The Senate has recognized the importance of this problem in the Depressed Areas Act of 1959 which contained provisions giving preference to those areas which contain industry adversely affected by foreign trade policy.

We cannot meet these problems by restricting our trade. What we should do is provide those affected with concrete assistance, which will enable them either to meet their competition or to make a smooth transition into other lines which can compete economically and successfully in the open market.

A section-by-section explanation of the terms of the bill is as follows:

Section 1: Where a finding is made by the Tariff Commission of a substantial injury to an industry under the so-called escape clause of the Trade Agreements Act and a recommendation has been made to the President which the President fails to approve, small business concerns within that industry become eligible for loans from the Small Business Administration. Such loans are based upon the disaster loan provisions of the present law—which are substantially easier to obtain than normal small business loans.

Section 2: The bill further contemplates that small businesses which have been adversely affected by the foreign trade policies of the United States may pool their productive capacities with the consent of the Federal Trade Commission and Attorney General without violating the antitrust laws. This will enable them in some cases to make their own operations more economical and less subject to foreign competition.

Section 3: The Secretary of Commerce, acting through the Office of Area Development, is charged with the general coordination of governmental assistance to these businesses which are so affected.

Section 4: The Secretary of Labor is authorized to provide assistance for retraining individuals whose last employment was in business eligible for assistance under this program and to cooperate with existing vocational training agencies. In addition, where he finds

that no job opportunities exist for such an individual in his own area, the Secretary may assist his relocation to another area where there are employment opportunities for him, including the payment of relocation costs of up to $150.

Section 5: Finally, the bill provides amendments to the Internal Revenue Code of 1954 providing for a rapid amortization—and therefore a tax abatement—as follows:

First. Where the line of business, and hence the capital investment of a company has been hurt by the U.S. trade policy described above, and where the facilities are not fully depreciated for tax purposes, the bill would permit a step-up in the depreciation rate of the existing equipment; the justification being that as trade policies have adversely affected the company, they have had a serious economic effect on the investment of the small business in its capital equipment. It is not illogical that this should be reflected in a tax reduction based upon the economic loss incurred.

Second. The bill also provides for rapid amortization of facilities of a small business acquired for the purpose of converting the business and developing new and different lines of production or improving old ones in order to cope with the adverse effect of the trade policies. This will, of course, provide an incentive for the small business to take account of the changed condition brought about by the trade policies of the United States and develop other fields of enterprise.

The PRESIDING OFFICER (Mr. LONG in the chair). The bill will be received and appropriately referred.

The bill (S. 1609) to provide assistance to small-business concerns to facilitate adjustments made necessary by the foreign-trade policy of the United States, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Banking and Currency.

ISSUANCE OF SPECIAL NONQUOTA IMMIGRANT VISAS TO CERTAIN ALIEN ORPHANS

Mr. JAVITS. Mr. President, on behalf of myself and the junior Senator from New York [Mr. KEATING] I introduce, for appropriate reference, a bill extending for an additional 2 years the law granting nonquota immigrant status to orphans under 14 years of age who have been or will be adopted by an American citizen upon admission to the United States. The present statutory authority under which these orphan children may be admitted—Public Law 85–316, approved September 11, 1957—expires on June 30, 1959.

Under the terms of this bill an orphan includes children under 14 where either both parents are dead, have disappeared, or have abandoned the home, or where one parent is dead, disappeared or has abandoned the home and the other parent is unable to provide proper care. It covers orphans who are adopted abroad, orphans who are abroad and assured of adoption in the United States, and orphans in the United States for whom adoption would regularize their immigration status.

More than 11,000 orphans have been admitted to the United States since the adoption of the first alien orphan statute 11 years ago as part of the Displaced Persons Act of 1948. The program has been extended three times since then, by the act of July 29, 1953, by the Refugee Relief Act of 1953 and by Public Law 316. It has been a great source of personal satisfaction to me as a member of the House of Representatives and later as a member of the Senate to have participated actively in the passage of these measures and to have joined in their sponsorship.

I have received many heartfelt requests from my constituency, from citizens wishing themselves to adopt individual orphans, urging continuation of the present law. In the debates and testimony on this legislation much has been said—and rightly so—regarding the unfortunate, parentless child for whom adoption is sought. I should for a moment like to add a thought for the childless couples and the many couples who have room in their hearts for another child who look to the Congress to extend the provisions of section 4 of Public Law 85–316, the alien orphan adoption section, beyond the June 30 expiration date. These are the Americans who think not in terms of immigration or foreign policy but rather in the personal terms of the Italian boy, the Greek girl, the Korean waif, whom they so earnestly desire to take into their homes as their own. The Congress can do naught but share in their blessings by the speedy enactment of this proposed legislation; I trust that the Judiciary Committee to which it will be referred will give it early consideration and prompt approval.

Mr. President, I point out that the situation to which I have referred applies very often to American service men and women and to Americans working abroad either for the Government or for private industry. I hope the measure will have the early attention of the Committee on the Judiciary.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1610) to authorize the issuance of special nonquota immigrant visas to certain alien orphans, introduced by Mr. JAVITS (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on the Judiciary.

CONVEYANCE OF CERTAIN REAL PROPERTY TO STATE OF ARKANSAS

Mr. McCLELLAN. Mr. President, I introduce for appropriate reference a bill to direct the Secretary of the Army to convey the Army-Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas.

I ask unanimous consent that the bill remain on the desk subject to being referred to committee on request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, the conveyance of this property is for the purpose of establishing a regional vocational rehabilitation center. The bill provides for the conveyance of approximately 25 acres upon which the hospital is situated, together with certain personal property deemed necessary for the project. The bill further contains the usual reversionary clause in the event the property is not utilized as a vocational rehabilitation center or other public health or education purposes. In addition, there is the usual reversionary clause in the event of war or other national emergency.

Mr. President, for a number of years the Department of the Army has insisted upon the closing of the Army-Navy Hospital in Hot Springs and declaring the property surplus. For the past 4 years, over their objection, the hospital has been operated under a directive from the Congress. The Army still persists, as it has all along, that the facility should be closed and declared surplus. During this period of time there has been much discussion as to the best use of the hospital for Federal purposes since it is recognized as the finest facility of its type in the continental United States. Although some 25 agencies of the Federal Government have inspected the facility to determine its suitability for their specific use, as yet none have considered it suited.

I have strenuously opposed the closing of the hospital, or the deactivation of it and putting it into mothballs, because I know that some use can be found for it, instead of abandoning it, when there is so much need in our land for medical services and for educational facilities.

Considerable interest has been manifested on a National, State, and local level, in a proposal to convert the hospital into a comprehensive rehabilitation center. In order to assure a detail knowledge and understanding of the existing facility, its suitability for a rehabilitation center, and to determine the existing needs for a national research and demonstration center, the Arkansas Vocational Rehabilitation Service made application to the Office of Vocational Rehabilitation, Department of Health, Education, and Welfare, for a grant to finance a study. The application was approved and the grant was made.

A study committee was appointed by the Arkansas Vocational Rehabilitation Service with the advice and counsel of the Office of Vocational Rehabilitation composed of 10 experts from various sections of the United States. After the study, the committee reported its findings and recommendations to the Arkansas Vocational Rehabilitation Service and the Federal Office of Vocational Rehabilitation December 5, 1958, that should the hospital be declared surplus, a national comprehensive rehabilitation center should be established at that facility. The report points out the need for such facilities in the field of vocational rehabilitation and recommends that it be operated by a State agency with funds provided both by the State

and Federal Government through Federal rehabilitation grants.

Mr. President, the recent session of the General Assembly of the State of Arkansas passed legislation that would permit the State of Arkansas to obtain title to the property, real, personal, or mixed, for the purpose of establishing and operating the rehabilitation facility. In addition, the State appropriated $200,000 annually of State funds for the maintenance and operation of the facility contingent upon the availability of the hospital and allocation of Federal funds from the Office of Vocational Rehabilitation, Department of Health, Education, and Welfare.

Mr. President, this is unquestionably a worthwhile project and in line with existing policies of the Federal Government to assist in the rehabilitation of our handicapped people.

Finally, Mr. President, I would like to point out that the investigating committee found that Arkansas has a vigorous and balanced program of rehabilitation and that the State has surpassed others in the provision of funds and rendering the services when considered on a population per capita income basis. The State agency, according to the report, has the philosophy and concept necessary to the successful administration of the comprehensive rehabilitation center.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). The bill will be received; and without objection, the bill will lie on the table, as requested by the Senator from Arkansas.

The bill (S. 1616) to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes, introduced by Mr. McCLELLAN, was received, read twice by its title, and ordered to lie on the table.

Mr. McCLELLAN. Mr. President, while I have asked that the bill be held temporarily at the desk until committee reference of it is requested, nevertheless, I deem it important that the processing of the proposed legislation proceed expeditiously.

The operation of the hospital will be discontinued at the end of this fiscal year. Immediately upon its being deactivated, preparation would have to be made to put it on a standby basis. Therefore, if the facility is to continue in the service of the people of the country and not be virtually abandoned by the Government, it is important in my judgment, that the bill be considered promptly and acted upon favorably, in order that the State may take possession of the property and immediately begin its conversion into a rehabilitation center. Otherwise, there will be an unnecessary lapse of time. There will also be an unnecessary waste of funds to put the hospital on a standby basis and then, again, to reactivate it should the bill be enacted.

I should like to confer with the chairman of the Committee on Armed Services, the distinguished Senator from Georgia [Mr. RUSSELL], before reference of the bill is made. As soon as it has been referred, I hope that early committee action will be taken on it, so that the bill can be placed on the Senate Calendar for disposition at this session. I hope it can be disposed of favorably before the end of the fiscal year.

Mr. McCLELLAN subsequently said: Mr. President, earlier today I introduced Senate bill 1616, which would convey the Army and Navy Hospital at Hot Springs, Ark., to the State of Arkansas for specific purposes, if and when the property becomes surplus to the needs of the Government, which we anticipate will occur at the end of this fiscal year.

At the time I introduced the bill I requested that it lie on the desk until I could consult with the distinguished Senator from Georgia [Mr. RUSSELL], chairman of the Armed Services Committee, with respect to the referral of the bill.

I have now consulted with him, and he has no objection to the bill being referred to the Senate Committee on Government Operations. Apparently, as of the present time, the Armed Services Committee might have jurisdiction of the bill. But once the hospital facilities are declared surplus, the jurisdiction will be reposed in the Committee on Government Operations.

For that reason, unless there is objection, I ask that the bill be referred to the Committee on Government Operations.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

ADJUSTMENT OF LEGISLATIVE JURISDICTION OVER CERTAIN LAND USED FOR FEDERAL PURPOSES

Mr. McCLELLAN. Mr. President, on behalf of myself and the Senator from Utah [Mr. BENNETT], I introduce, for appropriate reference, a bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes.

The bill is identical with S. 1538, reported by the Committee on Government Operations and passed by the Senate in the 85th Congress. After the bill had been referred to committee in the House of Representatives, due to a misinterpretation of certain aspects of the proposal, a motion was made to reconsider the passage of the measure. The motion was agreed to and the House was requested to return the bill to the Senate. The bill was returned to the Senate and placed upon the Senate Calendar under motions for reconsideration, where it remained until the close of the session.

The subject bill, in its original form, was prepared under the direction of the Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States, appointed by the President. The staff of the Committee on Government Operations, assisted by the Legislative Counsel of the Senate and a special committee appointed by the Council of State Governments, perfected the bill in its present form, after many months of careful study. Following the completion of this work, the bill was approved unanimously by the Committee on Government Operations.

The bill and report made by the Committee to the Senate in the 85th Congress were submitted to the Governors and attorneys general of all of the States. In its present form, it incorporates a number of suggestions made by certain of these officials, and now has the approval of all officials and organizations concerned with the problems involved.

On March 14, 1959, the Attorney General transmitted to the President of the Senate a letter and an identical draft of the bill which were referred to the Committee on Government Operations. I am sending to the desk the Attorney General's letter which sets forth the general purpose of the legislation, and ask that it be incorporated in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1617) to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes, introduced by Mr. McCLELLAN (for himself and Mr. BENNETT), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. McCLELLAN is as follows:

MARCH 13, 1959.

The VICE PRESIDENT,
U.S. Senate, Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal "To provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes."

This measure is the end product of 16 months of intensive study by an Interdepartmental Committee for the Study of Jurisdiction over Federal areas within the States, prolonged study by the Council of State Governments' Committee on Legislative Jurisdiction over Federal lands, suggestions invited from Governors and attorneys general of the several States, comments received from numerous Federal agencies, recommendations from various other governmental and nongovernmental groups interested in the subject, and diligent work by the Senate Committee on Government Operations and its staff.

The general purpose of the legislation is to permit Federal agencies, in appropriate cases and with the consent of the States involved, to restore to the States certain legislative jurisdiction now vested in the United States over federally owned or operated lands and to assure that in the future the United States will receive only so much legislative jurisdiction as is essential to the proper performance of Federal functions. This would mean that persons residing on such properties would no longer, by virtue of the accident of the place of their abode, suffer disabilities with respect to voting, education, public health and safety, marriage and divorce, adoption, descent and distribution of property, and numerous other matters which are ordinarily provided for by State law.

Enclosed for your assistance is the comprehensive report, in two parts, submitted

to the Attorney General by the Interdepartmental Committee and transmitted to the President. The factual aspects of the problem to which the legislation is addressed and the original committee recommendations are contained in part I. Part II constitutes a textbook of the applicable law.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely,

WILLIAM P. ROGERS,
Attorney General.

RETROCESSION OF CONCURRENT JURISDICTION OVER CERTAIN LANDS IN STATE OF UTAH

Mr. BENNETT. Mr. President, I introduce, for appropriate reference, a bill to retrocede to the State of Utah concurrent jurisdiction over certain lands within such State which are under the jurisdiction of the United States. I ask unanimous consent that a statement, prepared by me, explaining the purposes of the bill, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1626) to retrocede to the State of Utah concurrent jurisdiction over certain lands within such State which are under the jurisdiction of the United States, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Armed Services.

The statement presented by Mr. BENNETT is as follows:

STATEMENT BY SENATOR BENNETT

I have today introduced a bill which is most important to the State of Utah. It is a bill to retrocede to the State concurrent jurisdiction over certain lands within the State over which exclusive jurisdiction was previously ceded to the United States. The lands in question are all part of the huge military reservations in Utah which are utilized by the various armed services of the Federal Government.

Commencing with the outbreak of World War II, the U.S. Government began to acquire in Utah and in other States, huge tracts of land for the erection of buildings and the establishment of installations to support and maintain our Armed Forces and to carry out the important defense functions so vital to our Nation. The State of Utah responded to the request of the Federal Government and granted to the United States exclusive jurisdiction over many thousands of acres of land which were ceded and utilized by the Army, Navy, and Air Force. Utah today has four major military installations: Clearfield Naval Depot, Hill Air Force Base, Utah General Depot, and Tooele Ordnance Depot. We also have several other smaller installations which are of lesser significance.

With the end of the Korean conflict, there was an appreciable cutback in the missions of these military installations and consequently many of the buildings and some of the real estate became surplus to the needs of the Federal Government. A small part of this property has been sold by the United States and thus found its way back into private ownership and has been placed on the tax rolls. However, the large bulk of the property in question is still owned by the Federal Government. In recent years, the United States has commenced a practice of leasing warehouses and other buildings, which are excess to the needs of the Government, to private companies and contractors who may or may not be connected in some way with the defense effort.

This practice of the Government in leasing land, buildings, and other facilities for commercial purposes has created serious tax problems for the State of Utah. A number of companies have availed themselves of these excellent buildings at a fair rental rate from the Government, and then received an unexpected windfall because they have not had to pay State taxes on equipment and inventories located on these military reservations. In some instances, some of these companies have recognized a moral, although not a legal obligation, to pay taxes to the State of Utah, and have in the past willingly paid such taxes assessed by the State.

However, the Federal Government has now created a situation which has dried up even this source of voluntary tax revenue. Both the Treasury and the Defense Department have raised a question as to the legality of such companies paying these taxes, inasmuch as such payments are voluntary and not mandatory. The Defense Department has raised the question in regard to cost-plus contracts and has denied such voluntary tax payments as a necessary item of cost in arriving at the contractual amount to which a contractor might be entitled for services or goods produced for the Government. Likewise, the Treasury has looked askance at such voluntary tax payments, and has denied some of these companies permission to take such payments as a legal deduction on their Federal tax returns.

Consequently, it can readily be seen that Utah faces a real dilemma in that it does not have the necessary legal authority to assess and collect taxes against these companies using military reservations to do private business. And now, it is denied any hope of obtaining voluntary compliance with tax assessments against companies who lease facilities on Federal reservations where the United States has exclusive jurisdiction.

Moreover, companies which have been able to obtain leases of buildings on Federal reservations are given a distinct competitive advantage over other businesses which must pay State taxes.

Therefore, an urgent need exists to approve the legislation which I have today introduced to restore to Utah concurrent jurisdiction over the lands in question, so that the State might have the proper authority to levy and collect the taxes to which it is rightfully entitled.

The problem is especially acute in Utah, since the Federal Government owns almost 70 percent of the entire land area of the State, thus leaving very little private property to bear the brunt of taxes and pay the costs of operating the local, county, and State governments. I hope the Senate will take immediate action to approve this bill, or as an alternative, pass legislation similar to that contained in the adjustment of legislative jurisdiction bill which was before Congress during the last session, and which I understand will shortly be reintroduced by the senior Senator from Arkansas [Mr. MCCLELLAN], and which I will certainly be happy to cosponsor.

I attach a resolution of the Legislature of the State of Utah, memorializing Congress to enact legislation similar to that which I have introduced today in the Senate. The resolution reads as follows:

"Resolution memorializing Congress and requesting that Congress consent to section 63–8–4, Utah Code Annotated, 1953

"Whereas in 1943 the Legislature of Utah ceded exclusive jurisdiction to the United States over all lands theretofore or thereafter acquired or leased by the United States for military or naval purposes and for forts, magazines, arsenals, dockyards, and other needful buildings of whatever kind authorized by act of Congress, reserving to the State the right to execute civil and criminal process only; and

"Whereas in 1951 the Legislature of Utah enacted section 63–8–4, Utah Code Annotated, 1953, as follows:

'The State of Utah retains concurrent jurisdiction, both civil and criminal, with the United States over all lands affected by this act'; and

"Whereas private persons and companies are now leasing warehouse space on military reservations in Utah for the purpose of storing personal property not connected with any defense effort of the United States; and

"Whereas the State of Utah is being deprived of property taxes upon such privately owned personal property for the reason that such military reservations were acquired by the United States prior to 1951, and are therefore beyond the legislative jurisdiction of the State of Utah; and

"Whereas the Legislature of the State of Utah does not desire to impose any taxes upon property owned by the United States, but only upon such privately owned personal property located on land owned by the United States: Now, therefore, be it

"*Resolved*, That the Legislature and the Governor of the State of Utah do hereby request that Congress consent to section 63–8–4, Utah Code Annotated, 1953, in order that the State of Utah may exercise concurrent jurisdiction with the United States over all lands in Utah acquired or leased by the United States prior to 1951; be it further

"*Resolved*, That copies of this resolution be forwarded to Congress, to Senator BENNETT, to Senator Moss, to Congressman DIXON, and to Congressman KING with the request that the Utah delegation in Congress take such action as may be necessary to secure congressional approval hereof."

AMENDMENT OF SECTION 9(b)(3) OF TAFT-HARTLEY ACT, RELATING TO AFFILIATION OF GUARDS' UNION

Mr. HUMPHREY. Mr. President, section 9(b)(3) of the Taft-Hartley Act deprives any guards' union from affiliating with any other union which admits employees other than guards to membership.

The International Guards Union of America has called to my attention this serious discrimination in the present law. I firmly believe that guards ought to have the right to join in unified action on the same basis as other members of organized labor.

Therefore, I have prepared an amendment to repeal that part of the Taft-Hartley Act to which I have referred. I send the bill to the desk and ask that it be referred to the appropriate committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1629) to amend section 9(b)(3) of the National Labor Relations Act so as to eliminate the provision thereof prohibiting the certification, as bargaining representative of persons employed as guards, of a labor organization which admits to membership, or is affiliated with an organization which admits to membership, employees other than guards, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

COMMISSION ON UNEMPLOYMENT PROBLEMS

Mr. JOHNSON of Texas. Mr. President, I introduce for appropriate reference a bill to create an 11-member Commission on Unemployment Problems. Six of the members are to be appointed by Congress: three by the Senate and three by the House of Representatives. The remaining five members are to be appointed by the President from among representatives of labor and industry. No more than three of the Presidential appointees can be from one group.

The Commission would be charged with making a full and complete investigation and study of unemployment conditions in the United States, giving particular consideration to areas of critical unemployment, for the purpose of determining what can be done to alleviate these conditions.

The Commission is to begin its work as soon as all appointments have been made, and is required to make its findings and recommendations to the President within 60 days after it has begun its work.

The Commission is authorized to make studies and to hold hearings at such times and places as its duties require. The members of the Commission or designated subcommittees will obtain firsthand information with respect to these problems in areas where unemployment conditions exist.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1631) to provide for the establishment of a Commission on Unemployment Problems, introduced by Mr. JOHNSON of Texas (for himself and Senators DIRKSEN, MANSFIELD, KUCHEL, HENNINGS, SALTONSTALL, HILL, RANDOLPH, BYRD of West Virginia, DODD, SMITH, SMATHERS, HUMPHREY, HARTKE, YOUNG of Ohio, KENNEDY, YARBOROUGH, BEALL, GOLDWATER, FULBRIGHT, TALMADGE, CASE of New Jersey, MOSS, KERR, BRIDGES, COTTON, SYMINGTON, MCCARTHY, ANDERSON, WILLIAMS of New Jersey, ENGLE, FREAR, BIBLE, CHURCH, HART, CARROLL, BARTLETT, NEUBERGER, JAVITS, JACKSON, MAGNUSON, ERVIN, O'MAHONEY, MCGEE, KEATING, MUSKIE, GRUENING, JORDAN, AIKEN, CHAVEZ, SCHOEPPEL, CARLSON, BENNETT, HOLLAND, WILEY, LANGER, CANNON, JOHNSTON of South Carolina, MURRAY, GREEN, LAUSCHE, CAPEHART, KEFAUVER, PASTORE, SPARKMAN, MCCLELLAN, PROXMIRE, and LONG), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. JOHNSON of Texas. Mr. President, this country is confronted with a situation which demands action.

If one American is willing and eager to work but unable to find a job, that is one too many. But when that number is multiplied by nearly 4½ million, it is 4½ million reasons for action.

I have introduced today on behalf of myself, the distinguished minority leader, and other Senators whose names I send to the desk, a bill. I ask unanimous consent that Members of the Senate who wish to add their names to it be permitted to do so until Friday noon.

The bill would create an 11-member Commission. Three members of this Commission would be appointed by the Senate; three by the House; and five by the President of the United States.

The Commission would be charged with the responsibility of going to the areas of critical unemployment in this country. They would be asked to hold hearings; to make inquiries; to feel and weigh the bitter despair which attends the lives of so many of our fellow Americans.

Then within 60 days they would be asked to report back with recommendations for action.

It is my hope that the bill will secure the action of both branches of Congress and the President, so that we can shed light into the dark corners of poverty in our land.

Mr. RANDOLPH. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. RANDOLPH. The distinguished majority leader, in submitting the resolution for himself and other Members of the Senate, is focusing attention on a program which is not less than tragic in some of the States of the Union. The most recent figures indicate that 6½ percent of the working force of the country is unable to find employment. In West Virginia, the percentage of unemployment is more than twice the national figure. So, we in West Virginia are intensely interested in the creation of such a commission.

I feel especially privileged to be a cosponsor of this measure and to know that among other sponsoring Senators are the distinguished minority leader and others on his side of the aisle.

It is heartening to find among provisions of the resolution the requirement that within 60 days after the date on which all appointments to the Commission have been made it shall submit its findings and recommendations to the President for transmittal to the Congress.

The urgency of the unemployment problem in many depressed labor surplus areas of the country demands prompt committee consideration and early passage of such a purposeful resolution as the able majority leader has introduced.

I am sure that West Virginians generally will hope that a program of survey and recommendations will be forthcoming very speedily. We have real concern for the problems of our unemployed and the distress which bears down heavily upon all too many families in our State and in areas of our sister States where conditions have grown from the chronic into the acute in their labor surplus areas, too.

I congratulate the senior Senator from Texas [Mr. JOHNSON] for his initiative in this matter.

Mr. JOHNSON of Texas. I appreciate what the Senator from West Virginia has said. I have discussed the subject with the distinguished minority leader, and on a number of occasions I have discussed it also with the Senators from West Virginia. No one has been more aware of the serious situation which exists in West Virginia than the majority leader and the minority leader. I myself have listened with great interest to the Senators from West Virginia as they have spoken of the problems with which their great State is concerned. I hope that West Virginia will be one of the first areas to receive the attention of the Commission.

Mr. BYRD of West Virginia. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. BYRD of West Virginia. Mr. President, I am grateful to the distinguished majority leader for his kindness in yielding to me. As a cosponsor of the bill I am proud to rise in its behalf. I feel that the proposal to establish a temporary Commission to make a full and comprehensive study of America's unemployment and depressed areas problem may constitute a very significant step toward the alleviation of the problem.

I commend the distinguished majority leader for his authorship of the bill. I congratulate him for his deep interest in our country's grievous dilemma of joblessness.

I also wish to commend the U.S. Senate as a whole for the excellent work it has done so far this session in the passage of the Area Redevelopment Act, the Omnibus Housing Act, the Airport Extension Act, and other measures which will result in the creation of more jobs and thus combat the unemployment problem.

But, Mr. President, while these steps are important, I feel that much more must be done. Let us not forget that unemployment still is the single most crucial economic problem facing America today. Just 2 days ago, it was announced that unemployment had receded slightly in the month of March, and now stands at the level of 4,362,000. This is heartening news, even though most of the improvement probably is due to the yearly arrival of warm weather and the seasonal increase in construction and agriculture work.

But this slight improvement is not grounds for forgetting America's unemployment problem. Let us not be so cheered by the news that 387,000 fewer men are out of work that we forget about the staggering number—more than 4 million—who still are unable to find jobs.

When O. Henry wrote his book, "The Four Million," at the turn of the century, it was an entertaining volume of fiction. But there is nothing entertaining about the story of today's 4 million. The 4 million Americans who are walking the streets today, desperately looking for any sort of employment, constitute a distressing and disturbing picture. A large percentage of these unfortunate men and women are in the so-called depressed areas. Such depressed areas exist in my own State of West Virginia, as I have stated in the Senate at other times. West Virginia has more than 80,000 unemployed—or more than 13 percent of the State's entire work force.

What is needed is an intensive study which will summarize the problem and find new approaches to the matter of returning these persons to productive, worthwhile employment.

It is my belief that the bill which has just been introduced will help to achieve that purpose. I feel that it will be the vehicle by which appropriate, immediate, and direct action will be taken to aid the depressed areas of West Virginia and other States.

I again congratulate the majority leader, and I urge prompt consideration and early adoption of the bill.

Mr. JOHNSON of Texas. I thank the distinguished Senator from West Virginia. No two Senators have contributed more to the preparation of the bill or to the submitting of it than have the Senators from West Virginia.

Mr. DODD. Mr. President, I commend the distinguished Senator from Texas for introducing this bill.

Since the advent of the industrial revolution, mass unemployment has been one of the continuing evils afflicting society. Governments have devised a number of stopgap remedies. We have tried doles, government work projects and a variety of forms of government spending. But all of these have been treatments of the effects of unemployment, not the causes. Therefore, I am pleased to cosponsor Senator JOHNSON's proposal for the establishment of a commission that would study the root causes of unemployment.

I am particularly pleased that his proposal calls for a report within 60 days.

In coming months Congress will act upon a number of proposals which bear directly on the unemployment problem. We need an authoritative guide as to the extent of unemployment, the causes of it, and the role each of the proposals before Congress can be expected to play in solving it.

We cannot accept unemployment for millions as a permanent factor of our economic system. We must make a coordinated and intelligent attack upon this problem.

I believe that the Commission proposed today by Senator JOHNSON provides an excellent starting point. If it properly carries out its task, probes the basic causes of unemployment, and makes comprehensive recommendations to remedy this evil, then we will have a proper basis for enacting a many-pronged program to wipe out unemployment in this country.

AMENDMENT OF TARIFF ACT OF 1930 RELATING TO FREE IMPORTATION OF TOURIST LITERATURE—AMENDMENTS

Mr. JAVITS submitted amendments, intended to be proposed by him, to the bill (H.R. 2411) to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, which were referred to the Committee on Finance and ordered to be printed.

AMENDMENT OF FEDERAL RESERVE ACT RELATING TO CERTAIN RESERVES — ADDITIONAL COSPONSOR AND PRINTING OF AMENDMENT

Mr. BUSH. Mr. President, yesterday I submitted an amendment to Senate bill 1120, the bill relating to Reserve requirements for member banks of the Federal Reserve System, which would eliminate from the Federal Reserve Act and other banking laws the classification "central Reserve city" and reclassify New York and Chicago as Reserve cities.

The distinguished Senator from Illinois [Mr. DIRKSEN] advises me that he desires to be a cosponsor of the amendment. I ask unanimous consent that his name be added to the list of sponsors of the amendment, and that the names of other Senators may be added before the close of business today, if they so desire.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

Mr. BUSH. I had intended to have the amendment lie at the desk through Friday for additional cosponsors. However, the Committee on Banking and Currency will meet tomorrow morning in executive session to consider Senate bill 1120. Accordingly, I now ask unanimous consent that the previous order of the Senate be rescinded and that the amendment be printed and referred to the Committee on Banking and Currency at the close of business today.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING AS A SENATE DOCUMENT BIBLIOGRAPHY ENTITLED "WHAT POLICY IN LABOR-MANAGEMENT RELATIONS WILL BEST SERVE THE PEOPLE OF THE UNITED STATES?" (S. DOC. NO. 22)

Mr. KENNEDY. Mr. President, the committee on discussion and debate materials and interstate cooperation of the National University Extension Association has announced that the national high school forensic problem for the academic year 1959–60 is "What policy in labor-management relations will best serve the people of the United States?" The problem comprehends three propositions for debate and three questions for discussion, as follows:

DISCUSSION QUESTIONS

1. How can the public interest best be protected in labor-management disputes?

2. What should be the responsibilities of labor and management in solving the current labor-management problems?

3. What should be the responsibility of Government in solving the current labor-management problems?

DEBATE PROPOSITIONS

1. *Resolved*, That section 14b of the National Labor Relations Act should be repealed.

2. *Resolved*, That the Federal Government should substantially increase its regulation of labor unions.

3. *Resolved*, That the Federal Government should require arbitration of labor disputes in all basic industries.

In response to numerous requests for material, the Senator from Arizona [Mr. GOLDWATER] and I have had the Legislative Reference Service of the Library of Congress and the staff of the Senate Labor and Public Welfare Committee compile a bibliography which the high school students of America may use in preparing for their debates next year.

If printed as a Senate document, this bibliography will provide material which Senators can send to people who write to them requesting debating material. It will also be useful to any person studying this question.

Last year, when the subject chosen for debate was education, a similar bibliography was printed as a Senate document and proved extremely useful, saving many of us the labor and time of continually duplicating material to comply with requests from our constituents.

I ask unanimous consent on behalf of the Senator from Arizona and myself, that this material, which will not exceed 50 printed pages, be printed as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. LONG:

Address delivered by Senator ELLENDER before the Red River Valley Association, Shreveport, La., on March 31, 1959.

By Mr. WILEY:

Address entitled "The Warmth of America in the Cold War," delivered by Senator RANDOLPH, of West Virginia, before United Service Organization's National Council, at the Sheraton Park Hotel, Washington, D.C., on April 8, 1959.

By Mr. KEFAUVER:

Address delivered by Senator TALMADGE before the annual meeting of the Tennessee Agricultural Council in Memphis, Tenn., on April 3, 1959.

NOTICE OF HEARING ON FREEDOM OF INFORMATION AND SECRECY IN GOVERNMENT BY SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS

Mr. HENNINGS. Mr. President, I wish to announce, as chairman of the Subcommittee on Constitutional Rights of the Committee on the Judiciary, that the subcommittee has scheduled a public hearing on the subjects of freedom of information and secrecy in government, on Friday, April 17, 1959, beginning at 10 a.m., in room 318—caucus room—of the Old Senate Office Building, Washington, D.C.

The witnesses to be heard by the subcommittee are outstanding leaders in the field of journalism, who are expected to present their views not only

on the general subjects of freedom of information and secrecy in government, but also on S. 186, the freedom of information bill which has been referred to the Committee on the Judiciary.

This particular date was selected for convenience during the period the American Society of Newspaper Editors is meeting this year in Washington, D.C.

OPPRESSION OF TIBET BY COMMUNIST CHINA

Mr. FULBRIGHT. Mr. President, a little while ago some 200 million Asians of the Buddhist faith recalled with prayers and veneration the 2,500th anniversary of Buddha's death. Buddhism, now moving into its third millenium, is not only the living religion of millions of people in Ceylon, Burma, Siam, Cambodia, Laos, Japan, Red China, and Nationalist China, but is also undergoing a vigorous renaissance.

Three years ago the Buddhist stronghold of Burma was the scene of large Buddhist conclaves. The great council meeting then held there was only the sixth of its kind during the past 2,500 years. As a mark of the resurgence and continuing vitality of this most ancient religious faith, a re-editing of Buddhist texts was completed after years of effort by scholarly priests from Burma, Thailand, Ceylon, Cambodia, Laos, and other Asian countries. Then, the task done, the texts were published in a definitive, authorized form.

Today, throughout vast reaches of Asia, there is a surge of anger as Tibet, a citadel of Buddhism, is brutally suppressed by its Red Chinese overlords bebecause it attempts to secure the autonomy that was promised it by Red China. There is, as well, a brutal repudiation by Communist China's Premier Chou En-lai of the principles of nonviolance and nonintervention in other countries' internal affairs that he made at the 1955 Bandung Conference of Asian nations.

Today, the Dalai Lama, the god-king of Tibet, has reached India, after a perilous flight from his own country, while his people—one of the most unoffending of all the world's peoples—continue their struggle for religious freedom, although they are few and are armed with primitive weapons, and are opposed by Communist China with its more than 600 million people whose forces are equipped with modern arms.

In this melancholy situation we note with interest the reactions of the free Asian press, and its expressed fears that communism threatens to extinguish the freedom of Asian peoples and to crush freedom of worship.

The Hindustan Times, in non-Buddhist India, said:

> A small country on our border has paid the ultimate penalty for its temerity to aspire to independence. Much else could die with Tibet if we do not, even now, heed the warning.

The powerful Times of India said:

> What trust can India place in Chinese Communist declarations after their open violation of repeated pledges they gave to the Tibetan people that they would respect their autonomy.

In Burma, the Rangoon Daily said Red China's action against the Dalai Lama was an "attempt to suppress Buddhism by the forces of communism."

The Nation, Burma's leading newspaper, said:

> The brutal machinegunning and bombing of the Tibetan people was a gross violation of the Bandung principles and should be condemned by all Asians who cherish freedom and independence.

It is a measure of free Asia's sense of shock at the outrages perpetrated on Tibet by Red China that comments such as these are made by the Burmese press, for small Burma has a long frontier with her giant neighbor who does not brook expressions of freedom and independence of thought by those upon whom her shadow falls.

There is little we can do to succor a Tibet in agony. But our deepest feelings are engaged, for although we are not of the Buddhist faith, it is nonetheless true that he who lays rough hands upon the followers of Buddha lays rough hands upon all who believe in freedom of worship, independence of spirit, and the dignity of man. Our Nation is founded upon these principles. It has never departed from them. It has never ceased to hope that they will become the guiding principles of all the peoples of the world. Hence our national sorrow that they are being stifled today in the devout and brave country of Tibet by Communist China.

TRIBUTE TO CHANCELLOR KONRAD ADENAUER

Mr. WILEY. Mr. President, we in the United States and the other people of the free world recognize that during the years in which Dr. Konrad Adenauer has been Chancellor of West Germany the programs and policies which he has proposed and supported constitute an outstanding record in German, and world, history.

Within this period, the Federal Republic of Germany was revived from a shattered and impoverished nation to one of the most prosperous and forward-moving countries in Europe. Under his leadership, also, West Germany has risen to an honored and influential place in the councils of the Western World.

After yesterday's announcement by Chancellor Adenauer of his decision to be a candidate for the Presidency of West Germany, the world now is "taking stock" of what effect his action may have on international affairs.

As Chancellor, Dr. Adenauer has proven himself to be a strong, courageous statesman, dedicated to the cause of freedom. Furthermore, he has acted as a rock of Gibraltar, standing against the efforts of communism, overt and covert, to extend its influence to West Germany and the Western World.

As a long time friend of Konrad Adenauer, I have a particularly high respect for the outstanding ability with which he has served his country and the free world so admirably and honorably.

In reviewing Dr. Adenauer's splendid record, the world will reflect upon the constructive contributions which he has made toward close cooperation with the Western allies; improving French-German relations and cooperation; uncompromising policies for opposing efforts of communism to expand in Europe, and particularly to penetrate West Germany; willingness to share the burden of armament against Soviet power on the European Continent; and many other policies designed not only in the interests of West Germany, but also to strengthen the free world alliance.

In his candidacy for the presidency this summer, I, of course, wish him every possible success.

Although it is recognized that the presidency is a position of diminished authority and power, the people of West Germany and the free world can be gratified that—if he is elected as predicted—we shall continue to have the benefit of the wisdom, experience, and high qualities of statesmanship and leadership demonstrated by Dr. Adenauer over the years.

LABOR REFORM LEGISLATION

Mr. GOLDWATER. Mr. President, on previous occasions the press has reported my remarks on labor reform legislation, citing the fact that there is a demand on the part of the public and labor union members for effective legislation in this field. I should like at this time to elaborate on this subject.

During the Easter recess I had an opportunity to research correspondence in my files concerning labor-reform legislation. There is an unmistakable trend on the part of private individuals, labor union members, and businessmen, to support a bill which would curb abuses in the labor movement.

There is one striking feature of this research to which I should like to direct attention, Mr. President. Among the 422 pieces of correspondence which came from States other than my own State of Arizona, not one indicated approval of S. 505, the bill which was favorably reported from the committee, and the bill which I voted against. It is clear to me that the public feels as I do, that this is an ineffective proposal for labor reform legislation.

Again I should like to point out that in this sampling of correspondence not one individual voiced disapproval of S. 1137, the labor reform bill introduced by the Senator from Arkansas [Mr. McCLELLAN], who presided over the hearings which disclosed the abuses and racketeering of power-hungry labor bosses in the labor union field.

Equally important is the demand on the part of private individuals who expressly request that Congress enact legislation to curb the abuses of secondary boycotts and blackmail picketing. I feel it is important that we recognize the desires of these citizens. I request to have printed in the body of the RECORD

at this point a chart covering 422 letters in which there was stated a position on labor reform legislation.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Sampling of 422 out-of-State letters concerning labor reform legislation

	Pro 1555	Improve 1555	Anti 1555	Pro 748	Anti 748	Pro 1137	Anti 1137	Specifically requesting strong bill to curb abuses
Individuals	None	4	35	9	6	16	None	80
Business firms, organizations, and construction companies	None	3	83	6	25	12	None	41

Mr. GOLDWATER. Mr. President, again today, as I have done on several previous occasions, I wish to insert at this point in the body of the RECORD several newspaper editorials which are critical of the Kennedy-Ervin approach to labor legislation as proposed by S. 505 and S. 1555.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, Feb. 19, 1959]

THE SECOND PACKAGE

Commenting on the Democratic proposal for a "two-package" approach to labor reforms, Secretary of Labor Mitchell says, "Whatever the packaging, it's the product that counts." Both the administration and Senator KENNEDY, of Massachusetts, have proposed legislation for union financial reports and internal reforms. They should be able to agree on at least one package.

Senator KENNEDY, however, has voiced objections to the administration's proposals which would go into the second package, yet these are as important as the first. The administration seeks Taft-Hartley Act changes to deal with blackmail picketing and some secondary boycotts. Mr. Mitchell says:

"The McClellan committee has disclosed a number of cases where racketeers have moved into unions, beat up dissenters, milked the union treasury and used picket lines to throw out of work people whose employers refused to have them organized from the top down."

The administration bill would deal with such racketeering without outlawing all boycotts or organizational picketing. The bill would prohibit picketing of an employer whose employees showed no interest in joining the union; it would prohibit boycotts of an employer not a party to a labor dispute. Such measures should protect employers and employees alike without hindering honest unionism.

It makes little difference whether these essential labor reforms are wrapped in one package or two, but the two-package approach should not be employed to bury the second package. Both types of labor reforms should be passed.

[From the Cincinnati (Ohio) Post, Mar. 14, 1959]

BILL OF PARTICULARS

Members of the Senate Labor Committee are working on legislation to curb the labor rackets exposed by the McClellan investigation. So far, the action does not point toward a very strong bill.

The reluctance of the Democrats on the committee, under pressure from the union lobby, to write a tight law is frightening, in view of the McClellan disclosures.

Just this week in a New York speech, Senator MCCLELLAN spelled out a bill of particulars in support of stronger measures he himself has proposed.

"The instability or lack of integrity prevalent today in labor-management relations in this country is appalling," he said.

In the investigation, "We have had to deal constantly with people of low character or no character at all." Of 1,200 witnesses so far summoned, more than 200 ducked behind the fifth amendment for fear of incriminating themselves. The evils which have been exposed, he said, "are outrageously cruel, corrupt and contemptible."

"No legitimate union, properly administered by honest and decent officials, would be penalized to any extent or degree whatsoever," the Senator said. "If these provisions are enacted into law, however, the power and opportunity of crooked labor bosses and criminal elements to continue the abuse and exploitation of union members and working people in this country will be substantially curbed and reduced."

How can any honest and decent union officials or Senators of like attributes, hesitate about on which side they stand?

[From the Roanoke (Va.) Times, Mar. 14, 1959]

THE PUBLIC INTEREST COMES FIRST

President Meany of the AFL–CIO has denounced the Eisenhower administration's labor reform bill as "stupid" and antilabor. In testimony before the House labor subcommittee, he contended the administration bill represents a deliberate attempt to obscure the issues.

Mr. Meany favors, with some reservations, the Kennedy-Ervin bill introduced in the Senate. This deals mainly with protection of union funds and other safeguards against racketeering. The administration measure has similar provisions but it would deal more severely with "blackmail" picketing. It proposes to ban picketing of a plant in the absence of evidence of sufficient interest in union membership among employees.

But there is a much more significant difference between the bills. This has to do with secondary boycotts. Despite the prohibition of the Taft-Hartley Act, it is possible for a union to force employers with whom it has no dispute, to stop doing business with a concern against whom it has called a strike. The administration bill seeks to close Taft-Hartley loopholes which permit the abuse of union power; the Kennedy-Ervin measure would make no change in the existing Taft-Hartley provision.

The power to shut down businesses having no quarrel with the union in order to compel another business to bow to union demands has been used frequently to paralyze a whole industry or a whole section of the country. Under the circumstances can such monopoly power in the hands of labor leaders be defended as in the public interest. The public welfare must take precedence over union interest. To claim that legislation aimed at preserving that principle is antiunion is simply befogging the issue.

[From the Terre Haute (Ind.) Tribune, Mar. 15, 1959]

WISHY-WASHY LABOR LAW

A new labor bill offered to Congress is practically the twin brother of the Kennedy-Ives bill of last session. This measure was pushed through the Senate on a hurry-up basis which allowed no time or opportunity for intensive hearings or consideration. It then was defeated in the House—for the simple reason that it just wasn't capable of doing the needed job.

There are good things in the currently proposed measure, just as there were in its predecessor. But the good is heavily outweighed by the negative aspects. To take one example, it would do nothing about two of the worst labor abuses perpetrated on business and the public—secondary boycotts, and "blackmail" picketing.

Newspapers throughout the country are now asking for a stronger bill. An interesting instance is provided by the Richmond Times-Dispatch. This leading southern paper editorially rebuked the House for voting down the Kennedy-Ives bill, on the grounds that any law was better than none. But now it takes a different view. It calls the proposed law wishy-washy, and says: "This year the need to halt the inflationary wage-price spiral is even more urgent. The threat of sympathy strikes and secondary boycotts carries the full weight not only of the striking union, but also the threat inherent in the 16 million membership of the full AFL–CIO syndicate. Therein lies the greatest danger of 'union monopoly.'

"The right to unionize, to bargain collectively, and to strike locally should not be impaired (so long as public welfare and national security are not endangered). But unless the threat of nationwide strikes in key industries is removed, the inflationary trend cannot be checked."

The country has the right to a labor law which will protect the legitimate interest of us all, including union members. The Congress has the responsibility to pass such a law.

[From the High Bridge (N.J.) Gazette, Mar. 5, 1959]

A CRY FOR HELP

Congress, we are told, is in a mood to enact labor legislation. As for what kind it may be, there is the distressingly likely prospect of getting the ineffectual, labor-dictated, 1959 version of the Kennedy-Ives bill—now known as the Kennedy-Ervin bill or S. 505. Debate on this innocuous measure begins any day now, and—in the absence of protests from home—there is good reason to expect passage.

A vote for the Kennedy bill is an easy out for the nervous lawmaker who, for a number of reasons, may prefer not to irritate the labor bosses, and whose constituents are uninformed or indifferent or both. He can then please the labor barons and pose at the same time as a champion of labor union reform. On the other hand, the conscientious Congressman or Senator who realizes what a phony this bill is must be a very brave man to vote against it when there is no hint of support or appreciation from the home-folks.

Whatever you may have heard, this is no reform bill. It does not strike down the vicious and indefensible secondary boycott, under which unions may attack at will any customer of any business against which they claim a grievance, real or fancied. It does not outlaw organizational or recognition picketing, whereby unions may victimize a business and abuse workers who have previously voted against unionizing. It does nothing to wipe out in free and democratic America the double standard of conduct under which the plain people are expected to be law-abiding and labor goons have come

to be considered as having extralegal rights in the departments of intimidation, skull-cracking and the destruction of property. It does not even protect union members against the very sort of exploitation revealed in the McClellan labor rackets hearings.

But, once this bill is passed, it will be seized upon by union gauleiters as a Federal "health certificate," as evidence that they have been purified and as a new weapon in more aggressive membership drives than we have yet seen. Correction and control of racketeering, hoodlumism and assorted mayhem will be farther off than ever. Historically, labor legislation is passed by Congress approximately every 10 years.

Useful as this bill could be to the union hierarchy—whose "fat cats" will bring every pressure to bear for its passage—it is a disservice to the rank and file union member and an insult to the public at large.

It is therefore the privilege of the people to resent the Kennedy bill. And it is their duty to demand of their servants in Congress that it be thrown out—bodily. They now have the choice of acting immediately—or repenting at long leisure.

[From the New York (N.Y.) World Telegram & Sun, Mar. 20, 1959]

LOOK WHO'S OPPOSED

While Congress timidly toys with labor legislation, New York has set an example of action.

The legislature has passed a bill designed to protect rank-and-file union members—and their dues—from the kind of larceny, misuse, and assorted hanky-panky exposed repeatedly in the hearings of the McClellan rackets committee.

It is axiomatic that Governor Rockefeller will sign the measure, since it was he who proposed it.

The bill outlaws mishandling of funds by union officers or agents. It bars them from engaging in conflict-of-interest transactions. It outlaws acceptance of payoffs from employers—the kind of thievery inherent in sweetheart contracts. It requires full financial reports to the State and the membership. It sets penalties of fines up to $1,000 and prison terms up to a year for willful violators of the prescribed fiduciary obligations. And it gives labor organizations and union members the right to bring court action for redress against officials who violate those obligations.

The bill also sets forth similar financial responsibilities for employers, employer associations, and labor relations consultants—and outlaws connivance and bribery on their part.

In short, it is basic protection—long overdue—for union members and their dues money. As one legislator put it in Albany, the only union officials who have anything to fear from the bill are hoodlums and racketeers.

And yet—

The State AFL–CIO opposed the measure. It argued that the States should let the Federal Government enact a law that would be uniform throughout the country.

But what happens when the merest hint of any such action by Congress arises? The AFL–CIO marshals its national strength to prevent any genuinely remedial legislation.

So, in effect, the AFL–CIO was saying to the legislature: "Let's coordinate all labor reform legislation at the national level, where we can knock it over the head."

This puts the supposedly responsible heads of American organized labor in the anomalous position of working against the interests of rank-and-file union members.

We think these AFL–CIO leaders, State and Federal, better take a look in the mirror, observe the egg on their faces, and wise up. On them it looks especially bad.

Mr. GOLDWATER. Mr. President, at the time the Kennedy-Ervin bill was ordered reported I asked my staff to prepare an analysis of the bill, setting forth its shortcomings. The analysis, which is entitled, "The Gimmicks in the Labor Reform Bill Favorably Reported by the Senate Labor Committee," is now complete and I ask that it be printed at this point in the body of the RECORD. It is equally applicable to the reported version of S. 505, as well as the new bill, S. 1555.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

THE "GIMMICKS" IN THE LABOR REFORM BILL FAVORABLY REPORTED BY THE SENATE LABOR COMMITTEE

Even if the committee bill effectively did everything it appears to do, it would still be largely inadequate to accomplish the job of eliminating or even substantially diminishing abuses, corruption, and racketeering in the labor-management field. Its serious omissions in this respect must, however, be left for full consideration in the forthcoming minority report. In this analysis the sole purpose will be to demonstrate that many of the provisions of the committee bill belie their own appearance, and in fact do not give employees and union members the rights, benefits, and protections which are claimed for them.

I. Fiduciary obligation of union officials (sec. 2(b)): The bill does no more than declare that it encourages the faithful observance of fiduciary responsibilities by union officials by requiring them to make certain financial reports. But by the use of the word "fiduciary" in what is in fact merely the bill's preamble, an impression is created that something is being done about the fiduciary obligations of union officials. The Democrats rejected a Republican amendment imposing fiduciary status on union officials and giving union members a right to sue in the Federal courts for breach thereof.

II. Who is a union officer? The sanctions of the committee bill are exclusively criminal and are directed mainly at union "officers" who fail to comply with its requirements—reporting of financial matters, and regulation of trusteeships, and of union elections. The U.S. Supreme Court has held that a union's "officers" are only those officials who are so designated by the union's constitution and that function is not the test. Thus, a union can rewrite its constitution so as to have only a single officer, its president for example. That means that those officials who perform the duties of vice president, secretary, treasurer, business agent, organizer, manager, member of an executive board or other union governing body are not officers and hence completely free from the bill's requirements or sanctions. The Democrats rejected a Republican amendment defining "union officers" to include all of these governing or policymaking officials.

III. Loans by unions to union officers, members, and employees (sec. 101(b)(4)): Unions must report all loans to union members and officials aggregating more than $250. This enables the union leadership to make loans of $250 or less to favored members or officials, to deny them to those union people who for one reason or another oppose the leadership, and to act in this discriminatory fashion without letting the membership know about it. A more effective device for permitting an incumbent union leadership to use union funds for perpetuating itself in office is difficult to imagine. Nevertheless, the Democrats rejected a Republican amendment to require reporting of all such loans, regardless of amount, which is just what the bill requires with respect to loans made by a union to any business enterprise.

IV. Conflict-of-interest reporting by union officials (sec. 102(a)): Section 102(a) requires every union officer and every union employee receiving an annual gross of more than $5,000 (except mere clerical employees) to report any conflict-of-interest transaction as set forth in the bill. Generally, these transactions are such as to put the union man on both sides of a labor-management situation at the same time, and they thus constitute a breach of his duty to his union. Because of the lack of definition of "officer" in the bill, all union policymaking and governing officials not designated as officers in the constitution, and who, if they are on the union payroll, receive less than $5,000 per year, are freed from the requirement of reporting these fundamentally unethical transactions. This provides a gaping loophole for those dishonest union officials whose main source of income is derived not from their union salaries but from their conflict-of-interest transactions. The Democrats rejected a Republican amendment to eliminate the $5,000 salary limitation which would have then required all nonclerical union employees to report these transactions. The Democrats, however, did knock out the $2,500 limitation on reporting of expenditures by employers for the purpose of influencing employees.

V. Conflict-of-interest benefits derived through a dummy or strawman setup: The Democrats rejected a Republican amendment designated to require reporting of benefits derived by a union official in a conflict-of-interest situation where the union official gets his unethical take from a third party intermediary.

VI. Exemption of small unions (sec. 101(d)): Having agreed in subcommittee to a Republican amendment eliminating the power of the Secretary to exempt small unions and employers from the financial reporting requirements, the Democrats, in full committee, put it back in again. Their argument was that such reporting would be burdensome to many small unions. However, the bill already contains a provision authorizing the Secretary to prescribe simplified reports where full reports would be burdensome. The result of retaining this exemption is to make it possible for some of the most corrupt unions, such as the Johnny Dio paper locals, having few, or even no members, to evade the financial reporting requirements of the bill.

VII. Information in required financial reports to be made available to union members (sec. 101(c)): This provision sounds as if union members would be given the information necessary for them to keep their union officials honest. Nothing could be more deceptive. Neither the union member, nor even the Secretary, can tell by looking at one of these required financial reports whether it is accurate, erroneous, or deliberately falsified. In order to determine that, it would be necessary to compare the report with the basic union books, records, and accounts from which the reports have been prepared. It is only then that discrepancies might become evident. The bill fails to provide that union members be given access to these basic documents. A Republican amendment to that effect was rejected. It was argued that the bill gives the Secretary access to these records and that is enough to assure that reports filed will not be falsified. This assertion is entirely unsound. The best source of information would be alert union members who had discovered falsifications after comparing the basic union records with the filed reports. Having no access to these basic records, union members are rendered largely useless as sources of information for such misconduct. The Secretary, under the bill, must rely either on the hit-and-miss method of spot checking a sampling of the filed reports, or on complaints unsupported by concrete evidence. Which of these is he to investigate? No one can say. This omission

renders the financial filing requirements of the bill almost entirely worthless despite its specious appearance of effectiveness.

VIII. Preservation of basic union records (sec. 105, 108(c)): The committee bill requires the making and preservation of the records upon which the filed financial reports are based and imposes severe penalties for their destruction or concealment. This adds to the impression that the bill's procedure for public disclosure of union financial affairs is being effectively safeguarded. But the very people who are most vitally concerned in the matter, the union members, are denied access to these carefully safeguarded records, a right enjoyed by corporate stockholders with respect to corporation records in almost every State in the Union.

IX. Embezzlement of union funds (sec. 109(a)): This makes embezzlement of union funds a Federal crime. Embezzlement of any kind is already a crime in every State and Territory of the United States, and there is no evidence that these local laws are not being properly enforced. This provision gives union members nothing they do not already have.

X. Suits by union members to recover embezzled union funds (sec. 109(b)): Union members seem to be given the right to sue in a Federal or State court any union officer who has been convicted of embezzling union funds, for the recovery of such funds for the benefit of the union. But this right accrues so long after the act of embezzlement occurred that even if the suit is successful there is small likelihood that the stolen funds will not have been dissipated. Thus, the officer must first be suspected, then investigated, then indicted, tried, and finally convicted. Even then the suit can't be brought by the union member until 6 months after the union's officers have rejected his demand that they bring such suit themselves. The period between the indictment and the suit by the union member could easily span several years. Furthermore, this apparent right of the union member to sue is so hedged about by restrictions and limitations that he is far better off suing in a State court under State law. In most States he could bring suit as soon as the money was misappropriated; he would not need to wait even for indictment of the embezzling official; he would not have to show criminal intent; and he could secure a judgment upon a preponderance of the evidence rather than wait for a criminal conviction requiring proof beyond a reasonable doubt. And finally the committee bill, as a further condition of bringing this suit, requires the union member to get leave of the court upon a sworn application and for good cause shown. These three additional conditions transform what appears to be a right to sue into a mere privilege dependent upon the court's discretion. Under State law, he could sue as of right without being subject to these conditions, conditions incidentally, which the law imposes very rarely, only in unusual types of cases, and never heretofore in this type of legal action. Thus, upon examination, this so-called right to sue for recovery of embezzled funds turns out to be a snare and a delusion which no lawyer would ever advise his client to utilize. It should be added that the Republicans secured acceptance of an amendment preserving the remedies of union members under State law in this type of proceeding. Without this amendment, union members would have been stripped of their existing rights and given literally nothing in return.

XI. Payments by employers to representatives of his employees (sec. 111): The committee bill makes it a crime for an employer to give anything of value "to any representative of his employees." The Supreme Court has ruled that the term "representative" is not limited to a representative for collective bargaining purposes. Thus it is possible for an employer to commit a crime if he gives a material reward to the president of his employees' bowling league for his success in running a bowling tournament. Such president is a "representative of his employees" within the meaning of the bill. A Republican amendment to eliminate this possibility was rejected.

XII. Payments by employers to union officials (sec. 111): This section also makes it a crime for an employer to give or lend anything of value to an officer or employee of a union with intent to influence his decisions, actions or duties as a "representative of employees" (again that dangerous phrase) or as a union "officer or employee." If this were merely intended to outlaw bribery of union officials, that is already illegal under all State laws. But the term "influence" includes acts which are not technically bribery—what seems to be aimed at is prohibiting the subversion of union officials in the performance of their union duties. But why should such subversion be criminal only if it is committed by an employer, even if the employer and the subverted official's union have absolutely no relations with each other? (The bill's language includes such a situation in its scope). If the subversion of union officials is reprehensible and merits outlawing, why shouldn't it be outlawed regardless of who does the subverting? As the bill now reads, a Jimmy Hoffa or Dave Beck can subvert the president of the Retail Clerks Union by paying him to give up an organizing campaign so that the Teamsters can take it over, and no crime is committed. But if an employer in the steel industry gives something of value to his acquaintance, the head of a textile workers union, to persuade him to influence his union to change its political line, that would be a crime under the bill. A Republican amendment to make it a crime for any person (not merely an employer) to subvert a union official was rejected by the Democrats.

XIII. Extortion to permit the unloading of freight-carrying motor vehicles (section 111): This section makes it a crime for a union or any of its representatives or employees to demand from a truck driver or his employer a fee or charge for the unloading of the truck's cargo. This is extortion and is already illegal under State law and in all probability under Federal law (the Hobbs Act) as well. Hence, the extortion rarely takes this obvious form. What usually happens is that the union or union official seeking to exact a fee for permitting the truck to be unloaded, requires the operator to join the union and pay a sizable initiation fee even if he lives and works in another locality and belongs to another union, even if it is merely another local of the extorting union. This gives the deal an appearance of legitimate labor activity but it is nothing but disguised extortion The Democrats rejected a Republican amendment designed to outlaw this kind of racket.

XIV. Extortion picketing (section 111): This makes it a crime to picket for the purpose of compelling the picketed employer to pay off an individual in order to get rid of the picket line. Again, this is naked extortion and is already a crime both under State and Federal law (the Hobbs Act). Hence, this provision, like the previous one, is mere window-dressing designed to create an impression that the committee bill does something effective about certain indefensible types of picketing which are just as frequent as this type of extortion picketing is rare. It does nothing of the kind. Recognition and organizational picketing where the employees clearly do not want to be represented by the picketing union and which frequently is carried on to force the employer to violate the law by recognizing such a union is left completely untouched. Moreover, even within its own narrow scope, the provision is specious. The picketing is illegal only if it is for the enrichment of an individual—if the ill-gotten gains go to the racketeering union itself, it is not illegal. And there is no illegality involved in threats to engage in such picketing nor in causing or attempting to cause others to so engage. The Democrats rejected Republican amendments to remedy these defects, and they remain to mislead the public into thinking that another labor abuse has been corrected.

XV. Reporting requirements in connection with trusteeships imposed on locals by international unions (section 201): This section requires international unions to file reports giving specified information about any trusteeships over a local. The documents, books, records, etc. which the union makes or keeps and upon which these reports are based must not be destroyed or concealed. But union members (including even those in the trusteed locals) are not given access to these basic records and hence can rarely know if the filed reports are accurate or falsified. There is, moreover, no requirement that such basic records must be made and kept by the union in the first instance. The only applicable provision in this connection is section 105 which merely requires unions to make and keep basic records in connection with financial transactions. Inasmuch as the trusteeship reporting requirements include nothing of a financial nature, the only requirement is that they not be destroyed or concealed if the union chooses to make or keep them, which it need not do.

XVI. Probable cause in connection with the Secretary's authority to bring suit to enforce the trusteeship and election provisions of the bill (secs. 204 and 302): At Republican insistence, an amendment was adopted giving the Secretary power similar to that of other regulatory agencies to investigate for violations of the bill's financial reporting requirements. This was done by striking out the restrictive phrase "probable cause" to believe violations had been committed and permitting the Secretary to investigate when he believes violations had been committed or are about to be committed. Retention of the original language, particularly the phrase "probable cause" would have completely nullified the Secretary's investigative effectiveness. Nevertheless, the restrictive phrase "probable cause" is still retained in two other significant parts of the bill. Section 204 gives the Secretary authority to sue in a Federal court to remedy violations of the bill's trusteeship provisions and section 302 to remedy violations of the provisions dealing with the election and removal of union officers. In each case, however, the same three conditions are imposed upon the Secretary's bringing suit. First, he must have a complaint from a union member; and second, he must have probable cause to believe (1) that a violation has occurred, and (2) that it has not been remedied. And just as the Secretary's power to investigate was limited by the phrase "probable cause," so is his power to sue on behalf of those complaining union members to whom the bill does not guarantee the access to the basic union records which would enable them to furnish the evidence necessary to meet the requirement of a showing of probable cause. Thus, this combination of lack of access to basic union records, coupled with the requirement to show probable cause, in effect, renders the remedies under the trusteeship and election provisions almost wholly illusory. Suffice it to say that no comparable Federal statute in the labor field conditions a suit upon probable cause, neither the Taft-Hartley, Fair Labor Standards, nor Walsh-Healey Acts. The Democrats rejected Republican amendments to strike out probable cause as was done in connection with the Secretary's investigative powers, but no reason for this difference in treatment has yet been forthcoming.

XVII. Rights of candidates for union office (sec. 301(b)): This section purports to guarantee rival candidates for union office the same facilities for reaching the membership as the incumbent officers. Senator Prouty's proposal to give them access to the union membership lists for 30 days was first accepted, then rejected by the Democrats in favor of a provision which does not give such access but purports to provide equal campaigning facilities for all candidates. The joker in this one is that the machinery all remains in the hands of the incumbent officers.

XVIII. Secret ballot in union elections (sec. 502(j)): This section defines "secret ballot," but does not exclude voting by proxy. The Democrats rejected a Republican amendment to assure that proxy voting was prohibited, thus leaving a loophole for election abuses.

XIX. Preservation of election and convention records (sec. 301): This section requires union officials to preserve for 1 year all ballots, election records, credentials of convention delegates, and all minutes and other convention records pertaining to the election of officers. But again there is no provision requiring that access be given to these records to union members or even rival candidates. Inasmuch as the Secretary can begin court action for violation of the election provisions only upon complaint of a union member, and upon a showing of probable cause, it is obvious that his remedial powers are sadly restricted. How can a complaining union member secure evidence amounting to probable cause of a violation if he is denied access to the basic election records and documents? Again we have an appearance of a remedy without the reality.

XX. Preemption of State laws by bill's election provisions (sec. 303): This section specifically preempts all State laws dealing with challenging a union election which has already been conducted, thus making the bill's provisions in this respect the sole remedy available to union members. The catch here is that many State laws provide more expeditious and effective remedies in this area than does the committee bill. The Democrats rejected a Republican amendment to preserve remedies available under State law.

XXI. Union organizations known as conferences, joint councils, State and district councils, and other associations of unions (sec. 501(h)(1): The McClellan Rackets Committee hearings revealed that some of the worst manifestations of corruption and racketeering in the labor movement were to be found in organizations which are associations of labor unions rather than of individual employees, such as conferences, joint boards, State and district labor councils, etc. The most notorious example, of course, are the regional conferences into which the Teamsters are divided, particularly the Western Conference of Teamsters formerly headed by Frank Brewster. Associations of this kind are not labor organizations under existing law nor would they be under the committee bill for they do not bargain collectively, do not represent employees for collective bargaining purposes, do not enter into collective bargaining agreements, and employees neither participate in their activities nor hold direct membership therein. Hence, these organizations, many of them extremely corrupt, as well as their officers and employees, are left completely untouched by the committee bill. Republican amendments to remedy this were rejected.

XXII. The no man's land problem (sec. 601): The no man's land is one of the most serious problems in labor-management relations. Senator KENNEDY himself has admitted that his own original proposal in his bill to compel the National Labor Relations Board to exercise all of its jurisdiction and take every case even if it was primarily local in character, is not an acceptable solution. Nevertheless the majority accepted Senator MORSE's amendment, now in the committee bill, which for all practical purposes, does exactly what the original Kennedy bill would have done but appears to be doing something different. It requires the Federal Board to assert all of its jurisdiction but permits it to cede jurisdiction (in cases which are primarily local) to the States to administer the Taft-Hartley Act but only through an administrative agency and not through the State courts. Under the provisions of the bill, these State agencies would be mere arms of the Federal Board subject to its control in every significant respect, and all judicial appeals would be through the Federal courts exclusively. To implement this provision would require every State in the Union to enact new legislation and 40 of them, which do not now have such an agency, to create one. Under normal circumstances it might well take decades before they all took the necessary legislative action. But the scheme so completely negates the sovereign character of the several States, that it is impossible to believe that any of them would voluntarily submit one of their independent governmental agencies, to the subordinate, even degrading status, to which the proposal would reduce them. But behind this completely unrealistic provision, hidden like a raisin in a cake, is the concrete fact that if the proposal is adopted, the Federal Board would be compelled to take every case affecting interstate commerce. The present time lag of the Board in case handling is about 2 years. This provision would extend it to 3, possibly 4 years. The small employer, his employees, and the unions which deal with them would be given a forum which they do not now have, but they still wouldn't get the quick and effective relief they so urgently need. The "no man's land" would be eliminated, but the "no man's land" problem would remain as unsolved as it is now.

XXIII. Communications between attorney and client: From time immemorial the communications made by a client to his lawyer, like those between patient and doctor, priest and penitent, etc., have been regarded as sacred, and the right to keep these communications confidential is protected by law in every State in the Union. Some of the provisions of the committee bill, particularly those that require reporting by labor relations consultants, experts or advisers raise a problem in this regard because many of these people are lawyers and the people for whom they act are their clients. The American Bar Association within the past few weeks vigorously urged that the labor bills specifically protect this traditional aspect of the attorney-client relationship. The Republicans offered an amendment to that effect which the Democrats rejected, their position seeming to be that it is already protected under existing law. As indicated, that is certainly true under State law—but it is questionable if there is any Federal law which provides similar protection.

XXIV. Allocation of jurisdiction as between the States and the Federal Government as contained in various provisions of the committee bill: The committee bill distributes its remedies as between the States and the Federal Government in accordance with no discernible standard or consistent principle. Some remedies are exclusively Federal, some are left to the States and denied to the Federal Government, some are given to the States but only if they apply Federal law, and some are allocated to both the States and Federal Government. In some instances, the majority insisted upon exclusive Federal jurisdiction asserting that absolute uniformity was essential; in others, it was insisted that diversity of treatment under varying State laws was preferable. The following are the eight major provisions in which an allocation of jurisdiction was made:

1. Fiduciary obligations: The bill creates no Federal fiduciary nor remedy. This is left entirely to the States, which in fact, have no statutory law on the subject and very little case law. Interestingly, New York State has just enacted a labor reform bill which imposes stringent fiduciary obligations on union officials and gives union members themselves the right to sue for breach thereof. But the New York State AFL–CIO, the largest State labor federation in the country, with over 2 million members, opposed the bill, its principal objection being that State governments should permit the Federal Government to enact a law that would have a uniform effect throughout the country. This is exactly the reverse of the position taken by the Democrats in committee on the subject of fiduciary obligations and remedies.

2. Suits to recover embezzled union funds: But, having taken this position on fiduciaries, the Democrats made an exception permitting union members to sue in either State or Federal courts under Federal law to recover embezzled union funds while preserving their right to bring a similar suit under State law in State courts. No reason for the distinction in treatment is discernible.

3. Embezzlement of union funds: This is made a Federal crime while preserving the right of the States to prosecute in State courts as a State crime.

4. Extortion picketing: This adds a new Federal crime although it is already a crime under State law (which is not preempted) and probably a Federal crime as well under the Hobbs antiracketeering statute. What the effect is on the Hobbs Act, nobody knows.

5. Extortion to permit unloading of trucks: Adds a new Federal crime although it is already a crime under State law (which is not preempted) and probably a Federal crime as well under the Hobbs Act, the effect upon which is again unknown.

6. Trusteeships:

(a) Creates a Federal court action by the Secretary of Labor for violation.

(b) Doesn't preempt State law remedies, but if union member chooses the Federal remedy (through the Secretary) he can't use the State remedy.

7. Election safeguards:

(a) Creates a Federal court action by the Secretary to challenge an election which has already been held and preempts any similar State remedy. The Secretary's remedy is exclusive and is the only one the union member may use—he loses his State remedy.

(b) But if there are abuses in connection with an election prior to its being held, the bill provides no Federal remedy at all. The union member's only relief can come only through whatever State law may exist on this subject.

8. The no man's land: Here, everything is turned over entirely and exclusively to the Federal Government with the sole unrealistic exception that the States may administer the Federal law only (Taft-Hartley) through administrative agencies and not the courts. These agencies would be virtually arms of the Federal Labor Board with little or no independent power or status, and in any event would be permitted to take only those cases which were primarily local in character, and where although technically there was an effect on interstate commerce, such effect was remote and insubstantial.

CALL OF THE ROLL

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HATE BOMBINGS

Mr. JAVITS. Mr. President, we received word over the news tickers the radio, and television this morning of an explosion which damaged the home of Mr. and Mrs. George Rayfield, of Collins Park, a suburb of Wilmington, Del. Mr. and Mrs. Rayfield are Negroes.

This represents one of those situations which indicate that a home has been bombed by way of intimidation, to keep people from living in a certain section of a town.

Mr. President, there are now pending before the Senate Committee on the Judiciary a number of measures to deal with such incidents, which are popularly called "hate bombings," such as that which occurred in Collins Park last night. I am sponsoring one bill. The administration has such a bill. The majority leader has such a bill.

I think this is a rather grim punctuation mark showing the urgency for getting action upon those bills. I direct the attention of the committee to this situation, and I hope very much that we shall have early action upon the so-called hate bombing bills, in an effort to make some measurable progress at an early date, and to enable the FBI to act on these situations which we have now observed occur not only in the South, but in a northern State—in this instance—in Delaware.

PRESIDENTIAL INABILITY

Mr. KEFAUVER. Mr. President, on December 31, 1958, the committee on Federal Constitution of the New York State Bar Association issued a report on Presidential inability. I am glad to be able to say that the report comes out wholeheartedly in favor of the solution contained in Senate Joint Resolution 161 of the 85th Congress, which was not acted upon by the Senate last year, and Senate Joint Resolution 40 of the present Congress, which I introduced along with Senators DIRKSEN and HENNINGS, and which is pending before the Subcommittee on Constitutional Amendments. I ask unanimous consent to have published at this point in the RECORD this report by the committee and a letter from the chairman, Mr. Cornelius W. Wickersham, to Senator EASTLAND, bringing the committee's report to the attention of the Judiciary Committee.

I also call attention to an article on this same subject which was contained in the December 19, 1958, edition of the Yale Law Review. This is an article by the ex-Attorney General, Mr. Herbert Brownell, Jr., and it, too, comes out wholeheartedly in favor of this same solution to this vexing problem. Mr. President, this question of Presidential inability was discussed at a meeting of the Subcommittee on Constitutional Amendments on March 9, 1959. There was a general disposition in favor of Senate Joint Resolution 40, with minor subcommittee amendments. The subcommittee favored prompt action on this measure, but it was decided to invite the present distinguished Attorney General, Mr. Rogers, to give further testimony, before taking final action on the measure. However, I hope that the subcommittee can make a recommendation to the full Judiciary Committee in the very near future.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

CADWALADER, WICKERSHAM & TAFT,
New York, March 19, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR EASTLAND: You will recall that former Attorney General Brownell, when he submitted his statement on Presidential inability to a subcommittee of the House Committee on the Judiciary on April 1, 1957, stated that the problem of continuation of orderly government if a President was unable to act was a practical problem of Government which should be met without delay.

The committee of the New York State Bar Association which has considered the question of Presidential inability for some time past made a unanimous report which was approved in January of this year by the executive committee of the New York State Bar Association by unanimous vote, copy of which I enclose.

As chairman of the committee I am instructed to request that your committee give consideration to this vital question and it is our hope that you will agree with us that a constitutional amendment is necessary and that it should take the form that we have recommended as set forth at the top of page 3 of our report.

You will note also our conclusion that last year's Senate Joint Resolution 161, which died with final adjournment of the 85th Congress, seems to us to be preferable to the other methods that have been suggested in the event that your committee should not agree with our recommendations.

In the sincere hope that your committee will not allow this vital question to die again in committee, we urge you to bring the matter before your committee for consideration and action.

In this atomic age the present nebulous situation is not only dangerous, but unless corrected could easily lead to disaster.

With personal regards.

Faithfully yours,

CORNELIUS W. WICKERSHAM.

NEW YORK STATE BAR ASSOCIATION—REPORT OF COMMITTEE ON FEDERAL CONSTITUTION, DECEMBER 31, 1958

To the Members of the New York State Bar Association:

REPORT RECOMMENDING AMENDMENT ON PRESIDENTIAL INABILITY

The Federal Constitution now leaves open the determination of what constitutes inability of the President of the United States, and fails to provide the method of determining either the beginning or the end of the disability. This fact has been a matter of embarrassment to the Government in the past and could be a matter of national disaster in the future.

The problem arises under the fifth clause of section 1 of article II, which reads as follows:

"In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected."

Thus Congress is authorized to provide for the case of removal, death, resignation or inability of both President and Vice President, declaring what officer shall then act as President, until the disability is removed, or a President elected. In consequence, Congress has enacted the so-called Succession Acts, designating who shall so act.

But the Constitution fails to give similar authority to Congress with respect to the matter here discussed. Only an amendment to the Constitution can cure this defect.

Several suggestions have been made proposing an act of Congress or an amendment, none of which appear to be adequate to meet the issue in a manner that would be understood by or acceptable to the American people—a consideration of highest importance. These include proposals that the President should make the determination, or the Vice President or the Cabinet or both; or that a commission either of selected officials or distinguished citizens should be appointed for the purpose. Another proposal is that the matter be referred to the courts. And there are other suggestions.

But these are matters that by proper constitutional practice should be decided by Congress—the representatives of the people of the country. Just as the Constitution now authorizes Congress to provide by law for succession where both President and Vice President are unable to act, so should similar authority be given to Congress to provide the method of determination of the vital question of inability to act.

Moreover, each of the various proposed methods of determination is untried and open to objections. To freeze any one method into the Constitution now would make correction in the light of future experience or change of circumstances extremely difficult, because it would require an additional constitutional amendment. This danger can be avoided by a constitutional amendment which gives Congress the power to select the method; then correction or improvement could be made at any time by Congress enacting a new law.

The question of what happens on the death of the President and whether the Vice President then succeeds to the office, or succeeds only to the powers and duties of the office, has been settled by historical tradition. As we all know, the Vice President is sworn in as President upon the death of the President.

Presumably, the same thing would happen in case of the resignation of the President or of his removal from office. Presumably also, in case of Presidential inability, the Vice President would only be authorized to act as President, succeeding to the powers and duties of the office only. But this conclusion has been questioned. The words "the same" have never been construed and this fact adds to the confusion which is apparent in the recent discussions on the subject in Washington and elsewhere. It is of the highest importance that the Constitution should be clear on this point, and that the text should be readily understandable not only to lawyers but to laymen as well.

As a result it is felt by this committee that a constitutional amendment is necessary, and that the amendment should provide in substance: (a) That the commencement and termination of any inability should be determined by such method as Congress shall by law provide; and (b) in case of the inability of the President, that the Vice President should succeed only to the powers and

duties of the office and not to the office itself.

At best it is extremely doubtful whether Congress has power to deal with the matter without a constitutional amendment and clearly any ambiguity of the present provisions cannot be cured by act of Congress alone.

This committee concludes that a constitutional amendment is necessary for any final or authoritative solution of the problem and recommends that the fifth clause of section 1 of article II of the Constitution should be amended to read as follows:

"In case of the removal of the President from office, or of his death or resignation, the said office shall devolve on the Vice President. In case of the inability of the President to discharge the powers and duties of the said office, the said powers and duties shall devolve on the Vice President, until the inability be removed. The Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then be President, or in case of inability, act as President, and such officer shall be or act as President accordingly, until a President shall be elected or, in case of inability, until the inability shall be earlier removed. The commencement and termination of any inability shall be determined by such method as Congress shall by law provide."

If this amendment is adopted it would mean that in case of the death, resignation or removal from office of the President, the Vice President would be sworn in as President. In case of the President's inability, however, the Vice President would only act as President, having his powers and duties, until the inability was removed or a President elected. Congress would be called upon to enact legislation providing the method by which the commencement and termination of any inability should be determined.

In view of the amount of time that would necessarily pass before the adoption of the amendment there would be plenty of opportunity for the congressional committees to consider what method should be adopted by Congress for this determination.

In case of the inability of both the President and Vice President, the change contained in the amendment proposed above is designed to make it plain that the officer who shall then act as President under and pursuant to the Succession Act shall do so on a temporary basis until the inability is removed or a President elected.

It is believed that no amendment would be sufficient to meet the problem without (1) providing for the determination of the question of commencement and termination of inability of the President or the Vice President, and (2) without separating the provisions relating to inability from those relating to death, resignation or removal, thus removing any ambiguity involved in the present language.

The committee does not believe that the amendment should prescribe the methods for determination of the facts relating to inability. It is better constitutional practice to leave that matter to Congress, which under our proposed amendment Congress would be authorized to provide for by legislation. As already indicated, we believe the best solution to be a constitutional amendment such as that which we have recommended above. We have, however, examined other proposals, and of these we believe that Senate Joint Resolution 161, introduced in the Senate March 4, 1958, by Senator KEFAUVER, on behalf of himself and Senators DIRKSEN, HENNINGS, HRUSKA, JOHNSTON of South Carolina, LANGER, WATKINS, JENNER, and BUTLER, offers a solution which we would favor as second best to the proposal of our committee. Senate Joint Resolution 161, proposing a constitutional amendment, was reported favorably by a subcommittee of the Senate Judiciary Committee, and its bipartisan sponsors constituted more than a majority of that committee. However, the full committee took no action. (Hearings had been held in 1957 by a subcommittee of the House Judiciary Committee, at which our committee's proposal was submitted, and in 1958 by the subcommittee of the Senate Judiciary Committee, at which our committee's report was submitted substantially as above set forth and a member of our committee testified.)

In brief, Senate Joint Resolution 161 first provides that the Vice President shall become President for the unexpired portion of the current term in case of the removal from office, death, or resignation of the President (sec. 1). It then provides that if the President declares his inability in writing his powers and duties shall be discharged by the Vice President as Acting President (sec. 2). If the President does not so declare, the Vice President, if satisfied that inability exists, and upon written approval of a majority of the Cabinet, shall assume the discharge of the powers and duties, as Acting President (sec. 3). Then follow somewhat elaborate provisions for determination of the end of the disability by the President, and his resumption of powers and duties, subject to action by Congress if the Vice President, with similar Cabinet approval, declares his opinion that inability has not ended (sec. 4). A further section authorizes Congress to provide by law for the case of removal, death, resignation, or inability, both of the President and Vice President (sec. 5).

Also in March 1958 the House Judiciary Committee rejected Representative KEATING's proposed constitutional amendment (creating a disability commission similar to that contemplated by Representative CELLER's proposed statute, which had been reported favorably by a House Judiciary Subcommittee) and referred the whole matter back to the subcommittee. Subsequently Representative KEATING issued a statement endorsing Senate Joint Resolution 161, which he characterized as the administration proposal. Senate Joint Resolution 161 died with the final adjournment of the 85th Congress, and no proposal was reported out by either the House Judiciary Committee or the Senate Judiciary Committee.

Senate Joint Resolution 161 specifies the method and machinery for determining the commencement and termination of disability. This precludes leaving to Congress the details which might have to be changed in the future because the method selected proved to be unsatisfactory. Senate Joint Resolution 161 appears to us to be preferable, however, to other methods that have been suggested.

Now that extended hearings have been held by both Judiciary Committees, and much thought expressed by a wide variety of informed persons, and much education accomplished by public discussion, we urge the committees of the new Congress to come to a conclusion and submit to Congress a solution for this most urgent national problem.

Dated: December 31, 1958.

Respectfully submitted.

Cornelius W. Wickersham, *Chairman;* Theodore Pearson, *Secretary;* Eli H. Bronstein; John W. MacDonald; Leonard P. Moore; Joseph J. Perrini; Churchill Rodgers; Arthur H. Schwartz; Arthur H. Dean; Martin Taylor; Orison S. Marden; Welles V. Moot; George Roberts; Elihu Root, Jr.; Harrison Tweed.

MORE POLARIS SUBMARINES BEING ORDERED

Mr. COTTON. Mr. President, for more than a year I have been prodding, pushing, and pleading for faster production of nuclear-powered Polaris missile submarines.

I am convinced possession of sufficient numbers of these weapons will achieve more for our national defense and security than any other single thing we can do.

Polaris submarines can give our defense the most punch for the least money. They do not require great escort fleets or elaborate foreign bases. They will operate as mobile and elusive launching platforms, capable of firing hydrogen-tipped ballistic missiles against enemy targets 1,500 miles away, even when they are submerged beneath the seas or the polar icecap.

Congress has already authorized the construction of nine of these submarines, but only six have been started.

As a first step in a drive to expand our fleet of Polaris submarines, I have urged the Secretary of Defense to order an immediate start on the construction of the three already authorized. Funds for them have already been appropriated by Congress, and the authority to build them has been lying idle at the Pentagon since last summer.

The Defense Department has now responded. Assistant Secretary of Defense McNeil advised me this morning that the Secretary of Defense has approved a Navy plan to proceed with the immediate construction of these three submarines. He indicated that bids are now being sought and that contract awards will be made by July 1 or shortly thereafter.

Secretary McNeil also indicated that the Navy has been authorized to proceed with the procurement of very long lead-time items for three additional Polaris submarines, authorization for which will be required in subsequent years.

This evidence of faster action on Polaris submarines is heartening as a first step in the expansion of our fleet of these submarines to the size required by our national safety and security. I hope the Department of Defense will follow through and order the construction of Polaris submarines as rapidly as they can be built. I shall continue to urge this course.

I ask unanimous consent to insert in the RECORD, as a part of my remarks, a copy of my telegram to Secretary McElroy dated March 28, and a copy of the reply I received today from Assistant Secretary McNeil. I also ask unanimous consent to include an editorial from the Manchester, N.H., Union Leader of April 1, 1959, on this subject.

There being no objection, the communications and editorial were ordered to be printed in the RECORD, as follows:

MARCH 28, 1959.

Hon. NEIL MCELROY,
Secretary of Defense,
Department of Defense,
Washington, D.C.:

Voyage of *Skate* provides solid new evidence of ability of nuclear-powered submarines to operate under and through polar ice, and a graphic illustration of how Polaris submarine can use icecap to mask its moves until it breaks through and fires its 1,500-mile missile against an enemy target.

Urge you to order immediate start on three Polaris submarines funded by Congress last year. Authority to build three is lying idle

now. I am convinced prompt action to build these submarines will do more for our national defense and security than any other move we could make. It gives the most punch for the least money, with no great escort fleet and no foreign bases.

NORRIS COTTON,
U.S. Senator.

OFFICE OF THE
SECRETARY OF DEFENSE,
Washington, D.C., April 8, 1959.

DEAR SENATOR COTTON: This is in response to your telegram of March 28, 1959, urging the early construction of the three Polaris submarines for which appropriations have been made by Congress.

The Secretary of Defense has approved the plan of the Navy to proceed with construction of these submarines, bids are now being sought and contract awards will be made by July 1 or shortly thereafter.

In addition, the Navy has been authorized to proceed with the procurement of very long lead time items for three additional Polaris submarines, authorization for which will be required in subsequent years.

Sincerely,

W. J. MCNEIL,
Comptroller, Assistant Secretary of Defense.

[From the Manchester Union-Leader, Apr. 1, 1959]

WEAPONS FOR WAR AND PEACE

When Vice Adm. Hyman G. Rickover, father of the atomic submarine, pleads for a fleet of nuclear-powered killer submarines to meet the threat of missile attacks by Soviet underwater vessels, it is not because of pride in his own pet projects. Rickover is too practical a man for that.

On the contrary, it is because he shares the feeling of alarm so often expressed by this newspaper that Soviet submarines might hit Atlantic coast cities with a veritable torrent of atomic or hydrogen bombs carried by missiles, and thus irreparably damage this Nation's retaliatory potential.

As in everything he does, Admiral Rickover has once again insisted that the Nation face up to facts. "The Russians," he warns, "have about 450 or 475 submarines to our 110. We have built 25 since the end of World War II and they have built about 350." Complacent officials in the Defense Department have continually assured us that, as far as is known, the Russians do not have atomic submarines. But, as Rickover so pointedly observed, even conventional subs can carry and fire missiles and destroy our large industrial cities.

The atomic submarine, of course, is a dual-purpose weapon. This point was made clear when Senator NORRIS COTTON almost simultaneously with Admiral Rickover demanded a stepup in production of missile-firing Polaris submarines. COTTON's demand, which he has frequently voiced in the past, was prompted by the recent under-ice North Pole voyage of the atomic submarine *Skate*. Senator COTTON stressed the importance of using the polar icecap to hide fleets of submarines which can break through and fire their missiles against targets deep in Russia.

It is of course, true that while preparing for war we must also pray for peace. That is why the weapons demanded by Admiral Rickover and Senator COTTON are so vitally important. They are not only our surest guarantees of victory if war ever comes, but also effective deterrents to surprise attack by the Communists.

YESTERDAY'S CELEBRATION OF WORLD HEALTH DAY

Mr. HUMPHREY. Mr. President, yesterday, April 7, represented an important landmark in human relations.

It marked the day of the coming into force 11 years ago of the constitution of the World Health Organization—the world's chosen instrument for spearheading health advances.

It was a particular source of interest that World Health Day, 1959, was dedicated to one particular health problem—that of the mental health of mankind. The day's theme was world "Mental Health and Mental Illness."

My colleagues are aware that mental illness in the United States and other countries is a scourge of incalculable magnitude. The figures show that 550,000 hospital beds in the United States—every other bed in our country—is occupied by a patient suffering from some mental disorder.

The number of Americans who are ill with less serious mental problems runs into the millions. When one thinks of the impact of mental ill health on children particularly, one realizes that here is a health problem of tremendous concern to ourselves and to all mankind.

In paying tribute, therefore, to the World Health Organization, we recall mental health specifically, as a key element in international and national well-being.

Upon sound, healthy minds depends the future of this, or any other country.

Let me note, too, in this connection, that in 1960 there will be observed World Mental Health Year. Under the able auspices of the World Federation for Mental Health, a WHO-affiliated organization, all of the countries will be invited to redouble their efforts in prevention and treatment of mental illness. I know that the United States will contribute effectively to the success of World Mental Health Year.

Here in the United States, the National Association of Mental Health is the principal private voluntary channel for stimulating mental health advance, just as the National Institute for Mental Health is our major public channel.

A great many other fine organizations are, of course, active on a private basis, such as the American Psychiatric Association, the National Committee Against Mental Illness, and others.

For World Mental Health Year, 1960, five specific areas have been singled out by the World Federation for intensified worldwide effort: First, worldwide study of childhood mental health; second, cross-cultural surveys of attitudes to mental disorder; third, mental health teaching in professional education; fourth, mental health and developing industrialization; and fifth, psychological problems of migration.

World Mental Health Year, 1960, will serve as an interesting forerunner of the International Public Health and Medical Research Year, which it is believed, will commence in June 1961. The latter year will, of course, embrace all of the diseases known to mankind.

It has been my pleasure to discuss plans for World Mental Health Year with two of the leaders who are playing a most active role in bringing it into being: Dr. Jack Rees, of London, director of the World Federation; and Dr. Frank Fremont-Smith, of New York, medical director of the Josiah Macy, Jr., Foundation. Both of these distinguished physicians are past presidents of the World Federation.

On May 12 in Geneva, the 12th World Health Assembly will open its sessions. The International Public Health and Medical Research Year will, of course, be on its agenda.

Shortly before that date, I shall issue my personal report to the Senate Committee on Government Operations on the subject of WHO, based on my consultations with it during my trip to Europe in November and based on my subsequent review of that great organization.

I invite now the attention of my colleagues to Committee Print No. 3 of the international health study being made by the Government Operations Subcommittee of which I am chairman. This print is entitled "The Status of World Health." It reports through 81 pages of charts and text on the present situation in world health.

I send to the desk and ask to have printed in the RECORD the text of a fine editorial, published in yesterday's New York Times in tribute to WHO and World Health Day.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WORLD HEALTH DAY

Today is being observed as the annual World Health Day of the World Health Organization. The purpose of this observation is to emphasize the world aspect of various health problems and seek the widest range in meeting them.

This year the theme will be "Mental Health and Mental Illness." It is appropriate because it foreshadows the World Mental Health Year, to be observed in 1960, under the auspices of the World Federation for Mental Health. Such a project deserves strong public support.

The realization of the extent of the mental health problem has appalled many persons. In some countries it is probably the largest single obstacle to individual and community health. But against that feeling of apprehension should be placed two great positive gains. First, the whole social attitude toward mental illness has changed for the better in many countries. The change makes it possible to discuss this question as a health problem. Second, there have been enormous advances in diagnosis and therapy. This suggests, at the least, the possibility of far greater gains than those already made.

This should be a day, therefore, of recognizing need and responsibility. It can also be a day of gratification and of hope.

USE OF BITUMINOUS COAL AS ROAD MATERIAL

Mr. CLARK. Mr. President, a development in coal research which could benefit thousands of families dependent upon coal as a means of livelihood was announced this week by the Curtiss-Wright Corp. If proposed tests bear out initial claims, bituminous coal, and possibly anthracite, will be used as a base for new materials to be used in highway construction, roofing, shingles, floor tiles, and similar products.

The Philadelphia Inquirer of April 8 carries detailed information on this development. Because of its importance to the economy of the Commonwealth of Pennsylvania, as well as to that of other

coal-producing States, I ask unanimous consent that the text of these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Apr. 8, 1959]

NEW ROAD MATERIAL MAY AID COAL AREAS

(By John M. Cummings)

HARRISBURG, April 7.—Impressed by what they saw and heard at a demonstration of a new blacktop road paving material, Pennsylvania legislators from the coal producing counties are hopeful chemistry has solved the unemployment problem in their sorely afflicted areas.

The new material, a binder with bituminous coal as its base, was described as having qualities that make it superior to asphalt in highway construction. Its developers, the Curtiss-Wright Corp., so far have not tested it against concrete, but confidence in its ability to meet this competition was freely expressed.

So far, the immediate hope is confined to the bituminous producing counties. But Roy T. Hurley, chairman and president of Curtiss-Wright, said research in anthracite has produced some satisfactory and promising results.

Just what the researchers expect to develop from hard coal is something of a mystery. The ingredients that go into the road binder, other than soft coal, also are a closely guarded secret.

So many and varied are the products of the chemists' laboratory, that no great surprise would be occasioned if the new creation should prove the basis of a revival in the bituminous fields, for a starter.

Republican and Democratic legislators who saw the demonstration last night readily agreed with Curtiss-Wright that a practical test should be given the material without undue delay. To this end there is to be bipartisan sponsorship of a bill earmarking a half million in highway funds for the construction of 12 half-mile sections on well-traveled roads to determine if in actual use it comes up to laboratory promise.

For years hardheaded businessmen have been seeking methods of using coal other than combustion. The collapse of the anthracite industry due to the encroachment of oil and gas, has created virtually blight conditions in some of the eastern counties. In the western and central counties, where bituminous underlies the surface in vast quantities, there is a widespread unemployment because of the decline in the use of this fuel in industry.

Curtiss-Wright chemists have found uses for the new material other than in road-building. Roofing, shingles, floor tiles, tar paper, pipes, conduits and automobile undercoating may be fashioned from the process.

The material was developed at the Curtiss-Wright research center located at Quehanna in Clearfield County.

We may be in for quite an industrial fight. Asphalt interests, centered in Pittsburgh, are not expected to receive the intruder with open arms. Secretary of Highways Martin, who witnessed last night's demonstration, was reserved in his comment. His was a wait-and-see attitude, natural enough in the circumstances.

If the material holds up under road tests, it could mean a new day in the coal fields. It is estimated 2,200 tons of coal would be used in a mile of two-lane highway. And when you think of all the roadbuilding going on these days, with more to come, you have the reason for the new gleam in the eyes of lawmakers from the soft coal counties at the conclusion of the demonstration.

[From the Philadelphia Inquirer, Apr. 8, 1959]

COAL PLAN OK BY LAWRENCE

HARRISBURG, April 7.—Gov. David L. Lawrence said today he was "very much impressed" by a new process to use coal for road building and other purposes. He said he would be "very happy" if the legislature would provide funds to support the process on an experimental basis.

Curtiss-Wright Corp., which developed the process, unveiled it at a dinner for legislators and State officials here Monday night. Roy T. Hurley, chairman and president of the corporation, said $500,000 would be needed to build a pilot plant and construct 12 half-mile stretches of roadway to test the material.

Governor Lawrence said he thought the new development might prove to be a tremendous spur to the use of coal and thereby improve the State's economy and create jobs.

Hurley estimated it would take up to 2,200 tons of coal to build a mile of two-lane roadway with the new material.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that S. 144, the REA bill, be now considered and that notwithstanding the arrival of the hour of 2 o'clock, its consideration, if not disposed of, be continued at that time.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Without objection, it is so ordered. The Chair lays the bill before the Senate.

The Senate resumed the consideration of the bill (S. 144) to amend Reorganization Plan No. 2 of 1953.

MICHIGAN'S DEMOCRATIC DECADE

Mr. MCNAMARA. Mr. President, there are few instances in American political history which can match the dramatic rise of the Democratic Party in Michigan in only a single decade.

Under the banner of our Governor, G. Mennen Williams, dedicated party workers and millions of citizens interested in the welfare of their State have achieved victory after victory.

This rise was climaxed on Monday of this week when the results of Michigan's spring election gave the Democrats victories in 11 of 14 State offices which were at stake.

For the first time in Michigan history, the Democratic Party gained control of all four major State educational boards.

It gained one Republican seat each on the State board of education, the governing boards of the University of Michigan and Michigan State University, and it took five of the six seats on the newly created Wayne State University board of governors.

Despite these impressive Democratic results, the Republicans and some of their newspapers have frantically sought just one little ray of sunshine so that they could call Monday's election a GOP victory.

They found their excuse in the fact that the Republicans were able to hold on to three unsalaried offices which they already occupied. Thus was the basis for victory claims.

Joining this rose-colored glasses crew was none other than the Vice President of the United States.

In what probably will go down as the biggest political laugh of the year, he sent a telegram to Michigan Republicans congratulating them for their first statewide victory since 1955.

Mr. President, if the Republicans score another such victory, they are dead.

Simple statistics show that Republican officeholders in Michigan are becoming about as extinct as the dodo bird.

In 1948, for example, the Democrats held but 2 of the 35 statewide offices.

In 1959, after Monday's election, the Democrats now hold 32 of the 41 State posts.

From that comparison, one can see why the Republicans can become ecstatic over the fact that there were three unsalaried jobs they did not lose.

I ask unanimous consent that a chart comparing statewide elective offices in Michigan during the past decade be printed in the RECORD at this point in my remarks.

I also ask unanimous consent that an article describing the election appearing in today's New York Times and one giving the reply of Democratic Chairman Paul M. Butler to the Vice President's telegram also be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Comparison of statewide elective posts in Michigan, by party, 1948–59

Office	1959		1948	
	Democrat	Republican	Democrat	Republican
Administrative board (Governor, Lieutenant Governor, department heads)	8	0	0	8
U.S. Senators	2	0	0	2
State supreme court	5	3	2	6
University of Michigan	5	3	0	8
Michigan State University	5	1	0	6
Wayne State University	5	1	(1)	(1)
Board of education	2	1	0	3
Total	32	9	2	33

[1] Not in existence as a State university.

[From the New York Times, Apr. 8, 1959]

DEMOCRATS GAIN IN MICHIGAN VOTE—WIN 11 OF 14 STATEWIDE POSTS—REPUBLICANS HEARTENED BY THEIR THREE VICTORIES

(By Damon Stetson)

DETROIT, April 7.—Michigan Democrats capped 10 years of steady election gains today by winning control of the State's four major educational boards.

Nearly complete returns from yesterday's biennial spring election also gave the Democrats a 2-year continuance of their 5-to-3 majority on the State supreme court, although candidates nominated by party conventions ran with a nonpartisan designation.

In strengthening their hold on key offices in Michigan, the Democrats elected 9 of 12 candidates for educational positions, plus the two incumbent supreme court justices nominated by their party.

Republicans, on the other hand, appeared heartened by narrow victories in three contests. Lawrence Lindemer, Republican State

chairman, called these triumphs a breakthrough that he interpreted as a "definite resurgence in the party."

Gov. G. Mennen Williams, a Democrat and chief architect of his party's recent rise in power, said the election results were a rebuke to Republicans who had played politics with the State's solvency and credit.

The Governor had urged voters to oppose Republicans because of the State senate's inaction in the fiscal crisis, which he has said could result in payless paydays for State employees next month unless action is taken.

The State senate has before it a bill providing for the mortgaging of the veterans' trust fund as a means of raising the cash needed to relieve the situation.

Dr. Lynn M. Bartlett, superintendent of public instruction and a Democrat, was reelected by a margin of about 40,000 votes over his Republican opponent, Hugh H. Holloway.

In several of the other races the margins were even smaller. But in the court contests Justice George Edwards had a plurality of more than 260,000 votes, and Justice John D. Voelker, author under a pseudonym of the novel "Anatomy of a Murder," won by nearly 200,000 votes.

The Democrats, in addition to retaining the superintendent of public instruction, gained a Republican seat on the State board of education and thereby achieved a two to one majority for the first time.

They also increased the Democratic majority from four to two to five to one on the State board of agriculture governing Michigan State University, gained a five to three advantage on the board of regents of the University of Michigan, which was formerly split four to four, and won five of six seats on the board of governors of Wayne State University.

Republicans and Democrats elected one new member each to the State house of representatives. The new representatives will fill vacancies and will keep the 110-member house evenly divided, with 55 members from each party.

BOTH SIDES CLAIM VICTORY

WASHINGTON, April 7.—Both Republican and Democratic leaders claimed victory today in Michigan's elections.

Vice President RICHARD M. NIXON sent a telegram to Lawrence B. Lindmer, a Republican leader in Michigan, congratulating the GOP for scoring their first statewide victories since 1955.

The Democratic national chairman, Paul M. Butler, referred to the Nixon telegram in a telegram to Governor Williams. Mr. Butler said it was "the first time I ever heard of a team being congratulated for losing a ball game 11 to 3."

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Without objection, it is so ordered.

THE BREAKDOWN IN OUR UNEMPLOYMENT INSURANCE SYSTEM

Mr. McNAMARA. Mr. President, there are many reasons why we face a difficult task in preventing the kind of breakdown in our unemployment insurance system that has characterized the last several years. I have already pointed out the shortcomings in our own congressional attention to this vital question.

It is still true, however, that the largest single roadblock is the failure of the Eisenhower administration to face up to facts and to its own responsibility. Yesterday, two articles which appeared in Washington newspapers detailed the reasons why the administration has turned its back on the unemployed. The main reason is the pipeline which the large employers in the country have to the White House.

The influence they enjoy, through White House advisers, amounts to a national scandal. A man who was hired to fight the employers' legislative battles against decent and adequate unemployment insurance standards is now the President's chief adviser on unemployment insurance.

I ask unanimous consent that an excerpt from the article by Drew Pearson, in the Washington Post, and the article by John Herling, in the Washington Daily News, be printed in the RECORD at this point, so the country will know who will determine the fate of the Nation's unemployed.

There being no objection, the excerpt and the article were ordered to be printed in the RECORD, as follows:

[From the Washington Post]

THE WASHINGTON MERRY-GO-ROUND

(By Drew Pearson)

INSIDE LOBBYING

Behind President Eisenhower's firm refusal to liberalize the unemployment aid program has been the quiet lobbying of big business representative Stanley Rector, who operates very adroitly through the back door of the White House.

His inside contact man is none other than the President's chief counsel, Gerald Morgan, whose former law firm helped Rector fight Federal unemployment insurance. Now Morgan is carrying on the same fight from the vantage point of the President's elbow.

Rector works out of a three-room suite in the Washington Hotel, just around the block from the White House. Last year he spent over $100,000 lobbying against jobless benefits.

His board of directors includes executives from United States Steel, General Motors, Chrysler, Goodyear Tire & Rubber, Socony Mobil Oil, and Allis-Chalmers Manufacturing Co. Over 500 companies contribute from $200 to $2,500 apiece to Rector's operation.

In 1947, Rector hired Morgan's law firm, Morgan & Calhoun, as registered lobbyists. After Morgan entered the White House, he served as adviser to the President on unemployment compensation. As recently as last month, Morgan helped persuade Ike to reject liberal recommendations from Secretary of Labor Mitchell.

What Mitchell wanted to do was extend temporary benefits for jobless workers and overhaul unemployment insurance standards. In the showdown, the President sided with Morgan.

LOBBY LANGUAGE

Earlier, lobbyist Rector argued against these proposals in a letter, dated March 9, to his backers. He contended that any reforms should be left up to the States.

Three days later, President Eisenhower used the same, identical argument at a press conference.

Rector made one interesting concession: "In view of the fast developing showdown fight on Federal benefit standards, a 3- to 6-month extension might well, in the end, prove helpful."

Ike also agreed to this same concession.

"I haven't got such a rigid position about this that I wouldn't listen to something," he told the press. At the same time, he notified Republican congressional leaders that he would accept a 3- to 6-month extension.

It had all the earmarks of a triple play—Rector to Morgan to Eisenhower.

NOTE.—The President repeated his views to eight Governors who belong to the Governors' Executive Committee. The only missing member was New Jersey's Gov. Robert Meyner, who happened to be in the South Pacific on temporary naval duty and who also happens to favor strong Federal unemployment benefits. Meyner asked the White House to fly him to the conference, pointing out that the President as Commander in Chief could relieve him from his naval assignment. Ike flatly refused.

[From the Washington Daily News]

WHAT MITCHELL COULD SAY

(By John Herling)

Tomorrow James P. Mitchell, the troubled Secretary of Labor, stands up to the toughest test of his career. He faces 5,000 delegates to the unemployment conference of the AFL-CIO in the National Guard Armory. Its leadership knows that his private position on unemployment insurance differs sharply from the official position now saddled on him. What will be running through Mr. Mitchell's mind as he looks into the whites of 10,000 union eyes?

Mr. Mitchell's public personality has now been axed down the middle by President Eisenhower. Ike has repeatedly chosen to disregard his Labor Secretary's advice and adopt that of his bitter opponents, whom Mr. Mitchell himself calls reactionary.

"For 5 years now," Mr. Mitchell could tell the assembled delegates, "I have been among those urging the States to raise unemployment benefits and lengthen the payment period. The State legislatures paid not the slightest attention."

Mr. Mitchell might recall: "I told the President this latest recession was the payoff. We had every reason—as a Federal Government—to tell Congress that the law should now be amended by requiring the States to conform to higher standards of benefits, payment and duration.

"It seems to me the Federal responsibility is clear. The President is worried about balancing the budget. But I had important news for him. The higher unemployment insurance standards which we and he thought desirable could be put into effect without its costing the Federal Treasury a cent. There are $7 billion in State unemployment reserve funds which could be used for meeting these higher standards. I told Budget Director Maurice Stans about this. He was jubilant.

"What's more, Stans sees at once that instead of spending nearly $500 million more of Federal money on emergency unemployment compensation, we could save that by bringing permanent Federal standards into action."

This is the way Mr. Mitchell's thinking goes.

"Stans and I prepared a memorandum along these lines. We worked up support in the Cabinet: Health, Education, and Welfare Secretary Arthur Flemming is for this. The ball was rolling. We knew we had to work fast. But somebody in the White House was quicker.

"It was none other than Ike's special counsel, a nimble fellow named Gerald Morgan. Gerry, a chief architect of the Hartley or tougher part of the Taft-Hartley Act, is a close friend and law partner of Leonard Calhoun, hard shell who has fought every step

of the way against liberalizing social security. He, Morgan, and a man named Stanley Rector make up a trinity of reaction. Chief prong, Rector, heads up an outfit supported by most big business groups, masterminds their strategy against improvements in unemployment insurance, State or Federal."

Mr. Mitchell could then tell the audience: "To shorten a painful story, Gerry Morgan told Stans and me, supposedly the labor policy man in the administration, to lay off. He said the President was in his corner, not mine.

"Well, the next thing I knew was what I heard from Ike's news conference. A reporter asked the President what the administration's policy was on unemployment insurance. Ike replied, as Morgan predicted, that the policy remains the States' responsibility. No use arguing. It was clear to me that the voice was the voice of Ike, but the words were those of Morgan, Calhoun, and Rector."

All this keeps tumbling through Mr. Mitchell's mind. But tomorrow, when AFL–CIO President George Meany announces, "We will now hear from our friend, Jim Mitchell," the Labor Secretary will shake off his moment of truth, pick up his official speech, and begin to read it through his glasses darkly.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953

The Senate resumed the consideration of the bill (S. 144) to amend Reorganization Plan No. 2 of 1953.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Nebraska [Mr. CURTIS], on behalf of himself and the Senator from Georgia [Mr. RUSSELL], as a substitute for the language proposed to be inserted by the committee.

Mr. DIRKSEN. Mr. President, is the pending question on agreeing to the Curtis substitute?

The PRESIDING OFFICER. It is.

IMPORTANCE OF THE WORLD CONGRESS OF FLIGHT

Mr. YOUNG of Ohio. Mr. President, at this time I wish to refer to the World Congress of Flight. I feel that it promises to be not only the first international exposition of its kind in America, but also the most comprehensive aero-space program ever presented in the United States.

Mr. President, the World Congress of Flight is to be held from April 12 through 19 in Las Vegas, Nev. I am certain my colleagues are aware that a World Congress of Flight is about to be held, since items about it have appeared in the press. As a member of the Senate Aeronautical and Space Sciences Committee, I have studied the details of the program of the World Congress of Flight. Some Senators may not have had an opportunity to examine this forthcoming program; hence, I should like to report that the plan is to present the latest information on aircraft, missiles, and space craft through 11 major conferences, 3 major aero demonstrations, and the largest static display of related equipment which has ever been assembled in one area.

Symposiums and conferences which have been planned for the World Congress of Flight will explore flight in terms of international security and human welfare. The social, economic, political, and moral problems which accompany the progress of flight will be analyzed. Flight in its broadest concept as an instrument for all mankind will be presented and scrutinized. The project, in short, Mr. President, is dedicated to the belief that greater world knowledge of aircraft, missiles, and space craft will help bring the world closer to permanent peace.

Representatives from more than 50 nations will participate in this magnificent venture, which is sponsored by the Air Force Association, in cooperation with a number of other well-known, nonprofit private organizations.

The World Congress of Flight will bring together ambassadors and air attachés of the NATO and SEATO nations, educators from more than 30 countries, State superintendents of schools from more than 40 States, flight safety specialists from some 20 countries, and executives from more than 1,000 American companies. Engineers and technicians will come to the World Congress of Flight from more than 50 countries. Executives and chief pilots will represent the world's airlines. Directors of aviation will come to the World Congress on Flight from 35 States. The roster of scientists who will be present includes several hundred distinguished names. Test pilots and private pilots from a host of nations will be present.

Time does not permit me to dwell in great detail on the specifics of the World Congress of Flight; but I should like to call attention to the Jet Age Conference, which will be attended by such outstanding persons in the field of aviation as Gen. Curtis E. LeMay, Vice Chief of Staff of the U.S. Air Force; Sir William P. Hildred, director-general, International Air Transportation Association; the Honorable E. R. Quesada, Administrator, Federal Aviation Agency; and the Honorable Walter Binaghi, president of the council, International Civil Aviation Organization.

Another of the conferences which will be held at the World Congress of Flight will be the Missile Management Conference. Here, industry in an accelerating technology will be examined by a galaxy of experts and technicians, including Peter J. Schenk, president of the Air Force Association; Dr. Edward Doll, vice president and associate director, Systems Engineering Division, Space Technology Laboratories; and David R. Hull, president, Electronic Industries Association, to name only a few.

As an American, Mr. President, I believe in the urgency of having men of the free world sharpen their appreciation and understanding of the space age, which is moving upon us with great speed. I feel that Mr. Edward P. Curtis, general chairman of the World Congress of Flight, should be congratulated for his part in arranging this outstanding program which promises to enhance appreciation and understanding of the space age by men of the free world. For my part, I look forward to being present at the World Congress of Flight. The scope of aerospace topics which will come under discussion at its sessions, the diversity of related equipment to be demonstrated and displayed, and the caliber of scientific, educational, and military representatives who will participate can only produce a number of the most constructive results. For one thing, these features of the program will highlight many of the opportunities and problems which are associated with the present and with the future course of aerospace progress. In addition, they will bring to bear on these subjects the tremendous fund of knowledge, skill, and experience of experts in the technological, the educational, and the military areas of airspace operations. Certainly many of the answers which will come from these deliberations will help chart the future course of our own national aerospace endeavors.

Looked at from another standpoint, I feel that the World Congress of Flight will also yield a valuable dividend by focusing free world attention on the benefits in terms of economic stimuli, closer relationships through travel, and mutual-defense enterprises which can be realized through cooperative international action. Where my own particular interest and responsibilities are concerned, the World Congress of Flight will provide assistance of tremendous value, since there are now under consideration literally dozens of legislative proposals on which the question of aerospace progress has an important bearing. As you know, Mr. President, these proposals cover such vitally important items as national security, civil aviation, and technical education.

Mr. President, I am aware that a number of my distinguished associates are striving to adjust their busy schedules so as to be able to attend and participate in the unique World Congress of Flight, where they will have the opportunity to meet the leaders of aviation, to confer on subjects of the greatest magnitude, and to see demonstrations of equipment which will play an increasingly important role in the future of the world. The knowledge to be gained by us from the World Congress of Flight can be invaluable as a basis for our subsequent evaluations and analyses of technical publications and committee reports. This, Mr. President, is truly a unique opportunity to follow the progress and work of a great free world enterprise.

Mr. CANNON. Mr. President, I thank the distinguished Senator from Ohio [Mr. YOUNG] for his impressive account of the forthcoming World Congress of Flight. It is a great honor for me to remind the Senate that the World Congress of Flight is being held in the State which I have the honor in part to represent—Nevada. We are extremely proud of the vast auditorium, the exhibition hall, the splendid facilities which will house the conferences, the meetings, and the exhibits at the World Congress of Flight scheduled to be held in Las Vegas, Nev., from April 12 to 19. The facilities at Las Vegas will seat more than 7,500 in the great circular auditorium. Space is provided for 22 additional meetings, each seating from 25 to 1,000, and there is in excess of 100,000

square feet of exhibit space. Adjacent to the vast auditorium and exhibit hall are some 2 million square feet of outdoor exhibit area, as well as a stadium before which aviation aircraft and helicopters can be demonstrated.

Ample facilities are available to house the participants and the visitors to the World Congress of Flight.

My distinguished colleague from Ohio has provided Senators with an overall picture of the World Congress of Flight. I should like to mention some specific facets of the program. For example, speakers from Western Europe, from Japan, and Bazil will make presentations on international research for the Air Force at a symposium being sponsored by the Air Research and Development Command of the U.S. Air Force during the World Congress of Flight. At this ARDC symposium, 1 of the 11 major conferences in the basic research necessary to military aeronautics and astronautics will be examined.

Another conference which is certain to attract worldwide attention is one scheduled on the space age. Here such men as Col. John P. Stapp, USAF, president, American Rocket Society; Gill Robb Wilson, chairman, Space Education Foundation; Dr. James W. McRae, vice president, American Telephone & Telegraph Co.; the Honorable Roy Johnson, Director, Advanced Research Projects Agency, Department of Defense; and Dr. Edward Teller, director, Radiation Laboratory, University of California, will contribute.

It seems fitting to recall the words of Mr. Edward P. Curtis, general chairman of the World Congress of Flight, when he said:

> No one in any country has attempted to combine in a single event and on such a large scale conferences and forums, outdoor displays and indoor exhibits with air and ground demonstrations, each dedicated to the advancement of aeronautics and astronautics, the twin sciences of flight. It is fitting that this huge effort should be undertaken first in America, the cradle of aviation.

As a Senator from Nevada, the State favored for housing the First World Congress of Flight, I am pleased to report that we Nevadans are proud of the role which we will play as hosts.

I reiterate my words of appreciation and congratulation to my colleagues and associates who will follow the work of this World Congress of Flight. My feeling, as a member of the Senate Armed Services Committee and of the Senate Aeronautical and Space Sciences Committee, is that this is a signal opportunity for men of the free world to further their appreciation and understanding of this important, fast moving, and competitive field.

Mr. BIBLE. Mr. President, I, too, should like to supplement and augment the remarks which have just been made by the distinguished junior Senator from Ohio [Mr. YOUNG] and my colleague, the distinguished junior Senator from Nevada [Mr. CANNON].

As a member of the Senate Appropriations Committee and as the senior Senator from the great State of Nevada, I wish to thank my distinguished colleagues, the Senator from Ohio [Mr. YOUNG] and my esteemed associate from Nevada [Mr. CANNON], for the vivid picture they have painted of the forthcoming World Congress of Flight. We in Nevada are honored and eager to serve as the host State and to participate in this unique enterprise, the World Congress of Flight, which is to be held at Las Vegas from April 12 through April 19. I have noted that Joseph B. Burns, president, National Business Aircraft Association; David R. Hull, president, Electronic Industries Association, Thomas G. Lamphier, Jr., president, National Aeronautics Association; and Jacqueline Cochran, president, Federation Aeronautique Internationale, are each playing a key role in the arrangements for the World Congress of Flight.

To refer again to the program which my colleagues have so ably discussed, I call the attention of Senators to additional presentations which are also parts of the Space Age Conference. Here Dr. Joseph M. Goldsen, of the Rand Corp., will discuss "Outer Space and the International Scene." Project Mercury which, of course, relates to man in space, figures significantly in this space age forum. My understanding is that the mission and operation will be discussed by Dr. Abe Silverstein, Director of Spaceflight Development, National Aeronautics and Space Administration; and Dr. W. Randolph Lovelace will discuss our first space man.

Dozens of individuals, organizations, and industries are joining hands to make this project a success. There will be the most complete display of aircraft, missiles, and space craft equipment ever assembled. Important emphasis will be placed on civil aviation and on the impact of modern flight on world trade and world understanding. The program which is planned for those who will have the privilege of participating is timed to mark the first full year of jet-powered commercial transportation on an international scale. The program is also timed to mark the availability of long-range missiles as major deterrents of war, as well as the completion of the first International Geophysical Year, with its impact on space exploration.

I also call specific attention to a symposium to be devoted to aerospace education, which will consider the ways whereby dedicated men and women in the field of education can expose the minds of the young people in the free world to this new dimension. Presentations will be made by such men as Boyd Graber, Department of Public Instruction, Iowa, James G. Harlow, dean, College of Education, University of Oklahoma, Leslie A. Bryan, director, Institute of Aviation, University of Illinois, and Ross Willmot, secretary-general, International Society of Aviation Writers.

Another symposium to which I should like to call specific attention is that on flight safety. Here such topics as economics and safety, and aircraft accident prevention in the jet age, will be carefully considered by Jerome Lederer, managing director, Flight Safety Foundation, the Honorable James R. Durfee, Chairman, Civil Aeronautics Board, James T. Pyle, Deputy Director, Federal Aviation Agency, and Maj. Gen. Joseph D. Caldara, Director of Flight Safety Research for the U.S. Air Force.

In addition to the discussions, the conferences, the examination of static displays and models, those present will have an opportunity to see a variety of important air demonstrations scheduled to be held at nearby Nellis Air Force Base.

We in Nevada are proud that this outstanding program is slated to be held in our State. Las Vegas was selected as an ideal site since the necessary facilities for air-ground displays and demonstrations, hotel accommodations for 7,500 individuals, and generous auditorium and conference hall facilities are all in the immediate area. We look forward with pleasure and pride to welcoming warmly those Members of the Senate who plan to be present, and the other Americans, as well as the international visitors, who will attend this unusual event.

THE LONG ARM OF THE FBI

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, an article entitled "The Long Arm of the FBI," by the very able and remarkable columnist, Bob Considine, which appeared in the New York Journal American of April 2, 1959.

This article focuses attention on the numerous and varied activities undertaken by this great organization under the able and brilliant leadership of its Director, the Honorable J. Edgar Hoover, whose name is held in high esteem in every household throughout this great Nation. The confidence in this great agency which he has instilled in the American public has been a measure of strength to all of us. His zeal and patriotism in carrying out his duties as the Nation's top law-enforcement officer has won the gratitude, respect, and admiration of the public.

The article gives a bird's-eye view as to the vast number of activities placed under the able leadership of this great American, and I recommend its reading to every Member of the Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LONG ARM OF THE FBI

(By Bob Considine)

WASHINGTON.—Stop 10 people on the street and ask them the mission of the Federal Bureau of Investigation and at least 8 may pinpoint the tracking down and capture of public enemies and kidnapers.

That is, indeed, part of the picture. But it's a comparatively small part. It is a mark of the enormous respect which successive Congresses and Executive Offices hold for the FBI that the Bureau is saddled with additional responsibilities each year.

Here are some of the bewilderingly varied activities now assigned to J. Edgar Hoover's compact 6,000-man force:

It is asked to prevent the accumulation in this country of arms for rebels seeking to overthrow the reigning governments of nations with which we have diplomatic relations. It must check on the interstate transportation of strikebreakers. It is expected to nab offenders of the Migratory Bird Act.

It protects the symbol of the American Red Cross from use by commercial houses (except Johnson & Johnson, which had it before the Red Cross did). It steps in if a blackmailer or extortionist drops a threatening note into your mailbox, threatening physical harm if you do not abide by the demands (but turns the matter over to the Post Office Department if the note is sent through the mails).

The FBI is the teeth of the Selective Service Act, investigates the claims of conscientious objectors. It hovers over patent and copyright abuses, is expected to be the scourge of white slavery and mail frauds, fights impersonation of Federal officers or military personnel, stalks crimes committed beyond the 3-mile limit, false claims by veterans.

If you go into bankruptcy the FBI sends around one of its crack accountants, for the Founding Fathers—trying to avoid slipshod debtors jails—put bankruptcy on the Federal level. If you are forced into slavery, it is the FBI who rides up to the rescue. Mess around with any Government property, commit a crime of passion on an Indian reservation, fail to report an act of treason, violate the 8-hour day law, neglect to report accurately if you're engaged in the interstate shipment of cigarettes, and the FBI is involved.

Tamper with a member of a Federal jury or panel, jump bail in a Federal case, rob any bank, phony up a Government travel voucher, violate probation or parole, wreck a train, steal an airplane and fly it across a State line, touch off a bomb near the mail car of a train, fail to register under the Voorhis Act if you represent a foreign government as a lobbyist, take a punch at or kill a Federal officer, desert from the Armed Forces, tell the judge you couldn't show up for the hearing because your wife was having a baby (and she didn't), and, well, there's an FBI man in your life.

If you want to get in trouble with the FBI, misuse a railroad pass, transport gambling devices, lottery tickets, obscene matter, or prison-made goods across the State line, travel across a State border with a switchblade in your pocket, ship an unsafe refrigerator from one State to another, hijack a load of anything that has moved interstate, mosey around any Atomic Energy Commission property.

In dizzying addition, the FBI is expected to check on the loyalty of all Americans who work at the United Nations, scrutinize suspicious looking claims for welfare and pension checks, keep an eye on those who would like to overthrow the U.S. Government by force, chase prostitutes away from military installations, clamp down on violators of civil rights, spot any man or woman falsely wearing a civil defense insignia.

There are a few dozen other duties. They all add up to an appallingly complicated and difficult task, performed with dedication, skill, a minimum of fanfare and, astonishingly, a profit. Last year, fines, savings, and recoveries in cases investigated by the FBI reached $132,706,098, which was $27,144,098 more than Congress appropriated to operate the Bureau.

DISCLOSURE OF INCOME OF CERTAIN OFFICERS AND EMPLOYEES OF THE UNITED STATES

Mr. LAUSCHE. Mr. President, yesterday the senior Senator from Oregon [Mr. MORSE] introduced a bill which would require public disclosure of the names of senatorial employees and the salaries which they receive. It further provides that public officials earning salaries in excess of $10,000 shall be compelled to disclose their incomes and the sources of their incomes outside their governmental pay.

We know that within the last 2 months there has been considerable discussion in the newspapers, in the public forums, and in the homes about the fact that the U.S. Senate by a self-imposed rule has adopted the policy of refusing to reveal to the public the salaries paid to its employees.

I do not feel I exaggerate when I say that the public of our country feels it is entitled to know who are our employees and what are their salaries. More than that, we conduct public business, and under any philosophy we have no justification for keeping to ourselves information which is the proper and undeniable property of the citizens of the United States.

Someone might say to me, "Why do you not disclose the salaries of your employees?" In my opinion the disclosure of salaries by one Senator, without disclosure by all, would not reveal to the public a true picture.

The beginning of bad government is secrecy in management and operation, and that bad government's beginning becomes aggravated when the secrecy is perpetrated by the Congress of the United States.

Under the rule of the House of Representatives the identity and the salaries of employees are public property. It is my understanding that a similar rule once prevailed in the Senate, but that about a decade ago the rule was changed so that now we are not required by law to disclose the salaries received by the employees of the Senators.

I cannot help but put myself in the place of a citizen who is groaning about his tax-paying responsibility. I cannot help but think that the citizen who is groaning about his taxpaying responsibility frequently says, "If the Senate is extravagant with its own employees, and if the Senate refuses to disclose what it is paying them, what restraint can we expect of Senators when they deal with the general revenues and the moneys of the taxpayers as a whole?"

It is a pretty heavy burden to bear when citizens write to us, "Why do you not disclose what you are paying your employees?"

So far as my office is concerned, I have refused to divulge the information because of the self-imposed rule of the Senate and because of the fact that disclosure by one Senator will not reveal the true picture. I am firmly of the opinion that the Senate ought to pass whatever law is necessary making mandatory the disclosure of the salaries which they are paid.

Much has also been said about the hiring of relatives by Members of the Congress. The mere hiring of a relative is not wrong, but it is fairly obvious on the face of the situation that there have been revelations about the salaries paid measured against the abilities of the persons receiving the salaries which disclose a great disproportion.

The Senator from Oregon is not present today. I tried to reach him.

I repeat that the breakdown of Government, whether it be the executive branch, the judicial branch, or the Congress, starts with secrecy of operations. If I have too many employees on my payroll or if I am paying salaries to the employees which are grossly disproportionate to their worth and to the general average of salaries paid throughout the country, how can I turn down the requests of other citizens when they come to the Senate to say, "Give to me of the taxpayers' money"?

In my judgment, it is essential that we have a citizenry with faith in the U.S. Congress. If the citizenry does not have faith in us, woe to the country. There is grave doubt about the justification of asking for faith, trust, and confidence from the citizenry when we boldly and brazenly say to them, "It is none of your business what we are paying to our employees." That is wrong, regardless of the standpoint from which it is approached.

Therefore, I want the RECORD to show my subscription to the views expressed by the Senator from Oregon yesterday dealing with his proposal for the adoption of a rule of the Senate compelling a public disclosure of salaries paid.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. LAUSCHE. I do not have the floor.

Mr. DIRKSEN. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. I was going to ask the Senator from Ohio a question. As he knows, this subject has been a hotly debated one. I am deeply interested in it myself.

Mr. LAUSCHE. I cannot hear the Senator.

Mr. JAVITS. I will come nearer to the Senator.

The question of the disclosure of the details of salaries paid to Senate employees by individual Senators has been a hotly contested one. I have been rather actively engaged in it myself.

I feel entirely pleased about disclosing these details, as I did in the House of Representatives, where I served for 8 years. I did not seem to suffer under it then, nor did I feel my office suffered.

Does the Senator from Ohio feel that disclosure ought to be adopted as a general policy by the Senate? Is that essentially the Senator's point of view? Does the Senator believe no Senator ought to disclose the information unless all Senators do, or does the Senator feel it can be left, as it is today, strictly a matter of individual option, so that if I wish to do it or if the Senator wishes to do it we are perfectly free to act accordingly? There is no inhibition, but, on the other hand, there is no Senate resolution which requires the disclosure to be made by the Secretary, as there is in the other body.

Mr. LAUSCHE. Obviously the Senator from New York did not hear what I had to say on this matter. In my opinion there ought to be disclosure by all or by none.

Mr. JAVITS. I understand.

Mr. LAUSCHE. When only one or two Senators disclose the information it does not reveal to the public a true picture of what is happening. A full and

just conclusion can be reached only by making a comparison of the payments which are being made by the 98 Senators.

Mr. JAVITS. So the Senator does feel it ought to be the subject of a Senate resolution, requiring disclosure by all or by none?

Mr. LAUSCHE. Yes, I do. I will say to the Senator from New York that he puts his finger on a very vital aspect of this problem.

When the Senator was a Member of the House, and the identity of his employees and their salaries were revealed, he did not suffer thereby, did he?

Mr. JAVITS. I did not.

Mr. LAUSCHE. But we are suffering by reason of our seemingly clandestine efforts to conceal.

Mr. JAVITS. Let me say to the Senator that, speaking for myself, I should like to see the Senator's proposal operate in both directions. In other words, I agree that there is room for and need for action by the Senate. I also feel that if, in the interim, individual Senators chose to make their own disclosure, their colleagues should not take it amiss, provided that there has been adequate time for discussion and consideration. That is the basis on which I am trying to operate.

I do not believe that the public would expect any of us to feel that he must move immediately, in absence of the adoption of a general policy, if such a policy is agreeable. I do not wish to make the two alternatives mutually exclusive.

Mr. LAUSCHE. I do not know what the Senator's mail discloses, but I can say to him and to the people of Ohio that, from the standpoint of my mail, there is no subject so vital as this one in the minds of the people of my State.

Mr. JAVITS. Mr. President, if the Senator from Illinois will allow me 30 seconds further, I shall appreciate it.

Mr. DIRKSEN. I yield.

Mr. JAVITS. My own mail is not necessarily that strong upon this subject. I do not mean that individual letters are not strong. However, in my State the problems of the Berlin crisis, unemployment, and other problems overshadow this particular subject.

I feel that this is a subject so much within our own control, and representing to such a great extent, as the Senator from Ohio has well said, an earnest of our own good faith toward the country, that, whether my mail were large or small, I would feel very much as does the Senator from Ohio.

Mr. LAUSCHE. My conviction is not based solely on the quantity of my mail. What I have said is the consequence of a search of my own thinking and my own conscience. I think the Senator from New York must agree with me, that the more brutal the dictatorship the more secret the method of its operation.

Mr. JAVITS. The Senator from New York certainly agrees with the Senator from Ohio as to the end result. I feel that our colleagues in the Senate are collectively searching their own souls. The Senator from Ohio and I have found the answer in our souls. I think we should be understanding, and give our colleagues a reasonable opportunity to do the same thing.

I thank the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I do not wish to have the Senator from New York leave the Chamber. I should like to ask him to yield to me. Also, I hope our distinguished friend from Ohio will not leave the Chamber for a moment.

I have certain convictions on the subject, and I have ventilated them very freely, both publicly and privately. I recall addressing the Press Club a week or two ago, when the specific question arose as to how I felt about the disclosure which the questioners had in mind. I said that I was unequivocally opposed to it.

Let me say also to my distinguished friend from New York that I think it would be informative, from time to time, if Members of the Senate were to fortify themselves with a copy of the report of the Secretary of the Senate. It is issued regularly. It contains more than a thousand pages. Senators will find a vast amount of information in this report.

For example, the report contains the names of all those employed in the office of every Senator. In addition, it shows the amount of money which is disbursed by each senatorial office, for each quarter. If one were to divide by three, the total for each quarter, he could determine what every senatorial office disbursed every 30 days.

The only thing that is lacking is the specific amount which each employee receives monthly.

I have contended that quite often such a disclosure would develop a morale factor, because if an office manager feels that one employee is worth a little more than another, it is not desirable to have the others sitting around and talking about it, saying that they are worth more than they receive. But if the public interest is to be served, the entire amount of money which goes out of every Senator's office every quarter is shown in the report of the Secretary of the Senate. Those who receive the money are mentioned by name. I believe that is contrary to the impression which has been created from time to time, that the Senate, so to speak, has "taken the fifth amendment." Recently an editorial was published in the New York Herald Tribune under the caption "The Senate Takes the Fifth," which is very intriguing. I am sure the editorial makes most engaging reading.

The report of the Secretary of the Senate contains all the information necessary properly to serve the public interest. Anyone, including Senators, who wishes to learn what the disbursements are, can find them in the report of the Secretary of the Senate. But he can find more. He can find all the costs incurred and the disbursements made by investigating committees. The name of every one who is on the roll is contained in this report. Every miscellaneous item is listed. The other day someone told me that in one of these reports there was an item of $18 for a cord of wood which some Senator had sold to the Government. I do not know anything about it. I have not found the item. However, if I were to take 2 or 3 days off and go through all the items, I might find it.

Not even the most insignificant item escapes the keen, scrutinizing eye of the Secretary of the Senate, because he must balance his books. So if anyone wishes to determine what the disbursements are from the contingent fund, and the amount of money which comes out of the Treasury, he will find the information in this compendium, which is almost the size of a Sears Roebuck catalog. It makes good reading on a winter night.

Mr. LAUSCHE. Let me suggest to the Senator from Illinois that I understand that the names are listed. However, as the Senator from Illinois concedes, the fact is that the salaries paid individual employees are not listed. I submit to the Senator that it is not adequate for a Senator merely to be proper in the operation of his office. From the standpoint of the public mind, we should occupy a position in which we are beyond suspicion. We do not occupy such a position; and we fail to occupy it because of the refusal to let the public know what properly is its business.

Let me make one further point. The Senator from Illinois says that such disclosure might create discord in the morale of the personnel. I recognize that possibility. I am certain that there will be discord when the salaries paid in my office are compared with the salaries paid by other Senators. But such discord could be completely eliminated if each of us knew what the other was paying. We could establish some semblance of balance and uniformity in the payment of salaries, having relationship to the skill of the individual worker.

Mr. DIRKSEN. Let me say again to the distinguished Senator from Ohio that there is no restriction in the statute, and there is no inhibition in any Government regulation which would prevent any Senator from disclosing the names and the salaries of all persons in his employ. He is perfectly free to do so.

When it comes to measuring the volume of work in various senatorial offices, I do not know how that can be done. We have recognized the factor of volume by dividing the States into several categories—those below 3 million population, those with a population between 3 million and 5 million, those with a population between 5 million and 10 million, and those with a population of 10 million or more. We make additional clerk hire allowances available on that basis.

Secondly, Senators do not themselves disburse the money. If anyone has such an idea, I think I should disabuse his mind of it now. The employees go on the roll. They receive their checks automatically, and the Senator has nothing to do with the operation, except to place them on the roll. So I must say that, so far as I know, every activity in that field has been most circumspectly administered by the Senate.

Mr. LAUSCHE. I should like to add that I feel deeply certain, from the standpoint of the people of the country, our work could be done and enjoy far greater respect on their part if we did not try

to justify the fact that we are concealing from them the knowledge to which they are entitled, not by will, but by law.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Indiana.

Mr. CAPEHART. I should like to comment on how the situation should be handled. I believe that the Senate itself should classify the various positions in a Senator's office and designate the salary which each employee occupying a position in his office should receive. Under such a practice every Senator would be paying the same wage for comparable work.

If we did that first, we could make the list public. It should be made public. However, the situation which exists today in the offices of the 98 Senators is that each Senator sets the wages for his employees. On the average, I believe, there are 10 or 15 employees in a Senator's office. Nevertheless, no two Senators pay exactly the same wage for the same kind of work, and no two employees are receiving the same wage.

If we were to publish the wages paid our employees at this time, we would create a great deal of chaos. Therefore, if we wish to cure the situation—and I will vote for such a proposal—let the Senate first adopt a rule classifying the various positions and specifying the wage to be paid to the person who occupies each position in the office of a Senator. Let us first make certain that every Senator is paying exactly the same wage for the same kind of work.

Unless we do that we will only create a great deal of confusion if we publish the list of our employees and their salaries. Unless we do that we will be doing the public no good by merely publishing a list of the employees and their salaries. The public will be confused, and our employees will be confused. In my opinion we would be confusing everyone, and we would not be helping anyone. To clear up the confusion we must first adopt a rule in the Senate to cover the situation. We must first, by a rule of the Senate, specify the various wage scales to be paid in a Senator's office. Let us first make certain that every Senator pays the same wage for the same kind of work. If we do that, it will be proper for us to publish the list of employees and their wages. The information will then become public property. I see no reason why that should not be done.

Even if we proceed in the way I have suggested, I can see some trouble, and I can see some drawbacks to my suggestion, because Senators from some States have more work to do in their offices than Senators from other States. There are a great many problems connected with this subject. Many difficulties will be encountered even if we proceed as I have suggested. However, that is the only way we can proceed and be perfectly fair with the employees who work for the 98 Senators, fair with the public, and fair with the Senate itself. At the moment there is no classification of the various positions in a Senator's office. We would not be doing anyone any good to have the information about the present situation relayed to the families of the employees. They would see that one person, for example, was getting more than another for doing the same kind of work. We would be doing more harm than good. If we wish to cure the situation—and I will vote for such a suggestion—we must first classify the various positions in Senators' offices, and pay the same wages to all persons who hold similar positions. We must pay the wage which the particular classification covers. Every Senator would then be paying exactly the same for comparable work. If we could put such a procedure into effect we would be doing something worthwhile.

Mr. LAUSCHE. Mr. President, I do not believe the Senator from Indiana heard my statement——

Mr. CAPEHART. No; I did not.

Mr. LAUSCHE. He did not hear my statement when I said that if there were a disclosure, the very necessity of the situation would compel the adoption of uniform scales of pay for similar work. The suggestion the Senator from Indiana has made excels the one I have made. We should put our offices on a business-like basis, as he suggests, and his recommendation in that regard is sound. I also believe that whatever we do will be better than what we do now.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CAPEHART. I question whether we would do anyone any good, including the taxpayers and ourselves, if we were to publish the various wages at this time inasmuch as the wage scales were arrived at by each Senator. What we ought to do first is adopt a rule classifying the various positions, and pay the same wages for the same kind of work. If we were to make such a classification first, that information would automatically become public property, just as is the case with respect to civil service employees. We know that X amount, for example, is paid in a specific job classification under civil service. Therefore, we should first classify the jobs. Then the people of the country will understand what we are doing, and what each employee is paid.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSTON of South Carolina. Along the same line we should take into consideration the fact that a civil service employee obtains a status in civil service employment. That is not the case with an employee of a Senator. If a Senator is defeated or dies, the employee probably must go home to his State or seek employment elsewhere. The same situation is true in the House. Therefore, in discussing this subject we will have to take all these matters into consideration.

Mr. CAPEHART. That, of course, is true. I have been in business, and I know that in business the various jobs are classified. If an employee leaves his job and a new employee is engaged, the man in business knows what the classification for that job is and what the wage for it is, and he, accordingly, engages a new employee at that rate to do the work called for by the classification which applies to that particular job. In business the wages of the various employees are not published, but the classification into which they fall are published. The same thing is done in union contracts.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. COTTON. Mr. President, I have great respect for my friend the Senator from Ohio [Mr. LAUSCHE], and I admire his fearlessness and fairness always. I came to the Senate as a young man, to work as an attaché. I believe that my experience goes back, perhaps, longer than that of almost any other Member of the Senate.

The Senate is not a factory. It is not possible to put every employee into a rigid category and pay the same wage to all employees in that classification. It is just as impossible to separate into uniform classification the assistants who do research, who write letters, who go downtown on errands, or who work on constituent's problems, as it is to classify uniformly all the flowers of the field.

Ever since the beginning of the Senate men of private means and wealth have been Members of the Senate. They engage assistants, whom they pay out of their own pocket to prepare speeches for them, to do research for them, and perform other work. Senators have a right to do that. I wish I could do it, too.

However, how are we going to deal with the staff of a Senator who has no means of his own and all of whose assistants are paid by the Government? How can we uniformly catalog the employees of such a Senator and compare them with the employees of a wealthy Senator who—and very properly so—engages outside assistants and research experts and other experts and speech writers?

I do not criticize my friend from Ohio, but I believe it would be nonsense to attempt either to install a uniform pay schedule, or to make public the amounts paid individuals without such uniformity.

Our people back home have a right to know whether we engage relatives, whether some of the money paid in salaries comes back to our own families. They have a right to know that, and they do know it. It is a matter of public record. They have a right to know how much money is being used in our offices, and they do know it. It, too, is a matter of public record. They have a right to know who our employees are, where they are working, and what they are doing. Having access to their names, they can find out. Furthermore, so far as I am concerned, if being a Senator of the United States should deprive me of such privacy, I am perfectly willing to disclose my income and the small amount of stock I own.

If the time ever comes when it is necessary to make it a matter of public knowledge that the girl who works at one desk gets $100 a year or $500 a year more than a girl who works at another desk, and thus impair the efficiency of the office staff in doing the work of our constituents, I think we must be getting pretty

scared and starting to run in all directions. I doubt that the people of the country distrust their Senators to the extent that they expect that from us.

So far as I am concerned, there is nothing to preclude any Senator from making public anything he desires to disclose. But if we as a Senate are to say, first, that we must classify our employees—which we never can do; and, second, that we must disclose what we are paying the daughter of John Jones, who comes from one town in the State, and what we pay the daughter of Sam Smith, who comes from another town in the State—if we cannot trust ourselves more than that, I do not know how we can expect the public to trust us. The Senate will, indeed, have fallen pretty low in our own esteem, as well as the esteem of the country if we go to that extent.

Mr. JOHNSTON of South Carolina. Mr. President, it is true that under the Reorganization Act and under other statutes, we are limited in the salaries we can pay to administrative assistants, secretaries, and stenographers, or clerks, as they are usually called. Let me show how impossible it is to set up a classification system. One woman in my office has been working with me for 25 years, although not that entire length of time in the Federal service. She started with me in my law office, worked with me during my two terms as Governor, and then came with me to Washington when I was elected Senator. Another woman started to work with me when I was Governor, in 1935 or 1936, almost 25 years ago.

If a system of classificatcn were to be established based upon the time when these employees entered my service, it can be seen what would happen. It would be almost impossible to do that and be fair to persons who fit into these categories.

Furthermore, on Capitol Hill, when the Republican Party takes control, many of the jobs which are held by the Democrats go to the Republicans. When the Democrats come into control, many of the jobs held by the Republicans go to the Democrats.

The woman of whom I just spoke, who has been in my offices for 25 years, is so experienced that when a letter comes to my office, she can tell immediately whether the writer of it is a crackpot, or whether he is a person who deserves a detailed reply. Likewise, she can tell whether to address the person as John, Tom, Dick, or Harry; because to call a person by his first name, as Senators, know, is very important if one wants to remain in the U.S. Senate. [Laughter.] All those things must be taken into consideration.

Limitations are placed on us at present. Beyond those limitations, we cannot pay higher salaries.

Mr. DIRKSEN. Mr. President, perhaps I should conclude this discussion. It really was not on the agenda this afternoon. I did present to the distinguished Senator from Ohio [Mr. LAUSCHE] a copy of a bill introduced in the present session. I allude to it only because he prefaced his remarks with a reference to a bill introduced, or to be introduced, by the distinguished senior Senator from Oregon [Mr. MORSE] with respect to the disclosure of income by Members of the Senate and House.

It is certainly not telling any tales out of school to say that the present occupant of the Chair, the distinguished junior Senator from Ohio [Mr. YOUNG], made some disclosure of his holdings so as to make certain that there would be no conflict of interest so far as his votes in a given committee of the Senate might be concerned.

I direct attention to the bill providing for disclosures because it provides that every Member of Congress, every civil officer or every military officer and each employee in the legislative or executive branch, whose salary is in excess of $12,500, and any candidate for the House or Senate, must file with the Comptroller General a report containing a full and complete statement which would include the following:

Each item of income, each item of reimbursement for any expenditure, each gift or aggregate of gifts from one source, other than gifts received from any relative or his spouse, which exceeds $100 in value; including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, or attendance at any convention or other assembly of individuals.

In addition, he would be required to schedule the value of each asset held by him or by him and his spouse jointly; the amount of each liability owed by him or by him and his spouse jointly; all dealings in securities or commodities by him or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction; and all purchases or sales of real property or any interest therein.

The report would be filed with the Comptroller General, and would be maintained as a public record, open to inspection by anyone.

That would mean that for the first time elective officers and all civil and military officers whose salaries from the Government were in excess of $12,500 a year would be placed in a special class. Their incomes would be disclosed as public records. They would be the only ones, among all the taxpayers under the jurisdiction of the Internal Revenue statutes, whose incomes would be disclosed in that fashion. They would be in a separate class in matters of that kind.

I never felt that being elected to office divested me of my rights as a citizen of the United States. I still think I have the same rights as has the humblest taxpayer and the humblest voter in the State I have the honor to represent, in part. Frankly, I do not propose to be divested of my rights as a citizen without a protest if matters or proposals of this kind shall be at any time seriously considered.

The electorate, of course, has the opportunity to ask questions when a candidate submits himself for their suffrage. They can ask him at any meeting he might attend: "Do you own any stock or bonds? Do you own any income property?"

The candidate can answer or not answer, as he chooses. But that, of course, is a part of the free elective system under which we operate.

I simply think we should be reasonably careful before we go so far as to make public officials second-class citizens and divest them of certain rights which are so carefully safeguarded under the statutes of the land.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Ohio.

Mr. LAUSCHE. I conclude by saying that the discomfort and disappointment which Senators would suffer through a revelation of the salaries paid in their offices would be inconsequential and unimportant compared with the distrust which is created in the minds of the citizenry by our insisting that the salaries shall not be revealed. I understand that each Senator has a right to reveal the salaries he pays; but I believe it would be of interest to the country for us to adopt a rule which would make mandatory the publication of the salaries we pay.

Mr. DIRKSEN. Mr. President, actually I secured recognition earlier today, in order to make a political speech; and I might just as well confess it at the outset, because I am going to give somebody the devil.

Mr. LAUSCHE. I thank the Senator from Illinois very much for giving me the time I have used, and I regret that I took so much of it.

Mr. DIRKSEN. It is a genuine pleasure, I assure my friend, the Senator from Ohio.

Mr. President——

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator from Illinois.

PAMPHLET ISSUED BY THE ADVISORY COUNCIL OF THE DEMOCRATIC NATIONAL COMMITTEE

Mr. DIRKSEN. Mr. President, I wish to speak for a brief time about the Democratic National Committee's Advisory Council; and I expect to be a little pointed in my remarks.

Last week I was gratified to read in our national press two items which to a high degree reflect my own thoughts and judgments. They appeared in newspapers which are known and respected for their fairness and sense of responsibility and, generally, their journalistic excellence.

The first is an editorial, published in the Washington Star of Thursday, April 2, under the title "Burned Child." I shall read a portion of the editorial, and then I shall ask unanimous consent to have the entire editorial printed in the RECORD.

The editorial begins as follows:

"The latest screed—

Mr. President, that is a good, earfilling word—

to emerge from the Democratic Advisory Council is a massive exercise in irresponsible nonsense.

Mr. President, that is a pretty good phrase. I was going to suggest to my distinguished friend, the Senator from Indiana [Mr. CAPEHART], that he should give good ear to it and should keep it in mind.

The editorial continues as follows:

Sponsored, as it is, by men and women of some stature, the truth-torturing nature of this foreign policy report is astonishing. Its ostensible purpose is to unload a partisan H-bomb on the Eisenhower administration. But even as a flagrantly political document it is self-defeating. For example, the report charges, with reference to the Formosa resolution, that President Eisenhower "heedlessly dropped a time bomb into the already explosive Far Eastern situation."

The editorial continues in that fashion. It contains one phrase which I believe reads with sheer elegance, namely—

To read the phrenetic language of the report is to understand why the responsible Democratic leaders in Congress have shunned the advisory council.

Mr. President, I submit the rest of the editorial; I have read enough of it to indicate the key to what I wish to say. At this time I ask unanimous consent that the entire editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BURNED CHILD

The latest screed to emerge from the Democratic Advisory Council is a massive exercise in irresponsible nonsense.

Sponsored, as it is, by men and women of some stature, the truth-torturing nature of this "foreign policy report" is astonishing. Its ostensible purpose is to unload a partisan H-bomb on the Eisenhower administration. But even as a flagrantly political document it is self-defeating. For example, the report charges, with reference to the Formosa resolution, that President Eisenhower "heedlessly dropped a time bomb into the already explosive Far Eastern situation." It does not mention the fact that an almost unanimous Congress voted for the Formosa resolution. Does the advisory council's indictment extend to the Democrats who approved the resolution? Also ignored is the fact that the expression of American purpose contained in this resolution, time bomb or not, has served for nearly 5 years to discourage a Chinese Communist attack on Formosa. If this is catastrophic error, as the advisory council would have the people believe, we could do with more of the same.

This incredible document concludes on a questioning note. "Must we sit in paralyzed horror for 2 more years," it asks, "watching our strength, our influence, our position in the world, and our alliance dissolve, as just a hundred years ago men watched the Union dissolve under the weak and palsied hand of Buchanan"? The best that can be said for this kind of gibberish is (we hope) that no one will take it seriously—except, perhaps, the members of the Democratic Advisory Council.

To read the phrenetic language of the report is to understand why the responsible Democratic leaders in Congress have shunned the advisory council. They are better acquainted with the facts of life, and they have a better understanding of the harm which this kind of ranting partisanship could do to the country in a time of danger. It is not so easy, however, to understand why Dean Acheson would serve as chairman of the committee which presumably drafted the report.

In his days as Secretary of State, Dean Acheson was subjected to much the same kind of outrageous abuse, and one might think that as a burned child he would dread the fire. But evidently he does not. In partisan politics, apparently, the familiar maxims do not apply.

Mr. DIRKSEN. Mr. President, the next is an article which was written by Arthur Krock, a man of distinction and stature in the journalistic field. The article appeared in the New York Times of Friday, April 3, 1959. The title of the article is "NATO Is Told 'We Sit in Paralyzed Horror.'"

Mr. President, I shall let Mr. Krock speak for himself; so I ask unanimous consent that the article be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATO IS TOLD "WE SIT IN PARALYZED HORROR"

(By Arthur Krock)

WASHINGTON, April 2.—The Foreign Ministers assembled here for the 10th anniversary of the North Atlantic Treaty Organization might have abandoned hope of the U.S. Government as an effective partner if they had accepted as unvarying fact the "greeting card" issued under the authority of the advisory council of the Democratic National Committee. Since the council includes former President Truman, Adlai E. Stevenson, and a few Democratic Governors and Senators, this bitter attack on the administration's foreign policy that it authorized, for publication in the week the Ministers were gathering, might have had that deplorable consequence in the very midst of the Berlin crisis.

But, according to one Ambassador from a NATO country, his Foreign Secretary understood that the pamphlet and its timing were "just internal American partisan politics." And probably this is true of any of the other Foreign Ministers who read a summary of the publication.

"Just internal American politics" is a sound evaluation of this most intemperate political critique. Its angry tone and harsh personalities would have earned the document that estimate whenever published. Yet not only was it authorized for release, and at this time, by the distinguished advisory council. It is the product, specifically, of the group which is the voice of the council on foreign policy matters, and the editor and principal author of this group's pamphlets is Dean G. Acheson, former Secretary of State.

During his term of office some critics assailed Acheson and his policies with language matching the abusive quality of several of the passages. So it may be argued that this history is sufficient justification for repayment in kind. At any rate, the parallel is provided by the pamphlet.

Here is a sample:

"Must we sit in paralyzed horror for 2 more years watching our strength, our influence, our position in the world and our alliances dissolve, just as a hundred years ago men watched the Union dissolve under the weak and palsied hand of Buchanan? Must we watch in silence the creation of an artifact, the new NIXON, out of a sullied creature who participated in every one of these decisions, who once defended them but who now tries to turn his face away while the surgeons of publicity lift it?"

Apparently we must, because the only means proposed to arrest the dissolution is Congress, which "can provide the means by which policies are carried out." But, as the pamphlet concedes, "the constitutional power to conduct our relations with foreign countries lies with the President." And he—whom the pamphlet accuses of "passive detachment as our alliances disintegrate and our power declines"—will be President until January 21, 1961.

Congress, on this same authority, can "point out lines of action * * * investigate inaction as well as wrong action," and the Senate can make constructive use of its special power to reject Presidential appointments. But the Democratic leaders of Congress have carefully kept aloof from the Democratic advisory council and its Acheson foreign policy committee. And both Senator JOHNSON, of Texas, and Speaker RAYBURN have made it plain they do not endorse the violent approach of the council and the committee to partisan issues.

This violence, the harsh personal references, and one remarkable instance of political amnesia are the flaws in what in many places is a brilliant and documented critique. The political amnesia is provided by an attack on the administration for "having no Far East policy at all" from a source whose negative Chinese policy of letting the dust settle was a failure, at colossal cost to the West, and whose proposal of a mixed Communist-Nationalist government was at least naive.

Furthermore, though this pamphlet assails the Taiwan resolution as a "time-bomb * * * heedlessly dropped into the already explosive Far Eastern situation," the Democrats supported it in an almost unanimous Congress. The pamphlet's implicit indictment of this support will hardly add to the already slight influence of the council and the committee at the Capitol. Hence, if the only hope—against the utter national and world disaster toward which the administration, says the committee, is carrying the United States—is the acceptance of its counsels by Congress, the dread inevitable is at hand.

Mr. DIRKSEN. Mr. President, these items refer to a pamphlet which recently was published by the Advisory Council of the Democratic National Committee. The pamphlet is No. 3 in a series, and is entitled "How To Lose Friends and Influence: The Decline of American Diplomacy, 1953–59."

The Star editorial describes this publication as "a massive exercise in irresponsible nonsense," "truth-torturing," "a flagrantly political document." The Times article refers to the "violence," the "harsh personal references," the "political amnesia" of the pamphlet. And so on and so forth. As I have hinted, Mr. President, I agree with this evaluation.

Mr. President, the pamphlet represents a remarkably creative achievement in the literary area of political brainwashing.

Recently, one of my distinguished colleagues on the other side of the aisle, and one for whom I have abiding affection, said, in a speech in which he attacked the Eisenhower budget, that he classified "budgeteer" with "racketeer." Mr. President, I do not like to become engaged in a semantic contest; but sometimes I think that the word "pamphleteer" would perhaps rhyme better with the word "racketeer."

I have said that more glorified tripe might flow from some typewriter at the Democratic National Committee's Advisory Council, but I have some grave doubts about it. The prefabricated

phrases used in this tract are rather cunning. I made it Sunday reading. Actually, it was an engaging experience. The style is almost Rooseveltian. There is a journalistic flow and measured cadence about it; and I believe the blithe allegations would do credit to Baron Munchausen. It is almost as plausible as five-and-dime store costume jewelry.

I do not believe this publication is worthy of serious and sustained discussion, Mr. President, but I know it gets around among the people of the country. Mr. President, we have important and constructive work to do here; but ever so often one has to defend his administration against some of these attacks.

I suppose the actual authorship of this document will remain rather obscure. But we can easily note that it has had the approval of a rather interesting mixture of both professionals and amateurs in the foreign affairs field. Actually, Dean Acheson is a professional. I can hardly say that the Mayor of Pittsburgh is exactly a professional in the foreign affairs field. I do not know about the distinguished chief executive of the State of Michigan, who is affectionately known as "Soapy." He might be considered an expert in the fiscal field. I am advised, Mr. President, that the favorite beverage nowadays in some of the better emporiums in Michigan is a delightful little concoction known as "Michigan on the rocks." [Laughter.] He may be an expert in that field; I do not know. But I have grave doubt that "Soapy"—I know him by his nickname, and I use the term in the ultimate affectionate sense—is an expert in the foreign affairs field.

I see my distinguished friend the Senator from Michigan [Mr. HART] rise to his feet, and I am glad to yield to him.

Mr. HART. Mr. President, I rise only to observe that I think the status of Michigan's Governor as a fiscal expert will soon be acknowledged by the members of the Michigan Legislature, which is organized by the members of the party of the distinguished minority leader. I believe the Michigan Legislature will adopt the fiscal proposals the Governor made in January. If that happens, I assume the minority leader will acknowledge the Michigan Governor is a fiscal expert.

Mr. DIRKSEN. I do not know. I shall find out about that later on.

But, Mr. President, I know he "put the bite" on the leaders of the automotive field to get them to make advance payments of taxes to the State of Michigan in order to keep the State's fiscal head above water, and I think he has found himself in some difficulty in that field. I shall be delighted to examine—and I shall do so with a maximum of interest—any proposal he may suggest.

Mr. President, I have spoken about these "experts." Among them is James Patton, president of the National Farmers' Union. Mr. Patton may be an expert in the foreign-affairs field; I do not know. I have never arrogated to myself any claim of expert knowledge in that field. Mr. Patton may be an expert in it. At any rate, he is on the council.

Then there is our old friend Bill Benton, who used to serve in the Senate, and who at one time was Assistant Secretary of State. I love him almost like a brother. I used to council with Bill. We lived in the same hotel in Washington for a long time. He is a great fellow. He made a robust effort to return to this august body, but, for reasons which the people of Connecticut can best explain, he did not return. It may be that he was a little short on expert knowledge in this field.

But I refer to this matter in order to indicate that these gentlemen were the sponsors of this interesting document entitled "How To Lose Friends and Influence."

There are 26 members of the advisory council. I am at a loss to know exactly whom they advise, other than the Democratic National Committee itself. A copy of this pamphlet can be obtained for 10 cents. I thought perhaps they would break down and send every Member of the House and the Senate a free copy, but I think I shall have to send them a little note and ask for a copy for myself.

Mr. President, the timing of this publication is extremely unfortunate. I should think they would have been better advised. I freely admit that Dean Acheson, former Secretary of State, is a pretty "heady" individual. I respect his endowments and background in his field. But, somehow, at a time when we are in the process of trying to achieve unity between the United States and some of the other countries, having had all the NATO leaders here last week, when a statement of this kind is published, it certainly is not conducive to unity and to the best kind of feeling. I think, in a sense, it destroys some of the work which has been done to build up good feeling in this field.

Frankly, Mr. President, I do not support a moratorium on public discussion of foreign policy. Let it be recommended, evaluated, and discussed. However, we should bear in mind that rather complex issues are involved. I say now what I have said before: Members of the House or the Senate, and also of political committees, who undertake to advise the country, ought to exercise some careful restraint.

Two statements on the inside of the front page of this pamphlet, the first thing I noted about it, gave me a little pause. One statement was that the purpose of the series of pamphlets is "to bring about the widest discussion and understanding of public questions." The other little statement was that they "do not necessarily reflect the precise views of all members of the advisory council."

That is really very ducky, Mr. President, because as I read the statement, I thought it was like trying to build a nice house with nothing but an ax, or using a shotgun approach to the problem of developing some unity in this field and thawing the cold war, if it can be done.

The pamphlet stated everything was wrong. I could not find a thing in it that was complimentary to the administration, except possibly where the group said President Eisenhower really got his training in this field under prior administrations, which may be a bit of damning with faint praise.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CAPEHART. Is that not the same advisory group of which the able majority leader of the Senate and the Speaker of the House refused to become members?

Mr. DIRKSEN. I do not know that they refused; perhaps they were not invited. But I am delighted they do not take too much advice from them. At least, it would appear they do not.

Mr. CAPEHART. Is it not a fact that many of the members of that group were advising and were helping to conduct the affairs of this country during the period when we got into so much trouble, and when we agreed to place Berlin in the middle of East Germany, surrounded by Russian territory? Is it not a fact that those gentlemen were making policy and were making the mistakes which have caused the Congress and the President of the United States so much trouble?

Mr. DIRKSEN. I do not know that all of them were so engaged. Some of them were, no doubt.

Mr. CAPEHART. Were they not the same group who were in prominent positions when we got into World War II and into the Korean war? Were they not in authority when we recognized Communist Russia in 1933? Were they not around here when the Yalta and Teheran Agreements were made? Were they not the same group who were advising the then President of the United States?

Mr. DIRKSEN. Certainly some of them were.

Mr. CAPEHART. Some of them were. There is no question about that.

Mr. DIRKSEN. But the point I made was that this is a rather unrestrained document and its publication was untimely. The pamphlet speaks about pernicious abstractions, and of the complete separation of words and deeds. It deplores the erosion of Western influence, and yet the very existence of this tract at this crucial moment seems ironically calculated to accelerate the erosion of Western influence. Its words are insistently of dark and suspicious gloom; clarity is smothered, hidden; understanding is destroyed. Certainly, it contains many items which are not documented. The use of insinuations is masterful, but the pamphlet can be terribly dangerous in view of the problems which confront the whole free world and this country at the present time.

The publication contains a bill of particulars. It is a little on the partisan particular side, I should say. It states that everything is wrong; everything starting away back in 1953 is criticized. Before that time, everything was apple pie and honey. Everything was lily white. Everything was pure, undefiled, and perfect—except one thing, the young boys who were being interred in the soil of Korea. Let us never forget that. This administration may have its faults, but no youngster has forfeited his life on a foreign battlefield since June 1953, when President Eisenhower went to

Korea and secured an armistice. From that day on no young American has had to let his lifeblood flow on some foreign hill or in some foreign valley or upon some sodden, soggy foreign battlefield. But that fact is not mentioned in the pamphlet. Its authors start with 1953. If they wanted to tell the whole story, they should have done so.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CAPEHART. I refer to the chapter or paragraph wherein it is asserted that they and two former Presidents were responsible for President Eisenhower's success, and therefore they taught him what he knows, or what he ought to know, about foreign affairs.

Mr. DIRKSEN. That is the assertion in this pamphlet.

Mr. CAPEHART. It is asserted that they taught him. It seems to me what they taught President Eisenhower was how not to do things as they had done them. I think he learned much from them. He learned not to follow their ideas and their kind of foreign policy. I think that is what he learned as a result of his experience. President Eisenhower has not put into practice the things he learned not to do when he was working as an American, as a general, and as a soldier, under the supervision of other administrations.

I congratulate President Eisenhower for learning what not to do, and how not to follow the advice and the recommendations of former administrations, and not to do the things they tried to teach him.

In President Eisenhower's memoirs I remember he stated he tried to sell those in power on the idea of permitting the general of the armies to go east so the Russians would never get into Germany or never go farther west than the Warsaw, Poland, line. He was told no, that they had made other arrangements at Yalta, or somewhere else, and that he should withdraw his armies and let the Russians come through.

I am sure President Eisenhower was taught what not to do. Since he has been President he has practiced what he learned. Perhaps the greatest lesson he learned when he was working for them was what not to do and how not to conduct foreign affairs.

Mr. DIRKSEN. In the pamphlet it is alleged that helping Pakistan has upset India. It is stated that the Marines in Lebanon landed without a doctrine. It is stated the Formosa resolution was a time bomb dropped into the already explosive Far Eastern situation. The concept of massive retaliation is obliquely criticized.

Congress adopted the Formosa resolution. It adopted the resolution affecting the Middle East situation.

I have only picked out a few particulars from this tract, Mr. President, but they are good examples, fair examples, and I should like to ask some questions and make some observations about them.

Are the authors of the Democratic Advisory Council in favor of stopping arms aid to Pakistan in order to appease India? I wonder. They never say. Do the Democrats who approved this pamphlet forget that the Eisenhower doctrine was overwhelmingly approved by Congress, as House Joint Resolution 117? The vote on the resolution was 72 to 19 in the Senate on March 5, 1959. A large number of Democrats supported it. And, although I point out that no administration could ever be so naive as to believe that a single policy or program could be expected to solve all the problems of that tragically troubled area, some peace and stability does exist: the Middle East is, at present, free from war. This is an accomplishment, and one which was assisted in no small part by the Eisenhower doctrine.

The marines in Lebanon, I submit, did have a doctrine. Contrary to this pamphlet, they most certainly acted in accordance with a clearly discernible mission. They were there to keep the peace. And they kept it. When they finished their work they left, and without having fired a shot. It was a truly unusual and successful action, Mr. President. It demonstrated both to the Communists and to the Nationalists of the Middle East that the United States meant business, and it constituted a major influence for the maintenance of stability and the repulsion of a subversive war threat at that particular time. Were the Democrats who approved this report against sending the marines to Lebanon? Again, they do not say.

Concerning the Formosa resolution, I am confused again. This was also approved by Congress almost unanimously. As the editorial in the Star states:

> Does the advisory council's indictment extend to the Democrats who approved the resolution?

Also, I must point out, there is no war in the Formosa Strait. The fact that stands out is that it was the policy of the administration—and of Congress—to prevent war in that area and it has been prevented.

In regard to massive retaliation—there has been much ranting and raving. It seems we lose sight of the fact that our present defense policy is predicated on the principle of deterrence, and that the ability to retaliate massively—or call it what we will—constitutes the main vital element of the active principle. How can Democrats one minute call for more defense expenditures for missiles, which will enable us to increase the massiveness of our massive retaliation—to "overkill," as at least one member of the Joint Chiefs has called it—and then, the next minute, cry out loudly against the very concept?

One more particular, Mr. President. One thing I could not find in the Democratic Advisory Council pamphlet was any account of Americans being killed under the Eisenhower administration. Nor was there any mention of the 32,000 dead and the 100,000 wounded in the $19 million police action in Korea under Truman and Acheson. There was no mention of young blood, of cemeteries, of anguished hearts. There was plenty about agonizing reappraisal, but nothing about the lacerated hearts of American mothers.

It is an incredible fact that this pamphlet has nothing affirmative in it—except the most obscure partisan hopes for the future. No suggestions, no alternatives, no advice, no proposals—nothing affirmative. The tract is against everything that has been done and is being done under this Republican administration. The pamphlet is simply a diatribe of negativity. Is this, I ask, a program for action, as it is advertised? Is that all that can be offered? Is this tract supposed to persuade the American people that they should vote for the kind of leadership demonstrated thereby?

Mr. President, I came to the conclusion of this pamphlet when the shadows were getting a little longer on a Sunday afternoon, and I thought, "This is it." I was almost tense and breathless. I was waiting for some concrete conclusion. But I did not find it.

The one conclusion this brochure offers, Mr. President, is that Congress can help. Congress, we are told, can "point out lines of action." Although "the constitutional power to conduct our relations with foreign countries lies with the President," Congress "can provide the means by which policies are carried out." I agree wholeheartedly. Just as Congress did do with the Formosa resolution and the Eisenhower doctrine—with overwhelming Democratic support. The Chief Executive does need the help, the wisdom, the ideas, the support of Congress. And that has been sought, offered, and received in the past and will continue. Congress will continue to give this assistance and without the help of the Democratic advisory council.

I think we all remember that this body was originally intended as a group with which the Democratic representation in Congress would have to confer before presenting legislative programs. This outside body would, presumably, guide congressional leaders in their own work. This idea, Mr. President, was immediately and correctly repudiated by the Democratic leadership in Congress, and I commend them for it. The Democratic congressional leadership have their own ideas about both the substance and method of their role within the two-party structure and the American system of the separation of powers. As the editorial in the Washington Star so aptly pointed out:

> To read the phrenetic language of the report is to understand why the responsible Democratic leaders in Congress have shunned the advisory council. They are better acquainted with the facts of life, and they have a better understanding of the harm which this kind of ranting partisanship could do to the country in a time of danger.

In closing, I wish to address myself to the American people, to the people of the free world, and to the Communist leaders. I speak for my colleagues across the aisle here, if I may, as well as for the Congress and America itself. This pamphlet does not represent any of us. We are a united people concerning the desire for and the need of standing firm in Berlin—and everywhere else where communism threatens. We are a people whose leaders, regardless of party or governmental branch, work together constructively, with strength, wisdom, and

unity, to advance policies dedicated to solving the problems which confront us—toward a peaceful, secure world.

I commend the Democratic leadership of Congress—with whom, to be sure, I do not always agree—for its nonpartisan, responsible, and constructive support advanced on the grave issue of Berlin. This is the type of thing which makes America great: statesmanship standing above party politics.

Frankly, Mr. President, I do not always agree with the very distinguished—and I use the adjectives advisedly—the very distinguished chairman of the Committee on Foreign Relations of the Senate, but I would rather take his advice any time than the compound advice of the committee which sponsored this document at an untimely hour.

I want the record to be straight. In reply to this report, I wish to make strong and reassuring protestations about American strength and solidarity on these gravest issues, so that no one, either here or abroad, can reach any incorrect judgments about the real leadership of either party or either branch of our Government, and so that no disastrous miscalculation of war can possibly be courted.

REPORT BY SENATOR JAVITS TO THE PEOPLE OF NEW YORK, 86TH CONGRESS, SPRING 1959

Mr. JAVITS. Mr. President, this is the first report on the 1st session of the 86th Congress; it is intended to keep citizens of our State informed of the activities of the Senate and my part in them.

PROSPECTS FOR PEACE AND FOREIGN AFFAIRS

In the Berlin crisis the President has stated clearly that the United States intends to stand behind our commitments in Europe to our NATO allies. This position is indispensable to our security and freedom. Our willingness to negotiate up to the summit level certainly shows good faith in the effort to preserve the peace. The peace we preserve must be one of justice and dignity, for the free world has learned from bitter lessons the price of appeasement.

I undertook the opposition to a suggestion made by one of my colleagues that the German Federal Republic—West Germany—and the East German regime should negotiate the fate of Berlin. It was my view that such a negotiation really made West Germany negotiate with the U.S.S.R., the actual boss of East Germany, and this had grave dangers for the free world of being a signal to West Germany that it should seek a Soviet alliance.

We find ourselves today in a world position which requires a utilization, at the very least, of all our national capabilities and resources. To help meet this need I introduced a joint resolution to establish an Advisory Council on National Security consisting of all living ex-Presidents and 25 of the leading citizens of the Nation. The Council is to recommend to the President and Congress programs for the establishment and implementation of national policies to meet the responsibilities and dangers faced by the United States in the world struggle for free institutions.

Recent events in Iraq point up the importance of Israel as a strong, convinced democracy in a stragetic area of the free world; Israel's continued viability is important to the welfare and security of the free world and of our country in this critical area. I will continue my efforts for the maintenance of U.S. aid to Israel and to the whole area, and for the resettlement in the Arab lands of the Arab refugees.

The administration requested for the current fiscal year a supplemental appropriation—$700 million has already been appropriated—of $225 million for the Development Loan Fund which was created in the last Congress to give economic aid to underdeveloped free world countries. This amount was cut to $100 million by the House of Representatives and the appropriation is presently pending in the Senate. I will support the full amount as essential to U.S. policy and security. Sound applications are pending for many times this amount.

The administration also has asked for a $3.93 billion program of foreign military and economic aid for the next fiscal year. Last year Congress voted $3.23 billion which was $650 million less than the President had requested; no congressional action has yet been taken this year. Legislation has been passed increasing the U.S. subscriptions by $3.175 billion to the International Bank for Reconstruction and Development and by $1.375 billion to the International Monetary Fund.

I have long advocated economic and military aid for the security and for the development and strengthening of the economies of the nations of the free world and the raising of the standards of living of the peoples living in these nations. The President has called this aid as vital as our own defense preparations.

We should continue to try to achieve an effective cessation of the testing of nuclear weapons under international control through the United Nations, safeguarded by inspection. However, unilateral discontinuance of such tests without entry into an international control system by the U.S.S.R. would be a serious threat to the free world without commensurate benefit in peace.

The peaceful settlement of the extended dispute in Cyprus has restored peace to that strategic island, serving to strengthen the free world's position in the eastern Mediterranean.

BUDGET, THE ECONOMY, AND TAXES

The President has proposed a budget for the fiscal year 1960 of $77.1 billion. This budget will be in balance only if the Congress enacts requested increased revenues raising the gasoline tax 3 cents to 4½ cents per gallon to provide $700 million in revenues, increasing postal rates to bring in an additional $350 million, and other tax increases including $200 million annually in taxes on the income of life insurance companies. The Senate will shortly consider the various appropriation bills that make up the budget.

The Government's financial situation requires close scrutiny of the budget to eliminate wasteful and unnecessary items, such as pork-barrel spending and unrealistic farm price support programs. On the other hand, we need to be wise about our realization of defense and security needs and the requirements of a developing economy and society. As our national prosperity increases, so will revenues increase. We must look as far as possible to an expanding economy for needed Federal income rather than increasing general tax rates. Also, a review of items favored under the revenue laws such as the 27.5 percent oil depletion allowance must be undertaken.

I have been designated a member of the Joint Economic Committee.

Although nationally the economic recession is now largely behind us, there are a number of areas, such as those centered on Buffalo and Schenectady, where there remains substantial unemployment and economic stress. I joined in sponsoring the Depressed Areas Act of 1959, which was intended to assist areas with high continuing unemployment to attract new industry and to help the people in those areas to readjust to new employment opportunities. However, changes which were made in the bill drastically reduced its application to New York State communities, and the amendment which I offered to prevent its use for raiding industry from one area to another was not accepted by the Senate. As a result, the effect of this program on our State would have been limited to three small areas—excluding, for example, Utica-Rome—while the bill could support attraction of other industries away from New York and therefore I had to vote against it on final passage.

The President in his message to the Congress indicated that there may be opportunity for a reduction in the taxes imposed upon our people should there be a sufficient balance remaining after the budget requests have been enacted; he has also recommended the closing of certain specific tax loopholes and the remittance of specified tax privileges. Our problems are complicated by the urgent needs of national security and domestic security which must be met. I am most understanding of the tax burden on our citizens and will endeavor to bring nearer the time when tax reductions may be feasible. Relief is especially needed from those excise levies, such as the telephone tax, imposed as an emergency measure and which have remained on the books due to Government revenue needs.

I have reintroduced my bill to give to the physically handicapped the same $600 tax exemption now extended the blind.

NATIONAL DEFENSE

There can be no question that we must exert the maximum effort in order to maintain our defense capacity at the highest necessary level; to do less is to court disaster. It is the responsibility of the Congress, therefore, to weigh carefully all the evidence and to act in accordance with these facts to assure maximum defense effort, not only in terms of quantity and of money ex-

pended but in qualitative terms—sound in strategy and tactics. The President's opinion that we have adequate defense within the budget should be controlling unless the contrary can be affirmatively demonstrated. I am therefore awaiting with great interest the report of the Senate Preparedness Subcommittee now considering this matter. You may be sure that I shall do my utmost in this regard.

The Senate Committee on Banking and Currency, of which I am now a member, has partial legislative jurisdiction of civil defense. I continue active in my work here for an adequate civil defense system in our Nation, prepared to meet not only the emergencies of war but those of peace, as well, such as flood, and other natural disasters.

The draft has been extended for an additional 4 years beyond the expiration date of June 30, 1959. I supported this extension as necessary as under present conditions our basic security needs afford us no real alternative. It is hoped that the day will not be too distant when it will no longer be necessary for the United States to spend such a high proportion of its resources for defense or require its young men to spend such a fruitful part of their lives in the armed services.

AGRICULTURE

Our farm problem is not one of shortages and poverty but rather one of surplus and plenty; yet problems persist for the Government, the farmer and the consumer. Already we have some $5.4 billion worth of surplus crops in storage costing over $1 billion annually in storage and other costs. The bill for farm price supports for the next fiscal year is estimated at $4.5 billion, some 6 percent of our national budget. Yet farm income is far below what it should be especially for the family sized farm. Dairymen in New York feel the maladjustment very keenly, too.

The administration has taken the position that the price support and production control program have not worked and has recommended that Congress either abandon the parity price concept and relate mandatory farm price supports to average market prices, or, if it insists on keeping parity, allow the Secretary of Agriculture to set supports anywhere from zero to 90 percent of the parity price—parity is a theoretical price that is supposed to give farmers a fair return based on the relationship between prices and costs in 1910–14.

I have consistently opposed high, fixed price supports for agricultural commodities both as a burden upon the taxpayer and upon the consumer. It is vital that our agricultural policy move forward with the technological advances that have benefited the farmer and the country. Generally, I have favored flexible price supports keyed to supply and demand, Government help for research in industrial uses of farm products and farm operations, credit for farm mechanization, homes, schools, telephones, electrification and roads, better marketing and selling practices and disaster insurance to help the farmer.

The Department of Agriculture has announced that dairy price supports will be kept at present levels during the marketing year which began April 1, 1959.

COMMERCE AND INDUSTRY

I have been designated a member of the Subcommittee on Securities—of which I am the senior minority member—and the Subcommittee on Banking of the Senate Committee on Banking and Currency.

Commuter problems are very grave. The service is essential and a way must be found to continue it at reasonable cost to the consumer. Governor Rockefeller's initiative in a New York program has been widely welcomed and deserves full support. Much support has been evinced for my bill, S. 858, which would enable the railroads to take full advantage of any tax abatement granted them by cities, counties, and States in order to help them continue commuter services. Thus the tax relief would directly benefit the railroad and not be absorbed by increased Federal levies. Also, I have joined in legislation to hold up on further summary discontinuances of commuter services.

The Senate passed the Federal airport bill providing for $465 million to help States and communities develop airports in a 4-year period starting July 1. Under the program, Federal grants must be matched equally by the States. The bill originally called for expenditures of $565 million over 5 years. I voted in favor of the bill on final passage but supported the amendment to reduce the program to $250 million and to restrict expenditures to runways, hangars, and necessary supporting facilities, thus barring moneys for terminals. While the bill on final passage was not everything that I would have liked, I nevertheless believed—as did the administration, which had proposed a $200 million program—that in the light of increased air traffic and the requirements of the jet age some program of Federal assistance is needed. The House passed the bill in an amended form and it is now being adjusted between the two bodies.

I am seeking reconsideration by the Tennessee Valley Authority regarding the order placed with a British firm for a steam turbine, in the light of heavy unemployment in the Schenectady area. I am actively concerning myself here not only with this turbine generator question but also with other Federal activities which affect the unemployment situation in our State, such as the diminution of defense orders and the deactivation of military bases and other Government establishments.

A measure has been introduced to amend the Robinson-Patman Antidiscrimination Act to eliminate the defense of good faith in cutting a price for a particular customer allegedly to meet the quotation of a competitor. I will consider this proposal in the light of the necessity of maintaining practical rules of competition, not only for the benefit of the businessman but also for the protection of the ultimate consumer.

LABOR

As this report is written the Senate Committee on Labor and Public Welfare, of which I am a member, has reported out the Labor-Management Reporting and Disclosure Act of 1959—S. 1555. This is a new bill which has evolved as the result of weeks of work by the committee on the Kennedy-Ervin bill—S. 505—which was similar to the bill passed last year in the Senate by a vote of 88 to 1 but which failed of passage in the House. I have joined as a sponsor of this new bill.

S. 1555 represents a distinct improvement over the earlier bill. Every labor organization is required to file with the Secretary of Labor a copy of its constitution and bylaws and a report as to initiation fees, dues, and practices as well as file an annual report as to its finances and both labor and employers must file on dealings with each other's officials and agents and with labor consultants.

Suit by individual members of labor organizations to recover embezzled or diverted funds is authorized in certain cases. Bribery by an employer of representatives of a labor organization is prohibited. "Blackmail picketing" which is for the personal benefit or enrichment of an individual is also prohibited. The requirement of the filing of a non-Communist affidavit by union officials is extended to employers; provision is made to control excesses in trusteeships of union locals, for fair elections of the officers and executive boards of labor organizations by secret ballot, to make ineligible for union office certain persons convicted of crimes of violence except with the permission of the Secretary of Labor, and for the promulgation of codes of ethical practices by labor organizations. The bill includes an arrangement to deal with the so-called no man's land gap of jurisdiction between the National Labor Relations Board and State agencies. The bill also deals with union representation problems in the building construction industry, a long-needed reform.

This bill, which will be debated in the Senate very shortly, is an important step toward eliminating the abuses disclosed by the McClellan Committee. Passage of this measure does not preclude enactment of further legislation in this Congress dealing with labor-management relations and amendments to the Taft-Hartley Act.

The extent of unemployment and the inadequacy of many State unemployment compensation systems continue to present grave problems. The 3-month extension of the temporary Federal unemployment compensation program now law is inadequate to the purpose. It covers only those already entitled to draw the Federal supplement by virtue of exhaustion of State benefits on April 1, 1959, who are still within the one benefit year.

An estimated 405,000 jobless workers will keep getting payments until they have received benefits for a period equal to half the duration of their exhausted

regular State benefits. The program will involve additional costs of about $78 million, almost all in the current fiscal year ending June 30. No newly unemployed workers can be added to the rolls, nor can any now receiving aid collect money beyond July 1.

I joined in sponsoring an amendment which passed the Senate whereby newly unemployed workers could participate in the benefits of the bill during this 3-month extension period. This would have been some improvement; however, the House did not accept this amendment and it was omitted from the final bill. I anticipate the unemployment situation will result in long-range legislation during this Congress; the 3-month extension gives time for such action. I support Federal standards of unemployment compensation to be met by the States as minimums. These are necessary for the national economy to prevent unfair competition between the States for business.

I joined in sponsorship of S. 226 to provide improvements in the Railroad Retirement program.

I introduced the National Act Against Age Discrimination in Employment, which deals with unjust discrimination in employment because of age by firms engaged in interstate commerce; S. 739 to prevent age discrimination by Government contractors; and the District of Columbia Act Against Wage Discrimination in Employment, which is similar to the law enacted last year for New York State. I have also introduced a bill to designate the month of May as Senior Citizens Month.

SMALL BUSINESS AND CONSUMERS

As a member of the Senate Select Committee on Small Business and the Small Business Subcommittee of the Senate Committee on Banking and Currency, I am deeply concerned with small business problems.

I have joined in the sponsorship of S. 59 to provide a program of tax adjustment for persons engaged in small business; S. 1010 to permit the use of the new methods and rates of depreciation for used machinery and equipment; and the Individual's Tax Retirement Act of 1959, which would encourage the establishment of voluntary retirement plans by self-employed individuals analogous to the tax treatment accorded to labor-management pension plans.

The cost-of-living index, while relatively stable, still continues to rise. The danger of inflation, as of unemployment, persists. It is the consumer, especially those who must live on fixed or limited incomes, who bears the heaviest share of the burden of rising prices.

I have protested the restrictions on imports of oil and petroleum products (and on lead and zinc) and have called attention to the serious domestic problem that would be created for homeowners and apartment dwellers who would have to pay higher fuel bills.

HOUSING

The Senate passed major housing legislation, the Housing Act of 1959, early in the session, and it is now pending before the House of Representatives. This bill would liberalize FHA mortgage terms for homeowners, authorize $2.1 billion additional funds for urban renewal and slum clearance; extend the public housing provisions and improve other Federal activity in the housing field. The bill as passed in the Senate included my amendment to increase the amount payable to a family displaced from an urban renewal site from $100 to $200. Also included were my amendments to extend urban planning grants to counties and communities of up to 50,000 population and to make urban renewal sites available to New York State's low- and middle-income housing programs.

In order to meet the needs of middle-income families, I also sponsored a bill to create a Limited Profit Mortgage Corporation in the Federal Government modeled after New York State's successful middle-income housing program which is intended, at no cost to the Federal Government, to make available long-term, low-interest loans to private and nonprofit builders who will supply housing for middle-income families who cannot pay the rents of new, private housing, yet who are ineligible for low-rent public housing. The bill contemplates 150,000 such housing units in the first instance.

I also sponsored legislation to help avoid foreclosures of FHA mortgages in case of a temporary default, in order to assist families who are subject to a temporary economic setback to keep their homes.

CIVIL RIGHTS AND CIVIL LIBERTIES

The passage of effective civil rights legislation has in the past been repeatedly prevented by the threat of the filibuster in the Senate. On the first day of this Congress I renewed my fight to change the rules under which filibusters were possible. Although the Senate did adopt a slight change in the rules, I did not feel that this made a meaningful change; however, the real effectiveness of the change which reduced the number of Senators required to close off a filibuster, from two-thirds of the Senate membership—66—to two-thirds of those present, will be tested when civil rights legislation comes to the Senate floor.

I sponsored legislation to deal with the serious problem of hate bombings which have struck at churches, synagogues, schools, community centers and homes in a number of communities, especially in the Southern States where opposition to desegregation of the public schools is the greater. As part of the means for dealing with this problem, while at the same time carefully preserving our traditional freedoms of speech and press, I have introduced bills to bar from the mails literature which directly incites such criminal acts.

One of our most serious domestic problems continues to be the need for assuring all our citizens their constitutional rights, particularly in public school desegregation. I have introduced legislation to permit the Justice Department to take the initiative in local Federal courts in protecting the constitutional rights of individuals.

I also joined in sponsoring civil rights bills which would assist localities to meet the technical and financial problems of public school desegregation, to assure school facilities to children of military personnel when local schools are closed in an attempt to prevent desegregation, and to give statutory standing to the President's Commission on Equal Job Opportunities.

I continue to oppose enactment of legislation which would restrict the power of the Supreme Court to protect the rights of individuals or interfere with its jurisdiction to declare laws unconstitutional. While I do not believe that the Supreme Court or any other branch of Government should be immune from criticism, I consider the general attacks on the Court as posing a threat to the traditional balance of powers inherent in our form of government. I therefore reintroduced, with a bipartisan group of my colleagues, my constitutional amendment which would assure the appellate jurisdiction of the Supreme Court in constitutional cases; this proposal has received the support of bar associations throughout the country. While the Congress may and should pass laws to close up any loopholes in legislation it thinks have been opened up by Court decisions, these laws should in turn be subject to the Court's constitutional law jurisdiction.

I joined in sponsorship of the Federal Equal Pay Act to prohibit discrimination on account of sex in the payment of wages.

IMMIGRATION

Time is growing short in the necessity for enactment now of legislation to deal with modern immigration needs. Our law now does not reflect our national history and tradition of hospitality, asylum and equal opportunity or our national needs.

July begins the World Refugee Year. Both the Zellerbach Commission of the International Rescue Committee on the European Refugee Situation and the U.S. Committee for Refugees have made constructive recommendations on American policy in this regard, to which the Congress should give urgent attention. I am also preparing legislation looking for the admittance of a portion of these refugees and fourth-preference quota immigrants as well as the general rectification of the McCarran-Walter Immigration Act to eliminate discriminations and inequities.

EDUCATION, HEALTH, AND SOCIAL SECURITY

As a member of the Subcommittee on Education of the Senate Committee on Labor and Public Welfare, I have found that despite efforts by the States and localities, an acute national shortage of classrooms and qualified teachers persists. Moved by this need for a major national defense emergency program of Federal assistance, I introduced in the Senate the Education Assistance Act of 1959 which provides for a 5-year program of Federal aid for expanded school construction and for increasing teachers' salaries with special provision for science and mathematics teaching. Provision is made that the Federal Government shall not exercise any direction or control over the personnel or pro-

gram of instruction in any local school system.

The need continues for the program of Federal aid to schools in federally impacted areas established in 1950 and I am supporting the necessary appropriation for this purpose.

I joined in sponsorship of legislation to authorize loans to colleges and universities for the construction, rehabilitation, alterations, conversion, and improvement of classroom buildings and other academic facilities. The substance of this measure was passed by the Senate and is presently pending in the House.

Four of my colleagues have joined me in introducing legislation to establish a Health Services Study Commmission which would determine the health service needs of all our citizens with particular reference to the coverage required by and actually extended to certain groups like the aged, unemployed, mentally ill, minorities, and others, including families in thinly populated areas, by the many voluntary prepaid health insurance plans now in operation.

To help combat the problem of drug addiction, I introduced proposed legislation to establish a Federal narcotics hospital in New York State.

Social security benefits were increased by 7 percent on the first day of this year in accordance with legislation enacted in the last Congress, which I had supported. The increase enacted was not altogether a satisfactory one in the light of the needs of our citizens; I shall work this year for a better law not only as it applies to the amount of benefits but also as regards the extent of coverage and benefits, and elimination of the inequitable earnings limitations.

To help provide needed day care for the millions of children of working mothers, I introduced the Day Care Assistance Act of 1959 to authorize a program of Federal aid for the day care of children outside the home.

I am working for early consideration of legislation dealing with juvenile delinquency and have also introduced the Juvenile Delinquency Control Act to strengthen and improve State and local programs to combat and control juvenile delinquency and youth crime, with a portion of the costs to be shared by the Federal Government with the States.

POST OFFICE AND CIVIL SERVICE

The budget request contains a $350 million increase in postal rates, including raising first-class mail rates from 4 to 5 cents. However the likelihood of enactment of this proposal this year depends on budget and defense expenditure considerations.

I have reintroduced my bill to grant employees of the postal field service time off for one State holiday each year.

VETERANS

I have joined in sponsoring the measure which would create in the Senate a Committee on Veterans' Affairs and am also cosponsoring the bill to provide a 1-year period during which certain veterans may be granted National Service Life Insurance.

Both the House and the Senate voted to increase the GI mortgage rate from 4¾ to 5¼ percent. Senate-House differences must be resolved before the legislation can go to the President to be signed into law. Although I have in the past opposed such interest rate increases, I supported this one as the only practical way money could be made available at this time for GI home mortgage loans since lending institutions have not been making loans at the lower rate.

MATTERS OF SPECIAL INTEREST TO NEW YORK STATE

Unemployment persists in several areas of our State. In an effort to ease the situation and in cooperation with my colleagues from both parties in the New York congressional delegation, I have been active to see that New York obtains its full, fair share of defense orders and have also protested the shift from New York to California and other States of Government contracts. To further help New York in this effort, I am joining in legislation to stimulate Armed Forces procurement on the basis of competitive bidding rather than by privately negotiated contracts.

In several instances in which defense contracts of New York firms have been terminated, I have taken effective action to minimize the effect of the termination of contracts in order to avoid as far as possible hardships to the employees of these firms as the result of layoffs and discharges. In a number of cases where there have been layoffs in Federal installations, such as the Scotia Naval Supply Depot, the Brooklyn Navy Yard, and the Stewart Air Force Base, among others, I have worked to minimize the extent of layoffs and substitute new activities at these installations for those which were terminated.

In order to relieve the heavy burden on our courts which has resulted in unfortunate delays in litigation, I introduced a bill providing for the appointment of seven additional judges for three Federal courts in the New York area.

I have sponsored legislation to provide for an additional payment of $165,000 to the village of Highland Falls toward the cost of the water infiltration plant constructed by such village; to authorize the conveyance to the city of New York of certain surplus lands comprising the Manhattan Beach Air Force Station at Sheepshead Bay; to recognize Samuel Wilson, of Troy, as the progenitor of America's national symbol, "Uncle Sam"; and to request the President to issue a proclamation designating 1959 for the observance of the 350th anniversary of the historic voyages of Hudson and Champlain.

I supported before the Civil Aeronautics Board the applications for MacArthur Airport, in Long Island, and Oneonta Airport, at Oneonta, to be certified as airports for use by scheduled commercial airlines.

MISCELLANEOUS

Alaska and Hawaii have now been voted admittance as our 49th and 50th States. I supported this legislation.

I have introduced legislation to modernize the tariff laws for works of art and other exhibition material. I am also sponsoring a bill to permit the importation of trademarked articles, like certain perfumes, now restricted, when the item is for personal use.

The question of publicity for payrolls of Members of Congress is one which has received much and deserved public attention of late. I favor full disclosure. I am the sponsor of several measures looking toward the maintenance of the highest possible standards of ethics in Government service. Needless to add, never have I had a relative on my official payroll.

To stimulate throughout the United States advancement of the performing arts, I introduced a bill to establish an Arts Foundation.

CONCLUSION

It becomes increasingly important that the people have a better understanding of what goes on in the Federal Government and what their elected legislators are doing. I am endeavoring to further this undertaking through this report and frequent reports to the State on radio and television; I ask from my constituents, on their part, letters and expressions of opinion; these are a valuable aid in my work here. In addition, the citizen's Federal problems are an important part of my duty. I sincerely hope that you will continue to express your views to me; also that you will feel free to visit my office in New York City—341 Ninth Avenue—or in Washington.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953

The Senate resumed the consideration of the bill (S. 144) to amend Reorganization Plan No. 2 of 1953.

Mr. JOHNSTON of South Carolina. Mr. President, 25 years ago, as Governor-elect of South Carolina, I came to Washington to see the late President Roosevelt to seek funds to start a rural electrification program in South Carolina.

Early in 1935 the South Carolina General Assembly created the South Carolina rural electrification program which preceded action on the national level. Later that spring, by Executive order, President Roosevelt sent $100,000 to my State to help initiate this program. In 1936 Congress passed legislation creating the national rural electrification program. It was patterned after the program initiated in South Carolina. The South Carolina act was drafted in Washington at that time by the administration.

I know well the story, history, and good record of REA from top to bottom. When the REA was first created, the Congress established the office of Administrator of REA. Besides the paperwork and administrative functions, the REA Administrator was charged with the duty of approving or disapproving loans for rural electric programs. For over 23 years this function was performed by the REA Administrator.

Then, in May of 1957, the Secretary of Agriculture, within whose Department REA had functioned independently, decided to assume the loanmaking powers of the REA Administrator. There

is no justification for this assumption of power by the Secretary of Agriculture.

The REA program has been efficiently operated without the slighest blight on its record. Cooperatives in a great part of the country are ahead of schedule on their repayments, and the REA has not lost a thin dime of the Government's money. I point out that $1 billion has been repaid the Government by cooperatives on loans. It is a self-sufficient agency of the Government which has assisted the rural people of this Nation to come out of the Dark Ages and join the rest of the lighted world.

Before REA existed, more than 90 percent of rural America was still living at night by candlelight and lanterns. After years of futile pleading for extension of city lines to rural areas, the rural electric cooperatives were organized by the rural people themselves to do the job.

Today more than 90 percent of rural America is lighted with electricity. This commendable job was done under the administration of REA which, until 1957, was headed by the Administrator of REA, who made decisions on placing loans.

This bill, of which I am a cosponsor, would not change the REA program or its personnel in any way. It would only restore the REA to its original organization and operation which worked so successfully and above reproach for so many years.

The rural electric cooperatives in my State of South Carolina and the cooperatives all over America have endorsed this proposed legislation.

I certainly endorse this legislation for, if the Secretary of Agriculture plans to administer the rural electric program in the future as he has administered the farm programs in the past, the REA program will be wrecked in a short time.

I would much rather have a very weak law on the statute books and have a good Administrator than to have a strong law on the statute books and have a poor Administrator to administer it—one who was trying his best to kill it.

REA is a continuous program. As people buy more electrical equipment and modernize their farm operations, they will be needing more and more electrical energy. As this need grows, so grows the need for heavier distribution lines, and with such growth comes the need for new loans and new authorizations. The Administrator of REA, and not the Secretary of Agriculture, should be in the position of judging the soundness and need for such loans.

An unfriendly Secretary of Agriculture with no sympathy for the programs of REA, and not sworn to defend REA, could render havoc to our local REA programs. Farmers without adequate electricity do not buy electrical appliances and do not modernize their operations. A stagnant cooperative, like any other business, will degenerate. Incompetence in Washington can result in the bleak picture of a rural America being dotted with dying cooperatives.

The very existence of rural cooperatives and the REA program may depend on passage of this legislation or some similar legislation; I urge the Senate to support this bill, in order to defend the Rural Electrification Administration against the present Secretary of Agriculture. If we do not enact such legislation, I fear that rural electrification is in great danger.

Mr. SYMINGTON. Mr. President, I wish to associate myself with the remarks made by the very able senior Senator from South Carolina with respect to the rural electrification program.

At least as much as any other program, the rural electrification program has contributed to a better way of life for farmers, and others, all over rural America.

The accomplishments of the REA in the past 24 years are well known.

In my own State, at the time the REA was created in 1935, but 6 percent of the farm families were receiving electric service.

Now, more than 95 percent of Missouri's farms are being served by this great institution.

The REA is an outstanding example of the type of achievement that can be had when individual farmers, in cooperation with both their neighbors and their Government, set out to do a job.

In recent years, there has been a growing feeling of apprehension on the part of the REA members of Missouri. When it became known that the Secretary of Agriculture was exercising final authority in passing on certain loans, our people became even more concerned.

As a member of the Government Operations Subcommittee in the last Congress, I was privileged to hear witnesses from all over the country request that the REA Administrator be given full authority for the loanmaking policy and functions of the REA.

Recently, at the national REA convention here in Washington, I also had the privilege of visiting with the leaders, as well as many members of the electric cooperatives in Missouri.

These people reiterated their support for the principles embodied in S. 144. They expressed their sincere view that the rural electrification program was created to provide electric service to farmers and farm areas.

The REA has been, and should continue to be, an organization of farmers, for farmers; therefore it should continue to be associated with those agencies of the Government primarily concerned with agricultural matters.

For a few years after the REA was created, it was an independent agency. In 1939, after 4 years of operation and study, the Congress decided to place the REA as part of the Department of Agriculture—in other words, as an independent agency of that Department.

As the chairman of the Agriculture Committee, the distinguished Senior Senator from Louisiana, said in the Senate Agriculture Committee on March 5 and 6:

> As far as I am concerned, I don't recall having heard very much criticism of the operations of the REA so long as it was under Agriculture as a more or less independent agency * * * It made its greatest progress while it was under Agriculture, where it received sympathetic review by the Department that was interested in the farmer.

Mr. President, the best interests of the REA will be served if we follow the philosophy of S. 144—to keep the REA within the Department of Agriculture; and give the Administrator of the REA full and complete authority with regard to the loanmaking and financial functions of the program.

Mr. CURTIS obtained the floor.

Mr. CAPEHART. Mr. President, will the Senator from Nebraska yield so that I may suggest the absence of a quorum?

Mr. CURTIS. I yield for that purpose.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I am pleased to offer an amendment in the nature of a substitute for the bill now under discussion. The distinguished senior Senator from Georgia [Mr. RUSSELL] has joined me in offering the amendment. Our amendment, if enacted, would recreate the Rural Electrification Administration as an independent agency of government. It would recreate the agency in the status originally conceived and originally intended.

Mr. President, I should like to call the attention of the Senate to the text of S. 144. It consists of 15 lines on page 2, from line 7 to line 22.

I ask anyone to inform us who will run REA if the bill shall be enacted. I ask anyone who reads the amendment offered by myself and the distinguished Senator from Georgia [Mr. RUSSELL] whether he has any doubt in his mind as to who would run REA under the substitute. I shall refer to that point later.

I suppose that, if we were asked to select the greatest accomplishment in farming, in our generation, it would be very easy to point out the electrification of our farms. In 1935, 11 percent of our farms were receiving central station electric service. Today, 96 percent of our farms are getting such service.

One of the most interesting and praiseworthy aspects of our rural electric program, through its first 23 years of operation, is that it has enjoyed the strong support of Members of Congress from farming States. When REA was created, in 1935, it was set up to be a nonpartisan agency dedicated to the bringing of electricity to our farms. While there have been, at different times, political charges and counter charges surrounding some REA side issues, involving controversial power projects proposed for construction by the Department of the Interior, the program for authorization and appropriations of REA funds have had the votes of Republicans and Democrats alike, representing our farm States in Congress.

President Roosevelt created the REA by Executive order in 1935. A year later, Representative SAM RAYBURN, in the House, and Nebraska's Senator George W. Norris, in the Senate, sponsored legislation to prescribe its governing rules.

Permit me to cite a few facts. Since 1952, there has never been any year in which money for loan authorization was insufficient. In the 1957 fiscal year, a volume of applications exceeded the expected demand for new loans. The administration hurriedly requested $200 million for additional loans, and the authority to make the loans was speedily approved by the Congress.

Since 1952 the backlog of loan applications made to the REA headquarters has been wiped out and loans are being processed faster by Administrator Hamil than ever before in the history of REA. At this point let me relate that Davy Hamil, our REA Administrator, is doing the best job ever performed by any REA Chief. He is a farmer who worked with REA problems as a consumer and as an official of his co-op. In the legislature of his native State he labored effectively on legislation to promote REA. He is a diligent man, and is performing an excellent public service.

Because of the criticism of this administration's handling of the REA program, I have spent much time studying REA matters. About 2 years ago, the Secretary of Agriculture asked Administrator Hamil to submit, for review by him, all loan applications in excess of $500,000. This has resulted in much strife, noise, and name calling. The Secretary's request was based on two reorganization plans—one in 1939 and the other in 1953. The earlier plan, authored by President Roosevelt, removed REA from its independent status and placed it within the Department of Agriculture "under the general direction and supervision of the Secretary of Agriculture." The reorganization plan of 1953 further implemented the 1939 act and gave to the Secretary of Agriculture "all functions" of other departmental employees "not now vested in him." When the Secretary asked for review of all REA loans over $500,000, the concern in some places caused the Senator from Minnesota [Mr. HUMPHREY] to introduce a bill in the Senate, and Representative MELVIN PRICE to introduce a bill in the House, nullifying the 1953 reorganization plan. I am a member of the committee, along with the Senator from Minnesota, which studied his bill, and sat in the hearings on it.

The interesting feature of the hearings was not the heated politics, but the fact that officials of local REA's who came before the committee to support the Humphrey bill all stated, to a man, that review of loans had not slowed down, at any time, the making of loans. Davy Hamil testified that every loan approved by him has been made, and that review of the loans over $500,000 has not, in one single instance, reversed any loan he has approved.

During the past fall, I gave much thought to REA matters. I discussed REA with many Nebraskans who are interested in it. I reread hearings and debates on REA legislation. It occurred to me that the best interests of our fine and progressive rural electric program will be served by reestablishing its independent status. I discussed my plans with the Senator from Georgia [Mr. RUSSELL]. He agreed with me and, on January 9, 1959, we introduced a bill to reestablish the Rural Electrification Administration as an independent agency of the Federal Government. Our bill, if enacted, will permit REA to operate as originally conceived in 1935, and as authorized by the Norris-Rayburn Act of 1936.

There is a logical background for the amendment. In 1944, Senator E. D. Smith, as chairman of the Committee on Agriculture, introduced a bill, S. 2034, to return the Rural Electrification Administration to independent status. This followed 5 months of hearings on REA problems, and the issuance of a subcommittee report recommending the proposed legislation which was signed by two Democrats and two Republicans.

Senator Lucas, on January 6, 1945, introduced a so-called postwar planning bill for REA—S. 89—which contained, among other provisions, the reestablishment of REA as an independent agency. It passed the Senate on May 14, 1945, without a record vote.

During the hearings on Reorganization Plan No. 2 of 1953, Mr. Clyde Ellis stated in behalf of the National Rural Electric Cooperative Association:

> Rural electric leaders have never become reconciled to the placing of REA in the Department of Agriculture and have continued to feel that the program would be better served by a completely independent agency.

Some fears have been expressed, and I believe with absolute sincerity, that disadvantages might accrue to the Rural Electrification Administration should it become an independent agency. These fears can be allayed by taking notice of REA's stature with Members of Congress of both parties. The widespread support for REA and its progress should certainly assure a wholesome continuation of its objectives. All members of Congress knowledgeable of the benefits of central station electric service to rural America will accord REA the support it deserves and merits. Those Members comprise a substantial majority in both Houses of Congress.

I have received many letters and resolutions from officials of REA districts supporting the amendment in the nature of a substitute which I have offered for myself and the Senator from Georgia [Mr. RUSSELL]. In addition, I am proud that the Nebraska Rural Electric Association, in a State convention on February 2, 1959, adopted a resolution supporting this proposal and a bill similar to it introduced in the House of Representatives by Representative LAWRENCE BROCK, of Nebraska.

Many arguments both pro and con were made at the time the Rural Electrification Administration was transferred to the Department of Agriculture in 1939. Regardless of the merits of those arguments, the great changes which have occurred in the electric industry since 1939 require a reappraisal of the justification for moving REA into the Department of Agriculture. Probably no other industry in the country has gone through greater changes than that of the generation, transmission, and distribution of electric energy. The borrowers from REA play an important part in this work. The rapid growth and peculiar problems of supplying electricity to people in rural areas require that REA be subject directly to Congress as an independent agency. While the supplying of electric energy to persons in rural areas has some factors common with other activities of the Department of Agriculture it is increasingly clear that the problems of the future with respect to REA work will not be the type of agricultural problems with which the Department is concerned.

It is my belief that the creation of REA as an independent agency will not violate the principles of the Hoover Commission report.

Having determined that the agency should be independent, it is necessary to assure that it will be completely free. Any attempt to give the Administrator partial control, and at the same time to retain some control in the Department of Agriculture, could only lead to utter confusion and the disadvantage of the program. Overlapping areas of judisdiction and control are the fertile fields of confusion and delay which lead to a breakdown of the service being rendered to the farmers by the REA program.

The discussions before the subcommittee of the Committee on Agriculture clearly show that there is confusion as to the intent and purpose of Senate bill 144. If it is intended to mean that the bare act of affixing or refusing to affix his signature to a loan is the sole responsibility of the Administrator, the bill is meaningless. If it means that all decisions as to policies, procedures, and personnel, which are the ingredients of the loan process, are to be made by the Administrator, then the enactment of the bill would result in removing the REA from the Department of Agriculture.

The substitute offered by me and the Senator from Georgia [Mr. RUSSELL] removes all doubt as to the authority of the Administrator with respect to the loan programs authorized by the Rural Electrification Act of 1936, as amended. Senate bill 144 creates confusion and doubt as to who has the final responsibility for carrying out the objectives of this act. Even the most charitable view of Senate bill 144 means that there will be two administrative heads of the REA. The extent of the authority of either of these heads is not made clear by the provisions of Senate bill 144. Having two bosses with their jurisdiction undecided could lead to only one end, namely, hopeless confusion and a serious adverse effect on the accomplishments of the REA program. The Congress should not at this time take any action which might defeat the objectives of the act.

For example, Senate bill 144 proposes to repeal the part of Reorganization Plan No. 2 of 1953 which transferred

to the Secretary of Agriculture authority in addition to that given him by Reorganization Plan No. 2 of 1939. That is proposed in an effort to give to the Administrator sole responsibility for the making of loans. At the same time, if Senate bill 144 is enacted, the Administrator will have, according to title I of the Rural Electrification Act of 1936, with amendments—

all of the powers of which shall be exercised by an Administrator under the general direction and supervision of the Secretary of Agriculture.

There is no effort to clarify what "general direction and supervision" the Secretary of Agriculture will then have, should Senate bill 144 be enacted.

Mr. President, I now come to the very crucial point of the distinction between these two proposals. I believe that the authors of Senate bill 144 have acted in good faith and with good intentions. But I am convinced that the language they have used is such that it defeats the whole objective they seek; and I call attention to this particular point:

Section 3 of the Rural Electrification Act of 1936, as amended, provides:

The Secretary of the Treasury is hereby authorized and directed to make loans to the Administrator, upon the request and approval of the Secretary of Agriculture.

Mr. President, that provision is not changed by the Humphrey bill, Senate bill 144. This is obviously an important policy function still vested in the Secretary of Agriculture, which is not dealt with in Senate bill 144.

In other words, Mr. President, suppose there were to develop a situation in which the Secretary of Agriculture and the Administrator of the REA disagreed. Under the Humphrey proposal, the Administrator of the REA would have the sole authority to approve or to disapprove an application made by a local REA for a loan. But the authority to obtain the money from the Treasury, so the local REA could obtain its loan, would rest solely with the Secretary of Agriculture.

Could there be more confusion; could there be a greater blow to the fine REA program, than to have such dual authority? It is true that if such a proposal were enacted, nothing might happen under it for a time. But if there were a Secretary of Agriculture and an REA Administrator who were not working in harmony, then a proposal of this kind would result in such a situation that the REA Administrator would be the only one who could approve a loan which was sought by a local REA; but the only one who could obtain from the Treasury the funds with which to make the loan would be the Secretary of Agriculture. Such legislation would not be good; it would not result in sound governmental procedure; it would not be in accord with the Hoover Commission's report; it would not be fair to the American farmers. Instead, it would create legislative chaos.

I am thoroughly convinced that the authors of Senate bill 144 did not intend any such thing. But all the consideration and endorsement of Senate bill 144 by various organizations occurred prior to the writing of the present language of Senate bill 144 and prior to full discussion of the meaning of the language used.

Mr. President, it is my hope that the authors of Senate bill 144 will withdraw their bill and will reconsider it, or else will accept our substitute.

I suggest that all the Members of this body read Senate bill 144 and try to determine who will run the REA program. The bill says that the program shall be operated under the direction and supervision of the Secretary of Agriculture; but then the bill provides that only the Administrator can approve or disapprove an application for a loan, although the bill leaves in the Secretary of Agriculture the sole responsibility of obtaining from the Treasury the money with which to make the loans.

I suggest that all Senators read the bill, and determine who will administer the REA program; and I suggest that then they read the substitute, and then see whether they have any doubt about what will happen.

Our amendment in the nature of a substitute provides:

There is hereby created and established in the executive branch of the Government an independent agency to be known as the Rural Electrification Administration.

A little later our amendment provides:

The Administrator shall have direction, supervision, and control of the Rural Electrification Administration and all of its operations and functions as authorized in the Rural Electrification Act of 1936, as amended.

Mr. President, the substitute may not prevail. It ought to; and I believe it may. But if this issue is carried back home to the local REA's, Senate bill 144 will be a bad one to take to them. All one has to do is read the 15 lines of the Humphrey bill to find that no one can say that there is central authority and responsibility provided for the REA program.

During hearings on the Curtis-Russell substitute before the subcommittee of the Senate Committee on Agriculture, headed by the Senator from Florida [Mr. HOLLAND], it was stated that our substitute would "make possible the arbitrary discharge of experienced, capable and loyal employees of the Rural Electrification Administration."

The Curtis-Russell substitute has been drafted in accordance with standard provisions contained in all reorganization bills coming before the Congress. The authority to transfer personnel is always designated in this type of legislation. It is inconceivable, and almost ridiculous, to presume that Davy Hamil, as Administrator of the independent agency, would want to discharge capable and loyal employees of the REA. These apprehensions, however sincere, are not supportable. For example, our substitute bill duplicates the procedure taken under the act of August 6, 1953, which established the Farm Credit Administration as an independent agency. Does any colleague know of any instance wherein capable and loyal employees of the Farm Credit Administration were arbitrarily discharged as a result of that reorganization plan?

To allay any other fears, the Curtis-Russell substitute proposes that the substantive legislation relating to REA and its appropriations shall come before the Committees on Agriculture of both Houses, and before the same Appropriations Subcommittees now possessing jurisdiction.

The broad consideration and support which REA has received from a large majority of the Congress, representing both political parties, give me full assurance that our Rural Electrification Administration can best operate and grow and prosper as an independent agency. I sincerely believe that enactment of S. 144, as reported, can only serve to compound a confusion which we know exists, and make it worse, to the detriment of America's rural community.

Mr. President, the question has been raised, Do either of these proposals violate the principles of the Hoover Commission report? I say that S. 144 as reported by the committee violates the basic principles of the Hoover Commission recommendation. The objective of the Hoover Commission was to centralize authority, to establish a direct chain of command. The Humphrey bill defeats the principle of centralized authority and of a direct chain of command. For instance, if it shall become law, only the Administrator will be able to approve a loan, but only the Secretary will have final authority to secure funds from the Treasury to make the loan.

Could anything be more confusing? I hope the distinguished Senator from Minnesota [Mr. HUMPHREY], who is so devoted to rural America, will withdraw his bill and consider the language again.

Mr. President, during yesterday's debate, as shown on page 5447 of the CONGRESSIONAL RECORD, the senior Senator from Minnesota cited certain examples to support his bill as reported from the committee. Among these examples he cited the Federal Maritime Board, the Bureau of Mines, and the General Counsel of the National Labor Relations Board. To my knowledge, neither the Bureau of Mines nor the General Counsel of the National Labor Relations Board has any loan programs under their respective jurisdictions.

However, in the case of the Federal Maritime Board, I should like to remind the distinguished senior Senator from Minnesota that Reorganization Act 21 of May 4, 1950, gave absolute control to the Chairman of the Federal Maritime Board over regulatory and personnel functions. The regulatory functions contained in the Shipping Acts of 1916 and 1933, and certain few ones contained in the Merchant Marine Act of 1936, were brought under the absolute control of the Chairman of the Maritime Board. On the contrary, there was reserved in that Reorganization Act to the Secretary of Commerce authority for general policy direction over the granting of subsidies for the construction and operation of merchant and passenger vessels under contract with the Federal Maritime Board. The Federal Maritime Board disburses very large amounts of

money for construction and operating subsidies and, as previously stated, the general policy over these subsidies has been reserved to the Secretary of Commerce by Reorganization Act 21 of May 4, 1950.

In closing, I wish to say there is no precedent and no pattern for S. 144. Its enactment would result in utter confusion. It would not do what its authors think it would. Some of the authors of the bill have expressed the opinion that S. 144 would create a situation such as exists in the case of the Farm Credit Administration. That is absolutely incorrect. The Farm Credit Administration is an independent agency, with all the power vested in one place.

Again I say, read the two proposals, and see if it can be determined who would run the REA if either one of the proposals were enacted.

There is no doubt what would happen under the Curtis-Russell proposal. The agency would be an independent agency. The Humphrey bill is condensed confusion in 15 lines. Admittedly, it vests with the REA Administrator the authority to make a loan to an REA in any of our States, but vests in the Secretary of Agriculture power over all further functions—legal, general policies, interest policies, and everything else—but, more than that, only the Secretary of Agriculture could get the money out of the Treasury to make the loans.

Mr. President, I yield the floor.

CALL OF THE ROLL

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Morse
Allott	Goldwater	Morton
Anderson	Gore	Moss
Bartlett	Hart	Mundt
Beall	Hartke	Muskie
Bennett	Hayden	Neuberger
Bible	Hennings	O'Mahoney
Bridges	Hickenlooper	Pastore
Bush	Hill	Prouty
Byrd, W. Va.	Holland	Proxmire
Cannon	Hruska	Randolph
Capehart	Humphrey	Robertson
Carlson	Jackson	Russell
Carroll	Javits	Saltonstall
Case, N.J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Johnston, S.C.	Scott
Church	Jordan	Smathers
Clark	Keating	Smith
Cotton	Kefauver	Sparkman
Curtis	Kennedy	Stennis
Dirksen	Kerr	Symington
Dodd	Kuchel	Talmadge
Douglas	Langer	Thurmond
Dworshak	Lausche	Wiley
Eastland	Long	Williams, N.J.
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Yarborough
Ervin	McNamara	Young, N. Dak.
Frear	Martin	Young, Ohio

Mr. HENNINGS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. MCGEE], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Montana [Mr. MURRAY], are absent on official business.

I further announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness and that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent on official business for the Committee on Interstate and Foreign Commerce.

The Senator from Kentucky [Mr. COOPER] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953

The Senate resumed the consideration of the bill (S. 144) to amend Reorganization Plan No. 2 of 1953.

Mr. CAPEHART. Mr. President, I am opposed to Senate bill 144, on which I filed minority views. I do not wish to speak for the majority leader or the minority leader, but it is my understanding that only three or four Senators may wish to speak for perhaps 3 or 4 minutes, and that after they have concluded their remarks the Senate will vote on the substitute offered by the Senator from Nebraska [Mr. CURTIS].

The substitute, of course, would make REA an independent agency. That would be much better than the situation which would result under Senate bill 144. I am a member of the Committee on Government Operations. The able Senator now presiding [Mr. LAUSCHE] and I listened to all the testimony a year ago.

Senate bill 144 is nothing more than what might be termed spite legislation. There is absolutely no more need for Senate bill 144 than there is for my having a third leg. Every person who testified before the committee, even those who were in favor of Senate bill 144, testified that the present administration of REA under Secretary Benson and Mr. Hamil had been 100-percent perfect; that they had never had an application for a loan rejected; that there never had been any delay in the granting of loans; that the operation of the agency, so far as they were concerned, had been excellent. The only reason the witnesses gave for wanting to change the procedure was that they were afraid of what might happen in the future. That is the only reason they gave in their testimony for wishing to change the present act.

I call attention to the committee report, at page 11. REA has been in existence for 24 years. In the 6 years in which it has been operated by Mr. Benson and Mr. Hamil half as many loans were made as were made during the two previous administrations. I am not criticizing the previous administration. During the past 6 years half as many loans were made as were made in the previous 18 years. There is nothing in the record anywhere which indicates that the Department of Agriculture has not been cooperating with REA. In fact, the record is just the opposite. For example, the record shows the total new loan funds appropriated amount to $1,545 million during the 6-year administration of Benson and Hamil; and $2,954 million during the previous 18 years under the former administrations.

The record shows, for gross loans made, under Benson and Hamil, $1,227 million; during the 18 years from 1935 to 1953, under previous administrations, $2,619 million.

For loans for generation and transmission facilities—and this is the item to which I wish to call particular attention, because it is the one about which some persons have expressed fear, apprehending that they will not get loans—under Benson and Hamil, for 6 years, $400 million; during the previous 18 years, the amount was $469 million. I could continue to recite additional facts. However, no showing has been made to indicate that we should deny the Secretary of Agriculture the right to veto loans.

I ask Senators to believe me when I say that the whole purpose of the proposed legislation contained in S. 144 is to embarrass Secretary Benson and the Department of Agriculture. There will be other Secretaries of Agriculture. Secretary Benson will not be in office forever.

The substitute offered by the able Senator from Nebraska [Mr. CURTIS] calls for establishing REA as an independent agency. That would be a great deal better than to take authority away from the Secretary of Agriculture. Under S. 144 the REA remains in the Department of Agriculture, the moneys for it are appropriated to the Secretary of Agriculture, and he has the responsibility for them, but he has absolutely nothing to say about the loans.

If we adopt the substitute and make REA an independent agency, we will be where we were when the agency was first established. President Roosevelt, after it had operated 4 years as an independent agency, put it in the Department of Agriculture. It has been there ever since. The Department of Agriculture has done well with it. We should not be taking up the time of the Senate debating a proposal such as Senate bill 144. It is not needed. As I said a minute ago, it would be 100 percent spite legislation. Not one good reason has been advanced to support the enactment of such legislation.

Therefore, Mr. President, after a vote has been taken on the substitute proposed by the Senator from Nebraska, I shall make a motion to recommit the bill to the Committee on Government Operations for further study. I do not believe the Senate is ready to act upon this measure. I do not believe we can foresee what the consequences of the proposed action would be. If we are to do anything, we should make REA an independent agency. If we pass S. 144, no one will know who has the authority, whether it be the Director of REA or the Secretary of Agriculture. After the vote is taken on the substitute, I shall make a motion to recommit the bill.

Mr. AIKEN. Mr. President, has the motion to recommit been made?

Mr. CAPEHART. No; I shall make it after the vote is had on the substitute.

Mr. AIKEN. Mr. President, I know that there are not many Members of the Senate who have supported the REA program longer and more earnestly than I have. I yield to no one in the support of the program at the present time. If I thought either of the proposals now before the Senate would improve the REA program, I would certainly support the one which I thought would advance its work the best.

I do not agree with some of the recommendations made by the administration relating to the work of the Rural Electrification Administration. I do not believe that this is the time to raise the interest rates. After all, if there is a subsidy involved in the low rate of interest at which money is loaned to REA cooperatives, that amount is small in comparison with the subsidies which were paid to corporate utilities through the rapid writeoff of a few years ago.

I do not agree that we should cut out loans for generating and transmission facilities for rural cooperatives. I do not agree with the Comptroller General's ruling, issued last fall, to the effect that the rural electrification program cannot serve any rural resident who lives within an area which is served by any other utility.

I do not believe that now is the time to force REA cooperatives to go to banks to borrow money at a high rate of interest, and at a time when the interest rate is going higher every day. The work of a large percentage of the rural cooperatives is not completed. It must be completed before we begin to think in terms of high interest rates or of eliminating Government loans altogether.

The REA program has done tremendous good. It has resulted in the development of sparsely settled areas, and in the introduction of small industries, the building of homes, and the improvement of farms in those areas. I cannot say too much for the good work which has been done. I will support the REA program to the best of my ability.

If I thought that either of the proposals now before the Senate would improve the work of the REA, I would be advocating them. However, we should not want to build up additional independent agencies in our Government. We went through that back in the 1930's, when a great many independent agencies were established. When the first Hoover Commission was created in 1947, there were 65 such independent agencies. That did not make for good government. The Hoover Commission recommended the elimination of a great many of them. The number has now been reduced from 65 to 40. I do not want to start in the other direction at this time, because to do so would not be conducive to good government.

In a report to the 81st Congress, relating to a study of the Department of Agriculture, the Hoover Commission said:

> We have urged in our first report that the foundation of good departmental administration is that the Secretary shall have authority from the Congress to organize and control his organization, and that separate authorities to his subordinates be eliminated.

That recommendation was approved by Congress.

The concluding report of the Hoover Commission to the same Congress stated:

> Once the practice of exempting certain agencies and excepting particular functions has begun, the chance of achieving substantial improvements in the efficiency of the Government will speedily diminish.

Although Congress accepted those recommendations of the Hoover reports, both the proposals now before the Senate would tend to start a movement the other way, a movement toward poorer and less efficient government than we now have.

Senate bill 144 takes from the Secretary of Agriculture only the right to approve loans. It leaves the control over all the rest of the REA in his hands. The Secretary of Agriculture, as I understand the REA law, is the only one who can get money to make the loans. Yet the proposal would take the disposition of the money out of his hands and place it in the hands of a subordinate official.

The bill appears to be aimed at Secretary Benson. I have disagreed with him frequently, even vigorously at times; but I do not like to have legislation directed at one person. I do not expect that he will be Secretary of Agriculture forever. I do not believe we should legislate now to eliminate a legitimate and proper function of the Secretary of Agriculture simply because some Senators do not happen to like the present occupant of that Office.

Furthermore, so far as I know, the present Secretary of Agriculture has not denied or vetoed any worthy loan which was proposed by the Rural Electrification Administrator. This proposal will not help. I have been tempted to vote for it as an antidote for the vigorous and vicious attacks which are being made upon the REA program; but I do not believe I would be doing anyone any good by voting in that way simply to get even with someone else.

I believe we had better leave the law and the program as they now are. I shall oppose any attempts on the part of the administration to make things more difficult for the REA program to carry on; but I shall support the administration—and I believe it is the administration's position—in not wanting to have these proposals adopted, because in this case the administration is right.

The only way we can and should vote is to vote for what we think is right, regardless of whether we like or dislike the supporters or the opponents of a certain measure.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KUCHEL. As always, the views of the distinguished Senator from Vermont are most persuasive. Am I to understand the Senator to indicate that if Senate bill 144 were passed, the control of the funds which might thereafter be used for loans would remain in the Secretary of Agriculture, so that there would be some hiatus?

Mr. AIKEN. The bill reads as follows:

> That the functions and activities of the Rural Electrification Administration and the Administrator of the Rural Electrification Administration which were transferred to the Department of Agriculture and to the Secretary of Agriculture by Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953 are hereby transferred to the Administrator of the Rural Electrification Administration, and shall be exercised and administered within the Department of Agriculture by such Administrator under the general direction and supervision of the Secretary of Agriculture; except that insofar as such functions relate to the approval or disapproval of loans authorized to be made under the Rural Electrification Act of 1936, as amended, their exercise by the Administrator shall not be subject to the supervision or direction of, or to any other control by, the Secretary of Agriculture.

The Secretary of Agriculture is required under the law to get the money; but once he gets it, the bill would give a subordinate official the full and final authority over the lending of it. That would not be in accord with the thesis of good government which requires some kind of control from the top down through subordinate agencies.

Mr. KUCHEL. I thank the Senator from Vermont.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CURTIS. Under existing law, the Secretary of Agriculture can borrow from the Secretary of the Treasury such amount as he thinks necessary. Is that not correct?

Mr. AIKEN. That is as I understand.

Mr. CURTIS. He could reduce the amount, or he could enlarge it.

Mr. AIKEN. That is correct.

Mr. CURTIS. That makes the Humphrey proposal meaningless, because if at a future time—5 years or 10 years from now—there were a Secretary of Agriculture and an REA Administrator who were not getting along, who were following divergent policies, even though the REA Administrator had the power of final approval of the making of a loan to a local REA, the Secretary of Agriculture could withhold a request to the Secretary of the Treasury for the amount of the loan or a part of the amount.

Mr. AIKEN. The Secretary, in effect, would have full control over the making of the loan, simply by refusing to furnish the money with which the Administrator could make the loan. Therefore, I think this arrangement would be an idle gesture.

Although I have disagreed frequently with the policies of the Secretary of Agriculture, I do not feel we should take a gratuitous slap at him in this matter, because he has not so far denied, and I do not think he would in the future deny—I hope he would not, anyway—any legitimate request from REA cooperatives for funds. In fact, it has been pointed out that the loans which have been made in the 6 years from 1952 to 1958 have amounted to $1,227 million, while in the previous 18 years loans were made amounting to $2,619 million.

Mr. President, I know it is said that the Secretary is going to do some harm

to the REA. However, the fact remains that he has not yet done such a thing. The fact also remains that even if Senate bill 144 were enacted, if he were minded to do harm to the REA, he still would have authority to do so.

Mr. LAUSCHE. Mr. President, I was a member of the Government Operations Committee which took testimony on this bill. I attended practically every meeting of the committee. An examination of the testimony there taken will disclose that the record of the hearings does not contain a single piece of competent, tangible evidence to show that a single application for an REA loan was ever delayed or rejected under the present method of administering the loans.

There was discussion about a Hoosier application, in Indiana. But when inquiry was made into the application for the Hoosier loan, the testimony disclosed that that cooperative was promised that an aluminum company would build an $8 million plant in Indiana. Based upon that commitment, the application for a loan was made. The application was being considered and procesed when the cooperative in Indiana learned that the aluminum company was not going to build the plant there. When that fact was established, of course, the validity for the loan came to an end.

I have tried to determine the reasons for asking that the administration of this function of Government be taken from the Department of Agriculture and be placed in the centralized authority of the Administrator of the Rural Electrification Administration. If the record is examined, it will show that three reasons were given:

First, dissatisfaction with the farm policy of Mr. Benson.

Second, dissatisfaction with the position the administration took on the Hells Canyon project.

Third, dissatisfaction with the proposal of the administration that the Government collect on its loans interest equal to that which it has to pay on whatever it borrows.

Those are the three reasons which were stated, in asking that the administration of this function be taken from the Department of Agriculture and be given to a separate agency.

Mr. President, I believe in centralized control. I think the Hoover Commission recommended it. And I believe common sense dictates that there cannot be two heads on one body and that it is not wise to attempt to have four hands hold the reins of one horse.

For that reason, in 1936 and in 1953 the administration of this agency was placed in one man.

In conclusion, let me say this effort is one to reorganize the Government to suit the whims and the desires of particular sponsors and groups at a particular time. My experience has been that whenever one tries to reorganize the Government to suit himself he gets into trouble.

If Mr. Benson is not acceptable now, there will be—probably 2 years from now—someone other than Mr. Benson in the administration. Will it be proper then, for those who believe that the one who now is under the control of Mr. Benson is not administering these matters in the way they want them administered, to come to the Congress and say to the Congress, "Reorganize the Government to suit our convenience"?

Mr. President, I have watched that game played in politics. I have seen political parties in Ohio change the rules of the game, thinking that the change would gain them privilege. But it never works out that way; there comes a reaction to such a proceeding; there comes a day for the payment of compensation.

In substance, this bill contemplates reorganizing the Government to suit the whims and caprices of some who are not satisfied with what is being done by a particular person in the administration.

Mr. HUMPHREY. Mr. President, I cannot let the recent statements go unchallenged, because the purpose of the bill is not to reorganize at the whim of someone. Instead, the purpose is to reorganize on the basis of what was the organization for 14 happy and successful years.

There is an expressed desire on the part of a large number of Members of the Senate for an independent agency for rural electrification. There is a greater expressed desire for no political control over the making of the loans, because the making of the loans is the very heart and substance of the REA program.

There are those of us who believe that the proliferation of independent agencies is not a desirable development in a great government such as ours. For years there has been an attempt to coordinate and consolidate agencies, rather than to have a proliferation or extension of them.

Therefore, Senate bill 144 is designed to do the following: To maintain within the Department of Agriculture an agency which not only is interested in kilowatts and loans, but also in the needs of the people of rural America. The bill concerns itself with the Rural Electrification Administration. Such a decision—as is well-known by the distinguished Presiding Officer [Mr. HARTKE], because he himself has given great attention to this matter—was made back in the 1930's, when the REA was getting its start. In 1939 it was incorporated in the Department of Agriculture, so it could become a fundamental part of the overall agricultural and social policy of the Nation. That worked well from 1939 to 1953.

I remind the Senate that in 1952 a reorganization plan was presented, by the then Truman administration, to give the same authority that the reorganization plan of 1953 gave. The Senate in its wisdom rejected the reorganization plan of 1952.

In 1953 the Senate, in what I believe to have been an unfortunate judgment, did not reject the reorganization plan of 1953.

I say most kindly and most respectfully that if anyone changed the rules, they were changed in 1953. It is not proposed that they be changed now. Our attempt is to reestablish at this time the rule that a Presidentially appointed administrator—namely, the REA Administrator, who serves for 10 years, on a nonpartisan basis, for a term longer than any 2 terms of a President, and surely longer than the term of a Secretary of Agriculture; and the Administrator is a Presidential appointee, whose nomination must be confirmed by the Senate—shall not have his authority diluted or negated by an appointee of the Secretary of Agriculture, an appointee not nominated by the President and not confirmed by the Senate.

The existing situation is that one Mr. Scott—and I refer to him by name, because currently he is the head of the Farm Credit Services of the Department of Agriculture, under the reorganization plan of 1953—presently has veto authority in the name of the Secretary of Agriculture. Testimony to that effect is to be found in the record of the hearings before the Senate Committee on Government Operations. Mr. Scott—and no nomination of Mr. Scott ever was confirmed by the Senate, and he is not a Presidential appointee, but, instead, he is a political appointee of the Secretary of Agriculture—can cast a negative vote upon a loan application that an REA Administrator approves.

The answer, of course, is that this has never happened. That is true. The Senator from Ohio was eminently correct when he stated there were no instances of interference on the part of the appointee of the Secretary. However, I think we should hear at least from the junior Senator from Indiana [Mr. HARTKE], who has made some reference to that particular situation, and it was also referred to by the Secretary.

What we are attempting to do here is to leave the loanmaking authority unrestrained, unrestricted, in the hands of the Administrator appointed by the President and confirmed by the Senate.

We are attempting to leave REA in the Department of Agriculture, so its orientation will be in agriculture, so the social policies which affect agriculture will likewise be somewhat concerned with the general policies relating to REA.

Our proposal is the middle ground. Senate bill 144 is not an extreme or radical proposal for the establishment of an independent agency. S. 144 is not a political fix of the Reorganization Act of 1953. S. 144 provides for a doctrine of independence in loanmaking policy.

I may say to my economy-minded friends that it provides for centralized purchasing, centralized personnel procedures, centralized travel procedures, which an independent agency would not follow. An independent agency would require separate purchasing, travel, auditing, and bookkeeping procedures. We preserve everything that needs to be preserved in the name of policy, and at the same time permit economizing in terms of administration.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. With respect to Mr. Scott, whose name was mentioned by the Senator from Minnesota, it should be

said that he is an appointee of the Secretary of Agriculture. The Secretary of Agriculture appointed Mr. Scott to coordinate the spending of money, not only in REA, but in all other functions of the Department of Agriculture. He is not a special appointee, particularly. What the Senator from Minnesota has said could also be said about any Assistant Secretary of Agriculture or any other employee of the Department, because they all report to the Secretary of Agriculture. Mr. Scott was simply an agent of the Secretary of Agriculture in checking into REA matters. He checked into many other matters. He has no particular authority. He cannot act upon his own responsibility without consulting the Secretary of Agriculture. He has no particular authority except that which is given to him by the Secretary of Agriculture.

Any department head or any Cabinet officer has the right, if he so wishes, to designate different employees within his organization to do certain work and to gather certain information for him. He can delegate authority, if he so desires. I think in this case the Secretary of Agriculture did that. What the Secretary of Agriculture was trying to do, as the testimony so well proved, was to make certain he saved some money and that there was coordination in spending of the money. What occurred took place at a time when there was an effort, which I am sure is still being made, to balance the budget and save money wherever it could be saved, without in any way interfering with the REA.

A moment ago I placed in the RECORD a statement that the administration of the Department under Mr. Benson has spent by far more money for REA each year than was ever spent by any previous administration, and that more loans were made. There is no testimony that REA has been interfered with in any way whatsoever.

As the able Senator from Minnesota so ably explained, the proposal would take away from the Secretary of Agriculture the right to veto loans.

Mr. HUMPHREY. That is correct.

Mr. CAPEHART. Yet, as has been pointed out, money is appropriated directly to him. Only he can borrow money from the Treasury. He has to sign the notes. Yet when he gets the money, it is proposed that he have absolutely no authority over its disposition.

Nobody is trying to hurt the REA. But if any one should want to hurt the REA, all he would have to do would be to put the proposed reorganization into effect. In that event he could easily interfere with its functions, if the Director of the REA should refuse to cooperate. The Secretary of Agriculture could say, "I will not sign any notes for the Treasury, and I will not get any money from the Treasury for this purpose." Then the Director of the REA would be helpless. As I have said before, all that is being proposed here is a piece of spite legislation.

Mr. HUMPHREY. I say, most respectfully that this is not spite legislation. No one is accusing Mr. Benson, Mr. Scott, or Mr. Hamil of a single thing. As a matter of fact, the report of the committee is respectful in every way. I think it is wrong to try to insinuate that there is an attempt made to punish someone. The truth is that when Mr. Benson testified about Reorganization Plan No. 2 he said to the Senate Committee on Government Operations—and it was made a matter of record in the debate at the time of the consideration of Reorganization Plan No. 2 of 1953—that if there were any major change in the administrative establishment or structure of Rural Electrification Administration he would personally tell the proper committees of Congress in advance. That was never done. That word has never come. It is a matter of uncontested fact. The truth is the Secretary not only did not tell us, but after the change was made we were unable to get him to testify before the committee until the Congress had already adjourned.

The senior Senator from Indiana was quite right in saying that all we seek to do is merely to leave the loan-making authority, a function which was designed in the original act to be an independent one, not subject to political control. After all, that is why there is a 10-year term for an REA Administrator. The term of the Administrator is not commensurate with or equal to that of the Secretary or the President. The program is supposed to be one operated without political bias or political interference. The record reveals that the Director of Agricultural Credit Services—whether his name is Smith, Jones, or Scott, whatever his name is—has, in the name of the Secretary, authority to either approve or disapprove an REA loan.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the junior Senator from Indiana.

Mr. HARTKE. I thank the Senator for his tireless efforts in behalf of the REA. With all due respect to my senior colleague from Indiana [Mr. CAPEHART] and also the Senator from Ohio [Mr. LAUSCHE] I think the facts concerning the REA in Indiana should be made known. The truth of the matter is that somebody tried to change the rules in the middle of the game. They were attempted to be changed for political reasons in the State of Indiana. That is exactly why this particular bill should be passed.

The truth of the matter is that the loan was on file and then the Public Service Commission, in an unprecedented effort to stop this loan on behalf of certain interests who wanted to cripple the REA, made an administrative change and lobbied against the people of their own State. They practically put a veto power of their own on this application. After there was a possibility that the courts might not uphold that decision, they came to the REA Administrator and the Secretary of Agriculture in Washington, D.C. The loan would have been approved and made if there had been a nonpolitical effort.

This did not involve a question of politics for the people who were seeking help. All they wanted to do was to go ahead with their program.

Years ago, before the REA program began to take shape, there was less than 12 percent electrification in Indiana. Today it is more than 99½ percent.

Four of the seven agencies which have repaid their loans, in the entire United States of America, are located in the State of Indiana. The first REA electric pole was set in the State of Indiana. The Boone County REA program paid its loan first. Every one of the REA programs in the State of Indiana has either paid its loan on time or ahead of time.

I do not see how in good conscience anybody could ever favor not returning to a program which was so successful for 14 years, with nonpolitical interference—no interference from Democrats or Republicans or from any subversive element. The purpose of the program is simply to give the people electricity.

I come from a town which had a problem as to electricity. I did not see electricity in my home until I was 10 years old. I remember the coal oil light. I remember the Aladdin lamp. I remember when electricity was put in my home. I for one appreciate what the REA has done for the rural folk.

For 14 years the program worked very well. Then the organization was changed, although the representation was made that there would not be a change in the administrative procedure or, if there were a change, the Secretary in good grace would inform Congress about it.

When I became a Member of the United States Senate, I went to the Senator from Minnesota [Mr. HUMPHREY] and said to him, "I am deeply moved; I want to join in the effort and in the attempt to take politics from the REA program and to place the program back in the hands of a nonpolitical administrator. I do not want to permit it to be placed in the political realm."

The situation was so bad during the last political campaign that the Governor, who was my opponent, reversed his position at the end of the campaign, when the public pressure became great and it was shown that he was attempting to put the REA into politics, although no one wanted that done.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the senior Senator from Indiana, because I am sure there must be some rejoinder he desires to make.

Mr. CAPEHART. Mr. President, I have been a member of the committee for some time, and I have been a Member of the Senate for 15 years. What my able colleague said about the position certain persons in the State of Indiana took is correct, but I wish to say as a matter of record that there is no connection between the reorganization proposal we are considering at the moment and the so-called Indiana loan.

The Administrator and the Secretary of Agriculture considered the Indiana loan. The loan application was filed. There was no evidence that anyone did anything other than to follow the law

and to handle the loan the same as all other loans were handled. There is no connection at all between the proposed legislation and that particular loan.

We talk about taking this matter out of politics, but the President of the United States appoints the REA Administrator. The President also appoints the Secretary of Agriculture. Under those circumstances we cannot take this matter out of politics, because the President appoints those men. We could not take the matter out of politics by enacting this particular piece of proposed legislation. Would we get it out of politics by voting against the proposal? I do not believe so, because the matter is in politics, since the President appoints these men.

I think in all fairness we should say we would come as near to obtaining the Indiana loan if we should leave the law exactly as it is as we would by adopting a reorganization proposal, because there is no real connection between the two whatsoever.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Ohio.

Mr. LAUSCHE. The junior Senator from Indiana is absolutely correct in his description of some arguments which occurred in Indiana. The testimony discloses that. The testimony also discloses that the administration of REA had in no way interfered with the granting of the loan and was in no way a participant in what went on in Indiana. The Senator's description of what took place is accurate, as was stated by the senior Senator from Indiana [Mr. CAPEHART].

Mr. HARTKE and Mr. CARROLL addressed the Chair.

Mr. HUMPHREY. I shall yield first to the junior Senator from Indiana.

Mr. HARTKE. I should like to point out to my distinguished senior colleague from Indiana that we are very happy about the fact that the President has the power of appointment.

I think there is a fair distinction between the Secretary of Agriculture, who is appointed technically speaking, at least, at the pleasure of the President, and the REA Administrator, who is appointed for a term of 10 years. There is a considerable difference between the two. All I say is that I think a man who is appointed for 10 years can operate in a field in which he can be completely devoid of any political pressure of the moment.

I should like to point out that the Indiana loan is again being proposed by the REA people in the State of Indiana. It is now being processed. An endeavor is now being made to have the loan processed through the administration, and it is felt that political pressure is going to keep them from getting it. If there were no political pressure it is felt there would be no doubt the loan would be granted because, on the surface, it is a very difficult situation and there is an honest to goodness effort to help the people of the State of Indiana.

I wish to say that this is not partisan politics in the State of Indiana, because I have had Republican after Republican ask me to help in this matter. I refer to persons who have been interested in the affairs of the State, and who have helped to nominate and to elect Republican officials, yet they have come to me and asked me to help release the REA from the control which the present political system has upon it. They have asked me to help return the REA program to a strictly nonpartisan basis.

Mr. HUMPHREY. Mr. President, I now yield to the distinguished Senator from Colorado.

Mr. CARROLL. Before I ask the Senator a question, I wish to state that according to the statement on page 60 of the printed hearings, David Hamil, who is a Republican from Colorado, and an old friend of mine, who was appointed REA Administrator by the President, confirmed by the Senate, and took office on June 26, 1956.

Mr. HUMPHREY. The Senator is correct.

Mr. CARROLL. I am trying to narrow this down a bit. It seems to me there is a very simple issue involved, if I am correct in my premise.

When the REA Administrator took office, what was the policy with reference to the making of loans? What was the Administrator's jurisdiction? What was his authority? What was his discretion?

Mr. HUMPHREY. There was complete discretion over the loans, because the reorganization plan ultimately went into effect in 1957. The authority was exercised by Mr. Scott.

Mr. CARROLL. The Senator from Minnesota in his remarks indicated there was a change in policy.

Mr. HUMPHREY. Yes.

Mr. CARROLL. What sort of a change in policy was there, and when did it take place?

Mr. HUMPHREY. I can give my recollection.

Mr. CARROLL. State it approximately. We do not have to pin ourselves down to exact dates. Was it subsequent to June of 1956?

Mr. HUMPHREY. It was June of 1957.

Mr. CARROLL. It was June of 1957?

Mr. HUMPHREY. I was trying to find the exact citation in the testimony. I am informed by the staff counsel it was June of 1957.

Mr. CARROLL. What was the change in policy with reference to the authority and the discretion of the REA Administrator?

Mr. HUMPHREY. It was that loans of $500,000 or more must have the final approval of the Secretary and that new borrowers must have the final approval of the Secretary.

Mr. CARROLL. Did the Congress prescribe that policy?

Mr. HUMPHREY. It did not.

Mr. CARROLL. Who prescribed it?

Mr. HUMPHREY. It was prescribed by the Secretary. It was the view of Members of this body that such a fundamental change in policy was a matter which should have been at least discussed with the appropriate committees of the Congress.

Mr. CARROLL. When was that policy disclosed to the committees of the Congress? When was it first brought to our attention?

Mr. HUMPHREY. It was never brought to our attention. It was finally discovered—it was never brought to the attention of Congress officially.

Mr. CARROLL. Let me say to the Senator from Minnesota that the Denver Post, which is a Republican, independent newspaper at the very time the discussions and the debate took place on the floor of the Senate, editorialized and published news articles against the policy established by the Secretary of Agriculture, attempting to curb the jurisdiction, the authority, and the discretion of the REA Administrator.

As I understand the proposal before us, the distinguished Senator from Minnesota is attempting to correct and change that policy back to its original state.

Mr. HUMPHREY. That is correct; and to preserve unquestioned the authority of the Administrator. There was discussion, doubt, and debate as to whether or not the Secretary of Agriculture, under the Reorganization Act of 1939, had veto authority if he wished to exercise it. There was a ruling to that effect. Therefore we have made it crystal clear in Senate bill 144, the plan which is now before the Senate, that the loan-making authority shall be entirely in the hands of a presidential appointee whose nomination is confirmed by the Senate for a 10-year term; namely, the nonpartisan REA Administrator.

Mr. CARROLL. Let me summarize by asking this question: If the pending bill is passed, shall we be restoring the authority in the REA Administrator to the status which existed on June 26, 1956, when his nomination was confirmed by the Senate?

Mr. HUMPHREY. We will restore it as it existed in 1935 and 1936, when REA was established, when the Administrator had complete jurisdiction over all the loanmaking authority.

I say, most respectfully, to the Senator from Colorado that the loan-making authority was respected under the Reorganization act of 1939, so far as actual usage was concerned. However, in terms of the legal authority of the Secretary, if he wished to exercise it, there were honest differences as to whether the Secretary had the authority to veto if he wished to do so, or whether he was denied the veto right.

We have clarified the situation in our bill. We say, first, that the powers of general supervision, for housekeeping purposes, for accounting purposes, for budgetary purposes, and for personnel purposes, rest in the Secretary of Agriculture and the Department of Agriculture; but the power of loanmaking, which was in the original REA act, the power to grant or disapprove loans, rests solely and unqualifiedly in the Administrator.

Mr. CARROLL. Let me ask one final question. Are those who have most to do with the rural electrification program supporting the bill? What position do

the cooperatives and the farmers themselves take with reference to the proposed legislation?

Mr. HUMPHREY. They support it. The most recent conference of the National Rural Electric Cooperative Association, meeting at Washington, D.C., in the month of February 1959, supported the bill and the proposals before us at the present time.

Mr. CARROLL. I thank the Senator from Minnesota.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. I am sure the Senator from Minnesota will agree with what I was saying in trying to explain to the Senator from Colorado the status of the law in 1953. The law enacted in 1953 provided as follows:

SECTION 1. Transfer of functions to the Secretary: (a) Subject to the exceptions specified in subsection (b) of this section, there are hereby transferred to the Secretary of Agriculture all functions not now vested in him of all other officers, and of all agencies and employees, of the Department of Agriculture.

That provision gave the Secretary complete supervision and control over the functions of his entire Department. However, as the Senator from Minnesota has said, there was some understanding that if there was to be a change in policy, some disclosure would be made to the committee.

Mr. CARROLL. And the Congress would be notified.

Mr. HUMPHREY. That is correct.

Mr. LAUSCHE. But the law is clear, that the Secretary was vested with full authority and power at the time.

Mr. HUMPHREY. That is correct; but the fact is that none of the authority under the law had been exercised. However, the residual power existed. We now propose to clarify the situation by making it clear that the original REA Act, which provided for an Administrator having authority over loanmaking functions shall be restored, and that the administration shall be independent and autonomous within the Department.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YARBOROUGH. I commend the distinguished senior Senator from Minnesota for his leadership. He is the principal author and the leader in this movement to protect the REA; I have the honor of being a coauthor of S. 144 with the distinguished Senator from Minnesota.

As I pointed out in my statement before the committee, at the time the REA Act of 1936 was passed, only 2.3 percent of the farms in my State had electric power; but under the beneficent influence of that act, at the present time more than 95 percent of the farms in my State have electric power. We have more family-sized, family-type farms in my State than there are in any other State of the Union. There are more REA connections and users in my State than in any other State.

The people are vitally interested in this question. In the legislative history of the Nation few acts have proved to be as beneficial to as many people, with as little cost to the Government, as the REA Act. It is one of the most beneficial pieces of legislation the country has ever seen.

The program worked well until a change was slipped over in the reorganization bill, in a so-called efficiency reorganization. Ezra Taft Benson, as Secretary of Agriculture, began to get his thumb on the neck of REA, as he has placed it on the neck of practically every other family-type operation in the agricultural economy.

Thanks to those who first enacted the law, darkness has been eliminated from farm life, and a great deal of drudgery has been lifted from the farm.

The REA operates under the Lincolnian concept that it is the duty of the Government to help the people to do that which they cannot do for themselves, or cannot do as well.

The REA program is good government. The purpose of the program shows how good government can be employed to help the American people in their pursuit of happiness.

The pending measure is designed to protect the REA program from those who would, accidentally or intentionally, do violence to that program. The pending bill, if enacted into law, will make certain that the program cannot be curtailed or crippled by the Secretary of Agriculture exercising authority unwisely.

As I understand, it is proposed merely to reaffirm the statutory authority of the Administrator of the REA to grant REA loans. We shall now be restoring to the Administrator the authority which was used by the Secretary of Agriculture a year ago.

Mr. HUMPHREY. Mr. President, I wish to be most fair. We are proposing to reaffirm the statutory authority of the REA Administrator to grant loans. I believe that the colloquy has revealed that the residual authority of the Secretary under the Reorganization Act of 1939, to have general control over the REA, will remain. However, we are making it crystal clear that the authority over loan making shall be independent.

I have not attempted to abuse Mr. Benson, or to make a partisan issue out of this question. All I have attempted to do is to say that what we are proposing is sound administration.

We are attempting to do two things—first, to restore the loan-making function to the REA Administrator, without qualification; second, to maintain in the Department of Agriculture, for centralized administrative purposes, the Rural Electrification Administration.

Mr. YARBOROUGH. I thank the Senator from Minnesota. It is true that the power was not illegally used. The residual power existed, but it had not been exercised by the Secretary. Is that correct?

Mr. HUMPHREY. The Senator is correct.

Mr. YARBOROUGH. It was not illegally seized, but it had not been used.

Mr. HUMPHREY. It had not been exercised.

Mr. YARBOROUGH. If the pending bill is passed, the REA program will be administered by the people, as was originally intended, and as was done for years, until the current administration decided to hamstring the program by having the Secretary of Agriculture take over power from the Administrator.

Mr. HUMPHREY. The Senator is correct.

Mr. YARBOROUGH. I think the Senate has seldom had an opportunity to pass a measure which would be so constructive, with so little cost to the Government of the United States. This proposal would leave in the Administrator of the REA the power to pass on loans.

Mr. HUMPHREY. The Senator is correct.

Mr. YARBOROUGH. And there would be no appellate power in the Secretary of Agriculture.

Mr. HUMPHREY. The Senator is correct.

Mr. YARBOROUGH. We often debate the question of how much money we shall spend in connection with certain measures. Often we are doubtful whether a proposed solution would be a wise solution. Is it not true that the wisdom of this measure has already been proved by the administration of the law from 1936 to 1953?

Mr. HUMPHREY. It is my considered judgment that that is absolutely a fact. From 1936 to 1953 we got along very well. I think there is no evidence that we are not getting along well now. However, I, for one, object to the appointee of a Secretary, whoever the Secretary may be, having superior authority over a Presidential appointee under a basic law such as the REA Act of 1936, when the nomination of the such appointee does not come before the Senate for confirmation.

Mr. YARBOROUGH. I believe we are acting here to protect and perpetuate one of the great programs in American history.

Mr. HUMPHREY. I thank the Senator from Texas, whose cooperation I deeply appreciate. I now yield to my friend and colleague, the Senator from Florida.

Mr. HOLLAND. Mr. President, I appreciate the action of the Senator from Minnesota in yielding to me. I also appreciate greatly the fact that he has handled this subject on the floor without casting aspersions either on the present Secretary of Agriculture or on any of his agents.

Mr. President, this is not a personal matter. It should be handled impersonally and objectively and with full knowledge of the fact that Congress shares some of the responsibility in this situation.

Mr. HUMPHREY. The Senator is right.

Mr. HOLLAND. I have before me Reorganization Plan No. 2 of 1953, which really brought on the trouble and disagreement which are responsible, I believe, for the present proposed legislation and for the amendment offered by the Senators from Nebraska and Georgia.

The Senator from Ohio [Mr. LAUSCHE] has already read one section from that unfortunate reorganization plan. I may say, in passing, that I opposed it vigorously when it was before the Senate. Other Senators also opposed it. However, the Senate refused to cast the requisite vote to reject that reorganization plan. Let us not get away from the fact that the Senate has some responsibility in this matter. The first section reads as follows:

SECTION 1. Transfer of functions to the Secretary: (a) Subject to the exceptions specified in subsection (b) of this section, there are hereby transferred to the Secretary of Agriculture all functions not now vested in him of all other officers, and of all agencies and employees, of the Department of Agriculture.

I may say that subsection (b), which covers the exceptions, does not cover the REA.

Mr. President, I opposed the approval of the reorganization plan which contains that as its first provision. The Senate refused to disapprove that reorganization plan. The reorganization plan in effect gives to the Secretary of Agriculture—and I do not refer only to the present Secretary of Agriculture, but to all Secretaries of Agriculture so long as this reorganization plan is a part of the law of the land—the authority to exercise any power ever given to any of the agencies in the Department of Agriculture, and to any officer in the Department of Agriculture. There are a few which are excepted in a later subsection.

Then the reorganization plan contains section 4, which reads as follows:

Sec. 4. Delegation of functions: (a) The Secretary of Agriculture may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Department of Agriculture of any function of the Secretary, including any function transferred to the Secretary by the provisions of this reorganization plan.

Mr. President, if we had tried for 10 years we could not have written a provision which gave more fully to the Secretary of the Department the power to transfer any function to anyone he saw fit.

I am glad—and I think there are many others who believe as I do—that these provisions have not done violence to the REA. I judge, from the very temperate and moderate position of the Senator from Minnesota, which I fully approve, that he also believes that to be the fact.

Mr. President, although I believe something should be done about this unfortunate situation, I shall oppose the amendment offered by the Senator from Nebraska [Mr. CURTIS] because, in my opinion, it would do great harm to the REA program.

The REA program necessarily has at heart the welfare of the agricultural segment of the Nation. When we seek to divorce that program from the Department of Agriculture, where it belongs, and where it has served the interests of the rural population, we attempt to take it out of its proper place and put it where it will be unbefriended and unsheltered by the sturdy wings of the mother hen, the Department of Agriculture, which is safeguarding all agricultural rights throughout the Nation, and whose function it is to do so.

I strongly oppose making the REA a completely independent agency. I voiced that opposition in the hearing recently attended by the Senator from Minnesota in the Committee on Agriculture and Forestry, and before the subcommittee of which I am the chairman. At that time I called the attention of the Senator from Nebraska to the fact that under his bill as then drafted he would take REA away from the Department of Agriculture and take it away from the subcommittee on appropriations which handles appropriations for the Department of Agriculture. I cited an illustration of what had happened recently in another field.

By offering an amendment to his bill, he in effect says that although he would make an independent agency of the REA, he would leave it in the legislative committee and in the appropriations subcommittee where it should be left.

In admitting that much, I believe he is admitting himself out of court, because he admits what to me is the potent fact that this very important agency—important more to agriculture than to any other segment of our economy—should certainly be left in the Department of Agriculture, where it may have the benefit of the advisory committee of the Secretary of Agriculture which represents the Nation's farmers, and of the whole set-up of the Department of Agriculture, which works for the benefit of the Nation's farmers, from morn to night, 365 days a year.

I commend the Senator from Minnesota for his moderate approach, and I regret that any Senator should consider the measure as being motivated in any way by personal resentment to our present Secretary of Agriculture or any of his agents.

I do not believe anyone can accuse me of being hostile to the present Secretary of Agriculture. I have supported him sometimes when a majority of his own party did not support him. I have not hesitated to support him when I thought he was right, and that has been most of the time. I believe that anyone who believes that the reorganization plan, from which I have read a part, can continue to be the law and leave the Department of Agriculture in a sound position, is wrong, or has not read the reorganization plan. It is the most vicious thing of its type we have ever adopted.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. AIKEN. Does not the Senator believe that we would be setting a dangerous precedent by moving REA out of the Department of Agriculture, because certainly there would then be attempts made to take other functions away from the Department of Agriculture? We might even expect an effort to take the administration of Public Law 480 away from the Department of Agriculture and repose its administration in an independent agency or put it in another department of the Government. The Senator knows what that would do to agricultural sales.

Mr. HOLLAND. That certainly would be possible. I am glad the Senator from Vermont has mentioned that point.

Mr. AIKEN. I may say that normally I would like to be able to vote for the proposal of the Senator from Minnesota, but when we come right down to it, all the proposal says is "We do not like Ezra Taft Benson."

Mr. HUMPHREY. I should like to say most respectfully—and the Senator from Vermont knows that I have on many occasions demonstrated my sharp difference of opinion with the Secretary of Agriculture—that I am not engaging in that kind of contest. The best argument which has been made for my proposal has been made by the Senator from Florida [Mr. HOLLAND], who has refererd to what is not alone the mistake of the Secretary of Agriculture, but the mistake also of Congress when it permitted the reorganization plan to be adopted. Some of us had doubts about it then. Others had some doubts later, because this plan was tried in two administrations, first during the last year of the Democratic Truman administration, and then during the first year of the Republican administration.

That is the only partisan reference I am making here. I think the delegation of functions which is in the reorganization plan of 1953 lends itself, if left on the books, to further abuse. I do not make any accusations. Not a word can be found in what I have said in the report of the committee, for which I have some responsibility, or in my speech on the floor of the Senate which attempts to accuse the Secretary of Agriculture or anyone else of malfeasance of office or any kind of maladministration. All I am saying is that it is bad administrative structure. I think the time to correct it is now.

Mr. AIKEN. I accept the Senator's explanation of his devotion to the Secretary of Agriculture.

Mr. HUMPHREY. I thank the Senator from Vermont for including me in the very limited membership of this club.

Mr. HOLLAND. Mr. President, I hope the Senator from Vermont will feel that I have shown considerable fondness for the Secretary of Agriculture, both personally and by my votes and statements on the floor of the Senate. But whether the Senator from Vermont feels that way or not—and I believe he does—I think he knows that in this matter I am following a course which I established way back in the administration of President Truman.

At that time, substantially the same reorganization plan came before the Senate. I see in the Chamber the distinguished senior Senator from Kansas [Mr. SCHOEPPEL]. He and I decided that the plan was bad. We fought against it, and enough of the Senate stood with us to knock the plan down.

Later it came up in the first bloom and blush of the new administration. Some of our friends, who had stood with us before, decided it was not so bad as they

thought it was earlier. I see some of those good friends here. But all of us make mistakes. We could not muster the vote the second time which we had the first time. If we had we would not now be struggling with this problem.

The point I am making is that I think it completely unrealistic, completely unfair, and completely unfriendly to the REA, and the millions of people who have been so blessed by it, to divorce it from the Department of Agriculture just at the time when the REA is becoming so strong that there will be more questions from now on as to whether it is competing with private power. It would be the unfriendliest thing that could be done to divorce it from the Department of Agriculture, its natural friend and shelterer, and to place it out in the cold, cruel world as an independent agency, where it would share the fate of some of the other independent agencies which have to fight to get anything at any time.

I am thinking of another public power agency—the TVA. Compare the friendly attitude of so many Senators toward REA with the questioning, if not suspicious, attitude which some of those Senators show toward TVA. I think Senators will concede that I have a valid point which deserves their thoughtful consideration.

I hope the amendment will be rejected.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate may proceed to vote in 15 minutes from now, and that 10 minutes be alloted to the Senator from Illinois (Mr. DIRKSEN), with 5 minutes to be controlled by the Senator from Minnesota (Mr. HUMPHREY).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, it seems to me that a good many nongermane matters have been discussed in connection with the pending bill. The only thing involved is whether the Secretary of Agriculture, who holds the top post in one of the largest departments of the Government, shall have a little something to say about the activities and functions of a subordinate agency in his department.

After listening to the discussion, I think we should send Ezra Benson a letter saying: "Dear Ezra: We are going to leave the baby in your tender hands. You provide the room and board and all the other things which are necessary. But if the baby gets a little spunky, if it needs a little discipline or a little conduct, do not put your hands on the baby, because we are saying in the bill before us that you shall have no authority to supervise, direct, or control anything with respect to the approval or disapproval of the loans made by your subordinate baby."

Frankly, the Senate has an astonishing proposal before it. I think the Senate will rue the day it ever enacted the bill, assuming it may become law. First of all, if we look through the hearings, it is the beneficiaries of the credit and the money of the people who are asking less supervision rather than more. I think that is one of the most astounding things I have ever seen or heard advanced in the Senate.

The point is made on the other side of the aisle that the Secretary of Agriculture is a Presidential appointee, while the Administrator of REA holds a 10-year job. That very fact argues against the bill, because the Secretary cannot discipline the Administrator of REA. The Secretary cannot remove him. If the Administrator is weak, the trail will lead right to the White House. Then there will be confusion compounded.

The REA is growing. It has probably $3 billion in unpaid balances today.

It seems to me that we would be doing the REA a favor by providing for it a little more supervision, rather than less, and not concentrating the supervision in the hands of a single person. I cannot imagine that any business enterprise anywhere in the country would follow the line of reasoning which has been advanced on the Senate floor. Try to imagine General Motors Corp., with the Frigidaire Corp. as a component, and with the president or the chairman of the board of the Frigidaire Corp. saying, "We are within the General Motors fold, but only up to a limited degree. Beyond that do not interfere; we will run our own show." But that is exactly what Senators propose in this case. If that is good business sense, certainly I have never known such a thing to be proposed in business.

No one on this floor has ever contended that Mr. Hamil, the REA Administrator, does not have a good record. Even the chairman of the committee will admit that Mr. Hamil has a good record.

It must be admitted that the REA's record in the past 6 years is the best in the entire history of that agency.

I was a Member of the House of Representatives when the REA was created; and I would say to my distinguished friend, the junior Senator from Indiana [Mr. HARTKE], that I was here when I made a Hoosier by the name of Claude Wickard, who was then the Secretary of Agriculture, investigate the REA; and I got the Deputy Administrator fired, before I got through. The record is here; that was in March 1941. It was "a rough go", and it took a rather long time. But Senators should not think that there have not been some difficulties there, as elsewhere. I have lived through this for a long period of time.

Everything in the field of good business tactics, everything in the field of proper governmental supervision and surveillance, argues that when there is such a $3 billion corporation, there should be some supervision, some direction, some authority in the hands of the Secretary of Agriculture, in whose department this agency is located. There could be a weak Administrator; but let us not forget that any Administrator of the REA will serve for 10 years. The Administrator might be weak in the whole loaning field; he might be weak in the administrative field. But under the present proposal the Secretary of Agriculture—whoever he may be, whether Henry Wallace, or Claude Wickard, or Ezra Benson, or anyone else—will never be able to remove him.

It seems to me that under those circumstances, if there were no recourse but to go to the top boss at 1600 Pennsylvania Avenue, we would have some trouble on our hands before we got through.

I am not going to play ducks and drakes in such a careless fashion with $3 billion of the people's money. If the REA is to continue to make progress, it requires careful supervision on the part of the Federal Government. And the proper supervisor should be the Secretary of Agriculture.

At the present time the technique is scarcely even to look at an REA loan application for less than $1 million. Only loan applications for larger amounts and the new telephone loan applications are looked at, for all practical purposes. I am advised from the Department of Agriculture that that has been the technique for quite some time.

So, when $3 billion of public credit is involved—money and credit which belong to the people of the United States, not only to those in the farming areas, but also to those in all the other areas of the country in which taxpayers live—I think the Senate has the responsibility to make sure that there is adequate supervision, because in proportion as we give attention to the REA, it will grow and will become an effective instrumentality for taking the country out of darkness.

Yet at this time, when we clamor, in respect to every other field, for more supervision, it is proposed by this means to destroy such supervision in this instance. I cannot imagine a greater step backward.

Mr. President, the sensible thing for the Senate to do tonight is to send the bill back to the committee, under a motion to recommit. I hope the Senator from Indiana, who is a member of the Committee on Government Operations, will soon return to the floor and will make such a motion. If he does not make it, I will, for I think that is where the bill should go. I will not vote to take a backward step and, by that vote, undertake to hurt future confidence in the REA, because that is what the action now proposed will add up to, before we get through.

Mr. President, I think that is the entire story, so far as I am concerned; and I am prepared to vote on the amendment in the nature of a substitute, and also for a motion to recommit.

The amendment in the nature of a substitute would again make this agency an independent one. I was a Member of the House of Representatives when the REA was created as an independent agency. Three years later it was placed under the Department of Agriculture. Then, in 1953, under a Reorganization Act, the Congress gave the Secretary of Agriculture the additional supervisory functions. Contrary to expressions made on the floor, I think that was a wise course; and evidently the Senate thought likewise, because that action only adds to adequate supervision of the handling of billions of dollars of the taxpayers' money—money which does not belong to the Federal Treasury or to the REA, but

belongs to all the people of the United States; and we are co-stewards, to make sure that the money is well and wisely administered.

Mr. President, that is my case.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from Illinois has 2 minutes remaining under his control.

Mr. BENNETT. Mr. President, will the Senator from Illinois yield 2 minutes to me?

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. BENNETT. Mr. President, with respect to the pending bill, I have only one observation to make: After listening to the very wise counsel and approach of the Senator from Florida [Mr. HOLLAND], I believe that if the Senator from Florida really wants to undo what was done in 1953, he should move that it be undone in its entirety, and should not limit the action to the REA. Instead, he should move to take away whatever authority the Secretary of Agriculture received by means of that program.

It seems to me that in this case we are dealing with two different things.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the distinguished Senator from Nebraska [Mr. CURTIS], the author of the pending amendment in the nature of a substitute, be allowed 2 minutes in which to discuss the substitute.

Mr. JOHNSON of Texas. Mr. President, I agree to that request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? Without objection, it is so ordered; and the Senator from Nebraska is recognized for 2 minutes.

Mr. CURTIS. Mr. President, I thank both the distinguished minority leader and the distinguished majority leader.

I wish to have the attention of Senators who will oppose the pending bill, on the question of its final passage, and who believe nothing should be done. I also wish to have the attention of Senators who believe that the Congress should legislate in this field. I ask all of them to read Senate bill 144, and then try to determine who will run the REA if that bill is enacted into law.

The bill contains only 15 lines. It provides, in substance, that the functions and activities of the REA shall be exercised and administered within the Department of Agriculture by such Administrator under the general direction and supervision of the Secretary of Agriculture. Then the bill takes away from the Secretary of Agriculture any authority over either the approval or disapproval of the loans. But there is the odd provision that only the Secretary of Agriculture can borrow money from the Secretary of the Treasury.

So, if the bill is enacted into law, it will mean that if at a later time the Secretary of Agriculture and the REA Administrator disagree with each other, the Secretary of Agriculture can still withhold the necessary funds. I do not believe the proponents intend that to be done; but that legislative confusion would then exist.

As to the amendment in the nature of a substitute, which I have submitted on behalf of myself and the distinguished senior Senator from Georgia [Mr. RUSSELL], it establishes an independent agency, and provides that the Administrator shall have direction, supervision, and control of the REA and all its operations and functions, as authorized in the REA Act of 1936, as amended; and it retains jurisdiction in the same committees which now have jurisdiction.

Mr. President, I appeal to Senators who are opposed to doing anything in this case: Let us perfect the bill, and not create confusion.

To Senators who believe some legislation in this field should be enacted—and let me say that I respect both groups—I say that certainly the Senate should not pass Senate bill 144 as it now stands, because it will not do what its authors intend it to do. No one who reads the amendment in the nature of a substitute can have any doubt as to who will run the REA if the amendment in the nature of a substitute becomes law.

The REA was an independent agency from 1935 to 1939.

I remind the Senate that on January 6, 1945, Senator Lucas introduced a bill, S. 89, that reestablished it as an independent agency, and the bill passed this body unanimously, without a record vote.

The PRESIDING OFFICER (Mr. HART in the chair). The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I yield myself 1 minute.

The purpose of the bill is simply to do two things: to take up that part of the history of the REA from 1935 to 1939 in which the independence of REA in respect to loan-making was established, and to keep the reorganization plan of 1939, for the purpose of administration, intact, thereby providing for the REA to be within the Department of Agriculture.

Mr. JOHNSON of Texas. Mr. President, as I understand, all time on the amendment has been yielded back or consumed. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. I ask unanimous consent that there be a quorum call, without the time being charged to either side. The Senator from Indiana [Mr. CAPEHART] has indicated that after the Senate acts on the amendment, he wishes to make a motion to recommit. When the Senate acts on that motion, I understand it will proceed to act on the committee amendment and the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas that there be a quorum call without the time being charged to either side? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. CURTIS] for himself and the Senator from Georgia [Mr. RUSSELL] as a substitute for the committee amendment. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HENNINGS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. McGEE], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness and that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. McGEE], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent on official business for the Committee of Interstate and Foreign Commerce.

The Senator from Kentucky [Mr. COOPER] is absent on official business.

The result was announced—yeas 13, nays 74, as follows:

YEAS—13

Capehart	Hickenlooper	Talmadge
Case, S. Dak.	Hruska	Thurmond
Cotton	Lausche	Wiley
Curtis	Russell	
Goldwater	Schoeppel	

NAYS—74

Aiken	Fulbright	Morse
Allott	Gore	Morton
Anderson	Hart	Moss
Bartlett	Hartke	Mundt
Beall	Hayden	Muskie
Bennett	Hennings	Neuberger
Bible	Hill	O'Mahoney
Bridges	Holland	Pastore
Bush	Humphrey	Prouty
Byrd, W. Va.	Jackson	Proxmire
Cannon	Javits	Randolph
Carlson	Johnson, Tex.	Robertson
Carroll	Johnston, S.C.	Saltonstall
Case, N.J.	Jordan	Scott
Church	Keating	Smathers
Clark	Kefauver	Smith
Dirksen	Kennedy	Sparkman
Dodd	Kerr	Stennis
Douglas	Kuchel	Symington
Dworshak	Langer	Williams, N.J.
Eastland	Long	Williams, Del.
Ellender	McCarthy	Yarborough
Engle	McClellan	Young, N. Dak.
Ervin	McNamara	Young, Ohio
Frear	Martin	

NOT VOTING—11

Butler	Green	McGee
Byrd, Va.	Gruening	Monroney
Chavez	Magnuson	Murray
Cooper	Mansfield	

So the Curtis-Russell amendment in the nature of a substitute, offered by Mr. CURTIS, for himself and Mr. RUSSELL, was rejected.

Mr. HUMPHREY. Mr. President, I move that the vote by which the Curtis-Russell amendment in the nature of a substitute was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas.

The motion to reconsider was laid on the table.

Mr. HUMPHREY. Mr. President, may we now proceed to the next motion?

The PRESIDING OFFICER. As the Chair understands, there is a previous order that the Senate now proceed immediately to consider a motion to recommit the bill.

Mr. CAPEHART. Mr. President, I move that the bill be recommitted to the Committee on Government Operations, and I ask for a division on that motion.

On a division, the motion was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on final passage of the bill.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUNDT. Has all time for debate expired?

The PRESIDING OFFICER. All time for debate has expired.

The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HENNINGS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. McGEE], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Washington [Mr. MAGNUSON] is absent because of illness, and that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. McGEE], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Montana [Mr. MURRAY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent on official business for the Committee on Interstate and Foreign Commerce.

The Senator from Kentucky [Mr. COOPER] is absent on official business.

The result was announced—yeas 60, nays 27, as follows:

YEAS—60

Bartlett	Hartke	Mundt
Bible	Hayden	Muskie
Byrd, W. Va.	Hennings	Neuberger
Cannon	Hill	O'Mahoney
Carroll	Holland	Pastore
Case, S. Dak.	Humphrey	Proxmire
Church	Jackson	Randolph
Clark	Johnson, Tex.	Robertson
Curtis	Johnston, S.C.	Russell
Dodd	Jordan	Smathers
Douglas	Kefauver	Sparkman
Dworshak	Kennedy	Stennis
Eastland	Kerr	Symington
Ellender	Langer	Talmadge
Engle	Long	Thurmond
Ervin	McCarthy	Wiley
Frear	McClellan	Williams, N.J.
Fulbright	McNamara	Yarborough
Gore	Morse	Young, N. Dak.
Hart	Moss	Young, Ohio

NAYS—27

Aiken	Case, N. J.	Lausche
Allott	Cotton	Martin
Anderson	Dirksen	Morton
Beall	Goldwater	Prouty
Bennett	Hickenlooper	Saltonstall
Bridges	Hruska	Schoeppel
Bush	Javits	Scott
Capehart	Keating	Smith
Carlson	Kuchel	Williams, Del.

NOT VOTING—11

Butler	Green	McGee
Byrd, Va.	Gruening	Monroney
Chavez	Magnuson	Murray
Cooper	Mansfield	

So the bill (S. 144) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the functions and activities of the Rural Electrification Administration and the Administrator of the Rural Electrification Administration which were transferred to the Department of Agriculture and to the Secretary of Agriculture by Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953 are hereby transferred to the Administrator of the Rural Electrification Administration, and shall be exercised and administered within the Department of Agriculture by such Administrator under the general direction and supervision of the Secretary of Agriculture; except that insofar as such functions relate to the approval or disapproval of loans authorized to be made under the Rural Electrification Act of 1936, as amended, their exercise by the Administrator shall not be subject to the supervision or direction of, or to any other control by, the Secretary of Agriculture.

The title was amended, so as to read: "A bill to modify Reorganization Plan No. 2 of 1939 and Reorganization Plan No. 2 of 1953."

Mr. HUMPHREY. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. MORSE. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oregon.

The motion to reconsider was laid on the table.

Mr. AIKEN. Mr. President, the Senate has passed a bill which, while it does not do any great harm, does not do any good for the REA, and is virtually meaningless so far as the operation of the REA program is concerned.

On January 14, 13 other Senators and I submitted a resolution, Senate Resolution 21, which is of very vital importance to the future of the REA. I ask unanimous consent to have the text of the resolution, together with a list of the sponsors, printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 21

Mr. AIKEN (for himself, Mr. KUCHEL, Mr. HUMPHREY, Mr. SPARKMAN, Mr. KENNEDY, Mr. YOUNG of North Dakota, Mr. COOPER, Mr. MANSFIELD, Mr. HILL, Mr. HENNINGS, Mr. CURTIS, Mr. MURRAY, Mr. LANGER, and Mr. CLARK) submitted the following resolution; which was referred to the Committee on Agriculture and Forestry:

"Whereas the Comptroller General of the United States in decisions (B–134138) dated July 21, 1958, and October 15, 1958, in questioning the validity of a portion of a loan made by the Rural Electrification Administration to the Central Iowa Power Cooperative, Cedar Rapids, Iowa, interpreted the Rural Electrification Act, in the first decision, as not authorizing loans for service to persons who are actually without central-station service if they are located in an area generally served by a power supplier; and, in the second decision, as not authorizing loans to serve persons, in fact without service, if they are located "on", "along side of", or "within a reasonable distance" of a line of a power supplier; and

"Whereas the Acting Secretary of Agriculture, in a letter dated August 7, 1958, to the Comptroller General, requested reconsideration of the first decision because it was inconsistent with the express provisions of the Rural Electrification Act, its legislative history, congressional understanding, uniform administrative practice, and legal interpretations and opinions during the 22 years following enactment of the Rural Electrification Act and, by letter dated October 29, 1958 informed the Comptroller General that these objections were equally applicable to the interpretation of the Rural Electrification Act expressed in the second decision and could therefore not be agreed to; and

"Whereas the interpretation of the Rural Electrification Act proposed by the Comptroller General in either of his decisions, if it had been applied to the rural electrification program from its inception, would have prevented that program's great contributions to agriculture and the rural areas of the Nation and to the national economy generally and, if now applied, would drastically curtail the future great potential of the rural electrification program: Now, therefore, be it

"Resolved, That it is the sense of the Senate that the Rural Electrification Act of 1936, as amended, continue to be interpreted to authorize the making of loans for the construction of facilities to bring electric service to persons who are in fact not receiving central-station service, and to continue to serve those who are presently being served, in accordance with the Acting Secretary of Agriculture's letters of August 7, 1958, and October 29, 1958, to the Comptroller General, and that the proposed limitation on the authority of the Rural Electri-

fication Administration introduced in the Comptroller General's decisions of July 21, 1958, and October 15, 1958, be rejected as contrary to the clear intent of the Congress."

Mr. AIKEN. Mr. President, at this point I express the hope that the leadership of the Senate will work as hard and earnestly for the adoption of this vital resolution as they have worked to pass the bill which the Senate has just passed, and which, in my opinion, means very little, if anything.

Mr. HUMPHREY. I should like to say to the distinguished Senator from Vermont, inasmuch as I am a cosponsor of the resolution to which he has referred, that I pledge to him the same kind of zeal, energy and, I hope, effective work as was indicated in the recent vote. I believe that both of these measures are important. The Senator from Vermont can be assured of my cooperation.

Mr. AIKEN. I may add that the resolution to which I have referred is completely bipartisan.

Mr. HUMPHREY. The Senator is correct.

Mr. JOHNSON of Texas. Mr. President, I am much pleased that the bill has been passed. I wish to congratulate and commend the Senator from Minnesota for his diligence and for his interest in the proposed legislation, as well as for the fine work he has done.

Mr. HUMPHREY. I am deeply grateful to the Senator for his kind remarks and for his leadership in making it possible to pass the bill.

DEATH OF ROBERT AUFDERHEIDE, SUPERVISOR OF WILLAMETTE NATIONAL FOREST

Mr. MORSE. Mr. President, it is with deep regret that I have learned, from an article published in the Eugene Register-Guard, of the passing of Robert Aufderheide, of Eugene, Oreg., the supervisor of the Willamette National Forest.

Bob Aufderheide was an outstanding conservationist, and the monument which he leaves behind is one which can be seen by all the people of the Nation as they visit our national forests.

I ask unanimous consent that the article published in the Register-Guard be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WILLAMETTE FOREST SUPERVISOR, ROBERT AUFDERHEIDE, DIES

Robert Aufderheide, supervisor of the Willamette National Forest, and a U.S. Forest Service employee for nearly 25 years, died Saturday morning in a Eugene hospital. He had been ill with cancer.

Mr. Aufderheide was 50 years old. He had been seriously ill since September 1958.

Survivors include his widow, Muriel; a daughter, Roberta, 17, and two sisters. The family lives at 2240 Friendly Street, Eugene.

Funeral services will be announced by Simon-Lounsbury Mortuary.

OSC GRADUATE

A native of Minnesota, Mr. Aufderheide was graduated from the School of Forestry, at Oregon State College in 1935. He had been supervisor of the Willamette National Forest, one of the largest in the Nation, since 1954.

He began his professional career by working on various assignments, in 1934. He received his forester's appointment in 1935 and was assigned to the Rogue River National Forest.

In 1936 he was transferred to the Siuslaw National Forest. There he worked through the ranks from assistant ranger to the supervisor's staff in Corvallis.

In recognition for his knowledge in the field of research, Mr. Aufderheide was promoted, in 1946, to be forester in charge of the Western Oregon Work Center (now Willamette Research Center) of the Pacific Northwest Forest and Range Experiment Station at Corvallis.

Four years later, he was made supervisor of the Umpqua National Forest at Roseburg. This was his assignment until 1954, when he replaced retiring J. R. Bruckart as supervisor of the Willamette Forest at Eugene.

WILLAMETTE SUPERVISOR

Mr. Aufderheide was recently cited for outstanding work in connection with his administration of the Willamette forest. For his overall accomplishments, he was given a $300 cash award by the regional forester, J. Herbert Stone.

Stone said Saturday morning that "Mr. Aufderheide has set a splendid example of public service, particularly in the field of timber management and research—his loss will be keenly felt.

A soft-spoken man, Mr. Aufderheide during his professional career made many friends within the service and also in the timber industry.

GET WELL NOTE

At a recent meeting of forestry school alumni at Oregon State College, more than 300 signatures were placed on a "get well" note.

During his administration of the Willamette forest, an era of expansion and change took place, including an accelerated program of timber sales and considerable increased attention to recreational demands.

Much in demand as a public speaker, Mr. Aufderheide appeared at dozens of meetings in Lane County to explain various phases and purposes of forest service policy.

During a visit to Eugene last summer, Secretary of Agriculture Ezra Taft Benson, who has responsibility for the forest service, sent a personal message to Mr. Aufderheide at the hospital.

THE LACK OF A FARM BILL

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement by me concerning the lack of a farm bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LANGER

On several occasions this year, I have asked the leadership when are we going to have a farm bill? The majority leader graciously stated "that as soon as the Committee on Agriculture reports out a farm bill, I will see to it that it gets top priority."

During the recent campaign in North Dakota, the opposition to the Republican Party made great use of paid advertisements, showing the prices the farmer received for his products in 1952 as compared to that he was receiving in 1958 and further, what the farmer was paying for farm machinery in 1952 and what he had to pay in 1958. These advertisements were placed in every county newspaper and undoubtedly had a profound effect on the election results. As I have stated on the floor, I have been patiently waiting for a good farm bill to be reported out by the Committee on Agriculture. I have received thousands of requests, and I do not exaggerate that figure, asking me what Congress is going to do about a new farm bill and whether Congress will pass such a bill before seeding time.

In previous years, the division of votes between Republican and Democratic Senators was very narrow and the Democrats took great delight in placing the blame of the farm situation on the President and Secretary Benson, but now the Senate is predominantly Democratic, 2 to 1, and they must assume the full blame for the lack of the passage of a good farm bill.

I have written my constituents repeatedly that the Congress is controlled by the Democrats and if they present a good farm bill, I will vote for it and if President Eisenhower should veto it, I will vote to override his veto. The new farm bill is solidly and unequivocally on the back of the Senators from the Democratic side of the aisle. January, February, March, and now we are approaching the middle of April and still no farm bill and further, from what I have been able to observe, there doesn't even appear to be a new farm bill on the horizon.

Recently I appeared before a subcommittee of the Committee on Agriculture, urging that they take action immediately on a farm bill. Several farm bills supported by North Dakota constituents were being discussed. What I am saying here, I said before that Committee on Agriculture. I urged them to act immediately. I don't want to appear overbearing but at least once a week, I shall stand on the floor of the Senate and remind the Senators that although they were most stirring in their appeals to the farmer before November election, however, they appear to be very silent since November in the passage of a good farm bill.

I simply do not believe in hyprocrisy. If these farmers were being robbed and cheated and put out of business, as was so strongly stated by the Democratic opposition last fall, why haven't they done something to remedy the situation; why haven't they at least reported a bill out of the committee which they control 2 to 1? Certainly the farmers of the Midwest are entitled to better treatment than they have been getting. Because I know they should get a better deal, I wish to add my voice to those of the farming population who are asking for a square deal from the Congress. I reiterate, I, also, wish to assure the Democratic leadership that if they will report out a decent farm bill, I will not only vote for it, but if the President vetoes it, I will vote to override the veto.

USE OF MAILS FOR DISTRIBUTION OF OBSCENE MATERIAL

Mr. LANGER. Mr. President, an Associated Press story reveals an announcement by Postmaster General Summerfield of the simultaneous raids on the New York City headquarters of three men, whom he described as among the east coast's largest dealers in obscenity. I am most happy to read of these raids which followed the opening of a sealed indictment returned by a Federal grand jury in New York, charging the men with using the mails to distribute obscene and pornographic films, slides, pictures, and circulars.

I am glad the Post Office Department as well as the U.S. attorney's offices and State and city law enforcement groups are constantly striving to wipe from the face of this country peddlers of filth who are contaminating the minds of our young.

As the ranking Republican on the Senate Juvenile Delinquency Subcommittee for a number of years, I am happy to note that our subcommittee conducted investigations and hearings into the distribution and sale of pornographic material, which amounted to a $500 million-a-year business. As a result of our hearings, we were able to wipe out five or six of the largest producers and distributors of pornographic material. Some went to jail; others were forced out of business by injunction.

I have received thousands of letters from parents and religious and civic organizations urging the subcommittee to do everything it can to stop the production and distribution of pornographic material.

I ask unanimous consent that the article which was published in the Washington Evening Star of March 7 be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Apr. 7, 1959]

POSTAL OBSCENITY RAIDS NET THREE BIGGEST DEALERS

Postmaster General Summerfield today announced simultaneous raids on the New York City headquarters of three men whom he described as among "the east coast's largest dealers in obscenity."

The raids, by postal inspectors and U.S. marshals, followed the opening of a sealed indictment returned by a Federal grand jury in New York charging the men with using the mails to distribute obscene and pornographic films, slides, pictures, and circulars.

DESCRIBED AS DEFIANT

Mr. Summerfield described those involved as "defiant and ruthless purveyors of mail order filth."

Those named in the indictment, Mr. Summerfield said, were:

Ben Himmel, 43, of Forest Hills, Long Island, operator of Pigalle Imports.

William Glanzman, 33, Atlantic Beach, N.Y., operator of Monart, Inc., and Bowery Enterprises.

Sidney Poss, 40, Brooklyn, operating Jefferson Creations, Milco Specialties, and Glamacolor Productions.

Mr. Summerfield said each of the men had a long record of using the mails to sell obscene material, and had, in the past, adopted fictitious names when the Department attempted to bar them from using the mails.

FLOOD OF COMPLAINTS

He said the Post Office Department has had a flood of complaints from clergymen, parent-teacher associations, high school principals, college presidents, newspaper editors, and alarmed parents.

"The purpose of today's coordinated raids, which is the largest single action of record," Mr. Summerfield said, "was to seize the operators and impound enough evidence to once and for all put these offenders out of business."

RADIATION HAZARD ACT OF 1959

Mr. HILL. Mr. President, I introduce for appropriate reference a bill which will vest in the U.S. Public Health Service the primary responsibility for developing, in consultation with State and local health authorities, a program to protect the public health and safety from the perils implicit in manmade sources of ionizing radiation.

Shortly before the Easter recess a report was made to the Surgeon General of the U.S. Public Health Service by the National Advisory Committee on Radiation. That committee made it clear that the absence of a comprehensive program through which the health hazards of all sources of ionizing radiation may be brought under supervision appears to be an important weakness in this Nation's efforts to control radiation. The bill which I am introducing, Mr. President, is based upon the report of this committee of outstanding scientists and has as its objective the carrying out of the committee's recommendation that primary responsibility for the Nation's protection over radiation hazards be established in a single agency of the Federal Government and that that agency should be the U.S. Public Health Service.

Here, briefly stated, is what the bill will do. It declares it to be the policy of this Government that primary responsibility for the protection of the public health from radiation hazards shall be vested in the Public Health Service and in State and local health authorities. It instructs the Surgeon General to develop, in consultation with Federal, State, and local agencies exercising responsibilities in connection with the control of radiation hazards, uniform standards of radiation protection. It authorizes the Surgeon General to conduct research, studies, investigations, and training programs with respect to the control of radiation hazards both directly and through grants-in-aid. It establishes a National Advisory Council on Radiation Hazard Control, to be appointed by the President and to consist of 15 members, including the Surgeon General of the U.S. Public Service, the Secretary of Defense, the Chairman of the Atomic Energy Commission, and the Director of the National Science Foundation. And finally, it requires the Surgeon General to submit to the Congress not later than February 28, 1960, a comprehensive program for the control of radiation hazards emanating from all manmade sources. This program will be developed by the Surgeon General after consultation with Federal, State, and local agencies exercising responsibilities in connection with the control of radiation hazards.

The problem which this bill is meant to help resolve, Mr. President, is that of the peril to ourselves, our children, and to the future of the entire human race which has resulted from the creation and the rapid development of manmade sources of potentially destructive radiation.

It is a problem to which many of our colleagues have persuasively addressed themselves. Only a few days ago the Senator from New Mexico [Mr. ANDERSON], chairman of the Joint Committee on Atomic Energy, the Senator from Minnesota [Mr. HUMPHREY], chairman of the Foreign Relations Subcommittee on Disarmament, and other Senators joined in a most thought-provoking discussion of the radiation hazard which confronts us all. On several occasions the Senator from Rhode Island [Mr. PASTORE] whose concern with the protection of the people's health is so well known to us all, has spoken on this problem. And the record shows that many Members of the House of Representatives have spoken to alert the Nation to the necessity of coming to grips with the risks and hazards of ionizing radiation.

It is because what they have said has been so well said that I will speak but briefly of the problem as I see it. Man in the last half century has let loose in the world forces which we do not as yet fully understand. We do not fully know either their potentialities or their hazards. The data on which to base conclusions is scanty. The conclusions so far arrived at are altogether tentative. The one single and apparently universally accepted conclusion is that we are dealing with forces capable of producing such ionizing radiation as may well decimate or obliterate human life.

The developments with which we are concerned began with the invention of the roentgen ray just before the turn of the century. That discovery, we all realize, has resulted in much that has meant life and better health for our people. It has, however, also resulted in problems which would, of themselves, be most serious even if they were the only radiological problems currently besetting us. But when in recent years man unleashed the power of the atom he concurrently began to bring into being still further and more alarming problems involving still greater exposure of human beings to ionizing radiation. The problem with which we are concerned is a problem of health. It is the health of our people that is being increasingly threatened by the cumulative forces of ionizing radiation to which mankind is becoming exposed.

Most people think of this problem solely in terms of the danger of radioactive fallout. The fact is that throughout all history mankind has been exposed to ionizing radiation from natural sources. A further and most important fact is that beginning in 1895 we added to these natural sources of ionizing radiation the first manmade sources of such radiation—the X-ray. Assuming that we can express the amount of radiation to which we are exposed from natural sources as having remained at a constant 100 units throughout the past, we must next note the fact that, whereas in 1925 our people on the average began to be exposed to an additional 15 such units from X-ray sources, this latter exposure increased to 40 units by 1935, to 75 units in 1945, and to 135 units in 1955. In short, in the brief span of 30 years we have so developed the use of X-ray in this country that today exposure to its resulting radiation far exceeds the amount to which we are subjected through natural sources. When we add to this the ionizing radiation to which mankind already has been and in the future may be exposed as a result of emanations from atomic sources, I think it becomes obvious that some effective control over all sources of ionizing radiation must be brought into being. I think it obvious, too, that such controls must be vested in that agency of Government which has but one responsibility—that of protecting the Nation's health. I would point out that such

responsibility does not exist today. Some governmental agencies have responsibilities for protecting the public's health from radiation hazards resulting from their own activities. No agency has the responsibility of devising ways and means of protecting our people from the totality of exposure to ionizing radiation.

What I have said explains the reasons why I am introducing this bill. Now let me speak for a moment on why the bill has taken the form in which it now appears. I recognize that the problem is both serious and urgent, but I am also aware that it is so complex and has such far-reaching implications that we must not permit ourselves to be stampeded into precipitous regulatory action. For this reason the bill does not create any new powers in the field of radiation hazard control but instead calls for a report in February of 1960 from the Surgeon General, in which he is directed, after consultation with Federal, State, and local agencies exercising responsibilities in connection with the control of radiation hazards, to submit to the Congress a comprehensive program for the adequate control and regulation of such hazards.

Senators will notice, I hope, that the bill does not affect the activities of the Atomic Energy Commission, the Department of Defense, or other Federal agencies concerned with the development or utilization of atomic power. Nor does the bill in any way affect the existing responsibilities of the Food and Drug Administration for protecting us against contaminated or dangerous foods, drugs, or X-ray equipment. It would, if enacted, immediately put Federal, State, and local public health services in a position to begin accumulating the knowledge and training the personnel which they will need to control radiation hazards already in existence and stemming from non-Federal activities. It will enable the Public Health Service to begin work on the formulation of standards needed to measure the totality of the radiation to which a community may be exposed with safety. But when it comes to the question of how best to vest primary responsibility for protecting our health against the hazards of all forms of manmade radiation, including those resulting from our need to protect the Nation against totalitarian threats and our desire to expand the peaceful uses of the atom, then the bill proposes that we proceed with the caution and the care necessitated by the seriousness of the problems involved. Here we propose that the Surgeon General, in cooperation with the Atomic Energy Commission, the Department of Defense, and every agency exercising responsibilities in connection with the control of radiation hazards, including State and local health agencies, develop and submit to the Congress such a plan as will, within the limits of our power, provide for the protection of our people from radiation hazards.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1628) to provide for the vesting of primary responsibility for the protection of the public health and safety from radiation hazards in the Public Health Service of the Department of Health, Education, and Welfare, and for other purposes, introduced by Mr. HILL, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

FAMILY-SIZED FARMS

Mr. HRUSKA. Mr. President, I introduce for appropriate reference a bill relating to the sale of surplus lands at the Hastings, Nebr., Ammunition Depot.

While this bill is brought about by the situation near Hastings, it will deal with a problem which does and will soon exist in several of the 50 States.

There is a great deal of talk and writing about the family type or family size farm. But not much is done about it.

There is one area in which concrete progress can be made. It comes about by sale by the Federal Government of those of its landholdings which are declared surplus.

Mr. President, the Navy Department has announced that its large ammunition depot near Hastings, Nebr., will soon be disestablished as a result of a general reduction of its shore installations. As a result of the cutback, the tract of land occupied by the depot, which is approximately 53,000 acres in size, will be available for disposal.

Considerable oppostion has been expressed by the people in the Hastings region to the idea that a single landowner, or a very small number of them, might obtain possession of this surplus land. From a thorough study of the situation, I have become convinced that it would promote the well-being of our country generally, and American agriculture particularly, for the land to be disposed of in family-size units, which type farms remain the backbone of our rural economy.

The tract now occupied by the naval depot was assembled through the purchase or condemnation of numerous farm units. As the land is better suited for agricultural uses than to any other purpose, we should take every step to insure that the individual farm operator will not lose this extraordinary opportunity to establish a home and a means of livelihood for his family from this land.

The bill I am introducing is designed to insure the disposal of this and similar surplus tracts of land in family-type farm units. It provides that any tract exceeding 2,000 acres in area determined to be surplus which has been devoted to the production of crops and is immediately suitable for agricultural uses shall not be disposed of in parcels of more than 320 acres to each individual or family group.

This acre limitation would not apply to any such surplus land upon which buildings are located if they are still in usable condition for industrial, commercial, or residential purposes. The present law would remain effective in such instances. Every encouragement should be given to induce industry to locate upon and activate buildings and areas suitable to its purposes.

One of the most contentious and controversial legislative subjects is that of agriculture, with its almost limitless areas and varieties of activities and aspects.

Yet there is one feature of it upon which there is general agreement: the desirability of the family type and operated farm.

Its place and importance in the building of America was first realized and established in colonial times. The sources of strength which it creates were in the mind of Lincoln when he strongly advocated, and later signed into law, the far-reaching National Homestead Act of 1862, which authorized freehold farm tracts of 160 acres to citizens agreeing to make their homes on them for not less than 5 years.

My native State of Nebraska has participated in this tradition. The first homestead application under the act of 1862 was filed in Brownsville, Nebr., on January 1, 1863. A national monument marks the 160-acre tract near Beatrice, in Gage County, where Daniel Freeman lived and farmed after his filing.

HIGH PLACE OF FAMILY-TYPE FARM IN AMERICA

By tradition over decades and decades, the family type and operated farms come honestly and firmly to high place and estimate.

They spell the difference between the life of a tenant or laborer, on the one hand, and an independent operator, on the other hand. They determine so much the character of the neighborhood in which he will raise his family.

Not only is the farmowner in charge of his own destiny to the maximum one may be these days, but he has a chance to get ahead, and to rear a family in one of the most wholesome of circumstances.

Where smaller, owner-operated farms exist, there will be good, progressive schools, hospitals, churches, and various community enterprises that make for useful citizenship and enjoyable, healthful living.

Such things are possible because of the number of people which many small farms can support. The farmer's family in the first place. The grocer from whom they buy food; the clothing merchant; the farm implement dealer; the lumberyard; the dealer in autos and trucks, and the gas, oil, and repairs to run them; the neighbor from whom they buy their seed, feed, and fertilizer; the man who supplies wells and irrigation equipment; the doctor, dentist, lawyer, the builder, and so on and so on.

It is such as these that Senators Hans O. Jensen, 25th district, and Richard Marvel, 31st district, had in mind when they proposed in the Nebraska Unicameral Legislature a resolution, reading in part, "Whereas, the family-sized farm remains the backbone of American agriculture."

But such things do not come about, Mr. President, if the prairies are changed into farms so large that a man standing at one end of a furrow cannot see its other end because of sheer distance—a furrow so long and a field so

wide that only the largest, most specialized, and most expensive farm machinery can successfully cultivate it.

Too many forces which we cannot control are driving our farms into the automation which comes with large operations.

But when we encounter a situation arising where such trend can be stopped, we surely should take vigorous, courageous action.

ANNOUNCEMENT TO CLOSE HASTINGS NAVAL DEPOT

Mr. President, this surely was done by Nebraskans of Adams and Clay Counties when announcement was made last December by the Navy Department of plans to discontinue and dispose of the 53,000-acre Navy Ammunition Depot, located near Hastings, and in the two counties named.

This installation, which proved to be a defense bulwark in World War II and in the Korean war, was formed at heavy cost, not only in dollars, but in eliminating scores upon scores of family-operated farm units.

With announcement of impending sale of this land as surplus, came the dread fear to the many fine folk of that area, that large land investors—either individual or corporation—would come into the scene to buy the land in a single or large tracts, and thus hasten the many other factors which are working so relentlessly toward further defeat of the family-type farm tradition.

TWO PROBLEMS ARE PRESENT

Situations of this kind, which exist the Nation over, as I shall show presently, really bring two problems because while the land on which the depot is located is in large part suitable for farming, parts of it have been improved by the erection of buildings of various kinds. In each instance, the highest possible use should be made of both. The problems, then, are these:

First. To put to full and beneficial use that part of the improvements which lend themselves to industrial, commercial, or even residential purposes. The desirability of establishing payrolls in farming States and areas, is well known. Full advantage should be taken of such opportunities.

Second. The sale and operation of the agricultural land in question in family-type and size farms, "the backbone of rural, farming America."

FEARS ARE JUSTIFIED UNDER PRESENT LAWS

As to the second of these goals, research of statutes shows that the expressed fears of citizens of Adams and Clay Counties are justified. Family-type and operated farms are not favored by the laws under which surplus lands of this kind are sold. They do not provide any preference or priority to former owners.

In an effort to enable these former owners to bid for the property as effectively as possible under present laws, the General Services Administration which is in charge of the sale, tried to offer the property in separate tracts as much as practicable, and then offers them for sale at public auction.

The result of the public auction, however, is a dismal one for the normal individual farmer who seeks to bid. The competition of the large, well-capitalized investor—whether personal or corporation—is too strong and weighted against the man who seeks to acquire the land for the purpose of tilling it himself.

CORRECTIVE BILL IS PROPOSED

To overcome these difficulties and to be of as much help as possible to reach the desired goals, I have prepared and am sending to the desk, a bill which is designed to insure the disposal of this and similar surplus tracts of land in family-type farm units. The bill is proposed as an amendment to the Federal Property and Administrative Act of 1949, under which surplus property is disposed of.

It provides that any tract of surplus land exceeding 2,000 acres in area which has been devoted to the production of crops and is immediately suitable for agricultural uses, shall be disposed of in parcels of not more than 320 acres to any one individual or family group, as specified in the bill.

These limitations would not apply to any such surplus land upon which there are buildings or improvements if they are still in usable condition for industrial, commercial, or residential purposes. The present law would remain effective in such instances, since every encouragement should be given to induce proper persons or companies to locate upon and activate buildings and areas suitable to their uses.

The bill contains provision for preference to former owners. It is realized that the Surplus Property Act of 1944 did contain such a provision for former owners, and 5 years later the experience was so unfavorable that it was left out when the 1949 act was passed.

It is my plan, Mr. President, to make further inquiry into the reasons for the omission of the former owner preference from the 1949 act, when the hearings are held on this bill. If the reasons for such omission no longer exist and if some practical way can be worked out to reinstate it into law, I would strongly advocate that such preference be accorded. In this way, some equity will be done in favor of owners who were forced to part with the land for defense purposes which have now been served.

THE BILL IS GENERAL LEGISLATION

While the introduction of this bill is brought about because of a situation arising near Hastings, Nebr., it is designed to deal with a problem which has or shortly will exist in several of the 50 States.

The Navy Department recently announced that several such depots in various States, including the Hastings Depot, are no longer needed and will be disestablished as soon as it is feasible to do so. This may take several years to accomplish. In the meantime, the operations will be continued at reduced levels, and as soon as any portions of a given depot no longer serve any purpose, it is planned to declare it excess land, and prepare it, through proper departmental procedures, for disposition by the General Services Administration as surplus land.

The Navy's decision to close such depots is based upon radical and vast changes in weapons and methods of modern warfare and defense needs.

In addition to the several Navy depots to be disposed of, there will undoubtedly be other tracts of land which the Government will relinquish from time to time.

Insofar as such land was taken from family operated farm units and insofar as it can be returned to that use, it should be made possible to get that job done. The proposed bill will enable this to be done.

THE WILL AND DETERMINATION OF PEOPLE INVOLVED

What has happened in Nebraska when this situation was presented will no doubt happen in other areas when their time comes. It was heartening to see how these ideas which are so elementary, yet so fundamental, took quick, wide, and enthusiastic hold.

The Blue Hill, Nebr., Leader, of which Byron Vaughan is editor, put it this way:

> The thousands of acres of farmland comprising the Hastings Naval Ammunition Depot was purchased from farmers. * * * Today there is no longer need for the depot and the land will be returned to the farmers * * * that is, to those who are able to buy.
>
> * * * Since the depot is apparently situated over the best irrigation water supply in Nebraska, an ideal situation would result if the return to the farmers were handled with care.
>
> What a farming area it could be if the depot could be divided into small farms, well irrigated and highly tilled. To gain that end, it seems to us that farmers with limited financial means should be permitted to buy this land.

The Clay County News—Mr. King, editor—of January 29, carried an account of one of the mass meetings held in the community to discuss this subject. In part, this news story stated:

> As expressed at the meeting, sentiment is overwhelming for family-size farms; not more than a half section at the most—preferably quarter section farms. * * * Clay County, with more than 42,000 acres of its area seized by the Government, was dealt a hard blow by this seizure. Now Federal authorities, and the Navy Department in particular, have an opportunity to make amends. All that is asked is that the sales of NAD lands be restricted to individual buyers; no buyer be permitted to buy more than 320 acres—directly or indirectly.
>
> If possible, original owners from whom the land was seized be permitted to bid in former holdings; next, veterans be given preference.

POSITIVELY NO AUCTION SALE OF THE LANDS IN A SINGLE UNIT

The Nebraska Unicameral Legislature debated and adopted a resolution which was proposed by Senator Hans O. Jensen, 25th district, and Senator Richard Marvel, 31st district. The sense of the

resolution is pretty well stated in these words:

Whereas the family-sized farm remains the backbone of American agriculture. * * *

This legislature respectfully requests the General Services Administration offer the Hastings Naval Depot for sale in seperate tracts of such size as to be economically feasible family-sized farm units.

While I have received many, many letters from many fine folks on the subject, I should like to refer to the one written by S. W. Moger, who was for many years county attorney of Clay County. He is a good lawyer, and a sound citizen; I am proud to have had him for a personal friend for many years. He has been very active in the drive to make suitable progress on the matter of eventual sale of the depot lands.

Mr. President, I ask unanimous consent that the full text of his letter be printed at the conclusion of my remarks, together with the January 29, 1959, news article of the Clay County News, the full text of the resolution of the Nebraska Unicameral Legislature, and the text of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOW THE LAND BECOMES SURPLUS

Mr. KRUSKA. Mr. President, when the Navy will have no further use for the land, it will declare it to be excess land. Thereupon the Secretary of Defense will inquire as to whether any other agency of the Department of Defense has any use for it. If not, it will be certified to the General Services Administration, which will make inquiry if there is any other public use to which it can be put within the provisions of the 1949 act. If no such other use is found, then the land is ready for advertising and sale.

It will take the Navy several years to disestablish the depot, and be ready to move off of the place. The handling of ammunition is expensive. It should be done not only in an economical way, but also in a safe way.

But surely as time goes on, the Navy will be ready to release tracts of land of substantial size for which they do not have any use. An example of that is to be found in the sections at the eastern portion of the depot. Such areas should not be leased out again, when their present leases expire. They should be offered for sale, so as to get them back into private ownership, and preferably into individual owner's hands.

CONCLUSION

It is my earnest hope that the bill which I hereby introduce will be promptly and favorably considered, so that it will be operative by the time such sales will be made.

It should be repeated that this bill does not propose legislation for a special project. It will be of wide application. It will be wholesome and is much needed. I request that it be appropriately referred, and urge that it be considered favorably as speedily as possible.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1630) to amend the Federal Property and Administrative Services Act of 1949 to require the disposal of certain surplus land for use in the production of crops through the operation of family-type farms, and for other purposes, introduced by Mr. HRUSKA (for himself, Mr. CURTIS, Mr. LAUSCHE, Mr. CAPEHART, Mr. YOUNG of North Dakota, Mr. LANGER, Mr. HUMPHREY, Mr. HICKENLOOPER, Mr. BENNETT, and Mr. ALLOTT), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter, resolution, article, and bill, which were ordered to be printed in the RECORD, are as follows:

CLAY CENTER, NEBR.

Hon. ROMAN HRUSKA,
U.S. Senate,
Washington, D.C.

Re Naval ammunition depot land, Hastings.

DEAR SENATOR HRUSKA: No doubt you wonder why I have not written you before because I imagine you have heard from a great many people in this locality concerning the sale of the Navy depot land.

I am a member of one of the committees regarding our proposals and we have put in quite a good deal of study as to what we think ought to be the fair and reasonable way of handling the sale of this kind and we have taken upon ourselves considerable time to talk with the different people who once owned the land, which was taken from them and with the general public.

After considerable discussion we feel that it is very important to our community that the several recommendations be requested to help our community.

I think you will recall what a tremendous hardship that was placed upon the farmers who lived in the area, who were required to move and leave everything behind and in some instances within a very few hours notice. In addition to that you will recall the values and appraisement that was made on this land in the land acquisition actions. Some of these parties had new modern buildings and I think that probably the top price of their farms was appraised at $75, some of them as low as $25 using the depressed values of land at that time. It was unpatriotic to demand the Government more than the appraised values. No one was able to purchase like land for the money that was paid them by the Government and it caused extreme hardship to many of them.

I know that you are familiar with the location of this land and when it was taken one-half of the trade area was taken away from the business men in the community.

Now we hope that this land will be turned back as you know they really have no use for much of this land particularly the three tiers of sections on the east side of the area. There are no roads, no buildings, no fences or improvements of any kind on this property. We are in hopes that the Government will not be too hard upon them to put this land back in family sized units where people can afford to buy and reimprove this land. We suggest that no one person be eligible to purchase more than 320 acres.

We feel that the persons who lost their land or their families be given the opportunity to purchase the land which they lost.

We feel that this land should not be sold at the competitive bid but that it be appraised in the same manner in which it was taken, that consideration be given in the appraisement of the fact that there are no roads, no fences, no improvements and not even a fence post that they could use.

We feel that if there is a second choice that veterans be given the opportunity to purchase or file on the same and if necessary a drawing be had among them, after which the land be sold to any individuals in family sized units.

Now we realize that this is a big assignment that we are passing on to you but I know your ability and know that if anyone can do it you and your colleagues can. I know what it means to this community.

I appreciate your announcements that you have made to the press with reference to our requests.

If you can spare the time I would certainly appreciate any suggestions or any information as to the progress that is being made. If there is anything that any of us should do to further this cause, such information would certainly be honored.

I trust that I will get to talk with you personally about this and any other matters or information that you might wish for me.

With personal regards, I am,

Yours very truly,

S. W. MOGER,
Attorney.

LEGISLATIVE RESOLUTION 15—LEGISLATURE OF NEBRASKA

Whereas the Hastings Naval Depot has been declared surplus by the United States Navy and its sale by the General Services Administration is expected; and

Whereas the tract of land of which such depot is composed was assembled through the purchase or condemnation of numerous farm units; and

Whereas such land is better suited to agricultural uses than to any other purpose; and

Whereas the family-sized farm remains the backbone of American agriculture: Now, therefore, be it

Resolved by the members of the Nebraska Legislature in 69th session assembled:

1. This legislature respectfully requests that the General Services Administration offer the Hastings Naval Depot for sale in separate tracts of such size as to be economically feasible family-size farm units.

2. That a copy of this resolution, suitably engrossed, be sent to the General Services Administration and to each Member from Nebraska in the United States Senate and House of Representatives.

DWIGHT W. BURNEY,
President of the Legislature.

I, Hugo F. Srb, hereby certify that the foregoing is a true and correct copy of Legislative Resolution 15, which was passed by the Legislature of Nebraska in 69th regular session on the 6th day of February, 1959.

HUGO F. SRB,
Clerk of the Legislature.

[From the Clay County News, Sutton, Nebr., Jan. 29, 1959]

CLAY CITIZENS ASKING FAMILY SIZE FARMS AT NAVAL AMMUNITION DEPOT—MORE THAN 100 ATTEND CLAY CENTER MEETING—ORGANIZING FOR HASSLE WITH POWERS THAT BE IN WASHINGTON

If the Clay Center meeting Monday night, attended by citizens from nearly every town and township of Clay County, represents the wishes of Clay County citizens generally, anything less than a return of Naval Ammunition Depot grounds to their status quo prior to World War II, if not possible to return to original family ownership, will be a flouting of public will. Worse, it will be a callous disregard of what is fair and equitable for Clay County as a whole.

WIDE INTEREST SHOWN

Wide interest in Monday night's meeting was shown. County co-ops are interested; the CCA of Kansas City phoned and expressed

complete accord with the meeting's objectives; this is a matter of concern to farmers generally, as well as to citizens of the towns. Sutton's representation Monday night included Martin Lewis, Demas Griess, and Paul Bender.

As expressed at the meeting, sentiment is overwhelmingly for family size farms; not more than a half section at the most—preferably quarter-section farms.

Corporation landownership is feared should the lands in any considerable quantity be offered for sale. Clay County, with more than 42,000 acres of its area seized by the Government, was dealt a hard blow by this seizure. Now, Federal authorities and the Navy Department in particular, have an opportunity to make amends. All that is asked is that the sales of Naval Ammunition Depot lands be restricted to individual buyers; no buyer be permitted to buy more than 320 acres—directly or indirectly.

If possible, original owners from whom the land was seized be permitted to bid in former holdings; next veterans be given preference.

Positively no auction sale of the lands in a single unit.

The preference is appraisal valuations of the tracts offered be determined and then the preference rule.

At this time the land is worth not less than twice as much, if not more, than was paid by the Government.

Use of local appraisers, as originally assigned, is also suggested.

In this manner, the Government will profit; the land will again be occupied by families; Clay County will again have a population growth that will restore some prestige and privileges lost because of the loss occasioned by seizure of the land.

Which seems fair and reasonable.

Actually, little has yet been learned of Navy plans for the properties. Reportedly, an effort is being made to sell to a large arms corporation some of the land and buildings.

In another column on this page is found the Curtis report as released in Washington Saturday.

What the county organization hopes for is a flood of letters from Clay citizens to our two U.S. Senators, CURTIS and HRUSKA, and our Congressmen. Later, perhaps, a local delegation will be sent to Washington.

At this time, the brunt of the activity is centered in the committee which called the meeting: Attorneys John Sullican, S. W. Moger, and J. T. Massie; Dale Thomas, James Stych, and R. R. Byrkit.

Volunteer committeemen were also named at the Monday night meeting. They are Demas Griess and Dale Pope, Sutton; Gerald Stahl, Harvard; Vernon Grummert, Edgar; Howard Hanson, Fairfield; Fred Ellermeier, Glenvil; Melvin Salmon, Trumbull; Jack Hubbell, Deweese; Lyle Hinrichs, Inland; Herbert Johnson, Ong; Wayne Erickson, Saronville; and Jack Peshek, Fairfield.

The number of acres involved total 48,752.77, of which 42,747.53 are in Clay County.

Whether two section areas on the east are presently involved, with a three-section area with 29 sections, is speculation. But if the land is held to quarter sections, it would mean 80 to 116 additional farm families on our farm lands if sales are confined to quarter-section tracts.

The important thing at this time, as the countywide committee sees it, is for as many citizens to write as many letters as they can to Senators HRUSKA and CURTIS; to Congressmen WEAVER, BROCK, MCGINLEY, and CUNNINGHAM.

SENATOR CURTIS SUGGESTS PLAN FOR NAVAL AMMUNITION DEPOT LANDS—BUILDINGS TO INDUSTRY; SMALL TRACTS FOR NEW OWNERSHIP OPERATION

Washington dispatches to Nebraska newspapers from Senator CURTIS Monday told how the Senator was working toward a plan for using naval ammunition depot lands and buildings. He offers a four-point program that should be satisfactory to citizens of the area generally telling the Navy Department his plan is the result of personal reactions presented to him by citizens affected.

He urges the Navy Department to consider:

Any land or buildings which will not be used by the Navy be made available for farming and industry.

Farm land, when offered for sale or leasing should be in parcels suitable for individual family-sized operations.

Former owners to be given every possible consideration.

Study the problem of making payments in lieu of taxes from income producing property which may be leased by the Navy.

Senator CURTIS said he has been informed that only 200 acres of land is being offered for sale at present.

He also states definite plans have been announced for the closing of the vast installation, which was commissioned in 1943, covering some 85,000 acres of farm land in Adams and Clay Counties. Not all of the land is used by the Navy and a number of farming operations are now being carried on by leaseholders.

S. 1630

A bill to amend the Federal Property and Administrative Services Act of 1949 to require the disposal of certain surplus land for use in the production of crops through the operation of family-type farms, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) is amended by adding at the end thereof the following new subsection:

"(p) (1) Any tract of land exceeding two thousand acres in area which has been determined to be surplus property may be disposed of only in conformity with the requirements of this subsection if the major portion of such tract (A) has been devoted to the production of crops before its acquisition, or during its ownership or control, by any executive agency, and (B) is suitable for use in the production of crops.

"(2) Before disposal, any such tract shall be divided into separate parcels, no one of which may exceed three hundred and twenty acres in area, in such manner as to provide the maximum practicable number of parcels suitable for use in the production of crops through the operation of family-type farms.

"(3) Whenever any such tract includes land acquired by an executive agency after January 1, 1940, from one or more private owners who, before such acquisition, used that land chiefly for the production of crops in the operation of family-type farms, the boundaries of the separate parcels of land into which such tract is divided pursuant to paragraph (2) shall conform to the greatest practicable extent to the boundaries of the farms which existed at the time of their acquisition by such executive agency. In the disposal of any parcel of land the boundaries of which are so determined, appropriate notice of the proposed disposal thereof shall be given by publication made pursuant to regulations prescribed by the Administrator. The former owner of the major portion of any such parcel shall be entitled to purchase that parcel, at any time within 90 days after publication of such notice, upon the payment of the fair market value thereof for use in the production of crops, as determined by appraisal made in conformity with regulations prescribed by the Administrator. As used in this paragraph, the term 'former owner' means the person or persons from whom the major portion of any parcel of land, or any interest therein, was acquired by an executive agency; or if any such person is deceased, his spouse, if living; or if such spouse is also deceased, one or more of his natural or adopted children. If no former owner purchases any such parcel within the prescribed period of time, that parcel may be disposed of pursuant to paragraph (4).

"(4) Any parcel of land contained in any such tract which is not subject to, or disposed of pursuant to, the provisions of paragraph (3) may be disposed of by sale, after advertisement for bids, to any one individual, or to a husband and wife, or to a parent and one or more natural or adopted children.

"(5) No individual who has acquired by any means an interest in any parcel of land which has been disposed of pursuant to this subsection shall be eligible to acquire through any transfer made under this subsection any interest in any other such parcel contained in any tract of land if that other parcel is situated less than three miles from any such parcel in which that individual previously has acquired an interest.

"(6) Each instrument executed for the transfer of any parcel of land pursuant to this subsection shall contain such provisions as the Administrator shall determine to be effective to insure that for a period of not less than five years after the execution of that instrument that parcel will not be used for purposes other than the production of crops and uses incidental thereto."

(b) The amendment made by this Act shall take effect on the first day of the second month beginning after the date of enactment of this Act.

UNEMPLOYMENT

Mr. KENNEDY. Yesterday the Department of Commerce announced that 4,362,000 people were still out of work in March.

Perhaps the most serious domestic failure of this administration is its refusal to deal adequately with this high plateau of unemployment which blocks our economic recovery. For not only have its economic policies restricted our productive growth but, even more seriously, they have failed to recognize the human problems of economic lag—the problems facing men and women who are out of work for a sustained period of time.

It is for this reason that I again introduced this year, as in 1954 and 1958—and joined this year by the junior Senator from Minnesota [Mr. MCCARTHY], the senior Senator from New Jersey [Mr. CASE], and 31 other cosponsors—proposed legislation which would increase the coverage and establish nationwide minimum standards for the payment of unemployment compensation benefits, both as to amount and duration. The average person out of a job today, if he receives any benefits at all under the present system of limited coverage, is required to support his family while looking for a new job on an average benefit check of $31 per week. Obviously, this cannot be done. According to a University of Michigan survey, about 44 percent of these unemployed workers have at least some savings on which they can draw during an emergency, but the savings will not last long. About 23 percent are forced to take help from rel-

atives; about 6.5 percent must fall back on help from public relief and welfare agencies.

Moreover, even this inadequate protection provided by the law lasts, in some States, for less than 90 days. Some attempt was made last year, and again this year, to enact an emergency program to meet the needs of the unemployed. Last year I offered, as a part of the bill for Federal minimum standards, a program of temporary benefits which would tide the jobless workers over until the permanent program could become effective. Unfortunately, both the temporary program and the permanent amendments to the unemployment compensation law which were in that bill were sidetracked in favor of an administration-backed bill, which simply permitted each State legislature, if it so wished, to use its own resources or credit to extend its own benefit period by up to 50 percent.

That bill did nothing for the great bulk of our unemployed workers. It did little to restore purchasing power. It was wholly inadequate even as an emergency bill.

On April 1 that bill was scheduled to expire, and a valiant effort was made to substitute a more meaningful measure. On March 9, the Senator from Michigan [Mr. MCNAMARA] and 17 other Senators, of whom I was one, introduced a bill to provide an emergency unemployment extension program of much wider scope than the one which was adopted last year. Thirty-eight Senators voted for this program. Then, by an overwhelming vote of 52 to 32, the Senate adopted an amendment offered by the Senator from Minnesota [Mr. MCCARTHY] which would have made some slight improvement in the measure under consideration. But even this token acknowledgement of the existence of a serious unemployment insurance problem was rejected by the conference committee, and we now have a temporary bill under which no person who exhausts his benefits after April 1 can have them extended unless the State voluntarily, with no help from the Federal Government, is able to and does take some action.

If the temporary bill I introduced last year, or the McNamara bill, which I cosponsored this year, had been enacted, it would temporarily extend the coverage, raise the benefits, provide for a substantially extended duration of benefits, and be a reasonably adequate stopgap solution for the unemployment crisis we face today.

But we need more than stopgap solutions. The inequities and inadequacies of our unemployment compensation system preceded this emergency; and they will long outlive it, if Congress does not correct them now. If the system is not now adequate to the test of the current recession, it will not be adequate for any future recession. If it offers little help to unemployed workers and their creditors now, it will offer them no more help in better times.

I therefore urge that this session of the 86th Congress make it a primary order of business to enact a law which will give to every unemployed man and woman, who is seriously seeking work, a jobless insurance payment equal to at least one-half of his weekly wage—up to a maximum of two-thirds of the average wage in his State—and continue that payment up to a uniform maximum of 39 weeks.

This will restore our unemployment compensation system to the role it was intended to play in the life of our economy and in the life of our jobless workers. Instead of perpetuating the weaknesses and inequities of the present program, this will remove them. Instead of widening the gaps in employers' taxes in the various States, it will narrow them. Instead of delaying relief while legislators debate and lawyers argue, it will put money into the hands of the unemployed. In short, it offers a nationwide solgution, for all States, for a national problem.

The House of Representatives has begun hearings upon this bill. I urge that the Senate follow suit; and I hope that a measure may be sent to the President before another stopgap measure is necessary and before our unemployment rolls grow even larger.

But we cannot wait for the President to act, for he has already made it clear that he does not share our concern, and that he wants to leave this problem to the States. We cannot wait for the States to act, for the fear of an unequal tax burden has prevented them from meeting these standards since they were first urged by the President some 6 years ago. It is up to the Congress to take appropriate steps.

There will be objections to this legislation; there will be powerful forces against it. But to do less would be to fail in our basic responsibility to a group of fellow Americans whose plight bears comparison, in its desperation and need, to any the world over.

Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

ADJOURNMENT TO FRIDAY

Mr. KENNEDY. Mr. President, if there is no further business to come before the Senate at this time, under the previous order I move that the Senate adjourn until Friday, at noon.

The motion was agreed to; and (at 6 o'clock and 1 minute p.m.), the Senate adjourned, the adjournment being under the order previously entered, until Friday, April 10, 1959, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 8, 1959:

DIPLOMATIC AND FOREIGN SERVICE

To be Ambassadors Extraordinary and Plenipotentiary of the United States of America to the countries indicated:

Carl W. Strom, of Iowa, to Bolivia.

Ellis O. Briggs, of Maine, to Greece.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 8, 1959

The House met at 12 o'clock noon.

Rev. Charles W. Holland, Jr., pastor, Fountain Memorial Baptist Church, offered the following prayer:

Jesus said, John 14: 16: *I will pray the Father, and He shall give you another Comforter, that He may abide with you forever.*

Completely righteous and omnipotent Father God, as we pause to invoke Thy guidance upon this group, teach us to pray.

We thank Thee that Thou hast promised the presence and guidance of the Holy Spirit to Thy children.

Spirit of the living God, fall fresh on those who have made Thee Lord and Master of their lives. We thank Thee, God, that we can feel and depend on His presence in our midst.

Teach us as we study and work together to know His perfect will.

These requests and thanks we offer through Thy Holy Spirit. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS AND A JOINT RESOLUTION

A message from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, informing the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 23, 1959:

H.R. 2260. An act to extend the induction provisions of the Universal Military Training and Service Act, and for other purposes.

On March 25, 1959:

H.J. Res. 198. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution; and

H.R. 1776. An act to amend the act of June 28, 1958, entitled "An act to provide for a National Outdoor Recreation Resources Review Commission, and for other purposes."

On March 31, 1959:

H.R. 2294: An act for the relief of the Ellis Timber Co.; and

H.R. 5640. An act to extend the time during which certain individuals may continue to receive temporary unemployment compensation.

On April 3, 1959:

H.R. 5247: An act to increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program.

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the Committee on Banking and Currency may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TRANSFER OF SPECIAL ORDERS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the special orders obtained by the gentleman from Florida [Mr. SIKES], the gentleman from Montana [Mr. METCALF], and the gentleman from California [Mr. GEORGE P. MILLER], for today, be transferred to Friday, April 10.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMUNIST SUPPRESSION OF INDEPENDENCE MOVEMENTS

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, the bloody suppression of the movement for independence in Tibet has once again dramatically and tragically demonstrated to the world the essential nature of the Communist movement.

Just as in Hungary and in Lithuania, a proud and freedom-loving people are being systematically trampled under by this tyrannical movement which can brook no opposition.

The leader of the Tibetan religion has been driven from his country and the holy religious places have been shelled and badly damaged.

Religion, tradition, human values mean nothing to the small dedicated clique which rules Red China. The values which we hold dear are to them outmoded shibboleths which stand in the way of their progress and must be brushed aside.

Tragic though this present Communist aggression may be, it has had one helpful effect in that it has brought home to the uncommitted nations of Asia the fate that communism holds for them if they succumb to the blandishments of its leaders.

Tibet has two lessons for us in free America.

The first is that the essence of communism does not change and is antagonistic to our way of life without respect for the individual, our reverence for religion, and our regard for free institutions.

The second and more crucial lesson for us is the warning implicit in the Chinese action that we must look to our own resources and strengthen them in every particular in order to succeed in our struggle against communism.

Militarily, politically, and socially, we must do everything in our power to insure our continued progress as a nation and thereby show to all nations the capacity of our system to surpass the efforts of the totalitarians.

REDUCTION IN GREAT BRITAIN'S ANNUAL BUDGET

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, I do not believe any news is more disturbing to our American taxpayers than to read in today's press that Great Britain's annual budget includes nearly $1 billion in tax cuts.

This kind of news from overseas is further aggravating to our wage earners in view of the disheartening reports from here in Washington that tax relief for the taxpayers in this country will not be possible for many years to come.

Mr. Speaker, the citizens of the United States who are already heavily burdened with Federal, State, and local taxes have a right to gripe. They have a right to begrudge the Britons their tax relief. They have a right to ask: How can the British reduce taxes while we cannot?

Mr. Speaker, the American taxpayers are entitled to know that as a result of our foreign aid program we have lessened the military and civilian expenditures in some of these countries with the result that their budgets show a surplus while ours reflects a continuing deficit.

Mr. Speaker, while we know and appreciate the fact that there are great merits to our foreign aid program, it should be operated on the basis of need and not to produce surpluses in foreign budgets so that our foreign friends can enjoy tax relief while our citizens continue to be soaked with more and more taxes.

THE UNEMPLOYED IN DISTRESSED AREAS OF OUR COUNTRY

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an article entitled "I Had To Go on Welfare.")

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, today in the Nation's Capital we have thousands of unemployed from the distressed areas of our country and I am placing in the RECORD a breadwinner's own story, "I Had To Go on Welfare," as set forth recently in the Detroit Times and published without advance knowledge or participation of the Department of Public Welfare. It clearly sets forth the determination of an agency to do an effective job in guarding public funds and at the same time meeting the needs of the unfortunate citizen. The department of welfare in the city of Detroit is in the able hands of its general superintendent, Daniel J. Ryan, under the welfare commissioners.

Mr. Speaker, the article referred to above follows:

BREADWINNER'S OWN STORY: I HAD TO GO ON WELFARE

Seven hundred and four East Jefferson Avenue. The numbers, dimly seen above the entrance to the dark, forbidding building, proclaim that this is it—Welfare Department, Central Intake—the last hope.

Inhaling deeply, imagining this to be your last breath of fresh air, you shove the door open and walk in. Although you got out of bed early—5:30 a.m.—to avoid a long line, you find others have already arrived. From the single barred window marked "information" the line extends back to the entrance and then reverses itself, turns and continues across the far end of the room.

You place yourself at the end and get set for the endless wait. But it isn't too long. Before opening time, 8 a.m., the "information girl," a perfect characterization of someone's grandmother, gray-haired, bent, and seemingly senile, collects the application cards, numbers each, and sends the applicants to their seats, efficiently erasing the line in something less than 15 minutes.

Promptly 8 the loudspeakers begin summoning clients. Some are instructed to come to window 2, or window 4; others, not so directed, seem to know where to go—pushing through a swinging gate next to the windows, disappearing somewhere beyond.

TIME MATTERS NOT

You've barely had time to drink in the atmosphere: the high ceiling, the dirty walls, the subdued conversation, when your name is called—"Report to window 3." At the window you produce papers and birth certificates, you were told to bring, and swear that statements therein are true, having some difficulty shifting hat and overcoat and bundle of documents before raising your right hand. The clerk, pleasant and courteous, sends you back to your seat to await still another call.

In the coming weeks you are going to spend many hours here, becoming thoroughly familiar with the room and its occupants. One day you will wait from 7:30 in the morning till 3.30 in the afternoon before being interviewed by your "worker"—the interview taking up but 15 minutes time. But time matters not—you have plenty—what does matter, the thoughts you can't put out of your mind, remain to constantly gnaw and nag at your being.

You will study these people, people on welfare, unfortunate people—and you are one of them. You can't look down upon them as inferior beings as you once might have; they, like you, probably don't like being a welfare case, would be just as willing to work and make their own way if they possibly could.

NOT HAPPY, NOT SAD

One thing is apparent about each of them, and that is the acceptance of their situation. They appear neither happy nor sad. Nor desperate. You feel they are here because this is the only honest way left for them to put food on their tables; the last decent way to allow their families to exist.

You wonder what direction they would take if welfare help didn't exist. These people are rational, they are not hungry; their children do not cry for food. Hungry people in other ages have reacted differently, have tossed aside fear, and driven by hunger to irrational deeds, have revolted. Hungry people in this age, in less humane countries, have been forced to accept communism * * * further conjecture along this

line is temporarily interrupted by the loudspeaker.

Your name is called and you are met at the gate by your worker and escorted to his desk in a huge room at the rear of the building.

When you first applied for relief you were given an application blank—four pages—and a full sheet listing required documents and certificates. The application, when completed, thoroughly uncovers your employment and financial history for the past 10 years.

The required papers include birth certificates for each member of your family, marriage license and certificate, service discharge papers, financial statements as well as a form to be completed by your bank, a declaration of resources, proof of residence for each month during the past 2 years, utility and any other bills, a form to be completed by your last employer, social security cards for yourself and wife, and MESC identification and forms.

While your worker examines the documents, you have time to examine the room. Room 106 extends the full length of the building at the rear; possibly 100 by 75 feet. One end is framed, giving the impression that in former years it may have been an auditorium with the framed end a stage.

Approximately 75 desks occupy the area now and the workers manning these desks seem busily undisturbed by the classical FM music emitted by the hi-fi rig set up near the stage end of the room. Better times may have been had in this room, but not better music.

The papers examined with a minimum of questions, your worker informs you that it will be necessary to visit the employment and medical department on the second floor, and your wife is also given an appointment for possible employment—"bring her with you next week."

EMERGENCY FOOD ORDER

It is explained that, having three children, you are eligible for an emergency food order of $22 a week, but having declared $20 cash, the food order this week will be for $2. The home mortgage payments will not be paid by the welfare department at this time—"we can't take action until your home is foreclosed." The same is true of gas and electric bills—"if you get a shutoff notice, bring it in, we'll have 5 days to work on it."

The impression is that this is a temporary procedure, that after a more extensive investigation your case will be opened, and if all requirements are in order, you will be accepted and better arrangements can be expected.

Next stop, employment and medical section, second floor. There are more people here than seats; an overcrowded, poorly ventilated room. Some are leaning against the walls, others standing in the entrance hall.

As you wait, anxiety comes. You want employment, but what will be offered? A demeaning job, lacking dignity and offering substandard pay? You are willing to work, but working decently you also expect to be paid decently, to earn a respectable living for your family.

An unwelcome possibility filters into your thoughts—that you will be asked to accept a job in a car wash, or with a snow-clearing crew. It is unlikely that jobs available here will require a college education.

True, you don't have a degree, just 2 years college, the greater part received while in service, and impossible to verify. So you will take whatever is offered, being in no position to be choosy.

A seat is vacated near you and you find yourself near a disgruntled, talkative individual, shabbily dressed even for these surroundings, and unshaven. His remarks are directed at no one in particular.

He seems to be a chronic complainer and his complaint now is against the long wait—"before this depression you never spent more than an hour or two waiting; now it's more likely a full day."

It is difficult to decide whether he is bitter toward the welfare department or the newcomers to the welfare ranks. Probably both.

This man undoubtedly represents the small percentage of welfare recipients which has lately become the target of the ire of "Taxpayer" and "Citizen" and "Worker" writing their abusive and ofttimes inaccurate letters to the editor.

You are relieved when a clerk announces that it is lunch time, "no business transacted until 1 o'clock." You won't be forced to listen to the whining voice, and a breath of fresh air will be invigorating and most welcome.

Outside, a half snow, half rain falls to drive you back into the building. Lunch would cost about 75 cents and you are hungry—but 75 cents will buy about a gallon of milk, so food is put out of mind. A walk up Woodward Avenue and a check of civil service job openings in the City-County Building. Nothing available unless a bachelor or master degree is possessed. A stop at the University of Detroit Dental Clinic seeking a much-needed appointment for the 10- and 12-year-olds. Disappointment again—a wait of at least 6 months is necessary—aching teeth refuse to be ignored that long.

Shortly after 1, hungry, but somewhat refreshed, you are interviewed; the usual job application questions result in the information that nothing is available at present, but a part-time job may be secured for you sometime in the future.

A CARD FOR DOCTOR

You are given a card for presentation to the doctor and are called into his office almost immediately. A few questions and the brusque though efficient-appearing doctor signs your card and returns you to your worker.

You've barely had time to notice the old-fashioned furnishings in his office, and the framed certificate signed by Harry S. Truman, before departing.

Your worker is busy with another client, so it is nearly 3 o'clock before you are again called to his desk. A few more questions and a repetition of previous instructions before you are sent upstairs to await your check.

Upstairs, past the mezzanine, you find another room running the entire length of the building along the front.

In another era this room may have been a gameroom, or more likely, a grand ballroom. The south wall has a narrow balcony along its full length; the corners of the north wall each boast a huge archway over a staircase leading down to the main floor. The entire ceiling is a skylight.

The wire cage centered against the north wall is the immediate goal of every welfare recipient. Here, checks and bus tickets are dispensed. Many of the familiar green benches are unoccupied, for the waiting period is not so long.

It takes but 10 or 15 minutes before the punched business card sent up by your worker is translated to an emergency food check. The paymaster calls your name, hands over your check and two bus tickets, and you are finished for the day.

YOU TELL YOUR WIFE

After several delays you hesitantly inform your wife that it is necessary for her to be interviewed the following week. You know that it is distasteful to her, but there is no complaint.

The day before your appointment, she makes the necessary arrangements for a babysitter and decides which clothes she will wear.

In a humorous effort you chide her for selecting a skirt and sweater of some vintage and a coat somewhat older, "Why not your 'Sunday best'—or are you trying to impress them that we're really in desperate need?"

The straightforward answer, "They might have a job for me," stops further attempts at levity.

The bus ride downtown is completed in almost total silence, and you reluctantly seat your partner and place yourself in line.

Back beside her, after having your card numbered, you find her determinedly making the best of it, displaying more solicitude for a coughing baby than for herself.

THE FORMULA IS SIMPLE

You will be separated from your wife shortly after being called to your worker's desk. While she is sent through the employment channels, you will find yourself questioned at great length as your complete file is rechecked.

At this time you are told that it won't be necessary to come in the following week; you have received a pension check and consequently will not be eligible for a relief payment.

The formula is quite simple.

For example, a veteran receiving a 30-percent disability compensation check ($55) and having a weekly food allowance of $24, would spend $48 of his pension in a 2-week period for food, and would receive no payment from welfare. The following week the $7 balance from his Government compensation would be deducted from the usual $24 welfare check. He would receive an emergency food order for $17 and would add to that amount the cash balance of $7.

This brings to mind one other pertinent financial arrangement. The welfare recipient is not required to repay the department. The only return realized by the Welfare Department is whatever income tax return you have coming. You will be required to sign a statement acknowledging this liability.

It is shortly before 10 when you are reunited with your wife. She appears somewhat relieved although still a bit nervous. She is agreeably surprised to have been treated with consideration; she confides that she had expected it to be more of an ordeal.

Check and three bus tickets received; wives must be considered angels and able to fly home—the return trip is in a lighter and more talkative mood.

Being on welfare has its humorous side. A humorous secret not shared with the kids.

Any reference to welfare in the newspapers will be called to the attention of your partner without arousing the children's curiosity. When the TV script calls for one of the actors to relate, "ma and pa were on relief," sly glances will be exchanged.

Somehow there is a stigma attached. You tell yourself it is nothing to be ashamed of, it is not degradation you tell yourself, if there were another way you would willingly accept it. It is not your fault.

You find causes for it. Politics. The administration. Big business. Automation. Any reason. But not yourself. Outwardly. But it is a bravado which fails to completely convince. A defense mechanism, a sham.

Down deep you realize that you have failed somewhere. The failure is you. You know it and your wife knows it. You cannot hide it from her. So you attempt to cover it with a false humor and your wife, understanding, somehow finds humor, too.

But the kids don't have to know. So they are spared the humor, and the failure, and the stigma, attached to "being on welfare."

Cashing the first check poses a problem. Having no car, a $24 load of groceries can be quite a burden. Your pride dictates that you shop "away from your neighborhood," making the load even more difficult.

To save possible embarrassment, you call the grocer of your choice and inquire as to

the procedure followed in cashing welfare orders. You learn that you purchase whatever amount that you wish and a credit slip will be issued for the balance.

You decide to purchase $8 worth of groceries, a reasonable load to be carried the 10 or 12 blocks. You shop for the same items you ordinarily shopped for while employed, with few exceptions.

Now you buy powdered milk to mix half and half with regular milk. A roast or chicken for Sunday, but nothing fancy. More hamburger than usual. Versatile, it can make a meal of spaghetti, chili, or sandwiches. No extras—the imprinted food order plainly reads, "For essential food only."

Bananas, even sale priced at 10 cents a pound, seem a luxury when you are shopping for "essential" foods. But common sense overrides any feeling of guilt and they go into your cart.

Remembering the letter to the editor in last week's paper which should have been signed "Envious," you don't even think of purchasing cigarettes. The letter had stated you could easily spot the lucky welfare shopper. Best cuts of meat, etc., to be sold to friends and relatives, while the welfare family, presumably rolling in illgotten money, lives on surplus food handouts.

Your groceries are checked out and the check furtively handed over to the cashier. The manager or head cashier is called over to complete the transaction.

While your purchases are being packaged, a credit slip is made out for whatever balance you have coming. The delay and embarrassment you expected fail to materialize, and the worst part of the shopping trip is yet to come—the long walk home.

The department of welfare has lately been the subject of much public discussion, most of it controversial. An unprejudiced viewpoint would undoubtedly demonstrate that the department is doing a creditable job.

The majority of the people comprising the work force are doing the best they are capable of doing under adverse conditions. The entire program is hampered by a high turnover rate which is not conducive to perfection, in this or in any other business.

Since the first week of January, personal experience has brought contact with various welfare workers each week. While, without exception, each has been courteous and considerate, each has been businesslike and impersonal. No rudeness has been noted—nor condescension. They have a job to do, it's as simple as that.

Honest mistakes have been made and will continue to be made. In less than 2 months this particular case was twice the victim of a clerical error.

On one occasion an overpayment was made. Upon discovery a readjustment was ordered and the proper deduction put through the following week.

Recently, it was necessary for a cartful of groceries to be replaced on the grocer's shelves because the food order lacked the signature of a welfare department official. This occurred on a late Friday afternoon, too late to have the check corrected before the weekend.

It is unusual to have bacon and eggs for Sunday dinner and ready-mixed cake in place of bread, but it is more desirable than hunger; the meal itself was not unpleasant, appetites being whetted by laughter at our comic plight.

Despite the shortcomings which have been noted, the Department of Welfare is admirably serving its purpose. In contrast to another aid agency, the Michigan Veterans Trust Fund, its humane attitude stands out.

In applying for aid from the trust fund, the veteran will spend a full day waiting; will be under the surveillance of an armed guard; will be unable to smoke. He will most likely be treated curtly, if not downright discourteously.

A typist here was pained and obviously put out because a veteran with a service-connected hearing defect had difficulty hearing his questions.

Another veteran, his arm in a cast, was virtually pushed out into the hall with the admonition, "Go down to the welfare, we can't help you."

I have spent 4 or 5 days at this agency and have there talked to scores of veterans. They, too, without exception, received the same advice to "go down to the welfare."

There are, of course, some who have been assisted, but the percentage must be extremely small. I can be numbered among the fortunate few, having been aided only after a protesting letter to Governor Williams resulted in an interview with a representative of the Lansing headquarters of the Trust Fund.

During this interview I had a run-in with a pompous individual of the local office who apparently resented the fact that I had requested the appeal.

It would be interesting to determine the outcome of the proposal to use the 50-million-dollar veterans' fund to help the State out of its present financial difficulty if the result were left to the decision of needy veterans who have requested aid.

Besides its primary purpose of giving immediate aid to the needy, the welfare department achieves a more important goal.

It is an immediate bulwark against crime and communism; it is a living example of the disadvantages of socialism.

Even the most adamant critic of welfare must admit that the man receiving assistance for his family is unlikely to turn to crime, to rob or steal to put food on his table. Neither is he a likely candidate for the blandishments of the Communist recruiter, whose propaganda is more deceiving if received while the stomach is empty and the heart discouraged.

The Socialist state will certainly lose luster in the eyes of the welfare recipient.

Being "on welfare" is not the utopian state. It is neither a life of luxury nor a "milk and honey affair." It is a bare living, and to the normal man, a temporary arrangement.

A small minority may see it in another light, may convince themselves that the bare existence offered by welfare is desirable when compared with the futility of their past. They may look back upon years of honest endeavor, may recall the bank account slowly and painfully accrued over a period of years, only to disappear in a few short months of adversity.

The cliche, "the poor workingman hasn't a chance," will ring true to a few. These few will remain as permanent welfare cases, satisfied with their lot. These few will be the "do-nothings," the cheaters and chiselers we are hearing so much about at the present time.

Thankfully, the majority will not be so easily satisfied. The honest, average person aided by welfare will be thankful for the "helping hand" and will endeavor to help himself when the opportunity presents itself.

These are the deserving, the majority, whom it is unfair to brand as "welfare bums."

BRITAIN SLASHES TAXES

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I read in a morning newspaper the headline "Britain Slashes Taxes." In reading the story I got the definite impression that the British are slashing income and beer taxes by about $1 billion a year. That ought to make those who voted for the suspension of Britain's debt payments to the United States feel real good, especially in view of the fact that American taxpayers are digging deep in their pockets to find the money today to pay the interest on the money the U.S. Government borrowed to provide Britain with billions of dollars in so-called loans, loans that are uncollectible.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the calendar.

ACQUIRE LAND ALONG MOUNT VERNON MEMORIAL HIGHWAY

The Clerk called the bill (H.R. 2228) to provide for the acquisition of additional land along the Mount Vernon Memorial Highway.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

CENTENNIAL OF ESTABLISHMENT OF LAND-GRANT COLLEGES

The Clerk called the bill (H.R. 4012) to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture, and for related purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I would like to reserve consideration of this bill and ask a question about an amendment which I understand it about to be proposed by the committee. Could the committee indicate to the Members what this amendment will do, if approved?

Mr. ASHMORE. Mr. Speaker, if the gentleman will yield to me, this amendment will first put a limitation on the amount of money that might be expended. It cannot exceed $200,000. It will also provide that no funds from any department shall be used to carry out the provisions and the purposes of this Commission. In other words, the expenses of the Commission will be covered, such as travel and any other expenditures, through the funds within the $200,000. There will be no hidden funds and no way of getting money from a department, outside of the $200,000.

Mr. FORD. In other words, if an employee of the Department of Agriculture does some work on behalf of this project, the funds of the Centennial Commission will be charged rather than the appropriations for the Department of Agriculture?

Mr. ASHMORE. That is correct.

Mr. FORD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SMITH of Iowa. Mr. Speaker, reserving the right to object, there is no greater friend in this House of the land-grant colleges than myself. I have been a recipient of the services of one of them. One of the greatest of all is located in the district I represent. It is the Iowa State College of Agriculture. But certainly the economists who are the products of these colleges would never agree that the way to spend $200,000 is for a centennial celebration. If we want to spend $200,000, let us get some milk to some needy children, or spend it in some other constructive way. I cannot sit by and fail to object to the consideration of this bill to spend $200,000.

The SPEAKER. Does the gentleman object?

Mr. SMITH of Iowa. I do object.

The SPEAKER. Objection is heard.

WATER RESOURCES—SALT FORK AND PRAIRIE DOG TOWN FORK, TEX.

The Clerk called the bill (H.R. 4405) to authorize and direct the Secretary of the Interior to conduct studies and render a report on the feasibility of developing the water resources of the Salt Fork of the Red River in the State of Texas.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MORRIS of Oklahoma. Mr. Speaker, reserving the right to object, I call attention to the fact that on March 16 I requested that this bill be passed over without prejudice. On March 18 I wrote a letter to the Secretary of the Interior, and on March 23 I had his reply to that letter, through his assistant. In view of my letter and the reply, I ask unanimous consent, Mr. Speaker, that the copy of my letter and the copy of the Secretary's letter be incorporated in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The matter referred to follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 18, 1959.

Hon. FRED A. SEATON,
Secretary of the Interior, Interior Building, Washington, D.C.

DEAR MR. SECRETARY: The House Interior and Insular Affairs Committee has reported H.R. 4405 to the House Calendar. A copy of the bill and report are attached for reference.

I am writing to ask what effect this bill, if enacted by the Congress, might have on the development of any projects in Oklahoma, in the drainage areas of the Prairie Dog Town Fork or Salt Fork. I call special attention to the present activities of the Oklahoma City Development Office of the Bureau of Reclamation in regard to the Mangum project on Salt Fork.

I want to be a good neighbor to my colleagues from Texas, and if enactment of the bill, as reported, would have no adverse effect on any potential project in my district, I would wish to withdraw objection to the pending measure.

I think you should know that I have proposed an amendment which would make the survey applicable to the total drainage area of both streams in both Texas and Oklahoma.

Sincerely yours,

TOBY MORRIS,
Member of Congress.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 23, 1959.

Hon. TOBY MORRIS,
House of Representatives, Washington, D.C.

DEAR MR. MORRIS: Your letter of March 18 asked what effect enactment of H.R. 4405 might have on the development of projects downstream, with special reference to the Mangum project.

We believe that, if H.R. 4405 is enacted into law, the immediate requirement will be a basin-type reconnaissance study, which will, among other things, bring together data on streamflow, water quality, and potential water uses. This study should not in any way be in conflict with or delay the scheduled investigations of the Mangum project. On the contrary, it should expedite the collection of data which will be needed for a report on the Mangum project, since we must establish the adequacy of the water supply, and the possibility of future upstream development as part of our finding of feasibility.

The bill authorizes and directs us only to make a study and report. Such activities could not adversely affect any proposed project. Accordingly, we have reported favorably to the enactment of this bill to the House Committee on Interior and Insular Affairs.

Sincerely yours,

FRED G. AANDAHL,
Assistant Secretary of the Interior.

Mr. MORRIS of Oklahoma. Mr. Speaker, I am happy to withdraw my reservation of objection to this bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to conduct the necessary studies and render a report to the Congress on the feasibility of developing the water resources of that portion of the drainage area of the Salt Fork of the Red River lying in the State of Texas and that portion of the drainage area of the Prairie Dog Town Fork of the Red River lying in the State of Texas for furnishing municipal and industrial water and for other purposes.

The bill was ordered to be read a third time, was read the third time and passed.

The title was amended so as to read: "A bill to authorize and direct the Secretary of the Interior to conduct studies and render a report on the feasibility of developing the water resources of the Salt Fork and the Prairie Dog Town Fork of the Red River in the State of Texas."

A motion to reconsider was laid on the table.

AMENDING FEDERAL CROP INSURANCE ACT

The Clerk called the bill (H.R. 306) to amend the Federal Crop Insurance Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)), as amended, is amended by amending the tenth sentence thereof to read as follows: "Insurance shall not be provided on any agricultural commodity in any county in which the Board determines that the income from such commodity constitutes an unimportant part of the total agricultural income of the county, except that insurance may be provided for producers on farms situated in a local producing area bordering on a county with a crop-insurance program."

With the following committee amendment:

Page 1, line 5, strike out "tenth" and insert "eleventh".

The committee amendment was agreed to.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Mississippi [Mr. ABERNETHY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, the object of this bill is to provide more administrative flexibility in designating counties in which crop insurance shall be made available by the Crop Insurance Corporation.

Present provisions of the Crop Insurance Act provide that insurance with respect to any crop shall not be provided in any county unless written applications therefor are filed covering at least 200 farms or one-third of the farms normally producing the agricultural commodity.

While this arbitrary limitation was valuable during the earlier years of the crop-insurance program, it has now outlived its usefulness and has placed the program within rigid limitations which are proving most undesirable. The amendment made by this bill removes from the act the arbitrary limitation of 200 producers or one-third of the farms normally producing the commodity, and leaves to the discretion of the Crop Insurance Board the determination as to when there is sufficient demand for crop insurance in a county to warrant the program being established there.

There will be no additional cost as a result of this legislation; and its enactment might, in fact, result in some administrative savings since the corporation will not be placed in the position of conducting a preliminary insurance program only to find that its time and effort have been wasted because a few farmers less than the required 200 have signed up for the insurance.

This bill is identical to a bill—H.R. 13262—which was favorably reported by my committee in the 85th Congress and passed the House on August 23, 1958. Due to the lateness of the session, it was not acted upon in the Senate.

The legislation has the unqualified support of the Department of Agriculture and of the House Committee on Agriculture.

The bill is most desirable. Not only will it provide for economies in the administration of the program but it will at the same time have the effect of making crop insurance available to more farmers throughout the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING PERIOD FOR COMMENCING HIGHWAY CONSTRUCTION

The Clerk called the bill (H.R. 4695) to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of subsection (a) of section 108 of title 23 of the United States Code is amended by striking out "five years" and inserting in lieu thereof "seven years".

SEC. 2. Each agreement entered into before the date of enactment of this Act by the Secretary of Commerce and a State highway department under authority of section 110(a) of the Federal-Aid Highway Act of 1956, or section 108(a) of title 23 of the United States Code shall be deemed to provide for actual construction of a road on such rights-of-way within a period of seven years following the fiscal year in which such request was made.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE ORGANIC ACT OF GUAM

The Clerk called the bill (H.R. 4603) to amend the Organic Act of Guam for the purpose of permitting the government of Guam, with the consent of the legislature thereof, to be sued.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 3 of the Organic Act of Guam (64 Stat. 384, 48 U.S.C. 1421a) is amended to read as follows: "The government of Guam shall have the powers set forth in this Act, shall have power to sue by such name, and, with the consent of the legislature evidenced by enacted law, shall have the power to be sued."

With the following committee amendment:

Page 1, line 3, strike out the words "shall have the power to" and insert in lieu thereof the word "may".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOY SCOUTS WORLD JAMBOREE, PHILIPPINES, 1959

The Clerk called the bill (H.R. 296) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in the Philippines in 1959; and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PELLY. Reserving the right to object, Mr. Speaker, may I inquire as to whether or not there are any private transportation companies who would be in a position to extend special rates comparable to those of the Military Air Transport Service for transporting these Boy Scouts?

Mr. KILDAY. I am not informed that there are such, but as the gentleman knows, this bill does require that the Government be reimbursed for the expense. I would not know what the rate charged by private companies might be.

Mr. PELLY. I think the gentleman from Texas will recognize that we are all very much interested in the Boy Scouts. We would certainly like to have the Military Air Transport Service at no expense to the Government transport these Scouts. However, I just wondered whether or not there are any private companies who would like to compete at the same cost.

Mr. KILDAY. There is no cost to the Government at all here. The Boy Scouts of America are undertaking this and giving bond that all of our property will be returned and that there will be no cost to the Government; but there is no reason why the Boy Scouts cannot make a contract with an individual carrier if there is one able to provide this transportation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from Iowa.

Mr. GROSS. Is this limited to the Boy Scouts of America or may foreigners be transported?

Mr. KILDAY. This is for the Boy Scouts of America to participate in the international jamboree.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to lend to the National Council, Boy Scouts of America, for the use and accommodation of the approximately five hundred Scouts, Scouters, and officials who are to attend the World Jamboree, Boy Scouts, to be held in the Philippines in July and August 1959, such tents, cots, blankets, commissary equipment, flags, refrigerators, and other equipment and services as may be necessary or useful to the extent that items are in stock and available and their issue will not jeopardize the national defense program.

(b) Such equipment is authorized to be delivered at such time prior to the holding of such jamboree, and to be returned at such time after the close of such jamboree, as may be agreed upon by the Secretary of Defense and the National Council, Boy Scouts of America. No expense shall be incurred by the United States Government for the delivery, return, rehabilitation, or replacement of such equipment.

(c) The Secretary of Defense, before delivering such property, shall take from the National Council, Boy Scouts of America, good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. (a) The Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to provide, without expense to the United States Government, transportation from the United States or military commands overseas, and return, on vessels of the military sea transportation service or aircraft of the military air transportation service for (1) those Boy Scouts, Scouters and officials certified by the National Council, Boy Scouts of America, as representing the National Council, Boy Scouts of America, at the jamboree referred to in the first section of this Act, and (2) the equipment and property of such Boy Scouts, Scouters, and officials and the property loaned to the National Council, Boy Scouts of America, by the Secretary of Defense pursuant to this Act to the extent that such transportation will not interfere with the requirements of military operations.

(b) Before furnishing any transportation under this section, the Secretary of Defense shall take from the National Council, Boy Scouts of America, a good and sufficient bond for the reimbursement to the United States by the National Council, Boy Scouts of America, of the actual costs of transportation furnished under this section.

SEC. 3. Amounts paid to the United States to reimburse it for expenses incurred under the first section and for the actual costs of transportation furnished under section 2 shall be credited to the current applicable appropriations or funds to which such expenses and costs were charged and shall be available for the same purposes as such appropriations or funds.

SEC. 4. Under regulations prescribed by the Secretary of State, no fee shall be collected for the application for a passport by or the issuance of a passport to, any Boy Scout, Scouter, or official who is certified by the National Council, Boy Scouts of America, as representing the National Council, Boy Scouts of America, at the jamboree referred to in the first section of this Act.

With the following committee amendment:

On page 2, line 23, strike "or aircraft of the military air transportation service".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIFTH NATIONAL JAMBOREE, BOY SCOUTS OF AMERICA

The Clerk called the bill (H.R. 7) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain service to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That (a) the Secretary of Defense is hereby authorized, under such regulations as he may prescribe, to lend to the Boy Scouts of America, a corporation created under the Act of June 15, 1916, for the use and accommodation of the approximately fifty thousand Scouts and officials who are to attend the Fifth National Jamboree of the Boy Scouts of America to be held as a part of the celebration of their fiftieth anniversary of service to the youth of the Nation during the period beginning in June 1960, and ending August 1960 at Colorado Springs, Colorado, such tents, cots, blankets, commissary equipment, flags, refrigerators, vehicles, and other equipment and services as may be necessary or useful to the extent that items are in stock and available and their issue will not jeopardize the national defense program.

(b) Such equipment is authorized to be delivered at such time prior to the holding of such jamboree, and to be returned at such time after the close of such jamboree, as may be agreed upon by the Secretary of Defense and the National Council, Boy Scouts of America. No expense shall be incurred by the United States Government for the delivery, return, rehabilitation, or replacement of such equipment.

(c) The Secretary of Defense, before delivering such property, shall take from the Boy Scouts of America a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 2. The Secretary of Defense is hereby authorized, under such regulations as he may provide, to permit, without expense to the United States Government, the Boy Scouts of America to use such portions of the undeveloped lands of the United States Air Force Academy adjacent to such encampment as may be necessary, or useful, to the extent that their use will not interfere with the activities of such Academy, and will not jeopardize the national defense program.

SEC. 3. Be it further enacted that the various and several departments of the Federal Government are hereby authorized under such regulations as may be prescribed by their Secretaries to assist the Boy Scouts of America in the carrying out and the fulfillment of the plans for the celebration of their fiftieth anniversary and the Fifth National Jamboree.

With the following committee amendment:

Page 2, line 24, strike the last four words and on line 25 strike "lands" and insert "services and portions of the lands and buildings".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The Clerk called the bill (H.R. 451) to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TRAINING OF POSTMASTERS UNDER GOVERNMENT EMPLOYEES TRAINING ACT

The Clerk called the bill (H.R. 4597) to provide for the training of postmasters under the Government Employees Training Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(a)(5) of the Government Employees Training Act (72 Stat. 329; 5 U.S.C. 2303(a)(5)) is amended by inserting "(other than a postmaster)" immediately following the word "Senate".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMINISTRATIVE AUTHORITIES FOR NATIONAL SECURITY AGENCY

The Clerk called the bill (H.R. 4599) to provide certain administrative authorities for the national agency, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Classification Act of 1949, as amended (5 U.S.C. 1082), is amended by changing the period at the end thereof to a semicolon and adding the following new paragraph:

"(32) the National Security Agency."

SEC. 2. The Director of the National Security Agency is authorized to establish such positions and to appoint such officers and employees as may be necessary to carry out the functions of such Agency. The rates of basic compensation for such positions shall be fixed by the Director in relation to the rates of basic compensation contained in the General Schedule of the Classification Act of 1949, as amended, for positions subject to such Act which have corresponding levels of duties and responsibilities. Except as provided in section 4 of this Act, no officer or employee of the National Security Agency shall be paid basic compensation at a rate in excess of the highest rate of basic compensation contained in such General Schedule. Not more than fifty such officers and employees shall be paid basic compensation at rates equal to rates of basic compensation contained in grades GS–16, GS–17, and GS–18 of such General Schedule.

SEC. 3. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), is amended by striking out ", and not more than fifty civilian positions in the National Security Agency," and the words "and the National Security Agency, respectively,".

SEC. 4. The Director of the National Security Agency may establish not more than fifty civilian positions in such Agency involving research and development functions, which require the services of specially qualified scientific or professional personnel, and fix the rates of basic compensation for such positions at rates not in excess of the maximum rate of compensation authorized by section 1581(b) of title 10, United States Code, as amended by paragraph (34)(B) of the first section of the Act of September 2, 1958 (72 Stat. 1456; Public Law 85–861).

SEC. 5. Officers and employees of the National Security Agency who are citizens or nationals of the United States may be granted additional compensation, in accordance with regulations which shall be prescribed by the Secretary of Defense, not in excess of additional compensation authorized by section 207 of the Independent Offices Appropriation Act, 1949, as amended (5 U.S.C. 118h), for employees whose rates of basic compensation are fixed by statute.

SEC. 6. (a) Except as provided in subsection (b) of this section, nothing in this Act or any other law (including, but not limited to, the first section and section 2 of the Act of August 28, 1935 (5 U.S.C. 654)) shall be construed to require the disclosure of the organization or any function of the National Security Agency, of any information with respect to the activities thereof, or of the names, titles, salaries, or number of the persons employed by such Agency.

(b) The reporting requirements of section 1582 of title 10, United States Code, shall apply to positions, established in the National Security Agency in the manner provided by section 4 of this Act.

SEC. 7. The total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the General Schedule of such Act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the National Security Agency immediately prior to the effective date of this Act.

SEC. 8. The foregoing provisions of this Act shall take effect on the first day of the first pay period which begins later than the thirtieth day following the date of enactment of this Act.

With the following committee amendments:

Page 1, lines 8 to 11, inclusive, strike out "The Director of the National Security Agency is authorized to establish such positions and to appoint such officers and employees as may be necessary to carry out the functions of such Agency." and insert in lieu thereof "The Secretary of Defense (or his designee for the purpose) is authorized to establish such positions, and to appoint thereto such officers and employees, in the National Security Agency, as may be necessary to carry out the functions of such Agency.".

Page 2, line 1, strike out "by the Director" and insert in lieu thereof "by the Secretary of Defense (or his designee for the purpose)".

Page 2, lines 11 and 12, strike out "grades GS–16, GS–17, and GS–18" and insert in lieu thereof "grades 16, 17, and 18".

Page 2, lines 19 and 20, strike out "The Director of the National Security Agency may establish" and insert in lieu thereof "The Secretary of Defense (or his designee for the purpose) is authorized to establish in the National Security Agency".

Page 2, lines 20 and 21, strike out "in such agency".

Page 4, line 5, strike out "Act" and insert in lieu thereof "section".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide certain administrative authorities for the National Security Agency, and for other purposes."

A motion to reconsider was laid on the table.

AMENDMENT OF BANKRUPTCY ACT—TRANSMISSION OF CERTAIN PAPERS

The Clerk called the bill (H.R. 4345) to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), as amended, is hereby repealed and clause (10) of such subdivision is renumbered (9).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIMPLIFYING FILLING OF REFEREE VACANCIES

The Clerk called the bill (H.R. 4340) to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C 71, 62) to simplify the filling of referee vacancies.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision b of section 43 of the Bankruptcy Act (11 U.S.C. 71b) is hereby amended to read as follows:

"b. A vacancy in the office of referee may be filled on the existing basis upon the recommendations of the Director, the district judge or judges, and the circuit council that the office be so continued. If a change in the existing salary or arrangements is recommended by the Director, the district judge or judges, or the circuit council, a vacancy shall not be filled until the Conference has acted thereon."

SEC. 2. Subdivision a of section 34 of the Bankruptcy Act (11 U.S.C. 62a) is hereby amended to make the last sentence thereof read as follows: "Upon the expiration of his term, a referee in bankruptcy shall continue to perform the duties of his office until his successor is appointed and qualifies provided the filling of the vacancy has been authorized as provided in subdivision b of section 43 of this Act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING BANKRUPTCY ACT—AUTOMATIC ADJUDICATION AND REFERENCE

The Clerk called the bill (H.R. 4692) to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (2) of section 1 of the Bankruptcy Act (11 U.S.C. 1) is amended to read as follows:

"(2) 'Adjudication' shall mean a determination, whether by decree or by operation of law, that a person is a bankrupt;".

(b) Paragraph (12) of such section is amended to read as follows:

"(12) 'Date of adjudication' shall mean the date of the filing of any petition which operates as an adjudication, or the date of entry of a decree of adjudication, or if such decree is appealed from, then the date when such decree is finally confirmed or the appeal is dismissed;".

SEC. 2. (a) Subdivision f of section 18 of the Bankruptcy Act (11 U.S.C. 41), as amended, is hereby repealed.

(b) Subdivision g of such section is hereby relettered subdivision f and amended to read as follows:

"f. The filing of a voluntary petition under chapters I to VII of this Act, other than a petition filed in behalf of a partnership by less than all of the partners, shall operate as an adjudication with the same force and effect as a decree of adjudication."

SEC. 3. Subdivision a of section 22 of the Bankruptcy Act (11 U.S.C. 45a) is hereby amended to read as follows:

"a. Unless the judge or judges direct otherwise, the clerk shall refer to a referee all cases filed under chapters I to VII, chapter XI, and chapter XIII of this Act."

SEC. 4. Section 331 of the Bankruptcy Act (11 U.S.C. 731) is hereby amended to read as follows:

"SEC. 331. The clerk shall, unless the judge or judges direct otherwise, refer the proceeding to a referee."

SEC. 5. Section 631 of the Bankruptcy Act (11 U.S.C. 1031) is hereby amended to read as follows:

"SEC. 631. The clerk shall, unless the judge or judges direct otherwise, refer the proceeding to a referee."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF BANKRUPTCY ACT—REFEREES' SALARY AND EXPENSE FUNDS

The Clerk called the bill (H.R. 4693) to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the title of section 40 of the Bankruptcy Act (11 U.S.C. 68) is amended to read as follows:

"§ 40. Compensation of Referees; Referees' Salary and Expense Fund; Retirement of Referees".

(b) Subdivision c.(1) of such section is amended to read as follows:

"c.(1) Except as otherwise provided in this Act, there shall be deposited with the clerk, at the time the petition is filed in each case, and at the time an ancillary proceeding is instituted, $32 for each estate for the referees' salary and expense fund, as herein below established: *Provided, however,* That in cases of voluntary bankruptcy such fee, as well as the filing fees of the clerk and trustee, may be paid in installments, if so authorized by general order of the Supreme Court of the United States."

(c) Subdivision c.(2) of such section is amended to read as follows:

"(2) Additional fees for the referees' salary and expense fund shall be charged, in accordance with the schedule fixed by the conference (a) against each estate wholly or partially liquidated in a bankruptcy proceeding, and be computed upon the net proceeds realized; (b) against each case in an arrangement confirmed under chapter XI of this Act, and be computed upon the amount to be paid to the unsecured creditors upon confirmation of the arrangement and thereafter, pursuant to the terms of the arrangement, and where under the arrangement any part of the consideration to be distributed is other than money, upon the amount of the fair value of such consideration; and (c) against each case in a wage earner plan confirmed under chapter XIII of this Act, and be computed upon the payments actually made by or for a debtor under the plan. Such schedule of fees may be revised by the Director, with the approval of the conference, not more than once during each calendar year, so that the total amount of fees, allowances, and charges collected and to be collected from all sources for the referees' salary and expense fund will, as near as may be equal the total amount of salaries paid and to be paid to referees in active service, and the total amount of their expenses: *Provided, however,* That such schedule of fees shall not be so revised for any year that the total collections estimated by the Director for such year shall exceed by more than 10 per centum the total collections in the preceding year. The Director, with the approval of the conference, may make, and from time to time amend, rules and regulations prescribing methods for determining net proceeds realized in asset cases, fair values of considerations, other than money, distributable in arrangement cases, and payments actually made by or for a debtor under the plan in wage earner cases; prescribing the procedure for collection by the clerk of fees and allowances for the referees' salary and expense fund; and providing for the effective administration of the provisions of this paragraph (2)."

(d) Subdivision c.(4) of such section is amended to read as follows:

"(4) A referee's salary and expense fund shall be established in the Treasury of the United States, and the amounts of the various fees and allowances collected by the clerks for the services of referees, and for their expenses, including the fees, allowances, and charges for their services and expenses as conciliation commissioners and as special masters under this Act, shall be covered into the Treasury of the United States for the account of such salary and expense fund. The salaries of the referees in active service and the expenses of the referees, including the salaries of their clerical assistants, shall be paid out of annual appropriations from such salary and expense fund by the United States. Any deficiencies of such salary and expense fund shall be paid out of any funds in the Treasury of the United States not otherwise appropriated, and appropriations to pay such deficiencies are hereby authorized: *Provided, however,* That there shall be covered into miscellaneous receipts of the Treasury of the United States in any subsequent year so much of the surplus, if any, arising in the salary and expense fund as may be necessary to reimburse the Treasury of the United States for payments made on account of such fund in any prior year."

(e) Subdivision c.(5) of such section is amended to read as follows:

"(5) As of the day preceding the date when the referees, as provided by paragraph (2) of subdivision b of section 37 of this Act, are to take office, an allocation shall be made by the judge or judges of the several courts of bankruptcy of all filing and other fees, commissions, and allowances, and of all expense funds, due the then existing referee for services rendered and expenses incurred in the cases pending before them, whether as referee, conciliation commissioner, or special

master under this Act. The balances of such filing and other fees, commissions, and allowances and the expense surpluses shall be covered into the Treasury of the United States by the referees and the clerks, to be deposited to the credit of the salary and expense fund. All cases pending before outgoing referees shall be referred, and no additional filing fees shall be required, but additional salary and expense charges may be assessed in such cases in such amounts as the judge or judges of the several courts of bankruptcy may deem equitable, taking into consideration the schedules of additional fees fixed by the Director and the payments previously made therein."

SEC. 2. (a) Clause (2) of section 51 of the Bankruptcy Act (11 U.S.C. 79) is amended to read as follows:

"(2) collect the fees of the clerk and trustee and the fees for the referees' salary and expense fund provided in paragraph (1) of subdivision c of section 40 of this Act in each case instituted before filing the petition, except where installment payments may be authorized pursuant to section 40 of this Act, and collect the various other fees, allowances, and charges for the services of referees and for their expenses, including their services and expenses as conciliation commissioners and as special masters under this Act;".

(b) Clause (5) of section 51 of such section is amended to read as follows:

"(5) transmit to the Treasury of the United States all fees, allowances, and charges collected for the referees' salary and expense fund, and transmit to the trustee, within ten days after a case had been closed the fee collected for him at the time of the filing of the petition."

SEC. 3. Clause (1) of subdivision a of section 64 of the Bankruptcy Act (11 U.S.C. 104) is amended to repeal the words "the fees for the referees' salary fund and for the referees' expense fund;" from the phrase following the first semicolon and to enact in their place the words "the fees for the referees' salary and expense fund;".

SEC. 4. That the second paragraph of section 72 of the Bankruptcy Act (11 U.S.C. 112) is amended to read as follows:

"No referee shall receive any compensation for his services under this Act other than his salary; and allowances made to a referee for compensation or expense while acting as a conciliation commissioner under section 75, or as a referee or special master under any chapter or section of this Act, shall be paid to the clerk, and by him transmitted to the Treasury of the United States for deposit in the referees' salary and expense fund."

SEC. 5. That paragraph (2) of section 624 of the Bankruptcy Act (11 U.S.C. 1024(2)) is amended to read as follows:

"(2) where a petition is filed under section 622 of this Act, by payment to the clerk of $15 to be distributed, $10 to the Treasury of the United States for deposit in the referees' salary and expense fund and $5 to the clerk, in lieu of the fees of $32 and $8 as prescribed in sections 40 and 52 of this Act: *Provided, however,* That such fees may be paid in installments, if so authorized by general order of the Supreme Court of the United States."

SEC. 6. That paragraph (2) of section 633 of the Bankruptcy Act (11 U.S.C. 1033 (2)) is amended to read as follows:

"(2) the debtor shall submit his plan, and deposit with the clerk, for payment into the referees' salary and expense fund a fee not to exceed $15, to be graduated and charged in the manner outlined in paragraph (2) of subdivision c of section 40 of this Act: *Provided, however,* That such fee may be paid in installments, if so authorized by General Order of the Supreme Court of the United States;".

SEC. 7. That paragraph (3) of section 659 of the Bankruptcy Act (11 U.S.C. 1059(3)) is amended to read as follows:

"(3) an additional fee for the referees' salary and expense fund, to be graduated and charged in the manner outlined in paragraph (2) of subdivision c of section 40 of this Act, and to be computed upon the amount of the payments actually made by or for a debtor under the plan; and commissions to the trustee of 5 per centum to be computed upon and payable out of the payments actually made by or for a debtor under the plan;"

SEC. 8. This amendatory Act shall take effect on the first day of the first fiscal year following the date of its approval.

With the following committee amendments:

Page 1, line 5, strike out the word "Referees' " and substitute in lieu thereof "Referees' ".

Page 1, line 6, strike out the word "Rund" and substitute in lieu thereof "Fund."

Page 2, line 5, strike out "general order" and substitute in lieu thereof "General Order".

Page 2, line 7, insert a period after "c" where it occurs after the word "Subdivision".

Page 2, line 25, insert a comma after the word "conference".

Page 3, line 20, insert a period after "c" where it occurs after the word "Subdivision".

Page 3, line 22, strike out "referee's" and insert in lieu thereof "referees' ".

Page 4, line 1, strike out the comma following the word "allowances".

Page 4, line 19, insert a period after "c" where it occurs after the word "Subdivision".

Page 5, line 2, strike out "referee" and insert in lieu thereof the word "referees".

Page 5, line 24, strike out the comma following the word "allowances".

Page 6, line 6, strike out the comma following the word "allowances".

Page 7, line 14, strike out "general order" and insert in lieu thereof "General Order".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FLORIDA QUADRICENTENNIAL ANNIVERSARY

The Clerk called the concurrent resolution (H. Con. Res. 103) to commemorate the quadricentennial anniversary of Florida and to recognize the quadricentennial commission of that State.

There being no objection, the Clerk read the concurrent resolution, as follows:

Whereas the State of Florida proposes to celebrate the four hundredth anniversary of the permanent colonization of La Florida, the lands of which now, constitute an important part of the continental United States; and

Whereas said period of colonization commenced on August 14, 1559, with the establishment of a colony at Pensacola, Florida, by Don Tristan De Luna, pursuant to the direct orders of the Spanish King, but such colony was later abandoned; and

Whereas thereafter a French settlement was made in 1564 on the Saint Johns River near Jacksonville, Florida, at which point Fort Caroline was constructed and was occupied until it was conquered and resettled by a Spanish force under Menendez; and

Whereas the above period of colonization came to a close in September 1565 with the establishment at Saint Augustine, Florida, of the oldest permanent and continuous settlement in the continental United States; and

Whereas other events occurring at approximately the same time were events of national and international significance, and were matters of great historical importance in the colonizing of the United States which should be commemorated; and

Whereas a celebration of the character planned by the State of Florida will contribute greatly to the educational and cultural welfare of the people of the United States and will preserve the traditions of such period to posterity: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States join the people of Florida in commemorating the quadricentennial anniversary of the first permanent colonization by Europeans of any area now constituting a part of the continental United States, which will commence in the year of 1959 at Pensacola, Florida, and end in the year of 1965 at Saint Augustine, Florida, with celebrations being held in the intervening years at Jacksonville, Florida, and other cities of the State.

SEC. 2. That the Congress of the United States recognizes the establishment by the State of Florida of the Quadricentennial Anniversary Commission of Florida which has been charged with the responsibility and duty of planning the anniversary celebrations above described in coordination with any organizations now or hereafter designated by the State of Florida and any foreign nations participating in such celebrations.

SEC. 3. A copy of this resolution, suitably engrossed and duly authenticated, shall be transmitted to the Governor of the State of Florida and the Quadricentennial Commission of Florida.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF TITLE 10, UNITED STATES CODE

The Clerk called the bill (H.R. 470) to amend title 10, United States Code, to authorize the Secretary of Defense and the Secretaries of the Military departments to settle certain claims for damage to, or loss of, property or personal injury or death, not cognizable under any other law.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 10, United State Code, is amended as follows:

(1) Chapter 163 is amended—

(A) by adding the following new section at the end thereof:

"§ 2736. Property loss; personal injury or death; incident to use or operation of property of the United States and not cognizable under other law.

"(a) Under such regulations as the Secretary of a military department may prescribe, he or his designee may settle, and pay in an amount not more than $1,000, a claim against the United States, not cognizable under any other provision of law, for—

"(1) damage to, or loss of, property; or

"(2) personal injury or death;

caused by a civilian officer or employee of the office of the Secretary of Defense, a civilian officer or employee of a military department, or a member of the Army, Navy, Air Force, or Marine Corps, as the case may be, incident to the use and operation of Government vehicles, or incident to the use of other property of the United States on a Government installation.

"(b) A claim may not be allowed under subsection (a) if the damage to, or loss of, property, or the personal injury or death, was caused wholly or partly by a negligent or wrongful act of the claimant, his agent, or his employee.

"(c) A claim for personal injury or death under this section may not be allowed for more than the cost of reasonable medical, hospital, and burial expenses actually incurred, and not otherwise furnished or paid by the United States.

"(d) No claim may be allowed under this section unless it is presented in writing within two years after it accrues.

"(e) A claim may not be paid under subsection (a) unless the amount tendered is accepted by the claimant in full satisfaction.

"(f) Any payment made under this section shall be reduced by any amount received by the claimant in the form of insurance payments or compensation based on the same damage, loss, personal injury, or death. A payment made under authority of this section is not subject to any claim for reimbursement by any insurance company or compensation insurance fund; and such a payment does not absolve any insurer, in whole or in part, of any obligation under any contract of insurance."; and

(B) by adding the following item at the end of the analysis:

"§ 2376. Property loss; personal injury or death; incident to use and operation of government property and not cognizable under other law."

(2) Chapter 653 is amended—

(A) by repealing section 7625; and

(B) by striking out the following item in the analysis:

"Claims against the United States; private property; loss or damage."

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That title 10, United States Code, is amended as follows:

"(1) Chapter 163 is amended—

"(A) by adding the following new section at the end thereof:

"'§ 2736. Property loss; personal injury or death: incident to use of property of the United States and not cognizable under other law

"'(a) Under such regulations as the Secretary of a military department with the approval of the Secretary of Defense may prescribe, he or his designee may settle and pay, in an amount not more than $1,000, a claim against the United States, not cognizable under any other provision of law, for—

"'(1) damage to, or loss of, property; or

"'(2) personal injury or death; caused by a civilian official or employee of that department or a member of the Army, Navy, Air Force, or Marine Corps, as the case may be, incident to the use of a vehicle of the United States at any place, or any other property of the United States on a Government installation.

"'(b) Under such regulations as the Secretary of Defense may prescribe, he or his designee has the same authority as the Secretary of a military department with respect to a claim, not cognizable under any other provision of law, for—

"'(1) damage to, or loss of, property; or

"'(2) personal injury or death; caused by a civilian official or employee of the Department of Defense not covered by subsection (a), incident to the use of a vehicle of the United States at any place, or any other property of the United States on a Government installation.

"'(c) Under such regulations as the Secretary of the Treasury may prescribe, he or his designee may settle and pay, in an amount not more than $1,000, a claim against the United States, not cognizable under any other provision of law, for—

"'(1) damage to, or loss of, property; or

"'(2) personal injury or death; caused by a member of, or a civilian official or employee of the United States Coast Guard, incident to the use of a vehicle of the United States at any place, or any other property of the United States on a Government installation.

"'(d) A claim may not be allowed under subsection (a), (b), or (c) if the damage to, or loss of, property, or the personal injury or death, was caused wholly or partly by a negligent or wrongful act of the claimant, his agent, or his employee.

"'(e) A claim for personal injury or death under this section may not be allowed for more than the cost of reasonable medical, hospital, and burial expenses actually incurred, and not otherwise furnished or paid by the United States.

"'(f) No claim may be allowed under this section unless it is presented in writing within two years after it accrues.

"'(g) A claim may not be paid under subsection (a), (b), or (c) unless the amount tendered is accepted by the claimant in full satisfaction.

"'(h) No claim or any part thereof, the amount of which is legally recoverable by the claimant under an indemnifying law or indemnity contract, may be paid under this section. No subrogated claim may be paid under this section.

"'(i) So far as practicable, regulations prescribed under this section shall be uniform for the military departments.'

"(B) by adding the following item at the end of the analysis:

"'2736. Property loss; personal injury or death incident to use of property of the United States and not cognizable under other law.'

"(2) Chapter 653 is amended—

"(A) by repealing section 7625; and

"(B) by striking out the following item in the analysis:

"'7625. Claims against the United States: private property; loss or damage.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law."

A motion to reconsider was laid on the table.

SPECIAL POSTAGE RATES FOR EDUCATIONAL, CULTURAL, AND LIBRARY MATERIALS

The Clerk called the bill (H.R. 4595) to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 204(d) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended (72 Stat. 140; 39 U.S.C. 292a(d)), is amended—

(1) by inserting "except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection," immediately following "for each additional pound or fraction thereof,";

(2) by striking out in clause (1) thereof "for students' notations" and inserting in lieu thereof "for notations"; and

(3) by striking out in clause (5) thereof "phonograph recordings" and inserting in lieu thereof "sound recordings".

(b) Section 204(e)(1) of such Act, as amended (72 Stat. 140, 141; 39 U.S.C. 292a-(e)(1)), is amended—

(1) by striking out in clause (1) thereof "for students' notations" and inserting in lieu thereof "for notations"; and

(2) by striking out in clause (iv) thereof "phonograph recordings" and inserting in lieu thereof "sound recordings".

With the following committee amendment:

Page 2, strike out lines 7 to 14, inclusive, and insert in lieu thereof the following:

"(b) Section 204(e)(1) of such Act, as amended (72 Stat. 140, 141; 39 U.S.C. 292a(e)(1)), is amended by striking out '(i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in typewritten or other duplicated form and bound volumes of periodicals; (iv) phonograph recordings; and (v) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.' and inserting in lieu thereof the following: '(i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in typewritten or other duplicated form; (iv) periodicals, whether bound or unbound; (v) sound recordings; and (vi) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.'.

"(c) Section 204(e)(2) of such Act, as amended (72 Stat. 141; 39 U.S.C. 292a(e)(2)), is amended by striking out 'and catalogs of such materials' and inserting in lieu thereof 'catalogs of such materials, and guides or scripts prepared solely for use with such materials'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DECLARING CERTAIN PROPERTY IN THE STATE OF NEW MEXICO TO BE HELD IN TRUST FOR THE PUEBLO OF SANTO DOMINGO

The Clerk called the bill (H.R. 2493) directing the Secretary of the Interior to convey certain property in the State

of New Mexico to the pueblo of Santo Domingo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey by quitclaim deed, without consideration, to the pueblo of Santo Domingo, Pena Blanca, New Mexico, all right, title, and interest of the United States in and to the following described tract of land, together with all buildings and other improvements thereon, situated in the pueblo of Santo Domingo, New Mexico: Commencing at a point 342 feet from the southeast corner of the church in the Santo Domingo Pueblo, on a line running north 52 degrees 45 minutes west, thence running 443 feet south 63 degrees east, thence north 400 feet 47 degrees 49 minutes east, thence north 470 feet 52 degrees 45 minutes west, thence south 474 feet 42 degrees west to the point of beginning, containing 4.45 acres, more or less.

SEC. 2. The conveyance authorized by this Act shall be subject to the condition that the Public Health Service, Department of Health, Education, and Welfare, be authorized to continue to utilize that portion of the aforementioned described tract of land, together with any building thereon, which it now occupies and uses for providing health services for so long as the Public Health Service continues to use such land and building for providing such services.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That all of the right, title, and interest of the United States in the land described below, together with the buildings, and improvements thereon, are hereby declared to be held in trust for the Pueblo of Santo Domingo, New Mexico, subject to the right of the United States to occupy and use for so long as they are needed for providing health services a parcel of approximately .10 acre of land and the buildings and improvements thereon that are now occupied and used by the Public Health Service, and the Public Health Service, upon termination of its use of such .10 acre parcel, may remove the temporary building occupied by it without obligation to restore the site to its former condition: Commencing at a point 342 feet from the southeast corner of the church in the Santo Domingo Pueblo, on a line running north 52 degrees 45 minutes west, thence running 443 feet south 63 degrees east, thence north 400 feet 47 degrees 49 minutes east, thence north 470 feet 52 degrees 45 minutes west, thence south 474 feet 42 degrees west to the point of beginning, containing 4.45 acres, more or less."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill declaring certain property in the State of New Mexico to be held in trust for the pueblo of Santo Domingo."

A motion to reconsider was laid on the table.

TO AUTHORIZE PARTICIPATION BY THE UNITED STATES IN PARLIAMENTARY CONFERENCES WITH CANADA

The Clerk called the joint resolution (H.J. Res. 254) to authorize participation by the United States in parliamentary conferences with Canada.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is the day set for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

MRS. ELBA HAVERSTICK CASH

The Clerk called the bill (H.R. 1434) for the relief of Mrs. Elba Haverstick Cash.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

GEORG GAHN AND MARGARETE GAHN

The Clerk called the bill (H.R. 1546) for the relief of Georg Gahn and Margarete Gahn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Alien Property Custodian be, and he is hereby, authorized and directed to pay to Georg Gahn $6,537.07 and to Margarete Gahn $6,537.08. Such amounts represent the distributive share of Georg Gahn and Margarete Gahn under the will of their deceased sister, Lena Steeger, who died in Massachusetts on August 9, 1944: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS A. HOWE

The Clerk called the bill (H.R. 1601) for the relief of Thomas A. Howe.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

MR. AND MRS. MOSES GLIKOWSKY

The Clerk called the bill (H.R. 1766) for the relief of Mr. and Mrs. Moses Glikowsky.

Mr. ASHMORE. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The bill was ordered recommitted to the Committee on the Judiciary.

JOSEPH E. MILLER

The Clerk called the bill (H.R. 2954) for the relief of Joseph E. Miller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States is hereby authorized and directed to credit the account of Joseph E. Miller, Lockport, New York, in the sum of $630. Such sum represents an overpayment of an allotment in favor of his father, Joseph A. Miller, 128 Erie Street, Lockport, New York, for the period September 1944 through February 1946.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CLARE M. ASH

The Clerk called the bill (H.R. 3240) for the relief of Mrs. Clare M. Ash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of section 202(3) of the Social Security Act, Mrs. Clare M. Ash, of Racine, Wisconsin, shall be held and considered to be the widow (as defined in section 216(c) of such Act) of Frank S. Ash (social security account number 074–10–8532).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL NELSON

The Clerk called the bill (H.R. 3798) for the relief of Paul Nelson.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the present consideration of the bill?

Mr. AVERY and Mr. CONTE objected, and under the rule the bill was recommitted to the Committee on the Judiciary.

DR. GORDON D. HOOPLE ET AL.

The Clerk called the bill (H.R. 3825) for the relief of Dr. Gordon D. Hoople, Dr. David W. Brewer, and the estate of the late Dr. Irl H. Blaisdell.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

JOSEPH B. KANE, JR.

The Clerk called the bill (H.R. 1631) for the relief of Joseph B. Kane, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Comptroller General of the United States is hereby authorized and directed to reimburse Joseph B. Kane, Junior, of Detroit, Michigan, in the sum of $124.22. Such sum represents leave ration and accrued leave while serving in the United States Army during the years 1952 and 1953,

With the following committee amendment:

Page 1, line 3, strike out all of lines 3, 4, 5, 6, and 7, and insert: "That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $124.22 to Joseph B. Kane, Junior, of Detroit, Michigan, in full settlement of his claims against the United States for the amounts he repaid representing overpayments for leave ration and accrued leave in connection with his Army service during the years 1952 and 1953: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSE SANTIAGO SAVEDRA CALZA

The Clerk called the bill (H.R. 3817) for the relief of Jose Santiago Savedra Calza.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the present consideration of the bill?

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

JACOB NAGGAR

The Clerk called the bill (H.R. 4549) for the relief of Jacob Naggar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Jacob Naggar shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. E. BOALES

The Clerk called the bill (H.R. 5362) for the relief of M. E. Boales.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to M. E. Boales, of Daytona Beach, Florida, the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States of M. E. Boales arising out of damage to his real property on and near the Halifax River in the State of Florida which was caused by dredging operations being carried out by the Secretary of the Army during the year 1952: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARK NATIONAL BANK

The Clerk called the bill (H.R. 5733) for the relief of Park National Bank.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay out, of any money in the Treasury not otherwise appropriated, to the Park National Bank, Knoxville, Tenn., the sum of $194. The payment of such sum shall be in full settlement of all claims of such bank against the United States arising out of the refusal of the Secretary of the Treasury to make payment in the original amount of $194 on a United States Treasury check drawn in favor of Joseph Orton Smith, private, United States Army, dated September 30, 1955, which, before being cashed by such bank was fraudulently raised to the amount of $494: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 4, after the word "Act" strike out "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERALD M. COOLEY

The Clerk called the bill (H.R. 1758) for the relief of Gerald M. Cooley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gerald M. Cooley, San Carlos, California, the sum of $679.93. The payment of such sum shall be in full settlement of all claims of Gerald M. Cooley against the United States for back wages due him from the Cooley-Cain Aircraft Corporation under the provisions of the Act of June 30, 1936, commonly referred to as the Walsh-Healey Act: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 1, after the word "Act" strike out "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORTH COUNTIES HYDRO-ELECTRIC CO.

The Clerk called the resolution (H. Res. 189) for the relief of North Counties Hydroelectric Co.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CERTAIN CLAIMANTS AGAINST THE UNITED STATES

The Clerk called the bill (H.R. 2594) for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the claimants hereinafter named, the sums hereinafter specified, representing the amounts reported by the United States Court of Claims to the Congress in response to H. Res. 319, Eighty-second Congress (congressional numbered 17876, decided January 15, 1958), plus, as a part of just compensation, interest at the rate of six per centum per annum from March 7, 1942, in full satisfaction of their respective claims against the United States for compensation for property losses or

damages sustained by them as the result of an explosion which occurred when a truck in which munitions were being transported for use by the United States Army collided with a privately owned passenger automobile at the intersection of United States Highways Numbered 301 and 70, between Selma, North Carolina and Smithfield, North Carolina, on March 7, 1942.

(1) Herman Benson, Selma, North Carolina, $150.30;

(2) Estate of Lloyd Guirkin (Gurkin), deceased, Selma, North Carolina, $17,500;

(3) Mr. and Mrs. J. P. Temple, Selma, North Carolina, $1,280.06;

(4) C. Talton, Selma, North Carolina, $200.32;

(5) Mrs. Mollie Creech, Selma, North Carolina, $342.80;

(6) Dora O'Neal, Selma, North Carolina, $11.37;

(7) Mrs. Frances Ebbs Hobbs and Mrs. E. G. Hobbs, Selma, North Carolina, $231.25;

(8) W. O. Fields, Selma, North Carolina, $20;

(9) C. P. Harper, Selma, North Carolina, $135.25;

(10) Mrs. Mary S. Blake, Selma, North Carolina, $159.33;

(11) Henry B. Hughes, Selma, North Carolina, $218.92;

(12) C. B. Fulghum, Selma, North Carolina, $66;

(13) Mary Boylan, Selma, North Carolina, $116.43;

(14) Mrs. Evelyn Morgan, Selma, North Carolina, $117.35;

(15) Trustees of Wake Forest College, Wake Forest, North Carolina, $140.02;

(16) T. R. Fulghum, Selma, North Carolina, $38.34;

(17) Jim Smith, Selma, North Carolina, $65.34;

(18) Mrs. Lena Proctor, Selma, North Carolina, $60.30;

(19) Selma Drug Company, Selma, North Carolina, $317.60;

(20) Paul W. McMillan, Selma, North Carolina, $35;

(21) Joseph A. Gurley, Selma, North Carolina, $22.91;

(22) Mrs. John A. Cox, and Harold Fulghum, Selma, North Carolina, $81.05;

(23) Edwin P. Raines, Selma, North Carolina, $50;

(24) Eliza C. Mials, Selma, North Carolina, $68.20;

(25) E. D. Parker, Selma, North Carolina, $89.86;

(26) ———.

(27) ———.

(28) J. T. Coates, Junior, Smithfield, North Carolina, $125.08;

(29) ———.

(30) W. L. Hunt, Rocky Mount, North Carolina, $296.46;

(31) G. N. Siler, Selma, North Carolina, $30.13;

(32) Saint Johns African Methodist Episcopal Church, Selma, North Carolina, $81.05;

(33) Mrs. Ida O. Styron, Pine Level, North Carolina, $18.98;

(34) Vernon Ricks, Selma, North Carolina, $61.20;

(35) Mrs. Lula Eason, Selma, North Carolina, $29;

(36) C. E. Denning, Selma, North Carolina, $45;

(37) Wachovia Bank and Trust Company, executor of estate of G. F. Brietz, Raleigh, North Carolina, $85.61;

(38) H. B. Pearce, Selma, North Carolina, $431.11;

(39) Town of Selma, Selma, North Carolina, $688.20;

(40) W. G. Ward, Greenville, North Carolina, $193.15;

(41) Floyd C. Price and Son, Selma, North Carolina, $177;

(42) W. A. Herring, Pine Level, North Carolina, $115;

(43) Saint Gabriels Protestant Episcopal Church, Selma, North Carolina, $24;

(44) H. E. Earp, Selma, North Carolina, $12.20;

(45) Willie Durden, Selma, North Carolina, $29.04;

(46) Closie J. Hinton, Smithfield, North Carolina, $15;

(47) J. C. Avery, agent for Ransom Richardson Estate, Selma, North Carolina, $60.67;

(48) Staff Sergeant Charles B. Register, Junior, Headquarters Battery One Hundred and Thirteenth Field Artillery Battalion, Fort Jackson, South Carolina, $8.50;

(49) J. H. Griffin, Selma, North Carolina, $34.42;

(50) Anne S. Noble, Selma, North Carolina, $24.90;

(51) Laura J. A. King, Selma, North Carolina, $71.96;

(52) Rosa B. Lassiter, Selma, North Carolina, $20.50;

(53) Anna Gilmore, 428 I Street Northwest, Washington, District of Columbia, $38.05;

(54) J. W. Blackman, guardian, Selma, North Carolina, $43.35;

(55) Hugh B. Anderson, Washington, North Carolina, $279.40;

(56) D. R. Lee, Dunn, North Carolina, $173.64;

(57) Mrs. Ellen F. Patrick, Selma, North Carolina, $50;

(58) Mrs. W. B. Driver, Selma, North Carolina, $28.10;

(59) ———.

(60) W. H. Stanley, administrator of estate of Mrs. R. L. Holloman, Smithfield, North Carolina, $1,274.50;

(61) Estate of C. M. Stallings, deceased, Smithfield, North Carolina, $1,000;

(62) Luther Capps, Pine Level, North Carolina, $1,255.12;

(63) Robert Lee Holloman, Junior, Smithfield, North Carolina, $331.04;

(64) Hazel Stewart, Smithfield, North Carolina, $246;

(65) Estelle Hill, Smithfield, North Carolina, $125;

(66) Estate of Ralph R. Talton, deceased, Smithfield, North Carolina, $25,446.35;

(67) T. C. Jordan, Smithfield, North Carolina, $101;

(68) J. A. Mitchiner, Edenton, North Carolina, $214.98;

(69) Roberta Bunn, Selma, North Carolina, $34.46;

(70) Mrs. Zelma Driver, Selma, North Carolina, $65.32;

(71) White Dairy Products, Raleigh, North Carolina, $150;

(72) T. M. Benoy, Selma, North Carolina, $39.63;

(73) Otis L. Duncan, Smithfield, North Carolina, $94.97;

(74) Elevia Ricks, Selma, North Carolina, $10.25;

(75) Albert M. Noble, Smithfield, North Carolina, $16.94;

(76) ———.

(77) Carolina Power and Light Company, Raleigh, North Carolina, $578.52;

(78) C. E. Kornegay, Selma, North Carolina, $220.10;

(79) Doctor W. B. Johnson, Selma, North Carolina, $62.69;

(80) Margaret Etheredge, Selma, North Carolina, $61.30;

(81) Fannie Richardson, Faison, North Carolina, $24.26;

(82) Mrs. Alma Lee Critcher, Selma, North Carolina, $13.71;

(83) African Methodist Episcopal Zion Church, Selma, North Carolina, $69.63;

(84) G. W. and Maggie J. Bryant, Princeton, North Carolina, $57.93;

(85) Clara Lockhart, Selma, North Carolina, $53.96;

(86) R. W. Etheredge, Spring Hill, North Carolina, $72.72;

(87) W. H. Field, Selma, North Carolina, $37.35;

(88) Louis Abdalla, Selma, North Carolina, $557.15;

(89) Susan Smith, Selma, North Carolina, $23.44;

(90) H. L. White, Selma, North Carolina, $161.10;

(91) Johnston County Superintendent of Public Instruction, for damage to Selma Public School for white race, Smithfield, North Carolina, $245.48;

(92) H. H. Olive, Route 2, Smithfield, North Carolina, $49.72;

(93) Johnston County Superintendent of Public Instruction, Smithfield, North Carolina, for damage to Selma Public School for Negro race, $552.57;

(94) Stanford Creech, Selma, North Carolina, $169.13;

(95) A. J. Powell, Selma, North Carolina, $40.75;

(96) Alvin A. Brown, Selma, North Carolina, $499.73;

(97) Person and Vick, Selma, North Carolina, $45.15;

(98) J. B. Person, Selma, North Carolina, $493.40;

(99) Mrs. Edith L. Raines, Selma, North Carolina, $102.65;

(100) A. H. Bone, Selma, North Carolina, $1,091.10;

(101) Sophia Hinton, Selma, North Carolina, $100.74;

(102) W. G. Best, Selma, North Carolina, $58.70;

(103) Mrs. J. W. Barham, Selma, North Carolina, $118.55;

(104) Selma Baptist Church, Selma, North Carolina, $600;

(105) P. H. Starling, Selma, North Carolina, $88.40;

(106) E. N. Booker, Selma, North Carolina, $102.18;

(107) Selma Clothing and Shoe Company, Selma, North Carolina, $69.17;

(108) W. B. Edwards, Selma, North Carolina, $146.81;

(109) Cullen Creech, Selma, North Carolina, $51.45;

(110) Leonard Creech, Selma, North Carolina, $81.38;

(111) Mrs. Piety E. Creech, Selma, North Carolina, $100.05;

(112) Southern Cotton Oil Company, Selma, North Carolina, $189.84;

(113) W. G. Ricks, Selma, North Carolina, $603.20;

(114) H. A. Whitler, Selma, North Carolina, $166.65;

(115) R. E. Suber, Selma, North Carolina, $109.16;

(116) Mrs. W. P. Sellers, Selma, North Carolina, $3,244.52;

(117) Miss Blanche Mitchener, Selma, North Carolina, $56.87;

(118) Mrs. H. H. Pilkinton, Selma, North Carolina, $103.68;

(119) Mrs. N. G. Blackman, Selma, North Carolina, $158;

(120) J. F. Brown, Selma, North Carolina, $277.77;

(121) W. H. Watson, Selma, North Carolina, $15;

(122) Estate of L. George, deceased, Selma, North Carolina, $91.94;

(123) Vick Brothers, Selma, North Carolina, $97.29;

(124) Frances Green, Selma, North Carolina, $53.73;

(125) C. C. Hathaway, Selma, North Carolina, $6.85;

(126) Mrs. Maggie A. Wall, Selma, North Carolina, $54.01;

(127) Mrs. Dora M. Mozingo, Selma, North Carolina, $42.50;

(128) W. G. Godwin, Selma, North Carolina, $224.37;

(129) First Baptist Church (colored), Selma, North Carolina, $1,197.65;

(130) J. T. Hughes, Selma, North Carolina, $164.75;

(131) Ideal Oil Company, Smithfield, North Carolina, $28.15;

(132) Andrew Worrells, Selma, North Carolina, $262.27;
(133) A. W. Mitchiner, Selma, North Carolina, $60;
(134) Wall Supply Company, Selma, North Carolina, $25;
(135) Mrs. R. L. Ray, Selma, North Carolina, $94.16;
(136) Floyd C. Price, Junior, Selma, North Carolina, $53;
(137) Dunn Furniture Company of Selma, Incorporated, Selma, North Carolina, $274.11;
(138) Jimmie Sanders, Selma, North Carolina, $186.55;
(139) G. C. Hinton, Selma, North Carolina, $86.59;
(140) Hattie Leach, Selma, North Carolina, $125.99;
(141) J. N. Wiggs, Selma, North Carolina, $223.67;
(142) M. N. Lewis, Selma, North Carolina, $151,94;
(143) Leoman Wellons, Selma, North Carolina, $9.27;
(144) C. S. Hicks, Selma, North Carolina, $94.95;
(145) Mrs. Edgar Rose, Selma, North Carolina, $275.06;
(146) Selma Masonic Lodge 320, Ancient Free and Accepted Masons, Selma, North Carolina, $196.03;
(147) Selma Methodist Church, Selma, North Carolina, $2,484.80;
(148) Henry Talton, Rocky Mount, North Carolina, $4,746.45;
(149) Johnston County Hospital, Smithfield, North Carolina, $19.78;
(150) J. G. McCormick, Goldsboro, North Carolina, $301.10;
(151) G. A. McLeMore, Smithfield, North Carolina, $13;
(152) Etta B. Morrison, Selma, North Carolina, $88.60;
(153) J. F. Coley, Selma, North Carolina, $20;
(154) Joseph Abdalla, Selma, North Carolina, $198.41;
(155) J. E. Peedin, Selma, North Carolina, $371;
(156) Mrs. J. F. Dail, Selma, North Carolina, $233;
(157) Albert Eason, Selma, North Carolina, $68.50;
(158) Carolina Service and Parts Company, Selma, North Carolina, $226.65; and
(159) ———.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the following-named estates of persons whose deaths resulted from the said explosion, the sums hereinafter specified, representing the amounts reported by the United States Court of Claims to the Congress in response to H. Res. 319, Eighty-second Congress (congressional numbered 17876, decided January 15, 1948), plus, as a part of just compensation, interest at the rate of six per centum per annum from March 7, 1942, in full satisfaction of their respective claims against the United States.

(1) Estate of Mrs. R. L. Holloman, deceased, Smithfied, North Carolina, $10,000;
(2) Estate of Claude H. Mitchell, deceased, Dunn, North Carolina, $10,000.
(3) Estate of Cecil Propst, deceased, Belwood, North Carolina, $10,000;
(4) Estate of Jesse (Jessie Mae) Holloway, Goldsboro, North Carolina, $10,000;
(5) Estate of Willie (Monroe) Howell, Goldsboro, North Carolina, $10,000; and
(6) Estate of George Stroupe, Gastonia, North Carolina, $10,000.

SEC. 3. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the claimants hereinafter named, the sums hereinafter specified, representing the amounts reported by the United States Court of Claims to the Congress in response to H. Res. 319, Eighty-second Congress (congressional numbered 17876, decided January 15, 1958), plus, as a part of just compensation, interest at the rate of six per centum per annum from March 7, 1942, in full satisfaction of their claims against the United States for compensation for personal injuries sustained as a result of the said explosion.

(1) Dalma Buffaloe, 420 School Street, Goldsboro, North Carolina, $165;
(2) W. L. Hunt, Rocky Mount, North Carolina, $5.50;
(3) Hugh B. Anderson, Smithfield, North Carolina, $126.65;
(4) H. B. Anderson, Smithfield, North Carolina, $500;
(5) John Hardy Maynor, Dunn, North Carolina, $66.80;
(6) John Hardy Maynor, Dunn, North Carolina, $400;
(7) Raymond O. Avery, Clinton, North Carolina, $7,500;
(8) F. H. Lee, Smithfield, North Carolina, $4,000;
(9) Mrs. A. H. Bone, Selma, North Carolina, $2,000;
(10) Mrs. Jimmy Sanders, Selma, North Carolina, $1,000;
(11) Mrs. Kathleen Guirkin, Selma, North Carolina, $1,500;
(12) Bruce Hopewell, Goldsboro, North Carolina, $1,500;
(13) Thelma Holloway, Ayden, North Carolina, $1,560; and
(14) ———.

SEC. 4. No part of the amount appropriated in this Act in excess of 25 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contracts to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 2, line 1, strike out "plus, as a part of just compensation, interest at the rate of six per centum per annum from March 7, 1942".

Page 2, line 12, strike out all numbers beginning with (1) through (159) on page 12, line 11.

Page 12, line 19, strike out "plus, as a part of just compensation, interest at the rate of six per centum per annum from March 7, 1942".

Page 12, line 11, insert "A. G. Boone Company, Charlotte, North Carolina, $726.50".

Page 13, line 18, strike out "plus, as a part of just compensation, interest at the rate of six per centum per annum from March 7, 1942".

Page 12, line 23, strike all numbers beginning with (1) throughout the remainder of the bill.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN F. CARMODY

The Clerk called the bill (H.R. 2100) for the relief of John F. Carmody.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RELIEF OF CERTAIN ALIENS

The Clerk called the resolution (H.J. Res. 322) for the relief of certain aliens.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. GEORGE P. MILLER. Mr. Speaker, this bill pertains to some 15 or more individuals. I wonder if the gentleman would elucidate his objection.

The SPEAKER pro tempore (Mr. ALBERT). The gentleman cannot reserve the right to object on the Private Calendar.

Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER pro tempore. This concludes the calling of the Private Calendar.

AIR FORCE NOW CONSIDERS AN AIRBORNE ALERT

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, some weeks ago I called in this House for a so-called airborne alert of our Strategic Air Command, so as to be fully defended in the event of a Soviet missile attack against this country. I referred to testimony presented to the Committee on Armed Services by Gen. Nathan M. Twining in which he implied that no such alert was needed.

Today I desire to bring to the attention of Members of this House the fact that the outspoken Commander of SAC, General Power, has indeed indicated to one of the committees of this House that such an alert is necessary and desirable after all.

I sincerely hope that the administration will now see fit to support the request of General Power.

Under leave to extend my remarks, I insert herewith an article that appeared in the Washington Post this morning by Joseph Alsop, exploring some of the implications of General Power's testimony:

GENERAL POWER'S WARNING

(By Joseph Alsop)

"I think you are just risking the whole country. That is how important I feel it is."

This comment, on the inadequacy of the administration's program for maintaining our deterrent power, was not made by an ignoramus, or a crisismonger, or a partisan. It was made by the wise and moderate man who carries the lonely and terrible responsibility for the American deterrent, the U.S. Strategic Air Commander, Gen. Thomas B. Power.

Now that a much-censored version has been released, General Power's grim testimony before the Military Subcommittee of the House Appropriations Committee has already attracted some attention. The attention has been ludicrously inadequate, however; and almost no attention at all has been paid to the statements by General Power which had the highest immediate significance. These concerned the need for an airborne alert of the Strategic Air Command.

To put this part of the Power testimony in a comprehensible context, it is necessary

to note that the "missile gap" has two phases. In the later phase, the United States will have some intercontinental missiles in hard or semihard pads, and some measure of warning against the Soviet missile attack. In this later phase, the business-as-usual defense budget will permit the Soviets to gain an enormous preponderance of nuclear striking power, by permitting the Soviets to outbuild this country in both long and medium range ballistic missiles. Concerning this later phase, General Power in effect said that it was insanely imprudent not to maintain a more reasonable balance of striking power, by building more of the Atlas ICBM's for instance.

In the present phase, however, the problem is quite different. This year and next year—for at least 18 months and maybe an even longer period—the United States will have no ICBM's in hard pads and no warning whatever against a Soviet missile strike. A small number of Atlas ICBM's will indeed become operational during this phase. But these first Atlas missiles will be "soft," which means cheap, easy targets.

The immediate question, therefore, is whether the Soviets can produce enough ICBM's to knock out America's deterrent power in this first phase of our maximum softness. As of today, for instance, the Soviets could win the world in one stroke, with just enough ICBM's to launch a surprise missile attack on about 50 targets in this hemisphere. The realistic requirement (which was seriously understated in an earlier report in this space) is approximately 350 Soviet ICBM's. This small number of these weapons, plus the admitted Soviet stock of medium range missiles to cover SAC's overseas air bases, would be enough to do the job.

They would be enough to do the job, because General Power's Strategic Air Command is only authorized at present to maintain a 15-minute ground alert. This kind of alert will be useful when the missile-seeing radars are at last in place, and ready to give SAC 15 minutes warning. But a ground alert is obviously worthless in the present phase, when there can be no warning whatever against a Soviet missile strike.

The only possible remedy, the only thing that can be done now is to run a continuous airborne alert. If a maximum percentage of SAC bombers are always in the air, ready to go, and beyond reach of a surprise missile strike, the entire American deterrent can never be knocked out. But since the problem of the air-borne alert began to be discussed, the great men of the Pentagon have been pouring out the customary flood of lies, inspiring statements that an air-borne alert was not feasible, that it could not be made to work, and so on and so on. General Power's testimony has now given the lie direct to the smooth, easy liars, as follows:

"Warning is the crux of the problem. We may not get any warning of a missile attack. Mr. Khrushchev knows that, and he might feel these are very favorable circumstances. What can you do? We in the Strategic Air Command have developed a system known as air-borne alert. * * * This is a difficult way to live. It never has been attempted in * * * military history. [But] we have tested it and we know we can do it.

"I do not want to see an air-borne alert [after] any responsible person in this country says: 'I will guarantee you warning'. However, I feel we must get on with this airborne alert to carry us over [the period of no warning]. For the minute [Khrushchev] thinks he can strike this country with impunity, we will get it in the next 60 seconds." You could have no clearer statement, from a more impressive source.

THE KINZUA DAM STORY

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, I rise to speak against the proposed construction of the Kinzua Dam as a part of the Allegheny Reservoir project contained in the Public Works Appropriation Act for 1958 and I am particularly concerned with the plight of the Indians of the Seneca Nation.

The Seneca Nation was and still is the largest of the Six Nations or Iroquois Confederation. The lands to be flooded by the reservoir created by the erection of the Kinzua Dam are the property of the Seneca Nation and the Government of the United States has given its solemn promise never to claim this land or disturb the Seneca Indians in the free use and enjoyment of these lands. The permanent, seasonal, and occasional flooding created by the erection of a dam near Kinzua, as proposed, violates the spirit and intent of the treaty guarantees pledged by our Government in 1794 over the signature of our first President, George Washington.

I feel that the time has come for Congress to stop enacting legislation that is inconsistent with prior treaties, for the arbitrary abrogation of Indian treaties without any compelling national interest is immoral, and shows bad faith on our part toward the Indians. The Seneca Indians have lived up to their side of the treaty for the past 165 years and it is about time the United States followed their example.

Long ago, the Indian said, "White man, many times, he speaks with a forked tongue."

A study of the treaty of 1794 and the Kinzua Dam proposal reveals how farsighted the Indian adage was.

The rights of the Seneca Nation have not been considered, and good faith has not been exercised in the planning, the design, and the proposed construction of the Kinzua Dam. It is not necessary to flood these Indian lands—it is merely economically convenient, although morally indefensible.

The Seneca Indians have a vested property right that should not be swept aside by administrative selection based upon tenuous economic arguments. The promises made in the treaty must be kept, and their title to these lands should remain sacred instead of being destroyed by implication, innuendo, and unauthorized acts.

We recognize the Seneca Indians as a distinct people, vested with rights which constitute a State or separate community. They are now a defenseless people, wards of the Nation, and dependent wholly upon it for protection and good faith.

The Kinzua Dam proposal will, in effect, make refugees out of these Indians, for it is an out-and-out land grab—destroying homes, buildings, and forcing them to leave their homes and move elsewhere.

Hallowed cemeteries will be desecrated and relocated to prevent artificial, man-made flooding of Indian graves. It is important to the Seneca Nation not to have their ancestral graves under water.

Congress has never, to this date, removed any of the restrictions of the 1794 treaty which was a voluntary restriction by our Government, modifying the inherent sovereign right of eminent domain.

For the record, let me emphasize that I believe wholeheartedly in flood control, but with proper regard for the rights and privileges of the affected residents of the area involved.

There is a serious question as to whether the Kinzua Dam project is a flood-control project. The CONGRESSIONAL RECORD shows argument for the project on the basis of supplying water for the domestic and industrial life of the Allegheny Valley and Pittsburgh antipollution and waterflow regulation as a major reason for the proposed dam. These industries can well afford to pay the expense of chemically treating their own waste, rather than pass the bills along to the Federal Government and the Seneca Indians.

The Kinzua Dam, like other bureaucratic daydreams, has grown from a 40-foot dam to a 180-foot monstrosity, all on paper.

Sportsmen leagues have condemned the man-made lake to be formed by it because it will destroy the existing, excellent recreational facilities of the Allegheny Valley.

The CIO Greater Buffalo Industrial Union Council supports the Seneca Indians in their fight against this proposed dam.

The city of Salamanca, N.Y., casts a wary eye on the proposal because of the possibility of the southwestern section of Salamanca being occasionally flooded by the backwaters of the reservoir created by the proposed Kinzua Dam.

I do not concur that it is impractical to have this project in a location other than that selected to prevent menace to the national welfare by destructive floods causing loss of life and property and the obstruction of commerce. I call for a reevaluation of the existing plans for the Allegheny Reservoir project and serious consideration of an alternative proposal labeled the "Conewango Diversion" whereby the flood flows of the Allegheny River can be diverted to Lake Erie through the construction of a diversion canal. This proposal has decided advantages over the Kinzua Dam proposal, for the additional water diverted to Lake Erie would be welcome for power potentials at Niagara Falls, would provide greater flood protection to the Pennsylvania cities concerned, would destroy no Indian lands, would be cheaper to construct and save millions of tax dollars, would create new recreational areas rather than destroy existing ones. I call upon the Army engineers to take an openminded, impartial, engineering approach to this alternative proposal of a diversion canal and to call a halt to the expenditure of any public funds in the direction of the construction of a dam at Kinzua.

DECENTRALIZATION PROGRAM AT WRIGHT-PATTERSON AIR FORCE BASE

Mr. SCHENCK. Mr. Speaker, I ask unanimous consent that the special order heretofore granted me for today be vacated and that I may have permission to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHENCK. Mr. Speaker, most of the Members of the Congress will recall that a decentralization program was undertaken at Wright-Patterson Air Force Base, Ohio, several years ago. Many of us are also aware of the fact that the changes made were very expensive, both in funds and in time lost by relocation. Currently some of the relocated functions have been returned to Wright Field for greater efficiency.

Last week when I was in my district, I learned of a situation which is causing me a great deal of concern, and I feel that all Members of Congress will also be concerned. I have learned that the Air Force is contemplating moving the responsibility for research and development of rockets from Wright Air Development Center, Dayton, Ohio, to Edwards Air Force Base, Calif.

Let me say right now that I have no selfish motive in opposing such a move but do so in the overall interest of our national defense. While all of us are properly concerned with keeping jobs in our own districts, the problem here transcends local considerations. This is especially true at this very time when so much depends on the elimination of unnecessary time lags and on the procurement of defense needs in the most economical manner possible.

In the present instance it is my understanding this proposed move would not only affect the research and development of rockets but that it would also affect about 200 scientifically trained personnel. The conditions at Edwards Air Force Base, I am told, are not conducive to attracting technical personnel to its desert location. Consequently, a great number of these people will be lost to the critical rocket work until replacements can be trained.

Of prime consideration, however, is the fact that the Wright Air Development Center area is best for rocket research and development because of its location in the Wright-Patterson Air Force Base complex. Procurement and contracting headquarters are here. In research procurement at Wright-Patterson there is a constant need for personal contact between the laboratories and the procuring agency. Joint daily review of documents is necessary to cut down the already long lead time in developing this country's research. When all the liaison between procurement and Wright Air Development Center has to be done by telephone or writing, this doubles the procurement cycle and has a very harmful effect on the Air Force surveillance of the program. It is my understanding that it is absolutely essential from the standpoint of efficiency for project engineers managing various projects to have frequent personal contact with appropriate procurement personnel.

Also of importance is the fact that many contractors are located in the Wright Field area, and company technical personnel are able to meet with Air Force research and procurement people. Thus an ideal situation now exists with development, procurement, and manufacturing representatives all working in closest cooperation and with a minimum of lag time on projects. As it becomes necessary to require the technical personnel of the various manufacturers to travel long distances, this cannot help but necessarily add to procurement costs, thereby increasing the costs of these projects to our Government. If the propulsion engineering is moved to Edwards, then because of the advantages of having the project engineering team close to procurement, Air Materiel Command will find it necessary to move all of the rocket propulsion procurement from Dayton, Ohio, to ballistic missile center, California. Supposedly there is a strong move afoot in the Air Force to put all of the propulsion procurement at ballistic missile center. Some of the recent programs in this category have already been shifted from Wright Field to the west coast.

Similar moves have been accomplished by the Air Force before, and a good example was when they moved armaments from the armament laboratory at Wright Air Development Center to Eglin Air Force Base. The key people involved did not transfer to Eglin, and thus a break in the project engineering surveillance came about with the result, I am told, that some of the programs were without Air Force engineering for some time. The Air Force lost the key people and eventually lost the armaments area itself to the Army.

The weapon system project offices are supported by the rocket group in the propulsion laboratory; and if this propulsion group is transferred, it will leave the weapon system project office without engineering support. Rocket propulsion is one of the key problems with the Air Force, National Aeronautics and Space Administration, and Advanced Research Projects Agency. Removal of this Wright Air Development Center function at Wright Field will leave many other laboratories with only a partial picture of the complete Air Force research area.

Prominent military men are continually pointing out the need for a stepup in our programing and the need for a reduction of lead time. In this instance, however, both of these objectives will be adversely affected. I cannot stress too greatly the need for a complete investigation of this contemplated move, and I urge immediate action by the appropriate committee of the Congress.

Mr. BROWN of Ohio. Mr. Speaker, will the distinguished gentleman from Ohio [Mr. SCHENCK] yield to me?

Mr. SCHENCK. I am happy to yield to my distinguished colleague from Ohio who so ably represents the adjoining Seventh District of Ohio, in which Wright-Patterson Air Force Base is also located in part.

Mr. BROWN of Ohio. Mr. Speaker, I want to commend my distinguished friend and neighbor for the clear and splendid way in which he has presented this important matter. I also want to commend him for his constant vigilance and work not only in behalf of the district he represents so well here but also for his very effective efforts in behalf of the best interest of our entire Nation.

Mr. Speaker, these are indeed critical times, filled with worldwide tensions and problems; and we can ill-afford to take needless chances with our national security and safety. I want to associate myself, Mr. Speaker, with the timely remarks made by my associate and to urge that the most careful study and consideration be given to this matter by the U.S. Air Force Headquarters before they make a final decision. I also join with my friend, the distinguished gentleman from Ohio [Mr. SCHENCK] in urging the appropriate committees of the Congress to take every step available to them to inquire into the merits of this proposed move.

Mr. SCHENCK. I thank the distinguished gentleman for his remarks and support.

A BILL TO ESTABLISH A U.S. ARTS FOUNDATION

Mr. WOLF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include a bill I introduced today.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, I am introducing a bill to establish a U.S. Arts Foundation. This foundation, I hope, will stimulate the growth throughout the United States of the performing and composing arts. It is the intention of my bill, which is similar in scope and purpose to that of S. 1598, introduced yesterday by Senator JAVITS, of New York, and Senator CLARK, of Pennsylvania, to foster, encourage, and stimulate the production of plays, concerts, ballet, and other performing art forms throughout the United States. My bill calls for the encouragement and aid by the arts foundation to playwrights and composers.

Mr. Speaker, we are the greatest Nation in this world. We have raised our standard of living to a level unparalleled in the history of civilization. We have a technical and scientific colossus that has no equal. Our military might is very great. The freedom that we have and the sense of pride that we have in our Nation is not matched by any other people for their nation.

Yet, there is one vital element of our national character that is not strong. There is no question that the cultural life of America as it manifests itself in support of the arts can and must be improved.

The United States as a nation lags far behind almost every nation in Europe in aid that is given to composers, playwrights, and the performing arts.

For example, in Great Britain and Canada, respectively, there is a British and Canadian Arts Council. These councils do much to stimulate the performing arts in their respective countries. In Italy there are literally scores of government-aided opera houses and orchestras. Almost every city has a state opera, orchestra, and theater financed by grants from the federal, state, and local governments. In France, there is strong support by the French Government for the opera. There is also strong support in Austria, which spends a relatively high percentage of its budget on the performing arts.

Senator JAVITS has pointed out in an article first appearing in the New York Times on Sunday, and now appearing on page 5438 of the CONGRESSIONAL RECORD, April 7, 1959, that "while the proposed bill for an arts foundation might be considered precedent shattering in the United States, it would be taken for granted nearly anywhere else in the world."

Let us hope that the United States will not continue to lag behind in an area which is of paramount importance to the greatness of our Nation.

In closing I would like to state our interest in this proposal out in the Middle West. As we all know, most of our performing and creative arts center in just a few big cities in this Nation. Obviously, this does not help the people who do not live in these three or four big cities. Through stimulation and encouragement by the arts foundation, community theater groups, orchestras, ballet, choral singing will become an important part of the lives of the small communities of this land. Art and the performing arts are not only for the big cities. They are for people wherever they might live.

Without objection, Mr. Speaker, I would like to introduce this bill into the body of the RECORD.

A bill to establish the United States Arts Foundation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF FOUNDATION

SECTION 1. There is hereby established in the executive branch of the Government an independent agency to be known as the United States Arts Foundation (hereinafter referred to as the "Foundation").

DECLARATION OF POLICY

SEC. 2. The Congress finds that a large and progressively increasing proportion of the people of the United States are deprived of the opportunity to view and enjoy living theatrical performances, musical concerts, opera, dance, ballet, and choral recitals, and the performing arts generally; that the general welfare will be promoted by providing national recognition of the status of the theater and other performing arts as a cherished and valued part of the Nation's cultural resources since colonial days, and as a valued means for the building of morale among the civilian components engaged in defense production and among the Armed Forces, and for the promotion of education, national culture, recreation, skill in the arts, and beneficial utilization of leisure time; that it is desirable to establish a United States Arts Foundation to provide such recognition and also to consider how the presentation to and appreciation by the people of theatrical and other performing arts and productions may best be stimulated in civic and educational groups as well as professional companies throughout the Nation and regions thereof (including ships, airfields, posts, camps, and stations of the Armed Forces and mines, plants, and offices of the civilian component production forces) and to take steps appropriate to stimulate such increased and more widespread presentations.

TRUSTEES OF FOUNDATION

SEC. 3. (a) The Foundation shall be subject to the general supervision and policy direction of a board of trustees which shall consist of twelve members to be appointed by the President, by and with the advice and consent of the Senate. The President shall endeavor to provide representation to the several performing arts, to both civic, educational, and professional groups concerned with and engaged in productions of the performing arts, to the trade unions and trade associations concerned with the performing arts, and to the attending public. The President is requested, in the making of nominations, to give due consideration to recommendations for nomination which may be submitted to him by the representative associations of the foregoing and of organizations and associations concerned with the encouragement and development of the performing arts.

(b) The term of office of each trustee of the Foundation shall be six years in duration, expiring on April 30, except that the terms of the trustees first taking office after the enactment of this Act shall expire, as designated by the President at the time of appointment, four at the end of two years, four at the end of four years, and four at the end of six years, subsequent to the April 30 following the enactment of this Act. A vacancy shall be filled only for the unexpired portion of the term. Any person who has been a trustee of the Foundation for twelve consecutive years shall be ineligible for appointment during the following two-year period.

(c) The President shall call the first meeting of the trustees of the Foundation, at which the first order of business shall be the election of a Chairman and a Vice Chairman.

PRINCIPAL POWERS AND DUTIES OF THE FOUNDATION

SEC. 4. (a) The Foundation is authorized and directed to—

(1) stimulate and encourage throughout the United States the study of and the advancement of the performing arts and public interest therein;

(2) stimulate and encourage within such reasonable limitations as it shall determine the presentation throughout the United States, and to the widest practicable audiences, of productions of the performing arts, of both new works and works drawn from the existing literature of those arts, which have substantial artistic or historic significance, giving preference to stimulating and encouraging the works of citizens and residents of the United States and of the Americas;

(3) foster and encourage professional and civic and nonprofit, private, public, educational, institutional, or governmental groups which are engaged in or directly concerned with the performing arts and productions;

(4) foster and encourage maintenance of registers, as may be deemed advisable, of theaters, personnel, or otherwise; and make such surveys and analyses as may be deemed advisable in the interest of the performing arts throughout the country;

(5) promote, encourage, and provide financial assistance through grant, fellowship, and scholarship for composers and students of composition, playwrights and students of playwrighting, for the purpose of encouraging new plays and musical compositions; and

(6) provide through direct grant or otherwise financial assistance and support from the funds appropriated to the Foundation or otherwise obtained pursuant to this Act or other Acts, to professional groups, and groups meeting professional standards, and educational groups, engaged in or concerned with the performing arts and productions, for the purpose of enabling such groups to provide productions of such type, or in such regions, as would be unavailable to the prospective audience without such assistance, or to provide instruction in the performing arts, but such groups shall be eligible for financial assistance only if no part of the net earnings of such groups inures to the benefit of any private stockholder or stockholders, or individual or individuals, and if such groups satisfy the standards of subsection (c) of section 170 of the Internal Revenue Code of 1954 so as to authorize deductions from gross income of donations to such groups. The Foundation shall wherever practicable develop the principle of matching funds with interested agencies public or private.

(b) The Foundation shall not produce or present any production.

(c) The trustees of the Foundation shall meet four times each year, beginning on the first Monday in February, May, August, and November, and at such other times as the Chairman may determine. The Chairman shall also call a meeting whenever one-third of the trustees so request in writing. A majority of the trustees of the Foundation shall constitute a quorum. Each trustee shall be given notice, by registered mail mailed to his last-known address of record not less than fifteen days prior to any meeting, of the call of such meeting.

(d) The first Chairman and Vice Chairman of the Foundation shall be elected by the Foundation to serve until the first Monday in May next succeeding the date of election at which time a Chairman and Vice Chairman shall be elected for a term of two years. Thereafter such election shall take place at the annual meeting occurring at the end of each such term. The Vice Chairman shall perform the duties of the Chairman in his absence. In case a vacancy occurs in the chairmanship or vice chairmanship, the Foundation shall elect a trustee to fill such vacancy.

(e) The Foundation shall render an annual report to the President for submission on or before the 15th day of January to the Congress, summarizing the activities of the Foundation and making such recommendations as it may deem appropriate.

DIRECTOR OF FOUNDATION

SEC. 5. There shall be a Director of the Foundation (hereinafter referred to as the "Director"), who shall be appointed by the President, by and with the advice and consent of the Senate. In the appointment of the Director of the Foundation, the President is requested to give due consideration to the recommendations for such an appointment which may be submitted to him by the Board of Trustees, and the Board of Trustees in making such recommendations shall give due consideration to the recommendations which may be submitted to them by the representative associations referred to in section 3(a) of this Act. The Director shall serve as an ex officio trustee of the Foundation. In addition, he shall be the chief executive officer of the Foundation. The Director shall receive compensation at the rate of $22,500 per annum and shall serve for a term of six years unless sooner removed by the President: *Provided,* That at any time a majority of the Board of Trustees may recommend such removal to the President.

ADMINISTRATION AND ENABLING AUTHORITY

SEC. 6. (a) The Foundation may appoint committees or councils or panels concerned

with particular regions of the country or with particular aspects of the performing arts, or both, and composed of persons who need not be trustees of the Foundation, or of organizations. The Foundation shall maintain an office in the District of Columbia, and in such other places through the country as it may deem appropriate.

(b) The Director shall have general authority to carry out and execute the programs of the Foundation on a full time, continuous basis, to recommend programs to the Foundation and to discharge such other functions as the Foundation may delegate to him, including functions vested in the Foundation by this Act. Except as specifically approved by the Foundation, the Director shall not hold any office in, or act in any capacity for, any group or institution with which the Foundation makes any contract, or to which it gives any award or assistance.

(c) The Foundation is specifically authorized to—

(1) prescribe such rules and adopt such bylaws as it deems necessary governing the manner of its operation and its organization and personnel;

(2) make expenditures, and enter into contracts or other arrangements, as may be necessary for administering the provisions of this Act, without regard to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5);

(3) make advance, progress, and other payments which relate to research in the performing arts without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529);

(4) acquire by purchase, lease, loan, or gift, and to hold and/or dispose of by sale, lease, or loan, real and personal property, to receive and use funds or property donated by others, and such donations shall be classified as contributions deductible from gross income within the meaning of section 170 of the Internal Revenue Code of 1954;

(5) publish or arrange for the publication of information relating to the performing arts and productions, or personnel engaged therein, without regard to the provisions of section 11 of the Act of March 1, 1919 (44 U.S.C. 11);

(6) accept and utilize the services of voluntary and uncompensated personnel;

(7) pay fees for and to enter into contracts with persons for the performance of services required by the Foundation; and

(8) pay to employees of the Foundation, and to all other persons rendering services to the Foundation, whether on an uncompensated basis or on a fee or contract basis, actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowances at a rate not in excess of $15) when engaged away from home, in business of the Foundation.

(d)(1) The Foundation is authorized to make loans to any professional group, or any group meeting professional standards, or any educational group meeting standards prescribed by the Foundation engaged in or connected with the performing arts and productions or in instruction therein. Such loans may provide for payment to the Foundation of a percentage of the net profits of the production or productions, or of interest, or both, as may be determined by the Foundation.

(2) A group shall not be eligible for assistance under subparagraph (1) unless (A) such group satisfies the standards of subsection (c) of section 170 of the Internal Revenue Code of 1954, so as to authorize deductions of donations to such group from the gross income of the donor, and (B) no part of the net earnings of such group inures to the benefit of any private stockholder or individual.

INTERNATIONAL COOPERATION

SEC. 7. (a) The Foundation is authorized, with the approval of the President and to the extent specified by such approval, and in consultation with the Department of State, to cooperate in, assist, and sponsor international activities relating to the performing arts, including the assistance to or sponsorship of performances in other countries.

(b) The Director, with the approval of the Foundation, and subject to consultation with the Secretary of State, may defray the expenses of trustees or employees of the Foundation, and members of councils or committees of the Foundation, in attending meetings, congresses, and performances in other countries relating to the performing arts, whenever he deems it necessary in the promotion of the objectives of this Act.

APPROPRIATIONS

SEC. 8. (a) There is authorized to be appropriated to the Foundation for each fiscal year such sums as shall be necessary to carry out the provisions of this Act. The moneys appropriated to the Foundation shall remain available for expenditure for two years following the expiration of the fiscal year for which appropriated.

(b) Moneys received by the Foundation pursuant to paragraph (4) or (5) of section 6(c), or pursuant to section 6(d), of this Act, shall not be covered into the Treasury as miscellaneous receipts, but shall be kept in a special account, maintained by the Treasury Department, or may be kept by the Foundation in commercial banking institutions, or invested in securities eligible for trust funds in the District of Columbia.

GENERAL PROVISIONS

SEC. 9. (a) The Director shall, in accordance with such policies as the Foundation shall from time to time prescribe, appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of this Act. Such appointments shall be made and such compensation shall be fixed in accordance with the provisions of the civil-service laws and regulations and the Classification Act of 1949, as amended, except that the Director may, in accordance with such policies as the Foundation shall from time to time prescribe, employ such technical and professional personnel or personnel with experience in or relating to any of the performing arts, and fix their compensation, without regard to such laws, as he may deem necessary for the discharge of the responsibilities of the Foundation under this Act. The Deputy Director hereinafter provided for, and the members of the councils or committees, shall be appointed without regard to the civil-service laws or regulations. Except with the approval of the Foundation, neither the Director nor the Deputy Director shall engage in any other business, vocation, or employment than that of serving as such Director or Deputy Director, or hold any office in, or act in any capacity for, any organization, agency, or institution with which the Foundation makes any contract or other arrangement under this Act.

(b) The Director may appoint, with the approval of the Foundation, a Deputy Director, who shall perform such functions as the Director, with the approval of the Foundation, may prescribe and shall be acting Director during the absence or disability of the Director or in the event of a vacancy in the Office of the Director, and who shall receive compensation at a rate not to exceed $20,000 per annum.

(c) The trustees of the Foundation, and the members of the council and committees, shall receive compensation at the rate of $50 for each day engaged in the business of the Foundation pursuant to authorization of the Foundation, and shall be allowed actual and necessary traveling and subsistence expenses (including, in lieu of subsistence, per diem allowance at a rate not in excess of $15) when engaged, away from home, in the duties of their offices.

(d) Persons holding other offices in the executive branch of the Federal Government may serve as members of the committees or councils, but they shall not receive remuneration for their services as such members during any period for which they receive compensation for their services in such other offices.

(e) Service of an individual as a trustee or employee of the Foundation, of a committee or council, shall not be considered as service bringing him within the provisions of section 281 or section 283 of title 18 of the United States Code unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involved the Foundation or in which the Foundation is directly interested.

(f) Agencies of the United States Government are authorized to render assistance to the Foundation by the donation or loan of employee services and by the donation or loan of supplies, office or building space, or other property, either on a reimbursable or nonreimbursable basis.

(g) The Foundation shall provide a reasonable system for control and accountability of all funds of the Foundation, and shall consult with and consider the suggestions of the Comptroller General with regard thereto.

DEFINITION AND TITLE

SEC. 10. As used in this Act—

(a) The term "performing arts" means the arts related to performances of theatrical plays, dance, ballet, and choral performances, and performances of musical works (instrumental, voice, and/or operatic); and includes the arts of playwriting, acting, directing, staging, scenic and costume design, and composition and performance of music, opera, and dance and ballet.

(b) The term "productions" means plays (with or without music), ballets, dance and choral performances, readings, concerts, recitals, operas, and any other performances before members of the public involving the execution or rendition of any of the performing arts and meeting such standards as may be established by the Foundation.

(c) The term "group" includes any society, institution, organization, or association, whether or not incorporated.

SHORT TITLE

SEC. 11. This Act may be cited as the "United States Arts Foundation Act."

BATAAN DAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, 17 years ago tomorrow the world saw the strength and vitality of American ideals and it is good to recall the historic event that showed it beyond the peradventure of a doubt. Filipino and American troops fought side by side to the bitter end in Bataan. That they faced odds that taxed their courage and

endurance seldom undergone by men in the history of all wars is an epic that will live forever. What gave them the fortitude and the valor to withstand what they so heroically endured was the unity that welded them together as no two nations of two different races were united before: a unity brought about by the ideals of democracy and freedom for which they fought.

Faced as the world is today by the threat of communism which is the antithesis of democracy and freedom as Americans and Filipinos have learned to value them, it is important to recall the epic that is Bataan, for it underscored what can be brought about by mutuality and understanding between two nations. When we first went to the Philippines we were misunderstod. It is possible that some of our actions then were subject to misinterpretation. The Filipinos who loved freedom fought us for 3 years. Gradually, however, we showed that we meant well by them, that the overwhelming sentiment among the American people was to help them to develop into a self-governing nation. All our subsequent acts proved this. At first we promised them independence as soon as they are able to maintain a stable government. Then we fixed a definite date for independence. When the date came, independence was proclaimed as pledged.

When war was declared by Japan, the Philippines was still a Commonwealth. It was an American Territory. It was the American flag that was attacked. But the Filipinos rallied to defend our flag with loyalty and devotion. The Philippine Army resisted the enemy in a manner that won the admiration of the world. The Filipino guerrillas organized and maintained a resistance movement that harassed the occupation troops for more than 3 years. With their guerrilla tactics they not only weakened the enemy but they helped save thousands of American lives. The memory of this loyalty and devotion to the United States we cannot forget and I recall them today with gratitude and admiration.

Bataan will always live in the heart of every American. It will always be a symbol not only of human courage but of an undying faith in those spiritual values that are inseparable from the democratic way of life. It ennobles us as a people to cherish the memory of the loyalty of our allies, the Filipinos. Theirs is a friendship tested and true and it is a friendship that we must never subordinate to any consideration dictated by expediency or self-interest. Only thus can we prove to the world that we know how to appreciate the loyalty of friends. As Gen. Carlos P. Romulo, Philippine Ambassador to the United States, said in a recent speech in New York City:

> Friendship is a thing of the spirit and loyalty to it cannot be bought with dollars or with rubles. Peoples who are used to have little of consumer and capital goods but who have depended only on their spirituality for their happiness in the past may more easily be attracted by that leadership now which can offer them a friendship that is steadfast and abiding, a friendship that will be loyal to them no matter what the shifts and changes may be in the world's balance of power.

In honoring the memory of the fallen brave of Bataan today let us reassure our Filipino friends with our deeds that American friendship for them is steadfast and abiding and that as a Nation we will always keep faith with them as it is our sincere and devout hope they will always keep faith with us.

AMERICAN DEMOCRACY PROGRAM

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 1 hour.

Mr. O'HARA of Illinois. Mr. Speaker, today it is my privilege and my pleasure to report to the House and to the American people on the amazing and most heartening progress of a program aimed at winning the hearts and the minds of people everywhere. I have selected April 8 as the date for this report because it was on April 8, 1954, just 5 years ago, that a constituent of mine, Thomas B. Stauffer, wrote me a letter that started a chain of activities that resulted in the program that now is known the world around as the classics of American democracy program.

Five years ago, when first I was alerted by this letter from a constituent at that time unknown to me, there were no copies available anywhere in the world on a grassroots level of the books in which our forefathers found their inspiration. Not even the Constitution of the United States and the Declaration of Independence had been translated into languages so that they could be read and understood by the peoples in awakening lands and as hungry for democratic inspiration as were our forefathers.

Five years ago, when I received this letter from a constituent then unknown to me, I could not believe what he told me that such outstanding classics of democracy as the "Federalist" had not been translated into other languages. But a check by my administrative assistant, Marie Crowe, herself a student of history and an author of textbooks on American history and on our Constitutional convention, revealed that the Federalist papers had been translated into only two or three European languages in limited editions, then long out of print.

That was 5 years ago. We then had been spending, and this expenditure I am not criticizing, large sums of money on our mutual security program. We had been building up the military strength and the economic stability of the nations that were joined with us in the cause of democracy.

But we had not been reaching into the minds and the hearts of people. Mr. Speaker, this should be self-evident that you do not have an ally who will stand with you steadfastly in the sunshine and in the storms unless he is bound to you in heart and in mind by an understanding that the cause in which he and you are enlisted is worth more to him and to you than life itself. Men can be armed to fight, and the arms may be the last word in modern armaments, but they will not stand up under assault and laugh scornfully as the odds against them grow unless there is something in their minds and in their hearts that bids them stand fast.

Five years ago we were losing the fight for the minds and the hearts of the peoples of the world. The classics of American democracy that had inspired our forefathers were not anywhere available on the grassroots level. There were a few copies, in expensive bindings and in English, on the shelves of embassies and of libraries that relatively few people visited and none except from the elite. Meanwhile, in every bookstall and in every language and at prices within the reach of everyone were the works of the architects of the ideology of communism.

Today the picture has been changed. It has all happened in the period of 5 years since the receipt 5 years ago today of a letter from a constituent of mine then unknown to me. Today the classics of democracy, and by that I mean those immortal works that gave inspiration to our own forefathers, have been translated into many languages, have been printed, sometimes on old delapidated presses by publishers in many countries, have by these publishers been distributed to booksellers and sold at prices within the reach of everyone. The response has been tremendous. Today in all the countries of the world these classics are being purchased from local booksellers, not as propaganda forced upon them but as something for which they feel the need as blueprints in democracy to guide them in their search for governmental structures that will assure to them government of, for, and by the people. As our forefathers sought to place the dignity of man beyond the perils of selfish government and the frailties of human nature, so are these peoples in lands now awakening looking for guidance and inspiration to the same sources.

Five years ago the Soviet was in complete command of the situation.

Mr. Speaker, today the picture has completely changed. Our country today is gaining in the fight for the hearts and the minds of peoples everywhere. Today the classics of democracy, that inspired our forefathers, in inexpensive translated editions are in the hands of readers all over the world. They are not being given away. They are not being forced upon the people. They are not under suspicion as American propaganda because in fact and in truth they are the products of local publishers and sold at popular prices in local bookstores. This grassroots program has worked so well that the Soviet has been forced to revise its own techniques. What we have done has shown up the Soviet giveaway program as pure propaganda.

Mr. Speaker, we hear so much of anti-American feeling in Latin America, in Africa, and throughout the world that it is most heartening to know that our

program aimed solely and unselfishly at reaching the hearts and the minds of people everywhere is meeting with this response.

The record must speak for itself. This is the first public announcement of what has been accomplished. I am sure it will be heartening to all Americans. We Americans do have faith in our democracy, and that faith has descended into every succeeding generation by the faith that was instilled in our forefathers by the books they read, books that were written by many persons in many different countries, but which together form a bible of democracy somewhat comparable to the Bible of religious faith. It will be heartening in every American home to know that this bible of democracy translated into many tongues and made available in inexpensive editions is being grasped as food to the hungry by peoples everywhere just as it gave understanding of democracy and inspiration to achieve democracy to our own forefathers.

Mr. Speaker, here is the report. It is prefaced by a letter to me under date of March 6, 1959, from the Honorable George V. Allen, the able Director of the U.S. Information Agency. It is a complete statement of the languages into which the classics of democracy have been translated, the size of the various editions, and the prices at which they have been offered for sale in native bookstores. Here is the report:

DIRECTOR ALLEN'S TRANSMITTAL LETTER

MARCH 6, 1959.

DEAR MR. O'HARA: I am enclosing two copies of the latest report on the classics of democracy which I understand you wished to have. I hope you will find the comparison between your hopes of a few years ago for bringing these important books to the attention of foreign readers and the accomplishments of American publishers and the U.S. Information Agency both satisfying and rewarding.

In addition to the publications noted in the report, American and foreign publishers have produced a number of classics titles for distribution abroad, in English and translated editions of 10,000 copies or more, in projects not associated with standard agency translations programs. Most of the titles so published are included on the attached list. Among those not listed are: "The Political Writings of John Adams"; "A Disquisition on Government" by John C. Calhoun; "David Hume's Political Essays"; "Selected Writings of Thomas Paine"; "Second Treatise on Government," by John Locke; and "Representative Government," by John Stuart Mill.

We are proud to play a part in this undertaking and are grateful to you for your continued support and interest.

Sincerely,

GEORGE V. ALLEN,
Director.

Report on classics of democracy

	Language	Edition size	Retail price
Dewey, John, "The Public and Its Problems."	German, in process		
Emerson, Ralph Waldo, "Emerson's Essays."	Arabic	5,000	$0.90
	Telugu	1,000	.40
	Tamil	2,000	.21
	Kannada	1,000	.26
	Malayalam	2,000	.32
"Basic Selections From Emerson," editor, E. Lindeman.	do	2,000	.32
	Greek	4,000	1.50
	Korean	3,000	1.00
	Bengali	5,000	.32
"Selections From the Works of Emerson," editor, Hans Hartmann.	German	5,000	2.33
"The Portable Emerson," editor, Mark Van Doren.	Hindi	10,000	.31
	Chinese	6,000	.43
	Gujerati	5,000	.32
	Marathi	5,000	.32
Hamilton, Madison, and Jay, "The Federalist Papers."	Italian	3,000	2.56
	French	2,000	9.60
	German	1,600	7.41
	Spanish	10,000	.87
	Portuguese, in process		
	Vietnamese, in process		
	Assamese,[1] in process		
	Bengali,[1] in process		
	Hindi,[1] in process		
	Urdu,[1] in process		
	Gujerati,[2] in process		
Hand, Learned, "The Spirit of Liberty."	Burmese	6,000	.42
	French	2,000	2.86
	German	6,500	6.19
	Greek	2,000	.67
	Singhalese	2,500	.21
	Telugu	1,000	.31
	Turkish	23,000	[3]
	Japanese, in process		
	Hindi, in process		
Jefferson, Thomas, "Thomas Jefferson," editor, Gilbert Chinard	Burmese	5,000	3.84
	French	1,500	1.71
"Jefferson: Champion of the Free Mind," Phillips Russell.	Malay	5,000	.34
	Japanese	17,000	.28
	Farsi	2,000	.32
	Gujerati	2,000	.31
"The Life and Selected Writings of Thomas Jefferson," Adrienne Koch and William Peden.	Bengali	3,000	.26
	Gujerati	5,000	.32
	Hindi	5,000	.32
	Marathi	5,000	.32
"Jefferson—A Great American's Life and Ideas," Saul Padover.	Chinese	4,000	.32
	French	3,000	.83
	Greek	1,800	3.42
"Thomas Jefferson on Democracy," Saul Padover.	Burmese	5,000	.31
	Chinese	4,000	.52
	German, in process		
"Thomas Jefferson and American Democracy," Max Beloff.	Italian	3,000	2.40
"Thomas Jefferson," Gene Lisitsky	English (India)	10,000	.32
	Arabic	5,000	.30
	Bengali	3,000	.34
	Chinese	3,000	.32
"Thomas Jefferson," Gene Lisitsky	Gujerati	3,000	.16
	Hindi	10,000	.32
	Indonesian	10,000	.06
	Japanese	3,000	.47
	Korean	2,000	.40
	Marathi	3,000	.16
	Oriya	3,000	.32
	Punjabi	3,000	.32
"Thomas Jefferson," Gene Lisitsky—Continued	Singhalese	2,500	$0.20
	Tamil	10,000	.05
	Telugu	10,000	.05
	Urdu	5,000	.32
	Portuguese, in process		
	Persian, in process		
	Thai, in process		
	Turkish, in process		
	Malayalam, in process		
	Kannada, in process		
	Indonesian, in process		
Lincoln, Abraham, "Lincoln Reader," edition, Paul M. Angle.	Thai	2,500	2.00
"Abraham Lincoln," Emil Ludwig	Arabic, in process		
	Bengali	1,100	.52
	Chinese	6,000	.23
	Gujarati	2,500	.42
	Hindi	5,000	.42
	Japanese	3,000	.56
	Kannada	2,000	.32
	Malayan	2,000	.26
	Marathi	2,500	.42
	Oriya	3,000	.32
	Persian	1,500	.32
	Singhalese	2,500	.20
	Telugu	2,000	.42
	Turkish	4,000	.35
	Tamil	2,000	.63
	English (India) in process.		
	Vietnamese, in process		
"Abraham Lincoln: The Prairie Years and the War Years," Carl Sandburg.	Hebrew	3,000	1.25
	German	5,000	8.49
	Spanish	3,000	5.39
	Arabic, in process		
"Abraham Lincoln," Benjamin P. Thomas.	Arabic	4,000	.29
	Chinese	3,000	1.15
	Greek	5,000	1.67
	Korean	6,000	2.00
	French	3,000	2.54
	Spanish	8,000	1.76
	Slovenian	2,500	1.66
	Japanese (vols. 1 and 2)	1,500	[4] 1.94
	German	5,000	3.81
	Serbo-Croatian	2,500	1.13
Mill, John S., essay "On Liberty," editor, Shields.	Arabic	4,000	.56
Thoreau, H. D., "Walden or Life in the Woods."	do	4,000	.75
	Chinese	8,000	.43
	Bengali	5,000	.32
	Portuguese	4,000	.68
	Telugu	5,000	.63
	Korean	5,000	1.20
	Greek	5,000	1.00
	Malayalam	1,000	.42
	Tamil	1,500	.42
De Tocqueville, Alexis, "Democracy in America."	Italian	10,000	.48
	Japanese	5,000	.33
	Spanish	3,000	5.20
	Burmese	10,000	.21
	Italian: Vol. I	2,000	3.84
	Vol. II	2,000	
Wilson, Woodrow W., "The Wilson Reader" Frances Farmer.	French	2,000	2.35
	Chinese	5,750	.50
	Gujerati	2,000	.31
"The Story of Woodrow Wilson" David Loth.	Chinese	12,000	.25
	Tamil	1,500	.10
	Portuguese	6,000	.27

[1] Expected date of publication December 1959.
[2] Expected date of publication April 1959. No definite plans presently for Tamil, Telugu, Kannada, Malayalam editions; however the posts in India expect to place "The Federalist Papers" in 1 or more of these south Indian languages by the end of the year.
[3] Free distribution.
[4] A set.

GERMAN EDITION—THE FEDERALIST PAPERS

The German translation of The Federalist Papers was published in October in Vienna by the Manzsche Verlags- und Universitaetsbuchhandlung under the title "Der Federalist"

USIS Bonn received 400 copies. USIS Bern requested, and received, 25 copies for the mission's use. Sample copies were sent, as usual, to USIS posts in Sidney, Ankara, São Paulo, Buenos Aires, Asunción, Belgrade and Zagreb.

It has been deemed wiser and more effective to leave the promotion of this capital work to the Austrian publisher and to the editor, Prof. Felix Ermacora, both of whom are well known and respected in the German speaking countries. The latter, a renowned Austrian authority on international law and political science, who also wrote an excellent preface, has recently been appointed to a professorship at the University of Munich.

In addition to routine publicity in publisher's magazines in Austria, Switzerland, and Germany, advertisements in the trade journals, and distribution of leaflets, the Austrian publisher sent reviews and examination copies to the following professional journals:

Oesterreichische Juristenzeitung, Wein I., Justizpalast.

Zeitschrift fuer oeffentliches Recht, Wein I., Moelkerbaste 5.

Salzburger Nachrichten, Wein I., Rotenturmstrasse 25.

Juristische Blaetter, Wein I., Moelkerbastei 5.

Juristen-Zeitung, 14b Tuebingen, Wilhelmstrasse 18.

Frankfurter Allgemeine-Zeitung, Frankfurt/Main, Boersenstrasse 2.

Archiv des oeffentlichen Rechtes, 14b Tuebingen, Wilhelmstrasse 18.

Zeitschrift fuer die gesamte Staatswissenschaft, 14b Tuebingen, Wilhelmstrasse 18.

Zeitschrift fuer auslaendisches Recht und Voelkerrecht, Berlin W 35. Genthinerstrasse 13.

Archiv fuer Rechts- und Sozialphilosophie, Budenheim bei Mainz, Ernst-Ludwig-Strasse 1.

At the instigation of Professor Ermacora, the publisher has already presented copies of The Federalist Papers, in German, to Austrian Federal Chancellor Raab Education Minister Drimmel, and to most of the prominent professors of political science and constitutional law in Austria and Germany. The post has limited itself by agreement with the publisher, to an institutional presentation program in Austria aimed at schools of higher learning, university and government libraries, radio stations and daily newspapers as well as trade union periodicals.

At a recent conference of German, Swiss, and Austrian political scientists in Vienna, Professor Ermacora held a lecture on "The Federalist Papers" and distributed copies to interested participants.

ITALIAN EDITION—THE FEDERALIST PAPERS

Our latest communication (June 6, 1958) regarding the success of the Italian edition of "The Federalist Papers" states:

"'The Federalist' still continues to be of high interest to students and professors of political science and government, and also to European federalists. Last March, it was the basic text for a seminar on American federalism held at the University of Pavia.

"The publisher of 'The Federalist' is interested now in doing a series of related books on the American Constitution. This month, the first of these will appear: 'The Constitution and What It Means Today,' by Edward S. Corwin. Meanwhile, members of the original group of scholars who translated 'The Federalist' are at work on an anthology of documents relating to the origins of the Constitution, for which they have also received important assistance from the Ambassador (who originally encouraged translation of 'The Federalist').

"In short, it may be said that publication of 'The Federalist Papers' has been one of the most successful undertakings of our translation program."

SPANISH EDITION—THE FEDERALIST PAPERS

The publication of "The Federalist Papers" enjoyed immediate acceptance by the Argentine press. Its appearance at the time immediately preceding the meeting of the Argentine Constitutional Delegates contributed to its rapid sale. The agency's support contributed to the lowering of the retail price and thereby made the book a popular edition. Ninety-five percent of the 10,000-copy edition has been sold and a large second edition is under consideration by the publisher.

The following review of the Spanish edition of "The Federalist Papers" appeared in a leading Buenos Aires newspaper El Pueblo:

" 'The Federalist Papers' is the name under which political science has gathered the series of 83 newspaper articles which were the first commentary on the Constitution of the United States, edited by two Philadelphia Convention delegates—Hamilton and Madison— and by an intimate collaborator—Jay—of the great men whom, with filial respect, the Americans have named "Founding Fathers." Apart from the juridical interest—which for us has particular importance since 'The Federalist Papers' was basic reading for the original Argentine Constitutional Delegates—this work occupies an outstanding place in the history of political ideas, equivalent without a doubt to that of 'Spirit of the Laws' (Montesquieu) or to the 'Treatise of Civil Government' (Locke). As an absolute archetype, 'The Federalist Papers' is expressive of that which we might call the liberal thought of rights. The present edition does not consist of an integral reproduction of all the articles. It is, rather, a selection that constitutes the essentials of the work, systematized, on the other hand, in a clear manner which makes it more accessible to the nonspecialized reader. With the last Spanish language version out of print, it is worth while to call attention to the edition under review, which fills an appreciable void at a moment when the reform of the Argentine Constitution is under debate."

La Epocha: "These 'Federalist Papers' should be read by those who will go to the 'Reforming' Constitutional Convention in Santa Fe and by all those interested in constitutional problems—in sum ('The Federalist Papers') is an enlightening book especially since its spirit continues to be current in all the federal republican forms of government—such as ours."

Critica: "Thus it ('The Federalist Papers') constitutes a body of homogenous doctrine, a lucid exposition of motives, a living document from the past. This text acquires great actuality during these momentous and historic moments which we are now living in and the Constitutional Delegates would do well to read this book, as was done by the leaders of 1789."

El Laborista: "As much in our country as in many others of this hemisphere the wise pronouncements of 'Publius' are inscribed as in bronze in the spirit of these fundamental laws which preceded not only the progress and the security, but the liberty and justice of the New World. Its ('The Federalist Papers') reading is useful and obligatory for all those citizens interested in the future of Argentina."

SPANISH EDITION—"LINCOLN, THE PRAIRIE YEARS AND THE WAR YEARS," SANDBURG

This is a great book by a great poet about a great man. It is the fruit of 40 years of patient labor that the renowned American poet dedicated to the study of the personality of the exemplary President—Abraham Lincoln, the authentic champion of popular democracy, without a doubt merited this homage. The biography is as vast as his immense figure demands. But this book by Sandburg is like a hymn to his greatness, like the solemn consecration of his glory. (Review from Clarin, Jan. 19, 1958, Buenos Aires.)

BURMESE EDITION—"ABRAHAM LINCOLN," DAUGHERTY

Three editions of "Abraham Lincoln" by James Daugherty, totaling 20,000 copies, have been published in Burmese. The book was extremely popular with the Burmese reading public and may be considered as one of the alltime bestsellers in that country.

ITALIAN EDITION—"DEMOCRACY IN AMERICA," DE TOCQUEVILLE

Published in the fall of 1957 in a 12,000 copy Italian language edition, "Democracy in America," by De Tocqueville, had sold approximately 90 percent of its stock by January 1, 1959.

ENGLISH EDITION

Among the English paperback editions Lord Charnwood's "Abraham Lincoln" is one of the most popular items. It has sold approximately 45,000 copies.

HISTORY OF THE PROGRAM

Members of the House who were also present in the 84th and 85th Congresses will recall that on a number of previous occasions the distinguished gentleman from Ohio [Mr. FEIGHAN] and I have urged that it would be desirable that the U.S. Information Agency should, among its many and divers activities, include a program tending to promote the publication in very inexpensive form, both in English and in translation, into the principal languages of the world, of the historic basic books of democratic political thought. They have developed in free debate in the common international spiritual heritage of Western civilization. I call these books the classics of democracy.

When the classics of democracy program was first proposed, three basic objections were raised. First, it was said that over the years these basic classics had undoubtedly already become available in all countries. However, researches confirmed by the Library of Congress showed that this was in fact not the case, either through the years or currently; for instance, in 1954, The Federalist Papers, the great fundamental exposition of the rationale of a Federal republic and of the United States Constitution, by James Madison, Alexander Hamilton and John Jay, was not in print in any language other than English.

Further, in the 167 years which had then passed, since the publication of The Federalist Papers no edition had been published in any of the languages of Asia and there had been complete editions in only three of the languages of the Western civilization. The case with the other international classics of democracy is generally similar to that of The Federalist Papers.

By contrast, as a result of the vigorous execution of the classics of democracy plan by the U.S. Information Agency, The Federalist Papers are now in the hands of readers in more languages than ever before—in all continents, and plans are maturing for the publication of this

work, which next to the Constitution itself is perhaps America's greatest intellectual achievement, in whole or in part in all of the principal languages of all parts of the world.

At last and for the first time, everyone everywhere will be able to read in his own tongue the fundamental thought of America, not on our current problems, but on the basic problems of a free government, of which the generation who wrote the Constitution intended America to be an example to all mankind.

A second objection to the Classics of Democracy plan was that the American people would not understand or support such an intellectual approach to the problem of getting the peoples of the free world to think and act democratically. In order to test the validity of this objection. Congressman FEIGHAN and I, working together on the project, through all the stages of planning, undertook a poll of leaders of American opinion in all parts of the country and in all branches of American life. This poll included officers of all national labor unions, and all directors of the National Association of Manufacturers; a broad panel of clergy of all faiths; veterans' and patriotic organizations, educators and professors of political science—in each of these fields the list of those polled was either inclusive or was selected for us by experts in the field.

About 3,000 questionnaires were mailed out. The response was very large and overwhelmingly favorable to the Classics for Democracy plan. This entire correspondence was introduced into the CONGRESSIONAL RECORD of January 18, 19, 20, and 21, 1956. The basic statement of the plan as formulated for this poll was made in a circular letter of December 12, 1955, which I include as part of this statement. The letter follows:

FULL TEXT OF QUESTIONNAIRE

DECEMBER 12, 1955.

In the next session of Congress a group of Members plan to push for enabling legislation directing the U.S. Information Agency to publish for nominal prices, in the principal languages of the world, a small library of basic statements of democratic political philosophy.

Before stating the proposal in final form, however, we wish to consult the experience and judgment of experts, and leaders and representatives of American opinion.

If you would give us your opinion of the plan as stated in enclosure, part 1, and of the list of books in enclosure, part 2, it would be a much appreciated help. This list is suggestive and illustrative only, and we will welcome any recommendations of yours—additions, omissions, substitutions—of books which you think better meet the purpose of the plan.

Our objective is a list of from 15 to 20 books which, in the majority judgment of this jury of American public opinion, are basic classics of American democracy. The list so selected will be presented for the action of Congress.

We hope you will give prompt and careful thought to this proposal, and we will give attentive consideration to your reply.

Cordially and sincerely,

BARRATT O'HARA,
Member of Congress.

ENCLOSURE, PART 1—PLAN FOR PUBLICATION OF DEMOCRATIC CLASSICS

It is proposed that the U.S. Information Agency shall translate and publish in the principal languages of the world a select list of the time-tested classical statements of democratic theory in their original forms. These books should be published in large quantities at nominal, subsidized cost, not more than a few cents a volume, and should be widely available in each country, not alone from U.S. agencies. Existing editions should also be widely sold abroad in quantity and at cheap prices.

These works should represent the broad historic and international character of the discussion and theory of democratic society and constitutional government, distinct from present domestic or international controversies. Advocacy of fundamental democratic ideas and methods is different from discussion of exclusive or short-run U.S. interests in current problems.

This program would be in addition to the present program and plans of the U.S. Information Agency, which do not include a similar operation.

The principle of this plan has been approved by the President's U.S. Advisory Commission on Information and by the Commissions Committee on Books Abroad.

America is known abroad mainly for autos and tractors, for riches and technology, but the specifically American political philosophy and the fundamental ideas of political and social democracy, are not widely known in most countries. Therefore, much in the practice of the United States and other constitutional democracies is misunderstood, and democratic methods are not effectively applied to the problems of the various countries, or to international problems.

The Communists owe part of their success to massive, heavily subsidized publication in many languages of the classics of Communist social, economic, and political theory—the works of Marx, Engels, Lenin, Stalin, and Mao—in addition to a large general and current publishing program.

All available reports indicate that American books of any kind are scarce and expensive in most countries, and democratic political philosophy almost unavailable.

In most of the few cases in which books like those on the attached list (enclosure, pt. 2) have been translated, it has often been in connection with the historic movements for constitutional democracy in the various countries.

There is abundant evidence from various international intellectual agencies that there is in many countries an effective demand for books of this type which is not being met, as this proposal would attempt to do.

This proposal has been advanced by a group of Chicagoans, including the Reverend Harold Fey, executive editor of the Christian Century; Dr. Richard McKeon, professor of philosophy at the University of Chicago and a former member of the U.S. National Commission for UNESCO; Dr. Jerome Kerwin, professor of political science and chairman of the Walgreen Foundation for the Study of American Institutions at the University of Chicago; John McGinness, president of Pennsylvania Railroad Lodge, No. 225, of the Brotherhood of Railroad Trainmen. The Chicago Daily News has taken an active and sympathetic interest in the plan and its editorial article of June 6, 1955, was reprinted in numerous papers. Preliminary discussions by Congressman FEIGHAN, of Ohio, and myself, on the floor of the House of Representatives evoked much interest and support.

ENCLOSURE, PART 2—SUGGESTED AUTHORS AND WORKS

Bryce: "The American Commonwealth," "Modern Democracies."

Burke: "Reflections on the Revolution in France."

Dewey: "The Public and Its Problems."

Emerson: "Moral and Political Essays" (which?).

Hamilton and Madison: "The Federalist Papers."

Hand: "The Spirit of Liberty."

Von Humboldt: "The Sphere and Duties of Government."

Jefferson: "Selected Writings" (which?).

Kant: "Perpetual Peace."

Lincoln: "Selected Papers" (which?).

Locke: "Letters on Toleration," "On Civil Government, Book II."

Mazzini: "The Duties of Man."

Mill: "On Liberty," "Representative Government."

Rousseau: "The Social Contract."

Thoreau: "Walden," "Civil Disobedience."

De Tocqueville: "Democracy in America."

Wilson: "The New Freedom."

PRESS GIVES ENTHUSIASTIC SUPPORT

As a result of this very broad and powerful expression of the judgment of representative leaders of American opinion, in support of this plan, in December of 1955 and January of 1956, to which I have referred, and of the deliberations of the President's National Advisory Commission on Information, the essentials of the Classics of Democracy publishing plan were included in the policy and plans of the Information Agency: Congressman FEIGHAN and I were informed of this in a letter dated January 27, 1956, from Theodore C. Streibert, then the director of the Agency.

There has continued to be a broad and vigorous recognition and support for the classics plan from the American public, and the Agency as well as the Chicago committee have asked me to thank those responsible for it. I refer in particular to an article in the New York Sunday Times of September 22, 1957, by Dan Adams Schmidt; an editorial in Labor, the national weekly newspaper of the standard railroad unions, dated October 5, 1957; an editorial of the Christian Century—Protestant—dated May 8, 1957; an editorial of Commonweal—Catholic—dated October 4, 1959; an editorial of America—Catholic—dated September–October 1957; an article in Family weekly newspaper magazine, dated April 21, 1957; an article and editorial in the Chicago Daily News, dated October 8, 1957 and October 14, 1957, respectively. The full text of these articles I shall give hereafter in my remarks.

CREDIT TO ALLEN AND STAFF

The third objection was that there would not be a receptive public in other countries for these books. The report by the U.S. Information Agency which is the occasion for this statement and which I am submitting to the House is an abundant and final refutation of this contention. The Information Agency, acting with increased enthusiasm for this plan under the experienced guidance of Mr. Allen, who has a distinguished record as one of America's best diplomats, has taken this project beyond the state of experiment. I venture to predict that as this program is carried forward its growing success will contribute to the intellectual prestige of the United States, to understanding and respect for America, and to the ability of the peoples of all the free countries to

attack their own problems with the same intellectual tools and the same success which are the pride and the strength of our own country.

The work of the Agency in carrying out this plan has gone forward as fast as circumstances would permit. I had hoped in this statement to mention by name the able and dedicated officers of the Information Agency who are carrying out this plan but I think that the spirit of this group is better expressed in the following quotation from the Agency's reply to my inquiry on this point than anything I could myself say:

Because of the extensive turnover of USIA personnel in the last couple of years, it is impossible to single out individuals for credit for the initiative and work involved in putting out (these translations). It was, in any event, the result of teamwork and cooperation on the part of the Embassy and USIA personnel, from the local employees all the way up to the Ambassador.

COMMENTS ON PROGRAM PROGRESS

Let me comment on the particular content of the Information Agency's status and progress report which is the occasion for these remarks to the House. The contents of the report can be summarized in the words of a European radio correspondent, writing from the Middle East to an American friend about the success of the program:

The books are selling better than I expected. They are used in courses in both Cairo and the Syrian University. Hurrah.

This brief comment makes two essential points about the results achieved under this program.

First, the public reception of them has been better than many U.S. or foreign experts had believed likely, and in some cases has astonished even the most convinced advocates of the program.

Second, these publications are not serving merely as material for the general reader, or as sources of information about the United States, but are affecting the very thought processes of the countries where they are now available, and are circulating under the sponsorship of the leaders of thought in each country. They are not functioning as U.S. propabanda but are entering into and enriching the culture of the whole world.

PROGRAM'S RECEPTION IN SYRIA

On July 16, 1958, the U.S. consulate at Damascus, even while U.S. troops were stationed in adjoining Lebanon in the last summer, sent us an account of the reception of the great English classic, "On Liberty," by John Stuart Mill. The Mill book is explicity a study of problems of personal and political liberty, and in particular of freedom of thought and debate, which Europeans of Mill's time felt had arisen in the United States; it is one of the most famous books of its kind, and this was the first edition in any Asiatic language or any of those of the great Moslem world.

I am quoting from a letter from Robert A. Lincoln, public affairs officer at that time at Damascus:

"On Liberty" was issued in Syria with some misgivings on the part of the publisher, who was uncertain whether an intellectual title of this nature would have much appeal. The translator, however, played a strong role in convincing him that both sales and reader interest would be high, and this proved to be correct. For example, although it is unusual for the Syrian press to review books, six Damascus newspapers carried reviews of "On Liberty." Excerpts are enclosed; I hope they will be useful to Congressman O'HARA in his report. Syrian University professors and students were among the principal buyers of the book. I know of several professors who purchased copies for presentation to selected members of their classes.

FOUR THOUSAND COPIES OF THE ARABIC TRANSLATION WERE PUBLISHED

The price of the book was 2½ Syrian pounds or about 56 cents. In terms of Syrian purchasing power, that will buy three packs of a good grade local cigarette or one locally manufactured undershirt. It is a moderate price for a locally printed book. The publisher, incidentally, felt that a lower price would cheapen the title in the eyes of prospective readers.

American paperback distributors have made quite an effort to place their product in the Syrian market. Limited knowledge of English, of course, prohibits the kind of sale which might occur in a country such as India. However, paperbacks are available in four well-known Damascus bookstores and in stores in larger cities in the Syrian region.

Quotations from Syrian press reviews of "On Liberty" follow:

"On Liberty" is an honest explanation of liberty in its widest sense * * * it has served millions of people struggling for their freedom. * * * (We) thank Papyrus House for presenting such a valuable book to the Arab library and the Arab peoples. (Al Manar, Damascus daily.)

Although the essay was written in the 19th century, it discusses the problems of the hour. * * * (We urge) educated young men to read carefully the contents of this valuable book (for) we need minds which will weigh and balance new ideas. Al Jamhur, Damascus daily.)

"On Liberty" is still new in subject and analysis. * * * I am convinced there can be no final solutions (to the problem of individual liberty versus authority) * * * (but) this book contains valuable ideas and discussions. It is worth lengthy study, especially because we are in the early stages of independence. (Al-Alam, Damascus daily.) (This review was only half favorable—but the fact that it called attention to the book is a net plus.)

This immortal book * * * emphasizes individual liberty as an element of well-being and an essential in building the life (which) everyone wishes. * * * We encourage every Arab intellectual to read such a fascinating work. (Al-Raquib, Damascus weekly.)

The book is not a political discussion, but a discussion of the rights of the individual. * * * We wish Papyrus House success in its service to culture and education. (Al-Insha, Damascus daily.)

A sound, calm discussion, strong in its meanings and ideas. (Sawt al-Arab, Damascus daily.)

This is the more striking in a country such as Syria, with a small population and comparatively low literacy.

SOME OF THE ACHIEVEMENTS

The report of USIA I have included in its entirety with this statement in order that my colleagues easily can grasp the wide range of achievements of the classics plan, but let me cite a few examples. There are many publications listed, the larger part of them first editions or replacements of editions long outdated. It has not been possible in every case to achieve the very low prices for which we had hoped, or prices as low as those of Communist books of comparable kind. But notice 18,000 copies of the works of Jefferson in the main languages of India for about 30 cents a copy; 75,000 copies of Lord Charnwood's "Great Life of Lincoln" sold in English in India for a dime; 25,000 of Locke's "Second Treatise on Government," the source of much of the thought and language of our own Declaration of Independence, also a dime each; 150,000 copies of Tom Paine in various Asiatic languages, also a dime. This is the kind of volume and price at which I think the program should aim generally. It may further interest the House to know that when in our poll of American opinion in 1955 we asked for suggestions of other additional titles, Tom Paine was a very popular write-in. Note again 25,000 copies of the great work of the Frenchman, Alexis de Tocqueville, "Democracy in America," in the Hindi language, for 16 cents each. Truly, this is an amazing achievement of USIA.

FEDERALIST IN GERMAN

There are two editions of special interest. They are translations of the "Federalist Papers," which have met with an unusual success. Incredible as it may seem, this great work had never been translated into German, although Germany has always been a federal state, and again became so under our military government. At the time of the democratic revolutions in 1848, there had been a fugitive publication of extracts, but this has long been a rare and obscure book. Now, for the first time, the entire work is available in German. As to the quality and importance of the edition, let me quote a distinguished bilingual scholar:

JANUARY 14, 1959.

I am much obliged to you for having given me an opportunity to look over the German edition of the "Federalist." The publication of that German version fills a demand of long standing. Lawyers as well as scholars of political science and people engaged in political activities have long been interested in Germany in the problems of federalism. The successive German constitutions since that of the North German Federation of 1866 have been considerably influenced by the American model. It appears, however, that the basic American work on the "Structure and the Problems of Federalism" has hardly been known in Germany. The book will be of interest also in the two other German-speaking countries, i.e., Austria and Switzerland, which are also organized on the federal pattern, and where the American model has also played a considerable role. The German translation seems to me to be very well done. It appears to be correct, at least as far as my survey would reveal, and it has even succeeded in conveying to the reader some of the flavor of the original English of the late 18th century. The introduction by Professor Ermacora neatly determines the historical place and role of the American classic, lucidly analyzes its main contents, and tells readers of the German-speaking countries why the book is of importance for them at the present time. The format of the book is attractive. I trust that it will find a wide circulation in Germany, Austria, and Switzerland.

Sincerely yours,

MAX RHEINSTEIN,
Professor of Comparative Law; Director, Comparative Law Research Center, University of Chicago.

The reception of the book in the whole German-speaking heart of Europe is amazing; an important businessman procured a large number of copies to be sent with his personal recommendations to his friends in the universities, the press, and public life; the Wall Street Journal of central Europe, so to speak, the Neue Zuricher Zeitung, devoted a third of its front page to a roundup of recent political philosophy of democratic tendencies, on the occasion of the publication of the book. Several professors in various universities have at once put this into their classrooms in Tuebingen, Heidelberg, Freiburg, with such comments as the following:

[Translation]

TUEBINGEN, *November 20, 1958.*

Mr. CHARLES D. CHAMBERLIN,
American Consulate General, Stuttgart.

DEAR MR. CHAMBERLIN: Thank you very much for your kind letter of November 12 and the transmittal of the "Foederalist". I can hardly tell you how pleased I am that the "Foederalist" has been published in the German language. It is one of the most sublime political works that I know of. For a couple of years I have repeatedly tried to induce German publishers to publish a translation, but to my regret without any success so far. The greater is my pleasure that finally such a translation is available. I thank you for your kindness in sending me a copy and I am with my earnest compliments.

Sincerely yours,
Prof. Dr. THEODOR ESCHENBURG.

FREIBURG, *November 30, 1958.*

Mr. CHARLES D. CHAMBERLIN,
Public Affairs Officer,
American Consulate General, Stuttgart.

DEAR MR. CHAMBERLIN: Please accept my warmest thanks for the kind transmittal of the "Foederalist" (Federalist papers). The essays combined herein, which I had not known yet, are not only very attractive as a historical document (but) they also possess a more than historical and lasting value, because men of special standards and judgment, who at the same time stood on the high spiritual level of enlightenment, had to solve problems of permanent importance practically in an effective and responsible way.

After all this I am glad to add your present to my library and I beg to transmit my best thanks to your Embassy and Prof. Max Rheinstein.

With best compliments.

Sincerely yours,
Prof. FRITZ VON HIPPEL.

Quoting from a letter dated December 19, 1958, from Michael Barjansky, chief, Information Center Branch, American Embassy at Vienna:

First, I am enclosing a copy of our recent report to the Agency; second, you will find a review dated December 10 from the Linzer Volksblatt, a Catholic (People's Party) daily newspaper with a circulation of 38,000; third, I am adding a general comment on the importance of "The Federalist" which appeared in the Neue Zuercher Zeitung, a very prominent Swiss newspaper mostly devoted to matters of commerce and finance. (You understand, of course, that while the translation was made in Austria, the distribution of "The Federalist" is being carried out systematically throughout the German speaking world, including Switzerland.)

We don't expect any important reviews before January, at which time, we are told, the Austrian radio and the important Catholic weekly Die Furche as well as the Trade Union Journal OeGB Bildungsfunktionaer will devote considerable space to "The Federalist."

You may be interested to know that the school of Journalism of Vienna University bought the German language "Federalist" to be used in conjunction with a lecture series on early American journalism. Finally, USIS Ankara has ordered five copies for presentation to the appropriate schools of the Turkish universities.

OTHER REPORTS FROM GERMANY

The president of the constitutional court and administrative court of appeals of the state of North Rhein-Westphalia says:

I hope the "Federalist" will do much good in Germany, and I shall do my best to publicize it.

The president of the Union for the Advancement of European Federation wrote, in requesting a review copy for the bulletin of the union:

That up to now, although they had often referred their readers to the "Federalist," they always had to refer them to the French of English edition.

There have been strongly favorable reviews in many papers; for instance, the principal newspaper of the Austrian trade unions, the Gewerkschaftliche Rundschau, for December 1958, recommended it to the attention of every union member in Austria.

I should mention that the USIA has also produced in German the Carl Sandburg "Life of Lincoln," which has had an equal success in circles of intellectual leadership, and perhaps even more of a popular one.

FEDERALIST IN ITALIAN

One story, however, remains to be told: that of the "Federalist" in Italy. It is of especial interest, although it does not directly result from the classics program, as Congressman FEIGHAN and I proposed it to Congress; it does exactly the same thing in principle, and has had a brilliant success, which further confirms the belief on which our advocacy of the program was based.

The first Italian edition of the "Federalist" was published in the fall of 1956, before this program had been adopted by the Information Agency. While USIA was instrumental in carrying out this specific publication, the initiative in this case did not come from Washington, but from the U.S. Ambassador in Rome, the Honorable James David Zellerbach, and it is my understanding that much of the cost of the edition came from his private purse. Now, surely, this is a function of an Ambassador beyond the call of duty, and beyond praise; I trust that this princely action is sufficiently rewarded by the great success of the book.

Ambassador Zellerbach formed a group of eminent Italians, some scholars, some men active in affairs, such as Signor Olivetti, of the business machine company. This group is proceeding, on the basis of the success of their "Federalist," to produce a series of similar works, such as Corwin's great commentary on the Constitution. The very high intellectual standard of this undertaking may be seen from the fact that Professor Ambrosini, who wrote the learned introduction, was appointed to the Italian Supreme Court at about the time the book came out; this is not the kind of publicity a press agent can rig. The sales and reviews of the book have been extraordinary. It was a bestseller for some months. The University of Rome held an international symposium on American constitutional theory on this occasion. Some of the reviews from leading Italian papers I have in my files and on request would be happy to loan them to my colleagues familiar with the Italian language.

In these remarks I have gone beyond the contents of Mr. Allen's report attached to his letter of March 6, and have supplemented it with researches by my staff and the Library of Congress. But the net effect of all this material should be to remove from all minds the belief that readers overseas do not welcome the classics of democracy.

GRASSROOTS BIRTH OF PROGRAM

The way in which the classics of democracy program came into being is worthy of note, not only a part of the record concerning it itself, but as an example of how the action of Congress and of Government agencies may be guided and stimulated by the intelligence and energy of private citizens.

On April 7, 1954, a constituent wrote me a letter inquiring what in the program of the USIA tended toward the goals which are now embodied in the classics program. His letter follows:

APRIL 7, 1954.

DEAR CONGRESSMAN O'HARA: Your newsletter accounting for your stewardship as our Representative in Congress is welcomed and read regularly and with satisfaction by our entire family. But to perform your duties, heavy as they are, so conscientiously and well, is only to ask for more duty, as you know. However, perhaps even amidst all their other burdens your staff can secure for me the answer to the following inquiry.

Among the problems of the U.S. information program overseas, is the choice of a mass audience, or of attempts to influence the opinion-forming elites of the various countries, and thus to reach the mass audiences more indirectly, but with a longer view. I had myself some experience with this problem in government service overseas.

Among the difficulties of the latter approach, was the fact that the intellectual bases of our democracy were both unknown and unavailable in most countries. I refer to such works as Hamilton and Madison's "Federalist"; Mill's "Liberty" and "Representative Government"; De Tocqueville's "Democracy in America"; Locke's "Civil Government" and "Letters on Toleration." Other works could be named, such as Corwin's "Constitution and What it Means Today." You will doubtless be shocked, as I was once, to learn that the Constitution itself was, as I personally ascertained, at one time not available in the American library in Rome, in English or Italian.

Is it not worth inquiring, which of our political classics, such as those named in particular, are available in the principal languages of the world? To what extent they are available through U.S. programs, either in the local tongues or in English? Where translations do not exist (as for instance I believe the "Federalist" is not in print unabridged in a modern German edition), what steps the U.S. Information Service is taking to make them widely and easily available?

I recall the very extensive circulation in Germany of Soviet communist classics, in very cheap but readable editions, at a time when none of the classics of democracy were

available at all. The same is reported in the press as being true in India.

In some cases there are old editions which could with great advantage be reprinted by our services. For instance there is a French edition of the "Federalist," now excessively rare, translated by Trudaine de la Sabliere, supposedly with the assistance of Jefferson himself, which was an important influence in France's own history (printed at Paris by Buisson, 1792). A "prestige" republication of this work could be quite an event in France.

Would it be possible to inquire of the responsible executive agencies what is the case on the points enumerated in the fourth paragraph above?

Yours truly,

THOMAS B. STAUFFER.

Mr. Stauffer, who resides at 5021 Dorchester Avenue in Chicago, is now a member of the faculty of Chicago City Junior College but was formerly an officer of the Army and of the Department of State, serving overseas in both capacities. The present status of the classics of democracy plan is attributed in large measure to the continued efforts and drive of Mr. Stauffer. He felt that the comments of the Information Agency on his inquiry did not deal adequately with the points he had raised, and organized a committee of persons with distinguished qualifications for judging activities in this field. This committee consisted of Dr. Richard P. McKeon, distinguished service professor of philosophy and classical languages at the University of Chicago, a former member of the U.S. delegation to UNESCO, and a president of the Internation Federation of Academies of Philosophy; the Reverend Dr. Harold E. Fey, then managing editor, now editor of the Christian Century; John W. McGinness, president of Pennsylvania Railroad Local 225 of the Brotherhood of Railway Trainmen; Prof. Jerome G. Kerwin, of the political science department, University of Chicago, chairman of the Charles R. Walgreen Foundation for the Study of American Institutions and a most eminent and active Roman Catholic layman; and Dr. Emery T. Filbey, vice president emeritus of the University of Chicago.

I am proud to be able to say that all of these men except Mr. McGinness are residents of the Second Congressional District of Illinois which it is my privilege to represent in this House, and I think it may be of interest to remark that Dr. McKeon was a former teacher of Mr. Stauffer, and that Mr. McGinness was a student of Mr. Stauffer's. It is this committee which formulated and documented the proposals which Congressman FEIGHAN joined with me in presenting to the Congress, and which are now part of the policy of the Information Agency, and on whose success I am now reporting.

VALUABLE RESEARCH BY VOLUNTEERS

This committee has had assistance from a number of persons and the committee has asked me to give public expression of its thanks and appreciation for this help. In particular, two young men, undergraduates at the time, did indispensable research on the problem with which the committee was concerned and had an important part both in formulating the outlines and in rendering precise the detail of the committee's proposals.

Leland G. Stauber, then an undergraduate of the University of Chicago and now a graduate student in political science and government at Harvard University, made the basic research as to whether the classics were in fact available in the languages of the world and had a great part in the conception and execution of the committee's correspondence in the first years of its work.

Walter T. Schoch, then an undergraduate at the University of Illinois, and now in the sales department of the Signode Steel Strapping Co., had a hand in all the deliberations of the committee up to the present; in particular in the fall of 1955 he discussed the outlines of the classics plan with a large number of students from other countries at the University of Illinois, many of whom were educators or professional leaders in their own countries. The result was a most useful report covering the thought of the members of this group on the reception of the classics to be expected in the various countries from which they came. I gave this report in January of 1956 to the President's National Advisory Commission on Information.

Warren A. Deutsch of Chicago, brought to the attention of the committee the publications of UNESCO to which I have referred elsewhere.

Lawrence and Jean O'Connor, of Chicago, have the peculiar distinction of having given the committee, in addition to sincere and enthusiastic encouragement, the only material assistance it has received. Mr. O'Connor, an eminent attorney, put the facilities of his office at the disposal of the committee, to reproduce their basic presentation of the classics plan for wide circulation.

VOICE OF THE PRESS RAISED

The committee having begun its work, the first public voice raised in behalf of the program was that of the Christian Century, in an editorial of June 2, 1954, which I introduced into the CONGRESSIONAL RECORD at that time.

Very shortly, however, the Chicago Daily News, joined its powerful voice to those who were urging that this whole matter be examined and the classics plan be undertaken, if formulated along sound lines. A. T. Burch, the associate editor, and Van Allen Bradley, the literary editor, have taken a continuing and very personal interest in the classics plan and have repeatedly put the resources of the News at the disposal of its advancement. It has been a source of great satisfaction to me personally to work closely with my friends on the Daily News staff in this matter and I want to add my own thanks to those which Mr. Stauffer and the committee have asked me to express for them.

How completely the Soviet was in command of the situation in this vital area, and how lamentably we were lagging, could not have been adequately brought to the attention of the Congress and of the American people except for the reports from the foreign correspondents of the Chicago Daily News stationed throughout the world. These reports were carried at great length in the Chicago Daily News and the many newspapers that it services.

For the first time they gave to the American public the full documented picture of American books, expensively bound, ornamenting shelves in libraries far from the great mass of the people and which relatively few ever visited. The spot reports of the foreign correspondents of the Chicago Daily News showed that nowhere at grassroots were inexpensive and translated editions of the literature of democracy available to counteract the flood of communistic literature. They constituted journalism in its highest and most constructively patriotic expression. In my judgment, the service rendered in this respect by the Chicago Daily News deserves recognition as one of the outstanding journalistic contributions in the field of international relationships in the troubled times in which we live. Now that our country is making the rapid strides forward shown in this report, too much credit cannot be given the Chicago Daily News for its pioneering contribution.

Nor can too much credit be accorded to the eminent members of the American Book Publishers Council, who at personal sacrifice render an outstanding service to their country, and to the American publishers as a whole. Without exception, in the effort to get widely distributed the classics of our democracy, they have put patriotism above profit and country before individual advantage. The program could not have succeeded without their full and unselfish cooperation.

INTERNATIONAL DEMOCRATIC PHILOSOPHY

Mr. Speaker, I have dealt at some length with the circumstances of the origin and development of the classics of democracy program to stress its grassroots nature. I doubt if ever there has been a Federal undertaking that has enjoyed so large a measure of spontaneous popular acclaim. The answer, I would say, is that it appeals to the common sense of our people. There will be some differences of opinion as to which books should be included, and which should be excluded, if we were to select, let us say, any 20 books constituting our bible of democracy. But on some there is a universal argument and thus far in the progress of the program there has been pretty largely an adherence to those works, such as the Federalist Papers, on which there is no disagreement.

The "Classics of Democracy" are in fact a sort of Bible for the politics of our civilization. Sharing a common inspiration, they come from various countries, various ages; all have stood the test of time, all have been sources to which men of democratic faith have turned for spiritual and intellectual armaments in previous critical battles of mankind against tyranny. The list of classics which has been included in this project, therefore, has been selected to typify this permanent and international character of democratic philosophy. Many countries are represented, and all of the authors listed are out of the way of present controversy and the tactics of present international quarrels.

The classics are intended to typify the moral message of the Western civilization, of which America is heir and part, which I like to think would be important to the world even if all the problems of communism and of Soviet imperialism had been solved or had never arisen. And yet I think too that in these books the most fundamental secular demonstrations of why the ideas and practices of communism are wrong are still to be found, and that as they become more widely available to all men, communism will be less likely to prevail.

In presenting this progress report to the House jointly for the distinguished gentleman from Ohio [Mr. FEIGHAN] and myself it is with the acknowledgment that we were but humble workers in the vineyard whose contribution to a good work was small indeed compared to that of so many others, both in and out of the Congress, and certainly including the able, astute and dynamic gentleman from New York, the Honorable JOHN ROONEY, chairman of the subcommittee of the Appropriation Committee who annually does an outstanding job in pinpointing the virtues and as he views them the possible weaknesses or imprudent undertakings in the vast and vitally important worldwide range of the activities of the U.S. Information Agency. From the first, Congressman ROONEY has been a dedicated friend of the classics of democracy program.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I am very happy to yield to my very good friend from Wisconsin, and to tell him that during the Easter recess I read with interest and profit his splendid speech in Milwaukee on our foreign policy.

Mr. REUSS. May I commend the gentleman from Illinois [Mr. O'HARA] on his magnificent contribution to our democracy in sponsoring this program to get the ideas and the ideals of democracy throughout the world. As the gentleman from Illinois knows, the most striking difference, I think, between our free world and the other side is not so much in military power—both sides have that—not so much in economic power—both sides have that—but from our side in the notion of human freedom and in the idea that man may work to perfect himself by the device of democracy.

To the extent that we can get these ideas ranging around the world, to the extent that we can make the Spirit of 1776 really live, we will have done, it seems to me, a wonderful thing for the furtherance of our foreign policy.

The gentleman certainly deserves all our heartfelt thanks for what he has done.

Mr. O'HARA of Illinois. I thank the gentleman from Wisconsin so much for his contribution. I might add that much of what the gentleman is now saying he projected in his really remarkable speech recently in Milwaukee.

Mr. ALFORD. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Arkansas.

Mr. ALFORD. I, too, wish to join the gentleman from Wisconsin in his commendation of the Classics of Democracy. In a small way I have been a student of American history. I certainly wish to commend the gentleman on his efforts. We are deeply engaged in psychological warfare throughout the world. I can conceive of no better way of educating the peoples of the world in the democracy that he represents than through the method he has presented today.

Mr. O'HARA of Illinois. I am deeply indebted to the gentleman for his contribution.

I might observe that there are matters in our American democracy on which there are differences of opinion, but I found in reading the responses to our questionnaire that there was no division of opinion among the American people sectionally or by groups as to the inspirational value of our Classics of Democracy.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Iowa.

Mr. WOLF. I, too, commend the gentleman from Illinois on his presentation. I had the experience in 1957 of making a trip to Russia and seeing what they had been able to do there in connection with textbooks on their theories and ideologies. I think they have done a better job sometimes than we have. I think it is a wonderful thing the gentleman has done, and I am glad to be here to hear his report.

Mr. O'HARA of Illinois. I thank the gentleman. I know that my good friend from Iowa would be interested in knowing that one of the encouraging reports we are getting is that our program has been so successful that the Russians are changing their technique and are now copying our technique.

AS SEEN BY DANA ADAMS SCHMIDT

I am including in my remarks an article by the eminent journalist, Dana Adams Schmidt, in the New York Times of September 22, 1957, as follows:

CLASSICS OF UNITED STATES BIG HIT IN INDIA

(By Dana Adams Schmidt)

WASHINGTON, September 21.—Probably more people are reading the Classics of American Democracy in India today than in the United States.

This is the report of American publishers who, with the help of the U.S. Information Agency, have been conducting a successful campaign to sell the basic texts of democracy in cheap paperback editions in competition with the basic texts of communism.

Fortified by the success of their pilot project in India the publishers are branching out, into the vast area from the west coast of Africa to Japan, which appears to be a special target for Communist penetration.

And local publishers, again with help from the U.S. Information Agency, are beginning the task of translating the classics of democracy into scores of languages.

In June of last year, when the first of the Classics of Democracy appeared in English in Indian bookstores, the Soviet Union appeared already to have saturated the market with cheap and even give-away editions of Lenin, Stalin, Marx, Engels and the like.

Commercially it was a shot in the dark. No one knew how the Indian book market would react.

EIGHT BOOKS OUT FIRST

The experiment started with editions of 10,000 each of eight books, all selling for the equivalent of 10 or 15 cents each. They were:

Selected Writings on Nature and Liberty: Henry D. Thoreau by Oscar Cargill.

Benjamin Franklin: The Autobiography and Selections from his Other Writings by Herbert W. Schneider.

Hamilton, Madison, and Jay on the Constitution: Selections from the Federalist Papers by Ralph H. Gabriel.

John C. Calhoun: A Disquisition on Government by C. Gordon Post.

The Political Writings of John Adams: Representative Selections by George A. Peek, Jr.

From the Declaration of Independence to the Constitution; the Roots of American Constitutionalism by Carl J. Friedrich, Robert G. McCloskey.

The Political Writings of Thomas Jefferson: Representative Selections by Edward Dumbauld.

Thomas Paine: Common Sense and Other Political Writings by Nelson F. Adkins.

SOLD 4,000 IN 9 WEEKS

Nine weeks after they had been placed on the market the initial edition of Thoreau, Franklin's autobiography and the Roots of American Constitutionalism had sold 4,000 copies each. Adams, Hamilton and Jefferson were not far behind.

At the end of a year, sales ranged from 4,200 to 8,500. Meanwhile, the publishers had added Abraham Lincoln by Lord Charnwood and selections from Emerson by Lindeman.

These two were in editions of 25,000. In less than 6 months Lincoln was sold out and plans were afoot for another edition of 25,000. Emerson in the same period sold 10,000 copies.

Indian critics, meanwhile, set up a clamor for some of the basic texts of democracy that originated in England, and 3 months ago the publishers obliged with 10,000 copies each of three works:

Political Writings by David Hume; Second Treatise of Government by John Locke, and On Liberty by John Stuart Mill.

NO DUDS DISCOVERED

Forum books, a subsidiary of Liberal Arts Press, which brought out these editions, and the USIA, watched the circulation of these titles for duds. But they found none. Expansion to other lands seemed advisable.

Now 20,000 copies of each of the basic 13 books have been distributed to other countries of Asia and Africa in proportion to their estimated English reading audience. Thus Japan is getting 5,000 each, some African countries only 500.

First reports from Japan are enthusiastic. Twenty percent of the available books were sold in the first 6 weeks.

The next step in combatting the Soviet avalanche of cheap and basic political tomes will be to publish these and other classics of democracy in paperback translation. For the Soviet Union operates mainly in translations.

During the first 6 months of 1957, Soviet book publishing activities in translation expanded greatly. The largest percentage increases, according to U.S. Government analysts, were in languages of the Middle East and south Asia.

Thus in the first 6 months of this year the Soviet Union published three titles in 61,000 copies in Arabic; five titles in 69,100 copies in Bengali; five titles in 59,000 copies in Hindi; and six titles in 55,000 copies in Urdu. The total of books in these languages was 180 percent greater than the number published during all of 1956, and the trend is accelerating.

The total translation program for the year ended in June 1957 consisted of 709 titles

translated into 46 languages with 5,500,000 copies.

But the Soviet Union published 15,631,700 copies of 372 titles during the half year from January to June in 1957.

The success of the American project was a triumph especially for a group of Chicago citizens and two Democratic Representatives BARRATT O'HARA, of Chicago, and MICHAEL A. FEIGHAN, of Cleveland, who helped put their plea across in Washington.

EDITORIAL FROM LABOR

This is the lead editorial in the October 5, 1957, edition of Labor:

SPREADING THE CLASSICS OF U.S. DEMOCRACY

Congratulations to Congressman BARRATT O'HARA, Democrat, Illinois. He has scored a great victory for democracy and against communism, without firing a shot or spending a lot of public money. The best way to describe his victory is to begin with a news story in the New York Times. In part, it says:

"More people are reading the Classics of American Democracy in India today than in the United States. That is the report of the American publishers who, with help from the U.S. Information Agency, have been conducting a successful campaign to sell the basic texts of democracy in cheap paperback editions, in competition with the basic texts of communism. Fortified by their success in India, the publishers are branching out into the vast area from the west coast of Africa to Japan, which appears to be a special target for Communist penetration."

The Classics of American Democracy, which are being sold abroad by a private publisher, with the help of U.S. Government agencies, are listed as works of such men as Thomas Jefferson, James Madison, Benjamin Franklin, Alexander Hamilton, John C. Calhoun, Thomas Paine, and other great forefathers who helped write the Declaration of Independence, the Constitution, and books and pamphlets which inspired and defended the American Revolution.

As Labor reported several times, this plan to put cheap editions of these classics into the hands and minds of millions of people of other countries was originated and put through Congress by O'HARA, who himself is deeply imbued with American democracy of the most genuine kind. Hats off to O'HARA.

FROM CHRISTIAN CENTURY

This is the editorial that appeared in the Christian Century of May 8, 1957:

WHO WINS THE BATTLE FOR MEN'S MINDS?

While Congress was happily chopping $30 million plus from the funds allocated to the United States Information Agency, books by Communist authors dominated news stands, bookstores, and libraries throughout most of the world. Evidence that democracy may be losing the battle for men's minds is contained in a study of "the world's most translated authors for 1948–55," published in the February 1957 issue of the UNESCO Courier. First in the list stood what? Not the Bible. Not Shakespeare. Not Jefferson, Mill, Tocqueville, Burke, Madison, Locke or any other author of the classics of democracy. First stood the works of Lenin, of which 968 translations were published during that period. Then came the Bible, with 887. Third stood Stalin's writings, with 689. Tenth and eleventh on the list were Marx, with 415 translations, and Engels, with 409. The American writer highest on the list of over 100 whose books had been translated was Jack London, who stood fourteenth. Next Americans to follow were Pearl Buck, Mark Twain, E. S. Gardner, and James Fenimore Cooper. None of the 22 American authors on the list wrote on politics, economics or religion, whereas nearly all the Communist authors wrote on politics and economics, with a strong antireligious bias. How can we expect the world to understand the basis for democracy unless it receives help in obtaining access to such essential interpretations as "The American Commonwealth," "The Federalist Papers," and "Democracy in America"? Communist authors are translated and disseminated by agencies of the Russian Government, which expects to be repaid. It knows how richly it was compensated for flooding the bookstalls of China with Communist writings in the twenties and thirties. We should be expanding the facilities of the USIA instead of slashing them today. To attain that end, we again suggest that this agency undertake a serious program of translation and distribution at competitive prices with Communist publications of the classics of democracy. Why should not Wilson's "The New Freedom" and the state papers of Abraham Lincoln, for example, be made available in the principal languages of India? The Bible, whose translation and wide distribution does not depend upon government subsidies, will not remain high on the list of translations unless it receives in time the support of the literature of freedom.

On October 4, 1957, this editorial appeared in the Christian Century:

TEXTS OF DEMOCRACY

It would seem unlikely that the Classics of American Democracy are being read more widely in India than in the United States, but such, apparently, is the case. Working with the U.S. Information Agency, publishers introduced a series of cheap paperback editions of basic texts in English. Indians were able to buy works of people such as Thoreau, Franklin, Hamilton, Adams, Jefferson, and Paine, as well as selections from the "Federalist Papers" and constitutional documents. They not only bought these but asked for additional texts of English writers.

This project and its evident success should be heartening not only to the publishers, the USIA, and the group of Chicago citizens who initiated the project, but to all who are interested in furthering democratic principles. Democracy is too difficult to be either easy or safe. In the countries where it exists it is always under attack, and always being tested. There is a constant need, which recent years have only emphasized, to return to the fundamental and classic statements. From these statements the democracies continue to draw sustenance.

It is well that the citizens of other countries should be able to read the classic documents of democracy so that the democracies can be judged not only by the accomplishments and failures they display, and the distortions which hostile countries offer, but also by the ideals to which they aspire. We need not underrate the importance of supermarkets to suggest that we have other things to export.

These texts are now in competition in India with the many cheap texts of Marx, Lenin, Engels, and Stalin which the Soviet Union has already distributed. This is the kind of competition that will have long-range consequences. The initial project, already successful, well deserves to be expanded. Additional texts, translations into various languages, and distribution to other countries are all being considered and are extensions which should clearly be encouraged.

FROM THE FAMILY WEEKLY

Mr. Speaker, I am further extending my remarks to include the following article from the Family Weekly of April 21, 1957:

WE'RE EXPORTING AMERICAN IDEALS

(By Jack Ryan)

A Sicilian law student, a future leader of his community, decides to learn for himself about the conflicting ideologies of East and West, both fighting for his loyalty.

He goes to a nearby bookstall and finds that by skipping cigarets today he can afford to buy the Communist teachings of Marx, Engels, and Lenin in paperbound editions in his own language.

What books can he buy to learn about America? Mostly cheap novels about dope addiction, sadism, or unscrupulous business executives.

To read a copy of "The Federalist," a basic explanation of our Constitution, the Sicilian would have to travel hundreds of miles to Rome where he'd find three copies—in English. Lincoln's writings might be even harder to find. We've distributed only 25 copies throughout the world to show why we think our Government is best.

But this failure in providing the world with "the bibles of democracy" is being remedied. The political and social philosophies of Jefferson, Madison, and Franklin—to name a few—are being translated into 25 languages and will be made available in crucial areas of the globe at prices within the reach of the poorest student, teacher, or worker.

The books represent democracy in theory; how they came to be translated and distributed represents democracy in action.

In 1952 a Chicago teacher, Thomas B. Stauffer, returned home after Government service abroad during which he saw many situations like that confronting the Sicilian student. Something, he decided, should be done. In American fashion he wrote his Congressman, BARRATT O'HARA.

O'HARA was immediately interested in Stauffer's suggestion that our information centers not only tell the free world what is wrong with communism, but what is right with democracy. But he pointed out that Congress would need additional facts before it could consider subsidizing a library of American political classics for oversea book markets.

At O'HARA's suggestion, Stauffer's neighbors—such people as ministers, office and factory workers, and college students—pitched in to assemble those facts. They contacted 3,500 leaders in industry, religion, journalism, politics, and other fields for suggestions on exporting our most precious commodity, political ideals.

Without any prompting, many of the 3,500 wrote their own Congressmen about "bibles of democracy," and soon O'HARA was beset by legislators asking, "What is this book idea my constituents are deluging me about? How is it important?"

Thanks to his hard-working group at home, O'HARA had the answer.

We were losing the battle of books—and minds. In Moscow, the Russian Printing Bureau, working on a budget larger than that of our entire information service, was on a 24-hour schedule turning out Communist writings in 40 languages. Foreign students in our own universities told how their lands were flooded with Marx and Lenin while they heard only references to Madison and Hamilton.

"America," said O'HARA, "is known abroad for autos and tractors, for riches and technology, but the specifically American political philosophy and the fundamental ideas of political and social democracy are not widely known in foreign lands."

The big danger in this, historians pointed out, was that whenever a nation adopted democratic government, it did so on the basis of political ideals, not material wealth.

Still there was the question—would people read the "heavy" writings of America's political thinkers? This answer came independently from two U.S. industrialists who helped finance publication of "The Federalist" in Italian. Although relatively expensive, the publication skyrocketed to second place on Italy's best-seller list, was hailed

in speeches and editorials, and excited deep interest in similar American writings.

The U.S. Government, responding to citizen opinion, next tried a test in Asia by distributing a "year's supply" of "The Federalist." In 3 months, all were sold.

The last doubt about the worth of the program was dispelled, and Congress appropriated funds for 20 million books. They will be translated and sold in bookstores which now sell only Communist ideology.

The first of these translations already are in the hands of people who influence opinion in their countries. Should they ever feel the books are merely words, dreams, or ivory-tower theories, they have only to remember how the books came to them—through people like themselves who wrote a lawmaker and moved a government.

PETER LISAGOR'S REPORT

On October 8, 1957, Peter Lisagor, famous journalist and now head of the Washington bureau of the Chicago Daily News, made the following report in the News:

IN AFRICA AND THE MIDEAST U.S. BOOKS TO SOW IDEALS OF FREEDOM

(By Peter Lisagor)

WASHINGTON.—Representative BARRATT O'HARA, Democrat, Illinois, looks forward to the day when the classics of American democracy are published in the native languages of the Arab and African world.

This is no idle dream of the veteran Chicago Congressman. He was largely responsible for a successful pilot project in India, where cheap paperback editions of the basic writings on democracy have sold like tranquilizers on Madison Avenue.

And now O'HARA is preparing for a trip to the Middle East and Africa, as a member of a House foreign affairs subcommittee, to explore at firsthand the potential market for the writings of Thoreau, Benjamin Franklin and Thomas Jefferson.

The idea of cheap editions of American classics as a counter to the basic texts of communism distributed free by Moscow originated with a group of Chicago citizens and was pushed by the Chicago Daily News.

O'HARA, together with MICHAEL A. FEIGHAN, Democrat, Ohio, took hold of the project then and succeeded in getting the U.S. Information Agency enough funds to allow it to help underwrite the plan for American publishers.

The books sold for the equivalent of 10 to 15 cents, and the Indians probably are reading more of them than people in the United States, in O'HARA's judgment.

"The response to the translations has been thrilling," says O'HARA.

"People abroad don't want things they think are just American propaganda. But when they read what inspired our forefathers—and our democracy—I'm sure it will have the same appeal as it did for us."

O'HARA compares the classics on democracy with the Bible.

"The Bible was written by many hands and published in many languages. It emerges as the basis of the Christian philosophy. In the same way, these books give the basis of American democracy."

He believes the United States must intensify its efforts to persuade the people of the Middle East and Africa of the virtues of this democracy.

"Europe is like an overworked New England farm," he says. "The Orient is aborning. So is our hemisphere. Africa is undeveloped but it has the resources and the people, and it is the bridge to the East.

"That makes it of prime importance in the future."

O'HARA hopes ultimately to arrive at about 15 basic works, agreed upon by educators and legislators as well.

Besides the works of Thoreau, Franklin and Jefferson, the books now being sold include selections from the Federalist Papers, John C. Calhoun's disquisition on government, the Declaration of Independence and the Constitution and the works of Thomas Paine.

O'HARA's trip next month will take him to Lebanon, Israel, Egypt, Sudan, Ethiopia, Kenya, Uganda, Ghana, Liberia, French West Africa and north Africa.

In the Chicago Daily News of October 14, 1957, appeared the following editorial:

BOOKS VERSUS REDS

Peter Lisagor of our Washington bureau has reported on the success of the U.S. Information Agency in selling the classics of democracy to readers in India.

This is a program that is familiar to readers of this newspaper, for it was originated in Chicago. It is a joint effort of U.S. publishers and the USIA to sell the basic texts of democracy in inexpensive paperbound editions in competition with the basic texts of communism.

The Daily News led editorially in the effort in Congress to get the program underway.

The success has prompted the USIA to extend the program to other countries in Asia and Africa. Its next step is to translate books into native languages, as the Communists do.

These are encouraging results in the effort to match the Soviet cheap-book program in neutral areas. We are glad to have had a part in it. We believe it will yield dividends for years to come.

INFORMATIONAL MEDIA GUARANTEE

Mr. Speaker, I am further extending my remarks to include a letter from Curtis G. Benjamin, president of the American Book Publishers Council, in the New York Times of April 5, 1959. While the matter of which Mr. Benjamin writes does not have direct relation to the classics of democracy program, it certainly is indirectly related and the work American publishers are doing in this field is valuably supplemental to the classics program. While the appropriation was cut to $2½ million in the last Congress, it was due almost entirely to Congressman ROONEY that the item was not completely wiped out. I happen to know because at that critical period I had several conversations with the gentleman, having been alerted to the situation by Dr. Jerome Kerwin of the University of Chicago and a member of the Chicago committee to which I have previously referred as the originators of the classics of democracy program. Mr. Benjamin's letter follows:

TO SEND BOOKS ABROAD—APPROPRIATION SUFFICIENT TO MEET MASS DEMAND URGED

(The writer of the following letter is president of the American Book Publishers Council, Inc.:)

To the EDITOR OF THE NEW YORK TIMES:

J. Donald Adams, in his "Speaking of Books" column in your book review section of March 15 drew attention to the need for more American books in Asia and Africa. He then appealed to the American Book Publishers Council to give the matter its earnest consideration.

The tremendous growth in the export of books from the United States to Indonesia, the Philippines, Formosa, Vietnam, Burma, Pakistan, and Turkey in the past few years has been made possible only by the informational media guaranty program of the U.S. Information Agency. Last August Congress cut a requested appropriation of $7 million for this program to $2½ million. This compelled a serious reduction in U.S. book exports to these countries.

U.S. publishers—unlike the Russians—cannot use local currencies accepted abroad in payment for books. The I.M.G. program, by guaranteeing conversion of other currencies into dollars, has facilitated U.S. book exports to countries which would have been deprived by their own exchange restrictions of the books they need.

FORM OF AID

While removing no obligation from the exporting publisher to sell his books or from the customer overseas to buy them, the I.M.G. program has insured, through a revolving fund, that publishers are paid in dollars. Here is one inexpensive form of economic aid which is neither a giveaway nor forced feeding, yet is being allowed to wither.

But even an unlimited I.M.G. program could not solve the problem of price, to which Mr. Adams also refers. The comparatively high cost of producing a book in the United States places it out of reach of a majority of Asian or African book buyers.

Here again the Russians have no problem, since their books are sold at nominal prices without relation to cost. In 1957 the Russians printed 30 million books exclusively for export, all in the languages of the non-Communist world, including many in English. The Russians are far ahead of us in supplying books to Asia and Africa and are likely to pull even further ahead unless Congress awakens to the fact, as Mr. Adams says, that the cold war is primarily and fundamentally a battle for men's minds.

MASS MARKET

The publishing industry is playing its part within its resources by vigorous cultivation of the market for books in Asia and Africa. Several publishers have begun to reprint important textbooks in English in Asia at one-half to one-third of the U.S. prices, thus bringing them to the mass student market in Asian countries.

The United States Information Agency and the International Cooperation Administration are also doing everything they can, with the limited funds they are allowed to spend on books, to break the barrier of price. But the sad fact is that there are many Asian and African countries today where students, professors, engineers, doctors, scholars, administrators—book users of every description—need American books.

Congress should see to it that the I.M.G. program receives an appropriation sufficient to insure that any country willing to sign an agreement to buy American books, at their full price, with its own currency, should be able to do so. Secondly, the United States Information Agency and the International Cooperation Administration should receive more funds to make books available to individuals and institutions in Asia, Africa and South America.

There is no other way to insure that the American book will play its full part as this country's most penetrating and effective ambassador at large.

CURTIS G. BENJAMIN.

NEW YORK, *March 31, 1959.*

AMENDING LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 451) to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable; and before the Chair puts the unanimous consent request, I would like to state for the benefit of the House and for the RECORD that when this bill was reached

on the Consent Calendar today, the distinguished gentleman from Michigan [Mr. FORD] asked that it be passed over without prejudice. I have talked with the distinguished gentleman from Michigan [Mr. FORD] and he told me that he had asked that it be passed over because he had not had an opportunity to look into it as thoroughly as he would like to. Then another of our distinguished colleagues, the gentleman from Washington [Mr. PELLY] made the observation that there was no departmental report and nothing indicating the attitude of the Department in the committee report. Thereafter, the gentleman from Michigan [Mr. FORD] talked with me and said that if I found out or obtained any information as to the position of the Department, and if it was of a favorable nature or interposed no objection to the legislation, that I might ask unanimous consent to bring the bill up for consideration today. I called the committee and talked with the acting clerk of the Committee on Education and Labor, Mr. Derrickson. Mr. Derrickson said that there was a report on a similar bill which was made on March 12, 1958, by the Department of Labor, and that the Department did not object to the favorable reporting of the bill, and the Department suggested certain technical changes which were made in the bill which was reported out of the committee last year, which bill passed the House last year but did not pass in the other body, and that the bill, as reported out of the committee this year, is identically the same bill as was reported out of the committee last year. So, Mr. Speaker, on the basis of that information and the talk that I had with my friend, the gentleman from Michigan [Mr. FORD], I am asking unanimous consent for the present consideration of the bill, the purpose of which is to allow an employee who comes under the jurisdiction of the Longshoremen's and Harbor Workers' Compensation Act who is injured, to receive compensation as provided by law while he is suing the person who injured him, or is claiming that the injury was caused through the negligence of others and brings action in court, a tort action. Under the present law, such an employee has to elect whether he will sue or take the compensation. If he elects to bring suit, he cannot get the regular compensation and this bill will enable him to receive his compensation while he is proceeding in the court. Of course, if he gets a larger verdict than the amount of his compensation, there has to be a reimbursement. It seems to me that it is a just proposition. Having cleared up the matter now in connection with the departmental report, I will be happy and I feel that we would all be happy if the bill passed the House today.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CUNNINGHAM. I just wanted to be clear on one thing. Will the gentleman repeat what he said about the departmental report?

Mr. McCORMACK. The information I received from Mr. Derrickson is that on March 12, 1958, the Department made a report. They do not object to the bill and they recommend certain technical changes, which were incorporated in the bill last year, and the bill was reported out of the committee, and which changes are incorporated in the bill at the present time.

Mr. CUNNINGHAM. In other words, their objections have been taken care of.

Mr. McCORMACK. They did not object.

Mr. CUNNINGHAM. They just wanted certain technical amendments?

Mr. McCORMACK. That is correct. The Department suggested certain technical amendments which were adopted so that the position of the Department is clearly expressed in the bill, as I have been informed.

Mr. CUNNINGHAM. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 33 of the Longshoremen's and Harbor Workers' Compensation Act is amended to read as follows:

"COMPENSATION FOR INJURIES WHERE THIRD PERSON IS LIABLE

"SEC. 33. (a) If an employee entitled to compensation under this Act be injured or killed by the negligence or wrong of a third person not in the same employ, such employee or, in case of death, his eligible survivors or legal representative, if any, need not elect whether to take compensation and medical benefits under this Act or to pursue his remedy against such third person but may take such compensation and medical benefits and (within the time periods hereinafter set forth) pursue his remedy against such third person subject to the provisions of this Act. If such employee, or, in case of death, his eligible survivors or legal representative, if any, takes compensation under this Act and desires to bring action against such third person, such action should be commenced not later than six months after the entry of an order awarding compensation or not later than nine months after the enactment of such law or laws creating, establishing, or affording a new or additional remedy or remedies. In such case, the carrier liable for the payment of such compensation shall have a lien on the proceeds of any recovery from such third person, whether by judgment, settlement, or otherwise, after the deduction of the reasonable and necessary expenditures, including attorney's fees, incurred in effecting such recovery, to the extent of the total amount of compensation awarded under, or provided, or estimated, by this Act for such case and the expenses for medical treatment paid or to be paid by it, and to such extent such recovery shall be deemed for the benefit of such carrier. Notice of the commencement of such action shall be given thirty days thereafter to the Secretary of Labor, the employer, and the carrier upon a form prescribed by the Secretary.

"(b) If such employee or, in case of death, his eligible survivors or legal representative, if any, has been awarded compensation under this Act but has failed to commence action against such third person within the time limited therefor by subsection (a), such failure may operate as an assignment of the cause of action against such third person to the carrier liable for the payment of such compensation. The failure of such employee or his eligible survivors or legal representative to commence an action pursuant to the provisions of subsection (a) of this section, shall operate as an assignment of the cause of action: *Provided only, however,* That the carrier shall first, after award of compensation, have notified the employee, or in the event of his death, the employee's eligible survivors and legal representative if any has been appointed, in writing by personal service or by registered mail at least thirty days prior to the expiration of the longer time limited for the commencement of an action by subsection (a), that such failure to commence such action shall operate as an assignment of whatever cause of action may exist from the employee to the carrier. If the carrier shall fail to give such notice, the time limited for the commencement of an action by subsection (a) shall be extended until thirty days after the carrier shall have served the notice required by this section, and in the event the claimant fails to commence such action within thirty days after service of such notice, such failure shall operate as an assignment of such cause of action to such carrier. If such carrier as such an assignee, recovers from such third person, either by judgment, settlement, or otherwise, a sum in excess of the total amount of compensation awarded for the death or injury of such employee and the expenses for medical treatment paid by it, together with the reasonable and necessary expenditures incurred in effecting such recovery, it shall forthwith pay to such employee or his eligible survivors at the time of death two-thirds of such excess, and to the extent of two-thirds of any such excess such recovery shall be deemed for the benefit of such employee or his eligible survivors. When the compensation awarded requires periodical payments, the number of which cannot be determined at the time of such award, the Secretary shall, when the injury or death was caused by the negligence or wrong of another not in the same employ, estimate the probable total amount thereof upon the basis of the survivorship annuitants table of mortality, the remarriage tables of the Dutch Royal Insurance Institute, and such facts as he may deem pertinent, and such estimate shall be deemed the amount of the compensation awarded in such case, for the purpose of computing the amount of such excess recovery, subject to the modification thereof as hereinafter provided.

"(c) In the event of a modification of an award increasing the compensation previously awarded or in the event that the total amount of periodical payments made pursuant to an award under which the number of such payments could not be determined at the time of the award, shall exceed the total thereof as estimated by the Secretary, the principal of any of such excess recovery theretofore paid to such employee or his eligible survivors shall be credited against such increase or such excess. In the event of a modification of an award ending or diminishing the compensation previously awarded or in the event that the total amount of periodical payments made pursuant to an award under which the number of such payments could not be determined at the time of the award, shall be less than the total thereof as estimated by the Secretary, such carrier shall forthwith pay to the person entitled to compensation any additional amount of such excess recovery to which such person may be entitled by reason of such modification or such deficiency determined as hereinbefore provided.

"(d) If such employee proceeds against such third person the carrier shall contribute only the deficiency, if any, between the amount of the recovery against such third person actually collected, and the compensation provided or estimated by this Act for such case, except that in the case where the amount of settlement of a claim or action against a third party is less than the compensation provided or estimated by this Act,

prior approval of the employer or insurance carrier shall be required or else the carrier shall be relieved of all liability for such deficiency.

"(e) The right to compensation or benefits under this Act, shall be the exclusive remedy to an employee when he is injured or killed by the negligence or wrong of another in the same employ."

With the following committee amendments:

Page 3, line 18, after "registered" insert "or certified".

Page 6, line 10, strike out "killed" and insert the following: "to his eligible survivors or legal representatives if he is killed,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONWIDE REFERENDUM—NATIONAL FLOWER

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from New York [Mrs. WEIS] is recognized for 5 minutes.

Mrs. WEIS. Mr. Speaker, in the spring of the year in this beautiful city of Washington, I wish to speak briefly not on the serious problems before this House and the country, but on a lighter but seemingly as controversial a subject.

Mr. Speaker, some weeks ago there was a serio-comic debate held in what I understand is sometimes erroneously called the upper House on the subject of our national flower. The virtues of a large number of flora were extolled—including some which at first blush would not seem to fall into the category under discussion at all.

Senator GORDON ALLOTT nominated the carnation as the "symbol of fertility, virility, stability, and courage," while his colleague from Iowa, Senator HICKENLOOPER, in defense of the corn tassel, characterized the carnation as the flower most used for funerals.

Senator THRUSTON MORTON, a true Kentucky gentleman, placed his own Kentucky blue grass in the running, and somehow during the debate, even John Barleycorn reared his ugly head.

My predecessor, Senator KEATING, once again took up the cudgels for the rose, which he had championed so many times when he was a Member of this august body.

As usual, this debate produced no action, but it did arouse sufficient interest so that Dave Garroway asked these distinguished Senators to continue their discussions on his television program at 7:10 in the morning. But unlike the flowers which unfold fresh and dewy with the rising of the sun, these gentlemen were unable to rise to the occasion. Therefore, perforce, Mr. Garroway turned to this lower but sturdier House.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. WEIS. I yield.

Mr. McCORMACK. I think I understood the gentlewoman to say in her opening statement that "the other body, erroneously called the upper House."

Mrs. WEIS. Sometimes erroneously.

Mr. McCORMACK. I thoroughly agree with the gentlewoman. That is a pet hobby of mine. It is a coordinate branch of Congress.

Mrs. WEIS. In view of the remarks by our Speaker recently, I was sure I was on safe ground.

Mr. McCORMACK. I want the gentlewoman to know that I not only admire what she said but I thoroughly agree. The more we emphasize it the more some of these columnists and editorial writers will be aware that they should read the Constitution again.

Mrs. WEIS. That is true.

Mr. CUNNINGHAM. Mr. Speaker, will the gentle lady yield?

Mrs. WEIS. I yield.

Mr. CUNNINGHAM. I have heard that expression originated because of the fact that they are continuously upping the appropriation bills.

Mrs. WEIS. That makes a certain amount of sense.

My colleague the gentleman from Pennsylvania [Mr. CURTIN] flung himself into the breach as a late starter in defense of the marigold, while I came to the support of the rose.

For this reason, and because my district in New York lovingly harbors the largest shippers of roses in the world, I am proposing that we end this debate once and for all by taking the issue to the country at large.

Admittedly, many public-opinion polls have been taken in the past, including a recent Gallup poll which showed the rose winning by a margin of 14 to 1. But Dr. Gallup has predicted landslides before—erroneously, to my regret.

It is obvious that periodic debate in the Congress is not going to settle this question. In fact, if the discussions continue, I dare say there will soon be as many flowers nominated as there are Members sitting in either House. Though my preference for the rose must be apparent by now, I am willing to abide by the will of the majority. Therefore, I suggest a nationwide referendum to determine the people's choice of a national flower, the results to be reported to the Senate which has scheduled another debate on this issue on May 5.

I would urge that every man, woman, or child in the United States who has an interest in this matter write a postcard to me, at my Washington office, listing the flower of his choice. I would urge also that my colleagues in the four States which have already selected the rose as their State flower—Iowa, Georgia, North Dakota, and my own State of New York—and those who represent areas such as California and Arizona, where roses are grown in great profusion, join with me in this effort. I would welcome, too, the cooperation of all those who are protagonists for the other floral nominees.

Though this maiden effort of mine may seem to have had facetious overtones, there are millions of flower lovers who are seriously interested in this question, and, after all, if America is to have a national flower, it should represent in every sense the wishes of the majority of the American people.

OUR DEBT MANAGEMENT POLICIES, II: HOW ABOUT PRACTICING WHAT WE PREACH?

The SPEAKER pro tempore (Mr. ALBERT). Under the previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, on March 17 I urged that the Congress take a new look at our debt management policies. Particularly, I pointed out that our present debt management practices squarely collide with a number of principles that ought to be fundamental.

First among such principles, I pointed out, was that the debt to the maximum extent should be held by real savers, not by the commercial banks. This is so because a large bank-held national debt stockpiles an inflationary credit potential that may prove impervious to restrictive monetary policies if and when they become necessary.

No one can say that the administration has not, from almost the day it took office, preached the observance of this principle vigorously.

Former Secretary of the Treasury Humphrey said in April 1953:

The concentration of short-term debt in the banks by the previous administration was one of the causes of inflation in the cost of living which has cost the American people billions of dollars. A gradual placing of more securities in the hands of nonbank investors is a necessary step for economic stability.

Former Under Secretary of the Treasury Burgess had this to say on May 12, 1953:

When the Treasury meets a deficit by borrowing from the banks, it is inflationary—creates more money—tends to raise the cost of living.

Bank borrowing may be cheap in terms of interest cost to the Treasury, but it is exceedingly expensive for the country as a whole, as all Americans who have been hurt by inflationary prices in the past decade should know.

The reasons are simple but deserve spelling out.

When the Treasury sells short-term securities to banks the money supply is increased by the amount of the borrowing. There is more money—but there is no increase in the things people can buy for their own use. Borrowing outside of banks, on the other hand, reaches genuine savings. Money which might have gone into other investment outlets goes instead into governments. The Treasury competes for available loan funds rather than creating new money.

This avoids inflation—it keeps the price of food, clothing, and shelter from going up.

These simple principles constitute the bases for the program of the Treasury Department for financing the public debt.

More recently, on February 5, 1959, Mr. Charles J. Gable, Jr., Assistant to the Secretary of the Treasury for Debt Management, told the Joint Economic Committee:

The Treasury would have preferred that a larger part of its financing outside of the banks during the second half of the calen-

dar year [1958] had been through longer term savers—such as individuals and savings institutions. (Joint Economic Committee, hearings on 1959 Economic Report of the President, p. 409.)

Mr. Gable further assured the committee:

We will continue to secure our funds as largely as possible from true savers rather than from commercial banks in order to reduce the inflationary potential of our financing operations during a period of rising economic activity. (Ibid., p. 413.)

Here are the preachments, then, clear and forthright as anyone could ask: Place the national debt with the real savers, and avoid the commercial banks. What is the practice?

On March 19 the Treasury announced the offer of a $500 million, 10-year, 4-percent bond issue.

On March 26, by Treasury Department press release A-484, came the good news. Treasury press release A-484 reported that:

Reports received thus far from the Federal Reserve banks show that subscriptions for the bonds total about $1,477 million, of which about $238 million were received from subscribers in the savings-type investor groups, $918 million from commercial banks for their own account and $321 million from all others.

The press release went on to describe savings-type investors as follows:

Pension and retirement funds—public and private.

Endowment funds.

Insurance companies.

Mutual savings banks.

Fraternal benefit associations and labor unions' insurance funds.

Savings and loan associations.

Credit unions.

Other savings organizations—not including commercial banks.

States, political subdivisions or instrumentalities thereof, and public funds.

But then came the thunderbolt. Instead of rejoicing, and announcing that the savings-type investors were to receive the full $238 million subscribed, the Treasury announced that it was cutting down the allotment to savings-type investors by 35 percent of their subscription. In other words, although savings-type investors were ready, willing, and eager to take $238 million of the issue, they were only to be allotted some $155 million. The remainder of the issue was to be allotted to the commercial banks and to "all others."

When I saw this press release on the morning of Friday, March 27, I immediately asked the Treasury what possible excuse there was for diverting from the hands of real savers to the commercial banks more than one-third of the long-term Government bonds which the real savers wanted to buy and had legally obligated themselves to buy. The Treasury's answer was that it guessed that maybe some of the real savers who had legally obligated themselves to buy the bonds might not want to do so.

Here was the Treasury, which makes so much of the need for selling the debt as much as possible to real savers, and as little as possible to commercial banks, deliberately cutting down on the real savers in order to sell to the commercial banks.

I thereupon, later Friday morning, March 27, sent the following telegram to the President:

MARCH 27, 1959.

The PRESIDENT,
The White House,
Washington, D.C.:

According to my information, subscriptions from savings institutions, corporations, and individuals, exceeded the $500 million total offering of the new Treasury 10-year 4-percent bond issue. Commercial banks also submitted subscriptions in excess of the total amount offered. I am now informed that unless you stop them, the Treasury intends to sell $320 million to the commercial banks, leaving only $180 million to the real savers. As no one knows better than you, the financing of the national debt through the commercial banking system has highly undesirable and potentially inflationary consequences. I earnestly request that you immediately direct the Treasury to cease undermining the national credit and to allocate this issue to the real savers of the Nation.

HENRY S. REUSS,
Member of Congress.

The receipt of my March 27 telegram has been acknowledged, but it has had no effect. On March 31, 1959, the Treasury, by press release A-487, announced that the allotment had been made according to plan, with savings-type investors restricted to 65 percent of their subscription, even though they could have been allotted 100 percent of the amount of their subscription.

Let me make my position very clear. The commercial banks and the "all others"—very largely the bond houses specializing in U.S. obligations—serve a most useful purpose in the marketing of Government securities. We are not here concerned with the Treasury's selling to the commercial banks and to "all others" U.S. bonds that savings-type investors refuse to take. But a Treasury policy of actually preventing savings-type investors from buying the U.S. bonds which they are ready, willing, able and legally obligated to buy is indefensible. Diverting these bonds to the commercial banks then leads to further doses of tight money by the Federal Reserve in order to neutralize this inflationary tinder. So the recovery of the economy is further retarded.

Congress has the constitutional duty to safeguard the national credit. For that reason I have today introduced House Concurrent Resolution 111:

HOUSE CONCURRENT RESOLUTION 111

Concurrent resolution expressing the sense of Congress with respect to allotments of subscriptions for Treasury bonds by savings-type investors

Whereas the expansion of the money supply which results from the acquisition of Government bonds by the commercial banking system is potentially inflationary; and

Whereas it is of vital importance that every legitimate means be used to facilitate the purchase of United States bonds with funds generated by true saving; and

Whereas the first section of the Second Liberty Bond Act confers upon the Secretary of the Treasury full authority to reject or reduce allotments upon applications from incorporated banks and trust companies for purchase of bonds issued under that Act, and to make allotment in full or larger amounts to others: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the Secretary of the Treasury, in making allotments to subscribers for bonds having maturities of 5 years or more after the offering date, shall allot in full the subscriptions of savings-type investors before any bonds of the offering are allotted to other types of investors.

Mr. Speaker, I hope that the Treasury in its upcoming bond issues will make an effort to practice what it preaches, and to place no obstacles in the way of real savers who want to buy long-term U.S. obligations.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I want to commend the gentleman for calling to public notice the tragic difference between pronounced policies and actual policies. Also I would like to ask the question of the gentleman from Wisconsin whether the Treasury could not have achieved his purposes by their own direct action without the need of this resolution, if it so chose?

Mr. REUSS. Absolutely. The Treasury proceeds in these bond sales under the Second Liberty Bond Act of 1918. That act which I have taken the trouble to read and to reread in the last day or so, clearly and specifically authorizes and permits the Treasury to cut down the commercial banks and certain other classes of subscribers to zero, if need be, in order to market the national debt to the largest extent possible to true savers. This is to enable people and savings institutions to buy bonds, giving up the power to buy something else, as opposed to the commercial banks, useful as their role may be, who by a stroke of the pen and by enlargement of their credit, purchase the national debt, thus creating an inflationary tender.

The Second Liberty Bond Act of 1918 expressly permits the Secretary of the Treasury to exclude nonsaving investors from these issues. Here, of course, it was not even necessary to do that. The Secretary of the Treasury could have given several hundred million dollars worth of these bonds to the commercial banks, instead of the larger amount that they did give to the banks, and to the so-called all others, and still have taken care of the real savers 100 cents on the dollar. Every other true saver could come to the Treasury and say, "Look, these are my savings. I would like to buy Uncle Sam's obligations."

It seems to me absolutely indefensible for the Treasury to do what it did do, to turn aside these citizens and savings institutions that wanted to buy the national debt by saying, "We are sorry, but we will have to place you on a quota."

Mr. JOHNSON of Colorado. I commend the gentleman for his statement, and I hope the resolution is adopted. I regret its apparent necessity, and I trust that the Treasury will be sufficiently warned that they will use their discretionary power with more attention to their own pronounced policies. Because if they are to fail, it seems to me that we might be led into a situation where the

Congress would have to pass more restrictive legislation on the Treasury powers. I concur in the wisdom of the original decision to give the Secretary broad authority, but I regret that that authority was used in a manner inconsistent with public policy.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. VANIK. I want to express my appreciation to the gentleman from Wisconsin for his splendid contribution this afternoon in pointing this out to the attention of the Congress. I think far too little attention has been paid by Congress to the great problems of debt management. I think the gentleman is perhaps too gentle with these indefensible Treasury policies. I wish his resolution would establish mandatory guideposts to the Treasury Department in issuing these securities. It seems to me that a charge could be properly leveled against the Treasury Department for mismanagement and mishandling of the public debt, because it has engaged in policies which have caused the cost of managing our debt to skyrocket during the past 6 or 7 years.

I certainly hope that the gentleman's resolution will be given very careful and prompt consideration by the Congress. I think it is time that Congress provided a very careful analysis of the complete debt structure of the country and consider ways and means to reduce this tremendous burden upon our people.

Mr. REUSS. I thank the gentleman from Ohio. I am glad he has pointed out the self-defeating nature of the action by the Treasury in loading up the commercial banks with the national debt by turning aside the real savers who want to buy it. In its Newsletter for April, which reached my desk yesterday, the First National City Bank of New York pointed out, for example, that the recent rise in the rediscount rate of the Federal Reserve of a few weeks ago, an increase which many of us in this body deplored, was necessitated very largely by the fact that commercial banks were holding such an increasingly large portion of the national debt. Well, do you not see what happens: To the extent that the Treasury loads up the commercial banks, the Fed comes around, raises the rediscount rate, with its attendant disastrous effects on small business, on the farmer, and the other weaker elements of the community? So we just chase our tail around, complicating rather than alleviating the problem of debt management.

Mr. VANIK. I have the feeling that the Federal Reserve discount rate is usually raised just before the Federal Government itself must apply for an extension of credit and sell large issues of its debentures on the public market. Does the gentleman concur with this reaction?

Mr. REUSS. To a limited degree, since the Treasury is in the market almost every month nowadays, marketing the national debt, and since the Federal Reserve is extremely quick on the trigger to raise the rediscount rate, you usually find that they raise it just before, during, and after these marketings.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Iowa.

Mr. WOLF. I want to commend the gentleman for his splendid remarks. I would like to say that I hope the resolution will be given immediate consideration, and I hope it will pass in order to give us something to help this situation. One of the things that impressed me the most on my trip back to my district during the holidays was the demonstration and concern by many people in all walks of life that there is something wrong with our fiscal policy and it does need thorough consideration.

I was happy to be able to be back from Iowa in time to hear the gentleman's remarks. I hope he will continue the work he is doing in bringing this matter to the attention of the Congress.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman.

Mr. CUNNINGHAM. The only thing wrong with our fiscal policy is that we are spending more money than we are taking in. If the gentleman would propose the taxes to take care of the increased expenditures and balance the budget, he would not have to make this presentation today.

Mr. REUSS. Yes; that is the answer of the administration to all constructive attempts on this side of the aisle to develop sound policies of debt management. I wish, however, that the gentleman, as the representative of the administration here this afternoon, would defend if he can the practice of the Treasury in deliberately turning down real savers, people who want to buy the national debt, and instead loading the national debt onto the commercial banks. That is the subject of my remarks. I would agree with the gentleman's observation in the abstract that balanced budgets are good things.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield further?

Mr. REUSS. I yield.

Mr. CUNNINGHAM. May I say that I worked 2 years for the Treasury Department, and I do not think there is any skulduggery in that shop. I think that they are doing an honest, sincere job. Their policies today are practically the same as they have been for 20 years. As far as real savers are concerned, there is an avenue for them through our savings bond program, which has been liberalized. Savings bonds can now be purchased in large amounts. They are available to the real savers whom the gentleman has mentioned. All they have to do is to take advantage of it.

Mr. REUSS. Nobody has mentioned the word "skulduggery" until the gentleman brought it up. I do not myself think that there is skulduggery on the part of the Treasury. I think, however, that there is inept debt management on the part of the administration and the Treasury, and it is our hope that by debating the matter here openly today and on other days we may make some contribution to the solution of the problem. The gentleman still has not answered my central point which is, Is it wise or is it foolish to turn down real, live savers who reach down into the mattress for their money and want to buy U.S. bonds, and instead to sell those bonds to the commercial banks? I cannot believe that it is, but I gather that the administration's position, as set forth this afternoon, is that this is wise.

Mr. CUNNINGHAM. I would say that the real savers can take that opportunity through the savings bond program.

Mr. REUSS. Does the gentleman suggest that the opportunities for real savers to participate in the national debt ought to be restricted to savings bonds?

Mr. CUNNINGHAM. I just do not accept the premise upon which the gentleman based his remarks, that is all.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I would not like the RECORD at this point to show, Mr. Speaker, that if we had a balanced budget there would be no problem of debt management. I think the RECORD should show that even if we had a perfectly balanced budget, down to the last dime, the Treasury would still have, according to my recollection, something like a $55 billion turnover in the debt in the coming year. Is that not approximately correct?

Mr. REUSS. I believe that is right.

Mr. JOHNSON of Colorado. In other words there would still be the problem of where to place the debt which is coming due and payable during the next fiscal year, which must be replaced. You simply cannot maintain it as a volume of debt. The problem of debt management would be here whether we had a balanced budget, an underbalanced budget, or an overbalanced budget.

Mr. REUSS. I agree thoroughly with the gentleman. Indeed, if the budget were balanced, then the position of the Treasury in turning aside true savers and placing so large a portion of the debt with the commercial banks would be that much more indefensible.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. REUSS. I yield.

Mr. VANIK. I think the gentleman from Wisconsin is much too kind in permitting the word "skulduggery" to be taken out of the RECORD. I think it belongs in the RECORD, because Treasury skulduggery is the sort of thing that makes the gentleman's resolution a necessary thing. It is the Treasury action which favors the commercial banks by allocations of Treasury issues, that makes it necessary.

The very thing that makes the gentleman's resolution necessary are the Treasury efforts to look out for the interests of the commercial bankers of America rather than the taxpayers.

Mr. REUSS. I have tried not to use inflammatory language this afternoon. I certainly do not use the word "skulduggery." At the same time, I deeply regret that the only answer of the administration to my disquiet about the administration's debt management

policy is that real savers have the series E bonds available, and that that ought to be enough for them—let the other issues, or 80 percent of the national debt, be held by the commercial banks. To me this is economic madness, fiscal irresponsibility, and the most inflationary kind of talk I have ever heard.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Texas.

Mr. PATMAN. I believe the gentleman's resolution is a good one; that is, the Treasury should sell all the bonds it can to people who actually have money to pay for the bonds; but, when they have sold all those bonds, then I believe we should use another method to obtain money rather than sell bonds to the commercial banks that create the money on the books of the banks to buy the bonds. The Treasury should not be allowed to sell securities to commercial banks when others are clamoring for the privilege of buying such securities and have the actual money to pay for them. I congratulate the distinguished gentleman [Mr. REUSS] for presenting his very constructive proposal. I hope it is adopted.

RECREATION AS A FACTOR IN FEDERAL WATER PROJECTS

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, I have introduced a bill to provide for additional consideration of recreation and fish and wildlife values in all Federal water-resources projects. The Federal Government should give more attention to the tremendous interest our people have in using the reservoirs and other facilities built by the U.S. Army Corps of Engineers and the Bureau of Reclamation for outdoor recreation. The water projects of these two large agencies provide many recreational opportunities that our Nation can ill afford to overlook.

Many of my colleagues know from experience in their own districts how their constituents are attracted in ever-increasing numbers to these new lakes in order to enjoy fishing and hunting opportunities, to picnic, and participate in other outdoor activities with their families, and to use their boats. These public activities bring a substantial dividend to our Nation in the form of better health from wholesome outdoor recreation and through the release from tensions and worries that have become so much a part of modern living. Nor can we continue to overlook the huge business that is generated for goods and services to supply the needs of these recreationists.

The individuals and families that flock to these reservoirs spend millions of dollars each year at the service stations, restaurants, motels and hotels, and grocery and sporting-goods stores. Businesses and whole communities have been built up in some areas merely to supply the needs of these outdoor enthusiasts. The business that has been created as a result of this widespread recreational use has had a salutary effect on the economy in many parts of the country.

Despite all these obvious benefits, we still are building reservoirs, canals, and levees for flood control, irrigation, and power, without giving full consideration to the growing needs of our people to use those same facilities for fishing, hunting, and other forms of outdoor sports. Over and over again we hear the story of how these water facilities that have been built by the Federal Government are being overwhelmed by the rush of people even though the project features for public recreational use are only slightly developed at some reservoirs and largely nonexistent or grossly inadequate at most.

The growth and the magnitude of public recreation use of civil projects of the Army Engineers is shown in a news release from the Department of the Army, dated March 26, 1959, which states:

> Visitor attendance in 1958 reached a new all-time high of 94,793,000. This compares with 84,704,000 in 1957, and 71,340,000 in 1956. In 1950 it was only 16 million.

In my judgment it is high time that the Congress recognize this situation by providing specifically for public use of these facilities in the planning and construction as well as the operation of Federal water projects. The people who benefit from these projects from a recreational standpoint need not, in all equity, continue to be neglected in favor of the people who benefit directly from flood-control, irrigation, and power aspects of the projects.

The bill which I have introduced would permit the Corps of Engineers and the Bureau of Reclamation to cooperate more fully with the U.S. Fish and Wildlife Service, National Park Service, and the fish and wildlife and recreational agencies of the respective States in building into project plans sound provisions for public recreational use of these projects. There is no valid reason why these projects should not be planned, built, and operated with recreation in mind, along with flood control, irrigation, and power. This will mean that recreation can be a purpose in project planning and not merely an incidental and perhaps accidental byproduct, as now is the case.

Experience demonstrates that the cost of making specific provisions for all types of recreation in these projects is very modest in relation to the cost of building dams, powerplants, and canals for traditional project purposes.

I am confident that my bill will have the enthusiastic support of all of those interested in the better management and wise use of natural resources. Its prompt enactment would do good service to the increasing millions of people who take to the highways every weekend earnestly searching for wholesome, healthful ways of employing their leisure time.

I sincerely hope and urge that the committee to whom the bill is referred will schedule early hearings so that we may have the bill before the House for consideration as soon as possible.

BATAAN DAY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, inasmuch as the House will not be in session tomorrow I should like to join my colleague from Massachusetts, the distinguished floor leader [Mr. MCCORMACK] in extending my thanks and appreciation and respect to all the fighting men who so courageously stood their ground on the Bataan Peninsula in the Philippines. Tomorrow is Bataan Day.

Seventeen years have passed since those heroic days on the Bataan Peninsula and the glorious stand made at Corregidor. Every American owes a debt of gratitude and respect to all of the men of our fighting forces involved in that great struggle. The battles of Bataan and Corregidor occurred in the early days of the war in the Pacific. These battles took place when the enemy had tremendus advantage over the American forces. Our men were few in numbers and poorly equipped. They possessed, however, one factor of strength superior to that of the enemy. This was their determination and their resolve to fight on to the very end. These men were Americans and they were determined to uphold the honor of their country and die as Americans. For the great fight they made, for their character, and for their resolve to place their country ahead of their own well-being and their own very lives, this Nation of American people owes them an eternal debt of gratitude and respect.

Many of us here in the Congress today were Members of Congress on this eventful day 17 years ago. Well can we remember the sickening pain we felt in our hearts when the news was unfolded to us of the heroic struggle these Americans made at Bataan and Corregidor. We remember how we chilled at the thought of their suffering in that famous Bataan death march. We know that their suffering steeled in us a resolve to never stop until we had defeated the enemy in the entire Pacific area. This resolve and determination created in us as a result of their suffering and their determination was indeed a powerful force not only in the determination behind the efforts of the Members of Congress but also in the steeling of the determination of the whole Nation.

Civilized people everywhere revolt at brutality. Regardless of the horrors and tragedy of war, even brutality exercised in the conduct of war causes a shocking and revolting feeling among civilized people. The death march on Bataan was brutal. It was unnecessary. It was inhuman. This inhuman act, so brutal and so unnecessary, reaped its harvest. It was the determination of an aroused America, not only to defeat the enemy but to seek out those responsible for this inhuman act and make them pay for it

in adequate punishment. This was done. This civilization had to do for the honor of civilization.

Back home in Massachusetts there is a sergeant of the U.S. Army from Boston who was one of those heroic men who fought on Bataan, who made the brutal death march, and who was able to survive all of the atrocities of the enemy. He is a very seriously injured man. I am proud to say that for his heroic deeds he possesses the Congressional Medal of Honor. I speak of Sgt. Charles McGilvery. Like a few of the others, Sergeant McGilvery never thought for one moment he would live to survive to this day 17 years afterward. To Sergeant McGilvery and all of his associates and comrades, living and dead, I extend my heartfelt thanks and respect.

Fighting with the American forces in this great battle of Bataan were many soldiers of the present Republic of the Philippines. With the Americans, and shoulder to shoulder, they, too, made their sacrifices and made their resolves and determinations. Now, 17 years later, some of these men, veterans of this great struggle, are denied certain benefits which are given to others who performed comparable service. In view of this fact, on March 12 of 1959, I introduced House Joint Resolution 307, for the purpose of creating a commission to conduct a thorough and comprehensive investigation of the veterans' program of the United States in the Republic of the Philippines with a view to correcting so many of these existing inequities. My resolution has the full support of the Government of the Republic of the Philippines. At this time, I think it is extremely appropriate for me to urge the Members of the Congress to enact this joint resolution. In the creation of this Commission, the Congress would be showing its good faith and its appreciation to those veterans of the Philippines who stood their ground on Bataan. I hope so much the Congress will enact House Joint Resolution 307.

Out of all great catastrophies, and from the oasis of all great events, it is my belief something good, something worthwhile and of benefit to mankind emerges. Surely from the great struggle on Bataan emerged a new way of life and new rules of conduct for many people in the Far East. Above all, however, the meaning of Bataan 17 years ago, at the present time, 17 years in the future, and for all time, is that freemen wherever they are assembled together, will never sacrifice their freedom, and that freedom existing in the hearts of mankind will live forever.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. STRATTON, on account of official business of the Board of Visitors of the U.S. Military Academy.

Mr. HALL, indefinitely, on account of illness.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. SIKES, for 15 minutes, today, and for 30 minutes on April 16.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WAMPLER and to include extraneous matter.

Mr. RHODES of Arizona (at the request of Mr. BROOMFIELD) and to include extraneous matter.

Mr. SIMPSON of Pennsylvania (at the request of Mr. MILLER of New York) and to include a letter and statement.

Mr. POFF (at the request of Mr. MILLER of New York) and to include extraneous matter.

Mr. AUCHINCLOSS and to include a newspaper article.

Mr. BURKE of Massachusetts and to include extraneous matter.

Mr. KASTENMEIER and to include extraneous matter.

Mr. GAVIN and to include extraneous material.

Mr. CELLAR.

ADJOURNMENT

Mr. SMITH of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 30 minutes p.m.), under its previous order, the House adjourned until Friday, April 10, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

828. A letter from the Acting Secretary of State, transmitting the seventh report on the extent and disposition of U.S. contributions to International Organizations for the fiscal year 1958, pursuant to section 2 of Public Law 806, 81st Congress (H. Doc. No. 111); to the Committee on Foreign Affairs and ordered to be printed.

829. A letter from the Secretary, Federal Prison Industries, Inc., U.S. Department of Justice, transmitting the annual report of the Directors of Federal Prison Industries, Inc., for the fiscal year 1958, pursuant to the act approved June 23, 1934 (18 U.S.C. 4127); to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR (by request):

H.R. 6150. A bill to free farmers from Government control; to the Committee on Agriculture.

By Mr. BARING:

H.R. 6151. A bill to provide for the construction of sewer and water facilities for the Battle Mountain Indian Colony, Nev., and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6152. A bill to provide for transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof; to the Committee on Interior and Insular Affairs.

H.R. 6153. A bill to stabilize the domestic market prices of lead and zinc; to the Committee on Ways and Means.

By Mr. BARRETT:

H.R. 6154. A bill to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens; to the Committee on the Judiciary.

By Mr. BETTS:

H.R. 6155. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation certain nonprofit corporations or associations organized after August 31, 1951; to the Committee on Ways and Means.

By Mr. BOGGS:

H.R. 6156. A bill to amend the National Defense Education Act of 1958 to provide for Federal grants to the States for the purpose of installing automatic sprinkler systems in elementary and secondary schools not adequately protected against the hazard of fire to safeguard the children of this Nation who will provide the leadership for its defense in the future; to the Committee on Education and Labor.

By Mr. BYRNES of Wisconsin:

H.R. 6157. A bill authorizing the improvement of the Kewaunee Harbor, Wis., in the interest of navigation and other purposes; to the Committee on Public Works.

By Mr. CARNAHAN:

H.R. 6158. A bill to extend certain privileges and immunities to judges of the International Court of Justice; to the Committee on Foreign Affairs.

By Mr. CELLER:

H.R. 6159. A bill to provide for the appointment of additional circuit and district judges, and for other purposes; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 6160. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. FLYNN:

H.R. 6161. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

H.R. 6162. A bill to amend title II of the Social Security Act to increase from $1,200 to $1,800 a year the amount of outside income permitted without deductions from benefits, and to provide that all types of income shall be taken into account in determining whether an individual's benefits are subject to such deductions; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 6163. A bill to provide for the creation of an Office of Administrator for Legal Assignments for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. FULTON:

H.R. 6164. A bill to amend section 6150 of title 10, United States Code, to provide for advancement on the retired list of officers of the Army or Air Force specially commended for performance of duty before January 1, 1947, in actual combat; to the Committee on Armed Services.

H.R. 6165. A bill to provide for the granting of a nonquota immigrant status to certain immigrants who are the brothers, sisters, sons, or daughters of citizens of the United States; to the Committee on the Judiciary.

H.R. 6166. A bill to revise the tariff laws to facilitate entry of works of art and other exhibition material, and for other purposes; to the Committee on Ways and Means.

H.R. 6167. A bill to provide for Government contribution toward personal health service benefits for civilian officers and employees in the U.S. service and their dependents, to authorize payroll deductions for participants, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6168. A bill to amend subchapter III of chapter 15 of title 38, United States Code, to provide pension for widows and children of World War I veterans at the same rates as apply in the case of widows and children of Spanish-American War veterans; to increase the income limitations applicable thereto; and to eliminate annuities in the compensation of such income; to the Committee on Veterans' Affairs.

H.R. 6169. A bill to amend title X of the Social Security Act to enable the States to provide more adequate financial assistance to needy individuals who are blind and to encourage and stimulate needy blind individuals to become self-supporting; to the Committee on Ways and Means.

H.R. 6170. A bill to clarify paragraph 4 of section 15 of the Pay Readjustment Act of 1942 (56 Stat. 368); to the Committee on Armed Services.

H.R. 6171. A bill to establish a temporary Presidential commission to study and to report on problems related to blindness and the needs of blind persons, and for other purposes; to the Committee on Education and Labor.

By Mrs. GRANAHAN:

H.R. 6172. A bill to amend the Civil Service Retirement Act to provide annuities for dependent parents of deceased unmarried employees; to the Committee on Post Office and Civil Service.

H.R. 6173. A bill to amend sections 545 and 415 of title 38, United States Code, to provide for the exclusion of certain death benefits from income in determining the annual income of widows, children, and parents of veterans; to the Committee on Veterans' Affairs.

By Mr. JOHNSON of Colorado:

H.R. 6174. A bill to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens; to the Committee on the Judiciary.

By Mr. LAIRD:

H.R. 6175. A bill to amend section 161 title 35, United States Code, with respect to patents for plants; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 6176. A bill to amend title 18, United States Code, entitled "Crimes and Criminal Procedure" to provide that prior adjudication on the merits by any court of competence, State or Federal, shall bar prosecution for similar act committed against same person and State; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 6177. A bill to provide for the admission of 5,000 Assyrian immigrants; and for other purposes; to the Committee on the Judiciary.

H.R. 6178. A bill to authorize the modification of the existing project for the New Melones Dam and Reservoir, Stanislaus River, Calif., and for other purposes; to the Committee on Public Works.

By Mr. McGINLEY:

H.R. 6179. A bill to grant the right, title, and interest of the United States in and to certain lands to the city of Crawford, Nebr.; to the Committee on Interior and Insular Affairs.

By Mr. McSWEEN:

H.R. 6180. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction for medical and dental expenses in the case of the disabled; to the Committee on Ways and Means.

H.R. 6181. A bill to amend the Railroad Retirement Act of 1937 by eliminating the "living with" requirement for purposes of monthly annuities to widows and widowers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MONAGAN:

H.R. 6182. A bill to authorize U.S. district court sessions at Bridgeport, Hartford, New Haven, and Waterbury, Conn.; to the Committee on the Judiciary.

H.R. 6183. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; to the Committee on Ways and Means.

By Mr. CLEMENT W. MILLER:

H.R. 6184. A bill to direct the Secretary of the Interior to establish a research program in order to determine means of improving the conservation of game fish in dam reservoirs; to the Committee on Merchant Marine and Fisheries.

H.R. 6185. A bill authorizing and directing the Secretary of the Interior to undertake continuing research on the biology, fluctuations, status and statistics of the migratory marine species of game fish of the United States and contiguous waters; to the Committee on Merchant Marine and Fisheries.

By Mr. MINSHALL:

H.R. 6186. A bill to provide for the acquisition of the Cleveland Cavalry Armory, Shaker Heights, Ohio, for the use of the Ohio Army National Guard; to the Committee on Armed Services.

By Mr. MOORE:

H.R. 6187. A bill to amend title II of the Social Security Act to clarify the meaning of the term "disability" and thereby to effectuate the purpose intended by the Congress in enacting the provisions of such act which relate to the payment of disability insurance benefits; to the Committee on Ways and Means.

H.R. 6188. A bill to amend title II of the Social Security Act to reduce the coverage requirements upon which eligibility for disability insurance benefits thereunder is conditioned; to the Committee on Ways and Means.

By Mr. NORBLAD:

H.R. 6189. A bill to exclude certain lands within the Bull Run Division of the Mount Hood National Forest from the provisions of the act of Congress dated April 28, 1904, as amended, thereby opening such lands for public recreational purposes, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NORRELL:

H.R. 6190. A bill to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes; to the Committee on Armed Services.

By Mr. POFF:

H.R. 6191. A bill to amend the Mutual Security Act of 1954 to restrict the granting of economic aid to any foreign country which has reduced taxes; to the Committee on Foreign Affairs.

By Mr. RABAUT:

H.R. 6192. A bill to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to make grants to certain educational institutions for the construction of military and naval science buildings, and for other purposes; to the Committee on Armed Services.

H.R. 6193. A bill to provide for the recognition of the Polish Legion of American Veterans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. REUSS:

H.R. 6194. A bill to amend the Historic Sites Act of August 21, 1935, to provide a method for preserving sites, areas, buildings, and objects of national, regional, or local historical significance which are threatened with destruction by federally financed programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RIVERS of Alaska:

H.R. 6195. A bill to increase the price of domestically mined gold, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROGERS of Texas:

H.R. 6196. A bill to amend the Internal Revenue Code of 1954 with respect to the size requirements which a corporation must meet in order to qualify to make the special election as to taxable status which is permitted small business corporations; to the Committee on Ways and Means.

By Mr. SCHWENGEL:

H.R. 6197. A bill to authorize and direct the Administrator of General Services to publish on microfilm the original military and naval records of the Civil War, both Union and Confederate; to the Committee on Government Operations.

By Mr. SIKES:

H.R. 6198. A bill to make the evaluation of recreational benefits, and fish and wildlife conservation, resulting from any flood control, navigation, or reclamation project an integral part of project planning, and to provide for the construction of recreational and fish and wildlife facilities in connection with such projects, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SIMPSON of Pennsylvania:

H.R. 6199. A bill to amend title III of the act of March 3, 1933, with respect to the acquisition by the United States of articles, materials, and supplies for public use; to the Committee on Public Works.

H.R. 6200. A bill to amend the Internal Revenue Code of 1954 to provide a 10-year net operating loss carryover for certain regulated public utilities; to the Committee on Ways and Means.

H.R. 6201. A bill relating to the definition of the term "public utility" for purposes of computing the deductions for income tax purposes for dividends paid and received on certain preferred stock of public utilities; to the Committee on Ways and Means.

H.R. 6202. A bill to amend sections 1231, 272, and 631 of the Internal Revenue Code of 1954 with respect to iron ore royalties; to the Committee on Ways and Means.

By Mr. SMITH of California:

H.R. 6203. A bill to require the expenditure of 60 percent of the funds expended for military aircraft and missile repair and overhaul with private industry and for other purposes; to the Committee on Armed Services.

By Mr. STAGGERS:

H.R. 6204. A bill to amend title II of the Social Security Act to provide that full benefits (when based upon the attainment of retirement age) will be payable to both men and women at age 60; to the Committee on Ways and Means.

By Mr. TELLER:

H.R. 6205. A bill to amend the Internal Revenue Code of 1954 so as to reduce the rate applicable to the first $1,000 of taxable income for taxable year 1958 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

H.R. 6206. A bill to amend the Internal Revenue Code of 1954 so as to increase the amount of the personal exemption for taxable year 1958 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

H.R. 6207. A bill to amend section 4 of the act of July 6, 1945, as amended, so as to provide for payment of overtime compensation to substitute employees in the postal field service; to the Committee on Post Office and Civil Service.

By Mr. VAN ZANDT:

H.R. 6208. A bill to promote the welfare of the people by authorizing the appropriation of funds to assist the States and Territories in the further development of their programs of general university extension education; to the Committee on Education and Labor.

By Mr. WOLF:

H.R. 6209. A bill to extend rural mail delivery service; to the Committee on Post Office and Civil Service.

H.R. 6210. A bill to establish the U.S. Arts Foundation; to the Committee on Education and Labor.

By Mr. FLOOD:

H.J. Res. 333. Joint resolution designating the period beginning May 1 and ending May 7 of each year as Correct Posture Week; to the Committee on the Judiciary.

By Mr. JUDD:

H.J. Res. 334. Joint resolution authorizing the President to issue a proclamation designating January 22 of each year as Ukrainian Independence Day; to the Committee on the Judiciary.

By Mr. REUSS:

H. Con. Res. 111. Concurrent resolution expressing the sense of Congress with respect to allotments of subscriptions for Treasury bonds by savings-type investors; to the Committee on Ways and Means.

By Mr. DIGGS:

H. Res. 231. Resolution recognizing April 15 as Africa Freedom Day; to the Committee on Foreign Affairs.

By Mr. MILLS:

H. Res. 232. Resolution providing for printing additional copies of the hearings entitled "Mineral Treatment Processes for Percentage Depletion Purposes"; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to utilize the shipbuilding facilities of Wisconsin and other States in the Great Lakes area, which was referred to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 6211. A bill for the relief of Franz Lieberman; to the Committee on the Judiciary.

By Mr. CLARK:

H.R. 6212. A bill for the relief of Mariano Vittorio Simeone; to the Committee on the Judiciary.

By Mr. COHELAN:

H.R. 6213. A bill for the relief of Jung Hoo Chew; to the Committee on the Judiciary.

By Mr. CURTIN:

H.R. 6214. A bill for the relief of Ashan Yung; to the Committee on the Judiciary.

By Mr. DADDARIO:

H.R. 6215. A bill for the relief of Mrs. Cornelia Fales; to the Committee on the Judiciary.

By Mr. FORD:

H.R. 6216. A bill for the relief of Ng Thiat Hor and Ng Thiat Keung; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 6217. A bill for the relief of Frank Roszkowski; to the Committee on the Judiciary.

By Mrs. GRANAHAN:

H.R. 6218. A bill for the relief of Francesco Fazio; to the Committee on the Judiciary.

By Mr. HAGEN:

H.R. 6219. A bill for the relief of Cornelis Jacobus Huvers; to the Committee on the Judiciary.

By Mr. HAGEN (by request):

H.R. 6220. A bill for the relief of Severino Passi Gateb; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 6221. A bill for the relief of Henry McDermott; to the Committee on the Judiciary.

By Mr. KILDAY:

H.R. 6222. A bill for the relief of Leonidas G. Papageorgiou; to the Committee on the Judiciary.

By Mr. KIRWAN:

H.R. 6223. A bill for the relief of Dr. Joon Sun Kim; to the Committee on the Judiciary.

By Mr. CLEMENT W. MILLER:

H.R. 6224. A bill for the relief of Mrs. Yoshi Kawai; to the Committee on the Judiciary.

By Mr. MILLS:

H.R. 6225. A bill for the relief of White River Distributors, Inc., and certain other creditors of the Westmoreland Manganese Corp.; to the Committee on the Judiciary.

By Mr. MINSHALL:

H.R. 6226. A bill for the relief of Catalina Properties, Inc.; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 6227. A bill for the relief of United Contractors; to the Committee on the Judiciary.

By Mr. SMITH of Mississippi:

H.R. 6228. A bill for the relief of Mrs. Immacolata Bassani and her minor daughter, Rita Bassani; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

145. Mr. DADDARIO presented a petition and resolution of the Public Utilities Commission of the State of Connecticut, pertaining to excise taxes on telegraph service, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Foreign Aid for Foreign Tax Cuts

EXTENSION OF REMARKS
OF
HON. RICHARD H. POFF
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 8, 1959

Mr. POFF. Mr. Speaker, the American taxpayers, who have been told that they can expect no tax relief this year, have just received news that the British Government has granted their citizens a 6-percent tax cut. This will be the sixth tax reduction the British people have received in the last 8 years, whereas, in that period American taxpayers have received only one tax cut in 1954. Yet England has received from the United States more than $341 million under lend-lease arrangements and nearly $3.8 billion in foreign-aid grants. Every cent of this money, together with additional billions of dollars appropriated under the economic foreign-aid program, have been dollars which America had to borrow and which she still owes as a part of her $280 billion debt. America's national debt is not only greater than England's national debt, it is greater than the combined debts of all the nations of the world to which America extends foreign aid.

Included in the British tax cut was a reduction of 2 pence a glass in the duty on beer. Thus we find that the money of American taxpayers which apparently is insufficient to solve the unemployment problem of American workers is being used to subsidize more beer for British workers.

I have today introduced a bill which would prohibit the loan or donation of economic foreign aid appropriations or foreign aid counterpart funds to any foreign country that reduces taxes on its own citizens during the current fiscal year.

History of the Red River

EXTENSION OF REMARKS
OF
HON. RUSSELL B. LONG
OF LOUISIANA
IN THE SENATE OF THE UNITED STATES
Wednesday, April 8, 1959

Mr. LONG. Mr. President, recently I had the good fortune to listen to my colleague the senior Senator from Louisiana [Mr. ELLENDER] deliver a very fine address to a large audience representing the people who live behind the levees of Red River in the States of Louisiana, Arkansas, Oklahoma, and Texas.

This address does a fine job in tracing the history of the Red River and the efforts which have been made by the Federal Government, the governments of the States, local groups, and individuals to control flood waters and preserve them until they were needed to irrigate the lands or furnish water to the residents of neighboring communities.

I ask unanimous consent that the address delivered by the senior Senator from Louisiana before the Red River Valley Association, in Shreveport, La., on March 31, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS DELIVERED BY SENATOR ALLEN J. ELLENDER BEFORE THE RED RIVER VALLEY ASSOCIATION, SHREVEPORT, LA., MARCH 31, 1959

I appreciate the invitation of your president, Cliff Fairbanks, and of my good friend, Roy Matthias, to be present here today since it offers me the opportunity of discussing with you some of the problems facing the Red River Valley and, indeed, the entire Nation, as a result of our very rapid increase in population.

It is always a source of pleasure to participate in your annual meetings, because you are dedicated to a cause in which I am deeply interested—the preservation of two of our most precious resources, soil and water.

Recently in reflecting on my 22 years in the Senate, where I have devoted a great deal of my time to the protection and development of the resources of our country, I had occasion to review some of the history of waterway improvements.

It was interesting to note that the first appropriation for the improvement of our waterways was made in 1824, and that by

1828 the War Department had requested an appropriation for the improvement of navigation on the Red River in the vicinity of Shreveport.

From the earliest days of exploration of our country the Red River was the main artery of entry into the Louisiana Territory. Many years ago a mass of vegetation and driftwood had become tightly packed for a distance of about 150 miles, in the bed of the Red River, forming the so-called great raft. This obstruction blocked the flow of the river, causing it to spread out and deposit its silt in the valley. Thus, the richest soil in America began the process of accumulation to form our fertile valley under this stagnant overflow. But because of the great raft, the valley, as today, was subject to severe flooding.

When it became imperative for the Federal Government to establish a garrison fort on the upper Red River in Texas, the War Department became interested in navigation on the Red River. Supplies for this garrison were sent down the Mississippi River, around the "raft," through the swamps and bayous, and then up the Red River.

On May 23, 1828, Congress appropriated $25,000 for the removal of the "great raft" from Loggy Bayou, 65 miles below Shreveport, to Hurricane Bluff, 27 miles above Shreveport. This was the first attempt on the part of the Government to improve the Red River, and harness it for the needs of man.

You are all familiar with the fact that Capt. Henry Miller Shreve, who helped to establish this modern city of Shreveport, found that the river presented a real flood problem. Before he could lay the foundations for Shreveport, he had to clear away miles of trees and debris in the river channel.

My interest in the beneficial development of the water resources of our Nation stems from my personal conviction that such developments were an important factor in achieving our present high standards of living, not only in this great valley of the Red River, but throughout the entire Nation.

All through history, water has dominated human life. The earliest civilizations appeared in the great river basins of Mesopotamia and Egypt. Settlements were limited to coast lines and river banks; trading centers arose at the confluence of navigable streams. Rainfall and drought set the stage for the drama of human existence.

Unless a well planned and aggressive program of water resource development is carried forward, our children and grandchildren will not have an opportunity to enjoy the many advantages that today we take for granted. We cannot afford to neglect our economic strength and our economic growth. If we ignore the development of our water resources, we jeopardize the expansion of our national economy. This we cannot afford if we are to maintain our position of strength, on which rests the future of the free world.

The benefits that result from completed projects are positive examples of increased national wealth created by such improvements. More startling proof exists in Europe and Asia, where the prosperity of the countries are directly proportional to the effort expended on projects to conserve soil and water. My recent travels through these areas have convinced me that unless we protect our greatest resource, water, unless we keep it inland and do not let it flow to the sea unused, some day many parts of our great country may become as barren as the Gobi Desert, or as the lands which I have seen on my travels in old Persia. Our history books tell us that about 500 years before Christ, the entire area of Persia was capable of sustaining the livelihood of 115 million people. Now it adequately can care for less than 14 million.

Consider the great valley of Mesopotamia between the Tigris and Euphrates Rivers. At one time that area could produce food and fiber for 15 million people. Today it can hardly supply the needs of 2 million people. Why? Because the rulers neglected a great natural resource—water. If it had been possible to retain the waters upstream on those great rivers, and not permit them to steal the rich topsoil and float much of it out to sea, the chances are that the great valley would still be very productive.

The fact is, that those rivers carried millions of tons of earth downstream and among other damage done, clogged the small tributaries and rivers of Mesopotamia. Today that land is not suited for extensive cultivation. It is sour. It is not productive farmland. Certainly we cannot afford to let that happen in our great country.

Two years ago I visited various portions of the Soviet Union for well over a month. This was my third trip to that country in as many years.

I had the opportunity of visiting cities never before seen by an American Government official—cities in the far reaches of Siberia, an area which had been pictured to me before my visit as wastelands of snow and ice—as a vast prison camp. But this was not what I found. To my great surprise, I saw a virgin land being awakened; a land that promises to make Siberia the granary of Russia. Industry was flourishing to a surprising degree. One of the principal tools the Russians are employing in this development is a well planned utilization of their waterways system, both for navigation and the development of hydroelectric power. I visited several hydroelectric power stations that were larger than our biggest, and one that was almost twice as large as any we have in this country. I observed foundations poured for the construction of turbines and generators which will have a rated capacity of 300,000 kilowatts each—almost three times larger than anything we have. And these projects were designed, constructed, and had all their component parts built within the Soviet Union. In fact, much of the work on the large turbines was being done at Novosibirsk, located in central Siberia, which was a small trading post in 1905, and now a city of almost 1 million.

As a result of my inspection of installations in Russia, I am convinced that in water transportation, and hydroelectric power developments, the Russians are inching ahead of us.

In any comparison of time, money and effort expended on resource development in Soviet Russia and the United States, there is, of course, absolutely nothing that we can do about the rate of such developments in Russia. They are proceeding with their own resources to meet the needs of their own economy. We must direct our attention to what we can do to satisfy our own needs.

But it makes my blood boil when the critics of an adequate program to develop our rivers cry "pork barrel." Without the improvements heretofore made, our great sea ports could not handle our vast world trade; our steel industry would starve for lack of the ore that comes through the Soo locks; and the Ohio Valley would not have earned the nickname of the Ruhr of America without providing for an adequate water supply and an excellent water transportation. Critics of this program, because they have no sound basis for attack, cry "log-rolling" and "political back-scratching." Well, Mr. Khrushchev does not need to roll any logs, or scratch any political backs. Russia is developing her natural resources for the simple reason that it is to her economic advantage. Russia will, if she can, do everything in her power to defeat us on the economic front.

Mr. Khrushchev has already announced that this is one of Russia's principal aims—to defeat us on the economic battlefields of the world.

Now, I want to make it crystal clear that I do not approve, condone, or sanction in any manner, the Soviet system, or endorse the means by which Mr. Khrushchev and his followers stay in power. That is not the point at all.

What I am saying, and what I have heretofore said, is that the Russians—well aware of the value of the development of their water resources—are moving ahead rapidly in this field. This is a statement of fact. We cannot hide from it no matter how much we might like to—no matter how much we dislike or abhor the principles of communism.

As a practical matter, if the Russians are intent upon waging economic warfare against our way of life, then it behooves us to assess the capabilities of our opponents. We must be realistic. No field commander ever defeated his enemy by consulting his own personal preferences instead of his intelligence reports.

No general achieves victory by ignoring his opponent's strength.

However, above and beyond the need to maintain economic growth in order to defeat the forces of communism on the present economic battlefront, development of our water resources is just plain good business and common sense.

If we studied our history lessons we would know that water resources development is in the best interests of our own country. History is replete with examples of how societies down through the ages have organized themselves to match resources with needs. Success in this effort has insured survival, as with Switzerland; failure has resulted in decline and ultimate decay, as with ancient Persia.

Water, controlled and navigable, and of good quality, is the most important factor in developing a sound and progressive community.

In any given river basin there are a limited number of good sites for storage of water, and limited areas where distribution channels or protective works are feasible. These sites should not be preempted, or devoted to purposes which will freeze the pattern of development, so that future needs cannot be met or will become so costly as to be impracticable.

Let us discuss for a moment the use and availability of water. As is the case with many nations of the world, our inhabitants settled this country along the river valleys. Two-thirds of our population at the present time resides within 50 miles of navigable water. But the increasing water shortage, which now, more than ever, is an important factor in the determination of proper plant location, requires that the many industries which must base their policies upon long-range future requirements, be located along waterways. In a recent study by the 10th Federal Reserve District, it was concluded that the geographical distribution of water supply may be of such a nature as to conflict with such economic goals as the diversification of industry.

There have been many comprehensive studies of resource developments made in recent years. One of the latest was the Presidential Advisory Committee on Water Resource Policy, dated December 22, 1955. In that report it was stated that the estimated use of water in the United States in 1950 was 185 billion gallons per day and that, based on an estimated population of 200 million by 1975, the requirement would be 350 billion gallons per day.

The November 28, 1958, issue of U.S. News & World Report contained a very penetrating article by Dr. Phillip M. Hauser on the so-called explosion of population in the United States, which sheds more light on one of the factors of increased water use.

Dr. Hauser is head of the department of sociology at the University of Chicago, and

has been Deputy Director of U.S. Census. He points out that the newest projections of the Census Bureau place the population of the United States in 1975 at between 216 and 244 million. That is an increase in the predictions of from 8 to 20 percent in the past 3 years.

Putting it another way, taking a mean of the projections, a population of 230 million by 1975 would mean a 30 percent increase in our population in the next 16 years. Think of the tremendous increase in demand on all elements of our resources, including water. In terms of water we will require about 400 billion gallons per day. In other words, during the quarter century period from 1950 to 1975 we will more than double our water requirements.

I know that you can get almost as many estimates of the consumption of water by the American people as there are authorities making surveys. Some of them tell us that in 1850, the average consumption of water per capita by the people of the United States was 50 gallons per day. They tell us that in 1950 it exceeded 1,000 gallons per capita per day.

The Public Health Service, and others charged with responsibility in that regard, tell us that in 1980 the per capita consumption requirements for water by the people of the United States will be about 2,000 gallons per citizen per day. Unless we stop to think, such figures sound incredible. When you consider that in the transformation of raw material to finished products, 1 bushel of wheat requires 7,500 gallons of water, 1 ton of finished steel takes 65,000 gallons of water, 1 yard of woolen cloth takes 500 gallons of water, a pound of rayon takes 150 gallons of water, and 1 gallon of gasoline requires 25 gallons of water, you begin to appreciate the fact that our domestic consumption is but a small fraction of our per capita consumption.

We are continually reclassifying from luxury to necessity items for our personal comfort which add to our water consumption. Take, for instance, the great increase in air conditioning. This alone adds a huge demand on our water supply systems.

That is the kind of changing economy, industrial and domestic in which we now move.

It has taken this Nation, that you and I regard as the strongest on earth, 350 years to reach a population of 170 million people. At the present rate of increase that population will double in less than 40 years. That means that our annual productive capacity will also have to double in the same period to maintain our present standard of living.

If that be the case, we are going to have to speed up water conservation, rather than slow it down if we are going to meet the requirements of this increasing demand from our economy. Plans must be made now to meet those expanding needs.

When the time required to develop a major project—3 years or more for planning, then 8 to 10 years for construction—is considered, it becomes evident that now is none too early to start projects which are actually needed and justified. They will become critically urgent long before they can be completed on an economical program.

The U.S. Geological Survey found in 1953 that there were 1,000 cities, from fairly good size up to big municipalities, that actually had to maintain a very restricted use of water. If something is not done now, then in 15 or 20 years it may be too late.

The average rainfall in the United States is about 4,300 billion gallons per day. Of that amount, about 3,000 billion gallons goes back into the atmosphere by transpiration and evaporation, leaving a total of about 1,300 billion gallons as runoff in rivers and streams, or for percolation into the ground. This, then, is the ultimate limit of our supply. Our consumption in 1956 was about 200 billion gallons; that means that we are consuming about 15 percent of the maximum available supply. By 1975 we will be consuming about 30 percent of the maximum available supply. These are average figures and do not take into account geographical distributions, distributions throughout the year, or the quality of the water for domestic or industrial uses.

There is a vast difference in the amount of rainfall in the various parts of the country. For instance, in the North Atlantic States the rivers carry about 191 billion gallons, but in the basins of the Red River of the North, in Minnesota and North Dakota, which is about the same area, the runoff is only about 4.5 billion gallons. It is apparent, therefore, that there is a very unequal geographical distribution. In some areas the seasonal distribution is even more unequal.

Perhaps a more important question than our absolute capacity to care for the water problems of our agricultural and urban areas, is the question of the relative cost at which we undertake needed developments. The cost of future water supply development can be held to a minimum by intelligent planning of urban settlements, and by multiple purpose water resource developments.

To help meet that problem, the Congress under the leadership of my good friend the great conservationist, ROBERT S. KERR, the senior Senator from Oklahoma, enacted the Water Supply Act of 1958. That act set the stage for a more farsighted and comprehensive consideration of water supply in river basin planning and development. One of the most important features of this act is that it enables the Corps of Engineers to include storage in reservoir projects to meet future needs for municipal and industrial water where there is no water user immediately at hand to pay the bill. The act, however, provides for equitable reimbursement when the need develops.

This act provides an essential and long-needed basis for planning, as in the past no authority existed to build for future water needs, even though it was obvious that they would develop.

Quantity is only one of the considerations in maintaining an adequate water supply; the quality of the water is of equal importance. The greatest water needs are for mineral-free or lightly mineralized water. The kind of water we need is not found everywhere.

What is the present administration doing to help meet this problem? It has not only failed to recommend funds to start surveys, plans, or new construction on projects that are needed now, but last year built into the budget a planned slowdown which would delay the benefits from the projects underway. This would also increase the overall cost of these projects.

As you all know, last year when the Congress added some new starts for planning and construction, there was a terrific blast from the White House.

On September 2, 1958, the President reluctantly signed the public works appropriation bill. At that time he issued the following statement:

"In the Public Works Appropriation Act, 1959, the Congress has included approximately $39 million in funds to initiate construction on 65 unbudgeted new starts that will ultimately cost almost $700 million. Adding nearly $700 million to the already heavy future commitments for Federal Water Resources projects is but another instance of irresponsibility in the expenditure of public funds. I am compelled to approve the act, however, because it appropriates essential funds for continuing work on river and harbor, flood control, and reclamation projects that were started in previous years."

When you consider that the appropriation for construction in the 1959 act was approximately $870 million, was it really an act of irresponsibility in the expenditure of public funds to start new projects which will ultimately cost nearly $700 million? I do not think so. That is adding less than 1 year's future commitment at the present rate of construction.

Unless it is the desire of the administration that the water resource program wither and die on the vine—and that may be the underlying reason—a fair number of new starts should be added each year.

Perhaps these shortsighted planners in the Bureau of the Budget believe that the Federal Government is spending too large a portion of its budget in developing the water resources of this Nation. Let us examine the facts.

Between 1950 and 1956 our national population increased 11.2 percent. Between 1950 and 1956 the national income increased 42 percent. During the same period the expenditures for rivers and harbors and flood control decreased 14.9 percent.

I believe those figures are very significant. As all of you know, construction costs have increased on an average of 5 percent a year. If that average is applied to the 1950 expenditures of $627 million, we should be spending about $908 million in 1959 on the civil functions of the Corps of Engineers in order to maintain the same level of operations as in 1950. In contrast, the appropriation was just under $814 million. This comparison disregards the increased need for these public works resulting from our expanding population.

I am not unmindful of the fact that it is requiring more capital outlay to carry on this Government than at any time in our history, but I believe that to curtail the development of our natural resources, may be the most expensive economy that we can make.

What is the situation in our own Red River Valley? The Red River, with a drainage area of about 91,000 square miles, flows through Oklahoma, Texas, Arkansas, and Louisiana. The Red River constantly expends a portion of its great energy in attacking the easily eroded materials through which it flows. The river is continually changing its alinement, and the losses from caving banks are very extensive. In Louisiana, alone, the 10 local levee boards have spent in excess of $35 million dollars for flood control and major drainage. In addition, millions upon millions of dollars worth of public improvements, such as highways and bridges, a large portion of which are part of the Federal Aid Highway System, have been damaged or rendered useless by floods and the meandering of the Red River.

Denison Dam was constructed by the Corps of Engineers to control the runoff from the upper 39,700 square miles of the Red River Basin, and thus reduce flood stages downstream.

For the past 2 years, when representatives of the Red River Valley Association appeared before the Public Works Subcommittee of the Committee on Appropriations to seek funds to continue this important work, floods were raging along the Red River. In fact, as I recall, we have had three floods in about 13 months in that area.

The fact that flood disasters still occur is not an indictment of the effectiveness of projects that are in operation. Quite the reverse is true. The effectiveness of the projects in operation emphasizes the fact that we are not progressing fast enough with our authorized projects for relief and control of these floods.

Year after year, waters that should be confined and utilized, flow over farmlands, destroying crops and cattle and driving many of the residents of the valley from their homes. Streets, sewers, water and gas lines, and other public facilities are destroyed. As terrible as are these losses, they can be repaired by the expenditure of millions of dollars for reconstruction. To me, a more serious loss is that resulting from bank

caving, where thousands of acres of rich soil are carried out to sea each year. That is a permanent loss.

The great flood of 1945 demonstrated that the runoff from the uncontrolled areas below Denison can produce floods equal to or greater than the maximum of record. The present plan for flood control on the Red River below Denison Dam was based on that fact. That plan was authorized by Congress in 1946. As subsequently modified by Congress, this plan provides for controlling floods by means of reservoirs, supplemented by local protection such as levees, channel improvements, and bank stabilization measures. It is primarily a reservoir plan, since reservoirs account for about 90 percent of the cost.

Considerable progress has been made on the authorized projects. Denison, Texarkana, Wallace Lake, Ferrels Bridge, and Bayou Bodeau Reservoirs have been built, and they have been very effective in reducing the heavy damage sustained as a result of floods in the past 2 years. But it was never contemplated that these completed reservoirs by themselves would solve the problem. As long as major tributaries—including the Little River—are completely uncontrolled, the Red River Valley is a sitting duck for a disastrous flood.

At long last the control of the Little River by a system of dams, authorized in the Flood Control Act of 1958, which incidentally was one of the plans that was the basis for the previous veto of the bill by the President, offers a ray of hope. Following passage of the authorization act last year, funds were provided for the initiation of the preconstruction planning on the Millwood and Broken Bow Reservoirs.

These were some of the new starts to which the President objected when he signed the Public Works Appropriation Act for the current fiscal year.

As I previously mentioned, we must not only look to the quantity of water, but also its quality. Salt pollutants in the Red River Basin add over 5,000 tons of salt and sulfates each day to the Red River arm of Lake Texoma. Preliminary studies of the U.S. Public Health Service in water quality conservation indicate that there is a possibility of improving the quality of Red River water. The objectives of the investigation are to find the source of pollutants, determine the type and volume, and devise practical means for controlling them.

Project studies now under way indicate promising means of reducing pollution of the Red River. The principal source of natural salt pollution is a rather thin, long rock formation, about 500 miles long and not over 10 miles wide. This formation cuts across many large river systems and pollutes otherwise good quality water.

The fact that major sources of pollution can be isolated suggests the possibility of remedial measures to prevent contamination.

The early completion of this study, and accomplishment of the remedial measures, is essential to the full utilization of the water resources of this great natural asset.

The problems which we have here in the Red River Basin are typical of the problems of water resource development throughout the Nation. Significant progress has been made toward solving these problems, here and elsewhere. Much remains to be done, but the importance of our water resources is becoming more and more widely recognized. With the continued efforts of men of leadership and vision, such as this association has demonstrated in the past, these problems will be solved here, and elsewhere.

It is impossible for me to accept the proposition that the American economy cannot afford the expenditure of funds for wealth-producing projects in this country, at a time when the administration recommends a 26-percent increase in a foreign aid program that in all conscience should be reduced below the 1959 level. I am afraid that the only hope for a nod from the administration for the construction of public works will be those States that border another nation. In such instances it may be possible for such a State to get a few crumbs. Just last month it was announced that the United States and Mexico would jointly build a $100 million dam on the Rio Grande. I wonder if such a project will be subject to the same tests and requirements that a similar project lying wholly within the United States would be required to pass in order to survive?

Could it be that the Bureau of the Budget and the administration actually do not believe that the conservation of water resources makes a major contribution to the economic stability and welfare of the people? No, for that is the basis for requests for large expenditures for economic aid, and for the Development Loan Fund under the mutual security program.

I have frequently been referred to as the Senate's most outspoken critic of the foreign aid program, and I suppose it is true. As I have said many times in the past, I did support foreign aid as originally conceived and I have no apologies to make. I was willing to help our friends get back on their feet. This has long since been accomplished, but we still continue to help them in one way or another. My objections to the present program are based on personal observations of actual operations, and I am convinced that we are not achieving the desired objectives.

In some cases we are sponsoring the wrong projects in the wrong places. For example, we are building flour mills in order to convince the people of Korea that bread is a suitable substitute for rice in their diet. It is hoped that by so doing, the consumption of rice in Korea can be reduced, thus making rice available for export, ignoring the fact that Korea is thus being placed in the position to compete for Far Eastern markets which our own rice industry would desire to obtain. It must be realized that Korea produces very little wheat. Thus, after constructing the flour mills we shall be obligated either to subsidize the importation of wheat into this country, or give it to the Republic of Korea. Consequently, it will be necessary for our aid to continue ad infinitum.

In other cases, the advantages from the projects we sponsor do not inure to the benefit of the peoples of the countries involved. In addition, almost universally, the peoples of the countries we are trying to assist are totally unaware of the millions we are expending in the development of their country. In some instances, because we gave something to one country and did not give a like amount to another, the nonrecipient country begins to pout. The moral of this should be clear to the President—you do not solve problems by giveaways.

One of my principal objections to economic aid projects approved under the mutual security program is the lack of adequate considerations in the overall planning, and the complete disregard of economic justification. A project in a foreign country receives little or no consideration as to its economic soundness, and construction is frequently started before the project is conceived in its entirety, thus increasing unnecessarily the eventual cost. Whereas in this country the project must be specifically authorized after detailed surveys under prescribed standards, and after critical review at the local, State, and National levels.

The project is again subject to critical review in the annual appropriations. Of course, these projects must show a favorable benefit-to-cost ratio, under prescribed conservative standards.

Last year when the House adopted an amendment requiring resource development projects in the foreign-aid program to show economic justification, the administration forces had that proviso removed from the bill, on the basis that it would cripple the program, as indeed it would.

In concluding his message of March 13, 1959, on foreign aid, the President stated:

"If we are wise we will consider it (foreign aid) not as a cost but as an investment—an investment in our present safety, in our future strength and growth, and in the growth of freedom throughout the world."

If the President is really sincere, he will also consider resource development projects as investments in America's future, rather than irresponsible expenditures. Believe me, so long as we consider appropriations for resource development as outright expenditure, instead of as an investment which will return sound dividends, just so long will we allow the chaos of flood and drought to deprive us of the full benefits of our resources.

I am certain that the American people are tired of being told the Federal Government cannot afford to improve our own rivers and harbors—that it needs much of our tax dollars to provide similar facilities in foreign countries. If it provides additional funds to start resource projects it will unbalance the budget.

Our efforts to obtain sufficient funds to keep our public-works program going is becoming more and more difficult. I believe the time has come for the Members of Congress, and the entire Nation as well, to stand up and demand that the administration take a new look at its public-works policy, or else prepare for the entrance of a new administration that will.

Welcome to Italian Foreign Minister Pella

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 8, 1959

Mr. CELLER. Mr. Speaker, it is noteworthy that an agreement has been concluded between the United States and Italy to permit the setting up of Jupiter intercontinental ballistic installations on Italian soil. This is a good omen, especially at this time, when we celebrate the 10th anniversary of the signing of the North Atlantic Treaty, of which Italy is an important component. This momentous event is also accompanied by the arrival on our shores of Giuseppe Pella, Italian Foreign Minister and famous diplomat, who comes here to participate in Washington ceremonies commemorating this anniversary.

The decision of Italy to set up these intercontinental ballistic stations within her territorial confines required tremendous courage. It is the result of the foresight of men such as Premier Antonio Segni and Giuseppe Pella. It was only natural for the Italian Communists and Moscow to criticize Italy for this action.

Foreign Minister Giuseppe Pella has been a consistent champion of the Western Alliance among European statesmen. It is interesting to note that despite changes in the heads of the Government in Italy, that country has consistently

lived up to her commitments in NATO and the Western alliance. That fact should be taken into consideration by the executives in our own Government in this forthcoming conference of Foreign Ministers prior to the so-called meeting at the summit. Italy should be a successful candidate for one of the positions at the Foreign Ministers' conference table.

I had the proud distinction of meeting Giuseppe Pella during one of my visits to Italy. Here we have a peasant's son who has risen to one of the highest official positions in the Italian Government. His life story is a most interesting saga. He was born in the foothills of the Alps—in Valdengo—in 1902 and as a mere stripling, helped his parents who were sharecroppers. He attracted the attention of the village priest with his brilliance of intellect and industry and the prelate induced the lad's parents to continue his education. He made the decision to work in a cotton mill, to help him pay his tuition. He kept his nose glued to his books and received a diploma as an accountant at the University of Turin, where he won high honors in finance and economics. When Giuseppe Pella was 30 years of age, he was more than self-sustaining and made considerable money as an adviser to large firms on their financial and other business matters. He entered politics at the end of World War II and became a member of the conservative wing of the Christian Democratic Party. He was elected a member of the Chamber of Deputies in 1946. His ability as a Deputy and a student of government attracted the attention of De Gasperi and he became Foreign Minister in his Cabinet.

He held that position until the fall of the De Gasperi Cabinet and thereafter, became Prime Minister of Italy, Minister of Foreign Affairs, and Minister of the Budget. He again became Foreign Minister in the present government on February 15 last. I am sure we are all glad to have him in our midst. We roll out the carpet for him and wish him and his dear ones well.

Expenditures of the Executive Office of the President

EXTENSION OF REMARKS

OF

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1959

Mr. RHODES of Arizona. Mr. Speaker, recently there has been much comment in the press concerning the expenditures of the Executive Office of the President. One columnist purportedly compared projected expenses for 1960 with the level of expenses for the year 1952, which was the last full year of the administration of President Harry S. Truman. At my request the Bureau of the Budget has furnished figures concerning actual expenses of the Executive Office in 1952 and estimated expenses for 1960.

A summary of these figures reveals that personnel costs for the White House actually increased more and at a greater rate during President Truman's administration than they have during President Eisenhower's administration, and this in spite of the fact that during President Eisenhower's administration Congress has twice increased the pay rates for Federal employees.

Employment figures for 1952 and estimates for 1960 are as follows:

White House and Executive Office of the President—Average employment, fiscal years 1952 and 1960

1952 White House and Executive Office total employment 1,256

	1952	1960[1]	Difference
Employment decreases:			
Executive Mansion and Grounds	74	70	−4
Bureau of the Budget	493	430	−63
Council of Economic Advisers	38	32	−6
Emergency Fund for the President	82	5	−77
Office of Defense Mobilization	[2] 295	[3] 225	−70
Total			−220
Additional employment:			
White House Office	252	274	+22
National Security Council	21	27	+6
Total			+28
New activities established:			
Special projects (some part by transfer from existing agencies)		101	+101
President's Advisory Committee on Government Organization		6	+6
President's Committee on Fund Raising Within the Federal Service		4	+4
Operations Coordinating Board		[4] 49	+49
Total			+160

1960 White House and Executive Office total employment (excluding personnel acquired as result of merger of FCDA and ODM) 1,224

Summary

1952 total employment	1,256
1960 total employment	2,730
Difference	1,474
Increase as result of acquisition of FCDA personnel	1,506
Actual comparative decrease	−32

[1] Estimated.
[2] Includes National Security Resources Board, later merged with ODM.
[3] ODM merged with FCDA, an established independent agency, to form Office of Civil Defense and Mobilization in the Executive Office.
[4] OCB staff is included in NSC budget.

Subject: White House and Executive Office of the President, comparison of employment for the fiscal years 1952 and 1960.

The attached table shows that employment in all units in the White House and Executive Office of the President, with the exception of employment added to the Executive Office as a result of the merger of mobilization and civil defense activities in 1958, actually decreased 2.5 percent from 1952, the last full year in office of the preceding administration, to 1960. The merger in the Executive Office of Office of Defense Mobilization and Federal Civil Defense Administration (an established independent agency) added 1,506 employees, and this tends to make comparisons in total employment misleading.

THE WHITE HOUSE OFFICE

Average employment of the White House Office increased from 252 in fiscal year 1952, to 272 in 1955. Since 1955, employment has remained close to 272, and no increases above the current 274 are anticipated through 1960.

SPECIAL PROJECTS

Certain of the policy development and policy coordinating activities consolidated under "Special projects" in 1956 had previously been carried on in the departments and by interdepartmental committees. Personnel were charged to the appropriation of the agency providing the funds rather than to the White House. This was also a practice of previous administrations.

A part of the increase indicated is attributable, however, to new undertakings which were dictated by the national interest. These include the studies in science and technology under Dr. Killian, and the airways modernization activities headed by General Quesada, which have since been transferred to the Federal Aviation Agency.

NATIONAL SECURITY COUNCIL

Employment of the NSC increased from 21 to 27 during the period 1952–58. Beginning in 1958, the Operations Coordinating Board has been financed from this appropriation. From its creation in 1953 until 1958 financing for OCB was provided by represented agencies and personnel were distributed according to source of funds. The OCB assists in coordinating implementation of national security policies. Total NSC employment for 1960 is estimated to be 76.

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

The consolidation in 1958 of the Federal Civil Defense Administration, an independent office created in 1950, with the Office of Defense Mobilization, within the Executive Office of the President significantly changed overall Executive Office employment. Total OCDM employment in 1960 is estimated to be 1,731, of which 225 relate to the former ODM and 1,506 to the newly merged functions from FCDA.

OTHER ACTIVITIES

Employment of other activities in the Executive Office has remained stable, with the exception of the Bureau of the Budget which will employ 63 fewer people in 1960 than in 1952.

Waukesha, Wis., Daily Freeman: 100 Years of Progress

EXTENSION OF REMARKS

OF

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1959

Mr. KASTENMEIER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to congratulate an outstanding Wisconsin newspaper which celebrated its 100th anniversary on March 29. It seems to me only fitting that we pause long enough today to pay our respects to this militant, dedicated and persevering newspaper, the Waukesha (Wis.) Daily Freeman.

This newspaper, founded 100 years ago on March 29, 1859, is marking its centennial with a series of special editions which depict the growth of the city of

Waukesha, the County of Waukesha, and the Waukesha Daily Freeman.

The year 1959 is a particularly fitting time for the Waukesha Freeman to observe its centennial, because at no time since those first years of this newspaper has our country faced as serious a fight for universal recognition of individual civil rights as it does today.

For 100 years the Waukesha Daily Freeman has adhered to the principles of the abolition movement, and I might add that these principles are no less important today than they were 100 years ago. Through the years we have made considerable progress in the area of human rights, but recent newspaper headlines prove to us that we have not yet achieved in practice the theory of equal rights for all Americans, for all human beings.

The Waukesha Daily Freeman has made a major contribution to our democracy for its strict adherence for 100 years to its founding principles. The fact that this strength is still alive was well illustrated several years ago when the Daily Freeman, published in a community of some 28,000 residents, was nominated for a Pulitzer prize. Nomination for this coveted award throughout our land was based on the Waukesha Daily Freeman's ceaseless efforts to gain public access to local government records and meetings. In addition, this publication—though primarily local and State in news interest—has time and again stood in favor of this same free access to information at the Federal level. Its praiseworthy stand deserves the support of all persons interested in good government—at local, State, and National levels.

I wish to add only that it is my sincere hope and desire that the Waukesha Daily Freeman continue to be equally dedicated to the highest traditions of journalism in a free and democratic society for the next 100 years. This is a newspaper which has fought for a full century for the rights of all human beings, and I have every faith in the leadership of its publisher, Mrs. J. H. Youmans. I know it shall continue to adhere to its founding principle for the next 100 years.

My heartiest congratulations go to Mrs. Youmans and the Waukesha Daily Freeman, and I know that my 435 colleagues in Congress join me in this greeting.

Indiana Flood-Control Construction

EXTENSION OF REMARKS

OF

HON. FRED WAMPLER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1959

Mr. WAMPLER. Mr. Speaker, the Public Works Subcommittee of the House Committee on Appropriations has been working long and diligently on the public works money measure for the fiscal year 1960. With the bill in the final legislative stages, I would like to set forth for the information and consideration of all the detailed flood-control problems and needs of the Sixth District of Indiana, the district which I have the honor to represent.

On March 5, 1959, I appeared before the House Appropriations Special Subcommittee on Deficiencies, headed by the gentleman from Texas [Mr. THOMAS], which was then conducting hearings relative to the second supplemental appropriations bill for fiscal 1959.

At that time, I had just returned from an inspection trip in and around my flood-stricken home area, Terre Haute, Ind. The degree of total waste, devastation, and privation was literally heartrending. The annual human, agricultural, and property damage loss and tragedy resulting from Wabash River floodings is incredible.

During the February 1959 flood, to which I have just referred, the small town of Clinton, Ind., with a population slightly in excess of 5,000, was fighting the floodwaters heroically, with some 8,000 sandbags purchased by the local citizenry for 14 cents apiece. As I told Mr. THOMAS' subcommittee, those sandbags were not purchased this year, they were bought several years ago during a previous flood, and when the danger was past they were emptied and stored so they could be used again, when the Wabash would inevitably threaten the area's people and their homes.

West Terre Haute has been flooded out for 3 consecutive years. Flood crestings are so frequent and so severe that Terre Haute no longer records flood levels at the 14-foot mark; the 20-foot mark now is the only recorded level.

In February of this year, floods along the Wabash caused 60 Indiana major highways to be actually impassable, thereby totally isolating many entire communities. Waterworks in the cities of Huntington, Wabash and Peru were so acutely threatened that if the floodwaters had risen 6 inches to 1 foot more, the local water would have become thoroughly contaminated, thus setting off a serious health hazard, conceivably to the epidemic stage.

I have obtained from the adjutant general of the State of Indiana a tally sheet of the expenses and losses incurred during the February 1959 flood. The totals I think are slightly less than astounding. It cost the people of the State of Indiana in expenses and losses—agricultural and property—a computed total of $1,663,211.77; of that total $567,105.46 was spent and lost in the immediate area in and around west Terre Haute.

To fight the floods, not only local volunteers were and are used, the Army and Air National Guard, the Adjutant General's Department, the State highway department, State penal farm labor, the Civil Defense Department, the American Red Cross, the Indiana State Police, the Vigo County Commission, the Terre Haute Street Department and the Army and Navy Reserves were employed. Two hundred and thirty-six State and Federal vehicles were used to fight back the floodwaters for a total of 17,833 hours.

And I am informed by the Indiana State adjutant general that the $1.6 million total is very conservative because it does not include extensive damage to private and personal property. In addition, President Eisenhower, within the last 2 months, has declared the general area a disaster region two times to the extent of emergency disaster Federal funds totaling $500,000.

Note, Mr. Speaker, that this rather staggering tally of expenses and losses is only for the February 1959 flood. The February 1959 flood has been preceded by 22 major Wabash River floodings; 9 within the past 12 years.

Flood damages in 1913 amounted to $11 million; the 1943 flood damage was $10,660,000, and the loss of 6 lives; the 1950 flood resulted in 4 deaths and damage of $1,662,000.

The 1957 and 1958 agricultural losses of acreage along the Wabash tributaries, including the White River, amounted to 487,200 acres, and total crop value losses amounted to $19,064,000.

Indiana highway losses due to floods in 1958 cost the counties and the State $602,770 in road repairs and $912,754 in bridge repairs. The 1957 State flood loss figures were $502,187 for roads and $113,417 to replace washed out or damaged bridges.

All these figures have been compiled by Indiana State officials and are a matter of published record.

And now, for the fifth time during the 4-months-old year of 1959 the Wabash River again is just about to spill over its banks bringing death and destruction. The Lafayette Journal and Courier newspaper for April 28, 1959, just 3 days ago, carried the headline "Wabash Flooding Again."

The accompanying story states, in part:

> The Weather Bureau said the Wabash should go about 3 feet over the 12-foot stage at the city of Wabash sometime Tuesday, then roll downstream and gain in depth.
>
> The river should hit 5 or 6 feet above the 14-foot flooding stage at Montezuma Friday and about 3 feet over banktop at Terre Haute Saturday.

Mr. Speaker, these appalling losses and expenses, not to mention the consequent Wabash Valley population and economic drainage, must be arrested and hopefully stopped. I am not asking for construction that has as one of its multiple purposes recreation. I want flood control project construction that will keep flood-driven, filth-laden waters from washing away homes, stores, factories, schools, and churches, and driving sincere, honest, hard-working people out of the area in which they were born and in which they would like to live and rear their families.

I have asked for, and the Army Corps of Engineers has informed me they have the engineering capabilities to utilize during the fiscal year 1960, the following funds for already authorized projects:

West Terre Haute local protection project: $30,000, to complete preconstruction planning.

Sugar Creek levee: $15,000, to initiate preconstruction planning and bring the planning to 50 percent of completion.

Wabash River Basin study, above the White River: $40,000. The President's budget for fiscal year 1960 asks only $25,000 for this study. General Person, Assistant Chief of the Army engineers, tells me the Corps has the capability to utilize $40,000 during fiscal 1960. The additional $15,000, Mr. Speaker, will allow the Army Corps of Engineers to continue working on Sugar Creek, Wild Cat Creek, and Big Pine Creek.

Clinton levee: $5,000, to enable the Army engineers to restudy the project.

Conover levee, which is a Terre Haute local protection project: $2,000, also to enable the Army engineers to restudy the project.

I understand that because the Adams Levee, Parke County, group's charter is expiring, a new document is needed. And since there is no Raccoon Levee, Parke County, organization, one will have to be established under State-authorized charter. In the case of the Greenfield Bayou levee, the group must reorganize because its current charter is not sufficiently inclusive. For these reasons, I am making no money requests for the Adams, Raccoon, and Greenfield Bayou levees.

I have, however, asked the Indiana Flood Control and Water Resources Commission and the local levee representatives to expedite their reorganizational activity.

The following charts compiled by the adjutant general of the State of Indiana constitute, I think, self-explanatory evidence of the desperate need for flood control construction in Indiana's Sixth District:

Indiana flood costs, by departments, February 1959

TERRE HAUTE AREA, IMMEDIATE AREA IN AND AROUND WEST TERRE HAUTE

	Army and Air National Guard	USPFO, Federal	Adjutant General Department	State highway department	Penal farm	Civil Defense Department	American Red Cross	Indiana State Police	Vigo County Commission	Terre Haute Street Department	Naval Reserve	Army Reserve	All Indiana, grand total
Man-days	1,479	170											1,649
Man-hours				720	920	3,340		1,042	1,137	40	561	440	8,200
Personal services cost	$11,830.66	$1,512.30		$1,080	$135.78			$4,000	$1,906.30	$292			$20,757.04
Transportation					23.10								23.10
Food	1,033.90		$34.60									$64	1,132.50
Motor oil									30.16			4	34.16
Gasoline	177.24								302.15		$257.60	80	816.99
Sandbags	12,438.00												12,438.00
Steel cable		85.00											85.00
Wire		264.00											264.00
Sand									205.80				205.80
Gravel					349.80				420.00				769.80
Shovels									139.32				139.32
Personal injury	30.75												30.75
Motor vehicles		20,160.00		8,640		$333							21,357.00
Heavy equipment										792	2,016.00	3,744	6,552.00
Bridge and road equipment				225,000									225,000.00
Agriculture damage						177,500							177,500.00
Small business damage						100,000							100,000.00
Families affected													
Homes damaged/destroyed													
Personal property loss													
Total	25,510.55	22,021.30	34.60	226,944	508.68	227,833		4,000	3,003.73	1,084	2,273.60	3,892	567,105.46

BALANCE OF THE WABASH RIVER VALLEY, BEGINNING AT CITY OF WABASH AND EXTENDING SOUTH TO VINCENNES[1]

Man-days	709												709
Man-hours				5,000		7,000		700					12,700
Personal service cost	$5,453.62			$7,500				$2,800					$15,753.62
Food	588.55												588.55
Motor oil													
Gasoline	212.84												212.84
Sandbags	2,622.30												2,622.30
Personal injury	29.00												29.00
Motor vehicles		$10,800.00		22,400									33,200.00
Heavy equipment				20,100									20,100.00
Bridge/road damage				225,000									225,000.00
Agricultural damage						$221,600							221,600.00
Small business damage						500,000							500,000.00
Families affected							2,220						2,220.00
Homes damaged/destroyed							539						539.00
Personal property loss							$77,000						77,000.00
Totals	8,906.31	10,800.00		275,000		721,600	$77,000	2,800					1,096,106.31

STATEWIDE GRAND TOTAL

Immediate area in and around West Terre Haute	$25,510.55	$22,021.30	$34.60	$226,944	$508.68	$277,833		$4,000	$3,003.73	$1,084	$2,273.60	$3,892	$567,105.46
All other areas in State	8,906.31	10,800.00		275,000		721,000	$77,000	2,800					1,096,106.31
Grand total	34,416.86	32,821.30	34.60	501,944	508.68	999,433	77,000	6,800	3,003.73	1,084	2,273.60	3,892	1,663,211.77

[1] See table below:

Vehicles used	Type	Number	Hours each	Total hours	Vehicles used	Type	Number	Hours each	Total hours
Army	Regular	78	72	5,616	Navy	Pumpers	4	40	160
Air	do	8	72	576	Do	Heavy duty	2	40	80
Highway	Heavy duty	30	67	2,010	Army Reserve	Regular	3	72	216
Do	Regular	55	141	7,760	Do	Heavy duty	10	72	720
Civil defense	do	37	3	111	State police	Regular			
Vigo County	Heavy duty	4	96	384					
Terre Haute	do	5	40	200	Total		236	715	17,833

Wabash River Basin projects, Indiana

Project	Estimated cost			Fiscal year 1960 engineering capability to utilize funds [1]		Remarks
	Federal	Non-Federal	Total	Planning	Construction	
Active authorized projects:						
West Terre Haute local protection project.	$473,000	$95,000	$568,000	$30,000	0	Funds would be utilized to complete preconstruction planning.
Sugar Creek levee	355,000	27,000	382,000	15,000	0	Funds would be utilized to initiate preconstruction planning work and bring that planning to 50 percent of completion.
Adams levee	262,000	13,200	275,200	0	0	Time limit on existing levee district charter is about to expire and the district will have to be reorganized.
Greenfield Bayou levee	1,890,000	270,000	2,160,000	0	0	The existing levee district will have to be reorganized as it now encompasses only the northern half of the project area.
Raccoon Creek levee	360,000	33,000	393,000	0	0	Levee district will have to be reformed. Original district charter has expired.
Projects deferred for restudy:						
Clinton levee	[2] 93,000	[2] 9,000	[2] 102,000	5,000	0	The fiscal year 1960 capability is for restudy work only.
Terre Haute local protection project (Conover levee).	[2] 199,000	(3)	0	2,000	0	Do.

[1] Fiscal year 1960 capability to utilize funds based on premise that no funds will be made available to these projects during the remainder of fiscal year 1959. The amounts shown have been determined strictly from an engineering standpoint, considering each project by itself without reference to our overall capability, or fiscal considerations. Since no funds were included in the President's budget for fiscal year 1960 for any of these projects, no funds can be utilized in view of overall budgetary considerations.

[2] Estimates last revised in 1954.

[3] Not available.

Address by Hon. Herman E. Talmadge Before Tennessee Agricultural Council

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, April 8, 1959

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD, the thoughtful speech delivered by the Senator from Georgia [Mr. TALMADGE] before the annual meeting of the Tennessee Agricultural Council in Memphis, Tenn., on April 3, 1959. More than 1,000 leading farmers and businessmen were present to hear Senator TALMADGE. These farm leaders were impressed by his analysis of the farm problem and his recommendations for a solution. I am certain that Members of Congress and others who are giving consideration to the plight of the American farmer in trying to do something to better his lot will be interested in the analysis of Senator TALMADGE and will be impressed with the fact that he has a specific program to present, which is deserving of most careful consideration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a happy occasion for me to have this opportunity to meet with my fellow farmers.

And I do like to regard myself as a farmer even though my principal agricultural pursuit at present is endeavoring to plow under Secretary of Agriculture Ezra T. Benson and his farm policies.

It is a planting which, I am sure you will agree, is long overdue.

And I am pleased to be able to report to you that the climate for doing some major cultivating in that field is improving every day both in Washington and throughout the Nation.

As incredible as it may seem to those unfamiliar with the facts, we in the United States have a Department of Agriculture which is the enemy of the farmer.

Had the Department of Labor for 1 day been as antagonistic to the interests of organized labor as the Department of Agriculture for 6 years has been to the interests of the farmer, Mr. Reuther and his associates in the AFL–CIO would have ridden the Secretary out of Washington on a rail before sundown.

For 6 years now it has been the policy of the Republican administration to ruin rather than to save the farmer.

For 6 years now it has been the program of Mr. Benson and the Department of Agriculture to discredit rather than to help the farmer.

With apologies to the late great Will Carleton, the farmer's present plight might well be summed up like this:

"Worm or beetle—drought or tempest—on
a farmer's land may fall,
Each is loaded full o'ruin, but the Benson
farm plan beats 'em all."

Or to paraphrase that well-known bit of anonymous farm doggerel:

"Some people tell us that there ain't no hell,
But they never farmed under Benson, so
how can they tell?"

Of course, my friends, it is not necessary for me to tell you who earn your living from the soil that the present farm program has been a miserable failure and American agriculture is in the worst mess in this country's history.

It is a situation which is reflected in every compilation of agricultural statistics.

It is a situation which is reflected in the accelerated shift of population from farm to city.

It is a situation which is reflected in last year's election results.

It is a situation which is apparent to everyone except Secretary Benson and President Eisenhower.

These are the irrefutable facts:

Between 1952 and 1958, realized net farm income in this country declined from $14.4 to $13 billion despite substantially increased Government payments. And, when the degree of inflation which has occurred since 1952 is taken into account, it is obvious that realized net income would have to be increased considerably above the $14.4 billion sum merely to put farmers back where they were in terms of purchasing power 6 years ago.

Such an eventuality is hardly likely under the present program, however, inasmuch as the Agricultural Marketing Service itself predicts a reduction of from 5 to 10 percent in realized net income this year.

During the same 1952–58 period, farm production expenses increased from $22.6 to $24.5 billion and the spread between farm and retail prices widened by $75 for each thousand dollars spent for farm produce. The farmer's share of the market-basket dollar dropped from 47 to 39 cents and still is falling.

The Bureau of Labor Statistics index for last January showed prices received by farmers at that time were 10 percent below those realized in 1947–49 while prices paid by farmers were up 19 percent for the corresponding period.

In view of the situation evidenced by those figures it is not surprising that the Department of Commerce reports that between 1950 and 1957 2,349,000 persons migrated from the farms of the Nation to compete for increasingly scarce jobs in urban areas. According to latest reports, that trend is continuing.

Those are the facts which Mr. Benson blithely ignores in insisting that black is white and failure is success.

The essence of his recent testimony before the Senate Committee on Agriculture and Forestry was that—and I am sure this will be news to you—farmers in the United States never had it so good.

As a matter of fact, he told the committee in effect that things are going so good for the farmer that unless Congress does something about it before May 15 the whole country is going to pot.

His prescription for doing something about it turned out to be a bigger dose of Benson brand sulfur and molasses.

The Secretary can claim the distinction of being the first man in history to use his own failures as arguments in favor of his policies.

He is making much of the fact that realized net farm income increased 21 percent during 1958.

What he is not mentioning is the fact that the 1958 total still is considerably below the rate which prevailed at the time he took office.

He is making much of the fact that per capita farm income last year topped the previous high set in 1951.

What he is not mentioning is the degree of inflation which has taken place since the Korean war and the fact that farm income is spread among fewer families now that his

policies have forced more than 2 million persons off the farm.

He is making much of the fact that the national farm surplus continues to increase.

What he is not mentioning is the fact that it was he who kept all surplus commodities off the world market during 1953 and 1954 and that it was not until Congress required by law that he do so that he began to move them into world trade channels.

He is making much of his contention that he could solve the problem of overproduction if Congress would give him authority to reduce prices.

What he is not mentioning is the fact that under authority given him since 1954 he already has reduced supports by an average of 20 percent and, at the same time, the wheat surplus increased by a third and the corn surplus doubled.

He is making much of his contention that he could restore the agricultural economy of the Nation if Congress would give him the laws he wants.

What he is not mentioning is the fact that of the 53 recommendations he has made to Congress, 48—or more than 90 percent—have received favorable legislative action and that those 5 which were turned down were of a relatively minor nature.

It will take more than Mr. Benson's usual pious sermonizing and glib platitudes to disclaim his responsibility for the sad situation which prevails in American agriculture today.

His contention that he should not be held accountable for the mess he has made solely because Congress has not given him everything for which he asked is about as plausible as his claim that he did American farmers a big favor by cutting parity prices by $200 million in January.

With Mr. Benson having his way, the farmers of America would be better off seeking their living at the dice tables of Las Vegas.

After all, even a crapshooter wins sometime, which is more than one can say for the chances of the American farmer under the Benson farm program.

The Benson program has depressed farm prices below the subsistence level.

The Benson program has forced farmers to abandon their farms.

The Benson program has stimulated artificially high prices for consumer goods.

The Benson program has generated unmanageable surpluses of farm commodities.

The Benson program has robbed the United States of its world markets.

The Benson program has resulted in a farm depression which, as we saw in last year's recession, is making itself felt in all other segments of our national economy.

Our experience has proved conclusively that reduced acreage, reduced prices, and rising costs lead only to reducing farm income to a disaster level. It has shown beyond contradiction that it is impossible to reduce production by reducing prices, to control production by reducing acreage, or to bring supply into line with demand through research, which has the effect of increasing supplies.

An openminded appraisal of all the facts affords no other conclusion but that we in the United States have reached the point where it is essential to the future welfare not only of the farmer, but also of the taxpaying consumer, that an entirely new approach be undertaken to solve the Nation's farm problems.

Both the farmers and the consumers of the United States have repudiated the ruinous policies of Secretary Benson at the polls, and they have given Congress a mandate to write a bold, new law which will give farmers the protection they have been denied for the past 6 years without placing an intolerable burden on the taxpayers of the country.

The farmer wants to be returned to a free-enterprise economy, with protection equivalent to that enjoyed by labor through the minimum wage and collective bargaining, and by industry through the tariff and Government subsidies and contracts.

The taxpayer wants a stabilized farm program which will give his pocketbook a break both in the marketplace and at tax time.

Our experience with Mr. Benson's ideas of farming stands as conclusive proof that those ends cannot be achieved through existing concepts.

To effect a realistic and permanent solution to our agricultural problems we are going to have to profit by our mistakes and take advantage of the lessons we have learned at so great cost.

We are going to have to discard completely the present patchwork of discredited farm laws, start all over again, and write an entirely new program which will get away from the compounded failures and the stereotyped concepts of the past.

My long and serious study of this matter has convinced me that such a program must have three fundamental objectives.

First, it must let the farmer farm.

Second, it must guarantee the farmer his proportionate share of the national purchasing power.

And, third, it must put American agricultural commodities back on the world markets at competitive prices.

Those objectives can never be achieved until the Federal Government is removed from the business of buying, storing, transporting, and selling agricultural commodities—which it is now doing at a yearly cost of $1.027 billion to the American taxpayers—and the responsibility for marketing farm produce is returned to the farmer and private enterprise where it belongs.

Those objectives can be achieved only by freeing the farmer to plant and sell his crops as he sees fit and by limiting the role of the Federal Government in agriculture to paying the farmer the difference between the prices he receives for commodities sold for consumption in this country and 100 percent of parity.

Those objectives are encompassed in the Talmadge farm plan which I first introduced during the 2d session of the 85th Congress and which I reintroduced with the cosponsorship of Senator OLIN D. JOHNSTON, of South Carolina, shortly after the beginning of the present 1st session of the 86th Congress.

The overwhelmingly favorable response which my bill has received from all sections of the country encourages me to believe that such an approach has widespread appeal not only among farmers but also among the general public.

While I would not say it can be enacted this year or next, I will make the prediction that when a new farm program is passed—and, if not before, one certainly will be after we install a Democrat in the White House in 1961—it will be along the lines of the measure I have proposed.

The Talmadge farm plan is exceedingly simple and can be understood by even the layman without the necessity of consulting a Philadelphia lawyer or a certified public accountant.

It has five major points, as follows:

First, it would eliminate all acreage controls and Government loans.

Second, it would assign each farmer growing basic commodities a domestic production quota to be expressed in terms of unit measurements—pounds, bushels, bales, etc.—which would be the same percentage of the national consumption of basic commodities that the farmer's average annual production for the preceding 5 years bears to the total national average production for the same period.

Third, it would guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity.

Fourth, it would require each farmer to submit a bill of sale with this application for sales price support payments.

And, fifth, it would impose a maximum of $25,000 on the amount of sales price support which any individual farmer could receive in any 1 year.

As an example of how it would work, let's take the case of an average cotton farmer who now has a 5-acre allotment on which he grows 3½ bales of cotton a year. Under the Talmadge formula, his domestic quota would be about 2⅒ bales which, when sold at current prices, would entitle him to a compensatory payment of $105 over and above the $315 he would receive in the market place. Those amounts would be in addition to his income from the sale of whatever additional cotton he might grow in excess of his quota to sell on the open market.

For cotton the Talmadge plan support price would be 40 cents a pound compared with the present market price of around 30 cents and the 81 percent of parity support price of 32.4 cents.

The actual amount of the compensatory payment to the individual farmer would depend upon the prevailing market price. If the market price went down the compensatory payment would go up and vice versa. The farmer thereby would have the firm assurance of a 100 percent of parity price on his domestic production quota regardless of the level of the market price.

The cost of my plan would depend upon the resulting free market price levels of the basic commodities, but in any event would be considerably less than that of the present program. It likely would vary between $1.5 and $2.5 billion and the agricultural experts of the Legislative Reference Service of the Library of Congress estimate its potential saving to the taxpayer at between $2 and $3 billion a year.

While costing less, it would put perhaps as much as $1 billion a year more in the pockets of the farmers. As paradoxical as that might seem, it would be the case because the high costs of administering the present bureaucratic program would be considerably reduced. For instance, one of the costs which would be ended would be the billion dollars a year now being spent to handle surplus agricultural commodities.

Furthermore, whatever its ultimate cost might prove to be, the Talmadge farm plan would assure that every farm program dollar went into the pockets of the American farmers which decidedly is not the case at the present time.

With particular reference to cotton, under my bill American textile mills would get an even break with their foreign competitors who can now buy subsidized American cotton $35 to $40 a bale cheaper than it can be purchased in this country.

In other words, the underlying philosophy of the approach I have proposed is to subsidize Americans instead of foreigners.

While I will match my humanitarian impulses with those of anyone, I do not believe in—nor do I believe the American people believe in—global philanthropy at the expense of the American farmer and the agricultural economy of the United States.

Even more important than the financial considerations are the intangible advantages to be derived from a free enterprise farm program bolstered by compensatory payments.

Such an approach is extremely simple and would take the redtape out of the farm program.

Such an approach would eliminate the regimentation and dictation imposed by acreage controls.

Such an approach would let the farmer plant what he wants and sell it as he pleases.

Such an approach would take the Federal Government out of the business of buying,

storing, transporting and selling farm commodities and place the responsibility for marketing with the farmer and private enterprise where it belongs.

Such an approach would guarantee the farmer his proportionate share of the national purchasing power and restore agriculture to a free enterprise, competitive base.

Such an approach would end the accumulation of the national farm surplus which has glutted the Nation's markets and stagnated its economy.

Such an approach would make the national farm program an estimable budget item which would remain relatively stable over the years.

Such an approach would mean lower prices to both the consumer and industry and would put American agricultural products, both raw and processed, back on the world market at competitive prices.

Such an approach would give the farmer protection equivalent to labor's minimum wage and right to collective bargaining and industry's tariff and Government contracts and subsidies.

Such an approach would take the realistic view that the only justification for a farm program is to increase the income of farmers and would seek to do that by going in the front, instead of the back, door.

Such an approach would mark a new and fresh start which would release agriculture from the bonds of past mistakes and relieve the Nation's economy of the burdens of abortive farm laws.

There are those who contend that we should make agriculture entirely free and have no farm program at all. I do not share that viewpoint.

While I am enough of a Jeffersonian Democrat to believe that we would all be better off if our entire economy were freed and allowed to seek its own level, I am also, by the same token, enough of a realist to know that, with virtually every other segment of the Nation's economy protected by law, the farmer cannot be left as the only person without a legislative guarantee of his proportionate share of the national income.

If the farmer is to share in the general prosperity of the rest of the country—if he is to own an automobile, send his children to school, and give his family a reasonable standard of living—it is essential that a new farm program be devised which will give him that assurance.

The American standard of living is the highest in the world and to deny the American farmer legislative protection in the enjoyment of it would amount to putting him into direct competition with farmers in countries where living standards are minute fractions of our own and to make of him a virtual peon in a land of plenty.

While I would be the last to claim that my idea offers a complete solution to all the Nation's farm problems, I do sincerely believe that it affords a basis upon which agreement on a new national farm program can be reached. And I am now working toward that end with several of my like-minded colleagues in an effort to perfect my bill so as to give it the broadest possible base of support among all commodity groups.

I am hopeful that we can have an omnibus bill ready for consideration in the not too distant future.

Perhaps the most difficult of the problems with which we are wrestling is what to do about the $9-billion-plus surplus which Mr. Benson has accumulated.

My own idea is that a four-way disposal program should be undertaken.

The first step would be to have the National Security Council determine what portion of the surplus is needed as a national strategic reserve and make immediate recommendations to Congress for setting aside and preserving that amount of food and fiber for emergency use.

The second step would be to offer all local, State, national and international charitable, relief and welfare organizations and agencies donations of surplus commodities of whatever amounts they could utilize effectively in their humanitarian programs.

The third step would be to substitute surplus commodities for dollars in the conduct of the economic assistance phases of our foreign-aid programs, including long-term purchase agreements with underdeveloped countries like India.

And the fourth—and perhaps the most important—step would be to absorb the remainder of the surplus in the farm program itself.

The first three steps are self-explanatory and the fourth would be accomplished in this way:

Any farmer so electing could, by agreeing to put into conservation practices without payment the amount of land on which he would grow his domestic production quota, receive for sale on the open market at whatever price it would bring the equivalent of his quota from Government surplus stocks.

No compensatory payments would be paid on such sales as the farmer would have, in effect, received as payment in eliminating the cost of growing his share of the domestic market.

Under such an arrangement existing commodities would be substituted unit for unit for assigned quotas which would assure against disruption of normal trade channels. In addition, farmers electing the option would still be free to grow as much of any commodity as they desired for nonsupported sales on the world market.

Mr. Benson has seen fit in recent speeches to call the Talmadge farm plan "a long step toward a fully socialized agriculture," and to maintain that its proposal has joined the issue of "Goverment control versus freedom."

To the former assertion I would reply that Mr. Benson either is totally ignorant of the provisions of the Talmadge farm plan or he was looking in the mirror at his own program when he coined his description.

To the latter claim I would say that it is true that the issue has been joined but that the roles are the reverse of what he would have them be.

My recollection of elementary economics is that socialism is synonymous with nationalization or government ownership and control.

Now I ask you would American agriculture be more nationalized under my plan whereby the farmer could plant what he pleases and be held responsible for selling what he grows or under Mr. Benson's plan whereby the Government tells the farmer how much he can grow and then buys, stores, transports, and sells it for him?

My knowledge of the present farm program which stems from my own experience as a farmer operating under it is that its basis is drastic and ever-constricting acreage controls.

Now I ask you would the American farmer have more freedom under my plan whereby the farmer would be free to decide for himself what and how much he would grow or under Mr. Benson's plan whereby the Government puts strict limits on his planting and subjects him to stiff penalties for failing to comply with them?

I think the answer is obvious from the observation that under the Talmadge farm plan Stanley Yankus, Jr., the Michigan poultry farmer who has been put out of business by Mr. Benson's regulations, would not find it necessary to emigrate to Australia to find enough freedom to run his farm as he wants to run it.

Mr. Benson in his statements and letters to newspapers has sought to label my proposal a Brannan plan.

Such a label is not supported by the facts of the matter.

The only point of similarity between the Talmadge and the Brannan plans is the compensatory payment idea and, if it is the intent of Mr. Benson to equate that feature of my proposal with the Brannan plan, then by the same logic it also could be called the Eisenhower plan, the Seaton plan, and, yes, even the Benson plan.

That is true because officials by those names have advocated a similar application of the compensatory payment idea to producers of metals and growers of wool and sugar.

It is most unfortunate that there are some to whom playing politics is more important than seeking to serve the best interests of the farmers of America.

The most lamentable aspect of the present national agricultural dilemma is that it is the end product of partisan politics.

The welfare of our farmers and the protection and preservation of our national economy are above any personal considerations. They demand that we cease playing politics with the farm problem and act in unison to restore to the farmer his freedom and his rightful place in the Nation's economic picture.

As Columnist Joseph Alsop recently pointed out with great sagacity the present situation has "sorely endangered" America's great asset of an "independent farming population." He declared with great truth that "socially, biologically, historically, this is a name well worth national investment."

The sands of history are littered with the wrecks of civilizations and nations which perished as the result of dissipating and destroying their independent farming populations.

The vitality of any people stems from the soil and it is an inexorable law of nature that it withers and dies when its roots are transplanted to a wholly-urban culture.

There is something about the tilling of the soil which nurtures in the human breast an appreciation of the true purpose of man's existence which cannot be instilled through any other pursuit.

As Thomas Jefferson put it: "Those who labor in the earth are the chosen people of God * * * whose breasts He has made His peculiar deposit for substantial and genuine virtue."

The worst fate which could befall our country would be for urban Americans to lose sight of the fact that their present and their future are dependent upon the maintenance of a vital and progressive agriculture.

The day we allow ourselves to be deceived by demagogic appeals into believing that the American farmer is an economic liability will be the day which marks the beginning of the end of our great Nation.

Americans must look beyond their own selfish personal interests and recognize the great truth uttered by Daniel Webster when he declared:

"Let us never forget that the cultivation of the earth is the most important labor of man. When tillage begins, other arts follow. The farmers, therefore, are the founders of civilization."

That is why we must look to our farms as the only source of a posterity which cherishes its heritage of freedom and is dedicated to its preservation.

That is why we must do whatever is necessary to sustain our farms as the roots of our great American civilization.

That is why we must insist that Congress act immediately and decisively to write and enact a workable and productive farm program which will assure for all time to come that those roots will continue to nourish and replenish the life's blood of our Nation.

Toward that end I have dedicated my every effort.

Toward that end I beg your advice, help and support.

I thank you.

Launching of the "Sea Diver"

EXTENSION OF REMARKS
OF
HON. JAMES A. BURKE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 8, 1959

Mr. BURKE of Massachusetts. Mr. Speaker, on Sunday, April 5, 1959, there was launched at the Quincy Adams Yacht Yards at Quincy, Mass., one of the most remarkable vessels ever to take the water. She is called *Sea Diver* and is the first boat built from the keel up especially for use in underwater exploration of historical sites. Her owner is the famous inventor of the Link trainer, Edwin A. Link, president of the General Precision Equipment Corp. He gave the vessel his personal supervision and built into it special equipment, some of which he invented himself.

I had the great privilege of being present when *Sea Diver* slid down the ways. She is not a yacht but a work boat constructed for serious scientific purposes.

Made of heavy steel, with the care typical of New England craftsmen, she is 91 feet long, with a 20-foot beam, and will draw about 6 feet. There is ample accommodation for 14. Her cruising range, without refueling, will be more than 7,000 miles. She is powered by two diesel engines and there are two other diesel engines to operate the special equipment. She has radar, sonar, and loran for navigation. She has an underwater viewing compartment, a bay at the stern from which divers can descend, a device called an air lift which can suck sand from the bottom of a harbor so that the sand can be strained through a sieve to recover small objects and a crane capable of lifting 6 tons. In addition, she has a water jet which can be used for excavation under water or on land.

Mr. Link and his wife, Marion, already have made extensive and fruitful explorations off the Florida Keys and in the Caribbean. One of their achievements was the discovery of a 15th century anchor, possibly the anchor of Columbus' flag ship, the *Santa Maria*. Mrs. Link has told the story of their earlier explorations in a book recently published by Rinehart & Co., appropriately entitled "Sea Diver," the name of an earlier and smaller boat which they used in their adventures. She is donating her royalties toward the operating expenses of new expeditions.

The new *Sea Diver*, which I saw launched, soon will depart on a shakedown cruise to the Caribbean and will be used in the exploration of the sunken city of Port Royal in Jamaica under the auspices of the Smithsonian Institution and the National Geographic Society. Port Royal suddenly vanished under the water as the result of an earthquake in 1692. In 1956 the Links did some investigation there and now, with the new boat and equipment, will carry on a more thorough exploration.

It is possible that they will make a further contribution to history.

Upon leaving Port Royal, Mr. Link has told me, he intends to take *Sea Diver*, under her own power, to the coast of Israel, there to explore the sunken harbor of Caesarea, under the auspices of the America-Israel Society, an educational organization of which a number of my colleagues in the Congress of the United States are founders and sponsors and which has its headquarters in the Willard Hotel, here in Washington.

Caesarea was the favorite city of King Herod the Great and the port from which St. Paul sailed on his mission. The Links made a preliminary survey there in 1957, using light diving equipment. They were inspired to do so by the fact that fishermen had been bringing up in their trawls along the coast, jugs, known as amphorae, dating back more than 1,500 years before the Christian era. They found evidence that objects of great interest to archeologists lie buried in the sand beneath the harbor waters.

I am proud that a shipyard in my own State of Massachusetts was chosen for the construction of this unique vessel to be used in the cause of the advancement of knowledge. It seems to me, too, that *Sea Diver*, in exploring the historic past, hitherto hidden from us by the waters of the seas, will demonstrate, wherever she goes, the interest that we Americans take in peaceful pursuits and thus will make a contribution to good will and better understanding wherever she may drop anchor.

The Quincy Adams Yacht Yard is owned and operated by its president, Edward D. Whiting, 363 Adams Street, Milton, Mass. Mr. Whiting has over 35 years in boat building. He has been associated with the Lawley Ship Yards where he directed the boat building program for many years and has served as president of the George Lawley Ship Yard. Edward Whiting is owner and president of the Nevins Yacht Yard, City Island, N.Y., and is also owner of the Quincy Adams Marine Sales, Inc.

Born in South Boston, Mass., Edward Whiting has spent an entire life time amongst those who participate in yachting and boating in the South Boston and Dorchester coastal area.

We in Massachusetts are proud of Edward Whiting and his many accomplishments.

A great future can be predicted for the Quincy Adams Yacht Yard.

USO—The Warmth of America in the Cold War

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Wednesday, April 8, 1959

Mr. WILEY. Mr. President, it was my privilege this morning to listen to one of the finest talks I have heard in Washington. It was by our friend and associate, the Senator from West Virginia [Mr. RANDOLPH]. The occasion was a breakfast of the United Service Organization's National Council. There were present 75 Members of the Senate and House. There were in attendance 600 members of the USO advisory group, representing every State in the Union. They were here for a 2-day visit. As Senators know, the USO—United Service Organization—has in its membership representatives of all religious groups, business, and labor—in fact, it is a cross-section of America dedicated to selling service, in its broadest interpretation.

The meeting started with a talk by Harvey S. Firestone, Jr., USO chairman. It was following his remarks that the Senator from West Virginia [Mr. RANDOLPH] gave us a most illuminating and inspirational talk on the subject, "USO—the Warmth of America in the Cold War." The Senator's address gave a picture of the world today—the challenges which face us and the successes and failures of the Kremlin.

I ask unanimous consent, Mr. President, that this fine address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE WARMTH OF AMERICA IN THE COLD WAR

(Address by Senator JENNINGS RANDOLPH, Democrat, of West Virginia, to the United Service Organizations National Council hometown breakfast, Sheraton Park Hotel, Washington, D.C., April 8, 1959)

Mr. Chairman, members of the board of governors, ladies and gentlemen of the national council, and guests, once again we meet to applaud and appraise the work of the USO in servicing the needs of the young men and women of our Armed Forces.

I have been asked to discuss the topic of "The Warmth of America in the Cold War," a subject that admits of wide latitude, to say the least. However broad the title assigned, it bespeaks a particular aspect of the work of the USO and of the national character of America which is of central concern to all of us; it indicates the role of compassion and understanding which lies at the heart of so much of our work, as well as that of the individual affiliated agencies. It challenges also the need for our extending these qualities throughout the range of our national affairs—a point to which I shall return in more detail later.

This month, ladies and gentlemen, we memorialize the 18th year of the USO—a year heavy with symbolic import. For this is the year when the young men who were born—as was the United Service Organizations—in 1941 first become subject to military conscription.

These young men, and we ourselves, face a radically different world from that of 1941. In that year American troops were stationed only on American soil and American Territorial possessions, guarding our national security by means which were determined largely by 19th-century conditions of warfare and by Admiral Mahan's concept of naval power.

Today our national security is intimately involved with that of every nation of the free world, a security cemented by alliances with other nations throughout the Western Hemisphere, in Western Europe, in the Middle East, and in southeastern Asia. American troops have followed these alliances as guarantors of our national commitment to the security of the free world, from the wastes of the Arctic to the sands of Arabia, from Korea to Koblenz.

To a limited extent only is this a world of our own making—and even less so is it one of our own choosing. But this is the world we have and must abide with for an indeterminate future.

Until the turn of the century the world was ruled largely by 13 empires. The First World War led to the collapse of the German, Austrian, Turkish, and Russian Empires. By 1955 most of the remainder had been dissolved—with the British, French, and Dutch Empires eroding under the resurgent tide of colonial nationalism.

Since the end of World War II, 21 new sovereign nations have come into being; so also has a new kind of imperialism—that of the aggressive and militant Soviet-Sino Axis, animated by the dynamism of a new religion of the state. This new imperialism controls the strategic heartland of the Eurasian land mass, and—with its satellite nations—numbers well over a third of the world's population.

This is one measure of the change, ladies and gentlemen, that has taken place within less than two decades. Another, and correlative measure, was the presence in Washington last week of the foreign ministers of the NATO nations—an indication that the free world is not without the strength and the means to oppose the Soviet imperialism.

But let us not be deluded by our own terms. We use the term "imperialism" to apply to the expansionist designs of the Soviet Union—just as we used the same word to apply to Germany and Japan of 20 years ago. The German and Japanese imperialisms, however, were based upon a racial mystique of pan-Germanism and pan-Asianism, respectively—each developed independently of the other, and each relying ultimately upon military conquests as the means of expanding its sphere of influence.

The new imperialism of the Soviet Union is neither so limited in its appeal to other peoples nor in its means of exploiting this appeal. Indeed, military conquest, in the traditional sense, is only one means—and not the most important, either—of the new Soviet imperialistic design.

The successes of the Communists in recent years have been on the propaganda front, in areas of economic and political infiltration, and in exploiting the tensions of colonial nationalism rather than on the military front. There we have successfully opposed them, in Europe and in the Middle East.

Not only has the Soviet Union failed to expand its strategic military position, but it has also felt compelled to retreat from many of the advanced positions it held at the end of World War II. This we have failed to recognize amid the Soviet successes in other fields, but let me note a few of the areas of Soviet withdrawal:

In Europe, they have withdrawn from the Danish island of Bornholm, from the Finnish naval base, and from the strategically valuable section of eastern Austria, while they have been forced also to accept the independence of Yugoslavia and a loosening of their hold on Poland. In Asia they have given up their naval bases in Darien, they have withdrawn from Sinkiang, they have ceded their domain over the Manchurian Railroad to China, and there is even evidence that their hold on Outer Mongolia may be weakening.

Thus, although we have seen some Soviet military withdrawals in Europe, and the ceding of Soviet authority in Asia to Chinese power, we have witnessed also the continued successes of the Soviet in other and equally important areas. Through piecemeal economic competition on a selective basis the Soviet Union has succeeded in gaining an economic and political foothold in many of the underdeveloped nations of Asia, Africa, and Latin America. In the Middle East it has exploited, with varying degrees of success, the tensions of Arab nationalism—falsely appearing there, and elsewhere, as the defender of the very values which have given us our strength—the ideas of freedom, of human dignity and of national sovereignty. Then, too, Russia's recent scientific and technological achievements have been presented to the less industrialized nations as evidence of the superiority of the Soviet economic system over that of a free society.

This, then, is the face of our adversary—a resourceful, aggressive and cunning opponent—equally capable of offering the disarmingly open hand of aid to Iraq or the mailed fist of conquest to Hungary and Tibet.

Against the expansion of this power we have developed our system of economic and military alliances in Western Europe and southeastern Asia, the cornerstone of which, in each instance, is the military power of the United States. This power can be effective only as it exists in force and in readiness, for we will never again be granted—as we were in World Wars I and II—the opportunity of 2 or 3 years in which to prepare behind the shield of our allies. The Armed Forces of the United States are now the main shield of the free world—not the French infantryman of World War I, or the British Navy and Royal Air Force of World War II.

Yet the men and women of our Armed Forces—stationed at the ramparts in England and Western Europe, in Africa and the Middle East, in Okinawa, Japan, and Korea—these young people are more than the sword and buckle of freedom. They are also emissaries of the American culture and American character to the lands in which they serve. And unlike the system of Soviet communism, the ideals of America cannot be extended under the sway of boot and bayonet.

The extent to which the people of other lands will rally to the American cause of freedom is determined in large part by the image created by American service men and women stationed in those lands. In many instances our uniformed youth must overcome local hostilities—created sometimes by Communist agents, and sometimes by nothing more than the natural envy of the poor for the rich. But whatever the source, its most effective antidote is the natural generosity and compassion of the young people in our Armed Forces. For it is they who provide the living image—and sometimes the only concrete one available in those lands—of the meaning of American ideals. Whether it be the American GI who shares his rations with the Korean war orphan, or the American Army doctors who help improve native health and sanitation facilities in Libya—wherever they serve, the members of our Armed Forces are ambassadors of the American ideal.

Today this ideal embodies the concept of a world society which preserves the values of national sovereignty and individual freedom—as opposed to the Soviet ideal of a world superstate, with nationalities as well as individuals in subservience to the state. It is the ideal of the commmunity of man, voluntarily held together by compassion, understanding and respect for individual differences—as opposed to the soulless collectivism of the Soviet, held in thrall by a secret police.

The young men and women of our Armed Forces thus share a large part of the responsibility for making this ideal meaningful to the people of other lands. And in this task—as you ladies and gentlemen know—the USO shoulders its responsibilities as well. For we have gone well beyond the coffee-and-doughnut concept of ministering to the needs of our Armed Forces.

The educational, cultural, and religious programs of the USO, in this country and in our stations abroad, help to illuminate for our service people the values of the culture they are defending. In this respect, the very name of our organization—United Service Organizations, Inc.—comprised of people from a variety of religious faiths and national origins—this very name symbolizes the voluntary and generous aspect of the character we identify as "American."

This national trait of service and voluntary giving is, according to the noted historian, Arthur M. Schlesinger, one of the 10 contributions of America to civilization. He finds it in America on a scale unparalleled in other countries—in our 4,000 philanthropic foundations, in our contributions to the Red Cross, in our United Fund, and in CARE. And, he states, "Thanks to this ingrained trait of the national character, the Government found it easy to mobilize our people behind the Marshall plan, a costly tax-supported program for repairing the war-stricken economies of Western Europe. Though these official undertakings were in part designed to halt the spread of communism, they arose from deeper springs of human compassion and have no parallel in history."

This is a large part, ladies and gentlemen, of what we mean by the warmth of America. But this is not all. We must extend this spirit of warmth and compassion into more than just the areas of national good will and generosity with our own material bounty—important as these are.

For the crisis our Nation faces today encompasses the entire domain of our feelings, our will, and our intelligence. It is a crisis in the human spirit—a crisis which challenges our capacity to know, and to feel the knowledge that we are come to one of the great watersheds of history. As with every such place in man's long travail out of barbarism, it is a moment of danger as well as opportunity—and a moment of choice. This time the choice may be between a planetary holocaust or working toward a new plateau of civilization. We have the technical means for either, but do we have the human means—the imagination, the compassion, and the will to make the right choice?

While history shows many instances of noble causes overwhelmed by the brute forces of evil—man has more frequently brought on his own defeat by failure to pursue the right than by the active forces of evil. We are no exception. We have received no divine dispensation from our own limitations and frailties; it is not written in the stars nor in the flights of birds that our national will is to prevail.

Yet, we may say with assurance that the image of the United States which we present abroad can be no stronger than that which we show to ourselves. Thus, we must answer for ourselves the question of whether the warmth of America is borne of our genuine commitment to the values of a free society, or whether it is in large part merely the expression of exuberance in our national wealth. The issue presented is whether—as individual men and women, and as a free society—we can once again generate as strong a faith in the values of a free society as in the material fruits of a free economy, and without confusing the identity of either.

Ours is the first civilization in history which has developed the means of eliminating poverty among all its members. For the first time in humanity's ageless struggle with nature we find at hand the means to release men from the iron chain of circumstance—from the pain and hunger which have been their daily lot.

The choice is ours to make, namely, either to use our national good fortune for the enlargement of the faith of man, to expand the ideal of brotherhood, and to extend our vision of the truth—or to continue with our present preoccupation with pleasure and profit, submit to a cult of mediocrity, and abide under the tyranny of our own selfish concerns and narrow nationalism.

Perhaps the latter seems a harsh and unfair description of our present national attitudes. This is a conclusion one may draw

when he hears the constant boast of our increasing gross national product—without ever the question of "For what?"—when we spend $10 billion a year on advertising to convince ourselves that we cannot do without the things we don't need, when we spent $10 billion a year on alcohol and $3 billion a year on cosmetics, the two together equal to our total expenditures—public and private—for education? What other conclusion may one draw, when, with a gross national product of approximately $450 billion, we hear calamitous talk of national bankruptcy over the issue of spending $3.5 billion on foreign aid—less than 1 percent of our total product? Is this the image of a strong society?

More than 100 years ago Ralph Waldo Emerson stated that "Things are in the saddle." He followed this comment with the observation that "A man's things soon come between him and himself." Now, this was no prejudice of Puritan asceticism, but an observation on human behavior—applicable to a society as well as to a man.

The evidence surrounds us if we will but open our eyes, for we have many unfinished tasks in our own society: to furnish the conditions of human dignity to the 5 million or so of our own families who live on the squalid edge of poverty—to eliminate the conditions of urban blight that contaminate so many of our cities—to restore education and the life of the mind to their proper role in a democratic society. These are only a few of the problems that press upon us.

We have the means to solve these problems. But not all our wealth of technology and instruments will avail us if we lack the imagination to perceive, the compassion to understand, and the will to act.

This is, in part, the meaning of a recent comment by Archibald MacLeish—one of the most intelligent and perceptive observers of our times. In referring to the defense of freedom in our society, MacLeish stated that, "The man who knows with his mind only, who will not commit himself beyond his wits, who will not feel the thing he knows, or know the thing he feels—that man has no freedom anywhere. He is tugged by the string of whatever is told him, maneuvered by slogans. Sooner or later his life will seem indifferent to him, something managed by others, and he will acquiesce in the management, think about it as little as possible, occupy himself with the only things near enough to seem real—his car, his front lawn, those shadows on the television screen—symbolic shadows."

This retreat into the privacy of selfish and petty concerns is our chief enemy of the human spirit in America today. For our greatness—as individuals and as a Nation—is achieved in the complementary relationship of private rights and public responsibilities. Our finest hours as a people have thus been those when we presented to the world at large the hope of realizing a new moral and spiritual vision of man.

This, I believe, is also what the warmth of American means today.

Analyses of Last Election

EXTENSION OF REMARKS
OF
HON. JAMES C. AUCHINCLOSS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 8, 1959

Mr. AUCHINCLOSS. Mr. Speaker, as was to be expected, there were a great many post mortems held after the election last year which did not come out very well for the Republican Party. Many people expressed their opinions as to the reasons for the apparent change in public sentiment and the failure of some tried and true Republicans to be reelected to the Congress. Indeed the national committee has conducted research work on this subject along with others and, of course, many reasons were propounded explaining the results and various suggestions given as to what the Republican Party should do to regain favor with the voters.

One of the most constructive analyses of the situation was contained in an article appearing in a recent edition of the Washington Newsletter, which is published by the National Federation of Republican Women. It was written by our colleague, Representative JESSICA MCC. WEIS, of New York, and I am pleased to have permission to insert it in the CONGRESSIONAL RECORD. MRS. WEIS is a lady of rare judgment, sound and practical vision, and experienced in the ways of politics, and I hope that the leaders of the Republican Party will take to heart the suggestions she submits in her article and incorporate them in a revised and forward-looking policy for the Republican Party. It is a great stimulus to all of us Republicans to have the benefit of JUDY WEIS' views.

(By Representative JESSICA MCC. WEIS, New York)

From many a pessimist these days one hears dire predictions of dark days ahead for the party, and from the worst of these comes the sad lament that the two-party system itself may be in danger.

I personally reject this kind of thinking; for if there is one thing that I have learned from my years of political activity, it is that the pendulum of political opinion is in constant motion. I do not fear for the life of the party, now or at any time in the future. However, the health of the Republican Party would be improved by a massive dose of political vitamin B. The women of the Republican Party and the National Federation have a great opportunity to help administer that dose. This is the time for some real soul searching and factfinding in order to start that pendulum swinging once again in our direction.

The Republican Party, as a party, has managed only two congressional victories in the last 25 years, and has rather consistently given ground at every level. Even where we are still winning the margins are growing smaller, and unless we knuckle down and solve the political problem confronting us we are in very great danger of becoming a permanent minority party.

We can no longer delay in facing up to the grim fact of a weak internal party organization, particularly at the lowest, and most important, grassroots level. In 1958 we were simply outmanned, outworked, and outtalked, and in many cases, outfinanced. We cannot logically expect the opposition to be weaker in 1960. Therefore, it is imperative that we become a great deal stronger.

Since the 1930's, the regular party organizations of both major parties have been slowly disintegrating, but in the case of the Democratic Party, organized labor has been willing and able to take over the party apparatus, and today, the Political Action Committees and the COPE organizations of organized labor provide about 90 percent of the political workers and grassroots organizations for their party. We have yet to develop a comparable party structure, and this is the essential and overriding problem which confronts us. There must be a rebuilding of a strong, effective, dedicated party organization, starting from the ground up.

Having stated the problem, which is always relatively simple, it becomes imperative to look around for an adequate solution, and, in this connection, there are several things which must be done—the sooner the better.

1. We must decide precisely what issues we consider absolutely basic, and we then must enunciate them so clearly that every single citizen knows exactly what being a Republican means (and does not mean).

2. We must launch a fearless and constant attack on the inflationary big government philosophy that is motivating a great majority of the opposition. Here again, we must show in easy-to-understand language exactly how the New Deal-Fair Deal philosophy is slowly but surely stifling individual freedom and initiative, breeding a false sense of security, and corrupting those very economic and political principles which made this Nation great.

In other words—taking a page from the advertising industry—we must step up the selling campaign for our own product in two ways—by a clearer and better explanation of what we're selling ourselves, and by an equally clear explanation of what's basically wrong with our competitor's product. No matter how good the product—and ours is a good one—dynamic salesmen are necessary to do the job. Our salesmen must be appealing candidates, responsible, hard-working party leadership, and dedicated ward and precinct workers. This leads to a third important point.

3. We must make better use of our regular party workers, by providing them with solid, sensible, compelling reasons for putting forth more effort. We must instill in them a sense of purpose, a personal motivation for working as hard, and harder, than those who are being paid for, or coerced into, political activity.

4. Finally, not only must we have a greater effort from present party members, but we must actively recruit new membership, and leadership, for the party. At both ends of the age spectrum, we need new blood. Our party has a great deal to offer both the youth of America as well as our older, senior citizens.

In the final analysis, the only real answer lies in larger numbers of dedicated people with real convictions who are willing to roll up their sleeves and do the tough job of careful precinct-by-precinct organizing all over the country. And where is there a greater reservoir of such a dedicated, experienced and devoted group than in the National Federation of Republican Women? Hell hath no fury like a woman scorned, nor can any candidate withstand the onslaught of women when they are righteously aroused to the defense of those things in which they truly believe. The task will not be easy, but if we all pull together and work like mad, we will win; if not, we are in for another licking. The choice is clearly up to each of us.

Purchase of British Turbogenerating Equipment by TVA

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 8, 1959

Mr. SIMPSON of Pennsylvania. Mr. Speaker, under leave to extend my remarks, I wish to discuss the recent decision by the Tennessee Valley Author-

ity to purchase certain large turbogenerating equipment from a British firm rather than an American supplier. Specifically, I will comment on the justification cited by TVA for the action it has taken in this matter.

Mr. Speaker, in a release dated February 27, 1959, the Tennessee Valley Authority undertakes to explain its award of a contract for purchase of a turbogenerator to a British concern. Parsons & Co., the British bidder, underbid Westinghouse and General Electric by approximately 31 percent.

TVA says that it was disturbed by the rising price of turbogenerators, claiming that the prices charged by the domestic bidders had risen 50 percent since 1951 while average wholesale prices had increased only 5 percent. However, if we look at wages we find an increase in the electrical machinery industry weekly wage from $61.48 in September 1950 to $85.36 in September 1958. This is an increase of 39 percent. These figures come from the Bureau of Labor Statistics and are much more in point than general wholesale prices.

The building of a turbogenerator is a custom job and labor costs represent a large part of value added.

In such custom jobs our large mass production industries lose a great part of the advantage that comes from mass production. The process of building such a generator cannot be called mass production merely because the contractor is a mass producer of other items. The competitive disadvantage of much higher wages paid in this country reflects itself precisely where our productivity is not boosted by mechanization or automation. It stands to reason that in custom-made items we enjoy little if any differential in productivity over the British.

It would therefore be expected that the British could readily underbid us by a wide margin and would do so unless they allowed for an inordinate profit. Our wage rates are in the nature of 2½ times those of the British in the electrical machinery industry.

To repeat, in custom-built items we largely shed the productivity lead that we enjoy in many mass-produced items. Moreover, wages represent a high percentage of total costs of producing custom-made items.

TVA says that Westinghouse estimated 1,080,000 man-hours to build the turbogenerators; and concludes that the difference in wages between the British and American companies would be only $1.5 million. To arrive at this result it was necessary only to multiply the number of man-hours by the wage differential. This calculation, however, covers only a part of the story. The materials used by our manufacturers also contain American wages all the way back to the mines and the soil whereas the British materials contain the much lower British wages through all the stages of production back to the raw materials.

Therefore should the domestic companies enjoy no advantage in productivity over what appears to be a highly efficient and reliable British company, the advantage of the latter should be about 2½ to 1 costwise. If it is less than that, the British company is not as efficient as claimed by TVA; and our companies are penalized for their greater efficiency. To be sure, there is the duty of about 15 percent on the British product plus ocean transportation, marine insurance, and so forth; but none of these charges would span the 2½ to 1 ratio.

That Parsons should be able to underbid our domestic companies by only 31 percent is therefore a little surprising. That a handsome margin of profit could be hidden in such a bid seems easily possible. That possibility no doubt accounts for the company's ability to accept a penalty clause as noted by TVA whereas the American bidders would not do so even under their higher bid.

TVA's eagerness to send this contract overseas and its rationalization of its position by resort to transparent arithmetic is perhaps explained by its reference to our general foreign trade policy and our international relations.

That Executive domination of our foreign commerce, contrary as it is to the mandate of the Constitution, has now filtered through adminstrative capillaries to the various purchasing agencies is confirmed by the TVA award of the contract to a foreign company and its explanation of the fact. In the end, for example, TVA says that purchase of the power unit from Parsons strengthens the economic position of our ally, Great Britain. This, it should be noted, is an entirely different argument from the preceding ones and explains much better than TVA's ragged arithmetic the reason for the award to a British firm.

The part played by our Executive dominated foreign trade policy emerges very clearly. The State Department's diplomacy must be supported through thick and thin throughout the fabric of our Government. The totalitarian position thus given to our foreign trade policy must brush to one side all considerations of a domestic nature.

"For national security," continues TVA, "strong allies, a healthy world trade, essential industries strengthened by stimulation of competition, are likely to be at least as important as the location of specific powerplant repair facilities."

Westinghouse and General Electric had maintained that the national security would be jeopardized by creating dependence upon foreign sources for repair facilities. TVA was not impressed. It answered as just quoted.

Particular note should be taken of the fact that the view was expressed by TVA that the strengthening of essential industries by stimulation of competition, was desirable. Aside from the question whether TVA is by way of superseding the function of the Federal Trade Commission and the Department of Justice in seeking to assure the stimulaton of competition the question naturally arises whether competition is stimulated when a 40 percent wage level is pitted against one of 100 percent; or could it be argued that such competition is unfair, particularly if wages are not to be used as a source of competitive advantage. If it is the intent on the other hand to undermine the American wage system such competition could become a useful instrument.

Are we to assume that if the British company needs the great wage advantage that it has General Electric and Westinghouse are to be penalized because they are more efficient producers? They must indeed be more efficient if they can pay wages 2½ times as high as Parsons and yet bid only 50 percent higher on a Government contract.

TVA says it was willing to let the domestic bidders go 20 percent above the foreign bidder, as can be done under the controlling Executive order.

But why 20 percent? What possible relation is there between the production costs borne by Westinghouse and General Electric and those of a foreign competitor that operates under entirely different cost burdens? Let us suppose that the bidder had been not British, but Italian or Japanese. Would the differential that might then have been recognized still be one of 20 percent? Obviously, yes, since no discrimination can be drawn among different countries. Yet the 20-percent margin might have fitted even more loosely any other foreign bidder than it fit England.

The whole TVA position comes down simply to the desire, in keeping with our State Department's foreign economic policy, to give more public contracts to foreign countries. Otherwise why does TVA argue so elaborately the extraneous economic points that it presents and why does it bring in elements of foreign policy?

It says that—

> It can reasonably be assumed that these dollars (those garnered by Parsons & Co.) will be used to finance British purchases of other goods either in the United States or in third countries which will in turn use the dollars to make purchases in the United States.

Here we see TVA becoming the Department of Commerce; but it must be said that the TVA economics, like its notion of relative efficiency, will not bear the light of reality. In the past 5 or 6 years some seven or eight billions of dollars have flown overseas and, with the exception of 1957, have shown no signs of returning. In 1958 alone we lost $3.4 billion in our international monetary balance.

In fact, the economics in the TVA reply and the references to foreign policy read very much as if they had been written in the State Department.

As for the conclusion that the higher bids by the domestic concerns represent unreasonable prices and therefore presumably exorbitant profit, there is, of course, no proof. The only yardsticks used are the increase in wholesale prices, allegedly only 5 percent between 1951 and 1959, and the margin of overbid in relation to a foreign bidder. Neither yardstick is suited to the thing to be measured.

Was the American bid price unreasonable? That is all the law asks; although it must be admitted that the

regulations lay down an arbitrary measure; and, further, that TVA was bound by the regulations.

It was because of the unrealistic character of the regulations that the domestic companies made their plea on the basis of national security. On that ground TVA overruled them. The result is simply that the domestic industry loses the contract on grounds that penalize relatively higher productive efficiency. This result is achieved by using an irrelevant yardstick provided by regulations under the Buy American Act, but not by the law itself.

Through this loophole TVA is able to comply with the foreign economic policy of the State Department while at the same time going contrary to the domestic economic policies of the past 25 years, especially the part of it that has had the effect of raising wages in this country to the highest level in history.

By law wages have been taken out of domestic competition. Now the Government turns around and lowers the boom on is own creation. Foreign wages are free to compete and foreign industries paying low wages are free to take full advantage of the higher American level and win awards of public contracts by simple underbidding, a very easy thing for them to do.

Mr. Speaker, still another aspect of this problem has come to our attention and I wish to mention it at this point. My colleagues may recall receiving a letter recently from the United Electrical, Radio and Machine Workers of America. Among other things, the union attempted to prove that the contract in question was lost to American firms because their bids allegedly included an unreasonable percentage of profit, thereby enabling the Parsons firm to underbid their quotations by a substantial amount.

Mr. Speaker, I wish to include as a further extension of my remarks a letter which I have just received from Mr. C. H. Bartlett, vice president of the Westinghouse Electric Corp. The information supplied by Mr. Bartlett will serve to clarify the questions raised by the union. The letter follows:

WESTINGHOUSE ELECTRIC CORP.,
Pittsburgh, Pa., April 3, 1959.

Hon. RICHARD M. SIMPSON,
House of Representatives,
Washington, D.C.

DEAR MR. SIMPSON: Since our dinner in Washington on February 26 at which time we discussed the problem of the import of heavy electric power apparatus, many members of the Pennsylvania delegation have shown an interest in this matter. Therefore, we feel an obligation to write you this letter in order to keep the record straight.

You have received, I believe, a letter from the general president of the United Electrical, Radio and Machine Workers of America, on the subject of the 500,000-kilowatt steam turbine generator ordered by TVA from C. A. Parsons & Co., Ltd., of England. In this letter, this UE official has done a great disservice to the union's membership and to the Nation with absurd charges of 265 percent profits in the electrical industry of the United States. The letter presents an argument based on false assumptions, incorrect figures, and distortions of fact. Its resulting conclusions are ludicrous.

For example, while the UE does not deny that U.S. electrical manufacturers pay wages at least 2½ times those paid in England, they somehow calculate that our labor costs on this $18 million job are only $91,000 more than Parsons labor costs.

They calculate further that the total cost of building this giant steam turbine generator would be only $5,300,000. The fact is that this amount wouldn't cover the cost of materials—to say nothing of wages and salaries, the costs of providing and operating our factories, and their great number of machine tools, transportation, research and development, and many additional expenses.

I am sure that Westinghouse stockholders would be delighted if our profits could be a little closer to the 265 percent that UE says we earn, instead of the 4 percent or slightly less that we actually have earned in the last several years.

The UE letter bases its charges of profiteering on what it says are company figures. It then quotes a statement by Mr. A. C. Monteith which appeared in the Westinghouse News to the effect that the TVA order in question would have meant 1,080,000 man-hours of work for Westinghouse employees at the Lester and East Pittsburgh, Pa., plants and 375,000 man-hours of work for employees in plants of supplier companies.

What the UE does not say is that these figures represent only the direct factory labor which would have been involved in production of the steam turbine generator—the labor of those factory employees who would have been working full time on this particular job and who are directly affected by the loss of this order. When we cited these man-hour figures to show the possible effect of this lost order on employment, we were intentionally conservative, limiting the figure to direct labor only.

The figure does not include the host of service personnel such as crane operators, materials handlers, production clerks, plant guards, supervisors, and others. Such indirect labor costs are at least double the direct labor costs. This means that the total labor cost of manufacturing this type of giant electrical equipment is approximately three times the actual direct labor cost. And that covers only the people in the manufacturing plants. In addition, there is the cost of the people in the research and development departments and laboratories whose efforts keep American electrical apparatus ahead of the world in reliability and efficiency. And there are sales costs and administrative costs. The UE letter ignores all these.

As a second step in its series of miscalculations, the UE takes this small portion of total labor cost and multiplies it by several industry-average wage figures—which also are incorrect when applied to the Westinghouse plants involved. The skilled employees who build these giant machines earn well above the average industry wage.

Then, to muddle even more the already completely inaccurate calculation, the UE applies a mythical productive efficiency advantage which, they imply, the heavy electrical manufacturers in this country have over similar plants abroad. This, they claim, is 244 percent. If such an advantage exists in the production of heavy electric power apparatus, we are not aware of it. And judging from the low bids of foreign electrical manufacturers, they haven't heard of their great disadvantage either.

It is indeed unfortunate that the officers of a national labor union who represent thousands of American workmen spread this type of economic nonsense which can only work against the best interests of their members in a segment of industry where reduced employment has been and still is a problem.

Such propaganda is serious also in that it encourages those who fail to see the dangers involved in our Government buying heavy electric power apparatus from foreign companies which could not provide the necessary repairs and maintenance in time of war.

The UE letter dismisses the security question as a hypocritical issue raised to justify our inability to meet the low bids of foreign suppliers. We are willing to leave to your judgment whether or not the continuous supply of electric power to key defense production areas of the country during a national emergency is a real or a hypocritical issue. In 1957, TVA supplied more than half the power used by the U.S. Atomic Energy Commission, for example.

Despite TVA reassurances on the ability of foreign suppliers to provide service, the fact remains that the Parsons company does not have a steam turbine generator manufacturing plant on this continent. Nor is there any plant in Canada capable of handling major repairs of large steam turbine generators. Parsons, in its bid, said it has just three technical men in all of North America to handle repairs and maintenance. By contrast, Westinghouse has more than 1,000 field service engineers, and, in addition to our major manufacturing plants, we have service and repair plants throughout the United States. Any major repair or replacement on such a steam turbine generator as the TVA Colbert Station unit would require Parsons to ship the unit overseas or ship parts from overseas—something which could be impossible in time of war or other national emergency.

This very real issue of national security should not be screened from view by the smoke of misinformation emanating from UE or any other source.

Sincerely yours,

C. H. BARTLETT,
Vice President.

National Forests

EXTENSION OF REMARKS
OF

HON. LEON H. GAVIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1959

Mr. GAVIN. Mr. Speaker, my intense and continuing interest over the years in the well-being of our great national forests is well known to this distinguished body. We in the Congress are proud of the fact that when issues affecting our forests are at hand there emerges a singleness of purpose that assures the future safety, conservation, and wise use of these forests.

Mr. Speaker, the report on a "Program for the National Forests" which Secretary of Agriculture Benson sent to you on March 23, and which I inserted in the CONGRESSIONAL RECORD on March 24, 1959, is a significant step forward toward more complete development and intensive management. Secretary Benson, Assistant Secretary Peterson, Chief McArdle of the Forest Service, and the others involved in the preparation of this report are to be congratulated.

On July 31, 1953, in a special message to the Congress about the Nation's natural resources, President Eisenhower stated that the Federal Government has a responsibility to see that the national forests are managed wisely. Secretary

Benson's report clearly states the measures and action needed to achieve the full development and use of the resources involved. It is now the responsibility of the Congress to study this "Program for the National Forests" and to take the necessary action to carry out both the short-term and long-range objectives.

I am interested in this program not only for its impact on the 181 million acres of national forest in 39 States and Puerto Rico, but also for the opportunities it presents to make the one-half million acres of the Allegheny National Forest in my State more productive and more useful to all our citizens.

The national forests are an operating public enterprise. The timber, wildlife, recreation, water and other resources are not locked up or withheld from orderly public use. The total cash receipts from the sale of timber and related resources now exceed a billion dollars. The second billion dollars in receipts should be reached within the next 10 years.

Each resource in the forests, however, must be developed, managed, and used in a coordinated manner if full renewability and adequate supplies are to be maintained for ourselves and the generations ahead.

We are not harvesting the full allowable cut of timber on all national forests. On the Allegheny we are now cutting about 22 percent of the cut the national forest will sustain. Research in new uses for hardwoods, better quality tree growth and better protection from insects and disease is needed. The accelerated forestry research program covered in this report will do much to improve the forests for expanded use.

The Armed Services Committee, of which I am a member, is constantly confronted with the staggering amounts of nonrenewable natural resources which are consumed to maintain a strong position in this nuclear age. We in the Congress must never overlook the need to build up and improve the renewable natural resources of the national forests as an added source of stability and strength. Research, therefore, is a must.

The flood of people from our cities to the national forests for recreation, hunting, camping and fishing and to enjoy the scenic beauty of the out-of-doors is now a major forest use.

The 1950 census showed some 47 million people living within 300 miles of the Allegheny National Forest. This is a day's drive by car. The next census will show more.

In 1958 over 800,000 people visited the forest for some type of outdoor recreation. An additional 930,000 people from Pennsylvania and surrounding States made day visits to the forest to enjoy beautiful scenery. If this present trend continues we anticipate an annual use over the next 10 years of about 1½ million people. This estimate is based on the forest as it now stands without any major developments to increase the recreation potential.

This "program for the national forests" tells us that the recreational use in all our national forests is expected to almost double within the next 10-year period. Where population figures are concerned, estimates are usually on the conservative side. Hence, we might have more than the 130 million people expected in the national forests by 1959.

The report tells us also the kind and number of improvements needed to meet this demand for more outdoor recreation by more millions of our citizens. The major improvements needed to provide better hunting and fishing by the increasing numbers of Americans going to the forests each year is revealing.

As America's population and economy expand, we in the Congress should make sure that the management, protection, and use of the resources of our national forests expand also. The direct benefits to our Nation will be rewarding.

Our small national forest in Pennsylvania now returns cash receipts of over one-fourth million dollars annually. Under this "Program for the National Forests" the cash receipts for all the national forests could be doubled in the next 10 to 15 years to over $210 million annually. The capital value of our forest property would be increased about a billion dollars. Payments to local counties for schools and roads will increase. Some 620,000 people would be employed in the harvesting and processing of national forest timber.

We cannot place a dollar value on the recreation, soil, and wildlife benefits that will accrue to millions of Americans in all walks of life. Better and more ample supplies of water for industrial and domestic uses, so vital in the West, will also be a benefit here in the East.

Mr. Speaker, we have made substantial progress in the development of our national forests over the past 50 years. Our past accomplishments are not sufficient to meet the resource demands of the future.

In this "Program for the National Forests," we now have a solid base for launching the most realistic and responsible national forest improvement program in our history.

SENATE

FRIDAY, APRIL 10, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, we thank Thee for the sacrament of loveliness which is unveiled when dawn gilds the sky, for chorus of bird song, for unfolding blossoms that make the awakened earth radiant and fragrant and beautiful—all on an April morning.

So set us free, we pray, from the icy grip of wintry natures, from habits of mind and action which smother something we might become. Deep in our hearts are the possibilities of goodness. There stirs within us a desire toward purity, selflessness, sacrifice, heroism, service, and a love that faileth never.

O Thou spirit of the living God, breathe upon the barren garden of our lives, so that we shall know that for us the winter is past, the rain is over and gone, flowers appear upon the earth, and the time for the singing of birds is come.

So in our private lives, known only to Thee, and in our labor as servants of the land we love, may the beauty of the Lord, our God be upon us. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, April 8, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 7. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the fifth national jamboree of the Boy Scouts of America, and for other purposes;

H.R. 296. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the world jamboree of Boy Scouts to be held in the Philippines in 1959; and for other purposes;

H.R. 306. An act to amend the Federal Crop Insurance Act;

H.R. 451. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable;

H.R. 470. An act to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law;

H.R. 1546. An act for the relief of Georg Gahn and Margarete Gahn;

H.R. 1631. An act for the relief of Joseph B. Kane, Junior;

H.R. 1758. An act for the relief of Gerald M. Cooley;

H.R. 2493. An act declaring certain property in the State of New Mexico to be held in trust for the pueblo of Santo Domingo;

H.R. 2594. An act for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942;

H.R. 2954. An act for the relief of Joseph E. Miller;

H.R. 3240. An act for the relief of Mrs. Clare M. Ash;

H.R. 4340. An act to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C. 71, 62) to simplify the filling of referee vacancies;

H.R. 4345. An act to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court;

H.R. 4405. An act to authorize and direct the Secretary of the Interior to conduct studies and render a report on the feasibility of developing the water resources of the Salt

Fork and the Prairie Dog Town Fork of the Red River in the State of Texas;

H.R. 4549. An act for the relief of Jacob Naggar;

H.R. 4595. An act to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes;

H.R. 4597. An act to provide for the training of postmasters under the Government Employees Training Act;

H.R. 4599. An act to provide certain administrative authorities for the National Security Agency, and for other purposes;

H.R. 4603. An act to amend the Organic Act of Guam for the purpose of permitting the government of Guam, with the consent of the legislature thereof, to be sued;

H.R. 4692. An act to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases;

H.R. 4693. An act to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds;

H.R. 4695. An act to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes;

H.R. 5362. An act for the relief of M. E. Boales; and

H.R. 5733. An act for the relief of Park National Bank.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 103) to commemorate the quadricentennial anniversary of Florida and to recognize the quadricentennial anniversary commission of that State, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 7. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the fifth national jamboree of the Boy Scouts of America, and for other purposes; and

H.R. 296. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the world jamboree of Boy Scouts to be held in the Philippines in 1959; and for other purposes; to the Committee on Armed Services.

H.R. 306. An act to amend the Federal Crop Insurance Act; to the Committee on Agriculture and Forestry.

H.R. 451. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable; to the Committee on Labor and Public Welfare.

H.R. 470. An act to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law;

H.R. 1546. An act for the relief of Georg Gahn and Margarete Gahn;

H.R. 1631. An act for the relief of Joseph B. Kane, Jr.;

H.R. 1758. An act for the relief of Gerald M. Cooley;

H.R. 2594. An act for the relief of certain claimants against the United States who suffered personal injuries, property damage, or other loss as a result of the explosion of a munitions truck between Smithfield and Selma, N.C., on March 7, 1942;

H.R. 2954. An act for the relief of Joseph E. Miller;

H.R. 3240. An act for the relief of Mrs. Clare M. Ash;

H.R. 4340. An act to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C. 71, 62) to simplify the filling of referee vacancies;

H.R. 4345. An act to repeal clause (9) of subdivision (a) of section 39 of the Bankruptcy Act (11 U.S.C. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court;

H.R. 4549. An act for the relief of Jacob Naggar;

H.R. 4692. An act to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, 1031) to provide for automatic adjudication and reference in certain cases;

H.R. 4693. An act to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds;

H.R. 5362. An act for the relief of M. E. Boales; and

H.R. 5733. An act for the relief of Park National Bank; to the Committee on the Judiciary.

H.R. 4405. An act to authorize and direct the Secretary of the Interior to conduct studies and render a report on the feasibility of developing the water resources of the Salt Fork and the Prairie Dog Town Fork of the Red River in the State of Texas; and

H.R. 4603. An act to amend the Organic Act of Guam for the purpose of permitting the government of Guam, with the consent of the legislature thereof, to be sued; to the Committee on Interior and Insular Affairs.

H.R. 4595. An act to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes;

H.R. 4597. An act to provide for the training of postmasters under the Government Employees Training Act; and

H.R. 4599. An act to provide certain administrative authorities for the National Security Agency, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4695. An act to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes; to the Committee on Public Works.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 103) to commemorate the quadricentennial anniversary of Florida and to recognize the quadricentennial anniversary commission of that State, was referred to the Committee on the Judiciary, as follows:

Whereas the State of Florida proposes to celebrate the four hundredth anniversary of the permanent colonization of La Florida, the lands of which now constitute an important part of the continental United States; and

Whereas said period of colonization commenced on August 14, 1559, with the establishment of a colony at Pensacola, Florida, by Don Tristan De Luna, pursuant to the direct orders of the Spanish King, but such colony was later abandoned; and

Whereas thereafter a French settlement was made in 1564 on the Saint Johns River near Jacksonville, Florida, at which point Fort Caroline was constructed and was occupied until it was conquered and resettled by a Spanish force under Menendez; and

Whereas the above period of colonization came to a close in September 1565 with the establishment at Saint Augustine, Florida, of the oldest permanent and continuous settlement in the continental United States; and

Whereas other events occurring at approximately the same time were events of national and international significance, and were matters of great historical importance in the colonizing of the United States which should be commemorated; and

Whereas a celebration of the character planned by the State of Florida will contribute greatly to the educational and cultural welfare of the people of the United States and will preserve the traditions of such period to posterity: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States join the people of Florida in commemorating the quadricentennial anniversary of the first permanent colonization by Europeans of any area now constituting a part of the continental United States, which will commence in the year of 1959 at Pensacola, Florida, and end in the year of 1965 at Saint Augustine, Florida, with celebrations being held in the intervening years at Jacksonville, Florida, and other cities of the State.

SEC. 2. That the Congress of the United States recognizes the establishment by the State of Florida of the Quadricentennial Anniversary Commission of Florida which has been charged with the responsibility and duty of planning the anniversary celebrations above described in coordination with any organizations now or hereafter designated by the State of Florida and any foreign nations participating in such celebrations.

SEC. 3. A copy of this resolution, suitably engrossed and duly authenticated, shall be transmitted to the Governor of the State of Florida and the Quadricentennial Commission of Florida.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on National Aeronautics and Space Administration Authorization, of the Committee on Aeronautical and Space Sciences; the Constitution Rights Subcommittee of the Committee on the Judiciary; and a special subcommittee of the Committee on Government Operations to consider Senate bill 747 were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

LIST OF PRINCIPAL AND ALTERNATE CANDIDATES FOR 1959 REGULAR NROTC PROGRAM

A letter from the Chief of Naval Personnel, Washington, D.C., transmitting, pursuant to law, a list of principal and alternate candidates selected for the 1959 regular NROTC program (with accompanying papers); to the Committee on Armed Services.

PROVISION OF FLEXIBLE RATE OF INTEREST FOR GOVERNMENT FINANCING UNDER MERCHANT MARINE ACT, 1936

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to provide a flexible rate of interest for Government financing under the Merchant Marine Act, 1936, and for other purposes (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by an emergency grand assembly of employees of Federal agencies in Puerto Rico, protesting against the enactment of House bill 5926, to repeal the Federal Relations Act; to the Committee on Interior and Insular Affairs.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Banking and Currency:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION FOR THE BENEFIT OF DISTRESSED AREAS

"Whereas many communities of the Commonwealth are suffering from substantial and persistent unemployment and underemployment; and

"Whereas it is the responsibility of the Federal Government to help assure maximum employment; and

"Whereas Federal assistance to distressed areas will enhance the national welfare: Therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to give prompt and favorable consideration to the enactment of legislation to provide loans for industrial projects in industrial and rural areas, to provide loans to States or organizations representing redevelopment areas in order to help finance public facilities, to provide information and technical assistance, to provide for participation by industrial areas in the urban renewal program and to provide for expanded Federal participation with State and local agencies in the fields of vocational training and industrial retraining; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of the Congress of the United States and to each Member thereof from this Commonwealth.

"Senate adopted March 16, 1959.

"IRVING N. HAYDEN,
"Clerk.

"House of representatives, adopted in concurrence March 23, 1959.

"LAWRENCE R. GROVE,
"Clerk.

"A true copy.

"Attest:

"JOSEPH D. WARD,
"Secretary of the Commonwealth."

Two resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTIONS MEMORIALIZING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES AGAINST RESTRICTING THE FURTHER IMPORTATION OF RESIDUAL OIL

"Whereas, in these days of international tension, the policy of the United States is to promote and foster better political and trade relationships between nations, especially with our neighbors in the Western Hemisphere; and

"Whereas various industries located in the States comprising the New England area utilize large quantities of residual oil, commonly known as bunker seed oil; and

"Whereas the economy of the Commonwealth of Massachusetts would be adversely affected by passage of any legislation restricting the further importation of said oil from friendly nations, particularly Venezuela: Therefore be it

"Resolved, That the General Court of Massachusetts memorializes the President of the United States and the Congress of the United States to enact no legislation restricting the further importation of residual oil from nations friendly disposed toward the United States; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of the Congress, and to each Member thereof from the Commonwealth.

"Senate, adopted March 24, 1959.

"IRVING N. HAYDEN,
"Clerk.

"House of representatives, adopted in concurrence March 26, 1959.

"LAWRENCE R. GROVE,
"Clerk.

"A true copy.

"Attest:

"JOSEPH D. WARD,
"Secretary of the Commonwealth."

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION FOR THE BENEFIT OF THE TEXTILE AND FISHING INDUSTRIES

"Whereas the textile and fishing industries of the Commonwealth of Massachusetts have continued to be adversely affected by national and international policies without receiving the benefit of supplementary assistance: Therefore be it

"Resolved, That the General Court of Massachusetts memorializes the Congress of the United States to enact legislation to alleviate the burdens presently existing on the textile and fishing industries of the Commonwealth; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the Presiding Officer of each branch of the Congress, and to each Member thereof from this Commonwealth.

"Senate, adopted March 16, 1959.

"IRVING N. HAYDEN,
"Clerk.

"House of representatives, adopted in concurrence March 23, 1959.

"LAWRENCE R. GROVE,
"Clerk.

"A true copy.

"Attest:

"JOSEPH D. WARD,
"Secretary of the Commonwealth."

RESOLUTION OF VOTERS OF TOWN OF GRAFTON, MASS.

Mr. SALTONSTALL. Mr. President, on behalf of myself, and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], I present, for appropriate reference, a resolution adopted by the voters of the town of Grafton, Mass., protesting against the expenditure of funds to sustain the national farm program. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

RESOLUTION UNANIMOUSLY ACCEPTED BY THE VOTERS OF THE TOWN OF GRAFTON AT ANNUAL MEETING HELD MARCH 7, 1959

Whereas the national farm program is budgeted for an expenditure of $7 billion in the fiscal year 1959; and

Whereas this enormous sum averages out to $41 for every man, woman, and child in these United States of America which must be contributed to support this program; and

Whereas Grafton's share of this support for this year alone will come to about $410,000, a sum which could provide school buildings, better roads, or many other badly needed facilities: Therefore be it

Resolved, That the citizens of Grafton assembled in this town meeting, strongly protest this wanton waste of our hard earned tax dollars; and be it further

Resolved, That this protest be made known to our Representatives in the National Legislature and the town clerk be instructed to forward a copy of this resolution to each of our Senators and to our Representative.

Presented to the annual town meeting, March 7, 1959.

RAYMOND D. JORDAN,
Town Clerk.

RESOLUTION OF CITY COUNCIL OF REVERE, MASS.

Mr. SALTONSTALL. Mr. President, on behalf of myself and my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], I present, for appropriate reference, a resolution adopted by the City Council of the City of Revere, Mass., protesting against the ban on the importation of foreign oil. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Resolved, That this city council go on record as being opposed to the ban on the importing of oil to this country.

Should this ban stay in effect, this city council can foresee an increase in the price of oil which will tend to add to the inflationary period that we are now experiencing.

Further, that copies of the resolution be forwarded to Congressman Thomas J. Lane, Senator Leverett Saltonstall, Senator John F. Kennedy, Senator Harold W. Canavan, Representative Harry Della Russo, and Representative William Hill.

In city council March 23, 1959; ordered adopted.

Attest:

JOSEPH F. McCHRISTAL,
City Clerk.

RESOLUTION OF MINNESOTA LEGISLATURE

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD, and appropriately referred, a resolution adopted by the

Minnesota State Legislature memorializing the President of the United States and the Congress of the United States to take such steps as may be necessary to insure that private aircraft flying into or out of Canada be subject to the same inspection fee regulations of the U.S. Customs and Immigration Services as automobiles.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, ordered to be printed in the RECORD, as follows:

RESOLUTION 2

Resolution memorializing the President of the United States and the Congress of the United States to take such steps as may be necessary to insure that private aircraft flying into or out of Canada be subject to the same inspection fee regulations of the U.S. Customs and Immigration Services as automobiles

Whereas private aircraft in increasingly large numbers are crossing Minnesota's northern border to and from Canada for business and recreational purposes; and

Whereas private aircraft crossing the border on Sundays or legal holidays are required by the U.S. Customs Service and U.S. Immigration Service to pay special overtime rates for crossing inspections, regardless of whether or not the port of entry is open; and

Whereas private automobiles are not required to pay special overtime rates so long as the port is open: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the President of the United States and the Congress of the United States, do all in their power to remove the special charges affecting private aircraft which cross the border, and provide a uniform system, treating aircraft and automobiles on an equal basis; be it further

Resolved, That the secretary of state be instructed to transmit copies of this resolution to the President of the United States and to each Member of Congress from the State of Minnesota.

E. J. CHILGREN,
Speaker of the House of Representatives.
KARL F. ROLVAAG,
President of the Senate.

Passed the house of representatives this 4th day of March 1959.

G. H. LEAHY,
Chief Clerk, House of Representatives.

Passed the senate this 9th day of March 1959.

H. Y. TORREY,
Secretary of the Senate.

Approved March 13, 1959.

ORVILLE L. FREEMAN,
Governor of the State of Minnesota.

Filed March 13, 1959.

JOSEPH L. DONOVAN,
Secretary of the State of Minnesota.

TAX STATUS OF COOPERATIVES—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I present for appropriate reference several letters and resolutions, including a resolution adopted by the Minnesota State Legislature, expressing opposition to the proposals to alter the tax status of cooperatives. I ask unanimous consent that the resolution and letters may be printed in the RECORD.

There being no objection, the resolution and letters were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION 520

Resolution memorializing the President, the Secretary of the Treasury, and the Congress of the United States to oppose measures altering the tax status of cooperatives

Whereas business enterprises are made up of several types of business organizations, including proprietorships, partnerships, corporations, and cooperatives all of which have contributed greatly to the tempo of economic activity within the State; and

Whereas the largest number of cooperatives is in the State of Minnesota and the people of this State, particularly within the rural areas, have been greatly benefited thereby and have received many services through the various cooperative organizations; and

Whereas the tax position of cooperatives has been thoroughly investigated by the Congress of the United States over a long period of time and these investigations have revealed that under the present laws, the cooperatives have faithfully abided by the principles and regulations under which they have been organized; and

Whereas cooperatives do pay taxes and in many communities of this State are the largest taxpayers; and

Whereas the Secretary of the Treasury has recommended to Congress to require cooperative patronage savings to be paid in cash within 3 years and to draw not less than 4 percent interest, or otherwise to be classified as income to the cooperative and be thereby subjected to corporation income taxes; and

Whereas this alteration of the present tax status would seriously hamper and restrict the services which the cooperatives are performing within the State; and

Whereas the Minnesota Legislature did once before, in 1951, consider and pass a resolution opposing similar unfair and punitive tax proposals against cooperatives: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the Congress of the United States be requested to recognize that indebtedness which is owed by a cooperative or any other taxpayer to its patrons or customers is not income to such taxpayer even though it may be income to its patrons or customers; and be it further

Resolved, That the Congress of the United States be specifically requested to oppose any measures which would prescribe any minimum interest rate or any maximum maturity dates for securities which are issued by cooperatives in payment of patronage savings payable to their patrons; and be it further

Resolved, That the secretary of state of the State of Minnesota be instructed to transmit copies of this resolution to the President of the United States, the Secretary of the Treasury, the President of the Senate, and the Speaker of the House of Representatives of the United States, and to each Member of Congress from the State of Minnesota.

KINGSTON, MINN., *March 23, 1959.*

Senator HUBERT HUMPHREY,
Washington, D.C.

DEAR SENATOR HUMPHREY: At the annual meeting of our association held on February 26, 1959, there was a discussion of the members in attendance about the bill coming up in Congress of the farmers being taxed on equity reserves. A unanimous vote was cast in opposition to this bill, and I am enclosing a copy of resolutions resulting from that meeting.

Yours very truly,
N. O. THOMPSON,
Secretary, Kingston Cooperative Dairy Association.

Whereas the net proceeds from returns after deducting expenses of a cooperative belong to the patrons on a patronage basis; and

Whereas any amounts retained by the cooperative are for operating and fixed capital purposes only, and are not in any sense income to the cooperative; and

Whereas in the form of patrons' refunds such amounts are taxable to the recipient patron: Now, therefore, be it

Resolved, That Congress be urged to continue and if necessary clarify the purpose and intent that earnings or savings through the cooperative are income to its patrons only, and are not income to the cooperative; be it further

Resolved, That the Congress be urged to recognize the fact that capital requirements for cooperatives vary widely depending on the nature of the business in which the cooperative is engaged, value of products handled, and the type of plant and equipment which are necessary to conduct this business. Because of the wide variation in capital requirements, there can be no fixed period for the return of retained capital to patrons; be it further

Resolved, That a copy of this resolution be sent to the Secretary of the Treasury and other interested Government officials.

OKLEE COOPERATIVE OIL ASSOCIATION,
Oklee, Minn., January 27, 1959.

Hon. HUBERT H. HUMPHREY,
U.S. Senator.

DEAR SIR: I have just been going over the new tax proposal submitted by President Eisenhower for the taxing of cooperatives. As I am a manager of a cooperative, I find that this proposal is a good means of getting taxes, but it is even better at getting rid of cooperatives. Primarily because without operating funds we could not survive in such a competitive business as we are in.

Service plays an important part in our business, and service demands that we have the facilities and personnel to do the job. When you cannot afford the facilities, you cannot expand. Only a certain amount of business can be done, the same way with service. This creates a stalemate, with the idea of progressive expansion thrown out the window, and no incentive left to survive, if possible.

As a manager I look at this tax proposal from a business angle. Just what would it do to our business in general. First we would have to go on a strictly cash basis, convert our receivables to cash, cut our inventories to a minimum, streamline our operations all down the line and then hope that our competitors will do the same thing. It all creates a burden that will spell the end of many cooperatives. I believe we cannot operate on 2 years' earnings.

We urgently urge you to vote against this proposal when it comes before the present Congress.

Yours truly,
ELMER V. OLSON,
Manager.

FARMERS' COOPERATIVE CO.,
Cromwell, Minn., January 29, 1959.

Hon. HUBERT H. HUMPHREY,
U.S. Senator,
Senate Office Building, Washington, D.C.

DEAR SIR: The contents of President Eisenhower's cooperative tax proposal has been studied by us. If adopted, as proposed, it would accomplish one sure result; namely, doing away with all cooperatives as ours. Our members own and provide us the needed capital to operate, through share capital. If we were compelled to redeem our member equities, except the last 3 years, it would require us to mortgage everything our members have invested in inventories and other assets to meet this redemption.

We trust you will oppose this and all other legislation proposed, which would endanger the very existence of our cooperatives.

With our best wishes,

WALLACE STRAND,
Secretary.

ELI LEHTI,
President.

RESOLUTIONS OF EAST CENTRAL ELECTRIC ASSOCIATION, BRAHAM, MINN.

Mr. HUMPHREY. Mr. President, I present, for appropriate reference, a resolution adopted by the East Central Electric Association, of Braham, Minn., protesting against any increased interest rate to force rural electric associations into private money markets for their funds. I ask unanimous consent that the resolution may be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

RESOLUTION 2

Whereas proposal has been made to increase the present 2 percent interest rate to REA associations; and

Whereas the present REA rate has been attacked because it has been subsidized by reason of the fact that it is lower than the present interest rate paid by the Government on money borrowed; and

Whereas it is an established fact that the Government has made a net margin on the money that has been loaned to the REA associations since the beginning of the program in the amount of $49 million on the basis of interest rate that has been in effect throughout the years on the basis of the amount reloaned to REA associations; and

Whereas the rural communities in America had not been able to obtain electric service for years because power companies said it was not profitable to build lines in the rural areas; and

Whereas when Congress set the interest rate at 2 percent, they also made a covenant with the REA associations that for the privilege of borrowing money at 2 percent, it would be necessary for them to extend the lines to the rural areas so that everyone could obtain electric service; and

Whereas because of the continued load growth developing among the members of the REA associations, a continuous heavying up and rehabilitation program is necessary—in most cases requiring more capital in the next 20 years than has been needed in the past 20 years; and

Whereas an increase in interest rate would, in many cases, seriously handicap the ability of many REA associations to provide adequate electric service to its membership: Therefore, be it

Resolved, That the membership of the East Central Electric Association, assembled at its annual meeting this 21st day of March 1959, go on record in opposition to any and all proposals to an increase in interest rate and any proposal to force the rural electric associations to go to the private money markets for their funds.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the East Central Electric Association, of Braham, Minn., relating to the deduction and distribution of certain expenses by electric cooperatives.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION 4

Whereas the net proceeds from returns after deducting expenses of a cooperative enterprise belong to the patrons on a patronage basis; and

Whereas any amounts retained by the cooperative are for operating and for fixed capital purposes and are not in any sense income to the cooperative; and

Whereas in the form of patronage refund such amounts are taxable to the patron receiving such refund: Therefore be it

Resolved, That Congress be urged to continue and if necessary clarify the purpose and intent that earnings or savings through the cooperative are income to the patron only and is not income to the cooperative; and be it further

Resolved, That Congress recognizes the fact that capital requirements for cooperatives vary widely depending on the nature of the business in which the cooperative is engaged and the type of plant and equipment which is necessary to conduct its business and because of the wide variation in capital requirements, there can be no fixed period for the return of retained capital to its patrons; and be it further

Resolved, That Congress go on record in opposition to the proposal of the Treasury Department for taxation upon the cooperatives of patronage refunds distributed to patrons.

RESOLUTIONS OF CITY COMMISSIONERS OF FARGO, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a series of resolutions adopted by the city commissioners of the city of Fargo, N. Dak.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION 1

Whereas a Federal excise tax of 10 percent upon charges for local and long-distance telephone calls was used as an emergency wartime measure to provide funds to support the war effort and to discourage unnecessary use of telephones during the war period; and

Whereas telephone service is an essential part of our way of life and cannot be considered a luxury item and taxed in the same manner as furs, jewelry, liquor and other such commodities; and

Whereas other household necessities such as electricity, gas and water are not taxed in such manner; and

Whereas the placement of high taxes upon such a necessity of life as telephone service imposes an extra financial burden upon those who are the least able to pay it: Now, therefore, be it

Resolved, That this convention go on record as being opposed to this tax; and be it further

Resolved, That we ask our congressional delegation in Washington, D.C., to use their utmost effort in having this measure repealed; and be it further

Resolved, That copies of this resolution be sent to our congressional delegation in Washington, D.C.

RESOLUTION 2

Whereas the present administration has recommended to Congress that a new look be given to taxing cooperatives; and

Whereas an income tax on telephone cooperatives would force them to rates which would make telephone service prohibitive to the rural citizens of this country: Therefore, be it

Resolved, That this convention express its opposition to this tax; and be it further

Resolved, That copies of this resolution be forwarded to our congressional delegation in Washington, D.C.

RESOLUTION 3

Whereas the present administration proposes to Congress to have the REA interest rates increased; and

Whereas it also proposes to Congress to increase the cost of financing still further by adding administrative costs to the regular interest rates; and

Whereas the rural electrification and rural telephone programs have successfully operated these past years at the normal 2 percent interest rate and have shown a profit to the U.S. Treasury; and

Whereas the present loans were made to rural areas with low density and low operating revenue; and

Whereas approximately 50 percent of the rural population does not have adequate telephone service; and

Whereas good telephone service to all areas of the United States is vital to the defense of our Nation; Now, therefore, be it

Resolved, That the Congress of the United States oppose any increase in REA interest rates and that the 2-percent interest rate which we have had from the origin be maintained and preserved.

RESOLUTION 4

Whereas the rural telephone cooperative program is dedicated to complete area coverage in giving modern telephone service; and

Whereas there are areas where rural people are asking for area coverage from various utilities who are unable to give them service: Therefore be it

Resolved, That we advocate that steps be taken to have these situations reviewed and means be found that area coverage be provided, and that the Public Service Commission be requested to give assistance in this matter.

RESOLUTION 5

Whereas private utilities are spending large sums of money to inform the public of the amount of tax money spent by Congress for public power and communications; and

Whereas they make no mention of the fact that it is a loan which is repaid with interest: Therefore, be it

Resolved, That we in the telephone cooperatives do a better job of getting our story before the public by letting them know that we serve only the areas where private companies were not willing to serve. That we do pay taxes, that we are not granted the money, but obtain loans, paying interest, and that the services performed are made available at cost.

We recommend that the State organization provide us with necessary facts and that the directors, managers, and employees use every opportunity to present these facts to service clubs, woman's clubs, political gatherings, and wherever the opportunity arises.

RESOLUTION 6

Whereas there is a need for a uniform agreement among the various utilities for joint use contracts; and

Whereas there has been a committee appointed to work out a joint agreement program; and

Whereas this committee has proposed certain contracts in conjunction with REA help; Therefore, we

Resolve, That this convention adopt the proposals recommended by this committee and approve the revised October 30, 1958, joint use agreement as drafted by REA.

Whereas H.R. 5944 has been introduced in the House of Representatives by the Honorable BRENT SPENCE, chairman of the House Committee on Banking and Currency, to provide loan funds to local governments at an interest rate of 2⅞ percent for the construction of water and sewage facilities, hospital, and nursing homes; and

Whereas H.R. 5944 is designed to provide a vital public service desperately needed in many American communities: Now, therefore, be it

Resolved, That the Board of City Commissioners of the City of Fargo does hereby endorse H.R. 5944, and respectfully urges the Congress of the United States to enact H.R. 5944 into law forthwith; and be it further

Resolved, That copies of this resolution be furnished members of the North Dakota congressional delegation, the Honorable BRENT SPENCE, of Kentucky, chairman of the House Committee on Banking and Currency, and the U.S. Conference of Mayors.

HENCHEL LASHBOWITZ,
President, Board of City Commissioners, Fargo, N. Dak.

FARM PROGRAM RECOMMENDED BY FARMERS' UNION OF NORTH DAKOTA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a farm program which has been recommended by the Farmers' Union of the State of North Dakota. It asks for a fair, equitable farm program, and outlines it, paragraph by paragraph, in resolutions which it has sent to me.

Mr. President, there is perhaps no group of men who know more about this subject than the officials of the Farmers' Union of North Dakota. I particularly call the attention of the Senate to the fact that its officials are not asking for a farm bill for wheat only; instead, they particularly ask that all the grains be covered by one bill.

Again I call attention, as I have time after time heretofore, to the fact that although the voters of the country, and particularly those through the Midwest, in November expressed their dissatisfaction with the farm legislation then in existence, the Democratic Party, which has overwhelming majorities in both the Senate and the House of Representatives, has let November, December, January, February, and March pass by, but not even a subcommittee has reported a farm bill to the full Committee on Agriculture and Forestry.

Therefore, Mr. President, I ask unanimous consent that the resolutions adopted by the Farmers' Union of North Dakota be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

The consistent policy of reducing farm commodity price supports during the past 6 years has resulted in—

1. A cumulative net income loss to farmers of more than $20 billion as compared to 1952 net farm income; and

2. Has caused a forced draft production effort by farmers in an understandable attempt to make ends meet.

This forced draft production has in turn created the largest carryover of wheat and feed grains in our Nation's history.

The large carryover of cheap feed is already notably increasing livestock production and adversely affecting livestock prices.

We note with appreciation the work of the feed grains subcommittee of the House Agriculture Committee, and their recommendation for mandatory support prices for the secondary feed grains at not less than the feed value equivalent price of corn. We urge early and favorable action by Congress on this legislation. We appreciate also the good work of the Wheat Subcommittee of the House Agriculture Committee; and while we recognize great merit in certain of the wheat only bills under consideration by the subcommittee, we respectfully suggest that the so-called wheat problem is not an isolated problem in agriculture but is interrelated with other commodities and is, in fact, symptomatic of inherent weaknesses in the present farm program and of maladministration by the executive branch;

We, therefore, strongly recommend that programs for various specific commodities, including wheat, be considered within the framework of overall farm income improvement legislation which should, as a minimum, establish effective bargaining power for farmers in respect to all farm commodities;

And further, that any legislation regarding wheat should consider these facts:

1. It must be designed on the basis that wheat is not a feed grain and should not at any time be moved into feed grain markets at feed grain prices.

2. Farm quotas must be based on bushels marketed, not on acreage planted or harvested.

3. Quotas should include all commercial uses of wheat—food, feed, seed, industrial uses and export. Thus, there can be no sale of wheat for any purpose outside of established quotas, no loopholes for dumping, illegal transfer or black marketing of any kind. In other words, there must be no way that nonquota wheat can be legally transferred for any purpose.

4. Family-type agriculture and the Nation must be protected through a limitation on total benefits which can accrue to any one operator or any one farm.

5. It must return full parity to the farmer on his total allotted marketing quota of wheat which he can sell each year for any purpose.

6. Marketing quotas must be projected on a basis that will maintain an adequate reserve over and above a set-aside of at least 600 million bushels for national security. Any excess produced over and above his marketing quota each year should be stored by the farmer himself.

7. Program must provide for officially notifying the farmer, at least 6 months before planting time, what his marketing quota and his compliance benefits will be.

8. Program should provide for a separate marketing quota for each class of wheat.

9. Democratically elected county and State farmer committees must have a much larger delegation of administrative authority.

10. It must provide a fair allocation of Government costs to proper departments of government.

11. It must provide a parity formula that will not be subject to progressive reduction through the operation of the program itself, but will have a definite formula that will relate farm income goals to all factors of costs incident to efficient farm operations.

Our aim is full income parity for family-farm operators and their families. We know that the assistance of Federal laws and programs is required. We realize that a careful balance must be achieved between self-financed price raising methods and Government payments which are direct costs to the Treasury.

Farm prices and income continue to decline and while we recognize that effective farm legislation may be vetoed, yet it is the responsibility of the Congress to legislate, and we strongly urge early action by this Congress on comprehensible farm income improvement legislation.

EGG PRICES—LETTER

Mr. LANGER. Mr. President, time and time again I have called the attention of the Senate to the low price of eggs. At the present time in North Dakota the producers and farmers are receiving 18 cents a dozen for first-grade, No. 1 eggs. With the 50-cent dollar, that is about 9 cents a dozen. I present a letter which I ask to have printed in the body of the RECORD and referred to the appropriate committee.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

KINDRED, N. DAK., *April 1, 1959.*

Senator WM. LANGER,
Washington, D.C.

I am writing you concerning the egg prices here in North Dakota. Now this morning market for fresh eggs was 18 cents per dozen; top price. Now, where is the profit for the farmer in that low price? We had been getting 27 cents this winter here per dozen. Do you know it costs the farmer 14 cents per dozen to produce a dozen eggs, not counting the labor? These egg prices are ridiculous for the farmer.

Now the people living in Fargo, N. Dak., have to pay 39 cents and more for a dozen eggs. That is what us farmers should have for them. How can the farmer live on these low prices for produce?

Then, chickens are 8 cents a pound, liveweight. Was wondering if you and Senator YOUNG could get together on this. See if you could make prices better for the farmer here, as this is getting worse all along now.

Thanking you, we are

Mr. and Mrs. JOHN BRAATEN.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RUSSELL, from the Committee on Armed Services, without amendment:

H.R. 3293. An act to authorize the construction of modern naval vessels (Rept. No. 158).

By Mr. JACKSON, from the Committee on Armed Services, without amendment:

S. 587. A bill to provide for the advancement of Capt. Edward J. Steichen, U.S. Naval Reserve (retired), to the grade of rear admiral on the Naval Reserve retired list (Rept. No. 157).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 994. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws (Rept. No. 156).

By Mr. BYRD, from the Committee on Finance, with amendments:

H.R. 213. An act to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees (Rept. No. 159).

REPORT ENTITLED "INTERNATIONAL MEDICAL RESEARCH—A COMPILATION OF BACKGROUND MATERIALS" (S. REPT. NO. 160)

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, pursuant to Senate Resolution 347, 85th Congress, and Senate Resolution 42, 86th Congress, I submit a report entitled "International Medical Research—A Compilation of Background Materials," as prepared by the Subcommittee on Reorganization and International Organizations. I ask unanimous consent that the report may be printed, with illustrations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REPORT ENTITLED "THE STATUS OF WORLD HEALTH—IN OUTLINE TEXT AND CHART" (S. REPT. NO. 161)

Mr. HUMPHREY. Mr. President, from the Committee on Government Operations, pursuant to Senate Resolution 347, 85th Congress, and Senate Resolution 42, 86th Congress, I submit a report entitled "The Status of World Health—In Outline Text and Chart," as prepared by the Subcommittee on Reorganization and International Organizations. I ask that the report may be printed, with illustrations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

Orley McGlothlin, of Colorado, to be collector of customs, with headquarters at Denver, Colo.; and

Harry D. Youse, of North Webster, Ind., to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind.

By Mr. SALTONSTALL, from the Committee on Armed Services:

Cecil P. Milne, of Wisconsin, to be an Assistant Secretary of the Navy; and

Philip B. Taylor, of New Jersey, to be Assistant Secretary of the Air Force, vice Dudley C. Sharp.

REPORTS OF COMMITTEE ON ARMED SERVICES

Mrs. SMITH. Mr. President, as in executive session, from the Committee on Armed Services I report favorably the nomination of Rear Adm. Ralph K. James, United States Navy, to be Chief of the Bureau of Ships in the Department of the Navy for a term of 4 years, and the nominations of two major generals and eight brigadier generals in the Reserve of the Air Force for service as members of the Air National Guard of the United States. I ask that these nominations be placed on the Executive Calendar.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar, as requested by the Senator from Maine.

The nominations ordered to be placed on the calendar are as follows:

Rear Adm. Ralph K. James, United States Navy, to be Chief of the Bureau of Ships in the Department of the Navy; and

Brig. Gen. Lewis A. Curtis, and sundry other officers, for appointment as Reserve commissioned officers in the United States Air Force.

Mrs. SMITH. Mr. President, also from the Committee on Armed Services, I report approximately 1,900 nominations for appointment and promotion in the Army, Navy, Marine Corps, and Air Force in grades not above major or lieutenant commander. Since these names have already appeared in the CONGRESSIONAL RECORD, to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. Without objection, it is so ordered.

The nominations ordered to lie on the desk are as follows:

Loring B. Bean, and sundry other officers, for promotion in the Regular Army of the United States;

William E. Fletcher, and sundry other officers, for promotion in the Regular Air Force; and

Peter D. Abbott, and sundry other members of the Naval Reserve Officers Training Corps, for appointment as Ensigns in the Navy.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CASE of South Dakota:

S. 1632. A bill authorizing the modification of the existing project for Kahului Harbor, Island of Maui, Hawaii; to the Committee on Public Works.

By Mr. JAVITS:

S. 1633. A bill for the relief of Sime Martinovic; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 1634. A bill to amend the Tariff Act of 1930 to place ground, powdered, or granulated seaweeds on the free list; to the Committee on Finance.

By Mr. HENNINGS:

S. 1635. A bill to provide more varied representation of the country's economic interests on the Board of Governors of the Federal Reserve System; to the Committee on Banking and Currency.

S. 1636. A bill to establish a Missouri Basin Commission to provide coherent and unified direction for the development of the Missouri Basin's natural resources, to give responsible direction to the resource development activities of the Federal Government in the Missouri Basin, and for coordinating those activities with resource development activities of the States; to the Committee on Public Works.

(See the remarks of Mr. HENNINGS when he introduced the above bills, which appear under separate headings.)

By Mr. KEATING:

S. 1637. A bill to amend title 18, United States Code, chapter 79, to add a new section, 1623, to extend the law relating to perjury to the willful giving of contradictory statements under oath; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 1638. A bill to provide for an effective system of personnel administration for the executive branch of the Government; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 1639. A bill to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act; to the Committee on the District of Columbia.

By Mr. WILLIAMS of Delaware:

S. 1640. A bill to strengthen the law with respect to bribery and graft; to the Committee on the Judiciary.

S. 1641. A bill to amend section 284 of title 18 of the United States Code so as further to prohibit former officers and employees of the United States from acting as counsel, attorney, or agent in matters connected with their former office or employment; to the Committee on Post Office and Civil Service.

By Mr. EASTLAND:

S. 1642. A bill to amend section 3238 of title 18, United States Code;

S. 1643. A bill to amend section 2412(b), title 28, United States Code, with respect to the taxation of costs;

S. 1644. A bill to amend section 3731 of title 18 of the United States Code relating to appeals by the United States;

S. 1645. A bill to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners;

S. 1646. A bill to repeal title 18, United States Code, section 791, so as to extend the application of chapter 37 of title 18, relating to espionage and censorship;

S. 1647. A bill to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment;

S. 1648. A bill to provide for the relocation of the National Training School for Boys, and for other purposes;

S. 1649. A bill to amend section 152, title 18, United States Code, with respect to the concealment of assets in contemplation of bankruptcy; and

S. 1650. A bill to extend the period for filing claims under the War Claims Act of 1948; to the Committee on the Judiciary.

By Mr. EASTLAND (for himself and Mr. STENNIS):

S. 1651. A bill for the relief of Archie L. Dickson, Jr.; to the Committee on the Judiciary.

By Mr. GORE:

S. 1652. A bill to amend the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

By Mr. McCARTHY:

S. 1653. A bill to continue until the close of June 30, 1960, the suspension of duties on metal scraps, and for other purposes; to the Committee on Finance.

By Mr. McCARTHY (for himself and Mr. HUMPHREY):

S. 1654. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. KEFAUVER:

S. 1655. A bill to amend the Pay Readjustment Act of 1942, as amended; to the Committee on Armed Services.

By Mr. KEATING (for himself and Mr. JAVITS):

S.J. Res. 88. Joint resolution designating the second Sunday in April of each year as "Puerto Rican Day in the United States of America"; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. HILL:

S.J. Res. 89. Joint resolution requesting the President to proclaim the month of August 15, 1959, to September 15, 1959, inclusive, as National Allergy Month; to the Committee on the Judiciary.

(See the remarks of Mr. HILL when he introduced the above joint resolution, which appear under a separate heading.)

WILLIAM E. STONE—REFERENCE OF BILL TO COURT OF CLAIMS

Mr. EASTLAND submitted the following resolution (S. Res. 98); which was referred to the Committee on the Judiciary:

Resolved, That the bill (S. 1284) entitled "A bill for the relief of William E. Stone," now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

PUBLICATION OF SALARIES PAID TO SENATE STAFF AND COMMITTEE EMPLOYEES

Mr. MORSE submitted a resolution (S. Res. 99) dealing with the publication of salaries paid to Senate staff and committee employees, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. MORSE, which appears under a separate heading.)

DISPLAY OF SENATE DOCUMENTS AND RECORDS—ADDITIONAL TIME TO SUBMIT REPORT

Mr. BENNETT submitted the following resolution (S. Res. 100); which was referred to the Committee on Rules and Administration:

Resolved, That S. Res. 318, 85th Congress (as amended by S. Res. 72, 86th Congress), establishing a special committee of the Senate to study and report with respect to preserving memorabilia of the Senate, is further amended by striking out "April 2" in section 4 and inserting in lieu thereof "June 30."

REPRESENTATION OF ECONOMIC INTERESTS ON BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Mr. HENNINGS. Mr. President, our Federal Reserve System has the responsibility of managing the entire monetary and credit policy of this Nation. It has been given the power, independent of any other instrumentality of the Federal Government, to use its own best judgment as to monetary management. The question has been raised as to whether this judgment soundly reflects the thinking of all of this country's varied economic interests. In other words, the claim is made that the Board of Governors is "stacked" in favor of commercial and banking interests. If this is true; it is wrong. I, therefore, propose an amendment to the Federal Reserve Act which would provide that the President give further regard to diversifying the representation of interests on the Federal Reserve Board of Governors and to assure that those economic groups which now have no voice in the formation of our economic policy be heard through representation on the Board in the future.

When Congress enacted the Federal Reserve Act in 1913, it sought a fair representation on the Board of the different commercial, industrial and geographical divisions of the country. In 1922, Congress amended that act to broaden representation to the financial, agricultural, industrial and commercial interests and the geographical divisions of the country. I believe it is time that Congress again seek broader representation for all the economic interests of this country—financial, agricultural, industrial, commercial, labor, small business, and consumer.

I, therefore, introduce, for appropriate reference, a bill which I believe will accomplish this result.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1635) to provide more varied representation of the country's economic interests on the Board of Governors of the Federal Reserve System, introduced by Mr. HENNINGS, was received, read twice by its title, and referred to the Committee on Banking and Currency.

MISSOURI BASIN COMMISSION

Mr. HENNINGS. Mr. President, I introduce, for appropriate reference, a bill to establish a Missouri Basin Commission to provide coherent and unified direction for the development of the Missouri Basin's natural resources, to give responsible direction to the resource development activities of the Federal Government in the Missouri Basin, and for coordinating those activities with resource development activities of the States.

Mr. President, since 1954 I have three times introduced a bill for this purpose. The bill I am introducing today represents a departure from the form in which I have offered this measure previously. I propose now that the management of the basin development program be vested solely in a Missouri Basin Commission. Up to now I had proposed that this management be shared by a Federal commission and an interstate compact board. My reasons for offering my bill in this revised from are set forth in the attached memorandum. I ask unanimous consent that this memorandum be printed at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HENNINGS. Mr. President, too much time, money, effort, and resources have already been wasted in the Missouri Basin. We cannot afford any further delay. I urge the appropriate committee to hold prompt hearings and the Senate to take early action on this measure.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 9636) to establish a Missouri Basin Commission to provide coherent and unified direction for the development of the Missouri Basin's natural resources, to give responsible direction to the resource development activities of the Federal Government in the Missouri Basin, and for coordinating those activities with resource development activities of the States, introduced by Mr. HENNINGS, was received, read twice by its title, and referred to the Committee on Public Works.

EXHIBIT 1

MEMORANDUM BY SENATOR HENNINGS

In setting forth my reasons for offering my bill in this revised form, I must review something of the history of this measure and of the findings of the Missouri Basin Survey Commission which was set up by President Truman in 1952 to give the country advice as to the best way to proceed to achieve an orderly, businesslike development of the resources of the Missouri Basin.

In the months between May and July of 1951, a single flood in the Missouri Basin caused $725 million in damages. This is to say nothing of the untold human misery, for there is no way to measure this. Following this disastrous flood, I introduced a resolution in the Senate in August of 1951, proposing the establishment of a Commission to study the water problems of the Missouri Valley from the point of view of total needs of the area instead of a piecemeal approach.

On January 3, 1952, President Truman by Executive order established the Missouri Basin Survey Commission, which consisted of 11 members. The Honorable James E. Lawrence, editor of the Lincoln, Nebr., Star, was appointed chairman of the Commission, and I was appointed vice chairman. Other members included two U.S. Senators, three Congressmen, and four public members.

In appointing this Commission, the President issued a statement which said in part: "The 1951 floods have emphasized * * * the need for an up-to-date survey of the situation in the basin and of the present plans for the development of its land and water resources. There has not been a thorough reconsideration of the plans * * * since the Congress authorized the so-called Pick-Sloan plan in 1944." Mr. Truman pointed out that the occurrence of devastating floods in Kansas and Missouri in 1951 was a sufficient answer to those critics who favored the status quo as adequate.

Our Commission held 17 public hearings in the basin and heard more than 400 witnesses. In compliance with the instruction covered in Executive Order No. 10318, on January 12, 1953, we presented our report and recommendations to the President.

Our Missouri Basin Survey Commission found that there were major deficiencies in the existing Federal organization for resource development. The Commission was unanimous in agreeing upon the need for a central

organization to direct and coordinate the development of land and water resources in the Missouri Basin.

The majority of our Commission—eight members including myself—proposed a Missouri Basin Commission as a Federal instrumentality. Three Commissioners dissented from this majority view. They favored instead an organization created by an interstate compact to which the United States and the Missouri Basin States which ratified the compact, would be parties.

My original intention in introducing S. 3325 in the 83d Congress, S. 2728 in the 84th Congress, and S. 1107 in the 85th Congress was to reconcile the conflicting views of the majority and minority of our 11 Commissioners by providing for the establishment of both a Missouri Basin Commission and a compact board to coordinate and unify the development of the basin. I had hoped that this would represent a workable compromise.

All of the problems which existed in the basin when our Commission made its survey, still exist today. Under the Pick-Sloan plan, the administration of the basin program is divided chiefly between the Corps of Engineers and the Bureau of Reclamation. In addition, at last half a dozen other Federal agencies, many agencies of the States, and even lesser units of government, participate in the program. Oftentimes, their proposed projects have been at cross-purposes.

Since 1951, when heavy floods in the Missouri Basin gave rise to the Missouri Basin Survey Commission study, there has been additional flood damage in the basin in excess of $1.2 billion. Today, a serious conflict exists between upstream and downstream interests in the basin, a conflict which could threaten the entire development program. I have come to the conclusion that this and other conflicts can most effectively be resolved through establishment of a single, central agency which has the administrative responsibility and accountability for the overall plan and operation of the basin program. Because I am convinced that a duality of administration would not serve this purpose, I have eliminated the provision for a compact board from my Missouri Basin bill.

In eliminating the provision for the compact board, I would like to point out that my bill provides for as much State and local cooperation and assistance as can be achieved on a workable basis. My bill sets up a Governors' Advisory Committee to consult with the Commission regarding resource development policy and to develop related State programs. It provides that each appointee to the Commission shall be a legal resident of one of the Missouri Basin States, and that the permanent office of the Commission shall be located within the Missouri Basin and not in Washington, thereby insuring accessibility to the people of the valley. My bill directs the Missouri Basin Commission to utilize to the fullest possible extent the advice, assistance, and cooperation of the people of the region and to seek State and local participation at all times. It also directs the Commission to utilize the advice, assistance, and cooperation of the existing operating agencies of the Federal Government.

I stress this latter point in order to make plain that this bill does not create a Missouri Valley Authority. The members of the Missouri Basin Survey Commission rejected the authority alternative. The authority plan would replace agencies active in the field of resource development in the basin with one all-inclusive planning, constructing, and operating agency like the TVA. The Commissioners realized that many large projects had already been constructed in the Missouri Basin and many are still being constructed. These projects were being built by a number of the authorized Federal agencies. The Commissioners concluded that it would not be practical or necessary to disturb this construction program. Instead, we sought to find a middle ground in recommending a central basin agency which would direct and coordinate the special skills and competence of the existing Federal agencies in a coherent, unified program of resource development. I believe that this is the most practical solution, and I have therefore adopted this plan in my bill.

AMENDMENT OF TITLE 18, UNITED STATES CODE, RELATING TO PERJURY

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to extend the law of perjury to cover the willful giving of contradictory statements under oath.

The problem to which this bill is addressed has plagued us for a long time, but it has been dramatized recently by "turnabout" witnesses testifying before congressional committees. Under the present perjury statute and court cases, a person who makes contradictory statements under oath cannot be prosecuted unless the indictment charges and the prosecution proves which one of the two statements is false. Moreover, under the rules of proof imposed by the courts, the falsity of one of the statements must be established by the testimony of two independent witnesses or by the testimony of one witness and corroborating circumstances. This is ridiculous in the case of people like Harvey Matusow, who openly contradicted himself under oath.

My bill is based upon the New York Penal Law, which has worked well in my own State. It has the full endorsement and support of the American Bar Association which has offered one suggestion of obvious merit—that the language ought to be broad enough to make certain that perjury committed outside of courts of law in proceedings such as congressional hearings will also be covered. It also contains a safeguard by being limited to a 5-year period so that the offense could not be extended retroactively beyond the usual period of limitations for similar offenses.

I might add that the bill has the approval of the Department of Justice.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, and that the bill be allowed to remain on the desk until April 16, so that other Senators may have an opportunity to join in cosponsoring it.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie on the desk, as requested by the Senator from New York.

The bill (S. 1637) to amend title 18, United States Code, chapter 79, to add a new section, 1623, to extend the law relating to perjury to the willful giving of contradictory statements under oath, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That title 18, United States Code, chapter 79, is amended by adding immediately after section 1622 the following:

"§ 1623. Contradictory statements.

"Whoever, having made a willful statement on a material matter either in proceedings before any committee of the Congress of the United States or a grand jury or during the trial of any case, within five years thereafter makes oath or affirmation to a willful contradictory statement, is guilty of perjury, and shall be punished as provided in section 1621. Such perjury may be established by proof of the willful giving or making of such contradictory statements without alleging or proving which one thereof is false."

SEC. 2. The analysis of chapter 79 of title 18, United States Code, immediately preceding section 1621 of such title, is amended by adding the following new item: "1623. Contradictory statements.".

MORE EFFECTIVE SYSTEM OF PERSONNEL ADMINISTRATION FOR EXECUTIVE BRANCH OF GOVERNMENT

Mr. CLARK. Mr. President, I introduce for appropriate reference a bill to provide for a more effective system of personnel administration for the executive branch of the Government.

The structure of civil service administration is today virtually unchanged from that established by the original Civil Service Act, the Pendleton Act, in 1883.

During the three-quarters of a century which have passed since then, the responsibilities and scope of Government have increased immeasurably. Great advances have likewise been made in what is known about the processes of good personnel administration. My bill is designed to reorganize the structure of civil service administration set up in the horse-and-buggy age to adopt it to the unprecedented needs an demands of Government in the space age.

There is general agreement, I believe, that the Federal Government is not now succeeding in recruiting and retaining its fair share of the ablest people who come along in each high school and college graduating class. We all know that inducements are greater in private industry. We all know of instance after instance of fine, competent people leaving Government service for the greater rewards and satisfactions in other fields.

Probably in no other country in the world does the National Government fare so badly in competition for the ablest of the Nation's personnel. Certainly the Communist nations, and particularly the Soviet Union, are able to make sure that Government service has first call upon the ablest of the nation's manpower. What the Communists are able to accomplish by direct assignment we must accomplish through inducement. The means of inducement must be wise personnel policies—covering recruitment, assignment, training, promotion, compensation—and skillful administration of those policies.

The reorganization proposed in this bill, as a means to facilitate the necessary improvements, is not a new proposal. It has been presented repeatedly, particularly in recent years. Most recently, it was recommended in a report prepared for the Senate Committee on Post Office and Civil Service by a special consultant, Mr. James R. Watson. Based on those recommendations, I introduced in January 1958 what I called a first

draft bill to serve as the basis of hearings.

The hearings were held last June by a special subcommittee of which I had the honor to serve as chairman. Following the hearings, the subcommittee submitted a report generally endorsing the bill but urging that a revised bill be prepared taking into account many valuable suggestions made by witnesses who testified both for and against the bill.

That revision has now been completed. We have had technical assistance from experts of the executive branch, who were brought together by the very able executive director of the committee, Mr. H. W. Brawley, and his assistant staff director, J. Don Kerlin. The administration last year endorsed the objectives of the bill. It is my hope that this year the administration will be able to take a position on the specific provisions of the measure.

Mr. President, in order to provide Senators with a summary of the provisions of the bill and of the reasoning behind it, I ask unanimous consent to have printed at this point in the RECORD five sections from the subcommittee report on S. 3888, the bill in the 85th Congress which was the predecessor of the bill I have introduced today.

There being no objection, the sections were ordered to be printed in the RECORD, as follows:

SUMMARY OF THE BILL

The bill would establish an Office of Personnel Management in the Executive Office of the President and transfer to it those functions of the Civil Service Commission which comprise the positive leadership responsibilities in the field of personnel administration now assigned to the Commission but more properly the function of the Chief Executive. The Civil Service Commission would retain those functions associated with its "watchdog" role as protector of the merit system.

Title I embodies a declaration of policy that personnel administration, subject to law, is an essential part of the executive responsibility vested by the Constitution in the President; and that in order to provide assistance to the President in the discharge of his responsibility an Office of Personnel Management should be established. The Civil Service Commission, as an independent agency, should be assigned the functions of protecting the merit system against political and personal favoritism and other abuses, and of establishing an adequate appeals system for employees or applicants who are aggrieved.

Title II establishes a career service encompassing positions now included in the competitive civil service. The President shall promulgate rules for the administration of the career service, subject to existing law and a number of specified requirements and limitations. He shall consult with and request the recommendations of the Civil Service Commission before promulgating rules.

Title III establishes an Office of Personnel Management in the Executive Office of the President, fixes the duties and powers of the Director, and specifies the qualifications and salary of the Director and Deputy Director. It also establishes a President's Personnel Advisory Committee of five members, three appointed from outside the Federal Government, and two from among persons holding positions of responsibility in the executive branch.

Title IV continues the Civil Service Commission, with the members to serve at the pleasure of the President, prescribes the qualifications and salaries of members, and specifies the Commission's powers and duties.

Title V authorizes the transfer of powers, duties, functions, records, property, personnel, and funds in accordance with the reassignment of responsibility. The Pendleton Act of 1883 is repealed.

BASIC QUESTIONS INVOLVED IN THE BILL

Whether the reorganization proposed in S. 3888 is desirable depends on the answers to four fundamental questions:

1. Is personnel management an essential part of the President's general responsibility under the Constitution for the execution of the laws?

2. If so, can the President's responsibility be more effectively discharged through a single official responsible to him than through a semi-independent Commission?

3. Is it more likely that the departments and agencies of the Government will do a better job of personnel management, resulting in the recruitment and retention of superior men and women in Government service, if leadership in personnel management comes from the President through his Executive Office rather than from and through a semi-independent Commission?

4. Can the merit system be protected if responsibility for the positive leadership aspects of personnel administration is transferred from the Civil Service Commission to the President?

The subcommittee believes that the answer to all four of these questions is affirmative.

WEAKNESSES OF THE PRESENT ORGANIZATION

The subcommittee begins from the premise that the United States dare not gamble its future upon a second-rate civil service. Quite apart from its role in competition with the Soviet Union on which our survival may depend, the activities of the Federal Government impinge increasingly upon the life and fortune of every citizen. Stakes of infinite value rest upon the quality of the men and women in Federal service, upon their skill and devotion, and upon the excellence of their organization, direction, and leadership. We can afford nothing less than the best.

The United States must be able to attract into and hold in its governmental career service the very best of the talent that the Nation has to offer.

Yet the evidence is strong that the Federal career service does not compete on equal terms with private employers and the professions in recruiting and retaining the ablest among our people. The Government does not attract even its pro rata share of the most capable young men and women entering upon careers—and it subsequently loses far too large a proportion of the able men and women it does succeed in recruiting. Every reader of this report knows of persons of highest ability, whose services the Government could ill afford to lose, who have left Government service for positions in private life far less significant in the struggle against communism. It must be remembered that the Communist states, which can assign persons to careers by dictate, tolerate no such loss of talent in their governmental service.

All of the weaknesses in the governmental service cannot be cured by changes in personnel policies, of course. Yet the practices of Government agencies regarding development of career incentives, advancement, assignment, training, compensation, fringe benefits, handling of grievances, and other aspects of personnel administration unquestionably influence the ability of the Government to recruit and retain the highest quality personnel. There is much evidence that Government personnel policies suffer from rigidity and that progress in personnel management has lagged behind the needs of modern government.

What is required is the continuing and imaginative analysis of shortcomings in the Government service, the development of sound corrective measures, their effective presentation to the Congress and the public, and the promulgation and enforcement of those measures throughout the widespread governmental structure.

What must be designed is a structure of leadership capable of that undertaking.

THE RESPONSIBILITY OF THE PRESIDENT

As a matter both of constitutional responsibility and of organizational logic, the structure of personnel leadership must be headed by the President. He is the head of the executive branch responsible for the faithful execution of the laws. He is the source of direction for the subordinate departments and agencies, and they are responsible to him. Direction, instruction, and inspiration on personnel management must come down through the Presidential chain of command.

The subcommittee was impressed during the hearings with the near unanimity with which former Government executives and industrial leaders who appeared stressed the theme of executive responsibility. These witnesses regarded personnel management as among the most important aspects of an executive's job. They considered it anomalous that whereas an industrial manager, or military commander, or subordinate Federal executive normally assigns personnel administration to a key member of his immediate staff, the President is required to rely upon a semi-independent body separated by structure and tradition from the Chief Executive.

This report has used the term "semi-independent" because the degree of independence of the Civil Service Commission from the President is not in fact clear, nor is it constant.

The Chairman of the Civil Service Commission testified that the Commission has always been in law and in practice an agent of the President. He said no change in structure is necessary in order to bring personnel management under the control of the President. Moreover, several witnesses suggested that relationships have been considerably closer since responsibility for the administration of the Commission's activities was transferred from the Commission as a whole to the Chairman.

Yet there is much evidence to suggest that the independent commission structure has hindered, and continues to hinder, the development of the Commission as a fully satisfactory agent of the Presidency for positive personnel leadership, responsible to him.

These are some of the indications:

1. A special assistant to the President has been appointed to advise on matters of personnel management. While this office was held by the Chairman of the Civil Service Commission during the tenure of Mr. Philip Young, it is now held by a separate officer. The mere existence of this office suggests some inadequacy in the Commission as the President's personnel agency. The Bureau of the Budget also performs a role in personnel policy development and administration, which the spokesman for that agency said would not be necessary under the proposed plan of organization.

2. The provision in the original Pendleton Act whereby Civil Service Commissioners served at the pleasure of the President has now been revised to provide that Commissioners shall serve for 6-year overlapping terms. This provision tends to reinforce the independence of the Commissioners and separate them from the President.

3. Civil Service Commissioners, and others interested in protection of the merit system, have often and properly stressed the necessity for maintaining the independence of the Commission in its "watchdog" activities, since in these activities it serves as a check

upon the President and the agencies of the executive branch.

4. Opponents of S. 3888 generally based their objections to the bill on the ground that the Commission must maintain its independence in order that the merit system can be fully safeguarded.

On balance, this much seems clear, at least: the question as to the Commission's independence cannot be answered both ways. If, on the one hand, it is contended that the Commission as now organized is in fact an agent of the President under his full control, it cannot be contended, on the other hand, that the Commission structure must be preserved in order to maintain the independence of the Commission from the President.

It seems clear, moreover, that the confusion arises from the merger in the Commission of two distinct sets of functions. One set, those comprising the "positive leadership" role, requires that the Commission be related as closely as possible to Presidential responsibility. The other set of functions, those relating to the "watchdog" role, requires that the Commission be separated as far as possible from Presidential influence and control. Of necessity, the Commission sometimes looks in one direction, sometimes in another. The result is an ambiguous position, where the Commission is neither close enough to the President to be fully satisfactory for purposes of Presidential leadership nor independent enough to be fully satisfactory for purposes of policing personnel practices.

S. 3888 resolves this dilemma by separating the "positive leadership" from the "watchdog" functions. The separation permits each to be cast in an organization structure best suited to its particular purpose. The result is an Office of Personnel Management responsible to the President and a Civil Service Commission insulated from him.

The reorganization should also serve an incidental though important purpose. The subcommittee heard convincing argument that persons appointed to multiheaded bodies have not, over the years, been selected with the same careful attention to qualifications that Presidents had applied in filling positions of major responsibility reporting directly to the Chief Executive. An analysis of the qualifications of Civil Service Commissioners in recent decades shows a surprisingly low proportion who brought to their jobs high prestige and impressive records of experience in public or industrial management. There is strong reason to believe that a Director of Personnel in the Executive Office of the President would not be selected carelessly, and S. 3888 prescribes qualifications for the Director to make this doubly sure.

PROTECTION OF THE MERIT SYSTEM

The subcommittee has considered carefully the charges made by employee groups and others during the hearings that S. 3888 would open up the Federal service to patronage raids, and to autocratic one-man control, and thus weaken the merit system. If this were the probable result, no member of the subcommittee would be in support of the measure. But after analyzing the bill and the testimony, we are compelled to conclude that these objections are not well taken. We are of the belief that the bill takes positive steps forward in recognizing employee rights and providing machinery for their protection.

Not only the leadership but the "watchdog" functions have suffered from being merged in the same agency. The policeman has been policing himself. The reorganization would remove this anomaly and permit the policing organization to concentrate upon that job.

The Commission's responsibilities and power relating to protection of the merit system would be more clearly defined.

The functions of the Civil Service Commission would be:

1. To administer the Hatch Act, including the adoption of rules, regulations, and procedures necessary to carry out that act, and the enforcement of its provisions in connection with Federal and State employees subject to it.

2. To hear appeals, with power to reverse agency decisions, and generally improve appeals systems, including:

(a) Political and other discrimination appeals.

(b) Position classification appeals.

(c) Postal field service appeals, veterans' appeals, reduction-in-force appeals, and others.

3. To recommend to the President rules and regulations regarding appeals and political discrimination.

4. To review and make recommendations to the President on all aspects of Federal personnel management and make such views public.

5. To conduct investigations on appeal or on its own motion concerning any phase of Federal personnel management, departmental actions, or operations of the Office of Personnel Management and report to the President, to Congress, and to the public.

Among the important functions of the Commission which would, in the subcommittee's view, be better performed is that of handling grievances. A weakness of the Federal personnel program has been the absence of uniform, effective grievance procedures. S. 3888 directs the Commission to develop and put into effect such a system, as an aspect of its independent policing function and as a primary means of detecting and correcting violations of the merit principle.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 1638) to provide for an effective system of personnel administration for the executive branch of the Government, introduced by Mr. CLARK, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

DESIGNATION OF SECOND SUNDAY IN APRIL OF EACH YEAR AS PUERTO RICAN DAY

Mr. KEATING. Mr. President, on behalf of myself and my colleague, the distinguished senior Senator from New York [Mr. JAVITS] I introduce, for appropriate reference, a joint resolution designating the second Sunday in April as Puerto Rican Day in the United States. Proclamation of this occasion by the President would do much to focus national attention on the many contributions of the Puerto Rican people to the progress of our Nation, and would provide fitting recognition of the integral role Puerto Rico plays in our national life.

The mainland's close ties with the island are many and varied. They run the gamut from religious dedication to belief in democracy, to stern opposition to communism, to deep-seated desire for progress.

The people of the State of New York feel a special kinship with the people of Puerto Rico because of the great numbers from the island who have come to live among us. In spite of barriers of prejudice and discrimination, they have made their way slowly but surely. More and more, through their own abilities and determination, and through the aid of legislative enactments insuring equality, Puerto Ricans are contributing to the greatness of the Empire State and our Nation.

However, much remains to be done if Puerto Ricans are to receive their just due. We must press forward on all fronts to remove the barriers of discrimination and unfounded distrust which often bar their way to progress. Celebration of Puerto Rican Day would add great impetus to their movement and would provide a splendid opportunity to spotlight those areas and those situations where Puerto Ricans are not being accorded equal treatment.

As these people have come to master our language, as their capabilities have become recognized, and as their innate talents have come to be appreciated, their contributions in our country have increased in numerous fields of endeavor. We can surely look for even greater results in the future, but every effort must be made to speed that progress.

Next Sunday the second annual Puerto Rican parade will be held in New York City. Last year some 50,000 Puerto Ricans marched and an estimated 200,000 witnessed the spectacle. This year, the grand marshal will again be Oscar Gonzalez-Suarez, a highly respected lawyer and civil leader, and I understand Gov. Nelson A. Rockefeller, a long-time champion of Puerto Rican causes, has accepted an invitation to occupy a place on the reviewing stand.

It is my hope that the joint resolution I am introducing today will gain the approval of Congress and the President, so that future Puerto Rican days may be celebrated in all sections of the Nation where fine citizens from that island reside.

I ask unanimous consent that the joint resolution be printed in the RECORD.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 88) designating the second Sunday in April of each year as "Puerto Rican Day in the United States of America," introduced by Mr. KEATING (for himself and Mr. JAVITS), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the second Sunday in April of each year is hereby designated as "Puerto Rican Day in the United States of America," and the President of the United States is authorized and requested to issue annually a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies.

NATIONAL ALLERGY MONTH

Mr. HILL. Mr. President, upon the health of our people and their consequent strength, self-reliance, and happiness depends the security of this great Nation. The vitality and stamina we

must have for survival in this period of world crisis are largely a matter of health. Because I believe this, it is always encouraging to note the increased emphasis that is today being placed on some of the so-called killer diseases such as cancer and coronary diseases.

While we are making great strides in research, prevention, treatment, and public education concerning these killers, relatively few of us, outside the ranks of the actual sufferers, are aware of the extent to which the allergic diseases continue to sap the strength of this Nation. This may be largely because these diseases are seldom dramatic in nature and are not looked upon as "killers."

Nevertheless, Mr. President, hay fever afflicts an estimated 8 million Americans annually. This is, in reality, a serious disease. So is asthma. Yet these are only two of the better known allergies—only two of many—and they cause more than 25 million lost man-hours a year.

Allergic diseases are estimated conservatively as causing discomfort, disability, impairment, and absenteeism among more than 1 out of every 10 men, women, and children in the United States today.

The allergies may not be killers, but they are accessories before the fact in thousands of cases. They are insidious conspirators with weaknesses that impair performance and productivity, kill prematurely, and contribute to other deaths by vicious alliance with heart and lung diseases.

They are leeches that suck the vitality from this Nation at a time when we have need for every ounce of our collective strength.

With the rapid and constant introduction of new chemicals in industry, the incidence of contact and other allergies is increasing. Estimates are that at least 20 percent of modern occupational conditions are allergic.

We know a lot more about the allergies than we used to know. In many cases we can treat them successfully. In some cases we can prevent them. And there are those who are contributing much to alleviate suffering caused by allergic diseases.

I refer to the dedicated group of doctors and laymen who brought into being the Allergy Foundation of America, and who, through the foundation, are doing a remarkable job of stimulating interest in the allergic diseases and in raising funds, promoting research, and educating the public in this field.

But still we have in the United States today less than 1 trained allergist for every 90,000 persons. Nearly 14 percent of our children are subject to some form of allergy that they may outgrow or that may result in permanent or recurring weaknesses in adulthood. Yet there is practically no money being spent today to study the effects of allergies in children.

The Allergy Foundation of America first sponsored National Allergy Month 2 years ago in a campaign to give as wide dissemination as possible to the problem of allergic diseases. This educational program is one of the instruments the foundation hopes to use to accelerate efforts in the field of allergy.

The foundation also works in support of programs now under way at the National Institute of Allergy and Infectious Diseases at the National Institutes of Health. It does this by offering opportunities for specialized training for medical students, graduate physicians, and research scientists in the form of scholarships, fellowships, and grants.

The Allergy Foundation of America for the third straight year plans to sponsor National Allergy Month this year from August 15 to September 15.

Mr. President, it is important that the Congress do all it can to lend approval, encouragement, and assistance to so worthwhile an undertaking.

With this in mind and with hope that the Congress will approve, I introduce for appropriate reference a joint resolution requesting the President to proclaim August 15, 1959, to September 15, 1959, as National Allergy Month. I ask unanimous consent that the joint resolution be printed at this point in the RECORD.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 89) requesting the President to proclaim the month of August 15, 1959, to September 15, 1959, inclusive, as National Allergy Month, introduced by Mr. HILL, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas there is presently need for nationwide action for the prevention, treatment and cure of the allergic diseases; and

Whereas the Allergy Foundation of America is working diligently in the fight against the allergic diseases; and

Whereas public understanding and support is desperately needed in order to provide adequate treatment for allergy sufferers, adequate research in the field of prevention, treatment, and cure of the allergic diseases, and to promote adequate public and professional allergy education: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the month beginning August 15, 1959, and ending September 15, 1959, as National Allergy Month, and urging the people throughout the Nation to cooperate in the fight for the prevention, treatment, and cure of allergic illness, and inviting the communities of the United States to observe such month with appropriate ceremonies and activities.

DISCLOSURE OF SENATE STAFF AND COMMITTEE EMPLOYEES' SALARIES

Mr. MORSE. Mr. President, I submit, for appropriate reference, a resolution dealing with the publication of the salaries paid to Senate staff and committee employees and ask that it be printed in the RECORD.

The VICE PRESIDENT. The resolution will be received, appropriately referred, and printed in the RECORD.

The resolution (S. Res. 99) was referred to the Committee on Rules and Administration, as follows:

Resolved, That (a) the Secretary of the Senate is directed to include in his annual report to the Senate the amounts paid by him during the fiscal year covered by the report to each person employed in the office of each Senator, to each person employed in the office of the Vice President, and to each person employed by each committee of the Senate or subcommittee thereof, by reason of such employment.

(b) The Secretary of the Senate is directed to furnish, under such reasonable rules and regulations as he may prescribe, such information concerning current disbursements of public funds as may be requested of him by any person.

(c) Subsection (b) of this resolution shall take effect thirty days after the date of its adoption.

Mr. MORSE. Mr. President, on Tuesday I told the Senate that I would resubmit my 1952 measure requiring publication of the salaries of Senate staff members, with certain additional provisions. On Wednesday, the Senator from Ohio [Mr. LAUSCHE] also alluded to the need for public disclosure of the business of the Senate. I wish to endorse what the Senator from Ohio said about the desirability of making public this information.

Of course, there were objections made to our proposal. The principal one was that it would disrupt our offices. But as the Senator from New York [Mr. JAVITS] pointed out, information about salaries paid in the House of Representatives is available upon request, and no appreciable disruption of House offices has occurred that I know of.

Moreover, the rate of pay of committee staff employees is already public information. It is published twice a year in the CONGRESSIONAL RECORD; and employees working under the various resolutions of the Senate for special investigations or special subcommittees are listed by name and rate of pay in the annual report of the Secretary of the Senate covering the preceding fiscal year. Does any Senator know of any breakdown in committee work, resulting from publication of the salaries of these employees?

A few years ago, Members of this body were much concerned about publicizing the names of persons who are on public welfare rolls. The Federal contribution to their subsistence is only part of what they receive, but when some States began disclosing their relief rolls, their Federal contribution for public assistance was withheld.

In 1951, when an appropriate measure was pending in the Senate, the Senator from Illinois [Mr. DIRKSEN], who is now the minority leader, offered an amendment requiring that no Federal contribution be withheld by reason of publication of relief rolls by the States.

On July 19, 1951, the Senator made an impassioned plea for his amendment. It was necessary to protect the taxpayer, he said. To be exact, he said:

Every time someone gets on the rolls undeservedly (meaning the relief rolls) I think it is an affront to the persons who deserve to be there, and who are in need of assistance from the Federal and State treasuries.

• • • How are we to approach it in a practicable manner, unless we make the rolls accessible to the man who foots the bill, the taxpayer, in order that the weapon of shame may be employed against people whose fathers, mothers, and other relatives should not be on the rolls?

By what double standard does the Senator from Illinois measure this issue? I, for one, shall not be in the position of saying that it is important for the taxpayer to know who is getting his money through relief payments, but that when taxpayers' money is used to pay Senate staff salaries, the same taxpayers should not know about that.

The Senator from Indiana [Mr. CAPEHART] also spoke for and voted in favor of that 1951 amendment, which became law.

Finally, to the Senators who fear some disruption in their offices from making salaries public, I say that if Senators think there is not already a lot of knowledge and discussion of office payrolls arounds the Halls of Congress, they are laboring under a complete illusion. There is inevitably a certain comparing of notes by employees of different offices; some staff members have worked in two or more Senate offices. It may well be that the effect upon our staffs of publication of salaries would be more salutary than harmful, since it would put an end to speculation.

Since House staff salaries, Senate committee staff salaries, and the salaries of the grades of Government employees are public knowledge, I see nothing so special about Senators' offices that justifies keeping a veil of secrecy over the salaries we pay.

It should be the policy of the Senate, and of the entire Congress, to have its financial officers make that information public.

Nor should it be left up to the discretion of individual Senators, any more than revelation of our sources of income should be discretionary with each member.

Wherever taxpayers' money is being spent, the taxpayers have a right to know by whom, and for what. The only exception to that right that occurs to me is where national security might be involved.

But there is no national security involved in the operation of the Senate, and it is the purpose of my resolution to make available to the public at all times information about disbursements of public money in the operation of this body.

Therefore, my resolution directs the Secretary of the Senate to include in his annual report on disbursements during the preceding fiscal year, the persons employed by the Vice President, by each Senator, and each committee, together with the salary paid such person for that fiscal year.

My resolution further provides that the Secretary of the Senate shall furnish, under such rules as he deems advisable, information on any current disbursement of public money for operation of the Senate that may be requested of him.

The House of Representatives follows the practice of making public this material upon request; the Senate follows the practice of making it public, except for Senate staff salaries, in an annual report that covers the previous fiscal year. The difficulty with the Senate method is that the information is 6 months old at best, and at worst, it is a year and a half old when called for.

The press should be able to get current information about Senate expenses by asking for it from a designated official of the Senate, and that is what my resolution provides.

It is my understanding that the practice on the other side of the Capitol is to send to the Library of Congress for photostating the record which has been requested, and the photostat is then made available to the person who submitted the request.

What is so unreasonable about adopting the same procedure in the Senate? It is in keeping with a fundamental principle of representative government, namely, that in a democracy there is no substitute for full disclosure of the public's business.

It is true that I voted against the Dirksen amendment in 1951. I did so because I did not think it necessary to parade before the public the hardships and economic sufferings of recipients of relief. It seemed to me that if the rolls were accessible—which they were to Government officials charged with the responsibility of administering and exercising jurisdiction over the relief program—such disclosure was sufficient protection for the public interest.

However, my two public disclosure bills in respect to disclosure of the sources and amounts of income of Federal officials in the legislative and executive branches of the Government, and disclosure of the payrolls and office expenditures for Senatorial offices, relate definitely to the rights of the voters to have such information in order to help them evaluate the official records of their public servants.

Mr. President, I hope that at a very early date hearings will be held on this resolution, and also upon my income disclosure bill, which I introduced earlier this week, because I am satisfied that recent disclosures in regard to some of the employment practices of Members of Congress are reflecting adversely upon the Congress. I believe that the public attitude is reflected rather well in such editorials as we have been receiving from across the country. For example, there is an editorial in this morning's Washington Post entitled "Public's Business, Too." I ask unanimous consent to have the editorial printed in the RECORD at this point, at the close of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PUBLIC'S BUSINESS, TOO

The Senate's business is the public's business, as Senator FRANK J. LAUSCHE, Democrat of Ohio, has noted, and there is no reason why Senate payrolls should not be as public as are those of Members of the House. The argument advanced by Senate Republican Leader EVERETT M. DIRKSEN and some other Senators that the publication of the salaries of employees would cause dissension among staff members is a lame excuse indeed for keeping the records secret.

Since 1932 every employee in the House has been able to find out what his colleagues earn; yet the morale of staffs of the House Members does not seem to be different from that of Senate employees. Until 1948 Senate payrolls were public and even today the salaries of employees of Senate committee staffs are published regularly in the CONGRESSIONAL RECORD.

"From the standpoint of the public mind," Senator LAUSCHE said, "we should occupy a position in which we are beyond suspicion. We do not occupy such a position; and we fail to occupy it because of the refusal to let the public know what properly is its business." However much Senators may consider themselves to be members of a private club, only the public can grant entry to this club and once a man becomes a member his dues are paid with tax funds. The Senate should never be permitted to become a citadel of secrecy.

CHANGES OF REFERENCE

Mr. DIRKSEN. Mr. President, as a part of the civil rights package of bills, the bill (S. 958) to assist in meeting the costs of special professional services needed in carrying out public school desegregation programs, and for other purposes, and the bill (S. 959) to amend Public Laws 815 and 874, 81st Congress, to provide for the education of children of members of the Armed Forces in communities in which the public schools are closed, were referred to the Committee on Labor and Public Welfare. I have conferred with the chairman of that committee, the chairman of the Judiciary Committee, and the majority leader. It is agreeable that a rereference be made of these bills to the Committee on the Judiciary, so that all bills referring to this subject shall be considered by one subcommittee.

I therefore ask unanimous consent that the Committee on Labor and Public Welfare be discharged from the further consideration of Senate bills 958 and 959, and that they be referred to the Committee on the Judiciary.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of the bill (S. 827) to amend the Helium Act of September 1, 1937, as amended, and that the bill be referred to the Committee on Interior and Insular Affairs.

The chairman of the Committee on Interior and Insular Affairs has requested this referral. Earlier in the day I presented the question to the Committee on Armed Services, and the committee unanimously agreed to the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

PROMOTION OF PUBLIC CONFIDENCE IN THE INTEGRITY OF CONGRESS AND THE EXECUTIVE BRANCH—ADDITIONAL COSPONSOR OF BILL

Mr. CLARK. Mr. President, I ask unanimous consent that my name may be added as a cosponsor of the bill

(S. 1332) to promote public confidence in the integrity of Congress and the executive branch, introduced by the Senator from New Jersey [Mr. CASE], on March 9, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF SECTION 1 OF ACT OF JUNE 14, 1926, AS AMENDED—ADDITIONAL COSPONSOR OF BILL

Mr. BENNETT. Mr. President, I ask unanimous consent that the Junior Senator from Idaho [Mr. CHURCH], be listed as a cosponsor of S. 1436 which would remove the 640-acre limitation on State's acquisitions of Federal lands for State park purposes, and that any subsequent printing of the bill show his name as a sponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF CERTAIN BILLS

Mr. ALLOTT. Mr. President, due to a clerical oversight several of my colleagues' names do not now appear as cosponsors of S. 1537, to establish a national minerals policy. As the bill now reads, Senators BARTLETT and GRUENING's names are listed. This should be corrected to read: Senators BARTLETT, BENNETT, CHAVEZ, GRUENING, MANSFIELD, and MURRAY, and I ask unanimous consent that at the next printing of this bill, this correction be made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, due to a clerical oversight several of my colleagues' names do not now appear as cosponsors of S. 1538, to authorize a 1-year program of production payments to the lead and zinc industries. As the bill now reads, Senators BARTLETT, CHURCH, and GRUENING's names are listed. This should be corrected to read: Senators BARTLETT, BENNETT, CHAVEZ, CHURCH, MANSFIELD, and MURRAY, and I ask unanimous consent that at the next printing of this bill, this correction be made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, due to a clerical oversight the names of Senators CHAVEZ, MANSFIELD, and MURRAY were not listed as cosponsors of S. 1539, to create a limited free market for gold. I ask unanimous consent that at the next printing of this bill, the names of my three distinguished colleagues be added to this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL FEDERAL RESERVE DISTRICT—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of April 7, 1959, the name of Mr. ALLOTT was added as an additional cosponsor of the bill (S. 1607) to amend the Federal Reserve Act to provide for an additional Federal Reserve district, introduced by Mr. CARROLL, on April 7, 1959.

COMMISSION ON UNEMPLOYMENT PROBLEMS — ADDITIONAL COSPONSOR OF BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the name of the Senator from Pennsylvania [Mr. CLARK] may be added as a cosponsor of the bill (S. 1631) to provide for the establishment of a Commission on Unemployment Problems, introduced by me on April 8, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

EFFORTS BY COMMUNIST CONSPIRACY TO DISCREDIT THE FEDERAL BUREAU OF INVESTIGATION—(S. DOC. NO. 23)

Mr. HRUSKA. Mr. President, one of the objectives of the Communist conspiracy in this country has been and is to bring about the discrediting of the Federal Bureau of Investigation and its Director, Mr. J. Edgar Hoover.

Currently, we are witnessing an attack on the FBI and on Mr. Hoover which appears to spring from diverse sources.

The story of this attack has been carefully documented by a Pulitzer prize journalist, Mr. Edward J. Mowery, in a series of articles which appeared in the Newark Star Ledger. Mr. Mowery has traversed the principal charges brought against the Bureau and its Director as part of this campaign, and has set down the facts with respect to these charges.

This is a matter which I am sure is of interest to every Member of this body. I therefore ask unanimous consent that the text of this series of articles by Mr. Mowery may be printed as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GOLDWATER:

Lincoln Day address delivered by him at Phoenix, Ariz.

Address delivered by him before the Edison Electric Institute, at New Orleans, La., on April 6, 1959.

By Mr. HUMPHREY:

Washington report by Representative GEORGE MCGOVERN, of South Dakota, dated February 21, 1959.

NOTICE OF HEARING ON CERTAIN NOMINATIONS BY COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, April 21, 1959, at 10 a.m., in room 424, Senate Office Building, upon the nominations of Latham Castle, of Illinois, to be U.S. circuit judge for the Seventh Circuit, vice Philip J. Finnegan, deceased, and Edwin A. Robson, of Illinois, to be U.S. district judge for the northern district of Illinois.

At the indicated time and place all persons interested in the above nominations may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING—AMENDMENT TO CONSTITUTION CONCERNING PUBLIC SCHOOL ADMINISTRATION

Mr. KEFAUVER. Mr. President, I wish to announce that the Subcommittee on Constitutional Amendments, of which I have the honor to be chairman, will begin hearings on Senate Joint Resolution 32 at 10 a.m. on May 12. This resolution, which was introduced by the junior Senator from Georgia [Mr. TALMADGE], for himself and eight other Senators, proposes an amendment to the Constitution with respect to public school administration. As the text of the proposed amendment is short, I ask unanimous consent that its text be printed at this point in my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution, or system is administered by such State and subdivision."

Mr. KEFAUVER. Mr. President, the hearings will be held in room 457, Old Senate Office Building. Persons who wish to give public testimony should inform the subcommittee's counsel, Mr. Bernard Fensterwald, Jr., whose address is U.S. Senate Post Office, U.S. Senate, Washington 25, D.C.

SEVENTEENTH ANNIVERSARY OF BATAAN DAY

Mr. BRIDGES. Mr. President, yesterday was the 17th anniversary of Bataan Day, an event which long will be remembered in the annals of heroism.

Seventeen years ago, on April 9, 1942, a gallant but battered army of Americans and Filipinos surrendered to the forces of a militaristic and totalitarian power.

But today we do not observe Bataan Day merely for commemoration's sake. We observe Bataan Day so as to give

testimony to the bonds of a great friendship which were forged on that dark day in world history. Americans had fought side by side, shoulder to shoulder, with their friends in the Philippines. They fought against the greatest of odds until surrender was inevitable.

But even as the fall of Bataan was perhaps our most stinging military setback of World War II, Bataan became a word of honor and courage throughout the world.

Bataan was a military defeat, but it was also a victory—a victory of the spirit which moves men of different races, colors, and creeds to unite in the common cause of peace and freedom.

Today, 17 years later, Americans and Filipinos remain side by side, shoulder to shoulder. We remain united—firmly united—against another force of aggression—Communist aggression.

Historians record Bataan Day as a defeat for the Americans and their faithful friends, Filipinos. But time has recorded Bataan Day as a day of victory in the struggle for lasting world peace.

Mr. MANSFIELD. Mr. President, I am happy to join my distinguished colleague, the senior Senator from New Hampshire [Mr. BRIDGES], in calling the attention of the Senate today to the fact that on yesterday, 17 years ago, a few thousand exhausted men surrendered to overwhelming force on Bataan, in the Philippines. They were a pitiful group, Filipinos and Americans alike. They were sick, hungry, and weakened by the fatigue of months of combat. And the worst was still ahead—the agonizing death marches and the long bitter years of prison camps.

Why, we may well ask ourselves, ought we to recall, 17 years after, that moment of misery and of defeat? It is worth recalling because out of it, out of the common suffering, the common humiliation of Filipino and American, was born a new understanding, a new respect, a new unity of the heart between the people of the Philippines and the people of the United States. After Bataan, there was no more the relationship of the tutor and the tutored, no more the relationship of the dependor and the dependent, no more the sovereign and the subject.

From the ashes of Bataan, there emerged a new warmth, a new equality, a new and common dedication to the ideals of human worth and freedom. What was wrought then is fixed in the hearts of Filipinos and Americans who grasped the larger meaning of the death and pain of Bataan, 17 years ago. Through them the common tragedy is fused for all time into the spirit of both lands.

To be sure, some may never have felt the larger meaning of Bataan. Some may have sensed it for a moment, and then it passed. Some may not recognize any longer even the name Bataan. Because that is the case, many of the ancient mistakes between the two nations are being repeated. Many of the old hostilities are reasserting themselves. The tragedy of a Bataan is too soon forgotten. The nobility which it engendered at the moment of its happening is not easily transferred into the continuing relationships between two countries in less demanding times.

That is why, on an anniversary of this kind, it is well to recall that other time, 17 years ago. It is well to remember how the demands of that hour—upon Filipino and American alike—obliterated all that was petty or trivial, patronizing or arrogant, between us; how there existed between us bonds made only of mutual courage, mutual respect, and mutual dedication. It is well to recall how the sense of unity of heart and purpose fashioned for both countries a common greatness out of death and defeat. It is well to recall this larger meaning of Bataan. It is needed in the Philippines and in the United States to stop the drift towards indifference, towards estrangement.

Mr. President, a few weeks ago in New York the distinguished Ambassador from the Philippines to this country, a former colleague of ours in the House of Representatives, Gen. Carlos P. Romulo, had the following to say:

> Friendship is a thing of the spirit and loyalty so it cannot be bought with dollars or with rubles. Peoples who are used to have little of consumer and capital goods but who have depended only on their spirituality for their happiness in the past may more easily be attracted by that leadership now which can offer them a friendship that is steadfast and abiding, a friendship that will be loyal to them no matter what the shifts and changes may be in the world's balance of power.

Mr. President, today, in honoring the heroes of Bataan, I wish to call the attention of the Senate to the fact that friendship between the people of the Philippines and the American people will stand for many, many centuries to come.

Mr. KEATING. Mr. President, I desire to join with the distinguished Senators from New Hampshire and Montana who have spoken today regarding the 17th anniversary of the fall of Bataan, on April 9, 1942.

We all remember the peninsula in the Philippines where Gen. Douglas MacArthur defended the American flag against terrible odds and offered a resistance to the enemy that has gone down in history as a saga of courage and heroism. For four long months, a handful of 6,000 American soldiers fighting side by side with 75,000 Filipino troops repulsed wave after wave of onrushing Japanese divisions which outnumbered them 10 to 1. Starving, afflicted with malaria and dysentery, hopelessly outgunned and outplaned, the American and Filipino soldiers stood everything that the enemy sent against them and fought with a valor and an endurance that amazed an admiring world.

The delaying action that held in the Philippines an important sector of the Japanese army, navy, and air force prevented them from continuing in their onward march to Australia. The resistance that was offered in Bataan, therefore, rendered an incalculable service to the allied cause. Such a heroic resistance was made possible not only because of the superb generalship of Douglas MacArthur and the gallant officers who served under him, such as Gen. Jonathan Wainwright and others, not only because of the valor of the American and Filipino soldiers, but also—and this I want to underscore—because of the loyalty of the Filipino people to the United States.

As we commemorate the 17th anniversary of Bataan, we take pride in recalling Filipino loyalty and in greeting our Filipino allies who in our hour of need stood steadfastly by us without counting the cost. While the Filipino soldiers were fighting the enemy and the Filipino guerrillas were harassing the occupation forces, the civilian population risked torture, imprisonment, and execution by hiding, feeding, and protecting the American civilians who were caught by the war in the Philippines. Many from my home State of New York still talk with emotion of the help afforded them by the Filipinos when to help them as American prisoners of war was to risk execution by the enemy.

In his book, "I Saw the Fall of the Philippines," published after the fall of Bataan, Gen. Carlos P. Romulo, who served as General MacArthur's aide-de-camp during the war, and whose war record was recently described and praised by Gen. Richard Sutherland, MacArthur's chief of staff, in a nationwide telecast, brought home to the American people the vital role played by the Philippine Army in Bataan and Corregidor, as well as the sacrifices undergone for the United States by his noble and heroic people. To read that book is to respect and admire a nation which stood by us unhesitatingly and unswervingly in our darkest hour in the Pacific.

It is, therefore, fitting that yesterday the New York Times in an editorial not only paid tribute to Filipino loyalty, but called our attention to certain unsolved Philippine claims. I ask unanimous consent that the editorial be included at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ON BATAAN DAY

This is the 17th anniversary of the fall of Bataan, and Americans and Filipinos celebrate it as a commemoration of their shared sacrifice in defense of freedom. Solemn ceremonies are being held in Manila and there will be many private observances in this country.

It is certainly not inappropriate, therefore, to pause briefly to reexamine the state of our relations with our former ward and present ally. There have been numerous reports of a rising feeling of anti-Americanism in the Philippines in recent months. We believe that most of these are exaggerated and should be discounted. There is, however, justified impatience in Manila over the failure of the United States to carry out some of its obligations. This could readily be magnified into a presumptive hostility.

Obviously, the way to meet this is to meet the obligations. Some of the Philippine claims against this country are certainly subject to examination and negotiation. There are others concerning whose validity there cannot be the shadow of a doubt. These should be paid at once.

The first of them goes back to 1934, when the devaluation of the U.S. dollar resulted in the depreciation of the Philippine gold reserve in the United States by $23,862,750.78. On June 19, 1934, the U.S. Congress passed a law authorizing a credit to the Philippines

of this amount. No appropriation has yet been made to meet this obligation.

The second goes back to 1946, when Congress authorized the payment of up to 75 percent of Philippine war damage claims approved by the War Damage Commission. Money appropriated was sufficient, however, to pay only 52½ percent of such approved claims. The remainder is $130 million, and a bill has not been introduced in the House to appropriate this sum. It should be approved without delay.

We cannot afford to have our precious association with the Philippines sullied by any suspicion of bad faith. Here are two specific cases in which justice should be done at once.

Mr. KEATING. Mr. President, in a television appearance in New York yesterday with Fannie Hurst, General Romulo, the Philippine Ambassador to the United States, mentioned these claims and aptly said:

To recall Bataan is to recall Filipino loyalty, loyalty of the veterans who fought in the foxholes, loyalty of the guerrillas who fought in the hills, loyalty of the civilian population whose properties were destroyed and who resisted the enemy. Among them there were no neutralists. They cast their all for freedom and the democratic way of life. Let us remember them today and in the days ahead and make them feel that our expressions of gratitude are not mere lip protestations but earnestly and sincerely meant. Only thus can Bataan remain a symbol of loyalty, of shared loyalty between two nations that are pledged to defend and uphold the highest values of democracy and freedom.

Mr. DIRKSEN. Mr. President, in the early months of Japan's war with the United States, Bataan Peninsula was the scene of bitter fighting between the invading Japanese and American-Filipino forces under General of the Army Douglas MacArthur and later under Maj. Gen. Jonathan M. Wainwright.

On April 9, 1942—17 years ago today—Bataan's defenders were forced to surrender to the Japanese, while the remainder of the forces retreated to Corregidor, an island 2½ miles off the south tip of the peninsula.

It was not until February 1945, that Bataan was retaken by American forces under General MacArthur.

Mr. President, I draw attention to this anniversary of the fall of Bataan for two reasons:

The first is that it is altogether right to remember with honor the brave Americans and Filipinos who fought against overwhelming odds to defend their outpost of freedom—an outpost virtually unknown to most Americans until their heroic action made the name "Bataan" ring across the Nation.

The second reason why I draw attention to the fall of Bataan is this: To me, and I think to many other Americans, the very name "Bataan" is a symbol.

It is a symbol of how the mighty can fall unless they maintain eternal vigilance and adequate preparedness.

It is no less a symbol, Mr. President, that freedom's flame is inextinguishable, and will ultimately spread throughout the world.

It is good to look upon such symbols as a reminder to ourselves and to others.

THE NATION'S FINANCIAL DILEMMA

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article by Mr. David Lawrence which appeared in the Washington Star on March 31.

In the article Mr. Lawrence clearly poses the alternatives which we and our Nation face. The one alternative is that of continued inflationary policies leading, first, to selective controls and, ultimately, to "a chaotic breakdown in our economy." The other alternative involves administering the Federal finances in a responsible manner.

Mr. Lawrence reports on the studies of Aubrey G. Lanston, the distinguished financier.

I call the attention of all my colleagues to this penetrating and timely report.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 31, 1959]

THE NATION'S FINANCIAL DILEMMA—THE DRIVE IN CONGRESS TO SPEND MORE IS EXPECTED TO TAKE ON NEW SPEED

(By David Lawrence)

There seems to be joy in some quarters that the budget is going to be unbalanced. Judging by some of the comments from Democrats on Capitol Hill, this proves that President Eisenhower was all wrong and that, since the budget is going to be unbalanced by more than a billion dollars, it might as well be unbalanced by three or four or five billion.

When Congress comes back from its recess, the drive to spend more, and hence make the deficit bigger, will take on momentum. It seems to be taken for granted that only the prestige of the President—not the pocketbook of the American people—is going to be hurt by the failure to reduce the deficits.

It's hard for the average man to realize just what is involved in budget balancing and in the increases in Treasury deficits. At the National Press Club luncheon the other day for Raymond J. Saulnier, Chairman of the President's Council of Economic Advisers, this question was asked with reference to the drop in the purchasing power of the dollar from 100 cents in 1939 to 48 cents today:

"If I have only a 48-cent 'buck' in my pocket, haven't I got 48 cents more than I had in the depression?"

Dr. Saulnier replied that nobody now is much concerned with 1939 except historically, and then added pointedly:

"I'd like to protect your 48 cents, you see, from now on."

This is a simple statement of a dilemma that confronts the American people. Do they want to see the dollar decline still further in purchasing power so that the 48 cents they have today would before long be cut down to 24 cents?

The drama of money—the threat of printing-press currency—is not yet a subject of popular discussion. But among those whose business it is to deal in Government securities—a man, for instance, like Aubrey G. Lanston, of the New York firm which bears his name—the topic is very live. Mr. Lanston, speaking a few days ago before the Cleveland Society of Security Analysts, said:

"I think it will become plain that the people of this country will have to make a choice, sometime over the near future, either by positive action or through default. They can force Congress to administer Federal finances in a responsible way—something we have urged other so-called less advanced countries to do—or we will end up, first, with selective controls of a mushrooming character and, ultimately, with a chaotic breakdown in our economy. * * *

"The financial irresponsibility on the part of the Government has created a series of deficits that have been financed by commercial banks. No matter what you have read to the contrary, that is the fact.

"Further, it seems inevitable that the commercial banks will be obliged to absorb whatever deficits develop from here on. It also seems likely that the increase in the Government security holdings of commercial banks will enlarge by somewhat more than the amount of future deficits, because the banks will be the only major buyers left. Therefore, the banks also will have to absorb whatever Government securities are sold by others.

"This kind of frenzied public finances poses a serious threat. * * *

"We should recognize now that the number of spending measures that have been or will be passed between now and the close of the 86th Congress calls for increased Government spending for fiscal 1961 and for later years, too. The prospect of another deficit—for fiscal 1961—coming on top of a deficit for fiscal 1960, and all those that have preceded these, could produce some substantial, unstabilizing, psychological repercussions. The nonchalant, fiddling attitude of Congress—as a whole—toward a balanced budget for 1960 may be building a base for explosive developments later on."

These are significant words from one of those persons who normally speak in the most restrained phrases about Government finances. Mr. Lanston's concluding advice to the public might well be pondered by those Members of Congress and others who have been ridiculing the idea of a balanced budget. He said:

"Here is the way I look at the picture. I can see no point in investing in the lowest yielding credit of all—U.S. Treasury securities—at long-term in a background wherein the purchasing power of the dollar has been depreciating and seems likely to continue to depreciate. * * * Therefore, the best buys in Government securities are those that are short in term."

But what is this going to do to the Treasury, which has to sell for cash somewhere between $11 billion and $12 billion in Government securities during the present calendar year, to say nothing of refinancing the many billions of other previously issued securities which come due in the next 18 months? When will the Congress realize that the Treasury Department's task is of transcendent importance to the American people and the future of the whole economy?

THE CAPITALISM SYSTEM APPEARS IN NO DANGER

Mr. BRIDGES. Mr. President, the Twentieth Century Fund has just published a study, "The Economy, Liberty, and the State," representing the culmination of a 3-year investigation by the eminent economist, Calvin B. Hoover. Dr. Hoover is on the faculty of Duke University. He was formerly a member of the President's Council of Economic Advisers.

Dr. Hoover's work confirms our knowledge that capitalism is still today a dynamic, vital system. Capitalism is still growing; socialism and communism are in retreat. We must never lose sight of the rising military threat posed by international communism; but we have cause for confidence that, economically, capitalism will outperform communism.

Dr. Hoover concluded:

Among the leading economic systems of the world, modern capitalism, as it exists in the Western nations, is strong, productive, popular, and in almost no danger of being supplanted or overthrown by collectivism.

I ask unanimous consent to have printed in the RECORD an article by Roscoe Drummond which comments on Dr. Hoover's study. The title of Mr. Drummond's article, which appeared in the Washington Post of March 30, 1959, is "State of Capitalism: System Appears in No Danger."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 30, 1959]

STATE OF CAPITALISM: SYSTEM APPEARS IN NO DANGER

(By Roscoe Drummond)

A well-known American businessman, defending capitalism on a kind of panel performance, was asked by a member of the audience what he considered its basic right.

His instant answer: "The right to go broke."

What he was saying was that everybody is better off when, in order to survive, business has to make its way in the marketplace of consumer opinion.

But capitalism, now engaged in a life-and-death struggle with communism, also has to make its way in the marketplace of voter opinion. How is it doing there: To survive it must convince the voters as well as please the consumers. Is capitalism gaining political support—or losing it?"

The answer which comes from one of the country's eminent economists, Calvin B. Hoover, of Duke University, who has just completed a 3-year study for the Twentieth Century Fund on "The Economy, Liberty, and the State," is reassuring.

From his research and first-hand observation—twice during his surveys he visited the Soviet Union, the satellite countries, and Western Europe—Hoover concludes that:

"Among the leading economic systems of the world, modern capitalism, as it exists in the Western nations, is strong, productive, popular, and in almost no danger of being supplanted or overthrown by collectivism."

As far as he can see ahead, at least for the next two or three decades, the modern type of capitalistic economic system will not be supplanted in any important country of the West, at least not by the conscious will of the majority.

I have not yet read Hoover's full report—only the Twentieth Century Fund's advance account of it—but I am sure he has had no trouble assembling impressive evidence to support his finding.

The visible fact is that as an economic system both communism and socialism are in retreat.

This doesn't mean that the Soviet Union is in retreat or is not a powerful military state capable of using its massive controls to perform great economic feats. But it does mean that the Kremlin has been able to do this not by applying Communist principles but by departing from them. Both Tito in Yugoslavia and Gomulka in Poland have had to abandon much of communism in practice in order to rescue their countries from economic deterioration.

Bear in mind that after World War II Socialist governments and Socialist economics were in command of nearly every European government including Britain, France, and Italy, and the Socialist Parties, crying for more and more nationalization of industry, were ascendant and often kept in power by alliances with the Communists.

What is now most significant and what gives Hoover's thesis its strongest support is that the whole political and economic picture in Western Europe is radically changed. The Communists do not form the basis of any government in free Europe. The Socialist Parties are either in decline or have openly abandoned, because they found it didn't work, the nationalization of industry as an objective.

The greatest force behind the resurgence of modern capitalism as the best way to produce the greatest good for the greatest majority is the visible fruit of modern capitalism in Western Germany—the nation's resplendent recovery through the rejection of Socialist controls and Socialist regimentation and by using the incentives of a competitive free economy. (No wonder the Soviets want to blanket out West Berlin.)

Capitalism, of course, faces dangers. There is the danger of being suffocated by its own welfare state. There is the danger of failing to help underdeveloped countries so that their own plight causes millions of people to accept mass tyranny—or have it forced upon them—as the only alternative to mass poverty.

As Hoover sees it, a competitive economy is an essential part of the shield of individual liberty.

TRIBUTE TO WALTER S. ROBERTSON

Mr. BRIDGES. Mr. President, David Lawrence recently wrote an article entitled "Robertson, American Patriot," relative to Walter S. Robertson, who recently resigned his post as Assistance Secretary of State for Asian Affairs.

I agree that Walter Robertson is a great American patriot and has made an outstanding contribution to our foreign policy. I ask unanimous consent to have the article printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROBERTSON, AMERICAN PATRIOT

(By David Lawrence)

WASHINGTON.—Sometimes it takes the news of an illness or a departure from public office to bring about a true evaluation of the services of a man to his country. The announced resignation of Walter S. Robertson from his post as Assistant Secretary of State for Asian Affairs focuses attention on the valiant and successful fight of a sick man to keep America from blundering into recognition of the Red China regime.

Mr. Robertson, who leaves the Department of State in a few weeks, says frankly he never would give up his work if he did not feel assured that the United States will not yield to the tyrants in Peiping. Few people outside the Government are aware of the indefatigable battle Mr. Robertson has waged against all manner of intrigue that has been going on inside and outside the Government to win for Red China a place in the United Nations and diplomatic recognition by the U.S. Government.

Mr. Robertson served under the Truman administration, but has played an even bigger role under the Eisenhower administration in steering foreign policy as it relates to Asia. It was most unfortunate to read the other day a comment by former President Truman accusing the Eisenhower administration of surrendering because an armistice was signed in Korea. All one has to do is to read the book by Adm. C. Turner Joy, who presided for the United States at the Panmunjom negotiations, to find out that, before the Eisenhower administration came into power, the American representatives had been instructed to accept the principal portions of the final agreement. They did so, and only a dispute about exchange of prisoners remained when Mr. Eisenhower became President in 1953. So the real question was whether to repudiate or to honor the agreement made by the Truman administration, President Eisenhower chose to honor the signature of the United States on the sections already agreed upon by the previous administration.

As a matter of fact, it is only in what happened prior to 1950, when State Department officials were being accused by congressional committees of catering to Communists in the Far East, that there is any basis for controversy. In a speech delivered 3 weeks ago at Ottawa, Mr. Robertson said:

"Since 1950, the difference in basic China policy between former President Truman and President Eisenhower is the difference between tweedle-dum and tweedle-dee.

"In early 1950, following the Communist take-over of the mainland in December 1949, at about the time of British recognition, President Truman vetoed the recommendation made to him that we recognize Red China. The Republican attack on the Democrats in the 1952 election campaign was not on basic China policy as it then was, but rather on what was alleged to have been the vacillations and blunders which had helped create the Frankenstein monster of Red China and enhance its menace to the free world.

"In 1956, an election year, a Democratic-sponsored resolution, reaffirming support of the Republic of China and opposing the seating of Red China in the United Nations, passed the House by a vote of 391 to 0 and by 86 to 0 in the Senate. Not a single Congressman or Senator of either party was willing to vote against this resolution. This is a phenomenon unprecedented in American political history. When the parties later assembled for their national conventions, they adopted almost identical planks in support of this policy. In the recent Taiwan (Formosa) crisis, Mr. Truman was among the first to come out in strong support of President Eisenhower's position. To repeat, the differences of opinion about China policy do not represent differences between political parties, but rather differences between individuals, irrespective of party lines."

Mr. Robertson has made numerous speeches about the whole China problem in the last few years, and has been perhaps the country's most outstanding champion of the American policy in the Far East.

He says opposition to the Red China regime is not based on "disapproval of an ideology or an economic system, much as we abhor both." He asserts that American policy is based "on the collective security of the free world." He sees any possible acceptance of Red China's regime as meaning the liquidation of American alliances in the Philippines and Southeast Asia, danger to the Korea Republic, and the collapse of our military allies in the Western Pacific who possess considerable manpower which if not available would have to be substituted for by millions of American soldiers.

Mr. Robertson points out that very few countries have recognized Red China since the Communist aggression in Korea in June 1950. He adds:

"Instead of being isolated, we stand with the overwhelming majority of the countries of the free world in this position. It is essential that this majority continue to stand together."

Walter Robertson's espousal of the cause of a free China will long be remembered. And it is a safe bet that he will continue to

give whatever energy he has left to the cause for which he has struggled this last decade, despite frequent intervals of ill health. He is truly one of the great public servants of our times.

FRANK LLOYD WRIGHT

Mr. PROXMIRE. Mr. President, a truly great American passed away Thursday morning. His loss was felt across the Nation. Monuments to his genius, vision, and courage literally circle the globe. In this sense he will never die.

Frank Lloyd Wright was born June 8, 1869. He died April 9, 1959. A seeker after truth, a creator of beauty, a gladiator for principle, he left his mark, beyond all others, in his chosen field of architecture. He was born, lived, studied, taught, and worked in Wisconsin; but we dare not claim him for ourselves alone. He belongs to the Nation and the world, to his contemporaries and to generations yet unborn.

Frank Lloyd Wright was born in Richland Center, Wis. He died in Phoenix, Ariz. In the nearly 90 years that passed between these two events he wrought a profound change in the course and development of the art of architecture.

He brought to his art the revolutionary concept that the design and construction of a building should provide the greatest possible usefulness to those who dwell within it. Above all, he stressed the principle that the innate beauty and distinctiveness of the site of a building should be extended and emphasized in the building which grew out of the site.

He received his formal education at the University of Wisconsin, where he completed a 4-year course in civil engineering at the age of 19.

Frank Lloyd Wright was a man of strong convictions, articulate pronouncements, and tremendous imagination. A few years ago, he summed up the guiding principle of his life in these words:

> Early in life I had to choose between honest arrogance and hypocritical humility. I chose honest arrogance and have seen no occasion to change.

Frank Lloyd Wright's unique and wonderful contributions to the American scene reach back to a time before the turn of the century. His fame and impact continued to grow over the years.

His original creations are all but numberless; his effect, immeasurable. He was given the highest honors fellow architects could bestow in this Nation and a half a dozen other lands, including England, Italy, and Japan.

This active man found time to write nine books during the course of his life and, until his final illness struck him down last Saturday, he was as active as he had always been; and his spirit was that of youth.

I join with my State and Nation in a final salute to this great American.

Mr. JAVITS. Mr. President, will the Senator from Wisconsin allow some of us to join with him in the memorial to Frank Lloyd Wright?

Mr. PROXMIRE. I yield for that purpose.

Mr. JAVITS. I shall be very brief. I merely desire to join in the sentiments expressed by the distinguished Senator from Wisconsin about this great American, who was responsible for literally a revolution in an art which has been one of the glories of mankind for centuries. I think all of us can well pause a moment to pay tribute to a great American and a creative genius.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to my colleague from Wisconsin.

Mr. WILEY. I was personally acquainted with Frank Lloyd Wright. A few days ago I received a letter asking me to attend a birthday celebration which was to be held a few weeks ahead.

I agree that in his passing America is saddened by the loss of one of her most illustrious sons.

This great architect was a friend of mine. I am proud of our association, and have profited from having known him.

He was called a nonconformist. If being a stanch individualist is nonconformity, then he was a nonconformist.

He was called a radical. If believing in new creation is radical, then he was that.

He was called an influence on society. If being an inspiration to others is influential, then he was that.

A designer of more than 700 buildings, Mr. Wright left his special and unique mark on landscapes around the world. He was the recipient of awards and honors from virtually all leading Western nations. By combining imaginative, modern building methods with the traditional beauty of nature, he achieved fame as an artist of the first magnitude and a leading contributor to American culture.

Frank Lloyd Wright once said that a house is a part of its environment, and graces its environment, rather than disgraces it. Mr. President, I suggest that the same sentiment can be applied to this famous native of Wisconsin; he also lent grace and beauty to his surroundings.

He has now passed to his eternal reward. But while Frank Lloyd Wright is gone from our sight, his genius remains as a lasting inspiration for those who follow. He will not be forgotten.

ONE HUNDREDTH ANNIVERSARY OF WAUKESHA FREEMAN

Mr. PROXMIRE. Mr. President, a century ago in the city of Waukesha, Wis., there was born a newspaper which was conceived in the spirit of freedom and the cause of abolition. The cause is long since won; but the spirit has never burned brighter in the pages of this newspaper.

The name of this newspaper, the Waukesha Freeman, is peculiarly fitting. Over the years it has made a solid contribution to the cause of freedom and the traditions of American journalism.

Most illustrative of the Freeman spirit in modern times has been this newspaper's constant devotion to the elimination of secrecy in government through public access to government records and meetings.

In this all-important struggle against secrecy, the Waukesha Freeman has been a leader and moving force among the newspapers of Wisconsin, striking one blow after another for good government, without regard to partisan implications.

Here, too, is a newspaper of integrity, constantly striving for objectivity in its news columns and responsibility in its editorials.

I salute this newspaper and its publisher, Mrs. J. H. Youmans. May the Waukesha Freeman give another 100 years of responsible, dedicated service to its community, State, and Nation.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

THE SOVIET ECONOMIC CHALLENGE—ADDRESS BY FORMER SENATOR WILLIAM BENTON, OF CONNECTICUT

Mr. PROXMIRE. Mr. President, William Benton, a distinguished former Member of this body, delivered a remarkably perceptive and timely address Wednesday night on "The Soviet Economic Challenge." Former Senator Benton addressed the Economic Club of Chicago. What this outstanding American said is so pertinent to the economic, the foreign aid, and the military legislation we will consider at this session that I ask unanimous consent to have the speech printed in the RECORD at this point. I enthusiastically urge my colleagues to read it.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE SOVIET ECONOMIC CHALLENGE

(Address by Hon. William Benton, annual meeting, Economic Club of Chicago, Chicago, April 8, 1959)

I congratulate the Economic Club of Chicago and its president, Jim Downs, on this series of talks. Your club has been focusing on the gravest economic problem of our time—indeed of any modern time. You can hope that out of this series you may have a better chance to understand the problem and to do something about it.

I have not read the papers of my three predecessors on your speaking program. I didn't want to find out that they'd stolen my stuff and I didn't want to be accused of stealing theirs. But I know something of their views—for example, of my friend Philip Reed's comforting prediction that it will take the U.S.S.R. a century to catch up with the United States in production of electric power.

Thus I suspect that I shall be more of a Cassandra than they. Tonight I cannot be the optimist I've often been in my activities in Chicago, which began when I first came here to work in 1928 as assistant general manager of Lord & Thomas. Chicago generates optimism. It seems safe and it has been sure. It is the world's greatest business city. It is world capital and symbol of economic productivity. For 100 years it has specialized in putting its broad shoulders behind what can't be done—and then doing it.

In this city where my business interests again center and where my oldest son has settled for his business life—I am not happy tonight as prophet of danger and potential disaster.

As I try to peer into the future, I shall begin with an aphorism: the risk of underestimating the opposition is much graver than the risk of overestimating it. This is more than merely a good general rule for

business executives when they appraise their competition. It is far more important when we Americans now seek to appraise the U.S.S.R. It is far more applicable when the opposition is armed with hydrogen bombs. Here we face no mere matter of the P and L statement, but a matter of life and death.

We should have learned this rule in 1949, when the Soviets exploded their first atomic bomb years before we thought they could. We should have relearned it in 1953, when they exploded a hydrogen bomb—and again years ahead. We did begin to learn it in 1957 when the first sputnik went into orbit.

This rule of power politics—the rule that a country should not underestimate its opposition—will be superficially examined by me tonight in the field of trade and economic rivalry—in other words, in terms of the Soviet economic challenge.

Way back in 1955 Nikita Khrushchev told a group of U.S. Congressmen: "We value trade least for economic reasons and most for political reasons." This statement mirrors orthodox Communist theory.

In 1957 Khrushchev put this even more sharply. In an oft quoted statement, he said "We declare war on you * * * in the peaceful field of trade. We declare war. We will win over the United States. The threat to the United States is not the ICBM but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system."

Khruschev finds many who believe him. A few months back, our Government discovered to its chagrin that President Kubitschek of Brazil was circulating a memorandum estimating that the Soviet Union, in the not too distant future, will be our superior in industrial production. By 1980, when many Chicagoans in this room may hope still to be alive, Dr. Kubitschek's document estimated Soviet gross national production at the rate of $1,561 billion annually, and that of the United States at only $858 billion or about half.

Yes, the U.S.S.R. means to cross swords with us in the battle of production and trade. She throws down her gauntlet to us as the leading economic power in the world. She feels sure she has the weapons for a successful challenge and many foreign observers agree.

To help us decide whether we must now roll up our sleeves and tighten our belts, let us examine some of the elements of Soviet economic strength. I shall give you four.

The Soviet rulers claim that by 1965 the economic defeat of capitalism will have been accomplished, though the United States is expected to continue to struggle against the inevitable and will not yield production leadership to the U.S.S.R. until 1970. By then, the worldwide moral and political defeat of the United States and of its private enterprise economy will be obvious even to the United States.

Now we used to scoff at Soviet claims—but again and again the so-called visions of Stalin have turned into realities; and today we scoff only at our own peril.

Last November Khrushchev said to Walter Lippmann: "We will cause you, the Americans, more trouble each year. At present the United States is the richest and most productive country in the world. But it is living in the last years of its greatness. Shortly the U.S.S.R. will surpass the United States in productivity per capita. When that is achieved, the people (of the poor countries) will be convinced in their stomachs. That is your danger, not our H-bombs."

Late last year the official magazine of the Soviet Foreign Trade Ministry gloated that Soviet foreign trade had helped curb the profits of what is called the supermonopolies. And a Soviet economist has recently declared that by 1965 the U.S.S.R. will be calling the tune on world prices.

Here is what Khrushchev told the Soviet Communist Party's 21st congress this past January:

"Think of this comrades. Although the socialist countries occupy only a fourth of the earth's territory, although the majority of these countries were backward in the recent past, the time is not distant when they will produce more than half of the world's industrial output. The countries of the socialist camp have all the prerequisites for winning the championship in world production. We want the competition to take place not in an arms race, not in the manufacture of atom and hydrogen bombs and rockets, but in the realm of industrial production—meat, butter, milk, clothing, footwear and other consumer goods. Let the peoples see which regime better meets their requirements and let them pay their due to each regime according to its deserts."

Such trumpetings, as propaganda in today's world, are proving increasingly effective among the peoples of the so-called uncommitted countries whose populations total 1 billion human beings—well over a third of the human race. This is because of the comparisons that Soviet propaganda can now make between the rates of growth of our economy and theirs. Since 1957 our own economy can almost be said to have been in retreat—while the economy of the Communist world—Russia and China in particular—is surging forward with giant steps.

The U.S.S.R. claims an economic growth this year of 10 percent. Here is the first of the four potent weapons in the Soviet economic and propaganda arsenal.

Let's take steel production. The Soviet goal for 1965, for the U.S.S.R., alone, is 100 million tons and the Chinese goal seems to be expanding monthly. Last year, for the first time, the Communist bloc, including the U.S.S.R., its East European satellites and China, produced more steel than did the United States. Half our capacity—an amount equal to the U.S.S.R. production—was idle. Let me put this another way. The American steel furnaces that were cold last year could have produced as much steel as all the furnaces in the Soviet Union.

Allen Dulles, Director of the Central Intelligence Agency, reminded the U.S. chamber last April that "a recession is an expensive luxury." "Its effects are not confined to our own shores," Mr. Dulles continued. Then he warned, "Soviet propagandists have had a field day in recent months, pounding away at American free enterprise." This warning is minimized by many American economists who stress our historic rate of a 3 percent average annual economic growth. They do not throw into the balance the harmful impact of the Soviet propaganda dramatizing our setbacks and our millions of unemployed.

Radio Moscow tells the peoples of Asia and Africa and Latin America, "It took the West a hundred years to build its production system; follow ours and you can do it in twenty."

Perhaps I should interpolate here that the world unhappily is not filled with people who share your views and mine that, even if the Soviet Union were to learn to outproduce us 100 to 1, we would still most fervently prefer a system designed to serve the freedom, the dignity and the development of the individual. We would still prefer our system to any system aimed at the glorification of the party or the state.

Let me now turn to another example of the Soviet challenge— their trade offensive. This is their economic weapon No. 2.

The U.S.S.R. needs surpluses and raw materials which we often reject, let us say the cotton of Egypt or the rice of Thailand and Burma. When it doesn't need the rice, it can still acquire it and resell it at cut prices. The non-Communist rice-exporting countries call this dumping.

(In a dispatch from Chicago dated March 28, the New York Times quoted Mr. Charles B. Shuman, president of the American Farm Bureau Federation, as having "evidence that the Soviet Union was using cut price wheat—including some that had originated on U.S. farms—as an economic warfare weapon." The Times said that Mr. Shuman "expressed the fear that the Soviet Union would replace the United States in the Western European market.")

The Russians can flood the market with their surplus tin. In Bolivia, where tin is the vital life stream, there are riots. Against the Russians? No. Against us. It is true that the most recent riot was touched off by a statement in Time magazine. But the underlying cause was the depressed market for tin.

Soviet petroleum finds its way to Argentina and Uruguay. This tends to dry up the markets for Venezuelan oil. So does President Eisenhower's executive order establishing a quota on oil imports into the United States. This order pleased our oil producers in Oklahoma and Texas but it cut our purchases of Venezuelan oil by $250,000 a day. Vice President NIXON heard about oil when he visited Caracas—and with insults and brickbats. Will there be unemployment in other oil producing countries? The Russians won't hear much about it. But we will.

Soviet automobiles are appearing on the German market. They are selling at low prices and they aren't being advertised. The Soviets haven't yet learned the power of commercial advertising to help sell their goods in export markets. They are beginning to use advertising domestically to dispose of surpluses or to stimulate savings, as I reported in Sales Management on my return from U.S.S.R. 3 years ago. And I now predict that the U.S.S.R. will shortly begin to learn how to use export advertising. This will add measurably to the formidability of Soviet competition in export markets.

There are persistent Soviet bids for more trade with Britain. Three years ago Khrushchev, visiting England, spoke contemptuously of current Soviet-British trade as the exchange of Russian crabs for British herrings. He offered to buy almost $3 billion of British goods if the embargo on strategic exports were removed. And now Mikoyan roams the world markets, beating the drums for Soviet products, ready to buy or sell from either pocket, ready to undercut other countries' prices, and holding out the hope of Soviet loans at 2 percent for 40 years.

This last point dramatizes still another element of the Soviet economic offensive. This is their economic weapon No. 3. It is no less than the coming challenge to the dollar by the ruble.

LaSalle Street, please take note.

The London economist recently reported that the head of a large Zurich bank had wagered the Chairman of our Federal Reserve Board a case of champagne that the United States will devalue the dollar within 3 years. And the house of Montagu, the big London bullion house, in the Bullion Review for 1958, tells us a few facts about Soviet gold production. It was about 17 million ounces both in 1957 and in 1958. That's about $600 million a year—on the same order as South African output. Soviet gold reserves are estimated up to $10 billion. Montagu makes some comments, too, on the possible devaluation of the dollar: "One cannot exclude the possibility that a further decline in dollar holdings (and they mean dollar holdings by foreign countries) caused by the American Government's difficulties in handling its financial problems might well force the hands of the American authorities."

There is no Marxist nonsense in Soviet banking operations. Russian bankers operate today much as they did under the czars. They don't believe in capitalism, but they believe in capital and they handle it along capitalistic lines. Our bankers will

tell you that Soviet gold is a pleasure—and a profit—to handle. It is always perfectly assayed. And it is beautifully packaged, so that the banks always make just a little bit more when they handle Moscow gold than with any other country's gold.

Soviet gold now trickles into the West at the rate of about 7 million ounces a year. This is roughly a quarter billion dollars. It isn't enough to disturb the delicate balance of the gold market.

But what did Mr. Mikoyan urge last summer in an article in the Soviet magazine International Affairs? He proposed nothing less than that the United States raise the price of gold. This of course devaluates the dollar. He contended that the price of gold is artificially established by the United States at a low rate which we impose on countries from which we buy gold—as a form of tribute collected by us.

In the Soviet foreign trade journal, Vseshnyaya Torgovlya, Mr. Mikoyan stated that in the not too distant future the ruble, export of which has been forbidden for 30 years, will be made fully convertible on international exchanges.

Both of these magazine articles by Mikoyan sustain reports that the Russians plan a revolution in international finance. In the Soviet view, the ruble is to displace the dollar as the dominant medium of international exchange even in the non-Communist world.

Such a belief would have seemed foolish—or merely a nightmare—a few years ago. And today? I'm not a financial expert—but I wonder. Soviet industrial diamonds and gem diamonds soon will be competing with those of South Africa. The international ruble will have gold and a growing flood of commodities as its backing. And in a death grapple between the ruble and the dollar, what will be the fate of the relatively free system of finance that has so long dominated the international world of money?

Fourth and finally, we of the United States are now dangerously facing a Soviet challenge in the field of foreign aid. During the next decade, this may turn out to be the most important of all the Soviet economic weapons. Recently Under Secretary of State Dillon reported that Soviet commitments to underdeveloped and uncommitted nations for the year 1958 amounted to $1 billion. Mr. Dillon said this represented "a dramatic acceleration of the tempo of the drive."

By comparison with our own, the Soviet program of aid to underdeveloped countries has been small—with a total commitment of only 2½ billions since the war, mostly in long-term low-interest credits. Some experts believe the program will continue to be relatively modest. But others estimate that within 10 years the Soviet economy will be able to provide a surplus of 10 billions annually for export—if its leaders elect to do so. If the tempo continues to accelerate, they may readily so elect.

The Russians are playing for big stakes and they know what the stakes are. They expect and they get political value for their money even when the money's small. Their anti-Western line is quite clear. They tell the underdeveloped countries to expropriate Western property and to reject Western aid. They promise help without the enslaving conditions we impose. That we do not enslave is of no importance, so long as the Soviets are able to sell the idea that we intend to.

In India recently, there was a dramatic demonstration of the effectiveness of the Soviet aid and propaganda program. Two steel mills of 1-million-ton capacity were opened on 2 successive days. The first had been built by a group of West German and Indian industrialists. Its opening passed relatively unnoticed. The second was built and financed by the Soviet Union. It opened amidst a fanfare of publicity, a flood of propaganda that made it appear to India and surely much of the underdeveloped world that the Soviet Union was India's principal benefactor in her struggle toward self-sufficiency.

Yes, perhaps the gravest threat to the Western World in the emerging Soviet economic challenge is the accelerating program of Soviet economic aid, and the skill with which it's handled.

Now I've mentioned four forms of Soviet economic challenge. As a Cassandra, I could go on. But I am not here to argue that the Russians are 10 feet tall. I'm merely arguing that when we Americans are in a life and death struggle we shall be well advised if we do not underestimate our competition. I'm trying to dissolve any illusion that the United States is necessarily the big man and that the U.S.S.R. is the little man and that a good big man always beats a good little man.

Manifestly there are deep-seated flaws inherent in the Soviet system. Further, there are cancerous economic flaws wholly apart from the purges, the tyranny and the political doubledealing.

One is the unsolved problem of succession in a dictatorship—how, without terror and bloodshed, to transfer power from one regime to the next. Stalin was in his forties when he became absolute ruler, but Khrushchev is already 65. This is Sears, Roebuck's newly advanced retiring age (it was 60 in 1942 when General Wood turned over the Britannica to the University of Chicago, and advised me to keep it at 60).

Now I don't know the condition of Khrushchev's liver; he looks healthy enough in his pictures. And it takes a man in good health to stand up against HUBERT HUMPHREY for 8½ hours. But I would wager that the jockeying is on among those who want to sit where he sits. He may be temporarily succeeded, as was Stalin and before him Lenin, by an oligarchy of unquiet men scheming among themselves for the ultimate power. Such a struggle might lead to another round of liberalization within the U.S.S.R. This would be all to the good. Or it might deflect Communist energies away from an international offensive. Such a respite might of course be only temporary.

There are factors and trends that could work in our favor. For 40 years the people of the U.S.S.R. have been hearing about the better life that is in store for them. It is true that most Soviet citizens are today better off materially than their fathers were before the revolution. But all things are relative, and twice one egg per week is still only two eggs. Their lot has been alleviated—but only to a degree that may whet their appetites for more. We can wait with some hope for that mellowing process predicted by George Kennan.

The astute politician Khrushchev today seldom makes a major speech without pointing to Soviet accomplishments in increasing the output of food and to a future with good housing, and enough meat, milk, and clothing for all. Perhaps he feels that the Soviet people may never again be as supine as they were in the years when Stalin was operating on Lenin's dictum that it was necessary to sacrifice two entire generations in order to achieve the revolution.

Illiteracy in the U.S.S.R. has been largely wiped out for those under 45. In my book of last year, "This Is the Challenge," I again reported how the booming Soviet educational system—or rather its training system—is turning out tremendous crops of competent professional men and women, administrators and technicians—and thus creating a new version of a middle class. Allen Dulles has expressed the cautious hope that education may prove the Achilles heel of the Soviet system. The Kremlin may indeed find it an increasingly harder problem to manipuate the people of the U.S.S.R.

Alexis de Toqueville in his book, "The Old Regime," said: "The evils which are endured with patience so long as they are inevitable seem intolerable as soon as a hope can be entertained of escaping them." The Russian people found the evils of the Czars intolerable and ultimately escaped them; and no man can say for sure that this may not happen again even though there seems small hope at present for any significant or imminent change in the regime or its policies.

There is a major factor which should not be minimized. If I were purely a Cassandra, I would overlook it. This factor is China. In a few years your banquet speakers will perhaps be focusing on a new problem which they will tell you is the gravest in all our history. They may tell you that in 1959 we Americans were fighting the wrong cold war—and they may be right. Peking claims that China's production of steel and grain doubled in 1958. Twice one egg is still only two eggs, but it's a much bigger omelet when stirred by 600 million people. To the Soviet Union or to the rest of us it is clear that Mao Tse-tung, Chou En-lai and company are reorganizing China to achieve the last ounce of productivity.

There is a wisecrack current in Moscow. Khrushchev's 7-year plan, they say, is not aimed at catching up with the United States, but at keeping ahead of China. The United Nations forecasts a Chinese population of 1.6 billion by the year 2000. The Soviet population is now 207 million, less than a third of China's, and growing much more slowly. The prospect of an explosive over-populated China immediately south of Russia's rich and underpopulated Siberia must be cause for concern in Moscow. Former Premier Paul Reynaud at a conference I attended in Bern last summer asserted that China's abandonment of birth control is one of the most significant political developments since the war. The Soviets understand such developments.

But I fear any effort to find a silver lining in China's growing strength makes tonight's cloud the more ominous.

Is a powerful China, seemingly more Communist than the Kremlin, likely to weaken the worldwide economic challenge of communism? We may indeed some day find ourselves allied with the U.S.S.R. against Communist China, but is this a comforting thought for the members of the Economic Club of Chicago to take home to their wives and daughters tonight?

I hope that I may by now have persuaded many of you that the arguments are powerful that America's present necessity is to gear up for the coming economic competition.

Now do I have any suggestions as to how best to gear ourselves up?

Yes, I have a few, though I have advanced some of them so often that they may seem tarnished if not shopworn to some of you. However, this does not prove they are not good. A secondhand set of Encyclopedia Britannica is still better than the Book of Knowledge. (I say this as a bow to the many executives of Britannica and Britannica Films in the audience tonight.)

Of course, the first and most essential task of the United States is to continue to maintain and further to build up our defense establishments; this is a subject for another speech, though not by me. Perhaps I should remind you, however, that many who have studied the subject feel that our defense budgets should be stepped up at a rate of at least $3 billion a year. A great political scientist, who spends his life studying world trends, told me last month that he thought the odds on a nuclear war had shifted in the last 5 years from 1 in 100 to 1 in 10. He advises me to purchase three hideaways (he prefers to call them lodges), at 10 or

12,000 feet altitude, one in South America, the second in Southeast Asia, and the third in Africa. "Keep one member of your family out of the United States at all times," he warns.

If he is right, $3 billion a year is far too little. We must weigh his arguments. Our understanding of reality is essential to our survival in freedom.

Our second objective for our economy, as I see it, is to produce at full capacity, or close to full capacity. We must pursue policies which insure an expanding economy. What we should produce, and how our total production should be divided among goods and services, is another question. We have largely solved the technical problem of production; what we have not solved is the problem of maintaining an economy at full momentum and of channeling its production into those goods and services most vitally in the national interest.

For the last several years, our growth rate has been considerably less than our traditional 3 percent. Almost 2 years ago, in the third quarter of 1957, our gross national product reached its peak—we were then producing at the annual rate of $451.1 billion. The recession came along and gross national product sagged. A low annual rate of $429.2 billion came in the first quarter of 1958. The average for the year ended up at $437.7 billion. (These figures are all in 1958 prices.) Today it is creeping back up—but with 5 million or 6 million unemployed. It is at least $20 billion behind what we might reasonably expect with high employment.

Now it takes no financial or mathematical genius to discover that if the current or recent rates of our own economy and the Soviets are maintained—that they will shortly surpass us in gross national product—and with a minimum of fintailed Cadillacs or plastic covers for the hats that cover the heads that cover our brains.

Can we Americans afford to settle for a growth rate of less than the 5 percent set as a goal in the 1958 report of the Rockefeller Brothers Fund? This is no quota set by an optimistic sales manager. It is a rate of growth calculated by a panel of carefully chosen experts to accommodate sharply increased defense expenditures deemed essential; to cover increased and essential domestic expenditures in such fields as education; and to provide for a 2.8 percent per annum growth of private per capita consumption. Thus it seems to promise that we can have our cake and eat it, too. If we get the breaks, perhaps we can and perhaps such an example on our part will help lead the world to peace. At any rate, we should seek to develop national policies directed toward such a goal. This requires skilled and courageous political leadership applied to national tax policies, budget, and monetary policies.

One distinguished economist estimates we must double our current or historical rates of savings and investments to achieve the Rockefeller goal. We must work more, but if we do it will be easier to save more.

The recently inaugurated study by the Joint Economic Committee of Congress was projected on the motion of the committee chairman, Chicago's own distinguished economist, Senator PAUL DOUGLAS. This is planned as a 10-month $200,000 study of economic growth, employment, and inflation. Few congressional probes could be more timely and important. The first four preliminary witnesses who were heard late last month—Dean Neil Jacoby, who was active here at the University of Chicago for many years, Prof. Sumner Slichter, of Harvard; Leon Keyserling and Marriner Eccles—indicate the high level of economic competence being enlisted.

A third front on which we must fight is that of economic aid. Here again I turn to a recent but neglected report of the Rockefeller Brothers Fund. This one is titled "Foreign Economic Policy in the 20th Century." It says, "The selective economic program of the Soviet Union is politically effective primarily to the extent that weak countries must face the strong Soviet economy alone. If these countries are part of larger groupings they will be able to resist pressure more easily and negotiate on a more nearly equal basis.

"The Soviet effort is impressive primarily because the free world has failed to develop a workable structure within which the industrialized and newly developing regions can cooperate in fulfilling the aspirations of their peoples."

The report continues, "The free world can withstand the impact of the Soviet geopolitical trade offensive, if it organizes itself to do so. The more highly industrialized nations of the world are linked to the less developed nations by a two-way trade of goods that totals more than $35 billion annually or almost 30 times the amount of trade between the less-developed countries and the Communist bloc.

"By building appropriate international institutions on the solid basis of existing mutual interest, the free world can perpetuate an advantage that lies overwhelmingly on its side."

I endorse the conclusions of this report. I believe the American people are again prepared to take what Clarence Randall, of Chicago, has called "the bold and costly measures to avert disaster in this contest."

Annual increases in productivity can of course make it far easier for us to increase our foreign aid programs, and to put them on a long-term basis, not an uncertain annual basis, bolstered along the lines of Senator MONRONEY's Development Loan Fund.

Further, we should develop new ways to stimulate private investment abroad, particularly in underdeveloped countries. I am tempted by Clarence Randall's proposal that the tax exemptions we now give to profits from investments in Latin America should be extended to the entire world. In his provocative article in the current Atlantic Monthly, he urges, "genuine partnerships and immediate and generous sharing with local capital of both the risks and the opportunities."

I am not now prepared to join those who are suggesting that America must create a Government monopoly of foreign trade in order to meet the Soviet challenge. This can come; I am told it is being discussed in the State Department and papers are being prepared on it—as indeed they should be. But I am hopeful that we can avoid violating our antitrust laws in ways that are repugnant to many of us in the business community and to a great majority of our voters.

We are quick to accuse the Soviets of politically motivated foreign trade. Yet many of their policies, like ours, may seem rational from the standpoint of their domestic economy. Our trade, too, is governed by political considerations—domestic ones affecting farm policies, for example—or our oil quotas to which I've just referred—or our tariffs, as the Illinois and Connecticut Manufacturers Associations can tell you.

The United States should do all it reasonably can to reduce tariffs and trade barriers and thus stimulate world trade generally. In his testimony before Senator DOUGLAS' committee, Professor Slichter suggested that tariff reduction would hold down U.S. prices, and thus counteract inflation.

And should we exclude the Soviets from our trade? Might not trade with them help encourage the trends we desire? In his new book, Adlai Stevenson asks these questions: "So why not trade with them? Why not help them improve their living standards? Why not encourage the growth of material abundance and thereby make it harder to preserve the secrecy, ignorance, and tight controls of the Soviet system? Why not help the Soviet leaders subvert their own system of fear with the confidence bred of plenty?"

Finally, in my list of quick suggestions, I remind you that I have been identified, over the years, first in the Department of State and later in the Senate, with proposals for strengthening America's programs of international information and cultural exchange. These can have profound impact on the economic struggle. They should be greatly enlarged.

We must not neglect the export of people and ideas as well as goods. Clarence Randall complains that our representatives can't speak "the language of the people with whom we must deal each day." I have previously proposed the creation of centers for the training of technical assistance experts—"West Points of Point 4," I called them, and I repeat the suggestion here. The graduates of such centers would serve overseas for a few years as the graduates of our service academies serve in the armed services. They would receive a most marvelous training for the business world we like to envisage for the future.

A few fissures have opened in the Iron Curtain. More can be developed with a little leadership and money, as I pointed out last year in testimony to the Foreign Relations Committee of the Senate. One of our most hopeful lines of action is to make the Soviet people aware of how wide the discrepancy is between their own standard of living and that of the West. The Soviet press so fears this issue that it failed to print Prime Minister Macmillan's broadcast in Moscow about how well the British people live and how much higher British per capita production is than the U.S.S.R.'s. I suggest that we set up this issue as a precondition of the summit meeting sought so eagerly by Khrushchev. Let him agree to carry its proceedings in the Soviet press and on its radio and TV. Challenge him to expose his people to the great international debates of the times at the summit meeting. If he wants the summit, let his people listen to what goes on there.

I shall pass over tonight, as a subject for another speech, and this one I would like to make, the ignorance of our own people and the importance of informing them. On March 18, James Reston reported dismay in Washington because in a spot check the New York Times discovered that 39 percent of those questioned did not know that Berlin is an enclave in Communist East Germany. Such ignorance is a commentary on the American press, radio, and TV—as much as on the American people. Our press and radio may be free, but they are far from adequate.

Now you may say, as I conclude, that measures I have ticked off quickly will cost a lot of money. I reply that the money is tiny compared to our national income, and our Defense Department costs. In view of our great danger and our urgent need, I, for one, am prepared to face up to higher taxes. We are confronted with a new emergency no less real than war, and potentially equally menacing because if we do not meet it, war may not be far behind.

Governor Stevenson is perhaps well enough established in this economic citadel, for me to quote him tonight. In grave and solemn words he reported on his last year's trip to the U.S.S.R. He wrote, "my conclusion is that our Russian competitors are much tougher than most of us have yet realized—and that this time we might get licked, unless we are willing to change our habits, our political behavior and our complacent outlook on the world."

Can we rediscover in time the values which made our Western revolutions infinitely greater than Lenin's? Can we check and reverse our national slide toward complacency? By dedication and hard work, can

we demonstrate anew what we mean by the good life and the good society? These are the questions before the American people today.

How we respond to them, my friends of the Economic Club, is the key to the future. It is the challenge of our time.

THE EFFECTS OF INFLATION

Mr. WILEY. Mr. President, I was talking to a very distinguished gentleman the other day and I wish to give the Senate the benefit of some of his ideas.

The party which will come out against inflation, and not merely talk but do something about it, will win the election next year.

Mr. President, I have spoken on that subject on the floor of the Senate a number of times. I brought into focus what inflation has done to the investors of America—investors in Government bonds and in life insurance.

I have also commented on the effects of inflation on the savings of the old folk, including retired schoolteachers and others who are living on pensions. Yet, Mr. President, we go right on spending without raising taxes to pay for the spending.

I should like to have a test vote in the Senate—a vote which will really test the convictions of Senators on the subject of more spending and the failure to increase taxes.

The President's suggestions of increasing by 1½ cents the tax on Federal fuel oil, cutting the depletion allowance for oil and gas companies from 27.5 to 15 percent, and reinstating the excess profits tax of 1950, are not receiving consideration. Have we not the intestinal fortitude, if we are convinced that this is necessary, to take the needed action?

Recently, in the New York Herald Tribune, under date of April 8, 1959, a thought-provoking article of Roscoe Drummond was published. He mentions the bill of which I am a cosponsor, with the Senator from Oregon [Mr. NEUBERGER], which would give the President standby power to hold wages and prices within bounds.

Mr. President, if we do not do this and if we keep on appropriating more money, the effect upon the 40 million bondholders and 120 million insurance policyholders will be reflected in November 1960.

I ask unanimous consent that the article written by Mr. Drummond be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUDGET BALANCING, INFLATION CONTROL FOUND MOSTLY TALK

(By Roscoe Drummond)

WASHINGTON.—I wonder if the time hasn't come to begin facing the facts on the budget.

The administration says it wants to balance the budget by cutting spending but it is not proposing to cut enough to do it. Most Democrats say they want to balance the budget but are proposing more spending without more taxes.

The end result is lip-service to a balanced budget and no action equal to balancing the budget.

The Republican leaders contend it is vital to balance the budget in order to control inflation.

The Democratic leaders say it is desirable to balance the budget to control inflation.

Neither are doing anything effective about it.

Both sides alluringly hint at the prospect of lowering taxes in another year. This is made up of equal parts of wishful thinking and reckless talk. The fact is that appropriations authorized in the past, including this year, will raise Federal spending at least $2 billion above the minimum budget for 1959–60 and who knows what is going to happen over Berlin and other exposed fronts in the cold war?

If we are going to have a balanced budget for the next fiscal year, both parties will have to struggle harder against the current. The administration would have to cut deeper into the appropriations it is asking really to stand for a balanced budget. The Democrats would have to pass higher taxes to make up for the higher spending they are approving.

Right now I can spot only one earnest, plain-speaking lonely Member of the U.S. Senate who is proposing spending measures equal to his convictions and increased taxes equal to his proposals. He is Senator RICHARD L. NEUBERGER, Democrat, of Oregon, who has recently advocated:

1. The two revenue increases sought by President Eisenhower and supported by practically nobody in either party; namely, to put 1½ cents more per gallon on the Federal fuel tax to pay for the vast highway program and to bring postal rates more in line with increased costs. Revenues yield about $1 billion.

2. Two revenue bills of his own initiative, one to cut the depletion allowances for oil and gas companies from 27.5 percent to 15 percent, and the other to reinstate the excess profits tax of 1950. Estimated revenue yield about $1,900 million.

I am not arguing that everything Mr. NEUBERGER wants to spend is vital or that his tax proposals are automatically the best way to raise the revenue. But I would like to say that the consistent, coherent, candid stand he is taking is as rare and as welcome as a two-minute speech in the Senate.

His criticism of both parties is arresting. It is his conviction:

That the Republicans shrink from facing up to the social needs of a greatly expanding population for fear it will require higher taxes to meet those needs.

That the Democrats shrink from facing up to the necessity of increased taxation even when they vote for greatly increased expenditures.

He holds that the Republicans are blind to what needs to be done and that the Democrats are blind to the consequences of doing it. His appeal is for more consistency, more candor. He believes the voters would reward both.

To control inflation Senator NEUBERGER holds that a balanced budget is not enough. He points out that it wasn't enough in the years 1947 and 1948 during which the 2-year budget surplus was $9 billion and the cost of living increase was 22 percent.

Along with Senator ALEXANDER WILEY, Republican, of Wisconsin, cosponsor, Senator NEUBERGER is asking Congress to give the President standby powers to control wages and prices. His argument is that since labor doesn't want wage control and management doesn't want price control, the best way for the President to get labor and management to hold both wages and prices within bounds is to let these unhappy alternatives be a little more visible.

PAYMENTS IN LIEU OF TAXES TO COMMUNITIES WITHIN WHICH FEDERAL PROPERTY IS LOCATED

Mr. WILEY. Mr. President, as we know, the Government Operations Committee has just concluded hearings on S. 910, the measure to authorize payment to local communities in lieu of taxes on federally owned property.

As a cosponsor of this bill, I am naturally delighted that action is moving forward on this proposal.

I realize that this measure will require the appropriation of Federal money, and I am also well aware, of course, that the Government already has a substantial demand for outlays, and that it will be extremely difficult to keep the budget in balance.

The question arises, however, whether this justifies the existence of the inequitable situation in which local communities—also having difficulty meeting expenses—have their sources of revenue curtailed because of the existence of nontaxpaying Federal property within the area. We recognize, of course, that in many instances this property requires water, sewage, and other public services at cost to the local taxpayers.

In view of these factors, I respectfully urge further actions by our colleagues on the Government Operations Committee to bring this proposed legislation before the Senate at the earliest possible time.

This morning I received a letter from Mr. John E. Kalupa, comptroller of the city of Milwaukee, stressing the need for approval of this proposed legislation to provide such payments in lieu of taxes.

I request unanimous consent to have the letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CITY OF MILWAUKEE.

Hon. ALEXANDER WILEY,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: I understand that the Senate Committee on Government Operations has concluded its hearings on bill S. 910, which authorizes the payment to local governments of sums in lieu of taxes for special assessments on certain Federal property. I appreciate your cosponsoring this legislation, and I hope you will continue to support it when it comes before the Senate for action because although it is a compromise measure, it represents a step in the right direction.

Under the provisions of this act, the Federal Government will pay special assessments for certain public improvements provided such assessments are uniformly assessed against other property owners. It will also provide for the establishment of a review board and an advisory committee, which should make possible the eventual development of an equitable program of payments in lieu of taxes by the Federal Government. I understand that the bill will also provide for assistance in hardship cases where communities have seen a substantial part of their taxable valuation removed from the tax rolls through action of the Federal Government.

The approval that you have indicated for this measure by adding your name as one of the cosponsors is appreciated, and I hope

that you will find it possible to continue your support on the Senate floor.

Very truly yours,

JOHN E. KALUPA,
City Comptroller.

TRIBUTE TO CHARLES E. ALDEN

Mr. WILEY. Mr. President, the recent death of Mr. Charles Alden—for 59 years a loyal, devoted worker on Capitol Hill—was a cause of deep regret to the many persons, including myself, who knew him well. The Book of Life will honorably record, I believe, not only the deeds of men who attain high places, but also those who, while carrying out their perhaps somewhat more modest, but neverthless significant, roles in the world, are, too, "helpers of their fellow men."

Today, I consider it a privilege to pay tribute to one such man: Mr. Charles E. Alden.

During a constructive lifetime of 87 years, Charlie served his country and his fellow men faithfully and well. For a period of 59 years, he held a variety of responsible posts on Capitol Hill, including work for Members of Congress, congressional committees, as the custodian of the Senate Office Building, and other positions.

In all of these, Charlie's performance was marked by real capability and by devotion and faithfulness to duty. Particularly, he exercised a pattern of on-the-job regularity which, in itself, was an outstanding example, as well as a punctuality by which his coworkers could daily "set their watches."

In addition, Charlie brought to his work—and to his associates—the admirable attributes of a cooperative, smiling, sincere, dedicated spirit, blended with human warmth and high integrity.

Although a man of many talents, Charlie symbolized the dedicated worker—of whom our country, fortunately, has many—who patiently, anonymously, and devotedly performs his duties.

Because of individuals like Charlie, who deserve the commendation, "Well done, good and faithful servant," our country is a better, richer place in which to live.

To supplement these humble words with highlights of his life's work, I ask unanimous consent to have articles from the Washington Evening Star and the Washington Post and Times Herald be printed in the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star]

CHARLES EDWIN ALDEN, 87, MUSIC LOVER, CONGRESS AID

Charles Edwin Alden, a music lover whose last 59 years were spent ministering to the needs of Congressmen, died yesterday in his home of a heart ailment. He was 87 years old.

Mr. Alden, who lived at 1629 Columbia Road NW., was assistant superintendent of the Senate Office Building until disabled by a stroke about a year ago.

Born in Columbus, Ind., in 1872, the son of a Civil War veteran, he came to Washington at the age of 9 when his father was named by President Garfield to a job in the Pension Office.

He first began working in the House in 1897 and served as secretary to several Republican Representatives. In 1929 he was appointed custodian of the Senate Office Building, but when the Democrats won control in 1932 he became assistant custodian.

Mr. Alden helped organize the District Credit Union League in 1934 and was its third president, as well as an official of the Senate Employees Federal Credit Union.

In taking care of Congressmen's office needs, he won many friends from among the lawmakers. At election time many asked him to notarize their absentee ballots.

Completing 50 years' service on Capitol Hill in 1950, he was lauded in the CONGRESSIONAL RECORD and sent a congratulatory letter by President Truman.

Aside from Government, Mr. Alden's main interest was music. In 1905 he organized a string quartet which met regularly in his home until World War II.

Over the years he collected a large, and in some ways unique collection of chamber music which he donated to the Library of Congress Music Division.

In addition he helped form an orchestra group of music enthusiasts from many walks of life.

He leaves a sister-in-law, Alice V. Tenly, of the home address.

[From the Washington Post and Times Herald]

CHARLES ALDEN, HILL CUSTODIAN

Charles Edwin Alden, for 59 years a familiar figure on Capitol Hill, where he had looked after the Senators' office needs since 1929, died of a heart ailment yesterday at his home, 1629 Columbia Road NW. He was 87.

Well known for his daily rounds "you could set your watch by," Mr. Alden became custodian of the Senate Office Building in 1929. When the Democrats reshuffled the Hill in 1933, he was named deputy custodian and held the post until a stroke disabled him a year ago.

He came to Washington from Indiana as a boy in 1881, and over a 29-year span was secretary to a number of Republican Congressmen.

Devoted to music, he organized a string quartet in 1905 and, later, an orchestra group which drew amateur musicians from all parts of the District to his living room for rehearsals. The group met regularly until the Second World War and collected enough sheet music to make a sizable contribution to the Library of Congress.

Mr. Alden found the rewards of his work in the friendship of Senators and their aids. At election time many of them were regular visitors to his office, where he notarized their absentee ballots. When he passed the 50-year mark on the Hill, in 1950, President Truman and scores of lawmakers paid tribute to him. His friends recall that he never took vacations and rarely spent a day of his sick leave.

A sister-in-law, Alice V. Tenly, of the home address, survives.

THE U.S. INFORMATION AGENCY

Mr. SALTONSTALL. Mr. President, for a long time I have been interested in the important work of the U.S. Information Agency, which has the enormous and critical assignment of communicating American principles, policies and way of life to the peoples of the world, to the end that their understanding may be increased.

This is a highly important task, Mr. President, in the world of today—a world of rapid communication and transportation, of tremendous technological advances, of great industrialization, of space exploration, an "international world" in the fullest sense. Yet it is still a world of inequities in living standards, of political and ideological conflicts, and it is subject potentially to nuclear devastation.

The USIA is dedicated to overcoming critically influential psychological barriers which frustrate human progress and the chances for peace. It strives to demonstrate to the various peoples of the world—including those within the Soviet orbit—both the truth and the ultimate practicality of the American democratic system.

This need and this task, Mr. President, are intimately related to our national security. The connection is sometimes a little difficult to see; it is simultaneously both sophisticated and obscure, especially to a nation which has, relatively speaking, only recently assumed the role of full participation and responsibility in international affairs, and has only recently come to a larger awareness of the vital interdependence of this "One World" which Wendell Willkie identified. The phrase "persuade or perish" is not, ultimately, an exaggeration.

A mission such as that of USIA, although its real urgency is peculiarly of our time, was not overlooked by our Founding Fathers. The Declaration of Independence includes the words "let facts be submitted to a candid world," and, in the preamble, emphasis is given to the need for a "decent respect for the opinions of mankind." The significance of the forces of public opinion were recognized and anticipated back in 1776. We must heed this wisdom.

The international information program of the U.S. Government, Mr. President, has had a complex and rather difficult history. For a time it existed within the Department of State. It has had persistent personnel problems; it has frequently been the victim of strong criticism. Some of the criticism, no doubt, has been warranted. Much of it, however, has been based on ignorance of purpose and problems, or at best a superficial understanding—or misunderstanding—of what it was all about. For a time it was easy and natural for us to be somewhat inattentive to this mission, for it has no real constituency, at least not within the United States, nor does it have the tradition, prestige, and clarity of purpose of the mission of the Department of State.

In August of 1953 this program was lodged in a separate agency within the executive branch. Since then, the quality of its operations has steadily improved. It has come into its own. We can all appreciate this progress. The men and women of the U.S. Information Agency are the pioneers on the frontiers in the struggle for men's minds.

Mr. President, the U.S. Advisory Commission on Information, created on January 27, 1948, by the U.S. Information

and Educational Exchange Act of the 80th Congress, has just submitted its 14th report to Congress, which covers the work of the Commission for the calendar year 1958. This is a most worthy document, which I commend to my Senate colleagues for their careful study.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the majority leader.

Mr. JOHNSON of Texas. Mr. President, I appreciate the Senator's reference to this study by the very fine and able Commission. I always receive helpful suggestions from them, as I believe every other member of the committee does. I am grateful that the Senator is bringing the attention of the Senate to the matter.

Mr. SALTONSTALL. I appreciate the remarks of the majority leader, with which I agree.

Mr. President, the report contains interesting data concerning the separate visits of two members of the Commission, Dr. Mark A. May and Mr. Philip D. Reed, to the Soviet Union. Also, various members of the Commission visited U.S. Information Service posts in Europe and Mexico. I wish to commend the Commission for these tours, and express the hope that in the forthcoming year they may be able not only to study USIA operations in the western areas, but also on the spot in some of the so-called underdeveloped areas of the non-Western World, where there is such ferment and such great need for increased understanding of the United States.

An appendix of the Advisory Commission's report includes appraisals of current problems and 1958 achievements in USIA's performance, and recommendations of the Broadcast Advisory Committee and the Advisory Committee on Cultural Information. A report to the Commission from the Agency on its actions taken in connection with recommendations made in the January 1958 Advisory Commission's 13th report to Congress is also included.

This 14th report to Congress is largely devoted to reviewing and redefining the objectives and the proper functions of the U.S. Information Agency. This is a good focus for the report to take. The Commission outlines the misunderstandings which have risen about the "job which the USIA is expected to do," and points out the realities of the functions, limitations, objectives and built-in problems of the USIA. Illusions about the task which confronts this program are debunked; the Commission emphasizes strongly that people should be encouraged to understand how unreal their expectations are, and to replace the unrealistic with practical, attainable goals for USIA.

The greatest limitation listed by the Commission is that of time. The Agency it is claimed, is expected to do too much too soon. The long-term programs dedicated to firm accomplishments are heavily emphasized over immediate, short-term programs and objectives, although the latter, of course, do play a valuable part. Again I commend the Commission, Mr. President, for its clear analysis of the real personality of a program which addresses itself to the extremely delicate, deep-rooted and complex problems of the United States and the free world in the field of international psychology and public opinion.

Last month the USIA itself published its 11th semiannual review of operations. I also wish to invite the attention of my colleagues to this document. It reports, among other things, on four developments which are opening ways for getting more information about America to people in the Soviet orbit. These are improved Voice of America radio signals to Eastern Europe, wider readership in the U.S.S.R. of USIA's Russian-language magazine America Illustrated, this summer's American National Exhibition in Moscow, and the agreement for the showing of U.S. motion pictures in the Soviet Union. These are noteworthy accomplishments.

The Agency also reports that a new information center in Marrakesh, Morocco, attracted 13,000 visitors in its first month of operation; that 130,000 persons overseas studied the English language in 165 USIA-sponsored cultural centers and language institutions; that in November the Agency set up a separate television service; and that all USIA staffs overseas gave special attention during the last 6 months of 1958 to the Berlin question, Middle East problems, trouble in the Taiwan Straits, and difficulties in Latin America. These facts seem to indicate a commendable vitality and responsiveness in the Agency's operation in both long-term planning and the day-to-day developments of international affairs.

Mr. President, appropriations hearings for the USIA's fiscal year 1960 budget began yesterday before the appropriate House Appropriations subcommittee. The Agency is asking for total appropriations of $106 million for salaries and expenses. This represents a 4-percent increase over last year, a part of which would be utilized for new and expanded operations in Africa and Latin America. Also, the distinguished chairman of the Senate Foreign Relations Committee has introduced a bill, S. 1008, which, if enacted, will "promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a Public Affairs Officer Corps." This personnel legislation is similar to that which has been requested by the Agency in recent sessions of Congress. It would provide a career service, with proper limitations, for the Agency, which the Advisory Commission and the Department of State both solidly support.

I urge, Mr. President, that Congress give the most careful consideration to both the USIA's 1960 appropriation and to the Public Affairs Officer Corps bill.

There was published in the April 1 edition of the Washington Post and Times Herald an article by Marquis Childs entitled "A Little Magazine With Big Audience." This article begins as follows:

Despite all the restrictions imposed on a propaganda organization in a democratic society, the evidence increases that the U.S. Information Agency and the Voice of America are doing an effective job in many areas.

It goes on to discuss the increased efficacy of America Illustrated in the Soviet Union.

Mr. President, I ask unanimous consent that this article, together with the conclusion of the Advisory Commission's 14th Report, Director George V. Allen's covering letter for the USIA's 11th Review of Operations, an editorial entitled "Selling Ideas," which was published in yesterday's Baltimore Sun, and an interesting article entitled "The USIA Program," which was published in the April 1, 1959, issue of Near East Report, be printed in the RECORD.

There being no objection, the article, conclusion, letter, editorial and analysis were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, Apr. 1, 1959]

A LITTLE MAGAZINE WITH BIG AUDIENCE

(By Marquis Childs)

Despite all the restrictions imposed on a propaganda organization in a democratic society, the evidence increases that the U.S. Information Agency and the Voice of America are doing an effective job in many areas.

This is overlooked in the current mood which tends to be one of defeatism, decrying the successes of the West and overrating everything the Russians do. The popularity of "The Ugly American," a crude black and white caricature that makes most Americans working abroad look like pygmies competing with Russians who are 10 feet tall, is a good illustration.

One of the most effective things USIA does is the magazine America, published in Russian and sold in the Soviet Union to Soviet citizens. While only 50,000 copies of America can be distributed under a mutual agreement that gives the Soviets the right to sell 50,000 copies of their magazine U.S.S.R. in English in this country, the influence of America is much greater than this would indicate.

It is snatched off the newsstands the moment it appears. Copies are said to pass from hand to hand often selling, at 10 times the original price, until they are worn out.

Recently the effectiveness of America was demonstrated in a striking way. An issue devoted in part to the 150th anniversary of Abraham Lincoln's birth and the progress of the Negro was attacked in a full-page article in the Soviet youth newspaper Komsomolets. This was the first time America had come under attack in the Communist press.

What drew Komsomolets' fire was a factual illustrated presentation of the great gains made by the Negro in recent years in almost every field. The report might startle Americans who tend to take news of the tragic tension over integration in the South as the whole story of the Negro in America.

The figures showed that there are today 206,000 Negroes in colleges and professional schools, with Negro college enrollment increasing at six times the rate of white enrollment. A special survey of Negroes in Government jobs showed that 23.4 percent of the Federal jobs in five of the most important cities in the country were held by Negroes in 1957. For Washington the figure was 24.4 percent, which compared with 3 percent in 1938. Negroes held 16 percent of the supervisory, administrative, or professional Government jobs in the Capital.

All this is directly contrary to Soviet propaganda on the plight of the Negro, who is invariably represented as little better than a slave. That is why Komsomolets re-

sponded with the attack carried under a headline: "Only for Whites—What the Magazine 'America' Was Silent About." Subheads included: "Ghetto," "Lynch Court and Ku Klux Klan," "Laws of the Racists." Among the illustrations were a Ku Klux Klansman with a hangman's noose, a Negro being beaten by the police, identified as having taken place at a Paul Robeson concert, and lynched Negroes hanging from a tree.

Thus with the old ammunition Komsomolets, with a circulation at least 10 times that of America, sought to overcome the facts of present-day Negro life. It is the factual presentation in America, done with a skill and an attractiveness equal to our own picture magazine, that appeals to the great unsatisfied curiosity of the Russian people about the United States.

The most effective work of the USIA and the Voice of America—constantly jammed at vast expense by the Soviets—is on the factual level. Free of the strident propaganda tone, it helps to build up a relationship of confidence with those who want to know the truth, and their number inside Russia may be much greater than we suspect.

The contacts that have been opened up in the past year by the cultural exchange agreement contribute to that end. Americans have certain misconceptions about Soviet Russia, and the learning process may be mutual. This is a slow business when measured against the long record of hatred and suspicion. But it should not be discounted when Congress comes to appropriate the comparatively modest amount that keeps USIA and the Voice going.

CONCLUSION OF ADVISORY COMMISSION

To summarize: The Commission believes that a major cause of criticism surrounding the U.S. Information Agency and the overseas information program is that too much is expected of it too soon.

A review of the proper functions of the Agency indicates that reasonable objectives can be established for operations in four major areas:

1. As a counselor on international public opinion.
2. As an expositor on U.S. foreign policy.
3. As a specialized and noncompetitive overseas information service.
4. As a portrayer of the United States to peoples abroad.

In all of these areas, the Commission agrees that there are short term needs, which USIA should be prepared to meet. But, it wishes to reemphasize that the major objectives are long term in nature. Once this concept is clearly understood and accepted, then—and only then—can the efforts of USIA be properly evaluated.

The Agency's efforts—its ability to progress toward its assigned goals—depend greatly on its position in our government and its relationships with the Congress.

Therefore, the Commission wishes to restate those principles for the U.S. Information Agency which it set forth in its 13th report to Congress. The Commissioners believe that adherence to these principles will enable the Agency to fulfill its functions with maximum economy, efficiency, and effectiveness. These principles are:

1. That USIA should be considered an essential long term Agency of the Government. That its budget, its plans and programs, although necessarily responsive to sudden emergencies, should be based essentially on this long-term view.

2. That USIA should continue to be an independent arm of the Government. That it should be nonpartisan in nature, responsive to policies established by Congress and appreciative of its responsibilities to keep the Congress informed.

3. And finally, that to establish this character for USIA, to make possible long-term planning, and to provide the manpower with the high competence and talents required to carry out sound programs, the personnel of USIA should be assured of career status and adequate representational funds. The Agency will continue to find difficulty in attracting and holding the quality of men it needs, so long as career stability is not provided by law and so long as adequate monetary allowances for representation are not provided by annual appropriations.

The Commission in this report to the Congress has presented its independent outside view of the role of USIA in furthering our national interest. It has attempted to specify realistic objectives, and to give consideration to the limitations within which the Agency must operate.

This report has taken a critical look at the broader areas and principles of Agency operation. A detailed appraisal of some of the Agency's specific problems and achievements will be found in appendixes 1 and 2. Also included, in appendix 3, is a report of the Agency's actions on the recommendations in the Commission's 13th report.

Respectfully submitted.

MARK A. MAY,
Chairman.
ERWIN D. CANHAM.
SIGURD S. LARMON.
PHILIP D. REED.
LEWIS W. DOUGLAS.

U.S. INFORMATION AGENCY,
Washington.

REVIEW OF OPERATIONS, JULY 1–DECEMBER 31, 1958

During the 6 months covered by this report, our information staffs overseas were called on to give special attention to the Berlin question, Middle East problems, trouble in the Taiwan Straits, and unrest in Latin America.

Our information efforts were designed to assure the peoples of other countries not only that the United States is determined and able to assist the free world to resist armed aggression but, also, that we are ready to seize any reasonable opportunity to to negotiate a peaceful settlement of outstanding disputes.

During the past 6 months we sought particularly for opportunities to reach peoples behind the Iron Curtain. The magazine America, which we sell in the Soviet Union, continued to grow in popularity. Our "Voice of America" radio programs were rescheduled to obtain maximum effectiveness in jammed areas. The Soviet Government continued to compliment the programs by trying to jam them more heavily than ever, but there is reason to believe that the Soviet authorities are finding it awkward to explain their refusal to allow the Russian people to hear news of the outside world. This was particularly true during August, when we broadcast the special sessions of the U.N. live, from the floor, and the Soviets jammed the entire proceedings, including the speeches of their own Foreign Minister, Andrei Gromyko.

We are proceeding on the assumption that the Russian people, like all other human beings, want to think for themselves and that, whenever possible, they will insist on it.

USIA continued its strenuous effort to increase international understanding between Americans and the peoples of other countries, including those under Communist rule.

Yours sincerely,

GEORGE V. ALLEN,
Director.

[From the Baltimore Sun, Apr. 9, 1959]

SELLING IDEAS

Wise words on the mission of the U.S. Information Agency have come from the Advisory Commission on Information, words which both the public and the Agency itself should heed. First, the advisers warn against the idea that the Agency can win the cold war and the battle for men's minds, and do it in short order. A Government information agency only acquires influence, inside its own country or abroad, when the worth of its output has been tested over a long period and found to be sound. It has to build up the sort of reputation that the overseas services of the British Broadcasting Corp. built up during World War II, and which has carried over into peacetime, for giving the truth. Working as this country is against the tightly controlled propaganda machine of communism, we have this one priceless commodity to offer, and should make the most of it.

The USIA should remember the same thing when it is tempted or pressured into being propagandistic rather than informational. The Agency is under pressure from Congress and many taxpayers to display instant results, and is apt to be criticized when it puts out news or views about this country which give any picture but one of glossy perfection. People in other countries, however, know as well as we that nothing is perfect, and they respect a frank admission of occasional imperfection. When the USIA and its critics are equally aware of this fact there will be a lot less fuzzy thinking about the Agency's job.

[From the Near East Report, Apr. 1, 1959]

THE USIA PROGRAM

In the fierce battle to win friends in the Arab countries, the United States is lagging far behind. Lacking the resources required by the needs of this critical area, the U.S. Information Agency seeks to compensate by hard work and enthusiasm. It reaches effectively the relatively small educated groups—the leaders and those who may succeed them—in Egypt, Iraq, Syria, Lebanon, and Jordan; but the larger populations, who cannot read or write, know America only as it is derided by the hostile voices of Cairo, Baghdad, and Moscow radios.

MAJOR OBJECTIVES

The USIA works with limited funds under difficult conditions in borderline areas where the host governments are usually suspicious of American intentions or altogether hostile. Its operations in the Near East and south Asia area cover 14 countries ranging from India and Ceylon to Greece. The USIA expenditures in 1958 for this area were slightly more than $8 million out of a total authorization of $97,803,390 for all areas. Its foreign operations arm, the U.S. Information Service, is staffed by 222 Americans and 1,500 local employees. Only a handful are assigned to the posts in the Arab countries.

With these resources, USIS tries to achieve four major objectives. First, by projecting American culture and life, institutions as well as the principles underlying our policies, it seeks to provide a picture which contributes to American prestige and places it in an accurate perspective. Second, it has the task of building confidence in the integrity and good will of the American people. Third, the Agency reports the facts about world events which bear on American foreign policy. Finally, it has the task of unmasking Communist propaganda and correcting misconceptions about the United States.

At the core of the operations are the information posts, reading rooms, and libraries. Public affairs officers contact the local press, provide feature materials, answer questions and operate lending libraries. The greatest demand is for technical books, but books are available on all aspects of American life and culture. A regional production center in Beirut prints periodicals, pamphlets, and translates adapations for local consumption. The Center also publishes the News Review,

a magazine which goes to about 50,000 readers and usually contains a special supplement featuring new developments in science. In Cairo, USIS publishes Al Sadaka, an Arab weekly which is distributed in all Arab-speaking lands. Besides these printed materials, a small number of films are available either for direct showing or on loan to local organizations which request them. Exhibits help round out a picture of life in the United States.

EMPHASIS ON READING

The USIS maintains posts—sometimes with libraries—in Beirut, Cairo, Alexandria, Port Said, Amman, Jerusalem, Damascus, and Jidda, the capital of Saudi Arabia, where a USIS public affairs officed is attached to the Embassy. In Iraq, USIS has two buildings in Baghdad and an office in Kirkuk. Before the July 14 Iraqi coup they employed a staff of 14. Today four remain, and the buildings, which contain a library, are padlocked and patrolled by Iraqui guards. Negotiations to admit Americans have proved fruitless.

One of the successful programs of the USIS in this area is in Israel. A large library as well as bookmobile service in Tel Aviv serve thousands of readers. There is a smaller library in Jerusalem, and a reading room in Haifa. USIS cooperates with the Information Media Guarantee plan to make American books available for sale in Israeli currency, resulting in a dramatic rise in the sale of American books.

In a country like Israel where the literacy rate is about 95 percent, the USIA's program on books and printed materials is effective. But in a country like Egypt where illiteracy is about 80 percent, only a relatively small number are reached. The largest Cairo newspapers, for example, Al Ahram and Al Akhbar—both of which are circulated throughout the Arab-speaking world—reach no more than 100,000 readers each, according to estimates by their publishers. (And that estimate is probably high since there are no verified circualtion figures.) In other Arab countries, newspaper circulations range from 2,000 to 7,000 including the French language papers published in Lebanon. Thus, it is the college student and the professional groups who are reached by the USIS.

BROADCAST RANGE

Radio, of course, is the most effective way to bring America's message to the millions of illiterate Arab-speaking peoples. The number of receivers for medium wave broadcasts in the region is estimated at 10 million, and since each has the potential of attracting several listeners, practically all the Arabs can be reached. Cairo with at least five medium wave transmitters, some capable of putting out 300 kilowatts of power, in addition to about 12 shortwave transmitters, blankets the area with a barrage of broadcasts around the clock. Moscow devotes several transmitters to Arabic broadcasts on medium and short waves. Baghdad radio likewise commands a large audience. Israel has managed out of her meager resources to devote one 100 kilowatt medium wave transmitter exclusively to broadcasts in Arabic. Even impoverished Jordan recently announced that it would soon be broadcasting from a new 100-kilowatt transmitter. There are transmitters in Lebanon and Saudi Arabia.

The Voice of America, however, has only one medium wave station in operation in the area with a power of 150 kilowatts. The station is located aboard a ship in the harbor of Rhodes, where it has been anchored since 1953. It broadcasts approximately 6 hours a day, 2 in the morning and 4 in the late afternoon and early evening. It employs the Arabic language exclusively although there is a great demand in the area for lessons in the English language, and popular English classes are conducted by the USIS.

The Courier, as the station is known, also broadcasts for longer periods on two 35-kilowatt shortwave stations, and these do include some English programs. USIA estimates that the present nighttime medium wave signal of the Courier can be heard only by 2 million receivers. Because of certain atmospheric conditions, the medium wave Voice of America is rarely heard in Lebanon and Israel. During daylight hours, its range is cut by about one-fourth.

The Courier rebroadcasts programs that originate in the Washington studios of the USIA and also plays back recorded programs taken off the air or pre-recorded in other Voice of America program centers. Local broadcasters can be persuaded on occasion to use platters with American programs.

PROJECT DELTA

The limitations of the radio broadcasting coverage are fully recognized, but efforts to remedy the situation have fallen short of the Agency's objectives. George V. Allen, Director of the USIA and a former Assistant Secretary of State for Near Eastern and South Asian Affairs, said:

"In the light of the importance to the United States of the Near and Middle East, and with Radio Cairo (among other competition) recently dominating the dial with more than 300,000 watts of power, it is essential that we achieve greater coverage. This can be provided only by a more powerful, landbased installation. Hence 'Project Delta.' When completed, 'Delta' will provide a 500,000 watt medium wave transmitter which will have the capability of reaching 2½ to 3 times the audience now reached by the Courier. Additionally, both the quality and the reliability of service will be much improved."

Plans to spend $6,150,000 for two land-based transmitters were suspended recently because no country in the area was ready to make the land available for this installation although a suitable location had been decided upon and negotiated for. Congress has authorized more than $4 million for the project over the last 2 years.

Libraries, books and periodicals thus constitute the mainstay of USIA operations in the Near East. A much greater effort must be made, however, in all the media presently used by the USIA if a correct and lasting impression of America is to be made on the peoples of the Near East.

KHRUSHCHEV AND GOLF

Mr. CASE of South Dakota. Mr. President, occasionally the light touch helps in international affairs, as well as in some other circumstances. I was struck by a very interesting article published in the Washington Post and Times-Herald of Thursday, April 9, 1959, which I read this morning, entitled "Khrushchev and Golf." Mr. George Dixon wrote:

We may have a chance to close the missile gap with Russia after all. Doctors have told Premier Nikita S. Khrushchev he ought to go away somewhere and play golf.

The possibility that the Soviet Union may have to start competing with us under an even handicap looms at a time when our lives can stand a little brightening. We won't have to brood so much about Russia being on the course because its head man is off it.

The Kremlin physicians told Mr. K. they were worried about his blood pressure. This hardly makes the medicos unique. A lot of others have been worried about it, too. The main difference is that Khrushchev might not take as much satisfaction out of worrying his doctors.

The medical men went into consultation over the Communist dictator and recommended that he go on holiday and play golf like another head of state, whose name eludes me, but who plays golf in April, May, June, July, and "Augusta."

If Khrushchev takes his doctors' advice it will not only get him out of the Kremlin, where he seems to concoct most of his mischief, but out of Russia. There are no golf courses in the Soviet Union—which seems paradoxical in a country that is so constantly teed off.

It might well be the solution of many of the free world's problems if Khrushchev would only heed his doctors. If he became a golf addict, he would naturally insist on playing through. He might play right through the May 27 Berlin deadline.

Who knows—he might wind up in a bunker in Scotland, utterly oblivious as to whether the Western powers have disengaged themselves from West Berlin or not.

I suggest, Mr. President, that possibly the light touch once in a while will help us all with regard to some of these problems.

Mr. President, I desire now to address myself to another subject.

The PRESIDING OFFICER. The Senator from South Dakota.

SCIENCE ATTACKS CATTLE PESTS

Mr. CASE of South Dakota. Mr. President, I should like to invite the attention of the Senate to a highly successful Florida experiment which may provide the key for controlling at least two of our worst cattle pests in this country—the screw-worm and the heelfly.

I note reports on screw-worm control in Florida cattle. I have asked the Department of Agriculture scientists to step up their efforts to apply similar tactics to heelflies which plague western cattle.

The procedure is to produce flies artificially, then sterilize them with gamma rays. Sterilized males are released to mate with fertile females, who then lay only infertile eggs for the remainder of their brief lives.

This procedure has proved amazingly successful in ridding Florida cattle of the screw-worm plague. It appears that it can be adapted to combating the heelfly.

Heelflies lay eggs on the legs of cattle. From the eggs emerge tiny larvae which penetrate the skin of the host animals, move through body tissues and emerge on cattle's backs as the familiar cattle grub. Heelflies develop again from grubs which have dropped to the ground.

Heelflies and cattle grubs cause cattle losses in several ways. Animals attempting to escape them can be injured in wild flight or at least run off weight. Often cattle seek protection in shade or water and fail to graze for hours at a time.

Milk production of dairy cattle is lowered when heelflies are active. Meat of grub-infested cattle must be trimmed excessively and lowered in grade. Grub holes ruin hides and bring about a discount in price.

Losses due to cattle grubs and heelflies have been estimated at $100 million to $300 million a year in this country.

As one who raises a few cattle, I know that control of heelflies and elimination

of their grubs would be a big boon to the cattle industry in South Dakota and in the Nation.

I earnestly hope that the Department of Agriculture will expedite its research in this field, and bring about the savings which a solution of the problem will insure.

AMERICAN PEOPLE WILLING TO SACRIFICE TO FULFILL U.S. OBLIGATIONS

Mr. NEUBERGER. Mr. President, I have just returned from spending 10 days among my constituents in Oregon. During this time I spoke before nine different and varied audiences, including groups composed of State legislators, timber operators, ministers, service club members, businessmen, and others. I answered many questions—and asked some of my own—at all these meetings.

During each address which I delivered in Oregon I commented on the fact that a tax increase was necessary even to balance the President's inadequate and wobbly budget. I pointed out that we face stern problems in the years ahead which will place a heavy demand on future generations.

On the basis of my experience in Oregon, I believe that the American public has a better understanding of the sacrifices required for the defense of freedom than many of its leaders, and is willing to pay more taxes to finance Government programs which are essential to fulfill the international and domestic responsibilities of the United States.

I emphasize that no one I spoke with wants more taxes. This would be a natural phenomenon, discovery of which would rank with location of a river which flows uphill or development of a form of toothpaste which can be squeezed back into the tube. But in conversations with people in my State, I gained the impression that the average citizen is willing to provide government with more funds to help insure our security and supply necessary services.

I believe that many Americans presently hold beliefs similar to those of the people in Oregon with whom I talked. The people know that there are grave doubts over the quality and quantity of our weapons when compared with those of the Russians. I am confident that they, unlike the administration, realize that we cannot put off such urgent matters as conserving forests, controlling floods, advancing education, and encouraging medical research.

Mr. President, many persons with whom I spoke pointed out that future generations may face even sterner problems than do we today, when Russia has emerged more fully from peasantry and the industrial revolution has spread across China with its 600 million population. China today is still a peasant and backward nation. But what threat will be posed to our free way of life when China, possibly still under Communist tyranny, achieves the same degree of technological advancement that Russia has currently attained? What problems will face Americans of that period?

That is why, I believe, many people seem willing that we should carry our own kitbags, rather than leave them stacked on the trail for our descendants to carry to the still higher pinnacles which they must surmount if liberty is to endure.

THE NEED FOR HEALTH AND OTHER USE OF AMERICAN COUNTERPART CURRENCIES IN POLAND

Mr. HUMPHREY. Mr. President, my colleagues will recall that one of my deep interests down through the years has been in the constructive use of counterpart currencies.

These, of course, are the funds credited to the account of the United States by virtue of American sale, under Public Law 480 of farm products abroad, as well as by virtue of other American assistance.

Recently, I have been looking into the situation as regards counterpart currency in one particular country. I refer to the land which was the first to fight for freedom in World War II, the first to be taken unfortunately, by the aggressor and then to be invaded by still a second aggressor; the land which is still to regain its freedom and sovereignty. I refer to Poland, of course.

The counterpart situation in Poland is that on February 28, 1959, there was a balance to the U.S. account of 3 billion zlotys—the Polish currency.

The zloty, it will be remembered, may be figured in value for the tourist at 24 to the dollar; for U.S. Embassy staff at 55 to the dollar.

ORIGIN OF COUNTERPART SUMS

It will be recalled that in 1957, we had made available $55 million in Public Law 480 products and $30 million in Export-Import Bank aid. In 1958, we had sold $73 million worth of Public Law 480 agricultural products.

And, of course, we are all aware of negotiations for additional American Public Law 480 sales and Export-Import Bank credit.

The big question is, however, assuming a new satisfactory Public Law 480 agreement is worked out—as I earnestly hope it will be—What is going to happen to the counterpart credit which will be further generated?

Let it be noted that the 1957 and 1958 economic agreements contain provisions obligating the Polish Government to repurchase for dollars, after 5 years, any zlotys which the United States does not use.

But we do want to use it in Poland. And at present we can only use it for maintenance of Embassy activities.

BAN OF AID UNDER BATTLE ACT

The basic fact to be remembered is, of course, that at present, under the Battle Act, U.S. assistance, as such, is prohibited to Poland. The reason is that Poland exports materials to the U.S.S.R. which brings her within the proscription set by the Battle Act.

But the circumstances of Poland's involuntary position vis-a-vis the U.S.S.R. are known to all thinking Americans.

We realize that the heart of Poland and the overwhelming majority of the Polish people are dedicated to freedom. No country desires its independence more. Few, if any, people are more devout in their religious faith. Few have a stancher record throughout history of fighting for the cause of liberty.

GIVE CHIEF EXECUTIVE DISCRETIONARY POWER

Under these circumstances, it is my earnest hope that, before too long, in this 86th Congress we will have enacted an amendment enabling the President notwithstanding the Battle Act, to exercise his discretionary powers to extend assistance, as such, and without fixed ceilings to those Eastern European countries which are not free.

This provision should not, of course, extend to the satellites of Red China, North Korea, nor North Vietnam, nor should it extend to the U.S.S.R. itself, or to Peking.

But it should certainly extend to a friendly country such as Poland and, yes, to Czechoslovakia, for example, as well, if the President finds it within our national interest to do so.

POLAND'S VAST HEALTH NEEDS

I raise this subject today particularly from the standpoint of one who is interested in advancing the health of the Polish people. As my colleagues here are aware, it is my privilege to serve as chairman of an international health study. In that capacity I have received a great many facts regarding Poland's enormous medical needs.

I would like to see part of our counterpart credit of zlotys used for medical assistance purposes.

Yet right now, not a nickel of it can be used for any Polish assistance purposes—medical or otherwise. That is why we must amend the law and enable the Chief Executive to use counterpart currencies in this way.

Recently, I requested of the State Department a comprehensive report with regard to United States medical relationships in Poland in the postwar era. I have now received a part of that report. I believe that it will be of interest to my colleagues. I ask unanimous consent that its text be printed in the body of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, March 18, 1959.

The Honorable HUBERT H. HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Committee on Government Operations, U.S. Senate.

DEAR SENATOR HUMPHREY: I have received your letter of February 27, requesting information concerning U.S. medical assistance to Poland since the end of the war.

Pursuant to the recommendation of a member of your subcommittee's staff, I am furnishing in this letter information concerning current and recent assistance. The Department is investigating the question of medical assistance furnished in the immediate postwar years, and will communicate with you subsequently to furnish any available information on this subject.

The paragraphs below are intended to answer, in order, the specific questions raised in your letter.

1. Summary of 1957 and 1958 economic agreements: Agreements were signed with

Poland in June and August 1957, providing for credits and sales in the total amount of $95 million. This sum consisted of a $30 million line of credit, to be administered by the Export-Import Bank of Washington, and $65 million in sales of agricultural commodities for local currency pursuant to title I of the Agricultural Trade Development and Assistance Act (Public Law 480). The 1957 agreements specified that Poland would be enabled to purchase the following: 500,000 tons of wheat, about 50,000 tons of cotton, 60,000 tons of soybeans, 17,500 tons of fats and oils, and $4 million worth of mining machinery.

On February 15, 1958, a further agreement was signed, providing for credits and sales totaling $98 million, consisting of $73 million in title I, Public Law 480 sales for local currency, and a $25 million line of credit to be administered by the Export-Import Bank. Poland was to use the sum made available under Public Law 480 to purchase approximately 400,000 tons of wheat, 235,000 tons of feed grains, and 21,700 tons of cotton, as well as fats and oils and 15,000 tons of dried milk. The $25 million line of credit was to be used for the purchase of a wide range of machinery, equipment, and tools, principally for consumer industries, as well as $1 million worth of medical equipment, hides, synthetic fibers, plastics, and citrus fruit.

The bulk of the shipments envisaged in the 1957 and 1958 agreements have been made, with changes occurring in certain categories as a result of reprograming since the agreements were signed.

Details concerning the 1957 and 1958 agreements are contained in the enclosed press releases. For your information, I am also enclosing press releases concerning further economic discussions recently commenced.

Local currency receipts and expenditures: As of December 31, 1958, a total of 1,500,849,643 zlotys had been received from sales of agricultural commodities under the 1957 agreements. Expenditures were as follows: 11,520,000 zlotys for the payment of U.S. obligations under subsection (f), section 104, Public Law 480, and 8,739,552 zlotys to help develop new markets for U.S. agricultural commodities under subsection (a), section 104, Public Law 480. As of the same date, a total of 1,437,414,341 zlotys had been received under the February 15, 1958, agreement, with no expenditures. The balance remaining as of December 31, 1958, thus totaled 2,918,004,432 zlotys. By February 28, 1959, the balance had increased to 3,007,326,932 zlotys.

The 1957 and 1958 economic agreements contain provisions obligating the Polish Government to repurchase for dollars after 5 years any zlotys which the United States does not use.

Credits for medical equipment: As mentioned above, the February 15, 1958, agreement included provision for the purchase by Poland of $1 million worth of medical equipment on credit terms. As of February 16, 1959, purchases totaling $970,589 had been programed under this category, with about half of the equipment already shipped (the Polish newspaper Trybuna Ludu, January 16, 1959, reported the arrival of the first shipment). The equipment programed includes a wide variety of laboratory, surgical, and diagnostic equipment. Some of the programed items are as follows: calorimeters, spectrographs, fluorometers, fluorescent meters, densitometers, X-ray equipment, including deep therapy equipment, and emergency equipment, including resuscitators.

Credits for fruit juices: Fruit jucies are another item in the general category of health and medical assistance for which Export-Import Bank credits were provided in the 1958 agreement. Juices totaling $201,092 in value have been shipped, slightly more than the quantity envisaged in the agreement. Shipments consisted of 28,560 cases of canned orange juice, 440 15-gallon kegs and 2,572 cases (cans) of lemon juice concentrate, 1,000 cases of pure lemon juice, 16,000 cases of canned grapefruit juice, and 12,000 cases of canned pineapple juice. With the exception of small quantities intended for use in the manufacture of soft drinks, the juices were to be made available for retail purchase by Polish consumers.

It should be noted that the 15,000 tons of dried milk and certain other foodstuffs programed under the economic agreements are also of importance from the health standpoint, contributing to an improvement in Polish diets. Finally, as noted below, a portion of the credits established under the economic agreements were utilized during 1958 for the shipment of $1,200,000 worth of polio vaccine for the Polish Government's inoculation program.

2. United States voluntary agency programs in Poland: Private American agencies operating in Poland have also rendered substantial assistance to Poland in the field of health. Voluntary agencies registered with the U.S. Advisory Committee on Voluntary Foreign Aid shipped materials in this category, totaling $321,957 in value, between July 1, 1957, and June 30, 1958 (with the U.S. Government contributing by defraying a portion of the ocean freight charges).

Since reestablishing operations in Poland in August 1957, CARE has obtained and shipped terramycin and tetracin valued at $41,472, as well as equipment for the manufacture of prostheses for the disabled and surgical equipment, electrocardiograph machines, hypodermic needles, medical books, and other supplies for Polish hospitals, universities, and clinics. CARE's bulk shipments of U.S. agricultural commodities, under its supplementary feeding program, contribute to the improvement of deficient diets. As noted below, CARE, in cooperation with the American Committee for Polish Medical Aid, shipped and arranged the distribution of donated polio vaccines for the inoculation of Polish children, as well as other medicines.

The American Committee for Polish Medical Aid (ACPMA) has obtained gifts from American pharmaceutical and other firms of nearly $2 million worth of medicines. From this supply, during August 1958 CARE, in cooperation with ACPMA shipped $396,000 worth of polio vaccine together with syringes and needles valued at $12,100. This quantity of vaccine was enough to provide nearly half a million Polish children with their first two injections (the Polish Government added $1,200,000 worth of vaccine purchased with United States credits, enough to provide two inoculations for an additional 2½ million children). Up to the present, CARE has shipped other medicines provided by ACPMA valued at approximately $300,000. CARE is continuing to program and ship the balance of the $2 million ACPMA donation on a quarterly basis. CARE administers the distribution of the vaccine and other medical aid donated by ACPMA to hospitals and clinics with the advice of the appropriate Polish authorities.

Among other U.S. voluntary agencies which have furnished medical assistance to Poland during the past 2 years are the American Jewish Joint Distribution Committee (antibiotics and other medicines), the American National Red Cross (polio vaccines and other medicines), American Relief for Poland (medicines and hospital equipment, including an X-ray machine), Catholic Relief Services—National Catholic Welfare Conference (miscellaneous medicines), and Church World Service (miscellaneous medicines).

3. Medical exchanges: Since its Polish program began in 1957, the Rockefeller Foundation has brought 28 Polish doctors to the United States for 1-year fellowships in various fields of clinical medicine. An additional 8 Poles have visited the United States on 3-month Rockefeller travel grants in the same general field. The Rockefeller Foundation has provided grants for basic research in medicine for 37 Polish scientists. The foundation is also donating equipment for medical laboratories in Poland.

The World Health Organization brought eight Polish medical scientists to the United States for study during 1957 and 1958.

Other private institutions and individuals have sponsored programs of study for smaller numbers of Polish doctors and medical research specialists. Finally, numerous Polish scientists have visited this country for shorter periods of time in connection with medical congresses, seminars, etc.

4. Flood relief assistance: The floods in April 1958 along the Bug, Narew, and Vistula Rivers were described by the chairman of the Polish antiflood committee as the worst in 100 years. In response to an inquiry by our Ambassador in Warsaw, the Polish Foreign Office indicated that flood relief assistance from the American Red Cross through the Polish Red Cross would be welcomed. Early in May, an aircraft of the U.S. Air Force landed at Warsaw with flood relief supplies donated by the American Red Cross, consisting of 1,250 9 cubic centimeter vials of Salk vaccine, 45,000 tablets, 750 10 cubic centimeter vials, and 500 20 cubic centimeter vials of cortisone, and 2,850 10 cubic centimeter vials of gamma globulin, as well as 5,000 Red Cross junior gift boxes and 30 Red Cross school chests for Polish children. The medicines were purchased with $10,000 supplied by the American Red Cross and an equal sum furnished by the U.S. Government. An additional $4,000 was furnished by the Government to cover costs of shipment.

During the following July, the League of Red Cross Societies received an urgent request from the Polish Red Cross for relief aid in connection with floods in Krakow Voivodship. Answering the league's appeal, the American Red Cross furnished $5,000 for the purchase of Salk vaccine as well as $5,000 for the purchase of clothing. Among other U.S. voluntary agencies which offered medical supplies in connection with the July floods were the American Committee for Polish Medical Aid (through CARE), and Church World Service.

5. Informational media guarantee program: One other type of American medical assistance to Poland deserves mention. The informational media guarantee program administered by the U.S. Information Agency commenced operations in Poland early in 1958, enabling Poland to purchase certain U.S. publications for Polish currency. Under this program periodicals, reference publications, and textbooks in the medical field totaling between $100,000 and $150,000 in value are being exported to Poland annually

Little information is available concerning cooperation between Poland and the Soviet Union in the medical field. Exchanges between the two countries are apparently arranged directly by the institutions concerned. Generally, such exchanges are undertaken at the higher levels in the medical profession. Until recently at least, it was also the practice to send some Polish medical students to the U.S.S.R. for the completion of their last year or two of study before graduation. Medical literature from the U.S.S.R. has been made available to Poland, and imports by Poland of Soviet pharmaceuticals and surgical instruments have been reported.

If I can be of further assistance, please do not hesitate to call on me.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

OREGON DUNES SEASHORE RECREATION AREA

Mr. NEUBERGER. Mr. President, the proposal of the National Park Service to give national recognition to the scenic grandeur of the Oregon seacoast by establishing the Oregon Dunes seashore recreation area has aroused interest and enthusiasm throughout my home State. It is my opinion that creation of this national seashore will result in advertising which will bring countless thousands of tourists to the most beautiful seacoast in America, that of Oregon.

The bill introduced by myself and the senior Senator from Oregon [Mr. MORSE], S. 1526, would establish the procedures through which the park could be created. Such legislation is needed to preserve the Oregon Dunes area and the Oregon Sea Lion Caves. It will prevent repetition of the situation which has occured on the Atlantic coast, where the recreational value of seashore areas has been exploited and permanently impaired. Although the majority of opinion in Oregon apparently favors creation of the Oregon Dunes park development, some opposition has developed over the area encompassed by the proposal. It should be made quite clear that boundaries for the seashore area will only be fixed after complete and thorough surveys and study. Hearings on S. 1526 will provide an opportunity for full public discussion of what areas should be included and excluded. Every great national park has encountered some local opposition when it was first proposed, but later its benefits have proved of infinite value.

The proposal for the Oregon Dunes national seashore area has received extensive editorial support in Oregon newspapers. I ask consent to include in the body of the RECORD with my remarks a group of editorials and news stories from representative newspapers about the national seashore development.

These editorials stress the great desirability of saving for the future a unique scenic resource. I also desire to include a fine article from the Eugene Register-Guard by a reporter for that paper, Mr. Don Tacheron, who has coverad exhaustively the proposal for a national seashore on the marvelous Oregon seacoast.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Oregon Journal, Apr. 6, 1959]

GAINS FOR OREGON IN DUNES PLAN

Senator RICHARD L. NEUBERGER'S proposal for the establishment of a national seashore embracing 24 miles of the Oregon dunes area south of Florence and taking in the sea lion rookery to the north has received mixed reaction in Oregon, ranging from opposition to coolness to endorsement.

Strongest opposition centers in Florence, where some businessmen fear such a recreational area would conflict with business or industrial development.

It is quite possible that some of the opposition stems from a misunderstanding of what the proposal is and what it will do. Senator NEUBERGER'S introduction of the bill coincided with the Park Service's publication of a seashore survey in which the Park Service suggested the saving of this area as a national seashore. It had not reached the point of making a positive proposal of its own. The Senator may have jumped the gun a little, but he did confer with the Park Service people in drafting the bill, and there is no doubt the Park Service will back his measure.

Understandably, lots of people want more information. Interested persons from all parts of the coast, and elsewhere in Oregon, will be filled in at a meeting in Reedsport on Sunday, April 12, sponsored by the Florence Chamber of Commerce and Port Umpqua Chamber of Commerce. Park Service representatives may be able to dispel some doubts.

Meanwhile, if local and State pride causes us to balk a little at giving up something to a Federal agency, it is well to consider two things: 1. If an area is judged sufficiently outstanding to be of national interest, then the people of the Nation have some rights too. 2. What we will give up will be less than what we get.

Coast residents, as well as other Oregon people, want to develop tourism. It is our third largest industry and has the potential of adding a great deal more to our economy than it does now. The history of areas preserved and administered by the National Park Service is that they are heavily visited. This is due in part to the promotional opportunities given by Park Service designation which can be matched in no other way. Senator NEUBERGER is confident that the dunes area as a national seashore would increase by several times the number of visitors, not only to that area but to all of the Oregon coast.

It is fine for people to want to know more about this proposal. But we hope such an opportunity will not be destroyed by a kind of negativism which does not weigh all the facts.

[From the Portland (Oreg.) Sunday Oregonian, Apr. 5, 1959]

OREGON EXAMPLE

The National Park Service's recently released report, "Pacific Coast Recreation Area Survey," provides a comprehensive inventory of the seashore resources of Oregon, Washington, and California. It was compiled from material gained by observers who covered each of the 1,700 miles of tidal shoreland from Mexico north to Cape Flattery and east to Tongue Point in the Strait of Juan de Fuca—both by air and by ground.

As in its 1956 report on the Atlantic coast, "Our Vanishing Shoreline," the National Park Service emphasizes the extent of the private encroachments on the general public interest along the seashore.

"Of all the wilderness environments which man has identified," the report reads, "the true value of the seashore is perhaps the least understood. It is undoubtedly in a large measure due to this lack of full appreciation that the natural seashore is already rapidly vanishing. * * * Vast tidal areas are being reclaimed, for example, as garbage dumps, airports, freeways, and for other private and commercial developments. State-owned tidelands have also been sold to private individuals. In addition to the loss of these valuable areas for public recreation the practice has, in some instances, brought on a serious problem in restricting public access to the shoreline."

Reproduced in the report as a deplorable example is a beach-front sign reading: "This is a private beach for use of property owners only."

Given this emphasis, it appears strange that nowhere in the report could we find mention of Oregon's unique law reserving the tidelands as a public highway and thus preventing the erection of such signs as the one cited above.

The report recommends prompt public action, at Federal, State, or local levels, to reserve certain specified shorelands for public recreation.

Recommended for national development are Cape Flattery in Washington and the Sea Lion Caves and Oregon dunes area in Oregon, as well as three areas in California. This was the inspiration for Senator RICHARD E. NEUBERGER'S bill seeking nat'onal park status for the cited Oregon area.

In addition, the report listed the following areas as "having a high degree of statewide significance and importance": Washington—Grenville Bay and Cape Disappointment; Oregon—Clatsop Plains, Tillamook, Sandspit, Netarts Spit, Sand Lake area, Nestucca Spit, Siletz Spit, Coos Bay Standspit, Langlois Beach, Hubbard Mount-Otter Point area, and Crooks Point.

The report said Point Brown and Leadbetter Point in Washington would qualify as outstanding State parks, and designated the following areas as "having either State, county, or local significance": Washington—Crescent-Agate Beaches, Juan de Fuca Strait, Hoko Beach, and Cape Shoalwater; Oregon—Manzanita Beach, Whale Cove, Beaver Creek Beach, Coquille Beach, Sisters Rocks area, and Myers Creek Beach.

The Pacific coast report, as did that on the Atlantic seaboard, sounds an alarm. Perhaps this explains the lack of attention to such positive and desirable measures as Oregon's designation of the beaches as highways. It seems to us that the National Park Service might well have included among its recommendations the suggestion that California and Washington take a leaf from Oregon history. No other measure anywhere in the country has been so successful in preserving the ocean front for the use of all.

[From the Eugene (Oreg.) Register-Guard, Mar. 25, 1959]

PARK VIEWS

Public reaction to a proposal for a seashore recreation area along parts of the Oregon coast was about as this newspaper predicted—immediate enthusiasm tempered by caution after a few minutes of thought about it. The nature of the outright opposition, however, is most interesting. It conforms to a pattern that has been pretty constant since the earliest proposals for the establishment of public recreational preserves.

These things always look better to somebody else than they look to persons who live right next to them. We're all for the Everglades up here in Oregon, but down in Florida, where the Everglades are local scenery, the local citizens had some objections. They didn't want the swamps taken off the tax rolls. A handier example is the Olympic National Park, great stuff to most of America, but a pain in the neck to lumbermen who live near those acres and acres of board-feet that "ought to be logged." We saw the same thing in the Eugene area when commercial interests pressed for a reduction of the Three Sisters Wilderness Area.

While the National Park Service may be expected to listen to local opinions, even to respect them, that agency is concerned primarily with national needs. That is proper. Thus, we have a park like Glacier that is preserved for people living in Eugene, not just for people who live in western Montana.

Another twist: One Florence businessman who takes a dim view of the park idea thinks the money could be spent better on the port. But those who live in other parts of the country would probably approve spending money on the park, but not on the port. Similarly, here in Oregon we can approve money spent on the Everglades, regarding other spending in that area "pork barrel."

The lessons of history, however, would indicate that the long-range view of the park people is sounder than the short-range view of those who would like to make immediate money out of subdividing potential park areas. One of the greatest political battles in California occurred when park interests wanted to take Yosemite off the tax rolls. The intervening 60 years, of course, have proved that Yosemite is much more valuable as it is than it could ever have been as a grazing ground for sheep and a source of timber.

[From the Astorian Budget, Astoria, Oreg., March 1959]

DESIRABLE COAST PROJECT

Senator RICHARD NEUBERGER's proposal for a 33,000-acre national recreational area including the dune lands in Lane and Douglas Counties seems a good one.

The more public recreational areas and parks that can be provided along the Oregon coast, the better. The coast has the potential to be one of the Nation's greatest playgrounds, and it is important to reserve as much area as possible for public use while property remains available.

The Lane-Douglas County duneland has no value other than for public recreation. But for that purpose it is excellent, and it should be reserved permanently for a playground.

[From the Medford (Oreg.) Mail-Tribune, Mar. 27, 1959]

OREGON'S SEASHORE

The Eugene Register-Guard, which serves much of the area proposed for the new National Park Service seashore area, reports that reaction there to the proposal has been mixed.

Approval of the idea appears to be in a sort of inverse ratio to the distance from the site, the Guard indicates. Those closest to it see the difficulties most clearly; those at a slightly greater distance, can see both sides, and those at some distance away see mostly the advantages.

In Florence, the Lane County town nearest to the great and beautiful expanse of beaches, sanddunes, and freshwater lakes which comprise much of the proposed national seashore, some residents are fearful of such things as property being removed from the tax rolls, and other hindrances to the local economy.

The Guard also pointed out that there was opposition to the establishment of Yosemite National Park, on much the same grounds, but that Yosemite now is inestimably more valuable as a national park than it ever could have been as a grazing area or source of timber.

The area in question is largely undeveloped at the moment. And about its only real use is for recreational purposes.

How much better that it be protected and preserved, in its own natural beauty (together with appropriate but unobtrusive facilities for visitors) than that it go the way it has already started, with haphazard and often objectional resorts, hotdog stands, and cocktail lounges.

Based on our friendly contacts with the National Park Service, as represented by Crater Lake, we know it can do an outstanding job and preserve for our children the area which has given others so much solid enjoyment in the past.

[From the Salem (Oreg.) Statesman, Mar. 22, 1959]

SEASHORE PARKS FOR OREGON

Two national seashore parks are under consideration, and they show quite a contrast. One is along the eastern shore of Cape Cod, a windswept semibarren area which will cost the Government $16 million because the Interior Department didn't have the foresight to buy it years ago. The other is along Oregon's coast south of Florence. It includes the beautiful inland lakes, the picturesque sand dunes and great stands of evergreens. It is bigger than the Cape Cod area, but would cost only a fraction of the price—between $2 million and $3 million.

Senator NEUBERGER is promoting the Oregon project, which would encompass 33,000 acres and 23 miles of seashore. Also included in NEUBERGER's plan is the Sea Lion Caves north of Florence. This page has advocated a seacoast national park in Oregon before and welcomes the opportunity to renew its approval. The additional publicity which goes with a national park should improve tourist business along the entire Oregon coast. NEUBERGER is reviving a project he fostered many years ago.

The cost of the project could be reduced considerably if the Sea Lion Caves were excluded. This area is not contiguous with the rest of the Seashore Park, and it is presently available to the public for a moderate fee under private enterprise. The caves are well advertised and tourist facilities well maintained.

Let's not look at this national seashore project as the solution to a problem, however. It is 150 to 200 miles from the big center of Oregon's population—too far away for a day-long trip or even a short weekend. The need for a seashore merely points up the even greater need for more ocean parks within easy range of Salem and Portland.

Within the past 2 or 3 years, the State developed a park at Fogarty Creek about 2 miles north of Depoe Bay. Almost from the minute it opened, it has been overcrowded.

The largest undeveloped stretch of beach in our section is Siletz Spit, a stretch of sand and grass south of Taft bounded by the ocean on one side and the Siletz Bay on the other, offering boating, fishing, and ocean-front activities all in one spot.

The State sought that area at one time for park purposes, but a sand and gravel firm bought rights on the spit while negotiations lagged. This should not deter the State, however. The same conditions prevailed at Fogarty Creek before it became a park.

Cape Cod illustrates the danger of allowing acquisition of recreational areas to drift until land prices climb. The only way we can prevent our present beach park facilities from becoming Coney Island-crowded is to support both State and National acquisition of beach park land.

[From the Coos Bay (Oreg.) World, March 1959]

SEASHORE PARK GREAT IDEA BUT WATER USE NEEDS THOUGHT

U.S. Senator DICK NEUBERGER's proposal for a national park in the sand dunes areas of Douglas and Lane Counties, and at the fabulous Sea Lion Caves of Lane County, is great—with the single exception of doubts about future industrial use of the dunes' potential water reservoirs.

Existence of a national park would do much to promote further tourist travel along the coast highway. Acquiring the touring dollar, no one needs to be told, is becoming one of Oregon's major industries. This is particularly true along our coast. It is an exceptionally clean dollar, too, being founded on fun, enjoyment, and recreation.

One must hope, however, that Senator NEUBERGER and other backers of the park idea will lend a serious ear to those who are lukewarm about a national park because of possible hinderance of industrial development.

One hopes that park legislation, if such comes to pass, will take into account the possibility of developing water resources for industry. Industry, is, after all, another crying need for this whole State, and especially for this section of the State.

An example of what we mean is found in the sand dunes area across Coos Bay from North Bend. This is not part of the area which Mr. NEUBERGER proposes for the park but it is in many ways similar scenically and geologically to the Douglas and Lane stretches of beach and dunes which would be in the park.

Pacific Power & Light Co. has spent over 2 years developing deep wells in the dunes, proving out the possibility of an industrial water supply suitable for use in making pulp. Pacific Power & Light Co. hasn't said anything officially yet about its findings, but if it is supposed to be secret, it is a very poorly kept secret that there is bountiful water for one or more large pulp mills here on the bay, and having proved existence of water, the power company is now in the process of selling a pulp mill here to three separate corporations, one of which will buy the idea in a short time.

To the north, the people have noticed this development.

Many businessmen and industrialists realize water found in the Coos County dunes may also be present in dunes near them. The water-starved Oregon coast may have a partial answer here to its industrial water problem.

The proposed park has quite naturally thrown some fear into industry on this score. It is a fear which park proponents can overcome by protecting the dunes as a source of water, whether they are included in a national park or not.

We recommend this for study to Mr. NEUBERGER and other park proponents, who, with the exception of the water problem, have proposed a noble idea.

[From the Albany (Oreg.) Democrat Herald, March 1959]

TWO FEARS BASELESS

Some residents of the Florence area are reported up in arms over Senator RICHARD NEUBERGER's congressional legislation setting aside a portion of the Oregon coast adjacent to Florence as a national park. They fear usurpation of control by the Government and loss of taxable property.

From what we have seen of the disputed tract we cannot imagine it producing much revenue, particularly the sand dunes which the proposed park would encompass. Furthermore we think the idea of creating parks in Oregon is a good one. The Government became guilty of near-criminal negligence in abandoning the Fort Stevens Reservation at the mouth of the Columbia River. It was already Government owned and not on Clatsop County tax rolls. It was surrounded by an aura of romance which could have been perpetuated had its batteries been left intact. Now it is under private ownership interested only in rentals.

The State has retrieved the southern portion of the reservation but none of it should have been allowed to deterioriate, as the remaining north portion is doing now.

If parks attract tourists more parks will lure more tourists, and that is what Oregon needs.

[From the Portland (Oreg.) Daily Journal, Mar. 23, 1959]

RECOGNITION OF COASTAL VALUES

The long-awaited report of the National Park Service on its "Pacific Coast Recreation Area Survey" is a valuable contribution to future planning by agencies at all levels interested in preserving coastal recreation values.

The report is a sequel to its 1955 study "Our Vanishing Shoreline," which revealed the tragically small bits of seashore left open to the public on the Atlantic and gulf coasts.

The Pacific survey was made with recognition that an altogether different situation exists. Instead of having to hunt for undeveloped areas, survey teams were faced instead with the problem of selecting areas of real significance from among a rather large number of possible choices.

They inspected by both air and ground more than 1,700 miles of general tidal shoreline from Mexico to Cape Flattery and east to Tongue Point in the strait of Juan de Fuca. The study was privately financed, so cost the taxpayers nothing.

The Park Service's recommendations are of a very general nature. In most instances, the finding has merely said that a certain area possesses values which ought to be preserved for the public, without specifying which agency ought to preserve them.

On the Oregon coast, it has selected 17 such areas, a number of which the Oregon State Park Service is either seeking to acquire or is considering for future acquisition.

Of special interest is its reference to the Sea Lion caves-Oregon dunes area as a suggested national seashore recreation area. "The area is adjudged to be of national importance," says the report, "not only for the manifold opportunities for seashore recreation but also for the inspirational worth of the resources to the American citizen. The many superlative values found here are of such high importance as to warrant permanent preservation for the Nation as a whole."

The Park Service has not yet made a formal recommendation on this suggestion, but Senator NEUBERGER has announced that he is preparing legislation to create a national seashore recreation area to be administered by the National Park Service, and conversations with Park Service experts lead him to believe the Service will support such a proposal.

The Sea Lion caves, 12 miles north of Florence, are now in private ownership. SJR31 at Salem directs the State highway commission to consider the acquisition and development of the sea lion rookery as a State park.

The area of the caves is not contiguous to the strip of the dunes under consideration. That section extends 23 miles south of Florence, but if the two were federally acquired, they would be administered as one area.

Within the boundaries of the dunes eyed by the Park Service is Honeyman State park on beautiful Woahink and Cleawox Lakes. Honeyman is considered by many to be the gem of the State's fine park system, and it would be understandable if the State park department resisted its loss. The department has not been approached on the matter, but one spokesman said he believed that if Federal development of the area of the dunes were proved to be in the public interest, he doubted the State would oppose the transfer of Honeyman to the National Park Service.

Some persons on the coast have wondered whether a national seashore designation would interfere with the proposal to tap the dunes for fresh water. Experiments by Pacific Power & Light Co. have proved sufficient water is there to support sizable industrial installations. But all the dunes in which P.P. & L. is interested are farther to the south. And if it should prove feasible some day to tap those in the Florence area for industrial water supply, it is believed a national seashore designation would not prevent it.

Such national recognition would be a great asset not only to the Oregon coast but to all of Oregon, we believe. It would bring some Federal investment, of course but even more important would be the advertising and promotional value. Oregon folk have long believed their coastline the finest in the Nation. The National Park Service could help us prove it.

Meanwhile, we hope other agencies at all levels of government interested in coastal recreation will make use of the valuable information in the report in the formulation of their own plans.

[From the Lewistown (Idaho) Tribune, March 1959]

NEUBERGER'S IDEA PRAISED

Many of the people of our own area, having thrilled to the beauty of the Oregon coast, will applaud a bill introduced by Senator RICHARD NEUBERGER, Democrat, of Oregon, establishing a national seashore recreational area embracing the Oregon Dunes and the Sea Lion Caves. The area involved, including some 33,000 acres, would be administered by the U.S. Park Service.

The Neuberger bill would effect no great change in that area but would, instead, preserve its rugged beauties and inspiring vistas for the pleasure and spiritual nourishment of the people. It would prevent the seacoast there from disappearing piece by piece into private hands or being commercially exploited in any way detrimental to its value as a place of beauty and recreation.

The Nation has lately come to realize that some of its most magnificent scenery and public playgrounds could be lost unless something is done. Senator PAUL DOUGLAS, Democrat, of Illinois, and some others are trying desperately to save what little remains of the famous and zoologically invaluable sand dunes area near Chicago, and efforts are being made to put the remaining undeveloped portion of the Great Beach of Cape Cod safely in the hands of the Federal Government while some unexploited portion of it still remains.

The struggle to preserve nature is a familiar one in the East, but out here in the Pacific Northwest, we have had so big a share of untouched land and fabulous scenery that we haven't much concerned ourselves with saving any of it. That attitude is changing, fortunately, and Senator NEUBERGER's bill is one indication of the change.

[From the Eugene (Oreg.) Register-Guard, Mar. 25, 1959]

U.S. PARK SERVICE DIRECTOR IMPRESSED WITH COAST AREA

(By A. Robert Smith)

WASHINGTON.—Legislation to authorize creation of a new national park to embrace a stretch of the scenic Oregon coast will probably get the blessings of the National Park Service.

This was the indication from Conrad Wirth, Director of the Park Service, who has personally visited the Oregon seacoast and is impressed with its beauty.

"We think highly of it," Wirth said, referring to the stretch outlined in a proposal by Senator RICHARD L. NEUBERGER. It would extend along the coast about 23 miles from Sea Lion Caves north of Florence to the mouth of the Umpqua River near Reedsport.

In order to qualify for designation as a national park, an area must be regarded as "nationally outstanding from a scenic standpoint," Wirth explained. "It has to be more than just a good local recreational area."

PARK SERVICE SURVEYS

For the past year the Park Service has been surveying the whole Pacific coast to evaluate its scenic value. The conclusion drawn, Wirth said, was that this section of the Oregon coast merited national attention.

Previously, the Park Service surveyed the Atlantic and gulf coasts for the same purpose, and it is currently surveying the coastal areas of the Great Lakes.

A conclusion of the Atlantic coast surveys was that Cape Cod in Massachusetts should be designated as a national recreation area, Wirth said.

Cape Hatteras, N.C., has been designed a national recreation area. It was not made into a national park because about 2,000 acres of the 28,000-acre area has long been used by duckhunters. To gain approval of setting the area aside, the Park Service had to make some concessions to the hunters to allow them to continue. But since hunting is not allowed in national parks, Wirth said they decided to call it a recreation area and not create a precedent concerning hunting. The rest of Cape Hatteras is treated just as if it were a national park.

CAPE COD RECOMMENDED

While the Park Service has recommended Cape Cod, the administration has not committed itself to the idea as yet, Wirth said.

This might hold true with Neuberger's proposal for the Oregon seacoast. The Senator said the estimated cost of acquiring privately held land to be included in his proposal would be up to $3 million. There would also be costs to the Federal Government for constructing tourist facilities which are normally provided by the Park Service.

Whether the Eisenhower administration, particularly the Budget Bureau, will go for this at this time is unknown. Nevertheless, NEUBERGER expressed confidence he could get congressional authorization for the park.

The last time a national park was added to the system was in December 1956, when Virgin Islands National Park was dedicated. Last one on the mainland was Everglades Park in Florida, 1949.

There are 25 national parks. NEUBERGER said he thinks one factor favoring approval of the seacoast is that compared to neighboring California and Washington State Oregon doesn't now have its share of national parks. Crater Lake, the only one, was created in 1902.

CALIFORNIA'S PARKS

California has Yosemite, 1890; Lassen Volcanic, 1916; and Sequoia, 1890. Washington State has Mt. Rainier, 1899; and Olympic, 1938.

In addition to the Sea Lion Caves and Oregon Dunes area, the Park Service survey of the Pacific Coast resulted in recommendations that four other areas be given national status: Cape Flattery on the northwest coast of Washington; Point Reyes Peninsula on the north central California coast; and two islands off the southern California coast, San Miguel and Santa Cruz.

Two other areas were recommended as worthy of State park consideration: Point Brown and Leadbetter Point, both off the coast of Washington State.

[From the Eugene (Oreg.) Register-Guard, Mar. 29, 1959]

U.S. PARK IS POSSIBLE BY 1962 IF BILL BECOMES LAW THIS YEAR

(By Don Tacheron)

Creation of an Oregon Dunes National Seashore is possible within 2 or 3 years, if a bill now before Congress is signed into law this year.

This is the opinion of Conrad L. Wirth, Director of the U.S. National Park Service, who told the Register-Guard Friday the area involved qualifies technically as a national seashore area.

Senator RICHARD L. NEUBERGER, in a bill introduced Wednesday in the Senate, has asked Congress to set aside up to 35,000 acres along the Oregon coast for national park development.

In a telephone interview from Washington, D.C., Wirth indicated that the relatively large amount of publicly owned land in the proposed park would probably expedite its establishment.

The park bill would authorize the Secretary of the Interior to establish boundaries and to declare establishment of a national

seashore when land has been procured by the United States in sufficient quantity to afford an administerable unit.

IN OTHER CASES

National park developments have gotten underway elsewhere, Wirth said, where between 50 and 60 percent of the total land area involved has been acquired.

Much of the land within the Park Service's suggested reserve boundaries is publicly owned. This is especially true where the Oregon dune area, a strip of land between the mouths of the Siuslaw and Umpqua rivers, is concerned.

For instance, in the dune area inside Lane County, most of the land is owned by three Federal agencies.

"This land could be acquired without expenditure * * *. We don't anticipate any trouble in acquiring ownership of this land," Wirth said.

The Park Service Director said he was not prepared to say definitely whether such an acquisition would be an "administerable unit."

ACCESSIBILITY TO USE

"A lot would depend on the terrain and other factors such as accessibility to public use," he said.

"Depending on these factors, we probably could create the national seashore—we could start our long range development program—within 2 or 3 years after the bill becomes law," Wirth said.

Meanwhile, Senator NEUBERGER told the Register-Guard Thursday he anticipates no difficulty getting congressional action on the park bill this spring. "It has a pretty good chance for passage," he said.

The bill itself sets a 35,000-acre maximum for park reservation but does not establish specific boundaries.

Park Service suggested reserve boundaries include three segments. These are the Oregon dunes area west of highway 101, between the mouths of the Siuslaw and Umpqua Rivers; an area around Woahink, Cleawox, and Siltcoos Lakes, south of Florence; and an isolated unit taking in Sea Lion Caves, located about 8 miles north of the main body of the park.

The Oregon Legislature is currently considering legislation that would bring the caves within the State park system.

NEUBERGER said that if local sentiment favors making the caves a State park he would have no objection.

As described by Wirth, procedure for creation of the Oregon Dunes National Seashore would be as follows:

"First step after enactment of the legislation would be the setting up of exact boundaries. These would be established after hearings conducted by the Park Service and after on-the-ground surveys.

"Then the Park Service could begin negotiating for transfer of publicly owned land to Department of the Interior ownership. If enough land were obtained, the Park Service could then recommend creation of the national seashore.

"Privately owned land within the seashore area boundaries could be purchased as funds are made available."

"In our long-range development program," Wirth said, "we would try to restore the area and to maintain it in as natural a condition as possible.

"Restoration to natural condition would not happen overnight, however," he declared.

Residents in the area would be offered lifetime leases if their property is purchased for the park, he said.

"But we hope eventually to eliminate all housing in the area," Wirth stated, indicating that private homes would eventually be removed.

PROBLEM OF BUSINESSES

Wirth also indicated that some existing businesses might be removed entirely.

"We would hope that the bulk of overnight facilities would be outside the area. We are not in the resort business," the National Park Director said.

Precisely what formula would determine types of businesses, that might operate inside the park apparently has not yet been determined.

"Some adjustments will undoubtedly be necessary to make the area usable to the public," Wirth explained. "The precise need for service businesses will be determined by Park Service surveys later."

Other points made by Wirth were:

"Planting the dunes as an erosion control measure would probably be stepped up.

"Camping facilities, trails and ocean beach access routes would be built.

"Headquarters buildings would be constructed, and a resident staff would maintain the area."

OIL IMPORTS

Mr. HENNINGS. Mr. President, I should like to call to the attention of the Senate two newspaper editorials which appeared in Missouri newspapers shortly after the President's Executive order establishing mandatory quotas on oil imports. One of these editorials is from the Kansas City Star and is titled "Oil for the Lamps of the Politicians." Another is from the St. Louis Post-Dispatch and is titled "Cutting Oil Imports."

Mr. President, I feel that this oil situation and its effect both at home and abroad should be closely watched by the Congress. I ask unanimous consent that both of these thoughtful and informative editorials be published in the CONGRESSIONAL RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Kansas City (Mo.) Star, March 12, 1959]

OIL FOR THE LAMPS OF THE POLITICIANS

From no commodity does the black smog of politics arise quite so thickly as from oil. All the backing and filling on import regulations illustrates the problem. Now the Government has imposed restrictions to replace the voluntary quotas that failed. This, we are told, will not result in a price increase. If it does, inflation will be given another push.

We are not impressed by claims that this is a patriotic defense issue. Oddly, both sides—those who want restrictions and those who do not—have been waving the flag madly. Small producers say that unchecked imports remove the assurance of an adequate market and discourage exploration. If a world emergency were to cut off imports, America would simply not have enough oil, they say. Importers take the opposite approach and claim that the faster we use up domestic oil, the less we will have for a war emergency.

Frankly, we're a little cynical about all the claims. Both sides quite understandably are also concerned with profits. Cheaper foreign oil outrages the domestic producers. Oil importers anticipate a reduction in their profits when imports are curtailed.

The important issue here would seem to be the effect on the domestic price and our posture as a trader before the world. Of course no one can yell about higher prices until they happen. But there may be cause for concern over the effect that restrictions will have on our relationship with the rest of the world. And particularly with our oil-producing friends, Canada and Venezuela.

Strong opposition to reciprocal trade has come from business fears of foreign competition. Last year, when the Trade Act was renewed, Congress threw in a sop to the oil and coal industries that had opposed the renewal. It was under that provision that the President was given authority to impose import quotas in a case where an industry vital to national security seemed to be injured.

Actually, the restrictions announced this week are not severe. The quota of crude and unfinished oil for areas east of the Rockies will be 750,000 barrels a day. Under the voluntary system, it was 850,000 barrels. In July 1957, prior to the voluntary program, the total was 846,000 barrels a day. The United States will still buy a lot of oil abroad. We have not chopped off our foreign friends.

But certainly the Government must think of other nations that depend largely on oil and that we are, presumably, helping to develop a balanced economy. Reciprocal trade rests on a delicate fulcrum. The goodwill and prosperity of trade are also a part of our national well-being, as is oil.

Of course, the hard facts of practical politics are tremendously involved in oil. It is no coincidence, we suppose, that the two top men in Congress are from the big oil-producing State of Texas. We can imagine the pressures brought to bear. We can only hope that the oil policy, despite politics, will protect the consumer and not destroy the immense gains the Nation has made as a fair and square trader with the world.

[From the St. Louis (Mo.) Post-Dispatch, Mar. 15, 1959]

CUTTING OIL IMPORTS

The importation of oil, crude and refined, has been put under an involved quota system by President Eisenhower. This replaces voluntary limitations which, in the opinion of the administration, were not sufficiently effective. Even the administrator of the program, Capt. Matthew Carson Jr. of the Navy, would not say to what extent it will reduce imports, but the cut is generally estimated at about 20 percent.

The President acted under a 1954 amendment to the Reciprocal Trade Agreements Act after receiving a report from the Office of Civil and Defense Mobilization that oil imports were a threat to national security because they hindered the search for new sources of domestic oil which would be needed in time of war. It can be argued just as cogently that national security would be served if we used more foreign oil while saving more of our own for an emergency in which foreign oil no longer would be available.

Almost inevitably, the quotas are expected to bring increases in the price of oil. While this and the effect on national security remain uncertain, there is no uncertainty about how some of our allies feel about the quotas. Canada made representations last October and again in January. Another protest is expected as soon as the regulations have been studied in Ottawa. Other oil exporting countries—especially those of the Middle East which the State Department is courting—will be no happier.

PLAY BALL

Mr. KEATING. Mr. President, through the strange machinations of fate and the concatenation of events, this body was not in session yesterday when the major league baseball season opened. However, 1 day after that momentous event, when appropriate ceremonies, the Vice President's strong right arm, and the cry of "Play ball," launched America's national pastime on another thrilling season, I am proud to call this

body's attention to it. Not that any Member need be reminded that the pennant chase is on again, for the play ball sentiment was apparent on every side in the Nation's Capital yesterday.

Those two words, "play ball," carry much significance for Americans. They stimulate images in the minds of all red-blooded citizens, of stirring drama on the diamond, of the determined youngster diligently practicing in the farmyard, or of enthusiastic games of stick ball on hot city streets. For baseball, more than any other single sport, symbolizes America and things American.

Baseball symbolizes our democratic way of doing things. Men of every race, creed, color and national origin make up the rosters of our professional and amateur teams. It makes no difference what a man's father does or where he came from or where he worships. What counts is: Can he hit the ball? Does he have a good curve ball? Can he cover the ground in the field?

Baseball is the great common denominator where each man stands on his own two feet and sinks or swims by virtue of his own ability. Nothing else counts.

It is a very wonderful thing that the lessons baseball teaches are today being learned in every corner of the globe. The phenomenal spread of the game, speeded by the presence of American servicemen all over the world, has resulted in tremendous popularity for our national pastime in almost every country on earth.

Travelers returning to the United States often remark on the pickup games of youngsters one encounters almost everywhere, as well as the excellence of the game as it is played today in Japan and the countries south of the border. I have often witnessed manifestations of great enthusiasm for baseball among the peoples of other countries. Only a short time ago baseball representatives from Italy were here to confer and stir up interest in advancing the game in that country.

As an avid baseball fan, as well as follower of other sports, it has been my happy task in Congress to be vitally concerned with certain legislation involving the future of our professional team sports. As a Member of the other body, I sponsored legislation which I feel must eventually be enacted if we are to save professional baseball, basketball, football and hockey from extinction.

As a Member of this body, I am again sponsoring, with distinguished Senators, a measure which will do much to place professional team sports in their proper place under our antitrust laws. This proposed legislation would recognize that baseball and other sports are businesses, but would emphasize the fact that they are unique businesses, which must be covered by special laws.

I am extremely hopeful this Congress will come to grips with the problem of the relation of our team sports to the antitrust laws. To tarry longer is to court disaster for the players, owners, and most particularly, the fans involved. Because if Congress fails to act, our sports face the awful prospect of becoming so mired in the costly intricacies of litigation, that their very existence will be threatened.

I shall continue to press for action on proposed legislation to protect the games and the fans who derive such enjoyment from them. Incidentally, it is my fervent hope that passage of such a bill will help New York City gain at least one more major league team.

But since the major league baseball season is now opening, I want particularly to pay tribute to three aspects of human activity which seldom come in for their proper share of applause. I refer to recreation, fantasy, and relaxation. For these are the hallmarks of our national pastime.

An examination of our Nation's history will reveal that the quest for recreation and relaxation has played a vital part in the development of our democratic way of life, without in any way proving detrimental to our progress. It can be argued that the desire for increased recreational facilities in the areas of hunting and fishing helped prod the westward advance of the American frontier.

For that matter, all cultural pursuit can legitimately be placed in the vague category of the impractical, for what literary, dramatic or musical endeavors can be said to promote a nation's material progress? Yet without culture a nation sinks into intellectual barbarism. And athletic recreation, while to all appearances equally as impractical as song or verse, has the same essential qualities. It is as much the lifeblood of civilization as labor manpower, machinery, and agricultural facilities.

In speaking of athletic recreation I refer not only to the athlete, himself, but to his audience, as well. Audience participation provides a fantasy—the act of living through an experience without actually doing anything—and this is also a healthy phenomenon and a vital phase of civilized life, for it supplies a necessary sense of drama without requiring dramatic action and thereby takes the place of violence. It is widely believed that organized athletics, more than any other institution, is the greatest enemy of juvenile crime in this country today, as well as a builder of leadership qualities and a promoter of the American traditions of team spirit and fair play. And if this be so, as I think it is, we owe the institution a great deal more respect than it generally receives.

All nations have their national sports, some more dramatic and some more militant than others. In Spain and Mexico it is bullfighting; in England it is rugby; in Japan jiu-jitsu. And, significantly, the United States, with a traditional background of democratic, peaceful and dynamic leadership in world affairs, has developed the least sanguinary, yet most dramatic national sport ever invented: the game of baseball.

Originally regarded as a pastime of the well-to-do gentleman amateur when first it was conceived in the 1830's, baseball's popularity soon spread, and by 1870 it was firmly established as a truly national tradition. The wide appeal of the game quickly led to the formation of teams in every section of the Nation and soon its audience-attendance figures were eclipsing those of all other spectator sports. More recently our national game has acquired an international standing, with numerous leagues developing in Canada, Italy, Mexico, the Caribbean Islands, and Latin America, and penetrating all the way to the Orient through its acceptance and appreciation by the people of Japan.

In view of the worldwide attention paid to baseball, and in view of New York's major role in the game's development, my State has set aside the period from April 4 through April 10 as Baseball Week. It is entirely fitting that it should do so, for New York's position in the history of baseball is one of paramount importance. The game's inventor, Abner Doubleday, was a New Yorker by birth and it was on a field at Cooperstown, N.Y., that he laid out the first baseball diamond. The first baseball team of consequence was the Knickerbocker Club of New York and the codification of baseball rules, which the Knickerbockers adopted in 1845, embodied all the major features of the game as it exists today.

Since the beginning of organized baseball play, New York teams have been constant contenders for top honors, and their success in both the American and National Leagues often brought them together at the end of the year in World Series competition; so often, in fact, that the term "subway series" became a commonplace.

In 1939 the high potentates of the baseball world established the Baseball Hall of Fame at Cooperstown, N.Y., and began the custom of honoring the great men to baseball history through their selection of the hall of fame honor roll. Since that time the names of New York players and team officials have dominated this selective process. Such New York Yankees as Babe Ruth, Joe DiMaggio, Lou Gehrig, Bill Dickey, Herb Pennock, Ed Barrow, and Joe McCarthy; such New York Giants as Carl Hubbell, Mel Ott, Bill Terry, John McGraw, and Christy Mathewson, and such Brooklyn Dodgers as Wilbert Robinson, Zack Wheat, and the unforgetable Dazzy Vance—all have beeen classed among baseball's immortals.

No other section of the country has been fortunate enough to be represented by such athletic skill. And although not yet included among the great at Cooperstown, there are numerous other New York and Brooklyn heroes of the past, with their own set of avid admirers who assure us, with some justification, that their idols are destined to be accorded that honor eventually. These include the Yankee pitchers Lefty Gomez and Red Ruffing, the Giant and Yankee sluggers Johnn Mize, and such Dodgers as Babe Herman, Jackie Robinson, and Roy Campanella. Only time will tell if these prophesies are to be borne out. But to New York baseball fans the thrilling heroics of such men are so clearly imbedded in memory that their ultimate recognition by the baseball authorities is a foregone conclusion.

In other parts of the country I have discovered, during my travels, a certain

amount of animosity, jealousy, or resentment—call it what you will—directed by many non-New Yorkers toward the repeated triumphs of New York baseball teams. This is especially the case in regard to the Yankees, as the result of their seemingly permanent domination of the sport.

The American people are basically rooters for the underdog, and the Yankees have been on top for so long as to become the antithesis of this. But it was not always that way. In my youth the Philadelphia Athletics were the dominant team, sweeping their opponents, including the Yankees, aside year after year with monumental disdain. In fact, it was not until 1920 that the Yankees attracted substantial public notice. That was the year that Babe Ruth hit 54 home runs and although it was not enough to win a pennant for the team, it was enough to draw immense crowds, which were to grow in size and enthusiasm as the years passed. With such heartwarming popular support, combined with the magnificence of Ruth's powerful bat, and the guiding genius of the team's owner, Col. Jacob Ruppert, and general manager, Edward Barrow, the Yankees became unstoppable. Sweeping to seven pennant victories on the power of Ruth's abilities, their team quality improved to the point where Ruth's presence was no longer necessary. When he left in 1935 the void was filled by others, notably Lou Gehrig, Bill Dickey, and a stripling by the name of DiMaggio, and ever since that time the Yankee policy has been the same: replacing retired greatness with youthful greatness, a policy that defies the odds and preserves Yankee supremacy.

Yet the American love for the underdog always prevented the Yankees from capturing complete control of popular sympathy, even in New York. For years, until recent unfortunate circumstances altered the situation, New York City was a three-team town, and the other two organizations, the Giants and Dodgers, held the support of a devoted band of followers. This was so even during the dark years when either or both teams were floundering in the second division. But of course enthusiasm was highest when the teams were winning, and that was the case on many occasions.

Greatness came to the New York Giants on the day John McGraw took over as field manager in 1902, for despite the fact that the team finished last that year, it showed the first signs of developing a fighting spirit. And soon that spirit was paying off in victories. By 1903 the Giants were good enough to nail down second place, the next year they won the National League pennant, and when the World Series was inaugurated in 1905, the Giants were the first victors. This was the beginning of a new era, during which McGraw's Giant teams flattened the opposition with the air, manner, and success of a family of runaway bulldozers. Even the Yankees were no match for them in two World Series encounters, and Giant fans began to regard the universe as their oyster.

When the McGraw era passed, Giant triumphs became fewer and further between, but the Giant partisans remained loyal, pulling for their heroes in hopes of their return to greatness. The supremely successful culmination of this effort was of course the never-to-be-forgotten Giant triumph in the pennant race of 1953, when they overcame a 12-game lead to overtake the Dodgers on the last day of the season and win the pennant on the last play of a playoff game.

But the providing of thrills was never an exclusive prerogative of the Giants, so far as New York fans are concerned. Only last year the Yankees electrified the sports world through a similar display in the World Series, and back in 1934 it was the Dodgers who overcame the Giants in a dramatic last-minute pennant rush. In fact, if dramatics were the sole objective in baseball, the legendary Brooklyn Dodgers would stand as the superchampions of all time, for never was there a team more prone to frantic, zany, and colorful play. For years they stumbled and bumbled through season after season, acquiring an occasional star player such as Dazzy Vance, Zack Wheat, or Babe Herman, and once in a while emerging from the second division, most often under leadership of Field Manager Wilbert Robinson. However, in general it was not their victories but their contagious enthusiasm and team spirit that won the Dodgers their renown.

But all this was changed near the close of the 1930's when the Dodgers lost the air of a traveling circus and began to resemble something more in the way of a permanent pennant contender. Then, with the advent of Jackie Robinson, Roy Campanella, Duke Snyder, and Gil Hodges during the 1940's the Dodgers became the scourge of the National League.

With such recollection to dwell upon, the people of New York can perhaps be forgiven an excessive amount of pride in their State's record in baseball history. And it is worth remembering that this pride is not something limited to a mere athletic achievement, for unquestionably baseball is more than that. The scene that takes place daily in baseball parks during the summer months embodies much that is typically American: The solemn silence during the playing of the Star-Spangled Banner; the joyous whooping when the home team appears on the field; the eternal munching of the noble hot dog and peanut; indignant protests over an unpopular decision by an umpire; cries of encouragement to the same umpire when he rules against the visiting team on a similar play; the tense drama of a 3-and-2 count, bases-loaded situation; applause for the opposing pitcher when he comes to bat in the late innings after pitching a good game—all these are typical of the warmblooded, democratic, generous, enthusiastic American nature.

The decision of the Governor of the State of New York to set aside this week in honor of baseball is as much a mark of respect to all these American qualities as it is to the game of baseball, itself. So long as the game survives, we can rest assured that a great many other American traditions are also surviving, because baseball is based on them. I join the people of New York in paying respect to this noblest of games. Long may it flourish and prosper.

Mr. President, I ask unanimous consent that the proclamation issued by Gov. Nelson A. Rockefeller concerning Baseball Week be printed at this point in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany.

The National Association of Professional Baseball Leagues has asked me to issue a proclamation in favor of baseball. I am happy to comply.

There is no new argument in favor of playing ball. Baseball is its own argument. What should concern us is to see to it that every boy who wants to play shall have the facilities.

To some extent, these facilities are provided by such groups as the Little Leaguers, the "Babe" Ruth Leaguers, and the American Legion. In high schools and colleges we have the spectacle of a few at play while the majority are spectators.

The State of New York, in its parks and recreation areas, provides excellent grounds for baseball. I sincerely hope full use will be made of these facilities.

It is fitting that official recognition be given to the opening of America's baseball season.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim April 4–10 as Baseball Week in New York State, and I urge the expansion of activities to provide playing facilities for young people.

Given under my hand and the Privy Seal of the State at the capitol in the city of Albany this 18th day of March in the year of our Lord Nineteen hundred and fifty-nine.

NELSON A. ROCKEFELLER.

By the Governor:

WILLIAM J. RONAN,
Secretary to the Governor.

NATIONAL BOYS' CLUB WEEK

Mr. KEATING. Mr. President, April 6 to 12 is being celebrated all across the land as Boy's Club Week. In appropriate ceremonies, the magnificent work of this organization is being reviewed and applauded and its leaders are receiving the praise they so richly deserve.

Close to 75,000 citizens are today donating their skills and time to this movement. The past year marked the greatest period of growth in the history of Boys' Clubs of America. Thirty-nine new clubs were added, bringing the total to 522 clubs with a membership of more than 500,000 boys.

I am proud to report that New York State today has 67 boys' clubs, and as Gov. Nelson A. Rockefeller noted in his proclamation of Boys' Club Week in the State, "It would be well if there were more."

For as much as any other single force, outside the home and our churches and synagogues and schools, boys' clubs are contributing to the building of stronger, wiser, and more useful young men who will be our Nation's leaders tomorrow. The programs of this organization are designed for guidance and training as well as recreation. Every boy is given a chance to develop mentally, physically, spiritually, and vocationally. And be-

cause dues seldom top 25 cents, any boy can afford membership.

Because boys' clubs are open to all who wish to join, regardless of race, creed, color, or national origin, they teach democracy in action. All in all, the Boys' Clubs of America represent the finest of our traditions and heritage. They are contributing tremendously and positively to combating juvenile delinquency by promoting juvenile decency.

Behind the boys' club movement has been a group of dedicated, public-spirited volunteers who have selflessly devoted their time and energy to its success. Prominent among these is ex-President Herbert Hoover, board chairman for 25 years; Albert L. Cole, president of the boys' clubs; and John M. Gleason, the national director.

On the the clubs' stanchest supporters has been J. Edgar Hoover, the legendary director of the Federal Bureau of Investigation, who recognizes clearly the organization's tremendous role in preventing juvenile delinquency and making better citizens. Recently Mr. Hoover wrote as follows about the movement:

> Years ago every child was familiar with a simple but lovely poem of praise to God for the miracles of every day—the sunset, the meadows, the color of a bird's wing, ripe fruit in the garden.
>
> Today, unhappily, that poem is not so widely known, and even more unhappily, the children who live in the cement, brick and steel canyons of the cities are unfamiliar with "all things bright and beautiful"—those miracles of nature which the poet sings.
>
> Since the civilization we are building eliminates nature's great classroom for many of our children, we are duty bound to provide the best substitutes of which we are capable. That is the task to which the many Boys' Clubs of America are devoted.
>
> While a tiled swimming pool cannot supplant the "ole swimmin' hole" in its natural setting, or any game match the thrill which a battle with a fighting trout provides, these substitutes may yield the sole bright spots in lives that are drab and bleak. Indeed, in many instances, "all things bright and beautiful," all stability, and all constructive activity in the life of the streetchild is supplied by the boys' club to which he belongs.
>
> For these reasons alone—apart from the fact that in areas where a boys' club program exists, delinquency diminishes—the Boys' Clubs of America deserve the unqualified support of every citizen.

It was my privilege to welcome to Washington this week John Drupa, of Binghamton, N.Y., who has been named 1959's Boy of the Year by the Boys' Clubs of America. John, who is 16 years old, climaxed a modern Horatio Alger saga by being chosen for this honor from among over a half million members. He was selected in the 13th annual search for the boy who best fulfills the qualifications of "outstanding service to home, church, school, community and boys' club."

This fine young man was a very small child when his mother escaped from Latvia with another brother and sister. His older brother and father stayed behind to defend their homeland against the Communist invaders. Both John's father and brother were taken prisoner by the Soviets and sent to Siberia. Mrs. Drupa and her three small children moved from one country to another in Europe, until they were admitted to the United States in 1951. Recently, John's father and brother were released from the Siberian prison camp, but are unable to join their family in the United States.

When John arrived in America, at the age of 7, he could not speak the language and as a result he had to be placed with a class of a lower age group in school. He had difficulty making friends because of the language barrier, until he became a member of the Binghamton Boys' Club. There he made friends easily, and today is one of the club's most popular members.

John has been able to catch up in school and for the past 5 years has been an honor student, is now treasurer of his homeroom and a member of the school traffic staff. His principal says proudly, "John helps his fellow students by devoting his own time to teaching them efficient methods of preparing for exams and to giving advice and assistance in homework."

Junior Citizen Drupa has been active in all forms of community service in which his boys' club engages, including making speeches for United Fund campaigns, and has won a variety of awards. In 1956, he was co-winner of a trip to Washington in connection with the American Heritage-Boys' Clubs of America national get-out-the-vote contest. He was one of two boys' clubs members who obtained the greatest number of pledges to vote. In speeches during the vote campaign, he stressed that—

> The right to vote is the most important right in democracy. It is the right which will keep a free people always free. By voting we who came as refugees are repaying to America a small amount of what this country has given us. Voting is the voice of the people. Take it away and men will not dare to speak about things such as liberty, justice, and freedom.

John received the Binghamton Good Citizenship Award for directing the Mayor's Youth Council community projects, including the safety program, "Hitch horsesense to horsepower." The mayor has publicly expressed his appreciation of this work:

> John's handling of this project has resulted in a material decrease in speeding and reckless driving in our area.

John was mayor-for-a-day in 1958.

The Boy of the Year is a junior leader in his boys' club, a Boy Scout patrol leader, and chairman of the board of the Junior Sertoma Club. Under John's leadership, the group has raised $1,000 for Boys' Club Day Camp through the sale of Christmas trees which the boys plant every year.

John has also received honors in sports, including a special Boys' Club Athletic Achievement Award and first place in the Activities Day contest in which he succeeded in doing 604 sit-ups. His hobbies are skiing, skindiving, swimming, electronics, chess, and coin collecting.

Mr. President, I am pleased to call to the attention of this body the magnificent achievements of this outstanding young constituent of mine. He exemplifies in wholesale quantities the tremendous work the Boys' Clubs of America are doing.

I salute the Boys' Clubs of America during this national observance of their week, and commend them in the strongest terms possible for their efforts to protect our most precious natural resource—our youth. Long may the boys' clubs flourish and prosper to carry out their wonderful missions.

NEED FOR FEDERAL ASSISTANCE FOR CLASSROOM CONSTRUCTION AND TEACHER SALARY INCREASES—ARTICLE BY SENATOR MURRAY

Mr. NEUBERGER. Mr. President, in the current battle of the budget, opponents of Federal aid to schools are attempting to insure that effective assistance to the States in constructing classrooms and raising teachers' salaries is an early casualty. Such efforts can only be classed as detrimental to the Nation. Provision of funds for creation of an elaborate and sophisticated weapons system, acceleration of plant capacity through deliberate subsidization, establishment of a huge space program is a sterile service if we fail to approve measures necessary to expand our supply of trained minds.

Today we are short some 140,000 classrooms. Over 200,000 teachers are paid less than $3,500 a year; in many communities, the average salary for school teachers is far less than for bartenders or signpainters. Thousands of local school districts have reached the end of their taxing resources as they attempt to solve financial problems created by population growth and rising costs. Only the Federal Government has both the ability and the wealth to correct this situation. The Congress has a responsibility to insure that this power is effectively utilized to aid the States in meeting this educational crisis.

The benefits to be realized through increased allocation of national resources to education were cogently described by Dr. Walter W. Heller, chairman of the department of economics at the University of Minnesota, in testimony before the Senate Subcommittee on Education on February 5. Dr. Heller listed four major values which accrue from investment in education:

First. Increased capacity to enjoy the fruits of our labors, to open the way to individual self-fulfillment and an improved quality of life.

Second. Creation, through human knowledge and understanding, of the informed and responsible citizenry which is the keystone of a free democratic society.

Third. Development of the human resources which lie at the base of an expanding economy and material abundance.

Fourth. Creation of the skills, technological competence, and comprehension which are the ultimate source of military security and world leadership in an age of missiles, satellites, and cold war.

When the Soviet Union sent its first sputnik aloft in the fall of 1957, our complacency concerning American scientific superiority was shattered. It was stated that we must spend vast sums on our schools to improve the quality and quantity of American education. However, it has become apparent that many who advanced this thesis earlier, have now decided that they would rather make speeches about reduction of Federal expenditures than work for implementation of a program which will aid in making available adequate academic and vocational training for American children.

One man whose faith and spirit have never waned in the long fight for Federal aid to schools is the beloved senior Senator from Montana [Mr. MURRAY], the principal author of the Murray-Metcalf bill, S. 2, of which I am proud to be a cosponsor.

The Murray-Metcalf bill would authorize appropriation, in the fiscal year beginning July 1, 1959, of $25 for each school-age child in every State, increasing to $50 the second year, $75 the third year, and $100 in the fourth and each succeeding year.

State education agencies would be entirely free to distribute the Federal funds among construction and salaries in any way they say fit. The bill provides that States and localities maintain their support of school finance. For this purpose an effort index is established, and States which fall below the national average will have their allocations reduced.

Approximate sums which would be available to Oregon by year are: 1959 and 1960, $11,250,000; 1960 and 1961, $23,200,000; 1961 and 1962, $35,550,000; 1961 and 1962, $48,600,000.

Nationwide, the authorization would amount to $1.1 billion the first year, $2.2 billion the second year, $3.4 billion the third year, and $4.7 billion the fourth year.

In the issue of the Progressive magazine for April 1959, Senator MURRAY has written a fine article entitled "Crisis in the Classrooms," which sets forth the justification for his bill.

I know that many of my colleagues will want to read Senator MURRAY's article in the Progressive. I also am certain that it will be of paramount interest to those leaders in the Oregon Education Association who have been fighting for Federal aid to schools and I ask unanimous consent, Mr. President, that the article by the Senator from Montana be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRISIS IN THE CLASSROOMS

(By Senator JAMES E. MURRAY, of Montana)

Millions of American children go to school in overcrowded, inadequate, or unsafe schools. Almost 250,000 classroom teachers receive less than $3,500 a year. The Federal Government is better able to make the necessary investment in education than are many State and local governments.

There, simply stated, is the crisis in the classrooms that should, and I believe will, be met by the 86th Congress.

With continued and even greater local and State effort in education, supplemented by Federal financial assistance, we can whittle down the continuing shortage of more than 140,000 classrooms over a period of a few years. We can attract to the teaching profession the 135,000 needed new teachers. We can keep in the teaching profession the hundreds of thousands of good teachers who have not as yet gone into more remunerative fields. We can give these teachers an opportunity to increase their skill by further study—as soon as they get a decent enough paycheck so they don't have to hold down a second job to enjoy a living wage.

The American people can achieve these goals without sacrificing local control of education. I expect the U.S. Chamber of Commerce again this year to make its usual unfounded argument that Federal support for education means Federal control, but most members of Congress know that the facts prove otherwise. In fact, by providing Federal grants to the States, which could use the money for either classroom construction or teacher salaries, we can increase local control of education. Certainly in the present situation the local school district which is bonded to capacity, conducting classes in split shifts or in makeshift quarters, using any teacher it can obtain for a pittance regardless of qualifications, does not have control of education. Education is out of control in such a district, and unfortunately there are a number of such communities in the United States today.

I believe in good education for its own values to the American people. However, for those who wish to make comparisons, let me quote what U.S. Commissioner of Education Lawrence Derthick reported after inspecting the Soviet educational system last year:

"What we have seen has amazed us in one outstanding particular; we were simply not prepared for the degree to which the U.S.S.R. as a nation, is committed to education as a means of national advancement. Everywhere we went we saw indication after indication of what we could only conclude amounted to a total commitment to education. Our major reaction, therefore, is one of astonishment * * * at the extent to which this seems to have been accomplished * * *.

"We saw no evidence of any teacher shortage. Teacher workloads and other working conditions are advantageous. Teacher prestige is high. Salaries are at the levels of those of doctors and engineers. * * * Only the best are chosen to teach—one out of six who apply."

Any discussion of how the Federal Government can best help the States solve the Nation's education problems must include a careful examination of the comparative abilities of Federal, State and local governments to finance education.

Between 1948 and 1957, State and local governments had increased their revenues by 119 percent, but their bonded indebtedness increased by 182 percent. During the same period, Federal revenues rose 81 percent, but Federal indebtedness increased by only 7.2 percent.

As a percentage of national income, our national debt dropped from 113 percent, in 1948, to 74 percent in 1957. Thus, in terms of our national income, our national debt has been cut by almost 40 percentage points during the past decade.

Assuming that school financing must be done on borrowed money, let us compare the cost of borrowing money by Federal, State, and local governments. Since 1957, yields on high-grade municipal bonds, which include school bonds, have been consistently higher than those on Federal bonds. As of November 1958, high-grade municipal bonds sold at 3.84 percent, while long-term Federal bonds sold at 3.7 percent interest—despite the fact that interest on Federal bonds is taxable and the interest on State and local bonds is tax exempt.

If a taxpayer happens to live in a school district that has already strained itself to provide school buildings for a growing number of children, and as a result has a low rating for bonding purposes, he may have to pay interest rates that are 20 percent or more higher than those required if his Federal Government had borrowed money to build the same school buildings. If a taxpayer happens to live in a school district that has reached its bonding capacity, but where there is still an urgent need for additional classrooms, the taxpayer is unable to provide for educating children in his community.

On January 9, I introduced an education bill, S. 2, which was cosponsored by 30 other Senators. My colleague from the First District in Montana, Representative LEE METCALF, introduced companion legislation, H.R. 22, in the House. Hearings on these and other bills dealing with grants to the States for elementary and secondary schools began in February.

The legislation which Representative METCALF and I propose would authorize appropriation, in the fiscal year beginning July 1, of $25 for each school-age child—between the ages of 5 to 17 inclusive; $50 per child the second year; $75 the third year; and $100 the fourth and each succeeding year. This authorization amounts to $1.1 billion the first year, $2.2 billion the second year, $3.4 billion the third year, and $4.7 billion the fourth year.

That's a lot of money. It will take a lot of money to get our educational system into the second half of the 20th century. The main argument I anticipate, one on which I am prepared to do battle is, Can the Federal Government afford this substantial investment in education?

One of the acts I was most closely associated with during my quarter of a century in the Senate was the Employment Act of 1946. Were the present administration so bold as to follow its mandate, and base the economy of this great country upon our potential rather than some imaginary, sacrosanct budget estimate, there would be no question in anyone's mind about our ability to take on an additional expense for so vital a national purpose as education. However, even now reasonable men who compare finances of Federal, State, and local governments will agree that Uncle Sam is in better financial shape than many State and local governments.

Some persons hold that State and local spending for schools is inherently good, and that Federal spending for schools is inherently bad. This fallacy is cultivated by the self-interest groups that have as their primary goal the reduction of taxes, regardless of what may happen to our school system. Some of the same persons regard a balanced Federal budget as a sacred thing, but look the other way when it is pointed out that some State and local governments are in much worse shape financially.

In January the U.S. Office of Education estimated the classroom shortage at 140,500, only 1,800 less than the preceding year. At such a slow rate of construction the classroom shortage will extend well into the next century. The Office of Education estimates the average cost of classroom construction at $40,000 each. Thus, it would take more than $5.6 billion just to take care of the construction backlog at today's prices, which can be expected to increase.

There are about 1.3 million classroom teachers in our public schools. Their average salary this year is $4,775. The secretary of Health, Education, and Welfare has frequently stated that in his opinion teacher salaries should be doubled. Their total now amounts to about $6.2 billion.

Thus it is readily seen that if the Murray-Metcalf bill passed as introduced and if Congress voted the authorized appropriation for the next 4 years, the total appropriation of $11.4 billion would be $400 million less than the estimated total needed to take care of the present backlog of construction at today's prices, and double the salaries of the present, inadequate number of teachers.

Under the Murray-Metcalf proposal each State could use the money for either construction or teacher salaries, or both. The State would not have to submit for approval any State plan. The State would advise the Federal Government annually how much money it is putting into salaries, how much into construction, and that construction is proceeding in accordance with Davis-Bacon prevailing wage provisions of law.

I am somewhat reluctant to discuss the administration's school aid proposal, because each hearing before the Senate or House subcommittee develops new understandings of its built-in provisions for interminable delay, excessive bureaucracy, and failure to achieve intended purpose. Here is a brief outline of the plan, in the words of the Secretary of Health, Education, and Welfare when he appeared before my subcommittee:

"1. The Federal Government would undertake to assist in construction programs totaling $3 billion over a period of 5 years, at the rate of $600 million a year. Assuming that States and local governments take full advantage of the plan, it would result in the construction of about 75,000 classrooms which, in all probability, would not otherwise be constructed.

"2. The $600 million a year would be distributed among the States on the basis of public school enrollment, income per school-age child, and the effort exerted by each State for public elementary and secondary education in relation to national average expenditures for such education.

"3. Each State would be invited to submit to the Federal Government its own plan for identifying needy school districts and for determining what would constitute a reasonable tax effort on the part of these districts.

"Upon receiving such a plan, the Federal Government would declare the State eligible for participation in the program. The Federal Government would not substitute its own judgment for the State's judgment as to the best way of determining need and establishing a measure of reasonable tax effort. Nor would the Federal Government participate in any way in the administration of these State plans.

"4. Next, a needy school district that was making a reasonable tax effort for school construction but that could not finance a bond issue for a new building, would apply through the State for Federal-State assistance in meeting its debt service charges; namely, the payment of principal and interest.

"5. The Federal Government would pay half of the debt service charges on the total cost of the new building, after having been assured that the State would either make available half of the cost of the building, or would advance half of the debt service charges.

"6. If the reasonable tax effort on the part of the local school district should produce excess revenues in any 1 year, these excess revenues would be applied to the debt service charges for that year.

"7. Once the bonds had been retired, the local school district would be required to maintain its reasonable tax effort for an additional 10 years and to apply any excess revenues as partial repayment of the advances made by the Federal and State Governments."

When the administration bill was first proposed I characterized it as the bankers' and bureaucrats' bonanza act of 1959. I believe now that I should have changed that around a bit, to bureaucrats' and bankers' bonanza act of 1959. The bill is so complicated that it will be years before bankers have an opportunity to benefit from its provisions.

For example, 18 States have no provision for State aid for school construction. Thus, although they could accept grants under the Murray-Metcalf bill, they would have to pass legislation and in some cases amend their constitutions to establish State programs for school construction and thereby become eligible to receive matching funds under the administration proposal.

Because the States do not have a school construction program does not mean that they are not making a significant contribution to the school program. In some, like my own State of Montana, aid is given to maintenance and operation rather than to building, and amounts to a large portion of the total education budget. The provision of operation and maintenance funds, of course, releases local money to be spent on construction. The implication that requiring these States to enact State school construction programs would constitute an increase in effort is, therefore, not necessarily valid.

Furthermore, on the basis of our present analysis, it appears that more than half the districts in seven States could not participate in the complicated administration program because these districts have reached their legal indebtedness or taxing limits under existing State laws. A substantial portion of the districts in another 17 States, and at least some districts in an additional 7 States could not participate.

I think the most damning fact about the administration school plan is that it was rigged, admittedly, so as not to add anything to the budget during the remaining 2 years of the Eisenhower administration. It is deferred deficit financing, designed to put the cost for a totally inadequate program on the next administration and most assuredly not designed to help in a material sense in meeting the pressing needs for more classrooms and teachers.

In his state-of-the-Union message this year the President recommended that education should be studied by some committee, like the Committee on Recent Social Trends which was appointed in 1931 by President Hoover. This committee would come up with some national goals.

I took the trouble to find out what that Commission, established 28 years ago, had recommended. I found that it termed as "indispensable" to progress a "willingness and determination to undertake important integral changes in the reorganization of social life, including the economic and the political orders, rather than the pursuance of a policy of drift."

It is time to halt that drift, and I believe we can start right now. I don't see the need for yet another commission which could merely conclude that we're still adrift. The national goal should be the provision of safe, suitable, and adequate education for every American child.

No one need fail to support Federal aid for education because he believes the concept is new. To cite but one precedent, the Northwest Ordinance of 1785 was enacted under the Articles of Confederation 3 years before our Federal Constitution was ratified. In this ordinance, our Founding Fathers set aside the 16th section of land in every township in the new Territories for the maintenance of public schools. The proceeds from the 16th section were the original nest egg that established the public schools in Montana and in many other States.

For the first few decades in the history of Montana these funds provided a substantial percentage of the monetary support for public schools. Even today the proceeds from school lands amount to more than 10 percent of the total operating expenditures for public schools in Montana. The same is true for many other States.

Federal financial support for education is not new. Indeed, it is older than our Republic. The legislation I have proposed would not launch the Nation on a new and adventuresome program; it would merely build intelligently on the foundation laid down long ago by our Founding Fathers.

MEASURES IN CONGRESS TO RELIEVE UNEMPLOYMENT NOW

Mr. JAVITS. Mr. President, we have all been gratified by the data released last Wednesday by the Department of Commerce, showing that unemployment decreased by 387,000 during the month of March and that 1,106,000 more people now hold jobs than did in February. Yet, although these figures may give us grounds for some satisfaction, they do not remove the reasons for concern: The situation represented by the 4,362,000 unemployed—and their 6 million dependents—is still the most serious since before World War II, except for the worst months of the recession in 1958. And 1,500,000 of the unemployed have been out of work for 15 weeks or longer, an indication that many are not sharing in the general upturn of our economy which has brought the GNP to an all time high of $465 billion during the first quarter of 1959.

New York State is having special problems in this regard. While the nationwide rate of insured unemployment dropped from 5.7 to 5 percent between February 21 and March 21, New York State's rate decreased from 6.2 to only 5.8 percent. In January New York State had 6 major and 14 minor areas of substantial labor surplus. By March another minor area had been added—Plattsburgh—to bring the total to 21 major and minor areas of substantial labor surplus. The Buffalo area, for example, is facing a most serious problem, with unemployment exceeding 12 to 13 percent.

Thus, a disturbingly large segment of our population is not partaking of the prosperity of the Nation. It is our duty to help them obtain their rightful share. It is also a practical necessity, if the health of our economy is not to be sapped and we are not to lose the productive power of millions of Americans.

Last Wednesday, many of us, including myself, joined the majority leader in his bill to establish a commission on unemployment problems. This is a most worthwhile proposal. Even with the speediest consideration, however, it will probably take more than the allotted 60 days for this group's findings and recommendations to be implemented.

But measures are now pending in Congress which can themselves cut unemployment by anywhere from 20 percent or more and ease the plight of the unemployed. It is the responsibility of the Democratic majority in this Congress to act upon the measures now before us. This responsibility should be discharged promptly and effectively. I commend the Senate for having acted on three of these measures and urge the Democratic

majority in the other body to similarly proceed forthwith. These measures include:

First. The housing bill, now in committee in the other body. A high rate of private residential construction has been to a great extent responsible for our economic recovery. We must not permit a letdown in this key sector of our economy. Rather, we must provide for its further expansion. The more than 12 million families—3 million of them in the middle-income bracket—living in substandard housing require it. And the unemployed, 800,000 to a million of whom it is estimated by the building trades and by the Department of Commerce would be directly and indirectly reemployed in the course of only a 25-percent increase in residential construction, require it.

Second. An adequate depressed-areas bill, stripped of its raiding provisions, so that sections of this country which require an economic boost will be able to obtain new industries without depriving the original hosts.

Third. The Federal aid-to-airports bill has passed both Houses and is now awaiting adjustment between them. This bill has the capability of reemploying many thousands of unemployed.

Fourth. A bill setting Federal minimum standards for unemployment compensation. Hearings are now being held on that subject before the House Ways and Means Committee. Positive action will soon be required in the Senate so that an adequate program may be set in motion before the inadequate extension of the present program runs out on June 30. The present extension helps mainly those who are chronically unemployed. These are the very people who primarily need the aid of a positive program in depressed areas, airport construction, and the housing field. Those who are intermittently sharing in prosperity and are periodically unemployed are the ones who can be helped most by more standardized unemployment compensation designed to tide them over until they enter the main stream of recovery. The Senate failed to improve the stopgap measure by insisting on the McCarthy-Javits amendment; but whatever may be the arguments on that point, it is a fact that a decided majority of the Senate wants to do more.

It is by acting upon these programs which are now before us that the majority can expeditiously make a direct contribution to the relief of our distressed citizens who are unemployed through no fault of their own.

To have a majority is to have a responsibility. I sincerely hope that the majority in the other body, as in this body, will discharge this responsibility to the people generally, and especially to the unemployed.

DEFINITION OF "DEPENDENT CHILD" UNDER SOCIAL SECURITY ACT

Mr. CLARK. Mr. President, I call to the attention of the Senate a letter to the New York Times, published on April 1, written by Wilbur J. Cohen, often called the father of social security.

On March 16, I introduced S. 1403, which would add to the definition of "dependent child" under the Social Security Act—a needy child under 18 deprived of parental support "by the reason of death, continued absence from the home, or physical or mental incapacity of a parent"—the word "unemployment."

As the law now stands, it actually offers an inducement for desertion, since the family whose father has deserted is eligible for aid, while the family whose father's unemployment benefits have expired is not.

Every week more and more unemployed workers are exhausting their unemployment benefits. Now is the time for us to take action to rectify what is undoubtedly an unintentional—but serious—flaw in the Social Security Act.

Mr. President, I ask unanimous consent that the letter to which I have referred may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO IMPROVE WELFARE LAWS: PRESENT FEDERAL PROVISIONS HELD INADEQUATE TO RECESSION NEEDS

(The writer of the following letter, professor of public welfare at the University of Michigan, served as director of research and statistics of the Social Security Administration and is currently a member of the Advisory Council on Public Assistance established by Congress.)

To the EDITOR OF THE NEW YORK TIMES:

The article by Edwin L. Dale, Jr., in your March 27 issue reports official Government figures show that 1,362,000 needy persons in 466,000 families in January were being supported by general relief from State and local welfare agencies. Mr. Dale also states that there has been a steady increase during the recession in the number of cases receiving aid to dependent children. In some instances the father may have had to desert his family to enable them to become eligible for relief.

What a tragedy it is that over 2 million children are in needy families receiving welfare payments today. And there are nearly 5 million more people who have to depend upon welfare—a total of 7 million people. In many localities thousands of persons in bona fide need are denied help because of financial limitations and restrictive requirements.

This distressing situation highlights the fact that our existing social insurance programs are not fulfilling their original objective of being an effective first line of defense in meeting need and preventing hardship and humiliation. Our unemployment insurance system is particularly in need of improvement in benefits and the elimination of the interstate competition which penalizes progressive State action.

PERMANENT REFORMS

The House Committee on Ways and Means in Congress begins consideration on April 7 of basic changes which are long overdue in the program. The temporary legislation of 1958 and 1959 indicates the need for permanent reforms in the basic Federal unemployment insurance law.

The general relief programs in the Nation are in even worse shape. There is no Federal support for these programs at all. They are a hodgepodge of inadequacies.

Mr. Dale correctly points out that in some communities general relief is not available to a family with a member who can be considered to be employable. In 16 States all general relief must be borne by the local taxpayer without any State or Federal help. There are many needy persons who are now being denied relief because of lack of funds in localities.

UNEMPLOYMENT POLICY

The Federal Government takes some responsibility for unemployment insurance; for a basic floor of protection in social security; for some aid to the States for the needy blind, aged, dependent children, and the disabled. But it prohibits use of Federal funds to a needy family when the father is unemployed unless he deserts his family. This is unsound public policy. The Congress should certainly remedy this by giving equal protection to the unemployed father who sticks with his family.

The experience with the recession indicates that the built-in stabilizers of unemployment insurance, social security, and public welfare were not—and still are not—satisfactory to meet the present recession or another similar one in the future. A free enterprise economy must make more effective provision than we now have for meeting the personal hazards which occur in our economy.

While the lessons of the recession are still fresh in our memory, we should make the necessary changes in our Federal laws.

WILBUR J. COHEN.

ANN ARBOR, MICH., *March 28, 1959.*

IRAQ: CROSSROADS OF THE MIDDLE EAST

Mr. CLARK. Mr. President, the Washington Post and Times Herald today published an article entitled "Iraq a Top Topic of Concern Here," written by Chalmers M. Roberts, a staff reporter. I ask unanimous consent that the article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IRAQ A TOP TOPIC OF CONCERN HERE

(By Chalmers M. Roberts)

Washington is full of concern over the future of Iraq. But the administration has little information and its policy is to stand still and hope.

A number of recent events have added to the alarm here that communism is taking over and that Iraq may end up as a People's Republic.

Most alarming was the Wednesday statement by the Iraqi Army's Chief of Staff that arms are being passed out to the Popular Resistance Forces, something that the Communists have been loudly demanding. This is arming the mob and setting up what is likely to be a Communist-controlled force as a counter to the non-Communist regular armed forces.

Puzzling is the shipment of several hundred Kurds on a Russian ship from the Soviet Union to Iraq. These people reportedly have been living in the Soviet Union since the failure of a Soviet-backed, or Soviet-inspired, 1946 effort to set up an "independent" Kurdistan in an area centered in northmost Iran and adjacent to Russia which includes parts of Iraq, Iran, and Turkey.

SCARCELY HUMANITARIAN

Iran and Turkey separate Iraq from the Soviet Union, in which there also is a Kurdish group. Many believe the Soviet idea of a Kurdish state is designed to bridge that geographic gap. But Moscow has been silent on the Kurdistan idea almost since the day Premier Abdel Karim Kassem came to power

in Iraq. And the Kurds have the reputation of being pro-Kassem.

Still, it is a reasonable surmise that Moscow is not sending the Kurds back to Iraq just out of humanitarian sentiments.

Another issue is oil. Much of Iraq's revenue comes from royalties from the Iraq Petroleum Co., largely owned by British and American concerns. Kassem reportedly is negotiating a more favorable break in the royalties.

Some observers see this move by Kassem as an effort to prevent the Communists from making an issue of oil or trying to force nationalization of the foreign concession. Kassem also may be trying to outdo Gamel Abdel Nasser who would like to help such oil-rich neighbors as Saudi Arabia increase their percentages from foreign firms.

Another move being carefully watched is a Baghdad demand—at least a newspaper demand, and all papers are censored—to go to the United Nations Security Council with what Baghdad's Al Akhbar last week termed Iraq's case of "aggression" by Nasser's United Arab Republic. This is a charge that Nasser engineered the recent unsuccessful Mosul area revolt against Kassem.

EXCUSE FOR RED AID

Some observers feel that if this were done, Iraq could claim indirect aggression by Nasser as an excuse for asking military aid from the Soviet Union. The precedent, so this thesis goes, would be the Eisenhower doctrine. Such a move, on such a precedent, would, it is argued, make it impossible for the West to counter such a move.

In all this confusion, official Washington tends to take comfort in the idea that from the Kremlin's own self-interest it would be foolish to take over Iraq. To do so overtly could risk a war with the West; to do so by an internal coup would antagonize the rest of the Arab world, even as Nasser is now antagonized.

This may be comforting, but is it realistic? It is true that Moscow has no noncontiguous satellites except Albania (and once there was Yugoslavia as that bridge). But it also is true that Iraq would be a great prize and that the age-old Russian, not just Communist, dream has been of expansion to the warm water, Persian Gulf on which Iraq faces. That much was part of Stalin's piece for a deal with Hitler.

Moscow knows, too, that the situation in neighboring Iran is shaky and that Pakistan further east has such internal troubles that it is hardly secure in the Western camp despite alliances. After all, Communist dogma says communism is the way of the future and is the Kremlin to pass up an opportunity if it arises—or can be created?

Mr. CLARK. Mr. President, I should like to make a pertinent inquiry: Does our State Department feel that in Iraq there are only two choices: first, that Iraq should be merged into the United Arab Republic; second, that Iraq should become a Communist satellite?

To me, it seems clear that there is a third alternative. Iraq can be kept independent of Nasser and Khrushchev. I think it would be most helpful if the State Department would enlighten the American public as to what is being done to achieve that end.

Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania.

HOW TO BALANCE THE BUDGET

Mr. CLARK. Mr. President, a few days ago the distinguished senior Senator from Connecticut [Mr. BUSH] had occasion to place in the RECORD, with complimentary remarks, some articles which were published in the Wall Street Journal. I have advised the senior Senator from Connecticut that I would comment on his remarks today, in order to give him an opportunity to be present, if he saw fit to do so. Among the comments in the insertions from the Wall Street Journal was the statement:

What Ike needs to balance the budget are higher taxes on motor fuels and higher postal rates, which were requested in the budget message.

In my judgment, what Ike needs to balance the budget are not higher taxes on motor fuels and higher postal rates, although I would be inclined to support them if such proposals were to come before this body. Both these proposed measures are regressive and bear most heavily on those least able to pay. What, in my judgement, Ike needs most to balance the budget is a closing of the inequitable tax loopholes. This would provide the funds with which to balance the budget and pay a substantial amount toward the reduction of the national debt. I have heretofore adverted to this subject.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks a program for closing 11 separate loopholes, which would make it possible to balance the budget at $81 billion-plus and still leave a substantial surplus to be applied on the national debt.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

Here is a program for raising the additional revenue needed to balance the budget at around $81 billion.

1. Increase the staff of the Internal Revenue Service charged with enforcing tax laws and direct them to concentrate on the larger returns.

In its early years, the Eisenhower administration reduced the personnel of the enforcement section of the Internal Revenue Service by 3,000 employees and the results have been costly to the Treasury. During the first 6 years of this administration, an average of 25 million more income tax returns were filed annually than during the last 6 years of the Truman administration. This larger number of returns averaged $27 billion more per year than in the previous period. Nevertheless, the average annual amount of tax deficiencies assessed has been $320 million less during the 6 Eisenhower years than durthe 6 Truman years.

Better administration alone might well raise more money than closing any single loophole. In fact, a special audit of 36,000 representative business and professional returns, recently published by the Internal Revenue Service, indicates that if auditing could have been extended to 6,700,000 such returns for the same year, the taxable income of the taxpayers involved would have been increased by 20 percent and yielded $2.7 billion additional public revenue. This is a matter which might well be investigated by the Senate Finance Committee. If even half this amount could be obtained, the increased revenues would be $1.3 billion.

2. Require withholding and reporting of income taxes on dividend and interest payments at source, as in the case of wage payments—$600 to $800 million.

3. Tighten the rules regarding deduction of business expenses. Expenditures by businessmen for which they receive a large element of personal return should not be recognized as deductions from taxable income. Such abuses appear to be prevalent in claimed deductions for expenses of wives on so-called business trips, transportation to conventions held abroad, company cars, yachts, airplanes, lodges, lavish entertainment at night clubs and theaters, and many related items. The cost of gifts exchanged between businessmen should not be deductible. Consideration should be given to limiting deductions for advertising expenses not related to the sale of products—$1 billion.

4. Limit the transferability of operating loss carryovers in purchases of corporations with heavy losses. Tax windfalls should not be given to those persons who make a profession out of "milking" losing businesses—$100 million.

5. Limit the amount and type of foreign tax credits permitted. At present, many large domestic corporations with sizable income from foreign sources escape all or part of U.S. income taxes by this device—$200 million.

6. Repeal the special tax credit and exclusion for dividend income established in the 1954 Tax Code. As a result of this advantage given to unearned income, a wage earner netting $5,000 must pay $60 more in taxes than a person living on unearned income of the same amount—$400 million.

7. Reduce the depletion allowance on oil and gas income from 27½ percent to 15 percent and limit the total of such allowances to the adjusted basis of the property—$400 to $600 million.

8. Revise the rules regarding capital gains and losses to eliminate capital gains treatment of net gains from sale or exchange of depreciable property used in trade or business and peripheral items—$800 million.

9. Treat the termination of an interest in a life estate as a taxable transfer—$500 million.

10. Combine estate and gift taxes in an integrated transfer tax structure—$500 million.

11. Reduce the tax advantage given to upper income married couples and heads of households by the income-splitting provisions of the Internal Revenue Code—$1 billion.

The suggested changes in the tax laws and in their administration would increase the public revenues by an estimated $7 billion per year, or almost twice the amount necessary to cover the increased expenditures suggested earlier. They would impose no unfair burdens; on the contrary, they would equalize tax burdens which are now inequitably disturbed. While mildly progressive, rather than regressive in nature, they would not deter initiative which would otherwise be devoted to expanding the economy. In a word, they would redress injustices while at the same time yielding needed Federal revenue.

Mr. CLARK. Mr. President, in the course of dealing with this subject, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Tax Chiselers: Their Numbers Grow as Federal Levies Remain High, Other Rates Rise." The article was published in the Wall Street Journal of April 9.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX CHISELERS: THEIR NUMBERS GROW AS FEDERAL LEVIES REMAIN HIGH, OTHER RATES RISE—AS FILING DAY NEARS, TWO OF FIVE ADMIT THEY HIDE INCOME, BOOST DEDUCTIONS—IRS TRIES A COUNTERATTACK

Growing numbers of Americans, angered by high Federal income tax rates and rising State and local levies, are turning into tax cheats.

With the Federal tax deadline just a week away, Wall Street Journal reporters interviewed tax lawyers, accountants, and a lot of ordinary taxpayers in 15 major cities around the United States. The findings indicate not only that the number of tax chiselers is growing but also that evaders make up a sizable proportion of the population—considerably bigger than the 1-percent estimate offered by the Internal Revenue Service.

Among the ordinary taxpayers, two of each five, after first carefully getting assurance of anonymity, admitted they cheat on their taxes. They were not people who merely sought to take advantage of every legal loophole in the tax laws, or who gave themselves the benefit of the doubt when it came to figuring how many deductions they could take. They were people who knew what they owed Uncle Sam, and then short-changed him. And while the survey made no pretense at being scientific, it did offer some idea as to the way many a citizen has come to regard his tax obligations.

In Boston, a 30-year-old electrician says, with a grin, "I dodge my taxes whenever I can. It's kind of like a sport to see if you can't make a buck here and there."

In Detroit, a young businessman, who says he "plays the stock market," comments that he isn't "finicky" about complying with the "fine points" of the tax laws—he skips reporting his capital gains, for example, and ignores "some other formalities."

A well-dressed middle-aged man, waiting for a bus in Philadelphia's terminal, snaps, Sure I cheat. It's not my obligation to pay every nickel.

And in San Francisco, a burly bartender sunning himself in verdant Union Square asks, what am I going to do? Lots of times I'll put something on the cuff for a customer when I know I'll never get it back. So maybe I claim a $20 donation to the Community Chest when I only gave $5. And tips in my joint—if I get $5 a week I'm lucky. I don't list a dime that isn't part of my salary, and nobody's questioned me yet.

NO WORSE?

Officially, the Internal Revenue Service says tax evasion is not increasing. The Service estimates that only 1 percent of the 60 million people who file Federal income tax returns deliberately make out false reports. Asked recently what he thought was the present extent of tax evasion, Commissioner Dana Latham replied, "We do not believe it is any worse today than it has been in the last 10 years."

But privately other IRS officials concede evasion is a growing problem. They note that in the last few years it has become more profitable to avoid paying Uncle Sam his due. When the tax rates were low, there wasn't much to be gained, comments one aide. But there's no doubt that the higher tax rates have made it a more attractive risk to some people.

Many non-Government tax experts also think evasion is growing. M. L. Rachlin, a New York City certified public accountant, and a specialist in tax matters, says there has been a marked increase in tax evasion recently. Adds a Portland, Oreg., attorney: I'm handling nearly twice as many tax suit cases now as compared to 5 years ago. Observes a Jacksonville tax lawyer: There's been a definite lowering of moral standards as far as paying taxes goes.

Although IRS figures indicate that there was a decline in the number of tax evasion cases last year, Commissioner Latham says the statistics don't give the true picture. In calendar 1958, 1,635 cases were recommended to the Justice Department by the IRS for prosecution, down from 2,062 a year earlier. Of the 1,635 cases, 974 individuals were convicted, a drop from 1,276 in 1957. Back taxes and penalities recommended amounted to $146 million down from $167 million in 1957.

PICKING OUT IMPORTANT CASES

But Mr. Latham explains that the statistical decline came about because the Service now is putting emphasis on picking out important cases from the standpoint of revenue involved and deterrent effect on other potential cases. One aid sums up the program this way: If the word gets around that we're looking at a particular group of returns—and believe me, it gets around—then that helps scare off any others who had an idea they might do some evading. Says another revenue agent: When a prominent doctor is prosecuted on charges of tax evasion, it's amazing how his colleagues show terrific rises in income the following year.

Tax evasion schemes take a variety of forms. One of the simplest merely involves boosting by a few dollars the amounts claimed as deductions for charitable contributions, State and local taxes, medical payments, or other outlays. More venturesome taxpayers may claim fictitious dependents; a Philadelphian once listed Poncho and Sanchez, two Mexican burros, as members of his family. Still other schemes are far more elaborate; some individuals, for example, may claim business losses from nonexistent companies.

"There seems to be no end to the ways taxpayers seek to defraud," says H. Allen Long, Chicago district director of the IRS. B. Frank White, IRS district commissioner in Dallas adds: "I'm sure a lot of people stay up nights thinking up new ways to beat their taxes."

Although IRS officials won't say what particular category of the taxpaying public causes them the most trouble, one official notes that "anywhere you have anyone handling a largely cash business, where he doesn't have to make a detailed accounting to anyone else, the temptation for tax evasion is greater." And he adds: "That way, it's just between him and the Government, without a lot of other people looking over his shoulder." Mr. Long of the Chicago IRS office observes that "the most frequent instances of fraud appear in the case of owners of moderately sized businesses and in the case of professional people."

Taking payments in cash and then not reporting them, and deducting personal expenses as business costs, seem to be the specialties of some professional men and the small businessman, tax experts say. Washington IRS officials cite the case of the doctor who didn't think he should be taxed on the night calls he had to make. He was sentenced to 8 months in prison for understating his income over a 4-year period by $80,000. A Boston undertaker understated the number of funerals his establishment handled, claiming an annual profit of only $5,000 to $6,000. But by culling newspaper files the IRS found he had about twice as many funerals as he said, with an annual profit closer to $20,000 a year.

A taxpayer doesn't have to get paid in cash to cheat, notes New York's Mr. Rachlin. When paid by check he simply steps into the nearest check-cashing agency or corner luncheonette and converts the check into cash, then records just the portion of the payment on which he feels like paying taxes. And only this portion, instead of the full amount of the check, will appear on his own bank records. The check-cashing technique has reached such proportions in New York, Mr. Rachlin says, that IRS agents now regularly call on places that make a specialty of cashing checks for a fee and note the frequent users of the service Then they examine those individuals' returns to see if the payments have been reported.

Banks are used less frequently, says Mr. Rachlin, because these institutions get suspicious if an individual regularly requests cash rather than depositing his checks.

A BIG DEDUCTION

T. G. Williams, Portland, Oreg., accountant, reports a variation of this practice. "An account of mine tried to claim a big deduction for medical expenses," he relates. "He had for proof of the expense a stack of canceled checks from a drug store. I found he was cashing personal checks at the drug store, then claiming a medical expense deduction for drugs."

Another evasion stratagem is the country club membership. It works this way: A foursome bets on a golf game and at the final hole the losers fork over, say, $20 to the winner. The latter says, "Fellows, we'll just drink this up." The party has $20 of drinks, but instead of paying cash for the refreshments, the winner keeps the money and signs a check. When it comes time to figure his income tax, he has the club bill, which he claims as a business entertainment deduction; meanwhile, he's had the benefit of $20 of unreported income.

"This is small if only done once," says a Jacksonville tax lawyer, "but it mounts up over the period of a year." The same system is used at luncheon clubs by "check grabbers," who sign the check, then collect cash from each diner in the party.

Harry Graham Balter, Los Angeles tax attorney who is author of Fraud Under Federal Tax Law, a legal tome he calls a "practitioner's book," cites a growing "off-the-main-course pattern of evasion—credit cards."

RUNNING HOG WILD

"Taxpayers are running hog wild with credit cards," claims Mr. Balter, "figuring they don't have to differentiate between legitimate business expenses that they charge and personal expenses. Credit cards "invite tax frauds by making it easy to do it, and they're going to make a crook out of every taxpayer." Mr. Balter predicts that "failure to segregate credit card charges that are deductible from those that aren't" will be "the next big area of tax evasion prosecution by Government men."

Although individuals' tax cheating is a constant problem, IRS officials say an even greater source of trouble is the shady tax adviser. Tax officials figure the "aider and abetter," as they refer to the unscrupulous tax expert, causes more work because he knows how to hide evasion and, although he does it in relatively small amounts, he does it for hundreds of people.

Washington officials cite this example: A disbarred attorney set himself up as a tax consultant and quickly established a reputation as a man who could assure a big tax refund. Obviously, officials note, it wasn't likely that all of his clients were blameless because the distortions of income and expense data submitted to him should have been clear in many cases. In fact, he was tripped up when one client got a refund so large that it surprised him. Suspecting an error, he turned the check over to the consultant to adjust with the IRS—but the consultant appropriated the check. The taxpayer brought suit for embezzlement, and the IRS moved in on the consultant. It had to ferret out hundreds of tax returns, and in nearly every case found sizable amounts in additional taxes due the Government. The additional taxes and penalties ran to more than $1 million.

INCOME TAX BUYERS

Certain tax advisers in the Southwest are doing a growing business as the result of a practice of which IRS personnel take a dim view. Called "income tax buyers," by their customers, these operators fill out the tax forms, then write the client a check on the spot for his refund—less a fee, usually 10 percent of the refund. The tax adviser gets a power of attorney so the refund check can

be mailed directly to him, allowing him to cash it and pocket the profit.

"It's bad," comments IRS District Commissioner White, "because sometimes the guy who is running this sort of schemes gets a little illegal in his enthusiasm for customers." The bigger the refund the client gets, of course, the bigger the fee for the tax consultant.

Why do people cheat on their taxes?

Most of the people who admit they don't pay all the taxes they owe try to wrap their actions in a cloak of moral righteousness, claiming they are opposed to Government spending programs, disgusted at corruption and waste in Government, or simply object to taxes "on principle." Only a handful say the reason they don't pay is that when it comes time to file their returns they just don't have the money.

An attractive blonde secretary, sunning herself at Manhatten Beach, Calif., admits she didn't report income from a 2-week job she held "because it would have put me in a higher income bracket," and adds casually, "I've never paid State taxes, because I object to them." Snaps a Boston securities salesman: "I think you should beat the Government out of every nickel you can. I'm convinced one-fourth of all tax money is swindled, wasted, or unnecessary." And he adds, "Of course, if I was convinced the money would be used well, I'd pay every cent, but I don't believe in the way the Government is being run."

"The Government doesn't seem to worry about spending my money recklessly, so why should I have a bad conscience about adding a few rounds of drinks to my expense account that didn't have anything to do with business," asks a Portland, Oreg., insurance executive.

Taxpayers also express indignation over the "favored" treatment the Government allegedly gives some big tax evaders. Says a Detroit attorney: "The practice of settlements with 'big names' in a criminal investigation is wholly unwarranted. The fact that he can't earn enough money to pay the Government what he owes it does not justify a compromise agreement—he ought to be thrown in jail." Adds a night club waiter, standing in line at the St. Louis Internal Revenue Service office to get some tax advice: "Sure I hold out on reporting some of my tips. But look at all the big shots gypping the Government. When they pay up what they owe, I will."

A number of people complain that the tax forms and tax law themselves are to blame for some of the cheating that takes place. "I can be evading paying a lot of my taxes and not even know it," complains a confused Portland receptionist. "The forms are so confusing and complicated that I usually end up putting down what looks good and what adds up, whether it is correct or not." And the St. Louis banker says he meets "thousands of people who can't understand the tax forms. They'd rather take a chance on not getting caught than to fill out one of those forms."

Some individuals in the middle and upper income brackets cheerfully admit they play a little game with the tax collector. They know that their tax returns are likely to be checked, and that the tax collector well may question some of the deductions they have claimed. So they purposely overstate their deductions. If Revenue Service calls them in for an interview, they figure they'll be able to compromise, settling on a figure that will be close to the correct total.

HIGHER TAXES, MORE EVASION

Many of the tax experts think that as tax rates climb, so does the number of tax evaders, and that the best way to reduce the number of evaders would be to slash taxes. New York accountant Rachlin comments: "It's much the same story now as it was during the war. When rates are high, the temptation is great to shortchange Uncle Sam. Taxpayers in the 50 percent bracket or higher start getting a feeling of anger that their silent partner is pulling down more than they are and they start looking for ways to lighten the load. First they take the legal steps of tax avoidance. But many find this doesn't give them enough relief. From there, depending on the character and moral fiber of the individual, it's usually a short leap to outright evasion."

"Higher taxes and the inflated dollar are two of the main reasons for more people attempting to evade paying all of their taxes," says Mr. Williams, the Portland accountant who is professor of accounting at Lewis and Clark College there. "Let the Government cut taxes 50 percent and see what will happen to efforts to evade taxes," suggests a Boston tax lawyer.

Aside from cutting taxes, a number of tax experts recommend that the Government reinstate its "voluntary disclosure policy," which was in effect from 1934 through 1952. Under this policy tax cheats could make a full disclosure of their fraud, pay all back taxes, together with interest and penalties, without prosecution. The Treasury dropped the policy as a result of pressure from law enforcement officials who argued that it prevented them from jailing racketeers who couldn't be nailed otherwise.

Says Mr. Balter, of Los Angeles: "A reinstatement of the voluntary disclosure policy would triple the amount of money the Government recovers from tax evaders."

MORE PUBLICITY

Private tax men also say they believe that increased publicity of indictments and convictions of tax evaders would have a salutary effect on the number of evaders.

Internal Revenue Service officials won't say specifically what their plans are for auditing 1958 income tax returns, but claim that one-sixth of the expected 60 million individual returns will be closely examined, and in some brackets and some categories nine-tenths of the returns will get a full check.

Commissioner Latham recently told Congress, "We propose, within the limits of our budget, to step up the number of returns that are audited each year. The public should realize that we have no set pattern on the returns we do audit. We are seeking better techniques to audit the returns which would yield the most revenue. We have a trial-and-error method and change each year. But we want to make in a reasonable cycle a complete audit of everybody's return who would appear to even possibly have any substantial revenue so that no taxpayer can ever feel he is secure from an audit."

Here is a general picture of the way the audit machinery works:

Returns selected for investigation may be identified by type of return, type of business, or occupation, or by size of income. Certain types of returns get special attention; these may be personal or business returns reporting adjusted gross income above certain designated levels. Further selection may be made on the basis of such factors as substantial income reported from sources not subject to withholding, or businesses which deal largely in cash, or returns presenting unusual dependency exemption claims or very large deductions. In addition, the audit staff may branch out from this in a varying pattern, giving special attention to doctors this year, and to lawyers next year.

But in general, a tax sleuth says, "We go where the money is." Even though a taxpayer might have elaborate means for hiding evasion, "money leaves tracks," adds another.

Another source of information: The Internal Revenue Service, although it doesn't advertise it, has a fund for tipsters. If a person tips off the Service to an evader, he can collect, upon application, up to 10 percent of the additional tax money collected by the Government. (The tipster's windfall is taxable, incidentally.) The Service's appropriation for this fund for the fiscal year ending June 30 is $600,000, up from $493,000 last fiscal year. But the Internal Revenue Service doesn't boast about the fund; it doesn't want to appear to be courting stoolpigeons.

Mr. CLARK. Mr. President, in connection with this matter, the Senate will shortly have an opportunity to reach these tax chiselers, because there will come before this body the appropriation bill for the Treasury Department; and I think it of the greatest importance that in considering that bill, we make sure that there is provided an adequate sum for the enforcement of the internal revenue laws, to the end that corporate and individual income tax returns may be adequately audited and that each taxpayer may be required to pay his fair share of the national tax burden.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter sent today to the junior Senator from Virginia [Mr. ROBERTSON], the chairman of the Treasury-Post Office Subcommittee of the Appropriations Committee. The letter is signed by 12 Senators, and invites the attention of the subcommittee to this subject.

This is the first step in closing these loopholes. If they are closed, I believe the Treasury will net—and this is estimated conservatively—an additional $1 billion of revenue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. A. WILLIS ROBERTSON,
Chairman, Subcommittee on Treasury-Post Office Departments of the Senate Committee on Appropriations, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The action of the House of Representatives in cutting $2.5 million from the $365 million appropriations requested by the administration for the Internal Revenue Service during fiscal 1960, and indeed the adequacy of the request itself, appear to be open to serious question.

The effect of the House-approved cut would be virtually to eliminate the modest expansion of the Internal Revenue Service tax enforcement program which had been planned. The Service would be unable to hire any of the 100 new revenue agents whose employment has been recommended, only 35 of the 204 new office auditors, 35 of the 50 new office collectors, and 26 of the 35 new auditors' clerks. In addition, 13 percent less temporary help than asked for would be obtainable.

Commissioner Latham has estimated that even during the first year in which a new revenue enforcement official is on the job he can be expected to collect $9 of otherwise uncollected revenue for every $1 spent to employ him, and that after that the ratio is estimated to be about 13 to 1. (Hearings, House Subcommittee on Treasury-Post Office Departments, 1959, p. 456.) Other Treasury officials have estimated that the ratio is as high as 20 to 1. (Hearings, p. 30). The grave loss of potential public revenues in fiscal 1960 which would result from approval of the $2.5 million cut can be readily appreciated.

More serious questions can be raised about the adequacy of the President's initial request for the Internal Revenue Service.

The Eisenhower administration has reduced the number of enforcement personnel in the Internal Revenue Service by an annual

average of 3,000 employees from the number similarly employed in the last year of the Truman administration. In fact, in 1958, there were 3,852 fewer persons so employed than in 1952. The attached statistics show how costly this "economy" has been to the Treasury.

During the first 6 years of this administration, an average of 25 million more tax returns were filed with Internal Revenue Service than during the last 6 years of the prior administration, and internal revenue collections averaged 27 billion more than in the previous period. Nevertheless, the average annual amount of tax deficiencies assessed has been $320 million less during the 6 Eisenhower years than during the 6 Truman years.

The urgent need for additional revenues in fiscal 1960, if the budget is to be balanced at any level and further deficit spending avoided, is becoming increasingly apparent. There may well be disagreement among us as to the source of new taxes which may have to be levied or the need for closing specific tax loopholes. There is no disagreement among us that as many taxpayers as possible, individual, and corporate, who are not paying required taxes at present or paying them in insufficient amounts, should be forced to carry their fair share of our total tax burden.

We respectfully urge that the $2.5 million which was cut from the Internal Revenue Service appropriation for fiscal 1960 by the House of Representatives be restored and that consideration be given to providing a substantial increase in funds for the enforcement section of the Service in addition to the sums recommended for this purpose by the administration.

Sincerely,

JOSEPH S. CLARK, WILLIAM PROXMIRE, WAYNE MORSE, STUART SYMINGTON, EUGENE MCCARTHY, FRANK CHURCH, PAT MCNAMARA, HARRISON A. WILLIAMS, JR., STEPHEN M. YOUNG, E. L. BARTLETT, RALPH YARBOROUGH, AND JOHN A. CARROLL.

	Total returns [1]	Internal Revenue collections [2]	Enforcement personnel [3]	Deficiencies assessed [1]
1947	50.1	$39.4	----------	$1,928.6
1948	52.6	41.9	----------	1,897.0
1949	66.5	40.3	----------	1,891.7
1950	54.1	39.5	----------	1,747.6
1951	82.6	51.2	----------	1,856.6
1952	89.3	65.6	27,128	1,840.2
Average	65.9	46.3	27,128	1,860.0
1953	93.2	70.2	24,627	1,356.0
1954	88.9	70.3	24,835	1,441.6
1955	88.7	66.3	24,202	1,478.9
1956	90.2	75.0	23,856	1,412.8
1957	93.2	80.2	24,001	1,663.2
1958	93.6	80.0	25,276	1,684.4
Average	91.3 (+25.4)	73.6 (+27.3)	24,138 (−2,990)	1,539.0 (−321.0)

[1] Millions.
[2] Billions.
[3] Different classification used, 1947-51.

Sources: Annual reports of Commissioner of Internal Revenue; Statistical Abstract of the United States.

Mr. CLARK. Mr. President, in the same series of articles placed in the RECORD by the distinguished senior Senator from Connecticut [Mr. BUSH] to which I referred a few moments ago, was a Wall Street Journal article by Yale Brozen, professor of economics at the University of Chicago. My good friend, the Senator from Connecticut [Mr. BUSH], spoke with admiration of the article, which was entitled "Inflation's Real Roots—How Federal Deficits Cause Dollar's Decline, Price Rises."

Professor Brozen's thesis is that increases in the money supply, largely brought about by Federal deficits, constitute the primary cause of post-World War II inflation. Mr. President, that is a discredited economic theory which is reminiscent of the ice age. Professor Brozen is one of the few remaining economists of standing who cling to this ancient folklore.

The Wall Street Journal is a great newspaper; but its editorial page suffers from shocking economic and political lag. It really ought to shed its preoccupation with ancient folklore, and move into the modern world.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD excerpts from the book entitled "Can Inflation Be Controlled?" written by Harold G. Moulton, a highly respected conservative economist, and president emeritus of the Brookings Institute. These excerpts summarize Dr. Moulton's refutation of the quantity theory of money on which Dr. Brozen relies.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

CAN INFLATION BE CONTROLLED?

(By Harold Glenn Moulton)

The analysis in foregoing chapters has shown that the traditional assumption that the supply of money and the supply of goods are independent of one another is invalid. Rather both originate in, grow out of, productive operations in a pecuniary economy. The money income generated in the process of production—and accruing to individuals in the form of wages, interest, rents, and profits—is the money supply available for expenditure by the people. The magnitude of this supply of spendable money is governed by rates of remuneration for services rendered and, as we have seen, these normally depend upon quite other factors than the supply of gold or bank reserves or fiscal and monetary policies. Treasury and Federal Reserve policies have always been ineffective precisely because they cannot directly reach the factors responsible for the flow of money income. They may indirectly affect the situation but only by positive restrictions of credit which impede productive operations (p. 174).

* * * * *

In concluding this appraisal we would emphasize that the quantity theory of money, whether expressed in the form of mathematical symbols or in words, throws no light on the process by which prices move from lower to higher levels, or vice versa. It cannot indicate whether the increase in currency is a casual or merely a permissive factor. It merely registers a result (p. 218).

* * * * *

The shift from money supply, as governed by gold stock, subsidiary forms of money, credit currency, and their rates of turnover to the money income currently received by individuals for services rendered is a crucial change. Under the income conception the magnitude of the flow of money income may vary widely from the stock of gold and other forms of money, and may vary independently. The failure of many writers on money and prices to grasp this vital difference between the income theory and traditional monetary theories has been a persistent source of confusion (pp. 227-228).

Mr. CLARK. Mr. President, Professor Brozen is near enough to the water's edge when he talks about inflation; but when he moves into political fields about which he knows very little, I suggest that he is over his head, in very deep water. He undertakes to criticize programs which the Senate has already approved, and others which I am confident it will approve, in order to shore up our domestic economy. He suggests that the people would not vote for these measures—which he calls, in effect, fraudulent—if they had an opportunity to do so.

Mr. President, perhaps Dr. Brozen is a learned economist; but I suspect that the Members of the Senate know a little more about politics than does he, and so do the Members of the House of Representatives.

On March 23, a distinguished Member of the other body, the Honorable FRANCES P. BOLTON, had printed in the CONGRESSIONAL RECORD a public opinion poll which was taken of 17,000 families in the 22d Congressional District of Ohio. I ask unanimous consent that the poll be printed at this point in the RECORD, to indicate the extent to which Mr. Brozen was off base in connection with his article published in the Wall Street Journal.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

	Percent		
	Yes	No	No opinion
1. Do you favor a relaxation of the trade barriers imposed by the United States against Soviet Union?	25.5	63.5	11.0
2. Would you favor diplomatic recognition by the United States of Communist China?	22.8	68.1	9.1
3. Do you favor continuation of our mutual security (foreign aid) program at approximately the same cost as the past several years?	43.0	45.7	11.3
4. Do you favor gifts of surplus farm commodities to underdeveloped countries?	76.9	17.4	5.7
5. Would you favor price, wage, and rent controls if our economy is faced with a period of accelerated inflation?	70.3	24.5	5.2
6. Do you favor Federal programs, such as the proposed community services legislation to provide long-term, low-interest-rate, Federal loans for local public works projects?	59.0	29.4	11.3
7. Do you favor legislation to provide lower downpayments, and smaller monthly payments through larger and longer mortgages on FHA insured homes?	59.3	31.7	9.0
8. Would you favor larger Federal participation in local slum clearance and urban renewal projects?	51.6	41.0	7.4
9. Do you favor Federal aid to needy States for school construction?	61.4	33.2	5.4
10. Do you favor Federal aid to needy States for increased teacher pay?	49.4	43.4	7.2
11. Do you believe Federal aid to education will result in Federal control of education?	41.0	46.9	12.1
12. Do you favor continued Federal aid to local airports?	30.7	55.1	14.2
13. At present a person drawing social security benefits is prohibited from earning in excess of $1,200 yearly. Do you believe this limitation should be removed?	72.9	22.9	4.2
14. Do you favor a Federal program to provide hospital and surgical care for social security beneficiaries by increasing the wage base for social security taxes to $6,000?	48.5	38.9	12.6
15. Would you favor extension of coverage, and an increase in the $1 per hour minimum wage law?	62.3	27.1	10.6
16. Would you favor legislation during the present session of the Congress to grant statehood to Hawaii?	82.9	7.5	9.6

ACHIEVEMENTS IN VESSEL SANITATION

Mr. BEALL. Mr. President, it is a matter of exceptional interest when a worldwide industrial organization displays such excellence of performance as to warrant awards by the U.S. Government. Such a development has just taken place, and has resulted in awards to the Esso Standard Oil Co., which has been cited by the Public Health Service for most satisfactory results in vessel sanitation.

John D. Rogers, general manager of the marine department, and Sydney Wire, general manager of the inland waterways department, of Esso, received the awards from Malcolm C. Hope, chief of the general engineering program, of the Division of Sanitary Engineering Services of our Government. These officials of one of the world's most important organizations are upholding in a most impressive manner the traditions of public service. Mr. Rogers, in addition to his other important connections, is a member of the board of directors of the American Merchant Marine Institute.

These special citations, so noteworthy for the company's achievements, were awarded because each of the 27 tankers of the marine department and each of the 12 tankers of the inland waterways department achieved a rating of 95 or better on an official Public Health Service inspection which involved 166 separate items of sanitary construction and maintenance.

Particularly noteworthy is this recognition of most satisfactory service to the general public, because the Esso marine department is receiving the award for the third time, and for the second consecutive year. The previous citations to the marine department were awarded in September 1955, and in June 1958.

Tankers of the marine department call at all Atlantic and gulf coast ports in the United States, while the tankers of the Esso inland waterways department call at the Atlantic coast ports, as well as at river ports along the Mississippi and Ohio Rivers.

Mr. Rogers, Mr. Wire, their fellow officials, and all employees under them justly deserve the commendation they received, and are entitled to the approval of the grateful public.

DEMAND FOR DISCONTINUANCE OF FEDERAL GRADING OF LAMB

Mr. MOSS. Mr. President, I have been informed that the Agricultural Marketing Service has called a conference in Washington, on April 17, at the Department of Agriculture, to discuss demands of lamb producers that Federal grading of lamb be discontinued. It is the contention of many of the sheepgrowers of my State and many of those of the Nation that Federal grading practices have not been sufficiently improved to keep up with marketing practices, and are resulting in unreasonable profits for the middleman, at the expense of the producer.

It is the belief of producers in my State that, by arbitrary grade standards of the Government grading service, they are actually prevented from producing the type of lamb which would appeal most to the housewife consumer.

After considerable discussion of this subject at the last convention of the National Wool Growers Association, that oldest sheepgrower organization in the Nation voted to seek the immediate discontinuance of Federal grading of lamb.

I am pleased that the officials at the Department of Agriculture have agreed to meet with the producers on this problem, and to hear their complaints. I certainly hope they will bring about the necessary corrective steps, or, if the producers' feeling is justified, that the officials will discontinue this grading system, which the producers believe is damaging them in the marketplace.

To better explain the position of the growers, Mr. President, I ask unanimous consent to have printed in the RECORD at this point excerpts from the address of retiring President Don Clyde, of Utah, to the last National Wool Growers Convention at Portland, Oreg., and the resolution on this lamb-grading subject which was adopted at that meeting.

There being no objection, the excerpts from the address and the resolution were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM THE ANNUAL ADDRESS OF THE PRESIDENT, DON CLYDE, OF HEBER CITY, UTAH, AT THE 94TH ANNUAL CONVENTION OF THE NATIONAL WOOL GROWERS ASSOCIATION AT PORTLAND, OREG., DELIVERED ON JANUARY 27, 1959

Lamb prices advanced moderately in 1958 over the previous year. The Department of Agriculture showed a 7 percent increase. Although lambs did not reach the attractive levels enjoyed by other red meats, less erratic price fluctuations were noticeable after the low spot in April was passed.

Strong feeder competition, adequate feed supplies and the demand for white-faced ewe lambs added strength and stability to the fall market. November saw a definite weakening in the dressed trade which was soon reflected in live prices by a loss of $2.50 per hundredweight. December saw the market skid to $17 at midmonth. Since then some of that $6 loss has been regained, but lamb feeders are now selling lambs readily for 20 cents that cost them 23 to 24 cents at their yard.

What caused such a sudden and devastating market debacle? All of us can point to some contributing causes. Heavy lambs, larger supplies, poorer quality, holiday season, lower pelt values: All of these factors accelerated the price drop. But it is my sincere opinion that the greatest factor responsible for this severe market break was Government grading of lamb. (Now that I have got my feet wet, I had just as well plunge in.) I feel certain that the greatest obstacle in the marketing of lamb at a reasonable profit is Federal grading. Therefore, the elimination of grading becomes the No. 1 problem for the lamb producing industry.

I realize the above statements constitute a serious indictment against the grading service. I also am aware that a series of accusations does not make a case. But let me point out some conditions we are subjected to: Many thousands of those lambs which broke the last November and December market would have been sold to the packer last fall if the buyer had not been afraid they would not grade. These lambs instead of going into consumption, went back to the feeder, who fed them expensive feed longer than he should, hoping again to please the grader. But what did he end up with? A costly, heavy lamb, overfat, wastey, unwanted by the packer, shunned by the retailer, and unattractive to the housewife.

What are we raising and fattening lambs for? The consumer? That was yesteryear's objective. Today it is the Government grader who sits in the judgment seat and, with his magical stamp, rolls a lamb for a profit or a loss.

The lamb buyer no longer buys your lambs based on their market value, for he must reduce his bid 1½ to 2 cents below their real value to make himself safe with this Government employee. The packer no longer is a salesman selling lambs on the rail according to their quality, but he is forced to submit a secret bid based on a grader's judgment. The retailer no longer stocks lamb selected for consumer preference but he buys overly fat, undesirable lambs to save advertising expenses and to keep faith with the banner nailed to the wall of his establishment, "We sell only U.S. choice graded lambs."

Many years ago in the wall which enclosed the city of Jerusalem, was a small narrow gate called the eye of the needle. Few people were able to squeeze through and gain entrance. Our lamb marketing has become like that gate; we have narrowed and restricted it with the regulations and requirements of Government grading until it is nothing short of a miracle to run the present gamut of selling lambs from producer to consumer and reap a fair profit for the grower.

I hope this convention will pass a strong resolution demanding the grading of lamb be immediately discontinued. Trifling and inadequate changes in grading regulations have failed to bring us any real help in the past. Future changes will bring but temporary relief. I am sure some people will label my stand as radical. I assure you I have not forgotten the aphorism, "Fools rush in where angels fear to tread." But for years we have been hoping to solve this problem by appeasement. I think we should stop pussyfooting around it and really go to work to rectify it. Consumers will no longer buy inedible fat. They want meat for their consumer dollar. Any system which attempts to force undesirable products on the buying public is obsolete and is obstructing the sale of our lamb at a fair and equitable profit.

I realize we must do more than pass resolutions. We must continue to push this matter on all fronts and great effort must be made to convert the retailers to cease their dependence on this grading practice in purchasing their lamb carcasses.

The value of our lambs constitutes roughly 70 percent of the income of the average grower. With approximately 201 million lambs marketed in the United States annually 1-cent-a-pound increase on the price of lambs could easily mean $15 million.

Let's institute a well-organized, intelligent and aggressive effort to improve our marketing procedure. We have nothing to gain by procrastination.

RESOLUTION ADOPTED AT THE 94TH ANNUAL CONVENTION OF THE NATIONAL WOOL GROWERS ASSOCIATION IN PORTLAND, OREG., ON JANUARY 29, 1959

LAMB GRADING

Experience has clearly demonstrated that Federal lamb grading has proven detrimental to efficient merchandising of lamb. It leads to production of overweight, overfat, wastey lambs, unacceptable to the consumer and uneconomical to the grower and feeder. It has placed the packers and processors in a position where they must buy to meet grading specifications rather than for consumer demand and preference.

The National Wool Growers Association at this, its 94th annual convention, held at Portland, Oreg., January 25 to 29, 1959, respectfully urges Hon. Ezra Taft Benson, Secretary of Agriculture of the United States, to terminate immediately Federal grading of lamb.

WATER STORAGE AND PROPOSED NATIONAL PARK ON EAST BANK OF THE POTOMAC RIVER

Mr. MOSS. Mr. President, on the subject of the proposed creation of a national park on the east bank of the Potomac River and reservation of the right to protect water storage in that area, Representative DIXON, of Utah, has explained why we in the West are concerned with this problem and are wary of creating a national park with reservations. In that connection, I ask unanimous consent to have printed in the RECORD a letter to the editor of the Washington Star by Representative HENRY A. DIXON and an editorial published in the Star, the better to explain to the public the feelings we have on this subject.

There being no objection, the letter and the editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Apr. 8, 1959]

UNSAFE SAFEGUARD

District Engineer George B. Summer was attributed by a Star news account (Mar. 24) with testifying before a House hearing that the Engineer Corps would be satisfied with the proposed C & O Canal Park legislation only if the water storage safeguard is included.

I have a pertinent question: What kind of "safeguard" can be included in this legislation that will adequately protect the opportunity for Metropolitan Washington to develop water resources in the Potomac in the future if the need is adequately demonstrated?

If no one in this area can provide an answer, I can from bitter, recent personal experience. The answer is: None. Once a national park is created along the east shore of the Potomac, where the historic C & O Canal runs, regardless of any safeguards written into the bill, the people of Metropolitan Washington and western Maryland can virtually say goodby to their interests in the water resources of that river, whether the storage need is for domestic water, irrigation water, water pollution control, hydroelectric power development, or fish and wildlife propagation. Creation of a national park will effectively subjugate these multiple-purpose uses of the area's major river to the single purpose of scenery preservation along one bank.

This observation is based on painful actual experience.

Shortly after the tremendous water development planning for the upper Colorado got under way back in the early 1930's, a 200,000-acre expansion was proposed for Dinosaur Monument, including river gorges of the Green and Yampa tributaries. At that time, the area was adequately reserved for water resource development by withdrawals of the river gorges under the Federal Waterpower Act of 1920.

The Park Service sought to rescind these power site withdrawals for the expansion of Dinosaur Monument, but the FPC refused two formal requests, in the mid-1930's, contending that the area was essential for water storage under any major comprehensive water resource development.

A safeguard proviso, unique in legislation and Executive orders pertaining to national parks and monuments, was written into the Executive order expanding Dinosaur Monument. As a result of this action and verbal assurances, the people in the Upper Colorado River Basin felt that steps had been taken to permit parallel development of water and scenic resources on the Green River.

However, when the upper Colorado investigation was completed and the development plan was issued recommending the Echo Park Dam site as the second largest and most efficient water storage vessel of the system, conservation groups throughout the country objected to the proposal and overruled, by lobbying pressure and propaganda, our explicit safeguard.

A very comparable situation exists here on the Potomac to the situation faced on the upper Colorado River back in the 1930's. Water resources development experts have testified that water storage on the main stem of the Potomac will be vitally necessary in future years and have recommended that there be no permanent change in the status of shorelands above Great Falls without a written safeguard for future water development in the legislation. We in the West have found that such a safeguard is worthless if the area is included in the national park system. Extremists will mount a crusade that a unit of the system is being "invaded" by construction of a storage dam. Based on past experience, they will totally disregard the safeguards now so piously talked about.

Metropolitan area residents will be wise to go slow on making any major permanent change in land status on the Potomac unless and until water resource development storage needs on the main stem are found to be unnecessary. Meanwhile, the lands could be effectively preserved, for future reservoir and national park needs, which should both be ultimately incorporated in multipurpose planning, by reservation now at a less sanctified status—possible as a national recreation area, a status which does not bar multiplepurpose use of the resource.

H. A. DIXON,
Member of Congress.

[From the Washington Evening Star, Apr. 8, 1959]

PRIORITY FOR WATER

Representative DIXON of Utah, in a letter on this page today, has issued a timely warning against any legislative action that would make it difficult at some future time to insure an adequate water supply for Washington and its suburbs. He believes—and we agree with him—that if Congress should designate all of the land in the River Bend area of the Chesapeake & Ohio Canal as a national park it would seriously complicate the task of building vital water-supply storage facilities there. The Army Engineers long have contended that River Bend, above Great Falls on the Potomac River, is the best available site for a dam and reservoir to safeguard the Metropolitan Area from the threat of grave water shortages.

Park proponents have resisted efforts of the Army Engineers to include in pending canal-park legislation a clause recognizing the possibility that future storage of water in the area, by dam construction, may be essential. Representative DIXON points out that even when such a supposed safeguard was written into upper Colorado water legislation it proved to be ineffective. Congress, with the Colorado River lesson in mind, should make certain that Washington's future water supply is adequately assured, even at the cost of attractive park land.

FOURTEENTH REPORT OF U.S. ADVISORY COMMISSION ON INFORMATION

Mr. MUNDT. Mr. President, Congress requires that a number of reports be filed with it in connection with various Government activities. Frankly, I do not always have time to read each report carefully, and I am sure that is true of many other Members. However, when there comes to Congress a report that is particularly excellent, I think all of us should take a moment or two to give it careful attention.

That is why I rise today to call to the attention of the Members of the Senate the 14th Report of the U.S. Advisory Commission on Information. The reports of this Commission are always worth reading, but I think the report this year should be rated as outstanding.

As one of the coauthors with former Senator Alexander Smith, of New Jersey, of the basic legislation creating this Commission, I have always followed its annual reports with very careful attention and with very great benefit to myself. That is not to say I have always agreed with everything which the Commission has recommended, but I certainly agree its recommendations merit our serious consideration as they come to us from time to time.

I urge each Senator to spend some time looking through the report. There is a wealth of information in it. This Commission is fortunate to have as members the following outstanding citizens: Mark A. May, Chairman; Erwin D. Canham; Sigurd S. Larmon; Philip D. Reed; and Lewis W. Douglas.

I wish it might be possible to reprint in the pages of the CONGRESSIONAL RECORD the entire document so that people throughout the United States could have access to it. However, I do want to include, as a part of my remarks, three portions of the report which I feel to be especially worthy of special attention.

First, I should like to include the conclusions drawn by the Commission on the study of our Information Agency and its functions. Anyone reading these conclusions will have a much better picture of what the USIA is intended to do, what it is doing, and what it should do.

I ask unanimous consent that the conclusions appear as a part of the RECORD at this point.

There being no objection, the conclusions were ordered to be printed in the RECORD, as follows:

CONCLUSION

To summarize: The Commission believes that a major cause of criticism surrounding the U.S. Information Agency and the oversea information program is that too much is expected of it too soon.

A review of the proper functions of the Agency indicates that reasonable objectives can be established for operations in four major areas:

1. As a counselor on international public opinion.

2. As an expositor of U.S. foreign policy.

3. As a specialized and noncompetitive oversea information service.

4. As a portrayer of the United States to peoples abroad.

In all of these areas, the Commission agrees that there are short term needs, which USIA should be prepared to meet. But, it wishes to reemphasize that the major objectives are long term in nature. Once this concept is clearly understood and accepted, then—and only then—can the efforts of USIA be properly evaluated.

The Agency's efforts—its ability to progress toward its assigned goals—depend greatly on its position in our Government and its relationships with the Congress.

Therefore, the Commission wishes to restate those principles for the U.S. Information Agency which it set forth in its 13th report to Congress. The Commissioners believe that adherence to these principles will enable the Agency to fulfill its functions with maximum economy, efficiency, and effectiveness. These principles are:

1. That USIA should be considered an essential long-term agency of the Government. That its budget, its plans and programs, although necessarily responsive to sudden emergencies, should be based essentially on this long-term view.

2. That USIA should continue to be an independent arm of the Government. That it should be nonpartisan in nature, responsive to policies established by Congress, and appreciative of its responsibilities to keep the Congress informed.

3. And finally, that to establish this character for USIA, to make possible long-term planning, and to provide the manpower with the high competence and talents required to carry out sound programs, the personnel of USIA should be assured of career status and adequate representational funds. The Agency will continue to find difficulty in attracting and holding the quality of men it needs, so long as career stability is not provided by law and so long as adequate monetary allowances for representation are not provided by annual appropriations.

The Commission in this report to the Congress has presented its independent outside view of the role of USIA in furthering our national interest. It has attempted to specify realistic objectives, and to give consideration to the limitations within which the Agency must operate.

This report has taken a critical look at the broader areas and principles of Agency operation. A detailed appraisal of some of the Agency's specific problems and achievements will be found in appendixes 1 and 2. Also included, in appendix 3, is a report of the Agency's actions on the recommendations in the Commission's 13th report.

Respectfully submitted.

Mr. MUNDT. Mr. President, I was highly elated to note that the U.S. Advisory Commission on Information has again very enthusiastically stressed the need for use of television in our oversea information activities. Some time ago I delivered a full length speech suggesting that the vision of America, as well as the voice of America, could be put to use. This recommendation, together with several forward looking ideas, spells out new activities and new areas of operation for USIA in the future. The head of our oversea information service, the USIA, is George Allen. I am sure that I do not have to labor the point by saying that he is able, alert, and active. George Allen is doing a wonderful job. I fully expect to see many of the recommendations of the Advisory Commission carried out in 1959 and 1960. I ask permission to include this list of recommendations as a part of my remarks.

There being no objection, the recommendations were ordered to be printed in the RECORD, as follows:

APPENDIX 6

RECOMMENDATIONS OF THE BROADCAST ADVISORY COMMITTEE

TELEVISION

Ten years ago television was of minor importance in the United States. Today Americans spend more hours with television than with any other communications medium.

The same situation has come about in Great Britain and is not far off in Mexico, Japan, Italy, and West Germany. Parenthetically we might note that there is viewing behind the Iron Curtain of programs emanating from Austria and West Germany.

In general the Agency has attempted to take some advantage of television in the areas where it has been well developed. However, in countries where television is in its early stages, it badly needs to establish and protect a franchise in these communications channels.

The question has been raised whether in doing so it would be competing with private industry. The fact is that there is no danger whatever of undesirable competition with private industry until the medium becomes well developed. As the medium develops the Agency will, of course, take every precaution to avoid duplicating services available through private channels.

However, the Agency should not lose sight of the fact that its output is in competition with propaganda films or material offered by other countries, including both our allies and our adversaries.

The Broadcast Advisory Committee has long advocated that the Agency develop long-range plans to seize and hold the initiative in television.

Under its new leadership, the Agency can now attack the difficulties which have brought about the weaknesses cited by the U.S. Advisory Commission on Information in its 13th report, dated January 1958.

We believe that such action should include:

(1) Evaluation of the importance of television in the Agency's overall activities in order to provide an independent determination of policy.

(2) Sustained support of the television activity in such tempo and to such extent as the above evaluation may justify in the Agency Director's opinion. Such sustained support should allow for long-range planned growth instead of a feast or famine existence.

The Committee approves the decision of Director Allen to separate radio and television into two distinct services.

The Committee believes the present organizational structure for television is an interim plan, and that this structure must remain fluid during the formative stages of the new television service.

The Committee has a strong point of view about future television budgets. The present budget for fiscal year 1959 is $660,000. There was some indication that the proposed budget for fiscal year 1960 might be of the same order.

We recommend consideration of the budget in these general terms: Approximately $1½ million for acquisitions. The Committee points out that acquisitions should include past as well as current timeless program milestones that have made television great, and that may be deemed appropriate as a minimum for foreign use.

The Committee recommends the consideration of $500,000 for original program material to be devised in this country, and it recommends a half million dollars for local program production in foreign countries.

It recommends approximately $250,000 for personnel to implement this plan.

It seems to the Committee that to approach this with less financial scope would negate the agreed-on principle of recognizing television as a separate service with a substantial present as well as a substantial future.

The Committee regrets that circumstances beyond the control of the present USIA administration caused a delay in the development of television within the Agency's structure. It points up the need for a whole new reevaluation of television as an instrument of the Agency. In our opinion USIA is not in television now.

Radio: East-West exchange

According to the agreement, with respect to broadcasting, the United States and U.S.S.R. will arrange for an exchange of broadcasts on certain specified subjects such as science, technology, sports and also for regular exchanges of programs including recorded music of all types and recorded literary and musical material and from time to time an exchange of broadcasts devoted to discussions of such international political problems as may be agreed upon.

The Committee believes it is safe to assume that practically all broadcast exchanges, live or specially recorded for a particular broadcast, will be arranged privately as a matter of individual program planning and promotion.

The Committee has considered but found unsuitable various available alternatives, such as the use of Voice of America facilities and personnel or those of an independent private agency such as the Advertising Council. The Committee therefore recommends that a special Broadcast Exchanges Committee be created, members of which would be appointed by appropriate authority on a high level separate and distinct from the Broadcast Advisory Committee of the Agency.

The Broadcast Exchanges Committee should include representatives of the networks, nonnetwork broadcasters, affiliates, educational broadcasters, advertising agencies and sponsors, union and industry associations, such as the Association of National Advertisers, the American Association of Advertising Agencies, and the National Association of Broadcasters.

APPENDIX 7

RECOMMENDATIONS OF THE ADVISORY COMMITTEE ON CULTURAL INFORMATION

AMERICAN NATIONAL EXHIBITION IN MOSCOW

The Committee recommended that:

1. The concept and execution of the exhibition at Sokolniki Park be of uncompromising quality. This means architectural plans should be improved; the art exhibit should show a cross section of American art emphasizing the freedom of the American artist to paint whatever he pleases; and there should be included both abstract and representational art.

2. The plan of the exhibit be around one central theme, so that all subjects are integrated within this theme and do not appear merely as individual displays of our diversified activities. This theme could be "The Freedom of the American People."

3. A comprehensive catalog be printed to become a permanent record of the exhibition. This is of particular value in view of the fact that the duration of the exhibit is very short.

4. A presentation program of books and slides on America be carried out to capitalize on the stimulus which this exhibition will generate.

5. A lecture program on American art be conducted during the exhibit. It is important to support art exhibitions with lectures.

6. The budget be increased, especially in view of the shortness of time for planning and executing the exhibition, which will inevitably raise the cost beyond normal.

7. The Committee recommends that it be given the opportunity to participate in an

advisory capacity in the planning of the Moscow exhibition and suggests that the three members of the arts subcommittee be notified of meetings so that it can be arranged for a member of this Committee to attend.

EXHIBITS PROGRAM

The committee recommended that:

1. Acknowledgment be given to the facts that exhibits has grown in scope and importance, that it encompasses and coordinates all visual media, that greater recognition be given in the Agency to exhibits, which constitutes a medium of communication parallel to the services of the Agency.

2. A prefield training course in exhibit techniques be established for field officers; that the Agency send to the field regular packets of current information on cultural developments in the United States and thereby keep the cultural affairs officers up to date on these developments and that periodic field seminars be organized for cultural affairs officers.

3. Several modern recent histories of American art with proper reproductions should receive top priority for translation and the titles for translation should be recommended by the fine arts section of the Exhibits Division of the Information Center Service.

RESOLUTION

The Committee passed a resolution wholeheartedly endorsing the proposal currently under consideration in the Department of State for the establishment of an office for the care and preservation of the works of art which are at present owned by the Department of State or may be acquired in the future. It was recommended that the Director transmit the resolution to the appropriate officials in the Department of State.

BOOKS PROGRAM

The Committee, by motion, unanimously concured in the Agency's decision to use "The Ugly American" in the informational media guarantee program.

The Committee recommended that:

1. The Office of Research and Analysis (IRI) widen the scope of the regular survey questionnaire on the use of Information Center Service (ICS) materials in the field, to include questions to determine where books of a simple pamphlet nature are needed, what subjects, reading levels, and languages are most suitable in the various priority countries.

2. The survey be expanded to cover wider sources of information including U.S. Information Agency field reports, commercial publishers here and abroad, and UNSECO reports.

3. Pilot books be prepared for a pilot study in Pakistan.

The Committee suggests that cultural affairs officers and Information Center librarians in various parts of the world further the two-way exchanges of publications by:

1. Asisting in making exchange arrangements with colleges and universities in the United States and reporting on important new publications.

2. Advising foreign dealers, especially the Farmington plan dealers working with the Association of Research Libraries, of the kind of books American libraries are interested in.

3. Making sure that U.S. institutions and universities do not miss important books published in the host country.

FLORENCE CONVENTION

The Department of State has concluded that action on the Florence Convention must be postponed for at least 1 year following ratification of the Universal Copyright Convention by the United Kingdom. The United Kingdom approved the International Copyright Convention in September 1957. In view of the above, the Committee reaffirms their former endorsement of the Florence Convention and recommendation that the U.S. Information Agency take steps to urge its ratification by formally requesting the Department of State to reconsider this agreement with a view toward submitting it to the President for submission to the U.S. Senate for ratification.

LIBRARY PROGRAM

The Committee recommended that:

1. As rapidly as budget provisions will permit, an American librarian be placed in charge of every large USIA library overseas.

2. The position of librarian not be combined with that of cultural affairs officer or any other officer, but be considered a full-time assignment, except in branch libraries which have small collections.

3. The position description for USIA library personnel be revised to stress the broad aspects of the services expected of them and to deemphasize the narrowly technical phases.

4. The position classification scheme for USIA personnel be revised to encourage career librarians to remain in the system, with opportunity for promotion to supervisory and other higher level posts rather than as at present, requiring them to leave the library profession in order to become eligible for the more advanced grades.

* * * In further reference to the need for trained librarians, the Committee would like to point out that during the next 2 years it will be highly desirable to provide trained American librarians in such places as the following to which the Agency does not today assign such a position:

1. A second librarian in Paris, Germany, Italy, and Japan.

2. A roving librarian in Scandinavia and the Benelux countries.

3. A librarian in Vienna, Spain, Brazil, Uruguay, Colombia, Australia, Hong Kong, Israel, Istanbul, Nigeria, The Sudan and Union of South Africa.

It is the recommendation of the Committee that a vigorous recruitment program be undertaken at once to secure trained American librarians competent to fill these positions.

MUSIC PROGRAM

The Committee recommended that:

1. A greater and more continuous effort be made by the Agency to elicit and utilize the reports and findings of musical specialists in all areas as a basis for (a) controlling the effectiveness of present activities, (b) obtaining data for the development of new ideas or the more effective achievement of basic objectives, and (c) providing a groundwork of systematic analysis and planning for the functional use of music in the overseas information and cultural programs.

2. More attention be given to the problems and opportunities of musical interchange with countries and peoples outside of Western Europe, particularly Africa, the Middle East, and the Far East.

3. Particular and concentrated attention be given to the analysis of Soviet attitudes and policies with regard to music, as well as of all phases of musical activity in the Soviet Union and its satellites.

4. Musical scores, as well as books on music, be regularly and increasingly included under the book presentation program of the Information Center Service and that musical scores be included in overseas information libraries. Musicians read scores as others read books, hence the same principle of distribution should apply to both scores and books.

ENGLISH TEACHING PROGRAM

The Committee felt that * * * in broad outline the English teaching program seems soundly conceived and that in its specific areas it is being carried out as expeditiously as funds and manpower will permit, though often enough this is somewhat short of the ideal.

1. It was reassuring to learn of the existence of an interagency agreement establishing complementary spheres of operation for USIA, the International Educational Exchange Service, and the International Cooperation Administration with respect to their English-teaching activities. Praiseworthy as this is, however, there still seems to be insufficient communication among the various agencies. Unfortunately no single individual has a complete picture of the English teaching program of all these agencies in the various areas of the world, and consequently, it is impossible to secure the support and manpower and to achieve the operational coordination which would make for heightened effectiveness.

It is strongly recommended that (1) steps be taken either by this Agency or one of the cooperating agencies, or that foundation aid be secured to make an initial survey of the English teaching activities of these three agencies and any others that are carrying on a large-scale program, and (2) that some means of regular exchange of information be developed.

2. Recruitment of teaching personnel is a major problem for all three agencies, particularly if some training in linguistics and the ability to apply it sensibly in the classroom is considered a desideratum. At present only two or three universities in the United States are prepared to give such training, and in none of them are there adequate facilities for observation and directed teaching. If one or more of the binational centers could, through an arrangement with a university, develop short-term teaching internships as the final stage of an MA in teaching English as a second language, the caliber of persons in the field would be definitely improved.

It is recommended that the possibility of developing such a program be explored.

3. A prime necessity in building up a corps of trained teachers of English as a second language is that the position should offer opportunity not only for a permanent career but for advancement as well. At present a teacher in a binational center may look forward to becoming director of courses, but if he is to advance beyond that position, he will no longer be connected with the English teaching activities except in an incidental manner. Recently the post of English teaching officer has been created. This was excellently conceived, for it would constitute a third stage in a teaching career—a step more advanced than that of director of courses. Last year nine such positions were provided for in the budget, but unfortunately seven of them were lost because they could not be filled. In many ways this was a serious setback to the program.

It is recommended that these positions be reestablished and that an active recruiting effort be made to fill them.

4. It is also painfully evident that the Washington office is short-handed. The people in it are able, but they have too much to do. Additional personnel would make possible a greater amount of guidance to grantees in the way of manuals, digests, bibliographies, etc., and also permit some of the staff to give attention to what now looms as a most important problem: the dissemination of cultural understanding through the English lessons and teaching materials. This is seldom achieved successfully and systematically in foreign-language classes in this country, and to assure a degree of success in our foreign teaching operations will require a good deal of design and experimentation.

It is recommended that the Washington staff of the English teaching branch be increased by at least two persons.

5. Among the most important activities of the binational centers, and one in which there is excellent cooperation with IES, are the teachers' seminars. Improving the ef-

fectiveness of one teacher in the school system of a foreign country means increased mastery of English for hundreds of pupils over a period of just a few years. A possible suggestion for a seminar in the European area would be to hold it in England, staffed chiefly by American but also some English personnel. It would have the dual advantage of affording an English-speaking environment and demonstrating the unity rather than the diversity of the English language and the culture of the English-speaking people.

It is recommended that exploratory discussions relative to the feasibility of such a project be undertaken.

6. Although many more text materials are now available than there were 5 years ago, they are by no means all of the first quality. Materials printed in the United States are almost always too expensive to permit wide use in foreign countries. On the other hand, it is often difficult to prepare and publish satisfactory materials in the field.

Certain types of texts can be worked out more satisfactorily in the United States, either by the Agency or through one of the publishing houses. It is obvious that only through subsidized publication can textbooks be printed in this country and sold abroad at something less than a prohibitive price. Such arrangements are admittedly difficult, but on the other hand subvention is probably preferable to having text materials prepared on contract, as past experience has demonstrated.

It is recommended that the Agency survey the field to determine which texts are most urgently needed, then decide which of these might most advantageously be written and published in the United States, and finally explore the possibility of getting such materials prepared through a subvention.

OVERALL CULTURAL PROGRAM

The Committee, by motion, unanimously endorsed the implementation of the cultural program as presented; and endorsed the idea that more should be done to send outstanding Americans overseas together with their products, e.g., the artist be sent with an exhibit of his paintings; and that more distinguished American lecturers should be sent overseas for short periods of time.

The Committee notes that the operation of USIA programs is dependent on expert knowledge about the culture of the United States and of other countries of the world possessed by highly trained scholars in the humanities and social sciences. The Agency is dependent upon a small store of experts in these fields for the development and the competence of the officers it must recruit for the conduct of its programs. Since the Department of State is dependent upon similar resources, the Committee recommends that USIA and the Department of State appoint a joint Advisory Committee to report on the status of human resources in the humanities and social sciences in the United States and to submit recommendations for the consideration of the Director of the Agency and the Secretary of State.

The Committee is of the opinion that certain Agency programs require a known continuity for a period of at least 5 years in order to assure completion of the particular programs. The Committee urges the Agency to further this view and take steps to advise the Congress, and the President that it would be desirable to have the Agency's budgetary plans for certain programs considered on a 5-year basis.

Mr. MUNDT. Mr. President, the report of the U.S. Advisory Commission, which Senators have just received, is made richer this year by the addition of two special reports made by Commission members who have traveled in Russia.

I wish to include, as a part of my remarks, the report of Philip D. Reed, who traveled in Russia with a group of industrialists. This report gives considerable information which is valuable both to Government officials and to private citizens of this country.

The second special report is made by Mark A. May, who went to Russia in November of 1958. His report covers a different phase of Russian life, and his views, coupled with those of Mr. Reed, make a full and valuable picture of life in Soviet Russia.

Members of Congress, especially, are grateful to Mr. Reed and Mr. May for the contributions they have made. I know that everyone who reads the reports which I include in my remarks will find them of special value.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

NOTES ON MY TRIP TO THE U.S.S.R. AS A MEMBER OF THE U.S. ELECTRIC POWER GROUP, AUGUST 14–30, 1958

(By Philip D. Reed)

The visitation of the Electric Power Group to the U.S.S.R. was made pursuant to the Cultural and Technical Exchange Agreement entered into in 1957 between the United States and the U.S.S.R. Governments. The group consisted of the following in addition to myself:

Walker L. Cisler, president, the Detroit Edison Co. (group leader).

Harvey E. Bumgardner, the Detroit Edison Co. (chairman, Edison Electric Institute Committee on Technical Exchange for Overseas Visitors).

James F. Davenport, executive vice president, Southern California Edison Co.

Don S. Kennedy, president, Oklahoma Gas & Electric Co.

Elmer L. Lindseth, president, Cleveland Electric Illuminating Co.

Gwilym A. Price, chairman of the board, Westinghous Electric Corp.

R. G. Rincliffe, president, Philadelphia Electric Co.

Joseph L. Singleton, executive vice president, Allis-Chalmers Manufacturing Co.

Edwin Vennard, vice president and managing director, Edison Electric Institute.

We paid our own expenses but were received, chaperoned, assisted, and frequently entertained by the senior personnel of the Ministry of Electric Power Stations, including the head of the Ministry, Mr. A. S. Pavlenko.

PURPOSE OF THE TRIP

The purpose of the visitation was to learn all we could about the electric power systems of Russia and the manufacturing enterprises which build their power generating and transmitting equipment. Our group was made up principally of men concerned with management, but many technical questions were asked and answered. Russia will send a return group to this country some time next year.

PLACES VISITED

Our itinerary was limited to European Russia, although we asked to see both the Ural and Siberian systems. The reasons given for not including these areas in our itinerary was lack of time and, as to Siberia, that power development in that region has not proceeded far enough to be of real interest. As it was, we traveled more than 5,000 miles by automobile, railroad, and chartered airplane.

Without going into details, our itinerary included:

(1) Visits to thermal power stations in Moscow, Cherepetz (225 kilometers from Moscow), and Lugansk, which is in the Ukraine about 1,000 kilometers from Moscow.

(2) Visits to hydro power stations at Kieubyshev, on the Volga River, 1,100 kilometers from Moscow; Stalingrad, also on the Volga River, this station being under construction; and Dneiperstroy.

(3) Visit to the 5,000 kilowatt atomic power station at Obnisk, approximately 100 kilometers from Moscow. The first station to produce commercial power. Its reactor is a conventional one but using graphite as the moderator, enriched uranium as the fuel, and pressurized water as the coolant.

(4) Visits to manufacturing plants at Leningrad, where turbines and generators for both steam and hydrostations are built; and at Zaporozhye, in the Ukraine, where large transformers are made.

(5) Visits to substations and switching centers as follows:

Noginsk substation, 60 kilometers from Moscow, which is receiving 400-kilovolt power from the Kieubyshev hydrostation This voltage is shortly to be increased to 500 kilovolts.

Stalino switching center, approximately 1,000 kilometers from Moscow, which controls the Stalino region and is tied into but is not the principal center of the Don Basin power system.

Experimental substation and development laboratory in Moscow, receiving 200-kilovolt direct current power from a generating plant 110 kilometers distant. This power is converted to alternating current and fed into the Moscow grid.

(6) Visits to the following research and development institutes:

At Obnisk, a fast neutron, plutonium-fueled breeder reactor. Experimental work to date has been on small units. A 50,000-kilowatt experimental breeder power reactor is reported as next step.

Moscow. The All Union Thermal Research Institute, whose main purpose is to increase the efficiency and reliability of existing thermal powerplants.

Dubna, approximately 130 kilometers from Moscow. The International Institute of Nuclear Research. We saw here what was described as a synchro cyclotron, which has been in place and used for experimental work for a number of years; also what was described as a synchro positron, which is similar to the one completed not long ago at the Radiation Laboratory of the University of California at Berkeley. The Russian equipment is, however, larger and develops 10 billion electron volts as compared with the 6-plus billion electron volts generated by the Berkeley equipment.

(7) Other technical meetings engaged in by the group included:

A discussion with the State Planning Commission presided over by Mr. Ozerov, head of the Electricity Department of the Commission.

Two meetings, one at the beginning and one at the end of our visit, with Mr. Pavlenko, of the Ministry of Power Stations, which has ultimate responsibility for the supply of electric energy (and in many communities, hot water) to the nation.

(8) Other activities included:

Visits to the Kremlin, the famous Moscow subway, the well-known GUM department store, the Opera (at Stalingrad), a puppet show (Moscow), a circus (Stalino), and the birth-and-burial place of the famous Russian author Leo Tolstoy. We also attended a reception at the U.S. Embassy, and I had luncheon alone with American Ambassador Llewellyn Thompson.

We also visited the permanent Agricultural and Industrial Exhibition in Moscow, which is an exceedingly impressive display constituting more than 80 large buildings.

Finally, Minister Pavlenko gave a luncheon for our group the day after our arrival and a gala dinner the night before our departure.

Our time was short, 17 days including the days of our arrival and departure. The Russians were most cooperative about staying on the job. We worked right through both weekends and accomplished about all that was possible in the limited time. The trip had originally been scheduled to last four weeks, but difficulties at the State Department—Foreign Office level—held up first our departure and later our entrance visas.

QUESTIONS ANSWERED

So much for a very quick outline of the places we visited and the kind of establishments we saw. In each case there was ample opportunity to visit with and question the director, chief engineer, and staff members of the organization visited. They seemed pleased to receive us and answer questions fully and without hesitation. Translation, of course, made communication difficult and slow at times, but we were satisfied that the operating people were under no restraint in responding to our questions.

RUSSIAN CAPACITY AND COMPETENCE IN ELECTRIC POWER PRODUCTION

Now let me make a few overall observations about the U.S.S.R.'s position in electric energy production. Needless to say, they consider it basic to the strength and future growth of their economy.

The total installed capacity in the U.S.S.R. today is approximately 48 million kilowatts, of which 80 percent is thermal and 20 percent hydro. Their program calls for the installation of 62 million additional kilowatts by the end of 1965, which would bring their total capacity to 110 million kilowatts. It seems doubtful that they will reach this goal, but it would not be unreasonable to expect that they may have 100 million kilowatts of generating capacity by that time. To do this, new or enlarged manufacturing facilities for some or all equipment items will undoubedly be required. Emphasis will be on thermal rather than hydro power, as indicated by Mr. Khrushchev in his recent address dedicating the Kieubyshev hydro station.

The Russians are competent in the electric power field. The men we met at the top and at the supporting levels in the power stations, the manufacturing plants, and the various research and development institutes clearly knew what they were about and gave every evidence of being on top of their jobs. Their housekeeping may not be as good as ours; they may not build their equipment to quite as tight specifications or achieve quite as high efficiency, but, by and large, they invest their money in results rather than appearance, in make-do rather than perfection. Their talk, I suspect, is a bit on the grandiose side. Big numbers are important to them, and they were at pains to tell us of the much larger units, of the higher temperatures, pressures, and voltages that are in the offing for equipment to be produced in the next 1, 2, or 3 years.

SIX-HUNDRED-MILE-PER-HOUR COMMERCIAL JETS

But though they undoubtedly exaggerate, the Russians are not to be unduly discounted. One needs only to see their Sputniks I, II, and III (as we did at the industrial exhibition in Moscow), their TU 104 swept-wing two-jet-engine commercial transport (which I flew from Moscow to Amsterdam at an average speed of more than 600 miles per hour), or their 10-billion electron-volt synchro positron (which we saw at their Institute of Nuclear Research), to realize that they have great scientific, technical, and manufacturing competence.

With them, as with all of us, it is a question of relative values, of where and for what their efforts and resources shall be directed.

RUSSIAN GAINS PERCENTAGEWISE, NOT IN TOTAL CAPACITY

As I have said, their total electric power resources are less than 50 million kilowatts today. This compares with 150 million kilowatts for the United States. I know of no better measure of the economic potential of a country, either for war or peace, than its capacity to produce electric energy. The United States will install within the next 3 years 53 million kilowatts of new capacity, which is now firmly ordered from the manufacturers. This is more than Russia's total capacity today. How much more we in the United States will install by 1965 we do not know, but it is fair to assume that the long-time historical trend of doubling our capacity every 8 to 10 years will be maintained. Thus if the Russians double their capacity by 1965 (7½ years), they will be gaining on us slightly percentagewise but falling substantially behind in absolute amount.

MOST OF RUSSIA'S ELECTRIC ENERGY GOES TO HEAVY INDUSTRY AND MILITARY PRODUCTION

But this is not the whole story. The Russians are unquestionably utilizing a far higher fraction of their electric-energy supply for heavy industry and military production than we are. Adequate figures are not available, but we were informed that only 16 percent of Russia's power output goes to domestic consumers and agriculture combined. Here in the United States the figure for domestic consumption alone is about one-third of our total production. And the Russian Government is in a position for years to come to hold down the consumer goods percentage of its total output and concentrate more heavily than we do on the development of basic industries, housing, military production, and products to be used for external economic infiltration.

But, taking all of these points into account, I do not see any possibility of Russia overtaking the United States in aggregate economic power within the next century. Unless we literally fall apart, our lead is so massive that to match our overall capacity to produce just does not appear realistic. This is not, however, to say that Russia does not represent a most dangerous threat to our security and way of life. She does not have to match our total power potential in order to conquer us either by force or by indirect aggression. As I said before, by concentrating her efforts and productive capacity on any given area, military or otherwise, Russia could achieve clear superiority in that chosen sector unless we were quick to adjust our own pattern of power utilization in order to equalize or to counter in some other way that threatened superiority. We must be at pains, therefore, to keep as well informed as possible on Russia's plans and activities.

NOT SOCIALISM, BUT STATE CAPITALISM

May I turn for a moment to the Russian economic system. It is in my judgment a perfect example of state capitalism. There is no suggestion of socialism in the classic sense of "From each according to his ability, to each according to his need." This is a tough capitalistic state in which the Government is the sole share owner of all enterprise. The Government is the sole source of investment capital. It determines how the country's resources are to be invested and what and how much is to be produced. As the sole employer it fixes all salaries and wages. As the sole producer it determines the prices at which all goods and services shall be sold. And it decides what fraction of the total production in a given period shall be in the form of consumer goods and services and what fraction shall be in the form of public works, housing, powerplants, industrial works, military weapons and supplies, or anything else.

DRIVE FOR BETTER HOUSING

For example, the Russians are now staging a tremendous drive to provide more and better housing. Millions of people, in Moscow and other cities we visited, are shockingly housed and the government decided a couple of years ago that the time had come to do something about it. As a result, I am told, more new housing has been built in the past year than in the preceding 40 years. All of it is large rather ugly apartment buildings, four to six stories high, made essentially of brick-faced prefabricated concrete slabs, which are lifted into place by huge cranes that are so numerous in Moscow, Stalingrad and other cities that one can scarcely look in any direction without seeing 8 to 12 of them on different building sites. Indeed, these cranes have come to dominate the skyline save for occasional tall buildings such as Moscow University. As living quarters these apartments would not be acceptable here. There is only one bathroom and one kitchen for each two apartments and these rather important facilities must therefore be shared by the occupants of two apartments. How the Government has been able to provide the perfectly huge amount of construction material required for these jobs, all at the same time, is a mystery to me. But there it unquestionably is, and some program must have had to give way in order to make it possible. But with complete control of the economy, the Russian Government can mount these massive efforts in a particular sector of the economy; at what cost to the overall operation I do not know.

SURPRISING PRICES

As I said a moment ago, pricing of all goods and services is, of course, done by the government. It is arbitrary in the sense that competition is non-existent and prices are set and adjusted to reflect the government's desire at any given time to encourage or discourage the movement of particular products. This results in some surprising prices to say the least. For example, taking 10 rubles to the dollar as the rate of exchange (and it is much more realistic than the official 4 rubles to the dollar), here are a few of the prices prevailing in Moscow this summer:

My single room, with bath, at one of Russia's newest and best hotels, The Ukraine, was $3 per day.

A 17-inch television set cost $150, and I am told there are more than 2 million of them in the Moscow region.

Best opera seats, $1.50.

Four cents per kilowatt-hour is the domestic price of electric energy. (U.S. average is considerably less than 3 cents.)

A very ordinary ready-made woolen business suit cost $100.

A pair of leather shoes cost $20.

One chocolate bar which would be priced in the U.S. at 15 cents or 20 cents, cost $1.80.

A haircut cost 19 cents.

Caviar, which was $4.50 per pound until June 1, was raised to $9 per pound on that date.

A 40-watt lamp (clear bulb) cost 12½ cents. A 75-watt lamp (frosted bulb) cost 35 cents.

A double-barreled shotgun of local manufacture was priced at $180.

Apartment rentals are obviously subsidized. Nikolai Galochkin, chief of one of the important departments of the Ministry of Power Stations, pays $20 per month for his apartment including electricity and hot water. There are six in his family.

From the rather fragmentary information we obtained it is difficult to estimate the average income of the Russian industrial worker. At a guess, however, I would say it did not exceed one-third the dollar value of the average income of American industrial workers, and it is probably less.

With so large a fraction of Russian payroll going to workers who are engaged in military or industrial production, or in public works, the comparatively limited supply of consumer goods can be made to go around only by pricing it at levels high enough to absorb this excess purchasing power. The price level could, of course, be substantially lowered were a large fraction of Russia's productive effort devoted to consumer goods and services.

BUREAUCRATIC MONSTROSITY

The administrative task of running the Government is, of course, so collossal as almost to defy imagination.

For many years it was handled by a large number of semi-independent ministries, each assigned a specified function (such as housing, agriculture, military supplies, power stations, heavy machinery, consumer goods, education, finance, etc.), which were responsible for their assigned field nationwide, and decisions on most matters were made in Moscow.

DECENTRALIZATION IN RUSSIA

Recently an attempt has been made to decentralize this huge bureaucratic monstrosity. The country has been divided into 105 regions, each of which has a ruling body or economic council made up of officials in the region. The number of central ministries has been drastically cut and the regional councils are presumably made up of men who represent (though perhaps not officially) the remaining functional ministries in Moscow. The idea is that the great bulk of the questions and problems arising in the field will be dealt with by the appropriate regional council and that only the broad national questions will be referred to Moscow for determination. In addition to the reduced number of central ministries, into which the functions of the dissolved ministries have been consolidated, a state planning commission has been created which has the status of a separate ministry but is presided over by one of Mr. Khrushchev's two first deputies (the deputy for planning) and therefore has great prestige. Many of the former ministers of now discontinued ministries are now in this state planning commission. It, like the other ministries, reports to the Council of Ministers over which Mr. Khrushchev presides and, in fact, it acts as the staff of organization for the Council of Ministers.

Budgets for all ministries and for all 105 regions for the ensuing year are made up in the third quarter of the preceding year. This is going on now for 1959. The requests of all regions (supported, by function, by the remaining central ministries) are studied, coordinated, cut back and finally put together in the form of a recommendation by the state planning commission (like the U.S. Bureau of the Budget) and submitted to the Council of Ministers for consideration.

Whether this new setup will work better than the old one remains to be seen. We in the United States think the difficulties of administering our own Federal Government are very great, but they are as child's play compared to the unbelievable complexities that confront the Russian top command. At very best, any administrative machinery the Russians can devise must necessarily be slow, ponderous, and inefficient.

RUSSIANS UNDERSTAND ROLE OF INCENTIVES

One point, however, must not be ignored. The Soviet Government understands very well the importance of incentives, both economic and personal prestige. It provides them at all levels. Individual pay bonuses are awarded on a monthly basis for individual performance against a preset target. There are also bonuses for suggestions just as we have them here. In addition there are group and project bonuses for accomplishment of well-defined objectives embracing time, quantity, and quality. Pictures of the best workers are prominently displayed at the plant entrance and elsewhere, and are subject to monthly change. At one of the powerplants we visited, a banner was hung on the control platform of the turbine-generator set whose operators had made the best record. Free, 28-day vacations at resorts on the Black Sea and elsewhere are awarded to outstanding workers and their families. Group and project bonuses are also used to provide better employee recreation and club facilities.

As I have said, the Russian Government is acutely conscious of the importance of worker incentives and has developed them far beyond anything I have seen in this country. These incentives, together with rallies and pep meetings, have accustomed the people to hard work and pride in their accomplishments. On the whole, they appeared to be effective.

Because most overall plant or project bonuses are based on the profitability of the enterprise, managers and workers alike of these state-owned enterprises are very profit conscious. Indeed, most of the Government's income is in the form of profits on these enterprises. Direct taxation is a small fraction, personal income tax being graduated to a maximum of 13 percent.

NO ENTREPRENEURS

Thus Russia's system of state capitalism provides keen competition between individual workers and groups of workers for better pay, promotion and prestige through superior performance. Russia's system differs from our own form of capitalism in one fundamental respect. What is completely lacking in the Russian system is entrepreneurial incentive and opportunity. There being but one entrepreneur, the state, the urge and opportunity for the individual to venture, to invest, to create new enterprises, is entirely lacking. This means, of course, that entrepreneurial competition is also nonexistent.

On the rock of this basic deficiency, I predict, the Russian drive for economic preeminence will ultimately founder. The dynamic, kaleidoscopic quality of our kind of capitalism—free competitive enterprise—in which literally millions of management teams are everlastingly searching and researching for knowledge and ideas that will permit them to enter the marketplace with new products, improved old products, and better values, just cannot be matched in the long run by a system which delegates exclusive responsibility and authority for creative, progressive thinking to one management team for each product line. In any event, this is my firm conviction. Only time will tell whether it is right or wrong.

A ROUGH, STRONG PEOPLE

Now let me say a word about the Russian country and the people. Russia is, of course, enormous. Even European Russia, as compared with other European countries is a tremendous expanse of territory which gives the sense of pioneering and of potential growth comparable to America at the turn of the century.

The Russians are a rough, strong people, ambitious, hard working, ruthless, and independent. They haven't the slightest interest in the niceties of living. They don't press their trousers or care whether they match their coat. They rarely shine their shoes, and oftener than not don't wear a necktie. I didn't see a single smartly dressed man or woman the entire time I was in Russia. This has little or nothing to do with their economic status. It is simply that they attach no importance to it.

This same disregard for the niceties shows up in other ways. They'll put up a beautiful hotel building 30 stories high, and exceedingly impressive on the outside. And then they'll run it like a third-class boarding house, with small and inadequate towels, no soap, no stoppers in the washbasin or tub; and with the maid forgetting to make up the room a couple of times a week, the service in the dining room impossibly slow, and the elevator service unreliable to say the least. Outside the hotel they had beautifully laid out flower gardens with the flowers in magnificent bloom, but the lawn surrounding these beds was uncut and the grass had grown 10 inches high.

Met halfway, the people are friendly and warm. They laugh easily and have a sense of humor much like our own. Until so met, they are deadpan.

Perhaps it was the language barrier, or possibly the paradox of their apparently frank and friendly behavior on the one hand and their government's longstanding truculent and thoroughly unreliable conduct toward the free world on the other, but one had difficulty accepting the Russians at anything like face value and not being perhaps overcynical and suspicious.

NO DEEP OR GROWING UNREST

Russia's population is slightly more than 200 million. Of this number 97 percent, or all but approximately 6 million, are not members of or identified with the Communist Party. In my judgment, these 197 million non-Communist Party Russians are loyal, home-loving people, who don't like some things about their government (just as we don't about ours) but who are both conscious and proud of the progress that has been made both in the international position of their country and in their own individual economic status. I completely failed to detect, and am satisfied there is no deep or growing unrest or resentment against their government or its leaders.

These people deeply desire peace and are satisfied that no one would benefit from a war between Russia and America. I got this from people of all ages, at all levels, and in all parts of the country we visited. It was the one subject that never failed to come up sooner or later.

If left to themselves these people would, in my opinion, devote much more of their resources to more and better roads, schools, housing, recreational facilities and, of course, to more consumer goods.

In my judgment, world domination and worldwide communism with Moscow the headquarters is not important to this 97 percent, but I also believe they would follow their leaders (as the Germans followed Hitler) because they would be deluded into believing such domination possible and would have no other alternative.

They are a people with a mission in the sense that America was 60 years or more ago. They are conscious of the fact that there is much to be done at home in the development of their rich natural resources, and of their own clear incentives to work hard and well.

THE COMMUNIST PARTY

The Communist Party and its 6 million members is, of course, the source of the aggressive, expansionist world-domination movement. Party membership enhances the individual's opportunity for promotion and improved economic status. It requires, however, considerable time attending meetings, rallies, etc., exhorting others, and keeping up to date on party thinking and the party line. The membership although the party's aims are not centered around improving the lot of the common man, is deliberately spread through all levels of Russian society, many workers being included, and it is not an elite in the intellectual or economic sense. The ultimate goal of worldwide communism, with Moscow the fountainhead, is constantly borne in on all members, as is the incompatibility of communism and capitalism. It is hard to escape

the conclusion that their bitter hatred of capitalism is really grounded on fear. They are, perhaps subconsciously, afraid that the capitalistic system will prove stronger, more creative than their own, and it must therefore be destroyed.

POSSIBILITIES FOR PEACEFUL COEXISTENCE

I see no present prospect of working out an acceptable modus vivendi which will permit us to get along peacefully with the Communist world. Only if and when millions of thinking Russians become convinced (1) that Russia cannot conquer the world or any significant part of it by force or by indirect aggression, and (2) that the free world is prepared to live and let live, is there any hope of reducing our defense expenditures for arms and research through a controlled and inspected international demobilization program.

NEED FOR CROSS-VISITATION BETWEEN UNITED STATES AND RUSSIA

No one knows when, if ever, this time will come. But I am sure it will be hastened by encouraging the greatest possible cross-visitation between the people of Russia and the people of the free world. This is only now just beginning with the United States under the exchange arrangement worked out last year with the Russian Government. American Ambassador Thompson told me that 5,000 Americans would visit Russia in 1958, a tremendous increase over any previous year. This is all to the good, but I hope it can be greatly enlarged and that we will do all we can to encourage and facilitate, both through government and private agencies, maximum visitation of our country by the Russians. It makes no difference whether or not they are party members. If, through visitation and the multiplication resulting from the impact of their observations on their countrymen, a large enough number of people can be persuaded that Russia's dream of world domination is a dangerous myth and that her legitimate objectives of self-development and growth are not threatened by capitalistic countries, public opinion will sooner or later influence the Russian Government to take a course consistent with that view.

COMMENTS OF RUSSIAN OFFICIALS

At a luncheon in Stalino attended by part of our electric power group, and by perhaps 20 Russians, including Mr. Galochkin of the Ministry of Power Stations and Mr. Pubguyla, Regional Director of the Don Basin power system, I made the following statement:

"Electricity is all important to any country. It is the foundation stone of economic development, and we are proud and grateful to be members of the electrical industry of our country. However, electricity can, like all great forces, be used either for good or for evil, for peaceful purposes or for war. We have met and talked with many of your people on this trip, young, middle-aged, and old, and they have emphasized again and again their deep desire for peace. Believe me, we, too, in America want peace earnestly, deeply. But you will agree that we seem to be making very little progress in that direction. At the political level, your government and ours seem unable to reach agreement. Perhaps the answer lies in many of your people and ours, nonpolitical people, getting to know each other better. If it were possible to have, not just dozens, but tens of thousands of your people and ours exchange visits and see and hear for themselves, great good might come from it. I drink, therefore, to greater visitation between our countries and to greater understanding."

Mr. Pubguyla responded to my toast by saying that he was in complete accord with what I had said; that the electrical industry was all-important to progress, and that he and his associates were most eager to see that it was used to create and strengthen rather than to destroy; that the people of his country deeply desired peace. And then he closed by saying:

"The governments of both our countries are sensitive to the views of the people. I drink to greater visitation and exchange of views between us at the nonpolitical level."

In Leningrad, the chief engineer of the great turbine works we visited said, in effect, at a similar luncheon:

"Electricity is the foundation of any country's strength and prosperity. But it must be used intelligently. If, instead of devoting so much of our energy to sputniks and intercontinental ballistic missiles, we gave a larger part to the economic well-being of our country, we would all be better off."

Again and again as we passed from town to town, people gathered wherever we stopped. They would crowd around to stare at us, smile and be photographed, sometimes giving us garden flowers. But always there would be expressed the hope and wish for peace. It was far too universal and spontaneous to be staged.

To be sure, the top political people also kept talking about warm friendship and this being just the beginning of much closer understanding, and their desire for peace. Some of it was hard to take, particularly at the ministerial level. But I repeat, the people of Russia do not want war and, if given the right to decide, would not risk war to enlarge the Soviet's sphere of influence.

RUSSIAN ATTITUDE ON DEFENSE PRODUCTION

Nikolai Galochkin, Director of the Department of Foreign Relations of the Ministry of Power Stations, and by far the most sophisticated of the officials we spent most of our time with, raised the question with me of America's intentions. He said he believed The majority of Americans were against war. I told him every American was against war, and that the occasional general who recommended action before we were attacked did so wholly because he was sure a Russian attack sooner or later was inevitable.

Galochkin then said that American business must want to continue war production because of the high profits. I, of course, replied that no American businessman today believes that war or war preparation benefits or is in the interest of business. I also told him that profit on Government business is only a fraction of what we receive on ordinary commercial business; also that, although 20 percent of General Electric's business is defense production, 50 percent of our best scientific and technical people are required to produce it; that we could much more profitably use this talent on peacetime production.

Mr. Galochkin's final point was that America keeps building her military power in order to force Russia to do likewise and thus divert much of her resouces away from economic development. This, of course, I said was completely untrue. I reminded him of our offer to give economic assistance to Russia at the time of the Marshall plan, and said we are quite prepared to see Russia develop her country as fast and as much as she will. Our sole and only reason for continued defense production is because we believe that if we are not strong Russia will strike.

A QUESTION FOR KHRUSHCHEV?

I asked him why his government refuses to agree to mutual atomic weapon disarmament under a United Nations inspection and control system that assures the agreement is being kept by all parties. He said, with a smile, that he had not been consulted on that matter but that he would report what I had said to Mr. Khrushchev.

REPORT TO THE COMMISSION ON MY TRIP TO THE U.S.S.R.

(By Mark A. May)

Our party was in the U.S.S.R. during the month of November 1958. It included three psychologists and two Russian specialists who speak the language and who had been there previously for considerable periods of time.

The trip was sponsored by the Institute for International Social Research at Princeton, N.J. The purpose was to get more first-hand knowledge of Soviet psychology, to become acquainted with leading psychologists, visit their laboratories, and learn more about the role of psychology in education and industry.

Like all other visitors to the Soviet Union we accumulated many impressions of the people, their standards of living, their educational system, and their attitude toward Americans. This is a report on general impressions. Our report on Soviet psychology is being published in the American Psychologist.

We spent nearly 2 weeks in Moscow; 5 days in Leningrad; 1 day in Kiev; 4 days in Tbilisi; and back to Moscow for 3½ days. We met most of the leading psychologists, visited their laboratories, and were invited to the homes of two for dinner. We were invited to lecture to the psychologists and their students both in Moscow and Leningrad.

In addition to our visits to psychological laboratories we visited a school, two pioneer palaces, one psychiatric hospital, and an institute for child development and research. We also did a little of what tourists usually do, museums, the theater, churches, and shopping.

We were not an official exchange delegation. We went as tourists. An English speaking intourist guide was assigned to us. Usually our visits to laboratories ended around midafternoon, at which time we were free to do whatever we wanted to do. This was also true on holidays. During this free time we saw some foreign correspondents, and were invited to the U.S. Embassy on two occasions. We had an hour or more on each occasion with Ambassador Thompson, Richard Davis, and others, of the Embassy. The two Russian speaking members of our group had several conversations with Russians. We also saw and talked with some of the American exchange students both in Moscow and Leningrad.

Our impressions, like those of all visitors to the U.S.S.R. are based on a limited number of observations. Psychologists, of all people, should avoid generalizing from insufficient data. Generalizations about the Soviet Union are apt to be misleading partly because it is composed of so many different cultures, and of people speaking many different languages. What is true of the Russians proper may not, in some respects, be true of the Ukranians, or the Georgians, Uzbeks, and others. Furthermore in the cities, the population is composed of government officials and employees, scientists, artists, top writers, dramatists, engineers, technicians, journalists, teachers, skilled and unskilled laborers, clerks, waiters, cab drivers, janitors, etc. Unless a representative cross section of this hierarchy is interviewed, and after some acquaintance, impressions cannot be generalized. Moreover, many Soviets have learned stock answers to questions by foreigners, especially Americans. One must be sure that he is not getting an echo of the official answers rather than the honest opinion of the interviewer.

An observer of American Indians was once said to have reported that "all Indians walk in single file, at least the one I saw did." It is easy for a visitor to the U.S.S.R. to slip into a generalization such as "all churches are crowded on Sundays," forgetting to add, "at least the one I saw was."

Now for some observations of general interest.

1. THE AMERICAN EXHIBIT IN MOSCOW DURING THE SUMMER OF 1959

Although this exhibit was not officially announced until the middle of November, yet individuals whom we asked about it before this time had heard that it was coming. The occasions for informal questions about what they would like to see were conversations with taxicab drivers, in-tourist guides, persons met casually in restaurants, and young people who approached us on the streets to ask for exchanges of coins, pencils, and other trinkets. Small boys asked for chewing gum which is not sold in the Soviet Union.

Most of the individuals whom we asked about the exhibit showed a friendly attitude but were curious about why their opinions were sought. Some were very cautious and noncommittal.

The results were about as would be expected. A taxicab driver said he would like to see American cars, especially Lincolns. A student of engineering said he wanted to see American scientific textbooks. A well educated factory worker was interested in seeing American films. A band leader wanted to know more about American jazz. A young woman wanted to see recent American literature, and American art. Boys on the streets told us they would like to see more examples of American technology. Some of the individuals replied: "How people live; show us everything."

Our conclusion from this is that the exhibit should be constructed for the segments of the population that we wish to interest. If it is an exhibit for all Russians, it should be composed of a little bit of everything about America. Gadgets and hardware should not bulk so large as to exclude materials on education, government, and other misunderstood aspects of American life. Whatever may be decided as to its contents, some arrangements should be made to poll the visitors concerning their impressions.

2. "AMERIKA," DO THEY READ IT, AND WHAT ARE THEIR OPINIONS OF IT?

We gleaned a few scraps of information confirming the belief that this magazine is widely read, well liked, and that the demand for it exceeds the present available supply. For example, the woman who had charge of the newsstand in one of our hotels told us that her allotment was always sold out immediately. One evening in Leningrad we saw a young Russian and his wife at a table near ours in the dining room reading a copy. We asked him where we could get one. He said that he bought his on the black market because the newsstands reserve their copies for the big shots.

These incidents further confirm observations by other Americans on the popularity of Amerika. It is hoped that the agreement with Soviet officials for mutual exchange of magazines can be revised to permit a substantial increase in the number of copies distributed.

We obtained a list of the most widely circulated translations of American books. At the top of the list are Jack London's stories, next are the works by Mark Twain. One of the eight Soviet exchange students at the University of California announced that he expects to do research on the life of Jack London.

3. CULTURAL EXCHANGES AND TOURISM

The psychologists with whom we talked were of the unanimous opinion that these exchanges are of supreme importance for the promotion of mutual understandings and world peace. They feel very keenly that, thus far, psychology has been neglected in respect to the exchange of persons, and of publications. We talked with them at length about how these exchanges could be increased. They presented us with a large number of their recent books and articles, and requested that we send them more of ours. One result of our visit was to clear up some misconceptions of each others' psychology.

During the year 1958 an estimated 5,000 Americans visited the U.S.S.R. It is expected that there will be many more in 1959 partly because of the American Exhibit in Moscow. We found people in the U.S.S.R. friendly, hospitable, glad to see and talk with Americans, but cautious in the avoidance of political topics. Many evidences of friendliness were observed not only on the part of psychologists, who overwhelmed us with hospitality. but also in our occasional contacts with others.

In the dining rooms of in-tourist hotels we were easily identified by the American flag on our table. Occasionally a Soviet citizen would come up, shake hands, and sit down for a chat. He would ask how we liked Russia, what part of the United States we were from and what was the purpose of our visit? One man said we were the first Americans he had ever seen. He had heard we are a friendly and approachable people. In another dining room members of our party were invited to join a group of Soviet citizens at their table. One man told us how much he admired our technical achievements.

The orchestras in the dining rooms of hotels played mostly American jazz. We felt it our patriotic duty to applaud each number. Warm smiles were received in return from the members of the orchestras. Occasionally the leader would come to our table during an intermission to ask questions about America, particularly jazz music.

There were many other expressions of interest in America and of friendliness toward Americans. Many persons with whom we talked expressed a keen desire to visit the United States of America. Another evidence of the keen interest of students is in learning English. In schools where English is taught, it is chosen by more students than any other foreign language.

Here we encounter an interesting paradox. How can these people feel so friendly toward Americans, and express such a strong desire to know us better, and at the same time believe the propaganda that they are fed, almost daily, that we are their potential enemy, plotting to destroy them with nuclear weapons? Other American visitors to the U.S.S.R. have also been struck by this baffling paradox.

It may be explained, in part, by the fact that the Soviet citizens have been told over and over that they must "reach and exceed the U.S.A." in industrial and agricultural production and in the arts and sciences. Since the technical achievements of the U.S.A. have been held up as a model, it is not surprising that the admiration for these achievements should spread to a curiosity about, and even an admiration for, the people who produced them. Having been told so many times that their production and standard of living should be equal to that of Americans, and better—it is natural that they would aspire to be like the American people, or better.

A second reason why the Soviet people want to know the American people better is that they have been told by fellow citizens who have visited the U.S.A. that Americans are good people from whom Soviets have much to learn, and that American people desire peace as sincerely as they do.

There can be no doubt about the fact that the Soviet people have a genuine fear of another devastating war. Many of them have vivid memories of what happened to their country in World War II. In Leningrad we talked to people who had managed to live through the seige of that city by the Germans during which time one-third of the population was either killed or starved to death. One Sunday we visited an ancient monastery at Zagorsk near Moscow. In the courtyard we met a peasant woman who said, "Daily we pray and cry for peace."

Their memories of their war experiences, plus their knowledge of the destruction power of modern nuclear weapons, make it very difficult for them to believe that any intelligent and good people could possibly be as warmongering as their propagandists have accused Americans. Only once did we hear it said that the Soviets want to know Americans better because we are their potential enemy.

The attitude of the Soviet people toward the U.S. Government as they understand it, may be quite different from their friendly attitude toward American people. Without knowing us better it is natural that they would assume that the difference which exists between the Government and the people in U.S.S.R. also exists in the United States of America.

4. BROADCASTING

The VOA newscasts in the Soviet language are systematically jammed in the cities. The English language newscasts are not regularly jammed. They are, however, jammed selectively as illustrated by a newscast that we heard in Moscow. When the name of Pasternak was mentioned, the jamming began but stopped after a minute or two. VOA broadcasts of music are not jammed even when a part of a Soviet language program. Orchestra leaders and musicians told us they listen to these broadcasts of music and record some of them on tape for their own use.

We met a few people who said that they listen to VOA English broadcasts. Others said they did not listen but said it in such a way, and with facial expressions, that led us to believe they do listen. When asked what they thought of the programs one man said that the news content is interesting, but he often felt offended by such expressions as "puppet governments," "satellites," and sarcasm such as "worker's paradise." The cultural features of the English broadcasts seem to be least objectionable—and for some listeners the most popular. It would appear, therefore, that broadcasts which satisfy curiosities about America, and are similar in temper and tone to articles in Amerika, are most apt to attract listeners.

The attitude of Soviets toward the VOA and other newscasts from capitalist countries may be influenced somewhat by the fact that they have learned to make a sizable propaganda discount of all newscasts and newspapers, including their own, that use excessive language of derogation or praise. The less that news from the outside sounds like propaganda—even if it comes from sources that are believed to have propagandistic motives—the more apt they are to listen to it.

5. IMPRESSIONS OF GENERAL CONDITIONS

The members of our group who had been to Russia before—one as late as the summer of 1956—were impressed by the increase in consumer goods available and judging by the crowds of buyers in the stores—at prices many people can afford to pay. We were struck by the large number of big apartment houses being constructed in Moscow and in other cities. We were told that since the war housing has been a major need which has been given a higher priority on the list of new developments. Food seems to be more plentiful as indicated by the fact that we did not see long queues of people outside food shops which in the past were quite common. An article which Soviet people seem to want most is the automobile.

Although the standard of living, measured by such items as housing, cars, variety of foods and clothing, household appliances, etc., is obviously lower than in the

United States, yet we sensed a feeling on the part of most everyone we met that things are much better than in the past and will get better in the future. These improvements are attributed in large part to a benevolent attitude of the Government toward the people. This feeling is reinforced by the fact that the Government provides free, or almost free, education, medical care, old-age security, paid vacations, and full employment.

Another change appeared to have occurred since the death of Stalin that has affected popular support for the regime. The people seem to be more relaxed both in appearance and conversation. They behave as though they are less fearful of police surveillance or of making a mistake in word or deed. This relaxation of police controls would seem to indicate that the regime has greater confidence in the loyalty of the people.

One striking bit of evidence of this loyalty is the pride which the Soviets manifest in their accomplishments. The Moscovites took great pride in showing us their artistic subway, their skyscraper university, sports stadium, and agriculture fair buildings and grounds. In the Leningrad airport is a big map of the routes of Aeroflot over which is printed in large letters: "We fly higher than all, faster than all, farther than all." They are also proud of their scientific achievements in all fields. The psychologists took a great deal of their time out from their work to show us their laboratories and explain to us their research. We were struck by the number of times they referred to having developed something new. Some things, but not all, are indeed new.

These accomplishments in which they take great pride are attributed to the growth of the nation under socialism (which is another word for communism). A young engineer made the following remark to one of our Russian-speaking colleagues:

"Under capitalism, Russia was weak, was under the influence of other nations, was economically poor, a third or fourth rate power. Under socialism, Russia has become a great power and the great majority of the people here attribute their own greater well-being and, above all, the increased prestige of Russia in the world to socialism. Only a few unimportant people oppose socialism and they do so for special selfish reasons that are not shared by the overwhelming majority in the country."

When asked what price has been exacted from Soviet citizens in loss of freedom, hardships, sufferings, terror and bloodshed, the reply was that all of this takes second place to the achievement itself.

When we asked about freedom we were told that there are two kinds of freedom—national and individual. National freedom comes first. So long as the struggle for national freedom continues, each individual must accept his place as a cog in a vast machine which is grinding toward the achievement of an overall plan for the good of all. Individual freedom, they say, is always within limits set by society. The only difference between nations is in the width of these limits. Although the limits in the Soviet Union are admittedly narrower than they are in countries of Western Europe and the United States of America yet the citizen who understands and accepts them tends to have a feeling that he has more individual freedom than he really has.

This is illustrated by the limits to the field of psychology. Certain areas of Western psychology are excluded. Among them are intelligence and aptitude testing, projective tests of personality, psychoanalytic theory and practice, attitude questionnaires, public opinion polls, group dynamics and Watsonian behaviorism, and Gestalt psychology. The inadmissibility of psychological tests is defended on scientific grounds, the others are excluded mainly on ideological grounds of keeping Soviet psychology pure from taints of bourgeois capitalism.

After the foregoing exclusions have been made there remain areas of psychology from which Soviet psychologists may freely choose problems for research.

The lines between freedom and restraint in the Soviet Union are not always sharply drawn. While we were there theses on the new reforms in education were published. We were told that these reforms would not be officially decreed until the entire matter had been openly discussed. The discussions that we heard about were on the methods to be used for achieving the purposes proclaimed in the theses. The objectives of the reforms were evidently accepted without question.

The fact that even limited discussions of matters of public interest are permitted indicates that political leaders are less fearful than formerly of public opinion. The time has come, as Adlai Stevenson pointed out in one of his newspaper articles, when "the Soviet Union is a stable power system and not on the brink of internal collapse." This stability is still due, in part, to police control, but also to greater satisfactions with and pride in the achievements of the Communist system.

Although popular support for the regime may be far from 100 percent, yet it has reached a level where the leaders feel that they can now safely "open the windows toward West" at least a little bit. It would be a mistake to assume that all suspicion and distrust of westerners have disappeared. In-tourist guides, no doubt, are required to report with whom American visitors talked and what they said. We noticed that, except for a few short trips in an automobile, two or more of their number were present during our conversations with psychologists and educationists.

We left the Soviet Union with the distinct impression that the Russian people, whom we met, want to be friendly with the American people. They want to know us better and have us know and appreciate them better. Whatever the motivation back of this may be, the fact remains that they are ready and willing to talk to us, especially about scientific and cultural matters.

The capacity for communication is man's greatest gift. It is the foundation of society, science, culture, education, and civilization. Much human suffering has resulted from failures in communication. So let us communicate with the Soviets, at all levels of society. While diplomats and government officials are engaged in high-level talks and in exchanging written communications, and while each government is talking, or trying to talk to the people of the other country by radio and press, let more scholars and scientists talk to each other on a person-to-person basis. The potentialities for good far outweigh any harm that could result to either side.

The current exchanges of official delegations, tourists, students, and other persons; the exchange of exhibits, of scientific and cultural books and magazines; open a road, that may be the best road, to the goal which men everywhere are seeking, a rapprochement between the East and the West with a relaxation of the arms race between the U.S.S.R. and the North Atlantic Alliance.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. HUMPHREY. I am pleased to hear the Senator from South Dakota make reference to the splendid work of the USIA and the very fine reports, which have been evident in the press, of what I think is a steady improvement of the U.S. Information Agency, under the direction of Mr. Allen.

I was privileged to receive a copy of the report of Mr. May, to which the Senator has referred, which was made on his return from the Soviet Union. I wish to associate myself with the remarks of the Senator from South Dakota. I think it is a fine report, and one which merits the consideration of our colleagues.

Mr. MUNDT. I thank the Senator from Minnesota for his contribution. I hope other Senators will find time to read at least the extracted parts of the report. Each Senator has the full report of the Commission on his desk. I hope that some Senators will devote themselves to a reading of the report during the weekend.

THE AREA REDEVELOPMENT BILL

Mr. RANDOLPH. Mr. President, in the week which preceded the Easter recess, this body passed Senate bill 722, the area redevelopment bill, a hopeful measure, and one meaningful to the depressed sections of our country.

It was observed by the editorial writer of the St. Louis Post-Dispatch that the most remarkable thing about the vote in the Senate in favor of the bill to provide Federal assistance for economically depressed areas, with chronic unemployment, was its closeness—49 yeas to 46 nays.

I listened a few minutes ago with interest to the comments of the able senior Senator from New York [Mr. JAVITS]. He called attention, properly, to the gravity of the unemployment problems of the State of New York and of the Nation as a whole. He has indicated the seriousness of the situation. I only wish that on March 23 he might have been numbered with those of us who voted for the area redevelopment bill, rather than among those who voted against that meritorious legislation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. JAVITS. I understand very well the Senator's point, and the point should be raised. I am delighted it has been raised. I should like to reply, because I think it would be only fair to do so.

I was one of the sponsors of the depressed areas bill. I was one who cast one of the necessary votes to get the bill out of committee and to the Senate floor. But I voted against the administration's package, which I thought was not adequate. I voted for the Scott proposal, which I thought was fair, and which provided $200 million, as against $390 million.

When it came to the final vote on the bill, I had a problem with respect to the interests of my own State, a problem which was inherent in the bill, and which constituted such a serious defect as to justify my voting against the bill. I refer to the part of the bill which required raiding with respect to my State of New York, which is the greatest industrial State, because the bill provided $390 million to be used for the purchase of equipment and machinery, as well as

buildings, land, retraining, and compensation for persons who had to be trained—which is the classic pattern for redevelopment and relief of depressed areas.

I had to come to a judgment as to whether this deficiency was so serious as the bill affected my State as to outweigh the advantages sought to be conferred by the whole bill. I came to the conclusion, in all good conscience, that I had to vote against the bill, in an effort to have it returned to the committee and have the deficiency corrected.

I am glad the Senator has raised this point, because I expect the provision relating to raiding will be revised in the House of Representatives. I hope then I shall be able to support the depressed areas bill.

I point out again that I was instrumental in bringing the bill to the floor, because I feel so strongly that such a bill ought to be passed. But I was not sent to the Senate by the people of my State to vote blindly for a bill merely because it had a good label, but which was contrary to the economic interests of my State and of my country.

I thank the Senator for allowing me to make this statement.

Mr. RANDOLPH. The able Senator expresses himself with clarity and with firmness, as he always does not only in the Senate Committee on Labor and Public Welfare, but whenever he speaks in this body.

I only hope that the overriding issue presented, the advancement of necessary loans to areas of chronic unemployment, will, in the further consideration of this type of legislation, be very close to his heart. We in the State of West Virginia, as well as the people of other States, recognize that, very frankly, time is running out on us in this matter. In West Virginia there continues the closing of some mines, rather than the reemployment of more men, the result of the opening of new mines. So this condition presses heavily upon our economy, as it may press heavily tomorrow on the economies of New York State, of Michigan, of Illinois, of Kentucky, of Ohio, or of any other State in the Union.

Mr. President, substantially the same bill passed Congress last year, by a much wider margin than we had this year. That vote in the Senate was 46 to 36.

The editorial writer in the St. Louis Post-Dispatch, to whom I have referred, continued:

How then was it that the 1959 bill had the 49 to 46 close call in a Senate reflecting the Democratic landslide for Congress last fall?

His reply to that question, in the same editorial, was:

The answer is in the voting on the Republican side.

He cited the four members of the minority party who supported the measure and then noted the "seven Republicans who voted for the counterpart bill last year but voted against the 1959 version."

Then he concluded:

The explanation for this reversal by these seven Republican Senators must be pressure from the White House in some form or other. Apparently the administration hoped to defeat the bill in Congress and therefore spare the President a second veto. The tactic almost worked, but not quite. We hope the House of Representatives will recall the margin by which it passed the bill last year. The relief of those who live in the depressed areas deserves more than narrow, grudging support.

That concludes the editorial observations of the person who wrote them in the St. Louis Post-Dispatch.

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from West Virginia yield?

Mr. RANDOLPH. I yield.

Mr. JAVITS. I think this is also very useful. No White House pressure was brought on me. As a matter of fact, I voted against the administration proposal because I was convinced it was grossly inadequate. I am completely free to vote for the bill and to vote to override a veto, if the bill is put in any kind of shape which is remotely acceptable to an industrial State such as my State, and I am confident it will be.

Mr. RANDOLPH. I thank the Senator.

Mr. President, I should like to invite attention also to comments by editors of newspapers in communities which are not considered to be depressed areas—editors who recognize, however, the seriousness of the problem which must be partially solved through such measures as those proposed in S. 722.

Mr. President, I ask unanimous consent that editorials published by the Alexandria (Va.) Gazette, March 14, 1959, the Miami (Fla.) News, April 1, 1959, and the Spirit of Jefferson-Farmers Advocate, Charles Town, W. Va., April 2, 1959, be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Alexandria (Va.) Gazette, Mar. 14, 1959]

WEST VIRGINIA STORY

West Virginia, the country's largest producer of soft coal, is in the throes of serious economic distress. The reasons for this underscore an old problem for which better solutions must be found.

About 15 percent of West Virginia's labor force is unemployed. This has brought conditions like those of the great depression of the thirties, while recovery is proceeding in most other parts of the country. What accounts for the difference?

There is a high degree of specialization in West Virginia. Coal mining is the backbone of the economy; it has been the principal source of employment. But in recent years the mines have become increasingly mechanized. This mechanization has grown to such an extent that almost 98 percent of all the coal mined in West Virgini is mined mechanically. Hence, massive unemployment.

This problem of the displacement of the worker by the machine is as old as the industrial revolution. It has been a specter for labor from the beginning of that mighty change in the civilized world. Solutions thus far devised have not been entirely satisfactory. The transition period from loss of a job to relocation in a new one can still bring anxiety and deprivation.

The overall gain from mechanization is unquestioned. Machines have lifted us from a grubbing, pastoral existence to a life whose material advantages exceed the dreams of the past. In the long run, all of us benefit. But society must find improved ways of bridging the gap to new jobs when mechanization throws men out of work. That is clearly illustrated by what is happening in West Virginia.

[From the Miami (Fla.) News, Apr. 1, 1959]

JOBLESS CURE IS VITAL

One of the ugly facts of life today in these United States is chronic unemployment. The Senate has passed the Douglas-Cooper bill for assistance to depressed areas, but by so slight a margin that passage over an almost certain presidential veto would be impossible.

Yet certainly we must do something to provide for jobless workers in 24 States listed by the Labor Department as having a substantial labor surplus. These are workers who have lost employment due to declining industries, such as coal mining, or through automation of factories.

This problem is a challenge to our industrial civilization. We have pretty nearly recovered from the recession which began in 1957, yet in March of this year there were 1,500,000 fewer non-farm jobs than there were in March 1957. This, despite a steadily growing labor force.

Some instances of machines replacing men were ably recounted in this newspaper Sunday by Associated Press Writer Roger Greene. In a Chicago plant two men assemble 1,000 radios a day using automation. It formerly took 200 men to do the job. In some food canning plants the entire operation is automatic. A skeleton staff operates a huge oil refinery from an instrument panel.

Since our economy can't be wholly well as long as there are these areas of chronic unemployment, Federal assistance is essential. Workers must be retrained; new industries must be encouraged.

The Senate bill, which now goes to the House where it will doubtlessly be heavily pruned, provides $389,500,000 for aid to depressed areas. President Eisenhower asked but a modest $53 million for the same purpose. He vetoed an aid bill last year.

We do not know how much Federal money is needed to do the job, but we do believe it should be enough.

[From the Spirit of Jefferson Farmer's Advocate, Apr. 2, 1959]

AID TO DEPRESSED AREAS

President Eisenhower is reportedly displeased with the action of the U.S. Senate in passing a measure that will provide $389 million in loans and grants by the Federal Government to depressed areas of the Nation. It has been said that unless the House of Representatives scales the figure downward a Presidential veto is a virtual certainty.

Senator RANDOLPH and Senator BYRD have both played leading roles in this legislation and they are to be commended for recognizing something that has seemingly escaped the view of the Republican administration and to no small extent the greater portion of the American press: The fact that in many areas of the country, particularly in West Virginia and Pennsylvania, there is widespread unemployment with its attendant misery and suffering. We are appalled at the thought that President Eisenhower is indifferent to this situation and believes that remedial legislation is unwarranted and unwanted. Some few months ago Mr. Meade Alcorn, the chairman of the Republican National Committee, opined that if the future of the Republican Party was to be assured the impression that the Republicans were only for the "big boys" would have to be erased. Mr. Alcorn's words will have a hollow

sound if Mr. Eisenhower persists in his intention to veto legislation of this sort.

The people in the depressed areas are not asking for a dole. Victims of economic circumstances beyond their control, they are but asking for loans to help them get back on their feet. It is a pity that we can see our way clear, under Presidential urging, to grant millions in gifts to foreign nations and cannot see our way clear to make loans to our own citizens.

SUPREME COURT SEGREGATION CASES—A LEGAL ERROR[1]

Mr. TALMADGE. Mr. President, on April 3, 1959, the Milwaukee Junior Bar Association Foundation sponsored a significant debate on the subject, "Supreme Court Segregation Cases: A Legal Error?" The affirmative position was stated by the Honorable Charles J. Bloch, of Macon, Ga., one of this Nation's foremost legal minds and most respected authorities on constitutional law.

Mr. Bloch's presentation is a masterpiece of logic and is irrefutably documented. It should be convincing to all who will read it with an open mind, and, in order that it may be given the widest possible circulation, I ask unanimous consent, Mr. President, that the text of it be printed in the body of the RECORD.

There being no objection, the presentation was ordered to be printed in the RECORD, as follows:

SUPREME COURT SEGREGATION CASES—A LEGAL ERROR

I am not here to discuss with you the social problems of segregation versus integration. I would not have accepted an invitation so to do. For you could no more understand those problems than I could understand the problems of the brewing industry or the dairying industry.

I notice that the press release regarding this discussion says that I will present the viewpoint of the South that the Supreme Court has exceeded its authority in the school segregation cases, and that my view will be that of a practicing southern attorney.

I shall have to assume that you have read the school segregation cases, both the original opinion of May 17, 1954, and that of 1955.

I shall ask you to examine these cases not as northerners or southerners, easterners, or westerners, integrationists or segregationists, Democrats or Republicans, but as American lawyers trained in American law.

I do not contend that the Supreme Court has not the right to review, overrule, and reverse prior decisions of the Court.

I do contend that when the Supreme Court reviews, overrules, and reverses prior decisions, that its action should have a sound legal basis. I do say that that statement is even the stronger in a situation in which hundreds of millions of dollars have been expended on the faith of the prior decisions. I do say that these decisions constitute a grievous legal error.

The 14th amendment was declared adopted in 1868. It provides in part: "* * * nor shall any State deprive any person of life, liberty, or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws."

The legal question before the Court in the school segregation cases was: Do the statutes of Kansas, South Carolina, Virginia, and Delaware permitting or requiring the segregation of Negroes and whites in public schools deny the Negroes that equal protection of the laws guaranteed by the 14th amendment? Succinctly stated: "In the field of public education is the separate but equal doctrine constitutionally valid?"

The Court alluded to the fact that argument of the cases was heard in the 1952 term, and reargument was heard at the 1953 term on certain questions propounded by the Court. (345 U.S. 972, 73 S. Ct. 1118, 97 L. Ed. 1388.)

One of those questions was: "What evidence is there that the Congress which submitted and the State legislatures and conventions which ratified the 14th amendment contemplated or did not contemplate, understood or did not understand, that it would abolish segregation in public schools?"

In its May 17, 1954 opinion (p. 489) the Court said: "Reargument was largely devoted to the circumstances surrounding the adoption of the 14th amendment in 1868. It covered exhaustively consideration of the amendment in Congress, ratification by the States, then existing practices in racial segregation, and the views of proponents and opponents of the amendment. This discussion and our own investigation convince us that, although these sources cast some light, it is not enough to resolve the problem with which we are faced. * * * An additional reason for the inconclusive nature of the amendment's history, with respect to segregated schools, is the status of public education at that time. In the South, the movement toward free common schools, supported by general taxation had not yet taken hold."

Thus at the very threshold of its opinion, the Court erred grievously.

There was the most conclusive evidence that many of the Northern and Western States which ratified the amendment understood that it would not abolish segregation in the public schools. There was such evidence strong as Holy Writ.

Perhaps the strongest piece of that evidence was this:

Massachusetts ratified the amendment March 20, 1867. One of her Senators was Charles Sumner. He had been counsel for the Negro Roberts in the case of *Roberts* v. *City of Boston* (59 Mass. 198, 5 Cush. 198). He had been born and reared in Massachusetts. He knew its law. He knew that the highest court of his State had in 1849 decided that though a Negro was entitled to equal rights with whites under the Constitution and laws of Massachusetts, that did not entitle the Negro to attend the same schools as whites. He knew that that phrase "equal protection of the laws" in the 14th amendment would doubtless be construed as Chief Justice Shaw and his court had construed the phrase "equal rights, constitutional and political, civil and social" under the laws of Massachusetts. Yet that arch radical, Charles Sumner, was satisfied with the phrase "equal protection of the laws" in the amendment.

That he knew the amendment would not require the States to integrate their public schools, is conclusively demonstrated by Sumner's conduct in the Senate. The Senate had on June 8, 1866 voted to propose the amendment. Even before it was declared ratified, Sumner in March of 1867, introduced in the Senate an amendment to a pending bill proposing to readmit a certain State: "That the constitution (of that State) shall require the legislature to establish and sustain a system of public schools open to all, without distinction of race or color."[2]

The amendment failed. He tried it again. His amendment was ruled out of order.

Ohio ratified the amendment January 11, 1867. Her legislature of 1868 passed a resolution seeking to withdraw her consent.

Just 3 years after the ratification, the Supreme Court of Ohio in *Garnes* v. *McCann, et al.*,[3] speaking through Justice Luther Day, followed the Roberts case. Ohio's Supreme Court conclusively demonstrated what Ohio had understood when she ratified the amendment. It unanimously held that the 14th amendment did not prevent Ohio establishing separate schools for children of different races.

This case was instituted practically contemporaneously with the adoption of the amendment. All of those who had driven the amendment through the Congress, authors and sponsors, were living. The phrase "equal protection of the laws" had no ambiguity for such as Senator Wade of Ohio, striving though he was to supplant Andrew Johnson as President of the United States. He and his colleagues had at the same session of Congress enacted legislation providing for and regulating separate schools in the District of Columbia.

Justice Day, the father of Justice William R. Day, wrote in the Ohio case: "Any classification which preserves substantially equal school advantages is not prohibited by either the State or Federal Constitutions, nor would it contravene the provisions of either."

Three years later—1874—the Supreme Courts of Indiana and California followed the Ohio case. In *Ward* v. *Flood*,[4] California held that the segregation statute of California did not violate the equal protection clause. In *Cory* v. *Carter*,[5] the Indiana court held that the classification of scholars on the basis of race or color, and their education in separate schools involved questions of domestic policy with legislative direction and control, and was not prohibited by the 14th amendment.

Nevada ratified the amendment in 1867. Both of her Senators, Nye and Stewart, voted in favor of its adoption. In 1872, Nevada's highest court held that there was nothing in the 14th amendment to prevent school trustees sending "all blacks to one school and all whites to another."[6]

Perhaps the most striking example of the correctness of the contemporaneous, constitutional construction is that of Judge William B. Woods.

Woods was a native of Ohio, a general in the Union Army. After the war he settled in the South. He was appointed by President Grant as circuit judge of the fifth circuit embracing among others, the State of Louisiana. Just 10 years after the adoption of the 14th amendment, he decided the case of *Bertonneau* v. *New Orleans School Directors*.[7] Following the Ohio case, he held: "Any classification which preserves substantially equal school advantages does not impair any rights and is not prohibited by the Constitution of the United States. Equality of rights does not necessarily imply identity of rights."

Two years later, Judge Woods was appointed Justice of the Supreme Court of the United States by President Hayes. Hayes, too, had been a Union general. He had served in Congress from 1864 to 1867. He had been Governor of Ohio in 1867, 1869, and 1871. Certainly he knew of Judge Woods' views in the Bertonneau case. He knew they did not contravene the purpose of the amendment.

In 1883, the New York Court of last resort[8] held that all that was required by the 14th amendment was "the privilege of obtaining an education under the same advantages and with equal facilities as those enjoyed by any other individual."

Ohio, California, Nevada, Indiana, New York, all furnish proof as strong as Holy Writ of what typical Eastern, Northern, and Western States "had in mind" with respect

---

[1] Works of Charles Sumner, vol. XI, p. 146, p. 155, 163.

[2] 21 Ohio St.

[3] California St.

[4] 48 Indiana 327.

[5] *State of Nevada ex rel. Stoutmeyer* v. *Duffy*, 7 Nevada 342.

[6] 3 Fed. Cases, p. 294, No. 1361.

[7] *King* v. *Gallagher*.

to segregation in public schools. At the time of the New York decision, the Supreme Court of the United States was composed of Chief Justice Waite of Ohio, Miller of Iowa, Field of California, Bradley of New Jersey, Harlan of Kentucky, Woods of Georgia, Mathews of Ohio, Gray of Massachusetts, and Blatchford of New York. No effort was made to have this comprehensive New York case reviewed by the Supreme Court. Nor had there been any effort to have any of the earlier, contemporaneous cases reviewed by the Supreme Court.

The Supreme Court (p. 489) in the segregation cases spoke of "the inconclusive nature of the amendment's history with respect to segregated schools." It ignored—or overlooked—the most conclusive evidence possible—decisions of courts of last resort of those typical anti-slavery and anti-Southern States.

Not only did it ignore that conclusive evidence but it erred factually when it said that "in the South, the movement toward free common schools, supported by general taxation, had not yet taken hold." It ignored the examples to the contrary stated by the late John W. Davis, Esq., in his argument before the Court,[8] of the 30 States which ratified the amendment, 23 either had or immediately installed separate schools for white and colored children under their public school systems.

"Were they violating the amendment which they had solemnly accepted? Were they conceiving of it in any other sense than that it did not touch their power over their public schools?"

So queried Mr. Davis in his argument to the Court on December 10, 1952.

His questions remain unanswered.

The Court closed its eyes to the evidence before it, and passed on to the next phase of its opinion.

It said: "The doctrine of 'separate but equal' did not make its appearance in this Court until 1896 in the case of *Plessy* v. *Ferguson*, supra, involving not education but transportation. American courts have since labored with the doctrine for over half a century. In this Court, there have been six cases involving the separate but equal doctrine in the field of public education." The Court then cites as the six: *Cumming* v. *Board of Education of Richmond County, Georgia;*[9] *Gong Lum* v. *Rice;*[10] *State of Missouri ex rel. Gaines* v. *Canada;*[11] *Sipuel* v. *Board of Regents of Oklahoma;*[12] *Sweatt* v. *Painter*, 339 U.S. 629; *McLaurin* v. *Board of Regents of Oklahoma.*[13]

The use of the sentence: "American courts have since labored with the doctrine for over half a century." would tend to cause a casual reader to think that there had been some opinions in the field of education since 1896 which were contrary to the doctrine of *Plessy* v. *Ferguson*. The contrary is true. Even before *Plessy* v. *Ferguson*, the Supreme Court of Missouri had followed New York, California, Ohio, and Indiana in holding that Missouri's laws providing for separate schools for colored children are not forbidden by or in conflict with the 14th amendment.[14]

After *Plessy* v. *Ferguson*, New York reaffirmed the doctrine in 1900,[15] saying that the question was not an open one in that court. The year before, the Supreme Court had in the Cummings case said: "* * * the education of the people in schools maintained by State taxation is a matter belonging to the respective States, and any interference on the part of Federal authority with the managemen of such schools cannot be justified, except in the case of a clear and unmistakable disregard of rights secured by the law of the land."

Arizona was admitted to the Union on February 14, 1912. On July 15, 1912, her supreme court held that her statutes of 1909 providing for the segregation of Negro children from white children in the public schools was constitutional, not being a denial of the equal protection of the law.[16]

The court called attention to the fact that *Plessy* v. *Ferguson* involved not education but transportation, but failed to notice that in the Gong Lum case Chief Justice Taft, speaking for a unanimous court, had said: "In *Plessy* v. *Ferguson* * * * in upholding the validity under the 14th amendment of a statute of Louisiana requiring the separation of the white and colored races in railway coaches, a more difficult question than this, this Court, speaking of race separation, said: 'The most common instance of this is connected with the establishment of separate schools for white and colored children, which has been held to be a valid exercise of the legislative power even by courts of States where the political rights of the colored race have been longest and most earnestly enforced.' "

As a lawyer, speaking to lawyers, I say to you that a court in 1954 seeking for the law, and attempting to declare the law, could most properly have said: "The doctrine of 'separate but equal' did not make its appearance in this Court until 1896, in the case of *Plessy* v. *Ferguson*, supra, involving, not education but transportation, a more difficult question than this. While *Plessy* v. *Ferguson* did not involve education, it was based on an unbroken line of cases in State courts of the highest dignity holding that separation of the races in the public schools was permissible despite the 14th amendment. In the half century which has elapsed since *Plessy* v. *Ferguson* the doctrine has been applied to public schools with unanimity by State courts and has been recognized by this Court in *Cummings* v. *Board of Education*."

That would have been a declaration of the "law of the land."

And then, instead of saying that in *"Gong Lum* v. *Rice* (275 U.S. 78), the validity of the doctrine itself was not challenged," it would have been far more accurate for the Court to have said:

In *Gong Lum* v. *Rice*, 275 U.S. 78, the question was "whether a Chinese citizen of the United States is denied equal protection of the laws when he is classed among the colored races and furnished facilities for education equal to that offered to all, whether white, brown, yellow or black. Were this a new question, it would call for very full argument and consideration; but we think that it is the same question which has been many times decided to be within the constitutional power of the State legislature to settle, without intervention of the Federal courts under the Federal Constitution."

That is what Chief Justice Taft, speaking for himself and Associate Justices Oliver Wendell Holmes, Van Devanter, McReynolds, Brandeis, Sutherland, Butler, Sanford, and Stone had said on November 21, 1927.[17]

And on the same day and in the same case he made a statement for himself and his associates which should have established the doctrine as the law of the land for all time so far as the courts of the land were concerned.

Said he in concluding his opinion: "Most of the cases cited arose, it is true, over the establishment of separate schools as between white pupils and black pupils; but we cannot think that the question is any different, or that any different result can be reached, assuming the cases above cited to be rightly decided, where the issue is as between white pupils and the pupils of the yellow race. The decision is within the discretion of the State in regulating its public schools, and does not conflict with the 14th amendment."

The Attorney General of the United States has said that the decision of the Supreme Court in the segregation cases was foreshadowed by its decision in the law and graduate school cases which are the last four of those listed above. Justice Davis of Illinois supreme court fell into the same error in a recent article in the American Bar Association Journal.

Realizing that in those four cases the "separate but equal doctrine" had been recognized as valid, the court did not attempt to plant its decision upon an extension of those cases from the law and graduate school level to the common school level.

The court distinctly stated: "In none of these cases was it necessary to reexamine the doctrine to grant relief to the Negro plaintiff." And then the court I think used language which graphically demonstrates the gross legal error in the decisions.

The court had (p. 492) stated that the question whether *Plessy* v. *Ferguson* "should be held inapplicable to public education is directly presented."

How did the Court approach a decision of that legal question? The legal method would have been to have said that the question of whether the "separate but equal doctrine" should be held applicable to public education had been answered in the affirmative in an unbroken line of decisions of American courts beginning with *Roberts* v. *Boston* in 1849, continuing through *Gong Lum* v. *Rice* in 1927, and culminating with the law and graduate school cases decided between 1938 and 1950.

The Court did not approach the problem by that legal method of deciding cases.

The Court's approach was—and I quote it—"We must look instead to the effect of segregation itself on public education." The Court decided the cases on the basis of what, in its opinion, were the effects of segregation on public education. In so doing the Court ignored literally scores of decisions holding that the 14th amendment was not intended to permit the Court to embody the economic or moral beliefs of the Judges sitting at a given time in the prohibitions of the amendment. The Court overlooked the salient fact that the effect of segregation on public education is a matter for determination by the legislative branches of the Government—not the judiciary.

The first opinion written by Oliver Wendell Holmes, as an Associate Justice of the Supreme Court of the United States, was in *Otis* v. *Parker*, 187 U.S. 606.

Said he:

"While the courts must exercise a judgment of their own it by no means is true that every law is void which may seem to the judges who pass upon it excessive, unsuited to the ostensible end, or based upon conceptions of morality with which they disagree. Considerable latitude must be allowed for differences of view as well as for possible peculiar conditions which this Court can know but imperfectly if at all. Otherwise a constitution, instead of embodying only relatively fundamental rules of right, as generally understood by all English-speaking communities, would become the partisan of a peculiar set of ethical or economical opinions, which by no means are held semper, ubique et ob omnibus." (Always, everywhere, and by all.)

Twenty-eight years later, that old Union soldier, that great jurist about to step down

[8] P. 45, argument in South Carolina case.
[9] 175 U.S. 528.
[10] 275 U.S. 78.
[11] 305 U.S. 337.
[12] 332 U.S. 631.
[13] 339 U.S. 637.
[14] Lehew v. Brummell, et al.
[15] *People ex rel. Cisco* v. *School Board* (161 N.Y. 598).
[16] *Dameron* v. *Bayless* (14 Ariz. 180, 126 Pac. 273).
[17] 275 U.S. at page 86.

from the bench, wrote these principles of law: [18]

"I have not yet adequately expressed the more than anxiety that I feel at the ever increasing scope given to the 14th amendment in cutting down what I believe to be the constitutional rights of the States. As the decisions now stand I see hardly any limit but the sky to the invalidating of those rights if they happen to strike a majority of this Court as for any reason undesirable. I cannot believe that the amendment was intended to give us carte blanche to embody our economic or moral beliefs in its prohibitions."

Justice Harlan, the elder, speaking for the Court in *Jacobson* v. *Massachusetts*,[19] had drawn the line of demarcation between the duties of the legislature and those of the courts. Involved was the validity of a compulsory vaccination law enacted by the Commonwealth of Massachusetts.

In passing on the constitutionality of that law did the Court say: "We must look to the effect of vaccination itself on the people of the State"? Of course it did not. On the contrary it said: "No court * * * is justified in disregarding the action of the legislature simply because in its or their opinion that particular method was—perhaps or possibly—not the best either for children or adults." [20]

The old master, Holmes, had laid down the law positively in *Laurel Hill Cemetery* v. *City and County of San Francisco*.[21]

There involved was an ordinance forbidding the burial of the dead within the city and county limits. The Court was asked to take judicial notice that a cemetery adjacent to residences is in no way harmful, and to recognize the opinions of scientific men [22] to that effect.

Thus thundered the old judge answering that—

"If every member of this Bench clearly agreed that burying grounds were centers of safety and thought the Board of Supervisors and the Supreme Court of California wholly wrong, it would not dispose of this case. There are other things to be considered—opinion still may be divided, and if on the hypothesis that the danger is real, the ordinance would be valid, we should not overthrow it merely because of our adherence to the other belief. * * * Tradition and the habits of the community count for more than logic." [23]

The legal principle which the Court on May 17, 1954, violated had never been better expressed than it was by Justice Frankfurter on June 14, 1943.[24]

Why he departed in 1954 from the law as it was in 1943, and has been ever since, is one of the mysteries of the segregation cases.

He had said: "One who belongs to the most vilified and persecuted minority in history is not likely to be insensible to the freedoms guaranteed by our Constitution. Were my purely personal attitude relevant I should wholeheartedly associate myself with the general libertarian views in the Court's opinion, representing as they do the thought and action of a lifetime. But as judges we are neither Jew nor Gentile, neither Catholic nor agnostic. We owe equal attachment to the Constitution and are equally bound by our judicial obligations whether we derive our citizenship from the earliest or the latest immigrants to these shores. As a member of this Court I am not justified in writing my private notions of policy into the Constitution, no matter how deeply I may cherish them or how mischievous I may deem their disregard. * * * It can never be emphasized too much that one's own opinion about the wisdom or evil of a law should be excluded altogether when one is doing one's duty on the Bench. The only opinion of our own even looking in that direction that is material is our opinion whether legislators could in reason have enacted such a law."

That same Justice speaking for the Court in 1948 [25] had said: "The Constitution does not require legislatures to reflect sociological insight, or shifting social standards, any more than it requires them to keep abreast of the latest scientific standards."

Justices Reed, Frankfurter, Jackson, and Burton concurred in that statement. Yet 6 years later they and Justice Frankfurter joined in "looking to the effect of segregation itself on public education."

They compounded their error in the very next sentences of the opinion: "In approaching this problem, we cannot turn the clock back to 1868 when the amendment was adopted, or even to 1896 when *Plessy* v. *Ferguson* was written. We must consider public education in the light of its full development and its present place in American life throughout the Nation."

In those sentences the Court overlooked the fact that the problem before it was not a sociological problem—that was the problem for the legislatures to solve. The legal problem was whether despite the equal protection clause of the 14th amendment to the Constitution, a State might segregate the races in the public schools.

In approaching that problem, established law required the Court to turn the clock back to 1868. Instead of saying "we cannot turn the clock back to 1868 when the amendment was adopted," the Court, applying the law, should have said: "Contemporary interpretation of the Constitution is of the most forcible nature and entitled to great weight, and the practice and acquiescence under it for a period of years afford an irresistible answer to objection and fix the construction." [26]

That was the law of the land as it had been repeatedly declared prior to May 17, 1954.

The law of the land was the very antithesis of the "can't turn the clock back" doctrine of the modern school.

In saying we can't turn the clock back to 1868 in construing the meaning and intent of an amendment then adopted, the Court overlooked myriads of cases of which *South Carolina* v. *United States*,[27] written by Justice Brewer is typical.

He for himself, Chief Justice Fuller, Justices Harlan, Brown, Holmes, and Day wrote this landmark of American law as it had existed prior to May 17, 1954: "The Constitution is a written instrument. As such its meaning does not alter. That which it meant when adopted it means now. Being a grant of powers to a government its language is general, and as changes come in social and political life it embraces in its grasp all new conditions which are within the scope of the powers in terms conferred. In other words, while the powers granted do not change, they apply from generation to generation to all things to which they are in their nature applicable. This in no manner abridges the fact of its changless nature and meaning. Those things which are within its grants of power, as those grants were understood when made, are still within them, and those things not within them remain still excluded."

And, though there are many who believe that the doctrines of the Dred Scott case have been nullified, the Court that day in 1905 reaffirmed this doctrine so forcibly expressed by Chief Justice Taney: "As long as it (the Constitution) continues to exist in its present form, it speaks not only in the same words, but with the same meaning and intent with which it spoke when it came from the hands of its framers, and was voted on and adopted by the people of the United States. Any other rule of construction would abrogate the judicial character of this Court, and make it the mere reflex of the popular opinion or passion of the day."

The phrase "equal protection of the laws" and its effect on the rights of the States to segregate the races in them, had the same meaning and intent as they had when they came from the hands of the framers in 1866, and were ratified by the States in 1868. That intent had been repeatedly and unanimously declared by the courts of the land, Federal and State.

For the Court on May 17, 1954, to have adopted another rule of construction abrogated the judicial character of the Court, and made it the mere reflex of what it thought was the popular opinion or passion of the day.

That the Court abrogated legislative power is graphically shown by the sentences which follow its discussion of the "cannot turn the clock back" doctrine.

Those sentences are: "We come then to the question presented: Does segregation of children in public schools solely on the basis of race, even though the physical facilities and other tangible factors may be equal, deprive the children of the minority group of equal educational opportunities? We believe that it does."

In the first place the question presented, though adroitly, was not correctly stated. Adroitly, there was substituted for the phrase in the constitutional amendment "equal protection of the laws" the phrase "equal educational opportunities."

The real question presented was the legal question so many times answered negatively by the courts. Does the equal-protection clause of the 14th amendment deprive the States of their right to segregate the races in their public schools?

In the second place the belief of the judges sitting on the Court at that time could not be substituted for the judicial constructions of the amendment which constituted the negative answer to the real law questions in the case.

That expression of the belief of the judges as the law of the land becomes even more appalling when we learn (from the decision) the basis of the belief. The basis is expressed in this sentence at page 494 of the opinion: "Whatever may have been the extent of psychological knowledge at the time of *Plessy* v. *Ferguson*, this finding is amply supported by modern authority."

The first time I read that sentence on the afternoon of May 17, 1954, I thought: This finding, this belief that the 14th amendment deprives the States of their rights to regulate their public schools is supported by what modern authority? Have those landmarks of the law—the Massachusetts case of *Roberts* v. *Boston*; the Ohio case of *Garnes* v. *McCann;* the Indiana case of *Cory* v. *Carter;* the California case of *Ward* v. *Flood;* the New York cases of *King* v. *Gallagher*, and *Board of Education* v. *Cisco;* the Federal court cases—Bertonneau and Bunhilin, Chief Justice Taft's opinion for a unanimous Court in *Gong Lum* v. *Rice*, been overruled by some modern authority? I wonder, I said to myself, have I overlooked some authoritative judicial decision reversing and overruling the law of the land as declared for 105 years in those cases?

Then I saw that immediately following the phrase "modern authority" was the little figure [11], and I read the footnote, that famous 11th footnote, and I learned what "modern authority" in judicial decisions is.

---

[18] *Baldwin* v. *State of Missouri*, 281 U.S. 595.
[19] 197 U.S. 11 (1905).
[20] 197 U.S. 35.
[21] 216 U.S. 358 (1910).
[22] Op. cit., p. 364.
[23] 216 U.S., p. 365–6.
[24] 319 U.S. 1178, 1189.
[25] *Goesaert et al.* v. *Cleary et al.*, 335 U.S. 464, 466.
[26] USCA Constitution, p. 77.
[27] 199 U.S. 437 (1905), 448.

That "modern authority" as expressed in that 11th footnote is:

"K. B. Clark, Effect of Prejudice and Discrimination on Personality Development (Midcentury White House Conference on Children and Youth, 1950), Witmer and Kotinsky, Personality in the Making (1952), c. VI; Deutschler and Chein, the Psychological Effects of Enforced Segregation; a Survey of Social Science Opinion, 26 J. Psychol. 259 (1948); Chein, What Are the Psychological Effects of Segregation Under Conditions of Equal Facilities? 3 Int. J. Opinion and Attitude Res. 229 (1949); Brameld, Educational Costs, in Discrimination and National Welfare (MacIver, ed. 1949), 44–48; Frazier, The Negro in the United States (1949), 674–681. And see generally Myrdal, An American Dilemma (1944)."

And I thought: Modern psychology has replaced constitutional law; Chief Justice Taft has been supplanted as authority by K. B. Clark; Witmer and Kotinsky are the modern substitutes for Harlan and Brewer; Deutschler and Chein are to be preferred as constitutional authorities to Justices Woods, and Miller, and Brown; those famous State Supreme Court Judges Shaw, Ruger, Day, Alton Parker, who established the doctrine of separate but equal as constitutional in the field of public education, all must now bow to Brameld, MacIver, Frazier and Myrdal, whose opinions were accepted by the Justices and transformed into "the law of the land."

In so wiping out century-old precedents, the Court ignored the legal doctrine of "stare decisis."

"Especially in cases of doubt, the solemn, deliberate, well considered, and long-settled decisions of the judiciary, and the quiet assent of the people to an unbroken and unvarying practice, ought to conclude the action of courts in favor of a principle so established, even when the individual opinions of the judges would be different were the question res integra."

That is the doctrine of "stare decisis" long established in American jurisprudence. Under that doctrine, *Plessy* v. *Ferguson, Gong Lum* v. *Rice,* and the cases upon which they were based had become a part of our constitutional fabric. It would have been bad enough for the Court to have brought forward the solemn, deliberate, well considered and long-settled decisions of the courts, and to have adjudicated that they were erroneous. To have substituted for those decisions, the opinions of Myrdal, Frazier, Brameld, Kotinsky, Clark, Witmer, Deutschler, and Chein marks a development in American constitutional law which all American lawyers may well ponder.

Fortunately for all of us—of the North, South, East, or West—that decision of May 17, 1954, may have been only a temporary departure from the channels of American constitutional law.

A very recent decision of the Supreme Court of the United States [28] written by Mr. Justice Stewart with whom Justices Frankfurter, Clark, Whitaker and Harlan concurred, gives some hope that the American doctrines of constitutional law may be restored as declarations of "the law of the land."

Said those Justices: "The statute which confers immunity upon a witness testifying in a grand jury investigation under part I was enacted in 1893. For more than half a century it has been settled that this statute confers immunity from prosecution coextensive with the constitutional privilege against self-incrimination, and that the witness may not therefore lawfully refuse to testify. *Brown* v. *Walker,* 1896, 161 U.S. 591. The context in which the doctrine originated and the history of its reaffirmance through the years have been so recently reexamined by this court in *Ullman* v. *United States,* 350 U.S. 422, as to make it a needless exercise to retrace that ground here. Suffice it to repeat that *Brown* v. *Walker* has become 'part of our constitutional fabric' 350 U.S. at page 438. It is thus clearly too late in the day to question the constitutional sufficiency of the immunity provided under part I of the act."

If "ancient law" had prevailed as it should have on May 17, 1954, instead of modern psychology, the segregation cases might well and legally have been disposed of in a paraphrase of that quotation. The opinion in such a disposition could well have read:

"The amendment which is deemed to destroy the States' rights to separate the races in their public schools was ratified in 1868. For more than half a century it had been settled that this amendment did not prevent a State from segregating children of the different races in their schools. The context in which the doctrine of 'separate but equal' originated and the history of its reaffirmance through the years was reexamined by this Court in *Gong Lum* v. *Rice,* almost 30 years ago, and almost 50 years after the establishment of the doctrine. It is a needless exercise to retrace that ground here. Suffice it to say that *Gong Lum* v. *Rice* and its precursor, *Plessy v. Ferguson,* have become part of our constitutional fabric. It is thus clearly too late in the day to question the constitutionality of the separate but equal doctrine as applied to public education."

To quote Justice Frankfurter in *Lambert* v. *People of the State of California,* 355 U.S. 225, 232 (Dec. 16, 1957): "We feel confident that the present decision(s) will turn out to be an isolated deviation from the strong current of precedents—a derelict on the waters of the law."

And with them will disappear from the body of American constitutional law, the supplemental opinion of May 31, 1955.[29]

With only the four cases from Kansas, Delaware, Virginia, and South Carolina before the Court, the Chief Justice wrote:

"These cases were decided on May 17, 1954. The opinions of that date, declaring the fundamental principle that racial discrimination in public education is unconstitutional, are incorporated herein by reference. All provisions of Federal, State, or local law requiring or permitting such discrimination must yield to this principle."

Not yet, I hope, has the time come in America when the rights, privileges, and immunities of citizens in 45 States in 1959 or any year thereafter can be thus decided and swept away in cases involving 4 States to which they were not a party.

That language is not justified by any principle of constitutional law. The judicial power of the United States is vested in the Supreme Court and such inferior courts as the Congress may ordain and establish. That power extends only to cases in which parties are properly before the Court.

When and if a case from Georgia, or any other of the 44 States of the Union besides Virginia, South Carolina, Kansas, and Delaware reaches the Supreme Court the opinions of the Court in the segregation cases of 1954 may be precedents to be considered by the Court. They are not the law of the land. We have a right to our day in court if there is persistence that these cases are the law of the land. When and if that day comes we shall assert that for the legal reasons I have stated to you the segregation cases of 1954 and 1955 constitute a legal error.

[28] *Brown* v. *United States,* 79 S. Ct. 539

[29] *Brown* v. *Topeka, etc.,* 349 U.S. 294.

EDUCATIONAL AND OTHER READJUSTMENT BENEFITS FOR POST-KOREAN VETERANS

Mr. YARBOROUGH. Mr. President, the March issue of the National AMVET magazine contains a forceful and thought-provoking editorial on the necessity for prompt action by the Congress to provide educational and other readjustment benefits for post-Korean veterans. As Senators know, legislation on this subject is now under study by the Veterans Affairs Subcommittee of the Senate Committee on Labor and Public Welfare.

The AMVET editorial, entitled "Not If, But When?", states that "The question no longer is whether there should be a so-called peacetime GI bill but rather when will it become law?" The editorial then gives some very cogent reasons for enacting such a bill, some of which I shall now quote—

> There certainly can be no question as to the wisdom of such a new law. History has already proven that the public funds expended for the rehabilitation of citizen-soldiers upon return to civilian life have been returned manyfold. No wiser investment has ever been made in the future of any nation.
>
> • • • • •
>
> As far as we are concerned, the last tour of true peacetime service in the U.S. Armed Forces ended on September 1, 1939, when Hitler unleashed his black legions against the Poles.
>
> • • • • •
>
> And when a man is chosen by the members of his community to put on a uniform and train to defend himself and them, we become slightly bewildered by the term "peacetime service."

The editorial states further that the debate on this question "was clearly decided more than a year ago," and concludes by requesting action on the pending legislation "not next month nor in the next session of Congress—but now." With respect to this note of urgency, Mr. President, I will say that I, too, subscribe fully and unconditionally to the view that the question of providing readjustment benefits for our post-Korean veterans should be decided affirmatively and quickly. As I stated when the Senate took action to extend the compulsory draft law for another 4 years, there is an urgent need to restore to our young citizen soldiers at least a portion of the opportunities lost by compulsory military service, particularly in the cases of lost educational opportunities. In regard to educational opportunities, I point out that some of the witnesses who have appeared before the Veterans Affairs Subcommittee testified that they know of cases where, unless readjustment benefits are provided this year, young men who are married and have families will lose forever their opportunities to attend college. Prompt action by the Congress can, of course, prevent further loss of educational opportunities by these young men; and I assure AMVETS, and all others seeking to help our post-Korean veterans, that I am doing my utmost to bring about such action.

As I have indicated, hearings on the readjustment bills have already begun.

As soon as the interested agencies, organizations, and individuals can be heard by the subcommittee, the hearings will be terminated and the bills considered in executive session. The full Labor Committee will, I am sure, take final action on the bills as soon as possible—and I hope sufficiently soon to permit eligible veterans to resume their educational careers during the next school semester beginning in September of this year.

Mr. President, I request unanimous consent to have printed in the RECORD at this point the thoughtfully presented editorial in the National AMVET magazine of March 1959 entitled "Not If, But When?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT IF, BUT WHEN?

The question no longer is whether there should be a so-called peacetime GI bill, but rather when will it become law?

Since January 31, 1955, men entering the Armed Forces under the compulsion of the draft have been doing so without becoming eligible for educational and other benefits once they have completed service.

Prior to this cutoff date more than 4 years ago, persons serving in the Armed Forces were either eligible for benefits under the World War II or the later Korean GI bill.

The debate over whether those entering the Armed Forces in the past 4 years should receive some manner of readjustment benefits upon reentering civilian life was clearly decided more than a year ago.

It was decided by the keymen involved in bringing about the proposed law. Army Times, in a poll of the 12 Labor and Public Welfare Committee members, showed that 7 Senators, the necessary majority, were willing to commit themselves as favoring a return of benefits in some form, primarily education privileges.

Again, this same subcommittee has been conducting hearings on the same subject.

Gentlemen of the committee, we have but one question to ask. Why?

There certainly can be no question as to the wisdom of such a new law. History has already proven that the public funds expended for the rehabilitation of citizen-soldiers upon their return to civilian life have been returned manyfold. No wiser investment has ever been made in the future of any nation.

Perhaps there still remain some doubts as to whether peacetime veterans deserve any thanks in the form of such benefits from the Nation.

As far as we are concerned, the last tour of true peacetime service in the U.S. Armed Forces ended on September 1, 1939, when Hitler unleashed his black legions against the Poles.

When a soldier, sailor, marine, or airman has to roll up his gear and be ready to fight in any corner of the world in a matter of a few minutes or a few hours, we hardly classify this as peacetime service.

And when a man is chosen by the members of his community to put on a uniform and train to defend himself and them, we become slightly bewildered by the term "peacetime service."

AMVETS has supported a benefits bill for veterans of this so-called peacetime service and will continue to support it until it becomes law. We urgently request action on the legislation not next month nor in the next session of Congress—but now.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. RANDOLPH. Last evening at Berkeley Springs, W. Va., we were privileged to have the presence of the able Senator from Texas at a very important public meeting. The address which he made on that occasion dealt to some degree with the vital subject matter which he has effectively presented here today.

I believe it is good for those citizens who live in States adjacent to or near the Nation's capital to have the benefit of the thinking of Senators from other areas of the country. The people of Berkeley Springs were thus able to profit from the detailed knowledge of the esteemed Senator from Texas on this most important piece of legislation.

Last night, as I have said, we were most fortunate to have the able Senator from Texas among us. We thank him for his visit to our State.

Mr. YARBOROUGH. I thank the distinguished Senator from West Virginia for his kind and exceedingly generous remarks, particularly in view of the fact that he is one of the great orators of the Senate and the Nation. It was my privilege to attend the meeting as the guest of the Senator and of the Young Democratic Clubs of Morgan County, at the historic spot, Berkeley Springs, formerly the city of Bath, which had been surveyed by George Washington. I may add that the beneficial effects of the Berkeley Springs waters have been experienced by many Americans, including President Franklin D. Roosevelt.

At that historic city it was my great privilege to address the meeting under the favorable auspices of and following the introduction by the distinguished and generous Senator from West Virginia.

Mr. RANDOLPH. I thank the Senator from Texas.

Mr. YARBOROUGH. I express my appreciation to him for the very hospitable welcome extended to me.

CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, has morning business been concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the order previously entered, the Senate will proceed to the consideration of measures on the calendar to which there is no objection. The clerk will call the first bill in order on the calendar.

BILLS PASSED OVER

The bill (S. 12) to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs was announced as first in order.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. ENGLE. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 611) for the relief of Harry H. Nakamura was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1075) to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

LEVYING AND COLLECTING OF TAXES AND ASSESSMENTS

The bill (S. 643) to amend the act entitled "an act relating to the levying and collecting of taxes and assessments, and for other purposes," approved June 25, 1938, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to amend the act of June 25, 1938, relating to the levying and collecting of taxes and assessments, so as to enable the notice of special assessments for public improvements to be served either by registered mail, certified mail, or by personal service and will, therefore, give the government of the District of Columbia an alternative method of service not present in existing law. Present law requires that notice of the levying of such assessments shall be served personally upon the record owner of the property, and there are annually approximately 800 notices of special assessments that require personal service in the field. This entails the use of at least two employees working during regular hours, evenings, Saturdays, and on an overtime basis.

The Commissioners are of the opinion that the proposed bill would produce a substantial saving in the cost of administration in the levying of special assessments for public improvements, inasmuch as the cost of service by registered or certified mail would represent a substantial saving over the cost of personal service.

An identical bill (S. 3510) passed the Senate in the 85th Congress on August 11, 1958.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of subsection (a) of section 3 of the Act entitled "An Act relating to the levying and collecting of taxes and assessments, and for other purposes", approved June 25, 1938 (52 Stat. 1199; sec. 47–1103, D.C. Code, 1951 edition), is amended to read as follows:

"SEC. 3. (a)(1) When any special assessment for a public improvement, with the exception of assessments levied in condemnation proceedings, is levied by the District of Columbia upon any lot or parcel of land, notice of the levying of such assessment shall be served upon the record owner thereof in the manner herein provided, and if there be more than one record owner of such lot or parcel of land notice served on one of the owners shall be sufficient. Such notice shall be deemed to have been served when served by any of the following methods: (a) when forwarded to the last known address of the owner as recorded in the real estate assessment records of the District of Columbia by registered or certified mail, with return receipt, and such receipt shall constitute prima facie evidence of service upon such owner if such receipt is signed either by the owner or by a person of suitable age and discretion located at such address: *Provided,* That valid service upon the owner shall be deemed effected under this clause (a) if such notice shall be refused by the owner and not delivered for that reason; or (b) when delivered to the person to be notified; or (c) when left at the usual residence or place of business of the person to be notified with a person of suitable age and discretion then resident or employed therein; or (d) if no such residence or place of business can be found in the District of Columbia by diligent search, then if left with any person of suitable age and discretion employed at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or (e) if any such notice forwarded by registered or certified mail be returned for reasons other than refusal, or if personal service of such notice cannot be effected, then if published on three consecutive days in a daily newspaper published in the District of Columbia; or (f) if by reason of an outstanding unrecorded transfer of title the name of the owner cannot, by diligent search, be ascertained, then if served on the owner of record in a manner hereinbefore provided. Any notice to a corporation shall, for the purposes of this Act, be deemed to have been served on such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in a manner hereinbefore provided for the services of notices on natural persons holding property in their own right; and notices to a foreign corporation shall, for the purposes of this Act, be deemed to have been served if served personally on any agent of such corporation, or if left with any person of suitable age and discretion residing at the usual residence or employed at the usual place of business of such agent in the District of Columbia. The cost of publication, if any, shall be paid out of the general revenues of the District. The notice herein provided for shall be in lieu of any and all other notice now required by law.

"(2) In case such notice is served by any method other than personal service, a copy of such notice shall also be sent to the owner by ordinary mail."

SEC. 2. The amendments made by the first section of this Act shall apply to all special assessments for public improvements (other than assessments in condemnation proceedings) notice of which has not been served prior to the approval of this Act.

SEC. 3. The second paragraph of subsection (a) of section 3 of the Act entitled "An Act relating to the levying and collecting of taxes and assessments, and for other purposes", approved June 25, 1938 (sec. 47–1103, D.C. Code, 1951 edition), is hereby repealed.

CREATION OF BOARD FOR CONDEMNATION OF INSANITARY BUILDINGS IN THE DISTRICT OF COLUMBIA

The bill (S. 745) to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to amend the Act of May 1, 1906, as amended, so as to correct what has proved to be certain administrative deficiencies in the act. This proposal would bring the provisions of the act relating to assessment and collection of taxes into conformity with the provisions for assessment and collection of taxes applicable to special assessments levied for public improvements under the act of July 25, 1935.

Existing law provides for the repair or the demolition by the District of Columbia of buildings condemned under such law, in the event the owner fails to comply with orders of the Board for the Condemnation of Insanitary Buildings to repair or demolish such buildings. Present law further provides that the costs incurred by the District government in repairing or demolishing any such buildings be assessed as a tax against the property and collected in the same manner as general taxes are collected, the tax assessment being enforced by the sale of the property at an annual tax sale. However, there is no provision for a specific time when the assessment shall be paid, nor does it provide for interest on delinquent payments. Enactment of this bill would correct this administrative deficiency, along with the deficiency in existing law in the specified number of methods of giving notice to the owner of the property affected of the proposed action to be taken by the Board. A substantially similar bill (S. 1269) was passed by the Senate in the 85th Congress on May 22, 1957, the difference being the addition of certified mail as a method of effecting service of notice.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 2 of the Act entitled "An Act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes", approved May 1, 1906 (34 Stat. 157; title 5, ch. 6, D.C. Code, 1951 edition), as amended, is amended by striking "same manner as general taxes are collected in the District of Columbia", and inserting in lieu thereof "manner provided in section 7 of this Act".

SEC. 2. (a) Section 7 of said Act, as amended, is amended (1) by striking "in the same manner as general taxes are collected in the District of Columbia", and inserting in lieu thereof "as provided in this section"; and (2) by inserting immediately before the period at the end of said section the following: ": *Provided further,* That the taxes authorized to be levied and collected under this Act may be paid without interest within sixty days from the date such tax was levied. Interest of one-half of 1 per centum for each month or part thereof shall be charged on all unpaid amounts from the expiration of sixty days from the date such tax was levied. Any such tax may be paid in three equal installments with interest thereon. If any such tax or part thereof shall remain unpaid after the expiration of two years from the date such tax was levied, the property against which said tax was levied may be sold for such tax or unpaid portion thereof with interest and penalties thereon at the next ensuing annual tax sale in the same manner and under the same conditions as property sold for delinquent general real estate taxes, if said tax with interest and penalties thereon shall not have been paid in full prior to said sale".

(b) Any tax levied pursuant to such Act approved May 1, 1906, as amended by the Act approved August 28, 1954, which was levied after the effective date of such Act of August 28, 1954, and prior to the effective date of this section, shall, for the purpose of computing interest thereon, be deemed to have been levied as of the effective date of this section.

SEC. 3. Section 10 of such Act, as amended, is amended to read as follows:

"SEC. 10. (a) Any notice required by this Act to be served shall be deemed to have been served when served by any of the following methods: (a) when forwarded to the last known address of the owner as recorded in the real estate assessment records of the District of Columbia by registered or certified mail, with return receipt, and such receipt shall constitute prima facie evidence of service upon such owner if such receipt is signed either by the owner or by a person of suitable age and discretion located at such address: *Provided,* That valid service upon the owner shall be deemed effected if such notice shall be refused by the owner and not delivered for that reason; or (b) when delivered to the person to be notified; or (c) when left at the usual residence or place of business of the person to be notified with a person of suitable age and discretion then resident or employed therein; or (d) if no such residence or place of business can be found in the District of Columbia by reasonable search, then if left with any person of suitable age and discretion employed at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or (e) if any such notice forwarded by registered or certified mail be returned for reasons other than refusal, or if personal service of any such notice, as hereinbefore provided, cannot be effected, then if published on three consecutive days in a daily newspaper published in the District of Columbia; or (f) if by reason of an outstanding unrecorded transfer of title the name of the owner in fact cannot be ascertained beyond a reasonable doubt, then if served on the owner of record in a manner hereinbefore provided. Any notice to a corporation shall, for the purposes of this Act,

be deemed to have been served on such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in the manner hereinbefore provided for the service of notices on natural persons holding property in their own right; and notices to a foreign corporation shall, for the purposes of this Act, be deemed to have been served if served personally on any agent of such corporation, or if left with any person of suitable age and discretion residing at the usual residence or employed at the usual place of business of such agent in the District of Columbia."

(b) In case such notice is served by any method other than personal service, notice shall also be sent to the owner by ordinary mail.

REMOVAL OF DANGEROUS AND UNSAFE BUILDINGS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 645) to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings, and parts thereof, and for other purposes," approved March 1, 1899, as amended, which had been reported from the Committee on the District of Columbia, with an amendment on page 3, line 5, after the word "carelessness", to strike out "and" and insert "or", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to authorized the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof, and for other purposes," approved March 1, 1899 (30 Stat. 923, as amended; title 5, ch. 5, D.C. Code, 1951 edititon), is amended by striking the term "inspector of buildings" wherever such term appears therein and inserting in lieu thereof "Commissioners." The first sentence of the first section of such Act, as amended, is amended by striking "his opinion" and inserting in lieu thereof "their opinion" and by striking "he shall" and inserting in lieu thereof "they shall."

SEC. 2. The first section of such Act, as amended (sec. 5–501, D. C. Code, 1951 edition), is amended by adding at the end thereof the following:

"The term 'Commissioners' means the Commissioners of the District of Columbia sitting as a board or the agent or agents designated by them to perform any function vested in said Commissioners by this Act."

SEC. 3. Section 3 of such Act, as amended (sec. 5–503, D.C. Code, 1951 edition), is amended by striking the third sentence therefrom.

SEC. 4. The second sentence of section 4 of such Act, as amended (sec. 5–504, D.C. Code, 1951 edition), is amended by striking "bear interest at the rate of 10 per centum per annum until paid, and be carried on the regular tax rolls of the District of Columbia and shall be collected in the manner provided for the collection of general taxes" and inserting in lieu thereof "be collected in the manner provided in section 6 of this Act."

SEC. 5. Such Act, as amended, is amended by inserting the following sections immediately after section 4, reading as follows:

"SEC. 5. The Commissioners shall determine the cost and expense of any work performed by them under the authority of the first four sections of this Act, including the cost of making good damage to adjoining premises (except such as may have resulted from carelessness or willful recklessness in the demolition or removal of any structure) less the amount, if any, received from the sale of old material, and shall assess such cost and expense upon the lot or ground whereon such structure, excavation, or nuisance stands, stood, was dug, was located, or existed, and this amount shall be collected in the manner provided in section 6 of this Act. Any person, corporation, partnership, syndicate, or company subject to the provisions of the first three sections of this Act who shall neglect or refuse to perform any act required by such sections shall be punished by a fine not exceeding $50 for each and every day said person, corporation, partnership, syndicate, or company fails to perform any act required by such sections.

"SEC. 6. Any tax authorized to be levied and collected under this Act may be paid without interest within sixty days from the date such tax was levied. Interest of one-half of 1 per centum for each month or part thereof shall be charged on all unpaid amounts from the expiration of sixty days from the date such tax was levied. Any such tax may be paid in three equal installments with interest thereon. If any such tax or part thereof shall remain unpaid after the expiration of two years from the date such tax was levied, the property against which said tax was levied may be sold for such tax or unpaid portion thereof with interest and penalties thereon at the next ensuing annual tax sale in the same manner and under the same conditions as property sold for delinquent general real estate taxes, if said tax with interest and penalties thereon shall not have been paid in full prior to said sale."

SEC. 6. Section 5 of such Act, as amended (sec. 5–505, D.C. Code, 1951 edition), is renumbered "SEC. 7" and is amended to read as follows:

"SEC. 7. (a) Any notice required by this Act to be served shall be deemed to have been served when served by any of the following methods: (1) when forwarded to the last known address of the owner as recorded in the real estate assessment records of the District of Columbia, by registered or certified mail, with return receipt, and such receipt shall constitute prima facie evidence of service upon such owner if such receipt is signed either by the owner or by a person of suitable age and discretion located at such address: *Provided,* That valid service upon the owner shall be deemed effected if such notice shall be refused by the owner and not delivered for that reason; or (2) when delivered to the person to be notified; or (3) when left at the usual residence or place of business of the person to be notified with a person of suitable age and discretion then resident or employed therein; or (4) if no such residence or place of business can be found in the District of Columbia by reasonable search, then if left with any person of suitable age and discretion employed at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or (5) if any such notice forwarded by registered or certified mail be returned for reasons other than refusal, or if personal service of any such notice, as hereinbefore provided, cannot be effected, then if published on three consecutive days in a daily newspaper published in the District of Columbia; or (6) if by reason of an outstanding unrecorded transfer of title the name of the owner in fact cannot be ascertained beyond a reasonable doubt, then if served on the owner of record in a manner hereinbefore provided. Any notice to a corporation shall, for the purposes of this Act, be deemed to have been served on such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in the manner hereinbefore provided for the service of notices on natural persons holding property in their own right; and notices to a foreign corporation shall, for the purposes of this Act, be deemed to have been served if served personally on any agent of such corporation, or if left with any person of suitable age and discretion residing at the usual residence or employed at the usual place of business of such agent in the District of Columbia.

"(b) In case such notice is served by any method other than personal service, a copy of such notice shall also be sent to the owner by ordinary mail."

SEC. 7. Such Act, as amended, is amended by inserting a new section immediately after section 7, as renumbered by this amendatory Act, reading as follows:

"SEC. 8. Whenever the Commissioners find that any building or part of a building, staging, or other structure, or anything attached to or connected with any building or other structure or excavation shall cause a building to be unsafe for human occupancy, they shall give notice of such fact to the owner or other person having an interest in such building, and to the occupant or occupants thereof. If within five days after such notice has been served upon such owner or other interested person, such building or part thereof has not been made safe for human occupancy, the Commissioners may order the use of such building or part thereof discontinued until it has been made safe: *Provided,* That if in the opinion of the Commissioners the unsafe condition of the building or part thereof is such as to be imminently dangerous to the life or limb of any occupant, the Commissioners may order the immediate discontinuance of the use of such building or part thereof. Any person occupying or permitting the occupancy of, such building or part thereof in violation of such order of the Commissioners shall be fined not more than $300 or imprisoned for not more than thirty days."

SEC. 8. Section 6 of such Act, as amended, is renumbered "SEC. 9."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

The purpose of this bill is to amend the act to authorize the Commissioners of the District of Columbia to remove dangerous or unsafe buildings and parts thereof so as to accomplish the following:

1. Provide the Commissioners of the District of Columbia with authority to require that unsafe structures be vacated under penalty of $300 fine or imprisonment of not to exceed 30 days after 5 days' notice to repair or take corrective action has been given, or immediately if the danger is imminent;

2. Establish time limits and change the present method for the assessment and collection of costs to the District for repairs made by the District upon unsafe structures, including changes in the grace period, during which interest does not run, from 90 days to 60 days, and change the rate of interest from 10 percent per annum to one-half of 1 percent per month;

3. Permit administrative changes in the methods of serving notice upon the owners of property to simplify and standardize such procedures; and

4. Change functional titles of officials in the act to conform with the provisions of Reorganization Plan No. 5 of 1952.

A substantially similar bill (S. 3059) passed the Senate in the 85th Congress on

March 17, 1958. This legislation was requested by the Board of Commissioners and the committee was informed that enactment thereof would incur no additional cost to the District.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

SCHOOL CENSUS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 644) to amend the act entitled "An act to provide for compulsory school attendance for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925, which had been reported from the Committee on the District of Columbia, with amendments, on page 1, line 3, after the word "That", to strike out "the first sentence of"; in line 8 after the word "amended", to insert "(1)"; on page 2, line 2, after the word "as", to strike out "frequently"," and insert "frequently" "; and in line 5, after the word "frequently", to strike out "thereafter"." and insert "thereafter"; and (2) by inserting immediately after "the school attended by him," the following: "whether such school is public or private,"."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of article II of the Act entitled "An Act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes", approved February 4, 1925 (43 Stat. 807; sec. 31–208, D.C. Code, 1951 edition), is amended (1) by striking therefrom "all children between the ages of three and eighteen years permanently or temporarily residing in the District of Columbia, and annually thereafter or as frequently" and inserting in lieu thereof "all children under the age of eighteen years permanently or temporarily residing in the District of Columbia and as frequently thereafter"; and (2) by inserting immediately after "the school attended by him," the following: "whether such school is public or private,".

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a statement in explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The purpose of the bill is to amend the act of February 4, 1925, so as to (1) provide that all children below the age of 18 years be listed in the taking of the school census, instead of the present requirement that only those between the ages of 3 years and 18 years be listed; (2) provide that in addition to the name of the school attended by the child as required by the census, there be a designation as to whether such school is public or private, and (3) provide that the census be made as frequently as the Superintendent of Schools and the Board of Education find it necessary and desirable to do so, instead of annually, as now required.

The Commissioners of the District of Columbia favor enactment of the bill and informed the committee that enactment of this measure could result in financial savings to the District, and that in any event, would involve no additional expense.

A similar bill, S. 1842, passed the Senate during the 85th Congress on May 22, 1957.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RENTAL OF COTTON ACREAGE ALLOTMENT

The bill (S. 1455) to authorize the rental of cotton acreage allotment was announced as next in order.

Mr. MORTON. Over, by request.

Mr. JOHNSON of Texas. Mr. President, I wish to inform the Senate that it is planned to call up S. 1455, Calendar No. 104, at the earliest possible date. I shall try to be more specific later in the week.

I should like to suggest also that Calendar No. 105, S. 1456, go over. I inform the Senate that it is planned to call up that bill by motion later today.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to have the attention of the majority leader concerning S. 1455. If anything is to be done in that field, it must be done this week, because, as the Senator from Texas knows, cotton will be planted very soon. In order to give farmers the opportunity to transfer their rights, action will have to be taken on the bill quickly. It is a very small item. It affects only small acreage, under 10 acres.

Mr. JOHNSON of Texas. It is planned to call the bill up by motion.

Mr. JOHNSTON of South Carolina. I understand. I hope it will be called up as soon as possible, because something must be done in this field if the plight of farmers planting less than 10 acres is to be relieved. If the Senate wants to block it, it can do so.

Mr. JOHNSON of Texas. The bill will be called up by motion as soon as possible.

The PRESIDING OFFICER. The bill will be passed over.

ADDITIONAL JUDGES FOR JUVENILE COURT OF THE DISTRICT OF COLUMBIA—BILL PASSED OVER

The bill (S. 1456) to provide for the appointment of two additional judges for the Juvenile Court of the District of Columbia was announced as next in order.

Mr. ENGLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

ELSIE F. WILKINSON

The resolution (S. Res. 93) to pay a gratuity to Elsie F. Wilkinson was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Elsie F. Wilkinson, widow of James M. Wilkinson, an employee of the Senate at the time of his death, a sum equal to seven months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PRINTING OF ADDITIONAL COPIES OF HOUSE DOCUMENT 234, 84TH CONGRESS

The concurrent resolution (H. Con. Res. 64) authorizing the printing of additional copies of House Document 234, 84th Congress, entitled "The Prayer Room in the U.S. Capitol," was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF "TITLE 38, UNITED STATES CODE, VETERANS' BENEFITS"

The concurrent resolution (H. Con. Res. 75) authorizing the printing of additional copies of committee print entitled "Title 38, United States Code, Veterans' Benefits," was considered and agreed to.

INCORPORATION OF THE LADIES OF THE GRAND ARMY OF THE REPUBLIC

The Senate proceeded to consider the bill (S. 949) for the incorporation of the Ladies of the Grand Army of the Republic, which had been reported from the Committee on the Judiciary, with an amendment, on page 10, after line 10, to strike out:

SEC. 16. The corporation and its subordinate divisions shall have the sole and exclusive right to use the name, "Ladies of the Grand Army of the Republic," and no other organization shall use the name "Grand Army of the Republic". The corporation shall have the exclusive and sole right to use, or to allow or refuse the use of, such emblems, seals, and badges as have heretofore been used by the Ladies of the Grand Army of the Republic.

And, in lieu thereof, to insert:

SEC. 16. The corporation and its subordinate divisions shall have the sole and exclusive right to use the name, "Ladies of the Grand Army of the Republic". The corporation shall have the exclusive and sole right to use, or to allow or refuse the use of, such emblems, seals, and badges as have heretofore been used by the Ladies of the Grand Army of the Republic.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following-named persons, to wit: Gussie Laile Morin, Seattle, Washington; Margaret Hopkins Worrell, Ironton, Ohio; Twannette Paull, Kansas City, Missouri; Nellie D. Howe, Grand Rapids, Michigan; Sarah J. Ehrmann, Orange City, Florida; Mabel S. Taylor, Providence, Rhode Island; Edwina P. Trigg, Kansas City, Missouri; Cora M. Rowling, Indianapolis, Indiana; Irene Mangle, Woodruff, Wisconsin; Catherine G. Schroeder, Los Angeles, California; Mabel Y. Coffey, Colorado Springs, Colorado;

Helen M. Lehman, Jersey City, New Jersey; Margaret Grandle, Pittsburg, Kansas; Frances M. Kuhns, Greensburg, Pennsylvania; Gladys W. Newton, Charleston, West Virginia; Olive Vanwagenen, Washington, District of Columbia; Luella Orr, Tulsa, Oklahoma; Edna S. Lindsey, Portland, Oregon; Rosalie E. Leonard, Boise, Idaho; Lura B. Frye, Peoria, Illinois; Theo McCallum,

Neenah, Wisconsin; Eloise E. Whitmer, Washington, District of Columbia; Harriet E. Hughes, New York City, New York; Margaret G. Urban, Oakmont, Pennsylvania;

Bertha Hunt, Des Moines, Iowa; Marie E. Godda, Omaha, Nebraska; Anna Hausman, Washington, District of Columbia; Frances C. Linnell, Plymouth, Massachusetts; Alma M. Blitz, Minneapolis, Minnesota; Lila Lovett, Portland, Maine; Eveh M. Ervin, Keene, New Hampshire; Mildred Puckett, Louisville, Kentucky; Ada Anderson, Wilmington, Delaware; and all past national presidents, and their successors, are hereby created and declared to be a body corporate of the District of Columbia, where its legal domicile shall be by the name of the Ladies of the Grand Army of the Republic (hereinafter referred to as the corporation), and by such name, shall be known and have perpetual succession and the powers, limitations, and restrictions herein contained.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act, acting in person or by written proxy, are authorized to complete the organization of the corporation by the selection of officers and employees, the adoption of a constitution and bylaws not inconsistent with this Act, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF CORPORATION

SEC. 3. The purposes of the corporation shall be: To perpetuate the memory of the Grand Army of the Republic and of the men who saved the Union in 1861 to 1865; to assist in every practicable way in the preservation and making available for research of documents and records pertaining to the Grand Army of the Republic and its members; to cooperate in doing honor to all those who have patriotically served our country in any way; to teach patriotism and the duties of citizenship, the true history of our country, and the love and honor of our flag; to oppose every tendency or movement that would weaken loyalty to, or make for the destruction or impairment of, our constitutional Union; and to inculcate and broadly sustain the American principles of representative government of equal rights, and of impartial justice for all.

CORPORATE POWERS

SEC. 4. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, agents, and employees as the activities of the corporation may require;

(5) to adopt, amend, and alter a constitution and bylaws; not inconsistent with the laws of the United States or of any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take by lease, gift, purchase, grant, devise, or bequest from any public body or agency or any private corporation, association, partnership, firm, or individual and to hold absolutely or in trust for any of the purposes of the corporation any property, real, personal, or mixed, necessary or convenient for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of property which may be held by, or (B) otherwise limiting or controlling the ownership of property by, a corporation operating in such State;

(8) to transfer, convey, lease, sublease, encumber and otherwise alienate real, personal, or mixed property;

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge or otherwise, subject in every case to all applicable provisions of Federal and State laws; and

(10) to do any and all acts and things necessary and proper to carry out the objects and purposes of the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 5. (a) Eligibility for membership in the corporation and the rights, privileges, and designation of classes of membership shall, except as provided in this Act, be determined as the constitution and bylaws of the corporation may provide. Eligibility for membership in the corporation shall be limited to female blood relatives of persons who served between April 12, 1861, and April 9, 1865, as soldiers, or sailors of the United States Army, Navy, Marine Corps, or Revenue-Cutter Service, and of such State regiments as were called into active service and were subject to orders of United States general officers between the dates above mentioned and were honorably discharged therefrom at the close of such service or who died in such service.

(b) Each member of the corporation shall have the right to one vote in each matter submitted to a vote at all meetings of the members of the corporation.

GOVERNING BODY

SEC. 6. The supreme governing authority of the corporation shall be the national convention thereof, composed of such officers and elected representatives from the several States and other local subdivisions of the corporate organization as shall be provided by the constitution and bylaws: *Provided*, That the form of the government of the corporation shall always be representative of the membership at large and shall not permit the concentration of control thereof in the hands of a limited number of members or in a self-perpetuating group not so representative. The meetings of the national convention may be held in any State or Territory or in the District of Columbia.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation shall be selected in such manner and for such terms and with such duties and titles as may be prescribed in the constitution and bylaws of the corporation.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; DISTRICT OF COLUMBIA AGENT

SEC. 8. (a) The principal office of the corporation shall be located in Washington, District of Columbia, or in such other place as may later be determined by the corporation, but the activities of the corporation shall not be confined to that place and may be conducted throughout the various States, Territories, and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

USE OF INCOME; LOANS TO OFFICERS, DIRECTORS, OR EMPLOYEES

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any of its members or officers as such, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the council of administration of the corporation.

(b) The corporation shall not make loans to its officers or employees. Any member of the council of administration who votes for or assents to the making of a loan or advance to an officer or employee of the corporation, and any officer who participates in the making of such loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation and its officers and agents as such shall not contribute to any political party or candidate for public office.

LIABILITIES FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its national conventions and council of administration. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purposes, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions and the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress and not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such report shall not be printed as a public document.

REPORT TO CONGRESS

SEC. 15. On or before March 1 of each year the corporation shall report to the Congress on its activities during the preceding fiscal year. Such report may consist of a report on the proceedings of the national convention covering such fiscal year. Such report shall not be printed as a public document.

USE OF NAME

SEC. 16. The corporation and its subordinate divisions shall have the sole and exclusive right to use the name, "Ladies of the Grand Army of the Republic". The corporation shall have the exclusive and sole right to use, or to allow or refuse the use of, such emblems, seals, and badges as have heretofore been used by the Ladies of the Grand Army of the Republic.

USE OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 17. Upon dissolution or final liquidation of the corporation, after discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets, if any, of the corporation shall be distributed in

accordance with the determination of the council of administration and in compliance with the constitution and bylaws of the corporation and all Federal and State laws applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right to alter, amend, or repeal this Act is expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ATHENA NICHOLAS EUTERIADOU

The bill (S. 264) for the relief of Athena Nicholas Euteriadou was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Athena Nicholas Euteriadou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MOHAMMED ALI HALIM

The bill (S. 451) for the relief of Mohammed Ali Halim was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mohammed Ali Halim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CHIYOKO KOREMATSU AND AIKO KOREMATSU

The Senate proceeded to consider the bill (S. 201) for the relief of Chiyoko Korematsu and Aiko Korematsu, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, at the beginning of line 5, to strike out "fiance" and insert "fiancée", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Chiyoko Korematsu and Aiko Korematsu, the fiancée and minor child of Thomas Mulvihill, a citizen of the United States, shall be eligible for visas as nonimmigrant temporary visitors for a period of three months: *Provided,* That the administrative authorities find that the said Chiyoko Korematsu is coming to the United States with a bona fide intention of being married to the said Thomas Mulvihill and that they are found to be otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Chiyoko Korematsu and Aiko Korematsu, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Chiyoko Korematsu and Aiko Korematsu, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Chiyoko Korematsu and Aiko Korematsu as of the date of the payment by them of the required visa fees.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AURELIA MARIJA MEDVESEK-POZAR

The Senate proceeded to consider the bill (S. 211) for the relief of Aurelia Marija Medvesek-Pozar, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the words "United States", to insert a colon and "*Provided,* That the natural parent of Aurelia Marija Medvesek-Pozar shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Aurelia Marija Madvesek-Pozar, shall be held and considered to be the natural-born alien child of Matilda Pozar, a citizen of the United States: *Provided,* That the natural parent of Aurelia Marija Medvesek-Pozar shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COLLINGWOOD BRUCE BROWN, JR.

The Senate proceeded to consider the bill (S. 313) for the relief of Collingwood Bruce Brown, Jr., which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "Provided", to insert "That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: And provided further,", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of paragraph (4) of section 212(a) of the Immigration and Nationality Act, Collingwood Bruce Brown, Junior, may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *And provided further,* That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLARITA MARTINEZ

The Senate proceeded to consider the bill (S. 449) for the relief of Clarita Martinez, which had been reported from the Committee on the Judiciary, with an amendment, at the beginning of line 6, to strike out "alien minor child of Modesto Martinez, a citizen of the" and insert "alien minor child of Mr. and Mrs. Modesto Martinez, citizens of the," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Clarita Martinez shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Modesto Martinez, citizens of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANDROULA NEOFITOS STEPHANON

The Senate proceeded to consider the bill (S. 461) for the relief of Androula Neofitos Stephanon, which had been reported from the Committee on the Judiciary, with an amendment, in line 8, after the word "fee", to insert a colon and "*Provided,* That the natural parents of Androula Neofitos Stephanon (Androula Kyriacou Stephanou) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Androula Neofitos Stephanon (Androula Kyriacou Stephanou) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee: *Provided,* That the natural parents of Androula Neofitos Stephanon (Androula Kyriacou Stephanou) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRACE C. REAM

The Senate proceeded to consider the bill (S. 634) for the relief of Grace C. Ream, which had been reported from

the Committee on the Judiciary, with an amendment on page 1, line 9, after "March 21,", to strike out "1956" and insert "1957"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Grace C. Ream of Washington, District of Columbia, an employee of the Department of the Air Force, is hereby relieved of all liability for repayment to the United States of the sum of $651.96, representing overpayment of salary paid to her as the result of an administrative error which occurred when her salary was adjusted retroactively, on March 21, 1957, on the basis of her previous employment in the legislative branch of the Government.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Grace C. Ream, the sum of any amounts received or withheld from her on account of the overpayment referred to in the first section of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ARIE ABRAMOVICH

The Senate proceeded to consider the bill (S. 701) for the relief of Arie Abramovich, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 11, after the word "available", to insert a colon and "*Provided,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Arie Abramovich shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HARVEY HIROAKI HORIUCHI

The Senate proceeded to consider the bill (S. 1143) for the relief of Harvey Hiroaki Horiuchi, which had been reported from the Committee on the Judiciary, with amendments, in line 6, after the word "August", to insert "18", and, in line 7, after the word "fee", to insert "and head tax", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Harvey Hiroaki Horiuchi shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 18, 1951, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ELIZABETH LUCIE LEON

The bill (H.R. 2589) for the relief of Elizabeth Lucie Leon (also known as Lucie Noel) was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HART. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On line 8, after "naturalization," it is proposed to insert "and to be naturalized".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment was ordered to be engrossed, and the bill read a third time.

The bill was read the third time, and passed.

COMMEMORATION OF THE 100TH ANNIVERSARY OF THE CIVIL WAR

The joint resolution (S.J. Res. 61) to amend Public Law 305 of the 85th Congress relative to the establishment of a commission to commemorate the 100th anniversary of the Civil War, to authorize the manufacture and sale of a Civil War Centennial Medal was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act of September 7, 1957 (71 Stat. 627; 36 U.S.C. 745), is hereby amended by adding at the end thereof the following new subsection:

"(d) The Secretary of the Treasury is authorized and directed to prepare designs, models, and dies for a commemorative medal with suitable emblems, devices, and inscriptions to be determined by the Commission, with the approval of the Secretary of the Treasury, and to strike and furnish to the Commission medals in such numbers, not less than one thousand at one time, as the Commission may request during the calendar years 1961 through 1965. Such designs, models, dies, and medals shall be furnished to the Commission at not less than the estimated cost of manufacture including labor, materials, use of machinery, and overhead expenses, and may be sold by the Commission at cost or at a premium. Such medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes (31 U.S.C. 368). The cost of the designs, models, dies, and medals shall be payable from, and the proceeds of the sales of the medals shall be reimbursed to, the appropriation then current for the expenses of the Commission, and the proceeds shall be available for the purposes of this Act."

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

The bill (S. 900) to amend section 204 (a) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MORSE. Mr. President, may we have an explanation of the bill.

Mr. ENGLE. S. 900 would amend section 204(b) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 388), as amended (40 U.S.C. 485), by substituting the words "utilization of excess property and the disposal" for the word "dispositions."

This amendment would make it possible for the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property. These expenses include appraisals and other costs incurred from the time the property is reported excess to the needs of Government, until such time as the General Services Administration lists the property as surplus for purposes of disposal.

Mr. MORSE. Does the bill in any way enlarge the authority of the Administrator of General Services to dispose of surplus property, or does it in any way grant him any authority to dispose of any interest in surplus property without compensation?

Mr. ENGLE. It does not.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of subsection (b) of section 204 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 388, as amended; 40 U.S.C. 485(b)) is hereby further amended to read as follows: "Not more than an amount to be determined quarterly by the Director of the Bureau of the Budget may be obligated from such fund by the Administrator to pay the direct expenses incurred for the utilization of excess property and the disposal of surplus property under this Act for fees of appraisers, auctioneers, and realty brokers, and for advertising and surveying."

CONTRACTS AUTHORIZATION FOR CLEANING AND CUSTODIAL SERVICES

The bill (S. 901) to amend the Federal Property and Administrative Services Act of 1949, to authorize the Administrator of General Services to make contracts for cleaning and custodial services, was considered, ordered to be

engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 210(a) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(a)), is further amended by the addition of paragraph (14), to read as follows:

"(14) to contract for cleaning, maintenance, elevator operation, and similar custodial services for periods not exceeding five years."

RECEIPT AND DISBURSEMENT OF FUNDS BY THE DISBURSING OFFICER FOR THE GOVERNMENT PRINTING OFFICE

The bill (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purpose was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the disbursing clerk of the Government Printing Office is hereby designated as the disbursing officer for the Government Printing Office.

(b) In the case of the death, resignation, or separation from office of such disbursing officer, his accounts may be continued, and payments and collections may be made in his name, by the deputy disbursing officer or officers designated by the Public Printer, for a period of time not to extend beyond the last day of the second month following the month in which such death, resignation, or separation occurred. Such accounts and payments shall be allowed, audited, and settled, and checks signed in the name of the former disbursing officer for the Government Printing Office by any such deputy disbursing officer shall be honored, in the same manner as if the former disbursing officer for the Government Printing Office had continued in office.

(c) No former disbursing officer for the Government Printing Office, his estate, or the surety on his official bond, shall be subject to any legal liability or penalty for the official accounts or defaults of any deputy disbursing officer acting in the name or in the place of such former disbursing officer. Each such deputy disbursing officer shall be responsible for accounts entrusted to him pursuant to subsection (b), and such deputy disbursing officer and the sureties upon his bond shall be liable for any default occurring during his service as such pursuant to such subsection.

SCHOOLS OF THE DEPARTMENT OF DEFENSE AT OVERSEA AREAS

The Senate proceeded to consider the bill (S. 96) to govern the salaries and personal practices applicable to teachers, certain school officers, and other employees of the dependent schools of the Department of Defense at oversea areas, and for other purposes, which had been reported from the Committee on Post Office and Civil Service, with an amendment, on page 13, line 4, after "(5 U.S.C. 2091–2103)", to insert "or to the Civil Service Retirement Act (5 U.S.C. 2251–2267)", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Defense Department Overseas Teachers Pay and Personnel Practices Act".

DEFINITIONS

SEC. 2. For the purposes of this Act, the term—

(1) "teaching position" means those duties and responsibilities which—

(A) are performed on a school-year basis principally in a school operated by the Department of Defense in an overseas area for dependents of members of the Armed Forces and dependents of civilian employees of the Department of Defense, and

(B) involve—

(i) classroom or other instruction or the supervision or direction of classroom or other instruction; or

(ii) any activity (other than teaching) which requires academic credits in educational theory and practice equal to the academic credits in educational theory and practice required for a bachelor's degree in education from an accredited institution of higher education; or

(iii) any activity in or related to the field of education notwithstanding that academic credits in educational theory and practice are not a formal requirement for the conduct of such activity.

(2) "teacher" means an individual—

(A) who is a citizen of the United States,

(B) who is a civilian, and

(C) whose services are required on a school-year basis in a teaching position.

(3) "overseas area" means any area situated outside the United States.

(4) "United States", when used in a geographical sense, means the several States of the United States of America, the District of Columbia, Hawaii, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States (excluding the Trust Territory of the Pacific Islands and Midway Islands).

EXEMPTION OF TEACHERS AND TEACHING POSITIONS FROM CLASSIFICATION ACT OF 1949

SEC. 3. Section 202 of the Classification Act of 1949, as amended (5 U.S.C. 1082), is amended by adding at the end thereof the following paragraph:

"(32) 'teachers' and 'teaching positions' as defined in the Defense Department Overseas Teachers Pay and Personnel Practices Act."

REGULATIONS OF SECRETARY OF DEFENSE

SEC. 4. (a) Not later than the ninetieth day following the date of enactment of this Act, the Secretary of Defense shall prescribe and issue regulations to carry out the purposes of this Act. Such regulations shall govern—

(1) the establishment of teaching positions;

(2) the fixing of the rates of basic compensation for teaching positions in relation to the rates of basic compensation for similar positions in the United States;

(3) the entitlement of teachers to compensation;

(4) the payment of compensation to teachers;

(5) the appointment of teachers;

(6) the conditions of employment of teachers;

(7) the length of the school year or school years applicable to teaching positions;

(8) the leave system for teachers;

(9) quarters, allowances, and additional compensation for teachers; and

(10) such other matters as may be relevant and appropriate to the purposes of this Act.

(b) The regulations prescribed and issued by the Secretary of Defense under subsection (a) of this section shall become effective on such date as the Secretary of Defense shall prescribe but not later than the ninetieth day following the date of issuance of such regulations.

ADMINISTRATION

SEC. 5. (a) The secretary of each military department in the Department of Defense shall conduct the employment and salary practices applicable to teachers and teaching positions in his military department in accordance with this Act, other applicable law, and the regulations prescribed and issued by the Secretary of Defense under section 4 of this Act.

(b) Subject to section 203 of the Classification Act of 1949 (5 U.S.C. 1083), the Secretary of each military department—

(1) shall determine the applicability of paragraph (32) of section 202 of such Act, as added by section 3 of this Act, to positions and individuals in his military department, and

(2) shall establish the appropriate annual salary rate in accordance with this Act for each such position and individual to which such paragraph (32) is determined to be applicable.

(c) The Secretary of each military department shall fix the rates of basic compensation of teachers and teaching positions in his military department in relation to the rates of basic compensation for similar positions in the United States but no such rate of basic compensation so fixed shall exceed the highest rate of basic compensation for similar positions of a comparable level of duties and responsibilities under the municipal government of the District of Columbia.

(d) The Secretary of each military department may prescribe and issue such regulations as he deems appropriate to carry out his functions under this Act.

LEAVE

SEC. 6. (a) Subject to the regulations prescribed and issued by the Secretary of Defense under section 4 of this Act, each teacher (other than an individual employed as a substitute teacher) shall be entitled to cumulative leave, with pay, which shall accrue at the rate of one day for each calendar month, or part thereof, of a school year, except that—

(1) if the school year includes more than eight months any such teacher who shall have served for the entire school year shall be entitled to ten days of cumulative leave with pay, and

(2) not more than seventy-five days of leave may accumulate to the credit of a teacher at any one time under this subsection.

(b) Saturdays, Sundays, regularly scheduled holidays, and other administratively authorized nonwork days shall not be considered to be days of leave for the purposes of subsection (a) of this section.

(c) Subject to the regulations prescribed and issued by the Secretary of Defense, leave earned by any teacher under subsection (a) of this section may be used by such teacher—

(1) for maternity purposes,

(2) in the event of the illness of such teacher,

(3) in the event of illness, contagious disease, or death in the immediate family of such teacher, and

(4) in the event of any personal emergency.

If appropriate advance notice is given of the intended absence of a teacher, not to exceed three days of such leave may be

granted for any purpose in each school year to such teacher.

(d) Any individual—

(1) who is holding a position which is determined to be a teaching position, or

(2) who is an employee of the Federal Government or the municipal government of the District of Columbia who is transferred, promoted, or reappointed, without break in service, from a position under a different leave system to a teaching position,

shall be credited, for the purposes of the leave system provided by this section, with the annual and sick leave to his credit immediately prior to the effective date of such determination, transfer, promotion, or reappointment. Sick leave so credited shall be included in the leave provided for in subsection (a) of this section. Annual leave so credited shall not be included in the leave provided for in such subsection but shall be used under regulations which shall be prescribed by the Secretary of the military department concerned.

(e) In any case in which the amount of sick leave, which is to the credit of any individual under a different leave system immediately prior to the date on which he becomes subject as a teacher to the leave system provided by this section and which is included in the leave provided for in subsection (a) of this section, is in excess of the maximum amount of accumulated leave allowable under subparagraph (2) of such subsection, such excess shall remain to the credit of such teacher until used, but the use during any leave year of an amount in excess of the aggregate amount which shall have accrued during such year shall reduce automatically the maximum allowable amount of accumulated leave at the beginning of the next leave year until such amount no longer exceeds the maximum amount allowable under subparagraph (2) of subsection (a) of this section.

(f) Any annual leave remaining, upon his separation from the service, to the credit of an individual within the purview of this section shall be liquidated in accordance with the Act of December 21, 1944 (5 U.S.C. 61b and the following), except that leave earned or included under subsection (a) of this section shall not be liquidated.

(g) In the case of any teacher who is transferred, promoted, or reappointed, without break in service, to a position under a different leave system, the annual leave, and any other leave earned or credited under this section, which is to his credit immediately prior to such transfer, promotion, or reappointment, shall be transferred to his credit in the employing agency on an adjusted basis in accordance with regulations which shall be prescribed by the United States Civil Service Commission.

QUARTERS, QUARTERS ALLOWANCES, AND STORAGE

SEC. 7. (a) Under regulations which shall be prescribed by or under authority of the President, each teacher (other than a teacher employed in a substitute capacity) shall be entitled, in addition to basic compensation, to quarters, quarters allowance, and storage as provided by this section.

(b) Each teacher (other than a teacher employed in a substitute capacity) shall be entitled, for each school year for which he performs services as a teacher, to quarters or a quarters allowance equal to those authorized by the Act of June 26, 1930 (5 U.S.C. 118a).

(c) Each teacher (other than a teacher employed in a substitute capacity) who is performing services as a teacher at the close of a school year and agrees in writing to serve as a teacher for the next school year may be authorized, for the recess period immediately preceding such next school year—

(1) quarters or a quarters allowance equal to those authorized by the Act of June 26, 1930 (5 U.S.C. 118a), or

(2) in lieu of such quarters or quarters allowance, storage (including packing, drayage, unpacking, and transportation to and from storage) of his household effects and personal possessions.

(d) If a teacher does not report for service at the beginning of the next school year, he shall be obligated to the United States in an amount equal to any quarters allowance which he may have received under subsection (c) of this section or in an amount equal to the reasonable value of any quarters or storage which he may have received under such subsection, or both, as the case may be.

(e) Quarters, quarters allowance, and storage provided under this section shall be in lieu of any quarters, quarters allowance, and storage to which he otherwise might be entitled by reason of employment in another position during any recess period between two school years.

COST-OF-LIVING ALLOWANCES AND POST DIFFERENTIAL

SEC. 8. (a) Under regulations which shall be prescribed by or under authority of the President, each teacher (other than a teacher employed in a substitute capacity) shall be entitled, in addition to basic compensation, to—

(1) cost-of-living allowances equal to those authorized by section 901(2) of the Foreign Service Act of 1946 ((22 U.S.C. 1131(2)), and

(2) additional compensation equal to that authorized under section 207 of the Independent Offices Appropriation Act, 1949 (5 U.S.C. 118h).

(b) The cost-of-living allowances and additional compensation provided under subsection (a) of this section for any teacher shall be based on the teaching position in which he rendered services on a school-year basis, except that, if such teacher is employed in another position during any recess period between two school years, such allowances and compensation for such recess period shall be based on the position in which he is employed during such recess period.

DETERMINATIONS OF PER ANNUM SALARY RATES OF TEACHING POSITIONS FOR PURPOSES OF CLASSIFICATION ACT OF 1949

SEC. 9. For the purposes of the application of section 802(a) of the Classification Act of 1949 (5 U.S.C. 1132(a)) to any individual holding a teaching position who comes within the purview of any provision of such section 802(a), the rates of pay established for such position shall be deemed to have been increased by 20 per centum to determine the per annum salary rate of such position.

APPLICABILITY OF CERTAIN EXISTING LAW

SEC. 10. (a) The Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2061 and the following), and the Federal Employees Pay Act of 1945, as amended (5 U.S.C. 901 and the following), shall not apply to teachers and teaching positions.

(b) In the case of any teacher who—

(1) is performing services as a teacher at the close of a school year,

(2) agrees in writing to serve as a teacher for the next school year, and

(3) is employed in another position in the recess period immediately preceding such next school year, or, during such recess period, receives quarters, allowances, or additional compensation referred to in sections 7 and 8 of this Act, or both, as the case may be,

section 2 of the Act of July 31, 1894 (5 U.S.C. 62), relative to the holding of more than one office, section 6 of the Act of May 10, 1916 (5 U.S.C. 58 and 59), relative to double salaries, and any other law relating to the receipt of more than one salary or the holding of more than one office shall not apply to such teacher by reason of any such employment during a recess period or any such receipt of quarters, allowances, or additional compensation, or both, as the case may be.

(c) Notwithstanding any provision of law, employment of a teacher in the recess period between two school years in a position other than the teaching position in which he rendered service in the school year immediately preceding such recess period shall not be subject to the Federal Employees' Group Life Insurance Act of 1954 (5 U.S.C. 2091–2103) or to the Civil Service Retirement Act (5 U.S.C. 2251–2267).

SAVINGS PROVISION

SEC. 11. The enactment of this Act shall not affect—

(1) any teaching position existing immediately prior to the effective date of the regulations prescribed and issued by the Secretary of Defense under section 4 of this Act,

(2) the compensation attached to such teaching position, or

(3) any incumbent thereof, his appointment thereto, or his right to receive the compensation attached thereto,

until appropriate action is taken under section 5 of this Act.

EFFECTIVE DATES

SEC. 12. (a) This section and sections 1, 2, 4, and 11 shall become effective on the date of enactment of this Act.

(b) Sections 3, 5, 6, 7, 8, 9, and 10 shall become effective on the effective date of the regulations prescribed and issued by the Secretary of Defense under section 4 of this Act.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OVERSEAS TEACHERS PAY AND PERSONNEL PRACTICES ACT, S. 96

The purpose of this legislation is to provide a system of personnel administration for schoolteachers and certain school officers and other employees of schools operated by the Department of Defense in foreign areas similar to the system found in the majority of the public schools in the United States and the District of Columbia.

This proposed legislation recognizes and corrects deficiencies in the existing system which the Department of Defense has identified and which long have been apparent. Most of the problems that exist currently stem from the fact that teachers are employed under civil service laws designed for full-time employment rather than being geared to an academic year which runs only 9 or 10 months.

Among the major problems which result are the following:

First, there is no authority under which teachers can be paid during vacation periods.

Second, unless annual leave is available and is used for the purpose, teachers are not paid for school recess periods, such as at Thanksgiving, Christmas, and Easter.

Third, oversea differentials and allowances are discontinued during such recess periods, if the teachers are placed in a leave-without-pay status, and

Fourth, there is no authority to relate the pay of teachers to their academic backgrounds and qualifications as generally done in the United States.

The bill overcomes these problems in a fair and equitable manner. It does so without measurable cost to the Government and

should result in material improvement in morale and efficiency.

I would like to recall that public hearings were held July 14, 1958, on S. 3460, a bill identical in purpose but somewhat different in verbage. Favorable testimony was received from the Department of Defense, Civil Service Commission, and the Overseas Teachers Association. There was no adverse testimony from any source.

Subsequently, the bill was reported to the Senate and passed August 5, 1958. However, no action was taken in the House.

Following adjournment, it was my privilege to visit a large number of our schools overseas. This gave me an opportunity to learn at firsthand the need for this proposed legislation. I hope the bill will be passed by the Senate and receive early attention in the House so that necessary adjustments can be made before the start of the next academic school year in September.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RESTORATION OF ANNUITY RIGHTS—BILL PASSED OVER

The bill (S. 91) to amend the act of September 1, 1954, in order to limit to cases involving the national security, the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the operations of such act, and for other purposes, was announced as next in order.

Mr. MORTON. I ask that the bill go over, as not being calendar business. From the standpoint of the minority, there is no objection to the bill, and there is no reason why it should not be scheduled for action today or at any other date the majority leader may decide upon.

The PRESIDING OFFICER. The bill will be passed over.

DISCONTINUANCE OF CERTAIN REPORTS REQUIRED BY LAW

The Senate proceeded to consider the bill (S. 899) to provide for the discontinuance of certain reports now required by law, which had been reported from the Committee on Government Operations, with amendments, on page 8, after line 4, to strike out:

31. The annual report to Congress of the activities of, expenditures by and donations to the lignite research laboratory in North Dakota (62 Stat. 85; 30 U.S.C. 403).

At the beginning of line 8, to strike out "32" and insert "31"; at the beginning of line 12, to strike out "33" and insert "32"; at the beginning of line 19, to strike out "34" and insert "33"; at the beginning of line 24, to strike out "35" and insert "34"; on page 9, at the beginning of line 3, to strike out "36" and insert "35"; at the beginning of line 7, to strike out "37" and insert "36"; at the beginning of line 14, to strike out "38" and insert "37"; at the beginning of line 17, to strike out "39" and insert "38"; at the beginning of line 23, to strike out "40" and insert "39"; on page 10, at the beginning of line 7, to strike out "41" and insert "40"; at the beginning of line 13, to strike out "42" and insert "41"; at the beginning of line 18, to strike out "43" and insert "42"; at the beginning of line 23, to strike out "44" and insert "43"; on page 11, at the beginning of line 5, to strike out "45" and insert "44"; and, at the beginning of line 12, to strike out "46" and insert "45"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following reports or statements now required by law are hereby discontinued, and all Acts or parts of Acts herein cited as requiring the submission of such reports or statements are hereby repealed to the extent of such requirement:

REPORTS UNDER EACH EXECUTIVE DEPARTMENT AND INDEPENDENT ESTABLISHMENT

1. The annual report to the Post Office and Civil Service Committees and the Appropriations Committees of the Senate and House of Representatives of the action taken in reviewing certain positions, together with information comparing the total number of employees on the payroll on June 30 and their average grade and salary with similar information for the previous June 30 (65 Stat. 757; 5 U.S.C. 43, note).

REPORTS UNDER DEPARTMENT OF THE TREASURY, HOUSING AND HOME FINANCE AGENCY, GENERAL SERVICES ADMINISTRATION, AND SMALL BUSINESS ADMINISTRATION

2. The quarterly reports to Congress of progress in liquidating the assets and winding up the affairs of the Reconstruction Finance Corporation as required by section 106(b) of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 231; 15 U.S.C. 609, note) and by Reorganization Plan Numbered 1 of 1957.

REPORT UNDER THE DEPARTMENT OF STATE

3. The annual statement of expenditures from the contingent fund, including contingent expenses of foreign intercourse and of all the missions abroad (R.S. 209; 5 U.S.C. 164).

REPORTS UNDER THE DEPARTMENT OF TREASURY

4. The annual report to Congress of expenditures from the earnings of the Pershing Hall Memorial Fund (49 Stat. 426; 36 U.S.C. 492).

5. The inclusion in the annual report of amount expended under the Mustering-Out Payment Act of 1944 (58 Stat. 10; 38 U.S.C. 691g).

6. The semiannual report to the Congress of claims paid which became due as the result of the correction of military records of the Coast Guard (10 U.S.C. 1552(f)).

7. The annual report to the Congress of the number by rank and age group of officers of the Coast Guard above the rank of lieutenant commander who are entitled to flight pay and the average monthly flight pay for the preceding six month period (60 Stat. 20; 37 U.S.C. 118a–1).

8. The report to Congress within twenty days after receipt of a payment exceeding $3,000 due the United States in settlement of a claim for damage to property in the Coast Guard service caused by a vessel or floating object or in settlement of a claim for damage cognizable in admiralty in a district court of the United States (14 U.S.C. 647(b)).

9. Inclusion in the annual report of the Secretary of the Treasury of the amounts expended under authority of the Armed Forces Leave Act of 1946 as required by section 8 of that Act (60 Stat. 967; 37 U.S.C. 37).

REPORTS UNDER THE DEPARTMENT OF DEFENSE

10. The semiannual report to Congress by the Secretary of Defense of claims paid which became due as the result of the correction of military records (10 U.S.C. 1552(f)).

11. The semiannual report to the Committees on Armed Services of the Senate and House of Representatives of the regulations governing the length of tours of duty outside the United States by members of the Army and Air Force (10 U.S.C. 714).

12. The report of proposed participation by personnel of the Armed Forces in international amateur sports competition (69 Stat. 11; 22 U.S.C. 1982(b)).

13. The report to Congress of all projects for the establishment or development of military, naval, or air-force installations and facilities by the construction, installation, or equipment of temporary or permanent public works which have been authorized by the Congress and for which adequate funds have not been appropriated (64 Stat. 245).

14. The annual report to Congress by the Secretary of the Air Force of amounts paid or received in settlement of admiralty claims for damage, towage, and salvage and the report to the Committees on Armed Services of the Senate and House of Representatives within twenty days after paying a claim in an amount over $3,000 or after receiving payment of a claim (10 U.S.C. 9805).

15. The annual report to Congress by the Secretary of the Army of amounts paid or received in settlement of admiralty claims for damage, towage, and salvage and the report to the Committees on Armed Services of the Senate and House of Representatives within twenty days after paying a claim in an amount over $3,000 or after receiving payment of a claim (10 U.S.C. 4805).

16. The semiannual report to Congress by the Secretary of each military department of the research and development contracts made during the reporting period including specific information on each contract costing more than $50,000 (10 U.S.C. 2357).

17. The semiannual report to the Armed Services Committees of the Senate and House of Representatives by the Secretary of each military department of the exercise of authority to expend out of appropriations available for military construction amounts for public works projects not otherwise authorized by law and not exceeding $200,000 per project (70 Stat. 1016; 5 U.S.C. 171z–4).

18. The semiannual report to the Armed Services Committees of the Senate and House of Representatives by the Secretary of each military department of options procured on real estate during the reporting period (68 Stat. 560).

19. Inclusion in the annual report to Congress by each military department of the amounts expended under authority of the Armed Forces Leave Act of 1946 as required by section 8 of that Act (60 Stat. 967; 37 U.S.C. 37).

20. Inclusion in the annual report by each military department of the amounts expended under the Mustering-Out Payment Act of 1944 (58 Stat. 10; 38 U.S.C. 691g).

21. The annual report to Congress by the Secretary of the Navy of amounts paid or received in settlement of admiralty claims for damage, towage and salvage and the report to the Committees on Armed Services of the Senate and the House of Representatives within 20 days after paying a claim in an amount over $3,000 or after receiving payment of a claim (10 U.S.C. 7624).

22. The annual report to Congress by the Secretary of the Navy of all vessels used for experimental purposes which have been stricken from the Naval Vessel Register (10 U.S.C. 7306(b)).

23. The annual report to Congress by the Secretary of the Navy of the appropriations

for the Navy Department showing the amount appropriated, amount spent, the amount remaining unspent and estimate of probable demands (10 U.S.C. 7217).

24. The report to Congress by the Secretary of the Navy not less frequently than once every six months of all land acquired for the construction of ships or the production of ordnance material for ships to be constructed (56 Stat. 53).

25. The report every six months by the Secretary of the Army of the amount of dairy products acquired from the Commodity Credit Corporation and used to provide additional butter and cheese and other dairy products as a part of the ration of the Army, Navy, or Air Force and in hospitals under the jurisdiction of the Department of Defense (68 Stat. 900; 7 U.S.C. 1446a(b)).

REPORTS UNDER THE POST OFFICE DEPARTMENT

26. The inclusion in the annual report of operations of the postal savings system of the names of post offices receiving deposits, the number of depositors in each and the amount on deposit (36 Stat. 814; 39 U.S.C. 751).

27. The annual report by the Postmaster General of the number of articles bearing penalty indicia procured or accounted for through him by each executive department and agency, by each independent establishment and by each organization and person authorized by law to use the penalty privilege (62 Stat. 1048; 39 U.S.C. 321j).

REPORTS UNDER THE DEPARTMENT OF THE INTERIOR

28. The report to Congress of the action of the Secretary of the Interior to reserve lands within any Indian reservation valuable for power or reservoir sites or irrigation projects (36 Stat. 858; 43 U.S.C. 148).

29. The report to Congress of all withdrawals of public lands of the United States from settlement, location, sale, or entry (36 Stat. 848; 43 U.S.C. 143).

30. The annual report to Congress of any contract or contracts made under the provisions of the Act of June 4, 1936, and moneys expended thereunder (49 Stat. 1458; 25 U.S.C. 455).

31. The report to Congress of investigations made to determine the effects of domestic sewage, mine, petroleum, and industrial wastes, erosion silt, and other polluting substances on wildlife (60 Stat. 1080; 16 U.S.C. 665).

32. The annual report to the Appropriations Committees of the Senate and House of Representatives justifying and showing all investments and expenditures made or proposed out of the Colorado River dam fund for the joint use of the project and of other Federal activities at or near Boulder City (62 Stat. 1130; 63 Stat. 784; 43 U.S.C. 618p).

REPORTS UNDER THE DEPARTMENT OF COMMERCE

33. The annual report to Congress covering the progress made in classfying the highways into groups composed of roads of similar service importance (54 Stat. 871; 23 U.S.C. 20a).

REPORTS UNDER THE DEPARTMENT OF AGRICULTURE

34. The annual report to Congress of activities relating to the Puerto Rico hurricane relief loans (45 Stat. 1067; 70 Stat. 525).

35. The monthly report to Congress with respect to the activities carried on under the authority for cooperation with Mexico in control and eradication of foot-and-mouth disease and rinderpest (61 Stat. 8; 21 U.S.C. 114d).

36. Inclusion, in the annual report of the Secretary on the operations of the Commodity Credit Corporation to dispose of all stock of agricultural commodities held by it, of a detailed program for the expansion of markets for surplus agricultural commodities held by it, of a detailed program for the expansion of markets for surplus agricultural commodities through marketing and utilization research and improvement of marketing facilities (70 Stat. 198; 7 U.S.C. 1851(b)).

37. The report of the estimates of national farm housing needs and of progress made toward meeting such needs (63 Stat. 435; 42 U.S.C. 1476(b)).

38. The annual report to Congress of the receipts, expenditures, and results of the cooperative agricultural extension work in all States receiving such benefits and as to whether the appropriation of any State has been withheld and if so the reasons therefor (38 Stat. 374; 67 Stat. 85; 7 U.S.C. 347).

39. The annual report to Congress of the receipts and expenditures and work of the agricultural experiment stations in all States and whether any portion of the appropriation available for allotment to any State has been withheld and if so the reasons therefor (69 Stat. 673; 7 U.S.C. 361g).

REPORT UNDER THE SMITHSONIAN INSTITUTION

40. The annual communication to Congress of the report of the National Yeomen F or of such portions of such report as the Secretary of the Smithsonian Institution may deem of national interest and importance (49 Stat. 1506; 36 U.S.C. 139b).

REPORT UNDER THE VETERANS' ADMINISTRATION

41. The monthly report of the amount of dairy products used in Veterans' Administration hospitals which was acquired from the Commodity Credit Corporation (68 Stat. 900; 7 U.S.C. 1446a(a)).

REPORT UNDER THE GENERAL SERVICES ADMINISTRATION

42. The annual report to Congress of activities under the Abaca Production Act of 1950 (64 Stat. 437; 50 U.S.C. 546).

REPORT UNDER THE FEDERAL COMMUNICATIONS COMMISSION

43. Inclusion in the annual report of information regarding each new employee, including biographical data and experience, Commission positions held and compensation paid, together with the names of employees leaving the employ of the Commission (66 Stat. 712; 47 U.S.C. 154(k)).

REPORT UNDER THE NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

44. Inclusion in the annual report to Congress on civilian positions established for professional and scientific services of a description of the qualifications of each incumbent together with a statement of functions performed by him (63 Stat. 411; 50 U.S.C. 159).

REPORTS AS TO RESTORATION OF UNOBLIGATED BALANCES OF APPROPRIATIONS

45. Reports transmitted to the President of the Senate and the Speaker of the House of Representatives as to the amount of each appropriation balance which is restored to an appropriation account upon a determination by the head of the agency concerned of necessity therefor under section 1(a)(2) of the Act of July 25, 1956 (70 Stat. 648; 31 U.S.C. 701).

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITION OF CERTAIN PUBLIC LANDS TO THE SUMMIT LAKE INDIAN RESERVATION, NEV.

The bill (S. 1217) to add certain public domain lands in Nevada to the Summit Lake Indian Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the southeast quarter northeast quarter, northeast quarter southeast quarter section 20, township 42 north, range 26 east, Mount Diablo meridian, Nevada, situated within the exterior boundaries of the Summit Lake Indian Reservation, Humboldt County, Nevada, containing 80 acres, are hereby withdrawn from the public domain, subject to any valid existing rights heretofore initiated under the public land laws, and added to and made a part of the Summit Lake Indian Reservation.

USE OF REVOLVING LOAN FUND TO ASSIST KLAMATH INDIANS

The bill (S. 1242) to authorize the use of the revolving fund for Indians to assist Klamath Indians during the period for terminating Federal supervision was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to make loans, without interest, from the revolving fund authorized by the Acts of June 18, 1934 (48 Stat. 986; 25 U.S.C. 470), and June 26, 1936 (49 Stat. 1968; 25 U.S.C. 506), as amended and supplemented, to members of the Klamath Tribe of Indians who elected to withdraw from the tribe pursuant to the Act of August 13, 1954 (68 Stat. 718; 25 U.S.C. 564), as amended, regardless of the degree of Indian blood of the borrower, and to collect such loans by setoff against funds payable to the borrower pursuant to said Act of August 13, 1954, as amended. The Secretary is also authorized to refinance from such revolving fund any loan made by a lending agency to a withdrawing Klamath Indian that is secured by encumbrance of his beneficial interest in tribal property with the approval of the Secretary as required by section 4 of said 1954 Act, and to include therein a nonreimbursable grant equal to the interest charges incurred by the borrower prior to such refinancing. In the event adequate funds are not available from the revolving fund to refinance a loan by such lending agancy, the Secretary is authorized to pay from the revolving fund, without reimbursement, the interest charged on such loan.

DONATION OF CERTAIN FEDERAL PROPERTY TO THE PUEBLO OF ISLETA, N. MEX.

The bill (S. 1271) to donate to the pueblo of Isleta certain Federal property in the State of New Mexico was announced as next in order.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement showing that this bill is consistent with the Morse formula.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

S. 1271 authorizes that all of the rights, title, and interest of the United States in 1.34 acres of land within the Isleta Indian Pueblo, together with improvements, be conveyed without consideration to the Isleta Indian Pueblo.

The land was acquired by the Government by eminent domain for school use. The pueblo children now attend public schools

and the property has been declared surplus by the Bureau of Indian Affairs. The Isleta Indians propose to use the buildings for a community meeting place.

The land in question and the buildings thereon can be used to best advantage only by the Indians. The principal value of the property is its use for purposes of a meeting house in which the Indians can conduct tribal business and engage in recreational activities.

These Indians are wards of the Federal Government; the property lies wholly within the confines of the pueblo; there is an obvious Federal interest to be served by the proposed conveyance. For these reasons the legislation authorizing the transfer in this case is not in conflict with the Morse amendment.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1271) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the land described below, together with the buildings and improvements thereon, is hereby declared to be held in trust for the pueblo of Isleta, New Mexico: A tract of land within section 31, township 8 north, range 3 east, New Mexico principal meridian, more particularly described as follows: Beginning at a point which bears north 17 degrees 20 minutes east, 171 feet from the point where the northeast corner of the Antonio Gutierrez and Joaquin Sedillo grant and the northwest corner of the Lo de Padilla grant touch the Government corner on the south line of the Isleta Pueblo grant; thence west 180 feet; thence north 325 feet; thence east 180 feet; thence south 325 feet to the point of beginning, containing 1 34/100 acres, more or less, and located within the exterior boundaries of the pueblo of Isleta in the State of New Mexico.

CONVEYANCE OF CERTAIN PROPERTY TO THE PUEBLO OF SANTO DOMINGO, N. MEX.

The bill (S. 418) directing the Secretary of the Interior to convey certain property in the State of New Mexico to the pueblo of Santo Domingo was announced as next in order.

Mr. ANDERSON. Mr. President, on April 8, 1959, the House passed, and sent to the Senate, House bill 2493, which contains language identical to that of Senate bill 418, except that the wording of the title of the Senate bill is slightly different from that of the bill which has been passed by the House.

Therefore, I move that the Senate proceed to the consideration of House bill 2493.

The motion was agreed to and the Senate proceeded to consider the bill (H.R. 2493) declaring certain property in the State of New Mexico to be held in trust for the pueblo of Santo Domingo, which was read the first time by its title and the second time at length, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the land described below, together with the buildings and improvements thereon, are hereby declared to be held in trust for the pueblo of Santo Domingo, New Mexico, subject to the right of the United States to occupy and use for so long as they are needed for providing health services a parcel of approximately 0.10 acre of land and the buildings and improvements thereon that are now occupied and used by the Public Health Service, and the Public Health Service, upon termination of its use of such 0.10 acre parcel, may remove the temporary building occupied by it without obligation to restore the site to its former condition: Commencing at a point 342 feet from the southeast corner of the church in the Santo Domingo Pueblo, on a line running north 52 degrees 45 minutes west, thence running 443 feet south 63 degrees east, thence north 400 feet 47 degrees 49 minutes east, thence north 470 feet 52 degrees 45 minutes west, thence south 474 feet 42 degrees west to the point of beginning containing, 4.45 acres, more or less.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum showing that the bill is consistent with the Morse formula.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

S. 418 is similar to legislation passed by the Senate last year authorizing the conveyance of approximately 4.45 acres of land, together with improvements to the Pueblo of Santo Domingo all rights, title, and interest of the United States. A portion of the property would be reserved, under the terms of the bill, for the use of the Public Health Service as long as it is needed for providing health services.

The land was originally owned by the pueblo and was acquired by the United States through condemnation proceedings for use as a day school site in 1911. The pueblo wishes to acquire the property for use as a community center. The property is surplus to the needs of the Department of Interior and is not needed by any other Government agency except for the small parcel occupied by the Public Health Service. The pueblo has agreed to assume full responsibility for the maintenance of the property conveyed, which would relieve the Government of that expense.

The Indians are wards of the Federal Government and the United States has an important interest in their welfare.

The land and buildings to be conveyed are located entirely within the pueblo and can be used to best advantage only by the Indians.

Because of the benefits received by the United States through the promotion of the interests of the Indians, the proposed conveyance is not in violation of the Morse Formula.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 2493) was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 418 is indefinitely postponed.

REGULATION OF HANDLING STUDENT FUNDS IN INDIAN SCHOOLS

The Senate proceeded to consider the bill (H.R. 3648) to regulate the handling of student funds in Indian schools operated by the Bureau of Indians Affairs, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, in line 7, after the word "Affairs", to insert "in accordance with the purposes of such deposits", and, in line 8, after the word "deposits", to insert "and disbursements".

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

AUTHORIZATION OF APPROPRIATION FOR III PAN AMERICAN GAMES

The bill (H.R. 2575) to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American games to be held in Chicago, Ill., was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HART. By request, I ask that the bill go over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

Mr. DOUGLAS. Mr. President, will the Senator from Michigan expand on the objection to the bill?

Mr. HART. We were asked to object when the bill was reached on the calendar call. Whether the desire is for further information or because of a feeling that there is objection to the substance of the proposals contained in the bill, I have no knowledge.

Mr. DOUGLAS. Mr. President, this measure is important. The Pan American games are scheduled for the final week of August and the first 2 days of September. The authorization of this appropriation will be necessary in order to be able to obtain the attendance of athletes from the Latin American countries. It is the intent that from $200,000 to $300,000 of the appropriation shall be used to reimburse the Armed Forces for transporting the athletes from the Latin American republics to Chicago.

The Latin American countries will pay $3 a day for the maintenance of the athletes while in Chicago; but the city of Chicago wishes to add $5 a day to that sum, in order to meet the minimum cost of maintenance.

These amounts are to be expended on voucher, so that only the amounts actually expended will be disbursed. No money will go to the city of Chicago.

Although there may be some question whether the Olympic games promote international friendship, it seems to me there should be no question but that the Pan American games do promote friendship.

So I hope the objection, which may come from the distinguished senior Senator from Ohio [Mr. LAUSCHE], will not be permanent.

For the sake of the RECORD, and for the information of Senators, I may say that this measure is not comparable to the proposal of 2 years ago that the city of

Cleveland be appropriated the sum of $5 million for the Pan American games. The Senator from Ohio very properly objected to that. I think the sum was excessive, and a part of it was to have been used to construct a new stadium in the city of Cleveland.

The city of Chicago will, however, furnish all the facilities for the games and is raising a large sum of money in addition for them. It is merely asking some financial assistance in bringing the athletes to Chicago and in having them maintained while they are there.

Time is of the essence in connection with this whole matter. If we delay much longer, and if objections continue to be raised to this authorization, it will be impossible to bring the athletes from Latin America, and in all probability the Latin American games will fall through.

I wanted to make this statement in order to have the RECORD show with a greater degree of clarity than it now does what is involved in this matter.

I thank the Senator from Michigan for the courtesy with which he has handled this matter.

Mr. HART. Mr. President, I scarcely need assure the Senator from Illinois that his views and suggestions, particularly that a time factor is involved, will be brought to the attention of the policy committee.

Mr. MORSE. Mr. President, I wish to make a brief statement on this matter, in support of the position taken by the Senator from Illinois [Mr. DOUGLAS].

I heard the two Senators from Illinois [Mr. DOUGLAS and Mr. DIRKSEN] present their case on the bill before the Foreign Relations Committee, of which I am a member. I also heard the distinguished Senator from Ohio [Mr. LAUSCHE] speak in the committee in opposition to the bill.

So far as I know, the only vote in the committee against the bill was that of the Senator from Ohio.

I think the bill is a very meritorious one; and I should like to join the Senator from Illinois in urging on the leadership that the bill be scheduled for consideration at as early a date as possible, by bringing it up by motion, for two reasons: Not only is time of the essence, as the Senator from Illinois pointed out; but let me say, as chairman of the Latin American Subcommittee of the Senate Committee on Foreign Relations, that all of us are aware how easy it is, apparently, in Latin America for some actions taken in the United States either to be misunderstood or to be misrepresented. Feelings there are sensitive. I believe it will be difficult to explain to Latin America why there is further delay in making final arrangements in regard to the Pan American games. I believe it to be in the interest of good relations with Latin America that we decide this matter one way or the other at a very early date.

Therefore, I strongly recommend that the leadership schedule the bill, by motion, for early consideration and action.

Mr. ALLOTT. Mr. President, will the Senator from Illinois yield to me?

Mr. DOUGLAS. I yield.

Mr. ALLOTT. Mr. President, let me inquire whether I correctly understood the Senator from Illinois to say that a part of the personnel involved would be transported from Latin America by military planes.

Mr. DOUGLAS. Yes; and reimbursement would be made by the Government. This is not a matter of trying to use the planes surreptitiously.

Mr. ALLOTT. I wish to be sure, because last week the Senator was very vociferous in speaking on this subject on the floor. I wish to be sure that he considers it would be proper for the military to transport these persons, and to have the Congress appropriate funds to reimburse the military.

Mr. DOUGLAS. With regard to Congress making that decision, I think it proper for Congress to act in that way.

I was objecting last week to the unauthorized action, on very dubious legislative grounds, whereby the Air Force flew approximately 1,400 civilians to a display of airpower in Florida, and incurred total expenses probably in excess of half a million dollars. The two matters are quite different.

Mr. ALLOTT. I am very happy the Senator from Illinois has set forth the ground rules, because I agree, in part, with what he said in regard to military transportation.

I should like to say that I cannot think of anything which will help promote general good relations with Latin America more than will the taking of action to provide for these games. So I hope the Senate will act on this bill with all expediency. I was merely twitting my friend from Illinois a little bit for his statement of last week.

Mr. DOUGLAS. I recognize the insertion of the needle. If my good friend from Colorado, however, wishes to introduce a joint resolution authorizing the Air Force to take thousands of civilians to air shows at the expense of the Federal Treasury, I shall be glad to give such a measure very careful consideration.

Mr. ALLOTT. Why does not the Senator from Illinois introduce such a resolution himself? He has the same right as I have to introduce proposed legislation on the floor of the Senate.

Mr. DOUGLAS. I happen to believe that what I referred to would not be a useful expenditure of Federal funds.

Mr. ALLOTT. Does the Senator want it to appear that I believe it would be?

Mr. DOUGLAS. No.

Mr. ANDERSON. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. ANDERSON. I express my thanks to the Senator from Oregon. I hope he will speak to the leadership, so that this measure will be brought up promptly before the Senate. I think there are two fields whereby we can promote our international relationships. One is the field of singing and the other is the field of sports. Music is a universal language. So is sports competition. This bill will enable us to improve our relations in areas where improvement is needed and where our relationships are being watched very carefully.

Mr. DOUGLAS. I have some doubt as to whether games participated in by the big powers promote international relationships. They frequently arouse excessive competition and hostility. I am referring to the International Olympic games. So far as the Pan American games are concerned, they are in a different category. They will involve smaller powers and stimulate an interest in sports and create friendships.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. DIRKSEN. When this measure was before the Foreign Relations Committee both the senior Senator from Illinois and I appeared. I was chaffed a little for having taken unto myself the role of a sort of watchdog of the budget, while in this instance I was casting myself in the role of spender. My answer was short. First, I cleared the matter with the Department, and found it had the Department's approval. Second, I cleared it with the Director of the Budget, to make sure it had Budget approval. It had such approval.

The distinguished Senator from Ohio [Mr. LAUSCHE] at that time raised the question of the possibility of what might happen to unexpended funds. As a result, a provision was written into the bill that the unexpended funds should be returned to the Treasury. I thought every objection in the committee was satisfied.

If there is objection on the part of a Senator who is not in the Chamber, while the members of the Calendar Committee must respect the objection, I earnestly share the hope that the bill may be brought before the Senate by motion before the day is over.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIFORNIA

The bill (S. 44) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, was announced as next in order.

Mr. MORTON. Let the bill go over.

The PRESIDING OFFICER. Objection is heard. The bill will be passed over.

Mr. ANDERSON. Mr. President, I realize that Calendar No. 141, S. 44, and Calendar No. 142, S. 72, relating to the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project, are not measures which should be considered on a call of the calendar; but I express the hope that the leadership will bring them up quickly. The senior Senator from California [Mr. KUCHEL] has been most vigorous in respect to Senate bill 44, as has the junior Senator from California [Mr. ENGLE]. Nothing would please me better than to see the bill passed, but it shoud not be passed on a call of the consent calendar. I quite agree that Calendar Nos. 131 and 142 should go over, but I hope these bills may be called up at an early date, after notice to the Senate.

Mr. MORSE. Mr. President, speaking to these two bills, and calling the attention of the Senator from California to these remarks, I express the hope that the bills will be taken up by motion. I

hope, however, we shall be given a few days notice, for the very selfish reason that I am in the midst of trying to complete a study of all the implications of these bills, following which I hope to consult the two Senators from California, because it might be possible to reach a complete mutual understanding with regard to S. 44. But at least I should like to have the favor extended to me, and to some other Members of the Senate who are interested in it, of being given a little time to complete our study. Frankly, we have two authorities in this field in California working with us. We have been corresponding with them about it. We are interested merely in getting all the facts. Perhaps we can come to a mutual understanding. I think that in 10 days we will be ready to have action taken on the bill.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MORSE. Yes. I have concluded.

Mr. KUCHEL. I see my able colleague from California [Mr. ENGLE] is present. Let me say, without having consulted him, that I am sure he and I both would not want even to attempt to have the bill scheduled for consideration if our colleague from Oregon or any other Senator wanted time to study it. But I should like to say for the record, that this bill is almost word for word the same bill which passed the Senate a year ago, as the Senator from Oregon may recall, and on which we had a rather detailed colloquy. It is a bill which has been reported unanimously by the Senate Committee on Interior and Insular Affairs, as my colleague from New Mexico [Mr. ANDERSON] has suggested. I sincerely hope it may be given prompt consideration by the Senate, so that the House of Representatives may then proceed to dispose of it one way or the other.

On that basis, if my able colleague, the now acting majority leader [Mr. ENGLE], would indicate agreement, I shall have no objection to having the bill go over until sometime next week.

Mr. ENGLE. Mr. President, the bill has gone over. I understand the distinguished Senator from Oregon requested 10 days. Is that correct?

Mr. MORSE. I think we need about 10 days.

Mr. ENGLE. We hope it will not take too long, but, insofar as consulting with the Senator is concerned, a satisfactory day will be arrived at after consultation with the Senator from New Mexico and the majority leader.

COMMISSION ON UNEMPLOYMENT PROBLEMS

Mr. JOHNSON of Texas. Mr. President, there is at the desk and also before the Committee on Labor and Public Welfare a bill relating to the establishment of a Commission on Unemployment Problems. The Senator from Alabama [Mr. HILL], the chairman of the Committee on Labor and Public Welfare, and the Senator from Arizona [Mr. GOLDWATER], the ranking minority member, are present.

Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from the further consideration of S. 1631, and that the Senate proceed to its consideration.

I have a brief statement I desire to make in this regard.

The PRESIDING OFFICER (Mr. HARTKE in the chair). The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1631) to provide for the establishment of a Commission on Unemployment Problems.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none; and the Committee on Labor and Public Welfare is discharged from the further consideration of the bill. Is there objection to its present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I am asking that this bill be brought up today because there is a time factor of great urgency.

This bill seeks to bring before the Congress and the public at the earliest possible moment the facts of unemployment. And since we must act upon those facts, there should be as little delay as possible in bringing them forth.

We all know the statistics. They have been published in the newspapers and have dominated many of the headlines of the past week.

But statistics in this instance do not convey a true picture. They merely provide material for academic arguments on economic forces. And people who are out of work do not want academic arguments—they want jobs.

This bill has registered broad and bipartisan support in this Senate. The people who are out of work are both Democrats and Republicans. I believe Members of both parties in this chamber want to act.

In that spirit, the Commission that would be created by this resolution would be drawn both from industry and labor.

The bill would direct the Commission members to go to the centers of abnormal unemployment. They would be asked to weigh and feel the conditions that pervade those areas.

And then they would be asked to come back here in 60 days with recommendations for action.

Personally, I do not regard this Commission as merely another "study group." I look upon it as a prelude to action. It is a necessary prelude because of the peculiar nature of the unemployment problem which confronts our country.

To the great majority of Americans, these are good times. Unemployment is concentrated in certain areas. It does not run through every region of the land.

But to 4½ million of our fellow countrymen, it is a deep, personal tragedy. It means living below levels of decency and self-respect; facing every morning families which cannot be supported adequately; finding self-confidence slipping away.

These people do not take comfort from statistics which show that a small number of their companions in misery have finally found jobs. Statistics have never yet been able to feed a family and put clothes on their backs.

Men and women who are out of work cannot wait. This resolution is not a 60-day moratorium on legislative action. It is an effort to bring the facts to public attention and to find out what further steps we can take.

Mr. President, so long as there is one American able and willing to work but unable to find a job, that is one too many It is a matter of the deepest public concern.

If we act now, I have hopes that all the necessary legislative action can be completed early. And I think we must do everything we can to clear the decks.

I hope this bill can be adopted as evidence of our united determination that 4½-million Americans will not become 4½-million forgotten men and women.

Mr. President, I have discussed this matter with the minority leader, who is a sponsor, with a majority of the Members of the Committee on Labor and Public Welfare, and with the distinguished chairman of that committee. I am informed that if the Senate can take action today perhaps action can be obtained in the other body at an early date.

Mr. DIRKSEN rose.

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, first because of the number of sponsors, and, second, because in the eyes of the public this measure is very important, I have no objection to the immediate consideration of the bill. I know, of course, that by so doing we shall bypass the committee. Under the circumstances, since the proposal is for a fact-finding body, and in view of the fact that in my discussions with the majority leader he was agreeable to some amendatory language in the bill, I have no objection to the immediate consideration of the bill.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. WILEY. As I heard the statement, I understand what is proposed is virtually that the Commission shall go to the centers of unemployment to hold what we might call a clinic to ascertain some of the answers to the problem. Is there also imposed upon the Commission a duty of making recommendations, in case vast sums of money are necessary, to increase taxes in certain directions?

Mr. JOHNSON of Texas. No. The bill does not anticipate what the recommendations will be. If the recommendations contemplate vastly increased sums of money, we would naturally face that problem when the recommendations are submitted.

The bill provides:

> The Commission shall make a full and complete investigation and study of unemployment conditions in the United States, giving particular consideration to areas of critical unemployment, for the purpose of determining what can be done to alleviate such conditions.

Specifically I should say this refers to areas such as West Virginia, Kentucky, Pennsylvania, and perhaps Detroit and

some other areas I have not named. But those mentioned are some of the most critical unemployment areas.

This study would be for the purpose of determining what can or should be done to alleviate unemployment conditions. I do not seek to anticipate the findings. Instead of having a dozen groups holding hearings, I should like to have one expert group, made up of members appointed by the legislative and executive branches of the Government.

The Commission is called upon to submit, within 60 days after the date of its appointment, findings and recommendations to the President, and the President in turn will transmit those recommendations to the Congress.

Mr. WILEY. They would not be precluded from making recommendations?

Mr. JOHNSON of Texas. Not at all.

Mr. WILEY. With respect to ascertaining additional sources of revenue to take care of these situations.

Mr. JOHNSON of Texas. No.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I offer an amendment to strike out section 2(a) and to substitute the provision which I ask to have stated.

The PRESIDING OFFICER. This amendment will be stated for the information of the Senate.

The CHIEF CLERK. It is proposed to strike out section 2(a) and to insert in lieu thereof the following.

SEC. 2. (a) The Commission shall be composed of eleven members as follows:

(1) Three appointed by the Speaker of the House of Representatives;

(2) Three appointed by the President of the Senate; and

(3) Five appointed by the President of the United States, not more than two of whom shall be appointed from either agriculture, labor or industry and not more than three of whom shall come from either political party.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1631) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF THE COMMISSION

SECTION 1. There is hereby established a commission to be known as the Commission on Unemployment Problems (hereinafter referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 2. (a) The Commission shall be composed of eleven members as follows:

(1) Three appointed by the Speaker of the House of Representatives;

(2) Three appointed by the President of the Senate; and

(3) Five appointed by the President of the United States, not more than two of whom shall be appointed from either agriculture, labor, or industry and not more than three of whom shall come from either political party.

(b) The members of the Commission shall select a Chairman and a Vice Chairman.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Six members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. sec. 99).

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall make a full and complete investigation and study of unemployment conditions in the United States, giving particular consideration to areas of critical unemployment for the purpose of determining what can be done to alleviate such conditions.

(b) The Commission shall submit, within sixty days after the date on which all appointments to the Commission as provided for in this Act have been made, its findings and recommendations to the President for transmittal to the Congress.

(c) The Commission shall cease to exist thirty days after submission to the President of its report and recommendations.

POWERS OF THE COMMISSION

SEC. 4. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C., secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this Act; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman, or the Vice Chairman when acting as Chairman.

APPROPRIATIONS, EXPENSES, AND PERSONNEL

SEC. 5. (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

(b) Each member of the Commission shall receive $50 per diem when engaged in the performance of duties vested in the Commission, except that no compensation shall be paid by the United States, by reason of service as a member, to any member who is receiving other compensation from the Federal Government, or to any member who is receiving compensation from any State or local government.

(c) Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(d) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(e) The Commission may procure, by contract or otherwise, the services of public or private organizations or institutions.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HILL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama [Mr. HILL] to lay on the table the motion of the Senator from Texas [Mr. JOHNSON] to reconsider.

The motion to reconsider was laid on the table.

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent that S. 1631 as passed be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL JUDGES FOR JUVENILE COURT OF THE DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 105, Senate bill 1456.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1456) to provide for the appointment of two additional judges for the Juvenile Court of the District of Columbia.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas.

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. I thank my friend, the Senator from Arizona [Mr. GOLDWATER] for his courtesy.

THE PROBLEM OF UNEMPLOYMENT

Mr. GOLDWATER. Mr. President, during the past several months the subject of unemployment has been brought to the attention of Congress very forcefully. I think I can safely say that no Member of this body, no Member of the other House, and no American citizen, is pleased that there is unemployment to any extent, whether it be a fraction of 1 percent, 5 percent, or 10 percent. There are, however, two schools of thought, as to how to approach the unemployment problem. It is to this I wish to direct my remarks this afternoon.

During the present week there has been a so-called march on Washington by unemployed persons from various sections of the country in an attempt to bring the unemployed situation to the

attention of Congress, although I believe all Members of Congress were aware of the situation before the move on Washington was undertaken.

Mr. President, to me this shows very clearly that Federal spending defeats its own ends. I should like briefly to develop that subject.

In 1944 the then President of the United States suggested to Congress what he called an "economic bill of rights." I should like to read the 8 points:

1. The right to a useful and remunerative job in the industries or shops or mines of the nation.
2. The right to earn enough to provide adequate food and clothing and recreation.
3. The right of every farmer to raise and sell his products at a return which will give him and his family a decent living.
4. The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad.
5. The right of every family to a decent home.
6. The right to adequate medical care and the opportunity to achieve and enjoy good health.
7. The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment.
8. The right to a good education.

The then President announced his economic bill of rights back in 1944. That was about 15 years ago. It was implemented, to some extent, by the Full Employment Act of 1946.

In the 15 years since the first proclamation of the Government's interest in a bill of rights, we have spent untold billions of dollars in this field, in an effort to put the Federal Government in the business of providing such rights.

I do not believe there is an American living who would disagree with any of the eight points I have enumerated, which the then President Roosevelt raised as being a part of the economic bill of rights. I do not think any American can disagree with any point.

But trouble and disagreement begin at the point at which the Federal Government sets itself up to provide these economic rights for the people. It is in this field that we find the current split between the two parties, and between liberals and conservatives, as to the best way to avoid unemployment, the best way to insure full employment, and a growing economy.

Let us take a look at what has happened to the economic bill of rights. To provide the machinery by which these rights are guaranteed by the Government requires a larger government. Bit by bit, slowly but surely, we have added to the Federal bureaucracy in the past 15 years to such a point that Federal spending in this field is now defeating its own end.

As we centralize our Government more and more in order to take care of real or fancied needs, we require higher and higher budgets, because we cannot operate an expanding Government on small budgets. They must be higher. Our budgets have been out of balance, with the exception of a few years, since 1932. We can discount the war years, because I do not think anyone can dispute the fact that in war we must spend whatever may be necessary for victory.

But, to my mind there is no reason for the continuation of high, out-of-balance budgets during peace times and times of plenty. However, high budgets are needed to operate a centralized government or a large bureaucratic government; and if we have high budgets, it follows that we must have high taxes. Some persons suggest that taxes should be higher in order to protect the integrity of the dollar, and in order that we may be able to balance the budget.

As we engage in deficit spending, caused by spending money which we do not have, added to high taxes, I personally feel that we are producing one of the greatest incitements to inflation.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. GOLDWATER. I am happy to yield to my distinguished friend from Wyoming.

Mr. O'MAHONEY. Am I to understand from what the Senator is now saying that it is his contention that the budgets have been put out of balance, and deficits have been created, by appropriations which have been made by Congress, with or without the recommendation of the Bureau of the Budget, for the so-called economic rights which were listed in the categories quoted by the Senator?

Mr. GOLDWATER. If the Senator will bear with me, I think he will get the answer to his question. I shall try to give it to him as quickly as I can, even before I reach it in my notes.

I do not contend that spending for these items alone has created an unbalanced budget. I contend that the centralization of government in Washington, the moving of the prerogatives of government from the States to Washington, and taking on the operation of the economic bill of rights in varying degrees, have added to the cost of operating the Government. My contention is, as the Senator will see, that high taxes and inflation are in themselves destructive of the very bill of rights which the President proclaimed in 1944.

Mr. O'MAHONEY. Upon the basis of the present budget, which was submitted by the President in January of this year, I point out to the Senator from Arizona that at least $60 billion of the total proposed expenditure of about $72 billion is related to war and preparation for war, and interest upon the national debt.

The President's estimate for expenditures by the Federal Government for national defense—I am now speaking from memory—amounts to approximately $42 billion. The amount of the President's estimate for expenditure for interest on the national debt exceeds $8 billion. That makes a total of $50 billion.

If we add to that amount the expenditure for veterans' benefits and necessary payments which were authorized by the Congress unanimously years ago, we have another $5 billion; and so it goes. The budget expenditure, in the abnormal times in which we live, is not for the economic objectives of the Full Employment Act, nor for the economic objectives of the economic bill of rights, which the Senator from Arizona has quoted from a former President.

Mr. GOLDWATER. If the Senator will be kind enough to listen to my arguments, I think he will find that I am not attributing the unbalanced budget to this factor alone. However, I do not, as some of my colleagues seem to do, accept the argument that this budget, or any budget, cannot be balanced. I am not attributing our woes to this budget. What I am trying to make plain to my colleagues is that we are destroying the right of Americans to the economic bill of rights by continually saying, in effect, that we cannot balance the budget, that we cannot attack deficit spending, and that we cannot reduce taxes.

I agree with everything the Senator has said in relation to the budget. The military budget represents a large portion of our expenditures. There is a set figure of approximately $8 billion for interest. There is a set amount for veterans' benefits. But I remind the Senator that we are constantly voting more and more Federal aid for various projects. We are not saying to ourselves, "We cannot afford this. Let us wait until we can afford it, or let us allow the States to do it when they can." In most cases they can.

The substance of my argument is that we are denying people employment. We are denying these economic rights by reason of the continuation of the philosophy that the Government can spend the country into good times, and prevent a depression. That is the meat of my argument.

Mr. O'MAHONEY. Let me say to the Senator from Arizona that I have great admiration for his ability, having served with him on the Committee on Interior and Insular Affairs for several years.

I know the sincerity with which he pursues his argument and I shall remain in the Chamber and listen to the development of his argument without further interruption, except to say—and this may be explanatory of the situation, which both he and I know to exist—that there is an expansion of the Federal Government. I say to the Senator from Arizona and to my other colleagues in the Senate, that we cannot meet the challenge of these times, which is the defense of free government against political and economic totalitarianism, by attempting to turn the legislative authority back to the States. We are expanding the Government of the United States for one reason, and for one reason only, namely, that big business and the concentration of economic power has proceeded to such degree that great concentrated economic power dominates the economic scene in the United States, and only the Federal Government can legislate in the field of interstate and foreign commerce, and create bureaus which expand the Government no matter what administration may be in power.

We began with the creation of the Interstate Commerce Commission, when Congress and the executive were divided, as they are divided now, between the parties. The creation of the Interstate

Commerce Commission, to regulate railroad transportation, was practically a unanimous decree of Congress and the President. Year after year we have created new bureaus when transportation and communication became more national in scope and beyond the ability of the jurisdiction of the States to regulate.

I thank the Senator from Arizona for permitting the interruption.

Mr. GOLDWATER. I thank the Senator from Wyoming, for whom I have great respect. I hope I will be able in my argument to point out that today this is one of the fundamental areas of difference between the liberals and the conservatives. The conservatives believe that the intent of the Constitution is as valid today as it was when it was written, and that the rights of the States should not be tampered with.

I agree with the Senator from Wyoming that under the Constitution the rights he has mentioned certainly come under the control of Congress, and that the Federal Government is charged with them under the interstate commerce clause of the Constitution. I am not arguing against that point. Neither am I arguing against the defense budget, for I believe we are getting more and more from it every day because of wiser management.

Neither do I charge that the present situation is the fault of the Democrat Party or the Republican Party. I think that perhaps it is the fault of the people more than anyone else or of any group, because the people are the Government, and if the people want the things for which appropriations are made, then they will have them, and that situation will be reflected in the attitude of Congress.

I was referring to inflation, which I think is one of the major and most serious problems we must solve. I do not agree with those who say they do not know what causes inflation. In my opinion the fiscal situation of the Nation is today one of the great additives to inflation. It is caused by the fact that high taxes absorb much of the money which could be spent for the purchase of capital goods. The average small businessman cannot get into the money market, and the rates in the money market are high.

I shall not go through the various rights in their entirety, but I should like to point out what I believe the fiscal situation is doing to us. Let me cite the fact that we are going through one of the greatest periods of demand for automobiles in our history. Yet there is serious unemployment in the State of Michigan, where automobiles are manufactured. I am not laying any blame at anyone's door so far as the situation in Michigan is concerned. I believe we all understand what goes on there.

The fact is that because of high taxes the small businessman is not able to expand without joining someone else and in that way becoming big himself.

We are denying jobs to people when we say to employers, "You have to pay so much out of your gross income to the Federal Government." In that way we deny them the right to do something to prevent unemployment in many areas of the country.

The next right is the right to earn enough to provide adequate food and clothing and recreation. We all know that salaries in this country are higher than they have ever been. We also know that the relationship between the cost of living and salaries is much tighter than it has ever been heretofore. People are making twice as much money as they made 10 or 12 years ago; yet they are not living so well because of the increase in the cost of living. The cost of living is rising. This takes place under the concept that one man should have his salary increased, regardless of his ability or initiative or drive, to the same extent the salary is increased of another man who possesses these qualities. We find a union leader, for example, getting management to agree to raise wages without any increase in productivity.

The Senator from Wyoming has had much experience in this field. He knows that this is one of the problems.

I now refer to the right of the farmer to raise and sell his products at a return which will give him and his family a decent living. That is an area where we can start to make some cuts in appropriations. Here again, of course, we must not make any cuts with a meat ax. It is an area where the use of a scalpel is required, as in business. In business savings are made by turning off lights, picking up string, and turning off faucets.

Let us consider the case of the cotton farmer, for example. We have practically lost our foreign cotton market, because we cannot compete with the price of cotton grown in Mexico and in other Latin American countries. The cotton farmer cannot raise any money on the open market.

I have already discussed the difficulty of the small businessman who tries to expand in order to meet the competition of the great monopolies, and the difficulty he has in trying to obtain money. When he finds it difficult to compete with the medium- or larger-sized firm, he joins with others, probably with one of his neighbors.

I think of the small communities in my State of Arizona, where two drug stores in a town can merge in order to live and to grow. They become a monopoly in that town and are just as dangerous to the traditional concept of our business relations as are the giant combines of Detroit, Mich., and Wilmington, Del.

My argument is that we are denying to businessmen the right to trade in an atmosphere of freedom, an atmosphere free of monopolies, because monopolies are being created all over the country.

It will be only a matter of time until medium-sized businesses will not be able to compete. Then it will be only a matter of time until large businesses will not be able to compete in the money markets.

Consider the right to adequate protection from old-age fears of accidents, sickness, and unemployment. If there is another area in which inflation does more damage, I do not know what it can be.

I shall never forget that when I first went to work the Literary Digest, which was then an important publication in the United States, published an advertisement on the back page which read "Retire at $125 a Month." I went to work and paid for such an annuity. Today $125 a month does not get a person having a family far in retirement.

Every time we undertake to spend money for purposes not needed; every time we act to increase the deficit; every time we do something to unbalance the budget, we are harming the very people about whom we should be the most concerned—the retired people, those who have worked all their lives with retirement in sight, or with a retirement plan in effect. We affect every such individual and the company with which he worked, or the Government, which provided for his retirement benefits.

Such persons are not able to live on the amount on which they had planned to retire. So we are denying to the American people the right to adequate protection from the economic fears of old age, sickness, and unemployment.

I mention these few results which our actions in the Nation's Capitol have on the economic bill of rights, to show, if I can, that Federal spending is defeating its own end; that the problem of unemployment will not be solved by Federal action alone; and that a growing, expanding economy will not be provided through the action of the Federal Government alone.

I should like to read what was said by Mr. Walter Reuther in Life magazine this week. The title of the article is "Prescriptions for Curing the U.S. Economy."

This is the answer by Mr. Reuther:

A program to get America back to work requires a drastic overhauling of Federal activities. As new Federal programs create full employment and more rapid economic growth—and as some tax loopholes are closed up—the added tax revenue will easily cover the outlay.

The U.S. Government should take measures to raise consumer buying power. The President and Congress should declare that wage and salary increases, combined with a reasonably stable price level, are essential. The U.S. minimum wage should be raised from the present $1 to $1.25 an hour. The minimum wage should be extended to millions of workers in trades and services. The unemployment insurance system should increase the duration and amount of benefit payments. Social security should provide bigger benefits and medical care with easier eligibility for them. There should be a progressive reduction of the workweek. These things would put more money into the hands of more people.

The Government should also create new jobs. Defense and other Government contracts should immediately be funneled into distressed areas. Distressed areas should get loans and grants to bring in new industries, retain workers, and help workers move where jobs are. More jobs should be created by national programs to help build houses, roads, and all kinds of community facilities for education, health, recreation, civil defense, etc.

Overall, the Government should show its support for rapid economic growth by halting the tight money policy which is restrictive.

I have read Mr. Reuther's statement because it represents one side of the argument. I shall in a few moments read the answer from another gentleman, one who represents my views more completely. But in Mr. Reuther's statement we see the school of thought which holds that the Federal Government should do all the work. Yet the Federal Government has been doing it for 15 years, and we find a denial of the rights to which I have alluded; we find areas in the country where people cannot get employment; we find areas where actually depression exists in the midst of plenty. In most of those cases, though not all of them, it will be found that the troubles are political, not economic. It is quite interesting to note that among the areas of the country where people are unemployed are the so-called heavy industry areas; in other words, sections of the United States which make machinery which business would be buying if business had the money with which to buy. We find affected such cities as Muskegon, Grand Rapids, Detroit, Erie, Cleveland, Wilkes-Barre, Scranton, Utica, Rome, Troy, Schenectady, Albany, Johnstown, and Pittsburgh. Those are the cities where the tools are made which make free enterprise function.

At a time in our country's history when we are having the highest personal income and the highest gross national product—even though I do not put much faith in that statistic—we find that those areas which should be booming to the greatest extent are having the hardest time.

But when one goes out beyond the Mississippi River, in the Far West, the Rocky Mountain West, or the Middle West, he finds very little unemployment. Unemployment is concentrated in the East, where business should be booming. Something is the matter, something is wrong, when a city such as Erie is having trouble; when places like Altoona and Pittsburgh are not able to sell their products. The heavy industry areas have been hit the hardest.

I suggest that if during the past 15 years, or the years since the war—let us leave out the time of the Korean war—if the Government had been working on its budgets, if we had been watching carefully our expenditures of money at the Federal level, there would be a lower tax rate today than we now have.

The blame for the troubles in industry and the economy should fall more on the shoulders of the Federal Government than on any other level of government.

What will the result of all this be if it is carried to its ultimate? If every time there is a little economic upheaval or a slight downturn in the economy of the country, there are marches on Washinton and businessmen descending on Washington to ask for help for their particular businesses, the end result will be that the Federal Government will simply have to enter the field more and more. Small business will disappear; medium-size business will disappear. If these things happen even the corporate giants of the Nation some day will go the way of other giants in former years.

I do not like to use the word, but it has been used before: What is now happening could end in socialism in the United States. I posed this hypothetical question the other day to a group of Air Force personnel with whom I was discussing economics: What will happen if Russia continues to take our capitalistic system, and if we continue to take Russia's socialistic system? Capitalism is not compatible with communism; socialism is not compatible with our concepts of free enterprise. The question arises: Would it not be possible for the United States to become a second- or third-rate power, and Russia the top economic power, without a shot ever being fired or a bomb ever being dropped?

I am more fearful of that happening in the United States than I am of any aggression on the part of Russia or by any of her allies, or, yes, from the philosophy of communism itself.

A few days ago there was published in the Washington Post a statement which I should like to read, because I think it applies to the present situation. In my opinion it describes quite well the situation we are in as we rather blithely continue to appropriate more money than we have and spend more money than we have, thus decreasing the value of the dollar, without too much concern being expressed by the rank and file of America.

Edith Hamilton, one of the greatest classical scholars on ancient Greece, speaking about the collapse of democracy in Greece, said:

> I think it was mostly because Greece no longer cared to fight for anything. In the end the Greeks wanted security more than they wanted freedom. They wanted not to give to the state but to receive from the state. They just wanted to be comfortable.

Mr. President, I mention that as a preface to this question: Where are we going? Are we going to wind up a soft people, without the courage to say "No" to Government handouts? Are we as a people not going to realize that government cannot be beneficent without being the master, that government gives only what it previously has taken away?

Mr. President, I do not wish to be critical without offering some suggestions. But, first, I should like to read the article which was published in Life magazine next to the article by Mr. Walter Reuther. The article I am about to read was written by Mr. Charles Sligh, who, as all of us know, has for years been connected with manufacturing. His article reads as follows:

> Abnormally high unemployment during a time when overall business activity is surging to new levels is largely due to the fact that wage rates in many industries have been outracing improvements in productive efficiency. Therefore it has been impossible in recent years to translate advancing technology into lower prices and wider markets.
>
> To try to keep more people at work producing any product than is necessary to satisfy the public demand for it, as is implied in a cut in the workweek, would be self defeating. Prices would have to be raised still higher to pay these unneeded people and the market would shrink still further.
>
> Conceivably many of those laid off during the recent recession may never be called back to their old jobs. The realistic solution is to encourage new products and new business activity, and to help the unemployed shift from lines of work in which their services are no longer required to other, and perhaps better jobs where they are needed.
>
> It is no answer to create jobs through lavish Government spending, or expand relief programs for the unemployed. These may alleviate temporary hardship, but they will not solve the problem. Instead they serve to discourage the unemployed from accepting jobs at what the free market is able to offer.
>
> If organized labor would help lower some of the present obstacles to business expansion, such as excessive tax rates and wages higher than the free market is able to pay, there would be a rapid increase of job opportunities.

That is the opinion of Mr. Charles Sligh, who, as I have said, represents a conservative point of view. His point of view is in direct opposition to the thoughts of Mr. Walter Reuther, who reflects what is termed a liberal approach.

Mr. President, in summing up this matter I wish to say that I believe there are some things we can do that will release the economic giant that is now bound by the fetters of the Federal Government. My suggestions are as follows:

First. Balance the budget, and make that imperative year after year after year. I think the President is eminently correct in calling for holding the line on his $77 billion budget. By the way, that budget is, to my mind, $1 billion or so too high. There is no need for this country to be spent into bankruptcy during peacetimes and times of plenty by a Congress which will not recognize the economic facts of life.

How is this to be done? My attention has been called today to the fact that a large percentage of the budget is tied up in defense expenditures and a large percentage of the budget is tied up in uncuttable items, such as interest. On the other hand, we have items such as Federal-aid projects. The Senate has recently voted a large increase in Federal aid to airports. Bills for Federal-aid projects are introduced on this floor almost every week, and they call for the expenditure of billions of dollars. In fact, if my memory serves me correctly, the total amount of spending called for by such bills which have been introduced so far this session is nearly $200 billion. I believe the Federal Government can live without such things. I do not think we should be seeking new ways to spend the people's money. Instead, we should say, "Let us have no new Federal-aid projects; and let us take a long, hard look at the ones we already have and which are operating outside the definite powers granted to this body by the Constitution."

Second. I would urge upon organized labor and management the need now for restraint in the wage and price fields. I have already alluded to unearned wage increases and unearned price increases. Mr. President, we cannot continue to have spiraling wages which are not earned and spiraling prices which are

not justified without doing irretrievable harm to the entire economy. Much of the trouble we are in today is the result of constant wage and price increases which are not earned.

Lest anyone mistake my philosophy, let me say that I care not how much a man earns; if he earns $100 an hour, he should be paid $100 an hour. But to pay $10 an hour to a man who does only $6 worth of work an hour means the eventual suicide of the entire capitalistic system.

Third. I favor changing—and changing quickly—our farm policy, and stopping the payment of billions of dollars a year to support agriculture. I would take a hard look at the crops we now support. I like peanuts, for instance; but I fail to understand why we should support peanuts. As for tobacco, although I do not happen to smoke, yet I have nothing against tobacco. On the other hand, I know no reason why the Federal Government should support tobacco. I would change the existing formula to a realistic one; and I would say to the farmer, "We are not going to put you out of business, and we will return to you the losses you sustain from acts of God, such as hailstorms, tornadoes, and so forth. But we are not going to guarantee you a profit."

Fourth. I would take steps by law to maintain the integrity of the dollar. I am not sure about all the ways that should be done. I think one of them would be to amend the 1946 act, to require the Congress in peacetime to balance the budget, and to attack the deficit, and to keep the value of the dollar from declining in the way it has declined.

Fifth. I would get the Government out of every business it is in when it is in competition with the free-enterprise system.

In other words, Mr. President, the sum of my conservative attitude toward our economy is as follows: Let our economy operate. In the fields in which control is needed, we have the laws to provide control. But let us not hamper small business, medium-size business, or big business, where hampering is not required. Let us let the industrial giants we have created in this country continue to grow without any governmental interference other than that which is needed.

Mr. President, if that is done, I feel certain that unemployment can be kept at a constant low in this country; and I believe that the economy will grow, and will provide new jobs, and our great technological ability will be allowed to develop to an even greater extent than it has in the past; and the end result will be a greater America and a better world.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, in connection with my remarks, an editorial entitled "A 10-Cent Dollar?" which was published in the Arizona Republic of February 4, 1959. I wish to have the editorial printed at this point in the RECORD, so my colleagues may follow the reasoning of the editorial, in attempting to reach some conclusions as to the validity or nonvalidity of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A 10-CENT DOLLAR?

If you think taxes and inflation are no concern of yours, consider this quotation from the January Reader's Digest: "The person who earned $5,000 in 1946 would have to earn $7,343 today—nearly 50 percent more—simply to be as well off as he was before."

Has your income gone up 50 percent since 1946? If it hasn't, you are paying the price of high taxes and continued inflation.

It isn't only the retired man, the annuity owner, or the widow on a fixed income who suffers from inflation. Every worker whose pay hasn't gone up 50 percent since 1946 is worse off today than he was then. And, according to Roswell Magill in the Reader's Digest article, "If fumbling governmental fiscal policy should encourage the deterioration to continue, in 25 or 30 years our present 48-cent dollar might be worth only a dime."

The most pressing current assault on the integrity of the dollar is being made in Congress. President Eisenhower's huge $77 billion budget is considered inadequate by many Democrats, and already efforts are under way to boost the totals for foreign aid, school funds, and farm programs. If the line is not held, there will certainly be an unbalanced budget next year, adding to the $12 billion deficit expected this year. And the result will be more fuel for the inflationary fires.

Mr. Magill estimates that every $1 billion reduction in the President's budget could represent a tax saving of $20 for the average family. A cut of $7 billion—which would still leave the huge total of $70 billion—could mean a tax reduction of $140 next year for the average family.

If each family in this country had $140 more money to spend next year, the resulting boost to business would undoubtedly increase the Government's take in taxes. Even more important, however, such a reduction in taxes would strengthen the dollar and stop the melting away of the value of Government bonds, insurance policies, pensions, and savings accounts.

Some of the big spenders in Washington say that it is impossible to cut Federal spending. They say we live in a cold war era, and that our defenses must be maintained. This is true, of course. But the fact of the matter is that defense spending has not been increasing as rapidly as other parts of the budget. In the last 5 years nondefense spending has risen by $12.5 billion, jumping from $20 billion to more than $32 billion. The combined Federal farm programs alone have risen from $3.7 billion to $6.5 billion in this period. Even if the $46 billion going to defense could not be cut—and we are sure it could be trimmed without serious damage—there is plenty of fat that could be taken out of the nondefense budget.

The dollar doesn't have to sink to 10 cents in value. But it will, if the people of this country don't demand an end to the fantastically big spending programs that Congress passes almost automatically year after year. This is the year to hold the line. Business is good, and Government income will be up. A budgetary surplus is possible if expenses are cut, and tax reductions would almost automatically result from a surplus in the budget. Congress will take the needed action, if it is convinced that the voters mean business.

ADDITIONAL JUDGES FOR JUVENILE COURT OF THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 1456) to provide for the appointment of two additional judges for the juvenile court of the District of Columbia.

Mr. HARTKE. Mr. President, the purpose of this bill is to amend the Juvenile Court Act of the District of Columbia, approved June 1, 1938, as amended, so as to provide for the appointment of two additional judges for the juvenile court of the District of Columbia. At the present time the juvenile court has one judge, and this bill provides that the court shall consist of three judges, appointed by the President by and with the advice and consent of the Senate. Each judge appointed after the date of the enactment of this proposal shall serve for a term of 10 years, or until his successor is appointed and qualified. The qualifications for appointment, as set forth in the bill, are as follows:

First. That he shall have been a member of the bar of the District of Columbia for a period of 5 years preceding his appointment.

Second. During a period of 10 years immediately preceding appointment he shall have been a resident of the District of Columbia or of the metropolitan area of the District for at least 5 years, of which not less than 3 years shall immediately precede appointment. "Metropolitan area" means Montgomery and Prince Georges Counties in Maryland, and Arlington and Fairfax Counties and the cities of Alexandria and Falls Church in Virginia.

Third. He shall have a broad knowledge of social problems and procedures and an understanding of child psychology.

The present judge of the court shall continue in office and shall be deemed to be occupying one of the three positions of judge provided by this proposed legislation. The President shall designate one of the judges to be the chief judge of the juvenile court, whose salary shall be equal to the salary of the chief judge of the municipal court—$18,000 per annum—the salary of the associate judges shall be equal to the salary of an associate judge of the municipal court—$17,500 per annum.

In cases of sickness, absence, disability, or death of any judge of the juvenile court, the chief judge or acting chief judge of the U.S. District Court for the District of Columbia shall designate one of the judges of the municipal court to discharge the duties of such judge of the juvenile court until such disability shall be removed or the vacancy filled. Likewise, during the temporary absence or disability of the chief judge of the juvenile court, an associate judge of such court shall be designated to serve as chief judge of such court by the chief judge, or acting chief judge, of the U.S. District Court for the District of Columbia.

The juvenile court jurisdiction includes all children under the age of 18 years who are charged with violations of law, who are beyond parental control, who are truant from home or school, who are engaged in conduct endangering their own health, morals, or safety, or the health, morals, or safety of others, or who are without adequate parental care. The court also has original and exclusive jurisdiction in cases involving

the paternity of children born out of wedlock, adults charged with violation of the child labor and compulsory education laws, and with contributing to the delinquency of minors. It also has concurrent jurisdiction with the U.S. District Court for the District of Columbia in criminal cases involving nonsupport of wife or children. A great many of the cases are of the felony type, involving offenses which, if committed by an adult, would be within the exclusive jurisdiction of the U.S. District Court for the District of Columbia. Cases of this kind before the juvenile court are now running about 2,000 a year.

S. 1456 is a clean bill, introduced and reported by direction of the full Committee on the District of Columbia as a compromise between S. 465, introduced by the Senator from Pennsylvania [Mr. CLARK] and S. 522, introduced by the Senator from Delaware [Mr. FREAR]. The differences in these two bills have to do, for the most part, with the qualifications of the persons eligible for appointment. In an attempt to reconcile the differences between S. 465 and S. 522, the full committee deliberated at length as to the period of time the appointee shall be a member of the Bar Association of the District of Columbia; the personal qualifications; the residence requirements; and the question of designation of a substitute judge. The ultimate result was the reporting of S. 1456, containing the provisions agreed upon by the full committee.

The estimated annual cost of this proposed legislation would be approximately $91,367.

I ask unanimous consent to have the table on page 4 of the report, relating to the annual cost, printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The estimated annual cost of this legislation would be approximately $91,367, made up as follows:

Recurring expenses	2d judge	3d judge
Personnel service:		
1 judge	$18,000	$17,500
1 GS-7 courtroom clerk	4,980	4,980
1 GS-7 secretary to judge	4,980	4,980
1 GS-6 administrative aid (secretary)	4,490	0
1 GS-5 summons clerk	4,040	4,040
2 GS-4 baliffs, at $3,755	7,510	3,755
1 GS-4 docket clerk	3,755	3,755
Total, personal services	47,755	39,010
Other contractual services	173	103
Grants, subsidies, and contributions	2,928	1,398
Total, recurring expenses	50,856	40,511

Mr. FREAR. Mr. President, I desire to make only a very brief statement. At the outset I pay tribute to, even though I may disagree with, the chairman of the full committee, the chairman of the subcommittee, and the members thereof, because I think they have been very energetic in attempting to accomplish an objective the benefit of which perhaps the District of Columbia should have enjoyed some time ago, namely an additional judge.

I desire to speak briefly on the pending bill, S. 1456, which relates to the appointment of two additional judges to the bench of the Juvenile Court of the District of Columbia, and which sets forth certain qualifications for these appointments.

Mr. President, at the outset I wish to state that I am not opposed to the appointment of one additional judge for this court. In fact, during the present session, I introduced S. 522, which, in addition to providing another judge, proposed to establish a criterion which I firmly believed necessary in order to provide this court with a duly competent juvenile court judge, one well versed in child psychology and sociology.

We are being asked today to consider and enact into law S. 1456, which would amend the present District Code and provide for the appointment of two additional judges for the Juvenile Court for the District of Columbia.

The enactment of this bill would again place the Senate in a position of having to give "advice and consent" to these two appointees, and subsequently an added burden would be placed upon the taxpayers of the District.

If the financial situation of the District is as poor as portrayed by the District Commissioners, I am firmly of the opinion that we should add only one judge at this time; and if the two judges cannot accomplish the work of the court, we could at any later date provide for an additional judge.

In considering this bill and in view of the present situation confronting the Juvenile Court of the District of Columbia, I trust we, as Members of the Senate, will give recognition to the real concern of the community, and not enact legislation merely for the sake of providing two additional judges to this court. Such action, in my humble opinion, would again be adding insult to injury to a community already suffering from the ineptitude of one presently serving in that capacity.

As many Senators may recall, my opposition in the past with regard to the District juvenile court was principally directed to the judgeship qualifications, and perhaps even more to the appointment of the incumbent judge, not because of any personal feeling against Judge Ketcham, but because I sincerely believed that he did not possess the requisite judicial temperament or the personal attributes necessary properly to administer justice in the marital and social problems so prevalent in the District of Columbia.

It is well known that unless the judges of our juvenile courts are well rounded in experience and temperament and equipped with a practical and working knowledge of psychiatry—mental disorders—psychology—actions of the mind—and other social sciences, they cannot properly cope with the volume and complexity of these situations.

Anything I may say in further presenting my views toward S. 1456 will have no bearing or relation to the incumbent judge. However, I reserve the right to place into the RECORD certain information concerning his stewardship as judge of this District juvenile court, whereby it can be shown an appointee for such a position must have the necessary qualifications to be a successful judge.

Therefore, I do at this time question the wisdom of appointing two additional judges to the bench of this court under present requirements of law as they relate to qualifications and experience.

I have never denied the need for an additional judge, nor do I at this time oppose the appointment of one additional judge who would more adequately meet the necessary requirements for a juvenile court judgeship as stated on page 83 of the "Standards for Specialized Courts," dealing with children, issued by the Children's Bureau of the U.S. Department of Health, Education, and Welfare.

Although I have previously placed these stated qualifications in the RECORD, I again ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the qualifications were ordered to be printed in the RECORD, as follows:

THE JUDGE

Selection of a competent judge who can give leadership to the court specializing in children's cases is of the greatest importance, particularly in view of the wide discretion conferred on him by law.

In selecting the judge of the specialized court, certain personal attributes must be considered as well as training and experience. In order to be fully qualified for this work the judge should have been admitted to the bar in the State where he is to serve and have had some experience in the practice of law.

Also, he should be: (1) Deeply concerned about the rights of people; (2) keenly interested in the problems of children and families; (3) sufficiently aware of the findings and processes of modern psychology, psychiatry, and social work, that he can give due weight to the findings of these sciences and professions; (4) able to evaluate evidence and situations objectively, uninfluenced by his own personal concepts of child care; (5) eager to learn; (6) a good administrator, able to delegate administrative responsibility; (7) able to conduct hearings in a kindly manner and to talk to children and adults sympathetically and on their level of understanding without loss of the essential dignity of the court.

Mr. FREAR. Mr. President, on August 21, 1957, during the 1st session of the 85th Congress, the Senate Committee on the District of Columbia, when reporting H.R. 7785, a bill which, if enacted would have provided an additoinal judge to this court, on page 3 of its report No. 1074, recognized the fact that a judge to be appointed under the provisions of that bill should possess the maximum degree of qualifications when it said:

The Committee in favorably reporting this bill feels strongly that the appointing authority, in selecting a juvenile court judge should be governed by a strict interpretation of the qualification standards set forth in the bill, to the end that the nominee shall fully meet all of the requirements.

The committee makes this statement because of its deep concern for the welfare of the children coming within the jurisdiction of this court, and feels that comprehensive knowledge of the social problems, as well as a thorough understanding of child and adolescent psychology are most important attributes in this position.

As I have previously stated, the position of junvenile court judge is one of

the most important in any community, and certainly that is true in the District of Columbia. The selection of any person under the criteria set forth in S. 1456 leaves much to be desired.

On at least three occasions I attempted to bring to the attention of the Senate the seriousness of the problem which presently confronts the juvenile court of the District of Columia.

Any person appointed judge of the juvenile court should possess the highest degree of qualifications and experience in the work which would necessarily devolve upon him.

No court, especially one which deals with the juvenile population should be a place for "on the job training."

It was and still is my opinion that the selection of any person as judge of the juvenile court with a lesser degree of qualifications and experience than set forth in my bill, S. 522, would inevitably result in the slowing down of court procedures and, also, the effective operation of the court for at least a year—and perhaps much longer.

I regret, Mr. President, that this is what we have experienced during the past 2 years. Today we are being called upon to bail out this court through the appointment of two additional judges.

Perhaps I would be more inclined to sympathize with the position in which the present judge now finds himself, had he, upon taking over his position as judge of this court, spent long hours in an attempt to keep abreast of the case workload, rather than curtailing his time on the bench, together with greatly decreasing the number of cases he scheduled each day and, thereby, creating a backlog which is said to exist.

Prior to 4 weeks ago, we were told by the press and other means of communication that the incumbent judge was physically unable to cope with the number of cases scheduled before the court and that a very definite backlog was increasing from day to day. Almost immediately after the hearing before the Subcommittee on Judiciary of the Senate Committee of the District of Columbia, and recommendations were received for the appointment of two additional judges, as provided in S. 1456, we were amazed to learn that the incumbent judge, for some reason, rescheduled his court agenda and, with great pride, reported having reduced his accumulated backlog by more than 50 percent. Taking this report on its face value, Mr. President, I see no need of providing for the appointment of two additional judges when the incumbent judge has clearly shown that he can cope with the situation if he so desires.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article written by Martha Strayer entitled "Support Cases Are Caught Up," published in the Washington Daily News of February 12, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUPPORT CASES ARE CAUGHT UP

(By Martha Strayer)

District juvenile court has caught up with its backlog of support cases against deserting fathers and has greatly reduced the waiting period for hearing juvenile cases, which also were seriously backlogged.

Assistant Corporation Counsel Una Rita Morris said that 218 nonsupport cases have been brought before Juvenile Court Judge Orman W. Ketcham or his subsitute, Municipal Court Judge Austin L. Fickling, since December 4, when Judge Ketcham agreed to hear five nonsupport cases a week. For 2 months before that he banned them from his court to shorten its workload.

RETRIBUTION

He did this as part of a general plan for workload reduction, when Congress failed to pass a second judge bill.

Mrs. Morris said Judge Ketcham agreed to step up the number of nonsupport hearings and devote Thursdays to nonsupport and illegitimacy cases.

The load of new juvenile complaints coming before the court has been reduced through informal hearings by Court Social Work Director John Larkin, who disposes of minor charges with court hearings.

Children in these cases agree to report informally to court probation officers.

THE BREAKDOWN

Assistant Corporation Counsel Albert S. Povich broke down the record on the 218 cases heard since December 4:

Forty-four fathers have been ordered to pay a total of $440 a week for support of their children, in weekly amounts ranging from $10 to $30.

Eight fathers who pleaded guilty have been sent to jail for 6, 9, or 12 months.

Nine have bailed themselves out by paying $500 fines to be turned over to their wives.

A large proportion of fathers in backlogged cases failed to show up and when the families were on relief, the Welfare Department has tried to find the fathers while cases were continued.

Twenty-eight cases have been nolle prossed (which means they can be revived), and nine dismissed.

Mr. FREAR. Mr. President, the cost of the two additional judges and court personnel will bear heavily upon the District, and unless the two judges provided for under this bill show greater efficiency in collecting money under support orders, this additional cost will reflect itself in added financial burdens on the Welfare Department of the District and ultimately on the taxpayers of the District of Columbia.

In addition to the qualifications I have already mentioned, the residency requirement prescribed by Congress in 1949 appears no longer to be considered a factor in the selection of a juvenile court judge for the District.

I firmly believe that residence in the District at the time of appointment still is a statutory requirement, and a desirable qualification.

In considering the pending legislation, I had hoped that the Senate Committee on the District of Columbia, through its Subcommittee on Judiciary, would have afforded the opportunity to have certain individuals and representatives of various groups present their views about the operation of the court itself under the incumbent judge.

In conclusion, I wish to thank those who have expressed an interest in the District Juvenile Court, as well as those who have brought their individual problems to me, feeling they were not receiving the proper judicial consideration to which they were entitled under juvenile court procedure.

I do not at this time desire to delay further action on this matter. However, the people being served in the community by this court are assured of my continued interest and that I will attempt in every manner possible to improve the operations of the court.

Mr. BEALL. Mr. President, the Senate will today act on S. 1456, a bill to provide two additional judges for the Juvenile Court of the District of Columbia. It would then increase the number of juvenile court judges in the District of Columbia to a total of three.

A bill providing one additional judge for this court passed both Houses during the 85th Congress, but was not enacted into law because of a deadlock of the conferees in the latter days of the session. Since that time a comprehensive picture of the problems of the juvenile court has been obtained, which clearly indicates the need for two additional judges for this court.

One of the difficulties in reaching any agreement on this subject has been the diverse opinions of the members of the committee concerning the qualifications of the judges for this court. The bill we are considering today is clearly a compromise. My own personal views may be somewhat sacrificed, but I am willing to make the sacrifice in order to obtain a desirable end. This is a good bill. There is an imperative need for it. Some youngsters today are in trouble. They need leadership, guidance, and understanding. A juvenile court judge is the first person who can undertake necessary action in order to rehabilitate wayward young people.

There is a glaring need for additional judges on this bench, as the hearings clearly point out. In order to facilitate provision for this need, and because I feel that wayward young people today will benefit greatly by passage of this bill, I am strongly supporting the bill and urge every other Senator to support it.

I wish to take a moment more of the valuable time of this body to praise the junior Senator from Indiana [Mr. HARTKE], who, as chairman of the Judiciary Subcommittee of the Senate Committee on the District of Columbia, has worked hard and diligently to bring forth a bill which would be acceptable to all persons and, at the same time, would be a good bill in principle. I sincerely congratulate him and the other members of the subcommittee for once again recognizing the problem in the juvenile court and meeting it with the proper remedy.

Mr. BIBLE. Mr. President, I am delighted to see that this very important bill is before the Senate for what I hope will be its passage. As Senators are very well aware, a juvenile court bill was passed last year. A bill was likewise passed by the House of Representatives and went to conference, but unfortunately it died in the closing days of the session.

I think there has been a clearly demonstrated need for additional juvenile court judges in the District of Columbia.

I commend the chairman of the Judiciary Subcommittee, a new Member in

this body, for his diligence and his devotion to duty, in having hearings on this very important measure set early in February, a short time after the Senate convened.

We have before us today the composite view of the members of the District of Columbia Committee as to the type of legislation which should be enacted.

I also wish to commend my very delightful and close friend the Senator from Delaware [Mr. FREAR] for his most fair attitude throughout the entire consideration of this problem. I realize some of the questions the Senator has had in mind relating to the appointment of the juvenile court judges, and certainly in fairness it should be said that at no time has the Senator from Delaware attempted in any way to slow up the processes by which the bill could be brought to a final vote in the Senate. I commend the Senator for that.

I also wish to add a word of commendation for the author of the bill, the senior Senator from Pennsylvania [Mr. CLARK], who has just entered the Chamber. He guided the bill almost to full statutory status a year ago, and devoted a great deal of time to the important work handled by juvenile court judges. The Senator from Pennsylvania was very helpful. He knew, from his past experience as mayor of Philadelphia, the need of vigorously and adequately meeting this problem.

I also wish to pay high praise to my close friend and distinguished colleague, the junior Senator from Maryland [Mr. BEALL], for his efforts this year and in the 85th Congress, in helping to guide a juvenile court bill through the legislative processes.

I am delighted that the bill is now about ready for final passage.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. BIBLE. I am very happy to yield to my friend, the Senator from Delaware.

Mr. FREAR. The Senator from Nevada, chairman of our committee, paid a high compliment to the junior Senator from Delaware.

The cooperation extended on the part of the junior Senator from Delaware was only a reflection of the great interest and ability of the chairman of the full committee and the chairman of the subcommittee. It was certainly a happy privilege for me to work with them. Even though I was not in complete agreement as to the substance of the bill, there was certainly nothing lacking in the way of cooperation.

Mr. BIBLE. I thank the Senator.

Mr. CLARK. Mr. President, first I thank my friend from Nevada for his kind words. My participation in the bill this year has been largely nominal. Not only my good friend from Nevada, who has taken such a keen interest in his work as chairman of the Committee on the District of Columbia, but the ranking minority member, the Senator from Maryland [Mr. BEALL], who has worked so hard on this bill, and the stalwart new member of the committee, the chairman of the Subcommittee on Judiciary [Mr. HARTKE], are worthy of praise for the efforts they have put forth.

It is a happy thing for me, as a former mayor who has had some familiarity with the work of juvenile courts in one of our great cities, to see the District of Columbia emerging from the Middle Ages, in terms of dealing with its juvenile problems, and joining the ranks of other enlightened cities by giving adequate judicial attention to problems which are so critical in American urban life.

We all know the menace of juvenile delinquency. We all know the need for repairing broken homes, and for steering children along the paths of righteousness when they get into trouble.

This cannot be done without an adequate number of judges to handle the caseload. I pay tribute to Judge Ketcham, with respect to whose appointment I was not very enthusiastic a year or two ago. But he took off his coat and went to work, and has devoted a year or two of dedicated service to this cause. But he needed help. I am glad to see that he is about to get it.

I hope that the skillful diplomacy of the chairman of the committee, which has been exercised in so many ways since he undertook the arduous, and in many ways thankless, task of chairman of the Committee on the District of Columbia, will be most effective when the bill reaches the other body. I have real hope that under his skillful guidance, and with the cooperation of members of the House committee, the bill will become law at the earliest possible moment, so that no longer will justice be delayed, which is, in fact, justice denied to the young people of the District of Columbia.

The PRESIDING OFFICER. The bill is before the Senate and is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 19 of the Juvenile Court Act of the District of Columbia, approved June 1, 1938, as amended (D.C. Code, sec. 11-920), is amended to read as follows:

"APPOINTMENT, QUALIFICATIONS, OATH, AND SALARY OF JUDGE

"SEC. 19. (a) The juvenile court of the District of Columbia shall consist of three judges learned in the law and appointed by the President, by and with the advice and consent of the Senate. Each judge appointed after the date of the enactment of this subsection shall serve for a term of ten years or until his successor is appointed and qualified.

"(b) To be eligible for appointment as judge of the juvenile court a person must (1) have been a member of the bar of the District of Columbia for a period of five years preceding his appointment, (2) during a period of ten years immediately preceding his appointment, have been a resident of the District of Columbia or of the metropolitan area of the District for at least five years, of which not less than three years shall immediately precede his appointment, and (3) have a broad knowledge of social problems and procedures and an understanding of child psychology. For the purpose of this subsection the term 'metropolitan area of the District' means Montgomery and Prince Georges Counties in Maryland and Arlington and Fairfax Counties and the cities of Alexandria and Falls Church in Virginia. Each judge shall, before entering upon the duties of his office, take the oath prescribed for judges of the courts of the United States.

"(c) The President shall designate one of the judges to be the chief judge of the juvenile court. The chief judge shall be responsible for the administration of the court. During the temporary absence or disability of the chief judge the associate judge of the juvenile court designated by the chief juige or acting chief judge of the United States District Court for the District of Columbia shall be responsible for the administration of the court. The salary of the chief judge shall be equal to the salary of the chief judge of the municipal court for the District of Columbia and the salary of each associate judge shall be equal to the salary of an associate judge of the municipal court for the District of Columbia."

SEC. 2. The judge of the juvenile court of the District of Columbia who, on the date of the enactment of this Act, is occupying the position of judge created by the Juvenile Court Act of the District of Columbia, approved June 1, 1938, shall continue in office and shall be deemed to be occupying one of the three positions of judge provided for by section 19 of such Act, as amended by the first section of this Act, until the term for which he was appointed shall expire and his successor is duly appointed and qualified. Such judge shall be entitled to compensation in accordance with the provisions of section 19 of the Juvenile Court Act of the District of Columbia as amended by the first section of this Act.

SEC. 3.(a) Section 20 of the Juvenile Court Act of the District of Columbia is amended by striking out "death of the" and inserting in lieu thereof "death of any".

(b) Sections 3 and 27 of such Act are amended by striking the word "judge" wherever it appears therein and inserting in lieu thereof the word "judges".

(c) Sections 22 and 24 of such Act are amended by inserting the word "chief" immediately before the word "judge" wherever the same appears therein.

(d) Sections 5, 13, 26, and 36 of such Act are amended by striking out "the judge" wherever it appears in such sections and inserting in lieu thereof "a judge".

(e) Section 23 of such Act is amended (1) by striking from the second sentence "the judge" and inserting in lieu thereof "a judge"; and (2) by striking out "the judge as he may direct and keep full records of its work", and inserting in lieu thereof "the court as it may direct and such department shall keep full records of its work".

(f) Subsection (b) of section 28 of such Act is amended by striking out "The judge may also provide by rule or", and inserting in lieu thereof "The court may also provide by rule or a judge may provide by".

(g) Section 42 of such Act is amended by striking out "judge and other".

SEC. 4. Section 21 of the Juvenile Court Act of the District of Columbia is amended by striking the word "judge" and inserting in lieu thereof the word "court".

SEC. 5. The Juvenile Court Act of the District of Columbia is amended by adding at the end thereof the following new section:

"SEC. 45. The chief judge or the acting chief judge of the juvenile court shall submit to the Attorney General of the United States and to the Chairman of the Board of Commissioners of the District of Columbia a detailed quarterly report of the work of the court, such report to be made within thirty days of the end of the quarter, and to include the number of juvenile and adult

cases heard, the number of juvenile and adult cases calendered, the number of juvenile and adult complaints filed, the number of juvenile cases closed without court hearing, moneys collected for fines and support of legitimate and illegitimate famly members, and such other information as may reflect the court's operation and volume of work. A copy of such report shall be kept in the office of the clerk of the court and be subject to public inspection during the regular hours that the court shall be open for business."

SEC. 6. Wherever in any laws of the United States reference is made to the judge of the juvenile court of the District of Columbia such reference shall be construed to mean any judge of such court.

AUTHORIZATION OF APPROPRIATION FOR III PAN AMERICAN GAMES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 140, House bill 2575, and that it be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 2575) to authorize the appropriation of $500,000 to be spent for the purpose of the III Pan American games to be held in Chicago, Ill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the purpose of making this bill the pending business is to have a bill pending before the Senate. No action will be taken upon it today.

NEW PROGRAM FOR THE NATIONAL FORESTS—A MONUMENT TO SECRETARY BENSON

Mr. BENNETT. Mr. President, just prior to adjournment of Congress for the Easter recess, Secretary of Agriculture Ezra Taft Benson submitted a report to the Senate and the House which will undoubtedly be recorded in history as one of the great conservation documents of all time. In preparing a "Program for the National Forests," Secretary Benson and his Forest Service technicians have developed a scientific plan for multiple use of our vital national forests through the year 2000. Such vision and extensive planning is well-nigh unheralded.

The proposed program is not only of immediate importance to the many States where there are national forests, but is of utmost consequence to the entire Nation and particularly to future generations. In few States are our national forests more important than in Utah where they comprise 15 percent of the State's land and where fully 85 percent of our water supply originates. Our national forests are our reservoirs.

Moreover, thousands of recreation seekers visit Utah's national forests each year including picnickers, hunters, fishermen, hikers, lovers of nature, and many others. Our forests are used for grazing, wildlife habitat, timber, and countless other uses. We in Utah, therefore, are delighted with the new program.

A fine Washington, D.C., reporter for the Salt Lake Tribune, Frank Hewlett, who has followed conservation problems for many years, has caught the vision of the Department of Agriculture program. I ask unanimous consent that his article of April 5 be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune, Apr. 5, 1959]

FORESTRY PLAN—A MONUMENT

(By Frank Hewlett)

WASHINGTON, April 4.—Scheduled for early congressional consideration is a report entitled "program for the national forests" which shows promise of becoming one of the monumental works of the administration of Agriculture Secretary Ezra Taft Benson.

This ambitious program, which already has the blessing of President Eisenhower, is a special concern to the States of the West, which have 87 percent of the national forest land. Of the 148 national forests, Idaho and Oregon each has 12, Montana 10, Utah and Washington each 7, Wyoming 5, and Nevada 2.

The report visualizes a jump in direct financial revenues of the national forest system to $350 million a year by the turn of the century. This is more than three times the current receipts and spells good news for the counties in which national forests are located, since 25 percent of the revenues are distributed to them in lieu of direct taxes.

The document not only sets up a short-term conservation program for the national forests but also a long series of goals for the year 2000.

Heavy emphasis is placed on need for expanding the recreation facilities of the forests to help take care of the estimated 332 million persons in the United States by the turn of the century.

It also calls for a strong Federal program in the fields of soil and water, forests and minerals and wildlife resources.

Though the forest service would be the first to deny it, the report also can be interpreted as an answer to the controversial wilderness legislation now before the Congress which has stirred up a storm of opposition in the West.

One of the scores of recommendations is the calling of a review of at least 30 of the Nation's remaining 41 primitive areas as to their wilderness characteristics and reclassify them accordingly.

Another significant proposal, is the development of 10,000 new campground and picnic sites within the national forests which would contain 102,000 family units. This is in addition to the now well-along operation outdoors for the reconstruction and rehabilitation of some 4,700 existing campground and picnic sites.

Heavy emphasis is placed by the report on the need for an adequate system of roads and trails, held essential to the proper management of forest lands.

The need for more liberal access roads is stressed, and they are described as investments which will pay their own way over a period of years.

It estimates that 392,600 miles of new roads and 6,000 miles of new trails ultimately will be needed, along with reconstruction of 112,600 miles of roads and 11,300 miles of trails. Another 41,400 miles of existing trails will be replaced by the construction of roads.

For development and management of the 68 million acres of rangeland in the national forest system, there are two major long-range objectives:

1. Proper stocking and improvement of the range resources to achieve desirable watershed conditions and sustained high-level production of forage.

2. Making land suitable for livestock grazing available for use under conditions that promote stability for communities and individuals and encourage full development of range resources with due regard to other resources and uses.

In order to make substantial progress toward the long-range objectives, a short-term program also is proposed which includes stocking adjustments, separation of cattle and sheep grazing on common use areas, construction of 18,000 miles of fences and 9,500 water developments and treating rangeland to control noxious or poisonous plants.

Under the subject of land adjustment and uses, the report states that special attention will be given to completion of the consolidation of national forest ownership in certain key watersheds of Utah's Cache National Forest.

A 15-point program for research is recommended, ranging from pest and fire control to new and improved equipment for logging without damage to watershed values. The report also cites the need for 17 specialized laboratories and related greenhouse and service facilities for basic research on forest insects and diseases, tree genetics, forest soils and hydrology, forest fires, and forest products.

At least some of these recommendations came from the national forests research advisory committee of the Department of Agriculture, which long had been headed by Salt Lake City's Gus P. Backman.

Summing up the anticipated national benefits from the proposed program the report states:

By the year 2000 national forest timber sales should reach 21 billion board-feet of saw timber worth $350 million at 1958 prices.

It is estimated that for every dollar of national forest stumpage sold, the end products will be worth $20 by the time they reach the ultimate consumer.

Some 620,000 people, more than double the present number, will derive their livelihood from the harvesting, processing, hauling, and merchandising of national forest timber and timber products.

An estimated 130 million recreationists will visit the national forests by 1969, and the figure would go as high as 600 million the year 2000. Just 130 million visitors will put into trade channels a total of nearly a billion dollars for sporting equipment, transportation, licenses, lodging, and other items.

Directly responsible for the report was Richard E. McArdle, Chief of the Forest Service. He has had most of his staff working on it for a 2-year period. Pertinent information and key recommendations came from Forest Service representatives in the field.

Secretary Benson, in submitting the report to the Congress, warned that what is done in the next 10 to 15 years "will largely determine whether these vastly important public lands will contribute by the year 2000 their fair share to a greatly expanded national economy."

NEW RECLAMATION COMMISSIONER—A GOOD APPOINTMENT

Mr. BENNETT. Mr. President, after 30 years of service with the Bureau of Reclamation, Commissioner W. A. Dexheimer is leaving the Bureau to be succeeded by Floyd E. Dominy, the present Associate Commissioner. I have pre-

pared a statement regarding this change, and I ask unanimous consent that it be printed in the RECORD, at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BENNETT

NEW RECLAMATION COMMISSIONER—A GOOD APPOINTMENT

Last week President Eisenhower announced a change in the Commissionership of a Government agency of vital importance to the progress and economic welfare of the West—the Bureau of Reclamation.

Commissioner W. A. Dexheimer, named by President Eisenhower to head the Bureau of Reclamation in 1953, is leaving on May 1 after 30 years of service with the Bureau, and is to be succeeded by Floyd E. Dominy, presently Associate Commissioner.

It is significant that President Eisenhower reached into the career service to elevate these two men to the Commissionership. The retiring Commissioner, Mr. Dexheimer, a native of Colorado, has spent his entire career with the Bureau with the expection of the war years and a short period thereafter. The new appointee, Mr. Dominy, a native of Nebraska, attended the University of Wyoming and entered the career service in that State as a vocational argicultural teacher in Hillsdale High School for a brief time and then became county agricultural agent for Campbell County, Wyo.

They are both from the West, both know our problems, talk our language and, above all, understand the importance of water in our economy. We can consider ourselves fortunate in having the services of these two dedicated servants.

I am particularly aware of Commissioner Dexheimer's administration because it was in 1956, during his tenure in office, that the Colorado River storage project, which is so important to us in the Rocky Mountain States, was authorized. The project has had the enthusiastic support not only of Commissioner Dexheimer, but of President Eisenhower and Secretary of the Interior Fred Seaton, and we owe them a great debt of gratitude.

Commissioner Dexheimer came up to the commissionership through the ranks of the construction engineers. The new Commissioner, Mr. Dominy, followed a different, but no less important route, that of agricultural economics. He got his early experience working with and for the man on the land. He had the importance of proper use of our water resources ground into him during the drought days of the 1930's, when he observed at first hand as county agricultural agent the devastating effect of lack of water on the human and economic utility of that area.

He later was field agent for the western division of the Agricultural Adjustment Administration with extensive responsibility in execution of the agricultural conservation program in the Western States. He was Assistant Director of the Food Supply Division of the Office of the Coordinator of Inter-American Affairs from 1942 to 1944, when he traveled in South and Central America on war food activities.

From 1944 to 1946 he served as lieutenant in the U.S. Naval Military Government, and was staff officer responsible for the development and administration of agricultural programs placed in effect on the Pacific Islands immediately following reoccupation by U.S. forces.

After the war, he came to the Bureau of Reclamation as a land development specialist. Soon he was made Chief of the Allocation Repayment Division. He is aware of the keystone of reimbursability on which the Federal reclamation program is predicated, and is known throughout the West as a hard, two-fisted negotiator, though impartial and fair, who will not let anyone take a free ride on the Government's reclamation investment.

From his background and understanding of the West and his record of outstanding administration in positions of ever-increasing responsibilities which have been placed upon him, and based upon many cordial dealings with him, I would say Secretary Seaton and President Eisenhower have made an excellent choice in the new Commissioner of Reclamation. We are looking forward to working with him in his new capacity as we have worked with him so successfully in the past.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. KUCHEL. The announcement which my able colleague from Utah has just made with respect to the retirement from Government service of the Commissioner of Reclamation prompts me, as a matter of duty, although a very pleasant one—to rise to salute Commissioner Dexheimer for the fine work he has performed on behalf of the Bureau of Reclamation, the Department of the Interior, and the Government of the United States.

As a Californian, let me add that the people of the State of Utah owe as much to the farsightedness of this man as do the people whom I have the honor in part to represent.

Mr. BENNETT. I appreciate the statement of my friend from California. It is my purpose not only to remember the great service Commissioner Dexheimer has recommended, but to express my approval of the man who will take his place, another westerner, a man from Wyoming, who grew up in that section of the country where irrigation is vital to our continued prosperity. I am sure that Mr. Dominy will continue both the policies and the excellence of service which characterized his predecessor, Mr. Dexheimer.

Mr. KUCHEL. Mr. President, I join in the hope of my able colleague from Utah.

Mr. BENNETT. I thank the Senator.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LATIN AMERICA

Mr. SMATHERS. Mr. President, the focus of interest has swung to Latin America recently in a way that is, strangely, both heartening and ominous.

Let me first hail an historic happening which took place this week—the cheering report that all 20 Latin American Republics have agreed on the charter to set up an area development bank and loan fund.

The billion-dollar institution will be composed of an Inter-American Development Bank and a Fund for Special Operations. The first will have a capital of $850 million; the second will have a capital of $150 million. The United States will provide 40 percent of the total capital.

For 9 years I have urged as strongly as I could, the creation of such an institution so as to make realities out of potentials, so as to create factories from determination and natural resources that lacked capital, and so to bring economic productivity from ideas that lacked financing.

I am gratified that the administration reversed its longtime opposition to a loan institution, composed of and created for the express needs of the peoples of the Western Hemisphere. Support of the United States was imperative for the establishment of this hemisphere bank.

I believe this change in position was brought about when Dr. Milton Eisenhower, the brother of the President, made a tour of Central and South America last year and, after visiting various countries and talking with their representatives, he concluded that the long dormant idea of an Inter-American Bank should be activated and made a reality.

The Bank can bring nothing but important material advances, and promote an immeasurable wealth of friendship and understanding among all the nations of inter-America. It will be a long step toward bringing the term "good neighbors" into vogue again.

There is another important occasion that demands our attention. It is the meeting, now underway, of U.S. Ambassadors from 12 Caribbean countries, and high officials of the State Department, gathered in San Salvador to discuss present and proposed U.S. policies for that area.

The meeting is a vivid reminder that today the Caribbean area is no more nor less than a ticking bomb, which can be exploded violently through clumsiness, lack of foresight, or worst of all, apathy.

I do not ever remember a time when the situation in the Caribbean was more delicate.

John McDermott, a distinguished reporter for the Miami Herald, whose record as a foreign correspondent makes him an eminently qualified observer, warned recently:

> What is happening in Cuba is reminiscent of Guatemala 4 years ago when the Communists were able to push Jacob Arbenz into power.

That is how serious the Caribbean crisis is today.

Recently I was deeply disappointed to read statements attributed to Prime Minister Fidel Castro that, in the event of a war between the United States and Soviet Russia, Cuba would remain neutral.

I do not know whether the Cuban people would share that view. I do not think they would support neutrality as against brutality.

Cubans are well aware of the values of Western Christianity, shared alike by the United States and every Republic of Latin America, and damned by the atheistic Soviets.

They can easily distinguish between the qualities of American democracy and Soviet communism.

There are few in Cuba who would equate the liberty of the United States with Soviet slavery. They have no trouble in identifying the force of Red tyranny which has crushed personal freedom wherever it spread, scorned human dignity, and swept away the rights of religious worship and free expression.

The people of the United States are proud of a heritage they share with Cubans. The blood of their forebears was spilled alongside that of Cuban patriots. We are proud that we helped gain freedom for a brave people.

In the years since Cuba's liberation, a wonderful friendship has flourished between our peoples. It still flourishes.

Our trade with Cuba flourishes, too. We in the United States buy 52 percent of the Cuban sugar crop, a crop which accounts for four out of every five dollars earned by the Cuban economy. In 1956, that total was $1.6 billion.

In 1957 the United States bought 2.6 million tons of sugar from Cuba—about 400 million tons above their quota. Its value was more than $370 million. In 1956, Cuba's total exports amounted to $667 million. The United States bought two-thirds of these exports, valued at $430 million.

United States friendship with Cuba is traditional, genuine, and mutually shared. The United States, I believe, is pro-Cuban. Certainly it has not been, nor would it be now, neutral in its feelings toward Cuba. Neither do I think that if, somehow, Cuba should become involved in a war with the Communists—which all of us pray will never occur—and their right to religious freedom, to personal independence, were at stake, the United States would remain neutral or indifferent to their fate, any more than we were neutral or indifferent in 1898, when we helped Cuba gain its independence. Certainly the people of America understand the difference between communism and democracy. We thoroughly appreciate the blessings which flow to all individuals who are permitted to live under a democracy, and the curse which is upon those who must live under a tyranny.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article entitled "Confused Castro Talking Cuba Into Red Orbit—Economy Near Paralysis, But There's Still Hope." The article which was written by John B. McDermott, correspondent for the Miami Herald relates in vivid detail some of the problems with which we will have to deal in the very near future. I feel it should have the attention of all Members of Congress. I also ask to have printed in the RECORD an article entitled "Is Castro Involved in Red Attempt To Pour Ring Around Panama Canal?" written by Drew Pearson, and published in the Washington Post and Times Herald of recent date; and an article entitled "Doubts About Castro Raised on Eve of Trip," published in the Washington Evening Star of April 8, 1959.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News, Mar. 31, 1959]

CONFUSED CASTRO TALKING CUBA INTO RED ORBIT—ECONOMY NEAR PARALYSIS, BUT THERE'S STILL HOPE

(By John B. McDermott)

HAVANA, CUBA.—Memo to Moscow: "Keep your secret agents and your organizers home, Nikita Khrushchev. You don't need them here. Fidel Castro himself is unwittingly talking Cuba into the Communist orbit."

A high Government official, a dedicated follower of Castro, said he estimates more than 1 million people—one-sixth of Cuba's population—are out of jobs today.

No one knows the exact count.

The Government is operating in a state of disorganized confusion.

Although economic paralysis is fast setting in, there is still a hope for recovery.

It hinges on the efforts of two Castro aides, Regino Boti, minister of the national economy board, and Felipe Pazos, head of the national bank. Both are extremely able.

If Castro gives them a chance, they may be able to reverse the trend Castro has initiated.

Castro, as self-appointed prime minister of the revolutionary government, calls the shots and outlines policy as he goes. Frequently policy seems to be made on the spur of the moment, in the middle of one of his hours-long speeches.

If he keeps it up, observers here feel the Russians and their Red party leaders need move hardly a finger toward eventual capture of this sugar republic and a strategic North American beachhead.

Yet the Cuban people are instinctively anti-Communist and procapitalist.

What is happening here is reminiscent of Guatemala 4 years ago when the Communists were able to push Jacobo Arbenz into power. But then it took long months of careful, crafty planning—of infiltration and manipulation.

In Cuba, it is being accomplished by the national hero, a man who is not a Communist but rather is an inept administrator, idealist and demagog.

In fairness to Castro, it must be emphasized that he appears completely sincere. And he has achieved, for the moment at least, honesty in government, a quality hitherto unknown in Cuban politics.

Despite his sincerity, he gives every indication of doing a beautiful job of fouling up this island nation's economy, driving it toward bankruptcy, upsetting traditional social customs and creating an atmosphere of government by confusion.

He may know where he is heading, but that's more than do some of his closest supporters who are government officials.

Several I talked to admitted they are baffled. Others maintain that all is well, that this is simply a transitory period.

"Don't condemn Castro," pleaded youthful-looking J. A. Ossorio, American affairs officer in the prime ministry. "There is absolutely no connection between the Castro government and the Communists.

"Socialists? Yes. But Communist? No.

"The Bible says, 'You shall know them by their works.' Give Castro a chance to prove himself."

Another official admitted off the record that Castro talks too much when he should be listening.

"Cuba today is in a state of shocked hero worship," said this official with surprising frankness. "Unfortunately, the strongest believer in Fidel Castro is Castro himself. Soon he must come down from the clouds and face reality."

A prominent Cuban newspaperman, known as a longtime Castro backer, said he is fearful that while the 32-year-old Prime Minister talks himself hoarse on radio and television, leftwing extremists are moving into key advisory positions.

Among these are Alfredo Guevara, who directs classes in Marxism teachings to the army; Baco Alanso, head of the national fine arts commission; Carlos Franqui, former proofreader on the Communist organ Hoy, who now runs Castro's government newspaper Revolution; Antonia Antuna, who directs the national institute of culture under the Education Ministry; Casals Perez, head of rebel radio; and many others.

Castro's brother, Raul, heads the new army and "tolerates" communism. Another military strongman, now ill, is Argentine "Che" Guevara, who claims to be non-Communist although he seems to play ball with the Reds, including the old Arbenz regime in Guatemala.

Two leftist authors, Emil Roig de Leuschenroig and Antonio Munez Jimenez, have been reinstated to places of prominence and their works are being used in the schools and in indoctrinating the military.

Castro has loftey aims. But too many of his plans are unrealistic and dangerous. Right now he appears to be in the position of an amateur tight rope walker on a high wire for the first time without a net.

[From the Washington Post and Times Herald]

IS CASTRO INVOLVED IN RED ATTEMPT TO POUR RING AROUND PANAMA CANAL?

(By Drew Pearson)

SAN JUAN, P.R.—The stock technique of the slight-of-hand performer is to get audience attention diverted to one part of the stage while he saws the lady in two in a wooden casket.

That technique was used by the Kremlin during the Berlin airlift and it may be the Kremlin's strategy in Berlin today.

While the United States concentrated all its attention on the Berlin Airlift in 1948–49, the Kremlin was successfully busy on other parts of the world stage.

Today while we again concentrate on Berlin, Iraq, one of the most vital countries in the Near East and one-time ally, is rapidly coming under the Kremlin's wing.

But even more important, the Kremlin appears on the way to establish a beachhead in the Caribbean area around the Panama Canal.

The New York Times, the Columbia Broadcasting System and others who built up Fidel Castro have been quite superficial in their reporting of the factors and influences around Castro.

But the fact is that Fidel is an extraordinary young man with an extraordinary background.

The first record of his operation to appear in American intelligence reports dates back to April 9, 1948, which, incidentally, was just 8 days after the Russians clamped their first blockade on Berlin.

At that time George Marshall, Secretary of State, was in Bogotá, Colombia, attending the historic ninth meeting of the Pan American Union aimed at promoting peace and unity in the Western Hemisphere, when one of the worst civil massacres in recent Latin-American history bloodied the streets of Bogotá.

A carefully laid student plot burst right under the nose of Secretary Marshall, streets were barricaded, 300 people killed.

No. 1 leader of this revolt, it now develops, was Fidel Castro. Records show that on April 3, 5 days before the massacre, Communist-slanted handbills were dropped from the gallery of the Colon Theater in Bogotá as the President of Colombia and other officials attended.

Police at that time arrested two young Cubans—Fidel Castro and Rafael Del Pino. They were released.

After the massacre, police tried to arrest these two again, but they had taken asylum in the Cuban Embassy.

The manager of the Hotel Claridge where they stayed testified that guns and ammunition had arrived at the hotel, and Guillermo Hoenigsberg, who occupied the next room, testified that the had listened to conversation of the two students indicating that they were agents for the "third front of the U.S.S.R. in South America."

NOTE.—Rafael Del Pino, once Castro's close friend, now living in Miami, has given up any left-wing ideas and told the Herald the other day that he would be willing to join or lead a revolt against Castro because of the leftist trend of the revolution.

Between the Bogotá massacre and the beginning of the Castro revolt in Cuba four stanch friends of the United States of America in the Caribbean were systematically assassinated:

President Somoza of Nicaragua, President Remon of Panama, President Castillo Armas of Guatemala, and Colonel Aranda, a pro-United States Guatemalan candidate for president, murdered in Mexico to pave the way for pro-Communist Arbenz Guzman to take over.

Intelligence records show no link between Castro and these assassinations, but it's significant that Rubin Miro, who served 2 years in jail on the charge of killing President Remon of Panama is now in Havana and has been working with Castro for some time. Also, the Caribbean legion, 30 percent Communist, has been fighting for Castro.

Simultaneous with Castro's successes in Cuba, two secret plots have been uncovered in Panama, one of them hatched on American soil inside the Canal Zone. Both occurred following Castro's rise to power in Cuba.

The first came to a head February 18 in Panama City. The second was discovered as the result of a meeting at the home of Carlos Calzadilla, a former student leader, inside the Canal Zone.

There a group of sergeants and one lieutenant planned a revolt inside the Panamanian Army, scheduled March 8. The revolt collapsed after discovery of the meeting.

President Ernesto de la Guardia, scrupulously honest, is a strong believer in democracy. There can be no charge of dictatorship or graft behind any plots against him.

Meanwhile, in Havana, the Communist paper, Hoy, has reopened, and is publishing daily blasts against the United States; another paper for young Cubans, Mella, follows a Communist line, and the old Batista paper, Revolucion, has been taken over by Fidelistas, edited by Castro's close friend, Carlos Franquia, and is following a pro-Communist line.

In Santiago, next to the vital U.S. naval base at Guantanamo, another pro-Communist paper, Sierra Maestra, almost daily attacks the United States and praises Russian policy.

That's only part of the change that has come over the Caribbean since Fidel Castro came into power.

[From the Washington Star, Apr. 8, 1959]

DOUBTS ABOUT CASTRO RAISED ON EVE OF TRIP

Fidel Castro, Cuba's controversial new strong man who has yet to prove himself at home and with American officials, goes upstage on the American foreign policy scene here in the next week.

On Thursday 12 American mission chiefs from Central American Embassies meet with Assistant Secretary of State Roy Rubottom in San Salvador. One of their main concerns will be the changed situation in the Caribbean area since the Castro regime came to power.

Next week Premier Castro comes to Washington to begin a 10-day visit filled with speechmaking and conferences with Government and private leaders. He is to make a major address before the American Society of Newspaper Editors here a week from Friday.

CUBAN UNDER TEST

The 32-year-old Mr. Castro, high American officials here believe, has an extremely severe testing time just ahead of him. They have these doubts about him:

1. He is exposed to a considerable Communist influence, inside his government and out.

2. He is harboring Latin American revolutionaries who are allowed to plot openly against nearby governments which Mr. Castro considers to be run by dictators.

3. He is losing his middle class and professional support.

4. He has a quick, sharp tongue that may meet with some blunt reactions from Congress and other free-speaking commentators on the American scene, with unpredictable results for Cuban-American relations.

TO REPORT ON CUBA

Ambassador Philip Bonsal, new American envoy to Havana, is scheduled to make a special report to Assistant Secretary Rubottom at the San Salvador meeting this weekend.

American officials recognize that Communists get special benefits when a nation is suddenly freed from dictatorial control and restrictions on the rights of political parties and freedom of the press are removed.

The well-organized Reds returning from exile or emerging from underground, rush into key spots in education, labor, the press and student movements.

This pattern has been repeated in Cuba. Besides, two of Fidel Castro's closest associates are widely suspected of Communist connections. His brother, Raul, is reported to have spent some of his formative years behind the Iron Curtain working in Communist youth movements. He frequently has avoided opportunities to prove he is anti-Communist.

GUEVARA BACKED REDS

Ernesto Guevara, another close Castro associate, favors Communist causes and was an admiring backer of the Red regime of Jacobo Arbenz Guzman in Guatemala. Mr. Guevara has said publicly he is not a Communist, but he added that this does not mean he is anti-Communist.

American officials also have what they describe as "rather disturbing evidence" that Communist revolutionaries are active among the Latins in Cuba now openly plotting against the regimes in Haiti, the Dominican Republic, and Nicaragua.

Both the anti-Communist revolutionaries and the Reds are allowed to operate from Cuba. They travel in and out of Cuba, and at least one radio station still is broadcasting threats against Haiti.

The flow of investment capital, especially into housing programs, has begun to slow down in Cuba.

INVESTMENT TIDE SLOWS

The evidence shows that upper and middle class Cubans, on whom Mr. Castro must rely to push through his program of economic reforms, are showing signs of disenchantment.

Mr. Castro has now shifted his appeal from the middle class and professional groups to the lower classes. Whether he can hold the new supporters, and how he hopes to generate investment capital are questions being watched with interest in official Washington.

Premier Castro is to arrive in Washington a week from today. He is to lunch with Acting Secretary of State Christian Herter on Thursday, April 16.

DUE NEXT WEEK

That is the only official appointment he has so far.

President Eisenhower will still be vacationing in the South and is not expected to see the new Cuban leader.

But Mr. Castro's comments in Cuba about seeking economic aid here indicate he will confer with American aid officials.

The initiative is up to Mr. Castro, informants here say, and there is no word from Havana of any official inquiries for appointments. This makes it unlikely the Cuban Premier will be able to arrange any economic aid by the time he leaves the country about April 25.

WANTS SUGAR INCREASE

Mr. Castro has been quoted from Havana as demanding an increase in Cuba's sugar quota. But his comments indicate to some officials here that he does not understand the complicated American system of quotas for buying sugar from domestic and foreign producers.

Several Senators from beet sugar producing States could be expected to speak up to protect their constituents' interests if the Cuban Premier made any demands likely to affect domestic interests.

Mexican, Filipino, Peruvian, and other interests might also be ruffled.

Young Mr. Castro also has indicated he hopes to appeal over the head of the American Government to the people for support of his cause. Besides riling American officialdom, this is not likely to be received well in other circles here, informants believe.

For all these reasons, American officials are expecting a lively time when the bearded Cuban leader flies into Washington next Wednesday.

Assistant Secretary Rubottom and Ambassador Bonsal hope their talks in San Salvador this weekend can help smooth the way.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSTITUTIONAL AMENDMENT CONCERNING PRESIDENTIAL DISABILITY

Mr. KEFAUVER. Mr. President, the former Attorney General of the United States, Mr. Herbert Brownell, wrote a most searching and learned dissertation on the need for a constitutional amendment concerning Presidential disability. The article was published in the December 1958 issue of the Yale Law Journal. Mr. Brownell sets forth with great clarity the pressing need for an amendment such as that provided for in Senate Joint Resolution 40, of which I have the honor to be the chief sponsor.

I ask unanimous consent that Mr. Brownell's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENTIAL DISABILITY: THE NEED FOR A CONSTITUTIONAL AMENDMENT

(By Herbert Brownell, Jr.)

The realization has grown among thoughtful people that our very survival in this age may rest on the capacity of the Nation's chief executive to make swift and unquestioned decisions in an emergency. As a result, a major constitutional problem, previously glossed over, has been brought to the fore. The problem is that posed by temporary presidential inability to discharge the powers and duties of the Presidency at a time when emergency action is required. It has been emphasized during the Eisenhower administration by the President's three periods of temporary physical incapacity, even though, fortunately, no crisis required immediate presidential action during those periods. Now that the issue is so forcefully upon us, with our future existence possibly depending on the forethought that we exercise in resolving it, failure to take proper steps to answer promptly the constitutional question would be the height of irresponsibility.

Many people who have considered this problem have assumed that its most important aspect is the factual determination of presidential inability. But, as the history of 170 years—including that of the 6 years years immediately past—shows, no real difficulty attends the determination of when or whether a President is unable to perform the duties of his office. The disability of Garfield in a coma, or of Wilson during at least part of the time after his stroke, was undisputed. No factual doubts about President Eisenhower's physical condition were of significance during any of his three illnesses. The crux of the constitutional problem has been—and will be—to insure that the Vice President can take over with unquestioned authority for a temporary period when the President's inability is not disputed, and that the President can resume office once he has recovered.

THE ORIGIN OF THE PRESIDENTIAL INABILITY CLAUSE OF THE CONSTITUTION

Students of the Constitution have differed for many years over the meaning of paragraph 6 of section 1, article II, of the Constitution. This paragraph, which deals with Presidential inability, reads, in part: "In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President." Although it is this provision which primarily raises the constitutional problem here under consideration, the language quoted does not constitute all of paragraph 6. Immediately following the quoted words and, significantly, separated only by a comma is the following clause: "And the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly until the disability be removed, or a President shall be elected." The clause delineating congressional power has been implemented from time to time through the enactment of statutes setting forth the succession to the office of President in the event of the removal, death, resignation, or inability of both the President and Vice President. Some independent problems of constitutional interpretation have been raised by this clause, but these problems are extraneous to this article.

An initial examination of the first clause poses several questions. The clause outlines four situations in which the Vice President may be required to act in some capacity. Three of the situations, namely, removal from office, death, or resignation, apparently contemplate the permanent exclusion of the President for the balance of his term. But was it intended that "Inability to discharge the powers and duties of the said Office" should exclude the President thenceforth, in the event of his recovery, from discharging those powers and duties? Another obvious question arises from the language of the clause which provides "the same shall devolve on the Vice President." To what do the words "the same" refer? What is it that devolves on the Vice President? Is it the Office of President, in which case the President might thenceforth be excluded as in the other three instances of permanent exclusion; or do only the powers and duties devolve on the Vice President, in which case his tenure as the Acting Chief Executive may very well be for only a temporary period?

Historical investigation discloses that the two main clauses of paragraph 6 were not originally created by the Constitutional Convention as part of the same paragraph. They were considered separately, approved in substance on different days and, in fact, drafted by different bodies. The first clause was composed by the Committee of Detail and by the Committee of Eleven and reported to the full convention on September 4; the second clause was offered as a motion from the floor on September 7, 1787. Indeed, the two clauses were not worded as they now appear when they were approved as to substance by the full convention and referred to the Committee of Style. The Committee of Style had no power to make any change in meaning or substance, but only to edit the text for stylistic improvement.

The true meaning of the first clause of paragraph 6 becomes apparent when the original articles, as agreed to by the convention in substance, are set in juxtaposition to the articles as they were reported by the Committee of Style, and (with one change) as they now appear in our Constitution.

ARTICLES ORIGINALLY AGREED TO BY THE CONVENTION	AS LATER REPORTED BY COMMITTEE OF STYLE AND FINALLY ADOPTED
Article X, section 2: * * * and in case of his removal as aforesaid, death, absence, resignation, or inability to discharge the powers or duties of his office the Vice President shall exercise those powers and duties until another President be chosen, or until the inability of the President be removed.	Article II, section 1, paragraph 6: In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice President,
Article X, section 1: The legislature may declare by law what officer of the United States shall act as President in case of the death, resignation, or disability of the President and Vice President;	and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President,
and such officer shall act accordingly, until such disability be removed, or a President shall be elected.	and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

Three important points appear by visual comparison of the two texts above. First, the articles as initially adopted by the convention used the words "the Vice President shall exercise those powers and duties." One does not exercise an office, but one does exercise powers and duties. Clearly, then, the clause providing that "the same shall devolve on the Vice President" means that the Vice President shall exercise the powers and duties of the office, and not that the Vice President succeeds to the Office itself. In other words, he acts as President, but he remains in the office of Vice President. This interpretation is borne out by the history of the convention, which shows that the vice presidency was originally created to provide for an alternate Chief Executive who might function from time to time should the President be unable to exercise the powers and duties of his office. Only after creating this standby role did the convention consider giving the Vice President something to do while he wanted to act as President. The idea of assigning him the duty of presiding over the Senate was strictly an afterthought.

Secondly, and of considerable significance, the articles as initially agreed to by the convention definitely prescribed the period during which the Vice President was to act as President, that is, "until another President be chosen, or until the inability of the President be removed." This makes crystal clear that the exercise of the powers and duties of the Presidential Office by the Vice President was to be for a temporary period only.

A third point should be observed. Each of the clauses which are now joined originally contained separate but similar language limiting the tenure of whoever was to exercise the power and duties of the Presidential Office. The words of the first clause have already been noted; the second clause provided: "and such officer shall act accordingly, until such disability be removed, or a President shall be elected." When these two clauses were referred to the Committee of Style, the text was revised. The clauses were consolidated in one sentence, separated only by commas, and for terseness one of the phrases limiting the tenure of the person exercising the powers and duties of the Presidential office was eliminated. The phrase at the end of the revised sentence was intended to refer to all of the situations described in that sentence.

Still further proof of the original intention to have the Vice President assume only the duties of the President, not his office, can be inferred from the Convention's reaction to the version of paragraph 6 proposed by the committee of style. The only change made by the Convention in the committee's draft was to strike the concluding words "or the period for chusing another President arrive," and to substitute the phrase as it now appears, "or a President shall be elected." This step was taken at Madison's insistence and in conformity with a motion previously adopted for the specific purpose of allowing the vacancy to be filled by a special presidential election. Of course, the Convention's action does not necessarily amount to a clear-cut decision concerning the status of the Vice President while he should act as President, but it certainly suggests that, in the contemplation of the framers, the only occupant of the Presidential office was to be the elected President himself—that if he left the office, a vacancy would exist requiring the election of a replacement.

One may logically ask why doubt and controversy over the meaning of this clause has arisen in the past, if the framers' intent is so clear and certain. The answer is simply that a great deal more is now known about what went on at the Constitutional Convention of 1787 than was known in the past, even in the years immediately after the Convention. It was conducted in secrecy, and not until Madison's notes were published posthumously in 1840 was a fair picture available, although still not a complete one. Farrand's work, "Records of the Federal Convention of 1787," the definitive source on the subject, did not appear until 1911. Other

important data has come to light subsequently through the research of biographers and historians dealing with persons and actions of the time. Understandably, it has taken years for scholars to bring the information together. Furthermore, confusing precedents have been established by officials who did not have access to this information.

HISTORICAL APPLICATION OF THE CONSTITUTIONAL CLAUSE ON PRESIDENTIAL INABILITY

It was not until 1841 that paragraph 6 of section I, article II, became of practical importance. William Henry Harrison was the first President to die in office, and this event made John Tyler President. Or did it? As a matter of history, the first papers submitted to John Tyler for his signature had, below the space for his signature, the words "Acting President." Tyler was incensed; by a stroke of his pen he eliminated the word "Acting," and signed as President. And so, President he did become. After him, six other Vice Presidents did likewise upon the death of the President in office. Few now quarrel with this constitutional fait accompli, or want it changed. But it was to cause trouble later on when the constitutional question arose not from the death of a President, but from his inability.

Zachary Taylor died and was succeeded as President by Millard Fillmore; Abraham Lincoln died and was succeeded as President by Andrew Johnson; then James Garfield was shot in 1831. He lay in a coma for 80 days, completely unable to perform any of the duties of the Presidency. All were aware of his condition, and few disputed its seriousness. After 60 days, a Cabinet meeting was held in which it was unanimously voted, seven to nothing, that Chester A. Arthur, Vice President, should assume the powers of the presidential office. But was he to become President? Opinion was divided. The Cabinet itself voted 4 to 3, with Attorney General Wayne MacVeagh among the majority, that Arthur would become President and would thereby oust Garfield from office. The three previous occasions on which the Vice President had become President upon the death of the existing Chief Executive were powerfully persuasive precedents because, after all, the language of the Constitution concerning death or inability was exactly the same; indeed, as the preceding analysis shows, the position of the Vice President, whether the President died or was disabled, was actually intended by the framers to be the same.

The Cabinet resolved, nevertheless, that before Arthur should take this momentous step, Garfield should be advised and consulted about the consequences which might attend Arthur's assumption of the powers of the President. Garfield's physician, however, gave his medical opinion that such consultation might very well kill the President. Arthur himself emphatically declined to take any steps whatsoever to assume the powers of the President. He would not be a party to ousting Garfield from office. His reluctance on this score may well have been augmented by the fact that he belonged to the opposite wing of the Republican Party from Garfield's, and that Garfield's assassin, Guiteau, enthusiastically proclaimed both his admiration for Arthur and his loyalty to the political principles of Arthur's stalwart faction of the party.

Garfield lingered for another 20 days, then died; and Arthur thereupon took office as President. But the 80-day interim period had had a harmful effect on the country. Regular Government business could not be conducted, because of the President's lengthy absence, and also because subordinate officials could not be appointed. The Nation's foreign relations, lacking the direction of a Chief Executive, seriously deteriorated. Furthermore, general uncertainty and political antagonisms were engendered by the fact that the dying President belonged to one wing of the party and Arthur to another.

The second case of presidential inability occurred in 1919, less than 40 years after Garfield's death, when Woodrow Wilson suffered a stroke while leading the fight for the adoption of the Covenant of the League of Nations. After unprecedented military and economic exertions in World War I, America had reached a new pinnacle in world leadership; and at that precise moment its leader was stricken. Vice President Marshall was in the wings as an understudy, but there he stayed. A great Senate battle over ratification of the Versailles Treaty and the Covenant of the League of Nations was waged, with Presidential leadership missing. Marshall flatly declined to assume any of the powers of the presidency because of the constitutional uncertainty as to whether Wilson could resume his office when he recovered.

The exact extent of Wilson's inability is not clear, but it is certain that for a period of weeks he was completely unable to perform any of the duties of the office. Precise information about his condition was carefully shielded from public view by his wife, his personal physician, and his personal entourage in the White House. The President's personal advisers obviously feared the very thing that made Vice President Marshall hesitant to act—if the full extent of Wilson's disability should become known, public opinion would demand that Marshall exercise the powers of the Presidency, and Wilson might face a constitutional fight to regain his office, should he recover.

The jealousy with which the Presidential prerogatives were guarded—and perhaps might again be guarded—is epitomized by the actions of Wilson and his personal staff from his collapse on September 25, 1919, until the end of his term on March 4, 1921. Without the direction of the President or Vice President, Secretary of State Lansing called 21 Cabinet meetings. Having heard of these meetings, Wilson accused Lansing of usurping Presidential power and forced him to resign. Upon Lansing's suggestion that the Cabinet request Vice President Marshall to act as President, Joseph P. Tumulty, Wilson's secretary, replied: "You may rest assured that while Woodrow Wilson is lying in the White House on the broad of his back I will not be a party to ousting him." The President himself is reported to have commented in a similar vein, and to have confided to his secretary, after Lansing resigned, "Tumulty, it is never the wrong time to spike disloyalty. When Lansing sought to oust me, I was upon my back. I am on my feet now and I will not have disloyalty about me." Thus, Lansing's endeavors to insure the normal functioning of the executive branch, either by the Vice President acting as President or by the Secretary of State calling Cabinet meetings at which executive business could be transacted, were viewed by the President and his personal staff with antagonism, rather than gratitude.

The pernicious result of the belief that a Vice President actually becomes President for the balance of the Presidential term when called upon to exercise the powers and duties of the Presidency, has been to nullify the intent of the drafters of the Constitution that the Nation have an alternate Chief Executive to provide continuous Executive leadership. It should be apparent that the original constitutional intent and the problem of providing for the exercise of Presidential power in cases of inability would not be met merely by providing a new mechanism to determine the existence of the inability. No such determination was needed in the Garfield and Wilson cases; the inability was patent. The problem was to assure the President, his personal advisers, the Vice President and the public that the President would not be ousted from his office by a Vice Presidential execution of the powers and duties of the Presidency—to make certain that the President could "come back" of his own volition. Until this assurance can be given, a President and his personal entourage may be tempted to conceal or block an attempt to determine the existence of disability. Moreover, if every Presidential retirement from power must be a permanent one, a President's illness—however serious—will have deep political significance activating diverse political currents. But if the reins can be relinquished only temporarily, as the original framers intended, they can be yielded with more grace and, as history shows, an elaborate mechanism to determine when they should be yielded is unnecessary.

PRESIDENT EISENHOWER'S ILLNESS AND HIS PROPOSAL FOR A CONSTITUTIONAL AMENDMENT

Immediately after President Eisenhower's heart attack in September 1955, the President's medical advisers informally and orally gave their opinions as to the President's condition and the probable duration and extent of his physical impairment. A survey was made regarding the magnitude and immediacy of the problems that would require Presidential action then or in the near future. Congress was not in session and no international emergencies impended. Based upon the medical opinions and the survey, the Attorney General orally advised the Cabinet and the Vice President, who regularly sat with the Cabinet, that no present situation required the Vice President to take action under article II, section 1, of the Constitution. This opinion was accepted by all concerned and attention was then given to developing a modus operandi for the functioning of the executive branch during the continuance of the President's illness. This plan included a decision to have Vice President NIXON preside at meetings of the Cabinet and National Security Council during the President's absence.

On October 21, 1955, the Attorney General conferred with the President in his hospital room at Denver to advise him of the legal basis for the foregoing actions, and to reassure him that no written authorizations were required from him at that time to insure that the Government's activities were carried on according to his previously established policies.

In January 1956, upon President Eisenhower's return to Washington, he directed the Department of Justice to institute a full legal study of the problems raised by temporary presidential inability. His purpose was to draft a plan to protect the country fully if a President were to become disabled at a time when immediate executive action was needed. Later, it was decided not to formulate such a plan during the presidential campaign, lest it become entangled in partisan politics. Early in January 1957, the President reviewed several alternative plans and authorized the Attorney General to consult persons outside the Government to obtain their views and criticisms. The opinions of members of the Cabinet were sought at a Cabinet meeting. Finally, a definitive plan which proposed a constitutional amendment was approved by the President. It was to be sent to Congress with a special message from the President urging its adoption. But when the plan, in final form was orally presented at a meeting of the congressional leaders of both parties, the Speaker of the House of Representatives raised the point that if the President should send a special message to Congress urging adoption of the proposed constitutional amendment, the people of the country, in the mistaken belief that some unannounced development in the President's condition had occurred, might become alarmed. Accordingly, the forthcoming special message was canceled, and public

announcement of the plan took the form of testimony by the Attorney General before a subcommittee of the Judiciary Committee of the House of Representatives.

The operative clauses of the proposed constitutional amendment were as follows:

"SECTION 1. In case of the removal of the President from office, or of his death or resignation, the Vice President shall become President for the unexpired portion of the then current term.

"SEC. 2. If the President shall declare in writing that he is unable to discharge the powers and duties of his office, such powers and duties shall be discharged by the Vice President as Acting President.

"SEC. 3. If the President does not so declare, the Vice President, if satisfied of the President's inability, and upon approval in writing of a majority of the heads of executive departments who are members of the President's Cabinet, shall discharge the powers and duties of the office as Acting President.

"SEC. 4. Whenever the President declares in writing that his inability is terminated, the President shall forthwith discharge the powers and duties of his office.

The plan's major purpose was to make abundantly clear that, in the event of a President's inability, the Vice President would serve only as acting President and, then, only during the continuation of the Presidential inability. The President was to have the express power to resume the exercise of his office as soon as he declared that he was again able to act. Also significant, however, were those provisions outlining a method for determining when these shifts in function were to occur. Thus, the plan envisaged that, through voluntarily declaring in writing that he was unable to discharge the powers and duties of his office, the President himself would initiate the Vice President's tenure as acting President for the period of inability. Similarly, whenever the President should declare in writing that his inability was terminated, he would thereupon resume the powers and duties of his office. This provision for voluntary action by the President would, in the light of history, probably cover most cases of Presidential inability. In the less common situation where a President was unable or unwilling to declare his inability, the constitutional amendment proposed a shift in the responsibility for such a determination. The Vice President, if satisfied of the President's inability, and upon the written approval of a majority of the Cabinet, would become acting President for the period of the inability. In this situation also, the President would be entitled at any time to state in writing that his inability was terminated and thereupon to resume the powers and duties of the Presidency.

The proposed constitutional amendment, it should be noted, made no express provision for a case in which the President would endeavor to take up the powers and duties of his office although he was clearly unable to do so. The situation envisages a disagreement between the President and Vice President regarding the President's disability. It was explained, in presenting the proposed constitutional amendment to Congress, that if such an unlikely situation developed, the existing constitutional provisions for impeachment could be relied upon to settle the disagreement.

Noteworthy also is the fact that section 1 of the proposed constitutional amendment expressly confirmed the present generally accepted interpretation of the Constitution—that in case of removal of the President from office or his death or resignation, the Vice President actually becomes President for the unexpired portion of the current term. Thus, the precedent set seven times in cases of death of the President would be expressly adopted in the Constitution itself.

The Eisenhower plan's rejection of a Presidential Inability Commission

President Eisenhower's proposal rejected any idea of establishing some sort of inability commission or ad hoc body to determine the fact of Presidential inability. One of the alternative plans first submitted to the President for his review had provided for such a commission.

Arguments for a group determination of Presidential inability overlook the fact that throughout American history, not merely in the Garfield and Wilson instances, the problem has never been ascertaining Presidential inability; the stalemate in executive activity has proceeded from a Vice President's reluctance to assume his superior's office and a President's (or his personal advisers') reluctance to turn over Presidential duties with no assurance of their return.

Not only would such a factfinding commission have been unnecessary and ineffective in every Presidential inability problem so far encountered, but in the future it could have very serious and unfortunate consequences. Any law requiring complicated procedures, investigations, hearings, findings, and votes, would prevent immediate action in case of emergency. Today's need is for unquestioned continuity of Executive power and leadership. A law establishing a factfinding body of this issue might completely thwart that objective, to the Nation's deadly peril.

Furthermore, it seems unwise to establish elaborate legal machinery to provide for examinations of the President. The question of the physical and mental capacity one needs to serve as President is, of course, far more than a matter of medical findings by a group of learned physicians. Providing for physical and mental examinations would, at the least, be an affront to the President's personal dignity and degrade the Presidential office itself; more dangerously, it would give a hostile group power to harass the President for political purposes.

Aside from these objections to commission-type determination of Presidential inability, grave difficulties would attend arriving at a satisfactory composition for such a group. Many earnest people have suggested that the prestige and impartiality of members of the Supreme Court be enlisted to head or to staff an inability commission, but the letter of Chief Justice Warren of January 1958 would seem to have removed—and wisely so—all possibility of the Justices' participation in such a group. Various officers of legal and medical societies have also been suggested for membership. Since they are not publicly elected officials and have no public responsibility, however, a better plan would be to ask these worthy persons to serve, if at all, in an advisory capacity.

If the power of initial determination is diverted from the executive branch, or even is shared in some fashion with those outside the executive, a way is opened for harassment of a President for political motives. A major shift in the checks and balances among the three divisions of the Federal Government could well result. Therefore, although individual Members of Congress—the Speaker of the House, President pro tempore of the Senate, and the majority and minority leaders in both Houses—have been mentioned as possible commission members to insure participation by elected representatives in any decision on Presidential inability, this suggestion, too, interjects some unwanted features. With the participation of congressional officials, a Presidential inability commission would be bound to assume a political appearance. Individual Members of the Congress, though elected by the people, are elected by the people of a particular small district or State, and are not necessarily representative of the Nation as a whole; only the President and Vice President are elected by the entire populace.

In keeping with the belief that the initial determination of Presidential inability should be kept wholly within the executive branch of the Government, the Eisenhower plan limited the choice of persons or groups to make the decision to the Vice President and the Cabinet. This seems a realistic solution. The Garfield and Wilson precedents indicate strongly that a Vice President, in order to assure wide public support and to eliminate a possible charge of usurpation, would in fact consult with the Cabinet before making the momentous decision involved in a declaration that the President is unable to exercise the powers and duties of the Presidency. The Cabinet members are in a position to know at once whether a President is disabled. Moreover, the public would accept the Cabinet's opinion as reflecting the views of persons close to the President and alert to any unconstitutional attempt to deprive him, even temporarily, of his powers.

Under the proposed amendment, two courses of action would be possible. The Cabinet could notify the Vice President when a majority of its members believes that the President's inability was sufficient to warrant a devolution of presidential power to the Vice President. In the past, the Cabinet has always notified the Vice President when a President has died, and this custom would thus be extended to the case of inability. The Vice President would make the decision to assume Presidential power, but the constitutional validity of the decision would depend upon the approval of that decision by a majority of the Cabinet. Alternatively, the Vice President might take the initiative without the Cabinet's first inviting him to make the decision; in this case, also, written approval by a majority of the Cabinet would be required before the Vice President could undertake the exercise of Presidential power.

Ultimately, the operation of any constitutional arrangement depends on public opinion and upon the public possessing a certain sense of what might be called "constitutional morality." Absent this feeling of responsibility on the part of the citizenry, there can be no guarantee against usurpation. No mechanical or procedural solution will provide a complete answer if one assumes hypothetical cases in which most of the parties are rogues and in which no popular sense of constitutional propriety exists. The combination of the judgment of the Vice President and a majority of the Cabinet members appears to furnish the most feasible formula without upsetting the fundamental checks and balances between the executive, legislative, and judicial branches of the Government.

By way of contrast, the advocates of some specially constituted group to determine Presidential inability face many dilemmas. If the President is so incapacitated that he cannot declare his own inability, no need exists for a factfinding body. Nor is a factfinding body necessary if the President can and does declare his inability to exercise the powers of his office at a given moment. If, however, the President does suffer from an inability which he is unwilling to admit, and the Vice President and most of the Cabinet and other Government officials are aware of this and believe that the President should step aside temporarily, then a genuine dispute exists. But this dispute—and it certainly can become serious—should not be determined by a special commission composed of persons outside the executive. If the controversy is sharp, the inclusion of political appointees or of officials representing relatively small electorates would give any decision a political complexion. Worse, such a commission runs a good chance of coming out with a split decision. What would be the effect, for example, if a commission of seven voted four to three

that the President was fit and able to perform his office? What power could he exert during the rest of his term when, by common knowledge, a change of one vote in the commission proceedings could yet deny him the right to exercise the powers of his office? If, conversely, the vote were four to three that the President was unable to discharge the functions of his office, and the Vice President were installed as acting President, what power could the Vice President exert when everyone would know that one vote the other way would cause his summary removal from the exercise of those powers? If the man acting as President were placed in this awkward, completely untenable and impotent position, the effect on domestic affairs would be bad enough; the effect on the international position of the United States might well be catastrophic.

Thus, in the presentation of President Eisenhower's original proposal for a constitutional amendment in 1957, it was stated that any dispute between the President and the Vice President regarding termination of the President's disability could be resolved by Congress taking impeachment proceedings against whichever official was wrongfully attempting to exercise the powers of the Presidency. In subsequent public discussion of the proposal, however, it was pointed out that impeachment and trial are complicated and lengthy processes, that the Congress is not always in session, and that nothing in the Constitution now empowers the Vice President to call Congress into special session. Furthermore, conviction would remove the President permanently, and the odium attached to impeachment might very well cause many Congressmen to hesitate to take such action—especially against an ill man.

The revision of section 4 of the Eisenhower proposal

In response to criticisms of the impeachment process as a method of resolving a dispute between the President and Vice President, Attorney General Rogers on February 18, 1958, presented to the Subcommittee on Constitutional Amendment of the Senate Judiciary Committee a revised section 4 for the President's proposal, which now reads:

"SECTION 4. Whenever the President declares in writing that his inability has terminated, the President shall forthwith discharge the powers and duties of his office: *Provided, however,* That if the Vice President and a majority of the heads of executive departments who are members of the President's Cabinet shall signify in writing that the President's inability has not terminated, thereupon:

"(a) The Congress shall forthwith consider the issue of the President's inability in accordance with procedures provided for impeachment, and if the Congress is not in session, shall forthwith convene for this purpose;

"(b) If the House of Representatives shall on record vote charge that the President's inability has not terminated, and the Senate so finds by the concurrence of two-thirds of the Members present, the powers and duties of the office of President shall be discharged by the Vice President as Acting President for the remainder of the term, or until Congress by a majority vote of the Members of both Houses determines that the President's inability has terminated."

In substance, the revised section 4 provides that if the President undertakes to resume the exercise of the powers and duties of the Presidency, but has misjudged his condition, the Vice President and a majority of the heads of the executive departments who are members of the Cabinet may signify that the President's inability has not terminated, and Congress must step in to determine the issue. If the Congress is not in session, it would be required to convene immediately for the purpose of considering the President's inability under procedures presently established only for impeachment and trial. A two-thirds vote of the Senate would determine the existence of the President's inability; a majority vote of both Houses would restore the powers of his office to the President.

In submitting the revision to the Judiciary Committee of the Senate, Attorney General Rogers pronounced:

"Let me stress that the very existence of this ultimate power in Congress—which is the only power it needs in relation to this question—would in all probability insure that this extreme situation would never arise. No Vice President would resist a President reasserting his claim to the powers of the office unless the President were in fact unable to perform. No President—in fact unable to perform—would be permitted by his family and close personal counselors to reassert his claim and precipitate an issue likely to be resolved against him by Congress."

Public interest in the question of Presidential disability, reawakened by the revision of section 4 greatly increased when, less than a month later, President Eisenhower announced his understanding with Vice President NIXON, a dramatic presentation of the legal problems involved and the administration's viewpoint.

THE EISENHOWER-NIXON UNDERSTANDING ON PRESIDENTIAL INABILITY

After the President's heart attack in September 1955, informal discussions were had between the President and the Vice President concerning what the Vice President's role should be in the event of a similar unfortunate occurrence, or any other happening which would disable the President temporarily at a time when Presidential action was required. As a result, at the time of President Eisenhower's ileitis operation in 1956, Vice President NIXON stood by fully prepared to initiate, as Acting President, whatever action would be necessary in case of international emergency; for it was realized that the announced intention of the President to undergo a serious operation might entice a hostile foreign power to make some drastic move in the expectation of finding, at the critical moment, confused and uncertain leadership in the United States.

On March 3, 1958, a historic step was taken when the President and Vice President, in consultation with the Attorney General, reduced to memorandum form their understanding of the constitutional role of the Vice President as Acting President. The Eisenhower-Nixon understanding is stated in these terms:

"The President and the Vice President have agreed that the following procedures are in accord with the purposes and provisions of article 2, section 1, of the Constitution, dealing with Presidential inability. They believe that these procedures, which are intended to apply to themselves only, are in no sense outside or contrary to the Constitution but are consistent with its present provisions and implement its clear intent.

"1. In the event of inability the President would—if possible—so inform the Vice President, and the Vice President would serve as Acting President, exercising the powers and duties of the office until the inability had ended.

"2. In the event of an inability which would prevent the President from communicating with the Vice President, the Vice President, after such consultation as seems to him appropriate under the circumstances, would decide upon the devolution of the powers and duties of the office and would serve as Acting President until the inability had ended.

"3. The President, in either event, would determine when the inability had ended and at that time would resume the full exercise of the power and duties of the office."

The understanding represents the Eisenhower administration's interpretation of the Constitution as it now stands. The only addition to present constitutional requirements is that the Vice President take action "after such consultation as seems to him appropriate under the circumstances." Although the Constitution does not require the Vice President to consult anyone, it was felt that as a matter of good judgment, the Vice President would want to consult members of the Cabinet, congressional leaders of both parties, and perhaps other prominent citizens before presuming to exercise the powers and duties of the Presidency. The Eisenhower-Nixon understanding, in effect, gives the Vice President the comfort of being directed to seek opinion from other persons and thus strengthens his position if he should be obliged to take these steps. Appropriately, in view of constitutional silence on the matter, the persons with whom the Vice President is to consult are not mentioned. Presumably, the Vice President's choice would depend on the circumstances of the moment; in a time of international crisis the opportunity for consultation might be very brief. On other occasions, the Vice President might find consultation with a large number of people not only feasible but desirable, for, obviously, the broader the base of opinion, the greater the support would be for his decision.

Consistent with the Constitution as it now stands is the agreement's provision that in cases where the President is unable to notify the Vice President of his disability the Vice President is sole judge of the necessity for his exercising the powers and duties of Chief Executive. This is so because the Constitution does not state who should determine the President's inability in the many circumstances in which, as the founders themselves must have foreseen, it cannot be the President himself. The Cabinet could not have been intended to judge the issue, since this body is not referred to in the Constitution. It is not the Congress, except by the negative sanction of impeachment and conviction for a wrongful attempt to exercise power. Nor is it the Supreme Court, because the question of Presidential inability is hardly one which fits any type of jurisdiction conferred by the Constitution on that tribunal. But the power to determine the inability of the President rests in the Vice President not simply because the Constitution places it nowhere else. By a well-known principle of law, whenever any official by law or person by private contract is designated to perform certain duties on the happening of certain contingencies, unless otherwise specified, that person who bears the responsibility for performing the duties must also determine when the contingency for the exercise of his powers arises. Similarly, under the present Constitution, it is the President who determines when his inability has terminated and he is ready once more to execute his office. The Eisenhower-Nixon understanding, by providing, first, for the Vice President's determination of Presidential inability and, second, for the President's determination of when that inability terminates, thus coincides perfectly with article II, section 1, of the Constitution as originally drafted in 1787 and analyzed in this article.

Although the understanding purports to bind only the present occupants of the presidency and vice presidency, it may well prove powerfully persuasive in the future since, as most constitutional authorities now believe, it presents a very correct interpretation of the Constitution. Still, the Eisenhower-Nixon memorandum, or anything similar to it, can only operate between two persons who are in complete agreement about their

respective positions. The understanding embodies no mechanism, and there is no mechanism in the present Constitution except the complicated process of impeachment, to resolve a dispute between the President and the Vice President as to the President's capacity to perform. By its very nature, this question is something that no agreement between a President and a Vice President alone can resolve. It is something which has not been settled satisfactorily by the present Constitution. Herein is the great virtue of revised section 4 of President Eisenhower's proposed constitutional amendment, under which a dispute between the President and Vice President on the question of inability would immediately be placed in the hands of Congress.

The Eisenhower-Nixon understanding also does not cover the problem of Presidential oath. Speaker of the House RAYBURN has stated that, in his opinion, it would be necessary for the Vice President to take a new oath of office to serve as acting President. Most authorities, however, would say that this step is unnecessary since, when the Vice President originally takes his oath, he swears to perform the duties of the office of Vice President, one of which—and the one first created by the drafters of the Constitution—is to act as an alternate Chief Executive. His other duties are to serve as presiding officer of the Senate and to vote in the Senate in case of a tie. It seems no more necessary for the Vice President to take the Presidential oath when he acts as President than it is for him to recite the senatorial oath when, in casting a decisive vote, he acts as Senator. In both instances, he is performing one of the functions of his own office, that of Vice President, which his original oath covers. Surely, however, these and more vital questions concerning the very exercise of the Presidential power itself should be cleared up before a time of crisis forces us to resolve the issue. It is precisely in times of crisis that unquestionable leadership is mandatory. If any question remains of the Vice President's status as acting President, that issue should be resolved by a clear and definite constitutional amendment.

WHY A CONSTITUTIONAL AMENDMENT IS NECESSARY

In light of what is now known about the origins of the Presidential inability paragraph, the intent of the framers of the Constitution should be clear to most people. But one cannot ignore that a division of opinion exists over the constitutional validity of a temporary devolution of Presidential power; nor can one ignore the precedents established by the Garfield and Wilson cases and the confusing original interpretation in Tyler's succession, followed in six subsequent instances. Opinions and precedents, whether well-founded or not, are operative facts which must be taken into consideration in plotting a course of action.

It is probable, certainly it is possible, that, in any future crisis concerning Presidential inability, the same conflicts in opinion would arise. History and logic demonstrate that if a Vice President is to take the momentous step of assuming the powers of the presidency, even for a specific, temporary period, he must do so by reason of unquestioned authority. Since the problem here concerns constitutional powers, questions raised about constitutional powers and precedents established through the interpretation of constitutional powers, a statute cannot settle the matter. Ordinary legislation would only throw one more doubtful element into the picture, for the statute's validity could not be tested until the occurrence of the Presidential inability, the very time at which uncertainty must be precluded. This defect is especially apparent in nearly all the statutory proposals advanced on the subject of Presidential inability, for they involve a transfer or diminution of the Vice President's constitutional power to determine the existence of Presidential inability and to act in such a contingency. The simple fact is that no mere statute can alter, transfer or diminish vested constitutional power. Thus, no statute which contained the additional measures needed—a designation of persons to share with the Vice President the power to make the initial decision, or a provision for a solution of disputes between the President and Vice President—would alter the existing powers of the President and Vice President. Even a statute which sought to do nothing more than declare the original intent of the framers would have to be construed in the light of previous constitutional interpretations and the precedents based on those interpretations, and would therefore be valueless in resolving doubt and uncertainty.

Despite these difficulties, some authorities have urged that Congress can enact simple legislation under the necessary and proper clause of the Constitution. According to the Supreme Court, however, this clause is not the delegation of a new and independent power, but simply provision for making effective the powers theretofore mentioned. Since the Constitution confers no power upon Congress in connection with Presidential inability so long as the Vice President is in office and able to act, congressional action under the necessary and proper clause would seem restricted to the uncommon situation in which both the President and the Vice President are incapacitated. As one recognized authority on the subject puts it:

"The only power expressly given to Congress to provide for Presidential succession is the power to declare what officer shall act as President when there is neither a functioning President nor a functioning Vice President. This would seem to deny congressional power to deal with inability, because numeration in the Constitution of certain powers denies all others unless incident to an expressed power or necessary to its execution—inclusio unius, exclusio alterius."

The records of the constitutional convention support this conclusion. Reference to the parallel texts of paragraph 6 set forth in the first section of this article will show that the first clause of paragraph 6, which deals with Presidential inability only, never contained a reference to congressional action of any type whatsoever. Moreover, the first clause was originally drafted and adopted completely independently of the second portion of paragraph 6, which permits Congress to act where both the President and Vice President are unable to function. The history of the paragraph and rules of sound construction thus combine in an irrefutable negation of congressional power to legislate where Presidential inability alone is involved.

A common objection to removing current doubts about Presidential inability by constitutional amendment is that the amendment process is dangerously slow. History shows, however, that a constitutional amendment can be speedily effected when the objective to be obtained is a popular one, if, of course, Congress is disposed to act in the first place. The 17th amendment, providing for the election of Senators by popular vote, took 13½ months. The 21st amendment, repealing the 18th (prohibition) amendment, took less than 10 months. Woman's suffrage, the 19th amendment, required only 15 months, and the 20th amendment, limiting Presidents to two terms, was ratified in 11 months. These periods may be compared with the 5 years it took Congress to enact a new statute establishing the sequence of Presidential succession after the Vice President.

THE PROPOSED BIPARTISAN CONSTITUTIONAL AMENDMENTS RELATING TO PRESIDENTIAL INABILITY

On the day following the Eisenhower-Nixon announcement, a bipartisan majority of the members of the Senate Judiciary Committee joined in sponsoring a proposed constitutional amendment on Presidential inability. The text of the proposed amendment reads as follows:

"SECTION 1. In case of the removal of the President from office, or of his death or resignation, the Vice President shall become President for the unexpired portion of the then current term.

"SEC. 2. If the President shall declare in writing that he is unable to discharge the powers and duties of his office, such powers and duties shall be discharged by the Vice President as Acting President.

"SEC. 3. If the President does not so declare, the Vice President, if satisfied that such inability exists, shall, upon the written approval of a majority of the heads of the executive departments in office, assume the discharge of the powers and duties of the office as Acting President.

"SEC. 4. Whenever the President makes public announcement in writing that his inability has terminated, he shall resume the discharge of the powers and duties of his office on the seventh day after making such announcement, or at such earlier time after such announcement as he and the Vice President may determine. But if the Vice President, with the written approval of a majority of the heads of executive departments in office at the time of such announcement, transmits to the Congress his written declaration that in his opinion the President's inability has not terminated, the Congress shall thereupon consider the issue. If the Congress is not then in session, it shall assemble in special session on the call of the Vice President. If the Congress determines by concurrent resolution, adopted with the approval of two-thirds of the Members present in each House, that the inability of the President has not terminated, thereupon, notwithstanding any further announcement by the President, the Vice President shall discharge such powers and duties as Acting President until the occurrence of the earliest of the following events: (1) the Acting President proclaims that the President's inability has ended, (2) the Congress determines by concurrent resolution, adopted with the approval of a majority of the Members present in each House, that the President's inability has ended, or (3) the President's term ends.

SEC. 5. The Congress may by law provide for the case of the removal, death, resignation or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly until the disability be removed or a President shall be elected. If at any time there is no Vice President, the powers and duties conferred by this article upon the Vice President shall devolve upon the officer eligible to act as President next in line of succession to the office of President, as provided by law."

The first two sections of this proposal are identical with the constitutional amendment prepared by President Eisenhower. Section 3, which provides for the situation in which the President is unable to declare his inability, is similar to the corresponding Eisenhower proposal. It diminishes the Vice President's sole power to determine Presidential inability, as it exists under the present Constitution, by requiring that he shall have the written approval of a majority of the "heads of the executive departments in office." The phrase "who are members of the President's Cabinet," which appears in the Eisenhower draft, is omitted in the bipartisan bill, presumably because the Cabinet is not presently recognized in the

Constitution. The "heads of the executive departments" referred to in both proposals are determined by Congress in section 1 of title 5 of the United States Code; so the substance of both proposals is probably the same.

Section 4 advances the design of the present Constitution and the Eisenhower-Nixon understanding that the President himself determine when his inability has terminated. As stressed before, all important in persuading a President to step aside is the assurance that he will be allowed to return on his own determination that his inability is ended. The proposed amendment does not provide, however, for his instantaneous resumption of duty. It stipulates that he resumes the duties of his office the seventh day after making such announcement of the termination of inability. This 7-day provision is designed to cover the possible situation in which a President, though in truth unfit to resume his job, is determined to assert his power once again because of some unfortunate mental delusion or sheer perverseness. The 7-day requirement affords a period in which a disabled President might be persuaded by his personal advisers to withdraw his announcement, in which the Vice President can assay the situation and gage general public feeling about the President's capacity, and in which each party can deliberate on the necessity of precipitating the unfortunate situation of an open conflict before Congress.

After the measure was introduced by the sponsoring Senators, Attorney General Rogers pointed out that if the President and Vice President were in complete agreement that the President should resume the powers of his office, there seemed no good reason why he should not do so immediately. As the proposed amendment is drafted, the President could not declare in advance that in 7 days from a certain date he would be able to assume his duties. He must make public announcement in writing that his inability has terminated; and it is certainly wise to require that the President not forecast his eventual recovery, but certify to the public that he has indeed recovered. But if the President were prepared to make a present certification and everyone were in full agreement that he was fully restored to health, the 7-day delay would be unwarranted. Therefore, the Senate subcommittee inserted the words "or at such earlier time after such announcement as he and the Vice President may determine" after the 7-day provision in order to provide for the situation in which no dispute should exist over the President's capacity.

Section 4 also delineates very precisely the procedure for initiation of the Vice President's challenge to the President's capacity if grounds for such challenge exist. To question the President's decision that his inability has terminated, the Vice President must have the written approval of a majority of the heads of executive departments in office at the time of the Presidential announcement. This insures not only that the Vice President will be precluded from contesting unless he has the backing of a majority of the heads of the executive departments, but that, for the purposes of determining Cabinet support, the identities of the executive heads will be fixed as of the time of the President's pronouncement. Hence, a President would be prevented from changing the effect of the Vice President's action by demanding the resignation of all in the Cabinet not siding with the incumbent Chief Executive.

Having secured the necessary endorsement, the Vice President must transmit to Congress his written declaration contesting termination of the President's inability. If Congress were then in session, presumably it would give immediate consideration to this vital matter. If Congress were not in session, absent section 4's special provisions, the Vice President's challenge would be ineffective during a crucial period until the next regular session of Congress, since presently the Vice President has no power to assemble the Congress in special session, and a President would be highly unlikely to do so for the purpose of considering his own inability. The proposed amendment therefore authorizes the Vice President to call a special session of Congress when necessary.

For the Vice President to establish his contention and the President to be temporarily denied the resumption of his duties, the President's inability must be established by the same margin required for impeachment and conviction—two-thirds of the members present in each House. The issue before the Congress will not be that of an alleged high crime or misdemeanor, however, but the issue of the President's inability. If Congress decides that the inability has not terminated, the Vice President is to serve as acting President until the occurrence of one of the three specified events, and is to do so "notwithstanding any further announcement by the President." This phrase was inserted to guarantee that a President could make only one announcement of the termination of his inability; if his judgment is challenged, he must justify his position at that time. Thus, once Congress has determined that the President's inability has in fact not terminated, restoration of the President to office would thenceforth depend not on his own announcement, but on other contingencies.

As stated in the bipartisan proposal, these contingencies are: the Acting President (Vice President) proclaims that the President's inability has ended; or the Congress determines by a concurrent resolution requiring only a simple majority of the Members present in each House that the inability has ended; or the Presidente's term ends. Allowing the Acting President to proclaim that the President's inability has ended is consistent with other provisions of the amendment and with the theory that if the two persons most vitally concerned—the Chief Executive and his alternate—are in accord, no one else either inside or outside the executive branch has an interest in the matter. Although the proposed amendment requires a two-thirds majority to oust the President temporarily, if a simple majority of the Congress feels that the President's inability has terminated, it seems only just and proper that he be restored to the full exercise of his powers.

Section 5 of the bipartisan proposal repeats the present constitutional provision that Congress may by law provide for the case of the removal, death, resignation, or inability, both of the President and Vice President, and may declare what officer shall then act as President until the disability is ended or a President elected. It then adds a separate sentence providing that "if at any time there is no Vice President," the functions envisaged for the Vice President by the proposed new constitutional amendment "shall devolve upon the officer eligible to act as President next in line of succession to the Office of President, as provided by law."

For clarity, this section probably should refer to "no Vice President able to act as President," since the intent is to cover not only a vacancy in the Vice Presidency, but inability as well. Furthermore, except for the Vice President, "the officer [next] eligible to act as President" is not "next in line of succession to the Office of President." He is, under the Constitution and the law of succession, an officer who acts as President, but he never succeeds to the Office. The words "to the Office of President" should be omitted from the proposed amendment.

CONCLUSION

The proposed constitutional amendment sponsored by the bipartisan majority of the Senate Judiciary Committee adopts the basic provisions of the Eisenhower proposal adding a more precise definition of the procedures to be followed in the unlikely event of a dispute between a President and a Vice President over the termination of the President's disability. Both proposals deal with the Presidential inability question by constitutional amendment. Both make abundantly clear that, when the President is disabled, the Vice President takes over the powers and duties of the presidency only as the acting President for the period of disability. Both provide that the President may voluntarily declare his inability and that, if he does not, the initial determination of fact shall be made within the executive branch—that is, by the Vice President on the written approval of a majority of the heads of the executive departments in office. Finally, both the Eisenhower and bipartisan proposals would allow the President to resume the powers and duties of the presidency upon his own declaration that he is again able to handle them. Most important, either proposal would achieve these goals in consonance both with the original intent of the framers of the Constitution and with the balance of powers which is the permanent strength of the Constitution.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. SMATHERS. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it adjourn until noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PRESIDENT'S RECOMMENDATION OF SENATOR MORTON TO BE CHAIRMAN OF THE REPUBLICAN NATIONAL COMMITTEE

Mr. COOPER. Mr. President, I wish to note for the RECORD the news service report that President Eisenhower today recommended that the Republican National Committee select Senator THRUSTON B. MORTON, of Kentucky, to be the new chairman of the Republican National Committee.

It is only natural that Senator MORTON's fellow Republicans in Kentucky, and, indeed, his fellow Kentuckians of both parties, will be pleased and honored by this statement by the President. I am pleased, as his colleague and as his friend, at this new evidence of Senator MORTON's leadership, and of his standing in our party.

I have known Senator MORTON for many years, not only as a friend of his family, but as a fellow candidate and as a colleague in the Senate of the

United States. I know his background; his family is one of the oldest pioneer families in Kentucky.

Senator MORTON has had a broad and varied experience in life. He is well educated. He entered the service at the beginning of World War II, and rose to command three vessels in the United States Navy. In the course of that service he demonstrated his leadership and his valor.

Before that time, he was in business, as a member of Ballard & Ballard, a grain and milling company in Louisville. He rose to be the president of the company, which was the largest of its type in the South.

In 1946, after his return from the service, he was elected to the House of Representatives from the Third Congressional District of Kentucky. That district comprises Jefferson County; and in Jefferson County is located the city of Louisville, the largest city in Kentucky.

He was elected three times to be a Member of the House of Representatives from that District, and I have no doubt that he would have been elected again and again if he had not chosen in 1952 not to seek reelection.

After the election of President Eisenhower, Senator MORTON was appointed Assistant Secretary of State. He served with distinction in that position. He was an intimate associate and friend of our great Secretary of State, the Honorable John Foster Dulles, and Secretary Dulles has many times spoken of Senator MORTON'S loyalty, his ability, and his great service in that position.

In 1956, after continued association in politics with Senator MORTON, he and I had the pleasure of running together for election to the U.S. Senate. Senator MORTON was elected to the Senate, and we know of his able service since that time in the Senate.

All of us who are members of the Republican Party are conscious of the fine and able work which has been done by the Honorable Meade Alcorn. Senator MORTON, as his successor, will bring to the position a distinguished record of wide and varied experience. He is young, he is able, he is vigorous. I am confident that he will give to the Republican Party large and broad purpose, and great and new vigor.

While I have spoken of Senator MORTON'S selection as national chairman of the Republican Party, I think his selection is also of importance to the country as a whole, because it is important to the country to have two great and strong political parties.

So today I am happy to note his choice by the President. On behalf of my colleagues, on behalf of my fellow Republicans in Kentucky, and on behalf of my fellow Kentuckians generally, I am glad to speak of the distinguished service of Senator MORTON in many capacities in the past, and to express my confidence, and the confidence of all others who know him, that he will serve with distinction, honor, and value to the Republican Party—and, I may say, to the entire Nation in his new post.

Mr. MORTON. Mr. President, will my colleague yield to me?

Mr. COOPER. I yield.

Mr. MORTON. Mr. President, I merely wish to thank my colleague from Kentucky for his very generous words. They are deeply appreciated by me. One of the great privileges of my political life has been that of being able to know, and enjoy the friendship, of my senior colleague from Kentucky.

I merely wish to point out that I have not yet been elected to the position, and I have been in enough close elections in my life to say I do not believe I will make any further comments at this time.

Mr. SMATHERS. Mr. President, I should like to associate myself in some respects with the remarks of the able senior Senator from Kentucky [Mr. COOPER]. I believe, as he does, that our country can be best served when there are two strong, virile, vigorous political parties.

It has been my privilege to serve with the able junior Senator from Kentucky. I do not want to brag about him too heavily at this time, because it might keep him from getting the position to which he has been nominated; but I should like to say it is my belief that it is important that the heads of the political parties be men who have had some experience in the business of getting elected, me who have had some experience in the problems of a campaign.

I think one of the difficulties from which the major political parties have suffered from time to time has been that in positions of leadership there have been men who actually did not know some of the problems faced by those of us who were candidates for office, and who did not thoroughly realize that, in most instances, those who were running for election, particularly to the Senate or the House of Representatives, were involved in issues which were statewide rather than nationwide.

I cannot help but believe the Republican Party will be greatly strengthened by the selection of the junior Senator from Kentucky for the office to which he has been nominated—that is the office of chairman of the National Republican Committee. However, I will say to whoever gets that job, be it the junior Senator from Kentucky or someone else, obviously the future is not very rosy. It appears he will have a considerable task ahead of him. I cannot help but think of the difficulties confronting Cookie Lavagetto, who manages the Washington Senators baseball team. The Washington Senators start out with the future in front of them; but the way statistics look, it appears they will not go very far, even though they are out front at the moment.

But, seriously, it is important that there be in this country two strong parties, in which both the liberal and the conservative viewpoint can be promoted. I can think of no better man to head the Republican Party than the junior Senator from Kentucky.

Mr. MORTON. I may point out that as of today the Washington Senators lead the league.

Mr. SMATHERS. I would like to see their lead last longer, but that is not what usually happens.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, I cannot say that I am one of those who wish our distinguished colleague from Kentucky political success in his new position. Commenting on what was said by the distinguished Senator from Florida, I am somewhat reminded of a professor who instructed me in political science when I was a student at the University of Oregon. A student went to him one day and asked how he had made out in the final examination. The professor said to him, "Nelson, I am going to put you first of all the flunks." I occasionally think that is perhaps the position of someone who is elected to head the Republican Party, at least in these somewhat tenuous and parlous times for the Republican Party.

However, I wish, in all seriousness, to add that I have had the privilege of serving with the junior Senator from Kentucky on the Committee on Post Office and Civil Service. We have been together on several subcommittees which have had to consider very controversial and delicate legislation. I have always found Senator MORTON to be a person of high ethics and unimpeachable personal character.

One of the things which has most distressed me in recent years has been to speak at high school and college campuses, and to learn how many bright and idealistic young people do not want to make politics a career. When, with Mrs. Neuberger, who was in the State legislature, I asked them why, they said, "Because politics is such a dirty business."

It seems to me that is a distressing situation, because if our country has any hope at all, the hope rests on persuading the most intelligent, the best educated, the most courageous, and the most idealistic young men and women to go into government.

I have this very great faith: that while THRUSTON B. MORTON is national chairman of his party, he will never indulge in character assassination or personal epithets which in the past have sometimes characterized American politics.

While I cannot say I wish the Senator from Kentucky political success in his new position as national chairman, I wish him all personal happiness in his undertaking.

ADJOURNMENT TO MONDAY

Mr. SMATHERS. Mr. President, in accordance with the order previously entered, I move that the Senate now adjourn until next Monday at noon.

The motion was agreed to; and (at 4 o'clock and 16 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, April 13, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 10, 1959

The House met at 12 o'clock noon.

Rev. Charles W. Holland, pastor, Fountain Memorial Baptist Church, Washington, D.C., offered the following prayer:

The Psalmist has said, Psalms 103: 12: *As far as the east is from the west, so far hath He removed our transgressions from us.*

Gracious and merciful God our Father, we thank Thee that as we travel west we never come to the east. We are grateful that this distance is infinity. In the same way we appreciate the fact that the distance of our forgiven sins from us and Thee is infinity.

As we ponder what is good for these great United States, help us not to precede the presence of the Holy Spirit. May we not preclude Him from our thinking.

Hear our petitions and accept our thanks. Help us to give the glory to Thee, in the name of Thy son we pray. Amen.

The Journal of the proceedings of Wednesday, April 8, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 144. An act to modify Reorganization Plan No. II of 1939 and Reorganization Plan No. 2 of 1953.

FIRST WORLD CONGRESS OF FLIGHT AT LAS VEGAS, NEV.

Mr. BARING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nevada.

There was no objection.

Mr. BARING. Mr. Speaker, may I call attention to a new and unique activity for aerospace leaders and thoughtful, alert citizens of the free nations of the globe. I refer to the first World Congress of Flight scheduled to be held at Las Vegas, Nev., from April 12 through 19, 1959.

This important event aims to bring together all elements of flight: designers, producers, operators, administrators, and users—united in a common cause, that being the advancement of aeronautics and astronautics—the twin sciences of flight.

News of the forthcoming World Congress of Flight has appeared with greater and greater frequency in the press, and many of you are acquainted with the unusually fine and varied program which is planned for this gigantic event. As a Nevadan—a Representative of the State which has been selected to serve as host for this conference—I have followed the planning since its inception with great care. It is propitious and appropriate for me to call attention to the World Congress of Flight. And since some of you may not have had an opportunity to examine the program with care, I wish to speak of the program generally, and then specifically for a few minutes. The World Congress of Flight has been timed to introduce the first full year of commercial jet transportation on an international scale, to herald a number of advancements in military aircraft and missiles as national deterrents to war, and to draw attention to continuing progress in the exploration of outer space.

Flight, as an advancement still undeveloped and with a tremendous potential in terms of international security and human welfare, will be considered by men of international reputation and competence at the World Congress of Flight. The political and the moral problems which accompany progress of flight are on the agenda for careful scrutiny.

The World Congress of Flight, I am pleased to report, will combine conferences, forums, outdoor displays, indoor exhibits, air and ground demonstrations as well as private meetings—all concerning the latest vehicles of flight and their support equipment. The program is aimed to stimulate greater understanding of man in the medium of technological revolution. Flight, in short, will be presented in its broadest concept as an instrument for the benefit of all mankind. The illustrious civic leader, Edward P. Curtis, winner of the Collier trophy for the most outstanding aviation achievement of the past year, is serving as general chairman for the World Congress of Flight. He has said that the sessions will be dedicated to the belief that a greater world knowledge of aircraft, missiles, and space craft will bring the world closer to permanent peace.

I am proud to report that the facilities to house and hold the conferences and meetings of the thousands of leaders concerned with the design, production, use, and effect of aircraft, missiles, and spacecraft are plentifully available at Las Vegas. The new and spectacular conference center at Las Vegas includes an auditorium, exhibition hall, and a variety of meeting rooms. The stadium area, located one block from the conference center, will be the locale of general aviation, air and ground demonstrations. Nearby McCarran Field is the municipal airport serving Las Vegas, where the latest commercial jet and turboprop planes, as well as new military aircraft, will be on display. As a proud Nevadan, I can only say that the combination of meeting, display, and exhibit facilities, of fine hotels and ideal weather, makes Las Vegas an excellent site for the World Congress of Flight.

The World Congress of Flight will be an international affair, with participants and demonstrations and equipment from over 50 free world nations.

One of the many highlights of the World Congress of Flight is the NATO anniversary banquet at the World Congress of Flight. On this occasion, His Royal Highness the Prince of the Netherlands will be the principal speaker and will commemorate the 10th anniversary of the North Atlantic Treaty Organization. William H. Draper, Jr., chairman of the President's Committee To Study the Military Assistance Program, will serve as toastmaster. Other participants will include Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff; Dr. Theodore von Karman, Chairman of NATO's Advisory Group for Aeronautical Research and Development; and Gen. Leon Johnson, Air Deputy to the Supreme Allied Commander, Europe. Honored guests at this affair, which will be the largest private celebration in the United States, will be dignitaries of all the NATO nations.

The first 2 days of the conference are being given over in large measure to a jet age conference. Here such outstanding leaders as the Honorable E. R. Quesada, Administrator of the Federal Aviation Agency; Hon. Walter Binaghi, from Argentina, president of the Council, International Civil Aviation Organization; Dr. Paul Cherington, professor at Harvard University; and Gen. Curtis E. LeMay, Vice Chief of Staff, U.S. Air Force, will discuss such topics as "Jet Age Accomplishments," "Jet Age Requirements," "The Jet Age Comes to Main Street," and "Controlling the Airspace."

There is a wide diversity of meetings at the World Congress of Flight, in addition to major conferences and special meetings of participating organizations, aimed at providing a unique exchange of information on aircraft, missiles, and space subjects. At the conference, for example, a large number of commercial organizations will present technical information and demonstrations on new equipment. One of the symposiums, devoted to the efficient use of airspace, is looked forward to by military and civilian airmen with keen interest. David D. Thomas, Director, Bureau of Air Traffic Management, Federal Aviation Agency, will give the keynote address in the symposium on the efficient use of airspace. He will be followed by such experts as Charles W. Carmody, Chief of the Airspace Utilization Division, Federal Aviation Agency, and Col. L. S. Lightner, Chief of the Flight Division, Director of Operations, Headquarters, USAF. The shrinking airspace over America will be the chief topic at the symposium on the efficient use of airspace. This, 1 of 11 major conferences scheduled during the World Congress of Flight, will entail a hard look at the problem of increasingly crowded airspace of America.

Another topic which will be examined with great care at the World Congress of Flight will be, "What will aircraft traffic control be like in 2000 A.D.?" It is expected that the World Congress of Flight meeting on this subject will forecast future needs. The topic will be discussed by top experts from U.S. Government agencies and industry. Military, air carrier, and representatives from general aviation will learn of the

present planning and program for an aircraft control system which will accommodate the wide range of present day and future aircraft.

As a representative of the people of Nevada, I have a keen and official interest in the wide variety of topics which will be featured at the various aerospace discussions, displays, and demonstrations scheduled for the World Congress of Flight, and I know this interest and concern is shared by my associates and colleagues in the House of Representatives.

For one thing, the World Congress of Flight will bring to bear on the many critical issues arising from aerospace progress the wealth of experience and knowledge of eminent authorities on these subjects throughout the free world.

Additionally, the World Congress of Flight will help generate a wider understanding and a greater support of measures required to insure that we become the beneficiary and not the victims of aerospace progress. My continuing examination of the broad range of topics dealing with economic, educational, and national security aspects of air and space has convinced me the World Congress of Flight presents a noteworthy opportunity to gain important knowledge of these matters. My conclusion is fully supported by the fact that numerous legislative proposals now under consideration have to do with aerospace endeavors. Many of these will have a direct and vital effect on our ability to insure continued national progress and survival.

Men of good will have here a signal opportunity to participate as firsthand participants or as careful observers of the releases and information which will stem from the World Congress of Flight. I am aware that many of you are endeavoring to arrange your schedules so as to be able to attend the World Congress of Flight. I, as a Nevadan, am extremely pleased to assure you that my friends and neighbors in Nevada look forward to greeting you and the vast number of other Americans and international leaders who will soon proceed to Nevada to participate in this noteworthy enterprise which is filled with such promise—the World Congress of Flight.

A HISTORIC CONFERENCE

Mr. SISK. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. BROOKS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I have followed Congressman BARING'S illuminating remarks relating to the World Congress of Flight with the greatest of interest. His cogent summary of the plans for the World Congress of Flight leaves no doubt that this venture merits careful consideration by all thoughtful Americans. May I say the World Congress of Flight is the result of long and careful planning by a large number of dedicated and intelligent men who are making it possible for Americans and representatives of the free world to participate in the first aviation program of its kind ever held in this country. Dozens of illustrious individuals contributed to the planning and organizing by joining hands to fashion what promises to be a brilliant and productive event.

The World Congress of Flight will feature the most complete display of aircraft, missiles, and space craft equipment ever assembled. For those of my colleagues who have not yet seen a program, let me say that it is not merely an international air show; it is not merely a giant industrial showcase; it is not merely a convention; it is not merely a series of meetings, exhibitions, or demonstrations of national wares or strength; it is in fact the most comprehensive aerospace effort of its kind ever undertaken. The roster of scientists, managers, and technicians who will be present is long and runs into hundreds of names. Government and military leaders will be present, as will be men of commerce and industry, teachers, and a host of sensitive, forward-looking Americans and representatives from over 50 free world nations. At the risk of reiterating, may I point out the names of a few of the great leaders who will be present. The list of high level participants includes His Royal Highness, the Prince of the Netherlands; the Honorable Walter Binaghi, of Argentina, president of the Council of the International Civil Aviation Organization; Sir William Hildred, of Great Britain, director general of the International Air Transportation Association; and Dr. Detlev Bronk, of the United States, President of the National Academy of Sciences.

The World Congress of Flight includes 11 major conferences, 3 major aerial demonstrations, as well as the largest static display of flight vehicles and related equipment that has ever been assembled in one area. Problems and progress in all phases of flight are on the agenda. Let me briefly summarize some of the items included on the agenda of the World Congress of Flight.

A jet-age conference has been scheduled where the revolutionary aspects of scheduled commercial jet transportation on an international scale will be considered, as well as the matter of long-range civic planning for airports.

A number of air-ground demonstrations will be of great interest. Here the participants at the World Congress of Flight will see the new family of utility jet aircraft of America's business fleet. They will see demonstrations of landing and takeoff characteristics and noise suppression as well as vertical lift demonstrations, including simulated air rescue operations.

A large number of military air demonstrations have been scheduled for Nellis Air Force Base. There will also be a symposium on the efficient use of airspace at which time a group of experts, users of airspace—military, commercial, general aviation, will address themselves to the problem of shrinking airspace.

A technical symposium on aircraft and space communications is being sponsored by the Electronic Industries Association. One on international research for the Air Force and one on international flight safety hold a great deal of promise.

My colleague from Nevada, Congressman BARING, has covered in detail one of the highlights of the entire conference, which will be the NATO anniversary banquet.

An international test pilot symposium has been planned for the World Congress of Flight, as well as an international conference on aerospace education and a symposium on advanced air traffic control and navigational aid concepts. Two conferences which have evoked a great deal of interest are the missile management conference and the space age conference. The missile and space discussions feature a distinguished list of participants and will serve as a climax to the conference program of the World Congress of Flight. The space age program will conclude with a "Man in Space" forum on Project Mercury of the National Aeronautics and Space Administration, which is designed to send the first American into outer space. Such topics as the mission and operations of Project Mercury and our first space man will be presented by men of the level of Dr. Abe Silverstein, NASA's Director of Space Flight Development; Dr. W. Randolph Lovelace, Chairman of NASA's Advisory Committee on Life Sciences; and Col. John P. Stapp, president of the American Rocket Society.

David R. Hull, president, Electronic Industries Association, will serve as Chairman of the Missile Management Conference at the World Congress of Flight. This will include a final presentation on "Industry in an Accelerating Technology." Such dignitaries as Roy Johnson, Director, Advanced Research Projects Agency, Department of Defense; Dr. James W. McRae, vice president, American Telephone & Telegraph Co.; and Dr. Edward Teller, director, Radiation Laboratory, University of California, will participate.

Time does not permit more than this brief description of some of the major presentations, speeches, and demonstrations at the conference. For those who make use of the opportunity, the World Congress of Flight can be one of the most stimulating, productive, and useful experiences that an intelligent and responsible observer can have. I think it is appropriate for us to congratulate Mr. Edward P. Curtis, General Chairman of the World Congress of Flight, and those of his associates and friends who have worked so diligently to arrange this great event.

I understand a number of my colleagues have concluded, as I have, that this is a well-time opportunity to meet leaders, to exchange ideas, to attend and participate in the meetings and conferences aimed at exploring flight in terms of international security and welfare. The program, gentlemen, which will present flight in its broadest concept as an instrument of mankind, will be theoretical, technical, and practical. I should like to accept the gracious hospitality proferred by my colleague from

the great State of Nevada, and advise him that I look forward to being present and benefiting from this unusual and noteworthy opportunity.

WORLD CONGRESS OF FLIGHT

Mr. SISK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. Mr. Speaker, I, too, wish to commend the World Congress of Flight to the attention of my colleagues in the Congress. My distinguished associates have already discussed a number of aspects of the outstanding program being held at Las Vegas, Nev., from April 12 through 19; however, by your leave, I value this opportunity to refer specifically to some portions of this free world program.

Jet pilots of 10 nations, including 5 of the world's top aerobatic teams will fly in air demonstrations, marking what is being termed Military Day at the World Congress of Flight and being staged at Nellis Air Force Base Gunnery Range. The participants in this unusual international event, first of its kind ever held in the United States, will include jet pilots of the French, Chinese, Belgian, Canadian, Italian, Netherlands, Turkish, Greek, British, and U.S. Air Forces. The European, Canadian, and U.S. pilots will climax the program with a flying salute to NATO in commemoration of the 10th anniversary which is being celebrated at the World Congress of Flight. Members of the Royal Air Force's legendary Dam Busters Squadron will be present.

Educational leaders from eight nations will survey aviation teaching resources at an important World Congress of Flight forum, which can have far-reaching and significant results. Here representatives from the free world plan to engage in the first international inventory and evaluation of the educational resources available for the areospace age—an important task. Dr. Lee DuBridge, president, California Institute of Technology, will discuss resources for the future in air and space. Other distinguished educators who will participate are Dr. Frank E. Sorenson, professor of education, University of Nebraska, and chairman of the Aerospace Education Council, Air Force Association; Dr. Wayne O. Reed, Deputy Commissioner, U.S. Office of Education; and Dr. Byron F. Stetler, superintendent of public instruction in the State of Nevada. Miss Jacqueline Cochran, famed American aviatrix and president of the Federation Aeronautique Internationale, will lead a panel discussion in which the leaders in education from a variety of countries will participate. Another phase of the education aspect of the World Congress of Flight, and an extremely important one, is a session which will feature discussions on "The Aerospace Education Movement." Here the implications for State and local school systems, for State education associations, for teachers colleges and parent-teachers associations will be probed. The conclusions reached here, and the understandings their application will create, will bear fruit in America and in the free world for years to come.

These are but a small sampling of the wide variety of opportunities which will be made available to those who will attend or who will follow closely the work of the World Congress of Flight.

There are a variety of compelling reasons for the Air Force Association and the six other nonprofit organizations cooperating with the Air Force Association to stage the World Congress of Flight in April 1959. The inauguration of the first full year of commercial jet transportation on a global scale was one factor which prompted the World Congress of Flight. The appearance of America's full jet fleet was another. The fact that world trade interest is at a new high is another. A desire to mark Pan American Week, both as a salute to our esteemed neighbors in the south and in terms of aviation progress in the south, was another reason for staging the World Congress of Flight. The 10th Anniversary of the North Atlantic Treaty Organization also falls in April, and was another compelling reason for scheduling the World Congress of Flight during April 1959.

As members of the free world, we must not overlook the threshold of the space age. In the present state of world affairs we cannot overlook the military side of space. Our flight world has spread its wings more than ever in recent years and is at a crossroads of its own within the larger political-economical crossroads with which the entire world is faced. The World Congress of Flight takes place at the crossroads.

The people with whom I have talked about the World Congress of Flight have indicated the high expectations of those who will attend and participate. I am proud that such an impressive endeavor is coming to fruition in America this spring. It behooves all of us as thoughtful advocates of the space age to support the purpose and to lend encouragement to this worthwhile enterprise, the value of which is so great it cannot be readily estimated. Let us applaud those Americans and members of the free world of nations who are joining hands to make this military-commercial-governmental operation the first-rate, top-flight exercise it will be.

GEN. LEW WALLACE

Mr. WAMPLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WAMPLER. Mr. Speaker, this morning, April 10, 1959, the Indiana delegation marked the 132d anniversary of the birth of that great Hoosier soldier, author, lawyer, and diplomat, Gen. Lew Wallace. Lew Wallace, born in Brookville, Ind., on April 10, 1827, lived for many years in Crawfordsville, Ind., where he died on February 15, 1905.

General Wallace, Mr. Speaker, was a man of manifold talents and herculean capacities. Five years after his death a statue, designed to be representative of the State of Indiana and commemorating this great man and his works, was unveiled in the U.S. Capitol's Statuary Hall.

At that time Senator Albert J. Beveridge, of Indiana, said of Wallace:

> Gen. Lew Wallace loved liberty for all men, and he fought for it. He worshipped the Nation because of what the American Nation means; and to save the Nation he gladly offered his life on many a battlefield. He suggested laws for the betterment of human conditions. He wrote noble books, one of which, "Ben Hur," translated into every modern and even into one oriental tongue, has lifted all the civilized world nearer to the Saviour of mankind.

As an intrepid soldier, Gen. Lew Wallace served his country with his sword; as a man of deeply religious thoughts and motivations, he served all men with his pen. We of Indiana, quite properly, are exceedingly proud of Lew Wallace and his memory.

Mr. Speaker, on the date of this 132d anniversary salute to that distinguished Hoosier, I would like to set forth a short history of Lew Wallace's brilliant career:

> Wallace, Lewis (April 10, 1827–February 15, 1905), lawyer, soldier, diplomat, author, commonly known as "Lew" Wallace, was born at Brookville, Ind., the son of David [q.v.] and Esther French (Test) Wallace. His mother, to whom he was deeply attached, died during his boyhood. He early displayed a love of adventure; his father tried to keep him in school, but the boy was irked by ordinary tasks and preferred to draw caricatures or to play truant. As he grew older, however, he carried his books to the woods as often as his gun and rod. When his father was elected Governor of Indiana in 1937, and the family moved to Indianapolis, Lew's zest for reading was stimulated by the advantages of the State library. Before he was 16 he began to support himself by copying records in the county clerk's office. About the same time, Prescott's "Conquest of Mexico" made such a deep impression upon him that he determined to write upon the theme. Thus "The Fair God" of later years had its inception. In 1844–45 he reported the proceedings of the Indiana House of Representatives for the Indianapolis Daily Journal, and soon afterward began the study of law in his father's office. When the Mexican War began, he raised a company of which he became second lieutenant, and which was assigned to the 1st Indiana Infantry. His services in Mexico gave him experience without involving him in the dangers of any serious engagement.
>
> He campaigned against Taylor in 1848, and edited a Free-Soil paper, chiefly because of resentment against Taylor's treatment of the Indiana regiments. Following the campaign he became a Democrat. Admitted to the bar in 1849, he began practice in Indianapolis. Soon he moved to Covington, and in 1850 and 1852 was elected prosecuting attorney. In 1853, he changed his residence to Crawfordsville, and in 1856 was elected to the State senate. There he advocated a reform in divorce laws and, in 1859, proposed the popular election of U.S. Senators. In the summer of 1856, he had organized a military company at Crawfordsville which he drilled so efficiently that most of its members became officers in the Civil War.

After Fort Sumter was fired upon, Gov. O. P. Morton [q.v.] made him adjutant general of the State. Within a week he had 130 companies in camp, 70 more than the State quota, and was made colonel of the 11th Regiment. Soon at the front, he helped to capture Romney, on the South Branch of the Potomac, and to evict the enemy from Harpers Ferry. An excellent disciplinarian and popular with his men, he was promoted rapidly. On September 3, 1861, he was made a brigadier-general and on March 21, 1862, after his service at the capture of Fort Donelson, Tenn., a major-general. Unfortunately, he incurred the ill will of General Halleck, who twice removed him from command; the first time he was restored by President Lincoln, the second time, by General Grant. In November 1862, he was president of the military commission that investigated the operations of the army under Maj.-Gen. D. C. Buell [q.v.]. The following year he saved Cincinnati from capture by Gen. E. Kirby-Smith [q.v.], after which event the President gave him command of the Middle Division and VIII Army Corps, with headquarters at Baltimore. With 5,800 men, part of them inexperienced, he held a force of 28,000 under Gen. Jubal A. Early [q.v.] at the Monocacy, July 9, 1864. Though defeated, he probably saved Washington from capture, and was highly commended by Grant in his Memoirs (post, 306). He served on the court martial which tried the assassins of Lincoln, and was president of the court that tried and convicted Henry Wirz [q.v.], commandant of Andersonville Prison.

At the close of the war he undertook to procure munitions and to raise a corps of veterans for the Mexican liberals, and spent some time in Mexico. Returning to Crawfordsville, he practiced law, and in 1870 was an unsuccessful candidate for Congress on the Republican ticket. In 1878 he was appointed Governor of New Mexico, serving until 1881, when President Garfield appointed him minister to Turkey. There he lived for 4 years, 1881–85, winning the confidence of the Sultan to an unusual degree. In 1890 he declined an offer of the mission to Brazil tendered by President Harrison.

Wallace is best known, however, as a man of letters. In 1873 he published "The Fair God," a story of the conquest of Mexico, which won him wide recognition. The fame thus attained was greatly enhanced by "Ben Hur: A Tale of the Christ" (1880), of which 300,000 copies were sold within 10 years. It was translated into a number of foreign languages, including Arabic and Chinese, and was successfully dramatized. The extraordinary success of this work was largely due to the fact that the greatest figure in history was with the deepest reverence brought into a strong story dramatically told. Among his other publications were "The Life of Benjamin Harrison" (1888), written for campaign purposes; "The Boyhood of Christ" (1888); "The Prince of India" (1893), inspired by his stay in Constantinople; and "The Wooing of Malkatoon" (1898), a poem, with which was included "Commodus," a tragedy, written many years earlier. In 1906 appeared "Lew Wallace, an Autobiography," which Wallace had brought down only to 1864, but which was sketchily completed by his wife and Mary H. Krout.

On May 6, 1852, he married Susan Arnold (Dec. 25, 1830–Oct. 1, 1907), born in Crawfordsville, the daughter of Col. Isaac C. and Maria Aken Elston. Fifty years later he called her "a composite of genius, common sense, and all best womanly qualities" (Autobiography, I, 209). She was a frequent contributor to newspapers and periodicals, and one of her poems, "The Patter of Little Feet," had wide popularity. Other publications by her include "The Storied Sea" (1883); "Ginevra: or The Old Oak Chest" (1887); "The Land of the Pueblos" (1888); and "The Repose in Egypt" (1888).

Wallace's poise and urbanity marked him as a man of the world, yet he was simple in taste and democratic in ideals. For politics he had no aptitude; the law he did not like; the military life challenged his adventurous spirit but could not hold him after his country had no special use for his services; art, music, and literature were his most vital and permanent interests. Many a young person had reason to remember the gracious hospitality of his study, built as a "pleasure house for my soul." Never a church member, he believed in the divinity of Christ. His last years were serene. He lectured frequently and received unstinted praise. He died at Crawfordsville, and 5 years after his death his statue was unveiled in the Capitol at Washington as representative of the State of Indiana.

MARCH UNEMPLOYMENT FIGURES

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. O'HARA of Michigan. Mr. Speaker, a few days ago the administration announced March unemployment figures. They were accompanied by another statement claiming a rising wave of employment possibilities issued by the optimists in the administration.

The figures, in rough terms, show a decline in unemployment of about 300,000 persons from February to March. There was a change in the seasonal adjusted rate of unemployment from 6.1 percent of the labor force to 5.8 percent. In other words, unemployment was reduced by three-tenths of 1 percent.

Mr. Speaker, this very slight reduction has been hailed as the end of the recession and problems of unemployment. This is not the case. We need timely action and this Congress still has the responsibility for providing it.

The administration's attitude toward the recession and unemployment reminds me of nothing so much as a little poem by Hughes Mearns, which reads:

> As I was going up the stairs
> I met a man who wasn't there.
> He wasn't there again today;
> I wish, I wish he'd stay away.

APRIL 9, BATAAN SURRENDER DAY, BRINGS BACK MEMORIES

Mr. LEVERING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LEVERING. Mr. Speaker, my colleagues, the distinguished majority leader JOHN MCCORMACK and Mrs. EDITH NOURSE ROGERS, the distinguished Congresswoman from Massachusetts, both drew attention on last Wednesday that on Thursday, April 9, would be Bataan Day—a day that has lived for 17 years in the memory of our people.

Unfortunately, I was called off the floor on other business and did not have an opportunity to speak on this subject at that time. My interest in Bataan Day, Mr. Speaker, is far more than casual. I am proud that I can stand here, 17 years after the event, to tell my colleagues that I was a member of the group who had to see the American flag come down that day, and the flag of our enemy at that time, the Rising Sun of the Imperial Japanese Empire, take its place. I cannot muster the words to describe the feeling that came over me when the Stars and Stripes were hauled down.

I can attest, through my own experience, that our Filipino friends did fight well by our sides. I also can state, through personal experience, that the Americans on Bataan proved again that when freedom is an issue, the American people will never falter, they will never fail. Although we had to swallow our own tears that day, when we knew that further resistance was futile, we never doubted but what our countrymen would come to the rescue. The incredible cruelty of our captors has been exposed many times, so I shall not dwell upon it at this time. However, in spite of the hardships, the starvation diet, the privations, and the years that seemed to be endless, I can personally testify that the Americans and the Filipinos always kept hope. They never gave up—in their minds. I have always said that, on Bataan, in spite of the defeat, there really was a new birth of freedom, in that the message of Bataan spread to all of the allied countries and spurred our brothers on to final victory.

Our distinguished majority leader the gentleman from Massachusetts [Mr. MCCORMACK], in his remarks, said that the story of Bataan "is an epic that will live forever." I believe that he is eminently correct. That is because courage, in and of itself, is a quality which men always must possess, if they are to beat back the assaults of natural enemies, such as the beasts of the field, the ravages of nature, and the onslaughts of disease. In fighting one another, men of all races have shown great courage; it may well be that we can show the greatest courage in learning how to get along with the peoples of other nations, by exercising patience, forebearance, forgiveness, and restraint. In any case, there must be courage, if man is to subsist, and I saw so many instances of courage, in my 3½ years among the prisoners of Bataan, I sometimes wondered just how much men could stand without losing their spirits.

IGNACE JAN PADEREWSKI

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following resolution which was unanimously adopted at a special meeting of the Ignace Jan Paderewski Singing Society of Buffalo, N.Y., held at Dom Polski Hall in Buffalo, N.Y., on March 3, 1959:

Whereas today marks the 20th anniversary of the organization of the Ignace Jan

Paderewski Singing Society, founded in Buffalo, N.Y., on March 3, 1939; and

Whereas our renowned patron, Ignace Jan Paderewski, had distinguished himself in the field of statesmanship as well as attaining a preeminence in the world of music; and

Whereas the views of liberty and democracy held by Ignace Jan Paderewski were greatly instrumental in the creation of a free and independent Poland following World War I; and

Whereas Ignace Jan Paderewski devoted his final efforts to the cause of the defense of freedom, and lies buried in Arlington National Cemetery by Presidential decree: Now, therefore, be it

Resolved, That we rededicate ourselves to the cause of liberty and freedom for all, ideals that were espoused by Ignace Jan Paderewski; be it further

Resolved, That we petition our Post Office Department to issue a postage stamp honoring Ignace Jan Paderewski as a true "Champion of Liberty"; be it further

Resolved, That said postage stamp in the "Champion of Liberty" series honoring Ignace Jan Paderewski be issued in 1960, in commemoration of the centennial of his birth; be it further

Resolved, That other organizations and individuals be respectfully urged to petition the Post Office Department to issue a postage stamp honoring Ignace Jan Paderewski in 1960; and be it further

Resolved, That copies of this resolution be sent to the Postmaster General, Hon. Arthur E. Summerfield; to the chairman of the Senate Committee on Post Office and Civil Service, Hon. OLIN D. JOHNSTON; and to the following Members of the House of Representatives Committee on Post Office and Civil Service: Hon. TOM MURRAY (chairman), Hon. THADDEUS J. DULSKI, Hon. JOHN LESINSKI, Jr., and Hon. STANLEY A. PROKOP.

(Resolution committee: Daniel J. Kij, chairman; Walter Z. Kotowski, president; Theodosia Buczkowski; Joseph Stefaniak; Michael C. Slominski; Adeline Wujcikowski, secretary.)

JOHN DRUPA

Mr. ROBISON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROBISON. Mr. Speaker, my guest today, in the Capital, is a young man from Binghamton, N.Y., who has just received the signal honor of being named "Boy of the Year" by the Boys' Clubs of America. That young man is John Drupa, a constituent of mine.

John, now 15 years of age, fled with his mother from Latvia when the Soviets took over the country. His father and brother have until recently, been prisoners of the Russians in Siberia. I hope that somehow, a way can be found to bring them, too, to the United States to be reunited with John and his mother.

Mr. Speaker, if it is true that the greatest asset we have in America is our young people, and I am sure that is true, then surely we can all take reassurance that the next generation of Americans is composed of people like John Drupa, a boy who, from a half million Boys' Club members, was selected by a national committee as the boy who best fulfills the character of "junior citizen who has rendered outstanding service to home, church, school, community, and Boys' Club."

I am inserting in today's RECORD an account of his personal achievements, accomplished in the face of many obstacles. Needless to say, all the people of his city join with me in being proud of and grateful to John for the honor he has brought to us, and for the inspiration that he is.

NATIONAL WELDED PRODUCTS MONTH

Mr. OSMERS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. OSMERS. Mr. Speaker, because welding plays such an important role in our daily lives, our economy, and our defense, I have introduced House Joint Resolution 179. This resolution authorizes and requests the President to designate the month of April in each year as National Welded Products Month. Such a designation will give recognition to the men and the methods that are so vital to us all. Not only are the household tasks of the American family speeded and lightened, by a myriad of welded products and appliances, but our standard of living is based on the inexpensive and safe land, air, and sea carriers made possible through welding. American industry as it exists today is built upon the use of welded machinery and equipment. The boilers that heat our buildings and the generators that furnish our power are possible only by use of the welding processes.

While many skills are required to make the weapons that defend us on the ground, in the air, and in outer space, the one basic process to all is the welding process.

WELDING IN THE SPACE PROGRAM

The United States today is able to hurl a satellite into the sun's orbit, send a submarine under the North Pole and build planes for fantastic speeds because of rapid strides in the development of an old technique: welding.

The welding process has been reshaping the frontiers of metallurgical knowledge at a rate that was hardly conceivable only a few years ago. New discoveries have made welding a keystone of national defense and industrial production.

Experience in dealing with the highly technical problems associated with missile and space developments has brought about a new concept of industrial approach, thus affording the Government the benefit of outstanding scientific and engineering know-how through many groups of companies forming teams to design, develop and produce the unusual and complex systems necessary to keep our great Nation and allies in the lead of advanced weapons as a deterent to world conflict.

Reliability of missiles and space vehicles is the byword in all research, development and production. It has imposed an unusual burden on our industrial ingenuity and is resulting in establishing the fact that with well thought out and well directed programs, it is possible to achieve with certainty the ultimate in reliability not only for the fabrication of the missile and its components, but the other elements such as launching pads and devices, guidance and telemetering, propellants, liquid and solid fuels with oxidizers.

The entire missile program is dependent on welding. The Redstone, Jupiter, Atlas, and Titan missiles, for example, presented difficult problems that could be solved only by welding.

The construction of tankage and missile frames going into missiles and space vehicles requires the ultimate in reliability of fabrication to insure end products of flawless precision, as do the guidance systems, propulsion and auxiliary power units, warhead and nose cones, and so forth.

Consider the problem of building Titan fuel tanks more than 10 feet in diameter and over 20 feet long, from aluminum sheets only one-tenth of an inch thick. Welding engineers found the answer by building the largest precision tool installation of its kind ever engineered in the United States. The method employed the inert-gas-tungsten arc process. Tank sections were held in precision fixtures, intricate controls handled the loading of the parts, rotating the work, positioning the automatic welding heads and adjusting all the welding variables to achieve this precision and reliability.

To learn the secrets of outer space, earth satellites, fabricated by welding, are circling the globe at a rate of 18,000 miles per hour. The shells of the 20-inch diameter spheres developed under Project Vanguard consist of an upper and lower hemisphere and an inner ring, deep drawn from 0.090 inch thick flat stock, magnesium alloy sheet. The hemispheres were deep drawn and spun to exact contour and dimensions and joined to the inner ring by inert gas tungsten arc welding, the only process which could be used to efficiently join these magnesium satellites.

The light weight, thin wall engine components of a solid fuel missile must withstand temperatures of 5,000 to 8,000 degress Fahrenheit as the fuel burns. Because of increased technical requirements involving metallurgy, design, and fabrication aspects, it becomes essential to exercise fully automatic control over the shaping, forming, welding, heat treating and machining of motor cases and other engine components.

The use of breathing oxygen is well established by current aircraft practice. However, in order to put a man into space consideration had to be given to the special environmental conditions that a space vehicle would encounter, among these were a variety of negative and positive accelerations including a condition where there is a complete lack of an apparent gravitational field. Therefore, it became necessary to design a closed cycle oxygen breathing system that would operate independently of the strength of a gravitational field. Such a system has been engineered and developed for experimental use. Briefly, it was necessary to produce a lightweight, miniature type of hardware

capable of storing that lifegiving element—oxygen—at a pressure in excess of 7,000 pounds per square inch, with suitable regulators to reduce this pressure to that which man is accustomed to breathing. Again and oddly enough, welding played an important part in joining together those components of the system thus providing the required light-weight package to do the job.

WELDING USE IN STEEL AIRCRAFT

We are now in the age of steel aircraft where supersonic speeds producing extreme stresses and temperatures dictate the extensive use of alloy steel and refractory metals. The materials generally employed in contemporary aircraft could not withstand the rigid service temperatures and pressures that ultra speeds produce. Moreover, rivets which reduce a plane's efficiency by 15 percent became obsolete when the sound barrier was broken. Mechanized welding, therefore, is the only practical means of fabricating supersonic aircraft. Such practice also reduces the overall weight—an increasingly important advantage.

A new large bomber is designed to operate at very high speeds and could carry the equivalent weight of 300 passengers in commercial service. Yet its outside skin is only one one-hundredth of an inch thick. Welding makes it possible to stiffen this structure with sturdy ribs brazed to this shell to form panels. Such panels, from 1 to 5 inches thick may be separately fabricated and then assembled by welding. In short, the huge plane becomes a welding job from nose to tail.

Mechanized welding has become necessary, not merely to speed production and lower costs, but to assure uniform quality. For example, the jet engines and gas turbines of today's planes demand virtual perfection. In an engine with a 36-inch diameter, the rotor blades have the almost unbelievably low clearance of two to three one-thousandths of an inch. These blades move at supersonic speeds and at temperatures approaching 2,000° Fahrenheit. A few years ago it would have seemed impossible to satisfy such requirements with machine welding. Now the accomplishment is taken for granted.

WELDING IN NUCLEAR SUBMARINES, CARRIERS, OTHER MILITARY AREAS

The U.S.S. *Nautilus* and other nuclear submarines are testimony to modern welding fabrication methods. Repairs to the nuclear reactors and the replacement of spent nuclear elements are possible only by remotely controlled welding procedures.

The Navy has just announced plans for small atomic submarines—a development of great importance. Many component parts of these boats will be produced by means of special fixturing and automatic welding. Compartments will then be joined together by employing additional modern fixturing and mechanized welding. Enhanced workmanship will effect economies and supersede conventional hand-assembled methods.

The remarkable performance of the inert gas-shielded welding processes for aluminum has encouraged the Navy to put large amounts of that metal into its new warships. Aircraft carriers now use about 4 million pounds of aluminum and destroyers take some 200,000 pounds. Thanks to welding, the Navy has been able to replace the steel superstructures of its destroyers with aluminum, thus lowering the center of gravity and making the ships more seaworthy.

The construction of the U.S.S. *Forrestal* required approximately 2 million pounds of weld metal—enough to fill 20 freight cars. There were 2,400 miles of quarter-inch welding on steel and aluminum for the hull and superstructure.

The distant early warning network is another military field where welding has played a leading role. The aluminum tubular wave guides are fabricated in short lengths at the factory, then assembled in the field by welding. Radar systems are also being fabricated by new welding techniques.

THIRTY-SEVEN WELDING PROCESSES FOR INDUSTRY

Welding has become a universal process in the fabrication of almost everything from dishwashing machines to highway bridges. American industry today is using no less than 37 basic welding processes, many of which involve automatic machinery.

Stainless steel thinner than paper is being fabricated automatically. Electrical parts too small to be seen with the naked eye are being joined into assemblies with the aid of welding and powerful magnifying glasses.

In contrast to delicate missile components, steel structures with thicknesses of 8 to 10 inches are being formed together with welded joints as strong as the original metals.

The speed of modern welding techniques is almost unbelievable. Quarter-inch aluminum is welded at more than 8 feet per minute and the seams of steel tanks are sealed at 50 feet per minute, while small diameter aluminum tubing is welded at the astonishing rate of 800 feet per minute.

Until World War I, welding was done chiefly in the blacksmith shop. Commercial use began with the repair and conversion of warships and merchant vessels. As research uncovered more of the basic principles of welding, scores of applications for welding techniques were found. In World War II the process became vital in military production and in equipment maintenance at the fighting fronts.

Welding today is used in every metal-fabricating industry and on almost every type of metal. In fact, when a new metal is developed, one of the first tests of its commercial value is the question, "How can it be joined by welding?" Titanium and molybdenum are examples.

WELDING, A FOREMOST INDUSTRY

The remarkable growth of the welding industry is shown by sales figures. In 1939 the Nation spent $58 million for welding equipment and supplies. By 1953 the total was $613 million and the estimate for 1958 is over $1 billion.

Today, automatic welding accounts for a substantial part of the welding industry's volume of business. There will, however, always be some operations that can be done more efficiently by hand—or only by hand.

Automobiles would cost considerably more if they were not welded. A passenger car body has approximately 8,000 welds. Through the technique known as multiple spot welding, as many as 100 welds can be made simultaneously in one part, and 300 parts may be welded in 1 hour. Gasoline tanks are seam-welded at the rate of 50 feet a minute.

Automobile engine blocks are cast by the thousands. Defects which once condemned a block to the scrap heap are now removed by welding. Salvaging these expensive castings has become a routine job in the automotive industry.

BUILDERS ACHIEVE ECONOMIES THROUGH WELDING

Major economies in the construction field are achieved through welding. By eliminating the extra steel required for joining beams and girders, welding can reduce the total tonnage as much as 40 percent. One survey of 1,500 structures designed for welded fastening showed that every one saved more than 10 percent of the steel required by other methods.

Studies indicate that if 80 percent of our new structures were joined by welding, at least 250,000 tons of rolled steel could be saved annually. At times when rolled steel is in short supply, this saving would permit the construction of many additional buildings.

Another important advantage of welding, is faster erection. Much of the work can be prefabricated in the shop instead of on the job, thus simplifying and expediting erection procedures.

Almost all highway bridges of girder construction are now totally or partly welded. In fact, when Federal aid is requested for a highway bridge, the Bureau of Public Roads requires that the design meet the standards of the American Welding Society.

COSTS REDUCED THROUGH WELDING

Impressive savings in costs are credited to welding in hundreds of different operations. For example, the air-conditioning system of a New York skyscraper was put together with 4,000 oxyacetylene welds instead of the usual mechanical joints. Aside from the fabricating economy, welding assured lower maintenance costs because of leakproof joints—plus a longer life for the installation.

Chrome tables and chairs are now being assembled by resistance welding, instead of with bolts which require drilled holes, extra labor and extra inventory. A manufacturer of stainless steel dishwashers redesigned his product for fully automatic welding. The result, production time was reduced 60 percent.

Welding permits the use of two or more different metals in a single assembly. This means that the more expensive metals need be used only where they are required. The huge bucket of a power shovel is an illustration. The bucket itself is of high-strength steel, surfaced with a harder material by overlay welding to prolong its life. The teeth, which receive the heaviest wear, are of manganese steel, welded to the lip of the bucket.

Castings are expensive parts in manufacturing processes, as any home mechanic knows. The more complex the casting, the greater is the cost. Welding is saving costs in the casting industry because complex units can often be assembled by welding together two or more simpler castings.

INVENTORY EXPENSE CURTAILED THROUGH WELDING

Many manufacturers are now using welding to minimize their investment in prefabricated components—an investment that is often threatened by the possible need to redesign a product before the inventory is exhausted. By purchasing simple tube, sheet, plate, and bar stock as needed, they are making their own welded components. This do-it-yourself system means that designs can be changed without sacrificing a costly stock of unused components.

In the power field, welding permits higher operating temperatures and pressures. Boilers and supply lines are 100 percent welded—so are tanks for oil and water storage.

Welded pipelines range from 6 inches in diameter to the giants of Hoover Dam—large enough to hold a three-story building. These pipelines carry water, oil, gasoline, and natural gas through rugged and desolate regions where breaks would be costly. Welded pipes are also used to distribute chemicals, sirups, and other fluids within a single plant or local area.

The railroads are reducing car weights by using high-strength steel and substituting welding for rivets. Stainless steel passenger cars are now also being fabricated by welding.

SHIPBUILDERS TURN TO WELDING

Perhaps the most dramatic change effected by the role of welding has taken place in shipbuilding. From a repair function in World War I, welding has advanced to become a primary method of fabrication. It has reduced hull weights 5 to 10 percent and reduced maintenance costs approximately 25 percent.

A shipyard that uses welding extensively is able to convert to other fabrication jobs during slack periods. This means that the yard can keep its skilled employees on the payroll, ready for the next shipbuilding order.

Welding has proved a boon to the design engineer. It has given him freedom to design for function. He is no longer limited by the stereotyped designs established by older fastening methods. Now he can use most any material in any thickness—or most any combination of materials—to serve his purpose.

WELDING PROCESS OF THE FUTURE?

Recently announced has been a welding process of attractive future potential, at least in areas involving applications for special structures and metals of the jet-nuclear-space age. This process is referred to as electron beam welding. A stream of electrons is emitted from a source located in a vacuum chamber above the workpiece. This beam is focused on the area to be welded and the available energy needed for welding the workpiece can be precisely controlled with respect to intensity and location.

TECHNICAL TRAINING IN THE INDUSTRY

The future of welding depends on the directed energy of well-trained engineers. The welding engineer is concerned with materials, design, and fabrication and should be exceptionally well trained in each of these three large categories.

The welding industry, conscious of the crucial need for more trained men, is ever alert in creating more opportunities for thorough instruction.

CONCLUSION

Mr. Speaker, in conclusion may I ask that early and favorable consideration be given to House Joint Resolution 179 by Congress and the President in order to pay deserving recognition to the often overlooked importance of welding and welded products in our modern civilization.

FRANK LLOYD WRIGHT

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, in rising to note the death of Frank Lloyd Wright, I wish to inform my colleagues that the Robie house, which in the opinion of Siegfried Giedion is perhaps the most far-reaching influence of all Wright's architectural works, is in the Chicago district that I have the honor to represent. My colleagues when they come to Chicago may wish to view this house which will be preserved through the years as a monument to the transcending genius of Frank Lloyd Wright. It is located at the corner of Woodlawn Avenue and 58th Street. It is presently being considered as an official residence for the mayor of Chicago.

The Robie house was erected in 1909. About that time Mr. Wright had designed the Itte houses on Morse Avenue in the Rogers Park district of Chicago. One was a single story home in which the Itte family lived. Adjoining was a 2-story house, on the ground floor of which lived the family of Bruno Steindal, the famous celloist with the Theodore Thomas Orchestra, the upper floor being occupied by my family. So I came very early under the influence of Frank Lloyd Wright's architectural influence. His passing brings a personal grief, and in the Congress and in the country is a keen awareness of our loss.

Frank Lloyd Wright was born on June 8, 1869, one of the three children of William Russell Cary Wright and Anna Lloyd Wright. When Frank was 3 years old his father, a preacher, was called to a pastorate in Weymouth, Mass. Around 1880 the family returned to Wisconsin and the young boy divided his time between working on his uncle's farm and attending secondary school in Madison. Since the University of Wisconsin offered no courses in architecture, he enrolled as a prospective civil engineer in 1884.

In the spring of 1887 Wright left the university and went to Chicago where he obtained a job as a draftsman at $8 a week in the office of J. L. Silsbee. The following year he entered the offices of Dankmar Adler and Louis Sullivan. Inasmuch as Sullivan was interested mainly in commercial buildings, it fell to Wright to design the domestic work which came to the firm. Severing his connection with Sullivan, he began the independent practice of architecture in Chicago in 1893.

In 1900, Wright designed the first of his celebrated "Prairie houses" for which no precedent existed anywhere. Among the outstanding examples of this type house which Wright built in and around Chicago during this decade are the Heurtley and Willitts houses in 1902, the Isabel Roberts house in 1908, and the Gale and Baker houses in 1909. The Itte houses were built about that time. In the opinion of Siegfried Giedion, the Robie House in Chicago—1909—has had "perhaps the most far-reaching influence" of all Wright's works.

Two of the important undertakings of the middle period of his life were the Imperial Hotel in Tokyo—1915 to 1922—and the Millard House in Pasadena—1923. During the latter half of the 1920's his fame was in eclipse and his fortunes were at their lowest ebb. He received few commissions and the depression prevented the execution of several important projects. Some critics regarded his work as concluded.

Since 1940 Wright's projects have been more extensive and varied than at any other period of his career. One of the founders of modern architecture, Wright is regarded by many as the greatest architect of the 20th century. Some of his best known works are the campus of Florida Southern College in Lakewood, the Larkin Co. administration building in Buffalo, the Falling Water House at Bear Run, Pa., the Friedman House near Pleasantville, N.Y., the Johnson Co. building at Racine, Wis., the Price Tower at Bartlesville, Okla., and Guggenheim Museum in New York.

I am sure I speak for all my colleagues in extending deepest sympathy to the widow, the daughters, and the sons of this truly great American and man of genius.

PAY TELEVISION

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a bill which I am today introducing on the matter of pay television.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, on March 26, I explained to the House in considerable detail the action which the Committee on Interstate and Foreign Commerce had taken on March 25, 1959, when the committee adopted a resolution with regard to the subscription television test operations contemplated by the Federal Communications Commission's third report, adopted by the

Commission on March 23, 1959. My remarks may be found in the CONGRESSIONAL RECORD for March 26, 1959, on pages 5362–5363.

I have been and am opposed to pay television but I cannot take a position as opposing tests for new uses of communications media in this day and age when new scientific discoveries are made daily affecting the lives of our people.

So, today I am introducing a bill dealing with pay television operations by wire but limited to tests only.

The pay television test operations which the Commission proposes to authorize are tests involving the utilization of radio. The Commission report does not deal with pay television operations by wire.

Now it is technically feasible to broadcast pay television programs by radio and also to transmit such programs by wire, and promoters of pay television have proposed to use both methods.

Pay television operations by radio and pay television operations by wire are closely related since both rely upon home television receiving sets for the reception of pay television programs and since both have to depend upon substantially the same sources for their supply of programs.

The third report adopted by the Federal Communications Commission on March 23, 1959, was issued under the authority granted to the Commission by the Communications Act of 1934. Among other powers granted to the Commission with regard to radio operations, section 303(g) directs the Commission to "study new uses for radio, provide for experimental uses of frequencies, and generally encourage the larger and more effective use of radio in the public interest."

The act does not grant to the Commission comparable authority with regard to wire communications.

Now in laying down in its third report the terms, conditions, and limitations with respect to test pay television operations by radio, the Commission sought to authorize limited test operations subject to proper controls and to prevent runaway test operations which might have brought about the virtual establishment of pay television operations by radio on some extended or permanent basis without the Congress having an opportunity to determine whether the establishment of such service on an extended or permanent basis is in the public interest.

The purpose of the bill is to require the Federal Communications Commission to prescribe, by regulations, such terms, conditions, and limitations with respect to the carrying on of limited tests of pay television operations by wire as the Commission deems necessary in the public interest. The bill requires that the regulations shall include requirements and limitations for the purpose of insuring that such tests will not be of such scope and character as to bring about the virtual establishment of pay television operations by wire on an extended or permanent basis without adequate governmental authority to regulate such operations in the public interest.

Under this bill the regulations so prescribed by the Commission would continue in effect until such time as the Commission shall fix as being necessary or appropriate in the public interest, and prior to such date it would be unlawful for any common carrier engaged in wire communications to engage in any State—whether in interstate or intrastate—in rendering any communications service by wire which would aid in the transmission of any pay television program unless the rendering of such service is in conformity with such regulations as the Commission prescribes. The Commission could bring civil actions in the appropriate district court of the United States to enjoin any violation or expected violation of the provisions of this legislation or the regulations issued by the Commission thereunder.

In other words, it seems to me—and the bill so declares—that because of the close relationship between pay television operations by radio and pay television operations by wire, it is necessary and appropriate that during the period while test pay television operations by radio are being conducted subject to terms, conditions, and limitations prescribed by the Federal Communications Commission, pay television operations by wire should likewise be carried on only in accordance with terms, conditions, and limitations prescribed by the FCC.

Of necessity the regulations prescribed by the Commission must reach pay television operations by wire whether they are conducted in interstate or intrastate commerce because uncontrolled runaway tests of pay television operations by wire conducted in one or several of the large metropolitan areas would seriously affect the limited test operations contemplated by the Commission in its third report with respect to pay television operations by radio.

To sum it all up in one sentence: You cannot have uncontrolled tests of pay television by wire if tests of pay television by radio are subject to strict limitations prescribed by the Federal Communications Commission.

I have introduced this new bill because the adoption by the Federal Communications Commission of its third report on March 23, 1959, and the adoption by the Interstate and Foreign Commerce Committee of its resolution on March 25, 1959, have outdated in some respects House Joint Resolution 130, which I introduced on January 12, 1959.

This new bill would give to the Federal Communications Commission the powers which in my opinion should be exercised by the Commission with regard to pay television tests by wire. As far as time is concerned, I would envisage that the Commission regulations prescribed under this proposed legislation would be substantially coextensive with the time periods contemplated by the Commission for test pay television operations by radio.

Let me emphasize that the introduction of this bill in no way should be construed as proposing to authorize pay television by wire on any extended or permanent basis.

The question of whether such extended or permanent operations should be authorized must be left to a future Congress to determine. After these limited tests have been conducted, and after experience has been gained, a future Congress may be in a better position to determine whether or not such extended or permanent operations are in the public interest and under what terms and conditions such extended or permanent operations should be conducted.

Instead of contemplating pay television by radio or by wire on a permanent or extended basis, my new bill is intended to prevent runaway tests of pay television by wire which might result in the virtual establishment of a new service without the Congress having had an opportunity to consider whether the establishment of such service on a permanent basis is in the public interest.

Mr. Speaker, I ask permission to have printed at this point in the RECORD the text of the bill which I have just introduced.

H.R. 6245

A bill relating to pay television operations by wire

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that—

(1) it is technically feasible to broadcast pay television programs by radio and also to transmit such programs by wire, and promoters of pay television have proposed to use both methods:

(2) pay television operations by radio and pay television operations by wire are closely interrelated, since both rely upon home television receiving sets for the reception of pay television programs and since both have to depend substantially upon the same sources for their supplies of programs;

(3) while, under authority granted to it by the Communications Act of 1934, the Federal Communications Commission in its third report, adopted on March 23, 1959, has set forth the terms and conditions under which the Commission proposes to authorize limited tests of pay television operations by radio, that Act does not grant to the Commission comparable authority to prescribe terms and conditions governing pay television operations by wire, particularly if such operations are carried on exclusively in intrastate commerce; and

(4) because of the close relationship between pay television operations by radio and pay television operations by wire, whether conducted in interstate or intrastate commerce (and particularly when conducted in one or several of the large metropolitan areas), it is necessary and appropriate that, during the period while test pay television operations by radio are being conducted subject to terms and conditions prescribed by the Federal Communications Commission, pay television operations by wire (whether in interstate or intrastate commerce) shall be carried on only in accordance with terms and conditions prescribed by the Federal Communications Commission as provided in section 2 of this Act.

SEC. 2. As soon as practicable after the enactment of this Act the Federal Communications Commission shall prescribe, by regulations, such terms, conditions, and limitations with respect to the carrying on, for limited periods only, of tests of pay television operations by wire, as the Commission deems necessary in the public interest,

including requirements and limitations for the purpose of insuring that such tests will not be for such scope and character as to bring about the virtual establishment of pay television operations by wire on an extended or permanent basis without adequate governmental authority to regulate such operations in the public interest. The regulations so prescribed by the Commission shall continue in effect until such date as the Commission shall fix as being necessary or appropriate in the public interest, and prior to such date it shall be unlawful for any common carrier engaged in wire communications to engage in any State (whether in interstate or intrastate commerce) in rendering any communications service by wire which would aid in the transmission of any pay television program unless the rendering of such service is in conformity with such regulations as the Commission prescribes in accordance with this section.

SEC. 3. (a) Whenever it shall appear to the Federal Communications Commission that any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of section 2, or of any regulation issued thereunder, it may bring a civil action in the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such paragraph or regulation, and upon a showing by the Commission that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(b) The district courts of the United States and the United States courts of any place subject to the jurisdiction of the United States shall have jurisdiction of civil actions brought under this section. Any such civil action may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred, or in the district in which the defendant resides or transacts business.

SEC. 4. As used in this Act—

(1) the term "State" includes any of the several States of the United States, the District of Columbia, Hawaii, Puerto Rico, the Canal Zone, and any possession of the United States; and

(2) the term "pay television program" means any television program transmitted by wire and intended to be received by home television receiving sets only upon the payment, by the owners or users of such sets, of a charge, fee, or other form of compensation; but such term does not include any television program broadcast by a standard broadcasting station insofar as it is transmitted, by means of a community antenna system, to the subscribers of such system upon payment of a monthly or other periodical charge.

ARE WE FIGHTING OR ARE WE AIDING COMMUNISM?

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection?

Mr. HOFFMAN of Michigan. Mr. Speaker, information evidently obtained from a press release from Chairman Moss of the Special Subcommittee on Government Information of the House Committee on Government Operations, and printed in an Associated Press news dispatch, reads as follows:

SPACE MONKEYS TAGGED SECRET; MOSS ASKS WHY

The military was reported yesterday to be stamping as "confidential" all information about space monkeys. Representative JOHN E. MOSS, Democrat, California, is asking: "Why?"

As chairman of the House Government Information Subcommittee, Moss wrote Secretary of Defense Neil McElroy:

"The subcommittee will appreciate a specific explanation of how the disclosure of such information could prejudice the 'defense interests of the Nation'."

A Defense Department spokesman declined comment.

People connected with the Moss group suspect that all the hush-hush is to avoid offending those in India who worship monkeys or those at home who complain of inhumane treatment of animals.

According to Moss, Assistant Secretary of Defense Murray Snyder put out a secret order, No. 10501, last June 3, stating that research business on monkeys is for defense information only.

The following December, Moss said, the Dayton Daily News tried unsuccessfully to obtain information about space monkeys under training at Wright Air Development Center.

Shortly after that, Moss said, Roy Johnson, Director of the Advanced Research Projects Agency, admitted that primates were being trained for use in satellite projects.

As a distinguished American, a former Postmaster General, James A. Farley, several times said: "Let us take a look at the record."

Though a member of the subcommittee, the first I knew of this release was when it appeared in the press.

Is the subcommittee chairman, Mr. Moss, attempting to ride two horses, each going in opposite directions?

Informed people all know that we have spent billions upon billions of dollars, fought at least one war, to prevent the spread of communism throughout the world.

Joining with 81 other nations of the United Nations and with the 14 nations of NATO, we have not only surrendered a part of our own sovereignty, shared with others the constitutional right of the Congress to declare war and the Commander in Chief's like right to carry on war, but the Congress has authorized the expenditure of billions upon billions of dollars' worth of materiel, shared our technical and scientific knowledge and the results of costly experiments with our allies.

Now, apparently, Mr. Moss is demanding that, through the release and publication of heretofore unknown technical information, we make available to our enemies, the Communists, the invaluable results which our experts have obtained through scientific research and experiments.

Our colleague from California, the chairman of the subcommittee, if an opinion be permitted, is one of the most able, sincere, patriotic, and determined Members of the House, but, if his demands prevail and his theory of disclosure be adopted, we might just as well install a Communist in every executive department.

Why strengthen our allies through astronomical gifts, then make available to Russia and her Communists information which will place in the enemies' hands the benefit of everything we do to strengthen ourselves—to defeat them.

There would seem to be no sense in trying, with our allies, to build up a worldwide defense to communism, while, at the same time, making available to Communists the secrets which we hope will enable us to make available a striking force, not only equal to, but superior to, that of the Communists.

If war was a game—which it is not—following the policy advocated by the subcommittee chairman, the baseball and football coach would call out over the loudspeaker the details of the play which he intends to use next.

Who are the "people connected with the Moss group" who "suspect that all the hush-hush is to avoid offending those in India who worship monkeys"? And why drag in a religious issue?

The Defense Department, if it is to be forced to make public all the beneficial results of the investigations it undertakes, its experiments, its efforts to provide a more perfect defense, might far better cease its efforts, let the Russians do their own digging.

Note the last paragraph of the above press dispatch. Read it again. What particular crime did Roy Johnson, Director of the Advanced Research Projects Agency, commit by admitting "that primates were being trained for use in satellite projects"? Does our chairman intend to abolish all research where primates are used?

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Does that press statement, "Space Monkeys Tagged Secret," and the statement of the Director of Advanced Research Projects Agency, which admitted that primates were being trained for use in satellite projects, include the men who have just volunteered for the space flight?

Mr. HOFFMAN of Michigan. Certainly not. Without thinking, I assumed that only monkeys were primates. But, later, after consulting Webster, learned that the term included man. Recalling then a recent Supreme Court decision which held that women were not admissible to a certain Texas college, hope that, if Mr. Johnson does repent, he will advise whether the word "primates," as he used it, includes women.

The use of the words "primate" and "monkey" in the same article which commented on one subject was most unfortunate.

Of course, neither our distinguished colleague, the gentleman from California [Mr. MOSS], the chairman of the subcommittee, nor Mr. Johnson, Director of the Advanced Research Project, whose ability, sincerity, and patriotism have never been questioned, had the slightest intention of linking the two.

Throughout our history not only monkeys, but dogs, mice, other living organisms have been used in research.

Not only to advance our military strength, but notably to combat disease, improve health, give us greater advantages—the purposes for which experiments have been conducted for the benefit of mankind are unnumbered.

From Cassopolis in Cass County, in my own congressional district—the Fourth, Michigan—on July 26 of last year, Capt. Iven C. Kincheloe, Jr., the head of a family, made the supreme sacrifice while testing for the Defense Department the efficiency of a jetplane. Long had he been engaged in tests similar to those in which the seven courageous, patriotic and self-sacrificing young men recently selected to train for space flight will be expected to participate.

If the details and the results of the experiments which they undergo in their training are to be given to the public, made available to the Communists, then the sacrifices which they, their wives and their children make will have been made in vain.

Boiled down, Chairman Moss' latest position seems to be that all knowledge in the possession of those charged with our national defense be turned over to him and, through him, to the public and the press and, through the public and the press, becomes available to our Communist enemies.

If that be the purpose, certain will be the result with the compliance of his demand. Why not just order our scientists, our defense experts, to report directly to Moscow?

This is an attempt to disassociate myself from the statements carried in the Associated Press dispatch.

In my opinion, the subcommittee is not interested in "all information about space monkeys."

Neither the judgment of our chairman, of our subcommittee, of our committee, nor of the Congress as to the use to be made of monkeys, should be substituted for that of the agency charged with the duty of preparing an adequate national defense.

In my judgment, no useful purpose is served by calling attention to the religious beliefs or practices of a people whose friendship and respect we seek.

Our respected colleague from Florida, Mr. FASCELL, is a member of the Moss subcommittee. He is also a member of the House Committee on Foreign Affairs. To that committee—rather than to the Moss subcommittee—should be submitted the advisability of making any reference to the religious or humanitarian beliefs or practices of the people of India or in other lands.

POSTAGE STAMPS

Mr. McCORMACK. Mr. Speaker, I offer a resolution—House Resolution 233—and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid from the contingent fund of the House such amounts as may be necessary for purchase of postage stamps for the first session of the Eighty-sixth Congress as authorized by Public Law 85-778: *Provided*, That any expenditures pursuant to this resolution shall be reimbursed from the amount appropriated by the second supplemental appropriation bill, 1959, when enacted into law: *Provided further*, That nothing herein shall be construed to increase the individual postage stamp allowances above those now authorized by law.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ARMY NEEDS CONSIDERATION FOR MORE MEN, EQUIPMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. ANDERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection?

Mr. ANDERSON of Montana. Mr. Speaker, the Army needs more men and more equipment if it is to be ready to do the vital jobs required of it in these troubled times. In plain language, the President's budget does not provide enough money for the Army. I hope the Congress will put into the defense appropriations bill as a minimum the additional $132 million required to maintain the Army at 900,000 and an additional $2.8 billion for modern equipment. The American Army should not again be outgunned and underequipped.

A theory has been advanced recently that savings generated by reductions in strength in the Army will provide the funds for necessary modernization in Army equipment.

This theory is unsound in that the total savings from this source are too small to permit an increase of the rate of modernization to desired levels. Nonetheless, application of these savings to modernization would be of some value to the Army.

In practice the application of personnel savings toward modernization has not occurred, for although the Army has been reduced in strength, it has not been allowed to apply the savings toward modern equipment.

If the Army had been held at a strength of 900,000 as suggested by Congress for fiscal year 1959, instead of the 870,000 currently projected, an additional $132 million would have been required. At a minimum, this $132 million should be provided to the Army for improving its rate of modernization. The Army Chief of Staff has testified before the Congress that the Army requires $2.8 billion annually for 5 years in order to achieve its modernization objective. Half of the $2.8 billion, or $1.4 billion, is required to replace equipment which is worn out and obsolete, while another $1.4 billion is needed to provide additional modern equipment to meet the minimum Army needs. The PEMA appropriation is budgeted at $1,373 million for fiscal year 1960; adding $132 million would raise this to about $1.5 billion, an amount which is still far short of the $2.8 billion needed.

It is apparent that the Army's modernization problem cannot be solved simply through application of savings from reductions in strength—even if such savings were so used in their entirety. It could be solved only by allocation to the Army of a greater percentage of the total funds which are available to the entire Military Establishment.

Army strength has been cut from 1,109,000 in June 1955 to 870,000 in June 1959.

During this same period the amount of the Department of Defense total budget, and the share given to the Army, is shown below:

Net expenditures

	1955	1956	1957	1958	1959
Total budget (billions)	$35.5	$35.8	$38.4	$39.1	$40.8
Army budget (billions)	$8.9	$8.7	$9.1	$9.1	$9.2
Percent of Department of Defense budget	25.0	24.6	23.8	23.3	22.6

You will note that the total Department of Defense budget has gone up over the years, but the Army percentage has in fact decreased. This situation must be reversed if Army modernization is to become a reality.

FRANK LLOYD WRIGHT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection?

Mr. REUSS. Mr. Speaker, Wisconsin has lost her most distinguished son with the death of Frank Lloyd Wright.

Like all great prophets, Mr. Wright was sometimes accorded less than his due among his own people. But his soaring spirit and artistic genius always overcame the sneers of men of little vision, and the leaders of five continents applauded his indestructible talent.

Mr. Wright was not only one of the great architects of all time. In thought and in deed, he was independent until the day he died. If Wisconsin has a tradition of independence, philosophical and political, it is in no small measure due to Frank Lloyd Wright.

To have visited with Mr. Wright near Spring Green, on a spring evening when the mayflies were hatching, and the sound of an oboe came softly through the grove at Taliesin, was an unforgettable experience.

Mr. Wright is gone, but his works will be his memorial, as long as the Wisconsin river flows.

While Wisconsin claims Mr. Wright as her son, he was a national and international figure. From the Washington Post of this morning, I offer an editorial and two articles, by Jean White and Frederick Gutheim, all paying deserved tribute to Mr. Wright's genius:

FRANK LLOYD WRIGHT

With the death of Frank Lloyd Wright, the world has lost a promethean among architects who had become as much a prized na-

tional monument as any of the structures he built. He was 89, and his friends expected him to live forever, an irreverent patriarch who preferred "an honest arrogance to a hypocritical humility." Now he is gone, and Washington especially will miss him. We had come to look forward to his frequent visitations and his corrosive comments on the Capital's classic style. But Mr. Wright did not merely express an opinion; he threw off remarks like a porcupine shedding quills. His barbs struck home. One recalls the remark credited to him that television "is chewing gum for the eyes." Surely this was ungrateful from a man who came over television with so unblurred and memorable an image.

The personality is gone; the works remain. His place seems secure in the pantheon of architecture. From the time he left Wisconsin to work with Louis Sullivan in Chicago, his genius was unmistakable. His "prairie houses"—dated only in a chronological sense—brought him fame abroad before World War I. The Japanese prevailed on him to undertake the epochal Imperial Hotel in Tokyo, and this led to the most dramatic moment in a career that was a series of dramas, public and private. In 1923, Japan suffered its worst known earthquake, and the newspapers reported that the hotel had fallen, despite its novel engineering principles. Mr. Wright, characteristically, refused to believe the report. Days later this telegram came from his old friend, Baron Okura: "Imperial stands undamaged. A monument to your genius in Japan. Thousands of homeless provided with uninterrupted service. Congratulations."

To the end, Mr. Wright hewed to a credo of individualism which is all too rare in our organization age. His flowing clothes, his forthright opinions, and his protean style all were distinctively his own. Sometimes this led to extravagances and mere eccentricity (such as his proposed mile-high skyscraper), but more often it roused his lethargic colleagues and countrymen to thought. It is a great pity that no public building designed by Mr. Wright stands in Washington, but his legacy is scattered throughout the land. May something of his audacious spirit endure, along with the stone and steel he used so well.

FRANK WRIGHT'S LEGACY TO MANKIND: 700 BUILDINGS ALL AROUND THE WORLD

(By Jean White)

"If I was to pick the greatest architectural feat that I have accomplished, I would say that it would be my next building."

So spoke Frank Lloyd Wright, the master builder, on a recent birthday at Taliesin, his Welsh-named home near Spring Green, Wis.

In its way, this simple statement—of faith in himself, his work, and the future—distills the long, colorful life of the 89-year-old patriarch of modern architecture, who died yesterday. Early in life, Mr. Wright once said, he chose "honest arrogance to hypocritical humility" and never found any reason to change.

All his life Mr. Wright revolted artistically and personally against conformity and tradition. He often stood alone, damned as an architectural heretic and a rebel against the past. But, a master of the caustic comment as well as building design, he usually gave more than he took in exchanges with critics.

VINDICATED BY AN EARTHQUAKE

As his legacy to architecture, Mr. Wright has left more than 700 buildings scattered around the world.

Among the most famous of his designs was that for the Imperial Hotel in Tokyo. Mr. Wright built the hotel on a floating foundation and immediately became the target for well-barbed comments from other architects. It took an earthquake to prove how right he was. During one of history's worst tremors, in 1923, the Imperial Hotel was the only major building left standing in Tokyo.

Other Wright innovations that revolutionized American architecture are found in his famed prairie houses, hugging close to the plains of the Midwest; Fallingwater, the house at Bear Run, Pa., built over a waterfall, and the circular Johnson Wax Co. office building at Racine, Wis.

Mr. Wright did not live to see the completion of his latest major creation—the startling, vat shaped building that he designed to house the Guggenheim Museum on New York's Fifth Avenue.

FIGURE OF CONTROVERSY

As usual, the Wright design sparked controversy. As a master of the cutting phrase, the crusty old architect himself must have relished some of the epithets—cement hopper, great stone toilet bowl, concrete trash can, corkscrew.

Mr. Wright always had some choice phrases of his own for buildings that he did not like. The peppery architect once dismissed the Jefferson Memorial as a "public comfort station." A frequent visitor in Washington, he found Government buildings "store quarries erected to satisfy a grandomania * * *." Urban apartment developments were "nothing but sanitary slums."

Under all his crustiness, Mr. Wright was a warm genius who inspired great devotion from the young architects who came to be disciples at his school. And less than 2 years ago, on a visit here in Washington, Mr. Wright noted that most of what he said was with "wrinkles in the corners of the eyes."

"But the wrinkles never got into print," the mellowed rebel added.

After more than a half century of controversy, Mr. Wright finally won the acclaim of the American Institute of Architects. In 1949, the AIA presented the architectural maverick with its gold medal—the profession's highest award.

"His place in history is secure," John Noble Richards, AIA president, said here last night in tribute to Mr. Wright's genius. "This century's achievements in architecture would be unthinkable without him. He has been a teacher to us all."

As for Mr. Wright, he once had snapped: "The only thing wrong with architecture is architects."

There was nothing small about Mr. Wright—his plans, his dreams (he had recently drawn up blueprints for a mile-high skyscraper), aspirations—except his neat, erect, sturdy figure. Whitehaired and high-browed, he was a striking figure with his flowing ties and floppy hats.

He was born June 8, 1869, at Richland Center, Wis., the son of a Welsh music teacher who became a Unitarian minister. His mother, a former schoolteacher, wanted her son to be an architect from the start.

He went off to the University of Wisconsin in 1884 for a course in civil engineering but quit a few months before graduation to work in the office of a Chicago architect. Eight years later Mr. Wright had his own office. He started building his "prairie houses," low bungalows that were the forerunners of today's ranchhouses.

A keystone of his philosophy as an architect was that a building should be "organic" to its surroundings.

"If we build in the desert," Mr. Wright explained, "let the house know the desert, and the desert be proud of the house by making the house an extension of the desert."

Mr. Wright's personal life was marked by controversy as much as his professional career. He married three times. His first marriage, to Catherine Tobin, who died last month, produced six children. When his first wife refused to divorce him, he built the first "Taliesin" in Spring Green for Mamah Borthwick Cheney, whom he had come to love. Their romance ended in tragedy in 1914 when a berserk servant killed Mamah and six others.

In 1923, Mr. Wright married Miriam Noel, a sculptress, after he and his first wife were divorced. She fought him when he sought a divorce to marry Olgivanna Lazovich, a dancer. Finally she freed Mr. Wright in 1927 and he wed Olgivanna, a marriage that lasted until his death.

Beside his wife, Mr. Wright is survived by a sister, Mrs. Maginel Wright Barney, of New York City; four sons, Frank Lloyd, Jr., of Los Angeles, an architect; John, of Del Mar, Calif.; David, of Phoenix, and Robert Llewellyn, of 7927 Deepwell Drive, Bethesda, whose house Wright designed; two daughters, Mrs. Catherine Baxter, of Menlo Park, Calif., and Mrs. Charles Gardner, of Phoenix. Among his nine surviving grandchildren is movie actress Anne Baxter.

CRITIC DESCRIBES WRIGHT'S STYLE AS HIS PASSION FOR ORIGINALITY

(By Frederick Gutheim)

A couple of years ago Henry Klumb, Frank Lloyd Wright's outstanding follower and Puerto Rico's most distinguished architect, sat in his house darkened by a power interruption during a tropical hurricane. The atmosphere was tense. A crackling battery radio was sandwiching news of the approaching storm with other bulletins.

Suddenly came the announcement, "And here is important news from Spring Green, Wis. Frank Lloyd Wright, America's most famous architect—" There was but one expectation. America's most famous architect then 87 years old, had died. But instead, the radio continued: "most famous architect, has proposed a new 510-story skyscraper in Chicago, 1 mile high."

It was Wright at his most characteristic. Audacious, flamboyant, and astonishing most of all to those who knew and loved him best.

As an architect his greatness needs no elaboration. But it was for the passion to build, not merely to design that he will always live in my recollection. And this was his character as a man.

To his closest friends, Wright's prodigiously sustained creative activity has been the most remarkable thing about his crowded eventful and tempestuous life. Had he died at the age of 65—in 1935—although his greatest contributions to architecture had already been made, he would have been a relatively insignificant figure. His most celebrated buildings since—the great Kaufmann house at Bear Run, Pa.; the Johnson Wax executive offices and laboratory; the Guggenheim museum—are all foreshadowed in his earlier designs.

Yet is would be a mistake to see his career as a merely sustained performance. It is not Titian, nor Leonardo, that comes to mind. It is that other great, prophetic contemporary, Pablo Picasso. The parallel is not alone of sustained vitality and creative power, but of successive phases, each significant in themselves, each with their own artistic sources, characteristic style, followers and—as Wright never forgot to point out, contemptuously—their imitators.

Thus the early prairie style, culminating in the Robin house, from which our domestic architecture of today, the rambling ranchhouse, originates; the concrete buildings like Unity Temple, Tokyo's Imperial Hotel or the Los Angeles houses, that pioneered "die neue Sachlichkeit" (the new objectivity) and the style of the Bauhaus; the romantic rationalism of the 1930s, whether in the Usonian houses or the splendidly pinnacled San Marcos Hotel; and the structural expressionism of the period since, with such projects as the Guggenheim

museum or the proposed San Francisco Bay bridge.

Within each of these periods one encounters a profusion of artistic expression that is almost botanical in its richness and variety.

Wright's creativity is his greatness. It is expressed in everything he has built or written, and in his long and memorable life.

The originality was superbly illustrated in his winter way of living in Arizona. The long dusty road to Taliesin West leads over the desert. After leaving the grapefruit groves and winter-holiday tinsel of Scottsdale the lonely approach to the great house itself, through the yucca and the sagebrush, is pregnant with anticipation.

The other-worldly atmosphere is authentic. It is affirmed by the discovery of a man not like other men, standing apart from the abstractions of money and the things money can buy. Instead you found intense reality, a man like some desert chieftain, who measures life and culture in animal skins, precious stones, palaces, poetry or human lives.

This passion for originality was his style. In dress it was symbolized in the characteristic pork-pie hat ("With the cantilever," he used to joke.) Politically he was an anarchist. His diet was an original mixture of Wisconsin farm cooking, vegetarianism, and the grape leaves of Ouspensky and Gourgeiff.

Music filled the Taliesin air. In Wisconsin there were nearly a dozen pianos, and the entourage of 60 or so draftsmen, students, and employees frequently contained professional musicians who literally earned their keep by playing through the off seasons in the concert halls.

But the architecture of Taliesin West was that spatial quintessence of Wright—a great, sprawling complex like the royal palace in Peiping, with courtyards, terraces, breezeways, and walls, all fusing together in a single conception the many separate buildings containing residences, drafting rooms, kitchens, lounges, offices, dining rooms and other places. Built of huge, flat, colored desert stones laid in concrete, with many roofs only of canvas, the shadowed complex had the ageless character of a ruin before it was fairly started. It is his best monument.

This life so carefully contrived, and now ended, was not as self-created as Wright liked you to think. Much of it started with that other great architect, Louis Sullivan, whom alone Wright called master and of whom he once splendidly said, "I was a pencil in his hand." And he said to me still more truly and prophetically of Sullivan, "His ornament became my structure."

Much of it, like his flamboyant rhetoric, was for effect, but it was never false. It was his style. The blaze of publicity that illuminated much of his life, in a kind of caricature, left a canny awareness of what makes news. He never lacked for iconoclasm in word, act or belief. But he had a true sense for the theatrical in phrase, costume, and in timing.

Nothing pleased him more than to tweak the distinguished beard of the American Institute of Architects. "Old men afraid to go out without their rubbers," he called the members of "the American Institute of Appearances." He contrasted with mock ungratefulness their gold medal with the dinner-plate-sized equivalent of the Royal Institute of British Architects. When historic Venice saluted him with Cellini's silver trumpets, he was delighted. He was the first to chuckle when the École des Beaux Arts hung his great exhibition in ultimate recognition.

He lived to relish his own renown.

ADJOURNMENT OVER AND PROGRAM FOR NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, but I make this reservation in order to inquire of the majority leader as to the program for next week.

Mr. McCORMACK. On Monday there will be three bills from the Committee on the District of Columbia:

H.R. 836, garnishment bill.

H.R. 1844, amending the Life Insurance Act.

H.R. 5534, relating to the George Mason Memorial Bridge.

Tuesday is Pan American Day. The following bills may be brought up if rules are reported but not necessarily in the order listed. Everything is contingent upon rules coming out of the Committee on Rules.

S. 57, extending public housing.

H.R. 1321, Reorganization Plan No. 2 of 1953. That relates to the Rural Electrification Administration.

S. 1096, authorizing appropriations for the National Aeronautics and Space Administration.

H.R. 4601, amending the Federal employees retirement bill.

H.R. 2228, acquiring land, Mount Vernon Memorial Highway.

House Joint Resolution 254, authorizing parliamentary conferences with Canada.

As these bills come up, I will try to announce them to the House as quickly as I can, and the usual reservations are also included.

Mr. HALLECK. Mr. Speaker, further reserving the right to object, I notice the majority leader has not listed any appropriation bills.

Mr. McCORMACK. There will be none available for next week.

Mr. HALLECK. Mr. Speaker, I should like at this time to express the hope that the appropriation bills will be brought along, because otherwise we will find ourselves held up at the time when we hope to adjourn.

Mr. McCORMACK. Mr. Speaker, in that connection may I say that I join the gentleman from Indiana in his observation. Of course, I always cooperate with the Committee on Appropriations. When they have a bill or bills to report out, I give them the right-of-way. I cooperate completely. If any bill were available for next week it would be on the program, but none is available.

Mr. HALLECK. May I ask the majority leader one further question? He referred to the bill just messaged over from the other body, having to do with the reorganization order affecting the REA. Has that proposal been acted upon by the proper House legislative committee?

Mr. McCORMACK. Yes, that was reported out I think before the Easter recess.

May I add that I overlooked listing the bill H.R. 5674 authorizing construction at military installations. If it is possible, I shall bring that bill up specifically on Thursday, if that can be done. I have an agreement with the gentleman from Georgia [Mr. VINSON] that it will not be brought up before Thursday.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

VOLUNTEER SPACE TRAVELERS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection?

Mrs. ROGERS of Massachusetts. Mr. Speaker, I think those of us who have read and seen television pictures of the seven military pilots who volunteered for the first U.S. space trip and have been approved, rejoice that we have men in this country with that courage. They have the courage that has made America great all these years. I wish for the pilot selected from these seven astronauts great success in his great adventure. My best wishes go to his family for their cooperation. The following is a description of the seven astronauts and their families and for some of the preliminary tests for the space ship flight:

[From the New York Times, Apr. 10, 1959]

SEVEN NAMED AS PILOTS FOR SPACE FLIGHTS SCHEDULED IN 1961—ONE WILL BE ABOARD NATION'S FIRST MANNED SATELLITE—RIGID TRAINING AHEAD

(By John W. Finney)

WASHINGTON, April 9.—Seven young military test pilots were presented today as the Nation's future pioneers in space.

With a dramatic flourish, the National Aeronautics and Space Administration named the seven men who had been selected, after rigorous and extensive examinations, to undergo training as the first astronauts.

To one of these volunteers, some 2 years from now, will go the risky honor and distinction of being picked to ride the Nation's first manned satellite into space.

On this flight, the Senate Space Subcommittee was told today, the astronaut will circle the earth two or three times in his 1-ton space capsule at an altitude of about 125 miles before returning for a splash landing in the Atlantic Ocean.

ALL ARE IN THEIR THIRTIES

The seven men chosen as astronauts for the project, known as Mercury, are:

Navy Lt. Malcolm S. Carpenter, 33 years old, of Boulder, Colo.

Air Force Capt. Leroy G. Cooper, Jr., 32, of Carbondale, Colo.

Marine Lt. Col. John H. Glenn, Jr., 37, of New Concord, Ohio.

Air Force Capt. Virgil I. Grissom, 33, of Mitchell, Ind.

Navy Lt. Comdr. Walter M. Schirra, Jr., 36, of Hackensack, N.J.

Navy Lt. Comdr. Alan B. Shepard, Jr., 35, of East Derry, N.H.

Air Force Capt. Donald K. Slayton, 35, of Sparta, Wis.

The seven, who will henceforth be known as Mercury astronauts, were presented at a news conference by Dr. T. Keith Glennan, director of the Space Administration.

SPACE PROGRAM OUTLINED

For an hour and a half they faced the ordeal—the worst, one pilot confessed, in

weeks of exhaustive examinations—of being ordered around by photographers and of having their personal lives and beliefs laid bare by reporters.

A few hours before the astronauts made their debut, scientists of the Space Administration were telling the Senate Space Subcommittee how they planned to hurl the young men into space and the new horizons in space travel that they would open.

The first Mercury flights will be short, probably only a few hours, but then they will gradually be extended to last 24 hours, the scientists said. Following the Mercury flights, which were described as the simplest form of orbital flight, will come more advanced manned satellites and space vehicles, they said.

The scientists outlined a program of manned space flight for the future that would include two-man satellites, orbiting for several weeks, permanent laboratories orbiting in space, trips to the moon and back and eventually manned travel to other planets.

LOOK LIKE FOOTBALL STARS

In their debut, the seven astronauts were lined up behind a long table under glaring lights. They looked like a group of square-jawed, trim halfbacks, recruited from an All-America football team.

The collegiate touch was enhanced by the crew haircuts worn by six of the men.

The men, picked for their physical and mental qualifications for standing the rigors of space flight, average 34½ years in age, have an average height of 5 feet 9½ inches (to permit them to fit into the confines of the space capsule) and weigh an average of 164 pounds. All have above-normal intelligence ratings.

The group includes three Navy men, three from the Air Force and one marine. Asked whether this distribution among the services had been deliberate, a Space Administration official said:

"It just happened."

All are married and have children. To a man, they said their wives were enthusiastic about their new assignment.

These strikingly common themes emerged on why the men had volunteered for space flight: the spirit of adventure, a desire to pioneer in a new dimension of flight, a military sense of duty and patriotism.

CONFIDENT THEY'LL RETURN

All said they had long dreamed of flying off into space, even before they ever heard of Project Mercury. And as experienced test pilots, they obviously thought that the public was overestimating the hazards of their forthcoming adventure.

Asked by reporters how many were confident that they would safely return from space, all promptly raised their hands.

As for their sustaining faith, all said they believed in religion and attended Protestant churches—some as regular church members, others occasionally. But in their answers they also made it clear that they had a faith that the technological genius of the scientists and engineers in the project would permit their safe return to earth.

In this connection, Dr. Glennan emphasized that the astronauts would not be hurled into space before there was a good assurance that they could be brought back safely. The Mercury space capsule, he said, "will be as reliable as man can devise" and the first flight will be as safe as the first flight of any experimental airplane.

WE HAVE TO GO SOMEWHERE

From their answers, it was apparent that the men had been drawn to the project more by the spirit of adventure in exploring a new frontier than by the challenge of facing unknown dangers. Frequently they likened their position to that of the Wright brothers at Kitty Hawk, N.C., a half-century ago.

Space is "the future not only of this country but of the world," Captain Slayton explained. "We have gone about as far along as we can on this globe, and we have to go somewhere and space is all that is left."

In explaining his motivation, Commander Schirra observed that it was typical of this country to be interested in new things. Aviation, he noted, is now 50 years old and space flight presents an expansion in a new dimension.

"My career has been in serving my country," Captain Grissom explained, "and here is another opportunity to service."

Lieutenant Carpenter said he had volunteered because "here was a chance to serve the country in a noble cause and to pioneer on a grand scale."

WIFE VOLUNTEERED FOR HIM

All the men said their wives, long indoctrinated to the dangers of test flying, were enthusiastic or sympathetic about their volunteering for space travel.

Perhaps the most enthusiastic was the wife of Lieutenant Carpenter. The lieutenant said he was at sea when first notified that he was eligible and my wife called up Washington and volunteered for me.

Colonel Glenn quipped that his wife's first reaction had been that I have been out of this world for a long time and might as well go on out farther. In a more serious vein, the colonel said he thought all wives must have had reservations at first but that they had become enthusiastic with their husbands as more was learned about the project.

Colonel Glenn, the holder of a transcontinental speed record, also expressed the common desire of most pilots to fly just a little bit faster and higher. Often, when he has gone into a climb, he commented, he has longed for just a little more power to keep on going out.

From a list of 100 potential candidates—all military test pilots—the Space Administration selected 32 volunteers to go through the screening examinations that resulted in the selection of the 7-man team.

At the Lovelace Clinic in Albuquerque, N. Mex., the candidates were put through a week-long medical examination—an examination that still caused the seven to shudder in retrospect. Virtually every part of their body was examined. They were even put in a whole-body radiation counter to determine the ratio of fat to muscle in their bodies.

At the Wright Air Development Center in Dayton, Ohio, the men were put through a series of stress tests simulating the conditions that will be encountered in space flight. They were placed on a treadmill that was elevated one degree a minute to test their physical fitness; whirled in human centrifuges; and placed in an isolation chamber for 3 hours. They spent 2 hours in another chamber at 130° F., had their feet plunged into tubs of ice, and were subjected to blasts of high-frequency noise.

PERSONALITIES EXPLORED

In addition, they were subjected to a series of psychological and mental tests, as well as interviews, to determine their personalities and motivations.

Out of these examinations, said Dr. Randolph Lovelace, director of the selection program, came a group of seven highly intelligent, highly motivated men.

For the next 2 years, the men will train for their assignment of traveling through space, as well as assist in the actual engineering development of the Mercury space capsule. The Space Administration had originally planned to pick 12 Mercury astronauts but decided on the smaller number to permit more complete participation by the trainees in the program.

As part of the buildup program, the men will be hurled in a ballistic "lob" some 130 miles down over the Atlantic from Cape Canaveral, Fla., by Army Redstone ballistic missiles.

The astronauts will not get any additional pay. They will continue on the scale of airplane test pilots.

The man who will make the Nation's first orbital flight through space will not be picked until the day of the flight, Dr. Glennan said. Then he will step into a capsule mounted on the nose of an Atlas intercontinental ballistic missile and be blasted into a flight that will circle the earth two or three times and last 180 to 270 minutes.

There will still be ample opportunity, Space Administration officials said, for the six others to make pioneering trips into space. Plans call for a continuing series of Project Mercury flights, gradually building up to a day-long flight through space.

But it was obvious that a certain sense of rivalry and competition could be expected to build up in the next 2 years for the honor of being first into space. This feeling was expressed by Captain Slayton:

"I would give my left arm to be the first man into space."

BIOGRAPHIES OF SEVEN MEN SELECTED AS NATION'S FIRST SPACE PILOTS

WASHINGTON, April 9.—These are the seven Project Mercury astronauts from whom the Nation's first man into space will be chosen:

MALCOLM SCOTT CARPENTER, LIEUTENANT, NAVY

Born May 1, 1925, in Boulder, Colo., now lives at 11911 Timmy Lane, Garden Grove, Calif. His wife is the former Rene Louise Price; their four children are Mark Scott, 9; Robyn Jay, 7; Kristen Elaine, 3, and Candace Noxon, 2. After education through high school in Boulder, he entered Colorado College in 1943 to participate in the V–5 flight training program sponsored by the U.S. Navy. When the V–5 program ended at the close of World War II, he entered the University of Colorado and majored in aeronautical engineering, receiving a degree in 1949.

Following graduation, he joined the Navy and in November 1951, was assigned to Patrol Squadron 6, based at Barbers Point, Hawaii. During the Korean conflict, he was engaged with Patrol Squadron 6 in antisubmarine patrol, shipping surveillance, and aerial mining activities. In 1954 he entered the Navy Test Pilot School at the Naval Air Test Center, Patuxent River, Md. After completion of his training he was assigned to the Electronics Test Division of the Naval Air Test Center. He then attended the Navy's General Line School at Monterey, Calif., and the Naval Air Intelligence School, Washington. In August 1958, he was assigned to the U.S.S. *Hornet*, antisubmarine aircraft carrier, as air intelligence officer. He has accumulated more than 2,800 flying hours, including 300 in jet aircraft.

LEROY GORDON COOPER, JR., CAPTAIN, AIR FORCE

A native of Shawnee, Okla., born March 6, 1927. His wife is the former Trudy Olson of Seattle. They have two daughters, Camala, 10, and Janita, 9. He attended primary and secondary schools in Shawnee and attended the University of Hawaii for 3 years. He received a degree in aeronautical engineering through the Air Force Institute of Technology at Wright-Patterson Air Force Base, Ohio, in August 1956.

Captain Cooper entered the Marine Corps in 1945 after his graduation from high school. While at the University of Hawaii, he received a commission in the Army. He transferred this commission to the Air Force and was recalled by that service for extended active duty in 1949 for flight training.

He was later assigned to the Air Force Experiment Flight Test School at Edwards Air Force Base, Calif., was graduated from this school in April 1957, and was assigned duty in the Performance Engineering Branch of

the Flight Test Division at Edwards. He conducted flight tests on experimental fighter aircraft.

Captain Cooper has 2,300 flying hours, including 1,400 in jets.

JOHN HERSCHEL GLENN, JR., LIEUTENANT COLONEL, MARINES

Considers New Concord, Ohio, his permanent home. Born July 18, 1921, in Cambridge, Ohio. He attended primary and high schools in New Concord and also attended Muskingum College. His wife is the former Anna Margaret Castor. Their children are John David, 13, and Carolyn Ann, 12.

During World War II service, he flew 59 combat missions with a Marine fighter squadron. He later attended Amphibious Warfare School at Quantico, Va. In Korea, he flew 63 missions with Marine Fighter Squadron 311 and 27 while an exchange pilot with the Air Force. After Korea, he attended Test Pilot School at the Naval Air Test Center, Patuxent River, Md. Since November 1956, he has been assigned to the Fighter Design Branch of the Navy Bureau of Aeronautics in Washington.

Colonel Glenn has been awarded the Distinguished Flying Cross on five occasions and he holds the Air Medal with 18 clusters for his service during World War II and Korea. In July 1957, while project officer of the F8U, a jet fighter, he set a transcontinental speed record from Los Angeles to New York, spanning the country in 3 hours 23 minutes. He has more than 5,000 hours of flying time, including 1,500 in jet aircraft. Colonel Glenn has been attending the University of Maryland during his Washington assignment.

VIRGIL IVAN GRISSOM, CAPTAIN, AIR FORCE

From Mitchell, Ind., where he was born April 3, 1926. His wife is the former Betty L. Moore. They have two sons, Scott, 9, and Mark, 5. He attended primary and high schools in Mitchell and was graduated from Purdue University in 1950 with a degree in mechanical engineering.

He entered the Air Force in 1944 as an aviation cadet, and was discharged in November 1945. He returned to aviation cadet training after his graduation from Purdue, receiving his wings in March 1951. He flew 100 combat missions in Korea in F-86's with the 334th Fighter Interceptor Squadron. In August 1955 he went to the Air Force Institute of Technology at Wright-Patterson Air Force Base, Ohio, to study aeronautical engineering.

In October 1956 he attended test pilot school at Edwards Air Force Base, Calif., and returned to Wright-Patterson in May 1957 as a test pilot assigned to the fighter branch. He has flown more than 3,000 hours, over 2,000 in jets. He has been awarded the Distinguished Flying Cross and the Air Medal with cluster.

WALTER MARTY SCHIRRA, JR., LIEUTENANT COMMANDER, NAVY

Originally from Hackensack, N.J., where he was born March 12, 1923. His wife is the former Josephine C. Fraser, of Seattle, and their children are Walter 3d, 8, and Suzanne Karen, 1. He attended primary and secondary schools in New Jersey and was graduated from the U.S. Naval Academy in 1945.

He had service aboard the battle cruiser *Alaska*, the staff of the 7th Fleet, flight training at Pensacola, Fla., in Navy Fighter Squadron 71 and as an exchange pilot with the 154th Air Force Fighter Bomber Squadron in Korea.

He attended naval air safety officer school at the University of Southern California and took test pilot training at the Naval Air Test Center, Patuxent River, Md. His last assignment was at Patuxent in suitability development work on the F4H. He has 3,000 hours of flying time, 1,700 hours in jets. He has been awarded the Distinguished Flying Cross and two Air Medals for his Korean service.

ALAN BARTLETT SHEPARD, JR., LIEUTENANT COMMANDER, NAVY

Born November 18, 1923, in East Derry, N.H. He is married to the former Louise Brewer of Kennett Square, Pa., and they have two daughters, Juliana, 8, and Laura, 12. He was graduated from the U.S. Naval Academy in 1944, and from the Naval War College, Newport, R.I., in 1958.

Commander Shepard saw service on the destroyer Cosgrove in the Pacific during World War II. He then entered flight training at Corpus Christi, Tex., and Pensacola, Fla., and received his wings in March 1947. He spent several tours in the Mediterranean, and later went to Test Pilot School at Patuxent River, Md., where he served two tours in flight test.

During this service, he took part in high-altitude tests to obtain data on light at different altitudes and in a variety of air masses over the North American continent. He also took part in experiments in test and development of the Navy's in-flight refueling system; carrier suitability trials of the F2H3 Banshee, and Navy trials of the first angled aircraft carrier deck. After his graduation from the Naval War College, he joined the staff of the Commander in Chief, Atlantic Fleet, as aircraft readiness officer. He has 3,600 hours of flying time, 1,700 in jets.

DONALD KENT SLAYTON, CAPTAIN, AIR FORCE

His hometown is Sparta, Wis., where he was born March 1, 1924. His wife is the former Marjorie Lunney of Los Angeles, Calif. They have one son, Kent, 2.

He attended primary and high schools in Sparta, graduating from Sparta High School in 1942. He entered the University of Minnesota in January 1947, and was graduated with a degree in aeronautical engineering in August 1949.

He entered the Air Force as an aviation cadet in 1942 and after instruction at Vernon, Tex., and Williams, Ariz., won his wings in April, 1943. He flew 56 combat missions in B-25's in Europe with the 340th Bombardment Group (Medium). He joined the 319th Bombardment Group (Medium) and went to Okinawa in April 1945 where he flew seven combat missions over Japan.

Following his graduation from the University of Minnesota, he was an aeronautical engineer with Boeing Aircraft Co. in Seattle until recalled in early 1951 to active duty with the Air National Guard.

He spent a year and a half at Twelfth Air Force Headquarters as technical inspector and a like period as fighter pilot and maintenance officer with the Thirty-sixth Fighter Day Wing in Bitburg, Germany. He returned to the United States in 1955 and attended the Air Force Flight Test Pilot School at Edwards Air Force Base, Calif. Since January 1956 he has been an experimental test pilot at Edwards, where he has flown all jet fighter-type aircraft built for the Air Force. He has 3,400 flying hours, 2,000 in jets. He holds the Air Medal with cluster.

SPACE FLIERS UNDERWENT RIGID TESTS BEFORE SELECTION—PROGRAM SIMULATED EVERY ORDEAL THEY MAY ENCOUNTER

WASHINGTON, April 9.—The seven Mercury astronauts identified today went through one of the most rigorous selection programs ever devised.

With 25 semifinalists, they had to endure isolation, acceleration, heat, cold, noise, tilting, jolting, vibration—just about every ordeal that they might encounter in even greater extremes when they journey into space.

They spent 7½ days and 3 evenings in assorted torture chambers at the Lovelace Clinic in Albuquerque, N. Mex. The emphasis was on physical fitness.

The 32 men followed this with 6 days and 3 evenings at the Wright Air Development Center Aeromedical Laboratories, Dayton, Ohio, where they were put through "psychological and stress evaluation," the most grueling parts of the tests.

WORST IS TO COME

Even so, the examinations were only a taste of what awaits the seven men in the next 2 years.

They will ride the first manned satellites out of a ballistic missile blasted 125 miles into the sky.

They will orbit the earth, perhaps for hours, at 18,000 miles an hour.

They will plunge back into the atmosphere, withstand tremendous heating and deceleration forces and hope to land gently and safely.

The stress tests at Wright Center included:

Treadmill maximum workload—The subject walked at a constant rate on a moving platform elevated 1 degree each minute. The test continued until the heart reached 180 beats a minute.

Complex behavior simulator—Operation of a panel with 12 signals, each requiring a different response, to measure the ability to react reliably under confusing situations.

Tilt table—The subject lay on a steeply inclined table for 25 minutes to measure the ability of the heart to compensate for unusual body positions.

Partial pressure suit—Each man spent an hour in a partly pressurized suit, in a pressure chamber at a simulated altitude of 65,000 feet, to measure the efficiency of the heart system and breathing at low pressures.

Isolation—Each man was confined in a dark, soundproof room for 3 hours "to determine his ability to adapt to unusual circumstances and to cope with the absence of external stimuli."

Acceleration—The subject rode a centrifuge at high speeds to test his ability to withstand multiple gravity forces.

Heat—Each man spent 2 hours in a chamber with the temperature at 130° F.

Equilibrium and vibration—The subject sat in a chair that rotated simultaneously on two axes. He was required to maintain the chair on an even keel by means of a control stick with and without vibration, normally and while blindfolded.

Noise—Each man was subjected to a variety of sound frequencies to determine his susceptibility to tones of high frequency.

At Lovelace the physical competence of the 32 potential spacemen was measured by an ergometer, a device similar to a bicycle. The subject pedaled increasing amounts of weight while wearing an oxygen mask to determine how much weight each was able to pedal before his heartbeats reached 180 a minute.

Among the psychological tests were those to determine personality and motivation. Each man had to interpret the question, "Who am I?" answering a self-inventory based on 566 items in a questionnaire. There also were tests of intelligence, special aptitudes, mechanical comprehension, space memory, spatial orientation, and other factors.

SCIENTISTS GIVE SPACE TRIP DATA—ASTRONAUT WILL CIRCLE EARTH AND LAND IN ATLANTIC—PARACHUTES SLOW FALL

WASHINGTON, April 9.—The first Mercury astronaut to fly off into space will circle the earth two or three times before returning to a soft and safe landing in the Atlantic Ocean.

According to present plans, this first manned space flight by the United States will take place in 1961. It will be followed by ever longer flights into space until finally U.S. astronauts are traveling to the moon, to other planets, or to permanent observation stations in space.

The plans for Project Mercury and future manned space travel were outlined to a

Senate space subcommittee today by scientists of the National Aeronautics and Space Administration. A few hours later, the Space Administration presented the nation's seven fledgling astronauts—one of whom will make the first space flight in 1961.

As described by the space scientists, here is how the first flight will go:

The astronaut will be strapped in a reclining position in a couch inside a 1-ton space capsule. The mushroom-shaped capsule will have insulated, double-thick walls—so thick that no meteorite can puncture the vessel. The bottom of the capsule will have a blunt, rounded nose to absorb the intense heat upon reentering the earth's atmosphere.

The capsule will be mounted on top of one of the Air Force's Atlas intercontinental ballistic missiles, which will carry the satellite to a height of 50 miles in 2 minutes. Then additional rocket stages will lift the satellite to an altitude of about 125 miles and accelerate it to the orbiting speed of 18,000 miles an hour.

Once detached from the launching rockets, the capsule will be flipped around 180 degrees by small rockets so that what was the bottom of the capsule now becomes the blunt, leading nose. This nose, which serves as the reentry shield, contains a number of small retro-rockets.

TWO PARACHUTES IN CAPSULE

The satellite will be fired from Cape Canaveral, Fla., a little north of due east over the Atlantic and will circle the earth roughly between 35 degrees north and south. While in flight, the astronaut will be expected to perform certain tasks, such as communicating with ground stations by radio, making scientific observations by peering out of a periscope, controlling the attitude of the capsule and navigating it.

If he is not able to perform these functions there is equipment aboard the capsule to keep it pointed in the right direction and to bring it down to earth at the right moment.

On the third 90-minute orbit around the world, the astronaut will pass a little north of Hawaii and then over the United States heading in a southeasterly direction. While over the United States, he will fire the retro-rockets. They will slow the capsule and start it descending toward earth.

The planned landing area will be several hundred miles southeast of Cape Canaveral in the Atlantic. At 60,000 feet, a small so-called drogue parachute will be opened to slow the capsule. At 10,000 feet a large conventional parachute will be released to decelerate the capsule to about 20 miles an hour. Spare emergency parachutes will be carried.

As the capsule hits the water, a large inflatable tube in the nose will be opened to keep the capsule floating until a waiting ship can pick up the astronaut.

Because the Atlas missile cannot be expected to be completely reliable, the capsule will have an escape system—a tower with rockets that will lift the capsule off the launching missile in event of misfire.

During the launching, the satellite will be tracked by radar stations at Cape Canaveral and Bermuda. If it is determined that the satellite is not going into orbit, the retro rocket will be fired and the capsule returned near one of the ships ranged across the Atlantic.

EXTENSIVE TESTS PLANNED

Space administration scientists emphasized that the first space flight would not be attempted until after a series of extensive tests of the capsule and preliminary flights with animals.

Starting in the middle of this year and extending through 1960, 26 test firings are planned for the capsule. The rockets for these experimental tests will be the Little Joe—a cluster of small, solid-fuel rockets—the Army's Redstone short-range missile, the Army's Jupiter intermediate range ballistic missile and the Atlas.

Because of the proved reliability of the Redstone, this missile will be used for the first experimental manned flights of the capsule to determine how the astronaut can be expected to react in space. The Redstone will accelerate the capsule to a speed of about 4,000 miles an hour and hurl the capsule some 130 miles down the Atlantic missile test range. Eight Redstone test firings are planned, starting in 1960.

Brig. Gen. Donald D. Flickinger, an Air Force flight surgeon, assured the Senate subcommittee that on the basis of exhaustive medical experiments already performed, the astronaut would have an adequate margin of safety when hurled into the strange, weightless state of space travel.

On the first flight, the astronaut will only be expected to remain aloft for a little more than 3 hours. But just in case he has to stay up there longer, he will carry emergency provisions—mostly in a semiliquid state—to last 48 hours.

The ultimate objective of the Mercury program, the scientists said, was to keep the capsule aloft for 24 hours—or about 16 orbits around the earth.

After Project Mercury, they said, the objective is to launch a two-man satellite that would remain in space for 2 weeks, followed by a two-man satellite with a lifetime of several weeks.

The succeeding objectives in the manned space flight program were listed as: Establishment of a permanent manned laboratory orbiting in space, manned flight to the moon, manned landing on the moon and return, and then the ultimate objective, interplanetary flight. No time schedules were given.

DISPENSING WITH CALENDAR WEDNESDAY NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday of next beek be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FROM THE HUSTINGS TO THE HILL: THE PLIGHT OF THE FRESHMAN CONGRESSMAN

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 30 minutes.

Mr. PORTER. Mr. Speaker, knocking a Member out of his seat in Congress is one thing, filling it another.

A majority of the voting constituents can decide it is time for a change, at least partly on the basis of what they are told during the campaign, but when the new Member of Congress arrives in Washington, D.C., those fine words are no help.

Shortly after the election a Representative-elect receives a 13-page booklet from the Clerk of the House. It tells him about his pay, staff salaries, office equipment, allowances for travel, stamps, telephone, and telegraph. The Congressional Secretaries Club publishes an "Official Congressional Handbook" with tested suggestions for office procedures, but there is no handbook for a freshman Congressman.

When I arrived on the Hill in December 1956 I asked the Library of Congress to provide me with anything it might have in the way of advice from veteran lawmakers on "how to be a Congressman." The librarians reported they could find nothing of the sort. Finally they sent over Jerry Voorhis' "Confessions of a Congressman"—a worthwhile book for a freshman to read, by the way, but not what I had in mind.

Of course the 81 freshman Congressmen—62 Democrats, 19 Republicans, according to Congressional Quarterly—who came to the 86th Congress on January 7 have had the warm good will of their experienced colleagues, regardless of party affiliation. Advice has been freely given in the cloakrooms, in conversations on the floor and back of the rail, at lunch, at receptions, and dinners. So far as I can discover, however, no one has tried to organize the accumulated wisdom on the most efficient ways to do the job, quite apart from the legislative and policy aims of the various Members.

A FEW POSSIBLE ANSWERS

I am not the man to write this handbook, but as a Congressman just shedding freshman status, I can speak from recent and vivid experience and I can suggest a few possible answers.

Let us start in the office. The freshman finds himself with two rooms, probably in the Old House Office Building, one for himself and the other for as many as eight staff members. "Take care of your mail and it will take care of you," is a bit of advice he has heard many times. He may resolve to read every letter from the district and answer each one personally.

He may also resolve to be faithful in his attendance at sessions of his committee and of the House. He may also decide to accept invitations to affairs downtown in order to meet people from home and get to know important officers and staff members of various organizations.

He has certain legislative goals. He wants to be informed so he is trying to keep up with several newspapers, a news magazine or two, three or four other magazines, not to mention his home district newspapers.

The freshman by now has come to understand that the pace and the pressure are too much even for the kind of man some of his more enthusiastic supporters believe him to be.

SWEEPING THE SEA

You can get up early in the morning, drive down before the rush hour traffic, and have an hour or so before 9 to take care of your correspondence without the interruptions of staff problems, telephone calls, and visitors. You can stay until 6:30 and clean up dictation in relative quiet. You can bring home a stack of material and letters to read. You may still feel as though you are sweeping the sea.

As with any busy executive, the Congressman's problem is time: Time to do the job he promised the folks back home he would do, time to improve his chances for reelection, and time to spend with his family. The first two timetakers may be identical, separate, or conflicting.

The most important man in his congressional life is his secretary or, to use the term the House Members borrow from the Senate, his administrative assistant, or A.A. He should be able to turn the whole office over to him and say, "You're in charge." Pick a good man and let him worry about hiring and firing, workloads, filing, allowances, inquiries.

ANSWER THOSE LETTERS

The A.A.'s main job will be helping his boss to keep up with the mail. For many Congressmen, letters average between 50 and 100 daily, mostly from constituents. They are expressions of opinion or requests for assistance or both. Every letter from home should receive a prompt answer.

The freshman should, in my opinion, handle all his mail personally for at least the first 3 months. After that his staff will know how he wants most replies to be written. About 80 percent of the mail is routine and can be handled that way. Answers often involve consultations with Government agencies and may require many man-hours.

I see every letter from the district and I personally read and sign every reply, but along with most of my colleagues, do use automatic typing for form letters. Many of the letters we receive are really form letters themselves, oftentimes instigated on a grand scale by special interest groups. Most constituents understand the situation and are satisfied if they have registered their opinions or received the assistance they requested.

There is still a lot of mail the staff cannot handle for the Congressman. This is important. He can do a lot of good with his letters. A Member of the U.S. House of Representatives has to weigh his words, especially those he commits to print. He has to have sufficient facts and to have done some thinking in a wide range of areas. All this takes time.

BE AVAILABLE

Other essential office procedures a freshman must develop have to do with the handling of visitors and of telephone calls. A Congressman must be available, especially to his constituents, but also to other people who can tell him what he needs to know. All this takes time, too.

The courtesy found by the freshman on the Hill at once refreshes and surprises him. Back in the hustings, the chances are, he was building up, if not expressing, a good deal of resentment over apparent lapses in good taste by his opponent. Here, however, courtesy is the rule on or off the floor. It is more than a formal recognition of parliamentary dignity. It springs from a mutual recognition of achievement and responsibility. It transcends party or original lines.

THE HEART OF CONGRESS

In my 2¼ years on the Hill I never heard a partisan political argument in the Speaker's Lobby—which is shared by both parties—or in the private congressional dining room. Issues are discussed objectively and with an eye to accommodation. This spirit of judicious compromise is the heart of Congress.

In the hustings the candidate had trouble finding people to help him to research on the campaign issues. On the Hill he is overwhelmed with assistance from all sides, whether for research or bill drafting or other legislative matters. The problem is to find the time to develop the questions to ask and to have time later to read and to reflect on the answers presented to him.

When should a freshman dare to speak up on the floor? He likely has broken his silence by now by requesting unanimous consent to insert material in the CONGRESSIONAL RECORD, but this is a formal matter.

In my view, and there is no tradition to the contrary, he should talk when he has something to say to his colleagues, or to his constituents, or both. This may be later than he anticipated. He quickly comes to realize that his colleagues are more competent and conscientious than he thought they were. I suppose this is because a new Congressman, in his campaign, has dwelt so intensively on the shortcomings of his opponent that he has unconsciously ascribed them to other House Members. Anyway, he soon understands how green he really is and that tends to discourage early, or at least often, assumption of the rostrum.

"Be at the opening of each daily session," is the only advice I ever heard Speaker SAM RAYBURN offer to freshmen publicly in the House. The chaplain's prayer is good for the new Congressman. He has a chance to hear the 1-minute speeches—or to make one—which are often both interesting and informative, and, most important, to hear what the program for the day will be.

Nobody expects you to be in attendance all the time. You do answer the quorum and rollcall bells religiously but sometimes you are resentful at having to lose 20 to 40 minutes walking from your office to the floor to answer your name.

THE EXERCISE IS GOOD

Many quorum and rollcalls are of no significance except as they affect those statistics your next opponent will certainly use against you if he can. You do not fancy trying to explain to the voters that you missed answering your name because you were hard at work in your office and fully aware that the particular quorum or rollcall was not important. So you go, and hope that the exercise is good for you.

The most important floor work of a freshman is, in my opinion, the informal conversations he can engage in there. You can talk as you sit but you should keep your voice down. You can lean against the rail around the rear of the Chamber and smoke while you talk. Or you can retire to your party's cloakroom or the the Speaker's Lobby. You have to get to know your colleagues and talking shop in this manner is of incalculable benefit to the freshman.

NO BETTER WAY TO LEARN PROCEDURE

On many occasions the House proceedings themselves deserve the undivided attention of the freshman. There is no better way to learn procedure. Every now and then, a debate may actually bring out facts and reasoning which will change votes. You can learn a lot by listening to some of the speeches and colloquies.

You have a copy of the CONGRESSIONAL RECORD under your seat. You can keep it open on your lap to read when there are dull intervals. You can skim through what you may have missed in the last few days and also have a look at what the "other body"—as you are supposed to refer to the Senate on the House floor—is doing, along with a perusal of the material being inserted in the RECORD.

You can also bring your mail over to read or to sign as you sit on the floor of the House. The better practice is to do this on the big tables in the Speaker's Lobby.

You can have page boys put through telephone calls to your district or elsewhere. You can talk to newspapermen or your administrative assistant in the Speaker's Lobby. They can't come on the floor—nobody can except sitting Congressmen, Senators, former Congressmen, officials of the House, Governors of States, on occasion the guest minister who gives the day's opening prayer, and (on occasion) small children—your own or somebody else's.

DECISIVE WORK IN COMMITTEE

The decisive work of Congress in the positive sense is done in the committees. You sit on your committee as a judge hearing evidence, cross-examining witnesses and weighing opinions; then you seek to frame a bill based on the facts. Preparation and brains really count here. The recommendations of committees are justifiably given great weight on the floor.

No Member can possibly make himself an expert in all the areas Congress has to cover. You assess and reassess your colleagues and rely on some more than others. At the outset you will feel like a college freshman sitting in consultation with professors. This is an accurate measure of your respective funds of information, but with the help of the staff, lobbyists, and reports of previous years you can progress rapidly.

Most freshman Congressmen arrive in Washington with preconceived notions about lobbyists. They will find that most of their preconceptions are mistaken.

Lobbyists as a rule are hard-working, knowledgeable men who can be extremely valuable to Members of Congress. Few of them spend their time trying to buttonhole you in corridors or dangling subtle or unsubtle bribes for your votes. It does not take the freshman long to determine which lobbyists he needs and which ones he can ignore.

During the first 3 or 4 months of the year a Congressman could freeload at a different bar and dinner table downtown at least 3 or 4 nights each week. The invitations roll in.

A TIME TO LEARN

My advice to freshmen, for what it may be worth, is to accept as many of these invitations as possible during the first session. You will meet many people, including colleagues of yours, under

sociable circumstances. You will inevitably learn much about housing, traffic schools, stores, recreation, and other such subjects of interest to you as a newcomer to Washington. You will become acquainted with many of the great and near-great who circulate in this wondrous community.

My own advice is that you go just in time to get one drink at the reception preceding the dinner, carry it around—it can be ginger ale—as you meet people there, then go in to dinner. Meet and talk to the people at your table and, if it seems natural, the people at the head table. After dessert, or before if it looks too fattening, excuse yourself unobtrusively and get on home in time to read the papers and some of the stuff in your briefcase before bedtime. You miss the speeches and the entertainment, but you can always get a copy of a speech you might want.

KEEP IN TOUCH WITH HOME

It is not only good survival politics but is a Congressman's duty to keep the people back home informed about his opinions and activities. This is done through press releases, regular newsletters, radio programs and telecasts. All these cost the Congressman money, his own money, although the radio and TV time is usually free. He should also prepare a report for his constituents at the end of the session and summarize his achievements.

The freshman should seek out and get to know the newsmen representing his area in Washington. He should be available to them day and night. They represent the same people he represents.

A Congressman to be truly representative has to work constantly at keeping communications open between himself and his constituents. When the Easter and the between-session recesses come along, or oftener if possible, the freshman should go home and make himself accessible. He should talk about what he is doing and what the Congress is doing. More important, he should seek out his constituents in mills, factories, main streets and supermarkets, wherever they are, and listen to them. Nobody else can give him as good a public opinion poll.

Among the invitations coming to the freshman's desk will be proposals for what can be called "junkets." The Army, for example, may ask him to accompany a group of his colleagues to see a demonstration at Fort Bragg, S.C. His committee may have occasion to travel. Private and public groups may invite him, expenses paid, to observe events or participate in ceremonies.

A DISTRICT IS A PART OF THE WHOLE

All these should be weighed individually. My hope is that the freshman will not refuse any of them simply for fear of being criticized for junketing.

A Congressman has to inform himself. This means getting out of the committee hearings and away from his desk from time to time. His first duty is to his district, yes, but he should realize that his district is a part of the United States and that national problems are also part of his responsibilities.

The freshman's wife needs a handbook, too. She will have clubs to join. She will be included in many invitations along with her husband. She should make an effort to visit her husband's office regularly, even do some of the many chores if she has the time.

LUNCH WITH THE MRS.

She should be in the gallery when her husband makes his first speech—probably to 8 or 10 indifferent colleagues after the day's business is over. She should be invited by him to eat lunch with him in the House restaurant at least once a week.

If this sounds elementary, just remember what I said about the pressure and pace of this job. Wives can be most helpful to freshman Congressmen but an effort has to be made to bring them on the scene and keep them there.

Weekends are for the family, plus a pile of reading from the office, church, and of course the Sunday papers and choice TV programs. The freshman's kids will love the House gym—boys and very little girls, that is—especially the trampoline. They will love to scamper up and down the echoing halls in the Old House Office Building and the Capitol. They should be brought to sessions of the House, especially for such events as joint sessions when both Houses, the Supreme Court, the Cabinet, Joint Chiefs of Staff, and the Diplomatic Corps are all assembled in the Hall of the House of Representatives.

Let me touch on three continuing and pressing problems for freshmen which cut across all the areas I have mentioned.

KEEPING INFORMED

First, how does a freshman inform himself and keep accurately informed? I mentioned the newspapers and magazines. He also can obtain reports on particular subjects from the Library of Congress Legislative Reference Service.

Much material, including books, will be sent him in the mail but he will have little time to read this. His congressional district's newspapers will have to be read and clipped for him, except for one or two which he will take home. He will always be behind in his reading.

Second, how does the freshman keep from confusing himself with the great office he holds? The story goes around about the new Senator who was told that during his first 3 months he would wonder how he got there but after that he would only wonder how his colleagues made the grade. Humility and gratitude overwhelm the freshman. Gradually and justifiably he regains confidence. He is treated with unprecedentedly big doses of deference which someday he may deserve personally.

FILLING A NOBLE POSITION

The Hill swarms with men and women who work for Congress, but their attitudes toward Congressmen spring less from thoughts of job security than from their more acute realization that the freshman is in fact filling a noble position and has vast responsibilities—and may very possibly have a great future serving his Nation. His status deserves respect.

The news stories back home are more frequent and far more gratifying than during the campaign. The letters from back home are mostly complimentary. And when he went home for the first time, everybody called him "Congressman" or "Representative," or even "Honorable," even friends from days of childhood. He probably had trouble finding anyone who voted for his opponent.

All this may not result in the rise of any Napoleonic complex you can see, but it may lead to subtle erosions and a feeling of superiority. A freshman can best guard against this by observing long-time Members of the House. They have force and self-respect but no arrogance or bombast, except perhaps as a recognizable feature of a speechmaking stance. A politician has to protest his lack of talents sincerely but at the same time make sure nobody believes him.

The freshman would not have been elected, the chances are, if he had no ability. Couple his ability with experience and ignite both with determination, then you will have an effective Congressman if he does not lose communication with the people he represents. One sure way to lose touch is to believe that the deference shown to you at home, on the Hill and elsewhere belongs to you personally instead of to the office you hold and the responsibilities it represents.

CHOICES HAVE TO BE MADE

Third, how does the freshman do his job, qualify for reelection, and keep his family happy without losing his health? A thousand things are pending, decisions have to be made constantly, any one of which might have disastrous political repercussions. Choices have to be made in arranging your calendar. Votes have to be cast in the House where more often than not the issues are not clear cut.

Compromises sometimes water down bills until you cannot be sure their enactment would not do more harm than good. Your telephone rings day and night. The mail piles up. Constituents wonder why Congress is not working harder. Your office expenses soon exceed your allowances and you find that living in Washington, without luxury or big dinner parties, threatens to exceed your income, especially if you are paying off campaign debts.

My advice to the freshman Congressman is to keep and develop his sense of humor and get regular exercise. Take your job seriously, but not yourself, is one way the first part of this prescription is phrased. The House gymnasium's door in the basement of the New House Office Building is unmarked except for a sign saying "private." The freshman should locate it early in his term and try to get down there two or three times a week at least for paddle ball or some sort of exercise and a steam bath. He will have time to reach the floor for a roll call if the bells ring while he is working out there.

These freshmen are doing all right by themselves, their families, their constituents and their country. I am sure of it. They always have.

Now where do you suppose I could find a handbook for a second-term Congressman?

FEDERAL RESERVE IS ASKING CONGRESS TO APPROVE PRIVATE BANK RAID ON THE FEDERAL TREASURY

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the Federal Reserve Board has come up with a plan for transferring over to the private banks up to about $25 billion of Government-owned securities. Furthermore, both the Board and the private bankers are asking Congress to approve this plan by enacting legislation to amend the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits.

Yesterday it was my privilege to testify before a subcommittee of the House Committee on Banking and Currency concerning this legislation. The House version of the legislation is H.R. 5237.

In this legislation Congress is being asked to vote the private banks a subsidy of great magnitude. In view of the tremendous importance of the matter, I would like to extract from and repeat much of my statement to the subcommittee yesterday.

The proposal being considered is in two parts:

First. The proposal is to transfer ownership of up to about $25 billion of Government assets to the private banks.

Second. The proposal is to give the Federal Reserve Board broad new discretionary authorities for redistributing the money-issuing powers among the private banks.

Taking the question of transferring the assets first, I would like to call attention to some facts and estimates which I believe will help in deciding these essential questions:

First. How much will it cost the Federal Treasury?

Second. Are bank profits already adequate?

Third. Would it be better to provide the subsidies by yearly appropriations, subject to the President's budget control, rather than to transfer assets which will provide a continuing subsidy without either budget or congressional control?

Fourth. Will the reduction in bank safety and the higher standards of bank liquidity which are hoped for place an undue burden on trade and commerce?

Fifth. Will the additional monopoly protection that must be provided foster a monopolization of banking?

PRESENT LAW PERMITS THE BANKS TO CREATE MORE MONEY THAN WILL BE NEEDED FOR THE COUNTRY'S ECONOMIC GROWTH

First, however, let me dispose of any doubt that the new authority being requested for reducing required reserves is needed to provide for future growth in the money supply. While it is clear that the proposal for transferring up to $25 billion of assets to the banks necessarily involves reducing the required reserves of the member banks sufficiently to allow them to legally accept these assets, discussions of this legislation have become confused with the question of future growth in the money supply.

For example, the first 35 pages or so of the lengthy report which the Board of Governors has sent to the committee—that is, the Board's staff report on this legislation—"Proposed Legislation for Revision of Reserve Requirements," prepared by the staff of the Board of Governors of the Federal Reserve System, January 29, 1959—discusses the proposal for the general reduction in required reserves and these pages examine a number of propositions which might support the legislation, including the need to provide for future growth. And mostly, I might add, this report is devoted to the Fed's preoccupation with monetary controls to the exclusion of almost everything else. Yet the report does outline the methods for estimating what the needs of monetary growth might be and it supplies the pertinent data, though it stops short of comparing the relevant data. This could leave the impression that the authorities being requested for reducing required reserves might somehow be related to expected needs for growth in the supply of money and credit, along with the expected growth of the economy.

However, particular note should be taken of the staff report's conclusions which are set out on pages 40 and 41 of the report. After discussing the matter at length, the staff report does not conclude that there is any justification for the legislation in the need for permitting a growth in the money supply. One reason, and only one reason, is finally reached in support of the legislation: The reason is that it will assure the private banks more profits and aid them in building up their surplus accounts.

No claim is made that the legislation is needed to provide for an increase in the money supply, because when you consider what is available under the Fed's present legal authorities, it becomes obvious that this purpose could play no part in the legislation.

The staff report makes it clear that the Federal Reserve authorities do not intend to permit the money supply to increase more than 3 percent a year, which is what we already know. The report states that 3 percent is the average yearly increase over the last decade, which is, of course, about the same rate at which the economy has been growing.

Yet the fact is that on the basis of the country's monetary gold stock of $20.6 billion, the Federal Reserve already has authority in existence now to provide an increase in the money supply of $386 billion. The total money supply at the end of December was $138 billion, so at a growth rate of 3 percent a year the present law will take the country's needs for monetary growth well into the next century, and into outer space, too. And this will be true even if, contrary to all expectations, the Treasury is unable to add to its gold stock.

WHY THE FED'S PRESENT AUTHORITY IS NOT BEING USED

Now the essential point to keep in mind in considering the problem before the committee is this: the all-controlling decision to which all other important decisions have to be adjusted is the money supply, give or take possibly 5 percent. This is true in all of these campaigns started by the bankers for redistributing the wealth or grabbing off a bigger piece of a pie that is yet to come. Monetary policy comes first, and all attempts to redistribute the wealth must be made within the framework of a predetermined supply of money.

The Federal Reserve is obviously not going to permit the money supply to expand to the point where there is a serious erosion of the interest-rate structure and perhaps even a monetary inflation of commodity prices. On the other hand, it is not going to squeeze the money supply down to the point where, say, 10 or 15 percent of the labor force is unemployed and there is a serious loss of big business profits, a drying up of demand for bank loans, and so forth. It is going to keep money at what it calls moderately tight, with a fair number of the banks in debt to the Federal Reserve banks and paying a discount rate which tends to maintain a generally high structure of interest rates throughout the financial system.

So, while the Federal Reserve could now give the private banks up to about $35 billion more reserves by buying Government securities in the open market, this would only loosen credit and do nothing toward transferring over to these banks the securities which have been bought and paid for with the public's money.

Furthermore, the Board's regulations have not reduced required reserves of the banks to anything like the minimums permitted by the present law. So if the Board wishes to bow completely to the bankers' objections to the Fed's using any of its own money-creating powers, the Board still has unused authority for reducing required reserves of all classes of banks. In fact, it has authority to make available another $5.4 billion of reserves to the banks in this way. And this $5.4 billion would permit the banks to create new bank money at the rate of $10 for each dollar of reserves. Even if it is assumed that the demand for currency expands in proportion to the expansion of bank deposits, the expansion ratio would be $8.65 to $1. So we see that this unused authority alone will provide for an expansion of the money supply at a compound rate of 3 percent a year over the next 11 years.

And I might add that the money supply at that time would require only $12 billion of gold. So it is also clear that the authority for further reducing required reserves is not being requested by reason of any fear that this country's present gold stock of $20.6 billion will fluctuate by about $1 billion from year to year.

How is it, then, that the bankers and the Federal Reserve authorities are asking that the Fed be authorized to reduce required reserves below the present legal minimums when required reserves can be reduced by another $5.4 billion under present law? How is this so when a reduction of only one-half billion dollars would, as these people well know, permit

a 3-percent expansion of the money supply?

The point is, of course, that the transfer of Government assets which is being proposed will sop up the reduction in required reserves which is also being proposed—one dollar of reserves for each dollar of assets transferred. So, in order to transfer these assets without distorting the money supply, the banks must be given one dollar of new reserves for each dollar's worth of assets that are to be transferred to them from the Federal Reserve's portfolio.

Giving the banks $5.4 billion of reserves would permit transferring to them only $5.4 billion of public assets. Transferring ownership of $25 billion of public assets will require giving the banks $25 billion of reserves. So the mechanics of this proposed transfer are a kind of "wash sale." The private banks will end up owning $25 billion of interest-bearing securities which are now owned by the public, with no change in the supply of bank credit.

The main conclusion reached in the Federal Reserve staff report—at page 40—is that solely from the standpoint of the Fed's being able to maintain monetary controls, "reserve requirements of member banks do not need to be as high as they have been in recent years." And the next sentence is:

> A lower level of requirements would improve the earning position of banks and aid them in building up their capital positions.

But the report also makes it clear that this proposal for aiding the private banks which the committee is being asked to approve will require giving the banks the interest-bearing securities which are now publicly owned, because this is the only way that required reserves can be reduced without inflating the money supply. The report states:

> To the extent necessary to avoid undue credit expansion, reserves released by any reduction in requirements could be absorbed by Federal Reserve sales of securities in the market. This would in effect shift earning assets from Federal Reserve banks to member banks. The present System portfolio is adequate to permit a substantial reduction and still leave enough to provide sufficient earnings to cover necessary expenses, as well as for current purposes of policy.

What then are the questions to be considered?

HOW MUCH WILL IT COST THE TAXPAYERS?

First, let us consider how much this proposal will cost the Federal Treasury.

Interest payments on the Federal Reserve's portfolio of securities provide substantially all of the System's income. These are all U.S. Government securities, most of which were acquired in the World War II period. And I might add that they were bought and paid for the hard way. They were not bought directly from the Treasury. On the contrary, they were bought by the System's Open Market Committee, which means that the Fed first waited until the securities were sold to the banks or to other investors, then it bought them in through the 16 open market dealers who are expected to take another profit, or commission, on these transactions.

This interest income goes first to meet the expenses of the Federal Reserve System, most of which are incurred in providing free services to the private banks, such as clearing checks for them. But the annual income is much greater than the expenses, and the remainder goes back to the Federal Treasury.

In recent years, the Fed has been holding back 10 percent of the unused income, and putting this in its surplus fund, as the present law permits it to do. The act establishing the Federal Deposit Insurance Corporation transferred funds from the Fed's surplus account to provide the initial reserve against FDIC insurance, and the Federal Reserve Act was amended with respect to the return of the Fed's unused income, so as to allow it to build its surplus account back up again. There is no conceivable expense for which this surplus fund might be used, however, so it must eventually come back to the Treasury, too.

To illustrate the income and expenses of the System let us turn to the year 1957, which is the latest year for which a report is available.

In that year the Federal Reserve System received an income of $763.3 million, of which $735.4 million was in interest payments from the Treasury on the Fed's portfolio of Government securities. In other words, only $27.9 million of gross income was earned on all the System's operations, such as in making loans and discounts.

Against this income the System's net expenses amounted to $131.8 million. It had, in addition, $19.3 million of expenses for services performed for other Federal agencies, but these were reimbursed. In other words, the Fed charges other Federal agencies for any and all services it may perform for them; only its services to the private banks are free.

Income less operating expenses gave the System a net income of $631.5 million in 1957, which it disposed of as follows: $7.1 million of net deductions were made for such things as employees' retirement fund; $20.1 million in interest was paid to the private banks on their so-called stock investment in the System; $61.6 million was put into the Fed's surplus fund; and $542.7 million was turned back to the Treasury.

In other words, this $542.7 million which was returned to the Treasury is money which would have had to come out of the taxpayers' pockets if the private banks had then had possession of all the Fed's portfolio of securities which were not needed to produce income which would just cover the Fed's expenses and contributions to its surplus reserve.

At the end of March the securities in the Federal Reserve's portfolio amounted to $25.5 billion. However, we cannot be sure how much of this it is planned to transfer to the private banks. Neither the Federal Reserve authorities nor the spokesmen for the bankers have told us. It is probable that they are not quite sure themselves. At some places the Board's staff report speaks of holding some part of the portfolio back for contingencies. It is probable that every group of people who come forward with a plan to open up the public purse for a general grab believe they are all going to exercise restraint and not grab everything in sight. But good intentions in advance can be quite different from what happens after the grabbing starts.

Evidently it is planned to transfer considerably more than $5.4 billion, because, as has been indicated, that amount could be transferred under existing law. And it is apparent that the Federal Reserve authorities have thought it best to await congressional action on this proposed authority to transfer all of the portfolio before making any serious beginnings in that direction.

Getting down to specifics, the Board's staff report speaks of the possibility of transferring all of the portfolio except that part which is needed for expense income and certain current purposes of policy. As previously quoted, the report states:

> The present System portfolio is adequate to permit a substantial reduction and still leave enough to provide sufficient earnings to cover necessary expenses, as well as for current purposes of policy.

The amount which will be held back is described as follows:

> Any decrease in requirements, however, should leave the Federal Reserve with a portfolio adequate to cover possible future contingencies, such as a large inflow of gold or economies in the use of currency that might add reserves in excess of appropriate needs.

In other words, we are being told that the transfer of securities should leave what I would judge to be about $3 billion or perhaps $4 billion in the Fed's portfolio in addition to what must be left to provide an expense income. As I will indicate, $3 or $4 billion appears to be about the amount that would be needed for transferring to the banks at a later time, should there be a sudden large inflow of gold from foreign countries, or should there be a large reduction in the demand for currency in this country. Either a large inflow of gold from abroad or a large reduction in use of currency would have the same effect in expanding bank reserves. Either event would permit an undesired expansion of credit, unless the Federal Reserve still has securities which it can "sell" in order to wash out the new reserves.

In recent years there have been no pronounced changes in the proportion of money which people in this country have preferred to hold in currency—not since the war years—and no important change seems likely—unless general economic trouble develops and people become skittish about the banks. In that case a lot of people would probably want to keep their money in currency rather than in bank deposits, and that would, of course, cause the opposite kind of trouble. Every dollar of currency taken out of the banks draws down $1 of the bank's reserves. So a very slight run on currency would put the banks in trouble rather quickly, particularly if their required reserves have been reduced to the narrow margin of safety contemplated by this legislation.

As for this country's net imports or net exports of gold, these have rarely exceeded one-half billion dollars in any one year. However, there have been notable exceptions. In 1947, there was a net inflow of $2.3 billion, and last year,

1958, there was a net outgo of $2.3 billion. So let us say that to take care of a possible net inflow of as much as $3 billion, the Fed will want to hold back this amount of securities to sell to the banks to cover that eventuality.

And to have a comfortable income for possible expansion, the Fed will probably feel that it will need $150 million. In 1957, Fed's average interest yield on its portfolio was 3.15 percent. At this rate it would need to keep about $4.8 billion of securities for expense purposes. So, in the absence of any specific statement from the Federal Reserve authorities as to what the plan is, it seems fair to conclude that the Fed will keep about $7.8 billion of its portfolio. In other words, we might conclude that the committee is being asked to approve the transfer of about $20.7 billion of assets to the private banks.

Assuming that the portfolio continues to yield to the Fed 3.15 percent interest, the income on the present portfolio should be $803 million a year. And assuming that the Fed's expenses amount to $150 million a year, this will mean a loss of $653 million a year to the taxpayers. That seems to me a pretty big loss.

ARE BANK PROFITS HIGH ENOUGH?

Now let us examine the one reason which has been given for this legislation.

The only reason that has been given is that it will "improve the earning position of banks and aid them in building up their capital positions." The conclusion that bank profits are not high enough is based on the analysis on pages 38 and 39 of the staff report. Here it is shown that the net profits of commercial banks, after taxes, amounted to 8.1 percent of their net worth in the 1937–40 period; 8.1 percent in the 1946–50 period; 9.2 percent in the 1951–55 period, and 10 percent in the 1956–57 period.

The Board's staff report points out, however, that the profit rates on manufacturing and trade corporations have been even higher. It tends to suggest that the rate of bank profits ought to be about the same, even though it recognizes that commercial and trade corporations "are generally subject to greater risks and severer competition" and that "banks are in some degree protected from competition by public regulation with respect to chartering of new banks and the establishment of branches." Frankly, a net profit of 10 percent on net worth, after taxes, seems on the high side to me for an almost riskless, monopoly-protected business such as commercial banking.

Consider these points:

First, the Government provides all kinds of props for the commercial banks and protects them against all but a token of competition.

The Comptroller of the Currency will not charter any new national bank, until he makes sure that such a bank will not inconvenience any already existing banks.

The Federal Deposit Insurance Corporation will not insure any applicant for a State banking charter, until it makes sure that such a bank will not seriously inconvenience already existing banks. And without FDIC insurance it is useless to try to go into the banking business. This is a free country, of course, in such things as farming, operating a retail store, or a service business. Anybody is free to go into such businesses and take his chances with the rest, but not into banking. The Government will not let you or me into the banking business unless and except that we are lucky enough to find a situation where we will not cause competition with the existing banks.

The Government insures commercial bank depositors against loss and thus channels deposits into the banks. Yet it is the Federal Government which stands behind this insurance, having given the FDIC a cost-free commitment that it may call on the Federal Treasury for $3 billion to cover its insurance.

And finally, the Federal Reserve System operates its so-called monetary policies with its eyes principally on the welfare of the bankers. If the committee needs any proof of this fact, simply take a look at the legislation it is considering. Here we have the Federal Reserve recommending the transfer of many billions of dollars of Government assets over to the private banks for no reason except to increase the banks' profits at the expense of the taxpayers. And the record shows that such overwhelming solicitude for the bankers' profits is not limited merely to putting a question to Congress. Look, for example, at the fact that last year the Federal Reserve Board reduced required reserves of the member banks so as to allow them to acquire $10.4 billion of interest-bearing Federal securities at no cost to the bank whatever.

Yes, commercial banking in this country today is a near-riskless business. Small business firms in the manufacturing trade and service fields are failing at the rate of about 15,000 per year, but a bank failure is something almost unheard of. The FDIC reports only one bank failure in 1957 and only two in 1956.

So, I hope that the committee will look carefully behind the arguments which have been made for increasing bank profits at the expense of the Federal Treasury.

In the first place, the argument which has been made in the staff report seems to me circular and self-defeating. The argument is that if bank profits are increased, the stockholders will save more money and leave it in the surplus accounts of the banks—rather than draw it out and pay taxes on it. This is to build up the capital accounts of the banks.

Well, the same argument can be made for more profits and more income for everybody. If you earn more, you will save more.

But beyond that, the argument is to increase the rate of profits, and the rate is largely determined by the amount of surplus which the stockholders leave in the bank. So, the Fed has set up quite a handicap for itself in seeing any increase in bank profits, because the more that is put into bank surplus, the more the profit rate tends to stay down, even though actual profits are increased.

Actual bank profits have gone up steadily in these last few years. And they have gone up, furthermore, in periods of business recession when the profits of all other businesses went down.

Member bank profits have risen from $756 million in 1951 to what will be more than twice that amount in the present year. Yet these profits are not being shared by more banks. They are being shared by fewer banks.

In the high prosperity year of 1957, when money and bond rates were highest and the big industrial corporations were all going to the banks for expansion capital instead of to the bond market, profits of the member bank, after taxes, were $1.2 billion. Yet in the first half of 1958, during the depth of the business recession, member bank profits jumped to an annual rate of $1.7 billion.

So, in deciding whether or not this legislation is justified to increase bank profits, the committee should also take into account the fact that while bank profits do not increase in boom times as much as profit in some of the competitive segments of the economy, neither are bank profits allowed to go down very much in recession years.

Earnings after taxes of all insured commercial banks and member banks, 1951 to 1958

[In millions]

Year	Insured commercial banks	Member banks
1951	$908	$756
1952	990	830
1953	1,026	866
1954	1,307	1,096
1955	1,156	984
1956	1,217	1,027
1957	1,374	1,169
1958 (1st half, at annual rate)	(1)	1,656

[1] Not available.

Source: Annual reports of the Federal Deposit Insurance Corporation; Federal Reserve Bulletins.

As I have said, considering the nature of the business, a profit rate of 10 percent on net worth seems to me not only adequate but excessive.

WHY NOT APPROPRIATE THE MONEY?

If the Banking Committee does decide that additional subsidies to the private banks are in the public interest, then it would seem more appropriate to me in every respect to provide these subsidies through the usual channels of appropriations. Asking the Congress to appropriate the money would provide a much better basis for considering what banking profits ought to be and how much of a subsidy is to be provided. In the legislation being proposed both of these questions have been left unanswered. The Federal Reserve authorities have not told us what level of profits they think the banks ought to have; nor have they told us how much of a subsidy they actually intend to provide with the authority they are seeking.

More than that, appropriating the money in the usual way and under control of the President's Budget Bureau should afford an opportunity to develop needed information about other aspects of the banks' profit picture which we do not now have. For example, to what extent have the banks been putting excess amounts of income into contingency funds and reserves for loss rather than appropriately counting this income as

profit? To what extent have the banks used the special status they enjoy under the tax laws for building up loss credits against future income taxes? As the Banking Committee knows, when the bond market goes down the banks are permitted under the tax law to sell one Government security for another Government security of substantially the same type and take an ordinary loss for tax purposes. Though, of course, when the bank makes its profit on the transaction it pays only the capital gains tax on the profit.

Furthermore, the chances are that it would cost the Treasury far less if the Congress appropriated the amount actually needed each year, rather than turn over to the banks income-producing assets which the banks will own in perpetuity. Turning over the assets means that the banks will collect the interest from the Treasury in those years when they do not need the income in order to earn the profits which Congress may think are appropriate.

If the members of the Board of Governors are at all consistent, they will give most vigorous support to the proposition that the subsidy under consideration should be appropriated rather than provided by the transfer of assets.

Last year we had up for consideration a bill to encourage the formation of small business investment companies, so as to provide a means whereby small-business concerns might obtain access to long-term capital. Part of that proposal was not to give away about $20 billion of Government-owned assets, but to borrow $120 million from the Federal Reserve surplus fund, to get this program going. At that time we were privileged to have each member of the Board of Governors before the Small Business Committee, and all of them agreed to the need for such a program as was being considered. In truth, they almost had to agree, because the Federal Reserve had made a survey and obtained some facts which were so overwhelmingly in support of the program that it would have been hard not to agree. But at the same time, the Board members all said that the method of financing was wrong. They made the strongest kind of arguments that Congress ought to do this sort of thing through regular appropriations, so that it could keep proper control over what was being done.

So I suggest that the committee ought to consider if it would not be better for Congress to keep control over what is to be done under this legislation.

WILL THE REDUCTION IN BANK SAFETY PLACE AN UNDUE BURDEN ON TRADE AND COMMERCE?

Mr. Speaker, the question here is much like the question of whether to give a warehouse full of whisky to a man who is addicted to overdoses of alcohol. He may want it very much and lobby for it, but giving it to him will make him weaker, not stronger.

These are optimistic times, however, and it has been so long since the last bank panic that most people assume we will never have one again. Loans and investments of the member banks are now 10 times the amount of money the stockholders have in the banks, including surplus and undivided profits. Reserves against net demand deposits have come down from 40 percent in 1940, to 18.8 percent in 1957, and to 17.5 percent in 1958. And none of us familiar with the background of this legislation can doubt that it is intended to bring these reserves down to 10 percent.

Let us consider how small the stockholders' investment in the banks is. All insured commercial banks at the end of 1957 had assets of $221.5 billion. In other words, this was the amount of their loans and investments, plus, of course, cash. The total capital accounts amounted to only $17.1 billion. In other words, 7.1 percent of the assets. "Total capital accounts" includes the paid-in capital, the reserves, the surplus, and the undivided profits. If we take out the undivided profits, which can be drawn out pretty readily, we find that the stockholders' money in the banks amounts to only 6.3 percent of the assets.

And as to the actual paid-in capital—the common stock—the stockholders have put in only $5.1 billion against assets of $221.5 billion. In other words, in actual stock investments in the banks the stockholders have invested only $2.30 for each $100 of the banks' assets.

Insured commercial banks, Dec. 31, 1957

[Dollar amounts in thousands]

	Amount	As percent of total assets
Total assets	$221,534,082	
Total capital accounts	17,085,869	7.7
Total capital accounts excluding undivided profits	13,863,848	6.3
Capital stock, notes and debentures	5,169,729	2.3
Common stock	5,123,987	2.3

Source: Annual report of the Federal Deposit Insurance Company.

Our banking authorities are now so much preoccupied with their new toy of monetary controls that they have forgotten about bank safety. In fact, the Board's staff report discusses the "purposes of reserve requirements" as what it calls a fulcrum for effectuating monetary policies. This report puts it this way:

While effectuation of monetary policy was not fully recognized as the purpose of reserve requirements when the Federal Reserve System was founded, it may now be regarded as the principal purpose. It is the major consideration in determining the level of reserve requirements and may also be considered as a factor in establishing differences in requirements for different types of deposits and classes of banks (p. 2).

And it says:

The convertibility—or liquidity and safety—function has gradually come to be recognized as of minor significance compared with the credit-limitation function of reserve requirements (p. 25).

Much of the notion that bank safety is no longer important seems to be based on the fact that depositors can now no longer draw out gold. And this overlooks the point that people may prefer currency, folding money, to bank deposits, and drawing out the currency has the same effect on bank reserves as drawing out the gold.

If there ever came a time that the public started feeling shaky about the banks and started drawing their deposits out in currency to put away in deposit vaults or to put under the mattress, the banks would be in trouble. When reserve requirements are down to 10 percent, a depositor who has $100 on deposit and demands $100 of currency will draw down the bank's reserves by $100 when the bank actually has only $10 to cover that deposit. The banks could be in trouble quickly.

The FDIC insurance is there, of course, but there is only 82 cents in the FDIC reserve to cover every $100 of deposits. The banks have been unwilling to build up the insurance reserves. While they are adequate to take care of individual bank failures in prosperous times, I wonder what would happen in a severe business recession?

Of course, it is true that the Federal Reserve has the means, theoretically, of taking care of such situations. It could pour the money out. But what the Federal Reserve can do theoretically, and what it will actually do, considering the human factors, may be widely different. When some of the banks get into trouble and are forced to liquidate assets, there will be other powerful members of the financial community who can profit by picking up those assets at bargain prices; and almost all of the bankers will be of two minds about whether it is better for the Federal to pour the money out or to preserve the interest rate structure.

In the recession last year, when the country had 5 million unemployed and 15,000 firms on Dun & Bradstreet's list went bankrupt, the Fed was unwilling to bring about more than only the slightest reductions in private bank lending rates and in bond rates, so why should we expect the performance to be much different if we had 10 million unemployed and 30,000 firms going bankrupt? In other words, I am simply emphasizing that in any of these situations the pressures from the financial community will be mixed.

Yet I, too, am optimistic about the future. I do not wish to predict that there will be any run on the banks. I am, however, deeply concerned about the effects of a low level of required reserves on the ability of the bank to meet the proper financing needs of business and commerce in the local communities. The Board's staff report has, to a limited extent, recognized the seriousness of this problem. It recognizes that there will be a problem in the first place in getting all of the banks to accept a transfer of the Government securities from the Fed's portfolio in exact proportion to the amount of reductions made in their reserve requirements. The report states:

Any substantial release of reserves within a short period of time can have disturbing effects on credit markets and on the economic system generally. Although the amount of any such release can be offset by absorption of the same amount through Federal Reserve sales of securities, the initial uses that might be made of the actual reserves released cannot be controlled. Increased leverage for credit expansion permitted by lower reserve requirements may also present problems of adjustment (p. 41).

In other words, even at the beginning some of the bankers may not cooperate or understand that they are to create the money which their new reserves will permit them to create only to acquire Government securities. Some of the bankers may hold back and use their money-creating powers to make more risky loans or investments.

Furthermore, after the securities are transferred there will be a problem to get the banks to keep them. They can sell them to the insurance companies or to the general public and then use their new reserves to invest in less liquid assets. The only answer which the Board's staff report has for this is that the bank supervisory authorities will have to develop and enforce higher standards of liquidity for the banks. The report states:

> If reserve requirements were lower, the quality of other assets would have relatively greater significance in appraising the soundness of a bank or its ability to meet potential decreases in deposits and reserves. Standards of performance observed by banks or by supervisory authorities would need to take into consideration such a change (p. 27).

So my point is that with the low level of bank reserves and the small amount of stockholders' money in the banks, the bank supervisory authorities have already substantially taken the banks out of the banking business and put them into the business of holding Government securities and other highly liquid assets. Where is the small businessman to go to meet his banking needs? The fact is there has been now, for at least a quarter of a century, a practical necessity for the Federal Government to maintain some kind of supplemental banking facility to meet the business needs of the country. There was the RFC, the Small War Plants Corporation, the Small Defense Plants Administration, and now the Small Business Administration.

The committee has had an opportunity to look into the Small Business Administration's loans, and I believe it knows that this agency is making loans on the basis of normal commercial banking standards. In other words, it is doing a banking business that the local banks ought to do and cannot do, because of their present tendency to avoid extending any commercial credit which involves the slightest degree of risk.

Where then are the farmers, the small-business people, and even the medium-size business firms of this country to find commercial banking facilities if required reserves are reduced to the level contemplated by this legislation?

WILL THE LEGISLATION INCREASE THE TREND TOWARD MONOPOLY IN BANKING?

The result of reducing required reserves to anything like the levels contemplated by this legislation will not be merely higher requirements for liquidity in bank assets, with bank examiners going more closely over the banks' loan portfolios and demanding the removal of ordinary business loans. An allied result will be more protection from competition supplied by the public banking agencies.

Thoughtful students of our way of government have long been making the observation that one of the strongest of the natural laws seems to be that agencies created to regulate an industry in the public interest quickly become regulators for the benefit of the regulated. Every time we create a Federal agency with powers to limit competition in an industry, the result is less and less competition and more and more solicitude for the profits of the vested interests. We are confronted here with the classic case. The bank business grows, but the country has fewer banks. Since 1920 the gross national product of the country has increased from $92 billion to $438 billion, yet the number of banks has gone down from 29,000 to 13,500.

Since 1940 alone the gross national produce has increased more than fourfold. Demand deposits in commercial banks have gone up from $65 billion to $214 billion. But we have 1,000 less banks in the country than in 1940. The number of banks goes down every year. In 1957 there were 13,568; last year there were only 13,502.

In 1920, the Federal Reserve System had 9,600 member banks. By last year these had gone down to 6,300. The number goes down every year.

What happens is that the Federal authorities cannot seem to resist bank mergers, so the banks keep merging. On the other hand, the banking agencies do resist allowing new banks to be created.

And, as banks become fewer, more harmony and more uniformity seem to develop among all segments of the financial community as to policies affecting the public interest.

Many of our smaller towns today have no bank at all. May I suggest that if the committee decides that $20 billion of Government-owned assets should be taken out of the Federal Reserve System and given away, this $20 billion would go a long way toward helping new banks become organized in the small towns that have no banks.

HOW WILL THE MONEY-CREATING POWERS BE REDISTRIBUTED AMONG THE PRIVATE BANKS?

I come now to the other aspect of the proposal involved in this legislation. This is the authority being requested to rearrange reserve requirements among the member banks.

When the present minimum and maximum reserve requirements were specified in the law passed in 1936, the differences established for the different classes of banks provided a pretty good rule-of-thumb arrangement with reference to the actual factors which appropriately should determine differences in levels of required reserves. This system is admitted to be a pretty good one today.

At the same time, however, it is admitted that improvements can be made. Experts on banking matters, particularly in the universities, for many years have been pointing out how better systems could be designed to remove some of the inequities which individual banks meet under the present system. The criteria for a new system are pretty well agreed upon, and they are well-known. As for my part, I would welcome a more scientific system than we now have.

But in this legislation the Federal Reserve authorities have not proposed a more scientific system. They have proposed a who-knows-what system. And what they have proposed for readjusting reserve requirements as among the banks is jumbled in a package with a proposal for drastically reducing the whole level of reserve requirements and transferring the Federal Reserve's assets to the private banks.

As we all know, the American Bankers Association submitted its plan for reforming the reserve system to the Federal Reserve Board in 1957. This is the plan which is to reduce required reserves for all classes of banks down to 10 percent. The plan also calls for drastically narrowing, by law, the range within which the Board could set reserves. It would specify by law no less than 8 percent of demand deposits and no more than 12 percent. In other words, reserve requirements for no class of bank could ever be raised above 12 percent. This is, of course, the plan for which the bankers have been making a concerted campaign.

Last year Chairman Martin told a subcommittee of the Senate Committee on Banking and Currency that he had not proposed reform legislation because the bankers had not agreed among themselves what it is they want. When a question about this was raised with him, he said:

> We would probably be better off if we made only major adjustments in reserve requirements. But first, we need to arrive at some better system of reserve requirements than we have at the present time. That has been a most difficult thing for us to achieve because of the disagreements between bankers, which represent, I am sure, honest differences of view. (U.S. Senate, Committee on Banking and Currency, Subcommittee, hearings, Federal Reserve Monetary Policies, 85th Cong., 2d sess. (1958), p. 8.)

Frankly, I have been unaware that there was any serious disagreement among the bankers over the division of the spoils.

Furthermore, the new legal authorities which the Federal Reserve is recommending appear remarkably like the plan of the American Bankers Association. At page 10 of the Board's staff report, it is stated that the American Bankers Association plan has been "considered" and that the Board has concluded not that it is bad, but only that it is "not necessary." The statement is:

> The Board has given consideration to the careful and comprehensive study of the problem of reserve requirements and the proposals for changes made by the Economic Policy Commission of the American Bankers Association and also to other plans for fundamental revisions in the reserve requirement structure. The Board has concluded, however, that far-reaching changes in the law are not necessary. In particular the Board should not be under a mandate to reach some particular level of requirements at any time in the future. With the amendments proposed, along with other provisions of existing law, the Board would have adequate authority to make any changes in the structure and level of reserve requirements that are likely to be appropriate under present or foreseeable conditions (pp 10–11).

That statement is pointing out that under this legislation the Board will have authority to do what the bankers' plan calls for, though this Board, and no future Board, would have its hands

tied against raising reserve requirements—except in the case of the New York and Chicago banks.

The first part of this reform proposal, in the order of its presentation, is to allow the banks to count their vault cash as reserves. And it has been elaborately pointed out that the country banks have a much higher percentage of vault cash relative to reserves than do the other classes of banks, suggesting that the country banks will benefit more from this legislation than the other classes of banks. And, of course, this manner of presentation has a great deal of appeal to those of us who are particularly desirous of strengthening the smaller banks, and especially the small-town banks. The argument ultimately follows, however, that the differentials now existing must be narrowed and, therefore, since the Fed is going to be authorized to permit vault cash to be counted against reserves, a higher reduction in the legal requirements for the New York and Chicago banks must be provided.

Actually, the Federal Reserve has not indicated to what extent it expects to allow vault cash to be counted, if any.

It has shown us, in its staff report, that the country banks have a higher percentage of vault cash than the other classes of banks, but it has not shown us whether the particular banks that have the cash also have excess reserves.

And finally, this idea of counting vault cash as reserves goes back to a system that was tried, found unworkable, and taken out of the law in 1917. It is not clear to me how the Federal Reserve intends to police vault cash, unless it is to keep an inspector at every bank every day. It might just as well try to take a mortgage on the fish in the sea.

Now is not this an interesting thing? Most of our States have hard and fast laws which prohibit bankers from accepting as collateral or security, or accepting a mortgage or a note on goods that are daily exposed to sale.

For example, a retail grocer with canned goods, cheese, flour, and other groceries on his shelves, all daily exposed to sale, could not obtain a loan on security of these groceries. And one of the reasons for the certainty of these laws is that no sound banker would even consider making a loan secured by goods daily exposed to sale.

Yet in this case the bankers are asking the Government to accept as security against a most sacred obligation—namely, their reserves—cash which moves in and out of their windows hourly and even by the minute and second.

The next part of the proposal is that the Board be given discretionary authority to reclassify any or all banks in New York and Chicago either as a Reserve city bank or as a country bank; and to reclassify any and all banks in the Reserve cities as country banks. We are given no hint as to what the Board actually intends to do with such a broad and loose authority as that. There is discussion, of course, in the Board's staff report as to the criteria that should be considered; but what weight will be given to the various criteria, if any, is not specified.

Furthermore, this part of the bill would permit the Board to reclassify individual banks without promulgating general regulations. It seems to me extremely dangerous to extend any authority to the Federal Reserve to negotiate with individual banks on matters affecting such a large self-interest of the bank. We ought to try to preserve the mavericks in the banking system. We ought not to encourage the kind of situation where the big financial powers, or even a majority of the banking community, can bring pressures to have all of the banks fall in line with their policy and programs.

The only thing certain about this legislation is that required reserves of the New York and Chicago banks would be brought down and the Board would have its hands tied with a new low maximum at which it can set required reserves for these banks.

Let me call attention particularly to this statement from page 60 of the Board's staff report:

> The proposal that the requirement limits for central Reserve city banks be lowered from the existing range of 13 to 26 percent to a range of 10 to 20 percent is designed to place a lower maximum on the amount of reserves that any bank may be required to hold and also to give legislative sanction to a narrowing of differentials in requirements as between classes of banks (p. 60).

What is the purpose of this proposal? Let me read part of that sentence again. It is "designed to place a lower maximum on the amount of reserves that any bank may be required to hold and also to give legislative sanction to a narrowing of differentials in requirements as between classes of banks." Now is it not rather strange that the Board is proposing to tie its own hands by reducing the legal maximum of the New York and Chicago banks from 26 percent to 20 percent, and also tie the hands of any future Board?

It was only in 1951 that the Board thought 24 percent was the right reserve requirement for these banks, because that was what its regulation required. And it was only in 1953 that it thought 22 percent was the right requirement. What is this influence which the bankers now have which they think they may be about to lose?

On the basis of all of the accepted standards and criteria, the facts are that required reserves of the New York and Chicago banks should be raised relative to the country banks, not lowered.

What are the criteria?

The Board's staff report places the first emphasis on interbank deposits. I would not necessarily agree that this is first in importance, but let us consider the question on the Board's own terms. Since 1935, the year when the present law was passed, interbank deposits held by the country banks have gone down from 46.2 percent of reserves to 26.2 percent last year. In contrast, the interbank deposits held by the New York and Chicago banks increased from 104 percent in 1935 to 135 percent last year. In other words, on the basis of the criteria, reserve requirements of the New York and Chicago banks should be raised, not lowered.

Next there is a question of the turnover of demand deposits. This, certainly, is a prime factor in determining what a bank's required reserves ought to be. A high turnover of demand deposits requires a high percentage of reserves for the same reason that time deposits are safe on an extremely low percentage of reserves. The greater the activity against deposits, the greater the likelihood that the bank will be in trouble. And the Board's staff report also makes the point that a high turnover of deposits makes a relatively higher contribution to the money supply, and ought to require higher reserves for that reason.

So, what is the record?

In 1945, demand deposits in New York City banks turned over 24 times a year. That rate had more than doubled by last year, when the turnover was 54 times a year.

At 337 other reporting centers, which include some Reserve city banks as well as county banks, the turnover rate was 14 times in 1945, and this had increased to only 23 times by last year. In other words, there has been a terrific widening of the turnover rate, with New York City banks going up relative to the other banks.

Then comes another question. This is the ability of the banks to operate close to their reserve requirements. As the Board's staff report puts it:

> Also, the larger banks can afford to keep a closer control on the amounts of their reserve balances, in relation to their requirements, and it is feasible for them to lend out any excess reserves through central money markets, so that the amount of their funds tied up in noninterest-earning reserves or other assets need to be little if any larger than their legal requirements. Banks more remotely located or otherwise not able to operate effectively in money markets find it necessary to hold relatively larger proportions of their assets as excess reserves or balances with correspondents on which they obtain no earnings (p. 62).

In other words, the country banks and many of the Reserve city banks necessarily suffer from some nonuse of their reserves. They cannot stay invested and lent out right up to the margin of their required reserves. Yet within the last few years the so-called Federal funds market has developed in which the banks at the financial centers can borrow reserves from one another on a day-to-day basis. Their attrition, or nonuse, of excess reserves has disappeared. But other banks still have to carry, as a practical matter, a considerable percentage of excess reserves.

Finally, there is the age-old question of how much money stockholders have in the bank. As of the end of February, total capital accounts of the New York and Chicago banks amounted to 81 percent of their reserves; in Reserve city banks, total capital accounts amounted to 75 percent of reserves; and in the country banks the stockholders' money equaled 100 percent of the reserves.

In short, this proposal of reducing required reserves of the New York and Chicago banks to make them more equal with the other banks is wrong unless all banking experience and all previous legislative experience on this subject have been useless.

In summary, this is very dangerous legislation and I hope that the House Committee on Banking and Currency will continue to proceed with great caution.

TABLE 1

[Dollars in millions]

Class of bank	Computed required reserves at present regulations [1] (col. 1)	Computed required reserves at minimums allowed by present law [2] (col. 2)	Amount of reserves which could be made available under present law (col. 3)	Ratio by which new bank deposits could be created under present law (col. 4)	Potential new bank deposits under present law (3×4) (col. 5)
Central Reserve city banks:					
New York	$3,719	$2,686	$1,033		
Chicago	980	708	272		
Subtotal	4,699	3,394	1,305	7.69	$26,099
Reserve city banks	6,683	4,050	2,633	10.00	40,500
Country banks	4,147	2,639	1,508	14.29	37,711
Total	15,529	10,083	5,446		104,310
Weighted average				10.34	

Bank deposit expansion ratio at present legal minimum reserve requirements=$10.34 per $1 of reserves.
Total money expansion ratio assuming proportionate expansion of bank deposits and currency (3.9 to 1)=$8.65 per $1 reserves.

[1] Report of the staff of the Board of Governors of the Federal Reserve System "Proposed Legislation for Revision of Reserve Requirements," Jan. 29, 1959, p. 13a.
[2] See the following:

[In percent]

	Required reserve ratios against demand deposits	
	Present Federal Reserve regulations	Minimum permitted under present law
Central Reserve city banks	18	13
Reserve city banks	16½	10
Country banks	11	7

TABLE 2.—*Changes in money supply, 1948–58*

[Dollars in billions]

	Total demand deposits adjusted and currency outside banks	Change from previous year (percent)
1948	$111.6	
1949	111.2	−.4
1950	117.7	+5.8
1951	124.5	+5.8
1952	129.0	+3.6
1953	130.5	+1.2
1954	134.4	+3.0
1955	138.2	+2.8
1956	139.7	+1.1
1957	138.6	−.8
1958	143.1	+3.2
10-year average		+2.5

Source: Federal Reserve Bulletins.

TABLE 3.—*Holdings of U.S. Government securities,[1] by Federal Reserve System and all commercial banks*

[Par value in billions of dollars]

End of year	Federal Reserve System	Commercial banks
1935	2.4	12.7
1940	2.2	17.8
1945	24.3	90.8
1950	20.8	61.8
1951	23.8	61.6
1952	24.7	63.4
1953	25.9	63.7
1954	24.9	69.2
1955	24.8	62.0
1956	24.9	59.3
1957	24.2	59.1
1958	26.3	67.2

[1] Direct and fully guaranteed.
[2] June 31, 1935.

Source: Federal Reserve bulletins; Banking and Monetary Statistics, Board of Governors of the Federal Reserve System.

TABLE 4.—*Growth of U.S. economy and commercial banking compared with number of banks, 1920–58*

End of period	Total gross national product [1] (billions of dollars)	Total loans and investments of all commercial banks (billions of dollars)	Number of commercial banks	Number of member banks
1920	[2] 91.6	[3] 36,294	[3] 29,087	9,606
1925	[2] 93.6	43,011	27,638	9,489
1930	91.1	46,700	22,172	8,052
1935	72.5	35,982	15,325	6,387
1940	100.6	43,922	14,344	6,486
1945	213.6	124,019	14,011	6,884
1950	284.6	126,675	14,121	6,873
1954	363.1	155,916	13,840	6,660

[1] Annual total.
[2] Computed by the National Industrial Conference Board, not strictly comparable to subsequent data.
[3] As of June 30, 1920.

TABLE 4.—Continued

End of period	Total gross national product [1] (billions of dollars)	Total loans and investments of all commercial banks (billions of dollars)	Number of commercial banks	Number of member banks
1955	397.5	160,881	13,716	6,542
1956	419.2	165,123	13,640	6,463
1957	440.3	170,068	13,568	6,393
1958	437.7	184,580	13,501	6,312

Source: U.S. Department of Commerce; Federal Reserve bulletins.

TABLE 5.—*Interbank deposits of member banks as a percentage of reserves*

	Central Reserve city banks	Reserve city banks	Country banks
1935	104.1	158.5	46.2
1940	69.8	99.5	36.6
1945	118.0	100.8	26.7
1950	98.8	96.4	23.8
1954	122.9	93.9	26.8
1955	123.2	94.0	26.6
1956	131.5	97.5	27.6
1957	130.3	93.8	28.1
1958	154.5	98.6	26.2

NOTE.—Interbank deposits are as of the end of the year. Total reserves are averages of daily closing figures for December.

Source: Federal Reserve bulletins.

TABLE 6.—*Annual turnover of demand deposits [1] of member banks in selected centers*

	New York City	6 other centers [2]	337 other reporting centers [3]
1935	31.1	[4] 22.3	([5])
1940	17.6	[4] 18.8	([5])
1945	24.1	17.5	13.5
1950	31.1	22.6	17.2
1954	42.3	25.8	19.2
1955	42.7	27.3	20.4
1956	45.8	28.8	21.8
1957	49.5	30.4	23.0
1958	53.6	30.0	22.9
1959, February	54.1	[6] 31.0	[6] 23.9

[1] Except interbank and U.S. Government deposits.
[2] Boston, Philadelphia, Chicago, Detroit, San Francisco, and Los Angeles.
[3] Prior to April 1955, 338 centers.
[4] Old series for weekly reporting member banks in 100 other leading cities.
[5] Not available.
[6] Preliminary.

Source: Federal Reserve bulletins.

TABLE 7.—*Member bank excess reserves and borrowings from Federal Reserve banks as a percentage of total reserves*

December averages	Central Reserve city banks		Reserve city banks		Country banks	
	Excess reserves as percent of total reserves	Borrowings from Federal Reserve banks as percent of total reserves	Excess reserves as percent of total reserves	Borrowings from Federal Reserve banks as percent of total reserves	Excess reserves as percent of total reserves	Borrowings from Federal Reserve banks as percent of total reserves
1935	54.1		47.8		53.4	0.6
1940	47.1		46.1		46.3	
1945	1.2	3.8	6.5	1.5	22.1	1.0
1950	2.2	1.1	3.5	.7	13.9	.6
1954	.2	1.3	1.1	1.5	10.7	.9
1955	.7	5.0	.8	5.0	8.7	2.8
1956	1.0	4.4	1.1	3.7	8.3	2.5
1957	.8	4.1	1.1	3.9	7.6	2.9
1958	.6	2.8	.7	3.2	7.4	2.8

NOTE.—Reserves and borrowings are averages of daily closing figures for December.

Source: Federal Reserve bulletins.

TABLE 8.—*Ratios of member bank capital accounts to total loans and investments and holdings of U.S. Government securities*

	Ratio of capital account to—	
	Total loans and investments	Holdings of U.S. Government securities
1935	5.8	2.4
1940	6.5	2.8
1945	14.1	10.3
1950	11.1	5.4
1954	10.8	4.7
1955	10.6	4.0
1956	10.2	3.5
1957	9.8	3.2
1958 [1]	10.0	3.5

[1] Preliminary.

Source: Federal Reserve Bulletins.

SMALL BUSINESS RESEARCH

The SPEAKER. Under previous order of the House, the gentleman from Maine [Mr. COFFIN] is recognized for 10 minutes.

Mr. COFFIN. Mr. Speaker, the 85th Congress has been called, with considerable justification, the "small business" Congress. Certainly, by making the Small Business Administration a permanent agency, and by adopting the Small Business Investment Act, we made tremendous strides in giving assistance to our small business community and in helping them to achieve a more competitive position in our economy.

One of the most important features of the Small Business Act, in my opinion, is paragraph (c) of section 8, which directs the SBA to "make studies of matters materially affecting the competitive strength of small business." This provision, coupled with section 602 of the Small Business Investment Act, which provides for research grants to State agencies, State development companies, colleges and universities for small business studies, research and counseling, offer us an opportunity to develop a much more adequate understanding of the actual needs of small business and the approaches which may be most productive in strengthening the competitive position of these businesses. Certainly no long-term program of financial assistance and investment will be of maximum value unless we engage in a constant reevaluation of the factors which influence the growth and relative position of small businesses.

In the near future, the SBA will make its first research and study grants under the Small Business Investment Act. It is authorized to make research grants up to a maximum of $40,000 to some agency, development group, or educational institution within each State. For weeks, agencies, colleges, and universities throughout the land have been hammering out research proposals, in the hope that they will qualify for the much coveted grants. SBA has published a list of suggestions which are useful as guides. But in the main a tremendous centrifugal force has been set in motion.

I have no doubt but that SBA is being deluged with research projects ranging from the use of wood products in the Northeast to the potential marketability of dehydrated cactus in the Southwest. After the winnowing process takes place, there may be up to 49 meaningful projects undertaken in 49 separate laboratories. We shall in time reap the reward of this diversity in laboratories.

But there is a need for a centripetal force, a drawing together, a filling in of gaps, a central direction. In a word, the horseman needs a head. There are areas of research which do not appeal to any one State agency or institution. Some of these areas may contain some of the richest lodes. They may not yield their ore immediately, but in the long run may well determine the extent to which health and prosperity will be restored to the small business sector of the economy.

Mr. Speaker, I shall not restrict myself to generalities. Through the assistance of Walter H. Carpenter, director of the board of research of Babson Institute, Babson Park, Mass., who has long been vitally concerned with the role of small business in the Nation's economy, I want to outline some of the basic problems to which the Small Business Administration could profitably address itself, were it given the means. These are problems which are not likely to be approached by the State grant applicants. Yet these are the areas where basic research must be done if we are not merely to turn over the topsoil in the garden plots nearest at hand.

It is, Mr. Speaker, an ironic reversal of planning that we set up a permanent agency to guide our State agencies, but do not equip it with enough seed capital to carry out fully the guidance function. My plea is that a modest amount of funds be made available to SBA for the seminal research which will increasingly be needed. Such an amount would be in the approximate sum of $200,000, or about one-tenth of the funds made available to the laboratories at the grassroots.

Here, then, are questions worthy of the attention of the Nation's sole agency dedicated exclusively to improving the lot of the small businessman:

First. What are the basic problem areas to serve in a small business program?

A. What do we mean or should we mean by "small business"?

Under what conditions should the term be modified according to industry variations?

What bearing do legal considerations, if any, have upon the definition?

What are the proper definitive guides to use and under what circumstances?

B. What are the so-called management problems of small business?

What are the causes of the small business failures due to managerial difficulties?

How does the present management training program of SBA fit these managerial problems?

What improvements or other approaches to these problems should be tried?

What continuing programs of research are needed to develop in some tangible detail the character or nature of small business managers?

C. What other internal causes for small business failures exist?

What caused these adverse developments?

How can the symptoms of eventual failure be recognized?

How can the small businessman be reached on these matters?

D. What external causes or pressures exist which tend to cause failure or serious operating difficulties?

What are the financing problems?

What competitive practices occur over which small business has no control and which become disastrous?

Are such practices normal as opposed to being illegal and what can or should be done about them?

E. To what extent are advisory services regarding management practices, finance, marketing, etc., available to small business?

To what extent are these services utilized?

What reasons exist for the pattern discovered?

How may the pattern be improved and by whom?

Second. What are the total effects of the SBA program on the economy?

A. Can we go beyond the obvious indices on importance of small business such as number of establishments, sales, and so forth?

What percentage of certain industries' production is handled by small business?

What percentage of manufactured goods may be considered as distributed by small business?

Is there a way to determine the segment of business profits emanating from small concerns?

Is there a way of comparing profit or surplus reinvestment in the enterprise in small business versus large business?

Can we determine the rate of innovation in product or process or distribution methods in small and large business for comparative purposes?

B. Can we consider the impact of small business on the economy?

How does the price structure of small business concerns differ from large or even medium concerns?

What are the economic or business bases upon which small business can and does survive in selected businesses?

Based upon the studies above, can meaningful conclusions be reached about the logical role of small business in the economy?

C. What is the impact of the SBA program on the small business economy?

What are the effects of SBA financial aid? What are the uses to which the loans are put; how have the recipients' financial condition changed as a result of the loans; how long before or do the firms ever become eligible for financial help via normal or private channels?

What lessons from successful financing of this sort can we learn to assist in administration of existing aid and framing new legislation?

Third. What can we learn about normal and abnormal patterns of small business health?

A. Can we develop statistical studies of a continuing nature to isolate symptoms of business health or disease?

B. Is small business forced to pay wage levels based upon large-scale operations and in turn sell its product at prices determined from large-scale operations?

C. What norms of behavior can be considered as guides to indicate the need for remedial action or assistance?

What is a normal turnover in business firms? What businesses in what parts of the economy need attention?

What are other business weather vanes? (a) Small business loan patterns; (b) unemployment statistics relevant to small firms and percent of total unemployment due to inactivity in this area; (c) dollars expended for expansion; (d) percentage of Gross National Product derived from small business; (e) growth or decline in total business assets found in small business concerns; (f) the quantity of manufactured products distributed to the public via small business and the changing patterns therein.

At the present time, the Small Business Administration does not have sufficient funds available for even a modest start on such a research program, essential as it is for sound planning and policy-making. It is my firm belief that the Congress must provide these funds and encourage the Small Business Administration to utilize the authorization contained in the Small Business Act for studies necessary to fulfill the intent of Congress in legislating on behalf of small business in the American economy.

BUSINESS MANAGEMENT AT THE PANAMA CANAL

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. THOMPSON] is recognized for 30 minutes.

Mr. THOMPSON of Texas. Mr. Speaker, in an extension of my remarks in the CONGRESSIONAL RECORD of March 25, 1959, I included a news story from the Christian Science Monitor of March 21, 1959, by Ralph K. Skinner, relative to the financial operations of the Panama Canal that dealt with an address on March 13, 1959, by Governor W. E. Potter of the Canal Zone before a joint meeting of the Canal Zone Chapters of the Federal Government Accountants Association and Institute of Internal Auditors.

Since then, I have received the full text of Governor Potter's March 13, 1959, address on "Business Management at the Panama Canal," which effectively deals with its subject, and is most timely.

Also, I have received from Ambassador Ricardo M. Arias, of Panama, a translation of the press release issued by the Foreign Office of that country commenting on the statements in the indicated address of the Governor, with a request by the Ambassador that the statement be published in the CONGRESSIONAL RECORD.

As previously stated to the House on a number of occasions, I served as chairman of the Special Subcommittee on the Committee on Merchant Marine and Fisheries, 1949–50, to investigate the financial operations of the Panama Canal. The ensuing inquiry resulted in the enactment of Public Law 841, 81st Congress, which placed the Panama Canal enterprise on a self-sustaining basis and brought about its first major reorganization subsequent to opening to traffic in 1914.

During that inquiry, the subcommittee went deeply into the history of the waterway. From this, it became clear that it was constructed pursuant to treaty as an interocean artery for the transit of vessels of commerce and war of all nations on terms of equality with tolls that are just and equitable. Public Law 841 implements this basic principle by means of a formula for the calculation of tolls. Furthermore, it specifically provides that the levy of tolls is a subject of three key canal treaties: the 1901 Hay-Pauncefote Treaty, the 1903 Hay Bunau-Varilla Treaty, and the Thomson-Urrutia Treaty proclaimed in 1922.

Commenting on the committee's work, John F. Stevens, son of the early designer of the canal, wrote me on March 12, 1952:

> It is significant that my father and three Presidents with whom he was associated—Theodore Roosevelt, William Howard Taft, and Woodrow Wilson—all desired an ultimate corporate organization for the administration of that enterprise along the general line you did so much to create.

The vast benefits of the Panama Canal to world commerce and to the economy of the Republic of Panama are well known. To the latter the canal enterprise and other U.S. agencies form major sources of income. In fact, the independence of that country grew out of the canal undertaking.

In compliance with the request of Ambassador Arias that the indicated statement of the Panama Foreign Office be placed in the RECORD, I am very glad to include it as a part of these remarks along with the full text of Governor Potter's statement to which it relates.

Inevitably, among free men, differences of opinion will occasionally arise. The current differences concerning technical questions and conflicting opinions between the Panama Foreign Office and ourselves may well be resolved within the framework of the existing treaties. Doubtless the current differences influenced Governor Potter to make the address of March 13. It explains very well the situation from our point of view and I would commend him for it.

I suggest that all who are interested in the vast Panama Canal problems and particularly in the differences of opinion which may have arisen read carefully the text of both the statement and Governor Potter's address, which follow:

STATEMENT OF PANAMA FOREIGN OFFICE

(Translation furnished by the Ambassador of Panama)

A Panama Foreign Office spokesman answered a query regarding the public statements made by the Governor of the Canal Zone in a recent speech as follows:

"Governor Potter is right in affirming that the Panama Canal was not built for commercial purposes. It is precisely because of this reason that it is surprising to Panamanians that the management of the canal has been turned over by the U.S. Congress to an entirely commercial firm like the Panama Canal Company; and that said firm, which is an agency of the U.S. Government, should attempt in every way to obtain every cent of income from the canal and the other activities of the company, without taking Panama into account with regard to the equitable distribution of the benefits which the interoceanic waterway produces.

"The zeal of the company to commercially exploit the canal for the benefit of one of the parties is so marked that it ignores important clauses of treaties with Panama merely because their compliance would mean additional expenses and thus diminish the commercial output of the company. That is why, while the treaties specify that both of the nations which made the construction of the canal possible should receive the benefits which are due them, Panama still only receives a small annuity; that is why the authorities entrusted with complying with the Remon-Eisenhower Treaty in the Canal Zone continue to discriminate against Panamanian workers in the matters of salaries and treatment, mainly because it would cost a little more money to treat them in the same manner as American citizens, as they are under obligation to do according to the treaties; that is why, while the treaty specifies that purchases must be made in Panama or the United States, Canal Zone authorities buy meat in Australia, and rice, jewelry, etc., in other countries, merely because they can get them cheaper; that is why, although Panama has deprived itself of its ports to place them under the control of the Canal Zone, the same zone continues to charge a high rate to Panamanian merchandise just to allow merchandise bound for Panama to pass through its ports, this surcharge impedes the proper development of the Colon Free Zone; finally, that is why the Panama Railroad continues to operate in our territory in competition with Panamanian transport companies.

"Therefore, it is hoped that the American officials who manage the Panama Canal would practice—with deeds rather than words—the claim that the United States did not build the canal with a commercial criterion.

"And with respect to the shipping companies for which Potter suggests the canal was built as a service, it is hoped those shipping firms would realize the ingratitude with which they have repaid Panama's sacrifice. While Panama allowed its territory to be split to make the interoceanic waterway a reality, said firms arrange the so-called maritime conferences which agree to discriminatory freight rates against the Republic of Panama, treating Panama as an enemy which must be boycotted rather than a friendly nation to which they at least owe a debt of gratitude. Said discrimination has reached the shameful extreme of charging less for freight from Japan to New York, going through the canal, than from Japan to Panama. Notwithstanding all this, the United States has been so condescending toward these firms which thus treat Panama, that the tolls paid by those ships to cross the canal are lower today than when the canal first opened to international traffic even though all prices have risen—specially freight—and the dollar is now lower than it was 40 years ago."

BUSINESS MANAGEMENT AT THE PANAMA CANAL

(Address by Canal Zone Gov. W. E. Potter)

When I spoke to the Federal Government Accountants Association at its charter meeting, I spoke as the Governor of the Canal Zone. Tonight I will speak in another capacity although I am happy to report that I

haven't had a RIF nor been downgraded under the new merit system.

It is as a layman that I am here tonight. I have been disturbed by reference made to the financial management, the accounting system, of the Panama Canal Company as "singular." There have been inferences that the system is not quite "kosher" and that the operating results shown are intended to make the canal enterprise appear to be something less than good business.

Now in the process of defending many budgets and handling the expenditure of Government funds in sizable amounts, I have been impressed with the necessity for integrity of financial data. Lack of integrity in both handling and accounting for funds has been a reason for at least court action since man devised money to permit exchange of goods.

I am satisfied that the accounts of the Panama Canal Company possess integrity. Not only am I satisfied, but the GAO confirms my opinion. As for criticisms that our accounting is singular, to me the singular thing is that this criticism comes from nonaccountants, or nonbusinessmen.

It may not be easy for lawyers, doctors, and others whose professions do not involve accounting to understand the intricacies of accounting. Even as the accountant is not skilled in the complexities of court procedures, so the doctor and the lawyer normally are not familiar with the procedures and requirements of adequate accounting. Each professional is supposedly expert in his own field but cannot be expected to be proficient in the business of the other. Most of us are proficient in transferring money from one pocket to another—simple accounting—but the exigencies of modern business have given us a system that demands experts, and I'm glad we have so many top ones in our organization.

In discussing the field of accounting at the Panama Canal, it is important that we speak the same language and that terms have an identical meaning to all concerned.

For example, people talk about gross revenue, without defining it. Eric Kohler in his dictionary for accountants, defines gross revenue as "used to emphasize the absence of a deduction of cost from a stated figure of revenue."

That's a wonderful definition. What would be more wonderful would be for the average person to comprehend just what it means.

Note it says, "emphasize the absence of a deduction of cost," etc.

That's fundamentally the problem with critics of the Panama Canal accounting system. They use a layman's logic to arrive at the gross revenue and probably are reasonably close. Then comes the big boo-boo. They don't subtract the costs to get the net revenue figure. That's a fatal mistake and if followed generally would have everyone ending up in potter's field. (Incidentally, I do not control that potter's field, but they tell me that here locally, potter's field represents the top area of employment what with commissaries, etc.)

We can summarize the gross revenue of the Panama Canal Company for fiscal 1958 as $83 million; $43 million represents tolls; $40 million represents gross revenue from supporting services, from marine services such as tugs and deck gangs, from housing, utilities, commissaries and service centers, and the like. They all have a gross take.

Now this $83 million is subject to deduction. First we have the 01 expense. We are all familiar with 01—personal services. I understand that in Communist China, the steel industry has found how to get labor for free, and some similar arrangements exist in the salt mines of Siberia, but we're paying a going rate at the canal. We think morale is better, here, though. Our Company payroll in 1958 was $39 million.

I would be redundant to point out the many costs which enter into transiting ships through the waterway, from maintenance of the channel to overhauling the essential lock structures on a regular schedule.

And, in the area of supporting services, one would need to be pretty naive to overlook the cost of goods sold as a necessary offset to the sales receipts in the commissary stores. Warehousing, transportation, maintenance, and other costs must be subtracted from the gross revenue figure to arrive at net revenue.

Let me call off rapidly some Company operating costs other than the $39 million for personal services and related costs:

	Million
Operating materials and supplies	$3.5
Depreciation	5.2
Cost of goods sold	13.3

These figures refer only to the Panama Canal Company. For example, the $12 million Canal Zone Government payroll was not included. All receipts and disbursements for the Canal Zone Government are offset to produce the net cost of Canal Zone Government—$10.7 million, which I will discuss next.

In the law setting up the Canal Company there is a clear statement that the Company is responsible for the costs of operating the zone. That is because there would be no zone here if it were not for the canal.

At first blush, the criterion for separation of activities between the Company and Canal Zone Government may not be obvious, but there is a sensible principle behind the separation.

In effect, all elements which are normally a part of community life are Canal Zone Government activities. This includes roads, highways, sewers, police and fire protection, educational and health facilities, prisons, jails, garbage collection, etc.

Last year after offsetting the gross expenditures of Canal Zone Government by the receipts from such sources as tuition and hospital billings, there was a net cost of Canal Zone Government of $10.7 million. This has to be reimbursed by the Panama Canal Company by law.

An examination of these Canal Zone Government activities reveals they are as essential to this community as similar services in any modern city, such as Chicago, Los Angeles, Panama City, Fla., or Cologne, Germany.

Another bite into the revenues of the Company is to cover the cost of administering the enterprise. In addition to the more obvious administrative costs, there are the costs of leave and retirement and the not inconsiderable costs of implementing the 1955 treaty with Panama. Total general and administrative expenses amounted to $6.7 million for fiscal 1958, which are principally 01 expenditures.

Here I might mention that we had a one-shot expense for past costs for our Latin American employees when they were brought under civil-service retirement. This was $5 million. While this came out of cash, it did serve to somewhat inhibit our plans for future canal improvements. But it is just one more cost of implementing the treaty.

When we subtract the various operating expenses of the marine and supporting activities that I mentioned earlier, together with the net costs of Canal Zone Government and the administrative expenses of the Company, we end up with $11.4 million balance.

That's quite different from the $83 million gross revenue we started with in our computations. The items comprising the difference often are overlooked by our nonprofessional, accountingwise, critics.

These critics remind me of the young couple who decided they would have a perfect partnership when they were married. Everything would be 50–50, evenly divided. For example, the wife set up the 50–50 arrangement in their joint checking account at the bank. The husband would make the deposits and she would make the withdrawals.

Unfortunately, that $11.4 million I just mentioned isn't the final net income figure for PCC. We haven't deducted the interest payment to the U.S. Treasury, which in fiscal 1958 amounted to $8.8 million.

You realize that interest is a normal part of all business enterprises. No one expects to borrow money without paying something for its use. No business can get money for nothing. Neither can the Panama Canal Company. Any borrowing requires the payment of interest, as we have all learned—only the rate varies.

From inception until June 30, 1958, the U.S. Government spent $1½ billion on the Panama Canal and its appurtenances. The return to the Government during that same period was $966 million. We don't need either an abacus or electronic computers to figure that the difference is $576 million, and this is the unrecovered net investment of the U.S. taxpayers in the Canal Company.

But we have assets—$30 million in the Canal Zone Government and $451 million in the Company. If we were to sell all our assets at their book value there would still remain unrecovered costs of $95 million.

That means that after rendering exemplary service to world shipping since 1914 Uncle Sam is still out $95 million.

In that same period, Panama received $20½ million in annuities, plus the $10 million initial payment for Canal Zone rights. At the present rate of $1.9 million per year, the annuity total will grow rapidly.

Getting back to the interest angle—the present interest-bearing investment of the U.S. Government in the Panama Canal Company is $352 million. The modest interest rate established by the U.S. Treasury required a payment of $8.8 million interest last year. This was a charge against operating income.

In our final computation we subtract operating expenses, costs of Canal Zone Government, as mentioned before, and this final item of interest, and we have a net income of $2.6 million for the Company. Let me repeat—$2.6 million net income.

It is interesting to note, at this point, that the aim of the Canal Company is not to make a profit but to avoid a loss. The law requires us to be self-sustaining, and I don't intend to become a lawbreaker.

Actually, we need some margin of profit to plow back into the Company for our capital improvements. We depend on depreciation ($5.2 million in 1958) and our slim margin of profit to provide the financing for keeping the canal up to date, widening the channel, and similar betterments. Here we are old-fashioned and plan within our income.

In comparison with the total assets of more than half a billion, the net income of $2.6 million is picayune. Yet, it took close figuring to come out that close to the break-even point. With the many activities of the Company, it's a real chore to keep an eye on the expenses and income of each one, and be sure we obey our mandate of self-sustenance.

The many supervisors of the Company all have a management job and the sum of their efforts is the modest net income.

When it is known that a drop in traffic of one ship a day would reduce our gross revenue by $1.8 million a year, it is seen that the margin for error in our forecasting is tiny. Had traffic last year been 1½ ships per day less, we would not have reached the break-even point. We have to keep on top of things constantly, and our business management must have accounting data to keep it cognizant of trends and any departures from predicted norms.

Here I would like to treat on a special topic which relates to the whole subject of income—tolls.

There are many who cannot get away from the idea that the Panama Canal should be a moneymaker; that is, should make a profit and the bigger the better. The Panama Canal was built as a service to the shipping of the world. While the maintenance of the facility requires considerable expenditure, we here feel that the extent of the expenditure is exactly governed by the need. There is no need for niceties or improvements that are not required by the number of ships we foresee in the future.

I must reject any philosophy which infers that there could be more pay merely by raising tolls, that there is a throttle for the extraction of cash that should be tightened until the victim squeals merely for the fiscal satisfaction of a few. I can foresee that the needs of future shipping may require expenditures that would require modest tolls increase, but tolls should be increased for that reason alone and not for income as a sole reason. Let me then state my philosophy—the job of tolls is to pay for the operation, maintenance, and improvement of the facility it uses—all of that, nothing more.

These are some layman's thoughts on the accounting system of the Panama Canal and the business management here. Now I'm through being a layman. I'll put on my Governor's hat again, figuratively speaking, and thank you for your attention and this opportunity to be with you tonight.

THE MEANING OF BATAAN

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. CANFIELD] is recognized for 10 minutes.

Mr. CANFIELD. Mr. Speaker, Bataan has a special meaning to us Americans. It stands for loyalty. In that epic battle we proved our loyalty to liberty. Our Filipino friends showed their loyalty to the same cause. We fought together, a Western nation and an Asian nation, for a precious ideal, and the commingled blood of two different races was shed on Philippine soil for democracy and freedom.

It was on April 9, 1942, when the American and Filipino soldiers in that embattled peninsula, after a heroic resistance of more than 4 months, fighting against an enemy that outnumbered them 10 to 1, finally surrendered. Bataan fell but the flame of liberty that it lighted became a beacon for all the world and because we want that beacon to continue to guide us as we face a new threat to our freedom we commemorate today the heroism and the valor that made Bataan immortal.

We want to salute our Filipino friends and allies today. We have not forgotten nor will we ever forget the untold sacrifices that they underwent during those dark and difficult days. The courage that they showed as a people has won for their country the respect of the free world and our undying gratitude and admiration. We are confident that the same indomitable spirit will continue to strengthen their determination to fight the encroachments of a new and more sinister danger that threatens our world today.

Addressing the Export Managers and International Advertising Association joint conference at the Statler Hilton Hotel on March 24, 1959, our esteemed former colleague in this body who was Gen. Douglas MacArthur's aide-de-camp in Bataan and Corregidor, Gen. Carlos P. Romulo, made some pertinent statements which I wish to include in my remarks. I believe they are most appropriate in paying tribute to the heroes who fought and fell in Bataan:

REMARKS BY GENERAL ROMULO

We stand today at the crossroads of civilization. What is our choice? One turn leads to a fuller life in expanding freedom; another, to a regimented life in varying shapes and conditions of slavery.

We have learned from experience that a fuller life—as against the regimented life offered to us by communism—is one of civilization's most precious boons; that freedom—as against Communist slavery—was bestowed upon us by our Creator as a divine gift which no human power can alienate or destroy. Communist ideology, which denies God and regards the individual as a servant of the state, threatens our civilization with spiritual poverty and the obliteration of human dignity.

It is well for us to ponder the relation between the disenchantment with freedom in some parts of the world and the paucity of spiritual appeal in the free world's approach to the problems before it in the areas of conflict between democracy and totalitarianism. Could it be possible that some peoples recoil from the goods of life which democracy has to offer because such goods are bereft of a spiritual quality?

The success of the frantic attempts of the free world to put out the fires burning with growing intensity in the Near and Far East may well hinge upon the answer to that question. For peoples who had to fortify themselves spiritually for centuries to withstand the incredible vicissitudes of colonial rule need more than consumer and capital goods to assure them of the possibility of a fuller life in the context of Western freedom.

In a larger sense, the free world must place more reliance upon spiritual values, without of course eschewing those material values that give muscle and sinew to its way of life, if it is to win against communism and the Soviet world in the conflict for mastery not alone of the international economic system but also of the minds of men.

In confronting the problems that beset the free world in common, it should be borne in mind that their solution cannot be achieved unless there is continuity in the approach to such problems. One way to provide such continuity is to preserve, cultivate, nourish the friendship of tried and tested friends while new ones are being won, attracted and developed. Let us not forget that old English rhyme:

"Make new friends but keep the old,
One is silver the other gold."

FUTURE HOMEMAKERS HAVE FAITH IN AMERICA

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. NATCHER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. NATCHER. Mr. Speaker, the period of April 5 through 11 has been set aside as National Future Homemakers of America Week, and I would like to take this opportunity to commend the thousands of young women and their able leaders who make up this fine youth organization.

Future Homemakers of America was organized in June 1945 and has grown to its present membership of 500,000. Any girl who is taking or has taken a homemaking course in high school may become a member. These girls work toward the FHA goal of helping individuals improve personal, family, and community living now and in the future. Cosponsors for the organization are the Home Economics Branch of the U.S. Office of Education and the American Home Economics Association.

Special emphasis this year is being placed on the national projects which are: First, families-together; second, civil defense; third, teenage consumer; fourth, UNESCO; and fifth, home, school, and community beautification. These themes are being developed by the more than 9,000 local chapters throughout the Nation.

The training provided in special homemaking skills, and the emphasis placed on the values of a happy, moral, and closely knit family life by the Future Homemakers of America cannot be overestimated. The very foundation of our Christian civilization is based on the family unit, and in these fast-moving times, characterized by the distractions of motion pictures, high-speed automobiles, the lure of so-called glamour in the big cities, and endless other diversions which tend to break up the family unit, it is to the wives and mothers that we look to provide the cohesive and stabilizing influence so necessary to the continuance of the family unit. The Future Homemakers of America, realizing this vital fact, are training our young women to assume with dignity, warmth, intelligence, and understanding the all-important role of homemaker. It is these young women who will bring to the future homes of America the truth and love, faith and security that must be present in each home if we are to preserve the ideals of Western civilization and successfully counter the materialistic forces at work in the world today.

Kentucky was the first State to charter the Future Homemakers of America and in the Second Congressional District of Kentucky, which I have the honor to represent, the local chapters of this organization are extremely active, and their influence on the community is felt in innumerable ways. Not only do the young women benefit by their membership in the FHA, but the lives of their future husbands and children will be enriched as a result of the valuable training they are now receiving.

Mr. Speaker, the members of this national organization are doing an outstanding job, and the closing words of their creed, quoted below, are to me a beautiful expression of their firm faith in America.

We are the Future Homemakers of America. We face the future with warm courage and high hope.

LT. COL. JOHN H. GLENN, JR., OF NEW CONCORD, OHIO, SELECTED AS ASTRONAUT

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that the gentle-

man from Ohio [Mr. HENDERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HENDERSON. Mr. Speaker, yesterday, the Nation took a long step into the future as the National Aeronautics and Space Administration announced the names of seven men who will orbit the earth in manned satellites. Their selection dramatizes the rapid progress we have made toward the exploration of space during the past several years. It is another milestone in this age of discovery which is eclipsing any other period of progress in human history.

The fact that we are approaching the day when man may enter outer space and return to the earth challenges the imagination of the entire world. We know that an enterprise of this kind will not be attempted unless the probability of success is overwhelmingly favorable. Nevertheless, the calculations and studies which will have been concluded when the experiment occurs certainly cannot eliminate the great risk which these seven volunteers are assuming.

The announcement has focused public attention upon these young men and their families. Their selection after rigorous tests demonstrates their qualifications and interest in Project Mercury as well as their abilities and motivation to participate in it. They are frontiersmen of a very different sort than their ancestors who conquered the ever-receding West a century ago. They are practicing scientists imbued with a spirit of adventure and service to mankind.

One of these young men is a native and permanent resident of Ohio's 15th Congressional District which I have the honor to serve here. I refer to Lt. Col. John H. Glenn, Jr., of the Marine Corps who, at 37, is the oldest of the Mercury astronauts. The people of southeastern Ohio know Colonel Glenn and have honored him for his accomplishments in the past. On the Labor Day weekend of 1957, I had the pleasure of being present when the people of New Concord, Ohio, celebrated the transcontinental speed record he established. This record for a jetplane stood at 3 hours, 23 minutes, 8.1 seconds.

Lieutenant Colonel Glenn began his military career in 1942 and it has been studded with notable achievements in World War II, Korea, and the years since. On five occasions, he has been awarded the Distinguished Flying Cross and he is the holder of the Air Medal with 18 clusters.

It comes as no surprise to find Lieutenant Colonel Glenn among these distinguished young men. This greatest adventure of his still developing career will mark him among the vanguard of intrepid men who have broken through the intellectual and physical barriers that nature has imposed. The people of the nation and of this entire world, which suddenly seems so small, salute their courage and wish for them complete success in their part of this project of epic proportions. To Lieutenant Colonel Glenn's charming wife and his family in New Concord, Ohio, as well as to the wives and families of all of the astronauts, the Nation also owes a special debt of gratitude for the encouragement and inspiration they are giving these men.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MULTER (at the request of Mr. MATTHEWS), for an indefinite period, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. THOMPSON of Texas, for 30 minutes, today.

Mr. PORTER, for 30 minutes, today.

Mr. PATMAN, for 30 minutes, today, and on Monday next.

Mr. COFFIN, for 10 minutes, today.

Mr. GEORGE P. MILLER, for 20 minutes, on Monday next.

Mr. BAILEY, for 30 minutes, on Tuesday next, April 14, 1959.

Mr. HOFFMAN of Michigan, for 10 minutes, on Monday next, April 13, 1959.

Mr. POWELL (at the request of Mr. MCCORMACK), for 1 hour, on April 17.

Mr. THOMPSON of New Jersey (at the request of Mr. MCCORMACK), for 1 hour, on April 15, relinquishing his time for April 14.

Mr. CANFIELD, for 10 minutes, on today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted:

Mr. THOMPSON of Texas to revise and extend his remarks and include extraneous matter in his special order for today.

Mr. PORTER and to extend his remarks and include extraneous matter in his special order for today.

Mr. PATMAN to revise and extend his remarks and include extraneous matter in his special order for today.

Mr. REUSS and to include extraneous matter.

Mr. KASTENMEIER.

Mr. BRADEMAS and to include extraneous matter.

Mr. WOLF and include extraneous matter.

Mr. MARSHALL.

Mr. DEVINE.

Mr. DANIELS and to include extraneous matter.

(At the request of Mr. MCCORMACK, and to include extraneous matter, the following:)

Mr. MOORHEAD.

Mrs. KELLY.

Mr. GARMATZ.

(At the request of Mr. CUNNINGHAM, and to include extraneous matter, the following:)

Mr. MINSHALL.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until Monday, April 13, 1959, at 12 o'clock noon.

REPORT OF COMMITTEE ON COUNTERPART FUNDS

Mr. BURLESON. Mr. Speaker, the Mutual Security Act of 1958, chapter IV, section 401(a), requires the Committee on House Administration to publish in the CONGRESSIONAL RECORD, within 10 legislative days after receipt, the consolidated report of each committee of the House using counterpart funds during the preceding year. Accordingly, there is shown herein the report of the Select Committee on Astronautics and Space Exploration:

Expenditures of counterpart funds—Select Committee on Astronautics and Space Exploration

Country	Currency	Transportation		Lodging		Meals[1]		Total, United States
		Foreign	United States	Foreign	United States	Foreign	United States	
France	Franc	307,288	$877.94	247,996	$708.54	242,836	$693.80	$2,280.28
Germany	Deutsche mark			160	38.10			38.10
Italy	Lire	324,609	519.38					519.38
Belgium	Franc	41,350	827.00	6,356	127.12	12,644	252.88	1,207.00
Holland	Guilder	240.58	62.82	644.52	168.28	1,359.90	355.07	586.17
United Kingdom	Pound	138/1/6	386.61	20/8/8	57.21	81/1/4	226.99	670.81
Total, United States.			2,673.75		1,099.25		1,528.74	5,301.74

[1] Includes local transportation such as taxis and buses, gratuities, and miscellaneous expenses.

Hon. JOHN W. MCCORMACK,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

830. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 2, 1959, submitting a report, together with accompanying papers and an illustration, on a survey of Bayou LaFourche and LaFourche-Jump Waterway, La., made pursuant to several congressional authorizations listed in the report (H. Doc. No. 112); to the Committee on Public Works and ordered to be printed with one illustration.

831. A letter from the Assistant Secretary of Agriculture, transmitting a report for the month of February 1959 of the General Sales Manager on Commodity Credit Corporation sales, policies, activities, and dispositions; to the Committee on Appropriations.

832. A letter from the President of the Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to provide for the regulation of credit life insurance and credit accident and health insurance in the District of Columbia"; to the Committee on the District of Columbia.

833. A letter from the Acting Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to amend section 170 of the Atomic Energy Act of 1954, as amended"; to the Joint Committee on Atomic Energy.

834. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to revise section 3054, title 18 of the United States Code, concerning the enforcement of certain provisions of such code, and for other purposes"; to the Committee on the Judiciary.

835. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to extend the application of the Motorboat Act of 1940 to certain possessions of the United States"; to the Committee on Merchant Marine and Fisheries.

836. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated February 16, 1959, submitting a report, together with accompanying papers and illustrations, on a review of reports on and survey of Yakima River and tributaries, Washington, made pursuant to several congressional authorizations listed in the report; to the Committee on Public Works.

837. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

838. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. H.R. 1844. A bill to amend the Life Insurance Act of the District of Columbia approved June 19, 1934, as amended by the acts of July 2, 1940, and July 12, 1950; with amendment (Rept. No. 262). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 836. A bill to amend the code of law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes; with amendment (Rept. No. 263). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 5534. A bill to designate the bridge to be constructed over the Potomac River near 14th Street in the District of Columbia, under the act of July 16, 1946, as the George Mason Memorial Bridge, and for other purposes; without amendment (Rept. No. 264). Referred to the House Calendar.

Mr. HAYS: Delegation of the U.S. House of Representatives to the Fourth NATO Parliamentarians Conference. Report on Fourth NATO Parliamentarians Conference; without amendment (Rept. No. 265). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOORE: Committee on the Judiciary. House Joint Resolution 323. Joint resolution to facilitate the admission into the United States of certain aliens; with amendment (Rept. No. 260). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. House Joint Resolution 324. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens; with amendment (Rept. No. 261). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 6229. A bill to amend section 12 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. ANFUSO:

H.R. 6230. A bill to amend the Social Security Act to increase and extend benefits, reduce retirement age, and liberalize the work clause under the Federal old-age, survivors, and disability insurance program, to establish a system of hospitalization, nursing, and surgical insurance within such program, to liberalize certain provisions relating to public assistance, and for other purposes; to the Committee on Ways and Means.

By Mr. AVERY:

H.R. 6231. A bill granting the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect such States; to the Committee on Interior and Insular Affairs.

By Mr. BAILEY:

H.R. 6232. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 6233. A bill to amend title II of the Social Security Act to include West Virginia among the States which may obtain social security coverage, under State agreement, for State and local policemen and firemen; to the Committee on Ways and Means.

By Mr. BARING (by request):

H.R. 6234. A bill to add certain public domain lands in Nevada to the Summit Lake Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. BERRY:

H.R. 6235. A bill to direct the Secretary of the Interior to make a preliminary investigation of lands in the United States situated within the exterior boundaries of Indian reservations to determine whether mineral resources exist on such lands in amounts sufficient to justify commercial development; to the Committee on Interior and Insular Affairs.

By Mr. BROCK:

H.R. 6236. A bill granting the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and is tributaries as they affect such States; to the Committee on Interior and Insular Affairs.

By Mr. CUNNINGHAM:

H.R. 6237. A bill to authorize the Federal Government to guard strategic defense facilities against individuals believed to be disposed to commit acts of sabotage, espionage, or other subversion; to the Committee on the Judiciary.

By Mr. DANIELS:

H.R. 6238. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted from $1,200 to $1,800 yearly without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 6239. A bill to amend section 6(a)(1) of the Fair Labor Standards Act of 1938 to increase the national minimum wage to $1.25 an hour; to the Committee on Education and Labor.

By Mr. DURHAM:

H.R. 6240. A bill to authorize the grade of temporary brigadier general for the Chief of the Medical Service Corps of the Army and for other purposes; to the Committee on Armed Services.

By Mr. FARBSTEIN:

H.R. 6241. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. HALPERN:

H.R. 6242. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

H.R. 6243. A bill to amend title 38 of the United States Code to provide pensions for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. HARRIS:

H.R. 6244. A bill to amend the Interstate Commerce Act, and certain other provisions of law, with respect to the regulation of surface transportation in interstate and foreign commerce to, from, and between points in the State of Alaska; to the Committee on Interstate and Foreign Commerce.

H.R. 6245. A bill relating to pay television operations by wire; to the Committee on Interstate and Foreign Commerce.

H.R. 6246. A bill to amend section 203(b) of the Interstate Commerce Act in order to provide for an exemption in the case of certain movements of motor vehicles for the account and accommodation of the owners thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California:

H.R. 6247. A bill to authorize the modification of the existing project of the New Melones Dam and Reservoir, Stanislaus River, Calif., and for other purposes; to the Committee on Public Works.

By Mr. KARTH:

H.R. 6248. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. METCALF:

H.R. 6249. A bill to liberalize the tariff laws for works of art and other exhibition mate-

rial, and for other purposes; to the Committee on Ways and Means.

H.R. 6250. A bill to provide for the establishment of a Federal Advisory Council on the Arts to assist in the growth and development of the fine arts in the United States; to the Committee on Education and Labor.

By Mr. MICHEL:

H.R. 6251. A bill to amend section 507 of the Classification Act of 1949 so as to extend in certain cases the provisions of such section which provide salary protection in cases involving downgrading actions; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H.R. 6252. A bill to amend section 4B of the Clayton Act; to the Committee on the Judiciary.

H.R. 6253. A bill to provide for the publication before entry of decrees, judgments, and orders entered by consent upon the merits of civil antitrust proceedings; to the Committee on the Judiciary.

H.R. 6254. A bill to amend the Clayton Act to declare private antitrust suits to be impressed with a substantial public interest; to the Committee on the Judiciary.

H.R. 6255. A bill to amend the Internal Revenue Code of 1954 so as to impose a graduated tax on the taxable income of corporations; to the Committee on Ways and Means.

H.R. 6256. A bill to repeal certain miscellaneous excise taxes; to the Committee on Ways and Means.

H.R. 6257. A bill to establish a board (outside of the Department of Defense) to review and correct discharges and dismissals of former members of the Armed Forces; to the Committee on Armed Services.

H.R. 6258. A bill to provide for disaster loans to small business concerns which suffer economic injury due to federally aided highway construction programs; to the Committee on Banking and Currency.

By Mrs. PFOST:

H.R. 6259. A bill to stabilize the domestic market prices of lead and zinc; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 6260. A bill to establish the Oregon Dunes National Seashore in the State of Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REES of Kansas:

H.R. 6261. A bill to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years; to the Committee on Post Office and Civil Service.

H.R. 6262. A bill to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H.R. 6263. A bill to amend the Employment Act of 1946 to provide for its more effective administration, and to bring to bear an informed public opinion upon price and wage increases which threaten economic stability; to the Committee on Government Operations.

By Mr. RIVERS of South Carolina:

H.R. 6264. A bill to exempt Naval Reserve and Marine Corps Reserve officers from the provisions of the Economy Act of 1932 for the period, July 1, 1947, to December 31, 1952, inclusive, on the same basis as members of the Officers Reserve Corps and National Guard of the Army; and Air Force; to the Committee on Armed Services.

By Mr. ROBERTS:

H.R. 6265. A bill to provide for the vesting of primary responsibility for the protection of the public health and safety from radiation hazards in the Public Health Service of the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Florida:

H.R. 6266. A bill to amend the Internal Revenue Code of 1939 with respect to the application of section 117(q) of such code; to the Committee on Ways and Means.

By Mr. SLACK:

H.R. 6267. A bill to provide for the encouragement of economic redevelopment in communities depressed by chronic unemployment; to the Committee on Banking and Currency.

By Mr. VINSON:

H.R. 6268. A bill to amend title 10, United States Code, to provide that the Secretary of the Navy shall prescribe the compensation of the Academic Dean of the Naval Postgraduate School; to the Committee on Armed Services.

H.R. 6269. A bill to amend section 265 of the Armed Forces Reserve Act of 1952 to define the term "a member of a Reserve component" so as to include a member of the Army or Air Force without specification of component; to the Committee on Armed Services.

H.R. 6270. A bill to amend title 10, United States Code, to provide for the readiness of industrial capacity for defense production or mobilization reserve purposes; to the Committee on Armed Services.

By Mr. WEAVER:

H.R. 6271. A bill granting the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the apportionment of the waters of the Big Blue River and its tributaries as they affect such States; to the Committee on Interior and Insular Affairs.

By Mr. MACK of Washington:

H.J. Res. 335. Joint resolution proposing an amendment to the Constitution prohibiting a State from taxing certain income of a nonresident; to the Committee on the Judiciary.

By Mr. DOOLEY:

H. Res. 234. Resolution favoring an international agreement for a suspension of nuclear weapons tests; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States against restricting the further importation of residual oil, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H.R. 6272. A bill to provide for the issuance of a license to practice pharmacy in the District of Columbia to Diodato Villamena; to the Committee on the District of Columbia.

By Mr. FARBSTEIN:

H.R. 6273. A bill for the relief of Maksym Hrycyk; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 6274. A bill for the relief of Maria D. Albanese, Luigi Albanese, Mary Dvorovy, and certain other persons; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H.R. 6275. A bill for the relief of Khatchadour T. Tchoupdjian; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 6276. A bill for the relief of Chaba M. Pallaghy; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

H.R. 6277. A bill for the relief of William D. Warren; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 6278. A bill for the relief of Moses Brukner also known as Moses Broker; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 6279. A bill for the relief of Munston Manufacturing & Service, Inc.; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 6280. A bill for the relief of Jadwiga Franciszka Wybraniec; to the Committee on the Judiciary.

By Mr. QUIGLEY:

H.R. 6281. A bill for the relief of McGann Manufacturing Co., Inc., of York, Pa.; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 6282. A bill for the relief of Andrija Vilanj; to the Committee on the Judiciary.

H.R. 6283. A bill for the relief of Matthias Nock, Jr.; to the Committee on the Judiciary.

By Mr. RIVERS of South Carolina:

H.R. 6284. A bill for the relief of William F. Sample; to the Committee on the Judiciary.

H.R. 6285. A bill for the relief of Mrs. Lillian E. Duggan; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.R. 6286. A bill for the relief of Mrs. Dorothea Brett Blok; to the Committee on the Judiciary.

By Mr. WOLF:

H.R. 6287. A bill for the relief of Bjorg Lahlum Wanberg; to the Committee on the Judiciary.

By Mr. MINSHALL:

H. Res. 235. Resolution referring H.R. 6226, a bill for the relief of Catalina Properties, Inc., to the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

146. By Mr. DOOLEY: Petition of the chairman of the legislative committee, New York Petroleum Industries Council, metropolitan area, and signed by motorists residing in Westchester County, N.Y., protesting the current proposed increase in Federal gasoline tax; to the Committee on Ways and Means.

147. By Mr. GROSS: Petition of 183 residents of Iowa Falls, Iowa, and vicinity in support of H.R. 169, which provides that no air carrier shall serve alcoholic beverages to passengers while in flight, and H.R. 2221, pertaining to alcoholic beverage advertising in interstate commerce, including the broadcasting of such advertising; to the Committee on Interstate and Foreign Commerce.

148. By the SPEAKER: Petition of the exalted ruler, San Juan Lodge, No. 972, Benevolent and Protective Order of Elks, San Juan, P.R., petitioning consideration of their resolution with reference to opposing any amendment to the law of Federal relations concerning Puerto Rico which will tend to separate this island from the United States; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Lincoln Day Address by Hon. Barry Goldwater, of Arizona

EXTENSION OF REMARKS

OF

HON. BARRY GOLDWATER

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Friday, April 10, 1959

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me on Lincoln Day, in Phoenix, Ariz.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mayor Williams, Governor Fannin, and Congressman RHODES, distinguished guests, and fellow Americans, fellow Republicans, fellow Arizonians, I can't tell you how good it is to be home, but, tonight it is a better feeling than I've ever had. The warmth of Arizona's sun is surpassed only by the warmth of its people and tonight after days of the freezing cold of the East both sources are more welcome than at anytime I can remember.

This evening as we gather to honor the memory of Abraham Lincoln and to ponder our responsibilities to him and to our Republic I am reminded of a story. President Lincoln, you know, wore a tall silk hat. One day as he got up to speak he put it down in a chair and a rather large lady came along and sat down on his hat. When Lincoln was finished speaking he came back and saw this crumpled topper of his, he merely looked at it and said, "Madam, if you would have just asked me first I could have told you it wouldn't have fit." The question that comes to my mind now is can we fill Lincoln's hat, shoes, and most important, his ideals? I think that is the question that is in front of our country today. I think we are at a crossroads pretty much as we were at a crossroads in the days of Lincoln when unity was needed in the country; when the people of America were faced with the task of either keeping the Republic alive or having it torn apart by people who refused to see and understand the need of unity. I think tonight that unity is equally important not only to the country but to the Republican Party as well. I think we have to strive to create unity within this party just as Lincoln strove to create a Republican Party. We now cannot see the Republican Party die because there are some small differences of opinion as to what this person should be doing or how or what that mission should be accomplished.

Now let me illustrate what I am talking about. I travel around this great country and speak to a lot of Republicans. In fact, this is the fourth night in a row and I have three more left before I finish this week. And this is one of the few places in America where I can stand up before a Republican group and say what Republicans think and not go away feeling I have stepped on somebody's toes. When I go into some other communities I feel pretty much like I'm having to walk on a crate of eggs. I'm careful to ask the chairman whether this or that will upset my listeners and then I am careful to ignore the touchy subjects.

We have reached a pretty disturbing period in our history as Republicans, when a Republican who has been a Republican all of his life has to worry about his remarks before a group of people who travel under the title "Republican." Now I realize that in this country there are people who accept me suspiciously; and some not at all. Now why is this true? And I think this is the important part, not because it's BARRY GOLDWATER, but because I am a conservative and I'm not ashamed of it and I talk about it. The opposition in this country, not the opposition in the Republican Party, not the opposition of Jeffersonian Democrats, but those radicals in this country who intend to destroy us have made a very bad word of "conservative." Bad to the point that conservatives won't stand up and be counted. They have put an onus on this word that actually should be on their philosophy and not on ours. So I think tonight as I start, I would like to outline briefly to you what I believe in as a conservative Republican. I have been attempting to do this across America recognizing that there are people in this audience, people who will hear this, who now classify themselves as liberals and say "Oh, I can't agree with anything that fellow says, he's too conservative, he's too reactionary."

I have asked audiences to bear with me and compare their philosophies of being a Republican and an American with those of mine and then see if the word "conservative" doesn't pretty much describe their own feelings also. Now what does my conservatism encompass?

First, I believe in the full concept of the Constitution, as it was written 180 years ago—not as it is being interpreted today. I believe, and accept with a full heart, the words of Thomas Jefferson in the Declaration of Independence when he said "We hold these truths to be self evident, that all men are created equal, that they are endowed by their creator with certain inalienable rights, and, that among these are life, liberty, and the pursuit of happiness."

I accept our freedoms as coming from God and I recognize that we've become a great people because we've been a spiritual people and we have been materially strong only because we have been individually spiritually strong. I believe in decentralized government. I believe firmly that the 10th amendment to the Constitution is the bulwark upon which our form of government is based. Individual freedoms rest with the freedoms of the State and I decry the fact that we are drifting more and more away from States rights into the concept of centralized government. I, as a conservative Republican desire the preservation of individual liberties rather than seeking paternalistic security for the people in this country. I believe it was intended that this great Government was to be built upon the idea that you and I are free people because God intended it that way, and that we are not free people because we belong to this or that church, or because we are black, or we're white, or we're yellow or red, or because we come from this country, that country or some other country. We are free because God intended it that way, and we are free as individuals, not as members of a collective group. That I firmly believe in. Those of us who believe in that, or in those basic principles are called reactionaries. Now it is hard for me to understand how a person who believes in those things can be referred to as a reactionary. This, ladies and gentlemen, is the new idea. There is nothing old about this. It's only 200 years old. In fact it has only been written about 180 years. This is the new idea, that man as an individual has dignity and has freedom, and he doesn't obtain those things by being a member of groups. He obtains them from the Lord himself. So I defy those who say that conservatives who believe in the freedom of the individual are reactionary. No, its the radicals of this country who want to return to the day of group identity, pigeonhole life if you will, that are the reactionaries of our country, and they wrongly call themselves liberals.

I believe in the free enterprise system. Good men, well intentioned, controlled by a limited number of rules and regulations, can make it work well at all times. It has produced more for more people than any other economic system in the world and yet today there are those people who decry it and want to see it done away with.

Having outlined these few brief points, I don't think there is anybody in this room who can fundamentally disagree that these concepts are wrong for America, and yet, I know there are people here who are as proud of their liberal interpretation of Republican philosophy as I am of a conservative interpretation of the same philosophy.

I think it's time now to look at what the liberal of today is, and I'm not talking about the honest liberal, the man who builds his liberalism on the concepts of Thomas Jefferson or even a Bob LaFollette in the later years. I am talking about those people in both parties who have more or less bastardized the name "liberal," and have tried to hide the real meaning of what they are, "radicals."

Now, what is a liberal supposed to be? He is supposed to be a man who is constantly looking for more freedom for the individuals of this country, but in looking for it he pursues the Constitution; he pursues the American thinking and the American ideals. The conservative, on the other hand, is a man who wants to go ahead on the proven factors of the past. He doesn't want to experiment as much as the liberal: that is why the man is called a liberal. Now, let's see what we have in the country today, and I might say here and now that I believe firmly, that we need in this country a strong, true liberal movement, and we need a strong, true conservative movement. But let's see what these so-called liberals preach in this country and let's make up our minds whether or not they are liberals. They are the ones who are preaching minority versus majority. They say that freedom rests in minority groups or majority groups. They don't recognize that the individuals of those groups are the ones whose freedoms we should be constantly aware of and constantly fighting for. They are the ones who want to regress. They are the reactionaries who want to go back to the group, to tribalism; they are the ones who preach the "common man." When I ask, who is the common man in this country, they will say, "well, he is the farmer." And I say, "Well, what does he farm." "Well, he farms cotton." All right, so I ask "Does he farm long staple or short staple." And when they begin to see the light I say, "Now who is the common man." Well, they say, "The common man is the miner." So I say, "What does he mine." "Well, he mines coal." I ask, "Does he mine hard coal or soft coal." That about ends the argument. The truth of the matter is, folks, that we're a 170 million of the most uncommon people that were ever placed on the face of the earth. And if we ever succumb to this idea of oneness, and commonness, this country will be through.

I am glad today, in reading the remarks of people whom I recognize as real liberals, to see that they are interpreting the actions of so-called liberals as dangerous in this one area among others because the so-called liberals are tending to preach the idea of commonness. Now what else do they preach? Whether they like to admit it or not, they preach government control. Get in a little trouble in this country. They want the Federal Government to help out. They want centralized government and they want the concentration of governmental power on the banks of the Potomac and not in Phoenix or any other capital of this Nation. Federal aid—oh, there is the most dangerous siren of them all. Federal aid to everything. We've got one suggested now—Federal aid to distressed areas. That means that this great State of Arizona, the thriving city of Phoenix, all of us going ahead on the initiative of men and women, going ahead with courage, recognizing that we have to make advances on proven policies, will have to begin to pay for the backwardness, the laziness and dependency on a Federal paternalistic attitude of people in other parts of our country. I don't like that. I don't think anybody likes to pay for the shortcomings of other people unless those shortcomings be caused by conditions over which they have no control, and yet we are proposing today Federal aid to distressed areas; Federal aid to schools. Now why should taxpayers in Arizona pay for the school buildings in the South where they refuse to build buildings of their own. Why shouldn't we say to those States, "Grab your own boot straps, Buster, and pull yourself up." Federal aid to the farmer. Federal aid to farms is ruining one of the greatest economic opportunities in Arizona by closing the foreign markets for cotton, and yet we can't make our brothers in the South and the North see that Federal aid to farming is killing the farmers of America. And let me tell you, far more than the economic damage is the moral and spiritual damage it is doing to the people of this country as they say to themselves, "I can't do it, but Uncle Sam can do it for me." That wasn't the way our Nation was built. The so-called liberal, the radical and real liberals along with all of us are concerned with the civil rights of the Negro in the South, and I say that that is rightfully our interest no matter what our philosophy may be. But at the same time, these people are ignoring a civil rights problem of the North. You say, "What's he talking about." This is what I'm talking about. The Republican member of a union in Detroit who has his money taken away from him in the form of dues to be spent on a Democrat candidate. Now if that isn't tampering with the franchise of Americans, I don't know what is. And let's apply it to the South where nomination in the primary is tantamount to election in the general. What about the Democrat member of the union who pays his dues only to see that money go to defeat a Democrat that he would vote for. Those are the things I talk about when I talk about the so-called liberals who refuse to see the whole problem, but who again are playing race against race, color against color, creed against creed, only because it might produce a few votes come election time. That, I remind you, was not the philosophy of Lincoln. Who then today, I might ask you, is the party of special privilege. I think the Republicans at one time could have rightly been called that, but it has been a long, long time. I ask the so-called liberal of today, "What difference is there between the corporate baron of the early 1900's buying elections for the Republicans and the union barons of 1958 buying elections for the Democrats?" What difference is there? There is none.

Let us look now at their attitude toward fiscal soundness. I call it on their part, "massive irresponsibility." You have on a card tonight, a new penny. If that penny were worth 1 cent it would be fine, but it is worth about 48.6 percent of 1 penny now, and it's worth that because of the irresponsibility of the opposition party. And I might say that yesterday I got quite a laugh out of my good friend LYNDON JOHNSON. I like LYNDON. He is a very able, capable man. But he comes from Texas, and you know that down in Texas they aren't satisfied with anything small. I think that LYNDON just got to thinking the other day that "Well, by golly, I'm down in Texas and this can't be true; we couldn't have cost these people all of this money. We're not fiscally irresponsible." And he got that Texas mind of his going around and around and he came up with the suggestion that the Democrats had cut $22 billion off the Eisenhower budgets in the last 6 years.

Well, I wish that I were back there to remind him of it, but if he is talking about what has been cut, $12 billion of that was cut by the Republican 83d Congress off of Truman's budget. Now I will have to admit that in the 85th Congress the Democrats did cut about $5.6 billion from the amount that was requested. But then we get into the fiscal slight of hand. We find that 1⅓ billion of that was only a paper cut and that they turned around and authorized the expenditure of it from existing capital. And then offsetting further the 5.6 billion, was action that totaled more than that. For instance, 1 billion for housing that wasn't asked for; 1.8 billion for further appliances on the housing act. Two hundred thirty five million dollars direct to the Highway Act. And then there was legislation requiring more spending than what was authorized. For instance $444 million in retroactive Federal pay increases. A hundred million dollars for a super liner, and then by failure to adopt the President's suggestions we went $700 million more in the hole in the Post Office and $725 million more in the hole in the Federal highway fund. And in addition to that they wanted to spend another $6 million. So as a result of the action of the irresponsible radicals in the Congress, you are going to have about a $12 billion deficit this year. In fact, Congressman RHODES will tell you that last year in the House of Representatives alone, there were almost $156 billion of bills introduced that, had they been passed, would have added that amount to your tax rolls in the next 5 years. And while it's not according to school-tie etiquette to mention names in the other House, a tall thin man slightly bald, who wears glasses, whose father was a President, introduced almost $33 billion worth of these bills. And I don't want to ignore the Senate. We totaled nearly $43 billion in the bills that were introduced by eager radicals, eager and ambitious to deflate the value of the dollar in this country.

That's probably their greatest hallmark. The fact that these radicals have absolutely no conception of what a dollar is worth. And you know the surprising thing to me, and I think Congressman RHODES will comment on this. I have always been amazed at the rich Socialists we have in this country. It very rarely fails that a man who inherits money, suddenly gets ashamed of it, and he has to think of ways to deprive everybody else of their money, just because his father was a success. But that's true across this country. It's a sad commentary. One other thing they do that I think you and I can disagree with. They have been very successful in selling this Republic of ours as a democracy. We hear speech after speech by people who should know better exhorting the virtues of our great democracy. Now ladies and gentlemen, find me the word democrat, democratic or democracy in the Constitution of the United States and I'll sit on the top of John Mills great flag pole up here on Saturday afternoon and eat the Constitution. But it does mention republican, in a small case. Not the Republican Party but the republican type of government, our form of government.

I remember here just a few years ago when my nephew Timmy came home one night. He said, "Uncle BARRY will you help me write a theme 'I Speak for Democracy.'" I said, "Timmy, let's have some fun with your teacher. Go back tomorrow and tell her that you can't do it because we are not a democracy." Well the next night he came back and he said, "Uncle BARRY, don't ever tell me to do that again." But they have been able to teach our young people and many of our old people that we are a democracy when we are a republic. And if we want to go part way, we are a democratic-republic. Both small case.

I don't think there's any question in the minds of anybody in this country, who will soberly think over our history, and you have to think of history in evaluating present position and future position, who will not agree that under conservative government, mostly under Republican government, this country has been better off. Therefore, a conservative approach of some type is best for America.

But we haven't been doing a good job of getting that story told. We have conservatives of all hues and we can go from the middle of the road to the extreme right. In that category we have not been telling our story and I think that it's time that we do. Why? Because we, in this country, whether we like to admit it or not have gone a long way toward socialism. It's very difficult for us to think tonight of a business that isn't touched in some way by governmental support. It is very difficult for businessmen of any type to think of a day or a week that doesn't go by without the hard, hot hand of the Federal Government on their books and in their business. And let me remind you of what Lincoln said, I don't recall the exact words, but it has been said down through the history by all great philosophers of government that "freedoms are not lost overnight." You are not going to wake up some Sunday morning and read in the Sunday morning paper or hear it over the Sunday radio or see it on the Sunday TV, that we are no longer free people. No, it doesn't happen that way. It happens like termites eating in a house, and the first sign of trouble you see is when grandma put her foot through a step. That's the first inkling you have and it's usually too late. We will lose our freedoms, ladies and gentlemen, by being attacked from within. We will never lose our freedoms, as long as we believe in them, by any force outside the United States. There are some other signs that are disturbing in these days that I want to mention as to what the radicals have wrought. The growing dependency on the Federal Government for the solution of all of our problems, from the home to the top levels of government. Solutions that once were made at home. Why, I can remember, and I am certainly not old by any standards except by possibly physical standards, when they built the first hospital here and they met in a man's house right across the street from this hotel and as a result the hospital was built. It wasn't as expensive in those days, but it was comparatively so. We did things then. We had the same obstacles. We had the same troubles to contend with; the same apathies; the same lack of interest. But things got done and today we say write our Congressman. He'll solve our troubles. Oh,

he will. He'll trade your troubles for something real.

What's another sign? What's happening to patriotism in this country, folks. You know, there is a sign up at West Point on the parade grounds, "When the flag passes, gentlemen will remove their hats." Watch the coming rodeo parade. See how many hats you see still on when the flag goes by. And you ought to walk up and knock them off. How many new buildings have flagpoles? How many flags fly on the days they should? How many people talk with feeling in their hearts about America and what it stands for. Those are signs, ladies and gentlemen, that we might be further down the road than we like to think or admit. They have derided free enterprise and the American businessman is so beaten down he won't rise up and fight back. And I watch them come to the Halls of Congress as JOHN does and testify before our committees as whipped dogs. You businessmen have made America and will keeping making it, but not when you are cowards. You are in business to make a dollar. Don't be ashamed of it. And the free enterprise system is the only vehicle that can provide profit and can provide jobs for the millions and millions of American workers who along with management, have made this enterprise work. Don't be ashamed of it. Talk about it. Preach it to your employees. Preach it to the young people in the schools and the young people in the communities.

Now, those are some of the signs. I think that right now we might have a short estimate of our situation as Republicans. I always liked that part of the military when you stopped and took a look at what you were doing; what the enemy was up to; and what you might do to get around him. Lincoln said something about it too. He said, "If we could first know where we are, and whither we are tending, we could then better judge what to do and how to do it." Now let us Republicans look at ourselves very quickly. We have won only one national election since 1928, and that was in 1946. I don't think we can call the elections of 1952 or the election of 1956 a party triumph. I think that it was a deserving recognition of a great American who had served his country well in time of need. And I think that he could be reelected again if he cared to run and if we didn't have an amendment preventing it. We must dismiss the Republican victories except for 1946. Now, answer then, this question. Why? Starting back with the creation of the Civil Service Act we started to deprive both parties of patronage. Now, I'm not arguing for the patronage system as such. I think it has a place in politics. But I don't think that it has the massive place that it once had. I think that it would be disrupting to modern government. But nevertheless a great void was created in both parties, where we couldn't say to our loyal precinct workers, "there's going to be a job for you." Well, he would get out and work like the devil to get that job, to see that his man won or that his party won so that he could have that job. As a result, in the early thirties the Republican Party and the Democrat Party had no great pool of workers. Now, there has stepped into the Democrat side though, the newly created force of organized labor and their politically minded leaders, and they filled the void in the Democrat side to the point where the Democrat Party today in many States exists only as a hollow shell and in it work the people of the Committee on Political Education, financed by the vast sums available to the organized union movement. Now, this has been more and more evident as we have been losing elections across America in the strong Republican States like New York, Pennsylvania, Indiana, Ohio, Illinois, Iowa, Kansas, Nebraska, Colorado. All of these States that for years would never tolerate a Democrat being elected to office at any level. We have seen, for almost 25 years a loss in county seats and a loss in State legislative seats and it was only a matter of time until we lost Governors, Congressmen, and Senators, and come 1956 and 1958 we saw that occur.

I suggest the answer to that, nationally, is what we did in Arizona in 1958. We are imploring our party nationally, and as you can see, they are taking steps to do it, to do precisely what we did when Dick Kliendienst and Jim Wood and the other leaders of this party recognized that we had division in our party and then called Republicans together and formulated an eight-point statement of principle on which we could all stand. They did away with the divisive effects in a political party and in 1958 we marched to the polls united, even though there might be some people who wouldn't agree entirely with everything their candidates stood for, they worked for the Republican Party because they knew what the Republican Party in Arizona stood for.

Now, what to do. I'll say first that I'll echo what John Rhodes said, what Jack Williams said, what Paul Fannin said. Let's not yield to the temptation of the opposition philosophy. Let's not look at their grass and say that it's greener than ours. It isn't. It's dead, dirty, dried-up grass that should have been swept out of both political parties years and years ago. We cannot compromise with principle. I think the Republican Party and Republican candidates should take the attitude that this is going to be a long haul; this isn't going to be done by magic; but if we recognize we're in for a hard rough job, I am convinced that by sticking to principle the Republican Party can put itself across. And if we forget our principle, ladies and gentlemen, there will be no more Republican Party. I think that we must remind the people that we are a party of peace. Now by that I don't want to imply that the opposition party is a party of war, but under the Republican Party by peculiar coincidence we have always managed to have peace. Yet this peace now is one that you and I and all Americans don't like; we have to recognize that we are in a cold war with a philosophy that does not recognize God where ours does. We are at odds with a philosophy that doesn't recognize the freedom of the individual where we do, and that this isn't a war that is going to be fought and won on the battlefields or in the skies or on the oceans or under them. It's a war that's going to be fought in the minds and hearts of men. And when the American people can demonstrate to this world that the concepts of Jefferson and Franklin and Washington and all of those great men who founded this country, are as true today as they were then, then I suggest to you that the idea of freedom will prevail over the dirty idea of communism. We have to come to it; we can't do it by force anymore than they can subdue our ideas by force. We have to tell the people, and remind them and prove to them that we are a party of all the people. We are not a party interested in dividing the American people into cataloged groups so that we can pull them out at election time for this purpose or for that purpose, but that we are constantly interested in the individual freedom of every American living in this country. We have to remind the American people that under a conservative approach to the fiscal problems of government, good business exists and that under the spend and spend philosophy of the radicals we have in the opposition party today disaster is the only end result. No, good business, long prevailing good business, comes under our philosophies.

In closing I want to mention one thing: one area where this party, or the other party, or both of us have to provide corrections. Some party has to stand up to the illegitimate use of power by some of the union bosses in this country, and that party should be the Republican Party, and I hope and pray that it is.

I might remind you that Walter Reuther made a statement yesterday decrying the amount of unemployment in this country, and everybody should be concerned with unemployment, but he proposes a vast new program and nobody knows what it is, but if you want to see the result of the political and economic philosophy of Walter Reuther, look to the once glorious, industrious State of Michigan where I spoke 2 nights ago. A State that is so bankrupt that they are asking their businessmen to pay their taxes in advance so that they can pay their governmental employees. A State that is asking $140 million more in taxes from already overburdened taxpayers, never thinking for one moment that they might stop some of their foolish spending in order to get their State in order. You need no other example, ladies and gentlemen, of the end result of the socialist political planning of Walter Reuther than to look at the once great State of Michigan, and as I told them up there that night, "You keep your solidarity house and Reuther; we'll take your water." Here is the unbridled power of one man able to destroy a sovereign State of the United States and nobody seems willing to stop him.

And then we have James Hoffa on the other side with his economic power, thumbing his economic nose at decent citizens all over this country, threatening to organize all means of transportation and if need be, tie up the business of this country to get it done. Now, ladies and gentlemen, power was never a part of the concept of government under our Founding Fathers. It's something we fled from, to get away from, as it existed in Europe and yet tonight, in 1959, it is working to the detriment of the American people and we cannot get a political party with the courage to stand up and say "This has to be done." Now I know about this power.

I sit on the Labor Committee. I am the ranking Republican member. And if you think for one moment that any bill that is before that committee is going to stop Jimmy Hoffa or Reuther or any other power-mad union boss—stop fooling yourself because it won't happen. We are flirting around with the symptoms, not the disease. The disease is unbridled, illegitimate power given to these bosses by the law of the United States and we have to make it equal to the power of the rest of the citizens.

I want to close by reminding you that we faced these times before in our history and we have come out of them. Back in the Revolutionary days we were faced with problems worse than we are faced with today, but it took courage as it's going to take today to solve them. I recall some place in history the question was asked, "Where do you stand?" We don't ask that question tonight of Republicans and Democrats. We ask it of Americans. "Where do you stand?" Do you want America to remain a free Republic so that our two-party system, our economic system and the theory of individual freedom can exist or are you going to be a member of the lazy, indifferent throng that says, "It can't happen here." It happened to Rome, to Egypt, to Greece, it almost happened to France and it might yet, it almost happened to England and it might yet, and there's nothing historically different, ladies and gentlemen, in 1959, than

there was 500, 1,000, or 2,000 years ago. The problems are wrapped up in human beings. And it is up to people to say what they want in government; not organized groups or masses by the people themselves. And I have faith in people. I think the answer to "Where do you stand, sir?" will be a resounding "With freedom, sir."

The Benson Farm Policy

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Friday, April 10, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the February 21, 1959, issue of the Washington Report of Representative GEORGE MCGOVERN, of South Dakota. Representative MCGOVERN competently and briefly reviews the Benson farm policy record and points up the existing situation in farm legislation. It is worthy of our attention.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WASHINGTON REPORT

(By Congressman GEORGE MCGOVERN)

WASHINGTON, D.C., February 21, 1959.—Dear friends, Secretary of Agriculture Benson came before the Agriculture Committees of both the House and Senate in mid-February to ask broader authority to flex farm prices downward.

BENSON FARM POLICY RECORD

What the Secretary said in effect was a playback of the theme he has been preaching ever since he took office in 1953. That is: Lower farm prices will discourage farmers from producing surpluses and will, therefore, produce higher farm income.

Unhappily for many farm families—as well as small businessmen and workers who rely heavily on agriculture for their own livelihood—the results of the last 6 years have disproved the Benson theory.

Since the beginning of 1953, farm prices are down 16 percent. Farm income is down 25 percent. In the 1952–57 period, farmers absorbed an aggregate loss of nearly $18 billion in income. Four million farm folks have left the land, and 600,000 farms have disappeared. Meanwhile, Government stocks of farm commodities have quadrupled since 1952. Benson does not seem to realize that lower prices lead to greater production, as farmers seek to offset their loss of income.

NEW PRICE-FLEXING AUTHORITY ASKED

Yet, the Secretary told the Agriculture Committees he needed: (1) New authority permitting him to set price supports at zero if he deems necessary; or (2) discard the parity principle and support prices between 75 percent and 90 percent of the average market price in the immediately preceding 3 years.

In my opinion, Congress will not accept the administration's farm recommendations. I, for one, cannot accept any such proposal. But a showdown is in the offing. The first round will probably come as we consider wheat legislation in the next few weeks.

WHAT ADMINISTRATION FARM PROPOSALS MEAN

To give Secretary Benson authority to drop supports down to zero would be to invite return to the chaos of 30 years ago. If Congress were to approve the plan providing for supports somewhere between 75 percent and 90 percent of the average market price for the last 3 years, manufacturing milk supports could slump to as low as $2.45 a hundredweight, compared to the present $3.06. Butterfat supports could drop to 47.6 cents a pound, compared to 59 cents a pound. Corn supports could fall to 96 cents a bushel, instead of the prospective $1.12, and wheat supports could plummet to $1.43 a bushel, compared to the announced level of $1.81. This latter figure will probably drop to $1.77 a bushel for 1959 even if the program remains as it now is. This is because of the Agriculture Department's new method of calculating parity.

PRICES DROP BUT PARITY RATIO RISES

The new parity computation went into effect at the beginning of this year. When the parity ratio was figured for the month ending in mid-January, it showed it had risen 2 points. The parity ratio was reported at 82 percent. In mid-December, it stood at 80 percent.

In reality, however, farm prices had actually fallen 1 percent by the old standards, toppling to 79 percent of parity, the lowest since August 1940.

Even with farm prices hovering at their lowest level in 19 years, consumers have not benefited by lower food prices. In the final 3 months of 1958, the Department of Agriculture announced that retail food prices rose 3 percent. At the same time, the farm share of the food dollar has dropped from 47 cents in 1952 to 39 cents today. We need to remind ourselves that on a loaf of bread, for example, the farmer receives only about 2 cents for the wheat involved.

ONE-SIDED PICTURE OF FARM COSTS

Much has been made of the cost of the farm programs, and to be sure, they have skyrocketed tremendously under Secretary Benson. But so often, only one side of the picture is shown.

The administration, for instance, has made a great deal of the $1 million a day storage cost for farm commodities. This is no small figure, but it costs more than $23 million a day to finance the Federal debt. Yet, we have had no recommendation to reduce interest rates which have been pushed higher and higher as a direct result of administration policy.

How many people know that of the total $6,872 million estimated agricultural budget for 1959, $3,022 million will be expended for programs which have multiple benefits going far beyond agriculture?

FARM BUDGET NOT ALL AGRICULTURE

Some $1,383 million will go toward programs related to foreign aid—Public Law 480 and the International Wheat Agreement, for example. Every American benefits from these expenditures, whether he lives on the prairie lands of South Dakota or in a Fifth Avenue penthouse in New York City.

Here are a few other programs listed as agriculture expenditures which benefit other segments of the public: $145 million for school lunch program; $53 million for disease and pest control; $21 million for meat inspection; $74 million for school milk program; and $26 million for dairy products for the armed services and Veterans' Administration.

All of these are fine programs. But is it fair that the farm budget should be charged with all of the cost? Shouldn't some of it be shifted to the State Department, Defense Department, etc.?

In spite of the implications that farmers enjoy a favored subsidy position, records show that of all Government subsidies paid in the last 50 years, agriculture has received only $5 out of every $1,000.

HOPEFUL SIGNS FOR NEW LEGISLATION

Obviously, we need a change in farm policy. There is no reason why a Nation that has the brain power to put satellites into orbit around the earth and send atomic-powered submarines beneath the polar ice cap cannot solve the problems of agriculture to the benefit of the farmer and the general public.

I believe there are hopeful signs in this Congress. Senate Majority Leader JOHNSON has called for an improved farm program. Under serious consideration is a bill offered by Senator TALMADGE, which by the way is similar to a measure I offered 2 years ago. Senator HUMPHREY is working closely with him on this legislation. In the House, I believe chances have also improved. Many of my colleagues share my determination to work for passage of a more adequate farm bill.

On several previous occasions, Congress has passed strong farm legislation, only to have it vetoed by the President at Mr. Benson's insistence. Let us hope that this will not be the fate of farm legislation in the next 2 years.

Your friend and Representative in Congress,

GEORGE MCGOVERN.

A Bill To Amend Title II of the Social Security Act

EXTENSION OF REMARKS
OF
HON. DOMINICK V. DANIELS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. DANIELS. Mr. Speaker, I have introduced today, a bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted from $1,200 to $1,800 yearly without deductions from benefits thereunder.

The purpose of this bill is to liberalize the allowance of earnings of old age beneficiaries without the loss of benefits. Under the present law, persons who are 72 years of age and older may earn any amount without having social security benefits reduced. Those persons under 72 years of age, however, may only earn a maximum of $1,200 per annum, without penalty. For each $80, or fraction thereof over $1,200 in yearly earned income, one month's benefit is lost.

I believe that our people after working and toiling through life should live out their final years in comfort and human dignity. In the past several years, the cost of living has risen higher and higher, thus reducing the purchasing power of the dollar. One group of our people most seriously affected by this inflationary spiral, has been our older citizens. The present limitation of $1,200 on earned income per annum is unjust and unfair. I am certain that all Americans are desirous that our senior

citizens shall maintain and enjoy a decent and respectable standard of living.

By increasing the income limitation from $1,200 to $1,800, as my bill proposes, a social injustice of the present law shall be corrected.

United States-Canada Relations: After Awareness What?

EXTENSION OF REMARKS
OF

HON. EDNA F. KELLY

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mrs. KELLY. Mr. Speaker, one of our colleagues, the Honorable FRANK COFFIN of Maine, was one of the first Members of Congress to become alert to the growing tensions between the people of Canada and the United States. Determined that this increasing unfriendliness must not be permitted to continue, he, along with our former colleague, the Honorable Brooks Hays, conducted a study of the problems and issues involved, and they submitted a most noteworthy report on the subject. I beg all the Members of Congress to read it.

The report highlights the traditional friendship between the people of the United States and of Canada as well as the geographical significance of two nations sharing an unguarded border of 4,800 miles, sharing common objectives, loving peace, and most important, believing in the dignity of man. The Hays-Coffin report thrashed out the issues and origins of the deterioration of relations between the two countries. As a result of the report and as a result of the study of the same problem conducted by the Senate Foreign Relations Committee and by Senator AIKEN, of Vermont, a study group composed of Members of the House and the Senate, respectively, was appointed by the Speaker of the House and the chairman of the Senate Foreign Relations Committee, pursuant to a Senate resolution, to meet with the Members of the Parliament of Canada. The first Hays-Coffin report, which contained a recommendation for the establishment of closer legislative liaison between the United States and Canada was the first suggestion for the establishment of bilateral relationships between the legislatures of the two countries. The suggestion was picked up by the Prime Minister of Canada and encouraged by the Parliament of Canada, and endorsed by the executive branch of the U.S. Government.

A meeting of representatives of the two legislatures was held in January of this year here in Washington and at that time it was agreed that the establishment of a continuing inter-parliamentary group to be composed of representatives of the United States and Canada would have a salutary effect on the relations between the two countries. Furthermore, the Canadian group has now issued an invitation to 12 Members of the House and to 12 Members of the Senate to attend a meeting in Canada to be held in conjunction with the formal dedication of the St. Lawrence Seaway. We are endeavoring to make plans to participate in that meeting. There is a steering group on the U.S. side composed of Mr. COFFIN, of Maine; Mr. MERROW, of New Hampshire; Mr. JUDD, of Minnesota; and myself for the House, and of Senator AIKEN, Senator MANSFIELD, Senator MORSE, and Senator CAPEHART for the Senate.

In order to facilitate this meeting and in order to provide for the continuation of these meetings I have introduced House Joint Resolution 254, authorizing U.S. participation in parliamentary conferences with Canada. The resolution provides for the appointment of not to exceed 12 Members from the House and 12 Members from the Senate to participate in each meeting. It is not contemplated that 24 Members will participate in each meeting and it is quite probable that some of the meetings will be composed of a smaller group. The resolution also authorizes the appropriation of not to exceed $30,000 each year to meet the expenses of these meetings. Fifteen thousand dollars of this amount is to be available for expenses of the House group and $15,000 is to be available for the expenses of the Senate group.

It is my belief that the group that this resolution establishes will go far toward creating new understanding on both sides of the border and that it will result in the development of new ideas and new approaches to our economic and political problems.

The Honorable FRANK M. COFFIN recently delivered a speech at the Canadian-American Relations Seminar, at Michigan State University, in which he discussed the value of a Canadian-United States parliamentary group. I would like to insert this address in the RECORD:

AFTER AWARENESS WHAT?

(Address by Representative FRANK M. COFFIN, of Maine, at Canadian-American relations seminar, Michigan State University, East Lansing, Mich., March 9, 1959)

There are many new dimensions in the relations between the United States and Canada. They range from defense, trade, transportation, power, travel, education, culture, investment, management, labor, and resource arrangements to diplomacy in most areas and in most groupings of the world.

There is certainly a new awareness on both sides of the border. That on the Canadian side has come earlier, sunk in deeper, and spread wider. It is a popular theme, originating spontaneously from many sources, lending itself to political uses by all parties, and tending to be (so far as United States-Canadian relations are concerned) more divisive than cohesive in its impact. In short, the new awareness on the Canadian side is a natural instrument of nationalism.

On the U.S. side of the border, there is also a new and unmistakable awareness. But mark the differences. It is less than 2 years old. It began, quite self consciously, with a few of us in Congress, caught on in some executive departments, attracted the attention of some observant commentators, and has reached the stage of quite formal cabinet and congressional arrangements. It is spreading both in Congress and in the public mind, slowly, deliberately, almost painstakingly. There is no political lodestone in this movement. To some extend there may be political liability. The tenor of U.S. awareness is a constructive one, placing more emphasis on hearing the other side than on stating its own case. These factors justify one in saying that the new awareness on the U.S. side is a hard wrought instrument of international accommodation.

These two sides of the new awareness are natural, in view of the disparity of size, of population, wealth, and influence of the two nations. The comparison implies no moral judgments. I predict that as the new awareness loses its novelty, there will emerge international overtones in Canada and national themes in the United States. What we can hope for is a balance on both sides, an adjustment of problems with no injustices to the national aspirations of either country.

This, however, will not automatically happen. The new dimensions which make both sensible and necessary the new awareness could lead to the new psychosis.

Awareness is in itself neither good nor bad—or, perhaps more accurately, it can be both. It is good when it leads to effective action to deal with a situation. It is bad when it is static, leading nowhere, except to frustration.

It is still too early to say which of these roads the new awareness will travel. But the time will soon come when we can tell.

There are two dangers that threaten. One is that we who are actively enrolled in the awareness forces shall try too little. The other is that we shall try too much. In either case we shall be harshly judged by impossible standards of excessive expectations. What I mean by trying too little is that we may feel that all that is needed are occasional fellowship meetings, strong on the amenities and weak on the specifics. Should meetings at Cabinet, sub-Cabinet, or congressional levels be too infrequent, too short, too poorly prepared, too press-release conscious, there will set in a disillusionment that will undo much of the good work that has been done.

The opposite trap lies in trying to do too much. This would happen if the various executive groups or our Canada-United States Interparliamentary Group failed to recognize their limitations. There are some problems that are unsolvable; there are others that only time will solve; still others can be solved but by other groups or in other contexts. For example, it would not in my opinion be productive if our interparliamentary group were to set itself the task of trying to arrive at a consensus on tariff matters or of trying to persuade the other side of the soundness of our position. Here we may well find that a consensus is impossible and that national positions are fixed and at least temporarily immutable. It would be a waste of time, talent, and opportunity if this group should take upon itself the role of a perpetually hung jury.

It is right and proper for both executive and parliamentary joint bodies to begin their work by developing an agenda for discussion. Much good can come by way of understanding and tolerance simply from the presentation of different views of the many problems existing between the two nations. But eventually there will come a time when awareness for awareness' sake will not be enough.

When this time comes, what function will our interparliamentary group serve? I have been deeply concerned over the proper and fruitful function of this group in the long run. After all, we have taken an unprecedented step in the technique of international relationships. There are other interparliamentary organizations. These, however, involve many nations, large memberships, and

obvious limitations in marking out fields of common interest. Their purposes are and must be of the broadest scope and general in nature.

What is different about the Canada-United States Inter-Parliamentary Group? What is its justification? There are some who fear that this may be a precedent for forming bilateral parliamentary liaisons with other nations. The answer to this fear lies not in political theory but in the opportunities for meaningful collaboration.

These opportunities arise from the length of the 4,000-mile common border; the infinite daily crossings of people, goods, services, and ideas; the interdependence of the two nations in defense, in economic development, in diplomacy; the multiplicity of friction points and problems. The essential point is that the very intimacy of relationships creates problems which overpower the ordinary channels of collecting, analyzing, discussing, and acting on information. Even with such a close and important ally as the United Kingdom, distance from the United States and proximity to other nations blunts the edge of the American problem. There may even be a kind of diplomatic law of thermodynamics: the farther apart countries are, the more adequate are the ordinary channels of relationships; the closer together they are, the more need exists for extraordinary arrangements.

It is my conviction that a flexible but continuous relationship between the lawmaking groups of complex and advanced neighboring nations is eminently sensible, if those concerned see and remain faithful to their proper function.

That function is, in my opinion, not so much the attempt to solve problems as it is the continuing and systematic effort to improve the procedures for recognizing, discussing, and solving problems. This distinction could be the means of avoiding stand-off stalemated sessions between people who lack the power to solve the problems they are discussing. It could be the key to a limited but highly useful service.

For example, I can easily imagine Canadian and U.S. parliamentarians making little progress in persuading their opposite numbers to change their positions relating to lead and zinc. But I can imagine them coming to agreement as to the manner in which metals policies should be changed, as to the usefulness of full discussions before changes are made, as to the need for exploring noncontroversial fields as research, marketing, and the gathering of worldwide data as to supply and demand.

This function would require an orientation toward procedure. The objective would be what former Congressman Brooks Hays and I have called "mechanisms which will guarantee—if not a solution—an orderly, regular, and routine method of discussion, exchange of views, and, if possible, agreement on action."

Here is how I would visualize the Canadian-United States Inter-Parliamentary Group working: It would begin with a full exchange of views on the major problems besetting the two nations. This process of mutual education could be expedited by the preparation of position papers on the various subjects by the members of each side. These papers would be exchanged by the two sides before the first series of meetings. Oral exchanges would then be encouraged.

A Canadian and a U.S. parliamentarian could be assigned the task of preparing a summary for each subject. This would include a description of the problem, the Canadian position(s), the U.S. position(s), a report of any consensus that could be arrived at, a statement of the remaining issues, and a description of possible approaches to solution.

At this point, possibly at a subsequent meeting, the subject matter is taken up again, but from a different point of view. The focus shifts to possible procedures. Such questions would be explored as these: Is there need for more research on the problem? Is there need for better communication of facts or positions to interested parties, government, or the people on the other side of the border? Is there enough opportunity for discussion of the problem on both sides? Is the communication between governments frequent enough, easily achieved, and responsibly achieved? Is there need for advice to governments? Are additional structures needed? How can citizens or citizen groups help? Does experience in other countries offer a lead? Should the problem be considered in the broader context of the free world?

In trying to answer these questions, the group would be well advised to invite those intimately concerned to talk, not primarily on the merits, but on the procedures and mechanisms which might lead to solutions.

A vital part of the group's function would be that of a friendly watchdog on the effectiveness of the relationships between the executive branches of the two Governments. To change the figure, the group would serve as an anticoagulant to the Canadian-United States bloodstream. There are certain natural tendencies of bureaucracies. Some of them are as follows: To resist change; to do things as they have been done before; to reduce the level of decision to that of the lowest common denominator; to avoid seeking new problem areas; to delay moving into an area that looks like added work; to put off meetings that might be difficult or inconvenient; to avoid bringing issues to a head where one's department might not appear to advantage; to limit meetings and discussions to platitudes; and, above all, to cultivate an abiding distrust of and contempt for the legislator.

The overnight function of Congress is well established. I am not sure to what extent the Canadian Parliament exercises a similar function, in view of the fact that the government leaders also serve as leaders in Parliament. Nevertheless, there is no reason why the Canadian-U.S. Inter-Parliamentary Group could not keep track of the relationships between the executive branches, and make observations as to their improvement. The U.S. members of the group, could, for example, study the extent to which joint cabinet committee meetings had been prepared, agenda set forth, background briefings given to participants; the extent to which each government consults with the other in advance of a policy shift; the adequacy of opposite number communication and discussion at career staff levels; the need for additional executive relationships; the need on each side for coordination and centralization of data in all the areas of concern. The Canadian members could, I am confident, find areas where their government's procedures could be improved.

The mere fact that an informed and interested group is serving as a procedural watchdog will do much to stimulate a higher level of performance by executive personnel both in their planning for meetings and in their day-to-day performance. What I have been suggesting is not an antagonistic role for the Inter-Parliamentary Group. Its observation should be made to the respective governments in a friendly, even private manner. No good purpose would ordinarily be served by blowing up criticism of either government by the lawmakers of either nation.

The results of the lawmakers' group operating in the procedural area might not be dramatic. We hope, of course, that over a period of time there will be enough members of Parliament and Members of Congress educated to see the point of view of the other nation to make possible the passing of salutory laws or the removal of some irritants. But in the meantime a worthy purpose will have been achieved if new channels of communication are opened, if interchange of views reaches a new level of attention, if roadblocks to consideration of problems are removed.

The function I have described is a legitimate role for the parliamentarians of both countries. Both countries have the representative form of government. The member of Parliament and the Member of Congress represents his constitutents. He is close to them, knows their problems, and is the instrument through which his people speak. The representative can bring to the overwhelming task of Canadian-United States relationships the insights and irritations of the farmer, businessmen, laborer, shopkeeper, and tourist. The parliamentary member can supply the leaven of the generalist to the loaf of the specialist.

We are entering a period of great and continued strains and stresses on both our nations. This new experiment in parliamentary relationships can well serve to minimize these pressures. It will do this if it helps direct "the new awareness" into areas of fruitful activity. We shall have succeeded in our task when it is no longer newsworthy to hold seminars about awareness. Our objective is to make awareness commonplace, routine, undramatic, and highly productive.

Address by Hon. Barry Goldwater, of Arizona, Before Edison Electric Institute, at New Orleans

EXTENSION OF REMARKS

OF

HON. BARRY GOLDWATER

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Friday, April 10, 1959

Mr. GOLDWATER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address delivered by me before the Edison Electric Institute, in New Orleans, on April 6.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, members and guests of the Edison Electric Institute, I am happy and privileged to be with you today.

This morning I want to discuss what I consider to be this Nation's most fundamental problem and to relate that to the difficulties facing your industry.

History—the experience and lessons of the past—should help us as we analyze and search for the right answer to current political problems.

Just a couple of weeks ago there was an interview in the Washington Post quoting that wonderful classical scholar of ancient Greece, Edith Hamilton. Here is what she said about the reasons for the collapse of that once great democracy:

"I think it was mostly because Greece no longer cared to fight for anything. In the end the Greeks wanted security more than they wanted freedom. They wanted not to give to the state but to receive from the state. They just wanted to be comfortable."

Today we may feel a comfortable sense of security under the protective cloak of our Constitution and Bill of Rights. History, however, should dispel any feeling of complacency we might have. We are not the first people to have written sacred contracts to protect the rights of the individual. Governments in times gone by have thrown up even stronger safeguards than ours against dictatorship, only to see the barriers first lowered, then destroyed, as the people permitted more and more power to be concentrated in a tyrant or in an all-embracing central government. And even we, I fear, have forgotten the centuries of fighting and conflict that led to the freedom we enjoy today. The one clear lesson to be learned from the total experience of mankind is the folly of believing that any government, given excessive power, will for long remain benevolent. Government has nothing to give except that which it has first taken away.

America's way in tomorrow's world will depend greatly on the outcome of the contest currently waging between those who believe in "belly politics"—the materialists—and those who believe that man's needs go deeper than material things alone. So much depends on the strength of our belief in principle and our willingness to fight for the things we believe in. I personally have great faith that the dignity and rights of each human being will be preserved even as government itself grows and expands to cope with problems properly in its domain.

Your industry and what happens to it at the hand of government will provide an important clue to our future course. In covering this subject, there is no need for me to take you back over the history of Federal encroachment in your field. One single fact tells the whole story. A short generation ago the Federal Government produced less than 1 percent of the power consumed in the United States. Now it produces almost 15 percent, and the ratio mounts steadily.

This trend continues even though the electric companies have made a tremendous contribution to progress in the past and are destined to do even greater things in the future as we move into a new era of electronics and electrical living. You are doing and are capable of doing a good job for the people of this country, yet government is constantly moving in on you.

Why?

Electricity is a complex subject—something very difficult for the people generally to understand. Few recognize or regard it as a manufactured commodity. It does not package and sell like soap or carry a brand name. It has its own particular method of delivery which is unlike other commodities.

Its technology and economics are highly complex and, therefore, difficult to explain. Even the framework of regulation—State and Federal—within which you operate is not clearly understood.

Moreover, when a man buys or rents a dwelling, electricity is a necessity and taken for granted. Therefore, people seem to have a different economic attitude in buying electricity than they do in buying, say, a pair of shoes, or an automobile.

These characteristics, unfortunately, make the function of supplying electricity easy prey for those who believe government should do more things for people. They argue that electric service can be provided cheaply only by government. This is pure propaganda, of course, for you are providing the American consumer with excellent low-cost service.

Yours is one of America's truly great industries. I have had the pleasure of knowing some of your leaders and I have found them to be outstanding examples of what businessmen should be. I have found your industry to have a standard of ethics unexcelled by any other and equaled by few. Maybe you have been forced into that, I do not know, but the fact remains you have it.

From my observations, your companies usually take the lead in community development. Your officials are either heading up or assisting in drives for local charities and community betterment. I know of your efforts to create new industry. You have anticipated our future electric requirements for years ahead and are ready to provide it. You have provided us with adequate capacity during every national emergency. You have helped the local and national economy by courageously investing and building for the future at times when more timid souls would have pulled back.

But how much credit does the American public give you as an industry for those splendid accomplishments?

When your company is largely responsible for bringing a new industry into your service area, does it get the credit or does that go to some other group of citizens?

Does the public know that it has been industry and not Government that has made the technological advances which have kept the price of electricity at 1939 levels?

Does the public know that electric companies serve over 40 percent of our farms directly and furnish power for more than 50 percent of the remaining ones?

Do your customers understand that they pay heavy Federal taxes when they buy electricity from you, taxes that are avoided by those who get their power from Federal or public power bodies?

My point is this: If you received the credit you justly deserve, your troubles would diminish. The public is not going to permit an industry which is a valuable citizen to be kicked around. But it does not realize your value. It appears you have a job to do here.

Another obstacle you face is that your opponents speak with one voice on all issues, whereas you do not. Maybe it is impossible for you to achieve the same unity of action and thought. Perhaps this is as it should be, for the nature of private enterprise is such that it does not lend itself to regimentation and, certainly it proves there is no power trust.

But in facing up to what unquestionably is a public power trust, you must strive for singlemindedness of purpose.

Your opponents are one for all and all for one. They are for Government power in any section of the United States and help each other whether their area is affected or not.

I am sure that some electric companies have taken no interest in national affairs that affect the industry as a whole. Others have become active only when some Government operation starts breathing down their necks.

If you do not make an all-out effort every time a company is faced with Government competition or encroachment, even if it is 3,000 miles away, you are going to be picked off piece by piece, company by company. Although a company may not seem in danger now, there is no telling when it might be.

There was a time when the vehicle used for Government competition and expansion was hydroelectric development; but that time has passed. You now have the atom. That puts the threat of a Government powerplant in any area, be it Maine or Chicago.

Why are Government power advocates so active in supporting Federal development of power from the atom? It is not because of a present or foreseeable shortage of power from conventional fuels. It is not because it means cheaper power.

Look at it this way—the Federal Government has constructed steam electric plants in only one area—the TVA. Today it would be very difficult to pass legislation authorizing Federal construction of conventional steamplants in any other area; but the atom is something else.

It is argued, and many people think it is logical, that the Federal Government should take the lead in constructing atomic powerplants. So the atom may replace hydro as the vehicle to get the Government into the steampower business. Your opponents know this; that is why they are working so hard toward that end. Therefore, no single company enjoys the security it once thought it had from the threat of Government encroachment. For that reason, it is even more important today that you present a united front in opposing Government power developments.

As a businessman who has spent the last 6 years as a U.S. Senator with more than a passing interest in your affairs, I have sometimes felt there is a timidity on the part of some utility executives in making contacts in Congress and in participating in utility legislative efforts.

You cannot expect the employees you send to Washington, or those you have permanently stationed there, to work without benefit of your help. This is your job—your responsibility—and you need never hold back or apologize in defending the position of your company and your industry in Washington. In this respect public power is not the least bit modest.

Without question, you are concerned about the efforts being made in Washington to silence you. I would only say this: If Congress doesn't grant some tax relief for your advertising and legislative effort, I hope this won't deter you from participating up to the hilt in such programs. There is no place in this fight for timidity. Those who are timid will lose their shirts.

We are talking here of matters you can do something about. You have top-flight executives to head up your operating, engineering, financing, and other divisions. Since politics now is one of the most important, if not the most important activity that confronts you, is there any reason why you should not select a top official to handle this field as his primary responsibility? I do not believe you can leave this to an already overworked executive or to your lawyer. It requires full-time attention.

An advantage you have is your coverage. You operate in every State in the Union except Tennessee and Nebraska. I know of no other industry with this same advantage. You have responsible representatives in almost every congressional district who are, or should be, well acquained with local officials and opinion leaders.

One of your opposition groups has organized what it calls minutemen to work for its legislative objectives, many of which are designed to put you out of business. It would appear to me that you already have your minutemen. The question is, are you using them?

Talking with your Congressmen and Senators is a very important function. We are busy people, so never assume that we are fully informed on the subjects in which you are interested. If we are busy and tied up, talk to our administrative assistants. They will get the word to us. But do not be hesitant about coming to see us. Most of you do not come around often enough. Some come only when they want something. So long as your visits are informative and helpful, you cannot visit our offices in Washington too often.

To continue in this practical vein, you are not going to win issues or stave off disaster

without votes, and you do not have them now. Although the climate of opinion with regard to your industry in Washington has improved compared to earlier years, it has not improved enough to prevent your industry from losing ground. I must say you have been remarkably successful on the whole in Washington. And this, in spite of the fact that your industry has only a minority of stanch supporters in the Congress.

It will take votes to stop the trend. I am not suggesting that you run for political office or support candidates of one particular political party. But I do suggest you maintain a continuing interest in the philosophy of those who seek office.

Most legislators who continually support ideas and legislation that lead us nearer the welfare state would be highly indignant if accused of undermining our free-enterprise system. But their votes are the more detrimental because the result chisels away at our system of government a little at a time while pretending to support it.

So far we have not even touched on labor and I am sure you would not expect me to speak to you without mentioning the subject. Certainly it ties in with some of your problems that we have been discussing.

Some labor leaders and some of my colleagues consider me a labor-baiter. I am not. I defy the contention that any man in the labor movement or in Congress has any more concern for America's working men and women, both union and nonunion, than I have. My concern is for the worker. I fear some of my critics—those who parade as the champions of labor—are more concerned with the personal power of the labor boss and the influence he may have on their political fortunes than they are in the welfare of the worker.

I am not against the labor leader so long as he is the duly elected representative of labor and confines his activities to those things that concern the ones he represents. Where we part company is when the labor boss uses his position to defraud those he represents and to promote his own political ambitions.

As you know, I am a member of a select committee of the Senate—the McClellan committee—investigating labor-management affairs. Some of the things we have turned up are scandalous. Laboring people—members and nonmembers of organized labor—have been intimidated, beaten, and murdered. Money extracted from union members has been borrowed, never to be returned, or stolen outright. Union money has been used to elect or defeat candidates for public office. Criminals have held high office in labor organizations. Criminals, thugs, and other racketeers have used organized labor to force their will on employers and employees who wanted no part of them. Unfortunately, some employers have connived with unscrupulous labor leaders to sacrifice the welfare of the working people.

These things should be corrected by Federal law and yet as widely as these sickening atrocities have been publicized over the past 3 years, remedial legislation has yet to be enacted. You wonder why? The answer is very simple. The leaders of organized labor have become so politically powerful they are able to stop or to tone down proposed legislation to where it will not do the job.

Do not infer from what I have said that I think all leaders of organized labor are bad. Quite the contrary. The rotten apples we have dug out of the barrel comprise a very small percentage of those connected with labor. But the disturbing thing to me is that even upright leaders oppose corrective legislation because they are afraid it might infringe on their power.

Let any organization once acquire power, it will fight to keep it—that goes for either business or labor. There was a time in this country when business became too powerful politically. It abused that power to the extent that the people in righteous wrath clipped its wings. Now labor has reached the point where its powers must be controlled, otherwise we will soon be under a labor government, irrespective of what political party brand it may use for the purpose.

The State of Michigan has been taken over by labor through its control over the Democratic Party in that State. But labor is not satisfied with Michigan. It spent millions of dollars last year to influence elections in other States, including my State of Arizona, and overall it enjoyed an alarming degree of success.

Now where does all of this fit in with electric company problems? Organized labor should have no specific interest in promoting government power. Its interest really should be with the electric companies. You furnish 85 or 90 percent of union members with their personal power requirements, to say nothing of the power they use on their jobs to increase their productivity. I understand the unions representing your employees have publicly opposed any expansion of government power—Federal, State, or local. They have found their members fare much better under company ownership and operation than they do under government.

One would think with this being the case, other unions not directly connected with the electric power industry would take the same position. But they have not. They oppose the things that might benefit workers in your industry and support all types of government power. They do this in their publications and before committees of Congress.

Why do they? Obviously this stand fits into the general pattern of seeking political favor by seeming to give people something for nothing. Too often people seeking power are willing to cast principle aside in the interest of political expediency.

Government power is paraded as giving something to the people as their due. It matters not that the majority have to pay for it through taxation to give to a minority.

This giveaway theory is bait for votes. There is nothing new in it. It was used in ancient times and it is being used today. Votes win elections. If union leaders can influence election of public officials, they build up their own political power and that is their objective. If you have to be sacrificed in the scramble, that's it.

These are among the reasons why it is so important for us to redefine and restate our values. We can do this and we must if we are to survive.

Where have we fallen down? Why is it that conservatism—belief in the ultimate importance of the individual human being—or free enterprise—call it what you will—finds itself on thin ice today? It is not that our principles have failed, but rather that we have failed to translate them and make them meaningful in terms of today's problems. As certainly as we sit here today, if we don't find the answer to this, we won't be here tomorrow and there won't be any private electric companies.

The core of this problem, it seems to me, is to decide, and to help people decide, where to draw the line on what the Government should do and should not do. The answer is not to have the Government do nothing, but to have the Government do the right thing.

One thing we have failed to point out convincingly is that Government programs are always directed at the group and tend to submerge the individual. Yet when we lose sight of the individual we destroy all the important values we cherish.

We only have to look around us to see how far we have gone in this respect—growth of conformity, the decline of individual incentive, the search for security at all costs—these things are everywhere.

The philosophy of some leading labor officials is the perfect example of what happens when the individual is lost sight of in the search for security for the group. Labor has directed its attention at getting the most benefits, the most security for its group, and within its own framework has deprived the individual of liberty, freedom, and individuality. Where laws permit, the laboring man is deprived of his right to work unless he joins a union In many unions he has no control over his union dues and is often deprived of the right to elect his own officers. He is deprived of recourse to law and justice through fear of brutality from union leaders. Often he is deprived of his right to feed his family when ordered out on strike, no matter how hard pressed he might be financially and irrespective of his individual desires.

It becomes urgent for us, therefore, to swing the focus of attention back to the individual as an individual.

Obviously we cannot lose sight of the material needs of people, but until we rediscover the individual, we will not make progress. Government cannot be a friend of the people if it ignores the individual.

Where, then, do we draw the line between government doing things for all the people and the individual doing things for himself? It seems to me this administration has developed at least one standard to guide us: namely, if people can do something for themselves, then there is no need for government to do it.

Now the electric power field is one clear-cut area in which this line can be drawn. You know as well as I do that there is no need for the Government to assume a full and complete utility responsibility. Here, without question, people themselves are able to supply the Nation's electric power needs.

This is where your interests merge with national policy and this is where your most vital problem of communication lies. And this is why it is important that you continue to exist within the framework of free enterprise, not because you are free enterprise, but because you are not government.

As long as you are not government you still stand for those values which place the individual first, which offer him the greatest opportunity for material and intellectual growth and, consequently, the most freedom and progress. Government cannot do this.

If at times I have given you cause for pessimism, don't think for one minute that I am pessimistic. In what I have been outlining I see hope for the conservative cause. We know with unshakable certainty that what we believe in is good. The pseudoliberals, who argue continually for greater government responsibility, have nothing to offer except more and more government. This is the only road they can take if they remain true to their philosophy. The ultimate result of this course is so obvious it needs no elaboration.

We conservatives, on the other hand, offer the only opportunity to go forward. Our beliefs are founded on proven values—values which have never failed in the past. Conservatism is based on the belief that only to the extent the individual's whole personality is developed to its ultimate potential can society advance in the best interests of all the people. The reason I am optimistic is because I know that what we stand for is sound. Let us never weaken in this belief.

The Hope for Housing

EXTENSION OF REMARKS
OF

HON. WILLIAM S. MOORHEAD
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1959

Mr. MOORHEAD. Mr. Speaker, soon on the floor we will be debating the omnibus housing bill, a piece of legislation with great impact upon those expanding urban areas in which 70 percent of our national population now lives.

It was a most fortunate coincidence, therefore, that the April issue of the Progressive magazine published an article by Senator JOSEPH S. CLARK, of Pennsylvania, entitled "The Hope for Housing."

If we were to search both of these great legislative bodies, it would be difficult to find a Member with greater interest in and knowledge of the problems of our urban areas, particularly in the field of housing, than Senator CLARK. He began this interest as mayor of Philadelphia and continues it as the senior Senator from Pennsylvania.

In his article, Senator CLARK tells precisely why we have not carried out the adequate housing goals enunciated as a matter of national policy in 1949, and lists the steps which must be taken if housing and urban renewal are to proceed in a manner befitting the future of our great cities.

Therefore, Mr. Speaker, pursuant to permission granted, I insert in the RECORD this well-conceived and effectively executed article:

THE HOPE FOR HOUSING

(By Senator JOSEPH S. CLARK)

A decade ago, in the Housing Act of 1949, the Congress wrote a declaration of national housing policy which said, in part: "The general welfare and security of the Nation * * * require * * * the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family." Ten years later this statement could hardly be improved. The only trouble is that, as an expression of our national policy today, it is a dead letter.

What the 1949 language suggests is a simple and logical procedure. First count our families. Then project population growth. Then count the number of decent homes in good environments. Then subtract. The remainder is the number of homes needed. With that as a goal, adopt a program for reaching it. Simple and logical, yes; but perhaps too much so—because that is not the way our national housing policy is made today.

If we were to follow through on this arithmetic, this is what we would find:

The number of substandard housing units, according to the Census Bureau's 1956 inventory of housing, is 13 million—24 percent of a total inventory of 55 million. Of the remaining 76 percent, not all are "in a suitable living environment"; but for purposes of our calculation that factor can perhaps be disregarded. We know, then, our backlog of need.

Meanwhile, our population is increasing. We need close to 1 million additional homes a year just to take care of new families. Approximately 300,000 more are required annually to make up for houses which are burned or bulldozed to make way for new highways or cleared for urban renewal or otherwise lost to the housing inventory.

The net of all this is that we need 1,300,000 homes a year just to hold our own. To make any substantial dent in our backlog of 13 million substandard homes would require a building rate in the neighborhood of 2 million new homes a year.

Figures such as these have never been reached in the history of American homebuilding. Only twice has the rockbottom replacement level of 1,300,000 new units been achieved—in 1950 and 1955. Last year, with the stimulus of the antirecession Emergency Housing Act, 1,200,000 units were built. The rest of the time it has been a struggle to stay above 1 million.

No wonder that mayor after mayor who has appeared before the Senate Housing Subcommittee has testified that we are not gaining ground in our fight against slums; we are losing ground.

Are those responsible for executing our national housing policies looking hard at these figures? Are they mulling them over and devising programs which will raise the production of housing in America from 1,200,000 units up toward 2,000,000?

Not at all. They do not even think in such terms. To put it bluntly, whereas the 1949 law talked of homes for families, what is talked of these days is the budget, the preservation of the status quo (which is usually referred to as free enterprise despite the massive governmental intervention through the Federal Housing Administration and the Federal National Mortgage Association), and the limits of what is acceptable to the housing industry—especially that part of the industry which lends on housing. The people who live in housing are incidental.

If we ask, what are the needs, who are the families who are ill-housed, the answer comes: the low and lower-middle income groups, and most of all our minority group families. If we start from there, then we must devise government programs which, using the channels of private enterprise wherever possible, would bring decent housing within the reach of the families who need it.

Because need has not been our guiding consideration, our governmental housing programs have become badly skewed in favor of the upper-income groups. On the one hand, the FHA-FNMA complex, which insures mortgages on suburban homes for those who can afford them, is flourishing. At the other end of the scale, the public housing program, which serves the lowest income groups, has slowed to a trickle. And there is no effective program for the families in between.

I belong to an old-fashioned school of thought which holds that the Government should concern itself first of all with those least able to help themselves. I have no objection to helping the well off through FHA and FNMA, so long as we do not ignore the housing needs of those who are less well off. But in the past 6 years, this conception of Government has been inverted. In the case of housing, the administration's bill this year would have completed the inversion: it proposed to remove the ceiling on the volume of loans which FHA might guarantee, and to push the services of FHA even higher into the upper-bracket income groups by raising the individual mortgage limit to $25,000. At the same time, it proposed to administer the final blow to the one program which builds houses for low-income families—the public housing program.

The Senate, happily, paid little attention to the administration bill. We wrote our own bill, which gives public housing another 1-year lease on life. This is a degree of progress. But without Presidential leadership, it is at least unlikely—and probably impossible—for the Congress to go much further in bringing balance to our present housing programs so that they serve all income groups equally.

If we could achieve such balance, and thus broaden the housing market, we could approach the 2 million-a-year rate of building that is called for by the measurement of need. Otherwise, we will live with our slums as far ahead as population data can be projected.

Suppose we approach the problem from another viewpoint: the future of the central city.

The slum problem of the cities is broader than just the problem of slum housing. In many cities, the most blighted areas are those with dilapidated commercial and industrial structures which stand on valuable land and drag down the economy of the entire area. As blight—both residential and commercial—spreads, the tax base of the central city declines in relation to the need for services. Then the services themselves decline. Wealth and leadership flee to the suburbs. A vicious circle is set in motion, and the very life of the central city is threatened.

Obviously, in the national interest, our central cities cannot be abandoned to decay. Even if we want to, it is physically impossible for us all to escape to the suburbs and take our offices and businesses with us. The balance wheel of the urban economy and its social and cultural life will always be the central city. A rational pattern of metropolitan growth is simply impossible without assigning the highest priority to the development of the core city, commercially, industrially, and culturally as well as residentially.

Fortunately, the ingenuity of legislators has devised the means to make that possible. That means is urban renewal, and almost 400 cities in 44 States and Territories now have projects under way. These cities are of all sizes; one-third have a population under 25,000.

Urban renewal is tedious and complex in execution, but its principle is simple. Blighted areas are replanned to provide for better uses and a higher tax base. The city buys the land, clears it of structures which cannot be restored, and sells it to developers. The difference between the cost to the city and the usually lower sale price is financed by Federal and local subsidies, the Federal Government paying two-thirds. If no Federal subsidy is needed, as in the case of Pittsburgh's Golden Triangle, there is no need for Federal participation. But there are few Golden Triangles.

An important aspect of the program is the rehabilitation of existing structures—in so-called gray areas—that are on their way to becoming unsafe or unsanitary and which can be saved as decent housing by the expenditure of a little private money. Here, the Federal assistance is mainly to help defray the costs of public improvements that serve the renewal area.

Urban renewal works. Blight has been cleared. New buildings have risen. Private investment has taken place which could have been stimulated in no other way. Urban tax bases have been improved. For the first time cities can take hope that blight can be conquered, slums can be cleared. The light at the end of the tunnel is faintly visible at last.

But, to reverse a metaphor, the silver lining seems to have its cloud. That cloud is housing. In itself, clearing of slums does not build houses for the slum dwellers. In itself, urban renewal cannot solve the housing problem. In some respects, indeed, it

intensifies the problem. The urban renewal law contains, quite properly, a provision that a project may not proceed unless decent, safe, and sanitary housing is available for the persons displaced.

What happens in the case of a typical city is this:

The urban renewal planners, initially, carve out a relatively modest project as a community experiment. The existing vacancy rate in private housing, and the turnover in public housing, are sufficient to take care of the families displaced. The project proceeds. Presently, cleared land replaces slum, and, shortly afterward, bright new buildings rise.

The impact on the community is immense. The pilot project has served its purpose. It has fired the imagination of the civic leaders. It has united conservatives and liberals, Republicans and Democrats, management and labor, behind the inspiring goals of rebuilding their community. These leaders, in turn, spur the planners to lay out a truly ambitious program. Together, they map boundaries for new projects, they count the families to be displaced, and then run abruptly into a cold stone wall: where do they put the families?

Sometimes a city will not encounter the wall on its second project, or even its third, but the logic of the statistics is inexorable. Sooner or later, before they have bitten very deeply into the slum problem, most cities will find that urban renewal itself will be blocked unless low-income housing is provided.

The figures show that half of the families displaced by urban renewal are of the lowest income level—the lowest sixth, who are within the income limits of public housing. Of the remaining half, a large proportion are just above the public housing level. Some will disappear during the relocation process and leave no trace. Some can be absorbed by the other slums in the community. A few will get trickle-down housing from persons moving to the suburbs. But beyond that, the only feasible way to bring into balance the need and the availability of low-rent housing is to achieve a major acceleration of the public housing program.

And yet the Eisenhower administration has chosen this particular moment to recommend that what remains of the present de-vitalized public housing program be laid to rest.

Perhaps there is more consistency to the administration's program, however, than meets the eye. The President also has proposed that the urban renewal program itself be held back. He asked $250 million a year in Federal funds to cover applications beginning at the rate of $500 million and going up. He also recommended that the Federal share be reduced gradually from two-thirds to one-half.

If we have less urban renewal, of course, we will need less public housing. We will, instead, retain our slums and congratulate ourselves upon the "soundness" of our fiscal policies.

It is ironic to recall, once more, that the authors of the Housing Act of 1949 were Senators Wagner, Ellender, and Taft—and that the last of these is none other than the man who lost the Republican nomination in 1952 because he was considered too conservative.

Where do we go from here?

I suppose we must start from the assumption that we can't go anywhere much until 1961. Even the modest bill the Senate has passed is being greeted with rumblings about a veto. Clearly, any measure truly geared to eradicating slums and rehousing slum families would never get across the White House threshold. But what should be the elements of a housing program for 1961? I believe it should have four:

1. Upper-income housing. For families above the median in income, the present FHA–VA–FNMA programs are relatively adequate. FHA has done far better, however, in promoting suburban sales housing than urban rental housing. Some of the improvements needed can be accomplished, I am sure, through administrative regulations; beyond that, legislation may be useful. A constructive proposal has been presented to establish a central mortgage facility to stabilize the flow of mortgage funds. Other recommended measures would extend the insurance principle to some loans now made on conventional terms and facilitate the trading of old houses for new. All these should be considered.

The various branches of the housing industry will present, as they have each year, proposals to bring the Government further into the job of assisting building for the upper and upper-middle income groups. These should be sympathetically considered, on the principle that whatever accelerates the building of homes for any income group increases the total housing inventory. But this is the easier part of the job of legislators; the hard part is devising measures that will work for the lower-income groups for whom the housing industry as now organized does not speak.

2. Middle-income housing: For housing purposes, middle-income (or moderate-income) families are defined as those whose incomes are too high to permit them to be admitted to public housing projects, and too low to be able to afford new privately built housing—the exact income limits varying from one market to another, as both incomes and housing costs vary. This gap between the top of public housing and the bottom of the private market was not an unknown factor at the time of the passage of the Housing Act of 1949. But the problem was held in abeyance until 1950, when a solution in the form of long-term loans, with interest rates set at the cost of money to the Government, came within five votes of adoption by the Senate. The bill has been introduced in subsequent years, with modifications, by former Senator Herbert Lehman and by myself, but has not been brought to a vote on the Senate floor. The problem, however, is still with us—increasingly so as urban renewal proceeds and the Federal highway program bulldozes its way into the core cities, displacing families by the thousands.

3. Low-income housing: In 1949, Senator Taft and his colleagues estimated that one-tenth of the need for new housing should be met each year through public housing. Accordingly, they authorized 135,000 units a year. Given the current need projection this rate would be raised to 200,000. Not even the 135,000 has been approached, but there is no reason to believe the need is any less than estimated a decade ago.

The difficulty with public housing appears to be twofold: apathy or antipathy in the cities and gradual strangulation by hostile Federal administration. Both can be cured, to a large extent, by certain changes in the program: decentralization of management decisions, the use of existing housing and scattered units in lieu of large institutionalized projects, and the raising of income limits so that public housing is not confined exclusively to problem families. Important steps in this direction are written into the housing bill approved this year by the Senate.

4. Urban renewal. The urban renewal program also needs both improvement and expansion. To keep up with the current rate of applications would require an annual Federal authorization of $500 million. Personally, I would prefer $600 million, to allow room for the participation of additional cities and the acceleration of the program, and to authorize this rate for a long-term period, so that cities can plan ahead—say, 10 years. The Senate bill represents a good compromise, however, for this year. It allows an authorization of up to $500 million a year for slightly more than 4 years, if applications are filed at that rate.

Many improvements are needed to provide flexibility, to cut the long period between the conception of a project and its execution, and to adapt the program to industrial and commercial as well as residential areas—changes too technical to be enumerated here. Again, the Senate bill points the way forward, with further changes in order from year to year as experience accumulates.

The case for urban America is briefly summarized: nearly 70 percent of our people live in metropolitan areas, and the proportion continues to grow. As an urban nation, our national ability to govern ourselves and solve our problems is being tested in the cities. Many basic tools are at hand. Others can readily be fashioned. National purpose and will are also present. The need remains only for enlightened and courageous leadership.

The Townsend Plan for National Insurance

EXTENSION OF REMARKS

OF

HON. FRED MARSHALL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 10, 1959

Mr. MARSHALL. Mr. Speaker, I take this opportunity to pay tribute to the dedicated people all over America who are joined with the Townsend plan for national insurance in working for a decent standard of living for our older citizens. Their headquarters is just a few blocks from this Capitol and most of us here are familiar with the fine services this office performs.

In the decade I have been privileged to serve my district in the Congress, I have come to respect the faithful and tireless service this organization performs solely in behalf of the elderly citizens of our country. It has undertaken this worthy effort on a national level and deserves our commendation for the leadership it has provided. It has always been in the forefront of efforts to attain a realistic program of security for retired workers and continues to assert this leadership at a time when the problem is of growing consequence.

As a farmer and as a representative of a great agricultural area, it is natural that I should think of this legislation in terms of farm families. The serious decline in farm income and the natural hazards of agriculture make it difficult for farm families to provide for retirement. Yet, farmers were among the last to be covered under the Social Security Act and many today can qualify for only the minimum benefits. As self-employed persons, a distressing number of farmers operate at marginal levels and will therefore continue to qualify for

the minimum or near-minimum benefits.

We certainly can agree that farmers contributing to any such program should be treated as equals of other workers and self-employed. They deserve the same opportunity to maintain a decent standard of living upon retirement from active farm operation.

Farmers have another stake in a realistic program of security for old age inasmuch as food is the basic requirement of every human being and retired workers remain the customers of agriculture. As the number of retired persons grows, it is important that their purchasing power be maintained at the level of decent comfort and adequate diet. Our interest in the retired worker, however, is not primarily economic, but humanitarian. In the midst of our abundance, we cannot permit a whole segment of our society to exist at subsistence levels after they have contributed their most productive years to our growth.

Because they are genuinely concerned with this problem and are dedicated to its solution, I welcome representatives of the Townsend organization to my office. In fact, in the 10 years I have been privileged to serve in this legislative body, the Townsend group have been the only organization to come to my office to express concern over the problems of the aged, those senior citizens of ours who have contributed so much to building our great country.

We respectfully suggest that all who share this concern devote some time to considering the purposes of H.R. 4000 and the goal it envisions. We are all too familiar with the inadequacies and the inequities of the present social security program and know that we must move forward with realistic programs if we are to meet the challenge now upon us.

Minshall Opinion Poll Shows 23d District Ohio Supports President's Defense Budget, Berlin Stand

EXTENSION OF REMARKS
OF
HON. WILLIAM E. MINSHALL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. MINSHALL. Mr. Speaker, tabulation is complete on the fifth annual Minshall opinion poll. This poll went to the home of every registered voter in the 23d district, 108,000 homes in all. Response was truly remarkable: more than 20,000 questionnaires were completed and returned.

Mailing of the poll was timed so that a sampling of opinion was possible before and after President Eisenhower's televised speech on the Berlin crisis and his defense budget. Prespeech returns showed 75.5 percent support of his Berlin stand; postspeech returns showed that support had risen to 77 percent. Before the President's speech, returns indicated 61.8 percent were satisfied that the defense program is adequate; after the speech, the total reached 63.5 percent.

Both foreign aid and Federal aid to school construction slipped in the voter's favor. Foreign aid support dropped from 50 percent in 1958 to 48.5 percent this year. Support of Federal school aid fell off from last year's 45 percent to a mere 36.8 percent.

Many of the returns carried marginal comments in which the voters further amplified their views both on national issues and on their own individual problems with the Federal Government. They were very nearly unanimous in calling for sensible economy in Federal spending; many, in particular, deplored the huge farm subsidies doled out under our antiquated agricultural laws.

The results of the poll follow:

Results of 1959 Minshall opinion poll

	Yes	No	No opinion
1. If the fiscal 1960 budget is not balanced, would you favor increasing taxes to eliminate the deficit?	34.4	60.6	5.0
2. Do you favor a higher Federal gasoline tax to maintain a pay-as-you-go basis in Federal-aid highway construction?	48.8	47.9	3.3
3. From information available, do you believe this country's defense program is adequate?	62.5	22.2	15.3
4. Do you favor Federal aid for local school construction?	36.8	58.0	5.2
5. Are you in favor of amending the Social Security Act to include all medical expenses, the financing to be shared by the employers and employees?	37.4	56.9	5.7
6. Do you favor repeal of that section of the Taft-Hartley Act which presently permits States to enact their own right-to-work laws?	22.3	69.2	8.5
7. Should the cost of air passenger terminals be paid by the airlines rather than from Federal-local funds as at present?	75.1	16.9	8.0
8. Do you believe we should continue our foreign aid program which calls for expenditures of $3,200,000,000 in military and economic assistance during fiscal 1960?	48.5	46.8	4.7
9. In case of a blockade, do you believe we should employ military force to maintain our position in Berlin?	76.1	13.3	10.6
10. Do you favor repeal of the 22d amendment, which limits the Presidency to 2 terms?	25.1	69.3	5.6
11. Do you favor expansion of public power against private power (for example, TVA)?	25.1	65.4	9.5
12. Are you in favor of stronger civil rights legislation?	39.0	40.5	20.5
13. Do you favor removing the Federal Government's present regulatory control over prices producers can charge for natural gas?	18.3	70.9	10.8
14. Are you in favor of a law guaranteeing union members the secret ballot in the election or removal of union officials, and in other vital union matters?	91.4	5.2	3.4

Special Citation Awarded to Two Steamship Companies

EXTENSION OF REMARKS
OF
HON. EDWARD A. GARMATZ
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. GARMATZ. Mr. Speaker, because of their significance and satisfactory performance in the interest of the general public, it is gratifying to have recognition given to the Marven Steamship Co.—formerly the Ore Navigation Corp.—and the Calmar Steamship Co. for attaining highest rating in vessel sanitation after the closest inspection by our Government authorities. These companies have just been awarded the special citations of the Public Health Service, after approval of the recommendations of inspectors by Joseph B. O'Connor, Regional Director of the Department of Health, Education, and Welfare for New York, Pennsylvania, New Jersey, and Delaware.

Harry W. Warley, who has over a lengthy period distinguished himself in maritime affairs of our Nation, is the president of both companies, and received the awards.

The special citations were given because each of the 9 ships of the Marven Steamship Co., and each of the 12 ships of the Calmar Steamship Co. achieved a rating of 95 or better on official Public Health Service inspections in which 166 separate items of sanitary construction and maintenance were involved. Our citizens in large numbers, who have had contact with President Warley and with representatives of the two companies in question, will approve of these awards, which have been justified by lengthy satisfactory service

The Marven Co. has earned the award for the third consecutive year, while the Calmar Corp. is now being cited for the second successive year. Both concerns transport valuable products to Bethlehem Steel Co., and their ships transport lumber from west coast ports in connection with their return voyages.

Americans have reason to be proud of the performance of these companies, which have given encouragement to steamship operators in different parts of the country.

The Al Sarena Case: A Log-Rolling Mine Gathers No Gold

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. PORTER. Mr. Speaker, the other day in reading through the interesting hearings on the Department of the Interior and related agencies appropriations for 1960 I came across an enlightening exchange between my able and distinguished friend, the gentleman from Ohio

[Mr. KIRWAN] who is, of course, chairman of the appropriations subcommittee, and the director of the Bureau of Land Management of the Department of the Interior, Mr. Edward Woozley. You will no doubt remember that the famous Al Serena case developed in the Fourth Congressional District of Oregon and was one of the important issues in the campaign which resulted in my election to the 85th Congress. Under leave to extend my remarks I am inserting the following brief, but delightful, exchange between the chairman and the witness:

AL SARENA CASE

Mr. KIRWAN. Maybe one of you could enlighten me on this point. Did they ever discover those minerals that we gave Al Serena with all of that timber?

Mr. WOOZLEY. I think the minerals were discovered, but whether or not they are operating is a question. Gold prices are not too conducive to mining, and they have not been since 1934, as you know.

Mr. KIRWAN. They are not mining. This reminds me of a story Bob Burns, the comedian, once told about his uncle.

It took him 3 years to chisel a huge boulder out of the mountain overlooking Van Buren. He finally chiseled it away and the boulder rolled down the mountainside and destroyed every building in its path. They followed the boulder and when they got up to it to examine it carefully, his uncle said, "Just as I thought, no moss."

The same seems to be true of that mineral lease given to Al Sarena. After he removed thousands of dollars worth of timber, he found no minerals.

Mr. WOOZLEY. The timber is on a national forest.

Mr. KIRWAN. I am glad you mentioned that. It was, but, of course, it is now private land, thanks to the approval of the mineral claim given by the Interior Department.

Opinions From Columbus and Franklin County, Ohio

EXTENSION OF REMARKS
OF
HON. SAMUEL L. DEVINE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. DEVINE. Mr. Speaker, on March 9, 1959, I sent a newsletter and questionnaire to a cross-section of 1,000 persons in the 12th District of Ohio. The response was amazing. After 30 days 405 persons have answered. I feel this clearly demonstrates the keen interest the citizens of central Ohio have in the affairs of their Government.

Further, the overwhelming majority of responses contained studied comments, suggestions, and opinions relative to the matters we face here in Congress. I plan to retain these answers for some period of time, and any Member of Congress who wishes to examine them is most welcome.

In response to the question, "Do you favor a balanced Federal budget and reduced Federal assistance programs rather than additional public debt?" Ninety-one percent said yes, four percent said no, and five percent were undecided.

The results on the fair trade bill were not nearly as conclusive since 31 percent favored it, 46 percent were opposed and a large 23 percent undecided.

On the issue of Federal aid to education concerning Federal grants to schools for construction and teachers' salaries, 33 percent favored, 61 percent opposed, and 6 percent were undecided.

The omnibus housing bill relating to Federal grants and loans for urban redevelopment, public housing, college housing loans and other programs brought a favorable response from only 26 percent. Fifty-six percent opposed the legislation and 18 percent were undecided.

Thirty-five percent of the people answering were in favor of increasing the Federal gasoline tax from 3 to 4½ cents per gallon for the highway trust fund. Fifty-two percent opposed a gasoline tax increase and fifteen percent undecided.

On legislation aimed at elimination of corruption in labor unions, specifically such bills as Kennedy, Goldwater, and McClellan to require unions to submit reports on activities, hold secret ballot elections for officers, and other provisions, 94 percent favored such legislation, 3 percent were opposed, and 3 percent undecided.

The above figures express the views of a small segment of the population in Columbus and Franklin County, Ohio, and perhaps other areas in the great Midwest.

Due to the tremendous response and interest in central Ohio, I have mailed out another newsletter and questionnaire on March 30, with seven questions directed to the mutual security program that now faces Congress. The mailing list has been more than doubled due to the number of persons who have written asking that their names be added. I hope to give the Members of Congress the benefit of that poll on May 1. The results on incomplete returns to date are surprising.

Restoring the Integrity of REA

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. BRADEMAS. Mr. Speaker, many of the farm people of Indiana, including thousands of the citizens I have the honor to represent who live in LaPorte and Marshall Counties, depend for their electricity on the Rural Electric Membership Corporations, the REMCs.

The Rural Electrification Administration program has for many years contributed enormously to American life by bringing the blessings of electricity to the farm families of our country and by stimulating the business and industry which produces and sells the appliances, machinery and equipment needed by REA users.

Unfortunately, the rural electric systems of Indiana have been under severe attack by both the Handley administration in Indianapolis and the Eisenhower administration in Washington.

Yesterday the House of Representatives, by a margin of nearly 2 to 1, voted to uphold the integrity of the REA program by restoring to the Rural Electrification Administrator sole authority to pass on rural power and telephone loans. The bill, which has also been passed by a similar margin in the Senate, would thus reaffirm the original intent of Congress that the Administrator of REA, who is appointed to office for a term of 10 years, should be free from political influence. Since 1953, however, the Secretary of Agriculture has had the last word on the approval or disapproval of loans over $500,000.

During the 1958 campaign I stated my conviction that the REMCs should be permitted to operate without having to engage constantly in political and legislative battles merely to defend their right to exist. REMCs are nonpartisan and should be permitted to remain that way. This is the reason I was glad yesterday to join with the great majority of my colleagues in Congress in voting to restore to the Administrator of REA the full authority to pass on loans independant from the control of the Secretary of Agriculture.

Mr. Speaker, with the passage of this legislation rural America can again have confidence in the integrity of the loan procedures of the Rural Electrification Administration, and the farm families of Indiana and the Nation who use REA can continue to enjoy the benefits of modern electric service.

A Tribute to a Great American

EXTENSION OF REMARKS
OF
HON. ROBERT W. KASTENMEIER
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. KASTENMEIER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I wish to announce that it is with pride and sorrow that I rise, in the name of my Wisconsin constituency, to pay tribute to a great American, Frank Lloyd Wright, who passed away in a hospital in Phoenix, Ariz., early yesterday morning, April 9—just 2 months short of his 90th birthday.

And this great American, who lived just 10 miles west of my congressional district in Wisconsin, in a once obscure place he named Taliesin, even in the last days of the broad expanse of his life remained provocatively controversial and magnificently creative. He will best be remembered for having lifted American

architecture from the status of a craft to a fine art, but to Mr. Wright architecture was even more fundamental and meaningful; it was a way of life, a philosophy.

Frank Lloyd Wright was a man of unrivaled achievements in the field of architecture. Magnificent at once as an engineer and as an artist, he has left his monuments in stone and steel, in wood and concrete, and glass and plastic, in globe-girdling profusion.

Characteristic of the man was his daring conception of the plan for the Imperial Hotel in Tokyo, in 1915. Required to design an earthquake-proof building for a region noted for its frequent and severe earthquakes, he discarded the ancient reliance upon rock for solidity, knowing that it is in the rock itself that the earthquake takes place, and built the hotel like a huge Noah's Ark, not supported on anything solid, but floating upon soft mud, and held together internally by cantilevered floors and concrete supports.

The building was completed and opened for use in 1922, and in 1923 triumphantly survived, undamaged, the extreme test of the great earthquake of that year, one of the worst earthquakes in Japanese history. It was the only major building to withstand that upheaval, and many a correspondent wrote in awed tones of seeing its mass looming above a waste of rubble.

But that is one of his ideas, one of his buildings. He spouted ideas like a fountain, and strewed buildings behind him in his career as a child strews toys. But varied as these buildings are, each suited to its surroundings, meeting its special engineering problems, fulfilling the needs and desires of its owner, and expressing the resolute independence of the architect—yet there is a core of unity informing all this sparkling variety.

Everywhere, and all the time, Frank Lloyd Wright was the exponent of a philosophy of architecture that combined functionalism with what may be called naturalism. His effort was always to make his building seem to grow out of the earth like a tree or a bush, to loom like a rocky cliff or to curve like a lily; but at the same time to suit his building to its function as strictly as a machine. A similar suiting of building to its surroundings and function appears in the apparent inconsistency with which Wright, the most spectacular free-spender in the history of architecture, devoted himself and his Taliesin Fellowship to the problem of constructing medium-sized homes at a moderate cost and with the least expenditure of material and labor, at the same time retaining artistic excellence. A lavish expenditure of wealth he found suitable to the display of spectacular beauty that a rich man might desire for his estate—but for the man of moderate means he was intent on securing an equal beauty at a pared-to-the-bone cost.

A "rebellious old gentleman," they called him. He was indeed rebellious. He rebelled against hidebound conservatism, and equally against doctrinaire modernism. He was wise and witty, fierce and furious, warm with human sympathy, delight, ambition, energy, and a passion for truth and justice. His name will be honored for centuries in the history of architecture.

He had won international eminence long before some of us in the House of Representatives were born, but his contributions, his genius and the spirit of his personality will live forever. Indeed, he leaves this earth uniquely—already memorialized by his own monuments. We and the generations to come will long remain in his debt.

Uniform Milk Sanitation Code Needed for Nation

EXTENSION OF REMARKS
OF
HON. HENRY S. REUSS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. REUSS. Mr. Speaker, it would be difficult, if not impossible, to conduct the business of the House of Representatives under one set of rules on Monday, a second code on Tuesday, and still a different procedure on Wednesday. Confusion and chaos would be the inevitable result, and it would not be long before every Member demanded the adoption of a single body of rules to cover every session.

Fortunately, we have but one set of rules. But the example illustrates the confusion that exists today in the American dairy industry. Although it is quite feasible for a dairy to ship milk anywhere in the country, such commerce is hampered by the myriad of conflicting State and city milk sanitation codes that have developed through the years.

It is not unheard of, for instance, for the manager of a Wisconsin dairy to have to be under 10 different sanitation codes. Far from seeking to improve health standards, many local sanitation codes exist to restrict competition from outside dairies. Such codes are actually trade barriers in the disguise of sanitation standards—and nothing more.

So to the confusion and waste that result from the current pattern of multiple standards is added the curse of monopolistic trade practices and the higher consumer costs they create.

The remedy for these dairy industry ills is, quite obviously, a uniform national standard for milk sanitation. To accomplish this goal, my distinguished colleague from Wisconsin, LESTER JOHNSON, has developed and introduced H.R. 3840 which would establish the U.S. Milk Ordnance and Code as the single standard for fluid milk and fluid milk products shipped in interstate commerce. I am proud to have cosponsored this measure.

In addition, H.R. 3840 will topple the restrictive trade barriers that have grown up as the result of the multiplicity of State and local codes and thus allow all the milk-consuming public to purchase first quality milk at reasonable prices. Adoption of a uniform national standard will simplify sanitation code enforcement and compliance, and that means savings to taxpayers, farmers, and consumers.

Mr. Speaker, both farmer and consumer stand to gain much by the passage of this bill to set a uniform, national standard for milk sanitation. I hope that the House will act on H.R. 3840 quickly and favorably.

Keeping the Peace in Berlin

EXTENSION OF REMARKS
OF
HON. LEONARD G. WOLF
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Friday, April 10, 1959

Mr. WOLF. Mr. Speaker, with nine of my colleagues in the House of Representatives, Congressmen Carter, Clark, Meyer, Clement Miller, Porter, Reuss, George Rhodes, Byron Johnson, Rivers, and six colleagues in the British Parliament, Attlee, Davies, Foster, Henderson, Pitman, and Reeves, I have joined in a proposal which I believe is quite suggestive. Its purpose is not to foreclose thought on the Berlin issue but to open possible ways that the United Nations and the United Nations police force could be used in keeping the peace.

It should not be forgotten that the United Nations was formed to keep the peace and to help in the settlement of international disputes. This is the aim of the United Nations and we must afford it an opportunity to function in accordance with the aim that it was assigned by the sovereign states of this world.

The proposal, as released jointly on Thursday, April 9, is as follows:

1. We believe that the problem of Berlin offers another opportunity for utilizing the U.N. through the establishment of a U.N. police force.

2. A first step would be the appointment of a U.N. commander for the present Allied Kommandatura. This would require the consent of the U.S.S.R., which should be invited to resume its membership of the Kommandatura.

3. We propose that the whole of Berlin should come under U.N. responsibility and this would involve removal of the seat of government of the East German Government away from Pankow—to somewhere outside the confines of Berlin.

4. A further stage would be the gradual replacement of the units of the four occupying powers, as the new U.N. force built up around the figure of the U.N. commander. The transfer of power to U.N. could thus be a gradual process, in which all parties could see how the transfer was progressing before proceeding to the next step.

5. We consider that the U.N. force could be more effective if it is commanded and paid, and directly and individually recruited, by the U.N. from a wide range of nations. If this is not practicable, then it could, as in UNEF, be composed of national con-

tingents, drawn from countries other than the occupying powers. In the view of the group, the system of national contingents of seconded personnel adopted in UNEF, NATO, and Warsaw Pact, have shown that there is no real integration by that method, and that national sovereignty—the right to be judge and jury in your own cause—is still unimpaired.

6. The financial requirements for the establishment and maintenance of the proposed police force should be guaranteed for at least 5 years in advance.

7. We believe the opportunity offered by Berlin for a practical experiment in building up a force acceptable to both NATO and Warsaw Pact countries in a location strategically placed between the two camps, could be not only immensely valuable as a solution for the Berlin problem but also as a contribution to the eventual coming together of East and West Germany.

The idea of use of the United Nations Police Force is not a new one. The United States and this Congress has always supported the use of a U.N. Police Force either in the form of an observer group or as an actual police force. In the past, we have taken the initiative in formulating various plans that would have the effect of fostering such developments. For example, in the fall of 1958, the United States proposed to the General Assembly, the creation of a United Nations Peace Force. President Eisenhower stated to the General Assembly on August 13, 1958, the following:

The countries of this area (the Middle East) should also be freed from armed pressure and infiltration coming across their borders. When such interference threatens, they should be able to get from the United Nations prompt and effective action to help safeguard their independence. This requires that adequate machinery be available to make the United Nations presence manifest in the area of trouble.

Therefore I believe that this Assembly should take action looking toward the creation of a standby United Nations Peace Force. The need for such a force is being clearly demonstrated by recent events involving imminent danger to the integrity of two of our members.

I understand that this subject is to be discussed at the 13th General Assembly and that our distinguished Secretary-General has taken an initiative in this matter. Recent events clearly demonstrate that this is a matter for urgent and positive action.

Elaborating on the President's proposal, Secretary of State Dulles outlined the possible structure of such force to the Assembly on September 18, 1958:

The United States suggests the following points for consideration:

1. We conceive of the peace force not as a combat force, but rather as a group that would observe and patrol, and by its very presence make visible the interest of the world community in the maintenance of tranquility. Also, we believe that members other than the permanent members of the Security Council can most usefully contribute personnel.

2. A small planning staff might be created within the Secretariat to develop standby plans for calling into being, deploying and supporting such a peace force.

3. The planning staff could develop concrete arrangements so that a United Nations decision to employ such a peace force could be promptly implemented.

4. The costs of the standby arrangements should be kept small and that should be possible if there is no force-in-being to be maintained.

These arrangements should make it possible to bring together on short notice a United Nations group to meet a need which has become evident over recent years. That would be an important bulwark of the pacific settlement objectives of the charter.

Just before the U.N. Assembly met, the Congress had made known its support of such an initiative by the adoption on August 22 of a concurrent resolution to the effect that:

It is the sense of Congress that consideration should immediately be given by the General Assembly of the United Nations to the development within its permanent structure of such organization and procedures as will enable the United Nations promptly to employ suitable United Nations forces for such purposes as observation and patrol in situations that threaten international peace and security.

The Senate Foreign Relations Committee Report No. 1884, 85th Congress on its resolution emphasized that:

The main objective of the committee in recommending the adoption of the resolution is to underline the urgency of continuing to work on the problem of devising a military type of force which will be helpful in achieving the objectives to which members of the United Nations have subscribed.

House Committee on Foreign Affairs Report, No. 2581, 85th Congress, stated that:

The resolution reflects the desire of the Congress that the United States delegation to the United Nations support action necessary to attain the desired objective * * *.

Spokesmen for the Department of State have repeatedly emphasized United States interests in the creation of a standby force for use in troubled areas. The Assistant Secretary of State for International Organizations Affairs, Francis O. Wilcox, outlined the longstanding policy of the United States of strengthening "the capacity of the United Nations to carry out its important responsibilities under the charter" in testimony before the House Foreign Affairs Committee on July 25, 1958.

The United States also has given, and continues to give, full support to the United Nations Emergency Force in the Middle East. At the time this force was created, Secretary Dulles told the General Assembly that both he and President Eisenhower shared the view that the Secretary-General should be authorized to make arrangements for a U.N. force large enough to keep the borders at peace while a political settlement was being worked out. As House Resolution 367 indicates, this force did make an important contribution to international peace and stability in the Middle East. The UNEF experience has shown clearly how, under certain circumstances, such a force can serve an extremely useful purpose. For many months the frontiers between Egypt and Israel have been free from the kind of hostile incursions which formerly troubled the area.

The Department of State shares the view of this committee that a similar force, established on a permanent basis, could be an important instrument for observing and reporting, and for assisting in the maintenance of international peace and security. You will have noted, in connection with the current Middle East crisis, that our Government supported the establishment of the United Nations observer group in Lebanon. We also presented a resolution to the Security Council on July 17 requesting that the Secretary-General consult member states with a view to making arrangements for additional measures, including contingents, to protect Lebanese integrity and independence and insure against illegal infiltration of personnel or arms into Lebanon. Unfortunately this resolution was vetoed by the Soviet Union.

I recall these examples, which I know are familiar to all of you, in order to emphasize the positive attitude of the U.S. Government toward the creation of United Nations forces in order to meet a variety of difficult situations. The State Department is also favorably inclined toward making more permanent arrangements for some type of U.N. force.

Not only have the Congress and the executive department gone on record repeatedly in favor of a U.N. force, but there are many indications of general public approval of such a force. I have certainly found this to be true in my district.

The American Institute of Public Opinion, directed by George Gallup, has frequently polled the public on its views regarding a U.N. force—with overwhelming support for such a force:

ONE HUNDRED THOUSAND STANDING ARMY FOR U.N. BACKED IN POLL—TWO OUT OF THREE IN SURVEY FAVOR FORCE SUFFICIENT TO PUT OUT BRUSH FIRE

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N.J., March 11.—American public opinion is solidly in favor of a standing United Nations army large enough to deal with any brush-fire wars around the globe.

Such a proposal, which some observers see as revolutionizing present military planning, is supported by two out of three adults questioned in the latest institute survey.

As regards the actual size of such a permanent U.N. emergency force, the vote is 2 to 1 that it should be increased to at least 100,000 men. The present U.N. emergency force serving along the Israeli-Egyptian border is considerably smaller in number.

SUPPORTED SINCE AIRLIFT

Actually, Americans have supported the general idea of such a force for 10 years now. It was in the spring of 1948—at the height of the Berlin airlift—that the institute first recorded a substantial international police force.

Observers claim that the establishment of such an international army might well mean a substantial reduction in the number of troops maintained by each nation at present—including the United States—to take care of such brush-fire conflicts as the Korean war.

In the most recent survey, the question was posed as follows:

"A proposal has been made to build up the United Nations emergency force to a size great enough to deal with brush-fire or small wars throughout the world. Does this sound like a good idea or a poor one to you?"

The vote was as follows: Good idea, 66 percent; poor idea, 15 percent, and no opinion, 19 percent.

The second question dealt with the size of such an international force:

"The present number of men in the U.N. emergency force is 10,000. Would you like to see it built into an army of at least 100,000 or more?"

The result was: Yes, 51 percent; no, 26 percent; and no opinion, 23 percent.

Although both proposals have the support of the rank-and-file members of both political parties, analysis reveals that they have somewhat more appeal to Democratic voters than to Republicans.

FOR PERMANENT FORCES

After 4 months of duty along the Israeli-Egyptian border by the emergency force, a survey in April of last year found the vote more than 2-to-1 that the U.N. should have its own permanent forces, including troops from the United States, which it could use to enforce U.N. decisions.

The present U.N. emergency force was proposed to the U.N. General Assembly by Canada's Lester B. Pearson who was awarded the Nobel Peace Prize in 1957.

Mr. Speaker, the people, the Congress, and the Executive have shown their support for a U.N. peace force. Its effectiveness has already been shown. I am sure that its effectiveness could be shown again in Berlin. With an interim stabilization of the area by the U.N., peace force negotiators will be better able to arrive at a general settlement in Western Europe that would alleviate tensions without destroying our interests in Western and Eastern Europe.

